UNITED STATES OF AMERICA

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 81st CONGRESS
SECOND SESSION

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United States of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 81st CONGRESS, SECOND SESSION

## SENATE

WEDNESDAY, JUNE 14, 1950

*(Legislative day of Wednesday, June 7, 1950)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father, again through sleep and darkness safely brought, restored to life and power and thought, we face a new day. Wilt Thou lift our duty above drudgery. Make us patient and considerate one with another in the fret and jar of human contacts, remembering that even in the glare of public gaze each fights a hard battle and walks a lonely way. Help us to make public life a pursuit of the best, and, casting aside all counsels of despair, press on with buoyant feet, firm in the faith that for ourselves, our Nation, and the world, the best is yet to be. Give us, O Master divine, a reverence for truth, a deep desire to think and speak and act truly, and a passion to hasten the day when the rule of justice and love shall engirdle the earth. We ask it in the dear Redeemer's name. Amen.

### THE JOURNAL

On request of Mr. GEORGE, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 13, 1950, was dispensed with.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 3181) to extend the Housing and Rent Act of 1947, as amended, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 7477) providing for the conveyance to the town of Nahant, Mass., of the Fort Ruckman Military Reservation; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DAWSON, Mr. BONNER, and Mr. RICH were appointed managers on the part of the House at the conference.

### ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 1769) to reimburse the Stebbins Construction Co., and it was signed by the Vice President.

### LEAVE OF ABSENCE

On request of Mr. GEORGE, and by unanimous consent, Mr. JOHNSTON of South Carolina was excused from attendance on the sessions of the Senate for an indefinite period.

### MEETING OF COMMITTEE DURING SENATE SESSION

On request of Mr. JOHNSON of Colorado, and by unanimous consent, the Committee on Interstate and Foreign Commerce was authorized to hold a hearing tomorrow at 2 o'clock, during the session of the Senate, for the purpose of considering nominations sent to the committee by the President.

### CALL OF THE ROLL

Mr. GEORGE. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hendrickson | Malone |
| Benton | Hickenlooper | Martin |
| Brewster | Hill | Maybank |
| Bricker | Hoey | Millikin |
| Bridges | Holland | Mundt |
| Butler | Humphrey | Murray |
| Byrd | Hunt | Neely |
| Cain | Ives | O'Mahoney |
| Capehart | Jenner | Pepper |
| Chapman | Johnson, Colo. | Robertson |
| Chavez | Kefauver | Russell |
| Cordon | Kem | Saltonstall |
| Darby | Kerr | Schoeppel |
| Donnell | Kilgore | Smith, Maine |
| Dworshak | Langer | Smith, N. J. |
| Eastland | Leahy | Sparkman |
| Ecton | Lehman | Stennis |
| Ellender | Lodge | Taft |
| Ferguson | Lucas | Thomas, Utah |
| Flanders | McCarran | Thye |
| Fulbright | McCarthy | Tydings |
| George | McClellan | Watkins |
| Gillette | McFarland | Wherry |
| Green | McKellar | Williams |
| Gurney | McMahon | Withers |
| Hayden | Magnuson | Young |

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Texas [Mr. CONNALLY] and the Senator from Delaware [Mr. FREAR] are absent on official business.

The Senator from Illinois [Mr. DOUGLAS], the Senator from North Carolina [Mr. GRAHAM], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from California [Mr. DOWNEY] and the Senator from Texas [Mr. JOHNSON] are absent because of illness.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from California [Mr. KNOWLAND] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

### SOCIAL SECURITY ACT AMENDMENTS OF 1950

The Senate resumed the consideration of the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes.

Mr. GEORGE. Mr. President, it would accommodate the committee in the consideration of the bill if Senators who have amendments to offer would, as soon as they can have them prepared, submit them to the Senate. If that is done, we will get a better idea of the length of time that may be required on the bill. I am merely making this as a suggestion.

Mr. LUCAS. Mr. President, before the Senator from Georgia takes his seat, I should like to advise him of a fact which he perhaps knows. The Senator from Colorado [Mr. MILLIKIN] advised me this morning that he was under the impression that the Senator from Georgia would leave for his home in Georgia today. I told him that was incorrect, that the Senator would probably leave tonight, that he would be present in the Senate today.

Mr. GEORGE. I shall be here today and tomorrow. I shall not leave until tomorrow night, and I shall be back Monday. I thought that if the debate went on through Friday I could ask some other members of the committee to look after the bill.

Mr. LUCAS. I desired to advise the Senator with respect to the conversation I had with the Senator from Colorado, who indicated that he would be willing today to enter into a unanimous-consent agreement to vote on the bill and all amendments starting on either Monday or Tuesday next.

Mr. GEORGE. We are working on the problem now with the distinguished junior Senator from Nebraska [Mr.

WHERRY], and we may have a proposal to make at a very early hour today.

Mr. LUCAS. I was not sure that the Senator had seen the Senator from Colorado; that was why I raised the question.

Mr. President, I desire to make a further statement.

The VICE PRESIDENT. The Senator from Illinois has the floor.

### LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, I wish to make a statement with respect to what happened yesterday before the Democratic policy committee, in order that all Senators may know in advance what the program will be.

The policy committee unanimously agreed that, following the disposition of H. R. 6000, the Senate would be asked to proceed to the consideration of House bill 6826, an act to provide for the common defense through the registration and classification of certain male persons, and for other purposes. It is the bill extending the draft, which has been reported favorably by the Committee on Armed Services.

I am not sure how long the consideration of that bill will take, but it will probably be 2 or 3 days. However, that measure will be the unfinished business following the disposition of the social-security bill.

It is my hope that by the time we dispose of the draft bill the Committee on Foreign Relations will have reported the bill dealing with the military-assistance program, and probably that bill will follow the disposition of the extension-of-the-draft measure.

I should also like to announce to the Senate that on the 10th day of July a motion will be made to proceed to the consideration of the Fair Employment Practice Commission bill. On the same day, in view of the fact that we had debate of about a week on the measure, we will also file a petition for cloture, which, under the rules of the Senate, will bring about a vote on cloture on Wednesday, July 12.

I trust that all Senators will make note of those two dates, especially the date of July 12, in order that they may be present, and we may get all the votes possible, with the hope that 64 affirmative votes may be recorded at that time on the motion for cloture.

### TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Does the Senator wish to have routine matters considered at this time?

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

### GALLUP-DURANGO HIGHWAY AND GALLUP-WINDOW ROCK HIGHWAY AT NAVAJO INDIAN RESERVATION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting a draft of proposed legislation to repeal certain legislation relating to the Gallup-Durango Highway and the Gallup-Window Rock Highway at the Navajo Indian Reservation, which, with the accompanying paper, was referred to the Committee on Interior and Insular Affairs.

### REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

S. 2484. A bill to authorize the United States Maritime Commission to provide war-risk and certain marine and liability insurance; with amendments (Rept. No. 1828);

S. 2786. A bill to amend the Merchant Marine Act, 1936, as amended, to further promote the development and maintenance of the American merchant marine, and for other purposes; with amendments (Rept. No. 1829);

S. 2801. A bill to give effect to the International Convention for the Northwest Atlantic Fisheries, signed at Washington under date of February 8, 1949, and for other purposes; with amendments (Rept. No. 1830);

S. 3109. A bill to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes; with amendments (Rept. No. 1831);

S. 3244. A bill to give effect to the certification of ships' cooks convention, 1946, adopted at the tweny-eighth (maritime) session of the International Labor Organization, held at Seattle, Wash., June 6–29, 1946; with amendments (Rept. No. 1832);

S. 3245. A bill to give effect to the medical examination (seafarers) convention, 1946, adopted at the twenty-eighth (maritime) session of the International Labor Organization, held at Seattle, Wash., June 6–29, 1946; without amendment (Rept. No. 1833);

S. 3246. A bill to give effect to the food and catering (ships' crews) convention, 1946, adopted at the twenty-eighth (maritime) session of the International Labor Organization, held at Seattle, Wash., June 6–29, 1946; with amendments (Rept. No. 1834); and

S. 3687. A bill to require the armed services to utilize private American shipping services for the overseas transportation of commodities and civilian personnel; with amendments (Rept. No. 1835).

### ADDITIONAL REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES RELATING TO PERSONNEL AND PAY

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit an additional report on civilian employment in the executive branch of the Federal Government for the month of April 1950, and in accordance with the practice of several years' standing, I request that it be printed in the body of the RECORD as a part of my remarks, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN THE EXECUTIVE BRANCH, MARCH-APRIL 1950, AND PAY, FEBRUARY-MARCH 1950

NOTE WITH REFERENCE TO PERSONAL SERVICE EXPENDITURE FIGURES

It should be noted that the latest expenditure figures for personal service shown in table I of this report are for the month of March and that they are compared with personal service expenditure figures for the month of February, whereas the latest employment figures covered in this report are for the month of April and are compared with the month of March. This lag in personal service expenditure figures is necessary in order that actual expenditures may be reported.

(Figures in the following report are compiled from signed official personnel reports by the various agencies and departments of the Federal Government. Table I shows total personnel employed inside and outside continental United States, and pay, by agency. Table II shows personnel employed inside continental United States. Table III shows personnel employed outside continental United States. Table IV gives by agency the industrial workers employed by the Federal Government. For purposes of comparison figures for the previous month are shown in adjoining columns.)

PERSONNEL AND PAY SUMMARY

(See table I)

According to monthly personnel reports for April 1950 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures:

| Agency | Civilian personnel in executive branch | | | Payroll (in thousands of dollars) in executive branch | | |
|---|---|---|---|---|---|---|
| | In April numbered | In March numbered | Increase (+) or decrease (−) | In March was— | In February was— | Increase (+) or decrease (−) |
| Total | 2,093,312 | 2,091,895 | +1,417 | $572,511 | $510,174 | +$62,337 |
| 1. Agencies exclusive of National Military Establishment [1] | 1,348,293 | 1,349,054 | −761 | 355,173 | 319,358 | +35,815 |
| 2. National Military Establishment | 745,019 | 742,841 | +2,178 | 217,338 | 190,816 | +26,522 |
| Within the National Military Establishment: | | | | | | |
| Office of the Secretary of Defense | 1,755 | 1,755 | ---------- | 748 | 636 | +112 |
| Department of the Army | 300,359 | 298,351 | +2,008 | 81,993 | 76,560 | +5,433 |
| Department of the Air Force | 150,803 | 149,586 | +1,217 | 41,531 | 36,971 | +4,560 |
| Department of the Navy | 292,102 | 293,149 | −1,047 | 93,066 | 76,649 | +16,417 |

[1] Includes Department of Commerce employees (enumerators, supervisors, and clerks) engaged in taking the Seventeenth Decennial Census as follows: March, 145,055; April, 147,264.

Table I breaks down the above figures on employment and pay by agency.

Tables II, III, and IV break down the above employment figures to show the number inside continental United States, outside continental United States, and the number in the so-called industrial categories. This further break-down in tables II, III, and IV does not include pay figures because payroll reports submitted to the committee by some agencies are inadequate for this purpose.

MUTUAL DEFENSE ASSISTANCE PROGRAM

Table V shows personnel counted in tables I, II, III, and IV who are assigned to the mutual defense assistance program by the State Department, Economic Cooperation Administration, and the component units of the National Military Establishment together with their pay.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during April 1950, and comparison with March 1950; and pay for March 1950 and comparison with February 1950*

| Department or agency | Pay (in thousands of dollars) | | | | Personnel | | | |
|---|---|---|---|---|---|---|---|---|
| | February | March | Increase | Decrease | March | April | Increase | Decrease |
| Executive departments (except National Military Establishment): | | | | | | | | |
| Agriculture | $19,058 | $21,753 | $2,695 | | 75,431 | 77,559 | 2,128 | |
| Commerce [1] | 14,046 | 21,083 | 7,037 | | 189,215 | 190,747 | 1,532 | |
| Interior | 14,848 | 16,749 | 1,901 | | 56,285 | 58,206 | 1,921 | |
| Justice | 8,837 | 10,047 | 1,210 | | 26,203 | 26,185 | | 18 |
| Labor | 1,734 | 1,986 | 252 | | 5,516 | 5,326 | | 190 |
| Post Office | 131,085 | 133,461 | 2,376 | | 512,745 | 510,727 | | 2,018 |
| State | 6,859 | 7,764 | 905 | | 24,394 | 24,319 | | 75 |
| Treasury | 26,142 | 30,495 | 4,353 | | 91,415 | 90,573 | | 842 |
| Executive Office of the President: | | | | | | | | |
| White House Office | 107 | 125 | 18 | | 261 | 274 | 13 | |
| Bureau of the Budget | 237 | 272 | 35 | | 542 | 539 | | 3 |
| Executive Mansion and Grounds | 16 | 17 | 1 | | 64 | 70 | 6 | |
| National Security Council [2] | 9 | 9 | | | 17 | 17 | | |
| National Security Resources Board | 141 | 160 | 19 | | 304 | 308 | 4 | |
| Council of Economic Advisers | 18 | 20 | 2 | | 32 | 31 | | 1 |
| Commission on Renovation of the Executive Mansion | 2 | 2 | | | 5 | 5 | | |
| Postwar agencies: | | | | | | | | |
| Displaced Persons Commission | 101 | 98 | | $3 | 255 | 255 | | |
| Economic Cooperation Administration | 1,580 | 1,556 | | 24 | 4,513 | 4,626 | 113 | |
| Motor Carrier Claims Commission | [3] 9 | 11 | 2 | | 18 | 20 | 2 | |
| Office of the Housing Expediter | 1,360 | 1,466 | 106 | | 4,096 | 3,946 | | 150 |
| Philippine Alien Property Administration | 9 | 10 | 1 | | 80 | 79 | | 1 |
| Philippine War Damage Commission | 210 | 254 | 44 | | 738 | 707 | | 31 |
| War Claims Commission | 21 | 21 | | | 54 | 54 | | |
| Independent agencies: | | | | | | | | |
| American Battle Monuments Commission | 44 | 50 | 6 | | 418 | 431 | 13 | |
| Atomic Energy Commission | 1,685 | 2,025 | 340 | | 4,948 | 4,967 | 19 | |
| Civil Aeronautics Board | 244 | 281 | 37 | | 635 | 636 | 1 | |
| Civil Service Commission | 1,101 | 1,267 | 166 | | 3,637 | 3,611 | | 26 |
| Export-Import Bank of Washington | 58 | 61 | 3 | | 126 | 127 | 1 | |
| Federal Communications Commission | 473 | 549 | 76 | | 1,302 | 1,294 | | 8 |
| Federal Deposit Insurance Corporation | 366 | 417 | 51 | | 1,071 | 1,074 | 3 | |
| Federal Mediation and Conciliation Service | 176 | 207 | 31 | | 344 | 337 | | 7 |
| Federal Power Commission | 289 | 324 | 35 | | 727 | 725 | | 2 |
| Federal Security Agency [4] | 8,808 | 10,109 | 1,301 | | 34,315 | 34,406 | 91 | |
| Federal Trade Commission [4] | 267 | 309 | 42 | | 639 | 635 | | 4 |
| General Accounting Office | 2,587 | 2,674 | 387 | | 8,490 | 8,400 | | 90 |
| General Services Administration | 5,874 | 6,865 | 991 | | 22,781 | 22,567 | | 214 |
| Government Printing Office | 2,218 | 2,605 | 387 | | 7,073 | 7,066 | | 7 |
| Housing and Home Finance | [5] 4,109 | 4,509 | 400 | | 12,816 | 13,019 | 203 | |
| Indian Claims Commission | 6 | 7 | 1 | | 10 | 10 | | |
| Interstate Commerce Commission | 783 | 898 | 115 | | 2,133 | 2,145 | 12 | |
| Maritime Commission [6] | 1,589 | 2,029 | 440 | | 5,309 | 5,093 | | 216 |
| National Advisory Committee for Aeronautics | 2,230 | 2,565 | 335 | | 7,532 | 7,479 | | 53 |
| National Capital Housing Authority | 77 | 89 | 12 | | 318 | 316 | | 2 |
| National Capital Park and Planning Commission | 2 | 2 | | | 18 | 19 | 1 | |
| National Capital Sesquicentennial Commission | 6 | 14 | 8 | | 28 | 35 | 7 | |
| National Gallery of Art | 76 | 89 | 13 | | 321 | 318 | | 3 |
| National Labor Relations Board | 541 | 590 | 58 | | 1,606 | 1,552 | | 54 |
| National Mediation Board | 48 | 67 | 19 | | 125 | 116 | | 9 |
| Panama Canal | 3,170 | 3,203 | 33 | | 20,960 | 20,853 | | 107 |
| Railroad Retirement Board | 669 | 763 | 94 | | 2,413 | 2,357 | | 56 |
| Reconstruction Finance Corporation | 1,685 | 1,865 | 180 | | 4,570 | 4,639 | 69 | |
| Securities and Exchange Commission | 412 | 474 | 62 | | 1,023 | 1,016 | | 7 |
| Selective Service System | 433 | 489 | 56 | | 3,457 | 3,440 | | 17 |
| Smithsonian Institution | 158 | 184 | 26 | | 564 | 565 | 1 | |
| Tariff Commission | 94 | 108 | 14 | | 226 | 227 | 1 | |
| Tax Court of the United States | 55 | 74 | 19 | | 126 | 125 | | 1 |
| Tennessee Valley Authority | 3,572 | 4,112 | 540 | | 12,535 | 13,093 | 558 | |
| Veterans' Administration | 49,024 | 57,631 | 8,607 | | 194,275 | 191,027 | | 3,248 |
| Total, exclusive of National Military Establishment | 319,358 | 355,173 | 35,842 | 27 | 1,349,054 | 1,348,293 | 6,699 | 7,460 |
| Net change, excluding National Military Establishment | | | 35,815 | | | | 761 | |
| National Military Establishment: Office of the Secretary of Defense [6] | $636 | $748 | $112 | | 1,755 | 1,755 | | |
| Department of the Army: | | | | | | | | |
| Inside continental United States | 66,960 | 71,645 | 4,685 | | 256,667 | 259,258 | 2,591 | |
| Outside continental United States | 9,600 | 10,348 | 748 | | 41,684 | 41,101 | | 583 |
| Department of the Air Force: | | | | | | | | |
| Inside continental United States | 32,891 | 37,048 | 4,157 | | 126,570 | 126,930 | 360 | |
| Outside continental United States | 4,080 | 4,483 | 403 | | 23,016 | 23,873 | 857 | |
| Department of the Navy: | | | | | | | | |
| Inside continental United States | 71,273 | 86,520 | 15,247 | | 267,648 | 266,659 | | 989 |
| Outside continental United States | 5,376 | 6,546 | 1,170 | | 25,501 | 25,443 | | 58 |
| Total, National Military Establishment | 190,816 | 217,338 | 26,522 | | 742,841 | 745,019 | 3,808 | 1,630 |
| Net increase, National Military Establishment | | | 26,522 | | | | 2,178 | |
| Grand total, including National Military Establishment | 510,174 | 572,511 | 62,364 | $27 | 2,091,895 | 2,093,312 | 10,507 | 9,090 |
| Net increase, including National Military Establishment | | | 62,337 | | | | 1,417 | |

[1] Includes temporary employees (enumerators, supervisors, and clerks) engaged in taking the Seventeenth Decennial Census as follows: March, 145,055; April, 147,264; gross increase 2,209; net increase 1,532.
[2] Exclusive of personnel and pay of the Central Intelligence Agency.
[3] Revised on basis of later information.
[4] Includes personnel and pay for Howard University and the Columbia Institute for the Deaf.
[5] Exclusive of 60 seamen and 2,041 seamen trainees on the rolls of the Maritime Commission and their pay.
[6] Includes 14 employees assigned to North Atlantic Treaty Organization and 181 employees assigned to Munitions Board, Cataloging Agency.

TABLE II.—*Federal personnel inside continental United States employed by executive agencies during April 1950 and comparison with March 1950*

| Department or agency | March | April | Increase | Decrease |
|---|---|---|---|---|
| Executive departments (except National Military Establishment): | | | | |
| Agriculture | 72,775 | 74,861 | 2,086 | |
| Commerce [1] | 182,703 | 184,551 | 1,848 | |
| Interior | 50,635 | 52,185 | 1,550 | |
| Justice | 25,734 | 25,712 | | 22 |
| Labor | 5,435 | 5,244 | | 191 |
| Post Office | 510,847 | 508,826 | | 2,021 |
| State | 8,567 | 8,609 | 42 | |
| Treasury | 90,651 | 89,801 | | 850 |
| Executive Office of the President: | | | | |
| White House Office | 261 | 274 | 13 | |
| Bureau of the Budget | 542 | 539 | | 3 |
| Executive Mansion and Grounds | 64 | 70 | 6 | |
| National Security Council [2] | 17 | 17 | | |
| National Security Resources Board | 304 | 308 | 4 | |
| Council of Economic Advisers | 32 | 31 | | 1 |
| Commission on Renovation of the Executive Mansion | 5 | 5 | | |
| Postwar agencies: | | | | |
| Displaced Persons Commission | 90 | 89 | | 1 |
| Economic Cooperation Administration | 1,137 | 1,121 | | 16 |
| Motor Carrier Claims Commission | 18 | 20 | 2 | |
| Office of the Housing Expediter | 4,071 | 3,923 | | 148 |
| Philippine Alien Property Administration | 2 | 2 | | |
| Philippine War Damage Commission | 6 | 6 | | |
| War Claims Commission | 54 | 54 | | |
| Independent agencies: | | | | |
| American Battle Monuments Commission | 15 | 15 | | |
| Atomic Energy Commission | 4,944 | 4,963 | 19 | |
| Civil Aeronautics Board | 619 | 620 | 1 | |
| Civil Service Commission | 3,632 | 3,606 | | 26 |
| Export-Import Bank of Washington | 125 | 126 | 1 | |
| Federal Communications Commission | 1,276 | 1,269 | | 7 |
| Federal Deposit Insurance Corporation | 1,071 | 1,074 | 3 | |
| Federal Mediation and Conciliation Service | 344 | 337 | | 7 |
| Federal Power Commission | 727 | 725 | | 2 |
| Federal Security Agency [3] | 33,821 | 33,984 | 163 | |
| Federal Trade Commission | 639 | 635 | | 4 |
| General Accounting Office | 8,490 | 8,400 | | 90 |
| General Services Administration | 22,742 | 22,531 | | 211 |
| Government Printing Office | 7,073 | 7,066 | | 7 |
| Housing and Home Finance | 12,764 | 12,964 | 200 | |
| Indian Claims Commission | 10 | 10 | | |
| Independent agencies—Continued | | | | |
| Interstate Commerce Commission | 2,133 | 2,145 | 12 | |
| Maritime Commission [4] | 5,294 | 5,085 | | 209 |
| National Advisory Committee for Aeronautics | 7,530 | 7,477 | | 53 |
| National Capital Housing Authority | 318 | 316 | | 2 |
| National Capital Park and Planning Commission | 18 | 19 | 1 | |
| National Capital Sesquicentennial Commission | 28 | 35 | 7 | |
| National Gallery of Art | 321 | 318 | | 3 |
| National Labor Relations Board | 1,592 | 1,537 | | 55 |
| National Mediation Board | 125 | 116 | | 9 |
| Panama Canal | 620 | 621 | 1 | |
| Railroad Retirement Board | 2,413 | 2,357 | | 56 |
| Reconstruction Finance Corporation | 4,558 | 4,625 | 67 | |
| Securities and Exchange Commission | 1,023 | 1,016 | | 7 |
| Selective Service System | 3,376 | 3,358 | | 18 |
| Smithsonian Institution | 559 | 559 | | |
| Tariff Commission | 226 | 227 | 1 | |
| Tax Court of the United States | 126 | 125 | | 1 |
| Tennessee Valley Authority | 12,535 | 12,093 | 558 | |
| Veterans' Administration | 192,647 | 189,438 | | 3,209 |
| Total, exclusive of National Military Establishment | 1,287,684 | 1,287,040 | 6,585 | 7,229 |
| Net decrease, excluding National Military Establishment | | | 644 | |
| National Military Establishment: | | | | |
| Office of the Secretary of Defense | 1,741 | 1,755 | 14 | |
| Department of the Army | 256,667 | 259,258 | 2,591 | |
| Department of the Air Force | 126,570 | 126,930 | 360 | |
| Department of the Navy | 267,648 | 266,659 | | 989 |
| Total National Military Establishment | 652,626 | 654,602 | 2,965 | 989 |
| Net increase, National Military Establishment | | | 1,976 | |
| Grand total including National Military Establishment | 1,940,310 | 1,941,642 | 9,550 | 8,218 |
| Net increase, including National Military Establishment | | | 1,332 | |

[1] Includes temporary employees (enumerators, supervisors, and clerks) engaged in taking the Seventeenth Decennial Census as follows: March, 142,859; April, 144,990; gross increase, 2,131 (net departmental increase, 1,848).
[2] Exclusive of personnel of the Central Intelligence Agency.
[3] Includes personnel for Howard University and the Columbia Institute for the Deaf.
[4] Exclusive of 60 seamen and 2,041 seamen trainees on the rolls of the Maritime Commission.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during April 1950 and comparison with March 1950*

| Department or agency | March | April | Increase | Decrease |
|---|---|---|---|---|
| Executive departments (except National Military Establishment): | | | | |
| Agriculture | 2,656 | 2,698 | 42 | |
| Commerce [1] | 6,512 | 6,196 | | 316 |
| Interior | 5,650 | 6,021 | 371 | |
| Justice | 469 | 473 | 4 | |
| Labor | 81 | 82 | 1 | |
| Post Office | 1,898 | 1,901 | 3 | |
| State | 15,827 | 15,710 | | 117 |
| Treasury | 764 | 772 | 8 | |
| Postwar agencies: | | | | |
| Displaced Persons Commission | 165 | 166 | 1 | |
| Economic Cooperation Administration | 3,376 | 3,505 | 129 | |
| Office of the Housing Expediter | 25 | 23 | | 2 |
| Philippine Alien Property Administration | 78 | 77 | | 1 |
| Philippine War Damage Commission | 732 | 701 | | 31 |
| Independent agencies: | | | | |
| American Battle Monuments Commission | 403 | 415 | 13 | |
| Atomic Energy Commission | 4 | 4 | | |
| Civil Aeronautics Board | 16 | 16 | | |
| Civil Service Commission | 5 | 5 | | |
| Export-Import Bank of Washington | 1 | 1 | | |
| Federal Communications Commission | 26 | 25 | | 1 |
| Federal Security Agency | 494 | 422 | | 72 |
| General Services Administration | 39 | 36 | | 3 |
| Housing and Home Finance Agency | 52 | 55 | 3 | |
| Maritime Commission | 15 | 8 | | 7 |
| National Advisory Committee for Aeronautics | 2 | 2 | | |
| Independent agencies—Continued | | | | |
| National Labor Relations Board | 14 | 15 | 1 | |
| Panama Canal | 20,340 | 20,232 | | 108 |
| Reconstruction Finance Corporation | 12 | 14 | 2 | |
| Selective Service System | 81 | 82 | 1 | |
| Smithsonian Institution | 5 | 6 | 1 | |
| Veterans' Administration | 1,628 | 1,589 | | 39 |
| Total, excluding National Military Establishment | 61,370 | 61,253 | 580 | 697 |
| Net decrease, excluding National Military Establishment | | | 117 | |
| National Military Establishment: | | | | |
| Office of the Secretary of Defense | 14 | [2] 0 | | 14 |
| Department of the Army | 41,684 | 41,101 | | 583 |
| Department of the Air Force | 23,016 | 23,873 | 857 | |
| Department of the Navy | 25,501 | 25,443 | | 58 |
| Total, National Military Establishment | 90,215 | 90,417 | 857 | 655 |
| Net increase, National Military Establishment | | | 202 | |
| Grand total, including National Military Establishment | 151,585 | 151,670 | 1,437 | 1,352 |
| Net increase, including National Military Establishment | | | 85 | |

[1] Includes temporary employees (enumerators, supervisors, and clerks) engaged in taking the Seventeenth Decennial Census as follows: Mar. 2, 196; Apr. 2, 274; gross increase 78 (net departmental decrease 316).
[2] Transferred to Navy Department.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by executive agencies during April 1950 and comparison with March 1950*

| Department or agency | March | April | Increase | Decrease |
|---|---|---|---|---|
| Executive departments (except National Military Establishment): | | | | |
| Commerce | 1,177 | 1,350 | 173 | |
| Interior | 4,913 | 5,717 | 804 | |
| State | 561 | 548 | | 13 |
| Treasury | 7,858 | 7,965 | 107 | |
| Independent agencies: | | | | |
| Atomic Energy Commission | 139 | 140 | 1 | |
| General Services Administration | 150 | 94 | | 56 |
| Housing and Home Finance Agency | 19 | 21 | 2 | |
| Panama Canal | 1,728 | 1,640 | | 88 |
| Smithsonian Institution | 8 | 8 | | |
| Tennessee Valley Authority | 6,308 | 6,844 | 536 | |
| Total, excluding National Military Establishment | 22,861 | 24,327 | 1,623 | 157 |
| Net increase, excluding National Military Establishment | | | 1,466 | |
| National Military Establishment: | | | | |
| Department of the Army: | | | | |
| Inside continental United States | 126,586 | 129,165 | 2,579 | |
| Outside continental United States | 23,940 | 23,404 | | 536 |
| Department of the Air Force: | | | | |
| Inside continental United States | 70,535 | 71,045 | 510 | |
| Outside continental United States | 18,473 | 18,016 | | 457 |
| Department of the Navy: | | | | |
| Inside continental United States | 175,084 | 174,125 | | 959 |
| Outside continental United States | 18,472 | 18,488 | 16 | |
| Total, National Military Establishment | 433,090 | 434,243 | 3,105 | 1,952 |
| Net increase, National Military Establishment | | | 1,153 | |
| Grand total, including National Military Establishment | 455,951 | 458,570 | 4,728 | 2,109 |
| Net increase, including National Military Establishment | | | 2,619 | |

TABLE V.—*Federal employees assigned to mutual defense assistance program*

| Department or agency | Civilian personnel | | | Payroll (in thousands) | | |
|---|---|---|---|---|---|---|
| | In April numbered | In March numbered | Increase (+) or decrease (−) | In March was— | In February was— | Increase (+) or decrease (−) |
| Total | 9,567 | 5,864 | +3,703 | $1,649 | $1,249 | $400 |
| State Department | 120 | 70 | +50 | 43 | 31 | +12 |
| Economic Cooperation Administration | 12 | 13 | −1 | 7 | 7 | |
| Office of the Secretary of Defense | 35 | 35 | | 11 | 11 | |
| Department of the Army | 6,601 | 4,412 | +2,189 | 1,268 | 984 | +284 |
| Department of the Air Force | 632 | 598 | +34 | 203 | 163 | +40 |
| Department of the Navy | 2,167 | 736 | +1,431 | 117 | 53 | +64 |

STATEMENT BY SENATOR BYRD

Federal civilian employment in the executive branch during the month of April totaled 2,093,312. The increase was 1,417 over the March total of 2,091,895.

Seasonal increases were reported by the Departments of Agriculture and Interior, and there was another substantial increase in the Department of Commerce, chiefly in the Bureau of the Census. Personnel assigned to the mutual defense assistance program continued to increase, and employment by the Housing and Home Finance Agency was up again for the ninth consecutive month.

Two significant decreases were reported during April; one was the second consecutive monthly drop by the Post Office Department, and the other was the second consecutive reduction by the Veterans' Administration.

Civilian personnel assigned to the MDAP in April totaled 9,567, an increase of 3,703 over March. To date employees have been assigned to MDAP as follows: 6,601 from the Army, 2,167 from the Navy, 632 from the Air Force, 120 by the State Department, 35 by the Office of the Secretary of Defense, and 12 by the Economic Cooperation Administration.

The Housing and Home Finance Agency employment increased 203 during April, continuing its steady increase for nine consecutive months since last July. The increase was 25 in August, 101 in September, 245 in October, 259 in November, 232 in December, 263 in January, 197 in February, and 237 in March—a 9-month increase of 1,762. April employment by the Agency totaled 13,019.

After reaching an all-time peak of 513,192 in February, following 11 successive monthly increases totaling 14,856, the Post Office Department now has reported decreases for two consecutive months totaling 3,165. Post Office employment in April was 510,727. Most of these reductions were made prior to the effective date of the Postmaster General's order curtailing mail deliveries.

April was the second consecutive month in which the Veterans' Administration reported decreases. Since reaching a total of 196,436 in February, Veterans' Administration personnel has been reduced by a total of 5,409—2,161 in March and 3,248 in April. This decrease has been due largely to the fact that the peak requirement of the veterans' insurance refund program has been passed. The Administration's employment in April was 191,027.

These observations on Federal civilian employment are based on signed monthly reports by executive agencies compiled today by the Joint Committee on Reduction of Nonessential Federal Expenditures.

## ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 14, 1950, he presented to the President of the United States the enrolled bill (S. 1769) to reimburse the Stebbins Construction Co.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FLANDERS:

S. 3758. A bill to provide that, in the application of reduction-in-force regulations promulgated under section 12 of the Veterans' Preference Act of 1944 to positions of locomotive engineer, service performed in other civilian positions shall be disregarded; to the Committee on Post Office and Civil Service.

By Mr. IVES:

S. 3759. A bill to provide for the admission to the United States of an additional number of aliens of Italian nationality; and

S. 3760. A bill for the relief of Ibrahim Moise Chammah; to the Committee on the Judiciary.

By Mr. LODGE:

S. 3761. A bill to exempt the personal property of certain veterans' organizations from the District of Columbia personal property tax; to the Committee on the District of Columbia.

S. 3762. A bill to amend the act of August 1, 1949, relating to the lending of certain property to national veterans' organizations by the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force; to the Committee on Armed Services.

S. 3763. A bill to authorize the printing as separate House documents of the proceedings of the national conventions or national encampments of certain additional veterans' organizations; to the Committee on Rules and Administration.

By Mr. TYDINGS:

S. 3764. A bill to permit the appointment to the position of senior specialist in the Legislative Reference Service of retired officers of the armed services without loss of pensions and other benefits, and for other purposes; to the Committee on Armed Services.

S. 3765. A bill to amend chapter 61 (relating to lotteries) of title 18, United States Code, to make clear that such chapter does not apply to contests wherein prizes are awarded for the specie, size, weight, or quality of fish caught by the contestant; to the Committee on the Judiciary.

By Mr. LEHMAN:

S. 3766. A bill for the relief of Mrs. Stanislawa Kilawska; to the Committee on the Judiciary.

By Mr. PEPPER:

S. 3767. A bill for the relief of Israel Ratsprecher and Maryse Ratsprecher; to the Committee on the Judiciary.

S. 3768. A bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. GURNEY:

S. 3769. A bill authorizing the issuance of a patent in fee to Leona Ann Leighton Grablander; to the Committee on Interior and Insular Affairs.

By Mr. LODGE:

S. 3770. A bill to amend section 705 of title 18 of the United States Code relating to unauthorized reproduction of badges and medals of veterans' organizations; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 3771. A bill to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. HOEY:

S. 3772. A bill for the relief of Chiyako Ozama; to the Committee on the Judiciary.

## INVESTIGATION OF TERMINATION OF EMPLOYMENT IN BOSTON POSTAL DISTRICT OF CERTAIN TEMPORARY WAR VETERANS

Mr. LODGE submitted the following resolution (S. Res. 297), which was referred to the Committee on Post Office and Civil Service:

*Resolved*, That the Senate Committee on Post Office and Civil Service, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of the termination of employment in the Boston postal district of some 600 disabled veterans of World War II classed as "continuous temporary," who had entered employment as clerks, carriers, and mail handlers after passing a civil-service examination, had established a service-connected disability of 10 percent or more, and had performed the regular work of said postal district for periods of 3 and 4 years under such classification up to April 10, 1950, including but not limited to—

(1) the extent to which authorized persons had promised these "continuous temporaries" permanent employment and a civil-service status;

(2) the extent to which civil-service laws and regulations have been violated or evaded in the termination of their employment; and

(3) the extent to which civil-service laws and regulations have been violated or evaded by the practice of the Boston postal district in keeping a large portion of the necessary work force on a temporary basis for a period of years rather than setting up the positions on a permanent basis as required by the normal workload.

SEC. 2. The committee shall report its findings, together with such recommendations as it may deem advisable, to the Senate at the earliest practicable date.

SEC. 3. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

## CONSTRUCTION OF CERTAIN VETERANS' ADMINISTRATION HOSPITALS—AMENDMENT

Mr. IVES submitted an amendment intended to be proposed by him to the bill (H. R. 5965) to provide for the construction of certain Veterans' Administration hospitals, and for other purposes, which was referred to the Committee on Labor and Public Welfare and ordered to be printed.

## AMENDMENT OF FEDERAL-AID ROAD ACT—AMENDMENTS

Mr. MAYBANK submitted amendments intended to be proposed by him to the bill (S. 3424) to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, which were referred to the Committee on Public Works and ordered to be printed.

## SOCIAL SECURITY ACT AMENDMENTS OF 1950—AMENDMENTS

Mr. LEHMAN (for himself, Mr. MURRAY, and Mr. DOUGLAS) submitted amendments intended to be proposed by them, jointly, to the bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child-welfare provisions of the Social Security Act, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. LEHMAN (for himself and Mr. MURRAY) submitted amendments intended to be proposed by them, jointly, to House bill 6000, supra, which were ordered to lie on the table and to be printed.

Mr. LEHMAN (for himself, Mr. MURRAY, and Mr. HUMPHREY) submitted an amendment intended to be proposed by them, jointly, to House bill 6000, supra, which was ordered to lie on the table and to be printed.

Mr. LEHMAN (for himself, Mr. MURRAY, Mr. HUMPHREY, and Mr. DOUGLAS) submitted amendments intended to be proposed by them, jointly, to House bill 6000, supra, which were ordered to lie on the table and to be printed.

## ADDRESS BY SENATOR BENTON AT UNESCO GENERAL CONFERENCE AT FLORENCE, ITALY

[Mr. FLANDERS asked and obtained leave to have printed in the RECORD an address delivered by Senator BENTON at the fifth session of the General Conference of UNESCO, at Florence, Italy, on June 6, 1950, which appears in the Appendix.]

## CITATION BY THE UNIVERSITY OF WYOMING ON THE OCCASION OF THE PRESENTATION TO SENATOR HUNT OF AN HONORARY DOCTOR OF LAWS DEGREE

[Mr. SCHOEPPEL asked and obtained leave to have printed in the RECORD the citation by the University of Wyoming on the occasion of the presentation to Senator HUNT of an honorary doctor of laws degree, which appears in the Appendix.]

## PLIGHT OF THE DAIRY FARMERS—LETTER FROM CARL K. PETERS

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a letter received by him from Carl K. Peters, president of the St. Lawrence County unit of the Farmers' Union, which appears in the Appendix.]

## THE GOVERNMENT POTATO PROGRAM—LETTER FROM THE POTATO GROWERS OF WISCONSIN, INC.

[Mr. McCARTHY asked and obtained leave to have printed in the RECORD a letter received by him from the Potato Growers of Wisconsin, Inc., which appears in the Appendix.]

## IN BEHALF OF SENATOR McCARTHY—EDITORIAL FROM THE BRIDGEPORT POST

[Mr. McCARTHY asked and obtained leave to have printed in the RECORD a editorial entitled "In Behalf of Senator McCARTHY," published in the Bridgeport Post for June 7, 1950, which appears in the Appendix.]

## A COMMITTEEMAN WRITES ABOUT PMA

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "A Committeeman Writes About PMA," written by Miles A. Nelson, county committeeman, Itasca County, Minn., and published in the Farmer's Union Herald of June 5, 1950, which appears in the Appendix.]

## THE CRITICAL FARM SITUATION IN WISCONSIN

[In accordance with the authority granted Mr. WILEY on June 2, 1950 (CONGRESSIONAL RECORD, p. 7980), there was submitted for Mr. WILEY today a statement prepared by him on the critical farm situation in Wisconsin, which appears in the Appendix.]

## LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. LEHMAN was excused from attendance on the session of the Senate for the remainder of the day in order to go to New York to address a gathering this evening.

On his own request, and by unanimous consent, Mr. WILLIAMS was excused from attendance on the sessions of the Senate for the remainder of today and tomorrow, in order to attend the Del-Mar-Va chicken festival.

Mr. DARBY. Mr. President, it is necessary for me to get some information relative to the raising of chickens in Kansas, by going to Delaware tomorrow to attend the Del-Mar-Va chicken festival. I ask unanimous consent to be absent for that purpose.

Mr. LUCAS. Mr. President, reserving the right to object, will the request be repeated, please?

The VICE PRESIDENT. The Senator from Kansas has said that it is necessary for him to attend the chicken festival in Delaware tomorrow, in order to obtain some information for the chicken raisers in Kansas.

Mr. LUCAS. Then I have no objection.

The VICE PRESIDENT. Without objection, leave is granted.

On his own request, and by unanimous consent, Mr. LANGER was excused from attendance on the sessions of the Senate from Thursday, June 15 until Tuesday, June 27.

## CERTAIN BENEFITS TO ANNUITANTS WHO RETIRED PRIOR TO APRIL 1, 1948

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. NEELY. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

Mr. WHERRY. Do I correctly understand that the Senator from West Virginia moved that the Senate insist upon its amendments?

Mr. NEELY. That is correct.

The VICE PRESIDENT. The question is on the motion of the Senator from West Virginia.

The motion was agreed to; and the Vice President appointed Mr. HUMPHREY, Mr. FREAR, and Mr. LANGER conferees on the part of the Senate.

### MARINE INSURANCE IN THE ECA PROGRAM

Mr. McCARRAN. Mr. President, I hope I may have the attention of the Senate while I discuss and ask to have inserted in the RECORD certain matters coming from the so-called watch-dog committee of the House and Senate. I shall require about 2½ minutes to present each of two matters for the RECORD, if I may have unanimous consent to occupy that time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCARRAN. Mr. President, since the beginning of the ECA program the matter of marine insurance in the program has been one of considerable concern to the industry of this country. In the early days of the program, ECA provided funds to cover marine insurance on shipments abroad. Some months later the Administrator changed this policy and announced that he would no longer allocate dollars for the payment of marine-insurance premiums. Many protests were raised by the industry, and these protests were forcibly called to the attention of the Joint Committee on Foreign Economic Cooperation. The staff of the joint committee made a study of the matter and prepared a report on the situation last year. After this report was prepared, the Joint Committee on Foreign Economic Cooperation held hearings at which members of the insurance industry and officials of the ECA appeared and testified with respect to the ECA policy.

As a result of these hearings and the studies made by the staff of the joint committee, I submitted an amendment to the ECA extension authorization last year which was adopted by the Senate and finally passed the Congress in a revised form. This amendment provided that the ECA Administrator should provide dollar funds for the payment of insurance premiums on commodities purchased in the United States where such insurance was placed on a competitive basis in accordance with normal trade practices prevailing prior to the outbreak of World War II.

Subsequent to the passage of this legislation, the ECA issued a revised regulation which was supposed to give effect to the change in the law. I do not think the regulation gave full implementation to the intent of Congress in enacting the amendment to which I have referred. On July 18 of last year I wrote the Administrator of the ECA, pointing out my objection to the revised amendment issued by the ECA and he replied under date of July 26 in a letter which I do not consider satisfactory. Since that time, I continue to receive, as chairman of the Joint Committee on Foreign Economic Cooperation, protests from the insurance industry pointing out the fact that the American industry is being discriminated against in the countries we are furnishing aid under the ECA program.

Mr. President, I ask unanimous consent to have the report to which I have referred, as well as the exchange of letters between myself and Mr. Hoffman, printed in the RECORD as a part of my remarks.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

### MARINE INSURANCE IN THE ECA PROGRAM

#### CHANGE IN ECA POLICY

On September 13, 1948, ECA announced that it would no longer allocate dollars for the payment of marine-insurance premiums. Its statement was as follows:

"WASHINGTON, September 13.—In a further move to emphasize private trade practices in the ECA operations as directed by Congress, Paul G. Hoffman, Economic Cooperation Administrator, announced today that no ECA funds will be allocated in the future to cover the cost of insurance premiums for ECA-financed cargoes. In the future insurance for cargoes will be handled by the exporter and importer as they desire, similar to export-import procedures that have prevailed in private trade transactions.

"New procurement authorizations will not carry allocation of ECA funds for insurance premiums, but use of such funds authorized in past procurement authorizations will be honored, Hoffman said.

"The new ECA policy on insurance premiums is based on the belief that such ECA funds as might be required for insurance premiums could better be used for projects more closely related to the main ECA objective of recovery in the participating nations. This new policy is threefold:

"1. ECA will not finance insurance payments directly or indirectly. Losses of shipments will be regarded as a program expense and will require counterpart deposits by the country in local currency.

"2. Participating countries or their importers may insure as they desire, using any currency they choose for payment of premiums. ECA will not decide whether cargoes should or should not be insured.

"3. In the event of losses, no adjustment will be made in the local currency counterpart funds of the participating countries.

"Hoffman said that administrative as well as legal and economic considerations pointed to the wisdom of avoiding ECA involvement in insurance financing."

Under this shift in policy the premium on insurance during transportation from factory to shipside is still absorbed by ECA as a part of the seller's price on sales f. a. s. (free at shipside), but insurance during transportation from American wharf to Europe is not so absorbed. The protest of the marine-insurance industry against this decision of ECA is directed to the point that ECA's theory of fostering private channels of trade cannot be realized in practice so long as foreign governments control foreign trade through currency controls. Such controls permit foreign governments to order their nationals to procure insurance in their own national markets and, necessarily, in their own currencies since no dollars will be released for the payment of premiums. Such a directive, issued by the French insurance syndicate, will be found in appendix I.

The reasoning of ECA by which it justifies its change in policy will be found in a report to its advisory committee on insurance, appendix II, page 5. Two marine-insurance associations have filed with the staff a memorandum setting forth the answer of the industry to the points made by ECA. Briefly, the two positions are as follows:

#### ECA POSITION AND REPLY OF THE INDUSTRY

1. ECA: If it finances the payment of premiums, it must satisfy itself that the insurance is of the appropriate kind and amount and that claims are vigorously prosecuted, which will require installation of checking points, legal review of specific transactions, study of rates. This will make necessary a considerable organization.

Industry: The industry already has established practices and rates which will make unnecessary most of the difficulty ECA envisages. Commercial banks now customarily assume responsibility in ordinary commercial transactions.

2. ECA: Programing difficulties will result whether (1) recipient countries retain all collections, resulting in their having free dollars, or (2) insurance collections are returned to the general funds of ECA, in which event no one will have any interest in prosecuting the claim except ECA, or (3) the collections are credited either in dollars or goods to the participating country.

Industry: The consignee who has deposited local currency in the counterpart fund will have an interest in prosecuting claims because he cannot receive back his deposit until the claim has been paid. If all losses are payable to ECA for the account of whom it may concern, the participating country can be notified that it is entitled to a replacement or a substitution.

3. ECA: A program such as that administered by ECA cannot be insured because the proceeds cannot restore damages and the bulk of losses will probably occur in small quantities in a large number of transactions so that, unless all-purpose coverage is utilized, ECA will not be protected for the larger amount of its potential losses.

Industry: Additional expenses of all risk insurance are reflected in additional loss recoveries and the net cost to ECA of either type of insurance should not substantially differ.

4. ECA: In all probability, more may be paid in premiums than is received in benefits to ECA.

Industry: That is undoubtedly true but permitting American marine-insurance companies to profit from doing business is not inconsistent with the practice of ECA in permitting other commercial concerns to obtain a profit from rendering a necessary service.

5. ECA: It should be emphasized that insurance is a private matter to be considered by parties directly concerned and ECA should do nothing to interfere with the placing of such insurance.

Industry: Insurance is not left as a private matter to be considered by the parties directly concerned, but the net result of ECA's decision has been a rapid and complete movement away from the utilization of private channels of trade in the insurance field and this move has been enforced by regulations of foreign governments.

6. ECA: Local currency funds should not be affected by losses, because such a procedure is administratively the simplest. Payments in local currency may be regarded as a fair assumption by participating countries of their pro rata share of program costs and of the real economic costs generally borne by the United States economy. Such local currency payments may be regarded as restitution to ECA for "lost" dollars and the foreign country is in a position similar to ECA, that is, it generally has the same interest or lack of it in insurance.

Industry: In order to protect himself the consignee must purchase insurance payable in his local currency. As a net result, marine insurance has been forced out of the American market into foreign markets.

#### COMMENT

There are four entities involved in an ECA financed transaction—ECA itself, a foreign government, a foreign importer, and an American exporter.

The American exporter has no interest in insurance beyond the time when delivery is made of the merchandise, title passes, and he becomes entitled to his money. He is customarily covered by insurance up to this time and the premium is added to the cost of the merchandise delivered.

The foreign importer has deposited in the counterpart fund the local currency equivalent of the dollar cost of his shipment, and he will be made whole financially if, in the event of loss, the amount of his deposit in local currency is returned to him through insurance. Under the recovery aspect of the ECA program, however, his interest would not seem to be merely in being made whole financially—he needs a replacement of the lost shipment. This can only be obtained with dollars.

The foreign government, in the event of a loss, finds itself in this position—its program has been charged by ECA with the shipment and its national economy is in need of a replacement. It has retained the local currency deposited by its importer, but that cannot be used to purchase the replacement. Dollars are required for this. If its needs or requirements have been either accurately estimated or underestimated in the program, it must necessarily either do without a needed replacement or resort to its free dollars for the cost of the replacement. The former course will in theory be a drag on recovery, and the latter course, under the dollar deficit theory, will not result in relieving ECA of the burden of financing the replacement, but will merely shift the expense from one annual program to the next.

ECA may regard itself as sufficiently large to be a self-insurer, and it undoubtedly is, but unless it sets up a reserve fund sufficiently large to take care of all anticipated losses, it will necessarily find itself in the position of having allocated all of its available funds to specific programs. In the event of a loss, it will then not be able to finance a replacement except by taking the money out of some other part of the program.

It seems apparent that describing a loss as "a program expense" will not supply the dollars required to finance a replacement. This must be done by an appropriation of funds sufficient in amount to pay either the cost of replacements or the premium on insurance to cover losses. In a program as large as that of ECA, the latter will doubtless be the larger amount.

This brings up for consideration the situation in which the American marine-insurance industry now finds itself. Congress has already expressed in several statutes its desire to foster the growth of this industry as a contributor to the strength of the United States merchant marine.[1] The functioning of this industry requires a considerable organization, such as underwriters, brokers, claim adjusters, inspectors, engineers, and former sea captains skilled in packing and stowage. Such an organization, once dispersed, cannot soon be reassembled. To support such an organization and at the same time furnish insurance at reasonable rates requires an extensive business and a broad coverage of risks, including cargoes as well as hulls. The elimination of American insurance companies from the business of covering ECA-financed shipments may have serious results in both particulars.

The result of such a directive as that issued by the French is to disrupt the customary commercial practice under which insurance is bought from warehouse to warehouse and is procured by whoever finances the trade.

The mere elimination of such directives would not appear to be a very effective remedy. The real control which foreign governments have over the placement of insurance is through their control over exchange. Unless dollars are released, their nationals cannot obtain dollar insurance, except possibly from English companies which may be adequately supplied with dollars and which might, in particular instances, be willing to receive Continental currencies in payment of premiums. Thus, the real issue is the desirability of assisting United States marine-insurance companies as a force supporting the American merchant marine.

While the marine-insurance industry states that it desires merely freedom to compete, this freedom would not seem pregnant with results unless dollars are made available, through ECA, to the foreign customers of American insurance companies.

Legislative action does not seem to be required, but may be desirable. If and when ECA concludes that its present policy is not encouraging private channels of trade, but, on the contrary, is encouraging and making effective control by foreign governments of the marine-insurance business, ECA may by administrative action return the situation to its status prior to September 13, 1948.

[1] Shipping Act of 1916, U. S. C., title 46, sec. 811, Merchant Marine Act of 1920, U. S. C., title 46, sec. 885.

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APPENDIX I

SYNDICATE OF MARINE INSURANCE COMPANIES,
*Paris, September 6, 1948.*

III. Circular Letter No. 605.

Object: Marshall plan.

The presidency informs its colleagues that, for a number of weeks already, it has been worried about the application of certain clauses of the Marshall plan, which seem to deprive the European insurance markets of the insurance of the goods imported under this plan.

In full agreement with the insurance direction, our presidency has gotten in contact with various French administrations.

On the other hand, in order to coordinate the efforts of the European markets all placed in the same position, it has also had interesting conversations with the representatives of the various foreign markets.

The results obtained are not yet definite, but already the direction of foreign exchange which had transmitted a note on this problem to the French mission in the United States has received a notice according to which the American authorities would not object to the insurance being covered in the French market.

The direction of foreign exchange, in full agreement with the insurance direction and upon our request, had in the past instructed all French importers to insure all goods purchased, thanks to the interim aid, on an f. o. b. basis and not on a c. i. f. basis. In this way up to now the French market has had the benefit of the insurance of the imports.

A new circular letter is addressed to all French importers instructing them to refuse to buy on a c. i. f. basis the goods imported in application of the Marshall plan.

The insurance direction which has just informed us of this news, requests us to notify them of the cases which have come to our attention in which these instructions of the Foreign Exchange Direction have not been followed.

It would, therefore, be advisable that the insurance carriers of our market, in particular the insurers of the groupements policies, get in touch with the assured, through the intermediary of the brokers, in order to attract their attention to this point.

The presidency will receive with interest any communications made in this connection.

Translation: EG.

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APPENDIX II

PROPOSED COMMITTEE REPORT

We have studied the problem of ECA financing of insurance and submit for consideration the following recommendations:

A. ECA should not finance insurance payments, either directly or indirectly.

B. Loss of ECA-financed shipments should be treated simply as a direct program expense. ECA responsibility should extend only to the consideration of such losses in terms of its regular program operations covering—

1. Stabilization or destabilization effects on the domestic economy.

2. Requirements of foreign rehabilitation and reconstruction.

C. ECA should emphasize that payment, administration, and collection of insurance is a private matter to be undertaken at the discretion of parties directly concerned with negotiating contracts for the purchase, sale, and shipment of goods.

D. No refund or other adjustment in local currency funds should be made for lost or damaged cargo, whether insured or not.

OUTLINE JUSTIFICATION FOR RECOMMENDATIONS

The reasons for the above recommendations are as follows:

*A. Administrative and legal expense and difficulties*

1. If ECA were to finance payment of insurance premiums, it would have to take adequate precautions to satisfy itself that the insurance in each transaction was of the appropriate kind and amount, and that claims for damages were satisfactorily administered and vigorously and quickly settled. This would require—

(a) Installation of checking points at strategic places. (Such checking points would be even more essential where questions of split insurance—e. g., marine and inland insurance handled by different carriers—were involved.)

(b) Institution of legal review of specific transactions. At the minimum, ECA would be required to satisfy itself that its interests were protected.

(c) Extension of the present review process in order to analyze rates, types, and extent of coverage.

2. Such financing would require additional time and study for the evolution of a reasonably uniform and sensible policy. For example, additional study would be required for such questions as the extent and type of coverage to be secured, in general, and for particular types of commodities, or geographical areas—e. g., should insurance extend from the producer's warehouse to the point of final consumption? Should it cover only marine risk, and, if so, what type?

3. Such financing would create programing difficulties. One of the three following choices would have to be made, all of which involve certain difficulties in programing:

(a) Allow recipient countries to retain all collections of insurance benefits. Such a course would be of doubtful legal validity and inadvisable politically. It would provide an avenue for the gift of "free" dollars.

(b) Insist that all payments of insurance benefits be returned to the general funds of ECA. Under this approach, no incentive would be provided for vigorous prosecution of claims and complete protection of ECA interests—unless ECA were itself to administer such claims. It is unreasonable to expect that the participating countries should grant high administrative priority to the protection of interests which may or may not redound directly to their individual benefit.

(c) Credit the resources so received to the direct account of the affected country. This might be accomplished in either of two ways:

(i) By crediting dollars to the account of such country. Good faith on the part of ECA would then require that it close its eyes in future programing to a portion of already available dollars. Two things seem clear: (1) It might be difficult to convince the affected country that such an extraordinary requirement would be faithfully adhered to, and (2) it does not make good economic sense to ignore the availability of

such dollars where relative allocations are involved.

(ii) By crediting identical goods to the account of the participating country. Since time would undoubtedly elapse between loss and restitution of claims, it seems unwise for ECA to bind itself in this fashion. During the intervening time, both domestic and foreign economic conditions are almost certan to undergo important alterations.

4. Conclusion: In view of the above considerations, it seems administratively simpler and cheaper for ECA to assume the risk rather than to involve itself in insurance, through direct or indirect financing. It should confine itself to distributing such losses, as they are reported, in terms of its domestic and foreign responsibilities. This can and should be done within the normal routine of programing operations. Neither additional staff nor procedures should then be necessary.

*B. Economic considerations*

1. The economic considerations are of two kinds: (1) Monetary considerations, and (2) real economic costs in terms of goods and services. Of the two, the latter is more important and will be treated first.

(a) Real economic costs: In terms of real goods and services, a program such as that administered by ECA cannot be insured. At best, insurance can return dollars for real goods and services. It cannot restore damages. From the point of view of a total economy, insurance is not a matter of reducing costs arising through loss, spoilage, diversion, etc.; it is a matter of distributing the burden more equitably. This is the cardinal principle of insurance. Each individual who insures assumes a small but certain loss (the premium) in order to avoid the possibility of a large but uncertain loss. In general, the larger the group of participants, the more certain do the calculations become and the more equitably can the burden be distributed. This leads to two further considerations:

(i) Insofar as ECA cargo is insured, the principles of good insurance will be reversed. The burden will be shifted from a broader group (the general public) to a narrower group (private insurance carriers).

(ii) The bulk of ECA losses will most probably occur in small quantities over a large number of transactions instead of large losses concentrated in a few transactions. Unless ECA intends to utilize expensive all-purpose coverage, it will not be protected for the larger amount of its potential losses.

(b) Monetary considerations: Three possible cases may arise:

(i) More may be paid in premiums than is received in benefits by ECA. This, the most likely eventuality, would mean that dollars which should have been devoted to European recovery would be diverted to other purposes.

(ii) Exactly equal amounts would be paid in premiums and received in benefits. Such an operation would be pointless. Dollars paid at one point of time would be restored at another. (To these considerations should, however, be added the additional administrative costs—in both real economic and monetary terms—which would be incurred by ECA and the insurance companies.)

(iii) More would be received in benefits than is paid in premiums. As noted above, this would reverse the principles of good insurance; the burden would be shifted from a larger to a smaller group.

2. Conclusion: Economic considerations reinforce administrative considerations leading to a policy of nonfinancing of insurance by ECA.

*C. Relations between participating countries and their nationals*

1. As noted in recommendation two, ECA should emphasize that insurance is a private matter to be considered by parties directly concerned with the details of contract negotiation and administration. It should do nothing to interfere with the placing of such insurance since it is obviously sensible for private individuals, under certain conditions, to insure. Moreover, the governments of the individual countries should be left to their own devices. Good insurance merely requires that the individual be restored to his initial position (minus the premium) after the loss. If such an individual were required to insure in his local currency and then were repaid in such currency this principle of insurance would be fulfilled. If he is permitted to insure in other currencies, ECA should not interfere, other than to take such currency availabilities into account in its regular programing operations. (From the point of view of the total program, such premiums and benefits, at fair rates, may be expected approximately to cancel out.) Nothing in this paragraph or in this memorandum should be interpreted, however, as advocating ECA's abandonment of its responsibilities for moving as rapidly as possible toward full utilization of private channels of trade and away from government regulation and interference in private transactions.

*D. Local currency funds*

1. Local currency funds should be left unaltered by losses incident to program operations for a variety of reasons. First, it is administratively much the simplest course. Second, such payments may be regarded as a fair assumption of burden by participating countries as a pro-rata share of program costs. Third, the real economic costs will generally be borne by the United States economy and such currency payments may be regarded as restitution—to ECA for "lost" dollars, and to the United States economy for real economic losses. Fourth, these funds are to be used in any event for the general purposes of economic reconstruction. Fifth, the participating countries are themselves in a position similar to ECA. They generally have the same interest in insurance, or lack of it. Private individuals may protect themselves or not—at their peril—either with their government, or with private insurance companies. The governments, like ECA, cannot or should not interest themselves in particular individuals, since their responsibility is in the direction of general, rather than particular welfare. Whether such governments allow their private citizens to insure in foreign currencies should, as noted above, be subject only to general ECA surveillance in the course of normal programing operations.

*E. Comments on present ECA policy*

1. It is our understanding that ECA now reimburses for insurance premiums only on c. i. f. shipments. Such reimbursements should be abandoned because (a) partial participation in insurance requires almost an equivalent amount of administrative complexity and expense as does total participation and (b) such an inconsistency in policy will be awkward to explain. We realize that certain mechanical difficulties may be involved, particularly with respect to so-called private self-insurers. Even in such cases, however, it will sometimes be possible to isolate the insurance component of price. In any event, the adoption of such a policy by ECA will free the hands of the participating country and encourage more careful procurement negotiations.

*F. Assistance to American insurance interests*

1. It has been brought to our attention that American marine-insurance companies are seeking the aid of ECA in the correction of certain practices which have affected their interests. These practices which have arisen since the outbreak of war are of two kinds: (1) Intervention, in foreign-trade transactions, by governments which act as "self-insurers"—that is, assume the risk themselves—and (2) attempts by certain of these governments to promote the growth of their own domestic insurance companies. While recommendations concerning this problem are beyond the scope of the committee, we would like to suggest that long-range protection to American insurance interests—as in the case of other industries—may best be secured by progress toward the general resumption of private activities in the field of foreign trade rather than by diversion of ECA resources to the immediate requirements of the industry. As we have emphasized above, ECA should not, in any event, do anything to interfere with private placement of insurance in any country with any company.

At present, there is a great deal of agitation and uncertainty concerning ECA policy toward insurance. Dilatoriness on the part of ECA is both unfair and dangerous. The companies and the countries have a right to a clear and forthright statement of policy as soon as possible.

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JULY 18, 1949.

Hon. PAUL G. HOFFMAN,
*Administrator, Economic Cooperation Administration, Washington, D. C.*

MY DEAR MR. HOFFMAN: ECA Regulation No. 1, amendment 1, effective July 9, 1949, issued by the Economic Cooperation Administration, has come to my attention.

I note that under "Miscellaneous amendments, part 201.6," dealing with insurance, dollar payments of premiums for marine insurance on ECA-financed commodities procured in the United States will be eligible for financing under commodity procurement authorization if such insurance is "placed by the importer (or by the supplier or any other person if authorized so to do by the importer in a cable, written document, or the letter of credit)."

I presume the foregoing amendment was issued to conform to the legislative directive contained in Public Law 47, Eighty-first Congress, which provides that "the Administrator shall, in providing assistance in the procurement of commodities in the United States, make available United States dollars for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practices prevailing prior to the outbreak of World War II."

You may recall that one of the significant problems with which the Congress was concerned in enacting the foregoing legislation, concerned the usual trade customs in the cotton industry. The evidence adduced by the Joint Committee on Foreign Economic Cooperation indicated that the normal trade practice was for cotton exporters to provide insurance and to sell the commodity on a c. i. f. basis.

It does not appear that the language of the regulation would conform to the intent or to the letter of the amendment as passed by the Congress for it places upon any such transaction the additional qualification that the insurance must first be authorized by the participating country, and, second, must be placed by the importer or authorized by the importer in a cable, written document, or letter of credit.

It does not appear that the normal trade practices prevailing prior to the outbreak of World War II could be adhered to except by special permission of the participating government or the importer.

The intent of the act was that if the normal trade practice prior to World War II was to sell a commodity on a c. i. f. basis, and if the insurance in such a transaction is placed on a competitive basis, there is no need for the participating government or the importer to acquiesce by affirmative action in such an authorization.

I am of the opinion that the amendment, as issued, is an attempt by the Economic Cooperation Administration to follow the procedures and policies it had established prior to the enactment of the above-mentioned amendment to the Foreign Assistance Act.

I am at a loss to understand the reluctance of the ECA to comply with the intent and the letter of the law as it has been written by the Congress.

I would appreciate your comments upon this matter.

Kindest personal regards.

Sincerely,

PAT MCCARRAN,
*Chairman.*

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ECONOMIC COOPERATION ADMINISTRATION,
*Washington, D. C., July 26, 1949.*

The Honorable PAT MCCARRAN,
*Chairman, Joint Committee on Foreign Economic Cooperation, United States Senate, Washington, D. C.*

DEAR SENATOR MCCARRAN: This is in reply to your letter of July 18, 1949, with respect to ECA regulation 1, amendment 1, effective July 9, 1949.

The rules contained in this amendment were written to give effect to the legislative directive in section 112 (j) of the Economic Cooperation Act of 1948, as amended. One of these rules recognizes the responsibilities of participating countries to authorize the use of dollars for insurance premiums. This rule represents an application to marine insurance of the same procedures governing all commodities and services financed by ECA, namely that commodities and services required in the European recovery plan are to be determined initially by each participating country, subject to review by OEEC and finally by ECA.

You will appreciate that if ECA were to require the placement of dollar insurance on cargoes shipped from the United States, it would impose an obligation on participating countries of a new character entirely inconsistent with the general policy of the European recovery program.

Amendment 1 places the responsibility on the importer to exercise the business judgment involved in the question whether to insure the cargo in dollars, if permission is granted by his government, or in his local currency. The choice undoubtedly will be guided by the lower costs to him. That this decision should be left with the importer follows from the fact that risk of ownership is in the importer during the period of ocean shipment. Title and risk of ownership in the commodities passes to the importer when the exporter has completed delivery to the ocean carrier. At that time the exporter is paid and his interest in the commodity ceases except for possible claims arising out of nonperformance of the terms of the contract. In all regular f. a. s. and c. & f. sales, at the present time as well as prior to World War II, the risk of ownership during ocean shipment is borne by the importer. Practically all sales financed by ECA are made on the regular f. a. s., c. & f., or c. i. f. terms, which assures the exporter prompt payment upon delivery to the carrier. Under such circumstances it has always been a normal trade practice for the importer to decide whether to insure and the terms under which to insure.

When exports are made on a consignment basis, with sale and payment deferred, the exporter retains title during the period of shipment and does bear the risk. In such instances it is normal business usage for the exporter to make decisions as to the placing of insurance. Under the European recovery plan exports on consignment for cotton, or any other commodity, are virtually nonexistent.

Please be assured that full consideration was given to the intent of the Congress in drafting this amendment. I hope that this explanation has clarified for you the considerations which lie behind the specific provisions of the amendment.

Sincerely,

PAUL HOFFMAN,
*Administrator.*

## EXPORT CONTROLS ON SHIPMENTS OF ARTICLES OF STRATEGIC IMPORTANCE

Mr. MCCARRAN. Mr. President, we are constantly hearing reports that items similar to those which this country prohibits from being shipped to Russia and its satellites are nevertheless finding their way into those iron curtain countries. It is said that many of them are being shipped from or through certain western European nations—nations which are, after all, our allies. As chairman of the Joint Committee on Foreign Economic Cooperation I should like, therefore, to call to the attention of the Senate a report on this situation by the staff of the committee. A considerable part of the report deals with the role of Germany in east-west trade, and Mr. Paul Hoffman, Administrator of the Economic Cooperation Administration, wrote me he considers this part of the report "one of the most complete we have received." I believe that Members of the Senate will find that it sheds valuable light on a subject which has been too frequently obscured by fogs of misinformation, misunderstanding, and mischief.

Mr. President, this report by the staff of the "watchdog committee" makes it abundantly clear, it seems to me, that much of the restricted material which has gone to Russia and its satellites could have been prevented from going there if we had a simplified system of controls. Such a system would eliminate much of the administrative confusion and duplication regarding this important matter. Above all, as the report points out, it would eliminate some of our idiotic injunctions of secrecy with regard to the lists of restricted or prohibited items—unnecessary injunctions which have prevented representatives of the United States from taking the swift and effective action that is so necessary in these matters. There is still time for improvement, and it is my hope that this report may stimulate needed action.

Mr. President, I ask unanimous consent that the staff report, entitled "Staff Report Concerning Export Controls on Shipments of Articles of Strategic Importance and the Functioning of ECA Personnel in Connection Therewith," be incorporated in the body of the RECORD as a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

STAFF REPORT TO THE JOINT COMMITTEE ON FOREIGN ECONOMIC COOPERATION CONCERNING EXPORT CONTROLS ON SHIPMENTS OF ARTICLES OF STRATEGIC IMPORTANCE AND THE FUNCTIONING OF ECA PERSONNEL IN CONNECTION THEREWITH

(Pursuant to sec. 124 of Public Law 472, 80th Cong.)

### SCOPE OF THE INVESTIGATION

Beginning April 19 and ending June 15, 1949, agents of the Joint Committee on Foreign Economic Cooperation interviewed representatives of ECA, the Departments of State and Commerce, and military government and its agencies in France, Italy, Switzerland, Bizone, Austria, England, Holland, and Belgium. The controllers of the ECA country missions to Sweden, Denmark, and Trieste were interviewed in Paris or Rome. No representatives of foreign countries were interviewed except in England.

There are, in the files of the joint committee, reports with exhibits on each of the participating countries above named, giving in considerable detail the substance of what was said by the more than 70 individuals interviewed. These detailed reports, with the exhibits and a summary, were submitted to the Administrator of ECA for his examination and comment, which, in general, was that the "reports have been useful to our people in Washington," that the report covering "the situation in Germany is one of the most complete we have received," and that ECA agreed "with the majority of the conclusions reached."[1]

The summary, referred to above, contained this statement of the over-all conclusion reached:

"Performance by all departments and agencies has been insufficient and procedures inefficient."

In discussing wherein and why such was the fact, names of countries and individuals will be omitted because of the nature of the subject matter and for the additional reason that we are not here dealing, except in Bizone, with the question of the abilities of individuals as such. It is true that, in several countries, lapses on the part of individuals indicated a lack of the kind of attention to detail which the importance of the subject demanded, but, in the main, inadequate performance must be attributed almost entirely, not to individuals, but to the system under which they operated at that time.[2] It should be here stated that every assistance possible was rendered the agents of the joint committee in their investigation of the facts.

### PART I. THE SECURITY PROBLEM

*Departments and agencies principally concerned*

The export of primary articles of warfare, such as arms and ammunition, is controlled by all countries and is not dealt with in this report.

In the United States, controls over other items of strategic importance, such as some machine tools and chemicals, are exercised by the Department of Commerce.[3] With respect to these other articles of strategic importance, with which this report concerns itself, the Department operates on the basis of two lists—I–A and I–B. Articles of considerable importance are on the I–A list and may not be exported under license to countries behind the iron curtain, but licenses will issue for export to other countries. This brings to attention the importance of the problem of the transit trade, which will be hereinafter discussed.

Articles on the I–B list, of lesser strategic importance, may be exported to countries behind the iron curtain if the quantity be not too great. A decision in this field is based upon judgment.

In order that the export policies of the participating countries and the United States might not work at cross-purposes, the United States Special Representative in Europe was chosen to negotiate with the participating countries, but in this he functions partly outside the framework of ECA. The East-West Trade Division of ECA also functions in this field.

The Department of the Army was in effect a participating country in the Bizone and it still performs important duties in Austria

[1] The entire letter of the Administrator to the chairman of the joint committee appears in the appendix to this report.

[2] Changes were subsequently made, and these will be referred to hereafter.

[3] For an explanation of these controls, see fourth quarterly report of the Secretary of Commerce, July 30, 1948, Export Control and Allocation Powers, particularly pp. 5–7, 12–16, 32–39.

and Trieste. The Department of State necessarily plays a large part in negotiations with the participating countries. Consequently, the investigation went beyond the boundaries of section 117 (d) of Public Law 472 (80th Cong.), which is of very limited scope. By it the Administrator is merely directed—

(a) To refuse delivery to participating countries of commodities which go into the production of articles for delivery to nonparticipating countries if a United States export license would be refused for such article; and

(b) To advise against the issuance of a United States export license for any article to such nonparticipating countries if he believes that the export of such article would be inconsistent with the provisions and purposes of title I of Public Law 472.

Section 117 (d) does not cover the following situations:

(1) Export from the United States to a Western Hemisphere country, whence the article is shipped to such a nonparticipating country;

(2) Export from a participating country direct to such a nonparticipating country when no component part of the article has been furnished through ECA aid;

(3) Export from one to another participating country, whence the article is shipped to such a nonparticipating country;

(4) Export from the United States or a participating country to another participating country for use in the importing country whence, however, a similar article from indigenous production is shipped to such a nonparticipating country, either directly or as in (3).

Of course, shipment of an item of strategic importance is just as dangerous to our own safety when made from or through a participating country as it is when made direct from the United States.

*Progress in negotiations*

By the end of March 1949, negotiations with the participating nations had produced little that was concrete except an "agreement in principle" which, as an ECA official stated, was easy to reach. Difficulties arose just so soon as details were brought into the discussion.

Although there is room for the opinion that the negotiations have taken an inordinate length of time, it is difficult to disagree with the position of ECA that (1) if action by the participating nation was to be effective, it was necessary that it be voluntary and based upon self-interest—that is, we are all in the same boat—and (2) that the alternative to policing by the participating nations themselves was for ECA to examine all of their export-control documents, for which it had neither the time, money, nor men.

Considerable progress has, however, been made since March, and a satisfactory solution to the problem should be forthcoming shortly, provided those things which remain to be done are handled promptly.

*Secrecy*

In the countries visited our representatives were unanimous in condemning the excessive secrecy which surrounded the subject of export controls over strategic items, and particularly the secrecy which surrounded the items on our I–A and I–B lists, but no one seemed able to get the system changed. Our lists had been made known to the governments of all of the participating countries and the feeling was that, with this broad distribution of knowledge, it was a practical certainty that iron-curtain countries had obtained a copy of the lists from somewhere.

The situation in the Bizone lent no support to any hope that our I–A and I–B lists had a shred of secrecy left. Both lists were in the hands of the German customs officials and of the detachment of United States Army personnel which worked with them. The large headquarters building in Frankfurt which houses most of the agencies of military government and ECA was anything but secure. There were guards at each of the numerous entrances, but with a constant stream of people going in and out, a guard could do no more than to see if a visitor had a pass or other paper which looked official—there was no time to find out if it really was official or belonged to the visitor.

At night the side doors were locked but an official of JEIA (Joint Export-Import Agency) stated that on several occasions when he had to go to his office after hours, he merely reached up to the sill over the door, got the key, and went in. Many offices were equipped with wooden file cases which were kept securely locked and barred in front, but to get into the case it was only necessary to turn the case around and take the back out with a penknife, which had been done in the office of this official the preceding December. Ingress and egress at night cannot have been too difficult when so many typewriters have been stolen that orders were issued to lock them to the radiators upon closing offices.

In the Bizone, export controls were operated according to country of destination and not according to the article exported, so refusal of a license for the export of an article to an iron-curtain country was, in effect, notice to that country that the article was on the list of prohibited exports.

One bad result of a program of secrecy is waste of information. Various departments and agencies, under instructions of secrecy, necessarily limit the number of men who exchange information and they keep information from other agencies. Thus the Department of Commerce had a list of 63 violations attributed to the participating countries together, but inquiry of our representatives in the countries visited invariably elicited the answer that they had never heard of such charges.

In some ECA missions military intelligence cooperated and in some it did not. In some ECA missions the controller, a very important individual in this field, was taken into the confidence of the east-west trade men and in some he was not, and in at least one mission he was specifically forbidden to cooperate in obtaining information.

During the visit to Europe of the agents of the joint committee, the situation with respect to the controllers was remedied and they now participate in this field. Since such visit the I–A and I–B lists have been downgraded from secret to confidential, but there seems to be no point to stopping there.

The United Kingdom has published its list of controlled article, which includes the articles on our I–A list minus some thirty-odd. Why should we not openly publish our list also?

The continuance of any degree of secrecy seems to serve no purpose except to deprive the United States of sources of information which would otherwise be available to it; that is, if some manufacturers in a country are selling war potential behind the iron curtain, there will be other manufacturers in the same line who will know about it and who, for patriotic reasons or because of trade jealousy, will report the facts. But at present, even if they see a shipment going out, they have no way of knowing that the matter should be reported. Also, secrecy results in attempts to sell when the merchant would not make such an attempt if informed that the article was on the prohibited list. As an example, in a participating country, the local agent of a manufacturer in the United States has a large order for a certain item and most of the customers are behind the iron curtain. Neither he nor his company can understand why the order cannot be shipped and much time has been consumed in handling this matter. It could all be settled very easily if someone would tell the manufacturer and his agent that the item in question is on the I–B list and the quantity is too great.

*Lack of knowledge*

During the course of the investigation, in practically every country instances were discovered of lack of knowledge on the part of department and division heads of what was actually going on. Illustrative of this is a conversation in Paris on June 14 with the acting head of the East-West Trade Division in ECA, Washington, who stated in effect that up to May 1, ECA in Washington had been under the impression that everything in Europe was under control, at least on the basis of the British list (which is our I–A list minus thirty-odd items), but that the investigation by agents of the joint committee had uncovered many things which had not been known in Washington.

It may be here stated that nothing was discovered in Europe by agents of the joint committee which could not have been discovered by the responsible officers in the executive departments if they had left their offices and had made the necessary personal inspections of their respective departments or divisions, so that they could have seen for themselves what was being done, by whom, and how. The remedy for the situation found to exist is to revive and enforce the rule that a responsible officer does not shed responsibility merely by issuing an order to subordinates to implement a decision or to see to it that things are run efficiently.

On page 220 of the ECA Report on Recovery Progress and United States Aid (ECA Basic Document) it is stated that "the Administrator has supported east-west trade within the limits of national security."

The foundation upon which that statement rests is obviously reports made to the Administrator by subordinates, but the plain and simple fact is that the Administrator did not know, and had no way of finding out, whether or not that statement was warranted by existing conditions.

Many other instances were found where reliance had obviously been placed upon reports made by someone who also had made no personal inspection. The danger of relying upon such reports is illustrated by the second part of the above conversation, in which the agent of the joint committee was informed that a certain participating country was cooperating and "cracking down on transit trade." Such a statement, if accepted and incorporated in a report, since it was pleasant news, would necessarily have led to erroneous conclusions, because the agent had just been in that country and had been informed by our representatives on the spot that the country in question had no intention of cooperating with the United States in the control of its transit trade. Consequently, the question was asked as to what happened when that country "cracked down" and the answer was that the officers of the country watched the transit trade and told our representatives what was going through. The information was not true; but even if true, such activity could hardly be described as "cracking down."

In another participating country our representative received a cable instructing him to immediately contact the officials of this country to obtain their agreement to conform their operations to the British list, the cable stating that other countries had done so and that the country in question could be accused of dragging its feet if it delayed. Our representative immediately contacted the officials of the country in question and was informed by them that his information was incorrect, and that no country except the United Kingdom itself had agreed to the British list. This misinformation unnecessarily embarrassed our representative, who should have been told the exact facts, which were that negotiations were still pending with the other countries named in the cable.

The situation in the Bizone was particularly bad. The matter of control over exports, imports, and transit trade was divided into such small pieces and so scattered about among various divisions, branches, and agencies, both German and American, that people at the operating level did not know what others were doing nor did superiors know what subordinates were doing and they had even less idea of what other divisions and branches were doing in connection with the same matter. It was assumed by practically everybody that the situation was well under control but always because of the activity of someone else upon whom reliance was placed to safeguard our interests. Invariably, however, upon investigation it developed that the someone else did not have his routine set up to do, and actually was not doing, whatever it was that he was assumed to be doing.

No one in the export control branch of JEIA knew how many export documents were issued to German exporters or what happened to them after the exporter took them away, but it was assumed that all transactions received a post audit. The head of this branch also assumed that ECA and JEIA cooperated on all exports.

When those officials of JEIA were taken through their procedures, step by step, it developed that controls over exports to participating countries (subject to transshipment) were operated entirely by German authorities and neither ECA nor JEIA ever received any information on this part of the export business. Transshipments will be discussed under the heading Transit trade.

With respect to exports direct to iron-curtain countries, the German exporter filed with JEIA three copies of his application, which became a certificate of approval when signed by JEIA.[4] The certificate could be on a form printed commercially or could be typewritten by the exporter. Both types were inspected and each had blank lines on them which could be filled in with other items by the exporter after JEIA had signed them and handed all copies back to the exporter.

The signed certificates of approval were then taken by the exporter to any one of 300 German banks which had authority to issue the ECD (export-control document). The bank kept one copy of the certificate of approval and handed the others back to the exporter, together with four copies of the ECD. The bank kept the fifth copy of the ECD in its files and sent the sixth to the JEIA field office in the territory in which the exporter was located. The bank could issue several separate ECD's, each covering an item on the certificate of approval, but no one checked the bank to see that a clerk had not issued several ECD's for each item. This would be most important if the exporter had added some I–A items to the certificate subsequent to receiving it back after approval by JEIA.

In any event, the four copies of the ECD accompanied the goods to the border, where they were checked by the German customs officials who, in the opinion of the American officer in charge of the Army detachment which works with them, were cooperative and were doing a good job. German customs picked up three of the four ECD's, retained one for its own files, sent one to the Bizone German statistical office and the third to the JEIA statistical office, which, however, did not check it, being interested only in the compiling of statistics of trade—that is, value and broad type of commodity, date, and country of destination. Thus, no used copy of the ECD was ever returned to an office which had a copy of the document as originally issued and there was literally no copy existent of the certificate of approval which could be accepted as being untampered with and in its original state when signed by JEIA and before it was delivered to the exporter.

This tremendous mass of paper work had produced no control which could not be easily evaded, and that without the slightest danger of later discovery.

Inasmuch as the Bizone is a producer of many articles of strategic importance, it seems clear that, unless the situation which has existed there is remedied, the whole plan of preventing the shipment of such articles behind the iron curtain may collapse, because participating nations cannot be expected to refuse to issue export licenses if the articles can be easily obtained in the Bizone.

It may be here stated that the Bizone compared most unfavorably to Austria, where the cordial relations existing between ECA and the military resulted in what appeared to be the most cooperative and efficient operation seen in any of the countries visited.[5]

*Transit trade*

The free ports of Europe have back of them traditions which are several centuries old and no country wishes to impose new restrictions upon them, particularly when the only probable result would be to drive the transit trade to the ports of some other country. Effective direct control in this field clearly depends upon the unanimous action of many countries and hope of that had better be abandoned, at least for the immediate future.

The change from a seller's to a buyer's market will undoubtedly accentuate the importance of this phase of world trade. As business falls off and the pressure to make sales to keep factories going becomes greater, and as export controls on direct shipments get tighter, it may be expected that individual manufacturers in various countries, including our own, will look around for legal loopholes which will permit the sale and shipment of prohibited articles. The transit trade extends an open invitation, offering, as it does, the defense that the exporter did not know the ultimate destination.

Under the present procedure, which varies little from country to country, a merchant in any participating country can order merchandise shipped to him from, say, the United States, and upon arrival at the port of his country have it unloaded in the free port area, where it is placed under guard by the customs officials, but only for the purpose of preventing entry into the country without payment of customs dues. No import license is required for entry into the free port. The merchant may then order the merchandise sent to a customer behind the iron curtain (or to any other place, for that matter) and no export license is required, because it is considered that the merchandise had never entered into the economy of the country in question.

Although the situation differs slightly in the various participating countries, it may be said that generally a license for the export of an article of strategic importance will issue almost automatically if the destination stated in the application be another participating country. Strangely enough, the most difficult participating country to deal with in this field has been the Bizone. While admitting in correspondence with our representatives in other parts of Europe that it was "unquestionably true" that there have been bad leaks of strategic articles from the Bizone, the authorities there have adamantly refused to have anything to do with screening exports to participating countries. In fact, the agent of the joint committee was informed by the economic adviser to the military governor that it would take an order from Washington to change the then-existing procedure of having export licenses to participating countries handled exclusively by German authorities.

The principal difficulty in controlling transit trade is that practically all countries, including our own, attempt to shift onto someone else the responsibility of dealing with it.

The theory in operation at present is that the burden should be placed upon the country of destination to prevent transshipment. This ignores the fact that neither an import nor subsequent export license is required unless the article is to be brought into the economy of the purchaser's country, and such is not the case with transshipments. The remedy for this situation is to impose export controls upon shipments to all countries of articles of strategic importance, and to require the exporter to name his customer and to present the customer's import license with the application for export.[6] The exporting country should then be required to check the proposed end use in the importing country, which can be done through its representatives in that country. The proposed method sounds very complicated and hard to work but, in reality, there is nothing difficult about it, given the required personnel. That part of the suggestion pertaining to the issuance of the import license before the customer can make his purchase is now in operation in one country and the end use investigation by our representatives in the importing country upon cabled request from the exporting country is now in operation in a few other countries. Putting the two together should be no great task, particularly if, with the elimination of secrecy, the telephone can be used and messages back and forth need not go through two code rooms.

*Extent of list of restricted articles*

Although it is recommended that direction over the complete export control operation should be centered in one place instead of scattered throughout several departments and agencies and although secrecy should be entirely eliminated and an agreement reached by all countries on what items are to be controlled, this does not mean that some inflexible paper system must be created, pursuant to which all countries, acting in concert, must do the same thing at the same time and in the same way. The countries differ in size, location, extent of indigenous production, historical attachment to neutrality, reliance upon transit trade, and dependence upon ECA aid. Export control can be imposed in some countries administratively and in others through operation of law, openly published, as in the United Kingdom. Whatever the system, however, there must be a frank exchange of information to allay suspicions of cheating, which the investigation disclosed were prevalent.

The extent of the list of restricted articles seems to be the core of the problem. In between the extremes, found in all countries, of the trade-conscious official who wishes to ship practically everything and the security-conscious official who wishes to ship practically nothing, other officials have operated, attempting to safeguard security without killing all trade. Proceeding independently, each country for itself, it could not be expected that results produced would be uniform.

So, up to the present, natural evolution has brought about—

(a) The United States I–A list, which several countries follow;

(b) The British list, which several other countries follow; and

[4] In the event that the export of an article also required the approval of the German Economic Administration, because of the effect of the export upon German economy, 4 copies were executed.

[5] The controller of the ECA mission had been excluded from this field, but, as already noted, the change in system should have remedied this situation by now.

[6] In the case of the United States, the possibility of transshipments from Western Hemisphere countries should not be overlooked. Participating nations can do nothing about this situation.

(c) Separate lists in a few countries which, however, refuse to disclose, or even discuss, the contents.

Cutting across (a) and (b) are suggested additional articles controlled in some countries which are not on our list—and these countries cannot understand why not.

The problem of those participating nations, with a strong tradition of neutrality, which still cling to the hope of an indefinite continuation of that status, presents additional difficulties. Nothing said herein is intended to imply that our representatives have not done all they could under the circumstances and no suggestions for further activity are made. We must, it seems, wait for the realization to come that if existing antagonisms between the western Asiatic civilization and our own come to a head, no country will be an oasis.

It is the general feeling of our representatives abroad, in which the agent of the joint committee joins, that the shorter the list the more efficient will be the operation. Consideration should be given to a short list of really strategic articles, without which war cannot be waged, as an alternative to a long list. It may also be said that the shorter the list, the fewer disputes there will be and the less chance there will be of a purchaser being able to obtain in one country an article which another country will not export. As the situation exists today, with the British having one list and the United States another, and some participating countries inclining to one list and some to the other, a fertile field exists for suspicions and doubts, and a country following our list is bound to lose trade to a country following the shorter British list. That has actually happened and we have not been entirely blameless ourselves in authorizing the export of certain articles after another country has refused.

Although agreement upon the articles to be included in a list appears to be mainly a technical question which the military men in the various countries should settle in short order if left to themselves, difficulties of description should not be overlooked, because the definitions used should be (1) precise enough to stand up in court if it be necessary to prosecute a violator of control regulations, (2) not so broad as to include articles the export of which it is not intended to prohibit, and (3) simple enough for customs officials to understand and apply.

PART II. END-USE CHECKING

This section of the report deals with checking by ECA of the arrival, distribution, and use of ECA-financed articles, such as wheat, cotton, tractors, copper, etc. The fact that the article may also be of strategic importance causes no change in procedure, as the object of the investigation by ECA is to see that goods paid for actually arrive and are distributed to the purchaser who is supposed to receive them.

Up to the middle of June 1949 such checking had been inconsequential in extent although such end-use checks as had been made were thorough and informative. This failure in performance is not attributable to incompetent personnel, but rather to other reasons explained below.

*Lack of personnel*

As of June 1, 1949, the controller's office in Europe consisted of 45 Americans, 19 American secretaries, and 43 aliens, spread over 13 countries and the office of the special representative. The limit of one man's ability in end-use checking is two or three jobs a week. The aliens, of course, are not available for use in checking when security problems are involved, and the 45 Americans naturally are not all available for end-use checking. A rough estimate of the end-use checks possible with the personnel then available is about 50 a week in all of the countries put together. This, obviously, could no more than scratch the surface, even though the checks which have been made are good.

As the Administrator states in his letter to the chairman of the joint committee,[1] "ECA has been cognizant of the fact that more manpower is necessary," and its budget for the current fiscal year contemplates an expansion in the controller's staff in Europe.

The joint committee brought this matter to the attention of the Committee on Appropriations of the Senate, and the following language is found in its report (S. Rept. 812, pp. 6–7):

"The committee allowed the full request of $16,500,000 for administrative expenses, and took special cognizance of the increase requested for the controller's offices abroad. It is felt that these offices are a most sensitive and vital aspect of the proper administration of the Economic Cooperative Administration and the committee expects the offices of the controller to be implemented as indicated in the budget justification. For fiscal 1950 the budget proposal indicates additions of 47 American personnel to these offices. It is the view of the committee that such increase is entirely justified and should be accomplished as expeditiously as feasible."

The increase in personnel will undoubtedly result in more extensive checking, but the fact must be frankly faced that the controllers abroad will not be able to do more than to keep an eye on the reporting systems installed and operated by the participating countries themselves and to spot-check on various specific shipments. Anything more than that would require a tremendous staff which would undoubtedly cost more than the additional work produced would be worth.

To supplement the controller's staff, ECA has engaged, in some countries, the services of Société Generale de Surveillance S. A. a Swiss firm of good reputation, to check all arrivals of ECA-financed goods and to spot-check end use in 10 to 25 percent of the cases. The fees and expenses of this firm are paid in counterpart funds and not out of ECA's dollar appropriation.

*Business secrets*

The disinclination of foreign businessmen to permit ECA controllers to make inspections of records and factories required by a proper end-use check, particularly of raw materials, varies in the different participating countries from practically none at all to considerable. In fact, in one country an officer of the local American chamber of commerce undertook to prepare a brochure containing the names of American companies represented by local firms, the objective being to let prospective customers know where they could place orders, but over 70 percent of the local firms refused to furnish the information, stating that the names of the American companies represented by them were confidential information which could not be disclosed. This undoubtedly sets a new record for business secrets, but it also illustrates the difficulties, as an extreme case to be sure, which face controllers who must produce results without at the same time creating antagonisms.

It does not seem that this situation can be treated en masse, by a rule or regulation, but rather that an educational campaign is required, in cooperation with the participating countries.

*Cooperation by OEEC*

Subsection (b) of section 115 of Public Law 472 (80th Cong.) requires that the participating countries make efficient and practical use of their own resources and of commodities, facilities, and service furnished through ECA. The several countries have so agreed in the bilateral agreements which each has separately entered into with the United States.[2]

Svitzerland.

Subsection (d) of the same section provides:

"The Administrator shall encourage the joint organization of the participating countries referred to in subsection (b) of this section to insure that each participating country makes efficient use of the resources of such country, including any commodities, facilities, or service furnished under this title, by observing and reviewing such use through an effective follow-up system approved by the joint organization."

In July 1948 the controller for the Office of Special Representative met with representatives of OEEC to discuss the matter, but it developed that OEEC had no plans or secretariat to explore the problem. Consequently, the ECA country missions proceeded, more or less independently of each other, to develop whatever procedures were possible to comply with the statute.

In January 1949 the deputy United States Special Representative again called the matter to the attention of OEEC, and in February the controller forwarded to OEEC a memorandum which set forth in considerable detail the system of reporting and checking which ECA considered necessary. An ad hoc working party was then set up by OEEC to make a study and report; and in due course the matter was acted upon by the Council at its meeting on June 27, 1949, as follows:

"The Council, considering article 12 (b) of the convention for European Economic Cooperation of April 16, 1948; considering the decision of the Council of February 16, 1948, on methods of observation and review; and considering the report of the ad hoc working party on systems of observation and review of April 29, 1949, decides—

"1. That to insure the efficient use both of external aid and of indigenous resources, the members shall, on request of the ECA mission in their respective countries and taking into account the provisions of paragraph 2 below—

"(a) furnish to the mission full information in regard to the methods of control of imports and their distribution and use and the control of exports;

"(b) afford to the mission facilities for observation, review, and testing of the effectiveness of such controls;

"(c) furnish to the mission at regular intervals full reports covering all ECA-financed commodities (whether procured on a loan or grant basis) which would identify the commodities by procurement authorization number and establish the fact of their arrival within the country. Where practicable, the reports should identify the first consignee and afford some indication of the time of shipment and reasonable information as to the dates of arrival and the first movement from port of the commodities;

"(d) furnish to the mission special reports of the distribution and use of particular ECA-financed commodities or items to the point of their receipt by the final consignee;

"(e) use their best endeavors to facilitate access by the mission to documents, both of a public and private trade character, which would confirm the facts of arrival and movement of ECA-financed commodities or items;

"(f) afford at convenient times and in reasonable extent, so far as compatible with the laws of the particular participating country, the privilege of personal inspection by representatives of the mission to investigate port controls, witness the arrival and discharge of cargoes, follow the movement of commodities, interview appropriate persons, and take photographs in relation to ECA aid. By negotiation between the mission and the government of the participating country,

[1] See appendix to this report.

[2] There is no bilateral agreement with

these privileges may include the use of professional assistance employed by the ECA mission;

"(g) in the case of alleged improper use of ECA aid, afford special assistance to the mission in making investigations and in securing authoritative documents or reports to develop the truth or falsity of the allegation.

"2. The actual extent, form, and manner of the information and facilities to be afforded by a participating country to the ECA mission shall be the subject of negotiation between the government of the participating country and the mission, taking into account the general obligations set out in paragraph 1 above.

"3. Should serious difficulties arise in the case of any member country, or serious problems be presented of an international character, which would require in the opinion of a participating country or of the Office of the Special Representative in Europe the benefit of the counsel and assistance of the organization for the purpose of their solution, a request that a meeting of expert representatives of the countries and of representatives of OSR should be convened, should be addressed to the secretary general, with suggestions as to its terms of reference, for consideration by the executive committee. These experts could make proposals thereon to the Council if necessary.

"4. The present decision shall not apply to members which notify the secretary general that their relations in this respect with the Economic Cooperation Administration are governed by arrangements specially designed to cover their particular position with the effect of dispensing them from the application of the present decision."

Although the time lag was considerable, the importance of this, for the future, lies in the acceptance of the principle that ECA should receive full information on controls and should be permitted to test their effectiveness. This decision of OEEC may be taken as concrete evidence that ECA has made considerable progress in overcoming the usual objections, presented by a minority of the countries, that such investigations constituted an invasion of private papers, interfered with trade, infringed sovereignty, etc. The controller of ECA in Washington states definitely that, since the decision, ECA's difficulties in exercising its privileges of access and inspection have decreased measurably in all of the participating countries except, of course, in Switzerland which receives no ECA-financed goods and where there is no end-use checking by ECA.

PART III. CONCLUSION

It is impossible to even hazard a guess on the extent of trade in 1–A articles, although an official of ECA stated that, in his opinion, up to May 1, 1949, there were less than 100 cases of the export of such items in all of the participating countries put together.

Things cannot have been that good, however, because—

(1) In one country 26 separate 1–A items were exported in the 4 months beginning December 1948 under existing trade treaties with iron-curtain countries;

(2) In another country our representative estimated that such trade in 1947 amounted to $1,500,000, and the 1948 trade probably was at least as great;

(3) In the Bizone it was estimated that $200,000,000 in goods had been smuggled out in 1948, and the Bizone produces many 1–A articles; [9]

(4) No information exists as to the amount of 1–A articles which have moved through the transit trade; and

(5) Information about the exports of a number of the countries is sketchy in the extreme.

With the increase in European production generally, and the change from a seller's to a buyer's market, both here and abroad, control of the trade in articles of strategic importance must receive more and better attention.

Mr. Hoffman states in his letter that "the export-compliance function of the United States Government is normally carried on by the Department of Commerce, which now has only two or three traveling agents abroad. Unless the Department of Commerce is given a larger appropriation for compliance activities, it will be difficult to increase the effectiveness of United States control in matters of transshipment." [10]

A study of the entire field should have led to exactly the opposite conclusion. The foreign operation of the Department of Commerce has been so small that it cannot have been effective except on a spot-check basis, and that to a very moderate extent.

The Department of Commerce has the control organization in the United States, and ECA has its controller's staff and East-West Trade Division abroad. Rather than duplicate organizations, each should call upon the other for assistance in the field in which such other has an operating organization.

It is self-evident that ECA cannot function alone in the field which has been under consideration. It requires, deserves, and should have the fullest cooperation from the Departments of State, National Defense, and Commerce.

All four agencies could very well use an improved system of interdepartmental communication so that decisions can be arrived at promptly and our representatives abroad relieved of the necessity of waiting weeks and sometimes months for the answer to important questions. The elimination of all secrecy will aid materially in this.

Negotiations with the participating nations should be concluded, and questions about the list of prohibited exports and about methods to control the transit trade should be disposed of as speedily as possible.

The situation in Germany should have special attention so that other participating nations may no longer use it as an excuse for not doing better themselves.

Time may well be of the essence in all of these matters.

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APPENDIX

Hon. PAT MCCARRAN,
*Chairman, Joint Committee on Foreign Economic Cooperation, United States Senate.*

DEAR SENATOR MCCARRAN: We wish to thank you for transmitting the reports of Mr. Robert N. Golding in connection with East-West trade matters. His reports have been useful to our people in Washington. His report on the situation in Germany is one of the most complete we have received.

We agree with the majority of the conclusions reached as a result of Mr. Golding's study. In connection with Mr. Golding's criticism of the degree of secrecy relating to east-west trade export controls, some action has already been taken. The so-called I–A and I–B lists have been down-graded to a confidential classification and the Department of Commerce is presently contemplating publishing the lists, embodying them in a large list of all of the items controlled by the United States.

On the question of the length of the I–A embargo list, Mr. Golding has recommended that a shorter list of the most strategic items would be more feasible and more realistic. From the outset ECA has held this position. Other agencies have advocated more extensive lists. The present lists represent a compromise on this point. ECA has in preparation a further analysis of the problem, based on experience to date, which will be presented shortly for interagency consideration.

Mr. Golding has reported that the present staff of the controller's office in Europe is so small that it cannot "do more than scratch the surface" of the necessary end-use check. ECA has been cognizant of the fact that more manpower is necessary for this purpose. In the budget estimate for administration presented to the Congress early this year, ECA's plans for expansion of the controller's staff in Europe were set forth. Within the limits of its administrative appropriation, ECA will extend the extent of end-use checking carried on by the controller's office. However, as Mr. Golding points out, the export-compliance function of the United States Government is normally carried on by the Department of Commerce, which now has only two or three traveling agents abroad. Unless the Department of Commerce is given a larger appropriation for compliance activities, it will be difficult to increase the effectiveness of United States control in matters of transshipment.

Mr. Golding has mentioned certain problems relating to cooperation between the controller's office and the east-west trade offices of ECA in Europe. This matter has been thoroughly reviewed and the east-west trade offices and the controller's offices in each of the country missions are working closely on all questions of east-west trade control.

We appreciate having the benefit of these reports and shall keep you and your committee informed of any further developments in east-west trade which you may desire.

Sincerely yours,

PAUL G. HOFFMAN,
*Administrator.*

## PROPOSALS FOR COMMITTEES OR COMMISSIONS OF PRIVATE CITIZENS TO PERFORM CERTAIN GOVERNMENTAL FUNCTIONS

Mr. TAFT obtained the floor.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. TAFT. For what purpose does the Senator request that I yield?

Mr. MALONE. In order that I may make, for the RECORD, a statement which will take about 5 minutes.

The VICE PRESIDENT. Without objection, the Senator from Ohio may yield for that purpose.

Mr. TAFT. Very well; I yield.

Mr. MALONE. Mr. President, many suggestions have recently been made for improving the procedure designed to protect the security of this country, through the appointment of unofficial civilian committees to take the responsibility for the problems which embarrass the administration.

Mr. President, the junior Senator from Nevada flatly rejects all proposals for committees or commissions of private citizens to take over governmental functions. A suggestion has been made for the appointment of leading non-office-holding citizens to form a commission on national security, which the President himself has denounced as a super-government. A more recent suggestion has been made—and this one emanates from administration circles—for the appointment of additional private citizens as a superloyalty board to examine charges that Red sympathizers and poor security risks are in Government posts.

The President already has one so-called Loyalty Review Board, composed of his own unconfirmed appointees. Although generally speaking it has func-

[9] Rept. No. 2 of the Military Governors of United States and United Kingdom, December 1948, p. 11.

[10] See appendix to this report.

tioned only as a whitewash board, it could serve a useful purpose if the President so desired.

Who are these superhuman beings qualified to be above the officials elected by the people, above duly authorized government?

If they have superqualifications, why are not they elected by the people as their representatives or appointed by the President for his Cabinet? It has been suggested that the leading citizens appointed to these committees would be above the Constitution and its processes, and would somehow be above all others appointed by the President. This Senator has always believed that the President should appoint the best men in the country for his Cabinet, to run the executive branch of the Government. Are the men now being suggested for the supergovernment posts better men than those now in the President's Cabinet? If so, the President should fire his present Cabinet members and should appoint these men.

Mr. President, the Congress has been a check on the Executive. Its Members are versed in phases in Government questions. If the Congress, elected to represent the people, is not able to determine the questions, who is? Is there any reason why outsiders should come in and try to do our job for us?

I have noted that the persons favoring the establishment of nonpartisan commissions or committees of private citizens to take over processes of government fall, curiously enough, into one of three classifications: (a) Persons who lean toward socialistic aims; (b) persons overly concerned with the present uneasy position of Red sympathizers, who seem to object to the exposé of traitors in the administration; and (c) persons in the administration who want to perpetuate any and all so-called bipartisan moves, so that the administration may share with the Republicans all blame for its failures.

As for a new loyalty review committee, as suggested by administration circles, is there any reason to believe its members would function any better than the members of the present Loyalty Review Board? What is needed is a Loyalty Review Board set up as an independent establishment, with its members appointed by the President and investigated and passed upon by the Senate, as provided in my resolution, Senate Resolution 230, submitted by me on February 17, 1950, and now buried in a Democrat-controlled committee. Such a Board would be accountable to both the President and the Congress, as it should be.

## EXTENSION OF RENT CONTROL

Mr. MAYBANK. Mr. President, will the Senator from Ohio yield for a moment, while I ask that the House amendment to the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended, be laid before the Senate?

Mr. TAFT. I yield to the Senator from South Carolina.

The VICE PRESIDENT. Without objection, the Senator from Ohio may yield for the purpose indicated.

Mr. MAYBANK. Mr. President, I ask the Chair to lay before the Senate the amendment of the House of Representatives to Senate bill 3181, to extend rent control.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3181) to extend the Housing and Rent Act of 1947, as amended, and for other purposes, which was, to strike out all after the enacting clause and insert:

That this act may be cited as the "Housing and Rent Act of 1950."

SEC. 2. Section 4 (e) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out "June 30, 1950" and inserting in lieu thereof "June 30, 1951."

SEC. 3. Section 204 (a) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out "June 30, 1950" and inserting in lieu thereof "June 30, 1951."

SEC. 4. Section 204 (f) of the Housing and Rent Act of 1947, as amended, is hereby amended to read as follows:

"(f) (1) The provisions of this title, except section 204 (a), shall cease to be in effect at the close of January 31, 1951, except that they shall cease to be in effect at the close of June 30, 1951—

"(A) in any incorporated city, town, or village which, at a time when maximum rents under this title are in effect therein, and prior to January 31, 1951, declares (by resolution of its governing body adopted for that purpose, or by popular referendum, in accordance with local law) that a shortage of rental housing accommodations exists which requires the continuance of rent control in such city, town, or village; and

"(B) in any unincorporated locality in a defense-rental area in which one or more incorporated cities, towns, or villages constituting the major portion of the defense-rental area have made the declaration specified in subparagraph (A) at a time when maximum rents under this title were in effect in such unincorporated locality.

"(2) Any incorporated city, town, or village which makes the declaration specified in paragraph (1) (A) of this subsection shall notify the Housing Expediter in writing of such action promptly after it has been taken.

"(3) Notwithstanding any provision of paragraph (1) of this subsection, the provisions of this title shall cease to be in effect upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier.

"(4) Notwithstanding any provision of paragraph (1) or (3) of this subsection, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any right or liability incurred prior to the termination date specified in such paragraph."

SEC. 5. Section 204 (j) (3) of the Housing and Rent Act of 1947 as amended is hereby amended to read as follows:

"(3) The Housing Expediter shall terminate the provisions of this title in any incorporated city, town, village, or in the unincorporated area of any county upon receipt of a resolution of its governing body adopted for that purpose in accordance with applicable local law and based upon a finding by such governing body reached as the result of a public hearing held after 10 days' notice, that there no longer exists such a shortage in rental housing accommodations as to require rent control in such city, town, village, or unincorporated area in such county: *Provided*, That where the major portion of a defense-rental area has been decontrolled pursuant to this paragraph (3), the Housing Expediter shall decontrol any unincorporated locality in the remainder of such area."

SEC. 6. Nothing in this act or in the Housing and Rent Act of 1947, as amended, shall be construed to require any person to offer any housing accommodations for rent.

SEC. 7. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 8. This act shall become effective on the first day of the first calendar month following the month in which it is enacted.

Mr. MAYBANK. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference on the disagreeing votes of the two Houses thereon, and that conferees be appointed by the Chair.

Mr. WHERRY. Mr. President, as a substitute, and on behalf of the Senator from Washington [Mr. CAIN], I move that the Senate amend the amendment of the House by striking out "7 months" and inserting in lieu thereof "6 months". I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from Ohio has the floor, and he cannot be taken from the floor by the suggestion of the absence of a quorum.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. TAFT. Is the motion in order?

Mr. WHERRY. No; not unless the Senator from Ohio yields for that purpose.

Mr. TAFT. I mean, is it in order, anyway?

The VICE PRESIDENT. Not unless the Senator yields, and the Chair is not sure, even when he has yielded, that the motion of the Senator from Nebraska would be in order.

Mr. TAFT. Mr. President, I do not intend to yield for the purpose of a quorum call, or for the purpose of a general debate on the subject of rent control, to which it would undoubtedly lead.

The VICE PRESIDENT. The Senator from Ohio declines to yield.

## SOCIAL SECURITY ACT AMENDMENTS OF 1950

The Senate resumed the consideration of the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes.

The VICE PRESIDENT. The Senator from Ohio has the floor.

Mr. LUCAS. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. LUCAS. I offer amendments to the pending bill (H. R. 6000) on behalf of myself, the Senator from Alabama [Mr. HILL], the Senator from New York [Mr. LEHMAN], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New York [Mr. IVES], the Senator from Massachusetts [Mr. LODGE], and the Senator from Illinois [Mr. DOUGLAS].

The amendments provide for coverage on a mandatory basis of the employees

of transit systems operated by municipalities or other political subdivisions of States. I should like to have the amendments printed and lie on the table.

Mr. TAFT. Mr. President, will the Senator be willing to add my name as a cosponsor of the amendments? I had intended to offer an amendment of the same sort myself.

Mr. LUCAS. I shall be very glad to do so.

The VICE PRESIDENT. Does the Senator from Illinois offer the amendments as the pending question, or to be printed and lie on the table? There is no pending amendment, other than the committee amendment.

Mr. LUCAS. Very well; I offer the amendments as the pending question, and I add as a cosponsor of the amendments the name of the distinguished senior Senator from Ohio [Mr. TAFT].

The amendments submitted by Mr. LUCAS (for himself and and other Senators) are as follows:

On page 246, beginning with line 13, strike out all down to and including line 24 and insert in lieu thereof the following:

"(8) (A) Service performed in the employ of a State, or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned by one or more States or political subdivisions (other than service included under an agreement under sec. 218 and other than service performed in the employ of a State, political subdivision, or instrumentality in connection with the operation of any public-transportation system the whole or any part of which was acquired after 1936).

"(B) Service performed in the employ of any instrumentality of one or more States or political subdivisions to the extent that the instrumentality is, with respect to such service, immune under the Constitution of the United States from the tax imposed by section 1410 of the Internal Revenue Code (other than service included under an agreement under sec. 218)."

On page 328, beginning with line 8, strike out all down to and including line 16 and insert in lieu thereof the following:

"(8) (A) Service performed in the employ of a State, or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned by one or more State or political subdivisions (other than service performed in the employ of a State, political subdivision of any public-transportation system the whole or any part of which was acquired after 1936).

"(B) Service performed in the employ of any instrumentality of one or more States or political subdivisions to the extent that the instrumentality is, with respect to such service, immune under the Constitution of the United States from the tax imposed by section 1410."

Mr. LUCAS. Mr. President, in connection with the amendments, I ask unanimous consent that a short statement of explanation be printed in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TRANSIT EMPLOYEES AMENDMENT TO H. R. 6000

This amendment provides for coverage on a mandatory basis for the employees of transit systems operated by municipalities or other political subdivisions of States. This result is obtained by amending the section defining "employment" so that service for publicly operated transportation systems is included within the types of employment covered by the old-age and survivors insurance program. Employees of all transportation systems taken over by municipalities or political subdivisions of States after 1936 would be brought under the social-security system by this amendment.

The comparable provision included in the House bill would have covered only the employees who worked for the transit company at the time it was taken over by the municipality. Representatives of the Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America testified against this provision. The amendment proposed here would meet with their approval.

In the Senate Finance Committee the sections providing for special treatment for this group of employees were dropped. Under the committee bill they will be covered only if they qualify under the section pertaining to public employees generally. This means they can obtain social-security coverage only if they do not have a retirement plan and if the State legislature enters into a compact with the Federal Security Administrator providing for the coverage of the transit employees.

The VICE PRESIDENT. The question is on agreeing to the amendments offered by the Senator from Illinois for himself and other Senators.

Mr. LUCAS. Mr. President, I also offer an amendment to the bill, on behalf of myself and the Senator from Rhode Island [Mr. GREEN]. The amendment would amend the Social Security Act by adding a new title providing for the payment of insurance benefits by the Federal Government under certain circumstances. The amendment is entirely different from the present provisions of the bill.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

Mr. LUCAS. Mr. President, in connection with the amendment just offered on behalf of myself and the Senator from Rhode Island [Mr. GREEN], which provides for the establishment of a fund to be used for grants to State unemployment compensation systems which are being depleted, I ask unanimous consent that a short statement of explanation of the amendment may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

GRANTS TO STATE UNEMPLOYMENT FUNDS

Section 404 of H. R. 6000 was inserted by the Senate Finance Committee. It provides for the reestablishment of a loan fund for State unemployment compensation systems which are being depleted.

This amendment would delete that section and provide instead for grants to State systems which are being depleted. In order to implement this provision for grants, the funds collected by the Federal unemployment tax would be earmarked so that a Federal fund would be accumulated for this purpose.

Title 12 was originally enacted in 1944 and is the loan provision extended by section 404 of the committee bill. This amendment provides a new title 12.

A State would be entitled to a reinsurance grant for any calendar quarter commencing after October 1, 1950, if that State's unemployment fund is less than the amount of the compensation paid by the State during the preceding 6 months. In order to qualify for such a grant after December 31, 1952, a State whose unemployment fund is being depleted must have had a minimum payroll tax of 1.2 percent.

Under this amendment the size of the grant will be equal to three-fourths of the excess of the compensation payable during the quarter over 2 percent of the taxable payroll, except that after June 30, 1953, increases in the compensation within the year preceding the application for a grant shall be disregarded.

The last paragraph of the amendment earmarks for the Federal unemployment account the funds collected under the Unemployment Tax Act which are not used for the payment of administrative expenses.

The other sections of the amendment provide for the administration of the grant program by the Secretary of Labor.

ARGUMENT FOR THE AMENDMENT

Although the loan fund now contained in title 12 of the Social Security Act has been in existence since 1944, it has not been used. This, of course, can be explained by the fact that most State unemployment compensation systems were not depleted during those years of high employment. However, as unemployment in local areas does increase, it becomes more and more obvious that the provision for loans is completely inadequate.

In at least 28 States there would be serious constitutional questions with respect to the State borrowing money in this way. This in itself is a major argument against reliance on such a loan provision.

The unemployment compensation program is financed by a payroll tax. As employment decreases, the total revenue from this tax is greatly reduced. At the same time, increasing unemployment brings an increased drain upon the unemployment compensation fund of the State. The loan provision would require the State to go further into debt under these circumstances. The loan would have to be repaid, but the State has no foreseeable means of repaying it. The States in which the unemployment funds are being depleted will have ever-increasing financial difficulties under this loan provision.

A provision for grants to the unemployment-compensation funds which are being depleted because of high unemployment in particular States will more adequately meet the needs of these States. It seems proper to use the funds collected from a payroll tax designed to provide unemployment compensation for this purpose. In the past these funds have gone into general revenue. At the present time, up to 90 percent of the Federal unemployment tax may be paid to approved State unemployment-compensation funds. The other 10 percent of the Federal tax is collected by the Federal Government. Administrative expenses have been met from these collections, but the excess has gone into general revenue. If these amounts were transferred to a Federal unemployment account over a period of years, a fund would be built up which could be used to aid State funds which are being depleted.

The amendment does not change the present arrangement of State administration of these funds. The amendment provides for certain conditions which must be met by any State before a grant will be available. If that State's unemployment fund is being depleted, the State must provide a payroll tax of at least 1.2 percent before any grant will be available.

Mr. LUCAS. Mr. President, I also offer and send to the desk an amendment on behalf of myself and the Senator from Pennsylvania [Mr. MYERS]. The amendment provides for assistance payments to the caretakers of dependent children. The amendment is in line with what the House of Representatives agreed to, but what the Senate Finance Committee saw fit to eliminate.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

Mr. LUCAS. Mr. President, in connection with this amendment offered on behalf of the Senator from Pensylvania [Mr. MYERS] and myself, I ask unanimous consent that a short explanation of that amendment be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AN AMENDMENT TO PROVIDE FOR ASSISTANCE PAYMENTS TO THE CARETAKER OF DEPENDENT CHILDREN

H. R. 6000, as passed by the House, provided for Federal sharing in aid furnished to meet the needs of the relative with whom a dependent child receiving aid is living, to the same extent as it shares in the cost of aid furnished dependent children. The maximum individual payment to be counted for this purpose would be the same as for the first dependent child.

The Senate Finance Committee omitted this provision from the bill it reported. This amendment would insert into the bill the provisions as passed by the House of Representatives.

ANALYSIS OF AMENDMENT

The desired result is obtained by amending the following sections of the committee bill:

*Section 321*

The changes on page 378 of the bill are necessary to prevent a recipient of old-age assistance from also receiving a benefit payment as a caretaker of a dependent child.

*Section 322*

This section in the bill amends section 403 (a) of the Social Security Act by increasing the maximum amount for the first child from $27 to $30 and the amount for the other children from $18 to $20. In order to provide for payments to the caretaker it is necessary to restate this entire section, including the formula for Federal matching of funds. (Three-fourths of the first $12 and one-half of the excess up to the individual maximums of $30 for the first child and the caretaker and $20 for each additional dependent child.) This means that up to $18 of Federal funds will be available for each caretaker.

This provision would take effect October 1, 1950.

*Section 323*

This section is amended (p. 379, line 10) so that the definition of aid to dependent children will include payments to the relative with whom a dependent child is living. The relatives already specified by existing law are father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, or aunt.

*Section 341*

This section is amended (p. 381, line 14) so that persons receiving aid as the caretaker of dependent children shall not also be entitled to assistance under the aid-to-the-blind program.

ARGUMENT FOR THE AMENDMENT

The program in the past has provided aid to the dependent children, but has made no provision for the parent or relative with whom the children are staying. This does not seem proper or sensible. If the problem of providing in some way for dependent children is to be met at all through the combined efforts of State and Federal financing, it would seem only sensible to make that aid available in such a way that the parent or relative may properly care for the child.

The existing law is completely inadequate in recognizing the fact that dependent children qualify as such only if one or both of the parents are away from the home and they meet a needs test. The program should be administered in such a way that the home that is available may be kept intact. This necessitates some provision for the parent or relative with whom the children are staying.

The American Legion has actively sponsored this amendment.

Mr. TAFT. Mr. President, the pending bill attempts to improve the system of old-age and survivors insurance, which has been in effect for a period of 14 years. That system has been frequently criticized. I remember the distinguished Senator from California [Mr. DOWNEY] made a speech which lasted throughout an entire day, pointing out the inequalities and unsoundness of this system. Certainly it is long overdue for improvement. The general purposes of the present bill have now been endorsed by both political parties for a period of probably as much as 8 years. I know they were endorsed in the Republican platform of 1944. In the Republican platform of 1948 we favored "extension of the Federal old-age and survivors insurance program and an increase of the benefits to a more realistic level." In the statement of Republican principles and objectives adopted by the Republican Members of the House and Senate about the 1st of February of this year, as I recall, and also by the Republican National Committee, we undertook this obligation:

> The obligation of government to those in need has long been recognized. Recognizing the inequities and injustices of the present program of social security, we urge (a) the extension of the coverage of the Federal old-age and survivors insurance program, reduction of eligibility requirements, and increase of benefits to a more generous level, with due regard to the tax burden on those who labor; (b) a thoroughgoing study of a program of more nearly universal coverage, including the principle of pay-as-you-go.

The pending bill does exactly what was at that time proposed. It extends the coverage of the Federal old-age and survivors insurance program by including, as I remember the number, including 7,000,000 or 8,000,000 people under 65 years of age who are not now included, and it reduces the eligibility requirements by giving what is called the "new start," so that anyone who starts now to pay will, after about a year and a half, I believe, or after six quarters of covered employment, come under the benefits of the system. It increases the benefits to a more generous level, by increasing them approximately by 85 or 90 percent.

I think it should be made perfectly clear what the bill does not do. The present old-age and survivors insurance program provides benefits for about 2,000,000 people over 65 years of age, so far as the payment of benefits at the present time is concerned, although of course many millions more look forward to benefits under it. Those 2,000,000 people are today receiving a wholly inadequate pension, one which is worth about half what it was when the system was inaugurated in 1936.

There are 11,500,000 people over 65 years of age, and the present system does not cover more than 2,000,000. It therefore does not meet the general demand for old-age pension for the people who are over 65 years of age today.

Outside the 2,000,000 receiving benefits under this system, I think about 2,800,000 are getting old-age assistance on a needs basis, through a combination of State and Federal payments, which costs the Federal Government today approximately $900,000,000.

The pending bill increases the coverage of old-age insurance. I do not think I shall want to discuss the details. There are many detailed questions as to who should be covered and who should not be. In general, the committee tried to cover everyone they thought could be covered on a compulsory basis, where it was practicable, and where there was not a substantial objection on the part of those who are not now covered.

The benefits, as I say, are increased by from 85 percent to 90 percent, both the benefits of those who have already retired, and, of course, the benefits of those who may be retired in the future; and I point out also that the eligibility requirements are reduced.

In addition to the general question of the old-age and survivors insurance, the bill also tries to improve the public assistance programs by which the Federal Government shares on a needs basis with the States in paying old-age assistance aid to the blind and aid to dependend children. The House bill actually increased the Federal share of those payments to an extent which would have cost the Federal Treasury about $235,000,000 a year in addition to what we now pay. The Senate committee felt, I think very strongly, that there was no particular reason at this time for increasing the Federal proportion, because the Federal Government has a deficit of $6,000,000,000 a year, while the States are reasonably well off. So there was no reason why the Federal share of these other payments should be increased, and no reason why the total payments should be increased.

One of the objections to the present condition is that the old-age insurance payments to which contributions have been made in the form of taxes average about one-half of the old-age assistance payments to which no contribution is made. One of the purposes is to make the old-age assistance insurance more popular and more attractive by bringing those payments up to a realistic level. Certainly they should be above the old-age assistance payments.

There seems to be no reason to increase old-age assistance payments at this time. The committee made a slight increase in the dependent-children program which has not been entirely satisfactory or sufficiently large to cover all the needy cases throughout the States. Instead of approximately $225,000,000 in the House bill, the Senate bill increases the total Federal payments by only $36,000,000. The bill also increases the authorization for services for crippled children, for services for maternal and child health services, and for child welfare services. Those are programs which involve no cash payments to anyone, but simply enable the States to conduct a more comprehensive and satisfactory service in these fields where the need of assistance and State action are clearly recognized.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Vermont.

Mr. AIKEN. Does the bill provide for any reduction in Federal contributions?

Mr. TAFT. No. Old-age assistance is left as it is, and I think the same is true as to the blind. There is a slight increase for assistance to dependent children, and there is an increased authorization for the services to which I have just referred.

I feel that the bill carries out general pledges which have been made by both parties, and I also think it moves in the right direction. The only thing I do not like about the bill is the fact that it still adheres to the so-called social-insurance program. I do not believe it is insurance, and I think the sooner we recognize that old-age pensions are desired by the people on a pay-as-you-go basis, on a universal basis, the better off we shall be. I think social insurance is not, in fact, insurance. It is not anything in the world but the taxing of people to provide free services to other people.

I do not like to have old-age pensions, which are popular and necessary, and of which I approve, used as a basis for extending so-called social insurance to all kinds of other fields of social welfare, and increasing the tremendous expense of welfare service beyond the present means of the people of the country. I do not believe the Federal Government ought to become more involved than it is in the general problem of providing welfare services and providing for the needy throughout the entire Nation.

As I say, this old-age system is not insurance. It started out to be an actuarily sound fund. The fund was to be established by the people who paid taxes in, and then when it reached the proper point they were to take out what they were entitled to as a result of having paid something into the fund. That was very soon abandoned, because the fund was impossible to administer.

If we should try to have an actuarily sound fund invested in good property, it would get up into the neighborhood of $100,000,000,000, and very soon the fund would own all the property, stocks, and bonds in the United States. It was soon recognized that that could not be done. We could not actually buy all those stocks, so the fund was to be invested in Government bonds. That was nothing but a collection of Government I O U's. We collected a tax, put the tax into the fund, then took the cash out of the fund and put it in Government bonds. Then the Treasury spends the money taken out of the fund. When we come to try to cash in on the fund, we have to tax the people again to pay the interest or the principal on the bonds in the fund. In the last analysis, the fact is that where we have a widely spread old-age pension system and undertake to pay persons over 65 years of age when they are not working, the sum is so large that it is impossible to handle on an actuarily sound basis. In the long run we have to recognize that the only way to pay those sums is for the people who are working at the time to pay the benefits for the people who are not working. There is no other way to do it. We may as well recognize that at the beginning. If we are going to pay old-age pensions, the only way to do it is to pay it out of contributions of the people who are earning money at the time.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. SMITH of New Jersey. I should like to ask the Senator if I correctly understand his position. Is the Senator proposing that hereafter those presently working will be taxed to pay benefits to those who are 65 and over, but at the same time those presently working will not be contributing to their own retirement benefits?

Mr. TAFT. That is correct. I would favor a universal old-age pension system. At the same time, we might just as well recognize what we are doing. In the old days children were supposed to take care of their parents. That was sometimes done, and sometimes it was not done. Sometimes there were no children to assume the responsibility. For that system we should substitute a system under which all the people under 65 are undertaking to say they will pay old-age pensions to everyone over 65, hoping that when they reach the age of 65 the people who are at that time working will assume the same obligation.

Mr. SMITH of New Jersey. I understand the Senator to take the position that the contributions made by individuals through the years have no relation to their ultimate pensions.

Mr. TAFT. I think there is a slight relation, but the benefits which are paid have only a slight relation to what a man pays in.

I should like to read from a speech made by Representative CARL T. CURTIS, of Nebraska, in the House of Representatives. He said:

> Let us consider the case of a man who is now 40 years of age. Let us assume that he has been under old-age and survivors insurance since it started in 1937, that he and his wife are the same age, and that both will reach 65 at the same time. We will also assume that his average monthly wage has been $200. This man will have paid in in taxes according to the schedule in the present law a sum of $1,440, and his employer a like amount, or a total of $2,880.
>
> This amount would have purchased him a monthly benefit of $14.10 on an actuarial basis. However, under existing law he would draw $47.95 a month, and his wife would draw $23.98, or a total of $71.93. In less than 3½ years he and his wife would draw out everything that he and his employer have paid in, even though he would have been covered for 37 long years. The actuaries say that the total value of all these benefits under existing law is $9,770. Under the pending measure his benefits will be raised to $71.10 a month, his wife's to $35.60 a month, or a total of $106.70 a month.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. SMITH of New Jersey. Do I correctly understand that the Senator from Ohio would favor a flat pension for everyone, or would he favor a graduated pension?

Mr. TAFT. I favor universal pensions, but the question of whether the pension should be flat or graduated should be studied by the committee which is proposed to be established under our proposal and which, as I understand, has been approved by the Finance Committee and will be considered by the Senate at about the same time we vote on the bill itself.

Mr. SMITH of New Jersey. I am glad to hear the Senator refer to a committee for studying the question.

Mr. TAFT. The Senator asked about a universal pension system. A flat pension system is in force in England today, but the conditions in England are much more uniform than they are in sections of the United States. I personally, at the moment, should be inclined to favor a flat minimum and then have an increased benefit as people have paid taxes during their life or as they have earned money during the 10 years prior to the time they retired. Under that rule there would be some relation to the amount paid in. I think some relation should be recognized. But it is not very close. Take the case of a man with an average wage of $50 a month. He pays in a tax matched by his employer. The total tax paid in is $60 by each, or $120 over a 10-year period. Under the pending bill he would receive retirement pay of $22 a month instead of $20. If he has a wife who is over 65 years of age, he would get $33 a month. On the other hand, a man earning $100 a month pays in $120, twice as much as does the man earning $50 a month. He retires on only $27.50 a month, instead of $22.50 a month which the other fellow gets. There is practically no relation between what he has paid in and what he gets.

Under the new bill, the same thing is roughly true. A man with $100 average monthly wage would pay $432 and would receive $50 a month on retirement. On the other hand, a man with $200 monthly average wage would pay, or have paid for him, twice as much, or $864, but his benefit would be only $65 a month. For the same payment the first man might get $75 a month for half the money paid in by the single man under the proposed bill.

What I want to point out is that this bill already has gone far toward recognizing the principle of paying to those over 65 years of age a pension, with little relation to what they paid in during their life. In other words, it is no longer insurance. It is something called social insurance. It is not insurance, and, at least up to date, this system has not been very social either, because it has covered only a very small portion of the total number of people who are over 65 years of age.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. SMITH of New Jersey. Did I understand the Senator to say that he disapproves of disability insurance? If so, how does the situation differ between someone who is disabled and someone who is 65 years of age and cannot earn a living?

Mr. TAFT. It is a different subject. In England today they have, I think, eight different payments for social insurance.

Mr. SMITH of New Jersey. I am speaking only of total disability, in the case of a man who is unable to earn a living.

Mr. TAFT. Why take permanent disability? Why not medical services? Why not the whole gamut? People are using the term "social insurance" to cover everything. Social insurance is used as a means of saying that we are going to levy a Federal tax to pay Federal benefits to people for particular things. That is not a Federal field fundamentally. We have accepted the principle in old-age pensions for people over 65. We have not accepted it in general relief, in hardship cases, or in hundreds of other instances which may require action by State and local authorities.

As I see it, the general problem of taking care of the unfortunate is primarily one for the States, and ought to be administered by them. We ought not to have a national system. In the case of old-age pensions, the people have thought that it should be a national program, and they have made it a national program. But the moment we use the insurance idea as an excuse to cover other benefits, we shall have the Federal Government take over the entire welfare activities of the United States. We shall be doing the whole thing in Washington, and we shall be administering it from here. It would cost us about three times as much as it would if we left it with the States and assisted them in those fields.

I am willing to consider the general problem of how far the Federal Government should help the States in the matter of permanent disability as a matter of State aid. However, permanent disability is a very minor factor. In total money, it is very small, and it is well within the financial capacity of the States to look after. I see no particular reason, on the basis of necessity, why the Federal Government should be invited in.

The point I have been trying to make is that this bill does not provide insurance, and the sooner we get back to the recognition that what we are doing is simply debating an old-age pension policy and not any general theory of social insurance, the better off we will be.

I regret that we are calling this a social insurance bill. The fact is that the changes that have been made show it is not insurance. Take one thing, for example. Take the fact that we are doubling these payments. If the payments under the old-age and survivors insurance program paid for the benefits, and were intended to pay for the benefits, then certainly we could not double the benefits and maintain that principle. Even if they paid in enough to get the benefit they are supposed to get under the old system, we are now going to give them twice as much. In other words, we are recognizing in this bill that we have an obligation to pay old-age pensions to people who are old, simply because they are old and not because they paid money into the fund.

The one thing I do like about the bill is that it does establish that principle. It destroys the whole idea of insurance even while it uses the term "insurance." It puts it on the basis of old-age pension, and therefore moves in the direction of universal pension for all over 65, which I think we ought to adopt. I might say that I believe the Committee on Finance would agree with that point of view. The argument which was made against it, and which prevailed, properly so, was that it required such a complete study and such a complete change in the present system that it could not possibly be done in 4 months. We are not going to stay here 4 months longer this year. We felt something ought to be done about the inequities of the present system. The House committee has not even considered plans of that kind, so far as I know. Therefore, they would have to consider the whole thing if we tried to change the system now. However, as I see it, the bill destroys the whole theory of insurance. It recognizes an obligation. Under the new start principle, a man who pays in practically nothing will get $70 a month. Why should we not give the man who does not pay in anything $70 a month, or at least $65 a month? As I see it, we have practically destroyed the theory of social insurance. All I regret is that we still use the name "insurance" when as a matter of fact there is no insurance about it.

Mr. SMITH of New Jersey. I thank the Senator very much.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AIKEN. I am sure the Senator from Ohio, like all the others of us, has received many communications from people who complain that while they contribute to the cost of the social-security program in the form of increased prices for social services and goods, they are not able to get any of the protection which is afforded by such a program. I further understand that many people have not been covered—and in this class would fall part-time farmers—simply because the committee has not been able to work out any administrative procedure for covering this large number of people. Did the Senator state whether in his opinion a universal program of pensions on a pay-as-you-go basis would afford equitable protection to all these people, whereas at present under the actuarial insurance program no way has been found to extend this protection?

Mr. TAFT. Yes. A universal system would extend to all. It would cover a migrant farm worker as well as a permanent farm worker. In this bill we have not included farmers, because it was not at all clear that they wanted to be included, and we did not include the migratory farm worker because, while I am sure they would like to be included if they could be included, it seemed to us to be very difficult to work out a system with respect to them. We felt we should start to move piece by piece. We included about 900,000 permanent farm workers, covering men who work substantially for the same farmer the year round. In those cases I think we would be covering only about 20 percent of the farmers. Those farmers would have to make returns and pay taxes for their permanent employees. That seemed to us to be practical. Of course, those are the same farmers who keep proper books anyway. It represents the top 20 percent of the farmers. It seemed to us to be a practical thing to do. Those farmers would keep proper books, just as the storekeeper would keep books, for example, for the men in his employ. Various plans were proposed for stamp books, for example, which migratory workers would be expected to carry around with them, but it was questioned whether any of them would keep those books permanently.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AIKEN. The fact that farmers have not come forward in large numbers to ask to be covered under social-security programs does not indicate that they do not feel they are entitled to protection on an equitable basis with other groups of people. It simply means that they themselves cannot see how such a program could be worked out, and I am of the opinion that if a universal program, on a pay-as-you-go basis, can be developed, then we will find the farmers in much larger numbers coming forward and saying, "This looks to us as if it would work. We would like to go under it." But they do not want to urge a program which appears administratively impossible, so far as they are concerned.

Mr. TAFT. I think they are right in saying that the payroll tax, while it seems to fall on the employer and employee, really is pretty generally covered into the cost of production. The wages are calculated on a take-home-pay basis. Of course, what the employer pays for himself is included in the cost of production for everybody in the industry, but it adds to the cost, and the consumer pays it.

I believe the National Grange and the Farm Bureau Federation, which were originally opposed to the inclusion of the farmers, favor it today, largely because they think that the farmer, on the basis of prices paid, is helping to pay for the benefits, and is not getting the benefits. I think that is a legitimate complaint. But it would be taken care of in such a universal system as I am suggesting, and toward which we are moving. We are not there yet, but the pending bill moves in that direction.

Mr. AIKEN. The farmers are fully aware of the unfairness of the present program, whereby they pay their share of the cost for the protection of less than a third of the people. There is no inclination on their part, so far as I can see, to deprive of the benefits those who are now getting social-security benefits, but I believe, and I think I can say from first-hand knowledge, that they would be very much in favor of a program which covered all people equitably, and in which all people shared the expenses equitably.

Mr. TAFT. That may be, although we now find that there has not been a great deal of discussion among farmers. We received some letters from farmers for, and some letters from farmers against. The organizations which appeared before the committee favored the program, but they had opposed it in the past, and they

have not been what we might call pressing it very hard.

Of course, when we take 7,000,000 farmers and they all have to pay 2¼ percent tax on their incomes, and not get any benefits, on an average, for about 25 or 30 years, we might find opposition among them to that 2¼ percent tax, which would have to be imposed on them if they were included. So I am not certain that they want it. Whether they do or not I do not know.

Mr. AIKEN. Let me suggest that it is the bookkeeping rather than the tax which makes some of them reluctant to approve the present program.

Mr. TAFT. I think they are correct about that. So in covering only the permanent farm laborers, we have included those working for only 20 percent of the farmers, those who are best off, and probably can keep their records clear.

Mr. President, as I have said, I regret that this is called an insurance program. I think the bill moves toward the universal pension system without getting to it. I do not care to call it insurance, because I do not think it should be taken as a precedent for the extension of insurance to all the other services.

I have here the British plan, and while I am not quite certain that this is exactly what is in effect today, roughly speaking, they have social insurance now for unemployment benefits, including training and rehabilitation.

They have a program for disability benefits, both permanent and temporary, other than industrial.

They have industrial disability benefit pensions and grants, similar to the workman's compensation program which we have in Ohio.

They have retirement pensions, that is, old-age pensions.

They have widows' and guardians' benefits, which are somewhat similar to the survivors' part of our program.

They have a maternity grant and benefit provision. When a woman has a baby, she is insured against the cost of having the baby.

Then there is a marriage grant. I do not know exactly what that is, but apparently it is insurance to pay for the marriage license, or it may be that it is to pay for the honeymoon, I am not certain which. I do not believe it is insurance against the perils of marriage.

Then there is a funeral benefit, to bury one when he dies.

In addition to that, they have national assistance similar to our old-age assistance.

Then they have children's allowances, so that everyone who has a dependent child receives a benefit, except, I think, perhaps, the man who is working does not get any benefit for the first child, but he gets money to help him support additional children.

Then, of course, they have the medical service, which is an additional form of insurance, or is so considered here.

I do not think we should recognize for a moment the social-insurance principle as a good thing in itself. There is an effort to bring all these programs under social insurance, because people think insurance is a nice thing and does not cost anyone anything, if they can pay for it as it goes, whereas the fact is that it is merely another Federal program taxing the people to pay benefits to other people who are not working, and give them something for nothing.

Mr. President, I think it is important that we do not use whatever we do here as a precedent to extend it to other fields of operation. I think it is important, therefore, that it be not extended to permanent-disability insurance, which is included in the House bill. If we extend it to permanent-disability insurance, then we are going to have to extend it to temporary disability, which means we would pay a man's wages while he is sick or thinks he is sick. Then we move right on to the whole medical program, and pay for his doctor and pay his hospital bill, until the cost of the whole program is something beyond conception.

Just the program we have outlined here today in the pending bill will result in the payment of old-age pensions in 1952, when it goes into full effect, of $2,236,000,000. In 1952 we will tax the people in payroll taxes about $3,000,000,000, and we will pay out $2,236,000,000. In addition to that, we will pay about a billion dollars in Federal contributions for old-age assistance. So that the Federal Government will be paying for old-age benefits approximately $3,200,000,000.

If that is extended to a universal basis, it will be more expensive. I do not think it will be a great deal more expensive, if the benefits are not too large. The present bill's program grows until in 1960 we will be paying $3,700,000,000, and by 1990 we will be paying $10,000,000,000. In other words, it is extremely expensive to support people over 65 years of age who are not working.

It is a program I am willing to see the Government undertake, and I think it is one the people are willing to have the Government undertake, but I do not think that before it gets established we should extend it into other fields which properly belong to the States and the localities, where the obligations are being assumed today by charitable institutions in many cases, by denominational hospitals of all kinds, by the local governments, and by State governments.

Mr. President, I wish to say also that it seems to me clear that we should not increase the allowances we have made for assistance to the States for old-age pensions, or otherwise. The Federal Government has a deficit today of $6,000,000,000. The States are able to get along, at least, and I see no reason why the Federal contribution to the things the States are doing should be any larger than it is today.

Mr. President, there is one other subject which is likely to come before the Senate, the proposal to increase the wage base from $3,000 to $4,200 or $4,800. Today a man's taxes are figured on his actual wages up to $3,000 a year. If he gets more than $3,000 a year, they are still figured on $3,000 a year. That means that the total tax paid today is 3 percent of $3,000, or about $90 per annum for any man. It is a system favorable to persons with very low incomes. On the first $100 a month of the average monthly wage an individual gets $50 a month in benefits when he retires. On the amount over $100 of the monthly average wage the Senate bill increases the rate from 10 percent to 15 percent. So he receives 50 percent of the first $100 and 15 percent of the next $250. If the amount were increased from $3,000 to $4,200–$4,800 the result, of course, would be to increase the tax proportionately. The man who actually receives a $5,000 income, instead of paying $90, will pay $108. He will pay on the $3,600 figure. But when he comes to receive his benefit he receives only 15 percent of the additional $600.

Roughly speaking, it is doubtful whether he receives any benefit. The additional tax he would pay over and above what he would have paid on $3,000 is so large that, although I am not entirely certain, he could buy insurance from private companies for the additional benefit more cheaply than he receives it from the system.

Mr. President, I do not think it is a vital matter. The Senate committee felt it was better to leave the figure at $3,000. In the first place, there are many private pension funds which are integrated into the $3,000 level and they would all have to be changed.

The chief effect of increasing the $3,000 simply seems to be an increase in taxes on everyone who is receiving more than $3,000. It is of no particular benefit to those receiving more than $3,000. So I do not regard it is a matter of vital importance, but, on the whole, I see no reason to increase the wage base beyond $3,000. The House increased it to $3,600, but by providing 15 percent instead of 10 percent we give a $3,600 man just as large a benefit under our bill as he was receiving under the House bill with the 10 percent on a somewhat larger base. So that, so far as I can see, the increase in that base is not actually going to give anyone any greater benefits than he receives today, except to the extent perhaps that he pays a much larger tax to receive it.

Mr. President, I feel that we have in this bill fulfilled our obligations, carried out the policy of the Republican Party, and, I think, carried out also the policy of the Democratic Party. In this bill I feel that we are moving in the right direction. I voted for every increase in coverage, I think, because I contend that in the end we ought to cover everyone.

I believe we should insist upon a commission to study the whole problem of a universal pension. I think it can be worked out. I think it can be worked out with very little additional expenditure by the Federal Government over what is being paid today. I think it can be worked out so as to relieve the Federal Government of the $900,000,000 a year which today we are paying to the States to make the old-age assistance payments. I am only guessing, but I should think that, whereas in 1952 the present program would cost us $3,200,000,000, for somewhere between $4,000,000,000 and $5,000,000,000 a year we can provide a universal old-age pension.

I believe, therefore, that we should pass the bill as a step in the right direc-

tion. I believe we should pass it to eliminate many of the inequities and hardships created by the present system. I believe we should enact it, if for no other reason, simply to bring the figures into accord with the present cost of living. I believe, therefore, that it is a reasonable program carried out on the principles of an old-age pension which we have long adopted in this country. I think we should adhere to the Senate bill substantially. I do not mean to say that many minor amendments are not necessary, but I do not believe we should undertake an extension of the field of disability insurance or other possible phases of coverage. I think as soon as possible we should wipe out the whole idea that this is insurance, and adopt a universal old-age-pension system.

Mr. SCHOEPPEL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant journal clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hendrickson | Malone |
| Benton | Hickenlooper | Martin |
| Brewster | Hill | Maybank |
| Bricker | Hoey | Millikin |
| Bridges | Holland | Mundt |
| Butler | Humphrey | Murray |
| Byrd | Hunt | Neely |
| Cain | Ives | O'Mahoney |
| Capehart | Jenner | Pepper |
| Chapman | Johnson, Colo. | Robertson |
| Chavez | Kefauver | Russell |
| Cordon | Kem | Saltonstall |
| Darby | Kerr | Schoeppel |
| Donnell | Kilgore | Smith, Maine |
| Dworshak | Langer | Smith, N. J. |
| Eastland | Leahy | Sparkman |
| Ecton | Lehman | Stennis |
| Ellender | Lodge | Taft |
| Ferguson | Lucas | Thomas, Utah |
| Flanders | McCarran | Thye |
| Fulbright | McCarthy | Tydings |
| George | McClellan | Watkins |
| Gillette | McFarland | Wherry |
| Green | McKellar | Williams |
| Gurney | McMahon | Withers |
| Hayden | Magnuson | Young |

The PRESIDING OFFICER (Mr. HOEY in the chair). A quorum is present.

The question is on agreeing to the amendment proposed by the Senator from Illinois [Mr. LUCAS] for himself and other Senators.

Mr. WHERRY. Mr. President, will the distinguished Senator from Georgia yield at this time for a question?

Mr. GEORGE. I am pleased to yield.

Mr. WHERRY. Mr. President, we have just had a quorum call. Some reference was made by the distinguished majority leader to the effect that a unanimous-consent agreement might be worked out, agreeable to Members of the Senate, to vote on all amendments and also on final passage of the pending bill. Does not the distinguished Senator from Georgia feel that this would be a proper time to present the request which has been worked out? I hope it will be satisfactory to Members of the Senate.

Mr. GEORGE. Mr. President, I am pleased to present the unanimous-consent request at this time. It is agreeable to the Senator from Colorado [Mr. MILLIKIN], the leader on the minority side of the committee. I send to the desk the proposed agreement and ask that it be read.

The proposed unanimous-consent agreement was read by the legislative clerk, as follows:

*Ordered*, That on the calendar day of Tuesday, June 20, 1950, at the hour of 4 o'clock p. m., in connection with the consideration of the bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes, the Senate proceed to vote upon a resolution (S. Res. ) sanctioned by the Senate Committee on Finance, and to be offered by Senators GEORGE and MILLIKIN, authorizing and directing that said committee, or any duly authorized subcommittee thereof, shall continue the study and investigation of social security problems in the United States on general and specific subjects to be described in said resolution, with authorization for employment of such technical, clerical, and other assistance as said committee deems advisable, with authority, for the purposes of the resolution, with the approval of the Committee on Rules and Administration, to request the use of services, information, facilities, and personnel of departments and agencies in the executive branch of the Government, and with provision for the expenses of such investigation, or any amendment that may be proposed thereto; and immediately thereafter proceed to vote, without further debate, except as hereinafter provided, upon any amendment or motion that may be pending or that may be proposed to the foregoing bill H. R. 6000, and upon the final passage of said bill: *Provided*, That no vote on any amendment or motion shall be had prior to said hour of 4 p. m. on said day; that no amendment that is not germane to the subject matter of the bill shall be in order.

*Ordered further*, That the time between 12 noon and 4 p. m. on said day be equally divided and controlled by Mr. GEORGE and Mr. MILLIKIN.

The PRESIDING OFFICER. Is there objection?

Mr. CAIN. Mr. President, reserving the right to object, may I address a question to the senior Senator from Georgia?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Washington for a question?

Mr. GEORGE. I yield.

Mr. CAIN. Will the resolution, referred to in the proposed agreement, when it becomes the pending business before the Senate, be subject to amendment?

Mr. GEORGE. It will be, under the unanimous-consent agreement.

Mr. CAIN. I thank the Senator.

Mr. MUNDT. Mr. President, reserving the right to object, I wonder whether the Senator from Georgia would be willing to modify the request so as to permit 5 minutes to each side of any amendment that may be offered, for purposes of explanation?

Mr. GEORGE. I have no objection to that. If it is agreeable to other Senators, I shall be glad to modify the request in accordance with the suggestion made by the distinguished Senator from South Dakota.

Mr. MILLIKIN. That is entirely agreeable to me.

The PRESIDING OFFICER. Without objection, the proposed agreement will be modified accordingly. Is there objection to the unanimous consent agreement, as modified. The Chair hears none, and it is so ordered.

The unanimous-consent agreement, as modified, is as follows:

*Ordered*, That on the calendar day of Tuesday, June 20, 1950, at the hour of 4 o'clock p. m., in connection with the consideration of the bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes, the Senate proceed to vote upon a resolution (S. Res. ) sanctioned by the Senate Committee on Finance, and to be offered by Senators GEORGE and MILLIKIN, authorizing and directing that said committee, or any duly authorized subcommittee thereof, shall continue the study and investigation of social security problems in the United States on general and specific subjects to be described in said resolution, with authorization for employment of such technical, clerical, and other assistance as said committee deems advisable, with authority, for the purposes of the resolution, with the approval of the Committee on Rules and Administration, to request the use of services, information, facilities, and personnel of departments and agencies in the executive branch of the Government, and with provision for the expenses of such investigation, or any amendment that may be proposed thereto; and immediately thereafter proceed to vote, without further debate, except as hereinafter provided, upon any amendment or motion that may be pending or that may be proposed to the foregoing bill H. R. 6000, and upon the final passage of said bill: *Provided*, That no vote on any amendment or motion shall be had prior to said hour of 4 p. m. on said day; that no amendment that is not germane to the subject matter of the bill shall be in order; and that after said hour of 4 o'clock p. m., debate on any amendment or motion shall be limited to not exceeding 10 minutes, to be equally divided between the mover thereof and the Chairman of the Committee on Finance.

*Ordered further*, That the time between 12 noon and 4 p. m. on said day be equally divided and controlled by Mr. GEORGE and Mr. MILLIKIN.

## ORGANIZATION OF THE ARMY AND THE DEPARTMENT OF THE ARMY

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. TYDINGS. Mr. President, on June 8, the Senate passed House bill 8198, with an amendment. On June 12 the House requested a conference, and appointed conferees. I move that the Senate insist on its amendment, agree to the conference asked by the House, and that the Chair appoint the following conferees on the part of the Senate: Mr. TYDINGS, Mr. BYRD, Mr. CHAPMAN, Mr. SALTONSTALL, and Mr. CAIN.

The PRESIDING OFFICER. The question is on the motion of the Senator from Maryland.

Mr. WHERRY. Reserving the right to object, am I correct that there is a disagreement on the amendment?

Mr. TYDINGS. That is correct.

Mr. WHERRY. Does the Senator from Maryland care to give us a brief explanation of it?

Mr. TYDINGS. I regret that I am unable to do so at the moment.

Mr. WHERRY. Very well.

Mr. SCHOEPPEL. Mr. President, reserving the right to object, may I inquire of the Senator from Maryland whether I understood correctly that he moved that a certain list of Senators designated by him be appointed conferees on the part of the Senate? I understood the Senator to say "the following conferees."

Mr. TYDINGS. The reason the names of the conferees were suggested is that the Senator from Maryland has combed the Armed Services Committee for volunteers. The other members of the committee are tied up, and those listed are the only ones who want to serve. For that reason, I have taken the liberty of suggesting the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on the motion of the Senator from Maryland.

Mr. DONNELL. Mr. President, I shall not object. However, I have some question as to the advisability of introducing into a motion, as matter of custom, a list of Senators, thus depriving the Presiding Officer of the right to select conferees.

Mr. TYDINGS. The Chair has the right to appoint conferees. What the Senator from Maryland did was simply by way of suggestion and to accommodate members of the Armed Services Committee.

Mr. DONNELL. Would the Senator from Maryland have any objection to rephrasing his motion to state that he moves the appointment of conferees and suggests to the Chair a certain list, rather than making it mandatory?

Mr. TYDINGS. I do not think I suggested that the Chair should appoint the conferees whose names I sent to the desk. I sent the list to the desk in an attempt to aid the Chair in appointing conferees.

Mr. DONNELL. Mr. President, if the Senator will yield again, I think the Senator said—and I most respectfully say this—that he moved that the Chair appoint "the following conferees."

Mr. TYDINGS. Mr. President, I withdraw my previous motion, and move that the Senate insist upon its amendment, request a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. TYDINGS, Mr. BYRD, Mr. CHAPMAN, Mr. SALTONSTALL, and Mr. CAIN conferees on the part of the Senate.

## HOUSING AND RENT ACT OF 1947

Mr. MAYBANK. Mr. President, earlier today, when the amendment of the House to Senate bill 3181, the Housing and Rent Act of 1947, was laid before the Senate, I made a unanimous-consent request, because the distinguished Senator from Ohio [Mr. TAFT] was about to speak and I did not desire to take up too much of his time, that the Senate disagree to the House amendment to extend rent control for 7 months——

Mr. THYE. Mr. President, will the Senator yield?

Mr. MAYBANK. Let me finish my statement, please.

I now ask, Mr. President, that action on the matter be taken at this time.

The PRESIDING OFFICER. The House amendment to Senate bill 3181, to extend the Housing and Rent Act of 1947, as amended, and for other purposes, has heretofore today been laid before the Senate, and is now before the Senate.

Mr. MAYBANK. Mr. President, I move that the Senate disagree to the amendment of the House providing for an extension of rent control for 7 months, and request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint conferees on the part of the Senate.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. When the distinguished Senator from South Carolina made a similar motion earlier today a motion was made by the junior Senator from Nebraska in behalf of the junior Senator from Washington [Mr. CAIN]. In view of the fact that the Senator from Ohio [Mr. TAFT] did not yield at that time, there is no record of any action on the matter being taken prior to this time. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. CAIN. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. CAIN. Mr. President, earlier in the day it had been the intention of the junior Senator from Washington to move, with reference to the bill which the Chair has laid before the Senate, that the Senate strike out the 7-month provision recommended by the House and insist on the 6-month provision which the Senate had agreed to on one of the latter days of last week. Since, earlier this morning, the chairman of the Banking and Currency Committee, the senior Senator from South Carolina [Mr. MAYBANK] and the junior Senator from Washington have been in consultation regarding this question. It is the wish of the senior Senator from South Carolina that the bill go to conference at a very early date, and the junior Senator from Washington is by no means endeavoring to obstruct, but it was the agreement that the Senator from Washington might be permitted to pose several questions to the Senator from South Carolina at this time.

Mr. MAYBANK. That is correct.

Mr. CAIN. With the permission of the Senator, I should like to pose the first question, which is this: If the conference report includes a provision extending Federal rent controls for 7 months beyond June 30, 1950, rather than for the period of 6 months which had been agreed to by the Senate, does the senior Senator from South Carolina, the chairman of the Banking and Currency Committee of the Senate, believe that such a conference report ought then to be rejected?

Mr. MAYBANK. Of course, I can speak only for myself. I desire to say that I opposed a 7-month extension in the committee. I am personally opposed to a 7-month extension. I think there were only three members of the committee who favored a 7-month extension. The committee was of the belief that a 6-month extension was sufficient.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAIN. Mr. President, I have two further questions.

The PRESIDING OFFICER. Does the Senator from South Carolina yield; and if so, to whom?

Mr. MAYBANK. I yield to the Senator from Minnesota.

Mr. THYE. On the question of an extension of 7 months, it is important to realize that States whose legislative bodies do not convene until 1951 would be compelled to call special sessions, in the event Federal rent controls were removed as of December 31. In the event Federal rent controls were extended for 7 months, the State legislative bodies could convene and deal with the question and not be compelled to go to the expense of calling special sessions.

In a colloquy with the Senator from Illinois [Mr. DOUGLAS], prior to the vote on the rent-control bill, I suggested that rent control should be extended 7 months rather than 6 months. The House accepted such an amendment offered by Representative JUDD, of Minnesota. I think the Senate conferees might well consider favorably such an amendment or such a provision when the bill is in conference.

I thank the Senator for yielding.

Mr. MAYBANK. With all my great respect for my distinguished friend from Minnesota, I want to say that the Senate voted overwhelmingly for a 6-months' extension, and I think we are bound by the vote of the Senate. It was discussed on the Senate floor. I am bound by all moral obligations to favor the 6-months' extension. I appreciate what the Senator from Minnesota has said and I also appreciate the statement of the Governor of Minnesota before the committee.

Mr. THYE. The governor is going to testify before the committee with reference to flood disasters in Minnesota. He will appear before the committee at 2:30 o'clock this afternoon. The governor is present, and I should like to have him show the Senator from South Carolina that rent control extension should be for 7 months rather than for 6 months.

Mr. MAYBANK. That may be correct, but the Senate voted for a 6 months' extension. It will be a pleasure for me to meet the governor and to hear his testimony before the committee this afternoon.

Mr. THYE. If the Senator will yield further, I did not press for the amendment on the floor of the Senate, because I realized it would not meet with a friendly reception, and possibly it would be defeated, and, if it were, our oppor-

tunity would be lost. So Representative JUDD offered such an amendment in the House and it received a very favorable reception. There were not to exceed two or three votes against the amendment. I believe it is a reasonable extension, and I am sorry that I cannot convince the able chairman of the Committee on Banking and Currency that he should accept the amendment.

Mr. MAYBANK. I can at least assure my distinguished friend from Minnesota and his distinguished governor that there will be some sort of control for the large cities and other communities in Minnesota until they can determine for themselves what they wish to do.

Mr. CAIN. Mr. President, I think the questions and answers as between the Senator from Washington and the Senator from South Carolina are extremely important as we move toward final action on the pending question, which concerns itself with federalized rent controls. I am satisfied that the Senator from South Carolina will not misunderstand my second question, and I am inclined to think that he will wish to respond to it. If by any chance the conference report should include a provision extending Federal rent controls for 7 months, rather than for 6 months, would the chairman of the Committee on Banking and Currency, the senior Senator from South Carolina, be disposed to join with the junior Senator from Washington and other Senators in resisting the conference report in every legitimate and conceivable way? The junior Senator from Washington, sir—and I think it can be understood why—is tremendously interested in determining the actual situation.

Mr. MAYBANK. Mr. President, my only thought with respect to that question which the Senator from Washington has asked me is that in committee I personally opposed a 7-month extension of rent control. I suggested it would be unwise to have such a provision come to the Senate. So far as I am concerned, I am not in favor of a 7-month extension. However, what the conference committee will do is something I do not know. I cannot answer for them. My judgment would be that I would do the best I could to have it made a 6-month extension.

Mr. CAIN. Would the senior Senator from South Carolina venture a guess as to whether in his own opinion there is likely to be or not to be a Federal rent-control law beyond June 30, 1950, if the conference report includes a recommended extension of 7 months instead of 6 months?

Mr. MAYBANK. That is rather a hard question to answer. I do not know who is going to be in the House or who is going to be in the Senate after January 1. I am in the fortunate position of not having to run for office this year. I hope our friends will return and be with us. If the Senator is asking me who is going to come back and who is not going to come back, he is asking me a very difficult question, the answer to which, of course, I do not know. I do not know what the new Congress will do. I will say this, however: That I am in favor of a 6-month extension, and I shall vote for such an extension.

Mr. CAIN. The substance of my question was misunderstood only in part by the senior Senator from South Carolina. What I am endeavoring to find out is if the conference report comes back with a provision extending the rent-control law for 7 months, does the senior Senator from South Carolina feel that such a conference report would be adopted by the Senate of the United States? It seems to me that if that conference report were rejected there would be no Federal rent-control law beyond June 30.

Mr. MAYBANK. I cannot speak for other Senators, and I do not know what the House will do. I do not not know whom the Presiding Officer is going to appoint on the conference committee. Being chairman of the Committee on Banking and Currency I presume I shall be one of the conferees. If so, I shall hold out to the end for a 6 months' rent-control law. I think that we shall have to have some sort of rent control in some of the larger cities and in some of the States where there has been no opportunity to vote as yet because the legislatures have not met, or where the governor did not have the power to call a special session of the legislature. I think that the local communities and States should take over rent control. That is what we intended last year they should do. However, as I said, we were met with the unfortunate situation of some State legislatures not having met, for example.

Mr. CAIN. I have one other question, Mr. President. If the conference report should return to the floor of the Senate with a provision extending the rent-control law 7 months, would the senior Senator from South Carolina think it unbecoming, unwise, or unreasonable for any single Senator to work in every conceivable and legitimate way to have such conference report rejected by the Senate of the United States, for the fundamental reason that the issue as between 6 and 7 months was previously decided within the Committee on Banking and Currency and was recently resolved on the floor of the United States Senate.

Mr. MAYBANK. I would say that I would agree that the Senate voted for a 6 months' extension, that the Committee on Banking and Currency had the question of a 7 months' extension before it, and that the proposal was defeated in committee. In fact, there were very few Senators who favored a 7 months' extension. As the Senator from Washington has ably stated, I think it would be the duty of any Senator to oppose to the best of his ability anything which the Senate had not approved.

Mr. CAIN. Because of the gracious way in which the senior Senator from South Carolina has answered the questions posed to him by the junior Senator from Washington, and because of the substance included within the responses which the junior Senator from Washington has secured from his friend from South Carolina, the junior Senator from Washington is no longer disposed to move that the Senate strike out the 7 months provision sent to the Senate this morning by the House, but favors the recommended action of the Senator from South Carolina that the bill now go to conference.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina.

The motion was agreed to; and the Presiding Officer appointed Mr. MAYBANK, Mr. FULBRIGHT, Mr. SPARKMAN, Mr. FLANDERS, and Mr. ERICKER conferees on the part of the Senate.

## SURVEY OF ECA IN EUROPE

Mr. McCARRAN. Mr. President, last fall I spent approximately 3 months in western Europe. As chairman of the Joint Committee on Foreign Economic Cooperation, I spent much time inquiring into the problems connected with the economic assistance which we have been giving to western Europe. Subsequently, I wrote a brief report on that part of my trip. This report is entitled "Survey of ECA in Europe by Senator PAT MCCARRAN," and is Senate Document No. 141.

Mr. President, the Senate will presently be called upon to decide how much money to give to our western European allies for the fiscal year 1950–1951. As I have said again and again, I am in favor of continuing to aid western Europe in its efforts to become and remain economically healthy. However, during my trip last fall I became convinced that complete economic stability for western Europe by 1952 is an impossibility, and I said so in my report of my trip. I, therefore, concluded that further reductions in the amount of aid to be given western Europe in the final 2 years of the Marshall plan would be desirable if for no other reason than that such reductions would materially lessen the shock of final termination of aid in 1952.

So that my "Survey of ECA in Europe" may be read and understood by the Members of Congress, I respectfully request unanimous consent that the entire report which I made following my return from Europe be inserted in the RECORD at this point as a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SURVEY OF ECA IN EUROPE BY SENATOR PAT MCCARRAN

SCOPE OF STUDY

This report covers my travels in the participating countries during the period September, October, and November. In studying the progress and administration of the ECA in the principal countries, I conferred with the officials of the ECA, the State Department, Department of National Defense, and other United States agencies having first-hand knowledge of the facts, as well as with the government officials of the various countries. More important, I attempted to reach the grass roots, so to speak, of these countries and determine the general feeling of the various peoples as to their understanding of the programs of the United States and their evaluation of the progress their countries are making in economic stabilization.

To the occasional tourist, European recovery appears well along the way. Generally speaking, there is high employment. Production, both industrial and agricultural, is on the increase. An American traveler finds

many items scarce or difficult to obtain. Such items ofttimes are considered ordinary requirements in the United States. However, there is a question whether Europe, at any time, could meet such American requirements inasmuch as they are considered more or less luxuries in Europe.

The businessman traveling in Europe may have a somewhat different idea as to the progress of recovery, particularly if he is engaged in a business which requires the transfer between countries of goods, services, or moneys. He, of course, is met with quotas, restrictions, currency control, and many other barriers to the normal flow of business.

Although I can report considerable, even greater than hoped for, progress toward recovery in Europe, general observations concerning the over-all accomplishments of ECA are apt to be misleading unless made with respect to each country.

PRINCIPAL COUNTRIES STUDIED

*France*

I arrived in France on September 19 and, before proceeding to Paris, I spent the twentieth and twenty-first in the Normandy section of France. During this time I visited agricultural fairs which were being conducted at this time of year. I discussed with visitors to the fair general conditions and attempted to determine the morale of the average Frenchman from this sort of contact.

I conferred with Mr. Andre, a member of the French Senate, who represented this district, and I attempted to secure his views concerning the economic recovery of France.

On September 22 I met with the chief of the ECA French mission in Paris, Mr. Barry Bingham. I also conferred with Mr. David Bruce, our Ambassador to France, and later with Milton Katz, deputy to Ambassador W. Averell Harriman. Conferences were held with these gentlemen concerning the progress of recovery, the general morale of the people, and the problems immediately confronting the mission in the administration of the present program. On the following day I met with members of Mr. Harriman's staff of the office of the special representative, as well as with additional members of the mission staff, and discussed the industrial and agricultural conditions of France.

In the afternoon I conferred with Mr. Jean Monnet, who is a member of the Prime Minister's council and chief of the planning division for modernization and equipment of French industry. Mr. Monnet is best known for his authorship of what is known as the Monnet plan. Mr. Monnet reported to me considerable progress on his plan of modernization and industrial equipment and was outspoken in his position that the Marshall plan should be ended not later than 1952, and that the participating countries would be well advised to proceed on such an assumption.

Following the conference with Mr. Monnet, I conferred further with Mr. Barry Bingham, chief of the mission; his deputy, Mr. B. E. Lane Timmons; Mr. Kenneth J. Nicholson, chief of food and agriculture branch; Mr. Andrew F. Patterson, controller; Mr. Clay H. Hollister, chief of the industry division; and Mr. Kenneth Douty, chief of the labor division. The discussion of these meetings went into the development of hydroelectric power in France, the financial situation in France, its long-range agricultural program, and the information program. The matter of the role of French labor in the future of France was also discussed at length by Mr. Douty, who impressed me as being a most capable and able administrator in the labor field.

On September 26 I conferred with Premier Queuille. My discussions with the Premier covered the principal facets of the ECA program in France, the prospects for the French economy, and the inevitable termination of Marshall-plan aid.

France presents a very difficult picture from the standpoint of evaluating her economic progress. Unquestionably, recovery has been considerable. In nearly every respect, the economy has shown remarkable improvements over 1948 and earlier postwar years. In 1949, gross national product increased over 1948 approximately 9 percent. Balance of payments showed improvement with an over-all increase in exports of more than 40 percent. The internal financial situation was, in relation to prior years, reasonably stable and, for the first time since 1935, the general price level at the end of the year was not significantly higher than at the end of the previous year. Although there was some labor agitation in the fall of 1949, the year was not marred by crippling strikes of long duration similar to those of 1947 and 1948. Investment increased moderately. Two economic fields showed no improvement during the year—that of crop production, which actually declined somewhat as a result of the drought, and exports to dollar areas reflecting dollar earnings remained practically unchanged at the 1948 level.

Industrial production ran extremely high in 1949 but the cost of this production was also extremely high and served to discount much real recovery from the standpoint of competitive economics. A reduction in the cost of production appears absolutely necessary but extremely difficult to obtain because the majority of producers are sheltered from competition by domestic and internal restrictions, which tend to curtail production rather than reduce costs.

Most fuel and raw materials bottlenecks and shortages were eliminated in the early part of the year. Electric power, however, remained on the list of shortages although production in the third quarter was running at 6,700,000,000 kilowatt-hours compared to prewar 4,500,000,000 kilowatt-hours.

By the second half of 1949, real consumption expenditures in France had in total reached the 1938 level. This was true on a per capita basis as well as in the aggregate. The year 1949 showed a further small increase so that the present level of living in France is estimated to be slightly above that in 1938. Per capita food consumption in 1949 was approximately at prewar levels for the most important items in the French diet; namely, cereals, meat, and potatoes. It was substantially lower, however, for fats and oils, dairy products, wine, and sugar. Per capita food consumption was higher for fresh vegetables and fruits.

Food rationing was progressively reduced during the year 1949 so that by the end of the year all items were free.

Of significant importance is the fact that food production has not kept pace with industrial production because weather conditions have not been the best for the past 2 years. Due to the unprecedented droughts, the improvement programed during the ECA period of assistance is falling far behind schedule. More emphasis appears necessary in the utilization of feed and the handling and use of livestock. The need for practical work in extension service is apparent. The possibility of France's becoming self-sufficient in foods is much greater than in any of the other participating countries. Such a prospect should be exploited to the utmost and an endeavor made to fill the dollar gap between exports and imports by reducing imports of food. This gap can be closed by raising more food and by more efficient use of the present production. It is recognized, of course, that the difficulty and the time required for changing the agricultural pursuits of an entire nation is great. This problem nevertheless requires immediate aggressive attention.

Direct ECA aid in 1949–50 will approximate $673,000,000, a reduction of about one-third from the previous year. Even with a reduction of one-third, the general picture presents a standard of living comparable with prewar although such a standard could not be maintained without continued American aid of equivalent proportions.

Political stability cannot be maintained on an unsound economic foundation. The present political stability must be considered in relation to the economic conditions. The balance is very delicate. Economic recession would immediately impair the political stability of the present French Government, and the soundness of the present economic situation is not such as to insure continued progress. The danger of the situation seems to be that recovery may have been too rapid and too dependent upon continued outside support in the form of American aid.

In France, as in the other countries visited, I attempted to discover among the people, in general, the attitude concerning ECA and our objectives. As pointed out in the committee report on France, Knowledge of the Marshall Plan in Europe, dated October 14, 1949, the progress in this field has not been encouraging. As a result of conferences concerning this matter, ECA is instituting a more energetic program designed to inform the French populace of the ultimate goal of ourselves and the French Government in the matter of economic recovery.

*Germany*

On September 27, I traveled to Germany, visiting points in France and Germany before arriving at Frankfurt in the evening of the 28th of September. During my stay in Germany, I visited Frankfurt, Munich, Stuttgart, as well as Heidelberg and other industrial cities.

I conferred in Frankfurt with John McCloy, our High Commissioner in Germany. Discussions were had with Mr. McCloy concerning the economic situation as he found it, having only recently assumed his new duties, and the perplexing problems immediately confronting him in the administration of his office, as well as the economic future of western Germany.

Following discussions with Mr. McCloy and his deputies, conferences were held with Mr. N. H. Collisson, Director of the Office of Economic Affairs, and Chief of the ECA Special Mission to Western Germany; and with Mr. Robert M. Hanes, adviser to Mr. Collisson, and the future ECA Chief in Germany, Mr. Hanes only recently having arrived to relieve Mr. Collisson. Conferences were had with Mr. Earl R. Beckner, Chief of the Manpower Division, Office of Labor Affairs; Mr. Charles Marshall of the German Desk of ECA-Washington, and temporary assistant to Mr. Collisson; Mr. Norman Olnick, Assistant Controller, ECA Special Mission to Western Germany; and Mr. Walter T. Ridder, information officer of the ECA Special Mission to Western Germany.

Discussion with these officials covered the problems of administration under the previous zonal division of western Germany as well as their plans for administration and economic development under the unified plan, and their relations with the Federal Republic of Germany.

Additional conferences were held with representatives of the Department of State and the Department of the Army, many of whom were assuming new duties or liquidating old ones due to the administrative changes in the control of Germany. My travels in Germany acquainted me with the degree of destruction, the patent evidence of recovery, as well as giving me opportunity to find out the general welfare of the people of Germany.

The economy of Germany, which is a vital segment of the economy of Europe, is slowly recovering momentum under the impetus of the new German Government augmented by ECA aid. The recent changes in administration in Germany unifying the zones and clarifying the position of ECA, should considerably increase the rate of recovery. It

is not expected, however, that complete recovery and industrial production can be obtained in western Germany at the same rate of progress as in other participating countries because of the fact of the utter destruction and maladjustment immediately following the war. However, the spirit of recovery is particularly noticeable among the peoples of Germany.

Under the new Federal Republic of Germany, this Government becomes a member of the OEEC by succession rather than as a new member. This procedure was adopted so as to preserve the status of the existing trade agreements as well as the intra-European payments agreement to which Germany, acting through the Allies, had become signatory. During the period of my study in Germany, the administrative processes were not all that could be desired, because of the transfer of functions to the Office of the High Commissioner and the establishment of new organizations designed to implement the new status of Germany.

Industrial production is moving rapidly ahead in Germany. Food production has made rapid strides also. The reconstruction of bombed cities has gone forward rapidly in some areas, more slowly in others. During the period of this study, Germany had been opened to tourists. An exchange rate was established for the German mark so that tourists could spend money in and travel through Germany. Accommodations, although extremely limited because of destruction of housing facilities, appeared quite adequate. Much of the internal reconstruction of buildings, industrial plants, and cities had gone on on a more or less barter basis because of the lack of capital for capital investment. Up until the establishment of the Office of the High Commissioner, counterpart funds accruing as a result of ECA aid had been frozen and, since there was no other means of securing capital investment, activity in this field was practically at a standstill. However, since the establishment of the Office of the High Commissioner, ECA has moved into the economic picture in Germany actively and has begun to release counterpart funds for internal projects requiring capital investment. Releases since this date approximate the equivalent of $150,000,000 in German Deutschemarks.

It should be noted that the sums accruing from ECA dollar aid in the counterpart fund will not be adequate for the capital investment program necessary for complete recovery. However, the availability of these funds does lessen the problem facing the High Commissioner in this field.

Another problem of considerable importance to our High Commissioner and to the economic future of Germany has been the confused dismantling program. Dismantling of plants, other than war potential plants, should have taken place during the first year following the surrender of Germany. Where plants are operating now, and employing sizable numbers of employees, the dismantling of such a plant presents a most difficult problem from the standpoint of internal order, as well as adding to the economic disruption of an already disrupted economy. It is believed that our officials could have handled this problem in a much more efficient manner so as to lessen both the load on the American taxpayer and the problems that appear to be rising daily from a continuation of a dismantling program which should have been concluded 2 years ago.

Another problem of immediate importance to economic recovery in Germany and of particular importance to the administration of the country and to the United States High Commissioner, is that of German refugees, sometimes called Volksdeutsch or expellees. This term is used to denote Germans, numbering between 8,000,000 and 10,000,000, who have come into the western zones of Germany from the eastern zone and from eastern Europe, either forcibly or voluntarily. Present estimates indicate an influx into western Germany of from 500 to 1,000 daily. The area into which these people are coming is considerably less than the area of Germany prior to the war. This presents the Office of the High Commissioner with a considerable problem in the economic field as well as in the security field. An economic level of industry to absorb these people appears to be almost out of the question and yet the millions in this area may present a very acute problem from the standpoint of peaceful development of Germany and Europe. Indications are that the majority of these people are competent and possess considerable know-how. Consideration might be given, under the President's point 4 program, to providing facilities for emigration of vast numbers of these people to areas of the world deficient in industrial know-how.

It appears that the prospect of economic rehabilitation of Germany is much brighter because of the coordination of all the aid programs in Germany into one correlated program and, while it is safe to say, as of the present, that economic recovery is well on the way, it is quite too soon to comment upon the political trends, particularly because of the fact that the German Government has just been reestablished and it is too soon to judge accurately the political situations there.

The information program carried on by ECA in Germany appears to be in good hands. I was particularly impressed by the ability of Mr. Walter Ridder, the information officer. An excellent program has been developed under his direction and work is going on to make the people of Germany cognizant of the democratic process we are striving to foster by the ECA. A unique part of this program entails the dissemination of information in almost textbook form for use in German schools. As a result of the war and denazification, many of the textbooks in Germany required destruction and replacement. This appears to be an excellent opportunity to get the story of American democracy and the goals of the foreign policy of the United States before the rising generation of Germany.

With respect to end use, it was found that at the time of this study, ECA was employing a Swiss concern for the purpose of making end-use checks of the arrival and distribution of ECA-financed goods, as well as other imports. An examination of this method of end-use check indicated a satisfactory solution to this problem inasmuch as the costs were being borne out of counterpart funds. Since the study was completed, ECA has found it desirable to change firms and the Swiss firm is no longer employed, although independent organizations are performing the task.

With respect to export controls in Germany and their importance in the shipment and transshipment of materials of strategic importance, the findings were identical with those reported in the staff report of September 13 to the committee dealing with this problem. The Joint Export-Import Authority heretofore charged with the control of exports and imports is being liquidated under the present administration and the licensing functions of this organization are being executed through the German banks except, of course, items of critical importance which are still being licensed through the liquidating unit of JEIA. The criticisms pointed out in the above-referred-to staff report appear to be valid and there is no probability of immediate improvement until the entire problem is solved at a level higher than the country level, that is to say, until the overall policy confronting the various agencies concerned has been solved and a unified policy adopted. In this connection, it should be pointed out that ECA has adopted a more vigorous policy in solving this difficult matter.

*Italy*

I left Germany and proceeded to Italy, passing through Switzerland where I conferred with officials of our State Department in Geneva concerning the general conditions in Switzerland. This country, although a participating country from the standpoint of being a member of the OEEC, has not been the recipient of any aid either by grant or loan. Economic conditions appeared excellent; trade was thriving; the general standard of the populace was considerably above Europe, as a whole. The shops were comparable to shops in American cities from the standpoint of availability of supply.

I entered Italy from the north, traveling through the industrial heart of northern Italy, and conferring with members of our State Department and our consular officers as well as with ECA field representatives in this area of Italy. I attempted to observe closely the general conditions, to ascertain from the man in the street his reaction to the economic situation in Italy, his knowledge of the aid the U. S. A. is furnishing Italy, and also his concern with the future.

I proceded through the area of the Po Valley, which is Italy's richest farming section, continuing south through Bologna, Florence, and to Rome. In Rome, I conferred with Mr. James Dunn, our Ambassador, and members of his staff; with Mr. James D. Zellerbach, Chief of the ECA Mission; and his Deputy, Mr. M. L. Dayton.

I took up the administration of the ECA program, as well as the progress achieved to date, with the following officials of the ECA Mission: Mr. Dayton; Mr. H. W. McClelland, agriculture chief; Mr. John Secondari of the Information Division; Mr. Ralph McCabe of the Program Division; Mr. G. W. Baker of the Industry Division; and Mr. James Litton, controller. Conferences concerning the progress were also held with Mr. Eric Johnston, of the Public Advisory Board of the ECA, who was at that time visiting Italy.

On successive days I conferred with Count Carlo Sforza, Minister for Foreign Affairs for Italy, and Prime Minister Alcide de Gasperi. My conferences with these officials of the Italian Government dealt with problems facing their country economically and politically, as well as the achievements to date and the future prospects of economic stability in Italy.

Evaluation of the progress in Italy requires different consideration from that of most other countries in the participating group. The people of Italy are working very hard for economic recovery. However, Italy has less to work with than most of the other countries, being entirely dependent for natural resources on areas outside of Italy. Much progress has been made toward recovery. There is a spirit of confidence in the future which is indicative of active cooperation. The agencies of the United States in Italy reflect a spirit of cooperation in the joint task of economic recovery that is indeed healthy. The work between these agencies impressed me particularly as a good example of the type of cooperation needed between all United States Government agencies in achieving the ultimate policies of the United States.

No country presents an example of the need for economic integration more vividly than Italy because of her economic position of having an overabundance of labor supply and a complete lack of resources for development.

The agricultural program in Italy has received more vigorous attention than in many of the other countries. There has been real progress in developing modern agricultural methods such as the introduction of hybrid seed corn, although the time necessary for improving agricultural production methods is necessarily long and tedious. Although the achievement to date has been limited statistically there seems to be a recognition

that agricultural development is one of the primary aspects of recovery, and it was indeed encouraging to find a large measure of time and money being devoted to improving the agricultural situation. Approximately 28 percent of counterpart funds have been devoted to agriculture in Italy. This sum is considerably higher than the percentage devoted to such programs in other countries.

A very comprehensive reclamation and irrigation program is now under way in northern and southern Italy. Approximately 1,500,000 acres were programed for irrigation. Many thousands of acres of land now unproductive are included in projects under way for development. The goal of the reclamation and irrigation program is to provide employment for approximately 500,000 people. However, this is only about one-fourth of the present unemployment in the south of Italy. Under the best of conditions, Italy will be confronted with an ever-growing problem of unemployment due to excessive population and limited land area.

As a result of the ECA programs, considerable progress has been made in stemming communism in Italy. However, with the low standards of living and the pressure of unemployment, there is an ever-present threat from the Communists that could rapidly undo the good that has been achieved in this country without the continued economic and political support of the United States.

There is a striking absence of thriving small business in most of Europe. This is also true in Italy. Our conception of a thriving economic life anticipates much active small business. In order to stimulate the growth of this small business, Italy is confronted with the problem, as are most other countries of Europe, of capital for development. Long-term credit in Italy is something that is practically unknown and interest rates in their present system of banking run as high as 18 percent for short-term loans. Such an atmosphere for capital investment prevents any measurable expansion, Although it is recognized that credit limitations are necessary to prevent inflationary trends, it does not appear that much economic expansion can be achieved until there is ample credit available for business, both large and small. The internal financial situation in Italy appears quite encouraging. The Government financial deficit is small and has been successively reduced each year so that, comparatively speaking, faith in the money of the country is very good in Italy. It is recognized that this internal soundness of the Italian lira was achieved, only at a terrific cost to the Italian people in high prices for scarce goods, but it is a situation that all of the countries of Europe must face and solve by tightening their belts.

Because of ECA aid in providing the necessary raw materials, Italy was able, as a result of expanding her export business, to build up many credits in the participating countries as well as the other European countries. This vigorous pushing of exports resulted in a rather high industrial activity which it is doubtful can be maintained when consumer demand has been satisfied. However, the fact remains that, as of the present, Italy has become a considerable creditor to most of Europe and is unable to receive payment except in the soft currencies. This fact accounts for the Italian dissatisfaction with the trade and payment plan of ECA which Italy contends penalizes her because of her excellent record in industrial production and export trade.

Italy presents a most acute problem from the standpoint of the future when American aid is stopped. Unless many problems still necessary of solution are resolved prior to 1952, it does not appear that this country can maintain political stability long after aid stops because her present political stability is dependent upon economic progress directly attributable to American aid.

Before returning to Paris, I visited Naples and studied the southern section of Italy, which is the poorer section of the country and offers the biggest problem from the standpoint of agricultural reclamation and recovery.

I proceeded to Paris from Rome, visiting en route the principal port of Italy, Genoa, as well as other ports on the Mediterranean. My return trip to Paris was across the breadth of France, where I surveyed industrial reconstruction as well as numerous public-works projects which were either progressing with direct ECA assistance or indirect assistance by use of counterpart funds allocated for public projects.

After returning to Paris, I attended conferences with Mr. Hoffman, Mr. Schumann, Sir Stafford Cripps, of Great Britain, and other officials of the OEEC who were meeting in Paris in the latter part of October, discussing the problems of future programs of ECA assistance. It was at these meetings that Mr. Hoffman expressed his determination for more progress toward European integration.

*United Kingdom*

After a trip to Spain, I returned to Paris, and from there visited England, arriving in London on the 9th of November. In London, I conferred with our ECA mission chief, Mr. John Kenney, with our Ambassador, Mr. Lewis Douglas, and held discussions with the staff members of the Embassy and the ECA special mission.

On November 12, I attended an Embassy briefing concerned chiefly with the military assistance program, at which members of the Foreign Affairs Committee of the House of Representatives, Congressman JOSEPH L. PFEIFER, of New York, and Congressman THOMAS S. GORDON, of Illinois, were present.

I conferred with Sir Stafford Cripps, Chancelor of the Exchequer; Mr. A. Bevan, Minister of Health; Mr. George Russell Strauss, Minister of Supply; Mr. Douglas Jay, Economic Secretary to the Secretary; Mr. Hugh Gaitskell, Minister of Fuel and Power; and Mr. John Strachey, Minister of Food.

I also conferred with Vincent Tewson, general secretary of the Trade-Unions Council, and Mr. Harold Wilson, president of the Board of Trade.

During an industrial tour of some of the plants in the United Kingdom, I conferred with Sir Montague Hughman, chairman of the Henley Tyre & Rubber Co. and the Henley Telegraph Co., and with Sir Edward Crowe, a director of this organization, and with other members of the organization.

I also visited the Morgan Crucible Co. and discussed the industrial situation in the United Kingdom with Mr. P. Lindsay, chairman of the board of this organization, and with a number of his directors.

I traveled from London to Dublin, and on the way I had the opportunity of observing first-hand the situation in the industrial heart of the United Kingdom and ascertained the economic situation in Ireland. In Dublin, I conferred with Prime Minister J. A. Costello; Sean McBride, Foreign Minister; Mr. J. E. Carrigan, Chief of the ECA Mission; Mr. George A. Garrett, our Ambassador, and various members of the Irish Government.

I returned to London where additional study and conferences were held with the ECA Mission staff. I left London on December 2 en route to Washington.

The complexities of the economic situation in the United Kingdom make a determination of the progress of recovery in this nation extremely difficult to ascertain. Certainly employment is high; business activity is vigorous; exports are far in excess of prewar, and imports have decreased. Ordinarily, such a situation would indicate a sound economic position. However, the impact of war on Great Britain's economic situation is probably greater than on any other participating country. Unquestionably, the United Kingdom is the key nation of western Europe. Her power and influence in any recovery of Europe is a powerful influence. Her position as banker to the sterling area increases the liabilities attendant upon her recovery. Her experiments in socialism add to the complex determination of her recovery.

As pointed out above, her exports are extremely high. The value of her commodity trade in exports for the third quarter of 1949, measured in prewar prices, stands at approximately 140 percent of prewar. Her imports for the same quarter stand at approximately 91 percent, reflecting a very favorable trade balance and an excellent record of increased production. The difficulty with this position is that the greater portion of these exports are to soft-currency countries or to the sterling area, whereas her position from the standpoint of exports to dollar areas is not nearly so favorable.

The Government is committed to a policy of full employment. This policy must be maintained regardless of the party in power. Mr. John Strachey, Minister of Food, reports that the population of the United Kingdom is eating better than at any time in recent history. This statement does not mean that everyone is, but it means that more people are able to obtain more food than in the past although many who, in the past, were able to afford many luxuries, cannot do so under the present situation. This, of course, is a result of the rationing and food-control programs. The diet, as a whole, is extremely monotonous but is certainly sufficient and wholesome.

The extent to which devaluation may add to the solution of the United Kingdom's economic problems cannot be judged at this time. It appears to be a step in the right direction. Devaluation in itself cannot solve the dollar shortage. Statistics reflect a considerable increase in exports even to dollar areas volumewise since devaluation. It is questionable whether or not a sufficient increase in volume can be attained to overcome the loss in dollars resulting from the devaluation. If such is to be achieved, it must necessarily result from more efficient production. Great emphasis is being placed upon more and more efficient production, both by management and by labor. However, considering the fact that volume of production has increased approximately 50 percent over prewar with the labor force entirely employed, it is questionable how much efficiency can be increased. Inasmuch as the present social experiments require an extremely high rate of taxation, much of the incentive for more efficient production is lost.

My observations in several industrial plants indicate an average take-home pay for the industrial worker of approximately $18 to $22 per week. This, compared to the average industrial take-home pay of the American worker, appears to be an extremely low wage. However, comparisons as such must be related to the purchase value of the take-home pay. It is in this field that the Socialist Government provides the cushion for an apparent low-wage standard. By rationing and subsidies on food and clothing the Government is able to maintain a fair standard of living at these wage rates. By providing such services, however, the cost of government is so great that the incentive to the worker to work longer hours even at higher rates is lost because any earnings in excess of his present average must be taxed at such rates as to make the added effort unappealing. Yet the revenue is necessary in order to maintain the present social experiments.

Much of the increased production is sold in sterling markets. Such markets are, of course, protected markets, and competition does not play the part in controlling costs that it should. The result, naturally, tends

to make the industrialists more complacent and less interested in lower-cost production. However, such markets do not increase the dollar earning capacity of the United Kingdom, and therefore do not provide the means with which to import many of the raw materials necessary from dollar areas in support of the production level.

A most disturbing problem to the United Kingdom is that of unrequited exports. During the war the Government incurred enormous debts in sterling areas which much of the current production is being used to pay off. Such portions of these debts as the Government may allow to be converted into dollars results in a drain on her current dollar earnings or out of her gold and dollar reserves, which have been diminishing steadily since before the war and at an accelerated rate during and since the war. Her dollar earnings have been in a similar declining position.

Many of her assets held in dollar areas were liquidated during the war and her current income from invisibles such as travel, insurance, shipping, and so on cannot provide the dollars to finance the deficit between her exports and imports in dollar areas. Until the beginning of the third quarter of 1949, her internal revenue was sufficient to meet her expenditures and provide small amounts for debt reduction. At about this time, her revenue began to fail to meet her expenditures and steps were being taken by the ECA mission to the United Kingdom to stop further withdrawals from the counterpart fund for the purpose of short-term debt reduction. Considerable argument could be made that the United Kingdom's social experiments were not being directly financed by ECA aid so long as her revenue exceeded her expenditures and she was able to maintain her socialistic experiments out of current revenue. Such a position is hardly tenable with respect to the indirect support that ECA aid has upon her social experiments. However, when her expenditures begin to exceed her revenues, it becomes apparent that any contribution from counterpart funds to debt reduction is a direct contribution to her socialization program. Another drain upon her revenues resulted from devaluation. It was necessary for her to deposit with the International Monetary Fund £148,000,000 as additional reserves after devaluation.

This, of course, was a big factor in her present position of an unbalanced budget. However, a greater contribution to this situation is the vast numbers of Government employees necessary to administer her many social schemes. The Government had announced plans of reduction in expenditures, principally from dismissal of Government workers. It is extremely doubtful if she can pursue such a course far enough to return to a balance of income and expenditures.

Certainly, if the objectives desired by the United States in securing a free and economically sound western Europe are to succeed, the United Kingdom must be an important consideration in these goals. It does not appear at present that with all of her marvelous record for recovery, production, and trade, the United Kingdom could long survive the withdrawal of United States assistance. This does not mean that there is any present or future danger of the United Kingdom going communistic. It does indicate that she cannot maintain her economic position in western Europe without continued United States aid.

CONCLUSION

European recovery, measured by all standards, has been more successful than even the most optimistic had hoped for. The economic soundness of this recovery is still open to considerable doubt. This observation is made because of the fact that in several of the more important countries no one maintains that the present economic level of activity could long be maintained if United States aid were withdrawn. In considering the result of the withdrawal of United States aid, our objectives in beginning aid must be reviewed. The governments of several of the countries can maintain a stable position only so long as the economic activities within those countries continue and do not deteriorate appreciably. Although our intention in aiding Europe may have been considerably altruistic, nevertheless more definite objectives must be in mind and such objectives must be the interest and security of the United States. If the self-interest and security of the United States is the more important objective, then it is inevitable that we must maintain the stability of our political allies in the ever-continuing struggle to wipe out communism.

As heretofore indicated, success in this objective has been immeasurable. However, it has not been complete, and it does not appear that it will be complete in 1952.

The staff of the joint committee presented suggestions for reductions in the amount of aid for Europe in the present fiscal year. The suggested reduction was approximately 25 percent below budget estimates. From my study of the situation in the fall of 1949, I found nothing to indicate that European recovery would have been materially retarded if Congress had appropriated the smaller sum recommended by the committee. Admittedly, the standard of living of the majority of the people may not have been as high as the present. However, it is highly significant that the present standard cannot be maintained without considerable United States aid even after 1952. This situation presents the danger of the necessity of withdrawing all aid at one time and causing too rapid a reduction in these present standards which could, of course, undo most of the good that we have done. Recognizing the probable impossibility of achieving completely the desired results of economic stability by the end of the program in 1952, it is my observation that the aid that we intend to furnish in the future should be reduced considerably this year and by an even greater amount the following year so that the termination of aid in 1952 will not cause too great a shock to the economic activity heretofore induced principally by United States aid.

PAT MCCARRAN,
*Chairman, Joint Committee on Foreign Economic Cooperation.*

## KNOWLEDGE OF THE MARSHALL PLAN IN EUROPE

Mr. McCARRAN. Mr. President, in President Truman's Seventh Report to Congress of the Economic Cooperation Administration, some 11 pages are devoted to a chapter entitled "Informing the People of Europe About ERP." Included in this chapter are such astonishing statements as "more than four out of five Europeans are aware of the Marshall plan," and "on still more detailed questions about the nature of counterpart funds, an average of about 35 percent offered the correct answers."

Mr. President, I hope that these statements, which are supposedly based on public-opinion surveys in some of the Marshall-plan countries, are true. I, myself, found it extremely difficult, and I now find it difficult, to believe that one out of three Europeans can answer detailed questions about the nature of counterpart funds. In any event, I firmly believe that we should not allow ourselves to be lulled into a false sense of security by a few public-opinion polls.

In this connection, I should like to invite the attention of the Members of the Senate to a report on this very vital subject by the Joint Committee on Foreign Economic Cooperation, of which I have the honor to be chairman. This report was made last fall, and chiefly concerns itself with the problems of public information in France. However, I believe that its general observations and conclusions still obtain, and most important, that it points up the necessity for constant and vigilant effort on our part in establishing real communication with the peoples of western Europe.

Therefore, Mr. President, I ask unanimous consent that this report, entitled "Knowledge of the Marshall Plan in Europe: France," by the "watchdog committee" on ECA, be printed in the body of the RECORD as a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

KNOWLEDGE OF THE MARSHALL PLAN IN EUROPE: FRANCE

INTRODUCTION

This report concerns the Marshall plan information program in France. It is based upon a 6 weeks' on-the-spot study by two staff members of the Joint Committee on Foreign Economic Cooperation.

The report indicates that pro-Marshall plan forces in France are not doing as effective a job of telling about it as are anti-Marshall plan forces, specifically, French Communists. Some of the difficulties in getting across the western story to the French people are analyzed, and remedial lines of action are suggested.

There are compelling reasons for telling about Marshall plan aid as well as giving it: The highly successful French Communist campaign against it; the deep-grained native suspicion of all foreign nations; the belief that people will be encouraged to stand fast with us in our determination to maintain peace and freedom if they know the real reasons for the Marshall plan.

The first draft of this report was reviewed by ECA Administrator Paul G. Hoffman, who commented:

"The report concerning knowledge of the Marshall plan in France is a well-written appraisal of our informational problems. It outlines the basic difficulties inherent in the program. For the most part, we concur in the statements but there are instances where we would disagree."

Other comments by the Administrator on specific points will be found in appropriate places in the report.

THE COMMUNIST CAMPAIGN TO DEFEAT THE MARSHALL PLAN

Since the formation of the Communist Information Bureau (Cominform) in October 1947, Communists everywhere have waged ceaseless verbal and, in some cases, economic warfare against the Marshall plan. They have sought to create suspicion of it, or outright hostility to it.

In no country has the party been more vigorous in this effort than in France. These efforts have met with a large measure of success. A study of the nature and extent of the Communist-propaganda activities is essential to an understanding of the information problems there.

Administrator Hoffman stressed this point:

"The considerable part of the report dealing with Communist activities and opposition is in accord with our views based on a year's experience with the problems. It would be difficult to overestimate the significance of this part of our work, especially in the labor field."

*Number of Communists*

There is no verifiable figure for Communist Party membership. The prewar total was 100,000, which rose, according to party claims, to 1,000,000 by 1946. Membership has since fallen off. The informed consensus now sets the figure of the "hard core" at approximately 700,000 members.

The figure for Communists and fellow travelers of various political shadings who would vote the Communist ticket on a Nation-wide basis is variously estimated at between 20 and 25 percent of the voting population.

*Lines of authority*

The direction of the Communist network in France rests in four organizations:

(1) The secretariat, headed by Maurice Thorez, Jacques Duclos, Andre Marty, and Leon Mauvais, is the highest ranking unit in the French Communist pyramid, directly under the control of the Cominform and of the Soviet Embassy in Paris.

(2) The congress, which meets annually, and which does little more than ratify the decisions of the secretariat and Cominform,

(3) The central committee, composed of 38 members and 33 stand-ins elected by the congress on nomination of the politicial bureau.

(4) The political bureau made up of nine members and four stand-ins, chosen in reality by itself (members reelect themselves or name successors).

*Communist financing*

The funds available to France's Communist network are enormous. Non-Communist elements agree on the enormity, but are at variance on the amount because the party has been adroit in masking its budgetary affairs. It is worth examining their financing in order to understand the size of the fund which is committed to sabotaging the Marshall plan and to selling France on another system.

The figure most often quoted by authorities ranges between five and ten billion francs annually, and is based on an evaluation of (a) production costs of the party's total publishing operation, (b) salary costs of permanent party employees, and (c) the funds entrusted to important individual members of the party.

All studies of Communist financing segregate the revenues originating in France from those contributed by the U. S. S. R. and satellites. All agree that funds of French origin are nowhere near enough to finance the vast machine.

There are several lines of supply. Domestically, funds are collected from (a) rank-and-file contributions, (b) subscriptions to Communist press, (c) levies against party members holding public office. Voluntary contributions from the nongovernment rank and file total several hundred million and revenues from subscriptions several million. A rich source of domestic revenue is the raid on the French treasury by party officeholders.

During the postliberation period of Communist participation in the Government, the party managed to install a substantial number of followers in key positions within the nationalized industries. The appointments came in numbers following the success of the party in placing a Communist, Marcel Paul, as France's Minister of Industrial Production. Communists still have a large measure of administrative control in public utilities—gas and electricity—still retain controlling nuclei in railroads, the university, and even the police forces.

Successive governments have been waging a partially successful 3-year fight to dislodge these key Communist figures from their positions within the nationalized industries, but in some they are still strong. Through a series of complicated maneuvers they are able to divert social-security funds, in whose collection and payment workers have a voice, toward payment of salaries of permanent party employees. The net effect is a levy on the anti-Communist French Government to finance the Communist Party.

Incidentally the last coal strike called by the party was connected to a degree with this raid on the treasury. Last fall the Government attempted a closer supervision of social-security funds, a move which was immediately twisted by the Communists into a perversion of fact justifying the strike. The main purpose was to hamstring the nation's economy and thus sabotage the Marshall plan, but a strong factor was the desire to confuse any Government effort to stop the raid.

Expropriations no longer figure as a source of revenue in France, but they merit inclusion as a source of money which permitted French Communists to finance their great surge immediately after the liberation in 1944. Stepping into the confusion the party expropriated a vast amount of money and property from collaborationists and German sympathizers and then without reference to political distinctions expropriated hundreds of millions more from banks and private individuals. The total expropriated built the war chest which financed the Communist drive of 1945.

But the total of all funds raised domestically is far from enough to finance the Communist structure as it operates in France. A large, undetermined amount is forwarded through diplomatic pouch from the U. S. S. R. and from Russian satellites. There are many incidents attesting to the arrival of moneys, such as the sale of gold bars on the Paris market by agents of the party. But the only essential index of the amount spent by the party is its activity, which is vast, costly, and smooth.

*Communist and allied organizations*

It is in the field of clubs, associations, societies, etc., that the Communists have shown the measure of their talent for infiltration. They have constructed a tight grid of organizations all over France, a network that is the more effective because none of the organizations bear the label "Communist." The camouflage is systematic. Communist women are grouped into an association called the Union of French Women (l'Union des Femmes Françaises); Communist Youth Into the Union of Republican Youth in France (l'Union de la Jeunesse Republicaine de France). Great numbers of unsuspecting people join these organizations without knowing they are Communist.

Everywhere the Communists have organized clubhouses: Foyers for people with a grievance; foyers for former political refugees, for veterans, for the victims of bombing; amicales or local and business clubs for deportees, internees, resistance groups; and the F. F. I. and related groups.

Typical, because of its effectiveness, is the Compagnons de la Liberté (Friends of Liberty), an organization of former resistance men which was reconstituted in 1948. It camouflages orders from the party and executes them under the guise of a fraternal organization dedicated to perpetuating the memory of France's struggle with the Germans.

Communists dominate the local committees of the Liberation many of which still exist; organizations of tenants as opposed to landlords; family associations; organizations of war widows; defense committees of craft groups, and associations of small-business men. They are active in sports organizations, bowling associations, even in fishermen's clubs. They have their management headquarters, special garages for their vehicles, their gas stations. They dominate many cooperatives and workers' canteens. They have purchasing commissions everywhere. They have infiltrated radio.

All of these organizations are outlets for the incessant attack on the Marshall plan.

*Publishing outlets*

The Communist Party has always placed great stress on written propaganda, but its postwar drive in France has set new standards. It is running in France what is one of the greatest publishing operations ever performed by a political force in any country at any time. It has at its disposal today an enormous variety of outlets gained from an opportune drive during the confusion of the liberation to take over control of printing houses and newspapers in every department of France. In Paris alone it controls six publishing houses. Aside from the establishments owned outright it has other servile publishing facilities provided by commercial groups who still think it advisable to hedge against the possibility of a Communist government coming to power.

The party publishes 40 newspapers and reviews just in Paris. This does not take into account a separate list of neighborhood newspapers, industry and house organs, the publications of its own clubs and associations and of those which it influences indirectly.

There is not a single department of France without a Communist newspaper. Where the area is too small to justify a daily the party builds a weekly. They multiplied just after the liberation, but since then have lost some ground numerically. Nevertheless, their influence is still powerful, in large part because of the failure of many moderate newspapers.

The most powerful Communist organ in France is L'Humanité of Paris, a morning daily with a circulation of 260,000, and an influence that is country-wide. Throughout France its daily policy output is channeled through distribution committees organized in behalf of L'Humanité in all provinces and departments where the party has a cell or section.

L'Humanité's evening counterpart is named Ce Soir (circulation 250,000), which represents itself as a straight news sheet rather than a political organ.

Another powerful organ covering the morning field is Liberation, which, under the mask of news, presents Communist policy for the fellow travelers and certain elements of the resistance. Its staff is heavily populated with Communists and fellow travelers.

The party publishes several weeklies, some of the strongest being—

Action.

France d'Abord, organ of the Communist resistance oganization, F. T. P.

France Nouvelle, a bulletin directed at party workers.

L'Humanité Dimanche.

Les Lettres Francaises.

La Terre, directed toward the farm population.

La Vie Ouvrière, Le Peuple, directed toward the labor unions.

Also biweekly reviews, monthlies, and quarterlies, among the most influential being—

Cashiers du Communisme.

Democratie Nouvelle.

L'Écran Francais.

Études Sovietiques.

Europe.

France-U. S. S. R.

La Nouvelle Critique.

La Pensée.

Servir la France.

But the Communist output cannot be measured solely in terms of the speed and volume of its printing presses and mimeograph machines. It must also be acknowledged that the quality of the publications is generally high. That is, they get their message across by tailoring it for specific audiences. Labor is a case in point.

The French metallurgical worker, for example, is given a Communist newspaper which is a metallurgical trade paper, speaking his own professional language, treating

of his own pet professional problems, backing and defending his every grievance, his own peculiar wage-and-hour interests, his insurance situation, his bargaining position, all the things which are immediate to him as contrasted to the specific grievances of a maritime worker. The maritime worker has his own Communist trade paper, geared with the same fidelity to his own set of worries, interests, and ambitions. And so it goes for the full roster of trades and professions.

Communist doctrine in its approach to France's workers is warm and friendly. For some years Communist doctrine (the vast outpouring of information through every type of media) has minimized or discarded the word "citizen." Instead the Communists have substituted the word "laborer" in their millions of columns of type, their literature, brochures, posters, radio broadcasts, speeches, conferences, and congresses. There is a new being, "the laborer." In a discussion of a proposed Government measure, say a budgetary reform, the Communist line is clear, vicious, and specific—how does it exploit labor? In their exhortations, an economic measure before the French Assembly is never evaluated in terms of the balanced interests of the businessman, the employer, the large property holder and the small one, but only in one line, that of the worker, as though, numerically, there were no other component in the French economy.

The worker naturally has reacted to the tribute. Not for him the anonymity of being a man among other men. He has been shown an image, a sculptured symbol of a man of sinew, strength, work, sweat, and accomplishment, a highly ennobled conception of labor versus the world, certainly versus the rest of France. That is the incessant theme. Not all French labor has bought it, but a large number has.

*Communist role in labor*

But though the Communists have put on this show of solicitude for the welfare of the worker they really regard labor as frontline troops in the struggle with the west. They have used labor to attempt to sabotage economic recovery and thus the Marshall plan, as witness last fall's coal-mine strikes. Most important, they see the workers of France as key weapons in the event of open conflict with the west. Last winter Maurice Thorez, French Communist leader, made it clear that in any war between France and Russia his party would be on the side of Moscow. Obviously, if M. Thorez can command the allegiance of only a few hundred thousand workers, strategically positioned in vital industries, he could effect a sabotage campaign of proportions sufficient to cripple France's military potential.

M. Thorez and his party at present dominate the largest labor union in France, the Confédération Général du Travail (CGT). It is made up of more than 30 separate national labor unions. It is especially strong in such essential industries as mining, building construction, metallurgy, and railroads. The CGT claims over 4,000,000 members, but according to most sources its actual strength is about 2,000,000. Not all the members, of course, are Communist, but they have not thus far obstructed Communist leadership.

Communists and fellow travelers exercise control by occupying the top positions in the CGT and in the member national federations. They have been in and out of the organization since 1919. In 1921 they were ousted because of ideological differences with the Socialists. They were readmitted to the fold in 1936 at the time of the Popular Front, but were expelled again in January 1940 because they supported the Nazi-Soviet pact. After Hitler attacked Russia in June 1941 they again united with non-Communists, and their subsequent aggressive and effective role in the resistance movement won them scores of thousands of converts. Capitalizing on their resistance record, they gained control of the CGT immediately after the liberation and retain it to this writing.

*The non-Communist role in labor*

Veteran observers in France agree that the ranks of the CGT can be contained, and perhaps eventually decimated, only by anti-Communist organized labor groups. Unfortunately such groups have so far proved to be rather ineffectual instruments of opposition.

The two largest anti-Communists labor unions are the Confédération Général du Travail, Force Ouvrière (CGT-FO) and the Confederation Francaise des Travailleurs Chrétiens (CFTC). Each organization has about 1,000,000 adherents, but a somewhat smaller number of dues payers.

Force Ouvrière was formed in December 1947 following a split in CGT ranks over the general strikes which had been called the previous months. The dissidents who formed the Force Ouvrière charge that the Communists were exploiting the just grievances of labor in order to create economic chaos. In splitting off from the CGT, Force Ouvrière was forced to abandon all the assets its members had helped to build up—offices, office equipment, automobiles, and funds in the CGT treasury. It began its existence with little money, and lack of finances has been its greatest single handicap ever since. For example, in one coal mining region in the north of France, the Communist CGT has 30 paid, full-time organizers and 20 automobiles. In the same region FO has only three organizers and the part-time use of one automobile. Under such circumstances, it is practically impossible for FO to make any headway in that area.

As a result of its lack of money, FO has had to fight its labor battles with the aid of few of the weapons that should be in the arsenal of the non-Communist unions—newspapers, brochures, pamphlets, posters, movies, radio, handbills, etc. Its main information weapon is a weekly paper, Force Ouvrière, a poor publication by journalistic standards, which has a circulation of only 60,000. Upshot is that even when FO makes a favorable reference to Marshall plan objectives, it reaches a pitifully small audience.

Ironically, and some say inexcusably, FO is embarrassed, if not occasionally handicapped, by the fact that it has openly supported the Marshall plan. Its embarrassment arises not only from the fact that the Communists promptly gave it the label "American hired hands," but from the failure of the French Government to take labor into its confidence concerning the plans for and operation of the Marshall plan. Not knowing the technical story of Marshall plan aid as actually utilized in France, FO leaders often find it difficult or impossible to reply to specific Communist lies.

(In this connection it is interesting to note that, from the beginning, the United States and many of the participating nations have given labor representatives a role in the formulation of Marshall plan policy and in its administration.)

The Catholic trade-union, CFTC, has the most dependable membership of any of the large unions, that is, it does not suffer the extreme fluctuations in membership that are characteristic of other unions. It is strongest among white-collar workers and women in the textile industry. In keeping with traditional Catholic trade-union policy, it is not a militant organization, and observers say this has mitigated against its efforts to gain adherents from the large number of unorganized workers.

Actually, unorganized labor outnumbers organized labor in French industry. Before last fall's coal strikes trade-union members totaled about five and one-half million, or approximately 40 percent of the total industrial labor force. It is generally acknowledged, except by the Communists, that the disastrous coal strikes resulted in a substantial reduction in CGT membership, and it is estimated that today over 60 percent of the industrial labor force is not organized.

Therefore, the balance of power in labor rests potentially with those who are not members of unions. Because they are always potential members, they are the objects of flattering courtship by organized labor. In the contest for their affections, the CGT, with its unlimited resources and thousands of zealots, must be given the edge. The best anti-Communist hope lies in the Force Ouvrière and the CFTC. But hope, and mere encouragement and advice from United States labor representatives in France, will not make them effective. What they really need is organization, which in turn means facilities and financing. There is little prospect that they will obtain either under present circumstances.

*The Communist line of attack on the Marshall plan*

Dating from the formation of the Cominform, Red arguments must be conceded a high level of success in molding the French conception of the plan. If the output were confined to Communists, the result, while serious, would not be too damaging. But the Communist line is not so confined. The anti-American arguments are repeated innocently and inadvertently by vast numbers who are not remotely Communists: by labor, industrialists, peasants, and white-collar workers. They have become the common stock of French conversation.

The Cominform's absurdities are accepted as fact by educated people who should know better. They are picked up by the non-Communist press and repeated by non-Communist deputies in Parliament. The Communist arguments have permeated France, have slowed down acceptance of the idea of the Marshall plan.

The Communist themes fall into two categories—(a) the basic, constantly repeated arguments which vary little from month to month—the so-called permanent line; and (b) the day-by-day improvisations attacking specific developments in the program.

The basic line: Basic line No. 1—American industry desperate: The whole United States business structure is due to collapse. America must keep up a production volume equal to its wartime levels or fall apart. It cannot consume goods in such volume, therefore, has made a desperate decision to colonize Europe to force it to buy United States surpluses.

This theme has numberless variations, all of them a clarion call to Europe to defend itself against the American bid for empire. Some of the variations are—

The United States seeks to enslave European labor.

The United States has installed American staffs which actually run each country.

The Marshall plan means unemployment.

The Marshall plan means the looting of Europe's natural resources.

The Marshall plan means outright United States control of certain European industries.

The Marshall plan will rebuild Germany into a dominant and belligerent power (in Germany the line is that the plan means permanent debilitation of Germany).

Basic line No. 2—The Marshall plan is a war plan. The Marshall plan is a conspiracy to buy military allies in Europe, a plan to build Europe's war potential for the planned war by backing the operation with as much money as necessary but with as little American blood as possible.

Specific attacks: This subject can be covered with the blanket statement that virtually every one of the daily policy decisions of ECA or OEEC is met by a Communist counterblast. Every time the Marshall plan acts, the Communist press speaks.

Thus, to a statistical release giving the quarterly total of United States authorizations to France, the reply is:

"America's vaunted sacrifice for European recovery is less than the cost of its cigarette bill."

When the aluminum flurry occurred between the United States and Britain, the Communists had a field day:

"Behold capitalism and capitalists. Behold the titans of industry with no honor, ethics, or honesty, even when one (America) is allegedly bailing out another in order to preserve the solidarity of international capitalism. Even here these ruthless, instinctively competitive capitalists try to cheat each other. No, my friends, only in the Communist faith is there true brotherhood, true selflessness, true identity of interests between the peoples of one country, etc."

When the French Government came forth with a proposal to tighten France's tax situation, the quotation from the Red press was:

"The Marshall-plan gauleiters yesterday cracked the whip and the Government quislings went through their paces. Our "leaders" have surrendered the sovereignty of France to the carpetbaggers from Wall Street."

On the question of east-west trade the line is:

"American expansionists have found a new trick to prevent trade between east and west. The "marshallized" countries are forbidden to send goods to eastern Europe on the flimsy ground that it might increase the military potential of the Soviet Union. This policy has dealt a severe blow to France, which has thus lost its historic eastern European markets."

Of course the Communist line is far from gospel in France. It is not always repeated verbatim. But it has undeniably created a widespread distrust.

The obvious questions are, Among how many? To what extent?

WHO KNOWS ABOUT THE MARSHALL PLAN IN FRANCE?

Every newspaperman with whom the subject was discussed (the list includes Paris correspondents of British, Italian, Danish, Swedish, German, French, and American newspapers) warned that it is clouded by dangerous generalities. Taking into account the difficulty of estimating the degree of knowledge of 41,000,000 people, there is a consensus view. A representative summary was given by the Paris bureau chief of a press association. After making his own survey of French knowledge of the Marshall plan, he made the following analysis:

"Since polls are out of fashion, we must make judgment estimates. My own is that 90 percent of the population of France hasn't the vaguest inkling of the technical provisions of the Marshall plan—such things as that it is a plan; that it involves a counterpart fund; that it is jointly administered by Europeans as well as Americans; that it means recovery and not relief; that the plan has specific time objectives in each of many economic fields. There is an awareness that it exists, thanks to the Communist press, by most of the people of France, but it is a vague, hearsay thing. Most of the people of France have heard about it and most of them distrust it without knowing exactly what it was. They are looking for the gimmick—every one of them. Not all of them believe that the United States is out to colonize the world, but no one is willing to buy it at America's own appraisal—as an idea that may straighten out Europe. French skepticism is worlds apart from American optimism. If this thing is going to work, it will be because of America's great capacity for patience."

A parliamentary deputy and leader of one of the largest non-Communist parties in France put it this way:

"A mass of people, certainly 60 percent, has heard about the Marshall plan and has a scrambled, vague knowledge that it involves American gifts which must be viewed with great suspicion."

"If there is one categorical statement to be made on this subject it is that not 1 Frenchman in 500 believes that there is any element of good faith involved in this thing. They're sure that America is motivated only by its own economic needs. It is inadmissible that a nation—any nation—should dip into its pockets to help another without an overriding self-interest. What that self-interest is is a different thing to each Frenchman, depending upon his exposure, direct or indirect, to the Communist ouput.

"Another point: Despite the admirable effort of ECA to explain the objectives—the basic ideas of the Marshall plan—the Frenchman's awareness of it stems from Red publicity. Volumewise, it is all one-sided.

"Incidentally, I do not believe that there are 20 deputies among my colleagues in the Chamber who have a knowledge of the principal provisions of the Marshall plan. From the standpoint of its successes this may be a good thing."

There is little question that much of what is known in France about the Marshall plan stems directly or indirectly from the Communist output. On the other hand, the United States has waged its campaign largely with goods and money, hoping that somehow or other the French will understand what the United States is trying to do, will understand that the Marshall plan may be the one great chance for Europe to pull out of its difficulties.

On one side of the Atlantic the Congress has no illusions about building up foreign markets or developing European customers. It has understood that European recovery is the end to be achieved and voted funds on that basis. On the other side of the ocean, much of an entire nation remains in ignorance of the objectives of the plan designed to assist the participating countries, and is either apathetic or hostile. The Communists are bombarding France with an incessant attack telling her to wake up and reject United States imperialism.

The west has not adequately explained the Marshall plan, and has not reached the minds of that section of French labor which is organized, nor the millions who are unorganized. We are relying upon cotton, wheat, coal, petroleum, machinery, and a blueprint, on the theory that if the plan succeeds prosperity will defy communism. But the average French citizen does not know much about this Marshall plan wheat, coal, and blueprint, and knows nothing about counterpart, and nothing about those over-all objectives of the Marshall plan, such as the elimination of trade barriers, the mechanization of agriculture, the need to produce and to export, the need to firm up budgets and stabilize money, much less does he realize that their achievement will better his chances for independence. These are the tenets of the Marshall plan, but much French knowledge of it stops with the title and a jumbled mass of suspicions, Communist-inspired, that America is up to something.

No one has succeeded in explaining the opposite story on a country-wide scale, the real story what the Marshall plan is, and why the overloaded citizens of America are digging up tax money to finance it.

Why it has not been done, and what the difficulties are in doing it, are the substance of the remainder of this report.

(Administrator Hoffman's comment on the above section is as follows:)

"We would not dispute the fact that a great number of people do not understand the details of the Marshall plan, but we know that considerable progress is being made. The informational program has been stepped up and the results should become evident in increasing degree."

DIFFICULTIES BLOCKING INFORMATION ON THE PLAN

*French inaction*

In France the Marshall plan is being publicized by the biggest, one of the richest and most effective publicity organizations in the world.

The amount of publicity which the Communist Party has put out dissecting the Marshall plan is staggering. It has managed to get its message into the press in hamlets and villages in metropolitan centers and farm areas. It has turned out tons of pamphlets, brochures, and posters, and has seen to it that they are pasted up by the thousands, that they are handed to workers as they enter or leave the factory. It has not missed a bet with any segment of the population.

The French administrators of the Marshall plan have not begun to match the effort of explaining it.

Back of this lassitude and inaction is a powerful set of reasons. They are justifiable as an explanation of the enormous difficulty in getting the message through to France. They are less justifiable if the result be described bluntly as a default to the Communists. Whether justifiable or not, they must be appraised.

The war psychosis: One cause of French inaction in publicizing the plan, a retarding force as effective with the Government as with the press is the fear of war between Russia and the west.

In France it is hard to talk Marshall plan with an editor or Government man and to keep the discussion channeled to the subject. Somewhere in the discussion the Frenchman will raise the question of war, that it is possible, if not probable, that in event of war nothing can stop a Russian sweep from the Elbe to the Atlantic and that once again France will be occupied by a foreign power. The thought pervades France. It is a force in slowing investments, putting a drag on construction, causing a slow-down in undertaking certain projects which otherwise would be under way. This war psychosis can be described. Its effects cannot be measured quantitatively. Editors, businessmen, members of Parliament agreed emphatically that while it is an intangible, it is a real and positive brake on the economic drive postulated in the plan.

This war factor was summarized with amazing candor by the publisher of one of the largest newspaper syndicates in France.

"France—

He stated—

"could under certain circumstances achieve a magnificent recovery without the Marshall plan. If somehow the threat of war, more specifically, occupation, could be obliterated from the French mind, France would have its own renaissance. If Frenchmen could be assured that there will not be another war for 25 years, the amount of gold that would come out of hiding and go into circulation and investment would dwarf the annual billion dollars received from you Americans; since there is no force on earth which can give that guaranty or assurance, the gold will remain in hiding. As a Frenchman I dislike making this explanation of the hoarded gold of French citizens. It represents their last concrete hedge against occupation by an enemy power. That gold will not emerge."

In the light of this war fear, all plans, projects, and blueprints are viewed as grave hazards by this war-weary generation. It is not easy for Frenchmen to undertake investments which could eventually be expropriated, to accept without reservation the many projects involved in the Marshall plan, or even to listen too enthusiastically to an explanation of its intricacies.

French sensitivity, resistance, truculence: French sensitivity—France's fierce pride—is one of the elements slowing down the operation of the Marshall plan. To be told that the bread they eat contains free flour, their

rails made of donated steel, their currency backed by donated money, is galling. The suggestion that French should be grateful arouses an antagonism so fierce as to jeopardize the negotiations necessary to the various projects in the Marshall plan, and ECA in its information programs has wisely avoided any suggestions of United States generosity, donations, or gratitude. ECA emphasis is "we are all in this thing together. Let us work."

ECA's American administrators and publicists have long since learned that the kiss of death for any publicity project is the suggestion from any quarter that the United States is doing it out of a kind heart, or that it is a gift, or that France should be grateful. But the fact remains that ECA aid is free aid, and France bridles at the thought.

This sensitivity has deep roots. France still cringes at the memory of its inept prewar government, the old scandal of disorganization and corruption which resulted in complete unpreparedness against the German assault. The French have debated that sordid chapter for 10 years but still feel a burning shame in the presence of their more successful allies. Again, France carries deep scars from the military debacle, a chapter which it wants to forget and cannot forget.

Reasons mount rather than decline. The humiliation of defeat was worsened by the occupation phase. The French are sensitive about their collaborationists, and finally over the fact that the liberation came at the hands of foreign powers, Allies to be sure—but, except for the role of France's own resistance forces—as military rescue from the outside.

These past events as they relate to the Marshall plan are not farfetched. They have created a French attitude of mind which is almost hysterically opposed to any hint of domination, and a belligerent attitude even toward the best intentioned advice. France has a chip on its shoulder that has no counterpart in, say, Belgium, England, or Italy. In Italy, strangely enough, where the war record was more dismal than that of the French and where collaboration was state policy, there is no such element of belligerent pride to contend with.

The consequences of this attitude, so difficult to visualize in the United States and so real an obstacle in France, are immediate. They have a direct bearing on the rate of progress of the Marshall plan. One result is that the French press, the non-Communist press is lying down. It is not championing the Marshall plan.

The French press is light on the Marshall plan: It is not news that many of the leading newspapers of France can be bought and that their reputation of venality is pretty well founded. As a result any paper adopting a strong position on an issue is invitably charged with a sell-out. In an issue as controversial as the Marshall plan no paper has cared to go all out. The inference that it is serving American masters would be automatic and widespread. Communist opposition papers set the tone with a blast that the paper is serving foreigners—is not French, has sold France's sovereignty. The charge is echoed by the right with the demand that French affairs be decided by Frenchmen. It does not help the circulation of a French paper to become classified as pro-American or to espouse too eagerly any of the projects of the Marshall plan.

The result is that French papers have adopted a tempered, reserved attitude toward the plan. They do give it some space, preferably factual announcements of developments. But in terms of comparison it is probably safe to say that the New York Times has carried more analytical explanation of the plan's objectives than all the non-Communist French press combined.

Apart from the policy danger of being adjudge a stooge, the French editor is also personally reluctant to acknowledge the fact of American aid. In a discussion editors will express sympathy for the plan and academic approval of its objectives. But they politely decline to make a crusade of it or even give it the same space on a basis of news value that the Marshall plan is accorded by American papers.

It should also be borne in mind that many French newspapers are in reality outright political party organs and not newspapers in the American sense. They rate their own political party welfare first and news values incidentally.

At least two other facts should be mentioned in explanation of the cursory treatment of the Marshall plan by the French press. Most of the news about the plan is economic—technical copy on industrial and agricultural production, exports and fiscal matters, etc.—which gives it a low priority as against the sensational.

Also, newsprint in France has been in short supply, and even crime items are crowded out of newspapers simply for lack of space.

As a commentary on French news volume, one of the leaders of a parliamentary bloc, and, incidentally, one of the strong supporters of the plan, stated that he is able to follow its daily developments only by reading the New York Times and the mimeographed news releases, mailed directly to him by the ECA Paris office.

The French Government is mute on the Marshall plan: the French Government, and more particularly the executive branch, is making the minimum effort at publicizing the Marshall-plan objectives consistent with its commitment to do so in its bilateral agreement with the United States. The reasons are analogous with those paralyzing the French press.

There is a wide diffusion of the story, carefully fostered by the Communists, that the Government of France has abdicated its sovereignty, that ECA's mission head in Paris is in effect the country's governor general and that policy, whether on taxes, agriculture, the budget, exports, production, or electrification, is ordered in Washington. Like many legends it has sufficient credence to make Government men chary of the accusation of defaulting to a foreign power. Certain tenets of the plan call for rigid internal measures, hard to popularize in any circumstance, and doubly so if they are interpreted as American orders.

There is no intention of saying here, directly or by implication that the Government is not cooperating in other aspects of the Marshall plan, a subject outside the scope of this report. What is said is that the French Government is doing virtually nothing in the field of explaining it to France.

The coalition has not colesced: Government inaction stems from still another factor, the fact that the present Government is a coalition incorporating a wide range of violently conflicting economic groups. As a general proposition it is unquestionable that the coalition Government has endorsed the Marshall plan. That is, no party within the majority has asked that it be rejected. But even the groups most favorably disposed toward Marshall-plan measures are hesitant about too strong an advocacy of its requirements for fear of scathing charges that they are obeying foreign masters.

Administrator Hoffman's comments on the above sections are as follows:

"Among difficulties blocking information on the plan, the report lists French pride as one of the major factors. It points to the reluctance on the part of public figures to become too 'pro' anything not of French origin. Under the circumstances this is not unnatural, and the more one studies the circumstances the clearer this becomes.

"While it is true that the French Government could do more in publicizing the Marshall plan to the French people, we do not believe that it is accurate to say, as the report does that the French Government is mute on the Marshall plan. There are evidences at hand to dispute such an arbitrary statement."

This parliamentary uncertainty in France becomes clear when contrasted with the startling, vigorous, and unreserved activity of the British Government.

The British contrast: The British Government's campaign to inform England of the economic facts of life, in the course of which it must necessarily bring in the Marshall plan, throws a harsh light on the indecision of the French Government. It is ironic that in France, where the urgency is greatest the effort is least, and that in Britain where Communist activity is weak, the government information program is greatest.

It must be acknowledged that obstacles affecting the French information task do not exist in Britain to the extent they exist in France. The British Government is substantially united on the necessity of informing its people. There is practically no challeng to the labor government's information campaign on the ground that it is political or foreign. Government pronouncements and campaigns are not met with the suspicion and hostility that are voiced in France. The press is not distrusted, and other media of communication are generally more modern and more effective.

When ECA's public information officer arrived on the scene in Britain he found a year-old government agency that was doggedly going about the job of telling the British population about Britain economic crisis and what must be done to resolve it. It was immediately recognized that this was the vehicle for informing the public about the Marshall plan (the fact that outside aid was necessary simply pointed up Britain's economic plight). ECA has channeled most of its information through this government agency.

It is known as the Economic Information Unit, is a direct function of the Government operating under the Treasury, was set up in 1947 in the belief that the recovery of the United Kingdom would be long and difficult, and that the more people knew about their economic debacle the more they would pull together to overcome it. The office has a staff of some 20 operating personnel, a budget of over $2,000,000, which is four times as great as ECA's entire European budget for its first year, and is headed by a top-salaried official. It is divided into sections, one of which is dedicated entirely to the role of the Marshall plan.

The British Government's economic information unit is not only disseminating a great variety of instruction but is doing so as state policy. It is using the press, radio, films, exhibitions, pamphlets, posters, lectures, special community "weeks," bulletins for management, and management-labor meetings. It quotes an impressive statistical index of coverage, and ECA itself is able to point to an equally imposing array of figures on dissemination of Marshall plan information.

Since the French Government has done nothing comparable and since it faces some real difficulties in doing so, the question is raised whether it can or will ever explain the plan effectively.

The answer is discouraging. The Government could do an effective job of explaining it only when a continuing majority of its political parties believes that explaining it is worth while. Since they are not so convinced, the only conclusion is that the French and American Governments take a different view of the importance of the American effort.

ECA INFORMATION ACTIVITIES IN FRANCE

There is one organization in France that has made an intelligent and consistent effort to get the western side of the story across to France—the ECA information team. This is not to say that it has succeeded; the odds against its doing so on its own are too great. But no account of information on the Marshall plan in France should slight the intensity of its work, the ability of its staff, and its understanding of the delicacy of the job.

The top echelon of the organization is the information section of the OSR. It has a staff of 40 persons, including clerks and non-Americans, to handle all of the work in a program designed to carry the Marshall-plan story directly or indirectly to some 270,000,000 Europeans in 19 countries. It coordinates the activities of all ECA country missions, services American and foreign correspondents with Marshall plan news, provides ECA in Washington with news and feature material about the plan as it is operating; in addition, it assists the French mission in carrying the local information program.

Information specifically for and concerning France is handled by the information section of the ECA French mission with a staff of nine people, inclusive of clerical help and non-Americans.

Assisting OSR and the French mission is the public-affairs section of the American Embassy in Paris which has supervision over the United States Information Service (USIS). This unit has a handful of personnel in the Paris office and five officers in five cities in France. There is a functional division of work between the ECA information units and the USIS. Generally, ECA originates material and USIS supplies the distribution facilities. The arrangement appears to be working well and has confirmed the judgment which led ECA to set up specialized information teams to handle its specialized informational jobs.

The Organization for European Economic Cooperation (OEEC) has a five-man publicity staff, but most observers agree that it has not begun to realize its potential as a voice that can speak to western Europe.

The results of the combined efforts of these organizations are impressive when measured in terms of the small number of personnel attempting to get the western story to the French.

The Voice of America as heard in France, carries Marshall-plan news and feature stories. The French radio and French press carry a certain amount of Marshall-plan news and some features and editorials about it. Results of the deliberations of OEEC are given a fair amount of recognition and coverage. More than 100,000 persons receive, by request, a biweekly publication (l'Aide Americain) put out by the French Mission. Americans, and some French officials, draw attention to the Marshall plan in public speeches. A few exhibits have been produced and are being displayed at fairs and agricultural expositions. Pamphlets are produced and distributed. Some releases are directed at non-Communist labor groups. Statistically, ECA can point to a considerable monthly output of information through various media.

But though the ECA and allied forces have been able to get material before an audience to this extent, the over-all results are not impressive when measured against the objectives, when measured against the effectiveness of the vast Communist output, or when measured against the incontestable fact that great masses of French people know little and believe less about the idea back of the American effort.

The odds have been too great. They have been out-manned and out-financed. Most important, the Americans are foreigners, and under the best of circumstances there is a definite limit to what can be disseminated to the French public directly by foreigners. As noted previously, the Communists, in their pose as Frenchmen, are not confronted by this obstacle.

Despite the obstacles—chiefly financial and psychological—recognized earlier in this report, there is a potential program for overcoming each difficulty in its own sphere.

CONCLUSIONS

Two specific steps can and should be taken to increase reception and understanding of the Marshall plan in France:

1. ECA, in cooperation with USIS, should substantially increase its information activities in France.

2. The United States Government should drive home to the French Government the probable consequences of failure to inform the French people of the objectives of the 4-year aid project.

According to ECA officials, they plan an acceleration of the ECA information program in France. Whether that acceleration will hit a fast enough pace remains to be seen. But in view of the stakes involved the additional effort (most of which can be financed with counterpart funds) should not be left to chance. It should have been undertaken earlier.

Basically, however, the achievement of results on a sufficient scale rests with the French Government. The effort must be made by Frenchmen, by the French press, radio motion picture organizations, labor, and all other appropriate media and organizations. They are the ones, perhaps the only ones, who can talk to their own people. Why expect a people to accept the message of a foreign nation if its own government drags its feet?

As pointed out earlier in this report, the parties in French coalition cannot and will not undertake any informational program unless they are convinced that the end outweighs political differences. There are no signs that such a conviction is about to emerge, and the United States as well as France faces the consequences.

Administrator Hoffman's comment is as follows:

"In its conclusions, the report recommends a substantial increase in information activities in France by ECA in cooperation with the United States Information Service. It also recommends that the United States Government should drive home to the French Government the probable consequences of failure to inform the French people of the objectives of the Marshall plan. Steps to accomplish this are already under way and are being developed with vigor in the full realization that we have no time to lose."

## THE GENOCIDE TREATY

Mr. HUMPHREY. Mr. President, the United Nations convention outlawing genocide awaits action by the Senate Foreign Relations Committee. Genocide, which is the mass destruction of a national racial or religious group, was outlawed by the United Nations in December 1948. The convention entered into at that time was signed by 21 nations, including the United States. In the past 18 months, 15 of those nations have ratified the treaty. Ratification by the Senate of the United States is conspicuous by its absence.

The Genocide Treaty is a most significant step in the development of international law and international morality. By officially declaring that genocide is a crime against the world and against humanity and a violation of international law, it marks a most significant advance toward the replacement of force by morality as the mainspring of world affairs. Individual murder has long headed the list of internationally recognized and extraditable crimes. Nevertheless, group murder has never been legally curbed.

We can take pride in the fact that American representatives were leaders in bringing the United Nations to adopt the antigenocide convention. In this respect, I want to pay special tribute to Prof. Raphael Lemkin, visiting lecturer in law, Yale University. The provisions of the Genocide Treaty embody American principles of justice and morality. The United States has everything to gain and nothing to lose by the advancement of those principles throughout the world.

I urge the Senate Foreign Relations Committee and the Senate of the United States to ratify the Genocide Convention promptly.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Humanity Is Our Client," which appeared in the New York Times of June 11, 1950.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HUMANITY IS OUR CLIENT

The Genocide Treaty should not be permitted to go by default. Must more national or political groups be wiped out or kidnapped (as thousands of Greek children have been kidnapped) before the United States calls genocide an international crime and invokes, in concert with other nations, swift and just punishments? There is hardly a representative group in the country—labor, veterans, citizens' committees, women's clubs, clergymen, businessmen, public officials—that has not thrown its support behind prompt action on ratification of the treaty. Yet once again we face the prospect of time running out, as adjournment of Congress nears.

In the international councils preceding the acceptance of the pact in the United Nations the United States fought hard for its adoption. In the past 18 months 15 nations have ratified the convention—ironically, all of them small nations. Twenty ratifications are needed to make the treaty law and binding upon nations. Is the United States to lose its moral leadership in this good cause?

The pact is awaiting action and recommendations by the Foreign Relations Committee; from there it proceeds to the Senate floor for full debate. The President has long indicated that he stands ready to ratify on the Senate's recommendation, and time is of the essence. As Prof. Raphael Lemkin, one of the pact's chief architects puts it: "Humanity is our client. Every day of delay is concession to crime." The United States cannot be a party to that concession.

## PLATFORM OF NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE FOR 1917 AND 1918

Mr. HUMPHREY. Mr. President, in the course of the recent debate on S. 1728, a bill to create an FEPC, the allegation was repeatedly made by the opposition that the movement for FEPC had its origin in the Communist Party platform of 1928. I repudiated that allegation on the floor of the Senate, and consider it an affront to all the millions of American men and women who are in favor of FEPC legislation because it is consistent with their religious principles and not because of any political considerations. In fact, I pointed out that FEPC legislation was in reality the one thing the Communist Party in America did not want to see enacted because it

would undermine their activities here in the United States.

I now bring to the attention of the Senate further documentation which once and for all demonstrates the injustice and unfairness in connection with the attempts to besmirch this legislation with a Communist tag. I have in my hand a photostat of the platform of the National Association for Colored People for the years 1917 and 1918. It is a summary of the eighth and ninth annual reports of that organization published in January 1919.

I ask unanimous consent that the cover page and page 76 of that platform be incorporated at this point in the RECORD. It clearly demonstrates that one of the objectives of this organization from its early years was equal opportunity in employment.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

REPORT OF THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE FOR THE YEARS 1917 AND 1918—EIGHTH AND NINTH ANNUAL REPORTS—A SUMMARY OF WORK AND AN ACCOUNTING—JANUARY 1919

K. THE TASK FOR THE FUTURE—A PROGRAM FOR 1919

First and foremost among the objectives for 1919 must be the strengthening of the association's organization and resources. Its general program must be adapted to specific ends. Its chief aims have many times been stated:

1. A vote for every Negro man and woman on the same terms as for white men and women.

2. An equal chance to acquire the kind of an education that will enable the Negro everywhere wisely to use this vote.

3. A fair trial in the courts for all crimes of which he is accused, by judges in whose election he has participated without discrimination because of race.

4. A right to sit upon the jury which passes judgment upon him.

5. Defense against lynching and burning at the hands of mobs.

6. Equal service on railroad and other public carriers. This to mean sleeping-car service, dining-car service, pullman service, at the same cost and upon the same terms as other passengers.

7. Equal right to the use of public parks, libraries, and other community services for which he is taxed.

8. An equal chance for a livelihood in public and private employment.

9. The abolition of color-hyphenation and the substitution of straight Americanism.

SOCIAL SECURITY ACT AMENDMENTS OF 1950

The Senate resumed the consideration of the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child-welfare provisions of the Social Security Act, and for other purposes.

The PRESIDING OFFICER. What is the further pleasure of the Senate?

Mr. GEORGE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be suspended.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Without objection, it is so ordered.

Mr. ROBERTSON. Mr. President, we have before us today a bill consisting of 391 pages. It deals with one of the most complicated and intricate subjects that any legislative body ever attempted to handle.

During my 10 years of service on the Ways and Means Committee of the House of Representatives, the most arduous duty I discharged was in an effort to improve the original Social Security Act, which was passed, as I recall, in 1935.

The fiscal basis of the original Social Security Act was, first, that we would set up a self-supporting, self-liquidating insurance fund; and, second, that we would create a trust fund of approximately $50,000,000,000, with which to meet death benefits and retirement claims, which would accumulate through the years, and finally would reach a very large amount.

However, that plan was criticized—and, I think, properly so—from the standpoint that the payroll taxes imposed, one-half of the amount to be paid by the employer and one-half to be paid by the employee, to finance this insurance system would be spent by the Government as received, and the Government would then put in the trust fund what some persons called the Government's I O U. Of course, it was a little bit more than what is ordinarily called an I O U, because it was an official Government bond; but the fact remained that when the demand for payments exceeded the current income and the Government was forced to resort to this trust fund for payment, new taxes would have to be imposed to get the money, unless the Government was running at a surplus at that time and could afford to sell some of its bonds on the open market, in order to obtain money.

In 1937, as I recall, months of hearings were held on this problem. We had the benefit of so-called experts in social security and we had the benefit of so-called mortuary experts and pension experts. However, Mr. President, I soon became convinced that if there was any man on any committee who really knew how to frame a system of this kind and at the same time to properly and adequately evaluate the political considerations which grew out of the various proposals for coverage and in regard to how the collections could be made, that man could get a job at any time he wanted at a salary of $50,000 or $75,000 or $100,000 with any one of the big insurance companies. On our committee we simply did not have such experts. In fact, I doubt that there is any living man who could take these nearly 400 pages of a bill which, as I have said, deals with this very difficult subject, and could analyze them and could tell exactly what is in the bill and how it will work out 10, 15, or 30 years from now.

As a matter of fact, Mr. President, the best experts we had before us claimed that they wanted at least a 25-percent margin of error in all of their computations. They said that was about as close as they could gage earning power on which the tax would be levied; increases or decreases in employment; the opportunities for men to remain employed up to a given age; and the inherent difficulties of collections—if, for instance, the program was extended to cover those who keep no regular books, such as domestics, and who perhaps would be given a book in which they would paste stamps; and the difficulty of bringing farmers under the system, inasmuch as farmers ordinarily keep no regular books, to say nothing of the fact that only a few years ago the average income of the average farmer in the United States was only $600. To require him to provide old-age pensions and so-called security for either his regular or his temporary employees would present a problem which we did not know how to solve.

In the preparation of House bill 6000, the House committee spent weeks on the hearings, and still further weeks in executive sessions. Then the House passed the bill and sent it to the Senate. That happened last October.

Off and on, for most of the present session, the Senate Finance Committee, composed of some of the very ablest Members of the Senate, have been at work on this bill.

Frankly, Mr. President, it would be presumptuous for me, without having attended all those hearings; without having had an opportunity to read the voluminous record compiled by the committee—it would take weeks and weeks to read it; without attending any of the executive sessions where the conflicting viewpoints and views and matters were debated back and forth, to attempt to analyze or criticize what is contained in the Senate version of House bill 6000.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SCHOEPPEL. Is not that a very good reason why the suggestion by Members of the Senate that additional studies be made by the Senate on this subject, is in order?

Mr. ROBERTSON. Undoubtedly. Yet after 2 years of study, we are expected to do something on this subject now. However, it was my understanding that it was the opinion of the distinguished members of the Senate Finance Committee that they have gone as far as they dare to go in this bill, and then they propose that before we go any further, the best possible study be made of what is involved.

Mr. SCHOEPPEL. Mr. President, will the Senator yield further?

Mr. ROBERTSON. I yield.

Mr. SCHOEPPEL. What I particularly had in mind was that some of the areas of coverage which are lacking in this measure, should be the object of additional studies on the part of the proper committee and on the part of the Senate itself. Does the Senator agree that that is about the only practical way we can approach this matter on a businesslike basis?

Mr. ROBERTSON. I wholeheartedly agree. It would be unfair to ourselves and perhaps very harmful to the Nation we are trying to serve if we were

to move blindly into so technical a subject, however much we should like to see a complete coverage of social security for the entire Nation. I fully agree with the distinguished Senator from Kansas that the coverage which is not provided by the Senate version of House bill 6000 should be studied, with an indication given to those who are not covered that all appropriate suggestions concerning their future coverage will be fully considered by the Congress.

However, Mr. President, it is my understanding that the coverage in the Senate version of House bill 6000 is substantially larger than that of the House version of the bill. My distinguished colleague, the senior Senator from Virginia [Mr. BYRD], helped to frame the bill, and he is now on the floor of the Senate. If I am in error on that point—let me repeat that I have not had an opportunity to fully analyze this bill—I should be glad to have him correct me.

Mr. BYRD. The Senator is correct; the coverage has been substantially changed.

Mr. ROBERTSON. Mr. President, my distinguished predecessor, the late Carter Glass, used to tell me that WALTER GEORGE, of Georgia, was one of the noblest men he ever knew, and one of the ablest men with whom he had served throughout a very long legislative career, first in the House, then in the Senate. In the multitude of duties which are pressed upon every Member of the Senate, it becomes a matter of physical impossibility for him to be fully and adequately advised about every bill which comes before the Senate. I happen to be sitting on the Banking and Currency Committee, which has, at this session, reported more bills, excepting private bills which go on the Senate Calendar, than any other committee of the Congress. We have had more hearings on bills, so our clerk tells me, than almost any other committee of the Congress. I might except the Finance Committee, which has had before it these two very highly technical and controversial matters, the social security bill and certain matters relating to taxation. And I am also serving on five subcommittees of the Appropriations Committee. And so I say, Mr. President, that every Senator in certain phases of his legislative work must to some extent rely upon the demonstrated ability and the demonstrated correctness of those who bring legislation to the floor of the Senate for the consideration of their colleagues. I am happy therefore whenever a man of the stature of WALTER GEORGE, of Georgia, brings a bill before us and tells us that under all the circumstances it is about as good as he was able to do.

It is also a source of gratification to me when the senior Senator from Virginia puts his name to a bill and asks favorable consideration by his colleagues, because I have been associated with him in a very close way from the time we were desk mates in the Senate of Virginia, commencing in January 1916. I know, as his other colleagues in the Senate have so well learned to know, his business judgment and the care with which he scrutinizes all proposals which may result in a tax burden upon the American people.

Last night I was discussing the Senate bill with a Member of the House who had been very active in the preparation of the House version of the pending measure. He told me, and possibly it was quite natural for him to think so, that he thought the House bill was better than the Senate committee bill. I said, "Why do you say that?" He replied, "In the first place, the Senate committee bill increases the benefits to be paid, and decreases the tax collections with which to pay them." I have had no opportunity since last night to check the provisions of the House bill against those of the Senate committee bill, and so I merely give as my authority one member of the House committee who assigned that as one reason for his believing that the House bill was a sounder bill than the Senate committee bill.

Back in 1937, all proponents of social security and all the experts who testified before us said that our objective was to be a self-supporting insurance plan. At every hearing we had from then until I left the committee to come to the Senate side in 1946, those experts constantly told us we were dealing with a 3-percent program. That was on the basis of the old benefits. What did they mean by that? They meant a program under which it would be necessary for both employer and employee to contribute 3 percent to the fund during the working period of the employee, if we were to have a self-supporting program, one that did not eventually have to turn to the Federal Treasury for the promised benefits.

It is unnecessary to do more than review the repeated action of the Congress to stop the step-up of the payroll taxes, and to look at the payroll taxes which are carried in the House version of the pending measure and the Senate version of it, to know that we do not have a 3-percent program. We have a program which undoubtedly is headed for a very large deficit, from the standpoint of being self-supporting, at a date not too far distant.

Just what solution we should make of that serious problem I am not prepared to say. I am glad, however, that it is the plan of the Senate Finance Committee not only to make a further study of additional coverage, but I am sure that it must cover a study of how this plan is to be financed in the future, whether we will keep the payroll taxes down and have just enough to meet current demands on the fund, or whether we will put them up to meet the accruing liability. If so, how will we preserve and how will we invest an accumulated fund of that kind so that it will not in the end be dissipated perhaps on domestic spending schemes of various kinds, and then face the necessity of placing an additional tax upon employees who have already paid a special tax for the pension that will be paid to them in their retirement?

It is my present intention, Mr. President, to support House bill 6000, but I shall consider some of the amendments which I understand will be offered, because I understand there was not complete agreement in the Finance Committee on everything that was included in this bill, which was reported, I believe, by a unanimous vote. As a matter of fact, I do not feel that I am disclosing any confidences when I say that the distinguished chairman of the committee recently told me, when I asked him what he thought of the bill which had been reported, that he thought possibly there could be several amendments adopted on the floor that would improve the Senate bill.

I shall vote for the bill with such appropriate amendments as I may see fit to support from the floor, because I realize the necessity for a pension system under the economic conditions as they have been developed in this country.

We are in the grip of a machine age which attaches more importance to physical vigor and alertness than to maturity of judgment and experience. As a result, the age at which men can remain gainfully employed is being reduced, and the age at which a man can reenter industry, if he is so unfortunate as to lose his job, is being materially reduced. It is almost impossible, Mr. President, for any industrial worker past the age of 50 years to enter a new firm; and the requirement of retirement at 65 years of age is becoming almost universal in the large industrial areas of our Nation. While this machine age, which weds the nimbleness of a man's fingers to an electrically operated machine and requires a minimum of his brain power and experience, is gradually easing men out of gainful employment, our doctors, thanks to a remarkable advance in medical science, are adding approximately 5 years to the life span of the average man. As a result, we find the number of those persons above 60 years of age increasing at a far more rapid rate than we anticipated 10, 15, or 20 years ago, and we find a growing sentiment among children that it is the duty of the State, and not their duty and loving privilege, to support their parents in old age. There never has been a time in this Nation, so far as I know, Mr. President, when the average man, to say nothing of that large segment of workers receiving below the average income, could save enough during his active working years to provide comfortable and adequate income in his sunset years. They did try to buy a little home, and they usually could do it if they would work and save. They sometimes carried a little insurance, but generally that was for the protection of the widow; it was not for their lifetime. They usually raised large families and trained the children to think that one of their duties in mature life was to return to the parents the care and love expended on the children in their infancy and as they were growing up. Unfortunately, that sentiment in this Nation is changing, and it is not a change for the best. It is doing something to our families; it is tending to disintegrate the ties which in the past have held families together.

Mr. President, this morning I received a letter from a friend touching on this

subject, which I want to read to the Senate, because I think it is a thought-provoking letter. It reads as follows:

JUNE 12, 1950.

The Honorable A. WILLIS ROBERTSON,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR ROBERTSON: Upon my recent return from a brief sojourn on my farm near Charlottesville, I found the copy of your speech on the Preservation of Private Enterprise you have been so kind to send me. I have read it with genuine interest and I think it is excellent. The kind of thinking and concepts voiced by you, it seems to me, represents the type of philosophy under which this Nation has grown great. The trend away from the sound doctrine enunciated by you, however, is something about which, I think, there is a woeful lack of due concern throughout the Nation. Our people (maybe it is true of all people), are dangerously inclined toward complacency until they are personally pinched.

I suspect Captain Kincaid had passed on to you the copy I had given him of a speech delivered by the vice president of Marshall Field Co. in Chicago. His views, similar I believe, to yours, had, I thought, been set forth quite well.

In a speech recently delivered somewhere, perhaps before the board of directors, by Benjamin A. Fairless, president of the United States Steel Corp., I noted an enunciation of views similar to yours, bearing upon the importance, indeed the vital essentiality of private enterprise, if our way of life is to endure. I think if you have not already seen a copy of the Fairless speech entitled "Man's Search for Security," you would be interested in noting some of his comments which I will quote verbatim as follows:

"I believe, and I think you do too, that all human beings grow in dignity and self-respect by reason of accomplishment and the assumption of responsibility. The spirit of independence, or of confidence, or of self-reliance, is mightily nourished by the exercise of one's own efforts. Moral stature is increased and moral fiber is strengthened by each job done with the free play of one's own ability. Ambition, which inspires men to attainment, is fed by an atmosphere of endeavor. In short, a man develops by standing on his own feet. He does not wax strong by having others do for him what he can and should do for himself.

"Are we interested in the cultivation of these qualities in our own citizenry? Have we properly appraised the value of the spirit they create, in terms of a powerful influence for the preservation of freedom in America? If this land of opportunity, where men traditionally have enjoyed more independence than in any other, is to maintain that national spirit which has blessed it from the very beginning, it must carefully foster the dignity, self-respect, moral stature, and self-reliance of the millions of individuals which make up the integrated whole.

"Too much coddling, too much paternalism, too much recession from personal responsibility can have a decidedly weakening effect upon the aims and purposes of man. With the possibility of lapsing into a feeling of security provided wholly by others, the time-honored emphasis upon thrift is pushed into the background, and one of the spurs to maximum effort becomes inoperative. We should take thought then, serious thought, that in our over-all approach to this matter of planning security, we do not adopt methods which will wither the spirit while catering to the needs of the flesh. Already we find that many young men who are on the point of entering industry inquire first about pensions, benefits, and other elements of social security to be provided for them, while they manifest secondary interest in the opportunities lying ahead for a successful career, based upon the exercise of their own abilities. Little is the wonder that this distortion has taken place, with the atmosphere so filled with conflicting discussions about the merits of guaranteeing security throughout the entire span of life, with socialized this and socialized that applying at every point."

There is no question in my mind that too much ado over security at the expense of a healthy interest in opportunity has come to be the order of the day.

I have no doubt that this Nation abounds with individuals sufficiently endowed with common sense and realistic convictions to guide its destiny safely and efficiently, and I am not concerned so much over the fact that there are individuals in high offices whose ideas seem to be detrimental to the best interests of the country as I am with the evident reality that the voting public contains sufficient members of an ilk likewise imbued with questionable ideas to vote their candidates into high office.. In fact, the alarming aspect of this situation is that this type of citizen seems to be on the increase.

History seems to indicate that given time, society always succeeds in socializing itself. It is nevertheless my doctrine that the view that history repeats itself, is fallacious. History only points its finger at what to expect unless men of vision and courage and enthusiasm and energy rise up and do something about it. Someone has observed that social security as it is being dished up to us today, is a sort of death. Security is not a living instrument unless it is a part of our own effort and planning. It is the striving for security that really preserves it. Security cannot be promised, bestowed, or endowed. It is the product of each individual's work, planning, saving, thinking, and holding. Security is not security when it is only a politically promised social gain. It is then a political gain and an individual loss.

George Washington uttered a profound truth when he said, "He who seeks security through surrender of liberty loses both."

With kindest regards and best wishes, sir, and again thanks for the copy of your fine address.

I shall not include the name of the writer of that letter, because I am using it today without having had an opportunity to get his consent to use it. Therefore I am not at liberty to disclose his name. I am sure that he would have no objection to my using his splendid statement about what now confronts us to illustrate my point that while a machine age and a highly socialized state, together with an economy which is rapidly maturing, is forcing us to provide so-called security by way of old-age pensions and retirements we must not in our enthusiasm for that type of program, which may be very popular politically, lose sight of the fundamental fact that the greatest security for the people of this Nation is the security which comes from a system of private enterprise in which there are openings for men of brains, energy, and ability, and employment for which there is an adequate reward for those who prove their superiority in those high fields. The writer of the letter from which I have quoted referred to a speech which Mr. Benjamin Fairless had made on some previous occasion. I recently saw a copy of a speech which Mr. Fairless had made in Boston. I believe it was made on the 19th of May. I have a copy of that speech before me, Mr. President, but as I am already late for a meeting of the Committee on Appropriations, where we shall be engaged in marking up a very important appropriation bill, I shall not take the time to read from this speech as I had previously intended to do. The speech is built around the theme that there are some bodies or groups of bodies in Washington which are throwing monkey wrenches into the business machine. Mr. Fairless said that if certain manufacturers get together and fix a price for their product they get prosecuted under the antitrust laws for price fixing. If they do not get together and attempt to meet competition in a given area by absorbing freight, they are prosecuted under the Robinson-Patman Act. He said thousands of manufacturers do not know which way to turn. They do know that whichever way they turn will be wrong. We tried to take that one monkey wrench out the other day when we passed S. 1008. Oh, how that bill has been misrepresented, Mr. President. The druggists of Virginia were the largest group that applied pressure on me from the time the conference report on S. 1008 reached the Senate until the final vote was taken on the bill. I do not know one in that group who has not benefited from freight absorption. We do not have any great drug manufacturing concerns in Virginia. We buy from a firm in Baltimore or from its branch office in Norfolk. There is a big firm from which we buy which is located near the border between Virginia and Tennessee. It is in Bristol. I do not know whether it is Bristol, Va., or Bristol, Tenn. However, it is down in the far corner of Virginia. Yet every druggist in Virginia can get a proprietary remedy at the same price anywhere in the State, because the manufacturer absorbs the freight on it, and it is sold at the same price under the Robinson-Patman Act. Suppose there was some small drug manufacturing company which was selling all over the United States. It could not absorb freight if the President vetoes S. 1008, nor could he build a series of new plants.

I hope the President does not veto that bill. I am satisfied that the amendment, prepared by the Attorney General and included in the conference report, is an adequate safeguard against anti-trust-law violations.

I asked a very distinguished representative of our Government how S. 1008 was going to come out.

He said, "The best I can tell, it is 50–50."

I said, "Do you mean that the President is just as apt to veto that bill as to sign it?"

"Well," he said, "he has some mighty strong friends urging him to sign it, and some equally strong friends urging him not to sign it."

He cannot be quite like the candidate who was running for the legislature. He was young and inexperienced, and one of his political advisers said, "Now, Bill, you are going out to sell yourself to the people. You're going to make some speeches to the people. There is one thing you must not do; you must not say anything about that squirrel law."

Bill said, "I will not."

He got through his speeches fine until he got to the last night, when he made a powerful speech, because he saw victory in his grasp. He warmed up, and really went to town. Just before he sat down, one old farmer in the hall said, "Bill, you haven't said anything about that squirrel law."

Bill said, "My friend, I'm awfully glad you raised that question. I have some mighty good friends in favor of the squirrel law, and I have some mighty good friends who are opposed to the squirrel law, and I want to tell you I'm going to stick by my friends." [Laughter.]

I express the earnest hope—although it would not have any immediate effect on H. R. 6000—that the President will not veto the basing-point bill, because jobs are more important than pensions. Jobs come before pensions, unless we are going to knock the bung out of the Treasury and distribute the benefits of the accumulated wealth of past generations. One of the things that will stimulate business and help to make jobs is the removal of the present uncertainty as to what a man can do and what he cannot do and remain in business and stay out of jail.

LABOR MONOPOLY

Mr. President, there is another bill pending in the Senate. I do not expect to get any action on it this year, but I do wish to mention it so that it may be close to the hearts of my distinguished colleagues after November. I refer to the bill I introduced last January to amend the antitrust laws to provide that labor leaders exercising a monopoly shall not exercise that monopoly to unreasonably restrain production or to fix prices of goods or services that are of national interest and concern.

Consider the situation which confronts the coal industry. It was a consideration of that situation that got me into the study of labor monopoly, the 3-day week, the 2-day week, the 1-day week, and the no-day week.

The price of coal is now so high that our distinguished colleagues from West Virginia and other coal-producing States are coming to us with tears in their eyes, asking us to put what would amount to a prohibitive tariff on the importation of foreign fuel oil, in order that coal from Virginia, West Virginia, and Pennsylvania may not lose its historic market in New England. That market is being lost today, and what is the effect? It means unemployment in the coal mines; it means fewer and fewer to work and pay payroll taxes for the benefit of those who are retired.

Mr. President, the hearings on my bill are now available. The bill was favorably reported to the full committee by a very fine subcommittee composed of the Senator from Mississippi [Mr. EASTLAND] the Senator from Maryland [Mr. O'CONOR], and the Senator from Missouri [Mr. DONNELL], three very able and fine Members of the Senate. They heard the evidence. They considered it very maturely, and unanimously reported the bill to the full Committee on the Judiciary. As I have said, the hearings are now available. I hope the Members of the Senate will read them. They are very illuminating.

Another thing I feel we have to consider in connection with any bill like H. R. 6000, to levy taxes on those who work to take care of those too old to work is whether those who are able to work are going to have jobs. If they are, let Congress impose no unreasonable burden upon those who are willing to save and invest their funds in plants and equipment which would afford others the opportunity of working.

It is said that it now takes an average of $10,000 to give just one man a job in a plant. The time has passed when the blacksmith could go out under the spreading chestnut tree, with an anvil and a bellows and a big hammer, and hammer out his horseshoes by the sweat of his brow. He could do that in the old days. He could stay out under any old chestnut tree where there was fresh air and romance. When I was a boy there was nothing I enjoyed more than to see the great muscles of the blacksmith and to smell the odor of the burning horse hoof. I was a farm boy, and loved everything about horses. But the blacksmith could make only 12½ cents an hour. He could not get by on that now. He would starve to death, I do not care how hard he would work. His prototype is now working for General Motors, or United States Steel, making $2 to $2.50 an hour, not sweating nearly as much. He is making what looks like good money, but he does not know whether he is going to be there after he is 60 or not. He knows he is certainly not going to be there after he is 65. That is why I favor a social-security system, and I think we should do what we can to make it a good and comprehensive one.

We have also to consider whether we are going to continue the boast that with 7 percent of the population of the world we produce 50 percent of the world's wealth. We have to consider the plans under which men with $10,000 jobs are willing to save and invest their money in order to give the worker a chance to start in life, and to qualify for a social-security pension.

Mr. President, I am glad to see before me today my distinguished colleague, the junior Senator from Mississippi [Mr. STENNIS]. Last fall we had a delightful trip together through 14 countries of Europe. He and I did a good deal of inquiring about why those countries were hard up, why they needed so many billions from us. That was not so strange for a distinguished representative from a State which is listed in our statistical books as having the lowest per capita income among all the States of the Union. Virginia cannot boast too much about per capita income, but fortunately we have a few great industrial plants, and have diversified our farming a little, and are not as poor as we used to be, though, we cannot boast too much. But we wanted to find out what was the matter in Europe.

One of the things we ascertained was that many rich people of France, Italy, and Greece were evading income taxes.

Second, we found that there were plenty of people with money over there who would not put it into their own industries, simply because they did not trust their governments, or did not know whether communism was going to involve them from within or without. They had their money in hiding, or they had it in the banks of Switzerland.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. LUCAS. The Senator is talking about the flight of capital from Greece into Switzerland. The Senator will recall that back in 1931 and 1932 in this country there was a flight of money out of America into Canada and to other countries because people feared at that particular time that the economy of this country was on the rocks. The Senator will recall that many of those who had a great deal of money took their money out of the country because they had no confidence in their own Government at that particular time.

Mr. ROBERTSON. I know that is true. And in 1934, over the protest of my distinguished predecessor, in whose judgment I had great confidence, the late Senator Carter Glass, I voted that the United States go off the gold standard because people were hoarding gold at a time when we were facing a shortage of money and at a time of great depression. Senator Glass always claimed that was an immoral act. It was of doubtful legality, I admit. The Government promises a man to pay him in gold, and then says, "Forget about it. We will pay you in a silver certificate or a bank note of the Federal Reserve System." But in my opinion we were forced to do it.

Oh, I will say to our distinguished majority leader, I do not stand on this floor and try to condone everything that has happened in this country in the last 50 years. There has been plenty of selfishness in industry. There were plenty of industries financially able to set up a company-pension plan and a health plan and things they did not do until some labor union compelled them to do it.

I shall always rejoice in the fact that the main railroad that serves Virginia, the Norfolk & Western, years ago adopted a pension system for all its employees, from the lowest to the highest—a liberal pension plan. Those employees did not want to go into the Railroad Retirement Act when it was first passed because they thought they would be better off under their own company plan.

There were two other railroads in Virginia, however, that did not have any retirement plan at all, and, so far as I know, would not have one today if we had not passed the Railroad Retirement Act.

Incidentally, I take some credit for working out, after the Supreme Court had set that act aside, because of its unsound fiscal provision, a sound fiscal plan that stood up and is providing a fine retirement system for the railroads. Naturally I did not appreciate it when I was placed on the railroad brotherhood's black list in 1948, but that is one of the hazards one incurs for having supported the Taft-Hartley Act which specifically exempted the railroad brotherhoods. But they did not draw a fair distinction.

I will leave that subject now. The Senator from Illinois got me a little bit off the subject.

I want to go back to my statement that I do not condone the selfishness of those corporations who combined and squeezed the last dollar out of the consumer. But that is no excuse for condoning labor leaders now who are exercising more power than the corporations ever tried to exercise in their control of certain basic industries. It is all tied up with the social security program, because there is your job. I definitely believe that if we can economize in spending, if we can reduce the tax on corporations, if we can ease upon that super-duper tax in the higher brackets where we tax first the earning that a man's money has made in the corporation, and when it comes to him as a dividend less 38 percent, we hook him again for a top of more than 80 percent. If we can ease that sum, if we will encourage those men to use their savings for plant expansion, to give more jobs, that is just as important as a plan to pension workers. If we do not have workers to tax as we go along, we have no funds to pay those who have already retired or will shortly retire, except out of the public.

Mr. President, I hope my distinguished colleagues will forgive me for attempting to discuss a bill concerning which I know so little. But I explained at the outset that I do not believe there is any Member of the Senate or the House who can sit down and tell us everything that is in the bill, and I know there is not one who can tell us how the provisions of the bill are going to be working 10 years from now. There are provisions in the bill which we take on faith. There are things we have to go along with because the general program is what we approve, even though we do not know all the details.

I conclude as I began; I rejoice that two so outstanding friends and colleagues as the senior Senator from Georgia [Mr. GEORGE] and the senior Senator from Virginia [Mr. BYRD] have brought this bill to us with their endorsement, which makes it much easier for me to accept it without the kind of knowledge I like to have and try to have when I am voting on a program that will ultimately run into billions of dollars.

Mr. GEORGE. Mr. President, I am not prepared to offer amendments now, but I give notice that I shall offer an amendment which I hope the Finance Committee will approve, making the effective date of the appropriation for the children's fund carried in the bill, the date of the enactment of the act itself, so that advance planning may be quite possible both for the agency and for the States.

I also give notice that I shall, for myself, offer an amendment to bring under coverage traveling salesmen who work for one employer principally, and who takes orders for delivery by the manufacturer or the wholesaler. This amendment I hope to be able to present tomorrow for printing.

REFERENCE OF RESOLUTION CALLING FOR INVESTIGATION OF THE HANDLING OF THE AMERASIA CASE BY THE DEPARTMENT OF JUSTICE

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CAPEHART. I should respectfully like to make inquiry of the distinguished Vice President, who now occupies the Chair, as to when he expects to refer to a committee the resolution (S. Res. 295) I submitted yesterday regarding the handling of the Amerasia case by the Department of Justice.

The VICE PRESIDENT. The Chair is not able to state the exact hour and minute when the reference will be made, but the Chair will announce his decision when he makes it. However, it will not be made today.

Mr. CAPEHART. It will not be made today?

The VICE PRESIDENT. No.

Mr. CAPEHART. Might it be made tomorrow?

The VICE PRESIDENT. That might be; but the Chair is looking into certain phases of the matter on which he would like to satisfy himself before making the reference.

Mr. CAPEHART. I thank the Chair.

LEGISLATIVE PROGRAM—ANNOUNCEMENT REGARDING CALL OF THE CALENDAR ON FRIDAY

Mr. LUCAS. Mr. President, apparently there are no other speeches to be made today upon the pending bill.

We have reached an agreement to vote upon the bill and all amendments thereto at 4 o'clock on next Tuesday. In the meantime, I think it goes without saying that there will be a certain lull in the debate, and it may be possible on Friday to take up some measures which are now pending on the calendar. I have reference particularly to Calendar No. 1790, House bill 7579, to extend the Rubber Act of 1948, and for other purposes.

If there are any conference reports, Mr. President, which are ready to be taken up on tomorrow, I hope we may be able to do so.

Mr. WHERRY. Mr. President——

Mr. LUCAS. I yield to the Senator from Nebraska.

Mr. WHERRY. With reference to the suggestion made by the distinguished majority leader that on tomorrow, if there comes a time when there is a lull in the debate on the social security bill, one of the bills which he might move to have the Senate take up would be House bill 7579, Calendar No. 1790, a bill to extend the Rubber Act of 1948, let me inquire whether the majority leader has been advised that some members of the Banking and Currency Committee want the bill recommitted to that committee.

Mr. LUCAS. I do not believe there is a desire on the part of any Members on this side of the aisle to have the bill recommitted to the Banking and Currency Committee.

Mr. WHERRY. If it is not to be recommitted, I believe there are some members who wish to file a supplemental report. I mention this because I wish to cooperate in every way with the majority leader in getting before the Senate any other proposed legislation which it is possible to consider tomorrow, in the event there is a lull in the debate on the social security bill.

Of course the majority leader has said it would be up to whatever Members who wish to file supplemental reports to file them at that time. However, I agree that the bill should come before the Senate at an early date.

Mr. LUCAS. Yes. The basic reason for the early consideration of House bill 7579 is the deadline which must be met.

Mr. WHERRY. Yes.

Mr. LUCAS. Mr. President, I should like to notify the Senate that inasmuch as there are a few bills on the calendar, on Friday I probably shall move to have the Senate consider unobjected-to bills on the calendar, beginning at the point where the call of the calendar was concluded on June 8.

Mr. WHERRY. Mr. President, it is my understanding that that would have to be done by unanimous consent. Before I would give such unanimous consent, I certainly would like to have reports on the bills submitted to the Senate, so they can be considered. Of course that comment does not apply to some of the bills on the calendar, on which reports already have been submitted.

Mr. LUCAS. If there are no reports on certain of the bills on the calendar, and if any Senator objects to the consideration of a bill on the calendar on that ground, when the bill is reached during the call of the calendar, I say to the Senator that I, too, certainly would want the bill passed over.

Mr. WHERRY. I would not wish to join at this time in a unanimous-consent agreement relative to calling the calendar on Friday, although we may be able to work out such an agreement.

Mr. LUCAS. I hope we may be able to do so, because I would dislike very much to have the calendar run for as long as it did recently without being called.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HENDRICKSON. I am delighted to hear that in the future we shall not have long delays between calendar calls. I think it is a very poor practice to let long periods of time elapse between calendar calls, and I think it will be very helpful to the Senate and will expedite the business of the Senate to have regular calendar calls in accordance with the spirit of the rule.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Since making an observation, a minute ago, regarding the announcement relative to the intention to request consent for a call of the calendar on Friday, I have been informed that most of the reports I had in mind have been filed, finally, today. If the distinguished majority leader will permit us to check this evening on the remainder of the bills I had in mind, I shall have no objection to a request for consent to have the calendar called on

Friday, if a request to that effect is made at noon tomorrow.

Mr. LUCAS. I thank the Senator.

On the calendar there is another bill to which I should like to call attention and which might be considered on Friday, in the event it is not passed during the call of the consent calendar. I refer to Senate bill 960, Calendar 1791, a bill relating to the Reserve components of the National Military Establishment. In discussing that bill a few minutes ago with the senior Senator from Massachusetts [Mr. SALTONSTALL] he said he doubted that there would be any objection to the bill after a short explanation is made.

Mr. WHERRY. Mr. President, as I understand, both those bills are on the calendar. Is that correct?

Mr. LUCAS. That is correct.

Mr. WHERRY. So if a determination is reached to have the calendar called, those bills will be reached during the call of the calendar, in any event; will they not?

Mr. LUCAS. That is correct. If at that time there is objection to the consideration of the bills during the call of the calendar, then, following the call of the calendar, we shall proceed to move to have the Senate consider them.

So far as concerns the conference report on the amendment of the Hatch Act, I am informed that we probably shall take it up tomorrow, because it is desired to get it out of the way by tomorrow, if possible.

Mr. WHERRY. Mr. President, I should like to make a further inquiry of the majority leader. In accordance with the announcements which have been made, it seems that we are building up quite a number of things to do tomorrow and the next day. Of course, the conference report on the bill amending the Hatch Act has priority, in any event, because it is a privileged matter.

Mr. LUCAS. Yes.

Of course, the announcements regarding the possibility of having the Senate consider certain bills tomorrow and the next day are based on the understanding that in the event on those days any Senator desires to engage in further debate on the social security bill, House bill 6000, we shall be delighted to have him do so.

Mr. WHERRY. If I correctly understand the situation, the calendar will not be called in any event until Friday.

Mr. LUCAS. That is correct.

Mr. WHERRY. And that understanding includes both the bill extending the Rubber Act and the bill extending the Selective Service Act, which the Senator has mentioned; does it?

Mr. LUCAS. That is correct.

Mr. WHERRY. I also understand that if there is an opportunity tomorrow to call up the conference report on the amendment of the Hatch Act, it is the intention to have that conference report considered at that time.

Mr. LUCAS. Yes. Of course, it is a privileged matter.

Mr. WHERRY. Of course. There are one or two Senators who would like to be present at the time when that conference report is considered. If for any reason they cannot arrange to be present at that time, I hope the report will not be taken up then.

### EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

The VICE PRESIDENT. If there are no executive reports of committees, the clerk will state the nominations on the calendar.

### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The VICE PRESIDENT. Without objection, the postmaster nominations are confirmed en bloc.

That completes the call of the Executive Calendar.

### RECESS

Mr. LUCAS. Mr. President, I now move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 38 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 15, 1950, at 12 o'clock meridian.

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### CONFIRMATIONS

Executive nominations confirmed by the Senate June 14 (legislative day of June 7), 1950:

#### POSTMASTERS

ALABAMA

Virgil W. Head, Cleveland.
Oscar Taylor, Holly Pond.
Otto C. Eppes, Waterloo.

ALASKA

Doris A. Wirsching, Annette.
James E. Evans, Metlakatla.
James M. McLean, Nome.

ARIZONA

Ethel R. Parkhurst, Bowie.

ARKANSAS

Lois C. Feimster, Wilmot.

CALIFORNIA

Adeline M. Johnson, Forest Knolls.
Zita M. Carriere, Glenn.
Pittman L. Davis, Hermosa Beach.
Dorothy A. Abert, Hopland.
William Ray Cox, Inyokern.
Grover A. Deininger, June Lake.
Marie D. Chaffey, Klamath.
Paul E. Geer, Live Oak.
Elmer M. Martin, Montague.
John D. Orchard, Sr., Pacific Grove.
Lillian M. Friedman, Pacoima.
James E. Hawkins, Palermo.
Gertrude C. Bostrom, Pioneer.
Clara A. Conner, Torrance.

COLORADO

John T. Weaver, Fruita.
Glen I. Harshbarger, Victor.

CONNECTICUT

William J. Higgins, New Haven.
Willis J. Gillette, Roxbury.

DELAWARE

Willard Howard Carey, Milton.
William Berl, Jr., Wilmington.

FLORIDA

Ralph E. Phillips, Alachua.
Arthur L. Shaw, Callahan.
Tom M. Braswell, Monticello.
Lottie Stripling, Westville.

GEORGIA

Carl C. Hobbs, Butler.
Robert E. Nelson, Eatonton.
Wilber L. Harris, Jonesboro.
Thomas E. Hicks, Lizella.

IDAHO

Ruby G. Bishop, Bliss.

ILLINOIS

Ray B. Dewhirst, Edinburg.
Robert A. Hanser, Edwardsville.
Martin Glenn Weger, Flat Rock.
James F. Cahl, Glenwood.
Alvina B. Ensley, Laura.
Mike Kopuster, Livingston.
James Earl Brewer, Makanda.
Thomas J. Price, Jr., Oblong.
Orville W. Hinton, Ramsey.
Rann O. Lackey, Tamms.
Frances M. E. Stueve, Wayne.
Robert W. Fletcher, Wyanet.

INDIANA

Lowell K. Sheese, Bowling Green.
Harry G. Bollinger, Columbia City.
John Francis Dunmire, Elkhart.
Oliver R. Weddle, Hebron.
John D. St. John, Middletown.
Howard S. Zody, Nashville.

IOWA

Fred V. Jacobson, Blencoe.
James M. Townsend, Britt.
Edward Hadden, Churdan.
John W. Miller, Harper.
Eddie C. Wirds, Iowa Falls.
Frederick J. Carolan, Ridgeway.
Merrill R. Williams, Shell Rock.
Edmund C. Maher, Sidney.
Carl M. Hansen, Thornton.

KANSAS

Jack D. Vance, Coldwater.
Mary Charlene Arrington, Haviland.
Muriel M. Metz, Hudson.
George D. Massey, Hugoton.
Floyd C. Swain, Soldier.
Velma R. Crowley, Wilsey.

KENTUCKY

Emily I. Coy, Boston.
Benson G. Leichhardt, Bowling Green.
Clyde V. Moorhead, Brooksville.
Fred M. Lindsey, Crestwood.
William H. Lillard, Crittenden.
Flurry Edward Thomas, Dry Ridge.
Nathan W. Carter, Jr., Fulton.
W. Lewis Horton, Grayson.
Lee C. Ray, Harlan.
Martine S. Hughart, Island.
Raymond L. Pugh, Vanceburg.

LOUISIANA

Lester S. Gonzales, Gonzales.
Earl F. Spencer, Hammond.

MASSACHUSETTS

Patrick J. McAndrews, Adams.
Robert Earle Taylor, Berlin.
Raymond H. Horton, Hadley.
Helen M. Mann, Hampden.
Jacob Greenberg, Manchester.
William J. Houlihan, Tewksbury.

MICHIGAN

Edmund C. Hillen, Alto.
Mildred L. Schmidt, Manitou Beach.
Charles E. Rawson, Marion.
Clarence S. Duby, Menominee.
Harry Shiminsky, New Boston.
George W. Beaudoin, Stephenson.
Basil M. Stanfield, Whitmore Lake.

MINNESOTA

Joseph I. Malerich, Akeley.
Urban F. Grunloh, Avon.
Ellsworth J. Peterson, Chisago City.
Milton L. Paus, Eitzen.
Clayton L. Guthier, Emmons.
Russell A. Dickey, Loretto.
Roe R. Waterfield, Milaca.
Vivian L. Guse, Withrow.

MISSISSIPPI

William W. Cochran, Merigold.

MISSOURI

Johnny C. Everett, Gower.
Doyle E. Hurley, Livonia.
Jesse Clyde Butler, Macon.
Richard Woodson, Middletown.
Kenneth H. Perry, Noel.

MONTANA

Glen E. Roose, Eureka.
Charles L. Beers, Judith Gap.

NEBRASKA

Byrel M. Lang, Litchfield.
Dora E. Waldo, Nehawka.
Harold J. Camp, Petersburg.
Russel E. Polly, Wauneta.

NEW HAMPSHIRE

Lewis Marshall, North Stratford.

NEW MEXICO

Mable A. Wimberly, Hollywood.

NEW YORK

Hoysradt Porter, Ancram.
Robert C. Benedict, Broadalbin.
Clyde L. Nightingale, Byron.
Emma E. Eaton, Cayuta.
Alice C. Jones, Esopus.
Esther M. Bell, Glen Spey.
Pauline E. Clement, Honeoye.
Hubert Brink, Lake Katrine.
John R. Schuyler, Naples.
Harold H. Parker, Perrysburg.
Richard H. Smith, Prattsville.
Ruth E. Watkins, West Lebanon.
Harry Northrup, Wurtsboro.

NORTH CAROLINA

Henry A. Miller, Bayboro.
Hope R. Heath, Cove City.
Zeb Meadows, Franklin.
Leslie P. Gardner, Goldsboro.
Earl S. Holliman, Lake Lure.
Lottie M. J. Buie, Wagram.

NORTH DAKOTA

Clarence A. Nelson, Drake.
Eugene F. Simek, Fullerton.

OKLAHOMA

Howard D. Francis, Blair.
George A. Wilson, Jay.
Willie B. Austin, Locust Grove.
James W. Wheeler, Mangum.
Jack A. Drury, Olustee.
Marie C. Forbes, Ralston.
Roy H. Mariatt, Ringwood.
Ralph O. Farmer, Tyrone.
John W. Nicks, Wetumka.

OREGON

Josephine C. Zadina, Chiloquin.
Lawrence L. Story, Malin.
Lloyd R. Johnson, Moro.
Ray L. Jenkins, Toledo.

SOUTH DAKOTA

John Obenauer, Eureka.
Vaino E. Bajuniemi, Lake Norden.
Ralph L. Fossum, Lily.
Delmar J. Hamiel, Reliance.
Ardean A. Twite, Veblen.

TENNESSEE

Clayre Wesley White, Bethpage.
Garland T. Wilson, Cottagegrove.
R. Ray Tate, Estill Springs.

TEXAS

Charles V. Speer, Carrizo Springs.
Mary D. Maxwell, Country Campus.
Billy B. Holland, Estelline.
Edna B. Smith, La Vernia.
Miriam S. Chatelle, Los Fresnos.
Mittie L. Taylor, New Willard.
Prentice F. Vance, Orangefield.
Guy H. Holman, Pittsburg.
Ellen C. Woodruff, Port Aransas.
Celestia Dodson, Sandia.

VERMONT

Robert F. Brown, Groton.

VIRGINIA

James R. Jones, Holland.
Mary R. J. Sizemore, Hurley.
Carl S. Hendricks, Lebanon.

WASHINGTON

Margaret Hedrick, Creston.
Earl C. Carey, Hartline.
Florence Opal Hurl, Malden.
Nels D. Nelson, Naselle.
Donald M. Richardson, Tonasket.

WEST VIRGINIA

Paul M. Satterfield, Carolina.
Helen M. B. Joyce, Crumpler.
Pansy Lee Seacrist, Montcoal.
Johnny A. Aliff, Oceana.
Junior Lee Gerrard, Wolf Summit.

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# SENATE

## THURSDAY, JUNE 15, 1950

*(Legislative day of Wednesday, June 7, 1950)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, in the creative faith by which we really live we would bow at the altar of prayer so that even before we speak we may listen. The very justice and social welfare we are here as public servants to preserve, promote, and to protect, is rooted and grounded in Thy sovereignty. Against the debasing idolatry of the police state which, instead of shrines of prayer, rears prisons of the mind and heart, we have pledged our all. Even as with the sword of our material might we face the forces of evil rampant in the world today, we know that more vital than earthly armament, if we are to be the instruments of Thy purpose, is the putting on of the whole armor of God; for only as we fight in that shining mail can we be among the peacemakers who are called the children of God.

Keep us steadfast with the shield of Thy truth against which all the spears of hate cannot ultimately prevail. In the Redeemer's name. Amen.

### THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 14, 1950, was dispensed with.

### MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 5920. An act to provide for payment of amounts due mentally incompetent personnel of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service; and

H. R. 6743. An act to amend the Federal Home Loan Bank Act, as amended, and title IV of the National Housing Act, as amended, and for other purposes.

### LEAVES OF ABSENCE

On request of Mr. McFARLAND, and by unanimous consent, Mr. MAGNUSON was excused from attendance on the sessions of the Senate for an indefinite period.

On request of Mr. WHERRY, and by unanimous consent, Mr. CAPEHART was excused from attendance on the session of the Senate tomorrow.

On his own request, and by unanimous consent, Mr. GEORGE was excused from attendance on the sessions of the Senate until Monday.

### COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. GEORGE, and by unanimous consent, the Committee on Foreign Relations was authorized to meet this afternoon during the session of the Senate.

### REFERENCE OF RESOLUTION CALLING FOR INVESTIGATION OF THE HANDLING OF THE AMERASIA CASE BY THE DEPARTMENT OF JUSTICE

Mr. McFARLAND. Mr. President, I am about to suggest the absence of a quorum.

Mr. WHERRY. Mr. President, will the Senator yield before he makes the suggestion?

Mr. McFARLAND. I yield.

Mr. WHERRY. Mr. President, I wonder if the distinguished Vice President would like to express an opinion on the referral of the resolution (S. Res. 295) submitted by the Senator from Indiana [Mr. CAPEHART].

The VICE PRESIDENT. The Chair has already expressed his intentions. If the Senator wishes the Chair to do it again, he will be glad to do so. The Chair advised the Senator from Indiana yesterday that he hoped he would be able to reach a conclusion today. The Chair is not certain that he can, but he will say definitely that if he does not reach a conclusion today, he will reach one on Monday. The Chair will not be here tomorrow.

Mr. WHERRY. I should like to say that the distinguished Senator from Indiana would like to be excused tomorrow. I understand his son is to be married, and, of course, that is a good reason for being excused.

The VICE PRESIDENT. The Chair always sympathizes with ceremonies of that kind.

Mr. WHERRY. So do I. I wish to thank the distinguished Vice President.

### SENATE LOYALTY INVESTIGATION—CARTOON

Mr. McMAHON. Mr. President, will the Senator from Arizona withhold his suggestion of the absence of a quorum?

Mr. McFARLAND. Yes.

Mr. McMAHON. I should like to call the attention of the minority leader to the cartoon which appears on the first page of today's Evening Star. It shows an open door labeled: "Senate Foreign Relations Subcommittee on Loyalty. M. TYDINGS, chairman." On the doorknob hangs a placard: "Now playing: the Amerasia case." The Senator from Maryland [Mr. TYDINGS] is pictured as saying, "But I have not given a report as yet." The Senator from Indiana [Mr. CAPEHART] is shown as saying, "But we definitely disagree with whatever report you are going to give."

Mr. WHERRY. I do not know why the Senator directed the attention of the minority leader to the cartoon. I am not in the cartoon. However, I should like to say, in answer to the distinguished Senator from Connecticut, that I have been pictured in other cartoons in newspapers with respect to statements which I was quoted as having made about some of the witnesses. I am eager to have the report submitted forthwith, if possible, because I think the situation has many angles which ought to be cleaned up. So far as I am concerned, if reports we hear are true, I am not satisfied, as I have very constructively and forthrightly said on the floor, with the work which the committee has been doing up to date. We might just as well be frank about it. That is one of the reasons why I am a cosponsor of the resolution, and I think I was completely justified in signing it.

I did not understand this subject would come up this morning. When and if the proper time comes to discuss it, I shall be glad to make further observations on the subject. I do not want to make any accusations which are not warranted. However, as a result of some of the things that have leaked out of the committee which have a direct bearing on the junior Senator from Nebraska, I should like to see a report and see what the committee has to say, and for that reason I should be glad, indeed, to have the resolution agreed to.

Mr. McMAHON. Mr. President, will the Senator yield for one observation?

Mr. McFARLAND. I yield.

Mr. McMAHON. I again say, Mr. President, that I shall not change the attitude I have adopted since I became a member of the subcommittee, and that attitude, very briefly, is that the Senator from Connecticut has been trying to do his duty to the Senate and to the country, and so has the chairman of the subcommittee. I think the cartoon which I have described is a complete answer to the Senator from Nebraska.

CALL OF THE ROLL

Mr. McFARLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hendrickson | Martin |
| Benton | Hickenlooper | Maybank |
| Brewster | Hill | Millikin |
| Bricker | Holland | Mundt |
| Bridges | Humphrey | Myers |
| Butler | Hunt | Neely |
| Byrd | Ives | O'Mahoney |
| Cain | Johnson, Colo. | Robertson |
| Capehart | Kefauver | Russell |
| Chavez | Kem | Saltonstall |
| Connally | Kerr | Schoeppel |
| Cordon | Kilgore | Smith, Maine |
| Donnell | Knowland | Smith, N. J. |
| Dworshak | Leahy | Sparkman |
| Eastland | Lehman | Stennis |
| Ecton | Lodge | Taft |
| Ellender | Lucas | Thomas, Utah |
| Flanders | McCarran | Thye |
| Fulbright | McCarthy | Tobey |
| George | McClellan | Tydings |
| Gillette | McFarland | Watkins |
| Green | McKellar | Wherry |
| Gurney | McMahon | Withers |
| Hayden | Malone | Young |

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Kentucky [Mr. CHAPMAN] is absent on official business as a member of the Committee on Armed Services.

The Senator from Illinois [Mr. DOUGLAS], the Senator from North Carolina [Mr. HOEY], the Senator from North Carolina [Mr. GRAHAM], the Senator from Montana [Mr. MURRAY], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from California [Mr. DOWNEY] and the Senator from Texas [Mr. JOHNSON] are absent because of illness.

The Senator from Delaware [Mr. FREAR] is absent on official business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. DARBY], the Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from Michigan [Mr. VANDENBERG], the Senator from Wisconsin [Mr. WILEY], and the Senator from Delaware [Mr. WILLIAMS] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON], and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

AMENDMENT OF HATCH ACT—ANNOUNCEMENT OF INTENTION TO CONSIDER CONFERENCE REPORT

Mr. HAYDEN. Mr. President, I wish to announce that at 3 o'clock or a little thereafter this afternoon I intend to ask the Senate to consider the conference report on the bill to amend the Hatch Act. I think it will be generally agreeable to Senators to consider it at that time.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHERRY. It is agreeable to have the report considered at that time. The matter has been worked out between the majority and the minority leadership. I am glad the Senator from Arizona has made the announcement that he will ask to have the report considered this afternoon at the time he suggested.

At this time, Mr. President, I wish to ask the distinguished acting majority leader, the Senator from Arizona [Mr. MCFARLAND], if he knows whether it is the intention of the majority leader to have a call of the calendar tomorrow? Yesterday the majority leader said he thought that would be done. Does the Senator know whether it will be done?

Mr. McFARLAND. Mr. President, an announcement with respect thereto will be made shortly.

Mr. WHERRY. I thank the Senator.

TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. Mr. President, I ask unanimous consent that there may be transaction of the usual routine business at this time, without speeches or debate.

The VICE PRESIDENT. Without objection, it is so ordered.

STORY OF AVIATION—UTILIZATION OF UNFINISHED PORTION OF HISTORICAL FRIEZE IN ROTUNDA OF CAPITOL

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the joint resolution (H. J. Res. 21) to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HAYDEN. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President apointed Mr. GREEN, Mr. STENNIS, and Mr. LODGE conferees on the part of the Senate.

CONVEYANCE OF FORT RUCKMAN MILITARY RESERVATION TO TOWN OF NAHANT, MASS.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 7477) providing for the conveyance to the town of Nahant, Mass., of the Fort Ruckman Military Reservation, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McCLELLAN. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. HUMPHREY, Mr. BENTON, and Mrs. SMITH of Maine conferees on the part of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

CONSTRUCTION OF BUILDINGS TO FACILITATE ADMINISTRATION IN NATIONAL CAPITAL PARK AREAS, DISTRICT OF COLUMBIA

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to amend the act of August 24, 1912 (37 Stat. 417, 444), to authorize the erection of buildings and structures to facilitate administration and to accommodate the public in National Capital Park areas in the District of Columbia (with an accompanying paper); to the Committee on Public Works.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with

accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the General Assembly of the State of Connecticut; to the Committee on Finance:

"House Resolution 9

"Resolution concerning the rubber industry

"*Resolved by this assembly:*

"Whereas the importation of rubber footwear, tennis canvas footwear, and allied products from Japan and occupied Czechoslovakia represent a threat to American industry; and

"Whereas the present tariffs are inadequate to protect the jobs, incomes, and purchasing power of our American workers: Now, therefore, be it

"*Resolved*, That the Connecticut House of Representatives and the Senate together go on record as being unalterably opposed to any further reduction in the tariff or changes in the American price principle on rubber footwear, canvas footwear with rubber soles and any allied products which would inevitably result in widespread unemployment and great distress among the employees in the rubber footwear industry in the State of Connecticut; and be it further

"*Resolved*, That the Connecticut House of Representatives and Senate combined go on record as favoring immediate and firm action by the Federal Government to provide full employment for all of the more than 10,000 men and women in the rubber-footwear industry in the State of Connecticut, including the immediate restitution of the protective tariff laws of 1932–49; and be it further

"*Resolved*, That copies of this resolution be immediately, upon adoption, forwarded to the United States Senate and House of Representatives, and individual copies sent to all Congressmen and Senators from the State of Connecticut, to the Secretary of Commerce, the Secretary of Labor, and to the President of the United States of America.

"State of Connecticut, House of Representatives, May 2, 1950.

"State of Connecticut, Senate, May 4, 1950."

Resolutions of the General Court of the Commonwealth of Massachusetts, relating to the reinstatement of certain amputee veterans as permanent postal employees; to the Committee on Post Office and Civil Service.

(See text of resolutions printed in full when presented by Mr. SALTONSTALL (for himself and Mr. LODGE) on June 12, 1950, p. 8428, CONGRESSIONAL RECORD.)

Resolutions of the General Court of the Commonwealth of Massachusetts, relating to the exemption of tuna, bass, and other fishing tournaments at which prizes are offered from the provisions of the Federal postal lottery law; to the Committee on the Judiciary.

(See text of resolutions printed in full when presented by Mr. SALTONSTALL (for himself and Mr. LODGE) on June 12, 1950, p. 8428, CONGRESSIONAL RECORD.)

A resolution adopted by the board of directors of the National Peanut Council, at Washington, D. C., relating to the control of the importation of peanuts; to the Committee on Agriculture and Forestry.

A statement in the nature of a petition, issued by the Citizens-Taxpayers Association, of Westerly, R. I., relating to Federal direct old-age pensions; to the Committee on Finance.

The memorial of Mrs. J. Banta, of Florence, S. C., remonstating against the ratification of the genocide treaty; to the Committee on Foreign Relations.

A telegram in the nature of a memorial from Alice Kamokila Campbell, of Honolulu, T. H., remonstrating against the enactment of legislation granting statehood to Hawaii, etc.; to the Committee on Interior and Insular Affairs.

A letter in the nature of a memorial from the Flint (Mich.) Ministers' Association, signed by Ralph W. Brown, secretary, relating to communism; to the Committee on the Judiciary.

A resolution adopted at the annual convention of the Utah State Industrial Union Council, Salt Lake City, Utah, relating to the furnishing of arbitrators, without cost, to arbitrate grievances arising between employers and unions; to the Committee on Labor and Public Welfare.

Resolutions adopted by the Delta Society, of Catawissa, and the Ladies of the Golden Eagle, of Danville, both of the State of Pennsylvania, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUMPHREY, from the Committee on Post Office and Civil Service:

S. 3682. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, with respect to the time of taking effect of annuities of Members and elected officers of the Senate and House of Representatives; without amendment (Rept. No. 1837); and

H. R. 8270. A bill relating to the renewal of contracts for the carrying of mail on star routes; without amendment (Rept. No. 1839).

By Mr. NEELY (for Mr. JOHNSTON of South Carolina), from the Committee on Post Office and Civil Service:

H. R. 7265. A bill to provide for the conduct of a periodic census of governments; without amendment (Rept. No. 1838).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 4390. A bill to authorize the conveyance, for school purposes, of certain land in Acadia National Park to the town of Tremont, Maine, and for other purposes; without amendment (Rept. No. 1840).

By Mr. LEHMAN, from the Committee on Interior and Insular Affairs:

S. 192. A bill to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties; with amendments (Rept. No. 1836).

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

S. 2658. A bill to establish rearing ponds and a fish hatchery in the State of Kentucky; without amendment (Rept. No. 1841); and

S. 3771. A bill to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation; without amendment (Rept. No. 1842).

## EXPENDITURES BY JOINT COMMITTEE ON FOREIGN ECONOMIC COOPERATION—REPORT OF A COMMITTEE

Mr. McCARRAN. Mr. President, from the Committee on Appropriations and by the direction of the committee I report favorably an original resolution. The resolution provides funds for the Joint Committee on Foreign Economic Cooperation during the next fiscal year.

The resolution (S. Res. 298) was received and referred to the Committee on Rules and Administration, as follows:

*Resolved*, That the Joint Committee on Foreign Economic Cooperation is authorized to expend from the contingent fund of the Senate, during the fiscal year ending June 30, 1951, $130,000 for the purposes specified in section 124 of Public Law 472, Eightieth Congress, as amended.

## THE SECURITY PROGRAM OF THE STATE DEPARTMENT—REPORT OF SUBCOMMITTEE

Mr. GREEN. Mr. President, Senators will recall that last February 22 the Senate adopted a resolution with relation to alleged disloyalty among employees of the State Department. The Committee on Foreign Relations appointed a subcommittee of five, and that subcommittee of five later appointed a subcommittee of two, to investigate and make a report on the organization of the State Department with reference to security. The members of the latter subcommittee were the junior Senator from Massachusetts [Mr. LODGE] and the senior Senator from Rhode Island, myself.

We have completed and filed with the subcommittee of five our report, and, with the approval of the chairman of the subcommittee, I ask that our report be printed in the body of the RECORD for the benefit of all Senators.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

COMMITTEE ON FOREIGN RELATIONS, UNITED STATES SENATE—SUBCOMMITTEE OF FIVE APPOINTED TO INVESTIGATE ALLEGED DISLOYALTY IN THE DEPARTMENT OF STATE—SUBCOMMITTEE OF TWO OF THE SUBCOMMITTEE OF FIVE APPOINTED TO STUDY AND REPORT ON THE PROVISIONS FOR SECURITY MADE IN THE DIVISION OF SECURITY OF THE DEPARTMENT OF STATE

FINAL REPORT OF THE SUBCOMMITTEE OF TWO

(On February 22, 1950, the Senate unanimously adopted Senate Resolution No. 231 authorizing the Senate Committee on Foreign Relations to conduct a full and complete study and investigation of disloyalty on the part of persons who are or have been employed by the Department of State. The Foreign Relations Committee thereupon named a subcommittee of five to carry out the investigation provided for in the resolution. In this connection, it became desirable to investigate the State Department's arrangements for guarding against such disloyalty both as regards candidates for admission to the service and recurrent investigations during the term of service. The subcommittee of five left this latter study to a subcommittee of two consisting of Senator GREEN and Senator LODGE, which was appointed on April 24 with the specific purpose of investigating the practical operations, enforcement and day-to-day policing of the security program. What follows herewith is the report of the subcommittee of two to the subcommittee of five.)

In the United States, physical and personnel security for the Department of State is entrusted to the Division of Security, which is part of the Office of Consular Affairs, which in turn comes under the Deputy Under Secretary of State for Administration. Serving under Mr. Donald L. Nicholson, Chief of the Division of Security, are the Chiefs of four distinct branches: the Investigations

Branch, the Evaluation Branch, the Foreign Service and Domestic Security Branch, and the Administrative Branch.

The investigations branch has 20 field offices throughout the United States. The largest are in Washington, D. C., and in New York City, with smaller field offices located in Atlanta, Ga.; Boston, Mass.; Chicago, Ill.; Cincinnati, Ohio; Dallas, Tex.; Denver, Colo.; Detroit, Mich.; Greensboro, N. C.; Los Angeles, Calif.; Miami, Fla.; New Orleans, La.; Omaha, Nebr.; Philadelphia, Pa.; Pittsburgh, Pa.; St. Louis, Mo.; St. Paul, Minn.; San Francisco, Calif.; and Seattle, Wash.

Beginning in July 1949, the State Department expanded its world-wide security organization and established the present security system abroad. It set up six regional security headquarters heading up six regions which cover the 275 United States foreign service posts throughout the world. Broadly speaking, while under this system security remains the direct responsibility of every chief of mission, it is specifically carried out by the post security officer responsible for security in that diplomatic or consular post where he is stationed. Acting in an advisory capacity for all the post security officers in all the posts in their regions, are the regional security officers who are highly trained professionals.

It thus became important for the subcommittee of two to hear witnesses at four central points at which it would examine in person groups of security officers from different parts of the world as to actual operations and possible improvements. This required less expenditure of time, trouble, and money both for the State Department employees and for the subcommittee. The places selected for these investigations were Washington, Frankfurt, Paris, and New York. For the same reasons, the subcommittee of two did not take along either their staff or other persons, but relied on those available locally. On their flights to Europe and return, they used regular trips of Government planes. So there was thus no added cost to the Government. The total elapsed time away from the United States was 11 days.

The subcommittee of two interviewed both regional and post security officers from region I, the headquarters of which is in London and which includes all of Europe excepting Germany and Austria; and from region II, the headquarters of which is in Cairo and which includes all of the Near East and Africa; and from region VI, the headquarters of which is in Frankfurt and which covers all of western Germany. Of the forty-five professionally trained security officers throughout the world, 12 are in region I, 5 in region II, and 5 are in region VI, or about one-half of the total.

All testimony was taken in executive session on the express understanding that it would be read only by members of the subcommittee of five and that it would be termed "confidential." The subcommittee of two conducted 2 days of hearings in Washington on May 8 and 9, 3 days of hearings in Frankfurt, Germany, on May 25, 26, and 29, 3 days of hearings in Paris, France, on May 30, 31, and June 1, and 1 day of hearing in New York City on June 9. The following men were heard in the following places:

*Washington*

Samuel D. Boykin, Director, Office of Consular Affairs.

Donald L. Nicholson, Chief, Division of Security.

Travis L. Fletcher, Chief of Investigations Branch, Division of Security.

Joseph W. Amshey, Chief of Evaluations Branch, Division of Security.

Merrill M. Blevins, Chief of Foreign Service and Domestic Security Branch, Division of Security.

James S. Regan, Chief of Administrative Branch, Division of Security.

William L. Franklin, Special Agent in Charge, Washington Field Office, Division of Security.

John R. Hall, special agent, Washington Field Office, Division of Security.

Michael J. Ambrose, special agent, Washington Field Office, Division of Security.

Robert L. Redding, special agent, Washington Field Office, Division of Security.

*Frankfurt*

Rollie H. White, regional security supervisor, Cairo, Egypt.

Harry Hartup Deakyne, regional security officer, Cairo, Egypt.

John MacEwenn Betts, regional security officer, Athens, Greece.

John Patrick Mulligan, regional security officer, Cairo, Egypt.

Jack Blanchard Minor, regional security supervisor, Frankfurt, Germany.

John Francis Rieger, regional security officer, Frankfurt, Germany.

Paul Newland, regional security officer, Frankfurt, Germany.

Ronald A. Gaiduk, regional security officer, Frankfurt, Germany.

Glenn G. Wolfe, Director of Administration, Office of United States High Commissioner for Germany.

*Paris*

Joseph J. Bezjian, regional security officer, London, England.

William Bertrand Hussey, regional security supervisor, region I (Europe).

Herschel Hancock Helm, Jr., regional security officer, region I (Europe).

Charles McClean Johnston, regional security officer, region I (Europe).

Neil Carney McManus, regional security officer, region I (Europe).

Stanley G. Mattern, post security officer, London, England.

Paul H. Green, regional security officer, region I (Europe).

Gerard J. Rothlein, assistant attaché, United States Embassy, London, England.

Jack Arnold Herfurt, post security officer, Paris France.

*New York*

Rollan D. Clark, Special Agent in Charge, New York Field Office, Division of Security.

G. L. Lineberry, special agent, New York Field Office, Division of Security.

John O'Hanley, special agent, New York Field Office, Division of Security.

Peter de Pasqua, special agent, New York Field Office, Division of Security.

George M. Spoth, special agent, New York Field Office, Division of Security.

Richard C. Sabra, special agent, New York Field Office, Division of Security.

The above security officers who testified before the subcommittee of two made a uniformly good impression and gave every indication of being alert, capable, and well-trained men who had a thorough grasp of their subject. The verbatim record of their testimony is submitted with this report and, as stated before, must be termed "confidential." The subcommittee drew from it the following conclusions:

CONCLUSIONS

1. The security of the United States abroad depends on physical, as well as upon personnel factors. Taking physical security first, it is to be noted that a survey of physical security of all buildings at posts abroad is already under way. It should, however, be hastened. For security reasons, it is desirable that the United States should own rather than lease its buildings abroad. This is in order that special construction can be undertaken to provide a high degree of security for such sensitive areas as the code and cryptographic rooms. It was reported, for example, that the buildings housing American activities in certain posts are at the present time unsatisfactory from a security standpoint. At posts in the tropics, the installation of air-conditioning greatly increases the security of a building because it makes it possible to keep the windows closed in rooms where there is specialized equipment. In only two major centers in Germany—Frankfurt and Berlin—out of 11 in the American Zone, has a basic physical security survey been made, and in neither of these two places would it appear as of May 30 that all reasonable physical security precautions had yet been taken. Even in Frankfurt where arrangements are supposed to be complete, further steps should still be taken. In region I, 43 out of the 78 posts have had a basic physical security survey, but none of the recommendations have been carried out to date. With the present personnel force in region I, it will require 6 months more to complete the basic physical security check. The addition of four more security officers would shorten the time by one or two months. This should be made. Physical security would also be enhanced by getting all American activities in each city into one building.

2. There has been progress in the general art of listening devices, and there is no reason to suppose that the United States is surpassed in the development of these devices. The fact that microphones have been made which have very little metal in them makes it more difficult than ever to detect them.

3. There was unanimous agreement among all the witnesses that all aliens now employed in American embassies, consulates and legations abroad should be replaced as rapidly as possible by Americans. There was no evidence that any other nation had so large a proportion as the United States of alien employees. Out of 3,000 aliens employed by the United States throughout the world outside of Germany and Austria, about 15 percent to 20 percent are engaged in actual clerical work, the rest being drivers, janitors, charwomen, elevator operators, telephone operators, etc.

In the Embassy in Paris, 50 percent of the employees are aliens. In many instances, aliens have access to classified material and these aliens often have not had a full field investigation. Clearly the alien clerical employees should be eliminated first. Aliens are the most likely means of foreign penetration and the effort to penetrate our security abroad is constantly growing. Although some aliens do undoubtedly like America, aliens as a rule cannot be counted upon to feel loyalty to the United States. The low salaries which the aliens are paid make them a prey to bribery and to pressure. It is also hard to investigate the background of aliens, and as a general rule there are not enough security officers to carry on surveillance.

In Germany alone, 10,000 aliens are employed by the United States, of whom 2,000 do clerical work. The screening of these aliens began last April 1 and as of May 1 only 100 had been definitely screened. It is believed that it will take 4 to 6 months more to screen the rest. Provisions should be made to hasten this result. At the time that they were originally hired by Military Government, 15 percent of these aliens had never been screened at all. Out of the 1,000 aliens who had so far been screened, 100 had been separated from the service. There are a number of officers in the American headquarters in Berlin, such as the Office of Labor Affairs and the Office of Political Affairs, where there are no American secretaries at all, and where they are urgently needed because of the presence of highly classified material.

The Soviet establishment abroad, on the other hand, are so far as is known, completely staffed by Russians. Recently a Russian employee in London required a serious emergency operation, but he was not allowed to be operated upon in London for fear he might talk while under the anesthetic. So he was flown back to Russia at the risk of his life.

4. Clearly there should be a professional full-time security officer in every major post. By professional is meant one who, having completed a full college course, has had successful practical experience in security matters. In every capital behind the iron curtain, for example, and in some other capitals, there are no such full-time officers in important posts, for example in Moscow, Vienna, Stockholm, Warsaw, Prague, Budapest, and Bucharest. As the system is now constituted, the great majority of posts have the services of professional security officers only when they are visited by the regional security officer, and this is supposed to take place once every 4 months, although actually it happens less often. This means that the initial investigation of disloyalty in any individual case depends on the local post security officer—and he is usually not a professional investigator. In the 275 foreign service posts throughout the world, there are only 10 full-time professional security officers. This is too small a number.

5. Every part-time post security officer should be trained in Washington before going abroad instead of depending solely on the instruction which he receives from the regional security officer after arrival.

6. Careful study should be given to providing a system whereby the Department will be kept informed of any recommendations which any security officer may make for the improvement of the service. At present such recommendations may be made to Chiefs of Missions, but the State Department be uninformed of them. Under the present system most posts have a nonprofessional security officer who has security responsibility in addition to his other duties. Study should be given to changing this arrangement to one in which the work of post security is done by a professional security man who may perform nonsecurity work in addition to his other duties, and not vice versa.

7. It would be advantageous to have precise instruction in the form of a well-organized course in Communist techniques given to all security officers before they leave the United States. They all will learn about the brutal facts of communism sooner or later anyway, and it would save time for them to get their information earlier in a concentrated and authoritative form. The training of all security officers should be more standardized than is now the case.

8. The system of having marines guarding American embassies and legations has worked out extremely well, and the unanimous testimony indicates that for all civilian guards additional Marines should be substituted. It is estimated that to accomplish this, 200 more marines would be required. Testimony shows that in Germany charwomen have access to virtually all rooms in the American headquarters, that they are not required to keep doors open while cleaning, and that they are not watched while working either by American or German guards.

9. In many instances alien servants and drivers of American officials are not screened. This offers a very dangerous opportunity for espionage.

10. There should be more professional security officers on a regional basis so that more frequent investigations of posts may be made. In region II, the area that is covered by the Cairo office, testimony indicates two more security officers are needed. Region I, it is believed, needs three to four more security officers. In Germany there are now four full-time security officers, but it is believed that at least two more are necessary. It is noteworthy that the man who is now charged with security in Berlin does not actually come under the Security Division and gives only 80 percent of his time to the work. It seems that here is a sensitive place which is certainly entitled to the services of a full-time man and one who is clearly under the Security Chief. At present the fact that there are only four security officers in Germany means that it will take 8 to 10 months more to finish the building survey. A staff of seven could finish the work in 4 to 6 months. This time is worth saving at this critical juncture.

11. As one illustration of the growing awareness of the importance of security, it may be noted that in Germany since December 1, 1949, about 50 out of a total of about 2,000 American employees have been dismissed for various security reasons. Security officers report hearty cooperation in most cases on the part of the chiefs of missions. This appreciation of the importance of security, however, is still lacking in some of the high-level positions. The testimony indicated that frequently there was less difficulty in keeping security in junior grades than among high officials.

12. There must be a rule of reason in these matters and security might be carried to a point where it hampers efficiency. A tendency was reported to classify documents much higher than is warranted by the importance of their confidential character.

13. The workload in the Washington and New York offices is too heavy and there should be a larger force in both places.

14. At present the security of the State Department is handled by the Division of Security which is a part of the Office of Consular Affairs, which in turn is under the Deputy Under Secretary of State, who is in turn under the Secretary of State. It appears to this subcommittee that the title "Office of Consular Affairs" is not only misleading but relegates security to a minor post, when nowadays it should hold a more important place. It is recommended that the echelon which now exists between the Division of Security and the Deputy Under Secretary of State be eliminated. Thus, the Chief of Security would come directly under the Deputy Under Secretary of State, and in view of the increasing importance of security this is where he belongs. Security will thus get the benefit of first-hand encouragement from the top and the high officials will have more first-hand contact with security than is now the case.

15. Apart from the conclusions stated above, this committee has no present recommendations to make for the improvement of the existing security plan or of its administration.

Respectfully submitted.

THEODORE FRANCIS GREEN,
*Chairman.*
HENRY CABOT LODGE, Jr.

WASHINGTON, D. C., *June 14, 1950.*

## REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. NEELY (for Mr. JOHNSTON of South Carolina), from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation three lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HILL:

S. 3773. A bill for the relief of Midori Naito; to the Committee on the Judiciary.

By Mr. KILGORE:

S. 3774. A bill for the relief of Stephen A. Spilios; to the Committee on the Judiciary.

(Mr. THOMAS of Utah (for himself and Mr. IVES) introduced Senate bill 3775, to provide for the establishing of congressional investigating commissions, which was referred to the Committee on Expenditures in the Executive Departments, and appears under a separate heading.)

By Mr. NEELY:

S. 3776. A bill to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended; to the Committee on the District of Columbia.

By Mr. THYE:

S. 3777. A bill for the relief of Valdeko Kangro; and

S. 3778. A bill for the relief of Kaljo Raid; to the Committee on the Judiciary.

By Mr. BENTON:

S. 3779. A bill to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the founding of the town of New Britain, Conn.; to the Committee on Post Office and Civil Service.

(Mr. MUNDT introduced Senate bill 3780, to establish a Commission on Cooperative International Relations, which was referred to the Committee on Foreign Relations, and appears under a separate heading.)

(Mr. McCLELLAN introduced Senate bill 3781, to amend the Federal Property and Administrative Services Act of 1949, and for other purposes, which was referred to the Committee on Expenditures in the Executive Departments, and appears under a separate heading.)

## AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

Mr. McCLELLAN. Mr. President, I introduce for appropriate reference a bill to amend the Federal Property and Administrative Services Act of 1949, and for other purposes, and I ask unanimous consent that an explanatory statement of the bill which I have prepared be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the explanatory statement will be printed in the RECORD.

The bill (S. 3781) to amend the Federal Property and Administrative Services Act of 1949, and for other purposes, introduced by Mr. McCLELLAN, was read twice by its title, and referred to the Committee on Expenditures in the Executive Departments.

The explanatory statement presented by Mr. McCLELLAN is as follows:

STATEMENT BY SENATOR McCLELLAN

Mr. President, I am introducing a bill to amend the Federal Property and Administrative Services Act of 1949. This proposal was drafted by the General Services Administration in collaboration with the Bureau of the Budget, the staff of the Committee on Expenditures in the Executive Departments, and the legislative counsel of the Senate, and is intended to accomplish the following objectives:

(a) To clarify existing provisions of law and to provide more flexibility in the administration of the various programs administered by the General Services Administration.

(b) To authorize the donation of surplus personal property to State-controlled public health, hospitals and medical institutions in the same manner as such property is allocated to public schools for educational use.

(c) To provide enabling legislation authorizing the performance of certain supply services which have been carried on under authority contained in the annual appropriation acts.

(d) To further amend the National Archives Act of 1934, and to establish an orderly method of control, storage, and disposition of Government records, the establishment and maintenance of record centers, preservation of personal papers of the President,

and the heads of executive departments, if and when it is determined that such papers are of historical importance or should be retained for posterity.

(e) To provide necessary administrative controls over Federal buildings management functions transferred to the General Services Administration under Reorganization Plan No. 18 of 1950.

Mr. President, this amendment has been analyzed by the staff of the Committee on Expenditures in the Executive Departments; it was compared with a similar measure introduced in the House of Representatives, and after consultation with the Bureau of the Budget and agency representatives, I believe that this amendment is essential and necessary to perfect the organization of the GSA, and shall endeavor to have it considered by the committee so that it can be presented to the Congress for action at this session in the form finally approved by the committee.

REORGANIZATION PLAN NO. 22 OF 1950

Mr. GEORGE (for himself and Mr. CAIN) submitted the following resolution (S. Res. 299), which was referred to the Committee on Expenditures in the Executive Departments:

*Resolved*, That the Senate does not favor the Reorganization Plan No. 22 transmitted to Congress by the President on May 9, 1950.

SOCIAL SECURITY ACT AMENDMENTS OF 1950—AMENDMENTS

Mr. GEORGE submitted amendments intended to be proposed by him to the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. KILGORE submitted amendments intended to be proposed by him to House bill 6000, supra, which were ordered to lie on the table and to be printed.

SOCIAL SECURITY ACT AMENDMENTS OF 1950—AMENDMENTS

Mr. MYERS. Mr. President, I submit an amendment intended to be proposed by me to the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes, and deals with the payment of Federal grants to States for pensions to the blind, and I ask unanimous consent that an explanatory statement of the amendment prepared by me may be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table, and, without objection, the explanatory statement will be printed in the RECORD.

The explanatory statement presented by Mr. MYERS is as follows:

STATEMENT BY SENATOR MYERS ON INTRODUCING BLIND PENSION AMENDMENT TO THE SOCIAL SECURITY BILL

Mr. President, I intend to submit an amendment to the pending social security bill, H. R. 6000. My amendment deals with the payment of Federal grants to States for pensions to the blind.

I am proud to say, Mr. President, that the State of Pennsylvania operates what many regard as the most enlightened blind pension system provided by any State in the country. The Pennsylvania plan—which has been in effect for about 15 years—is now financed exclusively by State funds. Not 1 penny of Federal money has gone to Pennsylvania for the payment of our pensions to the blind since 1938.

When we stop to consider that millions of dollars in Federal grants have gone out to other States to assist them in paying for blind pensions, I think it is most worth while to look into the reasons why Pennsylvania does not receive any Federal assistance for the operation of our blind pension system.

There is only one reason, Mr. President. Pennsylvania has established more liberal eligibility standards than those set forth under existing Federal legislation for grants to States for blind pensions. Thus, Pennsylvania has been denied any help from the Federal Government merely because Pennsylvania has chosen to be more generous than other States.

I do not think this is fair.

Under existing Federal legislation, grants for blind pensions are available only to States whose plans are limited in their operation to those blind people who meet a most stringent needs test. In other words, if a State wishes to establish a more liberal test of eligibility for its needy blind, the State is forced to support its entire program for the blind exclusively with its own funds.

I am happy to observe at this point that the present social-security bill liberalizes the needs test for the blind. But the changes recommended by the Senate Finance Committee are still not as liberal as those provided for eligibility under the Pennsylvania plan.

Now, Mr. President, I believe there is a perfectly straightforward solution to this difficulty. The solution is recognized in part by the action of the Senate Finance Committee in a committee amendment to the House bill—an amendment which will permit the administrator of the Federal program to approve grants to Pennsylvania and to the State of Missouri (which is in a comparable situation). This committee amendment would permit the use of Federal contributions for pensions going to persons whose incomes conform to the needs test under the Federal law. The committee amendment would further permit the State to provide other programs, financed entirely by the State, for those blind persons whose incomes are above the levels of the needs test set forth in the pending bill.

The committee proposal, however, would approve the plans of Missouri and Pennsylvania only until July 1, 1953, on the theory that the two States would thereafter be required to bring their entire pension systems into line with the minimum needs test of the Federal law—or would otherwise be required to support their blind-pension systems entirely with their own funds.

This date line of July 1, 1953, Mr. President, would merely force Pennsylvania back into precisely the position it is in at the present time. The State would have the alternative of abandoning its liberal system in order to get any further Federal aid—or, on the other hand, the State would be forced to return to the present method under which our program of assistance to the blind is supported without any Federal assistance.

To me, Mr. President, it is unjust indeed that a State should be penalized for operating a more liberal pension system than that set forth under Federal standards. I see no reason under the sun why Missouri, and Pennsylvania—and any other State for that matter, should not be permitted to conduct additional State programs for the blind which do not conflict with the operation of the Federal program. In this fashion, the Federal funds could go to the State for assistance in pensions for those blind persons who meet the needs test under the Federal law. At the same time—and these States cannot do this at the present time—the State would be free to operate its own system, entirely State supported, which provides pensions under a more liberal needs test.

My amendment, Mr. President, would make such an arrangement permanently possible in such States as Missouri and Pennsylvania. It would do so by the simple expedient of striking the terminal date of July 1, 1953, from the committee proposal I have already referred to.

In closing, Mr. President, I want to make it clear that my amendment will not mean that Missouri and Pennsylvania will receive more than their share under this Federal-grant program; in each instance, the grants will be limited to assistance in paying pensions only to those who meet the Federal needs test, just as is done in all the other States. But, on the other hand, the States will be permitted to carry out their own more liberal programs for the blind—provided they are willing to do so with their own funds.

So, Mr. President, I urge the Members of the Senate to give this amendment the most careful consideration, because I believe in justice to the liberal legislation now in effect in Missouri—and which has been in effect in Pennsylvania since 1935—that this change should be made.

Mr. MYERS. Mr. President, I also submit amendments intended to be proposed by me to the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes, relating to residence requirement of 1 year as condition of eligibility in aid to the blind, and I ask unanimous consent that an explanatory statement of the amendment prepared by me be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table, and, without objection, the statement will be printed in the RECORD.

The statement presented by Mr. MYERS is as follows:

STATEMENT BY SENATOR MYERS ON INTRODUCING AMENDMENT TO PROVIDE MAXIMUM RESIDENCE REQUIREMENT OF 1 YEAR AS CONDITION OF ELIGIBILITY IN AID TO BLIND

Mr. President, I am submitting a further amendment in connection with Federal grants to States for aid to the blind. My amendment seeks to restore a provision adopted by the House in passing H. R. 6000.

The substance of the House provision—and of my amendment—deals with the length of time a needy blind person must reside in a State in order to qualify for assistance. The provision adopted by the House established 1 year as a maximum period of residence necessary for eligibility.

This alters the present law under which a State may receive Federal aid, although requiring up to 5 years of residence as a condition of eligibility.

I might point out that the Advisory Council recommended that a State should not be permitted to impose any residence requirement, and had this to say:

"Residence and settlement laws result in unwarranted hardship for needy persons, not only because these laws are sometimes invoked by welfare administrators for the purpose of shipping back needy persons to the communities where they belong, but also because persons often lose their residence and settlement in the State in which they once had such status before they can acquire it in another. They belong nowhere under the statutes of the respective States.

"In our society, mobility of population is essential. Individuals should be free to move where jobs are available, and if, as a result

of illness or other misfortune, they become needy, they should not be denied assistance because they have crossed State or county lines. We believe that residence and settlement provisions are socially unjustifiable."

In view of the fact that a majority of the States have eligibility requirements of a year or less, I believe my amendment is consistent with our general thinking and that this change will bring about a more just provision for aid to our needy blind citizens.

My amendment, therefore, would amend title X, effective July 1, 1951, to preclude approval of any plan for aid to the blind which imposes as a condition of eligibility a residence requirement of more than 1 year of continuous residence in a State prior to the date of application. It provides, however, that a State may impose, until July 1, 1951, any residence requirement which is not in excess of that contained on July 1, 1950, in its State plan approved on or prior to such date.

### CHANGE OF STATUS OF BOULDER CITY, NEV., TO A STATE MUNICIPALITY

Mr. McCARRAN. Mr. President, I have before me a report on Boulder City, Nev., which has been prepared by Dr. Henry Reining, professor of public administration and political science at the University of Southern California.

For some time, Mr. President, the citizens of Boulder City have been concerned with growing municipal problems which affect their welfare and interest. They, like the residents of the District of Columbia, live in a Federal municipality. A considerable number of these citizens have expressed to me their desire to have their fair city become a State municipality, so that they might more adequately participate in its administration.

Boulder City is the operating headquarters for Hoover Dam and the Lake Mead recreational area, as well as being the regional headquarters of the Bureau of Reclamation. The city was first established as a construction camp, and later became a model city. Its growth has been phenomenal, and it still continues to grow.

After many conferences and meetings with the citizens and civic groups, I concluded that if this problem was ever to be resolved, a survey would have to be made. In order that such a survey would not have imputed to it any charge of prejudice, I insisted that the person chosen to make the survey should be someone outside of Government, but a person skilled in city government. After canvassing the field, the Department of the Interior appointed Dr. Reining, who admirably met the necessary standards of skill and impartiality.

Prior to Dr. Reining's going to Boulder City, I held many conferences with him in order that the problems to be studied would receive the proper attention. In addition, he studied the problems now faced by other Federal cities.

Dr. Reining then went to Boulder City and held extensive hearings. Everyone was encouraged to testify. In addition, he made a thorough and complete study of all problems involved in the proposal to change Boulder City from a Federal to a State municipality. The results of these hearings and studies, as well as recommendations for a solution, are contained in the report which I have before me.

From the beginning, Mr. President, I have been very insistent that no steps be taken to change the status of Boulder City, unless and until the citizens of that community have an opportunity to express themselves in an election as to which type of municipality they would favor.

In order that they may be informed and will have the necessary data upon which to base their decision, I request that Dr. Reining's report be printed as a Senate document. I therefore request that this report be referred to the Senate Committee on Rules and Administration, and urge favorable consideration by it of this request.

In closing, Mr. President, I wish to emphasize that this report is not only important in relation to Boulder City, but is so thorough and extensive that it will be of material assistance in the solution of problems now facing other Federal municipalities in other sections of the country.

The VICE PRESIDENT. The report and the request to have it printed as a Senate document will be referred to the Committee on Rules and Administration.

### EXECUTIVE REPORTS OF A COMMITTEE

The following reports of nominations were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

Martin A. Hutchinson, of Virginia, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1946, vice Ewin Lamar Davis, deceased; adversely.

By Mr. TOBEY, from the Committee on Interstate and Foreign Commerce:

Nelson Lee Smith, of New Hampshire, to be a member of the Federal Power Commission for the term expiring June 22, 1955 (reappointment); favorably.

### ADDRESS BY SENATOR KNOWLAND AT THE CONNECTICUT REPUBLICAN STATE CONVENTION

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD the address delivered by him at the Connecticut Republican State Convention, New Haven, Conn., on June 14, 1950, which appears in the Appendix.]

### FLAG DAY ADDRESS BY SENATOR KEM

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by Senator KEM at the Flag Day celebration in Independence Hall, Philadelphia, Pa., June 14, 1950, which appears in the Appendix.]

### ONE HUNDRED YEARS' PROGRESS IN AGRICULTURE—ADDRESS BY SENATOR ELLENDER

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD an address on the subject One Hundred Years' Progress in Agriculture, delivered by him at the annual convention of the National Fertilizer Association, held at the Greenbrier, White Sulphur Springs, W. Va., June 14, 1950, which appears in the Appendix.]

### ADDRESS BY GOVERNOR DEWEY AT ANNUAL DAIRYMEN'S DINNER

[Mr. IVES asked and obtained leave to have printed in the RECORD the address delivered by Governor Dewey at the Annual Dairymen's Dinner, held under the auspices of the Jefferson County Farm Bureau Federation, Watertown, N. Y., June 12, 1950, which appears in the Appendix.]

### END OF RACIAL DISCRIMINATION IN THE ARMED SERVICES—ARTICLE BY E. W. KENWORTHY

[Mr. BENTON asked and obtained leave to have printed in the RECORD an article entitled "Taps for Jim Crow in the Services," by E. W. Kenworthy, published in the New York Times of June 11, 1950, which appears in the Appendix.]

### RACIAL DISCRIMINATION — ARTICLE FROM THE FORTLAND (MAINE) EVENING EXPRESS

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an article entitled "Who Knows Best?" from the Portland (Maine) Evening Express, which appears in the Appendix.]

### REGIONAL PROBLEMS OF NEW ENGLAND

[Mr. BENTON asked and obtained leave to have printed in the RECORD a statement entitled "For a Prosperous New England," distributed at a breakfast this morning by the six New England CIO councils for New England's Congressional Representatives, which appears in the Appendix.]

### BASING POINT LEGISLATION—LETTER BY SENATOR O'MAHONEY AND ARTICLE BY MARQUIS CHILDS

Mr. O'MAHONEY. Mr. President, in the Washington Post this morning there appeared a letter to the editor which I ventured to write with respect to the bill, S. 1008, which is now awaiting the action of the President at the White House, having been passed by both Houses of the Congress. This letter of mine was written after I had read a column written by my friend, Marquis Childs, published in the Post of Tuesday morning.

I ask unanimous consent that my letter may be printed in the body of the RECORD, inasmuch as it deals with a matter of legislation which is still in the process prescribed by the Constitution.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

#### A COMMUNICATION—O'MAHONEY DEFENDS HIS COMPETITION BILL

(By JOSEPH C. O'MAHONEY, Senator from Wyoming)

They call my bill, S. 1008, the basing-point bill, thus giving a good dog a bad name. Everybody knows what happens to a good dog when a sufficient number of people in any community give credence to the bad name. It should not happen to this dog, for S. 1008 is a good bill which will be good for business and good for competition and will not weaken the antitrust laws.

Marquis Childs, in his column in the Washington Post of June 13, says:

"The measure, passed by the Senate by a vote of 43 to 27, permits manufacturers to fix a base price that includes the freight charges from a given point, usually the city in which the major part of the industry is concentrated. Thus, all buyers must pay the same price whether they are 2,000 miles away or right next door to the factory."

If the bill did that I would be opposed to it because it would then legalize price-fixing by reestablishing the outlawed Pittsburg-plus system. Frankly, it is impossible for me to understand how any person who has read the bill can draw such a conclusion. This is what the bill says:

"It shall not be an unfair method of competition or an unfair or deceptive act or practice for a seller, acting independently, to quote or sell at delivered prices or to absorb freight."

This language is merely a restatement of what has been testified by the Federal Trade Commisison. Observe the words "acting independently." How can a seller, acting independently, participate in an industry-wide agreement, express or implied, that would select the city in which the major part of the industry is concentrated and fix identical prices with all competitors on that basis? To me independent action means independent action, but in order that there might be no doubt whatsoever on this point there was written into my bill, following the sentence above quoted, the following proviso:

"*Provided*, That this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice, carried out by or involving the use of delivered prices or freight absorption."

This language cannot be misunderstood by any person who is willing to give simple words their plain meaning. It says that neither of these pricing practices can be even involved in any combination, conspiracy or collusive agreement. Surely that outlaws any such understanding as well as any such written agreement. But the proviso goes further. It says that the practices cannot be involved in any monopolistic, oppressive, deceptive, or fraudulent practice. Thus the individual seller, acting alone, cannot on his own behalf by fraud, by deception, by oppression or monopolistic action use either delivered prices or absorb freight.

This section appears in the bill on the President's desk exactly as it was passed by the Senate on June 1, 1949. It was not amended in the House, it was not touched in the conference and the whole contention that this bill legalizes the systematic basing-point system arises from fears which have no substance.

Opponents of the bill who were not concerned about the provisions of section I, above quoted, have opposed it because they allege that it undermines the Robinson-Patman Act. They are equally mistaken. The Robinson-Patman Act makes it "unlawful for any person engaged in commerce * * * to discriminate in price * * * where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce or to injure, destroy or prevent competition." This provision of the Robinson-Patman Act is not altered in one iota by my bill, for any price discrimination the effect of which may be substantially to lessen competition or tend to create a monopoly will be as firmly forbidden if the President signs this bill as it is now because my bill does not amend the provision of the Robinson-Patman Act which describes the unlawful act.

It is so carefully drawn that it provides for the protection of delivered pricing only when its effect is not that prohibited by the Robinson-Patman Act. Likewise with respect to freight absorption, it provides that this practice is protected only where its effect is such that it would not be prohibited by the Robinson-Patman Act.

There is, however, another attack upon the bill which is made by those who do not want too much competition in the retail field. They would prefer a system of price freezing rather than price competition and they say that a seller who, in good faith, reduces a price to meet the price of a competitor, should by that fact alone be required to prove his innocence even through the Government was unable to show that the effect of the reduction might be substantially to lessen competition or tend to create a monopoly.

Either we are for competition or we are against it. I am for competition. I believe that the consumer is entitled to consideration and it seems to me to be utterly fantastic that people who believe themselves to be foes of monopoly should, in one breath, condemn this bill on the baseless charge that in section 1 it would permit price fixing and then condemn it on the charge that in section 3 it would not permit price fixing on the retail level.

I say here, as I said upon the Senate floor, that this bill is good for business and good for small business; that it preserves competition by eliminating confusion as to the meaning of the law; that it does not undermine the antitrust laws. It does not legalize the basing-point system. It does not undermine the Robinson-Patman Act. Government owes a responsibility to the commerce which it must regulate in the public interest to protect competition by making the law clear.

WASHINGTON.

Mr. O'MAHONEY. Mr. President, I request also that the column of Mr. Marquis Childs to which my letter was a response may be printed immediately following the letter.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

BASING POINT PERPLEXITY

(By Marquis Childs)

WHETHER TO VETO

Once again a struggle is being waged around the White House over an economic issue that casts a much longer shadow than is generally realized. Once more the telegrams and letters are raining down on the President, who must, when all the memoranda are written and the arguments reviewed, make the final decision.

This time it is the basing point bill which Mr. Truman must sign or veto. It involves a kind of economics so complicated that it has been almost entirely ignored in the press.

The measure, passed by the Senate by a vote of 43 to 27, permits manufacturers to fix a base price that includes the freight charges from a given point, usually the city in which the major part of the industry is concentrated. Thus all buyers must pay the same price whether they are 2,000 miles away or right next door to the factory.

Those in favor of legalizing the basing-point system say that all the bill does is approve a practice already widespread in industry, and thereby it ends legal and other confusions. Most respectable and seemingly disinterested proponent of the bill is Senator JOSEPH C. O'MAHONEY, of Wyoming. O'MAHONEY has through most of his long congressional career fought the trusts and the rise of monopoly concentration and gigantism in finance and industry. Before World War II he headed the joint Senate-House committee that dug deep into the structure of American business.

On the other side are most of the Democrats who follow the trust-busting line. They have argued long and with thorough and skillful documentation that such a measure would destroy price competition and shoot the antitrust laws full of holes. It seems to me hard to refute these arguments unless you simply admit that price competition is in effect eliminated over wide areas anyway and so why not regularize it and end the uncertainty that business lives under today.

The opposition takes on an interesting geographical coloration. Senators from the South and West who want to attract industry and end the levy of the freight rates that keeps their States in a semicolonial status lined up against bigness and the theory of inevitable concentration in the East.

One of the active opponents of the measure was Senator RUSSELL LONG, of Louisiana. In young LONG's arguments were many echoes of his father, the late Huey, who fought with fiery effectiveness against the big, wicked corporations that were squeezing the poor folk back in the canebrakes. One of the most effective speeches against the basing-point system was made by Senator LISTER HILL, of Alabama.

Senator ESTES KEFAUVER of Tennessee also did a thorough job on the opposition side. As in the fight on the Kerr natural gas bill, Senator PAUL DOUGLAS, of Illinois, carried a heavy load, and so did Senator HUBERT HUMPHREY, of Minnesota.

The economic issue on the basing-point bill is nothing like as clear and simple as it was with respect to the Kerr bill. The same opposition, with the exception of many of the southerners, declared that passage of the Kerr bill would mean an increase in the gas bills in millions of households in northern cities. Senator KERR and his allies could and did deny this, but they could not guarantee that it would not happen.

During the period when the same kind of pulling and hauling was going on over the Kerr bill, the predictions were that the President would in the show-down sign it. Those predictions were wrong, although it appears that only as the result of a last-minute change of heart did the President finally arrive at a veto.

This time the advance indications are for a veto, and they could be just as wrong as in the other instance. The same groups that opposed the Kerr bill are now urging the President to turn down the basing-point measure. Among them are the trade-unions, farm organizations, and some small business associations. They have thus far produced a volume of protest much greater than the favorable mail and telegrams.

But there are influential advocates who want Mr. Truman to sign. One of them is Secretary of Commerce Charles Sawyer. And the fact that O'MAHONEY is for the bill can hardly be ignored.

That ancient story about the farm hand who did fine at every kind of hard and demanding task until he was put to sorting the good potatoes from the bad may apply to the job of President. It's the decisions that really get you down. And the President's own party is so split that he can't ordinarily fall back on party regularity. But in this case most of the Democrats, certainly the Truman Democrats, are on the opposition side.

## PROPOSED CONGRESSIONAL INVESTIGATING COMMISSIONS ACT

Mr. THOMAS of Utah. Mr. President, the time has come, and is even past, when the Congress must reassert in unequivocal manner to the American people its capacity to fulfill its inherent and fitting function of carrying out the will of the people it represents. I hasten to add that I fully believe it always has done this, but occasions do arise when doubt exist in the minds of many people as to the ability of Congress so to function. These are times when no such doubts should be permitted to exist, and it is within our power completely to eliminate these doubts through orderly congressional procedures. It is to that subject that I wish to devote these few remarks in connection with the proposal the Senator from New York [Mr. IVES] and myself offer today in the form of a bill which we are introducing.

I want to commend the junior Senator from Maine [Mrs. SMITH] for her remarks in this Chamber on June 1. Her words should be recognized as a symptom of the feelings of many thoughtful people in our great Nation. I wish to quote one sentence she spoke that day,

and say I quite agree with her, at least in part. She said:

I think that it is high time for the United States Senate and its Members to do some real soul searching and to weigh our consciences as to the manner in which we are performing our duty to the people of America and the manner in which we are using or abusing our individual powers and privileges.

Some of our people would conclude from our colleague's remarks that the Congress has allowed some matters to get out of control. I do not think many Members of Congress actually share that conclusion; but because we, as Members of Congress, are responsible to the people who elected us, it is incumbent upon us to justify completely the faith and trust placed in our hands.

We have heard many criticisms, for example, of the subcommittee investigating Communists in the State Department. I, for one, do not join in such criticisms at this time. On the contrary, I have full confidence in the integrity and sincerity of purpose of all connected with that investigation. That committee, as in the case of any other similar committee, should be permitted to conduct its investigation and make its report before any judgments are handed down.

At the same time, the Congress and the people have a right to obtain—and must necessarily do so—all the facts in a given inquiry, so that the Congress can, in justice, act, if such action is required. It is further necessary that the development of such facts be done under congressional authority and auspices.

To the end that complete faith be given to the investigating body and its findings, such investigations embodying the grave nature of the Tydings investigation, for example, should be conducted with complete disregard for personal and party prejudice. This is a duty the Congress owes to the people of the United States.

To fulfill this duty of objective inquiry, it seems to me that we should no longer tolerate in these crucial days a defective system of searching into questions of grave public concern, such as the national security, for example. The Congress has continued to use such a system of majority party control of its investigating committees, a system which gives rise to doubts, suspicions, and misgivings in the minds of a large segment of the public as to the value and thoroughness of the committee's findings and report. This system is perfectly legitimate and proper for routine congressional organization, but I say it is unwise in these trying days to use it for the types of investigation contemplated under today's proposed bill. Party politics, bias, personal prejudices, and like attitudes have no place in such investigations. We are trying to eliminate these elements in the development of our foreign policy. It is just as important to eliminate them from investigations looking into matters of grave domestic concern.

There is an area where party and political interests have their legitimate place, but beyond that area there must be no such considerations. Where facts must be obtained as a prime requisite for developing means to protect the American way of life, nothing should be permitted to stand in the way of obtaining those facts or to risk losing the faith and trust of the American people in their Congress. Congress is the very citadel of the American system of government, and must continue to stand as one of its pillars. In recent years many events have occurred to weaken that pillar, and it is now urgently necessary to repair these damages. This bill can go a long way in performing that task.

I wish to make these introductory remarks as brief as possible, because all aspects of the proposal contained in the bill we are introducing can be explored and developed in the committee consideration. Therefore, an outline and brief analysis of the proposal should suffice today. Briefly, then, it is this:

The Legislative Reorganization Act, which I had much to do with bringing into being, was a long step forward in improving and increasing the efficiency and effectiveness of the functions of Congress. This proposal simply is another step in that direction and supplements, but does not interfere with, the Reorganization Act. It is designed to foster and encourage the faith and trust of the people in its Congress and in its investigative functions.

Mr. President, I have prepared an analysis of the proposed bill, which provides for a new and different way of carrying on investigations. I ask that the analysis be made a part of my remarks and be inserted at this place in the RECORD.

The PRESIDING OFFICER (Mr. NEELY in the chair). Is there objection?

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF CONGRESSIONAL INVESTIGATING COMMISSIONS ACT INTRODUCED BY SENATOR THOMAS OF UTAH (FOR HIMSELF AND SENATOR IVES)

The first section of the bill provides a short title—"Congressional Investigating Commissions Act."

Section 2 provides for initiation of investigations of governmental administration and affairs or other matters of urgent public importance through the concurrent resolution method, similar to the method used to initiate investigations by the Federal Trade Commission, and provides that upon the passage of a concurrent resolution a congressional investigating commission shall be established.

Section 3 sets out the method of appointment of investigating commissions referred to above. The commissions are to be composed of seven members appointed as follows:

1. Two Senators appointed by the President of the Senate, one from each of the two major political parties;

2. Two Members of the House of Representatives appointed by the Speaker of the House of Representatives, one from each of the two major political parties; and

3. Three members from a panel appointed by the President with the advice and consent of the Senate, these three panel members to be appointed jointly by the President of the Senate and the Speaker of the House of Representatives, and not more than two to be from the same political party.

Section 4 provides that the chairman of each investigating commission shall be appointed jointly by the President of the Senate and the Speaker of the House of Representatives.

Section 5 provides that four members of a commission shall constitute a quorum, but provides that the commission may fix a lesser number as a quorum for the purpose of taking sworn testimony.

Section 6 fixes the compensation of members of investigating commissions. Members of Congress serve without additional compensation but are reimbursed for expenses incurred in the performance of their duties. Members from private life receive $50 per diem when engaged in the performance of duties vested in the commission, plus reimbursement for expenses.

Section 7 authorizes each investigating commission to appoint and fix the compensation of necessary staff personnel, and excepts attorneys and experts from the application of penal statutes prohibiting Government employees from being interested in claims, proceedings, or matters involving the United States.

Section 8 provides that the expiration date of each investigating commission shall be fixed in the concurrent resolution initiating the investigation.

Section 9 gives each investigating commission affirmative power to make the investigation covered by the initiating concurrent resolution and requires it to report its findings and recommendations to the Congress.

Section 10 sets forth in detail the procedural powers of investigating commissions, which are similar to those of Federal regulatory commissions. Each commission has the power of subpena and in case of contumacy may invoke the aid of United States courts to enforce its subpenas. Subsection (d) of this section provides that a person may not refuse to testify or produce evidence on the ground of self-incrimination but gives him immunity from prosecution on account of any matter as to which he is compelled to testify or produce evidence, except that he is not exempt from prosecution and punishment for perjury. Subsection (e) of this section will afford witnesses the same immunity from defamation suits as witnesses in the district courts of the United States.

Section 11 provides for payment of expenses of commissions one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives.

Mr. THOMAS of Utah. Mr. President, I should say here also that I am not entirely unfamiliar and unacquainted with the investigatorial bodies which I am indirectly criticizing by introducing this bill. I served for a long time on certain of the committees which have adopted the practice, under the Legislative Reorganization Act of 1946, of having investigations conducted by subcommittees of the regular committee. I found that a great step forward was taken when we did that. But, Mr. President, some committees get out of hand, and it is to correct that situation and at the same time be fair to all people concerned, those being investigated as well as those who are conducting the investigation, and, above all, to be fair to the American people, that I have deemed it wise at least to put before the Congress and to put into the hands of the American people for their study, this scheme for bringing about a new way of conducting investigations such as those which are being carried on at the present time.

In conclusion, Mr. President, I ask that a memorandum with tables showing the amount of money spent by the past two Congresses for special investigations,

and which has been prepared for me by Dr. George B. Galloway of the Legislative Reference Service, together with some other pertinent data on this subject, be inserted at this point as a part of my remarks.

There being no objection, the memorandum, and the tables were ordered to be printed in the RECORD, as follows:

MEMORANDUM IN RELATION TO LEGISLATIVE REORGANIZATION ACT OF 1946

The Senate has heretofore expressed itself on the general subject of special committees by its action in its original passage of the legislative reorganization act. Unfortunately, as a matter of parliamentary expediency, the provision in the Senate-passed version relative to such committees was dropped in the final version of the bill that was adopted. Various members of the Senate have since expressed themselves individually on the subject, and there seems to be widespread opinion in this body that procedures in setting up special committees since the reorganization is violative to the spirit of what the Senate had in mind at the time the act was being considered.

The Senator from Nebraska [Mr. WHERRY], on January 10, 1947 (p. 242, temp. ed.) stated thus:

"When it comes to the question of special committees we must decide what the policy will be, not as a party, but as the Senate of the United States. If it is to be the policy of the Senate that no special committees shall be organized, certainly I shall be glad to go along with that policy. I am just as anxious to eliminate them as is any other Senator."

The Senator from Nebraska also called attention to the fact that subjects would arise which would cross standing committee lines, and I agree with him. It is a vexing problem at such times, and under existing policy and procedures creating of a special committee appears to be the only manner of compromising the concern of members of interested standing committees. The bill which is being introduced today should lead to consideration improvement in procedure in such cases, while at the same time safeguarding the procedures already provided under the Legislative Reorganization Act. The experience of the Congress since the adoption of this reorganization act has demonstrated that notwithstanding the attempt to provide comprehensive coverage for the standing committees, special committees have had to be established to investigate various subjects and they are presently functioning. I have no quarrel with what has been done because that was the only thing that could have been done, apparently. It seems appropriate, at this time, to submit the following tables prepared by the Legislative Reference Service, showing just what the Congress has done during the Eightieth and the first session of the Eighty-first Congresses in authorizing special investigations. I therefore include these tables in my remarks at this point:

*Special investigations authorized by the House of Representatives, 80th Cong., 1st sess.*

| Committee | Amount authorized | Subject | Committee | Amount authorized | Subject |
|---|---|---|---|---|---|
| Standing: | | | Select: | | |
| House Administration (1) | $5,000 | Election contests. | Foreign Aid (1) | $125,000 | Foreign aid. |
| Agriculture (2) | 25,000 | Potato surplus, agricultural problems. | Newsprint (1) | 25,000 | Newsprint shortages. |
| | | | Small Business (1) | 60,000 | Small business. |
| Appropriations (1) | [1]50,000 | Appropriations. | Commodity Exchange (1) | 25,000 | Transactions on Commodity Exchange. |
| Armed Services (1) | 25,000 | Matters within its jurisdiction. | | | |
| District of Columbia (1) | 15,000 | Home rule for District of Columbia. | Total (4) | 235,000 | |
| Education and Labor (1) | 65,000 | Matters within its jurisdiction. | Joint: Housing (1) | [2]50,000 | Housing. |
| Foreign Affairs (1) | 125,000 | Conditions abroad. | | | |
| Interstate and Foreign Commerce (1). | 25,000 | Transportation. | Grand total (28) | 1,117,500 | |
| Merchant Marine and Fisheries (1). | 50,000 | U. S. Maritime Commission. | Armed Services | 25,000 | Matters within its jurisdiction. |
| | | | Executive Expenditures | 125,000 | Surplus property. |
| Post Office and Civil Service (1) | 25,000 | Postal deficit. | Finance | 25,000 | Old-age and survivors insurance. |
| Public Lands (1) | 25,000 | Matters within its jurisdiction. | Interior | 25,000 | Matters within its jurisdiction. |
| Public Works (2) | 55,000 | Public works and black markets. | Interstate and Foreign Commerce | 50,000 | Federal court decisions and trade practices. |
| Expenditures in Executive Departments (6). | 192,500 | Matters within its jurisdiction. | Judiciary | 50,000 | Immigration system. |
| Un-American Activities (1) | 100,000 | Un-American activities. | Judiciary | 5,000 | Matters within its jurisdiction. |
| Veterans' Affairs (1) | 25,000 | Veterans' Administration. | Labor and Public Welfare | 10,000 | Health problems. |
| Ways and Means (1) | 25,000 | Internal Revenue laws. | Rules and Administration | 100,000 | Election contests. |
| Total (23) | 832,500 | | Total | 471,000 | |
| | | | Grand total | 1,240,000 | |

[1] Plus an unexpended balance of $26,204.03 at close of 79th Cong.
[2] House share.

*Special investigations authorized by the House of Representatives, 80th Cong., 2d sess.*

| Committee | Amount authorized | Subject | Committee | Amount authorized | Subject |
|---|---|---|---|---|---|
| Standing: | | | Select: | | |
| Agriculture (1) | $5,000 | Agricultural problems. | Campaign Expenditures (1) | $40,000 | Campaign expenditures. |
| District of Columbia (1) | 15,000 | Home rule for District of Columbia. | Commodity Exchanges (1) | 10,000 | Transactions on organization and operations of. |
| Education and Labor (1) | 50,000 | Matters within its jurisdiction. | | | |
| Expenditures in the Executive Departments (4). | 135,000 | Matters within its jurisdiction (publicity and propaganda, procurement and buildings, surplus property). | Federal Communications Commission (1). | 25,000 | |
| | | | Small Business (1) | 70,000 | Small business. |
| Interstate and Foreign Commerce (2). | 30,000 | National fuel policy (petroleum) transportation. | Total (4) | 145,000 | |
| | | | Joint: Housing (1) | [1]5,000 | Conclude business. |
| Post Office and Civil Service (1) | 25,000 | Matters within its jurisdiction. | | | |
| Public Works (2) | 70,000 | Trade practices (black markets) | Grand total (18) | 680,000 | |
| Un-American Activities (1) | 200,000 | Un-American activities. | | | |
| Total (13) | 530,000 | | | | |

[1] House share.

*Special investigations authorized by the Senate, 80th Cong., 1st sess.*

| Committee | Amount authorized | Subject | Committee | Amount authorized | Subject |
|---|---|---|---|---|---|
| Standing: | | | Standing—Continued | | |
| Agricultural and Forestry | $15,000 | Foot-and-mouth disease, agricultural problems. | Public Lands | $30,000 | Central Valley project, petroleum resources, etc. |
| Appropriations | 60,000 | Investigations under LRA. | Public Works | 15,000 | Recent floods. |
| Armed Services | 5,000 | Lichfield trials. | Special: | | |
| Banking and Currency | 50,000 | RFC. | Small business | 100,000 | Small business. |
| Civil Service and Post Office | 35,000 | Appointment of postmasters et al. | National defense | 175,000 | National defense. |
| Finance | 25,000 | Social security program. | Joint: | | |
| Foreign Relations | 25,000 | State Department activities. | Economic Report | 25,000 | Consumer prices. |
| Interstate and Foreign Commerce. | 25,000 | Coal cars, boxcars, freight-car distribution, etc. | Housing | 100,000 | Housing. |
| Judiciary | 75,000 | 5 investigations. | Total | 760,000 | |

*Special investigations authorized by the Senate, 80th Cong., 2d sess.*

| Committee | Amount authorized | Subject |
|---|---|---|
| Standing: | | |
| Appropriations | $20,000 | Matters within its jurisdiction. |
| Armed Services | 5,000 | Do. |
| Banking and Currency | 10,000 | Do. |
| Foreign Relations | 10,000 | Do. |
| Post Office and Civil Service | 2,500 | Do. |
| Public Works | 5,000 | Do. |
| Total | [1] 52,500 | |
| Select: Small Business | 115,000 | Problems of American small business. |
| Joint committees: | | |
| Atomic Energy | $150,000 | Matters within its jurisdiction. |
| Economic Report | 70,000 | Do. |
| Foreign Economic Cooperation | 282,000 | Do. |
| Island Possessions (Pacific) | 50,000 | Do. |
| Labor-Management Relations | 50,000 | Do. |
| Total | 602,000 | |
| Subcommittees: | | |
| Agriculture | 6,000 | Foot-and-mouth disease. |
| Appropriations | 50,000 | Factual data. |

[1] In addition to the above, each standing committee is authorized, by the Legislative Reorganization Act of 1946, to expend $10,000 per Congress.

*Special investigations authorized by the House of Representatives, 81st Cong., 1st sess.*

| Committee | Amount authorized | Subject |
|---|---|---|
| Standing: | | |
| Agriculture | $50,000 | Any matter within its jurisdiction. |
| Appropriations | 150,000 | (Salaries, officers, and employees in investigating work generally). |
| Banking and Currency | 25,000 | Any matter in the field of housing within its jurisdiction. |
| Education and Labor | 30,000 | Matters within its jurisdiction. |
| Foreign Affairs | 50,000 | Do. |
| Interstate and Foreign Commerce | 60,000 | Do. |
| Judiciary | 30,000 | Do. |
| Do | 45,000 | Immigration problems. |
| Merchant Marine and Fisheries | 15,000 | Panama Canal tolls. |
| Do | 50,000 | "Certain merchant marine and fisheries matters." |
| Standing—Continued | | |
| Public Lands | $30,000 | Matters within its jurisdiction. |
| Public Works | 15,000 | Certain works of improvement. |
| Ways and Means | 25,000 | Matters within its jurisdiction. |
| Special: | | |
| Lobbying Activities | 40,000 | Lobbying activities. |
| Moral Rearmament | 5,000 | To attend Moral Rearmament Conference in Switzerland as observers. |
| Small business | 100,000 | Problems of small business. |
| Joint: Economic Report | [1] 15,000 | Certain economic problems. |
| Total | 735,000 | |

[1] House's share.

*Special investigations authorized by the Senate, 81st Cong., 1st sess.*

| Committee | Amount authorized | Subject |
|---|---|---|
| Standing: | | |
| Agriculture and Forestry | $8,000.00 | Foot-and-mouth-disease problems. |
| Do | 12,000.00 | Crop production. |
| Do | 10,000.00 | Infestations of the European corn borer. |
| Do | 25,000.00 | Stimulating commodity exports. |
| Interior and Insular Affairs | 25,000.00 | Any matter referred to it. |
| Interstate and Foreign Commerce | 165,000.00 | Airline industry and other matters. |
| Judiciary | 135,000.00 | Immigration laws and the administration thereof. |
| Labor and Public Welfare | 25,000.00 | Labor-management relations. |
| Do | 10,000.00 | National health problems. |
| Special: Small Business | $12,668.24 | American small business enterprises. (Authorized for the purpose of winding up the committee's activities.) |
| Joint: Economic Report | [1] 15,000.00 | Certain economic problems. |
| Senate total | 442,668.24 | |
| House total | 735,000.00 | |
| Grand total | 1,177,668.24 | |

[1] Senate's half.

It is further appropriate to point out that additional duties imposed upon members through special committee work are unduly burdensome. It consequently lessens their real, potential effectiveness in the consideration of pending legislation, in that they simply do not have time to devote to it that otherwise they would have. For example, the Senator from Maryland [Mr. TYDINGS] is quoted in a news dispatch of May 18, 1950, as stating his duties as chairman of the committee investigating Communists in Government were impeding his responsibilities as chairman of the committee having jurisdiction over pending legislation affecting the national security. He is further quoted as saying that he would have to devote more time to his normal duties, obviously to the neglect to some degree of his special duties. Additional and special duties frequently result in scanty attendance on the floor of the chamber through no fault of the individual Member. The speeches and remarks of other Members thus must fall on empty spaces and are lost to other Members, even though the speeches and remarks are preserved in the RECORD, as Members do not have adequate time to study the RECORD as they would like to. It is a vicious circle we find ourselves in and badly needs a remedy.

The Senator from Oregon [Mr. MORSE], on January 13, 1947 (CONGRESSIONAL RECORD, vol. 93, pt. 1, p. 288, permanent edition) speaking in the Senate, stated a point that is certainly valid and requires serious thought. He said: "Sporadic inquiries by select committees lack continuity and fail to provide Members of standing committees with direct knowledge of the information gathered. In cases where legislative action is indicated, standing committees find it necessary to do much of the work over again."

I recognize that this same argument could well be applied against the proposal now being advanced and requires answering. I believe it can be answered in this way:

No one will disagree, of course, with the idea that Senators and Representatives must have direct knowledge of information upon which legislation is to be proposed and considered. It must be pointed out, however, that even with our traditional committee system, only a small fraction of the two branches of the Congress have had such direct knowledge. The overwhelming balance of either body has had to depend upon the hearings and reports as are printed for the information required. Additional information is supplied the respective bodies during debate upon the subject by the Members participating in the committee proceedings. The proposal being advanced today would continue and safeguard that same procedure by providing for representation from both branches of the Congress on each investigating commission authorized. I wish to emphasize this because it is most important. To insure complete bipartisanship, equal representation from both sides of the aisle is provided for, from each chamber, in addition to the other representation proposed.

The arguments of those of us who spoke in 1947 with respect to the procedures established under the Legislative Reorganization Act stand today as they did then. The procedures proposed today are intended to be used only when the standing committees by themselves cannot, for one reason or another, function in an investigating manner and which reasons have led to creation of special committees.

Not one iota of authority and responsibility provided in the reorganization act would be lost by the proposed procedure. It is to be used only in a supplementary manner and as an added tool of the Congress along with the reorganization act. It is conceded that the Congress, in its discretion, may continue the practice of creating additional special committees. It is within the province of each Congress to decide such matters for itself. The idea expressed in the proposal today is simply to provide a standardized and continuing procedure for the guidance of future Congresses and the immediate availability of existing machinery to handle matters of inquiry as and when they arise.

PROPOSED INVESTIGATING COMMISSION

Lest I be misunderstood, let me say, at the outset, that there are certain topics that are

most suitable for strictly legislative investigation. These should not be and are not affected by the proposal herewith submitted. On the other hand, occasions will arise when ordinarily, under existing policy and procedures, a special committee would be created. It is to provide for such latter occasions this proposal is being advanced. We are familiar with the numerous precedents that exist for the creation of various ad hoc commissions such as the Wickersham Commission, the TNEC, Hoover Commission, and others. Much of value was accomplished by such commissions, and I am sure no one regrets that they were created or would argue the procedure which resulted in their creation.

The same procedure is recommended here, the only change being that it should be standardized and continuing, and that both Houses of the Congress participate in the decision to undertake the investigation. The reason for this being that both Houses would necessarily have to consider the legislative recommendations which may develop.

A reduction of the workload on Members of Congress and of investigating committee members could be reasonably expected to be considerably reduced under such proposed procedure.

It would eliminate frequent overlapping and duplication of investigation of similar subjects between the two Houses. It would relieve Members of additional burdensome responsibilities to what they already have and permit more time and opportunity for closer attention to their regular duties. It would eliminate the frequent charges of party and personal prejudice. It would allow greater objectivity in getting to the core of the subject under investigation. The reports of the commissions would be subject to analysis by the proper legislative standing committee for appropriate attention and action. The public's reception of such procedures would be greatly improved, which in turn would restore much of the public confidence in the Nation's legislative body which some past investigations have caused to be lost to a considerable degree.

The integrity of our economic and social life depends to a large extent upon the actions of the Congress in determining the policies affecting our institutions. In turn, the fact-finding necessary for these determinations becomes increasingly important and requires complete and thorough investigation and study. The mere mechanical problem of securing this information has become one of manifold complexities. The wise use of congressional powers and the tools at its command can do much to facilitate the execution of congressional responsibilities in the solution of these problems as they arise.

This responsibility has long been recognized, and, while fact-finding commissions have frequently been utilized, the practice has been neither uniform nor continuous. Marshall Dimock, a distinguished scholar and student of government, wrote in 1929 in his book, Congressional Investigating Committees, "It is to be hoped that eventually Congress will rely almost exclusively upon commissions composed partly of its own members and partly of technical or professional men. The business of the expert is to interpret and instruct, while the function of the legislator is to transmit such information to Congress and to get his recommendations enacted into law. This would mean more thorough reports and greatly increased efficiency in legislation. In Congress, even as in other fields, there must be greater specialization of function" (p. 84).

The committee system of Congress has developed to the point where it is an indispensable part of congressional machinery. It must remain so. But because of this very fact, and due to the increasing burden of work and responsibilities placed upon the Congress in recent years, this vital function of the committee system is being hampered and threatened with decreased efficiency and consequent lessening of its real and potential value to Congress. This is due largely to the simple fact that members of Congress simply do not have sufficient time to do all the things they otherwise could and would do.

Much of the work of Congress must be done outside the legislative chamber. It must be done competently, thoroughly, and expeditiously. The proposed bill contemplates no abdication of responsibility of the standing committees, but would provide a means of aiding these committees to perform more adequately their historic functions.

The American Political Science Review for October 1949, carried a scholarly article, or series of articles, in the form of a symposium on the so-called Hoover Commission. Part II of this symposium, written by Ferrel Heady of the University of Michigan, included an evaluation of a mixed commission, similar to the type which could be utilized under the present proposal. It merits attention here, and the observations set forth therein are well worth consideration. I therefore include an excerpt from Mr. Heady's article at this point in my remarks:

"EXTRACT FROM SYMPOSIUM ON THE HOOVER COMMISSION APPEARING IN THE AMERICAN POLITICAL SCIENCE REVIEW, OCTOBER 1949 (PP. 951-952)

"V. EVALUATION OF THE MIXED COMMISSION

"The operating history of the Hoover Commission, combined with consideration of the content of the Commission's recommendations as contained in its reports, and developments to date in the reception given these proposals, suggest the following observations concerning the value and use of mixed commissions: (1) The mixed commission offers a feasible method of providing balanced representation of varied interests and points of view in the investigation of basic public issues, without too much risk that the commission will split into irreconcilable factions. (2) A mixed commission, by reproducing in microcosm the contending forces which bear on the problems dealt with, may stake out a common meeting ground in its recommendations which is in accord with needs as developed by investigation, and which will prove acceptable to the legislature and to the public. Care must be taken, however, to avoid making easy acceptance the main criterion in deciding upon recommendations. Undue emphasis upon this may mean compromise before compromise is either necessary or desirable. Over-concern about the legislative reaction to proposals under consideration is naturally most apt to appear in the attitude of commission members drawn from the legislature. (3) The main value to be derived from the use of a mixed commission is that representatives of the principal schools of thought bearing upon the problem of study have a chance to participate on an equal basis in its work. Since marked differences in the public reputations or degree of participation of individual members of a mixed commission tend to convert it from a collective decision-making body to a ratifying group for one or a few key commission members, it is important to protect the opportunity for minority commissioners to express their views officially. Through the use of dissenting or separate reports for this purpose, the legislature can be given cogent arguments for different possible courses of action on debatable issues, which may serve as a springboard for legislative consideration and decision. (4) A mixed commission needs a highly competent central staff headed by an executive director chosen by the full commission after thorough canvassing of available qualified candidates. Details of internal management of the commission's work should be delegated to the director and staff. (5) The "task force" method of conducting research offers important theoretical advantages which can be fully realized only through comprehensive advance planning of projects by the full commission, careful selection of task force personnel, clear delineation of the scope of task force assignments, close supervision of the work of task forces, and submission of task force reports in ample time to permit commission consideration of them prior to the making of commission decisions. (6) The agenda for commission deliberations should be clearly laid out in advance of each commission meeting. Discussion should be focused on central issues rather than on details of content or the phraseology of commission reports. Preparation of draft reports based on commission decisions should be entrusted to staff writers, subject to subsequent commission approval. (7) The commission should devote close attention to such matters as the format, style, organization of content, and order of presentation of the report or reports containing its proposals, since the medium through which the recommendations are revealed may have a decisive effect upon the reception given them by the legislature and the public."

POLITICAL MOTIVATIONS

I am well aware of the political motivations on the part of Members of both our parties in prompting past and future investigations. They are historic, probably inevitable, characteristics of representative democracy and must always be recognized in analyzing the functions of the legislative body. The subject is admittedly a delicate one and I shall not, therefore dwell too much on it. I wish to say simply this—that party interest in any matter and the means to express it are not abandoned or prohibited by this proposal. Members of both parties in the Congress will continue to have the same opportunity to call for investigations and express themselves thereto. The only departure, as I see it, is that a better opportunity may be afforded to get at the real facts relating to the subject matter and a report thereon in a more expeditious fashion. An article by Dr. George B. Galloway, senior specialist on legislative organization, Legislative Reference Service, and which appeared in the American Political Science Review for February 1927, discusses this aspect of the present problem. I include an excerpt from this article in my remarks at this point:

"Any adequate analysis of the inquiries of congressional committees must take account of their political motivation; for it is evident that the influence of party has sharpened the edge of the inquisitorial sword. Indeed, all the great fundamental political issues which have agitated the Nation since its birth are mirrored in these investigations. Radicalism and conservatism, federalism, and States' rights, public lands and slavery, woman suffrage and immigration, Indian affairs and prohibition, the tariff and internal revenue—all have had their repercussions in Committee inquiries. The riddle of the parties may be read, in truth, in these activities. But if partisan acrimony has exacerbated the issues by which the fiber of the Republic has been tested and has reflected a lurid light upon them, it has also whetted an appetite to root out corruption from the national administration and has quickened the effectiveness of congressional control of the executive through the medium of the investigating committee. The hope of gaining a partisan advantage is less open to criticism when it results in the disclosure of some real abuse, while the presence of a spirited opposition usually prevents the punishment or defamation of the innocent. If, therefore, the itch for power and partisan malice have been at the bottom of most congressional investigations, they have also been both a salutary force in the direction of good government and a strong support of the investigative function.

"The hidden motives which prompt inquiry into governmental departments and officials are not merely political in the larger

sense of the term. Resolutions of inquiry are sometimes sprung by individual Members with malice prepense in the hope of besmirching an enemy, warding off an attack, or gaining publicity. Many examples of investigations animated by meaner motives such as these could be given. Ninian Edwards' attack on Secretary Crawford in the 'A. B.' plot of 1824 is one. The inquiry into the conduct of H. Snowden Marshall, district attorney for the southern district of New York, in 1917, is another. Few, if any, in fact, of the investigations carried on between the First and the Sixty-ninth Congresses were devoid of personal strife or partisan purpose. The colorful threads of political motive can be traced throughout the patch-quit fabric which upward of 300 inquiries have woven between the legislature and the executive.

"The play of political passions may be noted in a few of these historic struggles. The very first inquiry on record—that into the humiliating collapse of General St. Clair's expedition against the Indians—was launched by the adherents of Jefferson in an effort to influence public opinion in the election of 1792 against Hamilton's selection as Secretary of the Treasury for a second time.[1] Again in 1793, the House inquiry into Hamilton's official conduct in response to the Giles resolutions of condemnation was part of Jefferson's plan to drive his enemy from the Cabinet.[2] Coming down to the thrilling thirties, we encounter a period of epochal party battles and fascinating personalities which were reflected in nine investigations launched by the opposition in Congress against Jackson. The inquiries which led to the impeachment of President Johnson in 1867 were also animated by strong political passions, while the frequent scandals of Grant's administrations were a tempting invitation to those who sought to assail the Government for political purposes. The Credit Mobilier, the star route frauds, the salary grab, and the Balknap impeachment—to mention only a few—were used to manufacture political capital. The competition between the parties for the spoils of office has been reflected through the years in repeated investigations of the customs houses, the Government Printing Office, the Bureau of Pensions, and other branches of the civil service. The congressional investigation which resulted from the Ballinger-Pinchot controversy in 1910–11 had a distinct political flavor, while it will be well remembered that the series of inquiries which absorbed the Senate in the spring of 1924 savored of personal spleen and party politics. The most recent example of a distinctly political inquiry was that ordered by the Senate on March 11, 1926, into the Tariff Commission.

"These illustrations will suffice to indicate the presence of party considerations and political interests in investigations of the executive conducted by committees of Congress. This is the more notable when contrasted with the absence of such considerations from the inquiries of similar committees of the British House of Commons. As a rule, the composition of these committees is independent of political motive, and almost invariably their work is concerned with the determination of questions of fact or with the formation of judgments based upon facts and the opinions of experts. Party fights seldom occur, because the British select committees are not intended to be the tools of party tactics, but to assist the work of the House.[3] With us, however, party affiliation makes for party prejudice, and our legislative committees do not exercise their quasi-judicial duties impartially. Their members feel obligated to advance the interests of the party which has elected them, sometimes even at the expense of the facts, and they rationalize their actions by identifying party interest with the general welfare. The temptation to transcend the proper limits of a public inquiry is, of course, very strong, and the disposition to enter the domain of private life and personal affairs very great. To gratify personal spleen or to disparage the opposition, excuses are often invented to justify the examination of immaterial witnesses. The door is open to an indefinite search after evidence and the proceeding converted into a fishing excursion. From political duties to private life has been an easy transition for the investigators, while the suspension of the usual rules of evidence and judicial procedure has too often transformed the legislative committee into a tribunal of inquisition. Inquiry into domestic life is not, of course, among the legitimate purposes of public investigations.

"But if many congressional investigations have been animated by partisanship in their inception, their methods, and their recommendations, it does not follow that they have been without benefit to or effect upon the public service. The value of many of these inquiries arises from the exposure which they bring and the cautionary example they set. The Government is ventilated, administrative evils are remedied, and a warning is sounded of the unfortunate consequences which await other malefactors. That there is a possibility of abuse for partisan purposes, and that sometimes private affairs are unduly exposed to the public gaze is perhaps inevitable in a government of fallible men, but the injuries thus done are inconsiderable compared to the evils that would result from depriving Congress of the power to supervise the public business or from hampering its committees from getting at the facts by a narrow legalistic attitude on the part of the courts.[4] In the finial analysis, therefore, investigation may be viewed as the legitimate function and duty of a political party. It would appear to be part of its duty to reveal the errors, shortcomings, and misdeeds of the representatives of the other party in office. Thus a political party, to borrow a Hobsonian phrase, carries about with it an alembic which transmutes its leaden instincts into golden conduct." (American Political Science Review, vol. XXI, 1927, pp. 55–58.)

[1] Bowers, Jefferson, and Hamilton, 175.
[2] Ibid., 199–203.
[3] Redlich, Procedure of the House of Commons, II, 168–169.

Mr. THOMAS of Utah. In conclusion, I wish to call attention again to a series of three articles which were inserted in the Appendix of the RECORD, pages A2701 and A2717, by the senior Senator from New York [Mr. IVES] and ably written by Lindsay Rogers, Burgess professor of public law, Columbia University. And finally, I ask that an editorial on this subject which appeared in the Salt Lake Tribune of May 17, 1950, be inserted at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

HOW MUCH SABOTAGE CAN UNITED STATES ENDURE BEFORE CONGRESS CHANGES INVESTIGATION METHODS?

Wisconsin's "wild man" has announced in a speech to the Sons of the American Revolution that the fight to expose what he calls communism in the State Department has only started.

What a strange commentary it is that this man should be chosen to address the golden jubilee of this organization comprising descendants of the patriots who pledged their lives, their fortunes, and their sacred honor on behalf of the things Senator MCCARTHY is destroying.

[4] Cf. Potts, op. cit., 813.

Concurring with a conclusion of the Salt Lake Tribune that the MCCARTHY inquisition could not have benefited communism's cause more if it had been planned in Moscow, Struthers Burt eminent writer, comments in a letter to this newspaper: "Who knows, perhaps Moscow did [plan it]. Communism is unbelievably devious and in the ultimately stupid way of totalitarianism, is, like Hitler, often for the time being diabolically clever. Brighter men than Senator MCCARTHY have been fooled." Mr. Burt continues:

"You are right in calling for an investigation of * * * self-styled ex-Communists, suddenly so eager to testify. I agree with you, Communists do not change their spots. I know them pretty well. They may think they have changed, but they haven't. Ever to have believed in communism—actually and wholeheartedly—means an especial and painful sort of character and an inhuman and untrustworthy intelligence. * * * Communism is more than a social and political belief, that is, the communism of Russia; it is also, a psychological lesion, a disease both of the mind and the spirit.

"What proof if there that any of these eager ex-Communist witnesses have actually recanted? By their own testimony, in this present era of distrust and lies, it is impossible to judge by a man's words or even by his actions, it is necessary to know his secret thoughts and hidden motivation. And who knows the secret thoughts or hidden motivation of Whittaker Chambers, or Budenz, or the rest of them?

"What are Senator MCCARTHY's credentials? To be sure, he had an honorable war record, but so had lots of other men of questionable beliefs. I am accusing no one of being a Communist, not even the self-styled ex-Communists; I am merely using Senator MCCARTHY's methods of evidence: proof by analogy and guilt by association."

How long will the American people tolerate this ringing of false alarms all over the city, ostensibly to help the fire department?

As one commentator points out, Congress has usurped the functions of the judiciary without providing any of the safeguards against judicial tyranny that men fought for centuries to establish. The whole concept of Anglo-Saxon law, with its rules of evidence, its protection against double jeopardy, and its statute of limitations, is being wiped out before our very eyes by stupid and mean-spirited little men. No law contemplated by Congress will be the better for the persecution that now passes for investigation on Capitol Hill.

Many proposals are before Congress for changing methods of investigation. Senator FLANDERS, Vermont Republican, urges that charges of disloyalty be heard in private in the future. Republican Senator LODGE has repeatedly urged this. The weakness in the proposal is the inevitable leak. Enterprising columnists get the names and the nature of charges and gossip from "tattletale" Members of Congress.

A special investigation commission, made up of men not seeking political office and subject to headline grabbing, has been discussed here previously. Great Britain's tribunal of inquiry, following this pattern, has been successful. It can be called into existence by a resolution of both houses of parliament and it has all such powers, rights, and privileges as are vested in the high court.

Lindsay Rogers, Columbia University law professor, recently urged a similar congressional investigation commission. It would come into being upon concurrent resolution by Congress. Members would be named by the Chief Justice of the Supreme Court. The commission would have the rights, powers, and privileges vested in United States district courts. Thus it could get the facts,

and witnesses and persons under attack would enjoy safeguards of our American system.

The commission would naturally win public confidence. It would be conducted by trained experts not seeking personal political gain.

The present arrangement, in which the accusers are also the judges, where the investigators are juggling for political advantage, gives alarming impetus and power to the Kremlin's psychological war.

The hour is late for returning to the American way.

Mr. THOMAS of Utah. Mr. President, out of order, I ask leave to introduce a bill, and request its appropriate reference.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 3775) to provide for the establishing of congressional investigating commissions, introduced by Mr. THOMAS of Utah (for himself and Mr. IVES), was read twice by its title, and referred to the Committee on Expenditures in the Executive Departments.

Mr. IVES. Mr. President, in recent years, few problems have evoked more lengthy and bitter comment than has the role which congressional investigating committees appropriately should play in policing the executive branch of the Government. Unfortunately, this comment has too often failed to rise above the level of partisan controversy. I am very glad to join with my distinguished colleague, the senior Senator from Utah, in sponsoring what I believe is a constructive solution of this problem—a bipartisan proposal designed to deal with it effectively.

The increasing complexity and interdependence of modern society has forced the Congress to delegate authority. The details of programs which the Congress has neither the time nor the special competence to carry out are left to the bureaucracy. In our democratic society, representative control over this power—once delegated—is of basic concern. The Special Investigating Commissions, to be set up under this bill—would be designed also to examine exceptional administrative problems, problems of vital concern to the Nation as a whole which transcend jurisdictional lines of standing congressional committees. Successful operation of such Special Commissions would be an important tool for the task of popular control which our form of political organization requires.

This bill remedies many of the defects in congressional investigating committees which were highlighted in the 1946 report of the Special Committee on the Reorganization of the Congress. By providing for representation from both Houses and both parties, the objection that the Congress as a whole rarely has the benefit of information gathered by these special committees is largely obviated. The standing committees of both Houses could integrate the information unearthed by the Special Investigating Commissions, thus providing a ready background for remedial legislation.

Also, scrutiny would no longer be limited to a small group from only one House of the Congress. Problems vitally affecting the Nation as a whole would be investigated by Members of both the House and the Senate, aided by outstanding members of the public with specialized experience in the particular field under examination.

The addition of three members of the public at large to the investigating group would serve two crucial functions. First, it is reasonable to expect that the inclusion of men not presently active in the political arena would minimize those excesses which sometimes come with potential political motivation. There would be added further the benefits of the increased perspective which comes with active participation by commission members from outside the Halls of Congress. And second, by requiring fewer legislators on the investigating commissions, this proposal would result in a decrease in the workload for the presently overburdened legislative branch of the Government.

Responsibility for checking on the executive branch has always rested on the Congress—the only body representing all segments of the American public. Under this bill, the impetus of initiative would rest with both Houses of the Congress. Also, members from the public at large would be chosen—on a bipartisan basis—by the President of the Senate and the Speaker of the House from a panel appointed by the Chief Executive and confirmed by the Senate. Selection of public members from a list supplied by the President should bring about increased cooperation between the executive and the legislative branches—coordination aimed at fulfilling the present tasks of Government more efficiently.

This bill proposes no change in the scope of Congressional responsibility; its purpose is rather to fashion a more effective weapon for meeting already existing responsibilities. It is offered as a truly bipartisan approach to the entire problem of congressional investigations of the executive branch. In the light of most recent events, the urgent necessity for the reexamination and reorientation of present procedures cannot seriously be doubted.

Let us take heed lest the very goals which investigations seek to safeguard be destroyed in the process of their defense.

## METHODS OF WINNING THE COLD WAR AND PROJECTING THE VISION OF AMERICA

Mr. MUNDT. Mr. President, since Monday, June 5, when I addressed the Senate at some length concerning the utilization of new techniques of television in the field of expanding and invigorating our American information service abroad, a considerable number of comments have come to my attention from various sections of the country. In large part, I may say, that the suggestion that we add the vision of America to the Voice of America has caught the fancy of a great many people who have corresponded with me about the situation or who have commented upon it publicly.

Furthermore, Mr. President, a great number of questions have been asked concerning its feasibility and with regard to the various methods and various types of studies necessary to put the suggestion into practice. Suggestions have come to me as how best to test this television process by having a practical demonstration in some specific area of the world. In my speech on the 5th of June I stated that I would one day this week again address the Senate concerning some of the methods which might be employed for translating this idea into a working, practical demonstration. Today I propose to address the Senate briefly in that connection.

I first point out that there is now available to the United States Congress a method whereby we can put the vision of America into practical operation under existing law. I have carefully examined the provisions of the so-called Smith-Mundt Act of the Eightieth Congress, Public Law 402. I find we have adequate authorization, provided finances are available, for erecting the kind of television relay station network and community reception screens which I described in my discussion on the 5th of June. All that would be required in order to put the program into operation, for example, in Turkey or in any of the other countries now served under the general supervision of the Voice of America administrative authorities, would be, perhaps, to add to the appropriation bill which we are about to pass, and in which money will be authorized for capital outlay for radio, the suggestion that the capital outlay be made available for radio or television, as the case might be. I am not sure that even that minor amendment is necessary.

A second suggestion for putting the program into operation is that the countries which are to receive this relay broadcasting system and television on community receiving sets would themselves finance the rather modest costs of constructing the system, which, as I stated a week ago Monday, would be approximately $4,000,000 for a country such as Turkey or Japan. The State Department could take, under contract, a certain amount of time for broadcasting and televising the American message, and the returns from such a contract could be used to amortize the cost of the installation. I think that is a perfectly feasible and workable method for putting into operation this new weapon for peace.

The third suggestion is that private corporations or companies or financial interests, either in this country or in Holland or some other area of the world, might themselves construct these relay networks for television, provided this Government would make the necessary negotiations with the countries in which the relay stations would be established, so they would have the authority to operate them, and provided, again, that the United States and, perhaps, Great Britain also, would take under contract a reasonable amount of time, the payment for which would amortize the costs of constructing these new television media of communication.

I might say, Mr. President, that since addressing the Senate a week ago Monday, I have been in conference with the

Assistant Secretary of State, Mr. Barrett, in connection with the proposals. I do not in any sense desire to commit him or the State Department or anyone else concerning their reaction to the suggestion, but I am prepared to say that I know they have looked upon it with a friendly curiosity under the able, alert, and what I hope and what I am beginning to believe is the aggressive leadership of Assistant Secretary of State Barrett in this field. He has shown a very commendable willingness to consider suggestions for implementing our cold war against communism. I know he has assigned two members of his staff to make a thorough investigation of the practicability and feasibility of the use of television, and an analysis of various regions of the world in which that kind of program might conceivably produce the greatest dividends at this immediate time.

I have also made available to Gen. Douglas MacArthur, in Japan, my studies and findings in connection with the suggestion as they pertain to that particular area of the world for which he is responsible. I have not as yet had time to receive any response or reaction from General MacArthur in this connection.

Today, however, Mr. President, I am introducing a bill which has, as a part of its purpose, the bringing into focus of the best minds and talents and technicians of America to study and explore fully the utilization not only of television, but of other new techniques and tactics, by which the United States, at long last, can assume the offensive in the cold war in which we are engaged.

Out of order, at this time, Mr. President, I ask unanimous consent to introduce the bill, and, since it is a short bill, I also ask unanimous consent to have the text of the proposed legislation incorporated in my remarks at this point in the RECORD.

There being no objection, the bill (S. 3780) to establish a Commission on Cooperative International Relations, introduced by Mr. MUNDT, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.—*

DECLARATION OF POLICY

SEC. 1. (a) The Congress hereby reaffirms the objectives of the United States Information and Educational Exchange Act of 1948 (Public Law 402, 80th Cong.).

(b) In the belief that these objectives should be expanded and advanced at the earliest practicable time if we are successfully to preserve the peace of the world and to combat the menace of international communism, it is hereby declared to be the policy of the Congress—

(1) to devise more adequate methods to be employed in presenting to the people of other countries a true picture of the American people, our ideals, our way of life, and the purposes of our foreign policy;

(2) to appraise the adequacy and effectiveness of existing programs in this field, particularly with a view to utilizing new techniques and facilities, with emphasis on the possible utilization of television techniques;

(3) in the light of the termination in June 1952 of so-called Marshall plan aid, to outline a program for winning the cold war by a vigorous prosecution of its economic, advisory, political, and educational phases, but excluding (for the purposes of this act) military aspects such as development and expansion of military establishments and armaments; and

(4) as an over-all guide in the attainment of the foregoing objectives, to utilize the principle of assisting, training, and equipping other peoples to help themselves as the best means of achieving the ideological and educational goals of our foreign policy within the limitations of our budgetary requirements.

ESTABLISHMENT OF COMMISSION ON COOPERATIVE INTERNATIONAL RELATIONS

SEC. 2. For the purpose of carrying out the policy set forth in section 1 of this act, there is hereby established a bipartisan commission to be known as the Commission on Cooperative International Relations (in this act referred to as the Commission).

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) Number and appointment: The Commission shall be composed of 12 members, as follows:

(1) Four appointed by the President of the United States, two from the executive branch of the Government and two from private life;

(2) Four appointed by the President of the Senate, two from the Senate and two from private life; and

(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

(b) Political affiliation: Of each class of two members mentioned in subsection (a), one member shall be from each of the two major political parties.

(c) Vacancies: Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

ORGANIZATION OF THE COMMISSION

SEC. 4. The Commission shall elect a Chairman and a Vice Chairman from among its members.

QUORUM

SEC. 5. Seven members of the Commission shall constitute a quorum, but the Commission may fix a lesser number who shall constitute a quorum for the purpose of taking sworn testimony.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 6. (a) Members of Congress: Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Members from the executive branch: The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, except that he shall receive such additional compensation, if any (notwithstanding sec. 6 of the act of May 10, 1916, as amended; 39 Stat. 582; 5 U. S. C. 58), as is necessary to make his aggregate salary at the rate of $12,500 per annum; and they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) Members from private life: The members from private life shall each receive $50 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

STAFF OF COMMISSION

SEC. 7. (a) Appointment and Compensation: The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of the civil-service laws and the Classification Act of 1949: *Provided*, That the Commission also may procure, without regard to the civil-service laws and said act, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the act of August 2, 1946 (Public Law 600, 79th Cong., 60 Stat. 810), but at rates not to exceed $50 per diem for individuals.

(b) Exemption from Penal Statutes: Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of any Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

EXPENSES OF THE COMMISSION

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this act.

EXPIRATION OF THE COMMISSION

SEC. 9. The Commission shall cease to exist on February 1, 1951.

DUTIES OF THE COMMISSION

SEC. 10. (a) Investigation: The Commission shall make a full and complete study of the operation of existing programs covering the matters referred to in section 1, to determine what changes therein are necessary in their opinion to accomplish the purposes and objectives therein set forth.

(b) Report: On or before February 1, 1951, the Commission shall make a report of its findings and recommendations to the President and to the Congress.

POWERS OF THE COMMISSION

SEC. 11. (a) Hearings and sessions: The Commission, or any duly authorized member thereof, may, for the purpose of carrying out the provisions of this act, hold such hearings and sit and act at such times and places in the United States or abroad, and take such testimony, as the Commission or such member may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(b) Obtaining official data: The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

Mr. MUNDT. Mr. President, this bill proposes that the Congress create a Hoover type of commission to study the activities and the operations of the cold war. Under the terms of this proposed legislation the Commission would be referred to and known as the Commission on Cooperative International Relations. The Commission would be constituted

precisely as was the Hoover Commission insofar as the selection of its members is concerned. We hear a great deal these days, and have heard something this afternoon, about bipartisan committees and bipartisan commissions. We well understand that there is only one genuine kind of bipartisan commission or bipartisan committee, and that is one in which the members are equally divided among Republicans and Democrats and are equally acceptable to the leaders of both the Democratic and Republican Parties.

We could all think through these problems much more clearly, Mr. President, if we were a little bit more meticulous in our use of the word "bipartisan," especially when it refers to the creation of a study commission or an investigating commission or committee of any kind. A bipartisan commission, so-called, which permits the leader of either political party to make the selections alone is bipartisan in name but not in fact, and its results are seldom, if ever, bipartisan in character.

So I commend to the attention of all my colleagues in both the House and the Senate that if they are interested in creating bipartisan boards or commissions, they follow the recommendations and example of the Hoover Commission, which was in essence, in fact, in name, and in reality bipartisan in character. It was bipartisan because its membership was selected in such a way as to be equally representative of the two parties and equally acceptable to the leaders of both of the two major parties. It should be noted that both Republicans and Democrats participated in the selection of that committee since when that Commission was created we had a Democratic President and a Republican Speaker of the House and President of the Senate.

The Commission which I propose in this bill is that kind of a bipartisan commission. It would be comprised of 12 members, 4 of whom would be selected by the President of the Senate, 2 of whom would be Republicans and 2 of whom would be Democrats; and 4 of whom would be selected by the Speaker of the House, 2 of whom would be Republicans and 2 of whom would be Democrats; 4 of whom would be selected by the President, 2 of whom would be Republicans and 2 of whom would be Democrats. The bill also provides that of the 12 members 6 shall be representative of Government, either of its legislative or executive branches, and 6 of them shall be representative of private citizens. It would be expected that in keeping with the principles, the philosophy, and the precedents of this proposal that the responsible leaders would be asked to recommend those appointed as Republican members of the Commission.

Mr. President, I propose that the Hoover type commission which I am suggesting in the bill primarily do four things.

First, that it devise more adequate methods to be employed in presenting abroad a true picture of the American people—our ideals, our ways of life, and the purposes of our foreign policy in preserving peace and combatting the menace of international communism.

Its second task, Mr. President, would be to study the effectiveness of the existing programs operating under the Smith-Mundt Act, Public Law 402 of the Eightieth Congress, and particularly utilizing new techniques and facilities, with emphasis upon the possible utilization of the new technique of television.

Its third task, Mr. President, in light of termination in June of 1952 of the so-called Marshall plan aid, would be to outline a program for winning the cold war by a vigorous prosecution of its economic, advisory, political, and educational phases.

Its fourth responsibility would be to utilize as an over-all guide in the attainment of American objectives in the cold war the principle of assisting, training, and equipping other peoples to help themselves, as the best means of achieving the ideological and educational goals of our foreign policy within the limitations of our budgetary requirements. It is in that connection, Mr. President, that I feel the utilization of television, as outlined in my address on June 6th, would find an especially prominent and useful part, and I am sure it would be considered very carefully by the Commission.

Finally, Mr. President, I suggest that the Commission report its findings to the President and Congress by February 1, 1951.

I feel that, in addition to the realistic suggestions for stepping up the effectiveness and efficiency of our cold war which would come from such a study by such a commission, we could rightfully expect two additional dividends to flow from the creation of a commission such as I am suggesting.

The first, Mr. President, is that such a strictly bipartisan Commission would give a real foundation for shaping a bipartisan foreign policy, because for the first time we could have a bipartisan foreign policy which was bipartisan in conception as well as bipartisan in implementation and support. We would have foreign policy recommendation in which responsible members of both political parties had participated in the studies, in the discussions, and in the decisions which had eventually produced the outlines of an all-American foreign policy. We would actually have a foreign policy which the entire American public could support, because they would know clearly that it was intended for the public good, that there were no political aspects to it whatsoever, that it was not influenced or directed in any sense by domestic political repercussions or pressures, and that it was the best conceivable foreign policy which the best minds of the two major political parties of America could produce after long, careful, and considered study.

The second dividend, which I think would come from these studies and recommendations in addition to plans for the utilization of television and for the use of other new tactics and techniques carrying the message of America to the areas in the world where it needs to be heard, would be that such a bipartisan commission, representing as it would members of the executive branch of the Government, members of the legislative branch of the Government, and members chosen from the private citizenry, would provide an effective voice to the American public in helping to formulate the foreign policies of the United States. I submit, sir, that in these times when decisions in foreign policy may very well spell the difference between war and peace, between success and disaster, between bankruptcy and solvency, and when such decisions in our foreign policy are so significant, it is highly important that we bring to the shaping of American foreign policies representatives of the legislative branch of the Government and representatives of the public at large.

I think it would be in keeping with the American concept of representative government. I think it would be in keeping with the American processes of democracy.

Today we in the United States under our great Constitution pretty well have representative participation by the people, either directly or through their chosen representatives in the legislative branch of the Government, in the shaping and formulation of domestic policy. However, because in the days when the Constitution was written it was never envisioned that a time would come when decisions in foreign policy would be so prodigious and significant that they would change all considerations of domestic policy, a tremendous amount of authority in the field of foreign policy was reposed in the executive department, in the Office of the President. Increasingly by precedent and practice the President has tended to bring unto himself ever greater authority in the field of shaping our foreign policy. The soft phrase appearing in the Constitution that these decisions shall be made by and with the advice and consent of the Senate has come to mean in large part that the decisions are made by the Executive in advance of consultation with the Senate and the Congress. Then, faced with a fait accompli, pressures are applied to Congress to endorse and approve decisions previously agreed upon by the Secretary of State or the President of the United States.

This proposed commission would bring into being a little bit more of the realities of democracy in the shaping of our foreign policy, because the commission would bring into consultation in this connection Members of both the House and the Senate and Representatives of the people at large for the purpose of making recommendations next February 1 to the President and to Congress as to the best procedures to follow in getting along with the job of winning the cold war.

It is true that the President would not have to accept these recommendations. It is true that the Congress would not have to accept them. But it is equally true that we would be putting into the field of shaping our foreign policy in these perilous times a refreshing aspect of working democratic principles which today do not operate.

All too frequently decisions are made in the White House or in some far-off capitals of the world by touring Secretaries of State of the United States.

Then they come back to Congress and say, "You must uphold the hand of your leaders. You must maintain the honor of America. You must keep faith with our associates. You must rubber-stamp and endorse and approve what has been done." They say to Congress, "You can change a decimal point, you can knock off a cipher, or you can agree to put the contribution in two installments instead of one, but you are committed, by these decisions made by the Executive, to the determinations previously agreed upon."

I think it is important in this country that we consider the degree to which we are gradually departing from the processes of freedom and democracy in the formulation of our foreign policy. I think it is worth our time to reflect for a while actively upon the fact that while we have been able for more than a century and a half to retain such a high degree of legislative responsibility, authority, and processes of democracy in the field of domestic policy, we have steadily but surely been moving in the direction of the authoritarian state when it comes to matters of foreign policy.

I do not propose an amendment to the Constitution. I do not propose that we change this whole procedure by some great executive action or by some legislative mandate. I do propose, however, in the interest of winning the cold war, when it is so essential to have behind whatever program is written the full support of the American public, a bipartisan commission which could wrestle with the problem and bring into focus in establishing our foreign policy, representatives of the people, representatives of the House, representatives of the Senate, and representatives of the executive branch of the Government.

Mr. President, I should like to recite very briefly a few reasons why I feel such a commission and such a revitalized attack on the problems of the cold war are necessary now. I would say that, regardless of the fact that I am one who deplores the tendency to move into the executive offices the almost unchallenged and unchallengeable authority today exercised to make decisions on foreign policy, I would not raise my voice to suggest some different approach if the results of what had been done were either entirely satisfactory or manifestly hopeful. Judged by the results, however, we can find eloquent testimony in support of some new approach such as I have suggested, based upon the record of what has come out of the experiences of the last 5 years. I suggest this new approach, Mr. President, this bringing into being of a group mind to help formulate the policies to be recommended to the country, and I think it is supported by the kind of evidence I have indicated.

In my opinion, forgetting for the purposes of this discussion such instances at Yalta, Tehran, Potsdam, the sell-out of Poland and the sell-out of China, forgetting those specific instances for the purposes of the discussion, let me say that I think the main, overriding deficiency in our prevailing foreign policy is the fact that our foreign-aid programs today are essentially holding operations; holding operations for the purpose of buying time, we are told. One sometimes wonders who is the beneficiary of the time we propose to buy at such great cost to our taxpayers and ourselves.

What I think we need, instead, is for the United States to go on the offensive in the cold war. I think we need a peace and freedom offensive which will employ tactics and techniques conceived in the United States, and which are positive in purpose, rather than simply continuing to shape American policy abroad as an expanding patchwork of expensive expedients devised as reactions to something the Russians have been doing the previous 2 weeks. I believe any fair appraisal of our foreign-aid program, of our arms-aid program, of our unfolding foreign policy abroad in Europe or in Asia for the past 5 years, indicates clearly that the best that can be said of it is that it is a series of reactions to something the Russians have appeared to dictate by their action sometime in the preceding few days or few weeks or few months. I do not believe that is an adequate basis on which to build the foreign policy for as great and free a Republic as the United States.

Among other things, we have to start making clear to our associates on the side of freedom in this cold war that we want to help them to help themselves, that we are in the business of aiding them to help protect their liberties and their freedom, and that we should dispel for all time to come the growing concept in the minds of some Europeans and Asiatics who are beginning to believe that the United States is a great frightened giant coming to them asking them to help us defend ourselves. I think it is important that we keep the picture clear.

I believe we are living in one world. In my opinion an attack by communism against any area of freedom may well be an attack upon the whole freedom area of the world. But I also know that we are the strongest bastion of freedom. We are not the first line of defense—we are the last. We are eager to the extent of our ability to help everyone who is willing to help himself, and to help us, and to help others, defeat communism, but if the countries of the world come to the United States and say, "You need our support, you need our assistance, and without your giving us $2,000,000,000 every Thursday morning, or every Friday afternoon, or every December 1 you cannot count upon us," I think we have to dispel their illusion.

I think we have to get our foreign policy on a more realistic basis. I think we are working in a common cause to a common end, but if anybody is helping someone else because of a desire to retain freedom around the world, it is the United States that is helping others, and we are not appearing in the councils of the world as supplicants, urging people to come to our assistance to avert depression, or to avert political collapse here, or in order to protect us from an attack from Russia.

But there is something more important than that, Mr. President. I think the time has come when we should start utilizing clearly the principle of assisting and training and equipping other people to help themselves, as the best and perhaps the only means for achieving the ideological and educational goals of our foreign policy, within the limitations of our budgetary requirements.

Frankly, I think the time has come when we should counsel with our neighbors and our friends about a quid pro quo, about what we can expect to receive in return for our arms, and our tanks, and our planes, and our billions of dollars, and our support.

Partnership implies that assistance shall flow both ways. Partnership implies that there shall be a unity of purpose. To me partnership implies that when the United States—rightfully, in my opinion—deprives its processors and fabricators of the privilege of selling material of war to Russia today, partnership implies that those to whom we give billions of dollars in cash, or in products, or in raw materials, should likewise discontinue shipping war supplies to Russia.

Perhaps it is a moot question whether the United States can long enough afford to bail out and brace up the free areas of the world, to strengthen them adequately so that communism will crack under the strain. Whether it is a moot question or not, perhaps it is a calculated risk we have to take. At least, I voted for the Marshall plan, and I voted for the Truman doctrine. I have not only voted for those measures, but I have initiated such legislation as the Smith-Mundt bill and the UNESCO enabling legislation to help carry on the cold war and to create a world climate in which peace can survive.

However, it runs pretty clearly in my mind that it is not a moot question when it is asked in this way: Is the United States strong enough to be able to arm both sides of another conflict? Is the United States rich enough to provide money and food and fabrics and arms for western Europe to make it strong, while at the same time helping western Europe provide food and fabrics and arms and equipment for the Russian area also to make it strong, until finally one side or the other gets strong enough to challenge the rest of the world to a war? I am pretty clear in my mind that, rich as we are, strong as we are, we are neither rich enough nor strong enough to be able to finance, as we so clearly do today, both sides of that kind of an armament race.

There is no difference, when we analyze it, to my mind, whether we permit American fabricators to ship supplies of war to Russia direct, so that American labor can be employed, so that we can get a quid pro quo of timber, or vodka, or furs, or what have you, from Russia—there is no difference, in my mind, whether we ship material of war direct to Russia, or whether we ship it down a triangular route, permitting the supplies to stop in London, or Scotland, or Wales, or France, or Italy, or elsewhere in Europe, and after being fabricated and processed then in turn be reshipped to Russia for a quid pro quo which the French or the British or the Italians receive in terms of wheat, or lumber, or furs, or vodka, or caviar. No one denies that that is going on today; no one

denies it at all. Those facts stand out as clear, Mr. President, as the path through the country-school yard. Yet they go on. Yet, we continue with the cold war, not measuring our program and policies by any realistic rule which decides finally whether or not we are helping both sides of the cold war, or the Russian side, or the free side, or neither side.

I know what I want to do. I want to help the free side. I do not want to help both sides. I do not want to help the Russian side. I dislike being made accessory to the crime, as the United States has been made accessory to the crime, of arming Russia now. I think a realistic bipartisan commission such as I have suggested, Mr. President, would find out all the facts about these reshipments of supplies to the Communist war lords, and recommend to Secretary of State Acheson and President Truman that that kind of nonsense be stopped now. I believe Congress would support such action.

Mr. President, there is only one way to end the cold war, and that is to win it, unless one is an apologist or a defeatist who is willing to subscribe to the doctrine that we can afford to lose it. I think we have got to win it. It seems to me the only way to win it is to take the offensive, is to start some kind of positive approach. It seems to me the only way to win the cold war is to develop an American foreign policy of forward action rather than continuing a policy of defensive reaction to what the Russians have been dictating by their policies and attitudes. I think America has to begin originating and initiating programs of activity best designed to serve the cause of freedom rather than following this melancholy practice which we have been following for so long of finding ourselves committed to policies and programs which in reality are not conceived in America at all, but are dictated by the members of the Politburo in Moscow, who decide where to put the pressure, where to make the next threat, when to challenge us in Asia, when to rock the boat in Berlin, and when to try to jeopardize tranquillity in the Balkans.

Mr. President, it seems to me that in a war of words, the same as in a war of weapons, a successful adversary must carry the combat to the areas which he seeks to capture or to win. I think that the policy of simply staging a series of holding operations is not sufficient. I think it is not enough that we merely buy time while the Russians buy arms from our allies. I think it is not enough that we buy time while they burrow into governmental offices here and seek to pervert our policies. I think it is not enough that we buy time while Communist gangs in France throw into the sea the armaments we ship them as a part of the arms-aid program. I think it is not enough that we buy time until and unless we are positive that that time is paying bigger dividends to us than it is paying to the Russians as they march madly on, building atomic bombs, increasing the size of their army, increasing the size of their navy, building snorkel submarines, getting ready for a war.

I think it is not enough that we simply buy time while the Russians continue to stultify every constructive effort we make at Lake Success in the United Nations to provide an adequate, collective security, or to provide international controls that will work and can be depended upon to demilitarize atomic energy. I think we have got to begin asking ourselves, as such a commission as I have suggested can ask the questions and answer them to the American public: For what do we buy time? What should we be doing while we are paying for that time? How can we be sure that our holding operation is not tending to weaken us financially and psychologically and geographically, and even militaristically, as compared with what is happening in the satellite countries and in Mother Russia?

YOU CAN'T HOLD A BEAR FOREVER

Mr. President, it seems to me that holding a bear is a rather dangerous and ineffectual operation. Sooner or later I think that those holding the bear are going to become weak or weary, and release their hold, and when that happens, and the restraints upon the bear are gone, they are going to be confronted with an animal of increased savagery and anger, eager certainly to turn upon those who have been holding it for the time being. I think that if they are going to hold a bear they have to make mighty certain that while they are holding him he is growing weaker than those engaged in the holding operation. I think they have got to make sure that when they release the bear, the bear has not become stronger while his captors have become weaker. I think they have to release him in an environment and in an economic and political climate which will make sure that the bear is not going to run the show once they release the hold.

I have not had anything from the State Department indicating to me that that has been happening. While we have been holding the bear in the Balkans, while we have been holding the bear in Europe, while we have been holding the bear in Africa, I certainly have not had indicated to me by the State Department, Mr. President, anything which would suggest that the bear has been growing weaker. While we have been leading him on a leash closer and closer to China so he could devour that country more quickly while we retain what we call a hold upon the bear, it is clear he has not been growing weaker, either, in China.

I think a commission such as I have suggested would look the facts in the face. I think it would not be predisposed either to be supercritical of the State Department and the President and the administration for its intolerable errors at Yalta and Potsdam; nor would it be predisposed to have to support every existing policy simply because it was conceived by a gentleman who used to have his residence in Missouri, or by whoever may be currently serving as our Secretary of State.

I think the commission could look the facts squarely in the face, and I would hope that being distinguished Americans, as they would be, they would bring back next February a report to the President and the Congress saying, "This is what we think should be done to develop a forward-moving foreign policy for America; to replace the costly holding operation which now passes as a foreign policy. This is what we think should be done to win the cold war rather than simply to perpetuate the costly armistice."

I think the recommendations would be heeded by the White House and by the Department of State because I believe they are peopled largely by patriotic men. I think the recommendations would be heeded by the Congress, too, because the failures of past policies of both the White House and the State Department have manifestly demonstrated that we need a new pattern to follow if we are to escape bankruptcy and disillusionment and the disastrous consequences of simply bailing out money to buy time when no man is prepared to answer the question, "For whom are we purchasing the time?"

The other day I was reading an interesting report called "Thought War Against the Kremlin." It is one of the Human Affairs pamphlets published by Henry Regnery & Co., in Chicago; and it is written by a great American, whom most of us know, Gen. Bonner Fellers. Gen. Bonner Fellers was very prominent in World War II, especially in the field of psychological warfare. Among other things, he was psychological warfare officer against Japan. No one will deny that next to the atomic bomb, our very good psychological warfare against Japan helped bring about the capitulation of the enemy.

I wish to quote a statement or two from Gen. Bonner Fellers. He begins on page 3 of his treatise, "Thought War Against the Kremlin," with this statement, which comes immediately after a description of the author:

> In the cold war now under way, Stalin strikes and we parry the blows.

Mr. President, I think that statement epitomizes in one sentence virtually the essence of what is wrong with American foreign policy today—namely, that "Stalin strikes and we parry the blows."

I read further from General Fellers' treatise:

> The advantages in modern warfare, however, are overwhelmingly with the offensive.

Mr. President, that is equally true of either psychological war or of military war.

I continue to read:

> This is as true in a cold war as in a hot or shooting war. Our defensive strategy may postpone defeat—it cannot guarantee victory.

Mr. President, I wish that statement could be written across the doorway of every office in the State Department. I wish it could be emblazoned on a brass-disc motto of some kind in every office in the White House. Let me read it again, in these terrific times:

> Our defensive strategy may postpone defeat—it cannot guarantee victory.

Mr. President, all I ask is that we get off the defensive, off the negative, and

onto the positive, and that we do it after careful consideration by a bipartisan commission of America's most distinguished citizens, chosen equally from among its private citizens and its public officials and from both of the great major political parties.

Mr. President, we hear so much lip service being given these days to the concept of a bipartisan foreign policy that we can almost hear its reverberations rolling back from every whistlestop made by the train on the recent Presidential tour. However, here is a way and a means for actually developing and evolving bipartisan foreign policy—bipartisan in concept, realistic in purpose, devoid of all partisanship—to explore where we have gone, where we are now, and what we are to do in the future. No one can gain from that, Mr. President, except America. No one can lose from it, Mr. President, except communism and the Russians.

I read further from General Fellers' treatise:

> If we want to win the present bloodless contest, and thus head off a shooting war, we must seize the initiative. We must shift to the offensive.

Oh, how important that is, Mr. President, when we consider how our present foreign policy has evolved since World War II. After the melancholy adventures at Yalta and at Potsdam, which I shall not discuss today, I suppose the first chapter of our foreign policy thereafter was the so-called Truman doctrine, which I supported. Was that doctrine an offensive gesture, Mr. President? Was it seizing the initiative? Was it going on to the positive?

Mr. President, that doctrine was a defensive gesture, because a few months previous the Russians had indicated they were going to take the Dardanelles. I was on the committee, along with the present Vice President of the United States, then the senior Senator from Kentucky, which explored conditions in Turkey and in Greece. All of us on the committee recommended that there be appropriated in that connection the money which Congress did appropriate. We supported the Truman doctrine. I think it has done a considerable measure of successful service in strengthening the hands of the Turks and the Greeks. However, it was not a positive approach. It was a reaction dictated by something the Russians and Moscow had threatened to do. It was and it still is a holding operation.

Let us move on in considering what our foreign policy has been. The second chapter, as I recall, was the Marshall plan. We adopted the Marshall plan, not as a positive suggestion conceived in America and directed by American purposes, but because of the threats the Russians were then making in upper Norway, in central Europe, in Italy, and in France, to take over, through communism, either by outside aggression or by inside infiltration. I was on the committee which explored that situation. We returned and recommended that the Marshall plan be approved. I supported it in public addresses in more than half the States of this Union. I thought it was necessary then; I thought it was a calculated risk; I thought it was at least an approach which should be made as a holding operation—and that is all it was. It was not what this great tactician, General Fellers, has in mind, when he refers to the necessity for our "seizing the initiative." It was an attempt to do something before it was too late.

So we can analyze, so we can describe, so we can define, other chapters in our foreign policy.

Then came the Atlantic Pact—not an action by us in seizing the initiative; on the contrary, in its very support those who lauded it the highest said, "Because of the Cominform, created in Belgrade, under the auspices of Moscow, with its headquarters' offices subsequently moved to Warsaw, we need on the free side some kind of coalition, some kind of cooperative activity, some kind of offset."

So, Mr. President, what did we do? We had the Atlantic Pact to offset the Cominform—our group to offset their group, a defensive measure, a defensive gesture, a reaction to something the Russians had done, not a foreign policy conceived in America, not seizing the initiative, not a positive approach, but just another patch on the crazy-quilt in the form of expedients dictated by what has flowed out of the Kremlin.

So we decided to arm the Atlantic Pact countries. The reason for that is that we had ferreted out from inside the iron curtain the information that the Russians were spending $20,000,000,000 on armaments in their lands, and we translated that into terms of their slave labor and then into terms of what armaments could be purchased under the American system for those amounts, and we realized that that was a terrific armament. So we send arms to the Atlantic Pact countries as a defensive measure, as a holding operation, as one more American reaction to a Russian thrust.

I am not criticizing these holding operations, Mr. President, except to say that we cannot win a war on the defensive. We cannot make headway while we are standing still. We do nothing to weaken the bear while we hold it with one hand and feed it with the other. I think the emergency is great enough, the challenge is prodigious enough, the lack-wisdom policies so far provided by the administration are clear enough, to justify the appointment of a Hoover-type commission on the cold war.

That is all I ask—to get off a dead center, to start moving ahead, to let bygones be bygones for the purposes of this commission, to look for a bright tomorrow, and to do something to carry the ball toward the goal of freedom before it is too late.

Mr. President, let me say in conclusion that I consider television to be one of the new and dynamic and dramatic cold-war weapons available to us on our side of the conflict. It is one device at least for carrying the message of America to the areas we are trying to win and to keep and to reinvigorate and to brace up, and to associate ourselves with in some kind of forward-moving action in the cold war. It is now available. By next February I should hope a commission such as this would find a very important place for the new television techniques, with their relay stations, with their very modest costs of installation, with their huge community receiver screens, so that 1,000 or 2,000 people could watch a picture on the screen simultaneously, thus affording a chance to do something except trying to break the jamming, which once again is a defensive gesture against the fact the Russians have imposed jamming against the present Voice of America program over conventional radio.

Mr. President, I can see how, in Germany or in Japan, where we are trying to democratize the people, where it is possible for 500 or 1,000 persons in a public meeting place to watch a stirring picture of democracy and freedom and private enterprise portrayed on a community television screen, a tremendous impression would be made upon those who have never had a chance to visit this area, who have never had a chance to watch our modern farming operations, who have never had a chance to study and to appreciate our fine hygienic and sanitary regulations and conditions.

I can see how in the case of a friendly country such as Turkey, which, in my opinion, we should today be positively helping to make strong and vigorous, we could be encouraging a closer and closer and closer alliance, so that we could help establish there offensive bastions of freedom if need be, air strips and harbors, areas from which, if necessity commands, we could launch an offensive quickly against the vital spots in Russia, which are the oil-production areas of that land, everyone of which is vulnerable to an air attack from Turkey.

I can see how in a country such as Turkey, for $4,000,000 initial outlay and $250,000 costs annually for administering the program, we could bring to them economic lessons, hygienic lessons, and the story of freedom and of enterprise. We could help the newly elected President of Turkey, who is dedicated to increasing the environment in which freedom and free enterprise may operate in the new Republic of Turkey; we could help him in his crusade. We could win friends and influence people in Turkey by presenting to them regularly in groups, by means of a television screen, the vision of America, along with the Voice of America.

Finally, I may say, and then I shall close, that to underwrite the cost of the cold war, regardless of whether we pursue it as at present on a defensive basis only, or whether we seize the initiative and move forward in a more typical American fashion, moving forward as a consequence of plans and proposals and policies devised as I think they would be by such a commission as I am suggesting in the bill introduced today—regardless of what we do, the expense for many years is going to be tremendous. No bipartisan commission is going to find a cheap or easy answer to the problems of the cold war. The main thing for us to know is that the money we are spending is buying good results for freedom, not for tyranny.

But to enable us to spend the money and to raise the taxes, every economist

in the land recognizes that it is necessary for America to maintain steadily an expanding economy. We cannot afford to tail spin into a depression. We cannot afford to have our economy freeze at a specified level and not continue to expand. We cannot afford pump-priming in Government spending as a synthetic expedient to produce prosperity. We need continuously an expanding economy. How best to get it? Where are the markets? Who are the people with the greatest needs?

Mr. President, the answer seems clear: It is in those great, heavily populated, underdeveloped regions of the world represented by people of Indonesia and by the people of China—if there is ever again a free China—even by the people of Japan; by all the teeming millions in the Arab world, people with simple needs easy to satisfy, needs which can be quickly supplied with a small amount of purchasing power, once the desire is there. How best to stimulate desire on the part of people then to show those who have never used a hoe just what a hoe can do in the business of farming; to show those who have never used a scythe just what can be done with that in the business of harvesting; to show those who have never walked in shoes, how helpful shoes can be. Television can bring those rudimentary developments to the attention of people who have never heard of them and who have never seen them.

Stimulating the desire, and the desire added to the need, leaves only the power to purchase necessary to stimulate an expanding economy in great industrial America, which is equipped to supply those wants. And most of the areas of the world have the purchasing power; they have the ivory or the cocoa; they have the tin or the mica; they have the manganese or the spices or the bananas or the tea which Americans want.

If we can stimulate the desire and the want, we can create an ever-expanding economy for the products of American industry, and also for the products of American agriculture; and if we can keep our economy expanding, we can continue to underwrite the terrific costs of a cold war, whether fought defensively and pessimistically as at present, simply buying time, or whether fought victoriously and valiantly in the true American spirit, where the initiative rests with us—either way, we can then afford to continue a war which today we dare not afford to stop.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had insisted upon its amendment to the bill (S. 3181) to extend the Housing and Rent Act of 1947, as amended, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. HAYS of Arkansas, Mr. WOLCOTT, Mr. GAMBLE, and Mr. KUNKEL were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 238) to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WALTER, Mr. GOSSETT, and Mr. GRAHAM were appointed managers on the part of the House at the conference.

The message further announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 3436. An act to amend section 3 of the Lucas Act with respect to redefinition of request for relief;

H. R. 5541. An act to amend Private Law No. 463, Seventy-sixth Congress; and

H. R. 7047. An act for the relief of Mrs. Tomo Nonque Rosevear III.

The message also announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 714. An act for the relief of Pieter Cornelisten Wolde and family;

H. R. 1038. An act for the relief of William Richard Geoffrey Malpas;

H. R. 1609. An act for the relief of Arne Gordon Westly;

H. R. 2705. An act for the relief of Martin Kenneth Ikeda;

H. R. 2226. An act for the relief of Victor C. Kaminski (also known as Victor Kaminski);

H. R. 3009. An act for the relief of Dr. Ali Reza Bassir;

H. R. 3018. An act for the relief of Camilla Fabris;

H. R. 4532. An act for the relief of Dr. Ta Fu Wu;

H. R. 4903. An act for the relief of Krikor G. Guiragossian;

H. R. 5355. An act for the relief of Mindel Malek;

H. R. 6589. An act for the relief of Mitsue Miyamoto;

H. R. 6747. An act for the relief of Helga Holleb;

H. R. 6756. An act for the relief of Arthur Chen Shu Jee;

H. R. 6787. An act for the relief of Mrs. Kyoko Nakamura Kornhauser;

H. R. 6880. An act for the relief of Mrs. Kiyo Narumi Murakami and Keiko Narumi;

H. R. 6894. An act for the relief of Mrs. Nobuko Eto Heard;

H. R. 7035. An act for the relief of Hisako Sakata Ikezawa;

H. R. 7096. An act for the relief of Mrs. Maria Salome Holland;

H. R. 7292. An act for the relief of Erio Louis Tomita and Fumiko Tomita;

H. R. 7315. An act for the relief of Daijiro Yoshida;

H. R. 7363. An act for the relief of Suzuko Yagi and Anne Yagi; and

H. R. 7889. An act to postpone the application of the Classification Act of 1949 to certain employees of the Selective Service System.

## SOCIAL SECURITY ACT AMENDMENTS OF 1950

The Senate resumed the consideration of the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes.

Mr. GEORGE. Mr. President, I send forward to the desk two amendments intended to be proposed by me to the House bill 6000, and ask that they be printed and lie on the table, to be subsequently offered.

The PRESIDING OFFICER (Mr. MARTIN in the chair). The amendments will be received, printed, and lie on the table.

Mr. SCHOEPPEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant journal clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hendrickson | Martin |
| Benton | Hickenlooper | Maybank |
| Brewster | Hill | Millikin |
| Bricker | Holland | Mundt |
| Bridges | Humphrey | Myers |
| Butler | Hunt | Neely |
| Byrd | Ives | O'Mahoney |
| Cain | Johnson, Colo. | Robertson |
| Capehart | Kefauver | Russell |
| Chavez | Kem | Saltonstall |
| Connally | Kerr | Schoeppel |
| Cordon | Kilgore | Smith, Maine |
| Donnell | Knowland | Smith, N. J. |
| Dworshak | Leahy | Sparkman |
| Eastland | Lehman | Stennis |
| Ecton | Lodge | Taft |
| Ellender | Lucas | Thomas, Utah |
| Flanders | McCarran | Thye |
| Fulbright | McCarthy | Tobey |
| George | McClellan | Tydings |
| Gillette | McFarland | Watkins |
| Green | McKellar | Wherry |
| Gurney | McMahon | Withers |
| Hayden | Malone | Young |

The PRESIDING OFFICER. A quorum is present.

Mr. CAIN. Mr. President, after 2 days of debate on H. R. 6000, as amended by the Senate Committee on Finance, a good many things are now clear and understandable.

It has been agreed that the Senate will vote on H. R. 6000 as proposed to be amended, and on other amendments to be offered on Tuesday of next week, June 20. The Senate is anxious to rapidly dispose of H. R. 6000 in this session of the Congress, and has agreed to do so.

H. R. 6000 as amended will, to my mind, pass overwhelmingly when the roll is called next Tuesday.

Members of the Finance Committee, and other Senators who are the first to urge rapid passage, are first among those to admit that our social security system, with which H. R. 6000 deals, is possessed of basic weaknesses and faults and inequities which will continue to plague and jeopardize and harass the Nation for as long as our prevailing social security system is continued.

In recognition of the gigantic and dangerous faults contained in the present social security system, the committee will urge the Senate to approve a resolution which would authorize the Finance Committee to reanalyze and study the present system and every other possible system, and make recommendations for the future. One takes for granted that this proposed resolution, though it may be amended, will pass without a dissenting vote, because probably every Member of the United States Senate, if he has studied the question at all, is completely convinced that our present social security system must in time be replaced with

some other security system which will actually provide, as the present system does not, for the security of our American aged population, present and future, and do so out of the earnings of our Nation's working force on a year to year basis.

H. R. 6000 will substantially increase the dollar benefits to those who are presently and will be beneficiaries of the system. This proposed increase in dollar benefits is nothing less than a recognition by the Congress that the Nation has cut the purchasing power of the American dollar just about in half since the social-security system was established in 1935, 15 short years ago. It ought therefore to stand to reason and publicly be stated by every Senator that there is no human way of determining social-security benefit dollar needs for the future until some way can be found to stabilize the purchasing power of our American currency.

Mr. President, the Senator from Washington believes that each of the statements he has just made are completely true, and point up the situation which confronts the Senate, the House, and the Nation.

For the sake of argument and in an effort to inform the American people of the quicksands and faults and betrayed hopes which constitute the foundation on which our social-security system was first established in 1935, the Senator from Washington will now assume that H. R. 6000, as amended, is not to pass. He wants to make a reasonable contribution to the Finance Committee study which is intended for the future, and this he can only do by constructively and vigorously attacking the prevailing social-security system and the proposals which are now before the Senate.

On May 24 the Senator from Washington spoke of the social-security question, which was not then before the Senate, and submitted a concurrent resolution which called for the appointment of a commission of completely independent authority, to undertake full time, divorced from all influence of the Social Security Administration, a complete investigation of the present social-security system and an investigation of other possible systems. In his statement the Senator from Washington paid his respects to the sincerity, integrity, and ability of the members of the Finance Committee. He stated that he thought the committee had done its level best with a completely impossible situation. He wishes now to reaffirm his respect for the committee. He has no personal interest in the resolution which he offered. He wants only to think that competent individuals within the Senate, with help of qualified persons outside of the Senate, will undertake the social-security examination to which his resolution was addressed. It little matters who does the work. The only thing that matters is that the work must and should be done.

The Senator from Washington will attempt this afternoon, in language which all Americans can understand, to prove that the present social-security system is a nightmare of madness and will continue to plague the Nation, including its beneficiaries, until the system is scrapped and replaced by a security system which will provide a reasonable amount of security for all our American aged and at a cost which the productive capacity of America can afford to bear. But before doing this the Senator from Washington wishes to offer comments which have been made by several other Senators since H. R. 6000 became the pending business before the Senate on Tuesday of this week.

On Wednesday of this week the chairman of the Finance Committee, the senior Senator from Georgia, said:

> The committee is not unconcerned with the eventual liability which this revision of the social-security program will place upon the Government and upon employers and employees alike, but we have proceeded with faith in America to meet the problem.
>
> There has not been sufficient time to arrive at definite conclusions on how the present aged who are not a part of the labor force should be protected from want.
>
> In urging the adoption of this bill, your committee is mindful of the fact that it does not do the whole job.
>
> Your committee has recommended therefore, that further study be given to this and other problems not resolved by the bill so that within the next year or two a sound social security system, which affords equitable protection for all citizens of the United States, can be put into full operation.

I think it was on Wednesday, which was yesterday, that the ranking minority member of the Senate Finance Committee, the Senator from Colorado [Mr. MILLIKIN] said:

> Because H. R. 6000 is an improvement over what we have now, I give it my support. But personally, I feel that the present system, improved as it is by H. R. 6000, cannot be considered as other than one in transition. * * * As I see it, there will have to be wider coverage, leading perhaps to universal coverage.
>
> We will have to come, as I see it, to a truly pay-as-we-go system. There are many forces operating in these directions.
>
> This easy and deceptive method of raising money for general expenditures (social security collections being spent and bonds placed in lieu thereof) tempts extravagance.
>
> It argues for a pay-as-you-go system.
>
> In my opinion we are coming to a pay-as-you-go system.
>
> In my opinion that preferential treatment of the nature I have described will eventually bring us to universal coverage. I do not think it can be avoided.
>
> There is nothing in the reserve until a taxpayer is taxed to pay it off. As I said a while ago, the taxpayer, under wider coverage, becomes the same person as the insured man, and he therefore pays twice.

Yesterday the Senator from Nebraska [Mr. WHERRY] posed this question to Mr. MILLIKIN:

> Does that not also strengthen the argument that the so-called "pay as you take in" principle becomes almost mandatory?

The Senator from Colorado responded:

> It makes it so at least from a moral standpoint. If we do not want to be deceiving the people it makes it mandatory. There will always be, I assume, what might be called a "till fund" or small reserve, to prevent having to come to Congress every year to keep the outgo adjusted to the income. That kind of reserve fund, if we care to call it that, would be necessary, I think, under almost any kind of system that we might have. But the present thing—

And I would call the attention of every Senator and every other American to this sentence with reference to the reserve fund made yesterday by the very distinguished Senator from Colorado [Mr. MILLIKIN]:

> But the present thing—

Referring to the reserve fund—

is a fake.

The Senior Senator from Ohio [Mr. TAFT] had this to say on yesterday:

> As the Senator from Colorado pointed out, he and I, I think, voted for the increased coverage because we believe we are going in the direction where ultimately under this system, or otherwise, there will be universal coverage of everyone over 65 years of age.

Said the senior Senator from Ohio:

> I see no reason why the bill now proposed should be postponed; but I think also we should look forward to a substantial further change in the nature of the assistance, so that we are not today actually helping old people, who are not getting anything.

The senior Senator from Ohio had some other startling and interesting things to say about H. R. 6000 yesterday. He said:

> In other words, we are recognizing in this bill that we have an obligation to pay old-age pensions to people who are old, simply because they are old and not because they paid money into the fund.

He also said:

> However, as I see it, the bill destroys the whole theory of insurance. It recognizes an obligation. * * * All I regret is that we still use the name "insurance" when as a matter of fact there is no insurance about it.

That is the pronouncement which the senior Senator from Ohio made yesterday regarding this vitally important American question which is being considered by all of us at this time.

On yesterday the senior Senator from Nebraska [Mr. BUTLER] stated:

> One reason I am opposing this bill is because it does not provide security for our elder citizens.
>
> The bill simply patches up a system that is working badly.
>
> I want a system and a benefit that we can honestly pay for as we go, closing out each year's accounts when the year is over and beginning again when the new year starts.

Mr. President, the Senators from whose remarks I have quoted are all distinguished members of the Finance Committee. They are able and conscientious men. They are urging improvements and changes in a system which they state must be changed if our real intention is to provide real security for the aged of America.

I

Mr. President, perhaps the commonest word applied to the social security bill is the word "complicated." A truer word was never spoken. Here we have a piece of legislation which is primarily supposed to help old people. Yet when we come to examine the legislation we find it so complicated that it is hard to find anyone, old or young, who can understand it.

I can say that if anyone proposes to push his way through the accumulated materials on this bill, he has his work cut out for him.

I hold in my hand, merely by picking it up, a copy of the Senate bill. It weighs 1 3/16 pounds. The hearings on H. R. 6000 before the Senate Finance Committee weigh 4 7/8 pounds. If we include the House hearings, the House report and the House bill, along with the Senate hearings and Senate bill, we have 12 1/4 pounds of material.

At a conservative estimate, leaning over backward almost far enough to break the spine, I estimate that all this material runs to well over 2,838,444 words.

The Senate bill alone runs beyond the length of a standard mystery novel, and any Senator who is interested in solving puzzles now has something very choice before him in the shape of this bill. It surpasses any mystery novel that I have ever seen in respect to the number of blind alleys, false clues, traps, and pitfalls planted along the way.

Mr. KERR. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. KERR. Would the Senator say that the traps and pitfalls were there other than on the basis of having been planted by the committee, or did the Senator from Oklahoma rightly understand the Senator from Washington to say that they had been planted?

Mr. CAIN. The Senator from Washington does not believe that a single one of the traps or pitfalls to be found in this bill was planted intentionally within the proposed bill by any member of the Committee on Finance.

Mr. KERR. I thank the Senator.

Mr. CAIN. It seems to me to be obvious that pitfalls abound within the bill.

Mr. KERR. I understood the Senator to say that——

Mr. CAIN. Not because of any premeditated desire to plant them by the group of splendid men who make up the Committee on Finance.

Yet, complicated though it is, we must try to understand it, for it is, as I truly believe, one of the most unjust pieces of legislation we have ever had to deal with. I propose to discuss, in some detail, the Finance Committee report on H. R. 6000. But before I do this I want to say something about the existing social-security system.

II

What we now have, in dealing with old people in this country, is a system divided into two branches or stems: Old-age and survivors insurance, and old-age assistance.

These two operations are yoked together in a very strange way that is almost organic. They are Siamese twins and the role which they play in our economy is one of a most twisted and grotesque character.

On the one hand is old-age and survivors insurance. One of the first things we discover is that OASI is not interested in old people at all. It is interested solely in what the administrators call categories of employment.

I know many old people, but I have never met a category of employment. Yet categories of employment are the OASI's main stock in trade.

The essence of this part of the system is a deferred-benefit plan. Because its rosiest promises are always away off in the future, OASI, in its present stage, is a slight burden since the demands upon it are not great.

But as efforts are made to expand the system and bring additional groups under coverage, and as benefits are arbitrarily increased out of current social-security revenues, so the ultimate demands upon the system are made the greater.

It seems clear that in all probability these ultimate demands can never be met save with savagely increased social-security taxes or with some form of ever more cheapened and inflated dollars.

Incorporated in this OASI part of the system are numerous puzzles and hybrid philosophies.

For example, the contention is made that the benefit must vary according to the wage that is earned. The greater the wage, supposedly, the greater the benefit. This is the so-called incentive in the system. He who earns more deserves to get more they say. This incentive is supposed to operate according to some iron law of insurance, firmly based on a formula and a wage record. This is supposed to represent an equity. But this incentive is fraudulent as far as any insurance-annuity theory is concerned, for many beneficiaries pay, along with their employers, only a small fraction of what they get from the system.

At this point, the mechanics who have pieced this system together—and it has taken a long time to do it—are unwilling to stay put with their phony incentive, iron-law theory.

This equity, which the incentive man is supposed to have, by virtue of his taxes paid, is at once violated by another theory, the theory of "adequacy."

All "adequacy" means is that if the Social Security Administration stuck to their false contributory system, the lowest-paid workers would receive only a miserable pittance.

This would never do, they feel, so a portion of the incentive formula is thrown into the trash can and the calculations are arbitrarily changed once more, so that the lowest benefits are raised from a miserable pittance to just a semimiserable pittance.

In this way phony equity and phony adequacy get cozy with one another.

Leonard J. Calhoun, who from 1936 to 1943 was assistant general counsel to the Social Security Board, describes the system this way:

> For a large number of people the system is in effect a lottery, despite the adoption of the name "insurance." Nevertheless, it is compulsory. If you are engaged in certain work, you must pay in; if you are engaged in other work, you cannot pay in, even if you desire to do so; and the fact that you have paid in does not mean that you will necessarily get any benefits or protection (p. 24, How Much Social Security Can We Afford? by Leonard J. Calhoun, American Enterprise Association, Inc., April 1950).

This old-age and survivors insurance part of the social-security system is, for the immediate present, sustained by the special taxes paid by those covered and by their employers.

Since, however, there are still millions of jobs uncovered—and since many of these will still remain uncovered even if H. R. 6000 is passed—and since, also, there are millions of indigent old people who never could have qualified for OASI in any event, we have an additional piece of machinery, so large and complicated that it resembles one of Rube Goldberg's crazy inventions.

III

This Rube Goldberg invention is called old-age assistance. Old-age and survivors insurance is one of the Siamese twins. Old-age assistance throughout this great land of ours is today the other Siamese twin.

Perhaps I ought not to say Siamese twins, for, as used in this connection, it is a reflection on the Siamese people. To be more exact, I ought to call them the Altmeyer twins.

This old-age assistance twin is a kind of relief, generally with a means test, paid to the indigent on a basis of what is called need. Old-age assistance is subsidized jointly by the Federal Government and the States out of general revenues, and the amounts paid vary among the States. In June 1949 the range was from $70.55 per month in California to $18.89 per month in Mississippi. This wide range in old-age assistance makes the crazy-quilt crazier.

In its subsidy to the States for old-age assistance the Federal Government now pays three-fourths of the first $20 of an OAA monthly payment, and one-half thereafter, up to a $50 maximum. That is, out of the first $50 a State may grant, the Federal Government may now pay as much as $30. Anything above $50, the State must pay itself. As already stated, the range of what some States will pay above this maximum is very wide.

But there are two eccentric bearings in this OAA machinery which make already wheezing and grinding gears wheeze and grind the more.

First, old-age assistance is granted on the basis of need. I may ask, what is "need"? Nobody knows. It seems to be a local affair. I have looked high and low and I can find no Federal definition of "need" under the law, though hundreds of millions of dollars are being poured out every year. What is need? In California, one can own a home and a car and yet be in need of old-age assistance In certain other States, he cannot. What is right? The Altmeyer twins give us no help on this score.

California permits a person in this kind of need to own real property not exceeding $3,500 net county assessed valuation—State of California Department of Social Welfare Bulletin No. 389, OAS, December 30, 1949.

In Tennessee, on the other hand, an applicant is ineligible for old-age assistance if the assessed valuation of his home is more than $1,000—page 16, Social Security Bulletin, October 1949.

Where and what is need? Search the Federal law all you please, Mr. President, but you will get no help.

This failure to define need makes it possible for a State to exercise a wide latitude of judgment in determining who shall get old-age assistance.

I want it clearly understood that I am not at this point concerned with the amount granted in the various States. I will come to that problem presently. All I am trying to do now is to figure out the Boob McNutt character of the system's design.

Now for the second eccentric bearing in this crazy assistance machinery.

Because the Federal Government participates in payments up to $50 a month, it is possible for a State to enormously increase the amount of Federal subsidy it receives, with no commensurate additional expenditure of its own, simply by holding the sum paid below $50 per month. When a State starts paying $70 a month old-age assistance, that State is paying $40 out of that $70. But suppose the State hauls down the monthly below $50? Then, under the formula presently used, that State can count on getting the bulk of the assistance money out of the Federal Treasury, whose funds come from people in all the States. It was under these circumstances that the State of Louisiana in June 1949 was paying $47.05 to 819 per 1,000 of its "old folks," a circumstance which has been described as "a record for the United States if not for the world."

Back in 1934 when these matters were under consideration, the President set up a Committee on Economic Security to make recommendations. Who were the members of this committee? They were Frances Perkins, Henry Morgenthau, Homer Cummings, Henry Wallace, and Harry Hopkins. The glowing reputations of these persons for precision in judgment and for prudent management are well known to all. Surely we know all we need to know about Henry Wallace's fiscal genius. Anybody who wrote the GURU letters is an ideal choice to design a social-security system. As for Harry Hopkins, was he not the soul of probity? But I need go no further in discussing the high character and competence of this Committee on Economic Security.

HYBRID SYSTEM—NOT INSURANCE—NOT PENSIONS

Mr. MALONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. THYE in the chair). Does the Senator from Washington yield to the Senator from Nevada?

Mr. CAIN. I am pleased to yield.

Mr. MALONE. Before the distinguished Senator from Washington gets too far away from the question of assistance which the Federal Government might be forced to give the States under this arrangement, is it his opinion that eventually the Federal Government, under the plan for paying old-age pensions, probably will take over most of the load of the old-age pensions from the States?

Mr. CAIN. If I understand the Senator's question correctly, it would be my view that under the present social-security system we shall never be able materially to lessen the old-age assistance programs which are in vogue in the 48 States. It was always the intention of the supporters and of some of the designers of the present social-security system that in due time the financial load and burden and responsibility resulting from old-age assistance benefits in the States would be greatly reduced or wiped out altogether. It must now be recognized as a fact, and I think it is so recognized by every Senator, that a continuance of the present system would extend in perpetuity the old-age assistance programs, which every Senator wants to get away from at the earliest possible moment.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. CAIN. I am pleased to yield.

Mr. MALONE. At least as the junior Senator from Nevada understands them, neither the present system nor the one proposed by the pending bill provides either pensions or insurance. Both are hybrid things, with no particular background and no particular objective as to where they are going. What is the Senator's opinion about taking over the systems which differ in every State? Does the Senator think there has been sufficient study to enable us to understand the program the roots of which we are now planting deeper? Should the study contemplated by the resolution which the distinguished Senator from Georgia [Mr. GEORGE], chairman of the Finance Committee, has offered, calling for a further investigation, be made before we determine to drive further in the direction we are going, or should we enact the pending legislation, thus driving the stake deeper, and then investigate the question further?

Mr. CAIN. The Senator from Nevada has posed not one but several questions.

Mr. MALONE. I realize that, but they are all woven together.

Mr. CAIN. Indeed they are, and I shall do my best to answer them in a concrete way.

In 1935, the record tells us, the Congress of the United States and the Executive recognized for the first time an obligation to take care of the aged in America. It was decided in 1935 that age 65 would qualify a person for benefits under the intended social-security system. That system was established in 1935, and it had, I think, as its completely legitimate purpose and objective, providing benefits to the aged population of America. Because the designers of the system recognize that it would take a great many years for the system to achieve its purpose, there was created a system to provide financial assistance to indigent persons within the States of the Union. The cost of providing such financial assistance was to be borne by both the State in question and the Federal Treasury. Having read the RECORD, I think I could establish it as being a fact that no proponent of the social-security system which was established in 1935 thought there would be remaining in the year 1950 any need for continuing financial assistance programs in the 48 States of the Union. It is now, I may say to my friend from Nevada, the year 1950. There are today approximately 11,500,000 Americans aged 65 or over. Approximately 2,500,000 of that total are being taken care of by our social-security system.

Another group approximating almost 3,000,000, I think, are being taken care of by the old-age assistance programs in all the States of the Union. Some five or six million persons beyond the age of 65 are neither benefiting from State help on the one hand, nor from Federal assistance on the other hand.

Those Members of the Senate who share the view being expressed by the junior Senator from Washington are merely trying to establish that a system which, in 15 years, has not carried out its admittedly fine purposes or achieved its noteworthy objective ought to be scrapped in favor of a system which will provide for the legitimate, reasonable needs, not of one group of America's aged, but of all of America's aged.

The Senate Finance Committee, in recognizing and having admitted freely and most frankly some of the basic faults within our present social-security system, wishes Congress at this time—and the Senator from Washington thinks Congress is going to act accordingly—to liberalize and expand the present system, regardless of how grievous its faults may be; and in recognizing its faults the Senate Finance Committee is asking the Senate to approve—and certainly the Senator from Washington hopes that every Member of the Senate will vote in favor of it—a resolution to authorize a concrete study of every other possible social-security system known to man in order that the Finance Committee may recommend basic changes and a future system by which to replace the present system at the earliest possible time.

I think the Senator from Washington has answered every portion of the questions propounded by the Senator from Nevada, with one exception. He wanted to know whether the Senator from Washington thought we should first expand and liberalize the system we know to be bad, and then examine what we have done and study other systems in the hope that we can recommend a far better system for the future, or whether the examination and the recommendations leading toward a better system ought to be made and established before we extend and liberalize the present system.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. CAIN. I shall be glad to yield in a moment.

The Senator from Washington, obviously, as an individual Senator, is of the considered opinion that it would be the best thing for the country to leave our present social-security system as it is until we know concretely and conclusively what better system we can adopt with which to replace our present system. In my opinion, such recommendations could be forthcoming from a qualified study group within a period not to exceed 2 years.

The Senator from Washington likewise is of the opinion that it is the desire—and I can understand it—of a majority of the Senate and of the House forthwith to expand and liberalize the present system, and then take time to consider and reflect on what we have actually done.

I now yield to the Senator from Illinois.

LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, there seems to be a slight misunderstanding of the program for tomorrow. Yesterday, in a colloquy with other Senators, I thought I made it perfectly clear that the calendar would be called tomorrow. There are two bills on the calendar which might be controversial. If so, they will be dropped to the bottom of the calendar. After we have completed the call of the calendar, we shall then proceed to the consideration of those two measures, which I deem of some importance and of which I think we can perhaps make disposition tomorrow.

Mr. McCARRAN. Mr. President, will the Senator from Illinois be so kind as to indicate the two bills to which he has reference?

Mr. LUCAS. One bill to which I referred, I will say to the distinguished chairman of the Judiciary Committee, is Calendar No. 1790, House bill 7579, to extend the Rubber Act of 1948. The other bill is Calendar No. 1791, Senate bill 960, which has been reported from the Committee on Armed Services. Its title is "A bill to provide for the construction, rehabilitation, expansion, conversion, and joint utilization of buildings, structures, utilities, and other facilities, including the acquisition of land, for the Reserve components of the National Military Establishment of the United States, and for other purposes."

Mr. SCHOEPPEL. Mr. President, will the Senator from Illinois yield for a question?

Mr. LUCAS. The Senator from Washington [Mr. CAIN] has the floor.

The PRESIDING OFFICER. Does the Senator from Washington yield so that the Senator from Kansas may propound a question to the majority leader?

Mr. CAIN. I shall be pleased to yield for that purpose.

Mr. SCHOEPPEL. Mr. President, I will say to the distinguished Senator from Illinois that, with reference to House bill 7579, it was the understanding of the Senator from Kansas that there was some arrangement or agreement whereby, because of the absence of some Senators, that bill was to be taken up on next Monday.

Mr. LUCAS. If there is any question about that at all, it can go over until Monday, although we can discuss it tomorrow.

The PRESIDING OFFICER. Is it the intention of the majority leader that the call of the calendar tomorrow commence at the beginning?

Mr. LUCAS. No; to commence with the first measure on the calendar as of June 8, 1950.

The PRESIDING OFFICER. For the consideration of unobjected-to bills?

Mr. LUCAS. That is correct, sir.

SOCIAL SECURITY ACT AMENDMENTS OF 1950

The Senate resumed the consideration of the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes.

Mr. KERR. Mr. President, will the Senator from Washington yield for a question?

Mr. CAIN. Certainly.

Mr. KERR. Did the Senator make a statement as to how many aged would come under OASI, and how many under old-age assistance?

Mr. CAIN. Yes.

Mr. KERR. Will the Senator repeat the number for the benefit of the Senator from Oklahoma?

Mr. CAIN. Approximately two and a half million persons are now drawing benefits from the social-security system. Approximately 3,000,000 are drawing assistance from the assistance programs in the various States of the Union.

Mr. KERR. I understood the Senator to refer to a certain number of aged people. I presume that he now refers to all persons receiving benefits under both social security and assistance.

Mr. CAIN. Of some eleven and a half million persons in the country aged 65 or older, approximately five and a half million are drawing assistance from either the social-security system or the assistance programs in the States, as I understand.

Mr. KERR. The Senator from Oklahoma was under the impression that there were about two million under one system and about 2,700,000 under the other.

Mr. CAIN. The Senator from Oklahoma may be more precise. I think the figures can be very easily established. They have been offered in the past few days by the Senator from Colorado and the Senator from Georgia. The main point involved is that of all the aged in this country a number less than 50 percent are drawing benefits from either a State or from the Federal Government, when, as I understand, it was our intention beginning in 1935 to work out for the future a system which would provide benefits to all of the aged population of America.

Mr. KERR. Is it not a fact that the two-headed or Siamese-twin system to which the Senator has referred, being old-age assistance on the one hand and old-age and survivors insurance benefits on the other, is very definitely limited by the terms of the legislation?

Mr. CAIN. That is correct.

Mr. KERR. In the assistance program it is limited to those who establish themselves as being in need under standards prescribed by the individual States, and in the other program to those who become eligible by their participation in the program.

Mr. CAIN. By their being covered.

Mr. KERR. Is it not also true that the limitations within the laws themselves applicable to those eligible or qualifying under the provisions of the laws make it impossible for the programs to cover other than those who are eligible?

Mr. CAIN. I think the Senator from Oklahoma is quite right. It is the intention of some of the amendments now before the Senate to increase the coverage in the social-security system in order that there may be more beneficiaries in the future. Those amendments are being offered, to my mind, because there is a growing acknowledgment of an obligation by the Federal Government to the aged of America. My contention is that, however we may amend or liberalize the present system, we are not moving in the direction of providing assistance or benefits to the aged population of America, as is the hope for the future of the junior Senator from Washington and of other Senators of like mind. We feel that if the Federal Government is to acknowledge an obligation to the aged persons it must of necessity acknowledge an obligation toward all persons over a particular agreed-upon age.

Who was the Chairman of the Technical Board of that committee? It was none other than Arthur Altmeyer, at that time Second Assistant Secretary of Labor but now and, for many years, the boss of our Siamese-twin system for jobbing old people.

What did that committee say in its report on the question of assistance money? I shall read a portion of it:

Old-age pensions—

And it was old-age assistance they were talking about—

are recognized the world over as the best means of providing for old people who are dependent upon the public for support and who do not need institutional care.

Only approximate estimates can be given regarding the cost of the proposed grants-in-aid. If a compulsory contributory annuity is not established at the same time—

And such a contributory system was established at that time—

estimates indicate that the Federal share of the cost of the noncontributory old-age pensions may in the first year reach a total of $136,600,000 * * * and would increase steadily thereafter until it reaches a maximum of $1,294,300,000 by 1980 * * *. Obviously these figures will be reduced if a compulsory system of contributory annuities is established simultaneously with the Federal grants-in-aid. Sound financing demands this simultaneous action. (Pp. 40–42, House Ways and Means Committee hearings on the Economic Security Act, Jan. 21, 1935).

We have it established, all right, but there is no sign of reducing figures. Expenditures for old-age assistance have been climbing every year, old-age insurance or no, and there is no sign of let-up. Currently the Federal share of the subsidy is $8,000,000,000, with 1980 30 years away.

IV

To administer these two Siamese twins—OASI and old-age assistance—is no inexpensive matter, despite Mr. Altmeyer's claims of only 12 cents apiece to look after 80,000,000 wage records in Baltimore (p. 29, Senate Finance Committee hearings, January 17, 1950).

For the year ending June 30, 1949, it cost $53,000,000 (p. 6, Trust Fund Report, 1950) to administer OASI and $66,703,000—Bureau of Public Assistance, Social Security Administration—to administer old-age assistance—Federal share, $33,014,000; State and local shares, $33,689,000—a total of almost $120,000,000. If H. R. 6000 passes, some estimates run to $110,000,000 for the administration of OASI alone.

If we want to know why these costs are rising, the incredible jerry-built complexity of the machinery supplies one of the answers.

Of course it takes a small army of people to man this Rube Goldberg machine. Commissioner Altmeyer tells us that the Social Security Administration alone employs 11,900 persons (p. 35, Senate Finance Committee hearings, January 17, 1950). In addition to this, according to the most recently available figures (p. 8, Social Security Bulletin, April 1950) more than 56,000 persons are employed throughout the country in State and local welfare agencies. In all, more than 67,000 persons are officially employed in dispensing welfare in one way or another throughout the United States. To be sure, some of these dispensers of welfare are concerned with dependent children, the blind, and so on, but the chief business of these nearly 68,000 functionaries—Federal, State, and local—is looking after old people in one way or another.

That their labors are onerous we may well believe.

Philip Vogt, welfare administrator of the Douglas County Welfare Department, Omaha, Nebr., appeared last January before the Senate Finance Committee and described the social-security machinery in action. He said:

> In Douglas County, Nebr., the administration of assistance requires the understanding and use of 102 pages of finely printed State and Federal laws, a three-volume State manual of 1,001 pages of rules, regulations, and procedures, no less than 66 different forms and a food budget listing 124 amounts. Many other memoranda, special reports, attorney generals' opinions and modifications are forthcoming which add to the confusion and expense of operation. * * * We have a rather simple law. I mean our Social Security Act itself is not too complicated. But what comes out of that, thousands and thousands of pages of administrative rules and regulations and interpretations, is something else. Our administrators spend less than 20 percent of their time in the field. They are bogged down with the machinery and mechanics superimposed upon us either by State or Federal officials. (Pp. 528 and 555 of the typewritten transcript of the 1950 Senate Finance Committee hearings.)

Mr. President, the real problem with which we are concerned is the security of our old people.

When we consider this fact and then turn and, in perspective, view the weird monstrosity that has been cobbled together over the years, imagination staggers.

We have a hand-out system, old-age assistance. We have a phony annuity system, OASI, where many get a dollar for a nickel's worth of taxes. Both systems, yoked together, are called the social-security system, an adaptation of ideas originally set up in that paradise of bureaucrats, the German autocracy.

When we stop to consider the American genius in handling native organizational problems, our stupefaction grows.

In this country, where the founding fathers devised a governmental system of checks and balances, the most ingenious known to mankind;

In this country, where assembly-line manufacture was developed, a process which attained magnitudes of production that amazed the world;

In this country, where the demands of communication have been met, the physical tasks of distribution more brilliantly achieved than in any other place;

In this country, where men and women from thousands of trades and professions were able to man, equip, administer, and supply throughout the world the greatest military organization ever known;

In this country, I say, Mr. President, we have been content to supinely accept a jumble of alien theories for handling the economic problems of our old people, theories which never worked efficiently even in the countries where they were born.

In his testimony last January Commissioner Altmeyer told the Finance Committee that they had a right to be proud. I see no reason for pride. Our social-security system is a disgrace. The whole set-up is a gruesome example of where we can get when we start with a series of faulty ideas and, thereafter, expand and build upon them. Stage after stage is added to the superstructure, temporary props are put under the sagging floors. Political expediency demands further additions, until at last we have the system of today.

After 15 years of talk and conversation, of incessant propaganda by Mr. Altmeyer and those employed by him, we have fewer than 20 percent of our old people, 2 million out of 11½ million, beneficiaries of the so-called insurance system.

And now, to make confusion worse confounded, H. R. 6000 arrives before us, an enormous bill, 188 pages long, with 203 pages of matter from the House bill thrown in, a total of 391 pages of material.

V

What do we find? Here, briefly, are some of the points:

First. The bill enlarges the compulsory coverage of old-age and survivors insurance. Further occupational categories—not human beings, as I said, but occupational categories—are brought in, among them domestic workers and some other occupational classifications Farmers are left out, but hired men, if they work for a single employer for at least 60 days in a calendar quarter, with cash wages of at least $50 for services in the quarter, are brought in. Voluntary coverage is extended to about 1½ million State and local government employees who are presently without retirement plans. Already established plans of State and local government employees are not interfered with. New and compulsory coverage brings in 8,300,000 persons; 1,700,000 come in on the so-called voluntary basis. In sum, we may perhaps take 10,000,000 new persons on the old-age and survivors insurance rolls (pp. 5–6, Senate report).

Second. Persons in newly covered groups who will soon reach retirement age are put in a position to promptly qualify for benefits. The idea seems to be that through this quicker eligibility of older workers old-age assistance might be cut down to the same extent. That this is anything but certain I shall presently show (p. 7, Senate report).

Third. The whole scale of benefits is liberalized by an average of from 85 to 90 percent for all currently receiving old-age and survivors insurance benefits. The money for this liberalization comes from the tax income in current receipt from younger persons in the system (p. 6, Senate report).

Fourth. Old-age assistance: The Finance Committee in its release of May 5, 1950, stated that—

> The committee is of the opinion that the cost to the Federal Government for public assistance (this, of course, includes aid to dependent children and the blind) should not be increased further by modifying the existing matching formulas and establishing a new State-Federal program as would be provided by the House-approved bill.

Actually (p. 9, Senate report) existing law is retained except that where an old person gets so meager an OASI benefit that he can qualify for old-age assistance also, the Federal Government will match only 50–50 up to the $50-a-month OAA maximum. All this means is that in the past, in these particular cases, the Federal Government could pay $30 out of the first $50 of old-age assistance. Now, in these cases—and these double-jointed cases only—the Federal Government will pay no more than $25. Otherwise, the matching formula is left intact.

Fifth. The Finance Committee has declined to change the tax base, leaving it on the first $3,000 a covered person earns. But the tax on this base is supposed to rise with considerable speed. The tax, divided equally between employer and employee, is now 3 percent. If not frozen, it will rise to 4 percent in 1956; 5 percent in 1960; 6 percent in 1965, and, at length, to 6.5 percent in 1970 two decades from now.

VI

Let us now turn for a few minutes to the Senate Finance Committee's report on the bill, and see what light we can get from its 319 pages.

In the first place, we find that, as in the case of the House bill, the committee has thought it proper not to consider the many requests for a complete revamping of the system, and has not recognized the necessity for adopting a truly currently functioning program.

The senior Senator from Nebraska clearly recognizes this, and states in his minority views (p. 313):

> The committee has not attempted to make an analysis of the fundamental basis of our so-called social-security system. Although there was some discussion of making such a study and considering alternative methods of meeting the need, the committee, in effect, decided against taking such action this year. Instead, it was content to accept the present system substantially as it stands; revise the tax and benefit scale; patch up some of the inadequacies; attempt to fill some of the more glaring loopholes; and report a bill which will merely push us further along a course which I believe to be unwise.

In other words, what H. R. 6000 does is to get us deeper into confusion and contradiction. Even the majority seem to have a glimmer of this. They say in their report (p. 1):

> The onrush of broad social and economic developments has completely unbalanced the Nation's social-security system.

They further say (p. 2):

> Your committee's impelling concern in recommending passage of H. R. 6000, as revised, has been to take immediate, effective steps to cut down the need for further expansion of public assistance, particularly old-age assistance.

The committee must have been misled by the Social Security Administration. Certainly the definite recognition—and the report so recognizes it on page 9—that people will draw benefits from both systems simultaneously scarcely tends to reduce expenditures for old-age assistance. On the contrary, this sort of open advertisement is an encouragement to boost old-age-assistance costs.

True enough, the report recognizes that the present indigent aged, uncovered by OASI, must inevitably be forced into assistance. But the report on page 2 goes on to say:

> Your committee has not been able to arrive at definite conclusions on this problem in the time available for the consideration of H. R. 6000.

In other words, basic study has not been given to the problem. More than a year ago former President Hoover warned the House Ways and Means Committee that at least a year of independent study would be needed. His warning went unheeded, and the unhappy results of this neglect are now before us.

We find also a strange statement on page 3 of the report, in the section on Purpose and Scope of the Bill. This is a reference to private-pension plans, which have attracted so much recent attention in collective-bargaining agreements. Says the report, in discussing the disadvantages of these plans:

> Most of these plans do not give the worker rights which he can take with him from job to job.

If this statement is a reflection of the Social Security Administration's thinking, it marks a high point in cynicism. Commissioner Altmeyer knows perfectly well that, even if H. R. 6000 is passed, people can be moved in and out of OASI without taking their benefit rights with them.

Numerous weird arguments turn up in the discussion of extended coverage. For example, coverage is extended to the Virgin Islands at once and to Puerto Rico if the Puerto Rican Legislature so requests. Says the report on page 17:

> Puerto Rico and the Virgin Islands are a part of our American economy, and their populations are clearly in need of social-insurance protection. As a result of relatively low average earnings, workers there are generally unable to provide for their own future security.

The implication of this passage would seem to be that many of our high-wage people here at home could provide for their future security; but this possibility is never mentioned. Furthermore, this concern about the plight of Puerto Ricans and Virgin Islanders seems remarkable when it is recalled that millions of our own old people are shut out.

Some self-employed persons are compulsorily taken in, others are left out. Publishers are covered, but not certified public accountants; actors, but not dentists; chemists, but not physicians; musicians, but not professional engineers. The way the coverage among the self-employed might apply in a city block has been described this way:

> Let us imagine a city block of stores and offices occupied in the following manner: The first office is occupied by a physician. Next door is a bakery. Then comes an office occupied by an architect. Next to him is a small millinery shop. Beyond that is a dentist's office, followed by a florist. The next office houses a lawyer. On the corner is a filling station. The tax collector skips the doctor, the architect, the dentist, and the lawyer, but picks up $67.50 each from the baker, the milliner, the florist, and the owner of the filling station. The four who are taxed are probably less able to part with the money than the four who go scot free. None of the eight would be particularly likely to claim old-age-insurance benefits at age 65. We thus have the anomalous and unfair situation in which half the operators of small independent businesses on a block would be taxed, half would not. There is no justice, no logic in the arrangement. Presumably milliners, florists, bakers, and the like are not so well organized and not so vocal as doctors. But are taxes to be laid on the weak and unprotected, while the strong escape by clamoring? (Challenge to Socialism, p. 2, June 1, 1950.)

VII

As I have stated, the OASI benefits are raised in the bill in a highly varying degree. On the average those who are now receiving benefits—about 2,000,000 persons—will get from 85 to 90 percent more than they are getting now. The average primary benefit, now $26 a month for retired workers, would be increased to an average somewhere around $48 (p. 6). These increases, as I said, will be paid out of current security tax revenues.

Now for the new categories, and they are of considerable concern, to the Senator from Washington, anyway. Younger people just coming in may require as much as 40 calendar quarters of coverage, earning $50 or more during a quarter. The self-employed, a more high-toned crowd, must have at least $100 a quarter in order to be covered.

But since there are numerous old people still at work and not far from 65, some way has got to be found to permit them to qualify quickly. So any person 62 years or over on the effective date of the bill would be fully insured for benefits at age 65 if he had at least six quarters of coverage acquired at any time.

Through such methods of operation the Social Security Administration figures that "about 700,000 additional persons would be paid benefits in the first year of operation, thus reducing the need for public assistance by the States."

Whether this reduction of need is referring to the reduction in Federal subsidy of $5 a customer for those who manage to get both OASI and old-age assistance is not clear. But it may well be. Looked at, first blush, it would appear that the Siamese-twin system simply proposed to move 700,000 persons out of old-age assistance and into OASI. But such a performance, done with mirrors, seems hardly possible even for Mr. Altmeyer's expert scene shifters.

It does seem likely, however, that this claim for a reduction in assistance payments does have some reference to that altered part of the matching formula which reduces the Federal subsidy, $5 a customer, for those who manage to get both OASI and old-age assistance.

But that this new first-year crowd of 700,000 means any real reduction in old-age assistance costs I do not believe for a minute. There may be an occasional dip in these costs. There was, as I understand, a decline of four-tenths of 1 percent in the total Federal subsidy in February 1950.

But such intermittent variations in the curve can hardly alter the steady climb. A case turned up last April of old-age-assistance payments of $568 a month. There may be many hidden items in that case that we do not know about, but it happened.

VIII

Let us have a bald look ourselves. We have about 11,500,000 persons 65 years and over in the country now. We have 2,000,000 persons getting OASI benefits and we have 2,700,000 getting old-age assistance. That is a total of 4,700,000. Now if there are taken on 700,000 new OASI beneficiaries in the next year, and for the sake of argument let us say that none come from old-age assistance, we will have a maximum of 5,400,000 persons receiving money from OASI or OAA. In other words, almost half the people 65 years and over in America will still be left out of consideration.

What about those who are not being given other consideration or benefits today, Mr. President? We simply do not have an answer to that question. We are supposed for the moment—and I presume we must do so—quietly to forget about them. But now let us turn around and look what is ahead of OASI. As I have said, these arbitrarily increased benefits will be currently paid out of social-security tax revenues. According to the trustees' report of 1950, there were more than $11,000,000,000 worth of Government bonds in the trust fund on June 30, 1949. The taxpayers can worry about those bonds, I might suggest, so there is no immediate strain on the system.

If H. R. 6000 passes, as certainly it will do next Tuesday, there are certain things we ought to bear in mind. As I understand the figure to be, we will be paying OASI benefits to 2,700,000 persons only during the coming year. But as the coverage extends and as the number of insured who reach retirement age and claim benefits increases, then the threat of some real trouble for all of us comes.

Every member of the committee with whom I have discussed this question has quite frankly admitted the possibility of financial trouble in the years to come. But it is the sincere hope of the members of the committee and other Members of the Senate that the problem will have been solved before the system is overcome with trouble.

SIX OR SEVEN MILLION AGED NOT COVERED

Mr. MALONE. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. MALONE. Did I correctly understand the distinguished Senator from Washington to say that even this new

social-security bill would not reach any of the existing six or seven or eight million people who are 65 or over at this time who are not under the old bill—I presume because they have not paid into the fund, and that there is no provision for them?

Mr. CAIN. The understanding of the junior Senator from Washington is that when the present social-security system, which includes old-age insurance and survivors benefits and financial assistance programs in the State, has been agreed to by the Congress, there will yet be from five to six million aged Americans, each 65 or older, who will be receiving financial assistance and/or benefits from no source, either Federal or State.

MAXIMUM SOCIAL-SECURITY SYSTEM WILL STAND

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. CAIN. I am pleased to yield.

Mr. MALONE. The junior Senator from Nevada is for the maximum of social security that the economic system will stand without undue pressure or dislocation. Has the distinguished Senator from Washington heard any discussion or does he know of any study as to what this plan might do to the economic system which I think the distinguished Senator from Washington would agree with the junior Senator from Nevada is not too sound at the moment? It seems to me that should be the first consideration; then, with that in mind, we should go just as far as we can go in including the remainder of the aged persons—65 or over.

Mr. CAIN. In the past several days some of the finest Americans in the land, who are Senators of the United States, from both political parties, have publicly stated that the present system, whether left as it is or whether it is expanded or liberalized, frightens them, and that they look forward to the time in the near future when the present system can be replaced by a system which pays for itself on a current or annual basis. There is a ready admission—I think I state the point correctly—on the part of some of the members of the Finance Committee, that there will be no dangerous economic strain, or no dangerous financial strain, on our Nation's economy with reference to the proposed extension and liberalization of the present social-security system for the next 4 or 5 years. I cannot remember at the minute how many million Americans are actually covered by the system and pay into it, but we know that figure is many million persons more than are drawing benefits at this time.

That, I think, is one of the reasons why the chief defenders of H. R. 6000, as revised, urge us to pass the bill at this time. Those gentlemen are sincerely of the opinion, I take it, that there is time remaining in which we can secure a different system before the Nation is seriously disturbed by the defects, the faults, and the inequities inherent in the social-security system now in operation.

SYSTEM NEITHER INSURANCE NOR PENSION

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. CAIN. I yield.

Mr. MALONE. Then, recognizing, as the distinguished Senator from Washington has already explained, that this particular system never has been and is not now either fish or fowl; that it is neither insurance, such as that into which one pays an amount somewhat comparable to that which will on the average, be paid out to the beneficiary, plus interest, nor is it altogether a pension; but is a hybrid thing. Has the junior Senator from Washington seen a breakdown and study sufficient to convince him that it will be 3 or 4 years before the system becomes effective? The junior Senator from Nevada has not seen any such study.

Mr. CAIN. The Senator from Washington has seen no figures. He has merely done some work with his own pencil. He has taken the number of people who pay into the system, and the amounts they pay, and he has considered the number of people who are to benefit from the system, and because the system is taking in currently much more money than it can use, it is just as easy as we are making it easy, among other things to increase the benefits.

The trouble will come when either the benefits become too high or there no longer is sufficient money coming in to satisfy the obligations. The best thinking I know of in the country is that after H. R. 6000, as amended, has been approved and becomes the law, in 5 or 6 years we simply will not then be able to have enough payers into the system to pay out the obligations so rightfully to be demanded by the beneficiaries of the system, which is another way of saying that everyone is in agreement, whether we are for or against H. R. 6000, as revised, that we better get rid of the system we have at the earliest possible moment if we want to keep it from becoming financially involved in a serious way, and if we want to keep faith with the aged people of America.

Will my friend from Nevada permit this most frank observation? I think that those of us who are endeavoring constructively to criticize this proposed legislation can only hope at this session of the Congress to achieve two things. The first is that we will be able to advise the American Nation, including its aged population, of what America's social-security system can never do for millions of them if they live to be a million years of age. Secondly, we might so dramatize the weaknesses and the faults and the inequities included in the system which is now before us for discussion, that more Senators will be determined to find an equitable system to replace a system which was well-intentioned, to my mind, from the beginning, but which has on the basis of performance outlived its usefulness and failed to realize the objective laid down for it in 1935.

BOND PURCHASES

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. CAIN. I am glad to yield.

Mr. MALONE. The explanation of the distinguished Senator from Washington is very clear so far as he goes. But what happens to the money that piles up in the Treasury or elsewhere? It is not, as I understand, invested in real property or in any manner invested so that there is a return on the money, as there is on insurance funds, as such funds usually are invested. But is paid into the United States Treasury, and presumably from what the junior Senator from Nevada understands is, to a large extent, used to buy Government bonds.

Mr. CAIN. I think the Senator from Nevada is quite right. I may state it another way. X number of dollars come into the social-security fund. They are turned over to the Government to be used for satisfying current obligations, and so on. They are replaced by Government bonds with a maturity which in due time, when the due date has been reached, must be picked up by the Federal Treasury.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. CAIN. Certainly.

DOUBLE TAXATION FOR BENEFITS

Mr. MALONE. It seems a little confusing to the junior Senator from Nevada that we tax certain citizens who are currently on payrolls, 1½ or 2 percent—and I understand the tax increases as the pay increases—and tax from the employer so much, all of which goes into the Treasury. We then buy bonds with that money and pay interest on the bonds. The interest on the bonds is paid by the taxpayers. Then, when the time comes that payment must be made, we cash the bonds, presumably, in order to obtain the money. But when the bonds are cashed we immediately have to sell more bonds to make up the deficit. So, perhaps what actually happens is, we merely assess the taxpayers at the moment and pay currently what we have to pay. It finally featheredges out into the twilight zone, and it is very difficult to determine who is paying for what, and when.

The junior Senator from Nevada has heard no adequate explanation as yet of just how these funds are handled and what effect the process has on the employee and the employer, who are also taxpayers, with whom it finally catches up, the second time. It looks more like a double payment system. Can the junior Senator from Washington enlighten the junior Senator from Nevada on this point?

Mr. CAIN. The Senator from Washington believes he can help the Senator's thinking perhaps a little bit. To my mind, the thought of the Senator from Nevada with reference to this so-called trust fund is substantially correct. I myself cannot forget that yesterday I listened to a man who is extremely intelligent and very thoughtful, the junior Senator from Colorado [Mr. MILLIKIN], ranking minority member of the Senate Finance Committee, who advised the Senate and the Congress that the sooner we could get away from a reserve fund which was not truly a funded

operation, the better off the country would be. He then continued, saying substantially this: "But what we have in the form of a trust fund is a fake." The Senator used that word—f-a-k-e.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. CAIN. When I have finished this point, if it is then the wish of the Senator from Arizona, I shall be very pleased to yield to him. I urge the Senator from Nevada—and this is what the Senator from Washington likewise wishes to do—when first we have an opportunity which will be soon, either this afternoon or tomorrow, to pose either to the Senator from Georgia, who would be pleased to answer it, or to the Senator from Colorado, who likewise would be pleased to talk to us about the question which concerns us both at the moment, namely, What is the true nature and the ultimate future of the so-called social security trust fund, if it is not to be replaced shortly by some other method of operation?

## MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes, and it was signed by the President pro tempore.

Mr. CAIN. I now yield to the Senator from Arizona.

## STUDY AND INVESTIGATION OF SOCIAL-SECURITY PROGRAMS

Mr. MILLIKIN. Mr. President, will the Senator from Arizona yield? I should like to ask unanimous consent to submit a resolution and explain its general nature, if I may.

Mr. HAYDEN. I yield for that purpose.

Mr. MILLIKIN. Mr. President, in the unanimous-consent agreement to vote on the pending bill it was provided that there shall be included a vote on a resolution sanctioned by the Senate Committee on Finance and to be offered by the Senator from Georgia [Mr. GEORGE] and the Senator from Colorado [Mr. MILLIKIN], authorizing and directing that said committee, or any duly authorized subcommittee thereof, shall continue the study and investigation of social-security problems in the United States on general and specific subjects to be described in said resolution, and so forth.

The resolution reads as follows:

*Resolved*, That, for the purpose of assisting the Senate in dealing with legislation relating to social security hereafter originating in the House of Representatives, under the requirements of the Constitution, the Committee on Finance or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of social-security programs with a view toward ascertaining what further changes should be made in the laws of the United States relating to social security.

The Committee on Finance shall determine the scope of said study and investigation, and without limitation thereon the following shall be included:

1. The type of social-security programs which are most consistent with the needs of the people of the United States and with our economic system, including study and investigation of proposed programs for a pay-as-you-go universal coverage system and the problems of transition to such a system.

2. The extension of coverage under the old-age and survivors insurance program to farm operators and nonregularly employed agricultural labor and to other uncovered workers with a minimum burden of record-keeping and report-making imposed upon such farm operators and the employers of such other uncovered workers.

3. Financing of the old-age and survivors insurance program particularly with respect to the issue of reserve financing as opposed to a pay-as-you-go plan.

4. Increased work opportunities for the aged who are able and willing to work.

5. The relationship of the social-security programs to private pension plans.

6. The social-security programs in relation to care, income, maintenance, and rehabilitation of disabled workers.

SEC. 2. For the purposes of this resolution, the committee or the subcommittee thereof duly authorized to conduct the study and investigation under this resolution is authorized to employ such technical, clerical, and other assistants as it deems advisable and to designate and appoint advisors.

SEC. 3. The committee or the subcommittee thereof duly authorized to conduct the study and investigation under this resolution is authorized, with the approval of the Committee on Rules and Administration, to request the use of the services, information, facilities, and personnel of the departments and agencies in the executive branch of the Government in the performance of its duties under this resolution.

SEC. 4. The expenses of the committee or subcommittee under this resolution, which shall not exceed $25,000, shall be paid out of the contingent fund of the Senate upon vouchers signed by the chairman of the committee.

Mr. President, on behalf of the Senator from Georgia [Mr. GEORGE] and myself I submit the resolution and ask that it lie on the table and be printed.

Mr. TAFT. Mr. President, will the resolution be referred to the Committee on Finance?

Mr. MILLIKIN. I do not believe it is necessary for the resolution to be referred to the Committee on Finance.

Mr. HAYDEN. The Committee on Finance must pass on the resolution.

Mr. MILLIKIN. Then may I have it referred to the Committee on Finance?

The PRESIDING OFFICER (Mr. THYE in the chair). The unanimous-consent agreement entered into yesterday referred to the fact that a resolution would be introduced "sanctioned by the Senate Committee on Finance, and to be offered by Senators GEORGE and MILLIKIN," and that it would be received and voted on on next Tuesday.

Mr. TAFT. What I was concerned about was that the rules of the Senate require the Committee on Rules and Administration to pass on any resolution which provides an allowance of $25,000.

Mr. MILLIKIN. It is mentioned in the resolution.

The PRESIDING OFFICER. The Chair is of the opinion, on the advice of the Parliamentarian, that the unanimous-consent agreement in that respect suspends the rule.

Mr. TAFT. It is entirely satisfactory to me. I merely did not want the resolution to lie on the table if it had to go through two committees before it could be voted on.

The PRESIDING OFFICER. Without objection, it is the order of the Chair that the resolution lie on the table until next Tuesday, at which time it will be voted on.

The resolution (S. Res. 300) was ordered to lie on the table, and to be printed.

## AMENDMENT OF THE HATCH ACT—CONFERENCE REPORT

Mr. HAYDEN. Mr. President, announcement was made earlier in the day that at about this hour an effort would be made to consider the conference report on the bill (H. R. 2143) to amend the Hatch Act.

The PRESIDING OFFICER (Mr. THYE in the chair). Does the Senator from Washington yield for that purpose?

Mr. CAIN. Will the Senator permit me to ask a question?

Mr. HAYDEN. Yes.

Mr. CAIN. I would be most willing to yield for that purpose, according to the agreement reached earlier in the day. Would it be possible to have the proceedings on that question placed in the RECORD following the presentation now being made on the pending bill?

Mr. HAYDEN. It is understood that the Senator from Washington will resume the floor as soon as this matter is disposed of. I ask unanimous consent that that be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYDEN. Mr. President, I ask that the conference report on the bill (H. R. 1243) to amend the Hatch Act be submitted, and I move that the Senate proceed to consider it.

Mr. STENNIS. Mr. President, I submit the conference report on House bill 1243, to amend the Hatch Act.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1243) to amend the Hatch Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 9 of the Act entitled 'An Act to prevent pernicious political activities', approved August 2, 1939, is amended by striking out subsection (b) and inserting in lieu thereof the following subsections:

"'(b) If in the case of any person violating the provisions of this section it is found by the United States Civil Service Commission that such violation warrants removal he shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by any Act of Congress for such position or office shall be used to pay the compensation of such person. If the Commission finds by unanimous vote that the violation does not warrant removal, a lesser penalty shall be imposed by direction of the Commission: *Provided*, That in no case shall the penalty be less than thirty days suspension without pay: *Pro-*

*vided further,* That in the case of any person who has heretofore been removed from the service under the provisions of this section, the Commission shall upon request reopen and reconsider the record in such case. If it shall find by a unanimous vote that the acts committed were such as to warrant a penalty of less than removal it shall issue an order revoking the restriction against reemployment in the position from which removed, or in any other position for which he may be qualified.

"'(c) At the end of each fiscal year the Commission shall report to the President for transmittal to the Congress the names, addresses, and nature of employment of all persons with respect to whom action has been taken by the Commission under the terms of this section, with a statement of the facts upon which action was taken, and the penalty imposed.

"'(d) Records containing testimony or other evidence relevant to charges and allegations of a violation or violations of this Act in proceedings had pursuant to this section shall be made available to either the Senate or the House of Representatives upon the request of any committee thereof.'

"SEC. 2. Section 16 of such Act is amended by striking out 'to the extent the Commission deems to be in the domestic interest of such persons' and inserting in lieu thereof a colon and the following: '*Provided,* That no regulations promulgated under this section permitting any person to take part in political management or political campaigns shall impose any restrictions on his doing so through the medium of any political organization or political party of his own choosing, including participation as an individual, candidate or manager in primaries, conventions, caucuses, or meetings of any such political organization or political party'.

"SEC. 3. Section 612 of title 18, United States Code, is hereby amended to read as follows:

"'§ 612. Publication or distribution of political statements

"'Whoever willfully publishes or distributes, or for the purpose of publishing or distributing the same, knowingly deposits for mailing or delivery, or knowingly transports in interstate commerce any card, pamphlet, circular, poster, dodger, advertisement, writing, or other statement relating to or concerning any person who has publicly declared his intention to seek the office of President, or Vice President of the United States, or Senator or Representative in, or Delegate or Resident Commissioner to Congress, in a primary, general, or special election, or convention of a political party, or has caused or permitted his intention to do so to be publicly declared, which does not contain the names of the persons, associations, committees, and corporations responsible for the publication or distribution of the same, and the names of the officers of each such association, committee, or corporation, shall be fined not more than $1,000 or imprisoned not more than one year, or both.'"

And the Senate agree to the same.

JOHN C. STENNIS,
G. M. GILLETTE,
ANDREW F. SCHOEPPEL,
*Managers on the Part of the Senate.*
BURR P. HARRISON,
CHASE GOING WOODHOUSE,
K. M. LECOMPTE,
*Managers on the Part of the House.*

Mr. HAYDEN. Mr. President, I made this motion because I am chairman of the Committee on Rules and Administration, which——

Mr. TAFT. Mr. President, has the motion been agreed to?

The PRESIDING OFFICER. It has not been. The question is on the motion of the Senator from Arizona.

The motion was agreed to, and the Senate proceeded to consider the conference report.

Mr. HAYDEN. I wanted to explain that I made this motion on behalf of the Committee on Rules and Administration, which handled the bill. I was not a member of the conference committee, but there are two members of the conference committee present, and I suggest that they explain the report to the Senate.

Mr. TAFT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hendrickson | Maybank |
| Benton | Hickenlooper | Millikin |
| Brewster | Hill | Mundt |
| Bricker | Holland | Myers |
| Bridges | Humphrey | Neely |
| Butler | Hunt | O'Mahoney |
| Byrd | Ives | Robertson |
| Cain | Johnson, Colo. | Russell |
| Capehart | Kefauver | Saltonstall |
| Chapman | Kem | Schoeppel |
| Chavez | Kerr | Smith, Maine |
| Connally | Kilgore | Smith, N. J. |
| Cordon | Knowland | Sparkman |
| Donnell | Leahy | Stennis |
| Dworshak | Lehman | Taft |
| Eastland | Lodge | Thomas, Utah |
| Ecton | Lucas | Thye |
| Ellender | McCarran | Tobey |
| Flanders | McCarthy | Tydings |
| Fulbright | McClellan | Watkins |
| George | McFarland | Wherry |
| Gillette | McKellar | Withers |
| Green | McMahon | Young |
| Gurney | Malone | |
| Hayden | Martin | |

The PRESIDING OFFICER (Mr. KERR in the chair). A quorum is present. The question is on agreeing to the conference report.

Mr. STENNIS. Mr. President, I have prepared a statement which covers the major points involved in the conference report, and I ask unanimous consent that it be inserted in the RECORD at this point. Then I shall proceed to discuss certain major points in the report itself.

There being no objection, the statement of Mr. STENNIS was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR STENNIS

The Senate conferees, in arriving at an agreement with the House managers on the provisions of the measure (H. R. 1243), entitled "An act to amend the Hatch act," have for the most part retained the substance of provisions added to it by the Senate and, accordingly, have now recommended to the Senate that the conference report on this bill be agreed to.

It should be noted that the original purpose of this bill was to amend section 9 (b) of the Hatch Act in order to eliminate certain injustices resulting from its present rigid construction. Section 9 (b), as it is now written, makes no provision for the exercise of discretion by the Civil Service Commission in the dismissal of Government employees for political activity. Instead, it imposes upon the Commission the duty to remove any violator of the Hatch Act from the position or office held by him regardless of the triviality of the offense or of the circumstances surrounding its commission. It is the intent of both Houses to amend section 9 (b) to provide for the imposition of penalties commensurate with the degree of the offense and to permit the Commission, upon request, to reopen and reconsider the records in cases of persons who have heretofore been removed from the service under the provisions of this section. Also, this section, as amended, will now provide the Civil Service Commission with a certain latitude of discretion in its determination of the degree of the offense and of the penalty to be imposed in each particular case. This latitude of discretion has one very important limitation which has been attached thereto by the Senate and which the committee on conference recommends unanimously, namely, that before a lesser penalty can be imposed for a violation of the Hatch Act the Civil Service Commission must find, by unanimous vote, that such violation does not warrant removal.

In the Senate version of the act a minimum penalty of 60 days suspension from duty was required where the Commission, in its discretion, decided to grant a penalty less than removal from office. The Senate conferees, together with the House managers, agreed that some minimum should be placed on the penalty to be imposed but, after full consideration of all the resultant hardships to minor violators, it was decided that a minimum of 30 days suspension from duty without pay would suffice as a penalty in many instances.

The Senate conferees, together with the House managers, after much deliberation and upon the advice of the Civil Service Commission, also agreed unanimously to eliminate the phrase "after hearing" added by the Senate to section 1. If these words were retained it would be mandatory for the Civil Service Commission to hold hearings in all cases which would entail the useless expenditure of funds in minor cases, now nearly always settled or administered by mail. Furthermore, the Commission would be confronted with administrative problems complicated by the impotence of the Commission to subpena alleged violators and witnesses. Hence the Commission, in conducting an investigation, would be forced to send personnel into the field whenever an accused violator refused to come to Washington, D. C., and, of course, would have no legal power or right to subpena witnesses who might be necessary in a full development of such investigation.

After much consideration, the Senate conferees and House managers also agreed to eliminate the words "not willful" added by Senate amendment to the bill as being administratively impracticable.

The Civil Service Commission has pointed out that, according to the legal interpretation of the phrase, in all the cases it has reviewed in the past 10 years only two or three could be classified as being "not willful." Thus, if this phrase should remain in the act the primary purpose of the legislation would be nullified. The Commission would not, under such provision, be able to assess a lesser penalty in more than three or four cases a decade. The whole purpose of the first part of this bill, to make future punishments fit the violations, would in the greater sense be set aside and leave the adoption of this conference report almost an empty and useless act on the part of Congress. There would be no point in granting the Commission discretionary power to prescribe a lesser penalty if few opportunities henceforth could be given it for the exercisement of that discretion.

The Commission has stated quite clearly that a Government employee is given little leeway to commit a political act which is "not willful." What is permissible and not permissible in politics is printed on the affidavit which a person signs to enter Government employ. He is surrounded by bulletin boards carrying warnings against certain types of political action. He is told that all persons within the scope of the political-activity statutes must take the responsibility to see that their acts do not offend such laws,

and if he has doubts he must resolve them first by inquiry to the Commission or his superior before acting.

However, it is the consensus of the Senate conferees and the House managers that the Civil Service Commission should consider the degree of willfulness in any violation of the Hatch Act and that the penalties imposed on such violators should be based, to a very great extent, on such degree of willfulness in the commission of the violations.

The Commission cannot be excused by the terms of this conference report from taking into account the type and purpose of each violation. Where there is a gross violation of the act, or an act which shows a reckless disregard for the law, the Commission must be expected to remove the violator and not use the grant of a lesser penalty by Congress instead as the means of punishment. Not to take into consideration the motives of the violator for his political act, and to estimate his willfulness, is for the Commission to ignore the reasons and the good faith of the Senate conferees in agreeing to strike the words "not willful" from the bill.

A memorandum on the meaning of the word "willful," prepared by the American Law Section of the Legislative Reference Service of the Library of Congress for the Committee on Rules and Administration of the United States Senate, is included in this statement at this point:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
*Washington, D. C., January 31, 1950.*

To: Senate Committee on Rules.

Subject: Meaning of word "willful" in connection with proposed amendment to H. R. 1243.

The Supreme Court has often pointed out that "willful" is a word "of many meanings, its construction often being influenced by its context." *Spies* v. *United States* ((1943) 317 U. S. 492); *United States* v. *Murdock* ((1933) 290 U. S. 389). When used in a criminal statute, the word "generally means an act done with a bad purpose." *United States* v. *Murdock*, supra; *United States* v. *Illinois Central R. Co.* ((1938) 303 U. S. 239). This is especially true where the statute denounces an offense involving turpitude. *United States* v. *Illinois Central R. Co.*, supra. In such cases "something more is required than the doing of the act proscribed by the statute." *Screws* v. *United States* ((1945) 325 U. S. 91). An evil motive to accomplish that which the statute condemns becomes a constituent element of the crime. *Screws* v. *United States*, supra; *Spurr* v. *United States* ((1899) 174 U. S. 728); *United States* v. *Murdock*, supra. In other words, actual knowledge of the existence of obligation and a wrongful intention to evade it is of the essence. *Hargrove* v. *United States* ((C. C. A. 5th, 1933) 67 F. (2d) 820), and cases cited. And the issue must be submitted to the jury under appropriate instructions. *United States* v. *Ragen* ((1942) 314 U. S. 513); *Screws* v. *United States*, supra.

On the other hand, in statutes denouncing actions not in themselves wrong, the word "willful" is "often used without any such implication." *United States* v. *Illinois Central R. Co.*, supra. It often denotes simply that which is "intentional, or knowing, or voluntary, as distinct from accidental" and may be employed to characterize conduct "marked by careless disregard whether or not one has the right so to act." *United States* v. *Illinois Central R. Co.*, supra; *United States* v. *Murdock*, supra. See also *Screws* v. *United States*, supra. That is, where the actor, having a free will or a choice, either intentionally disregards the statute or is plainly indifferent to its requirements, he may be said to have acted willfully. *United States* v. *Illinois Central R. Co.*, supra; *United States* v. *Murdock*, supra. It should be noted, however, that in criminal statutes such as those relating to the payment of taxes, the Supreme Court has generally construed the word "willful" as requiring an evil motive. See *United States* v. *Murdock*, supra; *Spies* v. *United States*, supra; *United States* v. *Hargrove*, supra, and cases cited.

In the amendment here under scrutiny [see CONGRESSIONAL RECORD, January 19, 1950, pp. 623–624] the provision dealt with is section 9 of the Hatch Act as proposed to be amended. This section denounces certain political activities of Government officers or employees as unlawful and prescribes as a penalty the loss or deprivation of employment. This, then, is not a criminal statute of the usual kind imposing a fine or imprisonment or both for its violation. Therefore, since in addition the activities proscribed are generally lawful and do not necessarily involve turpitude, it is at least open to argument that the word "willful" as used in this connection with regard to violations would be interpreted in the sense indicated in the second paragraph of this memorandum.

In any event, a court would endeavor to give that construction to the word which would give effect to the purpose of the Hatch Act to curtail undesirable political activity on the part of Government officers and employees. See *United States* v. *Illinois Central R. Co.*, supra; *United Public Works of America* v. *Mitchell* ((1947) 330 U. S. 75).

ROBERT S. OGLEBAY,
*American Law Section.*

The Senate conferees also agreed to certain changes in section (d) of the bill which relates to the availability of testimony of hearings on violations held before the Civil Service Commission. In the bill, as it passed the Senate, the language of section (d) is rather broad and might conceivably be interpreted as imposing upon the Civil Service Commission the duty to have all testimony in all hearings transcribed, whether the occasion demands such an expense or not. It also imposes on the Civil Service Commission the duty to make such transcribed testimony available to congressional committees regardless of its relevancy or materiality. This the conferees have attempted to correct by refraining to impose a duty to have all testimony transcribed and by limiting the testimony available to the congressional committees to that which is relevant and material to the charges and allegations of the violations.

Under the Senate version of the bill the Civil Service Commission is required to report to the Congress at the end of each calendar month the names, addresses, and nature of employment of all persons with respect to whom action has been taken by the Commission under the terms of the act, with a statement of the facts upon which action was taken and the penalty imposed. The conferees agreed that to require the Civil Service Commission to report on these matters every month was an unnecessary imposition. Since there is no particular secrecy surrounding this information Congress may now obtain it if it wishes. However, the conferees, in an attempt to carry out the intent of the Senate, have insisted upon an inclusion of this information in the annual report of the Commission submitted to the President for transmittal to the Congress.

The purposes of section 2 are retained by the conferees notwithstanding the fact that the language of the bill, as passed by the Senate, has been considerably modified by this report.

Under section 16 of the Hatch Act, as it now stands, the Civil Service Commission has discretion to issue regulations permitting Federal employees who reside in the immediate vicinity of the National Capital actively to participate in political management or political campaigns involving the election of officials on a county or municipal level. This same right is extended to employees in communities elsewhere in the United States which have as their citizens a substantial number of Government employees.

The Commission's regulations now in effect permit an employee of the Government in the above designated areas to participate as a candidate, or to act on behalf of a candidate for municipal or county offices, only as an independent or on a nonpartisan basis. This has resulted, in the opinion of the conferees, in some unfairness to Federal employees living in such areas who, as members of established political parties, are denied by the regulations from acting in elections affecting their communities. It is especially true where these employees, who are in the majority in their particular counties, must suppress their activity for an official if he is running on a partisan ticket.

This report, as the Senate intended, therefore proposes that a Government employee residing in a nearby area or living in a locality predominately Federal may participate in a local election on a partisan basis. The Commission is left with the duty of issuing regulations controlling such participation provided they do not inhibit the activity of anyone as a member of a regularly established political party. No one will be denied participation in local elections as a nonpartisan. Neither will anyone be denied activity while a member of a national political organization not otherwise barred to Federal employees by law. The language of the report here retains all the precedents and existing rights of the Commission in this matter, while denying to the Commission the power to promulgate regulations which would penalize an employee who wishes to work for his own party on a county or municipal level.

The Senate conferees have also agreed to a redraft of section 3 of the bill so that it substantially incorporates the language of the law as it is today, which has been interpreted judicially on many occasions and under which the Federal Government has been prosecuting offenses for several years. On the advice of the Department of Justice it was also agreed to change the Senate amendment in regard to the fines to be imposed for the particular offenses from $5,000 or imprisonment for not more than 2 years, or both, to $1,000 or imprisonment for not more than 1 year, or both. It was determined that as a matter of practice, rather than principle, the Federal prosecutors would be able to obtain convictions more readily if the severity of the punishment was not too great.

Mr. STENNIS. As every Senator knows, the present law provides that for any violation of the so-called Hatch Act the penalty shall be an absolute removal from the position held by the offender. This bill originated in the House and was designed merely to make it possible for the Civil Service Commission in so-called minor cases to impose a lesser penalty than absolute removal. It vested in the Commission the discretionary power so to act. The bill was amended in the Senate so as to vest the Commission with authority to impose a lesser penalty provided there was a unanimous verdict on that point by the Civil Service Commission. Since the Commission is a bipartisan board, the idea was advanced by the junior Senator from California [Mr. KNOWLAND] that that fact would eliminate any tendency which might otherwise arise toward a partisan consideration of the question involved. It was agreed in conference that if there was a unanimous vote a penalty less than removal could be imposed, pro-

vided the penalty was not less than 30 days' suspension without pay. The provision adopted by the Senate called for a 60-day suspension without pay. In conference, as I have said, the provision was changed to 30 days.

As the Senate passed the bill it contained the words "after hearing" in all cases. The conferees found that provision to be somewhat impractical and to involve a very expensive procedure. We found that in practice at the present time when a hearing is requested it is always granted. Therefore that provision was eliminated by agreement.

The words "not willful" were also in the bill as passed by the Senate, providing that the lesser penalty could be imposed when the act complained of was not willful. We found that in criminal law that term would cover practically everything in all the cases that had been complained of in more than 10 years of the operation of the act. Therefore we thought it was too broad a term. As the statement shows and the report will reflect, we thought that in the case of a gross violation of the act or a reckless disregard of the law the Commission must be expected to remove the violator and not impose a lesser penalty. Incidentally, the report of the conferees is unanimous on the part of the House conferees and the Senate conferees. The Senate conferees were the Senator from Iowa [Mr. GILLETTE], the Senator from Kansas [Mr. SCHOEPPEL], and myself.

A provision in the bill as passed by the Senate provided for reports to be filed and the evidence to be available. That provision was changed to read that reports would be available as to such relevant testimony as may have been taken regarding the charges. In the conference report provision is made for an annual report to be filed.

There is another new section with respect to the penalty that shall be imposed on anyone who circulates or puts in the mail any false accusations in a political campaign unless they are signed and their source shown. That was worked out by providing a thousand dollar fine and a 1 year jail sentence, either or both, or any part of both.

I come now to an altogether different phase of the report. The Senate amendment carried a provision with reference to Federal employees in the States of Virginia and Maryland, particularly those living in the vicinity of Washington, D. C. The original Hatch Act did not permit such employees to take part in any campaign or in any election in any way even on a local level. About 1 year after the Hatch Act was passed an amendment was made to it which adopted the old procedure which had been in effect in the Civil Service Commission for many years, under which the Commission allowed Federal employees to take part in such elections provided their activities were absolutely nonpartisan. This practice of the Civil Service Commission was embodied in an amendment to the Hatch Act 1 year after the act was passed. Acting under that authority the Civil Service Commission again brought forward their rule, under which the employees of the Federal Government affected can now take part in local elections, but cannot take part as members of any party. In other words, they are precluded in their political activities on a local level from lining up with the Republican Party, the Democratic Party, or any other party.

The position of the Committee on Rules and Administration and the Senate when it passed the bill was that that was an unreasonable limitation upon their activities. It was thought that if they are to be allowed to take part at all in elections on a local level they should be permitted to take part whether as members of a party or outside of a party.

Mr. President, this proved to be a rather complex and intricate problem, and it was very difficult to work out definitely and write down in the law a rule that would cover all the different contingencies. So finally it was decided to follow the present law, leaving the present authority in the Civil Service Commissioners, except that they would be prohibited from imposing the restriction as to party on the activities of the employees. In other words, the amendment provides that the Civil Service Commissioners may promulgate the rules as heretofore, but they shall not impose the limitation that the employees cannot take part in local party primaries and elections as members of a party. If they are to be allowed to take part at all, it must be without limitation as to party.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. STENNIS. I yield to the Senator from West Virginia.

Mr. KILGORE. Is it not an actual fact that in most local elections, or a great portion of them, the names of the candidates, even though the election is a purely municipal affair, are under the designation of one of the major parties, and therefore the employees would be precluded, except in the case of what is called a nonpartisan election, say for councilman, such as occurs in Cincinnati? Is not that a fact?

Mr. STENNIS. I am not sure I understand the Senator's question.

Mr. KILGORE. In most cities, in local elections the candidates' names are set out on the party tickets.

Mr. STENNIS. Yes.

Mr. KILGORE. It would be in only a few situations, where there are elections to nonpartisan councils, or nonpartisan boards of education, in which a Federal employee would be able to participate under the old rule where as under the proposed rule he could go in and vote on local questions, in which he might have a very vital interest, without getting into national politics on any scale, although the party might be called the Democratic or the Republican Party on the local level.

Mr. STENNIS. I believe the Senator is correct. The limitation was considered to be an unwarranted one. The citizen should not be told that he should stay out of any particular party, because that is for him to decide.

Section 16 as the bill is now written applies to contiguous areas around the District of Columbia, which includes Arlington, Fairfax County, Va.; Montgomery County and Prince Georges County, Md., and perhaps a few other places in Maryland. It does not include Oak Ridge, Tenn., as there is a special law covering related questions for Oak Ridge. We simply did not go into that, but left the present law as it is.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Tennessee.

Mr. McKELLAR. As a matter of fact, under the present law Oak Ridge is governed by a New York corporation, and that corporation is licensing all the activities of the usual city government. I am very sorry the Senator or the committee left the amendment out.

Mr. STENNIS. The conferees were very sorry to leave this matter uncovered, but Oak Ridge is more or less a Federal city, governed, up until now, under a special law designed especially for it. Our idea was that the law should not be changed, and that the case of Oak Ridge should be separated from the problems immediately attending the subject matter of the bill.

Mr. McKELLAR. I shall certainly introduce a bill to correct the situation affecting Oak Ridge. I offered the amendment, which was agreed to, and I am very regretful that the committee saw fit to leave it out.

Mr. STENNIS. The conferees regretted very much that they could not cover that matter.

Mr. President, I believe my statement covers the main points.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Ohio.

Mr. TAFT. I refer the Senator to the language appearing on the first page of the conference report, and ask him if he does not think it is much more defective than the language in the bill passed by the Senate. In effect the conferees took the House language, which reads as follows:

> If in the case of any person violating the provisions of this section it is found by the United States Civil Service Commission that such violation warrants removal—

It is entirely in their discretion, and there is no suggestion of any standard that I can see—

> he shall be immediately removed.

The next sentence reads:

> If the Commission finds by unanimous vote that the violation does not warrant removal, a lesser penalty shall be imposed by direction of the Commission.

It seems to me that if the Commission is split there will be no penalty imposed, under the provisions of the report. Suppose one of the Commissioners thought an act warranted removal, and two thought it did not. Under those circumstances the employee would not be removed. It would not be possible to get a unanimous vote, under those circumstances, to find that the violation did not warrant removal. Nothing would be done, and no penalty would be imposed for the violation of the Hatch Act.

Mr. STENNIS. I hardly think such a situation as that would arise, or that it could arise, although the language is somewhat awkward, in my opinion. The language as to removal follows the present law, I understand. Under the present law if two members of the Commission find a person guilty, he is automatically removed, and that would still be the law, I understand, unless all three of the Commissioners voted to impose a penalty less than removal.

Mr. TAFT. Let us suppose that one member thinks that a violation warrants removal, and two members think it does not. Then the first sentence would not operate, even if the second sentence should operate, and the Commission found by unanimous vote that the violation did not warrant removal. Two of the Commissioners find it does not warrant removal, one finds it does. Under those circumstances the second sentence does not operate, so there is no lesser penalty imposed. Is not that a correct interpretation of the report?

Mr. STENNIS. The Commission would have to decide. They would have to find the employee guilty or not guilty of the charges. They would have to dispose of the case one way or another, as to the employee's original guilt or innocence.

Mr. TAFT. Let me suggest to the Senator that this is not a question of guilt, it is a question of whether the penalty fits the crime. This section deals only with sentencing an employee, not finding whether he is guilty or not.

Mr. STENNIS. That is all the Commission have to do. They hear the charges, and sit more or less as a court. Then they have to determine whether an employee is guilty of the charges.

Mr. TAFT. I think the Senator is mistaken.

Mr. STENNIS. There is no other section in the law or in the bill which specifically provides for a trial. This is the section under which the Commission operate, so far as finding an employee guilty is concerned. That is the effect of it. They must first determine his guilt. Under the present law, if they find him guilty, he is automatically dismissed. Under the conference report bill, they have to find him guilty or not guilty, and if all three agree that the penalty of removal is too severe, they may impose a lesser penalty.

Mr. TAFT. It is not a question of finding him guilty. The first sentence relates only to whether the violation warrants removal, not whether there is a violation, but whether the violation warrants removal. If two of the Commissioners find it is not so serious, and one thinks it is, that Commissioner cannot reverse his opinion and vote that the action of the employee does not warrant removal, when he has just voted that it does. So how can he give unanimous consent, under the second sentence, for a lesser penalty? Under those circumstances there is no penalty. I do not see why it is not a complete exemption from penalty, under those circumstances, if the Commission is split.

Mr. STENNIS. The Senator is correct in that the sentence is not drawn under the present law as a criminal statute would ordinarily be drawn. This is the procedure that was adopted in the original Hatch Act. In effect, under the present law, the Commissioners hear the evidence and in effect render a verdict of guilty or not guilty. This section in the conference report follows the present law until it gets down to the proviso about the Commission having discretionary authority by unanimous consent to impose a lesser penalty. They have already had to find the employee guilty before that question can ever arise.

Mr. President, I think I have covered the high points of the conference report, and I therefore yield the floor.

Mr. HUMPHREY. Mr. President, I rise to oppose the conference report on House bill 1243, to amend the Hatch Act. I do so because I consider the bill itself to be both contrary to good public policy and, in its present form, quite inadvisable and potentially serious and defective in its implications.

Mr. President, I have listened to the colloquy between the Senator from Ohio [Mr. TAFT] and the Senator from Mississippi [Mr. STENNIS], and I think that colloquy within itself demonstrated some of the looseness of the language and the confusion which will result from the conference report if it is adopted by the Senate.

I bring to the attention of the Senate the fact that 140 votes were recorded against this conference report in the House, which finally approved it by a vote of 203 to 140, and that since that vote in the House, further defects have been discovered in the bill.

The bill as it now comes before the Senate for approval differs significantly from its original form. The original bill, consisting of section 1 only, was introduced in January 1949 by Representative HUGH MITCHELL, of Washington, with the strong support of the Civil Service Commission. It was passed in the House by a voice vote without objection on February 9, 1940. It undertook a desirable improvement in the Hatch Act, authorizing the Civil Service Commission to punish violators of the Hatch Act by lesser penalties than were provided for in the original act. I recall that before the subcommittee presided over by the Senator from Mississippi I testified in behalf of section 1 of the Hatch Act. Rather than requiring the Civil Service Commission to punish violators of the Hatch Act by permanent exclusion from employment in the Federal Government, it allowed the Commission, by unanimous vote, to impose a penalty of no less than 30 days suspension without pay. The bill as it was introduced originally had merit in view of the fact that the extreme penalties originally called for made enforcement of the law quite difficult.

Mr. President, I have prepared and at a later time shall submit for the RECORD an analysis of the history of the conference report and of the original bill. At this point I should like to say that after section 1 of the bill had been adopted by the House, section 2 was added in the Senate Committee on Rules and Administration. A hearing was held in that committee at which proponents of the section were allowed to testify. The first version of section 3 was added on the floor of the Senate, and the amended bill was passed by the Senate by a voice vote on January 19, 1950. The measure then went to conference. The conference committee then amended each section of the Senate bill. The amended bill was reported to the Senate by the conferees on May 3, 1950. I have noted in my remarks the vote on the conference report in the House of Representatives.

Let me say a word or two more about the bill as it is before the Senate today. It is my candid opinion that the bill as now written in conference is dangerous in that it would take away—and this point needs to be clearly understood by every Member of the Senate before he votes upon the report—that it would take away from the President of the United States a historical prerogative which has been his from the days of George Washington. Furthermore, the bill in itself is harmful to Federal Government employees.

I now direct my remarks to section 1 (d) of House bill 1243 and note that it would deprive the President of a historical prerogative. Under section 1 (d) of the bill any Congressional committee would as a matter of statutory right have access to all Civil Service Commission files relating to persons who have been accused of violating the Hatch Act.

Mr. President, I want the word "accused" noted. It does not mean that there has to be any proof. It does not mean that some sort of a preliminary hearing must be held. It simply means that if anyone wants to secure the confidential Civil Service Commission files, which include all kinds of innuendo, rumor, half-true statements and false statements, truth and fiction, all any Member of the Congress has to do is merely to make an accusation that Mr. X has violated the Hatch Act; that accusation is laid before a committee and, immediately, under the terms of the conference report, if it becomes law, the entire Civil Service Commission file, containing confidential material, must be brought before the committee which requests it. In other words, the members of the committee would have access to confidential Civil Service Commission files under the terms of the bill so long as an accusation is made that the Hatch Act has been violated.

Section 1 (d) of the bill would establish this very serious precedent, because it differs from the version passed by the Senate on January 19. The bill as originally passed by the Senate provided merely that testimony—in other words, Mr. President, testimony with regard to the particular accusation—in any hearings on violations should be available to congressional committees. The conference report, however, broadens this provision, so as to make it cover—and I quote now from the conference report itself:

> Records containing testimony or other evidence.

Mr. President, all the Presidents of the United States, beginning with President George Washington and continuing

to the present President of the United States, have maintained the position that it is a matter of Presidential discretion to determine whether or not to make confidential files available to congressional committees and to determine the conditions under which such material will be available, if at all. We have recently had made available on the floor of the Senate an opportunity to discuss this principle and this question in detail. On March 4, the distinguished junior Senator from New Mexico [Mr. ANDERSON] made a very persuasive and telling speech on the floor of the Senate, concluding that it was well within the prerogatives of the executive branch of the Government to determine the conditions under which its files might be made available to the Congress. The Senator from New Mexico made a persuasive argument in regard to the nature of the separation of powers and the independence of the legislative, judicial, and executive branches of the Government. The Senator from New Mexico also included, on pages 2795–2796 of the CONGRESSIONAL RECORD of March 4, 1950, an opinion by the Attorney General of the United States with reference to access to executive reports and files in the possession of the executive departments. The Attorney General stated, as reported at that time by the Senator from New Mexico:

> It is the position of the Department of Justice, restated now with the approval and at the direction of the President, that all investigative reports are confidential documents of the executive department and that congressional or public access thereto would not be in the public interest.
>
> This accords with the conclusions reached by a long line of predecessors in the Office of Attorney General and with the position taken by the President from time to time since Washington's administration; and this discretion in the executive branch has been upheld and respected by the judiciary.

Mr. President, it appears to me that statement is rather conclusive, and goes far beyond any partisan considerations or any considerations as to the prerogatives of the legislative branch of the Government versus those of the executive branch of the Government.

If the conference report on House bill 1243 becomes law, the historic prerogative of the President would be destroyed. The enactment of this measure would mean a blanket commitment in advance to make all civil-service records available to any congressional committee in any case in which one or more Federal employees were accused of violating the Hatch Act.

Moreover, Mr. President, this measure also would provide an important precedent for the enactment of similar legislation, by giving the congressional committees a statutory right to obtain records pertaining to various matters, including, in particular, loyalty cases, something which I know the Senate of the United States is not prepared to do, if the events of recent weeks are any indication.

Section 1 (d) of the conference report is, therefore, seriously defective. I repeat that it was not in the bill as the bill was passed by the Senate in January 1950; but, on the contrary, section 1 (d) was added in the conference. Even if it were the only defect in this measure—and it is not—it is my belief that this provision alone would provide ample justification for rejection by the Senate of the conference report and, if necessary, for a Presidential veto. Mr. President, I simply cannot imagine that the President of the United States would sign a measure which would open up the confidential files of executive offices to any congressional committee which might ask for them, in view of the historic precedents or more than 150 years of American Government since the time of President George Washington.

### HOUSE BILL 1243 IS HARMFUL TO FEDERAL EMPLOYEES

Mr. President, the second point I should like to stress is that House bill 1243 is harmful to Federal employees. In a very significant sense, this measure is a snare and delusion for Federal workers because, first of all, although it appears to enlarge the political rights of Federal workers, it actually would allow the Civil Service Commission the right and the authority to deny to Federal workers the right to take part in any political activities whatsoever, whether on a nonpartisan basis or on a party basis.

I think it should be noted quite carefully, Mr. President, that section 2 of the conference report leaves with the Civil Service Commission the discretionary power to allow or not to allow Federal employees to take part in local campaigns in the areas referred to in this measure. However, under section 2, if the Civil Service Commission authorized any campaign activities whatsoever for Federal employees, it would have to authorize participation in party campaigns as well as in nonpartisan activities. I think it should be noted that this measure is not simply one to permit nonpartisan participation or a measure to permit party participation; on the contrary, if there is to be authority for any participation at all, it will have to apply both to partisan and to nonpartisan participation. I submit that the discretionary power which would be left in the hands of the Civil Service Commission could mean that there would be no political participation whatsoever, even in respect to nonpartisan, local, almost noncontroversial offices and legislative matters.

Mr. STENNIS. Mr. President, before the Senator leaves that point, will he yield for a question?

Mr. HUMPHREY. I am happy to yield to the Senator.

Mr. STENNIS. I understood the Senator from Minnesota to say that there was nothing on that subject matter in the hearings or in the record or the testimony in connection therewith, so far as concerns the bill as it was passed by the Senate.

Mr. HUMPHREY. I said that was with respect to the matter of the files, not with respect to partisan participation or political participation. Insofar as the records of the Civil Service Commission are concerned, the bill as passed by the Senate referred only to testimony taken at hearings. However, the conference report not only would permit use of the testimony, but also would permit use of any other evidence or any other records, which means that the entire file of any individual Government employee could be made available to a congressional committee.

Mr. SCHOEPPEL. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. SCHOEPPEL. I should like to invite the attention of the distinguished Senator from Minnesota to the language of subsection (d), reading as follows:

> Records containing testimony or other evidence relevant to charges—

And so forth. I say to the distinguished Senator from Minnesota that in the committee of conference, before this conference report was drawn up, there was much discussion covering the very point the distinguished Senator from Minnesota has raised, namely, that the Civil Service Commission itself should be the judge of what should be regarded as relevant, in order to prevent having brought out into the open the entire files and a great deal of irrelevant matter of one type or another which might not be pertinent to the case.

The very safeguards the Senator from Minnesota now wishes to have included in connection with this matter, I am quite sure were put into the conference report in order to prevent in the future some of the injustices mentioned and the production of some of the extraneous matters which have been bandied about. I can say in all seriousness and all candor that the word "relevant" was included as a safeguard, and certainly for no other particular reason.

Mr. HUMPHREY. Mr. President, I am very grateful to the Senator for making that statement, because, of course, I am confident that the committee did give serious consideration to this change as made in the conference report.

One of my purposes in making these remarks was to obtain the kind of clarification and the kind of interpretation of the conference report and explanations regarding the legislative history of this matter which the Senator from Kansas has volunteered. As I understand the Senator from Kansas, the Civil Service Commission then would be the judge of what information it should offer, as being relevant information, to the respective Senate committee or House committee which might request information.

Mr. SCHOEPPEL. That is correct. That was the discussion we had in the conference committee in reference to that matter.

Mr. HUMPHREY. Mr. President, to conclude in reference to H. R. 1243, I cited, first of all, that I felt that although it appears to enlarge the rights of the Federal workers, it allows the Civil Service Commission to deny Federal workers the right to take part in any political activities whatever, whether on a partisan or on a nonpartisan basis. I personally do not like to give that much power to the Civil Service Commission which, in its enforcement, one way or other, may want either to permit or not

to permit the Federal worker to participate in a political campaign or in a political activity.

Secondly, it is specialized legislation dealing with a problem of high national policy on a purely localized basis. I shall refer to that later on. I recognize that this bill is primarily directed insofar as Federal officers' participation in politics is concerned to the areas of Maryland and Virginia surrounding the National capital. However, as was pointed out so appropriately by the distinguished Senator from Tennessee, there are other areas of America where there are Federal workers in large numbers, who would like to have these same benefits. Those benefits were denied, for example, at Oak Ridge, Tenn., and at some of the other military and army installations, where we have a large number of civilian workers.

Thirdly, it leaves to the discretion of the Civil Service Commission to decide whether membership on a county or executive committee of the Democratic or Republican Party is a "local office"; and, fourth, it opens the lid of a Pandora's box of abuses by completely failing to provide Federal employees with needed additional protection against political coercion and discrimination.

I surely would not impugn the motives of any one person or any individual, but it is entirely possible that if the Civil Service Commission can decide whether an employee may participate in a political situation or a political campaign, and can decide whether that is partisan or nonpartisan, it is also entirely possible that the people running for office in that particular area may be able to put a certain amount of pressure upon the individual officeholders. One of the reasons for the Hatch Act was to deny people in elective public office the opportunity in any way to coerce or to use or to unduly persuade the Federal officeholder, who may be a civil servant, from participating in any political activity, or to do the bidding of any particular political officer.

Recognition that this bill is undesirable for Federal employees seems to be quite prominent among many Federal employees in parts of the country where this bill applies. I am informed by them, for example, and I see the Senator from Virginia here—that the Virginia party plan of the Virginia Democratic Party sets up a barrier to participation in local Democratic activities. Under the Virginia party plan the thousands of Democrats loyal to the national administration who voted for the nonpartisan candidate at the last election would be prevented from entering the coming Democratic primaries. I state this as a matter of my understanding, and I am willing to stand corrected. Moreover, all the Democrats who entered the primaries would have to pledge support to all the party's candidates. I am not opposed to that, as an individual. I, in a way, believe in party regularity and party uniformity, but Democrats who entered the primaries would have to pledge support to all the party's candidates.

Any Federal worker who took this pledge would, despite the pending amendment, be running the risk of discharge for having violated the Hatch Act. It appears to me there is not enough protection in the bill. I may say to my friend, the Senator from Mississippi, or to the Senator from Kansas, who was involved in the preparation of this bill, that I am making this statement in the hope that the record may be clear.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield.

Mr. McKELLAR. Mr. President, I have been so busy with matters affecting appropriations during the past few weeks that I have not had time to give proper consideration to the question which is now before the Senate.

Reference has been made to the city of Oak Ridge, which, as I am informed, has a population of more than 25,000. It is being governed by a corporation, a nonresident corporation, which grants various licenses, and governs the city. When the bill was in the Senate it was amended so as to allow the people living there to be free Americans like the rest of us. That provision has been eliminated in conference. I am not saying it was improperly eliminated. I am not criticizing the Senators and Representatives who were members of the conference. I am merely stating that I hope that my colleagues will allow this report to go over until we can look into it, to see what the facts are. If the facts are as I have been told they are, I do not believe the Senate would agree to the conference report.

I ask unanimous consent that the report go over until one day next week, in order that we may be able to get the facts. I do not like to make a statement as to just what the situation is at Oak Ridge, until I have ascertained the facts and know that I am not misrepresenting anything to this body. I try to be very careful to make no misrepresentations. I am not sufficiently familiar with the facts this afternoon to pass upon them. I hope the report will go over, unless there is some imperative reason why it should not.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HAYDEN. When this matter was taken up before the Committee on Rules and Administration, I did not hear the question of Oak Ridge mentioned. I never had any idea at all that the bill could be construed at any time to cover the Oak Ridge situation. What we had in mind was the situation in Maryland, Virginia, and the District of Columbia. I am sure that those who introduced the bill in the House and those who handled it in the Senate contemplated nothing of the kind.

It might be possible to construe it as including Oak Ridge, but that would be a construction, it seems to me, which would be drawn merely from the general language of the bill. I would suggest to the Senator from Tennessee that it would be much better to allow the conference report to be adopted, and then let us meet the Oak Ridge situation squarely, as I believe more than merely permission from the Civil Service Commission will be required. I think the Senator will find, on investigation, that he will want more legislation than that. For that reason I think it would be better to adopt the conference report, and, so far as the Senate Committee on Rules and Administration is concerned, it will deal with it adequately and completely.

Mr. McKELLAR. I am sure the Senator means exactly what he says; but would it work out in that way? In the first place, the election will come on before Congress can deal with it at all, and at present the citizens who have made their homes in Oak Ridge will be deprived of the right to vote on local questions, and will be deprived of the right to vote on county matters, State matters, and Federal matters. They would be no longer, so far as voting is concerned, American citizens.

Mr. HAYDEN. So far as this particular piece of legislation is concerned, unless they have at the moment an independent party not affiliated with either the Democratic or Republican Party, they would be, under existing law, deprived of the right to vote.

Mr. McKELLAR. Mr. President, I was in hopes that we might send the report back to conference, so that the law might be made perfectly intelligible to everyone.

Mr. HUMPHREY. Mr. President, it is my understanding that what the Senator from Tennessee desires is that the workers at Oak Ridge, Tenn., have the same privileges as would be obtained for persons in Maryland and Virginia.

Mr. McKELLAR. Precisely. If it is good for Alexandria, Va., it should be good for Oak Ridge, Tenn.

Mr. HAYDEN. Mr. President, the thing to do is to reject the conference report completely, send it back to conference and then see if the conferees can meet the situation in Oak Ridge, which I am quite sure, on investigation, is not comparable to the situation in other areas, because of the particular Government ownership of the town, whereas residents of Maryland and of Virginia live in their own homes and are in a situation which is similar to that of citizens almost anywhere else. I am sure the problem is complicated beyond the mere question of whether a person can vote in a city election.

Mr. McKELLAR. Mr. President, having known the Senator from Arizona for a third of a century, and knowing what a fine man he is, I know he would not argue anything but that which he thinks is right. But I invite the Senator's attention to this point. Does he believe there should be a municipal government in Tennessee or in Arizona, after the Federal Government has constructed a plant at such a place, or does he believe that we should deprive citizens there of the rights of citizenship and turn the matter over to a corporation to issue licenses for the privilege of doing business? I am sure the Senator would not stand for that for a moment.

Mr. HAYDEN. Not for a moment.

Mr. McKELLAR. This is not a life-and-death matter. Why not take sufficient time fully to consider the bill? Why should it be made to apply to Alex-

andria, Va., for instance, and not to apply to exactly the same conditions in Tennessee?

Mr. HAYDEN. That is where I disagree with the Senator from Tennessee.

Mr. McKELLAR. The same proposition is involved.

Mr. HAYDEN. No; the town of Oak Ridge belongs to the United States.

Mr. McKELLAR. Oh, no; it does not.

Mr. HAYDEN. The United States built the town.

Mr. McKELLAR. That is a species of socialism to which, I am sure, the Senator, upon reflection, would not want to subscribe.

Mr. HAYDEN. It is my understanding that Oak Ridge, Tenn., is completely under the control of the Government of the United States, whereas Alexandria, Va., and Rockville, Md., are not.

Mr. McKELLAR. Oak Ridge is completely under the control of the Andover Corp., which was organized in New York. Substantially the same persons have control of it as had control of the buildings at Oak Ridge.

Mr. HAYDEN. For that reason it is not a parallel case, and, therefore, I do not think it should be included in the bill.

Mr. McKELLAR. Mr. President, I should like to make a motion—I apologize to the Senator from Minnesota——

Mr. HUMPHREY. I should be more than happy, at the conclusion of my remarks, to yield to the Senator from Tennessee for the purpose of making a motion.

Mr. ROBERTSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBERTSON. I understand the distinguished Senator from Tennessee has made a motion to send the conference report somewhere, but I did not hear where he proposed to send it.

The PRESIDING OFFICER. He proposed that the consideration of the report go over until tomorrow.

Mr. HUMPHREY. Mr. President, the Senator from Minnesota said to the Senator from Tennessee that at the conclusion of his remarks he would be more than happy to yield to the Senator from Tennessee for the purpose of making any motion that he desired to make.

Mr. McKELLAR. I thank the Senator from Minnesota.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LUCAS. Mr. President, in order to accommodate the Senator from Tennessee, I am wondering if we might not agree to vote on the conference report at 1 o'clock tomorrow.

Mr. McKELLAR. That would be satisfactory to me.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. TAFT. I intended to make a speech against the conference report on grounds somewhat different from those mentioned by the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I have always been an admirer of the Senator from Ohio, and I now admire him more than I ever did before.

Mr. TAFT. I should not want to agree to vote at 1 o'clock; I should not mind voting at 2 o'clock.

Mr. HUMPHREY. Mr. President, insofar as the Senator from Minnesota is concerned, it is a matter of indifference as to the hour. I shall vote against the conference report. I do not wish to delay the business of the Senate. I think the report has received a great deal of consideration. I merely wanted to record my objection to the report, and I shall cast my vote against it.

Mr. ROBERTSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBERTSON. What is the unanimous-consent request?

The PRESIDING OFFICER. There is none pending.

Mr. ROBERTSON. I should like to bring to the attention of the Senate the fact that the senior Senator from Virginia is very much interested in this matter and wanted to be heard very briefly with reference to it, but he cannot be present tomorrow. We had hoped that we could dispose of the matter today. The bill has been pending before the Senate since April 1949. The conference report was brought back weeks ago, and first one Senator and then another had it delayed. Finally, notice was given that it would be taken up this afternoon. No Senator anticipated that there was going to be a great debate over something which had been pending so long in the House and Senate, and which, apparently, is not very complicated. Either we are going to relax the severe penalty of discharge for a minor violation or we are not. It is not very complicated.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. LUCAS. I thought it would probably be satisfactory to vote on it tomorrow. If any Senator objects, of course, I shall withdraw my suggestion.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BYRD. I was going to suggest that we might vote on Monday.

Mr. McKELLAR. That would be satisfactory to me.

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senate vote on the conference report on Monday next at 1 o'clock.

Mr. TAFT. Mr. President, I shall not be here on Monday; I shall be present tomorrow.

Mr. LUCAS. I shall modify my request to make it read Monday.

Mr. TAFT. I have no objection, if the matter can be discussed tomorrow. I do not insist on being here for the vote. I think I can get a pair.

Mr. LUCAS. Some time would be available tomorrow. I shall be glad to stay with the Senator from Ohio as long as he wishes to remain to listen to the debate, both tomorrow and tonight.

Mr. TAFT. If we are to vote on Monday, we ought to have at least an hour tomorrow before the calendar is taken up to discuss the matter. The Senator announced his intention of taking up the calendar the first thing in the morning.

Mr. LUCAS. I would not object to taking an hour's time immediately following the call of the calendar. I should like to get on with the call of the calendar as quickly as possible.

The PRESIDING OFFICER. The unanimous consent agreement provides that at the conclusion of the calling of the calendar tomorrow the Senator from Washington shall have the floor. That would not preclude a unanimous consent agreement that an hour prior to the calling of the calendar may be devoted to a discussion of the conference report.

Mr. LUCAS. Mr. President, I make such a request in order to satisfy the Senator from Ohio and other Senators.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Illinois, that 1 hour tomorrow before the calling of the calendar be devoted to debate on the conference report, the time to be divided equally between the proponents and the opponents of the conference report?

Mr. TAFT. Also on Monday before 1 o'clock.

The PRESIDING OFFICER. Providing further that the conference report be voted on on Monday at 1 o'clock. Is there objection to the unanimous consent agreement proposed by the Senator from Illinois?

Mr. TAFT. Do I understand that discussion of the conference report will not be continued after the Senator from Minnesota concludes his speech?

The PRESIDING OFFICER. Such a provision was not included in the unanimous consent request.

Mr. TAFT. I understand the Senator from Florida intends to return to a discussion of the social-security bill. The unanimous consent agreement, as I understand, is that we shall vote at 1 o'clock on Monday, and that 1 hour tomorrow and 1 hour on Monday shall be devoted to a discussion of the conference report, the time to be divided equally between the proponents and the opponents of the bill.

Mr. LUCAS. The Senator is correct.

Mr. TAFT. Does the Senator accept that modification?

Mr. LUCAS. I accept it.

The PRESIDING OFFICER. Let the Chair state his understanding of the unanimous-consent request.

Mr. LUCAS. The unanimous-consent request that I make again is that we vote on the conference report on Monday at 1 o'clock, and that the time from 12 to 1 o'clock on Monday be divided equally between the proponents and the opponents of the measure, and that on tomorrow, preceding the call of the calendar, 1 hour be set aside for the purpose of debating the conference report, the time to be divided equally between the opponents and proponents. In other words, 1 hour after we convene on tomorrow we shall proceed to a consideration of the conference report, the time to be divided equally between the proponents and the opponents.

The PRESIDING OFFICER. The unanimous-consent request does not refer to any time remaining this afternoon.

Mr. LUCAS. Not at all.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Illinois?

Mr. HOLLAND. Mr. President, reserving the right to object, while the majority leader was off the floor I engaged in colloquy with some Senators who were here and who had been given notice that I wanted to ask certain questions of the committee. In conference with committee members they stated that they would prefer to answer the questions in the morning. I shall be called away tomorrow night, and I should very much like to get these questions answered tomorrow. I hope the vote on this conference report may also be had tomorrow, because I shall be absent on Monday. Is there any objection to our voting on the conference report tomorrow?

Mr. LUCAS. The Senator from Virginia cannot be here tomorrow.

Mr. HUMPHREY. Nor can the junior Senator from Minnesota.

Mr. LUCAS. I would suggest that the Senators pair.

Mr. HUMPHREY. I should be delighted to do so.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. HOLLAND. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LUCAS. I withdraw the unanimous-consent request.

Mr. HUMPHREY. It is not my desire to prolong the debate. I want to expedite the business of the Senate in order that we may work out some kind of agreement. I do wish to point out, however, that the point that was raised by the Senator from Tennessee is a very valid point. The Senator from Tennessee attacked the conference report on the basis that it was localized, and that it was specialized legislation on a national problem. The Senator from Tennessee has touched upon a very serious defect in the bill, namely, that Federal workers in the vicinity of Washington, D. C., should enjoy no more benefits than are enjoyed by Federal workers at Oak Ridge, Tenn., Minneapolis, Minn., or anywhere else, and that any legislation which is written for the protection of Federal workers, or to permit their participation in both nonpartisan and partisan political activities, should have a universal application and not be localized in its application.

Under section 16 of the Hatch Act at present, the Civil Service Commission is authorized, in its discretion, to allow Federal workers in certain specialized areas to run for local office or take part in political campaigns involving local offices. The areas involved are the immediate vicinity of the National Capital—in Maryland and Virginia—and "municipalities, the majority of whose voters are employed by the Government of the United States." The Civil Service Commission has thus far used this discretion by allowing Federal employees to take part in nonpartisan campaigns for local offices in the vicinity of Washington, D. C. It has not authorized them to take part in the local activities of the Democratic and Republican Parties.

Section 2 of the conference bill still leaves the Commission the discretion to allow or not to allow Federal employees to take part in local campaigns in these areas. Under section 2, however, if the Commission authorizes any campaign activities whatsoever by Federal employees, it must authorize participation in party campaigns as well as nonpartisan activities.

On the surface this seems to be a fair provision. But careful examination reveals many serious defects.

First of all, although it appears to enlarge the political rights of Federal workers, it allows the Civil Service Commission the authority to deny Federal workers the right to take part in any political activities whatsoever, whether on a nonpartisan or a party basis. In fact, there is an important probability that the Civil Service Commission, rather than reversing its historic position against allowing Federal employees to participate in party activities, would withdraw from Federal employees in the area of Washington the limited rights they now enjoy because under the conference report if Federal workers are permitted to participate in nonpartisan local affairs, it follows that they must be able to participate in party affairs. The historic position of the Civil Service Commission has been against Federal employees participating in party activities. I cannot see that the Civil Service Commission would reverse itself. If it does not reverse itself it will mean that Federal workers will have no political participation whatsoever.

Also, the section leaves to the discretion of the Civil Service Commission the problem of precisely what local positions a Federal worker may run for or campaign for. If the Commission decides to authorize local political activity in a given area, for example, the question of whether or not membership on the county or executive committee of the Democratic or Republican Party is a local office would be left to the shifting discretion of the Commission's administrative regulations.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LUCAS. Mr. President, as a result of talking to Members in the cloakroom a few minutes ago, I have another proposal to make with respect to a unanimous-consent request. I take it that practically every Senator will be here on Tuesday when we vote on the social-security bill. I shall ask unanimous consent that following the vote on the social-security bill we immediately vote on the conference report without further debate.

The PRESIDING OFFICER. Is there objection?

Mr. TAFT. Mr. President, reserving the right to object, does the Senator propose that we continue debate this evening until we finish with it?

Mr. LUCAS. Debate may be had at any time between now and the time we vote.

Mr. TAFT. Would the Senator still set aside an hour tomorrow? Perhaps by that time the Senator from Tennessee will have straightened out the matter in which he is interested and we can dispose of the conference report before the calendar is called.

Mr. LUCAS. I should think there would be plenty of time between now and Tuesday to debate the conference report.

Mr. TAFT. But the Senator is proposing to shut off debate, because if the vote immediately follows the vote on the social-security bill, we will be considering the social-security bill all that day until 4 o'clock. It seems to me it should be definitely understood that we will have an hour to debate the conference report tomorrow, after the Senator from Tennessee has cleared up the matter in which he is interested and then other business can follow.

Mr. LUCAS. I modify my request to comply with the suggestion made by the Senator from Ohio, that tomorrow, before we proceed to the call of the calendar, we take 1 hour, if necessary, to debate the conference report.

The PRESIDING OFFICER. Is the time to be divided equally?

Mr. LUCAS. The time to be divided equally.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. HOLLAND. Mr. President, reserving the right to object, I have no objection at all to that part of the request which has to do with the hour for the vote tomorrow. I am very hopeful that the vote can be taken either today or tomorrow, but if not, I hope it can be taken some time after Tuesday next week.

Mr. LUCAS. Is the Senator going to be here to vote on the social-security bill?

Mr. HOLLAND. I will not be here. When the time was fixed for the vote I was not advised as to the purpose to do that. I have a long-standing engagement which I wish to keep.

Mr. LUCAS. I recall the Senator speaking of it. I had nothing to do with the unanimous-consent agreement, so far as fixing Tuesday was concerned. The agreement was made, when the Senator from Florida was not present, between the Senator from Georgia [Mr. GEORGE] and the Senator from Colorado [Mr. MILLIKIN]. I was not here at the time, although I agreed to it with the Senator from Colorado in advance.

Mr. HOLLAND. I shall not be here Tuesday, and would very much like to have the vote on the other matter put over to Wednesday afternoon or Thursday morning, because I do not wish to miss the vote.

Mr. LUCAS. I withdraw my unanimous-consent request.

Mr. ROBERTSON. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. Much as I would like to yield to my colleagues, the Senator from Minnesota desires to conclude his remarks at this time.

To summarize what I have said, the provisions of section 1 (d) to which I

have taken exception were added in conference committee. The provisions did not appear in either the original House bill or in the Senate substitute.

Furthermore, the provisions of section 2, with which I have taken issue, were in my opinion inadequately considered. Opponents of this section were not given an opportunity to testify in public hearing in either the Senate or the House.

I urge that H. R. 1243 be disapproved by the Senate. Certainly if we do not defeat this bill, the President will be well advised to veto it. It would then be possible for the Congress of the United States to deal with the problems of the Hatch Act following open public hearings.

I should like to suggest that an adequate basis for those hearings is provided in S. 3014, a bill "to extend and protect the rights of Federal employees," which I introduced on February 8, 1950. This bill deals with the political rights of Federal employees as a matter of national policy rather than in specialized local terms. It also provides additional protection for Federal employees against intimidation, coercion, and discrimination.

It should be clearly understood that the original intent of the bill as introduced by the Representative from Washington, Mr. MITCHELL, in the House of Representatives, and the bill as it came to the Senate and to the committee, was for but one purpose, namely, to be able to relax some of the penalties inflicted under the original Hatch Act against a person who had been found guilty of violation of the Hatch Act. The original purpose was to give to the Civil Service Commission a certain amount of discretionary authority as to the nature of the penalty, rather than demand the removal of a particular Government worker for a minor violation in a minor incident.

What has happened? Following the introduction of the bill, its original passage by the House and its coming to the Senate, it was amended, first in the Senate committee, then on the Senate floor, and it has been rewritten and revised in the conference committee, to such a point that the original purpose has been lost and two other purposes have been added. One of the other purposes was to give the opportunity to the committees of the Congress to obtain what I consider to be confidential records and information. However, that has been referred to by the Senator from Kansas, and I accept his clarification.

The next point was that the provision covering political participation by Government workers has been completely rewritten. When a national problem has been localized in a particular area the Civil Service Commission can either deny or reject or permit or withhold political participation on the part of Government workers. I say that is too much discretionary authority, and I say it can be abused.

Mr. STENNIS. Mr. President——

The PRESIDING OFFICER. The Senator declines to yield.

Mr. HUMPHREY. I must yield to the Senator from Mississippi.

Mr. STENNIS. May I ask the Senator if it is not the present law that the Civil Service Commission has authority to grant or to withhold this permission, and that they are now exercising that very authority by granting the permission to participate, but do not permit employees to participate in parties? Is not that correct?

Mr. HUMPHREY. The Senator from Mississippi is right, insofar as nonpartisan local elections are concerned, but the conference report says they cannot grant the authority just in a nonpartisan local election, but if they grant it in a nonpartisan local election they also grant it in party elections.

The Senator from Minnesota says that the historic position of the Civil Service Commission, working under the Hatch Act, is to deny a Federal worker the opportunity to be a political party participant. I see no reason to believe that if the Hatch Act is to do what it is supposed to do, that is, to remove Federal employees from political coercion, from any kind of political management by political officeholders, the Civil Service Commission is going to permit workers to participate in political activities, that is, to hold political party positions. I do not think it will. So this resolves itself down to the fact that the Federal worker will have neither party participation nor nonparty participation.

I submit that the conference report has not within it the language properly to clarify what the Civil Service Commission is supposed to do. It has all this discretionary authority without any yardstick or measurement of political activity or political participation for Federal workers.

Therefore, I believe, Mr. President, with the Senator from Tennessee, that the report ought to be restudied. I believe there is a real need for clarification of the Hatch Act, as provided in section 1. I am not adverse to proper clarification of the Hatch Act, insofar as participation in party and nonpartisan elections is concerned, but I am opposed to the discretionary authority of the Civil Service Commission to deny to a Federal worker any political participation, either nonpartisan or party.

This is just confusion confounded and compounded. I cannot believe that this is a bill which should be accepted, because the Hatch Act had a particular purpose. The Hatch Act had the purpose of seeing to it that no elected political official, or any appointed official, could in any way project the activities of Federal officeholders or workers toward a particular political objective. There are many people who do not like the Hatch Act, but, be that as it may, it came into effect because of a need, the need being to keep the civil servant away from being made into a party worker. In other words, it is very easy to have a kind of spoils system, in which a Federal worker can be used as a party precinct worker, even against his will. I do not want that to happen, but I do want the employee to have the privilege of citizenship rights, the right to speak out, the right, if he desires, to run for public office, or the right to be a participant in local, county, or State politics, or in national politics.

The law of the land can be so modified that these rights can be protected, but, as the Senator from Tennessee said very well as to Oak Ridge, there is a community of 25,000 people who have no rights, who have been disfranchised. There is no participation for them. The bill does not apply to them, and I submit that if the problem is difficult in Virginia because of the number of Federal workers, and if it is difficult in Maryland, then what is wrong with having the problem taken care of not only there—and I want the condition there corrected—but how about correcting it in Tennessee, or in Minnesota? There are some Federal workers in Minnesota, and for all practical purposes they have been put in a political deep freeze. They are not permitted even to open their mouths about politics, under the present Hatch Act. There is a modicum of reasonableness we can approach, but surely this bill as it was written in conference does not meet this reasonable standard.

Mr. President, this concludes my remarks in reference to the conference report.

Mr. President, I ask unanimous consent to have a memorandum printed in the RECORD following my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON H. R. 1243, A BILL TO AMEND THE HATCH ACT

I. SUMMARY

The pending measure to amend the Hatch Act (H. R. 1243) has been handled in a manner that violates sound legislative procedure. It has many grave defects and serious ambiguities. At least one of its provisions is unnecessary.

The measure therefore should not be enacted into law. If it is approved by both Houses of the Congress, it should be vetoed by the President.

If it is vetoed by the President, open public hearings can then be held on the many provisions of the measure that have thus far been considered behind closed doors and a sound national policy on the important matters involved can be developed in a democratic fashion.

II. BACKGROUND OF THE HATCH ACT AMENDMENT

The original bill, consisting of section 1 only, was introduced in January 1949, by Representative HUGH MITCHELL, of Washington, with the strong support of the Civil Service Commission. It was passed by voice vote without objection on February 9, 1949.

Section 2 was added in the Senate Committee on Rules and Administration. A brief hearing was held at which proponents of the section were allowed to testify. However, opponents of the section were denied an opportunity to present their views to the committee. Moreover, the committee has refused to make available to the public the testimony of the proponents.

The first version of section 3 was added on the floor of the Senate. The amended bill was passed in the Senate by a voice vote on January 19, 1950.

The measure then went to conference. Here opponents of section 2 were again denied the right to testify at a public session.

The conferees then amended each section of the Senate bill. The amended bill was then reported to Congress by the conference committee on May 3, 1950.

The conference report was approved in the House by a vote of 203 to 140.

III. SECTION 1—PENALTIES FOR VIOLATIONS OF THE HATCH ACT

At present the Civil Service Commission is required to punish violators of the Hatch Act by permanent exclusion from employment with the Federal Government.

Section 1 authorizes lesser penalties. By unanimous vote the Commission may impose a penalty of no less than 30 days' suspension without pay.

This is a desirable improvement in the Hatch Act, since the extreme penalties presently provided for make enforcement difficult.

However, section 1 (d) of the conference report contains a grave defect, one that would undermine the constitutional prerogatives of the President.

Section 1 (d) reads as follows:

"(d) Records containing testimony or other evidence relevant to charges and allegations of a violation or violations of this act in proceedings had pursuant to this section shall be made available to either the Senate or the House of Representatives upon the request of any committee thereof."

When the measure passed the Senate on January 19 it provided merely that testimony in any hearings on violations should be available to congressional committees. The conference bill, however, broadens this provision to cover records containing testimony or other evidence.

This means that if the measure became law any congressional committee would, as a matter of statutory right, have access to all Civil Service Commission files relating to people who have been accused of having violated the Hatch Act.

This means that whenever any committee of Congress wanted access to confidential civil-service files, all that would be necessary to obtain those files would be to have someone make an accusation that a person had violated the Hatch Act.

All Presidents of the United States from George Washington on have maintained the position that it is a matter of Presidential discretion whether or not to make confidential materials available to congressional committees and to determine the conditions under which such material might be made available, if at all.

If the pending measure were signed by the President, the President would thereby sign away this historic prerogative. Signature of this measure by the President would mean a blanket commitment in advance to make all civil-service records available to any congressional committee in all cases where Federal employees have been accused of violating the Hatch Act.

Moreover, it would also provide an important precedent for similar legislation giving congressional committees a statutory right to obtain records relating to loyalty cases.

Section 1 (d) is so dangerous that if it were the only defect in the measure, it alone would provide ample justification for a veto.

IV. SECTION 2—ALLOWING FEDERAL EMPLOYEES TO TAKE PART IN LOCAL POLITICAL ACTIVITIES

Under section 16 of the Hatch Act at present, the Civil Service Commission is authorized, in its discretion, to allow Federal workers in certain specialized areas to run for local office or take part in political campaigns involving local offices. The areas involved are the immediate vicinity of the National Capital in Maryland and Virginia and municipalities, the majority of whose voters are employed by the Government of the United States. The Civil Service Commission has thus far used this discretion by allowing Federal employees to take part in nonpartisan campaigns for local offices in the vicinity of Washington, D. C. It has not authorized them to take part in the local activities of the Democratic and Republican Parties.

Section 2 of the conference bill still leaves the Commission the discretion to allow or not to allow Federal employees to take part in local campaigns in these areas. Under section 2, however, if the Commission authorizes any campaign activities whatsoever by Federal employees, it must authorize participation in party campaigns as well as nonpartisan activities.

On the surface this seems to be a fair provision. But careful examination reveals many serious defects.

First of all, although it appears to enlarge the political rights of Federal workers, it allows the Civil Service Commission the authority to deny Federal workers the right to take part in any political activities whatsoever, whether on a nonpartisan or a party basis. In fact, there is an important probability that the Civil Service Commission—rather than reverse its historic position against allowing Federal employees to participate in party activities—would withdraw from Federal employees in the area of Washington the limited rights they now enjoy.

Second, it is specialized legislation dealing with a problem of high national policy on a purely localized basis. This was conceded on the floor of the House by Representative LECOMPTE, who nevertheless supported the measure. Mr. LECOMPTE stated, "I think I might say to the minority leader, this is specialized legislation for a peculiar situation in the adjacent districts. I do not like specialized legislation for the benefit of a special area or a special group. (CONGRESSIONAL RECORD, May 4, 1950, p. 6389.)

The question was then raised on the floor of the House as to why Federal workers in other areas of the country might not be allowed similar privileges. The only answer given was that the amendment of the Hatch Act many years ago which inserted section 16 in the Hatch Act was special legislation and that section 16 set a precedent.

This precedent of dealing with an important national policy through specialized legislation should be broken. The problem of enlarging and protecting the rights of Federal employees should be handled in a fashion that considers the problems of all Federal employees no matter where they may happen to reside or vote.

Third, the section leaves to the discretion of the Civil Service Commission the problem of precisely what local positions a Federal worker may run for or campaign for. If the Commission decides to authorize local political activity in a given area, for example, the question of whether or not membership on the county or executive committee of the Democratic or Republican Party is a local office would be left to the shifting discretion of the Commission's administrative regulations.

Fourth, the section opens the lid of a Pandora's box of abuses by completely failing to provide Federal employees with needed additional protection against political coercion and discrimination. It fails to recognize that should the Commission allow party activities by Federal employees in a given area, various politicians might attempt to dragoon Federal employees into party activities against their will.

V. SECTION 3—ON POLITICAL CAMPAIGN DOCUMENTS

Section 612 of the Criminal Code provides for fines up to $1,000 or imprisonment of up to one year, or both, for anyone who publishes or distributes political campaign material without adequate indication of the source.

When section 3 was added to the bill on the floor of the Senate, it increased these penalties to $5,000 and 2 years imprisonment.

The conference version of section 3 restores the penalties contained in the criminal code at present.

The only change it makes in the present law is that it makes it a crime to "knowingly transport such political statements in interstate commerce" as well as to distribute them. This is a difference without much of a distinction. It is doubtful whether section 3 adds anything at all, or anything of any consequence, to the present provisions of the criminal code.

VI. NEED FOR OPEN PUBLIC HEARINGS

The entire measure should be considered in an open and democratic fashion at public hearings in both Houses of Congress.

So far as section 2 is concerned a sound basis for such hearings is provided in S. 3014, "To extend and protect the rights of Federal employees" which has been pending before the Senate Committee on Rules and Administration since February 8, 1950. This measure would enlarge the political rights of all Federal employees no matter where they reside. It would also supplement existing legal protections for Federal employees by making it unlawful for any executive official to discriminate against Federal employees because of political affiliations or political activities, by requiring the Civil Service Commission to acquaint Federal employees with their rights under the various provisions of law that protect them against intimidation and coercion and by directing the Civil Service Commission to establish a special appeals and complaints procedure to make statutory protections for Federal employees more meaningful.

## SOCIAL SECURITY ACT AMENDMENTS OF 1950

The Senate resumed the consideration of the bill (H. R. 6000), to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes.

Mr. HUMPHREY. Mr. President, I send to the desk amendments to H. R. 6000. The amendments are submitted in behalf of myself and the Senator from New York [Mr. LEHMAN].

I have a statement pertaining to the amendments, which describes the purposes of the amendments in general terms. The purpose of the amendments, broadly speaking, is to raise the maximum individual old-age-assistance grant from $50 to $65 per month. They do so by providing that the Federal Government shall match any additional individual grants above $50 by providing one-third of that amount.

Mr. President, I ask unanimous consent that the amendments offered by the junior Senator from New York and myself may be printed in the RECORD at this point, together with the statement of explanation of the amendments.

The PRESIDING OFFICER. The amendments will be received and will lie on the table and be printed.

The amendments will also be printed in the RECORD, together with the statement submitted by the Senator from Minnesota.

The amendments and the statement of explanation are as follows:

On page 375, line 19, strike out the words "$50" and insert in lieu thereof "$65."

On page 376, beginning with line 1, strike out all down to and including line 4, and insert in lieu thereof the following:

"(B) one-half of the amount by which such expenditures exceed the product obtained under clause (A), not counting so much of the expenditures with respect to any month as exceeds the product of $50 multiplied by the total number of such individuals (other than those included in clause (D)) who received old-age assistance for such month, plus

"(C) one-third of the amount by which such expenditures (other than expenditures with respect to individuals included in clause (D)) exceed the sum of the products obtained under clauses (A) and (B), plus."

On page 376, line 5, strike out "(C)" and insert in lieu thereof "(D)".

On page 383, beginning with line 4, strike out all down to and including line 18, and insert in lieu thereof the following:

"SEC. 342. (a) Section 1003 (a) of the Social Security Act is amended to read as follows:

"'SEC. 1003. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind for each quarter, beginning with the quarter beginning October 1, 1950, (1) an amount, which shall be used exclusively as aid to the blind, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind under the State plan, not counting so much of such expenditures with respect to any individual for any month as exceeds $65—

"'(A) three-fourths of such expenditures, not counting so much of the expenditures with respect to any month as exceeds the product of $20 multiplied by the total number of such individuals who received aid to the blind for such month, plus

"'(B) one-half of the amount by which such expenditures exceed the product obtained under clause (A), not counting so much of the expenditures with respect to any month as exceeds the product of $50 multiplied by the total number of such individuals who received aid to the blind for such month, plus

"'(C) one-third of the amount by which such expenditures exceed the sum of the products obtained under clauses (A) and (B); and (2) an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the plan, which amount shall be used for paying the costs of administering the State plan or for aid to the blind, or both, and for no other purpose.'

"(b) The amendment made by subsection (a) shall take effect October 1, 1950."

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The amendment is designed to raise the maximum individual old-age-assistance grant from $50 to $65 per month. It does so by providing that the Federal Government shall match any additional individual grants above $50 by providing one-third of that amount.

I also send to the desk, Mr. President, a second amendment designed to accomplish the same purpose in the assistance-to-the-blind program of the Social Security Act.

These amendments, Mr. President, are vital if America is to live up to its obligations to those of its citizens who have contributed their years and their efforts to this Nation's welfare, and now find themselves—frequently with their energies spent—too old to work. A maximum of $65 per month for the aged should be a minimum. The success of the medical profession in prolonging life when considered together with the falling birth rate, has had the effect of emphasizing the importance of providing for the aged in America. An ever-growing proportion of the population is in the older age group. Whereas fewer than 3 percent of the population in 1850 was 65 years of age, that proportion in 1940 was 7 percent, and it is expected to grow to 10 percent in 1970.

It is recognized by all that in spite of the old-age-insurance provisions of the Social Security Act, there is a need for a supplementary program to fill in the gaps and provide for the existing aged who can never qualify for social security. In addition, I think it is clear that there probably always will be a small but significant part of the population which cannot qualify under the insurance program.

Under H. R. 6000 as it passed the House, a provision is made that the Federal Government shall pay a share of four-fifths of the first $25 of a State's average monthly payment per recipient. For the next $10 the Federal Government's share is to be one-half. In view of the fact that the maximum of $50 is maintained, the Federal Government's share for the last $15 is to be one-third.

The bill as it is now on the floor of the Senate from the Senate Finance Committee, changes that formula established by the House and maintains the formula of the present act as amended in 1948, under which the Federal Government is to provide three-fourths of the first $20 and is then to provide one-half of the remainder up to a $50 maximum.

The same formula applies for the blind.

I trust that the Senate will as a minimum at least restore the House formula for the first $50. My own amendment, which I plan to bring up whether or not the formula is restored, would raise the maximum to $65 and provide that the Federal Government's share of the amount from $50 to $65 shall be one-third.

I trust that this amendment will receive the support of the Senate.

Mr. HUMPHREY. Mr. President, I wish to say that when we vote on House bill 6000 and the amendments thereto I hope every United States Senator will search deeply into his conscience to determine whether he believes the recipients of old-age assistance can live upon the puny, paltry pensions they are receiving throughout the United States. I want Senators to ask themselves honestly how the recipient of an old-age pension can live on $40 a month.

After looking over the national record of the pension system of the country and seeing the intolerably low pensions which our old people are receiving, I think it is about time that we face up to the fact that no matter whether a person may live in the South or the North, in the East or the West, in the center of the country or at any of its four corners, it is utterly impossible for a human being to be able to subsist on a maximum pension of $50 a month. Several States have, by their own State enactments, provided a pension higher than that. But it is impossible for a decent standard of living to be maintained for an individual citizen at $70 a month. Therefore the proposal by the junior Senator from New York and the junior Senator from Minnesota is to my mind a very moderate, conservative, and reasonable proposal which will call upon the States to share in the benefits paid to the old people. I hope that when that proposal, or others like it, come to the floor, they will be given support, because I cannot imagine a Congress which has provided liberal pensions for its own membership—and that we have done—that would in any way deny this modicum of a pension for the average American citizen that is in need of a decent pension.

## THE FARM PROGRAM

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement prepared by me relating to the farm program. I also ask to have printed in the RECORD a statement entitled "The Farm Program—Facts and Fiction," prepared by me to send out to some of my constituents in the State of Minnesota.

I also ask unanimous consent to have printed at this point in the RECORD a letter from Secretary of Agriculture Charles F. Brannan to the Comptroller General, Lindsay C. Warren, dated June 1, 1950, together with certain correspondence.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

### FARM PROBLEM

(By HUBERT H. HUMPHREY)

Secretary Brannan and the President have made it clear they believe this Congress should revise its present piecemeal farm legislation policy and adopt a program along the lines of the Brannan plan to prevent continued piling up of perishable farm commodity surpluses and bring order to the national agricultural situation.

In a Presidential message received just before the House recessed, President Truman asked for a five-point program:

1. Provide a definite "farm income" goal on which to base whatever form of price support is used.
2. Extend the list of products to be supported.
3. Set up production payments.
4. Require soil conservation and production adjustments as a condition of production payments.
5. Confine supports to the 98 percent of American farms that are family-sized, leaving out the 2 percent that are huge corporations.

### PMA MEETING

I am sure you have all heard and read a great deal about the recent farm meeting in St. Paul sponsored by the Production Marketing Administration. Despite all the comments to the contrary, the meeting was of vital importance to Midwest agriculture. Secretary Brannan presented a serious and well thought out address outlining, first, the provisions of the present agricultural legislation as well as its shortcomings, and, second, his proposal which has commonly been called the Brannan plan. The Secretary's message was enthusiastically received and does provide a statement of policy which is deserving of the fullest consideration by every farmer and farm leader in the country.

My participation in the meeting has come in for some criticism by the metropolitan press. This was to be expected, since I have not agreed with much of the metropolitan press on agricultural legislation. I may add that neither have the farmers agreed with it, as was indicated by the election in 1948. The substance of my address centered around the following items:

1. The lack of unity as to agricultural policy among the agricultural organizations is a very disconcerting and disturbing element in the preparation of legislation.

2. The wartime agricultural price-support program does not meet the requirements of the postwar period when production is high and consumption is at lower level.

3. The time has arrived when we must not only take into consideration producers' interests but also the interests of the consumer and the market.

4. While agricultural income has dropped 17 percent in 1949 and another projected estimated 6 percent in 1950, corporation income is going up and profits are at unprecedented levels.

5. Farm prices have been breaking while the items the farmer buys have continued to rise in price. This within itself is an unhealthy sign and is one that should be given immediate attention.

6. The proposals as outlined by Secretary Brannan should have an experimental run or test or two items, such as potatoes and eggs. It is only in this matter than the country can see how a production-payment system would work.

7. Production payments are not new. They were proposed and enacted into law by the Eightieth Congress in the Hope-Aiken Act. One of the provisions of the present

legislation of the Eighty-first Congress is the elimination of compensatory or production payments. During the debate on the present legislation I pointed out this weakness and urged that production payments be continued.

6. I concluded my address by urging farmers to hold group meetings at a local level to discuss all proposed agricultural programs. Farm legislation must not be handed down from on top. It must grow out of the needs and understanding of the farmers who do the producing.

The Brannan plan offers a principle. How far that principle should be applied can best be measured by the practical on-the-spot knowledge and observations of the farmers who do the producing and the selling. I urged our Minnesota farmers not to accept any plan merely because of its sponsorship or authorship, but rather to carefully analyze the proposals and to offer constructive criticism and analyses to their Congressmen, Senators and the Department of Agriculture.

We need guidance on farm legislation and we cannot wait too long. Minnesota farmers realize a great deal of their income from what are called perishable commodities. Unfortunately, most of these perishable commodities, such as eggs, turkeys, ducks, chickens, hogs, and so forth, are not included in the mandatory price support list of the Agriculture Act of 1949. This means that our farmers frequently find themselves without effective price supports. The Brannan plan does offer a program to meet this weakness in existing legislation. It is difficult to store perishable products. They must be moved into the market if they are not to spoil or deteriorate. Storage of eggs, pork, butter and other perishable commodities is already producing a very serious economic and moral problem. In a nation where food is still needed by thousands of families and in a world where millions of people are living on the very edge of life because of food shortage, it is downright immoral to have food spoil.

At a later date I shall send you a complete statement of my own observations on agricultural policy. We have made great strides with our REA program, farm cooperatives, farm credit, and farm home administration. These programs will all be jeopardized unless there is a unity of support by farm organizations and an acceptance by the public.

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THE FARM PROGRAM—FACTS AND FICTION

(By HUBERT H. HUMPHREY)

Newspaper headlines about potato price supports, eggs in a Kansas cave, Government purchases of butter, and other equally dramatic and disturbing news reports have raised many doubts in our minds concerning the value and purpose of a price support program.

Minnesota's Sixth District Congressman, FRED MARSHALL, is considered by the Congress to be one of the outstanding authorities on agricultural matters. I have discussed many agricultural problems with FRED MARSHALL and certainly will to a substantial degree be guided by his counsel.

One thing is clear, the present farm program has weaknesses and must be reviewed with the following things in mind:

1. The importance of a sound agricultural economy which means good prices for farm products.

2. The effect of high agricultural prices upon the consumer and his purchasing power.

3. Whether or not the Government has the ability to finance extensive price-support programs.

Certainly the major problem in farm legislation concerns itself with perishable commodities. Present legislation has glaring inadequacies in this field.

Many farmers and farm economists feel that a farm plan that includes the production-payment method could be substituted for the present method which is based upon Government purchases of perishable farm products. Under a production-payment program, nonstorable farm produce would find its normal price level in the free market. The difference between the market price and a Government support price would be made up by a direct payment to the farmer. This, of course, would necessitate some production controls, marketing agreements, and quotas. Under this proposal the farmer would regulate his own program through cooperating with existing PMA county and community committeemen. The record of such a program on a limited basis since its start in the days of the old AAA has been good.

There is no question but that production payments would save substantial amounts for the buying public. Our present price-support program does not permit the normal flow of farm products into the market. It is based on the old theory of scarcity which causes prices to go up. Obviously the consumer pays higher prices and the taxpayer still pays the bill.

Many charges concerning the Commodity Credit Corporation have been made without fact. Over the past 17 years the records of the CCC show that the loss to the Government on price supports represents less than 5 percent of the funds used during the entire period. We must remember that during this period American agriculture lifted itself from the depths of depression that almost destroyed the agricultural economy. During this 17 years CCC's operation in commodities stored, such as corn, cotton, and wheat, etc., yielded a profit of over $90,000,000. This clearly indicates that the real problem in price supports is in perishable commodities. Of the total loss to the CCC almost two-thirds of the amount was attributable to the potato price-support program. This trouble was due to the fact that the potato program had no marketing or production quotas and rested its entire control system on acreage allotments. The producers who did not cooperate with the Government by not complying with acreage allotments actually created the bulk of the loss.

We hear many attacks on the Government's storage of large quantities of wheat and corn. Actually when you consider our total production the storage program is but a small portion. Our reserves of corn and wheat are not large when you consider the possibility of a serious crop failure or a national military emergency. Government loans on stored crops cannot be classed as loss. Stored crops are inventory assets.

FARM PURCHASING POWER

Since 1948 the price of the tractor has more than doubled in relation to the price of hogs. In 1948 a farmer could buy a tractor with his receipts from twenty-five 225-pound hogs. Today he must sell 54.

In 1948 the farmer could buy a tractor from the sale of 536 bushels of wheat. Today he must sell 950 bushels of wheat.

Farm prices have been declining much more rapidly than the prices of the commodities the farmer must buy to operate his farm. The farmer's net income since 1948 has gone down 17 percent. It is estimated that he will lose another 6 percent in 1950.

Our agricultural program must include:

1. A workable method of price supports for perishable commodities.

2. Consideration of consumer needs and ability and willingness of the American taxpayer to support the program.

3. Mechanism to eliminate the waste of food.

4. Provisions to keep the price within the market.

5. Wider distribution and consumption of food products for both America and the unfortunate people in other parts of the world.

A sound agricultural economy is vital to the Nation. It is imperative that individual farmers and farm organizations carefully examine all proposals being made to strengthen and alter the farm program. We cannot afford to permit the farm program to become a political football.

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DEPARTMENT OF AGRICULTURE,
*Washington, June 12, 1950.*

Hon. HUBERT H. HUMPHREY,
*United States Senate.*

DEAR SENATOR HUMPHREY: Senator AIKEN and others recently spoke about a meeting of the Production and Marketing Administration personnel at St. Paul, Minn., on April 3 and 4, 1950 (CONGRESSIONAL RECORD, April 11, 1950, p. 5050). As a result, the Honorable Lindsay C. Warren, Comptroller General, was requested to investigate the occurrence. The attached letter was prepared and submitted for his use.

As a friend of the farmer-elected farmer committee system of administering farm programs, I am sure you will be interested in it.

Best regards,

CHARLES F. BRANNAN,
*Secretary.*

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UNITED STATES
DEPARTMENT OF AGRICULTURE,
*June 1, 1950.*

Hon. LINDSAY C. WARREN,
*Comptroller General,*

DEAR MR. WARREN: I appreciate the opportunity you have given me to outline the nature and circumstances of the meeting of Production and Marketing personnel held at St. Paul, Minn., on April 3 and 4, 1950, which I addressed and about which there has been some criticism on the floor of the Senate.

First, something about the character of the meeting. This was an ordinary staff meeting of the same type and purpose as many others held by this agency and other agencies and bureaus of the Department of Agriculture for many years, and, I am confident, held by many other agencies of Government from time to time. There were about 2,322 Production and Marketing Administration committeemen at the meeting. Of this number, about 245 were county committeemen, and about 2,077 were community committeemen. The per diem and travel expenses of the county committeemen amounts to approximately $8,100. The per diem and travel costs of the attending community committeemen amounts to approximately $34,000. If I understand Senator AIKEN's statements correctly, he objects only to the presence at the meeting of the community committeemen. It is clear from the following excerpt from the record that Senator AIKEN does not object to the presence of the county committeemen at this meeting:

"On April 3 and 4 the county committee men of the Production and Marketing Administration for the State of Minnesota met in St. Paul. This was an annual meeting, a perfectly proper meeting called for the purpose of developing an agricultural conservation program for 1951.

"These programs have generally been beneficial to each of the 48 States and to the national agricultural economy.

"The 2-day meeting of the county committeemen at St. Paul was for a perfectly logical and legitimate purpose.

"However, Mr. President, an incident connected with this meeting was, in my opinion, neither logical nor legitimate" (CONGRESSIONAL RECORD, April 11, p. 5050).

The farmer committeemen carry out the programs authorized by the Congress and which are assigned to the Production and Marketing Administration of the Depart-

ment of Agriculture. It is undoubtedly the most efficient and least costly means of accomplishing the task. Please note that the county committeemen and the community committeemen do identical types of work. Only the geographic area of responsibility is different, although the county committeemen act in a somewhat supervisory capacity over the community committeemen. Both county and community committeemen receive the same scale of remuneration, paid from the same sources and for the same types of service.

Section 7 (b) of the Soil Conservation and Domestic Allotment Act of 1938, as amended, provides as follows:

"The Secretary (of Agriculture) shall designate local administrative areas (communities or townships) as units of administration of programs under this section. No such local area shall include more than one county or parts of different counties. Farmers within any such local administrative area, and participating or cooperating in programs administered within such area, shall elect annually from among their number a local committee of not more than three members for such area and shall also elect annually from among their number a delegate to a county convention for the election of a county committee. The delegates from the various local areas in the county shall, in a county convention, elect annually the county committee for the county which shall consist of three members who are farmers in the county. The local committee shall select a secretary and may utilize the county agricultural extension agent."

In accordance with this provision of the law, annual and nonpartisan elections are held in each agricultural community in the United States. In 1949 elections were held in 29,106 communities and that many community committees were elected with about 87,600 committee members. These committeemen are charged with the responsibility of administering the PMA programs in their communities for 1950. They do not receive a fixed salary for their services but do receive a daily wage and travel expenses. This is an important variance from the status of the usual Federal employee, who when in travel status receives his salary plus a travel per diem, plus railroad fare or car mileage.

In administering the PMA programs for the fiscal year 1948–49, community committeemen were paid an average of $6.30 per day for an average of 6.5 days spent in carrying on PMA program work. The balance of the time which they devoted to program work was performed without remuneration from any Government sources whatsoever. Nearly all committeemen spend considerably more of their time in program work for which they receive no compensation. They are working for improved conditions for agriculture and for the Nation and their remuneration comes from the satisfaction in this service.

County committeemen received an average of $6.90 per day for an average of 44.1 days work on the programs during the same fiscal year 1948–49. They, too, work many more days than they are compensated for.

It is noteworthy that the committeemen would receive approximately the same amount of money throughout the year for work done whether or not they made this trip to St. Paul. There is just so much money available for the reimbursement of community committeemen and when that sum is used up they continue to work thereafter without remuneration. The implication that representative American farmers could be bribed or induced to attend a meeting by the offer of $8 per day plus 5 cents a mile for travel is unthinkable, unwarranted, and unjust to American farmers.

All of these committeemen are elected to their positions annually and although many are reelected year after year, it is necessary to carry on a program of training in order that the new members may be acquainted with their duties and both the new members and the old members acquainted with the changes in the programs as those changes are authorized from time to time by the Congress and established by the Secretary.

Conferences for the purpose of training and instructing new committeemen occur annually throughout the entire United States. Some of these conferences are held in smaller groups at various places throughout the State with the State committee people traveling to these various meetings. The method of instruction is left to the discretion of the State committee people, many of whom find it desirable to bring the committeemen together once a year for a general discussion of programs.

The conferences are carefully planned and are hard-working affairs. The farmer committeemen who attend receive appreciable benefit from the straight program training and instruction which is made available to them. It has also been found that in the conduct of these conferences a very useful purpose can be served by providing committeemen with the opportunity to hear first hand the views of some of the leading agriculturalists in the country. This has led to the general practice of inviting well-known and accepted agricultural leaders to participate on conference programs. For example, the principal speaker at the Vermont State PMA conference this year was Senator GEORGE D. AIKEN. The North Carolina State PMA conference this year invited Senator CLYDE R. HOEY as its main speaker. Senator SPESSARD L. HOLLAND spoke at the Florida State PMA conference. It has been a generally accepted practice when time would permit for the Secretary of Agriculture to attend one or more of these State conferences throughout the year. Each of the two preceding Secretaries of Agriculture had spoken at an identical type of meeting in Minnesota and at many other such meetings in other States.

The two Senators from Minnesota were invited to attend this meeting. Senator EDWARD J. THYE did not attend. The invitation to him and his reply are attached. Senator HUBERT H. HUMPHREY did appear on the program.

In 1948, the then Secretary of Agriculture, CLINTON P. ANDERSON, was the principal speaker and discussed existing and proposed farm legislation.

The same kind of an invitation or notice of Mr. ANDERSON's expected attendance at the meeting was issued in which attention of the committeemen was called to the fact that per diem and travel would be allowed.

So that you may judge the character of the remarks made by me during the session, I have supplied you with a transcript of a recording taken at the meeting. I also have a recording for your use if you care to check against the written transcript. I especially invite your attention to the fact that this was a discussion of the farm problem. No reference was made to a political party or to a political candidate (unless Allan Kline is now a political candidate). The listeners were not exhorted to vote in one fashion or another on any issue whatsoever; in fact, the question of voting is not mentioned specifically or by innuendo.

Without respect to the question as to whether or not such meetings are sound administration or are authorized by law—my views on these two points being very clear that they are both wise and lawful—I believe these conclusions are inescapable:

First, the community committeemen who attended this meeting will have received at the end of the year no more money than if they had not attended this meeting. Approximately so much money is available each year for administrative costs and when these funds are exhausted, the farmers continue their work without remuneration. They would have earned this money before the year was out in some other fashion.

Second, there is nothing about the convening or conduct of this meeting which is in any wise different from many other meetings which have been held this year and in previous years throughout the country by this and many other agencies of Government.

Third, there is nothing different about this meeting than previous meetings held in this State, even including the nature, phraseology, and character of the notice or invitation sent to the community committeemen.

Fourth, community committeemen and county committeemen are engaged in the very same type of program and, therefore, if, as it is already acknowledged, this meeting was perfectly proper as far as county committeemen are concerned, it very logically follows that it was equally proper as far as community committeemen are concerned.

Fifth, the fact that Senator HUMPHREY addressed this meeting in political terms cannot be charged to those who organized the meeting or to the Secretary of Agriculture. Senator THYE, a member of the opposite party, was invited and could have spoken as vehemently on the other side of the same issues if he had chosen to do so. I do not believe it wise to exclude Members of Congress from these meetings, and I assume that Senator AIKEN agrees for he has availed himself of such opportunity subsequent to the date he took exception to the St. Paul meeting.

Obviously, if there is any additional information which we can supply to you with regard to this matter, we shall be pleased to do so.

Yours truly,

CHARLES F. BRANNAN,
*Secretary.*

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UNITED STATES DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
*St. Paul, Minn., March 16, 1950.*

DEAR COMMUNITY COMMITTEEMAN: In order to give you an opportunity to meet and hear our Secretary of Agriculture, Charles F. Brannan, and the Administrator of our Production and Marketing Administration, Ralph Trigg, the State committee has arranged for you to attend the second day of the annual Minnesota County PMA Committee meeting in the arena of the St. Paul Auditorium, on Tuesday, April 4.

The meeting will open at 10 o'clock, and Administrator Trigg's speech is scheduled at 11 on Tuesday morning, April 4. Secretary Brannan will speak at 2:30 in the afternoon.

The decline in farm prices has placed even greater emphasis on the price-support program which we in PMA are administering. We know you realize how controversial this subject has become. We feel it is extremely important for you community committeemen who represent agriculture at the grass roots, to have this chance to hear your Secretary who is making a terrific fight to maintain some measure of economic stability for farmers.

Our production picture has changed since the war as it pertains to basic crops such as wheat and corn. With acreage allotments come diverted acres and we want to be sure that land taken out of wheat and corn this year will be put to the best possible conservation use as far as practical. We feel sure that giving you an opportunity to hear your Administrator on this subject will give you renewed enthusiasm and a broader understanding of the problems which now confront us.

A travel allowance is being authorized for community committeemen who attend this meeting. We are asking that you contact

other committeemen and try to make arrangements to pool rides. If you drive your own car, and are accompanied by one or more passengers, you may make a claim for 5 cents a mile. It will be necessary for you to keep an accurate record of the mileage in this event.

If you come either by bus or train, buy your ticket, and get a receipt for it. You must submit this receipt to the county office in order to be reimbursed for your fare.

You will receive a regular day's pay for attending the meeting. For community committeemen who live some distance from the Twin Cities and require traveling time which would exceed the 1 day, up to 2 days' salary will be authorized.

We feel this is an opportunity which you, as committeemen cannot afford to miss. We strongly urge you to attend this meeting.

Sincerely yours,

CHAS. W. STICKNEY,
*Chairman, Minnesota PMA Committee.*

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ST. PAUL, MINN., *March 21, 1950.*

HON. EDWARD J. THYE,
*Senate Office Building,*
*Washington, D. C.*

DEAR ED: The State PMA Committee are completing plans for our State meeting of county and community committeemen and indications are that the majority of the 4,500 local committeemen will attend.

We have been hoping that you might reconsider our invitation to attend the conference at the St. Paul Auditorium on April 4, 1950. If you are unable to be present, would you have any objection to our announcing that you had been invited to address the group and perhaps send us a telegram or message which could be read at the meeting.

Sincerely yours,

CHAS. W. STICKNEY,
*Minnesota PMA Chairman.*

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UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE
AND FORESTRY,
*Washington, D. C., March 24, 1950.*

MR. CHARLES W. STICKNEY,
*Minnesota PMA Chairman,*
*St. Paul, Minn.*

DEAR CHARLIE: I have your letter of March 21 asking me to reconsider your invitation to me to attend the conference at St. Paul on April 4. It is with regret that I must decline this invitation as I am scheduled to be in Minnesota on Monday, April 10. I feel that I would be absent from the Senate Chamber too much if I were to accept your invitation for April 4.

I fully realize the importance of this conference and would have enjoyed very much having the benefit of attending. We who speak for and represent agriculture here in Congress are now confronted with the question of declining agriculture prices and the accumulation of surplus commodities. This, of course, brings letters expressing grave concern from those of you who administer the farm program in the field, as well as the producer who sees an ultimate threat to his own security by a curtailment of his production as well as a decline in prices. The public is becoming more critical, month by month, when reports are made of the cost factors in connection with the administration of the farm support program.

Again I say, Charlie, that it is with regret that I must decline your invitation. I wish for you, your associates, and my fellow producers in Minnesota a most successful conference. I shall look forward to receiving from you any information pertaining to specific recommendations for farm legislation and other suggestions that may be developed at your conference. I have not forgotten the depressed prices of the late twenties and early thirties and I shall endeavor to assist in maintaining a stable agricultural economy in the United States as it is the foundation of our entire national wealth.

With sincere best wishes to you and your associates,

Sincerely yours,

EDWARD J. THYE,
*United States Senator.*

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UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND
MARKETING ADMINISTRATION,
*St. Paul, Minn., January 30, 1948.*

DEAR COMMUNITY COMMITTEEMAN: The State committee has just completed arrangements for you to attend the second day of the annual meeting of Minnesota county committeemen to be held at the St. Paul Auditorium starting promptly at 9:30 a. m. Friday, February 27, 1948. This is the first opportunity since 1936 that community committeemen have had to attend a State-wide triple-A meeting.

Secretary of Agriculture Clinton P. Anderson and Jesse B. Gilmer, Administrator of our newly organized Production and Marketing Administration, of which you are a part, will speak. A prominent official of the State Department will discuss the Marshall plan.

You, along with others, have repeatedly asked that greater responsibility in your farm program be placed at the grass roots. This is an opportunity for community committeemen who do represent the real grass roots to hear the top man in the Department of Agriculture—the Secretary—and the man who heads our PMA organization talk about long-range agricultural plans.

Right now farmers are enjoying prosperity. There are people who think this means that the need for price supports and some other phases of the program you administer no longer exists. We know that you are disturbed about such reasoning when you run into it, and we realize that you are probably doing a lot of thinking about the future of agriculture.

The State committee recognizes, as do other PMA officials, that the farm program depends upon you being well-informed. The better understanding you have of the program, the better you are able to explain it to your neighbors, and the more successful it is in your community.

The State committee also realizes that coming to St. Paul for a meeting necessitates a great deal of travel for some community committeemen. Our budget will allow us to authorize only the payment of one day's salary for your attendance at this meeting. We suggest, however, that you discuss with your county committee the arrangements you may make for attending this meeting, so that as many as possible of you may attend with a minimum of expense and sacrifice on your part.

We urge you to attend this meeting if at all possible.

Yours very truly,

CHAS. W. STICKNEY,
*Chairman, Minnesota PMA Committee.*

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UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
*St. Paul, Minn., January 23, 1948.*

To: Chairman of County Agricultural Conservation Committee.
From: Chas. W. Stickney, chairman, Minnesota PMA Committee.
Subject: 1. State Meeting of County Committeemen. 2. Community Committeemen.

1. The State committee has arranged for the annual State meeting of county committeemen to be held at the Lowry Hotel on Thursday and Friday, February 26 and 27, 1948. All three members of the county committee are requested to attend and be present at 9:30 a. m. the first day in order that they may be registered before the first session gets under way at 10 a. m.

Arrangements have been made at the Lowry Hotel for room accommodations. In order to secure accommodations for everyone, we have been asked to furnish the management with a complete list of the persons who will stay at the hotel not later than Tuesday, February 2, 1948. Kindly complete the enclosed form and return to the State office by that date indicating whether or not rooms will be required on both Wednesday, February 25, and Thursday, February 26. We are unable to furnish you with the rates, which will vary, depending upon the number of persons in each room. A limited number of rooms which will accommodate three persons will be available. A report should be forwarded even though room accommodations will not be needed at the Lowry Hotel for any member of your committee.

County committeemen will receive $4 per diem for each 24-hour period away from home while attending the meeting. A travel allowance of 5 cents per mile is authorized if accompanied by one or more members of the county committee. If bus or train is used, a cash receipt should be obtained and the amount claimed on Form ACP-10 with the receipt attached to the February expense account forms.

2. Within the next few days we are forwarding a letter to all community committeemen authorizing them to attend the sessions on the second day of the conference to be held in the St. Paul Auditorium starting at 10 a. m. We have been fortunate in obtaining both the Secretary of Agriculture, Clinton P. Anderson, and Mr. Jesse Gilmer, Administrator of the Production and Marketing Administration to speak to the group. The State committee is asking that county committees lend every encouragement for community committeemen to attend the meeting on the 27th. We believe the message which the Secretary of Agriculture and the PMA Administrator will bring to us will be very helpful to community committeemen and will be of immeasurable assistance to them in working with farmers in their community. With the limited funds which are available for administrative expense, we cannot authorize any travel or subsistence allowance for community committeemen but will reimburse them for one day's salary for attendance at the meeting.

With county committeemen utilizing most of the available rooms at the Lowry Hotel, it is doubtful if accommodations can be obtained for community committeemen there.

However, we are informed that rooms will be available at the St. Paul Hotel, St. Francis Hotel and others and we suggest that county committeemen assist community committeemen in making reservations for them at some hotel.

Mr. HUMPHREY. I yield the floor.

## ORDER FOR RECOGNITION OF SENATOR CAIN TOMORROW

During the delivery of Mr. HUMPHREY's remarks,

Mr. CAIN. Mr. President, will the Senator be so kind as to yield to me to permit me to propound a unanimous-consent request?

Mr. HUMPHREY. Certainly.

Mr. CAIN. Some few minutes ago the junior Senator from Washington most willingly yielded his then right to the floor, in order that the conference report could be discussed. The natural assumption at that time was that the discussion of the conference report would not take very long.

The Senator from Washington is confronted with a problem. His own plans for the day require him to be somewhere else about 5 o'clock.

Therefore, Mr. President, I wonder whether the Senate would think it proper for me to request unanimous consent that, as the first order of business tomorrow, I may be recognized to complete my presentation of the social-security question, as it had been my intention to do this afternoon.

The PRESIDING OFFICER. Does the Senator from Minnesota yield, to permit the unanimous-consent request to be propounded?

Mr. HUMPHREY. Yes. I wish to reserve the right to object, but I understand that the Senator from Arizona [Mr. McFARLAND] may do so.

Mr. McFARLAND. Mr. President, reserving the right to object, I simply wish to call attention to the fact that the plan has been to have the calendar called the first thing in the session tomorrow. Would the Senator from Washington mind modifying his request, so as to provide that he will be recognized tomorrow following the completion of the call of the calendar?

Mr. CAIN. I have absolutely no objection at all to making such a modification of my request.

Mr. McFARLAND. Mr. President, I shall not object if the Senator will modify his request to that extent.

Mr. CAIN. I so modify it, Mr. President.

The PRESIDING OFFICER. Without objection——

Mr. HOLLAND. Mr. President, reserving the right to object, let me say that I have a series of questions which I should like to propound to the Senator from Georgia with reference to the bill amending the Social Security Act. If the Senator from Georgia is available this afternoon, I can propound my questions to him today.

The PRESIDING OFFICER. Earlier in the day the Senator from Georgia was granted leave of absence from the Senate until Monday.

Mr. HOLLAND. Then, Mr. President, still reserving the right to object, let me inquire whether there is presently available any other member of the committee to whom I could properly address questions having to do with agricultural labor and the provisions of the bill amending the Social Security Act, as the provisions of that bill would be applicable to agricultural labor.

Mr. MILLIKIN. Mr. President, I do not know whether I am qualified to answer the questions; but I have given some time and study to the social security measure, and I shall make myself available to the Senator at the appropriate time.

Mr. HOLLAND. Mr. President, it happens that I shall have to leave the Senate on important and necessitous business tomorrow night, and I shall not be able to be here for several days thereafter. For that reason, I should very much like the privilege of addressing my questions a little later this afternoon to the junior Senator from Colorado, if the Senate is to remain in session for a while.

Mr. MILLIKIN. I would have no objection.

Mr. HOLLAND. The Senator from Florida was not here when the unanimous consent request was made, and is not familiar with its contents.

The PRESIDING OFFICER. The Chair will state that the Senator from Washington yielded the floor for the consideration of the conference report, and, in the absence of unanimous consent to the contrary, or of his yielding the floor, he will regain the floor at the termination of the discussion and action with reference to the conference report. He now asks unanimous consent that he have that privilege tomorrow, at the conclusion of the call of the calendar, in lieu of having it at the conclusion of the consideration of this conference report this afternoon.

Mr. HOLLAND. Mr. President, reserving the right to object, I have no objection at all to that, provided the Senate may remain in session for a few moments, to enable me to get from my office the series of questions which I should like to have the great privilege of addressing to the Senator from Colorado, who, I am sure, could give me the answers to them.

Mr. MILLIKIN. Mr. President, if I cannot do so today, I will do some more home work and have them for the RECORD tomorrow.

Mr. McFARLAND. Mr. President, reserving the right to object, my reason for suggesting that the junior Senator from Washington modify his request was that I thought it a reasonable request that he had made, inasmuch as he was to have the floor after this discussion, which it was expected would only last a short time, and was so represented. While ordinarily I do not like to agree to a unanimous-consent request that any Senator shall have the floor on the following day, I feel that this is a reasonable request, and I appreciate the willingness of the Senator to modify it, so as to have it understood that he is to regain the floor following the call of the calendar, thus enabling Senators to know when to be here for the call of the calendar.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

## AMENDMENT OF THE HATCH ACT—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1243) to amend the Hatch Act.

Mr. BREWSTER. Mr. President, this has been one of the happiest weeks of my life. Sixteen years ago I was elected to Congress on a platform endorsing the idea of a pay-as-you-go program of old-age assistance with universal coverage.

Ever since, I have steadfastly advocated this program during my service in the House and in the Senate.

Once a year in the Finance Committee of the Senate I have presented my views to my fellow members.

This week it has been profoundly gratifying to have my Republican associates on the Senate Finance Committee, led by the Senator from Colorado [Mr. MILLIKIN], the former chairman of the committee, and the Senator from Ohio [Mr. TAFT], the next ranking minority member, announce the conclusion of all the Republican members of the Finance Committee and several of their Democratic associates that the old-age assistance program should be as promptly as possible restudied upon a basis of universal coverage and on a pay-as-you-go plan.

To this end a resolution is being presented authorizing and directing a careful study of the situation to be made during the recess of the Congress with a view to considering the formulation of legislation adapted to the transition from the present chaotic situation to a simple universal pay-as-you-go plan.

The details remain to be worked out. The recognition of the principle, however, is of profound significance.

The report of the Hoover Commission looked in this direction and suggested strongly consideration of development along this line, and the Brookings Institution in its special task force studies for the Hoover Commission went even further.

Representatives of the Brookings Institution testified before the Senate Finance Committee this winter and strongly urged consideration of a program of this character.

The pending legislation recognizes the moral obligation of the Government to make up to those who have contributed under the current scheme for the injustice that has been done to them by the 50-percent decline in purchasing power of the dollar.

This brings home very forcibly the unsoundness of the current plan, since no power on earth is able to determine what the purchasing power of the dollar will be 10, 20, or 30 years from now.

The one thing that seems fairly certain is that it will not be what it is today.

After every great war in the last century, commodity prices have steadily declined which means that the value of the dollar has increased. Whether this will be duplicated after this war remains to be determined.

The injustice of compelling Americans to purchase "a pig in a poke" by buying future dollars on a purely speculative basis is now tragically apparent.

A pension program of this character was urged in the Republican National Platform of 1936 and in the most recent statement of Republican policies and principles issued this past winter.

It is most gratifying that the Republican leadership is now moving to implement these pledges as one of the soundest methods of restoring fiscal sanity to our Government.

Careful studies will be made of the very substantial savings that will result to all concerned with our economy as a result of this sound measure of reform.

Experience has in truth been the best teacher. Patience will have its perfect work.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks excerpts from Republican platforms, and statements on social security, and also a letter written by H. D. Ruhm, Jr., president, Bates Manufacturing Co. on April

20, 1950, to Mr. Stephen MacRae, Project Manager, Economic Cooperation Administration, dealing with the necessity of protecting the American standard of living.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM REPUBLICAN PLATFORMS AND STATEMENTS ON SOCIAL SECURITY

1936 PLATFORM

Real security will be possible only when our productive capacity is sufficient to furnish a decent standard of living for all American families and to provide a surplus for future needs and contingencies. For the attainment of that ultimate objective we look to the energy, self-reliance, and character of our people, and to our system of free enterprise.

Society has an obligation to promote the security of the people by affording some measure of protection against involuntary unemployment and dependency in old age. The New Deal policies, while purporting to provide social security, have, in fact, endangered it.

We propose a system of old-age security, based upon the following principles:

1. We approve a pay-as-you-go policy, which requires of each generation the support of the aged and the determination of what is just and adequate.

2. Every American citizen over 65 should receive the supplementary payment necessary to provide a minimum income sufficient to protect him or her from want.

3. Each State and Territory, upon complying with simple and general minimum standards, should receive from the Federal Government a graduated contribution in proportion to its own, up to a fixed maximum.

4. To make this program consistent with sound fiscal policy the Federal revenues for this purpose must be provided from the proceeds of a direct tax widely distributed. All will be benefited and all should contribute.

We propose to encourage adoption by the States and Territories of honest and practical measures for meeting the problems of unemployment insurance.

The unemployment insurance and old-age annuity sections of the present Social Security Act are unworkable and deny benefits to about two-thirds of our adult population, including professional men and women and all those engaged in agriculture and domestic service and the self-employed, while imposing heavy tax burdens upon all. The so-called reserve fund, estimated at $47,000,000,000, for old-age insurance is no reserve at all, because the fund will contain nothing but the Government's promise to pay, while the taxes collected in the guise of premiums will be wasted by the Government in reckless and extravagant political schemes.

1940 PLATFORM

We favor the extension of necessary old-age benefits on an earmarked pay-as-you-go basis to the extent that the revenues raised for this purpose will permit. We favor the extension of the unemployment compensation provisions of the Social Security Act, wherever practicable, to those groups and classes not now included. For such groups as may thus be covered we favor a system of unemployment compensation with experience rating provisions, aimed at protecting the worker in the regularity of his employment and providing adequate compensation for reasonable periods when that regularity of employment is interrupted. The administration should be left with the States with a minimum of Federal control.

1944 PLATFORM

We pledge our support of the following:

1. Extension of the existing old-age insurance and unemployment insurance systems to all employees not already covered.

* * * * *

3. A careful study of Federal-State programs for maternal and child health, dependent children, and assistance to the blind, with a view to strengthening these programs.

1948 PLATFORM

Consistent with the vigorous existence of our competitive economy, we urge extension of the Federal old-age and survivors insurance program and increase of the benefits to a more realistic level; strengthening of Federal-State programs designed to provide more adequate hospital facilities, to improve methods of treatment for the mentally ill, to advance maternal and child health, and generally to foster a healthy America.

STATEMENT OF POLICY BY REPUBLICAN MEMBERS OF HOUSE AND SENATE, DECEMBER 5, 1945

Government alone cannot feed the people, nor employ them, nor make the profits from which new enterprises and new jobs are born. Government can help its people to prosperity by lightening the burdens of debt and taxes, laying down the rules of fair play and protecting those whose own strength and resources are not sufficient to protect themselves.

STATEMENT OF PRINCIPLES AND OBJECTIVES BY REPUBLICAN MEMBERS OF HOUSE AND SENATE AND REPUBLICAN NATIONAL COMMITTEE, FEBRUARY 6, 1950

The obligation of Government to those in need has long been recognized. Recognizing the inequities and injustices of the present program of social security, we urge:

A. The extension of the coverage of the Federal old-age and survivors insurance program, reduction of eligibility requirements and increase of benefits to a more generous level, with due regard to the tax burden on those who labor.

B. A thoroughgoing study of a program of more nearly universal coverage including the principle of pay as you go.

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BATES MANUFACTURING CO.,
*Lewiston, Maine, April 20, 1950.*

Mr. STEPHEN R. MACRAE,
*Project Manager, Arrangements Branch, Technical Assistance Division, Economic Cooperation Administration, Washington, D. C.*

DEAR MR. MACRAE: To reply in polite language to your letter of April 17, requesting our cooperation in imparting manufacturing know-how to foreign competition is extremely difficult.

Textile exports are constantly being curtailed by quotas, embargoes, tariffs, and exchange. Japanese goods are already beginning to come into the United States at prices about one-third of ours. A festival for reducing American textile tariffs still further is planned for England this summer.

On top of all this, to help some fellow employing labor at wages anywhere from 50 to 90 percent less than we pay to become more efficient appears to us to be indiscreet, to say the least.

Everyone in ECA and other parts of Washington appear to believe that we must import more if we are going to export more, and that a major portion of the imports must be textiles. Your letter requesting cooperation in bringing about our own funeral is the first opportunity our company had had to say anything or do anything about our own textile fate. Our answer is a most emphatic "No."

We have built the American textile industry into one of the most efficient in the country. Our per-man production is far ahead of any foreign country in my knowledge. You can rest assured that the textile industry will fight for its life; will fight to keep its employees' wages from being forced to foreign levels; will fight to turn out ever better products; will fight to expand its own markets, and to expand and improve its own plant. To furnish our foreign competitors ammunition with which to hurt us more and faster is hardly the common sense used by our hardier forefathers who put this country together.

Sincerely yours,

H. D. RUHM, Jr.,
*President.*

Mr. TAFT. Mr. President, I desire to oppose the adoption of the conference report for the same reason that I voted against the bill in its original form, plus a few additional reasons induced by the conference report.

As I recall, the Hatch Act was passed just before I came to the Senate. It was passed for a very good reason, I think, because it was recognized that Federal employees were not only taking an active part in campaigns, but were being forced to do so by others. The Hatch Act was passed by a Democratic Congress, applying to some extent to activities of the employees of the then Democratic Government.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LUCAS. I think perhaps the Senator from Ohio is mistaken in what he said about the Hatch Act being passed before the Senator came to the Senate.

Mr. TAFT. My impression is that it was passed in 1938, just the year before I came to the Senate. We had it up again in 1939, I think.

Mr. HAYDEN. The Hatch Act was approved August 2, 1939.

Mr. TAFT. I was mistaken. Under those circumstances it was passed the first year I was a Member of the Senate.

Mr. LUCAS. I distinctly recall that the Senator from Ohio and I came to the Senate at the same time, and I was in the midst of the battle, on the Democratic side, fighting against the Hatch Act, and I have never been sorry that I opposed it.

Mr. TAFT. Nevertheless, it was passed in a Congress in which we had only 23 Republican Senators at that time, and it was passed because of abuses which had arisen—now the Senator reminds me—particularly in the campaign of 1938 in which I took part, and in special reference to the WPA.

Mr. LUCAS. Apparently it did not affect the Senator from Ohio.

Mr. TAFT. At the time I was elected, Mr. President, I may say there were 300,000 persons on WPA in Ohio—more than there ever were before or since—and on the second day of November of that year they apparently showed very excellent judgment in their voting, although perhaps I did not receive a majority of their votes.

Mr. LUCAS. I was about to congratulate the Senator on obtaining such a large vote from WPA workers.

Mr. TAFT. Mr. President, the Hatch Act covers various forms of political activity. For violation of most of the activities prohibited, provision is made for the imposition of a fine of not more than $1,000 or imprisonment for not more than 1 year. In other words, the act is made a criminal act. Only in this one case—namely, the case dealt with in section 9—was the question of removal from office brought up. It certainly must be true that the Senate considered that the particular crime prohibited by section 9 was one which deserved a summary punishment.

Section 9 (a) reads, in part:

SEC. 9. (a) It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No officer or employee in the executive branch of the Federal Government, or any agency or department thereof, shall take any active part in political management or in political campaigns. All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects and candidates.

Then the penalty section under section 9, and applying only to section 9, reads:

(b) Any person violating the provisions of this section shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by any act of Congress for such position or office shall be used to pay the compensation of such person.

Mr. President, Members of Congress who wrote and who voted for the act apparently believed that these particular prohibitions were with respect to such heinous violations of political morality that compulsory punishment must be imposed in the case of any such violations. However, the conference report completely emasculates that punishment.

If it were found that the punishment was excessive, and if imposed a criminal penalty were imposed, as in the case of most of the other crimes punished by the Hatch Act—in other words, imprisonment for 1 year or a fine of $1,000, in the discretion of the court—I would not oppose this measure; I would not see why that would not be a reasonable method of dealing with the matter.

However, instead of that, the conference report proposes to give the Civil Service Commission the right and the prerogative of determining the sentence—a prerogative which, so far as I know, the Civil Service Commission exercises in no other case, and which ordinarily is the prerogative of the judge of a United States court.

Therefore, it seems to me that this provision of the conference report nullifies that particular provision of the Hatch Act, for the conference report at that point reads, as follows:

(b) If in the case of any person violating the provisions of this section it is found by the United States Civil Service Commission that such violation warrants removal he shall be immediately removed from the position or office held by him—

If the Civil Service Commission feels that it warrants removal.

Mr. President, I can conceive how three members of the Civil Service Commission, no matter how heinous the crime, might feel that it did not warrant removal from office. No standard is proposed by the conference report. In it there is no suggestion by the Congress as to what shall constitute a serious violation, as opposed to a mild violation. To say that the Civil Service Commission simply must find that the offense warrants removal from office is a very indefinite provision, indeed, for the Civil Service Commission might as a matter of principle feel that no such violation would warrant removal.

I read further from the conference report:

If the Commission finds by unanimous vote that the violation does not warrant removal, a lesser penalty shall be imposed by direction of the Commission.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Oregon.

Mr. CORDON. Is not that provision clearly a delegation of legislative authority to the Civil Service Commission? Can it be anything else?

Mr. TAFT. No. It seems to me that the Civil Service Commission then would determine the policy which formerly the Congress determined; in other words, the legislative policy as to whether such violations warrant removal from office. It seems to me that in the last analysis that function is more like the judicial function of sentencing a criminal and making the sentence anything which the person or group imposing the sentence wishes to make it.

Mr. CORDON. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. CORDON. This is not a question of sentencing a criminal; it is a question of determining the guilt of a criminal and of making the law under which that person may be found guilty. However, the Congress has not made that law, the Congress does not set, in this language, any standard; it does not even set up a mandate as to the determination of guilt. On the contrary, all that must be done by the Civil Service Commission; and that is solely in the field of the legislative, not in the field of the executive.

Mr. TAFT. I agree that it seems to me that portion of the conference report violates all the principles we have ever pursued in regard to dealing with supposed crimes.

I read again from the conference report:

If the Commission finds by unanimous vote that the violation does not warrant removal, a lesser penalty shall be imposed by direction of the Commission.

Presumably the "lesser penalty" would be a suspension.

I read further:

*Provided*, That in no case shall the penalty be less than 30 days suspension without pay.

Mr. President, what would a penalty of 30 days without pay amount to? In such case, the political organization for which the Government employee had worked would undoubtedly be willing to pay his salary for 30 days, and of course it would not be illegal to do so. In fact, no doubt the political organization would be glad to pay such Government worker's salary for 90 days, in order to pay for his services.

Mr. STENNIS. Mr. President, will the Senator yield at this point for a question?

Mr. TAFT. I yield to the Senator from Mississippi.

Mr. STENNIS. Does not the Senator from Ohio understand, however, that the real purpose there is to cover cases of very mild violations of the rule? For instance, there was testimony before the committee in regard to a person of 18 or 19 years of age who worked in a post office in a small town, and was asked to distribute some cards for a candidate, and, in more or less a childish way, he went out on the street for a few minutes and distributed the cards. Under the law, the only penalty was absolute removal from his position. There was much evidence in regard to cases of that sort.

Does not the Senator think that the inclusion of a provision to cover such cases would be wise, and that the language of the conference report does cover them?

Mr. TAFT. I am not prepared to say, Mr. President, that the present penalty is not too severe and too automatic. It may be that it is. However, this provision of the conference report constitutes no penalty at all, for it merely says that the Civil Service Commission may suspend for 30 days, without pay, a person who has engaged in political activities, when we know he might very well be paid for his work by the political organization concerned. Such a provision would be no deterrent at all to engaging in such activities.

Mr. STENNIS. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. STENNIS. Would not the provision requiring a unanimous vote by the Commission preclude the reasonable possibility of a case such as the one the Senator has imagined, in which political organizations would persuade Government employees to engage in such activities, and subsequently would pay their salaries for 30 days? If there were any taint of suspicion connected with a case, would not the requirement of unanimous vote by the members of the Civil Service Commission preclude such a development as the one the Senator from Ohio has imagined?

Mr. TAFT. I do not see that the requirement for unanimous vote would prevent such a development. It is true that one of the members of the Commission is required to be a Republican, as contrasted to a Democrat—or vice versa, at some other time. However, I have never felt that the Civil Service Commission was necessarily a nonpartisan body; at least, the workings of the Civil Service Commission today seem to result in the present situation in which practically every postmaster in the United States is a Democrat, although

there is always a Republican on the Civil Service Commission. So I do not think the Civil Service Commission has succeeded in keeping the personnel particularly nonpartisan.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. HUMPHREY. I simply wish to say that I am receiving complaints from my section of the country that occasionally the register seems to be filled with Republicans.

Mr. TAFT. Of course, in that case the register frequently is passed over entirely, and a new examination is held, and perhaps that process is repeated, until the first three persons whose names are on the register and who are qualified are Democrats; at least, that charge has been made.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Missouri.

Mr. DONNELL. I may say to the Senator that my question may be duplicating something which has already been discussed. It happens that I was in the Chamber a portion of the time during the earlier discussion. I was much interested in the point I thought the Senator from Ohio was making, and I wanted to be sure I understood what it was. Therefore I should like to ask the Senator whether this was his point with respect to the situation referred to in the sentence of the conference report which reads:

> If the Commission finds by unanimous vote that the violation does not warrant removal, a lesser penalty shall be imposed by direction of the Commission:

May I have the Senator's permission to recite what I understand his point to be, and ask him whether I am correct in my understanding?

Mr. TAFT. That was the point I made at that time. I have not made it in this speech. My point here is that, even assuming this penalty follows automatically, 30 days' suspension is no penalty at all. The other point——

Mr. DONNELL. I did not hear the Senator's discussion on the latter subject, which he is now mentioning, but I should like to ask whether this was the point he discussed, possibly a half hour or an hour ago: A person violates the provisions of section 9 of the Hatch Act, and is found to be guilty of an offense. There then arises the question of what punishment is to be imposed. If either three or two members of the United States Civil Service Commission vote to remove the offender from his position or office, he is removed. If, however, only one member votes to remove the offender from his position or office, he is not removed. There then arises the question, Shall a lesser penalty be imposed? The only authority found in the conference report for the imposition of the lesser penalty is contained in the language, "If the Commission finds by unanimous vote that the violation does not warrant removal, a lesser penalty shall be imposed by direction of the Commission." The "unanimous vote" for a lesser penalty cannot be obtained if the one member of the Commission adheres to his vote that the offender shall be removed. Therefore, under this situation, first there is no provision in the conference report by which a penalty less than removal can be imposed; second since there is not a majority of the Commission in favor of removal, therefore the offender cannot be removed. Consequently, under the conference report, under the circumstances supposed, the offender can neither be removed nor punished by a lesser punishment.

Mr. TAFT. I think the Senator has stated exactly the point I made. There was no such objection to the original Senate bill. The original Senate bill retained the automatic removal, but said, "If all three members of the Commission find that the action of the employee does not warrant removal, then they may impose a lesser penalty." But the conference report in the first place says that he cannot be removed at all, unless a majority of the Civil Service Commission find that his offense warrants removal; which is something entirely in their judgment, with no standard of any kind fixed. So that the conference report in this regard is far worse.

The Senator has illustrated one point as to which not only is the penalty reduced to a 30-day suspension, but the penalty apparently is entirely removed, if it happens that two members of the Commission think the act of the employee does not warrant removal and one member of the Commission thinks it does. Under those circumstances, as I read the conference report, there is no remedy, there is no penalty, at all.

Mr. DONNELL. Mr. President, I ask unanimous consent that the Senator from Ohio may yield to me for a brief statement, without losing the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. TAFT. I yield.

Mr. DONNELL. I thoroughly concur with the Senator from Ohio in his conclusion. Under the circumstances recited in the question which I addressed to him, it seems perfectly clear to me that the conference report provides no penalty whatever. I thank the Senator for permitting the interruption.

Mr. TAFT. Mr. President, I think the conference report should be rejected, and that in dealing with this question, in this particular respect, probably a criminal penalty of $1,000 and a year's imprisonment, similar to that imposed on other violations in other sections of the act, should be substituted for this delegation to the Civil Service Commission of complete discretion as to whether anything shall be done.

Mr. McFARLAND. Mr. President, I should like to propound a unanimous-consent request. I ask unanimous request that the conference report under consideration be voted upon on Wednesday next at 1 o'clock, the time to be equally divided between the proponents and opponents.

The PRESIDING OFFICER. Is it the purpose to ask unanimous consent that, after an hour of debate on Wednesday, the time to be equally divided between proponents and opponents, the conference report shall be voted on?

Mr. McFARLAND. That is correct.

The PRESIDING OFFICER. Is there objection?

Mr. DONNELL. Mr. President, reserving the right to object, I want to be sure I understood the request. Does the Senator mean there would be 1 hour's debate, between 12 o'clock noon and 1 o'clock, or does he mean that the Senate shall convene at 11 o'clock a. m., thus giving an hour on each side? Which does the Senator intend?

Mr. McFARLAND. We will make it 1:30.

Mr. TAFT. I suggest it be 1 hour after the quorum is obtained, or something of that kind. That is what the Senator really wants, is it not?

Mr. McFARLAND. That would be agreeable. I ask unanimous consent that, 1 hour after a quorum is obtained, on Wednesday next, the conference report under consideration be voted upon.

The PRESIDING OFFICER. And with that hour to be divided equally between the opponents and proponents of the measure?

Mr. McFARLAND. Yes.

The PRESIDING OFFICER. Is there objection to the request?

Mr. CORDON. Mr. President, reserving the right to object, may I inquire as to whether that request meets with the approval of the junior Senator from Florida?

Mr. McFARLAND. I thought the Senator from Florida was on the floor.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. TAFT. The junior Senator from Florida stated distinctly he would be here on Wednesday; that he would not be here on Tuesday, but would be, on Wednesday.

Mr. CORDON. I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

RECESS

Mr. McFARLAND. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 46 minutes p. m.) the Senate took a recess until tomorrow, Friday, June 16, 1950, at 12 o'clock meridian.

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# HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 15, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the supreme source of all wisdom and power, grant that in these days of crisis and confusion we may have a faith that is calm and courageous, a hope that is invulnerable and invincible, a love that never falters nor fails.

May we be blessed with that deeper insight which discerns and knows how

to interpret Thy divine will. May we not be afraid to make trial of that which Thou dost command.

Give us a clear mind for truth and reality. May we look at the issues and problems which confront us in a common-sense way. May none of our actions and decisions run counter to that which is right and reasonable.

Guide us by Thy spirit in finding practical and promising ways of meeting the needs and ministering to the welfare of all mankind.

In Christ's name we pray. Amen.

The Journal of the proceedings of Tuesday, June 13, 1950, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2440) entitled "An act to authorize certain construction at military and naval installations, and for other purposes."

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3181) entitled "An act to extend the Housing and Rent Act of 1947, as amended, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAYBANK, Mr. FULBRIGHT, Mr. SPARKMAN, Mr. FLANDERS, and Mr. BRICKER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 8198) entitled "An act to provide for the organization of the Army and the Department of the Army, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TYDINGS, Mr. BYRD, Mr. CHAPMAN, Mr. SALTONSTALL, and Mr. CAIN to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 4295) entitled "An act to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HUMPHREY, Mr. FREAR, and Mr. LANGER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 21) entitled "Joint resolution to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GREEN, Mr. STENNIS, and Mr. LODGE to be the conferees on the part of the Senate.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 50–25.

QUESTION OF PERSONAL PRIVILEGE

Mr. WOOD rose.

The SPEAKER. For what purpose does the gentleman rise?

Mr. WOOD. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state his grounds.

Mr. WOOD. Mr. Speaker, recently Drew Pearson in a published article of his charged me with having been connected with the receipt of an illegal fee in a matter in connection with my work in the Congress, and I desire to make reply.

The SPEAKER. Will the gentleman send the article to the Chair?

Mr. WOOD. Yes, Mr. Speaker.

The SPEAKER. The Chair has examined the article. The gentleman may proceed.

Mr. WOOD. Mr. Speaker, in the press of Monday, June 12, and again on Tuesday, June 13, Drew Pearson, in his syndicated column, has attacked me and made certain charges against my official integrity and my personal character to which I feel reply should be made—not only for the enlightenment of the Members of this body in which I have served and been honored with evidences of trust and confidence, but also that the people I serve and love, and who have honored me, may know the facts.

It is, I believe, significant that these attacks against me have been timed on the very eve of a primary election in my State and district, which is less than 2 weeks away.

In the June 12 article, headed "Pearson asserts Representative JOHN WOOD's office collected an illegal fee," he recounts his unsupported version of a transaction between an attorney, Carl Tallant, and one Mack Stanfield, father and legal guardian of Ralph Stanfield, who suffered injuries when hit by an Army truck almost a year before I came to Congress.

His second article of June 13, entitled "Servant's United States Job Revealed," takes me to task for appointing as janitor of the Committee on Un-American Activities a Georgia Negro, William Fowler, whose wife has been employed in my home for approximately 20 years, and who himself has worked for me and does now. Prior to my coming to Congress, William Fowler was employed by an industrial plant in my home town. His wife did not want to come here without him, so I brought them both. They occupied the quarters provided where I live.

I took over the chairmanship of the Committee on Un-American Activities in July 1945 after my arrival here in January. There was a Washington man serving as janitor of the committee. With the consent of the committee I replaced him with this Georgia man from my home town at the same identical salary the Washington resident was receiving. He served until the Republican Party took over control of the Congress in January 1947, and made an excellent janitor.

In view of the many anguished wails which this man Pearson has mouthed about the benighted status of the Negro race in my State, as well as other Southern States, his criticism of my action in giving this Georgia Negro a job, the duties of which he performed so excellently, comes with poor grace.

Aside from the distorted conclusions in his article of June 12, there are certain specific charges which involve me and which are absolutely untrue.

After an absence of 10 years I came to this Congress in January 1945. Because of the fact that the district I serve is largely rural, comprising 18 counties, and the further fact that the constant lengthening of the sessions of the Congress, necessitating my absence from the district, I made an agreement with a young attorney named Carl Tallant to take over my home office at Canton and keep it open every day for the benefit of the people of the district and particularly veterans and their dependents, who might desire personal contact in connection with problems in which they were interested involving the Government or any of its agencies. I placed him on my clerical payroll at a salary of $700 per year.

For many years prior to that time I had been practicing law alone and had considerable business then pending in the courts.

I therefore made a partnership arrangement with him to aid me in such legal work as I could engage in without sacrificing my duties here and to share in the small remuneration thus received. That arrangement between us still exists.

As the years have passed, the work load which Mr. Tallant has carried in connection with my work on behalf of the people in my district has grown in volume to the point that it occupies the greater portion of his time. He uses his personal automobile in traveling over the district, employs and pays a stenographer, maintains and keep open the office 365 days out of the year, and makes frequent visits here to Washington during the sessions. I have consequently increased his clerical pay until now he is on the pay roll at a base salary of $4,500 per annum. In this connection it might be of interest to observe that I am one of the few Members of this Congress who is not using all the clerical allowance which is available under the law. On yesterday I asked the disbursing office to give me the exact figures as to how much of my allowance for the fiscal year ending the 30th of this month has reverted to the Treasury because I have not used it. It amounts to $2,903.34. This sum of the taxpayers' money I could have assigned to any person I might choose, but I have not needed it, and therefore have not used it.

The first knowledge I had of the Stanfield case referred to in the Pearson column was during the year of 1947, when I received from Attorney Carl Tallant a volume of documentary evidence in affidavit form, indicating that on January

23, 1944, almost a year before I entered the Congress, the minor son of Mack Stanfield, of Tate, Ga., was severely injured as a result of being struck by an Army truck, and that the Army had failed to compensate him for his injuries or consequent medical and hospital expenses, and requesting that I assist him in his efforts to obtain some remuneration. After some fruitless negotiations, I introduced a special bill on the subject which was reported favorably by the committee and passed by the Congress, awarding the sum of $10,000 to be paid to the legal guardian of the injured boy. I thereupon closed my file on the case.

The next time the matter came to my attention was approximately 2 months ago when I was informed that the man whom the CIO and Drew Pearson are sponsoring, in an effort to prevent my return to Congress, were whispering around the district that I had profited by this transaction. I then made inquiry of Mr. Tallant and the probate judge of Pickens County, Ga., where Stanfield resides, and found that, in addition to locating, and obtaining affidavits from, the witnesses to this transaction, Mr. Tallant also represented the parties in the probate court, obtaining the appointment of a guardian for this boy and posting bond in order that the money provided in the bill could be paid over and that this guardian paid to him a fee of 10 percent, or $1,000, for his legal services. These facts are borne out by the sworn statement of Carl Tallant, as follows:

CHEROKEE COUNTY, GA.

Before me the undersigned attesting officer personally appeared D. Carl Tallant, who on oath deposes and says as follows:

I am on the clerical staff of Congressman JOHN S. WOOD, in charge of his home office at Canton, Ga., in his absence, and performing such duties throughout his district, comprising 18 large counties, as he assigns to me in connection with the operation of his office. I use my personal automobile and keep and pay a stenographer to aid me in this work. I am also an attorney engaged in the general practice of law whenever I obtain employment which does not interfere with performance of my work for Congressman WOOD. When he is in the district he assists me in such legal work as does not conflict with the duties of his office and we share the small remuneration it brings.

On January of 1944 a youth named Ralph Stanfield was struck by an Army truck and severely injured. More than 2 years later the father of this boy came to me and stated that the Government had not paid anything for this boy's injuries, and hospital and medical care, and asked me to handle the case for him. I immediately took the matter up and spent considerable time locating and interviewing witnesses and securing affidavits which I mailed to Congressman WOOD requesting that he see if anything could be done about it. He introduced and obtained passage of a special bill for $10,000 for the relief of this boy. It was provided in the bill that the money be paid the boy's legal guardian. I represented him in the probate court in Pickens County, Ga., and obtained the appointment of his father, Mack Stanfield, as his guardian, posted bond and had letters of guardianship issued necessary before payment of money provided in the bill could be made. Immediately when this money was paid over to Mack Stanfield, the father and guardian of this boy, he came to my office and volunteered to pay me for my services the maximum amount allowed in the bill, namely 10 percent, and he gave me a check for $1,000 payable to me individually. A photostatic copy of such check is attached hereto initialed by me. On my income-tax return for that year I listed it as a separate item of my own, and paid income tax on it. Congressman WOOD had no knowledge of the arrangement I had with Mr. Stanfield and no interest in the fee I received.

D. CARL TALLANT.

Sworn to and subscribed to before me this 13th day of June, 1950.

[SEAL] SAM P. BURTZ
*Notary Public.*

My commission expires February 21, 1954.

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64-279

CANTON, GA., *September 13, 1947.*

BANK OF CANTON

Pay to the order of D. Carl Tallant $1,000.

One Thousand and no/100--------Dollars

For attorney fee.

MACK STANFIELD,
*Guardian Ralph Stanfield.*

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[Endorsement]

D. CARL TALLANT.

This is sworn to before a notary public.

In the years of my life I have not known a more honorable or trustworthy person than Carl Tallant. It would be absolutely foreign to his every instinct to accept compensation from any person which he did not feel he had earned. Now, ignoring the unsupported conclusions spawned in the distorted mind of this scandalmonger, Drew Pearson, as set forth in his column, I desire to make specific reply to his direct statements and insinuations which reflect on me, as heretofore indicated.

Mr. Speaker, I charge categorically that when Drew Pearson stated that Mack Stanfield said that Charles Holcomb, my then secretary, suggested that part of the $10,000 represented in this bill should be paid to me, he uttered a malicious lie. I further solemnly charge that he lied when he said that Carl Tallant suggested that it was customary to pay 10 percent on compensation bills of this kind.

I further solemnly assert that his unsupported statement that I made any request that the matter be kept quiet, is a wicked and malicious lie. I likewise assert that his unsupported statement that I have ever sought to obtain possession of this check is a wicked and gratuitous lie. In support of these assertions I read an affidavit made by Mack Stanfield.

CHEROKEE COUNTY, GA.

In person before the undersigned attesting officer appeared Mack Stanfield, who on oath deposes and says as follows:

I am the father of Ralph Stanfield, and I have read the article by Drew Pearson attacking Congressman JOHN S. WOOD carried in the June 12 issue of the Atlanta Journal.

I have made no statement to a representative of Drew Pearson or to anyone that Charles Holcomb made any suggestion that any part of the money obtained under the special bill introduced by Congressman WOOD for the relief of my son should be paid to Congressman WOOD. Since this fee has been paid I have never made any statement to the effect that Congressman WOOD asked me to keep the matter quiet. In fact I have not discussed the matter with Congressman WOOD since that time until now. Congressman WOOD has never sent any person to me for the canceled check representing this fee, and so far as I know has never seen it. The check is now in my possession.

The fee which I paid as guardian for my minor son to D. Carl Tallant was a perfectly legitimate fee for services he rendered and was entirely satisfactory to me.

Dr. Winston E. Burdine, his brother, and a stranger to me have visited me. They obtained from me the check representing this fee, and have tried to obtain my signature to a statement in connection therewith.

This statement is made in order that the full facts may be known.

MACK STANFIELD.

Sworn to and subscribed to before me this 12th day of June 1950.

[SEAL] SAM P. BURTZ,
*Notary Public.*

My commission expires February 21, 1954.

Mr. Speaker, one of the penalties that attaches to being in public life is that of being subjected to condemnation and abuse. With that I do not quarrel. But it ought not to be in the public interest that a man in public office should be forced to suffer the slanders and falsehoods of one whose stock in trade consists of a wicked heart, a lying tongue, and a poisonous pen. And so, Mr. Speaker, I have deemed it to be my duty to my every attachment, family, friends, my colleagues here in the Congress, and my country to take this floor and condemn this dirty slander peddled by this arch liar and character assassin through his column carried by many newspapers throughout the land.

Mr. Speaker, there is not a truth about this whole matter that I would wish unknown to all men, for it is full information that will bring complete conviction of the rectitude of my conduct, and I trust that my colleagues find no fault with me for refusing without lifting my voice in protest, to be slandered to death by this rogue who has built his name upon the wreckage of the reputations of others that he has wrought.

As to the propriety of Drew Pearson and his colleagues in the CIO coming into my congressional district, and taking over the fight being conducted against me, is something that the voters of the district will take care of on June 28. I would like to say, however, for the enlightenment of the man opposing me, and who is doubtless responsible for the employment of the talents of Drew Pearson in his behalf, that if he should ever come to this Congress by reason of the management and support of this man Pearson he will come as his slave, required to carry him, to fan him, to feed him, and to tremble when he frowns. It is all too fresh in the minds of the people of Georgia how a few years ago, under the Arnall regime in our State, Drew Peason stood on the steps of our State capitol and sought to dictate to our people how to run their local affairs.

Mr. Speaker, I am not the first to have been slandered by this villian, nor am I the first to condemn him. He has been slandering people high and low, great and small, for years. This is his profession—and he has been condemned by millions of people upon whom he has unjustifiably inflicted injury.

The late Mr. Roosevelt, while President of the United States, denounced him as a chronic liar; so has the present occupant of the White House. More than 70

Members of the Congress have publicly declared him to be a malicious liar, and twenty-odd Senators have done likewise, including both Senators from my own State. The senior Senator from Georgia spoke of him some time ago as a congenital liar. Just recently our junior Senator from Georgia, referring to him, said that some people might doubt the propriety of the President referring to Drew Pearson publicly as an s. o. b., but that nobody had shown the slightest inclination to question the truthfulness of what the President said.

Mr. Speaker, Drew Pearson heads a group who, for many years now, have made it their business to destroy public confidence in public officials, which confidence is the very bedrock of the continuance of a free republic.

On January 14 this year he published a scurrilous attack on Hon. J. Joseph Donahue, United States attorney, who was at that very moment engaged in prosecuting for perjury one Harry Bridges, one of the most notorious Communist leaders and Russian agents in America today.

The chief legman and stooge of Drew Pearson today is one David Katz, a former member of the staff of the Daily Worker of New York, the official publication of the Communist Party in America. I am unable to ascertain positively whether this man Katz is one of Pearson's henchmen who have been riding around my district with my opponent trying to dig up something with which to smear me or not.

Drew Pearson has consistently misrepresented, slandered, and abused every person—man or woman—who, because of love of country and constitutional liberty, have raised their voices against the spread of alien ideologies and against those who would overthrow our form of government. He has been the most effective weapon that the Stalinites have been able to use in America for the undermining of our whole constitutional system. To him there is nothing under the heavens that is sacred. He befouls and means to befoul everything he touches. He occupies the unique and unenviable position today of standing alone at the very pinnacle of all the slanderers and scandalmongers in all of American history.

### ESTATE AND GIFT TAXES

Mr. CAMP. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CAMP. Mr. Speaker, I have filed this morning a report on House Joint Resolution 480, the same being a joint resolution to extend the time for the release, free of estate and gift tax, of certain powers of appointment in the case of the estate and gift taxes. The resolution provides for this extension of 1 year from June 30, 1950, to June 30, 1951.

I am making this statement because of the fact that I expect to request unanimous consent for the consideration of this resolution in the next day or so.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. CAMP. I yield.

Mr. REED of New York. That was reported out by the unanimous vote of the committee?

Mr. CAMP. It was reported by the unanimous vote of the Committee on Ways and Means. There is no objection there to it.

### PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute for the purpose of inquiring as to the program for next week.

The SPEAKER pro tempore (Mr. WALTER). Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I wonder if the majority leader, the gentleman from Massachusetts, will tell us the program for next week.

Mr. McCORMACK. I will be glad to.

On Monday the Consent Calendar will be called. There will be no other business that day, and no suspensions.

On Tuesday the Private Calendar will be called. Then we will take up House Resolution 635, relating to the creation of a special committee to investigate campaign expenses. This is the usual resolution adopted every 2 years. Following that will be House Resolution 323, to create a select committee to study food products.

I have bracketed Wednesday, Thursday, and Friday together. The first measure to be considered will be House Joint Resolution 334, relating to participation of the United States in certain international organizations. On last Monday we adopted the rule providing for the consideration of this joint resolution.

Following that will be a bill from the Committee on Armed Services, S. 2269, authorizing the enlistment of aliens in the Regular Army.

There is no further program for next week that I know of, with the exception, of course, that if the Committee on Rules should report out a rule on any bill, it will be programed for next week. Of course, adequate notice will be given to the leadership and to the House generally. I doubt if there will be anything, but if there is, it will not be any important bill.

Mr. HALLECK. As I understand it, there are to be no suspensions on Monday?

Mr. McCORMACK. That is correct. Of course, conference reports may be taken up at any time. We cannot tell when they will be reported.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. JUDD. Does the majority leader think it is likely there will be a return of this rent-control bill to the House in view of the rejection of it by the other body, and asking us to take another vote on it, rather than send it to conference—at least so the papers report.

Mr. McCORMACK. I am sorry, I am not in a position to advise the gentleman from Minnesota as to that. I wish I were, but I am not.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. WHITE of Idaho. I understand the Committee on Rules has granted a rule on a bill providing for certain guaranties by the Export-Import Bank on foreign investments. When will that legislation come up?

Mr. McCORMACK. That will not come up until the early part of July. That is the other part of point 4. It will probably come up on July 11—not until sometime in July and probably July 11.

### SPECIAL ORDER GRANTED

Mr. ADDONIZIO asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders heretofore entered.

### PERMISSION TO ADDRESS THE HOUSE

Mr. CROOK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER pro tempore (Mr. WALTER). Is there objection to the request of the gentleman from Indiana?

There was no objection.

[Mr. CROOK addressed the House. His remarks appear in the Appendix.]

### SPECIAL ORDER GRANTED

Mr. JACKSON of Washington asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders heretofore entered.

### THE TIDELANDS CASE

Mr. PICKETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a statement by one of my constituents with reference to the tidelands case.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PICKETT. Mr. Speaker, on Monday, June 5, the Supreme Court of the United States rendered a decision in what is commonly called the tidelands case, which, in my judgment, is contrary to the law and the facts as adduced by the representative who argued that case in behalf of my own native State of Texas.

The proper officials are filing a motion for rehearing, to be considered by the Court at some future date. It is my earnest hope that the Court, upon reconsideration of the principles heretofore announced in that case, will reverse itself and establish again the rights of all States to their own dominion within their own borders. In the meantime I shall continue my efforts to secure passage of legislation through the House to quitclaim the Federal claims to the States. I hope the House will pass the bill as it has done on two previous occasions, once in the Seventy-ninth Congress which was vetoed, the other in the Eightieth Congress upon which the Senate failed to act.

One of my constituents, a native of Denmark, but who is now a citizen of my

district, has presented to me and is offering for the consideration of this Congress and the whole country his views on the propriety of the decision. His views are well worthy of consideration by every Member of this Congress and every thinking citizen, notwithstanding they were rejected by the Solicitor General when tendered to him.

The arguments of my constituent in support of his position demonstrate careful and intelligent study of the problem and a sincerity of conviction that evidence his stanch character.

The statement is as follows:

*To the Honorable Members of the United States Supreme Court.*

Honorable Justices of this exalted Court: Gentlemen, I have come before you, presenting this document, pleading this case as an individual.

You may dispute my legal right to do so, you may argue that you have no precedent of any individual's doing so. But, honorable gentlemen, does it take precedents to establish rights?

This case is the United States versus Texas, the United States seeking to gain control and ownership of the Texas tidelands, which I shall prove to you without doubt belongs to Texas.

Honorable Justices, gentlemen of the Court, may it please you to know that the State of Texas consists not merely of so much land and water inside certain boundaries, but it consists also of thriving industries, happy homes, fine schools financed by the revenues of the tidelands, and most of all, of the millions of loyal Texans, of which I am proud to claim to be one. When suit is entered against the State, it concerns all its citizens, every citizen is on the defensive. We are all individual stockholders in that great Commonwealth, and as individual citizens, this suit concerns any and all of us. Therefore, this suit is entered against my individual rights and interests, and I therefore have a right to appear in and before this Court in defense of those rights.

Honorable Justices, gentlemen, the decision in this case concerns not only the State of Texas and its citizens, but also all of the other States in the Union. It will have tremendous importance upon future actions.

If the United States Federal Government can claim the established title to the Texas tidelands, then, gentlemen, it can claim ownership of all other mineral resources, be they found below lakes, streams, or under State-owned property or individual homesteads. No citizen will then be secure in his long-established rights, the rights he holds under the Constitution.

May it please this Court for me to proceed with the proofs of this case; but to fully understand all the facts, a brief preliminary discussion will be in order.

The Colonies that later rebelled against tyrannic power and rules and formed this great Nation, of which we are all free and equal citizens, were settled by sturdy freedom-loving stock, the brave, hardy pioneers that faced hardship and danger, fought the savages, and conquered the wilderness, who rebelled, as all freemen will, when those in power usurped their rights.

"So when the revolution came, the people of each State became, themselves, sovereign, and in that character held and do so hold the absolute right to all their navigable waters and the soil under them for their own common use, subject only to the rights since surrendered by the Constitution to the general government."

The above statement has already been settled a long time ago by this exalted Court in the case of *Martin* v. *Waddell* (16 Pet. 367, 410), tried before the United States Supreme Court in 1842.

Honorable gentlemen of this Court, does the above ruling not show plainly that the United States Government holds no right to State lands whatever?

Then, again, this same Supreme Court made another decision favoring State ownership in 1844, in the case of *Pollard* v. *Hagan* (3 How. 212, 229), as follows:

First, "The shores of all navigable waters, and the soils under them, were not granted by the Constitution to the United States but were reserved to the States respectively."

And second, "The new States have the same rights, sovereignty, and jurisdiction over this subject as the original States."

Honorable Justices of this Court, may it please you to scrutinize the above statements carefully. The people of the respective States did not delegate any ownership except as provided for in the Constitution to the Federal Government, but retained all such ownership to State lands themselves. May I ask you, where did the Federal Government acquire rights to title of such lands, as claimed in this suit? The above-quoted opinions state plainly that these shores and lands, etc., were not granted to the Federal Government by the Constitution, and that this provision was held to apply to all other States later admitted to the Union.

Now, gentlemen, honorable Justices, let us see what the Constitution provides:

As any child in school will know, the Constitution provides, "The powers not delegated to the United States by the Constitution, or prohibited by it to the States, are reserved to the States, respectively, or to the people." The above, honorable gentlemen, should be sufficient to prove that the Federal Government, under the Constitution, has absolutely no valid claim to any State lands, navigable streams, or submerged lands within the State boundaries, that being by the Constitution reserved to the States.

The State of Texas was settled by sturdy Anglo-Saxon stock, a race that never tolerated tyranny and oppression, a race of people that held liberty in greater value than life itself. A law-abiding race, a race of home-builders and sturdy pioneers. They tried in vain to conform to rules and laws laid down by the Governments of Spain and Mexico; they tried to be loyal. But when tyrannic rulers ignored their rights and trampled upon their individual liberties they, as their forefathers at Lexington and at Concord had done, rebelled. They gave their lives and sacrificed their all at the Alamo; they were massacred at Goliad. They fought and won at the glorious dawn of San Jacinto, and Texas was forever free. They formed the independent nation, the republic of Texas, and established its boundaries, and the independence of Texas was recognized by England, France, Holland, and Belgium. And also by the United States.

These boundaries were described as follows: "Beginning at the mouth of the Sabine River and running west along the Gulf of Mexico three leagues (10½ miles) from shore, to the mouth of the Rio Grande, etc." The above facts were stated before the United States Senate at the time that august body adoped a resolution to recognize the republic of Texas and its boundaries, on March 2, 1837.

For 10 years Texas valiantly defended those borders, establishing beyond doubt its sovereignty.

Now, honorable Justices of this Court, the above shows conclusively that Texas won her title to her boundaries as stated above, by international law of conquest and dominion, she being first to claim dominion over the tidelands three leagues out into the Gulf. Texas has never surrendered that title to the Federal Government. May I ask you honorable gentlemen, where did the Federal Government obtain its claim for that title?

May it please the Court to know, that Texas retained the Spanish law with regard to minerals, by which all minerals found in lands within the boundaries of the republic were reserved by the republic. And, gentlemen, after joining the Union, Texas still retained that law, which plainly gives Texas ownership of all minerals under submerged lands, three leagues from shore.

The people of Texas, being mostly of Anglo-Saxon stock and having their root in the United States, desired to be annexed to the Union. A treaty was drawn up in 1844 and signed by the two sovereign nations. It defined that the United States would take over all of the public debt of Texas, in return for which Texas would surrender all of its public lands and mineral rights. The United States Senate defeated this treaty upon the grounds that the public lands of Texas consisted mostly of swamps filled with frogs and alligators and of no value at all. Strange that these lands have become so valuable at present that the Federal Government will enter suit to gain ownership to that which was offered it and which was so brusquely refused.

So it was decided to let Texas keep her worthless lands and swamps and pay her debt herself out of proceeds of sale of this worthless property. By a joint resolution of Congress, it was finally agreed that Texas should pay her own debt and retain all of her lands. The resolution reads as follows:

"That Congress doth consent, that the Territory of Texas and rightfully belonging to the Republic of Texas"—

Mind you, honorable gentlemen of this Court, the resolution reads, "rightfully belonging to Texas." There was no doubt in the minds of the supporters of that resolution, that these lands rightfully belonged to Texas—"may be created into one State called the State of Texas—in order that the same may be admitted as one State of this Union and the Constitution thereof, with the proper evidence of its adoption by the people of said Republic of Texas, shall be laid before Congress for its final action—said State, when admitted to the Union, after ceding to the United States of America all public edifices, fortifications, barracks, etc., and all other means for defensive purposes of Republic of Texas, shall retain all her public funds, debts, taxes, and dues of any kind, which may belong or may be due or owing to said Republic of Texas. And shall also retain all her vacant and unappropriated lands lying within its limits."

Honorable Justices of this Court, mark this plainly: "all her vacant and unappropriated lands lying within its limits (or boundaries, which were designated three leagues from shore). Is that not plain as day, that Texas held the title to the tidelands?—"to be applied to the payments of debts and liabilities of said Republic of Texas."

Well, honorable gentlemen of this Court, could anything be plainer? In short, the United States told Texas that she did not want any of Texas' debts or any of her lands. Texas retained these lands in order to pay the debts from the revenue of the sale of lease of these lands. After that, the resolution also stated that after the debt was paid, these public lands should be left with Texas, to do with as she decided herself.

Texas did pay her debt, honorably. She lived up to her part of the agreement. Honorable gentlemen, it is up to the Federal Government to live up to its part.

At the joint resolution of Congress a paragraph was first inserted, to the effect that Texas should surrender her mineral rights. This clause was stricken out before the resolution was adopted, and Texas retained all her mineral rights within her boundaries. What lawful claim has the Federal Government to the Texas tidelands in the face of the above facts?

In accordance with the resolution of Congress, the Republic of Texas' Congress adopted a new constitution, which was transmitted to the President of the United

States and laid before that Congress, and which was passed by Congress and approved by the President on December 29, 1845.

This constitution provided that "the rights of property and of action which have been acquired under the Constitution and laws of the Republic of Texas shall not be divested, but the same shall remain precisely in the situation which they were before the adoption of this constitution."

Honorable gentlemen of this Court, let us repeat above again: "but the same shall remain precisely in the situation which they were before the adoption of this constitution." Which means three leagues from shore as the Texas boundary.

May it please this Court for me to quote a letter written by President Tyler the day before he died. The letter was written to Andrew J. Donnelson, charge de affaires in Texas, and follows: "By whatever name the agents conducting the negotiations may be known, be it commissioners, ministers, or by any other title, the compact agreed on by them in behalf of their respective countries and governments would be a treaty, whether so-called or designated by some other name. The very meaning of a treaty is a compact between two sovereign nations." Let us also consult the dictionary, which defines a treaty to be an agreement between two nations. And allow me to quote, also, as follows, from a letter from Charles H. Raymond to Ebenezer Allen, Attorney General of Texas, dated May 19, 1844: "I had a parting interview with President Tyler and the United States Secretary of State. They assured me that nothing should be wanting on the part of the executive toward ensuring to Texas her just rights after she shall have become a member of the Union."

Honorable Justices of this Court, mark this well: The people of Texas and their government believed in the integrity of the United States. They believed in the sacredness of a treaty or agreement between two nations.

Shall it be said that the Federal Government of the present day failed to honor this obligation of the past and tore up this historic agreement as another scrap of paper?

Now, honorable gentlemen and Justices of this Court, let us sum up the facts presented:

First, it has been established that the States never surrendered their public lands to the Federal Government. It has also been established that the States retained all their public lands. It has been established that Texas won her territory by the sacrifice in battle of her sons, so that the territory and boundaries rightfully belonged to Texas by conquest. It has also been established that Texas successfully defended all her boundaries while a republic for 10 years, and that she and her boundaries were recognized by the United States, Britain, France, Holland, and Belgium.

It has also been established that Texas, when annexed to the Union, retained all her public lands within her established boundaries and all her mineral rights, and that she never ceded any of these rights to the Federal Government. And it has been established beyond a doubt that a solemn agreement as to the above-mentioned facts was made between Texas and the Union, in fact, a treaty, and that Texas had faith in the integrity of the United States and its agreement and promises.

Gentlemen, honorable Justices, for you in the face of all the above-mentioned facts to render any but one verdict in this case, and that to be in favor of Texas's right to her tidelands, will be to sanction breach of contract and treaties, will be to sanction the tearing up of treaties between nations, as mere scraps of paper.

Furthermore, honorable gentlemen, the Federal Government, in the dispute about the boundary between Texas and New Mexico, showed plainly that it recognized Texas's rights to its boundaries by paying Texas $10,000,000 in settlement of lands ceded to the Union.

Honorable Justices of this exalted Court, may it please you for me to mention one more important fact: The Constitution plainly provides that the Federal Government may only obtain property from States and individuals by purchase or by condemnation, in which cases it must pay in compensation the full established value of the property so acquired. Honorable gentlemen, may I ask you what steps has the Federal Government taken toward compensating Texas for her tidelands? Without full compensation it cannot, according to the Constitution, obtain these lands.

When this great Republic of ours was founded, our freedom-loving founding fathers foresaw that times may come when unscrupulous politicians and parties in power might be wanting to foster their ideals and views upon the rest of the people, against the will of the minorities or the majorities, as the case might be. Also, they foresaw that the Federal Government might have aspirations of centralization which might interfere with the States' rights and with the liberties and rights of the individual citizens.

In order to prevent this and to preserve the Republic and the liberties of the people and the rights and privileges of Democracy, they wisely saw that some form of fundamental law, unchangeable except by amendment by the people, would be in order. They therefore drew up and enacted the United States Constitution, the grandest document ever written in the annals of history and law, the freedom's guardian of the Nation.

And to guard against violations of the rules set forth in the Constitution, they instituted the Federal Courts and especially this exalted and venerated tribunal, the Supreme Court of the United States.

Honorable Justices, gentlemen, upon your shoulders rest great responsibilities. You are the guardians of justice, rights, and the liberty of our people and the preservation of Democracy and of the Republic. Upon your decision may rest the future of our Nation. So I plead with you in this case, weigh the evidence presented carefully, judge carefully the great principles involved, and let your decision be based solely upon justice. And justice is plainly outlined by the facts I have presented.

It has been argued that the Federal Government needs the tidelands for defensive purposes. No one disputes the rights which the Federal Government has in wartime to appropriate the entire resources of the Nation, but honorable members of this Court, may I ask you, has not the Constitution provided abundantly for such emergencies? The rights of the Federal Government in war are not the same as in peace. And gentlemen, there are no more loyal people in the Nation than the Texans. Texans took a most active part in the past two wars. Texas young men's blood reddened the battlefields. They fought bravely, side by side with comrades from other States. Their mothers' hearts bled as profusely as those of any other State. Texans gave freely of her wealth and her resources. And if, which God forbid, war again should curse our Nation, Texas and Texans would be among the first to rally to the cause. The Constitution has amply provided for any and all emergencies. Why should any more controls be needed?

Honorable judges, gentlemen, fellow citizens; I am but one of the common people, but it is of us the common people that this great Nation is composed.

I was born upon foreign soil. My birthplace was in Denmark, across the sea, and I am proud of it. My birthplace was the cradle of Anglo-Saxon civilization. But I am also an American citizen, and I am proud of it. I love and honor this, my adopted country, its free institutions, its great traditions, and I am ready at any time to defend and protect it against the enemies from abroad as well as those who bore from within. I revere our Constitution, and I am always ready to defend its grand provisions.

I am proud of our flag, its red the symbol of the blood that stained the snow at Valley Forge, that reddened the poppies in Flanders Field and freely flowed from Normandy to Okinawa; its white, the symbol of purity and noble aspirations of peace and of good will to man; its blue, the hope of the oppressed, the bright aims of its preservers; its stars blazing proudly in the firmament of nations and with prophetic splendor giving light of the glorious dawn of the morrow.

But honorable Justices of this Court, I am also a Texan. I love my adopted States, I revere its glorious past, I vision its wonderful future, and, honorable gentlemen, I am ready to give my life and my all for this great State. I see its Lone Star flag proudly flying; I see them fight and die at the Alamo; I view the glory of San Jacinto; in my soul resounds the battle cry of "Remember the Alamo." They fought and died for Texas, that Texas would be free. And so, Honorable Gentlemen, Justices of this Court, I have come before you to fight for Texas, to fight for the treasured rights inherited from the past, and I will not stop fighting until this battle is won and the Texas tideland title has been cleared indisputably in favor of Texas.

Gentlemen, honorable Justices, I am not here to plead for favors or for mercy, but I am here as a free citizen, to demand justice.

And, gentlemen, do not forget that there is a higher court and higher jury than you that shall judge your acts; a court that shapes the destiny of nations. And there is another court from whose might the thrones of the mighty shall crumble, the court of aroused public sentiment of a free and liberty-loving people. That court will finally decide the case, through its Representatives in Congress.

But honorable Justices, gentlemen of this Court, I plead with you to uphold the integrity of this Court. Let your verdict be founded upon justice and upon the merit of the facts presented. Then, gentlemen, I have no fear of the outcome of the verdict.

I thank you.

M. H. STOUGAARD.

HUNTSVILLE, TEX.

## TO CONFIRM AND ESTABLISH TITLES OF THE STATES TO LANDS BENEATH NAVIGABLE WATERS

Mr. SMITH of Virginia, from the Committee on Rules, submitted a privileged resolution (H. Res. 651), which was referred to the House Calendar and ordered printed.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, in view of the report just made from the Rules Committee on H. R. 7873, I would like to announce to the House that I am assigning that also for next Tuesday. That is H. R. 7873. I ask unanimous consent that the Clerk may again report the title of the bill.

There being no objection, the Clerk again reported the title of the bill.

Mr. McCORMACK. Is that the resolution which the gentleman from Virginia [Mr. SMITH] just reported from the Rules Committee?

Mr. SMITH of Virginia. Mr. Speaker, I assure the House that I am not endeavoring to run over the tideland bills

on you. I reported merely what the Clerk handed me.

Mr. McCORMACK. It is probably a good thing I called attention to it.

The SPEAKER. Without objection, the gentleman may withdraw the report.

There was no objection.

Mr. McCORMACK. I might state that the bill (H. R. 7375) authorizing the General Services Administration to construct a building for the Social Security Administration was reported out of the committee. I will ask the distinguished gentleman from Mississippi [Mr. WHITTINGTON], chairman of the Committee on Rivers and Harbors, to state what the bill is.

Mr. WHITTINGTON. The bill authorizes the General Services Administration to construct a building for the Social Security Administration. A similar bill was reported in the Eightieth Congress but never passed. A rule on that bill has been reported by the Rules Committee and I understand they will submit it later today.

Mr. SABATH. Mr. Speaker, may I make this observation?

The action of the gentleman from Virginia came about as the result of a mistake of the Clerk. We have agreed to report the bill but subject to the approval, of course, of the gentleman from Ohio, and also my colleague, the gentleman from Illinois, who was not able to be present when the vote was taken I understand they have agreed to it and that the rule is in order.

Mr. BROWN of Ohio. That is correct, Mr. Speaker.

Mr. McCORMACK. May I state, in conclusion, Mr. Speaker, that if a rule is reported out on the bill H. R. 7873, I will program it for next week—for Tuesday if it is reported out today—but, in any event, I will confer with the leadership on the Republican side.

### CONSTRUCTION OF BUILDING FOR THE BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

Mr. SMITH of Virginia, from the Committee on Rules, submitted the following privileged resolution (H. Res. 651, Rept. No. 2246), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7873) to authorize construction of buildings for the Bureau of Old-Age and Survivors Insurance, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

### EXTENSION OF HOUSING ACT OF 1947

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3181) to extend the Housing and Rent Act of 1947, as amended, and for other purposes, with a House amendment thereto, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, HAYS of Arkansas, WOLCOTT, GAMBLE, and KUNKEL.

### INCREASING BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the managers on the part of the House on the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation may have until midnight tonight to file a conference report and statement.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

### COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight Friday, June 16, 1950, to file reports on the bill H. R. 8737, to extend import controls on fats and oils; H. R. 8567, to extend authority for Texas City tin and smelter operations; and H. R. 8597, to permit national banks to give security for public funds.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

### NATURALIZATION PRIVILEGES EXTENDED TO CERTAIN IMMIGRANTS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H. J. Res. 238) to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. WALTER, GOSSETT, and GRAHAM.

### AMENDMENT OF SECTION 3 OF THE LUCAS ACT

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3436) to amend section 3 of the Lucas Act with respect to redefinition of request for relief, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That the act of August 7, 1946 (Public Law 657, 79th Cong., 41 U. S. C., sec. 106), as amended, is further amended as follows:

"(a) By adding at the end of section 2 thereof the following new subsection:

"'(c) In determining the amount of the net loss on all contracts and subcontracts held by the claimant under which work, supplies, or services were furnished for the Government between September 16, 1940, and August 14, 1945, the respective departments and agencies shall allow as costs of performance of such contracts and subcontracts (1) all, or the properly allocable portion, of the sum paid or allowable by the claimant as reasonable compensation for services, during the period of performance of the contracts and subcontracts, to its working partners or working sole proprietor, and (2) interest at reasonable rates paid by the claimant to the date of determination of the claim on sums borrowed by him or if for the purpose of providing necessary working capital for the performance of the contracts and subcontracts. For the purposes of this subsection, the term "reasonable compensation for services" means wages or salaries which were or could have been allowed under the contract renegotiation procedure or the applicable wage and salary stabilization regulations.'

"(b) By amending section 3 thereof to read as follows:

"'SEC. 3. Claims for losses shall not be considered unless filed with the department or agency concerned on or before February 7, 1947, and unless a written request for relief, or a demand for payment of such losses, or a notice of such losses, sustained or impending, adequate under the circumstances to apprise such department or agency of the distress of the contractor was filed or submitted to such department or agency or to any of its subordinate officers on or before August 14, 1945; but a previous settlement, regardless of its nature, under the First War Powers Act, 1941, or the Contract Settlement Act of 1944, or other final action on a request for relief shall not operate to preclude further relief otherwise allowable under this act. A request for relief, or a demand for payment of losses or a notice of such losses, sustained or impending, adequate under the circumstances to apprise such department or agency of the distress of the contractor which had been submitted to or filed with a prime Government contractor by a subcontractor, or with a subcontractor by a sub-subcontractor, prior to August 14, 1945, shall constitute a proper and sufficient request for relief within the terms of this act. The form of the request for relief hereunder shall be immaterial, provided it inform the Government or the dominant contractor that a loss was being suffered, was anticipated, or had been suffered by the contractor, subcontractor, or sub-subcontractor in connection with the work in question.'

"(c) By adding at the end of section 6 thereof a new sentence, as follows: 'Notwithstanding any other provisions of this act and any amendments thereto, the Court of Claims is hereby given jurisdiction of any such petition filed in said court or transferred thereto at any time after June 25, 1948, and within the time provided by this act.'

"(d) By adding at the end thereof the following new sections:

"'SEC. 7. As used in this act, the terms "contractors," "subcontractors," and "materialmen" include individuals, partnerships, joint ventures, business associations, and corporations, and mean with respect to partnerships, joint ventures, or business associations, the partnerships, joint ventures, or business associations themselves, and not the individual members thereof.

"'SEC. 8. Any claim filed with any department or agency of the Government under this act prior to the effective date of this

section shall be reconsidered and settled in accordance with this act, as amended as of such date; except that in any case in which any contractor, subcontractor, or materialman has, prior to such date, filed an action pursuant to section 6 of this act as originally enacted or as amended by section 37 of the act of June 25, 1948, the claim involved in such action shall not be reconsidered by the department or agency of the Government which originally considered such claim. Any claimant shall be permitted within 60 days after the effective date of this section to revise his claim or amend his complaint or petition and to revive his action if necessary, to seek relief in accordance with this act, as amended as of such date.'"

Amend the title so as to read: "An act to amend the War Contractors Relief Act, as amended."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

## CLASSIFICATION ACT OF 1949

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7889) to postpone the application of the Classification Act of 1949 to certain employees of the Selective Service System, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

After line 12, insert:

"SEC. 2. Section 703 (a) of such act is amended by inserting at the end thereof a new sentence as follows: 'Officers and employees who are otherwise eligible shall receive full credit under this subsection for service at the maximum authorized salary rate specified in the Bacharach Act of May 29, 1928, as amended and supplemented, and the Reed-Jenkins Act of May 29, 1928, as amended, to the same extent as if such service had been at the maximum rate of a grade of the Classification Act of 1923, as amended.'"

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

## 1948 CENSUS OF BUSINESS FOR THE STATE OF ILLINOIS

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, this morning I received a preliminary release from the Director of the Bureau of the Census bearing on the 1948 census of business, which shows the great progress that has been made in my State. It shows a great business expansion in our great State of Illinois from 1939 to 1948. Retail sales increased 207 percent; wholesale volume showed a 260-percent rise; service trades reported an increase from $263,000,000 in 1939 to $745,000,000 in 1948, with a large increase in employment for the 9-year period.

Mr. Speaker, in my opinion, it would be worth while for all Members to read this wonderful report. I hope every other State enjoys this same degree of prosperity and will continue to enjoy it under a national Democratic administration for many, many years.

The preliminary release is as follows:

UNITED STATES
DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
*June 9, 1950.*

1948 CENSUS OF BUSINESS, RETAIL, WHOLESALE, SERVICE TRADES—PRELIMINARY

ILLINOIS

Retail, wholesale, and service establishments located in Illinois showed a substantial expansion in dollar volume of trade from 1939 to 1948 according to preliminary figures from the 1948 Census of Business received today by the Bureau of the Census, United States Department of Commerce.

Retail sales in the State during 1948 aggregated $8,779,000,000, an increase of 207 percent over the $2,857,600,000 sales in 1939, when the preceding census of business was taken. Wholesale sales volume in the State showed a 260-percent rise over the same period, reaching a total of $18,002,900,000 in 1948 as compared with $4,998,800,000 in 1939. The service trades included in the census of business reported receipts totaling $745,300,000 in 1948 compared with $263,500,000 in 1939. Hotel receipts moved from $69,200,000 in 1939 to $148,300,000 in 1948. Amusement businesses in the State recorded receipts of $170,200,000 in 1948 compared with $75,500,000 in 1939.

Employment in the State also rose over the 9-year period between 1939 and 1948 for the trades covered by the census of business. Retail trade establishments reported 423,841 paid employees for the workweek ended nearest November 15, 1948. Of these, 374,813 worked the full week, and the remainder part of the week. The comparable total and full workweek figures for 1939 were 353,483 and 278,844. Wholesale trade establishments reported a total of 180,055 full- and part-week employees for the week of November 15, 1948, compared with 125,848 for the same week in 1939. For the selected service trades, November 15, 1948, paid employees numbered 100,036; the comparable figure for 1939, adjusted for change in scope between the two censuses, was 77,892.

These preliminary figures have been compiled from similar releases being made available for each county in Illinois. Final figures, superseding the preliminary data for Illinois, will be included in a State bulletin to be issued in several months. Similar data will be made available in preliminary and final form for each of the States.

TABLE 1.—*Census of business preliminary results for 1948, by trade group*

ILLINOIS

| Trade group and kind of business | Number of establishments | 1948 sales and receipts (thousands of dollars) | Active proprietors of unincorporated businesses, November 1948 | Paid employees, workweek ended nearest Nov. 15, 1948 | |
|---|---|---|---|---|---|
| | | | | Total employees [1] | Full workweek employees |
| Retail trade, total | 103,147 | 8,788,978 | 105,152 | 483,841 | 374,813 |
| Food group | 27,287 | 1,912,509 | 28,227 | 72,803 | 53,094 |
| Eating and drinking places | 24,522 | 832,833 | 27,532 | 92,021 | 73,308 |
| General-merchandise group, general stores | 2,893 | 1,511,100 | 2,328 | 120,097 | 85,151 |
| Apparel group | 7,765 | 710,624 | 6,891 | 41,244 | 30,185 |
| Furniture-home furnishings-appliance group | 4,598 | 406,545 | 4,458 | 19,272 | 17,214 |
| Automotive group | 4,636 | 1,254,347 | 4,242 | 34,318 | 32,483 |
| Gasoline service stations | 9,150 | 392,058 | 9,836 | 15,546 | 11,607 |
| Lumber-building-hardware group | 6,183 | 686,548 | 5,918 | 33,121 | 29,444 |
| Drug and proprietary stores | 3,290 | 259,301 | 2,854 | 18,547 | 12,116 |
| All other retail stores | 12,823 | 813,113 | 12,866 | 36,872 | 30,211 |
| Wholesale trade, total | 17,344 | 18,002,904 | 11,970 | 180,055 | (2) |
| Merchant wholesalers, total | 9,798 | 6,120,021 | 7,496 | 108,711 | (2) |
| Groceries, confectionery, meat | 1,097 | 725,669 | 991 | 12,012 | (2) |
| Farm products, edible | 1,115 | 939,074 | 1,154 | 13,297 | (2) |
| Tobacco | 171 | 175,164 | 142 | 1,696 | (2) |
| Furniture, home furnishings | 316 | 133,693 | 216 | 2,994 | (2) |
| Automotive supplies | 750 | 150,456 | 734 | 6,155 | (2) |
| Electrical merchandise | 363 | 321,221 | 203 | 6,093 | (2) |
| Hardware, plumbing, heating | 325 | 162,106 | 211 | 4,208 | (2) |
| Lumber, construction materials | 591 | 307,009 | 182 | 5,459 | (2) |
| Machinery, equipment, industrial supplies | 1,371 | 460,856 | 934 | 12,529 | (2) |
| All other merchant wholesalers | 3,919 | 2,745,373 | 3,019 | 43,668 | (2) |
| Manufacturers' sales branches, offices | 1,054 | 5,879,013 | 62 | 53,040 | (2) |
| Petroleum bulk plants, terminals | 1,734 | 556,299 | 1,381 | 5,952 | (2) |
| Agents, brokers (merchandise) | 2,433 | 4,446,920 | 2,277 | 7,145 | (2) |
| Assemblers of farm products | 1,425 | 1,000,651 | 754 | 5,207 | (2) |
| Selected service trades, total | 35,061 | 745,260 | 36,026 | 100,036 | 88,571 |
| Personal services | 23,540 | 353,140 | 24,356 | 58,181 | 51,943 |
| Business services | 2,443 | 228,715 | 2,064 | 26,350 | 22,817 |
| Automotive repairs and services | 4,283 | 94,097 | 4,513 | 8,988 | 8,065 |
| Other repair services | 4,795 | 69,308 | 5,093 | 6,517 | 5,746 |
| Hotels | 1,225 | 148,277 | 995 | 27,087 | 24,082 |
| Tourist courts and camps | 295 | 2,071 | 319 | 181 | 145 |
| Amusements | 2,661 | 170,156 | 2,670 | 23,351 | (2) |

[1] Includes employees paid for less than the full workweek.
[2] Not available.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. KEEFE (at the request of Mr. SMITH of Wisconsin) for an indefinite period because of illness.

LIBERALISM: TRUMAN STYLE

Mr. MEYER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MEYER. Mr. Speaker, there has come into the language of today a new set of meanings to familiar words which is confusing the public to the extent that many of these words now have the opposite meaning to their original definition. Through this confusion of word meaning, we are witnessing one of the smoothest sleight-of-hand performances ever witnessed on the national stage. Its main props are the misuse of words—an old trick with those who try to fool the public; the reversal of word meanings.

Bruce W. Knight, professor of economics of Dartmouth College, stated the question very clearly when he wrote:

> The greatest public issue before Americans today is pseudo-liberalism—false liberalism, phony liberalism, the pretended pursuit of liberal ends by means which lead in the opposite direction. In other words, are we to have liberalism or are we to have a wretched counterfeit in the form of state paternalism?

Mr. Knight has hit the nail squarely on the head.

True liberalism is bound up with individualism, which, in turn, means a reasonably sound free economy. The word "individualism" is a comparatively new word in our language. It is significant that it came into the English language about 100 years ago with a translation of Tocqueville's Democracy in America. It is thus a living part of our Republic and one of the great factors in our growth as a nation. It is the basis of all our freedom—all our liberty.

It was Herbert Hoover who said:

> Recently, in my opinion, there has been too much talk about the common man. * * * We are in danger of developing a cult of the common man, which means a cult of mediocrity. But there is at least one hopeful sign: I have never been able to find out who this common man is. In fact, most Americans will get fighting mad if you call them common. * * * It is a curious fact that when you get sick you want an uncommon doctor; if your car breaks down you want an uncommonly good mechanic; when we get into a war we want an uncommon admiral and an uncommon general. I have never met a father and mother who did not want their children to grow up to be uncommon men and women.

There, Mr. Speaker, you have summed up what I believe is the national philosophy.

Individualism and true liberalism have been the cornerstone of our national life. Today liberalism is defined by those who are using it as a cloak as something entirely different—the exact opposite of its real meaning.

Today we have a President and an administration who are crying liberalism while at the same time they are trying to stifle individualism and taking away more and more liberties from the people.

Mr. Truman has already announced that he is going to make another tour or so throughout the country before the elections this fall in order to purge those legislators who will not rubber-stamp his socialistic program. His attitude, since he has become President, is diametrically opposed to the attitude he had when he was a Senator if we are to believe a letter he wrote to the editor of the St. Louis Star-Times and published by that paper on March 6, 1944, and later printed in the CONGRESSIONAL RECORD of August 2, 1948, at the request of Senator KEM, of Missouri.

This letter said in part, and I quote:

> The vast majority of the legislative branch of the Government is just as hard working and just as patriotic as any other branch of the Government. * * * A little more common sense in the administrative approach to things that have to be done and a little less demagoguery for the purpose of appealing to the ignorant and uninformed would make it much easier to carry on the war effort. * * * The bulwark of free government is the elected legislative branch of the Government which holds the purse strings, and which has the power to levy taxes upon the people to meet the expense of government. I honestly think the founding fathers believed the Congress to be the most important branch of the Government or they would not have outlined its organization and its powers first in the Constitution.

Mr. Speaker, how different is this philosophy from the one expressed by the present chairman of the Appropriations Committee, Representative CANNON, Democrat of Missouri, and one of the powerful figures in the Truman administration when the appropriations bill was presented to the House of Representatives this year. This appropriations bill is Mr. Truman's bill and presented by the chairman of his party's committee. How calloused the present administration is toward the tax money paid from the sweat of every workingman and the cynical attitude expressed is to be found in Representative CANNON's words when he said:

> In one respect, Mr. Chairman, this bill may be said to be not only an appropriation bill, but a tax bill as well. There was a time when we drafted the appropriation bills on the basis of the amount of revenue we had to spend. We shaped the coat to the material available. But we have long ceased to consider appropriations from the point of view of what we have to spend. We now make the appropriations and spend the money and taxes must be levied to conform to the appropriation bills and to supply the money we have already spent. We now shape the coat to the latest fashion or caprice, and when the cloth is insufficient, we simply borrow more material, as a matter of course.

Can anything be more cynical than that? And is there any hope of balancing the budget or ceasing deficit spending and piling debt on debt when, in the words of the chairman of the Appropriations Committee the administration "shapes the coat to the latest fashion or caprice"?

But these are but surface indications of what is happening to the free economy of our Nation, to the freedom of the individual under this pseudo-liberalism of the Truman administration, an administration that has spent more money since 1945 than all the administrations from George Washington's day to 1941, the beginning of World War II. There are more sinister machinations at work under the surface.

There are three bills, which in my estimation, represent the keys to the gateway of national socialism as represented by the thinking of the Truman administration, masked under this neo-liberalism, in spite of the fact that socialism has failed in every country in which it has been tried.

It was Sir Stafford Cripps, one of the outstanding champions of socialism in England, who admitted the fallacy of socialism, when he told the people of England in presenting his program for this year:

> When I hear people speaking of reducing taxation, and, at the same time, see the cost of social services rising rapidly in response very often to the demands of the same people, I sometimes rather wonder whether they appreciate to the full the old adage that "We can't have our cake and eat it."

The first of the Truman socialistic bills is the Spence bill, known as the Economic Stability Act of 1949, H. R. 2756. This is a sleeper bill so far. You have heard very little about it since the administration is keeping it under wraps and want little publicity about it.

The Spence bill is pending in the Banking and Currency Committee of the House. The clear purpose of this bill is to impose a centrally planned economy on the United States. It runs to 42 printed pages and was introduced by the gentleman from Kentucky, Representative BRENT SPENCE, Democrat and chairman of the Committee on Banking and Currency.

Mr. Speaker, this Spence bill is the most complete regimentation of American economy ever proposed and if it ever becomes the law of the land American socialism will have become a fact. It has rigid price-fixing powers which involve the control of all buying and selling practices, including advertising and other costs. It contains the general power to allocate goods which means complete political control over all distribution from producer to consumer. It puts the President above all existing laws and gives him power to put Government into business in competition with private industry whenever he wants to do so.

Examining this Spence bill, we find in section 104 (a):

> The administration of this act is vested in the President, who may delegate any and all authority hereunder to such departments, agencies or officials of the Government as he may deem appropriate.

Then section 104 (c) states:

> The President may issue such rules, regulations, and orders as he may deem necessary to carry out the provisions of this act.

Now what is it that the President may do as he "deems necessary" and to delegate these powers as he sees fit?

Here comes the real purpose of American planned economy. Under section 201 (a):

The President from time to time shall designate materials or facilities with respect to which he finds a shortage * * * and threatens to affect * * * the national security.

Note there is no limitation—only what the President finds. That could take in any business at his discretion.

But this is only the beginning. Under section 204 we find:

Whenever the President determines it is necessary * * * he may make loans * * * to State governments or subdivisions or instrumentalities thereof for the expansion of capacity and production. Such loans may be made without regard to the limitation of existing law and on such terms and conditions as the President deems necessary.

In this section the President is put above the laws of the land. But there is more.

Under section 205 (b):

Whenever the President determines that it is necessary * * * he may construct new plant facilities * * * for the expansion of capacity and production. Such contracts may be made without regard to the limitation of existing laws and on such terms and conditions as the President deems necessary. * * * For the purpose of this section, the President is authorized to acquire real property * * * by purchase, lease, or otherwise, as he deems necessary.

Again the President is put above the law. If he should not like the color of your hair, for instance, he could acquire your property and put you out of business. If this Spence bill had been law last year, Mr. Truman could have taken over the steel mills to make them increase their production or gone into the steel-making business as he threatened at that time.

You say it cannot happen here. It is happening under cover.

Then there is a final stinger in this bill in section 302 (e) (1). Here it is:

The President may * * * make such inspection of books, records, and other writings, premises, and property of any person, and make such investigations * * * as may be necessary or appropriate in his discretion.

Mr. Speaker, this is undisguised police power over every business in this country.

The British War Minister, John Strachey, who has been under fire in Britain because of his pronounced Communist sympathies, knew what he was talking about when he recently informed a group of American students at Oxford University:

The present United States administration is one of the more left-wing governments in the world today.

But this Spence bill is only one of the strait-jackets this present administration would put on every free-born American, under the guise of liberalism. It would take care of American business and its companion, the Brannan plan would take care of the farmers. It is named for Secretary of Agriculture Brannan, the same Brannan who is said to have had a hand in the Spence bill. Until this Brannan plan was proposed, farm legislation in this country had always been a bipartisan affair devised for the good of the farm industry as a whole. Its siren song is high prices for farmers and low prices for consumers. But the sleeper here is that the difference in cost of production and the cost to the consumer would be paid out of the Government Treasury from the taxes of all people—farmers and consumers alike. And it is significant that neither Secretary Brannan nor the administration can ever be pinned down on the cost of this program.

The Brannan plan is still being pushed to the limit in spite of its rejection by the Farm Bureau Federation which stated:

The ultimate effect of such a program would be the nationalization of agriculture and the distribution system, the cost would be staggering and it would place a ceiling on opportunity in agriculture.

Experts have figured the cost anywhere from seven billion to twelve billion dollars a year.

The system of the Brannan plan runs this way. The farmer puts his products on the markets and he gets what he can for them. Then the Government pays the farmer the difference between what he gets on the open market and the price the Government sets on those products. The difference is paid out of money collected from every taxpayer and is a hidden cost in every bit of food you buy.

But there are some who believe that even this tremendous cost is not the major objection to it. There is, Mr. Speaker, the enormous job of administration and regimentation which would be the consequence of such a program. There would be rigid acreage restrictions and detailed record-keeping on some 6,000,000 farms as well as on many smaller tracts of land that could qualify for poultry, fruit, and vegetable income supports.

Did you ever hear of the CIB? It is the Compliance and Investigation Branch of the Department of Agriculture—its detective force. Right now it is made up of 146 people, 100 of whom are sleuths, working out of five field offices. Its job is to police the Government's present price-support operations. If the Brannan plan goes into effect, just multiply this force hundreds of times over.

To be eligible for supports, producers would be required to comply with allotments, quotas, and practices that would make the old AAA program look like free enterprise. A vast horde of administrators, compliance officers, bookkeepers, and clerks would be required such as the United States has never seen. Police methods would have to be used to cope with black-market activities.

For instance, if a farmer did not grow enough to qualify for maximum production allotments, there would be a strong temptation to go out into the open markets and buy enough at free prices to make up his production deficit and claim a compensatory payment on the whole allotment. Many farmers with large families could hardly afford to eat their own products. They would find it to their advantage to sell all they produce, collect their payments, and then buy back their own products in the cheaper free markets.

But the farmer would be in even deeper trouble if he did not keep proper records. My advice to anyone contemplating becoming a farmer under this Brannan plan is to take a course in bookkeeping and accounting or to hire an accountant if he wants to keep out of trouble.

Mr. Speaker, this Brannan plan is 86 pages long. And 15 of those pages relate to penalties imposed on the farmers. Let me give you just one, the provisions of section 401 (b) on page 79. This will tell what is in store for the farmers if the Brannan plan ever became law. It reads as follows:

Farmers engaged in the production of any agriculture commodity shall furnish proof as to their acreage, production units, production yield, storage, and marketing of the commodity in the form of records, marketing cards, reports, storage or sales receipts, or otherwise as the Secretary may prescribe as necessary for the administration of this title. Any such person failing to make any report or keep any record as required by this subsection shall be deemed guilty of misdemeanor and upon conviction thereof shall be fined not more than $500, and any such person making any false report shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000, or imprisoned not more than 1 year, or both.

There it is in black and white. The farmer will keep whatever records the Secretary may prescribe or pay a fine or go to jail or both. Is this the definition of liberalism which connotes freedom?

I agree with the gentleman from Minnesota, Representative AUGUST H. ANDRESEN, a ranking Republican member of the House Agriculture Committee. He stated:

The Brannan plan which promises prosperity to the farmers and cheap food for the consumers, rich and poor alike, is the most fantastic scheme that has ever been presented to Congress for consideration. It is not a new plan, for it has been used in every country where Communists and Socialists have gained control over the government by promising the people, if they vote right, all kinds of food and luxuries at low costs and prosperity for the farmers at the expense of the taxpayers. In England, where farmers have lost their freedom, the Socialist government paid out more than $2,000,000,000 in subsidies in 1948.

Mr. Speaker, the third bill which has been proposed is the so-called compulsory health insurance bill, commonly called the socialized medicine bill, which is just what it is. Under this plan every taxpayer would be paying with money deducted from his pay envelope, for 3 years, just to "tool" up this pink-pills-by-Government program with a horde of file clerks, administrators, and bureaucrats drawing salaries paid for by these taxpayers in the country to get ready for medical regimentation. Theoretically, doctors and patients could stay out of this plan. But private doctors would get only the well-to-do patients who could afford to pay twice for their medical care since they would already have deductions made by the Government and the other doctors who entered the plan would be so overrun by those with imaginary ills that their assembly-line medicine could not accommodate

the patients who really needed their help. This compulsory plan would eventually cost from $70 to $100 a year apiece for every man, woman, and child in this country. And in the final analysis would result in good medicine for the well-to-do who could afford a private doctor and bad medicine for the wage earner who could not afford to pay twice for medical expenses with no assurance he would get the doctor or surgeon of his choice since he would have to be certified by some Government clerk before he could have treatments.

These three bills, the Spence, the Brannan plan, and compulsory health insurance, are just opening wedges for the regimentation of our people under the false guise of liberalism. It is a liberalism that gives all liberty to a centralized government and its hordes of snoopers, do-gooders, false planners, and hordes of bureaucrats regimenting every action of the American people and complete loss of the invidualism that has made us great.

Parading under this pseudo-liberalism, Mr. Truman and his administration would have the public believe that they are the true liberals fighting against so-called reactionaries when, in truth, they would destroy real liberalism and private initiative and individualism.

We are confronted with the creeping shadow of a managed economy blotting out the sun of free enterprise. Free enterprise—the right of the individual to make his own way in the world—to work at the job he likes; to grow his crops without the threat of jail sentences—made us the most powerful nation in the world today. We are the envy of the world; the one nation which alone is supporting and sustaining the other countries of the world today.

But insidious forces are at work that would sell our birthright for a mess of managed economy and managed lives.

Few nations have been overthrown by outside forces. More have been overthrown by forces within, by dry rot caused by termites who bore their way into the solid, sturdy structure until it crumbles. Those forces are at work today in the United States masking their real purposes under the guise of giving something for nothing to every segment of our population. They have offered labor a sop by their crocodile tears over the so-called "slave-labor" Taft-Hartley act. They are trying to lure the farmers through the Brannan plan without revealing the jail penalties. They are throwing a flirtatious smile at the small-business man through a guaranteed loan proposition without revealing the regimentation of the Spence bill. They make a play to the consumers through a make-believe lower grocery bill. And they make a play to all families through the medium of a socialized medicine plan concealed by the innocuous words, health insurance, while soft-pedaling the word, compulsory in the title of the bill.

But what the public should be aware of is that we are halfway to statism and socialism right now—where the State is gaining ever greater powers over the individual.

Mr. Speaker, statism is a form of a fascism where the state controls all activities under the guise of seeming to let private enterprise exist—but exist only through the benevolence of the dictator. The next step is full socialism where the state nationalizes all business. This in turn, leads to communism—the ownership of everything, including the people by the state.

In the words of a popular song, "Enjoy yourself, it is later than you think."

### PLYWOOD LOG EXPORTS

Mr. MACK of Washington. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MACK of Washington. Mr. Speaker, ECA, this week, issued a call for bids on approximately 9,000,000 feet of choice, old growth Oregon-Washington Douglas fir logs for export to Korea where these logs are to be manufactured by low-paid oriental labor into plywood and lumber.

The American lumber industry, along with all citizens, is being taxed to provide the money to ECA for the purchase of these logs. ECA will give the logs free to the Korean Government which then will manufacture these logs into finished products to compete with American plywood and lumber. If there is anything sound or sensible about this proposal I fail to see it.

Presumably this first purchase of 9,000,000 feet of our highest quality Oregon-Washington Douglas fir logs is to be followed by other purchases of logs later.

With ECA bidding with tax dollars for logs against American plywood plants and sawmills we may expect high grade logs, already scarce, to become even more scarce, and harder for American plywood plants to obtain. This will mean short closedowns by American plants, from time to time, due to a log shortage with a consequence these short close downs of plants will cause woodworkers loss of income.

We should not be exporting logs. We should keep these logs in the United States and manufacture them here into lumber and plywood. This would make jobs for American plywood and millworkers, while shipping these logs to Korea to be manufactured at low wages by orientals deprives Americans of jobs.

Canada is smarter than our American ECA. Canada has an embargo on peeler logs. She prohibits their export as logs outside of Canada, even prohibits their export into the United States. By this policy, Canada keeps her high grade logs in Canada and requires their manufacture in Canada by Canadian labor into lumber and plywood.

Lumber and plywood is an important defense material. We should not be shipping this raw material—logs—out of the United States to foreign countries any more than we should be exporting copper, zinc, or petroleum. We should conserve our logs and keep them in the United States to provide jobs for American workers. We do not do that when we export the best grade of these logs to Korea.

I have written ECA Administrator Paul Hoffman urging that he withdraw immediately this call for bids for peeler and first grade sawmill logs for shipment to Korea. I have asked that he thoroughly investigate the dangers such exports will cause to our domestic economy and to our future log supply before again considering exporting American logs to the low-wage Orient for manufacture.

### PARAPLEGIC DISCOMFORT

Mr. JACKSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. JACKSON of California. Mr. Speaker, several weeks ago at the order of the President, Birmingham Hospital in Van Nuys, Calif., was closed, and several hundred paraplegic patients were transferred to the new Veterans' Administration Hospital in Long Beach, Calif. This move has, in many cases, resulted in extreme hardship on these paralyzed veterans. At least 90 of the veterans have purchased their own homes in the Van Nuys area, which is 57 miles away from the new hospital. In order to obtain adequate treatment, these paraplegics must make a round trip of about 114 miles to get treatment. The purpose of these remarks is simply to say that I intend to introduce legislation within the next few days which will make it possible for the disabled veterans who own homes in the Van Nuys area to obtain the necessary attention at some point nearer their homes.

### SPECIAL ORDERS GRANTED

Mr. CANNON asked and was given permission to address the House for 1 hour on Tuesday next, following the legislative program and any special orders heretofore entered, on the subject The Omnibus Appropriation Bill.

Mr. COTTON (at the request of Mr. CANFIELD) was given permission to address the House for 20 minutes on Monday next, following the legislative program and any special orders heretofore entered.

Mr. CRAWFORD asked and was given permission to address the House for 15 minutes on Monday next, following the legislative program and any special orders heretofore entered.

### THE MILK SITUATION

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, I desire to direct your attention to the milk situation in the District of Columbia.

The present Milk Code in the District was adopted in 1925. It directs the District Health Department to inspect the

dairies for the delivery of milk into the District. The old law is long and cumbersome. It was probably adequate 25 years ago, but in comparison to present conditions, it is of the horse and buggy days. It needs to be rewritten to fit the modern idea of delivering good milk to the citizens.

I propose to introduce legislation which, if enacted, will permit the dairy plants in the District of Columbia to purchase, receive, process, sell, and distribute shipments of milk from any of the 48 States, when that milk conforms with the grade A regulations as set up by the United States Public Health Service.

I realize that such a bill will meet violent opposition from the Maryland and Virginia Milk Producers' Association, because, at the present time, they have a tight monopoly on the delivery of milk in the District. They are using the present health regulations as an economic peg to better their conditions. We in Congress and the residents of the District of Columbia are interested in getting good milk at reasonable prices. This can be accomplished when we permit the dairies and others to not only receive, but bring milk into the District, which conforms to the present high standards of the Public Health Service.

I am convinced that the present strike would not have been possible, had such regulations been in existence. I am also convinced that because of the strike and the high price of milk, some milk is being delivered in the surrounding territory, that does not meet high qualifications necessary under the United States Public Health Code for milk.

It is my hope to get a hearing on this bill the early part of the week, and that such legislation can be reported to the House. The time has long passed by for bringing up to date the District regulations for handling milk and milk products.

### INTERNATIONAL BOUNDARY COMMISSION

Mr. D'EWART. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. D'EWART. Mr. Speaker, on Monday of this week I attended a joint International Boundary Commission meeting in Shelby, Mont. The purpose of the meeting was to determine, if possible, a method of mutually beneficial use of the Waterton and Belly Rivers, which rise in the United States and flow into Canada. At that meeting I personally presented a statement, and statements by Senator MURRAY, Senator ECTON, and Representative MANSFIELD were read.

I ask unanimous consent to include all these statements at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.



STATEMENT OF HON. WESLEY A. D'EWART, MEMBER OF CONGRESS, SECOND DISTRICT, MONTANA

Gentlemen, it is deeply gratifying to me that the International Joint Commission has come to Montana this month to give further study, on the ground, to the problem of utilizing the waters of the Belly and Waterton Rivers for the mutual advantage of Canada and the United States.

The men and women you have met during the past few days of your visit here, and who are discussing this matter with you, have planned and worked for 40 years to bring water to the fertile land you have seen on your field trip. Your visit here this month is evidence that we are at last making substantial progress toward the realization of their goal.

Although I have been familiar with the problem over the years, I became much more closely connected with it when I came to Congress 5 years ago. Before I left for Washington in 1945, I came up here and discussed the matter with the interested people. When I reached Washington, I found that Mr. Vallance was then working toward an agreement between our two Governments for the reference of the matter to this Commission. Over the years I have endeavored to be of help whenever the opportunity was presented, and the men of the State and Interior Departments have been good enough to keep me informed of developments so that I could report them in turn to Paddy MacHale, George Wilson, Douglas Parker and some of the others who, with reason, found it difficult to remain patient while the work proceeded so slowly.

They have urged me very strongly, from time to time, to start action on my own on a project for this area, without waiting for further negotiations, and that I think we could do. As you know, our Bureau of Reclamation has prepared a reconnaissance report which shows to my satisfaction and that of other Members of Congress familiar with it that a feasible plan can be prepared to divert most of the waters of the Belly and Waterton Rivers, rising in the United States, under the divide and into this area where the water would be used to irrigate some 217,000 acres of class one and two land. I believe this report has been made available to the Commission.

In brief, the plan would provide for diversion of almost the entire flow of the two rivers through a system of tunnels, reservoirs, and canals to the land where it is needed.

Forty years ago this plan might have been called fantastic and visionary. Some of us recall that the first suggestions for building the Moffat tunnel in Colorado, to bring water from the western slope under the mountains to Denver, were greeted with ridicule. But in a few years that 6-mile tunnel was built and it has been in operation for many years. Later another tunnel project of even greater length, some 13 miles, was suggested to bring additional water under the divide in Colorado. Again it was labeled fantastic, but again it was built and is operating with success. In this case we are talking of a tunnel 20 miles long. I have no doubt that we can work it out, and I have no doubt that we will do so if it becomes necessary.

As a member of the Irrigation Subcommittee of the House of Representatives, I have made it a point to attend without fail every one of our many hearings on the irrigation, reclamation, and power projects proposed for various sections of the United States. This has been my specialty. From my knowledge of other projects we have considered in recent years, I feel that we can secure authorization and appropriation for the All-American Tunnel project in Montana.

Despite some rather heavy demands from the people most concerned, I have advised against holding hearings in our committee on this project, urging that we postpone action until this Commission has had its opportunity to review the matter.

We have the water and we have the land, as you have seen, to put it on. It is our intention to use Montana water to the greatest possible extent to develop an irrigation economy in our State. We have been doing so with considerable success in other sections of the State, and we are not going to overlook the upper Marias region.

However, we realize that this water has been flowing without interruption into Canada and that the people of Canada, with whom we in Montana have the most cordial and friendly relations, may have been making some use of small amounts of this water which they could not easily replace from Canadian sources. We also realize that if it were not for the international boundary a few miles north of here, we could and would have worked out a plan long ago for the beneficial use of this water, including its use on land in Montana. We feel that any Canadian interest should be given consideration in our plans.

We feel that the best interests of the people of this region, on both sides of the border, will be served to the greatest advantage and with the least expenditure of funds if we can work together to utilize the water we have between us. We feel that such arrangements can be made without any infringement of the sovereignty of either nation. That is why we asked our Government to seek a reference to the International Joint Commission.

We look forward to your study of methods of mutual advantage for the beneficial use of the waters of the Belly and Waterton Rivers. I am confident that advantageous plans can be made to put this water to work for all of us.

We hope real progress will be made as a result of these hearings. We are happy to have you here among us so that you may learn our problems and see for yourselves that we need and can use this water.

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LETTER OF HON. ZALES N. ECTON, SENATOR FROM MONTANA

UNITED STATES SENATE,
*Washington, D. C., May 15, 1950.*

Hon. A. O. STANLEY,
*Chairman, International Joint Commission, United States Section, Washington, D. C.*

SIR: It is with sincere regret that I find it impossible, on account of pressing legislation before the Congress, to be in attendance at the hearings which your Commission has arranged to hold at Shelby, Mont., on June 12, and at Havre, Mont., on June 17, 1950, or to be present and participate in the field inspection of the area involved.

However I have asked the Honorable J. Hugo Aronson of Cut Bank, Mont., to be present, if it is possible for him to do so, and have authorized him to make such statements on my behalf as he feels the problem warrants. Mr. Aronson has for many years represented his county in our State Legislature and is personally familiar with the irrigation needs and possibilities of the area involved.

He, I am sure, will point out to the members of your honorable Commission that Montana feels it has a just and prior claim to such portions of the waters of the Waterton-Belly Rivers as arise within its borders, and that its needs are valid and real if that great section of our State is to accomplish urgently needed development.

The consideration and courtesy of the members of your honorable Commission in

affording the people of my State the opportunity of presenting facts and pertinent information regarding this matter, which is of such great importance in the future development of Montana, is sincerely appreciated. I hope your stay there will be not only pleasant but will result in an even better understanding between the two friendly nations which have so much in common.

Cordially yours.

ZALES N. ECTON,
*United States Senator from Montana.*

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STATEMENT OF SENATOR JAMES E. MURRAY REGARDING WATERTON-BELLY RIVERS REFERENCE

The subject matter of field hearings of the International Joint Commission, namely the division of waters of the Belly and Waterton Rivers on an equitable and beneficial use basis between the people of Canada and the United States, is vitally important to the continued growth and development of our respective economies. This matter is of particular importance to the people of my State of Montana who reside in Toole, Liberty, and Hill Counties.

Because of my legislative duties, I am unable to appear in person before the International Joint Commission and I am, therefore, taking this means to urge upon the members of the Commission the vital necessity of arriving at a sound and equitable solution of this problem.

Basic to such a solution is complete recognition of Montana's equitable rights in and to those waters which originate within the boundaries of the State. This is particularly true when, as in Montana, it can be demonstrated that there is a definite need for such water and that it can be put to useful and productive purposes.

The north central Montana area, within the boundaries of the above-mentioned counties, is composed of dry and irrigable land which historically has been subject to recurrent droughts and crop failures. The people of the region are dependent for their livelihood upon a one-crop economy. There is a desperate need for diversification of crops through increased irrigation and reclamation in this area so that the people may become no longer completely dependent upon a one-crop economy. Diversification through the proper use of waters arising in Montana on these irrigable lands will bring about a stabilized economy instead of successive droughts, crop failures, land losses, and general economic depression.

It is an established policy of the United States to expend large amounts of public funds for the reclamation of submarginal and dry-land areas through the construction of irrigation and reclamation projects. The continually expanding development of the land and water resources of the West is a policy to which this Government is completely committed and which will continue to be carried forward by congressional authorizations and appropriations. These irrigation and reclamation projects are rightly regarded as being of benefit not only to the people of the particular State wherein they are established but to the people of the United States generally in that through the reclamation of dry and unproductive lands benefits in the guise of an expanding and prosperous economy, new sources of taxable wealth and an increasing consumption of goods and services are made possible for the benefit of all the people of this country.

I have been advised that the Waterton and Belly Rivers water flow is sufficient to provide water for some 139,000 acres of land in the three north-central Montana counties to which I referred above. This large land area should and must be put to productive use through the beneficial use of these waters. The Colorado-Big Thompson project in western Colorado is an example of what can be done to divert water from its source and bring it, by means of tunnels, on to dry and irrigable lands at some distance from the point of diversion. It is my further understanding that the United States Bureau of Reclamation has given careful study to the possibility of constructing a 20-mile tunnel to take water from the Waterton River into the north central Montana counties and that such a plan is considered feasible. However, I am sure that such an undertaking will not be at all necessary if all the members of the International Joint Commission continue to explore the many alternatives which are present and by which the waters of the Belly and Waterton Rivers may be divided for the mutual advantage of both the people of Canada and the United States.

The traditional and historic friendship and economic interdependence of the people of Canada and the United States are firm bases upon which the Commission may proceed to an amicable and mutually satisfactory settlement of this important international problem.

I therefore make this urgent appeal to the members of the International Joint Commission to apply their best efforts toward finding a just and equitable solution.

May I extend my personal best wishes to the members of the Commission for a pleasant and agreeable visit to the State of Montana? I am sure you will enjoy Montana's traditional friendliness and hospitality.

JAMES E. MURRAY,
*United States Senator from Montana.*
MAY 31, 1950.

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LETTER OF HON. MIKE MANSFIELD, FIRST DISTRICT, MONTANA

MAY 19, 1950.

INTERNATIONAL JOINT COMMISSION,
*Washington, D. C.*

GENTLEMEN: Due to the fact that Congress is in session, it will not be possible for me to attend the public hearings to be held by the International Joint Commission in the State of Montana, and the Province of Alberta, Canada, during the month of June concerning the Waterton and Belly Rivers which rise in our State and flow into Canada.

I was indeed pleased to note that these public hearings will be held, and I wish to state that I will support the Governor of Montana, the Attorney General of Montana, and the people of Montana in this project.

The people of Montana have a deep interest in the development of these two streams for the establishment of an irrigation economy. They are looking forward to the study by your Commission of means by which this water can be put to beneficial use on the lands in Montana. As you know, it is the policy of the State of Montana to use Montana water on Montana lands. It was with this purpose in mind that the matter was referred to your Commission in order that consideration might be given to whatever riparian or other interests our good neighbors in Canada might have in these streams that could not be satisfied from waters of Canadian origin.

I understand that considerable progress has been made so far by your Commission in studying the present and future uses of all of the waters of this reference, including those which arise in Montana. I am hopeful that engineering plans for the maximum use of all of these waters may be considered in order that the maximum possible apportionment be made to Montana. This is needed so as to assure that the irrigation and power development project which will utilize this water will be of maximum feasibility, as we cannot construct costly tunnels to utilize only a small quantity of water—but we can do so for the use of an appreciable part of this water.

We will patiently await the outcome of your deliberations and it is my hope that a solution satisfactory to the people on both sides of the international boundary can be reached.

Must close now but I do want to thank the Commission for the opportunity of presenting my views on this matter. With best wishes, I am

Sincerely yours,

MIKE MANSFIELD,
*Member of Congress.*

## IT IS HAPPENING HERE

Mr. REES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES. Mr. Speaker, it is happening here. Thousands of babies and invalid men and women in the District of Columbia are unable to have milk this morning unless they have doctors' prescriptions. They cannot have it unless a doctor says they absolutely need it. Little children more than 2 years old and other people must go without the most important of all foods. And to make matters worse, this situation has come about without warning or notice of any kind. While this is going on, thousands of gallons of milk are being poured into the gutters. At the same time mothers are lining up in grocery stores and other places in a frantic effort to get milk to feed their children.

All this is happening in a representative government. It is happening in the shadows of the dome of the Capitol of that Government. Rather odd, is it not, that American people are providing food for people in other parts of the world while here in the United States there is a food supply, including milk, but people in certain areas cannot have it.

To make matters worse, importation of milk produced outside of a limited distance from Washington is not permitted. A comparatively small group of producers and dealers have control of the supply of milk for approximately a million people in the Capitol City. Can there be any reason why producers outside the controlled area should not have a chance at this market, provided, of course, they comply with rules and regulations with regard to purity and other food standards?

Mr. Speaker, the situation to which I have called attention is a strange one in free America. Here are thousands of people in need of the most important of all foods. A supply is available, but they cannot get it. Irrespective of who may be responsible, this is a matter that ought to be resolved immediately. It should not be condoned.

## SUDETEN GERMANS

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, I hold in my hand a memorandum written by Mr. Hans Wagner and addressed to the Government and Congress of the United States. It is a pathetic document but, Mr. Speaker, we will ignore it and others like it at our peril. It recites the tragedy of some of the expellees of the Sudetenland. They are some of the 13,000,000 German expellees wandering hopeless and homeless over Europe at this moment. They are young, between the ages of 15 and 25.

It has been well said that in the old sorrow is sorrow, but in the young it is despair. These young people are in despair and therefore desperate. They may well be the spark that will ignite the torch that will turn this cold war into a hot war.

Mr. Speaker, we must find a solution for this problem and we must find it now.

Here is Mr. Wagner's memorandum:

Memorandum: To the Government and to the Congress of the United States.

In re: The question of the Sudeten expellees.

Submitted by: Former Member of Parliament in Prague, Hans Wagner, of Vienna, June 1, 1950.

In the capacity of former Sudeten German Deputy to the Czech Parliament in Prague; present chairman of the Charitable Union of All Expellees in Austria and former head of Willfried for Austria (resistance movement which I myself founded to combat the Hitler regime), I have come to the United States for one purpose: I hope to bring before the President of the United States and the Members of the Congress a plea from the Sudeten Germans for help in regaining their lost homeland.

The Sudeten Germans are the original inhabitants of their country, having come from Bavarian, Austrian, Saxon, Frankish, and Silesian stock and settled in the Sudetenland long before the Czech people entered that part of Europe as serfs of the Avars from the East.

It was not until the Austro-Hungarian monarchy was destroyed in 1919 after World War I (by Czech instigation), that the Czech people first achieved independent statehood. At that time, in utter disregard of the principle of self-determination the Sudeten area, 100 percent German, with 3,101,423 people, was given to the newly formed Czech state. (The Czechs themselves only numbered 6,500,000.) In 1938, under the Munich Agreement, in belated recognition of the right of self-determination, the Sudeten Germans were freed from Czech control and the land was joined to Austria and Germany. However, in total disregard of the Munich Agreement, the Czech Government in Exile influenced the Yalta and Potsdam conferees in such a way that a new decision was made, namely, the resettlement, at the hands of the small Slavic neighboring countries, of all German ethnic groups.

For the Czechs this meant the power to decimate, martyr, rob, and pillage all Germans, and it ended with the brutal expulsion of the Germans from their ancestral homes.

Three million surviving Sudeten Germans cannot ever accept this act of terror. While they do not approve of war as a solution, they do want a clear-cut western declaration of all-out moral support for the restoration of their homes. They are deeply concerned lest the Czechs, spurred on by their success in two wars, will, through the intrigue of a government in exile, win the consent of America to legalize the theft of their homelands.

The Communists are using our present plight to lure us with bait so tempting that there is only one assurance that promises to save the situation: the hope that America will reaffirm the principle of self-determination and stand by us in our claim on our homelands and property, and that she will, at the opportune time, not deny us her help in winning them back. I can assure you, that if I can go back to my people with this promise, not only will millions of expellees, but 70,000,000 Germans and Austrians, will stand firm as a barrier between the Western World and the terror that rages in the East.

HANS WAGNER.

## GOVERNMENT HOARDING OF FOOD

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a tabulation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, I reported on Tuesday an analysis of the Report of Financial Condition and Operations of the Commodity Credit Corporation as of April 30, 1950, which is now available. I pointed out that from June 30, 1949, through April 30, 1950, the Federal Government had increased its holdings of dried milk from 83,410,414 pounds to 315,913,638 pounds.

Today I wish to report on an analysis of Federal holdings of butter and dried eggs.

On June 30, 1949, the Federal Government had in storage 6,386,177 pounds of butter. From that date through April 30, 1950, it purchased 120,894,292 pounds. It managed to dispose of only 182,181 pounds under section 416 of Public Law 439 and had on hand on April 30, 1950, 98,695,046 pounds. It cost the Government during this period $1,474,284.30 for carrying charges on this item alone. I am also advised that as of April 30 there were contracts to purchase an additional 11,469,447 pounds. The net increase is 1725 percent.

On June 30, 1949, the Federal Government had in storage 63,183,456 pounds of dried eggs. From that date through April 30, 1950, it purchased 41,120,014 pounds. It managed to dispose of only 2,492,904 pounds under section 416 of Public Law 439 and had on hand on April 30, 1950, 88,444,915 pounds. It cost the Government during this period $1,885,889.13 for carrying charges on this item alone. I am also advised that as of April 30 there were contracts to purchase an additional 11,282,877 pounds. The net increase is 157 percent.

So we find that with 2 months remaining in this fiscal year, the Federal Government had run up its hoarding of butter, dried milk, and dried eggs from 152,980,047 pounds to 503,053,599 pounds. It had paid out $6,358,729.28 just to keep this more than 500,000,000 pounds of food in storage. That amount of money would have paid the transportation charges on many millions of pounds of these wholesome food commodities to people who cannot afford to buy them. It is nothing short of an outrageous scandal that every effort to assure that these wholesome foods are eaten, rather than to permit them to spoil or be destroyed, has met with stubborn resistance.

I also wish to make available a report furnished to me by the Production and Marketing Administration, showing the distribution of orders for butter, cheese, dried eggs, dry milk, and Irish potatoes under section 416 of Public Law 479 and Irish potatoes under section 3, Public Law 471 as of May 31, 1950. I might refer to the report I received covering the same commodities as of May 17, which I placed in the RECORD on May 19 at page 7358. It is obvious that the program has slowed down during this period between May 17 and May 31. In this connection I wish to include a paragraph from a letter I have received from K. T. Hutchinson, Assistant Secretary of Agriculture, as follows:

In a letter to you, dated May 11, from Mr. John I. Thompson, Assistant Administrator, Production and Marketing Administration, it was explained that under provisions of section 416 surplus commodities are made available to States that request them and in amounts sufficient to take care of the States' nonprofit school lunch programs, charitable institutions and welfare cases. The varying amounts among the States, as set forth in the tabulation furnished you, reflects the amounts ordered by the State agency or agencies and does not reflect an allocation by the Federal Government. A number of States have established distribution systems, complete with warehouses, transportation facilities and personnel and, therefore, are in a position to order and distribute surplus commodities to a fuller extent of their needs. Further, it is evident that some States have adequate funds to pay freight on the commodities from point of storage to central points within the States as is required under section 416, whereas other States do not have sufficient funds to pay such freight charges or are unwilling to spend their available funds for such purpose.

It is particularly significant, I submit, that Mr. Hutchinson has reached the conclusion that some of our States either do not have sufficient funds to pay the freight charges or are unwilling to spend their available funds for this purpose. I have repeatedly stated that the current program is inequitable in the extreme and that the Federal Government is under an obligation to be fair to all of its citizens. This should be ample evidence for this Congress to take immediate and constructive action. The Executive Department has had every opportunity to correct the situation under existing law.

The conditions which now exist are fantastic and incredible and call for immediate action.

The tabulation is as follows:

*Sec. 416 commodities—orders placed as of May 31, 1950*

| State | Butter | Cheese | Dried eggs | Dry milk | Irish potatoes (Pub. Law 479) | Irish potatoes (Pub. Law 471) |
|---|---|---|---|---|---|---|
| | *Pounds* | *Pounds* | *Pounds* | *Pounds* | *Pounds* | *Pounds* |
| Alabama | 20, 544 | 26, 600 | 23, 632 | 158, 825 | 950, 800 | |
| Arizona | 20, 800 | 26, 810 | 29, 960 | 40, 000 | 218, 000 | 396, 000 |
| Arkansas | 64, 832 | 20, 300 | 22, 400 | 45, 000 | 1, 026, 000 | 918, 000 |
| California | 194, 624 | 119, 940 | 102, 088 | 79, 950 | 3, 914, 000 | 1, 908, 000 |
| Colorado | 97, 920 | 43, 050 | 4, 375 | 7, 025 | 1, 882, 000 | 274, 900 |
| Connecticut | | | | | 765, 000 | 400, 000 |
| Delaware | 22, 848 | 7, 840 | 4, 760 | 47, 400 | 288, 000 | 285, 000 |
| District of Columbia | 38, 578 | 12, 250 | 10, 808 | 20, 475 | 216, 000 | 372, 000 |
| Florida | 20, 032 | 20, 020 | 19, 432 | 41, 925 | 931, 350 | |
| Georgia | 77, 350 | 51, 540 | 11, 592 | 31, 200 | 1, 174, 450 | |
| Idaho | 256 | 210 | 504 | 5, 825 | 230, 400 | 18, 900 |
| Illinois | 1, 604, 525 | 782, 857 | 43, 565 | 963, 025 | 3, 373, 000 | 9, 492, 000 |
| Indiana | 56, 768 | | | | 233, 200 | 1, 275, 000 |
| Iowa | 87, 472 | 21, 490 | 2, 275 | 3, 150 | 1, 207, 900 | 471, 400 |
| Kansas | 74, 560 | 21, 140 | | | 141, 400 | 459, 000 |
| Kentucky | 107, 264 | 48, 790 | 13, 699 | 29, 425 | 654, 000 | 1, 015, 000 |
| Louisiana | 72, 000 | 24, 500 | | 30, 000 | 616, 600 | 936, 000 |
| Maine | 83, 200 | 28, 350 | 35, 280 | 87, 075 | 1, 088, 200 | 328, 100 |
| Maryland | 83, 008 | 49, 000 | 6, 048 | 55, 950 | 1, 071, 300 | 1, 176, 000 |
| Massachusetts | 147, 840 | 71, 820 | 3, 360 | 68, 075 | 2, 770, 000 | 3, 350, 000 |
| Michigan | 226, 240 | 169, 750 | 26, 950 | 45, 000 | 3, 206, 800 | 3, 306, 300 |
| Minnesota | 119, 040 | 41, 020 | | | 1, 850, 900 | 1, 611, 000 |
| Mississippi | 37, 120 | 24, 570 | | 3, 600 | 295, 000 | |
| Missouri | 112, 640 | 53, 370 | 64, 519 | 18, 825 | 1, 422, 000 | 1, 485, 000 |
| Montana | 13, 376 | 4, 690 | | 15, 750 | 124, 400 | 36, 000 |
| Nebraska | 49, 600 | 16, 520 | | | 865, 200 | 252, 000 |
| Nevada | 4, 736 | 1, 610 | 1, 050 | 1, 250 | 79, 200 | 12, 100 |
| New Hampshire | 60, 096 | 34, 790 | 17, 360 | 39, 000 | 324, 000 | 531, 000 |
| New Jersey | 162, 112 | 51, 450 | 51, 856 | 202, 050 | 491, 400 | 3, 150, 000 |
| New Mexico | 6, 848 | 3, 500 | 56, 476 | 78, 750 | 432, 000 | 369, 000 |
| New York | 771, 968 | 253, 260 | 124, 600 | 208, 925 | 4, 187, 400 | 8, 117, 400 |
| North Carolina | 81, 472 | 55, 860 | 4, 326 | 22, 275 | 485, 900 | 990, 000 |
| North Dakota | 8, 768 | 3, 780 | 511 | 1, 000 | 286, 100 | 828, 000 |
| Ohio | 502, 292 | 263, 970 | 135, 625 | 196, 500 | 3, 489, 100 | 4, 001, 000 |
| Oklahoma | 57, 088 | 23, 800 | 32, 032 | | 1, 638, 000 | 801, 000 |
| Oregon | 36, 160 | 12, 180 | 224 | 23, 800 | 153, 500 | 114, 000 |
| Pennsylvania | 511, 296 | 254, 100 | 294, 392 | 945, 275 | 7, 094, 600 | 4, 538, 000 |
| Rhode Island | 21, 120 | 23, 940 | | 22, 500 | 680, 000 | 918, 000 |
| South Carolina | 15, 040 | 22, 750 | 30, 625 | 1, 125 | 616, 000 | 300, 000 |
| South Dakota | | | 5, 936 | 9, 745 | 1, 054, 100 | 708, 800 |
| Tennessee | 81, 600 | 49, 770 | 11, 935 | 1, 000 | 432, 000 | 1, 510, 000 |
| Texas | 75, 008 | 52, 150 | 1, 960 | 74, 960 | 2, 507, 500 | 1, 413, 000 |
| Utah | 83, 008 | 90, 160 | 16, 968 | 50, 125 | 1, 646, 800 | 50, 500 |
| Vermont | 21, 120 | 7, 490 | | 14, 000 | 307, 900 | 100, 000 |
| Virginia | 98, 176 | 52, 080 | 1, 589 | 12, 825 | 474, 000 | 1, 350, 000 |
| Washington | 76, 288 | 36, 960 | 1, 677 | 105, 620 | 1, 009, 550 | 424, 200 |
| West Virginia | 84, 480 | 95, 760 | 235, 144 | 330, 600 | 3, 203, 000 | 2, 450, 000 |
| Wisconsin | 126, 848 | 42, 770 | 19, 432 | 26, 125 | 1, 017, 400 | 1, 125, 000 |
| Wyoming | 9, 024 | 3, 080 | 3, 472 | 66, 600 | 523, 000 | 6, 700 |
| Alaska | 28, 416 | | | | 36, 000 | 36, 000 |
| Total | 6, 325, 377 | 3, 124, 417 | 1, 912, 437 | 4, 531, 550 | 62, 688, 350 | 63, 609, 300 |

## SURPLUS POTATOES

Mr. ELSTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ELSTON. Mr. Speaker, American housewives who are paying 5 and 6 cents a pound for potatoes at their markets today must be shocked, certainly perplexed, when they read in their newspapers that at the same time potatoes are being purchased for resale to the Russians in eastern Germany for 1 cent a pound.

Yet this is exactly what is happening. One hundred million pounds of potatoes, which were declared surplus under the price-support program, have been sold to New York exporters at 1 cent a pound for resale at a profit to the Reds when not only our housewives but the Army, veterans' hospitals, and other Government agencies are paying current market prices for potatoes of the same quality.

This fantastic situation is but one more deplorable result of the Administration's fumbling attempts to solve a domestic problem. Under the potato price-support program—which, incidentally, has been pursued at a cost of $500,000,000 to the American taxpayers—potato growers in Canada have found it profitable to export potatoes for sale in the open market in this country while our own potatoes were being declared surplus and many actually destroyed. Under this program, too, you will recall, a potato grower could sell potatoes to the Government for $1.46 per 100 pounds and then buy them back for livestock feed at 1 cent per 100 pounds, the potatoes in many cases never leaving the farm.

In my judgment there can be no justification for a program which permits the sale of potatoes at 1 cent a pound to exporters for sale to the Russians while our own housewives and tax-supported institutions are paying 5 and 6 cents a pound for the same product.

## THIRTEEN MONTHS AND STILL NO BED FOR DISABLED VETERAN

Mr. HAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HAND. Mr. Speaker, if anybody still doubts the need for additional hospital beds for veterans, I want to mention one of the tragic incidents that I personally know. It is a case of a veteran, who saw plenty of active foreign service, and as a result of which his mind was at least temporarily affected. Unfortunately, this is not at all an unusual circumstance. There is no question in my mind but what the mental affliction was directly service-connected, but it was not clearly established.

The father of this boy is a personal friend of mine, and occupies a position of distinction in my district, but does not have substantial financial means. He caused the boy to be hospitalized at his own expense and bore the expense until he was entirely out of money. He then sought help from the Veterans' Administration approximately 13 months ago. In the meantime he continued to do everything he possibly could within his limited means to take care of his son.

The formal application for hospital treatment was made in March 1949. In April 1950 this father, who in the meantime has nearly impoverished himself, received a printed card on which it said:

We regret that a bed has not yet become available for you.

This father and son have made great sacrifices for this country. They are entitled to some sacrifice being made for them. Most certainly, Mr. Speaker, they are entitled to something better than a printed post card 13 months after their cry for help.

This is part of the accumulated evidence for the need of the 16,000-bed hospital program which the House has now twice authorized and the President has once canceled. I hope the President will not cancel it again and once more thwart the will of Congress.

It is an argument, too, against closing Valley Forge and other Army hospitals when it is quite evident they are needed by the Veterans' Administration. The President still opposes using Valley Forge.

Mr. Speaker, we should be guided by the words of Abraham Lincoln, who enjoined his countrymen to bind up the Nation's wounds and to care for those who have borne the brunt of the battle. That advice, given to the Nation almost 100 years ago, is still good enough for me.

## DOCUMENTS PRINTED BY GOVERNMENT PRINTING OFFICE

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, in these days when the Government is running behind to the tune of $450,000,000 a month, it is interesting to know that there are places where we can save money.

I have before me a document issued by the Superintendent of Documents of the Government Printing Office on how to change your spare time into hobby time. Just think of it. There are 30 different pamphlets that the Govern-

ment Printing Office has paid a lot of ne'er-do-wells to get up, on the question as to how you can develop hobbies. That is a wonderful thing to take money out of the Treasury and to use it at a time when we do not have it.

The SPEAKER. The time of the gentleman from New York has expired.

PERSONAL EXPLANATION

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GOSSETT. Mr. Speaker, on Tuesday on the vote on the rent-control bill my colleague the gentleman from Texas [Mr. REGAN] asked to be paired against the bill. The RECORD fails to disclose that. I wish to state that had the gentleman from Texas [Mr. REGAN] been present, he would have voted to recommit the bill and would have voted against the bill on final passage.

VETERANS' HOSPITAL AT LONG BEACH, CALIF.

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Speaker, a few minutes ago one of my distinguished colleagues from my native State of California mentioned the veterans' hospital at Long Beach and Van Nuys, Calif. Because I represent the district in which the great new veterans' hospital is located at Long Beach, Calif., it having succeeded to the Long Beach Navy Hospital properties, I wish to say it seems to me that the matter of administration of a veterans' hospital is a matter of internal administration and not of legislation by Congress.

On yesterday I learned from Maj. Omar W. Clark, Deputy Administrator of the Veterans' Administration here at Washington, that the Veterans' Administration had, during the first week of June 1950, established an out-patient clinical facility for the paraplegics from Van Nuys, Calif., and from the San Fernando Valley, and so the solution of the very problem that the gentleman from the West Los Angeles or Santa Monica and Sawtelle area mentioned has already been reasonably and promptly attacked and satisfactory solution initiated.

Major Clark yesterday also advised me that he had just been informed from the Sawtelle Veterans' Hospital, located in the gentleman's congressional district, that several of the paraplegics from the San Fernando Valley had already been cared for with the out-patient facilities which were installed early in June to take care of this very problem.

He and I are certainly in accord that there must be the maximum and most prompt care furnished to these distinguished veterans who find themselves termed as "paraplegics" on account of the permanency and extent of the physical tragedy which has hit them in connection with their unselfish service to our Nation. I would be the last person in the world to want any limitation of service less than everything that is possible to be done for them by our great Nation.

But, since it has been noted here in the Nation's Capital that a Los Angeles newspaper did, on June 9, 1950, reportedly quote the distinguished gentleman from California as having personally inspected the paraplegic wards at the Long Beach Veterans' Hospital the day before and was "horrified at what he saw yesterday in the paraplegic wards at the Long Beach Veterans' Hospital," I personally inspected the hospital the following day again and personally interviewed Mr. Tom Fowler, assistant manager, relative to the newspaper's reported criticisms by Representative DON JACKSON, my distinguished colleague from the Santa Monica or Sawtelle Veterans' Hospital area. I took one of my shorthand-writing secretaries along, and my interview with him on June 10, 1950, concerning the seven points of criticism about which the Los Angeles newspaper said Representative DON JACKSON was horrified was as follows—I will say, however, that my distinguished colleague, on yesterday, told me that the word "horrified" was an exaggerated term and that he was not horrified:

Representative DOYLE. (1) That there are 48 beds to a ward at the Long Beach Hospital where Birmingham had 32?

Mr. FOWLER. That is correct. We have 48 beds to a ward here in Long Beach, because the Long Beach wards have more floor space per ward than the Birmingham wards. Long Beach has 100 square feet per bed whereas Birmingham had 70 square feet per bed. The Long Beach beds are not crowded a bit. The Long Beach wards are much better to work in than the Birmingham wards because of the construction.

Representative DOYLE. (2) How about the wheel-chair paraplegics being compelled to go a long distance to the mess hall?

Mr. FOWLER. Those patients who can propel their chairs go to the mess hall, and those who cannot are served in bed. Those who went to the mess hall in Birmingham had a good distance to go. Doctors feel it is good for them to go to the mess hall if they can possibly do so, for it is good for them to have that exercise. The distance to the mess hall at Long Beach is one-third further than at Birmingham.

Representative DOYLE. (3) How about the kitchens so far from the wards that the food is cold by the time it is brought to bedfast patients?

Mr. FOWLER. There is a kitchen unit for each ward. Electrically heated food conveyors are plugged in at the ward, and if the food gets cold in these conveyors en route to the ward, when it is plugged in at the ward, it is hot before it is served. The conveyors are plugged in immediately they reach the ward and the food is served direct from the ward unit. We do not serve patients cold food, Congressman, you can depend upon that.

Representative DOYLE. (4) How about the sloping ground around the ward so that patients, when they go outdoors, have to be pushed up grades instead of being able to wheel themselves?

Mr. FOWLER. The ramp arrangement and the streets are a little different than Birmingham where the streets are practically level. If a man parks his chair he must be pushed back up the hill. We would like to have ramps which will run alongside the buildings and have no incline.

Representative DOYLE. Does the present ramp work a hardship?

Mr. FOWLER. No, sir. I see many of the men push their wheels up the ramp without any trouble.

Representative DOYLE. Is that situation similar in coming to and from the mess hall?

Mr. FOWLER. There is an incline, but the men have not complained. Doctors say it is good for the patients physically, while it might be harder work, yet the exercise is good for them. Not one of the patients have complained to Dr. Edwards directly or indirectly, and I have talked with many of them, and the Chief of the Medical Service has said nothing about its being a hardship or danger to the health of the men who ride in wheelchairs. The Chief of the Health Service approved the design and construction of the ramps to be constructed. The money is on hand and the building has been authorized. It is proposed to build concrete ramps for safety in case of fire. The ramps now are of wood construction.

Representative DOYLE. (5) Are there only two attendants on duty at night in each ward, so that, in case of fire, the work of removing helpless men would be seriously hampered?

Mr. FOWLER. There are two attendants in each ward from 9 p. m. to 7 a. m., unless other attendants are required—the patients sleep all night, and we do have less attendants than during the day. A doctor is on call through the night on each ward. I would say that the personnel is sufficient to comply with our medical needs. We maintain stand-by personnel in case of fire. And, in case of fire we would have personnel available in short order. We have a fire-fighting plan in effect that require attendants trained to evacuate patients quickly. At Birmingham we evacuated the entire patients from a ward in 1 minute.

Representative DOYLE. Could you do that in Long Beach with 48 patients in a ward?

Mr. FOWLER. Having 48 patients in a ward instead of 32 I would say that we could evacuate patients in little more than a minute in case of fire.

Representative DOYLE. How about the terrific hardship for paraplegics who have homes in the Van Nuys area and must drive 57 miles for treatment if they want to consult the doctors familiar with their cases?

Mr. FOWLER. It is my understanding that they can get out-patient treatment wherever they may apply. If a patient applies for treatment in West Los Angeles he would be provided treatment and it would not be necessary for him to come to Long Beach, but of course, if they want to consult the doctor who cared for them at Long Beach, they would have to come to Long Beach. But they can apply to any Veterans' Administration hospital and get treatment. West Los Angeles facility is only 14 miles from Van Nuys, or about a 20-minute drive. The health of the patient is not endangered by coming 57 miles to Long Beach. Should a man be taken acutely ill we will send an ambulance and an attendant to bring him to the hospital, plus paying an attendant to take care of him.

Representative DOYLE. The newspaper cited a paraplegic out-patient who, during the night, developed a serious obstruction and a fever of 104 degrees. Unable to reach his own doctor, who had been transferred to Long Beach, the man was forced to wait until the next day to be driven down for treatment.

Mr. FOWLER. That is liable to happen. It happens every day. Many people in civil life unable to reach their own doctor must of necessity wait until morning to be taken care of. It is just one of those things.

Representative DOYLE. How about the tubs and toilets?

Mr. FOWLER. We have 11 bathtubs and several toilets. We did not have as many tubs at Birmingham. The physical therapy unit is more convenient at Long Beach and more accessible than at Birmingham.

Representative DOYLE. How about the recreation room?

Mr. FOWLER. It is not as good as at Birmingham, but we are working on it and in time it will be the best. It is more available and we have four motion-picture shows a week. Wheel chair patients and bed patients enjoy the recreation room.

About the therapeutic pool: At Birmingham we had two brine baths—here we have installed two Hubbard tubs which are used for physical therapy treatments. We plan to put in a pool, and this will make all facilities here equal to or better than Birmingham. The Hubbard tub is adequate until the pool is completed. The tub is limited to just so many patients a day. The tub must be drained, which takes time; the capacity per day would be about 8 to 12 patients per hour.

The Government is better situated to provide service down to San Diego, while in the Birmingham area there were three hospitals in an area of 14 miles with 9,000 beds, an unfair distribution; San Fernando, Birmingham, and Sawtelle. There had been talk of putting beds in people's homes to take care of patients here and San Diego. This way, this Long Beach hospital can save money for the taxpayers.

About 20 patients are the only ones affected by this move against thousands who will benefit by it.

We have had no complaints from any of the patients. No complaints from relatives, friends, or parents where the hospital is concerned or the treatment accorded the patients. Dr. Edwards is most conscientious.

Mr. Speaker, I now further advise you that several days ago I began the study of and I expect to immediately file a bill in this Congress, the substantial terms and provisions and objectives of which will be to ask prevention against loss to the paraplegics who had to be permanently moved and transferred to the Long Beach Veterans Hospital from the San Fernando area and who had previously bought homes under the GI bill and who, on account of the necessity of moving to Long Beach to obtain necessary permanent hospitalization, have or will have to sell their specially built and constructed and equipped paraplegic homes at a loss in order to purchase similar homes at Long Beach.

In other words, my bill will ask that, in such cases, the Congress enact emergency legislation so that these fewer than 100 distinguished veterans shall not be compelled to shoulder a financial loss, if they have one, in the necessary disposition of their present homes to avail themselves of the Long Beach Veterans Hospital facilities promptly and as easily as possible.

I herewith ask unanimous approval of the objectives of such bill and ask unanimous and immediate cooperation of every Member of Congress in its worthy objectives.

## THE BRANNAN PLAN

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, I take this time to commend the gentleman from Ohio [Mr. ELSTON]. Last winter, during the session of Congress, we had considerable talk about what we ought to do in connection with perishable commodities. The gentleman from Ohio [Mr. ELSTON] has apparently listened to the suggestions of the Secretary of Agriculture, and even though it must be difficult for him, because of Republican Party policy, has given some very good reasons for supporting the Brannan plan.

The disposal of nonstorable farm commodities is a real farm-program problem. I am glad to see an awakening as to this problem by some of the Members who have hindered action by the Congress in solving this legislative problem.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. McCORMACK. It is most regrettable procedure, in my opinion, for men to take the floor and make an attacking speech when the Congress itself is to blame, trying to give the impression that the executive branch of the Government is to blame when we are to blame for the situation that exists. The Congress did that, and not the executive branch. Listening to Members make such speeches is to me distasteful.

Mr. MARSHALL. I thank the gentleman from Massachusetts. However, I do commend the gentleman from Ohio for seeing the problem. I trust he will assist in solving it.

The SPEAKER pro tempore (Mr. HART). The time of the gentleman from Minnesota has expired.

## WHAT IS THE CIVIL AERONAUTICS ADMINISTRATION?

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. Mr. Speaker, unfortunately, only a small percentage of our 150,000,000 citizens are aware of the services they are receiving for their tax dollars from the Civil Aeronautics Administration. They hear occasionally about VHF, ILS, GCA, and all the other terms which are so important in the CAA appropriation, but these are just so much alphabetese to the average American.

Through my duties as a member of the Appropriations Committee, I have had the opportunity of studying the services which the CAA performs for the American public, and I think it would be worth while to take a few minutes to examine the interesting and valuable operations of this agency. Although it accounts for less than one-half of 1 percent of the total Federal budget, CAA does a job which is important to every citizen.

One of the most far-reaching CAA services is the establishment, operation, and maintenance of the Federal airways. These highways of the sky are as indispensable to our air commerce and air defense as roads on the ground are to the movement of motor vehicles.

Exactly what is a Federal airway? No one can see it, but to a pilot it is reassuringly real. A Federal airway is a path through the sky, 10 miles wide, formed by the transmissions of a radio range. Radio markers tell the pilot his progress along these paths. Communications stations give him weather and traffic information. Airport traffic control towers clear him for landings and take-offs, and air route traffic control centers give him clearances that will keep him separated from other traffic if he is flying by instruments through or above the clouds.

CAA operates approximately 60,000 miles of such airways in the United States. Along these airways it maintains 421 communications stations, 337 low-frequency radio ranges, 159 control towers, and 27 air route control centers.

These basic facilities are the product of more than 20 years of cooperative development work by CAA, the aviation industry, radio manufacturers, the Bureau of Standards, and the Armed Forces. They have been essential factors in the growth of American aviation, from the days when bonfires lighted the way for the night mail, to the present, when CAA control towers handle the amazing total of more than 16,900,000 take-offs and landings a year.

But just as we find it necessary to progress from gravel roads to four-lane divided highways, so in aviation must we improve our skylanes, to permit safe and regular movement of an ever-growing volume of traffic.

Yesterday's devices and methods for air navigation and traiffic control will not be good enough for the planes we know will traverse our skies tomorrow.

With money the Congress has appropriated in past years, the CAA has made a start toward bringing our airways system in line with the needs of the flying fifties. The four courses transmitted by the radio range which has been standard up to now are not enough in an age when people want to fly from anywhere to anywhere. Consequently, CAA is introducing an omnidirectional range. The omni's, as they are called, emit their signals around the full 360 degrees of the compass. Thus, when enough omni's are installed, their signals will virtually blanket the United States, providing comprehensive directional guidance.

Coupled with this improvement is the conversion of the radio ranges and associated communications facilities to very high frequencies, or VHF. The present low and medium frequencies are too subject to static and interference to permit the instantaneous understanding required as the speed of aircraft increases. VHF voice transmissions, however, will be clear cut. The directional feature of the ranges will be moved entirely out of the aural realm, into the visual. Instead of listening closely for the monotonous dit-dah or dah-dit which marks the quadrants of the present range courses,

the pilot will simply fly left or right as required to keep a needle centered on a dial. When that needle is centered, the pilot will know he is on course to or from the desired omnirange.

CAA has installed 302 of these omniranges and eventually will operate 400.

A companion piece of equipment for the omniranges will be distance-measuring equipment—DME. Instead of knowing his exact position along range courses only when he passes over radio markers, through DME the pilot at all times will have a reading of his distance from the range. A transmitter in the plane will "trigger" the DME transmitter at the range station, and the time taken for the signals to travel will be automatically translated into distance from the station.

Equally important with the reliable en route guidance provided by the omniranges is assurance of a safe landing in bad weather. For this purpose, CAA has the instrument-landing system, which operates on radio principles, and the ground-controlled approach method, which utilizes radar and radio. The instrument-landing system offers a safe pathway for descent to the airport down two radio beams, one known as the localizer, extending outward from the center line of the runway; the other, known as the glide path, intersecting the localizer at the point where the pilot should begin his descent. These radio beams actuate cross-pointer needles on a dial in the cockpit. The pilot makes a landing on the ILS by flying toward the needles, right or left, up or down, as required to keep both needles centered. The vertical needle of this instrument, incidentally, is the same one used in flying the omnirange course en route to the airport.

The GCA, or precision approach radar, to give it the correct technical name, involves the use of radar to track the plane, with a ground controller radioing the pilot the necessary instructions for keeping the plane on the correct landing path. GCA may be used independently to guide any radio-equipped plane to a landing, or it may be used as a double check to monitor a plane landing by means of the ILS.

CAA now operates 92 instrument-landing systems, and eventually plans to have in service a total of 181. It has 4 GCA sets in regular operation, with more than 50 ultimately due to be installed. These two aids are making possible substantial improvement in regularity of service for the traveling public.

Still another important aid to safety and efficiency on the airways is surveillance radar. Devices of this kind will give the controller in the airport tower a radar picture of all air traffic movements in the area despite bad weather. As we strive to bring down the interval between landings it becomes even more important that we have close control of approaching traffic, so that planes can be fed into the landing pattern with precision. The more than 70 surveillance radars eventually to be installed will aid in achieving this machinelike regularity.

I could go on at considerable length about other remarkable improvements which are on the way—course-line computers, mechanical interlocks, high-intensity lights, and so on. What they all add up to is the greater regularity of service so essential to the growth of our air commerce, and the capacity to move large numbers of planes swiftly and surely to any points where they would be needed in a national emergency.

One of the most gratifying features of this whole airways improvement program is the unity of civil and military interests in its planning and execution. CAA, Air Force, Army, and Navy members sit together on the Air Navigation Development Board to coordinate the research and development work necessary to keep the United States airways system the most advanced in the world. CAA airways facilities also form a vital link in the air defense chain being forged around our borders by the National Military Establishment by supplying information on the flight plans of friendly planes to the units charged with interception of potential attackers.

While the Federal airways offer these many aids to safe flying, the CAA also carries on a continuous program to assure that aircraft themselves are airworthy, and that they are flown by competent pilots in a safe manner.

When the industry was young and the number of aircraft and pilots was small CAA employees personally performed the necessary examinations. Today, with more than 500,000 pilots and close to 100,000 aircrafts, CAA agents for the most part play an educational and supervisory role, guiding thousands of carefully selected industry representatives in the administration of inspection.

These inspections begin with an engineering analysis of proposed aircraft designs, followed by ground and flight tests of a prototype, and a check on facilities for manufacturing in quantity. CAA protection of the flying public does not end when the plane leaves the factory. Periodic inspections are required to make sure that the plane is maintained in airworthy condition.

CAA also watches over all the operating practices of airlines and nonscheduled carriers. Before an airline opens a new route, for example, CAA agents go along on proving runs, to make sure that airport and airway facilities are adequate, that the pilots are fully familiar with the route, and that all other safety precautions are observed. This is one means whereby it guards the safety of 15,000,000 airline passengers a year.

CAA is the licensing agency not only for pilots, but for mechanics, flight instructors, parachute riggers, and other specialized aviation personnel. It issues certificates to these airmen on the basis of demonstrated practical skill, aeronautical knowledge and physical condition, using tests geared to encourage participation in aviation by all who can do so without endangering others.

Another CAA activity which makes an important contribution to the progress of American aviation is the Federal airport program. Many of us are aware of this program in terms of individual projects in our communities, but few realize the extent to which it is remaking our national airport system.

As of May 1, CAA had programed work at 1,153 airports, involving Federal funds of $141,186,000 and a slightly larger amount from the communities aided. A total of 694 construction or improvement projects have been completed to date.

These projects benefit all types of communities and all phases of aviation. They include giant air terminals serving the great metropolises; medium-sized airports which enable smaller cities to receive feeder line air service; and small airports as bases for private flying, training schools, dusters, sprayers, and other operations.

We can all feel confident that the $157,000,000 appropriated thus far for the Federal airport program is being expended wisely. Each year the CAA revises its national airport plan, and according to the appropriations granted by Congress, programs those locations in the plan for which there is the greatest aeronautical necessity. When a State does not use the funds allocated to it on the basis of its area and population, these funds are redistributed.

In order to aid the greatest number of communities possible with the smallest expenditure, CAA is emphasizing single-strip airports, made possible by its development of the cross-wind landing gear.

Other steps CAA is taking to get more value out of every airport dollar include promotion of express highways to the airports, and studies of the space and design requirements of terminal buildings.

CAA conducts a many-sided program of aviation development. One aspect especially interesting to those of us who come from agricultural areas is the cooperative effort of CAA and the Department of Agriculture to develop a plane especially designed for dusting and spraying. Work is well under way on this project at Texas A. & M. College, and when the prototype is perfected, all the data will be turned over to manufacturers. Every year the airplane plays a greater part in protecting our crops and forests from insect pests, and I feel we can expect rich returns from the $50,000 CAA has invested in this development.

Helping the schools of our Nation teach aeronautics and the significance of the airplane in modern society to millions of young Americans is another CAA developmental activity with tremendous long-range values. We will need an air-minded generation if the United States is to hold its own, commercially and militarily, in the age of jets.

The information materials published by CAA also do much to spread aviation knowledge among both flyers and nonflyers. Publications such as Terrain Flying and the Airman's Guide are literally lifesavers for pilots.

If I attempted to cover all the worthwhile services performed by CAA, I could

go on almost indefinitely. There is the Technical Development Center at Indianapolis, which has made many significant contributions in the past, such as the birdproof windshield, and is working on such important items as crash-resistant fuel tanks; the International Region, with 10 foreign offices from which CAA agents inspect the operations of American-flag carriers and disseminate American aviation know-how to friendly foreign governments; and the Washington National Airport, which is a model of efficient and virtually self-supporting operation.

All in all, we have in the Civil Aeronautics Administration a Government agency which more than justifies its existence in terms of service rendered to the American people.

SLOW MAIL SERVICE

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, the gentleman from New York [Mr. TABER] has just told us about a Government series of pamphlets on how to loaf constructively. Doubtless the authors had in mind how to occupy one's time while waiting for the receipt of a letter sent a week or so ago by the slow or mule-train service which now exists under Mr. Truman's happy-go-lucky administration.

The distinguished majority leader has said that we should blame the Congress for some things that we blame on the President. If that be the case, then the Congress—and by that I mean the leadership on the majority side which has a plurality of 90 votes in one body and 12 in the other—is to blame as much as the President for the slow mail service, and they ought to do something about it. Vice President Marshall once said: "What this country needs is a good 5-cent cigar." I would suggest that what the country needs today is better mail service and more serviceable males in Government.

THE POTATO SUBSIDY

Mr. PHILLIPS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS of California. Mr. Speaker, if I may have the attention of the distinguished majority leader for just a moment, in 1947 the potato growers of California came to Washington and asked that the support price of potatoes be reduced from 90 percent which the Department was paying to approximately 60 or 65 percent, but the Secretary refused the request. Is that the fault of the Congress or the fault of the Department?

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS of California. Gladly.

Mr. McCORMACK. If the Congress last year had adopted the experimental plan on three perishable commodities, and if they had adopted a common-sense agricultural program, which the gentleman will not vote for and which his party opposes, where the consumer can get the benefit of the operation of the law of supply and demand, then, that is the fault of Congress.

Mr. PHILLIPS of California. I do not want my minute to run out because I am glad to find an authority on the Brannan plan. I wish the distinguished majority leader would tell us the details of the plan and how much it will cost.

EXPLANATION OF CERTAIN PRIVATE BILLS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, I shall ask unanimous consent to take from the Speaker's table two classes of bills that were amended in the Senate. They were private immigration bills. In one case the Senate added an amendment requiring the payment of the $18 visa and head tax; and the other type of bills relates to fiancées. In these cases the fiancées became brides, and the amendment became necessary.

PIETER CORNELIS TEN WOLDE AND FAMILY

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 714) for the relief of Pieter Cornelis ten Wolde and family, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 11, after "date" insert "upon payment of the required head taxes and visa fees."

The SPEAKER pro tempore (Mr. HART). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

WILLIAM RICHARD GEOFFREY MALPAS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1038) for the relief of William Richard Geoffrey Malpas, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That, notwithstanding the provisions of the eighth category of section 3 of the Immigration Act of 1924, as amended (8 U. S. C. 136 (c)), William Richard Geoffrey Malpas, a native and citizen of Great Britain, may be admitted to the United States for permanent residence if he is found otherwise admissible under the provisions of the immigration laws."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ARNE GORDON WESTLY

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1609) for the relief of Arne Gordon Westly, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 7, strike out "therein" and insert "upon the payment of the required head tax and visa fee."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

VICTOR C. KAMINSKI

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2226) for the relief of Victor C. Kaminski—also known as Victor Kaminski—with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 5, strike out "therein" and insert "upon the payment of the head tax and visa fee."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MARTIN KENNETH IKEDA

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2705) for the relief of Martin Kenneth Ikeda, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 11, strike out all after "laws." over to and including line 3, page 2.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DR. ALI REZA BASSIR

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3009) for the relief of Dr. Ali Reza Bassir, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Lines 8 and 9, after "residence" insert "upon payment of the required head tax and visa fee."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CAMILLA FABRIS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3018) for the relief of Camilla Fabris, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 7, after "residence" insert "upon the payment of the required head tax and visa fee."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, will the gentleman tell us where these people are now and where they expect to live if they come in here?

Mr. WALTER. All of these people, with the exception of the Japanese brides, are in the United States and are all over the country. Some of them are doctors and others are people of peculiar and special skills that we recently agreed would be an asset to our economy if they remained.

Mr. HOFFMAN of Michigan. Does the gentleman know how long they have been in here on an average?

Mr. WALTER. I would say about 5 years.

Mr. HOFFMAN of Michigan. My purpose in asking these questions is that I have a couple in my district and I was wondering how I could get them in or how I could get permission for them to stay here. I will see the gentleman afterward.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DR. TA FU WU

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4532) for the relief of Dr. Ta Fu Wu, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 7, after "States", insert "upon the payment of the required head tax and visa fee."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

KRIKOR G. GUIRAGOSSIAN

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4903) for the relief of Krikor G. Guiragossian, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 6, after "residence", insert "upon the payment of the head tax and visa fee."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MINDEL MALEK

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5355) for the relief of Mindel Malek, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That, notwithstanding the provisions of section 331 of the Nationality Act of 1940 (8 U. S. C. 731), as amended, Mindel Malek may, if otherwise eligible under all other applicable provisions of the nationality laws, file the petition for naturalization prescribed by law."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

WILLIAM LAWRENCE TAN

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5541) to amend Private Law No. 463, Seventy-sixth Congress, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert "That, for the purpose of the immigration and naturalization laws, the alien, William Lawrence Tan, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of December 1, 1934, at the port of Honolulu, Hawaii."

Amend the title so as to read: "An act for the relief of William Lawrence Tan."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

MITSUE MIYAMOTO

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6589) for the relief of Mitsue Miyamoto, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which excludes from admission to the United States aliens who are ineligible to citizenship, shall not apply to Mrs. Cloice Howard Bryan (nee Mitsue Miyamoto), the wife of a citizen of the United States and an honorably discharged veteran of World War II."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

HELGA HOLLEB

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6747) for the relief of Helga Holleb, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 5, after "natural-born", insert "alien."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ARTHUR CHEN SHU JEE

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6756) for the relief of Arthur Chen Shu Jee, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That the provisions of section 2 of the act of December 17, 1943 (8 U. S. C., 1946 ed., sec. 212a), which requires that Chinese alien children of United States citizens shall be charged to the immigration quota for the Chinese, shall be held and considered not to be applicable to Arthur Chen Shu Jee, the son of Doctor Kenneth Chen Huan Jee."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MRS. KYOKO NAKAMURA KORNHAUSER

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6787) for the relief of Mrs. Kyoko Nakamura Kornhauser, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 10, strike out all after "States" over to and including "filed" in line 3, page 2.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MRS. KIYO NARUMI MURAKAMI AND KEIKO NARUMI

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6880) for the relief of Mrs. Kiyo Narumi Murakami and Keiko Narumi, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the amendment, as follows:

Page 2, line 3, after "natural-born", insert "alien."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MRS. NOBUKO ETO HEARD

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6894) for the relief of Mrs. Nobuko Eto Heard, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 10, strike out all after "States" down to and including "filed" in line 13.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

HISAKO SAKATA IKEZAWA

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7035) for the relief of Hisako Sakata Ikezawa, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which excludes from admission to the United States aliens who are ineligible to citizenship, shall not apply to Mrs. Hisako Sakata Ikezawa, the wife of a citizen of the United States and an honorably discharged veteran of World War II."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MRS. TOMO NONQUE ROSEVEAR III

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7047) for the relief of Mrs. Tomo Nonque Rosevear III, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Line 7, strike out "III."

Line 8, after "Rosevear" insert "III."

Amend the title so as to read: "An act for the relief of Mrs. Tomo Nonque Rosevear."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

MRS. MARIA SALOME HOLLAND

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7096) for the relief of Mrs. Maria Salome Holland, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 9, after "stay", insert ", upon payment of the required visa fee and head tax."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ERIO LOUIS TOMITA AND FUMIKO TOMITA

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7292) for the relief of Erio Louis Tomita and Fumiko Tomita, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause, and insert "That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Fumiko Tomita, the Japanese fiancée of Louis W. Ward, a citizen of the United States and an honorably discharged veteran of World War II, and her child, Erio Louis Tomita, and that said Fumiko Tomita and her above-named child may be eligible for visas as nonimmigrant temporary visitors for a period of 3 months: *Provided*, That the administrative authorities find that the said Fumiko Tomita is coming to the United States with a bona fide intention of being married to said Louis W. Ward, and that they are found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of Fumiko Tomita and her child, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of Fumiko Tomita and her child, the Attorney General is authorized and directed to record the lawful admission for permanent residence of them as of the date of their entry into the United States, upon the payment by them of the required visa fees and head taxes."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DAIJIRO YOSHIDA

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7315) for the relief of Daijiro Yoshida, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended (U. S. C., title 8, sec. 213 (c)), which excludes from admission to the United States persons who are ineligible to citizenship, shall not hereafter apply to Daijiro Yoshida, minor son of Suzuko Yoshida, an American citizen, and that the said Daijiro Yoshida may be permitted to enter the United States as a nonquota immigrant for permanent residence if he is found to be otherwise admissible under the provisions of the immigration laws."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

SUZUKO YAGI AND ANNE YAGI

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7363) for

the relief of Suzuko Yagi and Anne Yagi, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause, and insert: "That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Suzuko Yagi, the Japanese fiancée of Andrew Bacnik, a citizen of the United States and an honorably discharged veteran of World War II, and her daughter, Anne Yagi, and that said Suzuko Yagi and her above-named daughter may be eligible for visas as nonimmigrant temporary visitors for a period of 3 months: *Provided*, That the administrative authorities find that the said Suzuko Yagi is coming to the United States with a bona fide intention of being married to said Andrew Bacnik, and that they are found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Suzuko Yagi and her daughter, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of Suzuko Yagi and her daughter, the Attorney General is authorized and directed to record the lawful admission for permanent residence of them as of the date of their entry into the United States, upon the payment by them of the required visa fees and head taxes."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 20 minutes .

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that I may proceed at the conclusion of the special orders heretofore granted to the gentleman from Pennsylvania [Mr. BUCHANAN] and the gentleman from Iowa [Mr. HOEVEN].

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

FEDERAL COMMUNICATIONS COMMISSION

Mr. ADDONIZIO. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ADDONIZIO. Mr. Speaker, the attention of the Members of this House has been drawn many times to the present proceedings of the Federal Communications Commission against Radio Stations WJR, of Detroit, WGAR, of Cleveland, and KMPC, of Los Angeles, the principal stockholder of these radio stations being Mr. George A. Richards. The Federal Communications Commission is threatening to deprive these stations of their licenses to operate because they allege that Mr. Richards had these stations "slant" the news. The Federal Communications Commission instituted these proceedings because of complaints filed with it by former discharged employees of these stations. In its prosecution of this case the Federal Communications Commission saw fit to use, as its star witness, a man by the name of Clete Roberts, who was one of the individuals filing a complaint and who also was a discharged employee. While on the witness stand, and under oath, this particular witness classified all the Italians in southern Italy as a "lazy and indolent people" and further stated that they were "not worth a tinker's damn."

On Wednesday, May 3, the Honorable ANTHONY TAURIELLO, Democratic Representative from Buffalo, N. Y., spoke out very forcibly against the Federal Communications Commission's support of this type of witness and against the conduct of the Federal Communications Commission in this case. On Tuesday, June 6, the Honorable STEPHEN M. YOUNG, the Democratic Representative at Large from the State of Ohio, supported the remarks of Congressman TAURIELLO and made his position very clear as to these present proceedings. On June 13 Congressman TAURIELLO again attacked the Federal Communications Commission and concluded his attack in joining with Congressman YOUNG in requesting that you, Mr. Speaker, designate a committee of both Republicans and Democrats to confer with the Federal Communications Commission immediately so that this House could have a full, nonpartisan report made to it with all the facts on the table.

Mr. Speaker, this particular case presents some very interesting questions which it would be well for us to take cognizance of at this time. I do not know Mr. Richards. I am not a listener to the stations involved. I have, however, made a thorough investigation of this matter and find that the Federal Communications Commission is well on the way to having a national issue come out of this case. For instance, I find that on Monday, March 13, Senator HOMER FERGUSON made a speech on the floor of the Senate with direct reference to this case, in which he inserted an editorial from the Saturday Evening Post captioned "Must propaganda be the monopoly of our leftists". Following this speech by Senator FERGUSON I find that on Tuesday, April 11, Senator STYLES BRIDGES, of New Hampshire, made a speech about this case on the floor of the Senate in which he inserted an editorial from the Washington Post which was captioned "Shadow of the censor." On Thursday, March 30, Senator BRIDGES continued his attack against the Federal Communications Commission. On Thursday, April 20, Senator BRIDGES still continued his attack against the Federal Communications Commission. On May 3, as I above mentioned, Congressman TAURIELLO spoke and attacked the Federal Communications Commission's conduct of this case with specific reference to its support of such witness as Roberts. On Wednesday, May 10, Senator FERGUSON returned to attack in opposing the reorganization plan of the Federal Communications Commission. On Tuesday, June 6, as I also related above, Congressman YOUNG called for a nonpartisan approach to the very serious issues presented in this matter and, as also related, as late as Tuesday of this week, Congressman TAURIELLO demanded that some method be found through which it could be ascertained whether or not the Federal Communications Commission intended to continue to support their star witness, Clete Roberts.

Mr. Speaker, if the Members of this House will read the CONGRESSIONAL RECORD covering the remarks made in both the Senate and the House on this case as I have outlined them by date today, they will easily see that the Republican spokesmen are contending that the only thing at issue in these particular proceedings is the right of Mr. Richards to hold and to express his personal opinions. They contend that the Federal Communications Commission, when it charges Mr. Richards with having ordered the news "slanted," uses these charges solely for the purpose of exploring what is actually the personal and private opinions of Mr. Richards, and that by attempting to conduct their case on this premise they are usurping a power that it was never intended they should have. In other words, their charge is that the Federal Communications Commission is now attempting to control the thoughts of holders of radio station licenses and that their conduct in this case is very definitely one of "political censorship." As Congressman YOUNG and Congressman TAURIELLO have so aptly stated, the preservation of freedom of speech is certainly not one that the Republican Party can alone take credit for supporting. Furthermore, if the Federal Communications Commission does have in mind the hope that they will control what an individual radio station licensee thinks—or if they hope to bring about any form of censorship—then I, as an American citizen and a Democrat, line up solidly with the viewpoints of my colleagues in this House.

Mr. Speaker, it ought to be very clear to all of us just why the Republicans are so interested in this case. It also ought to be a solemn duty of ours to have a quick determination made as to whether or not the conduct of the Federal Communications Commission up to this time in this case has been beyond reproach. I take this privilege of pointing out to this House that when the Federal Communications Commission puts on the witness stand a man of the type of their star witness Roberts, and when this type of a witness makes such defamatory and ill-founded, such defamatory and stupid and such defamatory and insulting remarks against the Italian people, that these remarks have not gone unnoticed in any section of Italian-Americans in the United States of America. I say to

my party today that like all of us, no one could be more prideful of my ancestry than I am. I also say to my party that this man Roberts—when he refused to recant and apologize—in fact, gentlemen, he took the position as a witness for the Federal Communications Commission that these remarks were true and that he would stand by them—I say to you gentlemen that as a result of this every Italian newspaper in the country has been alerted and has criticized with scathing denunciation the Federal Communications Commission for supporting this type of a witness. I am now given to understand that these particular proceedings began again yesterday in Los Angeles and that the Federal Communications Commission—who must now begin its case over again due to the death of the former trial examiner—refuses to give Congressman TAURIELLO, and others, any answer as to whether or not it is their intention to put this witness back on the stand. This man may even at this moment be repeating under oath what I have already told you he has stated in the prior hearing.

Can you blame Mr. Hugh Fulton, who is the chief trial counsel for these stations, for excoriating and ripping this type of a witness to pieces and contending that he is not getting a fair hearing? Are we so naive that we cannot see how much damage an irresponsible individual like this man Roberts could do if we did not take steps to repudiate him as any good American should repudiate him? What then is the Federal Communications Commission hoping to accomplish? Can it be true that out of personal pique or spite or prejudice they have made up their minds to get this man Richards and to deprive these stations of their licenses because he held personal opinions which are against our administration? Can this be true? Is it that they started something that they are now realizing is akin to having the bull by the tail and they do not have the intestinal fortitude to recognize it at this time? I do not know what the issues are, but I do know that when an agency of my Government has to use the type of a witness as this man Roberts, there is something radically wrong with that agency of my Government. I do not intend to face my own constituents without my people knowing how resentful I am of such defamatory and scurrilous remarks. I want them to know that I will never support any agency of my Government or of my party that has to engage in the use of such a type of witness. Why is it that in all this time there has not been one word from any Commissioner or any employee of the Federal Communications Commission in which they could have at least made the simple, honest statement that insofar as that part of the testimony of Mr. Roberts is concerned wherein he attacked the Italian people, we, ourselves, repudiate such remarks. Why is it that there has not been one word from them or from anyone else of apology to the Italian-Americans in this country of ours because of what I have related? I said in the beginning that the Federal Communications Commission, by its conduct of this case, was rapidly creating what could easily be a national issue. I say further that if the witness is put on the witness stand again by the Federal Communications Commission, the snowball of attack that is so rapidly increasing in size and momentum will reach proportions of no uncertain dimensions throughout the length and breadth of this country.

Mr. Speaker, may I seriously hope that the remarks of my esteemed colleagues from Ohio and New York—as well as mine today—will be given immediate and whole-hearted attention.

## SPECIAL ORDER GRANTED

Mr. McCORMACK asked and was given permission to address the House for 10 minutes today, following any special orders heretofore entered.

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. BUCHANAN] is recognized for 60 minutes.

## SELECT COMMITTEE ON LOBBYING ACTIVITIES

Mr. BUCHANAN. Mr. Speaker, last year the House of Representatives adopted House Resolution 298 establishing a House Select Committee on Lobbying Activities. This committee was instructed, under the resolution, to investigate all lobbying activities intended to influence, encourage, promote or retard legislation. It was also instructed to investigate all activities of agencies of the Federal Government intended to influence, encourage, promote or retard legislation.

A committee of seven members was appointed by the Speaker, with myself as chairman. Appointed to this committee were Representatives LANHAM, of Georgia; ALBERT, of Oklahoma; DOYLE, of California, on the Democratic side; and, on the Republican side, Mr. HALLECK, of Indiana; Mr. BROWN of Ohio; and Mr. O'HARA of Minnesota.

This committee organized in early October, and a week later held a further meeting in which the chairman, by motion, was authorized to proceed with the selection of the staff and to conduct preliminary investigations into the subject matter of this inquiry, during the congressional recess.

In November and December of last year, acting under the committee's specific authority, I organized a small staff of qualified people. I have several times invited the minority members of the committee to suggest persons for staff positions but they have preferred to leave that responsibility entirely to me. I interviewed a great many applicants and in addition, asked others who did not apply for jobs to see if they would serve. In every case I satisfied myself that the men and women I selected were competent persons and good citizens. They have adhered to the policies established by the committee, and in day-to-day operations have followed my instructions. I am proud of them all.

The gentleman from Ohio [Mr. BROWN] has sometimes stated that he does not know who are the members of the staff. I cannot understand those statements. Last January every member of the committee, including the gentleman from Ohio, was given a list of the employees and their experience, and a number of the employees have attended executive and other committee meetings. At a meeting of the committee in February the employment and identity of several investigators temporarily borrowed with the consent of the House Committee on Administration, from one of the investigative agencies of the Government were likewise described to the members of the committee, including the gentleman from Ohio. Furthermore, of course, all employees, including stenographers, together with the compensation paid, are a matter of public record at the disbursing office and are reported semiannually in the CONGRESSIONAL RECORD.

The distinguished gentleman from Ohio has also implied that the investigators of the committee are sometimes given blank subpenas signed by me. I have repeatedly assured the gentleman from Ohio that he need have no concern on this score. I have never signed a blank subpena but only detailed, specific subpenas in connection with particular investigations as the need has arisen.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield at this point since he has mentioned my name?

Mr. BUCHANAN. I yield.

Mr. BROWN of Ohio. I want to say to the gentleman and to the House it is true and correct that I made the statement that I did not know who was serving on the staff of the committee. It is also correct, as the gentleman has stated, that he has informed me that he did file or did furnish a record of employees back in January, which has been placed in a folder which has been in the committee room with my name on it, and which I had not seen until yesterday. If I remember correctly all the statements made yesterday in committee, the statement was also made that mention of some of these employees was contained in the official transcript of one of the committee meetings at which I was not present.

However, I would like to inquire of the gentleman: Is it not a fact that on yesterday you informed us as to the employment of a number of members of the staff who were not employed or included in the list which you said was furnished in January some time, and which I have stated I did not have the opportunity of seeing?

For instance, Miss Belle Zeller; when was she employed by the committee? She was not on the list. She had been a witness before the committee.

Mr. BUCHANAN. I might say in answer to the gentleman that the list, as mentioned, covered all those persons who were at that time employed, and at the executive session yesterday we listed those persons who have recently been employed by the committee.

Mr. BROWN of Ohio. I appreciate that statement, but is it not a fact that on yesterday you informed us of members who were employed since then?

Mr. BUCHANAN. At the executive session yesterday we listed those persons who have recently been employed by the committee and put on the list

in the past month or so. I am not responsible for the gentleman's folder. As every member of the committee was satisfied that they had with them, and you stated at the executive session in February you had read very carefully everything that had gone on in the executive session in January and which had been recorded in the stenographic transcript of the January sessions, I do not feel it is my duty as chairman of this committee to see to it that the folder is carried around by me and read to the gentleman from Ohio. I feel as a member of the committee that it is his duty and responsibility to avail himself of that information.

I am sure, had he sought it our earlier, he would have been able to obtain that information. The gentleman has a great deal more experience in these matters than I have, and I am sure he knows about the procedures and rules of the House.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. BROWN of Ohio. I would like to say to the gentleman and to the membership of the House, of course the gentleman from Minnesota joined with me in saying he had not found or seen the information which was on tissue paper on the back of the folder. I am not at all confident as to when that was placed in the folder alluded to, which was kept in the possession of the committee and not in my personal possession, and was held there only for use during the sessions. I would also like to make very, very clear, and I think the gentleman should state publicly that that is the fact, that quite a number of the members of the staff who were listed yesterday were not made available to the committee until yesterday, after I brought up the question as to who was employed. I therefore at this time would like to ask whether or not anyone ever did serve the committee free of charge or has donated their services, as some of the newspapers carried the story.

Mr. BUCHANAN. In answer to the latter question, no one has ever been employed on this committee without compensation.

Mr. BROWN of Ohio. Has anybody served the committee without compensation?

Mr. BUCHANAN. No one has served this committee without compensation.

Mr. BROWN of Ohio. Did Mr. Little donate his services? He is a very wealthy man.

Mr. BUCHANAN. He has been on that committee since December 1, 1949, and received a check for the month of December and each month since then.

Mr. BROWN of Ohio. And each month since. The reason I asked was the Pittsburgh papers did carry a story that he was donating his services.

Mr. BUCHANAN. I as chairman and you as a member of the committee cannot be held accountable for what some newspapers may state.

Mr. BROWN of Ohio. The Pittsburgh paper was very caustic in its criticism. Neither you nor I are responsible for that. But I would like to ask when did Miss Belle Zeller begin to serve the committee? Was she on the payroll in May? I think she went on the payroll in May, but did she volunteer before that time?

Mr. BUCHANAN. She was never a volunteer. Any research work she has done she has been paid for.

Mr. BROWN of Ohio. I am sure the gentleman does not object to the members of the committee if they do not know, stating publicly that they do not know, and inquiring about these matters. I certainly think that is our duty and our responsibility and our right and privilege to inquire. That is the reason I have inquired.

Mr. BUCHANAN. In answer to the further question which the gentleman has brought before the House, I think the gentleman from Indiana [Mr. HALLECK] sitting alongside him did attend the meeting in January. He had in his possession a folder with the list of people who were at that time employed on the committee. From time to time there have been a few changes. Most of them have been people who have been borrowed from Government service and have since returned. We have secured permission to use them through the House Committe on House Administration, and compensated those various departments on a reimbursable loan basis.

I might direct a question to the gentleman from Indiana [Mr. HALLECK], whether or not he recalls having that folder in his possession at the January executive session of the committee, and whether or not those names were included in that list.

Mr. HALLECK. Speaking for myself, I must say to the chairman I was present at the meeting in January where there was some discussion of the number of members of the staff, and I had in my folder mimeographed sheets that gave brief personal records of what I understood were then members of the staff. I do not know whether anyone else saw their folder. But for myself, since the gentleman has inquired of me, I did have that information.

Mr. BUCHANAN. I thank the gentleman for his very affirmative statement.

Mr. DOYLE. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from California, member of the committee.

Mr. DOYLE. Mr. Speaker, I am a member of the committee. That folder, such as described, was furnished me on that date, and each member of the committee. There was no limitation, no restriction as to taking it away from the committee room. There was no request made that it remain in the room, that I ever heard. I took mine to my office from time to time after every meeting. I wish to say this: That as far as the subpena is concerned, the chairman of the committee phoned me long distance at Long Beach, Calif., on the morning of May 26, and got me out of bed at 6:30 o'clock in the morning. I was at home in connection with a primary election. He asked if I would approve of his use of the subpena. I wired him that I would do so.

I wish to say to the House that so far as I know the chairman has worked untiringly and fairly, and his effort has been to keep every member of the committee informed. I am sure he has done nothing to warrant this criticism by any member of the committee.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield at that point?

Mr. BUCHANAN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I was not at the meeting of January 17 when they say they had the complete records of the employees of the committee; the complete records were not furnished until yesterday.

Mr. BUCHANAN. I may say to the gentleman that that information was included in his folder. It was a biographical sketch of each and every member employed by the committee.

Mr. BROWN of Ohio. It may have been a sketch but it was not a complete sketch because we have secured more information on the gentleman that you seemingly included. I do not think the gentleman acted with complete candor; the way it was handled was not quite playing it on the level.

Mr. BUCHANAN. I do not like the gentleman's inference here. I am rather surprised and amazed.

Mr. BROWN of Ohio. We had many sessions where we could have been informed, and I might say I was much nearer to the gentleman from Pennsylvania when the question of issuing the subpena was brought up than was the gentleman from California who said he was in California when the gentleman from Pennsylvania telephoned to him. But the gentleman from Pennsylvania did not telephone me or my office, and I was not asked anything about the matter. The committee by its vote on yesterday, of course, settled the matter.

Mr. BUCHANAN. I think the RECORD bears out affirmatively and definitely what happened yesterday.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. The gentleman spoke about the committee staff and their qualifications. Is not this man Louis Little a man of considerable property?

Mr. BUCHANAN. He is.

Mr. HOFFMAN of Michigan. And did he volunteer his services?

Mr. BUCHANAN. He did not.

Mr. HOFFMAN of Michigan. Did he ask to be employed.

Mr. BUCHANAN. He did.

Mr. HOFFMAN of Michigan. And his compensation was fixed at what?

Mr. BUCHANAN. I would say roughly at the rate of $750 a month. It may be a few dollars more or less than that.

Mr. HOFFMAN of Michigan. And he is a lawyer?

Mr. BUCHANAN. A very distinguished member of the bar of Pittsburgh, Pa.

Mr. HOFFMAN of Michigan. And also a professional bondsman, is he not?

Mr. BUCHANAN. He is not to my knowledge.

Mr. HOFFMAN of Michigan. What?

Mr. BUCHANAN. He is not to my knowledge a professional bondsman.

Mr. HOFFMAN of Michigan. Yes; I am going to ask permission to insert a list of 50 cases in which a Louis Little, of Pittsburgh, signed bonds as a professional bondsman, the list being taken from the records. There may be more than one Louis Little in Pittsburgh who is a lawyer.

Mr. BUCHANAN. That is up to the gentleman from Michigan if he cares to do that.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to my distinguished colleague from Alleghany County, who represents the city of Pittsburgh.

Mr. EBERHARTER. The gentleman from Michigan implies that being a professional bondsman is unethical. There is nothing unethical about being a professional bondsman. I have no knowledge as to whether this man is a professional bondsman or not, but I know that he has a very distinguished record as a successful lawyer. I am going to defend him because I have known him for 25 years. I never heard a word said against him in a long and honorable career.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. HOFFMAN of Michigan. I was making no charge against him at all. The gentleman from Pennsylvania [Mr. BUCHANAN] stated certain things in answer to the gentleman from California and I was inquiring whether or not the staff member acted as a professional bondsman. I am not casting any reflections upon him.

Mr. BUCHANAN. All right. The gentleman's age is 58. I believe he has been practicing in the Pittsburgh area since he was 21 years of age. He is outstanding and distinguished and has the friendship of the bar on both sides, the friendship and respect of various political leaders of divergent political faiths. He is likewise admitted to practice before the Supreme Court of Pennsylvania, and of the Supreme Court of the United States. I am amazed that the gentleman from Michigan saw fit to put into the CONGRESSIONAL RECORD on last Thursday a very scurrilous attack upon this gentleman by one Joseph T. Kamp, and he included those as a part of his remarks in the RECORD on a gentleman of the high character and standing of Louis Little of the city of Pittsburgh, Pa.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. Who is this Joseph Kamp? I have heard that name before. Is that the party who was held in contempt of Congress?

Mr. BUCHANAN. It is.

Mr. EBERHARTER. Is that the Joseph Kamp the gentleman is referring to?

Mr. BUCHANAN. He was held in contempt and I understand he is to be incarcerated this Friday in the Federal penitentiary for a period of 4 months for refusal to give testimony to a congressional committee of which Mr. CLINTON ANDERSON, of New Mexico, was chairman, the Committee on Election Expenditures in the campaign of 1944. This case has dragged along in the courts for a period of 6 years.

This gentleman was called before our committee on last Tuesday, June 6, and refused to give to our committee any financial statement of his organization's activities. He stated that he was appearing voluntarily, and as yet we have taken no action in this regard. I believe that some of the Members were a bit disappointed that we did not take hasty action. But I am not the kind of a person who is out to belittle any particular individual or to try to persecute any individual. It is rather unfortunate that this individual has run afoul of the law and has to pay the penalty.

Mr. EBERHARTER. As I understand the gentleman from Pennsylvania, he has reason to believe this attack upon Mr. Little was made by Mr. Kamp as a personal attack by this convicted man who was convicted of contempt of Congress and this personal attack by this man against Mr. Little was put in the RECORD by the gentleman from Michigan [Mr. HOFFMAN]?

Mr. BUCHANAN. That is true.

Mr. HOFFMAN of Michigan. I may say to the gentleman from Pennsylvania [Mr. EBERHARTER], that there is no apology coming from the gentleman from Michigan for that insertion which was by unanimous consent and which was a statement offered to the committee by Mr. Kamp when he was denied an opportunity to state his position. I may say that Mr. Kamp for several years has offered a reward of $1,000 for proof of any false statement he made. So there is a chance for the gentleman to get a little fee if the gentleman wants it.

Mr. EBERHARTER. I just wanted the Congress to know the statements the gentleman is relying on when he puts them in the CONGRESSIONAL RECORD.

Mr. HOFFMAN of Michigan. I am not relying on anyone—I was given unanimous consent to include Mr. Kamp's statement offered when he was subpenaed as a witness.

Mr. BUCHANAN. I may say a note has just been handed me, evidently under the initials of a member of my committee, and it is stated affirmatively, and I would like the gentleman from Michigan to hear this, that Louis Little never has signed a bond and he is not a professional bondsman.

Mr. HOFFMAN of Michigan. That is fine, if it is true. I only have what purports to be the records showing a Louis Little as having signed bonds in criminal cases.

Mr. BUCHANAN. There may be other Louis Littles in Pittsburgh.

Mr. HOFFMAN of Michigan. Maybe so. This may be a case of mistaken identity.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I would like to refer back to Mr. Kamp and to the reply given by the gentleman from Pennsylvania [Mr. BUCHANAN], which is entirely correct as to the conditions and time under which Mr. Kamp was cited for contempt and finally convicted. I, too, was a member of the Anderson committee and I, too, voted for the citation of Mr. Kamp because I believe that he had failed to answer a lawful subpena of the committee. The inquiry the committee was making was proper at that time and I thought that the court should pass upon the matter. I assure the gentleman that while I have taken the position that every man has a right to a fair hearing, whether it be before a congressional committee or elsewhere, I have not been any particular supporter of Mr. Kamp and I joined with Mr. ANDERSON in voting that citation.

Mr. BUCHANAN. I want to commend the gentleman from Ohio. This gentleman, Mr. Kamp, was summoned to appear before our committee and did appear. He appeared voluntarily as he stated according to the record. The gentleman from Ohio states that he does not agree with a lot of things this man, Joseph P. Kamp, has done and over his signature has been sending out over the Nation, rather scurrilous literature, and he is reputed to be one of the leaders of a very vicious hate-lobby existing in our country.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Indiana.

Mr. HALLECK. I think it might be well for the membership to know that after the original questionnaire was sent out there was a subsequent letter addressed to the recipients of the original questionnaires that clarified and considerably restricted the scope of the inquiry, and that that undoubtedly has done much to clarify the matter.

Mr. BUCHANAN. Rather than restricting the scope, I would say that we did receive a number of telephone calls and telegrams and letters, and we sent out a supplemental letter to clarify those particular points, as the gentleman from Ohio said yesterday, and we have been ready to submit them to a number of organizations that he suggested. Those letters are ready to go out.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield, because I am sure he is attempting to want to be fair in his discussion?

Mr. BUCHANAN. I yield.

Mr. BROWN of Ohio. I think it should be made very clear to the House that the original request that was sent out to these 166 business concerns was sent out by the chairman without the knowledge or advice—I do not want to use the word "consent"—but without the knowledge and advice of the committee; is that correct?

Mr. BUCHANAN. I may say in answer to the gentleman from Ohio that all of the letters sent out have been sent out over the chairman's signature, to all of these groups.

Mr. BROWN of Ohio. That is not the answer.

Mr. BUCHANAN. That is my answer and not the words the gentleman would like to have me utter.

Mr. BROWN of Ohio. I want to know whether or not the other members of the committee were consulted before the questionnaire was sent out to the 166 corporations?

Mr. BUCHANAN. I do not think that we put that questionnaire in the hands of committee members until May 31.

Mr. BROWN of Ohio. We were not informed; that has been my objection.

Mr. BUCHANAN. As the gentleman stated yesterday in executive session, he was ready to list a few corporations that he thought possibly had been omitted from the list.

Mr. BROWN of Ohio. Yes; I first called those to the chairman's attention——

Mr. BUCHANAN. If the gentleman will permit me—there were a number of other corporations. And, of course, in compiling any list, regardless of the number, there is just no end to it at all. Where we did get this list, of course, was from the corporations that have filed lobby reports, and we found it was necessary to get additional information, even from a number of organizations that we have studied, and we had financial reports as to corporations that were making contributions to organizations or foundations which engage in lobbying activities.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield further?

Mr. BUCHANAN. I yield.

Mr. EBERHARTER. I would like to have the gentleman say whether or not there was any compulsion on the part of the recipients of these questionnaires to answer them. They were not compelled to answer them, and it was just a questionnaire seeking to get information for the benefit of the committee and, in the long run, for the protection of the very business firms, some of them who are being mulcted by these lobby organizations. Is that the purpose? Am I correct in my statement?

Mr. BUCHANAN. The letter was sent out, of course, as all of the other letters have been sent, in the form of a questionnaire letter asking for information. As I have stated, we have been receiving a very fine response. In only two instances have we had anything critical in the way of a return letter to me, and I would not term them direct refusals.

Mr. DOYLE. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from California.

Mr. DOYLE. Is it not a fact that the gentleman's sending out of that letter was in due course and under the same procedure as the gentleman has sent out all the letters for and on behalf of the committee? Is it not a fact also that in no case has any member of the committee heretofore registered with the gentleman any criticism or any complaint or suggested any restriction on the chairman's sending out any letters or questionnaires?

Mr. BUCHANAN. That is a fairly correct statement.

Mr. DOYLE. I do not know of any committee meetings, or at any time outside the committee hearings, where complaint was made of the procedure the chairman has followed. As a member of the committee, as far as I am concerned may I say that we placed no restriction and no limitation on him whatsoever, although we have been meeting all these weeks and have had plenty of time to do it if we intended that he should not use his own wise discretion in such matters.

Mr. BROWN of Ohio. Will the gentleman answer that question, so I can ask him another question? Does the gentleman agree with that statement?

Mr. BUCHANAN. I agree with the statement of the gentleman from California [Mr. DOYLE]. Yes.

Mr. BROWN of Ohio. Is it not a fact that in the February meeting of the committee when the gentleman first began to discuss the program of hearings I personally insisted that we be informed as to the organizations you have been checking on and whose files you have been going into, and that I then said that some people had been threatened with blank subpenas, and brought the matter to the attention of the committee, and that the gentleman did furnish a list of some 50 firms to whose offices the staff had already gone? Is that correct?

Mr. BUCHANAN. I stated at that meeting, and it is in the stenographic report of that February executive session, that no blank subpenas were ever issued.

Mr. BROWN of Ohio. I want to be fair with the gentleman. I believe perhaps he did. Did I complain then and ask about it? Did I not criticize going into the files of these firms?

Mr. BUCHANAN. In order to refresh the gentleman's memory, I might say that he was not an attendant at the January meeting. Our policy and procedure was carefully outlined at that time.

Mr. BROWN of Ohio. That is correct, because I was at the Rules Committee, which has precedence.

Mr. BUCHANAN. Then at the February executive session we had to do the show all over for the gentleman from Ohio so as to bring him up to date on what had gone on.

Mr. BROWN of Ohio. But in that February meeting the gentleman had not made a revelation to the committee as to the places you have been and the files you have gone into. In February I insisted on knowing and you did finally file a list of some 50, if I remember correctly, or about 50 of the different organizations into whose files you had gone. Did I not protest and have I not regularly protested just going down one side of the street? Did not the gentleman from Indiana [Mr. HALLECK] and I bring out the question of Mr. Ewing and Mr. Brannan and other lobby activities? So there has been some protest. The record is filled with my protests.

Mr. BUCHANAN. The gentleman has asked several questions and I should like to answer them in order. The first is, of course, as to the executive session in February at which the gentleman first attended. He was not present at the executive session in January. We had a full staff report, as the transcript of the January executive session reveals. In their statement before the full committee all questions were answered very candidly. They were interrogated by the full committee. Unfortunately, at the January meeting the gentleman from Ohio was not present. Again, at the February meeting, when the question was brought up, he did interrogate the staff and we did furnish for him a list of some preliminary studies and surveys and actual field investigations that had been mentioned. I believe they totaled something like 200 at the time.

Mr. BROWN of Ohio. No, about 50.

Mr. BUCHANAN. Well, 50 actual field investigations and the preliminary studies and surveys amounted to an additional 150.

Now, I shall continue my statement.

As a matter of fact, only a limited number of subpenas have been used or needed at all. Most of the information we have wanted to obtain we have obtained merely by making a request upon the organizations or individuals possessing the information—the information about their own activities. We have obtained most of this information, Mr. Speaker, without any necessity of invoking the subpena powers provided for in House Resolution 298 under which the committee was established.

I think most Members of the House, Mr. Speaker, are familiar with the fact that during the past week—in fact, ever since June 1—there has been some criticism of this committee and of its chairman, both on the floor of the House, and editorials in certain newspapers.

For a number of months, the House Select Committee on Lobbying Activities and its staff quietly went about its business of carrying out the instructions of the House of Representatives to investigate all lobbying activities. The committee has proceeded according to the highest standards and methods for conducting a legislative inquiry.

Our first hearings, which are now in print, copies of which have been distributed to every Member of the House and Senate and are available to the public, demonstrated the serious approach which the committee has taken toward its task. One of the first things established in our first hearing was the importance of public opinion as a factor in lobbying. A distinguished psychologist specializing in the field of public-opinion research was our very first witness. He described for us the methods by which public opinion is influenced for or against issues of national policy. The purpose of having him as our first witness was to establish the structure of lobbying from the ground level, the grass-roots level. Congress does not fly into the face of public opinion. Members of Congress are ever trying to assess public opinion on national issues in their own congressional districts. Some Members of Congress even go so far as to distribute periodic questionnaires among a wide group of citizens in their districts to invite the views of those citizens on national issues. They explain that they want to know what the people in their districts believe should be done, the better to represent them in Congress.

Obviously, then, elaborate, well-financed, highly organized mass efforts to influence the public for or against certain legislation, particularly when this is carried on by admittedly lobbying organizations, are proper matters of inquiry for a committee created by the House of Representatives to investigate

"all lobbying activities intended to influence, encourage, promote, or retard legislation."

An understanding of this form which lobbying has taken, which is one of the most effective techniques of all lobbying activities, is basic in any study of lobbying in this year of 1950. All of our research to date demonstrates that while all lobbying organizations have as their ultimate objective the influencing of the votes of individual members of Congress most of them spend more of their time and their efforts and their money to try to influence the electorate so that the voters in turn can and will report their views to their representatives in the House and the Senate.

In investigating lobbying in specific fields, for instance in housing, the House Select Committee on Lobbying Activities was very careful to include in our hearings groups for and against the same legislation and also, in conformance with the terms of the resolution establishing this committee, officials of the Government agency most directly involved. We have tried to be fair and completely impartial. We have adopted the position that we are not investigating views on legislation or the merits of legislation involved in lobbying activities, but rather the methods used, the techniques employed, the money collected and spent. That is all. We want to make sure that the money collected and spent is properly reported under the Federal Regulation of Lobbying Act and that if it is not so reported, whether that is the fault of the act and indicates the need for revision of the act in order to assure the reporting of this information to Congress. That is our objective and all of our work is directed toward that objective and fits in completely with that objective.

I say, and I believe, that in all of our investigative techniques we have operated in a dignified and straightforward manner. First of all, I invited every Member of the House and of the Senate, through a questionnaire, to provide information, suggestions, and leads for this committee's use, and I received a good number of helpful responses from both Congressmen and Senators. I sent out a similar questionnaire to writers, political scientists, and other specialists and students in the field of pressure groups and pressure politics and we received many helpful suggestions from those sources. In addition, a wide variety of citizens from all walks of life have volunteered information and suggestions for such use as the committee might care to make.

Mr. Speaker, I submit at this point a copy of a press release in the nature of a progress report which I issued in December explaining just how this preliminary work was carried on. It announced that we had already sent investigators into quite a number of organizations to obtain information from their files on their methods of operation. There was no secret about this, although we did keep confidential the names of all organizations which we were investigating, and we have been following that policy right along wherever it has been possible to do so.

STATEMENT BY REPRESENTATIVE FRANK BUCHANAN, DEMOCRAT, PENNSYLVANIA, CHAIRMAN, HOUSE SELECT COMMITTEE ON LOBBYING ACTIVITIES, DECEMBER 19, 1949

The Select Committee on Lobbying Activities, created by House Resolution 298, was authorized and directed by the House of Representatives earlier this year to investigate "all lobbying activities," including activities of agencies of the Federal Government, "intended to influence, encourage, promote, or retard legislation."

We were provided with full subpena powers, and an initial appropriation of $40,000, and were ordered to report our findings and recommendations to the House before the end of the Eighty-first Congress.

The seven-member committee appointed by the Speaker, and which includes Representatives HENDERSON LANHAM, of Georgia, CARL ALBERT, of Oklahoma, CLYDE DOYLE, of California, CHARLES A. HALLECK, of Indiana, CLARENCE J. BROWN, of Ohio, and JOSEPH P. O'HARA, of Minnesota, organized October 11. On October 19, it authorized the chairman to proceed during the congressional recess with the employment of a staff and the conduct of preliminary investigations and research designed to provide a general over-all picture of lobbying activities and the operation of the Federal Regulation of Lobbying Act of 1946.

No decisions were made by the full committee as to what specific lobbying groups, organizations, or individuals, or Federal agencies or officials engaging in lobbying activities might be made the subjects of intensive inquiry and public hearings.

The scope of the inquiry the House has directed us to make into the subject of lobbying is not limited in the resolution in any particular except as to time. Obviously, however, we cannot possibly investigate every individual lobbyist and every individual lobbying practice.

At the same time, it is my hope that before this committee completes its work and makes its report and recommendations to the House, we will be able to answer definitely whether the lobbying law now in operation is being violated and, if so, to what extent and in what manner; also, whether the present act is adequate or requires amendment in order to make it conform to the purposes Congress had in mind in 1946 when it included this unprecedented Federal law on lobby regulation as title III of Public Law 601 of the Seventy-ninth Congress, the historic La Follette-Monroney Legislative Reorganization Act.

I believe, that, as a corollary aim, this committee will try to show the Congress and the American people a clear picture of the extent to which lobbies of all sorts seek to influence legislative action by Congress even when such action may be contrary to the public good and to economy and efficiency in Government.

These are our long-range goals. For the immediate present, however, and until the full membership of the committee has decided upon an agenda of full-scale investigations and hearings, the staff of the committee is engaged primarily and exclusively in the accumulation of essential information of a generally noncontroversial nature, in the compilation of what might be termed a catalog of basic fact on the theory and practice of lobbying.

In recent weeks, in addition to engaging staff members, I have, under the committee's authorization, directed the following staff activities:

1. Assignment of investigators to review the books and records of a number of prominent, acknowledged lobbying organizations for the purpose of obtaining factual information on how some typical lobbies actually operate in their efforts to influence legislative action by Congress. Since there is no particular significance attachable to the selection of these preliminary sources of such information, the committee is not presently making public the names of the groups or individuals being contacted. I might say that, with certain exceptions, cooperation on the part of the lobbyists involved so far in this preliminary study has, on the whole, been satisfactory.

2. Two sets of questionnaires, each containing the same 10 questions, have been directed to all Members of the House and Senate, in one instance, and, in the other, to several hundred scholars and journalists who have made special studies in the past of pressure tactics or of lobbying regulation. These questions—a sample copy of which is attached at the end of this statement—are intended to elicit leads on possible violations of the Federal Regulation of Lobbying Act or, in the case of lobbying by Federal officials or agencies, of the Criminal Code. They also invite information on lobbying practices generally and on abuses, and ask for suggestions of specific lobbies or Federal agencies or officials whose lobbying activities warrant detailed study and investigation.

3. An additional questionnaire is being prepared for eventual circulation among all of the approximately 2,000 lobbyists and lobbying organizations registered with the Clerk of the House under the lobbying law. These groups and individuals, all directly involved in this entire investigation, will be asked to make recommendations for clarification and improvement of the Lobbying Act as a result of their own experiences under it and will also be invited to suggest specific avenues of intensive investigation.

The advice and suggestions contained in the answers we receive from these questionnaires, plus the information daily coming to the committee from a variety of other sources, including our staff investigations and research, will be compiled and analyzed for the information of the full committee as possible guides to future policies and hearings.

If I have not already made it sufficiently clear, I want to say as emphatically as I can that in any and all cases where investigators of this committee may be disclosed to have examined the files of any lobbyist or lobbying organization, there is no inference warranted that the lobbyist or organization involved is suspected of violating the lobbying law or that the actions of such lobbyists are thought to have been improper in any way. And there would be no basis for a conclusion that the particular lobbyist or organization is to be a subject for all-out investigation or any committee hearings. Our investigators are examining the records of only a limited number out of the many registered lobbyists, and in preliminary fashion only. They are studying these records as examples of typical lobbying practices. The committee itself will decide which groups will be scheduled for thorough study.

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CONGRESS OF THE UNITED STATES,
HOUSE SELECT COMMITTEE ON
LOBBYING ACTIVITIES,
*December 10, 1949.*

Pursuant to House Resolution 298 of the Eighty-first Congress, first session, the Select Committee on Lobbying Activities is undertaking a study and investigation of (1) all lobbying activities intended to influence, encourage, promote, or retard legislation; and (2) all activities of agencies of the Federal Government intended to influence, encourage, promote, or retard legislation.

In light of your past work and interest in this field, the select committee would appreciate receiving from you suggestions and information, based on your experience and study, on the following matters:

1. Lobbying activities by unregistered persons or organizations;

2. Undisclosed receipts or expenditures by lobbyists and lobby organizations;

3. Undisclosed interests behind lobbyists and lobby organizations;

4. Methods of soliciting or obtaining funds for lobby activities;

5. Methods of expending funds for lobby activities;

6. Practices and abuses of lobbyists and lobby organizations;

7. Specific lobbyists and lobby organizations whose activities, in your opinion, warrant detailed study and investigation;

8. Violations of 18 U. S. C., 1913, restricting lobbying activities by Government officers and employees;

9. Practices and abuses of Government officers or employees in regard to lobbying;

10. Specific Government departments, agencies, officers, or employees whose lobbying activities, in your opinion, warrant detailed study and investigation.

The more specific your suggestions and information are, the more useful they will be to the committee. If it is convenient to supplement your response by personal interview, please let me know, so that an informal meeting can be arranged with the members of the committee or its staff.

Yours very truly,

_____,

*Chairman, Select Committee on Lobbying Activities.*

Mr. Speaker, sometimes organizations which we were investigating immediately announced that investigators of this committee were going through their files. This was true, for example, of the National Association of Real Estate Boards, which also announced to its members that our action in sending investigators into their files indicated that the House Select Committee on Lobbying Activities was going to concentrate on the housing lobby in an attempt to expose and discredit organizations opposing public housing and rent control. This prediction of theirs arose out of their knowledge of my work on the House Banking and Currency Committee in favor of the legislation they so vigorously opposed and was based on the assumption that I would use my powers as chairman of an investigating committee inquiring into lobbying entirely for the purpose of "getting" the private housing and real-estate groups.

HOUSING LOBBY HEARINGS

Mr. Speaker, I think that in the set of hearings which we held on the housing lobby, covering both sides of the street and including also Housing and Home Finance Agency of the Federal Government, I demonstrated and the entire committee demonstrated by our conduct and our questioning that we were interested only in the facts about lobbying and were not out to "get" any group. The printed copies of this series of hearings will be available shortly and will be distributed to all Members of the House and Senate and made available to the public. This volume, like our first volume of hearings, will show unmistakably the complete fairness of the committee's hearing procedure. This official record of the housing lobby hearing will be the best proof that the committee is carrying out its assigned duties in accordance with proper standards.

A lobbyist, no matter what cause he espouses, is very likely to be in conflict with the voting record and with the views of one or another of the members of our own committee. That is inevitable. But as I said, we tried our best to avoid discussion of the merits of legislation and by and large I think we got along very, very well as a committee throughout that period of hearings.

NEW REPORTING FORM ADOPTED

In the meantime the staff of the committee was continuing its review of the files of a variety of lobbying organizations and public opinion-molding propaganda agencies. Other members of the staff were continuing research into the operations of the Federal Regulation of Lobbying Act as reflected in the statements being filed under that act with the Clerk of the House. As a result of our work in this direction, a completely new type of reporting form was developed and submitted to the Clerk of the House and the Secretary of the Senate with the suggestion that they adopt it for use by lobbyists in making their reports for the first calendar quarter of 1950. They agreed to do so. This marked a change in the reporting procedure under the Lobbying Act. It is what I call a "single shot" form, one form which replaced five others then in use. It calls for specific information under specific categories in contrast to the previous forms which merely carried in the form of questions the separate phrases of the requirements of the Federal Regulation of Lobby Act in verbatim terms. The adoption of this new form which was recommended by our committee will, I believe, remove many of the criticisms of the Lobbying Act itself. Some of those criticisms were directed at the previous system of reporting under the act. The new form now in use provides for simplified, uniform, and factual reports to the Congress on the activities and the operations of registered lobbyists.

Following the adoption of the new form, I then wrote to a great many trade associations throughout the United States calling to their attention the provisions of the Federal Regulation of Lobbying Act and the form used for reporting under it. They were requested, if they felt they did not come within the purview of the Federal Regulation of Lobbying Act, to fill out the new report form as a questionnaire and return it to us so that we could have some understanding of the extent of legislative activities that they carried on.

We were trying to get information on the extent and nature of lobbying activities so that we would be in a better position to recommend revisions or amendments of the Federal Regulation of Lobbying Act. We have received a good percentage of responses to that request.

DEFINITION OF LOBBYING

At this point, Mr. Speaker, I want to refer to a definition of the word "lobbying," as taken from the Yale Law Journal of January 1947, wherein it is defined as:

Any attempt by individuals or groups to influence governmental decisions.

When I first read it aloud at our opening hearing on March 27, the gentleman from Indiana [Mr. HALLECK] commented:

I am happy to hear the words of your opening statement, particularly at the conclusion where you refer to that definition "lobbying" which certainly does not give it the sinister, vicious, selfish aspect that sometimes I think people are inclined to attribute to it.

I have said repeatedly throughout this investigation, Mr. Speaker, that it is unfortunate that a popular stigma has attached itself to the word lobbying. One of my goals as chairman of this committee is to try to remove that stigma. Most lobbying is respectable and helpful, so long as it is openly conducted with full disclosure of its financial supports. If the existing law fails to assure such disclosure, amendments should be drafted to achieve that objective as intended by the original act.

During our investigation into a number of the organizations which are operating in what might be considered a twilight zone under the present act—in the field of indirect lobbying through pamphleteering and propaganda—the names of a great number of business and industrial corporations turned up as sizable contributors to these organizations. Some of the contributions were quite large.

When it appeared that sizable contributions were being made by business corporations to organizations engaged in pamphleteering on legislative issues, I felt that this matter should be explored through the use of a letter questionnaire. I sent the letter to some 166 business corporations, most of which had appeared as contributors to one or another of various organizations under study. That was the origin of the letter which has been attacked recently in some quarters. Referring to this letter, United States News and World Report in its Trend of American Business on pages 47 and 48 of the issue of June 9, 1950, said:

LOBBYING INVESTIGATION SHOWS SIGNS OF BECOMING GENUINELY SERIOUS

United States corporations: One hundred and sixty-six of them—are sent a questionnaire on what might be lobbying activity. This list reads like a directory of top business firms.

Information wanted involves money spent on executives' trips to Washington, cost of maintaining a Washington office, outlays for printed matter dealing with public issues, outlays for advertising on public issues, contributions made to organizations that may have some influence on public or congressional policy.

The inquiries are issued by the House Committee on Lobbying Activities. Stated objective is to try to find out if the law regulating lobbying needs improvement. What the committee will get, if corporations reply, is a rather extensive insight into the public-relations activities of leading companies.

Mr. Speaker, I would like to repeat that last sentence "What the committee will get, if corporations reply, is a rather extensive insight into the public-relations activities of leading companies."

We do not care, Mr. Speaker, how much money any business corporation spends for public relations work in the promotion of their products, or their services or for any other purpose related to the conduct of that business. Further, Mr. Speaker, a corporation can spend as much as it wishes to lobby, to influence legislation. There is hardly a business concern in the United States

which is not vitally affected by the daily actions of Congress. They have every right to express their views on legislation in any way they care to do so.

But, Mr. Speaker, if these corporations are spending extensively for the purpose of influencing legislation, I think a proper and adequate Federal Regulation of Lobbying Act should provide for the reporting of those expenditures. At the request of one of the minority members of our committee [Mr. BROWN], the National Housing Conference, Inc., which supports public housing, has provided us with the names of every one of its members who contribute as much as $5,000 a year to the furtherance of this organization's objectives. Every member of this organization who happens to be a public official is identified as such in the roster of members provided by the National Housing Conference, Inc., at the request of the gentleman from Ohio [Mr. BROWN].

So we have operated on both sides of the street and in the housing lobby we did call on governmental agencies, the housing and home finance agencies, to give a full and complete report of their activities and I believe it was said by all of the people who were called before our committee that the committee leaned over backwards and were very fair in the manner in which the material and the documents were presented to the committee.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. HOFFMAN of Michigan. In view of this statement, the substance of which was that you were working both sides of the street, was similar information asked of those corporations and organizations which opposed the Taft-Hartley Act? Did you send out a letter to them?

Mr. BUCHANAN. I might say a letter is in preparation and is about ready to go out over my signature to all labor organizations who were registered in the Department of Commerce's journal.

Mr. HOFFMAN of Michigan. For example, PAC. It is not a labor organization, but it is said to be an educational organization, as I understand it; will the PAC get one?

Mr. BUCHANAN. The Congress of Industrial Organizations, of course, will get that letter. The Political Action Committee, the PAC, is just one of many committees set up under the Congress of Industrial Organizations.

I might say to the gentleman, something which he well knows, they are registered under the Corrupt Practices Act and file all contributions and expenditures with the proper Government agency.

Mr. HOFFMAN of Michigan. Perhaps it is unfortunate that list did not go out with the other questionnaire, there might not have been so much criticism. Did Latex get one? Did the department stores, they are big organizations, get one?

Mr. BUCHANAN. I stated here previously, if the gentleman had been listening——

Mr. HOFFMAN of Michigan. I have been listening.

Mr. BUCHANAN. That at the instance of the gentleman from Ohio, who had mentioned a number of corporations, every one of the corporations he had mentioned is on the list. The gentleman from Ohio [Mr. BROWN] made a request in yesterday's executive session to include certain corporations. I might say at this time that letters will go out to those corporations as requested. Yes; each and every one of those corporations that he mentioned. We can extend this list extensively and widely. Nevertheless, I have put into the RECORD just how this particular list was devised and selected.

Mr. HOFFMAN of Michigan. Did the Kauffman Department Stores get one?

Mr. BUCHANAN. I am unable to say at this time. Do you mean the Kauffman Department Stores in Pittsburgh?

Mr. HOFFMAN of Michigan. Yes.

Mr. BUCHANAN. I do not believe they did, because they were not listed as one of the contributors to any of these organizations that we had been checking.

Mr. HOFFMAN of Michigan. Have they not been advocating certain legislation or opposing it? May I ask one other question? Can you give me the street address and something that I may determine whether or not I have unjustly referred to Louis Little? I find in the telephone directory but one Louis Little, and he is listed as an attorney.

Mr. BUCHANAN. He has a law office at No. 7 Court Place, Pittsburgh.

Mr. HOFFMAN of Michigan. That is the one that is in the directory.

Mr. BUCHANAN. He has quite an extensive staff of his own in a three-story office building. He lives in a very beautiful home. I do not know the particular street number. I know how to get there. It is not in my district. It is in the Twenty-ninth Congressional District, Mr. DAVENPORT'S district. He lives within a block or two of the former Mellon mansion.

Mr. HOFFMAN of Michigan. Did the gentleman say that I was in error when I said that he had signed bonds?

Mr. BUCHANAN. That is correct. He is not a professional bondsman.

Mr. HOFFMAN of Michigan. That is your statement?

Mr. BUCHANAN. That is my statement, and I believe verification of this fact has been handed to me by a member of the staff who has talked to Mr. Little. I believe that he is in the House gallery listening to this colloquy.

Mr. HOFFMAN of Michigan. I will be glad to correct any misstatement I may have made, if I find court records do not refer to the Louis Little who is on the committee staff

Mr. BUCHANAN. I thank the gentleman for his contribution.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. BROWN of Ohio. At the meeting yesterday there were determinations made as to certain people who would appear before the committee. Has the committee generally announced that?

Mr. BUCHANAN. Yes. In answer to that, I wish to make the statement, the National Economic Council, Mr. Hart, will be called before the committee on next Tuesday, June 20. I had confirmation by telephone personally from Mr. Hart this morning that he would be glad to appear on Tuesday, June 20.

Subsequent hearings have been scheduled for the other groups that we mentioned, to be followed by the Committee for Constitutional Government; likewise, Americans for Democratic Action; likewise, Public Affairs Institute; and Foundation for Economic Education. As quickly as we can schedule dates, depending on the termination of the hearings for the first few witnesses, they will be announced and the witnesses so informed.

Mr. BROWN of Ohio. Was that announcement made to the press yesterday by the chairman? The only thing mentioned in the press was the Committee for Constitutional Government.

Mr. BUCHANAN. In the release to the press yesterday I believe I did say that Mr. Hart would be called on Tuesday, June 20.

Mr. BROWN of Ohio. I am sorry the gentleman did not include the full agreement in the committee that we would call these other organizations.

Mr. BUCHANAN. You understand, of course, that we try to arrange our hearings to suit the people who are called. Everyone who has been called before the committee, with very few exceptions, has been accommodated, and we have set the hearings to satisfy them. We have actually gone out of our way to accommodate them.

Mr. BROWN of Ohio. I am glad the gentleman made that statement. I would like to say that there will be 2 or 3 days in the week following next week that I will not be able to be present. So I hope I will not be accused of dodging my responsibilities. I want to make that statement so that you can arrange any schedule you wish, just as the gentleman from California, the gentleman from Indiana, the gentleman from Minnesota, and others have had to miss certain meetings, just as I missed one, for which I have been criticized, when I had to attend a meeting of the Rules Committee, which was very important.

May I ask one question to clarify that?

Mr. BUCHANAN. So far as the matter of scheduling hearings are concerned I think we have been rather fair with the witnesses.

Mr. BROWN of Ohio. The gentleman was very cooperative in scheduling his meeting on yesterday, and I want to thank him for it because I had a Rules Committee meeting in the morning and he scheduled his meeting in the afternoon so that I could be present. I appreciate that very much.

Mr. BUCHANAN. I thank the gentleman and yield now for a further inquiry.

Mr. BROWN of Ohio. The resolution which the gentleman read requires the committee to do two things: One, to investigate lobby activities of individuals or private concerns which come under the law; and, two, to investigate the activities of Government agencies in attempting to bring pressure on Congress.

The gentleman from Indiana and I believe also the gentleman from Minnesota [Mr. O'HARA] did call to the attention of the committee some of the activities of the Secretary of Agriculture, and I believe we also mentioned the activities of a man by the name of Ewing in connection with a certain piece of recent legislation. As I understand, the only action which has been taken by the committee was a letter written to the Bureau of the Budget about the matter. Is that correct?

Mr. BUCHANAN. No; a letter was directed to the General Accounting Office to give a full accounting and make a complete report to our committee.

Mr. BROWN of Ohio. I beg the gentleman's pardon.

Mr. BUCHANAN. I remind the gentleman that we have a Committee on Expenditures in the Executive Departments which is charged with that very responsibility. Nevertheless, in the housing area that we investigated, we made it a three-sided investigation. In the other instance that the gentleman has specifically mentioned we have made inquiry of the proper Government agency rather than turning it over to our staff of investigators. We wanted the investigation made and the report to come from an impartial source and the gentleman will agree that the General Accounting Office is the agency designed to make that study and render an impartial report.

Mr. BROWN of Ohio. Will the gentleman advise the House as to whether, regardless of the House Committee on Expenditures, whether he expects to conduct an investigation of the activities of governmental agencies which are bringing pressure on Congress, an investigation which was specifically provided for in the resolution setting up his committee? The House voted those instructions.

Mr. BUCHANAN. And I say in response that I believe in the housing area of which we made a study that we did do that, and at our instance that question has been followed through asking for complete facts and information for the benefit of the committee. We shall be pleased to check into any Government agency the gentleman so desires.

Mr. BROWN of Ohio. We are going off that subject now. We did have Mr. Foley there for 5 minutes.

Mr. BUCHANAN. Oh, just a minute, just a minute.

Mr. BROWN of Ohio. Not 5 minutes; I withdraw that.

Mr. BUCHANAN. The gentleman is making a gross exaggeration.

Mr. BROWN of Ohio. I withdraw the 5 and say for a little while.

Mr. BUCHANAN. I am sure the gentleman does not want to leave that in the RECORD.

Mr. BROWN of Ohio. I cross-examined Mr. Foley. I congratulated him on his frank statement. Now I ask exactly whether or not the committee, through its chairman, or its staff, small though the staff may be—and it is a remarkably efficient staff according to the statement of the chairman of the committee—whether or not the committee is going to be as zealous in carrying out the second instruction of the House of Representatives in this resolution as it has been in looking after the right side of the street on these matters; and I am wondering if he is going to include——

Mr. BUCHANAN. Has the gentleman finished his statement?

Mr. BROWN of Ohio. I am also wondering whether he is going to look into the mailing activities of some Members of Congress other than those with whose political philosophies the gentleman disagrees?

Mr. DOYLE. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. The gentleman has asked me a question as to whether I have looked into the mailing activities of certain Members of Congress.

Mr. BROWN of Ohio. I am talking about the gentleman's committee.

Mr. BUCHANAN. That question was not raised with me as such. I believe that in our executive session yesterday, the closed-door session, there were two instances cited, one from the majority side and one from the minority side, and we reached an agreement among ourselves about this question involving the franking privilege. I know that the inquiry was made, and I believe that the gentleman is in complete accord with the manner agreed upon yesterday in the executive session.

Mr. BROWN of Ohio. I do not know what you refer to. I am asking only as to whether an investigation is going to be made.

Mr. BUCHANAN. We are not investigating Members of Congress. We are making a full and complete investigation of the activities, the techniques and practices, and a complete financial accounting, as far as possible, of organizations that are actually engaged in lobbying and legislative activities.

Mr. DOYLE. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from California.

Mr. DOYLE. I wish to say that I am very sure the record will show that on several occasions our distinguished chairman stated in public sessions of the committee that if any member of the committee of which he is chairman had any specific governmental departments which they wished to be questioned or investigated as to lobbying activities the chairman would like to know which department of the Government it was. As far as I know, at all meetings I was present, there was no suggestion of any governmental department to be checked.

Mr. BROWN of Ohio. I am surprised that the gentleman from California makes that statement because we mentioned specifically the St. Paul-Minneapolis meeting at which Mr. Brannan appeared with public officials who were paid to attend. We also mentioned the activities of Mr. Ewing.

Mr. BUCHANAN. I would like to answer the gentleman's query by affirming the fact that the Brannan trip to the Twin Cities, as well as the Ewing trip to Europe are the two subjects of inquiry we are awaiting a full and complete investigatory report on from the General Accounting Office.

Mr. BROWN of Ohio. The gentleman has not subpenaed them.

Mr. DOYLE. I may say to the gentleman from Ohio I think the record will show that the conversation which he refers to must have occurred in committee when I was present at the primary elections in California.

Mr. BROWN of Ohio. It was some time before that primary. Perhaps the gentleman is right. The only thing I want to point out is that the committee has not been quite as zealous in prosecuting that end of the resolution or in issuing subpenas to produce documents and records and all kinds of information as to governmental activities as it has been in some other fields. We have been working one side of the street.

Mr. DOYLE. We have not been working one side of the street, I wish to say to the gentleman from Ohio. We may not have been as zealous on both sides of the street as he thought.

Mr. BROWN of Ohio. I tried to keep it balanced.

Mr. DOYLE. The gentleman did a very good job.

Mr. BROWN of Ohio. When no one else wanted to ask a question of someone on the other side of the street I tried to ask the questions to even it up a bit.

Mr. DOYLE. The gentleman did not have to work very hard because I think the attitude of the committee on both sides was to be fair and equal on both sides.

Mr. BROWN of Ohio. I have heard a great many statement to that effect. I do not know what happened.

Mr. DOYLE. I think both sides of the aisle tried to be very fair. I am sure that is the attitude of the committee regardless of what the present statement of the gentleman from Ohio is. The record I think will show we tried to be very fair on both sides of the aisle.

Mr. BROWN of Ohio. I have a copy of the record and it demonstrates that in several instances.

Mr. BUCHANAN. Unfortunately the position the gentleman would like to put the committee in is that every day of the week we would be investigating Government agencies.

Mr. BROWN of Ohio. That is not correct, but the committee has put itself in a position where even the left-wing newspapers of the country are calling your attention to the fact you are traveling very close to the line. Even the Pittsburgh Post-Gazette in the gentleman's own city has criticized him and said that "BUCHANAN is off the track." Mr. Tom Stokes, who is not on the conservative side to say the least, wrote an article that I read with interest in which he was rather critical of some of the activities of the committee. So I found myself in rather peculiar company at times. It indicates I have been right in some of my criticisms or my left-wing friends and editors would not be agreeing with me and taking the same position. The only one who did not take that position was Mr. Marquis Childs who wrote an editorial saying that the whole investigation has been conducted to get

after the right-wing organizations. The chairman of this committee has picked out 166 corporations and has made the statement that he picked them out because they contributed to right-wing organizations; however, he did not say anything about anyone who contributed to left-wing organizations. Again, that has been my objection. I think we ought to play fair on both sides.

Mr. BUCHANAN. I do not use those terms "left-wing" and "right-wing."

Mr. BROWN of Ohio. The gentleman did not say so, but he has not been picking them out.

Mr. BUCHANAN. In order to clarify the record, may I say that you have been given a demonstration of some fairness on the part of the committee. We have conducted our hearings in this manner. I might say that the committee hearings themselves will show that in each and every instance the gentleman from Ohio has asked and requested to interrupt the chairman from time to time, and the chairman has been very gracious and yielded to the gentleman from Ohio.

Mr. BROWN of Ohio. I do not like to disagree with my friend, but if you read the record of last Wednesday you will find where, when I was questioning a witness, that immediately when the Chair would finish questioning a witness he would say, "Step down," and the minority then would ask a question. But, first the Chair would turn to everyone else on the committee before he would turn to the gentleman from Ohio, or if the gentleman from Ohio was recognized to ask a question he was permitted to ask but one question, and then when he started to ask the next, the chairman would turn around and say, "Is there any question from you, Mr. LANHAM?" and Mr. LANHAM would say "No." And then the gentleman would let me continue questioning. The record speaks for itself.

Mr. BUCHANAN. I do say that the record speaks for itself, and I hope that every Member of this House reads that record in its entirety, and if they feel that the chairman was unfair——

Mr. BROWN of Ohio. Well, you put that to a vote sometime.

Mr. BUCHANAN. The gentleman has the art, of course, of being able to interpose very conveniently into the proper place. I must compliment the gentleman from Ohio. That comes with long years of political experience, and I do not admit that my 4 years here in the House of Representatives can match the long experience of the gentleman from Ohio, especially at being able to interject and to interpose at various points. I have witnessed the gentleman from Ohio in various committees that he has served, and I believe that he will say—after the hearings are over—that he does say many times on the record, "You have been most gracious, Mr. Chairman; in fact, you are one of the fairest chairmen that I have ever been associated with."

Mr. BROWN of Ohio. I am afraid the record does not recognize sarcasm when one reads it. Some of these statements were made with just a little bit of a tinge of sarcasm.

Mr. BUCHANAN. The only thing about the record, of course, is that it merely quotes the words and it does not reflect the tone in which the words were spoken.

Mr. BROWN of Ohio. I am sure the gentleman understood.

Mr. BUCHANAN. Mr. Speaker, I would like to finish my statement; I feel that the time is running out here. I want to say briefly, in summarizing here, that we are not probing any ideas or opinions; that we are making an attempt, a full and complete attempt, in as objective a manner as possible, and I believe that a very careful reading of the hearings and the reports that will be issued will show that we have been most fair and impartial in the consideration of every witness that has appeared before us.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. The statement was made on the floor the other day that information has come to the committee that some Congressman had sent out seven carloads—franked out seven carloads of material. Now, do you find any basis for that statement?

Mr. BUCHANAN. We do.

Mr. HOFFMAN of Michigan. What did you find?

Mr. BUCHANAN. Well, I believe that is a matter that we discussed yesterday in executive session, and I wish the gentleman would reserve his question.

Mr. HOFFMAN of Michigan. I do not want to embarrass anybody.

Mr. BUCHANAN. Let me repeat. We are not attempting to reflect on any Member of Congress; in fact, many of the affidavits and documents that have been read before the committee have been most carefully scrutinized. My name has appeared time and time again, and I have not been fearful in any manner whatsoever that a cause I helped to fight for and talk for on the floor of this House was mentioned in any document.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. HOFFMAN of Michigan. I am not finding any fault with any investigation of any Congressman, and I hope the gentleman does not understand me as saying and that no one else understands me as saying that there is any reason why a Congressman should not be investigated just the same as any other individual. But I am amazed somewhat to learn that someone had mentioned seven carloads. I noticed in the press that it cost the Post Office Department about $1,000,000 to send out frankable material sent out by Congressmen, but that the departments had sent out their propaganda at a cost of about $27,000,000, so that we cannot make very much of an answer if we used that franking privilege only to the extent of a million dollars.

Mr. BUCHANAN. Is the gentleman aware of the fact that what the Government sends out is not propaganda?

Mr. HOFFMAN of Michigan. It is not propaganda?

Mr. BUCHANAN. The bulk of the material that is sent out is in the form of booklets and releases to the various administrative agencies throughout the country. I am sure the gentleman is very clear as to his conception of the Corrupt Practices Act, whether anyone in the executive branch or any quasi-judicial agency of the Government is abusing any privilege he has. If he is abusing it, then I know the gentleman knows the proper agency to which to refer it.

Mr. HOFFMAN of Michigan. And when complaint is made we get nowhere.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. BROWN of Ohio. I congratulate the gentleman on the statement he has made, that it is not his desire to embarrass any Member of Congress. I should like, however, to point out that reports have come to us that certain statements and certain information that have reached the committee regarding certain Members of Congress have been used to embarrass those Members. One of our colleagues on the other side of the aisle from me has been embarrassed in a campaign he is now conducting for further office.

I wonder if the gentleman will not agree that the gentleman from Ohio, when that matter came up, protested against it and denounced the statement made by the witness or the information and stated publicly that while he was of the opposite political faith and philosophy he disavowed the whole thing, that the gentleman mentioned was a man of honor and integrity and had been a great Member of this body, and that the words of the gentleman from Ohio could be used in his campaign if he so desired to offset any attempt to slander or smear him that might emerge from that. Since that time we have learned that the very statements and the very material have been used against the gentleman.

Mr. BUCHANAN. I might say the gentleman is very fair in his statement in regard to the gentleman mentioned.

Mr. BROWN of Ohio. It is to be regretted. I hope that we will not follow this line or not permit it to be followed. That is the one great fear I have, that there can be a misunderstanding of such information.

Mr. BUCHANAN. This is a political year, and we face the congressional elections in November of 1950. In conducting an investigation into such a controversial field, in which the Members on both sides of the aisle are involved, we have been most cautious and deliberate in our hearings. We shall continue to conduct the hearings in the same manner in the future.

The Pittsburgh Post-Gazette in a column from its Washington staff, appearing June 10, may have put its finger on the cause of the complaints against this committee. I want to quote a few excerpts from this column:

LOBBY PROBE NOW PRODUCING RESULTS, GETTING COMPLAINTS

The Lobbying Investigating Committee has really come to life, and the screams of Congressmen whose pet lobbyists are caught in the wringer are pitiful to hear.

The committee, which the House authorized last fall at the request of President Truman and of which Representative FRANK BUCHANAN, McKeesport Democrat, was named chairman, seemed a long time getting started.

Mr. BUCHANAN, who has leaned over backward to be fair, also made sure of his aim before he started shooting.

At first the hearings turned up little. Observers who didn't know of the vast amount of data the committee has on file thought the inquiry had fallen on its face.

But during the last 2 weeks Mr. BUCHANAN has brought the hearings to bear on what he considers the real evil in lobbying today: Use of tax-free foundations, operating on tax-deductible donations, especially from wealthy corporations, to conduct lobbying in the role of operating a publishing house. These thriving businesses neither pay taxes nor register under the Lobbying Act.

Mr. BUCHANAN believes they wield tremendous influence over legislation, though they deny they are so engaged.

So long as the lobbying investigation brought out little, there was no objection from congressional conservatives.

But in the last 2 weeks they have been raising their voices.

I am particularly gratified to find in this column the statement which I really and sincerely believe is true and is borne out by our records, a statement which says:

Mr. BUCHANAN * * * has leaned over backward to be fair.

During the course of our hearings both majority and minority members of the committee have made similar statements at one point or another in the record.

During the hearings on the National Housing Conference, the gentleman from Ohio [Mr. BROWN] complimented me on the fairness and impartiality that I was demonstrating by making public documents from an organization vigorously supporting legislation that I was advocating as a Member of Congress.

It appears then, Mr. Speaker, that despite efforts on my part cited by minority members of the committee and by the press to be fair and impartial and objective in the conduct of this investigation, the mere fact that I have caused to be circulated a questionnaire among business corporations asking for information on legislative activities suddenly indicates that I am no longer fair and no longer objective. But I assure you, Mr. Speaker, I intend to continue to conduct the committee's operations in a fair and objective manner.

My letter questionnaire to business corporations was never intended to cover every corporation engaged in lobbying activities. It was sent to a representative group. It should provide us with reliable information which we can use as a guide. That is its purpose. There was no conscious effort here to differentiate among corporations for their activities or for the views of any of their officials.

When this letter was sent out on May 31, we received numerous inquiries from corporations asking for some clarification of some of the requests. Members of the staff and I, myself, as well as some of the other members of the committee conferred with representatives of some of these firms to explain some of the questions more specifically so that they would be able to comply with the request without undue burden.

Mr. Speaker, there has to be a rule of reason guiding any congressional committee which is seeking to do a fair and objective job of investigation. None of us on the House Select Committee on Lobbying Activities has any desire to unduly overburden any firm.

As a result of conferences and telephone calls with representatives of some of these firms, we decided to send out a supplementary letter making clear some of the points in the original letter which appeared to have caused some problems, and a copy of that letter, which I think is self-explanatory, will be inserted at this point:

CONGRESS OF THE UNITED STATES,
HOUSE SELECT COMMITTEE
ON LOBBYING ACTIVITIES,
*June 10, 1950.*

GENTLEMEN: With reference to my letter dated May 31, 1950, requesting certain information for the benefit and use of the Select Committee on Lobbying Activities, the following points should be observed in clarification of the scope of the letter:

(a) Travel expenses: This item is not intended to cover expenses of trips to Washington made for the sole purpose of conducting sales or other business operations, nor is it intended to cover trips for the purpose of handling nonlegislative matters before departments and agencies of the executive branch of the Government.

(b) Washington office: This item likewise is not intended to cover costs of a Washington office maintained solely for sales or other regular business operations, or for handling nonlegislative matters before departments and agencies of the executive branch of the Government.

(c) Printed or duplicated matter: This item does not relate to material dealing with the administration of existing statutes which is distributed to supervisory employees. Expenditures, however, for duplicated or printed matter having legislative significance should not be limited to payments to the eight organizations enumerated in my letter of May 31, 1950, but should include payment to any other organizations which prepare or distribute literature on issues having legislative significance.

(d) Advertising: This item, of course, does not relate to ordinary business advertising, but to institutional or other advertising dealing with public issues having legislative significance.

(e) Contributions: This item does not relate to contributions to charitable or eleemosynary institutions.

If your company has any special problems with respect to my letter of May 31, 1950, that are not covered by the foregoing points, I shall be glad to help resolve them in a way that will provide the relevant facts for the committee's study without unreasonable burdening the respondents.

In some cases, I appreciate that additional time may be required to complete the preparation of information requested. I trust that some sections, however, can be supplied by June 15, 1950, and that the balance may be supplied by June 30, 1950.

Yours very truly,
FRANK BUCHANAN,
*Chairman.*

While these activities were going on, staff investigators of this committee, who as I said, have been engaged for months in going through the files of a variety of lobbying organizations, obtaining information which the organizations involved, in most cases, freely turned over to them, presented their credentials at the headquarters of several organizations in New York City and asked officials of those organizations for about 26 different categories of material.

Before I go any farther, Mr. Speaker, I want to say a word about the investigators who have been employed and their methods of operation. All have been men of the highest caliber. All have had training and experience in investigative work. Some are members of the bar.

In all of their operations, and they have been pretty widespread and extensive in recent months, they have always conducted themselves in a dignified, proper, and courteous manner. I do not ask that you take my word for that, Mr. Speaker. I did not accompany them personally, and I cannot speak from personal knowledge as an eyewitness. But we have in our files of the committee many letters from officials and organizations into whose offices our investigators have gone to obtain documentary information for the committee, letters expressing appreciation for the courtesy and propriety shown at all times by the committee's staff investigators.

As I said earlier, the informtion sought by these men was supplied immediately by most organizations merely upon request and in a cooperative way without the need for the use of subpenas.

All went reasonably well until the investigators appeared at the offices of three New York organizations: The Committee for Constitutional Government, which during the life of the Federal Regulation of Lobbying Act of 1946 has reported as receiving and spending about $2,000,000; the National Economic Council which has reported receiving about a half million dollars at the rate of over $10,000 a month; and the Constitutional Educational League which engages in widespread pamphleteering on national legislative issues but which has never filed under the Lobbying Act and whose officials have steadfastly refused over the years to tell any committee of Congress the sources of its funds.

We are not probing opinions or ideas. The views of these three organizations as expressed in their publication and through their lobbying efforts are certainly not my view. Some organizations do not espouse my views while others which we have looked into do espouse views which are much closer to mine.

But we are not investigating views—all members of the committee are agreed on that. At the same time I do not see why the opinions held by any group should make it exempt from investigation as to—not their opinions—but as to their lobbying techniques and expenditures.

When our investigators appeared at the offices of these three organizations and presented their credentials and the list of materials which they wanted to examine for the information of this committee, they ran into some interesting experiences. Officials of all three organizations were quite pleased to turn over copies of pamphlets and other propaganda material which they have issued which might be regarded as having a bearing on legislative issues. Two of the organizations, the two which file under the Lobbying Act, had no hesitation about opening their books to show the total amounts of contributions and receipts of various kinds and also those showing their expenditures. But they steadfastly refused to divulge the names of purchasers of quantity orders of their

propaganda publications. The third organization, the Constitutional Educational League, likewise declined to give our men the information requested.

The investigators informed us of these developments. They had not run into situations quite like these in any of their previous investigations. They had found most organizations which they had investigated quite willing to open their files, quite willing to disclose the sources of their income and the names of their contributors. This was something new.

While we were debating the next step, the Committee for Constitutional Government proceeded to file in the Federal District Court for the District of Columbia a petition for injunction seeking to restrain individual staff members of this committee, by name, from even so much as asking for this material. It should be noted, Mr. Speaker, that no subpena up to that time had been issued for this information. A request for it had been made, a courteous request, but no subpena had been issued.

When we were notified of the injunction petition, I consulted a majority of the members of my committee, discussed the matter with them, and we decided to issue subpenas to compel the production of the information we requested. The subpenas were served by inviduals other than those named in the court action of the Committee for Constitutional Government. Subpenas were issued not only on the Committee for Constitutional Government, which had sought to delay and hamper us through the injunctive process, but also on the National Economic Council and on the Constitutional Educational League.

A subpena was served on the National Economic Council, because Merwin K. Hart, president of that council, had indicated to our investigators that he would follow whatever decision the Committee for Constitutional Government made about complying with our requests for information on the sources of their funds. Since the Committee for Constitutional Government had reacted to our request by filing a petition for an injunction against our staff members, it was assumed that Mr. Hart would also decline to comply. As for the Constitutional Educational League, its executive vice chairman, Joseph P. Kamp, was already under sentence for refusing to give a congressional investigating committee in a previous inquiry any facts about the sources of his organization's funds and he had not shown any inclination to cooperate with our investigators. That is why the subpenas were issued. In all three cases it was a clear and outright refusal to give us voluntarily information of a sort we had been obtaining without difficulty on a voluntary basis from a variety of other organizations.

I believe it would have been most unfair, both to the Congress which ordered this investigation and to the organizations which previously complied voluntarily with requests from us for information, if we were then to accept casually the refusal of a few groups to supply data needed to carry out properly the study we were ordered to make by this House of Representatives.

It seems, however, Mr. Speaker, that we did not take into consideration the tremendous sources of support which these three organizations seem to enjoy within the Congress of the United States and among some newspapers.

In any event after the subpenas were issued for return on Tuesday, June 6, I was personally denounced on the floor of the House, which is something rather new and novel for me. Newspapermen informed me of all sorts of rumors floating around the Hill portending doom for this committee for having had the gall to seek to find out the names of individuals and corporations supporting organizations such as the Committee for Constitutional Government, the National Economic Council, and the Constitutional Educational League.

I hesitate to characterize any organization until I am sure of the facts and it is not my intention here today to discuss the views held by these organizations or to characterize them.

HOW THEY LOBBY

I believe in letting the facts on these lobbying organizations speak for themselves. As an investigator of lobbying activities I am interested in how they lobby, not what they lobby for or against.

Hearing on return of the subpenas was set for June 6 at 10 a. m. We were not able to achieve a quorum, however, until nearly 10:50 a. m., when two of the minority members of the committee appeared. One of the majority members was out of town and the remaining three of us did not, of course, constitute a quorum of the seven-member committee. so it was necessary to wait for one or more of the minority members to be present. When they appeared the hearing began with Merwin K. Hart of the National Economic Council as the first witness.

MERWIN K. HART, NATIONAL ECONOMIC COUNCIL

Mr. Hart reported that he had brought along with him the material that had been subpenaed but he stated that he was appearing voluntarily rather than in answer to the subpena.

Mr. Hart, as I said, stated that he had brought along with him the material that had been subpenaed, and added that he would turn it over to me and to the committee if we would first permit him to make a statement. Before allowing him to proceed with his statement, I insisted that he show us the material he had brought with him to make sure that it did in fact comply with the subpena. He showed us his material; it appeared to be the material we had requested; I then permitted Mr. Hart to proceed with his statement in full.

The gist of his statement was that the information he was giving us on individuals and corporations providing as much as $1,000 to his organization between January 1, 1947, and May 1, 1950, was a very confidential list which he hoped we would not let out of our hands and not make public. But he did turn this information over to us, and we have it for such use as the committee may determine.

JOSEPH P. KAMP, CONSTITUTIONAL EDUCATIONAL LEAGUE

The next witness was Joseph P. Kamp, of the Constitutional Education League, a pamphleteering organization which takes a very definite position on pending legislative issues. Mr. Kamp does not file as a lobbyist and his organizadoes not report as a lobbying organization.

He was asked if he had brought with him the material subpenaed, namely, such books and records that would show his financial backers. Although he had had at least 10 days to gather the requested records, when I asked Kamp how long it would take him to get the material together, he replied that "before I could begin to do the job" he would have to have it proved to him that the operations of his organization come under the jurisdiction of our committee—a committee, I might add, which has been ordered to investigate "all lobbying activities intended to influence, encourage, promote, or retard legislation." Kamp's outfit prepares and distributes extensive propaganda material on national and legislative issues.

I told him that he was excused. The following exchange occurred—page 32:

Mr. BROWN. Will the minority members be permitted to ask a question?

The CHAIRMAN. Yes, sir.

Mr. BROWN. Thank you very much.

If you were permitted to make a statement to this committee, as you have requested, and after you had completed your statement the committee decided that you did come under the law and that you should furnish this material, would you then be ready to furnish it?

Mr. KAMP. Then I would either have to furnish the information or suffer the consequences. I would be perfectly willing to, one or the other.

The arrogance, the effrontery, the contemptuousness of this witness, Mr. Speaker, was simply incredible. He appeared to be inviting us to cite him for contempt. The man apparently feels he has nothing to lose by showing contempt for Congress because he was at that time awaiting commitment to serve a 4-month prison term for contempt of a previous congressional committee in 1944. It has taken 6 years for the processes of law to catch up with him and to make his conviction stick and he has avoided jail for 6 years quite successfully, but his freedom is now about to end. Apparently he was conscious of that and his attitude reflected a what-difference-does-it-make-now philosophy.

I repeat, we are not investigating anybody's views. Joseph Kamp's ideas are not our concern as a committee. It is our concern, however, and it is the concern of this Congress to know who are the financial backers of Kamp's organization.

One of the minority members of our committee, the gentleman from Ohio [Mr. BROWN] had this to say as Kamp prepared to leave the witness stand—page 33:

Mr. BROWN. Mr. Kamp, I asked those questions only to clarify the record. I want to be absolutely frank with you and the committee. I have not had too good an impression of some of your activities in the past, but I

do not intend to judge you on this matter because of things you may have done in the past, that I disapproved of most heartily.

EDWARD A. RUMELY, COMMITTEE FOR CONSTITUTIONAL GOVERNMENT

The next witness in answer to a subpena on June 6 was Edward A. Rumely, executive secretary for the Committee for Constitutional Government, a man and an organization whose activities appear to be sacred and above reproach—and also exempt from any congressional investigation—by a surprising number of individuals here and by some newspapers.

Rumely was instructed in his subpena to bring the same sort of information as was subpenaed in the other two cases. Like Kamp, he took the position that certain areas on which we asked for information are "outside of your power"—page 38. In these areas he did not provide and refused to provide the information requested; that is, "receipts from the sale of books, or the identity of purchasers of books"—page 39. He added, "I don't mind giving the total income, but not the identity of the purchasers of books and literature."

There resulted at that point a discussion within the committee as to whether the witness should be permitted to read a statement he had distributed to the press for release on delivery which explained his reasons for not producing the material requested. I had instructed him not to read his statement and to step down unless he agreed to provide the information asked of him in the subpena. The gentleman from Ohio [Mr. BROWN] objected and asked that the witness have an opportunity to explain what he had brought with him and to explain "what he doesn't feel that he should furnish under this subpena"—page 40.

I agreed to allow that to be done. The gentleman from Georgia [Mr. LANHAM] objected to his reading any statement until he had complied with the committee's subpena, although he agreed to allow the witness to answer direct questions from the gentleman from Ohio [Mr. BROWN]. These questions continued from page 42 to page 67 with other members of the committee, of course, participating, particularly on the issue of whether the Committee for Constitutional Government, which is registered under the Lobbying Act as a lobbying organization, enjoys immunity under the Constitution from being required to reveal the names of individuals or corporations which furnish it funds through the purchase of books or other literature in large quantity orders. It is the position of the Committee for Constitutional Government, as expressed by the witness Rumely, that Congress is not entitled to have this information.

Literature distributed by CCG on a mass basis concerns subjects pertinent to legislative issues. CCG maintains lists of legislators, professional people, and others, and solicits orders for quantity purchases of such literature for distribution among persons on the lists.

In other words, Mr. Speaker, they have these lists. You just send CCG your money and designate the lists of people to whom you want them to send the literature. You can order 1,000 copies of a book or pamphlet for legislators, or 100,000 for lawyers, and so on.

Is the influence of this kind of distribution of literature intended, directly or indirectly, to influence Members of Congress to vote against legislative proposals to which CCG, as a registered lobbying organization is violently opposed?

That is one of the questions which the Select Committee on Lobbying Activities will carefully consider at its further hearings, starting next week.

CCG and NEC work very closely together. As I said, our investigators found that out when they visited the two organizations in New York. Hart said he would be bound by whatever Rumely decided to do about complying with our request for information on this specific issue of the sale of publications. As it turned out, Hart finally decided to come through with the material even though Rumely defied a subpena and refused to produce it.

Hart turned over to us a list of all contributions or receipts of $1,000 or more for the period between January 1, 1947, and May 1, 1950, including receipts from the sales of books. I have analyzed this material somewhat hurriedly and what I find there is very interesting. From the time the National Economic Council first began filing quarterly financial statements under the Federal Regulation of Lobbying Act until its report for the fourth calendar quarter of 1948, filed early in 1949, Hart and the NEC never differentiated in their lobbying reports between receipts from outright contributions and receipts from the sale of literature. All were reported for the purposes of the Lobbying Act as receipts. Individuals or corporations which the material which he has turned over to this committee in answer to the subpena indicates purchased sizable volumes of literature costing $500 or more during the period January 1, 1947, to October 1, 1948, all seem to be listed on NEC's official sworn lobbying statements as having made contributions of $500 or more. Therefore, it is obvious that until early 1949 when he adopted a different method of reporting under the Lobbying Act, Hart and the NEC regarded these bulk purchases of literature not as sales made by a publishing house, but as contributions to a lobbying organization.

I would like to insert here an article and an editorial from the St. Louis Post-Dispatch of a few days ago on this matter:

BIG NAMES LISTED AS BACKERS OF ORGANIZATION IN LOBBY INQUIRY—UNION CARBIDE, TEXAS CO., DU PONT FAMILY MEMBERS AMONG CONTRIBUTORS TO NATIONAL ECONOMIC COUNCIL

(By George H. Hall)

WASHINGTON, June 8.—Some of the biggest individual and corporate names in America are on an unpublished list of contributors to Merwin K. Hart's National Economic Council, an organization now under investigation by the House Lobby Committee.

Hart turned over the list to the committee on Tuesday when he appeared in Washington in answer to a subpena. He asked Chairman FRANK BUCHANAN, Democrat, of Pennsylvania, to hold the list in confidence to prevent its use by smearers. The document has been kept in a locked safe pending consideration by BUCHANAN'S committee next week.

BUCHANAN has been trying to identify the financial angels of the council, the Committee for Constitutional Government and the Constitutional Educational League. He has accused the three groups, all with headquarters in New York, of peddling an American brand of fascism.

DU PONTS, GRUNDY ON LIST

Here are a few of the several hundred names on the Hart list:

Union Carbide & Carbon Corp.; the Texas Co.; the Pure Oil Co.; Los Angeles Chamber of Commerce; the Sun Oil Co.; S. H. Kress & Co.; Irénée du Pont, a director of E. I. du Pont de Nemours & Co.; Lammot du Pont, also a director; Joseph R. Grundy, Pennsylvania Republican political boss; the William Volker Fund of Kansas City, Mo.; and Ira L. Anderson of New York City.

The period covered by the list was the 3½ years in which the Lobby Registration Act has been in effect. In this time total contributions of more than $30,000 from the Volker Fund, $25,000 from Irénée du Pont and $20,000 from Lammot du Pont were recorded. Contributions for the others could not be ascertained. Hart took in $140,000 last year.

FRIENDS OF DEMOCRACY ROLE

The Post-Dispatch obtained, however, a list of 1,600 names of individual and corporate contributors to the National Economic Council over a period generally from 1933 to 1948. This list was obtained from Dr. L. M. Birkhead, of New York, national director of Friends of Democracy, Inc., who considers it to be similar to the list given the Buchanan committee by Hart. The chief differences appear to be the inclusion of many more small contributors and a different but partly overlapping period of coverage. Some contributors are from St. Louis.

In handing his list to the committee Hart asked that it be kept confidential because if published it might be used by men and groups who, by their actions and words, have shown that they are willing to bring about the socialization and, in some cases, communization of the United States. Hart specifically mentioned Friends of Democracy, a 13-year-old anti-Fascist, anti-Communist group, and said that it had embarked on a systematic campaign to destroy the financial support of a number of organizations, including the National Economic Council.

Dr. Birkhead said his organization had been sending out letters to members of the boards of directors of corporations listed as contributing to extreme right-wing and extreme left-wing groups, including the council, and calling their attention to the background and purposes of the organizations the corporations were supporting.

Dr. Birkhead said he had received a considerable number of replies indicating many directors of corporations did not know their concerns were contributing to Hart, or if they knew it, thought that the activities of the council were somewhat different than they are. One large company is facing a minority stockholders' suit designed to recover a contribution.

According to Arnold Forester, author of A Measure of Freedom, a publication of the antidefamation league of B'nai B'rith, Hart's principal interests include lobbying against social reform and in favor of native and Spanish fascism; he devotes most of his attention to pro-Spanish propaganda work. Hart frequently has disclaimed charges of anti-Semitism.

DEFIANT LOBBIES

Such information as Congress is trying to obtain from three reactionary lobbies ought

to be forthcoming as matter-of-course routine. All Chairman BUCHANAN's House committee is trying to do is to find out who is behind these groups and how much money they are contributing to kill off progressive candidates and progressive legislation.

If the Registration of Lobbying Act were adequately drawn this information would have been of record long ago. The act ought to be revised so that it will be of record, continuously. Congress has the right to know these essential facts about the groups that petition it. Otherwise how can it tell whether their petitions are to be given full faith and credence?

Knowledge of the sort is particularly essential in the case of organizations like those that are at present defying the Buchanan committee's reasonable demands for information.

One of them, the Committee for Constitutional Government, has as its head Edward A. Rumely, whose record is hardly good. Rumely was sent to prison at the time of the First World War. He was convicted of taking $1,000,000 from the German Government to buy the New York Evening Mail and convert it into a propaganda organ for Germany, according to BUCHANAN.

Another of the lobbyists, Joseph Kamp, head of the Constitutional Educational League, was fined $1,000 and sentenced to a year in prison for contempt of Congress 6 years ago, Chairman BUCHANAN reported. Merwin K. Hart, head of the third lobby in question, the National Economic Council, is the subject of a 20-page exposé in the new book, A Measure of Freedom, published by the Anti-Defamation League of B'nai B'rith.

Every lobbyist who attempts to influence Congress should be obliged to present his credentials. That is particularly so in the case of characters like Rumely, Kamp, and Hart. The financial backers of men like these should also be required to stand up and be identified. What is the reason for their prolonged and agonized reluctance to affirm their association with these lobbies? That reluctance is in itself a reason for suspicion.

We trust that the Buchanan committee will zealously continue its efforts to force these lobbies to tell where their money comes from, and that Congress will soon give the investigators the tool of a better law to work with.

Mr. Speaker, I would also like to insert an editorial from the Washington Post of Monday, May 29, entitled "Disguised Propaganda" discussing this issue of lobbying by seeking to influence public opinion so that the public in turn will put pressure on Congress:

DISGUISED PROPAGANDA

In a free country many evils can be disposed of by simply bringing them into the light of day. That is the theory behind the present law on lobbying. Agents who are attempting to influence legislation are required to register and disclose their connections. It is a sound approach, but there is question as to whether the law goes far enough. Representative BUCHANAN'S Lobby Investigating Committee has given emphasis to the fact that some of the most effective lobbyists never buttonhole legislators on Capitol Hill. They stir up public sentiment which is communicated to Congress and perhaps reflected in legislation.

The Buchanan committee is now attempting to find out who supports a number of organizations of this type. It has issued subpenas designed to compel three national organizations—the Committee for Constitutional Government, the National Economic Council and the Constitutional Educational League—to disclose the sources of their funds. Leaders of the CFCG and the NEC have been tried for contempt of Congress in the past for refusing to give the names of their financial backers. We think the public has a legitimate interest in knowing how such organizations are financed and hope the committee will not only require a public accounting in these cases but will also consider the advisability of sponsoring a bill to require all similar organizations to make detailed financial reports. Only contributions of $500 or more must be identified in reports to Congress under the present lobbying act.

In this country everyone has the right to make his voice heard, but there is no right to sail under false colors. If an organization is engaged in a worthy undertaking it cannot reasonably object to having the sources of its funds known. If it is engaged in subversive activities or any kind of racket, the public interest demands that the sources of its support be laid bare. We have often pleaded for a law that would require all organizations appealing to the public for funds or carrying on propaganda activities (excepting established churches) to make a public accounting of their receipts and expenditures Useful though it may be in pointing up a principle, no committee investigation can take the place of continuous, systematic reporting of the facts. Only a statute requiring organizations to operate in the open can protect the public from being mulcted for subversive or special-interest causes and from being hoodwinked by propagandists in disguise.

Mr. Speaker, I would also like to insert the background material prepared by the committee on all three of the organizations involved in the June 6 hearings:

HOUSE SELECT COMMITTEE ON LOBBYING ACTIVITIES,
*June 6, 1950.*

NATIONAL ECONOMIC COUNCIL

The National Economic Council, Inc., 7501 Empire State Building, New York, for 17 months after the adoption of the Federal regulation of Lobbying Act of 1946 maintained through its president, Merwin K. Hart, that it did not carry on any activities subject to that act, but it subsequently registered as a lobbying organization on January 21, 1948, "so that the council shall be free henceforth to engage in any such activity." It filed a retroactive initial financial report for the period from August 1, 1946, to December 31, 1947, and has filed quarterly reports regularly ever since.

Organized as nonprofit corporation under the membership corporation law of New York State, the NEC has as its purpose, according to Hart's own registration under the Lobbying Act "to aid in developing an informed public opinion on the major political, social, and economic problems of the Nation."

During the Eighty-first Congress, according to NEC material Hart has filed with the Clerk of the House, it said it "has been carrying on its effort before congressional committees and with individual legislators to defeat Truman program for a socialized 'welfare' state, often called 'creeping socialism'." The specific legislation which Hart and other NEC registered lobbyists have from time to time reported seeking to influence includes virtually all major foreign and domestic political issues.

FINANCIAL REPORTS

NEC has reported collecting approximately $140,000 in 1949 and spending, for purposes it believes allocable to lobbying, including some expenditures it says were "not for lobbying at all," a total of $41,967.47.

Over the entire period of its reports from August 1, 1946, to December 31, 1949, it reported total contributions and receipts from all sources amounting to $422,969.18, an average of $123,795.84 per year or $10,316.32 a month. These figures approximate the average expenditures reported by NEC during the period between August 1, 1946, and September 30, 1948, when it followed the practice of reporting all expenditures, which totaled $264,856.77 for the 26-month period or an average of $10,186.75 per month. Beginning October 1, 1948, NEC reported only that portion of its expenditures it considered allocable to lobbying, and for the 15 months to December 31, 1949, these totaled only $54,963.21 or an average of $3,664.21 per month.

HART'S SALARY

Hart's salary as president of NEC seems to have varied widely. When he registered as a lobbyist in February 1947, he stated that his salary would be "nominal," and said that "during calendar year 1946, compensation amounted to $800." For 1947, he listed salary payments totaling $6,583.31; for 1948, $6,540.84; and for 1949, $17,083.30. NEC has reported only portions of Hart's salary as an NEC lobbying expenditure and for 1949 listed allocated salary payments to Hart totaling $4,020.85.

RECEIPTS FROM SALES OF LITERATURE

NEC did not begin differentiating in its lobbying reports between contributions and its receipts from subscriptions or sales of literature until it filed for the fourth quarter of 1948, when it first listed separately its receipts other than contributions. From October 1, 1948, through December 31, 1949, it reported receipts from subscriptions and sales of literature totaling $72,786.92, as against contributions during that same period of $83,222.18. In three of the five calendar quarters involved, "other receipts" were greater than all contributions reported.

LARGE CONTRIBUTORS

Forty corporations or business concerns, 24 individuals, a charities fund and a cancer and blood research foundation are listed in NEC quarterly reports as having made a total of 104 contributions of $500 or more between August 1, 1946, and December 31, 1949. The amounts of these individual contributions were not given; they appear to have averaged about $1,000 each, however, according to total figures which were submitted.

Multiple contributors of $500 or more, and the number of such contributions each, included: Empire State, Inc., New York (8); Gulf Oil Corp., Pittsburgh (5); Lone Star Cement Corp., New York (5); Texas Co., New York (3); Mohawk Carpet Mills, Amsterdam, N. Y. (3); Pure Oil Co., Chicago (3); William Volker & Co., Kansas City, Mo. (2); Union Carbide & Carbon Co., New York (2); Tobin Packing Co., Rochester, N. Y. (2); Armco Steel Corp., Middletown, Ohio (2); C. M. Funk, 114 Fifth Avenue, New York (4); C. S. Payson, 30 Rockefeller Plaza, New York (4); John J. Raskob, 350 Fifth Avenue, New York (3); Irénée du Pont, Wilmington, Del. (3); Lammot du Pont, Wilmington, Del. (2); William Volker Charities Fund, Kansas City, Kans. (2).

Other contributors of $500 or more reported by NEC: Public Health Foundation for Cancer and Blood Research, 1 Atlantic Street, Stamford, Conn.; S. H. Kress & Co., New York; Vick Chemical C., New York; Monsanto Chemical Co., St. Louis; John S. Kemper Co., Chicago; Harnischfeger Corp., Milwaukee; Sears, Roebuck & Co., Chicago; McCrory Stores, New York; Atchison, Topeka & Santa Fe Railway Co., Topeka, Kans.; Brewing Corp. of America, Cleveland; Acme Steel Co., Chicago; Sharon Steel Corp., Sharon, Pa.; Carter Carburetor Corp., St. Louis; Air Maze Corp., Cleveland; Standard Railway Equipment Mfg. Co., Chicago; Pressed Steel Tank Co., Milwaukee; Stockham Pipe Fittings, Birmingham, Ala.; Eddy Paper Corp., Chicago; Pittston Co., Hoboken, N. J.; Alabama Mills, Birmingham; Perfection Stove Co., Cleveland; Chapel Hill Gas System, Dallas, Tex.; Rock-Ledge Institute, South Norwalk, Conn.; Beech Air Craft, Wichita, Kans.; American Cyanamid Co., New

York; S. M. Swenson & Sons, 52 Wall Street, New York; Bucyrus Erie Co., South Milwaukee, Wis.; J. I. Case Co., Racine, Wis., S. C. Johnson & Son, Inc., Racine, Wis.; Joseph Schlitz Brewing Co., Milwaukee; Crampton & Knowles Loom Works, Worcester, Mass.; Miss Ella Mable Clark, 831 Madison Avenue, New York; John W. Blodgett, Jr., Public Service Building, Portland, Oreg.; W. Tip Davis, box 2495, Honolulu, T. H.; Walter Regnery, care of Western Shade Cloth Co., Chicago; Dr. S. A. Brown, 75 East Fifty-fifth Street, New York; George E. Warren, 120 Broadway, New York; Ira L. Anderson, American Provident Society, 60 Beaver Street, New York; George Vidal, 925 South Homan Avenue, Chicago; Mrs. Albert T. Leatherbee, 42 Rockview Street, Jamaica Plain, Mass.; R. E. Wood, 925 South Homan Avenue, Chicago; Albert W. Hawkes, Belgrove Avenue, Kearney, N. J., Godfrey L. Cabot, 77 Franklin Street, Boston; N. E. Nelson, Sears, Roebuck & Co., Chicago; Mrs. M. K. Hart, Winship Road, New Hartford, N. Y.; G. S. Anderson, 925 South Homan Avenue, Chicago; Ralph P. Mershon, 2000 Tiger Trail Avenue, Miami; E. G. Howes, 321 Summer Street, Boston; W. H. Regnery, Joanna Western Mills Co., Chicago.

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HOUSE SELECT COMMITTEE ON LOBBYING ACTIVITY,
*June 6, 1950.*

CONSTITUTIONAL EDUCATIONAL LEAGUE

The Constitutional Educational League, Inc., of 342 Madison Avenue, New York, a pamphleteering and propaganda mill seeking contributions to help it circulate material stressing imminent dangers to the American way of life in various legislative proposals, has never filed under the Federal Regulation of Lobbying Act of 1946, nor has any agent or employee of CEL registered under this act. Reticence about the financial affairs of the organization has been characteristic of CEL and of its executive vice chairman, Joseph P. Kamp.

Kamp, who refused a request to turn over to the House Select Committee on Lobbying Activities information on the receipts of CEL, and was thereupon subpenaed to produce this information, meanwhile is under sentence and awaiting commitment to a 4-month jail term for similarly defying a House Elections Expenditures Committee in 1944. He was tried and convicted in 1948 on charges of contempt of Congress growing out of that 1944 refusal. His appeal was denied by the circuit court late in 1948, and the Supreme Court last month refused to review the case.

CEL propaganda material coming to Members of Congress ranges over a variety of subjects but usually centers on one theme, the danger of communism abroad and particularly at home. The latest publication, America Betrayed, which CEL offers for 50 cents per copy, alleges "treason, conspiracy, skulduggery, misconduct and mismanagement in our own State Department" in connection with the Chinese situation, and claims to name more than 100 Reds in the State Department.

Another 50-cent booklet is represented as exposing Communist and Socialist infiltration in the YWCA. A 25-cent pamphlet alleged Red bias in the steel fact-finding board. A $1 pamphlet discusses the hidden facts behind the crusade for world government.

CEL booklets carry an order sheet for ordering bulk lots of publications ranging from the 1-cent-per-copy Penny Pamphlet Series to a $5 Special Dossier of Patriotic Literature said to include more than 50 selections.

Contributions are invited in support of the league's educational program and to assist in giving wider circulation to its literature.

HOUSE SELECT COMMITTEE ON LOBBYING ACTIVITIES,
*May 26, 1950.*

COMMITTEE FOR CONSTITUTIONAL GOVERNMENT

The Committee for Constitutional Government and its guiding genius, Edward A. Rumely, must be of particular interest to any congressional investigation of propaganda groups and reports required by law to be filed by such groups. Rumely, executive secretary of CFCG, is very experienced in the matter of false and misleading reports and concealing records.

After World War I, Rumely was convicted of violating the Trading With the Enemy Act which required that any person indebted to an enemy should report that fact to the Alien Property Custodian. Rumely was found guilty of making false and misleading reports to the Alien Property Custodian in order to conceal an indebtedness to the German government of more than $1,000,000. The indebtedness had been incurred in connection with Rumely's purchase, in 1915, of the New York Evening Mail in order to convert that newspaper into a German propaganda organ. President Coolidge pardoned Rumely after he had served only 30 days of his sentence.

Rumely entered upon his present position, executive secretary of CFCG, in the early 1930's. In March 1938, Rumely and Sumner Gerard, also employed by CFCG, were called by the Special Senate Committee to Investigate Lobbying Activities. They refused to produce records demanded by the committee, but the committee failed to cite them for contempt.

In 1944, the Special Committee of the House of Representatives to Investigate Campaign Expenditures subpenaed Rumely, in an endeavor to obtain records of CFCG's activities in the 1944 campaign. Rumely appeared on September 25, 1944, refused to produce the records, and was cited for contempt. On October 13, 1945, a trial on this charge ended in a mistrial when the jury failed to agree on a verdict. Rumely was acquitted on retrial, April 18, 1946.

CFCG is one of the heaviest-spending lobbies on record. Its filings under section 305 of the act set out expenditures of $1,571,240.72 for the 38 months that the act has been in effect. This is an average of over $40,000 per month, and approximately one-half million dollars per year. But CFCG has steadfastly refused to disclose the names of its contributors. Both of its previous brushes with congressional committees have been on this same subject and the committee and its officers have indicated a willingness to undergo contempt proceedings rather than reveal this information.

The refusal to disclose the names of contributors under the Federal Regulation of Lobbying Act can best be understood if the facts are considered in chronological order:

(1) This organization was among the first to comply with section 305, filing its first quarterly report on October 7, 1946 (Form A–7, October 7, 1946). The first question on Form A asks the respondent to list the names and addresses of all persons who have made contributions of $500 or more during the preceding quarter, and since the effective date of the act. CFCG's response was "None." The second entry on Form A should include the total of all other contributions of less than $500. CFCG's reply was "None." Item 3 asks for the total of all contributions, including those reported in previous statements. Again, the response was "None."

On the expenditure side, this procedure was reversed. Question (4) requires the name and address of every person to whom more than $10 has been disbursed, along with the amount, date, and purpose of such expenditure. Here the return carefully itemized expenses, largely for books and printing, to the total of $97,744.45. Under the fifth entry, which requires only the aggregate sum of all expenditures under $10, the return details individual disbursements totaling $64.57.

(2) In the next five quarterly reports the same pattern was followed (Forms A–95, January 9, 1947; A–223, April 9, 1947; A–401, July 8, 1947; A–503, October 8, 1947; A–691, January 9, 1948). No contributions of any kind were reported, but all expenditures, whether smaller or larger than $10, were carefully itemized. From their reports, it would appear the CFCG had spent $677,483.50 in 1946 and 1947, but that it had not received any contributions at all.

(3) Finally, on April 6, 1948, CFCG filed a report in which it indicated that it had received $197,675.17 from 10,396 individual contributors during 1947 (Form A–868, April 6, 1948). The total was broken down into numbers of contributors in each of several categories; under $10, $11–$25, $26–$50, $51–$100, and $101–$490. The number of contributors and the aggregate of their contributions were computed for each category. No contributions larger than $500 were reported, however. As a consequence, CFCG did not disclose the identity of any of its contributors. Subsequent reports have been filed by CFCG, and they have included statements of contributions. But none of these reported contributions exceeded $490, and only aggregate figures were listed (Forms A–940, April 10, 1948, and A–1169, July 8, 1948).

For the first year and one-half of the Lobbying Act's operation, CFCG failed to render fully and completely the information required under section 305. The key to the CFCG's more recent disclosure of contributions can be found in the following remarkable letter addressed to the Clerk of the House by Mr. Sumner Gerard, treasurer of CFCG:

"Recently, at the request of T. Vincent Quinn, Acting Attorney General [sic], representatives of the FBI called upon us to ask for further information with reference to Form A which we file under the Lobbying Act.

"On Form A, we misunderstood the second question as referring to amounts received and reported upon as $500 or more. However, from the information given us, we now understand that in the second question information is to be supplied as to all contributions of $490 and less, and other income. * * *

"We are glad to supply this, as we publish the data on income. It was a misunderstanding of what was desired under the question." (Attached to Form A–868.)

Some of the information submitted by CFCG along with its letter of April 6, 1948, is highly revealing. It indicated the following details as to receipts:

| | |
|---|---|
| Period from Aug. 2, 1946, to Dec. 31, 1946: | |
| Contributions of 10 cents to $490 | $293,593.98 |
| Cash sales of book and literature | 247,437.39 |
| Loans from officers and friends | 16,150.000 |
| Period from Jan. 1, 1947, to Dec. 31, 1947: | |
| Contributions of 10 cents to $490 | 197,675.17 |
| Sales of books and literature | 219,437.39 |

Cash sales of books and literature amounted to one-quarter of a million dollars in 1946, and to more than $200,000 in 1947. In 1947, more income was received by the CFCG in this fashion than was received from contributions reported under the Lobbying Act.

Subsequent reports for 1948 and 1949 filed by CFCG under section 305 show the following breakdowns of contributions and money

received from the sales of books and literature:

| Year | Quarter | Contributions | Books |
|---|---|---|---|
| 1948 | 1 | (1) | (1) |
| 1948 | 2 | $29,808.82 | $74,845.60 |
| 1948 | 3 | 39,996.96 | 59,881.06 |
| 1948 | 4 | 56,047.85 | 53,062.58 |
| 1949 | 1 | 64,481.42 | 91,281.23 |
| 1949 | 2 | 51,822.43 | 98,538.14 |
| 1949 | 3 | 45,291.72 | 67,739.83 |
| Total | | 287,449.20 | 445,348.44 |

[1] $134,787.65 lumped together.

Totals for the entire period from August 1946 to the end of the third quarter of 1949:

Receipts from contributions---- $778,718.35
Receipts from sale of books---- 911,867.38

The CFCG has received more money from the sale of books than from contributions. Moreover, the quarter-by-quarter figures indicate that receipts from books constitute an increasingly large proportion of the committee's income.

Mr. Speaker, a final word on the reasonableness of our request for information from these three groups. I can best discuss this by citing some of our previous procedures.

On April 25 when a representative of the CIO Housing Committee appeared before us I asked him to identify the source of the funds used to finance the lobbying operations of that committee. He agreed to do so—page 689 of the stenographic transcript. Congressman HALLECK asked him to identify the persons who pay for the issuance of its pamphlets and booklets—page 690. Congressman BROWN asked him to furnish the amounts spent in publishing these booklets, the amounts received from the sale of the booklets, and the purchasers of the booklets—pages 701–702. That information is being prepared for the committee.

On May 3 when a representative for the National Housing Conference, Inc., appeared before us, both Congressman BROWN and I asked him to identify not merely those who make sizable contributions to the organization, but the names of all of those who belong to it and Congressman BROWN further asked that every public official included in that list be so identified. A membership for the National Housing Conference, Inc., costs, as I recall, $5 per year. At most it is $15. So while we are asking for the names of those who have contributed as much as $1,000 in 3½ years to the Committee for Constitutional Government or the Constitutional Educational League, either as direct contributions or for the purchase of propaganda material in bulk orders, and meeting defiance on this request on the grounds that it is unreasonable or unconstitutional, we had no hesitation about asking for the name of everyone who gives as little as $5 to an organization promoting public-housing legislation and no one on our committee expressed any thought that this was in any way unreasonable. Those names have been supplied.

Another organization involved in the technique of mass pamphleteering and receiving very sizable contributions from large corporations in the form of bulk purchases of this material on legislative issues has given us full information concerning both its contributors and the large purchasers of its publications. I will not say that this organization, a so-called educational foundation, was particularly delighted to turn this information over to us, with the prospect that it might be made public, but the fact is that it did turn it over in a spirit of cooperation and did not seek to hide behind any legalistic arguments.

Thus it can be seen, Mr. Speaker, that we have not met, generally, with the kind of obstructionism and concealment reflected in the attitude of the Committee for Constitutional Government and of this man Kamp who is on his way to jail, who prefers jail to identifying to a congressional committee the sources of funds spent, not only for lobbying purchases, but also to my mind for disguised political purposes.

Numerous organizations have demonstrated to us that insofar as they are concerned no stigma should attach to any group merely because it acknowledges engaging in lobbying activities. They have been frank and forthright and aboveboard. They believe in certain causes, legislative causes, and they solicit and expend money for the purpose of influencing Congress directly and indirectly as well.

Mr. Speaker, that kind of a lobbyist and that kind of lobbying organization is the kind I can salute, the kind I can compliment for participating in American democracy, for showing their true colors and true affiliations and their beliefs, by showing that they believe in these causes not only in their hearts but with their purses. If the stigma is to be removed from lobbying—and I hope to see it removed—then it is the respectable, aboveboard, out-in-the-open lobbying groups of this caliber which will have done much toward achieving that goal.

[From the Washington Post of June 13, 1950]

INDIRECT LOBBYING

The Lobby Investigating Committee has begun a fruitful inquiry into the activities of corporations designed to influence legislation. Questionnaires have gone out to 166 large corporations asking for data on travel expenses of their representatives to and from Washington, maintenance of Washington offices, contributions to lobbying organizations and so forth. Apparently the committee is trying to get a comprehensive view of how big corporations operate behind the scenes to secure favorable legislation and to head off bills regarded as inimical to their interests. In many instances indirect lobbying of this sort may be more important than the work of registered lobbyists on Capitol Hill.

On the basis of its findings the committee will consider whether the present Lobbying Act should be extended to cover the activities of business concerns intended to influence public opinion. We suspect that there will be strong support for a general proposal of that sort. This newspaper has consistently urged that the people have a right to know the sources of funds spent to influence public opinion. Of course, that principle applies as strongly to other concerns as to business groups engaged in lobbying. Certainly the problem is not limited to business corporations. Democratic principles demand that any regulation of indirect lobbying be also applied to labor unions and propaganda associations whether or not they are corporations in legal form.

Indeed, the propagandizing under false colors about which the public is most concerned these days is that perpetrated by the Communists and their fellow travelers. The crocodile tears shed by the Communists over liberal causes and their duplicity in collecting funds for such causes and using them to broadcast lies from Moscow would be readily exposed by a law requiring detailed financial reports from all organizations seeking to influence public opinion. To limit the regulation of indirect lobbying to business concerns would be to ignore the most pressing need for legislation in this field.

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[From the Louisville (Ky.) Courier-Journal of June 11, 1950]

CONGRESSIONAL INVESTIGATORS UNEARTH A GIGANTIC, DANGEROUS SUPERLOBBY—BUT FULL EXPOSURE OF THE COMMITTEE FOR CONSTITUTIONAL GOVERNMENT IS GOING TO BE VERY DIFFICULT—RICH AND POWERFUL, IT CLEARLY HAS THE BACKING OF RICH AND POWERFUL MEN AND ORGANIZATIONS—IT STRESSES OUTWARD PATRIOTISM AND OPPOSES EVERYTHING THAT IS IN THE LEAST PROGRESSIVE—ITS OPERATIONS ARE FAR-FLUNG, AND IT PUTS OUT PUBLICATIONS BY THE MILLIONS OF COPIES

(By John F. Day)

WASHINGTON, June 10.—The Special House Committee on Lobbying has got its teeth into something big and potentially dangerous to the country.

The something is a superlobby, probably the superlobby. Its head, or correlating agency, is called the Committee for Constitutional Government. That organization's head, in turn, is benign-looking, pious-speaking, rightist-thinking Dr. Edward A. Rumely, a one-time medical practitioner.

Chairman BUCHANAN, Democrat, Pennsylvania, says, "This is it." He means that the disclosure of the operations and machinations of this lobby will constitute the major result of a probe which started last year into all manner of organizations seeking to bring pressure on Congress.

IT'LL BE TOUGH

Full exposure of this lobby, however, is going to be extremely difficult. It wraps itself in the flag and the Constitution. It cries out for free enterprise and against encroaching socialism. It is rich and powerful because it has rich and powerful men and companies behind it. Rumely and his associates are clever. Like Communists, they spawn new organizations. Like Communists, they seek to cover up their backers and the full scope of their operations. Like Communists, they use every legal technicality to fight back.

Further, this lobby, which represents itself as engaged in purely educational work, has many followers in Congress, especially among Republicans. One of them, CLARE HOFFMAN, of Michigan, this week introduced a resolution calling for an investigation of the investigators.

And Rumely already has started the legal fight. He filed in Federal district court here a request for an injunction to stop the lobby investigators from compelling disclosure of the data sought about the organization's financial backers.

The lobby committee will meet next week in executive session to decide whether to bring contempt proceedings against Rumely for refusing to produce the records subpenaed. BUCHANAN will recommend such action against Rumely and Joseph P. Kamp, of the Constitutional Educational League, who also defied the subpena.

Chances are the two will be cited. BUCHANAN has the other three Democrats with him; and he may have, although it appears improbable, the vote of one or more of the three Republicans.

But that will be only the beginning, insofar as Rumely and Kamp are concerned.

They will fight all the way to the Supreme Court, as they have done before. The two defied a House committee investigating campaign expenditures in 1944. In Rumely's case, a jury couldn't agree in 1945, and he was acquitted on a retrial in 1946. Kamp was convicted and given a 4-month jail sentence, and the Supreme Court recently upheld that conviction. He is out now while petitioning the High Court for a rehearing.

In 1920, Rumely was convicted of having used German money in carrying on propaganda activities in violation of the Trading With the Enemy Act. He carried that case to the Supreme Court and lost. But President Coolidge pardoned him after he had served only 30 days of a 2-year sentence.

Probably because of Rumely's past record, his name does not appear on the letterhead or office doors of the Committee for Constitutional Government. Yet he is its executive secretary, its brain. The chairman is Dr. Williford I. King, an expert pamphleteer, and the treasurer is Sumner Gerard, formerly Rumely's secretary. Most of the press releases go out under Gerard's name. The biweekly news letters, called Paul Revere messages, are signed by King.

GANNETT WAS FOUNDER

Part of CCG's appeal lies in the fact it was organized for what most people would consider a good purpose. It was founded in 1937 by Frank Gannett, publisher of 21 New York State newspapers, to fight President Roosevelt's proposal to expand membership of the Supreme Court. But after helping to defeat that Court-packing scheme, Gannett and his associates were so happy over what they called mail-order government that they carried it on to combat everything that could in any manner be termed progressive.

Gannett does not take as active part in CCG as he once did. But he is still one of its directors, he undoubtedly still contributes considerable money to it, and he is supporting Rumely in his defiance of the lobby committee. He has written that the Buchanan committee has "gone far out of bounds in considering the CCG's sale of books as coming under the Lobbying Act," and that he believes "the Constitution protects the right to privacy in such matters."

Gannett and Rumely are on exceptionally friendly terms, so friendly that Rumely has said that Gannett will provide for him in his will.

CCG'S DEFINITIONS

Perhaps the great source of strength of the CCG is the subtle and innocuous-appearing approach it makes. It is educational, it says, seeking only to protect the American way of life. It distributes such standard references as Norton's The Constitution of the United States. Who can object to that? It is anti-Communist. Most Americans are. It makes varied appeals in its publications to people who are not reactionary, or even very conservative.

But most of its publications are merely come-ons accepted by millions of people who haven't the faintest idea who is behind the Committee for Constitutional Government, or what their real aims are.

What is their definition of free enterprise and the American way of life? The Lobby Committee has evidence that their idea of free enterprise is wholly unrestricted big business, where the rich get richer and the poor get poorer. It has evidence that the American way of life to them means rule by Strong Men, with a capital S, capital M; that they believe the little people aren't capable of governing themselves. They, of course, are careful to denounce Hitler and Mussolini now and then, but they want leaders of this pattern. One of Rumely's old slogans is "Send strong men to Congress." Sounds all right. But "strong men" is significantly a favorite term.

WRIGHT PATMAN, of Texas, is certainly no wild-eyed radical in anybody's book. And here's what he said on the floor of the House this week:

"Fascism is a real threat in this country. I consider the Committee for Constitutional Government the spearhead of fascism in this country. * * * That group is the most dangerous group in our country. I will admit that we should continue the fight against communism, always be on the alert against communism. But at the same time let us remain alert against the forces that would throw this country into fascism.

"The way the Fascists work, they want to destroy the confidence the people have in their leaders. * * * This organization is doing more in that direction than any other organization in America. * * * During the war we had Axis Sally in Berlin on the radio trying to cause our soldiera to turn against the United States Government. * * * Today, in peacetime, we have a lot of male Axis Sallys trying to cause the American people to distrust their Government."

PATMAN is not a member of the Lobby Committee.

The CCG is for lower taxes. That's a good appeal. Who isn't? But the CCG has advanced, or has in the planning stage, some remarkable ideas. The men who run it would limit Federal taxes to 15 percent of the national income. If that were done, tax revenues would pay for our Military Establishment, veterans' benefits, interest on the national debt—and very little more. There wouldn't be enough to run the Government on, much less to start retiring the debt.

The CCG would like to do away with all income taxes. But recognizing that is impractical, it has proposed that income taxes be limited to 25 percent, no matter how great the income. One can appreciate the appeal that makes to the rich and to some of the big corporations.

When asking for income-tax reductions it asks for across-the-board cuts—the same rate of reduction for everybody. It has actually toyed with the idea of a flat income-tax rate. In other words, if the rate were 20 percent, the man making $5,000 would get to keep $4,000. The man making $100,000 would get to keep $80,000. That's fair, isn't it?

LEADERS CONSISTENT

The CCG wants to see labor controlled. A lot of people can agree that labor has acted mighty high-handed, and in many instances has gone too far. But do they want to destroy collective bargaining? Do they want to go along with one of the CCG's pieces of literature called Labor Monopolies or Freedom? It says:

"We must not be defeatists. We must not say collective bargaining is here to stay and there is nothing we can do about it. The public has been taught that collective bargaining is beneficial. We must learn through discussion,, debate, experience, that it is harmful."

Leaders of the CCG are consistent. No "me-tooism" here. They are against everything, save possibly the Constitution—and they would like to see it amended to suit their own purposes. They are against the New Deal, the Fair Deal, and any other deal except their own, absolutely and in toto, foreign or domestic.

They oppose social security, national health insurance, Federal aid to education (and, in fact, all grants-in-aid), public housing, rent control, public power projects, maintenance of farm prices, veterans' pensions, the foreign-aid program, etc., etc.

All these things, they say, are taking America down the road to socialism.

Supporting the same type of an anti program are Kamp's Constitutional Educational League and Merwin K. Hart's National Economic Council. (Hart was a bit more cooperative this week than Rumely and Kamp. He produced his records in compliance with a subpena.) But CCG doesn't find many other lobby groups who are interested in defeating everything. So it supports various ones on various projects.

For example, it is with the American Medical Association in fighting socialized medicine, with the National Association of Manufacturers in fighting labor, with the National Association of Real Estate Boards in fighting public housing and rent control, and so forth.

Yet the CCG contends it is not political, because it does not indorse candidates. Says Rumely, "We deal with issues, not men." That could hardly be called even a half-truth. It doesn't name candidates it supports. But it throws its weight in the direction of those most likely to support its issues.

SOURCES UNDISCLOSED

It sent publications by the millions into Florida and North Carolina during the recent primaries. Who paid for them? That's something the Lobby Committee wants to find out.

Chairman BUCHANAN feels that the CCG is the perfect example of the new-type lobby he wants to put a spotlight on. It doesn't engage in buttonholing Congressmen. It just swamps them with "educational literature." But its principal modus operandi is to propagandize the people back home and to get them to bring pressure on their Congressmen. It is a grass-roots campaign, operating on the idea that the swaying of a relatively small number of people can create a voting bloc large enough to tip the scales at the bar of public opinion.

BUCHANAN realizes, of course, that every American has the right to try to sell his ideas. What he is trying to show is the vast scope of such operations, the pretense of being one thing while actually being another, the cover-up of financial backing.

CCG has listed $1,571,240 in expenditures during the 38 months the Lobbying Act has been in effect. But it has never disclosed the sources of its income, except to list totals from donations and totals from sales of books and pamphlets. The lobby law requires the listing of donors of $500 or more. So the CCG asks for contributions of $490; and if anybody sends in $500 he gets $10 back. Further, the CCG operates as a charitable organization, so a donor can claim an income-tax deduction.

The organization has in New York a mailing room as long as a football field. From there, it sends out its material by the millions of pieces, by the tons, by the railroad carloads.

It has a very clever arrangement with 8 or 10 Members of Congress. It gets them, through a speech or extension of remarks, to put some of its propaganda in the CONGRESSIONAL RECORD. Then these Congressmen order reprints from the Government Printing Office at a lower printing cost than could otherwise be obtained. The Congressmen pay for these reprints, and are reimbursed by CCG. The Congressmen put these reprints in their free-franked envelopes and send them by the sackful to New York. There the CCG makes use of its incredible mailing lists, postage-free.

"EDUCATED IGNORANT"

Not long ago a corridor in the House Office Building was stacked to the ceiling with bags carrying such material under the frank of Representative GWINN, Republican, New York. Another who has taken part in the operation is Representative HOFFMAN, who wants the investigators investigated.

The CCG aims at business and professional people. To use a term employed recently by the magazine The Reporter, the appeal of much of its material is to the "educated ignorant." For example:

The CCG has taken over John T. Flynn's The Road Ahead, and is trying to make it to the CCG cause what Uncle Tom's Cabin

was to the antislavery cause. It has published a paper-bound edition which also contains such edifying material as Socialism—American Variety, by Congressman GWINN, and the Fair Deal and the Eighth Commandment, by Dr. King. Total sales are now approaching the million mark, and there have been many big-lot sales. The committee wants to know who bought these books in large quantities for redistribution; and Rumely has defied the committee to find out.

LIST SUBMITTED

Anyone who isn't completely prejudiced or politically naive can dissect into little bits this book by the former America First leader. Flynn writes luridly and categorically. He takes truth and halftruths, fills them full of air and lets the wind carry them where it will.

But a doctor who hasn't read anything but a medical book since he read Horatio Alger or the Rover Boys might be scared to death by it. At least, that's the CCG's hope, and apparently a very sound one.

The Committee for Constitutional Government, the Constitutional Educational League and the National Economic Council follow the same line, use the same methods, get their money from some of the same sources. Each denies it is affiliated with the other. Whether the Lobby Committee can prove they are linked remains to be seen.

Committee investigators who spent 2 weeks in the CCG offices say correspondence indicates the "big names" who support the organization know what they're doing, but that many of the "little names' apparently are dupes.

Hart turned over to the committee this week, in answer to subpena, a list of about 300 of the biggest contributors to the National Economic Council. That list hasn't been made public, but here are some of the names that are on it: Union Carbide and Carbon, the Texas Co., Pure Oil Co., Los Angeles Chamber of Commerce, Sun Oil Co., S. H. Kress and Co., Irenee du Pont and Lammot du Pont (directors of E. I. du Pont de Nemours, Inc.), Joseph R. Grundy (recently deposed Republican boss in Pennsylvania), the William Volker Fund of Kansas City.

During the 3½ years of the lobby law, about $30,000 has gone to the organization from the Volker Fund, and $45,000 from the du Ponts.

The following names may or may not be on the list given the committee, but they were included in another authentic list of contributors: Armco, Sears, Roebuck & Co., Bethlehem Steel, Chamber of Commerce of Honolulu, Eastman Kodak, Victor Emanuel of the Avco Manufacturing Co., Empire State, Inc., of New York, Greyhound Corp. of Chicago, Gulf Oil, Congressman GWINN, International Business Machines, McCrory Stores, Gen. Douglas MacArthur (only a $10 gift noted), Monsanto Chemical Co., Remington-Rand, Vick Chemical Co.

Mr. EBERHARTER. Mr. Speaker, I congratulate my colleague, the gentleman from Pennsylvania [Mr BUCHANAN]. It seems to me it has been universally admitted by friends and foes alike that the conduct of the special committee of which he has been chairman has been eminently fair to everybody concerned and in all respects.

It strikes me that perhaps the inquiries being developed are beginning to reach real pay dirt, and it can be expected that there are some organizations and individuals who would object to having their activities and expenditures, in attempting to influence legislation, brought to light.

I am confident that when the committee makes its report, it will receive the plaudits of the vast majority of the American public, including the businessmen of the country.

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. HOEVEN] is recognized for 5 minutes.

BRANNAN PLAN REPUDIATED IN IOWA PRIMARY

Mr. HOEVEN. Mr. Speaker, before the polls were closed and the ballots counted in the recent Iowa primaries the Fair Deal administration rushed into print and on the air with claims of victory for the Brannan plan. This was a perfect example of the reckless propaganda technique of the entrenched bureaucrats.

On the basis of complete returns from the Iowa primaries it is now apparent to everyone that the Brannan plan was definitely repudiated by the farmers of Iowa.

Albert J. Loveland, the plumed knight who entered the lists as champion of the Brannan program, would have been sunk without a trace if it had not been for the support he received in some of the larger cities of Iowa with heavy labor votes.

The Truman-Brannan candidate, Mr. Loveland, actually received only approximately 10 percent of the total vote cast for senatorial candidates in the June 5 primaries, although he got enough to win the nomination. Under the Iowa law, he was required to receive 35 percent of his own party's vote to be nominated. He actually received 37.7 percent of the Democratic vote, not a majority of all the vote. A large part of that plurality was a city vote and not rural.

In the Democratic primary there were six candidates—Albert J. Loveland, who endorsed the Brannan plan; former Gov. Nelson G. Kraschel, who opposed it vigorously; former Congressman Otha Wearin, who rapped the Brannan plan but not too vigorously; Myer and Shaw, who early favored the Brannan plan but later reversed themselves; and Seemann, who did not campaign. The unofficial votes were as follows:

| | |
|---|---|
| Loveland | 37,928 |
| Kraschel | 31,842 |
| Wearin | 11,897 |
| Myer | 9,352 |
| Seemann | 4,804 |
| Shaw | 4,546 |

It will be noted that the Kraschel and Wearin vote together was considerably greater than that received by Loveland.

There was a total vote in the Democratic senatorial race of 100,369 while the total vote for both the Democratic and Republican candidates was 358,400. Mr. Loveland carried 60 counties in the Democratic primary out of the 99 counties in Iowa while 39 counties were carried by his five Democratic opponents.

The total vote received by Mr. Loveland was 37,928 as above set out while his closest rival, Kraschel, received 31,842, giving Mr. Loveland a margin of only 6,086. So without considering the Wearin vote, it can be fairly stated that the Brannan-plan advocates only won by the small margin of 6,086 votes. The man sent out from Washington to tell Iowans what kind of a farm program they should have, got 37,928 votes out of a total of approximately 358,400 votes cast in the primary by both political parties.

It is interesting to note where a large part of the Loveland vote came from. In checking the 20 counties in Iowa containing the 20 largest cities in the State—all over 10,000—we find that Mr. Loveland received approximately 17,758 votes in those 20 counties. In the 40 other counties he carried, all of them being rural, Loveland only received approximately 20,170 votes, or an average of approximately 500 votes in each of the rural counties he carried. On the other hand, Senator HICKENLOOPER, one of the Republican candidates for the Senate, carried all of the 99 counties in Iowa with a total vote of 190,863. He had more votes than his two Republican opponents and all six of the Democratic candidates put together. Senator HICKENLOOPER was opposed to the Brannan plan, as was Mr. Kraschel. Their vote added together totals 222,705, as compared with the insignificant total of 37,928 received by Mr. Loveland, the Brannan candidate. Under no stretch of the imagination can it therefore be seriously contended that the people of Iowa endorsed the Brannan plan in the recent primary.

The labor unions of Iowa are taking credit for the Loveland nomination and rightly so. Mr. Loveland received about half of his total vote in the 20 counties heretofore mentioned in which a large part of the labor vote in Iowa is concentrated. During the primary campaign, Loveland had the endorsement of the Farmers Union and the CIO and also received strong support from the railroad brotherhoods, the A. F. of L., and the independent unions. The strong support for Loveland by labor is indicated by the fact that in Blackhawk, Cerro Gordo, Linn, Polk, Wapello, Webster, and Woodbury Counties in which large labor votes are concentrated, Loveland gained a margin of 5,430 votes over Kraschel. Loveland's plurality over Kraschel being only 6,086 votes for the entire State, therefore clearly indicates that practically this entire vote came from the 7 strong labor counties above mentioned, and that approximately only 656 votes of the 6,086 plurality came from the other 92 counties of Iowa, which are predominantly rural.

The primary contest in Iowa on June 5 was a preliminary test for the Brannan plan. The results of the primary clearly show that the Brannan plan was overwhelmingly repudiated not only by the people of Iowa as a whole but by the farmers of Iowa in particular.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. PHILLIPS of California. I am very much interested in what the gentleman is saying. I wonder if the candidates he spoke of as supporting the Brannan plan have been able to explain the plan to the people? Did they mention the 17 pages of penalties imposed upon the farmers, and were they able to give any idea of how much the plan would cost?

Mr. HOEVEN. As far as I know, those matters were not emphasized at

all. Nothing was said about the cost or the penalties. They did circulate an illustrated pamphlet entitled "The Administration Farm Program—What There Is in It for You?"

Mr. PHILLIPS of California. Eighty-three pages were in the Senate version of the bill and it has been very difficult to find out a detailed explanation of it. As I recall, of the 83 pages, 17 of them were penalties imposed upon the farmer if he did not do what he was told to do.

Mr. HOEVEN. To my knowledge, no reference was made in the campaign to the 17 pages of penalties involved. The farmers were to find that out later.

The SPEAKER pro tempore (Mr. MANSFIELD). The time of the gentleman from Iowa has expired.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 20 minutes.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks, and to revise and extend the remarks he made during the address by the gentleman from Pennsylvania [Mr. BUCHANAN].)

COMMITTEE TO INVESTIGATE LOBBYING ACTIVITIES

Mr. HOFFMAN of Michigan. Mr. Speaker, my interest in the activities of the Committee to Investigate Lobbying grew out of the fact that it seemed to me from the list to which the questionnaire was sent, and from the activities of members of the staff, that once again the Communists, the Reds and the Pinks, the New Dealers, and people who think that all of those who believe in constitutional government have a little disloyalty in their make-up, were starting their campaign of abuse and vilification in an effort to silence them.

Mr. CROOK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. Yes; I yield.

Mr. CROOK. Are you classifying New Dealers with the Reds and the Pinks?

Mr. HOFFMAN of Michigan. Certainly not, and the gentleman should know very well that I am not. I mentioned various groups. We have the Communists. We have the Reds, the Pinks, then we have the people who think that the New Deal and the policies which it advocates came straight down from the Almighty. I do not agree with that. I am not in any way intimating, and I never did, that the New Dealers were Pink or Red.

Mr. CROOK. You put the New Dealers in the same classification when you enumerated them.

Mr. HOFFMAN of Michigan. Oh, no; I do not do any such thing. The New Dealers are just another group which is intolerant of criticism. There is an example, Mr. Speaker, of some people, who insist that everyone who disagrees with them must be disloyal and must be trying to misstate the views of others. I have no criticism of the gentleman, of his party, nor of anyone in this House. Everyone has a right to think and believe what he wishes, and to say what he wants, but when you try to intimidate a person just because he does not agree with you, then you are going entirely too far.

Mr. CROOK. I am not trying to intimidate, but I do not want to plaster the New Deal with a Pink spread.

Mr. HOFFMAN of Michigan. Nor do I. The New Dealers will not give others the consideration they demand for themselves. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I just wanted to know if the gentleman has ever heard any accusation of Red being made against the Republicans, or whether they had supported any Red thinking.

Mr. HOFFMAN of Michigan. I never heard of any real Republican being accused of Red views. We have been accused of being reactionary—back numbers. But I do not want to go into that.

I want to say here that I remember very distinctly seeing Communists up before the Dies committee in the company of New Dealers. That does not mean, by any means, that all of the New Dealers were in sympathy at all with the Communists, because I know many and many a one who believed sincerely in Americanism.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. Not now.

Mr. EBERHARTER. I just want to ask one little question.

Mr. HOFFMAN of Michigan. Yes; I know. Listen. A little question. I want to say to the gentleman that I recognize his great ability. It is regrettable——

Mr. EBERHARTER. Well——

Mr. HOFFMAN of Michigan. I recognize his great ability; I will stop there and let it go at that. I remember the attacks the gentleman made against the Dies committee.

Mr. EBERHARTER. Will the gentleman yield now?

Mr. HOFFMAN of Michigan. I yield for a question only, and not for a long one either.

Mr. EBERHARTER. Does the gentleman believe in the theory of guilt by association?

Mr. HOFFMAN of Michigan. No; that is an idea with which I have no sympathy. Just because a man joins or belongs to an organization, it does not follow that he accepts all the teachings of that organization. Were the contrary true, joining the church would be an easy way of becoming a Christian. But birds of a feather flock together is an old saying with some truth in it, and if you hang around the grog shop all the time, if you take a drink from the end of a bottle too often, your neighbors may well say that you favor strong drink.

Mr. EBERHARTER. The gentleman states that he believes in the theory that birds of a feather flock together. You have Republicans and Democrats flocking together here, do you not?

Mr. HOFFMAN of Michigan. Oh, nonsense. You cannot say we flock together when we violently disagree in political theory, in thought.

Mr. EBERHARTER. Birds of a feather on both sides of the aisle.

Mr. HOFFMAN of Michigan. Nonsense.

Mr. EBERHARTER. Certainly.

Mr. HOFFMAN of Michigan. Hawks on your side; pigeons on the other. You have a degree from a law school. Why do you waste your time and breath in talk like that?

The thing that is troubling me is to learn what constitutes lobbying within the meaning of the act creating the lobbying committee.

It has been the belief of many of us for some time at least that lobbying was a specialized activity, that a lobbyist was one who advocated the passage or the rejection of legislation, one who engaged in persuasion for hire—the purpose being to influence legislation.

Now it seems that lobbying—at least I gather that the committee accepts this view—that a man is a lobbyist if he attempts to influence legislation, no matter what purpose motivates him. Am I right? I ask the gentleman from Pennsylvania [Mr. BUCHANAN] is that the fact?

Mr. BUCHANAN. I may say that the Committee on Lobbying has come to no conclusion as to any definition of the word "lobbying."

Mr. HOFFMAN of Michigan. It would seem to me that the first thing the committee should do—I hesitate even to offer a suggestion—that the first thing the committee should do would be to get a definition of "lobbying." Can the gentleman tell me what he considers lobbying to be? Can he give me some definition?

Mr. BUCHANAN. I would remind the gentleman from Michigan that ours is an investigating committee, not a legislative committee; that the definition of the word "lobbying" comes within the realm of the proper legislative committee of the House; it is up to them to define the term and to make their recommendation.

Mr. HOFFMAN of Michigan. With all due respect, if the chairman of the committee investigating lobbying cannot give me a definition of lobbying, I cannot see how he is going to get very far. How can a committee investigate lobbying if it does not know what it is looking for, if it does not know the definition of lobbying?

There is one question I would like to ask. Where runs the line of demarcation between the constitutional right of petition, the right to free speech, to a free press, on the one hand, and improper, illegal lobbying on the other and only which the committee was authorized to investigate, or, if you wish, lobbying which the Congress has the right to regulate?

Where runs the line of distinction between the activities of the Constitutional Educational League and the Committee for Constitutional Government which oppose the political thinking of the administration but support no candidates, and the activities of the labor unions which openly by propaganda and the use of money attempt to defeat Congressmen who oppose the New Deal, the Fair Deal, and who frequently claim that they are responsible for the election or the defeat of Members of the other body, of this body?

Why is it they have not been called in?

Are their efforts solely educational or are they lobbying, not only for legislation but for candidates?

Everyone has the answer to that last question. We all know they have been spending their money to defeat their political opponents, to elect their supporters. But to date they have not been called upon to give the kind of information that these other gentlemen were subpenaed before the committee to give.

I recall very clearly something like 5 or 6 years ago when certain labor unions announced that they had $4,000,000 to be used to defeat candidates for Congress, and they named me. I thought they were going to lobby around in my district; I did not know.

I do know they called for my political execution. Two great labor unions have publicly announced they intend to defeat Members of Congress and that they have millions with which to do it. Did you send the same questionnaire to them? No, you did not.

Maybe their activities are just educational. But where and how do they get their funds?

I understood that the staff of the committee was working on the matter of going down to the folding room and inquiring as to how many speeches I and other Members of Congress had sent out. Now, I have no objection to that if you will go over on the other side and get the speeches of the Democrats, the New Dealers, the Fair Dealers, and other Members with, let us say, hobbies of their own. And more especially of those who opposed the activities of the Dies committee and its successor.

To my regret I must say that I have never been able to convince the people of the country that the New Deal was wrong.

I will say, too, if I advocate constitutional government, which I do, government under the Constitution, I have a right to send out the speeches I make on the floor. I have a right to send out an editorial if it is inserted in the RECORD.

If the course the committee is following is an accurate one, then every single editor is engaged in lobbying. You might just as well subpena in the business management of all the Washington newspapers and ask them how much they get for advertising because without the advertising money those editors would not be able to express their opinion on legislation. They would go broke within a month.

A Congressman does not need ability any more. All he needs to do is to get up in the morning, get the Washington papers, take the editorial page, and he will find there a complete program of what he should do all day long every day as long as he is here. If those editorials are not propaganda, what are they? To be consistent, the Lobbying Committee should ask the advertisers where and how and from whom they get the money to buy the advertising space which enables the editors to continue their editorial lobbying.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I want to congratulate the gentleman on his statement that he did not care just so they would hit all alike, move in on everyone in the same way, because that is exactly the position taken by me in the committee. I objected to this questionnaire that went out to 166 corporations or business concerns for two reasons, because it went far beyond the power of our committee in the kind of questions it was asking that were not apropos; secondly, because the list was very significant as to who was left out. I objected, for instance, to asking these questions of all the rubber companies of America except International Latex which spent, of course, all kinds of money advertising in favor of legislation supported by administration sources. I objected, of course, to the fact that the steel companies were all included except Mr. Kaiser's company.

Mr. HOFFMAN of Michigan. Was not Mr. Kaiser on that list?

Mr. BROWN of Ohio. Oh, no, no.

Mr. HOFFMAN of Michigan. Is he not the fellow who got the loan of millions from the RFC?

Mr. BROWN of Ohio. Let me go ahead. I objected, of course, to the fact that they named a number of airplane manufacturing companies but somehow or other missed Consolidated Vultee; they named automobile companies but they missed the Kaiser-Frazer Co., just happened to somehow or other miss Mr. Pauley's oil company and other people who seemed to be very close favorites of the administration. They only wanted information as to the individual who had contributed to certain right-wing organizations and did not ask anybody if they made a contribution or bought a book from any left-wing organization, even the Society for Soviet Friendship. They did not inquire into that. All I have been protesting for is that we be fair about it and ask everyone and go right down the middle of the road. I am glad that the gentleman is taking the same position.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. The gentleman has brought up the question of the franking privilege of Members of the House. I am sure he is aware of the rules of the House.

Mr. HOFFMAN of Michigan. I sure am.

Mr. BUCHANAN. May I ask the gentleman, has he ever permitted his frank to be used by the Committee for Constitutional Government?

Mr. HOFFMAN of Michigan. No; that is not the way I figure it. If and when I inserted their ideas in the RECORD, it was inserted because I thought it was sound doctrine and, like other matters put into the RECORD and which I thought was sound doctrine, I may have franked it out and, when I did, what business is that of the gentleman from Pennsylvania [Mr. BUCHANAN] or of his committee?

We have not yet reached the day when you or your committee can tell me what I may think, what I shall send out after the material is inserted in the RECORD.

To do so would permit you to exercise thought control and that, I for one, will not do.

A discredited, notorious United States district attorney, William Power Maloney, tried to pull that stunt on me back in '42. He did not succeed, nor will any snooping, prying smear artist do so, even if he is on the payroll of your committee. It just happens that there are some things that a committee cannot do.

The gentleman has now revealed the fact, which before I only suspected, that he at least is aware of the snooping, the attempt at intimidation by the employees on his staff.

Mr. BUCHANAN. The gentleman permitted that in violation of the rules of the House?

Mr. HOFFMAN of Michigan. It is not a violation of the rules of the House at all.

Mr. BUCHANAN. Possibly I can refresh the gentleman's memory.

Mr. HOFFMAN of Michigan. The gentleman can refresh my memory all you wish. I said the other day that the Constitutional Educational League, the Joe Kamp organization, had reprinted a speech of mine; it is called Frame-up in Steel. That was reprinted and sent out at their own expense.

The other organization asked permission to reprint that talk in two forms and some went out under my frank to a list I approved. If you want to make anything of that, try it.

I may say to the gentleman that I intend to continue sending out material of that kind and it does not make much difference who furnishes those lists—not at all, just so long as the talks are constructive and tend to keep constitutional government in force here.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from California.

Mr. PHILLIPS of California. I am seeking information. I am very much interested in what the gentleman from Pennsylvania just said. It is a surprise to me. When did the sending out under frank of one of our speeches become illegal or not right under the rules of the House?

Mr. HOFFMAN of Michigan. The gentleman does not need to ask the gentleman from Pennsylvania. It is not illegal.

The question was passed upon by the Solicitor of the Department several years ago. That question came up with the dean of the Michigan delegation. We have the correspondence, and we stayed within the law, which is something that the departments have not done. And, I will ask the gentleman is it lobbying when the Attorney General, at the time of the $100 plate dinner, asks the United States district attorneys to come down here at Government expense, so they could attend the $100 a plate dinner? Just a coincidence.

Let me ask you this, Did not the papers yesterday carry the story that the Speak-

er of the House presented to the National Democratic Committee a check, I think it was $100,000, money contributed by the people of Texas? Was that lobbying? Of course not. It is a legitimate campaign contribution.

But, if you follow the course you have followed against those who advocate adherence to constitutional government, you would have all of those who contributed toward the $100,000 in from Texas, ask them how much they contributed, why and for what purposes, and you would ask them to give an accounting of the expenses of all their business agents over the last 3 or 4 years. If you were consistent, that is what you would do. And you might, while you were at it, ask them whether they thought that such contributions might possibly—just possibly—have some effect on proposed legislation to nullify the recent Supreme Court decision on tidal lands. But, when it comes to a Republican Member going out making speeches for $250 a speech, what do you do? You can talk about Members of the House on this side, but you do not talk about how many on your own side have made speeches for money. If you want to get into that end of it, go ahead. And do not forget to ask in Cabinet members and others on the executive department payroll. I do not fear any investigation, but I do not propose to be intimidated or silenced by your snoopers going down to the folding room. If you want to wash dirty political linen, start on your own side of the aisle. Do not come over here. You will find none in my closet.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from California.

Mr. PHILLIPS of California. I came in when a statement was being made by the gentleman from Pennsylvania in which I understood him to say that the committee had not yet determined what lobbying was. Am I correct in that?

Mr. HOFFMAN of Michigan. That is correct.

Mr. PHILLIPS of California. Do you mean the committee does not know what lobbying is?

Mr. HOFFMAN of Michigan. I asked the chairman the gentleman from Pennsylvania [Mr. BUCHANAN] if he knew what lobbying was, and he said he had not made up his mind. He sits here now, and if he wants to give a definition of lobbying, I will be glad to have it, and I think the Members of the House and the the people of the country would be glad to know what he is trying to investigate.

Mr. PHILLIPS of California. How can you investigate something if you do not know what it is?

Mr. HOFFMAN of Michigan. Well, ask him.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. I might say that in the present Lobbying Act there is no definition, and I do not feel that it is within the realm of the investigating committee to state at this stage of the game and set up any definition of the term lobbying.

But, in concluding our hearings we will make recommendations to the proper committee of the House, the Committee on the Judiciary, and they, in turn, of course, if they see fit to report any legislation to amend the present act on the floor, will take care of that definition.

Mr. HOFFMAN of Michigan. Apparently, then, what the gentleman's staff has been doing, what he intends to continue doing, is to snoop around on a fishing expedition, and after he has smeared the opposition, that is, those who do not adopt the political views of his snoopers, come up with some sort of a derogatory report which might defeat some of the political opponents of the New Deal.

The gentleman asked me a question, so let me ask him one. Are you going to ask the Kaufman Department Stores, Irving Wolf, vice president and general manager, to give you the same information that you asked of the other corporations?

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. If there is no definition of lobbying in the act, what then determines the scope of the investigation?

Mr. HOFFMAN of Michigan. I would not know. The gentleman is a better parliamentarian than I am. Apparently the views of the gentleman's snoopers, the committee staff, is to have unlimited authority to intimidate all businessmen and corporations who are not New Dealers or who contribute to nullify the communistic or socialistic trend.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. BROWN of Ohio. That is the reason I have been very reluctant to agree to the charges that have been made that certain organizations were or were not lobbying, because I do not think any of us know, and yet charges have been made constantly that some one was engaged in lobbying activities, and that those organizations are engaged in lobbying activities. Now, they have registered, as I understand it, as lobbyists under the law, as far as some of their activities are concerned, but as I have tried to point out, you may register as a lobbyist because you are interested in mail rate legislation, for instance, but still that does not mean that everything you do in the publishing business is a lobbying activity, and inasmuch as we ourselves have been unable to agree as to what a lobbyist really is or what lobbying means, I urged very early in the hearings that we call upon men of broad experience, men such as the Speaker, the leader of the majority, the leader of the minority, the Vice President, who served for 30 years in Congress, the leaders of the Senate and other men of broad legislative experience, such as Mr. SABATH, Mr. DOUGHTON, and others, to come and sit with us in executive session and to try to tell us how this law could be strengthened and get to work better. We all want factual information as to those who are endeavoring to influence legislation, and yet we do not want to invade the rights of the people, and I think that has been the whole question, and it is a serious one.

## SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Washington [Mr. JACKSON] is recognized for 15 minutes.

(Mr. JACKSON of Washington asked and was given permission to revise and extend his remarks and include a table.)

## POWER POLICY OF THE STATE OF WASHINGTON

Mr. JACKSON of Washington. Mr. Speaker, the House of Representatives has again been subjected to further complaints about the so-called Soviet power policy of the State of Washington. I for one am not prepared to stand idly by while the State of Washington is being accused of having a Soviet power policy, or while the implication is made that the people of Washington, who themselves have approved the State's public power policy at the polls, are followers of a Communist-inspired policy.

My good friend the gentleman from Iowa [Mr. JENSEN] made a statement in the House on June 1 concerning our PUD law. I should like to answer the gentleman, point by point.

Point No. 1: The gentleman heads his statement, "The Soviet power policy of the State of Washington."

In this connection, I should like to ask the gentleman:

Is our PUD law Soviet because it was first approved by a vote of all the people of our State in the 1930 election?

Is it Soviet because the basic policies of the law were reaffirmed by all the voters of our State—by votes of 3 to 2—in 1940 and again in 1946?

Is the law Soviet because it requires that the voters of each county or district vote affirmatively to set up a public utility district?

Is the law Soviet because its principles and ideas originated with the State Grange—one of our leading American farm organizations?

I ask the gentleman, "What law could have more democratic foundations than one which has been three times approved by a vote of all the people? What law in Iowa, where the voters do not have the privilege of initiative and referendum, has such consistent popular support?"

May I say to the gentleman that if he believes this to be a Soviet power policy then he must believe that an overwhelming majority of the people of the State of Washington embrace the principles of communism. The people of Washington State resent such an implication. Our PUD law is now supported by Democrats and Republicans alike. It has proved to our people that it meets a real need. Should it fail to show its merits our people have the right and the privilege to modify the law.

Point No. 2: My good friend makes a number of statements and suggestions

about the public-utility districts and the taxes they pay and do not pay. I should like to cite one statement in particular:

I would also like to remind my good friends that REA, municipal, and privately owned power companies of our Nation pay in the neighborhood of $1,000,000 annually in local, State, and Federal taxes, and that those companies in my State of Iowa, like most other States, are not ducking, but are willing to pay, and do pay, their fair share of taxes.

There are a number of points that should be made clear:

First. It is suggested that the PUD's in Washington State are ducking their fair share of taxes. I point out to the gentleman that the PUD's pay State and local taxes in exactly the same manner as do municipalities and REA co-ops.

I point out to the gentleman that in a great many cases, because the PUD's have been able to satisfy better the needs of the people and have expanded their facilities, their contributions in State and local taxes far exceed the contributions made by the privately owned power companies that preceded them. I insert in the RECORD at this point a table showing how much the taxes paid by nine existing PUD's exceed those paid by the companies previously serving the area. It will be noted that the table also includes figures denoting the amount of annual rate reductions which have been achieved since the PUD was set up. These represent a direct benefit to the people of the area.

*Comparison of taxes paid in 1949 by public utility districts and taxes paid by company previously serving the area*

| Public utility district | Taxes paid in 1949 | Company previously serving area | Taxes paid in year indicated |
|---|---|---|---|
| Clallam County public utility district | $16,347 | Olympic Park Service Co. | $2,642 (1942) |
| Grays Harbor public utility district, annual rate reduction. | [1] 121,154 | Grays Harbor Ry. & Light | 96,613 (1938) |
| | [1] 220,367 | Twin Harbors Electric Co. | 2,701 (1939) |
| Ferry County public utility district | 4,557 | Republic Power Co. | 3,487 (1944) |
| Grant County public utility district, annual rate reduction. | [1] 38,033 | Grant Power Co. | 1,036 (1941) |
| | [1] 39,447 | Soap Lake Utilities Co. | 1,586 (1941) |
| Pacific County public utility district, annual rate reduction. | [1] 28,039 | Willapa Electric Co. | 10,725 (1938) |
| | [1] 51,121 | West Coast Power Co. | 14,900 [2] (1939) |
| Wahkiakum County public utility district, annual rate reduction. | [1] 6,434 | West Coast Power Co. | 3,732 [2] (1939) |
| | [1] 9,030 | | |
| Skamania County public utility district, annual rate reduction. | [1] 9,582 | West Coast Power Co. (Stevenson division). | 2,279 (1939) |
| | [1] 5,972 | | |
| Mason County public utility district No. 3 | 27,365 | West Coast Power Co. (Shelton division). | 9,689 (1939) |
| Cowlitz County public utility district, annual rate reduction. | 172,022 | Washington Gas & Electric Co. | 87,621 (1940) |
| | 78,696 | | |

[1] Amount representing annual rate reductions adopted pursuant to beginning of service by public utility districts.
[2] Division of taxes estimated in proportion to prices paid by the 2 districts for respective properties.

Second. I point out to the gentleman, further, that the taxes paid by the private power companies are, in reality, merely passed on to the consumer or ratepayer. Since these companies are actually monopolies, operating with the consent of the State, their rates are fixed by a State public service commission. This commission sets the rates so as to allow a fair return on investment, after taxes have been paid. Therefore, the power company is guaranteed a profit no matter what its taxes; and it is the ratepayer and the consumer who bears the burden, not the power company.

Third. There appears to be a suggestion, in the gentleman's statement that "REA, municipal and privately owned power companies of our Nation pay in the neighborhood of $1,000,000,000 annually in local, State and Federal taxes," that REA's and municipalities pay Federal income taxes. I am sure that my good friend knows very well that REA's and municipalities are Federal tax-free, in exactly the same way the PUD's in my State of Washington are.

If the gentleman objects to the Federal tax-free status of the PUD's, I wonder if he is advocating applying Federal income taxes to REA co-ops, of which, I understand, there are a number in the gentleman's own State?

I turn now to point number three: In the past the gentleman has complained about the way in which PUD's took over private power facilities through condemnation proceedings. Now he finds fault with the only other method by which PUD's can acquire property—that is, through negotiated purchase. The acquisition of over three-fourths of the properties taken over by the PUD's from private utilities in our State came about through negotiated purchase. This is, of course, a normal practice in all businesses.

I think it should also be pointed out that private power companies have the right of condemnation of certain lands in order to extend their properties. They acquire this right by virtue of their monopoly position, which makes them semi-public in nature. The overriding consideration, in all cases, is the public interest.

Point No. 4: The gentleman states:

Hundreds of millions of tax dollars are expended by Congress in building great Federal power-producing facilities and transmission lines to furnish electric energy to these Federal tax-free PUD's at a rate so low no Federal taxpaying private industry can possibly compete.

Does the gentleman object to the fact that these same Federal power facilities are furnishing substantial amounts of power—at the same low rate—to the private power companies of the Pacific Northwest? Is that a bad investment of the taxpayers' money? Does the gentleman realize that the Northwest power companies probably could not exist without this low-cost Federal power? Does he realize that Pacific Power & Light gets 54 percent of its power from the Bonneville Power Administration? That Portland General Electric gets 65 percent of its power from BPA, and Puget Sound Power & Light 37 percent and Washington Water Power 22 percent from the Federal Government—at the same low rates as are furnished to the PUD's?

And does the gentleman object to the fact that Federal power facilities are also supplying electric energy at low rates to the REA co-ops in his own State? These are Federal-tax free in exactly the same way as our Washington State PUD's.

And does the gentleman object to the provision that has been on the statute books since 1902 that calls for first preference in the furnishing of publicly generated power to publicly owned organizations and cooperatives? Without that provision, he might find many of his own REA co-ops short of power.

And I am sure that the gentleman realizes that every cent of the investment in Federal power facilities now being made by our taxpayers is due to be repaid to the Federal Treasury. As a matter of fact, the Federal facilities in the Northwest are ahead of their repayment schedules.

So I wonder just exactly what it is the gentleman objects to. Surely the public utility districts of Washington State are not the sole beneficiaries of the very wise investment in Federal power facilities. REA co-ops, free of Federal taxation, as well as private power companies, share the benefits.

The PUD law of the State of Washington is a law that came from the people. The voters were asked in 1930, and again in 1940 and 1946 whether they liked the law or not. They went to the polls and said they approved of the law—by overwhelming votes. In 22 of our 39 counties, the people have gone to the polls and elected to set up PUD's which would serve their needs.

Our public power programs, far from being a Soviet creation, continue to be the sparkplug of Washington's ever-expanding private-enterprise economy. Without them, our State would, at best, remain static. Instead, Washington has experienced a tremendous growth in recent years. With our public power policy—a policy initiated by the people and supported by the people, we shall continue to forge ahead, with new jobs, new industries, new wealth—yes, and new sources of Federal and State revenue.

The people of my State are perfectly capable of making their own decisions.

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. HORAN. I compliment my colleague from the State of Washington for the very factual, and I think very sound, statement regarding the power facilities in the State of Washington, which belong to the people we represent.

Mr. JACKSON of Washington. I thank the gentleman.

Mr. HORAN. Long ago we recognized that we had something in excess of 25,000,000 kilowatts in the Columbia River area extending as it does from the eastern boundary of the district of the gentleman from Montana [Mr. MANSFIELD] and clear to the tidewaters; north

from the lower boundaries of Oregon and Idaho up to the Canadian boundary and even beyond. It is a tremendous national asset. We know that it will be developed. I was one of the leaders to put over the fight for a district power bill in 1930. Long ago we realized that we either had to take hold of that thing ourselves, through any implementation that we had, or allow great syndicates of bankers and Wall Street, as we like to refer to it, to take charge of the Columbia River. It is going to be the toll of the people that you and I represent that will pay for this development. That is a point that I think is sometimes forgotten. Even on the Mississippi, the Missouri, and the Ohio much of that money will not be reimbursed. But the things we are doing for the Columbia River will be reimbursed by the people we represent. They had to make their choice and they did choose to set up an implementation in which they would have a vote, so that they would have some responsibility, some priority, and some personal charge over the development and use of the Columbia River. We either had to choose between Wall Street and setting up the thing so that we could run it ourselves. Of course, today we sometimes fear too much interference from the Federal Government. So that, rather than having a Soviet arrangement as referred to by the gentleman from Iowa, I think we are really demonstrating something that is definitely by way of self-government. I thank the gentleman for allowing me to express myself.

Mr. JACKSON of Washington. I thank the gentleman for his excellent contribution.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. MANSFIELD. I join with the gentleman from Washington in commending the gentleman from Washington [Mr. JACKSON], who just addressed the House, for his statesmanlike and factual speech on the power situation as it exists in the State of Washington and the Northwest. I am glad that the gentleman has brought out the fact that both private and public utilities can get along together in the Northwest. I am glad that the gentleman has emphasized the fact that there have been three referendums in the State of Washington, which indicated overwhelmingly that the people were in support of this power program. This expression of the people's will is not a Soviet power policy; what the State of Washington has done is democracy in action. The people have expressed their wishes through the ballot box on three separate occasions, as the gentleman from Washington [Mr. JACKSON] has so ably brought out.

Mr. JACKSON of Washington. The gentleman is exactly right. I do not know of a more accurate way to get the sentiment of the people of a State than to permit all of the people of a State to vote on an issue.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. RANKIN. I started to interrupt the gentleman from Washington [Mr. HORAN] a moment ago to remind him that the money invested in the Tennessee Valley Authority would be paid back with interest. We are paying back every dollar of it, and we have gone a little further than you have on the Columbia River, because the Authority fixes the maximum retail rates in order to prevent exploiting of the people in that area. I was here and I knew all about the organization of these public utility districts. I do not believe there is a man in this House who has fought communism more than I have. If so, I would like to meet him. I am as anti-Communist as they make them.

The people of the State of Washington are not trying to take over all the land. They are not trying to close all the churches. They are not trying to subject the people of Washington to alien ideologies. They are simply trying to enjoy their own resources, and they are doing a marvelous job of it.

The people of Oregon are doing the same thing.

The people in the Tennessee Valley area, which means every county in the district I represent, are enjoying the benefits of cheap electricity, public power, if you please; because the power business is public business.

Mr. JACKSON of Washington. I think it should be pointed out that it has created a tremendous number of new private industries in the area of the Pacific Northwest and in the Tennessee Valley area.

Mr. RANKIN. Yes; and if it had not been for the TVA and the Columbia River, the Government never would have developed the atomic bomb in time to beat the other fellow to it in the last war, because it was on its way from the other side.

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the gentleman from Washington may proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. As I said, the power business is public business. It has become a necessity of our modern life. It must be handled by a monopoly. Any monopoly on a necessity of life is a public business. But in addition to that, the water power of the Nation already belongs to the Federal Government. The Supreme Court so decided in both the Ashwander case and in the Appalachian Power case.

Just the other day a gentleman from Michigan attacked the Tennessee Valley Authority, Rural Electrification, and so forth. I just happened to take a glance at the State of Michigan and I find that last year the people of Michigan used 11,428,000,000 kilowatt-hours of electricity for which they paid $232,000,000. The people of the State of Washington used about the same amount, 11,580,000,000 kilowatt-hours of electrical energy, but instead of paying $232,000,000 for it they paid $84,000,000.

Public power is improving the standard of living throughout this Nation. If it had not been for the public-power fight that we have gone through for the last 15 years, the average farmer in America would not have seen electric lights in his home for the next generation.

I congratulate the gentleman from Washington on the splendid statement that he has made. No man has a right to criticize what the people of Washington and Oregon are trying to do, to use the resources that God Almighty has given them.

Mr. JACKSON of Washington. I thank the gentleman for his fine statement.

Mr. HORAN. Mr. Speaker, will the gentleman yield further?

Mr. JACKSON of Washington. I yield.

Mr. HORAN. The gentleman from Washington serves on the Subcommittee on Interior Appropriations. I wonder if he could supply for the RECORD or recite right now the amount of money that has been paid back to the Treasury of the United States because of the existence of the Grand Coulee Dam?

Mr. JACKSON of Washington. I do not recall the exact figures offhand, but I know that it is estimated that for the fiscal year 1951 the Bonneville Power Administration, which is the marketing agency for the Government-owned dams in the northwest region will take in approximately $31,000,000 and will leave a net return to the Treasury after allowing for amortization of the construction cost of these dams, will leave a net return—after interest also on the amount of money spent—of about 7 or 8 million dollars. In other words it is being repaid ahead of schedule.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. RANKIN. Let me call attention to the fact that instead of the men from that midwest area criticizing the Tennessee Valley Authority and the Columbia River Valley operations they had better join us in developing the Missouri River. There are 25,000,000,000 kilowatt-hours of electricity going to waste every year in the Missouri River and its tributaries, which, firmed up to the peak of the average year, would be far more than every State in that area is using. They had better catch the step and help to use the resources of America for their own people, instead of criticizing us, because we have taken one step in advance of them and are using the resources that God has given us for the benefit of the people of this area.

Mr. ANGELL. Mr. Speaker, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. ANGELL. I want to commend the gentleman for his statement and thank him. Certainly he knows that I am deeply interested in this whole problem. Is it not a fact that the greatest increase

in the population of the United States in the last 10 years has taken place in the three Western States of Oregon, California, and Washington?

Mr. JACKSON of Washington. Percentagewise, that is correct.

Mr. ANGELL. And as a result of that there has been a very great demand for electric power, energy, not only for commercial use but also for agricultural and other uses, and that every single kilowatt that has been developed during the war in the Columbia River area has been taxed to the utmost to provide the demands for hydroelectric power, and that we have not enough at the present time? Only about 10 percent of the substantial hydroelectric power in the Columbia River Basin has been developed. Is that not correct?

Mr. JACKSON of Washington. The gentleman is correct. There are approximately 33,000,000 potential kilowatts available in the area and only about 10 percent of the total potential has been harnessed.

Mr. HORAN. The gentleman has brought to the attention of the House the fact that we are ahead of schedule in the paying out of the Columbia River project in reimbursement to the Federal Government for money invested in hydroelectric facilities.

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. HORAN. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for one additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HORAN. The drainage area which the Columbia River serves has no gas, it has no oil, none whatever, and the coal we have is of a very low quality. So hydroelectric energy becomes something that is very, very essential to us and it is a very, very important point with us.

Mr. JACKSON of Washington. The gentleman is right. Not only is it essential to our area but it is essential to the national security as well. The industrial potential of this Nation may one day determine whether we will be free or slaves, and that applies not only to our country but to the rest of the free world.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. JACKSON of Washington. I yield to the gentleman from Montana.

Mr. MANSFIELD. I want to say that according to the information I have, Grand Coulee itself is 8 years ahead of its repayment schedule and Bonneville is between 5 and 6 years. Furthermore, the question has been raised about loss of tax revenue. Is it not a fact that with the development of the hydroelectric potential in the State of Washington and the Northwest that the tax base is considerably broadened and that in the end there will be more tax dollars created which will come into the State and Federal treasuries? More jobs have been created because new private industries have been attracted by power, and more security for the people of the Northwest has been the result.

Mr. JACKSON of Washington. The gentleman is correct. In addition to repaying the investment, we are providing a new source of Federal revenue. These facilities pay the local and State taxes just as private enterprises and in some cases they pay more than private enterprise would.

The SPEAKER. The time of the gentleman from Washington has again expired.

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for one additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. JACKSON of Washington. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. I wish to assure the gentleman that in the Middle West the great majority of the people are very happy because of the development in the Pacific Northwest and as one coming from Chicago I think I speak more accurately the sentiment of the people in our section of the Middle West than the gentleman from Iowa whose criticism of what the people in the Pacific Northwest are doing the gentleman has so conclusively, so convincingly, and so strongly answered today. I congratulate the gentleman.

Mr. JACKSON of Washington. I thank the gentleman very much.

### MAIL DELIVERY

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the Postmaster General's order of April 17 curtailing delivery of mails and other essential postal services has inflicted great hardship upon the people of Lowell, Mass., and other communities throughout the country. At Lowell persons must now deposit mail in the mailboxes by 7 o'clock in the evening in order to have it collected before the next day.

I have received thousands and thousands of letters from my district, the State and the Nation protesting this hardship that has resulted from one delivery of mail a day. Personally it has meant a great loss to me in connection with my work and also some financial loss. The curtailment of mail service is working much hardship on the people and it is a great financial loss to business and industry.

The following editorial is from the Lowell Sun of June 14, 1950:

CURTAILING SERVICE

Just one or two more cuts in postal service, reducing it from the standard to which the American people have been accustomed, and there will be open public rebellion.

Mail deliveries have been reduced here in Lowell as well as elsewhere. Now the people of Lowell are advised that they must have their night mail in neighborhood boxes before 7 p. m. each night or miss the chance to have the mail picked up before morning.

This is a cutback that does not set well. The people are entitled to expect routine service such as they have been receiving for years. And 9 p. m. pickups are just routine—nothing more.

### PUBLIC VERSUS PRIVATE POWER

Mr. TACKETT. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. TACKETT. Mr. Speaker, I notice that everyone who advocates the abolition of private power by public power emphasizes the fact that private power is a monopoly. At the same time, whether it is knowingly or unknowingly, a public monopoly brings into existence the most powerful monopoly known to man, a Government monopoly.

The Tennessee Valley experience has certainly conclusively proven that the electric bill can be lowered by Government subsidized power. But at the same time it has proven conclusively that the taxpayers pay more than the money that they get in return on lower electric bills. I notice that the gentleman from Mississippi always insists that the Tennessee Valley Authority has done great things for the rural electrification program in TVA land, of which Mississippi is a part, and yet the State of Mississippi has less rural electrification than any State in the Union, barring none. Down in the State of Arkansas, where we have nothing but private enterprise so far as the power industry is concerned, we have more rural electricity, on a percentagewise basis or any other way he wants to figure, than does TVA land in the State of Mississippi, which is the lowest State in the Union so far as rural housing electrification is concerned or in bringing electricity to the farm people. Yes, we can talk about public power and the abolition of private enterprise in the power field because it is a monopoly. Then the Government can take over the telephone system because it is a monopoly; they can take over transportation just as easily because it is a monopoly, and yet the gentleman from Mississippi says that power is a public responsibility because it is a necessity. I guess we just eat because it is comfortable; we wear clothes because it is in style. No one other than an outspoken socialist would advocate that the Government sell groceries or clothing, and yet those items are more of a necessity than electricity. That old stuff that because electricity is a necessity it is a public responsibility is just as wrong as it can be.

Oh, yes, the gentleman says he fights communism, and I know that is true; he fights communism; but you know that to denounce an enemy while advocating the policy of the enemy fools no one and adds up to loving and assisting the enemy. Public power that abolishes private enterprise may not be communistic, but it certainly is socialistic. These philosophies are twin sisters. They advocate Government ownership, Government control, Government regulation, and regimentation of the people.

Now, it is popular to advocate socialism in the name of dynamic democracy. Oh, yes, I can stand on the street corner and say, "Look what I brought you. I brought you some free electricity. It is not going to cost you anything." And, the people just clap their hands and say, "Look what he has given us." We have not given you anything, and TVA land experience has proven to the world that it has not given anybody anything. It is costing the taxpayers of the country more, a lot more, than the electric bill savings of the consumers of electricity in TVA land and elsewhere. TVA was supposed to be a yardstick; we were going to use that to lower the cost of electricity in the State of Arkansas and elsewhere. Now that was as far as it was supposed to go. President Roosevelt never contended that we should fill up this country with public power and replace private enterprise. My friends, I am afraid that sometimes we forget that individual ambition and free enterprise have made this country great. For the Government to take over responsibilities that can and will be properly carried out by private enterprise kills that ambition of men and women to go forward in life with incentive to do something more tomorrow than they do today. We may soon find ourselves in the same position as some countries in the past that spent vast sums of public money building something that private enterprise can overcome overnight.

We went into World Wars I and II unprepared. We had no machinery with which to fight a war. But because of the freedom of the people of this country we could overnight convert those private utilities into war machinery. The people in this country cannot survive under democracy if we keep killing the individual initiative of man every time we get a chance.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. McCORMACK] is recognized for 10 minutes.

## FLAG DAY

Mr. McCORMACK. Mr. Speaker, Flag Day in this year of 1950, which took place yesterday, June 14—the House not being in session—should be more than a passing commemorative event. Altogether too often our symbolic occasions have a tendency to become haphazard anniversaries, and their true significance becomes lost in the welter of extraneous celebration. National holidays, in many instances, have been deprived of their character as days of dedication, and, as the events which they recall recede into the dim past, the spirit which impelled their establishment is neglected.

The spirit of Flag Day need never die, for in the symbolism of the flag of the United States there is caught up the spirit of the land and the people to which and to whom it is the banner of liberty, the sign of faith in democracy, and the representation of hope for a peaceful future.

Its 13 stripes and 48 stars signify the unity of great States welded into a magnificent commonwealth where the people govern under a Constitution born after the travail of a War of Revolution won under the inspiration of those same Stars and Stripes. It is this flag and that Constitution which, nearly 175 years later, make us realize the blessings of American democracy.

Without fundamental change, the handiwork of 175 years ago has survived through wars, panic, depression, fratricidal strife, and social upheaval.

We here—together with all of our fellow Americans—are the inheritors of the traditions of democracy and representative government which were then founded for posterity.

In a more particular sense, however, we here are the specific legatees of the saluters of the first Old Glory.

For to our hands, as the craftsmen of government has been entrusted the delicate task and high privilege of perpetuating a priceless heritage.

It is axiomatic that with exceptional privilege there goes a corresponding duty to grave responsibility.

That responsibility falls equally upon each of us—and the occurrence of Flag Day gives occasion to revivify our zeal for conscientious performance of that duty with the inspiration of rededication.

We stand in need of that inspiration.

We require it to combat and dissipate the callous indifference which has led millions of Americans to take the blessings of liberty for granted.

We need it to spur our personal efforts for the achievement of a Nation-wide civic consciousness concerning the worth of American ideals in contrast with baser ideologies abroad in the world today.

When the flag and the Constitution were new, confidence in the worth of the Anglo-American ideals of individual freedom and personal integrity prompted the founding fathers to create and establish their unique experiment in republican government.

Today, not only that Government, but also the ideals upon which it was founded, are the targets of both subtle and open attack.

If we are to check and repel such attacks, it is imperative that we fight ideas with ideas.

Authoritarianism, tyranny and despotism can neither take root nor grow in a spiritual soil fertilized with the democratic ideas and ideals of genuine Americanism.

It is our mutual duty and sacred trust to aid in the restoration of the faith of our political forefathers and to rekindle the fire of pride in the soundness of the American heritage.

We must render that aid by positive and affirmative action, for it would be folly to risk the privileges of liberty with a negative attitude of indifference.

As beneficiaries of that American heritage we should strive to be its most stalwart defenders and the vigilant opponents of its traducers.

If freedom is everybody's job, our share of that job resolves itself into a solemn trust.

It is a trust which may be discharged by the practice of a few simple civic virtues and the conscientious performance of the ordinary duties of citizenship.

The first duty is one of loyalty—undivided loyalty—loyalty to our institutions, our ideals, our traditions, so that the people, the true masters of this Nation, may deem us worthy and faithful servants.

This is the highest aspect of our trust, for if the integrity of the democratic processes which we are privileged to operate is to be preserved, the faith of the operators in them and their loyalty to them must be above reproach.

Next, loyal attachment to the ideals of democracy must be accompanied by a justifiable pride in our past history and our accomplishments as a nation. The history of the flag itself is a proud saga.

Self-tuition in the mental disciplines of classical history and American political philosophy will disclose the sources of our liberty and develop a sense of pride in our institutions.

Thirdly, we must recognize that the privileges of citizenship under a flag of freedom entail concomitant duties.

Indulgence in our rights carries the obligation, not only of not denying them to others, but of actively and militantly campaigning for their extension to, and enjoyment by, all peoples everywhere.

Fourth, in the exercise of rights and in the performance of civic duties, it is incumbent upon us that we be exemplars of Americanism.

It is vitally important that, as part of the body politic, we cultivate independent habits of thought, intelligently exercise the right of franchise, advise and take counsel regarding pending public questions, contribute to the formation of sound public policies, and seek wider avenues for the rendition of public service. It is a melancholy thought that, under many flags today, men with free wills can do none of these things.

Finally, we must practice what we preach by demonstrating through adherence to a code of personal and official ethics, our own abiding faith in our constitutional representative democracy, and the civil, religious, economic, and social liberties which it guarantees.

Such a democracy is not static.

It can grow, develop, and wax strong under our flag of liberty.

It can also be sapped of its vigor and become weak.

It may even be permitted to die.

In order that our generation may not be accused of signing its death warrant, let us here resolve to make constant sacrifice on the altar of patriotism so that our pledge of allegiance to our flag and our rededication to the ideals of the American Republic will be a worthy prayer and oblation.

## EXTENSION OF REMARKS

Mr. CHIPERFIELD and Mr. VAN ZANDT (at the request of Mr. HALLECK) were given permission to extend their remarks.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks and include certain letters from Chicago bankers, and also to extend his remarks in two other instances.

Mr. BURNSIDE asked and was given permission to extend his remarks.

Mr. PRICE asked and was given permission to extend his remarks and include an address by the national commander of the AMVETS.

Mr. KELLEY of Pennsylvania (at the request of Mr. JACKSON of Washington) was given permission to extend his remarks and include a talk by Hon. Philip M. Kaiser, Assistant Secretary of Labor.

Mr. FOGARTY asked and was given permission to extend his remarks and include an article.

Mr. HUBER asked and was given permission to extend his remarks and include a speech.

Mr. BROOKS asked and was given permission to extend his remarks and include extraneous matter.

Mr. LARCADE asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. ELLIOTT asked and was given permission to extend his remarks and include extraneous matter.

Mr. WILLIAMS asked and was given permission to extend his remarks and include an editorial.

Mr. HART asked and was given permission to extend his remarks and include an editorial.

Mr. JACOBS asked and was given permission to extend his remarks and include an essay by a contest winner.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. JUDD asked and was given permission to extend his remarks and to include extraneous matter.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in four instances, and in one to include a letter.

Mr. GOODWIN asked and was given permission to extend his remarks in three instances and include extraneous material.

Mr. VURSELL (at the request of Mr. REED of New York) was given permission to extend his remarks.

Mr. REED of New York asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. CANFIELD asked and was given permission to extend his remarks in two instances, and to include in one an editorial appearing in the Paterson (N. J.) Morning Call captioned "Keeping Worthy of Old Glory," and in the other a newspaper article against tariff reductions on textile products.

Mr. ELLSWORTH asked and was given permission to extend his remarks and include an editorial.

Mr. HILL asked and was given permission to extend his remarks.

Mr. GROSS asked and was permission to extend his remarks and include a newspaper article.

Mrs. ST. GEORGE asked and was given permission to extend her remarks and include the final article by Mr. Frank C. Waldrop on the Biggest Story.

Mr. HARVEY asked and was given permission to extend his remarks and include an editorial.

Mr. SANBORN asked and was given permission to extend his remarks and include extraneous matter.

Mr. FARRINGTON asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. DAVIS of Wisconsin (at the request of Mr. FARRINGTON) was given permission to extend his remarks and include a radio broadcast.

Mr. JENISON asked and was given permission to extend his remarks and include additional matter.

Mr. SHAFER asked and was given permission to extend his remarks in two instances.

Mr. SHAFER asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. MITCHELL asked and was given permission to extend his remarks and include several editorials.

Mr. JONAS asked and was given permission to extend his remarks and include an editorial from the Chicago Tribune under date of June 10, 1950.

### ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5920. An act to provide for payment of amounts due mentally incompetent personnel of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service; and

H. R. 6743. An act to amend the Federal Home Loan Bank Act, as amended, and title IV of the National Housing Act, as amended, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2440. An act to authorize certain construction at military and naval installations, and for other purposes.

### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. POLK for next week, on account of official business.

To Mr. STIGLER, from June 19 to July 10, on account of official business.

### ADJOURNMENT

Mr. MARSHALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 36 minutes p. m.), under its previous order, the House adjourned until Monday, June 19, 1950, at 12 o'clock noon.

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### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1498. A letter from the Assistant Secretary of Agriculture, transmitting a report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease for the month of April 1950, pursuant to Public Law 8, Eightieth Congress; to the Committee on Agriculture.

1499. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

1500. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to repeal certain legislation relating to the Gallup-Durango Highway and the Gallup-Window Rock Highway at the Navajo Indian Reservation"; to the Committee on Public Lands.

1501. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to amend the act of August 24, 1912 (37 Stat. 417, 444), to authorize the erection of buildings and structures to facilitate administration and to accommodate the public in National Capital park areas in the District of Columbia"; to the Committee on Public Lands.

### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CAMP: Committee on Ways and Means. House Joint Resolution 480. Joint resolution extending the time for the release, free of estate and gift tax, of certain powers; without amendment (Rept. No. 2245). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 651. Resolution for consideration of H. R. 7873, a bill to authorize construction of buildings for the Bureau of Old-Age and Survivors Insurance, and for other purposes; without amendment (Rept. No. 2246). Referred to the House Calendar.

Mr. HARRIS: Committee on the District of Columbia. H. R. 6669. A bill to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended; with amendment (Rept. No. 2247). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee on Public Lands. S. 3639. An act providing for an extension of the time during which annual assessment work on mining claims held by location in the United States may be made; with amendment (Rept. No. 2248). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 8678. A bill to amend the act of June 9, 1906 (34 Stat. 227), entitled "An act granting land to the city of Albuquerque for public purposes"; without amendment (Rept. No. 2249). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 6861. A bill to repeal certain laws relating to timber and stone on the public domain; without amendment (Rept. No. 2250). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 4542. A bill to provide for the classification of the public lands in Alaska; with amendment (Rept. No. 2251). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. H. R. 8709. A bill to change the designations of Health Officer and Assistant Health Officer of the District of Columbia, respectively, to Director of Public Health and Assistant Director of Public Health; without amendment (Rept. No. 2252). Referred to the House Calendar.

Mr. GRANGER: Committee on the District of Columbia. H. R. 8782. A bill to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia through June 30, 1951; without amendment (Rept. No. 2253). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee on the Judiciary. S. 1165. An act to provide relief for the

sheep-raising industry by making special quota immigration visas available to certain alien sheepherders; without amendment (Rept. No. 2268). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee of conference. H. R. 6567. A bill to increase the borrowing power of Commodity Credit Corporation (Rept. No. 2269). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H. R. 7071. A bill for the relief of Mrs. Masa Iyoki; with amendment (Rept. No. 2241). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 7783. A bill for the relief of Mrs. Donald Rafter; without amendment (Rept. No. 2242). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7815. A bill for the relief of John Yee Horn; with amendment (Rept. No. 2243). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 8289. A bill for the relief of Yee Balche Yee; without amendment (Rept. No. 2244). Referred to the Committee of the Whole House.

Mr. PETERSON: Committee on Public Lands. S. 2510. An act to authorize and direct the Secretary of the Interior to issue to Anson Harold Pease, a Crow allottee, a patent in fee to certain lands; without amendment (Rept. No. 2254). Referred to the Committee of the Whole House.

Mr. PETERSON: Committee on Public Lands. S. 2551. An act to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.; without amendment (Rept. No. 2255). Referred to the Committee of the Whole House.

Mr. PETERSON: Committee on Public Lands. S. 2552. An act to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.; without amendment (Rept. No. 2256). Referred to the Committee of the Whole House.

Mr. PETERSON: Committee on Public Lands. S. 3029. An act authorizing the Secretary of the Interior to issue a patent in fee to Wilbur J. Scott; without amendment (Rept. No. 2257). Referred to the Committee of the Whole House.

Mr. PETERSON: Committee on Public Lands. S. 3128. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.; without amendment (Rept. No. 2258). Referred to the Committee of the Whole House.

Mr. PETERSON: Committee on Public Lands. S. 3130. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.; without amendment (Rept. No. 2259). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 3406. A bill for the relief of Leslie Fullard-Leo and Ellen Fullard-Leo; with amendment (Rept. No. 2260). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 4836. A bill for the relief of Xylda L. Driver; without amendment (Rept. No. 2261). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 6363. A bill conferring jurisdiction on the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.; with amendment (Rept. No. 2262). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 6709. A bill for the relief of Ed Howard Russell; with amendment (Rept. No. 2263). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 6850. A bill for the relief of Lt. Col. F. A. Ferguson; without amendment (Rept. No. 2264). Referred to the Committee of the Whole House

Mr. PETERSON: Committee on Public Lands. H. R. 6221. A bill to authorize the sale of certain public lands in Alaska to the This-Side-of-Heaven Children's Home for use as a children's home; with amendment (Rept. No. 2265). Referred to the Committee of the Whole House.

Mr. PETERSON: Committee on Public Lands. H. R. 6964. A bill authorizing the Secretary of the Interior to issue a patent in fee to Josephine Stevens Goering; without amendment (Rept. No. 2266). Referred to the Committee of the Whole House.

Mr. PETERSON: Committee on Public Lands. H. R. 7753. A bill to authorize the Secretary of the Interior to sell certain land on the Chena River to the Tanana Valley Sportmen's Association, of Fairbanks, Alaska; with amendment (Rept. No. 2267). Referred to the Committee of the Whole House.

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PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H. R. 8835. A bill to authorize the Secretary of the Army to loan or dispose of obsolete material, and such other material as may be spared, to local councils of the Boy Scouts of America; to the Committee on Armed Services.

By Mr. BLATNIK:

H. R. 8836. A bill to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CASE of New Jersey:

H. R. 8837. A bill to exempt the personal property of certain veterans' organizations from the District of Columbia personal-property tax; to the Committee on the District of Columbia.

H. R. 8838. A bill to amend the act entitled "An act to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to lend certain property to national veterans' organizations, and for other purposes," approved August 1, 1949, so as to include property of the Coast Guard, and by defining "recognized national veterans' organization"; to the Committee on Armed Services.

H. R. 8839. A bill to amend section 705 of title 18, United States Code (relating to badges or medals of veterans' organizations), to make it applicable to certain additional veterans' organizations; to the Committee on the Judiciary.

H. R. 8840. A bill to add certain veterans' organizations to the list of veterans' organizations whose proceedings are printed annually for Congress; to the Committee on House Administration.

By Mr. DOYLE:

H. R. 8841. A bill to amend the Servicemen's Readjustment Act of 1944, as amended, to encourage loans to veterans for the purchase of home furnishings; to the Committee on Veterans' Affairs.

By Mr. KUNKEL:

H. R. 8842. A bill to provide for the issuance of a special postage stamp in honor of the late Dr. John Robert Gregg, originator of the Gregg shorthand system; to the Committee on Post Office and Civil Service.

By Mr. MITCHELL:

H. R. 8843. A bill to establish a temporary National Commission on Intergovernmental Relations; to the Committee on Expenditures in the Executive Departments.

By Mr. MOULDER:

H. R. 8844. A bill to amend the Federal Water Power Act with respect to the control of the volume and flow of water in connection with power projects; to the Committee on Interstate and Foreign Commerce.

By Mr. NELSON:

H. R. 8845. A bill to provide for the conveyance of a tract of land in Kennebec County, Maine, to the town of Chelsea; to the Committee on Veterans' Affairs.

By Mr. PLUMLEY:

H. R. 8846. A bill to correct the two basic faults of capitalism, remove the cause and stop the process of socialization, and turn America back toward freedom; to make the distribution of personal incomes and taxes both fair and currently complete, so that everyone gets all he earns, minus only his share of the cost of government; to repeal the excise and progressive taxes which hinder efficient production and full employment, and thus cut the hidden sales taxes out of prices to reduce the high cost of living; to provide adequate social-security benefits to all needy American citizens, at lowest cost to the taxpayers; to provide incentive pay for all Government employees, to raise the efficiency and reduce the cost of government; and to collect enough revenue to balance the budget, retire the national debt, and restore and maintain the value of the dollar and the honor and credit of the United States; to the Committee on Ways and Means.

By Mr. POTTER:

H. R. 8847. A bill to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. RANKIN:

H. R. 8848. A bill to provide for a study of the mental and physical sequelae of malnutrition and starvation suffered by prisoners of war and civilian internees during World War II; to the Committee on Veterans' Affairs.

By Mr. TAURIELLO:

H. R. 8849. A bill to amend the Immigration Act of 1924, as amended; to the Committee on the Judiciary.

By Mr. COOLEY:

H. R. 8850. A bill to establish two additional offices of Assistant Secretaries of Agriculture and office of an Administrative Assistant Secretary of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. TOLLEFSON:

H. R. 8851. A bill to authorize the Secretary of the Treasury to transfer by quitclaim deed to the Browns Point Improvement Club a small strip of land at Coast Guard light station facility, Browns Point, Pierce County, Wash.; to the Committee on Merchant Marine and Fisheries.

By Mr. HAGEN:

H. R. 8852. A bill to extend rural mail-delivery service; to the Committee on Post Office and Civil Service.

By Mr. PATTEN:

H. R. 8853. A bill to promote the rehabilitation of the Papago Tribe of Indians and a better utilization of the resources of the Papago Tribe, and for other purposes; to the Committee on Public Lands.

By Mr. MACK of Illinois:

H. Con. Res. 222. Concurrent resolution expressing the sense of the Congress that the President should rescind foreign-trade agreements with Communist-controlled countries; to the Committee on Ways and Means.

By Mr. AUCHINCLOSS:

H. Res. 652. Resolution to provide funds for the expenses of the investigation authorized

by House Resolution 643; to the Committee on House Administration.

By Mr. ANDERSON of California:

H. Res. 653. Resolution providing for the consideration of H. R. 6277, a bill to give discharges to the members of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany; to the Committee on Rules.

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MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Connecticut, memorializing the President and the Congress of the United States concerning the rubber industry; to the Committee on Ways and Means.

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PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURNSIDE:

H. R. 8854. A bill for the relief of Carroll L. Vickers; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 8855. A bill for the relief of Heliodoro Figueroa-Mesa, Tomasa Figueroa (Hernandez-Saldate), Maria Luisa Figueroa (Hernandez), and Sabina Figueroa (Hernandez); to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 8856. A bill for the relief of Hiro Kito; to the Committee on the Judiciary.

H. R. 8857. A bill for the relief of Mrs. Kurie Sasayama Tasato; to the Committee on the Judiciary.

H. R. 8858. A bill for the relief of Mrs. Keiko Yamamoto Shishido; to the Committee on the Judiciary.

H. R. 8859. A bill for the relief of Hisako Shiol; to the Committee on the Judiciary.

By Mr. FOGARTY:

H. R. 8860. A bill for the relief of Maria Ansuini; to the Committee on the Judiciary.

By Mr. FORD:

H. R. 8861. A bill for the relief of Hildegard Herrmann Nelson; to the Committee on the Judiciary.

By Mr. HOFFMAN of Illinois:

H. R. 8862. A bill for the relief of Paul Matelli; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 8863. A bill for the relief of Sachiko Mitoma; to the Committee on the Judiciary.

By Mr. O'TOOLE:

H. R. 8864. A bill for the relief of Chaskel Roth, his wife, and two children; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 8865. A bill for the relief of Satoko Uchiyama; to the Committee on the Judiciary.

By Mr. REES:

H. R. 8866. A bill for the relief of Atsuko Iemura; to the Committee on the Judiciary.

By Mr. RIBICOFF (by request):

H. R. 8867. A bill for the relief of Maddalena Tornusciolo; to the Committee on the Judiciary.

By Mr. WALTER (by request):

H. R. 8868. A bill for the relief of Mary Valsamis Dendramis and Vassili G. Dendramis; to the Committee on the Judiciary.

H. R. 8869. A bill for the relief of Lena Valsamis and Lucy Balosa Valsamis; to the Committee on the Judiciary.

By Mr. WHITE of California:

H. R. 8870. A bill for the relief of Keiko Sakurada; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2196. By Mr. CANFIELD: Resolution adopted by the Wanaque Borough, N. J., Woman's Club against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

2197. By Mr. GRAHAM: Petition of the Lawrence County Pomona Grange, opposing any form of compulsory health insurance or any system of political medicine; to the Committee on Interstate and Foreign Commerce.

2198. Also, petition of the Lawrence County Pomona Grange, opposing curtailment of mail service and favoring increase in rates on such mail as is now distributed at a loss; to the Committee on Post Office and Civil Service.

2199. By Mr. SMITH of Wisconsin: Resolution of the Wisconsin Federation of Business and Professional Women's Clubs, Inc., at Green Bay, Wis., on the subject of socialized medicine; to the Committee on Interstate and Foreign Commerce.

2200. By the SPEAKER: Petition of George C. Shivers, M. D., secretary, American Goiter Association, Colorado Springs, Colo., reaffirming a resolution adopted at its annual meeting in Madison, Wis., May 27, 1949, opposing socialized medicine; to the Committee on Interstate and Foreign Commerce.

2201. Also, petition of Mary E. Delehanty, president, American Association of Industrial Nurses, New York, N. Y., opposed to any form of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

2202. Also, petition of Charles A. Wilkie, D. D. S., secretary, Dental Society of the State of New York, Brooklyn, N. Y., disapproving Reorganization Plan No. 27 of 1950; to the Committee on Interstate and Foreign Commerce.

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# SENATE

## FRIDAY, JUNE 16, 1950

*(Legislative day of Wednesday, June 7, 1950)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, we thank Thee that Thou art not far off, out on the vast rim of the universe; but nearer to us than breathing; warm, sweet, tender, a present help, waiting to live in us, to work through us; our daily sustenance, the fountain of a courage that will not fail and of a power that can use our so fallible weakness as its healing and illuminating channel.

In this confused day, with its noisy voices and contending claims, grant unto these Thy servants that they may be faithful to every trust committed by the people to their hands, giving utterance only to their highest, noblest thought; and that upon their shoulders there may rest unsullied the white mantle of the Nation's honor. Amen.

THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 15, 1950, was dispensed with.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. YOUNG was excused from attendance on the sessions of the Senate for all of next week.

On his own request, and by unanimous consent, Mr. HOLLAND was excused from attendance on the sessions of the Senate on Monday, Tuesday, and Wednesday of next week.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MCFARLAND, and by unanimous consent, the Committee on Armed Services and the Committee on Foreign Relations, sitting jointly, were authorized to meet this afternoon during the session of the Senate.

On request of Mr. MCFARLAND, and by unanimous consent, a subcommittee of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

ORDER OF BUSINESS

Mr. MCFARLAND. Mr. President, I ask unanimous consent that immediately after the quorum call the Senator from Florida [Mr. HOLLAND] be permitted to propound questions on the pending social-security measure to the Senator from Colorado [Mr. MILLIKIN].

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

Mr. MCFARLAND. Mr. President, I ask unanimous consent that immediately thereafter the calendar be called.

The PRESIDENT pro tempore. For the consideration of measures to which there is no objection?

Mr. MCFARLAND. Yes.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Arizona? The Chair hears none, and the calendar will be called, beginning at the point where we left off at the last call of the calendar.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. MCFARLAND. Mr. President, I modify my previous request for unanimous consent, and ask that after we have a quorum call Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate, before the questions of the Senator from Florida to the Senator from Colorado.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MCFARLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

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|---|---|---|
| Aiken | Chapman | Donnell |
| Benton | Chavez | Dworshak |
| Bridges | Connally | Eastland |
| Butler | Cordon | Ecton |
| Cain | Darby | Ellender |

| | | |
|---|---|---|
| Ferguson | Kilgore | O'Mahoney |
| Flanders | Knowland | Robertson |
| Frear | Leahy | Russell |
| Fulbright | Lehman | Saltonstall |
| Gillette | Lodge | Schoeppel |
| Green | Lucas | Smith, Maine |
| Gurney | McCarran | Smith, N. J. |
| Hayden | McCarthy | Stennis |
| Hickenlooper | McClellan | Taft |
| Hill | McFarland | Thomas, Utah |
| Holland | McKellar | Thye |
| Hunt | McMahon | Tobey |
| Ives | Malone | Tydings |
| Johnson, Colo. | Maybank | Watkins |
| Johnson, Tex. | Millikin | Withers |
| Kefauver | Mundt | Young |
| Kem | Myers | |
| Kerr | Neely | |

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Georgia [Mr. GEORGE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD], the Senator from Illinois [Mr. DOUGLAS], the Senators from North Carolina [Mr. GRAHAM and Mr. HOEY], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Minnesota [Mr. HUMPHREY], and the Senator from Montana [Mr. MURRAY] are absent on official committee business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Indiana [Mr. JENNER], the Senator from Nebraska [Mr. WHERRY], and the Senator from Delaware [Mr. WILLIAMS] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART], the Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. MARTIN] is absent by leave of the Senate on official business.

The PRESIDENT pro tempore. A quorum is present.

## NATURALIZATION OF IMMIGRANTS HAVING LEGAL RIGHT TO PERMANENT RESIDENCE

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing it disagreement to the amendments of the Senate to the joint resolution (H. J. Res. 238) to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McCARRAN. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. MCCARRAN, Mr. EASTLAND, and Mr. JENNER conferees on the part of the Senate.

## REVISED ESTIMATE, DEPARTMENT OF THE INTERIOR (S. DOC. NO. 186)

The PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, transmitting a revised estimate of appropriation, involving an increase of $5,199,400, fiscal year 1951, for the Department of the Interior, in the form of an amendment to the budget, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

## STANDARDS AND GRADES OF BEEF—RESOLUTION OF NEBRASKA STOCK GROWERS ASSOCIATION

Mr. BUTLER. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD, a resolution adopted by the sixty-first annual convention of the Nebraska Stock Growers Association at Alliance, Nebr., relating to changing the present standards and grades of beef.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Resolution 6

Resolution on grading beef carcasses

Whereas there is today an effort on the part of certain individuals and organizations to change the present standards and grades of carcass beef as set forth on page 2845 of the Federal Register, dated Friday, May 12, 1950; and

Whereas many years of effort at much cost has been put forth to publicize and establish in the minds of the consuming public, students, and producers of beef animals the present and satisfactory standards and grades; and

Whereas we believe that such proposed "up-grading" of beef carcasses, will tend to weaken the confidence on the part of the general public who are now familiar with and have confidence in our present grades of beef carcasses; and

Whereas we believe that such proposed "up-grading" by bringing carcasses of lower grades into higher brackets than now expressed will, in the minds of the general public, be taken as an act of deception: Now, therefore, be it

*Resolved*, That the Nebraska Stock Growers Association in its sixty-first annual convention assembled at Alliance, Nebr., this 10th day of June, 1950, go on record as absolutely opposed to any change in the present and universally accepted standards and grades of beef, and that copies of this resolution be filed with the director of the Livestock Branch, Production and Marketing Administration, United States Department of Agriculture, Washington, D. C., on or before July 11, 1950.

COUNTY OF BOX BUTTE,
*State of Nebraska, ss:*

The above and foregoing is a true and exact copy of the resolution adopted at the sixty-first annual convention of the Nebraska Stock Growers Association, at the annual business session, June 10, 1950.

W. A. JOHNSON,
*Secretary-Treasurer.*

## REPORT OF JOINT COMMITTEE ON ECONOMIC REPORT (S. REPT. NO. 1843)

Mr. O'MAHONEY. Mr. President, on behalf of the Joint Committee on the Economic Report I submit, pursuant to Public Law 304, Seventy-ninth Congress, the report of that committee together with a supplementary statement of the Senator from Illinois [Mr. DOUGLAS] and the minority views. I should like to add that this document will be available for sale at the office of the Superintendent of Documents, Washington 25, D. C., for 35 cents the copy.

The PRESIDENT pro tempore. The report will be received, and printed.

## ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 16, 1950, he presented to the President of the United States the enrolled bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes.

## EXTENSION OF RUBBER ACT OF 1948—VIEWS OF COMMITTEE ON BANKING AND CURRENCY

Mr. FLANDERS. Mr. President, from the Committee on Banking and Currency, which committee had the extension of the Rubber Act within its purview in the last session of Congress, I submit views of that committee, on the bill (H. R. 7579) to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes, and ask unanimous consent that they be printed as part 2 of Senate Report No. 1786.

The PRESIDENT pro tempore. The views will be received, and without objection, printed as requested by the Senator from Vermont.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. THYE:

S. 3782. A bill for the relief of Ruzena Pelantova; to the Committee on the Judiciary.

By Mr. ELLENDER (by request):

S. 3783. A bill to establish two additional offices of Assistant Secretaries of Agriculture and office of an Administrative Assistant Secretary of Agriculture, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. ECTON:

S. 3784. A bill authorizing the Secretary of the Interior to issue a patent in fee to Maud Door; to the Committee on Interior and Insular Affairs.

By Mr. McMAHON:

S. 3785. A bill for the relief of Gerhard H. A. Anton Bebr; to the Committee on the Judiciary.

By Mr. CAIN:

S. 3786. A bill to amend chapter 61 (relating to lotteries) of title 18, United States Code, to make clear that such chapter does not apply to certain contests to advertise or develop the natural or recreational resources of a State or any region or section thereof; to the Committee on the Judiciary.

By Mr. ELLENDER (for Mr. LONG):

S. 3787. A bill authorizing adjudication of the claim of Dudley Tarver against the United States; to the Committee on the Judiciary.

SOCIAL SECURITY ACT AMENDMENTS OF 1950—AMENDMENTS

Mr. LEAHY submitted an amendment to the committee amendment, intended to be proposed by him to the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. NEELY (for himself and Mr. KILGORE) submitted an amendment intended to be proposed by them, jointly, to House bill 6000, supra, which was ordered to lie on the table and to be printed.

EXTENSION OF SELECTIVE SERVICE ACT OF 1948—AMENDMENTS

Mr. LUCAS (for himself, Mr. MYERS, Mr. LEHMAN, Mr. DOUGLAS, Mr. MCMAHON, and Mr. BENTON) submitted amendments intended to be proposed by them, jointly, to the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes, which were ordered to lie on the table and to be printed.

SOCIAL SECURITY ACT AMENDMENTS OF 1950—AMENDMENTS

Mr. WATKINS. Mr. President, I submit an amendment intended to be proposed by me to House bill 6000, to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes, to be substituted for an amendment which I have previously submitted. I ask that this amendment be printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Mr. MYERS. Mr. President, on behalf of myself, the senior Senator from Illinois [Mr. LUCAS], the junior Senator from Connecticut [Mr. BENTON], the junior Senator from Illinois [Mr. DOUGLAS], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the senior Senator from West Virginia [Mr. KILGORE], the Senator from New York [Mr. LEHMAN], the senior Senator from Connecticut [Mr. MCMAHON], the Senator from Montana [Mr. MURRAY], the junior Senator from West Virginia [Mr. NEELY], the Senator from Florida [Mr. PEPPER], and the Senator from Utah [Mr. THOMAS], I submit amendments intended to be proposed by us, jointly, to the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes. I ask unanimous consent that the amendments, together with an explanatory statement by me be printed in the RECORD.

The PRESIDENT pro tempore. The amendments will be received and lie on the table, and without objection, the amendments and explanatory statement will be printed in the RECORD. The Chair hears no objection.

The amendments submitted by Mr. MYERS (for himself and other Senators) are as follows:

1. On page 237, line 18, strike out "$3,000" and insert in lieu thereof "$4,200."
2. On page 260, line 5, strike out "$3,000" and insert in lieu thereof "$4,200."
3. On page 263, line 25, strike out "$3,000" and insert in lieu thereof "$4,200."
4. On page 264, line 6, strike out "$3,000" and insert in lieu thereof "$4,200."
5. On page 267, line 5, strike out "$150" and insert in lieu thereof "$250."
6. On page 273, line 21, strike out "$3,000" and insert in lieu thereof "$4,200."
7. On page 315, line 3, strike out "$3,000" and insert in lieu thereof "$4,200."
8. On page 316, line 17, strike out "$3,000" and insert in lieu thereof "$4,200."
9. On page 317, line 7, strike out "$3,000" and insert in lieu thereof "$4,200."
10. On page 319, between lines 14 and 15, insert the following:

"(b) So much of section 1401 (d) (2) of the Internal Revenue Code as precedes the second sentence thereof is amended to read as follows:

"'(2) Wages received during 1947, 1948, 1949, and 1950: If by reason of an employee receiving wages from more than one employer during the calendar year 1947, 1948, 1949, or 1950, the wages received by him during such year exceed $3,000, the employee shall be entitled to a refund of any amount of tax, with respect to such wages, imposed by section 1400 and deducted from the employee's wages (whether or not paid to the collector), which exceeds the tax with respect to the first $3,000 of such wages received.'

"(c) Section 1401 (d) of the Internal Revenue Code is amended by adding at the end thereof the following new paragraphs:

"'(3) Wages received after 1950: If by reason of an employee receiving wages from more than one employer during any calendar year after the calendar year 1950, the wages received by him during such year exceed $4,200, the employee shall be entitled to a refund of any amount of tax, with respect to such wages, imposed by section 1400 and deducted from the employee's wages (whether or not paid to the collector), which exceeds the tax with respect to the first $4,200 of such wages received. Refund under this section may be made in accordance with the provisions of law applicable in the case of erroneous or illegal collection of the tax; except that no such refund shall be made unless (A) the employee makes a claim, establishing his right thereto, after the calendar year in which the wages were received with respect to which refund of tax is claimed, and (B) such claim is made within 2 years after the calendar year in which such wages were received. No interest shall be allowed or paid with respect to any such refund.

"'(4) Special rules in the case of Federal and State employees.—'"

11. On page 320, line 7, strike out "$3,000" and insert in lieu thereof "$4,200."
12. On page 339, line 25, strike out "$3,000" and insert in lieu thereof "$4,200."
13. On page 358, line 18, strike out "$3,000" and insert in lieu thereof "$4,200."

The statement presented by Mr. MYERS is as follows:

STATEMENT BY SENATOR MYERS ON INTRODUCING MAXIMUM WAGE BASE AMENDMENT TO SOCIAL SECURITY ACT

Mr. President, I am submitting an amendment to increase the taxable wage base as set forth in the social-security bill reported from the Senate Finance Committee, an amendment to increase this base from $3,000 to $4,200. Joining me in sponsoring this amendment are Senators LUCAS, BENTON, DOUGLAS, GREEN, HUMPHREY, KILGORE, LEHMAN, MCMAHON, MURRAY, NEELY, PEPPER, and Senator THOMAS of Utah.

I do not intend to go into any great detail on the wage-base question. I feel that by now it has been very thoroughly discussed in the preceding debate and I think that the arguments are pretty well understood.

Fifteen of the seventeen members of the Senate Advisory Council on Social Security recommended that the wage base, established at $3,000 in 1939, be increased to $4,200 in order to carry out the policy determined by the Congress in the original law. When the $3,000 wage base was set up in 1939, 95 percent of the employees working at covered jobs had average earnings of $3,000 a year or less. In view, now, of today's high wage levels, the figure of $4,200 is required to bring the wage base in line with present conditions, and I do not see how any substantial argument can be raised against this.

Mr. MYERS. Mr. President, on behalf of myself, the senior Senator from Illinois [Mr. LUCAS], the junior Senator from Connecticut [Mr. BENTON], the junior Senator from Illinois [Mr. DOUGLAS], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the senior Senator from West Virginia [Mr. KILGORE], the Senator from New York [Mr. LEHMAN], the senior Senator from Connecticut [Mr. MCMAHON], the Senator from Montana [Mr. MURRAY], the junior Senator from West Virginia [Mr. NEELY], the Senator from Florida [Mr. PEPPER], and the Senator from Utah [Mr. THOMAS], I submit amendments intended to be proposed by us, jointly, to the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes. I ask unanimous consent that the amendments, together with an explanatory statement by me, be printed in the RECORD.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table, and, without objection, the amendments and explanatory statement by the Senator from Pennsylvania will be printed in the RECORD. The Chair hears no objection.

The amendments submitted by Mr. MYERS (for himself and other Senators) are as follows:

On page 267, line 3, after the word "be", insert "the sum of the following: (A)."

On page 267, line 5, strike out the period and insert in lieu thereof a comma and the following: "(B) an amount equal to 1 percent of the amount computed under clause (A) multiplied by the number of years prior to 1951 in which $200 or more of wages were paid to such individual, and (C) an amount equal to one-half of 1 percent of the amount computed under clause (A) multiplied by the number of years after 1950 in which the sum of the wages paid to and the self-employment income derived by such individual was $200 or more."

On page 273, beginning with line 10, strike out all down to and including line 13 and insert in lieu hereof the following:

"(C) With respect to calendar years after 1950, the 1-percent addition provided for in section 209 (e) (2) of this act as in effect prior to the enactment of this section shall be one-half of 1 percent and shall be made with respect to any such year in which the

sum of the wages paid to and the self-employment income derived by the individual was $200 or more."

The explanatory statement presented by Mr. MYERS is as follows:

STATEMENT BY SENATOR MYERS ON INTRODUCING INCREMENT AMENDMENT TO SOCIAL SECURITY BILL

Mr. President, I am introducing, on behalf of myself and Senators LUCAS, BENTON, DOUGLAS, GREEN, HUMPHREY, KILGORE, LEHMAN, MCMAHON, MURRAY, PEPPER, and Senator THOMAS of Utah an amendment to the pending social security bill which will add an increment factor to the benefit formula set forth in the bill reported from the Senate Finance Committee. I do not intend at this time to make an elaborate explanation of the amendment, but I would like to observe that the benefit formulas set forth in both the House-approved bill and the recommendations of the Senate Finance Committee are decided improvements over the present law. Retirement benefits will be substantially increased under either provision.

The bill as it passed the House included a so-called increment in its formula. Under the House provision, the primary retirement benefit, as calculated by the formula, would be increased by one-half of 1 percent for each year the insured person has contributed to the program. In other words, for a person who worked in covered employment for 20 years this would mean that his primary insurance benefit on retirement would be increased by 10 percent, or one-half of 1 percent of increase for each year that he had contributed to the system.

It will be recalled that the benefit formula under the present law contains an increment factor of 1 percent. The Senate Finance Committee, however, in reporting the bill has recommended that the increment factor be dropped altogether.

I am in accord with the modifications which the Senate committee made in liberalizing eligibility requirements for retirement benefits and with the more liberal alternative suggestions for calculating average earnings on which benefits are determined, and I feel that it is inconsistent with the policy which these recommendations reflect to have dropped the increment altogether.

In effect, the use of the increment recognizes that the benefits which a working person shall receive on retirement should be related to the number of years he has contributed to the insurance fund. Yet, under the provisions of the Senate bill, it makes no difference whatsoever whether a given person has contributed 5 years or 40 years. His ultimate benefits depend solely upon his maximum average earnings and are in no way related to the number of years he has worked in covered employment.

Certainly, Mr. President, I believe a strong argument can be made for the psychological advantage of having a worker's benefits depend, in part at least, upon the number of years that the worker chooses to remain in covered employment. It preserves and promotes individual incentive because it emphasizes and reinforces the principle that the man who pays more in contributions receives more in benefits.

I know, Mr. President, that any liberalizing amendment to the pending bill necessarily raises the question: How much will this cost? If we use the assumptions adopted by the Finance Committee in determining the ultimate costs of the retirement insurance system, the inclusion of an increment as proposed in our amendment would increase the level-premium from 6.15 percent of payroll by about an additional 1 percent. In this connection, however, I should like to point out that if we alter the taxable wage base, of $3,000 in the Senate formula to $4,200, that change would result in a reduction of level premium cost of about two-tenths of 1 percent of payroll. Thus, if we consider together the increment amendment and the amendment to increase the wage base to $4,200, the net increase in cost is under 1 percent of payroll.

With our steadily expanding economy, bringing with it over the years a larger and larger national payroll, I am convinced that the ultimate cost of the insurance system will not, in fact, reach the level of 7 percent of payroll or more if we decide now to include the increment. I say this because I refuse to believe our economy is static. I believe our national payrolls will continue to increase. If they do increase, the insurance system will not cost nearly as much proportionately as we are led to believe by those who base their estimates of future cost on the assumption that our total national payroll will never be larger than it is today.

In closing, Mr. President, I should like to point out that our amendment differs somewhat from the increment provision contained in the House bill. We propose that an increment of 1 percent be paid for each year of covered employment prior to January 1, 1951—thus recognizing the rights which have accrued to those who have contributed to the pension fund during the period that an increment of 1 percent was part of the existing law. We propose further, that an increment of one-half percent annually be added for each year of coverage after January 1, 1951.

Mr. MYERS. Mr. President, on behalf of myself, the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the senior Senator from West Virginia [Mr. KILGORE], the Senator from New York [Mr. LEHMAN], the Senator from Montana [Mr. MURRAY], the Senator from Oregon [Mr. MORSE], the junior Senator from West Virginia [Mr. NEELY], the Senator from Florida [Mr. PEPPER], and the Senator from Utah [Mr. THOMAS], I submit amendments intended to be proposed by us, jointly, to the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes. I ask unanimous consent that the amendments, together with an explanatory statement by me, be printed in the RECORD.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table, and, without objection, the amendments and explanatory statement by the Senator from Pennsylvania will be printed in the RECORD. The Chair hears no objection.

The amendments submitted by Mr. MYERS (for himself and other Senators) are as follows:

Amendments intended to be proposed by Mr. MYERS (for himself Mr. GREEN, Mr. HUMPHREY, Mr. KILGORE, Mr. LEHMAN, Mr. MURRAY, Mr. MORSE, Mr. NEELY, Mr. PEPPER, and Mr. THOMAS of Utah) to the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes, viz:

On page 209, line 14, after the word "benefits" and before the comma insert "or was entitled to disability insurance benefits for the month preceding the month in which he attained retirement age."

On page 254, line 19, strike out "219" and insert in lieu thereof "221."

On page 255, lines 1 and 9, strike out "219" and insert in lieu thereof "221."

On page 259, line 8, strike out "219" and insert in lieu thereof "221."

On page 260, lines 12 and 19, strike out "219" and insert in lieu thereof "221."

On page 263, between lines 23 and 24, insert the following:

"(ii) no quarter any part of which is included in a period of disability (as defined in section 219 (i)), other than the initial or last quarter, shall be a quarter of coverage."

On page 263, line 24, strike out "(ii)" and insert in lieu thereof "(iii)."

On page 264, line 1, strike out "clause (i)" and insert in lieu thereof "clauses (i) and (ii)."

On page 264, line 3, strike out "(iii)" and insert in lieu thereof "(iv)."

On page 264, line 7, after "shall", insert "(subject to clause (ii))."

On page 264, line 8, strike out "(iv)" and insert in lieu thereof "(v)."

On page 266, line 7, strike out "or."

On page 266, strike out line 8, and insert in lieu thereof:

"(B) twenty quarters of coverage within the forty quarter period ending with the quarter in which he attained retirement age or with any subsequent calendar quarter or ending with the quarter in which he died; or

"(C) forty quarters of coverage;

not counting as an elapsed quarter for purposes of subparagraph (A), and not counting as part of the forty quarter period referred to in subparagraph (B), any quarter any part of which is included in a period of disability (as defined in section 219 (i)) unless such quarter is a quarter of coverage."

On page 266, line 10, strike out "or (2) (A)" and insert in lieu thereof "or in clause (A) or (B) of paragraph (2)."

On page 266, between lines 11 and 12, insert the following:

"(4) If an individual upon attainment of retirement age is not, under paragraph (2), a fully insured individual but (were it not for his attainment of retirement age) would have been entitled to a disability insurance benefit for the month in which he attained retirement age or for any subsequent month, he shall be a fully insured individual beginning with the first month for which he would have been so entitled to disability insurance benefits. For the purpose of determining whether an individual would have been so entitled to disability insurance benefits, his application for old-age insurance benefits shall be considered as an application for disability insurance benefits."

On page 266, line 19, strike out the period and insert in lieu thereof ", excluding from such thirteen-quarter period any quarter any part of which is included in a period of disability unless such quarter is a quarter of coverage."

On page 268, line 11, strike out the period and insert "and any month in any quarter any part of which is included in a period of disability (as defined in sec. 219 (i)) unless such quarter is a quarter of coverage, and excluding from such total of wages and self-employment income any wages paid in or self-employment income credited to any quarter any part of which is included in a period of disability unless such quarter is a quarter of coverage."

On page 268, line 17, after the words "shall be", insert the words "(i) for the purposes of benefits under section 202."

On page 268, line 20, strike out the period and insert ", and (ii) for purposes of disability insurance benefits (under sec. 219) shall be the first day of the quarter in which his disability determination date occurred."

On page 268, line 23, after the word "under," insert "clause (i) of."

On page 268, line 24, after the words "closing date", insert "for the purposes of benefits under section 202."

On page 269, line 7, after "(B)", insert "for the purposes of benefits under section 202."

On page 269, line 16, strike out the period and insert in lieu thereof "or, if the computation is being made for an individual who is entitled to disability insurance benefits with respect to a disability, in or after the month in which occurs his disability determination date for such disability."

On page 273, line 7, after the word "benefits", insert "or his disability determination date."

On page 275, between lines 15 and 16, insert the following:

"(E) For the purposes of this paragraph the term 'primary insurance benefit' includes disability insurance benefit."

On page 297, between lines 5 and 6, insert the following:

"DISABILITY INSURANCE BENEFITS

"SEC. 107. Title II of the Social Security Act is amended by adding after section 218 (added by sec. 106 of this act) the following:

"'PERMANENT AND TOTAL DISABILITY INSURANCE BENEFITS

"'*Conditions of entitlement*

"'SEC. 219. (a) (1) Every permanently and totally disabled individual (as defined in subsection (h)) who—

"'(A) has not attained retirement age,

"'(B) has filed application for disability insurance benefits,

"'(C) is insured for disability insurance benefits, and

"'(D) has been under a disability throughout his waiting period, shall be entitled to a disability-insurance benefit for each month, beginning with the first month after his waiting period in which he becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: he ceases to be a permanently and totally disabled individual, dies, or attains retirement age. Such individual's disability-insurance benefit for any month shall be equal to his primary insurance amount (as defined in sec. 215 (a)) for such month.

"'(2) The term "waiting period" means, with respect to the disability of any individual, the period beginning with the calendar month in which occurred his disability determination date (as determined under subsec. (c)) and ending at the expiration of the sixth calendar month following such month.

"'(3) An individual who would have been entitled to a disability-insurance benefit for any month had he filed application therefor prior to the end of such month shall be entitled to such benefit for such month if he files application therefor prior to the end of the sixth month succeeding such month; except that the provisions of this paragraph shall not apply for purposes of determining a period of disability (as defined in subsec. (d)), or when a disability determination date occurred.

"'(4) No application for disability insurance benefits filed prior to 7 months before the first month for which the applicant becomes entitled to receive such benefits shall be accepted as an application for purposes of this section.

"'*Determination of insured status*

"'(b) An individual is insured for purposes of disability-insurance benefits if he had not less than—

"'(1) six quarters of coverage (as determined under section 213 (a) (2) during the 13-quarter period which ends with the quarter in which his disability determination date occurred; and

"'(2) twenty quarters of coverage during the 40-quarter period which ends with the quarter in which his disability determination date occurred.

In case such individual was previously entitled to disability insurance benefits, there shall be excluded from the count of the quarters in each period specified in paragraphs (1) and (2) any quarter any part of which was included in a period of disability unless such quarter is a quarter of coverage.

"'*Disability determination date*

"'(c) An individual's disability determination date shall be whichever of the following days is the latest:

"'(1) The day the disability began;

"'(2) June 30, 1951;

"'(3) The first day of the thirteenth month prior to the month in which he filed such application; or

"'(4) The first day of the first quarter in which he would be insured for disability insurance benefits with respect to such disability if he had filed application therefor in such quarter.

"'*Determination of disability*

"'(d) The Administrator shall make adequate provisions for determination of disability and redeterminations thereof at necessary intervals; he shall provide for such examination of individuals as is necessary for purposes of determining or redetermining disability and entitlement to benefits by reason thereof. An individual shall not be deemed a permanently and totally disabled individual unless he furnishes such proof of his disability as may be required by regulation; and unless the evidence in the case affirmatively establishes his disability. Reexaminations for redetermining the disability of an individual shall be made at periodic intervals except that the Administrator may dispense with such reexaminations of an individual after he has been entitled to disability benefits for 2 years upon finding that such examinations serve no further purpose. Official medical examinations may be performed in existing medical facilities of the Federal Government if services are readily available, and by impartial private physicians, clinics, hospitals, or other medical facilities designated for conducting such examinations. In the case of any individual submitting to an examination to determine his disability there may be paid (1) the necessary travel expenses (including subsistence expenses incidental thereto), either on a flat rate or a commuted basis, of such individual in connection with such examination, and (2) if the examination is made by an individual who is not an employee of the United States, there may be paid, either directly or through appropriate Federal or State departments, agencies, or commissions, the necessary fees, costs of tests, and necessary travel expenses, either on a flat rate or a commuted basis, for such examination. There is hereby authorized to be appropriated for each fiscal year from the trust fund such amount as may be necessary for the purpose of this subsection.

"'*Reduction of benefit*

"'(e) (1) Where a benefit is payable to any individual under this section and a workmen's compensation benefit or benefits have been or are paid to such individual on account of the same disability for the same month, such individual's benefit under this section for such month shall, prior to any deductions under section 220, be reduced by one-half, or by an amount equal to one-half of such workmen's compensation benefit or benefits, whichever is the smaller.

"'(2) In case the benefit of any individual under this section is not reduced as provided in paragraph (1) because such benefit is paid prior to the payment of the workmen's compensation benefit, the reduction shall be made by deductions, at such time or times and in such amounts as the Administrator may determine, from any other payments under this title payable on the basis of the wages and self-employment income of such individual.

"'(3) If the workmen's compensation benefit is payable on other than a monthly basis (excluding a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments), reduction of the benefits under this subsection shall be made in such amounts as the Administrator finds will approximate, as nearly as practicable, the reduction prescribed in paragraph (1).

"'(4) In order to assure that the purposes of this subsection will be carried out, the Administrator may, as a condition to certification for payment of any disability insurance benefit payable to an individual under this section (if it appears to him that there is a likelihood that such individual may be eligible for a workmen's compensation benefit which would give rise to a reduction under this subsection), require adequate assurance of reimbursement to the trust fund in case workmen's compensation benefits, with respect to which such a reduction should be made, become payable to such individual and such reduction is not made.

"'(5) For purposes of this subsection, the term "workmen's compensation benefit" means a cash benefit, allowance, or compensation payable under any workmen's compensation law or plan of the United States or of any State.

"'*Termination of entitlement to benefits by Administrator*

"'(f) In any case in which an individual has refused to submit himself for examination or reexamination in accordance with regulations of the Administrator, or has without good cause refused to take all steps necessary to obtain and to accept rehabilitation services available to him under a State plan approved under the Vocational Rehabilitation Act (29 U. S. C., ch. 4) after being directed by the Administrator to do so, the Administrator may find, solely because of such refusal, that such individual is not a permanently and totally disabled individual or that his disability (previously determined to exist) has ceased. The Administrator may find that an individual is not a permanently and totally disabled individual or that his disability (previously determined to exist) has ceased, if such individual is outside the United States and the Administrator finds that adequate arrangements have not been made for determining or redetermining such individual's disability.

"'*Cooperation with agencies and groups*

"'(g) The Administrator is authorized to secure the cooperation of appropriate agencies of the United States, of States, or of the political subdivisions of States and the cooperation of private medical, dental, hospital, nursing, health, educational, social, and welfare groups or organizations, and where necessary to enter into voluntary working agreements with any of such public or private agencies, organizations, or groups in order that their advice and services may be utilized in the efficient administration of this section.

"'*Definitions of "disability" and "permanently and totally disabled individual"*

"'(h) For the purposes of this title—

"'(1) the term "disability" means (A) inability to engage in any substantially gainful activity by reason of any medically demonstrable physical or mental impairment which is permanent, or (B) blindness; and the term "permanently and totally disabled individual" means an individual who has such a disability; and

"'(2) the term "blindness" means central visual acuity of 5/200 or less in the better eye with correcting lenses. An eye in which the visual field is reduced to 5 degrees or less concentric contraction shall be considered for the purposes of this paragraph as having a central visual acuity of 5/200 or less.

"'*Definition of "period of disability"*

"'(i) As used in this title, the term "period of disability" means, with respect to any individual, a period of one or more consecutive calendar months for each of which such individual was entitled to a disability insurance benefit and the six calendar months, preceding the first month of such period of one or more consecutive calendar months, except that if such individual ceases to be entitled to disability insurance benefits with respect to a disability because he dies or attains retirement age, the month in which such individual died or attained such age, as the case may be, shall also be included in the period of disability with respect to such disability.

"'*Rehabilitation*

"'(j) There is hereby authorized to be appropriated for each fiscal year from the trust fund such amount as may be necessary to provide rehabilitation services for the rehabilitation of disabled individuals who are entitled to disability insurance benefits or serving a waiting period for such benefits, where it appears that such services may aid in enabling such disabled individuals to return to gainful work. Insofar as practicable, such services shall be provided through utilization of the services and facilities of State agencies (or corresponding agencies in the case of Territories or possessions) cooperating with the Federal Government in carrying out the purposes of the Vocational Rehabilitation Act, as amended (29 U. S. C., ch. 4). Agencies providing such services shall be reimbursed for the cost thereof.

"'DEDUCTIONS FROM DISABILITY INSURANCE BENEFITS

"'*Events for which deductions are made*

"'SEC. 220. (a) Deductions, in such amounts and at such time or times as the Administrator shall determine, shall be made from any payment or payments under this title to which an individual is entitled, until the total of such deductions equals such individual's benefit under section 219 for any month—

"'(1) in which such individual rendered services as an employee (whether or not such services constitute employment as defined in sec. 210) for remuneration of more than $50; or

"'(2) for which such individual is charged, pursuant to the provisions of subsection (c) of this section, with net earnings from self-employment (as determined pursuant to subsec. (d) ) of more than $50; or

"'(3) in which such individual fails to submit himself for examination in accordance with regulations of the Administrator or

"'(4) in which such individual refuses without good cause to accept rehabilitation services available to him under a State plan approved under the Vocational Rehabilitation Act after direction by the Administrator to do so; or

"'(5) in which such individual is outside the United States if the Administrator finds that adequate arrangements have not been made for determining or redetermining the existence of the disability of such individual.

The Administrator may, if in his judgment it will aid in the process of rehabilitation of any individual, suspend or modify the application of paragraphs (1) and (2) of this subsection for any month during which such individual is receiving rehabilitation services under a State plan approved under the Vocational Rehabilitation Act; except that the Administrator may not so suspend or modify the application of such paragraphs for any month after the eleventh month following the first month for which such suspension or modification was applicable.

"'*Occurrence of more than one event*

"'(b) If more than one event occurs in any one month which would occasion deductions equal to a benefit for such month, only an amount equal to such benefit shall be deducted. The charging of net earnings from self-employment to any month shall be treated as an event occurring in the month to which such net earnings are charged.

"'*Months to which net earnings from self-employment are charged*

"'(c) For the purposes of subsection (a) (2) of this section—

"'(1) If an individual's net earnings from self-employment for his taxable year are not more than the product of $50 times the number of months in such year, no month in such year shall be charged with more than $50 of net earnings from self-employment.

"'(2) If an individual's net earnings from self-employment for his taxable year are more than the product of $50 times the number of months in such year, each month of such year shall be charged with $50 of net earnings from self-employment, and the amount of such net earnings in excess of such product shall be further charged to months as follows: The first $50 of such excess shall be charged to the last month of such taxable year, and the balance, if any, of such excess shall be charged at the rate of $50 per month to each preceding month in such year until all of such balance has been applied, except that no part of such excess shall be charged to any month (A) for which such individual was not entitled to a benefit under this title, (B) in which an event described in paragraph (1), (3), (4), or (5) of subsection (a) occurred, or (C) in which such individual did not engage in self-employment.

"'(3) As used in paragraph (2), the term "last month of such taxable year" means the latest month in such year to which the charging of the excess described in such paragraph is not prohibited by the application of clauses (A), (B), and (C) thereof.

"'(4) For the purposes of clause (C) of paragraph (2), an individual will be presumed, with respect to any month, to have been engaged in self-employment in such month until it is shown to the satisfaction of the Administrator that such individual rendered no substantial services in such month with respect to any trade or business the net income or loss of which is includible for the purposes of this subsection in computing his net earnings from self-employment for any taxable year. The Administrator shall by regulations prescribe the methods and criteria for determining whether or not an individual has rendered substantial services with respect to any trade or business.

"'*Special rule for computation of net earnings from self-employment*

"'(d) For the purposes of this section, an individual's net earnings from self-employment for any taxable year shall be computed as provided in section 211 with the following adjustments:

"(1) Such computation shall be made without regard to the provisions of subsections (a) (2), (c) (1), (c) (4), and (c) (5) of section 211, and

"'(2) Such computation shall be made without regard to the provisions of sections 116, 212, 213, 251, and 252 of the Internal Revenue Code.

"'*Penalty for failure to report certain events*

"'(e) Any individual in receipt (on behalf of himself or another individual) of benefits subject to deduction under subsection (a) because of the occurrence of an event specified therein (other than an event described in paragraph (2) thereof) shall report such occurrence to the Administrator prior to the receipt and acceptance of a disability insurance benefit for the second month following the month in which such event occurred. If such individual knowingly fails to report any such occurrence, an additional deduction equal to that imposed under such subsection shall be imposed, except that the first additional deduction imposed by this subsection in the case of any individual shall not exceed an amount equal to 1 month's benefit even though the failure to report is with respect to more than 1 month.

"'*Report to Administrator of net earnings from self-employment*

"'(f) (1) If an individual is entitled to any disability insurance benefit during any taxable year in which he has net earnings from self-employment in excess of $50 times the number of months in such year, such individual (or the individual in receipt of such benefit on his behalf) shall make a report to the Administrator of his net earnings from self-employment for such taxable year. Such report shall be made on or before the fifteenth day of the third month following the close of such year, and shall contain such information and be made in such manner as the Administrator may by regulations prescribe. If the individual fails within the time prescribed above to make such report of his net earnings from self-employment for any taxable year and any deduction is imposed under subsection (a) (2) of this section by reason of such net earnings—

"'(A) such individual shall suffer one additional deduction in an amount equal to his benefit for the last month in such taxable year for which he was entitled to a disability insurance benefit; and

"'(B) if the failure to make such report continues after the close of the fourth calendar month following the close of such taxable year, such individual shall suffer an additional deduction in the same amount for each month during all or any part of which such failure continues after such fourth month';

except that the number of the additional deductions required by this paragraph shall not exceed the number of months in such taxable year for which such individual received and accepted disability insurance benefits and for which deductions are imposed under subsection (a) (2) by reason of such net earnings from self-employment. If more than one additional deduction would be imposed under this paragraph with respect to a failure by an individual to file a report required by this paragraph and such failure is the first for which any additional deduction is imposed under this paragraph, only one additional deduction shall be imposed with respect to such first failure.

"'(2) If the Administrator determines, on the basis of information obtained by or submitted to him, that it may reasonably be expected that an individual entitled to disability insurance benefits for any taxable year will suffer deductions imposed under subsection (a) (2) of this section by reason of his net earnings from self-employment for such year, the Administrator may, before the close of such taxable year, suspend the payment for each month in such year (or for only such months as the Administrator may specify) of such benefits payable to him; and such suspension shall remain in effect with respect to the benefits for any month until the Administrator has determined whether or not any deduction is imposed for such month under subsection (a). The Administrator is authorized, before the close of the taxable year of any individual entitled to benefits during such year, to request of such individual that he make, at such time or times as the Administrator may specify, a declaration of his estimated net earnings from self-employment for the taxable year and that he furnish to the Administrator such other information with respect to such net earnings as the Administrator may specify. A failure

by such individual to comply with any such request shall in itself constitute justification for a determination under this paragraph that it may reasonably be expected that the individual will suffer deductions imposed under subsection (a) (2) of this section by reason of his net earnings from self-employment for such year'."

On page 297, line 7, strike out "107" and insert in lieu thereof "108."

On page 297, line 8, strike out "218" and "106" and insert in lieu thereof "220" and "107", respectively.

On page 297, line 11, strike out "219" and insert in lieu thereof "221."

On page 297, line 21, strike out "108" and insert in lieu thereof "109."

On page 307, line 12, strike out "109" and insert in lieu thereof "110."

The explanatory statement presented by Mr. MYERS is as follows:

STATEMENT BY SENATOR MYERS UPON INTRODUCING AMENDMENT TO SOCIAL SECURITY BILL TO PROVIDE DISABILITY INSURANCE FOR PERSONS PERMANENTLY AND TOTALLY INCAPACITATED

Mr. President, on behalf of myself and Senators GREEN, HUMPHREY, KILGORE, LEHMAN, MURRAY, MORSE, NEELY, PEPPER, and Senator THOMAS of Utah, I am introducing an amendment to restore the disability-insurance provisions to the social-security bill essentially in the form in which they were contained in the bill as it passed the House last year.

In proposing this amendment, I want to make it quite clear that I do not intend to detract from the merits of the bill as it was reported from the Senate Finance Committee. Speaking as a member of that committee, I am very well aware indeed of the conscientious fashion in which the committee worked out the provisions which were finally reported in the bill, and I want especially to pay tribute to the capable leadership of the Senator from Georgia, as chairman of the committee.

A great deal of the committee's attention was directed to the question of disability. A provision for insurance benefits to the disabled was incorporated in the original bill as it was reported from the House Ways and Means Committee, and as I have already indicated earlier, the disability feature was adopted by the House in passing the bill.

A majority of the Senate Finance Committee, however, after considerable discussion, voted to eliminate the House provision at this time.

Essentially, Mr. President, I think we can regard the problem of a person who becomes permanently and totally incapacitated prior to reaching the retirement age of 65 as simply another phase of the aging process. All of us realize, of course, that there are many persons who are perfectly capable physically and mentally of constructive and useful employment for many years after they have reached the age of 65. On the other hand, there are obviously those who age more rapidly, usually as a result of an accident or of some infirmity which incapacitates them earlier than the age of 65. Whatever may be the cause of the premature disability, the net effect upon that person and upon those dependent upon him is precisely the same as the problem which is faced by one forced into retirement at age 65 or thereafter.

The disabled person, incapable of further employment, faces a loss of income in precisely the same way as one who goes into retirement at 65. But the problem is more serious when we consider that a person who becomes disabled at, say, age 55, has 10 years to wait before he can possibly become eligible for retirement insurance benefits. Moreover, the incapacitated person of 55 ceases to contribute further to the insurance fund with the result that the retirement benefits he might ultimately receive will be reduced or, in many instances, wiped out altogether because he had not contributed a sufficiently long period of time to vest permanently his right to retirement insurance.

Most difficult of all for the 55-year-old worker, and I will continue to use him as an example here, is the bleak prospect of rehabilitation that lies ahead of him. While it is true that substantial strides have been made in recent years through rehabilitation work, there are many types of disability which are of such a serious nature that it is utterly impossible to fit the incapacitated person into any form of gainful employment from which he may derive an income.

Now there have been many arguments advanced against the principle of disability insurance. One of these most frequently heard is directed at the malingerer—that is, the employed person who simply grows tired of working and drums up some plausible ailment, which so he says, makes further employment impossible. Critics of disability insurance contend that once such a provision is brought into being there will be a wholesale exodus of lazy people from their present employment who will choose to sit and wait for a monthly disability check to come in.

What I believe the critics fail to see, Mr. President, is the fact that the disability insurance payments represent but a fraction of the average earnings which the disabled person received while fully employed. In most instances the payments will be but a third or less of the average income received by the incapacitated person while working. This, certainly, Mr. President, is a scant inducement to fraud. Moreover, the disability payments do not depend upon the number of dependents which the disabled person has. A man with a family to support will find no incentive here to abandon a job he is capable of handling in order to receive a payment monthly which is but a small fraction of what he is capable of earning.

But most important of all is my firm belief in the American people—my belief that they will not voluntarily give up to laziness. Those who assert that disability insurance will turn us into a Nation of malingerers and laggards have no faith in the fibre and the character of our people.

The amendment which we are submitting, Mr. President, differs in some respects from the provisions as set forth in the House bill. I do want to make it clear that I believe the House gave this problem the most thorough study and that its program was essentially sound. Further study of the House measure, however, indicates several points which can be clarified. I have included these clarifications and improvements in my amendment.

For one thing, it is not clear from the language of the House bill as to how great a burden of proof would be imposed upon the applicant for disability insurance. To my mind, the disabled person should certainly be required to carry the burden of proving his incapacity. This is certainly a necessary safeguard and a just one. The incapacitated person cannot merely contend that he has, for example, an aching back, and thus is no longer able to work. His disability must be such that it can be demonstrated by clear medical proof—medical proof that the disability is permanent and total and of such a nature that he is incapable of any type of work, not just his usual job. A finding would be required which would have to show that the individual has no residual work capacity which would permit him to earn a regular living.

To be eligible for benefits, the worker must have been in covered employment for at least 5 of the 10 years preceding the disability, and, in addition, he must have worked in covered employment for at least half of the 3-year period immediately preceding disability. Benefits would become payable only after a 6-month waiting period and even then, only in an amount sufficient to give a minimum of security.

The amendment also provides that a person who had received disability payments prior to the age of 65 would be transferred automatically to the ordinary retirement pension on reaching age 65.

The argument is often made that this proposal requires further study, and we often hear that it would be impossible to administer disability insurance objectively and efficiently. Both of these arguments fly squarely into the face of our long-standing experience with hundreds of disability programs—both public and private—which are today administered successfully in every State in the Union.

Disability provisions are found in retirement programs enacted by Congress for Government employees and railroad workers; States and the Federal Government have long administered disability programs under workmen's compensation laws. And, of course, we cannot ignore the long and successful experience gained under programs for disabled veterans.

I think it was quite fully developed in the hearings before the committees of the House and Senate that the disability problem is one of extreme gravity. This certainly is conceded even by those who do not favor the disability insurance principle as the best means of meeting the need. It is estimated that some 2,000,000 persons in our working population who are below age 65 are chronically disabled.

A substantial segment of this group are today cared for by existing public measures—primarily local relief programs—and it is quite generally agreed that the programs now in existence are inadequate to meet the needs of disabled workers with families. There is agreement generally among those who favor and oppose disability insurance that this problem can only be met through some form of public program, and that governmental machinery must be established to provide income maintenance, and furthermore, to assist in rehabilitating as many disabled people as possible.

Those who object to the principle of Federal disability insurance contend that the problem can best be met through public-assistance programs—direct relief grants—supplemented to some extent by private disability insurance.

Thus, Mr. President, it seems to me that those who argue against disability insurance on the ground that lazy people will misrepresent their physical conditions are, at the same time, admitting that it is perfectly all right to support such people under local relief programs. This, to me, is a curious contradiction. However, as I have indicated, I have a sufficient faith in the integrity of the American people to believe that they will work whenever they can find work, that they will do the best they possibly can to enjoy all of the good things of the American way of life which they can possibly earn for themselves. I see no inducement to malingerers in order to get a disability insurance check which is but a small fraction of their earning capacity or to quit work in order to receive relief payments under some local program.

In connection with private disability insurance, I should like to remark that, while such insurance is available of course, these policies are most circumscribed in their operation. They are, for the most part, limited to a small specified list of risks, usually those which might be encountered, say, in a given industrial situation or something of the sort. Moreover, they are expensive and well beyond the means of low-income families. Perhaps the most serious shortcoming of virtually every private disability insurance system is the fact that the limited extent of their coverage fails to provide protection for some of the most common causes of permanent disability. This becomes apparent when you

consider that 9 out of 10 accidents which result in a permanent incapacity are not work-connected. Thus, workmen's compensation laws are of no assistance whatsoever where the disability is not work-connected.

A very essential part of any disability insurance program involves the question of rehabilitation work. That is, through the operation of programs which assist the incapacitated person in adapting himself to some form of useful employment from which he may earn a livelihood. Our amendment adds a feature not found in the House bill in this regard. We are proposing to provide additional assistance to State and local governments which will enable them to amplify their existing rehabilitation facilites. Thus, it is not contemplated that the Federal Government will maintain and operate rehabilitation services as such, but rather, we feel that it is in the best interest to have the rehabilitation programs developed and operated on State and local levels. We do recognize, however, that few if any State rehabilitation programs have yet developed to the level that they are today adequate to meet the needs of their disabled populations.

We propose that this assistance to the States in enlarging their rehabilitation facilities should be made available from the insurance fund by earmarking a part of the fund for this purpose. But, I repeat, our fundamental intention here is to permit States and local governments to develop rehabilitation services to meet their particular needs and we are merely using the mechanism of the trust fund to give them some additional help in expanding their services.

In my discussion thus far I have sought to outline the provisions of our amendment and to set forth in a very general way some of the supporting reasoning behind it. This discussion is far from complete. Those Members of the Senate who are familiar with the recommendations of the Senate Advisory Council on Social Security will recall that the Council, speaking through 15 of its 17 members, strongly advised adoption of the disability insurance provision. The Council in the opening paragraph of its discussion on disability insurance had this to say:

"Income loss from permanent and total disability is a major economic hazard to which, like old age and death, all gainful workers are exposed. The advisory council believes that the time has come to extend the Nation's social-insurance system to afford protection against this loss" (p. 69).

The council's report went on to observe:

"The council is strongly impressed with the seriousness of the problems created by permanent and total disability and with the social disadvantages of compelling the victims of this misfortune to depend upon public assistance. We believe that there is enough administrative ability in our Government organization to provide effective machinery for meeting this pressing social need" (p. 70).

I want to expand somewhat, Mr. President, on the council's observation that public assistance is scarcely the way in which the problem of permanent and total disability should be met. For one thing, as I have already stated, public-assistance programs are quite inadequate to handle this problem. A still more fundamental difficulty, I believe, is found in the fact that public assistance is not a self-supporting program. It is, instead, supported by general tax revenues. Too, as I mentioned in my opening remarks, disability prior to retirement age is simply another phase of the retirement problem. It is premature retirement brought about through some circumstance, generally accidental in nature, which removes a worker from gainful employment prior to the time persons of his age would normally expect to retire. Yet, the problem for the disabled person is just as acute as is that faced by a worker who retires at age 65 or thereafter and is without other income to maintain himself and his family. But, in one sense, this forced premature retirement as a result of disability may have more serious economic consequences than retirement at the normal retirement age. An unexpected disability may come well in advance of the time that a man who is planning for his ultimate retirement may have anticipated. And this I believe is particularly tragic, because disability frequently occurs at the peak of a man's earning capacity, at a time he may be completing the purchase of his home and just beginning to put aside money for his ultimate retirement.

So, in closing, Mr. President, I urge strongly that our amendment be adopted. I believe that a self-supporting insurance system is far and away preferable to the present method which depends exclusively on tax-supported public assistance for the support of our needy disabled. What we are doing, in short, by adopting this amendment, is merely lowering the retirement age for those forced from gainful employment as a consequence of permanent and total disability. I think that this is completely consonant with the concept of social insurance which is designed to provide minimum security for those who suffer income loss as a result of retirement—and I believe it is only consistent that we should recognize retirement may not be caused exclusively by reaching the legally prescribed age of 65.

Adoption of this amendment, Mr. President, would eradicate the shadow of insecurity and virtual destitution which threatens any working person today who might tomorrow find himself totally incapacitated and incapable thenceforth of providing for himself and his family. Social insurance is a dignified means of banishing that shadow. It is self-supporting. It does not carry with it the stigma of a relief hand-out. We have in this amendment a vehicle by means of which those covered by social security may by their contributions to the insurance fund spread the risk of economic tragedy which might befall them in the event of disability.

## EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

## EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

George E. Sterling, of Maine, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1950 (reappointment).

## ONE HUNDRED AND SEVENTY-FIFTH ANNIVERSARY OF THE CORPS OF ENGINEERS, UNITED STATES ARMY

The PRESIDENT pro tempore. In his capacity as a Senator, the Chair asks unanimous consent to have inserted in the RECORD an editorial about the Corps of Engineers of the United States Army, today, June 16, being the anniversary of the corps, which has done such wonderful things for our country in both peace and war.

This editorial is entitled "Fighting Builders," and was written by Mr. Jack Carley, of the Commercial Appeal, of Memphis, Tenn., and published in the Sunday, June 11, 1950, edition of that paper.

It is one of the most beautiful tributes to the Corps of Engineers the Chair has seen in a long time, and he takes pleasure in having it printed in the RECORD. The Chair calls the attention of all Senators to the editorial and hopes they will read it.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

### FIGHTING BUILDERS

Maj. Gen. Richard Gridley was busily supervising construction of Bunker Hill's breastworks on the day General Washington appointed him Chief Engineer of the Grand Army (Continental). Gridley kept on building and made such a good job of it that Britain's crack grenadier guards quit after three unsuccessful assaults against the breastworks and what was behind them. This week the Corps of Engineers, United States Army, is pridefully observing its founding anniversary.

Since Gridley's day the Corps of Engineers has marched far, built much, and fought all comers. Along with that, it has produced such peerless military leaders as the South's incomparable Robert E. Lee and the present turbulent world's redoubtable Douglas MacArthur; and that's a reminder that great names and tough jobs have been common with the corps—George Goethals building the Panama Canal; Lew Pick bulldozing a Ledo road into vital usefulness; Bill Hoge directing the taking of the Remagen Bridge with the same ease he'd direct the building of a main-line levee; Don Noce's amphibian engineers putting combat troops ashore in 147 Southwest Pacific beachhead landings.

From Gridley's breastworks in 1775 to the killing drifts of the West's 1948 Operation Snowbound, the "pick-and-shovel soldiers" have helped make gallant American history with sweat and blood and calloused hands. What's written into so fine a record is as imperishable as it has been brave.

We started to felicitate old friends. Somehow it seems more fitting just to say, "Thanks, soldier—and good going."

Mr. STENNIS. Mr. President, I ask unanimous consent to have inserted in the RECORD a statement prepared by me and a proclamation by the Governor of Mississippi commemorating the one-hundred and seventy-fifth anniversary of the United States Corps of Engineers.

There being no objection, the statement and proclamation were ordered to be printed in the RECORD, as follows:

It was a fortunate circumstance that our first great general was an engineer. It was just 175 years ago today that a request of General George Washington was acted upon by the Continental Congress and the Corps of Engineers created.

The Corps consisted of a chief and two assistants and their first job was to throw up the defenses at Bunker Hill; and, their second, to put aside shovels and join in the fighting.

The Army engineers have been serving the National Military Establishment and the Nation down through the years to the present day. The Engineer Corps increased in size and importance through the years as the young Nation moved forward to its high destiny.

The Corps reached its pinnacle of strength in the recent war when 700,000 officers and enlisted men wore the famous castle insignia. It is interesting to note that more than 500,000 of these men were overseas in the thick of battle operations. The greatest

single production feat of the war, the development of the atom bomb, was under the direction of the Corps of Engineers.

But, Mr. President, age and size and wartime achievement are not the basic fact about the engineers in their relation to our Nation's growth. The important thing is that they have been kept as active in the service of their country in years of peace as in war.

At every hand, in every State, there is some useful monument to their service, be it a giant dam, a magnificent building, or merely a surveyed boundary line. Year after year, at the bidding of the Congress, they have been entrusted with vast funds and important works. It is a unique tribute to their honesty and integrity that no serious reflection has ever been cast upon their trusteeship.

In my own State the engineers are held in highest esteem for having harnessed the great flood tides that roll down the Mississippi to the sea.

In recognition of their work and as a mark of the people's appreciation, the Governor of Mississippi, the Honorable Fielding Wright, has caused to be issued a proclamation commemorating this one-hundred and seventy-fifth birthday of the Corps of Engineers.

It reads as follows:

"PROCLAMATION

"Whereas June 16 marks the one hundred and seventy-fifth anniversary of the establishment of the Corps of Engineers, United States Army, by the Continental Congress; and

"Whereas this body of trained engineers has, through great courage and resolute spirit, crossed the seas and bridged the rivers to reach our enemies in time of war; and

"Whereas through their civil works program as authorized by the Congress, the Corps of Engineers, United States Army, has improved the Nation's harbors for world trade and harnessed rivers for protection against floods; and for the extension and advancement of water-borne commerce; and

"Whereas the activities of the Corps of Engineers, United States Army, both in peace and war have been of great benefit to this Nation:

"Now, therefore, I, Fielding L. Wright, Governor of the State of Mississippi, do hereby proclaim the day of June 16, 1950, to be Engineers Day and do urge the citizens of the State of Mississippi to pay homage to their past accomplishments, to their mighty war efforts, and pledge our support to their progressive and constructive works during our years of peace.

"In testimony whereof, I have hereunto set my hand and caused the great seal of the State of Mississippi to be affixed, this the 2d day of June 1950.

"F. L. WRIGHT,
*"Governor."*

## ELKS FLAG DAY CELEBRATION ADDRESS BY SENATOR MARTIN

[Mr. KEM asked and obtained leave to have printed in the RECORD the address delivered by Senator MARTIN at the Elks Flag Day celebration at Lancaster, Pa., on June 14, 1950, which appears in the Appendix.]

## REPORT ON COFFEE BY THE GILLETTE COMMITTEE

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD Hanson's Latin-American letter dated June 7, 1950, containing a special memorandum dealing with the report on coffee, of the Gillette committee which appears in the Appendix.]

## RURAL ELECTRIFICATION — ARTICLE FROM THE RURAL ELECTRIFICATION MAGAZINE

[Mr. YOUNG asked and obtained leave to have printed in the RECORD an article published in the Rural Electrification Magazine for June 1950, which appears in the Appendix.]

## ANALYSIS OF THE ECA PROGRAM

Mr. McCARRAN. Mr. President, the most recent reports on the recovery of western Europe under the impetus of our economic assistance reveal that industrial production in the Marshall-plan countries continued to increase in the first quarter of 1950.

By the last quarter of 1949 the statistics revealed that the ECA nations, excluding western Germany, were producing at a rate of 29 percent above prewar. The latest figures indicate new high marks in this area. Furthermore, the current agricultural reports indicate that the prospects in agricultural production exceed last year, and 1949 was an exceedingly good crop year in Europe.

The significance of these reports raises serious questions as to what we may expect to achieve during the next year with our foreign aid.

I am concerned as to whether the economic recovery we have helped achieve has not been the restoration of the same old nationalistic economic pattern in Europe. I am gravely concerned as to whether the pattern of recovery we have been aiding with our dollars will not serve to defeat the more important objectives we seek.

We will soon have before us a most difficult task in determining the amount of funds we shall appropriate for continued Marshall-plan aid. In view of the present record it would appear that we must devote the remainder of the ECA program to the achievement of European economic integration, removing trade barriers and eliminating high-cost producers. It is most difficult to determine the cost of doing these things.

The staff of the Joint Committee on Foreign Economic Cooperation of which I am chairman has prepared a study entitled "An Analysis of the ECA Program" which points up most of these problems very objectively. I believe it will be of assistance to every member of this body in resolving some of the issues involved in determining the new appropriation.

Mr. President, I ask unanimous consent that this study be printed in the record as a part of my remarks.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

### AN ANALYSIS OF THE ECA PROGRAM

(This study is passed on to the Congress by the committee not because the committee endorses the contents of the study but because it believes the discussion which it contains of the issues involved will be helpful to all Members of Congress in their study of pending legislation on foreign aid.)

#### PURPOSE OF THIS STAFF STUDY

This analysis has been prepared to aid Members of the Senate and House of Representatives in their study of the foreign aid program for the fiscal year 1950–51.

Since the summer of 1947, when Secretary of State Marshall made the address at Harvard which led to the Foreign Assistance Act of 1948, the situation in Europe has changed perceptibly, the scope of United States assistance to Europe has been broadened, and there have been almost 2 years of operating experience by the Economic Cooperation Administration. These circumstances suggest the desirability of reexamining the basic approach to the supplying of economic assistance as set forth in Public Law 472 of the Eightieth Congress and amended by Public Law 47 of the Eighty-first Congress, in the light of these new factors and of the administrative experience which is now available.

The Joint Committee on Foreign Economic Cooperation has, since its organization, maintained a staff which has been carrying on the function assigned to it in section 124 of Public Law 472 of making "a continuous study of the programs of United States economic assistance to foreign countries, and to review the progress achieved in the execution and administration of such programs."

This report is, in a sense, a byproduct of the work of the staff rather than a compilation of its studies. It is passed on to the Congress by the committee, not because the committee endorses the contents of the report, but because it believes the discussion which it contains of the issues involved will be helpful to all Members of Congress in their study of pending legislation on foreign aid.

The analysis prepared by the staff of the committee follows:

#### NECESSITY FOR CONTINUING FOREIGN ECONOMIC ASSISTANCE

The following analysis is based on the assumption that a program of foreign economic assistance will be continued. This assumption appears to be justified not only by the commitments already made to the participating countries by the United States, but also by the fact that most of the major maladjustment which have handicapped Europe since the war still remain. That is:

In spite of the unexpected progress of European recovery, the people of Europe still suffer from war-induced poverty.

The separation of western from eastern Europe by the iron curtain has disrupted the flow of raw materials and of manufactured articles and the consequent reorientation of western Europe in world commerce has as yet hardly begun.

The danger that Communist minorities may seize control of the governments of certain important western European states, while diminished from what it was in 1948, still remains.

There is reason to believe that basic factors which were making the industrial and commercial structure of Europe obsolete before the war persist, and must be either counteracted or compensated if Europe is to perform the military and political role which United States foreign policy contemplates. In particular it appears unlikely that Europe can ever regain its place as the workshop and banker for Asia, Africa, and Latin America.

In view of these fundamental problems which remain unsolved, it is assumed that it is in the interest of the United States temporarily to keep the countries of Europe which cooperate with the United States from bearing the full impact of their predicament.

This report is, therefore, concerned with possible alterations in the United States approach to the problem of foreign aid in the light of the realities of 1950, while accepting the existence of such a program as an essential element of United States foreign policy.

#### NATURE OF LEGISLATIVE ACTION INVOLVED

Although the perspective in which the program for economic cooperation is viewed in 1950 differs in a number of important respects from that of 1947–48, it is not believed that there is any need for redrafting the basic legislation.

This report calls attention to only seven aspects of the foreign-aid program which appear to justify careful study by the Congress in the light of current conditions and the possibility is indicated of dealing with

these matters by means of five legislative changes.

The seven aspects of the European-aid program justifying careful study are—

1. The problem of the economic unification of Europe.
2. American private investment abroad.
3. The procurement of strategic materials.
4. Control of trade with the iron-curtain countries.
5. Europe as a market for United States exports.
6. Relation of the ECA to foreign military assistance and point 4 programs.
7. Advantages of revision of basis for appropriation.

The five legislative changes would deal with the following matters:

1. The authorization for the appropriation would divide the total into specified sums to be used for designated purposes.
2. A corporation would be authorized which would function as an international RFC.
3. Legislation outside the foreign assistance program is suggested to eliminate uncertainties which handicap the procurement of strategic materials.
4. The usefulness of an amendment to Public Law 472, section 117 (d) (80th Cong., 2d sess.) to strengthen the control of trade with the iron-curtain countries is indicated.
5. The advantage of an amendment making the ECA Administrator a member of the National Security Council is pointed out.

An analysis of these problems and proposals follows.

THE PROBLEM OF ECONOMIC UNIFICATION OF EUROPE

In recent weeks growing attention has been centered on the problem of the economic unification of Europe. The evidence currently available seems to indicate that although the reconstruction of European manufacturing capacity has been accomplished with surprising rapidity, the result has been the establishment of an industrial pattern which is much closer to the prewar normal than to the hoped-for objective of a new and unified Europe.

The Foreign Assistance Act of 1948 as amended (sec. 102 (a)) declares it "to be the policy of the people of the United States to encourage the unification of Europe * * *" and refers to "the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers * * *." This policy appears to have been adopted primarily because of the belief that the countries of western Europe could not be expected to defend and support themselves in the postwar world if they reverted to the nationalistic economic structures which had existed before the war. It seems to be clear that the foreign assistance program was not aimed at the restoration of the prewar economic pattern of western Europe but that, instead, the object was to assist in a substantial remodeling of European industry and commerce with the expectation that only if this occurred would Europe be able to stand on its own feet.

The unsatisfactory situation which remains with regard to freeing intra-European trade is indicated by the continued exhortations of Administrator Paul Hoffman to the participating countries to reduce and eliminate trade barriers and currency controls.

The following examination of specific situations suggests that the efforts of the Economic Cooperation Administration to date have not served to clear a road which can now be readily followed to the desired objective. Instead, it appears that the lesson to be derived from the ECA's experience is that such serious obstructions have been encountered that the economic unification of Europe can be attained only if a somewhat different approach is made to the problem.

In many respects the multiplicity of import quotas and exchange restrictions which characterize the European economy today should be regarded as symptoms of a disease rather than as a disease in itself. As long as countries are consuming more than they produce, spending more than their revenue, and maintaining uneconomical industries in order to keep workmen from losing their jobs, they are forced to impose restrictions on the movement of goods and currency.

To blame participating governments for their refusal to remove such controls while these internal maladjustments persist is comparable to blaming a patient suffering from an organic ailment for running a fever.

In this report emphasis has been placed on the unification of European industry rather than upon the obstacles to trade. Particular attention is given to the rebuilding of the European steel industry since the war, since it is believed that the record of this industry indicates with unusual clarity the problems involved.

*The ECA program for the European steel industry*

The ECA has authorized the expenditure of $167,399,000 on European steel-mill projects up to December 31, 1949. Additional ECA dollars have been spent on the European steel industry for items which have not been recorded on a project basis. These steel-project dollars have been divided among countries as follows:

| | |
|---|---|
| Austria | $17,971,000 |
| Belgium | 5,767,000 |
| France | 64,934,000 |
| Italy | 25,497,000 |
| Netherlands | 23,500,000 |
| United Kingdom | 29,730,000 |
| Total | 167,399,000 |

It is generally agreed that the most revolutionary development in the steel manufacturing process of the last 50 years is the continuous rolling mill. This equipment was developed in the United States and permits the reduction of a steel billet to a sheet, by passing from one machine to another in sequence rather than being passed and repassed through the same machine as previously done. The new process cuts labor costs substantially, but a continuous mill must produce very large quantities to be economical. All of the large producers of sheets in America have such mills and it is generally accepted that no steel producer can compete in sheet production either in Europe or America without such a mill. Only the United Kingdom and Germany had continuous mills in Europe before the war—one each—and the German mill has been shipped to Russia as reparations.

As a consequence of this situation, there was great interest in building continuous mills in Europe after the war and, since the equipment is obtainable only in the United States, dollar expenditures were involved.

Of the ECA authorizations set forth above, $137,409,000 has gone to companies which are building continuous mills, being distributed as follows:

| Country | Company | Dollars [1] |
|---|---|---|
| Austria | Vereinigte Oesterreichische Eisen- und Stahlwerke Aktien Gesellschaft (VOEST). | $10,883,000 |
| Belgium | S. A. Metalurgique d'Esperance Lengdoz | 2,585,000 |
| France | Union Siderurgique du Nord de la France (USINOR) | 12,074,000 |
| | Societe Lorraine de Laminage Continu (SOLLAC) | 49,360,000 |
| Italy | Alti Fornie Acciaierie d'Italia (ILVA), controlled by Societa Finanziaria Siderurgica p. a. (FINSIDER). | 12,007,000 |
| Netherlands | Koninklijke Nederlandsche Hoogovens en Staalfabricken N. V. | 23,500,000 |
| United Kingdom | Steel Co. of Wales, Ltd | 27,000,000 |

[1] The continuous mills themselves cost less than these sums. These are the dollars going to projects which include such mills.

Attention is directed to the geographical location of these projects. Presumably steel manufacturing in a unified Europe would be centered in a few large plants in the lowest cost locations to serve the one big market. Considering the location of Europe's coal and iron deposits, together with the accessibility of transportation facilities, it might be expected that most of the steel plants to supply the new Europe would be found in Germany, the United Kingdom, and France, which have always been the leaders in European steel manufacturing.

Furthermore, it should be noted that the larger countries of Europe have traditionally regarded the possession of steel plants as essential to their national defense. Consequently, the fact that steel has been manufactured in Austria for 100 years does not necessarily indicate that steel production in Austria can be justified on purely economic grounds. It must be recognized that the industry got its start when the Austro-Hungarian Empire was a world power and a major military force. In Italy, Mussolini expanded the steel industry substantially as part of a military program. It does not follow, therefore, that it is desirable to reequip the existing Italian steel industry with the most modern machinery in an effort to keep the plants going. It is possible that the best way to bring about a unified European economy would be for the ECA to use its funds to lighten the impact on the Italian economy of closing down most of Italy's steel plants.

Perhaps the most striking feature of the ECA program for erecting continuous mills in Europe is the fact that Germany will have no continuous mill at all in spite of the fact that the Ruhr is generally regarded as possessing more natural advantages for the manufacture of steel than any other location in Europe.

The consensus of European steel makers and government officials appears to be that no more continuous steel mills should be built in Europe for the present than have already been authorized by the ECA. If this position is maintained, the Ruhr with all its natural advantages apparently will be barred from competing in the world market for steel sheets because it is deprived of up-to-date equipment, while other higher-cost producers participate in this production to the detriment of Europan steel fabricators who are trying to regain a substantial place for their products in world markets.

*ECA funds have not necessarily been wasted*

The point to this description of the ECA program for the European steel industry is not that the ECA money has been wrongly invested; it is merely that the ECA program for steel so far has been dominated by considerations at variance with the economic

unification of Europe. The biggest reason why the ECA steel program has turned out the way it has appears to be that short-run national political considerations have had to be given priority over long-run objectives of unification. For instance, in countries such as Italy and Austria where the Communist menace has always been serious, it has not been felt safe to tamper very much with the existing economic pattern, because of the impact of change on employment and on national pride. Cetrainly it would be futile to take action toward integrating the Italian economy into that of a unified Europe if such action caused a friendly Italian Government to be replaced by a Communist government.

Nevertheless, it seems clear that building steel mills in locations which do not conform to a pattern of low-cost production for a unified Europe actually retards the attainment of that objective. The new mills are big. The fixed charges are heavy. The various governments which have sponsored these plants will presumably go to great lengths to keep them operating. It is unlikely that the Austrain Government will ever permit low-cost steel sheets to be imported while its own new sheet mill stands idle.

*Steps necessary for integration of European steel industry*

An examination of the current status and problems of the European steel industry indicates the difficulties with which the ECA must grapple if it is to carry forward the announced policy of the United States to unify Europe. To attain this objective it would appear to be necessary to determine which, in western Europe, are the lowest-cost locations for steel production; to take the action necessary to assure that plants of the optimum size and efficiency will be erected there (or old ones modernized); and, finally, to make sure that market restrictions and production subsidies are removed so that the low-cost plants are assured of an opportunity to compete for a share of the new and large European domestic market.

In selecting locations either of two general approaches is possible, or some combination of them. One would involve the formation of a master plan for Europe, by a government agency, based on exhaustive analysis of cost factors submitted by various countries and firms which desire to construct plants. At the other extreme would be the removal of all subsidies, restrictions, and protections which impede the flow of goods and capital across national boundaries, which should result in the gravitation of private capital investment in steel to the most favorable sites as a result of competitive forces.

It should be noted that either of these approaches requires some sort of higher European government with sufficient power to enforce decisions which are against the national interests of individual countries. The formulation of a master plan based on production efficiency could not be done on the basis of debate and compromise. The countries with the natural advantages should get the plants and the others should not. If national subsidies, barriers, and protections are to be removed effectively, there must be an authority which can direct the nations of Europe to alter their tariffs, tax programs, and to accept decisions which will lead to closing down factories and creating unemployment. Any other procedure would result in a production pattern based on keeping as many people in business as possible and on causing a minimum disruption of the old industrial structure, rather than upon considerations of producing at the lowest possible costs so that Europe may be able to compete in the markets of the world.

Comparable problems exist in getting the plants built. Theoretically, at least, a decision to concentrate the steel manufacturing for all of Europe in three countries should not mean that only the skilled labor, management, and private capital of those countries should participate in the industry. If it should be decided that future steel production in Italy was uneconomical, it should be possible for Italian plant owners, managers, engineers, and skilled laborers to compete for a place in the bigger and better steel industry in its new locations. To bring this about would require the ability of a higher governmental authority to formulate and enforce policies upon the participating nations.

The transformation of western Europe into one big market for steel instead of a group of Nation-wide markets would require abandonment of the concept that each country should have the right to manufacture at least its own domestic requirements for itself. Furthermore, each country which now has a steel industry regards that industry as an element in its national defense program. The existence of the Atlantic Pact and the military-assistance program presumably will make each member nation more willing to adjust its industrial structure in the direction of an integrated Europe than would otherwise be the case. Nevertheless, the bringing about of an integrated steel industry in Europe will clearly require controls broader in scope than have usually been thought of as part of an economic program.

*Unification of European steel production would cause unemployment and major readjustments*

If steel production in Europe were to be concentrated in a few large-scale operations, it would be necessary for plants to close down in a number of countries. As a result, local industries which were dependent on local steel production would also be curtailed, power supply and consumption would be altered, workmen would be unemployed, and cities would lose population. Presumably no participating country could face such readjustments unless the impact could be cushioned by Marshall-plan aid. The development of programs for integrating industries would, consequently, involve preparing plans for making compensatory economic changes in the countries which were to lose factories. This type of programing is complex and it would require years to put such a program into effect.

It may be concluded, therefore, that the unification of European industry cannot be accomplished by 1952 and that a significant index of ECA progress in this direction will not be its report of projects approved for building new factories but, instead, of programs developed for closing down high-cost industries and for cushioning the impact of this action.

*Relation of European colonies to European unification*

The fact that several of the ECA countries in Europe are the centers of colonial empires inevitably conflicts with the unification of Europe. There is a tendency in such cases for the parent country to offer better prices for the products of its dependencies than the dependencies can obtain elsewhere (France pays more for Martinique sugar than Martinique can get any place else) and then to require the dependency to favor the parent country in its purchases of manufactured goods. As a result, production of both the parent country and the dependency has been sheltered and an artificial economic structure has been developed. To integrate European industries generally would mean pulling the props not only from under important segments of European industry but also from under the economies of the colonies. The consequences would be far reaching.

*Conclusions as to industrial unification*

1. The inevitable conflicts between the requirements for economic integration and short-run, national political considerations; the magnitude, complexity, and the consequences of the adjustments necessary; and the need for creating a higher governmental agency capable of carrying out such a program, all indicate that substantial results in this field can only be obtained over a relatively long period.

2. The nature of the actions necessary for the formulation and execution of a program of economic unification seems to require an accompanying political unification of Europe and the transfer of certain segments of sovereignty to this higher government if the desired results are to be obtained. A body such as the Organization for European Economic Cooperation (OEEC) which limits itself to the economic field and which operates under a unanimity rule, inevitably must fail as an agency for integrating the European economy. Its decisions are necessarily compromises which all members can accept with a good deal of "I will not vote against your program for fear you will vote against mine" beneath the surface. Furthermore, the member nations are not willing to entrust to it issues which involve national defense or risk the political future of their governments.

It seems clear that it will be impossible to advance much beyond the present stage of economic unification without a new approach in organization and control.

3. The immediate bottleneck retarding the industrial integration of Europe is not money, and there is no assurance that further capital investments in European industry will promote unification. European manufacturing facilities have already been restored to a point where they are producing more than they did before the war. What is needed next is a new pattern and new institutions to develop and execute the necessary program. Until these political and organizational problems are much nearer to being overcome than at present, capital can only be invested on a nationalistic basis.

Additional expenditures by the United States for industrial construction should be entered into with extreme caution and only after a new approach has been developed to assure that the new plants will promote economic integration.

AMERICAN PRIVATE INVESTMENT ABROAD

One aspect of the ECA program which has been spectacularly devoid of results is the effort to encourage private investment by Americans in the ECA countries. After 1¾ years of operation with $300,000,000 available to guarantee such investments the first year and $150,000,000 available the second year, there have been 15 such guaranties made totaling $3,968,008. Furthermore, there are only 33 applications pending involving $38,591,958. This does not include guaranties to informational media which are limited to a total of $10,000,000 and which involve different issues.

The guaranties to American investors apparently were included in the Foreign Assistance Act (Public Law 472, sec. 111 (b) (3), as amended) in the belief that, while initially the major part of the recovery program would have to be Government-financed, as European industry showed signs of revival American investors might supply capital and know-how to European industries to the advantage not only of the recovery effort, but also of the United States Treasury. The guaranties have been limited to assuring the American investor that he can convert his investment and the profits he may make on it into dollars during a 14-year period. That is, he receives no protection against commercial or political risks, but he is assured that he can convert what he may realize on his investment, during the life of the guaranty, into dollars. Such an arrangement has clearly not been attractive to American business.

It should be understood that the problem is not pecular to the countries of Europe. The current discussion of the point 4 program for assistance to underdeveloped coun-

tries indicates that Americans are slow to make foreign investments in all parts of the world. There are several factors, apparently common to most foreign countries, which account for this reluctance.

Of primary importance is undoubtedly the existence of the cold war. The fact that Russia and the Cominform are avowed enemies of the American investor (capitalist) and are actively striving to destroy in all countries of the world those institutions and governmental processes on which the ownership of property depends, inevitably discourages private investment in most parts of the world, except in unusual circumstances.

Furthermore, the record of many foreign governments with regard to expropriation and discrimination makes Americans fear that they may be throwing good money after bad. Even after nearly 2 years of United States aid, certain European governments refuse to permit Americans more than a minority interest in any of their enterprises, discriminate against United States firms in the administration of their exchange and export-import controls, and postpone treaty negotiations necessary to protect American business interests.

In addition to the familiar and understandable effort of vested interests in a country to prevent encroachment by outsiders, there is a new element in the opposition by foreign governments to investment by Americans. In most of the countries of western Europe there is substantial political pressure in favor of public ownership of basic industries. The situation in the German Federal Republic is a case in point. There the Social Democrats are the second largest political party, particularly strong in the Ruhr, and are pledged to public ownership of the coal mines and the steel industry. In this they have the sympathy, if nothing more, of the British. Consequently, any suggestion that United States capital might be invested in the Ruhr is vigorously resisted by this group since they fear that it would be exceedingly difficult to oust American owners once they had gained a foothold. In Germany, Austria, and to a lesser extent other European countries, the ownership of major industries is unsettled due to problems of disposing of the property of Nazi owners and collaborators as well as other factors. Groups advocating a socialistic program are actively interested in postponing the settlement of these ownership issues in the hope that public ownership may ultimately result. In all such instances it would be essential that uncertainties of this nature be removed before Americans would be interested in investment, while at the same time any suggestion that participation by Americans in the industrial development of a country be encouraged encounters effective resistance from the Socialist groups who believe that such a step would defeat their programs.

Recognition must also be given to the fact that the policy of the United States Government, as manifested by the Department of State, is by no means clearly in favor of American private investment abroad. In response to the argument that one of the best means of building up world production, fostering unification, discouraging economic nationalism, and preventing wars would be active participation by United States businessmen in the ownership and management of industries throughout the world, the State Department emphasizes the danger of providing a basis for the Communist charges of Wall Street imperialism, the undesirability of interfering with the internal affairs of a sovereign country, and the importance of avoiding any antagonizing of the parties advocating public ownership. (Coalition governments might fall as a result.)

In spite of these obstacles and disadvantages, there would clearly be certain benefits to the American taxpayer if private investment abroad could be developed. The most obvious is the saving in cost. Every dollar made available to Europe would serve to alleviate the dollar shortage even if supplied by private enterprise in the hope of making a profit. Even under a Government guaranty program the cost would be less than an equivalent investment by the Government, except in the unlikely event that the United States would have to make good every project it guaranteed.

The value of private initiative, judgment, and know-how together with ability to select industrial reconstruction projects on the basis of their profit potentialities might be even more important advantages of the extension of private investment. European technology suffered a severe lapse during the war years. European business has never had the aggressive, competitive leadership that characterizes our own. Its entire philosophy is based on protection and regulation. Furthermore, war losses have irreparably limited the supply of executive manpower. American risk capital and American management could make a major contribution.

*Conclusions as to private investment*

1. There is no certainty that while the present cold war atmosphere persists any substantial foreign private investment by Americans can be brought about. The risks are almost unprecedented.

2. A major obstacle that should be cleared away before undertaking to broaden the guaranty program is the uncertainties concerning the policies and regulations of the governments concerned, including our own, toward such investment. Unless a participating government is willing to do everything in its power to assure American investors equal treatment with its own people, it seems undesirable to ask the American taxpayer to underwrite such undertakings. It is particularly important that the Government of the United States determine whether it really desires to promote private investment by Americans abroad as an integral part of our foreign policy. Any reservations on this point should be made clear before funds are appropriated.

3. It seems clear that few Americans feel themselves in a position to assume the military and political risks inherent in foreign investment under present conditions. It is believed by many that such investments would be made in significant amount if the United States Government broadened the existing guaranty program to underwrite the risks of war, expropriation, and discrimination. It is possible that some sort of insurance arrangement could be developed with premiums paid by the private investors. The British Board of Trade has done something of this kind. It is not certain that such an approach would work. Many investors are opposed to such a program on the ground that a guaranty program of this nature would necessitate so much bureaucratic programing and so many controls as to defeat its purpose. The only acceptable approach would be to try it with a limited appropriation.

It should be noted, however, that every dollar going to Europe helps narrow the dollar gap and that there is little reason to fear that dollars sent to Europe by American investors, even if later repaid out of the United States Treasury, would be less wisely disbursed than those expended under current programing procedures.

PROCUREMENT OF STRATEGIC MATERIALS

A third disappointment in the operation of the Marshall plan is its comparative failure to produce strategic materials.

Since its beginning, one of the objectives of the ECA program has been the procurement of strategic materials for the United States. As originally enacted, Public Law 472, section 115 (b) (5) provided that each participating country would agree to "facilitate the transfer to the United States" of materials in which we are deficient. Section 115 (b) (9) required that the countries agree to negotiate "a future schedule" of availabilities to the United States of scarce materials and to give to Americans "suitable protection for the right of access." Section 117 (a) directed the Administrator to use ECA funds to increase the production of materials in which the United States is deficient.

Because the results obtained in carrying out these provisions during the first year of ECA operation were so meager, Public Law 47, Eighty-first Congress, first session, added the following amendments:

"SEC. 115. (1) (1) The Administrator shall, to the greatest extent practicable, initiate projects for and assist the appropriate agencies of the United States Government in procuring and stimulating increased production in participating countries of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources; and in furtherance of those objectives the Administrator shall, in addition to the local currency allocated pursuant to subsection (h), use such other means available to him under this title as he may deem appropriate.

"(2) In furtherance of such objectives and within the limits of the appropriations and contract authorizations of the Bureau of Federal Supply to procure strategic and critical materials, the Administrator, with the approval of the Director of such Bureau, shall enter into contracts in the name of the United States for the account of such Bureau for the purchase of strategic and critical materials in any participating country. Such contracts may provide for deliveries over definite periods, but not to exceed 20 years in any contract, and may provide for payment in advance of deliveries."

The ECA in its sixth report to Congress (quarter ending September 30, 1949, p. 60) indicates that progress in the strategic materials field "has been slower than anticipated." The record of ECA performance appears to support this judgment. In December 1948, the Chief of the ECA Strategic Materials Division announced that by the end of the first year of ECA operation (April 3, 1949) it was anticipated that $75,000,000 worth of strategic materials would have been procured. Against this estimate, the performance for 1 year and three-quarters (end of December 1949) has been a total expenditure equivalent to $48,455,505, all in counterpart funds. It was estimated also in December 1948, that $25,000,000 would be expended in the first year on long-range development projects. As of December 31, 1949 (1 year and three-quarters), only $6,072,000 has been spent for this purpose. At the end of 1949 ECA had available in its 5 percent counterpart fund, out of which strategic materials and United States foreign administrative expenses are financed, a total equivalent to $158,416,000. Past experience indicates that administrative expenses run about 16 percent of this amount, so that ECA has clearly not been able to spend the counterpart available for the strategic materials program.

*Reasons for unsatisfactory progress*

Although a number of administrative problems remain unsolved in connection with the procurement and development of strategic materials (the ECA cites such things as "method of channeling funds to the recipient company," "terms of repayment," "interest rates on money to be advanced," "security requirements," "fixing of a formula for determination of the value of metals turned over to the United States stock pile * * *" for example), there appear to be three primary difficulties which must be overcome if the program is to succeed:

First, the executive branch of the United States Government has not been able to agree

upon a comprehensive program for the procurement and development of strategic materials.

Second, the ECA countries have tended to "drag their feet" in carrying out this program.

Third, the ECA has regarded the strategic-materials program as being somewhat in conflict with the main objectives of the recovery program and has not given it a very high priority.

Each of these points will be discussed in some detail.

*Lack of comprehensive United States program*

The United States has not yet been able to reconcile effectively the various conflicting interests which exist in the strategic materials field. When provisions concerning strategic materials were included in the Foreign Assistance Act, Congress apparently had in mind two major considerations. First, the United States in the postwar world is vulnerable with respect to certain materials, particularly minerals, partly because of the depletion of our own supplies during the war and partly because a number of materials which are not available in the United States have become of major importance for industrial production and for national defense.

Second, Congress appears to have been motivated also by the belief that the Marshall plan countries should do anything for the United States that they possibly could in return for the sacrifices America was making for them. This was not an idea that the dollar value of the materials received should be balanced against the dollar cost of foreign aid, but rather that perhaps the only field in which the United States was weak and Europe could help was that of deficiency materials, and that Europe should do what it could.

Up to now, the executive branch has not given concrete expression to these broad objectives nor translated them into a program for action.

The military interest in these materials is represented by the Munitions Board. Its basic approach is to stockpile critical items so as to assure adequate supplies for a 5-year war. Its interest is primarily concerned with the stockpile and is not directly interested in the development of new production. Furthermore, long-range economic considerations do not concern it very much. It is more interested in a high-cost source of supply close at hand than in a low-cost source involving a long ocean haul. This latter type of development might be of importance to the future of United States industry. In general, it has been the experience of the Munitions Board that it can get what it wants if it has enough money, and that the ECA is not vital to its operations.

American industry is by no means sure that a strategic-materials program is desirable. There is a strong feeling among a number of firms that a stockpiling program is undesirable because the existence of a stockpile constitutes a continuous threat overhanging the market. In addition, various high-cost mineral producers in the United States which were kept in operation during the period of war and postwar shortages are now closing down. They and their unemployed workmen strongly object to purchasing or developing foreign supplies of the commodities which they produce. Some of the major United States corporations with extensive experience in foreign operations, which are seriously concerned with the limited reserves of certain minerals remaining in the United States and which might be expected to take the initiative in a long-range development program to assure themselves of future supplies, are unwilling to do so because of the current risks of foreign investment. Consequently, there has been no effective leadership toward a strategic-materials program from American business.

The United States Government efforts in this direction have not been effectively coordinated. There is an interdepartmental committee, in which the several executive departments participate, which serves to reconcile conflicting interests. Nevertheless, there is no department which assumes responsibility for the problem in its entirety and which can be held accountable for shortcomings. Each Government agency looks after its own interests, but there is none which devotes itself to the broad problem visualized by Congress at the outset of the foreign-aid program.

*ECA countries reluctant to supply materials*

In general, it may be said that the countries of Europe think of their strategic-materials resources primarily in political and military terms and only secondarily in commercial terms. They recognize these resources as giving them increasing advantages in international bargaining and because the supplies are often found in the overseas territories, the strategic-materials problem is frequently mixed up with the complex and artificial colonial economy of the parent country.

A further difficulty in obtaining such supplies from Europeans is the traditional attitude of these countries toward the exhaustion of resources. It may be said that ghost towns are largely an American phenomenon. Europeans try (and usually succeed) in avoiding situations where the exhaustion of a mine means that labor and capital have to be uprooted and shifted to a new means of livelihood. Consequently, European ideas as to supplies currently available are usually substantially less than American judgment involving the same reserves.

Finally, in addition to these less tangible obstacles, the fact remains that on a strictly commercial basis most strategic materials can be sold for dollars, and the participating countries are reluctant to sell for less. To the extent that the ECA program is based on the use of counterpart funds, it is necessary to introduce additional considerations into negotiations in order to attain success.

*Effects of ECA attitude toward program*

In its strategic-materials program the ECA has always operated under a psychological handicap because it has felt that its main job was bringing about European recovery and that the aggressive action necessary to assure an adequate flow of strategic materials would interfere with its recovery objectives. This attitude has in part, apparently, reflected a belief that any compensation derived in this way would be so insignificant, as compared to the total outlay by the United States, that it was not worth the danger of giving support to the charges by the Communists that the Marshall plan was designed to give the United States control of the world's resources. The ECA has been unwilling to use pressure to get materials for the United States. It has defined availability so that only those strategic materials of which the participating countries as a group have a net surplus are eligible for ECA procurement. While this position is logically defensible, it must be recognized that the United States supply position would be better if the ECA had vigorously tried to obtain strategic commodities whenever it found a country with an exportable supply, without giving too much concern to other countries. Furthermore, although it might have made its loans contingent in certain cases on repayment in strategic materials, the ECA chose not to use this device which would have offered the dual advantages of putting pressure on the borrowing government to supply us the things we needed and of assuring that the United States would get some sort of return on the loan.

Nevertheless, the responsibility for the limited results in the strategic materials field cannot be attributed primarily to the ECA. At best, the ECA program gave the United States a valuable means to be used in getting and developing the materials we needed and were having trouble in acquiring. The ECA should not be expected to assume the job of reconciling the various conflicts as to what the United States really does want in this line, and then formulating a program to this end. If the United States had developed such a program, and the ECA failed to perform the functions assigned to it, it would deserve severe censure. As it stands, if Congress believes that the United States is still vulnerable as regards the availability of certain important materials it should direct its attention first to other executive departments in order to establish responsibility for developing a comprehensive program.

CONTROL OF TRADE WITH IRON CURTAIN COUNTRIES

A fourth case in which hopes reflected in the original Marshall-plan legislation have remained largely unfulfilled concerns the matter of preventing certain commodities from going from western Europe to Russia and its satellites.

Prior to the enactment of the Foreign Assistance Act of 1948 (Public Law 472, 80th Cong.), there was considerable attention in the congressional debate to the danger that commodities supplied by the United States to western Europe might find their way behind the iron curtain. The law as ultimately passed dealt with this matter by providing in section 117 (d) that "the Administrator is directed to refuse delivery insofar as practicable to participating countries of commodities which go into the production of any commodity for delivery to any nonparticipating European country, which commodity would be refused export licenses to those countries by the United States in the interest of national security."

It should be noted that this is a rather narrow provision if the real objective is to prevent items of military significance from going from western Europe to the Soviet area. It does not prevent the participating countries from shipping anything they want to the iron-curtain area as long as it is not made from ECA materials.

The ECA has never limited its activities in this field to trying to enforce strictly the letter of the law. It has tried instead to get the participating countries to enforce the same sort of restrictions on exports to the Soviet-dominated area that the United States maintains. This has involved trying to get the countries to accept our lists of prohibited and restricted commodities and to establish export control systems which would permit effective enforcement.

After nearly 2 years of operation the results obtained by ECA are disappointing. The participating countries have not as yet agreed to prohibit or limit the export to the iron-curtain countries of all of the items which the United States restricts. As a result, United States firms are still losing orders to foreign competitors which our own export regulations prevent our firms from filling.

Furthermore, while stressing the broader objective, the ECA has failed to obtain effective enforcement of the strict provisions of section 117 (d). A number of participating countries have export control systems which are admittedly of such a nature that they cannot tell whether or not products made of ECA materials have gone to iron-curtain countries.

The most serious situation with regard to control is found in the case of western Germany. Here investigations by the "watchdog committee" staff and by the Department of Commerce have indicated that the export-control procedure was inadequate

and that the border control along the boundary of the Russian zone is not organized for effective customs control. The only action so far to correct these deficiencies has been for the Allied High Commission to instruct the German Government to take necessary action. In view of the numerous and complex administrative problems facing the German Federal Republic at present, it is unlikely that substantial progress will be made in this direction for several weeks. This matter becomes increasingly urgent as Germany apparently is able to produce more items of military significance than any other European country.

A further major difficulty in bringing shipments from the ECA countries to eastern Europe under effective control is the so-called in transit trade, particularly through the free ports of Europe. The practice has been for the United States and the participating countries to allow prohibited and restricted items to move to other countries within the group rather freely. This has made it possible for products to be reconsigned to an iron-curtain country after being shipped from the country of origin to another participating country. This problem could be solved if each country would vigorously police all shipments where changes in consignee were involved.

The problem confronting Congress is the fact that after nearly 2 years the wholehearted cooperation of the European countries receiving American aid in controlling east-west trade has not been obtained. It presumably could be obtained if section 117 (d) were strengthened by directing the Administrator to withhold economic assistance from all countries which do not satisfy him that they have put into effect controls which prevent shipments of goods to the iron-curtain area, which the United States itself does not permit.

In this connection it must be recognized that this problem might fall more directly into the sphere of the North Atlantic Treaty and its administration. Nevertheless, certain countries receive economic assistance which do not participate in the foreign military assistance program. The fundamental question then remains as to whether American dollars should go to countries which do not carry out our policies concerning trade with the Soviet-dominated countries.

EUROPE AS A MARKET FOR UNITED STATES EXPORTS

In addition to problems of the foregoing type—problems which were recognized at the time of passage of the original ECA legislation and which still remain to be dealt with effectively—new ones have come into being that could not be foreseen 2 years ago.

The Foreign Assistance Act of 1948 was enacted in an atmosphere of shortages which led to inclusion in it of a variety of provisions to limit United States exports as a protection to the American economy. The situation has now changed so that American businessmen are actively seeking markets for their products both at home and abroad. In the field of agriculture we are embarking on a program of acreage restrictions because we are threatened with surpluses of a number of commodities.

This basic change makes it desirable to consider whether or not the ECA program should be modified to conform to the new situation.

There have been frequent complaints from American firms with long experience in the export field that the Marshall plan has seriously injured their business. Against this situation, however, must be balanced the fact that most of the ECA dollars have been spent in the United States with the result that exports to Europe apparently have been substantially greater than would have been the case with no foreign-aid program. Furthermore, it must be realized that many American exporters whose sales to ECA countries have been curtailed on the grounds that their products were not basic necessities, would have suffered in the same way without the Marshall plan as a result of drastic economies made necessary by the economy programs of countries without dollars.

The large and fundamental grievance which United States exporters have against the ECA program is that, as it now operates, it encourages the development of new sources of supply outside the dollar area which are likely to usurp permanently the position of the United States in the European market.

In analyzing this condition, it is necessary to recognize that western Europe has to make drastic changes in its industrial and trade patterns. (The largest single reason for this is the loss of eastern Europe as a market and as a source of foodstuffs and raw materials.) The basic reason for the Economic Cooperation Administration has been to cushion the impact of these necessary readjustments. The ECA program cannot be justified in terms of the economic benefits it confers on the United States. Any way we look at it, it involves economic sacrifice by the United States in order to attain desired political and military objectives.

Although the program is still very costly, fewer taxpayers' dollars would be required if the economic structure of Europe were altered so that it could produce for itself things formerly exported to it from the United States. Our dollar outlay would be further reduced if we accepted imports from Europe of items we formerly produced for ourselves.

The problem of the Congress is to evaluate the advantages of dollar savings made in this way against the impact on the United States economy of the loss by American producers of certain of their markets to foreign competitors.

It should be emphasized that there is no way these factors can be manipulated so as to produce a net economic gain to the United States. The ECA program involves economic sacrifice either in direct expenditure of Federal funds or in readjustments of agriculture and industry to allow for foreign competition.

The Congress finds it necessary, then, to balance the expenditure of tax dollars and the sacrifice of United States producers to foreign competition in such a way as to cause the minimum amount of economic and political disturbance to the American people.

*Relation of ECA to United States agricultural surpluses*

One large issue has already emerged with sufficient clarity to justify immediate consideration. That is the relation of the United States farm-price-support program to the foreign assistance program. Regardless of the procedure by which it will be implemented, it seems clear that the United States will follow a policy of holding the domestic prices of the major agricultural crops above world prices and of producing quantities of certain of these crops in excess of domestic requirements.

Under the circumstances, it is to our advantage to export such surpluses. The Economic Cooperation Administration now aids such exports by providing dollars to European governments for buying our cotton, wheat, tobacco, etc. The objection to this practice is that the American dollars are made available in such a way that pressure is constantly exerted on the European countries to buy all of these things from nondollar sources if they can possibly do so. After a country's program has been approved by the ECA and its allocation of dollars made, every pound of nondollar cotton and bushel of nondollar wheat that can be substituted for these commodities programed for export from America means that additional dollars will be available to buy other items.

There is, consequently, a constant incentive for the countries of Europe to expand cotton production in their colonial possessions and to bring additional areas into producing other crops. The United States, therefore, finds itself today in a position of simultaneously encouraging the production at home of cotton and other agricultural products by means of its price-support programs, while it is stimulating the production of the same things in foreign countries by pressing the ECA countries to buy from nondollar sources.

It would appear to be desirable to eliminate this inconsistency, if possible.

A possible solution to the problem would be to provide to Marshall-plan countries an agreed-upon quantity of cotton, tobacco, etc., as part of the foreign-aid program, rather than continuing the present practice of giving them an equivalent number of dollars with a good deal of discretion as to how they will be spent. That is, a portion of the ECA appropriation should be expended to buy predetermined quantities of agricultural commodities in the United States. The participating countries would then have available to them supplies of American cotton, tobacco, etc., previously agreed upon with ECA as essential to their programs. They would have no incentive, however, to substitute for these items the same commodities from nondollar sources. The dollar cost to the United States would be no less and the total contribution to Europe would be the same. The only difference would be that expansion of nondollar agricultural production of crops important to the United States economy would not be encouraged.

There is no question but that the receiving countries would prefer that the present system be continued. Nevertheless, it is not unreasonable for the United States to make the retention of a place for certain American farm products in the European market one of the elements of the recovery program which we finance. Stated in more general terms, we merely take the position that in aiding western Europe to orient itself in the postwar world, there are certain adjustments of our internal economy (curtailment of cotton production, for example) which are too burdensome for the United States to make. The reconstruction of Europe which we finance cannot, therefore, include the supplanting of United States supplies of certain commodities by the development at our expense of new sources.

During the calendar year 1949 the ECA allocated $575,900,000 for the procurement of cotton and a total of $1,823,400,000 for food and agricultural commodities. Even though the appropriation for ECA for fiscal 1951 is smaller than previously, a large portion of the money will necessarily be used to buy American farm products. If this expenditure is properly safeguarded, this appropriation can be regarded as serving the dual purpose of aiding Europe and at the same time helping to finance the United States agricultural program.

*Long-run problem of European agricultural expansion*

The point made here is based entirely on current realities. In the long run there may appear a basic conflict between the ability of Europe to support itself and the American price-support program. There is a widespread belief among American observers that the agricultural production of Europe could be substantially increased if a comprehensive effort were made to do so. It is not so much a question of more tractors as it is of modifying the system of land holding, development of something equivalent to the United States extension service, and breaking down the social inhibitions that perpetuate in Europe a sort of peasant status for the farmer.

Furthermore, if Europe finds it impossible to regain her old place as the manufacturer for the Asiatic, African, and South American Continents, it may be necessary for her to devote an increasing proportion of her resources to producing her own food.

Such a development might eventually add to the cost of our own agricultural price-support program.

RELATION OF THE ECA PROGRAM TO FOREIGN MILITARY ASSISTANCE AND POINT 4 PROGRAMS

Perhaps the most important United States foreign-policy developments since the passage of the original ECA legislation are the North Atlantic Treaty and the point 4 program. The implications for ECA of these programs are far reaching and merit more consideration than they have received to date.

During the period of June 1947 through April 1948, when the ECA program was being formulated, the most pressing problem was conceived to be the prevention of the economic collapse of the countries of Europe, in the belief that such collapse would result in the establishment of police states in place of democratic governments friendly to the United States.

The foreign military-assistance program and the North Atlantic Treaty have extended this effort to include a cooperative undertaking for the United States to aid the countries of western Europe in protecting themselves against external aggression.

The point 4 program for underdeveloped areas is aimed at increasing the world's productive resources and at the same time raising the standard of living of the people of such areas.

This extension of American cooperation with foreign nations raises the question as to whether the job to be done by ECA has changed appreciably and whether its financial requirements are different than originally conceived.

In addition to the direct value of its contribution of food, fuel, and equipment to Europe at its inception, the ECA undoubtedly performed a great symbolic function by indicating to the people of the participating countries that they were not being left to face the future alone and that the United States was behind them, while at the same time the Soviet world was put on notice that it was not to have a free hand in exploiting the ills of western Europe.

The advent of the foreign military assistance program should remove from the shoulders of the ECA any responsibility for performing this symbolic function. American military cooperation provides adequate evidence that we stand behind the countries desiring to participate, and serves as a warning to Russia. As a result, the Administrator of the recovery program should be able to limit his efforts to the technical job of aiding in the economic reconstruction of Europe and look to others for direction as to any action to be taken by him for political or military reasons. In other words, the ECA is no longer the sole instrument for attaining the objectives of United States foreign policy in Europe and, consequently, its responsibilities are somewhat less than before.

Since the United States is now actively striving for military and political results in Europe which are more far-reaching than economic recovery, it is essential that the ECA program should be coordinated with these broader objectives. The danger to be avoided in this connection is that the ECA program shall be defined and limited in such a way that it becomes an end in itself which is carried forward within its legislative boundaries regardless of whether the countries which are beneficiaries of the program are really meeting their obligations in cooperating with the United States in its entire program.

There have been a number of instances in the past 2 years in which ECA countries have refused or delayed cooperation in such matters as negotiating a trade treaty, action to remedy discrimination against American businessmen, avoiding bilateral trade agreements and controlling trade with the iron-curtain countries. Whenever it has been suggested that there was an inconsistency in supplying United States dollars to a nation which did not cooperate wholeheartedly with the United States, the reply ordinarily given has been that the matters involved were outside the ECA program and that it was wrong to mix up European recovery with other issues.

This compartmentalization of United States foreign policy seems particularly questionable after the United States has committed itself to the North Atlantic Treaty and to the foreign military assistance program. It does not seem to be desirable for the nations of Europe which are to be our allies and are the recipients of our aid to be able to live up to their agreements with us in compartment A while failing to do so in compartment B. If effective united military action is ever to come, it would seem that economic and political disunity cannot be perpetuated. Therefore, the ECA program should be so established that it can be adjusted whenever necessary to further the broad objectives of the United States.

*Aspects of ECA practice which might interfere with coordination with military assistance*

Public Law 472, section 102 (a), as amended, provides that economic assistance shall be given "to those countries of Europe which participate in a joint recovery program. * * *" and it encourages a joint organization. The ECA policy since its inception has been to strengthen and increase the prestige of the Organization for Economic Cooperation (OEEC), the organization of the participating European countries. The OEEC includes two nations (Sweden and Ireland) which receive Marshall-plan aid but which have refused to accept the North Atlantic Treaty. It also includes Turkey, Greece, Austria, Trieste, and the German Federal Republic which have not yet been admitted to membership in the treaty.

It apparently will be difficult to use the ECA program and the foreign military-assistance program to supplement each other with maximum effectiveness if each is operated through a different group of nations, the purposes of which are markedly different.

Furthermore, the ECA has used great pressure to get the OEEC to accept the function of dividing up United States aid and has constantly tried to avoid interfering in the sovereignty of the European nations. As the United States program for Europe has broadened and become more clearly defined, the question of how much responsibility should be turned over to the nations of Europe for spending our money and planning military strategy in which we are to participate might well be reconsidered. When the ECA began, it was widely accepted that a transfusion of American dollars would save Europe's life and that western Europe could, after regaining its strength, go its own way independent of the United States, with confidence that its ideals and our own coincided closely enough so that no serious conflict would be likely.

Since then, however, we have decided to throw in our lot with these countries on a military program. We certainly do not want to follow a policy of noninterference in the decisions of European nations in this program, and if the most effective use of our economic-aid expenditures is to be made we presumably should not transfer as much control over them to the participating nations as was once thought desirable.

The place of the Administrator of the Economic Cooperation Administration and of the Economic Cooperation Administration itself in the United States Government might well be reconsidered in view of the extension of our foreign programs. The Administrator has been given Cabinet rank and not subordinated to the Secretary of State. On the other hand, the director of the foreign military assistance program has been placed in the State Department. Although the scale of expenditures of the ECA is expected to be larger during the remainder of the program than will be the case with military aid, there is a real question as to whether this relationship of the ECA to the other agencies of the United States Government operating in foreign affairs should be continued.

A possible means of reorienting the ECA so as to facilitate its functioning as a participant of a somewhat larger group than was the case when the State-ECA team was set up in 1948, would be to make the Administrator a member of the National Security Council which advises "the President with respect to the integration of domestic, foreign, and military policies relating to the national security so as to enable the military services and the other departments and agencies of the Government to cooperate more effectively in matters involving the national security."

*Possibly desirable to modify ECA programing procedure*

The approach which has been utilized in the past in determining how much money should be appropriated for economic aid to Europe and for allocating dollars to individual countries is apparently not well adapted to adjusting economic assistance to the requirements of a broader program of foreign activities.

In general these determinations have been based on the dollar deficits of the participating countries. Once such an estimate has been approved by ECA it is difficult to justify giving a country any amount other than the estimated sum. If economic assistance is to be fitted into a European program which includes military and political cooperation, it would be necessary to be able to adjust allocations to reflect performance in these matters. The present programing procedure of ECA tends to make the principal requisite for ECA aid the possession of a dollar deficit and to set machinery in motion which provides the aid indicated without regard to other considerations.

An argument can be made that the time has come for abandoning the dollar deficit approach. (See below, p. 23.) To continue to base aid allocations on the estimated deficit gives a certain incentive for deficits to be continued. If the amount of dollars determined on the basis of other criteria, allocated to a country were less than its estimated deficit, the deficit might be eliminated by the country involved by curtailing its dollar expenditures to the money available while at the same time the performance stressed by the other criteria would be encouraged. That is, economy and internal readjustments would be forced on the participating country. It could not postpone such action by living off of the United States money.

Moreover, without a military assistance program the drastic curtailment or complete cutting off of economic aid to a participating country which was able to pay its own way would have tended to deprive such a country of any incentive to cooperate with the United States. A country which participates in both the ECA and military-aid programs, however, could have its economic aid substantially curtailed and still find it desirable to cooperate wholeheartedly with the United States foreign policy because of its interest in the program for its defense.

It might be considered that the best way to taper off the economic assistance program without causing major political and economic repercussions at its end, would be to shift emphasis gradually from financing Europe's dollar shortage to financing particular policies or projects which would strengthen Europe and further the objectives of the

United States. That is, if a government is cooperating in the military strategy of the North Atlantic Treaty, is removing subsidies and restrictions, and is reforming its tax structure, the United States could assure it of enough dollars to provide a specified calorie diet to its people. The country would have to curtail its dollar expenditures for other purposes, however to what its own resources permitted. There is danger under the present practice that the country which does the poorest job might get the most money.

*Conclusions as to significance of foreign military assistance to ECA program*

1. The commitment of the United States to participate in a long-range program of mutual military aid with certain of the countries of Europe has altered the role of ECA in United States foreign policy by making it necessary for economic aid to be fitted into a broader and longer-range program and making the ECA no longer the "sole instrument" of the United States for assisting the countries of western Europe to maintain themselves.

2. The policies and structure of the ECA should be modified so as to make the economic rehabilitation of Europe less an end in itself than is at present the case, and to integrate economic aid into the broader program for the military and political strengthening of Europe.

3. Such changes in the responsibilities of ECA should shrink its operations and its costs.

*The relation of the point 4 program and ECA*

As it is conceived at present, the proposed point 4 program is apparently aimed at increasing the use of the resources and raising the standard of living of the underdeveloped areas of the world. The program appears to be directed toward parts of the world other than those participating in the ECA program. Furthermore, the appropriation which is to be requested of $25,000,000 is so small that the scope of the point 4 program will inevitably be much narrower than that of the ECA.

There are two aspects of the point 4 proposals which may have some significance to the ECA program.

The first is private investment by Americans in foreign countries. As discussed previously (p. 8 ff.), there are numerous obstacles at present to investment by Americans in foreign countries. To the extent that a way can be found to facilitate private investment by Americans in underdeveloped areas, it may be possible, by the same procedure, to shift some of the cost of European reconstruction to private investors.

The second connection between point 4 and ECA concerns the colonies of the participating countries. As pointed out above (p. 7), ECA funds are supplied for developing the colonies of the participating countries, and the investment of these funds tends to maintain an artificial economic relationship which is inconsistent with the economic unification of Europe. Consideration should be given to whether or not the economic programs for the dependencies of the ECA countries might not be shifted to the point 4 program. Such action might lighten the cost of aid to Europe and promote economic unification.

ADVANTAGES OF REVISION OF BASIS FOR APPROPRIATION

From the foregoing examination of the economic foreign aid programs of the United States, it appears that the three big things before the second session of the Eighty-first Congress in considering ECA legislation are—

First, the fact that the military commitments of the United States in Europe have broadened our foreign policy objectives and have assured our active interest in European economics and politics for a period of years, the length of which is difficult to define. It is necessary to coordinate the ECA program with these more extended objectives.

Second, the reconstructed European economy which confronts us today does not conform very closely to our hopes for a "new Europe" from which the old weaknesses were eliminated and which could be counted on to pay its own way. (See p. 3 above.) It is desirable, therefore, to consider the possibility of modifying ECA's investments and the incentives it offers in order to produce the desired results.

Third, in view of the current budgetary problem of the United States, it is desirable to attempt a more precise estimate of the costs of the ECA program than has previously been possible.

*Advantages of changing basis for determining ECA appropriation*

The two previous appropriations for ECA have been based on esitmates of the anticipated dollar deficits of the participating countries for the fiscal year. This basis is inherently unsatisfactory because it connects the amount of United States aid received by a country to its deficit rather than directly to a program of positive action.

An appropriation estimated in this way was apparently justified at the beginning of the program since Europe was so near prostration that a "transfusion" of dollars was all that could be attempted. For 2 years now such "transfusions" have been given and the pulse and respiration of the patient have responded (industrial production in Europe is above prewar). After 2 years, however, it is no longer enough to keep the patient alive. It is time to administer a course of treatment which will condition the countries of western Europe to the environment in which they will have to survive.

It would appear to be reasonable to require that a program for spending United States funds for foreign aid should ultimately meet the following tests:

1. The allocation to each country should be linked to specific, constructive courses of action—political as well as economic.

United States dollars should go to countries which are making basic structural changes in their economies (closing out a high-cost industry, for example); which are taking costly steps toward internal stability (such as installing a new tax system); or which incur losses to carry out a program of international cooperation (eliminating export and import controls, for instance).

2. Aid should be given in such a manner that the standard of living and general well-being of the country are primarily the responsibility of its government, not of the United States.

The people of a country should feel that the decisions which influence their calory consumption or level of employment are made in Europe and not in Washington. American aid should be thought of as available to countries that undertake courses of action which qualify them for it. A government can take such action or not—the more constructive its program the more money it gets.

One shortcoming of the dollar-deficit approach is that the responsibility for financing the deficit is primarily that of the United States. If the United States decreases its allocation to a country, the resentment of the people focuses on the United States, not on their own government for failing to follow a course of action which would assure United States funds.

3. The aid program should be administered in such a manner as to minimize the incentive for a country to ask for more money than is necessary.

If economic assistance were linked always to specific constructive action by a country which, although in the long run was for the country's benefits, in the immediate future involved a painful internal readjustment, a country would not undertake such action unless it were necessary. Every program which involved sacrifice by the United States should also involve sacrifice by the country receiving United States dollars.

The dollar-deficit approach encourages every country to overstate its deficit.

*Suggested aid program meeting these tests*

If an appropriation for foreign aid were authorized to be expended for the following purposes, it is believed that the most important legislative problems connected with ECA would be solved. The following illustration provides a manner for appropriation which can be adapted to the determinations of Congress:

| | *Millions* |
|---|---|
| Appropriation to finance a European clearing program (now under consideration by ECA and OEEC) | $xxx |
| Appropriation to finance export of United States farm products | x,xxx |
| Appropriation to provide capital for International RFC (for industrial projects—this sum would not be an annual expenditure: it could be replenished when necessary, but only on projects which promoted the economic unification of Europe) | xxx |
| Appropriation to guarantee private American investors against political risks | xxx |
| Appropriation for other programs | xxx |
| Total appropriation | x,xxx |

Since no request for an appropriation for ECA has as yet been submitted, no attempt has been made to indicate dollar amounts for the items enumerated. It should be noted that during the calendar year 1949 about one-half of the ECA expenditures were for food and agricultural products. A figure of $500,000,000 has been mentioned in connection with the European clearing union.

One of the advantages of authorizing the appropriation in this way is that it gives Congress an opportunity to make separate determinations of the amounts which should be made available for such purposes as financing the export of United States agricultural products and building additional manufacturing capacity in Europe. An appropriation authorized in this manner would contribute just as much to Europe's dollar shortage as one based on dollar deficits. It provides an additional incentive for constructive action.

The European clearing house is being sponsored by ECA to put the currencies of Europe on a convertible basis for current transactions. While no judgment is yet possible as to the merit or success of the plan, if it is adopted the ECA apparently will require legislative approval to finance it.

The appropriation to finance exports of United States farm products is discussed above.

The provision of capital to an International RFC is a possible solution to the problem of obtaining industrial integration in Europe. Our experience to date indicates that further expenditures for industrial construction according to past practice would be more likely to develop nationalization than unification. (See p. 5 above.) Furthermore, with European industry producing at prewar levels, there is an opportunity to slow down expenditure and redirect our efforts.

The International RFC contemplated would be an organization in which all the ECA countries would participate, but with the United States having a majority of the votes as long as it provided most of the capital. It would advance funds for industrial projects only if these projects conformed to a rigid set of requirements to insure that they advanced the integration of European industry. The capital would be replenished only as necessary and since many of the

projects to be financed would be those believed to be economically sound it should be possible to augment the capital by public-debt transactions. As previously pointed out, the principal obstacle to industrial unification at present is not lack of dollars but the clearing away of political impediments and the solving of various organizational problems. The funds of the Corporation should be available to bear the cost of closing out industries and making necessary internal readjustments as well as to finance new construction. Since doing these things will take a good deal of time, it is unlikely that any substantial use of the capital of the new organization could be used during the fiscal year 1950–51.

It is better to wait and spend the money prudently than to spend it for unsound projects. The program outlined above gives the countries of Europe ample incentive to keep trying and to cooperate with each other and the United States. The existence of a fund for properly developed industrial projects should provide a major incentive to the people of Europe to clear away the obstacles and produce a sound program.

The appropriation to guarantee private investments is discussed above.

A sum to finance other programs should be provided to take care of situations not falling into the previous categories. It should be noted that the American farm products provided should be allocated among countries on the basis of their constructive programs. Nevertheless, it should be possible for the ECA to provide dollars for such a project as softening the impact on the Belgian and Dutch economies of completing the Benelux unification.

*Does not involve giving ECA a blank check*

At first glance it would appear that an appropriation authorized in this way in which dollars are not related to commodities (except for agricultural products) gives the ECA so much discretion that the money appropriated would not be safeguarded.

Consideration must be given, however, to the fact that the object of our expenditures has changed since 1948. When the immediate purpose of the foreign-assistance program was to keep western Europe from going under, the assurance that each dollar spent brought to Europe a dollar's worth of wheat, copper, machinery, etc., was adequate protection of the interests of the United States taxpayer.

As our problem in Europe becomes more and more one of developing an integrated and efficient industrial structure as well as securing full cooperation with a broad international program, the precision with which American dollars are translated into bushels and tons assumes a different significance. It is possible for us to get a full dollar's worth of merchandise for every dollar we spend and still waste the appropriation, because the commodities and equipment bought are used in ways which do not advance our primary objectives in Europe (building factories in high-cost locations, for example).

The taxpayers' money would be better protected if the ECA were required to justify its appropriation by defining precisely what the United States wants to accomplish in the participating countries and submitting its program for accomplishing these objectives, rather than concentrating its attention on calories, yards, and percentages of increased production.

(Attention is called to the fact that this study was prepared before the ECA had submitted its authorizations and appropriations requests.)

## PROPOSED EUROPEAN PAYMENTS UNION

Mr. McCARRAN. Mr. President, every Member of the Senate has been interested, I am sure, in the recent statement by the British Labor Party in which the party states that it is opposed to British participation in any programs for the unification of Europe. The Labor Party apparently fears that if the British join a unified Europe, its program of socialism might be interfered with.

I note that Mr. Attlee has since said that the British Government does not agree with the Labor Party on this point. Nevertheless, I feel that it is becoming increasingly necessary for the United States to find out whether the British really are with us wholeheartedly in our European program, or not.

One important area in which the real intentions of the British remain obscure is in regard to the European Payments Union which is being organized at the present time. After a long period in which the United Kingdom would not say whether it would come in or stay out, the British finally agreed to come in. A long period of negotiation appears to be in prospect because of British efforts to obtain preferred treatment for the sterling area in the new Payments Union.

A report on the proposed European Payments Union was prepared last March by the staff of the watch-dog committee of which I am chairman. This report sets forth the basic issues involved and contains a brief analysis of the British attitude toward the payments union.

Because of its bearing on the current position of the British on cooperating with their European neighbors, I ask unanimous consent that this report be printed in the RECORD as a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE PROPOSED EUROPEAN PAYMENTS UNION

(This document is presented to assist Members of the Congress in their consideration of pending ECA legislation and is not a statement of the committee's views on the issues discussed.)

(Submitted by the ECA)

1. THE USE OF EUROPEAN RESOURCES AND INTRA-EUROPEAN TRADE

One of the urgent problems that confronted the ECA at the very beginning of the Marshall plan in the summer of 1948 was that of freeing trade among the participating countries from the many restrictions, especially exchange controls of various forms, that were strangling it. Only through an expanded trade could the Europeans make the fullest possible use of their resources by supplying one another with the goods and services they could produce. Clearly, the more use the Europeans could make of their own resources the more rapid could be the pace of recovery and the lighter would be the burden on the United States.

The most severe restrictions on trade among the western European countries grew out of the dollar shortage. Any European country which buys more from one of its neighbors than it is able to sell to that neighbor has to find some way of paying for the difference. Prior to the European-recovery program, this usually meant a payment in gold or dollars. Practically every country was reluctant to pay out dollars in order to make purchases in Europe and other soft-currency areas. The result was a general tendency to restrict imports by imposing exchange controls and quantitative restrictions on trade.

For instance, Belgium has traditionally been an exporter of steel; Greece and Norway have to import it. Yet, Greece cannot sell enough olive oil, tobacco, and fruit to Belgium; and Norway cannot sell enough fish, lumber, and paper pulp to pay for the steel and all the other goods they wish to buy in Belgium. Therefore, under the conditions prevailing at the beginning of the Marshall plan, these two countries might have had to use their ECA aid to buy steel in the United States at a time when the steel could have been produced in Europe. Obviously, this would have increased the cost of the recovery program. The only other course that the Greeks and Norwegians might have followed was that of restricting the importation of most goods from Belgium so as to save their earnings of Belgian currency for such highly essential items as steel. Either way, European trade was stifled, European resources were not put to their best uses, and recovery was impeded.

Given the nature of this situation, the quickest way to stimulate an expansion of European trade, and thus a fuller use of European resources, was to provide the means whereby any participating country could pay for the excess of its purchases from its neighbors over its sales to the same neighbors.

2. OFFSHORE PURCHASES

The first device that was employed to accomplish this purpose was to allow each participating country to use its ECA dollars to buy goods in other participating countries. To use the previous example, Greece and Norway would pay for as large a part as possible of their purchases in Belgium with their own earnings of Belgian francs. The balance of their purchases they would pay for with ECA dollars. The dollars that the Belgians earned from their neighbors in this fashion could then be used to finance imports into Belgium from the dollar area. In this way these dollars were used twice, once to finance purchases in Belgium by other European countries and a second time to help cover Belgium's dollar deficit. Since the dollars would otherwise have gone directly to Belgium for the latter purposes, there was, of course, no increase in the amount of aid required.

Offshore purchases with ECA dollars were an effective emergency method of preventing the further shrinkage of European trade. But this method had disadvantages. The fact that ECA dollars could be used in this fashion led more and more sellers, often with the support of their governments, to insist on payment in dollars. In this way the countries tried to earn dollars from one another. Often prices quoted in dollar transactions were lower than the prices asked for the same goods by the same seller when they were sold for European currencies. If long continued, therefore, this practice would have disrupted trade in Europe, even though, initially, it acted as a stimulant.

3. THE INTRA-EUROPEAN PAYMENTS PLAN

In September 1948, therefore, a second and more effective arrangement was devised which was called the intra-European payments plan. Its basic principle is simple. A part of the ECA dollar aid to each creditor country, which it needs to pay for its necessary imports from the dollar area, is given only on condition that the recipient country extend grants-in-aid of the same amount in its own currency to the other participating countries with which it has a trade surplus. (This part of the aid is called conditional aid.) In this way the debtor country receives a grant, which is called a drawing right, in the currency of each country with which it has a trade deficit. Stated in terms of the earlier example, Belgium receives ECA dollar financing (as conditional aid) to pay for goods and services from the United States and elsewhere in the dollar area on condition that it make a grant of Belgium francs to

Greece with which Greece can buy steel in Belgium.

The intra-European payments plan has made a major contribution toward the freeing of European trade and, consequently, the better use of European resources. By financing trade deficits, it has removed, or weakened, the incentive of each country to husband its dollars, or to earn dollars from its neighbors, by restricting its imports from them. But it is based on a series of bilateral arrangements between pairs of countries. The drawing rights that Belgium gives Greece can (except for a small portion) be used only in Belgium. Greece cannot shop around and buy its steel in the cheapest market in Europe. Moreover, the present payments plan does not furnish enough stimulus to the individual countries to bring their trade into balance. Accordingly, it is time to take a further step through the creation of a European Payments Union which will make European currencies freely convertible into one another (for current as distinguished from capital transactions) and thus facilitate a further dismantling of restrictions on trade among the participating countries.

4. EUROPEAN PAYMENTS UNION

The fundamentals of the proposed Payments Union are similar to those of the present payments plan but the mechanics of the operation will be quite different. The Payments Union will not be a device for underwriting European currencies or protecting overvalued currencies. Its basic function, like that of the present payments plan and the earlier offshore purchases, will be to provide the means whereby a debtor country can cover the deficit in its trade with its neighbors without having to make full payment in gold or dollars. Europe's internal trade is not yet in balance. Some countries still have to buy more from their neighbors than they sell to them. These countries must still have help in financing their trade deficits if they are to feel free to eliminate trade restrictions.

The operation of the Payments Union will not change either the amount of aid needed, or the purposes for which ECA dollars are ultimately used by the Europeans. The ECA dollars which are used to support its operations (and which correspond to the conditional aid of the intra-European payments plan) will find their way to the countries that turn out to be creditors in their trade with the rest of western Europe to be used by those countries to buy the goods and services they must have from the dollar area. The only difference is that, under the proposed amendment, assistance may be furnished to the participating countries indirectly through the Payments Union and may be in the form of dollars not earmarked for the purchase by the recipient country of particular goods and services.

This new Payments Union will be an improvement over the old intra-European payments plan in two important respects.

The first is that it will permit trade to be conducted within Europe on a truly multilateral basis. The Payments Union will be, in effect, a clearinghouse of which all the central banks of the participating countries will be members and through which they will be able to settle their accounts with one another. Even at the present time, individual private transactions between the citizens of any two countries are offset against one another by their two central banks so that only a single payment from one to the other is necessary. In the Payments Union this clearinghouse operation will be carried a step further. Each country's deficits with some of its neighbors will be offset against its surpluses with others so that only a single net settlement between its central bank and the clearinghouse will be necessary. In this way an enormous volume of transactions can be handled with minimum payments between countries.

The financing of trade deficits through the Payments Union will also be done entirely on a multilateral basis. A country that is a debtor in its trade with other European countries, instead of receiving drawing rights consisting of fixed amounts of the currencies of each of its prospective creditors (as in the present plan), will have the right to draw upon the central clearinghouse for any European currency it needs to make purchases from its neighbors. There will, of course, be a limit to the total amount a country may borrow in all currencies. A creditor country, instead of supplying drawing rights consisting of fixed amounts of its own currency directly to various prospective debtor countries, will provide its own currency to the clearinghouse as needed, up to a stated limit. To refer once more to the earlier example, Greece will be able to choose freely whether it will draw on the clearinghouse for Belgian francs to buy its steel in Belgium, or in German marks to buy its steel in Germany, or in pounds sterling to buy its steel in Britain.

In such a completely flexible system, it will be impossible to predict in advance the exact amount that any particular debtor country will need to obtain from the Payments Union or that any particular creditor will need to furnish to it. Therefore, it will not be possible to allocate in advance a definite sum of ECA conditional aid to each country that will be a creditor. Instead, dollars can be paid to the creditor country only when it actually has to supply its own currency to the clearinghouse. Thus, neither the countries that will ultimately receive these dollars, nor the amounts they will receive, nor the time during the year when the payments will be made, can be accurately foreseen. It is proposed, therefore, that a considerable part of the ECA funds required for the financing of European trade deficits be granted as aid to the Payments Union and, in effect, earned from the clearinghouse by the creditor countries. It is for this reason that the ECA seeks the authority to furnish a part of the aid to Europe next year by means of the transfer of dollars through a central institution of this character.

The second major change and improvement in the new Payments Union, as compared with the present payments plan, is that the trade deficits that develop among the European countries will be paid for only partly with ECA aid in the manner just described. The balance will be paid for partly out of the dollar resources of the countries themselves and partly out of funds loaned to the Payments Union by the creditors, without any relation to ECA aid.

Whenever a country turns out to be a debtor—that is, whenever it buys more from its neighbors than it sells to them—it will have to meet part of the deficit thus incurred by the payment of its own gold or dollars to the Payments Union; unless its deficit is held within fixed limits or is of a purely seasonal character. Whenever a country turns out to be a creditor—that is, when it sells more to its neighbors than it buys from them—it will receive payment to cover this trading surplus only partly in gold or dollars. The balance due will remain simply as a debt in European currencies owed to the creditor country by the clearinghouse.

The advantage of requiring debtors to make part payment in gold or dollars and creditors to finance a part of their exports with loans is that the European countries are in this way given a strong incentive to bring their trade into a reasonable balance. The debtor's obligation to cover a part of its trade deficit in hard money gives it an incentive to reduce the size of its trade deficit. Likewise the creditor, having to finance a part of its export surplus by extending credits will be more willing to import from its neighbors and thus bring its trade more nearly into balance. It is in this way that the operation of the Payments Union will help to cure the disease and not merely alleviate its symptoms.

Moreover, a Payments Union that operates in this manner can prepare the way for the end of ECA aid. By 1952 the trade surpluses and deficits among the European countries will have to be small enough to be financed entirely by a combination of credits and gold and dollar payments through a central institution without the help of any ECA funds. The establishment of the Payments Union is a significant step in this direction. After its first year of operation, it can be modified in such a way as to reduce its dependence on ECA funds. We hope that, by the end of the ERP, it can operate as an independent institution financed entirely out of European resources.

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THE PROPOSED EUROPEAN CLEARING ORGANIZATION

(Prepared by the "watchdog committee" staff)

The ECA has taken the initiative in proposing to the countries of western Europe that they set up a clearinghouse type of organization which would operate so as to make the currencies of the participating countries transferable for current transactions. The essence of the proposal is not the clearing mechanism which involves bookkeeping primarily and about which there is little controversy. The significant point is that the proposal involves the underwriting, within limits, by the United States of the credit of the various member countries so that their currencies will be acceptable.

The ECA has pushed the matter aggressively. Mr. Hoffman apparently feels that the ECA makes a poorer showing on bringing about European integration and removing intra-European trade barriers than on other aspects of its program. Some people believe that Mr. Hoffman hoped to bring home from his recent trip to Europe an agreement to establish a clearing organization as evidence to Congress that something tangible had been accomplished in this direction.

The European response to the ECA proposal has been disappointing to the ECA. The Marshall plan countries have agreed to study the matter to see if something can be worked out, but nothing more.

The ECA clearinghouse proposal apparently stirred up a certain amount of conflict among the United States agencies represented on the National Advisory Council on International Monetary and Financial Problems (Treasury, State, Commerce, Federal Reserve, Export-Import Bank, and ECA). It was necessary for the ECA to change the original proposal which it sent to the European countries and on which these countries had been working for a month before the approval of the National Advisory Council was obtained. This controversy appears to have handicapped Mr. Hoffman in his negotiations in Europe by raising doubts in the minds of the Europeans as to whether or not the United States Government was fully behind Mr. Hoffman.

The inconvertibility of European currencies should be regarded as more of a symptom of fundamental ailments rather than as a disease in itself. Nevertheless, a large share of the restrictions imposed on foreign trade and the predominantly bilateral pattern of intra-European trade are directly attributable to the fact that each country regards the currencies of some of its neighbors as inferior.

In the past the ECA has felt that it had to accept the general pattern of bilateral restrictions existing in Europe and try to bring about modest improvements while concentrating primarily on nonmonetary problems—principally building up production. The conditional grant-drawing right procedure employed by the ECA in the past

has been essentially a device designed to stimulate intra-European trade along bilateral lines. Although it offered the advantage of permitting individual countries to come out with a deficit or credit balance as a result of bilateral trade rather than coming out even, as is ordinarily the purpose, this drawing-right approach has not worked very well. It required advance estimates of the trade balance of each participating country with every other, which proved to be quite inaccurate, and the devaluation of European currencies last fall made a fresh start mandatory.

The ECA maintains that it does not insist on any specific procedure and is willing to accept any European clearing arrangement that will work which the participating countries develop. The major elements in the proposal submitted by the ECA, however, are as follows:

1. Each country is to settle its net multilateral balances with the Payments Union rather than settle with individual countries. This is possible only if the deficit countries are assured of sound money to meet their obligations and if the creditor countries are assured of receiving good money in payment for their export balances.

2. The ECA will provide United States dollars up to a specified limit to assure acceptable payment of balances.

3. A system of automatic controls is provided to encourage both deficit and creditor countries to bring their exports and imports into balance. The ECA suggestion is that a net deficit up to a designated limit will be underwritten by ECA; that a larger deficit in a certain range will be carried partly by credit and financed partly by the countries' own gold or dollars; and that beyond a predetermined limit a debtor country will have to pay in full with its own gold or dollars. In the case of a country with an export balance for its intra-European payments a reverse procedure would apply. The export surplus would be paid partly in gold or dollars and partly in credit in varying proportions on a predetermined scale.

This type of control offers the advantage that, after the limiting figures have been arrived at, no bureaucratic screening of individual transactions is necessary to hold the individual countries in line. It should be noted also that the system encourages a country like Belgium to bring its trade with the other countries of western Europe into balance. That is, Belgium is not encouraged to build up a large export balance in its intra-European trade. She benefits from importing as much as possible from Europe and, once her limits are reached, she has every inducement to prefer exporting to the dollar area.

4. The ECA proposal contemplates the elimination by the members of the Payments Union of bilateral quotas and restrictions. That is, there would be no more controls which made it possible to import an item from one neighbor but not from another or which made it possible for an importer to obtain foreign exchange to make payments in guilders or lire but not in francs or deutschemarks. Any exchange controls or import quotas which were permitted would be multilateral (for trade with European countries; this would not be true of nonmembers of the Payments Union). That is, a country could continue to use import and exchange controls to hold down the volume of imports and to prevent the importing of luxuries, but these restrictions would apply equally to all participating suppliers. A limitation on the imports of passenger automobiles would apply to all European exporters. There would be no prohibition of imports of autos from France while permitting them from Italy, for example.

5. The ECA proposal provided for a governing board for the Payments Union which could act without unanimous agreement, which would consult with members of the union and advise them as to measures which they should take to balance payments. The ECA originally contemplated that the United States would be represented on this board, but the National Advisory Council believed this to be undesirable and the ECA proposal has been modified accordingly.

The ECA recognizes that if the European currencies are to maintain their convertibility after the termination of United States aid, heroic action by the Marshall-plan countries to bring their payments into balance will be necessary. The governing board is presumably expected to provide technical advice and apply a certain amount of pressure so that individual countries will make the painful internal adjustments which will be unavoidable.

It has been proposed, also, that ECA dollars would be made available not only to finance predetermined payments deficits, as already outlined, but that the ECA would stand by to give assistance if efforts of individual countries to liberalize trade worked out adversely. The governing board would presumably make recommendations for financing of this character.

The objection of the National Advisory Council to United States membership in this board apparently arose from concern over the relationship between the European Payments Union and the International Monetary Fund (Bretton Woods). By international agreement, all members of the Monetary Fund must consult it before changing their foreign exchange rates. The governing board of the Payments Union would presumably give consideration to exchange rates, and it was felt that the United States should only give formal consideration to such matters through the International Monetary Fund, rather than through both organizations.

OBJECTIONS OF THE EUROPEAN COUNTRIES

The unwillingness of the Marshall-plan countries to adopt the ECA proposal for a payments union immediately appears not to be, with the exception of the United Kingdom, due to any disagreement on fundamentals which has yet become apparent. There has been the natural hesitation of the individual countries while they tried to determine whether their net "take" of United States dollars would be less under the clearing arrangements than otherwise, and there has been a good deal of questioning of operating details. The ECA did not submit a detailed plan all ready to be put into operation, so that most of the technical problems are as yet unsolved.

The situation of the United Kingdom does, however, raise some large issues. The sterling area is itself a payments union. England apparently believes that her future as a world power depends on maintaining her position as center of the sterling area. Consequently, all of the discussions so far have contemplated the inclusion of the entire sterling area in the European Payments Union, although it would be represented only by the United Kingdom. The individual countries would not be members. This creates a problem, insofar as one of the objectives of the Payments Union is to promote European integration. Pakistan is part of the sterling area but is not part of Europe. There are some who question whether Pakistan should be integrated into the European economic structure rather than concentrating its efforts on attaining full convertibility in world trade generally without passing through any intermediate regional stage.

Furthermore, there is some feeling that the British fear the European Payments Union as a rival of the sterling area. The political ties that hold the sterling area together are in most cases tenuous and in some cases have disappeared. The various member countries are likely to give the United Kingdom their banking patronage only as long as they feel that they receive worth-while service as a result. If a European Payments Union should become a major factor in world commerce it is possible that certain countries might desert the sterling area and join the European group. It may be that eventualities of this nature influence the British attitude toward the ECA proposal.

CONFLICTING VIEWS OF UNITED STATES AGENCIES

Several of the United States agencies which belong to the National Advisory Council on International Monetary and Financial Problems show markedly less enthusiasm for the European Payments Union than the ECA does, although the Council has approved the ECA proposal in principle. Any reservations which these agencies may have do not appear to be based on technical grounds. There appears to be general agreement that a clearing organization functioning in the manner proposed would be workable and that such a step would be a considerable advance beyond the "drawing right" arrangements which have preceded it.

It is possible that bureaucratic jurisdictions have been infringed and jealousies aroused. The ECA apparently submitted its proposal for a clearing organization to the Marshall-plan countries without getting the full official clearance of the National Advisory Council, and there appears to be an attitude that "this is the ECA's baby" rather than that the Payments Union represents an all-out effort by the United States Government.

Nevertheless, there appear to be two real points which lead to questions by the non-ECA agencies. The first is the relation of the Payments Union to the International Monetary Fund. Ever since the Bretton Woods Agreement it has been the policy of the United States to work toward the free convertibility of all the world's currencies and the International Monetary Fund has been the instrument for attaining this objective. The attention of the National Advisory Council agencies has been focused on this ultimate objective and there is a tendency for them to see any regional organization such as the European Payments Union, dedicated to attaining the same objectives but for a limited group of countries, as being in conflict with the Monetary Fund, and to fear that the actions which might bring about regional convertibility of currencies might have the effect of delaying the attainment of world-wide convertibility.

The other major issue which appears to exist in the minds of the National Advisory Council members is the question as to whether or not it is desirable for the United States to foster in Europe a regional soft-currency area which is protected from United States competition by trade restrictions and which develops an artificial economic structure within its walls. To a considerable extent this is what the economic integration of Europe does.

It is clear that both these issues are closely related and revolve about the question of whether or not we should work directly toward world peace and world-wide economic stability through world-wide organizations (the United Nations and the International Monetary Fund) or whether we should utilize a regional organization or organizations as an intermediate step toward this ultimate goal.

Before the establishment of the ECA, the United States was definitely committed to the former approach, and the executive agencies which were responsible for our international operations prior to ECA have attained a certain momentum carrying them in this direction.

The ECA, on the other hand, was created to deal with regional problems and was directed in Public Law 472, section 102 (a), as amended, "to encourage the unification of Europe" and was reminded "of the advantages which the United States has enjoyed

through the existence of a large domestic market with no internal trade barriers." Consequently, in devising means for unifying Europe and eliminating trade barriers, the ECA has concentrated on finding the best way to attain these results (the Clearing Union being the culmination of its efforts up to the present) without spending its time thinking about whether we really want to integrate western Europe or not.

The conflict in views among the members of the National Advisory Council on International Monetary and Financial Problems appears to boil down to the following:

None of the agencies seems to believe that a European clearing organization will not overcome barriers to commerce or stimulate intra-European trade. Neither do they argue that the Clearing Union advocated by the ECA is badly designed from a technical point of view and that as a consequence it will not work. Their lack of enthusiasm for the European Payments Union appears to arise not from any misgivings as to its ability to attain its objectives, but rather from a questioning as to whether the United States should strive for these objectives. They are apprehensive that the building of an integrated Europe will necessitate the maintenance of barriers which will keep United States exports out of the European market and which may delay the attainment of world-wide convertibility.

It would be possible to eliminate any confusion or inconsistency among the executive agencies on this issue by congressional action. If Congress approves the establishment of a European Payments Union and makes an appropriation for its operation, it should be a clear indication of approval of regional action along this line and provide a directive to the National Advisory Council that the intent of Congress was clear.

FACTORS TO BE CONSIDERED

Before accepting or rejecting a proposal to use United States dollars to finance a clearing organization in Europe, Congress will inevitably consider anew several factors:

1. The economic integration of Europe is a bigger job and will take a longer time than was at first realized by most people.

2. The building of an integrated European economy can take place only behind restrictions which will keep out competing United States supplies of certain farm and manufactured products while "infant" soft-currency sources of supply are developed. The hope is that after a transition period the new integrated Europe will be able to stand on its own feet in competition for world markets and that its revived economy will provide a better market for United States exports than ever before. The short-run consequences of such action when the United States is beginning to be conscious of the problem of finding markets for its exports cannot be ignored.

3. The commitment of the United States to a regional military program by our participation in the North Atlantic Treaty may necessitate a regional economic program as a supplement. Nations which are bankrupt or the victims of increasing economic unrest cannot be effective military partners.

4. A strong argument can be made that at some time before 1952 a change in the basis for ECA appropriations should be made: that is, funds should be allocated less and less on the basis of the dollar deficits of the receiving countries and more and more to finance programs for constructive development. An appropriation to underwrite the European Payments Union would be a step in this direction.

Such an appropriation should not be made as an addition to ECA aid. Every dollar Europe receives from any source eases its dollar shortage. An appropriation to finance a clearing arrangement should be a diversion of dollars which would otherwise have been allocated to individual countries.

## SOCIAL SECURITY ACT AMENDMENTS OF 1950

The PRESIDING OFFICER. There being no further routine business, the Senator from Florida [Mr. HOLLAND] is recognized under the unanimous-consent agreement.

Mr. HOLLAND. Mr. President, I note that in his opening statement in the debate of the pending measure, H. R. 6000, the distinguished chairman of the Senate Committee on Finance [Mr. GEORGE] speaking for himself and as chairman of the committee, advised the Senate that under the recommendations of the committee about 1,000,000 persons engaged in agricultural work are brought under the social-security system. I quote from the statement of the Senator from Georgia, as follows:

Workers on farms who are employed by one employer at least 60 days and earn $50 or more in a calendar quarter are covered, and, in addition, border-line agricultural workers, such as those engaged in processing and packing of agricultural and horticultural commodities off the farm, are brought under the system. These groups total about 1,000,000 persons. The committee gave careful study to the extension of coverage to workers on farms. It proposes this limited extension of coverage at this time in order to assure simplicity of administration for the farmer. There is no question but that workers on farms, including migratory workers and share croppers, need social-security protection. The public-assistance loads in the agricultural States reflect this need. To go beyond the coverage that is proposed in the bill, however, without further study of the administrative problems that would arise, would be impracticable. I regret that I am compelled to advocate delaying the extension of coverage to agricultural workers not covered by the bill until a thorough study of the feasibility of such coverage has been made.

Later in his statement the able Senator from Georgia made further reference to the same subject in the following words:

As I indicated earlier, the bill does not provide social-security protection for all citizens of the Nation. Some groups, such as share croppers, migrant agricultural labor, and part-time domestic servants, who are not brought under insurance coverage, need protection. I regret that further extension of coverage must await more detailed study of the problems inherent in bringing additional persons within the system.

I fully approve the conclusion reached by the Senate Committee on Finance that workers on farms need social-security protection. I also approve their recommendation that all of such workers who can be brought under the protection of the system at this time without bringing on complex bookkeeping and administrative burdens for the farmers should be included within the scope of the pending amendments.

Inasmuch as only a part of the agricultural workers are included within the amendment, whereas a larger part are excluded, I think it is highly desirable to clarify the subject for the record as much as possible. Since the Senator from Georgia is absent on official business I should like to address several questions to the distinguished junior Senator from Colorado [Mr. MILLIKIN], ranking minority member of the committee, relating to those provisions of the pending bill which deal with the subject of agricultural labor. I shall appreciate it if the Senator from Colorado will accord me that privilege.

Mr. MILLIKIN. Mr. President, if the Senator will yield, I wish to say that I shall be delighted to do the best I can.

Mr. HOLLAND. I thank the Senator.

My first question is this. At the top of page 263 of the printed bill, in section 104 (a) of the bill, there appears as a part of section 213 of the amended Social Security Act the following verbiage:

SEC. 213. (a) For the purposes of this title—

(1) The term "quarter" and the term "calendar quarter" means a period of three calendar months ending on March 31, June 30, September 30, or December 31.

Applying the definition just quoted to that portion of the bill that deals with agricultural labor, is it possible to construe the terms "quarter" or "calendar quarter" to mean a 3 months' period commencing with the first day of the employment of any agricultural laborer, or is the time of employment of an agricultural laborer under the terms of this bill computed strictly with reference to the calendar quarters defined by that portion of the bill which I have just quoted?

Mr. MILLIKIN. Mr. President, I do not believe it is possible to construe the terms "quarter" or "calendar quarter" to mean a 3 months' period commencing with the first day of the employment of any agricultural labor. It seems clear to me that the language means a calendar quarter, the first quarter being the first 3 months starting from the first of the year, the second quarter being the next 3 months, and so on, until we have four quarters.

Mr. HOLLAND. I thank the Senator.

I next refer to that portion of the bill appearing as part of section 210 of the amended Social Security Act (a) (1) (A), beginning at line 16, page 240 of the printed bill, and extending through line 7 of page 241, which reads as follows:

Except that, in the case of service performed after 1950, such term shall not include—

(1) (A) Agricultural labor, as defined in subsection (f) of this section) performed in any calendar quarter by an employee, unless the cash remuneration paid for such labor is $50 or more and such labor is performed for an employer by an individual who is regularly employed by such employer to perform such agricultural labor. For the purposes of this paragraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if (i) on each of some 60 days during such quarter such individual performs agricultural labor for such employer for some portion of the day, or (ii) such individual was regularly employed (as determined under clause (i) ) by such employer in the performance of such labor during the preceding calendar quarter.

My second question to the distinguished Senator from Colorado relates to the requirement that an individual farm employee shall be deemed to be regularly employed by an employer during a calendar quarter, only if such individual performs agricultural labor for such employer "on each of some 60 days

during such quarter." What is the meaning of the words "some 60 days," as appearing in the section of the bill from which I have just quoted?

Mr. MILLIKIN. The use of the word "some" is to afford a distinction between 60 consecutive days of labor during the quarter and 60 unconsecutive days of labor during the quarter.

Mr. HOLLAND. In other words, whether the 60 days are consecutive or not, if they appear as days within the calendar quarter, they will satisfy this particular requirement of the bill. Is that correct?

Mr. MILLIKIN. Exactly.

Mr. HOLLAND. My third question relates to the words "for some portion of the day" as they appear in the section which I last quoted. Am I correct in my understanding that if the employee performs agricultural labor for the employer during any portion of a calendar day during a calendar quarter, whether such portion shall be for only a few minutes or for any number of hours of said calendar day, such calendar day shall count as 1 day of employment during said calendar quarter?

Mr. MILLIKIN. I think the Senator is entirely correct in his interpretation.

Mr. HOLLAND. My fourth question is this. Then the hours worked by the employee bear no relation whatever to the day factor, either by way of permitting the employer to add together part-time work in a group of several days to make 1 day or by way of fixing any limitation on the number of hours of work in any 1 day which should count as a full day, with the right of the employee to carry over any excess number of hours of work to another or a different day?

Mr. MILLIKIN. The employee or the employer would not have any right to carry over any of the hours of 1 day's work to some other day.

Mr. HOLLAND. My fifth question is this: If the agricultural worker qualified under the term employment for the first quarter, both by working 60 days and by receiving cash remuneration of $50, is it not correct that for the second of two consecutive quarters, the only requirement for coverage under the term employment is the payment of $50 of cash remuneration during the second quarter?

Mr. MILLIKIN. The distinguished Senator is entirely correct.

Mr. HOLLAND. My sixth question is this: What provision of the bill, if any, will prevent an employer from employing an agricultural worker 59 days or less in a quarter and rehiring him in the succeeding quarter for 59 days or less, thus depriving the worker of the coverage of the law?

Mr. MILLIKIN. There is nothing in the bill which would prevent that.

Mr. HOLLAND. My seventh question is this: What provision of the bill, if any, will prevent an employee who does not want to make contributions under the bill from working 59 days or less in a quarter for a single employer, and then ceasing work or going to work for another employer, thus avoiding coverage under the law?

Mr. MILLIKIN. My answer is that there is no provision of the bill which would prevent a practice of that kind.

Mr. HOLLAND. My eighth question is this: Referring to the statement of the Senator from Georgia [Mr. GEORGE], on page 8494 of the CONGRESSIONAL RECORD of June 13, 1950, to the effect that migrant agricultural labor is not brought under insurance coverage by the pending measure, is it not true that this statement is based entirely on the provision which may be referred to as the 60 days and $50 provision in section 210 (a) (1) (A), which I have quoted into the RECORD? In other words, there is no express reference to migrant agricultural labor, as such, by the terms of the pending measure, is there? Also, is it not true that part-time employees are equally excluded, along with migrant employees, under that provision?

Mr. MILLIKIN. Answering the first question first, let me say that I do not recall any specific reference in the bill to migrant agricultural labor, described as such. The Senator is entirely correct when he says that the basic definition, that which excludes a migrant worker from the coverage of the bill, is in the language he has quoted.

Mr. HOLLAND. That is, in the 60-day and $50 provision?

Mr. MILLIKIN. Yes; in the 60-day and $50 provision.

Mr. HOLLAND. Am I also correct in saying that, by the same provision, part-time labor—that is, labor which has not been employed 60 days in any calendar quarter and has not received $50 in such calendar quarter—is also excluded, along with migrant labor, from the coverage of the law?

Mr. MILLIKIN. That is true.

Mr. HOLLAND. My ninth question is this: Is it not true that share croppers are excluded from the coverage of the bill? If so, is it not true that this exclusion of share croppers arises entirely under the cash-remuneration requirement in section 210 (a) (1) (A)? In other words, is it true that there is no express reference to share croppers, as such, by the terms of the pending measure?

Mr. MILLIKIN. I do not recall any description of share croppers, as such, in the pending measure.

Mr. HOLLAND. Is it true that they are excluded from coverage, as stated by the distinguished senior Senator from Georgia [Mr. GEORGE], by the use of the words "cash remuneration," which is required to constitute any regular employee?

Mr. MILLIKIN. That is correct.

Mr. HOLLAND. My tenth question is this: When is the employer privileged to begin making deductions for social-security tax from the compensation of the employee? We have received a considerable number of requests on this point from vegetable producers in the State of Florida, who, recognizing the fact that it will not be known until late in the quarter whether an employee is covered or is not covered, are disturbed about the question of whether they should begin to make deductions to cover the employee's contributions to this tax at the first employment, or only after the 60 days of labor have been completed, thus qualifying the worker to come within the term of "regular agricultural employee."

Mr. MILLIKIN. As a matter of right, as distinguished from what might be an agreement between the employer and the employee, I would say there is no right to make a deduction until 60 days have been worked in a calendar quarter. That leaves, I suggest, sufficient protection to the employer.

I assume that the Senator has in mind, perhaps, some worker who may be working for 60 days, being paid, we will say, weekly, and perhaps disappearing before the proper deductions are made. I think that, as a practical matter, the last week's work, or whatever the number of days that would be involved, would provide sufficient wages out of which the employer could make his deduction. The reason for being required to wait that long is that the worker has a right to quit after the first week, or at any time short of a full quarter, and it would be unfair to make a deduction from his first week's pay, if he left after that time, before completing 60 days' work in the quarter, because he would not be owing anything; and, on the other hand, the employer is not obligated to make any reports or payments until after the man has worked 60 days.

Mr. HOLLAND. As another part of the same question, I should like to ask the distinguished Senator this: If deductions for the tax are made by an employer, and the employee works less than 60 days, is it not true that the employee is entitled to a refund under such conditions?

Mr. MILLIKIN. He certainly would be. That carries me back to a remark I made a moment ago. If by agreement between employer and employee, the employer were entitled to take out the tax week by week, obviously I should think such an agreement would require a rebate of the money. Otherwise, I do not believe the question arises, because, as I suggested before, the employer has no reporting obligation and no paying obligation until after the 60-day period during the quarter, and he will have the opportunity, I suggest, let us say during the last week, of having sufficient money due the employee to make the necessary withholding.

Mr. HOLLAND. My eleventh question is this——

Mr. MILLIKIN. May I make one more suggestion?

Mr. HOLLAND. I shall be glad if the Senator will.

Mr. MILLIKIN. The amount is 1½ percent of the rate of the worker's wages, and as a practical matter that 1½ percent, applied to any wages which might be received by the type of employee the Senator is discussing, would allow, perhaps even out of one day's employment, considerable leeway for the deduction at the end of the quarter.

Mr. HOLLAND. My eleventh question is this: Referring to section 210 (a) (1) (A), line 24, page 240, through line 7, page 241 of the printed bill, is it not true that under this provision agricultural

workers working side by side in a farmer's field will be differentiated as to whether they are subject to social-security benefits by virtue of the number of days they have worked for that particular employer during the previous calendar quarter?

Mr. MILLIKIN. That is entirely correct.

Mr. HOLLAND. My twelfth question is this: I note that there is no definition of the word "employer" stated in the bill itself, as there is of the word "employee," and of most all the other terms. Will the Senator state for the RECORD the definition of the word "employer" which he would regard as appropriate for the purposes of this bill?

Mr. MILLIKIN. I should not want to attempt an off-the-cuff definition of the word, but I think that, in common parlance, it has a very well-defined meaning. It is the man who pays the wages, and it is the man who has control and direction over the employee's labor.

Mr. HOLLAND. I will not press the Senator, but will he say for the record that the proper definition of this term for the purposes of this bill would be the common-law definition as the same may be affected by any of the specific verbiage of the bill?

Mr. MILLIKIN. Yes; I would say so.

Mr. HOLLAND. The Senator has been extremely patient, which I appreciate.

Mr. MILLIKIN. I wish to express my appreciation of the very finely phrased and important questions which the Senator from Florida has propounded.

Mr. HOLLAND. I thank the Senator. It seemed to the Senator from Florida, in view of the fact that only a small fraction of the total of agricultural workers was to be covered under the terms of the proposed bill, and that many of its terms were new to the body of our law, that it was highly appropriate, if not necessary, that this entire matter be explored for the protection of the worker and for the protection of employers in the agricultural field, particularly under the statement of the Senator from Georgia, that the committee had sought to confine itself, by the additional and partial coverage given in that field under this bill, to such coverage as could be effected without bringing undue hardship or complexity or administrative difficulties upon the farmers of the Nation.

Mr. MILLIKIN. I think the Senator's questions are especially pertinent, due to the conditions that exist in his own State and in other States which have somewhat comparable situations, where a large amount of migrant labor is necessary for the harvesting of the crops.

Mr. HOLLAND. I thank the Senator. I should like to ask one additional question, because I think it is wholly pertinent. So far as migrant labor is concerned, is it correct that there is nothing whatever to exclude migrant labor by reason of the mere fact that the workers travel from place to place, provided that they stay in any one place of employment under one particular agricultural employer so long as to have worked 60 days and to have received $50 in cash remuneration during any calendar quarter, as set forth in the bill?

Mr. MILLIKIN. The Senator is entirely correct. In asking his question, I am sure he has in mind what happens in the second quarter, where a man has complied with the conditions affecting the first quarter. He does not have to work 60 days in the second quarter; he can work any amount of time, if he gets $50 during that time.

Mr. HOLLAND. I thank the Senator. The real purpose of my question was to make it clear that there was no purpose on the part of the committee, nor will there be any purpose on the part of the Senate if it passes this measure—which I hope it will—to exclude any workers or their families from the coverage of the law by reason of the mere fact that they travel from place to place in following the crops and therefore come within the accepted category of the term "migrant" or "migratory agricultural workers."

Mr. MILLIKIN. They would be clearly included in the coverage if they met the 60-day and $50 per quarter requirements.

Mr. HOLLAND. I am deeply appreciative of the kindness and the patience of the Senator from Colorado.

Mr. MILLIKIN. I thank the Senator very much.

## THE CALENDAR

The PRESIDENT pro tempore. The next order of business is the call of the calendar.

Mr. STENNIS. Mr. President, not being able to tell the time at which the questions were going to be concluded, quite a number of Senators are absent. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hickenlooper | Maybank |
| Benton | Hill | Millikin |
| Bridges | Holland | Mundt |
| Butler | Hunt | Myers |
| Cain | Ives | Neely |
| Chapman | Johnson, Colo. | O'Mahoney |
| Chavez | Johnson, Tex. | Robertson |
| Connally | Kefauver | Russell |
| Cordon | Kem | Saltonstall |
| Darby | Kerr | Schoeppel |
| Donnell | Kilgore | Smith, Maine |
| Dworshak | Knowland | Smith, N. J. |
| Eastland | Leahy | Stennis |
| Ecton | Lehman | Taft |
| Ellender | Lodge | Thomas, Utah |
| Ferguson | Lucas | Thye |
| Flanders | McCarran | Tobey |
| Frear | McCarthy | Tydings |
| Fulbright | McClellan | Watkins |
| Gillette | McFarland | Withers |
| Green | McKellar | Young |
| Gurney | McMahon | |
| Hayden | Malone | |

The PRESIDENT pro tempore. A quorum is present.

## MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On June 12, 1950:

S. 947. An act for the relief of the Baggett Transportation Co. Inc.;

S. 1510. An act for the relief of James I. Bartley;

S. 1798. An act for the relief of Mrs. Minda Moore; and

S. 2646. An act for the relief of the Articaire Refrigeration Co.

On June 13, 1950:

S. 1863. An act for the relief of Fremont Rider; and

S. 2385. An act for the relief of Edward C. Ritchie

On June 14, 1950:

S. 274. An act for the relief of Constantin E. Aramescu;

S. 1423. An act for the relief of Alex Morningstar;

S. 1856. An act for the relief of Sisters Maria Rita Rossi; Maria Domenica Paone, Rachele Orlando, Assunta Roselli, Rosa Innocenti, and Maria Mantinelli;

S. 1959. An act to commemorate Jim White and his contribution to the early history of Carlsbad Caverns, in the State of New Mexico, and for other purposes;

S. 2108. An act for the relief of Italo Vespa de Chellis;

S. 2117. An act to provide for the designation of the reservoir to be formed by the Davis Dam on the Colorado River as Lake Mohave;

S. 2274. An act to provide for the addition of certain lands to El Morro National Monument, in the State of New Mexico, and for other purposes;

S. 2969. An act to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of Commerce; and

S. 3226. An act to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of Interior.

On June 15, 1950:

S. 356. An act for the relief of Hugo Geiger;

S. 404. An act for the relief of Emma L Jackson;

S. 749. An act for the relief of Ferd H Gibler;

S. 977. An act for the relief of Jacques Yedid, Henriette Yedid, and Ethel Danielle Yedid;

S. 1693. An act for the relief of Karin Margareta Hellen and Olof Christer Hellen;

S. 1719. An act to amend section 3 of the act of Congress approved June 28, 1906, relating to the Osage Indians of Oklahoma;

S. 1739. An act to amend section 4934 of the Revised Statutes (U. S. C., title 35, sec. 78), as amended, to permit public libraries of the United States to acquire back copies of United States letters patent, and for other purposes;

S. 1929. An act for the relief of Anna Samudovsky;

S. 2338. An act for the relief of J. M. Arthur; and

S. 3093. An act to amend section 82 of the Hawaiian Organic Act relating to the Supreme Court of the Territory of Hawaii and temporary vacancies therein.

## DELIVERED-PRICE SYSTEMS AND FREIGHT-ABSORPTION PRACTICES—VETO MESSAGE (S. DOC. NO. 184)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying bill, ordered to lie on the table and to be printed:

*To the Senate:*

I am returning herewith, without my approval, S. 1008, a bill to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices.

It is the purpose of this bill to eliminate confusion and uncertainty under these acts regarding the legality of freight absorption and the sale of goods at delivered prices. Further, the bill provides a definition of the extent to which "good faith" meeting of competition is a defense against a charge of illegal price discrimination.

It is obviously desirable for laws to be as clear as possible. After careful study, however, I am convinced that the bill would not achieve the clarification which is desired. Instead, through the introduction of new and uncertain legal terminology, and through its confusing legislative history, the bill would obscure, rather than clarify, the law. As a result, it would make it more difficult for businessmen, administrative agencies, and the courts to understand and apply the legal safeguards against monopoly and unfair competition. Moreover, the bill contains provisions which might be interpreted, after protracted litigation, to impair the effectiveness of the antitrust laws.

Because of the increasing complexity of our economic system, the laws protecting fair competition have been amended from time to time, and the judicial decisions interpreting those laws have taken account of specific situations not anticipated by those who drafted the laws originally. When further amendments of the antitrust laws are needed to meet new problems, they should be enacted in a form which clearly preserves the basic purpose of these laws—the protection of fair competition and the prevention of monopoly.

The sponsors of this bill intended to do exactly that. They were impressed by court decisions in recent years which were said by some to mean that businessmen could not absorb freight costs or quote "delivered prices" in distant markets in order to meet the prices offered by competitors. They drafted this bill in an effort to clarify that situation.

This bill, however, as it has finally emerged from the legislative process, is so far from clear that each of its major provisions is capable of widely conflicting interpretations. Members of Congress are usually in substantial agreement about the meaning of proposed legislation, even though they may differ widely about whether or not it is desirable. In debating this bill they have expressed substantial agreement about what is desirable and yet have differed widely about the bill's meaning and effects. There is every reason to believe that if S. 1008 were to become law there would be as much uncertainty about its meaning in the business community and the administrative agencies of the Government as there has been in the Congress.

Section 1 of this bill is designed to make clear that it is not unlawful under the Federal Trade Commission Act for businessmen acting independently to absorb freight and to sell at delivered prices. The sponsors of the bill in the Senate interpreted section 1 as a mere declaration of existing law. On the other hand, the Committee on the Judiciary of the House of Representatives has interpreted certain provisions of this section in a manner which apparently would change existing law. Still other Members of both Houses of Congress interpret the bill as permitting the resumption of basing-point practices recently found to be illegal.

Sections 2 and 3 are intended to clarify the meaning of the Clayton Act with respect to certain price discriminations, particularly those resulting from freight absorption and delivered pricing. In so doing, these sections undertake to define the extent to which the good faith of a seller in meeting a competitor's price is a defense against a charge of illegal price discrimination. Supporters of the bill in both the Senate and the House have interpreted sections 2 and 3 as increasing a seller's freedom to meet a competitor's price in good faith—regardless of resulting injury to competition—by removing what they regard as undue restrictions in existing law. On the other hand, it has also been stated in support of the bill that these sections would have a contrary effect. Opponents of the bill in both Houses of Congress have said that these same sections would have the practical effect of nullifying the Robinson-Patman Act, with its protections against ruthless price discrimination.

In the light of these conflicting interpretations, many years of complex litigation would be required to give the provisions of S. 1008 clear and specific content. This is certain to be a slow and difficult process. Meanwhile, some individuals might be encouraged to resume practices which are now prohibited. During this period, doubt cast on the previous decisions of the courts would impair effective enforcement of the antitrust laws.

Even more serious is the risk that this bill would eventually be interpreted to reduce the protection afforded the public by the antitrust laws. These laws have been in effect a long time and have acquired specific content through interpretation by the courts. They provide safeguards against practices which would tend to destroy our free competitive economy. The Sherman Act is directed against monopolies and conspiracies in restraint of trade. The Federal Trade Commission Act established an administrative agency with authority to prevent trade practices which, if not checked, would unduly suppress competition or tend to create monopoly. The Clayton Act, as amended by the Robinson-Patman Act, prohibits a number of specific, injurious trade practices. In particular, this law protects small enterprises against ruthless price discrimination.

Because the meaning of S. 1008 is so uncertain, no one can accurately foretell how its enactment would change the content of these laws. The bill might handicap the Federal Trade Commission in proving the existence of a conspiracy involving use of a delivered pricing system. The Commission and the courts now consider a great number of factors in determining whether there has been an unlawful conspiracy to fix prices in a particular case. Among these factors are the operation of freight absorption and basing-point systems as they affect pricing and competition. The courts have frequently found these to be the means by which organized price fixing is accomplished. Yet it is quite possible that S. 1008 would be interpreted to create a preferred status for these practices, giving them immunity from consideration in conspiracy proceedings.

Furthermore, S. 1008 might jeopardize the Commission's ability to stop unfair discriminations. At the present time a principal test of unjustified price discrimination under the Clayton Act is whether the effect "may be" substantially to lessen competition. In a number of cases the courts have upheld the legislative intent of the original Clayton Act to make this test cover discriminations which have not yet reached the stage of actually suppressing competition but could reasonably be expected to do so. S. 1008, however, provides that certain price discriminations are illegal if the effect on competition "would be" such that competition "will be" substantially reduced. In interpreting this new language the courts may feel compelled to require proof that damage to competition is already occurring, or will certainly follow, before discriminations can be stopped.

These are risks, not certainties. But there would be no justification for taking such risks unless the existing legal situation were so confused as to appreciably hamper business operations and there were no alternative methods for resolving these difficulties. At the present time, this is clearly not the case.

The issues this legislation is designed to resolve have been under intensive consideration by the Congress and the public for 2 years. During this period the relevant court decisions and administrative policies which gave rise to this bill have been thoroughly reexamined. In a recent decision by the United States Court of Appeals for the Fourth Circuit, considerable light was thrown on the legality of freight absorption under the Federal Trade Commission Act. In addition, the Commission has issued a number of statements designed to make clear its interpretations of the law. As a result, much of the earlier uncertainty has been eliminated. Thus it is quite clear that there is no bar to freight absorption or delivered prices as such. Still further clarification of the antitrust laws can be expected when decisions are reached in a number of cases now under consideration by the Federal Trade Commission and the courts.

The recent court decisions were effective in eliminating certain clear abuses of competition. The sponsors of this bill recognize the merit of these decisions. In none of these cases have legitimate competitive practices been prevented by the courts. Moreover, industries affected by these court decisions have demonstrated their ability to adjust to the law with respect to the absorption of freight and delivered pricing, as now interpreted, without apparent injury to themselves or to the economy.

I recognize that businessmen have been concerned lest they be penalized for perfectly sensible and appropriate competitive action. I believe their concern is unwarranted. If in the future there

should be clear evidence to the contrary, the law should, of course, be changed.

On the basis of the present evidence, however, I am convinced that no such change is necessary, and that in attempting to affirm what is already true, the bill goes further and would hamper, instead of help, the preservation of fair competition.

When reasonable and informed men arrive at such widely divergent interpretations of a piece of legislation as in this case, it is impossible to predict the direction which future court decisions would take. Even if all interpretations served to maintain full protection under our antitrust laws, the intervening period of uncertainty might jeopardize enforcement of these laws for a decade or more. But the fact is that these interpretations, when they came, might necessarily weaken the present laws. I am convinced, therefore, that the enactment of S. 1008 would not be in the public interest.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 16, 1950.*

RELIEF OF CERTAIN CONTRACTORS EMPLOYED IN CONSTRUCTION OF UNITED STATES APPRAISERS BUILDING, SAN FRANCISCO, CALIF.—VETO MESSAGE (S. DOC. NO. 185)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on the Judiciary and ordered to be printed:

*To the Senate of the United States:*

I return herewith, without my approval, S. 794, "for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif."

This enactment directs the payment of the 17 claimants named therein of varying amounts, totaling $118,808.38 in compensation for monetary losses sustained by them in performing contracts or subcontracts in connection with the construction for the Federal Government of the United States Appraisers Building in San Francisco.

The contract for this construction was entered into in July 1940 between the Public Works Administration and the Clinton Construction Co., as the general contractor. The latter, in turn, subcontracted much of the construction work to the claimants in this case.

Construction of the building commenced in 1940. The contractors engaged in the construction of the building continued work pursuant to the commitments of their contracts and the building was completed in 1945. While the prime contractor and some subcontractors are said to have realized a profit, other subcontractors, including the claimants named in this enactment, incurred losses in this undertaking. The losses were attributed to the rise in cost of materials, the shortage and inefficiency of labor, delays, and lack of effective priorities, all induced by the emergency conditions of the time.

It has long been the accepted rule that the Federal Government should not be expected to underwrite the success of those who engage in contractual relationships with it. Such a policy is essential to the orderly and successful administration of government. Under our competitive free-enterprise system, the risks of loss should be just as much present in dealings with the Government as they are in dealings between private individuals and concerns. However, the Congress did take cognizance of the plight of some contractors with the Government who were obliged to carry out their commitments in the face of rising costs and other harassments of war conditions. In 1946 it enacted the so-called Lucas Act (Public Law 657, 79th Cong.), which was designed to afford relief, under certain circumstances, to contractors who suffered losses in discharging contracts for work, supplies, or services furnished the Government between September 16, 1940, and August 14, 1945.

The Lucas Act, general in form and application, prescribed standards to govern the disposition of the claims of contractors who filed under its authority. Among other conditions which it imposed, the act required a showing that the claimant suffered a net loss on all contracts and subcontracts with the Government during the prescribed period. Some of the claimants involved in the instant bill sought relief under the Lucas Act, but their claims were rejected since they had not incurred a net loss on all of their contracts and subcontracts in connection with Government work during the statutory period. The remaining claimants did not file under the act, presumably because they could not meet either the statutory test of an over-all loss or other terms of that legislation.

Failing in their efforts to secure relief under the provisions of general law, the claimants next sought the private relief provided in this bill. In effect, therefore, this measure proposes, for the benefit of a limited few, special treatment outside the framework of general law applicable to Government contracts. Specifically, it would depart from the rationale of the Lucas Act in its proposal to make these claimants whole on one contract without taking into consideration profits realized by them on all contracts performed for the Government during the war period. These contractors, it seems to me, ask that they be removed from the risk of any loss in having performed the contracts in question. What they seek is not only contrary to the principles of our free enterprise system but it would place the Government in the unreasonable and unique position of being a guarantor against losses by those who engaged in business relations with it.

In the light of the foregoing considerations, I have felt obliged to withhold my approval from this enactment.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 16, 1950.*

THE CALENDAR

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. Is the call of the calendar next in order under the unanimous-consent agreement?

The PRESIDENT pro tempore. The call of the calendar is now in order, beginning at Order of Business 1788, Senate bill 3571.

EXTENSION OF AUTHORITY OF MARITIME COMMISSION

The bill (S. 3571) to continue the authority of the Maritime Commission under the Merchant Ship Sales Act of 1946, and for other purposes, was announced as first in order.

Mr. SCHOEPPEL. Mr. President, may we have a short explanation of the bill?

The PRESIDING OFFICER (Mr. STENNIS in the chair). An explanation is desired. The Senator from Colorado is recognized.

Mr. JOHNSON of Colorado. Mr. President, the bill extends the time and provides the conditions pursuant to which war-built cargo and passenger vessels may be sold and chartered. Authority to sell and charter the vessels under the Merchant Ship Sales Act of 1946 terminates on June 30, 1950. The bill extends authorization to sell to December 31, 1950. Authority to charter vessels under the existing provisions of the 1946 act is extended to September 30, 1950, in order to provide for the orderly liquidation of outstanding charters.

The bill also provides for the continuation to December 31, 1950, of the authority of the Commandant of the United States Coast Guard to grant waivers of navigation and vessel-inspection laws except in the case of laws regulating employment of aliens or requiring a vessel to have a full crew.

Section 5 of the bill will permit the operation of Canadian ore vessels in the domestic iron-ore trade on the Great Lakes.

Sections 2 and 3 of the bill provide for the continued charter of war-built and cargo and passenger vessels after September 30, 1950, under the following conditions: (a) In time of national emergency when the requisition power of the Government becomes operative; (b) whenever in the public interest cargo vessels are required for use in either a foreign or domestic trade which is not adequately served and for which privately owned vessels are not available on reasonable conditions and at reasonable rates; and (c) authority to charter war-built and non-war-built passenger vessels is authorized under title VII of the Merchant Marine Act, 1936.

Mr. SCHOEPPEL. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Colorado. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. With reference to the waiving of certain requirements, does the bill provide that when a waiver is entered into it will be made a matter of record?

Mr. JOHNSON of Colorado. It provides for a record by the Commandant of the Coast Guard. That follows as a matter of form.

Mr. SCHOEPPEL. I wanted to be sure about that phase of it.

Mr. JOHNSON of Colorado. That follows as a matter of form.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Oregon.

Mr. CORDON. Does the bill grant any additional authority or does it merely extend authority which has heretofore been granted?

Mr. JOHNSON of Colorado. It does not grant any additional authority. It extends authority, but it imposes a limitation to be applied after the extension has expired.

Mr. CORDON. I thank the Senator.

Mr. JOHNSON of Colorado. Mr. President, the provision in section 3 for a public hearing as a condition for chartering war-built vessels under special conditions means an opportunity to be heard orally and present arguments to the new Maritime Board. It does not contemplate that proceedings shall be fully judicial in character.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce with amendments, on page 1, line 6, after the word "after", to strike out "June 30, 1951" and insert "December 31, 1950"; in line 7, after the word "contract", to strike out "or" and insert "of"; in the same line, after the word "after", to strike out "December 31" and insert "September 30"; on page 2, line 8, after the word "the", to strike out "Commission" and insert "Secretary of Commerce"; in line 9, after the word "after", to strike out "January 1, 1951" and insert "October 1, 1950"; in line 13, after the word "the", to strike out "Commission may charter"; in line 14, after the word "by", to strike out "it" and insert "the United States"; in line 15, after the word "on", to strike out "December 31, 1950" and insert "September 30, 1950, may be chartered"; in line 17, after the words "of the", to strike out "Commission" and insert "Federal Maritime Board"; in line 22, after the word "made", to insert "by the Secretary of Commerce"; on page 3, line 1, after the word "the", to strike out "Commission" and insert "Federal Maritime Board"; in line 4, after the word "charters", to insert "and shall have certified its findings to the Secretary of Commerce"; in line 7, after the word "the", to strike out "Commission" and insert "Secretary of Commerce"; in line 9, after the word "by", to strike out "it" and insert "the United States"; in the same line, after the word "on", to strike out "December 31" and insert "September 30"; in line 19, after the word "until", to strike out "June 30, 1951" and insert "December 31"; in line 20, after the word "That", to strike out "after June 30, 1950, the Commandant shall not waive compliance with those sections of the navigation and vessel-inspection laws requiring the employment of American citizens as officers and crew members and limiting the employment of aliens" and insert "nothing herein shall be construed to authorize the Commandant of the United States Coast Guard to grant a waiver for the employment of alien seamen, or a waiver permitting a vessel to sail with less than its specified compliment on board", and on page 4, after line 6, to insert a new section, as follows:

SEC. 5. Notwithstanding the provisions of section 27 of the act of June 5, 1920 (41 Stat. 999), as amended by act of April 11, 1935 (49 Stat. 154), and by act of July 2, 1935 (49 Stat. 442), or the provisions of any other act or regulation, vessels of Canadian registry shall be permitted to transport iron ore between United States ports on the Great Lakes during the period from the date of enactment of this act to December 31, 1950, or until such earlier time as the President by order may designate.

So as to make the bill read:

*Be it enacted, etc.*, That section 14 of the Merchant Ship Sales Act of 1946, as amended, is amended to read as follows:

"SEC. 14. No contract of sale shall be made under this act after December 31, 1950, and no contract of charter shall be made under this act after September 30, 1950, except as provided for charter under section 5 (e)."

SEC. 2. The fourth sentence of section 11 (a) of such act, as amended, is amended to read as follows: "A vessel placed in such reserve shall in no case be used for commercial operation, except that any such vessel may be used during any period in which vessels may be requisitioned under section 902 of the Merchant Marine Act, 1936, as amended, and that any such vessel may be used under a bareboat charter entered into pursuant to authority vested in the Secretary of Commerce on or after October 1, 1950."

SEC. 3. Section 5 of such act, as amended, is amended by adding at the end thereof subsections to read as follows:

"(e) Notwithstanding the provisions of sections 11 and 14 of this act, as amended, the war-built cargo vessels owned by the United States on September 30, 1950, may be chartered pursuant to this act for bareboat use in any service which in the opinion of the Federal Maritime Board is required in the public interest and is not adequately served, and for which privately owned vessels are not available for charter by private operators on reasonable conditions and at reasonable rates for use in such service. No charters shall be made by the Secretary of Commerce under authority of this subsection until the Federal Maritime Board shall have given due notice to all interested parties and shall have afforded such parties an opportunity for a public hearing on such charters and shall have certified its findings to the Secretary of Commerce.

"(f) Notwithstanding the provisions of sections 11 and 14 of this act the Secretary of Commerce may charter any passenger vessel, whether or not war-built, owned by the United States on September 30, 1950, pursuant to title VII of the Merchant Marine Act, 1936, as amended."

SEC. 4. Section 2 of the joint resolution entitled "Joint resolution authorizing the Commandant of the United States Coast Guard to waive compliance with the navigation and vessel-inspection laws administered by the Coast Guard," approved March 31, 1947 (Public Law 27, 80th Cong.), as amended, is amended to read as follows:

"SEC. 2. The authority granted by this resolution shall remain in force only until December 31, 1950: *Provided*, That nothing herein shall be construed to authorize the Commandant of the United States Coast Guard to grant a waiver for the employment of alien seamen, or a waiver permitting a vessel to sail with less than its specified complement on board."

SEC. 5. Notwithstanding the provisions of section 27 of the act of June 5, 1920 (41 Stat. 999), as amended by act of April 11, 1935 (49 Stat. 154), and by act of July 2, 1935 (49 Stat. 442), or the provisions of any other act or regulation, vessels of Canadian registry shall be permitted to transport iron ore between United States ports on the Great Lakes during the period from the date of enactment of this act to December 31, 1950, or until such earlier time as the President by order may designate.

The amendments were agreed to.

Mr. McCARRAN. Mr. President, will the Senator from Colorado permit me to ask him a question?

Mr. JOHNSON of Colorado. Certainly.

Mr. McCARRAN. Is there anything in the bill which would exempt or have the effect of in any way exempting the Maritime Commission from the provisions of the Administrative Procedure Act?

Mr. JOHNSON of Colorado. No, there is nothing in the bill to that effect.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read: "A bill to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes."

## BILL PASSED OVER

The bill (H. R. 6326) to provide for the common defense through the registration and classification of certain male persons, and for other purposes, was announced as next in order.

Mr. SCHOEPPEL. Over.

The PRESIDING OFFICER. The bill will be passed over.

## EXTENSION OF THE RUBBER ACT OF 1948

The Senate proceeded to consider the bill (H. R. 7579) to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.) and for other purposes, which had been reported from the Committee on Armed Services, with amendments in line 6, after "April 1", to strike out "1952" and insert "1951"; in line 8, after "January 15", to strike out "1953" and insert "1952", and in line 11, after "June 30", to strike out "1953" and insert "1952."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

## CONSTRUCTION PROGRAM FOR RESERVE COMPONENTS OF ARMED FORCES

The bill (S. 960) to provide for the construction, rehabilitation, expansion, conversion, and joint utilization of buildings, structures, utilities, and other facilities, including the acquisition of land, for the reserve components of the National Military Establishment of the United States, and for other purposes, was announced as next in order.

Mr. SCHOEPPEL. Mr. President, reserving the right to object, I note that the bill carries an amount of $135 000,000. May we have an explanation of the bill, please?

Mr. SALTONSTALL. Mr. President, together with the Senator from Virginia [Mr. BYRD] I was a member of the subcommittee which considered the bill. This is a bill concerning armories in vari-

ous States for the National Guard and for the military reserves. The committee considered the bill last year, but held up action on it because the Secretary of Defense gave higher priority to other matters. This year he came back and gave the highest priority to this bill. Therefore the committee has carefully considered it and worked out provisions which are agreeable to the National Guard leaders and to the Secretary of Defense, and, so far as I know, to the various States.

The problem is that the National Guard is now composed of 390,000 men. The National Guard is larger than the needs of the States would require. The Guard also has air forces which are not necessarily purely for State purposes. Therefore the problem is how to provide facilities adequate to take care of the necessary equipment that is now turned over by the United States Government to the National Guard, also to give the guard facilities sufficiently large in which to train.

The original suggestion called for $700,000,000 over a period of years. The committee cut it down to a period of 3 years, and to a $135,000,000 maximum, that is, $35,000,000 for this year, and $50,000,000 authorizations for each of the next 2 years. It did this because it believed the situation was so fluid that it was much better to reexamine the situation 3 years from now and have Congress again consider the matter, rather than go into a very extensive building program which might become inadequate or out of date.

The bill gives the Federal Government control over the buildings which it constructs. It makes the Federal Government contribute 75 percent to existing State armories which may be enlarged. It gives the final decision as to the location of a unit of the National Guard to the Secretary of Defense after he has talked with and notified the Governor of the State, who can cite objections if he so desires.

Mr. President, I believe the bill safeguards the national interest in its relation to the States. I believe it protects the interest of the National Guard. General Reckord and his group approve of it in its present form. I believe we have cut it down sufficiently so that if conditions change there will be no waste of funds. The bill authorizes a large sum of money, $135,000,000. But it is the result of 2 years work, and I think the situation is protected in every way, and that the amount involved is necessary at this time for the national defense.

Mr. SCHOEPPEL. I should like to ask the distinguished Senator from Massachusetts if there is an emergency with respect to this measure in certain sections of the country, in the interest of national defense?

Mr. SALTONSTALL. The only emergency, I will say to the distinguished Senator from Kansas, is that the equipment the Government now supplies to the National Guard is often left out in the open because of a lack of housing facilities. It is not under cover in a number of instances. Furthermore, the National Guard has grown so large that there are not adequate facilities in which to train. The Navy has built Quonset huts in various States to take care of its needs. The Navy is not involved in this measure. Its needs are adequately taken care of. The National Guard officers believe the facilities provided by the bill are necessary for the units and the air forces of the Guard if they are to be adequately trained and if their equipment is to be properly covered and protected.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 960) to provide for the construction, rehabilitation, expansion, conversion, and joint utilization of buildings, structures, utilities, and other facilities, including the acquisition of land, for the Reserve components of the National Military Establishment of the United States, and for other purposes, which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause, and insert:

That this act may be cited as the "National Defense Facilities Act of 1950".

SEC. 2. It is the purpose of this act to make provision for—

(a) the acquisition by purchase, lease, transfer, construction, expansion, rehabilitation, or conversion of such facilities as may be necessary for the proper development, training operation, and maintenance of units of the Reserve components of the armed services of the United States; and

(b) the joint utilization of such facilities by units of two or more such Reserve components, and in time of war or national emergency by such units and other units of the Armed Forces of the United States or any other use by the Federal Government, to the greatest practicable extent in the interest of efficiency and economy.

SEC. 3. Subject to the provision of section 4 of this act, the Secretary of Defense is authorized, in an aggregate amount not in excess of $135,000,000 which shall be available for obligation purposes at a rate not in excess of $35,000,000 for the fiscal year 1951 and $50,000,000 for each of the two succeeding fiscal years, to—

(a) acquire by purchase, lease, or transfer, construct, expand, rehabilitate, convert, and equip such facilities as he shall determine to be necessary to effectuate the purposes of this act;

(b) contribute to any State such funds as he shall determine to be necessary to expand, rehabilitate, or convert facilities owned by such State to the extent required for the joint utilization of such facilities; and

(c) contribute to any State such funds for the acquisition, construction, expansion, rehabilitation, or conversion by such State of such additional facilities as he shall determine to have been made essential by any increase in strength of the National Guard of the United States or the Air National Guard of the United States.

SEC. 4. (a) No expenditure or contribution shall be made for any facility pursuant to this act until it shall have been determined by the Secretary of Defense that—

(1) the number of units of Reserve components of the Armed Forces of the United States located or to be located in the community or area within which such facility is to be provided does not exceed the number which reasonably can be expected to be maintained at authorized strength, taking into account the number of persons residing in such community or area who are qualified for membership in such reserve units; and

(2) the plan or program under which such facility is to be provided makes the maximum practicable provision for the joint utilization of such facilities.

(b) No unit of the National Guard of the United States or the Air National Guard of the United States shall be withdrawn from any community or area, nor shall the location of any such unit be changed, pursuant to any authority conferred by this act, until the governor of the State within which such unit is situated shall have been consulted with regard to such withdrawal or change of location.

(c) Title to all real or personal property acquired under section 3 (a) of this act shall be vested in the United States. All facilities provided pursuant to such section shall be administered by the Secretary of Defense, who may (1) permit any such facility to be used from time to time by persons or organizations other than members or units of the armed services under leases or other agreements as the Secretary shall deem appropriate, and (2) cover payments received under such leases or agreements into the Treasury to the credit of the appropriation or appropriations from which the cost of maintenance, including providing of utilities and services, is paid, but the Secretary shall at no time permit any disposition or use to be made of such facilities which will interfere with their use for the administration and training of units of the Reserve components of the Armed Forces of the United States, or in time of war or national emergency by other units of the Armed Forces of the United States or any other use by the Federal Government.

(d) Each contribution made pursuant to section 3 (b) or 3 (c) of this act shall be subject to such terms and conditions as the Secretary of Defense shall deem necessary to accomplish the purposes of this act: *Provided*, That except as agreed at the time the contribution is made the facilities provided through contributions made pursuant to section 3 (c) of this act shall be subject to joint utilization only to the extent deemed practicable by the State concerned. No contribution shall be made under section 3 (c) for any facility in an amount exceeding 75 percent of the cost of the additional or improved facilities to be constructed.

(e) Each State which shall have acquired, constructed, expanded, rehabilitated, or converted any facility with any funds contributed under sections 3 (b) and 3 (c) of this act may (1) permit such facility to be used from time to time by persons or organizations other than members or units of the armed services under such leases or other agreements as such State shall deem appropriate, and (2) apply the sums received under such leases or agreements to defray in whole or in part the cost of maintaining such facility, but, except as agreed at the time such contribution is made, or by subsequent modifications of the agreement, at no time shall such State permit any disposition or use to be made of such facility which will interfere with its use for the administration and training of units of the Reserve components of the Armed Forces of the United States, or in time of war or national emergency of other units of the Armed Forces of the United States or any other use by the Federal Government.

SEC. 5. The Secretary of Defense may delegate all or any part of the authority conferred or the duties imposed upon him by this act without relieving himself of the responsibility therefor to such department, agency, officer, or officers of the Department of Defense as he may designate from time to time.

SEC. 6. As used in this act, the term—

(a) "facility" includes an interest in land, any armory or other structure together with any improvement thereto, and any storage or other facility normally required for the administration and training of any unit of any Reserve component of the Armed Forces of the United States;

(b) "State" includes (1) any State or Territory of the United States, any political subdivision thereof, any tax-supported agency therein, or any military unit situated therein; (2) Puerto Rico; and (3) the District of Columbia;

(c) "Reserve component of the armed forces of the United States" shall include—

(1) the National Guard of the United States;

(2) the Air National Guard of the United States;

(3) the Organized Reserve Corps;

(4) the United States Naval Reserve;

(5) the United States Marine Corps Reserve;

(6) the United States Air Force Reserve; and

(7) the Coast Guard Reserve; and

(d) "joint utilization" shall mean the occupancy or use of any facility by units of two or more Reserve components of the Armed Forces of the United States.

SEC. 7. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act. When any act whereby any such appropriation is made so provides, such sum shall remain available until expended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units for the Reserve components of the Armed Forces of the United States for fiscal years 1951, 1952, and 1953, and for other purposes."

## SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 95) favoring the suspension of deportation of certain aliens was considered and agreed to, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

A-2321302, Abbos, Shaiki or Shake alias Shake Shassen.

A-5123876, Ackland, Robert McLuckie.

A-7070389, Acosta, Rudolf Ruiz.

A-7056887, Adler, Barbara.

A-1233731, Afonso, Antonio Joaquim.

A-2270306, Aftosmes, Demetrios or James Aftosmes.

A-7070732, Aguilera, Guillermo.

A-3371212, Aguillera-Flores, Antonia or Tony Aguilera-Flores.

A-5676905, Aidecon-Lezamiez, Juan.

A-6216558, Alonso, Orestes or Orestes Esteban Alonso y Arencibia or Rafael Fuentes.

A-6815769, Arens, Hermanus Josephus Aloysius Cecilia or Hermanus J. A. C. Arens.

A-4523010, Alvarez, Lucy Amaya or Maria De La Luz Alvarez.

A-7011279, Amador-Flores, Dimas.

A-3193317, Andreason, Genoveva (nee Nasura).

A-6979667, Andronoff, Stephan.

A-3487944, Angelcovich, Spas Risto or Spasa Risto Angelcovich.

A-3470786, Anglin, Loretta (nee Nairne) or Loretta Agatha Anglin.

A-3110467, Apodaca, Inocente.

A-7178868, Armstrong, Angelina or Angelina Mica.

A-6969979, Arrien, Ignacio or Ignacio Ulacia or Ignacio Ulacia Arrien.

A-6949198, Arriola, Pedro or Rosales.

A-4207254, Arslanian, George or Nazaret Arslanian.

A-3899760, Artimovski, Pavel or Pavel Artimovsky or Paul Durica or Pavor Artimoszke or Pavel Artimosky.

A-3523682, Athanasiou, Ioannis Vasilios or John Athanasiou or Athanassiou.

A-4179012, Atkinson, Margaret (nee Maggie Clarke).

A-6852434, Attis, Rupert Ernest.

A-6750585, Aubain, Joseph Jules Firmin.

A-2795896, Augoustis, John Deamatis.

A-2106619, Avedesian, George Krikor.

A-1913740, Avedesian, Hyganoosh.

A-6884657, Bakke, Aina Eugenia or Aine Eugenia Broo (maiden name).

A-3201157, Balbi, Aniello.

A-4550573, Ballas, John, formerly Janos Balazs.

A-6428600, Bangos, Jim John or Demetrios John Bangos.

A-6248618, Bangos, John Jim.

A-6723760, Barlow, Leslie Denise.

A-5080538, Barnes, Percy Stuart Joseph.

AV6925616, Bartelt, John Detlef.

A-5960326, Bassonetti, Achille.

A-5007136, Batista, Alfredo Jose.

A-5579670, Bottaro, Carlo or Carlo Delan Gralio or Carlo Battaro.

A-4977776, Baltazar-Lozano, Alberto.

A-7197106, Bauer, Hagen Herbert.

A-6989961, Becker, Monica Inge.

A-9731627, Bilbao, Justo Echevarria or Justo Bilbao.

A-4502778, Berghe, Joseph Alfert Van Den or Joseph Alfred Van Den Berghe.

A-5004316, Berr, Lena (nee Tzadikoff).

A-5353380, Betcher, Edward or Eduards Betchers.

A-2922471, Bisceglie, Michele.

A-6808053, Bishop, Joyce Evelyn.

A-1263394, Blackette, Beresford Hugh.

A-3227354, Blanshard, Florence.

A-5357365, Bley, Anna Friederike (nee Hochbach).

A-3497117, Bleziotes, Haralambos or Harry Bleziotes.

A-2211547, Bocca, Stefano or Stephen.

A-5704775, Boeckmann, Emmy or Bockmann or Bockman (nee Doerner).

A-6435175, Boen, Joen Fong or Boen Joen Fong or Stephen Boon.

A-2261266, Bonivy, Doris Bowles (nee Pinder).

A-7178678, Borges, Eduardo Ferreira.

A-2375799, Borgias, Constantinos Nicholas.

A-3568155, Brennan, Joseph Francis.

A-4752162, Brizich, Pete or Pedro or Petar Brizic.

A-5479761, Brodowicz, Adela or Adela Borosiequicz or Adell Boresevicaite.

A-7117815, Brooke, Cheryl Louise.

A-6688782, Brooker, Barry Charles.

A-3531800, Brown, Louis Withington.

A-7666183, Brown, Shizu Ozasa.

A-7130495, Brull, Maria Victoria Puig.

A-7140481, Brull, Mercedes Puig.

A-7137518, Brull, Pedro Eduardo Puig.

A-5091591, Brunner, Julius.

A-6940333, Buchanan, Peter Francis.

A-7083864, Bustamante, Lauro or Lauro Bustamantes or Laurito Bustamante.

A-2741896, Cabano, Alfonso Davide.

A-3180617, Cafiero, Federico or Frederico or Ferderick Cafiero.

A-4200070, Caretti, Giovanni Angelo or John Caretti.

A-6174755, Cassella, Marjorie, formerly McDonald (see Eldred).

A-3615706, Cathelin, Rose or Rose Varga or Sandorne Istvan.

A-5926763, Centore, Gaetano.

A-1053167, Chakalis, Spiros or Sam Chakalis.

A-6286478, Chalom, Haim or Haim Cholom.

A-7682123, Chan, Chin Yi.

A-6982495, Charles, Hilda.

A-7709592, Chavez, Isabel Tapia.

A-6961908, Chen, Helen Kuang-Ih or Kuang-Ih Chen.

A-6961909, Chen, Eugene Yu Ming or Yu-Ming Chen.

A-4388607, Cherubino, Giuseppe or Joseph Carabino or Joseph Calluchio.

A-6405640, Childress, Betty Christine or Betty Christine Bradley.

A-6187138, Chu, Phyllis Lai or Lai Pui Jen.

A-6919971, Clarke, Alva John.

A-6127955, Clarke, Geraldine Rae.

A-6919973, Clarke, Jazell.

A-6919972, Clarke, John Alva.

A-6921073, Clarke, Marguerite or Margaret Clarke.

A-1627768, Clarke, Margaret Helen (nee Macleod).

A-6921072, Clarke, Sybil Rae.

A-4870618, Codreanu, Gregoire Georges or George Codreanu.

A-6989887, Colasante, Josephine (Guiseppina) formerly Moggio.

A-6921113, Considine, John William.

A-1226448, Coombs, Catherine Maude or Catherine Maude Brown.

A-3304748, Cornelos, Stefanos Michael or Steve M. Cornellos or Stefanos Michael Cornellos or Stefanos Kornelos.

A-6076778, Cornier, Candida Rosa (nee Leger) alias Anglanda.

A-4054276, Cosgrove, Ernest Howard.

A-6792789, Coughlin, Joseph Michael.

A-4644245, Coultas, Bramwell Gerald.

A-7145395, Courtney, Marilyn Patricia.

A-6924542, Crough, Yvonne Lapierre.

A-4288442, Cummins, Sylvia Millicent (nee Ruwald).

A-7145938, D'Addario, Eva Johanna or Eva Johanna Deyhle or Deyle.

A-4719855, Dale, Percy Oliver.

A-5202424, Dale, Annie Elizabeth.

A-3333035, Dalsass, Angelo Pietro or Joe Dalsass or Joe Dansass or Joseph Dansass.

A-2810063, Davidson, Margaret Campbell.

A-2810064, Davidson, Alice Campbell.

A-5979523, Davis, Helen Augustine or Helen Augustine Romney.

A-61762222, De Alcuaz, Luis Gregorio.

A-6425114, De Browne, Marie De La Paz Romero Hernandez or Maria S. Browne.

A-1209750, Da Cunha, Diogo.

A-3199134, De Cantu, Francisca Castaneda or Francisco Castaneda Vda. De Flores.

A-6525487, De Esquivel, Teresa Sanchez Vda. or Teresa Sanchez De Esquivel or Teresa Sanchez or Maria Teresa Esquivel.

A-6357954, De Jesus, Pastor.

A-6730846, De Montoya, Maria De Los Angeles-Delgado or Angela Delgado or Jeannie Barragan.

A-6224983, De Martinez, Emma Scarbrough.

A-6743353, De Martinez, Herminia Samano or Herminia Samano de Loza or Herminia Loza or Erminia Samano or Erminia Samano De Martinez.

A-6865953, De Martinez, Maria Briseno or Maria B. Martinez.

A-6839836, De Sanchez, Constancia Gonzalez.

A-6217887, De Siebert, Emily or Emily De Bois or Aranka Emily De Bois.

A-4463274, Demiris, Vasilios Georgiou or William John Demeris.

A-4430229, Desantis, Gaetano.

A-4675200, Deyl, Cornelius Mariuns or Charlie Deyl.

A-1420116, Diaz, Rafael or Rafael Dias.

A-2550287, Diegele, Babette (nee Paul).

A-3194760, Dietrich, Stefan or Dietich.

A-9541715, Digenis, Ioannis Spyros or John Spyrcs Digenis.

A-6094528, Dinwiddie, Gilbert Meade.

A-5045576, Domingo, Herbert Oscar.

A-5517535, Dominguez, Domingo Yanez y or Domingo Yanes.

A-6919710, Doss, Kathryn (nee Burtchael).

A-6169203, Dorsch, Constancia Lumpan (nee Catubig).

A-6169204, Dorsch, John Armand.

A-3248508, Dos Santos Da Silva, Joao or John Silva Santos.
A-3613053, Drexler, Jean Fay (nee Jean Fay Goldfarb).
A-3598178, Doval, Antonio Jose.
A-2297713, Edwards, Pradisth Cheosakul.
A-6466805, Edwards, Samuel Octavius.
A-6960508, Eiden, Amy Delores (nee Watt), formerly Barry.
A-6606632, Eisler, Mikulas.
A-6504796, Eisler, Ester (nee Kalisch).
A-5818014, Ekeseth, Trygbe Lorentz or Theodore or Teddy Lorentz Ekeseth.
A-6427472, Elizondo-Sanchez, Mauricia or Maria Mauricia Elizondo.
A-6427471, Elizondo-Sanchez, Alicia or Anita Alicia Elizondo.
A-6880826, Elton, Henry John.
A-6880827, Elton, Claire Harriet.
A-4606939, Emmers, John.
A-4556179, Emmers, Erna or Janis May Emmers or Hermsen or Erna Bardul or Marija Matilde Erna Emmer or Hermsen.
A-6921355, Espanza-Orosco, Guadelupe.
A-6100344, Espinosa-Arroyo, Jose or Jose Espinosa.
A-7137771, Evans, Kenneth Joseph.
A-7559612, Ezra, Regina (nee Schayek).
A-7626061, Ezra, Rosemary Ann.
A-7626062, Ezra, Diana Louise.
A-5516271, Falck, Alfred Maximilian or Alfred Falk.
A-6852441, Faoro, Anna Maria.
A-1002028, Fattorusso, Gennaro Antonio.
A-6975471, Faudoa, Marcelina or Marcelina Faudoa De Jaralera.
A-4292627, Feher, Lester or Ladislaus or Laudislaus or Laszio Feher or Feher Laszlo.
A-6588571, Ferguson, John Munro.
A-6150739, Fernandez, Francisco Ramos y or Francisco Ramos or Frank Ramos.
A-3496123, Ferola, Gabriel Emanuel.
A-5006324, Ferreiro, Rosenda or Rosenda Sanchez Perez.
A-3695146, Ferro, Antonio or Anthony Venturi.
A-6919970, Filippi, Angelina or Angelina Lemmi.
A-4472882, Fisko, Stefanie, or Stephanie Bazert Patch or Stella Stephanie Patch or Stella Patch or Stephanie Stella Bazert or Bieser or Stefania Danis or Dennis (nee Bieser) or Stefania PYC or Petch.
A-1561801, Flynn, Lillian (nee Hoffenreich) formerly Neubauer and Fritz.
A-4759508, Foo, Chu Chung, or Chung Fu Chee or Chung Fee Chee.
A-4684617, Ford, John Goodfellow, or Jack Ford.
A-4992049, Forder, William John.
A-5188940, Forder, Elizabeth (nee Lloyd).
A-3864657, Forneas, Palmira Alvarez, or Palmira Alvarez Vidal (maiden name).
A-1477409, Freiberg, Anna Marie (nee Anna Marie Hansen).
A-3453793, Frenkel, Irma, or Irma Mary Frenkel.
A-5928782, Frett, Iris Emelita (nee Creque).
A-3749647, Freudenthal, Agustina Velaryy, or Agustina Gomez.
A-7086815, Friars, Ernest Alfred.
A-7083754, Friedemann, Ingrid Elizabeth, or Sheldon.
A-7089005, Garza-Hernandez, Antonio.
A-6075175, Gaskell, Wilhelmina Trinidad or Mina Gaskell.
A-6075176, Gaskell, Leonardo, or Dan Gaskell.
A-1598217, Gavaletz, Joseph Machael.
A-5431300, Georgatos, Philimon, or George Poulos.
A-4841269, Giannantoni, Ester, or Esterina Maria Giuseppa Giannantoni or Sister Ester Giannantoni.
A-5380213, Georgiadis, Dimitrios George, or James George or Jimmy Georgiadis.
A-5624999, Geyer, Muriel Kathleen, or Muriel Kathleen Hovey (nee Brooks).
A-3991010, Giannos, George Konstantine.
A-5668553, Gifford, Peter Ernest.



A-6774291, Godinez-Anguiano, Jesus, or Jesus Godinez Angiuano or Jose Godinez-Anguiano.
A-6743163, Goldberg, Machael Alexander, or Michael Alexander Rinnhofer.
A-4616398, Gonzalez-Rodriguez, Francisco, or Francisco Rodriguez.
A-3402063, Goodson, James Henry.
A-6975359, Goodwin, Lida, or Lida Nitov (nee Lida Gochman).
A-6433564, Grant, Anna Catherine (nee Carantonis).
A-4046138, Graziotto, Pietro.
A-6966559, Green, Haicha Mary (nee Alcock).
A-6856844, Green, Harry.
A-3248915, Grindheim, Oskar Johan Ingvaldson.
A-1018500, Groleau, Joseph Leo.
A-5621791, Grossman, Konrad.
A-2095861, Gruios, Kosta, or Kosta Gruioff.
A-2219780, Guvesch, Michael, or Mike Gubesch.
A-7112642, Guerrero, Manuel, or Manuel Guerrero-Rodriguez.
A-3145377, Guiffre, Andrea, or Ciavaro Sicoliani.
A-6084816, Gulab, Jam Dad, or Jan Dad Gulab.
A-6281217, Gutierrez, Ricardo Cruz.
A-4550995, Gutman, Henry, or Indric Gutman.
A-6198346, Guzman-Marin, Baldomero.
A-7112115, Halmenlahti, Rauno Uolevi.
A-1391838, Halsbenning, Anton Gustav.
A-2173047, Halyrewicz, Pauline, or Pauline Burbulak.
A-4390288, Hansen, Benny Byrsting.
A-4892274, Harris, Charles John, alias John Doran.
A-4943326, Harrison, Andrew Robinson.
A-4068167, Hawnsley, Benjamin Eric.
A-7088623, Heidel, Baerbel Maria.
A-7088624, Heidel, Christel Elisabeth.
A-6634778, Henderson, Adam John.
A-1671958, Henderson, Rose Margaret, formerly Blood (nee Ogenski).
A-7145554, Hennings, Antje.
A-6975415, Henriksen, Harry Hilbert.
A-6254768, Hermosillo, Maria Guadalupe Carvajal, or Maria Guadalupe Hermosillo.
A-7092842, Hernandez, Domingo, or Domingo Hernandez Saucedo.
A-7092840, Hernandez-Jimenez, Francisco.
A-7092841, Hernandez-Jimenez, Crecencio.
A-6073128, Hernandez, Leocardia Mella Vda.
A-6054023, Hernandez, Ramon.
A-6606025, Herrera, Andres, or Andres Martinez Herrera.
A-6949329, Heumann, Gad Yosef.
A-7188311, Hieronymus, Margaret Helen.
A-5956605, Hinttala, Aimo Johannes.
A-4475940, Hoffer, Beatrice.
A-6255012, Hoffmann, Else Anna.
A-7127096, Hoestlandt, Jacqueline Marthe (Hoag).
A-4685305, Hovaler, Franz, or Frank Hovaler or Frank Hoval.
A-6897597, Hudepohl, Rose Catherine Louise, or Rose Hudepohl or Rose Rodriguez or Rose Ricciardi.
A-6786946, Hutton, Leyan Angelica, or Leyan Angelica Kuntz or Leyton Angelica Kuntz.
A-4891604, Ingraffia, Orlando, or Tony.
A-1642426, Irsius, Albertus, or Albertas Irsius or Albertus Irsuis or Albert Hirsch or Albertas Girsch.
A-6982531, Jaramillo, Nancy Isabel or Nancy Isabel Benton or Nancy J. Benton.
A-5136114, Jarvi, Suoma Aleksandra or Suoma Aleksandra Uotila or Sally Udd.
A-7044001, Joeschke, Monica.
A-3201163, Johansen, Hans.
A-3294190, Jorgenson, Florence Marie (nee Patterson) formerly Bienieck, alias Marie Bienieck.
A-4762100, Kalagias, Markos Peter.
A-1238877, Kara, John Said or Hanna Said Kara.
A-3786407, Karras, Ourania (nee Dede or Dege).
A-2159203, Katchadoorian, Zaroohe (nee Kolian) formerly Havaginian.
A-3519067, Kates, Frederick William (nee Kaatz).
A-4813967, Kedziora, Joseph Harold or Joseph Kedziora or Joseph Francis Kedor or Joseph Kedar.
A-7189101, Kelly, Sieglinde or Linda Kelly.
A-4448938, Kepich, John.
A-4909398, Kiel, Rubin or Robert Cohen.
A-4474294, Klein, Arthur August or Arthur Klein or Arthur A. Klein.
A-6717533, Kloss, Johanna M.
A-6717534, Kloss, Karl Reinhold.
A-5390076, Knight, Ruby Walls (nee Ruby Weir Walls).
A-7092549, Knott, Jean (nee Larose).
A-4162003, Koelner, Raphael.
A-7083343, Kohl, Gunter Georg or Gunter Kohl or Guenter Kohl.
A2722363, Kolodrubski, Ivan or John Kolodrubski.
A-4670025, Konishi, Shigeki.
A-5606872, Koo, Jam Cheong.
A-4251666, Korsnak, Peter or Joseph Kopchak.
A-6853296, Koschak, Jane Camilla or Jane Camilla Berner.
A-6613122, Koupal, Peter Michael or Peter Michael Lumsden.
A-7070993, Kriwcek, George Viktor.
A-6921637, Krumins, Aro.
A-6921636, Krumins, Astra.
A-4911874, Kundrak, Michael.
A-4878043, Kurek, Paul Ignatz or Hans Kroll or Kurney.
A-6897974, Kwassman, Rifka (nee Rifka Garten).
A-4187123, Lachowics, Dorthy (nee Kuzma).
A-6212047, Ladow, Irene Andreevna (nee Dmitrieva).
A-4794387, Lagana, Giovanni or Giovanni Lagano.
A-4429639, Lamarca, Gaetano.
A-4699920, Lamoretti, Giovanni or John Lamoretti.
A2128006, Lau, Ching Sut.
A-2128001, Lau, Lee Sook.
A-7070996, Lara-Sotelo, Esquipula.
A-7083283, Lara-Amarillas, Maria Elena.
A-3818964, Lardaro, Francesco or Frank Lardaro.
A-2573678, Latsis, Stamatios, John.
A-4693676, Latvel, Helen or Helen Latwel (nee Helene Alexandravitch).
A-5157998, Lazarus, Isidor or Lee Lane or L. Lorner or L. Hiliman.
A-6942063, Leduc, Francoise (Frances).
A-7002400, Lee, Phyllis Pui Yan.
A-5768442, Li, Annie Sheng (Hwai Lu) or Annie Sheng (Hwai Lu).
A-6920838, Licari, Maria Angela.
A-518406, Lim, Harry Leonard).
A-2936459, Lindquist, Birger Otto or Bob Lindquist.
A-6704610, Lipp, Gerhard or Gerhard Kelton or Gary Kelton.
A-3296354, Lisker, Sally or Sally Fischler, or Sally Winter or Sara.
A-3221197, Liu, Pei-Chang or Florence M. Liu or Buoi Ciong Lau.
A-6960711, Lombardi, Luigi.
A-6960710, Lombardi, Anna.
A-4677865, Lopez, Antonio Santamaria or Antonio Santamaria.
A-6679238, Lopez, Juan Francisco or Juan Francisco Lopez-Manriquez.
A4903209, Lorenzo, Dolores Rego.
A-2149529, Loriga, Salvatore.
A-3057557, Louie, Sing Hon also David Louie.
A-6712756, Louie, Wigney Shee.
A-5433617, Lovejoy, Kathleen (nee Toner).
A-7083197, Luczak, Michele Cecile.
A-5337008, Ludicke, Karl or Karl Luedicke.
A-4757630, Luna-Garcia, Cleofas.
A-6938856, Lung, Evelyn or Eng Gick Ling.

A–6704569, Maennik, Kai.
A–6701974, Maennik, Reet.
A–5610087, Malmberg, Walter August Paul.
A–2501848, Makrides, Efstratios.
A–7112947, Malenfant, Gerard now Gerard Andre Goodbold.
A–7140268, Mandujan, Emilia or Emilia Rodriguez.
A–3145780, Maralotto, Pietro Giobatta.
A–4361116, Markelos, Raftopoulos or Mike Raft.
A–3130954, Marrale, Gerlando or John Marrale or John Morrale.
A–6344584, Martens, Mildred Ludmilla (Ludmilla Surjenko, maiden name) formerly Mildren Ryan.
A–9695555, Mattei, Noel.
A–7189093, Mayer-Ziotti, Gabriella Gemma or Gabriella Snowden.
A–6075364, Meaurio, Josefina or Josephine Rice, Jr., or Josephine Meaurio or Mrs. Joseph Rice, Jr., or Josephine Coennen.
A–3605275, Mendolia, Luigi.
A–4694885, Mendrinos, John Ioannis.
A–6992549, Menges, Ingrid Hilde.
A–6491635, Mering, Esther (nee Stern).
A–4164152, Mers, Henriette Marie.
A–5099614, Marzano, Tommaso.
A–6172386, Mescheriakoff, Mary Vladamir.
A–6172387, Mescheriakoff, Militsa.
A–6172388, Mescheriakoff, Tomislav Nicholas.
A–5522323, Mihaliodis, Christos alias Christ Mihaliodis alias Christ Mihalioupi alias Christos Michalioudis alias Christos Michaliodis alias Christos Michalidis alias Christos Miraliodis.
A–3949574, Miofas, Costas.
A–4588191, Misfeld, Daniel Friedrich or Friedrich Mihsfeld.
A–6772023, Molina, Augustine, Jr., or Augustin Molina.
A–5336146, Mongiat, Domenico.
A–5967596, Monje, Maria De Jesus.
A–6984188, Monroy, Oscar Juarez.
A–6169184, Montgomery, Gelerina del Rosario.
A–4358139, Moragues, Gabriel Alemany or Gabriel Alemany.
A–6454240, Moran, Ernesto Perez.
A–6611857, Moriaty, Sharon Vicki Ann or Sharon Vicki Ann Rutherford.
A–9524762, Morrison, Lawson Alexander.
A–6542773, Moulton, Peter William alias Rowe.
A–1594051, Moustakas, Pericles or Peter Moustakas.
A–2983080, Mukai, Isao or Sam Mukai.
A–6791114, Munoz-Silva, Pedro alias Francisco Flores.
A–5445859, Murakami, Fumiye (nee Koyama) or Fumie Koyama or Humie Koyama.
A–3274845, Muskopf, John or Johan Muskopf.
A–3070149, Muskopf, Magdalena.
A–3274844, Muskopf, Rose or Rosalia Muskopf.
A–9795413, Myhre, Ragnvald Johannes.
A–6860727, McCoubrey, Evelyn Beryl nee Allsop.
A–6151385, McIlvaine, Sixta Bernil.
A–7041975, McWilliam, Doris Bertha or Doris Bertha Nixon.
A–5471815, Nagly, Gersohn Joseph.
A–6861368, Nahan, Gilberto Micheline Jeannine.
A–4499951, Nargiz, Rico George or Krikor Badarjikian and Krikor.
A–7130220, Nava-Luna, Andres or Andres Nava.
A–6444842, Nelly, Lydia Estrella or Lydia Atienza Estrella.
A–3129014, Newman, Signa E. alias Hanna Aaltonen.
A–4066618, Nilsen, Nils or Nilsan or Nilson or Nielsen.
A–9535090, Nina, Jose Dos Santos.
A–6965228, Niva, Eleanor Mary (nee Eleanor Mary Miller).
A–1063262, Nocera, Giovanna Maria (nee Parasporo).
A–3720482, Nunez, Ramon or Raymond Nunez.
A–1567604, Oerlemans, Alesandra Eleanora or Alesandra Eleanora Laniewska (Laniauskaite).
A–2829227, Okumura, Shotaro.
A–5202189, Oliveira, Gwendolyn.
A–7504838, O'Neal, Marie Cleopatra or Marie C. O'Neal or Marie C. O. O'Neal.
A–7023031, Ong, Arnold Kwok or Ong Kwok On or Arnold K. Ong.
A–4163252, O'Rourke, Sarah or Smyth or Smith or Sarah Burke.
A–7083222, Ortega, Miguel or Miguel Porras Ortega.
A–9540641, Osoling, Olaf.
A–3620150, Osorio, Alfonso Ramos.
A–9777432, Palios, Markos.
A–7140789, Palios, Lanbros Marcou or Lambros Marcou Paliou.
A–6343837, Panagis, Eudokia (nee Reizi).
A–5266107, Paneth, Eli.
A–5566131, Paneth, Hanna.
A–6254270, Paoletti, Loredana.
A–4485762, Pappadopoulos, Haralambos John or Harry John Pappas.
A–6611936, Pappas, Chariclea alias Chariclea L. Papanaoum alias Chariclea Papa (nee Marinos).
A–6965317, Pappas, Helene Marcos or Pappaionnis (nee Helen or Eleni Gregorios Komnis).
A–2486092, Paravalos, Antonios or Anthony Valos.
A–7079839, Pardo-Loredo, Ramon.
A–6055998, Paser, Latip John.
A–6394400, Paves, Fanny (nee Davidson).
A–6754988, Pefanis, Gerasimos Demetrios.
A–7130252, Perez, Isidro Remijio or Isidro Remijio or Isidro Remigio or Isidro Remigio Perez.
A–7130253, Remijio, Eulegio or Eulejio Remijio or Eulegio Remijio-Gonzalez.
A–7130251, Remijio, Hipolito.
A–3427840, Perez, Juan Martinez.
A–1795126, Perrone, Angelo.
A–4308042, Perz, Anna or Anna Stiene.
A–9579280, Petagara, Ernesto Fronteras.
A–9579075, Petsas, Nicolaos (or Nicholas) or Nick Petsas.
A–2328333, Pickles, Engelia Theresa.
A–4971402, Pilot, Pietro or Ermengildo Pilor or Ermengildo Pillot or Peter Pilot or Pete Pilot.
A–3487353, Ping, Ho or Benny Hall.
A–4703414, Pitirri, Calogera (nee Curto).
A–7083118, Pole, Daniel Arnold.
A–6989853, Postorino, Giancarlo.
A–6077551, Prager, Beatriz, Elizabeth Gonzalez or (Betty) Beatriz Llaneza Prager.
A–6187409, Presas, Gerardo Bruguera.
A–7118155, Prumm-Cornelius, Peter or Peter Clark.
A–7145731, Pscheck, Elisabeth Mario Von or Elizabeth Maria Von P. Scheck or Elizabeth M. Koepper.
A–6811560, Punt, Gunter.
A–7540345, Pyfrom, Graciela Ysabel or Garciela Isabel de Jesus Reno y Delgado de Pyfrom.
A–7188708, Raag, Merika.
A–6655981, Rabenou, Khalil.
A–6063844, Ramirez-Guaracha, Basilio.
A–7059613, Ramirez-Maldonado, Nicholas.
A–6168238, Ramos, Orlando Maria.
A–5350668, Rankin, Margaret Geddes.
A–7676999, Renfrew, Gladys Lavinia Ann Dorus (nee Brito-Paulickpulle or Sita Renfrew).
A–4879181, Reno, Loretta (nee Hubbert).
A–6928031, Rezou, Harry Demetrios.
A–7014390, Richardson, Idalia or Idalia Parson.
A–6802928, Rieger, Ulf.
A–6729422, Rikuris, Edite.
A–4144233, Rocco, Francesco or Frank Rocco.
A–3842005, Rocha, Jose Castelo.
A–4466173, Rodriguez, Feliciano Fontan or Feliciano Fontan.
A–6921575, Rodriguez-Grenfell, Horacio or Horacio Rodriguez.
A–3188854, Rodriguez-Zavala, Jose.
A–6075360, Roensch, Gustav.
A–6075362, Roensch, Richard Albert.
A–6075361, Roensch, George Alfred.
A–6075266, Roensch, Mary Agnes.
A–6753311, Rojas-Terrazas, Rodolfo or Alberto C. Terrazas.
A–1490814, Rooney, Anna Marie or Rea Rooney (nickname).
A–4871200, Royce, Dorothy Beryl (nee Fleming).
A–7042668, Roy-Munro, Royston or Roy Munro.
A–6145823, Rubio, Luciano or Luciano Rubio Chavez.
A–2615168, Rudyk, John or Jan Rudyk.
A–5751491, Rueda, Petra Aguiar or Petra Aguiar.
A–5124366, Rugnone, Peter or Pietro.
A–1106779, Ruhl, Ida Franziska or Ida Franziska Hermes.
A–7761792, Ruiz, Pascual Vidal.
A–2357001, Rumpel, Ludwina Catherin or Rumpell or Kwasnicki.
A–4569217, Russell, Charlotte (nee Stewart).
A–2429469, Ruta, Nunzio Giovanni Francesco or Nunzio Ruta.
A–1678252, Saigado, Jose Manuel.
A–3659439, Saloumis, Stelios or Steve Saloumis.
A–7044104, Samson, James Patrick or James Patrick Painting.
A–4688223, Sanchez, Manuel Carrasco.
A–3103700, Sander, Johanne Anne.
A–6344699, Sarhan, Ahmet Huldi or Huldi Fevzi Sarhan.
A–3480173, Savala, Nello.
A–5292948, Savka, Juro or George Savka.
A–4845529, Schertler, Perta or Romana Strasser.
A–4626354, Schneck, Yvette.
A–6811569, Schrank, Waltraud.
A–4397083, Schultz, Hugo Emil Karl.
A–4794836, Schultzer, Alfred or Fred Peterson.
A–3149525, Sederlund, Carl Gustav Alfred.
A–2852628, Seiberl, Anna (nee Hinterholzl).
A–7070298, Simoutre, Mireille Cecile Jeanne.
A–3698243, Serelis, Theodore Vassiliou.
A–2961605, Serna-Garza, Aurelio or Aurelio Cerna.
A–2557306, Serna-Garza, Carmen or Carmen Cerna.
A–5140652, Serna-Garza, Leopolda.
A–2557305, Serna-Garza, Pedro or Pedro Cerna.
A–3019297, Serna-Garza, Reynaldo.
A–4069360, Sewell, Lillian Maude or Lillian Maude Grossin or McCressin.
A–4514538, Shamanduroff, Visha Rokas (nee Visha Dimitroff Rokoff).
A–3607507, Shiray, Rachib Kalille or Robert Shriay or Joseph Habieb Abraham or Bob Mahool.
A–6620872, Short, Kate (nee Goldenberg).
A–3092914, Shu, John K. or Shu Ser Kong.
A–9552568, Sideris, Basilios.
A–1719586, Simpson, Michael Richard.
A–7550750, Sing, Tse Foo or Francis Tse.
A–3869116, Sittinger, John Evangelist.
A–2284143, Sivaslian, Vertayim.
A–2837632, Small, Oliver or Sydney Bailey.
A–1510130, Smith, Filio Sussie (nee Solomon).
A–6152120, Smith, Olga Fausta Riesco.
A–3470356, Socha, Josephine or Marczak Katazyna.
A–4044050, Sock, Chin or Chin Leong Goot.
A–7014031, Solano, Eva.
A–9741347, Solans, Emilio or Emilio Solans Pastor.
A–2119528, Solarek, Marta (nee Marta (Martha) Staniszewska).
A–3352459, Sommer, Joseph George or Joseph Sommers or Joseph Fink.
A–5981545, Sosa, Julio.
A–3926123, Souto, Rosendo Gonzalez.

A-4766404, Spetrino, Joseph or Joe or Giuseppe Anthony Spetrino.
A-2391258, Staico, Antonio.
A-6921202, Statheros, Stamatios Evangelos or Steve Statheros.
A-6171439, Stavroulias, Basil B. or Fill S[illegible]rr.
A-3436625, Stefanopoulos, Nicholas George.
A-7117556, Steinhauser, Edith Elizabeth or Sprague.
A-6989600, Stirbl, Ludwig.
A-2933825, Stoddard, Marion Burns or Marion Burns Stoddard Flanagan.
A-5273871, Stoyonoff, Spiro or Spiro Stoyon.
A-3039933, Strejc, Iona Clark nee Clark.
A-1322999, Strelniek, Helen (nee Yedwiga Jakstat) or Helen Strelnick or Toschki Hadi.
A-6825691, Stuifbergen, Veronica Emily.
A-3733873, Subhra, Raja Krishan or R. K. Subhra and Jimmy Subhra.
A-2898291, Supicich, Joseph or Josip Kazimir Supicic or Joseph Supicic.
A-6852438, Tamayo-Quintero, Jesus.
A-7127910, Tanca, Gonul.
A-7112573, Tauchnitz, Hans Georg.
A-2771419, Tentes, John, or Ioannis Tendis.
A-6660657, Tercero, Teresa, or Teresa Tersero.
A-6022609, Theofilos, Constantinos P.
A-4388354, Torres, Juan Rios, or John Rios Torres.
A-6920260, Townsend, Emma Mona (nee Emma Mona MacFarland).
A-6006541, Trevino-Morales, Miguel.
A-9510513, Tsang, Shui Wing, or Mickey Tsang.
A-4030637, Turke, Henry Leonard, or Henry Turk or Enrique Lautero Turke Thierback.
A-4796917, Turkovich, Frances Magdalene (nee Curnell), or Josephine Soroka.
A-6159628, Udiman, Viviane Berthe Madeleine.
A-3126783, Urizar, Daniel.
A-1018505, Urmston, Lucy Matilda.
A-2798061, Valente, Pasquale.
A-3922397, Vallone, Pietro.
A-4904468, Van Eepoel. Laura Catherine.
A-6501742, Van Heemstra, Franz Julius Johan.
A-6501741, Van Heemstra, Maria Ingenata (nee Visser).
A-5358863, Varga, Joseph or Josef.
A-2688863, Varvarigos, Nicholas John or Nicholas Ioannou Varvarigos.
A-2803901, Vattuone, Giuseppe Emanuele.
A-6794287, Vega, Maria De Los Angeles Palacin De La.
A-3875077, Verfaillie, Julius.
A-3875076, Verfaillie, Marie Elodia (nee Decock).
A-3440317, Vikingstad, Ole Kornelius or Ole Corneleus Vikingstad or Ole C. Vikingstad or Ole Vikingstad.
A-6920992, Villalpando-Rangel, Jose De Jesus.
A-6849317, Visser, Jeanne Emmen Riedel (nee Emmen Riedel).
A-3008086, Vitali, Julio or Giulio Vitali.
A-4703289, Vourazerios, Ioannis or John Nick Vourazeris.
A-7555177, Wakim, Marie, Maria Wakim, Marie Beatrice Wakim, Mary S. M. Wakim, Mary Wakim, Mary Petros, Maria De Wakim (nee Saleem-Moawad) or Salum-Moauad.
A-6335780, Ward, Anthony David Llewellyn.
A-3691573, Wechter, Marcia (or Margaret or Margot).
A 6809208, Wechter, Sophie R.
A-4484677, Weissbach, Anna Marie (nee Winkler).
A-4592707, Weisshuh, Ferdinand F.
A-7035579, Weisz, Marcel.
A-3245873, Whalen, Malka Regina (nee Koliadicky) or Julviansky or Kulviasky or Malka Kolitz or Malka Blau or Blay.
A-6806012, White, Arthur Emanuel or Arthur Raymond Wynter White.
A-3101054, Why, Cher or Caher Why.
A-7034970, Wing, Chew Him or Wong Shew Wing or Him Wing Chew or Him Chew Wing or Jack Wing.
A-5096567, Wirchianski, Anna.
A-6495923, Wisser, Josephin or Josephine Kline or Josephine Wolff.
A-5328497, Witting, George Karl or Georg Witting.
A-5942795, Wo, Chung or Chin Wo or Chung Ho or Chang Wo or Chin Woo.
A-4244533, Woegerer, Ferdinand or Maximillian Ferdinand Waldeck.
A-6916477, Wolf, Edith.
A-6916484, Wolf, Brigitta.
A-3299268, Wrin, Lulu Maude (nee Ferguson).
A-5453630, Wylupek, Wojciech.
A-6800475, Rodriguez, y Juan Francisco Restituto or Rodriguez or Jose Santiago.
A-6817833, Yambouranis, Eryfile or Eryfile Constantine Psiropoulos.
A-4225140, Yanakis, Peter John or Panagiotis Ioannis Gianatsis or Peter John Pappas.
A-4225141, Yanakis, Evangelia or Evangeline or Evangelia Gianatsis (nee Papageorganti), or Evangelia Pappas.
A-4425020, Yanatsis, Emanuel Antonio.
A-6824877, Yee, John Hwa or John Yee.
A-4158805, Ylikyla, Ruth Emilia or Rauha Emilia Ylikyla.
A-2600945, Yoda, Kunio.
A-2600954, Yoda, Yukii.
A-6778000, Young, Helen Lewin or Helen Westman.
A-6169096, Young, Maris De La Paz or Maria De La Paz (Pacita) or San Luis Young.
A-923490, Yu, Wei Fang, or Alice Wei Fang Yu.
A-3659196, Yuen, Andrew Sik Hop.
A-7632270, Yuen, Evenlye Chan Sheung.
A-3700189, Yun, Low or Lou Yun.
A-2554440, Zavala, Andrea Reyes.
A-6929865, Zeitz, Shirley Gloria Vallejo.
A-1465400, Zervas, Athanasios or Athanasios Demetrios Zervas.
A-4225906, Aghnides, Elie Prodromos or Elie P. Aghnides or Elie Aghnides.
A-4087714, Lin, Margaret Hie Ding or Lin Wei Tseng.
A-6417667, Sandler, Adolf.
A-7001410, Lidosikis, Marie Veniselos.
A-1549132, Veniselos, Hariclis, Kyriacos.
A-7001406, Veniselos, Nikatas K.

GLUCKIN CORP.

The bill (H. R. 3498) for the relief of the Gluckin Corp. was announced as next in order.

Mr. SCHOEPPEL. Mr. President, reserving the right to object, I wish to say that I note the amount involved is $11,640.90. I have just listened with considerable interest to the message of the President relating to Senate bill 794. I should like to have the sponsors of the bill now pending indicate to me if, by any possible chance, the relief asked for the Gluckin Corp. of $11,540.90 comes within the purview of the President's message.

The PRESIDING OFFICER. An explanation is desired.

Mr. McCARRAN. Mr. President, the observation of the Senator from Kansas is entirely timely. I am of the opinion that the bill may avoid some of the reasons given for the veto in the San Francisco case. However, I think it is worth while that the Senate pass the bill; and if the President finds objection to it he may veto it.

This is a private claim bill, growing out of war contracts. The amount involved is $11,540.

A small portion of the total, $303, represents items produced by the contractor in excess of the amount called for by the contract, but delivered to and retained by the Government. The rest of the total consists of items for reimbursement of liquidated damages heretofore deducted and retained by the Government.

The enactment of this bill is opposed by the Secretary of the Army. The bill was considered by a subcommittee consisting of the Senator from Kentucky [Mr. WITHERS] and the Senator from North Dakota [Mr. LANGER], who reported it favorably to the full committee, and the subcommittee report was accepted. Certain items to which specific objection was voiced by the Secretary of the Army have been stricken from the bill in the House of Representatives.

As Senators probably know, the practice of including clauses in Government contracts providing for liquidated damages has been abandoned because it was found that such clauses were unworkable and unfair. Congress has adopted the policy of reimbursing contractors who had been forced to pay liquidated damages where there was no direct fault or negligence on the contractor's part. The report of the committee cites several precedents in this regard, among them a payment in the amount of $104,511, which, I believe, is the largest sum previously paid in a single bill of this nature.

The committee is informed that this is probably the last claim of this nature which will come before the Congress, in view of the fact that the War Department has not required the inclusion of liquidated damage provisions in its contracts for the past 8 or 9 years.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 3498) for the relief of Gluckin Corp. was considered, ordered to a third reading, read the third time, and passed.

CALVIN E. CRANFORD

The bill (H. R. 4100) for the relief of Calvin E. Cranford was considered, ordered to a third reading, read the third time, and passed.

MR. AND MRS. C. S. WALKER

The bill (H. R. 4163) for the relief of Mr. and Mrs. C. S. Walker was announced as next in order.

Mr. SCHOEPPEL. May we have an explanation of this measure?

The PRESIDING OFFICER. An explanation is desired.

Mr. McCARRAN. Mr. President, this is the case of a man and wife, living in Imperial County, Calif., who suffered damage to real property and loss of personal property as a result of noncombat activities of the Army. The loss and damage occurred under circumstances which indicated that military personnel were responsible, but the particular person or persons responsible were never identified.

The Department of the Army has stated it would have no objection to approval of this bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 4163) for the relief of Mr. and Mrs. C. S.

Walker was considered, ordered to a third reading, read the third time, and passed.

MRS. ELIZABETH H. WHITNEY

The bill (H. R. 4960) for the relief of Mrs. Elizabeth H. Whitney was considered, ordered to a third reading, read the third time, and passed.

JOHN TWEIT

The bill (H. R. 5979) for the relief of John Tweit was considered, ordered to a third reading, read the third time, and passed.

MRS. FUJIKO CHICHIE IMBERT, WIFE, AND ROBERT IMBERT, JR., SON OF AN AMERICAN SOLDIER

The bill (H. R. 6652) for the relief of Mrs. Fujiko Chichie Imbert, wife, and Robert Imbert, Jr., son of an American soldier, was considered, ordered to a third reading, read the third time, and passed.

LOUIE GAM YEAN

The bill (H. R. 7050) for the relief of Louie Gam Yean was considered, ordered to a third reading, read the third time, and passed.

KAZUKO MIYAMA AKANA AND CHANG KING AKANA

The bill (H. R. 7065) for the relief of Kazuko Miyama Akana and Chang King Akana was considered, ordered to a third reading, read the third time, and passed.

SETSUKO AMANO

The bill (H. R. 7066) for the relief of Setsuko Amano was considered, ordered to a third reading, read the third time, and passed.

KOTO KOGAMI KITSU AND JEANNETTE AKEMI KITSU

The bill (H. R. 7073) for the relief of Koto Kogami Kitsu and Jeannette Akemi Kitsu was considered, ordered to a third reading, read the third time, and passed.

NOBUKO MAEDA

The bill (H. R. 7199) for the relief of Nobuko Maeda was considered, ordered to a third reading, read the third time, and passed.

MRS. BERNARD SMITH

The bill (H. R. 7254) for the relief of Mrs. Bernard Smith was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Mr. President, reserving the right to object, may we have an explanation of the bill?

Mr. McCARRAN. Mr. President, the purpose of this bill is to remove the racial barrier to admission into the United States for the wife of a native-born United States citizen.

Special legislation is needed because the wife in this case is half Burmese, and therefore is subject to exclusion on grounds of racial ineligibility to naturalization.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 7254) was considered, ordered to a third reading, read the third time, and passed.

MRS. WILLARD THULIN (FORMERLY JUTTA KONO)

The bill (H. R. 7362) for the relief of Mrs. Willard Thulin (formerly Jutta Kono) was considered, ordered to a third reading, read the third time, and passed.

SUZUKO TAKANASHI

The bill (H. R. 7416) for the relief of Suzuko Takanashi was considered, ordered to a third reading, read the third time, and passed.

DAVID GEORGE CALLAWAY

The bill (H. R. 7656) for the relief of David George Callaway was considered, ordered to a third reading, read the third time, and passed.

MITSUKO ITO

The bill (H. R. 7658) for the relief of Mitsuko Ito was considered, ordered to a third reading, read the third time, and passed.

MRS. AKIKO OSADA GUSTAFSON

The bill (H. R. 7682) for the relief of Mrs. Akiko Osada Gustafson was considered, ordered to a third reading, read the third time, and passed.

CLAIM OF AUF DER HEIDE-ARAGONA, INC., AND OTHERS

The bill (H. R. 1606) conferring jurisdiction upon the Court of Claims to hear and determine the claim of Auf der Heide-Aragona, Inc., and certain of its subcontractors against the United States was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Mr. President, reserving the right to object, let me make an inquiry. There is a committee amendment, and then there is an amendment which I desire to offer, by way of clarification. I should like to have the distinguished Senator from Nevada comment on it, if he will, for I understand that it has been submitted to him.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment on page 1, in line 9, after the word "Maryland", to strike out the colon and the following proviso: *"Provided,* That if the said court shall find that the United States through any of its departments or agencies delayed the issuance of priorities which resulted in subjecting the said contractor and its subcontractors to additional costs, including overhead expense, or if the said court shall find the United States, through any such department or agency, including Defense Plant Corporation, sponsored any work program in the general area of the contractor's work which rendered it impossible for the contractor and its subcontractors to achieve that degree of labor performance which they would have achieved had any such work program not existed, or made it necessary for them to pay higher wages for such labor as was available than they would otherwise have had to pay, and that these conditions subjected the contractor and its subcontractors to additional cost and overhead expense, then the said court shall in either event enter judgment for the contractor and its subcontractors in the amount of such additional costs, including a reasonable allowance for profit based upon such excess of cost and overhead expense."

Mr. McCARRAN. Mr. President, by way of explanation of House bill 1606, let me say that the purpose of the bill is to confer jurisdiction upon the Court of Claims to hear and determine the claim of a contractor and certain subcontractors, arising out of performance of a contract with the Veterans' Administration for the construction of a hospital building. The claim involves extra costs incurred under the contract, due largely to the failure of the War Production Board to issue priority certificates for necessary materials.

The claim involves disputed issues of fact, and it was the judgment of the committee that these should be passed upon by the Court of Claims.

As it passed the House, the bill contained provisions which might have prejudiced the Government in the court action. The Senate committee has deleted these provisions.

It has been suggested that the bill should be amended so as to provide in terms that its enactment carries no implication of liability on the part of the Government. No such provision was added to the bill, because it was felt by the committee that, having deleted all material prejudicial to the Government, such a provision was not needed. However, there would certainly be no objection to an amendment in this regard, if it is offered.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, which has been stated.

The amendment was agreed to.

Mr. SCHOEPPEL. Mr. President, I offer and send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. Before the period at the end of the bill, it is proposed to insert the following: *"Provided, however,* That nothing contained in this act shall be construed as an inference of liability on the part of the United States Government."

Mr. McCARRAN. Mr. President, I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas.

The amendment was agreed to.

The PRESIDING OFFICER. If there is no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PRODUCTION OF ABACÁ BY THE UNITED STATES—BILL PLACED AT THE FOOT OF THE CALENDAR

Mr. HUNT. Mr. President, I ask unanimous consent that the Senate revert in the calendar to the consideration of Senate bill 3520, Calendar No. 1689. That measure was called during the last call of the calendar, but its consideration was objected to at that time, in my absence. I shall appreciate having an opportunity to explain the bill, if there is further objection today.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request that the Senate revert in the calendar to the consideration of Senate bill 3520, Calendar No. 1689?

Mr. TAFT. Mr. President, reserving the right to object—and let me say that I objected at the last call of the calendar, but I intend to withdraw the objection—I should like to say that, briefly, my objection to the bill is this: There is a shortage of hemp. Hemp is perhaps in time of war difficult to obtain from the Philippine Islands. The United States Government is producing a certain number of acres of hemp somewhere in Central America, and now it is desired to double that production.

I wish to ask what is the principle on which the United States Government, if there is found to be a shortage of some commodity or that there is some difficulty in transportation in connection with that commodity during wartime, goes to some foreign country and itself goes into the business of producing that commodity or article?

Hemp is only one of several hundred commodities which might be necessary in time of war. What is the justification for having the United States Government itself request the right to go into the business of producing commodities—which is not the business of the Government—and, in this case, in a foreign country? That is the question I have in mind.

Mr. HUNT. Mr. President, I should like to say to the distinguished Senator from Ohio that this is an isolated case. It is a matter in which the armed services—all three components of the Military Establishment—have manifested a great interest because of the extreme shortage of a product known as abacá, used in the manufacture of rope.

The Navy is primarily interested. Since objection was made the other day to consideration of the bill during the previous call of the calendar, representatives of the Navy have approached me and asked me to try to have this measure taken up by the Senate during this call of the calendar.

The arrangement for the production of abacá was negotiated during the war. That program is due to expire.

As chairman of the subcommittee for stockpiling, this bill came to my attention.

I can say to the distinguished Senator from Ohio that there is a great need for the stockpiling of abacá at the present time. Our past supply always came in abundance from the Philippines, but during the war the industry there was disrupted, until today the production of abacá in the Philippines is nowhere near sufficient to meet our requirements and to give us any abacá at all for stockpiling. The stockpiling of this particular item today is practically nil.

Mr. TAFT. Mr. President, I still do not understand why, when there is a shortage of some commodity, the United States Government itself should go into the business of producing that commodity. Up to now, we have engaged in that operation in the Central American country referred to, and apparently we have shown whether abacá can be produced effectively there. Why should we now undertake to have the Government itself fill this shortage, any more than the Government should engage in operations to fill the shortage of any other agricultural commodity which may be difficult to obtain? If we are going to raise abacá, there is no reason to think that it cannot be raised in the Philippines as well as elsewhere. In fact, in connection with the matter of the restoration of the economy of the Philippines, the production of abacá there is a perfectly easy thing to do, for that is where abacá has always been grown.

The fact of the matter is that we think abacá will be difficult to obtain from the Philippines in time of war; that is the justification for raising abacá in Central America.

Is it not questionable for the United States Government itself to begin to engage in the production of a commodity which may be needed in time of war?

Mr. HUNT. I do not think so, for the reason that this is one particular item for which a contract was made during the war, and the contract is still in existence.

Mr. TAFT. However, is it not true that the present proposal is to double the production, as compared to what has been produced up to now?

Mr. HUNT. Nevertheless, in doing so, we still shall not be able to build up the stockpile we should like to create.

We have specifically provided in the bill that in no way shall it act to the disadvantage of increasing production in the Philippines. The contract is expected to be extended for only 1 year; and I would say to the Senator from Ohio that it takes several years to get a stand of abacá under production.

It is an unusual plant, which grows to a height of about 12 feet. From it fibers are taken for the manufacture of rope, which the Navy needs so badly, and for which they have been unable to find a substitute anywhere near approaching this product in its particular value for rope making. I should like to assure the Senator from Ohio that the junior Senator from Wyoming would not favor going into any wholesale business of this kind.

The PRESIDING OFFICER. The Senator's time has expired. Is there objection to the request of the Senator from Wyoming to revert to Calendar No. 1689, Senate bill 3520?

Mr. TAFT. Mr. President, this is a special case, I suppose. I do not see the justification for it. I do not want to interfere with the United States military plans. I only enter a protest, and if this principle is to be extended I certainly shall object. But I shall not object to this bill.

The PRESIDING OFFICER. Is there objection?

Mr. McCARRAN and Mr. KNOWLAND addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. McCARRAN. Mr. President, we had a unanimous-consent agreement that we would go forward with the call of bills on the calendar as to which there was no objection. This bill appears on the calendar at a point prior to that where we started to call the calendar, and while I am entirely sympathetic with the passage of the bill, yet if we agree now to consider it and establish the precedent, we shall be going back of that point continually all afternoon. I should like to clean up the calendar and then take up these other measures.

The PRESIDING OFFICER. Objection is heard.

Mr. LUCAS and Mr. HUNT addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. LUCAS. I hope the Senator will not object to this bill. I think the Senator from Nevada is correct and that we ought to go on through with the calendar. Then, following the conclusion of the calendar call, I should like to have the Senator from Wyoming call up this bill and perhaps debate it thoroughly. It is an important measure. But under the previous unanimous-consent agreement, we should go through the call of the calendar, otherwise, we will be going back to take up numerous other bills.

The PRESIDING OFFICER. Does the Senator from Nevada yield the floor?

Mr. McCARRAN. I yield the floor. I shall have no objection to the bill when it comes up.

Mr. MAYBANK. Mr. President, I should like to ask the majority leader whether he has any idea when the calendar will be called again?

Mr. LUCAS. I may say to the Senator from South Carolina, I cannot tell him that.

Mr. MAYBANK. There is quite an important bill, Calendar No. 1115, House bill 1161, to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes, which I was thinking of calling up out of order. However, I realize of course that I cannot call it up until we have reached the end of the calendar, and I shall not want to do it then, if the calendar is to be called within, say, 2 weeks.

Mr. LUCAS. I should think it would be called within that time, but I cannot make any agreement about it. It all depends upon how the debate proceeds with respect to the various measures which may be pending before the Senate from time to time.

Mr. MAYBANK. I make no request. May I ask the majority leader this question, then? We shall certainly have a chance to have a vote one way or other on the bill to which I have referred before the adjournment of the Congress, shall we not?

Mr. LUCAS. The Senator is correct about that. It is an important measure. I realize its importance. If necessary, we could take it up on motion following the conclusion of the call of the calendar.

The PRESIDING OFFICER. Objection is heard to the request.

Mr. HUNT. Mr. President, I ask unanimous consent that Calendar No. 1689, Senate bill 3520, be placed at the foot of the calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the next bill on the calendar.

CITY OF CHESTER, ILL.—BILL PASSED OVER

The bill (H. R. 2365) for the relief of the city of Chester, Ill., was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. DONNELL. Mr. President, reserving the right to object, may I ask a question or two of the senior Senator from Nevada?

The PRESIDING OFFICER. The Senator from Missouri has 5 minutes.

Mr. DONNELL. I may say to the Senator from Nevada that, as I understand, this is the bill which proposes to relieve the city of Chester, Ill., of all obligation to pay for the removal of the wreckage of the old bridge over the Mississippi River at Chester, Ill. Am I correct in that understanding?

Mr. McCARRAN. That is correct.

Mr. DONNELL. Am I also correct in understanding that on July 29, 1944, Chester bridge collapsed during a heavy windstorm?

Mr. McCARRAN. That is correct.

Mr. DONNELL. And that thereafter emergency action was taken by the Corps of Engineers to provide safe navigation, and about one-half the wreckage was removed; that on February 1, 1945, a permit was granted to erect falsework for reconstruction of the bridge, conditioned, however, upon removal of the remaining wreckage by the city of Chester within 18 months after the new bridge was opened to traffic. Am I correct?

Mr. McCARRAN. That is correct.

Mr. DONNELL. I ask the Senator further whether the new bridge was opened to traffic on August 24, 1946, whether the city of Chester has pleaded inability to effect removal of the wreckage because of financial difficulties, and whether the only basis of this bill to relieve the city of Chester of its obligations is its financial difficulties? Am I correct in that understanding?

Mr. McCARRAN. The Senator has stated the facts.

Mr. DONNELL. May I ask the Senator also whether it is not a fact that the Senator from Missouri who is now speaking has consistently objected to this bill in committee?

Mr. McCARRAN. I think the Senator has done so, consistently. The Senator is always consistent.

Mr. DONNELL. I cannot claim that virtue, Mr. President. But it is a fact that I have—and I ask the Senator to verify this—made known my objection to it. I was not present at the meeting of the committee on last Monday, because of the necessity of attending another meeting. Mr. President, I ask the Senator from Nevada whether it is his opinion that this bill should be passed, and whether he joins in the recommendations for its passage?

Mr. McCARRAN. Mr. President, I join in the recommendation. I desire to make a very brief statement.

The claimant here is the city of Chester, Ill.

The claim does not involve the payment of any money, but only the wiping out of a charge against the city for removal of the wreckage of an old bridge over the Mississippi River at Chester.

The bridge collapsed during a heavy windstorm, without fault or negligence on the part of the city. The Army engineers removed about half the wreckage, in the interest of navigation. The following year, in 1945, a permit was granted to begin reconstruction of the bridge. The permit was conditioned upon removal of the remaining wreckage by the city of Chester. The new bridge was constructed, but the city has found it financially impossible to remove the wreckage. Because it was deemed that the wreckage menaced navigation, the Corps of Engineers removed it, and the expense of this removal was charged to the city of Chester.

The Department of the Army has reported it has no objection to enactment of the proposed legislation.

In answer to the question of the Senator from Missouri, I may say that the chairman of the Committee on the Judiciary, together with a majority of the committee, believes the bill meritorious and requests its passage.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. McCARRAN. I yield.

Mr. DONNELL. The Senator has stated that this bill does not involve paying out any money. I ask whether it does not free the city of Chester of an obligation entered into by it to pay a sum in the neighborhood of from $124,000 to $130,000 for the removal of the wreckage, and that the only basis on which the city of Chester has thus far desired or expressed the desire to be relieved is of its own financial difficulty?

Mr. McCARRAN. The Senator has stated some of the facts. However, there are other facts which I think should be stated in connection with them. The removal of the debris, as we call it, from the river was essential for the welfare of navigation. The Army engineers found it necessary to do that. The city of Chester itself was unable to raise the money to do it, and, therefore, in order to clear the channel and make navigation more possible, the debris was removed. It seemed to me that while the city of Chester did enter into the arrangement, nevertheless, it was not the fault of the city of Chester that the bridge collapsed in the first place, and, while the city did enter into the agreement, it was unable to carry it out because of its financial condition.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. DONNELL. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The time of debate of the Senator from Missouri has expired.

Mr. DONNELL. I ask unanimous consent that I may have 1 minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DONNELL. Mr. President, in view of the fact that the city of Chester entered into the agreement, in view of the fact that the expenditure of money has been made, I respectfully object to the bill.

The PRESIDING OFFICER. Objection is heard.

Mr. LUCAS. Mr. President, will the Senator reserve his objection for a moment?

Mr. DONNELL. I reserve or withhold it momentarily.

Mr. LUCAS. I thank the Senator. I sincerely hope the Senator from Missouri will reconsider his objection to this bill.

I have been tremendously interested in this measure for some time. Representatives of the city of Chester have visited Washington, have contacted my office, and have laid all the facts before me with respect to the predicament in which the people of that city find themselves. The Senator from Nevada has stated the facts correctly. It was an act of God which caused the bridge to collapse in the first place; it was not the fault of the city of Chester.

The people of Chester entered into the contract in good faith, believing the city could probably spend the required amount of money to remove the remaining part of the wrecked bridge from the river, because the Army engineers removed only that part which had to be removed in order to permit navigation to continue. If they were going to remove any of it at all, it seems to me that at that particular time they should have removed all the wrecked structure. But they drove a pretty hard bargain with the people of Chester who were vitally interested in having a bridge across the river.

Whether or not the claim is allowed the city of Chester will never be able to carry out the contract, because of financial difficulty. The city can bond itself, as the Senator from Missouri well knows, for only so much money, but it can never carry out the agreement made because of that fact. I undertake to say that practically all cities throughout the country are bonded to the limit as the result of improvements and what not.

I hope the Senator from Missouri will let the bill go to the foot of the calendar in order that I may have a further talk with him regarding it, because it is really a justifiable claim. It will not cost the Government of the United States anything. Boats are plying the river at this time as a result of the removal of a certain part of the collapsed bridge from the river, and navigation is not being injured one iota by leaving the remaining part of the bridge where it is. It seems to me that the city ought to be relieved of its obligation as the result of what has been done, because it will hang over the

heads of the people forever and the Government will never be able to collect anything from them.

If it were a city which had the necessary money, I should be the last to say that it should not fulfill the obligation into which it entered, but, under the circumstances, I hope that my distinguished friend from Missouri will have a little compassion and a wee bit of charity and tolerance with respect to the very unusual situation of the people of Chester. The city officials are very much worried about the whole situation. They have the obligation but they have no means, no way, in which to levy a tax to collect $130,000. The city of Chester, Ill., is a small city. It is bonded and taxed to the limit at the present time.

I hope my friend will reconsider and will permit the bill to go to the foot of the calendar so that we may see if we cannot work out something that will be satisfactory.

Mr. DONNELL. Mr. President, reserving the right to object, I appreciate the courtesy and the very great clarity of the Senator from Illinois, but it seems to me it would establish a highly unfortunate precedent to relieve the contracting party solely on the ground of financial difficulties in which it finds itself.

I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LUCAS. Mr. President, I want to serve notice at this time that I think there is so much merit in the bill, notwithstanding what my distinguished friend from Missouri says with respect to creating a precedent, that I shall, before Congress closes, move at the proper time to take it up and have a decision on it.

The PRESIDING OFFICER. The clerk will call the next bill on the calendar.

### MICHELE BARTOLOMEO MARCHISIO

The bill (S. 841) for the relief of Michele Bartolomeo Marchisio was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That in the administration of the immigration and naturalization laws Michele Bartolomeo Marchisio, of Trinchera, Colo., who was admitted into the United States on a temporary visa, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 2, 1948, the date of his actual entry into the United States, upon the payment by him of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Italy.

### BILL PASSED OVER

The bill (S. 1260) for the relief of Stefanos Stefanou was announced as next in order.

Mr. SCHOEPPEL. Mr. President, reserving the right to object, this bill lacks certain information which I think should be obtained, and I ask that the bill be passed over until the next calendar call.

The PRESIDING OFFICER. The bill will be passed over.

### NICOLAE G. CARANFIL AND HIS FAMILY

The bill (S. 1304) for the relief of Nicolae G. Caranfil and his family was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That in the administration of the immigration and naturalization laws, Nicolae G. Caranfil, his wife Eufrosina, and their son, Andrei Georges, shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of their last entry into the United States upon payment of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct appropriate numbers from the nonpreference category of the proper immigration quota or quotas.

### MRS. BARBARITA ROMERO

The bill (S. 1320) for the relief of Mrs. Barbarita Romero was announced as next in order.

Mr. McCARRAN. Mr. President, I think an explanation should go into the record regarding this bill.

This is a death claim. The claimant is the mother of a young woman who was killed in an automobile accident in Uruguay, where she was stationed as an employee of the Institute of Inter-American Affairs. At the time of the accident, she was riding in an official car used by the Institute, and being driven by the official chauffeur.

The Department of State has reported to the committee that in its judgment, on the basis of the facts, a court would be warranted in finding negligence on the part of the Government chauffeur, and entering judgment in this case.

However, a court action cannot be instituted under the Federal Tort Claims Act, because the accident took place outside the continental limits of the United States. The mother of the dead girl cannot receive anything under the Employees' Compensation Act, because she was not dependent for support upon her daughter. The Bureau of Employees' Compensation did allow $200 for funeral and burial expenses, and also paid the cost of preparing and transporting the remains to this country; a total cost of $1,131.

The amount provided for in the bill is $10,000.

The Department of Justice has registered opposition to the bill on the grounds that the claimant has received all of the benefits to which she was entitled under the Employees' Compensation Act for the death of her daughter. The committee did not concur in this view, since the right to compensation for wrongful death does not necessarily turn on the question of dependency, whereas compensation under the Employees' Compensation Act does require dependency in order to support an award.

The suggestion has been made that it would be preferable to grant jurisdiction to a United States district court to hear this claim, subject to the provisions of the Federal Tort Claims Act.

However, that would require bringing witnesses from Uruguay, and it does not appear that the expense and trouble to either the plaintiff or the Government, under such a procedure, is justified.

Senators will note, in the report of the Department of State, which is printed in the committee report, the recommendation that the word "the", the last word in line 10 on page 1, should be capitalized. The committee considered this to be a relatively inconsequential and entirely technical suggestion, and while there would certainly be no objection to such amendment, the committee did not feel that it was desirable, since the bill was not being amended in any other respect.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. SCHOEPPEL. Reserving the right to object, I note that on May 3, last, the President of the United States, in the matter of House bill 1481, for the relief of the estate of Julius Caffareni, vetoed a claim of $2,559.05. On May 15, last, in reference to a claim of $7,500, the President of the United States vetoed that measure. Can the distinguished Senator from Nevada advise the Senate why the bill under discussion does not fall within the purview of those two bills which were vetoed by the President?

Mr. McCARRAN. I will say to the Senator that while we might anticipate that the policy committee of the minority may refer to similar bills, bills which are closely similar, though perhaps not directly in point, a veto of a similar bill is no direct indication of how the President will act with reference to this bill. For that reason, I think the bill should be passed.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill (S. 1320) for the relief of Mrs. Barbarita Romero was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Barbarita Romero, of Albuquerque, N. Mex., the sum of $10,000, in full satisfaction of her claim against the United States for compensation on account of the death of her daughter, the late Rosina Romero, who was fatally injured on September 12, 1947, in the performance of her duties as an employee of the Institute of Inter-American Affairs: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

### PHIL MEYERS, ALSO KNOWN AS GIL MEYERS

The bill (S. 1779) for the relief of Phil Meyers, also known as Gil Meyers, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That in the administration of the immigration laws Phil Meyers, also known as Gil Meyers, of Denver, Colo., shall be held and considered to have been

lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Lithuania.

J. DON ALEXANDER—BILL PASSED OVER

The bill (S. 1800) for the relief of J. Don Alexander was announced as next in order.

Mr. McCARRAN. Mr. President, I think an explanatory statement on this bill should be made a part of the RECORD.

This is a case which was considered by a subcommittee headed by the Senator from West Virginia [Mr. KILGORE]. Other members of the subcommittee were the Senator from Maryland [Mr. O'CONOR], and the Senator from North Dakota [Mr. LANGER]. The bill was at one time indefinitely postponed by action of the full committee, but at the request of the sponsor, the Senator from Colorado [Mr. JOHNSON], was reconsidered, and was before the subcommittee for more than 6 months. The subcommittee, after completing its deliberations, reported the bill favorably to the full committee, and the full committee accepted the subcommittee report.

The amount involved is $16,720, representing an alleged overpayment of income tax for the year 1929 covering capital net gain from the sale of stock.

What happened apparently was this: The corporation, of which this claimant was president and general manager, desired to issue additional capital stock; but no provision had been made in the charter of the corporation for such issuance. The time was favorable for selling stock, and in order to avoid the delay which would have been required in connection with amending the charter, Mr. Alexander furnished and sold his own stock, which sold at above par. The amount which he received in exchange for the stock was paid to the corporation, and the corporation carried this amount on its books as a debt to this claimant. However, since it had been actually his own stock which he sold, Mr. Alexander reported the profit as capital net gain and paid income tax on it.

Four years later, in a bankruptcy proceeding, it was judicially determined that Mr. Alexander had loaned his stock to the corporation for sale, and that he was to receive, not payment for the stock but a like number of shares of stock in the corporation. Since the corporation was in bankruptcy, no such stock could be issued. Therefore Mr. Alexander had neither his stock nor his money, though he had paid income tax to the United States on the stock sale in the amount of $16,720.

After reviewing all the evidence in the case, the subcommittee reached the conclusion that at least until April 12, 1933, there was no doubt in Mr. Alexander's mind that the stock which he had sold was his stock; that he had loaned the proceeds to the corporation; and that he was liable for the income-tax thereon, in accordance with the return which he had filed and the tax which he had paid. Therefore, he did not seek a tax refund, prior to the time the statute ran against him.

Under the circumstances, it was the view of the committee that this man should be entitled to a refund of the overpaid tax.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Mr. President, I do not like to prejudice this measure, but because of some matters which are involved in it I should like to ask that the measure go over until the next call of the calendar, with the assurance that certain matters which I have not had an opportunity to investigate, and as to which I have received certain information, will be cleared up.

Mr. JOHNSON of Colorado. Would the Senator include in his request that the measure go to the foot of the calendar, so that it may come up again when the calendar is called again?

Mr. SCHOEPPEL. At the recalling of the calendar today?

Mr. JOHNSON of Colorado. No; on the next call of the calendar.

Mr. SCHOEPPEL. I have no objection.

Mr. McCARRAN. So that the bill may be called on the next call of the calendar.

The PRESIDING OFFICER. The unanimous-consent request is that when next the calendar is called this bill be included in the call. Is there objection? The Chair hears none, and it is so ordered.

REV. LAMBROS ECONOMAKOS

The bill (S. 1884) for the relief of Rev. Lambros Economakos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Rev. Lambros Economakos (file 6570474), of New York, N. Y. From and after the date of enactment of this act, the said Rev. Lambros Economakos shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

SEC. 2. In the administration of the immigration and naturalization laws, the said Rev. Lambros Economakos shall be considered as having been lawfully admitted to the United States for permanent residence as of July 29, 1948, the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 3. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available quota for nationals of Greece.

FREDERICK L. GOGGANS

The bill (S. 2095) for the relief of Frederick L. Goggans was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Mr. President, I should like to have an explanation of the bill.

Mr. McCARRAN. This is a claim for injuries allegedly sustained as the result of an operation performed on the claimant while he was a member of the Armed Forces. The claimant asserts that the operation resulted in sterilization. No evidence has been submitted to indicate directly that this is not the case, although the Surgeon General of the United States has expressed the opinion that the ailment from which the claimant was suffering at the time of the operation could itself, and independently of the operation, have resulted in sterility, and has expressed the opinion that it was the ailment rather than the operation which had the result in question.

The operation was performed at a station hospital in England, and the records are not available to directly establish the facts. However, the claimant submitted statements from an examining physician at Johns Hopkins Hospital, to the effect that prior to his entering the service, while he suffered from prostatitis, he was not sterile; and giving the opinion of this physician that the sterility was definitely the result of the operation performed by the Army medical personnel. This is the only direct medical opinion on the point, the Surgeon General's opinion having been only hypothetical in nature.

The present state of the evidence clearly does not lend itself to a clean-cut determination of the issue; but the committee took the view that a preponderance of the evidence favored the claim, and on that basis, recommended that the bill be approved.

Ordinarily, in a case of this kind, the committee probably would have sent the bill to a court for determination; but in this case, it appears that the claimant never will be able to produce any more facts than those which were offered to the committee, and can therefore never establish beyond doubt that his version of the case is correct; and that on the other hand, the Department of the Army will be unable to produce any direct evidence in negation of the claim. For this reason, the committee thought it best to decide the case on the basis of the available record.

Mr. SCHOEPPEL. Was the committee satisfied that the medical record in England was not available?

Mr. McCARRAN. We tried to get the record, but we were unable to get it from England.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 2095) for the relief of Frederick L. Goggans was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frederick L. Goggans, of Orlando, Fla., the sum of $5,000, in full satisfaction of his claim against the United States for injuries sustained as a result of an operation performed on him on

or about July 12, 1944, while he was a member of the Armed Forces and a patient in the Two Hundred and Fiftieth Station Hospital in the United Kingdom: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

CURT EDWARD FRIESE

The bill (S. 2403) for the relief of Curt Edward Friese was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. May we have an explanation of the bill?

Mr. McCARRAN. Mr. President, this is the case of a young man 34 years old, native and citizen of Germany. He was brought to the United States in 1948 for the purpose of appearing as a witness in certain treason cases; and is now employed as a language instructor at Carleton College, Northfield, Minn.

This appears to be a worthy case in all respects. The committee went to considerable length in an attempt to satisfy itself that this man is not a Nazi; and it was only after having become satisfied that he is not a Nazi that the committee approved the bill.

Attention is directed to the letter and documents submitted by the Senator from Minnesota [Mr. THYE] in connection with this case, which are printed in full in the committee report. The Senator from Minnesota himself stated, over his signature, "I am now more thoroughly convinced than I was when I offered S. 2403 of the complete integrity and the superior contributions which he can make to our American life as a permanent resident of the United States."

Mr. THYE. Mr. President, Dr. Friese is a member of the faculty of Carleton College, which is located at Northfield, Minn. I am also from Northfield, Minn. I am acquainted with Dr. Friese, and I am also very well acquainted with the president of Carleton College, Dr. Laurence M. Gould. In the report will be found a sworn statement by President Laurence M. Gould, wherein he vouches for Dr. Friese in a very high manner. Also in the report will be found a letter by Gen. Lucius D. Clay. General Clay became acquainted with Dr. Friese in Germany, and Dr. Friese acted as an interpreter for General Clay while General Clay was in Germany.

There are other statements in the record which vouch for Dr. Friese in this manner. The statements speak of Dr. Friese as a very respectable man and of high integrity. The persons who make the statements are confident that he will make a very fine citizen.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill.

There being no objection, the bill (S. 2403) for the relief of Curt Edward Friese, was considered, ordered to be engrossed for the third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That, for the purposes of the immigration and naturalization laws, the alien, Curt Edward Friese, shall be held and considered to have been lawfully admitted to the United States for permanent resident, as of the date of his last entry into the United States, upon the payment of the visa fee and head tax. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota the first year that such quota is available.

CHICAGO, ROCK ISLAND & PACIFIC RAILROAD CO.

The bill (S. 2991) for the relief of the Chicago, Rock Island & Pacific Railroad Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Chicago, Rock Island & Pacific Railroad Co., of Chicago, Ill., the sum of $836, in full settlement of all claims against the United States, as reimbursement for the expenses incurred by said company as a result of the injuries sustained by John A. Willis, a switchman of such company, on August 22, 1944, at the United States Army air base, Dalhart, Tex., when his feet were pulled off the stirrup of a railroad car by coal which had been left on the railroad track by employees of the Army: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MERGER OF NATIONAL BANKING ASSOCIATIONS WITH STATE BANKS

Mr. MAYBANK. Mr. President, I desire to make a short statement with regard to Calendar No. 1115, House bill 1161, to provide for the conversion of national banking associations into and their merger or consolidation with State banks.

This bill has been objected to as reported by the Committee on Banking and Currency; but it is quite an important measure. I was going to ask unanimous consent to have the bill considered at this time, but, in view of the fact that many Senators who are deeply interested in it are absent, I shall not make the request. I desire, however, to make a statement concerning it for the RECORD.

I had a short conference earlier today with the distinguished majority leader, and he has agreed that before Congress recesses we will be able to bring up H. R. 1161, even if it is by special order. The distinguished senior Senator from Pennsylvania [Mr. MYERS] is absent, his office informs me, and the distinguished junior Senator from Illinois [Mr. DOUGLAS] is also absent. I want the RECORD to show that I am not now going to ask that we return to the bill on the calendar and consider it, because the majority leader has assured me that we will have ample opportunity to discuss it at the proper time.

WONG SUEY WING

The Senate proceeded to consider the bill (S. 382) for the relief of Wong Suey Wing, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of the immigration and naturalization laws, Wong Suey Wing, the minor child of Wong Sing, a citizen of the United States, shall be deemed to be eligible for admission into the United States under the provisions of sections 4 (a) and 9 of the Immigration Act of 1924, as amended, if otherwise admissible under the immigration laws.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PASCH BROS.

The Senate proceeded to consider the bill (S. 1208) for the relief of Pasch Bros., which had been reported from the Committee on the Judiciary with an amendment on page 1, line 6, after the words "sum of", to strike out "$2,009.86" and insert "$1,937.75", so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Pasch Bros., of Milwaukee, Wis., the sum of $1,937.75, which sum was paid by Pasch Bros. to the Oshkosh Brewing Co., of Oshkosh, Wis., to reimburse such company for the value of internal revenue tax stamps which had been affixed to beer manufactured by such company and which was found to have been contaminated by a material supplied by Pasch Bros. and was destroyed under supervision of Government officers, the Internal Revenue Bureau having ruled that no refund of the value of such tax stamps can be made: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McCARRAN. Mr. President, this is a case involving a refund for internal-revenue tax stamps. The stamps in question were affixed to bottled beer, which was found to have been contaminated and was destroyed, after it had been removed from the bottling house and delivered to customers of the brewer. Revenue stamps were destroyed with the beer.

The claimant here is a Milwaukee jobber, who furnished the sirup used in the brewing of the contaminated beer. It has been established that the sirup was contaminated, and as a result the claimant here has had to make good to the brewer all his loss in connection with destruction of the beer. That loss included the amount of the revenue stamps destroyed, namely, $1,937.

Only a technicality stood between the brewer and a refund of the revenue stamps in this case. If the beer had not

been removed from the bottlery or brewery before discovery of the contamination and subsequent destruction, the brewer could have secured a refund. Under the exact facts of the case, he could not get a refund. The loss has here been passed on to the claimant, who is properly liable for the loss sustained by the brewer, but who received no benefit whatever from the revenue stamps. The Government has taken no loss on the stamps, since they were destroyed with the beer. Under the circumstances, the committee felt the claim should be approved.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MR. AND MRS. CHARLES R. PROCTOR

The bill (S. 2016) for the relief of Mr. and Mrs. Charles R. Proctor was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Mr. President, I should like to ask the distinguished Senator from Nevada if this is not a bill for the relief of Mr. and Mrs. Charles R. Proctor, in the amount of $5,000, resulting from the death of their son from the actions of a mob in Mexico.

Mr. McCARRAN. The Senator is correct.

Mr. SCHOEPPEL. Is not this bill here by reason of the fact that the State Department of this Government refused to make a request upon the Government of Mexico for damages for the death of the individual involved in this measure?

Mr. McCARRAN. The State Department did not make a demand on the Government of Mexico. Whether or not that be the reason behind the bill's being here I am not able to say. They did not make a demand or a request.

Mr. SCHOEPPEL. Is not that usually done? Does not the State Department make requests ordinarily in such cases involving American citizens?

Mr. McCARRAN. I understand that other governments do, but ours does not follow that practice.

Mr. SCHOEPPEL. From my checking of the measure, and from the checking by my staff, it seems to be a worthy bill, and I have no objection to its passage.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 7, after the words "sum of", to strike out "$25,000" and insert "$5,000", so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of Agriculture is authorized and directed to pay, out of any unobligated funds heretofore or hereafter appropriated for the foot-and-mouth-disease program, to Mr. and Mrs. Charles R. Proctor, of box 360, Nogales Star Route, Tucson, Ariz., the sum of $5,000 in full satisfaction of their claim against the United States for compensation for the death of their son, Robert L. Proctor, who was murdered on January 31, 1949, in Mexico by a mob of Mexican citizens while performing his duties as livestock inspector for the United States Department of Agriculture: *Provided*, That no part of the amount provided in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRANCISCO GONZALEZ PEREZ

The Senate proceeded to consider the bill (S. 2077) for the relief of Francisco Gonzalez Perez, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, notwithstanding the provisions of the eleventh category of section 3 of the Immigration Act of 1917, as amended (8 U. S. C. 136 (e)), or the provisions of the act of March 4, 1929, relating to entry after deportation (8 U. S. C. 180), insofar as concerns any act or acts of Francisco Gonzalez Perez of which the Department of State or the Department of Justice has notice at the time of enactment of this act, the said Francisco Gonzalez Perez may be admitted to the United States for permanent residence if he is not found to be otherwise inadmissible under the provisions of the immigration laws.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JULIANA SOSA DE SOLIS

The bill (S. 2264) for the relief of Juliana Sosa de Solis was announced as next in order.

Mr. SCHOEPPEL. Mr. President, may we have an explanation of the bill?

The PRESIDING OFFICER. An explanation is requested. The Senator from Nevada is recognized.

Mr. McCARRAN. Mr. President, this is the case of a woman 27 years old, native and citizen of Mexico. Her husband is a United States citizen, and they have four children, the youngest of whom is a native-born citizen of the United States. This woman has never been convicted of any offense, but is excludable on the ground of having admitted commission of a crime involving moral turpitude, because on one occasion she signed a statement to the effect that, while present in the United States in 1938, she was apprehended while attempting to remove a dress from a department store in El Paso, Tex., without paying for it.

This woman's husband has been an employee of the Union Pacific Railroad since 1924, and the testimony is that he is a person of good moral character. Except for the technical point of having admitted an offense involving moral turpitude, this woman would be admissible. The purpose of this bill is to waive the exclusion provision. Incidentally, the value of the dress in question is alleged to have been $3.50.

The sponsor of the bill, the Senator from Wyoming [Mr. O'MAHONEY], has pointed out that if this woman had been convicted of the offense, she could have been pardoned and could thereafter have applied for suspension of deportation. Not having been convicted, she cannot apply for pardon, and her only recourse, if she is to be permitted to live with her husband and children, is enactment of special legislation.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, notwithstanding the provisions of the eleventh category of section 3 of the Immigration Act of 1917, as amended (8 U. S. C. 136 (e)), Juliana Sosa de Solis, the wife of a citizen of the United States, may be admitted to the United States for permanent residence if she is found otherwise admissible under the provisions of the immigration laws.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KUO CHIN LU

The Senate proceeded to consider the bill (S. 2346) for the relief of Kuo Chin Lu, which had been reported from the Committee on the Judiciary with an amendment in line 12, after the word "Chinese", to insert "racial", so as to make the bill read:

*Be it enacted, etc.*, That, in the administration of the immigration laws, Kuo Chin Lu, of Corvallis, Oreg., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of March 3, 1945, the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the Chinese racial quota.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DR. KUN KEN HU

The Senate proceeded to consider the bill (S. 2608) for the relief of Dr. Kun Ken Hu, which had been reported from the Committee on the Judiciary with an amendment in line 12, after the word "Chinese", to insert "racial", so as to make the bill read:

*Be it enacted, etc.*, That, in the administration of the immigration and naturalization laws, Dr. Kun Ken Hu, of Augusta, Ga., shall be held and considered to have been lawfully admitted into the United States for permanent residence as of August 27, 1946, the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available Chinese racial immigration quota.

The amendment was agreed to.

The bill was ordered to be engrossed for the third reading, read the third time, and passed.

MILDRED SMITH BUTLER—BILL PASSED OVER

The bill (H. R. 1697) for the relief of Mildred Smith Butler was announced as next in order.

Mr. SCHOEPPEL. Mr. President, if the Senator from Nevada has no objection, I feel that, because of a precedent which would be established, I should like to have this bill go over, with the understanding that it may go to the foot of the calendar. I ask unanimous consent that that be done, so that the question of the precedent established may be adequately discussed.

Mr. McCARRAN. It may be understood that it will be on the next calendar, may it not?

The PRESIDING OFFICER. Unanimous consent is requested that the bill go over and be placed on the calendar and called at the next general call of the calendar. Is there objection? The Chair hears none, and it is so ordered.

LOUIS P. MURPHY, UNITED STATES IMMIGRANT INSPECTOR, EL PASO, TEX.

The Senate proceeded to consider the bill (H. R. 3506) for the relief of Louis P. Murphy, United States immigrant inspector, El Paso, Tex., which had been reported from the Committee on the Judiciary with an amendment on page 1, line 5, after the words "sum of", to strike out "$725.50" and insert "$225.50."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PAUL D. BANNING, CHIEF DISBURSING OFFICER, TREASURY DEPARTMENT

The Senate proceeded to consider the bill (H. R. 6691) for the relief of Paul D. Banning, chief disbursing officer, Treasury Department, and for other purposes, which had been reported from the Committee on the Judiciary with amendments, on page 2, line 1, after the word "Department", to strike out "to the extent necessary to adjust overdrafts in their accounts as described in House Report No. 1609, Eighty-first Congress, second session," and insert "such credits being allowed to adjust certain overdrafts in such accounts", and on page 3, line 8, after the word "in", to strike out "their accounts as enumerated in House Report No. 1609, Eighty-first Congress, second session, in sums not to exceed those hereinafter stated" and insert "such accounts for sums not to exceed those hereinafter stated."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILLS PASSED OVER

The bill (S. 2196) to legalize maritime hiring halls, was announced as next in order.

Mr. DONNELL. Mr. President, reserving the right to object; owing to the highly controversial nature of the subject involved in the bill, as is indicated by the fact that in addition to the majority report, there are individual views separately expressed by three of the Members of the Senate Committee on Labor and Public Welfare, I do not believe this is a bill which could be adequately considered on the consent calendar. Therefore, I ask that it go over.

The PRESIDING OFFICER. Objection is heard and the bill will be passed over.

Mr. JOHNSON of Colorado. Mr. President, with respect to Calendar No. 1833, which is Senate bill 3245, down to Calendar 1840, Senate bill 3687, not including Calendar No. 1836, which is Senate bill 2801, they are in this predicament——

The PRESIDING OFFICER. May the Chair inquire? Is his request inclusive of Calendar No. 1840?

Mr. JOHNSON of Colorado. Yes, Calendar Nos. 1833 to 1840, inclusive, with the single exception of Calendar No. 1836 are in this category. The reports have not been printed. I ask unanimous consent that the bills to which I have referred may go to the foot of the calendar and be included in the next call of the calendar.

Mr. TAFT. Mr. President, may I suggest that we simply stop calling the calendar now. Neither the bills nor the reports are in the red book from this point on. It seems to me that we have reached a point where I shall be compelled to object to all the remaining bills on the calendar. I suggest that the call of the calendar cease at this point.

The PRESIDING OFFICER. The request of the Senator from Colorado has not been put. A unanimous-consent request is made by the Senator from Colorado that Calendar Nos. 1833 to 1840, inclusive, excluding, however, Calendar No. 1836, be carried over, placed on the calendar, and called the next time there is a general call of the calendar. Is there objection? The Chair hears none, and it is so ordered.

The bills passed over en bloc are as follows:

S. 3245, to give effect to the medical examination (seafarers) convention, 1946, adopted at the twenty-eighth (maritime) session of the International Labor Organization held at Seattle, Wash., June 6–29, 1946.

S. 2484, to authorize the United States Maritime Commission to provide war risk and certain marine and liability insurance.

S. 2786, to amend the Merchant Marine Act, 1936, as amended, to further promote the development and maintenance of the American merchant marine, and for other purposes.

S. 3109, to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes.

S. 3244, to give effect to the certification of ships' cooks convention, 1946, adopted at the twenty-eighth (maritime) session of the International Labor Organization, held at Seattle, Wash., June 6–29, 1946.

S. 3246, to give effect to the food and catering (ships' crews) convention, 1946, adopted at the twenty-eighth (maritime) session of the International Labor Organization, held at Seattle, Wash., June 6–29, 1946.

S. 3687, to require the armed services to utilize private American shipping services for the overseas transportation of commodities and civilian personnel.

The PRESIDING OFFICER. The clerk will call the next calendar number, 1836.

Mr. SCHOEPPEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHOEPPEL. Is the present occupant of the chair asking that Calendar 1836 be called?

The PRESIDING OFFICER. The Chair understood that to be the next on the calendar.

Mr. SCHOEPPEL. I have objection to make to that bill.

The PRESIDING OFFICER. That is the next item on the calendar. Objection is heard.

Mr. TAFT. I object, because neither the bill nor the report are contained in my red calendar book.

The PRESIDING OFFICER. Objection is heard to Calendar No. 1836, Senate bill 2801.

Mr. GREEN. Mr. President, may I ask that the objection be withheld for a few minutes until I have a chance to make an explanation?

The PRESIDING OFFICER. Does the Senator from Ohio withhold his objection?

Mr. TAFT. Yes. May I ask one other question about the bill. Is not this a bill to ratify a convention?

Mr. GREEN. The convention has been ratified. It is a convention between 10 nations, of which the United States is one. The bill would implement the convention, to carry out our obligations within it. There have been hearings held both in the Senate committee and House committee, and the bill has the unanimous approval, as I understand, of the Senate Committee on Interstate and Foreign Commerce. It is important that the convention should be put into effect in order to show the good faith of this Nation, which originated the plan.

Mr. TAFT. I do not know that I shall object to the bill, but the bill is not in the red calendar book, neither is the report. Therefore, I object to its present consideration.

Mr. GREEN. The report is here. The bill is before the Senate with the amendments printed in it. The report itself has been printed. I do not know what more could be done.

The PRESIDING OFFICER. Let the clerk state the bill for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2801) to give effect to the International Convention for the Northwest Atlantic Fisheries, signed at Washington under date of February 8, 1949, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. TAFT. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will state the next order on the calendar.

JURISDICTION OF NEW YORK STATE COURTS OVER CERTAIN CIVIL ACTIONS BETWEEN INDIANS

The Senate proceeded to consider the bill (S. 192) to confer jurisdiction on

the courts of the State of New York with respect to civil actions between Indians as to which Indians are parties, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 2, line 3, after the word "preserve", to strike out "and"; in line 4, after the word "on", to strike out "approval by" and insert "certification to"; in line 5, after the word "Interior", to strike out "and on publication" and insert "by the governing body of such tribe shall be published"; in line 6, after the word "and" to strike out "publication by the secretary of the State of New York upon certification by the Secretary of the Interior", and insert "thereafter"; after line 10, to strike out "issue. Any such tribe may at any time amend or modify its declaration of tribal customs and laws and such amendments or modifications shall become operative and effective when the procedure outlined herein shall have been carried out" and insert "issue: *Provided further*, That nothing in this act shall be construed to require any such tribe or the members thereof to obtain fish and game licenses from the State of New York for the exercise of any hunting and fishing rights provided for such Indians under any agreement, treaty, or custom", and on page 3, after line 10, to insert a new section, as follows:

SEC. 2. This act shall take effect 2 years after the date of its passage.

So as to make the bill read:

*Be it enacted, etc.*, That the courts of the State of New York under the laws of such State shall have jurisdiction in civil actions and proceedings between Indians or between one or more Indians and any other person or persons to the same extent as the courts of the State shall have jurisdiction in other civil actions and proceedings, as now or hereafter defined by the laws of such State: *Provided*, That the governing body of any recognized tribe of Indians in the State of New York shall have the right to declare, by appropriate enactment within one year from the date of this act, those tribal laws and customs which they desire to preserve, which, on certification to the Secretary of the Interior by the governing body of such tribe shall be published in the Federal Register and thereafter shall govern in all civil cases involving reservation Indians when the subject mater of such tribal laws and customs is involved or at issue: *Provided further*, That nothing in this act shall be construed to require any such tribe or the members thereof to obtain fish and game licenses from the State of New York for the exercise of any hunting and fishing rights provided for such Indians under any agreement, treaty, or custom: *Provided further*, That nothing herein contained shall be construed as subjecting the lands within any Indian reservation in the State of New York to taxation for State or local purposes, nor as subjecting any such lands, or any Federal or State annuity in favor of Indians or Indian tribes, to execution on any judgment rendered in the State courts, except in the enforcement of a judgment in a suit by one tribal member against another in the matter of the use or possession of land: *And provided further*, That nothing herein contained shall be construed as authorizing the alienation from any Indian nation, tribe, or band of Indians of any lands within any Indian reservation in the State of New York.

SEC. 2. This act shall take effect 2 years after the date of its passage.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. IVES. Mr. President, at this point the Senator from New York asks unanimous consent to have inserted in the body of the RECORD a statement which he has prepared, and also the text of a report by the New York State Joint Legislative Committee on Indian Affairs, which deal with the subject of the bill which was just passed.

The PRESIDING OFFICER. Without objection, the request of the Senator from New York is granted, and the matter referred to will be inserted in the RECORD. The Senator from New York is commended for saving time in that manner.

The statement by Mr. IVES and the report referred to are as follows:

STATEMENT BY SENATOR IVES

Passage of S. 192 would make those Indians who live in New York State subject to the civil jurisdiction of the courts of that State. This move follows, in logical sequence, from the actions of the last Congress in making State criminal laws enforceable against Indians.

The present uncertainties of existing Indian legal status seriously handicap the Indian in the conduct of his daily affairs. A majority of Indians in New York State seek employment outside the boundaries of their reservations. In so doing, they are hindered by any employer's all too understandable reluctance to hire anyone against whom he may have no legal recourse. Contracts entered into by Indians are not enforceable in the State courts. There is considerable doubt as to whether or not Indians can be sued for tort actions. And with the labor market's postwar return to a more normal state of balance, this restriction on an Indian's job-seeking ability will become of increasing significance.

Furthermore, tribal laws and custom fail completely to provide a stable foundation on which the fundamental institutions of family and property can be based. Domestic relations show the worst effects of lack of socially desirable standards of conduct. Marriages are terminable by any Indian male at will; no regard is evidenced by tribal custom for the hapless plight of the deserted Indian wife. Problems of inheritance of property, in the absence of any formalized and orderly procedure, often are solved by the traditional 10-day feast distribution. Under this means of disposition, the immediate family of the deceased is frequently left penniless, while distant clan brothers receive his property.

The provisions of this proposal, now before the Senate, are similar to those of S. 1687, passed by the Senate 2 years ago. Passage of S. 192 now would allow tribal law to remain in those areas where it serves as an adequate guide for human conduct. Provision has been made for the judicial application of tribal custom where the Indians so desire. The gradual assimilation of this historic culture into the pattern of the modern American scene is the goal sought.

This bill is a continuation of the process of orderly development of Indian affairs, and it represents a further constructive step in the direction of assumption by the Indian of the full responsibilities of citizenship.

REPORT BY JOINT LEGISLATIVE COMMITTEE ON INDIAN AFFAIRS

*To the Legislature of the State of New York:*

On June 25, 1949, at a joint hearing in Washington, committees of both Houses of Congress resumed consideration of identical bills introduced in the Senate and House of Representatives which seek to remove the prolonged uncertainty concerning civil jurisdiction of New York courts over reservation Indians. Also taken up at that time were bills to permit payment of Indian rentals by the city of Salamanca, which stands almost entirely upon reservation land, to the treasurer of the Seneca Nation, and to authorize the latter to grant 10-year leases of other reservation land not included in earlier permission from the Federal Government. Both sets of bills are now before the respective Houses of Congress awaiting further action.

CIVIL JURISDICTION

The civil jurisdiction bills (S. 192 and H. R. 5135) follow the form first suggested in this committee's 1945 report and submitted to representatives of all New York Indian groups in January of that year. The proposed recognition of State civil jurisdiction, which would round out the approval of criminal jurisdiction effected in 1948 by Public Law 881, Eightieth Congress, expressly forbids interpretation in a manner to destroy reservations by taxation, sale, or otherwise. The bills also embody machinery whereby tribal laws and customs may be perpetuated and made to govern in all civil cases involving reservation Indians when the subject matter of such laws or customs is involved or at issue.

The future of New York Indians is bound to be greatly influenced by the fate of these bills. Enactment would end their long isolation and inevitably work toward complete assimilation with the main body of citizens. By approving the bills and discontinuing its New York Agency, the Federal Indian Bureau has indicated clearly a belief that the Indians are prepared for this step.

The economic dependence of Indians upon the State has been discussed in previous reports of this committee. Apart from the State's contributions for education, welfare, and highways, it has been shown that practically all Indian employment is outside reservations and that almost no commerce or industry exists in these areas. Since 1942, however, reservation Indians have been clothed with a degree of immunity from State law by reason of the decision in *United States v. Forness* (125 Fed. 2d 928, cert, den. 316 U. S. 694), which applied the principle first declared in *Worcester v. Georgia* (6 Pet. 515 (1832)), holding that State laws do not apply to reservation Indians except insofar as the Federal Government has given its consent.

Although intended for their protection, the Fornes case rule has proven a severe handicap to Indians in securing desirable employment and ordinary business credit. It also has jeopardized the functioning of State courts in matters involving Indians. Whether an Indian can be sued in the New York supreme court for personal injuries suffered in a State highway automobile accident is to be determined in an action now pending. Because the plaintiff is also Indian, a denial of jurisdiction could leave the latter without legal remedy. On the other hand, the Appellate Division, Fourth Department recently upheld the jurisdiction of the court in an action between two members of the Tuscarora Tribe, involving title to land within that reservation, on the special ground that no Peacemakers Court was available. *Mr. Pleasant v. Patterson* (276 app. div. 819, mem. Earlier), in *United*

*States* v. *National Gypsum Co.* (114 Fed. 2d 859 (1944)), the same court which decided the Forness case refused to cancel leases of gypsum deposits on the Tonawanda Reservation made under authority of section 85 of the New York Indian law. However, this holding was based upon the peculiar history of this reservation and cannot be regarded as a general qualification of the Forness decision. Until Congress sees fit to more clearly define the limits of State jurisdiction, the latter case will continue to generate confusion.

In spite of the length of time the problem has been under discussion, there still is too little understanding of the primitive conditions on reservations which have so long arrested Indian advancement. Except in respect to nationality, inheritance, and land ownership, New York Indians are conspicuously lacking in rules or customs to regulate ordinary civil relationships. Yet even in these three categories, existing governments are incapable of compelling respect for these traditions without assistance from State courts.

Domestic relations show the worst effects of lack of civilized standards of conduct. In accordance with ancient and respected custom, an Indian can rid himself of the obligations of marriage at will, regardless of justification or the wishes of his mate. No tribal rule can be invoked to compel support of his offspring. Because of the much stricter bonds of marriages contracted under State law, it is becoming common to avoid a civil ceremony to the end that either party may freely withdraw from the union if circumstances make this desired.

Problems of inheritance are among the many that result from lack of well-settled custom. Although a majority of Indians now recognize some form of lineal descent in cases of intestacy, this rule is not sufficiently established to prevent frequent conflicts over the division of Indian estates. Among those groups which adhere most strictly to ancient tradition the Tenth Day Feast distribution is observed. In accordance with this custom members of the clan (each tribe having been composed of eight clans originally) of a deceased person assemble on the tenth day following his death and then parcel out his belongings among themselves, sometimes to the exclusion of children. Two instances where the courts have upset such unjust divisions are to be found in *Hatch* v. *Luckman* (64 Misc. 508, off'd 155 App. Div. 765) and *United States* v. *Hattie Charles* (U. S. Cir. Ct., 2d Cir.) (unreported but see lower court opinions in *People ex rel. Charles* v. *Blackchief* (8 F. Supp. 295); *United States* v. *Charles* (1 F. R. D. 121 and *United States* v. *Charles* (23 F. Supp. 346). In the Hattie Charles litigation the Federal Government unsuccessfully sought to enforce a Death Feast distribution against one claiming by heirship.

Apart from lack of standards for ordinary conduct, a common weakness in the governments of all reservations is the want of means to enforce even recognized customs. Only two reservations have their own courts which means that the inhabitants of four other reservations are entirely dependent upon State courts in all civil litigation. Furthermore, even the peacemaker's courts on the two Seneca reservations are powerless to execute their own judgments because they have nothing with which to do so. In the past, therefore, unless a defeated party submitted to the decision, the only recourse of a successful litigant in these courts was to sue in the State courts on his judgment as permitted by section 52 of the New York Indian law. But since the Forness decision the existence of this means of enforcement has become uncertain. It also has cast doubt upon the right of Indians to avail themselves of section 5 of the same State law which provides:

"Any demand or right of action, jurisdiction of which is not conferred upon a peacemaker's court, may be prosecuted and enforced in any court of the State, the same as if all the parties thereto were citizens."

Consequently, to a very considerable degree, New York Indians are laws unto themselves. That such comparative freedom from restraint has not made Indians lawless and irresponsible people still does not compensate for the underlying lack of security or stability in reservation existence. Neither does it overcome the handicap in business and social relationships with non-Indians that the Forness decision immunity has boomeranged upon them.

The only significant changes to be expected from passage of the bills would be the positive ones of extending orderly processes of government to the reservations and of ending the power of individual Indians to avoid ordinary civil responsibilities. Passage of the bills would not effect any change in basic Indian traditions or customs unless these people, by means provided in the law, see fit to modify them. Enactment would, in fact, strengthen enforcement of such rules as do exist by banishing uncertainty as to the powers of State courts. Neither would the proposed law permit taxation or alienation of reservation land, although many Indians have been led to believe that these are the very ends the bills aim to accomplish.

Specific exclusion of the powers of taxation and disturbance of titles makes it clear that adoption of the bills would not end all Federal guardianship, yet such is within the constitutional power of the central government (*United States* v. *Osage County* (251 U. S. 128, 64 L. ed. 184, 46 S. Ct. 100); *Re Heff* (197 U. S. 488, 49 L. ed. 848, 25 S. Ct.)). Furthermore, if active guardianship were to cease, the United States would retain authority to prosecute in Federal courts claims of Indian tribes against the State (*United States* v. *Minnesota* (270 U. S. 181, 70 L. ed. 539, 46 S. Ct. 298)). This case also determines that State statutes of limitations "neither bind nor have any application to the United States when suing to enforce a public right or to protect interests of its Indian wards."

How much longer New York Indians will be condemned to the stagnating and stifling effects of segregation depends upon how soon Congress will recognize the futility of treating them as independent, self-governing units which they have long since ceased to be. The argument most often used against application of State civil laws is that it would violate the 1794 Treaty of Canandaigua, in which the United States acknowledged the reservations and agreed that it would not claim or disturb them or the Six Nations or their friends residing there "in the free use and enjoyment thereof." Congress itself has sufficiently discredited such claims by enacting laws forbidding the commission of crimes (23 Stat. 362), declaring Indians citizens (43 Stat. 253), enforcing local sanitation and quarantine regulations and compelling school attendance (45 Stat. 1185), to mention but a few. As was held in *Roff* v. *Burney* (168 U. S. 218, 42 S. Ct. 442):

"Congress may pass such laws as it sees fit prescribing the rules governing the intercourse of Indians with one another and with citizens of the United States, and also the courts in which all controversies to which an Indian may be a party shall be submitted."

Unless it is the destiny of New York Indians to be preserved as museum pieces of an ancient but completely outmoded civilization, it seems time that realism replace mere sentiment in governmental policy toward them.

SALAMANCA RENT LEGISLATION

Salamanca derives its name from a Spanish financier who was one of the promoters of the Atlantic & Great Western Railway, which, upon completion in 1861, extended from Salamanca to Cleveland. The change from the former name of Bucktooth was made in 1862. Besides providing valuable rail connection with the West, that with New York and the East having been effected by the New York, Lake Erie & Western Railroad in 1851, the different gages of the two roads established Salamanca temporarily as an important transfer point.

Lumbering was the earliest industry and flourished until exhaustion of the abundant original pine forests. Later came tanneries, railroad shops, and furniture factories, but with the passage of time, activities in all three have greatly declined, without a sufficient number of newer and more diversified industries taking their place. Consequently, Salamanca, like many other communities, is now anxiously seeking new industrial enterprises for its thinning population. But in this search the community labors under the almost insurmountable handicap of a unique system of land leasing which discourages investment by outsiders.

Before 1875 all leases of that portion of the city lying within the Allegany Reservation of Seneca Indians had run from individual Indians to white settlers. This led to great disparity in the amount of rentals and laxity in their collection. In 1875, Congress returned the leasing power to the Seneca Nation itself and authorized the granting of terms not exceeding 12 years with a provision automatically extending existing leases for a period of 5 years after passage of the law. All rentals were made payable to the treasurer of the nation (act of February 19, 1875, ch. 90, 18 Stat. 330). Five years later a disastrous fire swept through the business section of the city, then consisting entirely of frame buildings, and demonstrated the need for more permanent and fire-resisting construction. The task of securing needed capital for such extensive rehabilitation presented serious difficulties because savings banks, insurance companies, and other lending institutions have always regarded Salamanca titles as not sufficiently permanent, and local bankers and businessmen did not feel warranted in risking such heavy investment on the security of leases having only 7 years to run. Relief finally came by a further act of Congress amending the earlier law to allow leases for terms up to 99 years (act of September 30, 1890, ch. 1132, 26 Stat. 558). But since the new law was permissive only, and the leaders of the Seneca Nation were at first reluctant to grant leases for longer than 25 years, prolonged negotiations between the committees representing lessor and lessees were necessary before agreement was reached on leases for the full term permitted. Consent was eventually obtained by increasing the total annual rent to $6,000 which approximately doubled the previous sum. On this new basis leases for 99 years for the entire area situated on the reservation were consummated in 1892.

A further change occurred 9 years later when, because of dissatisfaction among Indians over the handling of rentals by officers of the nation, Congress made these payable to the United States Indian agent who was thereby directed to pay the Indian treasurer $2,500 per year for disposal by the Seneca council, and to disburse the balance "among the heads of families of the Seneca Nation" (act of February 28, 1901, ch. 622, 31 Stat. 819).

Approximately three-fourths of the existing leases were made under authority of the 1890 law. The present confusion results

from failure to maintain maps showing boundaries of these leases and systematic records of original leases, as well as assignments, transfers by death and subleases. Since the right to continued occupancy of each fraction of land comprised within an original lease is dependent upon payment of the agreed rental for the entire tract, each owner of a fractionated interest cannot protect himself merely by paying his proportionate part of the total rent. Also, because of the lack of up-to-date maps, it is frequently difficult to determine which main lease controls a given piece of property. Adding to the confusion is the omission to provide means for recording leases, assignments, or subleases so that such information may be readily had by the public.

Because of the many uncertainties and risks inherent in this kind of land tenure, real-estate mortgages have never been acceptable security to other than local lending institutions and business firms have been reluctant to locate in Salamanca.

As a means of overcoming handicaps to community growth and prosperity, this legislature enacted chapter 231, laws of 1942, authorizing the city of Salamanca to impose a tax equal to the total annual rentals for that part of the municipality located on the reservation. Before the law could be put into operation the court of appeals, in an action intended to test its constitutionality, dismissed the proceeding because of nonjoinder of the Seneca Nation (*Wood* v. *City of Salamanca* (289 N. Y. 279)). Under strict application of the reasoning in the Forness case, this became an impossibility when a Federal District Court, upon motion of the United States Attorney, ruled that the Seneca Nation could not be sued by the city (*Salamanca* v. *Seneca Nation of Indians* (47 Fed. Supp. 939 (1942)).

During the 7 years following, Federal policy underwent a complete reversal. Coincident with an announcement of intention to close its New York Indian agency, early in 1949 the Indian Bureau proposed that the 1942 State law be revived and that Congress permit payment of rentals to the Seneca Nation treasurer without intervention by the Federal agent.

The new proposal was promptly endorsed by a special lease committee of the Seneca Nation Council, then by the Common Council of the city. Thereafter, at the latter's request this legislature amended the 1942 law in certain respects necessary to conform to the new plan (ch. 787, Laws of 1949), and with the recommendation of the Department of Interior, bills were introduced in both Houses of Congress to authorize payment of lease rentals by the city of Salamanca to the Seneca Nation treasurer. Both of the latter bills require bonding of such officer for faithful performance of his duties (S. 1947 and H. R. 4942, 81st Cong., 1st ses.).

Seldom has any single piece of legislation promised more constructive results than do these identical measures. The Seneca Nation would be assured of regular receipt of rentals and residents of Salamanca for the first time would enjoy freedom from the hazards of leasing which in turn would permit competition with other communities for new industries on fairly even terms. In one stroke the principal source of friction between Indians and non-Indians would disappear and in the brightened future of the city it is not too much to expect that differences of race would be much sooner forgotten.

This committee is proud of its part in helping to awaken interest among Members of Congress and many others in long neglected problems of New York Indians. Already this movement has produced the 1948 law confirming State criminal jurisdiction (Public Law 881, 80th Cong.) which gives inhabitants of Indian reservations their first effective criminal law enforcement, and has proven universally satisfactory. During the present session of Congress, with continued cooperation between the administrative and legislative departments, passage of the major remaining items, the civil jurisdiction and Salamanca rent bills, may be hoped for.

Respectfully submitted.

William H. Mackenzie, Chairman, George H. Pierce, Leo P. Noonan, Louis DeSalvio, Searles G. Schultz, William L. Doige, Floyd E. Anderson, Paul D. Graves, John T. McKenan, Leighton T. Wade, Counsel.

## RENEWAL OF CONTRACTS FOR CARRYING MAIL ON STAR ROUTES

The bill (H. R. 8270) relating to the renewal of contracts for the carrying of mail on star routes was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Mr. President, reserving the right to object, may we have an explanation of the bill?

The PRESIDING OFFICER. An explanation is desired.

Mr. LEAHY. Mr. President, this bill relates to the renewal of contracts for the transportation of mail. Under the existing practice the Postmaster General enters into contracts for the carrying of mail, and he may, upon expiration of the contracts, renew them without competitive bidding. It frequently happens, however, that the prime contractor may transfer the contract to a subcontractor, who, with the approval of the Postmaster General carries out the contract. But the Postmaster General has not the power to renew the contract with the subcontractor without competitive bidding. Under this bill he would be permitted to do so.

Mr. SCHOEPPEL. Mr. President, I have no objection to the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 8270) relating to the renewal of contracts for the carrying of mail on star routes was considered, ordered to a third reading, read the third time, and passed.

## BILLS PASSED OVER

The bill (S. 3682) to amend the Civil Service Retirement Act of May 29, 1930, as amended, with respect to the time of taking effect of annuities of Members and elected officers of the Senate and House of Representatives was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. McCARRAN. Mr. President, I called for a report on this bill, and was advised there was no report. However, I have just been handed one. I should like to have the bill go over until I can read the report and understand the provisions of the bill.

The PRESIDING OFFICER. The bill will be passed over.

Mr. LEAHY. Mr. President, may I ask that the bill go to the foot of the calendar and be considered at the next call of the calendar?

The PRESIDING OFFICER. The Senator from Rhode Island asks unanimous consent that the bill be carried over to the next general call of the calendar and be called at that time. Is there objection? The Chair hears none, and it is so ordered.

The bill (H. R. 7265) to provide for the conduct of a periodic census of governments was announced as next in order.

Mr. SCHOEPPEL. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. LEAHY. Mr. President, I make a similar request with respect to that bill.

The PRESIDING OFFICER. As to House bill 7265 the Senator from Rhode Island requests unanimous consent that it go over until the next call of the calendar and be included in the next general call of the calendar? Is there objection? The Chair hears none, and it is so ordered.

Mr. McCARRAN. Mr. President, I ask unanimous consent that the Senate revert to Senate bill 3682, Calendar 1843, to which I interposed objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada that the Senate revert to Senate bill 3682?

Mr. TAFT. Mr. President, I shall object to it, because I have neither the report nor the bill in my calendar book. I do not know what change is proposed to be made in our pension systems. It seems to me we should at least have a report on the bill.

The PRESIDING OFFICER. Objection is heard.

Mr. THYE subsequently said: Mr. President, objection previously was made to the consideration of Senate bill 3682, Calendar 1843, a bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, with respect to the time of taking effect of annuities of Members and elected officers of the Senate and House of Representatives.

I was present at the hearings of the Committee on Post Office and Civil Service when this measure was under consideration there. The bill seems to be a very simple one. Unless it is enacted, those who may be discharged would lose a month's pay. I believe the bill should be enacted.

The PRESIDING OFFICER. Does the Senator submit a motion in regard to the consideration of the bill?

Mr. TAFT. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. I have already objected to consideration of the bill.

The PRESIDING OFFICER. Objection has been heard.

## BILL PASSED OVER AND PLACED AT FOOT OF THE CALENDAR

The PRESIDING OFFICER. The clerk will state the next bill on the calendar.

The bill (H. R. 4390) to authorize the conveyance for school purposes of certain land in Acadia National Park to the town of Tremont, Maine, and for other purposes, was announced as next in order.

Mr. LUCAS. Mr. President, I think I am correct in my understanding that the next three bills on the calendar do not have reports acompanying them.

Mr. JOHNSON of Colorado. Mr. President, the reports are here.

Mr. CHAPMAN. Mr. President, does the Senator from Illinois refer to House bill 4390, Calendar No. 1845, or to Senate bill 2658, Calendar No. 1846?

Mr. LUCAS. I am referring to the next three bills on the calendar.

Mr. CHAPMAN. The report is here on Calendar No. 1846, Senate bill 2658.

Mr. LUCAS. Very well.

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 4390, Calendar No. 1845?

Mr. SCHOEPPEL. I object.

The PRESIDING OFFICER. Upon objection by the Senator from Kansas, the bill will be passed over.

Mr. BUTLER. Mr. President, may I make the same request as the one which has previously been made in respect to other bills, namely, that the bill be placed at the foot of the calendar, to be called at the next call of the calendar?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska that the bill be placed at the foot of the calendar, to be called at the next call of the calendar? Without objection, it is so ordered.

The clerk will state the next bill on the calendar.

## REARING PONDS AND FISH HATCHERY IN KENTUCKY

The bill (S. 2658) to establish rearing ponds and a fish hatchery in the State of Kentucky was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is hereby authorized to construct, equip, maintain, and operate rearing ponds and a fish hatchery at a suitable location in Kentucky.

SEC. 2. There is hereby authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act, including not to exceed $275,000 for the acquisition of lands and water rights or interests therein and the construction and equipment of such station.

## TRANSPORTATION ON CANADIAN VESSELS BETWEEN POINTS IN ALASKA OR CONTINENTAL UNITED STATES

The bill (S. 3771) to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation, was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

*Be it enacted, etc.*, That, until June 30, 1951, notwithstanding the provisions of law of the United States restricting to vessels of the United States the transportation of passengers and merchandise directly or indirectly from any port in the United States to another port of the United States, passengers may be transported on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation: *Provided*, That such Canadian vessels may transport merchandise between Hyder, Alaska, and other ports and points herein enumerated.

## PRODUCTION OF ABACÁ BY THE UNITED STATES

The PRESIDING OFFICER. Under unanimous-consent agreement previously entered into, Senate bill 3520, Calendar 1689, was ordered placed at the foot of the calendar, to be called at this time. That bill will now be stated.

The LEGISLATIVE CLERK. A bill (S. 3520) to strengthen the common defense by providing for continuation and expansion of Western Hemisphere production of abacá by the United States.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with amendments, on page 2, line 6, after the word "production", to insert "throughout the world"; and in line 14, after the word "continued", to insert "by the United States Government", so as to make the bill read:

*Be it enacted, etc.*, That this act may be cited as the "Abacá Production Act of 1950."

DECLARATION OF POLICY

SEC. 2. Whereas abacá, a hard fiber used in the making of marine and other cordage, is a highly strategic and critical material which cannot be produced in commercial quantities in the continental United States, and of which an adequate supply is vital to the industrial and military requirements for the common defense of the United States; therefore, it has been the policy of the United States to continue the program for production and sale of abacá in which it was engaged at the termination of hostilities of World War II, and it is hereby declared to be the policy of the United States to encourage abacá production throughout the world, and in that connection to further the development and maintenance of abacá production in the Western Hemisphere through aid and supplementation of operations under the Strategic and Critical Materials Stock Piling Act (60 Stat. 596) and the national security and common defense.

PROGRAM

SEC. 3. (a) Production of abacá in the Western Hemisphere shall be continued by the United States Government: *Provided*, That the total acreage under cultivation shall not exceed the aggregate under cultivation as of the close of the month next preceding the date upon which this act shall become effective, except that additional acreage may be added in the Western Hemisphere at the direction of the President and reduction of acreage under cultivation to abacá under this act shall be effected whenever the President shall so direct: *And provided further*, That in no event shall the total number of acres under cultivation to abacá under this act at any one time exceed fifty thousand.

(b) Such surveys and research may be undertaken as are necessary or desirable to obtain the best available land in the Western Hemisphere for the production of abacá, the best development of abacá and development and maintenance of the plantations for the production of abacá established on such land, and the most economical and practical processing and disposition of such fiber and by-products as result from the production of abacá on such land.

(c) Abacá fiber, produced under this act, which from time to time is not needed for stockpiling under the Strategic and Critical Materials Stock Piling Act (60 Stat. 596), as amended, may be sold otherwise than for stockpiling under such act.

ADMINISTRATION

SEC. 4. (a) The President may issue such rules and regulations and make such determinations as he deems necessary and appropriate to carry out the provisions of this act.

(b) All contracts entered into and all acquisitions of property effected under this act shall be in such manner and on such terms and conditions as the President shall determine.

(c) The President may exercise any or all of the powers, authority, and discretion conferred upon him by this act through such departments, agencies, officers, Government corporations, or instrumentalities of the United States, whether or not existing at the date of the enactment of this act, as he may direct.

(d) The President may transfer to the departments, agencies, officers, Government corporations, or instrumentalities of the United States, or to any of them, which he directs to exercise the powers, authority, and discretion conferred upon him by this act, such facilities, personnel, property, and records relating to such powers, authority, and discretion, as he deems necessary; and he may so transfer all appropriations or other funds available for carrying out such powers, authority, and discretion.

(e) The financial transactions authorized by this act shall be subject to the Government Corporation Control Act, as amended, and other laws specifically applicable to wholly owned Government corporations as a class.

FINANCING

SEC. 5. (a) For the purpose of carrying out the functions authorized by this act, there is hereby established in the Treasury a revolving fund which shall consist of (1) such amounts as the Congress may appropriate thereto, which appropriations are hereby authorized, (2) such amounts as may be paid into the fund pursuant to subsection (e) of this section, and (3) amounts received in connection with any transfer pursuant to subsection 4 (d) of this act.

(b) Pursuant to regulations prescribe by the President, the Secretary of the Treasury is authorized and directed to make advances from the fund not to exceed a total of $35,000,000 outstanding at any one time. There shall be added to such advances and treated as advances an amount equal to the net value of assets of the program for the production and sale of abacá as held by the Reconstruction Finance Corportation on the effective date of this act.

(c) Interest shall be paid on each outstanding advance at such rates as may be determined by the Secretary of the Treasury to be appropriate in view of the terms for which such advances are made.

(d) Appropriations are hereby authorized for payment in the form of a grant, in such amounts as may be estimated in the annual budget as necessary to cover losses. The annual budget program shall specifically set forth any losses sustained in excess of the grant previously made for the last completed fiscal year. Appropriations are hereby authorized for payment to cover such additional losses incurred.

(e) Receipts for each fiscal year may be used for payment of the costs incurred in connection with projects and activities authorized by this act. After providing out of such receipts for necessary working capital requirements, any amounts in excess thereof shall be paid annually into the fund. Such payment shall be applied to reduce the amount of advances outstanding, and any remaining payments shall be covered into the Treasury as miscellaneous receipts.

(f) Until such time as the appropriations herein authorized are made, such of the powers, authority, and discretion provided for in this act as the President may delegate to the Reconstruction Finance Corporation may be exercised by the Reconstruction Finance Corporation under the authority conferred by former section 5d (3) of the Reconstruction Finance Corporation Act, as amended (54 Stat. 573, 961; 55 Stat. 249); joint resolution approved June 30, 1945 (59 Stat. 310); and section 12 of the Reconstruction Finance Corporation Act, as amended (61 Stat. 207), with funds recovered or recoverable from its national defense, war, and reconversion activities.

DISPOSAL OF PROPERTY

SEC. 6. Whenever the President shall determine that any property is excess to the purposes of this act, or that adequate supplies of abacá will be available from other sources within the Western Hemisphere on a basis acceptable to the United States, property held for the purposes of this act may be disposed of in such manner and on such terms and conditions as the President may prescribe.

REPORTS

SEC. 7. Within 6 months after the close of each fiscal year a report shall be submitted to the Congress on the activities under this act.

EFFECTIVE DATE AND DURATION

SEC. 8. This act shall become effective on April 1, 1950, and shall remain effective for 10 years thereafter, unless the President shall direct earlier termination of operations, and for such further period as is necessary to the earliest practicable liquidation of operations under this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MINERAL RESOURCES WITHIN SUPERIOR NATIONAL FOREST, MINN.

Mr. THYE. Mr. President, at the last call of the calendar objection was made to the consideration of House bill 4895, Calendar 1782, a bill relating to utilization of the mineral resources within the Superior National Forest. The objection which was made to the consideration of the bill at that time was because no report accompanied the bill; for that reason, several Senators felt obliged to object.

I understand that there is no objection to the bill itself. It is set forth by title on page 15 of the calendar, being House bill 4895. I desire to have the bill considered at this time.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4895) to permit the prospecting, development, mining, removal, and utilization of the mineral resources within the Superior National Forest, Minn., and for other purposes.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the bill?

Mr. SCHOEPPEL. Mr. President, reserving the right to object, may we have an explanation of the bill?

Mr. THYE. Mr. President, the explanation is perhaps best stated in the report itself:

The purpose of this bill is to permit the development of mineral resources in the national forests in Minnesota. No expenditure of Federal funds is required.

Ordinarily, lands withdrawn from the public domain for national-forest purposes are subject to the operation of the general mining laws if those laws are applicable in the State where the public-domain lands are located. However, in the case of Minnesota, as well as Michigan and Wisconsin, the public-domain lands were excluded from the application of the general mining laws by the act of February 18, 1873 (Rev. Stat. 2345, 17 Stat. 465, 30 U. S. C. A. 48).

This bill provides permission for the letting of contracts respecting the national forest in regard to granite quarries and mines. Some such contracts are now in existence, but additional contracts cannot be let unless this measure is enacted.

I think the bill is a very simple piece of proposed legislation. Its enactment will permit the quarrying of granite rock which is to be found in the areas of that national forest.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 1, line 7, after the words "of the", to strike out "Superior National Forest," and insert "national forests in"; and on page 2, in line 9, after the word "Agriculture", to strike out the comma and "and the development and utilization thereof shall be subject to such conditions as the Secretary of Agriculture may prescribe to insure the adequate utilization and proper protection of the lands for national forest purposes."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to permit the prospecting, development, mining, removal, and utilization of the mineral resources within the national forests in Minnesota, and for other purposes."

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930, AS AMENDED

Mr. LEAHY. Mr. President, I ask unanimous consent that the Senate revert in the calendar to the consideration of Senate bill 2640, Calendar 1567.

The PRESIDING OFFICER. For the information of the Senate let the clerk state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 2640) to amend the Civil Service Retirement Act of May 29, 1930, as amended.

The PRESIDING OFFICER. Is there objection?

Mr. TAFT. I object.

The PRESIDING OFFICER. Objection is heard.

That completes the call of the calendar.

By unanimous consent entered into yesterday, the Senator from Washington [Mr. CAIN] has the floor upon the completion of the call of the calendar. Therefore the Senator from Washington is recognized.

BUILDING FOR FEDERAL DEPOSIT INSURANCE CORPORATION

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. MAYBANK. I wish to say there is now before the Public Works Committee a bill authorizing the Federal Deposit Insurance Corporation to acquire or construct with its own funds a building in the District of Columbia suitable for the Corporation. It was hoped that the bill could be considered today. However, after talking with the distinguished Senator from Florida, he tells me that he has reported the bill favorably from the subcommittee, and he hopes to be able to get it before the full committee on Monday. I hope that may be done, so that at the time of the next call of the calendar, that bill can be considered and acted upon by the Senate.

ANNOUNCEMENT REGARDING CONSIDERATION OF BILL EXTENDING THE SELECTIVE SERVICE ACT

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. LUCAS. I should like to make what I believe to be a very important announcement with respect to what may happen in the Senate on Monday next, so far as the program is concerned:

In the event that there is no debate on that day on House bill 6000, I shall ask that the Senate temporarily lay aside that measure, and take up House bill 6826, Calendar No. 1789, a bill to provide for the common defense through the registration and classification of certain male persons, and for other purposes.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. TAFT. The Senator from Illinois does not expect to have the Senate vote on that measure at that time; does he?

Mr. LUCAS. Not at all; the Senator from Ohio is correct.

Mr. President, the Selective Service Act now on the statute books expires on the twenty-fourth of this month. I have been advised by the military officials that unless the bill extending that act is passed and sent to the President of the United States, for his approval, before the twenty-fourth, every boy who has registered during the last 2 years will have to reregister. So I make this statement because of the tremendous importance of the matter. It involves a deadline, in respect to which we cannot retroactively effectuate the purpose of the bill without going to a great deal of trouble. I hope we can debate the bill on Monday and that we will pass it as quickly as possible.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. LUCAS. The Senator from Washington has the floor. I shall be glad to answer any questions.

Mr. CAIN. The Senator from Washington gathers from what the majority leader has just said that he is not desirous of bringing up the Selective Service Act on Monday unless there are no comments to be offered on the unfinished business, namely, the bill (H. R.

6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child-welfare provisions of the Social Security Act, and for other purposes. Am I correct in so understanding?

Mr. LUCAS. The Senator understands the Senator from Illinois correctly.

Mr. CAIN. I thank the Senator.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. CAIN. I am pleased to yield to the Senator from Vermont.

Mr. FLANDERS. I desire to ask the Senator from Washington whether he will yield to me for 15 minutes, provided he can obtain unanimous consent of the Senate that he will not lose the floor in the process.

Mr. CAIN. Mr. President, because the Senator from Vermont has indicated to the Senator from Washington that he is most desirous of making a statement and then attending to other duties, if the Senator from Washington can so yield, he will be pleased to do so, provided he does not thereby lose the floor.

Mr. FLANDERS. Mr. President, I ask unanimous consent that the Senator from Washington may yield to me for that purpose.

The PRESIDING OFFICER. The Chair understands that the request must come from the Senator who has the floor.

Mr. CAIN. Mr. President, I ask unanimous consent that I be permitted to yield 15 minutes to the Senator from Vermont, without prejudice to my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Senator from Vermont is recognized for 15 minutes.

## ENDING THE COLD WAR—IX

Mr. FLANDERS. Mr. President, I am continuing my weekly suggestions with regard to our foreign policy. I have concluded that the general subject to which I address myself may perhaps be better expressed in the words "Ending the cold war" rather than "Winning the cold war." This change is made because the word "winning" carries with it the counterpart idea of a conflict in which one side wins and the other loses. Our cold war is not that kind of conflict. It can be ended by both sides winning. It is for that reason that I choose now to select the phrase "ending the cold war" as the general topic to which I address myself.

In our present dangerous situation we seek a fresh approach to this world problem. Mr. President, I believe that that fresh approach is ready at our hand.

The first requirement is that we shall have the imagination to conceive as to what is going on in the minds of the people of Russia and of the satellite States. It is reasonable to believe that we know what is going on in the minds of the men of the Politburo. Our actions would not lead one to believe that we had given any thought to what is going on in the minds of the Russian people. As an example of the use of intelligent imagination in understanding the Russian people I would call the attention of the Senate to the last page of the June 16 United States News. It is an editorial by David Lawrence entitled "As a Russian Might Speak." It is an imaginary letter of what a Russian citizen might write to a friend abroad, being based on present-day happenings as they might appear to a Russian mind. I now proceed to read the letter:

MOSCOW, JUNE 1950.

The news comes from America, sometimes through American radio broadcasts, mostly through our newspapers.

We learn that America is spending billions of dollars on technical apparatus, new weapons and new instruments of war.

We learn that America can manufacture many, many weapons—perhaps more weapons than we can make.

We wonder what it all means.

Does it mean that the Americans are preparing to kill me and my wife and my children?

We read that the Americans have picked out 70 of our cities on which to drop atom bombs. Think of it—70 cities to be wiped out suddenly. We hear about many new airplanes the Americans are making to carry those bombs to our cities and villages.

We read that the President of the United States says he will not hesitate to use the atom bomb on us—men, women, and children—as he ordered done in Japan. We hear now that he is going to have the hydrogen bomb, too.

So the Americans are planning to murder me and my wife and my children!

The Americans tell us on the radio that they are humane, that they are moral, that they are Christian, that they are interested in benefiting mankind—but what I want to know is why do they plan to kill me and my wife and my children.

I have thought about this a long time. I have begun to wonder—maybe they excuse it because they think we in Russia are planning to send bombs to America to kill their men, women, and children. I know the Americans keep saying they are enlarging their armed forces only for defense. Is that true?

They want us to believe that only the Russian Government is planning to go to war—that we are aggressors. I read the newspapers and I hear the radio—our government denies again and again that it intends to make war. Our government talks constantly of wanting peace.

Maybe in America the Government is saying to the Americans that it wants peace and is not going to go to war except for defense. And maybe the Americans believe their Government—just as we believe our government.

What can we believe? If my government here in Moscow really intends evil, what can I do about it? Revolt against the government? Even if we wished to do so, I and my neighbors cannot begin a revolution without arms. We are not told who would help us. Do they expect us to turn on the government, which after all is now our only protection against the Americans?

I must either allow myself and my wife and my children to be killed by the Americans or I must support my government. I can be destroyed either by the bullets of my government or by the bombs of the American Government.

We are as patriotic as the Americans. If it is true that the Americans are now organizing a military alliance of 12 governments to fight against us, every one of us in Russia must organize to fight those 12 countries. We must resist the invader as we have done in past history. It is better for us to sacrifice things—to go without butter and make guns. We must be ready to die for our country.

Who is there to bring peace to us all? Is there no way to end what they call in America the "cold war"? Why do the two governments do nothing?

We hear the American Government say it does not trust our government. Then we read that the American Secretary of State says they will be willing to negotiate some day. With whom? With a government it doesn't trust? This confuses me.

All we hear is military talk, North Atlantic Pact, military assistance, collective forces, new atom shells to be fired from tanks, more B–36's and more bombs. Also the Americans are talking of rearming the Germans again. To fight whom? Us, of course.

We are 200,000,000 people. What can America do for us that our government isn't doing for us now? Has anybody explained this?

People are tired of war talk. We want peace. How can we get it?

Has anyone in America or Europe any plan except to threaten to kill me and my wife and children?

I wish the Voice of America could tell me soon over the radio that the American Government will not point its guns at us any longer but will begin to think of how my wife and my children and my neighbors and their children can be saved from war. We, too, want to live.

Mr. President, this letter poses the problem. It stands directly in the line of vision of the blind spot in our foreign policy. No one who plays a game or follows a sport can safely neglect to estimate what is in the other men's minds. But in this game of the life and death of nations and civilizations there is no evidence that we have tried to fathom the minds of the Russian people, and it is in the people, rather than in the rulers, that the world's ultimate hope lies of escape from chaos and destruction.

While our official foreign policy is blind to this, the people of this country are not. Individual after individual has written to me and come to me with fears and hopes and plans for getting in touch with the people behind the iron curtain. One well-worked-out plan by a leading advertising expert would bring a flood of printed propaganda behind the curtain and seek for chinks and links and crevices through which it might penetrate. On April 25 I mentioned the deep concern of Mr. Polowsky, who was in the patrol which made the first contact with the Russians when they met on the Elbe. One organization with responsible backing has been formed for this purpose. They are the Friends of European Freedom, and are doing good work, which, to some extent, parallels the Voice of America, our only real offensive activity in this cold war.

There is a ground-swell of sentiment in this Nation for getting in touch with the people of Russia. There is spiritual strength in this swell. Its potentialities exceed, and are capable of submerging, the economic factors and the crude appeals to force. It is a spiritual movement from people to people, with our own administration apparently oblivious to the existence of spiritual force.

One wave of this current swell has originated with the Veterans of Foreign Wars, an institution which by its nature is deeply concerned with our danger of slipping into the abyss of world war III. The members of this organization fought for our country on foreign soil. They know what war means and has meant. They know that it will mean far more

terrible things in physical suffering, social chaos, and the destruction of liberties than did World War II. They know that again, as in World War I and World War II, victory will not bring peace. They know that in world war III the victors will be vanquished.

Mr. President, the Veterans of Foreign Wars, I am told, are enthusiastically committed to a three-step program. With any assurance of administrative backing they would form a patriotic organization to project the spirit and will of the American people through the Russian curtain into the eyes and ears and hearts of the people of Russia. This would be done in news sheets, leaflets, magazines, and radio programs.

Along with this should go a stepping up of the use of existing Government agencies to pour information into Russia and her satellites. This was the purpose of Senate Resolution 243, submitted by the junior Senator from Connecticut, of which I, myself, was one of the 13 sponsors from both sides of the aisle.

The third step would be to create underground machinery for penetrating the iron curtain with this gospel of friendship, understanding, and cooperation. The agents of this crusade would be the Russian escapees now in Europe. I have had letters from more than one of them indicating their desire to do something constructive instead of rusting their lives away in exile. The means are at hand. Let us use them.

Surely, Mr. President, here is a plan worth getting behind and supporting. When soldiers work for peace and present a clear-cut plan for undertaking it, the rest of the country, and certainly its Government, cannot refuse its support.

Mr. President, and I speak now both to the President of the Senate and to the President of the United States, let us go on the offensive and end the cold war.

Mr. President, I express my thanks to the Senator from Washington for yielding to me in order that I might make the statement.

## SOCIAL SECURITY ACT AMENDMENTS OF 1950

Mr. KNOWLAND. Mr. President, will the Senator from Washington yield to me for a statement, not to exceed 10 minutes, relative to an amendment I am submitting to H. R. 6000?

Mr. CAIN. Mr. President, the Senator from Washington asks unanimous consent that the Senator from California be permitted to speak for 10 minutes without the Senator from Washington losing his right to the floor.

The PRESIDING OFFICER (Mr. LEHMAN in the chair). Without objection, it is so ordered, and the Senator from California may proceed.

Mr. KNOWLAND. Mr. President, at this point in the RECORD, as a part of my remarks, I should like to have printed a copy of an amendment which I have heretofore submitted to House bill 6000, to extend and improve the Federal old-age and survivors insurance system, and so forth, and along with that I should like to have printed immediately following it a telegram which I have received from James G. Bryant, director of employment, California Department of Employment; a telegram from Harry Benge Corzier, chairman, and Dwight Horton, and Dean W. Maxwell, commissioners, of the Texas Employment Commission; and a telegram from Gov. Allan Shivers of Texas.

There being no objection, the amendment and the telegrams were ordered to be printed in the RECORD, as follows:

AMENDMENT INTENDED TO BE PROPOSED BY MR. KNOWLAND TO H. R. 6000

At the end of the bill add the following:

"PROVISIONS OF STATE UNEMPLOYMENT COMPENSATION LAWS

"SEC. 405. (a) Section 1603 (c) of the Internal Revenue Code is amended (1) by striking out the phrase 'changed its law' and inserting in lieu thereof 'amended its law', and (2) by adding before the period at the end thereof the following: 'and such finding has become effective. Such finding shall become effective on the ninetieth day after the governor of the State has been notified thereof unless the State has before such ninetieth day so amended its law that it will comply substantially with the Secretary's interpretation of the provision of subsection (a), in which event such finding shall not become effective. No finding of a failure to comply substantially with the provision in State law specified in paragraph (5) of subsection (a) shall be based on an application or interpretation of State law with respect to which further administrative or judicial review is provided for under the laws of the State.'

"(b) Section 303 (b) of the Social Security Act is amended by inserting before the period at the end thereof the following: ': *Provided*, That there shall be no finding under clause (1) until the question of entitlement shall have been decided by the highest judicial authority given jurisdiction under such State law: *Provided further*, That any costs may be paid with respect to any claimant by a State and included as costs of administration of its law'."

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SACRAMENTO, CALIF., *June 15, 1950.*

Senator WILLIAM KNOWLAND,
*Senate Office Building:*

Confirming our conversation re amendment to H. R. 6000 the various States are now subject to pressure from Secretary of Labor's office on unemployment insurance benefit decisions if unions disagree with such decisions, as was the case in the maritime conformity issue involving California last December. Under the proposed amendment employers or unions involved must exhaust their judicial remedies in the State courts and until such is done the Secretary of Labor would not be able to raise a conformity question. After decision by the Supreme Court the Secretary of Labor may then raise conformity question and provide the State with opportunity for hearing thereon in the event the Secretary of Labor then made findings of fact and conclusions of law that the State statute as interpreted by the State supreme court did not conform to the standards laid down in section 1603 of the Internal Revenue Code, his decision would be held in abeyance for 90 days in order to permit the State to convene its legislature and amend the State law to bring it into conformity with the Federal standards. Such an amendment is highly desirable in order to achieve proper Federal-State relationship as it affects the unemployment insurance program. The background of the California conformity hearing of last December is being sent you under separate cover, air mail, today.

JAMES G. BRYANT,
*Director of Employment, California Department of Employment.*

AUSTIN, TEX., *June 15, 1950.*

Senator WILLIAM F. KNOWLAND,
*United States Senate,*
*Washington, D. C.:*

The Texas Employment Commission warmly commends you for sponsoring amendment to H. R. 6000. We are sure all of the State agencies are grateful to you.

HARRY BENGE CORZIER,
*Chairman.*
DWIGHT HORTON,
*Commissioner.*
DEAN W. MAXWELL,
*Commissioner.*

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AUSTIN, TEX., *January 15, 1950.*

Senator WILLIAM F. KNOWLAND,
*United States Senate,*
*Washington, D. C.:*

Your amendment to H. R. 6000 is highly appreciated by me as I am sure it is by governors of other States.

ALLAN SHIVERS,
*Governor of Texas.*

Mr. KNOWLAND. Mr. President, the unemployment-compensation amendment I propose is made necessary by recent events to which I shall refer.

As we know, the Federal unemployment-compensation-tax laws impose a 3-percent tax on employers. When a State has an unemployment-compensation law containing provisions specified in the Federal law, employers subject to the State law receive a 90-percent credit against the 3-percent Federal tax, and accordingly pay one-tenth of that amount, or three-tenths of 1 percent. The States under the Social Security Act receive Federal grants covering their entire administrative costs in operating their systems. Today every State is receiving these grants and employers covered by every State system are receiving this 90-percent credit against the Federal tax.

The Secretary of Labor is required under existing law, on December 31 of each year, to certify for the 90-percent tax credit against the Federal tax each State whose law has been approved as containing the provisions required in the Federal law. However, he is not to certify if he finds either that the State has so changed its law that it no longer contains the required provisions, or that the State has failed during the year to comply substantially with these provisions. On such a finding he can withhold tax credit certification. Without the Secretary's certification, taxpayers of the State must pay an additional penal Federal tax of nine times their normal tax, in addition to any State tax. Furthermore, the Federal grants to the State for all administrative purposes will be withheld.

During more than a decade of operation before the authority over tax credit was transferred to the Labor Department, although there have been thousands of claims decisions, no hearing was ever held on the question of State conformity to the Federal law arising from such decisions. But there were hearings last December, just before the deadline for tax credit certification, on the question of whether the States of California and Washington would be certified.

Neither State was accused of failing to conform to the federally required provision by virtue of a legislative change in

its law or by virtue of its court's interpretation of its law. Each State was cited to a hearing in Washington, D. C., because of mere appealable administrative applications of the law in certain claims cases. Nobody can know how the claims would have been decided under the State law, as the claimants had not completed the normal procedure under that law of establishing their rights.

What happened was that late last November both States were notified to appear at the Labor Department, and in December were tried by a minor official of that Department on the issue of the State being out of conformity—because of these appealable administrative claims actions.

These States escaped the penalty of having their grants withheld and the State unemployment compensation taxpayers of these States escaped in excess of $200,000,000 in tax penalties only because the State agencies agreed at the last minute to meet the Secretary's demands.

Thus, even assuming that the initial claims actions complained of were incorrect, and contrary to the Federal provisions, it is utterly disruptive of State administration of its law for the Secretary to concern himself with this kind of day-to-day appealable action. It disrupts all the State corrective machinery, and interjects the Federal administrators into the State administrative processes, in effect denying to the State court charged with the duty of final action the right to hear and correct administrative errors.

Yet, because of his conclusion that certain appealable administrative actions were erroneous, the Secretary insisted that the State itself should be held out of conformity and denied grants, and that employers subject to that act be penalized an extra tax equal to 2.7 percent of their payrolls for the year unless the State administrator immediately capitulated to the Secretary's requirements.

Such a development raises a vital issue—whether the State claims procedure is to be scrapped. So far, the Secretary has actually intervened between the highest level of administrative decision and appeal to the State courts for interpretation and application of State law. Tomorrow he may step in between initial claims action and the administrative appeal from such action. It is not compatible with State administration that the Federal Secretary of Labor, rather than the review forum specified in State law, should pass on day-to-day problems. The Federal interest is certainly amply protected by the Secretary awaiting a final decision of the State on a case before deciding that the State is out of conformity.

The proposed amendment clarifies congressional intent as to the point at which the Secretary may act to hold a State out of conformity. It merely requires that the Secretary shall not intervene in State proceedings on appealable matters, but shall act only after the State itself has spoken finally through its highest appeal forum. This provision merely gives the State an opportunity to follow through its prescribed procedure in determining whether to give or deny benefits to the claimants in question. The limitation on the Secretary's action in no way deprives him of his subsequent authority to determine whether the State is or is not out of conformity with the Federal statute after the review procedure of the State has been completed.

The second important provision of the amendment gives the State a 90-day period to get in conformity after the Secretary has held the State to be out of conformity. In the two cases previously cited, the State administrators were able to meet the Secretary's demands because the claims in question had not become a matter of court decision. The situation may be that it is a court interpretation rather than an administrative interpretation which the Secretary finds to throw the State out of conformity with Federal standards. In such a situation it would be impossible to obtain immediate compliance by administrative action, as occurred in the two recent cases. It would be necessary to convene the legislature after the court decision, and where the decision is late in the year legislative action might be impossible before the December 31 deadline. After this deadline, State legislative action could not relieve the State of the penalties. The amendment would merely give the State a 90-day compliance period and relieve the State of the penalties of the Secretary's action if, and only if, the State conformed with the Secretary's interpretation of the Federal standard within this 90 days.

Mr. President, I think that all Members of the Senate who have expressed an interest in States' rights and in proper administrative procedures in the several States of the Union which have a responsibility should support this amendment.

Mr. CAIN. The Senator from Washington has been very much interested in what the Senator from California has stated, and wishes now to associate himself with the views expressed by the Senator from California. He joins with the Senator from California in hoping sincerely that the amendment proposed by him will be adopted by the Senate next week.

Mr. KNOWLAND. Mr. President, I should like to take this opportunity of expressing my appreciation to the Senator from Washington for yielding. One of the cases to which I referred grew out of a situation in the State of Washington. I think the amendment involves a question of tremendous importance to every Member of the Senate. The reason I took the opportunity of interrupting the Senator from Washington at this point was because I wanted the material, which included a telegram from the Governor of Texas, from the Texas Commission on Unemployment, and from the State of California, to be in the RECORD so that it might be examined by Members of the Senate as background material on this subject.

Mr. CAIN. Mr. President, when the junior Senator from Washington yielded late yesterday afternoon to make way for a conference report on the bill (H. R. 2143) to amend the Hatch Act the Senator from Washington was discussing the pending business, House bill 6000, and was when interrupted analyzing the Finance Committee report on House bill 6000. The Senator from Washington hopes to conclude this analysis within the hour.

The argument which the Senator from Washington has been and is presenting is being offered in the hope that appropriate committees of the Congress will shortly undertake to recommend to the Congress and the Nation a new social-security system to replace our prevailing system which was established in 1935. It is generally admitted by both those who advocate and those who resist the passage of House bill 6000 in this session of the Congress that our prevailing social-security system has fallen so far short of achieving its objective, which is that of providing for the legitimate needs of America's aged population, and is so possessed of fundamental and basic faults and inequities, that this system must be replaced in time, and the sooner the better, with a system which would probably provide for universal coverage and be maintained on a true pay-as-you-go or annual basis. In recognition of this obvious need the Committee on Finance has offered a resolution to authorize and encourage a study of every possible social-security system. The Senator from Washington is of the considered view that this study and the resulting recommendations ought to be made before House bill 6000 is passed. It seems, however, to be the consensus of opinion that House bill 6000 ought to be and will be approved by the Senate next Tuesday. The Senator from Washington is offering his criticisms of House bill 6000 in an effort to be of constructive assistance to any group which may be formed to encourage future social-security improvements which are so imperatively required.

Mr. President, in recent weeks the junior Senator from Washington has carried on correspondence with a number of persons throughout the United States for whose judgment and ability he has considerable respect. A good many of these persons to whom the Senator from Washington has written represent American corporations and companies in which Americans by the tens of millions have invested their savings. It seems to the Senator from Washington that others aside from himself—and I think this is likely to be so—ought to be terrifically and thoughtfully interested in the observations which have been made to the Senator from Washington by those who now manage, and have so successfully managed in recent decades, the savings which belong to the American people. I have before me at the moment only two letters, which I wish to read. The first one was received under date of June 13, 1950, and was written by Mr. J. W. Scherr, Jr., executive vice president of the Inter-Ocean Insurance Co., which has its executive offices in Cincinnati, Ohio.

Mr. Scherr writes as follows:

SIR: I was indeed interested in your speech before the Senate on the subject of an investigation of the social-security program. Apropos to this subject, I have just returned from a meeting in New York of the Health

and Accident Underwriters Conference and as might be expected, your stand on the question of H. R. 6000 and the future of our social-security system has commanded the respect of the entire insurance industry. I assure you that those of us who deal in probabilities and who are vitally concerned with the economic welfare of the people of this country are not entirely selfish in our opposition to further extension of the program. We feel that any system which completely ignores the insurance principle must eventually fail by its own weight and we are prepared to help you fight your battle with the tools at hand.

Mr. Scherr goes on to say:

I am today sending the following telegram to Senators WALTER GEORGE, HARRY BYRD, EUGENE MILLIKIN, HUGH BUTLER, and ROBERT A. TAFT.

The telegram is quoted as follows:

Urge that you act favorably on Cain resolution 92. H. R. 6000 not compatible with insurance principle and can virtually destroy our economy. Reconsideration of entire social-security program essential to future of country.

Mr. Scherr concludes his letter by saying this:

I appreciate the urgency of this matter and feel that the strategy which you have employed to defeat H. R. 6000 or to delay action on this bill represents a great service to the Nation.

Cordially yours.

Mr. President, I should like to say to Mr. Scherr, in reply, at this time, that the junior Senator from Washington has stated what he feels to be a fact, that H. R. 6000 will be passed in the Senate of the United States next Tuesday. The Senator from Washington is very grateful to be a medium through which the views of Mr. Scherr and other thoughtful actuarial students can be offered to the Senate.

The junior Senator from Washington feels that the contributions to be made by Mr. Scherr and his associates throughout this land will constitute a prime case to lay before whatever commission or group or committee is established, either by the Senate or by the House, or by both branches of the Congress, to reexamine the system and make recommendations for the future with respect to the social-security program needs of the people of the United States of America.

Mr. President, under date of May 23, 1950, I received a letter which was signed by Mr. Charles J. Haugh, who is the secretary of the Travelers Insurance Co., with offices in Hartford Conn. I take it that probably there is no American living anywhere in this great country who does not recognize the name of the Travelers Insurance Co. to be a byword throughout the land. The secretary of that company is a gentleman who, together with his colleagues, takes our money, turns over to us insurance policies in lieu of that money, and promptly proceeds to so invest and make secure our savings that when the policies come due we not only will receive the total number of dollars called for in the policies, but the dollars we receive will have a maximum of purchasing power contained within them.

The Travelers Insurance Co.'s official point of view, then, with reference to the pending bill—and their views ought to be of concern to most Americans—is as follows:

I am writing in reply to your letter of May 12 relative to the social-security bill (H. R. 6000) which is about to be considered by the Senate.

As you so clearly state, an effective revision of the Social Security Act designed to accomplish the objectives which are generally understood to be sought by such legislation can best be accomplished only after a thorough independent investigation by a commission comprised of individuals well versed in this field.

Unless and until a well-thought-out study is made, it is inevitable that the social security program will be subjected to perennial assault of well-meaning, but ill-advised individuals who seek to remedy defects (either real or imagined) by legislation which may create two problems where only one grew before, and by individuals who seek to use the social-security program as a means of injecting the Federal Government into any and every kind of business pursuit possible. In saying this, I do not in any way intend to cast aspersions on individuals merely because they propose to revise the social-security laws of the country. I merely want to stress the fact that the problem is an extremely technical one and, as such, offers opportunity to seriously involve an already complicated situation and also offers a medium for adroit individuals to seek in an indirect way to accomplish an objective which, if clearly made known, would be rejected vigorously by the Congress. It is only sound logic to seek the advice of technicians before reaching a conclusion.

Parenthetically, I would suggest that with reference to the present we are not inclined, as a Senate, to seek the advice of technicians before reaching a conclusion. We are determined to reach a conclusion on Tuesday next. It is simply the hope of the Senator from Washington, and now of Mr. Hall, of the Travelers Insurance Co., and a goodly number of other Americans, that in the near future, after we have taken action on and approved H. R. 6000, we shall seek advice from the best qualified technicians of the United States, and ask them, "What have we so recently done without first seeking your advice and your counsel?"

Mr. KERR. Mr. President——

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Washington yield to the Senator from Oklahoma?

Mr. CAIN. I am pleased to yield.

Mr. KERR. Is it not entirely possible that H. R. 6000 represents the result not only of research by experts and technicians, referred to by the distinguished Senator from Washington, but also of the best thinking of the members of the Committee on Finance? And is it not possible that it might represent a great improvement over the present social-security law, and be far better than what we now have, and yet still not be the ultimate we hope eventually to have?

Mr. CAIN. The Senator from Oklahoma has posed a reasonable question, for which I think there is a reasonable answer. I have been advised, and I think correctly, that no study has yet been made by either the Senate Finance Committee, or by the technicians employed by that committee, of social-security systems other than the one which has been in force in this country since 1935. The junior Senator from Washington hopes and expects that some or perhaps all the amendments offered by the Senate Committee on Finance to H. R. 6000 are designed to improve a particular system. What the Senator from Washington has been suggesting is that in his view anyway, it would have been better to examine other systems before seriously endeavoring to patch up a system which the proponents of H. R. 6000 have told us in the Senate must eventually, and they hope soon, be replaced by a different system.

Mr. KERR. Has the Senator seen the document of blue paper which has been placed on the desk of each Senator since the beginning of the debate?

Mr. CAIN. I have not personally seen it.

Mr. KERR. Mr. President, would the Senator be surprised to know that that document contains a tabulation, first, of the provisions of the present law with reference to our social-security system; second, a tabulation showing the difference between the present law with reference to each item of H. R. 6000, as passed by the House, and, third, the difference between the present law and H. R 6000, as reported by the Senate Committee on Finance with reference to each one of the main provisions? Furthermore, is not the Senator from Washington aware that the Senate Finance Committee had the bill before it for some 3 months of hearing, and had the benefit of the recommendations of its own advisory council, which had worked on the matter for some 2 years or longer with reference to each one of those points?

Mr. CAIN. The Senator from Washington is aware in general of what the Senator from Oklahoma has just said. The Senator from Washington merely returns to the premise that no examination of any other possible system has been made or deeply studied or reflected upon, so far as the Senator from Washington knows, by the advisory council, by the Senate Finance Committee, by the staff of that committee, or by any technicians employed by it, because the Senate Finance Committee conceived that it was confronted with a very practical matter—the need for improving, insofar as it was possible for them to do, the existing system.

Mr. KERR. Then the Senator would really be surprised to know that the advisory council studied all known social-security laws, and that testimony with reference to many of them was brought to the Senate Committee on Finance. If the Senator would read the documents to which he referred yesterday, as I recall, in terms of their weight, embracing the two volumes I hold in my hand, the facts I have stated would be apparent to him.

Mr. CAIN. The junior Senator from Washington expects pretty soon to be able to refer to the same 11 or 12 pounds of hearings and reports on the basis of his having read them, sir, from begin-

ning to end. That task has just been undertaken and is by no means completed, and certainly will not be completed by Tuesday of next week.

Mr. KERR. Then, the Senator is doing what he thought maybe the Finance Committee did when he said they recommended a bill and then decided to study the matter, in that the Senator from Washington is advising against the bill and after having done so expects to read the hearings with reference to it?

Mr. CAIN. No, I think that is not so.

Mr. KERR. Maybe I misunderstood the Senator.

Mr. CAIN. I think in part the Senator has, I have not read all the hearings, though I have read a good part of them. Particularly have I read the testimony offered by those who dissent from the provisions of H. R. 6000. When the junior Senator from Washington says he considers that the advisory committee has not given thoughtful, thorough attention to the merits of other social-security systems, he thinks he is on very sound ground. There is a difference between an advisory committee giving, if not lip service, at least casual service to a study of other systems and giving the other systems a comprehensive going over.

Mr. KERR. Mr. President, will the Senator yield for one further question?

Mr. CAIN. I am pleased to yield, sir.

Mr. KERR. In our search for perfection, would the Senator think that we should use the exclusive method of waiting until it had been fully achieved before making any change, or would he countenance the possibility of merit in approaching it gradually and by stages?

Mr. CAIN. The Senator from Washington would think that every question of that character would have to be considered on its individual merits. He takes the position, from which a majority of the Members of the Senate are going to dissent that a new approach to our social-security problems in this country could be recommended and established in about a 2-year period. He does not see an impelling need for liberalizing and expanding a system which its chief proponents and defenders on the floor of the Senate tell us they think must be replaced by another system.

Mr. KERR. I should like to give the Senator the information that the advisory council of the Senate Finance Committee, which, by the way, I believe was created during the time we had what was known as the Republican Eightieth Congress——

Mr. CAIN. Yes.

Mr. KERR. And the Republicans had a majority of members on the committee.

Mr. CAIN. The chairman then, the distinguished junior Senator from Colorado [Mr. MILLIKIN] and his fellows, began the undertaking of a very serious study. But I take it that the Senator from Colorado, together with the Senator from Georgia [Mr. GEORGE], the present able and distinguished chairman of the Senate Finance Committee, will not maintain on this floor, as in fact they said otherwise the other day on this floor, that those studies undertaken during the Eightieth Congress have by any means been completed.

Mr. KERR. No; the position is not taken that they have been completed, but neither is there a feeling on the part of the committee at this time that the studies were entirely without effect, or that no progress whatever was made, but that on the contrary, much progress was made, and based upon the studies and recommendations, further progress was made by the Finance Committee in its very extended study and hearings on the bill this year.

Mr. CAIN. The Senator from Washington has not maintained that some progress has not been achieved.

Mr. KERR. Then, if it has been achieved, does not the Senator think that the Congress might be wise to take advantage of that which has been done and implement it by this proposed legislation, and yet look forward to a further continuance of the study in the hope that still greater progress may be made?

Mr. CAIN. At this time the junior Senator from Washington would by no means agree. The Senator from Washington and the Senator from Oklahoma and other Senators know the approximate number of persons now paying in to the social security system. We know approximately the number of Americans who are benefiting from that system. We know that for a very limited period of time we are going to be able to take in money much more rapidly than we are required to pay it out. We are presently suggesting a liberalization of the benefits to go to the beneficiaries of this system at this time purely, it seems to me, because we are financially in a position so to do.

I think it was about 2 or 3 days ago that other Senators on this floor, in answer to a question relating to financial matters, said that in their view the reserve fund would not be in jeopardy or in possible trouble for the next 4 or 5 years. Beyond that they would not venture a guess, because 4 or 5 years from now it stands to reason that many, many additional persons will be drawing benefits from the system.

Mr. KERR. The Senator is aware of the fact, is he not, that the committee took into consideration not only the fact that the fund had certain amounts of reserves, but that the compelling reason for the liberalization of the provisions of the law was not on the basis of the amount of money in the reserves, but on the basis of the need and the equitable considerations with reference to those participating in the program?

Mr. CAIN. The Senator from Oklahoma is scratching a fundamental at the moment. I think we are all in agreement that we are only willing to double, on the average, the benefits to go to the aged who are members of the social security system, because in the past 15 years we have cut the value of the American dollar just about in two. Because we have a system today which takes in much more than it has to give out, in the immediate future we are in a much better position to move much more rapidly in liberalizing the benefits, without giving too much consideration as to what our financial involvement is to be possibly 4 or 5 or 10 or 15 or 20 years from now.

Mr. KERR. Then the Senator recognizes, does he not, that there is some considerable merit to moving, to the extent that we feel we can do so, to meet that increased need of those who now are benefiting or participating in the program?

Mr. CAIN. I feel that my Government, of which I and the Senator from Oklahoma, the Senator from Colorado, and all other Americans are a very proud part, has recognized an obligation to the aged of America. In resisting in what I think is a reasonable way the enactment of House bill 6000, I do so because I hope that before very long there will be an admission by everyone of what is simply a fact, and that we shall establish in this country a social-security system which will offer—offer, by the way, because many persons ought to turn it down—to every aged American what is offered to other aged Americans, whereas our present social-security system, if continued in this country for a thousand years, would, in my opinion, never achieve that objective.

Mr. KERR. Then the Senator will admit, will he not, that the bill now being considered is a great improvement over the present law?

Mr. CAIN. I think I have not maintained otherwise. What I have maintained is that whatever may be the merits of the suggested new law—and there are considerable merits to it, upon some of which the distinguished Senator from Oklahoma has just commented—it still remains a fact, and a very distressing one, that we are extending and broadening a system which we recognize possesses faults of such a nature that in time—and I merely stress the rapid passage of time—it must be replaced with an entirely different system.

I am not unmindful of the fact that Members on both sides of the aisle of the United States Senate have been saying, in the course of this debate, "We are going to adopt a resolution authorizing a study." I am so hopeful of the results of that study that I have done my best to provide in the RECORD certain arguments which that study group will want to examine, along with arguments offered before it by, I hope, thousands of groups and interested persons in the land.

Mr. KERR. I thank the Senator very much.

Mr. CAIN. I thank the Senator from Oklahoma most sincerely.

Mr. President, I should like to read now the last several paragraphs of the letter written to me by the secretary of the Travelers Insurance Co. Its author, Mr. Haugh, concludes by saying the following:

> When it comes to suggesting individuals who might be considered to serve on a commission to make a study of this nature, I am naturally inclined to lean to the type of individual whose training and experience is such as to afford him a good knowledge of the economic and administrative problems which are involved. It is for this reason that I suggest consultation with the Casualty Actuarial Society and with the Society of Actuaries. They can be reached as follows: Mr. Harmon T. Barber, president,

Casualty Actuarial Society, care of the Travelers Insurance Co., 700 Main Street, Hartford, Conn.; Mr. Edmund L. McConney, president, Society of Actuaries, care of Bankers Life Co., Des Moines, Iowa.

I shall not suggest specific individuals within these organizations as I would prefer to leave that to the organizations themselves. Neither do I suggest that any such commission be comprised entirely of actuaries.

I sincerely trust that you will be successful in your effort to have this matter thoroughly studied by a competent commission so that any modification of the Social Security Act which may be adopted will be adopted in the light of full consideration of all facts and with full knowledge of the effects of such legislation, both immediate and ultimate.

Very truly yours,

CHAS. J. HAUGH,
*Secretary.*

I would simply say to Mr. Haugh that I am not speaking only for myself, Mr. President, but I believe I am speaking for a good many persons of like mind. Those to whom I have referred and I, likewise, will continue to be anxious and hopeful that any study group established and authorized by the Congress will undertake a serious analysis of the social-security needs of the aged population of the United States, in order that in the years soon to come we shall have replaced the present system, with all its faults and all its inequities, with a system which will provide as much justice to one aged American as it provides to any other such person.

Mr. President, if House bill 6000 is passed, it seems to me that it will only result in paying old-age and survivors benefits to 2,700,000 persons during the coming year; but as the coverage expands and as the number of insured reach retirement age and claim benefits, then the threat of trouble will begin.

Mr. President, let me say parenthetically that we are not in trouble at this time with reference to our American social-security system, but I think we are headed for trouble, and, in my opinion, it is quite proper to run up a flag of warning in this year of 1950.

The step rate tax rises come at intervals beginning in 1956, 6 years from now. Then the race starts between the social-security tax income and the benefit outgo. If the benefit outgo exceeds the tax income, and if the trust fund is absorbed, and there is a very good likelihood that that will occur, then there will be nothing but brass knuckles and a club in the shape of increased taxes to keep the system from bankruptcy.

Mr. President, I quote now from page 33 of the report:

> Estimates of the future costs of the old-age and survivors insurance program are affected by many factors that are hard to determine.

That statement is the truth, if the truth ever was spoken.

The report further says, on page 34, that there has been recommended—

> A tax schedule which * * * will make the system self-supporting as nearly as can be foreseen under present circumstances.

How is this masterpiece of self-support demonstrated? It is demonstrated by a series of actuarial tables, presumably prepared under the eagle eye of Robert Myers, the chief actuary of the Social Security Administration. Mr. President, every once in a while a person is entitled to make a guess as to the author of a particular work, and I have made mine. If we look closely at these tables, however, we shall find escape hatches scattered along the way. In reading further from the report, on page 37 we find this statement:

> The range of error in the estimates may be fully as great for contributions as it is for benefits.

Certainly that is a very reassuring statement.

Furthermore, Mr. President, we find the following on page 33 of the report:

> Because of numerous factors such as the aging of the population of the country and the inherent slow but steady growth of the benefit roll in any retirement insurance program, benefit payments may be expected to increase continuously for at least the next 50 years.

Of that there can be no doubt. We know for a fact that the number of old persons in the country is increasing. We also know that the greater the number who are taken into the system, the greater the number—always assuming that no trick conditions to throw old persons out of the system will be invented—who will claim benefits.

Mr. President, on what basis have the estimates been prepared? They are prepared by making a whole series of calculations, and those calculations, required to be made in the absence of certain obtainable facts, are based on a variety of factors—continued high employment being one of them. As one of the escape hatches, table 19, based on unfavorable economic assumptions, is inserted on page 50 of the report.

Then there are figured out low-cost estimates and high-cost estimates and out of these two we get a blend called intermediate-cost estimates. Says the report, at page 43:

> It should be recognized that these intermediate-cost estimates do not represent the most probable estimates, since it is impossible to develop any such figures. Rather, they have been set down as a convenient and readily available single set of figures to use for comparative purposes. Also, a single intermediate figure is necessary in the development of a tax schedule which will make the system self-supporting.

If that set of sentences says anything, it says that intermediate cost estimates are not the most probable ones, since any such probable figures are impossible to develop; yet, for all that, the intermediate figures are essential to figure out taxes that will make the system self-supporting. That is as clear as crystal, is it not?

What all this fancy figure work comes down to is this: The Social Security actuaries do not know. They will not admit it in so many words—and I can understand that—but the fact remains, they do not know.

We do know that the number of old people in the country is increasing. We likewise know that if H. R. 6000 passes, coverage will be expanded and the number of oncoming benefit claimants must inexorably expand.

But whether the social-security-tax income will be sufficient to pay these benefits Mr. Altmeyer does not know, and his actuaries do not know, and nobody on earth knows. That is why this question excites the curiosity and interest of many of us.

So we are going to proceed arbitrarily to increase benefits out of current income, knowing, and having a reason to know, that the day must come when the brass-knuck taxes must be socked to the young boys and girls in their first jobs, who right now are being told, and encouraged to think, that they are paying for some kind of annuity.

There was a man, not so many years ago, who briefly succeeded with a variation of this scheme. His name was Charles Ponzi, and he eventually landed in jail. What the prospects are for our Social Security officials getting into deep trouble in the future is unknown at the moment.

What I have suggested is that if we look for some solid basis for cost estimates we do not find facts sufficient to give us reassurance about the future.

What I have said is that if we look for some solid basis for cost estimates we do not find any.

Remember that I have suggested that this is a Siamese-twin system and that, so far as the taxpayer is concerned, they must be considered together.

Look, for example, at some of the things the report tells us about the year 1970, only 20 years hence.

Table No. 7, found on page 35, tells us that in 1970 the number of men and women 65 and over in the United States will be anywhere from 15,900,000 to 18,500,000. A wide range of estimate, I would say.

Then table 9, found on page 38, gives us the estimated number of old people in 1970 drawing benefits—that is, the number of primary beneficiaries and the widows and the parents.

The range of such old beneficiaries runs, according to these calculations, from a little over 6,000,000 to a little over 9,000,000.

In other words, Mr. Altmeyer's lowest estimate of the number 65 and over in 1970 is 15,900,000 persons, almost 16,000,000 human beings. I refer to table 7, on page 35.

On the other hand, his highest estimate of OASI aged beneficiaries is a little over 9,000,000—to be exact, 9,117,000—table 9, page 38. However, it is sliced, 20 years hence, according to Altmeyer calculations, there will still be, at the very least, more than 6,000,000 persons 65 and over not drawing benefits from the social-security system.

Yet we are told in the face of these tables—whatever they may be worth—that the costs of old-age assistance may be expected to decrease.

To finish piecing out this jigsaw puzzle let us turn to the sacred wage record system.

Everyone who works in a covered category, however briefly, and who has paid social-security taxes has a wage record in Baltimore, Md.

Mr. Altmeyer told the Finance Committee last January—page 29, Senate hearings—that there are 80,000,000 in-

dividual wage records in the files. This does not mean at all that 80,000,000 persons are insured. Indeed, says Mr. Altmeyer, "at any one time we estimate that there are only about 35,000,000 workers actually in insured employment." What it means is that 80,000,000 persons, over and above current benefit-receiving old people, have worked in covered employment at one time or another and established a wage record if only for a few months.

It has been said that to handle these 80,000,000 accounts a rental of more than a million dollars a year is paid to International Business Machines. Whether this is true or not I do not know, for Mr. Altmeyer does not seem to have been very explicit on this point.

These 80,000,000 records are supposed to represent live accounts. Some of the persons with records in Baltimore may be, and probably are, dead. But some method has been figured out to discard dead people, and the 80,000,000 are presumed to be alive, if not all of them kicking.

The Senator from Maine [Mr. BREWSTER] last January—page 30, Senate hearings—said to Mr. Altmeyer that the amount of money which the Federal Government had received from these persons, now uncovered or perhaps dead—and I quote the Senator—"runs into many hundreds of millions of dollars." Said Mr. Altmeyer, "I think this is true."

But, said the Senator from Maine, "Do you intend to keep that up forever? Sometime you will have to make a check, will you not?"

Mr. Altmeyer's rejoinder to this was as follows—page 31, Senate hearings:

> What we have to do, of course, is to use the various avenues of public information. Some streetcar companies, for example, have given us free space for those cards you see inside of streetcars. We have not resorted to loudspeakers and that sort of thing. * * * We get out explanatory pamphlets. We send those pamphlets to groups that we think would be particularly interested, like labor organizations and employers, and we have a very definite program of local contact by our local managers. We try in every way to tell people what their potential rights are, but we do not have any way of maintaining individual contact with each one of these 80,000,000.

I am told that it requires more than 6,000 persons to look after these records. I should think it would.

Pamphlets we have, though no loud speakers, and an amount paid in through these slumbering accounts of sums running perhaps to hundred of millions of dollars.

Did I say that this system was a Rube Golberg invention? Goldberg, in his most extreme flight of fancy, never dreamed up anything to equal what the Social Security Administration has done.

On these wage records, supposedly, are based the various sums that beneficiaries are paid. But when these formulas have to be arbitrarily changed and benefits shifted in order to get the right answers, what is the value of all these records?

The truth is that the longer one looks at it the more it becomes apparent that aged human beings are not the concern of the system at all. What Mr. Altmeyer and his functionaries are concerned about primarily are categories and machinery. They have fixed up a giant's cat's cradle which only they can understand, and it is the cat's cradle that they want to enlarge, expand, and entrench.

They hang on like grim death to their preposterous wage records and at this minute they have a bill over in the Public Works Committee of the House—H. R. 7873 is the bill—asking for $11,500,000 with which to buy land here in the District and construct a building to put those records in.

You will hear people say, Mr. President, that one reason why it is impossible to change this system is that these 80,000,000 persons, living and dead, have paid taxes and hence have acquired a vested right in the present system.

Look a little closer at this so-called vested right, for it is something. Carefully examined, we find it a half-true, half-false, proposition.

It is perfectly true that those 80,000,000 persons have paid taxes for a longer or shorter time, but what is the character of the vested right?

An actuary, after careful scrutiny of H. R. 6000, gives me this picture about the real source of benefits that thousands will receive:

> Consider two men who earn $100 a month and $250 a month, respectively, from 1937 to 1955, each retiring in 1956 at age 65—which is a typical retirement age. Under H. R. 6000 the first man will receive a primary benefit of $50 a month; the second man, one of $72. A very conservative actuarial valuation of their future primary benefits, taking account of some probability of each having a wife or widow qualifying for benefits, would show the first man to get total benefits worth $7,500; the second worth $10,800. The first man has paid in $264 in employee contributions; the second, $660. Interest on these amounts is ignored, as the value of the survivorship insurance received by each is more than the interest. In tabular form the figures and their relationship are as follows:

| Average monthly wage | Employee contributions paid | Value of benefits to be received | Rate of contributions to benefits | Excess of value of benefits over contributions |
|---|---|---|---|---|
| | | | *Percent* | |
| $100 | $264 | $7,500 | 3.5 | $7,236 |
| $250 | 660 | 10,800 | 6.1 | 10,140 |

NOTE.—It may be noted that the $250 man has paid a higher proportion of the value of his benefits than the $100 man. But neither has paid a significant proportion anyhow, and each one therefore gets a substantial profit from the system. This profit is derived partly from employer contributions—which are charges on the general public in the shape of higher prices—but largely are from contributions by and on behalf of younger employees.

In other words, Mr. President, the so-called vested rights of many of these people are for benefits that will have to be sweated out of the hides of the younger men and women whose own benefits, in the future, look more than dubious.

All this vested right really amounts to is the fact that 80,000,000 persons, living and dead, have paid social security taxes in varying amounts.

Why make this fact the excuse for getting deeper and deeper in with an unjust, capricious, inflationary, and hopelessly complicated system?

Why not, rather, face the task, if we must, of paying back what those people have paid in, or of squaring the deal in what seems the most reasonable way, and then making a truly fresh start where age is the only qualification and all receive the same sum, raised and paid for year by year, as it must be raised and paid for by those of us who are still at work.

Mr. President, the contention is also made that the Old Age and Survivors Insurance Fund and the payroll tax supporting it, will finally be made universal, with a minimum payment to all persons, augmented by their wage credits acquired as at present. All this is supposed to happen simply by steadily expanding coverage.

I see no prospect of success here, Mr. President. I see only the same old delusions. Some people call what we have now a pay-as-you-go system simply because for the moment the tax income is greater than the benefit out-go.

I notice with tremendous compliment to those involved that in recent days neither the senior Senator from Georgia, the chairman of the Finance Committee [Mr. GEORGE], nor the junior Senator from Colorado [Mr. MILLIKIN], the ranking minority member of that committee, have made any such contention that we are presently paying as we go in connection with our social security system.

Expand coverage however you will under the present system, but the day of reckoning must come. What right have we to dump this fearful problem on our children and grandchildren, simply because we have not the moral fortitude and energetic imagination to face the truth today?

Mr. President, if this has seemed a lengthy statement I can assure the Senate that in attempting constructively to describe the almost fathomless intricacies of our present siamese-twin system of so-called social security, I have barely scratched the surface.

If we pass House bill 6000, we make even more complicated that which is already complex beyond endurance. It is necessary and healthy for us to admit and know what we do.

As I have said before, we simply make worse a situation where millions of the present aged get no consideration and where millions of future aged have no assurance, whether they pay social-security taxes or not, that they will ever get any benefit.

Mr. President, just a short time ago, on May 24, I introduced Senate Concurrent Resolution 92 calling for the appointment of a commission of completely independent experts to undertake, full time, divorced from all influence of the Social Security Administration, a complete investigation of the present social security system and an investigation of other possible systems.

I earnestly appeal for support of this resolution.

In the statement which I made when I introduced the resolution, I said:

> Why pass a bill that we know is bad, despite the best efforts of the Finance Committee, when with the expenditure of a little more time we might have legislation that is good?

I can only repeat what I said then and urge that the most serious consideration be given to what I have proposed.

Let us not try to mortgage the future of our children. Let us halt where we are now and try to discover what is best to do. Let us do nothing further to entrench what is fundamentally a cheat, a dishonest system, that does not deserve the name of social security at all.

Mr. President, if Senate Concurrent Resolution 92 is not to be approved by the Senate, then the junior Senator from Washington will place his faith and hope in the results to be achieved from the adoption of the resolution offered this afternoon by the junior Senator from Colorado [Mr. MILLIKIN] for himself and the senior Senator from Georgia [Mr. GEORGE]. I know that if their joint wishes come true, our present social-security system will soon be replaced by a system which offers to one aged American what is offered to every other aged American. These two distinguished Senators have publicly agreed that there is no long-range cure for the fundamental weaknesses to be found in the pending bill which seeks to patch up a social-security system, 1935 model, which is neither now, nor can it be in the future, a reasonable or workable answer to the needs of the aged persons of America. The junior Senator from Washington will appreciate an opportunity to work with the Senators mentioned and other Senators in looking for and establishing the right answer for the needs of the aged who live now and who will live in the future in our great country.

Mr. President, it will take but a very few minutes to summarize my position concerning the pending bill.

Mr. President, when I made my statement on May 24 last, in introducing Concurrent Resolution 92, providing for an investigation of the social-security system, I offered a letter which I had written to several hundred persons throughout the country, persons who in one way or another had had direct experience with social-security problems and had given a great deal of time and thought to them.

The letter which I wrote was as follows:

As you know the social-security bill (H. R. 6000) which passed the House last October, is now before the Senate Finance Committee and shortly will be reported out for Senate action. This bill represents the first major revision made in our social-security legislation since 1939 and is no unimportant piece of legislation. Although we do not yet have the completed Senate bill three committee releases have specified what the bill will contain in respect to old-age assistance and expanded old-age and survivors insurance coverage and benefits.

After considerable thought, I have come to the conclusion that I cannot vote for a bill containing these provisions. Instead, I am urging that the social-security establishment be left as it is, pending a thorough and completely independent investigation and overhauling. This overhauling, it seems to me, should be undertaken by a commission, and carried out along the line specified by former President Hoover in his letter on social-security revision to Chairman Doughton of the House Ways and Means Committee a year ago.

I have become increasingly skeptical about the present deferred-benefit system which excludes—and must continue to exclude—so many of today's aged from our so-called social insurance and gives large benefits to some who qualify after making only token contributions. Back in 1935 when the Social Security Act was first passed, it was assumed that the insurance system with reasonable promptness would cover the old people and that old-age assistance (means test relief supported by Federal subsidies) would soon pass out. The reverse has happened. The groups covered by insurance have slowly expanded; relief for destitute old people has zoomed ahead. What this amounts to is that social-security legislation has pushed many of the States, including my own, into trying to handle these problems through jerry-built relief plans, often practically unsupervised and depending, of course, on Federal subsidy.

Patching up unworkable social-security programs—as H. R. 6000 attempts to do and as any bill of the type will do—is bound to create more maladjustments than it cures. We badly need a fundamental technical study that can lead to a constructive redesign of our social-security system.

My own feeling is that an honest pay-as-you-go system with age the only qualification necessary is probably the answer. The benefit, I suppose, should be a certain number of dollars a month—small enough to indicate the normal expectation of other personal provision and large enough to be of some significance in the income of the recipient. I set neither age nor figures; the Commission's work would have to give us the answer or the basis for an answer. I would suppose that the benefits would be financed by an earmarked tax, from the lowest earnings up to some such maximum as the $3,000 now used in the limited, discriminatory tax now in current use. This simply means that the producing workers of the Nation are paying a tax to aid in the support of the old and by the earmarked tax each knows and is conscious of what he is paying. In no way should such a benefit be regarded as taking the place of personal thrift, nor does it take the place of local charity and relief. The system ought to be designed to get the Federal Government out of the business of subsidizing relief in the States.

I am asking you, as a person whose professional interests have included social-security problems, to let me have your views on this question. I ask that you write me with all frankness about the objectives, the personnel, and the method of study that might be pursued by such a Commission as I have described above. There must be men of standing—independent, competent, and informed in this area—who could help in this task. We ought rightly to expect that such men would represent a truly American approach to these problems—an approach which so far has been sedulously avoided by the official advisory councils.

I am persuaded that this is a matter of vital importance to the preservation of our system of free enterprise and the noncollectivist way of life.

Since the bill will be before the Senate any day now, I appeal to you for a prompt consideration of this letter.

To show the deep feeling which this social-security question has aroused—and I think it is a very healthy feeling, indeed—I shall now refer to and ask permission to insert some of the replies in the RECORD.

If these letters which the junior Senator from Washington has received from competent Americans from every section of the United States do nothing else, I think they will help to convince the Senate that the insurance people, among others—and to the insurance people generally I may say again Americans everywhere in all confidence turn over their savings to be properly invested—are anything but unanimous in their support of our social-security system.

The junior Senator from Washington wishes, and in fact is privileged, to bring the views of such students of the question to the attention of every Senator on both sides of the aisle who now or in the future may become interested in this question.

Mr. President, I should like unanimous consent that a letter from Mr. Elgin Fassel, the actuary of the Northwestern Mutual Life Insurance Co. of Milwaukee, be made a part of my remarks at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE NORTHWESTERN MUTUAL
LIFE INSURANCE CO.,
*Milwaukee, Wis., May 19, 1950.*

Hon. HARRY P. CAIN,
*United States Senator,*
*Washington, D. C.*

MY DEAR MR. CAIN: I have pleasure in acknowledging your letter of May 11, addressed to me personally and asking my views as to social security. You state the you do not expect to vote for H. R. 3000 and instead are urging no change in social security at this time, and that there be an investigation and overhauling undertaken by a commission along lines suggested by former President Hoover. Also you favor the pay-as-you-go system.

I have long felt that the accumulation plan is a mistake in the social-security system and that it ought to be on the pay-as-you-go method.

The concept that each generation ought to accumulate vast national funds with which to look after its own old age is a delusion, because such funds become political targets and are likely to fail of their purpose. In giving such assistance as may be desired to the aged and infirm, it is proper for the State to operate on the pay-as-you-go plan because it has the taxing power. This is quite a different situation from that of individuals providing for old age out of their own resources, which of course can only be done by saving in an accumulation plan.

If I had a vote it also would be against H. R. 6000, and I agree with you that a study and overhauling of the existing law would be advisable. If it is your idea that actuaries would be of assistance on the proposed commission, I would refer you for suggestions to Mr. E. M. McConney, president, Society of Actuaries. The headquarters of the society are at 208 South LaSalle Street, Chicago, Ill., but Mr. McConney also is president of the Bankers Life Co., Des Moines 7, Iowa, and would ordinarily be reached at the latter address.

A number of actuaries have been actively associated with the social-security development. Mr. M. A. Linton, president, Provident Mutual Life Insurance Co., Philadelphia 39, Pa., has been in close association from the start. Mr. R. A. Hohaus, actuary, Metropolitan Life Insurance Co., New York 10, N. Y., has been in close contact for many years. Mr. W. Rulon Williamson, 3400 Fairhill Drive, Washington 20, D. C., has also had a good deal of contact and in the past has been actuarial consultant of the Social Security Board.

It will of course be understood that the expressions herein are my personal views only.

Yours truly,

ELGIN G. FASSEL.

Mr. CAIN. Mr. President, I may say that a number of the replies which I have received urged that I consult Mr. Linton, Mr. Williamson, and Mr. Hohaus. I have done so. No reply has yet come to me from Mr. Hohaus, but I have letters both from Mr. Williamson and Mr. Linton. They are more than interesting; they are in complete contradiction.

I am going to read them.

Mr. Linton is president of the Provident Mutual Life Insurance Co. of Philaphia. He was an actuarial consultant to the Economic Advisory Committee back in 1934 and 1935. He was also a member of the advisory counsel set up by the Senate Finance Committee during the Eightieth Congress as a result of the passage of Senate Resolution 141.

Mr. Williamson was for 20 years an actuary with the Travelers Insurance Co. of Hartford and, thereafter, from 1936 until his resignation in 1947, was actuarial consultant first to the Social Security Board and then the Social Security Administration. He is presently an actuarial consultant in private practice here in Washington.

Mr. President, in order not further to consume the time of the Senate I ask unanimous consent that the letters received by the junior Senator from Washington from Mr. Linton and from Mr. Williamson be made a part of my remarks at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

PROVIDENT MUTUAL LIFE
INSURANCE CO. OF PHILADELPHIA,
*Philadelphia, Pa., May 5, 1950.*

Hon. HARRY P. CAIN,
*United States Senate,*
*Committee on Public Works,*
*Washington, D. C.*

DEAR SENATOR CAIN: Thank you for your letter of May 31 about H. R. 6000. I am strongly in favor of enacting the bill as reported by the Senate Finance Committee. Then, next year study can be made of extending it to cover the present retired aged. If that extension could be made we could then have a program which would provide benefits reasonably related to the workers' economic status prior to retirement, and supported by the kind of tax which has been accepted by the country, and which would continue to be accepted, I believe, because the relationship between the taxes and the level benefits would be so close.

Sincerely yours,

M. A. LINTON.

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WASHINGTON, D. C., *May 27, 1950.*

Senator HARRY P. CAIN,
*Senator from Washington,*
*Senate Office Building,*
*Washington, D. C.*

COMMISSION OF EXPERTS ON SOCIAL SECURITY

DEAR SENATOR CAIN: I find myself very largely in agreement with the position you take in your letter of May 24 and I should like to deal with certain aspects in this reply. There has been an increasing recognition of the "wrong start" represented by the deferred benefit system. Among the objectives, then, of a Commission of competent informed thinkers, the most important at the outset seems to me a study of the objectives proper in the United States of America in a national program of shared provision of some portion of the very personal responsibilities represented in programs of social security.

I am giving a paper before the Health and Accident Underwriters Conference in New York City on Monday, June 5, and in dealing with the subject I outline rather dogmatically certain conclusions I have reached. I am enclosing a copy of that discussion. The Commission should seriously analyze purposes, philosophy, program, and performance for the United States of America. The prime question is: "What are we trying to do, and what should we try to do?" The Commission should start with the American uniqueness—the economic conditions and environment of freedom. Since the report of the original Committee on Economic Security of 1934 and 1935, the Advisory Councils of 1937–38 and 1948, there has been a steady and an obvious avoidance of facing any full consideration of the subject. There has been rather every effort to avoid opening up the consideration of a full program for all the citizens—at least it seems that way to an unprejudiced observer.

This study requires persons with a comprehension of demography, actuarial science as handled in private insurance—the better to avoid the deferments and the individual equities of such protection—the law, business economics and finance, business, and public research. Congressman CURTIS says that competent men should be engaged who can put consecutive time for many months on canvassing the situation, and setting down the results of their studies. They should be free of the domination from the Social Security Administration or political expediency. Such men exist, and they should be found. They must be mature, competent, honest, patriotic. As my paper for June 5 sets forth, I believe the insurance designation a misleading one, and I suggest calling the proper program social budgeting to bring in the sense of financial responsibility in budgeting, and to sidetrack the oppressive bargains for all appeal in the current OASI program.

I shall perhaps add a second letter later, but in this one I want to discuss the problem of costs which is so much the province of the actuary. A paper of mine on cost factors appeared in a social-security bulletin while I was actuarial consultant for the Social Security Board—in 1938. In 1947 after I had left the Social Security Administration, there appeared Actuarial Study Number 21, written by Mr. L. O. Shudde, still with the Office of the Actuary—Social Security Administration—and by George Immerwahr, then with the Actuarial Section of the Analysis Division of the Bureau of Old Age and Survivors, now with the Monumental Life of Baltimore. The purpose of both reports was to make clear the wide range present in these cost factors and the essential unpredictability of costs over time in such a program as old-age and survivors insurance. This is so fundamental an item that in spite of careful disclaimers as to the prophetic power in the actuarial section of Senate Report No. 1669, just off the press, the avoidance of certain important items tends to create misapprehension. Thus while table 12 indicates low and high costs at the end of the century respectively of eight and one-half billion and thirteen and one-fifth billion, on the assumption of no wage advance, optimists talk of 4 percent a year and pessimists perhaps 1 percent or 2 percent a year. Most administration discussion assumes at least double the wages—and through another application—or maybe half a dozen—of today's new start, it would be more rational in the expanding planned economy to expect twenty-five billion or forty billion as the annual costs at the century's end.

The population of that time aged 65 and over—see table 7—could be 19,000,000, or it could be 29,000,000. The census has recently corrected upward the figure for 1950 to a higher point than that used in the projections, and another correction may well occur from the 1950 enumeration. Table 9 shows a low of 13,000,000 old-age beneficiaries and a high of 20,000,000—but with gerontological maintenance of work to advanced ages, and the threat of great extension of life at those high ages and earlier retirement, the range could be much wider. Ten million to thirty million might be logical. If we had only $600 a year at the lower end as benefits and $2,000 a year at higher assumption, there is a range of from $6,000,000,000 to $60,000,000,000 as the benefits range way out there. Dollar costs have no definiteness off there in the future, but last year the outlay of two-thirds of a billion is about 1 percent of that top figure in the future. Percentage costs hide a lot more vagaries, but nothing can hide the speculation which is possible. The level-premium costs have an apparent definiteness that does not bring out sufficiently the fact that there is no expectation of collecting such sums in advance, and earning the interest on them. They do not bring out the fact clearly enough that table 19 can occur many times before 2000, but that in the years when the benefits have piled up to tremendous proportions an outgo of 50 percent more than the income could really be serious. Such guides seem to me about like a New York street sign, floating on an errant flying Dutchman in the Sargasso Seas.

Through the 15 years since the act of 1935 went through, we have had pious warnings at each yearly interval that benefits were indeterminate and that it would be well to collect more money. But always as to the current time when we could know barely what current requirements might be, OASI has neglected them and has centered attention on the remote future when we could not know. It has seemed a strangely inverted concern, but we have been very sure that current outlay would not be large. This report, however, seems to open up a route of easy qualification, only six quarters of covered employment, with as little as $300 earnings from employment, or as little as $600 earnings from self-employment—and perhaps affecting six to eight million persons in the next 5 years. Whether we regard it as a racket or not, it has all the earmarks, but it brings down to the current situation the indeterminateness that affected the distant future heretofore. We might qualify only 1,000,000; we might qualify 6; we might have the minimum of $25 or even $20 a month for most, or we might have a minimum wage of 75 cents an hour—or at the rate of $125 a month—to give over $50 a month in benefits. So now we have indeterminate costs almost at once, as well as in the distant future.

We run into the values of the sociologists—the assessments made by American citizens of these devious folk ways so untried and so fundamentally unattractive to responsible citizens. How measure the persistence of integrity, the power of the dollar of benefits for a penny of contributions—or less?

Public assistance has been the leading source of benefits to the aged and the dependent children—three times the payments last year that were handled through OASI. This is a very interesting fact, that virtually no forecast is made for the major plan, while these serious studies have been developed for the minor one.

There are in fact four categories of the aged: 1, the recipients of OASI benefits; 2, the recipients of old-age assistance and aid to dependent children; 3, the recipients of both; and 4, the recipients of neither. The third category is one of major importance hereafter, since the new bill calls attention to the convenience of collecting from both sources, by limiting the Federal grant to the States to $25 instead of $30 available for the recipients of two alone.

In short we have undependability both now and later under the recommendations of the Senate Finance Committee, and I have gone to this trouble to show how badly needed is the financial responsibility of men of

the right type in this Commission. There is internal evidence that the actuary is trying to tell his story in this report, but that he has not been free to bring out the long-run hazards sufficiently. The type of "open-end" program was that of the assessment and fraternal insurances of the 1870's and 1880's, which have been so unsatisfactory over the years for the relatively small groups which they involved. Large numbers of life actuaries regard this OASI as inherently of the same danger, but the area of operation multiplied a hundredfold.

Financial irresponsibility seems to me to characterize this program, but if the benefits to the existent aged are now dangled before the eyes of these old people and the qualifications are as few as set forth in this report, I expect that current unhappiness can be more serious in the next few years than a long-delayed nemesis.

I have covered much of this, with extreme brevity, in some of my testimony before the Ways and Means Committee and the Senate Finance Committee. This should not be just a debate, a showing up of flaws, though the flaws should be examined. It should be the sort of analysis that the British used to call a "Royal Commission." It should get the outside opinion, so carefully avoided by the last advisory council, and it should integrate much available data both within the Federal Government and outside.

The magnitude of the present OASI and Public Assistance Benefits would permit adjustment now. The difficulty of adjustment would be many times harder, should H. R. 6000 be enacted first. Next to the value of the Commission is blocking H. R. 6000, with its contradictory principles, and its unpredictable costs.

I am tremendously impressed with the objectivity of your letter, and with the importance of your resolution. If I can be of any help to you, either as an actuary or as a citizen, please feel free to call upon me.

Yours sincerely,

W. RULON WILLIAMSON,
*Actuary.*

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WASHINGTON, D. C., *May 28, 1950.*

Senator HARRY P. CAIN,
*Senator from Washington,*
*Senate Office Building,*
*Washington, D. C.*

SOCIAL SECURITY COMMISSION

DEAR SENATOR CAIN: I wrote you yesterday to bring out one fundamental point in connection with OASI—its unpredictability of costs, and the danger that this unpredictability will be glossed over by such expedients as level premium costs, the use of percentage of pay roll costs and the absence of any really critical examination of these matters.

Today I wish to discuss very briefly too, the unsuitability of the use of employment and unemployment as a basis for our Federal program of national sharing. It seems to me that the goal should be a program for all the citizens, so that for the aged we treat the two sexes equitably. In Report No. 1669, there is a little table on page 36, which shows that by 1970—20 years from now, only 66 to 75 percent of the persons aged 65 and over will be fully insured among the males, and only 13 to 19 percent among the females. That is—20 years from now the major part of the population will still not be provided for directly.

Today only 8 to 10 percent of the aged widows of 65 and over are drawing benefits from OASI. Since on the whole formal employment is uncommon for women from 40 onwards, the gearing of major dependence upon employment records is not the way to grant benefits to such persons. The substitute of using the employment of the husband and giving 50 percent of the husband's benefits, of 75 percent of the former husband's benefits, for wives and widows respectively is a method of discriminating against women.

Steadily the administrators of social security have been bringing evidence to show that relating benefits to past records of wages has been unsatisfactory—requiring a doubling of benefits—though not handled that simply—for the retired groups and the group to be retired later—and by implication correcting for the clumsiness whenever the shoe pinches later.

The system does not fit the presumptive needs of women, it does not fit the presumptive needs of men—as natural changes take place in the economy. It does not even insure the majority of our older people for 20 years.

We do not handle sufficient data to show what the assets and incomes presumably are for the existing older persons. We need such a comprehensive review as to the status of the American citizens today—quite different than it was in the sad days of the depression, and absolutely different than it was implied to be, when all married women were regarded as dependents—essentially penniless—without regard to the earnings or property of the spouse.

So a major objective of the Commission's work is factual analysis not yet really attempted.

Sincerely,

W. RULON WILLIAMSON.

Mr. CAIN. Having offered these two letters, both from persons who have had intimate contact with social-security affairs, I want to offer two others from persons who in different ways have seen at close range exactly how our present social-security system operates.

The first of these next letters is from Mr. Jay Iglauer, vice president and treasurer of Halle Bros. department store in Cleveland. Mr. Iglauer was a member of the special committee appointed in 1937–38 to study the Social Security Act. If I am not mistaken, the junior Senator from Illinois [Mr. DOUGLAS] was also a member of that committee, and I would draw Mr. Iglauer's letter to the attention of the junior Senator from Illinois.

The second of these letters is from George Immerwahr, now a consulting actuary, of Baltimore, but formerly chief actuary of the Bureau of Old-Age and Survivors' Insurance in the Social Security Administration.

Again, Mr. President, in an effort to save time, and because I know the letters probably will be read by my colleagues, I ask unanimous consent that both of them be made a part of my remarks at this time.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE HALLE BROS. CO.,
*Cleveland, Ohio, May 17, 1950.*

Hon. HARRY P. CAIN,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR CAIN: I have seldom seen a position regarding the social-security problem which is so accurately in accord with my own views, as your letter of May 12.

H. R. 6000 is an illustration of the dangers inherent upon embarking on any long-term program such as social security without a full realization of the ultimate consequences.

When Congress established the first social-security law it created the impression that the employer and the employee jointly, with some small assistance from the Government, were to create a fund, out of which would be paid the minimum subsistence requirements of the aged—not as a matter of charity, but as a matter of right. I hope you have followed carefully the testimony of W. R. Williamson, one of the original actuarial consultants to the Social Security Board, whose opinion I have learned to respect highly. He has come to the same conclusion as you—that the public assistance has now overshadowed the so-called insurance system of which you speak.

You may recall that I was a member of the committee appointed by joint action of the Senate and the Social Security Board to study the Social Security Act in 1937–38. Already at that time members of that committee were deeply concerned over the fact that the funds paid in by employees, and in which they had a moral vested right, were being paid into the Federal Treasury along with the employers' contributions, and that to the extent that they were not being currently used to pay benefits the remainder of the funds were being used by the Federal Government for every purpose. The answer of the political economists has been that to the extent that the Government has used these funds they did not have to borrow with bonds of the United States for other Government purposes and therefore the credit of the United States of America was thereby so much improved.

With the advent of World War II and the enormous public debt that was created as a consequence, it becomes clear that as and when the amount of benefits that were contemplated to be paid in 1960, 1970, and 1980 approached the maximum and then exceeded the collections, the Government would have to borrow or impose additional taxes to meet any underestimates or any liberalization of benefits.

The trouble with the whole program is that the accumulation of tax payments for social security in the earlier years of the system produces so-called "trust funds" so large that the temptation is constantly present to liberalize benefits and/or to increase coverage. I agree with you that a pay-as-you-go system, with minimum subsistence coverage for all, is the only answer. That, I believe, is in the main the thesis of Mr. Williamson's position too.

I am particularly glad that you have taken the position in favor of a well-organized Commission to study the whole social-security problem. Such a Commission should be composed of—

1. Representatives of the actuarial profession.
2. Representatives of the Government.
3. Representatives of business.
4. Representatives of labor.
5. Representatives of the general public.

Care should be taken that the Commission's personnel should be nonpartisan in character so far as it is possible, or at least balanced as to the principal political parties. Such a Commission might well be expected to take a full year or two to arrive at conclusions.

A word about my observations concerning the previous Social Security Commission on which I served—I was impressed with the high character, ability, and conscientious attitude of the majority of that special committee. If there was any unfavorable aspect to that committee, it was the absence from most of the committee conferences of the representatives of labor.

I believe that such a program as you envisage is the only way to approach the problem that bids fair to have such serious consequences to the whole economy. I believe also that such a proposal would meet with the support of every right-thinking organization concerned with these problems.

With your permission I am sending a copy of your letter to the chairman of the Social Security Committee of the National Retail Dry Goods Association and the Social Secu-

rity Committee of the American Retail Federation, and I shall ask them to give support to your proposal.

I shall await your reply with interest.

Sincerely yours,

JAY IGLAUER,
*Vice President and Treasurer.*

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BALTIMORE, MD., *June 12, 1950.*

Senator HARRY P. CAIN,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR CAIN: Though there have been some other national issues in which I have not been in accord with your views, I must say that I am most definitely in accord with those expressed in your letter of May 25, 1950, relating to the proposed social security bill, H. R. 6000. I am convinced that to extend the defects of our present social security law as H. R. 6000 does would be most unfortunate, and that what is needed is a thorough, independent study which will go back to fundamentals and reconstruct our social security system from scratch.

As you probably know, I served on the actuarial staff of the Bureau of Old-Age and Survivors Insurance in the Social Security Administration for 7 years, ultimately becoming the chief actuary for the Bureau. When I began this work I was most enthusiastic over the social security program as it was then conceived. After some years in this work, however, I came to the recognition that this program was not working out as had been contemplated and that its defects were so serious and so fundamental that it could not work out effectively without complete revision, and this recognition was one of the factors that led me, late in 1946, to leave the Social Security Administration and enter another Government agency. And even more impelling factor was my realization that Social Security Commissioner Altmeyer and some of my other superiors, who in my opinion must have been as well aware of most of these basic defects as I was, nevertheless apparently lacked the intellectual honesty needed to come to an open admission of these defects and to seek their elimination, but instead chose to temporize with what they knew to be defective, to cover up one mistake with another, to divert the public's attention from the real defects of the social security program and instead to blame the program's failure on factors of a much less pertinent nature. It seemed to me, also, that there were various ulterior motives which I shall describe later. So long as this attitude and these motives prevailed among the officials of the Social Security Administration, it seemed useless for me to remain there.

I will not give here a full story of what I consider to be the defects of the social security program and the proposed patching-up legislation, nor shall I spell out my recommendations for correcting the program. Because I was an employee of the Bureau of Internal Revenue at the time of the House and Senate hearings on social security, I could not testify personally at their hearings. However, an address which I prepared for a local actuarial club was inserted in the Senate hearings by another club member and appears on pages 1979–1987 of the hearings, and this address indicates my views. In many respects they are quite similar to the views indicated in your letter. I oppose the present system and the proposed legislation on the grounds that it excludes from benefits the great majority of today's old people (and would still exclude them despite extension of coverage among people still working), that the major cash costs of the system are deferred to such an extent that the costs actually accruing are concealed beyond any possible public recognition, that no adequate financing method can be developed for such a system, that the benefit formula, under which benefit amounts are more or less proportionate to previous income, gives rise to a socially incorrect and wasteful distribution of the funds available for social security purposes, and that the basing of benefits on wage and payroll records is needlessly complex in its administration. Like yourself, I favor a system in which Federal benefits would be available to all in certain categories; for example, to all those above a specified age. Benefit amounts would in general be uniform, but they might be tapered down for beneficiaries above a certain income level; if so, such tapering down would be based on taxable income (as shown in the beneficiary's tax return) but not on a needs test. The Federal Government would no longer subsidize public assistance. Federal benefits would be financed out of an earmarked addition to Federal income tax.

WHAT EVERY SENATOR AND CONGRESSMAN SHOULD KNOW

What seems most important for me to pass on to you now is some vital but little-known information concerning the Social Security Administration, its motives in sponsoring legislation, and its tactics in furthering its aims. These must be appreciated if a proper course of action is to be taken.

First, there is a definite desire on the part of the Social Security Administration to convey to the public the idea that social-security benefits—that is, old-age and survivor pension benefits furnished through the social-security system—are far more inexpensive than the same benefits furnished in any other way. A deferred-benefit system, in which benefits are denied a large proportion of the old, the survivors and the disabled of the present but generous promises are made to those who will be old, survivors, or disabled in the future, plays right into the hands of this desire. Because the number of beneficiaries under such a system in its early years is a very small proportion—say one-eighth or one-tenth—of the ultimate number, such a system appears to be cheap even though a large actuarial cost is accruing, and it is easy to promise benefits at an ever-increasing level without the public realizing the cost to which it is ultimately committed. The proposed method of financing the benefits of H. R. 6000 by employer and employee contributions which rise from 1½ percent to 3¼ percent by a series of scheduled increases is entirely unrealistic. All experience to date indicates that the increases will not place as scheduled unless either future disbursements rise faster than predicted or benefit increases are promised with the contribution increases—and either of these conditions would render the scheduled increases insufficient to make the system self-supporting.

The contribution increases which had been scheduled for the existing benefit law did not take place as scheduled, so that today's contributions fall considerably short of indicating the true cost of the system. Social Security Commissioner Altmeyer will tell you that the blame is on Congress, that he favors an actuarially balanced system, but he knows that an actuarially balanced system is a political impossibility if scheduled contribution increases are to be relied upon. If he were really sincere about an actuarial balance for the system, he would insist on the full level premium rate being assessed from the start. But this would give the public pause about the cost of the system. Similarly, in a true pay-as-you-go system of the type both you and I advocate, the system's real costs would be immediately apparent, and this too is a situation the Social Security Commissioner could not tolerate.

Mr. Altmeyer will tell you that at various times during the war years he resisted the freezing of the employer and employee tax rates at 1 percent on the ground that this was well below the level actuarial cost of the existing program. Yet at the same time, he did nothing to discourage the hopes of labor groups who were supporting a tax increase in the belief that the increase would lead to higher benefits. In the Social Security Administration we played a double game; we told Congress that the tax rates were too low for the existing scale of benefits, yet we told covered workers that they were "paying for their benefits." We talked of the system as if it were contributory, yet the employee taxes represented such a small proportion of true cost that the system could not really be called contributory in any true sense. But the public deception went on and still goes on; in fact I recall one time when I was told by Commissioner Altmeyer's office to refer to the employee taxes not merely as contributions but instead as "premiums," to convey even more emphatically the erroneous idea that the worker pays the cost of his benefits.

Second, the Social Security Administration wishes that its system be looked to as the source of the major portion of income for retired persons and survivors and not merely the source of a subsistence benefit on which the worker or beneficiary can fall back if all else fails. If a man who has been earning $5,000 a year writes in to the Administration and complains that his $45-a-month benefit is far insufficient to maintain him after retirement in the manner to which he is accustomed, I think you and I would agree that the correct answer to the man would be that after earning $5,000 a year for some years, he should have laid aside for himself a substantial additional amount in the form of insurance and savings, perhaps in an owned home. We would tell him that because the cost of social insurance benefits is substantial, before his benefit was raised, our first effort should be to make sure that a benefit providing at least subsistence should be made available to his less fortunate fellow who had been earning only $1,200 or $1,500 a year and who, therefore, had probably been unable to lay aside for his old age. We would tell him that the differential between his employee taxes and those paid by the $1,200-a-year man paid for a differential in benefit of only $2 a month, whereas he was already getting a differential in benefit over the lower-paid man far above that figure, and that actually it was not the responsibility of the Government of the United States to give him a benefit much higher than that of the low-paid man merely because he enjoyed a higher standard of living already.

But the Social Security Administration officials would send him an altogether different answer. They would agree with him that his benefit is much too small, despite the fact he had already had an income well above that of the average-paid worker and should have been able to make considerable provision for himself. They would stress the fact that they had repeatedly urged Congress to liberalize benefits like his. It is of interest to note that in the social-security bill which it advocated, H. R. 2893, the monthly benefit of a man who has earned $4,800 or more a year since 1937 would have been increased by about $50, while that of the man who has earned $50 a month would have been increased by less than $6, despite the fact that it is the latter man whose benefit under the present law is so pitifully small and for whom a benefit increase is so desperately needed.

Third, the Social Security Administration stresses the payroll tax method of financing social security even though it knows that this method is unsatisfactory in theory and in practice and can never be extended to cover 100 percent of gainful work in this country. This method, which involves employee taxes withheld by employers and matched by employer taxes, seems to work out conveniently for the presently covered employment groups,

though even here are various administrative difficulties on the part of both Government and employers that are not generally realized. But to extend this method to the myriad borderline forms of employment, the casual earnings, the small earnings of marginal self-employed persons is a process which can be attempted only with a great degree of trouble and never will be perfected. Even for the partial extension of payroll tax coverage contemplated in H. R. 6000 we find numerous difficulties of definition and enforcement, a disproportionately increased administrative expense, and the quite untenable formula of taxing the self-employed by one and one-half times the employee rate.

Since social security is really a charge on the country as a whole, why not recognize it as such and finance it by adding an earmarked tax to our existing individual income-tax system? The machinery for this system has already been developed; it covers income earners of all types, whether employer or employee, farmer or factory worker or investment holder, and it leaves out the trifling amounts of income (those under $600 a year) which it is a nuisance to tax for social-security purposes or otherwise.

The reason for rejecting this ready-made and suitable form of taxation in favor of the inappropriate employment tax structure and the mammoth system of wage records is that of implementing the impression that this social-security program is a contributory program, and second, that the employer pays part of the cost. The error of the first of these impressions I have already pointed out. The second impression, that the employer pays part of the cost is also erroneous, in that the employer tax is largely passed on to the consumer; that is, to the general public. Nevertheless this employer-bears-the-cost argument is one which has been continually used by the Social Security Administration in order to get the support of labor groups and others. The idea is to make labor think the other fellow pays.

Fourth, the incomplete job coverage, inevitable under the payroll-tax method, forms a very convenient scapegoat on which the Social Security Administration can place the major blame for the social-security program's shortcomings. When asked by the Senate Finance Committee why only 2,000,000 out of 11,000,000 people over 65 are receiving benefits, Commissioner Altmeyer answered: "Exactly, and why is that? Because we did not start a system with universal coverage. I hate to remind you but the Committee on Economic Security did recommend universal coverage in 1935, just as we are recommending it today." Mr. Altmeyer knows that the major reason for the small proportion of beneficiaries among the present aged is the more fundamental defect that people already too old on January 1, 1937, to work on and after that date could not become beneficiaries under any job-coverage definition, and even if his own bill, H. R. 2893, had been law since 1937, over 6,000,000 of today's 9,000,000 nonbeneficiaries would still be nonbeneficiaries, but this device of blaming the trouble all on incomplete job coverage seems to have worked wonders for him. Even the normally astute Prof. Sumner Slichter was taken in by this deception, as is indicated in his prepared statement to the Finance Committee (see p. 2128 of the recent Senate hearings).

Even the estimates in the committee report on H. R. 6000 show that extension of job coverage will pay only a limited number of today's older people on the benefit rolls, and it should be remembered that those who do come on the rolls are either those who are still working or some others who are in a position and of a nature to work the system by getting a few extra "quarters of coverage" for themselves. Those who are now off the benefit rolls and are no longer working and who are too honest to work the system in this way will remain off the benefit rolls.

Even at that, I believe the estimates of number of beneficiaries in 1955 are too high. I am not aware of what pressures the present Social Security Administration actuaries work under, but I know that during my years as an actuary for that organization there was a decided pressure exerted to produce high estimates of the number of beneficiaries in the immediately ensuing years. This was partly to create a good impression of the effectiveness of the system and partly to assure a safely padded administrative budget for the organization. I recall, for example, how on one occasion I had worked out estimates covering, I believe, a 2-year period and submitted a detailed statement in support of them. Mr. John J. Corson, then Director of the Bureau of Old-Age and Survivors Insurance, sent the estimates back to me with various changes of his own penciled in, raising the estimates by probably 50 or 75 percent, and directed me to work out a justification of these revised estimates of his. This, of course, I had to do, though I was convinced of the greater accuracy of my original estimates, and it subsequently turned out that even my original estimates were too high. Some of the published actuarial estimates in connection with the 1939 legislation were several times too high; for example, it was estimated that the number of retired workers who would receive benefits in the middle of 1945 would be from a low of 1,217,000 to a high of 1,854,000, but the actual figure turned out to be only 431,000.

Fifth, the Social Security Administration officials will tell you that they prefer contributory social insurance to public assistance. They know, however, that passage of H. R. 6000 will transfer practically none of the present assistance recipients to the insurance benefit rolls and that despite the passage of H. R. 6000 the assistance rolls will probably grow for some years to come. The passage of a really effective social-security program, under which the current aged and the current survivors would be brought on the rolls to receive automatic benefits—that is, without a needs test—would make it appropriate for the Federal Government to withdraw completely from the assistance field, but nothing could be more distasteful to the Social Security Administration officials than this.

The two reasons for their preference of the perpetuation of this dual system of insurance and assistance are these: First, through participation in the State programs of public assistance the Social Security Administration officials are enjoying an increasing influence in State welfare administration, and, second, they are able to pit insurance recipients and assistance recipients in competition with each other for increasing benefit levels. It is a form of competition which has played beautifully into their hands thus far, and why throw away a device like this.

Sixth, vested interests in the existing form of program have been well developed. The Social Security Administration has encouraged covered workers to believe that they have paid for the benefits promised them and in this way a resistance on the workers' part has been built up against any change in the form of the program. But even more unfortunate is the vested interest of the Social Security Administration itself. Naturally it has the usual vested interest of a bureaucracy in its jobs, but even more, it is concerned about the perpetuation of the techniques and the philosophy it has built up. The wage-record system, for all the mechanical techniques and skill which have gone into its making, has become such a mammoth thing that any curtailment of it is unthinkable to the Administration. I recall the reaction I got to a proposal I made for a less steeply graded benefit scale, a proposal which I argued on the basis of both social desirability and actuarial equity. Other officials protested that if we adopted such a proposal, we might become unable to justify the wage-record system. Truly this system has become not a means to an end but an end in itself.

THE NEED FOR A STUDY COMMISSION

The most unfortunate thing the Senate could do would be to pass H. R. 6000 on the supposition that it would investigate its shortcomings later. Obviously, if it approves the bill, it will not hurry to take up a study of it later. But more important is the fact that the passage of this bill now would make it much more difficult and costly to develop an effective bill later. As it is politically next to impossible to lower benefits, if the Senate desires now to go to a uniform benefit system, it can do so now by setting the uniform benefit at about $45 a month, but if now this bill is passed and then a uniform benefit is decided upon, the benefit level will have to be much higher.

It is safe to say that no really independent study of this subject has been made since the enactment of social security. There are those who will claim that the Senate Finance Committee's advisory council which studied the subject in 1948 was independent. The men and women who served on this council were big-name persons who were extremely busy in their own fields and could not devote the time necessary for extended original study of this subject. As the result, the study staff, whose members were recommended by the Social Security Administration, did the real work. The data which the staff members provided for the council members were those which the Social Security Administration wanted them to see, and I have ascertained from some of the council members that various other facts which might have led to different results were never brought to their attention. There were independent qualified people who sought to serve on the staff and who later sought to come before the council meetings, but who were denied that opportunity. Social Security Commissioner Altmeyer was the only "outsider" permitted to come before the council with an expression of his views.

You ask me in your letter how an appropriate study commission should be formed, and, as I have already indicated, I feel it should include persons who are proficient students, drawn from a variety of fields, persons who can approach the subject without pride of sharing authorship in the existing system, and persons who can devote extended full time to do original work.

Once the commission is formed, it is essential that it admit for expression of viewpoint any person who can demonstrate close association with the field of social security, including those who wish to appear "off the record." If the commission is permitted to see only officially sanctioned data and to hear only officially stated views, as was the case with the 1948 advisory council, the whole project is wasted. I should propose that Government employees who have had experience with this program should be permitted to appear, with their presence and views held confidential. Some very interesting and valuable testimony could, in fact, be furnished by some present social-security employees whom I know, if this protection were granted them. Persons who appear off the record usually have a more genuine interest than many of the witnesses who appear at a congressional committee hearing, many of whom express views that are not their own and are given merely for the record.

I cannot tell you emphatically enough how necessary it is to have a study of this sort before any bill is enacted, and I sincerely wish you success in your efforts to achieve this end.

Yours very truly,

GEORGE E. IMMERWAHR.

Mr. CAIN. Mr. President, in conclusion, I have two groups of letters before me. The first group consists of six letters. Each one of them is from a different type of organization, person or group in this country. One of the letters is from the International Association of Accident and Health Underwriters. The second letter is from the Occidental Life Insurance Co. The third letter comes from the board of pensions of the Methodist Church. The fourth letter is from the Insurance Economics Society of America. The fifth letter is from Mr. A. R. Findley, who is serving as chairman of the social security committee of the National Retail Dry Goods Association. The sixth letter is from an actuary of an insurance company, which touches on the necessity of a study by a disinterested technical staff.

Because I think such letters are of real and positive interest to all Members of the Senate, I ask unanimous consent, sir, that I may be permitted to insert them in the RECORD as part of my remarks at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

INTERNATIONAL ASSOCIATION
OF ACCIDENT AND
HEALTH UNDERWRITERS,
*Chicago, Ill., May 19, 1950.*

The Honorable HARRY P. CAIN,
*Senate Office Building,*
*Washington, D. C.*

DEAR SIR: This is in reply to your letter of May 12. May I commend your unwillingness to vote favorably for H. R. 6000 as it is expected to be reported to the Senate by the Senate Finance Committee, and your preference for a resolution that the social security establishment be left as it is, pending a thorough and completely independent investigation of its purpose, present status and future development.

May I suggest that your resolution contain three major provisions:

1. H. R. 6000 should be deferred pending an independent study of the philosophy of social budgeting and its dominant characteristics as contrasted to the present system of OASI and public assistance. This should constitute, in essence, the mandamus to the investigatory group.

2. The personnel of this investigatory body should exclude any present employee of the Social Security Administration or the Federal Security Agency, because, in all likelihood, such an individual would be predisposed to recommend, prejudicially, a continuation and expansion of the present system. I would recommend that the following people be named to the investigatory group: Mr. W. Rulon Williamson, a Mr. Calhoun, and Mr. Alfred Guertin, the latter a staff member of the American Life Convention.

3. The method of study should be independent, fair and impartial; should allow at least one year's time to prepare a report, and should utilize and accept opinions, offered by conference method, from leaders in government, business and labor. Leaders in agricultural and consumer groups should also be consulted.

My personal opinion is that our present system should be scrapped entirely and substituted with a system of social budgeting (national sharing), providing a floor of protection for the incidence of catastrophic contingencies. This system should provide universality, current rather than deferred protection, and broad social equity rather than individual equity. The system should allow contributions from all active citizens both employed and recipients of investment income. The system should not provide progressive taxation but rather earmarked taxes, probably as a part of the wage-withholding plan. The needs test should be avoided. There should be no disqualifications because of former intelligent thrift. The social budgeting system should eliminate the demoralization and awkwardness of present public-assistance programs. I agree with you that it should be the purpose of the investigatory commission to recommend the age at which benefits should become receivable and should indicate the size of benefits to provide the floor for subsistence. I am wholeheartedly in favor of an earmarked tax to make each individual citizen conscious of what he is paying. Such a system will, by means of an informed electorate, prevent future indiscriminate increases.

At your request, the above suggestions have been prepared hurriedly and only in skeletal fashion. I hope that my views may be of assistance to you.

Very sincerely yours,
WESLEY J. A. JONES.

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OCCIDENTAL LIFE INSURANCE CO.,
*Raleigh, N. C., May 19, 1950.*

The Honorable HARRY P. CAIN,
*United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR: It is certainly heartening to read a letter such as you wrote me on May 17 indicating such sound views on our social-security bill which is now before the Senate. It so happens that within the last 2 weeks I was requested to write a note about our social-security plan that could be understood by laymen.

I have been out of town most of the time and have written such a note rather hurriedly, but I am pleased to enclose a copy.

You will note that many of the ideas set forth therein are similar to those stated in your letter. I am thoroughly in accord with your statement that patching up unworkable social-security programs is bound to produce more maladjustments than cures. We have had studies and commissions, but probably the personnel, although capable, did not have the time and independence that were necessary.

I think you will find that educators tend to be too idealistic, lawyers are legalistic, and professional economists become too involved in theories. In 1935 I was with the Treasury Department for about 3 months working entirely on social security tax questions. At that time there was a substantial difference of opinion among actuaries. It was interesting that 15 years later actuarial opinion was almost unanimous.

As a profession we are notoriously poor politicians, but perhaps some progress is being made. Your letter is one indication.

The commission, if it should be appointed, should not be composed of representatives of certain groups such as labor, business, insurance, or the security-board bureaucracy. Actuaries are practically never wealthy enough to have much of a stock interest in insurance and are usually independent thinkers. The commission should be heavily weighted with Members of the Congress and with actuaries who have been studying the development of the social-security plan for many years. It is unfortunate that we have followed the European ideas rather than some of the better thought that has come from our Latin-American friends. One of the soundest books that has been written on this subject is in Spanish by Mr. Walter Dittell in Guatemala.

Since time is the essence I have written this hurriedly promptly upon receipt of your letter, but would be glad to hear from you at any further time if I can be of any assistance.

Yours very sincerely,
J. M. WOOLERY,
*Vice President-Actuary.*

A democratic society must provide some orderly machinery for providing protection against inability of individuals to attain their own security. Before living became so complicated it was possible for the aged to do odd jobs around the farm, to help with the children, and to perhaps help with sewing and such small jobs. There were not the small homes with no extra rooms for the old people, and work was carried on without the specialization that has now come to be widespread.

There should not be any conflict or confusion between proper social security and the exercise of personal industry and thrift. Social security should represent the protection, the floor of subsistence to replace reliance upon charity and public relief. It should not prevent the individual from having the right and opportunity to raise himself to such level of security as his industry and thrift dictate. If social-security benefits are ever made acceptable as a standard of security, the will to work will be weakened and destroyed.

In 1935 the first Federal Social Security Act was passed providing monthly benefits for retired employees which was amended in 1939 to provide benefits for certain specific dependents. It was recognized that it would be a long time before the so-called old-age and survivorship insurance would adequately provide for aged. To supplement the old-age benefits, so-called assistance was also provided which was to be financed jointly by the States and the Federal Government. The old-age and survivorship insurance is all Federal. The old-age assistance is operated by the States with widely varying rules for receiving such assistance. Each State decides how much property or other resources those at age may have. The Federal Government contributes one-half of whatever the State pays each person. This, of course, has resulted in some States having much larger portion of their aged people receiving such benefits varying from about 13 percent in Ohio to nearly 90 percent in Louisiana. It has also resulted in the wealthier States receiving more assistance from the Government, since they match the number of dollars that the States pay out.

At the present time there are less than 2,000,000 receiving old-age insurance benefits for which they paid something and nearly 3,000,000 are receiving old-age assistance for which they paid nothing. The average old-age benefits are nearly twice what is received under the insurance benefits. It is hardly fair to pay twice as much to the ones who have contributed nothing.

House bill 6000 is now before the Senate. Under the present bill about 35 percent of the men and 5 percent of the women over age 65 are covered. Twenty years from now under the present bill, about 55 percent of the men and 12 percent of the women will be covered. Under H. R. 6000, which is the new bill now under consideration, 20 years from now approximately 70 percent of the men and 15 percent of the women will be covered. It is obvious from these few figures that both the present bill and the suggested one are far from adequate to the problem of our aged people. Government security plans cannot operate as private insurance companies do and build up reserves to take care of future benefits. Each generation of working people must take care of their own old people; that is, the ones who are now currently dependent, just as they must take care of those who are now children and not old enough to work. To promise large benefits payable in dollars years from now, means nothing unless we know what those dollars will purchase. Our standard of living will depend upon production, and the standard of living 50 years from now will also depend upon production 50 years from now regardless of whether the average income is $2,000 or $20,000 a year. Everyone knows that it

takes $2 now to do what $1 would do 10 years ago.

The present old-age security plan is discriminatory in favor of those who have more. The honest and thrifty farmer, small-business man, and school teacher receive nothing from our present social security unless they are willing to draw old-age assistance which is based on pauperism. The man who has drawn $3,000 a year and over for a few years and has recently reached age 65 is the one who is receiving the windfall of benefits amounting to about 10 times the value of what he paid in.

In addition to old-age insurance and old-age assistance, the third Federal recognition of the aged exists in a $6,000 income-tax exemption over age 65. This benefits obviously the well-to-do, and the higher in the income-tax bracket the more is the benefit.

The whole question of social security should be referred to a commission of experts who have made a study of such plans with the idea of solving the problem that now exists instead of promising large benefits for political purposes for working people when they retire years hence and which may or may not, most likely not, be sufficient to provide any reasonable living standard. The current tax collections which are made from the laboring people are sufficient to provide a floor of protection on the subsistence level to everyone who is presumptively in need. There should be no necessity of concealing small savings or of pretending to be a pauper in order to collect benefits. Presumptive need might be those who are 70 and over, those between 65 and 70 who are not employed, and those between 60 and 65 who are invalids or unable to work.

The present plan discriminates greatly against women and children. It discriminates against the workingman in the small income-tax brackets in favor of the worker who makes the higher salary. It discriminates against the farmer and the small-business man. It discriminates against school teachers and State and municipal employees. The present bill is inadequate.

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THE BOARD OF PENSIONS OF
THE METHODIST CHURCH,
*Chicago, Ill., May 23, 1950.*

Senator HARRY P. CAIN,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR CAIN: I have your letter of May 16 about the extension of the social-security bill (H. R. 6000) which, if I understand correctly, has been already reported out for action.

I thoroughly agree with you that the whole social-security program needs revamping in the interest of national security. Wholesale adventures in socialism (which seems to be the political passion of the moment), can involve us in a vast mass of practically invisible contingent liabilities that can in a few years outrun the published Federal indebtedness.

Careful restudy of this fundamentally important concern of the Nation is a must item.

Knowing something of the results of far-reaching social-security schemes in Australia, Great Britain, and elsewhere, I am much inclined to think that we could go on the rocks just as hard as they have, unless we take counsel with wise actuaries who are capable of taking an unbiased view of the total picture. A commission like that recently headed by ex-President Hoover would seem to be in order.

A pay-as-you-go system would be much more realistic and hard-headed than the present procedure. Those who work for wages should bear the current cost of a basic pension for all who cannot any longer work. On that basis, every family would be brought to realize that the wage earners and not Santa Claus are the real carriers of this social responsibility. The idea that it can be cared for painlessly is bunk.

Your thoughts on this subject, as expressed in your letter, are quite in line with mine.

Cordially yours,
THOMAS A. STAFFORD,
*Executive Secretary.*

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INSURANCE ECONOMICS
SOCIETY OF AMERICA,
*Chicago, Ill., May 22, 1950.*

Hon. HARRY P. CAIN,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR: I deeply appreciate the opportunity given me in your letter of May 15, 1950, to express my views relative to H. R. 6000 and I am delighted to note your reaction and your approach to the problem of old-age survivors insurance.

You are to be congratulated upon your forthright stand in this situaton and I am pleased to give you my thoughts in an attempt to solve a problem that requires an immediate solution.

We should not expand the Social Security Act now operating on a false basis until a thorough study is made of the act since its inception in 1935. What is needed is an independent commission with authority and with adequate funds to ascertain the best method for handling the problem of caring for the Nation's aged. Patching up the present law is not the answer.

I agree in your think realtive to an honest pay-as-you-go system which could be kept on a supportable basis, thereby keeping the cost of social security before the people at all times and not creating a further debt to be passed on to future generations.

The Commission which you propose should be composed of men of standing with no prior connections with the Social Security Board. In the past too many advisory councils on social security have been dominated by individuals committed to the continuation and expansion of the act.

This matter is of vital importance to our American way of life and I am delighted that you will lead the way in correcting a piece of legislation that has dangerous implications for the future of our country.

I hope you will be successful, and if I can be of any help, please do not hesitate to call on me.

Sincerely yours,
E. H. O'CONNOR,
*Managing Director.*

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WIEBOLDT STORES, INC.,
*Chicago, Ill., May 22, 1950.*

Hon. HARRY P. CAIN,
*Senate Office Building,*
*Washington, D. C.*

MY DEAR SENATOR: I am so impressed with the cogency of your arguments and the conciseness, as well as the completeness, of your presentation that I am constrained to volunteer my views, even though you have not asked for them.

By way of introduction and background, I should like to state that I am now serving my fifth year as chairman of the social-security committee of the National Retail Dry Goods Association, and am also a member of the social-security committee of the United States Chamber of Commerce. I have given a great deal of study to social-security problems and, more recently, to H. R. 6000 itself and the significance of the changes proposed therein.

Quite some time ago, I arrived at the same conclusions you have so admirably set forth in your letter. In fact, at a meeting of the directors of NRDGA held last January, I argued at some length that the association should adopt these conclusions as its policy. While many of those present agreed that such a policy is the only logical conclusion, they felt that the association could not publicly take such a position without taking a poll of its members and that extended education must precede the taking of such a poll.

There is no question in my mind but that you are on the right track. I sincerely hope that the arguments of yourself and others of a like mind may prevail and that the Congress can be prevailed upon to authorize a thorough study prior to adoption of any amendments as contemplated by H. R. 6000.

May I have your permission to send copies of your letter to the members of the NRDGA social-security committee, some 20 in number? I think it would be helpful in crystallizing their thinking.

Sincerely yours,
A. RAY FINDLEY,
*Vice President and Treasurer.*

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MASSACHUSETTS INDEMNITY
INSURANCE CO.,
*Boston, Mass., May 22, 1950.*

Hon. HARRY P. CAIN,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR CAIN: My morning's mail brought letters from Mr. Williamson and from Mr. Pauley, both referring to discussions or correspondence with you about our country's social-security structure. This is just a note to express my strong agreement with the proposition that an independent commission should weigh the faults of our present structure against the desirability of the type of immediate widespread minimum coverage which has been called "pay as you go". We have had studies of our social-security system by able and disinterested men, but unfortunately the value of their studies is clouded because they did not have the services of a disinterested technical staff. I feel that one of the greatest long-range services that could be rendered to our country now would be the institution of such a study with a proper independent staff, and I hope that your efforts bear fruit.

As a matter of possible interest I am enclosing a copy of a statement submitted to the Senate Finance Committee this spring.

Yours very truly,
JARVIS FARLEY,
*Secretary and Actuary.*

STATEMENT ON H. R. 6000—SOCIAL SECURITY ACT AMENDMENT OF 1949

(By Jarvis Farley, Wellesley, Mass.)

My name is Jarvis Farley. I am an actuary, living in Wellesley, Mass., and working in Boston. I make no claim to being an expert in social-security matters, but my work as an actuary has necessarily required me to give more thought than the average citizen to considerations of practice and of principle with which social-security legislation must deal and has given me some appreciation of the practical problems which must be encountered in connection with the complicated individual accounting structure of our present social-security law. Although I do not speak as an expert, therefore, I do have some well-formed opinions which I would like to express for your consideration.

BASIC STATEMENT

Of those opinions there are two on which I hold the strongest convictions and which run directly counter to our present laws and to this bill (H. R. 6000). One is the conviction that to postpone the full cost and full benefits of the social-security structure for a full generation is unnecessary, unsound, and dangerous. The second conviction is that the maintaining of individual accounts for persons covered under the social-security laws is unnecessary and constitutes an unjustified and wasteful expense. I urge most strongly, therefore, that your committee study those aspects of the present law fully and objectively before making any decision which would make a later correction of these faults more difficult to accomplish.

In support of these opinions it is useful to look at the reasons why our social-security laws were first adopted. Each person is exposed during his life to the possible loss of the income upon which he relies for the means of living. Workers grow old or become blind, wives are widowed, and children are orphaned, and our Congress enacted legislation with the goal of providing a minimum income for each of those conditions. Even if the present bill were enacted, however, our social-security structure would fall far short of meeting that goal, partly because the full benefits of the law have been postponed for a generation and partly because our accounting structure is so complicated that it cannot provide wage records, and therefore provides no assured benefit, for a large proportion of our population.

Why were the full benefits deferred for a generation? A part of the reason lies in the reserve concept of the original legislation. It was thought then that the ultimate cost to the participants would be reduced if there were first developed a substantial reserve whose interest earnings could bear some of the ultimate cost. Part of the reason was the principle of individual equity—the concept that the benefits to each individual should reflect in some measure his personal contributions, so that no one was to receive full benefits unless he had been taxed for his full working lifetime. And third, if we are completely honest with ourselves I think we must recognize that a part of the reason for deferring the benefits was to postpone the full cost of social security. It seemed easier to accept the cost burden when the first impact was relatively light, but the full cost could not be postponed unless the benefits were also postponed.

How valid are those reasons today?

The reserve principle has already been substantially discarded, and there is no need to repeat here the reasons why the concept of reserves, so utterly essential to private voluntary insurance, is a dangerous fiction as originally adopted prior to the 1949 amendments.

The concept of individual equity—relating benefits to contributions—undoubtedly has political attraction. Individual equity is an essential characteristic of voluntary, private insurance operations, because in our democratic and competitive world insurance policies, like any other economic serivce, will be bought only if the purchaser is satisfied that he will get his money's worth. In one sense it is a high compliment to our private insurance companies that the sound principles which they developed in their voluntary operations were considered to be necessary in the Government's operations. The entire social-security structure, however, is based upon governmental compulsion, and, therefore, is subject to different concepts and requirements from those which govern private insurance. The Government can abandon the principle of individual equity and pay every aged or blind citizen and every widow and orphan today at a uniform benefit rate. Today's beneficiaries would have paid much less over the years than the beneficiaries a generation from now; but that result, after all, is only a special example of progressive taxation. Our whole progressive income-tax structure is an example of the Congress' willingness to depart from principles of individual equity when it feels that some greater benefit can thereby be obtained.

The third reason for deferring benefits—the postponement of cost—has already served its basic purpose. The social-security law has been enacted and is widely accepted. It is still politically attractive to continue postponing the cost, but it is dangerously easy to underestimate costs of the distant future. It would be politically attractive and much more realistic to pay now the level of benefits which are provided for a generation from now—and to pay them to all aged, orphaned, and widowed citizens, not only to those on whose account there happens to be a wage record.

You have been urged to provide greater benefits—sometime in the future—and to levy taxes accordingly—also sometime in the future. Opponents of the present bill have said that the ultimate cost of the proposed benefits will be far greater than the proponents can visualize. In effect you are being asked to enact a law which may be workable if everything works out as its proponents suggest, but which could be disastrous if the passage of time shows that the opponents were better prophets.

The key of your problem is uncertainty as to the cost of what you are being asked to do. I suggest most strongly that the solution of that problem is to make the calculation as of today, not as of some date many years from now. Give the benefits now, give them to everybody now, and accept the cost now. Give benefits which you are sure, on the basis of present calculations, the country can afford now. If experience proves that the benefits you provide cost less than we are prepared to pay, then extend the benefits currently and accept the cost currently; but base your actions and decisions on present conditions—on what you can see today, not on the unknown and unknowable future. What looks like a dilemma is really an opportunity, a rare opportunity, to create a sounder structure and provide greater benefits by a single decision.

Finally, if you provide a uniform benefit plan you will make it unnecessary to keep individual accounts. I don't know the cost of the present social-security accounting establishment in Baltimore, but it must be tremendous; and yet the cost of the individual accounting system is not to be measured solely in terms of the Government's establishment. The greater part of the cost is borne by the employers of our country. Maybe you saw a while ago a cartoon which pictured a small factory and beside it a large office building labeled "Accounting Department." The cartoon exaggerated, of course, but an important part of the cost of doing business today lies in the reports and accounts which the Government requires for each individual employee. The cost of maintaining accounts of individual wage records, essential under the present benefit structure, would be quite unnecessary if a uniform benefit were provided for every eligible person. Thus the tremendous present cost of individual accounting would be a saving to credit, along with the saving from present assistance payments, against the increased present cost of providing the benefits now.

This is not, of course, the first time these ideas have been expressed. You have heard them frequently from Mr. Williamson, and you are all familiar with the excellent statement which Mr. Curtis appended to the House report in connection with this bill. I agree with their views, and I urge most strongly and sincerely that before you make any decision on House bill No. 6000 you cause to be made, by disinterested people, a complete and objective study of the desirability of accepting now the full cost of paying benefits and of freeing the country from the cost of the present individual accounting system.

Mr. CAIN. As I recall it was on the 12th day of May that the junior Senator from Washington wrote an identical letter to several hundred people throughout the country who he had reason to believe were authorities of one kind or another on the social-security question. From perhaps as many as a hundred replies I have selected 26, only because they offer more in fewer words than do the remainder of the letters. However, the Senator from Washington wishes to express his real appreciation to everyone who was thoughtful and kind enough to write to him in reply to his letter of May 12. I think the inclusion of this group of 26 letters from students of the social-security question in America will complete the record on the pending bill which the junior Senator from Washington in all sincerity and with a complete sense of humility has attempted to establish. Therefore I ask unanimous consent that the 26 letters to which I have referred may be printed in the RECORD at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON NATIONAL INSURANCE CO.,
*Evanston, Ill., May 23, 1950.*

Hon. HARRY P. CAIN,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR CAIN: Thank you very much for writing me as you did on May 17 regarding H. R. 6000.

I agree with everything you say in your letter. The present social-security law needs a complete and thorough study and overhauling by experts in the field, including actuaries. Such a study should investigate the feasibility of placing the law on a pay-as-you-go basis. The members of any study commission should consist mostly of experts outside of the Government, so that the commission would not be controlled by experts now employed in the Social Security Administration.

The inequities as to benefits and taxes whereby the young workers carry the burdens of the older workers should be corrected and such benefits and taxes kept to a minimum to encourage savings through private channels.

As a matter of fact, I personally feel that compulsion of any kind is in the direction of socialism, and all people should be encouraged to save through presently existing private sources, such as banks, building and loan associations, Government bond savings, life insurance, etc. The Government should step in only where the States fail, and then only on the basis of a means or needs test.

The tax burden is now so heavy that starting a new business is often abandoned because of tax considerations. Reducing or eliminating the social-security tax would be a good place to start in taking the Government out of business and reducing Government personnel and record keeping and taxes.

I feel as you do—that nothing should be done at all now and that H. R. 6000 should not be passed. We hope that you can convince the Senate that a thorough study should be made instead.

If I can be of any assistance to you in any way please let me know.

This letter is also written in behalf of Mr. H. R. Kendall, chairman of the board of this company, to whom you addressed a similar letter.

Yours very truly,
R. J. WETTERLUND,
*Vice President and General Counsel.*

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HEALTH AND ACCIDENT
UNDERWRITERS CONFERENCE,
*Chicago, Ill., May 18, 1950.*

Hon. HARRY P. CAIN,
*The United States Senate,*
*Washington, D. C.*

DEAR SENATOR CAIN: I appreciate very much the opportunity given me in your letter of May 15, 1950, to express my views with regard to the social-security bill (H. R. 6000) and your approach to the whole problem of old-age and survivors insurance.

Personally I agree 100 percent with your approach to the problem, and while I cannot speak for our 150 members, I believe that

most of them would agree with you. I feel that your letter is such an important contribution to the subject that I am sending a copy to each of our members. No doubt you will hear from many of them.

You have evidently given this question an unusual amount of thought and study, and I want to commend your realistic and courageous approach to the difficult and complicated problems involved in the care of the aged regardless of any political consideration.

While I have no doubt that the Senate version will be an improvement over the House bill, it will not even attempt to cure the inequalities, injustices, and omissions of the present law. Neither will it get away from the exceedingly cumbersome and expensive system of wage records, but will only increase the size of that operation.

I agree with you that there should be a complete overhauling of our whole old-age insurance and assistance program, and that it should be done now before more people acquire more or less of a vested interest.

The Commission which you propose should be composed of outstanding citizens representing every important segment of our population which would have an interest in the result of the investigation including general business, insurance, and labor. They should have a competent and independent technical staff, not dominated by any special interest, and especially free from control or influence of the personnel of the Social Security Administration, who are the authors of the present system and are committed to its continuation and expansion.

The working out of the details and the necessary legislation should, of course, await the report of the proposed commission.

I hope that you will succeed in bringing to pass the kind of investigation you propose, and if I can be of help to you in any way, do not hesitate to call upon me.

Sincerely yours,

C. O. PAULEY,
*Managing Director.*

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WASHINGTON, D. C., *May 18, 1950.*

Hon. HARRY P. CAIN,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR CAIN: This is in response to your letter of May 11 requesting my views as to objectives, personnel, and methods which might be followed by a commission established to make a fundamental technical study that can lead to a constructive redesign of our social-security system.

You point out some practical results of the present "insurance" and "assistance" programs, particularly in their application to today's aged, and the importance of a basic reappraisal and revision of social security rather than merely amending these programs.

This need for a basic reappraisal is apparent when we look back on what has happened so far in the development of the social-security programs, and especially when we appraise some of the unplanned results of these programs.

I feel certain that practically everyone who has given serious thought to the problems of social security has been profoundly troubled by the trends away from the conception of individual and family responsibility in the decade and a half since the Social Security Act was adopted.

GENESIS OF SOCIAL SECURITY

Most of us can recall the considerable degree of economic distress leading to a series of emergency measures during the depression, and to the eventual adoption of the Social Security Act in 1935 on the principal basis of its being a desirable alternative to emergency relief. It cannot be overlooked that even at that time there was a school of thought interpreting the Social Security Act as an official admission that individual enterprise had failed as a method of achieving security, and that the Federal Government is obligated to underwrite the individual economic security of its citizens.

You will recall that there was a so-called economic brief compiled at that time and used before the Supreme Court in arguing the constitutionality of old-age and survivors' insurance and unemployment compensation. This brief consisted largely of depression statistics selected to maintain a thesis that a large portion of our population are helpless pawns on the chessboard of economic forces and cannot provide any reasonable security for themselves or their families. The argument was that this situation was so typical of our citizenry and so national in scope that destitution had become a matter of national concern justifying action by Congress. Furthermore, the brief put forth the thesis that destitution was so typical in the case of unemployment or attainment of age 65 that benefits paid on a presumption-of-need basis—that is, without regard to the actual situation—were justified.

We have seen a rapid development of the conception that benefit payments are a "right." Some of these payments are now called insurance, though, at the same time, the contractual implications of the term are disregarded in a demand for larger and larger monthly amounts—particularly for those whose income has been largest and whose presumptive need should be least. We have also found an untenable distinction between the millions of our citizens who have not been covered under old-age and survivors' insurance and are receiving no benefits and our fortunate aged who have been covered and can qualify for benefits costing actuarially perhaps 20 times the OASI taxes they have paid. Many of us have been troubled by the propaganda that these fortunate beneficiaries have paid for their benefits.

You will also recall that in 1935, when the Social Security Act was adopted, it was generally conceded that the fiscal position of the Federal Government was much better than that of many State and local governments, and thus that it was expedient for the Federal Government to participate by way of Federal grants to the costs of State relief programs for the needy aged, for needy children in broken homes, and for the needy blind.

We have all observed that since that time the relative fiscal positions of the Federal Government and of State governments have been almost reversed, and also that old-age and survivors' insurance now covers a large part of the population, and that the economic condition of the typical family is not to be compared with a few years back. The logic of the situation is that the needy rolls should be much smaller and that Federal grants should be no longer required. But, in fact, we find many more on the needy rolls, greatly augmented Federal grants, and pressure for bigger payments under the present programs and for covering disability and all medical care.

These Federal grants in essence represent a compulsory transfer, though the exercise of the general taxing power, of money from all of our citizens to only some of them. The Federal grant program is supported by general taxation. Human nature being what it is, this is an inherently dangerous procedure, tending to create a tremendous pressure for more and more funds from recipients and prospective recipients, while the great mass of citizens are unaware of the ultimate consequences of the system, and consequently afford no present effective checks and balances.

While obviously there is a justification for making social-security payments under some circumstances, just as obviously payments should not be made without a clear-cut justification.

PURPOSES OF COMMISSION

I should conceive it to be the function and purpose of a social-security commission to examine anew the broad problems of individual and family security, ascertain the areas where private initiative and group effort are in fact inadequate to afford opportunity for a reasonable security, and make recommendations as to the extent and through what mechanisms, Government should supply benefits to the families and individuals concerned.

This is a herculean task. It involves the employment of competent task forces to gather various pertinent data to make certain that the factual basis of the commission's conclusions is sound. It involves getting at the actual current economic facts of life instead of relying on the selected depression statistics of the economic brief previously referred to.

There was no economic brief adverse to this Government brief submitted to the court. So far as I know, no such comprehensive compilation has since been made and no attempt has been made to explore the soundness of the conclusions or the validity of the statistical data or methods reflected in the brief. Thus acceptance of the depression-born statistical conclusions urged on the court has been by default, and it is of basic importance that an up-to-date unbiased appraisal be substituted for the old economic brief. Presumably there should be a considerable difference in appropriate social-security measures in an economy where there is a widespread ability to achieve individual security and in an economy where there is no such ability. It is thus of primary importance to examine into the original factual and statistical basis of social security.

Perhaps the most important single function of the Commission itself as contrasted with its technical staff would be the formulation and publication of a social-security philosophy, based on documented premises. Quite probably the actual end result of such an effort would be the formulation by factions of the Commission of two or more social-security philosophies. I cannot believe it likely that any clear-cut philosophy could be developed to which all members would subscribe. However, if opposing philosophies are announced and spelled out by factions of the Commission, this would be a striking advance over the present situation. At least the Congress and the people would have two spelled-out philosophies presented for their choice, and each philosophy would be subjected to attack on any of its vulnerable points.

Today we have only a kind of an unacknowledged official philosophy concerning individual and state obligations. This official philosophy is evidenced by official viewpoints of the Federal Security Agency and the Department of Labor, and these viewpoints coincide for most practical purposes with the viewpoints officially expressed by labor leaders. Both have issued an enormous amount of propaganda to support their conclusions.

While a strong protest has been voiced to some specific recommendations that have been predicated on this unadmitted official philosophy, those disapproving, by and large, have not presented arguments derived from any clear-cut common philosophy.

It is important to the country that the general philosophy supporting or opposing any series of recommended changes in social security be clarified in terms of underlying assumptions as to the rights and obligations properly existing between the state and the individual, assumptions as to the individual's obligations and opportunities for working out his own economic security, and the conditions under which, and extent to which, his personal welfare may ethically require a compulsory transfer of purchasing power from others.

We badly need, for example, a critical examination and appraisal of the philosophy and assumptions underlying statements such as the following, which was made at the recent social-security hearings before the Senate Finance Committee:

"The workers are insistent that they receive adequate benefits and additional types of benefits not now included in the social-security law."

* * * * *

"Properly financed and administered, retirement benefits are as much a charge against industry as depreciation of machinery or any other contingency that industry may provide for. That the Government has a like responsibility is also true. In the instance of old-age and survivors insurance, the worker is willing and does make his contribution, thereby sharing the cost with the employer, who might well have to meet it all, and with Government who meets it in another form by taxation, referring of course again to direct aid to the States and so forth under the so-called old-age benefit plans."

SPECIFYING THE SCOPE OF COMMISSION'S WORK

It would seem to be of basic importance that the Commission's field of work should be specified to be extremely broad. By implication, at least, the work of the two advisory councils appointed by the Senate Finance Committee has been essentially the improvement of, and additions to, the programs provided for in the Social Security Act, as contrasted with a basic reappraisal of the problems of individual and family insecurity. This was likewise true of the Ways and Means Committee's technical study. There has also been, to put it mildly, resentment in some quarters where the study overlapped into areas covered by systems such as railroad, civil service, and military retirement and veterans' benefits. The underlying problems of security should mark the scope of the study, and this requires an appraisal of all the existing mechanisms, by whatever name called, which affect the broad underlying problems of security.

In the opinion of many, there are fundamental differences in philosophy and practical justification of the various governmental systems. Certainly, it is exceedingly important that they all be appraised by the Commission if it is to effectively survey the underlying problems of security. It is of general public importance that an impartial Commission get at the basic facts and furnish the public with a comprehensive description of each system, and of its purpose and justification. The public should know what each program is costing, who is footing the bill, who are covered by the system, and the effects of coverage. The appraisal should not only cover the matter of required contributions, if any, and potential benefit amounts, but also cover matters such as certainty of protection, individual incentives toward thrift, and other important consequences of each system. Only through such a comprehensive overall factual study can there be an intelligent appraisal of the underlying problem of individual and family security, what Government is doing about it, and what Government should do about it.

The scope of the study must naturally go further than an appraisal of what government is doing in the field of security. For the end result of the study—what government should do—requires an appraisal also of what individuals are doing, and what they should be expected to do for their own security, through individual or nongovernmental group action. There has been a great deal of ingenuity and effort given by government to the development of facts indicative of the shortcomings of free enterprise in providing security. It is equally important that facts be developed indicative of the limitations and consequences of governmentally operated mechanisms designed to provide security.

APPOINTMENT OF COMMISSION

It would seem to be of fundamental importance in establishing a commission that the membership should be appointed on some basis which would insure that social-security issues would not tend to be prejudged. As it would be primarily a researcher and adviser for the Congress, there is a strong basis for its membership to be appointed by congressional leaders. To insure at least a bipartisan approach, I should suggest that one-fourth of the members be nominated by the President of the Senate, one-fourth by the minority leader of the Senate, one-fourth by the Speaker of the House, and one-fourth by the minority leader of the House.

Respectfully yours,

LEONARD J. CALHOUN.

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THE SWARTWOUT CO.,
*Cleveland, Ohio, May 23, 1950.*

HON. HARRY P. CAIN,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR CAIN: It is an honor to be included among those you have asked for advice with respect to our social-security program.

While none of us here at Swartwout are experts in such matters, we have a community of interest in the way we work together, and an understanding of conditions which affect our own and country's welfare which is, I believe, definitely above the average. So instead of giving you my own personal answer, I gave your letter to Charles E. Cooper, superintendent; Robert Boodman, president of our local union; and Edward Sadar, who is a member of the executive board and one of the stewards of the union. The union is affiliated with Mechancis Educational Society of America.

After all had read your letter, we met and discussed the problem thoroughly. The following represents our carefully considered opinion, based upon the belief that the common-sense principles to which we must adhere in our business if we are to survive, should also be practiced in any national program:

1. Old-age benefits should be applied alike to every person who has reached the stipulated age. There is manifestly nothing either fair or sensible about including some and excluding others. We would not differentiate between those who are very well off financially, those who are modestly fixed, and others less fortunate. Nor would we require anyone to stop work in order to qualify. Each time elaborate conditions are set up, there must be an increase in the army of clerks and statisticians to check and recheck all of the data. It should be a comparatively simple matter to satisfactorily prove one's age, and then devise a means to stop the payment with death.

2. The amount of the old-age benefit is exceedingly important. It should be great enough to make certain that life can be sustained with some simple comforts, and without the recipient becoming a burden upon relatives and friends, insofar as the bare necessities of life go. But in no case should the amount be great enough to encourage people to draw old-age benefits rather than working when they are perfectly able to do so. Of course, it is easier said than done to state these basic considerations for selection of an amount for old-age benefits. We realize that the amount necessary to support a person in one part of the country is much less than in another part of the country; also, that the matter of health has much to do with it. We would be inclined to make the amount large enough to sustain a person in the more expensive areas and not worry about the excess of payment in the less expensive areas because the money would be spent anyway and add to the general activity of business. The greatest hazard to be avoided is having the amount great enough to lead many people to draw old-age benefits rather than work.

3. We would put the whole payment on a pay-as-you-go basis. There are at least two basic defects in the present method. In the first place, the idea that there are true credits to everyone who is making a contribution is fictitious. Inasmuch as the collections have been put into Government bonds, which we owe to ourselves, and which must ultimately be retired through taxation, it simply means that we, collectively, have spent the money that has been collected and are going to have to produce it all over again in sufficient amount to pay benefits. So it seems to us a lot more sensible to admit that we are really on a pay-as-you-go basis, and set up a minimum amount of cash which must be maintained at all times to cover variations in collections as compared with payments, but not go beyond that. It does not seem to us that it should be considered as insurance in the usual sense because the only insurance is our earning ability to earn and pay the necessary amount when the time comes.

In the second place, when collections are made as at present and credited to the individuals, there is a tremendous amount of work that must be done by the employer. This costs money and involves a lot of people who are not producing the things and services we all want. On top of that, when these figures come into Washington, another army of thousands of people must handle them and sort them out, again with a great waste of human effort. On top of that, if we are to include everybody under the present plan, imagine the difficulty of reporting on some small percent of pay all the laundresses and people in domestic service who are not in any way connected with a corporation that has adequate bookkeeping facilities.

4. This brings us to the matter of collections. As it is both impractical and very expensive to go on as at present, we suggest the money be collected by taxation in a way which will eventually come out of everyone's income. While we, who derive our own earnings from the success of the Swartwout Co., are not particularly anxious to saddle taxes on corporations, it would seem as though a specific part of the income tax on corporations might be devoted to that purpose. Obviously, the taxes paid by corporations must, in the long run, be included in the selling prices of the products. Since nearly every article and every service we all buy is manufactured or provided through the efforts of corporations, it would seem that a tax arrived at in this way would ultimately be paid by all of us pretty much in proportion to the money we spend, which is in turn related to our income.

5. We would then do the entire administration job through the States. The sole function of the Federal Government would be to see that there was a uniform law which did truly apply to every single citizen who had reached the qualifying age, and then collect the money and distribute it to the States. It would take a very small office force on the part of the Federal Government to do this job. The distribution to the States would, perforce, be in proportion to the need of the States, which would, in turn, be based upon certified statements each year as to the number of people qualified to receive old-age benefits in each State. We would go farther than that, and carry that responsibility for a certified list of qualified citizens down to the smallest community within the State. It would be the job, for example, of the Government in the village in which I reside, to receive and check applications, and

then furnish such a list to the State. It would cost very little to do this and the State, on its part, would also have a relatively small clerical job to maintain such checks as were needed upon the reliability of the local lists, and then pay out the money according to those lists.

6. Finally, so that everyone could understand exactly what was going on, and be able to recognize objectionable practices if they crept in, we would like to see the Federal Government publish an annual financial statement. Our first thoughts are that such a statement would show, on one sheet and with respect to all of the States in the United States, the following information:

(a) Number of qualified recipients as of the year end.

(b) Estimated percent of population represented by these recipients.

(c) Dollars paid to the recipients.

(d) Dollars received from the States.

(e) State administrative costs, including local municipalities.

(f) Percent of State administrative cost to the payments made by the State.

(g) Total Federal administrative cost.

(h) Percent of Federal administrative cost to either the money paid out or money received.

(i) Total dollars paid out.

(j) Total dollars received.

(k) Balance in fund.

(l) Tax rate for current year.

(m) Proposed tax rate for next year.

With this information available, reasonably promptly after the year end (and it should be a simple thing to provide that), the working and cost of this old-age benefit plan could be very plain to anyone.

In order to maintain the minimum cash balance necessary in the fund, the rate of taxation should be varied every year. This again, it seems to us, would be a very simple thing to figure, and one that would be easily understood by everyone.

Again we want to thank you for your courtesy in asking our judgment in this matter. We are vitally interested, all of us. The group in our company consists of 250 people in shop and office, and we do about $2,500,000 worth of business each year, in the industrial equipment field. We also share in the profits of our business. We want to keep on doing that, and we want to do it in a way which will be better and better for us, and better and better for everyone else, and at the same time with a minimum of hardship when our folks or others reach the age when they are no longer able to work.

Sincerely yours,

D. K. SWARTWOUT,
*President.*

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CAMBRIDGE, MASS., *May 16, 1950.*

Senator HARRY P. CAIN.

DEAR SENATOR: I have not made a detailed study of H. R. 6000. However, I have read the bill which Congressman KENNEDY sent me several weeks ago at my request.

I am very strongly opposed to H. R. 6000 for the following reasons:

1. Only a comprehensive actuarial study can provide a reasonably reliable estimate of the future annual disbursements under the bill. However, it is obvious to me as an actuary, that ultimately the annual disbursements will require tax revenues equal to at least 8 percent of the payrolls of all persons eligible to receive benefits, and that possibly the disbursements will require ultimately, annual revenues equal to as much as 16 or 20 percent of such payrolls.

A bill requiring such enormous revenues for its maintenance should not be enacted until actuarial estimates of cost, based upon adequate study, have been made; and, outstanding economists, using such estimates, have expressed their opinions as to the effect of such a program and its cost upon the welfare of the American people.

Without such prior actuarial and economic study, enactment of H. R. 6000 may readily be found in practice to be an actual serious ultimate detriment to the American people, instead of a boon.

2. The bill does not provide death and old-age economic protection for 100 percent of the American people but is applicable only to certain portions of the people—perhaps 40 to 80 percent. Many classes of low- and medium-income people whose economic need and moral claim to such protection are equally as great are excluded from the benefits. However, they are not excluded from the expenses. Either directly through taxation to make up ultimately the difference between the disbursements and revenues provided in the bill; or, indirectly through the increase in the cost of consumer goods that necessarily results from the bill, these excluded people will contribute to pay the costs. H. R. 6000 does broaden the base to cover many groups that are not within the benefit provisions of the present social-security laws. It would not be difficult to devise a revised, and, I believe, a more equitable law that would cover all of the people who have need for such protection and who have an equally valid moral claim for it.

I strongly recommend:

(A) Rejection of H. R. 6000.

(B) Appointment of a senatorial or congressional committee with power to employ actuarial and economic experts, to make a comprehensive study with the aid of such experts, and prepare a bill that will provide death and old-age protection on an economic-needs basis for all American citizens and lifetime residents of the country.

Very sincerely yours,

E. H. HEZLETT,
*Fellow of the Society of Actuaries.*

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THE DAILY TRIBUNE,
*Royal Oak, Mich., May 18, 1950.*

Hon. HARRY P. CAIN,
*United States Senate,*
*Washington, D. C.*

DEAR MR. CAIN: Your realistic letter about the social-security bill (H. R. 6000) and the social-security situation in general is a most encouraging exhibition of common sense. That you cannot go along with the highly deceptive proposal now before Congress is a tribute to both your honesty and your courage.

Describing our present social-security system as insurance is a swindle which our citizens who are now 20, 30, or 40 years of age will wake up to some day. I believe my own feeling on this matter is much the same as yours; that no amount of wishing to help others, no emotional mouthing of high-sounding phrases, will set aside the established laws of arithmetic. Two plus two plus two always makes six, whether it refers to plain, single dollars or to billions.

My own inquiries disclose the astonishing fact that the average citizen thinks our present social-security system is a scientifically planned way of insurance; that the workers of this country (those now covered) and their employers are actually piling up sufficient funds to care for future payments. There is almost no appreciation of a factor pointed out in your letter—that stopgap, old-age assistance is not gradually diminishing but is actually expanding at an unbelievable rate.

Certainly a completely independent investigation of our whole social-security program is urgently demanded. Such an inquiry should be conducted by a commission with a definite minority membership of Government officials or employees. Set some real insurance actuaries and some trained financial men to work to analyze this situation just as Dun & Bradstreet would look into the financial standing of a corporation or individual.

Let us do everything possible to install and maintain a social-security program that will be thoroughly understood by our citizens and that will have a chance of doing what it is supposed to do.

I am enclosing copies of three columns I have written for our newspaper (circulation, 23,184) on social security. There is always the risk of oversimplifying the situation or particular phases of it, but in writing for daily newspaper publication one must always take that chance. So I try in each instance to pound on one point of the problem, for the sake of emphasis and (I hope) clarification.

Congratulations again on the intelligence and forthrightness you are displaying on this vital matter.

Sincerely yours,

FLOYD J. MILLER,
*President.*

P. S.—I am taking the liberty of sending a copy of this letter to our Senators from Michigan and to GEORGE A. DONDERO, the Representative in Congress from this district.

F. J. M.

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ILLINOIS MUTUAL CASUALTY CO.,
*Peoria, Ill., May 18, 1950.*

Hon. HARRY P. CAIN,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR CAIN: It is my understanding that you contemplate leading the floor fight against H. R. 6000.

Even though it is my understanding that the Senate Finance Committee has made some changes in this bill, in my opinion there should not be any extension of social security until such time as a fair and impartial commission has had an opportunity to make a survey of what is necessary. Therefore, I welcome your opposition to this bill, and wish you every success.

Sincerely yours,

E. A. MCCORD,
*President.*

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PROVIDENT LIFE & ACCIDENT INSURANCE CO.,
*Chattanooga, Tenn., May 18, 1950.*

Hon. HARRY P. CAIN,
*Senate Office Building,*
*Washington, D. C.*

MY DEAR SENATOR: Your letter of May 16 is most encouraging.

I hope sincerely that we may soon have a thorough and fundamental review of social security. It is preferable that this study precede any revision of the present act, but it will still be needed even if the bill reported out yesterday becomes a law.

The study commission should weigh the relative responsibilities to be assumed by the community, the individual and his employer. It should develop an orderly method to discharge the community part of the responsibility. This needs to be well within our power to pay and must leave a sufficient incentive to thrift.

The answer will be futile unless it can command broad public support. For that reason I would like to see the commission include men with experience in legislation. It should also enlist economists, tax specialists, and actuaries.

The commission should have a sufficient operating budget that it can retain independent specialists and thus secure information from all pertinent sources.

Sincerely,

K. B. PIPER,
*Fellow of the Society of Actuaries.*

THE MUTUAL LIFE INSURANCE
CO. OF NEW YORK,
*New York, N. Y., May 22, 1950.*

Hon. HARRY P. CAIN,
*Committee on Public Works,*
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR CAIN: Thank you for your letter regarding social security legislation.

I agree with what you have to say about social security generally and the pending legislation in particular. In fact I believe that there is a very strong feeling among actuaries who have taken a special interest in social insurance, that the system should properly be placed on a current cost-current benefit basis. I am entirely in accord with the idea that a fundamental technical study—objective and nonpolitical—is needed for our social security system.

You are no doubt familiar with the recent testimony before the Senate Committee on Finance. A number of insurance men including actuaries contributed to this testimony.

You will find an ardent supporter of your views in one of our leading actuaries, Mr. W. R. Williamson. He was at one time actuarial consultant to the Social Security Board and has studied both our own social insurance system and those of other countries. I mention him in particular because he lives in Washington and would, I am sure, be glad to help you in any way he can.

If I can be of any further help, please let me know.

Cordially,

LEIGH CRUESS.

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AMERICAN COLLEGE OF SURGEONS,
*Chicago, Ill., May 16, 1950.*

The Honorable HARRY P. CAIN,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR CAIN: I agree in principle with everything you say in your letter of May 12. One unfortunate result of the policies pursued by the Federal Government since March 4, 1933 is the almost complete eradication of thrift among our people. Government paternalism has been one factor and excessive taxation another.

There is no doubt but that the rapid aging of our population has created a problem—a problem which will grow for at least a few years. Reluctance of business and industry to employ people over 45 years of age has accentuated this problem.

The plain truth is that we are now headed for, if not actually in, an economy in which, as my good friend Frank Dickenson likes to say, the old people are climbing piggy-back upon the young and riding to the grave. This adds to the difficulty of young people being thrifty.

There is not the slightest doubt but that the entire social-security program is in great need of study and reevaluation before it is expanded. A commission, made up of the type of people you describe, would be the only body which could produce a sound study. This should be made up of economists, physicians interested in the care of the aged, and what might be called citizens of the national community. Professional welfare workers would be a menace. The commission could obtain all of the technical assistance needed and it is not necessary to include technicians in its membership. The greatest need is for an honest actuarial study of the situation—not the kind that is constantly being made by the Federal Security Administration.

I feel sure that every American who wants to keep this country a land of opportunity will support you wholeheartedly in your effort.

Sincerely yours,

PAUL R. HAWLEY, M. D.,
*The Director.*

THE MUTUAL BENEFIT LIFE INSURANCE CO.,
*Newark, N. J., May 19, 1950.*

Hon. HARRY P. CAIN,
*United States Senate,*
*Committee on Public Works,*
*Washington, D. C.*

MY DEAR SENATOR: Your letter of May 16 about H. R. 6000 and about the deliberations of the Senate Finance Committee in connection therewith interested me greatly.

When H. R. 6000 was under consideration, I sent to several Members of the House of Representatives the enclosed letter, marked "A" in the upper right-hand corner. Incidentally, when this came to the attention of Representative ROBERT W. KEAN, he sent me a copy of Report No. 1300 of the House of Representatives, Eighty-first Congress, first session, which contains a report of a minority committee, of which Representative KEAN was a member. No doubt this document has come to your attention.

When the amendments to the Social Security Act were being discussed in the Senate, I sent to each of our New Jersey Senators a memorandum, a copy of which is enclosed and is marked "B" in the upper right-hand corner.

These will indicate to some extent my current thinking on this important topic.

My suggestion of the omission of the yearly increase in the benefit for each year of coverage (the so-called increment) is in harmony with the point expressed in the paragraph at the top of the second page of your letter.

In fact, I am becoming more strongly of the opinion that a straight pay-as-you-go plan would have much to commend it, not the least of the advantages being the ability to abandon the complicated and huge mass of records established and maintained in the Baltimore bureau to implement the terms of the act. Procedures which are sound and, in fact, essential in the operation of private insurance and annuity plans are not necessarily most suitable for public plans, and the management of the latter must be regarded in very broad terms.

The suggestion in the second paragraph of your letter that the matter be placed in the hands of a competent commission seems to be timely and likely to produce useful results.

Yours very truly,

JOHN S. THOMPSON.

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THE VOLUNTEER STATE LIFE
INSURANCE CO.,
*Chattanooga, Tenn., May 17, 1950.*

Hon. HARRY P. CAIN,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR CAIN: I am in thorough sympathy with the views expressed in your May 11 letter.

You ask that I write you about the objectives, the personnel, and the method of study that might be pursued by an independent commission on social security.

The objective is to obtain a workable system. It should have a minimum of administrative cost and bureaucracy. Clearly, it must be adjusted to the economic strength of the country. We should give an assurance of basic security to widows with children, to orphans, and to the aged. Equally, we must not destroy the incentive to save. This system should be separate from relief. The Federal Government should get out of the old age assistance programs of the individual States. Any system supported by taxes should aim to provide a floor of protection. It should avoid discrimination. It will not take the place of employer plans because the problem of retiring the older workers at a pension which will look reasonable to them and their fellow workers will remain.

As regards personnel of such a commission, Mr. W. R. Williamson (statement, January 30, 1950, before Senate Finance Committee) has listed tax men, business economists, financial men, demographers, and actuaries as typifying the thorough professional approach which should be given, and I would agree. It is important that the study should be in the hands of non-Government men. Also, sufficient time should be given for an adequate study; Mr. Hoover said a year.

If, as you say, men of standing—independent, competent, and informed in this area, are secured for this commission then they and their leader will probably be most competent to outline the methods to be followed. I think the principal members, of whatever profession or calling, should include the whole study as their field but each group should do the specialized work for which the members are best fitted. For example, I would expect that the group of actuaries on the commission would be particularly concerned with what level of benefits at what starting age can be provided by what tax.

I thank you for writing me and giving me an opportunity to comment on this matter of such vital importance. Unfortunately, due to the railroad strike or other reason, I did not receive your letter till yesterday and I hope you may get this in time for your purpose.

Sincerely yours,

A. E. ARCHIBALD.

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CALIFORNIA-WESTERN STATES
LIFE INSURANCE CO.,
*Sacramento, Calif., May 18, 1950.*

Senator HARRY P. CAIN,
*Senate Office Building,*
*Washington, D. C.*

MY DEAR SENATOR CAIN: Your letter of May 12 in regard to social-security bill (H. R. 6000) was received.

I find myself of the same opinion as you express in your letter.

The Federal participation in providing benefits for old people on a means test relief basis is very wrong in my opinion. If it is not stopped it will ultimately annihilate the regular social security old age plan.

I do not regard myself as having enough information to criticize the present social-security benefits, but I heartily agree with the thought that something like the Hoover Commission should study them and make recommendations. I think such a commission might well include such men as Reinhard A. Hohaus, actuary of the Metropolitan Life Insurance Co. I have followed his reports and discussions of the social-security program for many years and regard him as well informed, sound, capable, and, I believe, in a position where he can be free to view the subject from the standpoint of the interest of the public and the Federal Government.

I would also suggest the name of William Rulon Williamson as a member of the actuarial fraternity, who is capable and intensely interested in the social-security program. If you are not in touch with him, you should most certainly appeal to him. His address is: W. Rulon Williamson, senior actuarial consultant, the Wyatt Co., 3400 Fairhill Drive, Washington 20, D. C.

Sincerely yours,

MARCUS GUNN.

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AID ASSOCIATION FOR LUTHERANS,
*Appleton, Wis., May 19, 1950.*

Hon. HARRY P. CAIN,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR CAIN: It was a pleasure and a very gratifying experience to receive your letter of May 16. I am pleased to know that there are those in the Senate, such as yourself, who are becoming increasingly conscious of the real implication contained in H. R. 6000.

I have, with great interest, followed the development of the social-security legislation and particularly the progress of the efforts of the present Social Security Administration to obtain revisions in the present act which can only break down further our system of free enterprise and the noncollectivist way of life.

I completely agree with Senator TAFT and many others who are finally realizing that the word "insurance" is very improperly used when referring to any benefits under the Social Security Act. Our social security program is not insurance at all. When stripped of its ramifications it is only a program which gives benefits to certain groups who qualify under the terms of the act. The program is supported by taxes also levied against certain groups, but there is no relationship between the taxes and the benefits. Such an arrangement is completely foreign to the true concept of insurance.

I am glad to know that you have concluded that you cannot vote for the bill containing the provisions of H. R. 6000. I believe that you are completely sound in urging that the social-security establishment be left as it is, pending a thorough completely independent investigation and overhauling. I believe you are also completely right in your statement that patching up unworkable social-security programs is bound to create more maladjustments than it cures.

I would urge you to fight hard for the establishment of some sort of Hoover Commission that would undertake the study along the lines which you have in mind. There are men of standing—independent, competent, and informed in this area who could help in this task. There are not so many as there should be. The field of social insurance, and all phases related thereto, is comparatively new and the problems involved are so vast that few competent minds have been developed which understand the real problems. Men like M. Albert Linton, president of the Provident Mutual Life Insurance Co., Philadelphia; R. A. Hohaus, actuary of the Metropolitan Life Insurance Co.; and W. R. Williamson, consulting actuary of Washington, D. C., are men who, in my opinion, really understand the ramifications of a social-security system, not only from the actuarial standpoint, but from the economic, social, and political standpoints as well.

As to the method of study that might be pursued by such a commission, I fear I have little to offer. It would, however, seem to me that whatever our eventual social-security system should develop into, it should be based on a policy and objectives which are completely nonpolitical. This is perhaps the greatest obstruction in obtaining an adequate study at this time. In the 15 years since social security was first spread across our Federal statutes, we have learned much which was not available at the time the Social Security Act of 1935 and the 1939 amendment were passed. I believe that the knowledge gained during that time has not been used adequately in the development of H. R. 6000.

The results of social-security systems on the Federal Government level throughout the world are certainly not compatible with the free-enterprise system which we so highly prize in our country. Real factual and competent analyses of all of these systems should be included in any study forming the basis of a recommendation for change in our social-security system.

Incidentally, I have noticed that just this week the Senate Finance Committee has approved a modification of H. R. 6000. The newspapers did not carry what I believe to be the major modification; namely, the provisions for benefits in the event of permanent and total disability. It is my understanding that the Senate committee eliminated that provision, and I am certainly glad to know that they did that much. In my opinion, if the provision for permanent and total disability were to be included in any revision at this time, it would be a great mistake. The inclusion of disability benefits brings an entirely new concept, entirely new administrative problems into a system which is already suffering from unworkable provisions. If the Senate committee did not eliminate the permanent and total disability provisions, this bill should be defeated on that score alone, in my opinion.

I am sending a copy of this letter to the two Senators from Wisconsin. If, in addition thereto, you would care to give me the names of other Senators who might be influenced by similar letters, I would be pleased to write them also.

Very truly yours,

WALTER L. RUGLAND,
*Actuary, Fellow of the Society of Actuaries.*

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BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
*Washington, May 19, 1950.*

Hon. HARRY P. CAIN,
*United States Senate,*
*Washington, D. C.*

MY DEAR HARRY: Your letter of May 16, unfortunately, catches me in preparation for a brief western trip, and, therefore, I am unable to give you all of the help which you ask.

I am gratified, however, to find that the conclusion to which you have come on the social-security program is so much in line with my own thinking. Your thought that what is needed at this time is a thorough and independent restudy and assessment of the whole problem of social security is one in which I strongly concur. It is indeed important to oppose the pending social-security bill and to urge as an alternative the appointment of a commission along the lines of the Hoover idea.

At this time I am not in a position to comment on the matter of the personnel and method of study that might be pursued by such a commission. I do feel, however, that a study and review commission, if provided for, should be composed of men who are socially and economically liberal, but definitely sound in their monetary and fiscal views. It ought to be possible to find men of standing and competence who have these qualifications. Given a commission of this type, adequately staffed with technicians of broad training and experience in the field, I am confident that appropriate methods of inquiry and study will be developed.

You may be interested in some views on our social-security problem which I expressed in a recent speech. I quote them in full:

"Regarding social security, let me say at the outset that I think this is a field in which a great deal can be done to provide for a more stable expansion of consumer expenditures, which would help to bring about a more balanced increase in capital expenditures. But if we want such a social-security system we will have to change our whole approach to the subject.

"In the first place, it must be a Federal Government program and it must be greatly expanded in scope from the one that is in existence today. The Government should underwrite and guarantee for all of its citizens unemployment, income, education, health, and old-age security up to its ability to pay for such benefits and at the same time maintaining a climate that would produce sufficient savings and incentives to provide needed productive facilities for an increasing standard of living and an increasing population. By doing this, the Government would assure a basic level of purchasing power in the economy that would provide a certain market for a substantial share of the commodities and services produced by our industry and agriculture.

"Secondly, the social security benefits should be paid for currently out of general tax receipts. They should not be financed out of payroll tax receipts that have been accumulated over time in a large reserve fund. Payroll taxes are too heavy a burden directly on consumption and indirectly on investment and are therefore undesirable when what we need in the long run is increased private consumption and investment. Reserve funds have to find lodgment in Government obligations, the proceeds from which must be spent to pay for Government deficits or to retire other outstanding obligations.

"These ideas on Federal social security are by no means radical. I should like to quote from an editorial published in the New York Herald Tribune on March 2:

" 'What our social security system demands today is not a mere expansion of the existing structure; it demands first of all a thorough restudy of the problem and revision of that structure if it is to have any chance of carrying the much vaster needs now contemplated for it.

" 'The system was set up in 1936. Thirteen years' experience has established beyond serious question the principle of national and public responsibility for providing security against the hazards of old age and dependence; the same experience has at the same time led powerfully to the conclusion that the system was not well designed, that it is extravagantly wasteful, and in an important sense a virtual failure.

* * * * *

" 'It is impossible for such a plan to offer any insurance against changing price levels and particularly so when the very operation of the plan can have its inflationary effect. It cannot in any real sense save up through a reserve fund, when Government bonds are the only possible investment for the fund and its only "earnings" are those provided by the taxpayers who meet the interest on the bonds. However, the financing may be juggled, the provision for old age is a current cost on the community, coming in any given year out of the current production, and it is already an urgent question whether a frank shift to a current cost or pay-as-you-go system would not yield a structure far more economical, more equitable, more adequate to current needs and offering much more genuine security for the citizen's future than the present one.'

"I could not state my views on the social-security question more simply and directly than the editors of the New York Herald Tribune have done in that editorial.

"As a final point on social security, I should like to say that I think the recent growth in private pension funds is a very undesirable long-run economic development. I am opposed to this development primarily because I feel that the growth of these funds will tend to affect the functioning of the economy adversely in two important ways. They will result in the further accumulation of funds in reserves seeking low risk investment opportunities. This encourages Government deficits to provide securities to absorb accumulating reserves. They will also result in some redistribution of income from low to higher income groups. This will come about because the financing of private pension funds will increase the prices of goods and services that are purchased in the main by the low-income groups. The pensions will be paid, on the other hand, only to a few selected and relatively well-paid groups of executives and industrial workers.

"I am also opposed to the development of private pension funds on other economic grounds. They will discriminate against small companies, for only large companies can afford them. The growth of private pension funds will make it even more difficult for small businesses to survive in a world of industrial giants. Private pension funds will also greatly inhibit the mobility of labor from one firm to another for workers will be extremely reluctant to forfeit the pension

rights they have built up. They will also probably lead to discrimination against older workers, for employers will hesitate to employ people near the retirement age."

You will gather from these paragraphs that I am in full agreement with you that the matter of social security is one of "vital importance to the preservation of our system of free enterprise and the noncollectivist way of life."

Please be assured of my every encouragement to your effort to correct basic errors. If I can be of further help in this matter, please do not hesitate to call on me.

Sincerely yours,

M. S. ECCLES.

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THE WYATT CO.,
*Chicago, Ill., May 15, 1950.*

The Honorable HARRY P. CAIN,
*Committee on Public Works,*
*United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR CAIN: The matter covered by your letter of May 12 is most timely, and I am pleased to offer a few views on the social-security legislation now pending. These comments follow the points brought out in your letter and will necessarily be brief.

First of all, I agree that a thorough review by an independent commission formed of experts in various fields (among others: social insurance, economics, law, finance, and actuarial science) is essential to the construction of a sound program. The present method of separating old-age benefits between insurance and assistance is little short of ridiculous, in my opinion, and merely affords an excuse for poorly conceived and loosely administered relief programs by the States. Furthermore, it appears that administrative difficulties in the way of universal OASI coverage are more fancied than real, and result from thinking which is restricted to the framework of the present law. That old-age benefits might well be provided on a different basis seems never to have occurred to many advocates of H. R. 6000.

Unless a suitable method of administering universal old-age benefits is devised, and unless the total present burden is properly related to social-security taxes on a pay-as-you-go basis, we are going to be faced with public misunderstanding of the true costs and many unsound proposals for increased benefits. I believe in getting the OASI payments up and the assistance payments down, as soon as possible.

Like you, I am opposed to the keeping of detailed wage records to determine benefits, and believe that social benefits, being in the nature of subsistence, are properly divorced from the concept of individual equity—the range in possible benefits under the present law, according to earnings level, is quite narrow already, and hardly justifies the detailed record-keeping—a proper flat benefit under present conditions might be between $50 and $75 a month. Likewise, for receipt of benefit, consideration might be given to an age condition alone, although it might be desirable to deny benefits to anyone who has not filed a personal income-tax return for a specified minimum period of years—such return possibly including a special line for the social-security tax.

A change in the qualifications as indicated should silence the schemes for stamp books and other complicated administrative procedures, as well as induce greater honesty in the submission of tax returns. In connection with the latter, assuming that a simple method could be found to correlate information between the Treasury Department and the Social Security Board, there would be no objection to scaling the benefits over a moderate range, according to income reported in the return. This feature might, however, have to be omitted entirely.

Because of the future load on productive workers to carry the old-age pensioners, I am not sure that I favor automatic payment regardless of earnings status, even though this would simplify the administration. Particularly, I do not think it wise to contemplate age 65 as the automatic age at which payments are to begin, whether or not an employee continues to work, since it may well become necessary or desirable to retire the average employee at a later age in the future.

I look forward to hearing of your success in furthering this important project.

Sincerely yours,

FRANK L. GRIFFIN, Jr.,
*Vice President and Actuary.*

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JOHN HANCOCK MUTUAL
LIFE INSURANCE CO.,
*Boston, Mass., May 19, 1950.*

Hon. HARRY P. CAIN,
*Member, United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR CAIN: I was very much interested in the comments in your letter of May 12 with reference to H. R. 6000 and the social-security problems related thereto. It is easy to understand why you have concluded that you cannot vote for the provisions embodied in H. R. 6000 nor in the forthcoming Senate version thereof and why you are urging instead that "the social-security establishment be left as it is pending a thorough and completely independent investigation and overhauling."

In particular, you question the necessity of the dual system of Federal old-age assistance and old-age and survivors insurance; you favor a pay-as-you-go system with age as probably the only qualification; you favor providing a reasonable floor of pension benefit which would leave room for personal thrift to make up the balance; and you favor retaining the present taxable maximum of $3,000 of annual earnings.

You have asked my views on this question, including "the objectives, the personnel, and the method of study that might be pursued" by the special commission which you have in mind.

In reply I am pleased to state that I share with you your general apprehension about our social-security program as it now stands and that H. R. 6000 is not the way to solve the problem.

1. I agree with you that there is no justification for permanently continuing the present dual system of Federal old-age assistance and old-age and survivors insurance. The question of abandoning the Federal assistance program and the means by which this is accomplished, is a subject requiring very serious consideration.

2. I would place more emphasis on the pay-as-you-go system and would favor a relinquishment of the present deferred-benefit system, which by its nature implies the accumulation of reserves.

In this connection, you may be interested to know that in 1944 and 1945 I was a member of a special legislative commission appointed to study the retirement systems of the Commonwealth of Massachusetts and its political subdivisions. This commission recommended the use of a nonreserve basis as far as public funds are involved, the annual appropriation by the appropriate governmental unit of the share of the total pensions to be paid from public funds, and the very gradual release of reserve funds previously accumulated under predecessor systems, as they become needed to partially offset the rising costs due to increasing pension loads. This recommendation was adopted and the anticipated beneficial results are being slowly realized.

3. The objectives of the contemplated study might include such topics as—

(a) The extension of the social-security system to cover the millions of people now excluded. This phase of the study should include not only the question of including in the system more groups presently employed, but also the present retired aged in the population who are not under benefit in the old-age and survivors insurance program. This phase of the study would depend partly on the solution to the problem in the next following item.

(b) Consideration of the problem of removing the Federal Government from the assistance field by bringing all, or substantially all, the present aged into immediate benefit and by removing all Federal assistance to the States, leaving to the States or municipalities the entire problem of aid to any persons not covered, or not amply enough covered, by the old-age and survivors insurance system.

(c) Consideration of the respective merits of various types of benefit formulas, the degree to which such formulas should depend upon wages earned prior to receipt of benefit, and the associated problem of the administrative costs of maintaining wage records.

(d) Retention of the provision for lump-sum benefits only in cases where no other benefits become payable.

(e) Reconsideration of the schedule for increasing payroll taxes in the light of the program finally adopted.

(f) Increase from $15 to $50 a month in the amount of earnings permitted without loss of social-security benefit (no limit after age 70).

(g) Study of proper integration of private pension plans and social-security benefits.

In this connection it will be difficult, if not unwise, because of serious overlapping, to extend social-security benefits to various classes of public employees already amply provided for under pension plans supported in large part by public funds at State and municipal levels, as well as at Federal levels. In the case of pension plans applicable to nonpublic employees, benefits may be adjusted relatively easily to reflect those available under the social-security program. This is not the case with plans covering public employees since such plans arise from special legislation, the amending of which is difficult to accomplish.

(h) Encouragement for extension of private contributory pension plans to supplement the floor of coverage provided by social-security benefits.

(i) Question of enforced retirement at age 65 of employees who are able to stay in employment.

(j) Employment opportunities for elderly people.

(k) Problems involved in the care and housing of the aged.

(l) Consideration of the governmental level at which the problems in (j) and (k) are to be handled.

(m) Inadvisability of providing for a system of total and permanent disability benefits on a Federal basis, and the advisability of handling such benefits, if at all, at a State or local level, possibly on the basis of a means test.

4. As to the personnel of such a commission, I assume above all that it should be nonpartisan and that it should include representatives from the fields of industry, labor, farming, medicine, social services, and insurance. The representative organizations functioning in these fields can furnish you with the names of suitable and qualified representatives. For the life-insurance industry, I would suggest you communicate with Mr. Bruce E. Shepherd, manager, Life Insurance Association of America, 488 Madison Avenue, New York 22, N. Y.

5. I would urge you to refer to the papers on Social Budgeting developed by Mr. W. R. Williamson, at present a consulting actuary residing in Washington, which outline a solution to our present social-security difficulties. I refer you also to the speech of

the Honorable CARL T. CURTIS, of Nebraska, in the House of Representatives on October 4, 1949, with which you are undoubtedly familiar. I believe, also, that the writings on this subject by the two actuaries, Mr. R. A. Hohaus and Mr. M. A. Linton, would be valuable. As you may know, the former is an actuary connected with the Metropolitan Life Insurance Co. and the latter is also an actuary, serving as president of the Provident Mutual Life Insurance Co.

6. As to the method of approach, I assume that this would consist of a period of intensive study by the special commission, followed by public hearings. In this connection, I would call your attention to the recent study made by the Brookings Institution in connection with social-security problems. Undoubtedly such a commission should seek the advice of experts in the various fields to which the problems are closely related.

In closing, I would like to stress above all that any revision of benefits under our social-security system should not elevate such benefits above a reasonable maximum floor level and that ample room should remain for additional benefits to be provided above such level through regular employee and employer pension schemes and other vehicles designed to encourage and stimulate individual effort.

I trust that you will find these comments of help to you in your investigation of this very important problem.

Sincerely yours,

HAROLD A. GROUT,
*Vice President and Actuary.*

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BANKERS LIFE CO.,
*Des Moines, Iowa, May 18, 1950.*

Senator HARRY P. CAIN,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR: It was a pleasure to receive your letter in regard to the social security bill (H. R. 6000). The bill in its original form seemed to me to go too far and I am glad that the Senate committee has taken out some of the features from the original bill.

It may be that this bill has gone so far through the legislative process that it is not possible to postpone consideration of it, but, of course, that is in the hands of Senators and Congressmen.

I sincerely hope that before any more tinkering is done with the Social Security Act, Congress will appoint a broad committee which will study not only the Social Security Act, but the whole broad problem of social benefits which at present are covered in many different acts. When we deal with the whole problem piecemeal we are very apt to find overlapping benefits, omissions, conflicting doctrines, and many other things of that sort.

In a pioneer society the people upon whom misfortunes like disability, unemployment, the declining powers of old age, blindness, etc., do not starve but in various ways they are taken care of by society, either in the form of relatives, local authorities, charities, or by government. In all such cases, these unfortunates receive a basic minimum amount from such sources. It must be remembered however, that all such amounts spent for adult unfortunates as well as the amounts spent to raise our children to the age when they go to work must be provided from the national income of those who are at work, and by those, I mean individuals as well as the legal entities we call corporations.

In our more complex civilization, the doctrine has arisen that these people and children must be taken care of by a more centralized body than in the pioneer society, and consequently, we have the Social Security Act, unemployment insurance, aid for children, and blind and other retirement acts. The benefits under all these plans just as in the pioneer society must come out of the national income of individuals and corporations. It is most important that we keep this in mind and that we do not raise the benefits of any of these various plans to a figure that makes the whole cost too much of a drain on the sources of contributions. It is, therefore, vitally important that we survey the whole picture as one unit instead of, as I have already mentioned, tinkering with first one piece and then another piece.

Now to return to the Social Security Act itself. Back in 1935, it was most unfortunate that the insurance idea used in individual annuities and pension plans got mixed up with the Government's plan. A governmental, compulsory plan is entirely different from the usual insurance plans because the Government has the power of compulsion. In a private plan, since there is no compulsion, it would be quite the natural thing in human nature to postpone buying insurance until one is ill and to postpone buying an annuity until one is about to retire. We have seen the troubles of assessment companies which had no power of compulsion. It is for this fundamental reason that all insurance plans require the accumulation of reserves. When one comes, however, to governmental plans with the power of compelling people to join, we can very well use a pay-as-you-go system or one that is practically that. The insurance concept in the original Social Security Act has led us into all sorts of novelties such as taking care of those already old in a different manner to those in the plan. This other plan, old-age assistance, has not worked out at all as it was originally thought and instead, it is growing rapidly while the insurance social security concept is growing slowly.

The whole question is a very involved one. I hope that I am not boring you with a few of my thoughts. I sincerely hope that Congress will take its time to look thoroughly into the over-all problem and that it will appoint a broad committee who will carefully consider the whole problem of social benefits and all its ramifications and study the road in which we are going. I firmly believe that if this is done, we will clearly understand and be able to plan for methods of taking care of unfortunate people in our system of free enterprise but we must approach the problem with our eyes open or we may very well find ourselves with a system that has all the glittering promises that are held out by collectivist systems of the world which in reality are a cloak for slavery.

I hope our paths cross some day before long so we may chat at greater length than is possible in a letter.

With best wishes.

Sincerely yours,

E. M. MCCONNEY, *President.*

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COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK,
*New York, N. Y., May 18, 1950.*

Hon. HARRY P. CAIN,
*Committee on Public Works,*
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR CAIN: In response to your letter of the 11th of May concerning social security legislation, I quite agree with you that a thorough and completely independent investigation is required of our social security program. Also, I am favorably disposed toward a pay-as-you-go system with the retirement payments linked to a payroll tax.

The commission selected to study the social security program, should be nonpartisan, nonpolitical, and composed of highly qualified experts. Such men, I feel certain, could be obtained from universities and also from the business world. Time will be required for such an investigation in order that the report may be searchingly thorough. A hazardous guess is it would take at least a year from the time the committee is appointed before the report is completed.

I appreciate your letter and would be happy to be of any assistance I can.

Sincerely yours,

B. H. BECKWORTH,
*Professor of Banking.*

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GROUP HOSPITAL SERVICE, INC.,
*Wilmington, Del., May 22, 1950.*

Hon. HARRY P. CAIN,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR CAIN: I was extremely interested in your letter of May 13, setting forth your views on the present social security program and your thoughts concerning the need for a change in our thinking concerning such legislation. I agree with you in the points you covered in your letter.

To confuse old-age assistance and old-age and survivors benefits with insurance as is ordinarily construed to cover other hazards is fundamentally wrong. In my opinion the setting up of a so-called insurance fund to cover a situation which, while remote, nevertheless is predictable insofar as we know that it is going to develop and only unpredictable insofar as we cannot now assess its magnitude, is overly optimistic thinking. Why we should not, as you suggested, adopt a realistic and practical approach to this problem by putting it on a "pay-as-you-go system" I cannot understand, unless it is because of the fact that the magic in the use of the word "insurance" insures the sale of the idea to the American people.

Everything contained in your description of the system as you visualize it I personally feel is logical and practicable. Certainly it would have the effect of placing squarely before the people the question of whether or not they wanted to embark on such a program, and from time to time would serve to remind them, at the time of the budget for the forthcoming year, of the inevitably mounting costs of such a program even on the conservative basis on which you outlined it. Actually, such a program, as I see it, would be no more than a universally administered relief fund, offered without the necessity of a means test.

I have given relatively little thinking to the subject of exactly how this program might be investigated, but it would seem to me that as a matter of course a commission established for this purpose would need to rely heavily on the services of population experts as well as actuaries and experienced statisticians. I have no doubt that in many insurance companies as well as in a number of universities there are men of this ability who would be competent to view this problem in an objective and dispassionate manner. A commission embarking on such a study should hope to arrive at a reasonable computation of the year-to-year cost to this country for the kind of program you outline at some date in the future, for example, 1960, with alternative costs based on greater or less benefits. Such a group should recognize the fallibility of putting these costs on anything but a percentage basis or in some terms which would make the cost understandable in terms of future inflation. For example, our recent upswing in pension demands is a sobering reminder of the fact that sums set aside for old-age benefits today may prove to be entirely inadequate in the expanding-economy era of the future. Mere dolarrs set aside, therefore, are likely to constitute a poor yardstick of actual cost to the Nation as compared to some other method of expression.

It would seem to me that the first field of exploration on the part of such a commission as you suggest should be an attempt at an honest appraisal of the amount the American people are willing and able to contribute

to such a program, on the assumption that it will be applied currently to the entire population over a certain specified age. This, I think, should be a matter more for the unbiased interviewer than for the social worker or social planner who would be apt to begin such an undertaking with very preconceived ideas as to public desires, both as to the receipt of funds and the expenditure of them.

Fundamentally, of course, such a survey should be made by a bipartisan group, not addicted to any specific program but sufficiently conscious of the need for some reasonable and intelligent assistance. I think that such men can and should be found.

I hesitate to write on a subject on which I am comparatively uninformed and have developed ideas only as a sort of bystander in the field of social insurance. I am really regretful that more specific plans and ideas as to the personnel which might implement such a study are not within my grasp, but I want you to be assured that I thoroughly concur in your feelings and would willingly help in any way that I can to bring about the approach you so ably recommend.

I should like to suggest that Mr. Allen B. Thompson, vice president and actuary of the Associated Hospital Service of New York, New York City, from his wide experience in the Blue Cross and Blue Shield field, and Mr. Max S. Bell, vice president of Continental American Life Insurance Co., Wilmington, Del., might offer you some worth-while suggestions.

Sincerely,

H. V. MAYBEE,
*Managing Director.*

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WOODMEN ACCIDENT CO.,
*Lincoln, Nebr., May 22, 1950.*

Senator HARRY P. CAIN,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR CAIN: Thank you for writing me as you did on May 15 regarding the social-security bill, H. R. 6000, on which a report will shortly be rendered by the Senate Finance Committee. We have followed the development of this legislation both in the House and during the hearings before the Senate Finance Committee and are in complete accord with your conclusion that H. R. 6000, if passed or enacted with the amendments proposed by the Senate Finance Committee, would constitute nothing more nor less than a perpetuation of the unsound existent system. You are undoubtedly familiar with the minority report of Representative CARL CURTIS, who is a member of the House Ways and Means Committee. Mr. CURTIS represents the First Nebraska District and I am one of his constituents. I am in complete accord with Mr. CURTIS' conclusion and the position which Senator BUTLER, of Nebraska, has taken in regard to this legislation.

You have summarized the situation, as I see it, when you state that "patching up the present unworkable social-security program will create more maladjustments than it cures." If we accept the notion that the Government must provide some benefits for the aged and the indigent, certainly common sense dictates that the whole social-security situation be surveyed in an objective manner by people who can bring a disinterested point of view to bear on the problem. As you well know, it is most unlikely that such objectivity can be found in the Federal security agencies. I heartily endorse the study that you propose. I hope that Congress in its good judgment will vote such a survey and will delay taking any action on amending the present system until the results of such a study are available. I believe that competent personnel who do not have an ax to grind can be found to conduct such a study. Their objectives should be to determine to what extent the Government should accept responsibility for the aged, the orphaned, and the widowed, and by what means provision can be made for them. Certainly in a time when the economy of the country is strained by the necessity of carrying on a cold war it is folly to heap additional heavy burdens upon the taxpayer in order to indulge in reckless social experimentation. You are to be congratulated upon your courage in taking the position that you have in this matter.

Cordially yours,

E. J. FAULKNER,
*President.*

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THE NATIONAL UNDERWRITER CO.,
*Chicago, Ill., May 22, 1950.*

Senator HARRY P. CAIN,
*United States Senate,*
*Committee on Public Works,*
*Washington, D. C.*

MY DEAR SENATOR CAIN: For a variety of personal and business reasons, I have not been able to give the kind of attention to replying to your May 11 letter propounding social security questions that it deserves.

I am complimented by your inquiry and I only wish that I could offer some helpful suggestions. In general I find that I concur in your thesis and especially do favor the idea of a thoroughgoing study of the whole social-security system and theory. There is, I believe, no urgency for legislation today; there are no great and reasonable wants that cry for satisfaction at this moment. Moreover as time goes on, the evidence of experience may point strongly in one direction or another. Hence the kind of study that you envisage can be afforded and would be a wise plan.

The make-up of the commission would be all-important. It could very well embrace men with capacity to understand the whole of a problem and with intuitive and imaginative qualities, but who have not been deeply involved with social-security matters. It would presumably be necessary to include individuals representing various elements of the population and with considerable social-security background. But to get together simply a group of men who have been more or less living with this problem for the past 10 or 15 years, I think would accomplish little.

Necessarily these men have developed attitudes that are more or less frozen and they may have a record of consistency to maintain, they may cling to answers that were good on the evidence of 10 years ago but are questionable today. What would be good would be a balance between men steeped in this thing and men with the capacity to come to grips with such a monumental problem but without serious prior exposure to it.

While I do not have any specific names to suggest, it occurs to me that the places to look for those with the desired endowments are on the bench, among churchmen and college presidents (perhaps freshly retired), I think I would depart from your specifications as to the type of commissioner wanted to the extent of deemphasizing "informed in this area" at least insofar as some of the members are concerned. It is my observation that the best informed in this area are the most dogmatic, the least disposed to take a fresh look, to permit factors other than those to which they are wedded to circulate in their consciousness. That is entirely human and natural and a product of age. I remember that advisers in setting up the system originally in 1935, very shortly saw the mistake of too slavish copying of the private insurance reserve principle in the field of public pensions, and they had not become too brittle to change direction. Today that same group, I think could hardly be expected to read the signs so clearly and change direction so readily. These informed men would bring attitudes, facts, opinions, background and history to the council table, but it seems to me that there is a place for men who can evaluate all this welter of viewpoint, who can see a problem, simplify it, project the answers into the future and come forth with a crystal-clear analysis.

Your letter is proof of your statesmanlike approach to this bewildering problem and it deserves a far more penetrating reply than I have been able to give. It is perfectly clear that there are no absolute principles in this field that are clearly apparent today and you are most assuredly on firm ground in advocating as today's step, a superior type of study.

You have my very best wishes.

Faithfully yours,

LEVERING CARTWRIGHT.

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SEATTLE, WASH., *May 22, 1950.*

Hon. HARRY P. CAIN,
*United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR CAIN: It is encouraging to know that you have given such serious consideration to the character of our present social-security legislation and the various proposals to amend it. I find myself in complete agreement with your position, both with respect to the discriminations involved in our present social-security system and with respect to the folly of attempting to cure these discriminations by a patch-work job such as is proposed by H. R. 6000.

It seems to me that the fundamental misconception involved in the present social-security legislation is the idea that John Doe Citizen is saving through social-security taxes some money which will help him take care of his old age. What John Doe Citizen needs to understand is that the social-security taxes which he now pays are used for current Government expenses, including payments to those who are now eligible for social-security benefits. In turn, John Doe Citizen will get his social-security benefits, not from what he has saved during his working years, but from taxes paid by John Doe, Jr., and other taxpayers of future years. What he receives will not bear any relationship to what he paid in taxes.

The social-security law was originally conceived as a law which would provide subsistence benefits and the dollar benefits now in the law were determined in the light of the purchasing power of the dollar in 1939. As the value of our dollar changes, we can expect the amount of benefit to be changed from time to time so that it will continue to provide subsistence benefits. It is apparent that in the long run the benefit that John Doe Citizen will get will be much more dependent upon the changing value of our currency than upon John Doe's wage record.

It is wasteful, and therefore it is stupid, to build up a cumbersome record of wages for the millions of citizens who have come under the social-security system. Because the value of the dollar is not a fixed but a changeable thing, most of the wage records which have been accumulated will ultimately be useless.

It is foolish to build up two systems of providing subsistence benefits for older citizens; one which we call assistance, and give only to those who can prove that they are in need, the other we call insurance, because those who are in the insured group have paid a special tax. The contradictions of the dual system are pointed up by the fact that many persons eligible for the insurance benefit claim the assistance benefit because it is greater.

When it comes to specific suggestions as to personnel I naturally think first of those in my own profession who have been concerned with the technical problems of insurance, annuities, and pensions. I would particularly suggest the following:

W. R. Williamson, 3400 Fairhill Drive, Washington, D. C. Mr. Williamson was actuarial consultant for the Social Security

Board during the first 10 years that this law has been in effect. He has probably given more serious thought to the fundamental problems of this law than any other man in this country. He is currently senior actuarial consultant to the Wyatt Co., a firm of consulting actuaries and pension consultants.

Joseph B. Maclean, Yarmouth Port, Mass. Mr. Maclean was formerly vice president and actuary of Mutual Life Insurance Co. of New York and is a past president of the Actuarial Society. He is the author of the well-known reference book Life Insurance. While Mr. Maclean is now retired he is carrying on an independent consulting practice and is a man of considerable vigor and exceptional competence.

Thomas A. Phillips, chairman of the board, Minnesota Mutual Life Insurance Co., St. Paul, Minn. Mr. Phillips is a past president of the American Institute of Actuaries. I believe that his present company duties are such that he can spend a considerable amount of time on a project such as the one we are now talking about.

The following men are all of outstanding competence in the professional field and have given considerable attention to social-security problems. However, most of them have substantial executive and administrative responsibilities in their companies and it might be difficult for them to arrange to devote the proper amount of time to such a commission as you propose:

Edmund M. McConney, president, Bankers Life Co., Des Moines, Iowa. Mr. McConney is now president of the Society of Actuaries. (This is the main professional body representing life-insurance actuaries on this continent and was organized last year as a consolidation of the Actuarial Society and the American Institute of Actuaries.)

R. D. Murphy, executive vice president and actuary, Equitable Life Assurance Society of New York and a former president of the Actuarial Society.

M. Albert Linton, president, Provident Mutual Life Insurance Co., Philadelphia, Pa., and a former president of the Actuarial Society.

R. A. Hohaus, actuary, Metropolitan Life Insurance Co., New York, N. Y., and a former president of the American Institute of Actuaries.

A. J. McAndless, president, Lincoln National Life Insurance Co., Fort Wayne, Ind., and a past president of the American Institute of Actuaries.

Henry Beers, vice president, Aetna Life Insurance Co., Hartford, Conn.

Ronald G. Stagg, president, Northwestern National Life Insurance Co., Minneapolis, Minn., and vice president of the Society of Actuaries.

Clarence Tookey, actuarial vice president, Occidental Life Insurance Co. of California, Los Angeles, Calif., and vice president of the Society of Actuaries.

What I have said above merely repeats thoughts which obviously have occurred to you and to other legislators who have bothered to look behind the form of our present social-security laws to their substance. The arguments for a thoroughgoing revision of those laws have been forcibly set forth by Representative CARL CURTIS in his minority report on H. R. 6000.

You have asked for my views on the objectives, personnel and method of study which might be employed by a commission to make a fundamental study of the social-security program. The problems that such a commission would have to face would be very broad and I have not had an opportunity to give the matter much thought. However, for what they are worth, here are some views on the subject:

OBJECTIVES

The assignment of this problem to a commission should make it clear that the fundamental objective of the present social-security system, namely, the provision of an economic floor of protection for all citizens of the Nation, is to be preserved. However, the Commission should be empowered to explore possible alternative systems for accomplishing this objective. The Commission's work should include the following:

1. It should examine the present system from the standpoint of the ability of the Nation to carry out in the future the promises which the social-security legislation makes to our citizens today;

2. It should examine the relationship between the old-age-insurance program and the old-age-assistance program, with particular reference to the equity or inequity of treatment of citizens in different classes, such as the present aged who are eligible only for old-age-assistance benefits, the present aged who are eligible only for some old-age-insurance benefits, those who are eligible for either, and those who are not eligible for either one, the self-employed, the worker who shifts from covered employment to uncovered employment, or the reverse, and finally the employed taxpayer in uncovered employment;

3. If the Commission finds the present system to be defective or inadequate it should be authorized to recommend whatever revisions it finds most appropriate.

METHOD AND PERSONNEL

Such a commission should be composed of persons whose training and ability are such that their recommendations can be expected to be satisfactory to all political factions. This is perhaps an ideal which cannot be attained in our present political atmosphere. Nonetheless, the Commission should be composed primarily of persons who will seek and accept facts regardless of whether or not they agree with their preconceived ideas, and who will form independent judgments from those facts. It should contain persons who would command the confidence and the respect of the leaders of both major parties. It should have a staff drawn from sources outside the Social Security Administration but this staff should have the power to call upon staff of the Social Security Administration for any assistance or information.

I assume that any such commission should have representatives from other fields including educators, scientists, businessmen, and labor leaders, perhaps even some economists. You are probably much better equipped than I to suggest names of people in these fields who would be suitable and available.

There is an ever-widening realization of the unsatisfactory character of our present social-security legislation and a commission such as you suggest could be very valuable in hastening the day when the necessary fundamental revisions will be made. If there is anything which I can do to be helpful to you in your efforts to this end, please feel free to call on me.

Sincerely,

WENDELL A. MILLIMAN,
*Consulting Actuary.*

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SOUTHWESTERN LIFE INSURANCE CO.,
*Dallas, Tex., May 23, 1950.*

The Honorable HARRY P. CAIN,
*United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR: I feel greatly honored that you should write to me as you did on the 11th of May. There was some delay in the mailing of your letter because it was not received in Dallas until the 18th.

For your convenience I recite my professional qualifications. I became a fellow of the Faculty of Actuaries of Scotland by examination in the year 1909. I am a past president of the American Institute of Actuaries.

I am very sympathetic to your proposal that the most important subject of social security should be exhaustively investigated by an independent committee. If such a committee is organized I think it would be most appropriate to call upon the president of the Society of Actuaries for recommendation of such members of that society as, in the opinion of the president, are experienced and capable of cooperation on a matter of great national interest.

Personally I am sympathetic to social security. I favor the establishment of social security on a pay-as-you-go basis. I recommend that basis because it will avoid the accumulation of great reservoirs of capital which would inevitably become the target for attack.

It is manifest that without in any way destroying the individual initiative that has made the United States of America a great country, there is a place for minimum benefits established by the Federal Government. I draw your particular attention to the fact that I say "minimum benefits." We should not be unmindful of the great progress that has taken place in recent years in public health, surgical skill, and medical care. These changes have promoted a vast increase in the expectation of life.

As a result of the great change that has taken place in the expectation of life there is a growing disproportion between retired workers and productive workers. Care should be taken that we do not saddle industry and the productive worker with a burden that many years from now might compel a retreat that would be deeply embarrassing to the Federal Government.

I am indeed sympathetic to your comment on old-age assistance within the several States supported by Federal subsidies.

Sincerely yours,

ARTHUR COBURN,
*Vice President.*

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LIBERTY LIFE AND ACCIDENT ASSOCIATION,
*Muskegon, Mich., May 22, 1950.*

Hon. HARRY P. CAIN,
*The United States Senate,*
*Washington, D. C.*

DEAR SENATOR CAIN: I have before me a copy of the letter which you addressed to Mr. C. O. Pauley, managing director, Health and Accident Underwriters Conference, under date of May 15, 1950. As a professional actuary and as a private citizen, I am tremendously pleased to learn of your critically intelligent attitude on the above legislation.

Just as long as we have the present framework of the social-security system under which new promises of increased benefits—always on a deferred basis—we will be drawing closer and closer to ultimate disillusionment under which those have contributed the most will receive the greatest disappointment.

I do wish I knew of some way to express my feelings on this subject more effectively so that as a nation we would face the problem of care for the aged on a basis that would be economically sound and stable.

Respectfully yours,

W. H. MACCURDY,
*Vice President and Secretary.*

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WEST NEWTON, MASS., *May 15, 1950.*

Senator HARRY P. CAIN,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR CAIN: Thank you very much for your letter of May 12.

There is enclosed herewith a copy of a letter which I wrote to Senators LODGE and SALTONSTALL in regard to H. R. 6000. You will note that my views correspond almost exactly with yours.

There is also enclosed a copy of a letter which I sent to Senators LODGE, SALTONSTALL, and MCCLELLAN as chairman of the Subcommittee on National Legislation of the Massachusetts Medical Society. You will

note that this letter concerns itself with the medical aspects of H. R. 6000 and sets out our opposition to a Federal program of permanent total disability compensation.

In regard to a committee to study the problem, I was impressed by General Eisenhower's suggestion made before the New York Herald Tribune Forum that a group of outstanding experts in the field of social and economic problems be convened at Columbia University. While he did not go into detail in regard to the composition of such a group, my own inclination would be to exclude from participation those persons who are intimately associated with the Federal Security Agency and therefore have an ax to grind. You will recall that in the investigations carried on to date employees or former employees of the Federal Security Agency have played a dominant role behind the scenes. Any future investigations should avoid the possibility of this kind of criticism.

If I can be of any further assistance to you, please do not hesitate to get in touch with me.

Cordially,

CHARLES G. HAYDEN, M. D.

Mr. LEHMAN. Mr. President, I should like at this time to speak briefly in general support of H. R. 6000.

There are and will be pending, as the Senate knows, many amendments to the pending social-security measure. Most amendments, I understand, will be directed toward liberalizing the bill reported out by the Senate Finance Committee. I shall be inclined to support most of the amendments directed toward this end. I have introduced and joined with others in sponsoring some of these amendments. I shall speak on them again when they are called up next Thursday.

Before discussing amendments, however, I should like to make clear that in my opinion the Senate Finance Committee has done an outstanding job with this complex and difficult piece of legislation. The committee as a whole has shown a forward-looking attitude toward the problem, and the committee chairman, the senior Senator from Georgia, has earned the thanks and admiration of all of us in this great work which he has directed so skillfully and thoroughly.

The liberalization of the benefits in some categories and the extension of coverage in the Senate bill—while not as wide as I should like to see them—are long steps in the right direction.

It is comforting to realize that in this debate the question is not whether we should have social security. That is now accepted in principle by almost all of us.

It is to be recalled, however, that when the first social-security measures were originally proposed in 1935, violent opposition was offered both in the Congress of the United States and the Legislature of New York State, of which I was Governor at that time. Perhaps some may recall that in the Presidential election of 1936, the party on the other side of the aisle argued that social security was regimentation—that awful word—and that the American people were soon to be required to wear dog tags as a result of having social-security numbers. Happily that argument is now gathering dust in the attic of poltical discards.

Today the question is how much social security we should have and can afford and what is the best method for extending social security to as wide a sector of the population as possible. I congratulate those of my colleagues on the other side of the aisle who have come to this advanced position. At this point my argument with them is one of degree and not of kind.

Today I appeal to the Senate to liberalize the present measure—not merely to approve it. Today I speak to my colleagues in behalf not only of a social-security program but of a broadened social-security program—a program broadened beyond even the limits set forth in the Senate bill.

I cannot presume to be the administration spokesmen on this subject, but I think I speak the mind and will of the administration and of the intent of the Democratic platform—certainly of the platform on which I ran last year—when I say that the liberalization of the social-security program is our mandate from the people. That mandate is not only for the pending bill but for the liberalizing amendments which have been introduced.

Amendments which I and other Senators have sponsored would extend coverage to 2,000,000 more people than would be covered under the pending bill. Approximately 1,000,000 of these would be domestics, the group that possibly needs social-security coverage more than any other. One additional million would be agricultural workers.

One liberalizing amendment would increase the average benefit under the OASI program from an over-all average of $49 proposed in the Senate bill to an average of $55. Moreover, it would increase the maximum amount which could be obtained by an individual who has made his contributions for 5 years from the proposed level of $72.50 to a new level of $100—and for an individual who has worked and contributed for 20 years, to a maximum of $114.

In view of our present standard and cost of living, this is not a princely pension. It is only barely enough for a person to live at a self-respecting level and to maintain his health.

I recognize, of course, that the Senate bill is a vast improvement over the present law in this respect. The Senate bill proposes an over-all average benefit of $49 compared to the average of $26 provided under present law. Obviously, the present benefits have no relation to reality. That is best illustrated by the fact that the over-all average public-assistance grant to the needy aged in 1949—the so-called pension to the aged who have made no contributions—was $45, or almost $20 more than is now provided under the insurance system. I want to emphasize that to be eligible for these public-assistance aids, the so-called pensions, the aged individuals involved must pass a means test, must take a pauper's oath.

In many States today, including my own, these public-assistance payments to the needy aged are far higher not only than the benefits now available under the Federal insurance program, but, in some cases, higher even than those now proposed under the Senate bill. This disparity between a system based on insurance savings and a system based on outright grants to the needy must be wiped out. The emphasis must be transferred to the insurance system. The insurance system must be made more attractive than public assistance to the needy.

Even the average $49 pension proposed by the Senate bill is woefully inadequate, and lacks the essential element of recognition of the length of time during which the individual has contributed, and also fails to accept as a base for taxation a sufficiently high wage level. It does not recognize the fact that the monetary wage level of our working population has doubled in the past 10 years. The liberalizing amendments which will be proposed on the floor take cognizance of these real changes in the national situation.

Another vital liberalizing amendment would provide disability insurance on the same principle as that approved by the House. This provision might be expected to add approximately 500,000 people to the pension rolls by 1960. The average pension would be about $50 per month—certainly not an overgenerous amount. Still other liberalizing amendments would increase Federal grants for special assistance; yet other amendments would extend public assistance to Puerto Rico and the Virgin Islands, and thus honor our commitments to the people of those dependent Territories.

One further amendment would help finance more adequate medical care for the needy. The Advisory Council on Social Security recommended such a provision.

I know that there are some who will say that these measures are impractical or that they are luxuries which we cannot afford. My answer is simple: These are not luxuries but investments in the security and welfare of our people. These investments will earn for our Nation a liberal return in increased contentment and increased productivity.

This, I take it, is the object of the social-security program.

The able and scholarly senior Senator from Ohio may say that with these liberalizing amendments, we are providing for increased payments out of the social-security fund while making no provisions for increased payments into the social-security fund.

It is estimated that if all the amendments I have referred to are adopted, the increased cost to the fund over the projected period, which means until the year 2000, will be approximately 1½ percent of payroll.

I wish to say that in my judgment, after studying the experience of the past many years, I am convinced that a dynamic and expanding economy, and our steadily rising wage pattern will provide the increased collections which the increased expenditures will require. That has been our experience in the past; I am sure that will be our experience in the future. In my judgment there is no reason to increase the present schedule of social-security taxes beyond that already provided. If the need should arise, however, I would be perfectly willing to increase the tax schedule when that time comes.

At this point I should like to take a quick look backward and examine for a moment just what it is we are talking about when we talk about social security.

It might be worth while to recall that the quest for security is one of the most ancient in the history of mankind. Security against aggression and security against the natural hazards of life, of sickness, of old age, of drought, and of famine have been sought by men in various ways since the first dawn of time. As soon as people first developed the art of communal living, they took their first steps toward social security in its broadest sense.

External aggression being the greatest threat to security in ancient days, towns were built with great walls for purposes of security, armies and navies were assembled for security, constabularies and police departments were organized for security. In organizing these measures for security, the whole people were taxed in order to provide security for those who required it.

Later, when the need for financial security and health security gained recognition along with the need for security from theft and aggression, banks, insurance companies, and hospitals were organized for the security of individuals and of groups of individuals. The demand for security is neither new nor revolutionary. It is as old as man himself.

The fact that the present emphasis is on governmentally provided security against the hazards of sickness, unemployment, and old age merely recognizes the increasing complexity of society and the advancing status of our concept of social obligations. We now recognize that human life, itself, is a precious national resource. We realize that the conservation of that resource against the extraordinary hazards of twentieth-century existence is an essential function of government and is, indeed—as I have said—an investment in the material welfare of the Nation.

Today we all accept this fact, although some may not publicly acknowledge it. Political conservatives as well as liberals have certainly reached agreement on the desirability of social security. It has passed out of the realm of political controversy. Of course, there are still some few exceptions. There are some individuals who would, if they could, turn back the clock to another age. I doubt whether this point of view has any significant representation in this body.

Today we discuss the extent of social security, the exact amount of the benefits, and the specific groups which can be covered, and how to guarantee that the money will be available in the future when the swelling fraction of our population over the age of 65 reaches such proportions that the aged would be an unmanageable burden on the revenue resources of the Nation, unless provided for in an insurance system such as this.

By 1990, the percentage of our population over 65 it is estimated will be 13.2 percent, and the liabilities of the old-age trust fund will be of such a magnitude—and constantly growing—that unless some reserves are built up now, the national economy may have a liability which cannot be practicably met out of budgetary appropriations.

That is the reason for this insurance system, rather than for a straight universal pension system supported entirely by current Government revenues. I would like to see our old-age system enlarged now, and all the 11,500,000 of our aged covered under the system. I favor universal old-age coverage. This must and will be soon provided. That will be our next step.

Meanwhile, however, I think our public-assistance grants should be liberalized, but the insurance system should keep pace, in order that benefits based on earnings and contributions may in the not too distant future replace public-assistance grants altogether.

These are general goals. These are problems to be worked out. We must beware, however, of those who would call a halt to the insurance system, and to improvements in it, pending another study. Studies designed to delay action rather than to enlighten action are the most deadly device in the arsenal of the opponents of progress.

We debate today on the amount and kind of public assistance to extend through grants-in-aid to States and to Territories for their welfare activities for children, for the needy aged, and for the health of the people.

All these programs are part of the pattern of the welfare state. I need not tell my colleagues in the Senate that I am for the welfare state. The people, too, are for the welfare state. But some of my colleagues are inclined to confuse the concept of the welfare state with the conflict over Federal-State authority. They are afraid of federalization and say that they favor welfare activities by government, but only by State governments and not by the Federal Government.

I shall not enter into this argument today. But I want to point out that in the field of social security, the Federal Government, under the general-welfare clause of the Constitution, has a mandate to serve the people. If this can best be done by direct Federal action, it must be so done. If it can best be done through the States, that should be done. But to block action by insisting that the Federal Government may not provide for the general welfare in the field of social security because this is properly a State function is to deny our essential responsibilities and to fail the people in their basic needs.

While we weigh and debate the best method of accomplishing what we seek, we must remember that we are "one Nation, indivisible, with liberty and justice for all." That is what we say in our Pledge of Allegiance. That is what we must justify by action on the pending bill, and on the pending amendments to liberalize that bill.

Mr. BUTLER. Mr. President, there has come to my attention in recent years a deeply disturbing observation. People are saying that we are so far along the road to statism that we cannot possibly turn back, and so we might as well make the best of it. This, of course, is the most malicious nonsense.

If we are on the wrong road—and statism is the antithesis of democracy—then we must reorient ourselves. But we do not have to waste time going back. Far better, we can cut a new trail across country until we reach the right road off which we wandered.

Mr. President, it is because I sincerely believe that the road we are traveling in regard to social security is leading us away from American ideals and toward ultimate national insecurity and disaster, that I am voting against H. R. 6000.

However, I do not advocate standing still, much less going back. On the contrary, I am offering you a new concrete proposal for a pay-as-you-go, full coverage social-security program which would give more protection to more Americans than H. R. 6000 and spell security rather than insecurity for our national economy.

The bad features of our present Social Security Act—and H. R. 6000 would in the main simply multiply them—these bad features fall into two broad categories: First, inhumanities, injustices, and undemocratic discriminations; and second, economic unsoundness.

So-called social security has been with us now for 15 years. Back in 1935, weary and discouraged from depression, many believed the promises then made by President Roosevelt that the magic formula of contributory, deferred-payment, social insurance would free us from the fear of poverty in old age. The Nation did not examine carefully who was in and who was out—but passed the Social Security Act confident that, by virtue of compulsory contributions, it was purchasing, in a dignified manner, adequate retirement pensions. There would be no more poorhouses; no more public charity; no more of the humiliation and grief of the means test.

Now, after 15 years, what do we find?

Out of our 11,500,000 men and women over 65, only around 2,000,000 are receiving OASI benefits as a right; and of these, 250,000 are forced to undergo the means test to qualify for supplementary local public assistance because their OASI benefits are insufficient. Two million seven hundred thousand who have not qualified for OASI—although many of them may have several years of contributions—are on public assistance with all the indignity that that implies. And over 6,500,000, not qualified for OASI and too proud to apply for assistance, receive neither the one nor the other. Many of them may be as worthy as those selected for the former and as needy as those subjected to the latter. In addition, according to the Bureau of the Census, the largest single group of these 6,500,000 forgotten old folks are widows who are not working and whose incomes range from $1,000 all the way down to zero.

In short, after 15 years, out of some 11,500,000 men and women over 65, we have only around 2,000,000 receiving insurance benefits and the rest—over 9,000,000—receiving public assistance or nothing.

Is this security or is it sand in our eyes?

Certainly it is not what we bargained for; it is not what the people of this country want; and it is not what they expect Congress to give them. If the

honest people of America really understood the restrictions and discriminations implicit in H. R. 6000 and there would be a referendum on the subject, I feel sure they would vote, as I will, against it.

H. R. 6000 discriminates against the present 9,500,000 OASI-excluded aged who cannot be brought in under the employee insurance formula.

My program, on the other hand, awards them immediate protection.

H. R. 6000 discriminates against all OASI ineligibles. To them it says: "If you are in need, declare yourself a pauper, prove you have no assets, no close relatives who might be made to support you. Open your books. Let a paid social worker snoop around and look under the rug to see that you have nothing hidden. Then as a public ward you will be sent a check made up partly of State and local taxes, partly of Federal taxes. But if you should have the luck to earn a few dollars, you will be cut off and run the risk of losing your place on the list."

My program wipes out the pauper's test forever and guarantees recipients the dignity of a pension. Under my program no social worker will darken their doors.

H. R. 6000 discriminates shamelessly against those unlucky OASI contributors who fall a fraction of a quarter short of insured status. As of January 1, 1950, for the 80,400,000 men and women who had contributed to OASI since the beginning only 43,700,000 had fully insured status. It is true that H. R. 6000 would extend eligibility to a few hundred thousand of the present aged, former OASI contributors—but only a few. Even so, for the future, H. R. 6000 still would cut people off from benefits entirely if catastrophe struck and if they missed their required number of quarters. In other words, the social-security system would remain a lottery system under this bill.

My program is free of all such capricious juggling of formulas and funds. Under my program the only qualifications are age and state of income.

H. R. 6000 would discourage elderly individuals from working, and so would reduce over-all production. Even under the new amendments if a man should earn $51 a month or more he would be cut off from all benefits. At the same time, he would be permitted as much unearned income as he pleased, without reducing his benefits by a single dollar.

My program puts no premium on idleness. Under my program a man can continue to work without being cut off from his pension entirely.

H. R. 6000 would exclude from OASI privileges some fifteen to twenty million of the gainfully employed—among whom are those most likely to be in need, such as marginal workers in domestic service, migratory farm labor, share croppers, and so forth.

My program would cover every American citizen.

H. R. 6000 would hand windfalls to retired bank presidents, and would supply less than enough to live on to old folks in the lower wage brackets. Although benefits would be increased between 85 and 110 percent, the poor fellow now drawing an OASI benefit of $10 a month would have that benefit increased only to $20—still not enough to meet the increased cost of groceries.

My program would leave no aged American with an inadequate income.

Under H. R. 6000, it would be possible for a man of 65 to qualify for benefits at the bottom of the ladder, with 6 quarters and a total contribution of $4.50. For this $4.50, if he retired immediately after his 6 quarters he would receive a primary benefit of $20 a month for the rest of his days. If his wife were the same age, with the usual life expectancy of 13 years for him and 15 for her, they would net for that original $4.50 investment. $4,826. However, a 65-year-old man earning $3,000 or over, would do even better. Under the same set of circumstances, he and his wife might expect to receive $17,373 worth of handouts from Uncle Sam—quite a nice prize. These figures that I have quoted are conservative estimates; and under particular circumstances, such as when there are a greater number of dependents and more years of life, the windfalls would come much higher.

What a contrast between this situation and that of the aged widow who receives absolutely nothing because her deceased husband barely missed acquiring sufficient quarters of coverage.

My program holds no such unjust, undemocratic, un-American distinction.

Now let us consider the economic aspects of H. R. 6000.

In the first place, OASI is not an insurance at all in the actuarial sense. This is readily understandable when a comparison is made between the total contributions and the windfall benefits of persons retiring during the first 20 years. Even with the rising payroll tax rate during the maturing years of the system, benefits far outstrip what the employee's contribution of tax would purchase actuarially. This means that other people must pay the actuarial margin of error. Not only is the employers' part of the tax passed on to the consumers in the form of higher prices, but the forfeitures of some contributors add to the windfall of others.

In addition, there is the question of what happens to the payroll taxes collected. Obviously the money cannot be kept safe and sound in a sack. It must, under law, be invested in Government obligations. The Government promptly spends the money, pays interest to itself from the taxpayers' pockets on the slips of paper in the Treasury and then, when these old-age-and-survivor-insurance I O U's fall due, must either float new bond issues or tax the people again to get the cash to pay benefits.

But by far the most dangerous element in the economics of H. R. 6000 is to be found in the rising costs of the dual old-age and survivors insurance—public-assistance system. OASI deferred payments increase precipitously as greater numbers retire on a high-benefit scale. If past performance is any indication of future trends, political pressures would continue to multiply the millions of Federal grants-in-aid for State and local public assistance.

Dr. H. G. Moulton, president of the Brookings Institution, in his preface to Cost and Financing of Social Security, by Lewis Meriam and Karl T. Schlotterbeck, declares:

> The old age and survivors insurance system in its present form involves constantly mounting costs over a 50-year period. Great confusion has been engendered in the public mind because of the assumption that these costs can be gradually provided for through the application of ordinary insurance principles. That is, it is widely believed that the social-security taxes now being paid furnish the resources from which the future benefits will be paid. The fact is that a practically universal governmental system cannot successfully apply the actuarial legal reserve devices of private, voluntary insurance systems. As the present system operates, no real reserve funds with which to meet future requirements are accumulated. The benefits will have to be paid out of future taxes.
>
> The future demands upon the Government for benefit payments—to be paid out of future taxes—will be so great that it appears to us essential that they be given full consideration now before the commitments are made. The demand for cash for benefits must be studied in the light of other governmental cash requirements for national defense, foreign relations, veterans benefits, interest on the public debt, and all other activities of Government.

The authors conclude with a recommendation for a true pay-as-you-go system under which persons now in need will have those needs met from current revenues.

Mr. President, during more than 3 months of public hearings and many weeks of executive session, the Senate Finance Committee labored to report Social Security Act amendments that would be fair and just to all Americans. However, we found that it was impossible to devise an OASI formula to make the present aged eligible for benefits or to cover those most likely to be in need—such as marginal domestics, migratory farm labor, and share croppers.

I strongly suspect that the majority of the Finance Committee is not only unhappy concerning the conglomerate amendments which have emerged, but, for reasons of justice and considerations of economy, would favor an honest pay-as-you-go social-security system. This is proven by the proposed committee resolution to set up a subcommittee specifically instructed to study pay-as-you-go systems.

During the hearings it became apparent that the opponents of the present system and of H. R. 6000 fall into three principal groups: First, those who would like to see a pay-as-you-go plan adopted, but who cling to the idea of contributions; second, those who wanted a pay-as-you-go, low, flat-rate floor of protection for all citizens without a means test; and third, those who believed, with the Brookings Institution, in pay-as-you-go protection for the aged, but on the basis of some kind of a means test, as the only system economically sound.

The proposal which I am about to outline is an attempt to incorporate in one universal-eligibility, pay-as-you-go social-security program the best features of these various points of view. That is: First, equal protection for all, under the law; second, freedom from the means

test; third, universal contributions; and fourth, economic soundness: pay-as-you-go, go-as-you-pay, on an income-tax, income-supplement basis, for all aged persons and dependent children whose income or means of support drop below a given minimum.

In a nutshell, my program is a universal contributory social-security system, in the sense that everyone with income would pay a special, earmarked income tax to support it; and thus, at some period of his life every individual would be consciously contributing to his own future security.

It is pay as you go, in the sense that the receipts for any particular year would be roughly the amount necessary to pay the benefits for that year.

It is go as you pay, in the sense that we would be doing for the old people today exactly what we expect the young people of tomorrow to do for those past 65 in their time.

Here is the plan: Every American citizen, aged 65 and over, will be entitled to an individual citizen's pension under the following conditions:

Every American man or woman aged 65 or over, whose income for the year ahead on the estimated income declarations currently used for income-tax purposes, amounts to a figure under $600, will receive a citizen's pension of $50 a month, or $600 a year—that is, $100 a month for a man and his wife, both 65 or over.

Every American man or woman whose income amounts to $600 or over will receive a citizen's pension of $1 a month less for every $50 more of annual income. In other words, if his or her income amounts to between $600 and $650, he or she will receive a citizen's pension of $49 a month or $588 a year. If his or her income is between $650 and $700, he or she will receive a citizen's pension of $48 a month or $576 annually. And so on. The pension tapers off to zero at around $3,000, although the repeal of the present $600 special income-tax exemption for persons over 65 will not make it worth while to apply for pension after the $2,450 level. If this income changes during the course of the year, the pension rate also will be changed.

In principle, the same system will apply to dependent children. That is, inadequacies in means of support will be made up in benefits on a graduated scale.

As to financing, although, on pay-as-you-go, the special old-age and dependent children's tax rate will be determined by the current outgo, and vice versa, it is thought that to support the pension schedule indicated, the initial tax will be about 5 percent of the first $3,000 of individual income. However, this 5 percent will not be a net increase in taxes for the following reasons: First, the existing OASIS payroll tax will be repealed; second, the greater part of the present local taxes required to support the State public-assistance programs will be unnecessary; third, a reduction of about 2½ percent in the regular income-tax rates on the first $3,000 of individual income will probably be effected, in recognition of the fact that the new system will relieve the Federal Government of substantially over a billion dollars a year in grants-in-aid to States for public assistance. At the same time, it might prove wise to abolish the existing $600 personal income-tax exemption for individuals 65 and over.

The advantages of this program, like the disadvantages of H. R. 6000, fall into two primary categories: First, social, and, second, economic.

Taking the economic advantages first: My proposal would mean tremendous savings in costs over the committee bill. I have been supplied with a preliminary cost study on my proposal by Mr. George Immerwahr, former chief actuary for old-age and survivors insurance, a distinguished authority in this field. The concluding sentence of his memorandum is as follows:

> When allowance is made for these further savings, it seems conservative to state that the adoption of this proposal in lieu of H. R. 6000 would produce an ultimate saving of $5,000,000,000 a year.

Instead of the gigantic, pyramiding costs of H. R. 6000, which may either bankrupt the taxpayer or destroy the value of the dollar in the years to come, my proposal provides a system well within the ability of the taxpayer to carry.

I am inserting Mr. Immerwahr's brief memorandum in the RECORD at the conclusion of my remarks.

Let me mention now the advantages of my proposal from the standpoint of the individual American, groups of Americans, and the Nation as a whole:

My proposal matches the equal opportunity of our American way of life with equal protection against loss of income in old age. It plays no favorite, offers no special privileges. It is just, nondiscriminatory, thoroughly American.

It assures every American, the richest as well as the poorest that if catastrophe strikes, he or she will be adequately provided for in old age. At the same time it puts the burden of responsibility on the individual to work and to save for his own old age and for his survivors.

It also makes the individual over 65 responsible for making an honest declaration of his income for the year ahead—just as now he is expected to make an honest income-tax return—and upon this declaration his citizen's pension is based. No investigation is anticipated beyond the usual Treasury sample check for fraud.

It frees every American from the fear of ever having to submit to the indignity of the means test in the event of income loss in old age. No one's neighbor will have to know whether Joe Doakes and his wife are receiving citizen's pensions—any more than the neighbors know the amount of income tax Joe Doakes now pays.

My proposal to abolish the means test will have a direct, immediate appeal for the approximately 3,000,000 present public-assistance recipients—not to mention any who might have to undergo the test in the foreseeable future.

My proposal to bring in the present aged will affect 6,500,000 persons, in addition to those 3,000,000 now on assistance.

My proposal for universal eligibility will affect 15 to 20 million farmers, sharecroppers, migratory farm labor, and marginal domestic servants.

My proposal to pay pensions on a graduated, income-loss basis will give more in pensions to greater numbers.

Organized labor will gain right down the line. It is true my proposal will reduce the over-all pensions of those few retired workers who hold a 25-year record of service with companies having no offset clause in their collective-bargaining pension contracts. However, it will give more to the vast majority of workers who are employed by small business and who change jobs every few years.

Farmers will approve my proposal as a guaranty of their traditional independence rather than in any way interfering with it. Rural areas generally will be emancipated from the oppression of public assistance.

State Governments will be relieved of a large share of their present financial outlay for public assistance. State funds will be freed for other necessary local developments, or for tax reduction.

The advantages of my program for the individual American, for important groups of Americans, and for the country as a whole, it seems to me, Mr. President, add up to an impressive total.

The 3,000,000 present aged on public assistance, the 6,500,000 present aged on neither OASI nor public assistance, plus the fifttten to twenty million of the gainfully employed who would remain uncovered by House bill 6000 amount to more than 25,000,000 Americans who will be benefited immediately by the adoption of my program.

Add to this the advantage to be won by the members of organized labor and by the farm population on top of the financial relief to State treasuries, and whom have we left against it? Those OASI contributors who might—but then might not—land a windfall. They are the only ones who would lose.

Mr. President, I am well aware that the change-over from one type of old-age security system to another will require the talents, time, and services of men of the caliber of the Hoover Commission.

Such a commission, for instance, will have to determine what do with the present OASI fund. It might be refunded to former contributors with interests in the form of bonds. It might be used for operations during the first year of the new system. It might also be held intact as an interest-bearing investment to cushion recession periods when incomes drop and appreciably more old people receive pensions.

Mr. President, to give the time and opportunity for such careful study as the committee already has recommended—to work out details of my proposal and to analyze and incorporate the best features of sundry other pay-as-you-go proposals, I am introducing as an amendment to House bill 6000, a stopgap measure of 2 years' duration.

This stopgap measure goes exactly as far as House bill 6000 in liberalizing eligibility requirements for the present aged. It increases benefits from the

present $10 a month minimum to $25 minimum with a maximum of $50. Thus it goes further than House bill 6000 for the lowest benefit groups and, during the interim period, meets the demand of the increased cost of living for all present beneficiaries.

My amendment strikes out all of House bill 6000 after the enacting clause except the portion relating to the unemployment fund. However, if any titles thus struck out, such as "Aid to Dependent Children" and "Aid to the Needy Blind," should be considered necessary during the interim 2-year period of my bill, I shall be the first to ask that the difficulties be ironed out in conference.

If I might stress one final point: This stopgap bill of mine meets the real, immediate need as well as House bill 6000 is supposed to meet it. It takes care of the urgent requirements—the injustices resulting from the fall in the purchasing power of the dollar; and it matches House bill 6000 in correcting certain eligibility inequities.

I know that many Members of Congress promised their constituents to provide more liberally for the aged by broadening social security.

This stopgap measure of mine goes as far as does House bill 6000 in providing immediate relief. My proposal for a universal-eligibility pay-as-you-go system provides more protection for more Americans on a more equitable, more democratic basis.

A vote for House bill 6000 would be a vote to multiply and perpetuate the injustices of our present system, for after the windfalls are once increased it would be many years before it would be possible to make constructive changes. A vote for House bill 6000 would also be a vote against the 9,500,000 old folks of today and the fifteen to twenty million of the gainfully employed who will never be eligible for benefits under this bill.

A vote for my stopgap measure is a way to make good on our promises—to offer hope to 25,000,000 more Americans.

Mr. President, I offer my full-eligibility, pay-as-you-go social-security program as an indication of the way to reach the American road, and I ask support from my colleagues on both sides of the aisle for my stopgap measure to give us the time necessary to reach that road.

Mr. President, in conclusion, I should like to insert in the RECORD at this point in my remarks a comparison of costs of the Butler proposal with those of House bill 6000.

There being no objection, the comparison of costs was ordered to be printed in the RECORD, as follows:

A COMPARISON OF COSTS OF THE BUTLER PROPOSAL WITH THOSE OF H. R. 6000

The proposal to pay a general benefit of $50 a month to all persons over 65 without a needs test, the benefit amount to be reduced or eliminated for persons who (according to their income tax returns) are in the higher income brackets (and to be made subject to offset for various other Federal pensions) has a distinctly higher cost than H. R. 6000 in the immediate years but results in an ultimate cost saving. The following table shows the estimated benefit costs of the proposal as compared with those of H. R. 6000, using for both the intermediate-cost assumptions used in the committee report on H. R. 6000. Use was also made of data re income of the aged, released by the Census Bureau, and appropriately adjusted to fit in with the conditions of the proposal. In the table, the proposal is extended to provide $35 benefits for orphan children.

[Money figures in billions]

| Year | Gross benefit costs under Butler proposal | | | Corresponding benefit costs under H. R. 6000 | | |
|---|---|---|---|---|---|---|
| | Old age | Children | Total | Old age | All other | Total |
| 1951 | $4.6 | $0.5 | $5.1 | $1.6 | $0.5 | $2.1 |
| 1955 | 5.1 | .5 | 5.6 | 2.1 | .6 | 2.7 |
| 1960 | 5.7 | .5 | 6.2 | 3.0 | .7 | 3.7 |
| 1980 | 7.2 | .5 | 7.7 | 6.9 | .8 | 7.7 |
| 2000 | 8.4 | .5 | 8.9 | 10.0 | .9 | 10.9 |

The above comparison is only partial, as it fails to take account of the Federal cost savings resulting from the elimination of Federal grants for OAA (old-age assistance) and ADC (aid to dependent children) and also of the fact that the administrative costs under H. R. 6000 would be largely eliminated under the proposal. The following table shows the net change in Federal costs when allowance is made for these factors.

[Money figures in billions]

| Year | Increase of cost due to benefit payments only | Decrease in cost due to saving in administrative expenses | Decrease in Federal cost due to elimination of OAA and ADC | Net change in Federal cost |
|---|---|---|---|---|
| 1951 | $3.0 | (1) | $1.1 | +$1.9 |
| 1955 | 2.9 | (1) | 1.3 | +1.6 |
| 1960 | 2.5 | $0.1 | 1.4 | +1.0 |
| 1980 | | .1 | 1.2 | −1.3 |
| 2000 | −2.0 | .2 | 1.0 | −3.2 |

[1] Less than $50,000,000.

But even this latter table does not tell the full story. It fails to show the various Federal tax gains under this proposal, such as that resulting from the taxability of benefits and the denial of the double exemption to those older people who accept the benefits. It fails to show the savings to the States, whose assistance costs, though not eliminated like those of the Federal Government, will be at least reduced. Most important of all, it does not take account of the large savings that will result from the avoidance of overliberalization of Federal benefits far beyond the level of H. R. 6000, an overliberalization which is inevitable when we operate under a deferred-benefit system like that of H. R. 6000, with which it is so easy to yield to political pressures for benefit liberalization, since the structure of the system conceals its real costs.

When allowance is made for these further savings, it seems conservative to state that the adoption of this proposal in lieu of H. R. 6000 would produce an ultimate saving of $5,000,000,000 a year.

GEORGE E. IMMERWAHR,
*Former Chief Actuary for Old-Age and Survivors' Insurance, Social Security Administration.*

## RECESS TO MONDAY

Mr. ELLENDER. Mr. President, I move that the Senate now stand in recess until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 53 minutes p. m.) the Senate took a recess until Monday, June 19, 1950, at 12 o'clock meridian.

## NOMINATIONS

Executive nominations received by the Senate June 16 (legislative day of June 7), 1950:

### FOREIGN ASSISTANCE ADMINISTRATION

Milton Katz, of Massachusetts, to be the United States special representative in Europe, with the rank of Ambassador Extraordinary and Plenipotentiary, pursuant to title I of the Foreign Assistance Act of 1948.

The following-named persons to be members of the Board of Directors of the Export-Import Bank of Washington for terms of 5 years expiring June 30, 1955 (reappointments):

Hawthorne Arey, of Nebraska.
Herbert E. Gaston, of New York.
Clarence E. Gauss, of Connecticut.
Lynn U. Stambaugh, of North Dakota.

### IN THE AIR FORCE

The following-named person for appointment in the United States Air Force in the grade indicated, with date of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

*To be second lieutenant*

Andrew J. Myers, Jr., AO900043.

### IN THE COAST GUARD

The following officer of the United States Coast Guard Reserve to be a lieutenant (junior grade) in the United States Coast Guard:

James G. Norman

### POSTMASTERS

The following-named persons to be postmasters:

#### ALABAMA

William T. Boyd, Gadsden, Ala., in place of W. M. Thompson, deceased.

Lester A. Tucker, Sumiton, Ala., in place of E. M. Fowler, removed.

#### ARIZONA

Blanch T. Kelley, Thatcher, Ariz., in place of C. H. Layton, resigned.

#### ARKANSAS

Carroll T. Gambill, Eudora, Ark., in place of R. C. Grubbs, transferred.

Clifford C. Fry, Gravette, Ark., in place of F. H. Milburn, transferred.

#### CALIFORNIA

Helen G. Walters, Brockway, Calif., in place of H. O. Comstock, retired.

LuElla M. Thompson, Darwin, Calif., in place of V. H. Carpenter, resigned.

Rita P. Patton, Idyllwild, Calif., in place of H. R. Wendelken, resigned.

Ben B. Rodgers, Milpitas, Calif., in place of G. R. Ferry, resigned.

Bernard G. Proksch, Pollock Pines, Calif., in place of V. O. Hirst, resigned.

Betty Jo Gilliam, Sloat, Calif., in place of M. L. Reid, removed.

Sallye F. Bartlow, Valley Center, Calif., in place of M. W. Edwards, resigned.

#### COLORADO

Raymond G. Miller, Brighton, Colo., in place of G. M. Griffin, retired.

#### CONNECTICUT

William P. Banks, Noank, Conn., in place of M. W. Rathbun, resigned.

Francis A. Burke, Thompsonville, Conn., in place of P. T. Malley, retired.

William J. Farber, Jr., Woodstock, Conn. Office became Presidential July 1, 1947.

#### DELAWARE

George J. Tugend, Delaware City, Del., in place of A. H. Rose, resigned.

FLORIDA

Luther W. Reel, Eloise, Fla. Office established December 1, 1945.
Edna Gowen Smith, Hilliard, Fla., in place of W. F. Wingo, deceased.
Wiley Bird, Live Oak, Fla., in place of L. C. Wadsworth, resigned.
Harry Gordon Higel, Sarasota, Fla., in place of L. D. Reagin, retired.

GEORGIA

Eva L. Hunter, Kensington, Ga., in place of E. P. Hall, retired.

IDAHO

Mabel L. Beck, Bellevue, Idaho, in place of Maud Larsen, retired.
Homer P. Golding, Rathdrum, Idaho, in place of H. G. Reiniger, retired.
Ellwood R. Werry, Shoshone, Idaho, in place of E. L. Clinger, retired.

ILLINOIS

Robert E. Dufner, Girard, Ill., in place of H. C. Rathgeber, deceased.
Frederick Joseph Lowrey, Sr., Manhattan, Ill., in place of Eugene Hoerrmann, deceased.
Reginald S. Woodward, Midlothian, Ill., in place of T. E. Mostyn, resigned.

INDIANA

Joseph Cline Huey, Bryant, Ind., in place of R. D. Haines, transferred.
Joseph Elmer Porter, Carthage, Ind., in place of S. O. McCarty, deceased.
Arthur L. Clerget, Chalmers, Ind., in place of J. W. Odell, retired.
Robert K. Auxier, Edinburg, Ind., in place of R. C. Mayhall, deceased.
Francis Xavier Newman, Mitchell, Ind., in place of Frank Chastain, retired.
John F. Limp, Orleans, Ind., in place of V. E. Worrell, deceased.
Jesse R. Hall, Pekin, Ind., in place of E. O. Elrod, transferred.
Raymond L. Fowler, Pendleton, Ind., in place of B. F. Phipps, retired.
John H. Harding, Roby, Ind., in place of R. C. Austgen, resigned.
Leslie A. Byram, Vevay, Ind., in place of E. L. Bliss, resigned.
William F. Stembel, Wheatfield, Ind., in place of L. R. Parker, retired.

IOWA

Joseph P. Carr, Anthon, Iowa, in place of T. B. O'Donnell, retired.
Frank L. Arensberg, Garrison, Iowa, in place of L. B. Gilliatt, resigned.
Earl W. Knudson, Irwin, Iowa, in place of A. F. Fogarty, deceased.
Burdette O. Baldwin, Nashua, Iowa, in place of J. B. Bellamy, retired.
Leo P. Mimbach, Renwick, Iowa, in place of G. S. Peters, retired.
Norman R. Stickney, Smithland, Iowa, in place of L. S. Gambs, retired.
Howard E. Smith, Stockport, Iowa, in place of A. J. Oberg, retired.
Edward D. Johns, Tracy, Iowa, in place of L. L. Johns, resigned.

KENTUCKY

Earl H. Haynes, Calhoun, Ky., in place of L. E. Holder, retired.
James W. VanOver, Closplint, Ky., in place of R. C. Morgan, resigned.
Russell R. Davison, Fordsville, Ky., in place of A. E. Smith, retired.
Bryant E. Gilliam, Milburn, Ky., in place of Harry Greene, retired.
Hanson B. Chandler, Jr., Mount Olivet, Ky., in place of R. L. Case, transferred.
Joseph E. Gregory, Pembroke, Ky., in place of Eugene Kelley, retired.
Lucille W. Eakins, Robards, Ky., in place of C. E. Branson, transferred.
Homer C. Hamilton, Virgia, Ky., in place of P. N. Tackett, resigned.

MAINE

Fred L. Temple, Bowdoinham, Maine, in place of R. H. McEwen, transferred.
Kenneth B. Morehead, Brooks, Maine, in place of R. M. Dolloff, removed.
Hubert A. Templeton, Greenville Junction, Maine, in place of W. P. Clifton, retired.
Lawrence M. Leen, Lincoln, Maine, in place of C. A. Robbins, resigned.
Robert L. Smith, North Haven, Maine, in place of H. W. Crockett, deceased.
Franklyn A. Towne, Norway, Maine, in place of A. A. Towne, deceased.

MARYLAND

Samuel T. Eaton, Jr., Edgewater, Md., in place of A. L. Eaton, resigned.

MASSACHUSETTS

Ralph Howard Bryant, South Lancaster, Mass., in place of E. W. Bailey, removed.

MICHIGAN

Donald M. Brown, Addison, Mich., in place of J. L. Swartout, resigned.
Charles R. LaClair, Hemlock, Mich., in place of F. J. Nothelfer, transferred.
Leon C. Stewart, Hersey, Mich., in place of S. J. Leach, retired.
Roger Erlo Davis, Hickory Corners, Mich., in place of C. S. Rennells, resigned.
Howard H. Alverson, Ithaca, Mich., in place of J. O. Peet, retired.
Owen H. Austin, Laingsburg, Mich., in place of A. J. Powell, transferred.
Vincent E. Boyle, Milford, Mich., in place of W. S. Lovejoy, deceased.

MINNESOTA

Frederick A. Nelson, Battle Lake, Minn., in place of C. B. Fraser, retired.
John O. Opheim, Farwell, Minn., in place of I. V. Lund, retired.
Corallen J. Mickelson, Hanley Falls, Minn., in place of C. B. Selpp, resigned.
Roy J. Meyer, Jasper, Minn., in place of H. W. Simpson, transfererd.
Robert A. Collopy, Lake Elmo, Minn., in place of L. M. Bell, resigned.
Hubert F. Lieder, Rockford, Minn., in place of F. C. Erkel, retired.
Henry J. Cress, Rose Creek, Minn., in place of E. C. Keefe, retired.
David R. Wollan, Starbuck, Minn., in place of A. T. Sanvik, resigned.
John A. Stenson, Wright, Minn., in place of O. W. Groth, transferred.
Kenneth J. Erding, Wykoff, Minn., in place of W. F. Krueger, retired.

MISSOURI

Lester A. Green, Centerview, Mo., office became Presidential July 1, 1945.
Robert W. Bounds, Centerville, Mo., in place of W. T. Scott, resigned.
William D. Compton, Dodson, Mo., in place of A. E. Ellis, retired.
Louie M. Griffy, Marston, Mo., in place of L. M. Williams, resigned.
Charles W. Hyder, Polo, Mo., in place of H. F. Hopkins, transferred.
Harley K. Warren, Richland, Mo., in place of Oren Simpson, transferred.
Dallas D. Hickerson, Wardell, Mo., in place of P. E. Bussert, retired.
Harry M. Tarrant, Webb City, Mo., in place of J. D. Hawkins, retired.

MONTANA

William Watt, Crow Agency, Mont., in place of B. R. Carey, deceased.
Joseph Kelly, Glendive, Mont., in place of D. J. O'Neil, resigned.

NEBRASKA

Ferdinand L. Peisiger, Blue Hill, Nebr., in place of C. K. McCleery, retired.
William H. Smith, Franklin, Nebr., in place of O. C. Thomas, retired.
Jack M. Latham, Springfield, Nebr., in place of F. E. Sullivan, deceased.

NEW HAMPSHIRE

Ina P. Andersen, Rumney, N. H., in place of G. E. Kelly, retired.

NEW JERSEY

Calvin G. Piper, Hillsdale, N. J., in place of J. S. Hains, deceased.
Edna M. Thompson, Mickleton, N. J., office became Presidential July 1, 1946.
Florence A. Bailey, Mizpah, N. J. Office became Presidential July 1, 1948.
Francis W. Huntley, Port Republic, N. J., in place of L. H. Huntley, resigned.

NEW YORK

George W. Dedrick, Bayport, N. Y., in place of J. S. Annable, retired.
Elizabeth A. Mooney, Bedford, N. Y., in place of M. J. O'Brien, deceased.
Hugh L. Spencer, Canaseraga, N. Y., in place of R. S. Kingston, transferred.
Philip C. Hopson, Churchville, N. Y., in place of V. L. Keenan, resigned.
Eugene P. Smith, Deposit, N. Y., in place of J. E. Dailey, resigned.
Frank G. Zarabski, Machias, N. Y., in place of C. M. McConnell, retired.
Jesse J. Bridge, Madison, N. Y., in place of G. J. McGovern, retired.
Everett H. Pfeiffer, Middle Island, N. Y. Office became Presidential July 1, 1948.
Robert J. Conklin, Richfield Springs, N. Y., in place of H. M. Curtis, retired.
Millard Eugene Austin, Rushford, N. Y., in place of B. E. Damon, retired.

NORTH CAROLINA

Lloyd H. Taylor, Archdale, N. C., in place of C. F. Perry, Sr., deceased.
Stella H. Bowers, Newland, N. C., in place of R. T. Teague, retired.
Harold W. Grant, Seven Springs, N. C., in place of T. D. Sutton, transferred.

NORTH DAKOTA

Peter N. Retterath, Lidgerwood, N. Dak., in place of A. M. Wagner, retired.
Walter Gerszewski, Minto, N. Dak., in place of C. G. Lipinski, retired.
Nellie P. Johnson, Riverdale, N. Dak. Office established December 3, 1947.
William H. Coutts, Sherwood, N. Dak., in place of E. M. Keller, resigned.

OHIO

Francis J. Dannemiller, Doylestown, Ohio, in place of W. R. Hower, retired.
Mary B. Federspill, Empire, Ohio, in place of Mabel Stone, resigned.
Julian A. Wierzba, Gypsum, Ohio, in place of August Fellerath, retired.
Carl Edward Fratz, Litchfield, Ohio, in place of H. L. Halladay, retired.
Robert V. Tracy, Loveland, Ohio, in place of S. M. Ramsey, retired.
Forrest Finley, Malta, Ohio, in place of Edison Blackburn, deceased.
Arthur Lee Fair, Millersburg, Ohio, in place of J. A. Anderson, retired.
Howard R. Miller, New Lebanon, Ohio, in place of W. E. Steck, transferred.
Von D. Spahr, Jr., Ohio City, Ohio, in place of G. M. Roller, transferred.
Walter K. Billman, Spencer, Ohio, in place of G. N. Stroup, resigned.
Lewis L. Newland, Waynesfield, Ohio, in place of P. F. Spillman, resigned.

OKLAHOMA

Don W. Fowler, Boise City, Okla., in place of Ben Cox, resigned.
Myrtle Maxine Friend, Hunter, Okla., in place of Lawson Race, retired.

OREGON

Clinton E. Atherton, Canyonville, Oreg., in place of M. L. Elliott, resigned.
Eldene F. Frenger, Central Point, Oreg., in place of C. W. Abbott, removed.

PENNSYLVANIA

Augustine A. DeBacco, Bradenville, Pa., in place of S. M. Winebrenner, retired.
John Irving Cleveland, Conneaut Lake, Pa., in place of Frame Shontz, resigned.
George T. Jamieson, Feasterville, Pa., in place of E. K. Lennon, resigned.

Raymond Maulfair, Grantville, Pa., in place of W. B. Shertzer, retired.
Albert W. Thomas, Laurel Gardens, Pa., in place of W. P. Thomas, deceased.
LaRoy Cleveland Best, Neffs, Pa., in place of R. H. Moser, deceased.
Frank A. Kovacs, Schnecksville, Pa., in place of L. C. Best, resigned.
Theodora R. Renner, Secane, Pa., in place of O. M. Hardican, removed.
Richard A. Miller, West Elizabeth, Pa., in place of A. L. Newton, resigned.

RHODE ISLAND

Rudolph Z. Choquette, Hamilton, R. I., in place of T. J. Conroy, retired.

SOUTH CAROLINA

Kenneth M. Kennedy, Blackstock, S. C., in place of E. M. Kennedy, deceased.
Benton Sheorn, Camden, S. C., in place of C. P. DuBose, retired.
Isabella P. Frick, Chapin, S. C., in place of M. O. Bruce, retired.
Willie H. Nims, Fort Mill, S. C., in place of W. T. Barron, resigned.

SOUTH DAKOTA

Marvin H. Westin, Alcester, S. Dak., in place of F. A. Nutter, retired.
Leo C. Huss, Faulkton, S. Dak., in place of J. A. Conlon, deceased.
William Klein, Howard, S. Dak., in place of Robert Maley, Sr., retired.
Mary E. Becking, Marty, S. Dak., in place of S. C. Eisenman, deceased.
Sylvester K. Krokaugger, Pickstown, S. Dak., office established March 31, 1947.
Edward P. Ryan, Weaver, S. Dak., office established January 26, 1948.

TENNESSEE

Andrew J. Frazier, Bon Aqua, Tenn., in place of Katie Potts, retired.
Walter L. Wildridge, Cedar Grove, Tenn., in place of H. B. McKinney, retired.
Jack G. Frazier, Dayton, Tenn., in place of W. E. Nixon, deceased.
James J. Patton, Lexington, Tenn., in place of S. C. Jones, resigned.

TEXAS

William Virgil Samples, Blue Ridge, Tex., in place of C. M. Fagg, deceased.
Horace L. Turns, Bowie, Tex., in place of W. F. Robinson, transferred.
Gladys R. Kenner, Hemphill, Tex., in place of Ross Kenner, deceased.
Henry W. Haynie, Kemp, Tex., in place of H. W. Haynie, transferred.
Walter P. Freytag, La Grange, Tex., in place of C. W. Amberg, retired.
Willard Grigsby, Nocona, Tex., in place of G. A. McElroy, retired.
John L. Biggerstaff, Whitewright, Tex., in place of T. J. Lilley, retired.

UTAH

Joseph R. Mills, Pleasant Grove, Utah, in place of A. C. Richins, resigned.

VERMONT

Joseph M. Durick, Fair Haven, Vt., in place of J. C. Durick, retired.
Louis F. Martin, Jr., Manchester Center, Vt., in place of L. F. Martin, deceased.
Ernest R. McDonald, Jr., Plainfield, Vt., in place of W. N. Hamel, deceased.
John T. Pickett, Proctorsville, Vt., in place of J. M. Jewell, retired.

VIRGINIA

Robert M. Waters, Chilhowie, Va., in place of E. B. Sanders, transferred.
Dorothy Cox Moore, Chuckatuck, Va., in place of Alex Moore, deceased.
Charles C. Anderson, Clintwood, Va., in place of J. T. Owens, deceased.
Robert S. Griffith, Jr., Dante, Va., in place of R. W. Ervin, retired.
Jefferson W. Newman, Pennington Gap, Va., in place of J. P. Kelly, retired.
Mount Vernon Damron, Saint Paul, Va., in place of J. S. Rasnick, retired.

WASHINGTON

Harry S. Burlingham, Redondo, Wash., office became Presidential July 1, 1948.
Charles J. MacDonald, Sultan, Wash., in place of R. B. Kager, deceased.
Elsie P. Tipton, Tillicum, Wash., in place of H. M. Bona, deceased.
George E. Wilken, Dryden, Wash., in place of C. E. Sherman, resigned.

WEST VIRGINIA

James C. Gum, Durbin, W. Va., in place of H. H. Hudson, deceased.
Barnes E. Hall, Masontown, W. Va., in place of E. E. Williams, deceased.
Owen E. McKay, Jr., Paden City, W. Va., in place of F. M. Kiger, removed.
Ronald C. Bell, Smithers, W. Va., in place of H. L. Dillon, retired.

WISCONSIN

Richard P. Rousey, Alma Center, Wis., in place of V. J. Dwyer, transferred.
Harvey J. Yingst, Arkansaw, Wis., in place of D. A. Sommers, transferred.
Clifford F. Abbs, El Dorado, Wis., in place of E. I. Small, resigned.
Gerald A. Syens, Friesland, Wis., in place of G. J. Vredeveld, deceased.
Helen P. Dehler, La Valle, Wis., in place of A. C. D. Dehler, deceased.
Andrew P. Simons, New Franken, Wis., in place of A. L. Greiling, retired.
Anna E. Jacobs, Woodford, Wis. Office became Presidential July 1, 1948.
Benedict F. Wolf, Two Rivers, Wis., in place of C. F. Kurtz, deceased.

WYOMING

Clifford L. Hanson, Kaycee, Wyo., in place of N. L. Cash, retired.

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# SENATE

## MONDAY, JUNE 19, 1950

*(Legislative day of Wednesday, June 7, 1950)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. F. Norman Van Brunt, associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Almighty God our Father, in whom all generations have found their dwelling place, in whom our glorious Nation found its birth, we come to Thee as representatives of the people in this moment, pausing at the beginning of this day to take our place with the men of the ages who have stood under the shadow of the Almighty and in faith have upheld the principles of freedom as divine rights which Thou didst give to man.

Give unto us, we beseech Thee, strength for service, devotion to duty, and the courage of our convictions, strength that goes on when service seems to lose its glamour; devotion that endures when duty becomes a drudgery; courage when causes that are caustic cross with that which we know to be morally right.

In these days of tremendous decisions grant us to know that underneath are the everlasting arms, lasting, yea everlasting, holding us up and upholding the principles of freedom and dignity which our democracy embodies.

Help us to know and to understand that Thy purposes and laws endure and prevail. May we so cut the patterns of our minds that, with patience, we might fit into the eternal scheme of things. If we become feverish or full of haste, breathe through the heats of our desires Thy coolness and Thy balm.

We pray in the dear Redeemer's name. Amen.

### THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 16, 1950, was dispensed with.

### LEAVE OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. TOBEY was excused from attendance on the sessions of the Senate this week.

### CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Green | McKellar |
| Anderson | Gurney | Malone |
| Benton | Hayden | Maybank |
| Brewster | Hendrickson | Millikin |
| Bricker | Hickenlooper | Mundt |
| Bridges | Hill | Murray |
| Butler | Hoey | Myers |
| Byrd | Humphrey | O'Mahoney |
| Cain | Hunt | Pepper |
| Capehart | Ives | Robertson |
| Chapman | Jenner | Russell |
| Chavez | Johnson, Colo. | Saltonstall |
| Connally | Johnson, Tex. | Schoeppel |
| Cordon | Kefauver | Smith, Maine |
| Darby | Kem | Smith, N. J. |
| Donnell | Kerr | Sparkman |
| Dworshak | Knowland | Stennis |
| Eastland | Leahy | Thomas, Utah |
| Ecton | Lehman | Thye |
| Ellender | Lodge | Tydings |
| Ferguson | Long | Watkins |
| Flanders | Lucas | Wherry |
| Frear | McCarran | Wiley |
| Fulbright | McCarthy | Williams |
| George | McClellan | Withers |
| Gillette | McFarland | |

Mr. MYERS. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from North Carolina [Mr. GRAHAM], and the Senator from Connecticut [Mr. MCMAHON] are absent on public business.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Washington [Mr. MAGNUSON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senators from West Virginia [Mr. KILGORE and Mr. NEELY] are absent on official business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the senior Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] is necessarily absent.

The Senator from Pennsylvania [Mr. MARTIN] is absent by leave of the Senate on official business.

The VICE PRESIDENT. A quorum is present.

### MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On June 16, 1950:

S. 2156. An act for the relief of Sister Edeltrudis Clara Weskamp;

S. 2611. An act for the relief of Roland Alfred Boccia, also known as Roland Barbera; and

S. 3090. An act for the relief of Lt. (jg) Charles W. Ireland, Supply Corps, United States Navy, and for other purposes.

On June 17, 1950:

S. 2440. An act to authorize certain construction at military and naval installations, and for other purposes.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7579) to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes.

### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 714. An act for the relief of Pieter Cornelis ten Wolde and family;

H. R. 1038. An act for the relief of William Richard Geoffrey Malpas;

H. R. 1609. An act for the relief of Arne Gordon Westly;

H. R. 2226. An act for the relief of Victor C. Kaminski (also known as Victor Kaminski);

H. R. 2705. An act for the relief of Martin Kenneth Ikeda;

H. R. 3009. An act for the relief of Dr. Ali Reza Bassir;

H. R. 3018. An act for the relief of Camilla Fabris;

H. R. 4532. An act for the relief of Dr. Ta Fu Wu;

H. R. 4903. An act for the relief of Krikor G. Guiragossian;

H. R. 5355. An act for the relief of Mindel Malek;

H. R. 5541. An act for the relief of William Lawrence Tan;

H. R. 6589. An act for the relief of Mitsue Miyamoto;

H. R. 6747. An act for the relief of Helga Holleb;

H. R. 6756. An act for the relief of Arthur Chen Shu Jee;

H. R. 6787. An act for the relief of Mrs. Kyoko Nakamura Kornhauser;

H. R. 6880. An act for the relief of Mrs. Kioy Narumi Murakami and Keiko Narumi;

H. R. 6894. An act for the relief of Mrs. Nobuko Eto Heard;

H. R. 7035. An act for the relief of Hisako Sakata Ikezawa;

H. R. 7047. An act for the relief of Mrs. Tomo Nonque Rosevear;

H. R. 7096. An act for the relief of Mrs. Maria Salome Holland;

H. R. 7292. An act for the relief of Erio Louis Tomita and Fumiko Tomita;

H. R. 7363. An act for the relief of Suzuko Yagi and Anne Yagi; and

H. R. 7889. An act to postpone the application of the Classification Act of 1949 to certain employees of the Selective Service System.

### TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

### SUPPLEMENTAL ESTIMATE, DISTRICT OF COLUMBIA (S. DOC. NO. 187)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation, in the amount of $1,928,000, for the District of Columbia, fiscal year 1951, in the form of an amendment to the budget, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

### GOVERNMENT COMPETITION WITH PRIVATE ENTERPRISE—RESOLUTION OF NEENAH (WIS.) KIWANIS CLUB

Mr. WILEY. Mr. President, I send to the desk a resolution which I have received from Earl De Long, secretary of the Kiwanis Club, of Neenah, Wis. The resolution pertains to the very critical question of Government competition with private enterprise, competition which is growing heavier with each day. Moreover, in each passing day of Congress' session, more and more bills are being introduced, the net effect of which is to place Government more and more into competition with its own private citizens.

The Kiwanis Club's resolution suggests a constitutional amendment to prohibit such competition. There are many who will doubt that such a constitutional amendment would be feasible, particularly in view of the fact that the Government is already up to its ears in this competition. However, there will be no thinking person, I believe, who will doubt the fact that the Kiwanis Club resolution touches upon a very crucial problem of modern-day America.

I ask unanimous consent that the text of the resolution be printed at this point in the body of the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

Whereas America is the product of a people's faith in constitutional law designed to protect the property and enterprises of each citizen from political competition or confiscation; and

Whereas attacks upon this principle have produced many governmental agencies which are now in active conflict with the individual enterprises of the American people; and

Whereas many proposals now before Congress, will, if adopted by a mere majority, further jeopardize the rights of the American people to their individual property and enterprises; and

Whereas the intent and purpose of the tenth amendment to the Constitution was to prohibit governmental exercise of powers not specifically delegated to it; and

Whereas the intention of the fifth article of the Constitution was to provide a means for the proper delegation of powers to Government through a procedure which requires a two-thirds majority of both Houses of Congress and the approval of three-quarters of the States: Therefore be it

*Resolved*, That we, the members of Kiwanis Club of Neenah, Inc., in regular session assembled this 2d day of June 1950, exercise our constitutional power to petition the Congress to preserve the intent and purposes of the Constitution by initiating an amendment to the Constitution, for submission to the people of the various States, to provide that the Government of the United States shall not engage in any business, professional, commercial, or industrial enterprise in competition with its citizens except as specified in the Constitution.

In witness whereof, I have hereto affixed my signature as secretary of said Kiwanis Club of Neenah, Inc., this 7th day of June 1950.

EARL DE LONG,
*Secretary of Kiwanis Club of Neenah, Inc.*

### REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

S. 3315. A bill to authorize and direct the Secretary of the Interior to execute an oil and gas lease on a certain tract of land in Park County, Wyo.; without amendment (Rept. No. 1844).

### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. AIKEN:

S. 3788. A bill for the relief of Gerald E. Wilkinson; and

S. 3789. A bill for the relief of Philip J. Hincks; to the Committee on the Judiciary.

By Mr. BUTLER:

S. 3790. A bill to authorize the sale of certain land of Annie Spirit White Eagle; and

S. 3791. A bill to authorize the sale of certain land of John Turner; to the Committee on Interior and Insular Affairs.

By Mr. LODGE (for himself and Mr. SALTONSTALL):

S. 3792. A bill to authorize the coinage of 25-cent pieces in commemoration of the three hundredth anniversary of the Pine Tree Shilling; to the Committee on Banking and Currency.

By Mr. YOUNG:

S. 3793. A bill for the relief of Panagiotes Roumeliotis; to the Committee on the Judiciary.

By Mr. IVES:

S. 3794. A bill for the relief of Carlo Silvestrelli and his wife, Ginevra; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 3795. A bill for the relief of Maria Hoffman; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado (by request):

S. 3793. A bill to amend section 4474 of the Revised Statutes, as amended, relating to the use of petroleum as fuel aboard steam vessels; to the Committee on Interstate and Foreign Commerce.

By Mr. CAIN:

S. J. Res. 187. Joint resolution to suspend the application of certain Federal laws with respect to persons employed by the Senate Committee on Finance in connection with the investigation ordered by Senate Resolution 300, Eighty-first Congress; ordered to lie on the table.

### SOCIAL SECURITY ACT AMENDMENTS OF 1950—AMENDMENTS

Mr. IVES submitted an amendment intended to be proposed by him to the

bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. LONG (for himself and Mr. HUNT) submitted amendments intended to be proposed by them, jointly, to House bill 6000, supra, which were ordered to lie on the table and to be printed.

THE RECONSTRUCTION FINANCE CORPORATION—EDITORIALS FROM THE WASHINGTON POST

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD two editorials published in the Washington Post, one on June 18, 1950, and the other on June 19, 1950, which appear in the Appendix.]

INVESTIGATION OF PRICE OF COFFEE—EDITORIAL FROM THE LOUISVILLE COURIER-JOURNAL

[Mr. GILLETTE asked and obtain leave to have printed in the RECORD an editorial entitled "Your Coffee May Taste Better This Morning," published in the Louisville Courier-Journal June 12, 1950, which appears in the Appendix.]

HOUSING FOR VETERANS—BOOKLET BY SENATOR MCCARTHY

[Mr. MCCARTHY asked and obtained leave to have printed in the RECORD a booklet written by him entitled "Wanted: A Dollar's Worth of Housing for Every Dollar Spent," together with a statement regarding the publication of the booklet, and correspondence relating to the publication, which appear in the Appendix.]

HOW TO RAISE REAL WAGES—REPORT BY COMMITTEE FOR ECONOMIC DEVELOPMENT

[Mr. BENTON asked and obtained leave to have printed in the RECORD a report entitled "How To Raise Real Wages," released on June 14, 1950, by the Committee for Economic Development, which appears in the Appendix.]

EXEMPLAR FOR PEACE—POEM BY JAMES PATRICK MCGOVERN

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a poem entitled "Exemplar for Peace," written by James Patrick McGovern, and published in the Chaplain, a journal for Protestant chaplains, which appears in the Appendix.]

WORK OF THE LADIES OF THE SENATE IN RED CROSS ACTIVITIES

Mrs. SMITH of Maine. Mr. President, I want to take this occasion to call to the attention of the Senate the fine work that is being done by the wives of the Senators in the organization known as the Ladies of the Senate on Red Cross Work.

Its 82 workers have produced 20,420 surgical dressings, 135 garments and other items of sewing, and 40 knitted garments—of which 23 were afghans—during the period of January 1, 1950, through June 6, 1950. All in all, your ladies, and I exclude myself from that designation, put in a total of 4,689½ hours on this production work for the Red Cross. I commend them to you. They are worthy of you.

I ask unanimous consent that two letters on this matter be included in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN RED CROSS,
DISTRICT OF COLUMBIA CHAPTER,
*Washington, D. C., May 5, 1950.*

Mrs. ALBEN W. BARKLEY,
*Chairman, Senate Ladies Red Cross Unit, Washington, D. C.*

DEAR MRS. BARKLEY: The afghan which Mrs. Burke made for naval hospital patients was such a beautiful one that I felt I must write and tell you how much we in the chapter appreciated the thought and work she put into it. It is so good looking with the Navy anchors and insignia that we feel sure no patient will be allowed to use it as all will want to look at it continuously. This is just one of the many examples we have of the particularly fine work produced by the Senate ladies unit.

All the work of this unit is of outstanding quality. The baby clothes are the prettiest and daintiest ever made and all the sweaters and afghans are really unique. The Red Cross is so grateful for all the many little extras which your unit puts into their work of love. Our production chairman, Mrs. McKinnon, always exhibits them proudly to all of us in the chapter before sending them out, and we are continually amazed at the new designs and patterns.

The chapter also deeply appreciates the tremendous job you are doing in making the thousands of surgical dressings now requested by Naval Hospital.

We will ever be grateful to and proud of your unit, the oldest in the chapter, which has never closed its doors since World War I and has never ceased to give untold pleasure to those who turn to the Red Cross for help.

Please accept the grateful thanks of our chapter for all you and the members of your unit are doing for the Red Cross.

Sincerely yours,
Mrs. DAVID E. FINLEY,
*Chairman, Volunteer Services.*

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MAY 19, 1950.

Mrs. DAVID E. FINLEY,
*Chairman, Volunteer Service,*
*American Red Cross,*
*Washington, D. C.*

DEAR MRS. FINLEY: I want you to know how much I appreciate your lovely letter of May 15.

It is always encouraging to have a few words of praise for work well done and you may be sure that I shall read your letter at the very next meeting of the Senate ladies. Everyone will be just as grateful as I am that what little we have been able to do this winter for the Red Cross has been of help.

Thank you very much for taking the time and trouble to write me.

Most sincerely,
MRS. ALBEN W. BARKLEY.

REFERENCE OF RESOLUTION CALLING FOR INVESTIGATION OF THE HANDLING OF THE AMERASIA CASE BY THE DEPARTMENT OF JUSTICE

The VICE PRESIDENT. The Senate has before it technically the conference report on the Hatch Act, although an agreement has been entered into to vote on that matter on Wednesday.

For several days the Chair has had before him a resolution submitted by the senior Senator from Indiana [Mr. CAPEHART], and other Senators, authorizing and directing the Committee on the Judiciary to make an investigation into the conduct by the Department of Justice in the investigation of the Amerasia case and the prosecution of persons charged with violation of the law in connection with that case. The Chair has had several ideas under consideration in determining the question of the committee to which the resolution should be referred. The fact is that there is a concurrent investigation at the present time in progress by the Committee on Foreign Relations, through its subcommittee, under a resolution heretofore adopted by the Senate. It has also had under consideration the question of the action of a grand jury in New York which has for 15 months been investigating the same matter and has submitted its report.

The Chair has decided that it is not his function in ruling on a technical question as to the reference of a resolution to consider the merits of the resolution itself. The resolution, as submitted, may or may not be a reflection upon the Foreign Relations Committee and the subcommittee which is now conducting an investigation into the Amerasia case. The Chair is not permitted, in his view, to undertake to look into the motives that actuated the submission of the resolution.

The question of whether the Senate desires two concurrent investigations to be in progress at the same time on the same question is one for the Senate itself to decide and one for the committee to which the resolution will be referred to decide in the first place. Therefore, the Chair does not feel that in ruling on the question he has any right to consider or to comment on the motives of those who submitted the resolution, or on the wisdom or the folly of the Senate having two investigations going on at the same time on the same matter. The Chair cannot take into consideration an extraneous matter such as the report of the grand jury in the State of New York. The only question before the Chair is where to refer this resolution under the rules and the practice of the Senate.

The rules adopted under the Reorganization Act with regard to the reference of resolutions to committees are fairly well defined; more so than was true prior to the adoption of the Reorganization Act. The Chair has little difficulty in referring bills introduced or joint resolutions or other resolutions providing legislation. The rules are silent, or vague at least, with regard to the jurisdiction of committees in holding investigations. The basis for all Senatorial investigations and, really, all congressional investigations is the possibility that out of them will come legislation. Every committee before which legislation is pending, or even in cases where bills have not been introduced, may hold hearings on any question which may result in legislation.

The Senate is not a grand jury; none of its committees are grand juries. The Senate cannot try anyone for any offense. If there is revealed on the part of a public officer any misconduct which would justify proceedings of impeachment, such proceedings must originate in the House of Representatives; they cannot originate in the Senate. If the

House acts upon a question of that sort, by way of impeachment proceedings, the matter then comes to the Senate, where the Senate is supposed to be an impartial jury to try the person charged by the House with any impeachable misconduct in the performance of duty.

For that reason, the Chair has likewise entertained some doubt as to the propriety of having the Senate proceed to investigate the conduct of public officers, which investigation might result in impeachment on the part of the House of Representatives and trial by the Senate, in which case it would be difficult for the Senate to constitute itself into an impartial jury to try the case on the evidence submitted to it.

All those things are interesting; but, in the view of the Chair, they do not have any bearing upon the technical question as to the committee to which this resolution should be referred.

The Committee on the Judiciary has jurisdiction over proposed legislation involving the courts of the country. This resolution directs the Committee on the Judiciary to make a full and complete investigation of the conduct of the Department of Justice in the prosecution of the Amerasia case. The resolution on its face does not necessarily seem to contemplate legislation on the subject. It provides that if any charges are made against anyone, the person so charged shall be given the right to be heard. Even in that case, no punishment could be inflicted by the Senate or by the committee which would hold the hearings. Only a report could be made to the Senate on the evidence which the committee might take.

All these things the Chair has considered; but the Chair must say that they have seemed to him not to bear upon the technical, parliamentary question as to the committee to which the resolution should be referred.

The Committee on the Judiciary, if the resolution is referred to it, has full power to control the resolution, either by reporting it or by amending it or by taking no action on it. Of course, the full Senate has the same power, if the Committee on the Judiciary should report the resolution, either as submitted or as it might be amended.

Under all these circumstances, the Chair feels constrained to refer the resolution to the Committee on the Judiciary, and does so.

Mr. TYDINGS. Mr. President, I have listened to the ruling of the Chair, and I think the Chair's position is sound. The resolution will go to the Committee on the Judiciary, and will have to be considered by that committee. However, for the RECORD, it might be of some value to have the Senator from Maryland make a brief statement.

The investigation into the Amerasia matter is an executive investigation. Aside from some few leaks, no one is in a position to tell what evidence has been adduced before our committee, because all the testimony has been taken in executive session. I have read numerous comments about what has occurred in the committee hearings, comments to the effect that this or that has been done and this or that has not been done; but, obviously, the persons who are making such comments cannot know what they are talking about, because they have not heard the testimony. Until the hearings are complete and until the report is filed, no one outside the committee will know what is the full testimony which has been taken before our committee.

However, in order to show the Senate and the country what has been done, in part, and without disclosing the testimony, I am going to read 12 questions which the chairman of the subcommittee, the Senator from Maryland, put to the FBI. The FBI took charge of this case, and conducted its investigation for 3 months, before arrests were made. I ask Senators to keep in mind the fact that the investigation continued for 3 months. At one time the FBI had as many as 70 agents working on this case—in short, Mr. President, 70 agents working on a 3 months' investigation. So it would seem that the FBI would know more about this case than any other agency in the world would know.

With that thought in mind, I addressed 12 written questions to the FBI, about 3 weeks ago; and the FBI has replied in full to those questions, which are a part of our record. I shall read only the questions, not the answers, to give the Senate some idea of the scope of our investigation. Here are the questions which were submitted to the FBI, and to which the FBI replied in full:

1. Give the names of all individuals involved in the removal of confidential documents from the State Department whether innocently or not innocently involved.

In other words, Mr. President, even if certain persons were innocently involved, we want to know the name of every person who had any connection with that case.

2. How did the confidential documents get out of the State Department?

In short, Mr. President, what was the method? What was the procedure? What was the technique? We wish to know whether the removal was done openly or in secret, or what not?

3. Were any employees of the State Department detected taking confidential documents; and, if so, give the names?

4. Were any of the confidential documents given to agents or representatives of any other government? If so, give details.

5. Were any employees of the State Department seen giving documents to other persons on the outside?

6. Was there evidence of espionage? If so, give details.

7. Was evidence essential to convicting the accused obtained in such a manner as to render it inadmissable at a trial?

8. Was evidence sought and obtained by entering the apartment and premises without legal process and without the knowledge of the accused?

9. What evidence did the FBI have that could not be challenged as illegally obtained, which could be used to sustain the indictment?

10. Why were only three persons indicted?

11. Was all the evidence the FBI had given to the grand jury against all the defendants concerned?

12. Why was it advisable to accept the pleas in the fashion made in the two cases of Jaffe and Larsen?

Mr. President, none of the answers to those questions has been published. I simply present the questions to show the Senate that the subcommittee has not been asleep; that, although considerable broadcasting has been done and numerous columns have been written in regard to allegations that the subcommittee has not made an investigation, yet the answers to those questions fairly well bring out what the people of the United States want to know. They are all of the record. However, there has been a considerable amount of loose talk by persons who do not know what is in that record. If they will wait until we have finished our investigation, we will submit a report which will answer all the questions and, I think, will clear up this entire matter.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. CAPEHART. When will the answers to those questions be made public?

Mr. TYDINGS. Mr. President, my able colleague, the Senator from Massachusetts [Mr. LODGE] wanted, a long time ago, not to have these hearings held in public. The Senator remembers that, I am sure. The expression used was to "take the show off the road." So we took it off the road. Everyone wanted it taken off the road; everyone wanted a spectacular circus avoided.

Furthermore, it is advisable to have the proceedings conducted in the fashion in which they have been, for this reason: There are people who have been charged with a serious offense. There are other people who are implicated. If the evidence is published from day to day, it puts people on notice of what they are going to be confronted with when they come before the committee. So for all these reasons, and for other reasons which I shall not take the time to disclose, we have been conducting our hearing in executive session, without daily releases to the press, except for certain leaks which have been made here and there—a good many of which have been totally or partially inaccurate.

Mr. CAPEHART. Mr. President, will the Senator please answer my question? When does he think the answers to those 12 questions will be made public?

Mr. TYDINGS. Certainly I could not answer that until the committee acts on it. I do not make it public. The committee must vote on it.

Mr. CAPEHART. Is it the intention of the chairman of the committee to make public the answers to those 12 questions?

Mr. TYDINGS. So far as I am concerned, everything pertinent to this hearing can be made public when we file our report.

Mr. CAPEHART. The Senator says "everything that is pertinent." Are the 12 questions pertinent?

Mr. TYDINGS. All these things are pertinent; yes. But let me give the Senator an illustration, merely to show the "baloney" that has been put out about this case. The committee was criticized for not calling Mr. Van Beuren, who was security officer for the OSS. We sent our investigators to see Mr.

Van Beuren. Mr. Van Beuren gave us a statement of what he could tell if he came before the committee. We already had what he could tell, and we saw no point in calling him to tell what we already knew; so, for the time being, we decided not to call him. But there was then a statement in the press that the committee was trying to turn off the evidence. So we called Mr. Van Beuren, who had made a statement in the press attacking the committee. When Mr. Van Beuren came before us, he did not tell us anything we had not known before, and he apologized to the committee for having criticized it in the press. It is all in the record. It is a sample of the kind of misinformation which has been widely spread about this case all the way through.

Mr. CAPEHART. Mr. President, will the Senator answer one more question?

Mr. TYDINGS. Certainly.

Mr. CAPEHART. Why is the committee holding secret hearings on the Amerasia case when the Amerasia case has already been in court, and when no one connected with it, particularly none of the six defendants, has any constitutional right that might be protected by an executive session? Why are the hearings being held in secret?

Mr. TYDINGS. The Senator is assuming something that he does not know about. If these men in time of war took confidential documents and passed them to the enemy, their lives can be taken. There is no statute of limitations which runs against that. It is another case where false assumptions are made with no facts to support them.

Mr. CAPEHART. Mr. President, will the Senator yield for one further question?

The VICE PRESIDENT. Does the Senator from Maryland yield further to the Senator from Indiana?

Mr. TYDINGS. I yield.

Mr. CAPEHART. The Senator listened to Mr. Jaffe in secret session. Mr. Jaffe had admitted stealing some 1,700 secret documents, or to being a party to it. He pleaded guilty, and a fine of $2,500 was imposed. Why is that gentleman entitled to be heard in secret?

Mr. TYDINGS. Because our entire proceedings have been in secret, and if it could be proved that Mr. Jaffe had passed some of these documents on to a foreign government or a foreign agency, his life could be taken. Does that answer the Senator? We are not here dealing with chicken feed, we are dealing with serious matters.

Mr. CAPEHART. It is an answer, but I do not think it will satisfy the American people.

Mr. TYDINGS. No?

Mr. CAPEHART. I see no reason for holding secret hearings regarding Mr. Jaffe.

Mr. TYDINGS. Oh, yes; it is impossible to have half the hearings secret. Furthermore, we are trying to find all the culprits in this case, therefore we cannot put them on notice from day to day, if we are going to get information which will be vital. This is a bipartisan committee, and when we shall have completed our hearings, it is my opinion that we shall sit down to weigh the evidence. We may not agree, and we may agree. But at that time, we shall decide what is the best thing to do.

Mr. CAPEHART. I should like to suggest one other question in addition to the 12. I do not believe the Senator covered this. The other question I would suggest is, Why were they given such small fines in proportion to the seriousness of the offense?

Mr. TYDINGS. That will be covered in our report.

Mr. CAPEHART. Was that one of the 12 questions?

Mr. TYDINGS. That was one of the 12 questions, and I will read it again to the Senator, so that he may have it fresh. That was the twelfth question:

> Why was it advisable to accept the pleas (fines) in the fashion made in the two cases of Jaffe and Larsen?

Mr. CAPEHART. In just the two cases?

Mr. TYDINGS. They were the only two cases in which fines were accepted.

Mr. CAPEHART. Was there not a third one?

Mr. TYDINGS. No.

Mr. CAPEHART. Would the Senator care to add a further question as to why three of them went completely scot free?

Mr. TYDINGS. That will be a part of our report.

Mr. CAPEHART. Does the Senator care to add that?

Mr. TYDINGS. No; because that is already contained in the other questions. I also asked why only three were indicted. That was one of the questions.

I should like to say that I am not going to disclose this evidence. I am not going to take part in further debate. I have already read 12 questions merely to show the Senate that we are going deeply into this thing and are evolving all the answers. The answers to the 12 questions I have just presented take up, in my recollection, about 20 or 25 pages alone, without testimony under cross-examination from the FBI men who had charge of the investigation of this case.

Mr. CAPEHART. But did I correctly understand the Senator to say he would or would not give to the people and to the press the answers to those 12 questions?

Mr. TYDINGS. I should be delighted to give them to the whole world, but I want to complete this case, which I hope we can do in the not too far distant future. Since I reached the Capitol today I have spent all morning, up to the time I was called to the floor, trying to run down additional testimony, which I hope will give the American people a full and complete picture of this thing from A to Z.

Mr. CAPEHART. I think all the American people want is an honest investigation.

Mr. TYDINGS. I want to say to the Senator that I want to give to the American people everything that is pertinent and that has any connection with this case from beginning to end without protecting anyone, without hurting anyone, but truthfully, honestly, and fairly all the way through. That is what I propose to do, within the limits of my ability, and to submit to the Senate, when the subcommittee shall have finished its work, a full report supported by evidence as to why we found what we shall have found, and I hope the committee may be a unit in the conclusions reached.

I should like to say further that there are certain things about this case which I do not like. I do not like this stolen-document business any more than does anyone else. I do not like the looseness with which many things seemed to have happened, but I think it would be inappropriate for me to prejudge the circumstances or to comment on them until all the evidence is in, and then I think the appropriate comments will follow from the evidence we have presented; and the subcommittee might even be a unit on it.

Mr. BREWSTER. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Maine?

Mr. TYDINGS. I yield.

Mr. BREWSTER. Without attempting to criticize or to precipitate discussion, I wonder to what extent the Senator and his colleagues have given consideration to the precedents established by a committee which has been widely recognized as having proceeded with great care and apparently with great public approval. I refer to the precedents established by the Truman committee, under the chairmanship of the present President of the United States, when that committee did what the Senator is now doing, in having executive sessions to develop the outlines of a case. But, having done that, and having established whether men were testifying to matters which were insupportable, the committee then in the major cases—that is, when a great public interest was involved—had public hearings, in order that, if there were conflicts in the testimony of witnesses appearing before the committee, not only the committee but all the public interested could have the opportunity to appraise them, and particularly in order that the gentlemen and ladies of the press could take it hour by hour, or day by day, as it unfolded. That was found most helpful in proving to the public that there were no hidden spots. Has the Senator given consideration to that possibility?

Mr. TYDINGS. We have. We have had nothing but public hearings of all persons who have been named, except in the Amerasia case, where the committee voted unanimously, so far as I recall, to proceed in executive session.

Mr. BREWSTER. I did not mean that. I meant that, having had the executive session, the committee might then consider the matter of sufficient public importance to have public hearings, since, with a report, it is very difficult to appraise the question.

Mr. TYDINGS. If the Senator will allow me to interrupt him——

Mr. BREWSTER. Yes.

Mr. TYDINGS. I may say to the Senator that I do not believe at this juncture that our public hearings are entirely behind us, and I hope he will let it rest on that base.

Mr. KNOWLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Maryland yield to the Senator from California?

Mr. TYDINGS. I yield.

Mr. KNOWLAND. Mr. President, I do not intend to press the Senator for any information which he should not divulge at this time, but I should like, in all good faith, to raise this question with him: As the Senator will recall, in 1946 there was a House hearing on the question. The committee issued a report, but it was not until 4 years later that the transcript of the testimony was finally available. It seems to me that was unfortunate, because the transcript of the evidence gave far more information than did the rather sketchy report. Can we have any assurances from the able chairman of the subcommittee that after the completion of the hearings in executive session, and when the committee submits its report, there will be released for the information of the Congress and of the country a full transcript of the testimony taken before the committee, so that we shall not have to wait another 4 years to get the information?

Mr. TYDINGS. I think what the Senator recommends is very desirable. However, the Senator from Maryland would prefer not to pass upon the question until it is laid before the committee. Thinking a little bit ahead of time, I think there is a great deal to commend the suggestion of the Senator from California.

Mr. HICKENLOOPER. Mr. President——

Mr. TYDINGS. Mr. President, is the Senator going to address any remarks to me?

Mr. HICKENLOOPER. I wish to obtain the floor in my own right. I want to discuss the Amerasia case for a moment. I may say to the Senator from Maryland that in the course of my remarks I may have occasion to disagree with one thing which the Senator from Maryland said.

Mr. TYDINGS. If the Senator will do that first, I shall be glad to remain.

Mr. HICKENLOOPER. With respect to the statement the Senator made as to the so-called apology of Mr. Van Beuren to the committee, I merely want to state for the RECORD that I do not care to get into a dispute about it at the moment, because the RECORD will show the facts.

It is my recollection that after the able chairman of the subcommittee had very vigorously informed Mr. Van Beuren that the chairman was zealously interested in getting to the bottom of the matter, Mr. Van Beuren said:

> Then, based upon the chairman's assurance to me that that is his attitude, I revise my opinion which I had formed in the statement I made to the press.

Mr. TYDINGS. I think the point is de minimis, but it may need qualification. He said:

> Senator, if I had known beforehand what I know now, I should never have made that remark, and I want publicly to tell you that I am sorry.

Mr. HICKENLOOPER. Mr. President, on June 15, 1950, a grand jury for the southern district of New York expired under the limitation of its original appointment, the 18 months' period having expired at that time, and on that day the grand jury made what was called a presentment, and in connection therewith various reports as to what the grand jury had reported in its presentment were current in the public press and otherwise, and various interpretations were placed upon the presentment as the information of the presentment was made available.

A rather peculiar part of its release of the information to the public press—and it may or may not be significant—is that there were only three copies of the presentment available on the day of its release for the entire press, radio, news services, and everything else. I am informed that much of the information concerning the presentment was, in fact, interpreted by the United States district attorney who had sat with the grand jury for its entire life. There was some indication in the press on the 15th and on the 16th that the grand jury had written the close of the Amerasia case; that it has investigated that case; had completely absolved everyone in connection with it, and that it had written finished to the entire case.

I was a little curious about this, because the presentment was not carried in full in the newspapers on that day. So I called Mr. John Brunini, the foreman of the grand jury. I telephoned him in New York and asked him about the interpretation of the grand jury's action which I had seen in the public press. He said he had already, on the night before, called all news services indicating his disagreement with the interpretation of the grand-jury presentment as it was generally and popularly carried. I asked him if he would send me a copy of the presentment so that I might have a verbatim copy of what the grand jury had actually said. He said he would, and he did send me a copy of the presentment.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. FERGUSON. Was the full presentment given to the press last week, or was only a synopsis of the presentment given to the press?

Mr. HICKENLOOPER. Mr. President, I am sorry I cannot answer the Senator's question. I have made diligent inquiry and I cannot find that the full presentment was given to the press. I cannot say that it was not. I do know that there were only three copies of it available to all news services, and I found no newspaper which, so far as I know, had a full copy of the presentment copied verbatim. Therefore, I think it is in the public interest that the entire presentment be placed in the RECORD, and I propose to read it for the information of the Senate at this time.

Mr. President, this is the grand-jury presentment of June 15, 1950, made by the grand jury of the southern district of New York whose life expired on that date. It is as follows:

> Whereas the undersigned constitute all the members of the December 16, 1948, special Federal grand jury of the District Court of the United States for the Southern District of New York, impaneled to inquire into espionage and subversive activities; and
>
> Whereas this Federal grand jury has heard a volume of testimony concerning the activities of many men and women, associated with or having knowledge of a continuing conspiracy against the security of the Nation; and
>
> Whereas this testimony and evidence have led this special Federal grand jury to certain conclusions it deems proper and important to be brought to the attention of the executive, legislative, and judicial departments of the United States Government for such action as may be necessary or appropriate, the undersigned members of this grand jury respectfully show and allege as follows—

Mr. President, I hope Members will pay especial attention to the solemn language of this grand-jury presentment. It is not a lick-and-a-promise whitewash; it is not a careless statement, nor is it, by any means, a release of responsibility for any public officials finally. It says:

> The undersigned members of this grand jury respectfully show and allege as follows:
>
> 1. The safety of this Nation and its institutions is being jeopardized because—
>
> (a) The underground activities of Communists in this country, organized in a continuing conspiracy and using effective techniques to extend their influence beyond their ranks, have greatly increased during the last 5 years—

I call attention to the solemn statement that these activities have greatly increased during the past 5 years—

> and because—
>
> (b) The Nation, confronted with an entirely new situation in its history—a situation in which for the first time the loyalty of certain of its own citizens has been diverted to a foreign ideology—has not as yet devised adequate means to combat this menace; and because
>
> (c) There has been and is now a concerted attempt on the part of many, both Communists and disloyal Americans aided by fellow travelers, to conceal the truth from the American people.

These solemn words are the result of 18 months of investigation by a Federal grand jury in New York, Mr. President.

> This conviction was arrived at by the grand jury after an experience in which it came face to face with the evil that is communism. Its substitution of the false for the true as the standard of judgment has introduced into human affairs a new attack on man's integrity.
>
> The American people cannot afford to tolerate evil of this character, particularly in their Government—

Mr. President, I call attention to the fact that this grand jury says: "Particularly in their Government"—

> nor on the other hand can they deny their fellow-citizens those civil rights guaranteed by the Constitution. But among such civil rights is not the right to be employed by the Government and the people are correct in demanding that all entrusted with the welfare and safety of the country be above suspicion.
>
> 2. This grand jury in a presentment submitted on April 28, 1949, warned the American people against the prevalence and increase of espionage activities. It specifically stated that existing laws applicable to espionage are "inadequate and unrealistic." It stated that these laws were loosely drawn. The grand jury now repeats that such laws are riddled with loopholes. Previously it

recommended that new legislation or the amendment of existing legislation be enacted promptly. The grand jury now repeats that recommendation. Such legislation—the Internal Security bill which embodies satisfactory provisions—has already been passed by the House of Representatives and is now in Senate Committee. It should be speedily brought to passage and made the law of the land.

3. The grand jury, in the same presentment, stated: "Having seen at first hand the difficulties in arriving at the truth concerning espionage violations, when witnesses have been alerted by publicized charges and countercharges, the grand jury recommends that all investigating bodies conduct their inquiries into espionage in secret." It repeats that recommendation. The latter does not imply that when such investigations are completed secrecy should thereafter prevail. It does imply that the half-public, half-secret operation of any investigatory agency is both confusing and harmful; and that no permanent good can be served unless a conclusive report is presented to the American people which will be convincing in its thoroughness and its honesty.

4. The grand jury system was anciently established as the representative of the people, to insure law and order and to protect the people against injustice, maladministration and lawlessness. The grand jury is vested with the broadest and most unlimited powers, and has no legal responsibility for its decisions, unless corruptly made, to any publice officer or to any branch of the Government. It not only can but it must conduct inquiry into violations of the Federal laws on its own initiative and, acting alone, it has the power of subpena. Where it knows evidence exists which has not been presented to it, its duty is to order such evidence produced.

The very existence of this grand jury system is a bulwark of independence. The grand jury's purpose is at once to ferret out the guilty and to protect the innocent whether the former is shielded by powerful influences or the latter is unjustly accused.

This grand jury has been surprised at the prevalent ignorance of its functions, an ignorance that apparently extends into areas where the grand jury's cooperation should be sought. The individual citizen himself in or out of the Government not only has the right but the obligation, when he has evidence of the law's violation, to present this evidence to a grand jury.

By law this grand jury expires on June 15, 1950, after serving its maximum legal term of 18 months. It believes this time limitation is wisely established, for no group should be longer entrusted with such powers. But the experience and insight which it has acquired have been valuable adjuncts in its deliberations and in the establishment of a record available to any successor grand jury.

Mr. President, here is a significant statement. I continue with the presentment:

From such experience this grand jury is convinced that a similar body should promptly be impaneled so that it can immediately equip itself with the necessary knowledge to assay all evidence of espionage and subversive activities presented to it.

Note this paragraph.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. FERGUSON. Going back to the previous paragraph, it indicates that the grand jury was of the opinion that it had not been properly instructed as to its rights, privileges, or duties as a grand jury, does it not?

Mr. HICKENLOOPER. I think the verbiage of this particular report may lend itself to some confused interpretation. I believe, instead of saying it did not know its duties, the grand jury is saying that the public generally is not aware of the broad responsibilities and powers of a grand jury.

Mr. FERGUSON. They are referring to the right and privilege of the individual citizen to go before a grand jury, whether summoned or not summoned, rather than criticizing the court for not instructing the grand jury that it could personally go out and seek evidence even though the Attorney General did not bring it to the grand jury?

Mr. HICKENLOOPER. I think in general that is correct, and I believe that this grand jury presentment is an attempt to say to the public that the grand jury is not a limited body, that it is not limited by any specific instructions, but is charged with a direct responsibility to investigate on its own and that the public is charged with a like responsibility to present evidence of crime to the grand jury.

Mr. FERGUSON. It also indicates to the public that the grand jury has the right to issue this presentment as well as the right to return indictments, where it finds there is sufficient evidence on which to try a man. If it does not find sufficient evidence, it has the right to make a presentment such as the one the Senator is reading, to advise the public what they might do in the future with a further grand jury, or as they may deem necessary.

Mr. HICKENLOOPER. I believe that is a fair interpretation.

Mr. FERGUSON. I thank the Senator.

Mr. HICKENLOOPER. I continue with the presentment of the grand jury. The Chair will recall the last sentence of the presentment I had finished before the question raised by the Senator from Michigan was that "the grand jury is convinced that a similar body should promptly be impaneled," and so forth. The next paragraph states:

This grand jury, therefore strongly recommends the impaneling of a new grand jury in the southern district of New York to carry on both the work which now remains uncompleted and that which will arise in the future.

5. In its 18 months, this grand jury has had an intimate insight into the operation of the Federal Bureau of Investigation and has come to have the highest regard for the efficiency, the thoroughness and the honesty with which its affairs are conducted under J. Edgar Hoover. In the Federal Bureau of Investigation, the Nation has one of its most potent agencies to protect its security. The present Congress should be commended for its recent action in strengthening the hand of Mr. Hoover in this vital work.

Mr. President, the next is an important statement, and it agrees with my views based upon my experience in the past. I can testify from my own experience that I believe this statement to be utterly true, and it is something which the Congress should take into consideration.

6. The grand jury is not convinced that the Loyalty Boards established by the Government are sufficient protection against the infiltration of Communists or of the Communists-inspired into governmental departments.

I suggest that Senators read that statement, solemnly arrived at by a grand jury which has investigated this entire situation for 18 months.

I continue reading the presentment:

It is further convinced that the security of the country, is not adequately protected if a loyalty board limits its inquiry involving governmental employees to a determination of the individual's loyalty. Cornelius Vanderbilt Whitney, on his retirement as Secretary of Commerce, called public attention to this inadequacy and stated that, since all governmental departments "today deal with secret information," each and all their employees should be good security risks, and hence should be screened by standards that include "the company they keep and stability of character."

Right there, Mr. President, let me say that in this country we tend too often to miss the point of the security of public affairs by demanding that before a person is removed from a sensitive position in Government there must be produced a Communist Party membership card signed by some official. We have missed the point that the question involved is security risk which endangers the Nation, and that we do not have to go so far as to prove actual Communist membership in order to show that the Nation and some of its most sacred secrets are in danger.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point in his remarks?

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from California?

Mr. HICKENLOOPER. I yield for a question.

Mr. KNOWLAND. Is is not correct to say that the information which has been furnished to various Senate committees indicates that the present Communist Party technique in this country is not any longer to issue membership cards as such?

Mr. HICKENLOOPER. I think that is true. It is my opinion, from what I believe to be authoritative sources, that for the last 3 years the Communist Party has not issued cards of membership. That is a part of their underground activity. They have destroyed most of their lists of membership, and they do not carry cards any longer. Their subversive activities are carried on without written records.

I may say, in amplification of my answer to the Senator from California, that we have public records, released just recently by at least one Government department, in which it is noted that they have examined certain people on the question of loyalty, and while they could not prove specific disloyal acts, yet the official finding of that department was that the people concerned were definitely bad security risks. Nevertheless they were put back to work, and they are on the payroll of the Government today.

We have been misled by the term—what we out in the Middle West call "hog wash" of "guilt by association." Whether those who use the term are

Communist sympathizers or not in every case, it is to be noted that the guilt by association technique formerly was generated originally by the Communist Party line apparatus, and while I do not say that all who use it are Communists, by any means, it was originated by the Communists, and that is a part of their technical language.

Mr. KNOWLAND. Mr. President, will the Senator yield for another question?

Mr. HICKENLOOPER. I yield.

Mr. KNOWLAND. While of course no one should be convicted or adjudged guilty merely because of guilt by association, will not the Senator agree with me that the doctrine which as youngsters all of us were taught by our parents and in our schools and churches, that a man is known by the company he keeps, also has some validity when it comes to those in sensitive Government positions, who have had a long record of close association with Communists or Communist-front organizations?

Mr. HICKENLOOPER. I think the Senator from California is completely right. While a great many people have not missed that point, unfortunately apparently the policy of the Federal Government at the moment is to completely disregard the security of the country so far as it involves questionable risks, and to base the determination as to keeping people in sensitive positions entirely upon the decision whether or not they could prove the existence of a Communist card for that person; and that is entirely beside the point.

Returning to the question of guilt by association, many reputable and fine people have come to use the term "guilt by association." I wish to make it clear that everybody who uses it is not a Communist or a Communist sympathizer, but I say it was originated by and is a part of the stock in trade of the Communist line and the Communist propaganda. Often people pick up phrases of that kind without being aware of the technical origin of that propaganda and that phraseology. Certainly there is such a saying, and it has been proved correct by experience, that people are known by the company they keep. We judge our associates and judge our employees and judge those whom we trust not only from our own acquaintance with them, but in large measure by the historic company they keep.

I continue reading from the presentment:

> The grand jury endorses Mr. Whitney's position and recommends that Congress study means to insure against the Government's employment of any individual who is a poor security risk; and meanwhile repeats that no citizen is invested with the right to work in Government.
>
> 7. This grand jury has been greatly disturbed by certain court procedures in recent trials concerning communism and espionage. The maneuvering of defense lawyers have not only violated the decorum of judicial procedure but have furthered the Communist objective of establishing anarchy by undermining respect for the courts. Yet in pretrial and trial hearings of espionage cases, such attorneys under existing laws are often in a position to force on the prosecution the dilemma of choice between not proceeding or proceeding at the expense of revealing information injurious to national security. This choice is particularly grave when the Nation is at war.
>
> The grand jury recommends to the proper authorities that a competent and exhaustive study be made by legal experts to determine if this situation cannot at least be mitigated.
>
> 8. The grand jury has been shocked at the lack of cooperation shown by certain lawyers who have appeared before it as witnesses, who refused to answer questions on the ground of self-incrimination, and who disregarded their obligations as citizens to further the ends of justice. If such a position is taken by any governmental employee, he or she would be ipso facto dismissed. Lawyers are officers of the court.
>
> The grand jury, repeating its recommendation of April 1949, urges the judiciary and bar associations to take measures to disbar lawyers who refuse to answer questions on grounds of self-incrimination before judicial bodies, grand juries, or governmental boards of inquiry.
>
> 9. The grand jury, acting on its own authority—

And, Mr. President, this is with reference to the Amerasia case—

> 9. The grand jury, acting on its own authority, instituted an investigation into the Amerasia case. In the time legally available to it, it has not been able to conduct as exhaustive an inquiry as it would desire. It has examined a number of witnesses, always with counsel of the Department of Justice present.
>
> The grand jury, sworn to secrecy, may speak to the American public either through an indictment or a presentment and hence now advances the following conclusions:
>
> (a) The Office of Strategic Service, which precipitated the Amerasia case, acted in a responsible manner.
>
> (b) The officials immediately concerned between that time and the arrests of the six accused, acted in a responsible manner. The Federal Bureau of Investigation properly performed its duty, a duty which was not only conditioned on bringing criminals to justice, but on the equally important considerations of thwarting further crime and protecting national security.
>
> (c) The grand jury has found no evidence that any official acted improperly in regard to the delay in the arrests.
>
> (d) The grand jury also has found no evidence to indicate that the Department of Justice was remiss in its prosecution of the case. If laws governing espionage had been different, the grand jury believes that the prosecution procedure would have been entirely different. Other telling factors involved certain legal procedures which, if followed, might have revealed to the enemy information that it was essential should be withheld. The determination of many of the legal issues involved, in particular the admissibility of evidence, would require a long and intensive study.
>
> (e) The number of Government documents seized is not important, save as a demonstration that precautions against their theft from governmental departments were entirely inadequate. It is important, however, that a certain number of these documents pertained to national defense and that others of a different nature, in the hands of the enemy, would have aided it.
>
> (f) The grand jury believes that the American people have been poorly served by the compounding of confusion through disclosures of half-truths, contradictory statements, etc., in this and similar cases.
>
> (g) The grand jury believes that, at this juncture, it would be salutary if the Department of Justice would issue a public statement of the details of its handling of the case beginning with the time of the arrests, including a complete list and description of all documents or papers found in the office of Amerasia by any Government agent or in the possession of those arrested; and the reasons for the various steps taken by the prosecution.
>
> 10. As special assistant to the Attorney General of the United States, Thomas J. Donegan has served this grand jury, as he did its predecessor, from the day of its impaneling to that of its discharge. It has always been cognizant of his high purpose, his unquestioned probity, his unremitting zeal, and his devotion to duty. His knowledge of communism and the laws relating to the prosecution of espionage and subversion is expert. The country owes him a debt of gratitude.
>
> 11. Now, therefore, the grand jury respectfully petitions the court to accept this presentment and order it filed, authorizing the foreman and the secretary of this grand jury to send copies of it to the Members of Congress and to the proper officers of the executive department of the Government, and to permit such other use as may properly be made of this document.
>
> JOHN GILLAND BRUNINI,
> *Foreman.*
> JOHN C. KILBRETH,
> *Assistant Foreman.*
> HUGH V. DORAN,
> *Secretary.*
>
> NEW YORK, N. Y., *June 15, 1950.*

Mr. President, I ask unanimous consent to have printed at this point at the conclusion of the document I have just read, the names of the other grand jurors in the order in which they appear in the presentment.

The PRESIDING OFFICER (Mr. JOHNSON of Texas in the chair). Without objection, it is so ordered.

The names are as follows:

Robert L. Barrows, Joseph P. Christianson, Evelyn Zorn Dingwall, James Sumner Draper, Raymond G. Fowler, Wheeler Williams, Robert Frese, G. Leonard Gold, Henry E. Grant, Harold C. Hahn, Richard Brown Jones, Murray Kanner, Francis Keally, Samuel B. Leight, Sidney Leshen, Herman E. Nathan, Bernhard K. Schaefer, Harry Scherman, John Schreiber, Siegfried Stern.

Mr. HICKENLOOPER. Mr. President, this document, so far as the Amerasia case is concerned, and its reference to whether or not there is anything wrong with the situation, rather reminds me of the occasion when some public officials might be looking for hidden loot in a house and they go into the hall of the house and look around but do not go any farther than the entrance hall, and they say that up to that time they have not found any loot. Such a statement, however, does not mean that there is no hidden loot in the remainder of the house.

Mr. President, in my judgment, the Amerasia case is one of the most shocking cases in American espionage history, at least in recent times. There is substantial mystery still existing about the Amerasia case, its handling, and the circumstances that surround it. I hope the Congress of the United States, and especially the Senate, through existing means, and if not through existing means, through means which may properly be provided, will actually and exhaustively go into all the ramifications of the Amerasia case, place the finger of guilt where it should be placed, and free the American Government of the suspicions which now exist with regard to this case, bring those who are guilty to the bar of justice for their actions in

failing to safeguard American secrets and properly to discharge the solemn obligations of public office, and clear up this mess once and for all. I hope the machinery of the Senate, which is sufficiently powerful to do this, will function to that end.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. WHERRY. In view of the observations made by the chairman of the subcommittee, the Senator from Maryland [Mr. TYDINGS] at the beginning of the session today relative to the grand jury and its activities, and also in view of the observations made by the Vice President, who indicated that the grand jury had performed its service, I should like to ask the distinguished Senator from Iowa if one could justifiably place upon the presentment relative to the Amerasia case the interpretation which the press has placed upon it, or which has been placed upon it by the observations made in the Senate today to which I just referred? Are we not justified in drawing the conclusion that the grand jury in New York, even though it had completed its study of this case, had not left it without a shadow of a doubt, not only because of the suggestion but the admonition that a new grand jury should be impaneled with the idea that the case should be completely investigated and that the findings of the new jury should be brought to the attention of the American people?

Mr. HICKENLOOPER. Mr. President, I may say to the Senator from Nebraska that there is ambiguity in this presentment of the grand jury. From a hurried or sketchy reading of the presentment, such as is always the case when it is necessary for news to get on the wires—and, of course, newspaper writers and radio commentators are not able to wait until day after tomorrow to interpret matters as they develop, but they hurry to get their interpretations on the wires or on the air—I think perhaps the presentment might lend itself to the interpretations which appeared in the public press, in view of the ambiguity of the language of the presentment. I believe that a careful reading of the presentment, even in spite of some of the ambiguities, is bound to indicate that the Amerasia case was not exhaustively examined, and that there was a direct demand by the grand jury—in fact, the grand jury stated that its life would soon expire—that a new grand jury immediately be impaneled.

In further answer to the Senator's question, I will say that I have made inquiries in various places regarding what might be the proper interpretation of the presentment. I am thoroughly convinced that the grand jury spent only a few days in inquiring into the Amerasia case—instead of 18 months, or even 1 month—and that the grand jury spent those few days in doing so with the idea of laying a basis for an investigation of the Amerasia case by a succeeding grand jury, which this grand jury in its presentment demanded be impaneled.

A moment ago I used the illustration that if a person goes into a house, looking for loot, and if he does not find any loot in the front hall, that does not necessarily mean that there is none in the basement or in the attic; and in such case, that person might properly say, "I did not find any loot in the front hall, but I did not look in the basement or in the attic." However, I believe that the Amerasia case has never had even its surface scratched by the grand jury; and I thoroughly believe that is what the grand jury meant by the presentment, in which it said, in effect, "We did not examine all of the Amerasia case. We just began to look; but as far as we looked, we did not find anything. However, we believe it should be thoroughly examined."

Mr. WHERRY. I thank the Senator, and I think he has correctly interpreted the presentment and has done so in such a way that now, even more than before, the American people as a whole, including those who are specifically interested in the matter, as members of the committees involved, will not feel that this job has been concluded until a new grand jury is impaneled and until an exhaustive investigation is made by a grand jury to clear up the charges in the Amerasia case.

## SOCIAL SECURITY ACT AMENDMENTS OF 1950

The Senate resumed the consideration of the bill (H. R. 6000) to extend and improve the Federal old-age and survivors' insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes.

Mr. SMITH of New Jersey obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield to permit me to make insertions in the RECORD, inasmuch as I have to leave the Chamber in a few minutes to attend a meeting of the Appropriations Committee?

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from New Jersey yield to the Senator from California?

Mr. SMITH of New Jersey. I am glad to yield.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, a statement I have prepared in explanation of House bill 6000; and, immediately following it, in the body of the RECORD, I ask unanimous consent to have printed a communication I have received from the president of the Interstate Conference of Employment Security Agencies; a telegram from the vice chairman of the Iowa Employment Security Commission; a telegram from the secretary of labor and industry of Pennsylvania; a telegram from Mr. Ben T. Huiet, commissioner of labor of the State of Georgia; a copy of a telegram addressed to the Senator from North Dakota [Mr. YOUNG] from Governor Aandahl, of North Dakota; a telegram from W. O. Hake, former administrator of the unemployment-compensation program for Tennessee; a letter from the chairman of the Industrial Commission of Wisconsin; a telegram from the chairman of the Maine Employment Security Commission; telegrams addressed to the two Senators from Mississippi by Mr. C. B. Cameron, executive director of the Mississippi Employment Security Commission; telegrams addressed to the Senators from Wyoming by the executive director of the Wyoming Employment Security Commission; a letter from Mr. Frank J. Collopy, administrator of the State of Ohio Bureau of Unemployment Compensation, together with telegrams addressed to the Senators from Ohio: a letter from Mr. Donald P. Miller, commissioner of labor of the State of Nebraska, together with a copy of a letter he has written to the Senator from Nebraska [Mr. WHERRY]; a copy of a letter from the Department of Economic Security of the State of Kentucky, together with telegrams and letters sent to the Senators from the State of Kentucky; and a letter and copies of telegrams addressed to the Senators from West Virginia by the director of the West Virginia Department of Employment Security. I ask unanimous consent that all of them be made a part of my remarks in the body of the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement, letters, and telegrams are as follows:

### STATEMENT BY SENATOR KNOWLAND

#### SCOPE AND PURPOSE OF UNEMPLOYMENT-COMPENSATION AMENDMENT TO H. R. 6000 SUBMITTED BY SENATOR KNOWLAND

The scope of this amendment is very limited, and the changes it makes in existing law are more of a clarifying and procedural than of a substantive nature.

The unemployment-compensation provisions of the Social Security Act were deliberately designed to insure State, not Federal, unemployment-compensation systems. So as to encourage the enactment of State laws to this end, the Social Security Act provided—

First, that States having approved State laws would be entitled to grants of Federal funds for the administration of those laws; and Second, that employers in States having approved State laws would be entitled to a credit against a Federal unemployment-compensation tax of 90 percent of that tax.

The Federal law required only that the State law contain a series of specified provisions. The provisions required for tax credit are set out in note (1) at the end of this statement, and those required for administrative grants are set out in note (2) at the end of this statement. States that enacted laws containing these provisions had to be approved by the Federal agency having jurisdiction. This function of approval of State laws is in no way affected by the proposed amendment.

In addition to the function of initially approving State laws as containing the federally-required provisions, there is an additional function specified in the Federal law (sec. 1603 (c) of the Internal Revenue Code) which is to be exercised annually. This additional function is the function of annually certifying to the Secretary of the Treasury (for the purposes of the employer credit against the Federal tax) States whose laws have been previously approved provided they currently meet two standards—

First, the State must not have changed its law so that it no longer contains the federally required provisions.

Second, the State must not have failed to comply substantially with any such federally required provision.

Both the initial function of approving State laws, and the annual function of certifying State laws for the purpose of the credit against the Federal tax, are now vested in the Secretary of Labor. For the purposes of

State eligibility for administrative grants, the Secretary of Labor also has the function of determining from time to time whether the State has denied unemployment compensation in a substantial number of cases to persons entitled thereto under the State law (sec. 303 (b) of the Social Security Act).

The effects of the proposed amendment on these various provisions can be simply stated.

The amendment first would make the phrase "changed its law" appearing in section 1603 (c) of the Internal Revenue Code read "amended its law." This change would clarify the meaning of the phrase and reaffirm the intention of Congress that only State legislative action shall be deemed to change the State law. This amendment is important in view of the fact that the Secretary of Labor has recently expressed the viewpoint that a mere administrative determination that can be appealed under the State law is a change in State law.

In performing his annual function of determining whether the State is "complying substantially" with the Federally-required provisions of the State law, the Secretary has likewise made plain that he now intends to hold that mere administrative actions that can be appealed under the State law may constitute a substantial failure on the part of the State to comply with a Federally-required provision, even though the final authority of the State has not spoken, nor even been given by the Secretary an opportunity to speak. Thus the Secretary now proposes, before the State as such has finally spoken, to make a day-to-day review of mere administrative determinations and to use a Federal club as a substitute for the normal, orderly review under the State law of administrative actions of State administrative officials.

The appealable State administrative actions which can involve a Federally-required provision of State law are for all practical purposes limited to claims actions within the scope of the provision set out in paragraph (5) of section 1603 (a) of the Internal Revenue Code. In order to preserve the integrity of the State administrative processes in this regard by requiring that there be an exhaustion of the State remedies, the proposed amendment contains the following provision:

"No finding of a failure to comply substantially with the provision in State law specified in paragraph (5) of subsection (a) shall be based on an application or interpretation of State law with respect to which further administrative or judicial review is provided for under the laws of the State."

This language applies solely to paragraph (5) of section 1603 (a) of the Internal Revenue Code and does not extend to the other five paragraphs in subsection (a), since those paragraphs can seldom if ever give rise to appealable claims. Furthermore, even as to paragraph (5), the Secretary retains all his present authority to review State actions which have gone through the review process provided in State law. The effect of this part of the amendment is merely to insure that the Secretary will not charge the State itself with a failure to comply with the Federally-required provisions in the State law because of an administrative interpretation or application of such provisions by State administrative officials unless and until the correctness or incorrectness of the administrative action has been decided by the highest State court having jurisdiction.

The amendment also proposes to insert a similar proviso in section 303 (b) of the Social Security Act (relating to State eligibility for administrative grants), since clause (1) of that section relates to appealable claims actions and involves the same principle as that involved in paragraph (5) of section 1603 (a) of the Internal Revenue Code. The amendment to section 303 (b) provides:

*"Provided,* That there shall be no finding under clause (1) until the question of entitlement shall have been decided by the highest judicial authority given jurisdiction under such State law: *Provided further,* That any costs may be paid with respect to any claimant by a State and included as costs of administration of its law."

It will be noted that this amendment includes the specific authority for the State to pay appeals costs of claimants and charge these as administrative expenses. This would relieve the contestant of any costs incident to pursuing a doubtful claim. This provision is more generous than is normally found in labor laws such as workmen's compensation, but I believe it to be desirable.

These changes do not deprive the Secretary of his authority to hold a State out of conformity with Federal requirements. They merely insure that the State appeal procedure will be completed and the State as such through its final authority would have spoken before the Secretary acts. Without these changes, a State, under the Secretary's interpretation of his existing authority, can be deprived of administrative grants and employers in the State be penalized by millions of dollars of additional Federal taxes, merely because of administrative mistakes. Such mistakes can and should, under State law, be reviewed by the State courts and remedied in the States themselves. The Secretary would merely be required to permit such State court review before he holds a hearing and penalizes the State and State employers.

Under the amendment the Secretary could not charge the State with failure to conform by virtue of actions which may be reversed on appeal, except where such appeal is taken and the State court thus afforded an opportunity to perform its statutory duty to correct the initial action.

The only other provision of the amendment is a proposed change in section 1603 (c) of the Internal Revenue Code so as to give a State 90 days to correct its law or its interpretation of its law after the Secretary of Labor holds the State out of conformity with the Federal requirements.

Subsection (c) of section 1603 of the Code, with this proposed change in black brackets would read as follows:

"(c) Certification: On December 31 of each taxable year the Administrator shall certify to the Secretary each State whose law he has previously approved, except that he shall not certify any State which, after reasonable notice and opportunity for hearing to the State agency, the Administrator finds has [amended] its law so that it no longer contains the provisions specified in subsection (a) or has with respect to such taxable year failed to comply substantially with any such provision [and such finding has become effective. Such finding shall become effective on the 90th day after the governor of the State has been notified thereof unless the State has before such 90th day so amended its law that it will comply substantially with the Secretary's interpretation of the provision of subsection (a), in which event such finding shall not become effective.] No finding of a failure to comply substantially with the provision in State law specified in paragraph (5) of subsection (a) shall be based on an application or interpretation of State law with respect to which further administrative or judicial review is provided for under the laws of the State."

Under existing law, if the Secretary holds a hearing and takes action near the December 31 deadline, it is impossible for the State to assemble its legislature and amend its law in time to escape the penalty imposed on it and the employers in the State for the State's being out of conformity. The amendment insures that a State will have 90 days in which to do this.

NOTE 1.—Provisions required by section 1603 (a) of the Internal Revenue Code to be in the State unemployment compensation laws for the 90 percent tax credit to be given against the Federal unemployment compensation tax to employers covered by the State system:

"SEC. 1603. Approval of State laws.

"(a) Requirements: The Administrator shall approve any State law submitted to him, within 30 days of such submission, which he finds provides that—

"(1) All compensation is to be paid through public employment offices or such other agencies as the Administrator may approve;

"(2) No compensation shall be payable with respect to any day of unemployment occurring within 2 years after the first day of the first period with respect to which contributions are required;

"(3) All money received in the unemployment fund shall (except for refunds of sums erroneously paid into such fund and except for refunds paid in accordance with the provisions of section 1606 (b)) immediately upon such receipt be paid over to the Secretary of the Treasury to the credit of the Unemployment Trust Fund established by section 904 of the Social Security Act;

"(4) All money withdrawn from the unemployment fund of the State shall be used solely in the payment of unemployment compensation, exclusive of expenses of administration, and for refunds of sums erroneously paid into such fund and refunds paid in accordance with the provisions of section 1606 (b): *Provided,* That an amount equal to the amount of employee payments into the unemployment fund of a State may be used in the payment of cash benefits to individuals with respect to their disability, exclusive of expenses of administration;

"(5) Compensation shall not be denied in such State to any otherwise eligible individual for refusing to accept new work under any of the following conditions: (A) If the position offered is vacant due directly to a strike, lock-out, or other labor dispute; (B) if the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality; (C) if as a condition of being employed the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization;

"(6) All the rights, privileges, or immunities conferred by such law or by acts done pursuant thereto shall exist subject to the power of the legislature to amend or repeal such law at any time."

NOTE 2.—Provisions required by section 303 (a) of the Social Security Act to be in the State unemployment compensation laws for the State to receive Federal grants covering administrative expenses:

"'SEC. 303. (a) The Administrator shall make no certification for payment to any State unless he finds that the law of such State, approved by him under the Federal Unemployment Tax Act, includes provision for—

"(1) Such methods of administration (including after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Administrator shall exercise no authority with respect to the selection, tenure of office, and compansation of any individual employed in accordance with such methods) as are found by the Administrator to be reasonably calculated to insure full payment of unemployment compensation when due; and

"(2) Payment of unemployment compensation solely through public employment offices or such other agencies as the Administrator may approve; and

"(3) Opportunity for a fair hearing, before an impartial tribunal, for all individuals whose claims for unemployment compensation are denied; and

"(4) The payment of all money received in the unemployment fund of such State

(except for refunds of sums erroneously paid into such fund and except for refunds paid in accordance with the provisions of section 1606 (b) of the Federal Unemployment Tax Act), immediately upon such receipt, to the Secretary of the Treasury to the credit of the Unemployment Trust Fund established by section 904; and

"(5) Expenditure of all money withdrawn from an unemployment fund of such State, in the payment of unemployment compensation, exclusive of expenses of administration, and for refunds of sums erroneously paid into such fund and refunds paid in accordance with the provisions of section 1606 (b) of the Federal Unemployment Tax Act: *Provided*, That an amount equal to the amount of employee payments into the unemployment fund of a State may be used in the payment of cash benefits to individuals with respect to their disability, exclusive of expenses of administration; and

"(6) The making of such reports, in such form and containing such information, as the Administrator may from time to time require, and compliance with such provisions as the Administrator may from time to time find necessary to assure the correctness and verification of such report; and

"(7) Making available upon request to any agency of the United States charged with the administration of public works, or assistance through public employment, the name, address, ordinary occupation and employment status of each recipient of unemployment compensation, and a statement of such recipient's rights to further compensation under such law; and

"(8) Effective July 1, 1941, the expenditure of all moneys received pursuant to section 302 of this title solely for the purposes and in the amounts found necessary by the Administrator for the proper and efficient administration of such State law; and

"(9) Effective July 1, 1941, the replacement, within a reasonable time, of any moneys received pursuant to section 302 of this title, which, because of any action or contingency, have been lost or have been expended for purposes other than, or in amounts in excess of, those found necessary by the Administrator for the proper administration of such State law."

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INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES,
*Denver, Colo., June 13, 1950.*

Hon. WILLIAM F. KNOWLAND,
*Senator from California,*
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR KNOWLAND: I have asked Mr. John Q. Rhodes, Jr., who is chairman of the legislative committee of the Interstate Conference of Employment Security Agencies to hand you this letter in reference to our proposed amendment to H. R. 6000 which you have so kindly consented to sponsor.

This matter was high lighted by the action of the Secretary of Labor in relation to the States of California and Washington in December 1949. Disregarding the merits of the contentions that administrative authorities in the two States had or had not given a correct interpretation to provisions in the State laws required by Federal statutes, State unemployment compensation administrators are of the opinion that the Secretary's action imposes a serious threat to the orderly administration of State laws. State officials do not believe that a question of conformance of State laws to Federal standards can properly be raised in circumstances in which judicial review of administrative determinations are afforded by State laws until the ultimate judicial authorities of the States have given their interpretation of State laws.

May I say that basically your amendment is designed to give the States only those privileges and rights they considered they were privileged to enjoy prior to the transfer of the Bureau of Employment Security to the Department of Labor. Prior to this transfer there was no instance in which a question of conformity with Federal standards was raised until after the State courts had given an interpretation of State laws—in those instances in which judicial review was provided by State laws. Likewise under circumstances where Federal-State relations did not involve interpretations by State courts the practice prior to the transfer had been to secure a ruling by State attorneys general as to the significance of provisions of State laws before any intercession by Federal officials. We believe this procedure to have been eminently reasonable, and your amendment simply seeks to give congressional confirmation to this orderly procedure.

On behalf of the Interstate Conference and myself personally may I extend deep appreciation for your interest and your efforts to protect the integrity of State unemployment compensation systems, and for the cooperation you have given our Mr. Rhodes.

With high esteem, I remain,
Sincerely yours,

BERNARD E. TEETS.

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DES MOINES, IOWA, *June 16, 1950.*

Senator W. F. KNOWLAND,
*Senate Office Building,*
*Washington, D. C.:*

With reference to your amendment to H. R. 6000, we believe that a ruling of the Secretary of Labor that a State is out of conformity should be subject to review by Federal courts.

IOWA EMPLOYMENT SECURITY COMMISSION,
CARL B. STIGER,
*Vice Chairman.*

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HARRISBURG, PA., *June 16, 1950.*

Senator W. F. KNOWLAND,
*Senate Post Office, Washington, D. C.:*

Urge your support of amendment to H. R. 6000, introduced by Senator W. F. KNOWLAND, of California, which provides, in effect, that the Secretary of Labor is restricted from holding States out of conformity until State courts have passed on disputed item.

WILLIAM H. CHESTNUT,
*State Secretary of Labor and Industry.*

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ATLANTA, GA., *June 16, 1950.*

Senator W. F. KNOWLAND,
*Senate Office Building:*

Amendment of H. R. 6000, providing no State job insurance law shall be held out of conformity by virtue of an appealable action until the State court has passed on disputed items. State administrators consider this not only desirable but most just and proper.

BEN T. HUIET,
*Commission of Labor of Georgia.*

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JUNE 16, 1950.

Senator MILTON R. YOUNG,
*Senate Office Building,*
*Washington, D. C.:*

Information at hand indicates Knowland amendment to H. R. 6000 desirable. Most effective administration of unemployment compensation comes with a maximum of local control.

FRED G. AANDAHL,
*Governor of North Dakota.*

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NASHVILLE, TENN., *June 13, 1950.*

Senator WILLIAM F. KNOWLAND,
*Senate Office Building,*
*Washington, D. C.:*

As former administrator of the unemployment-compensation program for Tennessee and vitally interested in preserving the present State programs, I urge you to support the present State programs, I urge you to support the George loan fund as contained in H. R. 6000 rather than the reinsurance provision of H. R. 8059; also strongly urge support of Senator KNOWLAND's amendment to H. R. 6000, which would prevent unwarranted interference by Secretary of Labor in State administrative and judicial procedures.

W. O. HAKE.

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THE STATE OF WISCONSIN,
INDUSTRIAL COMMISSION,
*Madison, June 16, 1950.*

Senator W. F. KNOWLAND,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR KNOWLAND: We understand that you are submitting an amendment to H. R. 6000 designed to assure due process before any Federal official can hold a State unemployment compensation law to be out of conformity with Federal requirements.

We strongly favor the enactment of the safeguards you propose.

Finding a State law out of conformity is mighty serious business.

It usually involves many thousands of employers, by denying them millions in Federal tax credits. It could also suspend benefit payments to thousands of jobless workers, by cutting off the funds needed to operate the State unemployment law.

Such a serious step should not be taken lightly. It should be adequately safeguarded, in line with our American tradition of due process of law.

We therefore hope that your amendment will be enacted.

Sincerely,
INDUSTRIAL COMMISSION OF WISCONSIN,
VOYTA WRABETZ, *Chairman.*

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JUNE 16, 1950.

Senator OWEN BREWSTER,
*Senate Office Building,*
*Washington, D. C.:*

This agency is in accord with amendment to H. R. 6000 by Senator KNOWLAND and will appreciate your voting for same.

MAINE EMPLOYMENT SECURITY COMMISSION,
L. C. FORTIER, *Chairman.*

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JACKSON, MISS., *June 16, 1950.*

Senator JAMES O. EASTLAND,
*Senate Office Building,*
*Washington, D. C.:*

Am informed that Senator W. F. KNOWLAND, of California, will introduce amendment to H. R. 6000 providing in effect that Secretary of Labor is restricted from holding States out of conformity under Social Security and Wagner-Peyser Acts until State courts have passed on disputed items. Respectfully urge that you support Senator KNOWLAND'S amendment.

C. B. CAMERON,
*Executive Director, Mississippi Employment Security Commission.*

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JUNE 16, 1950.

Hon. LESTER C. HUNT,
*Senator, Senate Office Building,*
*Washington, D. C.:*

I have been informed that Senator KNOWLAND, of California, will introduce an amendment to H. R. 6000 providing in effect that the Secretary of Labor is restricted from holding a State out of conformity with the Federal act until the State courts have passed on the disputed items. The employment security commission approved a resolution on this subject at a recent meeting and we urge you to support this amendment.

CHESTER P. SORENSEN,
*Executive Director, Employment Security Commission of Wyoming.*

STATE OF OHIO,
BUREAU OF UNEMPLOYMENT COMPENSATION,
*Columbus, Ohio, June 16, 1950.*

The Honorable W. F. KNOWLAND,
*Member, United States Senate,*
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR KNOWLAND: Enclosed are copies of telegrams which I sent today to Senators TAFT and BRICKER, of Ohio, in regard to the amendment you are introducing in connection with H. R. 6000.

I hope the Senate concurs in your amendment.

With every good wish, I am
Sincerely yours,

FRANK J. COLLOPY,
*Administrator.*

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JUNE 16, 1950.

The Honorable ROBERT A. TAFT,
*Member, United States Senate,*
*Senate Office Building,*
*Washington, D. C.:*

Senator W. F. KNOWLAND, of California, will introduce amendment to House Resolution 6000 providing in effect that Secretary of Labor is restricted from holding States out of conformity until State courts have passed on disputed items. Urge your support for this amendment.

FRANK J. COLLOPY,
*Administrator, Ohio Bureau of Unemployment Compensation.*

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STATE OF NEBRASKA,
DIVISION OF EMPLOYMENT SECURITY,
*Lincoln, June 16, 1950.*

Hon. W. F. KNOWLAND,
*United States Senate, Washington, D. C.*

DEAR SENATOR KNOWLAND: I am enclosing a copy of a letter I have written to Senator BUTLER and Senator WHERRY.

I appreciate very much the fact that you have introduced the amendment. It would have been wise if such a law had been passed years ago.

Very truly yours,

DONALD P. MILLER,
*Commissioner of Labor.*

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JUNE 16, 1950.

Senator KENNETH S. WHERRY,
*United States Senate, Washington, D. C.*

DEAR SENATOR WHERRY: When the Secretary of Labor finds that a State unemployment insurance law is being interpreted or administered in such a manner that he feels that it does not conform to Federal standards he can, in effect, virtually suspend the operation of the State law until his objections are met.

Senator W. F. KNOWLAND has introduced an amendment to H. R. 6000 providing in effect that the Secretary of Labor is restricted from holding States out of conformity in the interpretation or administration of their unemployment insurance laws until the State courts have passed on the disputed items.

In case a State is found to be out of conformity, benefits might be suspended and the employers' tax would be greatly increased. The possible penalties for nonconformity are so great that I think it wise that our court should pass on these matters.

I understand that the Knowland amendment will be voted upon next Tuesday, June 20. Your support of this amendment will be appreciated.

Yours very truly,

DONALD P. MILLER,
*Commissioner of Labor.*

COMMONWEALTH OF KENTUCKY,
DEPARTMENT OF ECONOMIC SECURITY,
*Frankfort, June 16, 1950.*

Hon. W. F. KNOWLAND,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR KNOWLAND: I am enclosing a copy of the telegram I sent to both of Kentucky's Senators, together with a copy of the letter that followed.

A carbon copy of the letter was sent to each of Kentucky's Members of Congress with the hope that they may be able to contribute, in some way, to the passage of this much-needed legislation.

Very truly yours,

V. E. BARNES,
*Commissioner.*

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FRANKFORT, *June 16, 1950.*

Senator VIRGIL CHAPMAN,
Senator GARRETT WITHERS,
*Senate Office Building,*
*Washington, D. C.:*

Senator W. F. KNOWLAND, of California, will introduce amendment to H. R. 6000 providing in effect that Secretary of Labor is restricted from holding States out of conformity until State courts have passed on disputed items. Urge that you support this amendment. Letter follows.

V. E. BARNES,
*Commissioner, Department of Economic Security.*

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JUNE 16, 1950.

Hon. GARRETT L. WITHERS,
*Senate Office Building,*
*Washington, D. C.*

DEAR GARRETT: In order to protect State administrative and judicial processes in the unemployment-insurance program, I want to urge your support of the Knowland amendment to H. R. 6000. Senator KNOWLAND will present his amendment from the floor, and in brief it is designed to do the following:

Make clear that—

1. A change in a State law can be accomplished only by legislative action;

2. That a State's failure to comply with its law (as interpreted by the Secretary of Labor) or its action in substantially denying benefits when due under the law of a State can be the concern of the Secretary only after affected parties have pursued the full remedies (administrative and judicial) provided in the law of the State; and

3. That a State be given a reasonable opportunity (90 days) to conform its law or interpretations relating thereto to the Secretary's ruling after he had ruled its law or interpretations out of conformity with Federal standards.

I want to also urge reenactment of the so-called George loan fund as recommended by the Senate Finance Committee, and defeat of any effort to substitute in lieu thereof the Federal reinsurance provision in H. R. 8059. Other features of H. R. 8059 will prove detrimental to a sound program of unemployment insurance.

I know that it is not necessary for me to enter into a lengthy explanation of the importance of the State's protection in the administration of a program so vital to our economic stability, and I feel certain that you will unhesitatingly give your support to the Knowland amendment and the reenactment of the George loan fund.

With kindest personal regards, I am,
Sincerely yours.

V. E. BARNES,
*Commissioner.*

STATE OF WEST VIRGINIA,
DEPARTMENT OF EMPLOYMENT SECURITY,
*Charleston, W. Va., June 16, 1950.*

Hon. W. F. KNOWLAND,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR KNOWLAND: We take the liberty of enclosing herewith copies of telegrams which we have today sent to Hon. MATTHEW M. NEELY and Hon. HARLEY M. KILGORE, United States Senate, relative to amendment to H. R. 6000 which we are advised you will introduce in the Senate, providing in effect that the Secretary of Labor be precluded from holding States out of conformity with the Social Securit Act until the courts have passed on propriety of such action.

Yours very truly,

C. S. DAVIS,
*Director.*

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CHARLESTON, W. VA., *June 16, 1950.*

Hon. MATTHEW M. NEELY,
*United States Senate,*
*Washington, D. C.:*

Am advised that amendment will be introduced by Senator W. F. KNOWLAND, California, to H. R. 6000, providing in effect that Secretary of Labor be precluded from holding States out of conformity with Social Security Act until courts have passed on propriety of such action. Am fully in sympathy with purpose of proposed amendment and urge your active support thereof in fairness to State employment security agencies.

C. S. DAVIS,
*Director, Department of Employment Security.*

Mr. SMITH of New Jersey. Mr. President, I desire to consider some aspects of the pending bill, H. R. 6000, which has been so ably discussed during the past few days. The Senate Finance Committee and its staff deserve great praise for the thorough and intelligent manner with which they have dealt with the complex problems involved in overcoming the deficiencies of our present social-security program. I should like to pay especial tribute to the able and distinguished Senators from Georgia [Mr. GEORGE] and Colorado [Mr. MILLIKIN], whose explanatory statements of the revisions recommended by the committee have made such a significant contribution to our understanding of this problem. I agree with them that we should continue the study and investigation of social security problems, and I give my fullest support to Senate Resolution No. 300, which they have submitted for that purpose.

The amendments recommended by the committee are, in my judgment, generally sound and clearly directed to the three major faults in the social-security program. Benefits are materially increased, eligibility requirements are liberalized, and coverage is considerably widened. While there may be points on which I would take issue with the committee's recommendation, on the whole I feel that the committee has dealt with a most difficult problem in a most convincing manner. It is my purpose to support the legislation recommended, subject to one or two variations which I shall cover in my remarks.

Mr. President, in light of the very full and convincing manner in which this whole matter has been presented and the

months of study that have gone into the development of the committee's recommendations, I would hesitate even to attempt to make comments on my own account, especially when I feel so much less qualified to speak than those who have spoken before me. But, Mr. President, the philosophy on which our social-security program is based goes to the very heart of one of the most significant issues facing us today. How can we make sure that programs designed primarily to protect the security of our people will also give adequate attention to the traditional freedoms and individual incentives that have been such a vital and essential part of our national heritage? It is because I feel that this is an issue of such tremendous importance that I desire to comment briefly on the over-all objectives of a sound social-security program. Let me state at the beginning that what I fear most would be a tendency to take the line of least resistance and to slide almost unconsciously into a pay-as-you-go, flat rate, universal pension plan.

Unfortunately, but inevitably, our social-security problems have become complex and highly specialized. It is most difficult for one who cannot give concentrated and continuing study to these problems to wade through the maze of formulae, conversion tables, eligibility requirements, and actuarial estimates, and at the same time to keep clearly in mind the basic objectives of the legislation. In an understandable search for an easier, simpler approach to the problem, a system of universal, flat pensions appears as an attractive alternative.

Mr. President, this might indeed appear to be a better solution on the surface, but I am convinced that it is a dangerous solution—one that would violate the basic and truly American principles upon which our social-security program must rest.

In trying to appraise my thinking on social-security problems, I have attempted to get the advice of those who have specialized in this field. I have found especially helpful the reports of the advisory councils appointed by the Senate Finance Committee in 1937 and 1947. I have been impressed with the objective manner in which these councils have approached the subject and with the varied background and superlative qualifications of the members of the councils, which were stressed by the able Senator from Colorado [Mr. MILLIKIN] last Tuesday. I think it would be well to take especial note of the fact that representatives of organized labor, together with representatives of management and the public, played an important role in these councils. We should encourage the constructive participation of our great labor unions in our quest for solutions to our social and economic problems. I have the privilege of a personal acquaintance with many of the members of the 1947 council.

I am especially indebted, Mr. President, to J. Douglas Brown, dean of the faculty and director of the industrial relations section of Princeton University. Dean Brown has been a close friend of mine for many years, and I have discussed our social-security program with him on many occasions. I have the greatest respect for his opinions on this subject, both because he has given it concentrated study for a number of years and because I know that his conclusions are based on a deep conviction that a sound social-security program must rest on fundamental American principles. He served with distinction as a member of the Committee on Economic Security in 1934 and 1935, as chairman of the first advisory council on social Security in 1937 and 1938, and as a public member of the most recent advisory council in 1947 and 1948.

Mr. President, on December 9, 1949, in New York City, at the fiftieth anniversary dinner of the National Consumers League, Dean Brown made an outstanding address on the underlying principles of a sound social-security program entitled "Cooperation Versus Paternalism." In this address the speaker brought out so clearly the main point I am now insisting on that I ask unanimous consent that the address in question be published in full in the RECORD at the conclusion of my remarks. Let me quote in full the past paragraph of that important address which highlights the choice that is facing the American people in the pending legislation:

> The critical question is: Will the American people take the right road in the choice between the cooperative as opposed to the paternalistic welfare state? Will they through ignorance or a softening of our moral fibers take the primrose path to state paternalism? A decade or a century from now men may look back and say that the decision was made in the year 1950. The America of that time will be a vastly different Nation according to the decision we make in the months immediately ahead.

The PRESIDING OFFICER. Without objection, the address referred to by the Senator from New Jersey will be printed in the RECORD.

(See exhibit A.)

Mr. SMITH of New Jersey. Mr. President, we are faced today with the necessity of devising a social-security program that will lead to the cooperative rather than to the paternalistic welfare state. What kind of social-security measures, we must ask ourselves, best fit the American way of life? Dean Brown describes in a most succinct and constructive fashion the foundation stones upon which our social-security system should rest. He says:

> Accumulating experience indicates that the survival of democratic capitalism depends upon the genius of man in combining three essential ingredients:
>
> 1. Individual incentive.
> 2. Mutual responsibility.
> 3. An effective framework against the corroding fear of insecurity.

Mr. President, I am not an economist a statistician, or an actuary. I do not pretend to be an expert on all the details of the legislation we are now considering. But because I think it is essential that we base our thinking on the type of objectives suggested by Dean Brown, I would like to analyze the major principles of our social-security legislation and the proposed amendments in the light of these objectives. Are we designing our social-security program so as to combine the three "essential ingredients" of "individual incentive, mutual responsibility and an effective framework against the corroding fear of insecurity?" Let me take up these ingredients in order.

1. INDIVIDUAL INCENTIVE

Mr. President, in the presentations on the floor of the Senate since this debate began, I have, perhaps erroneously, gotten the impression that some of us are thinking along the lines of least resistance because of the complexity of this problem. There seem to be suggestions that we should change our admittedly complicated system into a pay-as-you-go, flat rate, universal pension plan for everybody over age 65.

We have heard much in recent years about so-called free pensions of the Townsendite variety. Of course they are not free in the sense that social security can be achieved by some magic formula without cost. Any program that provides benefits for our aged must be paid for by the taxes of those who are working and producing, and its economic soundness is and must be dependent upon the economic soundness of the country.

However, one of the distinguishing and dangerous characteristics of all of the flat-rate, paternalistic pension plans is their failure to relate the pension benefits in any way to the past productivity of the beneficiary—measured, for instance, in terms of previous earnings. In such arrangements it is clear that the essential ingredient of individual incentive plays no part. Fifty or a hundred—or perhaps even two hundred—dollars a month for everyone over 65. It sounds enticing. It can be political dynamite to the American way of life. It would definitely mean a long step toward the paternalistic welfare state which Dean Brown and others warn us against.

How does our present social-security program differ in this respect from these flat-rate pension plans? Stated very simply, it does so primarily by relating benefits to past earnings and thus to the contribution the beneficiary has made to the economic system that must pay for his benefits. We pay a price, to be sure, for this characteristic, just as we pay a price for the essential freedoms of a democracy. We must keep detailed records of earnings; we must devise complicated administrative systems to handle these records and to determine eligibility; in the early years of the system we must make practical compromises in this principle to assure adequate protection to older workers who are newly covered. But I believe this price is well worth paying and that a truly American social-security program must retain the basic principle of relating benefits in some fashion to past earnings.

In this connection, I am concerned about the failure of our Finance Committee to recommend an increase in the wage base from $3,000. An overwhelming majority of the Advisory Council recommended an increase to $4,200 to

maintain reasonable differentials in benefits in light of the greatly increased wage level. I understand that under the proposal of the committee almost half of the regularly employed male workers would receive practically the same dollar benefit. Although a wage base of $4,200 would not allow large differentials, I believe it would give sufficient recognition to the higher paid worker to prevent the ultimate destruction of the principle of maintaining a minimum relationship between the contribution the beneficiary has made to the society of which he is a part and the benefit he receives. I feel that relationship is vital for us to preserve.

Let me emphasize at this point, Mr. President, that we are attempting here to strike a practical balance between essential and, to some extent, superficially conflicting principles. We want to provide a minimum security base without destroying the individual's incentive. If we move in the direction of flat benefits I fear we may also be inevitably faced with a powerful demand in future years for a level of benefits far above this minimum base.

I now come to Dean Brown's second essential ingredient:

2. MUTUAL RESPONSIBILITY

One of our greatest strengths in this country has been our determination that each of us must bear a major part of the burden of taking care of ourselves and our families while, at the same time, we are willing to cooperate with others so that we can lighten the total burden where practical. Thus, American citizens recognize that their responsibility extends beyond their own narrow, short-term self-interest, and encompasses the welfare of all citizens.

Our social-security program embodies this doctrine of mutual responsibility in at least two ways. In the first place, the benefit formula is weighted to allow a larger return for the lower-income worker in relation to his contribution to the whole system. In the second place, social-security costs are shared by the individual by means of significant and direct contributions made by him on the basis of a recognized percentage pay-roll deduction.

Here again we find the free paternalistic pension plans are in fundamental conflict with an American social-security system. Paternalistic pension plans could actually be set up and made to depend on an unidentified and indirect levy on the taxpayers, and allow the country to be bled white before their true cost was appreciated. Under such conditions the contributory principle would be completely thrown out of the window, and there would be no immediate and tangible charge on the income of the participants to sustain the program.

The contributory principle, which I consider essential to a sound, American social-security program, is probably the most difficult one to apply successfully on a national basis. The reason for this is that we have not yet found a way to preserve this principle and to put the plan immediately on a reasonably pay-as-you-go basis, which, of course, I should like to see happen. I believe we must move toward a pay-as-you-go basis, but I would not want to lose the contributory system.

According to the "intermediate" estimates of the committee, under the amendments they propose, the so-called trust fund would increase to about $72,000,000,000 by 1990 and then would start down. I am hopeful that the commission proposed in Senate Resolution 300, introduced by the Senator from Colorado [Mr. MILLIKIN] and the Senator from Georgia [Mr. GEORGE], will discover a practical way to approach a more nearly pay-as-you-go plan than is contemplated in the committee amendments. It would appear to me that some modification in the tax schedule proposed by the committee will help to achieve this result. I am frank to admit, however, that I have not thought of a satisfactory solution to this perplexing problem.

That is another indication of why the plan which the Senator from Georgia [Mr. GEORGE] and the Senator from Colorado [Mr. MILLIKIN] have suggested should be followed through on this subject.

Let me now turn to Dean Brown's third "essential ingredient":

3. EFFECTIVE FRAMEWORK AGAINST FEAR OF INSECURITY

In a real sense, of course, our over-all social-security program, by its very name, indicates that its major objective is to provide minimum safeguards for the security of individuals in a complex and highly interdependent economy. I have pointed out previously that this objective must be balanced against other objectives which are fundamental to our American way of life.

The question I should like to raise at this point, then, is whether or not a worker who is totally and permanently disabled should be included within the framework of our contributory program. I do not think that there is any doubt about the need for protection against this major economic hazard. The only question is whether it should be handled through a decentralized State-administered program or as an integral part of our Federal contributory program.

Mr. President, in the limited time available to me to analyze this problem, I have reached the tentative conclusion that the evidence supporting the inclusion of permanent and total disability protection in our contributory program is not yet sufficient to overbalance the tremendous administrative and political problems that such inclusion would raise. Let me stress, Mr. President, that this is only a tentative conclusion, and that I think the commission proposed in Senate Resolution 300 should give a high priority to the consideration of the question of whether at some future time we should include total disability in our contributory plan.

I am aware of the fact that a majority of the Advisory Council recommended that the time has come to take this step. I find the memorandum of dissent by two members of the Council most convincing, however.

I am especially concerned about the difficulty of evaluating permanent and total disability and about the possibility of political pressure tending to weaken the safeguards that have been proposed to prevent the abuse of the plan. My concern should not be interpreted necessarily as indicating a lack of faith in the honesty and conscientiousness of those who would administer the program or in the power of our elected officials to resist unjustified political pressure. I am simply attempting to be realistic and to face squarely the probability that there would be many border-line cases that would inevitably be subject to conflicting opinions.

There are, to be sure, serious social disadvantages in the administration of aid to disabled persons on an assistance basis. I have always favored the replacement of the public assistance portions of our social-security program where practical with systematic protection based on the contributory principle. It is true, moreover, that the forced retirement of the permanently and totally disabled individual is closely related to retirement due to old age. In fact, the economic impact of income loss due to disability is far more serious than is normally the case with regular retirement. In spite of these points, I think that the arguments for meeting the problem at the State level are more compelling.

I feel very strongly that before we embark on a program of Federal contributory disability protection, every effort should be made to encourage the States to establish an effective decentralized system for disability assistance. Only if such efforts are actively pursued, and if future experience proves that State programs are not doing an effective job in this area, would the conclusion be justified that the Federal Government should step in as has been proposed.

Mr. President, I have purposely avoided the use of the words "social insurance" in this discussion. I have done so because I think these words tend to cause confusion and misinterpretation. A national social-security system cannot operate on the same basis as a private insurance program. The contributions of today's workers cannot be successfully held in reserve to be used in paying benefits to these same workers in future years. But it is possible, I believe, for the contributions of today's workers to be directly identified with a system of old-age benefits in such a way that this identification will serve as a constant reminder that contributions and benefits are interdependent. Furthermore, by maintaining the essential relationship between previous earnings and ultimate benefits, we can avoid the enticing but dangerous alternative of a universal equalization of benefits and preserve the truly American character of our social-security system. We can, Mr. President, avoid the paternalistic welfare state and, instead, work for a cooperative welfare state that is consistent with democratic capitalism.

It is not an easy task to find solutions to our social-security problems, and, as I said above, I am far from qualified to discuss the detailed factual questions that are raised by those who have studied and specialized in this field. But as I have analyzed the basic objectives that

an American social-security program must have, I have become convinced that we must steer away from a universal, noncontributory pension system in which the benefits bear no relation to the past contribution made by the beneficiaries to the society.

It is usually true that the safest and wisest course is the least convenient and the most challenging. I hope that the complexity of our social and economic problems will never hide from us the fundamental American principles on which their solution must be based. In our search for sound social security we must devise a system worthy of a free and responsible people.

EXHIBIT A

COOPERATION VERSUS PATERNALISM—ADDRESS DELIVERED DECEMBER 9, 1949, BY J. DOUGLAS BROWN, DEAN OF FACULTY, PRINCETON UNIVERSITY

I would like to take my text tonight from the political bible of the United States of America, the first verse.

"We the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

It is interesting to note the words in the text which are capitalized in the quaint old manner of 1787. They are Union, Justice, Tranquility, Welfare and Liberty. It appears, therefore, that the concept that our national state should, among other endeavors, concern itself in the welfare of its citizens, was deep in the minds and hearts of its founders.

In recent months, the designation "welfare state" has come to be used with a note of censure. There has been an attempt to put the term across the tracks. But the critics of the welfare state have not been exact in their indictment. Do they mean (a) that the general welfare is not a goal in democratic government? I don't think so. (b) Do they mean that welfare for some has been assured through the impairment of justice to others? Perhaps. Or (c), do they mean that welfare has been promoted at the price of liberty? Perhaps.

The criticism of the so-called welfare state is then not properly aimed at the purpose of welfare. It is and should be aimed at the manner in which welfare is attained and assured.

The criticism against the welfare state is leveled most often by people who have not taken the trouble to study and support the ways under democratic capitalism by which welfare can be assured the great majority—without the impairment of justice to others or the loss of liberty by those whose welfare is assured.

The criticism is really against the paternalistic welfare state—made paternalistic by political pressure arising because of unwillingness on the part of many to promote the progress of a cooperative welfare state.

The paternalistic welfare state is not consistent with the American form of democratic capitalism. It would, in time, break down individual incentive and mutual responsibility. Its end is either stagnation or dictatorship. The Santa Claus state may become the Stalin state.

The cooperative welfare state is consistent with democratic capitalism. It supports mutual self-help, taxation with representation; it sustains justice among our people, and avoids a loss of freedom by the person whose way of life is assured. It seeks to prevent dependency before it occurs, and where dependency does occur, to deal with it constructively. It is my firm conviction that the American people want to sustain democratic capitalism under a cooperative welfare state.

It is the challenge to statesmen, administrators, and social scientists to learn how to implement this common desire of the American people. The answer is action, not charges and countercharges about welfare. We need the finest arts of policy development and administrative planning. We need courage for dynamic experimentation and progress in the development of the contributory social insurances, for example, just as we need courage for experimentation with nuclear energy. We need the one for sustaining justice, welfare, and liberty, just as we need the other to provide for the common defense.

The cooperative welfare state must be concerned with many other endeavors—the self-financing aid of housing, power development, irrigation, highways, hospitals, adult educational services, etc. It is the effort of a free people, through the organization of the state, to help each other in areas where private enterprise alone is insufficient.

There is no question but that private enterprise is the most efficient framework of activity in the vast, major areas of economic life. It assures incentive, flexibility, and progress in providing the means for general welfare. But where private enterprise is not enough, and where public action is necessary in the area of general welfare, it is important to the survival of democratic capitalism that as much as possible be accomplished by cooperative action rather than ex parte paternalistic action. States, like individuals, are tempted to become paternalistic. The higher calling is to use our intelligence and our energies to help people help themselves. That mission, successfully accomplished, will promote justice, welfare, and liberty, under democratic capitalism in a cooperative welfare state.

What kind of social security measures best fit the American way of life? Accumulating experience indicates that the survival of democratic capitalism depends upon the genius of man in combining three essential ingredients:

1. Individual incentive.
2. Mutual responsibility.
3. An effective framework against the corroding fear of insecurity.

In the agricultural period in the development of America, individual incentive was the most important of these three ingredients. The farmer and the shopkeeper of colonial days thrived because of individual incentive, and the simple economy thrived with them. The factory system and the coming of the railroads and other public utilities introduced new and intricate relationships of mutual responsibility. And now vast aggregations of interdependent activities by their very size and the impact of impersonal forces upon individuals necessitate greatly enhanced safeguards against arbitrary and overwhelming contingencies.

But no social security system is safe or conducive to the survival of democratic capitalism that does not sustain the other two ingredients essential to survival—individual incentive and mutual responsibility.

The American system of social security must, therefore, be built around social insurance and not dependency relief or free benefits such as sought by those who favor Townsendism. To preserve incentive, social-insurance benefits must be related to past productivity—employment and earnings with real differentials according to the degree to which the individual has contributed to the society to which he is a part. To preserve mutual responsbility, social-insurance costs must be shared by the individual insured through a direct, immediate, and tangible charge upon his income. So far as is possible, protection must be an earned and individual right, a specific protection against dependency, not a sugar-coated form of paternalistic relief, whether provided on a retail or a wholesale basis. Dependency relief will still be needed in many cases, but we must build on an effective structure of contributory social insurances to reduce constantly the scope of dependency relief.

In summary, then, an urban, industrial society demands a framework against the corroding fear of insecurity. A democratic, capitalistic society demands a social-security system in which individual incentive and mutual responsibility are preserved. The only mechanism yet invented to meet these two pressing demands is contributory social insurance with benefits varying with the earnings of the insured. That is the mechanism of a cooperative welfare state and a bulwark against the growing pressure toward a paternalistic state.

The critical question is: Will the American people take the right road in the choice between the cooperative as opposed to the paternalistic welfare state? Will they through ignorance or a softening of our moral fibers take the primrose path to state paternalism? A decade or a century from now men may look back and say that the decision was made in the year 1950. The America of that time will be a vastly different nation according to the decision we make in the months immediately ahead.

## EXTENSION OF THE TERM OF CERTAIN PATENTS HELD BY VETERANS OF WORLD WAR II—CONFERENCE REPORT

Mr. WILEY. Mr. President, I move that the Senate proceed to the consideration of the conference report on the bill (H. R. 4692) to provide for the extension of the term of certain patents held by veterans of World War II, which was submitted on March 22, 1950.

The PRESIDING OFFICER (Mr. HUNT in the chair). The conference report will be read, for the information of the Senate.

The conference report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4692) to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment, and agree to the same.

JAMES O. EASTLAND,
HERBERT R. O'CONOR,
ALEXANDER WILEY,
*Managers on the Part of the Senate.*

JOSEPH R. BRYSON,
EDWIN E. WILLIS,
J. CALEB BOGGS,
*Managers on the Part of the House.*

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wisconsin.

The motion was agreed to; and the Senate proceeded to consider the report.

Mr. WILEY. Mr. President, this matter is a very simple one. As the Senate passed the bill, it extended the term of patents held by members of the armed services for an additional amount of time equal to the amount of time they spent in the services. On the other hand, the bill, as passed by the House, would have extended the term for twice that long. The conferees, after having met, have agreed with the position taken by the House of Representatives. The Senator from Mississippi [Mr. EASTLAND], the

chairman of our subcommittee, has gone to the hospital; and he has asked me to present the conference report, which is unanimously agreed to by the conferees on the part of the House and the conferees on the part of the Senate.

Mr. President, by way of further explanation, I ask unanimous consent that a memorandum relative to this matter be printed at this point in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM TO SENATOR JAMES O. EASTLAND, RE H. R. 4692, A BILL TO EXTEND PATENTS HELD BY VETERANS OF WORLD WAR II, MAY 1, 1950

LEGISLATIVE HISTORY

Passed the House on August 15, 1949. Reported to the Senate favorably with an amendment by Senate Judiciary on October 17, 1950, and passed the Senate as reported the following day. Senate insisted on its amendment and requested a conference. Messrs. EASTLAND, Chairman, O'CONOR and WILEY were appointed Senate conferees. On March 22, 1950, conference report was filed in Senate and on April 5, 1950, it was filed in the House.

PARLIAMENTARY SITUATION

Under the rules the Senate must act first. It is a privileged matter and can be called up by any Senator, although the chairman of the conference is generally considered to hold the initiative.

PURPOSE OF THE BILL

To provide for an extension of the life of patents issued to veterans of World War II on the theory that their service would have in many cases precluded them an opportunity to exploit their patents during that period.

The act of May 31, 1928 (35 U. S. C. 40a-40d) provided similar patent-extension privileges to Veterans of World War I. The reported bill is similar in essential respects to the earlier law. The legislation calls for no additional appropriations and in some measure makes restitution for the sacrifices of wartime service.

SECTIONAL ANALYSIS

Section 1 of the bill would permit a person who served honorably in the military or naval forces of the United States for all or part of the period between December 7, 1941, and September 2, 1945, and to whom had been issued or who has continuously owned since a time prior to September 2, 1945, a patent whose original term had not expired before the latter date, to apply to the Commissioner of Patents for an extension of the term of his patent equal to twice that portion of his military or naval service between the dates of December 7, 1941, and September 2, 1945, during which his patent was in force.

Section 2 explains the method of making application to the Commissioner of Patents, the fee required, and the information and documentation to be submitted when making the application. It also provides for the succession of rights where the veteran patentee dies or becomes mentally incompetent.

Section 3 provides for the examination of the application by the Commissioner of Patents, the publication of notice of such application, the filing of opposition within 45 days after publication of notice, the hearing on the opposition, the remedy of the unsuccessful applicant by appeal to the United States Court of Customs and Patent Appeals, the ultimate insurance of the extension by the Commissioner of Patents, and publication of notice of the extension.

Section 4 provides that a false statement in the verified application will constitute a valid defense in a suit by the patentee for infringement occurring within the period of extension. The section precludes the patentee benefited by an extension from making any claim against the United States for the period of the extension, and preserves the status quo of the rights of the United States as if such patent had not been extended. This section also protects the innocent persons who might unwittingly and legally be manufacturing a patented invention after the expiration of its original term and then finds that the extension of the period creates a technical infringement. In such cases the continued manufacture is permitted, subject only to the payment of a reasonable royalty.

CONFERENCE DATA

As passed the House the bill granted a patent extension equal to twice the veteran patent holder's military or naval service between the dates of December 7, 1941, and September 2, 1945, during which his patent was in force. The Senate amendment limited the war veteran patentee's extension to once his war service rather than twice. This caused the conference. Upon study it was considered that the House version was fairer than that of the Senate for the obvious reason that almost 5 years have elapsed since the termination of the war as defined in the bill (September 2, 1945). Thus, a veteran patentee, with 3 years' war service, whose patent expired in 1945, would have it extended to 1948 under the Senate bill, to 1951 under the House bill. Obviously, the Senate version would afford no relief for the above class of patentees. The following paragraph from the statement of the managers on the part of the House (H. Rept. 1880) states the reason for the Senate's recession from its amendment being substantially that stated above couched in different language:

"The Senate amendment to the bill would have reduced the period of the proposed extension of patents for veterans of World War II from twice the period of their service between certain dates to a length of time only equaling the period of service between those dates. This would have inadvertently deprived many veterans of their rights because in many cases the period represented by the Senate amendment would have already expired. The effect of the Senate receding from its amendment is to restore the bill to precisely the form in which it passed the House.

"JOSEPH R. BRYSON,
"E. E. WILLIS,
"J. CALEB BOGGS,
*"Managers on the Part of the House."*

GENERAL

All conferees, House and Senate, have signed the report. Both the House and Senate Judiciary Committees found the legislation noncontroversial. The bill passed the Senate Consent Calendar on the first call. The file contains no opposition correspondence, and has some dozen letters in favor. It is believed the legislation is noncontroversial.

Informal discussion with the Patent Office reveals their actual position is one of disinterest and neutrality. If asked formally to report, they would take a mild adverse position to remain consistent in their historical stand against extension of private patents. However, when asked "off the record" they believe it is more or less a matter of legislative policy.

ROBERT B. YOUNG.

Mr. WILEY. Mr. President, I ask that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

## SOCIAL SECURITY ACT AMENDMENTS OF 1950

The Senate resumed the consideration of the bill (H. R. 6000), to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes.

Mr. LEHMAN. Mr. President, I send to the desk amendments intended to be proposed by myself, the Senator from Connecticut [Mr. BENTON], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. KILGORE], and the Senator from Utah [Mr. THOMAS], which would provide a wage base of $4,800 for the old-age and survivors insurance program, and amendments intended to be proposed by myself, the Senator from Minnesota [Mr. HUMPHREY], the Senator from Florida [Mr. PEPPER], the Senator from Oregon [Mr. MORSE], and the Senator from Montana [Mr. MURRAY] providing for the establishment of a program of Federal grants for medical assistance payments to the needy, to the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table.

Mr. LEHMAN. Mr. President, I have prepared a statement on amendments to the pending social-security measure, including explanatory statements on each of the amendments I have introduced, have joined in introducing, or which I support. Because of the time limitations, I ask unanimous consent to introduce my covering statement and my explanatory statements on these amendments into the body of the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN ON CERTAIN AMENDMENTS TO H. R. 6000, THE SOCIAL SECURITY BILL; AND STATEMENTS ON INDIVIDUAL AMENDMENTS

Mr. President, I have joined with some of my colleagues in sponsoring liberalizing amendments to the pending social-security bill, H. R. 6000. I hope that the Senate will see fit to adopt all these amendments, and thus give to H. R. 6000 a broader scope and more liberal application than is provided under the terms of the pending measure.

Having undertaken, in H. R. 6000, to extend the coverage of old-age insurance to additional millions of our people, we should not fail to include all those who are in need of this essential protection and who can practicably be covered.

We should include as employees under this legislation all those individuals who work for wages, commissions, or payments, regardless of the legalistic form given to the contractual relationship between them and their employers. Such categories would include wholesale salesmen, homeworkers, and agent-drivers.

Nor should we overlook this opportunity, this occasion, for strengthening social security at its most vulnerable point, by including provision for disability insurance, to meet the needs of those already covered but who become, because of total and permanent

physical disability, unable to continue to earn their livelihood before they reach the age of 65.

We must not lose sight of our objective—which is to provide social security for the greatest possible number of our citizens, and to extend as widely as possible the system to which we are committed, namely, a system of sound reserves, based on contributions by both employer and employee, which will provide protection for the greatest possible number of our people against insecurity in old age, and, I hope, in disability.

In improving and extending the insurance system, we must also make that system as attractive as possible, and provide recognition for the number of years spent in gainful employment. This is the reason for the pending amendment on increments. It would be un-American, in my judgment, to provide the same old-age benefit payment for the man who has contributed for 20 years and for the man who has contributed for 4 years.

On the same basis and for the same reasons, I appeal for the approval of the pending amendment to increase the wage base on which the taxes are to be computed, and on which the benefits are to be based. We must recognize the difference in wage levels today as against 10 years ago. The levels provided in the present law and in the committee measure are unrealistic. A ceiling of $4,800 would be perfectly sound and would recognize the increase in monetary wage levels in America today.

I also strongly urge an amendment I have submitted to include Puerto Rico and the Virgin Islands under all the provisions of the Social Security Act, those now in effect and those under consideration. I believe that these citizens of ours, living in these two Territories, need social security as much, if not more, than citizens on the mainland. I do not believe that we should discriminate against these people in this legislation. I believe that the public-assistance grants provided in the pending legislation should certainly be made available to these two Territories on the same basis as it is made available to Hawaii, Alaska, or the States of the Union.

I recognize that time for debate on these great questions is limited and will be even more severely limited tomorrow. That is well because this legislation must be disposed of, in favor of other legislation which awaits our attention.

Hence I have prepared separate statements bearing on some of the amendments whose approval I urge, and regarding which I may not have an opportunity to speak at any length at a later time.

The first series of these statements is addressed to those amendments of which I am the principal sponsor. They include:

1. Amendment to include tips as wages in computing social-security benefits.

2. Amendment to include wholesale outside salesmen as "employees" for the purposes of the old-age and survivors insurance program.

3. Amendment to include certain groups of agent-drivers as "employees" for the purposes of the old-age and survivors insurance program.

4. Amendment to include "homeworkers" under the provisions of old-age and survivors insurance program.

5. Amendment to include under old-age and survivors insurance program domestics who work a minimum of 6 days in any one quarter for a single employer who receive as wages from that employer a minimum of $50 during that quarter.

6. Amendment to include Puerto Rico and the Virgin Islands under public-assistance provisions including aid to the blind, the needy aged, the disabled, and the dependent children.

7. Amendment to provide Federal grants for medical care to the needy, on the basis recommended by the Senate advisory council on social security.

The second series of statements deals with amendments of which I am a cosponsor. These amendments are:

1. Amendment to increase the wage base for old-age and survivors insurance.

2. Amendment to provide for an increase in old-age and survivors insurance benefits, based on years of participation and contribution to the old-age and survivors insurance fund.

3. Amendment to authorize old-age and survivors insurance benefits to be paid to eligible participants in the program before reaching the age of 65, in the event of permanent and total disability incurred before that age.

4. Amendment to include under the old-age and survivors insurance program employees of transit systems which have been taken over by municipal or State governments, even if such employees may be blanketed into a State or municipal retirement system.

5. Amendment to authorize an increase from $50 to $65 monthly in State old-age-assistance payments, with the Federal Government paying one-third of such increase.

6. Amendment to authorize increase from $50 to $65 monthly in State assistance payments to the blind, with the Federal Government paying one-third of such increase.

7. Amendment to extend coverage under the old-age and survivors insurance program to certain public employees already covered by a retirement system, when that system provides for integration with the Federal system. (Applies specifically to public employees covered by the Wisconsin retirement system.)

8. Amendment to extend OASI coverage to additional farm workers by revising definition of regularly employed worker to one who has worked 60 days in the calendar quarter rather than 40 days. This would extend coverage to an additional 775,000 farm workers.

The third series of statements is addressed to those amendments sponsored by one or another of my colleagues which I support and for whose approval I appeal, although I am not a sponsor:

1. Amendment to provide Federal matching of assistance payments to adult relatives caring for dependent children.

2. Amendment to give credit for past contributions to old-age and survivors insurance program by individuals employed by farm cooperatives.

3. Amendment to make child welfare service grants available on July 1, 1950, instead of July 1, 1951.

AMENDMENT TO INCLUDE TIPS AS WAGES

This amendment is designed to assure to workers, part of whose compensation customarily consists of tips, that their entire compensation will be included in the computation of their social security old-age benefits.

This amendment is supported by the labor unions representing employees who work for wages plus tips. These workers are perfectly willing to report their tips and to pay taxes on them for social-security purposes. The fact is that many employees in the service trades receive a major part of their compensation in tips. To exclude this compensation from wages in computing social-security payments and benefits would be to deprive these employees of most of the old-age benefits available under social security. In some service trades tips represent as much as 75 percent of compensation for these workers.

The strange argument is made against this amendment that workers do not wish to report their tips because then they would be required to pay income taxes on them. But the law says that tips must be included in income for income-tax purposes. The workers involved are apparently willing to report their tips. The argument against the pending amendment is pure casuistry.

In any event, the pending amendment places the responsibility squarely on the employee. He need not report his tips for social-security purposes if he does not wish to. The employer pays tax, just as the employee does, only on the amount of tips reported.

There are no absolute figures on the number of employees who customarily receive tips, nor on the exact amount of income they receive in this form. However, it is estimated that waiters and waitresses alone number about three million, and average about $2.75 per day in tips. In addition, of course, there are bellhops, taxi drivers, barbers, beauty parlor operators, messengers, and many other types of workers who receive a substantial part of their earnings in tips.

In order to facilitate the reporting of tips as earnings, my amendment provides that tips would be counted only if the employee reported the amount of such remuneration to his employer within 10 days after the end of the quarter in which it was received. This provision was included in the House bill.

The amendment contains also a provision which was not in the House bill. The bill as passed by the House was objected to on the ground that although the employer would be liable for both his own and the employee's tax on the amount of tips received, he might have no opportunity to deduct the employee tax from the worker's wages. This objection has been met by a provision in my amendment that the tips could not be counted unless the employer had in his possession wages of the employee from which he could deduct the amount of the tax, or unless the employee transmitted with his report of tips a sum of money equal to the employee tax.

OUTSIDE SALESMEN

The purpose of this amendment is to define clearly in the law the status of wholesale outside commission salesmen as employees for the purpose of the Social Security Act.

These people are employees. The courts have found that they are employees. The Gearhart resolution, passed by the Eightieth Congress, declared that they were not employees, but I firmly believe that they should be so regarded and should be covered by the old-age and survivors insurance program on the same basis as any other employee.

Under the present law the employer decides whether these people are to be considered as employees for social-security purposes. This is wholly inequitable.

The House agreed that these wholesale salesmen should be considered as employees. The wholesale salesmen themselves are overwhelmingly in favor of being considered as employees for social-security purposes.

The definition as given in the House-approved version of H. R. 6000 was "outside salesmen in the manufacturing or wholesale trade." My amendment covers the same group, but specifically excludes salesmen of petroleum products who apparently do not wish to be covered. House-to-house salesmen are also excluded.

There is no reason for the exclusion of the wholesale outside salesmen from the old-age and survivors insurance program. Those of you who have seen the fine stage play, Death of a Salesman may know something of the emotional and other problems of this group.

Security is a vital need of these people. They should be included as employees, and not as self-employed. They are not self-employed, regardless of the commission basis and the contractual relationship. There are no administrative difficulties in the way of making payments and deductions from the compensation paid them by the

wholesale companies for whom these salesmen work.

The situation is now loose and untidy, as a result of the Gearhart resolution and of the prevailing practice of letting the employer decide whether the salesman is an employee or self-employed.

This situation can and should be remedied by the insertion of language which will eliminate any doubt that commission salesmen selling at wholesale to retailers for resale are employees for purposes of social-security taxation and benefits.

AMENDMENT ON AGENT-DRIVERS

The purpose of this amendment is as simple as the amendment, itself, is desirable. This amendment would include as an employee for social-security purposes agent-drivers or commission drivers engaged in distributing products not covered in the specific enumeration in the committee version of H. R. 6000.

The committee bill includes as employees agent-drivers who distribute meat products, bakery products, or laundry or dry-cleaning services.

The reason given by the committee for covering such individuals as employees is that, although they may not be considered to be employees under the usual common-law rules for determining the employer-employee relationship, nevertheless, they occupy a status substantially the same as those who are employees under such rules. This provision, if adopted, would result in extending coverage, as employees under the program, to an estimated 75,000 individuals.

There are a substantial number of agent-drivers and commission-drivers who are engaged in distributing other products or other services in a manner and under relationships indistinguishable from those listed by the committee.

Approximately 18,000 agent or commission-drivers distribute beverages to wholesalers, retailers, or consumers. Some 15,000 are engaged in the retail distribution of fuel and ice; about 10,000 are engaged in the retail sale of ice cream to consumers; some 1,500 distribute canned and preserved fruits, vegetables, and sea food; about 500 are distributors of confectionary products; and about 3,000 handle miscellaneous food products.

The total number who would be covered as employees under the proposed amendment to the language recommended by the committee would approximate 46,000 individuals. This number would be in addition to the estimated 75,000 intended to be covered by the committee.

There are, in addition, approximately 14,000 agents, or commission-drivers engaged in distributing manufactured or processed dairy products, such as cheese, butter, and cream. The proposed amendment to the definition of employee would not include these individuals as employees. The reason for this exclusion is to avoid the difficulty involved in the relationship between these commission drivers and individual farmers and farm cooperatives.

I urge the approval of this amendment including as employees all these agent-drivers other than dairy drivers.

AMENDMENT INCLUDING HOMEWORKERS AS EMPLOYEES

This amendment is designed to extend coverage under the old-age and survivors insurance program to approximately 40,000 individuals who work on a piece-work basis, in their own homes, primarily in needlework of one kind or another. They make artificial flowers, embroidery, gloves, or lingerie.

Under existing law, homeworkers (and their dependents generally) have been denied the benefits and protection of the old-age and survivors insurance program because Federal court decisions which have ruled that those so employed are not employees under an application of the common-law rules for determining the employer and employee relationship. The pertinent legal citations are: *Glenn* v. *Beard* (141 F. 2d 376); *Kentucky Cottage Industries, Inc.* v. *Glenn* (39 F. Supp. 642).

These court decisions are based on the judicial finding that homeworkers are not subject to a sufficient degree of control to constitute them as employees. Specifically, the courts have found that with respect to the performance of the work involved, these workers are not controlled in fact as to how, when, and where they shall perform their work.

But for unemployment compensation purposes, homeworkers have been held to be employees and to be eligible for unemployment compensation in the States of Illinois and New York. The pertinent legal citations are: *Peasley* v. *Murphy* (44 N. E. 2d 876 (Ill.)); *Andrews* v. *Commodore Knitting Mills, Inc.* (13 N. Y. S. (2d) 577). Under workmen's compensation laws, homeworkers have also been held to be employees. (*DeJong* v. *Allied Mutual Liability Insurance Co.* (205 N. Y. S. 165); *Jasnig* v. *Winter* (150 N. J. L. 320, affm'd. 116 N. J. L. 191.).

Similarly, under the Federal Fair Labor Standards Act, homeworkers have been uniformly held to be employees. *McComb* v. *Homeworkers' Handicraft Cooperative* (176 F. 2d 633); *Walling* v. *American Needle Crafts, Inc.* (139 F. 2d 60); *Fleming* v. *G. & C. Novelty Shoppe* (35 F. Supp. 829).

In 22 jurisdictions today, homework is regulated by law.[1] In some instances these laws define homeworkers as employees.[2] In other instances they prescribe minimum rates of pay to be paid homeworkers and the maximum hours they may work.[3] They provide for the licensing of homeworkers and the issuance of work certificates, and require employers of homeworkers to maintain records and to report to State agencies regarding the amount of work performed by homeworkers.[4] The requirements of the State of New York are fairly typical in this regard. These regulations include the following:

1. The homeworker is permitted to work for only one employer.

2. The employer is required to furnish all materials and articles directly to the homeworker.

3. The homeworker is covered by workmen's compensation insurance.

4. A homeworker shall be paid at least the same rate as is paid to shop workers in the same operations.

5. The employer and the homeworker are required to keep records of the date the work is issued, the amount of work given out, the operations performed, the rate of pay, the date of return of the work, the amount of work returned, and the total payment made to the homeworker.

Hence, there can be no logical basis for excluding these homeworkers from the application of old-age and survivors insurance.

[1] California, Colorado, Connecticut, District of Columbia, Hawaii, Illinois, Indiana, Maine, Maryland, Massachusetts, Michigan, Missouri, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, West Virginia, Wisconsin.

[2] California, Maine, New York, Rhode Island.

[3] California, Colorado (in retail trades only), Connecticut, District of Columbia, Hawaii, Illinois, Massachusetts, New Jersey, New York, Oregon (in connection with the processing of nuts only), Pennsylvania, Rhode Island, Wisconsin.

[4] Missouri, Ohio, and Tennessee do not require the furnishing of reports.

AMENDMENT TO EXTEND COVERAGE TO DOMESTICS WHO WORK 1 DAY PER WEEK FOR THE SAME EMPLOYER

There are approximately 2,500,000 individuals employed as domestics in the United States.

The Senate committee version of H. R. 6000 would extend coverage under the old-age and survivors insurance program to approximately 1,000,000 of these by including all those regularly employed who receive a minimum of $50 in a calendar quarter (13 weeks) from the same employer. The definition of regularly employed under the committee bill would be employment for at least 24 days in a calendar quarter.

My amendment would reduce this requirement of days employed to 6 days in a calendar quarter, but would retain the $50 minimum of compensation received from any single employer in a calendar quarter. I estimate that my amendment would extend coverage to approximately 900,000 additional domestics.

The Senate committee bill is a real forward step toward providing social-security coverage for domestics. Here is a group of our working population who need social security more than any other single occupational group. But the Senate bill does not go far enough.

More than half of the domestics employed in the country do not work as many as 24 days in a calendar quarter for the same employer. This requirement means that these domestics must work at least 2 days a week for the same employer. My amendment would cut this requirement down to 1 day a week. Among the domestics, those who need social security most, are those who work for different employers on different days of the week, but who work regularly for the same employer.

My amendment does set a very conservative standard for the minimum wage that must be earned before coverage is extended. They must earn at least $50 per calendar quarter. If they worked only 6 days in a calendar quarter, they would have to receive compensation at the rate of about $9 per day. Few domestics receive such a wage. In my own State, the average rate is about $6 per day, which would mean that domestics would really be required to work a minimum of 10 days in any calendar quarter.

If Members of the Senate feel it desirable to reduce the wage requirement to $25 per calendar quarter, I would accept such an amendment.

These people are just as regularly employed as those covered by the committee bill. They could be covered with little administrative difficulty and little trouble or inconvenience to their employers. There is no sound reason for leaving them out.

The chief argument against covering these people is the allegation that making the necessary reports would be an impossible burden on housewives and other household employers. In my opinion this argument is not sound. I am advised that the Social Security Administration has worked out some very simple procedures for administering the coverage of domestic workers.

Two alternative methods have been developed for securing wage reports for these domestic workers. Under the first, the simplified payroll reporting plan, the housewife would fill out a simple form showing the name of her employee, the social-security account number of the employee, the total wages paid, and the amount of the tax contributions payable. Moreover, the housewife would be required to do this only once in every calendar quarter—only four times a year.

Under the second alternative, the stamp plan, the housewife would simply buy stamps at the post office and paste one in the do-

mestic's book weekly. The worker would obtain the book and turn it in to the Government at the end of each reporting period. I am especially impressed with this latter plan, the stamp plan, which has been widely used in Europe, and makes record keeping an almost automatic process.

I strongly urge the approval of this amendment.

AMENDMENT FOR INCLUSION OF PUERTO RICO AND THE VIRGIN ISLANDS IN PUBLIC-ASSISTANCE PROVISIONS OF H. R. 6000

Puerto Rico and the Virgin Islands are integral parts of the United States, and their peoples are United States citizens. The inhabitant citizens share all the responsibilities of United States citizenship, including the responsibility for military service and should similarly share its benefits.

Two titles of the original Social Security Act already apply in these islands—Title V, Child Welfare Services, and Title VI, Public Health Services. There is no sound reason to continue excluding them from the remaining titles of the act. The House of Representatives, after a long and exhaustive study of the case, included these people in H. R. 6000 in both the social insurance and public assistance titles. Subsequently, a subcommittee of the Ways and Means Committee conducted an on-the-spot survey in the islands. What they found caused them not only to endorse the inclusion of Puerto Rico and the Virgin Islands in all these titles, but also to urge that the basis for their inclusion be liberalized.

H. R. 6000, as reported by the Senate Finance Committee, includes the islands in the social-insurance title, which I heartily endorse, but omits them from the public-assistance provisions, which I greatly deplore. Because of the economic conditions pertaining in these areas, the islands need Federal participation in the Federal public-assistance program as badly or more than any other part of our Nation. With their poor economy, assistance rates average only about 20 cents a day—20 cents a day to feed, clothe and shelter an aged person or a growing child. I urge that Puerto Rico and the Virgin Islands be included in the public-assistance titles of H. R. 6000, on the same basis as the States. There is no sound justification even for the discriminatory treatment provided in the House version, although the House version provides some public assistance to these islands. There should be no discrimination whatsoever in regard to public assistance to these citizens.

It is not, in my opinion, sound policy to continue this discriminatory treatment of United States citizens who live in the islands but who risk their lives for our country and who make the same sacrifices for our Nation as other United States citizens do. It is not, in my opinion, sound policy to say to United States citizens that, if they continue to live in Puerto Rico and the Virgin Islands, they cannot have Federal assistance when in need; to say to them that, if they need assistance, they must leave their homes and come to the mainland.

It is a strange anomaly that we recognize that a Puerto Rican or a Virgin Islander is entitled to Federal assistance if he comes to the States to live, but we say to him that he is not entitled to such assisance as long as he remains in those islands over which the American flag flies. American children, aged and crippled Americans, are suffering want and will continue to suffer hardship until we act favorably on this amendment.

The Territories of Hawaii and Alaska are included under all the titles of the Social Security Act. There is no reason for the exclusion of Puerto Rico and the Virgin Islands.

It is true that Puerto Rico and the Virgin Islands do not pay Federal income taxes into the United States Treasury. But this waiver constitutes recognition of the lower level of the economy of these islands. It is a waiver, a special dispensation. But in many Federal programs, Puerto Rico and the Virgin Islands receive benefits on the same basis as States. I am in favor of that. I am likewise in favor of extending the public-assistance provisions, and all other pertinent provisions of the social-security program, to Puerto Rico and the Virgin Islands.

The extension of the public-assistance provisions to Puerto Rico and the Virgin Islands would cost about ten million dollars annually. This is a small cost compared to the need.

For reasons of international reputation also, it is important to our Nation that this Congress take favorable action on this amendment. We have made strong representations before the world in regard to the treatment of dependent peoples. The world is watching what we do for our dependent peoples.

It is important that our concern for them and our actions in their behalf match our oft-expounded ideals and principles.

Our Latin-American neighbors will note with keen interest whether what we do for the Latin-Americans who are part of our Nation matches what we do for Americans of other racial strains.

To do justice to these United States citizens, and to do justice to our national aims and international reputation, this amendment must be approved.

AMENDMENT TO FINANCE MEDICAL AND HOSPITAL CARE FOR THE NEEDY

This amendment would provide Federal financial aid for meeting the cost of medical, hospital, and other health care furnished to the recipients of State assistance to the needy, the blind, dependent children, etc.

My amendment carries out the specific terms of the recommendation made by the Advisory Council on Social Security to the Senate Finance Committee. These recommendations were to the effect that the Federal Government should provide medical care grants to the States based on the number of individuals receiving public assistance in all forms in each State.

Each State would receive up to $6 monthly per person for each adult on the public-assistance rolls, and $3 monthly for each child on the public-assistance rolls; the State could receive from the Federal Government up to 50 percent of its expenditures for medical care for these individuals. States would be permitted to apply the grants to the cost of medical care for all individuals, without individual limits, as long as the average of $6 monthly per adult and $3 monthly per child was adhered to.

The public-assistance provisions of both the House and the Senate committee versions of H. R. 6000 authorize the use of Federal-public-assistance grants to pay for the cost of medical care to the needy, but retains the limit of $50 per month per individual for public assistance and medical care combined.

This is obviously inadequate to meet the cost of any serious illness and has the additional disadvantage of putting medical care in competition with assistance grants. Those States where old-age assistance payments approach $50 a month would obviously be reluctant to reduce these grants in order to provide medical care, however much needed, and the same would be equally true in the other categories of assistance.

There is widespread agreement on the urgency for meeting the medical and related health needs of destitute persons, not only on a humanitarian basis but also as a sound economy in preventing the heavy cost of dependency owing to medical neglect and chronic illness.

Evidence of this agreement has recently been brought to my attention in the recommendations to the Congress, adopted by the interassociation committee on health and formally confirmed by the governing boards of its six constituent organizations, the American Dental Society, the American Hospital Association, the American Medical Association, the American Nursing Association, the American Public Health Association, and the American Public Welfare Association. This recommendation states:

"It is recognized that public welfare departments are now handicapped in carrying out their existing responsibility to secure medical care, when needed and not otherwise available, to recipients of federally aided public assistance by the inadequate financial provisions of the Social Security Act and its requirement that all aid be extended in the form of cash payments to the recipient. It is therefore recommended that the latter restriction be eliminated and that the agency administering assistance be authorized to finance the purchase of medical care in behalf of assistance recipients. In order to assure the quality of medical care thus purchased for assistance recipients and relate it to their individual needs, it is also recommended that its financing be accomplished through funds earmarked for that purpose rather than charged against the funds available for cash payments to individuals. The further view is expressed that any provision to finance medical care for assistance recipients should permit the administration of the medical aspects of such care by public health departments and that such arrangements should have the support of these six organizations.

"Whenever the term 'medical care' is used in this statement, it is understood to include dental, nursing, hospital, and other health care as well as physicians' services."

Similar recommendations have likewise been made by most of the spokesmen for the State welfare departments testifying or submitting statements on H. R. 6000 to the Senate Finance Committee.

This amendment is intended to provide a practical means of carrying out these recommendations.

AMENDMENT TO INCREASE WAGE BASE OF OLD-AGE AND SURVIVORS INSURANCE PROGRAM

I hope the Senate will approve an amendment increasing the maximum-wage base on which old-age and survivors insurance contributions and benefits are computed.

The social-security bill as reported out by the Senate committee raises benefit amounts substantially. It does not, however, adequately protect that substantial proportion of regularly employed workers—more than one-third of those now covered—who earn more than $3,000 a year.

Prof. Sumner H. Slichter, of Harvard University, a member of the Advisory Council on Social Security to the Committee on Finance, and one of the most eminent economists of our time, has affirmed the necessity for providing adequate protection for skilled workers and supervisory employees who constitute the largest segment of the group of higher paid American workers. Dr. Slichter recently wrote an article which appeared in the Christian Science Monitor of April 29. This article, although directed at the bill as approved by the other House, is very pertinent to the question of wage base.

Dr. Slichter points out that prices have risen by about 70 percent since the benefit provisions of the Social Security Act were last changed, in 1939, and that average weekly earnings have risen about 100 percent. As a result of the rise in prices, the man who has annual earnings of $5,100 today is receiving no more in purchasing power than he did in 1939 if he then earned $3,000.

Although this man's cost of living has risen by 70 percent, the old-age-insurance benefit to which he is entitled under the

present law has not risen. On the contrary, this benefit has decreased by 40 percent in terms of its purchasing power. That is the measure of the loss in protection caused by the fact that prices have gone up and the benefit structure has not changed correspondingly.

Even under the liberalized benefit formula contained in this bill, the man who earns more than $3,000 a year will not have restored to him the same degree of protection as he had under the present law at the wage-price level of 1940. For example, a man who was averaging $3,000 per year in 1940 could anticipate retirement, say, in 20 years, with a primary insurance benefit of $48, under the benefit provisions then in effect. Under the bill now before us, he would receive a benefit of $72.50.

However, the benefit of $72.50 under the pending Senate bill would give this hypothetical worker a purchasing power of only $43 in terms of the 1940 wage-price relationship. Consequently, this bill fails to restore even the 1940 value of the benefits assured to this hypothetical worker in 1939. The wage base should certainly be increased in order to restore the retirement protection given in 1939 to the better-paid workers.

As Dr. Slichter said in the article I have referred to (a digest of which I inserted into the CONGRESSIONAL RECORD on May 15, 1950):

"It is not wise to have a pension law on the books and to let this law become steadily less and less adequate because of the rise in prices. Congress has delayed altogether too long in amending the law to meet present conditions."

It has taken more than 10 years to bring to this stage of the legislative process improvements in the law that were known to be needed almost as soon as the 1939 amendments were enacted. Any deficiencies in the bill we are now considering, if permitted to remain, may be with us for a long time to come.

Wage rates, already double what they were in 1939, are expected to rise even higher in the future. If we retain the $3,000 wage base now in the law, we will be tying the social-security program to a wage limit already inadequate and rapidly becoming obsolete.

As a first step in the direction of bringing the law in line with present-day conditions, the wage base should be increased to $4,800.

AMENDMENT TO PROVIDE AN INCREMENT ON BENEFITS FOR YEARS OF PARTICIPATION IN THE OASI PROGRAM

I ask the Senate to approve the amendment to provide for an increase in the amount of old-age benefits for each year during which the worker has made contributions to the insurance fund.

It is of the utmost importance, it seems to me, that this element be restored to the old-age and survivors-benefit insurance formula. Otherwise the effectiveness of the insurance program will be seriously impaired. Only by retaining this increment in the formula can we assure that individual contributors to the program will be treated fairly, that the program will serve to strengthen our system of incentives, and that it will continue to deserve and win public understanding and support.

The formula for computing benefits which is now included in the Senate bill works a gross injustice on the long-term contributor. Under that formula, the man who contributes to the program for 40 years receives no more than the man who contributes for 5 years. I do not see how it can be argued that that constitutes fair treatment for the long-time contributor.

It is a fundamental principle, in any kind of an insurance program with variable benefits, that the benefits should vary with length of participation in the program as well as with wage levels. Only in this way can the extra contributions of the long-term contributor be recognized.

I know, of course, that the majority of the Senate Finance Committee does not share this view, but I find it difficult to follow their reasoning. The report of the committee indicates that the increment would serve largely to reward younger workers for their greater contributions by paying them higher retirement benefits than those paid to persons who were old when the system started. To us, such an advantage seems undesirable. I cannot agree that such an advantage is undesirable. It seems to me highly desirable that those who will be contributing for the next 40 years receive higher benefits than those who will retire, say, in 1953, after 2 or 3 years of contributions.

I cannot agree, either, that people in present covered employment who have been making contributions to the program for the last 14 years should be placed on exactly the same basis as those who will be contributing next year for the first time. I think it will be very difficult for present contributors to understand why they would receive nothing for these 14 years of contributions despite the fact that they have been led to expect increased benefits for those years. The action proposed by the Senate committee strikes out of the law a semicontractual arrangement with 1,000,000 participants who were pledged an increment for their past years of contributions to the insurance fund.

And I do not think that the workers who will be covered for the first time next year would feel that they are being treated unfairly because they will receive less than those who have been covered and have been contributing for the past 14 years.

The American people do not expect to be treated with absolute uniformity regardless of their contribution to society or to the insurance program, nor would they welcome such uniformity of treatment.

The typical American worker wants to feel that he has built his own standard of living and his own security by his own contribution, and that through extra contributions he can build a higher standard. Moreover, this principle of additional rewards for additional contributions is part and parcel of our whole American system of incentives.

What incentive will there be for a worker to go on contributing to the insurance program for 20 or 30 or 40 years into the future when he knows that those who have retired after only a few years of contributions are receiving as much as he can hope to receive? How can anyone expect him to see any justice or equity in such a program? It is totally inconsistent with everything he understands about the American way of life.

I urge the approval of the amendment on so-called increments.

AMENDMENT TO PLOVIDE PERMANENT AND TOTAL DISABILITY INSURANCE

I urge with all the conviction at my command, approval of the amendment for permanent and total disability insurance benefits.

It would be a serious mistake to wait any longer to include such benefits in our social-security program. Many years ago, the Congress established permanent and total disability programs for Federal employees, for railroad workers, and for veterans. These programs are working well with these special groups. Why not extend this same protection to all those who are already covered or who are to be covered by old-age and survivors insurance?

Disability benefits should be added to old-age and survivors insurance immediately. This broadening of the Social Security Act would make the old-age-retirement provisions truly realistic. It would frankly recognize—and do something about—the fact that there are a good many regular workers who become permanently and totally disabled before they reach the age of 65.

Over the years, Congress has authorized a number of studies on the causes of insecurity. The Advisory Council of 1938 agreed unanimously on the desirability of providing social insurance for persons who are permanently and totally disabled. Because of disagreement on the proper time for introducing the program, no action was taken.

In 1947 the Senate created a special Advisory Council on Social Security to study the social-security program and to recommend necessary changes. On that Council—appointed by the junior Senator from Colorado [Mr. MILLIKIN], when he was chairman of the Finance Committee—were leaders in the fields of economics, labor, big and little business, life insurance, and Government. The Council spent a year analyzing every phase of social security. Many of the provisions in the bill before us are those recommended by this Council. Its recommendation for permanent and total disability benefits, however, is missing, although endorsed by 15 of the 17 members of that Advisory Council.

The Council's report recommending permanent and total disability benefits reflected a careful and temperate approach to this very serious problem. I agree 100 percent with the Council when it said:

"Income loss from permanent and total disability is a major economic hazard to which, like old age and death, all gainful workers are exposed. The Advisory Council believes that the time has come to extend the Nation's social-insurance system to afford protection against this loss."

This, too, was the view taken by the majority of the House Ways and Means Committee. The bill which passed the House of Representatives by a vote of 333 to 14, has an excellent permanent and total disability insurance program in it. I urge that we restore this part of the bill which has been eliminated by the Senate Committee on Finance.

We have made surveys on the prevalence of disability in this country since 1935. The most recent, a special census survey made in February 1949, showed that there are well over 2,000,000 persons of working age who are permanently disabled although not institutionalized. If we add those in institutions and homes, mental hospitals, tuberculosis sanatoriums and the like, the total of permanently disabled is about 3,000,000. Nearly 2,500,000 of these people would normally be working and self-supporting but for their disability.

Permanent total disability is a problem which is primarily associated with aging; two-thirds of those disabled under the age of 65 were in the age group between 45 and 65.

The problem is growing more acute every day. In 1900, approximately 13 percent of the population was 50 years old and over; today this proportion has increased to 22 percent; and by 1980 we expect that it will be at least 30 percent.

Along with the rapid aging of the population, there has occurred a sharp rise in the incidence of chronic invalidity. Medical science, public health, and other factors are extending the life expectancy of our people, but this brings with it a high incidence of persons who are partial or total invalids in their latter years. We must make provision for them.

The old-age and survivors insurance program promises to provide a measure of security for our people after they reach the age of 65. But under the present law, and the Senate bill, the benefits are not available under any circumstances until the age of 65 is reached. If the individual is disabled before he reaches 65, he must be an object of charity until he reaches 65.

Private insurance does not offer security against disability to those who need it most.

The selection of risks is too narrow and the premiums far too high to be available to the average or low-paid worker. Individual company or union plans cover only isolated groups of workers. Federal, State, and local retirement and disability programs are likewise limited to the coverage of comparatively few workers. And workmen's compensation covers only work-connected disability—a bare 5 percent of all permanent total disabilities.

The liquid assets of the average family are too small to withstand the steady heavy drain of the breadwinner's serious disability. With $500 or less in the bank—that's abo ; the national average—a family soon exhausts its resources.

Disability insurance is needed not only to provide continuing income for those workers who become disabled; it is also necessary to correct a very serious inequity under the present law.

At the present time, long periods of disability before the age of 65 may reduce the amount of eventual retirement and survivors benefits. In some instances such benefit rights can be wiped out altogether.

One function of a disability insurance program would be to preserve workers' insurance rights. It would provide that a period of permanent and total disability would not be taken into account in determining insured status or benefit amount for subsequent retirement and survivors benefits. Maintenance of insurance rights during disabilities are common under other Federal and State retirement plans, and under many private insurance policies. In many of these latter policies, premiums otherwise payable are waived when the policyholder becomes disabled. I do not see how we can continue provisions in our Federal law which, in effect, forfeit the rights of disabled workers to retirement benefits and even cut off the rights of their families to survivor protection.

It is a shock to many workers when they learn that the contributions which they have paid and will have paid offer no security if they become disabled before age 65. It is even more bewildering to them when they discover that prolonged disability may actually cause a reduction in their eventual retirement and survivors benefits, or wipe out entirely the benefit rights which they have accumulated.

We are not dealing here with malingerers or hypochondriacs. These are the working men and women of America who have suffered untimely misfortune. They should not be forced, in desperation, to seek charity or undergo the humiliation of the pauper's oath.

As stated by the Advisory Council to the Senate Committee on Finance—

"The Council believes that the permanently and totally disabled worker—as well as the aged worker or the dependent survivors of a deceased worker—should not be required to reduce himself to virtual destitution before he can become eligible for benefits. Certainly there is as great a need to protect the resources, the self-reliance, dignity, and self-respect of disabled workers as of any other group. The protection of the material and spiritual resources of the disabled worker is an important part of preserving his will to work and plays a positive role in his rehabilitation."

Endorsing this view, the House Committee on Ways and Means said in its report on H. R. 6000:

"The worker who has paid social insurance contributions for a number of years—perhaps over much of his working lifetime—has a real stake in the system which deserves to be recognized. He should not be required to show need to become entitled to benefits."

The long-range goal for Federal legislation should be to cut back the assistance programs and let the insurance programs take over the major job of providing economic security.

Both the Advisory Council and the House Ways and Means Committee expressed themselves as firmly opposed to using public assistance as a substitute for insurance. We should not wait until a disabled individual is destitute; our objective should be the prevention of destitution.

Experience under the railroad-retirement program and other disability programs has proved that the rate of long-term disability can be predicted with as much accuracy as the rate of retirement.

I am convinced that if we fail to lay a proper foundation now to meet the need created by permanent total disability, we will shortly be faced with an intolerable situation.

Relief for disabled workers is no real solution to the problem. Ever since we undertook a program of social security in the United States, our objective has been to reduce relief. Public assistance has always been considered as a program to meet emergency needs—and not a program to prevent insecurity on a permanent basis.

A recent Census study showed that in 1948 there were 10 million families with incomes below $2,000. The breadwinner's disability was one of the chief causes for the depressed income and standard of living of many of the urban families in this low-income underprivileged group. This situation led the Subcommittee on Low Income Families of the Joint Committee on the Economic Report to recommend in 1950 "the enactment of legislation to provide social insurance against the hazard of permanent and total disability."

The public relief rolls showed, as of January 1950, that we were supporting 900,000 persons from public funds because of serious disability. In addition we know that there are hundreds of thousands who prefer to live in want or on the fringes of want rather than turn to public or private charity.

Let us not lose sight of the main objectives of the social-insurance program. It was established to eliminate the basic causes of economic insecurity—destitution and the fear of destitution. Disability causes destitution; and workers whose only income is from current earnings have few fears greater than the fear of becoming disabled.

It should have been no great surprise to learn, from a 1947 survey of workers in the automobile industry, that the average worker's greatest worry is not insecurity in terms of unemployment or old age; the most crushing fear is what might happen to the worker's family if he became too disabled to work.

The worker with low or average earnings realizes only too well what disability can mean; for his family's sake, he would be better off dead than seriously disabled. If he dies, then, at least, his family may get survivors benefits. But if he becomes disabled, he is even more than a total loss to his family; he is an added expense to a family deprived of income and doubly burdened by the medical costs of his disability over and above the continuing costs of food, housing, clothing, and the other necessities of life. This sense of insecurity weighs heavily on young workers and those no longer young, those with heavy responsibilities—with small children growing up, going to school, and completely dependent on the breadwinner.

For workers who become seriously disabled, there is no social security. Disability eats away savings that have been built up over many years of hard work and sacrifice; it brings foreclosures on homes, and multiplies the number of lapsed life insurance policies.

We commiserate with these unfortunate people but we continue to dump them on to over-burdened public and private relief agencies or upon self-sacrificing relatives and friends.

The disabled are with us—and insecurity and poverty will always follow in their wake, unless we take the problem in hand and solve it in an orderly and organized fashion by adding protection against this risk to our social insurance system.

AMENDMENT TO INCLUDE TRANSIT WORKERS EMPLOYED BY MUNICIPAL AND STATE AGENCIES IN THE OLD-AGE AND SURVIVORS INSURANCE PROGRAM

This amendment is designed to meet the peculiar situation of workers employed by transit lines, formerly owned by private companies, but now owned by municipalities or other Government agencies.

These transit workers, on subways, streetcars, bus lines, and other public conveyances, were formerly covered by Federal social security when their companies were privately owned and operated. But when municipal governments or other agencies took these lines over, the workers became ineligible for Federal social security. Most of these employees were taken into municipal and State retirement systems.

The present bill, as reported by the Senate committee, permits State and municipal employees to be covered by Federal old age and survivors insurance program. But the committee bill excludes from that coverage municipal and State employees already covered by retirement systems.

I support that general exclusion. I introduced an amendment for such exclusion and that amendment was substantially adopted by the Senate Finance Committee and included in the pending bill. I proposed that amendment because municipal and State employees already covered by retirement systems in New York and other States indicated a unanimous desire to be excluded.

The transit workers constitute a special case. They want to be covered. They do not wish to be excluded, even though they are members of the municipal and State retirement systems.

Their desire is based on the fact that a majority of them entered the retirement systems only recently, after having been covered by Federal social security for many years—in some cases for more than 10 years.

On retirement these individuals would receive considerably less from the State and municipal retirement systems than other municipal and State employees who have been in the retirement system for a longer period. The transit employees, many of them with equally long periods of employment with the transit companies, feel that this is an inequity. Likewise they do not want to lose the benefits of the past contributions they have made to the Federal old age and survivors insurance fund.

I have been approached and urged to support this amendment by the A. F. of L. union representing transit employees on lines owned by local government units in Binghamton, Staten Island, and other places in New York. I have also been urged to support this proposal by the CIO transit workers union.

I have received a communication to this effect from Mr. Michael Quill, president of the CIO Transit Workers Union. The overwhelming majority of the transit workers in New York City belong to this union. The letter referred to is as follows:

TRANSPORT WORKERS OF AMERICA,
*New York, N. Y., June 2, 1950.*

Hon. HERBERT H. LEHMAN,
*Senate Office Building,*
*Washington, D. C.*

MY DEAR SENATOR: In regard to the position of our union on the Senate Finance Committee's reported version of the H. R. 6000 bill, please be advised as follows: We are, of course, interested in and wholeheartedly support the various amendments proposed by national CIO, as these, if enacted,

really liberalize and modify the social security law.

Nevertheless, we support the more restricted version of the bill as reported out of the Finance Committee because it contains definite improvements over the existing law. We would have preferred to see remain in this bill the optional language of the House version contained in section 106 to cover public employees who elect to joint the Federal system. Since this was stricken from the bill (and we understand public employees are expressly excluded by language in the modified bill now before the Senate), we urge most seriously that an amendment be included to cover the peculiar situation of the transit workers all over the United States. We understand Senator DOUGLAS has such an amendment under consideration. We favor an amendment which would mandatorily include transit workers of a private line taken over by a municipality even where the men as city employees now belong to a city retirement system. They should get the benefits of the Federal law for the periods during which they were under private operation. In this amendment, there should be a provision protecting the benefits they would otherwise receive from the city system which, of course, covers only the period since the city took over operation.

As to new transit employees who come into city service, we would favor a provision either mandatory or at least optional to them, to have them get the coverage of the Federal law should they elect to do so. This option would give those city transit employees who now have no retirement system or a very poor one, a chance to get the benefits of the Federal system.

We trust you will give these recommendations your most serious consideration. I am looking forward to seeing you personally.

Very truly yours,

MICHAEL J. QUILL,
*International President, Transport Workers Union of America, CIO.*

I therefore urge the approval of this amendment, which would include these transit workers in the OASI program.

AMENDMENT TO INCREASE PUBLIC ASSISTANCE LIMIT FOR NEEDY AGED TO $65 MONTHLY

I urge approval of this amendment to provide grants to permit States to increase public assistance pensions to the needy aged to $65 monthly.

The present limit is $50 monthly, of which the Federal Government pays something over 50 percent. In States where the cost of living is high and the States are disposed to pay more than $50 monthly, the proposed amendment would ease the burden of the States and permit a higher pension.

Of the proposed $15 increase in the maximum pension, the Federal Government would pay one-third, and the State would pay two-thirds.

AMENDMENT TO INCREASE PUBLIC ASSISTANCE LIMIT FOR THE NEEDY BLIND TO $65 MONTHLY

I urge approval of this amendment on the same basis as the preceding amendment. It provides the same kind of a formula for the needy blind as for the needy aged. On a humanitarian, as well as a practical fiscal basis, both this and the preceding amendment should be approved.

AMENDMENT TO INCLUDE UNDER OASI CERTAIN PUBLIC EMPLOYEES ALREADY COVERED BY A RETIREMENT SYSTEM (WISCONSIN RETIREMENT SYSTEM)

I have joined with Senator WILEY, of Wisconsin, in sponsoring and urging approval of this amendment, which permits the extension of coverage by the old-age and survivors insurance program for certain public employees already covered by a retirement system in which specific provision is made for the integration of that system with the Federal OASI system.

I take this position because I believe strongly that all workers who desire to be covered by Federal social security should be covered. The members of the Wisconsin retirement system desire to be covered. They have a special provision in their retirement system charter for integration with the Federal system.

Despite the fact that I sponsored and urged, and was glad to see adopted, a provision in the pending social-security bill for the exclusion from OASI of all public employees covered by State or municipal retirement systems, I am strongly in favor of this amendment to include these Wisconsin employees, and any other such groups which desire coverage.

AMENDMENT ON EXTENSION OF OLD-AGE AND SURVIVORS INSURANCE TO FARM WORKERS EMPLOYED FOR 40 DAYS IN A CALENDAR QUARTER

I urge approval of this amendment which would include 750,000 additional farm workers under the old-age and survivors insurance program.

The bill as reported out by the Senate Finance Committee would extend OASI coverage to farm workers who are regularly employed. The definition of "regular employment" contained in the Senate bill is employment for 60 days in a calendar quarter. I consider this definition to be far too restrictive.

Considering the employment pattern of farm labor in many States of the Union where weather and harvest conditions must be taken into account, I would judge that employment for 40 days in a calendar quarter is regular employment.

I therefore urge approval of this amendment which will bring under the coverage of old-age and survivors insurance these hundreds of thousands of farm workers.

I believe it to be very much in the national interest as well as in the interests of the stability of our national agriculture to include these workers under the social-security program.

AMENDMENT TO AUTHORIZE FEDERAL GRANTS FOR PAYMENTS TO ADULT RELATIVES CARING FOR DEPENDENT CHILDREN

I wholeheartedly support and urge approval of an amendment to the Senate committee bill to restore the House-approved provision for assistance payments to adult relatives caring for dependent children.

This is a long-overdue amendment to title IV of the Social Security Act, making it possible to include grants for State assistance payments to the mother or other relative responsible for dependent children already receiving federally aided assistance. The Senate Finance Committee eliminated this provision from its recommended version of H. R. 6000.

The amendment would permit the Federal Security Agency to reimburse the States for a proportionate share of payments made to mothers or other responsible relatives of children receiving aid to dependent children on the same basis and up to the same maximum of $30 a month which the bill provides for the first child in such families.

This proposal is a simple matter of humanity, common sense, and justice. It is obviously neither humane nor sensible to make provision for children who are needy because of the death, disability, or desertion of the family breadwinner and fail to make provision for the mother of such children. This is particularly true in view of the pitiful inadequacy of the Federal funds now made available for such children, especially as compared to the Federal funds available for the needy aged and blind under titles I and V of the Social Security Act.

Under the present law, the Federal Government will reimburse States for payments made to the first child in such a family only up to a maximum of $27 a month, the maximum Federal share being $16.50. The Senate Finance Committee has recommended a small increase in this ceiling up to $30 a month, with an increase in the maximum Federal contribution to $18.

But since in the Senate committee version of the bill this must also cover the expenses of the mother, it amounts in fact to $9 a person, as compared to the $30 per individual in Federal funds available for a needy old or blind person. Reimbursement for other children in such families would be limited to a maximum $18 monthly payment, with a maximum Federal share of $12.

There seems no reasonable basis for such inequitable treatment by the Federal Government toward these needy mothers and children. It is surely no less important to make this investment in our future citizens than it is to provide decently for those who have retired. It is certainly neither equitable nor sound economy to provide for these children less than a third in Federal aid of what we provide for the older group.

The American Legion, which has long championed the needs of children through the splendid work of its child-welfare committee, has been particularly active in advocating this change in the Social Security Act. The American Public Welfare Association, the American Parents' Committee, many church, welfare, union, and women's groups have joined in pressing for this reform.

This plea for fair and equitable treatment toward children who, through no fault of their own, are dependent on their Government for the means to grow into healthy, useful citizenship deserves the support of every Senator.

AMENDMENT TO GIVE EMPLOYEES OF FARM COOPERATIVES CREDIT FOR PAST CONTRIBUTIONS TO THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE SYSTEM

This amendment would grant relief and clarity to the status of employees of farm cooperatives whose eligibility for participation in the old-age and survivors insurance program has been somewhat clouded in the past.

Under the present bill, in both the House and Senate versions, these employees appear to be definitely covered by the OASI program. Thus their future status seems to be clarified.

The purpose of the pending amendment is to give proper credit for the past contributions of those farm co-op employees who felt they were covered in the past and hence made contributions to the system.

In some cases, it has been ruled that these employees were not eligible and hence their past contributions might be considered forfeited. This amendment would provide that these past contributions are to be counted. Thus the coverage would be made retroactive in all cases in which employees made contributions and considered themselves to be members of the system.

This amendment will remove all legal doubt as to the past status of those employees who have contributed, and clarify their status for the future.

AMENDMENT TO MAKE CHILD-WELFARE-SERVICE GRANTS AVAILABLE ON JULY 1, 1950

The purpose of this amendment is to advance from July 1, 1951, to July 1, 1950, the availability of Federal grants for child-welfare services.

The Senate committee provided that these funds would be made available on July 1, 1951, in the belief that the governmental machinery would not be established until that time to handle these funds.

The fact of the matter is that in many States, this machinery has already been set up. The program can go ahead in these States, as soon as the funds are available. Indeed, in some cases, the States are prepared to go ahead with this program, in anticipation of these funds.

Hence there is every reason to make this authorization effective as of July 1 this year, instead of next year. Indeed it would greatly handicap the program to delay the effective date until July 1 next year.

Mr. KERR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that the order for a call of the roll be rescinded, and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUCAS. Mr. President, the Senator from Washington [Mr. MAGNUSON], who is absent by leave of the Senate, has requested me to submit for him an amendment intended to be proposed by him to the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes. He will be here tomorrow when his amendment comes up for discussion. The amendment is supported by the Washington Federation of State Employees and the Washington State Federation of Labor.

At the request of the Senator from Washington, I ask unanimous consent that the amendment, together with correspondence, a telegram, and a memorandum of the legislative counsel explaining the amendment, be printed in the RECORD at this point.

The PRESIDING OFFICER. The amendment will be received and printed, and without objection, the amendment, correspondence, telegram, and memorandum, will be printed in the RECORD. The Chair hears no objection.

The amendment submitted by Mr. LUCAS (for Mr. MAGNUSON) is as follows:

On page 292, line 17, before the period, insert a comma and the following: "unless such agreement contains such provisions as the Administrator may determine to be appropriate to assure, so far as it is practicable and feasible to do so, that such retirement system will not be abolished or more inapplicable to members of such coverage group or that the benefits provided under such retirement system will not be reduced."

The correspondence, telegram, and memorandum are as follows:

WASHINGTON FEDERATION OF STATE EMPLOYEES,
*Olympia, Wash., May 19, 1950.*

Hon. WARREN G. MAGNUSON,
*United States Senator,*
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR MAGNUSON: In previous correspondence with you, you are acquainted with the position of our organization with regard to extension of the survivors insurance plan of social security to public employees. We are unalterably opposed to the provision in H. R. 2893 passed by the House in the Eightieth Congress, that completely excluded public employees already in an existing local retirement system. Largely through the efforts of our international, the current social-security measure as it was passed by the House (H. R. 6000) contained a provision (section 218 (d)) which would require a referendum vote among members of an existing retirement system, and a two-thirds favorable vote in such a referendum before such members could be accepted into social security. Our organization highly favored this provision.

However, considerable opposition developed from other States, and from groups that are not truly representative of public employees to this provision, with the result that the Senate Finance Committee eliminated the provision and substituted the same obnoxious provision of total exclusion contained in H. R. 2893. Our international was in session in its biennial convention at Omaha, Nebr., at the time, and called for a public hearing of all State delegations from States that have existing retirement systems. From this hearing came a new proposed amendment, that completely satisfied the entire membership of our international and was adopted unanimously by the convention. Our proposed amendment is: That as a substitute for the House proposal in section 218 (b) and the Senate Finance Committee's provision, that section 218 (b) be amended to read substantially as follows:

"Public employees who now have pension and/or retirement plans shall be excluded except in cases where the governing bodies will agree to supplement such plans with H. R. 6000 benefits with no reduction in the benefits already existing in such pension and/or retirement systems."

This will have to come as a Senate amendment and our organization is very anxious that you not only support such an amendment, but in fact if possible introduce it, which would be the official stand of the largest public employee international union in the American Federation of Labor and the AFL stand on this question. We are supported by the American Federation of Teachers, and the International Association of Technical Engineers in this State, both of which unions are vitally concerned with local retirement systems.

For your information, there is probably no State in the Union, whose public employees are now more thoroughly covered by existing local retirement plans. The Washington State employees retirement system is the seventh largest local retirement system in the Nation. This includes as of this date, all State employees except those covered by other systems such as teachers, and State patrol; the employees of 37 out of 39 counties in this State, about half of the operating PUD's, most of the port districts, 80 percent of the noncertificated employees of school districts, and many other political subdivisions—altogether about 24,000 members. Then there is the large teachers' retirement system, the firemen's pension system, the city-wide system with about a dozen municipalities and eight of the larger cities with their own retirement plans.

All of us who have worked through employee unions for these retirement plans realize that the benefits are wholly inadequate, but must be limited by available local tax revenue, so that our only chance of ever securing an adequate retirement program for the public employees, of this State will be through an eventual supplementation of our plans with Federal social security. Our legislature in 1936 made provision for social security coverage whenever available, so at all times we have looked forward to combining our systems with social security. The amendment placed on H. R. 6000 by the Senate Finance Committee sounds the death knell to all hopes of ever securing adequate retirement benefits for public employees of this State. Therefore I personally urge you to give this matter your most careful consideration, as I am sure every public employee in this State will be grateful to you. • • • Our proposed amendment so completely protects existing retirement systems that any opposition to this amendment can only come from those who are opposed to any increase in retirement benefits for our public servants.

With kindest personal wishes, I am,
Respectfully yours,

MARK WIENAND,
*Chairman of Retirement Committee Washington Federation of State Employees, also Assistant Secretary Washington State Employees Retirement System.*

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JUNE 5, 1950.

Mr. MARK WIENAND,
*Chairman of Retirement Committee, Washington Federation of State Employees, Olympia, Wash.*

DEAR MR. WIENAND: In my response to your letter of May 19 I stated that I was exploring further the possibility and desirability of such an amendment to H. R. 6000 as you proposed. I have discussed the matter at considerable length with our legislative counsel. That discussion was supplemented by subsequent conversations between the counsel and my assistant, Mr. Hoff. The attached memorandum contains the gist of these conversations.

I should like to have you study the memorandum and the amendment Mr. Simms has drawn, then give me your best judgment as to whether you wish me to proceed—also your reactions to the questions Simms poses.

Best personal regards,
Sincerely,

WARREN G. MAGNUSON,
*United States Senator.*

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OLYMPIA, WASH., *June 14, 1950.*

Senator WARREN G. MAGNUSON,
*Senate Office Building,*
*Washington, D. C.:*

H. R. 6000 amendment drawn by Simms very excellent. Strongly urge you to sponsor. Air-mail letter answering questions in Simms memorandum following.

MARK WIENAND.

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MEMORANDUM FOR SENATOR MAGNUSON

This memorandum is to confirm my telephonic conversation relative to the amendment to H. R. 6000 suggested in the letter to you dated May 19, 1950, from the Washington Federation of State Employees.

Under H. R. 6000, as reported by the Senate Committee on Finance, an agreement between the Federal Security Administrator and a State for the coverage under social security of State and local employees cannot be made applicable to any of such employees who are covered by a retirement system established by the State or any political subdivision thereof. The Washington Federation of State Employees apparently desires an amendment to H. R. 6000 which would enable such an agreement to be extended to State and local employees who are covered by such a retirement system but only if the governing body with respect to such retirement system agrees that the benefits provided by that system will not be reduced as a result of the coverage of the employees by social security. The sponsors of the amendment apparently contemplate that the agreement between the Federal Security Administrator and the State will contain a provision obligating the governing body with respect to the State or local retirement system not to reduce the benefits provided under that system. In the case of a State retirement system, presumably the governing body is the State legislature, while in the case of a local retirement system, presumably the governing body will be the group exercising ordinance-making or other legislative powers with respect to the political subdivision. The big difficulty in connection with the proposal of the Washington Federation of State Employees is that whatever State official may be making the agreement with the

Federal Administrator for coverage of State and local employees (presumably the governor under the authority of a State enabling act) would not be in a position to agree that future legislatures of the State or legislative bodies of a political subdivision of that State would refrain from taking action to reduce benefits under the State or local retirement system. This follows from the fact that, generally speaking, one legislative body cannot bind its successors to take or not to take certain action in the future.

Assuming, however, that notwithstanding the consideration referred to in the preceding paragraph, an agreement should be entered into between the Federal Security Administrator and the State to provide for coverage of certain State and local employees covered by a State or local retirement system and the State or local political subdivision should, contrary to the agreement, reduce the benefits payable under that system, a question arises as to what action should be taken by the Federal Government. The Federal statute could, of course, provide for terminating the social-security coverage of the State and local employees. That would, however, be a rather harsh penalty to impose upon the employees themselves who, notwithstanding the fact that they may have paid the equivalent of social-security taxes for several years, would eventually lose their coverage under the social-security system.

A further consideration that should be kept in mind in connection with the proposed amendment is that if the States and local political subdivisions are prohibited from reducing the benefits payable under the State or local retirement systems, the cost of covering State and local employees under the social-security system must be either borne completely by the employees themselves or met by additional expenditures for retirement purposes by the State or the local political subdivision involved. In other words, the State or local political subdivision will not be able to use for the purpose of social-security coverage of its employees the same money which it now contributes to the State or local retirement system applicable to such employees.

The amendment submitted with this memorandum provides that the agreement between the State and the Federal Security Administrator may not be made applicable to State or local employees covered by a State or local retirement system unless the agreement contains such provisions as the Administrator may determine to be appropriate to assure, as far as it is practicable and feasible to do so, that such retirement system will not be abolished or be made inapplicable to such employees or that the benefits provided under such retirement system will not be reduced. In view of the considerations discussed in the foregoing paragraphs of this memorandum, the Administrator may have difficulty in determining what those provisions shall be. The amendment would, however, enable the Administrator to demand that the agreement contain any provisions which he might consider appropriate to assure the accomplishment of the desired objective of having H. R. 6000 benefits supplement rather than replace the benefits provided under the State or local retirement system.

Respectfully,

JOHN H. SIMMS,
*Assistant Counsel.*

JUNE 2, 1950.

Mr. WILEY. Mr. President, I send to the desk an amendment designed to permit the integration of the Wisconsin retirement fund with the broadened Federal social-security system, intended to be proposed by me to the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes.

WHY WISCONSIN RETIREMENT FUND AMENDMENT MUST BE PASSED

I have commented on several previous occasions on the floor of the Senate on the need for this amendment. I think that we can spell out very clearly and briefly the case for it.

THIRTY THOUSAND EMPLOYEES ARE AFFECTED

First. The net effect of this amendment is to enable the some 30,000 individuals covered under the unique Wisconsin retirement fund to have their modest coverage on a State basis supplemented by Federal coverage. These 30,000 individuals are the employees of some 76 Wisconsin cities, 15 villages, 37 counties, and 33 other local governments in my State.

WISCONSIN IS ONLY STATE WHICH PLANNED FOR INTEGRATION

Second. Wisconsin is the only State in the Nation which especially wrote into its State statute a provision whereby employees covered under the State retirement fund would also be enabled to be covered under the broadened Federal system, once Uncle Sam so decided. I repeat, Wisconsin is the only State in the Union which has made provision for such integration from the very start.

AMENDMENT IS DRAFTED TO AFFECT ONLY WISCONSIN

Third. In view of that fact, this amendment which I have in my hands has been drafted so that the integration would only cover the employees of Wisconsin. They are the only individuals whose State statute, as of January 1, 1950, permitted integration. None of the other 47 States is thus affected in the slightest way.

FINANCE COMMITTEE EXCLUDED FOLKS NOW COVERED

Fourth. The Senate Finance Committee decided not to cover any individual now covered under a State retirement system, but to allow those individuals who might in the future come into such a system to be covered.

I personally feel that there is no reason under the sun why the 30,000 individuals now covered under the Wisconsin statute should be denied this opportunity. If they were so denied, the various States and county governments in my State would have a terrific problem trying to compete for employees with Uncle Sam.

FORD, GENERAL MOTORS, AND SO FORTH, SUPPLEMENT FEDERAL WITH PRIVATE PENSION

Fifth. To allow these individuals to have their meager State coverage supplemented by social-security coverage is similar to allowing the employees of private industry to have their Ford Motor Co. pensions or their General Motors' pension, or other pensions, supplemented by Federal coverage. What is good for a private-industry employee is also good and fair for a Government employee.

WE SHOULD NOT LOWER STATE EMPLOYEES' MORALE

Sixth. It seems to me that one of our major aims is to give force and vitality to State, county, and local governments, rather than to take any action which would impair them or lower the morale of their employees.

NO OPPOSITION IN WISCONSIN

Seventh. There is no opposition to this amendment from any quarter in my State. The teachers, policemen, and firemen are not effected, so the organized teachers, policemen, and firemen groups definitely do not oppose this amendment. The county employees' association definitely supports it. Many mayors of municipalities and other officials have written to me in support of the amendment. The League of Wisconsin Municipalities supports it. Various Government unions support it. I have previously placed in the RECORD the texts of many of these various supporting resolutions.

Nor have I heard from opposition from other States of the Union. There is, in summary, no need for any opposition because this amendment merely protects the unique Wisconsin system without harming or affecting anyone else.

I HOPE SENATOR GEORGE WILL ACCEPT AMENDMENT

It is my earnest hope that the distinguished chairman of the Senate Finance Committee [Mr. GEORGE] will see his way clear to accepting this amendment and taking it to conference.

Eighth. Let me point out that two out of every three employees covered by the Wisconsin Retirement Fund past the age of 65 has not retired. Why? Because the State pension is so pitifully small it would be practically impossible to survive on it.

COMPARISON OF SENATE AND HOUSE VERSIONS

Ninth. As further clarification, let me compare the Senate and House versions of H. R. 6000 on this point.

(a) Under the version approved by the Senate, provision is made to cover State and local government employees on a voluntary basis by means of a Federal-State agreement. However, no employees could be covered if they were covered by a retirement system at the time the agreement is made applicable to the coverage group. In other words, the State of Wisconsin's employees are penalized because Wisconsin happens to have been farsighted enough to cover its employees by a retirement system.

The purpose of this amendment is, therefore, to make sure that Wisconsin is not penalized for its farsightedness. Thus, the amendment would enable Wisconsin to cover its employees.

(b) Under the House version, on the other hand, State and local employees now covered under a retirement system could have been covered provided two-thirds of a majority participating in a written referendum had so decided. We are perfectly willing to have this two-thirds optional election feature. However, since the Senate Finance Committee knocked out that povision, the only way we can achieve our goal is by tacking on an amendment such as I have proposed.

CONCLUSION

May I state in summary:

(a) This is a unique amendment for a unique situation.

(b) No one will be hurt by this amendment.

(c) Thirty thousand people will be helped by it.

(d) The Social Security Administration has no objection to it, nor has any organized group which has contacted me.

The PRESIDING OFFICER. The amendment offered by the Senator from Wisconsin will be received, printed, and lie on the table.

Mr. MURRAY. Mr. President, I send to the desk amendments intended to be proposed by myself, the Senator from Florida [Mr. PEPPER], and the Senator from New York [Mr. LEHMAN], and amendments intended to be proposed by myself and the Senator from Florida [Mr. PEPPER] to the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child-welfare provisions of the Social Security Act, and for other purposes. The amendments would extend the coverage of the old-age and survivors insurance law to farmers and farm workers.

I ask unanimous consent that the amendments, together with a statement I have prepared to explain the purpose of the amendments, be printed in the RECORD.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table, and, without objection, the amendments and statement will be printed in the RECORD.

The amendments submitted by Mr. MURRAY (for himself, Mr. PEPPER, and Mr. LEHMAN) are as follows:

On page 241, lines 1 and 2, delete "on each of some 60 days during such quarter" and insert in lieu thereof the words "on each of some 40 days during such quarter."

On page 322, line 24, delete "on each of some 60 days during such quarter" and insert in lieu thereof the words "on each of some 40 days during such quarter."

The amendments submitted by Mr. MURRAY (for himself and Mr. PEPPER) are as follows:

On page 257, strike out lines 6 through 17, and renumber the succeeding paragraphs, and change cross-references accordingly.

On page 322, strike out lines 15 through 25; on page 323, strike out lines 1 through 9; strike out "(2)" on line 10 and insert in lieu thereof "(1)"; and renumber the succeeding paragraph, and change cross-references accordingly.

On page 333, strike out lines 8 through 25; on page 334, strike out lines 1 through 25; on page 335, strike out lines 1 through 13; and redesignate the succeeding subsections, and change cross-references accordingly.

On line 14, page 269, strike out "agricultural"; on line 15, page 269, strike out "labor."

On line 1, page 292, strike out "agricultural"; on line 2, page 292, strike out "labor."

On page 322, strike out lines 15 through 25; on page 323, strike out lines 1 through 9; on line 10, strike out "(2)" and insert in lieu thereof "(1)"; and renumber the succeeding paragraphs, and change cross-references accordingly.

On page 333, strike out lines 8 through 25; on page 334, strike out lines 1 through 25; on page 335, strike out lines 1 through 13 and insert in lieu thereof the following:

"(d) Section 1425 (h) of the Internal Revenue Code is hereby repealed."

On line 17, page 335, strike out "(i)" and insert in lieu thereof "(h)."

On page 355, strike out lines 22 through 24; on page 356, strike out lines 1 through 3; and renumber the succeeding paragraphs, and change cross-references accordingly.

On page 228, in line 23; on page 229, in lines 2 and 25; on page 230, in line 5; on page 231, in line 17; on page 233, in line 20; and one page 236, line 20, strike out "seventy-five" and insert in lieu thereof "seventy."

The statement presented by Mr. MURRAY is as follows:

STATEMENT BY SENATOR MURRAY

SOCIAL SECURITY FOR FARM PEOPLE

My first amendment, which I am offering for myself, the Senator from Florida [Mr. PEPPER], and the Senator from New York [Mr. LEHMAN] is a very simple one. It deals only with the coverage of regularly employed hired farm labor. It provides for reducing the 60-day requirement in the Finance Committee's proposal to 40 days as the test for who is a regularly employed hired farm laborer. Under the very splendid amendment reported out by the Finance Committee only those farm workers are covered who work 60 days or more in a calendar quarter for a particular farmer. This committee amendment is in the right direction and I congratulate the committee on its recommendation. However, because many farm laborers work in June and July, which cuts across two calendar quarters, they will not be covered. The amendment which Senator LEHMAN and I have introduced would reduce the 60 days to 40 days and enable 775,000 additional farm laborers to be covered. While it would still exclude many farm workers, it would help to bring into the system those who are regularly employed.

In view of the fine statements made by the Senator from Georgia, the Senator from Colorado, and the Senator from Ohio, in favor of broadening of coverage, I hope they will support our amendment.

My second amendment is a more far-reaching one. It is an amendment to include all farm people under the insurance program—both farmers and farm hands—except self-employed farmers who receive incomes of less than $400 a year.

I seriously regret that the bill reported by the Finance Committee does not extend coverage to farmers and farm labor.

Under the present social insurance law, farmers and farm workers are discriminated against. The people in the agricultural district are paying for part of the cost of social insurance in the prices of the goods that they buy. Yet they have no real social insurance for themselves.

When a farmer buys a tractor, the price of the tractor includes the cost of social insurance for the industrial worker. This is perfectly proper. But at the same time it is not fair that the farmer himself is excluded from having the protection of social insurance. He too becomes old; he too can die prematurely, leaving a widow and dependent children who might have to apply for private charity. Farmers become permanently and totally disabled just like thousands of other people do every year. For these reasons they should have the same protection as industrial workers.

The Senate Advisory Council on Social Security appointed by the junior Senator from Colorado studied this problem at considerable length. All 17 members of this distinguished Council recommended in favor of covering both farmers and farm hands.

H. R. 6000 makes substantial improvements in the old-age and survivors insurance program. It would extend the program to cover between 7 to 11 million additional workers and would greatly improve the benefit structure of the program. However, it does nothing whatever about the problem of social security for farm people.

Why were the farmers and farm workers left out of the improved program provided for in H. R. 6000? Discussions of this subject on the floor of the House by members of the Ways and Means Committee are very illuminating. I am inserting in the RECORD at this point quotations from the debate in the House on this problem.

Let me quote the answer which Congressman DOUGHTON, Chairman of the House Committee gave to this question:

"Whenever a majority of farm people signify their desire to be covered, I think it would be appropriate to cover them. So far we have had no evidence that a majority of them have such a desire. There is little interest or enthusiasm among the farm organizations about it."

Congressman JERE COOPER likewise remarked:

"Farmers were not included under this bill because the committee did not receive sufficient evidence that they wanted to be included."

"EXTENSION OF COVERAGE

"First. The social-security system should be extended to include more people—including farmers, lawyers, engineers, and the domestic servants who have been left out of H. R. 6000. The Committee on Ways and Means is to be commended for extending the coverage to 11,000,000 additional persons, but the program is not yet complete. If extended to another 8,000,000 working people, with a minimum benefit of $50 a month, which I recommend, we would at last have a comprehensive pension system, with payments based upon a right earned through work and contribution—not a humiliating program of dole, with a means test. It would be a system consistent with our American ideas of frugality and enterprise.

"This extended coverage would not be forced on these people. The farmers of my State have asked to be included in the program. A Nation-wide Gallup poll shows that 60 percent of the farmers of the Nation wish to be included. The Grange organization in my State of Washington has asked that its members be brought under the program.

"After all, no one is spared the experience of growing old." (CONGRESSIONAL RECORD, October 5, 1949; excerpt from statement by Hon. HENRY M. JACKSON, Representative from Washingtoh.)

"Of course the most important exclusion from coverage provided in the majority bill is that of farmers and farm labor. You cannot have a truly comprehensive system if you leave out such an important segment of our population. I believe that if those engaged in farming understood the benefits of the system, they would be pleading with their Representatives to admit them." (CONGRESSIONAL RECORD, October 4, 1949; excerpt from statement by Hon ROBERT W. KEAN, Representative from New Jersey.)

"A poll among farmers reveals that 60 percent favor extension of social-security benefits to them. Small-business men, professional workers, and others who comprise the nonfarm self-employed are asking that they themselves also be included. Farm operators number about 6,000,000. Urban self-employed stand at about 7,700,000." (CONGRESSIONAL RECORD, October 4, 1949; excerpt from statement by Hon. THOMAS J. LANE, Representative from Massachusetts.

"Mr. EBERHARTER. I want to say this further. I am delighted that so many Members were present when the gentleman spoke, because I agree heartily with what the gentleman from New Jersey [Mr. KEAN] has said about the gentleman from Arkansas [Mr. MILLS] and what the gentleman from Arkansas has said about the gentleman from New Jersey with respect to the intense interest they took in this measure. I am delighted that the gentleman from New Jersey [Mr. KEAN] indicated that he wanted more extended coverage. That matter, particularly the matter of the inclusion of farmers and farm laborers was certainly not a partisan question in the committee. As far as I am

concerned, I am thoroughly in agreement with the position of the gentleman from New Jersey that the farmers, the doctors, the dentists, and lawyers should be included, and we should not have made those exclusions.

"I further want to state there are other members of the majority who feel the same as I do. I further want to state to the gentleman that I agree with him that it was a mistake when we froze the tax in the first place. I do not, of course, blame the majority for that because during those days the minority party voted almost solidly for that freezing of the tax. But I was against it all the time. This colloquy here, however, between the gentleman from New Jersey and the gentleman from Arkansas will indicate, I believe, to the Members here how confused this subject is and how differences of opinion occur. It is not particularly a partisan question; it is really a very important question to be decided. This bill, as the chairman has said, is not the product of one mind; it is the product of all the members of the committee. I venture to say that the bill contains a suggestion from every member of the committee, both minority and majority. It was not a bill that was pushed out because of votes on one side or the other. So I feel sure that it is a good bill. There may be some differences of opinion. It did not suit me in every respect; I wanted to include farmers and domestics and all self-employed. But it was the best we could get under the circumstances, and I hope it will receive a good heavy supporting vote." (CONGRESSIONAL RECORD, October 4, 1949; excerpt from statement by Hon. HERMAN P. EBERHARTER, Representative from Pennsylvania.)

"Mr. MURRAY of Wisconsin. Mr. Chairman, I should like to get back to this matter of including the rural people in social security. As I understand, the National Grange and the Farmers Union went on record in favor of social security for farmers. May I ask the gentleman from Arkansas [Mr. MILLS] if that is not correct?

"Mr. MILLS. During the course of the hearings both the Farmers Union and the National Grange were represented and recommended that farmers be included under title II, as well as farm labor. In fact, the Farm Bureau adopted a resolution at a national convention recommending coverage for farm laborers when a workable program for this type of labor can be formulated, but did not take action on any recommendation with respect to farmers.

"Mr. MURRAY of Wisconsin. The reason I bring that up is that on yesterday a colleague from New Jersey, from a more or less industrialized region, brought out the fact that the farmer is paying the freight, and I guess he is, because that is an old saying that is heard in the countryside. The farmer buys 40 percent of the manufactured goods of this country. As a matter of fact, he now has to pay a transportation tax on water. He has to pay it on his milk, and that is pretty nearly 90-percent water, so he is even paying a tax on water.

"The thing I wish to have in the record is that this story that the farmers do not want social security just does not stand up. It does not stand up right here, because we have just heard that the National Grange and the Farmers Union both have asked that the farmers be included under the Social Security Act.

"This is the picture, and I say this with no particular criticism of any individual or group. Out of one pocket we are promoting the family-sized farm through the Farm Home Administration, and over the years it has done a splendid piece of work, especially when you realize that in this country we are down to less than 20 percent of the people living on the farms of the United States. Yet out of the other pocket we are putting out funds to promote the commercial type farms that are putting the other type farms out of business. One large wheat grower has had a $250,000 subsidy and one large certain outfit has had over $800,000 in subsidies. If we are going to have $7,000,000 farms such as Clayton & Co. bought out in California within the last few weeks, and if we are going to have million-dollar farms, and expect the family-sized farmer to compete with them, I should like to know how he is going to do it if he is not going to have any minimum wage nor any social security.

"You notice they left the farmers out of that minimum wage bill. To be factual about it, we have a minimum wage in the Sugar Act, and that is fixed at such a low amount that it really does not amount to much. Under the Sugar Act, even though a member of the President's Cabinet has the authority to fix the minimum wage, he fixes it at 25 cents and at 29 cents and at 32 cents in Louisiana and 60 and 65 cents in Colorado and California.

"American agriculture has to face two things. First is the situation where they do not have any minimum wage. A minimum wage in operation for agriculture would protect the man on the family-sized farm, because his time is worth somewhere near what the minimum wage is. Secondly, he is not going to be included under social security. It is just putting one more insult upon another.

"I think the time has come when one class of people that should have been in this bill is the rural people, because not half the people in a lot of those rural districts come under social security. We have many districts like that in the United States. What do they have to look forward to? They can look forward to the time when they get old, and believe me, when you get to be 65 years old you are not going to do too much farming. All they have to look forward to is that they might have someone point a finger at them and call them a relief er, and yet it all comes out of the same pot, more or less. There is no reason why rural people, not only the farmers, but the rural areas everywhere should not be included under the social-security program.

"Mr. MILLS. Mr. Chairman, will the gentleman yield?

"Mr. MURRAY of Wisconsin. I yield.

"Mr. MILLS. I desire to congratulate the gentleman on the position he has taken. I recognize the gentleman from Wisconsin as being as well informed as anybody in the House of Representatives on the desires of the farm people and what is best for farm people as far as legislation is concerned. I congratulate the gentleman. I trust the gentleman has made some investigation in his district and that he knows the people of his district are for coverage.

"Mr. MURRAY of Wisconsin. I received but one letter that was opposed to social security for farmers. Of course, I do not know the man. I do not understand the circumstances, but I can see why no one wants to pay taxes. You realize that human nature is human nature. A man who has many people working for him probably does not like to put in his share of it. But that has nothing to do with it. I recognize that the rural people should be included and I hope the other body will include them.

"Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

"Mr. MURRAY of Wisconsin. I yield.

"Mr. CRAWFORD. We are faced with what I think is a positively terrible situation, I mean economically speaking. The steel board has come out and unconditionally recommended that the employer pay the total amount for the employee. It says in substance 'You people who have lived simply and exercised thrift and invested your savings in buildings, machinery, and tools, so that the employees might have a job, shall in addition be responsible for the employees' social welfare.'

"Industry is accepting that proposition, as cockeyed as it is, because industrial management knows that it will add that cost to the price of the goods to be sold to the farm people. It is not a simple thing to administer the collection of a tax for social security and make the rules and regulations apply to the farm labor and the farm people. I know that. But here is a group of people on the farms in this country where the top level men in this administration say 'you must not be too much interested in protecting their wage, I mean the farm wage, because if you do you will overload the budget.'

"Everywhere you look the scheme is running contrary to the economic interest and protection of farm wages, the farm workers and the farm operators and the farm hired men. We are not on sound ground when we kick out 25,000,000 to 30,000,000 farm people and leave them hanging on a string which depends strictly on the whims of Congress so far as appropriations are concerned. I think we should assume the responsibility. I certainly would be a great deal friendlier to H. R. 6000 or the other bill if there was something in them which would give the farm people a chance to have a little security.

"Mr. MURRAY of Wisconsion. I thank the gentleman. I am in hopes, I will say to my colleague from Michigan, knowing the interest he has in this problem, that the other body—I know we cannot do it here because this comes to us under a closed rule where we cannot amend the bill—I am in hopes that there will be enough interest there and that farm organizations who have appeared before our committee will also appear before the committee of the other body and will be able to have their position prevail.

"I just believe that the great majority of the people will agree that that should be done in the other body.

"Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

"Mr. MURRAY of Wisconsin. I yield.

"Mr. HAYS of Arkansas. There is so much good in this bill that I expect to vote for it. But I do want to endorse what the gentleman from Wisconsin has just said about the gap still remains in our social-security program. Unless that gap is ultimately filled a great injustice is going to be done to the farm people of this country.

"Mr. MURRAY of Wisconsin. Before we become a party to furnishing company pensions and Federal old-age security under the social-security laws we should at least be interested enough to put all our American people under the social-security program." (CONGRESSIONAL RECORD, October 5, 1949, excerpts from statements by Hon. REID F. MURRAY, of Wisconsin; Hon. WILBUR D. MILLS, of Arkansas; Hon. BROOKS HAYS, of Arkansas; and Hon. FRED L. CRAWFORD, of Michigan.)

"Mr. DOLLIVER. The gentleman made some remarks earlier in his speech concerning the cost of this program as presently written, both in the gentleman's proposed substitute and the committee bill as it affects the farmer. It evidently is the gentleman's feeling that at this time the farmers cannot be included either in his bill or in the committee bill.

"Mr. KEAN. That is correct.

"Mr. DOLLIVER. Will the gentleman develop that thought a little to explain why it is that this burden is upon the farmer and they are not aware of it?

"Mr. KEAN. The reason is that the cost of the social-security program is added to the cost of the goods that the farmers buy.

"Mr. DOLLIVER. It is indirect, rather than a direct tax?

"Mr. KEAN. It is indirect. Every time the farmer buys a tractor he is paying for the social security of all the workers in the factory that made the tractor. That is one thing.

"Then the second thing is that the burden of old-age assistance is so great in those States where they have a lot of farmers that they are paying an inordinately high tax.

"Mr. DOLLIVER. But that for the most part is going to their own people, is it not?

"Mr. KEAN. It is going to their own people; that is correct.

"Mr. DOLLIVER. In other words, they are paying for old-age assistance by way of taxation to people locally rather than sending it to the Social Security Board by way of a payroll tax.

"Mr. KEAN. That is right.

"Mr. DOLLIVER. Can the gentleman give us any idea how those two figures might compare, that is, the amount they might have to pay in payroll taxes if the agricultural elements of the country were covered, and the relative amount they would have to pay for old-age assistance?

"Mr. KEAN. No; I do not think I can give those figures.

"Mr. DOLLIVER. Are there any figures available with respect to that, or are there any estimates?

"Mr. KEAN. I do not think so. Of course, 45 percent of the farmers have already paid social-security taxes out of which they will never get anything because they have gone to work in the towns, for example, for a short time. Some may have gone to clerk in a store for a little while. Some of them have had war work and worked in a factory for a short time. Some of their sons have gone to the city for a year or so, and then gone back on the farms. As a result 45 percent of the farmers have already had some social-security coverage, but they are never going to get a nickel back in the way of benefit from what they have paid in.

"Mr. DOLLIVER. Why is that?

"Mr. KEAN. Because they have paid so little that they cannot qualify.

"Mr. DOLLIVER. In other words, that coverage has lapsed; is that it?

"Mr. KEAN. Yes; it has lapsed." (CONGRESSIONAL RECORD, October 4, 1949; excerpt from statement by Hon. JAMES I. DOLLIVER, Representative from Iowa.)

"Mr. CAMP. I yield to the gentleman from Michigan.

"Mr. CRAWFORD. The gentleman is from a great farming State and I am also interested in farmers. Would he give us for the purpose of the record the reason why the committee did not cover farmers as such and farm labor?

"Mr. CAMP. We considered that subject perhaps as long as any other question that came before us. There were two or three compelling reasons. One is the fact that there is no demand by the farmers for it.

"Mr. CRAWFORD. In my district I have had every indication that there is greater demand for this social security coverage from people out in the farming districts than in any other part of my district.

"Mr. CAMP. I mean by that, sir, nobody representing the farmers came before our committee during the hearings and expressed their unequivocal desire for compulsory coverage.

"Another reason was the difficulty of collecting the taxes, not only from the farmer himself but from farm labor. The farmer nowadays does not keep such a good record of his business as other businesses. I hope in the future they will. Another reason was that farm labor to a large extent is transient. A man may hire a bunch of fruit pickers or cotton pickers and never see them again, and that was one of the reasons why farmers were left out. I think farmers should be included. I think that the farmers, when they understand this program, will want to be included.

"Mr. CRAWFORD. I join with the gentleman in that, and I think eventually conditions will force them to come in. There will not be a question whether they want to come in; they will have to come in.

"Mr. CAMP. Yes; I think so." (CONGRESSIONAL RECORD, October 5, 1949; excerpts from statements by Hon. A. SIDNEY CAMP, Representative from Georgia, and Hon. FRED L. CRAWFORD, Representative from Michigan.)

"Mr. MICHENER. Did the gentleman's committee give consideration to the administration of the bill if farmers were included? I voted for the original bill and I voted for every amendment. My understanding has always been the only reason farmers were not included was a matter of administration, that administration would be almost impossible.

"Mr. LYNCH. In answer to the inquiry of the gentleman from Michigan my understanding is that the problem of administration in the opinion of the Social Security Administration has been solved. For one, I am thoroughly in accord with the remarks made by the gentleman from Wisconsin [Mr. MURRAY], that farmers and farm labor should be covered. But our information was, and it is my distinct recollection, that originally the Grange came in and advocated coverage only on the theory of voluntary admission on the part of the farmer. Voluntary admission as such is not sound administratively. But if all farmers and farm laborers were brought in or if farm laborers only were brought in, this bill, in my opinion, would still be a better bill than it is today because I am convinced personally that just as the self-employed now are most desirous of being covered by social security so, too, would the farm operators be desirous of being covered by social security once their farm laborers were covered and they understood the benefits of social security perhaps a little better than I am told they understand it at this time.

"The real reason they are not covered in this bill is that there was no grant demand from the farmers, according to our understanding, or from the farm laborers. We had men on the committee who came from rural communities and who are familiar with the situation. We bowed to the better judgment of those Members." (CONGRESSIONAL RECORD, October 5, 1949; excerpt from statement by Hon. WALTER A. LYNCH, Representative from New York.)

"Mr. SECREST. Does the gentleman see a future possibility of farmers voluntarily being included in the social-security program?

"Mr. COOPER. Well, of course, it is difficult to tell now. Farmers were not included under this bill because the committee did not receive sufficient evidence that they wanted to be included, and the further fact as indicated by the contribution made by the gentleman from Pennsylvania. As a matter of practice, many farmers ordinarily do not retire at 65 years of age. If a man owns his farm, although he may not plow and hoe and work as much as he did in his younger days, he still operates his farm, supervises it, and does not want to retire as many other people do." (CONGRESSIONAL RECORD, October 5, 1949; excerpt from statement by Hon. JERE COOPER, Representative from Tennessee.)

"Mr. MURRAY of Wisconsin. I paid my share of social security so he could build up his social security standing.

"How about the farmers, then? They do not come under it at all?

"Mr. DOUGHTON. Whenever a majority of them signify their desire to be covered, I think it would be appropriate to cover them. So far we have had no evidence that a majority of them have such a desire. There is little interest or enthusiasm among the farm organizations about it." (CONGRESSIONAL RECORD, October 4, 1949; excerpts from statement by Hon. ROBERT L. DOUGHTON, Representative from North Carolina.)

"Mr. YOUNG. Mr. Chairman, I assert the people's Representatives can provide reasonable social security for the less fortunate among us without in any way sacrificing that liberty which we know as the American way of life. An adequate old-age insurance program, reasonable aid to the unfortunate and extension of retirement benefits is not statism nor is it socialism. Your Congress is determined that aid for the aged shall be based on an insurance system instead of a mere pension system. We have broadened coverage, benefits have been greatly increased. A worker who would now retire at $31 monthly, which is the present average payment, will, under the new bill, get approximately $56 monthly.

"Personally, I consider it but a matter of time before farmers and farm laborers will ask Congress to include them within the social-security program. When they fully understand the benefits of the Federal social security system, they will plead with their Representatives to admit them. Farmers not only pay for the benefits which industrial workers receive because certainly a part of the pay-roll tax is added to the cost of products they buy, but they are also paying State taxes to meet local old-age assistance and relief burdens. I am convinced that all gainfully employed men and women, except public employees such as teachers who have their own pension systems, should be included under our social-security program." (CONGRESSIONAL RECORD, October 5, 1949; excerpt from statement by Hon. STEPHEN M. YOUNG, Representative from Ohio.)

"FARM GROUPS SHOULD BE INCLUDED IN SOCIAL SECURITY BENEFITS

"(Extension of remarks of Hon. BROOKS HAYS, of Arkansas, in the House of Representatives, Monday October 17, 1949)

"Mr. HAYS of Arkansas. Mr. Speaker, H. R. 6000, already adopted by the House, provides vast improvements in the Social Security Act and is one of the most constructive measures of the present session. I earnestly hope it will be enacted into law. Unfortunately, it does not include provisions for farm workers and others within the farm group. I realize that the difficulties in connection with coverage for farmers are substantial but they are not insuperable. In support of the general proposition that it is inequitable not to provide such benefits for millions of Americans so classified I include the following editorial from the Christian Science Monitor, October 10, 1949:

"'*Farm social security*

"'It is decidedly time for farmers to know more about the old-age and survivors insurance of the social-security system. Congress will doubtless raise, probably next year, the now inadequate benefits for retired workers. The bill recently passed by the House boosts the payment on an average of 70 percent. When substantial monthly sums are given the elderly, many in the rural regions will doubtless question whether it is fair for the farm people not to share the advantages the same as workers in business and industry.

"'The 8,000,000 or more people on the farm eligible for this social insurance comprise the largest group to be omitted for the past 12 years from its coverage. The principal reason that Congress is still making no effort to bring them in is that they don't yet understand the social-security provisions for retirement, according to Washington farm observers.

"'The farm folks who most need the old-age insurance are the 700,000 migratory farm workers. These farm laborers who follow the harvest from one area to another have an unusual handicap in providing for their later years, and many of them also lack the necessary responsibility. The 750,000 sharecroppers of the South form another large section which would be greatly helped.

"'The most important and influential farm group, however, consists of the 4,000,000 farm

owners. Many are uninterested, some opposed, while a minority favor. Just what the old-age insurance is hasn't yet been made clear to the mass of farm operators. Doubtless, the old-age benefits would prove a welcome resource to many of them.

" 'As the Government insurance is eventually broadened to take in almost everybody else, it seems doubtful if they and the rest of the agricultural world will permanently stay out. Education about this social insurance must someday come to the farm, particularly to the farm operators. If then the farmers don't want it, it is certainly their right to reject it. But if they do, the quicker the old-age protection of the social-security system is made available, the better it will be for a host of farm people.' " (Appendix of the CONGRESSIONAL RECORD, Volume 95, part 16, page A6396.)

Congressman CAMP, of Georgia, also indicated that "nobody representing the farmers came before our committee during the hearings and expressed their unequivocal desire for compulsory coverage." He further stated, "I think farmers should be included. I think that the farmers, when they understand this program, will want to be included."

Congressman KEAN, of New Jersey, one of the Republican committee members, indicated his feeling on the subject as follows:

"Of course the most important exclusion * * * is that of farmers and farm labor. You cannot have a truly comprehensive system if you leave out such an important segment of our population. I believe that if those engaged in farming understood the benefits of the system, they would be pleading with their Representatives to admit them."

I quote Congressman LYNCH, of New York:

"I am thoroughly in accord * * * that farmers and farm labor should be covered. * * * If all farmers and farm laborers were brought in or if farm laborers only were brought in, this bill, in my opinion, would still be a better bill than it is today, because I am convinced personally that just as the self-employed now are most desirous of being covered by social security so, too, would the farm operators be desirous of being covered by social security once their farm laborers were covered and they understood the benefits of social security a little better than I am told they understand it at this time.

"The real reason they are not covered in this bill is that there was no great demand from the farmers, according to our understanding, or from the farm laborers."

These are only a few of the many similar statements made on the floor of the House by members of the Ways and Means Committee and by other Congressmen. It is clear, then, that the consensus in the House was that farm people ought to be covered by social security, and that they would be given such coverage if they expressed a desire for it.

But is it true that farm people are not interested in social-security protection? Since the Ways and Means Committee considered the social-security bill last year there have been some significant developments. At the recent public hearings on social security before the Senate Finance Committee, the three major farm organizations testified on this question. Let me read to you what the representative of the National Grange said at that time:

"I appear before you to express the desire of Grange members to have H. R. 6000 amended so as to extend old-age and survivors insurance to farm people. * * * The executive committee has examined the methods proposed for coverage of farm people and has found them workable. Our position, therefore, is for immediate mandatory coverage of both farm workers and farm operators on the same basis as other groups."

And now let me quote from the statement of the National Farmers Union:

"The National Farmers Union has for many years supported the extension of old-age and survivors' benefits to farm people. * * * Information received from members and officials of the National Farmers Union indicates that at least as far as the farmers belonging to our organizations are concerned they need and want social security. * * * Farmers as a whole, particularly aged and destitute ones, are inarticulate. They do not have the means of making their desires and needs known. Therefore, I sincerely hope that the members of this committee, even though they may not have heard directly from farmers, will give serious consideration to a provision which will extend survivors and old-age benefits to farmers and farm workers."

Finally, I quote from the statement of the American Farm Bureau Federation:

"The Federal old-age and survivors insurance program under the Social Security Act provides a type of assistance which has become accepted as an integral part of our economic system. * * * Employees of general agricultural organizations should be covered. Farm labor should also be covered. If the extension is provided by law to include self-employed other than farmers, and is proved feasible and administratively practical, then careful consideration should be given by State and county farm bureaus to the question of the coverage of farm operators under the old-age and survivors insurance program."

All three of the major farm organizations, then, have indicated that farm workers want social security, and two of the three have indicated that the self-employed farm operators want social security. In view of these facts I submit that there can be no further justification for continuing the exclusion of farm people from the old-age and survivors insurance program.

Doubtless it will surprise many people that the traditionally independent and self-reliant farmer has come to feel a need for governmental provision for security. Many people think of farming as a way of life which provides its own security, and there is some basis in tradition for this view. In the days when the self-sufficient family farm was predominant, farming did to a considerable degree provide security against want, though even then farm people were subject to insecurities as a result of droughts, floods, and the other natural uncertainties inherent in their occupation.

Today the character of agriculture is changing. The self-sustaining, one-family farm producing products for home use is no longer the normal situation; more and more the Nation's farms are coming to be commercial enterprises—large, one-crop establishments, factories in the fields, big business. In 1945, for example, only 22 percent of all the farms in the country were producing products primarily for home use. Farms are increasing in size; in the two decades from 1920 to 1940, the percentage of all farm land which was held in farms of 1,000 acres and over increased from 23 percent to 34 percent. In my own home State of Montana, in 1945, one-third of all the farms in the State consisted of 1,000 acres or over, and another one-third were between 260 and 500 acres. With the increasing size of farms and the increasing mechanization of agriculture, it has become harder and harder for farm families to become owners of the land they cultivate. The farm worker or tenant farmer can no longer look forward with any confidence to acquiring a farm of his own, and the farm owner cannot be certain that his land will provide a living for himself or his family when his capacity for productive work is cut off or diminished by old age, disability, or death.

A further reason why farm people want to be covered by social security is that they realize they are bearing a substantial part of the cost of social security. This comes about in two ways. First, public-assistance costs are heavier in rural areas, because farm people are not eligible for insurance benefits, and these costs are met to a substantial extent out of real-estate and other taxes of which the farmer pays a heavy share. Second, farm people, directly and indirectly, bear a part of the cost of the insurance program, although they cannot qualify for benefits under that program. Indirectly, they share in the cost of insurance program to the extent that the contribution of the program are passed on in higher prices for the industrial products that farm people buy. So far as direct payments are concerned, 35 percent of all farm operators, and 45 percent of all farm workers, have paid contributions to the program while temporarily in industrial employment, but only 10.5 percent of all farm operations, and 13.5 percent of all farm workers, are insured for benefits under the program. In the words of the National Farmers Union representative, "we believe strongly that farmers should receive social security because they help pay for the social-security system at present in operation and because we feel that they should receive social-security benefits as a right and not as charity." Yet, unless the insurance program is extended to cover farm people, they will be compelled to look for help to public assistance, with its attendant means test and personal investigations.

There is still a further reason why social security should be extended to farm people. As long as substantial numbers of people remain excluded from old-age and survivors insurance, it is necessary to have fairly strict eligibility requirements in order to protect the system from the heavy financial drain of paying benefits to individuals who have paid contributions for very short periods of time. If farm people were included, the eligibility requirements could safely be made more liberal so that more people could qualify for benefits under the system. Accordingly, I have included in my proposed amendment a provision to make it easier for workers to qualify for benefits by providing for the payment of benefits at age 70 regardless of whether the individual continues to work. This will enable the farmer who is able to continue working on his farm after age 70 to receive retirement benefits at that age.

Mr. President, my proposal would cover all farm people under old-age and survivors insurance except self-employed farmers who receive income of less than $400 a year. In the agricultural regions with which I am familiar this proposal will be a sound and workable one. I realize that in other agricultural regions there may be problems with which I am not acquainted and which might suggest the desirability of certain modifications in my proposal. Nevertheless, I think we can all agree that the objective of the proposed amendment is sound and that immediate steps should be taken to cover farm people under the insurance program.

Mr. MURRAY. Mr. President, I am very glad to have this opportunity to say a few words about the pending social-security bill, H. R. 6000. Members of the Senate know that I have long been interested in social security and that some 7 years ago I introduced, with Senator Wagner and Representative DINGELL, the first comprehensive social-security bill, parts of which are now embodied in the bill reported out by the Finance Committee.

I should like to refresh the minds of the Members of the Senate on some of the recent history connected with the social-security bills I have introduced—not in order to take credit for some of the fine things which are in H. R. 6000, or to point out some of the important items included in the House version but omitted by the Finance Committee, but to make some observations about trends in political science which might otherwise go unnoticed.

The first social-security bill I introduced with Senator Wagner and Representative DINGELL was in 1943. We reintroduced our proposals in 1945, 1947, and 1948.

When we first introduced our bill the opposition called it the American Beveridge plan. This was the first step in an attempt to defeat the proposal. It was given a foreign name so as to make it seem that we were just copying a foreign proposal. But since our plan was an American plan this attempt to stop interest in our proposal was not successful, and when the Tory government in Great Britain supported the Beveridge plan the conservatives in the United States dropped their criticism of the Beveridge plan as a device for criticizing our proposals.

In our 1945 bill we included provisions for Federal grants for hospital construction. This proposal was later passed by the Congress in the form of the Hill-Burton bill. Our bill also contained a provision increasing Federal grants in all the States for local public health units. This program has already passed the Senate. Our 1945 bill also provided for increased Federal grants for maternal and child health, crippled children, and child-welfare services. Increased grants for all three of these programs are included in H. R. 6000 as reported by the Finance Committee.

When we introduced our original bill, and on each successive occasion when we introduced a new bill in a new Congress, we expressed the hope that the bill would provide a basis for constructive thinking and legislation in a field where it was sorely needed. During 1943 and 1944 our proposals were the target of a most widespread campaign of opposition, almost unprecedented in volume and in character. I have often witnessed the use of false and misleading propaganda for political purposes and the use of extravagant charges in order to defeat legislation, but I never knew an opposition quite so unprincipled as the campaign which was conducted against the legislation which we introduced.

We recognized, however, that every important proposal to advance the public welfare has always met opposition at first from groups who care only about their own selfish interests. Usually they are satisfied with the status quo, and are opposed to any change whatsoever. Free public education, child-labor legislation, bank-deposit insurance, universal suffrage, the Federal income tax, and other measures to safeguard the general welfare of the public were all bitterly opposed when they were first suggested. The opposition which we faced when we first introduced our social-security bill never shook our faith in the need for social security or in the fundamental soundness of our proposals. I believe that we have been vindicated. The pending social-security bill contains many things which we advocated several years ago.

Practically all Members of the Senate today are supporting the provisions for improvement of the Federal old-age and survivors insurance program, for the extension of its coverage and liberalization of its benefits. I am delighted that the distinguished chairman of the Finance Committee has reported a bill which extends the coverage and liberalizes the benefits and that the minority members of the Senate Finance Committee have indicated that they will support the bill as reported by the committee. But I should like to recall to the attention of the Senate that in 1935, when the question of old-age insurance first came before the Senate, a Republican-sponsored amendment offered by Senator HASTINGS, of Delaware, sought to eliminate the old-age insurance program from the bill. His amendment was defeated, 15 to 63.

When the social-security bill was reported out of the Ways and Means Committee of the House of Representatives in 1935, seven of the Republican members of the committee signed a minority report in which they opposed the establishment of the old-age insurance system. Speaking of the insurance program they said as follows:

> These titles impose a crushing burden upon industry and upon labor.
>
> They establish a bureaucracy in the field of insurance in competition with private business.
>
> They destroy old-age retirement systems set up by private industries, which in most instances provide more liberal benefits than are contemplated under title II. (Conference Committee Report on H. R. 7260, 74th Cong., 1st sess., Rept. 615, pp. 43–44.)

Not a single one of these fears expressed by the Republican opposition has come to pass. The philosophy of fear is frequently used to try to defeat progressive legislation, but after the legislation has been put into effect and has been made workable by a Democratic administration, the Republicans come around and support it as if they were the original friends of the program who had gotten it enacted into law.

This is what Representative TABER said in 1935:

> Never in the history of the world has any measure been brought in here so insidiously designed to prevent business recovery, to enslave workers, and to prevent any possibility of the employers providing work for the people. (CONGRESSIONAL RECORD, April 19, 1935, p. 6054.)

This is what Senator Hastings said on the floor of the Senate:

> I am not prepared at this time to say that I should vote for any of these plans, because I have not made up my mind that the Congress has any authority to force upon anybody an annuity system of any kind. As I say, I am in general sympathy with the scheme. I think of all things that can be done for a young person, the most important is to have him begin to pay into some kind of a fund that will take care of him in his old age, but to have the Congress of the United States force him to make such payments is so entirely new, and so different from my philosophy of what the Congress has a right to do, that I am not for the moment prepared to approve any plan of that character. (CONGRESSIONAL RECORD, June 17, 1935, p. 9424.)

I am very happy that some members of the minority have now changed their minds and agree that it is important to support amendments expanding and liberalizing the program. If we had had their support during these last 15 years we could have improved the program much farther and much faster.

The Republican minority has consistently opposed our proposals by crying that they tended toward the welfare state. Finally that issue was thrashed out in a New York senatorial campaign last year, when the distinguished Senator from New York [Mr. LEHMAN] defeated the Republican candidate, Mr. Dulles, on the issue of whether the social legislation being advocated by the Democratic administration should be continued and improved. Subsequent to that time, Governor Dewey capitulated and announced that there was nothing wrong with the welfare state. This was reported in the New York Times as follows:

> Governor Dewey, of New York, declared in his second lecture tonight at the Woodrow Wilson High School of Public and International Affairs that it must have been some very clumsy Republicans who tried to pin the label "welfare state" on the Truman administration. Mr. Dewey said he did not know the origin of the phrase or who perpetrated it. It has generally been associated with Senator ROBERT A. TAFT, of Ohio, Mr. Dewey's opponent for the Republican presidential nomination of 1948 and 1940. It also was used exclusively by John Foster Dulles, Republican senatorial candidate in the last New York State election.
>
> "Anyone who thinks that an attack on the fundamental idea of security and welfare appeals to the people generally is living in the Middle Ages," Mr. Dewey declared. "Everybody wants welfare and security in one form or another. I have never met anybody who did not want welfare and security. The man who first used the phrase against our present government did his cause no good, to put it mildly" (New York Times, February 10, 1950).

Repeatedly, Republicans have criticized the compulsory coverage features of the social security and health proposals which I have introduced. I am glad to note that the Senator from Ohio and the Senator from Colorado now not only defend the compulsory coverage features of the bill, but have indicated that they wish to compel more people to contribute to the system. That horrible word "compulsion," which the Republicans and the American Medical Association have used to try to crucify those of us who are in favor of social legislation, can now be placed equally on the heads of the Senators from Ohio and Colorado and the other members of their party. I am glad to welcome them into our corner, where they may now admit the error of their ways and a belated conversion to their new faith.

I do not want my remarks to indicate criticism of anyone. I am just trying to bring out the facts. Every time we on the Democratic side have advanced progressive social legislation, it has been

repeatedly criticized—in the beginning, by conservative groups and representatives of the Republican Party; but later on the Republicans see the light and begin to defend what we have done and to take credit for trying to do the job bigger and better than we have.

Of course I recognize that this is an inevitable human tendency. I believe those of us who are in favor of social legislation must recognize the fact that we are going to get a lot of criticism when we first advance proposals, but that as time goes on we shall get more and more support; and finally, after our proposals are enacted, those who first opposed them will begin to see their merit.

One of the very fine provisions in House bill 6000 is the one which for the first time includes small-business men under the insurance program. In 1943 I was chairman of a special committee to study problems of American small business. Among the members of that committee were the following persons who are Members of the Senate at the present time: The senior Senator from Louisiana [Mr. ELLENDER], the senior Senator from Florida [Mr. PEPPER], the senior Senator from Ohio [Mr. TAFT], and the junior Senator from Nebraska [Mr. WHERRY]. Former Senator Capper, of Kansas, was the chairman of a Subcommittee on Research and Education. In conjunction with Senator Capper, our committee published a study called Small Business Wants Old-Age Security.

That was the first time there had been any real study of the problem of covering small-business men under the Federal OASI program. I am very proud of that study. I am proud of the fact that the committee of which I was chairman recognized the problem and indicated, over 7 years ago, how social-security protection could be extended to persons in business for themselves.

One reason why I have long been in favor of national social legislation such as old-age and survivors insurance is that it helps small business. Contrary to the false statements, that are sometimes made, that national social legislation hurts small business, I am convinced that workmen's compensation, accident and health insurance, old-age insurance, and unemployment insurance help small business to retain its employees against the competition from big business, and also help small business by maintaining purchasing power for families, so that they can buy merchandise at their local grocery, drug store, and hardware store, can pay for tickets to their local movie, and can pay their doctor and hospital bills.

In the bill which former Senator Wagner and I introduced on June 30, 1943, we included a provision for the coverage of all self-employed businessmen, and that provision has been repeated in every insurance bill that we have introduced since that time. We did not get very much support in 1943, 1945, or 1947 from any of the Republican Members of the Congress for our proposal, but I am deeply gratified that now the Members of the minority have come around to seeing that we had a sound idea.

In the bill we introduced in 1943, we included a provision for giving wage credits to individuals while they were in military service. We repeated this provision in our succeeding bills. Although the Congress did not see fit, for 7 years, to go along with this provision, both the House-approved version of H. R. 6000 and the bill as reported by the Senate Finance Committee include wage credits for persons who served in the military service during World War II. We are very gratified by the acceptance by the committee of this important provision, which we introduced 7 years ago.

Our bill also included provisions for covering farm labor and farmers under the insurance program. The bill reported by the Senate Finance Committee does include some farm labor. I have submitted to H. R. 6000 an amendment which would include additional farm labor, and I sincerely hope that the Senators who have been saying they are in favor of universal coverage will vote for my amendment.

I am, of course, in favor of extending the program to all farm people, including self-employed farmers, and I have had prepared an amendment which would do so. Senators on both sides of the aisle have said they favor, in principle, extending the program to cover farmers. I should be glad to offer my amendment to cover farmers if the leadership feels that an expression of views on this amendment would be helpful in obtaining early inclusion of farmers under the program. In order that the matter can be properly explored, I should be glad to have my amendment printed and laid on the table, so that any Senator who wishes to express his support of this amendment can do so. I should be glad to add to the amendment the name of any Senator who wishes to join me as a cosponsor.

I should like to point out that the coverage of farmers would not be effective until January 1, 1952, so that there would be ample opportunity to prepare the necessary administrative machinery to bring them under the program. Moreover, it would give the administrative agency a year of experience in covering nonfarm self-employed before bringing in the self-employed farmer. I agree with the Republican leaders that it will not be long before farmers are covered under the insurance program, and I see no reason why we should not now include in the bill a provision which will bring them into the program at an early date.

In the bill we introduced in 1943 we provided for liberalizing the insurance benefits. I am glad the Finance Committee has included provisions to liberalize the insurance benefits; but I feel, as many other Senators do, that the committee has not liberalized the benefits enough. Under the bill reported by the committee, the maximum insurance benefit payable is $72.50 a month, based upon maximum wages of $3,000. It is my understanding that various members of the committee will support an amendment to increase the maximum wage base to $3,600, which will permit a maximum insurance benefit of $80 a month. Naturally, I shall support any proposal to increase the insurance benefits, but I must say quite frankly that I do not think a maximum of $80 is sufficient. I believe the insurance benefits should be raised to about $100 a month for a person earning $400 a month who has been covered under the insurance program for 5 years. I strongly believe that the maximum wage base should be increased to $4,800, or in any event to not less than $4,200. I also believe it is most important to include in the insurance program an increase for each year for which an individual has contributed. I shall certainly support the amendments submitted by the senior Senator from Pennsylvania to increase the maximum wage base and to put back into the program the so-called increment for years of contributions to the insurance system.

There is one very grave omission from the bill; I refer to the action of the Finance Committee in striking out the disability insurance provisions approved by the House. I deeply regret that the Finance Committee took this action. Their action is diametrically in opposition to the recommendation made to them by their own advisory council. That distinguished council, composed of 17 members picked by the Senator from Colorado [Mr. MILLIKIN], voted 15 to 2 to include disability insurance in the social-security program. Yet the Finance Committee has disregarded this advice and has eliminated this most valuable and essential protection.

It is clear that this action of the Finance Committee was taken because of the tremendous campaign that has been waged by the private insurance companies, the American Medical Association, and the employer organizations such as the chamber of commerce and the National Association of Manufacturers—all of whom are opposed to this amendment, which is so very badly needed by disabled persons throughout the country. I am well aware of the fact that the members of the Finance Committee were strongly urged by representatives of the insurance companies and these other groups to eliminate the disability insurance provisions of the House bill. I deeply regret that they accepted the unsound arguments of the insurance companies and the other groups, in preference to the recommendation of their own advisory council, the needs of the disabled people, and the welfare of thousands of families in the Nation.

Under laws already passed by Congress we have provided disability insurance protection for railroad workers, for civil service employees, and even for Representatives and Senators. Experience with the disability provisions of the Railroad Retirement Act and the Civil Service Retirement Act has been excellent. But now we are asked to deny this same type of protection to the rest of the workers and small-business men of this country. I do not see how, in good conscience, any Senator can vote to withhold this protection from millions of persons who work for a living, when he himself, and all of these other groups, have protection against disability.

I know that many of the Senators here voted to provide disability insurance protection for railroad workers. Why, then, should they oppose the same sort of protection for the rest of the people

who work for a living in this country? As a matter of fact, the amendment proposed for payment of disability benefits is much more restricted, much more conservative, much more limited than what is now authorized under the Railroad Retirement Act, the Civil Service Retirement Act, and the other Federal programs providing for disability benefits.

The arguments made by the insurance companies and the American Medical Association can easily be refuted. They were refuted in the House of Representatives, before the House Ways and Means Committee reported the provision. They have been refuted time and time again.

In the first place, most of the insurance companies sell very little disability insurance through private policies. As a matter of fact, under many of the collective-bargaining contracts which provide for disability benefits, the insurance companies will not insure this protection, but they make the employer self-insure the disability benefits. So the amendment, if passed, would not in any way adversely affect insurance companies.

Nor would the amendment adversely affect the welfare of doctors or hospitals. As a matter of fact, if this amendment passes, it would put money into the hands of disabled people, which would make them better able to pay their doctor and hospital bills. Yet the doctors are opposed to this provision, despite the fact that it will help them and help their patients. They are taking a dog-in-the-manger attitude, because they are unwilling to support any progressive legislation whatsoever.

As a matter of fact, the official position of the American Medical Association in favor of permanent and total disability insurance, taken in 1938, is still in effect. It is the board of trustees of the American Medical Association which has taken the position against the proposal, not the house of delegates. Thus the action of the house of delegates in 1938 still remains the official action of the American Medical Association. Twelve years ago they admitted the validity of the argument that disability insurance would help the patients and help the doctors. But today, because they are opposing various health bills, they take the position that they must oppose everything, good, bad, or indifferent. This is a reckless and unprincipled policy.

I am sure that disability insurance is going to be the law of the land, sooner or later. Yet the doctors of this country, through their official organization, are putting themselves on record as preventing progress and as refusing to promote a decent and humanitarian program.

I should like to point out that the American Hospital Association, the American Public Health Association, and the American Legion have endorsed the principle of disability insurance—Senate hearings, pages 578 and 2368.

I have consistently supported social-security and full-employment legislation, because I believe that such legislation will help us to preserve our free-enterprise system. I believe that if we are to have a dynamic economy people must have an opportunity to work at rates of pay that will sustain a rising standard of living, and that there must be common protection against the causes of insecurity which face people who work for a living.

The program of full employment and social security under a free-enterprise system, which I have advocated during these past years is not going to come in the United States of its own accord. If we want that kind of program and want to put it in operation we must plan for it, we must work for it, and we must fight for it, against the opposition of those who are constantly trying to defeat our proposals.

Last year there was much criticism of the proposals for social security on the ground that they would cost a great deal of money. Members of the minority party inserted into the RECORD material showing the tremendous cost of social security through the year 2000. The only trouble with all these terribly high cost estimates was that the members of the minority party assumed that there would be no progress made in wages, employment, and living standards for the next 50 years. That might have been a correct assumption to make, had the Republican Party gotten into control of our Government. I believe Republicans must recognize that under the policies advocated by the Republican Party there would be very little progress made in improving wages or living standards.

I cannot accept this lack of faith in our country and in its future, which the Republicans have accepted. I believe that we are going to go forward to improve our wages, increase our employment, and raise our standard of living. As we do this, we can provide social security for our people without impairing incentives or placing too great a burden upon the productive members of our society. If we are to act as a humanitarian, intelligent, democratic Nation, we must make adequate provision for those in our country who become sick, disabled, aged, or unemployed, or who die prematurely. We must continue to improve our social-security program.

Recently, the Senator from Nebraska [Mr. BUTLER] wrote me asking my opinion on the flat-pension proposal he has advocated as a substitute for improving the insurance program. I am opposed to any such proposal, and I ask unanimous consent to insert in the RECORD a copy of my reply to the Senator from Nebraska, giving my reasons for my position.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS,
*June 19, 1950.*

Hon. HUGH BUTLER,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR BUTLER: This is in reply to your letter of June 13 in which you request that I support a plan for a 2-year stop-gap social-security measure pending consideration of a flat-pension substitute for the present old-age and survivors insurance program.

As you know, for many years I have been greatly interested in social security and have given careful study and consideration to proposals of the sort you advocate. As a result of this study I am convinced that the flat-pension system which you are advocating would be completely unsound and that it is unsuited to the American economy and inconsistent with our system of free enterprise, thrift, and incentives.

In a country such as ours, with wide variations in wage levels and living costs from State to State, and even within States, it seems to me that it would be utterly impossible to select any uniform pension level which would be suitable in all parts of the country. Moreover, not only are there wide geographical differences in costs of living and wage levels, but even within the same area the needs and standards of living of individuals may differ widely; here again, an amount which would be barely adequate for one person might actually, in another case, provide a standard of living exceeding that which the individual was able to attain for himself during his working years.

Moreover, I believe it is of the utmost importance for the continuing productivity and prosperity of the Nation that our system of incentives and rewards for superior accomplishment and contribution to the economy be strengthened in every possible way. Just as we must have a variable wage structure to encourage individuals to make their maximum contribution to national productivity, we must have also a variable benefit structure in our social insurance programs. I believe that the individual's knowledge that he can improve his future security, as well as his current standard of living, by his own effort, will encourage him to put forth maximum effort.

In this connection I would like to recall to you the splendid statement made during the hearings on H. R. 6000 before the Senate Finance Committee by Prof. J. Douglas Brown, of Princeton: "I would especially like * * * to emphasize the great importance of maintaining a full spread of differentials in an old-age and survivors structure. A contributory social-insurance system should strengthen, rather than weaken, the incentives so necessary in a free-enterprise system. In our efforts to support our least fortunate citizens it is easy to break down incentives by lessening the differential rewards for steady employment, higher earnings, and self-improvement. It is far harder to reestablish incentives once they are lost. Even America, with its great resources of materials and manpower, cannot afford to weaken the incentives of its people to produce more for a better standard of life * * *

"'This country is on the brink of a long and steady descent into a condition of flattened differentials and comfortable averages. To make things easy and to avoid the trouble of differentiating talent, effort, or character, we are tempted to concede flat-insurance benefits, flat-assistance grants, flat rates of pay, flat levels of education, and a tragic averaging toward a single norm in scores of aspects of life. This is one of America's greatest dangers. It is a symptom of a declining conviction in the value of competition, incentive, free enterprise, and free opportunity to prove one's self a more productive and an economically more valuable person than one's neighbor."

I feel, therefore, that I cannot support any proposal which would substitute a flat-benefit program for our present one. In addition, though, there are specific aspects of your proposal which I feel are most unwise.

I do not believe that the method of financing the proposal would be at all sound or satisfactory. First, I could not agree with any method of financing which would relieve the employer from some responsibility for contributing directly toward the security

of his employees. It has become a well-established principle that the cost of providing security for aged workers is as much a part of the expense of doing business as is the cost of replacing obsolete or worn-out machinery. Employers and industry generally have accepted this principle, and I believe we would be taking a backward step to relieve them of all responsibility for their employees' security.

Second, apart from the source of the funds for financing the program, I find the financing proposal quite vague, indefinite, and uncertain. I do not see how anyone could feel certain of any security at all with the tax rate to support the program being redetermined from time to time, as you indicate it would be, nor do I see how the tax rate, or indeed the whole system, could fail to develop into a political football subject to varying pressures from all directions. I feel that the end result would be complete confusion and chaos.

In my opinion your statement that H. R. 6000 will be so costly as to bankrupt the economy is completely without foundation. It is impossible for me to conceive that our Nation, with its tremendous productive capacity, will ever be unable to provide the necessary goods and services to support its aged, its widows and orphans, and its disabled at a decent and respectable standard of living. The only correct way to judge the cost of a social-security program is in terms of its effect on the Nation's production of goods and services. The payment of a decent level of benefits under our social-security system does not reduce the amount of goods and services produced; on the contrary, by maintaining the purchasing power of the beneficiaries and by improving the morale of the working population, it increases the Naton's productivity.

You state that the number of Federal employees required to administer the social-security system you propose would be no more than one-half of the number now required. There is absolutely no reason to expect such a reduction. On the contrary, under your proposal the number of Federal employees required would probably be substantially increased.

Many of those who now work on the maintenance of old-age and survivors insurance wage records would still be needed in order, under your proposal, to operate an identification and record system to insure against the payment of more than one benefit to each qualified individual. The employees now engaged in the collection of the payroll taxes also work on the collection of income taxes; the elimination of payroll taxes would not mean that all those employees of the Bureau of Internal Revenue whose work is charged for accounting purposes to the collection of the payroll tax could be dismissed. Actually, the Bureau of Internal Revenue, under your proposal, would have to add to its staff in order to handle the additional millions of income-tax returns that would be filed by individuals who do not now pay income taxes. These returns would be greater in number and would require more complex administrative steps to process than are required for the processing of the relatively simple tax returns filed by employers under the present social-security systems. Furthermore, the Federal Government would have to hire additional thousands of personnel to administer the phase of your proposal which requires that benefit amounts be fixed in relation to the amount of taxable income. The benefit amount would vary from year to year and even within the year, and the mechanics of determining the amount to be paid and maintaining the necessary accounting controls would actually be a great deal more expensive than the mechanics of benefit payment under the present program.

I particularly note that your plan does not provide for payment of benefits to disabled persons. I believe that this is a great deficiency in your proposal.

Finally, I could not support any system which penalized individual thrift, as it seems to me your proposal would do. I feel that the worker ought to be able to look forward to receiving his retirement benefits despite the fact that he may have been able to provide additional income for his old age through savings and self-denial in his working years. It seems to me that reducing the benefits where the individual has been able to provide such additional security would be utterly discouraging to all efforts to supplement the basic insurance benefit.

As I am sure you know, I am thoroughly aware of the deficiencies and inadequacies in our present social-security program. I believe, though, that the basis of the program is entirely sound, and that we can improve and expand the program both as regards persons protected and benefits provided so that it will do a really effective job of providing social security in a way consistent with our American beliefs, traditions, and circumstances. Accordingly, I intend to vote for H. R. 6000 and to work for further improvements in the program.

Thank you for sending me your proposal. I am very glad to have had the opportunity to study and comment on it, and I regret that I cannot in good conscience give it my support.

Sincerely yours,

JAMES E. MURRAY.

Mr. MURRAY. I have noted that several of the criticisms of the old-age and survivors insurance system made by the junior Senator from Washington bear a striking resemblance to the criticisms made by Mrs. Marjorie Shearon in her news letter called Challenge to Socialism. For that reason I ask unanimous consent to insert in the RECORD the entire editorial from the national Catholic weekly review, America, of May 27. The final paragraph of this editorial points out that:

"Dope sheets" like Challenge to Socialism—and there are many of them—are wrecking the attempt to build up a constructive conservatism in the United States. In their own way, to our mind, they are just as dangerous as the Daily Worker. They smear competent and conscientious Americans whose concern for American security and genuine democratic well-being are unquestioned. And they distract us from facing the real threat confronting our way of life, the threat of Marxism all over the world. Nothing could be more myopic, misguided, or menacing to social progress.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOW TO WRECK CONSERVATISM

Among the countless "dope sheets" purporting to furnish busy (and well-heeled) American citizens with what-you-should-know information about national politics is Challenge to Socialism, edited in Washington by Marjorie Shearon, Ph. D. It comes out not less than 35 times a year—allowing ample respite from the ardous research that goes into these invaluable contributions to American culture—and costs $12.50 annually. For some reason, single copies are modestly priced at 10 cents, which comes much closer to the real value of the publication. Its slogan, "Resist unwarranted regulative interference by government," was first aimed at medical legislation, but it now covers the whole waterfront.

In the May 11, 1950, issue of Challenge to Socialism, Dr. Shearon undertakes to do a job on Senator WAYNE L. MORSE, Republican, Oregon. She calls for his defeat in the May 19 Republican primaries, urging Oregonians to reject Senator MORSE as Floridans rejected Senator CLAUDE PEPPER on May 2 (America, May 13, p. 159). "Senator PEPPER's pinkness has been more obvious than that of Senator MORSE," warns the easily alarmed editor, "but both have been long immersed in the same waters."

Senator MORSE needs no defense from us. To begin with, he is a very highly educated person. His academic degrees include those of bachelor and master of arts from the University of Wisconsin, bachelor of laws from the University of Minnesota, and doctor of jurisprudence from Columbia University. The University of Oregon, which appointed him professor of law in 1929, made him dean of its law school in 1931, a position he held until he resigned to run successfully for the Senate in 1944 as a progressive Republican.

Comparing a man of such attainments to CLAUDE PEPPER requires some doing. But it gives Dr. Shearon no pause. She accepts, in derogation of Mr. MORSE, the judgment of Representative CLARE E. HOFFMAN, Republican, Michigan, whose account of his own post-law-school career in the Congressional Directory consists exclusively of a glowing enumeration of his pluralities in every congressional election since 1934: "The sketch [of WAYNE MORSE] does not show that he ever earned the degree of C. S.—common sense * * *." No sketch of Mr. HOFFMAN shows it either. Mr. MORSE, in the account he submitted to the Congressional Directory, could mention, in addition to his university teaching, his chairmanship of the President's Railway Emergency Board in 1941 and his membership, representing the public, on the National War Labor Board, 1942–44. He has reason to regard other accomplishments as more important than being reelected to public office, with machine-line precision.

The explanation of Dr. Shearon's attempt to purge Senator MORSE is basically very simple. The Senator, who knows a thing or two about labor law, voted against the Taft-Hartley Act. It makes no difference to Dr. Shearon, apparently—she never mentions it—that Mr. HOFFMAN, an arch-conservative, joined Senators PEPPER and GLEN TAYLOR (whom she brackets with WAYNE MORSE) in opposing the Marshall plan and other phases of our anti-Communist foreign policy. Lining up with the Daily Worker seems to be all right with Challenge to Socialism—so long as it is not on the T-H issue. But opposing what even Business Week (December 18, 1948) admitted to be a piece of anti-union legislation is the unpardonable sin.

Dope sheets like Challenge to Socialism—and there are many of them—are wrecking the attempt to build up a constructive conservatism in the United States. In their own way, to our mind, they are just as dangerous as the Daily Worker. They smear competent and conscientious Americans whose concern for American security and genuine democratic well-being are unquestioned. And they distract us from facing the real threat confronting our way of life, the threat of Marxism all over the world. Nothing could be more myopic, misguided, or menacing to social progress.

Mr. MURRAY. Mr. President, we must not wait another 11 years to improve the program. The last time there was a major revision of the social-security program was in 1939. We all recognize, of course, that because the war intervened there were a lot of things we wanted to do that we were unable to do; but 11 years is too long. I want to say that I shall introduce another bill shortly, providing for the complete extension of coverage, liberalization of the benefits, and other improvements. I hope that the Congress will consider and pass such

a bill next year, so that we shall at last have a comprehensive and universal program covering all the major causes of insecurity.

Mr. President, I also ask to have inserted in the RECORD in connection with my remarks an editorial from the Washington Post of this morning.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SOCIAL SECURITY

With party leaders on both sides in favor of liberalizing the social-security system, Senate passage of a bill extending coverage and increasing the scale of benefits is virtually assured. In a series of editorials the Washington Post has discussed the chief provisions of the House bill which was passed at the last session and the proposed Senate revisions. In both cases the proposals for extension of coverage are inadequate, but they are a step in the right direction. Moreover, it is encouraging to discover that influential Senators of both parties favor wider coverage leading eventually to all-in coverage.

Under either bill the proposed increases in the scale of payments would provide fairly adequate subsistence benefits for the great majority of workers. But in view of the sharp rise in wages and the 70-percent increase in living costs during the past decade as well as the extremely low level of benefits under the present law, we favor the higher scale of benefits of the Senate bill which increases average payments for retired workers from 85 to 90 percent.

Under the Senate bill the maximum wage on which benefits may be computed would remain at the present $3,000 level. That is much too low, since it prevents workers in higher income categories from qualifying for higher pensions affording more protection against wage losses. Ten years ago all but a negligible fraction of wage earners in covered employment earned less than $3,000, so that benefits were at that time based on the total earnings of the insured, barring minor exceptions. Today the wage base would have to be raised to $4,800 to cover all the wages of 95 percent of insured workers. Consequently, there is strong support in the Senate for an amendment to the pending bill that would raise the maximum wage on which benefits can be computed to $3,600—the figure set by the House bill. That would still be too low a base, providing too little protection against wage loss for workers in the higher wage brackets. But it, too, would be a step in the right direction. Together with the more liberal Senate formula for computing benefits, it would further increase the scale of benefits for higher paid workers, who would, of course, be called on to contribute more to the insurance fund.

The Senate proposal to freeze payroll taxes at existing levels until 1956 instead of raising the rates next January, as under the House bill, is debatable. But in view of the controversy over methods of financing the system as well as the strong political opposition to tax increases at this time, it is perhaps wise to postpone action on tax increases for the time being, especially as the proposed increases in coverage would bring new taxpayers into the system. Moreover, if the tax base were to be increased, a good many workers already covered and their employers would have to pay higher taxes. Finally, at present levels Senator GEORGE estimates that the receipts from payroll taxes will produce sufficient revenue to meet all benefit obligations for the next 5 years. As a result, the tax freeze would not have an inflationary effect on the economy.

The Senate bill omits a provision included in the House bill for pensioning workers who become permanently and totally disabled before reaching retirement age. We hope that this provision will be restored in justice to disabled workers who have made substantial contributions to the insurance system and in the great majority of cases have no other form of protection against a loss of earning power that compels them to rely on public or private charity until they reach the age of 65, if they ever do. Unfortunately, strong pressure has been brought to bear on the Senate to reject disability insurance under the mistaken impression that it would be an entering wedge for compulsory health insurance. It is unlikely, therefore, that this controversial provision of the House bill will be acceptable to the Senate.

On the other hand, there is widespread support for an amendment to the Senate bill calling for an expert study of the social-security system. As the country moves toward universal coverage, the question whether to retain the present trust fund method of financing or to substitute a pay-as-you-go system assumes increasing importance. Although the Washington Post believes that the present contributory system is preferable, there is room for honest difference of opinion on that score. However, action cannot be deferred until a solution has been found for all unsettled problems. Amendatory legislation is needed at once to shore up the present weak structure and lay the foundation for a comprehensive system that will be both adequate and nondiscriminatory.

Mr. SCHOEPPEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HUNT in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Green | McKellar |
| Anderson | Gurney | Malone |
| Benton | Hayden | Maybank |
| Brewster | Hendrickson | Millikin |
| Bricker | Hickenlooper | Mundt |
| Bridges | Hill | Murray |
| Butler | Hoey | Myers |
| Byrd | Humphrey | O'Mahoney |
| Cain | Hunt | Pepper |
| Capehart | Ives | Robertson |
| Chapman | Jenner | Russell |
| Chavez | Johnson, Colo. | Saltonstall |
| Connally | Johnson, Tex. | Schoeppel |
| Cordon | Kefauver | Smith, Maine |
| Darby | Kem | Smith, N. J. |
| Donnell | Kerr | Sparkman |
| Dworshak | Knowland | Stennis |
| Eastland | Leahy | Thomas, Utah |
| Ecton | Lehman | Thye |
| Ellender | Lodge | Tydings |
| Ferguson | Long | Watkins |
| Flanders | Lucas | Wherry |
| Frear | McCarran | Wiley |
| Fulbright | McCarthy | Williams |
| George | McClellan | Withers |
| Gillette | McFarland | |

The PRESIDING OFFICER. A quorum is present.

Mr. LUCAS. Mr. President, under the unanimous-consent agreement entered into last week for the taking of a vote tomorrow at 4 o'clock on the social-security bill, which is the unfinished business, the time was to be equally divided between the proponents and opponents of the legislation. I merely mention this because those who desire to speak on the social-security bill had better speak today if they have speeches of any length, because tomorrow I presume the Senator from Georgia [Mr. GEORGE] and other members of the committee will desire to consume most of the 2 hours which will be divided between the Senator from Georgia and other Senators who favor the bill.

Mr. LONG. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Louisiana.

Mr. LONG. Does the Senator from Illinois plan to move a recess at this time, or is he going to leave the floor open for further speeches?

Mr. LUCAS. I shall leave the floor open for further speeches or debate on the pending question, or any other question, but if no Senator is prepared to speak, the Senator from Illinois is ready to move that the Senate take a recess until tomorrow.

Mr. WHERRY. Mr. President, the observation made by the majority leader is correct insofar as the time under the unanimous-consent agreement is concerned. I should like to point out to him, however, that there is no provision for control of the time between the proponents and opponents.

I am sure the majority leader will see that that is absent from the agreement, the reason being that there was no one to take charge of the time for the opponents. The time was simply divided, and the time is under the control of the Senator from Georgia and the Senator from Colorado, who I am sure will take care of any Senator, insofar as time for speaking is concerned.

Mr. LUCAS. Perhaps I was technically wrong, but there will be someone opposing the bill. The senior Senator from Nebraska [Mr. BUTLER], the colleague of the minority leader, is opposed to the bill, and has made a speech on it, and I suppose he might have time on the bill, which could be given him by the Senator from Colorado, or even by the Senator from Georgia. That is not the important consideration. What I am trying to do is to advise Senators, on this side of the aisle, especially, that unless they speak this afternoon, they run a chance of not being able to get the floor tomorrow.

I understand the Senator from Louisiana desires to speak, and under those circumstances, I yield the floor.

Mr. CAIN. Mr. President, before the Senator yields the floor, will he not yield to me?

Mr. LUCAS. I yield to the Senator from Washington.

Mr. CAIN. The Senator from Washington would like to raise a question concerning the status of the selective-service bill. It had been my understanding that probably if there were a lag this afternoon, that bill would be brought before the Senate, because of the termination date being next Saturday.

Mr. LUCAS. The Senator correctly understood the situation, but it is now 15 minutes after 3 o'clock. I had thought that perhaps if there were no speeches earlier in the day on the social security bill or other measures, I would move to take up the bill for the continuation of the Selective Service Act. But after conferring with the Senator from Maryland [Mr. TYDINGS], the Senator from Georgia [Mr. RUSSELL], and other Senators who are interested, I was prevailed upon the wait until Wednesday before finally moving to take up the bill for the continuation of the Selective Service Act.

I now yield the floor.

Mr. LONG. Mr. President, I find one of the greatest shortcomings of the bill

reported to the Senate by the Senate committee to be that all provisions for aid to disabled persons other than blind persons have been stricken from the bill. In view of the fact that the Senate committee has taken the better part of one year to study this matter, I find it extremely difficult to discover any justification for the Senate committee striking the very worthy provision which was included by the House of Representatives, calling upon the Federal Government to aid in providing assistance for the disabled.

The bill as it passed the House provided for assistance to those totally and permanently disabled. I am thinking in terms of welfare cases. There are persons who have lost their arms, there are persons who have lost their legs, persons who have TB, cancer or have heart disease, who will never be able to work again in their lives. I see some of them in my home State of Louisiana in wheel chairs. I have occasion to visit some of them now and then at their homes, some who may live for 6 months, some who may live for 2 or 3 years, some who may live for 5 or 6 years. Those are certainly cases of more crying need than is the case of the ordinary aged person.

In the State of Louisiana we have tried to do something for such people. Louisiana probably leads the Nation in its attempt to provide for unfortunate disabled people who, by reason of sickness, or by reason of loss of arms, or legs, or other physical impairment, are unable to earn a living in any manner whatsoever.

Mr. President, I should think that anyone who would ponder on his Bible teaching would realize that we should not deny such people a little charitable help from the Federal Government. Yet we see the Federal Government ignoring them but ready to match the States under very liberal programs for aid in the cases of aged people. In my State we are able to work out a program for persons over 65 years of age, even though they may be able to do something for themselves.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Illinois.

Mr. LUCAS. The Senator has been unavoidably absent, and I should like to call his attention to the fact that the senior Senator from Pennsylvania [Mr. MYERS] and the senior Senator from Illinois have offered an amendment which would take care of the very situation the Senator is now discussing. While we agreed that the Finance Committee should report the pending bill, we also reserved the right to offer certain liberalizing amendments from the floor of the Senate.

The subject matter the Senator from Louisiana is now discussing is contained in an amendment offered by the Senator from Pennsylvania and myself. I am very happy that the Senator is discussing the subject, and I hope he will cover it fully, because the question involved is a very important one.

Mr. LONG. Mr. President, I am very pleased to have that information brought to my attention. I wonder if the amendment offered by the Senator from Illinois and the Senator from Pennsylvania includes in the public-welfare provision, as well as in the Federal old-age and survivors' insurance system, aid to the disabled?

Mr. LUCAS. I should have to examine the amendment more carefully to determine that point, but I believe it does. However, I shall make a determination of that question a little later.

Mr. LONG. From only a brief glimpse at the amendment offered by the Senator from Illinois and the Senator from Pennsylvania, not having had an opportunity to study it, I gain the impression that the amendment deals only with those who are covered by the Federal old-age and survivors' insurance system. I feel that once again we would be left with a blind spot for disabled persons who are not covered by the Federal old-age and survivors' insurance system, and, because they are not covered by social security, they would not have the benefits similar to those provided for the disabled in the State of Louisiana.

Mr. LUCAS. I hope the Senator from Louisiana will look into that phase of the matter, and if the amendment does not cover the point, I should like to have him, for the RECORD, elaborate upon the subject to which he is now referring.

Mr. LONG. I shall be pleased to do so. I hope the Senator will join me in supporting such an amendment as I have in mind in the event it is necessary to have such an amendment placed in the bill

Mr. President, in the State of Louisiana approximately 25,000 persons are classified as disabled. Most of those persons are disabled by reason of sickness of one sort or another. Some of those cases of disability have resulted from sicknesses suffered in early life; some by reason of cancer, tuberculosis, or heart disease. Many of the persons so disabled are bedridden; many of them are in wheel chairs; many of them, for one reason or another, are unable to provide for themselves.

The junior Senator from Louisiana felt that the House committee was somewhat overstrict in providing that in order to receive any sort of aid a disabled person would have to be totally and permanently disabled. It seemed to me that it should not be necessary to go that far if the State wanted to work out a State and Federal plan to help a disabled person. After all, why should it be necessary that a person be permanently disabled, if he is needy and totally disabled from earning a living? Suppose, for example, a man is in such a condition that, by virtue of some disabling injury, he will not be able to work for a living for 6 or 9 months, or possibly 1 or 2 years, even though at some time in the future it is possible he may be able to work again. If that person is needy, would it not seem that the Federal Government should be able to help him with the program now proposed, even though he is not permanently disabled, but certainly is totally disabled for a substantial period of time.

On the other hand, it seems to me that we should be able to help persons who are disabled even though they are not totally disabled. In this great Nation, we should eliminate this thing of having beggars on the streets trying to sell pencils, or the kind of cases I see in my home town occasionally—and I know every Senator sees such cases in their own States—of a man who has lost both legs, pushing himself along with two weights along the street, playing on some sort of an instrument, or inciting sympathy in some fashion to encourage people to buy pencils for two-bits, trying to get them to help him to exist, because no provision is made by our welfare program, to help such people.

We have done great things in this Nation to reduce poverty and to help those in need. Yet we leave this blind spot. Persons who are disabled I would assume represent, throughout the entire United States of America somewhere between one-half and 1 percent of our population. We leave those miserable, disabled people dependent entirely upon their relatives or dependent upon private charity entirely. That is the blind spot in our program.

Today if a man is 65 years old and needy, we will give him an old-age pension, even though he may be able to work in some fashion for a living. Yet to another man who is 64 years old, totally disabled, not able to lift his hand to provide himself any sort of employment or any sort of earning whatsoever, we say "No, you cannot have any sort of aid at all from your Federal Government."

In my State we have been obliged to have discussions as to how we can best use our State welfare money. In our program for the disabled we receive no Federal matching whatsoever. Naturally there is always a temptation to divert to the aged, money that could go to the disabled, because in aiding the aged, we are able to secure Federal matching and make our money go much further.

Some time ago the question was raised, If we had to economize on our State expenditures how should we go about cutting down on them? Many persons suggested that the wisest thing to do would be to cut back on the part of our program affecting disabled persons, because there the money would not go so far and would not reach so many persons. The director of our public welfare system wisely pointed out that that phase of our program was the one we could least afford to cut back, because they represented cases of the most crying need. We might be able to give an old person $50, by virtue of Federal aid, yet, because we had no aid for disabled persons under our Federal program, a disabled person would have to settle for maybe $20 or $25, when that person, if he were 65 years old would be able to receive $50 by virtue of the State and Federal programs.

Mr. President, I have heard that the Republican Party has, through its policy committee, established a policy that the Republican Party will oppose any sort of aid to disabled persons. I certainly hope that that is not the case. If that should be the case, I certainly hope that the Republican Policy Committee will reconsider their decision.

Mr. THYE. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. THYE. I must say to the very able Senator from Louisiana that I am a Republican, and if the Republican Party has adopted such a policy I am not aware of it. I have never heard of it. I do not know that we have had such a policy under discussion. I am only sorry that Members who serve on the Policy Committee are absent from the floor, because I believe that such a charge should be answered by a member of the Republican Policy Committee. At least, I have not heard that the Republican Party has adopted any such policy as that to which the Senator from Louisiana has referred.

Mr. LONG. The junior Senator from Louisiana is certainly heartened to hear that statement from the senior Senator from Minnesota. I say that I have heard that such a decision was made. Not being a member of the Policy Committee nor a member of the Republican Party, I would be unable to know whether that statement is correct or not. I hope the statement made by the Senator from Minnesota is entirely correct, and that the Republican Party has not taken a stand in opposition to aid to disabled persons.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. LONG. I yield for a question.

Mr. THYE. All I can say is that if I had such a thought in mind, and if I were going to make mention of what the policy committee of a certain political party had decided, I would try to ascertain what the facts were before I made reference to that matter on the Senate floor.

Mr. LONG. I say to the Senator from Minnesota that I was informed by a person in whom I have some confidence, that such was the case. I will say, however, that my knowledge is entirely hearsay, and I stated it as being hearsay when I made that particular statement. I believe we will know how the Republican Party feels about this particular matter when we actually have a vote on the amendment dealing with this subject.

Mr. President, I certainly feel that the time is long past when we should cover this blind spot in our social-security program. In my opinion a Federal program to aid the disabled is more needed than any other provision in the pending social-security bill. We find in the bill a liberalization of benefits that individuals are presently drawing under social security. In many respects this bill contains a gratuity, because certainly in the sense of actuarial soundness, if the bill be looked upon in that sense, those persons who will receive greater social-security benefits did not pay enough money into the social-security program to pay for the benefits they will receive. Yet when it comes to the question of actual need we find that in the great category of disabled persons, who are not able to help themselves, the Federal Government is doing nothing to relieve the most dire cases of suffering and distress in America today.

Mr. President, I certainly hope that an amendment of this sort will be adopted to enable the Federal Government to help the States provide for their disabled persons. I propose to offer such an amendment myself. I hope that such an amendment will be adopted on the floor of the Senate when the voting takes place tomorrow.

I hope I shall have the support of the distinguished Senators from Illinois, the distinguished Senator from Pennsylvania, and Senators from other States who, as I understand, have offered amendments to include the disabled in that phase of our old-age and survivors insurance program. It certainly seems to me that, after all the study which was made by the House committee and after the House of Representatives agreed to aid those who are permanently and totally disabled, it comes with ill grace for the Senate committee now to say that we should strike from the bill this worthy provision, which was inserted by the House of Representatives in order to see to it that we would be able to care for those who are disabled, even though they may not be old enough to receive benefits under our old-age-assistance program.

So, Mr. President, I hope the committee will reconsider, and will go along with us in regard to some sort of reasonable proposal to help those who are disabled. I hope we shall be able to have the Senate adopt to this bill an amendment by means of which we shall see to it that some provision is made in the Social Security Act for the cases of the most crying need in America, the persons who are disabled and are unable to earn a living for themselves, and who would be left out of coverage under the act if the bill recommended by the Senate committee, as that bill presently stands, were enacted into law.

## CONSTITUTIONAL GOVERNMENT VERSUS TOTALITARIANISM

Mr. MALONE. Mr. President, we, as a Nation, are moving toward an executive and bureaucratic order of Government which could take the form of a totalitarian dictatorship at any time. The form of such totalitarianism, Mr. President, could be socialism, communism, or fascism, depending upon the occasion and the whims of the party in power at the psychological moment.

Long ago the Socialist and the Communist groups in this country, believing that our republican, representative form of government should be radically changed, gave up the idea of bringing about such a change through a revolution, and settled down to the slower process of making such changes through the control of one of the major parties of our two-party system.

They do not carry Communist cards or in fact any identification with subversive groups, nevertheless they are definitely a dangerous security risk.

On June 15, 1950, Mr. President, I addressed a prominent American society in Carnegie Hall, in New York City, on the occasion of the testimonial concert for Cardinal Mindszenty, who, as we know, was imprisoned following a forced confession within the confines of an iron curtain country. Mr. President, Cardinal Mindszenty is a symbol, an example, of what might happen to anyone within such an area.

The government under which that outrage was perpetrated is an example of what can happen to any nation that chooses continually to move toward more and more executive and bureaucratic control.

Mr. President, it is the duty of those of us temporarily in policy-making positions to preserve our republican representative form of constitutional government—and to prevent a condition under which the same thing could happen here.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a copy of the address I delivered on June 17, 1950, in Carnegie Hall.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

### CONSTITUTIONAL GOVERNMENT VERSUS TOTALITARIANISM

(Address of Hon. GEORGE W. MALONE, of Nevada, before the American Society for Preservation of Sacred, Patriotic, and Operatic Music, New York City, N. Y., June 17, 1950, Carnegie Hall)

Mr. Chairman, I want first to pay a tribute to a great conductor and a great composer, Charles Albert McLain, and to the splendid testimonial concert to Cardinal Mindszenty by the Ensemble Chorale Society.

It was a great concert for a great man—no one, least of all the country in which Cardinal Mindszenty was convicted, believes him guilty of the crimes to which he has confessed.

It is the job of those of us who are temporarily in policy-making positions to maintain the principles and fundamentals of our republican representative form of Government to the end that no totalitarian form of control of our people can ever be established here.

The difference between the three forms of totalitarianism is that Communists and Fascists will shoot you to reach their objective, while the Socialists will spend you into it, and that is the course chosen by the present administration in Washington. A Communist is just an impatient Socialist.

We are spending you into a totalitarian form of government.

We are, through our own actions, making it unprofitable to invest venture capital in the economic structure of the Nation, and then claiming that more Federal organizations must be set up to furnish Government money for that purpose—the trend is toward Government control of capital—in place of private control, which constitutes a Socialist form of government.

And yet any form of totalitarianism—socialism, communism or fascism—is repugnant to the American people.

Through such control we are gradually setting up a totalitarian form of government which could be converted almost immediately into either a Socialist, a Communist, or a Fascist control.

#### TOTALITARIANISM

The Encyclopedia Britannica says of the totalitarian forms of government:

Socialism: "Reduced to its simplest legal and practical expression, means the complete discarding of the institution of private property."

Communism: "A term often loosely used to denote different systems of social organization aiming at common property of the

means of production, or at an equal distribution of wealth and income, or both. Historically the term was frequently used as identical with socialism, as was done by Karl Marx and Fredrich Engels in their famous Communist manifesto (1848)."

Fascism: "The general framework of (the Fascist) organization was based on the fact that their employer is the state either directly or indirectly. 'Fascist social theory denied that the state is merely an instrumentality of the citizenry that the state is welfare, and asserted that the state is the the supreme end to which the needs and interest of its citizens, individually or collectively, have to be subordinated.'"

TOTALITARIAN GOVERNMENTS VERSUS ORGANIZED GROUPS

The ultimate objective of all forms of totalitarianism, whether it be socialism, communism, or fascism, is the perfect state, with the individual owning nothing. To be successful, they must destroy all strong organized groups, including religious, labor, and fraternal organizations.

THIS NATION'S RESPONSIBILITY

The trend of government, through Executive recommendations and resulting congressional action, has been toward Executive and bureaucratic control by Executive order and away from principles and constitutional government. It is the responsibility of Congress to prevent Executive control of this Government so that a Cardinal Mindszenty incident could not happen here.

INDEPENDENT BRANCHES OF GOVERNMENT

The individual lust for power which drives men, temporarily in high office, to strive for control of government, motivated the founding fathers in setting up, not only the three independent branches of government—the legislative, judicial, and the executive—but a clear division between the Federal and States rights; that is, the specific fields in which each could legislate and exercise control.

DUTIES SPECIFICALLY DEFINED

The three branches of the Federal Government were set up independent of each other and their duties specifically defined by the Constitution of the United States.

That same Constitution then defined the rights of the separate States as those rights and duties of government not specifically granted to the Federal Government. All other rights were specifically reserved to the respective States.

Only through a republican form of government—the representatives elected by the people—can such a free government survive, and then only through a constant awareness and alertness by the sovereign people themselves.

FREEDOM NOT INHERITED

History discloses that freedom is not inherited; it is demanded and secured at great sacrifice by the people of a nation and retained only so long as the people demand it. Constant vigilance is the price of freedom.

Totalitarianism in the form of socialism, communism, or fascism, often comes in the guise of assistance to special groups, powerful at the moment, which are either willing to ignore the totalitarian trend, for the continued special attention—or who do not realize that the principle adopted to help them, may in fact be used against them.

REPUBLICAN FORM OF GOVERNMENT—BENJAMIN FRANKLIN

During the last two decades there has been much loose and irresponsible talk in describing the forms of government of the nations of the world—including our own.

Benjamin Franklin said, in 1789: "We have given you a Republic, if you can keep it."

George Sokolsky has recently defined our form of government: "By no definition is the United States a democratic state. It is a representative republic."

We have, thank God, been able to maintain the Republic—the republican form of government handed down to us by Benjamin Franklin and his associates.

We have maintained the same representative republican form of government. We do not have a democratic form of government. As a prominent Democrat recently said on the floor of the United States Senate: "Democracy is not a form of government—democracy is a spirit of government."

In the United States the government that Benjamin Franklin and his associates handed down to us is a republican-representative government where the people of the United States elect their representatives through processes laid down in their Constitution—and the duly elected representatives make the laws under which the economic structure and the conduct of the people are regulated.

CONSTITUTIONAL AMENDMENT

One of the greatest safeguards of our republican representative form of government set up by the Constitution of the United States was the unwritten law that no person might be elected to the Presidency for more than two consecutive terms.

The Eightieth Congress passed an amendment to the Constitution, which was submitted to the States making that unwritten law—first established by George Washington—the law of the land. Twenty-four States have approved the amendment—12 additional States must approve it to be effective.

MAKING POLITICAL COWARDS OF BUSINESSMEN

The Congress of the United States has set up an Executive-decree government during the last 18 years. This Executive-decree government is making political cowards out of the businessmen, and many otherwise independent organizations of this Nation.

It is necessary for you to know, as a basis for what I am about to say, that I am a Republican—and then to define the specific fundamental difference between the two major political parties—since we have a definite two-party system and your choice of government is exercised through such two-party system—it is necessary to know and understand the specific difference in principle of the two major parties in order that an intelligent decision by an individual may be made.

I will say to you that the Republican Party strayed for a long while—it lost its bearings and fell into the hands of its enemies—it fell into the hands of the camp followers and the "me-too'ers"—because it had lost its zip and positiveness, which can only come from knowing where it is going.

REPUBLICAN PARTY POSITION

I am glad to say to you now that the Republican Party has quit following false prophets. The Republican Party is definitely opposed to the Democratic Party program of tying the regulation of the national economy to its foreign policy.

The Republican Party is definitely opposed to the often reaffirmed platform of the Democratic Party of promoting unlimited imports of the products of the low-living standard and slave-labor foreign nations of the world.

It is for a floor under wages and investments—to preserve the standard of living of the workingmen and women of America—built up independently over a century of time.

DEMOCRATIC PARTY POLICY

It is necessary to define the exact principles of the two major parties as a foundation for any choice you may wish to make in the road ahead.

The pronounced foreign policy program of the Democratic Party—often reaffirmed—was set down in detail by Assistant Secretary of State Willard H. Thorp, in his testimony before the congressional House Ways and Means Committee in January of last year when he said:

"The European recovery program (Marshall plan or ECA) extends immediate assistance on a short-term basis to put the European countries back on their feet."

The ECA appropriation is designed to make up the trade-balance deficits of the 16 Marshall-plan countries in cash and goods each year—our chief export is cash—until such time as the markets of this Nation have been divided with the European countries and our living standards lowered to those of such nations.

"The trade agreements (act) program is an integral part of our over-all program for world economic recovery."

Under the Trade Agreements Act the markets of this Nation are being divided with the countries of the world to the point that theoretically there will be no further trade balance deficits—the 1934 Trade Agreements Act as extended removed the floor under American wages and investments—and stopped the flow of venture capital into the business stream of our Nation—the simple expedient of putting into the hands of the industrially inexperienced State Department the power to lower the tariffs and import fees approximately 75 percent after perfunctory hearings.

"The International Trade Organization upon which Congress will soon be asked to take favorable action, provides a long-term mechanism—each part of this program is important. Each contributes to an effective and consistent whole."

The ITO transfers the regulation of our national economy to a foreign-controlled organization consisting of 58 nations, each with one vote—we would have the same vote as Siam—it simply makes permanent a condition sought through the 1934 Trade Agreements Act, as extended—and the ECA.

If and when the ITO is approved by the Congress of the United States, we are assigning the regulation of our foreign trade into the hands of the foreign nations of the world—all with an eye to obtaining a part of our high standard of living market.

The Secretary of State, Dean Acheson, has said: "It is hardly possible any longer to draw a sharp dividing line between the economic affairs and political affairs. * * * Each complements and supplements the other. They must be combined in a single unified and rounded policy. * * *" Through the 1934 Trade Agreements Act the Congress of the United States transferred its constitutional responsibility to regulate the national economy to the industrially inexperienced State Department—the ITO would make a second transfer to the control of the foreign nations.

Both Secretary of State Acheson and his assistant, Mr. Thorp, have appeared before that same House committee early in 1950 and urgently requested that the International Trade Organization be approved at an early date. The ITO is on the President's "must" list.

FINAL ABANDONMENT OF WORKINGMEN AND INVESTORS

This pronouncement marked the final abandonment of the workingmen and investors of our own Nation—in favor of the one-economic-world theory of averaging the living standards of the nations of the world—and no further venture capital for business development or stabilization could possibly be available since the State Department can choose the industries that are to survive and those that are to be sacrificed.

THE THREE-PART FREE-TRADE PROGRAM

This, then, is the three-part free-trade program tieing the national economy to the foreign policy—to which the Democratic

Party is irrevocably committed—and upon which they have staked their entire combination domestic and foreign policy. This is the well-known bipartisan foreign policy—that for so long wrecked the Republican Party—and is moving toward merging this Nation with a foreign-controlled one economic world.

Spokesmen for the administration say that they have adopted this three-phase free-trade program to average our standard of living with the foreign nations of the world on the theory best expressed by one of their slogans that, "you cannot be prosperous in a starving world"; that we must divide our markets—the basis of our own income—with the nations of the world—and average the living standard of nations of the world—they say—to avoid world war III.

It is that party's avowed method of establishing world peace.

1950 REPUBLICAN PLATFORM

The Republican Party—on the other hand—believes in protecting American workers and investors against the competition of low-wage foreign goods. In other words, the Republican Party believes in maintaining our standard of living while we assist the foreign nations to raise their own standards.

It believes that the best safeguard of the peace of the world is a strong American economy.

The Republican Party believes that the regulation of the foreign policy should stop at the water's edge.

It believes that the domestic policy and the foreign policy should remain separated just as the Constitution of the United States provides.

It does not believe that imports from the low-cost and slave-labor foreign nations should be allowed to endanger American industry, nor the standard of living of the workingmen and women, and the farmers, of America.

It does not believe in exporting American jobs to foreign soil.

The 1950 Republican platform specifically establishes that party's definite and unmistakable position in the development of foreign trade. The Statement of Principles says:

"We favor the promotion of world trade on the basis of 'fair and reasonable' competition and we assert that this can be done within the Republican principle that foreign products of underpaid foreign labor shall not be admitted to this country on terms which endanger the living standards of the American workman or the American farmer, or threaten serious injury to a domestic industry. A strong American economy is a vital factor for our security."

THE FLEXIBLE IMPORT FEE

This means that a flexible-import-fee principle must be substituted for the 1934 Trade Agreements Act as extended, under which there would be no consideration of a high or low tariff or import fee—but such import fee would at all times correctly represent the differential in labor-living standards between here and abroad.

It would reestablish a floor under wages and investments—and again encourage the investments of American venture capital, the lifeblood of continued industrial growth and employment—and the development of additional taxable property in this Nation.

Such flexible import fees would be lowered in accordance with any improvement of the foreign nations' living standards—and when their living standards and working conditions approximate our own—then the common objective of free trade between this country and the foreign nations of the world would be almost automatic and immediate.

And our own economy—and employment—would not collapse in the process.

Eighty-five percent of the agricultural production of this Nation does not need a subsidy if the flexible-import-fee principle should be substituted for the 1934 Trade Agreements Act.

POLICIES OF TWO PARTIES DIAMETRICALLY OPPOSED

No one can possibly support the principles of the Republican Party and approve the Democratic Party's combination domestic and foreign free-trade program at the same time, since the fundamental principles of the two parties are diametrically opposed. Bipartisan foreign policy, like reciprocal trade, is a catch-phrase to sell the one-economic world philosophy to the American people and to again destroy the effectiveness of the Republican Party.

It is imperative that a thorough understanding of the fundamental differences in the two major political parties should be had so that an individual may make his choice in the regular manner.

THE 1934 TRADE AGREEMENTS ACT

It must be understood that Congress transferred its constitutional responsibility to regulate foreign trade—to regulate the national economy through the regulation of imports, to the executive branch of the Government—through the 1934 Trade Agreements Act—and by that action placed in the hands of an industrially inexperienced State Department the fate of the workingman and investors of this Nation—and by that act effectively destroyed the flow of venture investment capital into the business and industrial life of this Nation.

By that act the Congress also placed in the hands of the State Department the right to say what industries would be preserved—and what industries in this Nation would be sacrificed on the altar of "one economic world."

The Constitution places the responsibility of fixing the foreign policy in the executive branch—therefore Congress also by that act alone tied the regulation of the national economy to the foreign policy.

RESULT IS UNEMPLOYMENT AND LOSS OF TAXABLE PROPERTY

As a result of the administration's three-part free-trade program, the textile, mining, lumber and wood products, the precision instruments, watch, crockery, petroleum, coal, and many other industries have been forced to curtail production and can only result in severe unemployment—a reduced standard of living and continued losses to the investors of this Nation.

INTERNATIONAL TRADE ORGANIZATION

The International Trade Organization—on the must list of the President for legislation to be passed at this session of Congress—would now transfer the regulation of our national economy from the executive branch—the State Department—directly into the complete control of the foreign nations of the world—through the simple expedient of transferring the authority over our national economy into the hands of the foreign nations which want to sell their products, produced by the lower living standard and slave labor, in the markets of this country.

In this set-up, where are the sovereign people of the Republic of these United States?

The ITO is set up to include the 58 nations—with 58 votes—the United States would have one vote, the same as Siam—and that Organization would have the power to not only regulate our national economy through fixing the tariffs and import fees of its member nations—but it is empowered to set quotas of production for the countries signing its charter.

We can theoretically withdraw from the ITO after 3 years and 6 months' notice—but after 3 years we would be so bloody that it is unlikely that any withdrawal could be affected.

THE MARSHALL PLAN—ECA

The ECA—formerly the Marshall plan—is a stopgap arrangement to make up the trade-balance deficits of the 16 ECA European countries in cash and goods until such time as the markets of this Nation can be divided with the foreign nations of the world so that theoretically there would be no trade-balance deficit.

The taxpayers of America furnish the money to install the necessary industrial machinery in foreign countries to manufacture products that must be sold in competition with our own workingmen and investors—this fact alone discourages all future venture capital.

The administration's three-part free-trade program then included the 1934 Trade Agreements Act as extended—the ECA, formerly the Marshall plan—and the International Trade Organization.

IMPORTING PRODUCTS OF CHEAP LABOR

What is the practical difference in importing the products of cheap labor—and in importing the cheap labor itself? It is hardly consistent to support one and not the other.

Under the administration's three-part free-trade program the workers of this Nation are set back 50 years into direct competition with the sweat-shop labor of the foreign nations of the world.

POINT 4—THE BOLD NEW PROGRAM

Now the point 4—the bold new program—originally put forward in principle by Henry Wallace and then by Earl Browder, is designed to carry on where the ECA eventually leaves off, and will prove to be just one more siphon out of the United States Treasury.

Investments in the areas subject to socialization and nationalization of capital and industries can be written off when they are made unless the countries where the investments are to be made completely change their attitude toward such private investments.

Guaranteeing the integrity of private investments by the country in which they are made should be a definite and firm condition of any further aid from this Nation, of any kind.

It is definitely the responsibility of the recipient country to establish a business climate that encourages private investments—and our State Department should make such a condition a part of our foreign policy.

Much of the private investments to be guaranteed under the point 4 or "bold new program" are to be expended in the colonial areas including the Far East—and Africa—thus further guaranteeing the integrity of the colonial system which has been exploited by the empire-minded nations for from 100 to 300 years. In other words, under the guise of democracy, the American taxpayer is underwriting the greatest asset of communism in all of Asia, namely, the moribund colonial system—what every inhabitant of Asia calls the "foreign devils."

A UNITED STATES OF EUROPE—GERMANY

A United States of Europe—including Germany—should be a condition of further aid to that area.

John J. McCloy, United States High Commissioner in Germany, to the effect said "that no permanent solution of German problems seems possible without an effective European union." With a United States of Europe, Germany would no longer be the problem she now is.

We are torn between allowing Germany to become strong industrially, with the danger that she may join Russia and through that union seek to dominate the world, or to turn her into a harmless agrarian state with our endless financial support and with the always-present danger that a frustrated Germany would ultimately join Communist Russia anyway, since Russia is offering her industrial independence.

Russia has just made a trade treaty with Germany to furnish Russia with a large order of manufactured goods—and Russia is holding out the opportunity to Germany of furnishing the necessary manufactured and processed goods to Communist China—it is a great temptation and probably only a United States of Europe will prevent such a coalition.

OTHER CONDITIONS FOR FURTHER AID TO EUROPE

As a condition of further aid to Europe we should also insist upon the integrity of private investments within the 16 ECA nations—free convertibility of the currencies of the European nations as between such countries, and in terms of the dollar—and then loan such ECA money to private industry within the area through the World Bank on the same terms—no more lenient and no more stringent than the Reconstruction Finance Corporation (RFC) loans money to private industry and individuals in this country in times of stress. There is no reason to loan money to an Englishman or to a Frenchman on easier terms than to a GI in this country.

In no case should we lend money or assistance of any kind whatsoever to the 16 European ECA or any other nations which are trading with or assisting Russia or the iron-curtain countries to prepare for world war III or to consolidate their gains in eastern Europe or in Communist China.

NINETY-SIX TRADE TREATIES WITH COMMUNIST COUNTRIES

The 16 Marshall-plan (ECA) countries have made 96 trade treaties with Russia and the iron-curtain countries since World War II—that number are in good standing at this time—and such countries are shipping everything to Russia and the eastern European nations—everything they need to fight world war III and to consolidate Communist gains in eastern Europe and in Communist China.

These shipments include ball bearings, tool steel, electric equipment, freight cars, locomotives, trucks, tractors, heavy construction and agricultural equipment and many other items—while we are deceiving the American people into believing that we are not helping the Communist countries.

There can be little doubt that our State Department has committed this Nation to follow England in the recognition of Communist China just as soon as the Department's great propaganda machine has softened up the American people to the point that they will accept it.

Secretary Acheson's recent statement that the United States would not oppose the seating of the Communist representatives of Red China in the United Nations and the ousting of the regular representatives is sufficient proof that such recognition is their definite objective.

UNALIENABLE RIGHTS

The Old World philosophy was, and generally speaking is to this day, that the individual derives any right he may have from the state—his right to freedom, his right not to be molested, or mutilated—and that he has no such unalienable rights as the American Colonies laid down in their Declaration of Independence in 1776 and for which they fought and won the bitter struggle for independence—and which laid the foundation for the great nation that we now enjoy.

The philosophy of Americans from the firing of the first gun in the Revolutionary War in 1776—was that the individual had unalienable rights that he did not derive from the State in the first place—and that the State could not interfere with such rights. They believed that such rights included the dignity of man—his right of worship and his liberty.

The Republican Party believes in maintaining the three separate independent governmental departments to safeguard the unalienable rights of the individual—as established by the Constitution of the United States—and that any change shall be made by the consent of the States and not by subterfuges of any kind whatever.

ADMINISTRATION POLICIES AND TOTALITARIANISM

The policies of the administration including its hybrid three-part domestic and foreign program, are heading this Nation into a form of government by Executive order and bureaucratic control, which by its very nature could at any time be directed into a Socialist, Communist, or Fascist form of control.

The Republican Party wants to again separate the foreign policy from the national economy as the Constitution of the United States directs.

THE JUGULAR VEIN OF TOTALITARIAN GOVERNMENT

This separation is the jugular vein of this socialistic senseless one-economic-world program—and can be accomplished through the simple procedure of substituting the flexible-import-fee principle for the 1934 Trade Agreements Act as extended—and stopping the proposed International Trade Organization, which is on the President's "must" list of legislation for this year.

FAITH IN HUMAN LIBERTY

Faith in the value of human liberty is the greatest need of American civilization today. It may seem strange that in the country of the Declaration of Independence and Lincoln's Gettysburg address, it seems necessary to make a plea for freedom.

Our country was conceived in liberty. It staked its future on the proposition that every human being is entitled to life, liberty, and the pursuit of happiness.

Noble ideals were not realized in the settlements that followed the two World Wars. The true victors in the First World War were not principles of freedom in any country. They were the Socialist, Communist, and Fascist principles of Mussolini, Lenin, and Hitler. These three together with Stalin helped turn what idealists had believed would be a golden age of peace and democracy into an age of class warfare and dictatorship—totalitarianism.

IDEALS VERSUS REALITIES

There is a gulf between the ideals and the realities of Europe at the present time. The crimes of peace—slave labor and the destruction of human initiative—rival the crimes of war.

There is no semblance of democracy and human rights in the police states of totalitarianism behind the iron curtain. In other European countries the principles of freedom and liberty are precariously maintained only because of unsettled conditions and behind the front of Socialist governments, kings, and dictators, and worse.

CHALLENGE TO FREEDOM

The world frontier of freedom has receded, not advanced.

Americans still believe in liberty. But their faith is not as passionate and as deeply reasoned as it should be at a time when that priceless heritage is being challenged as never before, both from without and from within.

The challenge from without comes from totalitarianism, a word that covers Socialist, Communist, and Fascist methods of rule.

The totalitarian state has several distinctive features. It is the state that owns and directs the people, not the people who own and direct the state. The individual in a totalitarian state has no rights that the state is bound to respect. In its final stages there is a single party and no opposition activity is permitted.

In a totalitarian government under whatever front, the individual derives his rights from the government. Under the republican representative form of government, the government derives its power from the individual—therein lies the difference between slavery and freedom—the dignity of man and the degradation of the people.

Under totalitarianism, the state penetrates into every aspect of human life, assumes control over every interest, organizes every activity. From birth till death, the subject of the totalitarian state has his life regulated for him. There is no escape, no refuge. It is the most complete slavery known to man. There is no sanctity of the home or any place else.

It controls every newspaper, every magazine, every radio broadcast. It decides what books may be printed, what may be taught in the schools. Totalitarian rulers fear any contact between their people and foreign visitors. The formula for totalitarian government is simple: unlimited propaganda with unlimited terrorism.

DANGERS TO LIBERTY FROM WITHIN

The greatest danger to our American heritage of liberty comes not from without but from within. It comes not from open frontal assault, but from a process of sapping and undermining.

The Fascist sympathizer has disappeared. The Communist sympathizer is most dangerous when he does not fly his colors openly but masks himself behind some nice-sounding camouflage as a liberal, a progressive, a friend of peace and democracy.

The peril to our American way of life, with its roots in individual liberty, is not violent revolution but gradual erosion through the reiteration of political and economic fallacies which the majority of people begin by disregarding and end by half believeing.

One of the most fashionable of these fallacies is to sell liberty short—they say that "Liberty may be well enough in its place, like some antique, but it is not something the common man can eat or wear."

It is also suggested that liberty should be thrown over if it comes into conflict with security.

STANDARD OF LIVING

But the fact is: it is no accidental coincidence that the countries with the highest standards of living for all of our people are also the countries where liberties are best respected. The bottoms of depressions in countries where human liberties are respected are above the tops of the best periods in countries under totalitarianism. Asia has no standard of living.

The movement of political refugees from totalitarian to the free countries is a strictly one-way street.

PRIVATE PROPERTY—SIGN OF FREEDOM

True economic freedom like political freedom, must be based on liberty and consent, and upon checks and balances in government which will prevent undue concentration of power in the hands of any single man or group of men.

Friedrich Hayek, in his Road to Serfdom, put the case for the check-and-balance theory of economic democracy very ably in these words:

"What our generation has forgotten is that the system of private property is the most important guaranty of freedom, not only for those who own property, but scarcely less for those who do not. It is only because the control of means of production is divided among many people acting independently that nobody has complete power over us, that we as individuals can decide what to do with ourselves."

PROLONGED WARTIME CONTROLS DANGEROUS

At the close of the war advocates of a regimented planned economy (totalitarian) saw in the necessary temporary controls of the war period the pattern of a future all-powerful and all-wise bureaucratic state which would have arbitrarily controlled wages, prices, and profits and would have told every citizen how much milk he should drink, how

many vegetables he should eat, and how many cotton and silk shirts he should wear.

This is not just a funny caricature. We escaped an indefinite prolongation of rationing and other controls by a margin too narrow for comfort.

LIBERTY AND A HEALTHY ECONOMIC ORDER

Liberty is the first condition of a good society and a healthy economic order. We, in the American tradition, should stand for the free functioning of all groups concerned in the productive process, labor and management, farmers, and distributors.

There can be no doubt that this insures a more civilized way of life and a higher standard of national living than any dictatorial, totalitarian effort to force all workers and producers to submit to regimentation.

There is one principle to a constitutional free society—under a republican form of government—it is the principle that makes reverence for personality and human freedom the end and touchstone of human endeavor, The dignity of the individual.

That is the significance of the Mindszenty outrage behind the iron curtain.

As Americans we must not let freedom down.

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an article entitled "Hanging Out the Wash," an intimate message from Washington, by Harlan Trott, which appeared in the Christion Science Monitor of May 18, 1950, showing that the principle of free trade affects all workingmen and investors alike—covers excerpts of the debate between Senator NEELY, of West Virginia, and the junior Senator from Nevada.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HANGING OUT THE WASH

(By Harlan Trott)

WASHINGTON.—What have clothespins to do with petroleum?

Senator GEORGE MALONE, Republican, of Nevada, brought that one up during a debate on the importation of cheap foreign oil.

Many Senators are worked up over that issue which cuts straight across partisan and geographical lines.

Senator MATTHEW NEELY, Democrat, of West Virginia, started it off with one of his characteristically colorful speeches protesting that cheap foreign oil was pricing coal out of business.

Senator MALONE took the line that it's too bad about those 35,000 coal miners thrown out of work because of a flood of cheap foreign oil is undermining the coal market.

"I want to say further," Senator MALONE declared, "that it not only includes coal and petroleum, but it goes all the way from coal and petroleum to clothespins, which are a product of the home State of the Senator from Maine, Mrs. MARGARET SMITH."

Senator MALONE recalled how on one occasion Senator SMITH had talked about clothespins rather earnestly at a hearing of the august Finance Committee, and how she said it was simply a case of Sweden's producing clothespins, paying something like 54 cents an hour, while in Maine the workers were paid 96 cents an hour.

The Senator from Nevada used this homely illustration to remind his colleagues that the petroleum question is just as simple as that. And what applies to petroleum and clothespins applies to products of the mines and farms, he insisted.

Now whenever you have a Republican Member from the not so internationally minded western interior not only sympathizing with a liberal Member from the other side of the aisle but practically weeping on the other's shoulder, the performance is worth watching.

And the opposition has to be on its guard.

Senator NEELY had argued that the United States has no place to dump its slack coal (the cheap semipowdery stuff that is only fit to burn under the boilers in electric power plants) but that the whole United States is a dumping ground for slack residual oil from the Middle East and Latin America.

This was where Senator MALONE came in. "Does not the Senator from West Virginia," he asked, "agree with Mr. Thorp (Willard Thorp, Assistant Secretary of State for Economic Affairs) when he testified that the 1934 Trade Agreements Act, the ECA, and the International Trade Organization were each necessary to the President's program, are each dependent upon the other?"

Mr. NEELY was not caught napping. "I hope that the Senator will confine his questions to imported oil, the subject I am discussing.

"Senator MALONE. I should like to state the question so that I would have a specific answer, because I have great regard for the Senator from West Virginia. * * * Does the Senator agree with Mr. Thorp that such a policy is a wise policy for this country?

"Senator NEELY. I cannot answer as to the general policy indicated without much more consideration than I have given the matter. Today I am confining my remarks to the foreign oil that is flooding the country.

"Senator MALONE. I would ask the Senator, then, in view of the information now available concerning the effects on industry, if he would favor a review of the whole question on the Senate floor?

"Senator NEELY. If any other article of commerce is in peril similar to that which now bedevils our coal, oil, and railroad industries, I shall work and vote for whatever proper measure may be necessary to protect it from annihilating competition."

Like his Democratic colleague from West Virginia, presumably Senator MAYBANK, of South Carolina, also supports the administration's foreign-trade policy—subject to reservations cited in his speech demanding protection for his State's textile industries, for which Senator MALONE warmly complimented him.

"Which way will you have your tariff—all in one legislative loaf as some Senators prefer, or sliced into collective exemptions to please all the free-traders?"

Credit Senator MALONE for his shrewd airing of a familiar dilemma in American politics, and for the neat way he pegged it to the line with that apronful of Senator MARGARET SMITH'S clothespins.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "The Third Bite," which was published in the San Antonio (Tex.) Light of May 3, 1950, showing the trend by this administration of taking over the obligation of the world.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE THIRD BITE

The utterly preposterous proposition will soon be offered to Congress that the United States, after loans and other forms of assistance to Great Britain amounting to many billions of dollars, now assume responsibility for the payment of British debts to other countries amounting to an additional $8,000,000,000.

But the American people should not delude themselves that this proposition will be rejected by Congress merely because it is preposterous.

The British Government which has already taken two great bites out of the resources of America, the postwar loan and the subsequent Marshall-plan gifts, is now all set for an even bigger third bite.

This would be accomplished by American agreement to ship goods essential to economic rehabilitation to India, Pakistan, Egypt, and other countries to which Great Britain is now indebted, all of these countries in turn agreeing to scale down the British debt in the exact amount of the value of the American goods thus received.

Thus, not merely in effect, but in actual fact, the United States would pay off the British debt.

It is understandable that the British Government should propose such a thing.

It is even understandable that the British Government should expect American acceptance of such a program, since we have already contributed enormously to British recovery and rehabilitation since the war and have reduced our own resources proportionately.

But it is wholly incomprehensible that any official agency of the American Government, responsible for the welfare and security of the United States could seriously suggest that the payment of British debts be our national policy.

Nevertheless, the American State Department has not only given its approval to that proposition but will support it before Congress and will conduct a Nation-wide campaign of propaganda in its behalf.

It will be the biggest give-away program in the history of an administration which is already without peer for sheer profligacy.

"It means that the American taxpayers will keep India, Pakistan and Egypt in the sterling bloc," says Senator MALONE, of Nevada.

"The goods we give them will be credited to the British, and the British in turn will sell for cash.

"It will definitely close these markets to any American commerce, except for that which the State Department would have us give away."

With unemployment increasing steadily in the United States and with the productive enterprises of the country burdened with excessive taxation and the American people harassed by excessive Government spending it is an evil prospect as Senator KEM, of Missouri, remarks:

"This project on top of the Marshall plan and other billions poured into Europe will make it impossible for us to do much to help ourselves."

America is dissipating its wealth and resources in consequence of the first two bites into the heart of our economy by the British.

This third and latest bite will further impair the living standards of our people and reduce their prosperity and bring nearer and make more imminent their ultimate impoverishment.

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the column under the headline, "The political parade," by George Rothwell Brown, as it appeared in the New York Journal-American for May 4, 1950, showing that the administration's three-part free-trade policy is definitely pointed to a "one economic world" and the averaging of our living standards with those of the low-wage living standards and the slave labor of the foreign nations of the world.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

THE POLITICAL PARADE

(By George Rothwell Brown)

WASHINGTON, May 4.—Mr. Truman's politically minded Secretary of Agriculture has taken a radically advanced step down the

totalitarian road to a one-world Socialist state, by moving the Brannan plan into the international picture.

This is the significance of his appearance before the House Foreign Affairs Committee—packed with State Department sympathizers—to advocate the adoption of the administration's resolution which would put the United States under the Geneva-Habana charter of the International Trade Organization.

While the Secretary of Agriculture was thus adding to the pressure which Secretary Acheson is bringing to bear on Congress for additional economic powers in the foreign field, a small group of Republicans in the Senate were taking the administration's tariff and European-aid programs to pieces.

Brannan told the House committee that membership in ITO would help American farm-export markets, notwithstanding this specious argument is easily refuted by current import statistics on foreign agricultural products.

Senators KEM, of Missouri, MALONE, of Nevada, and JENNER, of Indiana, have been hammering remorselessly at the pending ECA bill, to carry on the Marshall plan for another year.

They have done a magnificent job, teamwork at its best—but unhappily in a Senate of well-nigh empty seats for the Democrats apparently are deliberately boycotting the debate on one of the most important measures to come before Congress this year, affecting the business, employment, savings, and wages of the American people.

At the House of Representatives a revolt led by Representative DAN REED, of New York, against the reference of the ITO resolution to Foreign Affairs, instead of to Ways and Means, where, as a tariff bill, it properly belongs, thus far has been the sole evidence of open hostility to it.

But on the Republican side of the Senate a formidable opposition to ITO is developing, forecasting a determined effort to prevent American membership in this international subsidiary of the United Nations.

During the debate on the pending European-aid bill, Senator MALONE defied the administration, and dared it to have the ITO charter brought to the Senate floor for a show-down vote. He implied it would be defeated.

He characterized it as being, with the Trade Agreements Act and ECA, the third part of a three-part free-trade system that would make permanent what the first two have temporarily established.

That is precisely the nub of the question.

MALONE charged that in the interest of the so-called bipartisan policy, it had been suggested that ITO be withdrawn during the present session, with action deferred until the Republicans can take a more enlightened view.

"What is meant is," said the Nevada Senator, "until they can look at this instrument through the eyes of the one-worlders, which would average the standard of living of the United States with that of the foreign nations of the world—and perhaps through the so-called bipartisan policy secure an agreement that the legislation will pass the Senate.

"The ITO is but one more device affecting private trade which has been placed under the umbrella of that greater protective phrase 'bipartisan foreign policy.'"

What is happening in Washington is the steady emergence of the Roosevelt-Hull-Truman foreign economic policy, under the Marshall plan, the Trade Agreements Act, ECA, ITO, and point 4 as a paramount political issue in the elections of 1950 and 1952.

The Republican Party is divided, but its majority group is steadily rallying to its historic position.

Mr. MALONE. Mr. President, finally, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an article entitled, "MacArthur Aide Submits Plan He Says Will Win Cold War," by Walter Trohan, as published in the Washington Times-Herald for June 14, 1950, recommending a United States of Europe, and utilizing the Monroe Doctrine, long advocated by the junior Senator from Nevada in place of agreements, and to quit the senseless assistance to nations which are furnishing the material to Russia and the iron-curtain countries through the 96 trade treaties for the world war III, and to consolidate their gains in eastern Europe and China.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MACARTHUR AIDE SUBMITS PLAN HE SAYS WILL WIN COLD WAR—GENERAL FELLERS LISTS STEPS TO BE TAKEN IN NEW WORLD STRATEGY FOR PEACE

(By Walter Trohan)

The United States can win the cold war by adopting a new world strategy for peace, in the studied opinion of Brig. Gen. Bonner Fellers (retired), who served for 5 years with General MacArthur.

Writing in Human Events, Washington news letter, Fellers offered an eight-point program to implement the new strategy. This is:

1. Keep cold war costs on a sound economic level by limiting foreign military aid; cutting present expenditures for our Army and Navy. This would permit our national genius—an expanding free economy—to provide the real foundation for our whole effort.

URGES STRONGEST AIR FORCE

2. Build without delay the best air force in the world with, of course, adequate support by ground and naval forces. This, too, would reflect the productive genius and human resourcefulness of our people.

3. Improve intelligence agencies—the eyes of defense.

4. Insist that our allies form a United States of Europe; help them to eliminate the threat of civil war. Our military aid should be limited to equipment essential for internal security forces—in the hope of paralysis of the fifth column.

5. Extend the Monroe Doctrine over South Korea, Japan, Formosa, and the Philippines, a positive stand.

6. Foster friendship with strategic Moslem countries. Possibly Libya offers the closest air bases, which we could essentially hold, to Russia's vulnerable areas.

7. Make peace treaties with Japan and Germany with or without Russian consent.

8. Project the truth through the iron curtain to put the Soviet Government on the defensive in its 30-year war against the Russian people. This transcends all other cold-war measures as truth is the inner light by which we must help the Russian people to see and understand.

WOULDN'T ABANDON ALLIES

"This suggested strategy in no way contemplates abandonment of our European allies," Fellers said. "Rather, it is the only course which insures their survival if war comes. In American resourcefulness and genius for production—which could enable us to gain mastery of the air—rests our hope for peace and our insurance for victory should war come."

"Our present obsolete, piecemeal strategy slights all fronts except the European. It offers no assurance of success.

"Our new strategy must be new world in concept. It must be one which is effective continuously. The new strategy must view Russia as an entity; it must promise success and provide effective pressure when and where required."

Mr. MALONE. Mr. President, the workingmen and investors of America are waking up to the definite plan of the administration to place them in direct competition with the sweat shop and slave labor of Europe and Asia, thereby causing unemployment and loss of taxable property.

Mr. President, whether the competitive sweat-shop labor is located in New England, old England, or in Asia, the result is the same—either a definite lowering of our standard of living, or unemployment, or both.

SOCIAL SECURITY ACT AMENDMENTS OF 1950

The Senate resumed the consideration of the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes.

Mr. BENTON. Mr. President, a moment ago I asked and obtained consent to have printed in the Appendix of the CONGRESSIONAL RECORD a report entitled "How To Raise Real Wages," released on June 14, 1950, by the Committee for Economic Development. In that connection, I stated that the report is an extraordinary one, outlining a 10-point plan to double the real income of the average citizen, over the next 30 years, through the steady growth of our private business system. The conclusion of that report on national policy that real wages can be doubled in the next 30 years is sponsored by such a distinguished group of industrialists and business leaders; and their conclusion is germane to the measure now before us, which is the culmination of a decade of study by the Finance Committee to improve and strengthen the base of social security being developed for every member of our free society.

Mr. President, the goals of an expanding economy under free enterprise go hand in hand with the objectives of social security for all the American people. There is no conflict between those two things. Thus, I wish to say that I shall vote for many liberalizing amendments which I understand are to be submitted tomorrow in order to cover more persons and to bring the benefit levels more in line with present-day living standards.

Mr. President, I rise now in particular to associate myself on the RECORD with the amendment submitted on June 14 by the distinguished majority leader, the Senator from Illinois [Mr. LUCAS], for himself and the Senator from Pennsylvania [Mr. MYERS]. That amendment deals with aid to dependent children. This is a subject in which Mrs. Benton and I have long been interested.

Mr. President, on Whitsunday, May 28, 500,000 children marched in Berlin, under Soviet banners, organized in the so-called Free German Youth movement. I may say that often when I read in the newspapers the phrase "Free German Youth," I wish the newspapers

would print in parentheses, immediately afterward, the word "Communist," because the phrase "Free German Youth" is a classic example of the way the Communists distort our words for their own propaganda ends.

On that occasion, Mr. President, there marched in Berlin one-half million children from every part of the eastern zone of Germany—boys and girls from 6 to 16 years of age. They marched with the same sickening rhythm, the same set faces, the same sense of self-importance that were manifested by the Hitler Youth of late and tragic memory.

As those children of the eastern zone of Germany marched in military array under their new Soviet drill masters, they sang, as they had been taught and told to sing, We Are the Children of the New Era.

Mr. President, the distinguished journalist, Mr. Hanson W. Baldwin, commented in the New York Times of June 1 that the impressionable minds and spirits of these children "are the blank paper upon which the Politburo hopes to write the history of tomorrow. Marxism knows no date or deadline for its conquest of the spirits of men; it is proselytizing the young, knowing that if it wins the battle for the minds of youth, it has won—in the long-term view—the battle for the world."

On Decoration Day I personally was privileged to review a parade of school children in my town of Fairfield, Conn. The children moved along waving their American flags and smiling to their parents on the side lines. None of the children was in step. None of the lines was maintained in anything resembling military array. In speaking to the group after the parade I complimented the marchers and the parents and those responsible for the arrangements. I said, "Thank God, they cannot keep step. It was a great parade." Of course, Mr. President, it was a typical parade of free American children, and it was a wonderful sight, contrasting particularly with the scene which had unfolded a few days before in the unhappy city of Berlin.

Who will dispute that the welfare of our children and the support and maintenance of the homes in which they are reared have first claim upon our democratic society? Even the most casual observer of family life recognizes that poverty and emotional insecurity are the breeding grounds of emotional and physical maladjustment and disease, of antisocial attitudes, and even of cynicism or resistance toward the fundamentals of our free institutions and our economic system. Any constructive measure we can take in this area of our national life will be, in my opinion, the soundest financial investment that can possibly be made by the United States today in our country's future.

In order to appreciate fully the amendment about which I am speaking, let us go back for a moment to the beginning of the national effort to provide a measure of social security for dependent children. Even before the enactment of the Social Security Act in 1935, most States had established what was then known as mother's aid or mother's assistance or mother's pensions, in aid of children—any child whose father had died, was incapacitated, or was absent from the home for other reasons. In 1929, about 44 States had such mother's aid laws, involving an aggregate expenditure of $30,000,000 per annum. So this goes back a long time. Even in that remote period of rugged individualism, the States were striving to insure to dependent children the kind of home and family life that was so necessary to healthful growth and full development. Most of the mothers thus aided would otherwise have attempted to support their children by striving to be both breadwinner and homemaker, under conditions of stress and poverty.

These State laws of the 1920's had many inadequacies, and they largely broke down during the depression years. Thousands of mothers went on the relief rolls. National attention was thus focused on this identifiable group in our society, this group which required long-range assistance and support, not merely at the State level but through the instrumentality of the Federal Government; working, of course, in cooperation with the States and localities. Title IV of the Social Security Act of 1935 was born on this self-evident need.

At the present time, under the 1935 law, more than 1,580,000 children in 622,000 families are receiving public assistance. The Federal share of this aid is based on a matching formula, under which the maximum Federal share is $16.50 monthly for the first child and $12 monthly for each additional child. Nothing whatever is contributed toward the support, however needy, of the mother who is caring for the child. The parent or other caretaker, therefore, has to divide this money and take money from it in order to live out of the subsistence payment calculated only to meet the child's need. Of course, in many instances the States supplement these payments out of their own funds, but in many other instances the States have all they can do financially to provide the matching of funds required by Federal law, so that the $27 maximum toward which the Federal Government contributes its $16.50 becomes the maximum, the total the State can pay.

Even counting the State and local contribution, the national average per recipient—that is, the child plus the mother—is only $20.44 a month. This is the total aid per recipient from all sources. The totals per recipient paid in the various States, of course, vary greatly. They range from $38.51 monthly in the State of Washington to only $7.13 monthly per recipient in the State of Mississippi, or $1.75 a week per recipient.

The purpose of this entire aid-to-dependent-children program is, of course, the maintenance of the home. Certainly a home without a father needs a mother to take care of children. After all, the Federal Government undertook this program because in 1935 the Government realized that the States could not carry the burden of their mothers' aid programs. But since then, and even at that time, the Government failed to follow through in this vital respect. The great majority of these dependent children live with their mother only. If these were large families, perhaps it could be reasoned that one more mouth to feed might not make much difference, though, as the father of four children, I have my doubts about the validity of that reasoning, particularly in the face of the low payments which are all many States can afford.

But these families are not large. They have been cut off in midlife. In this category the national average is only 2.5 children per family. It is easy to see what it will mean in such a small family group to have to feed and clothe an additional person. It is even easier to see what it must mean in the many instances of a mother with an only child, when the already scanty subsistence allowance for the child must be divided between the mother and the child.

The Senate Finance Committee has recommended a small increase in the matching ceiling, from $27 up to $30 a month, with a corresponding small increase in the maximum Federal contribution, up to $18 for the first child. But the committee has rejected the sound provision in the House-approved bill authorizing Federal assistance for the mother or other responsible parent on the same level as that for the first child; namely, the $30 maximum, monthly, with maximum Federal contribution of $18. This should apply, Mr. President, for the mother as well as for the child.

The amendment in behalf of which I am speaking would, in effect, restore this sound provision in the House bill.

I, of course, heartily agree with the committee's objective to make insurance the primary program in order to reduce the need for public assistance. But this admirable objective, Mr. President, can become effective only as the new law operates over a period of years. The present needs of today's mothers and today's children cannot be neglected over the next few years on that account.

Let me emphasize that this amendment is not a family-allowance provision regardless of need. The very modest sum which represents the maximum Federal contribution, for the mother, as well as for the child, would be paid only in cases of need, as certified by the responsible State agencies, and only in the amount needed, up to the modest limits of $18 for the mother and $18 for the first child.

I repeat, Mr. President, that existing law makes no provision for needy mothers as such; and under existing law, and under the Senate committee bill, the maximum Federal contribution toward aid to dependent children is, in fact, $9 per person, including the mother and the child in the essential family unit, as compared to $30 of maximum Federal contribution per individual authorized for a needy old or blind person under the very same law. Here we have $9 for a mother and $9 for a child, in contrast with $30 under this bill for a needy old or blind person.

There seems no reasonable basis for such inequitable treatment of mothers and of children by the Federal Government.

All of us with children know that it costs as much if not more to rear children in health, decency, and self-respect

than to maintain an adult. It is surely no less important to make this investment in our future citizens than it is to provide decently for those who have retired. It is certainly neither equitable nor sound economy to provide for these children less than a third in Federal aid of what we provide for the aged or the blind.

The American Legion, which has long championed the needs of children through the splendid work of its child welfare committee, has been particularly active in advocating this change in the Social Security Act. The American Public Welfare Association, the American Parents Committee, many church, welfare, labor, and women's groups have joined in pressing for this surely compelling reform.

The amendment about which I am speaking calls for considerably less than the $50 ceiling for the mother as well as for the first child, recommended by the Advisory Council on Social Security, appointed in the Eightieth Congress by the Senate Finance Committee. Senators will recall that this council was headed by the late Edward R. Stettinius and included in its membership outstanding experts representing the general public, such as Sumner H. Slichter, of Harvard University; J. Douglas Brown, dean of the faculty of Princeton University; Marion D. Folsom, treasurer of the Eastman Kodak Co. and more recently chairman of the Committee for Economic Development, and N. Albert Linton, president of the Provident Mutual Life Insurance Co.

These distinguished citizens recommended and voted for funds far in excess of funds proposed in this amendment.

For 15 years, largely through inadvertence in drafting the original Social Security Act, this condition of inequality has existed. For 15 years the most precious family bonds were in effect discriminated against and resulted in a burden and a cause of privation.

The Senate Finance Committee has been realistic in authorizing increased appropriations to strengthen the services for children in other provisions of the bill. I am now pleading that the Senate vote to bring the aid to dependent children into closer harmony with the purpose for which it was established, namely, safeguarding the home in which the children are to be reared, by including authorization of aid for the needy mother who takes care of the dependent child in their home.

This is the year of the midcentury White House conference on children and youth in a democracy. It is a good year, a happy moment, to adopt this amendment which embodies so well our democracy's objectives for its citizens of tomorrow.

Mr. President, I earnestly hope the Senate will act favorably on the amendment when it comes to a vote tomorrow.

Mr. LONG. Mr. President, will the Senator yield for one question?

Mr. BENTON. I yield.

Mr. LONG. I should like to advise the Senator that there are many of us who certainly hope the Senator's amendment meets with success, because it has been found, particularly in our experience in the State of Louisiana, that there is a need to help the mother to stay in the home and care for her children, and we have found the necessity of carrying such a burden, without Federal aid in some cases, and we know that such an amendment is necessary.

Mr. BENTON. I appreciate the comments of the Senator from Louisiana. I should like to claim the amendment as my own. It is the amendment of the distinguished majority leader [Mr. LUCAS] and the Senator from Pennsylvania [Mr. MYERS]. The truth is that had I not been in Italy, had I not been attending the UNESCO conference in Florence as one of the two congressional representatives of the President, I would have offered the amendment myself. Now I hope I may associate myself with those Senators on the amendment when it is placed before the Senate for a vote tomorrow.

I yield the floor, Mr. President.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KERR in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERR. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be suspended.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Without objection, it is so ordered.

Mr. PEPPER. Mr. President, a great deal of progress has been made since 1935 in reaching the goal of adequate security for the senior citizenry of the United States. All those who had a part in pioneering this great program and in carrying it forward are entitled to the thanks not only of their beneficiaries but of the entire country as well. Another signal step forward is evidenced by what the House of Representatives has done in H. R. 6000 and in the amendments to H. R. 6000 which have been reported to the Senate by the Committee on Finance and are now under consideration. Undoubtedly this measure will go far beyond what has been done in the past both in the extension of the coverage and in increasing the benefits to those who are the direct beneficiaries of this program.

Mr. President, all that is very good. We all commend it, as well as those who had a part in bringing about the progress. However, we still face the question, Mr. President, of whether what is even now proposed will adequately meet the problem of the aged and permanent and totally disabled. It is evident that our senior citizens have annual incomes lower than those of all our people. The per capita income in 1948 in the United States was $1,410 and in my State of Florida it was $1,137. Whereas the median income of aged persons with incomes in 1948 was only $308. If we include the 3,500,000 persons 65 and over with no incomes, the average of these older people would be far less than $808, which is pitifully low as it is.

I have spoken of the 11,270,000 aged. First I said that three and one-half million of them had no income at all. Then I said that seven and one-half million who had any income had an average income of $808 a year. Then I said that of the 11,000,000, 1,270,000 over 65 years were beneficiaries of the old-age and survivors insurance fund. But, including the benefit which they got under the old-age and survivors insurance fund, 470,000 had total annual incomes under $500, and 470,000 had total annual incomes between $500 and $1,000.

We face not only the economic but the moral problem of whether or not we are providing adequately for those senior citizens, who have not only been the fathers and mothers of this generation but also have borne in their own peculiar way the burden of this generation's work and progress and have contributed so much in the past toward the creating of our present national prosperity. And look how they are faring.

Mr. President, an analysis of the number of aged persons in the United States confirms the fact that there are several million of our honored older citizens who have no visible means of support. In June 1949, 1,800,000 were on old-age and survivors insurance rolls; 3,600,000 were on other kinds of public-assistance benefit rolls; 2,780,000 were employed—aged wives of these employed totaled 890,000; 2,200,000 were neither on benefit rolls of any sort nor employed.

Of the 11,270,000 persons 65 years and over, 6,015,000 were single, widowed, or divorced; 3,302,000 were married with a spouse 65 or over. In other words, there were a little over a million and one-half couples both of whom were 65 and over; 1,800,000 men or women over 65 had a spouse under 65. There again, Mr. President, we see something of the problem we have to face.

Let me show how utterly inadequate are the payments which are now being made under the old-age assistance and aid to the blind programs. In March 1950, under old-age assistance, the payments on an average were $43.94; in Florida they were $40.47.

For the blind the benefits in the United States on an average were $47.70; in Florida they were $42.93.

The number of beneficiaries in March 1950, under the old-age assistance program, was 2,760,379; in Florida the number was 68,121.

The blind, who were the recipients of benefits under the present program, numbered 94,065; there were 3,259 in Florida. In other words, there were about 2,950,000 aged and blind persons living on $50 or less a month in the United States and 71,500 in Florida—when the cost of living is at the highest it has been in over a quarter of a century and when our national prosperity is at the peak of all times.

If we think that the aged and the blind fared badly, the recipients of old-age benefits under the present Social Security Act are not even doing as well

as they are. The old-age and survivors insurance benefits in Florida in June 1949, were as follows:

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| Primary benefit | $25.25 |
| Wife's benefit | 13.60 |
| Aged widow | 19.62 |
| Widow with dependent children | 18.98 |

A dependent child got $11.76, an aged parent $12.84.

The average benefit under old-age and survivors' insurance has increased 19 percent since 1939, whereas consumer prices, representing the increase in cost of living, have increased about 70 percent. In the same period the per capita income has increased 145 percent. We see, therefore, Mr. President, the grossly inadequate benefits we have provided so far to meet the needs of this segment of our citizens.

Under the Senate committee bill retired workers now on the rolls would get an increase of $20 to $72.50, as contrasted with the present minimum of $10 to $46.50 a month, under the present law. The average benefits for these would be $48, compared with $26 under the present law. Those who retire in the next few years would get about $55 a month.

Mr. President, these are the possible benefits, even under the amendments before us, and I commend the Committee on Finance for having gone beyond the House of Representatives in the pending measure. But we see the limited figures of what would be available to the beneficiaries, even under the bill recommended to us by our distinguished Committee on Finance, whereas the budget for aged couples, on even a modest scale, is, according to every reputable inquiry which has been made, from $120 to $150 a month.

It will be remembered that in the Senate hearings it has also been pointed out that there is a great discrepancy in the percentage of those who are receiving old-age assistance in the several States in relation to the age 65 and over; 10 percent in some States to 80 percent in other States, with an average of 23 percent for the Nation.

I see the distinguished junior Senator from Colorado [Mr. MILLIKIN] is on the floor. I understand the percentage in his State getting old-age assistance runs up to 80 percent of those who are 65 and over.

Dr. Slichter, the famous Harvard economist who has served so ably on the Advisory Council on Social Security in the Eightieth Congress, says that assistance through the means test places greater reward to the less thrifty, whereas old-age insurance which has no means test, upholds the dignity and self-respect of workers, and encourages self-reliance and thrift through a contributory plan. I concur in these views and believe that we should now once and for all root out of our social-security system, that degrading and humiliating test.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LEHMAN in the chair). Does the Senator from Florida yield to the Senator from Colorado?

Mr. PEPPER. I yield.

Mr. MILLIKIN. I was talking with another Senator when the distinguished Senator from Florida mentioned Colorado. As I understood him he suggested that perhaps 80 percent of those over 65 years of age in the State of Colorado were on public assistance. It is roughly 50 percent.

Mr. PEPPER. Fifty percent?

Mr. MILLIKIN. Yes.

Mr. PEPPER. There were some States in which the figure ran as high as 80 percent. I thought Colorado was in that category. I know Colorado pays a very high amount, one of the highest in the country.

Mr. MILLIKIN. Colorado pays a very high amount. We pay as high as perhaps $73. The difference between that and what we receive from the Federal Government, of course, is paid for by Colorado, which is quite a tribute to the State's own resourcefulness.

Mr. PEPPER. I commend the able Senator from Colorado for his forward look, and for what his State has done in this field.

In June 1948, 10 percent of all the aged old age and survivors insurance recipients, were receiving old-age assistance. In Florida almost 18 percent. The highest was in Louisiana, where 35.4 percent were receiving it. The lowest was in Delaware, where only 2 percent were receiving it.

Mr. President, it is very clear that if the benefits were adequate under old age and survivors' insurance, it would not be necessary to resort at all to the supplementary contribution of old-age assistance.

Despite 13 years of experience, the proportion of persons becoming eligible for insurance benefits has not increased. The percentage of insured persons to the 80,700,000 living persons with wage credits has remained approximately static for the past 10 years, at about 55 percent, some 45,000,000.

The total gainfully employed, including the armed services, is approximately 64,000,000. The average number in covered employment in the average week is about 35,000,000. Thus only about 58 percent of the civilian labor force in an average week is covered by the present act. What is even more discouraging is the fact that only a little over one-half of those covered become eligible for benefits. This means that only a little over one-fourth of our civilian labor force will be entitled to some insurance benefits under the present law. It has become apparent, therefore, Mr. President, that obviously a more adequate system will have to be devised if we are to achieve anything like full coverage.

The estimated number added to present coverage by the Senate bill is about 9,900,000 persons.

Certain exemptions are still allowed in the bill. Some 19,000,000 farmers, farm workers, and domestic workers not regularly employed by one employer, Federal, State, and local employees covered by other retirement systems, members of the Armed Forces, railroad employees, and self-employed professional persons, are not covered even by the Senate bill.

Despite the great contribution which the agricultural segment of our population has made and is making to our national wealth and prosperity, they are the ones among those exempted who need coverage under the old insurance provisions the most. In 1945 the census showed that one-third of all the farmers were tenants, who owned no land or buildings. Of the landowner farmers, more than 50 percent had land and buildings valued at $5,000 or less. In 1947 57 percent of all farmers had no savings bonds, and 83 percent had no savings accounts. Thirty-three percent save nothing out of current annual income.

The evidence shows that more of our farm people are seeking old-age assistance, and, as expected, fewer of them get old-age insurance benefits.

Of old-age assistance recipients in June 1946, 52 percent resided in the rural areas. Of old-age and survivors' insurance recipients in the same month, only 24 percent resided in rural areas.

Those figures, Mr. President, sum up pretty well the fact that a great percentage of the farm segment of our citizenship has no property, and no appreciable income, and yet only a negligible part of the farm population is covered by even the amended bill that comes to us from the distinguished Committee on Finance. That goes directly also to a measurement of the adequacy of this measure to meet the needs of the country.

Of 6,600,000 farm operators only 36 percent have contributed to old-age and survivors insurance, and only 10½ percent are insured.

Of 4,600,000 hired farm workers, 45 percent have contributed to old-age and survivors insurance, and only 13.5 percent are insured. Here again is a great discrepancy between even the number in both the farm-operator and the hired farm-labor category that has contributed anything at all at some period of their working lives, and those who are insured so as to be eligible to receive anything.

Mr. President, that is why I am joining with the distinguished senior Senator from Montana in sponsoring two amendments to provide for these farmers and laborers.

Mr. President, there is another problem which the Senate bill has not solved. The bill retains the $3,000 base for taxes and benefits; yet, we know that millions of individuals above that base should fare better than they do. Nineteen percent of those with incomes between $3,000 and $5,000 a year had no liquid assets in 1948. Thirty-five percent had assets under $3,500, and 25 percent had assets between $500 and $2,000. I am talking about savings represented by United States savings bonds, savings accounts, loans, checking accounts, and the like.

A new wage-base limit of $4,200 was recommended by the Advisory Council in its 1948 report to the Senate Finance Committee, although Dr. Slichter of Harvard believes even the $4,200 base to be too low. I am happy to be one of

those joining with the distinguished Senator from Pennsylvania [Mr. MYERS], as I believe the distinguished occupant of the Chair, the junior Senator from New York [Mr. LEHMAN] is also urging upon the Senate that, if we are to forge ahead with this form of social security, we ought to at least raise the wage base from $3,000 a year, which it is in the Senate bill, to $4,200 a year, or $600 a year more than it is in the House of Representatives' bill. This would favorably affect some 24 percent of those who earned wages in 1948.

Mr. President, I should like to see the tax base raised even higher, for it is obvious that what we do at the present time is to make the persons receiving, through remuneration for employment, $3,000 a year or less, provide much of their own care and sustenance in the period of retirement from gainful employment after they have reached the age of 65 years.

I concede that a part of the cost of this program is borne by the public, because, obviously, a part of the contribution the employer makes is passed on to the public by the employer. But, by and large, Mr. President, the citizen who has an income in excess of $3,000 a year is not, in my opinion, making a just contribution to the care of the great mass of the citizenry of the Nation who have been the fathers and mothers of this generation and have borne the burden of the Nation's salvation and progress. If we limit the tax base to $3,000 a year, and the person making $100,000 a year contributes no more to that program than does the man receiving $3,000 a year, the citizen in the higher income-tax brackets is not making a contribution comparable to the contribution on which the person making $3,000 a year makes to the citizen receiving less than $1,000 a year, for example. So, I see no reason why an arbitrary limit of $3,000 a year has been taken as the maximum of the tax base.

It would seem that, if we are to have anything like adequate social security, we must not only broaden the coverage, but we must also raise the tax base and approach more closely the just principle of taxation, of payment according to ability to pay. If everyone receives in return according to his contribution, then let the $3,000 taxpayer or income recipient pay according to his ability, and the $4,000 a year man get back according to what he has paid in; let the $5,000 a year worker get back, in the long run, according to what he has paid in. But we do not do that. We say we have to provide for those at the bottom of the economic ladder, and if the man who made only $500 a year got back, after he reached the age of 65, on the basis of what he paid in, with $500 a year as his tax base, there would not be enough to give him succor when he reached old age. So we say we have to include the man who makes $500 a year, the one who makes $1,000, the one who makes $2,000, the one who makes $2,500, and the one who makes $3,000 a year, so that the man at the bottom of the ladder will have something more nearly adequate when he reaches the age of 65 years and retires from gainful employment and becomes a beneficiary under the program.

If the man receiving $3,000 a year should help the man receiving less than $3,000, the man receiving $5,000 should do the same thing on the basis of his entire income.

I think the tax base should go still higher. As a matter of fact, Mr. President, approximately 10 percent of all persons having incomes receive in excess $4,200 a year. So I raise the question that if we are going to have anything like adequate coverage, if we are going to meet squarely our public duty, if we are going to observe our obligation toward these unfortunate citizens, we must do whatever is necessary in order to have extended coverage and more adequate benefits. I do not see how we can do that unless we raise the tax base above what it is at the present time.

Mr. President, it seems to me that we may as well frankly face the fact that this is social insurance. It is not private insurance. The people who pay in do not get back in return in direct relationship to what they pay. There is a minimum fixed which does not exist in the field of private insurance. It is fixed because we recognize the necessity of minimum receipts by any citizen in order to approximate a decent level of living. Once we have accepted that principle—and it is a sound principle—why do we stop with a figure that yields, on the average, $26 to the retired single recipient of benefits under the present law, or something more than that under the bill which comes to us from the Senate Finance Committee? Why do we stop, Mr. President, at anything less than what the recipient should have and what the economy is able to support? It would seem to me that those factors should be the criteria.

What are they entitled to have when they become totally and permanently disabled, or when the worker dies and his survivors are left without support, or when the worker himself retires from gainful employment after having reached the age of 65 years? What he should have, Mr. President, is something which can reasonably be ascertained by inquiry. Certainly we can have reasonable agreement upon how much an individual must have in order to maintain even approximately a decent standard of American life. How much should a couple have? Let us see, Mr. President, how much we can afford to pay, how much the economy will stand, and then let us go as far in the direction of meeting the needs as the economy will allow us to go without doing more harm to the public interest than we do good.

Those, Mr. President, seem to me to be sound criteria for legislation of this character. I must say that the steps, while they have been forward steps, have been only what a great American, Mr. Bernard Baruch, at one time called faltering steps forward, when he referred to a certain proposal made by the Government. Let us take a great step forward now and not do, as it was said we did before World War I, "Too little too late." Having had 15 years' experience with this program and having gone no further than we have today, the time is now at hand for us to approach the problem upon those criteria and to do justice by these persons who have a right to claim justice at the hands of the Congress and of the country.

Experts in the field claim that benefits should be tied to employment and wages, because a major purpose of old-age insurance is to try to make up as much as possible for the loss of income upon retirement.

Although the Advisory Council in 1948 recommended unanimously that the monthly benefit equal to 50 percent of the first $75 of the average monthly wage and 15 percent of the next $275, I believe that the provisions in the Senate bill, 50 percent of the first $100 and 15 percent of the next $150 is more desirable because the persons in the low-income group need more at retirement than others.

I am cosponsoring an amendment with Senator MYERS, of Pennsylvania, and others a provision already in the present law and another in the House bill to provide a 1-percent increment in the monthly benefit amount for each year of wage credit prior to 1951 and one-half of 1 percent for each year thereafter. The Senate bill does not contain this, but the House bill provides a one-half of 1 percent increment. The purpose of the increment is to provide a relatively higher benefit for the person with a longer record of steady employment.

Respecting eligibility, the new "start" provision in the Senate bill, which I must say is to be commended, would bring under the benefits of this program about 550,000 more aged persons, and about 150,000 dependents.

Only 39 percent of males 65 and over covered by the act are now eligible under the present law, under the Senate bill only 43 to 50 percent of 5,300,000 males 65 years of age and over, and 7 to 9 percent of the 5,900,000 females 65 and over would be eligible in 1951.

That presents a very challenging problem. We assume that approximately 5,300,000 males 65 years of age or over today live in this country as our citizens. Only from 43 to 50 percent of those 5,300,000 males 65 years of age or over would become eligible for benefits, even in 1951. In other words, less than half who might hope, even under this extended bill, to receive any benefits, would receive any benefits whatever in the next year.

The situation is vastly worse with respect to the female portion of our population, 65 years of age and over, for in that case only from 7 to 9 percent of the 5,900,000 women would be eligible to receive any benefits whatever, under this bill, in 1951.

Even if we wait 50 years, until the year 2000, 81 percent to 90 percent of the males estimated then to be 65 years of age or over would be covered, and only 39 percent to 47 percent of the females estimated to be in our population at that time and then 65 years of age or over would be eligible to receive benefits. In other words, Mr. President, we face the shocking fact that even if we wait half a century, less than 90 percent of the

male portion of our population over 65 years of age would be covered, and less than 47 percent of the female portion of our population over 65 years of age would be covered. So not only does the Senate bill fail to give adequate coverage to our senior citizens, those above 65 years of age; but if we go on with this bill for half a century, we shall not even substantially or with anything like complete treatment have adequately met the problem of those of our senior citizens who are over 65 years of age.

Mr. President, I should like to cite two cases in the State of Florida which happened to come to my personal knowledge. I present these to show the inadequacy of the two systems we have at the present time. One of them relates to the old-age and survivors insurance system; the other relates to both the old-age insurance and the old-age assistance systems.

Let me refer first to the case relating solely to old-age assistance. This case came to my attention from a little city called Intercession City, south of Orlando, Fla. A gentleman living in that city wrote me a letter in which he says, in substance, that he is just past 70 years of age and his wife is past 65. He had formerly resided in Indiana, but had moved to Intercession City, Fla., and obtained his own home, out of his savings of the past. His wife was threatened with the loss of her eyesight, and he spent all his savings for an operation in the hope that his wife's eyesight could be saved. However, the operation was not successful, and his wife went blind.

Mr. President, what is the situation then? We then find a husband over 70 years of age, who has exhausted all his savings, but owns his own home, in which he lives with his blind wife, who is over 65 years of age. He applied to the State of Florida for old-age-assistance benefits. The State of Florida has a statute—I am not critical of that enactment, Mr. President—which provides that no one can obtain old-age assistance benefits in the State of Florida unless he has resided in that State 5 years. So the State of Florida turned down his application, and said, in effect, "You will have to apply to Indiana."

He then applied to his former State of Indiana; but Indiana advised him that inasmuch as he had left Indiana, and was no longer a citizen of that State, he would have to apply to the State of Florida. However, Florida had said to him, in effect, "You have not been in this State for 5 years as a citizen; therefore, we cannot give you anything." On the other hand, Indiana said, "You are no longer a citizen of Indiana; therefore, we cannot give you anything."

Of course, the United States says, under its rule, "We pay only a part of what the State pays." Therefore, under the circumstances, he cannot obtain anything from the Federal Government.

Yet, Mr. President, he says, "I have been a taxpayer almost all my adult life. I have been a good citizen. I own my own home. I have no job; I have no savings. I cannot get a job, because I cannot find anyone to stay with my blind wife. That is my predicament."

In his letter he asked me whether there is anything like providing fairly for cases like that of his wife and himself, by the laws of our country.

Mr. President, in good conscience I would have to answer him, "No." He and his wife are not adequately provided for under the law we have at the present time. I mention that case with respect to the matter of eligibility. We know that in some States the amount received by a recipient of old-age assistance is greater than the amount received by such persons in other States. My State has been one of the rather forward-looking States in the South on this subject; and the average is approximately $40 a month for the recipients in Florida. The maximum is $50 a month. However, of course, that means that many persons receive far less than $40 a month.

The question arises, How can any citizen decently live in any part of this country for less than $40 a month, or for $40 a month, or for the maximum of $50 a month? Indeed, how could such persons live decently if the maximum were increased to twice $50 a month, because all those who have made a study of the subject have found that from $120 to $150 a month is required for any family in this country to live with anything like a proper regard for a decent standard of American life.

In addition, Mr. President, the recipient has to go through the humiliation of meeting the means test. That means that he practically must sign a pauper's oath, and must subject himself to the scrutiny of those who come to make inquiry not only of his assets but also of his income, however negligible it may be.

The result has been to discourage people from part-time work, because during the course of their employment they might get cut off from the old-age assistance rolls; and it would take a long time for them to get back on the rolls, and during the interval they probably would have no succor at all, beyond their own effort.

So the old-age assistance program, with the present unfair method of determining eligibility, with the means test to which the recipient must subject himself or herself, and with the grossly inadequate amounts that are available, has been a failure; and therefore it should be reexamined, and we must find some solution which will be more adequate and satisfactory than that.

Mr. President, the other case which came to my attention also comes from Florida, and it is in respect to the inadequacy of the old-age and survivors' insurance benefits and old-age assistance. I received an original memorandum from a couple living in Jacksonville, Fla., showing a budget which had been approved by the welfare authorities of the State for a couple over 65 years of age. Certainly I do not in any sense disparage the social workers. They were only doing their duty. However, Mr. President, certainly I denounce the system under which this result occurred.

The budget was the budget approved in the last year for this aged couple, both of them being over 65 years of age, in a great city like the city of Jacksonville, Fla. The total amount allowed for that couple was $58.80 a month. That was the approved budget for both of them; that amount was approved by the welfare authorities.

Let me state the way that budget was broken down:

For rent, for the two of them, for a month, $19.50.

I do not know what sort of quarters they were expected to live in at that price, what sort of quarters they could get for $19.50. However, I wonder whether anyone would say that people like that have no right to the enjoyment or the protection of rent control. Certainly their position will not be improved any by the removal of rent control.

For food for the two of them, for a month, $22.45. Mr. President, that is $11.22½ a person a month. That, divided in terms of 30 days in the month and three meals a day, allows the recipient, in this great national city, 11 cents a meal, 33 cents a day for food to nourish the body of a citizen above 65 years of age. I wonder, Mr. President, whether that is not shocking to the conscience of the country.

The allowance for lights is 50 cents for the couple for a month; for fuel, 53 cents; and for clothing, $3.62. All this is for the couple for a month. For recreation, the allowance is $1. At least there is insurance against their kicking up their heels too much in pleasure, when there is a limit of $1 for recreation for the couple for 1 month.

The amount for personal incidentals is $2; for routine medicine, 75 cents. Let the amount for medicine be noted by those who say we do not need to progress in the field of providing more and better medical care for more people. I should like to know what the doctors are going to do when that couple calls and says, "There is illness in this family, will you come to us?" I should like to know what the hospital is going to do when they apply to the hospital for admission. What is the druggist going to do when they ask for drugs? What is the nurse going to do when her services are required and are called for? For routine medicine they have an allowance of 75 cents a month for the two; for laundry, $2; for household incidentals, 75 cents; for insurance, $3.72; total allowed budget, $58.80 for the month, for these two people.

Mr. President, that kind of thing is going on all over the country. As a matter of fact, that represents a combination of both old age and survivors insurance and old-age assistance, because the couple received $19.80, I believe it was, under old-age and survivors insurance, and, in order to get the $58.80, the remainder had to be supplied through old-age assistance. One member of this family—I presume the husband—had been a contributor for at least 27 quarters, and what they received was $19.80 as a reward for that contribution to old-age and survivors insurance, for their care and succor under old-age and survivors insurance, and the remainder, $40, was made up by old-age assistance. So, Mr. President, in respect to that couple,

that is as far as this great, rich, charitable, and generous America has gone since 1935; and that is a period of 15 years.

I am glad we are going to do somewhat better in this bill, if it becomes law, though it will be somewhat better, we are not going to approximate completeness of coverage or adequacy of amount.

We now face the problem also of those in our population who are totally and permanently disabled. What are we going to do with them? The Advisory Council recommended that these benefits be paid to those between the ages of 55 and 65, with necessary objective tests as to disability.

In the hearings on the bill, H. R. 6000, before the Senate Finance Committee, Dr. Slichter is joined by Dr. Brown, of Princeton, in believing that these benefits are just as necessary as those for the aged. I heartily concur in that view. After all, the purpose of this program is to meet need; and where is the need greater than of the one who is unable to work at all by reason of total and permanent disability? How is his case to be distinguished from the one who is unable to work because of age, who is a recipient under this bill? Dr. Slichter points out that only 1 of every 20 cases of total and permanent disability results from industrial accidents. Sufficient protection can be placed in the bill to enable such cases to receive only old-age benefits or workmen's compensation, but not both.

Under workmen's compensation, the public, as it were, bears the burden of the human wreckage in industry, and I see no reason why, if the public bears the cost through workmen's compensation of human wreckage in industry, the country should not also pay the cost of human wreckage outside industry, or in respect to enterprises and activities not covered by workmen's compensation.

Dr. Slichter also says that in April 1940, 14.3 percent of males 60 to 64 were unable to work. Now, what is going to happen to those people who cannot work? They may have worked in the past and become disabled through no fault of their own. If they are not taken care of by private sources of assistance, then what is their problem, and how is it to be met?

In February 1949, excluding persons in institutions, there were 2,059,000 persons 14 to 64 years of age, with disabilities lasting 6 months or more. I emphasize that statement, Mr. President. With these in institutions included, the total would be almost 3,000,000.

The incidence of total and permanent disability per 1,000 workers, by age groups, was about as follows: In the 20-year-old group, about 2 out of the 1,000 are totally and permanently disabled; in the 30-year-age group, about 2 out of 1,000 are totally and permanently disabled; in the 40-year-age group, about 3 out of 1,000 are totally and permanently disabled; in the 50-year-age group, about 7 out of 1,000 are totally and permanently disabled; and those at 60, about 28. So we see that the number rises as the age increases. But even in the group as low as 20 years of age, 2 out of 1,000 are totally and permanently disabled.

Mr. President, the plight of those people presents an economic, moral, and social problem to the people of the United States. Today the Federal Government is doing very little to meet the problem faced by those people. Surely, whatever religion we may happen to have, there is no religion which could countenance casting aside those people and totally neglecting them. The result is, they simply have to subsist upon the meager private or public care which is provided for them at the present time.

Mr. President, there is also an amendment that is to be offered to the pending bill, restoring substantially the House provision, which provides benefits for those who are totally and permanently disabled, who are in covered occupations. I heartily support that amendment and very earnestly hope that it will be adopted. Several years ago I offered such an amendment in the Senate, and I have advocated such an amendment to our social-security laws ever since. I am glad that we have at least come to the point where the House of Representatives has adopted the amendment. I certainly hope the Senate will take the same step when we come to the consideration of that part of the program.

In respect to private pension plans, Mr. Folsom, treasurer of the Eastman Kodak Co. and an expert on old-age insurance, to whom I have previously adverted, believes that the bill would help private pension plans. It certainly has been our experience that social security and veterans' insurance, instead of hurting the private insurance industry, has aided it. I believe that is common knowledge.

Dr. Slichter, of Harvard, believes that Congress should not regulate the private plans or try to tie them into the bill. Private plans should adjust themselves to the general plan. The country, according to Dr. Slichter, needs a mobile labor force to assure increases in national production, whereas private plans have a tendency to freeze labor to a single employer.

As of December 31, 1949, 13,000 plans, covering 7,200,000 workers, were in effect. Of these, not more than one-third develop any benefit rights.

As of December 31, 1949, almost 2,000,000 workers were under private plans which deduct in whole or in part old-age and survivors' insurance benefits from the private-plan benefit. All of us have noted with satisfaction the progress which the labor unions have made through collective bargaining in improving the social-security status of their members who are employed in many of the important industries of this country. That effort will certainly go on, and it should go on. I favor public progress and private progress in this field, so that we may approach as rapidly as possible the happy day when every citizen of this country, when he or she is totally and permanently disabled, or when he or she reaches the age of retirement from gainful employment, shall be able to rely upon remuneration which will be adequate for their decent care and sustenance.

Mr. President, I realize the difficulty of solving these problems adequately. I realize the administrative responsibilities involved, and the cost that would be incurred, the shock which the economy would experience if we should meet adequately the needs of these deserving people. I commend the able chairman of the Finance Committee [Mr. GEORGE] and the distinguished former chairman of that committee [Mr. MILLIKIN] upon having been the authors of a resolution which contemplates a continuing study of the problem. I have been gratified to hear the utterances upon the floor in the debate in which the chairman of the Finance Commitee, the able Senator from Colorado, and many other Senators have said we must come to the time when there shall be universal coverage.

Mr. President, the old-age and survivors insurance program, if it is enacted in the form it comes to us from the Committee on Finance, will still insure in 1951 less than 9 percent of the women of America. What is to happen to them, Mr. President, when they pass 65 years of age, or become totally and permanently disabled? If the bill is enacted, its provisions will reach in 1951 less than 50 percent of the men 65 years of age and over. Who is to take care of the others, Mr. President? How adequately are they to be taken care of? So I say that we are challenged by the inadequacy of the measure to see if, while we are about it, something better, even in this haste, cannot be devised.

Mr. President, there is a measure which has been before the country for many years. It was initiated and advocated by a great American. I refer to what is called the Townsend plan, advocated by Dr. Francis E. Townsend. I am one of those who on many public occasions have paid their dutiful respects to Dr. Francis E. Townsend as an American citizen. Here is a gentleman who gave up a lucrative medical practice to devote himself to the public interest. For many years no name, other than the name of Franklin Delano Roosevelt, in respect to social security has meant more to the senior citizenry of America than the illustrious name of Dr. Francis E. Townsend. He has suffered all manner of ridicule and scorn. However, he has borne it with the dignity and confidence which come from an awareness of the righteousness of the cause which he supports and so nobly advocates. Millions of senior citizens all over this land still honor and follow the name of Dr. Francis E. Townsend toward a better day for those who reach the age of retirement from gainful employment at 65 years of age.

Dr. Townsend recommends, and I agree, that the age of retirement should be 60. I agree that a person should begin to receive the benefits of the program at 60 years of age. Dr. Townsend's plan contemplates that there shall be no means test. It would seem to me that a plan might well be worked out under which recipients could accept some kind of part-time employment. Dr. Townsend's plan contemplates that a recipient shall retire from gainful employment and plow back monthly into the

economy what he or she would derive under the plan.

Mr. President, on behalf of the Senator from California [Mr. DOWNEY], the Senator from Oklahoma [Mr. THOMAS], the Senator from Idaho [Mr. TAYLOR], and the Senator from North Dakota [Mr. LANGER], on June 13, 1949, I introduced a revised Townsend bill, which was known as S. 2181. That plan has been revised, since it was first initiated by Dr. Townsend. At that time it was generally regarded as a measure of guaranteed payment out of the public treasury of $200 a month to everyone. There were many persons who were skeptical as to whether our economy could afford the payment of such a sum of money without suffering undue shock. However, the plan has been revised, and I think wisely and soundly so.

The Senate Committee on Finance allowed Dr. Townsend and several Members of the Senate, as well as other advocates of the measure, to come before it. The members of the committee were most courteous and gracious in the consideration they showed to this splendid gentleman, and to those who came with him to advocate consideration of the measure. Many questions were asked by members of the committee during the hearing, which indicated the committee's genuine interest in the proposal. Among those were the Senator from Colorado [Mr. MILLIKIN], the Senator from Maine [Mr. BREWSTER], other Senators who were present, and the chairman of the committee.

What does the so-called Townsend plan purpose? It proposes a 3-percent gross income tax upon those who have a monthly income in excess of $250. It is estimated, Mr. President, that such a tax would yield a return of something like $3,000,000,000 a month, and that it would represent a turn-over of $100,000,000,000 a month in our economy.

Mr. President, there are those who say that would be a shocking amount, and that our economy could not stand the shock. What is overlooked is that from a number of different sources we are already paying for general pension purposes about half that amount. If we add up what is being paid out in one form or another, we see that substantially half of that estimated amount is being paid out at the present time. The economy has been standing the shock. It should be remembered that not all the money which is being paid out is required to be immediately plowed back into the economy itself. In other words, it would not be taking money and sending it off somewhere so that it would not come back into the economy. It does not contemplate burying the money. It contemplates plowing back into the economy every 30 days what the recipient receives. It would be going into the same till and distributed again. It is rather like the seed which is taken from the harvest and planted in the ground, from which comes another bountiful harvest through which we achieve a continuity of production and abundance.

What it would do, as I have said, would be to levy a 3 percent gross income tax on all incomes in excess of $250 a month. Those making less than $250 would pay nothing directly. Obviously, even today the public pays a large part of the 1½ percent which the employer must contribute under the old-age and survivors insurance. Just as those persons who make less than $250 a month constitute the majority of the public, so those who make less than $250 a month would not under this plan escape the duty of making a just contribution. We know that those making less than that a month spend practically all of their income anyway. Every time a person spent money it would become a part of some other person's income, and that income would become taxable if it was in excess of $250 a month. Therefore, it is not very different in principle from old-age and survivors insurance, for it is both a gross income tax and an indirect tax, which is required to be paid by the public to whom a part of the levied tax is passed. In the case of old-age and survivors insurance the employer pays it directly but passes on a very large portion of it to the public.

Someone may say, "I did not realize that under old-age and survivors insurance there is a gross income tax imposed." Anyone who says that certainly overlooks the fact that a worker now pays 1½ percent of his total income if he receives less than $3,000 a year. Most workers have little or no income outside of what they receive from their gainful employment. Therefore, at the present time under old-age and survivors insurance the worker is being subjected to a gross income tax. He has no deduction for the cost of getting to work. He has no deduction for the cost of maintaining his body, which goes to the place of employment. He has no deductible item of any character. He pays 1½ percent of his gross income under old-age and survivors insurance.

All that the Townsend plan proposes to do is to switch the group that pays on gross income. The gross income tax would be paid by those earning above $250 a month in income, instead of being borne by those who make less than $250 a month in income. So that substantially the same principle is employed in both systems, except that in the Townsend plan the amount of the tax is 3 percent, whereas under the old-age and survivors insurance plan it is a gross of 3 percent divided between the employee and employer. But 3 percent of incomes under $3,000 is the base of the tax under old-age and survivors insurance, and 3 percent of gross income in the hands of those making more than $250 a month is the tax base in the Townsend plan.

Mr. President, while there may be details about which there would be differences, and no doubt there are, nevertheless it is no more wrong in principle, I venture to say, than are the provisions of old-age and survivors insurance to which we continue to remain wedded in the bill which is recommended to us by the Committee on Finance.

So much for the method of the tax.

Secondly, the principal objective of the Townsend plan is that it is universal in coverage. Every citizen in the United States, man or woman, who reaches, according to the Townsend plan, 60 years of age and retires from gainful employment, becomes immediately eligible to receive the benefits of the program.

Mr. President, that means that all those persons, under the present law and the committee bill who will not get anything in 1951, would immediately become eligible for their share of the benefits available under the Townsend plan, if that bill were the law of the land. I am going to speak about the size of the benefits in a moment.

Mr. President, that means that the other half of our male population over 65 years of age who received nothing and will receive nothing under the new bill in the next year would immediately become eligible for the benefits under the Townsend plan, if that were the law of the land. In other words, the Townsend plan, which has been before the Congress altogether for 16 years, offers all of the features now freely admitted to be necessary to a successful social-security system.

It is a strictly pay-as-you-go financial program; and I interpolate that I agree with what has been better said upon this floor by other Senators—that any program should be fairly close to a pay-as-you-go program.

We have to revise the program anyway after a few years if we adopt the present system. Experience has shown we have had to do it. I dare say we will have to do it again. It is not possible to anticipate what are to be the conditions in this country in the year 2000—50 years from now. Yet the pending bill is predicated upon the continuation of a policy for 50 years—up to the year 2000.

Mr. President, no one can look half a century ahead and see what conditions will be then. So it is obvious that we are going to have to revise the system every few years, and that the funds we build up as a total reserve will be modified or reduced or will disappear or will be augmented as if probably they did not exist. In other words, we will have to make provision to pay the annuities when they become due in the future, out of revenues that then become available, because, as has been pointed out, the money is not lying in a safety-deposit box. We do not have it in currency. It is simply a credit on the books of the Treasury to this fund. They pay out currently what is due currently, out of what comes in currently, I believe, and it goes into this fund, or is a credit on the books of the Government of the United States. It is immediately availed of by the Government of the United States, and in its place are put obligations of the Government. They are bonds of the United States Government. But they can be paid only out of tax revenue. So the people have to put up the money if anything in excess of current revenues is to be paid to the recipients of the plan. The money is to be put up out of current taxation.

Mr. MILLIKIN. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield to the Senator from Colorado.

Mr. MILLIKIN. As we widen the coverage, through whatever the system may be, the contributors to the system, such

as we have now, and the general taxpayers, who will ultimately be called upon to make good the reserve fund, come together in identity, which is another way of saying they pay twice for the same thing.

Mr. PEPPER. Certainly, and obviously we have to collect from those who have the ability to pay.

So, first, the Townsend plan is a pay-as-you-go plan.

Further, Mr. President, the benefits under the program to the recipients of old-age and survivors' insurance have increased 19 percent since 1939. The cost of living has increased about 70 percent in that time. What does that mean? It means that the real value of the benefits has been diminished; in other words, the recipient will get less in terms of buying power than he would have gotten had he become 65 years of age at an earlier date, after this program went into effect.

So long as we are going to have to levy a definite tax and figure the amount of the benefits the beneficiary is entitled to receive under the present law, we will always have that changing relationship between the amount of dollars a recipient may get under a more or less rigid program, and the cost of living a recipient has to bear. Generally, since the cost of living goes up, the change is to the detriment of the recipient under the program.

Mr. President, if the Townsend bill were the law, that discrepancy would not exist, because the way the Townsend revenues are divided is this: The eligible class are simply the distributees of the amount of money the plan provides, in other words, the amount of money that comes in under the tax levied under the Townsend bill. If a certain amount, let us say $1,000,000,000, comes in every month under the Townsend plan, obviously whether we have the figure at 3 percent or 1½ percent or 1 percent or 2 percent, or whether we vary the form of tax, would be determined as a result of experience; but there is nothing new in that. We are merely suggesting that the tax be a gross income tax, but what we are talking about is a current tax.

Suppose that tax, under the Townsend bill, yields a billion dollars a month. That $1,000,000,000 would be divided up among the distributees who are classified and named and made eligible by act of Congress, and each one would get his or her share; but everyone would get something.

Under that plan, it becomes apparent, if we have inflation, so that the dollar is worth less, more dollars would be taken in under the program and more dollars would be distributed as more money was in circulation. But if more money is in circulation and dollars become less valuable, under the law we now have, the recipients would get a fixed number of dollars. Therefore the amount would not fluctuate. If we have a rising cost of living, they do not get more, or if a falling cost of living, there is not an adjustment.

Mr. BREWSTER. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield to the Senator from Maine.

Mr. BREWSTER. I am happy to express my gratification that the Senator is praising so forcefully, and with his customary eloquence, the consideration of this plan, a subject on which he and I have been in agreement for a long time.

Mr. PEPPER. I am most grateful for the Senator's words. Coming from the source from which they emanate, they are praise indeed.

Mr. BREWSTER. I wonder if the Senator has pointed out, in view of what he has been saying about the wisdom of having a fluctuating scale in order to meet the changing values of the dollar, that the one thing we are certain of is that the value of the dollar will not remain the same, that it will go up and down. But this plan is adjusted to that, and allows to the old people their proportionate share of whatever is the national income and whatever is the national productivity, in terms of food, rather than in terms of dollars, which latter is, as we now find, utterly inadequate.

But, in addition, there is the other consideration, namely, that it eliminates the possibility of political shenanigans, such as are an inevitable part of the administration of the means test. If it were possible to have people without human fallacies it would perhaps be possible for them to do justice to all the gradations of income groups. But since it is administered by very human beings of one or another political persuasion, I presume it is a little more easy perhaps in Florida for a Democrat to receive benefits by way of old-age assistance, and I presume in the State of Maine, it would be more easy for a Republican to receive such benefits. That is the result of the inevitable operations of human nature.

I believe we shall arrive at an equitable solution of the problem and of the fundamental principles involved by the universal application of a pay-as-you-go plan, of a widely distributed tax which will be subject to study, and the elimination of a means test. Those fundamental principles I believe must eventually evolve.

As I said the other day, it is profoundly gratifying to me to note the submission of a resolution, which has very substantial support on both sides of the aisle, and which for the first time will bring about careful study and evaluation of the general principles which are at the very foundation of the Townsend plan, and recognize the great service that has been rendered the country by the development of this idea.

Mr. PEPPER. I thank the Senator from Maine very much for his contribution.

Mr. President, I conclude with this summation. The system we now have has been in effect since 1935. It still leaves more than half of the male members of our population above 65 years of age not taken care of at all, even in 1951. In 1951 it would provide nothing for more than 90 percent of the female population of our country above 65 years of age.

I have already pointed out that of that group there are about 11,200,000 of our citizens; that three and one-half million of them have no income at all, and the average income of those with any income, including what they are now receiving from old-age and survivors' insurance, and from all sources is only $808 a year.

Mr. HUMPHREY. Mr. President, before the Senator concludes I should like to say that the remarks of the Senator from Florida pertaining to the old-age insurance and old-age-pension program are entirely fitting and appropriate as we discuss House bill 6000.

I was very much interested in the comments of the Senator from Maine [Mr. BREWSTER] who associated himself with the Senator from Florida, to see this bipartisan effort of working toward the development of program and the acceptance of fundamental principles that pertain to old-age pensions.

I think all of us recognize a debt of gratitude to the Townsend movement for what it has done in terms of making vivid, clear, and meaningful to the American people the dire need of an adequate old-age pension system. I think without that movement that much of this legislation we are considering today would have died on the vine. The Townsend movement has worked tirelessly in behalf of the senior citizens of the Nation.

I am quite confident that as the years pass and as the committee makes further study, that the principle of a universal pension will be accepted. I believe that principle is practically accepted now on the floor of the United States Senate. I have heard several comments from Senators who have stated their belief in the principle of a universal pension.

Surely, the Senator from Florida and the Senator from Maine are entirely correct when they say that the means test is an unfair and unfortunate test for the application of a deserved pension.

Also I think it is important that we consider the fact that the age of 65 for the receiving of a pension is an age limit that will have to be lowered. We ought to be striving toward that particular goal. We do not need to take precipitous action, but indeed it ought to come down to at least age 62, and eventually down to 60 years of age.

Mr. President, I wish to make one further comment. A pension ought not to be looked upon as a gratuity. It ought not to be looked upon as a gift. Actually it is earned income. It is what we call in private employment severance pay, or it is what is termed in Federal employment annual leave.

The vast majority of the American people, the ordinary wage earners, farmers, tradesmen, small businessmen, teachers, professional people, do not have annual leave such as Federal or State and municipal employees are given. Many of them never know what it means to have a severance pay at the time of their retirement, whether enforced retirement or voluntary retirement. I believe we are coming to the point in American economic and political life when we are going to look upon a pension as earned income, annual leave, accumulated leave, or a severance pay that will be worthy of the people upon whom it is bestowed and the people who have justly earned it.

The program we are working upon now surely needs to be expanded and improved. It is but a beginning. It is quite obvious that much has not been done about it in a period of 15 years. In the meantime, great economic changes have taken place in our country.

So I want to pay my tribute to those who have led the fight. The principles of a universal pension, of a lowering of the age, and the elimination of a means test, and of a tax which will provide the necessary revenues to adjust to the value of the dollar or the cost of living, are worthy and sound principles. Sooner or later, these principles will be accepted in the fundamental law of the land.

Mr. President, I thank the Senator from Florida for the time he has yielded me, but more than that I thank him for the courageous and forthright statement he has made in behalf of the pension program as not only a reality, but as a long-range objective for social and economic progress.

Mr. PEPPER. Mr. President, I thank the Senator from Minnesota, who always illuminates any subject to which he turns his keen mind and social conscience.

I was saying that now 15 years' experience with the program has shown its inadequacy, because in 1951 more than 90 percent of the females of the country above 65 years of age will receive nothing, and more than 50 percent of the males more than 65 years of age will be eligible for nothing.

Then if we project this program 50 years into the future, a half a century, in this miraculous millennium, in the year 2000 there would still be more than 10 percent of our men above 65 years of age, and more than 50 percent of our females above 65 years of age who would not be covered. So not only is it grossly inadequate in 1951. It will still be grievously inadequate 50 years from now if we continue to go ahead.

It would seem, therefore, Mr. President, that at least in that respect it is time for the change to be made by the Congress and the country.

Mr. BREWSTER. Mr. President, will the Senator yield at this point?

Mr. PEPPER. I yield.

Mr. BREWSTER. In discussing the implications of the Townsend plan, the one point about which I have always had the greatest question is the one requiring the recipients to give up all active work. I myself am not, even as yet, persuaded that that is wise. I base my view of that point particularly on the amazing example of Dr. Francis E. Townsend, because if he had ceased his labors 15 or 20 years ago, I shudder to think where this movement might have been. I think he is a most outstanding example of the value of carrying on labor following the so-called age of retirement. I think that in many instances the older people themselves still desire to engage in work. That is why I favor a universal plan which will not forbid them to continue active work if they desire, but will, in the course of time, permit that matter to be adjusted through, let us say, a balance wheel on the economy of the country.

Let me inquire whether the Senator has discussed that phase of the program at all.

Mr. PEPPER. I only adverted to it a moment ago. I rather share the view, as I indicated then, of the Senator from Maine. I think there are a great many details of the plan which experience would show should be altered or changed. I myself, think there are many of our senior citizens who would like to find part-time employment. It seems to me we should let them work as much as they want to and as much as they can. Certainly I would not be shocked at having them do what might be called hard work which they might be able and willing to do. I think many of them would be happier to do that, rather than to sit in complete idleness; and I think they would be glad to make some worthwhile contribution to their country.

Mr. BREWSTER. And should not provision be made that they would not be penalized for doing so?

Mr. PEPPER. Yes; that could be arranged.

Mr. President, let me call attention to the inadequacy of the present plan. A certain lady in Biddeford, Maine, was notified on April 4, 1950, that she was entitled to primary benefits, under title II of the Social Security Act, payable monthly, in the amount of $24.33. However, she was advised that since she was still working, no benefits could be paid at this time.

She was also advised as follows:

It has also been determined that you are entitled to widow's insurance benefits of 7 cents a month, beginning January 1950 based on your husband's wage record under account No. ———. However, since you are now working, no benefits can be paid at this time. When you have terminated your employment and are eligible to receive payment, we will combine the benefits you are entitled to receive. This will be done in order to eliminate the necessity of sending you two checks, one of which is in an amount less than $1. A monthly benefit check will be sent to you in the amount of $24.40, representing payment of your combined benefits. If you remarry, you will no longer be entitled to your widow's insurance benefit.

Mr. President, in other words, she is being advised that if she remarries, she will lose the 7 cents a month which she would otherwise be entitled to receive. Therefore, I suppose she is able to appraise the agency's value of her late husband's labors, on the basis of that notification to her.

She was further advised:

Notice of remarriage should be sent to the Social Security Administration immediately. However, you will still be entitled to $24.33 a month, based on your own wage record.

Mr. President, that lady would have been entitled to a good many dollars a month as the beneficiary of a husband who probably had paid into this fund for more than 27 quarters; but due to the rule that if she had any benefits of her own under the system, because she had worked, she could not receive benefits based on what her husband had really earned, for his survivor, his widow, but could only receive the difference between what she had won with her own work and what she was entitled to receive as the widow of her husband, who had made his own payment for a considerable period of time, instead of receiving what she should have been entitled to receive as the widow of a husband who had made his own contribution, she was entitled to receive only the difference, which was 7 cents a month. Mr. President, I say the system is not adequate and the problem is not being adequately solved.

I commend the committee for its resolution to go ahead with its study. I particularly commend to the committee, to the Senate, and to the Congress in the future, a specific study of the principles of the Townsend plan. They are basically sound in at least four respects: They are universal coverage; they provide for a pay-as-you-go system; and they will provide a fund that will fluctuate according to the cost of living and the money in circulation in the economy. Mr. President, the amount contemplated by that plan is a far more adequate amount for the recipients than anything which is even foreseeable under the plan we now have in existence.

Mr. President, it is obvious that we are not providing better than that for this honored segment of our citizenship. The Bible tells us in the fifth commandment, "Honor thy father and mother that thy days be long upon the land which the Lord thy God giveth thee." We are not honoring the fathers and mothers of the people of this country as we should. Adoption of the Townsend bill by Congress will give them the food, shelter, clothes, and other comforts to which a lifetime of work entitles them. It will give them the dignity and responsibility they deserve. Only then, when they have all these things, shall we truly have honored our mothers and fathers.

Therefore, Mr. President, I propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. PEPPER. It is still permissible to send amendments to the desk; is it not?

The VICE PRESIDENT. It is, to be printed and lie on the table.

Mr. PEPPER. And to come up for consideration when amendments lying on the table are to be considered, I understand.

Therefore, Mr. President, I send to the desk, to be printed, an amendment in the nature of a substitute for the pending measure. The amendment was previously introduced as Senate bill 2181, but I now offer it as an amendment in the nature of a substitute for the pending bill.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, immediately following my remarks, a statement prepared by a representative of the Railway Labor Executives, showing the relation of the benefits which the Railroad Retirement Act, to those under the old-age and survivors' insurance program. This statement was given to me by Mr. Lyons, executive secretary of the Railway Labor Executives.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The general old-age and survivors system derives a very substantial financial benefit from the maintenance of the separate railroad retirement system. This gives rise to an obligation which should be recognized and which should be met at such time and in such manner as will be to the best interests of the railroad retirement system.

The reason why the general system derives this financial benefit from the maintenance of the separate railroad retirement system is that the railroad employees are a relatively higher cost group for whom to maintain an old-age retirement and survivors system than the general working population covered by the social-security system. The extent of this financial advantage at the time the two systems began in their original form in 1937 was estimated to aggregate over a billion dollars and perhaps to exceed two billion. As benefits are revised and liberalized the effect is to increase the financial benefit which the general system derives from the separate maintenance of the railroad retirement system. Upon the enactment of the pending legislation this benefit would come to approximately the equivalent of 2 percent of the railroad taxable pay roll. In other words if there were paid from the old-age and survivors trust fund into the railroad retirement account each year an amount equivalent to a 2 percent tax on the railroad pay roll, the general system would be merely paying for the benefit it derives from the separate maintenance of the railroad retirement system.

There are a number of reasons why the railroad employees constitute a higher cost group than the population covered by the general system:

1. The average age of the railroad employees is about 6 or 7 years higher than that of the insured Social Security population which of course results in a much smaller deferral of future costs.

2. The seniority system is much more elaborately and universally applied in the railroad industry than in industry generally, with the result that there is a heavier concentration of earnings in the older age group than in the general population.

3. The railroad industry is a mature industry that cannot be expected to expand in proportion to the expansion of industry in general. Past experience indicates that as productivity increases, the numbers of employees in the industry will decline even though the volume of work done remains constant or even expands somewhat.

4 Because of the savings in wives' and survivors' benefits through women being fully insured, there is a financial advantage in having a relatively higher proportion of women in the covered group. Women constitute only about 5 percent of the railroad-retirement coverage, whereas they constitute about 30 percent of the present social-security coverage, and will probably make up an even larger proportion under the coverage as expanded by the pending legislation.

Mr. PEPPER. Mr. President, I also ask unanimous consent to have printed in the RECORD immediately following my remarks a letter signed by Dr. Francis E. Townsend, dated June 16, 1950, addressed "Dear Congressman."

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE TOWNSEND PLAN FOR
NATIONAL INSURANCE,
*Cleveland, Ohio, June 16, 1950.*

DEAR CONGRESSMAN: Here's the chance of a lifetime for Congressmen and Senators to pick up an easy $5,000.

W. D. Dobbins, of the W. D. Dobbins & Sons Development Co., Birmingham, Ala., is the man who is putting up the money.

All you have to do to win is to prove to Mr. Dobbins that the Townsend Plan in operation would cost the taxpayers of this Nation as much as $1.

The argument behind the Townsend plan is that the new business it would create through the additional purchasing power enjoyed by millions of retired elders would far offset the revenue it would require to pension the aged.

Just prove that this is not true and the money is yours.

Here are excerpts from Dobbins' letter to Townsend National Headquarters:

"I will offer $5,000 in cash to any Senator or Congressman who can prove that the Townsend plan would cost the taxpayers $1. It will not only not cost a dollar, but will give us such a tremendous market * * * that we will be able to balance our Federal Budget.

"If you can use this offer in any way to help promote the Townsend plan, I will back it up with the cash or a security bond.

"Let's hit the nail on the head while this is hot in the Senate."

There you are, Congressmen and Senators. There's $5,000 in good American cash waiting for the fellows who have been saying the Townsend plan won't work. If you think it won't work, tell it to Dobbins. Convince him and the money is yours.

Cordially yours,
Dr. F. E. TOWNSEND,
*President.*

P. S.—The above quote is from Mr. Dobbins' letter dated June 14, 1950, which is on file at Townsend National Headquarters.

## EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Senate members of the Joint Committee on Atomic Energy.

(For nominations this day received, see the end of Senate proceedings.)

## CONVENTION WITH REPUBLIC OF PANAMA RELATING TO COLÓN AND CERTAIN OTHER CORRIDORS THROUGH CANAL ZONE—REMOVAL OF INJUNCTION OF SECRECY

The VICE PRESIDENT. As in executive session, the Chair lays before the Senate Executive Q, Eighty-first Congress, second session, a convention between the United States of America and the Republic of Panama regarding the Colón Corridor and certain other corridors through the Canal Zone, signed at Panama on May 24, 1950. Without objection, the injunction of secrecy will be removed from the convention and the convention, together with the President's message will be referred to the Committee on Foreign Relations, and the President's message will be read. The Chair hears no objection.

The legislative clerk read as follows:

*To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the convention between the United States of America and the Republic of Panama regarding the Colón Corridor and certain other corridors through the Canal Zone, signed at Panama on May 24, 1950.

I transmit also, for the information of the Senate, the report by the Secretary of State with respect to the convention.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 19, 1950.*

(Enclosures: (1) Report of the Secretary of State; (2) convention with Panama regarding the Colón Corridor and certain other corridors through the Canal Zone, signed May 24, 1950.)

## SOCIAL SECURITY ACT AMENDMENTS OF 1950

The Senate resumed the consideration of the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes.

Mr. CAIN. Mr. President, in the unanimous-consent agreement reached on June 14 to vote on the pending bill, H. R. 6000, it was provided that there should be included a vote on a resolution sanctioned by the Senate Finance Committee and to be offered by the Senator from Georgia [Mr. GEORGE] and the Senator from Colorado [Mr. MILLIKIN], authorizing and directing that said Finance Committee, or any duly authorized subcommittee thereof, should continue the study and investigation of social-security problems in the United States.

My position on H. R. 6000 has been that the time is long since past due for a thorough investigation and over-hauling of our present social-security system.

I have urged, as earnestly as I could, that the investigation be conducted in such a way as to give the public complete confidence that the inquiry was completely independent and free from any possible suggestion of influence by the Social Security Administration. It is a matter of great gratification to me that the Senator from Georgia and the Senator from Colorado have brought in this resolution providing for further study.

The resolution—Senate Resolution 300 provides that the Finance Committee or authorized subcommittee is authorized to "employ such technical, clerical, and other assistants as it deems advisable and to designate and appoint advisers."

The Senator from Washington is advised that if, in the process of this study, the Senate Finance Committee should deem it advisable to employ actuaries, experts from the insurance departments of our universities or other highly qualified assistance, they might possibly find themselves in a position of violating sections 281, 282, or 284 of title 18 of the United States Code, or perhaps, some other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding or matter involving the United States.

The Senator from Washington is wholeheartedly in favor of what the Senate Finance Committee proposes to do, and since it would be unfortunate, disastrous even, if at this late date the

committee might inadvertently find itself in a position where it was debarred by law from giving full-time employment to experts badly needed, I offer at this time a resolution providing for the suspension of the laws mentioned with respect to persons employed by the Senate Committee on Finance in connection with the social-security investigation ordered by Senate Resolution 300, of the Eighty-first Congress.

Mr. President, if the parliamentary situation tomorrow permits, the Senator from Washington would like at that time to be in position to call up and ask unanimous consent to have the joint resolution which he now sends to the desk acted upon.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. CAIN. I am pleased to yield.

Mr. MILLIKIN. I should merely like to say that those same provisions of the law came to the attention of the junior Senator from Colorado before the resolution was drawn. The legislative counsel adviced that the committee would have more leeway without including the clauses to which the distinguished Senator from Washington referred, than if they were included. But I am very glad that he has introduced the joint resolution, because I shall ask the legislative counsel to take another look at it during the night.

Mr. CAIN. May the junior Senator from Washington then say to his friend from Colorado that he recognizes the serious determination of the Senator from Colorado and his colleagues to conduct a very thorough-going investigation. The Senator from Washington has only tried to be helpful. Should it continue to be the opinion of the Senator from Colorado that his resolution is a better instrument without having included within it the terms of the joint resolution I have just sent to the desk, I should most happily yield to his views.

Mr. MILLIKIN. Mr. President, will the Senator yield for a further statement?

Mr. CAIN. Certainly.

Mr. MILLIKIN. I put the phraseology the Senator suggests in one of the early drafts of Senate Resolution 300, and it was then deleted on the suggestion of the legislative counsel that we would have more elbow room if it were out. But, as I say, I shall ask for further advice on it.

Mr. CAIN. Mr. President, if the Senator will permit one further question, would the Senator from Colorado be disposed, now that the Senator from Washington has introduced this joint resolution, to call it to the attention of the legislative counsel between now and tomorrow, at which time the whole problem will be before us, in the hope that we may dispose of it in a very positive and clear-cut way?

Mr. MILLIKIN. I did so, 30 seconds ago.

Mr. CAIN. I appreciate the Senator's willingness to cooperate.

There being no objection the joint resolution (S. J. Res. 187) to suspend the application of certain Federal laws with respect to persons employed by the Senate Committee on Finance in connection with the investigation ordered by Senate Resolution 300, Eighty-first Congress, introduced by Mr. CAIN, was received, read twice by its title, and ordered to lie on the table.

Mr. HUMPHREY. The Senate of the United States now has the bill to amend the Social Security Act on the floor. It will vote Tuesday, June 20, on this bill. We can be certain that the bill as it passes the Senate will be a decided improvement over the present social-security law.

It will add a minimum of 9,000,000 people to social-security coverage. For the first time self-employed people will be included under the old-age provisions of the social-security program.

I wish to discuss briefly some of the amendments which I plan to submit, of which I have the privilege of being cosponsor, and which I shall support, which would further liberalize the social-security bill.

One of the most important of those amendments, of which I am a cosponsor, would increase the amount of annual wages which may be credited toward final old-age and survivors' insurance benefits. The present law provides a maximum wage base of $3,000. This version was kept in the bill as it is now on the Senate floor in spite of the fact that the House recommended an increase to $3,600, which would permit maximum benefits of $80 per month.

An attempt will be made to raise that maximum benefit even beyond $3,600 to $4,200, which will permit benefits of $87.50, and also to $4,800, which will permit maximum benefits of $95. I am supporting these liberalized efforts. I feel certain that we can pass the $3,600 wage-base amendment in the Senate and I hope we can go further. These amendments are significant because a Senate advisory council some months ago, after a thorough study of the whole program, recommended a base of $4,200.

The next amendment of which I am a cosponsor will provide insurance benefits to individuals who are permanently unable to engage in any gainful activity by reason of any medically proven physical or mental illness. This is called a disability-insurance amendment. It was included in the House bill. It was recommended by the Senate advisory council. I believe it to be regrettable that the Senate Finance Committee decided not to include this provision in the bill as reported to the Senate.

By the way, Mr. President, I want to commend the junior Senator from Louisiana for his very comprehensive and able address this afternoon in reference to disability assistance. I understand the Senator from Louisiana will submit an amendment on disability assistance, and it is my intention to support him, because his case is convincing and is grounded upon sound fact.

The third crucial amendment which we will face on the floor of the Senate and which I will support, is designed to provide some kind of an incentive in the old-age and survivors insurance program. It will do so by increasing basic benefits for each year of contribution. The bill as it is reported by the Senate Finance Committee would give an equal benefit payment to a worker who has contributed to the program for 2 years or for 20 years. Our amendment will add a percentage increment to the benefits received for each year in which a contribution to the social-security fund is made.

It is also my plan to support amendments which would consider salesmen and agent drivers, distributing beverages, fuel, ice, ice cream, and fruit produce, as well as meat and bakery produce, laundry or dry cleaning services, as employees to be covered by the social-security law. This would add about 300,000 persons to the coverage of the Social Security Act.

I also plan to support an amendment which would give protection to about 40,000 home workers and certain domestic servants.

It is my intention to support another amendment which would include tips as wages in computing social-security benefits.

An amendment will also be introduced, which I shall support, extending social-security benefits to about 775,000 additional farm workers.

I now want to bring to the attention of the Senate an amendment which the Senator from New York [Mr. LEHMAN] and I have submitted, designed to increase the old-age pension provisions of the social-security law. I recently commented briefly upon this amendment, at the time of its submission. This amendment is for those older folks who are not under the insurance program. This amendment would raise the maximum pension from $50 to $65 per month, which means that the Federal Government would make a contribution to any pension up to $65 by paying one-third of any amount over $50. The present law provides a maximum of $50, and that maximum is maintained by both the Senate and the House versions. The House version does differ, however, from the Senate bill in that it gives more assistance to those States which are of the lower economic income.

My amendment, and the amendment cosponsored by the Senator from New York, will also increase benefits to the blind and to dependent children.

One of the most pressing problems which many local governments face with the public-assistance program is the fact that under the present law it is difficult to provide for medical care for the aged. I am joining with other colleagues in an amendment which will provide Federal grants for medical care to the needy aged, the needy blind, and to dependent children.

RECESS

Mr. KERR. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 50 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, June 20, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 19 (legislative day of June 7), 1950:

ATOMIC ENERGY COMMISSION

Sumner T. Pike, of Maine, to be a member of the Atomic Energy Commission for a term of 4 years expiring June 30, 1954. (Reappointment.)

Gordon Dean, of California, to be a member of the Atomic Energy Commission for a term of 3 years expiring June 30, 1953. (Reappointment.)

Thomas E. Murray, of New York, to be a member of the Atomic Energy Commission for a term of 2 years expiring June 30, 1952. (Reappointment.)

Henry DeWolf Smyth, of New Jersey, to be a member of the Atomic Energy Commission for a term of 1 year expiring June 30, 1951. (Reappointment.)

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# HOUSE OF REPRESENTATIVES

MONDAY, JUNE 19, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou Creator and companion of our souls, we are coming unto Thee in the fellowship of prayer in order that by the touch of Thy spirit we may be renewed in faith, purified in heart, and strengthened for the tasks which await us.

We know that our plans and purposes, our efforts and endeavors for the building of a nobler civilization are futile and fruitless unless Thou dost gird us with divine wisdom and power.

Show us how we may live and labor in confidence and in courage. May we conquer every temptation and be masters over all the fears and anxieties which assail us.

Grant that dishonest and selfish thoughts and deeds may be hateful to us. May Thy law of truth and righteousness be our delight. May the grace and memory of this moment of sacred communion follow all the hours of this day.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, June 15, 1950, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 3498. An act for the relief of the Gluckin Corp.;

H. R. 4100. An act for the relief of Calvin E. Cranford;

H. R. 4163. An act for the relief of Mr. and Mrs. C. S. Walker;

H. R. 4960. An act for the relief of Mrs. Elizabeth H. Whitney;

H. R. 5979. An act for the relief of John Tweit;

H. R. 6652. An act for the relief of Mrs. Fujiko Chichie Imbert, wife, and Robert Imbert, Jr., son of an American soldier;

H. R. 7050. An act for the relief of Louie Gam Yean;

H. R. 7065. An act for the relief of Kazuko Miyama Akana and Chang King Akana;

H. R. 7066. An act for the relief of Setsuko Amano;

H. R. 7073. An act for the relief of Koto Kogami Kitsu and Jeannette Akemi Kitsu;

H. R. 7199. An act for the relief of Nobuko Maeda;

H. R. 7254. An act for the relief of Mrs. Bernard Smith;

H. R. 7362. An act for the relief of Mrs. Willard Thulin (formerly Jutta Kono);

H. R. 7416. An act for the relief of Suzuko Takanashi;

H. R. 7656. An act for the relief of David George Callaway;

H. R. 7658. An act for the relief of Mitsuko Ito;

H. R. 7682. An act for the relief of Mrs. Akiko Osada Gustafson; and

H. R. 8270. An act relating to the renewal of contracts for the carrying of mail on star routes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1606. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Auf der Heide-Aragona, Inc., and certain of its subcontractors against the United States;

H. R. 3506. An act for the relief of Louis P. Murphy, United States immigrant inspector, El Paso, Tex.;

H. R. 4895. An act to permit the prospecting, development, mining, removal, and utilization of the mineral resources within the Superior National Forest, Minn., and for other purposes;

H. R. 6691. An act for the relief of Paul D. Banning, Chief Disbursing Officer, Treasury Department, and for other purposes; and

H. R. 7579. An act to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 192. An act to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties;

S. 382. An act for the relief of Wong Suey Wing;

S. 841. An act for the relief of Michele Bartolomeo Marchisio;

S. 960. An act to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the armed forces of the United States for fiscal years 1951, 1952, and 1953, and for other purposes;

S. 1208. An act for the relief of Pasch Bros.;

S. 1304. An act for the relief of Nicolae G. Caranfil and his family;

S. 1320. An act for the relief of Mrs. Barbarita Romero;

S. 1779. An act for the relief of Phil Meyers, also known as Gil Meyers;

S. 1884. An act for the relief of Rev. Lambros Economakos;

S. 2016. An act for the relief of Mr. and Mrs. Charles R. Proctor;

S. 2077. An act for the relief of Francisco Gonzalez Perez;

S. 2095. An act for the relief of Frederick L. Goggans;

S. 2264. An act for the relief of Juliana Sosa de Solis;

S. 2346. An act for the relief of Kuo Chin Lu;

S. 2403. An act for the relief of Curt Edward Friese;

S. 2608. An act for the relief of Dr. Kun Ken Hu;

S. 2658. An act to establish rearing ponds and a fish hatchery in the State of Kentucky;

S. 2991. An act for the relief of the Chicago, Rock Island & Pacific Railroad Co.;

S. 3520. An act to strengthen the common defense by providing for continuation and expansion of Western Hemisphere production of abacá by the United States;

S. 3571. An act to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes;

S. 3771. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation; and

S. Con. Res. 95. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 7477) entitled "An act providing for the conveyance to the town of Nahant, Mass., of the Fort Ruckman Military Reservation," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HUMPHREY, Mr. BENTON, and Mrs. SMITH of Maine to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 238) entitled "Joint resolution to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCARRAN, Mr. EASTLAND, and Mr. JENNER to be the conferees on the part of the Senate.

POWERS OF APPOINTMENT

Mr. CAMP. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 480, which was unanimously reported to the House on June 15, 1950, by the Committee on Ways and Means.

This is a joint resolution extending the time for the release, free of estate and gift tax, of certain powers of appointment in connection with property which is subject to a power of appointment created by a person other than the holder of the power.

The Clerk read the resolution, as follows:

*Resolved, etc.*, That sections 403 (d) (3) and 452 (c) of the Revenue Act of 1942 (relating to release of certain powers of appointment in the case of the estate and gift taxes) are hereby amended by striking out "1950" wherever appearing therein and inserting in lieu thereof "1951."

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, it is of the utmost importance that House Joint Resolution 480 pass the Congress and be enacted into law with all possible dispatch.

This resolution extends to July 1, 1951, the period for tax-free release of powers of appointment created on or before October 21, 1942, the effective date of the Revenue Act of 1942. Similar extensions of time to permit holders of previously created powers to adjust their affairs as the result of the complicated and highly technical provisions of the Revenue Act of 1942 have been made without interruption by the Congress.

If this extension is not granted for another year, severe hardship will be imposed on many persons who, because of the complexity of the 1942 act and through no fault of their own, have been unable to take the necessary remedial steps.

A power of appointment is the legal expression for a power given to a person by someone else to dispose of property either by will or by an inter vivos transfer. For example, a husband may leave his property to his wife in trust for her life and give his wife a power to designate to whom the property shall go upon her death. In this case the wife is said to have "a power of appointment," because she can appoint or designate persons to whom the property shall go on her death.

The general problem to which this legislation is directed stems from the fact that up until the Revenue Act of 1942 in order for the power of appointment to be included in the wife's estate, the power had to be general, the wife had to exercise it, and the property had to pass as the result of the exercise of the power. If the power of appointment given by the husband to the wife was a special power, that is a power in the wife to appoint the property only among a particular class of persons, then the property subject to this power of appointment was not included in the wife's estate.

The 1942 act changed, however, the entire concept of taxing property subject to powers of appointment. Under this act, the Federal estate tax was made to apply to a power of appointment whether it was exercised or not, whether it was general or special, and without regard to any technical questions of whether the property passed as the result of the exercise of the power. The 1942 act provided that if a decedent "has at the time of his death a power of appointment," the property is taxable in his estate and the term "power of appointment" includes all powers except two: First, power to appoint among a class of persons which includes no one but the decedent's spouse, the spouse of the creator of the power, descendants of the decedent or his spouse, descendants of the creator of the power or his spouse, spouses of such descendants and charities; and second, powers to appoint among a restricted class by a person who has no other interest in the property.

The first exception permits powers of appointment within the family to be excluded from the estate tax, and the second of the exceptions applies to what is commonly known as fiduciary powers. If the power of appointment is within these two classes, it is taxable.

The prior law taxing only the exercise of a general power had been in effect for approximately 25 years, and by 1942 there were in existence a great many powers which had been created in reliance on the law as it then existed. The provisions of the 1942 act not only constituted a radical change but, as a result of subsequent Treasury regulations, many ordinary powers of trustees were construed to be powers of appointment contrary to the general understanding by the legal profession. In addition to the difficulty, if not impossibility, of ascertaining whether existing wills and trust agreements contained powers which might be taxable under the new law, persons in many States are still unable today to avail themselves of the tax-free release privilege because of uncertainties of local law or the nonexistence of applicable State law.

For the past few years the American Bar Association and other interested groups have been endeavoring to reach an agreement with the Treasury Department as to the desirable changes which should be made in order to correct the inequitable results of the 1942 amendments and the Treasury regulations which applied to pre-1942 powers as well as to powers created in the future. Although the area of disagreement has been narrowed, no entirely satisfactory agreement has yet been reached, although both the Treasury Department and interested groups are in accord that remedial legislation is necessary. Moreover, widespread reliance by the entire legal profession has been placed on the fact that remedial legislation would be enacted by the Congress, and it would, therefore, be grossly unfair not to grant a further extension of time pending a final solution to this problem.

### RENT-CONTROL ACT—CONFERENCE REPORT

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until 12 o'clock tonight to file a conference report and statement on the bill S. 3181, the rent-control bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

### THE RUBBER ACT OF 1948

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7579) to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Line 6, strike out "1952" and insert "1951."
Line 7, strike out "1953" and insert "1952."
Line 10, strike out "1953" and insert "1952."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain these amendments?

Mr. VINSON. Mr. Speaker, the purpose of this is to extend the Rubber Act 2 years instead of 3 years.

Mr. MARTIN of Massachusetts. It is agreeable to the Republican members of the committee?

Mr. VINSON. This is entirely agreeable to the Committee on Armed Services.

Mr. MARTIN of Massachusetts. And to the Members on both sides of the aisle?

Mr. VINSON. To the Members on both sides of the aisle.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

### MISS OKLAHOMA

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, the Oklahoma delegation is exceedingly proud to advise the House that the daughter of one of the distinguished staff members of our delegation has been selected as Miss Oklahoma to represent our State in the national beauty contest in Atlantic City for the title of Miss America. Miss Louise O'Brien, 22-year-old daughter of Mr. Ed P. O'Brien, administrative assistant in the office of our beloved and able colleague the gentleman from Oklahoma [Mr. GILMER], has just won this distinction.

We are quite sure that her native beauty and Irish luck, both of which she possesses in abundance, will bring to our State the honor of winning the national contest. The title of Miss America has previously been earned by an Oklahoma girl, and we are counting on Miss O'Brien bringing it back to our State, where it belongs.

To her and to her family we extend our heartiest congratulations and best wishes.

### SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House for 20 minutes on Tuesday and Wednesday of this week, following the legislative program and any special orders heretofore entered.

### MILK FOR WASHINGTON

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, this time is taken in order to

congratulate the gentleman from Nebraska, Dr. MILLER, for having brought into the District, the city of Washington, to the babies and to the invalids a bountiful supply of milk which is coming in today. Had it not been for his resolution the strike would undoubtedly still be on, but this threat to let milk from 46 other States come in brought these people who had the milk supply of the city of Washington to a certain degree of common sense and fair action.

The doctor is to be congratulated.

### PURCHASE AND STORAGE OF SURPLUS COMMODITIES

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a tabulation.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, a further study of the Commodity Credit Corporation's latest report as of April 30, 1950, reveals significant information as to the current purchase and storage program.

On June 30, 1949, the Federal Government had no cheese in storage. But on April 30, 1950, it had in storage 21,352,133 pounds and had paid $311,654.44 to keep them in storage.

The net result is that the Federal Government had run up its storage of butter, dried milk, dried eggs and cheese from 152,980,047 to 524,405,722 pounds and had paid out $6,670,383.72 to keep this more than half a billion pounds of food in storage.

The general story as to surplus potatoes is widely know. But the Corporation's latest report as to details is shocking.

It had no potatoes in storage on June 30, 1949. By April 30, 1950, it had purchased 2,755,668,200 pounds at a cost of $49,709,982.02. During the same period $3,358,228.19 was spent to keep them in storage. Two billion six hundred and sixty-eight million two hundred and thirty-two thousand pounds were sold and it is now quite apparent that at least 100,000,000 pounds were sold to some New York exporters at 1 cent a pound for resale to eastern Germany in the Russian zone at a profit. Fifty-eight million one hundred and seventy-two thousand nine hundred pounds were donated somewhere and 28,699,800 pounds were still on hand.

The net loss during this period was stated to be $44,356,471.77. Although I have requested it, I have not been able to secure a statement of how much of this loss is due to spoilage, nor do I know how much of it is attributable to dumping or other means of destruction. I do know that in Massachusetts, at least, and I think it is true undoubtedly elsewhere, all of the surplus of last year's crop has been received and because of its age, these potatoes are sprouting very rapidly and considerable shrinkage has taken place. Unfortunately it seems more than probable that a good portion of these nearly 29,000,000 pounds of potatoes will wind up on dumps.

The stubborn refusal to consider any suggestions which would have prevented this tragic situation as to potatoes makes it unlikely that anything will be done to prevent substantial waste of that commodity. But it is not too late to prevent the same results in the case of the 5,273,265,310 pounds of other wholesome food commodites reported still in storage on April 30, 1950.

A comparison of the amount of 11 food commodities in storage on April 30, 1949, and on April 30, 1950, is startling. It shows an 1806.37 percent increase. This makes it all the more imperative that some direct and constructive action should be taken to insure that these articles of food are not wasted through spoilage or by destruction. The comparative figures, in pounds, are, as follows:

| | In storage | |
|---|---|---|
| | Apr. 30, 1949 | Apr. 30, 1950 |
| Rice | None | 69,600 |
| Dried peas | None | 199,400 |
| Soybeans | None | 2,225,100 |
| Turkeys | None | 5,662,358 |
| Cheese | None | 21,352,133 |
| Dried milk | None | 315,913,638 |
| Dried beans | None | 472,627,700 |
| Butter | 702,381 | 98,695,046 |
| Raisins | 2,236,110 | 5,296,910 |
| Prunes | 7,902,750 | 15,273,870 |
| Dried eggs | 45,983,259 | 88,444,915 |
| Total | 56,824,500 | 1,026,460,670 |

I also include for the RECORD a copy of a letter I sent to the President on June 17:

The PRESIDENT,
*The White House,*
*Washington, D. C.*

DEAR MR. PRESIDENT: For over 3 months I called your attention repeatedly to the tragic, inexcusable waste of the taxpayers' money through paying carrying charges on 16 surplus food commodities. I urged that these funds could be spent much more wisely for transporting these foods to people who could and would eat them but could not afford to buy them. I stated that this waste was continuing at an estimated rate of at least $60,000 daily.

The report of the Commodity Credit Corporation of April 30 shows that this estimate of daily waste was too low. Actually, the total amount spent for this purpose for the first 10 months of the current fiscal year was $24,760,056.10. This was at the rate of $81,447.55 a day. There is no possible reason for continued failure to take immediate, constructive action to remedy this condition. Will you please order such action at once.

Respectfully yours,

JOHN W. HESELTON.

### MILK FOR THE DISTRICT OF COLUMBIA

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, while I appreciate the remarks made by the gentleman from Michigan [Mr. HOFFMAN], I fear I had nothing to do with settling the milk strike. The strike was settled through arbitration and democratic processes. I would call attention of my colleagues, however, to the necessity of revising the Milk Code for the District of Columbia. That code is 25 years old. When adopted, it probably met the needs, but now we have pasteurization and chemical sterilization of milk. It does seem that the Maryland-Virginia Milk Producers Association is using the health law as sort of an economic peg to hang their hats on and to have a tight monopoly of the milkshed of the District of Columbia. A new bill will propose that milk be permitted to come into the District of Columbia from any one of the 48 States when it is grade A milk and conforms to the regulations of the United States Public Health Service. That has been accepted by 32 States of the Union. It gets away from the economic bludgeon which permits milk to come in only when it is pasteurized within the District. There are a number of things that need to be straightened out in order to give the people of the District of Columbia a sufficient supply of good milk. There is no valid reason why a tight monopoly on milk should continue in this milkshed. The law governing milk for the District is a quarter of a century old. It needs to be modernized to meet changing conditions of sanitation.

### A FABLE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, once upon a time there was a mule trader.

Being a mule trader is a very respectable job. What the respectable mule trader tries to do is to trade his mule—the one who has a bad temper, the spavins, and the heaves—for a mule whose temper is not quite so bad and who may have a lighter case of spavins and maybe no heaves at all. If a mule trader can make such trades, he is a good mule trader. If he cannot, he is a bad mule trader.

This man was a bad mule trader because he always wanted to get all the best of all mule trades. When he had a mule with a bad temper he would not trade it except for a mule with the best temper. When he had a mule with the spavins he would not trade it except for a mule who had never come near having the spavins. He was such a bad mule trader that the home folks would not trade mules with him. He could not make his living at home. So he came to Washington. Back in the thirties.

Folks in Washington did not trade mules. They swapped ideas. So this man gave up trading mules and set himself up in business trading ideas. He did not have any ideas of his own, but he got around that with no trouble. He just borrowed or swiped ideas which had belonged to other folks. He was not particular about these ideas. These ideas had bad tempers and most of them had the spavins and the heaves like the mules

he used to try to trade. The ideas he got in this country he had to borrow or swipe. The ideas he got from outside this country he did not have to swipe or borrow. The folks who had them gave them to this man. He got them for nothing. These ideas were worse off than the ones he had swiped or borrowed.

Finally, he got all of his ideas together in one idea pen. He was ready to trade. He was not a mule trader any longer. He was an idea trader.

This man wanted to trade tumbledown shacks to war veterans for their independence, their loyalty, and their votes. He did not mind if the war veterans paid twice for these tumbledown shacks—in monthly payments and in taxes.

He wanted to trade the whole American people for special classes.

This man wanted to trade payments not to produce to farmers for their independence, their loyalty, and their votes.

He wanted to trade solvency for bankruptcy.

This man wanted to trade the right to life, liberty, and the pursuit of happiness of American labor for slavery to little Hitlers.

He wanted to trade a national fact for an international pipe dream.

This man wanted to trade bibles in the schools for a dole to the schools.

He wanted to trade liberty for liberalism.

This man wanted to trade race friendship for race hatred.

He wanted to trade study for snooping.

This man wanted to trade American cod for red herring.

He wanted to trade a republic for rot.

This man was a bad idea trader because he always wanted to get all the best of all idea trades. When he had an idea with a bad temper he would not trade it except for an idea with a good temper. When he had an idea with the spavins he would not trade it except for an idea who had never come near having the spavins. When this man was such a bad mule trader, folks would not do business with him. That is why he came to Washington. That is why he left home. Now, he is a bad idea trader. It is about time this man left Washington.

### THE PRESIDENT OF THE UNITED STATES

Mr. CHRISTOPHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Speaker, I want to use this minute to commend our great and courageous President for his recent veto of S. 1008. This demonstrates again that he is still on the firing line and that his courage is not impaired. As long as he leads us the people of the United States may have no fear of anything or anybody. I am very proud to represent the district in Missouri that has the distinction of being the birthplace of our great President who is also a courageous defender of the rights of the common man.

### PROGRAM FOR TOMORROW

Mr. MARTIN of Massachusetts. Mr. Speaker. may I inquire of the majority leader about the conference report that is coming up tomorrow?

Mr. McCORMACK. A conference report has been filed on the bill H. R. 6567, relating to the borrowing power of the Commodity Credit Corporation. That will be on the program to come up tomorrow.

Mr. MARTIN of Massachusetts. As I understand, if there is a roll-call vote on it, that will go over until the next day?

Mr. McCORMACK. That is my desire, and I know my friend from Massachusetts agrees with that.

### CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

### AMENDMENT TO NATIONAL SERVICE LIFE INSURANCE ACT

The Clerk called the bill (H. R. 6560) to amend the National Service Life Insurance Act of 1940, as amended, to authorize provisions in national service life-insurance policies for increased monthly disability benefits.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

### USE OF DIVIDENDS FOR PREMIUMS ON SERVICE LIFE INSURANCE

The Clerk called the bill (H. R. 8236) to provide that on and after January 1, 1951, dividends on national service life insurance shall be applied in payment of premiums unless the insured has requested payment of dividends in cash.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

### AMENDMENT TO NATIONAL SERVICE LIFE INSURANCE ACT

The Clerk called the bill (H. R. 8235) to amend further the National Service Life Insurance Act of 1940, as amended.

Mr. WERDEL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

### MILITARY STATUS TO RUSSIAN RAILWAY SERVICE CORPS

The Clerk called the bill (H. R. 6277) to give military status and discharges to members of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. I object, Mr. Speaker.

Mr. ANDERSON of California. Mr. Speaker, if the gentleman will withhold his objection for a moment, I wish to advise the House I have applied for a rule on the bill H. R. 6277, and I ask unanimous consent that the bill be passed over without prejudice at this time.

Furthermore, Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a letter from the survivors of the Russian Railway Service Corps.

Mr. RICH. Mr. Speaker, my reason for objecting to this resolution is the fact that the Russians took these men over to run their railroads and they were paid by the Russians. There is no reason why we should put them in the Army now and give them the same rights as the people who went into the service of our country and fought for the liberty of our country. These men went over to Russia and were paid by the Russians to do their work. That is the reason I object to the bill.

Mr. ANDERSON of California. May I say to the gentleman he is not properly advised. These men were paid by the United States Army. They were advised that they were members of the United States Army. I think they are entitled to the perquisites and benefits attaching to membership in the United States Army.

Mr. RICH. I have been advised that that is not the case and that is the reason I am objecting.

Mr. ANDERSON of California. I say to the gentleman, on my responsibility as a Member, that he is ill-informed.

Mr. RICH. Then if, as the gentleman says, a rule is to be granted on this, when we get this on the floor of the House, we can straighten the matter out.

Mr. WHITE of Idaho. Mr. Speaker, reserving the right to object, I am familiar with this bill and the men who come under the provisions of it. The men from the western railroad were recruited by the Government when the Russians abandoned the trenches and we had to send supplies to Siberia. We sent a large force of experienced railroad men over to Russia to run the Russian-Siberian Transcontinental Railroad. These men, at a great sacrifice to themselves, left their positions and went over to Russia. They were there a long time and this is nothing more nor less than just recognition of their services. They should be given status in the Army. I am personally acquainted with a great many of the men because I was in the service of the railroads at and before that time. I hope the gentleman will withdraw his objection.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. ANDERSON]?

There was no objection.

(Mr. ANDERSON of California asked and was given permission to revise and extend his remarks and include a letter

from the survivors of the Russian Railway Service Corps.)

THE ASSOCIATED VETERANS OF THE
RUSSIAN RAILWAY SERVICE CORPS,
*Washington, D. C., June 14, 1950.*

Hon. JACK Z. ANDERSON,
*House of Representatives,*
*House Office Building,*
*Washington, D. C.*

DEAR CONGRESSMAN ANDERSON: I have read, with much concern, the letter dated May 11, 1950, written by Miles D. Kennedy, director of legislation for the American Legion, addressed to the Honorable JOHN RANKIN, and which was introduced into the CONGRESSIONAL RECORD by Representative RANKIN.

Let me state first, please, that I have in years past and still have a very high regard for Congressman RANKIN and his sincerity is respected by me, but in this particular case I believe that the statements by Mr. Kennedy have been misleading and do not reflect the views of the American Legion as a whole.

Mr. Kennedy states in his letter, "The American Legion has repeatedly at its national conventions adopted resolutions opposing this legislation" (and goes on to say "and similar bills to give various groups of a somewhat similar character an honorable discharge for service during World War I").

I challenge that statement as not being correct.

In 1934 the national committee of the American Legion at Indianapolis appointed a subcommittee to investigate the claims of the Veterans of the Russian Railway Service Corps. This is the only investigation the American Legion ever made of our case and this subcommittee reported very strongly recommending that the Legion assist us in securing the justice we are entitled to. A copy of this report is attached hereto.

No further action by the Legion full committee was taken in 1934 but in 1937 there were 17 department resolutions submitted to the national convention in New York City, by the following States: Washington, Illinois, South Dakota, Louisiana, Oregon, Iowa, Minnesota, Texas, California, Michigan, Colorado, Hawaii, Nevada, North Dakota, Missouri, Florida, and Wyoming.

The result of these State resolutions was a resolution by the national convention reading:

"*Resolved,* That Congress be requested to continue their investigation of the status of the Russian Railway Service Corps and take such action as is warranted by such investigation."

The above resolution has never been rescinded and still stands.

It would seem to me that Mr. Kennedy having made the statement that the American Legion has repeatedly at its national conventions adopted resolutions opposing this legislation should now be called upon to quote such resolutions, and dates enacted, opposing legislation by the Russian Railway Service Corps.

It would further seem that the opposition comes from Mr. Kennedy personally and not from the American Legion as a whole. Resolution 302 which Mr. Kennedy quotes names the various groups it covers and does not include our group.

Mr. Kennedy's letter further states that there are bills before the Congress to give military status to various groups who served during World War II and that if our particular bill, H. R. 6277, is enacted into law it will give aid and encouragement to such groups and that 30 years is more than sufficient time for Congress to give consideration to our small group.

To that statement I have this to say, and I believe you will agree with me that each case should be decided upon its own merits in the traditional way of American justice. I do not believe any group seeking such recognition has any such valid claim as the Russian Railway Service Corps has, and we believe Mr. Kennedy is unfair when he seeks to tie us up with various other groups and does not talk about us as a separate unit. The records before Congress show that the three initial steps leading to our induction in service were convincing that we were a part, and intended to be a part of the United States Army. (1) When called upon to volunteer we were told we would be commissioned in the United States Army. (2) We signed the regular form of application for a commission in the United States Army. (3) We received an appointment upon War Department form showing appointment to various ranks, under authority of the President of the United States, and signed by the Adjutant General of the Army. It denoted actual rank and not an assimilated rank such as the Red Cross, etc.

As to 30 years being sufficient time to consider our case, there is ample precedent for this length of time in considering such matters by the Congress. Our bill has passed in the Senate six times. It has been reported out of House committee three times, but in each case too late to get it on the floor for vote after failure on Consent Calendar.

As to resolution 302, quoted by Mr. Kennedy's letter, passed by the 1949 National Convention of the American Legion, and which I quote below:

"Whereas it has been the traditional policy of the United States to limit veterans' benefits to full-time active duty members of the armed forces of the United States; and

"Whereas only those on active duty in the armed forces of the United States during wartime were subject to the complete dislocation and uncertainties for the future so characteristic of wartime service in the military and naval forces; and

"Whereas the members of the nonmilitary and quasi-military groups were not forced involuntarily into combat conditions and were not subject to the exigencies of the military process; and

"Whereas members of the merchant marine received additional bonuses for service in war zones and bonuses on top of these for being exposed to enemy fire and were not required to remain with their ship on return to port: Now, therefore, be it

"*Resolved by the American Legion in national convention assembled in Philadelphia, Pa., August 29–September 1, 1949,* That we are opposed to any legislation granting to former members of the merchant marine any veterans' benefits or any benefits akin to those normally granted veterans for their rehabilitation; and be it further

"*Resolved,* That the American Legion similarly opposes granting of such benefits to former members of the American Field Service, Coast Guard Temporary Reservists (except those on full-time active duty), Civilian Air Patrol, American Red Cross Office of Strategic Services (civilians), and other nonmilitary or quasi-military groups."

Let me say here, please, Mr. Anderson, that the foregoing resolution is not applicable to the Russian Railway Service Corps. The resolution specifically names those organizations it is intended to cover and we are not included. The resolution adopted at the 1937 national convention of the American Legion with respect to the Russian Railway Service Corps has not been rescinded and is still in effect.

We cannot be classed as nonmilitary or quasi-military nor part-time service group for the following reasons:

We wore the identical uniform of the United States Army officer with proper insignia denoting rank and the "castle" denoting the Engineers Corps.

We were armed with regulation side arms and in combat zones we were armed with rifles.

We had troops assigned under our command at various points, and were assigned duties in United States Army general orders.

We, with troops under our command, guarded tunnels and mines and took part in one battle at the Suchan coal mines.

We were on active duty, full-time duty and subject to the complete dislocation and uncertainties for the future so characteristic of war service.

All of this is a part of the House Armed Service Forces Committee hearings on H. R. 6277 and supported by documents introduced into the record.

Mr. Kennedy then adds after his signature to his letter a so-called history of the Russian Railway Service Corps which is no history at all in respect to our organization and efforts to secure the recognition so rightfully ours. It is material taken from War Department reports to the Congress on previous bills and does not present both sides of the case.

The War Department makes adverse reports on our bills as a matter of policy opposing all such efforts. In conversation with the Adjutant General in his office in 1938 and in the presence of three other members of our corps, and in response to my questions the Adjutant General told us that we were paid "right here" (War Department) and that they opposed us because we had a very valid claim but there were other groups who did not have such a valid claim, who were watching our efforts, and by stopping us they were defeating all of the groups.

In this report submitted by Mr. Kennedy is a pay schedule showing that we received more than the regular pay. Previous testimony at hearings has brought out the fact that with foreign pay and all allowances to Regular Army officers we actually received less for lieutenants and captains, majors were practically equal and four lieutenant colonels and one colonel did figure higher, however, when signing applications for an Army commission and during our service for probably 18 months we did not know but what we were receiving the same pay.

As to the Poindexter bill, if the Director of Military opposed legislation in 1918 he did so without our knowledge and without our knowledge that a bill was pending and when he learned of our attitude in the matter he thereafter strongly supported us.

All of these points have been covered in previous House hearings.

The Army presented many interdepartmental communications against our bill but these communications took place 1 and 2 years after we were overseas and we did not have any privilege of assenting to or declining to assent to what took place after we left this country.

The Director of Military Railways, the Chairman of the Council of National Defense have testified in hearings that we were told we were in the Army and had every right to believe we were and this is supported by our signing of an application for an Army commission and receiving an appointment of War Department form denoting appointment by the President of the United States and signed by the Adjutant General. We signed for the duration of the war and could not resign.

In closing, Mr. ANDERSON, it would seem to me that Mr. Kennedy's letter is quite biased in that he ties us up with groups specified in their resolution when the resolution does not cover us and his letter does not represent the true feeling of the American Legion in our case as I brought out in the first part of this letter.

I am attaching hereto a copy of the report of the subcommittee of the National Committee of the American Legion in 1934 which indicates their findings after investigation and which is the only investigation the Legion ever made in our case.

Very respectfully yours,

H. L. HOSKIN,
*President, Associated Veterans of the Russian Railway Service Corps.*

REPORT OF SUBCOMMITTEE ON RUSSIAN RAILWAY SERVICE CORPS TO THE NATIONAL EXECUTIVE COMMITTEE, THE AMERICAN LEGION, 1934

The authority for the appointment of your subcommittee is contained in the following resolution, passed by the national executive committee, at its meeting of November last:

*"Be it resolved,* That the representatives of the Russian Railway Service Corps be invited to submit to the national commander complete data concerning their status, including such affidavits, exhibits or other information as will assist this committee in taking action at its next meeting: be it further

*"Resolved,* the national commander shall appoint a special committee, of such number as he shall desire to review the situation of the members of the Russian Railway Service Corps, said committee to report at the next meeting."

Your committee finds the following facts:

The Russian Railway Service Corps consisted of about 288 officers, and was organized as an expedition for the purpose of keeping open the lines of communication over the Trans-Siberian Railway between the Russian lines and Vladivostock, and for the benefit of the Russian Government, then at war with the central powers and operating the Chinese Eastern and Trans-Siberian Railway during the period of chaos in Russia and contributed materially by their military service.

Your committee finds that the members of the Russian Railway Service Corps were organized under representations to them that they were to be part of the military service of the United States. They submitted applications for a commission as officers of engineers in the Officers Reserve Corps, organized under the authority of Congress.

The men were advised by the officers of the various railway companies by whom they were employed that they would be enlisted in the United States Army and given commissions with officer's rank, the enlistment to be for the period of the war. Many of these men were of draft age and applied for and were granted exemption from the draft on the ground that they were duly enrolled in the military service. In such cases colonel in charge of the Russian Railway Service Corps certified to the various draft boards that these men were now in the military service of the United States in the Russian Railway Service Corps, that the period of commission was 5 years, and that the acceptance of the commission took place before the officer received notice from the local board to appear for examination. A number of these men were in officers training camps at the time of their commission, and a number of them had opportunity to become commissioned officers in the Engineering Corps of the Regular Army, but believed, and had good cause to believe, that they were duly properly commissioned in the United States Army. The following commission was in fact issued to them:

"You are hereby informed that the President of the United States has appointed you ——— lieutenant in the Russian Railway Service Corps, organized under authority of the President of the United States, to rank as such from November 1, 1917. Immediately on receipt herewith, return the acceptance herewith enclosed, properly filled in, subscribed and attested.

"JOSEPH F. JANDA,
*"Adjutant General."*

Another instance has been called to our attention in the record of the hearing before the subcommittee of the Committee on Military Affairs of the United States Senate, where at least one of the men of this corps received a commission on the following form:

"You are hereby informed that the President of the United States has appointed you a captain in the Russian Railway Service Corps in military service of the United States. This notice of appointment will be regarded as a commission for all purposes."

Military uniforms and equipment were issued to these men by the War Department, with the insignia of the Engineering Corps on one side of the collar, the letters "RRS" on the other. The uniform was the regulation officers uniform with the insignia pertaining to their particular rank, identical with the insignia used by officers of the United States Army. They were drilled and instructed as officers and performed the duties of officers in the armies of the United States and were treated as such by the officers and enlisted men of the Expeditionary Forces and by all foreign officers. They customarily carried side arms and while on duty guarding bridges and tunnels were armed with rifles. To this corps was assigned the duty of maintaining the lines of communication supporting the eastern front in the general field of war, while corresponding units organized by the same agencies were sent to France for similar duty on the western front. Both forces were in the exclusive service and control of the United States.

The Russian Service Corps was distributed along the entire length of the Trans-Siberian Railway, some 4,000 miles in length. These men assisted in the movement of troops, supplies, and ordnance of the Allies. They installed lines of communication and introduced improved methods and devices. When the Kerenski government was compelled to fall back, they assisted in the movement of some 500 trains of refugees; always were in constant danger of uprising behind the lines and of brigands who were continually cutting the railway lines and wrecking trains. Their work was creditably performed and warmly commended and a number of their officers were decorated by foreign governments.

Your committee is convinced of the sincerity of these men; that they believed at the time they received their commissions that they were being commissioned in the United States Army as a part of the Armed Forces of the country. And, we further believe that this belief was justified by representations made to them by representatives of the United States Government.

Your committee, therefore, recommends that the National Executive Committee report the foregoing findings to the next national convention of the American Legion with the recommendation that said convention favor the passage of legislation now pending in Congress, known as S. 2320, as amended, and that our national legislative committee give to the legislative committee of the Russian Railway Service Corps every assistance in their power.

Respectfully submitted.

Mr. GEORGE FISK,
*Missouri.*
Mr. L. R. PROBST,
*Wyoming.*
Mr. G. V. BARRON,
*Minnesota, Chairman.*

PREPARATORY COMMISSION FOR THE INTERNATIONAL REFUGEE ORGANIZATION

The Clerk called the bill (H. R. 5863) for refund of customs duties to the Preparatory Commission for the International Refugee Organization.

Mr. SADLAK. Mr. Speaker, in view of the fact that the gentleman from Iowa [Mr. CUNNINGHAM] asked to have this bill passed over without prejudice the last time it was called, I ask unanimous consent that it again be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

MULTIPURPOSE TUNNEL THROUGH LAGUNA MOUNTAINS, SAN DIEGO COUNTY, CALIF.

The Clerk called the bill (H. R. 6339) to authorize a survey to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif.

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I would like to inquire of the author of the legislation, the gentleman from California, whether my understanding is correct that should this authorization become law, it will not be considered in any way as a precedent which would require the Congress in the future to go ahead with a larger survey and then finally possibly to go ahead with actual construction as a Federal project.

Mr. McKINNON. The original survey would determine from there on as to its practicality. This particular request is in no sense an attempt merely to get the Government to go ahead with an unworthy project.

Mr. BYRNES of Wisconsin. What I would like to know particularly is whether or not the author of this bill and the committee are going to attempt to use affirmative action on this legislation as a precedent for the establishment of Federal responsibility for going ahead with the construction, should it be found to be practical.

Mr. McKINNON. That is not the intent of this bill, may I say to the gentleman, because I think it is understood in this case—in the case of this survey—that the Government of the United States is acting in the interest of our national defense. I would not want to preclude further action by the Government in participating in the construction of the project.

Mr. BYRNES of Wisconsin. In other words, the matter of the larger survey and the matter of actual construction as a Federal project will rest on their own feet and on their own merits?

Mr. McKINNON. That is correct.

Mr. MURDOCK. Mr. Speaker, further reserving the right to object, I would like to ask the author of the bill a few questions. Do I understand that there is as a part of this survey and aqueduct as well as a roadway and a railway?

Mr. McKINNON. That is correct.

Mr. MURDOCK. Do I understand that San Diego has a contract with the United States Government for some water out of the Colorado River?

Mr. McKINNON. That is correct.

Mr. MURDOCK. And that San Diego is now getting a portion of that contract?

Mr. McKINNON. We are taking a portion of our water out of the Colorado River now.

Mr. MURDOCK. Can the gentleman say whether the contract that the city of San Diego has is a higher or lower priority for water out of the river?

Mr. McKINNON. Our priority out of the river is rather low, comparatively speaking.

Mr. MURDOCK. It is not as high as some agricultural agencies who are also contractors?

Mr. McKINNON. I understand there are a couple of agricultural agencies that have a higher priority than San Diego.

Mr. MURDOCK. Does not the gentleman believe that the highest beneficial use of water is for human consumption, especially in the case of San Diego, where there is a naval base that that is the case?

Mr. McKINNON. Yes. That would be my opinion.

Mr. MURDOCK. I want to say, Mr. Speaker, that, speaking for myself, I feel that municipal use of water for human consumption is the highest beneficial use, especially where it is used for the armed services as a part of our national defense, and ought to have the highest priority rating. I wanted to put that in the RECORD, and if the gentleman has any comments on it I would like to hear them.

Water for drinking purposes stands first; for agricultural purposes second, and for power production stands third, and in that order according to the spirit of the water law in the arid and semiarid West. Any other arrangement should be viewed with suspicion and subject to correction.

Mr. CRAWFORD. Mr. Speaker, further reserving the right to object, I would like to ask the gentleman from California a few questions.

Will the gentleman from California tell the Members of the House whether or not San Diego at the present time draws its supply of water, that portion which it takes from the Colorado River, through metropolitan water district aqueduct that runs from Parker Dam into Los Angeles?

Mr. McKINNON. The entire supply that San Diego is drawing out of the Colorado River is brought through the metropolitan aqueduct; yes, sir.

Mr. CRAWFORD. Did I understand the gentleman to say that San Diego has a contract with the Federal Government to supply water?

Mr. McKINNON. San Diego originally had its own independent water supply——

Mr. CRAWFORD. I am talking about the present time.

Mr. McKINNON. At the moment San Diego's water rights are thrown in with that of the metropolitan water district.

Mr. CRAWFORD. So I understand. Did not the metropolitan water district incur several million dollars of obligations in connection with the construction of a water-supply system that now goes into San Diego as a part of the metropolitan water district operation?

Mr. McKINNON. That is right. When San Diego joined the metropolitan water district it assumed its proportionate share to pay for the metropolitan water district aqueduct.

Mr. CRAWFORD. At the present time, then, that portion of the water viaduct system which supplies San Diego is running approximately at full capacity to San Diego?

Mr. McKINNON. That is correct.

Mr. CRAWFORD. But the aqueduct capacity which runs from the river to Los Angeles is not absorbed, by a long way, is it?

Mr. McKINNON. The gentleman is correct, but the part that is supplied from the aqueduct into San Diego is operating at full capacity. That is brought about largely by the use of the Navy.

Mr. CRAWFORD. I understand. Now, in the event of a great defense program or active participation in a hot war, San Diego would shortly be without an adequate water supply, would it not?

Mr. McKINNON. That is correct, plus the additional fact that we feel it is strategically important to have additional supplies coming in through a different route than the present one. What I am trying to say is simply this: That if we duplicated that first barrel with a second barrel along the same route, it would be very easy for the enemy to put our complete water supply out of commission with one bomb; whereas, by supplementing the water supply by a different route, we are adding to our national defense and national safety.

Mr. CRAWFORD. As a matter of fact, this new supply may soon far exceed the capacity of the present supply line.

Mr. McKINNON. That is correct. We could take full water rights and use it advantageously if we could get it.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. RICH. If the survey for this tunnel is permitted and it is ultimately consummated and Congress is asked to make the appropriation to bring that water from the Colorado River into California will it in any way complicate matters, or will it aid and assist in having the great tunnel built under the mountains to take the water down to Arizona eventually where the people of Arizona are trying to get the waters of the Colorado River at a cost to the National Government of over a billion and a quarter, where the expense is going to be up to the sum of $17.50 an acre for what it will irrigate, with the land, when you eventually get it, worth only $200 an acre—is this going to aid and assist that project in any way?

Mr. McKINNON. This has no connection with that project in any way.

Mr. RICH. And it will not influence the gentleman from California to try to get that legislation put through in order that Arizona may have this great project at the expense of the public constructed with great waste of Federal funds?

Mr. McKINNON. The gentleman has no need for alarm in that direction, I can assure him.

Mr. RICH. I am alarmed. I want to keep these things within bounds.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Chief of Army Engineers is hereby authorized and directed to cause a survey to be made to determine the feasibility and advisability of constructing a multipurpse highway, railway, and adequate tunnel through the Laguna Mountains in San Diego County, Calif., with a view to improving, for national defense purposes, the route of United States Highway No. 80; expediting highway and railway transportation to and from San Diego Harbor; and augmenting and improving the domestic and industrial water supply of the San Diego area: *Provided*, There is hereby authorized to be appropriated such sum as the Chief of Engineers shall determine to be necessary to carry out the purposes of this act. The Chief of Engineers shall report his recommendations to the Congress within 2 years from the date funds for this survey are made available by the Congress.

With the following committee amendments:

Page 1, line 4, strike out "survey" and insert in lieu thereof "preliminary examination and investigation".

Page 1, line 5, before the word "feasibility" insert "engineering"; and before the word "advisability" insert "economic".

Page 1, line 10, strike out "to and from San Diego Harbor" and insert in lieu thereof "through the Laguna Mountains".

Page 2, line 2, after the word "area", strike out the period and insert:

: *Provided*, That the Chief of Engineers shall consult with the Secretary of the Interior as to all matters relating to augmenting and improving such water supply.

Page 2, lines 3 and 4, after the word "appropriated", strike out "such" and insert in lieu thereof "a"; and after the word "sum", strike out "as the Chief of Engineers shall determine to be necessary" and insert in lieu thereof "not to exceed $50,000".

Page 2, line 6, strike out "two" and insert in lieu thereof "one"; and strike out "s" at the end of the word "years".

Page 2, line 7, strike out "survey" and insert in lieu thereof "preliminary examination and investigation".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize a preliminary examination and investigation to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County in California."

A motion to reconsider was laid on the table.

Mr. MURDOCK. Mr. Speaker, I need not remind you that there is now a bitter controversy among the States of the Colorado Basin over the legal and rightful division of the limited supply of Colorado River water. This controversy involves all seven of the States of the basin but is particularly bitter at the moment between Arizona and California. As a Representative from Arizona, I have the firm conviction that certain Californians are attempting to divert into California at the Imperial Diversion Dam and into the All-American Canal a greater quantity of water than her legal share, and more than she is rightfully entitled to divert, to the great prospective harm of Arizona and the five other States of the Colorado Basin.

Entirely apart from this bill, I am convinced that those in southern California who are seeking to make this large diversion intend to use the water for a much less beneficial use than the 112,000 acre-feet of water contracted for by San Diego for our naval base. There is abundant evidence to show what their questionable designs are on Colorado River water, which water ought rightfully and legally to be used in other

States but which they seek eventually to divert into California at the Imperial Dam and not for the highest use on the coast. No, this would not be water for California cities. I am indignant at these attempts to deprive Arizona of water, the legal and rightful use of which belongs to her, and I think every Member of this body ought to be highly indignant that the claims on Colorado River water for the great naval base at San Diego should be given such a low priority rating in California law.

I warn my colleagues that our desire and determination to fill water needs of the armed forces may be used by designing men to take too much water out of the Colorado River at the Imperial Diversion Dam on a pretext of using it at the naval base at San Diego, but with real intent to use it in a less beneficial way or even in a purely selfish way, and at the same time send most of it to lands in Mexico or waste it to the ocean. Any aqueduct as the one mentioned in this bill must be carefully safeguarded.

ADMINISTRATION OF PERFORMANCE-RATING PLANS FOR CERTAIN OFFICERS AND EMPLOYEES OF THE FEDERAL GOVERNMENT

The Clerk called the bill (H. R. 7824) to provide for the administration of performance-rating plans for certain officers and employees of the Federal Government, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That this act may be cited as the "Performance Rating Act of 1950."

SEC. 2. (a) For the purposes of this act, the term "department" includes (1) the executive departments; (2) the independent establishments and agencies in the executive branch, including corporations wholly owned by the United States; (3) the Administrative Office of the United States Courts; (4) the Library of Congress; (5) the Botanic Gardens; (6) the Government Printing Office; (7) the General Accounting Office; and (8) the municipal government of the District of Columbia.

(b) This act shall not apply to the Tennessee Valley Authority, the field service of the Post Office Department, the Department of Medicine and Surgery of the Veterans' Administration, the Foreign Service of the United States under the Department of State, or to employees in the Territories and possessions of the United States.

SEC. 3. For the purpose of recognizing the merits of officers and employees, and their contributions to efficiency and economy in the Federal service, each department shall establish and use on or more performance-rating plans for evaluating the work performance of such officers and employees.

SEC. 4. No officer or employee of any department shall be given a performance rating, regardless of the name given to such rating, and no such rating shall be used as a basis for any action, except under a performance-rating plan approved by the Civil Service Commission as conforming with the requirements of this act.

SEC. 5. Performance-rating plans required by this act shall be as simple as possible, and each such plan shall provide—

(1) that proper performance requirements be made known to all officers and employees;

(2) that performance be fairly appraised in relation to such requirements;

(3) for the use of appraisals to improve the effectiveness of employee performance;

(4) or strengthening supervisor-employee relationships; and

(5) that each officer and employee be kept currently advised of his performance and promptly notified of his performance rating.

SEC. 6. Each performance-rating plan shall provide for ratings representing at least (1) satisfactory performance, corresponding to an efficiency rating of "good" under the Veterans' Preference Act of 1944, as amended, and under laws superseded by this act; (2) unsatisfactory performance, which shall serve as a basis for removal from the position in which such unsatisfactory performance was rendered; and (3) excellent performance, which shall be accorded only when all aspects of performance not only exceed normal requirements but are outstanding and deserve special commendation. No officer or employee shall be rated unsatisfactory without a 90-day prior warning and a reasonable opportunity to demonstrate satisfactory performance.

SEC. 7. (a) Upon the request of any officer or employee of a department, such department shall provide one impartial review of the performance rating of such officer or employee.

(b) There shall be established in each department one or more boards of review for the purpose of considering and passing upon the merits of performance ratings under rating plans established under this act. Each board of review shall be composed of three members. One member shall be designated by the head of the department. One member shall be designated by the officers and employees of the department in such manner as may be provided by the Civil Service Commission. One member, who shall serve as chairman, shall be designated by the Civil Service Commission. Alternate members shall be designated in the same manner as their respective principal members.

(c) In addition to the performance-rating appeal provided in subsection (a), any officer or employee with a current performance rating of less than excellent, upon written appeal to the chairman of the appropriate board of review established under subsection (b), shall be entitled, as a matter of right, to a hearing and decision on the merits of the appealed rating.

(d) At such hearing the appellant, or his designated representative, and representatives of the department shall be afforded an opportunity to submit pertinent information orally or in writing, and to hear or examine, and reply to, information submitted by others. After such hearing, the board of review shall confirm the appealed rating or make such change as it deems to be proper.

SEC. 8. (a) The Civil Service Commission is authorized to issue such regulations as may be necessary for the administration of this act.

(b) The Commission shall inspect the administration of performance-rating plans by each department to determine compliance with the requirements of this act and regulations issued thereunder.

(c) Whenever the Commission shall determine that a performance-rating plan is not being administered in compliance with this act and the regulations issued thereunder, the Commission may, after notice to the department, giving the reasons, revoke its approval of such plan.

(d) After such revocation, such performance-rating plan and any current ratings thereunder shall become inoperative, and the department shall thereupon use a performance-rating plan prescribed by the Commission.

SEC. 9. (a) Section 701 of the Classification Act of 1949 (Public Law 429, 81st Cong., approved October 28, 1949) is hereby amended to read as follows:

"SEC. 701. Each officer or employee compensated on a per annum basis, and occupying a permanent position within the scope of the compensation schedules fixed by this act, who has not attained the maximum scheduled rate of compensation for the grade in which his position is placed, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next pay period following the completion of (1) each 52 calendar weeks of service if his position is in a grade in which the step increases are less than $200 or (2) each 78 calendar weeks of service if his position is in a grade in which the step increases are $200 or more, subject to the following conditions:

"(A) That no equivalent increase in compensation from any cause was received during such period, except increase made pursuant to section 702 or 1002;

"(B) That he has a current performance rating of 'satisfactory' or better; and

"(C) That the benefit of successive step increases shall be preserved, under regulations issued by the Commission for officers and employees whose continuous service is interrupted in the public interest by service with the armed forces or by service in essential non-Government civilian employment during a period of war or national emergency."

(b) Section 702 (a) of such act is amended by striking out "section 701 (a)" and inserting in lieu thereof "section 701."

SEC. 10. Section 703 (b) (2) of title VII of the Classification Act of 1949 (Public Law 429, 81st Cong., approved October 28, 1949) is hereby amended to read:

"(2) No officer or employee shall receive a longevity step increase unless his current performance rating is 'satisfactory' or better."

SEC. 11. The following acts or parts of acts are hereby repealed:

(1) Section 4 of the act of August 23, 1912 (37 Stat. 413);

(2) The act of July 31, 1946 (60 Stat. 751; 5 U. S. C. 669a);

(3) Title IX of the Classification Act of 1949 (Public Law 429, 81st Cong.).

SEC. 12. This act shall take effect 90 days after the date of its enactment.

SEC. 13. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

SEC. 14. All laws or parts of laws inconsistent herewith are hereby repealed to the extent of such inconsistency.

With the following committee amendment:

Page 2, strike out lines 4 to 9, both inclusive, and insert in lieu thereof the following:

"(b) This act shall not apply to—

"(1) the Tennessee Valley Authority;

"(2) the field service of the Post Office Department;

"(3) physicians, dentists, nurses, and other employees in the Department of Medicine and Surgery in the Veterans' Administration whose compensation is fixed under Public Law 293, Seventy-ninth Congress, approved January 3, 1946;

"(4) the Foreign Service of the United States under the Department of State;

"(5) Production credit corporations;

"(6) Federal intermediate credit banks;

"(7) Federal land banks;

"(8) banks for cooperatives;

"(9) officers and employees of the municipal government of the District of Columbia whose compensation is not fixed by the Classification Act of 1949 (Public Law 429, 81st Cong., approved October 28, 1948)."

Mr. MURRAY of Tennessee. Mr. Speaker, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Tennessee to the committee amendment: At the end of the committee amendment change the period to a semicolon and add the following: "(10) the Atomic Energy Commission."

Mr. MURRAY of Tennessee. Mr. Speaker, the House Post Office and Civil Service Committee has unanimously approved H. R. 7824, which provides for the administration of performance-rating plans for certain officers and employees of the Federal Government. The bill sets up a performance-rating system to replace the present efficiency-rating system provided for in title IX of the Classification Act of 1923, as supplemented by the Classification Act of 1949.

Generally, the bill covers all employees in the executive branch of the Government, including the General Accounting Office, the Library of Congress, the Government Printing Office, and classified employees in the municipal government of the District of Columbia. Approximately 1,300,000 employees will be covered by the legislation; whereas the coverage of the efficiency-rating system under the Classification Act applied only to those under the Classification Act who numbered almost 900,000.

Appropriate exemptions are provided for the Tennessee Valley Authority; the field service of the Post Office Department; the Foreign Service of the Department of State; physicians, dentists, and nurses in the Veterans' Administration; certain quasi-Government corporations under the Commodity Credit Corporation; and employees of the District of Columbia government whose compensation is not fixed by the Classification Act.

With respect to the departments and agencies covered, the bill provides the policy that each department and agency shall establish and use a performance-rating system for evaluating the work of its employees under plans approved by the Civil Service Commission.

The principal differences between this bill and existing law are: First, the bill covers an additional 400,000 employees, mainly wage-board employees and other Federal employees for whom no uniform performance-rating system has been established; second, the present efficiency ratings of "excellent," "very good," "good," "fair," and "unsatisfactory" are replaced by three ratings of "excellent," "satisfactory," and "unsatisfactory"; third, Federal employees covered by the Classification Act under the bill will receive within-grade step increases upon maintaining "satisfactory" or above performance ratings, whereas under the present law such classified employees must receive a "good" efficiency rating plus a certificate of satisfactory service and conduct; fourth, the departments and agencies covered by the bill are given greater latitude in formulating performance-rating systems under broad congressional policy, whereas under present law, the Civil Service Commission establishes the efficiency-rating system for classified Federal employees; and fifth, under the bill, employees are entitled to receive a 90-day prior warning and a reasonable opportunity to demonstrate satisfactory performance before an "unsatisfactory" rating is given, whereas at the present time this is merely a regulation of the Civil Service Commission for the benefit of only those employees now covered.

The legislation preserves existing appeal rights of Federal employees in connection with their performance ratings. Impartial and independent boards of review are established for the purpose of considering performance-rating appeals. This procedure is identical with the present procedure regarding efficiency-rating appeals and the independent board is composed of one member representing the employees, one member representing the employing department, and the chairman, a Civil Service Commission employee, designated by the Commission.

The committee conducted extensive hearings with respect to the bill, at which time Federal employee organizations, including the American Federation of Government Employees, the National Federation of Federal Employees, the Government Employees' Council, and the American Federation of Labor appeared and unanimously supported the provisions of the bill.

The Civil Service Commission stated that the legislation was a distinct improvement over the present efficiency rating system. However, it opposed certain principles embodied in the bill which the committee considered essential to any workable performance rating system. In opposition to the Commission's views the committee unanimously agreed: First, that departments and agencies covered by the legislation should be required to provide performance rating plans, subject to the approval of the Civil Service Commission; second, that the bill should contain broad policy under which performance rating plans are to be administered; and third, that employees covered by the bill should be entitled to impartial reviews of their performance ratings through the right of appeal to an independent board.

The general objective and purpose of the legislation is to provide a more flexible and workable performance rating system for Federal employees, which is designed to improve the Federal civil service. The committee unanimously agreed that the bill provides adequate safeguards for all Federal employees and will result in a more efficient civil service.

The bill contains general policy requirements which must be followed by the departments and agencies and the Civil Service Commission; however, there is sufficient flexibility to allow the departments and agencies to work out, within reasonable limitations, performance rating plans which will be superior to the present efficiency rating system.

It is believed that the legislation will result in a saving of Federal funds, by reason of the fact that there will be less performance rating appeals by Federal employees.

The SPEAKER. The question is on the amendment offered by the gentleman from Tennessee.

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The SPEAKER. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 6, line 8, strike out the words "is not being administered in compliance with" and insert in lieu thereof "does not meet the requirements of."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### ENLISTMENT OF ALIENS IN THE REGULAR ARMY

The Clerk called the bill (S. 2269) to provide for the enlistment of aliens in the Regular Army.

Mr. VINSON. Mr. Speaker, I ask unanimous consent that this bill be stricken from the calendar for the reason a rule has been granted for its consideration.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

### REVISIONS IN THE OFFICER PERSONNEL ACT OF 1947, AS AMENDED

The Clerk called the bill (S. 2335) to make certain revisions in titles I and III of the Officer Personnel Act of 1947, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I wonder if a member of the committee will explain this bill briefly for the benefit of the Members.

Mr. BROOKS. Mr. Speaker, my subcommittee handled this bill. May I say first that it is about as technical a bill as I have ever had experience with in the Congress. We worked long hours on it getting the technicalities worked out to the very finest point.

The bill makes a number of technical amendments in the promotion laws covering the Navy and Marine Corps. The most important of the amendments perhaps is the one covering elimination of the so-called plucking boards, which have been in operation in the Navy for some time. These plucking boards are set up for the purpose of eliminating flag-rank officers—that is, high-ranking officers in the Navy. It is felt an officer in the Navy who has been serving for a long period of time when he is removed by the plucking-board process leaves the service under a cloud when it is not the intention of the act to cause him to leave under that status.

Instead of the plucking board, we set up a selection board for the selection of officers for retention in the Navy. This Board will have for its primary duty the retention of flag-rank officers who are needed. Those not retained will then be automatically eliminated but without a stigma attached to their elimination. In other words, they will not be fired. They are simply being dropped from the Navy, and we eliminate the use of the word "plucking," which is objectionable.

Mr. BYRNES of Wisconsin. As I understand it, this bill comes here with the unanimous recommendation of members of the committee?

Mr. BROOKS. That is correct, both the subcommittee and the full committee.

Mr. WHITE of Idaho. Mr. Speaker, reserving the right to object, does not the gentleman think this bill is too com-

plicated and too far-reaching to be passed on the Consent Calendar?

Mr. BROOKS. No. On the contrary, this is badly needed by the services. It is technical and it is not complicated, when one understands the technicalities involved.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. In response to the inquiry of my friend, the gentleman from Idaho [Mr. WHITE], may I say that while the gentleman from Louisiana has properly stated that this is a technical bill, yet it is a simple bill when one understands the technicalities involved. I can assure the gentleman of that, and I hope he will not interpose any objection to its passage at this time.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Officer Personnel Act of 1947, as amended, is hereby further amended by:

(a) Deleting in the proviso to subsection (b) of section 114 the comma after the word "thirty-two" and substituting therefor a period and deleting the remainder of the said proviso.

(b) Deleting in subsection (r) of section 304 the words "four" and "thirty-four" and substituting therefor the words "five" and "thirty-five", respectively, and deleting the period at the end of the said subsection and substituting therefor a colon and adding the following proviso: *"Provided,* That those rear admirals of the line not restricted in the performance of duty who attained such status prior to the date of enactment of this amendatory act shall be continued on the active list only upon the recommendation of the first such board convened thereafter."

(c) Amending paragraph (1) of subsection (a) of section 307 to read as follows:

"(1) Rear admirals not restricted in the performance of duty who attain a status of having completed 5 years of service in grade and 35 years of total commissioned service as defined in subsection 102 (d) of this act shall be eligible for consideration for recommendation for continuation on the active list by a selection board convened in the fiscal year in which they first attain such status: *Provided,* That those rear admirals not restricted in the performance of duty who attained such status prior to the date of enactment of this amendatory act shall be eligible for such recommendation by the first such board convened thereafter: *Provided further,* That a rear admiral not restricted in the performance of duty who will attain the age of 62 years in the fiscal year in which he would otherwise be eligible for consideration for continuation on the active list shall not be eligible for such consideration: *Provided further,* That a rear admiral who shall have lost numbers or precedence at any time shall be eligible for such consideration in the fiscal year in which the most senior rear admiral junior to him who has not lost numbers of precedence is eligible therefor."

(d) Amending paragraph (8) of subsection (a) of section 308 to read as follows:

"(8) The number to be furnished the board in respect to rear admirals not restricted in the performance of duty to be continued on the active list shall be determined by the Secretary of the Navy as of the date of the convening of the board. Such number shall be based upon a consideration of the number of vacancies existing among rear admirals not restricted in the performance of duty, plus the number of vacancies estimated to occur during each of the ensuing 5 years in order to best assure to captains a flow of promotion to the grade of rear admiral and to best assure to rear admirals in succeeding years equality of opportunity for continuation on the active list. The number to be so furnished the board shall be not less than 50 percent nor greater than 75 percent of the number of rear admirals eligible for consideration by the board for continuation on the active list."

(e) Deleting in paragraph (2) of subsection (a) of section 309 the words "equal to" and substituting therefor the words "not exceeding."

(f) Amending subsection (a) of section 313 by inserting after the words "Rear Admirals" the words "of the line not restricted in the performance of duty" and deleting the words "two successive selection boards" and substituting therefor the words "a selection board."

(g) Amending subsection (b) of section 313 to read as follows:

"(b) (1) Except as otherwise provided in this subsection, each rear admiral designated for engineering duty, aeronautical engineering duty, and special duty, and each rear admiral in the Medical Corps, Supply Corps, Chaplain Corps, Civil Engineer Corps, and Dental Corps, who is not retired or separated from the active list at an earlier date under other provisions of law, shall be placed on the retired list on June 30 of the fiscal year in which he completes 7 years' service in the grade of rear admiral or 35 years' total commissioned service as defined in subsections 102 (d) and 202 (d) of this act, whichever is later: *Provided,* That any such officer shall, if recommended in the report of a board of not less than three naval officers convened for that purpose and approved by the Secretary of the Navy, be retained on the active list and if not retired under other provisions of law, shall be placed on the retired list on June 30 of any succeeding fiscal year in which he is not again so recommended for retention on the active list by such a board or in which no such board is convened: *And provided further,* That for the purposes of this subsection, service in grade for an officer promoted to the grade of rear admiral prior to August 7, 1947, and for an officer whose lineal position is adjusted in the grade of rear admiral or who is assigned a new running mate in that grade, in accordance with the provisions of this act, shall be computed from the date of temporary rank in the grade of rear admiral; and for each other officer promoted to the grade of rear admiral on or after August 7, 1947, from the date of the occurrence of the vacancy to which the officer is promoted to fill.

"(2) The board to consider rear admirals for retention on the active list pursuant to paragraph (1) of this subsection may be convened annually in the discretion of the Secretary of the Navy and shall be convened in any year when the Secretary of the Navy determines that one or more officers who would otherwise be subject to retirement under the provisions of paragraph (1) of this subsection should be retained on the active list. The number of such officers who may be recommended for such retention on the active list shall not exceed the number furnished the board by the Secretary of the Navy, which shall be the number determined necessary by the Secretary of the Navy to meet the needs of the naval service.

"(3) Each officer, when retired pursuant to this subsection, shall receive retired pay at the rate of 2½ percent of his active-duty pay in the grade in which serving at the time of retirement multiplied by the number of years of service for which he is entitled to credit in the computation of pay on the active list, but retired pay so computed shall not exceed a total of 75 percent of said active-duty pay."

(h) Repealing subsections (c), (d), (e), (f), (g), (h), (i), and (j) of section 313 and redesignating subsection (1) of section 313 as subsection (c).

(i) Repealing subsection (k) of section 313, effective July 1, 1950, except as it applies to officers retired under its provisions prior to that date.

(j) Amending subsection (l) of section 314 to read as follows:

"(l) (1) Except as otherwise provided in this subsection, major generals who are not retired or separated from the active list at an earlier date under other provisions of law shall be placed on the retired list on June 30 of the fiscal year in which they complete 5 years' service in the grade of major general or 35 years' total commissioned service as defined in subsection 102 (d) of this act, whichever is later: *Provided,* That any such officer shall, if recommended in the report of a board of not less than three naval officers convened for that purpose and approved by the Secretary of the Navy, be retained on the active list and, if not retired under other provisions of law, shall be placed on the retired list on June 30 of any succeeding fiscal year in which he is not again so recommended for retention on the active list by such a board or in which no such board is convened: *Provided further,* That an officer serving as Commandant of the Marine Corps shall not, while so serving, be subject to retirement under the provisions of this subsection: *And provided further,* That for the purposes of this subsection, service in grade shall be computed from the date of appointment in the grade of major general for officers appointed in that grade prior to August 7, 1947, and from the date of the occurrence of the vacancy in the grade of major general to which the officer is promoted to fill for officers promoted to that grade on or after August 7, 1947.

"(2) Each officer, when retired pursuant to this subsection, shall receive retired pay at the rate of 2½ percent of his active-duty pay in the grade in which serving at the time of retirement multiplied by the number of years of service for which he is entitled to credit in the computation of pay on the active list, but retired pay so computed shall not exceed a total of 75 percent of said active-duty pay."

(k) Amending subsection (m) of section 314 to read as follows:

"(m) The board to consider major generals for retention on the active list may be convened annually in the discretion of the Secretary of the Navy and shall be convened in any year when three or more such officers would otherwise be subject to retirement under the provisions of subsection (1) of this section. The number of officers which may be recommended for retention by each such board shall not exceed the number furnished it by the Secretary of the Navy. The number so furnished shall be that which the Secretary of the Navy shall determine to be necessary to meet the requirements of the Marine Corps and, in any year when the number of officers otherwise subject to retirement under the provisions of subsection (1) of this section is three or more, the number so furnished shall not be less than the number of such officers in excess of two."

(l) Amending subsection (q) of section 314 to read as follows:

"(q) (1) Except as otherwise provided in this subsection, brigadier generals designated for supply duty who are not retired or separated from the active list an an earlier date under other provisions of law, shall be placed on the retired list on June 30 of the fiscal year in which they complete 5 years' service in grade or 35 years' total commissioned service as defined in subsection 102 (d) of this act, whichever is later: *Provided,* That any such officers shall, if recommended in the report of a board of not less than three officers

serving in ranks above that of brigadier general convened for that purpose and approved by the Secretary of the Navy, be retained on the active list and if not retired under other provisions of law, shall be placed on the retired list on June 30 of any succeeding fiscal year in which he is not again so recommended for retention on the active list by such a board or in which no such board is convened: *Provided further,* That an officer serving as Quartermaster General of the Marine Corps shall not, while so serving, be subject to retirement under the provisions of this subsection: *And provided further,* That for the purposes of this subsection, service in grade shall be computed from date of appointment in the grade of brigadier general for officers appointed in that grade prior to August 7, 1947, and from the date of the occurrence of the vacancy in the grade of brigadier general to which the officer is promoted to fill for officers promoted to that grade on or after August 7, 1947.

"(2) Each officer, when retired pursuant to this subsection, shall receive retired pay at the rate of 2½ percent of his active-duty pay in the grade in which serving at the time of retirement multiplied by the number of years of service for which he is entitled to credit in the computation of pay on the active list but retired pay so computed shall not exceed a total of 75 percent of said active-duty pay."

(m) Amending subsection (r) of section 314 to read as follows:

"(r) The board to consider brigadier generals designated for supply duty for retention on the active list may be convened annually in the discretion of the Secretary of the Navy and shall be convened in any year when two or more such officers would otherwise be subject to retirement under the provisions of subsection (q) of this section. The number of officers which may be recommended for retention by each such board shall not exceed the number furnished it by the Secretary of the Navy. The number so furnished shall be that which the Secretary of the Navy shall determine to be necessary to meet the requirements of the Marine Corps and, in any year when the number of officers otherwise subject to retirement under the provisions of subsection (q) of this section is two or more, the number so furnished shall not be less than the number of such officers in excess of one."

(n) Repealing subsection (s) of section 314.

(o) Repealing subsections (t) and (y) of section 314, effective July 1, 1950, and repealing subsection (v) of section 314, effective July 1, 1950, except as it applies to officers heretofore retired under its provisions.

(p) Redesignating subsection (u) of section 314 as subsection (s); redesignating subsection (w) of section 314 as subsection (t) and deleting in the said subsection the words "equal to" and substituting therefor the words "not exceeding"; and redesignating subsection (x) of section 314 as subsection (u).

SEC. 2. The Officer Personnel Act of 1947, as amended, is further amended by deleting in subsections 114 (h) and 314 (h) the word "four" and substituting in lieu thereof the word "three."

SEC. 3. Section 305 (a) (2) of the Officer Personnel Act of 1947, as amended, is amended to read as follows:

"The officers composing the board for the recommendation of rear admirals for continuation on the active list shall be officers on the active or retired list of the Navy. The officers composing other boards shall be officers on the active list of the Navy. No officer may be a member of two successive boards for the consideration of officers for promotion to the same grade."

SEC. 4. No officer shall be retired pursuant to this amendatory act prior to the first day of the sixth month following the month of its enactment.

With the following committee amendments.

Page 3, line 1, after the word "consideration", strike out the balance of the line and also lines 2 to 6, inclusive.

On page 6, line 14, change the numeral "(1)" to the letter "(l)."

On page 7, line 4, of the bill, strike the words "naval officers" and insert in lieu thereof the words "regular officers on the active or retired lists of the naval service."

On page 8, line 10, change the numeral "(1)" to the letter "(l)."

On page 8, line 17, change the numeral "(1)" to the letter "(l)."

On page 12, line 3, of the bill, add the following new section 4 and renumber present section 4 as section 5:

"SEC. 4. As soon as practicable after June 30, 1950, the Secretary of the Navy sha" convene a board of not less than five officers of the Regular Navy of the grade of read admiral or above to consider and recommend for continuation on the active list officers of the line of the Regular Navy not restricted by law in the performance of duty serving in the grade of captain who were serving in that grade on June 30, 1948, and who on that date had completed 29 or more years of total commissioned service as defined in section 102 of the Officer Personnel Act of 1947, as amended, and whose names are not on a promotion list. Such officers recommended for continuation on the active list in the report of such board, as approved by the Secretary of the Navy, shall be so continued under the provisions of the Officer Personnel Act of 1947, as amended. Each such officer not so recommended shall be placed on the retired list on the first day of the sixth month following the month of enactment of this act with retired pay at the rate of 2½ percent of his basic pay on the active list at the time of retirement, multiplied by the number of years of service for which entitled to credit in the computation of his pay on the active list, not to exceed a total of 75 percent of said basic pay: *Provided,* That a fractional year of 6 months or more shall be considered a full year in computing the number of years of service by which the rate of 2½ percent is multiplied: *Provided further,* That nothing in this section shall be held to reduce the retired rank or pay to which such officer would be entitled under other provisions of law."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## ABOLISHING THE WHEELER NATIONAL MONUMENT

The Clerk called the bill (H. R. 7982) to abolish the Wheeler National Monument, in the State of Colorado, and to provide for the administration of the lands contained therein as a part of the national forest within which such national monument is situated, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HUBER. Mr. Speaker, reserving the right to object, will somebody tell us something about this bill?

Mr. ASPINALL. Mr. Speaker, in answer to the inquiry, this is the second of two bills which were introduced by the Congressmen from Colorado to take out from under the jurisdiction of the National Park Service two areas which had formerly been designated as national monuments and put them back under the jurisdiction of the Forest Service where they belong. It is impossible for the National Park Service to accept any control over these areas and to police them as they should be policed. There is no money involved in this transaction whatsoever. They simply revert back to where they were, in the Forest Service, under whose jurisdiction these lands lie and will be taken care of in the future.

Mr. HUBER. There is no provision now for policing this area. How many acres are contained in it?

Mr. ASPINALL. There are just a few acres contained in this national monument; 300 acres, I believe. It is away from all civilization. It is impossible to build roads through the agency of the National Park Service to these areas, but it is possible for the Forest Service to build trails in, as they do throughout all of the areas, and make them accessible to the public.

Mr. HUBER. When was it created a national monument?

Mr. ASPINALL. It was established in 1908.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HUBER. I yield to the gentleman from Pennsylvania.

Mr. RICH. Why not let this land revert back to the State of Colorado? Why let the Department take it over and the Federal Government build roads and trails in it? If it is worth anything, let the State take it. Why should the Federal Government go in there now and handle this property?

Mr. ASPINALL. This land has always belonged to the Federal Government. When Colorado became a State it was part of the land owned by the Federal Government. It has been in the boundary of the Rio Grande National Forest continually from the beginning until it was taken out from under the jurisdiction of the National Forest Service by the provisions which made it a national park area.

Mr. RICH. No doubt the Government recommended that this be made a national park at the time the law was enacted. Now they want to take it back. Why did they make the error?

Mr. ASPINALL. More than likely, if the gentleman remembers how these things come about, it was made at the instigation of some Member of Congress who saw in the land a certain peculiarity that might attract public attention and demand exceptional control, and that is the likely reason.

Mr. RICH. They wanted the Federal Government to go out and develop it and spend money on it. Now the Department does not want to do that. Why not turn it back to the State and let them have it? Why should they have it?

Mr. HUBER. I withdraw my reservation of objection, Mr. Speaker.

Mr. ASPINALL. It is impossible to do that. The land is controlled by the Federal Government.

Mr. PETERSON. Reserving the right to object, Mr. Speaker, is not this the situation: This is a small volcanic area of about 300 acres within the forest. It was declared back in 1908 to be a national monument. Subsequent events have shown it is impractical, there have

been no funds for the purpose of administering it, and we are just canceling the monument. It goes back to the forest, where it originally was, and where both departments say now it should be. When you get two departments together, you have done a good job.

Mr. RICH. I take it they recommended in 1933 that it be made a national monument.

Mr. PETERSON. No. In 1908.

Mr. RICH. Certainly they did, or they would not have made it a monument.

Mr. PETERSON. They may have, but if they did, they made a mistake.

Mr. RICH. They are making lots of mistakes. I want to stop these mistakes. The way to correct it is to give this ground to the State of Colorado and let them have it.

Mr. PETERSON. You would have a little area of approximately 300 acres surrounded entirely by Government acreage.

Mr. RICH. If it is worth anything, let the State of Colorado take it and let them sell it. I would like to get rid of it now so that we can stop the Federal Government from spending any more money on it, and that is what you are going to do if this bill goes through.

Mr. ASPINALL. May I suggest to the gentleman from Pennsylvania that the State of Colorado does not want jurisdiction over this property?

Mr. RICH. I know. The trouble is they want the Federal Government to handle it. You give it to them. I agree to taking it out as a monument. I think that is a wise thing to do now. But I say, let us give it to the State of Colorado and let us be through with it. You know you will save money if you do that.

Mr. ASPINALL. No, I do not.

Mr. RICH. The gentleman is talking about the department's building roads and trails in there to this volcanic ash land. If it is no good for the Federal Government to own, let us give it to the State of Colorado.

Mr. ASPINALL. May I reply that trails are already built into this area? There are no other facilities. There is no intention of building roads as such. The trails are all that are necessary to get the people who are interested in that particular development, in those organic formations, into that area.

Mr. RICH. Is the land worth anything?

Mr. ASPINALL. The land is worth nothing, according to my information, except for some person who has the peculiar idea he wants to study that particular formation.

Mr. RICH. Does not the gentleman think the department will do more developing? Does he not think they will want to make more developments in there, and eventually cost the Federal Government more money?

Mr. ASPINALL. I would say no.

Mr. RICH. Does the gentleman from Florida think that?

Mr. PETERSON. No. What we want to do is get away from developing this little piece of volcanic area within the forest. We just cancel the monument, and this land is included within the forest. It will save money.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Wheeler National Monument, containing 300 acres, established by proclamation of December 7, 1908 (35 Stat. 2214), is hereby abolished, and the Federal lands and property therein shall hereafter be administered as a part of the national forest within which such properties are situated.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIXING THE PRICE OF COPIES OF RECORDS FURNISHED BY THE DEPARTMENT OF THE INTERIOR

The Clerk called the bill (H. R. 6013) to amend an act fixing the price of copies of records furnished by the Department of the Interior.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 1 of the act of August 24, 1912, as amended (37 Stat. 497; 5 U. S. C., sec. 488), is hereby further amended to read as follows:

"The Secretary of the Interior, or any of the officers of that Department may, when not prejudicial to the interests of the Government, furnish authenticated or unauthenticated copies of any official books, records, papers, documents, maps, plats, or diagrams within his custody, and may charge therefor a sum equal to the cost of production thereof, plus the cost of administrative services involved in handling the records for such purpose, as these costs may be determined by the Secretary of the Interior or such subordinate officials or employees as he may designate, and in addition the sum of 25 cents for each certificate of verification and the seal attached to authenticated copies. There shall be no charge for the making or verification of copies required for official use by the officers of any branch of the Government. Only a charge of 25 cents shall be made for furnishing authenticated copies of any rules, regulations, or instructions printed by the Government for gratuitous distribution. The money received for copies under this section shall be deposited in the Treasury to the credit of the appropriations then current and chargeable for the cost of furnishing copies as herein authorized."

Mr. McCORMACK. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I want to compliment the Committee on Public Lands for reporting out this bill H. R. 6013, the purpose of which is to have charges made for certain documents which are issued by the Department of the Interior and to include in the charges whatever administrative costs there may be. While there is only a small amount involved, to me this is very important, because it is a step in the right direction.

There is no question but what various departments and agencies of government are rendering services to the public which cost the taxpayers countless of millions of dollars. Those services should be paid for. I hope sometime, if not during this session, then in the next session of the Congress, that an appropriate standing committee, or perhaps a special committee, will be appointed to look into this whole question of permitting the Government to make proper charges for services rendered by departments and agencies of the Government, as well as to look into the whole question of the elimination of unnecessary publications. Members take the floor from time to time and refer to specific publications. No one can take issue with them. As I see it, it is something that has grown up through the years. No particular administration is to blame for that and no particular party is to blame. It is a condition that has developed over the years. It seems to me that very constructive work could be done in connection with a careful study whereby those members of the general public might pay for services that are now given to them free. I do not mean that they should pay for all the services that are given to them, but there are certain services, such as receiving copies of documents and so forth, that they should pay for.

The administrative expenses involved in rendering such services should be taken into consideration. That would bring into the Treasury of the United States many millions of dollars each year. Also, a study should be made looking toward the elimination of unnecessary publications, thereby saving large outlays of money.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. RICH. I congratulate the majority leader on the statement he has just made. I have been advocating that ever since I have been a Member of Congress. There are many places where the Department of the Interior, as well as other departments of the Government, could help pay the expenses of services that they give by making a certain charge to the people who receive the benefits.

The Government spends the money to develop these things, and the recipients could very well help to defray the cost to the Government. It is only as a result of recommendations made by men in the position of the distinguished gentleman from Massachusetts, the majority leader [Mr. McCORMACK], that we are going to get such action. I am glad to see the gentleman take that stand.

Mr. McCORMACK. I thank the gentleman from Pennsylvania. I might say further there is a broad field where constructive work could be done looking toward the elimination of duplication of work which would result in tremendous savings to the Government and to the taxpayers.

At the same time, a study should be made to establish a reasonable and proper charge for services rendered to the Government, which would bring into the Treasury millions of dollars each year. Those members of the general public receiving these benefits would be glad to pay for them and agree that they should be charged for them.

Mr. BARRETT of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BARRETT of Wyoming. The evidence before the committee substantiates the last statement that the gentleman from Massachusetts has just made, that the people dealing with the Department of the Interior certainly would have

no objection to paying the cost of preparing these various instruments and documents. I do not believe the general public would raise any objection whatsoever.

Mr. McCORMACK. I agree with the gentleman. I am glad that my friend made that observation.

While this bill only involves about $20,000 which will come into the Treasury, this is a step in the right direction; it could be the beginning of a program where large sums of money could be saved to the taxpayers by making a proper charge for certain services rendered by the various departments and agencies of Government.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WHITE of Idaho. The gentleman from Massachusetts speaks of departmental publications. I will say to the gentleman that this bill is not directed at departmental publications, but to copies of maps and plats and patents, and things of that kind.

Mr. McCORMACK. The gentleman is correct.

Mr. WHITE of Idaho. People have to pay a filing fee and then when they want a copy of the plat or patent they have to pay an extra charge. I think the facilities of the Government could be made available to the people who have filed these patents and plats so that they should be able to get copies of maps, and so forth.

Mr. McCORMACK. There are many, many services rendered where a proper fee could be made and to which nobody would object. Then there is a broader field with reference to the elimination of publications. A study should be made of documents that are published to find out how many could be eliminated. This is not stepping on anybody's toes. To me it is only common sense and good judgment on our part.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### PUBLIC SCHOOL FACILITIES, WALKER, MINN.

The Clerk called the bill (H. R. 7431) for expenditure of funds for cooperating with the public school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, an additional sum of $80,000 for the purpose of cooperating with Independent School District No. 5, Cass County, Minn, at Walker, Minn., for the construction, extension, equipment, and improvement of public school facilities at Walker, Minn., as authorized by the act of July 1, 1940 (54 Stat. 707, 708): *Provided*, That in lieu of recoupment of the amount appropriated, as authorized by this section, all Indian children of such district shall be admitted to such schools without further cost to the United States.

SEC. 2. There is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $50,000 for the purpose of rebuilding and resurfacing the road from Onigum Agency, Minn., running south to State Highway No. 34, known as the Onigum Road. That in consideration of the amount appropriated, as authorized by this section, the Board of County Commissioners, Cass County, Minn., shall assume the responsibility of maintaining said road from the date of completion of such rebuilding and resurfacing as provided for herein.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, an additional sum of $80,000 to be available to the Secretary of the Interior for the purpose of cooperating with Independent School District No. 5, Cass County, Minn., at Walker, Minn., for the construction, extension, equipment, and improvement of public-school facilities at Walker, Minn., as authorized by the act of July 1, 1940 (54 Stat. 707, 708), and the act of July 24, 1947 (61 Stat. 414): *Provided*, That, in consideration of the amount heretofore appropriated and the amount which may be appropriated to carry out the provisions of this section, all Indian children residing in such district shall be admitted to the schools of the district without further cost to the United States for instructional, operation, and maintenance purposes."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### CERTAIN EMPLOYEES OF THE BUREAU OF LAND MANAGEMENT

The Clerk called the bill (H. R. 8610) relating to the activities of temporary and certain other employees of the Bureau of Land Management.

Mr. RICH. Mr. Speaker, reserving the right to object, may we have an explanation of this bill.

Mr. PETERSON. Mr. Speaker, this bill eliminates certain strict provisions of the law which prohibit certain persons from dealing with public-land matters. It eliminates one of these limited, part-time employees. In other words, at the present time the law is so construed that a firefighter, who simply would be employed in an emergency 2 or 3 days, cannot even take up a homestead or cannot even file upon the public domain. He cannot even take lands of any kind. We eliminate from that provision these limited, temporary, part-time, when actually employed without compensation, employees, but we do provide in there definitely that it does not prevent the Secretary of the Interior from issuing appropriate regulations to limit the activities of employees of the Department.

Mr. RICH. There is nothing in this legislation that is going to open the door for everybody to get something out of the Government for nothing?

Mr. PETERSON. The gentleman is right.

Mr. RICH. I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the provisions of section 452, Revised Statutes (43 U. S. C., sec. 11), shall not apply to any person because of his employment as a temporary, limited, part-time, WAE (when actually employed), or WOC (without compensation) officer, clerk, or employee of the Bureau of Land Management.

SEC. 2. The provisions of section 190, Revised Statutes (5 U. S. C., sec. 99), and of title 18, United States Code, sections 281, 283, and 284, shall not apply to any member of an advisory board of the Bureau of Land Management.

SEC. 3. This act shall not be construed to limit the authority of the Secretary of the Interior, under existing law, to regulate the activities of any officer, clerk, or employee of the Department of the Interior or of any practitioner in proceedings before the Department.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### JOSHUA TREE NATIONAL MONUMENT

Mr. PHILLIPS of California. Mr. Speaker, I ask that the calendar may include the next number, Calendar No. 536 (H. R. 7934).

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read as follows:

H. R. 7934, to reduce and revise the boundaries of the Joshua Tree National Monument in the State of California, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HUBER. Reserving the right to object, Mr. Speaker, will the gentleman tell us something about this bill?

Mr. PHILLIPS of California. The bill is a realinement of the boundaries of the Joshua Tree National Monument. It has the approval of the Park Service and all interested services. It removes approximately 250,000 acres from the public domain and puts this land back in private ownership or public ownership, whichever was the case before the monument was created. It involves no money.

Mr. HUBER. Well, what is the reason for removing it?

Mr. PHILLIPS of California. The first alinement covered, by Executive order, a certain number of acres. As the years have gone by, this second realinement becomes necessary to run the southern line of the monument along the aqueduct instead of on one side of the aqueduct and the other. It removes a privately owned area with a large iron mine which cannot therefore be controlled by the Park Service. It removes a section in the northern part of the monument, dotted with privately owned claims, all of this with the approval of the Park Service, and it does not affect the original area for the flora and fauna of which the monument was set aside. There was no reason it should have been included in the first place, except the Park Service did not have the knowledge at that time to enable it to set the more permanent line.

Mr. HUBER. What will become of this land? Will it become the property of the State of California?

Mr. PHILLIPS of California. It reverts. It goes back to private or public ownership.

Mr. HUBER. Will it be sold?

Mr. PETERSON. Mr. Speaker, will the gentleman yield?

Mr. HUBER. I yield.

Mr. PETERSON. It retains the status it had before the monument was created?

Mr. PHILLIPS of California. That is correct.

Mr. PETERSON. These areas that belonged to private citizens then still belong to private citizens. Those that were public domain are still public domain. A lot of the area had some little mines.

Mr. PHILLIPS of California. That is one of the reasons those sections are being removed. They were dotted with private ownership.

Mr. HUBER. We bought the land from those private property owners in the first place——

Mr. PHILLIPS of California. No. They still owned it inside the monument.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That Joshua Tree National Monument, in the State of California, established by Proclamation No. 2193, of August 10, 1936 (50 Stat. 1760), hereafter shall comprise the following-described area:

SAN BERNARDINO MERIDIAN

Township 1 south, range 5 east, sections 22 to 27, inclusive, and sections 34 to 36, inclusive; township 2 south, range 5 east, portion of east half lying north of the north right-of-way line of the Colorado River aqueduct but excluding therefrom that portion of the Long Canyon Camp and dump area in section 27; township 1 south, range 6 east, sections 19 to 36, inclusive; township 2 south, range 6 east; township 3 south, range 6 east, portion lying north of the north right-of-way line of the Colorado River aqueduct but excluding therefrom that portion of the Deception Camp and dump area in section 14, that portion of the West Deception Camp and dump area in section 10, and the portions of the East Wide Canyon Camps and dump areas in sections 5 and 6; township 1 south, range 7 east, partly unsurveyed; township 2 south, range 7 east; township 3 south, range 7 east, portion lying north of the north right-of-way line of the Colorado River aqueduct but excluding therefrom that portion of the Fan Hill Camp and dump area in section 20; township 1 south, range 8 east, partly unsurveyed; townships 2 and 3 south, range 8 east; township 1 south, range 9 east, sections 5 to 9, inclusive, sections 16 to 23, inclusive, and sections 26 to 35, inclusive; township 2 south, range 9 east, sections 2 to 11, inclusive, and sections 14 to 36, inclusive, partly unsurveyed; township 3 south, range 9 east; township 4 south, range 9 east, sections 1 to 6, inclusive, and sections 11 to 14, inclusive; township 2 south, range 10 east, sections 25 to 36, inclusive, unsurveyed; township 3 south, range 10 east, partly unsurveyed; township 4 south, range 10 east, sections 1 to 18, inclusive, sections 22 to 26, inclusive, and sections 35 and 36; township 5 south, range 10 east, section 1; township 2 south, range 11 east, sections 25 to 36, inclusive, unsurveyed; townships 3 and 4 south, range 11 east, partly unsurveyed; township 5 south, range 11 east, sections 1 to 18, inclusive, sections 22 to 27, inclusive, and sections 34, 35, and 36; township 6 south, range 11 east, portion of sections 1, 2, and 3 lying north of north transmission line right-of-way which is adjacent to the north right-of-way line of the Colorado River aqueduct; township 2 south, range 12 east, section 13 and sections 23 to 36, inclusive, partly unsurveyed; townships 3 and 4 south, range 12 east, partly unsurveyed; township 5 south, range 12 east, sections 1 to 34, inclusive, partly unsurveyed, and portions of sections 35 and 36 lying north of north transmission line right-of-way which is adjacent to the north right-of-way line of the Colorado River aqueduct; township 6 south, range 12 east, portions of sections 2 to 6, inclusive, lying north of north transmission line right-of-way which is adjacent to the north right-of-way line of the Colorado River aqueduct; township 2 south, range 13 east, sections 1 and 2 and sections 7 to 36, inclusive, partly unsurveyed; township 3 south, range 13 east, sections 1 to 18, inclusive, partly unsurveyed; township 5 south, range 13 east, sections 6, 7, 18, and 19, unsurveyed; township 1 south, range 14 east, sections 33 to 36, inclusive, partly unsurveyed; township 2 south, range 14 east, partly unsurveyed; township 3 south, range 14 east, sections 1 to 18, inclusive, partly unsurveyed; township 1 south, range 15 east, sections 31 to 35, inclusive, partly unsurveyed; township 2 south, range 15 east, sections 2 to 36, inclusive, partly unsurveyed; township 3 south, range 15 east, sections 1 to 12, inclusive, partly unsurveyed, and section 18, unsurveyed; township 2 south, range 16 east, sections 18, 19, 30, and 31, unsurveyed; and township 3 south, range 16 east, sections 6 and 7 unsurveyed.

SEC. 2. All lands in Federal ownership situated between the exterior boundaries of the Joshua Tree National Monument as proclaimed on August 10, 1936, and the exterior boundaries as herein set forth are hereby opened for mining and further mining entries under the general mining laws of the United States.

With the following committee amendments:

Page 2, line 5, strike all of line 5 and insert in lieu thereof the words "6 east, sections 1 to 30, inclusive, that portion of section 31 lying north of the north right-of-way line of the Colorado River aqueduct, and sections 32 to 36, inclusive; township 3 south, range 6 east, portion lying north."

Page 2, line 11, following the words "range 7 east", strike the words "partly unsurveyed," and insert in lieu thereof the words "sections 1 to 4, inclusive, and 9 to 15, inclusive, unsurveyed, section 16, sections 19 to 23, inclusive, section 24, unsurveyed, and sections 25 to 36, inclusive."

Page 2, line 23, strike the numeral "6" and insert in lieu thereof the numeral "5."

Page 3, line 12, following the word "aqueduct", insert the words "but excluding therefrom the aggregate deposit in section 3."

Page 3, lines 15 and 16, strike all of lines 15 and 16 and insert in lieu thereof the words "township 5 south, range 12 east, sections 1 to 24, inclusive, and sections 26 to 34, inclusive, partly unsurveyed, and portions of sections 25 and 35 lying."

Page 3, line 20, strike the words "2 to 6, inclusive," and insert in lieu thereof the words "2, 3, 4, 5, 6, and 10."

Page 3, line 22, following the semicolon after the word "aqueduct", insert the words ", but excluding therefrom the Bumpani's aggregate deposit in section 4."

Page 4, line 14, strike all of section 2 and insert in lieu thereof the following new section:

"SEC. 2. All public domain lands heretofore included within the Joshua Tree National Monument which are eliminated from the National Monument by this act are hereby reopened to location, entry, and patenting under the United States mining laws and public land laws."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF TIME DURING WHICH ANNUAL ASSESSMENT WORK ON MINING CLAIMS MAY BE MADE

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3639) providing for an extension of the time during which annual assessment work on mining claims held by location in the United States may be made.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I uiderstand this is only a 3-month extension.

Mr. ASPINALL. That is correct.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the time during which labor may be performed or improvements made, under the provisions of section 2324 of the Revised Statutes of the United States, on any unpatented mining claim in the United States, for the period commencing July 1, 1949, is hereby extended until the hour of 12 o'clock meridian on the 1st day of October 1950, if the claimant of such mining claim shall file, or cause to be filed, in the office wherein the location notice or certificate is recorded, on or before 12 o'clock meridian on the 1st day of July 1950, a notice of his desire to hold such mining claim under this act.

With the following committee amendments:

Page 1, line 6, following the words "United States", insert the following words", including Alaska,".

Page 1, line 8, strike the comma (,) and insert in lieu thereof a colon (:).

Page 1, line 8, strike out all of line 9 through line 3, page 2, and insert in lieu thereof the following words: "*Provided*, That assessment work or improvements required for the year ending at 12 o'clock meridian July 1, 1951, may be commenced immediately following 12 o'clock meridian July 1, 1950."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "An act providing for an extension of the time during which annual assessment work on mining claims held by location in the United States, including Alaska, may be made, and for other purposes."

A motion to reconsider was laid on the table.

SPECIAL ORDER

The SPEAKER. Under the previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 60 minutes.

(Mr. PATMAN asked and was given permission to revise and extend his remarks and to include therein certain statements and excerpts and other relevant material.)

FOURTEEN YEARS UNDER THE ROBINSON-PATMAN ACT, SIGNED BY PRESIDENT FRANKLIN DELANO ROOSEVELT 14 YEAR AGO TODAY

Mr. PATMAN. Mr. Speaker, today is the fourteenth anniversary of the enactment into law of the antiprice-discrimination-act which has become familiarly known as the Robinson-Patman Act. Fourteen years ago, the late President Franklin Delano Roosevelt, at a White House ceremony, signed the bill which independent business has termed its Magna Carta. This ceremony was attended by Senators and Representatives who had been active in support of the bill and who had contributed greatly to its passage by the Seventy-fourth Congress.

Prior to June 19, 1936, when President Roosevelt signed the Robinson-Patman Act, a long series of events had transpired which clearly indicated the need for strengthening the antitrust laws, particularly in the field of unfair price discrimination: rebates, allowances, unjustified commissions, brokerages, preferential treatment, and other forms of price discrimination. Large-scale buying and selling involving many forms of discrimination had forced independent manufacturers and merchants into a dangerous competitive corner from which there was no escape under the laws then in existence.

UGLY EXAMPLES OF PRICE DISCRIMINATION

Evidence of price discrimination in all of its ugly phases was readily available. A select committee, of which I had the honor of being chairman, was appointed by the Speaker of the House to investigate the trade practices of big-scale retail and wholesale buying and selling organizations. The hearings as a result of the appointment of this committee, among other things, pointed to the necessity of additional legislation which would provide an equal opportunity in the market place for small and independent business in the United States. It was recognized that, if national chain stores were permitted to expand and grow through the malicious and unfair methods utilized at that time, in a very short period the independent business institutions of our country would be totally destroyed. Cutthroat competition at every level of distribution was driving thousands of independent businessmen out of business every year.

Independent manufacturers, wholesalers, and retailers were all subjected to the discriminatory tactics of the large buyers and sellers. There was unrest among small and independent business and a frustration amounting to desperation as year after year competitive conditions grew worse and worse. The growth of national retail chains had been phenomenal during the 10 years preceding 1935. The chains were deliberately selling below cost in certain localities to drive independent merchants out of business while in other localities where independents had been driven out, leaving the field largely to the national chains, prices of the necessities of life were far beyond their normal value.

EXAMPLES OF NATIONAL CHAIN-STORE TACTICS

The hearings brought to light the tactics of The Great Atlantic & Pacific Tea Co., about which we have heard a great deal lately because of the Department of Justice action under the Sherman Act. It was shown in the hearings that the A. & P. received approximately $8,000,000 in the form of discriminatory advertising allowances, discounts, rebates, brokerage, and so forth, from its suppliers during 1934. Its total business for that year amounted to approximately $840,000,000 with a net profit, after depreciation and Federal taxes, of $16,709,000. Thus the unjustified rebates received during the year 1934 amounted to more than half of A. & P.'s total net profits for that year. The $8,000,000 in itself was sufficient to pay all the dividends declared on the common stock that year, of which 75 percent was owned by the Hartford boys. A. & P. received, in 1933, from one manufacturer alone, the General Foods Corp., a total of $360,000 in the form of advertising allowances, which amounted to 5 percent of its total purchases from General Foods. It received approximately $100,000 in allowances from Standard Brands, Inc., in addition to a 10-percent discount which amounted to nearly $150,000 yearly.

All of these allowances and discounts were not earned but could be had by A. & P. because it was a tremendous purchaser of food products and could blackjack the manufacturers to the tune of $8,000,000 or more yearly. The list of A. & P.'s discriminatory tactics is too long to include in a 1-hour speech, because the whole hour would be taken up by A. & P. alone.

First National Stores was another one which, the hearings disclosed, enjoyed preferential treatment to the disadvantage of its small competitors.

S. H. Kress & Co., the Kroger Grocery chain, Liggett Drug, the National Tea Co., Safeway Stores, United Drug, Walgreen, and many others which were brought under the microscopic examination of the committee were all found to play the price-discrimination game in all of its unfair and predatory aspects.

It was quite apparent that the millions and perhaps billions of dollars which yearly went into the pockets of the giant national chains was in reality an equal discrimination against the consumers of this country. Somebody had to pay for the preferential treatment accorded the large buyers. These predatory interests, despite many claims to that effect, did not pass savings on to the consumer but used such unearned income to drive their smaller competitors out of business so that the consumer markets, pricewise, could be controlled. We all know that a controlled market is a high-priced market. We all know that, when prices are fixed and controlled, the consumer pays not only in price but in quality and in service rendered.

One of the outstanding cases of price discrimination was in the automotive field. In a contract between Sears, Roebuck & Co. and the Goodyear Tire & Rubber Co. it was found that in the 11 years of the life of the contract Sears, Roebuck received preferential treatment amounting to $41,000,000. This $41,000,000 represented a consideration given to Sears at the expense of Goodyear's independent tire dealers. This investigation was conducted by the Federal Trade Commission, which found that it was a private deal between the presidents of the companies and that not even the directors of the Goodyear Co. were aware of this infamous contract. In addition, the investigation revealed a payment to Sears, Roebuck of a secret rebate of $80,000 plus 18,000 shares of Goodyear stock.

Here is the pay-off. Within 60 days after the approval of the Robinson-Patman Act in 1936, Goodyear's president announced to its stockholders that the contract had been canceled although it had 5 more years to run, because they could not justify the price under the Robinson-Patman Act, which the contract extended to the Sears Co. Shortly thereafter, the B. F. Goodrich Rubber Co., which supplied the Atlas subsidiary of Standard Oil of New Jersey, announced that due to the passage of the Robinson-Patman Act they could not justify the preferential treatment given the Atlas Co.

EVENTS LEADING TO THE INTRODUCTION OF ROBINSON-PATMAN BILL (H. R. 8442) AND ITS PASSAGE BY THE SEVENTY-FOURTH CONGRESS (PUBLIC LAW 692, 49 STAT. 1526)

The American Retail Federation was formed in April 1935 with participation by leading national chain-store systems and other mass distributors for the joint promotion of their interests. The formation of the federation occurred shortly before the invalidation of the National Industrial Recovery Act of 1933 by the Supreme Court on the grounds that there was an unconstitutional delegation of legislative power. This action of the Supreme Court of course invalidated the NRA codes which had given great impetus to the growth and formation of trade and industry associations.

Recognizing the significance of the giant national chains and other mass distributors forming themselves into a federation, the House of Representatives created a special committee to investigate the federation—House Resolutions 203 and 239; April and June 1935. This special committee was given the power "to investigate the trade practices of individuals, partnerships, and corporations engaged in big-scale buying and selling of articles at wholesale or retail, and their associations."

This special committee conducted hearings beginning June 5, 1935, and extending through February 15, 1936, in which the evidence taken included a mass of testimony and exhibits revealing the extent and flagrance of discriminatory prices and allowances wrung from manufacturers and other selling sources by mass-buying distributors, through the sheer force of their size, to the prejudice of their smaller competitors buying from the same sources.

Examples of this discrimination I have referred to previously.

As a direct result of these hearings, I introduced H. R. 8442, which eventually became the Robinson-Patman Act. One of the early advocates of the bill and, in fact, one of its most coherent sponsors was the United States Wholesale Grocers' Association, a trade association of independent wholesale grocers, with membership in more than 40 States of the Union. This association, through its general counsel, Mr. H. B. Teegarden, submitted to me for consideration the proposals of the United States Wholesale Grocers' Association. One of the stalwarts who bent every effort and gave generously of his time and talent, looking toward enactment of the Robinson-Patman Act, was this fine association's present vice president and secretary, Col. R. H. Rowe. Colonel Rowe was constant in his attendance during the whole movement, and I relied upon him greatly then as I do now. The work of Mr. Teegarden in pressing forward the proposals of the association and in working for the passage of the Robinson-Patman Act deserves special mention. Mr. Teegarden had made proposals in draft form and had presented them to his association in the spring of 1935. Thus the initial remedies to cure the evils discovered during the investigation of the American Retail Federation were offered by this association.

Mr. Teegarden is and has always been a patriotic American who has served his country well, and he is today in the service as a valued public servant of the Securities and Exchange Commission. There is no man whose judgment in the field of antitrust law I regard more highly, and I am glad to have this opportunity to pay tribute to my friend, whom I affectionately call "Judge" because of his profound legal knowledge and judicial temperament.

I was happy to accept the proposals of the association through its representatives and to inform them that it was my intention to sponsor and introduce in the House a bill embodying their proposals, which I did on June 11, 1935. A few days later, on June 26, the distinguished majority leader of the Senate, the late beloved Senator Joe Robinson, introduced the same bill.

SMALL BUSINESS GETS BEHIND ROBINSON-PATMAN ANTI-PRICE-DISCRIMINATION BILL

Small-business institutions all over the country saw in this bill an opportunity to translate sound economic principle into regulatory law in a way that might achieve for the business world a broad stride toward the American ideal of equality of opportunity. This could be done, the sponsors of the bill and its small-business adherents were positive, without denying to the public the benefit of those differences in individual business efficiencies and economies which must always be given recognition and which always underlie any sound conception of the "ideal of equality of opportunity." That viewpoint was always predominant in discussions of the bill by its proponents before committees of the House and Senate and on the floor of the House.

In the days when the Robinson-Patman bill was under discussion, a great deal was said about the cutthroat pricing techniques used by the big against the little to drive the smaller institutions out of business and take over their markets. This was competition of the tooth-and-claw variety. This is the sort of competition that pseudo-exponents of free enterprise always espouse. The Robinson-Patman Act admittedly, even by its opponents, has eradicated many of the evils in our market places. It is true that one of the important aims of the proponents of this act was to protect the weak against the strong, particularly with respect to the use of oppressive buying and selling tactics. This act was designed not only to protect the weak against the strong but in a measure to protect the strong against the stronger units in trade and commerce. It affords protection, and that was the aim, through all distribution channels. It was a measure essentially designed to build and conserve rather than to tear down and despoil. Although in its infancy, as we measure the 14 years since President Roosevelt signed the act, I believe it has become a robust infant and that time has shown it to be a law which brings order out of chaos and a measure of tranquillity into the lives and businesses of those who desire to compete fairly and to serve their customers generously.

These days, I might say by way of interpolation, those who destroy our antitrust laws dwell upon two words which have very little meaning. At least they have very little meaning as used. These words are hard competition and soft competition. Those who would destroy our antitrust laws say we must have hard competition. They believe in competition which allows a great corporation to go out and destroy its competitors.

Soft competition is, these exponents of hard competition say, the protection which the Robinson-Patman Act gives to free and independent enterprise in this country. This theory of competition is, to my mind, utterly ridiculous. The Robinson-Patman Act does, in fact, make it hard for the giant national chains and big business with predatory instincts to destroy their competitors. In that sense the Robinson-Patman Act is hard competition because it serves as a bulwark against the destruction of competition. In my opinion it is the essence of hard competition. Without this act, it is my belief that it would be pretty soft for the big fellows, and had this act not been in effect, the disappearance of small business would have been more nearly an actual accomplishment than it is at this time.

The very fact that the act has been under such close and constant attack during the past 2 years is proof that the predatory interests of our country are determined to scuttle it and return to their variety—the tooth-and-claw variety, the destroy-your-competitor variety—of soft competition.

SMALL BUSINESS, CONGRESS, AND THE PRESIDENT

It is not necessary at this time to relate in detail all of the actions of the Committees on the Judiciary in the House and the Senate, nor to dwell on the amendments and the compromises which took place in the consideration of the bill by the Congress. It is of interest, however, to remind the House of the small-business support which the Robinson-Patman bill accumulated while it was under consideration in the Seventy-fourth Congress.

In the closing period of debate and action on the Robinson-Patman bill, the small-business proponents of the bill conceived the idea of calling a general meeting of small-business men in Washington from all over the United States. This enterprise proved to be a dramatic episode—one long remembered by all who participated in the meeting which was held in Constitution Hall on March 4, 1936.

It was a new independence day and was heralded throughout the length and breadth of the land as independence day for independents. This meeting brought together more than 2,000 representative small-business men from all sections of the country. These small-business men called on their Senators and Representatives in support of the bill as they had a right to do. They petitioned their Senators and Representatives to support the anti-price-discrimination bill, and I might add they were genuinely serious and objective in their support. They were constituents from back home—home-town merchants, home-town manufacturers, home-town businessmen. They were the same home-town representative citizens who elected the Eighty-first Congress and who for more than 2 years have been appealing to Congress to preserve the Robinson-Patman Act to preserve the Anti-Price-Discrimination Act and not destroy it.

But, to return to the account of the meeting in Constitution Hall, where there 2,000 independent businessmen met on March 4, 1936, President Franklin Delano Roosevelt was in the White House. By invitation, the late Senator Robinson addressed these 2,000 fine, independent businessmen, and by invitation I also had the honor and the privilege of addressing that meeting.

This meeting, like most gatherings in the public interest, was not without its detractors. The independent businessmen at the meeting were photographed by the press and these photographs were circulated in many newspapers, and many members of the free press hailed it as a great day for independent business in the United States. But opponents of the Robinson-Patman bill, as represented by the predatory chains and their cohorts, described the meeting in derogatory terms and tried to undermine public opinion as to the purpose and the sincerity of the businessmen who were gathered together in that meeting.

Out of this meeting came a delegation of the proponents of the anti-price-discrimination bill with instructions to request President Roosevelt's favorable consideration of the bill. Three of the several members of that delegation so appointed are still active, vigorously so, in support of the Robinson-Patman Act and of our antitrust laws generally.

They are still dedicated to the proposition of equality of opportunity in our business world. These three men, each prominent in his field of endeavor, were Dr. John W. Dargavel, executive secretary of the National Association of Retail Druggists; Col. R. H. Rowe, vice president and secretary of the United States Wholesale Grocers' Association; and Mr. George J. Burger, vice president of the National Federation of Independent Business. This delegation, endowed with the faith of the businessmen in attendance at Constitution Hall said that if and when the Robinson-Patman bill became law, they would feel that they had arrived at a new start in their business lives; that protection would have been set up against the vicious, secret pricing policies of the predatory interests in the production and distribution field—pricing policies which were extended to so few and denied to so many.

With this buoyant spirit the delegates met with the late President Roosevelt on March 5, 1936, at 11:45 a. m. I am happy that it came my way to sponsor this fine delegation and to arrange for its reception by the President. It was a meeting in which the President showed a clear understanding of the issues involved. The President was sympathetic toward his audience and recounted being called upon for help, while Governor of the State of New York, with respect to price-discrimination techniques and certain vicious practices utilized by some of the larger distributing institutions of that State. The best proof of the late President Roosevelt's agreement with the objectives sought by the sponsors of the anti-price-discrimination bill is that he signed it 14 years ago today. Significantly, the President signed the bill 1 day after the final adoption of the conference report by the Senate, on June 18, 1936. The House had previously adopted the conference report, on June 15, 1936. It is well to recall at this point that the House passed the bill by a vote of 290 to 16, while the Senate passed it without even bothering to call the roll.

BENEFITS OF THE ROBINSON-PATMAN ACT

Testimony as to the benefits which small business has received since the enactment of the anti-price-discrimination law is voluminous. Most manufacturers and distributors at all levels testify to the beneficial results which have been obtained under this act. Colonel Rowe, of the United States Wholesale Grocers' Association, recently said:

> The benefits of the Robinson-Patman Act to small business in the food-and-grocery field have been immense. After its passage, all sorts of schemes were tried to evade its provisions, but these provisions have been consistently sustained by the Federal Trade Commission and the courts. There are still some sporadic cases where new schemes of evasion are attempted, but those sooner or later are stepped on by the Federal Trade Commission.
>
> There is now a general pattern of compliance with the Robinson-Patman Act by the food industry. Many of the food manufacturers who originally opposed the passage of the Robinson-Patman Act now favor it. It gives them protection against the coercion of the mass purchaser for discriminatory prices and other unfair concessions.
>
> Under the provisions of the Robinson-Patman Act as originally passed, the independent wholesale and retail grocers have room to live and breathe and compete on fairly equal terms with mass distribution organizations.
>
> The efficient wholesale grocer and the efficient retail grocer working together as a team can and do equal or excel in many cases any other form of distribution, in price and other consumer satisfactions.
>
> Without the Robinson-Patman Act they could not do so. No matter how great their efficiency, they could not overcome the effect of price discriminations against them at the very start of the competitive race.

Dr. Dargavel has told me on a number of occasions that, had the Robinson-Patman Act not become law, he "seriously questioned whether the more than 30,000 independent retail druggists comprising his association could have successfully fought the inroads of the national chain operators in the drug field. The mass purchasing power of the chains, which was the big stick held over the heads of manufacturers to obtain preferential discounts, allowances, and rebates, more often than not meant cutthroat pricing at the retail level," he said, adding, "it has been my experience that, once independent druggists are eliminated in any area dominated by chain stores, prices to consumers automatically become higher. Once the chains gain dominance in any section of a city or town, the consumer is the loser. National chain stores do not and will not perform the essential and personal services which are a part of the tradition of the neighborhood independent retail druggist. I have said many, many times that only by keeping the Robinson-Patman Act intact and only by vigorous enforcement of that act can the independent survive, whether he be manufacturer, wholesaler, retailer, or in whatever line of business he may be engaged."

Mr. Burger, of the National Federation of Independent Business, recently commented:

> The action of independent business as represented at Constitution Hall 14 years ago, plus the action of the President of the United States, and the constructive action of the late Senator Robinson and of Congressman WRIGHT PATMAN in instituting this legislation have been the lifeblood and the way of keeping open the door of the free-enterprise system and, more important, independents being maintained both at the production and distribution level.
>
> I have watched the operation of the law for 14 solid years, and all in industry well know the fundamentals of the law and its objectives. They know what can be done and can't be done; it doesn't take any Philadelphia lawyer to define what the law means, and it will be a sorry day for the future of the free-enterprise system and independent business if there is any juggling or amending of this important legislation which is a renewed birthright for independent business of this Nation.
>
> Let me conclude by saying that after 14 years' close study of the Robinson-Patman Act I am convinced there is nothing wrong with the law. No amendments are needed—clarification, etc.—but what is needed is for the Congress to insist that the law be enforced without fear or favor and the administrating agency, the Federal Trade Commission, be supplied with the necessary funds by the Congress so that the job of enforcing this law can be 100-percent perfect.
>
> Big-business men are well aware of the importance of this law, and many of them shiver at night wondering what will happen to them if they are found in violation of the law.
>
> One industry in which I have been greatly interested is the rubber-tire industry. The enforcement of the Robinson-Patman Act in that industry is the sole protection of the independent tire dealer. The monopolistic interests in the rubber-tire industry I predict may be found, sometime in the near future, attempting to eliminate distributors and dealers who are attempting to bring about enforcement of the Robinson-Patman Act, because it is my belief that such monopolistic interests do not favor fair, competitive conditions in the industry.

I have quoted these three gentlemen at this point because of their close association with the passage of the act and because they were among those present at the White House to plead for President Roosevelt's support of the anti-price-discrimination bill. As I have said, these gentlemen are still active and have recently been engaged in one of the bitterest legislative struggles in my memory to save the act for which they fought so hard when under consideration in the Seventy-fourth Congress.

ENFORCEMENT OF THE ROBINSON-PATMAN ACT

The Robinson-Patman Act, in point of years, is fairly young in the antitrust field. It always requires an appreciable amount of time to test out the effect and worth of any law however well it may have seemed to be understood during the period of its enactment. The Federal Trade Commission, which has been charged with the duty and responsibility of enforcing this law, has brought a number of actions which have been upheld by the courts.

TRIPLE-DAMAGE ACTIONS A STRONG WEAPON OF ENFORCEMENT

The usefulness of the Robinson-Patman Act to victims of discriminatory price practices is greatly enhanced by the provision—section 4 of the Clayton Act—enabling them to sue for triple damages, plus cost of suit, including a reasonable attorney's fee. Moreover, a final judgment or decree in a criminal or equity suit brought by the United States is, with some exceptions, prima facie evidence in a triple-damage action brought by a victim of price discriminations forbidden by the Robinson-Patman Act. This makes it somewhat easier for the victim to prove his triple-damage suit in those cases where the United States has already successfully prosecuted an action against the wrongdoer.

As pointed out in the progress report—first session of the present Select Committee on Small Business, of which I have the honor to be chairman, the treble-damage action has the virtue of treating antitrust violations as economic offenses, which is what many large corporate wrongdoers prefer to call their unlawful acts. In doing so, it does not seek to brand offenders as criminals or to send them to jail. However, it does provide an economic penalty of sufficient measure to deter wrongdoers.

Moreover, the treble-damage action invites the victim himself to initiate proceedings by giving him an economic and financial incentive for doing so. In a

sense, the penalty is self-enforcing. It does not require the decision of any Government official to set in motion the wheels of justice. The victim sets them in motion himself by commencing the treble-damage action.

The treble-damage action seeks to make the victim whole for the damages done to him, and in effect attempts to compel the wrongdoer to surrender illegally-acquired profits.

This is an altogether democratic procedure, and it is an altogether just procedure.

Not only is the victim entitled to treble damages, but to the cost of suit, including a reasonable attorney's fee. Attorney's fees and cost of litigation are no small item in fighting some large chain outfit engaged in violating the Robinson-Patman Act. It is altogether salutary, therefore, that, in addition to damages, the victim be entitled to the cost of suit, including attorney's fees.

The treble-damage provisions are such that they afford a protection to an increasing number of persons in all lines of business. Sales Management magazine for May 20 told of the success of a salesman in an action of this sort. I quote from Sales Management:

COURTS

A salesman can sue his company under the Robinson-Patman Act and get triple damages. There's been a recent award by the Chicago District Court.

The salesman worked on commission as the distributor of Max Factor Hollywood cosmetics. He sold both to chains and to independents.

The company cut prices to the chains, in part taking the reduction from his commissions, which were based on dollar volume. The salesman claimed damage on two counts:

1. The direct loss of commissions.
2. The discrimination in favor of the chains reduced his sales to independents.

The court agreed on both counts. In handing down the decision, the judge said that the Robinson-Patman Act is broad so that anybody who is hurt can bring suit.

There is general agreement among most analysts that the Robinson-Patman Act is a necessary and increasingly important part of our antitrust legislation and policy. Of course, because of its value to small and independent businesses attempts are frequently made to reduce its effectiveness, both in the field of enforcement and in the field of legislation. The predatory interests are finding more and more that it pays not to run afoul of the provisions of the act. The enforcement of this act will be immeasurably strengthened by the President's veto last Friday of the O'Mahoney basing-point bill.

An article in Sales Management, February 15, 1950, was entitled "What Ever Became of Mr. Robinson and Mr. Patman?" The title itself was inconsiderate since we all are regretfully aware that the beloved Senator and majority leader from Arkansas passed away many years ago. It is my good fortune, for which I am thankful, that I can stand in the well of this House and commemorate the fourteenth anniversary of the signing of the Robinson-Patman Act and point out to some degree the benefits which small and independent business has derived from the passage of the act. Another who has gone before us but who should be remembered is the late Senator Mills Logan of Kentucky, who performed valiant service in securing the passage of the act. I am sure that both Senator Robinson and Senator Logan are with us today in spirit. The principles of fair play incorporated in the Anti-Price-Discrimination Act were their principles—the principles of the Golden Rule.

Of course the title of the article to which I refer did not take into consideration the fact that Congressmen and Senators have nothing to do with the enforcement of the laws which they enact. I shall not take the time of this House to dwell on the charge of the author of the article, Mr. James C. Cumming, vice president of John A. Cairns & Co., Inc., a New York advertising house, but the whole tenor of the article was to the effect that the Robinson-Patman Act was not being obeyed; in fact, that in many instances it was being flagrantly violated. Mr. Cumming implied that the Robinson-Patman Act was a "dead letter" insofar as the antitrust laws were concerned. Admittedly, there are a number of undetected violations of this Act as well as of other acts on the statute books.

As I stated earlier, in point of years, the Robinson-Patman Act is in its infancy, and the agency which is charged with the enforcement of this Act as well as other parts of the Clayton Act and the Federal Trade Commission Act has been unable to keep up with all violations. In this sense Congress has a responsibility, because appropriations for the Federal Trade Commission have been constantly under fire, and it has not for years had what I believe to be sufficient appropriated dollars to carry out all phases of its work.

However, in comparison with law-enforcement records generally, the Robinson-Patman Act has a very respectable record of enforcement. Since its enactment decisions have appeared in 26 out of the 62 volumes of Federal Supplement and in 26 out of the 80 volumes of Federal Reporter, second, which report decisions of our Federal district and circuit courts of appeals. Five major decisions of the United States Supreme Court have been devoted to it, in four of which that Court sustained its enforcement. In the fifth, the Court pointed the way to a different form of proceeding in which judgment for triple damages in the amount of $180,000 plus fees and costs for the violation involved was later obtained in the court below. Even in the State courts, in 10 instances arising in Connecticut, New York, Pennsylvania, Tennessee, Florida, Illinois, and Washington, have dealt with its violations as furnishing grounds for defense against other suits brought by the violator.

Let us look at some of these decisions and, preliminary thereto, at the different modes of enforcement authorized for the act. Because of your interest, I should like to read you comment on and extracts from each decision. However, there are so many and my time is short. I shall ask unanimous consent to include them in the RECORD at this point. Mr. Speaker, I request unanimous consent to include at this point extracts from and comment on a number of cases brought under the Robinson-Patman Act as well as portions of the Clayton Act.

The Robinson-Patman Act in its principal provisions is an amendment to section 2 of the Clayton Act, and accordingly succeeds to the enforcement sanctions authorized for that act. Four such channels of enforcement are provided by law:

1. Proceedings by the Federal Trade Commisison leading to an order to cease and desist from the practices held in violation of the act, enforceable by decree of a United States Circuit Court of Appeals (Clayton Act, sec. 11).

2. Suits in equity to enjoin violations of the act, brought by the United States attorneys under direction of the Attorney General, in United States district courts (Clayton Act, sec. 15).

3. Suits in equity to enjoin violations of the act, brought also in United States district courts by private persons and concerns threatened with loss or damage from such violations (Clayton Act, sec. 16).

4. And as I have noted previously triple damage suits, brought also in United States district courts by private persons and concerns, for damages to their business or property by reason of violations of the act, in which case the law directs that they be awarded three times the damages actually sustained, plus court costs and attorneys' fees (Clayton Act, sec. 4).

TRIPLE-DAMAGE SUITS

These triple-damage suits have constituted the bulk of the suits under the act in the district courts. Among the more notable of these are the following:

*Russellville Canning Co.* v. *American Can Co.* (United States district court, Arkansas, 1949 (87 F. Supp. 484)), in which Judge Miller assessed actual damages at $125,000, warranting a judgment for $375,000 plus costs and attorneys' fees.

*Bruce's Juices* v. *American Can Co.* (United States district courts, Florida, 1949 (87 F. Supp. 985)), in which Judge Parker found actual damages at $60,000, basing a judgment for $180,000 plus costs and fees.

These two cases involved three varieties of discrimination:

1. Quantity discounts of 1 to 4 percent on annual purchases of cans aggregating $500,000 to $7,000,000, and 5 percent on annual aggregates over $7,000,000. Less than 2 percent of American's customers could qualify for either of the discounts, and but two or three, out of its total of two to three thousand customers, for the 5-percent discount.

2. The use of freight equalization on certain points to favor shipments to some of plaintiff's competitors.

3. The grant of a runway allowance to one of plaintiff's competitors, based on a runway connection that happened to exist between one of American's plants and one of the competitor's plants, but which American could not grant on equal terms to plaintiff and its other customers.

In these two cases the courts also emphasized that the mere difficulty of determining the precise amount of damages in such a case does not prevent their determination by reasonable estimate, that where a seller has charged a higher price to one customer than to one or more of his competitors for like goods, and this difference cannot be justified as by underlying differences in cost, this in itself shows that the discrimination has had an adverse effect upon competition and has been injurious to the business of the customer charged the higher price, and establishes his actual damages in at least the amount of this discrimination. Where in addition it has caused him to suffer loss of business or injury to his competitive

position or good will, the court and jury may consider as evidence such things as a comparison of the levels of his business and profits before and after the discrimination, and the rate of growth or decline of his own business as compared with that of those favored by the discrimination, and on that basis reach an estimate of what in precise amount his damages have been.

It is also noteworthy that American Can Co. is an old offender against section 2 of the Clayton Act, even before its amendment by the Robinson-Patman Act. In *Ladoga Canning Co.* v. *American Can Co.* (44 F. (2d) 763, cert. denied 282 U. S. 899), it suffered judgment against it for a total of $105,000, including a $15,000 attorneys' fee, for similar discriminations. In *George Can Camp & Sons Co.* v. *American Can Co.* (278 U. S. 245), the Supreme Court held that similar violations had there laid it liable to injunction. Still another decision appears against it in a triple damage suit by *Gibson Canning Co.* (in 1 F. Supp. 242). With judgments against it aggregating nearly half a million dollars, in three suits alone, and with these judgments increasing rather than decreasing in size since the Robinson-Patman Act, it would seem opportune for this concern to awaken to the conclusion that the act is not a dead letter.

In *Elizabeth Arden Sales Corporation* v. *Gus Blass Co.* ((C. C. A. 8, 1945) 150 F. (2d) 988), the latter concern recovered triple damages against Arden at the rate of $10 a week for 101 weeks, total $3,030, plus fees and costs, based on the fact that, in violation of both sections 2 (d) and 2 (e) of the Clayton Act (added by the Robinson-Patman Act), over that period of time, Arden had paid only half the weekly salary of a personal demonstrator for its products in plaintiff's store, whereas it had paid the full salary of such a demonstrator in another store competing with plaintiff's in the same city.

In *Kentucky-Tennessee Light & Power Co.* v. *Fitch et al.* ((district court, Kentucky, 1941) 37 F. Supp. 728; (1946) 63 F. Supp. 989; affirmed 136 F. (2d) 12), the court found actual damages of $58,788.01, and awarded judgment for triple damages in the amount of $176,364.03 to the power company, against Nashville Coal Co., based on brokerage allowances which the coal company has secretly paid Fitch personally on coal purchased by him in behalf of the power company, of which he was at the time president, even though he had kept the allowances for himself and had not turned them over to the power company.

In *American Cooperative Serum Association* v. *Anchor Serum Co.* ((district court, Illinois, 1941) 38 F. Supp. 313; affirmed with modification, 153 F. (2d) 907), the court found actual damages of $4,439.31 and awarded triple damages of $13,347.93, for volume discounts below its published schedule granted by Anchor on hog-cholera-serum sales to its county farm bureau customers which enabled them to sell to their customers at 65 cents per cubic centimeter, as against plaintiff company's price of 75 cents per cubic centimeter to the same customers. The schedules were published under marketing agreements with the Department of Agriculture under the Anti-Hog-Cholera-Serum Act of 1935, but the decision was on the ground, not that discounts violated that act but that they were in volation of the Robinson-Patman Act.

Other triple-damage suits for violations of this act, with decisions in procedural stages, so far favorable to the plaintiff, include:

*Midland Oil Co.* v. *Sinclair Refining Co.* ((district court, Illinois, 1941) 41 F. Supp. 436), in which the refining company is charged with discriminatory prices in sales of its gas and oil to a customer who is also a customer of the Midland company. The court refused to dismiss the suit on defendant's motion, holding that defendant was in interstate commerce even though plaintiff was not, and that plaintiff might therefore have relief against defendant's injuries done in that commerce.

*Louisiana Farmers Protective Union* v. *Great A. & P. Tea Co.* ((from U. S. district court, Iowa) (C. C. A. 8, 1942) 131 F. (2d)), a suit for triple damages aggregating over $8,000,000 plus fees and costs, for discriminatory and other practices in restraint of trade in the purchase and distribution of strawberries grown by the union's members. The lower court had dismissed the suit, without leave to amend; but the circuit court of appeals held that the complaint stated the essential elements of a good cause of action, and plaintiffs must be given opportunity to perfect it and substantiate it by evidence.

*Barnes Coal Corporation* v. *Retail Coal Merchants' Association* (from United States district court, Virginia, 43 F. Supp. 309; C. C. A. 5, 128 F. (2d) 645), a triple-damage suit for violations of the Robinson-Patman Act, which the district court had dismissed as barred by the Virginia statute of limitations. The appellate court held that the lower court had used the wrong statute and that the action was still good, sending it back for further proceedings.

*Atlanta Brick Co.* v. *O'Neal* ((United States district court, Texas, 1942) 44 F. Supp. 39), for triple damages for price discriminations in the sale of brick. The court denied defendant's motion to dismiss, thus holding the action good upon the facts alleged.

*Weinberg* v. *Sinclair Refining Co.* ((United States district court, northwest, 1942) 48 F. Supp. 203), for price discriminations in the sale of gas and oil. Here, too, the court denied the defendant's motion to dismiss.

*Stewart-Warner Corporation* v. *Staley* ((United States district court, Pennsylvania, 1941) 42 F. Supp. 140), in which Stewart-Warner brought suit in equity against a debtor in reorganization, to which Staley, as trustee for the debtor (Universal Lubricating Systems, Inc.) filed a counterclaim for damages in excess of $2,000,000, charging in his third count that plaintiff had discriminated in price between purchasers of lubricating equipment, injuring and preventing defendant's competition in the sale of such equipment to General Motors and other auto dealers, as well as to various farm, industrial, and aeroplane machinery manufacturers, compelling defendant to abandon a trade with them that had lasted through 1934–37. The court denied plaintiff's motion to dismiss the counter claim, holding that it stated a good cause of action under the antitrust laws.

ENFORCEMENT THROUGH THE FEDERAL TRADE COMMISSION

Court decisions on review of orders of the Federal Trade Commission for the enforcement of the Robinson-Patman Act appear in the circuit courts of appeals, with reviews by the Supreme Court of the United States. Among them we find:

*Biddle Purchasing Co.* v. *F. T. C.* ((C. C. A. 2, 1938) 96 F. (2d) 687, cert. denied, 305 U. S. 634), sustaining the Commission's order against Biddle's collection of brokerage from selling manufacturers on its purchases for its subscribing grocery stores. Biddle was an independent corporation, unaffiliated with any of the buyers or sellers concerned, but sold its services to the stores for which it bought at subscription rates of $25–$50 per month, and passed back to them the brokerage which it received from the sellers pro rata to the buyer's purchasers. The court held it was acting on behalf of its buyer subscribers, and was therefore forbidden by the act to receive brokerage from the sellers.

The Commission moved to enforce this order further in a case of the same name (117 F. (2d) 29 (1941)) by application to the court for citation in contempt based on alleged violations of the order since the court had affirmed it. The court granted a motion for a bill of particulars.

*Oliver Bros.* v. *F. C. C.* ((C. C. A. 4, 1939) 102 F. (2d) 763), condemning brokerage collected under conditions similar to those in the Biddle case on purchases for wholesalers of auto, electric, radio, mill, machine, plumbing, steam, and hardware supplies scattered over the United States. Here, too, Oliver Bros. was an independent house, the purchasing wholesalers subscribed for its services at $25 per month up, and it passed back its brokerage collections to them proportional to their purchases.

*Great A. & P. Tea Co.* v. *F. T. C.* ((C. C. A. 3, 1939) 106 F. (2d) 667; cert. denied 308 U. S. 625). As part of the history of this case, A. & P., the Nation's largest grocery chain, with some 14,800 retail stores, was organized in six geographic divisions, each with a purchasing director, and in numerous subunits for each division, each such unit with a warehouse and also having a purchasing director, also with several central purchasing offices in key cities, each with a purchasing agent. Prior to June 19, 1935—the date of the Robinson-Patman Act, all of these purchasing representatives in buying for A. & P.'s needs for any of its stores collected and received brokerage from the sellers the same as the latter paid to their own brokers on their sales to others, which these representatives paid over to A. & P.

With the enactment of the Robinson-Patman Act, however, A. & P. ordered these purchasing representatives to accept no more brokerage, but directed them instead to negotiate their buying on one of the following bases:

1. At net prices to reflect a reduction from the seller's price levels to others by the amount of the brokerage otherwise payable;

2. Subject to quantity discounts, payable monthly, in amounts equal to the brokerage otherwise payable; or, if sellers were unwilling to contract on either of the above bases; then

3. Sellers to set up escrow accounts for the amounts which would be so due, pending the determination of the legality of such payments under the Robinson-Patman Act.

The court affirmed the Commission's finding that all such allowances were illegal under section 2 (c) of the Clayton Act as amended by the Robinson-Patman Act.

*Webb Crawford Co. and Daniel Brokerage Co.* v. *F. T. C.* ((C. C. A. 5, 1940) 109 F. (2d) 268; cert. denied, 310 U. S. 638): Here, the three men who were at once the controlling stockholders, all the directors, and the principal officers of Webb Crawford Co., a wholesale grocery house, formed a partnership, the Daniel Brokerage Co., which acted as selling brokers for numerous manufacturers and sellers of grocery lines to numerous wholesale grocery houses including Webb Crawford Co., whose purchases through it represented but 10 percent of its total business. Although it concededly acted only for the seller in these transactions, the Commission held, and the courts affirmed, that the brokerage commissions which it collected from the sellers were illegal under the Robinson-Patman Act on sales which it made to Webb Crawford Co., since it was admittedly subject to the control of that house by reason of their common ownership.

*Quality Bakers of America* v. *F. T. C.* ((C. C. A. 1, 1940) 114 F. (2d) 393): Here Quality, the brokerage house, acted as purchasing agent for some 70 member wholesale bakeries, scattered through the Nation, for flour and other food materials from some 200 sellers of such lines, on which it collected brokerage from the latter, half of which it credited to the member buyers whose purchases had produced them, the other half to its general revenues from the net balance of which remaining it paid an 8 percent dividend to its members. Such brokerage was held forbidden, since Quality, regardless of any value of its services to the sellers, was in fact a purchasing agent for its members, and the act

forbade it from thus attempting to serve two masters.

*E. B. Muller* v. *F. T. C.* ((C. C. A. 6, 1944) 142 F. (2d) 511): Here the two respondents (including Heinrick Franck Sons, Inc.), both of them controlled by David McMorran, had a monopoly of the granulated chicory production and trade in the United States, their only competitor for a small sector of the trade being R. E. Schanzer, Inc., of New Orleans. To crush this competition, Franck sold at 11 cents per hundredweight below cost in the New Orleans market for the 6 months ending June 30, 1936, and at cost or slightly below for the 8 months ending March 31, 1937, and elsewhere at higher prices sufficient to yield a general profit. Muller's business as a whole showed net losses of 18 cents per hundredweight in 1936, and 8 cents per hundredweight in 1937, such losses showing up as less outside the New Orleans market where Schanzer's competition was not confronted. Such pricing was held discrimination in violation of the Robinson-Patman Act.

Why the Department of Justice has never proceeded against this Nation-wide and practically absolute monopoly, notorious since 1919, is one of the inscrutable questions of government. In that year David McMorran, then together with his father controlling owners of Muller, purchased the Franck stock at public auction from the Alien Property Custodian, after a hearing and order by the Federal Trade Commission which imposed as a condition that he dispose of his holdings in Muller and resign as its officer and director. His gesture to satisfy the condition consisted in selling the Muller holdings to his father, to his attorney, and to a personal friend, buying it all back by 1924, together with that which his father had independently owned in the name of his wife, but with money which he furnished her for that purpose. The wife is a mere figurehead in the management of the companies, and David McMorran dominates both companies. These facts are all recited in the above decision.

*A. E. Staley Mfg. Co.* v. *F. T. C.* ((C. C. A. 7, 1944), 144 F. (2d) 221); *F. T. C.* v. *Staley Mfg. Co.* ((1945) 324 U. S. 746): Here the Circuit Court of Appeals set aside, but was reversed by the Supreme Court, which affirmed and ordered obeyed a Commission order against the so-called basing-point system of pricing used by the Staley Co. in its sales of glucose, holding that this system resulted in different prices to different competing purchasers located on different price basing points, bearing no relation to any differing costs involved in the sales compared, and that such pricing was accordingly contrary to the nondiscrimination provisions of the Robinson-Patman Act.

*Corn Products Refining Co.* v. *F. T. C.* ((C. C. A. 7, 1944); 144 F. (2d) 211); affirmed by Supreme Court, 324 U. S. 726, affirming the Commission's order and holding illegal similar basing-point prices on glucose as used by this respondent. The Commission also found other discriminations in use:

1. In leaving old prices available to favored customers longer than to others after the announcement of a coming price advance.

2. In discounts granted to favored customers on byproducts, such as gluten feed and meal, starch and starch byproducts, which served to attract customers away from respondent's competitors.

3. In advertising done for Carter Candies ($750,000 worth in 1936–39), a large glucose and dextrose customer, but not offered proportionately for other customers, in violation of section 1 (c) of the act (sec. 2 (c) of the Clayton Act as so amended).

*Samuel H. Moss* v. *F. T. C.* ((C. C. A. 2, 1945) 148 F. (2d) 378 cert. denied 326 U. S. 734; rehearing denied 326 U. S. 809): These decisions affirmed a Commission order against discriminatory prices granted to some of respondent's customers in the District of Columbia. Respondent showed only that it charged prices low enough "to get the business," but showed no supporting differences in cost. The Commission and courts held that its burden was to show that, if doing it to meet competition, it charged a price only low enough to meet competing prices, but no lower.

After the Supreme Court's decision, the Circuit Court of Appeals further denied a motion by respondent to modify the Commission's order. (155 F. (2d) 1016 (1946)).

*Modern Marketing Service* v. *F. T. C.* ((C. C. A 7, 1945), 149 F. (2d) 970): This, like the Webb Crawford case, was a proceeding against brokerage allowances by the sellers to a brokerage concern formed by personnel identified with the buyers, who received the proceeds of its brokerage collections in the form of advertising allowances, trade-mark leases, etc. It embraced as respondents:

As selling concerns which paid the brokerage: Diamond Match Co., Morton Salt Co., Quaker Oats Co., Ralston Purina Co., Wesson Oil and Snowdrift Sales Co., and Procter & Gamble Distributing Co., and as buying concerns sharing in the benefits of the brokerage payments: S. M. Flickinger Co., Juillard Cockcroft Corp., Laurans Bros., West Coast Grocery Co., H. G. Wooten Grocery Co., Nash Finch Co.

The above buying concerns were also the stockholders owning Red and White Corp., through which, prior to the Robinson-Patman Act, they had made their purchases, and which, in the guise of broker, had collected commissions from the sellers on such purchases and paid its proceeds over to such buyers. After the act, about October 1, 1936, Modern Marketing Services was organized and manned by officers and employees of Red and White, and succeeded to its purchasing functions and brokerage collections thereon. Red and White leased to Modern Marketing its brands, trade marks, etc., for $30,000 a year, and Modern Marketing granted advertising allowances to the members concerns who purchased through it. Thus, out of a total of $320,658.56 in brokerage receipts in 1937, Modern Marketing, after defraying the expenses of its business, paid to Red and White its leases rental of $30,000, and to its stockholders, the above concerns for which it had rendered purchasing services, a total of $135,712.85.

The Court sustained the Commission's finding that Modern Marketing was agent acting in fact in behalf of the buyers, and that such brokerage allowances were accordingly in violation of the Robinson-Patman Act (Clayton Act, sec. 2 (c)).

*F. T. C.* v. *Herzog* ((C. C. A. 2, 1945) 150 F. (2d) 450): The Commission instituted this proceeding to enforce its order against Herzog's acceptance of 5 percent commissions from sellers on its purchases of fur garments for its own account and as agent for some 80 other purchasers; retailers and department stores located in several States. The order had been issued upon the Commission's complaint and respondent's answer thereto admitting the allegations, including their capacity as agents for the sellers. Respondent, in answer to the court action, now claims that since the order it has acted only as agent for the sellers, and that they are accordingly independent brokers not subject to the Robinson-Patman Act. The Court remanded the case to the Commission to take evidence on the questions of fact as to the nature and extent of the violations since the Commission's order.

*Southgate Brokerage Co.* v. *F. T. C.* ((C. C. A. 4, 1945) 150 F. (2d) 607; cert. denied 326 U. S. 774): Here the brokerage company did a regular brokerage business for the sellers concerned, which the Commission's order did not disturb. But it also did a large independent distributing business, about 60 percent of its total, in the course of which it collected on much of its purchases from manufacturers and other sources of supply, brokerage commissions or allowances or discounts in lieu thereof. The Court sustained the Commission's finding that these were illegal under the Robinson-Patman Act.

*Elizabeth Arden, Inc.* v. *F. T. C.* ((C. C. A. 2, 1946) 156 F. (2d) 132): Here the Court sustained the Commission's order against the grant of advertising allowances, in violation of section 2 (e) of the Clayton Act (added by the Robinson-Patman Act), in the form of personal demonstrators paid by Arden and stationed in the stores of some only of its customers to demonstrate its products and promote their sales to such stores' customers.

The Court here cited the decision of the Eighth Circuit Court of Appeals, against the same concern, in *Elizabeth Arden Sales Corp.* v. *Gus Blass Co.* ((C. C. A. 8, 1945) 150 F. (2d) 988), in which the Gus Blass Co. had recovered triple damages based on the difference of $10 a week, for 101 weeks between the half-salary which Arden had paid for this concern's demonstrator, and the full salary which it had paid to a competitor in the same city. (Total damages, $3,030 plus fees and costs).

*Atlas Portland Cement Co.* v. *F. T. C.* (C. C. A. 7, 1946), *Cement Institute* v. *F. T. C.* (157 F. (2d) 533); reversed and the Commission's order affirmed in three hundred and thirty-three United States, page 683.

The order here sustained by the Supreme Court was against the use of the basing-point system of pricing in the cement trade, resulting, as in the Staley case above, in different prices by the same seller to different competing customers located in different basing-point territories, with no related differences in underlying costs, and amounting therefore to price discriminations in violation of the Robinson-Patman Act.

*Morton Salt Co.* v. *F. T. C.* ((C. C. A. 7, 1947) 162 F. (2d) 949); reversed and the Commission's order sustained (334 U. S. 37). Here the Supreme Court sustained a Commission order against price discriminations among the salt company's customers, resulting from the following price schedule:

To buyers in less than carload lots, $1.60 per case.

To buyers in carload lots, $1.50 per case, but to buyers of 5,000 cases or more per year, $1.40 per case, and to buyers of 50,0000 cases or more per year, $1.35 per case.

Only five customers had ever qualified in the 50,000 case bracket, while less than 1 percent of them in number fell in the less than carload lots bracket; but the company made no showing of corresponding underlying differences in cost. The Supreme Court sustained the Commission's finding of discrimination, contrary to the Robinson-Patman Act, as to all the discounts.

*Standard Oil Co.* v. *F. T. C.* ((C. C. A. 7, 1949), 173 F. (2d) 210). Here Standard Oil sold gas to four jobber-retailer dealers in the Detroit area at 1½ cents a gallon lower than to other retail dealers in that area, which enabled them to resell to their retail dealer customers at one-half to 1 cent per gallon less than their competing retailers had to pay. This was held in violation of the price-discrimination clause of the Robinson-Patman Act (sec. 2 (a) of the Clayton Act as so amended).

There is no provision for criminal proceedings to enforce the Clayton Act or its amendment by the Robinson-Patman Act. Section 3 of the latter act contains a criminal clause, but that section is not made an amendment to the Clayton Act, and consequently does not succeed to the other remedies afforded generally by the Clayton Act.

In the criminal proceeding under the Sherman Act, however, for conspiracy to restrain and monopolize portions of the food trade (*U. S.* v. *N. Y. Great A. & P. Tea Co.* ((United

States district court, Illinois, 1946), 67 F. Supp. 626); ((C. C. A. 7, 1949) 173 F. (2d) 79), in which A. & P. and several of its subsidiaries, certain of its officers, also Carl Byoir, its public relations counsel, and Business Organization, Inc., a corporation through which Byoir conducted such public relations, were all convicted, defendants sought to introduce evidence of the measures they had taken in their alleged attempt to comply with the Robinson-Patman Act. This was rejected on the ground that it was not that act that they were charged with violating. Both the lower and the appellate court, on the other hand, describe interestingly and at length the complete A. & P. hierarchy of top holding and subsidiary companies, its operating divisions, warehouses, and their purchasing agencies, and the various and successive techniques used by A. & P. to get a lower price than its competitors:

1. Before the Robinson-Patman Act, by the insistence that sellers pay it from 1 percent to 5 percent brokerage on all its purchases from them, "except on brokerages received from meat packers, which was outlawed in 1934 (under the Packers and Stockyards Act; *Trunz Pork Stores* v. *Wallace*, ((CCA 2) 70 F. (2d) 688), this system continued until 1936, when it was made illegal by the Robinson-Patman Act (15 U. S. C. A., sects. 13, 13 (a), 13 (b), 21 (a)). In 1935, gross revenue from this source amounted to $2,500,000."

2. After the Robinson-Patman act—

(a) By demanding reductions in price from suppliers by the amount of the brokerage formerly payable; outlawed by the Federal Trade Commission order sustained by the third C. C. A. in *Great A. & P. Tea Co.* v. *F. T. C.* (106 F. (2d) 667), above.

(b) Thereafter by direct buying, coupled with refusal to buy from anyone who sold through a broker, either to itself or to anyone else, in attempt to drive the brokers from the field, thus also cutting off the supply of smaller wholesalers and retailers who depended upon them for their supplies.

(c) By the creation of a wholly owned subsidiary, the Atlantic Commission Co., to buy its needs of fruit, vegetables, and produce, acting also as selling and buying broker for the rest of its trade, and receiving on all its dealings the usual brokers fees, which went to A. & P. as its sole owner. After abandoning the collection of commissions on its purchases for A. & P., this company also used the techniques above described as used by A. & P. in its purchases of other lines.

(d) Cash buying, with payment in advance, at point of shipment, and the usual lower rate, than term buying paid on delivery with risks to that point borne by the shipper, but in this case loaded by contract onto the cash seller instead.

(e) Purchases on a "sales arrival" basis, under which the shipment was made on consignment, and on its arrival A. & P. or its subsidiary ACCO wired the shipper its price offer on a take it or leave it basis but, in the case of perishable products, leaving the shipper in practical effect helpless to seek another buyer if dissatisfied with the price. This method was favoritely used in times of falling market, to place on the shipper the risk of price changes between shipment and arrival.

(f) Sales by ACCO to other jobbers at the carload price, but with agreement that it might buy back for A. & P. less than carlot portions at the same price rate, thus enabling A. & P. to get less than carload lots shipments at the carload price; also to sell to jobbers and collect the commission thereon, simultaneously rebuying less than carload lots portions thereof for A. & P., thus not only getting them at the lower carload rate, but also getting the equivalent of a commission rebate on them.

These and other such practices were described and reviewed by the court, not, however, as constituting violations of the Robinson-Patman Act, with which defendants were not charged, but as incidents and aids in its conspiracy and scheme to restrain trade and promote its attempt to acquire a monopoly on food products.

PRIVATE SUITS FOR INJUNCTION

There have been no successful private suits, and but few of them in any case, for injunction against violations of the Robinson-Patman Act amendments to the Clayton Act—perhaps for the convincing reason that ordinarily the same evidence that would sustain such a suit will also sustain a suit for triple damages, from which the plaintiff will stand to recover not only thrice the amount of his losses, but reimbursement also for his counsel fees in connection with the litigation, whereas in an injunction suit, even if successful, he will not.

GOVERNMENT SUITS FOR INJUNCTION

Neither have there been any Government suits for injunction against such violations. "Why," does not so readily appear. Responsibility for its enforcement is laid by the Clayton Act as heavily upon the Attorney General as upon the Federal Trade Commission. Where in section 11 it directs the Commission to launch its proceedings leading to a cease-and-desist order against violations found, in section 15 it directs in equally imperative terms that "it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations." In former years the Department of Justice frequently launched injunction proceedings based in whole or in part on the Clayton Act, and they still do so as to section 3 (restrictive leases or sales requiring the other party not to deal with a competitor of the first), section 7 (acquisition of stock control in a competitor to the injury of competition between the two), and section 8 (interlocking directorates in banks and trust companies exceeding defined limits in size) of the Clayton Act. This alone is sufficient answer to the dictum of Mr. Justice Jackson in *Bruce's Juices* v. *American Can Co.* (330 U. S. 743) that—

"It [the Robinson-Patman Act] indicates, too, that the Federal Trade Commission is the appropriate tribunal to hear in the first instance the complicated issues growing out of grievances against a quantity discount practice of a seller"; also, "The economic effects on competition of such discounts are for the Federal Trade Commission to judge. Until the Commission has determined the question, courts are not given guidance as to what the public interest does require concerning the harm or benefit of these quantity discounts on the ultimate public interests sought to be protected by the act. It would be a far-reaching decision to outlaw all quantity discounts. Courts should not rush in where Congress feared to tread."

The obvious answer is that Congress in its tread did not fear to declare, in section 15 of the Clayton Act, that it should be the duty of the Attorney General to enforce the act by injunctive proceedings in equity, equally with the Federal Trade Commission by cease-and-desist orders under section 11, equally also with leave to private parties to recoup their injuries through triple-damage suits under section 4. The Robinson-Patman Act says nothing whatever about machinery for its enforcement. It merely amends section 2 of the Clayton Act, and succeeds to the provisions of law for the enforcement of that section as well as of the rest of the Clayton Act.

In every antitrust suit, civil or criminal, that the Government has brought since the enactment of the Sherman Act, the courts have had to deal with complex questions of the economic effect of the conspiracies and practices charged upon business and markets of competitors in the field, frequently upon a Nation-wide magnitude not approached by any of the Robinson-Patman Act cases above reviewed. Why Mr. Justice Jackson should so suddenly see the courts staggered by such a task in suits under that act is difficult to discern. Certainly they cannot escape it when a private party sues for his triple damages or for his private injunction for violations of the act. He is not obliged to go first to the Federal Trade Commission and get their determination upon the facts before he can bring his suit in court.

Yet the Government has brought no injunctive proceeding for the separate enforcement of section 2 of the Clayton Act since its amendment in 1936 by the Robinson-Patman Act. Why they have laid off since its provisions have been thus strengthened is yet to be explained.

That the Goverment has not in the past felt impelled to await determinations of the Federal Trade Commission before proceeding directly for the enforcement of provisions of the Clayton Act is apparent from the following long list of cases in which they have done so, either separately or in conjunction with charges of violation also of the Sherman Act.

GOVERNMENT SUITS FOR INJUNCTION AGAINST VIOLATIONS OF OTHER PORTIONS OF THE CLAYTON ACT

*United States* v. *United Shoe Machinery Co.* (filed October 18, 1915, United States district court, Missouri), based on tying clauses in defendants' leases of machinery, in violation of section 3, Clayton Act. Preliminary injunction granted (227 Fed. 507); defendants' motion to dismiss overruled (234 Fed. 127); final decision, making the injunction permanent (264 Fed. 138); affirmed by the Supreme Court (258 U. S. 451 (1922)).

*U. S.* v. *A. Schader's Son, Inc.* (filed August 31, 1922, United States district court, New York), based in part on price discriminations and tying sales in the sale of brass fittings used on automobile tires and tubes, in violation of sections 2 and 3, Clayton Act. Final injunction decree granting full relief entered July 14, 1923.

*U. S.* v. *Lower Producers Co-operative Association of New York, Inc., et al.* (filed December 15, 1925, United States district court, New York), charging violations of the Clayton Act as well as of the Sherman Act. Consent decree fully enjoining the practices complained of, entered January 15, 1926.

*U. S.* v. *Ward Food Products Corporation, et al.* (filed February 13, 1926, United States district court, New York), to enjoin violations of section 7, Clayton Act, through stock acquisitions in competing chain grocery stores and other companies engaged in the transportation of milk and other dairy products, ice cream, and similar frozen products. Consent decree entered March 4, 1926, granting full relief.

*U. S.* v. *National Gum & Mica Co., et al.* (filed February 18, 1927, United States district court, New York), based on acquisitions of stock in competing companies engaged in the manufacture of adhesive compounds (vegetable pastes and glues), in violation of section 7, Clayton Act. Consent decree entered May 27, 1927, requiring defendant to dispose of its stock in General Adhesive Manufacturing Co., and granting further relief sought by the Government.

*U. S.* v. *Gillette Safety Razor Co., et al.* (filed August 4, 1927, United States district court, New York), alleging a combination and conspiracy with the United, Schulte, and Liggett chain-store systems in restraint of trade in safety razors and blades, also price discriminations in violation of section 2, Clay-

ton Act. Consent decree against the practices complained of, entered the same day.

*U. S.* v. *N. V. Amsterdamsche Chininefabriek et al.* (filed March 29, 1928, United States district court, New York), alleging violations of the Sherman Act, the Clayton Act and the Wilson Tariff Act, in the importation and sale of Cinchona bark and quinine derivatives in the United States, including charges of price distrimination contrary to section 2 of the Clayton Act. Consent decree entered March 2, 1929.

*U. S.* v. *General Outdoor Advertising Co. Inc.* (filed July 23, 1928, United States district court, New York), based in part on an illegal interlocking directorate in violation of section 8, Clayton Act. Consent decree entered during the course of the trial, May 7, 1929.

*U. S.* v. *Bates Valve Bag Corporation* (filed January 4, 1929, United States district court, Delaware), charging the imposition of restrictions as to the use and purchase of valve bags upon the users of Bates filling machines, in violation of section 3, Clayton Act. Motion to quash service upon certain defendants denied (39 F. (2d) 162). Consent decree entered January 30, 1931, declaring the contracts null and void, and perpetually enjoining the further operation of the combination.

*U. S.* v. *Fox Theatres Corporation, et al.* (filed November 27, 1929, United States district court, New York), based on the acquisition by Fox Film Corp. of a controlling stock interest in Loew's, Inc., in violation of section 7, Clayton Act. Consent decree entered April 15, and supplemental decree July 10, 1931, requiring divestment of this control of Loew's, Inc., and appointing disinterested trustees to administer the divestment. Trustees discharged March 11, 1935, on completion of the divestment.

*U. S.* v. *Warner Bros. Pictures, Inc., et al.* (filed November 27, 1929, United States district court, New York), charging Warner Bros.' acquisition of stock control of First National Pictures, Inc., in violation of section 7, Clayton Act. Dismissed June 5, 1934, at instance of the Government.

*U. S.* v. *International Business Machines Corporation* (filed March 26, 1932, United States district court, New York), charging the use of tying agreements, in connection with the lease of defendants' tabulating machines, requiring lessees either to use the tabulating cards made by defendant, or to pay an increased rental for the machines, in violation of section 3, Clayton Act. Decision declaring the tying clauses illegal and void (13 F. Supp. 11), and decree perpetually enjoining further enforcement of the agreement entered December 25, 1935. Affirmed by the United States Supreme Court, April 27, 1936 (298 U. S. 131).

*U. S.* v. *Republic Steel Corporation, et al.* (filed February 7, 1935, United States district court, Ohio), against the proposed merger of Republic with McKinney Steel Corp. and its subsidiaries, as in violation of section 7, Clayton Act. Merger declared legal (11 F. Supp. 117), and petition dismissed June 14, 1935.

*U. S.* v. *Wm. G. Mather et al.* (filed February 7, 1935, United States district court, Ohio), against Mather and six other persons, and 10 competing steel companies, charging interlocking directorships among various of the companies in violation of section 8, Clayton Act. Following resignation of most of the interlocking directors from their multiple boards, decree of dismissal entered without prejudice, December 2, 1935.

*U. S.* v. *Columbia Gas and Electric Corporation* (filed March 6, 1935, United States district court, Delaware), charging a conspiracy to restrain trade, under the Sherman Act, and the acquisition of the securities of Pan Handle Eastern Pipe Line Co., a utility competing in the production and sale of natural gas, in violation of section 7, Clayton Act. Consent decree entered January 29, 1936, enjoining the combination and requiring divestiture of the securities, and appointing a trustee to effectuate the latter.

*U. S.* v. *Hartford-Empire Co.* (filed December 11, 1930, United States district court, Ohio) against 10 corporations manufacturing glassware or controlling patents on glass-making machinery, also a trade association of glass manufacturers, and 101 individuals, charging agreements in restraint of trade, including unreasonable restrictions upon the production and distribution of machinery in violation of the Clayton Act. After trial, decision awarding comprehensive relief (46 F. Supp. 541). Affirmed with modifications by the Supreme Court (323 U. S. 386), with clarifying opinion (324 U. S. 570).

*U. S.* v. *Masonite Corporation et al.* (filed March 11, 1940), charging restraints under the Sherman Act, also the licensing of Masonite's patents for the making of hardboard upon licensees' agreement not to make competing forms of hardboard, in violation of section 3, Clayton Act. Dismissal below (40 F. Supp. 852) reversed in the Supreme Court, which held the agreements an illegal enlargement of the patent monopoly (316 U. S. 265); rehearing denied (316 U. S. 713). Final injunction decree entered October 21, 1942.

*U. S.* v. *Johns-Manville Corporation et al.* (filed June 24, 1940, United States district court, Illinois), charging the use of patent rights to force contractors to purchase mineral wool only from the defendants, in violation of section 3, Clayton Act, and trade agreements among the defendants in violation of the Sherman Act. Motion to dismiss denied, but the Government required to amend to state separately its claims under the Sherman and Clayton Acts (37 F. Supp. 291). Dismissal without prejudice entered on the Government's motion, August 15, 1944.

*U. S.* v. *Pullman Co.* (filed July 12, 1940, United States district court, Pennsylvania), charging a conspiracy in violation of the Sherman Act, and that the Pullman Co. required the railroads to deal exclusively with it, in violation of section 3, Clayton Act. Decision for the Government below (50 F. Supp. 123 (1943)); elaborated in 53 F. Supp. 908, 55 F. Supp. 985. Sale of the Pullman stock to the railroads approved (64 F. Supp. 108 (January 4, 1946)). On appeal by the Government to the Supreme Court, affirmed by an equally divided court (330 U. S. 806).

*U. S.* v. *American Optical Co.* (filed September 16, 1940 United States district court, New York), charging a conspiracy to fix prices under the Sherman Act, also the tying of sales of unpatented goods to their sales of patented goods, against section 3, Clayton Act. At request of the War and Navy Departments, the trial was adjourned, October 26, 1942, for the duration of the war.

*U. S.* v. *American Petroleum Institute* (filed September 30, 1940, United States district court, District of Columbia), against 22 major and 344 secondary oil companies, alleging a conspiracy under the Sherman Act, also violations of sections 2 and 3, Clayton Act. Forty-eight defendants dismissed, January 2, 1942, 70 on July 16, 1946, and 23 on July 19, 1946. No further report of proceedings.

*U. S.* v. *General Motors Corporation* (filed October 4, 1940, United States district court, Illinois), against General Motors and General Motors Acceptance Corp., alleging a conspiracy to coerce automobile dealers to finance car sales through the acceptance corporation, in illegal restraint of trade under section 1, Sherman Act, and practices in connection therewith in violation of sections 2, 3, and 7, Clayton Act. Case continued to allow defendants to take depositions from dealers throughout the United States.

*U. S.* v. *General Electric Co.* (filed January 27, 1941, United States district court, New Jersey), charging, under sections 1 and 2, Sherman Act, 3 of the Clayton Act, and 73 of the Wilson Tariff Act, a conspiracy and practices in aid thereof in restraint of trade in incandescent electric lamps, glass bulbs, tubing, cane, argon gas, and various equipment and electrical machinery in connection with the manufacture thereof.

On May 15, 1941, Hygrade Sylvania Corp. filed a cross-claim against defendants General Electric and Corning Glass Works for triple damages in the amount of $3,750,000.

Consent decrees entered against Westinghouse Electric & Manufacturing Corp., April 10, 1941. Trial against the remaining defendants began June 22, 1942, but adjourned for the war, February 10, 1943, at request of the Army and Navy Departments, resumed March 11, 1945. Meantime, consent decree entered against Corning Glass Works, March 7, 1946. Finally dismissed as to remaining defendants, October 31, 1946.

*U. S.* v. *Alba Pharmaceutical Co., Inc.* (filed September 5, 1941, United States district court, New York), charging a conspiracy with several German corporations to restrain trade in pharmaceutical products, and including practices in violation of section 7, Clayton Act. Consent decree entered September 5, 1941.

*U. S.* v. *Schering Corporation* (filed December 17, 1941, United States district court, New Jersey), against four corporations and five of their officers, engaged in the manufacture and sale of hormones and hormone products, charging an illegal conspiracy under the Sherman Act, and in connection therewith practices in violation of section 7, Clayton Act. Consent decree entered December 17, 1941.

*U. S.* v. *Swiss Bank Corporation* (filed December 17, 1941, United States district court, New Jersey), charging defendant with acquisition of stock control of an American corporation in behalf of a Swiss company which also was parent to another company, which was in competition with the acquired company, in violation of section 7, Clayton Act. Consent decree entered December 17, 1941, requiring divestiture of the acquired company.

*U. S.* v. *Whitehead Brothers Co.* (filed January 7, 1942, United States district court, New York), charging a conspiracy in restraint of trade in bentonite (an unpatented product of natural clay used in the foundry industry), in violation of the Sherman Act, effectuated partly through restrictive patent licenses relating to its use in mixture with foundry sand, so as to require licesees to purchase all their bentonite from the defendants, in violation of section 3 of the Clayton Act. Consent decree entered January 7, 1942.

*U. S.* v. *Associated Press* (filed August 8, 1942, United States district court, New York), against Associated Press, 18-member newspaper owners, its 18 directors, and all the remaining members of Associated Press as a class, charging its bylaws as amounting to an agreement for the exclusion of competitors from its news service, illegal under the Sherman Act, also its acquisition of all the stock of a news-picture service corporation, as in violation of section 7, Clayton Act. Decision for the Government under the Sherman Act, and for Associated Press under the Clayton Act, rendered October 6, 1943 (52 F. Supp 362); affirmed by the Supreme Court (326 U. S. 1).

*U. S.* v. *Parker Rust Proof Co.* (filed February 1, 1943, United States district court, Michigan), charging a conspiracy in restraint and monopoly of trade in chemical rust-proofing and priming materials, illegal under the Sherman Act, and in connection therewith tying clauses in its patent licensing agreements requiring its purchasers not to use or deal in like products of other manufacturers, in violation of section 3 of the

Clayton Act. Decision after trial, denying relief except to declare illegal defendant's agreement with American Chemical Paint Co. and enjoining enforcement of the patent rights secured thereby (61 F. Supp. 805).

*U. S.* v. *Libby-Owens-Ford Glass Co.* (filed May 23, 1945, United States district court, Ohio), against 9 manufacturers, 16 of their officers, and a trade association, for conspiracy to restrain and monopolize the production and sale of flat glass, illegal under the Sherman Act, and in connection therewith practices in violation of sections 2, 3, and 7 of the Clayton Act. Final decree against Corning Glass Works entered August 22, 1946. Still pending as to remaining defendants.

*U. S.* v. *International Salt Co.* (filed July 26, 1945, United States district court, New York), charging the use of restrictive patent lease agreements requiring lessees to purchase their salt from defendant or relinquish the patented devices. Government's motion for summary judgment granted November 21, 1946.

*U. S.* v. *Consolidated Car Heating Co.* (filed December 27, 1945, United States district court, New York), charging violation of section 1 of the Sherman Act and section 3 of the Clayton Act, through defendant's use of restrictive patent license agreements for the use of its patented electric casing machine (used in making dentures from metal alloys), requiring licensees to purchase also from defendant exclusively all their requirements of various unpatented dental equipment and supplies. At last report, set for trial March 14, 1947.

*U. S.* v. *Owens-Illinois Glass Co.* (filed April 17, 1946, United States district court, California), under the Sherman Act and section 3, Clayton Act, charging the use of tie-in clauses in leases of defendant's vacuum closing machinery (used principally in packing coffee in glass containers), of which it manufactures 75 percent of the Nation's total supply, requiring lessees also to use only the glass containers and closures manufactured by defendant. Consent decree entered September 18, 1946.

*U. S.* v. *Linde Air Products Co.* (filed May 2, 1946, United States district court, Illinois), under the Sherman Act and section 3, Clayton Act, charging illegal tie-in clauses for the use of collateral products in licensing use of defendant's arc welding process.

*U. S.* v. *White Cap Co.* (filed May 14, 1946, United States district court, Illinois), under the Sherman Act and section 3, Clayton Act, charging the illegal leasing of container-sealing machinery only on condition that lessee food packers use only vacuum caps of its manufacture, of which it furnishes 85 percent of the supply used in packing vegetables, fruits, coffee, jams, and other food products. Pending.

*U. S.* v. *Patent Button Co.* (filed July 29, 1946, United States district court, Michigan), under the Sherman Act and section 3 of the Clayton Act, charging that defendant, in leasing its automatic fastening machinery, requires lessors also to use only buttons and fasteners of defendant's supply. Pending.

Similar tie-in clauses were charged in *U. S.* v. *Scovill Mfg. Co.* (filed July 29, 1946, United States district court, Connecticut); *U. S.* v. *Standard Register Co.* (filed July 30, 1946, United States district court, District of Columbia); *U. S.* v. *American Can Co.* (filed August 27, 1946, United States district court, California); *U. S.* v. *Continental Can Co.* (filed August 27, 1946, United States district court, California); *U. S.* v. *Magnaflux Corp.* (filed December 11, 1946, United States district court, California); *U. S.* v. *Bendix Home Appliances, Inc.* (filed December 13, 1946, United States district court, New York); *U. S.* v. *Standard Oil Co. of Calif.* and *Standard Stations, Inc.* (filed January 2, 1947, United States district court, California).

FUTILITY OF REMEDIES OUTSIDE THE LAW

Mr. Speaker, referring again to the Sales Management article, which concludes "that the Robinson-Patman Act as it stands today is as unenforceable as the Volstead Act," Mr. Cumming then poses the question whether the allowances, and so forth, against which it is directed are in fact good business practice and answers it with "a definite and unqualified No."

And in explaining this answer, Mr. Cumming unconsciously reviews and demonstrates the whole reason and rationale for the enactment of this law. They are vicious business practices, but the seller, unsupported by the prohibitions of law, is powerless to resist the demand for them by his mass-buyer customers.

"Once you enter into a cooperative agreement," says Mr. Cumming, "you are at the mercy of your retailers. You can rave and rant and swear when you get the tear sheets with the bills attached, but you'll pay them. You'll decide, finally, that it's cheaper to pay them than to lose the account. But you'll wish that you could get your advertising back in your own hands and under your own control."

"What's more, you will get it back there unless competition forces you to continue your cooperative deals."

And he asks, "How, then, can this bad practice be cleared up once and for all so that you won't be forced to do something you don't want to do? There's no use saying, 'There ought to be a law.' There already is a law, and that certainly has not solved the problem."

In other words, Mr. Cumming has no quarrel with the numerous cases, above reviewed, in which this law has been successfully enforced against the specific violations involved. He only wishes that every violation might be caught and dealt with accordingly, which differs not a whit from man's perennial dream as to the enforcement of every law that he thinks is a good thing.

He apparently despairs of this, however, and proceeds to some suggestions for clearing up this evil from the inside. "Newspapers can help," he says, but then admits that that would not go far, for the obvious reason that newspapers, like buyers and sellers, in the absence of legal restrictions, shape their policies and regulations in the pattern that they find most profitable. They, too, have their big customers whose accounts they cannot afford to lose. And he finally reaches the naive conclusion:

"Actually, however, the only final solution of the problem is for both retailers and manufacturers to wake up and realize that it's plain, downright good business for both to keep their own advertising standing firmly on its own feet. No matter what the horse-race boys may tell you, it's a basic business truth that you don't get something for nothing."

In other words, the only real cure for evil is for wrongdoers to wake up and realize that wrongdoing does not pay. Yes, if they only would. But who but a child reaching for the moon has any hope that they are likely to do so within the reach of living vision?

Nor is it a basic truth that you don't get something for nothing in the realm of preferential discounts forced from the seller by his mass-buying customers. Wrongdoing does pay, so long as there is no superior power to arrest its devastations against the weak. This Mr. Cumming in fact discerns when he alludes to the fact that the recipient of the advertising allowance so often falls short when it comes to rendering the advertising services for which the seller has ostensibly paid him. And this is reflected in the court's recital of A. & P. practices, in its decision on the criminal conviction of that company and its affiliates (*U. S.* v. *N. Y. Great A. & P. Tea Co.* (67 F. Supp. 626); affirmed 173 F. (2d) 79, reviewed above).

A. & P. always avoided binding themselves to anything specific in return for the allowances and discounts which they wrung from the sellers. As to quantity discounts, they "were reluctant to and seldom did bind themselves to buy specific quantities (district court's opinion, p. 646). By the language of its discount form, A. & P. agreed only to buy "a large quantity of merchandise," and in view of such purchases of these "large quantities," the manufacturer agreed to allow the stated discount. And in 1939, its counsel advised that the statement that a discount was given because of "large quantities" was "definitely misleading."

Likewise, as to advertising allowances, A. & P. avoided binding itself to do any specific kind or quantity of advertising in return for the allowance agreed upon. As to its standard agreement clause for advertising allowances, the court remarks:

"Obviously this permitted indefinite flexible performance, and, from the record, the contract was phrased thus loosely intentionally. The director of purchases of central warned 'we will advertise the product in keeping with the support we feel it is entitled to'. (A rule that would be satisfied by advertising it only as far as A. & P. thought would serve its own marketing advantage.) Mylott wrote August 6, 1941, 'we do not think (we) should be pinned down to any specific sized ad.' Earlier, April 6, 1927, Bofinger stated 'we never agree to any specific support until we have exhausted all possibilities of effecting a deal otherwise.' Gundrey, in October 1940, said 'our agreements are drawn broadly, with no specific performance required but some general support is a legal requisite to justify acceptance of the allowances. * * * if you see the minimum is given, everything should be satisfied'" (Opinion, pp. 649–50).

And this little they gave, mark, only to satisfy what they deemed to be the requirements of the Robinson-Patman Act, not to avoid violating Mr. Cumming's imagined law of nature that "you don't get something for nothing." As to that little, at least, apparently A. & P. didn't consider the act a dead letter. As to its dealings with the soap companies, it said, April 11, 1939:

"We have no obligations to the soap companies and no more cooperation should be given them than necessary in order to qualify for whatever allowances it is felt to be good business to earn" (opinion, p. 650).

The obvious explanation is, of course, that A. & P. wrung from its sellers whatever price and allowance concessions lay within the mass-buying might of its bargaining arm, and had no interest in the name given them or the pretense of return rendered for them except as it might appease the censorious eye of the law. The Court in the above case relates at length the tactics of power that A. & P. employed in pursuit of this end.

"As early as 1927," relates the Court, page 638, "at the request of John Hartford for an expression on pushing A. & P.'s own brands, the minutes recite that the time has arrived for making a 'demonstration in order to safeguard the arrangements which we now have with national manufacturers. * * * national manufacturers * * * will be anxious to keep their arrangements with us attractive so that we would not consider it necessary to go into their lines. * * * coffee would be the best commodity to start out with and White House milk next.

* * * * *

"In March 1927, Canada Dry had withdrawn from sales to A. & P. because of the latter's alleged price cuts in Indianapolis. John Hartford said that an organization

with 15,000 stores was too big to be dictated to, and A. & P. decided to select one of its own competing products, advertise it extensively and price it attractively, to demonstrate that it could establish a competing product. Canada Dry returned to the A. & P. fold and it was announced in 1928 that A. & P.'s emphasis on its private brand had achieved its purpose (opinion, pp. 638–639).

* * * * *

"In February 1926 it was decided that more favorable relationship with the great millers could be established by purchasing A. & P.'s entire requirement of flour on an allowance basis through one source, 'thereby taking advantage of our buying power' (opinion, p. 639).

"The effect of correspondence with Ralston Purina Co. was that A. & P. would have to have a lower price for corn flakes or it would enter into manufacture of cereal itself. * * * Ralston finally offered an additional allowance of 10 cents per case or a total of 17½ cents and A. & P. did not build its plant.

* * * * *

"The Government suggests that concentration of purchases of salmon resulted in price preference to A. & P. of from 5 to 10 cents per case. Other instances of the alleged misuse of A. & P.'s buying power are cited but the ones discussed are illustrative" (opinion, p. 639).

FURTHER AIDS TO ENFORCEMENT

As to what additional measures would promote fuller enforcement of the Robinson-Patman Act, certainly the resumption by the Department of Justice of its enforcement responsibilities through the direct prosecution of suits in equity for injunction, stands foremost.

1. It is more speedy in results than Federal Trade Commission procedure. It ends directly in a decree, violation of which is immediately punishable as contempt. Commission procedure ends only in a cease-and-desist order which, before it can be enforced, must be made the basis of a further court proceeding ending in a decree ordering obedience to it.

2. It is more flexible as to remedial measures available to enforce a decree against the violations involved. The Commission, at the conclusion of its proceeding, can only forbid their repetition. A court of equity, in an injunction decree, can incorporate whatever measures it deems necessary and appropriate to effectuate achievement of the objective of its decree. Thus, in the famous Packers Consent Decree of 1921, against Armour, Swift, Morris, Cudahy, and Wilson, the Nation's five largest meat packing concerns (sustained in *Swift & Co.* v. *U. S.* (276 U. S. 311); *U. S.* v. *California Cooperative Canners* (279 U. S. 553); and *U. S.* v. *Swift & Co.* (286 U. S. 106)), the Court did not stop merely with forbidding in terms the continuance of the methods and practices described in the complaint as those by which the defendants were restraining trade and promoting the acquisition of a monopoly in food products. It incorporated affirmative measures in aid of that end. It required them to dispose of their holdings in public stockyard companies and stockyard market newspapers, and appointed trustees to hold the stock until it should be disposed of. It ordered them to cease carrying grocery products in their meat route cars, and forbade them to engage at all in marketing or selling grocery products at wholesale or retail, or to operate any retail meat markets. It required Swift & Co. to dispose of its stock in Libby, McNeil & Libby, and appointed a trustee to hold that stock, too, until it could be disposed of. In *Standard Oil Co.* v. *U. S.* (221 U. S. 1), and *U. S.* v. *American Tobacco Co.* (221 U. S. 106), the Court not only declared illegal and ordered the discontinuance of the monopolies there found to exist; it ordered them dissolved and required specific plans to that end to be submitted to it for its scrutiny, amendment, and final approval.

3. Such proceedings, if concluded by decree against the defendants would, under section 5 of the Clayton Act, be available as prima facie evidence of such violations in triple-damage suits brought by injured private parties to recoup their own damages. This, however, does not apply where such suits are concluded by consent decrees before any evidence is taken. This has been done in innumerable antitrust cases in the past, and it is knowledge borne by experience in that field, that defendants in antitrust suits by the Government are always anxious to conclude it with a consent decree in order to put an end to the controversy before any evidence is brought to light that would be available to private litigants under the triple-damage provision.

Hence, it would seem also in aid of enforcement, to avoid concluding such suits by consent decrees. The argument of the Department of Justice in support of this practice is that such decrees afford the Government all and sometimes more relief than it could hope for after litigation. But this overlooks that the fundamental purpose of the antitrust laws is the preservation of wholesome competition, and that those who suffer most from violations are the injured competitors, whose only possibility of recovery is to be found in the triple-damage proceedings. Congress, in its express enactment of section 5 of the Clayton Act, showed its intention to help such people by placing at their disposal the aid of antitrust decrees at suit of Government, as prima facie evidence in their suits to recover their private losses. It does not serve this purpose of Congress to conclude Government suits by consent decrees. If the Government has the evidence upon which to prosecute successfully, it should prosecute to adversitive decree; if not, it is an injustice to the defendants to take a decree against them at all. The argument of saving the costs of the litigation to the Government is one that sacrifices the interests of those really injured.

Also, it is well settled that the object of Congress in authorizing triple-damage suits in addition to other procedure against violations of the antitrust laws was to afford this additional stimulus to the bringing of actions for their violation, and thus to promote their enforcement as a measure in the public interest. Again, it lends poor cooperation with that purpose for the Department of Justice to make such ready use of the consent decree for the conclusion of its antitrust litigation.

PROOF OF DAMAGES IN TRIPLE-DAMAGE SUITS

Recent decisions of the courts, however, if and when their significance becomes adequately known to the business world, and widely enough appreciated among the legal profession which serves them, have contributed markedly to facilitate the successful prosection of triple-damage suits by injured competitors.

Thus in *Bruce's Juices* v. *American Can Co.* (330 U. S. 743), though holding that the can company's violations of the Robinson-Patman Act could not be raised in defense against its suit on a note given by its customer for cans purchased, Mr. Justice Jackson in his majority opinion declared point blank: "For despite petitioner's plaint on the difficulty of proving damages, it would establish its right to recover three times the discriminatory difference without proving more than the illegality of the prices. If the prices are illegally discriminatory, petitioner has been damaged, in the absence of extraordinary circumstances, at least in the amount of that discrimination" (opinion, p. 757). This was given effect by the district court in Florida in the subsequent suit by Bruce's Juices for its triple damages, pursuant to the above suggestion of the Supreme Court, *Bruce's Juices* v. *American Can Co.* (87 F. Supp. 985), in which the court found actual damages in the amount of $60,000, to be tripled to a judgment of $180,000 plus fees and costs; also by the district court in Arkansas in *Russellville Canning Co.* v. *American Can Co.* (87 F. Supp. 484), in which actual damages were found in the amount of $125,000, to be tripled in judgment to $375,000, plus fees and costs. (The opinion in this case, incidentally, was by Judge Miller, who, in the Congress that enacted the Robinson-Patman Act, was a member of the House Judiciary Committee that held hearings upon it, and later chairman of the House steering committee on the bill.)

The courts in the above two cases also held that damages in such cases may be found, not alone in the amount of the discrimination granted, but additionally for resulting injury to plaintiff's business and property due to loss of business, loss of competitive position, and injury to its good will. Answering the objection that such damages are not allowable because impossible of accurate computation—impossible of proof, for example, that other causes did not also contribute to such loss of business, etc., and in what amount—the court cited decisions of the Supreme Court to the contrary in *Story Parchment Paper Co.* v. *Patterson Parchment Paper Co.* (282 U. S. 558); and in *Bigelow* v. *RKO Radio Pictures* (327 U. S. 251).

In the latter case, the Court cited its earlier decisions in *Eastman Kodak Co.* v. *Southern Photo Materials Co.* (273 U. S. 359); also in the Story case, above, and said:

"There, as here, the suits were for damages caused by restraints imposed by defendants, in violation of the Sherman Antitrust Act, on the operation of the business of the complainant in each case. In the one case, the defendant, in an effort to extend its monopoly, refused to sell to the plaintiff goods which had regularly been a part of his stock in trade. In the other, the defendants, competing sellers, engaged in destructive price competition with the plaintiff in execution of an unlawful conspiracy. In the first case, the plaintiff sought to establish his damage by comparing his profits before and after the unlawful interference with his business. In the other, the plaintiff sought to show his damage by proof of the difference between the amounts actually realized from his business after the conspiracy became effective, and what, but for the conspiracy, would have been realized by it from sales at reasonable prices, the evidence of which was the amount by which his current prices were higher before the conspiracy than after, and by the extent to which the value of plaintiff's business property had declined after the conspiracy had begun to operate."

And the Court continued:

"In each case we held that the evidence sustained verdicts for the plaintiffs, and that in the absence of more precise proof, the jury could conclude as a matter of just and reasonable inference from the proof of defendants' wrongful acts and their tendency to injure plaintiffs' business, and from the evidence of the decline in prices, profits and values, not shown to be attributable to other causes, that defendants' wrongful acts had caused damage to the plaintiffs. In this we but followed a well-settled principle. See *Hetzel* v. *B. & O. R. R. Co.* (169 U. S. 26, 39, 39). The tortious acts had in each case precluded ascertainment of the amount of damages more precisely, by comparison of profits, prices and values as affected by the conspiracy, with what they would have been in its absence under freely competitive conditions. Nevertheless, we held that the jury could return a verdict for the plaintiffs, even though damages could not be measured with the exactness which would otherwise have been possible."

The Court added this note of caution, though inapplicable to the case before it:

"In such a case, even where the defendant by his own wrong has prevented a more precise computation, the jury may not render a verdict based on speculation or guesswork. But the jury may make a just and reasonable estimate of the damage based on relevant data, and render its verdict accordingly. In such circumstances juries are allowed to act on probable and inferential as well as upon direct and positive proof (*Story Parchment Co.* v. *Paterson Parchment Paper Co.* *supra* (282 U. S. 561–564); *Eastman Kodak Co.* v. *Southern Photo Materials Co.*, *supra* (273 U. S. 377–379)). Any other rule would enable the wrongdoer to profit by his wrongdoing at the expense of his victim. It would be an inducement to make wrongdoing so effective and complete in every case as to preclude any recovery, by rendering the measure of damages uncertain. Failure to apply it would mean that the more grievous the wrong done, the less likelihood there would be of a recovery.

"The most elementary conceptions of justice and public policy require that the wrongdoer shall bear the risk of the uncertainty which his own wrong has created. See *Package Closure Corp.* v. *Sealright Co.* (C. C. A. (2d) 141 F. (2d) 972, 979). That principle is an ancient one (*Amory* v. *Delamirie* (1 Strange 505; 93 Eng. Reprint 664)), and is not restricted to proof of damage in antitrust suits, although their character is such as frequently to call for its application" (opinion by Mr. Chief Justice Stone, pp. 263–265).

These pronouncements were also given effect in the *Bruce's Juices* and *Russellville Canning Co.* cases, cited above.

LEGISLATION TO NULLIFY CEMENT DECISION AND THE ROBINSON-PATMAN AND FEDERAL TRADE COMMISSION ACTS

Mr. Speaker, during the 2 years since the Supreme Court decision in the Cement case—April 26, 1948—the large business interests of our country have spent enormous sums of money for propaganda and for lobbyists in efforts to nullify the cement decision and to alarm businessmen who honestly conduct their businesses within the framework of the antitrust laws and court decisions thereon. We all know that Congress has been beseiged to pass legislation which would perpetuate artificial pricing systems which many of us have believed would be destructive to our antitrust laws, to small business, and to the consuming public.

Many bona fide small-business organizations fought this legislation unceasingly. In this fight they were joined by the Nation-wide membership of farm, labor, and consumer organizations. It is not my intention to recount here the arguments pro and con which have continued unremittingly since the cement decision. It is sufficient to say at this time that the proponents in Congress of the O'Mahoney bill, S. 1008, and of its predecessors were motivated by sincere considerations and that the opponents were equally convinced of the damaging character of this legislation to our antitrust laws. What was intended to clarify by way of legislation would up in confusion and obscurity.

May I say that the President of the United States, in returning without his approval the bill S. 1008, has rendered a great service to trade and commerce in our country and distinguished service in the public interest. May I also commend and praise the organizations which fought this measure to the final hour. These organizations represent a cross section of the finest in our American way of life and exercised their right to petition Congress and the President for what they believed was right. These organizations fought for small business, and they fought for the consumer interests. I desire at this point to name each of them and each of their representatives who gave so generously of time and talent to preserve and strengthen our economy and free enterprise in the United States:

Wallace J. Campbell, Cooperative League of the United States.

George Nelson, International Association of Machinists.

Rankin P. Peck and Robert E. Freer, former Chairman of FTC, National Congress of Petroleum Retailers.

Angus McDonald, National Farmers Union.

J. T. Sanders, National Grange.

C. M. McMillan, National Candy Wholesalers Association.

Donald Montgomery, Congress of Industrial Organizations.

George H. Frates and John W. Dargavel, National Association of Retail Druggists.

George J. Burger, National Federation of Independent Business.

Watson Rogers, National Food Brokers Association.

R. H. Rowe and Harold O. Smith, Jr., United States Wholesale Grocers' Association.

W. W. Marsh, National Association of Independent Tire Dealers.

The State representatives of the National Association of Retail Grocers in particular rendered valiant service. The National Association of Retail Grocers adopted a resolution against S. 1008, and the association's general counsel, Tyre Taylor, visited the White House with our group named above, asking the President to veto the bill.

These men and their organizations, I am sincerely convinced, contributed greatly to the saving of the Robinson-Patman Act as well as the Federal Trade Commission Act.

PRESIDENT TRUMAN'S VETO OF S. 1008, THE SO-CALLED BASING-POINT BILL

President Truman, by his veto of S. 1008, has rendered small and independent business a great favor because he has saved the Robinson-Patman Act. President Roosevelt signed the act into law, and his distinguished successor, President Truman, has rendered equal service by vetoing the bill which would have destroyed the law.

It is gratifying also, in reading the President's veto of S. 1008, to find reaffirmation of his interest and deep concern as to the position of small business in our economy. At the beginning of his message, the President said, in disposing of the clarification issue:

It is obviously desirable for laws to be as clear as possible. After careful study, however, I am convinced that the bill would not achieve the clarification which is desired.

This was followed further in the message by language which bespoke his faith in our antitrust laws. The President said:

When further amendments of the antitrust laws are needed to meet new problems, they should be enacted in a form which clearly preserves the basic purpose of these laws—the protection of fair competition and the prevention of monopoly.

The President said, at another point in his message:

Opponents of the bill in both Houses of Congress have said that these same sections (secs. 2 and 3) would have the practical effect of nullifying the Robinson-Patman Act, with its protections against ruthless price discrimination and that in the light of these conflicting interpretations, many years of complex litigation would be required to give the provisions of S. 1008 clear and specific content.

With respect to the Robinson-Patman Act, the President reiterated:

The Clayton Act, as amended by the Robinson-Patman Act, prohibits a number of specific, injurious trade practices. In particular, this law protects small enterprises against ruthless price discrimination.

The President, by this statement, emphasized the basic premise and the basic principle of the Robinson-Patman Act, and he has done so at a time when this act, which has protected small business for 14 years, is under its greatest attack by giant industrial price-fixers who realize that the Robinson-Patman Act stands in the way of complete domination of the market place at every phase of distribution.

Further on in his message, the President says:

S. 1008 might jeopardize the Commission's ability to stop unfair discriminations.

That is a true statement and has been one of the greatest fears of small business and of consumers. If the Federal Trade Commission is shorn of its power to enforce the antitrust laws, these laws have no meaning and no effect. When that happens, if it ever does, free competition and free enterprise will have received a death blow.

There are many other pertinent and forceful phrases in the President's message which are worth the time and trouble for all of us to study and reflect upon. I desire, however, to make one last reference to the message and to quote one more passage which to me sums up the dangers which were inherent in this bill. The President said, forcefully:

On the basis of the present evidence * * * I am convinced that no * * * change is necessary, and that in attempting to affirm what is already true, the bill goes further and would hamper, instead of help, the preservation of fair competition.

On this occasion, it is gratifying to place in the RECORD congratulatory telegrams and letters from many of the representatives of the organizations who have been in this fight. Some of these telegrams, as you will see, are in appreciation of the President's action in vetoing S. 1008, and others in commemoration of the fourteenth anniversary of the Robinson-Patman Act. Following these messages, I also desire to insert

the full text of the Robinson-Patman Act.

WASHINGTON, D. C., *June 17, 1950.*
The Honorable WRIGHT PATMAN,
*House of Representatives,*
*Washington, D. C.:*

Our heartiest appreciation to you for your leadership in the successful fight against S. 1008.

A. J. HAYES,
*President, International Association of Machinists.*

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WASHINGTON, D. C., *June 16, 1950.*
Congressman WRIGHT PATMAN,
*House of Representatives,*
*Washington, D. C.:*

Tire dealers all over America thank you for your support against S. 1008.

L. S. SANDERS,
*President, National Independent Tire Dealers.*

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WASHINGTON, D. C., *June 16, 1950.*
Congressman WRIGHT PATMAN,
*House Office Building:*

Congratulations on your leadership opposing S. 1008 and leading to veto. Please accept appreciation of our members.

C. M. MCMILLAN,
*Executive Secretary, National Candy Wholesalers Association, Inc.*

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WASHINGTON, D. C.
Congressman WRIGHT PATMAN:

Congratulations on your great victory. The Farmers' Union is deeply appreciative of your efforts in combating monopoly. We feel that your fight against S. 1008 both on the floor of the House and at the White House and in the offices of Cabinet members and advisors to the President largely contributed to the veto.

Best personal regards.

ANGUS MCDONALD.

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WASHINGTON, D. C., *June 16, 1950.*
Hon. WRIGHT PATMAN,
*House Office Building:*

Tie another pennant to your wonderful fight for nearly 2 decades to protect independent business of this Nation. You singlehanded took up the issue in the first instance opposing the basing point legislation and you are to be congratulated on a well-earned victory and it is my hope that independent business of this Nation will never forget the leader in their behalf. The Honorable WRIGHT PATMAN, again congratulations.

GEORGE J. BURGER,
*Vice President in Charge, Washington Office, National Federation of Independent Business.*

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DETROIT, MICH., *June 16, 1950.*
Hon. WRIGHT PATMAN,
*House Office Building:*

Congratulations on your great fight against S. 1008 becoming law. This may well be the foundation to turn the tide against complete monopolistic engulfment of our economy.

NATIONAL CONGRESS OF PETROLEUM RETAILERS, INC.
RANKIN PECK, *President.*

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WASHINGTON, D. C., *June 17, 1950.*
Hon. WRIGHT A. PATMAN,
*House of Representatives:*

With deep and heartfelt gratitude the National Association of Retail Druggists compliments you for your courageous leadership and splendid fight re S. 1008.

Congratulations.

GEORGE H. FRATES,
*Washington Representative, National Association Retail Druggists.*

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WASHINGTON, D. C., *June 19, 1950.*
Hon. WRIGHT PATMAN,
*House Office Building:*

Today is an eventful day, as it is the fourteenth anniversary of the signing of a law, the Robinson-Patman Act, which was a rebirth for the free-enterprise system and, more important, the protection of independent businesses of this Nation. It is my hope and prayer that the Congress will be insistent on the fullest enforcement of the act to the very limit, that there will be no weakening of the act and that the agency entrusted with the enforcement will really enforce the law. You are to be congratulated for the magnificent job you did in instituting this necessary legislation 14 years ago.

GEORGE J. BURGER,
*Vice President in Charge, Washington Office, National Federation of Independent Business.*

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WASHINGTON, D. C., *June 19, 1950.*
Congressman WRIGHT PATMAN,
*House of Representatives,*
*Washington, D. C.:*

Our thanks to you and the Congress on this fourteenth anniversary of the Robinson-Patman Act for this shelter for small business.

L. S. SANDERS,
*President, National Association of Independent Tire Dealers, Inc.*

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WASHINGTON, D. C., *June 19, 1950.*
The Honorable WRIGHT PATMAN,
*House of Representatives:*

On this fourteenth anniversary of the enactment of the Robinson-Patman Act we again send our congratulations to you for your sponsorship of this bill in the beginning and for your continued good work in upholding the provisions of this law. With very good wishes for your continued service to the American people in Congress for a long time to come.

WATSON ROGERS,
*President, National Food Brokers' Association.*

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WASHINGTON, D. C., *June 17, 1950.*
Hon. WRIGHT PATMAN,
*House of Representatives:*

On the fourteenth anniversary of the Robinson-Patman Act the National Association of Retail Druggists sends this message to tell you of its deep appreciation for your valiant sponsorship of small business.

GEORGE H. FRATES,
*Washington Representative.*

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NATIONAL CONGRESS OF PETROLEUM RETAILERS, INC.,
*Detroit, Mich., June 17, 1950.*
The Honorable WRIGHT PATMAN,
*House Office Building,*
*Washington, D. C.*

DEAR REPRESENTATIVE PATMAN: We note that Monday, June 19 is the fourteenth anniversary of the enactment into law of the Robinson-Patman Act.

On behalf of the service station operators of America we wish to congratulate you for your fight to keep this law on the books over this period of time.

With best personal wishes.

Sincerely yours,

RANKIN P. PECK.

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WASHINGTON, D. C., *June 19, 1950.*
Congressman WRIGHT PATMAN,
*New House Office Building:*

Felicitations and congratulations to you on this, the fourteenth anniversary of the Robinson-Patman Act of which you were the original proponent. For your zeal and farseeing statesmanship in being instrumental in placing the Robinson-Patman Act on the statute books and for your courageous and unremitting opposition to S. 1008 which was instrumental in obtaining the President's veto of that bill—a veto that saved the Robinson-Patman Act from destructive hands.

UNITED STATES WHOLESALE GROCERS ASSOCIATION,
R. H. ROWE,
*Vice President and Secretary.*

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DANVILLE, ILL., *June 19, 1950.*
Congressman WRIGHT PATMAN,
*House Office Building:*

Congratulations on the fourteenth birthday of the Robinson-Patman bill. Also the splendid work you did in securing the veto of Senate bill 1008. I have been told what a marvelous job you did. In appreciation and with best regards,

WILBUR R. ORR.

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[Public—No. 692—74th Cong.]

H. R. 8442, an act to amend section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., title 15, sec. 13) and for other purposes

*Be it enacted, etc.*, That section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C. title 15, sec. 13), is amended to read as follows:

"SEC. 2. (a) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce, where such commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them: *Provided*, That nothing herein contained shall prevent differentials which make only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered: *Provided, however*, That the Federal Trade Commission may, after due investigation and hearing of all interested parties, fix and establish quantity limits, and revise the same as it finds necessary, as to particular commodities or classes of commodities, where it finds that available purchasers in greater quantities are so few as to render differentials on account thereof unjustly discriminatory or promotive of monopoly in any line of commerce; and the foregoing shall then not be construed to permit differentials based on differences in quantities greater than those so fixed and established: *And provided further*, That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona fide transactions and not in restraint of trade: *And provided further*, That nothing herein contained shall prevent price changes from time to time where in response to changing conditions affecting the market for or the marketability of the goods concerned, such as but not limited to actual or immient deterioration of perishable goods, obsolescence of seasonal goods, distress sales under court process, or sales in good faith in discontinuance of business in the goods concerned.

"(b) Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price or services or facilities furnished, the burden of rebutting the prima-facie case thus made by showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: *Provided, however,* That nothing herein contained shall prevent a seller rebutting the prima-facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor.

"(c) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, to pay or grant, or to receive or accept, anything of value as a commission, brokerage, or other compensation, or any allowance or discount in lieu thereof, except for services rendered in connection with the sale or purchase of goods, wares, or merchandise, either to the other party to such transaction or to an agent, representative, or other intermediary therein where such intermediary is acting in fact for or in behalf, or is subject to the direct or indirect control, of any party to such transaction other than the person by whom such compensation is so granted or paid.

"(d) That it shall be unlawful for any person engaged in commerce to pay or contract for the payment of anything of value to or for the benefit of a customer of such person in the course of such commerce as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the processing, handling, sale, or offering for sale of any products or commodities manufactured, sold, or offered for sale by such person, unless such payment or consideration is available on proportionally equal terms to all other customers competing in the distribution of such products or commodities.

"(e) That it shall be unlawful for any person to discriminate in favor of one purchaser against another purchaser or purchasers, of a commodity bought for resale, with or without processing, by contracting to furnish or furnishing, or by contributing to the furnishing of, any services or facilities connected with the processing, handling, sale, or offering for sale of such commodity so purchased upon terms not accorded to all purchasers on proportionally equal terms.

"(f) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, knowingly to induce or receive a discrimination in price which is prohibited by this section."

SEC. 2. That nothing herein contained shall affect rights of action arising or litigation pending, or orders of the Federal Trade Commission issued and in effect or pending on review, based on section 2 of said act of October 15, 1914, prior to the effective date of this amendatory act: *Provided,* That where, prior to the effective date of this amendatory act, the Federal Trade Commission has issued an order requiring any person to cease and desist from a violation of section 2 of said act to October 15, 1914, and such order is pending on review or is in effect, either as issued or as affirmed or modified by a court of competent jurisdiction, and the Commission shall have reason to believe that such person has committed, used or carried on, since the effective date of this amendatory act, or is committing, using or carrying on, any act, practice or method in violation of any provisions of said section 2 as amended by this act, it may reopen such original proceeding and may issue and serve upon such person its complaint, supplementary to the original complaint, stating its charges in that respect. Thereupon the same proceedings shall be had upon such supplementary complaint as provided in section 11 of said act of October 15, 1914. If upon such hearing the Commission shall be of the opinion that any act, practice, or method charged in said supplementary complaint has been committed, used, or carried on since the effective date of this amendatory act, or is being committed, used or carried on, in violation of said section 2 as amended by this act, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and serve upon such person its order modifying or amending its original order to include any additional violations of law so found. Thereafter the provisions of section 11 of said act of October 15, 1914, as to review and enforcement of orders of the Commission shall in all things apply to such modified or amended order. If upon review as provided in said section 11 the court shall set aside such modified or amended order, the original order shall not be affected thereby, but it shall be and remain in force and effect as fully and to the same extent as if such supplementary proceedings had not been taken.

SEC. 3. It shall be unlawful for any person engaged in commerce, in the course of such commerce, to be a party to, or assist in, any transaction of sale, or contract to sell, which discriminates to his knowledge against competitors of the purchaser, in that, any discount, rebate, allowance, or advertising service charge is granted to the purchaser over and above any discount, rebate, allowance, or advertising service charge available at the time of such transaction to said competitors in respect to a sale of goods of like grade, quality, and quantity; to sell, or contract to sell, goods in any part of the United States at prices lower than those exacted by said person elsewhere in the United States for the purpose of destroying competition, or eliminating a competitor in such part of the United States; or, to sell, or contract to sell, goods at unreasonably low prices for the purpose of destroying competition or eliminating a competitor.

Any person violating any of the provisions of this section shall, upon conviction thereof, be fined not more than $5,000 or imprisoned not more than 1 year, or both.

SEC. 4. Nothing in this act shall prevent a cooperative association from returning to its members, producers, or consumers the whole, or any part of, the net earnings or surplus resulting from its trading operations, in proportion to their purchases or sales from, to, or through the association.

Approved, June 19, 1936.

The SPEAKER pro tempore (Mr. TRIMBLE). Under previous order of the House, the gentleman from New Hampshire [Mr. COTTON] is recognized for 20 minutes.

### MAGIC FORMULAS IN AGRICULTURE

Mr. COTTON. Mr. Speaker, when I was a boy in a small New Hampshire town, when the automobile was in its infancy, the silent movies had only reached the larger cities, and radio and television were still undreamed of, we used to go to medicine shows. Between the acts of the old-fashioned drama and corny vaudeville, a loudly dressed gentleman with a glib tongue would come out in front of the curtain and tell us about his wonderful magic elixir which would cure everything from falling hair to chilblains, and which, through the kindness of his heart, was available to us for only 50 cents a bottle. How we used to fall for it! The hard-working farmers and townsfolk would reach down in their pockets and buy a sweetened and colored concoction which would do their ailments no good and actually result in harm, because it kept them from seeking the wise counsel of a real doctor or heeding their own common sense. This is not strange, however, because we are all prone to buy magic formulas that promise a quick and easy cure and save us from facing hard and disagreeable facts.

As a member of the Committee on Agriculture of the Congress, I have been listening to farm plans for the last 4 years, and again and again I have recalled the medicine shows of my childhood. To be sure, we have the sensible, down-to-earth approach of Kline of the Farm Bureau, Goss of the National Grange, and many other practical farm leaders who have lived with and studied this problem all their lives. On the other hand, we have the magic formulas—the colored and sweetened concoctions of glib-tongued politicians who are more interested in capturing the farm vote than they are in the future stability of agriculture. All kinds of schemes, plans, and panaceas are offered us. It behooves us to consider them carefully. The farm problem is not only of interest to farmers, but it reaches into the kitchens and onto the dining tables of every family in the land, because it affects food and living costs. Our farm policy will be one of the hottest issues in the next political campaign and it ought to be.

The first thing that every citizen and every farmer must do is to stop looking at the colored medicine bottles and try to diagnose what ails us. We must face the facts and get the right cure, even though the treatment may not be as pleasant and palatable as the sweetened elixir.

Let us see what ails us. During World War I our agriculture expanded enormously and farmers prospered. Other nations were not producing, vast armies had to be fed, food was scarce, and prices were high. After the war, when other countries began to produce we could not use our own surpluses and our farm economy collapsed. We stood by and watched it collapse because we did not realize that 50 percent of our people are either farmers or dependent on farm economy, and we also failed to appreciate that the farmer cannot control his production as the industrialist controls his, and is helpless when prices begin to fall. The bankruptcy of our farmers was one of the factors that plunged us into the great depression. Finally, when it was nearly too late, we created the Commodity Credit Corporation and placed a price floor under farm products. We also indulged in various other experiments, including acreage control, paying farmers not to produce, and so on.

When World War II came we again had to support the allied world and feed vast armies from American farms. To stimulate production we raised our support prices on many necessary commodities to 90 percent of parity and even higher. Remembering the experience of 20 years before, we promised the farmer that if he would expand his plant and carry us through the crisis we would not leave him helpless after the war was over but would continue supports for 2 years at least, and then reduce them gradually. No one asserted

or dreamed that we would keep up the wartime-price supports permanently. The war is now over and the 2-year period has long since ended. Accordingly, the Eightieth Congress provided for flexible price supports that would gradually reduce the Government subsidies but would still keep a price floor under farm products to protect the farmer from disaster.

Then the medicine men stepped in. They told the farmer he was being betrayed. They promised him that the income he had enjoyed through the war years would and could be continued. A majority of the farmers, at least those of the Middle West, swallowed their elixir and voted them into office. They repealed the Aiken bill of the Eightieth Congress and continued high, wartime price supports.

What is the result? We have vast surpluses. If you read a recent article in Life, you know something about the commodities that the Government has purchased and stored away.

We have sufficient wheat to bake 12 loaves of bread for every man, woman, and child in the world; sufficient corn to make all the cornstarch, corn sugar, corn syrup, and corn oil that the United States will use in the next 5 years; sufficient butter to bake a birthday cake for every child under 15 in the United States for the next 10 years; sufficient cotton to produce 54 dresses for every woman in the United States; sufficient prunes to give every Member of Congress a dish for breakfast until approximately September of the year 3239.

Congress has added $2,000,000,000 more to the billions that the Commodity Credit Corporation already had with which to buy more surpluses. Much of this surplus is spoiling while there are still hungry people in the world and even in our own country. Prices are kept high to the housewife. We have been sowing to the wind and we will reap the whirlwind.

Sooner or later these magic formulas spell certain disaster for the farmer. They are like an alcoholic stimulant that speeds up and exhilarates the system and then leaves it lagging and depressed, or like a crutch that is snatched away after one has learned to lean upon it. My own potato farmers and poultrymen in New Hampshire are realizing this during these recent days. The Government insisted on placing a high support price on potatoes and later on eggs. The result was inevitable. All over the country everybody who had a half acre of ground began raising potatoes or going into the poultry business. Surpluses increased. Now the subsidies paid potato growers and egg producers have aroused popular indignation and become a national scandal through no fault of the potato farmers or the poultrymen. Uncle Sam, so kind and benevolent awhile ago, now is snatching away this support, which will leave these producers much worse off than they would have been if they had never had it. What is true of these commodities will eventually happen in other commodities if we continue a high price support, which gives to the producer a period of unnatural prosperity and attracts others into the business. It earns for him the undeserved enmity of consumers and citizens everywhere and then he finally learns the bitter lesson that the Government giveth and the Government taketh away.

What are we going to do about all this? More magic formulas are being presented. Medicine Man Brannan has sold his formula to many, including the President. His scheme is pretty vague, but in general it calls for continuing to stimulate production, letting folks buy it for whatever it will bring, and paying the farmer his income from the Treasury. Of course, Mr. Brannan says he does not know how much this will cost, but everybody agrees the cost will be terrific. Let me remind you that it does not make much difference whether the housewife pays a high price for her butter and beef or gets it cheap and pays the balance to the tax collector. Furthermore, the Brannan plan contains 15 pages of penalties, fines, and imprisonments for farmers who fail to obey the orders of the Secretary of Agriculture.

Mr. PATMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. COTTON. I yield.

Mr. PATMAN. Much has been said about the fines and penalties section. Is it not true that no one would be penalized under that provision except those who were guilty of fraud?

Mr. COTTON. Technically, that may be so in the case of imprisonments, but the fact remains that under the Brannan plan the farmer has to report to the Department on every step that he takes or intends to take, every acre he plants, and has to comply with the orders of his Government in all his operations. If he fails to report or makes a mistake in his report or fails to obey the orders of the Secretary he is penalized in his price support and in all of the benefits to which he is entitled by law. He most certainly is traveling a difficult and complex path which will require expert assistance to enable him to protect himself from Government prosecution.

A farmer would have to fill out a report as often as he changes his shirt. He could not plant an acre without the consent of some Federal bureaucrat. He would surrender all of his freedom to become a ward of the Government.

Mr. PATMAN. Is it not true that that is required under existing laws?

Mr. PHILLIPS of California. Not to that extent.

Mr. COTTON. Not to that extent, nowhere near to that extent. The necessity of control travels hand in hand in exact proportion with the benefits ultimately received, and if the farmer gets his income direct from the Treasury as advocated by Mr. Brannan, the necessity of close controls, close reporting, much investigation, much prosecution, must follow as night follows the day.

Mr. PATMAN. Mr. Speaker, will the gentleman yield further?

Mr. COTTON. I yield.

Mr. PATMAN. The Commodity Credit Corporation is buying about three or four hundred millions worth of food a year, acquiring, transporting, storing, disposing of perishable commodities. Does not the gentleman think that we ought to get the Government out of that business by adopting the principle that is advocated by Secretary Brannan?

Mr. COTTON. I most certainly believe that we should get the Government out of that business. That is the import of my speech here to day. I will indicate in just a moment, if the gentleman will bear with me, how I suggest that we get out of that business; but it is not by resorting to the Brannan plan. We will never get out of it that way.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. COTTON. I yield.

Mr. PHILLIPS of California. The gentleman stated that there were many different ways in which the housewife pays direct to the tax collector. I think he would like to add to that the high cost of administration, would he not?

Mr. COTTON. I certainly would and I thank the gentleman for his contribution.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from New York.

Mr. KEATING. The gentleman from Texas has said that the 15 pages of penalties in this bill all relate to fraud. The gentleman from New Hampshire now addressing us has had long experience with this form of legislation; does the gentleman remember any bill prior to this or since this, other than the one advanced by the Truman administration, which proposes that it is necessary to have 15 or 17 pages of penalties in order to keep the farmers of this country honest?

Mr. COTTON. No. We have never had a bill or proposal that carried such penalties. The reason is that never before have we had a plan offered that included such complete supervision of the farmer by his Government.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. COTTON. I yield.

Mr. ANDERSON of California. The gentleman from New Hampshire indicated in his reply to the gentleman from Texas that he wanted to get the Government out of the farm business. Does the gentleman think we should take him out from one program operated by the Government only to dump him into such a fantastic scheme as the Brannan plan?

Mr. COTTON. The gentleman's question is well phrased. The answer is "No."

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. COTTON. I yield.

Mr. GROSS. Is it not true that the bill is replete with provisions by which the Secretary of Agriculture can change the rules of the game, but no provision is made for a change in the penalties. Is not that true?

Mr. COTTON. That is precisely true. It is also true he has been changing the rules of the game since he first proposed his plan, because the original bill has been replaced with new and different proposals every step of the legislative road we have traveled.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not true—I assure the gentleman it is true—that under the Brannan plan no one would be penalized

except for fraud. I think the gentleman from New Hampshire will agree that if a farmer is guilty of fraud he should be penalized.

Mr. COTTON. The gentleman from New Hampshire will agree that anyone who is guilty of fraud should be penalized, but the gentleman from New Hampshire believes that the farmers of this country are fundamentally honest. The gentleman from New Hampshire during the years he has been practicing law has seen numerous instances of citizens being subjected to cost, to expense, to long litigation, to all kinds of misfortune in an attempt to prove to some snooper of the Government that they were guiltless of fraud. He does not want the farmer to spend the rest of his life proving that he is not deceiving his Government.

Mr. Speaker, we have other plans presented. There is much good in many of them. There are those who wish to take the supports away from grain and place them under livestock to encourage the feeding of grain to animals, thus reducing surpluses, improving the national diet, and conserving soil. There are those who favor a two-price system, under which a farmer gets his guaranteed price for American consumption but sells for use abroad at a lower price. There are those who find the solution in food stamps for low-income groups, more school-lunch programs, and new industrial lunch programs. There are those who want to give away our surpluses abroad as a part of our foreign-aid program. There are those who want an insurance plan under which the farmer pays in good years for protection when prices are down. There are those who believe that the solution lies in new industrial uses of farm products. Many of these suggestions have merit and may prove helpful. None of them, however, reaches the real root of the problem.

To find that real solution we must remember the lessons we have learned in two wars and one depression, face the facts, and deal with them with courage and common sense, even though it means some discomfort and sacrifice.

What have we learned?

Twenty years ago we learned that we cannot desert the farmer and leave him to face bankruptcy when prices decline and surpluses accumulate. Therefore, we know that we must continue to maintain a reasonable price floor under farm products.

In the years since we have learned that if we guarantee the farmer a profit we stimulate production, flood the market, and either the consumer, the farmer, or the taxpayer has to pay—usually all three of them. Experience has further taught us that control and regimentation travel hand in hand with supports and subsidies, and that the extent of that control is in exact proportion to the benefits conferred.

Very recent experience should teach us that when we attempt to guarantee a high income for the farmer, we array all the other segments of our population against him. The storm clouds are gathering, and the mutterings can already be heard. All over the Nation consumers, workers, businessmen are complaining against present price support. The farmers, representing 18 percent of our population, cannot afford to lose the good will of all the rest. In anger against our present policy, the consumers of the Nation are likely to rise and strip the farmer of all those just and reasonable safeguards that he has gained through years of struggle. Many farm organizations and leaders realize this danger and are seeking to avert it, but thus far they have been powerless against the vote hunters.

These are some of the reasons that compel me to differ somewhat from the majority of my colleagues on the Committee on Agriculture and other Members of the House on both sides of the aisle who are struggling to prevent or postpone the reduction of farm price support. I believe that in their concern for agriculture they are forgetting to look at our whole economy—that they see the trees rather than the forest—and I believe further that their policy in the end will be as destructive to the farmer as to the rest of the Nation.

The common-sense course seems obvious. It lies in a flexible price support which can be maintained high enough to protect the farmer from disaster and failure, but permits his profits to be determined by his own initiative and efficiency in producing. This plan is not a cure-all for every ailment nor a panacea for every pain. There is no such plan. It is, however, the nearest that Government can come to fulfilling its proper function for the benefit of the various segments of its people. It will not solve all the farmer's problems, but it will afford him reasonable protection and keep him free and unshackled to solve them for himself. At the same time it will not impose unjust hardships upon the consumer or the taxpayer.

The present scale of wartime price supports must be reduced. That is the medicine we must take. Everyone of us in his heart knows it. The Seventy-seventh Congress that provided wartime supports knew it, or it would not have written into the law that they should expire a reasonable time after the war. The Eightieth Congress knew it, or it would not have enacted the Hope-Aiken law providing for flexible supports to start after 1 year. The Eighty-first Congress knows it, or we would not have provided for flexible supports to start after 2 years. Why not take our medicine now, not next year or the year after? Why not tell the farmer the truth now—not after election?

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from New York.

Mr. KEATING. I rise, Mr. Speaker, to commend the gentleman from New Hampshire for this masterful address which he has given the House. It is one of the finest speeches I have heard since I have been in Congress. I know it takes courage for the gentleman to say those things. We all know they are true, just as the gentleman has said, and I think he has made a great contribution to our thinking on this subject.

Mr. CROOK. Mr. Speaker, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from Indiana.

Mr. CROOK. I listened with a great deal of interest to the gentleman's address. Some things I agree with very wholeheartedly. Now, I come from the great Hoosier Commonwealth of the State of Indiana, and I look back during the Hoover administration when that great State looked like the grapes of wrath hit it, and whether this be called snooperism or by some other name, I will have to frankly admit that under these conditions that may be condemned the farmer of this country has had more prosperity in the last 15, 16 and 17 years than he has ever had in the history of this country. And, I am for him. I am for everything that is for prosperity for the farmer, and if we have been too objective, because we are trying to help him, I do not know what in the world we can do for him.

Mr. COTTON. I will say to the gentleman, in the first place, that the farmer himself has some distinct ideas on that point, as have been expressed by many farm leaders. I agree with the gentleman that we should protect the farmer, and I have so indicated in what I have had to say, but I am suggesting that when, in our anxiety and our great solicitude for the farmer, we reach out too far and ask more for him, if you please, than he is asking for himself, we are likely to cause him to lose all of those benefits which have been justly granted to him.

The SPEAKER pro tempore. The time of the gentleman from New Hampshire has expired.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent that the gentleman be permitted to proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Without assuming that such a thing will occur, I should like to submit this question to the gentleman, who is an authority on this subject. Assuming that the Congress of the United States would pass legislation which would bring the farmers to a point where they would organize themselves in such a manner as to impose collective-bargaining agreements upon the consumer of foods, fats, and fibers as the industrial worker and the industrial machine have brought collective-bargaining agreements on the consumers, thus putting the operators of farms and farm labor all in a position to actually charge and receive a price for their labor comparable to that in industry, under those conditions would it be necessary for the so-called price-support programs which the farmers now participate in?

Mr. COTTON. Well, I would suggest to the gentleman that probably no legislation which Congress could pass, and no combination of circumstances, would ever bring about a situation where the farm producers of the country, either would or could proceed in the manner

that labor proceeds. That is not to criticize labor. The farmer has his farm. If he does not produce on it his farm deteriorates; the property becomes useless; his income ceases. He is compelled to produce, and compelled to sell his produce for whatever he can get, which is the fundamental reason why we should jealously preserve and maintain for him a reasonable price support.

The eventuality the gentleman from Michigan mentions for those reasons is beyond my ability to visualize. I cannot conceive that the farmer could organize and bargain collectively by reason of the difference between his production, his responsibility, and his problems, and those of other people who have no investment and who can indulge in collective bargaining and demand their price.

Mr. CRAWFORD. Yes, but may I say to the gentleman that 30 years ago I do not believe there were very many people in industry and I do not believe there were many consumers of manufactured products who at that moment could have conceived that a single individual labor leader today could reach up and pull the bell cord of production and stop the flow of national and social income here in the United States, as has happened in connection with steel and coal and transportation and automobiles, and so on down the line.

It is not a question of what we can conceive. We face the question, as the gentleman has well pointed out, where the farm people are now stigmatized in the mind of a city consumer because the city consumer feels that he is specifically taxed for the purpose of paying a subsidy on foodstuffs produced by the farmer, yet that same city consumer never thinks of the subsidy he has paid for manufactured goods under the provisions of the collective-bargaining agreements.

How long will the taxpayers of the country submit to being taxed specifically one billion, five billion, twelve billion dollars per year for the purpose of paying a subsidy, so-called, or for the purpose of putting a so-called floor under farm prices? That is the question we have to face in this country. It is before us this very moment. That is the reason for this discussion.

My second question is, If the farmers did so organize and if they did set such a price on the foods, fats, and fibers, what price does the gentleman think city consumers would probably today pay for foodstuffs as compared to the price they are now actually paying? Would it be much higher or would it be much lower, in his opinion; I say, if the farmers did so organize?

Mr. COTTON. If it were possible for the farmers to organize, and if it were possible for the farmers to exact from the consumer or through the middleman sufficient pay for the actual work and labor they perform, the consumer unquestionably would be paying, in my opinion, all that he pays today, and even more.

In my opinion, the farmers have had less consideration through the years than almost any other group in our economy. I desire that the farmer shall have every consideration that his Government can give him. I insist, however, that we are not doing him a kindness by maintaining an abnormally high support price. By so doing we encourage poor agriculture, give to the slothful and inefficient farmer aid to remain in business to compete with the farmer who is efficient in producing and who guards and preserves his soil, and create a surplus both of farm produce and popular ill will which in the end will militate against all our farmers, especially the good ones. That is why the farm organizations are almost unanimously against rigid, high price supports and for flexible supports and almost unanimously against the Brannan plan.

## SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. CRAWFORD] is recognized for 15 minutes.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to place in the RECORD in the form in which I have it here, in typewritten and printed form, my remarks showing a schedule prepared by the Library of Congress giving the profession or vocation of the 531 Members of the House and Senate, and also quoting a very brief press report which appeared in the Saginaw News of Saginaw, Mich.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

## COMMITTEE FOR ENFORCEMENT OF ACTS OF CONGRESS

Mr. CRAWFORD. Mr. Speaker, the Federal Government has grown to such huge proportions in the past 20 years that I believe that it is necessary—now—for the Congress to establish a committee for the constant and continuing investigation of the activities of the administrative branch. Big government must be policed, if the rights and liberties of the citizens are to survive. Big government when not policed, can be as destructive to our economy as big monopolistic business or any other form of bigness when not policed. These are my sincere convictions. They are entirely nonpartisan and nonpolitical. I am therefore introducing a resolution for the appointment of a special committee to carry out this much-needed task. It might be known as the Committee for Enforcement of Acts of Congress.

There should be little objection to the text of the resolution, as it is substantially the same one as that submitted by the then Senator Truman on February 13, 1941, that resulted in the so-called Truman committee. There are a few minor changes such as an increase from five to seven members and an increase in the initial appropriation, both of which I feel to be justifiable.

Congress is charged with the task of legislating and writing the laws. The enactment of a law or a statute is a serious, deliberative chore that is conscientiously carried out by the Congress. Yet hardly a week passes, that every Congressman is not confronted by some instance of administrative action that is either a deliberate evasion, or a legalistic interpretation to void the specific statute or the intent of the Congress. To all this should be added inconsistencies in policies and instances of out-and-out malfeasance and misfeasance on the part of the employees of a government that has grown too big and is not under present conditions subject to proper supervision.

A short time ago I disclosed a deal with Communist Russia involving three Government departments, Agriculture, Defense, and State, whereby Government-owned cotton was bartered for soybeans through a Wall-Street-controlled exporter who acted as the middleman in the deal. There has been no official denial or justification, though according to my information it reeks with fraud and fantastic profits at the expense of the taxpayer. A spokesman for the Agriculture Department is quoted as saying that my report of the trading of cotton valued at $7,300,000 for soybeans worth only $4,300,000 was exaggerated because I had taken the value of American soybeans and the freight was cheaper from Manchuria to Japan than from this country. Historically, Manchurian soybeans have always been cheaper than our product and are shipped half way around the world. I am also sure that there is not such a great difference in freight. It should be noted that no details were given—no attempt to justify the dealing with the Communists. In the absence of further information, I retract nothing and assert that it still is a foul-smelling mess.

This however is not the only barter trade—it was merely the first one announced. There was a previous one, in which cotton was bartered to the George H. MacFadden & Bro. Co., the second largest cotton broker in the country, for chromite ore that they had somehow acquired. Agriculture then sold the chromite to the Munitions Board for the national stockpile. The details of this particular barter deal are unknown and it is probably just coincidence that the Government owned cotton, a cotton broker owned chrome, and that Russia is one of the world's principle producers of chrome. I am also informed that other barter deals are under consideration.

There are other phases of the operations of the Department of Agriculture that are worthy of passing attention. I would like to recall for the Members that on a legalistic interpretation Secretary Brannan ruled that the Commodity Credit Corporation could pay freight on surplus potatoes for use as cattle feed, but not to welfare agencies where they would be used for human consumption. Also, in the statute books is a clear provision authorizing and directing the Secretary of Agriculture to request a study by the Tariff Commission to determine if any imports are adversely affecting the producers of any agricultural commodity. If it is so found, the President is authorized and has the clear authority to set quotas and change tariff rates—in effect, to stop the imports. I am informed there has been but one instance in which Secretary Brannan has acted—tree nuts. Among the instances where he failed to take any action was the dumping of Canadian potatoes, which it is estimated

cost the taxpayers at least $20,000,000. Despite huge surpluses and price-support commitments Secretary Brannan has taken no action to stop the imports of dried beans when we have over a years' supply on hand and a new crop less than 3 months away, nor of dried eggs from Communist China, while we are buying dried eggs under a price-support program and storing them in a cave in Kansas. Then in the instance of the price-support program for dairy products, the recommendations of the industry which were based on long-established trade practices were ignored. Under the new plan the Government now owns and has in storage over 90 percent of the country's current butter supply.

Members of the House have repeatedly over the past 10 weeks called the attention of the Secretary of the Treasury and the Commissioner of Customs to a provision of the Tariff Act of 1930 that clearly and specifically authorizes and directs them to bar the entry of products of slave or forced labor. It has also been pointed out that an Assistant Secretary of State, had testified before the UN that the State Department had evidence of forced labor in Communist Russia and in other Communist dominated countries. A demand was made that the imports from these countries be banned and the answer is that they are investigating. The State Department while not retracting the testimony of one of its officials takes the position that this country is not being hurt. The country may not be hurt seriously as yet—but it is taking a "pushing around" from the bureaucrats who decide which of the laws that the Congress passes they will enforce.

Recently the farmers in the Coachella Valley, Calif., became curious as to how the funds appropriated for their still uncompleted reclamation project were spent. They retained a firm of auditors who discovered that the Bureau of Reclamation of the Interior Department had made charges in excess of $400,000 that were not only completely unrelated to the project but were not provided for by the contract or in the appropriation. As these projects are self liquidating and the costs of the project is returned to the Government by the water users, we find a group of bureaucrats not only ignoring the mandate of the Appropriations Committee but actually taking it upon themselves to tax a group of citizens. The findings of the private auditors were subsequently confirmed by an investigation of the Appropriations Committee. If this is an example of what is happening on one small reclamation project—what might be disclosed on the larger projects?

Big government, it should be noted, has some strange ideas as to bigness in others—particularly business. I do not intend at this time to go into the philosophy or the merits of the antitrust laws. But there should be room for consistancy in their application. Several years ago the Department of Justice caused to be indicted the three largest retail food chains. The charges in principle were practically identical as to all three companies. One company, the A. & P., fought the case through the courts and was found guilty. The other two companies pleaded nolo contendere and paid their fines. The Department of Justice then filed suit to break up the A. & P. into seven companies, which action is now pending. No similar action has been started, or, so I am informed, contemplated in the instance of the two other chains.

Probably the outstanding example of the need for a continuing investigating committee as I have proposed, rests in watching the strange activities of the State Department and its junior partner, the Economic Cooperation Administration. Their free-trade activities have already caused serious damage in many fields with mounting unemployment, closed factories and mines. The situation over all is an alarming one, with the watch industry reduced to but two companies in the country; a crab cannery closed in the State of Washington; idle fishing boats on the east coast; lead mines closed in the West; copper and coal mines threatened with closings; flour mills closed or working but part time; hat and shoe industries beginning to feel the impact of cheap-labor competition; the fur-farming industry practically wiped out—and this all but a partial list. Practically every section of the country is feeling the effect.

The few examples that I have cited do not constitute a complete list, but were merely intended to show the widespread need for a committee to maintain a watch on the administrative branch of the Government. I do not believe that such a committee would be a needless or unnecessary overlapping with the already standing committee but rather would supplement and make easier their tasks. The Congress can legislate, but how can the executive branch and the bureaucats be compelled to enforce and carry out the laws enacted? Publicity will help. With authority granted by this resolution, I believe a better job of policing big Government may be achieved. The people are entitled to at least this additional protection.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. PHILLIPS of California. I want to commend the gentleman on making a suggestion that certainly appeals very much to me personally and that is long overdue. I believe that without any intent on the part of the administrative agencies they find themselves growing so rapidly and so far separated from us that it would be a very healthy and wholesome thing if the gentleman's recommended resolution were to be adopted and put into effect.

The gentleman referred to an incident in my district which, of course, naturally interests me personally. The gentleman is correct in his statements regarding that and I have no doubt that there are many similar instances.

Mr. CRAWFORD. I thank the gentleman.

Mr. D'EWART. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. D'EWART. Is it not true that, under the Reorganization Act, it is the duty of the policy committees of the House to review and examine the efforts of the executive department to carry out the policies established by the policy committees of the Congress and the Congress?

Mr. CRAWFORD. That is my understanding. But let us take the Committee on Public Lands on which both the gentleman from Montana addressing the question to me and I serve; as the gentleman knows, that committee is constantly—and I am not complaining about this one very important specific committee matter in connection with the legislation being proposed and being acted upon—where in the world would that committee ever find any time to make surveys and studies as to what extent the Federal Government is carrying out the intent of that committee in proposals which it submits to the House?

Mr. D'EWART. I can agree with the gentleman from Michigan, but I believe that if we had on our committee a competent engineer and a competent accountant it would be a great help in following through policies we establish and see that they are carried out according to the intent of our committee.

Mr. CRAWFORD. The gentleman is now referring to irrigation and reclamation projects. I agree with the gentleman 100 percent.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for one additional minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. JENSEN. I should like to say for the RECORD that I am pleased the gentleman has introduced this resolution, because certainly I believe it is time that we do something about many things that are going on in this Government of ours to which the gentleman has just referred. I should like to ask the gentleman this question, knowing full well that he has more knowledge of the monetary problems that confront America and the world today than any other Member of Congress: Does he not feel that there is great danger in the way our currencies are being debauched, that sooner or later if we continue this spending program it will not be long until we have such inflated currencies that almost anything that we do will be of no avail? Now what would the gentleman say about debauching the currency as we are today doing?

Mr. CRAWFORD. The deficit financing policy which has been followed for many years is the base of the phony so-called prosperity which we now think we have with us. That is, the great volume of dollars. Men will go around and say: "Look at that. I have more money in my pocket than ever before." But they overlook the fact that as a result of deficit financing those dollars buy less, so far as I know, than they would have at any previous time in the past 75 years. It is cheap money, it is false prosperity

and will eventually destroy the savings of all the people of this country.

These excess dollars are based on credit or debt. They are not based on production—therefore they are phony. Why not issue trillions of dollars of debt and let everyone have a billion dollars each and really be dollar rich. Well, of course, that would be economic suicide with a vengance. But as it is now going, it is like creeping paralysis and for the moment feels so good everyone wants just a little bit more of the stimulation.

PERMISSION TO ADDRESS THE HOUSE

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. VAN ZANDT addressed the House. His remarks appear in the Appendix.]

GI FARM TRAINING PROGRAM

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a letter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, a recent order of the Veterans' Administration has resulted in what I consider to be a great injustice to a number of vetrans who have been participating in the farm training program. You are all familiar with that program which provides subsistence to GI's while they are learning to be farmers.

At the outset of the program a large number of GI's throughout the country wanted to participate in the program and made their wishes known to the Veterans' Administration. They wanted to learn, in specific instances, how to be dairy farmers and poultry growers. They laid their plans before the Veterans' Administration and were informed that the term "farm" in the legislation would include dairy farming and poultry raising. They were encouraged to participate in the program.

Quite a number of GI's, on the strength of the advice they received from the Veterans' Administration, entered into contracts for the purchase of small plots of ground, made down payments, and obligated themselves to purchase the property over a period of time. They received subsistence payments pursuant to law. Then, after the lapse of as much as 2 years' time, they were informed by the Veterans' Administration, and without notice, that they would no longer receive subsistence payments. The Veterans' Administration had apparently redefined the meaning of the term "farm" to exclude dairy farming, poultry raising, and fur farming.

It is my opinion that this ruling is manifestly unfair to those GI's who have started to learn these particular types of farming with the approval of the Veterans' Administration. I have accordingly written to Mr. Carl Gray, Administrator of Veterans' Affairs, requesting a reconsideration of the ruling. A copy of my letter follows:

JUNE 19, 1950.

Mr. CARL R. GRAY, JR.,
*Administrator of Veterans' Affairs,*
*Veterans' Administration,*
*Washington, D. C.*

DEAR MR. GRAY: I have received many complaints recently from veterans who will be cut off the on-farm training program as the result of the VA's R and P No. 10413 of May 5, 1950, defining a farm under Public Law 377. As a result of this definition all trainees engaged in poultry raising, dairying, mink farming, etc., will not receive subsistence after June 30.

Public Law 377 defines a farm as follows: "Such farm shall be of a size and character which (1) together with the group instruction part of the course, will occupy the full time of the veteran, (2) will permit instruction in all aspects of the management of a farm of the type for which the veteran is being trained, and (3) if the veteran intends to continue operating such farm at the close of his course, will assure him a satisfactory income under normal conditions."

Webster's Collegiate Dictionary defines a farm as "any tract devoted to agricultural purposes; hence a plot or tract of land devoted to the raising of domestic or other animals; as, a chicken farm." I fail to understand how the word "farm" could be construed, either in ordinary usage, or under the provisions of Public Law 377, to exclude veterans engaged in dairying or poultry raising.

Public Law 377 was approved on August 6, 1947, nearly 3 years ago. Many of these veteran trainees asked the VA to inspect a tract of land before they purchased it to determine if it would qualify for on-farm training. They were assured of a certain number of years training, running as high as 4 years. Relying on the promise of the VA, many of them assumed financial obligations and purchased small farms with the expectation that the VA would keep its promise. Now, with their subsistence cut off at the end of June by the wholly unexpected order of May 5, they face financial ruin and may lose all they have invested in work and cash during the last 2 or 3 years. Why did it take the VA nearly 3 years to come up with a narrow, legalistic definition of a "farm" and thus deprive these veterans of further on-farm training?

The VA's definition of a farm is particularly discriminatory against the veterans in my district because poultry raising and dairying are among the principal industries in that area. There are few large farms such as are found in eastern Washington or the Midwest. Therefore, there are few veteran farmers in this area if we accept your definition. If poultry raising and dairying are not farming, there are not enough on-farm trainees to make up a minimum class of 12 in most communities. Even those who are farmers by your definition will be deprived of further training because there won't be enough in most communities to make up a class.

With these facts in mind, I am certain you can see the injustice that is being done thousands of on-farm trainees throughout the Nation. I feel that the very least the VA can do is to permit the present on-farm trainees to complete the periods of time promised them when they started.

If the VA cannot or will not correct this injustice, it shall be my purpose to introduce legislation to carry out the plain intent of the Eightieth Congress in providing this farm training for veterans. This legislation will define the term "farm" in language which will not be subject to misinterpretation.

Very truly yours,

THOR C. TOLLEFSON,
*Member of Congress.*

PARITY PRICES FOR FARMERS

Mr. CHRISTOPHER. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Speaker, it amused me a while ago to listen to some of the Members who are so consumed with fear that the American farmer is going to have his reputation ruined because of price supports. You know, the farmer had something promised to him from 1920 clear on up to 1933. All during that 12-year period we lived on promises. That was all we got. We were on mighty thin rations and the American farmer got awfully thin trying to live on them.

When the American farmer could not do anything about it, and the administration then in power refused to do anything about it, he became bankrupt, and this situation then extended to all other fields of endeavor in the United States, ending with the great depression of 1932. Now when the promises that the administration we are living under at the present time are being kept, certain folks begin to be afraid that we are going to have our reputation ruined as American farmers. Back in the nineteen-twenties the American farmer had everything ruined, even his reputation. If that was not ruined it was terribly disfigured. He lost his reputation, his credit, and in many cases his home.

A gentleman said here a while ago that parity is all right, but we should not extend the thing too far, we should not carry it to extremes.

What is parity for farm prices? Nothing in the world except a price for farm products that will give the farmer an equal buying power with other segments of American life and industry. Parity means justice and fair play. Is 90 percent of justice too much for the American farmer to receive? The fear that so many people have of the Brannan plan leads me to believe that they are not afraid that the Brannan plan will not work, but they are afraid that maybe if it is allowed to be tried on even a trial run, that it may demonstrate that it will work, and if it does it will solve the problems of agriculture. I know it is hard to justify even 90 percent of parity when the industrial workers of the United States are taxed to support farm prices and at the same time it raises their grocery bills when they do it, but we know and they know that their jobs and their pay checks depend in great measure on the farmer's minimum wage which is his price-support program. We must support farm prices or we will throw this country into another tailspin that will end in a depression like we had in 1932, and I, for one, do not want to go through a thing like that again. I would like to see the Brannan plan tried, at least, on some of the perishable commodities. Of course it is the Democratic Party that is sponsoring this legislation but there is nothing strange in that. That party has sponsored all the good legislation

that has been enacted since the beginning of the present century.

EXTENSION OF REMARKS

Mr. WALTER asked and was given permission to extend his remarks and include a commencement address he made at the Moravian Seminary.

Mr. CAMP asked and was given permission to extend his remarks and include a copy of the report on House Joint Resolution 480.

Mr. RAMSAY asked and was given permission to extend his remarks and include a letter written by Fred H. Gaston, Alpine, Tex., in reference to House Resolution 323.

Mr. POAGE asked and was given permission to extend his remarks and include a quotation by Walter E. Long.

Mr. MACK of Illinois asked and was given permission to extend his remarks and include an editorial from the Illinois State Register and Journal.

Mr. PATTEN asked and was given permission to extend his remarks.

Mr. MANSFIELD asked and was given permission to extend his remarks and include an address of Col. Melvin J. Maas, USMCR, given at the First Postwar Convention, MCROA, on May 5, 1950.

Mr. RAINS asked and was given permission to extend his remarks in two instances, in one to include a statement in reference to the United States engineers and in the others a newspaper editorial.

Mr. HOWELL asked and was given permission to extend his remarks and include extraneous matter.

Mr. TAURIELLO asked and was given permission to extend his remarks in reference to the Churchill Tabernacle at Buffalo, N. Y.

Mr. KEOGH (at the request of Mr. TAURIELLO) was given permission to extend his remarks and include an address by Congressman CHESTER C. GORSKI at Colgate University.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. JENSEN asked and was given permission to extend his remarks and include a speech delivered by Mrs. Hiram C. Houghton.

Mr. ANDERSON of California asked and was given permission to extend his remarks and include an article.

Mr. POTTER asked and was given permission to extend his remarks.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in two instances.

Mr. LARCADE asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. HÉBERT (at the request of Mr. LARCADE) was given permission to extend his remarks and include extraneous matter.

Mr. UNDERWOOD asked and was given permission to extend his remarks on the bill S. 3358.

Mr. McCORMACK asked and was given permission to extend his remarks and include an article.

Mr. TACKETT asked and was given permission to extend his remarks and include a proclamation from the Governor of Arkansas.

Mr. O'HARA of Minnesota asked and was given permission to extend his remarks and include a newspaper article.

Mr. BIEMILLER asked and was given permission to extend his remarks in four instances and in each to include extraneous matter.

Mr. MILLER of Maryland (at the request of Mr. BEALL) was given permission to extend his remarks.

Mr. BEALL asked and was given permission to extend his remarks and include an editorial.

SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

Bills and a concurrent resolution of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 192. An act to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties; to the Committee on Public Lands.

S. 382. An act for the relief of Wong Suey Wing; to the Committee on the Judiciary.

S. 841. An act for the relief of Michele Bartolomeo Marchisio; to the Committee on the Judiciary.

S. 960. An act to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the armed forces of the United States for fiscal years 1951, 1952, and 1953, and for other purposes; to the Committee on Armed Services.

S. 1208. An act for the relief of Pasch Bros.; to the Committee on the Judiciary.

S. 1304. An act for the relief of Nicolae G. Caranfil and his family; to the Committee on the Judiciary.

S. 1320. An act for the relief of Mrs. Barbarita Romero; to the Committee on the Judiciary.

S. 1779. An act for the relief of Phil Meyers, also known as Gil Meyers; to the Committee on the Judiciary.

S. 1884. An act for the relief of Rev. Lambros Economakos; to the Committee on the Judiciary.

S. 2016. An act for the relief of Mr. and Mrs. Charles R. Proctor; to the Committee on the Judiciary.

S. 2077. An act for the relief of Francisco Gonzalez Perez; to the Committee on the Judiciary.

S. 2095. An act for the relief of Frederick L. Goggans; to the Committee on the Judiciary.

S. 2264. An act for the relief of Juliana Sosa de Solis; to the Committee on the Judiciary.

S. 2346. An act for the relief of Kuo Chin Lu; to the Committee on the Judiciary.

S. 2403. An act for the relief of Curt Edward Friese; to the Committee on the Judiciary.

S. 2608. An act for the relief of Dr. Kun Ken Hu; to the Committee on the Judiciary.

S. 2658. An act to establish rearing ponds and a fish hatchery in the State of Kentucky; to the Committee on Merchant Marine and Fisheries.

S. 2991. An act for the relief of the Chicago, Rock Island & Pacific Railroad Co.; to the Committee on the Judiciary.

S. 3520. An act to strengthen the common defense by providing for continuation and expansion of Western Hemisphere production of abaca by the United States; to the Committee on Armed Services.

S. 3571. An act to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 3771. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation; to the Committee on Merchant Marine and Fisheries.

S. Con Res. 95. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 714. An act for the relief of Pieter Cornelis ten Wolde and family;

H. R. 1038. An act for the relief of William Richard Geoffrey Malpas;

H. R. 1609. An act for the relief of Arne Gordon Westly;

H. R. 2226. An act for the relief of Victor C. Kaminski (also known as Victor Kaminski);

H. R. 2705. An act for the relief of Martin Kenneth Ikeda;

H. R. 3009. An act for the relief of Dr. Ali Reza Bassir;

H. R. 3018. An act for the relief of Camilla Fabris;

H. R. 4532. An act for the relief of Dr. Ta Fu Wu;

H. R. 4903. An act for the relief of Krikor G. Guiragossian;

H. R. 5355. An act for the relief of Mindel Malek;

H. R. 5541. An act for the relief of William Lawrence Tan;

H. R. 6589. An act for the relief of Mitsue Miyamoto;

H. R. 6747. An act for the relief of Helga Holleb;

H. R. 6756. An act for the relief of Arthur Chen Shu Jee;

H. R. 6787. An act for the relief of Mrs. Kyoko Nakamura Kornhauser;

H. R. 6880. An act for the relief of Mrs. Kioy Narumi Murakami and Keiko Narumi;

H. R. 6894. An act for the relief of Mrs. Nobuko Eto Heard;

H. R. 7035. An act for the relief of Hisako Sakata Ikezawa;

H. R. 7047. An act for the relief of Mrs. Tomo Nonque Rosevear;

H. R. 7096. An act for the relief of Mrs. Maria Salome Holland;

H. R. 7292. An act for the relief of Erio Louis Tomita and Fumiko Tomita;

H. R. 7363. An act for the relief of Suzuko Yagi and Anne Yagi; and

H. R. 7889. An act to postpone the application of the Classification Act of 1949 to certain employees of the Selective Service System.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on June 15, 1950, present to the President, for his approval, bills of the House of the following titles:

H. R. 5920. An act to provide for payment of amounts due mentally incompetent personnel of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service; and

H. R. 6743. An act to amend the Federal Home Loan Bank Act, as amended, and title IV of the National Housing Act, as amended, and for other purposes.

## ADJOURNMENT

Mr. CHRISTOPHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 12 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 20, 1950, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1502. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill entitled "A bill to authorize the detail of officers of the Armed Forces to any duty or position with the Department of Commerce in connection with the work of promoting civil aviation"; to the Committee on Armed Services.

1503. A letter from the Secretary of State, transmitting a draft of a proposed bill entitled "A bill to authorize the President to appoint Col. Henry A. Byroade as Director of the Bureau of German Affairs, Department of State, without affecting his military status and perquisites"; to the Committee on Armed Services.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SPENCE: Committee on Banking and Currency. H. R. 8569. A bill to strengthen the common defense by extending for 5 years the authority for the Texas City tin-smelter operation; with amendment (Rept. No. 2270). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 8597. A bill to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers; without amendment (Rept. No. 2271). Referred to the House Calendar.

Mr. SPENCE: Committee on Banking and Currency. H. R. 8737. A bill to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising import controls with respect to fats and oils, and rice and rice products; without amendment (Rept. No. 2272). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee on Public Lands. S. 3336. An act to provide for the organization of a constitutional government by the people of Puerto Rico; without amendment (Rept. No. 2275). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee on Public Lands. S. 3635. An act to enable the governments of Alaska, of Hawaii, of Puerto Rico, and the Virgin Islands to authorize public bodies or agencies to undertake slum clearance, urban redevelopment, and low-rent housing activities including the issuance of bonds and other obligations, to amend the low-rent housing enabling statutes for Alaska and Hawaii, and for other purposes; without amendment (Rept. No. 2276). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on the District of Columbia. H. R. 2887. A bill to amend the Architects' Registration Act for the District of Columbia in order to safeguard life, health, and property, and to promote the public welfare; with amendment (Rept. No. 2277). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 7146. A bill to amend section 3 of the act entitled "An act to provide for the disposal of materials on the public lands of the United States," so as to provide that moneys received from the disposal of material from reserved school section lands in Alaska shall be credited to the Territory; with amendment (Rept. No. 2278). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 7675. A bill to authorize the addition of certain land to Chickamauga and Chattanooga National Military Park, in the State of Tennessee; without amendment (Rept. No. 2279). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 7709. A bill to provide for the acquisition, investigation, and preservation of lands to commemorate the historic Fort Caroline settlement, St. Johns Bluff, Fla.; with amendment (Rept. No. 2280). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 7977. A bill to authorize the city of Buffalo, Wyo., to make additional uses of certain lands, and for other purposes; without amendment (Rept. No. 2281). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 8195. A bill to rescind the order of the Postmaster General curtailing certain postal services; without amendment (Rept. No. 2282). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 8366. A bill to supplement the act of June 29, 1936 (49 Stat. 2029), relating to the Castillo de San Marcos National Monument, in the State of Florida; without amendment (Rept. No. 2283). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. H. R. 8710. A bill to provide for the improvement of stadium facilities at the Eastern Senior High School in the District of Columbia; without amendment (Rept. No. 2284). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee of conference. S. 3181. An act to extend the Housing and Rent Act of 1947, as amended, and for other purposes (Rept. No. 2285). Ordered to be printed.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. S. 2397. An act authorizing the Secretary of the Interior to convey certain lands in the State of Minnesota to Signa M. Lodoen and Nels R. Lodoen; without amendment (Rept. No. 2273). Referred to the Committee of the Whole House.

Mr. BARRETT of Wyoming: Committee on Public Lands. H. R. 7916. A bill to authorize and direct the Secretary of the Interior to execute an oil and gas lease on a certain tract of land in Park County, Wyo.; without amendment (Rept. No. 2274). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MANSFIELD:

H. R. 8871. A bill to promote the rehabilitation of the landless Indians of Montana, and for other purposes; to the Committee on Public Lands.

By Mr. McGRATH:

H. R. 8872. A bill to amend Veterans' Preference Act of 1944 with respect to certain mothers of veterans; to the Committee on Post Office and Civil Service.

By Mr. PATMAN:

H. R. 8873. A bill granting the consent of the Congress to the negotiation of a compact relating to the waters of the Red River by the States of Arkansas, Louisiana, Oklahoma, and Texas; to the Committee on Public Lands.

By Mr. PATTEN:

H. R. 8874. A bill to authorize the sale of lands to the city of Flagstaff, Ariz.; to the Committee on Public Lands.

By Mr. DOYLE:

H. R. 8875. A bill to provide for payments to certain disabled veterans who sold their homes in order to move from Van Nuys, Calif., to Long Beach, Calif., for the purpose of receiving care and treatment at the Veterans' Administration hospital at Long Beach, Calif.; to the Committee on Veterans' Affairs.

By Mr. CLEMENTE:

H. Con. Res. 223. Concurrent resolution providing for the exercise of the veto to prevent Communist China from becoming a member of the United Nations; to the Committee on Foreign Affairs.

By Mr. FORAND:

H. Res. 654. Resolution for the relief of Mrs. Jean E. Charon; to the Committee on House Administration.

By Mr. TAURIELLO:

H. Res. 655. Resolution creating a select committee to conduct an investigation and study of the meat industry of the United States to determine the causes and effects of the abrupt increases in the price of meat; to the Committee on Rules.

H. Res. 656. Resolution to provide funds for the expenses of the investigation and study authorized by House Resolution 655; to the Committee on House Administration.

By Mr. CRAWFORD:

H. Res. 657. Resolution for the appointment of a special committee for the enforcement of acts of the Congress; to the Committee on Rules.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYKIN:

H. R. 8876. A bill for the relief of Lon Weaver; to the Committee on the Judiciary.

By Mr. D'EWART:

H. R. 8877. A bill authorizing the Secretary of the Interior to issue patents in fee to certain allottees on the Blackfeet Indian Reservation; to the Committee on Public Lands.

By Mr. KING:

H. R. 8878. A bill for the relief of John Reginald Leat; to the Committee on the Judiciary.

By Mr. MITCHELL:

H. R. 8879. A bill for the relief of E. J. Warden; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 8880. A bill for the relief of Cecil D. Rose; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2203. By Mr. CANFIELD: Resolution adopted by the Monday Afternoon Club of Passaic, N. J., favoring the development of voluntary health insurance and opposing the compulsory approach; to the Committee on Interstate and Foreign Commerce.

2204. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, for the President to reinstate certain amputee veterans as permanent employees of Post Office Department, and one memorializing Congress to enact legislation exempting fishing tournaments from provisions of the Federal postal lottery law; to the Committee on Post Office and Civil Service.

2205. Also, resolution of City Council of Malden, Mass., that the Federal Government take the necessary steps to stop importing of Russian crab meat into this country for sale; to the Committee on Ways and Means.

2206. By the SPEAKER: Petition of George W. Parson, M. D., president, Texas Heart Association, Dallas, Tex., urging the board of directors of the American Heart Association to reexamine its position with reference to its approval of the expenditure of Federal funds under the National Heart Act and the establishment of the National Heart Institute under the Federal Security Agency; to the Committee on Interstate and Foreign Commerce.

2207. Also, petition of George W. Cox, M. D., State health officer, Texas State Department of Health, Austin, Tex., opposed to Reorganization Plan No. 27 in its entirety; to the Committee on Expenditures in the Executive Departments.

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# SENATE

## TUESDAY, JUNE 20, 1950

*(Legislative day of Wednesday, June 7, 1950)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, we thank Thee for the sweet refreshment of sleep, restoring the frayed edges of care; for the fresh vigor of a new day; and for all the beckoning glory of June enchantment. Across all the toiling hours before us, O Thou Great Companion of our souls, keep our hearts with Thee as once more our faces are set toward vexing social problems which tax our utmost to solve.

May we take heed of all the judgments of those who share with us the responsibilities of statecraft, and gather gratefully and patiently whatever truth they hold. But teach us still to test all things by our own conscience, and always to do the right as Thou dost give us to see the right. And, in these days that try men's souls, strengthen our weakness, curb our ill tempers; bring courage for cowardice and invincible faith for blighting cynicism. In the decisions here to be made in crucial days ahead, make us worthy of these demanding times that call aloud for wisdom and character. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 19, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

CALL OF THE ROLL

Mr. MCFARLAND. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time consumed in the calling of the quorum be divided equally between the proponents and the opponents of the bill (H. R. 6000) which is the unfinished business before the Senate.

The VICE PRESIDENT. Without objection, it is so ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LUCAS. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be suspended.

The VICE PRESIDENT. Without objection, it is so ordered.

Under the unanimous-consent agreement, the time between now and 4 o'clock p. m. is divided equally between the Senator from Georgia [Mr. GEORGE] and the Senator from Colorado [Mr. MILLIKIN].

LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, will the Senator from Georgia yield to me to make a half-a-minute statement?

Mr. GEORGE. I yield to the Senator from Illinois for that purpose.

Mr. LUCAS. Mr. President, I desire to announce that immediately following the disposition on tomorrow of the conference report on H. R. 1243, to amend the Hatch Act, the Senate will proceed to the consideration of House bill 6826, providing for continuation of the Selective Service Act. That is an exceedingly important measure, because it has the deadline of the 24th of June midnight, and unless the Congress passes that bill between now and that time it will be necessary, according to those who are familiar with that measure, to have the boys who have registered during the past 2 years reregister. That will create a tremendous amount of work throughout the country for the draft boards. It will result in a great amount of confusion and chaos. So on tomorrow we are going to hold a night session with the hope that we can conclude action on that bill before the Senate adjourns or recesses.

Mr. WHERRY. Mr. President, will there be any time today allotted for insertions of various matters into the RECORD?

The VICE PRESIDENT. That can be done only if one of the Senators now having control of the time yields to other Senators for such purpose, unless a unanimous-consent agreement to that effect is entered into.

Mr. GEORGE. Mr. President, I suggest that we proceed with the business in hand. Probably there will be an opportunity afforded within a short time to present routine matters for the RECORD.

Mr. WHERRY. Very well.

TRANSACTION OF ROUTINE BUSINESS

Subsequently,

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

APPOINTMENT OF COL. HENRY A. BYROADE AS DIRECTOR OF BUREAU OF GERMAN AFFAIRS

A letter from the Secretary of State, transmitting a draft of proposed legislation to authorize the President to appoint Col. Henry A. Byroade as Director of the Bureau of German Affairs, Department of State, without affecting his military status and perquisites (with an accompanying paper); to the Committee on Armed Services.

REPORT ON CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease for the month of April 1950 (with accompanying papers); to the Committee on Agriculture and Forestry.

DETAIL OF OFFICERS OF ARMED FORCES TO DEPARTMENT OF COMMERCE

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize the detail of officers of the Armed Forces to any duty or position with the Department of Commerce in connection with the work of promoting civil aviation (with accompanying papers); to the Committee on Armed Services.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the executive council of the Dental Society of the State of New York, New York City, protesting against the approval of Reorganization Plan No. 27 of 1950, providing Cabinet status for the Federal Security Agency; to the Committee on Expenditures in the Executive Departments.

A resolution adopted by San Gabriel Post, No. 442, the American Legion, at San Gabriel, Calif., protesting against the closing of the Birmingham General Hospital in Van Nuys, Calif.; to the Committee on Labor and Public Welfare.

Resolutions adopted by Harman and Allen Auxiliary No. 8306, of Catawissa, and the Catholic Woman's Club, of York, both in the

State of Pennsylvania, and the American Association of Industrial Nurses, of New York, N. Y., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by Daniel Webster Lodge No. 24, Free Sons of Israel, Brooklyn, N. Y., favoring the enactment of Senate bill 3102 and House bill 7396, providing Federal aid to States to make more adequate provisions for the education of physically handicapped children; to the Committee on Labor and Public Welfare.

A letter in the nature of a petition from the Hamilton Park Adult Recreation Club, Chicago, Ill., signed by Warren Lamson, president, praying for the enactment of House bill 6000, the Social Security Act amendments of 1950, as it passed the House of Representatives; ordered to lie on the table.

## WORLD PEACE—REPORT OF WISCONSIN ANNUAL METHODIST CONFERENCE

Mr. WILEY. Mr. President, I have received from the secretary of the Wisconsin Annual Methodist Conference, Rev. Norman S. Ream, a copy of a report adopted by the committee on world peace of the conference. I believe that this report, although debatable, will be of tremendous interest to my colleagues because it voices the sentiments of countless clergymen throughout the country and of their flocks.

On many occasions I have voiced sentiments similar to several of the expressions in this report. For example, I have urged the calling of an international conference to consider the problem of world disarmament, and have urged direct face-to-face meetings between the leaders of the great powers. In addition, it has been my pleasure to vote for the point 4 program.

I believe the report of the committee on world peace of the Methodist church of my State will be of interest to my colleagues, although many of the report suggestions are highly controversial. I ask unanimous consent, therefore, that the text be printed in the RECORD, and appropriately referred.

There being no objection, the report was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

REPORT OF COMMITTEE ON WORLD PEACE

Today's civilization is staggering on the edge of war. More men are under arms and more wealth is being poured into armaments than at any other time in history except during actual war itself. The energies and resources of the nations are devoted to turning out ever more terrible weapons of destruction. This cannot long continue without mankind being plunged into an armed conflict that will blight the earth and destroy the people.

I. PRINCIPLES OF PEACE

The church cannot remain silent but must speak the mind of Christ without compromise, calling the nations to set their feet on the path of peace, to develop a broad policy for peace based on good will rather than a negative program of containment based on force. Such a policy should rest on two basic factors:

1. Reconciliation rather than recrimination as the fundamental principle in world relationships.

2. Effective world organization as a means of using the world's tremendous resources to build rather than to destroy.

We call on our Nation's leaders to abandon the idea that the only way to end the cold war is to win it, and to realize that the only way to win the cold war is to end it. We urge the President and the State Department to end their refusal to cooperate with Trygve Lie, Secretary General of the United Nations, in his efforts to bring the east and west together again. The position evidenced by our Nation's leaders borders on intransigence and is rapidly losing us our position of moral leadership in the eyes of the Europeans and the Asiatics.

We ask our Government to seek patiently and sincerely for the reopening of negotiations with Russia at the highest leadership levels. We realize that Russian policy and attitudes make cooperation with her difficult. We remember, however, that Christ has not called us to love only those who love us, but to be also persistent in good will toward those who raise barriers against us.

II. DISARMAMENT

As a first step in a bold program for peace, let our Nation join with others in calling for a world-wide disarmament conference, seeking specifically the cooperation of the U. S. S. R. in the issuance of the invitation. The arms burden bears with crushing weight on the people's back, draining our natural resources and misusing our human resources.

To give force to the call for this world-wide conference, our own Nation should abolish its program of peacetime military conscription which was adopted in the midst of confused counsel, and is contrary to Christian teachings and American tradition. We would thus evidence in a real manner our sincerity in this matter of disarmament. In addition, our Government should act in whatever way is necessary to remove all profit making from war.

III. ATOMIC ENERGY CONTROL

We ask that new efforts be made to find a basis for international control of atomic energy within the framework of the United Nations. There is no virtue in holding dogmatically to the Baruch proposal when it is unalterably opposed by the U. S. S. R. Our leaders should appoint a new group to draft a fresh proposal concerning atomic energy control, such a group to contain no person who is a member of the national administration or the military forces.

In the meantime we should abandon our efforts to create a hydrogen bomb. It is utter folly to seek a weapon which may destroy us all simply because other countries may be seeking it, also. There is no teaching or action of Christ which can conceivably be interpreted to mean we are to seek the power of destroying others lest they destroy us first. Rather we are told to "fear not those who would kill the body" but fear only "Him who can destroy both soul and body." Certainly the present race for control of the weapons of destruction puts our very souls in peril.

IV. DEVELOPMENT OF BACKWARD AREAS

We urge our Nation to give significant support to the point 4 program of sending technicians and materials to underdeveloped and backward areas of the world. This program should have no connection with military purposes, but should be administered entirely through the appropriate UN agencies where no veto exists. Hunger and desperation furnish a fertile seedbed for communism and fascism. To combat such conditions through the point 4 program is not only part of the Christian imperative, but is absolutely necessary to create the condition in which democracy can flourish.

We call attention to the fact that, if the pending point 4 appropriation of $35,000,000 is authorized, we will still be putting more than $400 into armaments for every $1 allotted to this all-important work of helping the world's peoples to stand on their own feet. Such an apportionment would seem to indicate that we are neither as wise as serpents nor as harmless as doves.

V. WORLD ORGANIZATION

Peace is neither the synonym for a static situation nor for the absolute lack of conflict. In the final analysis, world peace is that condition in which change can take place without recourse to violence. Change is a basic requirement for a progressive and dynamic society. Where the forces for change meet the forces of inertia, conflict develops. If there is no other way for the conflict to be resolved, it will issue in violence. As pointed out by the last general conference of our church, democratic government furnishes the framework within which such change can take place peacefully. Conflicts are then resolved within the legislature rather than on the battlefield.

The United Nations is the first step toward an effective world organization. But it languishes and is near the point of perishing because it is still a league of sovereign nations based on mutual conflict rather than a government based on law. We urge our State Department and administration to work for transformation of the United Nations into a Federal World Government by giving it the power to enact, interpret, and enforce world laws to insure peace.

We feel that the hour is at hand for a great effort to effect a comprehensive settlement with the Soviet Union and, as a vital factor in such a settlement, a simultaneous UN Charter revision producing the world federation essential to lasting peace.

VI. OUR RESPONSIBILITY

Each local church should without fail have a group to keep that church informed on the vital issues of peace. We who serve the Prince of Peace cannot afford to let the powers of darkness win this struggle by our default. Minister and layman alike bear a grave responsibility for focusing the attention of the local congregation on this matter and stirring the people into action through sermon, study group, petition, contact with legislators, and through whatever other resource may be available. Peace is the will of God and peace must become the will of the Methodist people.

## STATE FOREST PRACTICES—RESOLUTIONS OF BOARDS OF COUNTY COMMISSIONERS OF HUBBARD AND ITASCA COUNTIES, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD, resolutions adopted by the Boards of County Commissioners of Hubbard and Itasca Counties, Minn., expressing opposition to the so-called Anderson bill, S. 1820, providing that each State set up its own forest practices subject to the acceptance of Federal policies.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Whereas the Anderson bill, Senate File 1820, provides that each State set up its own forest practices subject to the acceptance of Federal policies; and

Whereas the State of Minnesota has a strong forest department and State timber management policy with respect to all publicly owned lands; and

Whereas the bill in question would extend the regimentation by the Federal Government, increasing expenditures and red-tape; and

Whereas we are opposed to any further usurpation of power from the local agencies

by the Federal Government: Now, therefore, be it

*Resolved*, That this county board at its regular meeting in the courthouse at Park Rapids, Minn., on June 6, 1950, places itself on record in opposition to said bill and, further, that the United States Senators and Representatives from Minnesota are hereby requested to vote against same and use their influence to oppose said bill.

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Whereas the Anderson bill, Senate File 1820, provides that each State set up its own forest practice policies subject to the approval of the Secretary of Agriculture; and

Whereas if the Secretary of Agriculture does not agree with the State plan, the Federal Department of Agriculture will then assume authority after a certain prescribed waiting period for the State to amend its policy to conform to a Federal pattern; and

Whereas the State of Minnesota already has a very good forestry policy and has laws giving the State administrative authority under a well established State timber management policy with respect to timber cutting on all lands except those owned by the Federal Government; and

Whereas the State of Minnesota has foresters and technicians who are not only as competent as those of the Federal Government or any other agency, but who are already familiar with local conditions; and

Whereas this bill, while cited as a Forest Practice Act for the management of privately owned forest lands, is feared to have as its main objective the eventual control by the Federal Government of all timber lands in the several States, thereby taking the administrative authority away from the State and local government agencies; and

Whereas this measure could well be confiscatory in scope and is an infringement on State rights with more regimentation by the Federal Government and the building up of more bureaucracies with untold expenditures and red tape, enforcing questionable forest practices: Now, therefore, be it

*Resolved*, That this board of county commissioners of Itasca County, Minn., at its regular meeting in the courthouse in Grand Rapids, Minn., on June 6, 1950, does hereby express its opposition to said Anderson bill; be it further

*Resolved*, That the United States Senators and Congressmen from Minnesota are hereby requested to vote against the bill and to use their influence to prevent its passage.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry:

S. 2809. A bill to provide for an agricultural program in the Virgin Islands; without amendment (Rept. No. 1845); and

H. R. 7155. A bill to authorize the Secretary of Agriculture to cooperate with the States to enable them to provide technical services to private forest-land owners, and for other purposes; with amendments (Rept. No. 1846).

By Mr. GILLETTE, from the Committee on Agriculture and Forestry:

H. R. 5679. A bill to authorize the transfer of certain agricultural dry land and irrigation field stations to the States in which such stations are located, and for other purposes; with an amendment (Rept. No. 1847).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. Res. 291. Resolution to investigate the causes of gasoline price increases during the past 5 years and whether supplemental antitrust legislation is needed; without amendment (Rept. No. 1849); and, under the rule, referred to the Committee on Rules and Administration.

## BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KNOWLAND:

S. 3797. A bill for the relief of Ivan Herben, his wife, son, and daughter-in-law; to the Committee on the Judiciary.

By Mr. DONNELL:

S. 3798. A bill for the relief of Tomiko Tsuji and Mari Tsuji; to the Committee on the Judiciary.

By Mr. GURNEY:

S. 3799. A bill to authorize the sale of certain land of Jonas Owl King; to the Committee on Interior and Insular Affairs.

By Mr. McCARRAN:

S. 3800. A bill to amend title 18 of the United States Code, relating to the mailing of obscene matter; to the Committee on the Judiciary.

By Mr. LUCAS:

S. 3801. A bill authorizing the Secretary of the Interior to convey a certain portion of land to the New York Avenue Presbyterian Church, Washington, D. C.; to the Committee on Interior and Insular Affairs.

By Mr. SALTONSTALL:

S. 3802. A bill for the relief of Ladislav Dolansky and his wife, Marie; to the Committee on the Judiciary.

By Mr. HAYDEN (for himself and Mr. McFARLAND):

S. 3803. A bill to provide the rehabilitation of the Papago Tribe of Indians and a better utilization of the resources of the Papago Tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BRIDGES:

S. J. Res. 188. Joint resolution to provide for a temporary embargo on certain products imported under the classification of "Manufacturers of wood, not specially provided for"; to the Committee on Finance.

## SOCIAL SECURITY ACT AMENDMENTS OF 1950—AMENDMENTS

Mr. WATKINS submitted an amendment intended to be proposed by him to the bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. SCHOEPPEL submitted amendments intended to be proposed by him to House bill 6000, supra, which were ordered to lie on the table and to be printed.

## COMMENCEMENT ADDRESS BY THE VICE PRESIDENT AT THE UNIVERSITY OF CONNECTICUT

[Mr. McMAHON asked and obtained leave to have printed in the RECORD a commencement address delivered by the Vice President at the University of Connecticut, at Storrs, Conn., on June 11, 1950, which appears in the Appendix.]

## OUR FARM PROGRAM—ADDRESS BY SENATOR ANDERSON

[Mr. ANDERSON asked and obtained leave to have printed in the RECORD an address entitled "Our Farm Program," delivered by him before the Western Region Farm Bureau Conference, at Fort Collins, Colo., June 17, 1950, which appears in the Appendix.]

## SEATING OF COMMUNIST CHINA IN THE UNITED NATIONS—STATEMENT BY SENATORS BRIDGES AND KNOWLAND

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD a statement by Senator KNOWLAND and himself on the seating of Communist China in the United Nations, which appears in the Appendix.]

## SPEECH AT WISCONSIN REPUBLICAN STATE CONVENTION NOMINATING SENATOR WILEY

[Mr. TAFT asked and obtained leave to have printed in the RECORD the speech at the Wisconsin Republican State Convention nominating Senator WILEY for reelection, and an editorial entitled "WILEY Endorsement Sets National Pace," published in the Janesville (Wis.) Daily Gazette of Monday, June 12, 1950, and excerpts from an editorial in the La Crosse Tribune of June 15, 1950, which appear in the Appendix.]

## INDEPENDENCE BOND DRIVE—ADDRESS BY WILLIAM J. STOREY, MAYOR OF DOVER, DEL.

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD the address of the Honorable William J. Storey, mayor of Dover, Del., delivered on June 14, 1950, on the occasion of the launching of the Independence bond drive in Delaware, which appears in the Appendix.]

## TRUMAN'S ABRUPT VETO OF BASING-POINT BILL AIDS LOCAL MONOPOLY—ARTICLE BY DAVID LAWRENCE

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an article entitled "Truman's Abrupt Veto of Basing-Point Bill Aids Local Monopoly," by David Lawrence, published in the Washington Evening Star of June 19, 1950, which appears in the Appendix.]

## TARIFF POLICY UNCERTAINTIES SEEN UNSETTLING TO INDUSTRY—ARTICLE BY HOWARD HUSTON

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an article entitled "Tariff Policy Uncertainties Seen Unsettling to Industry," written by Howard Huston, and published in the New York Journal of Commerce of June 20, 1950, which appears in the Appendix.]

## SOCIAL SECURITY ACT AMENDMENTS OF 1950

The Senate resumed the consideration of the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes.

The VICE PRESIDENT. The question is on the amendment submitted by the Senator from Illinois [Mr. LUCAS] for himself and other Senators.

Mr. GEORGE. Mr. President, I yield 20 minutes to the Senator from Pennsylvania [Mr. MARTIN].

The VICE PRESIDENT. The Senator from Pennsylvania is recognized for 20 minutes.

Mr. MARTIN. Mr. President, we are indeed deeply indebted to the able and distinguished chairman of the Finance Committee, the senior Senator from Georgia [Mr. GEORGE], and the equally able and distinguished junior Senator from Colorado [Mr. MILLIKIN] for the enormous amount of intense study and the laborious effort represented in the bill which is now before the Senate.

The task to which they devoted themselves so zealously was one of vast magnitude and extreme complexity. The problem of social security is not one that can be brought to perfection by any quick or easy method. It is not con-

cerned exclusively with charts or statistics. It has to do with the lives and the welfare of people throughout their lifetime. In its many-sided aspects it involves the plans and hopes of men and women to acquire a measure of peace of mind and comfort in their later years.

Mr. President, social security is of more interest to the people today than any other subject, except taxation, which has been discussed in this Chamber.

I know I am joined by all my colleagues in deep appreciation of the fair and impartial manner in which H. R. 6000, as amended by the Senate Finance Committee, was discussed by the leadership of the committee. Very carefully and very thoroughly they presented the features which remedy some of the existing defects in the present system. At the same time they placed emphasis upon the inadequacies which still remain to be worked out before the purposes we are trying to achieve can be attained.

Certainly we have before us a substantial improvement upon the present law. We are widening the coverage and offering a much more realistic schedule of old-age and survivor benefits in the light of present-day prices. These are valuable adjustments.

But there is another side. Like the original 1935 measure, the pending bill continues to be a stopgap—something to fill in until, somewhere along the line, there is created a basically sounder and firmer system of doing the job that must be done.

I refer, of course, to the kind of law which will stand on the three firm foundation pins of universal coverage, pay-as-you-go, and something reasonably close to genuine actuarial standards.

I shall vote for this bill in the clear recognition that it is still a stopgap—certainly a much improved stopgap—but yet a challenge for us to find something better.

Wholeheartedly I endorse the resolution offered jointly by the senior Senator from Georgia and the junior Senator from Colorado, for a continuing study of social-security problems to determine the best way to make the present system over into the fundamentally sounder one which all of us are determined the country must have.

As we all know, the bill which is now before the Senate, and which is an improvement over existing law, largely grew from the resolution adopted by the Senate on July 23, 1947, during the Eightieth Congress—a resolution jointly sponsored by the then chairman of the Finance Committee [Mr. MILLIKIN] and the ranking minority member [Mr. GEORGE]—for an investigation into the social-security system. The experts appointed in accordance with that resolution assembled for the Congress basic new information which provided the stepping stones to this bill.

The new resolution (S. Res. 300), which is to be voted on this afternoon, calls for something much more important. It should enlist the support of all seeking to provide the best possible safeguards for our growing population of older citizens.

And, Mr. President, important as is the problem of our aging and aged today, tomorrow it will be infinitely more important. Today our population of men and women over 65 years of age is about eleven and one-half million. By 1975 there are expected to be about 19,000,000 in that category, and by the year 2000 even more.

These older people are men and women who have made their full contribution to the upbuilding and support of the Republic. They have given the country a new generation, have fought its wars, have raised its food, erected its homes, schools, and churches, taught its youth, and produced an infinite variety of our manufactured products. They have kept burning brightly the torch of our form of government and our way of life.

They are an indispensable link in the continuity of America.

For them, there must not—there shall not ever be—any "over the hill to the poorhouse" at the end of the road.

Nor must we be content with any stopgap, second-best system of social security. We must work constantly at the job of improving it. Most important, we must make the country behind it fully solvent and able to live within its means, for no system that we or anyone else can devise will be any stronger or safer than the soundness of the dollar and the solvency of the country back of it.

That is why the George-Millikin resolution is so important.

Everyone knows that the relief or public-assistance feature of social security was to be a temporary expedient. The idea was that as soon as the old-age and survivors insurance system was well established Uncle Sam would withdraw from the business of providing local assistance. That, it was felt, was a job entirely for the States and local communities. But things have not worked out that way under the stopgap law. Old-age and survivors insurance has been in existence for 15 years, and today more than 35,000,000 persons are under its coverage.

But, despite this, old-age assistance and other direct-relief programs—with matching Federal contributions—have continued to grow at such a rate that its beneficiaries over 65 years of age far outnumber those of the insurance system; and far more money is being spent to benefit persons under such relief than is received by those who made regular payments under the insurance system.

Public assistance is essentially a local function. It should be taken care of by the local community, with financial assistance from the State. The Federal Government should step in only in times of great emergency. We must remember that the stronger the old-age and survivors insurance program becomes the less burden there will be upon the States and local communities for relief.

What have we in the handling of the money today, Mr. President? A worker and his employer pay into the social-security insurance fund year in and year out. The money goes into the Federal Treasury. Uncle Sam dips his hand into the till, takes the money out, and spends it for the high-priced business of running the Government. He leaves an I O U in the till. It is a bond paying 2½ percent annually. At present, in the neighborhood of $12,000,000,000 has been removed, and the 2½ percent I O U's left instead.

That sounds good. The fund gets 2½ percent on its money in the safest investment in the world—United States Government bonds. But where does Uncle Sam get the 2½ percent interest? The same place he gets all of his money—by taxing the workers who paid the money into the social-security fund, in the first place, and also the workers who are not covered.

Where does the Government get the money to pay benefits as more and more persons reach the age of 65? Naturally, by taxing the same workers who are taxed to pay the interest on the bonds. So the man who goes on social security pays twice, plus interest, for his benefits. He pays in the original wage deductions. Then he is taxed to pay interest on the money the Government has borrowed from the fund. Then he is taxed to provide the money to pay him and others their social-security benefits. And, of course, the worker who is not covered by social security is taxed to provide funds to pay old-age insurance for those who are covered.

These inequities still remain in the improved bill now pending before the Senate. At the moment we must accept them until further study produces a sound social-security system.

It has been argued that the bonds of the United States, in which the social-security trust funds are invested, are the safest and soundest gilt-edged securities in the world.

I have no quarrel with that statement. I accept it fully and completely. But I should like to point out this difference: When a private corporation reaches the time when it is necessary to pay off its outstanding bonds, it does so out of earnings. We must remember that the Government has no earnings. When it becomes necessary to redeem the bonds, two courses are open. One is by new borrowing. The other is by additional taxes imposed upon all the people, including those who sacrificed a part of their earnings to establish the social-security fund.

Mr. WHERRY Mr. President, will the Senator yield for a question?

Mr. MARTIN. Yes; if I have the time.

Mr. WHERRY. Then I shall be very brief. In either of the events the Senator has mentioned, the payment has to be made through taxes, regardless of whether it is deficit spending or not. Is that correct?

Mr. MARTIN. Yes; all of it is paid for by taxation.

Mr. WHERRY. So it has to be paid for by taxation; does it not?

Mr. MARTIN. Yes; the Senator is correct.

What I believe in is a plan whereby everyone under 65 years of age supports the system, and then, when past the age of 65, becomes a beneficiary. I want the program to be on a pay-as-you-go basis—actuarily sound—in which a man pays once, not twice, for his benefits.

That is the goal toward which Congress must work. I am confident that

the George-Millikin resolution will bring us a step closer to that goal.

If we do not seek a sound actuarial solution, we have no idea what this system, or any system, will cost us 20 or 30 or 50 years hence.

Today about 35,000,000 active workers pay into the fund; and only about 2,700,000 receive weekly benefits. That makes it easy for the administration's I O U scheme to operate, because a great deal more is paid into the fund than is withdrawn in the form of benefits. But what will happen when the receipts and the disbursements come closer and closer into balance?

What will happen if there should be a serious depression at some future time when fourteen or fifteen million persons are receiving old-age and survivors insurance benefits, and when millions of workers—actively contributing to the fund—are unemployed?

Where will the Government get the money to continue the insurance payments to the over-65-years-of-age beneficiaries? Will it be able to lay heavier taxes upon a depression-ridden people? Will it print inflationary, printing-press money, or will it repudiate its honest obligation to our citizens who are over 65?

Certainly the method used in the existing law, and provided for in the pending bill, does not contain the answer. The answer lies only in a sounder system.

I say we must work toward such a sounder system. In supporting this bill, we must recognize it for just what it is—one more stepping stone on the way to a better law.

The search for a better law should start now—without delay.

It is perfectly obvious to all of us that the sounder, better formula is not easy to find. Certainly, no one has managed to find it in the past 15 years, although many expert minds have been focused upon the problem.

There is one thing I should like to submit to the Senate. One of the principal reasons why the Congress is voting a new social-security law is because the benefits provided under the old law have become insufficient, due to the depreciation of the dollar and its decreased purchasing power. In other words, inflation has hit our dollar, and it is worth only half of what it was worth back in the middle thirties, when the social-security law first went into operation.

As an illustration of what has happened to the dollar consider the fact that a man who purchased a United States saving bond 10 years ago for $18.75 and who cashes the bond today for $25 can buy less with the $25 he receives than he could with $18.75, the amount he invested 10 years ago. That is what has become of the savings of the thrifty.

Mr. President, earlier in my remarks I mentioned that a sound, stable dollar and Government solvency are basically important to any true, long-term social-security system. Our national economy and the financial stability of our Government are being tossed and blown about by winds of inflation.

The person receiving old-age insurance benefits receives a fixed, limited income, and he is but one of many classes who suffer, and suffer greatly, under inflation. It brings hardship to all who must live on the income derived from pensions, rents, annuities, savings accounts, and other small investments.

The principal cause of the inflation we have today is extravagant spending, excessive taxation, debt, and unsound deficit financing by the Federal Government.

One of the most significant comments on the fiscal policies of the National Government was the statement issued last week by the Joint Congressional Committee on the Economic Report. The committee urged an immediate termination of deficit spending in times of prosperity and inflation. Let me quote from the statement of the majority party members, under the chairmanship of the distinguished senior Senator from Wyoming [Mr. O'MAHONEY]. Their comment declared:

> A critical examination of the present level of Government expenditures is imperative. In years of such booming business as currently is causing prices to boil up in inflationary manner throughout the economy, this Government should not be incurring deficits.
>
> It should put its house in order.
>
> Inability to vote against appropriations, or vote for increased taxes needed to foot bills this Government now incurs, is a sign of weakness that enemies of free enterprise are gleefully exploiting throughout the world. It represents the greatest single danger to freedom and national security.

The statement then goes on to urge "top priority" for reducing the debt in prosperous years like these.

Mr. President, that statement is dedicated to protecting our entire economy. For, let me say once more, the sound dollar and the Government's living within its means are the master keys to a stable social-security system, to a firm and expanding national economy, and even to protection from alien ideologies designed to conquer us by making us spend ourselves into a condition of weakness and self-destruction.

Mr. President, let me sound a warning: If we fail to put our house in order, if we do not return to a sound, fiscal policy, the pending bill and the study contemplated by the George-Millikin resolution will be mere scraps of worthless paper.

Finally, Mr. President, I should like to sum up some of our objectives, as follows:

First. We must determine how much social security the Nation can afford. We can afford only the amount we can pay for annually. No family or nation ever went broke on a pay-as-you-go basis.

Second. The plan we adopt must be easy to administer. We cannot entangle the people in too much Government red tape.

Third. As nearly as possible we should have universal coverage. Social security should be a safe and sound investment for the rainy day. It is the result of thrift and sacrifice.

Fourth. Social security and public assistance must be totally separated.

Fifth. Sound programs operated by subdivisions of Government, churches, and other institutions, should not be disturbed.

Sixth. Careful consideration must be given to pension funds set up by large business concerns, so that they may not place too great a burden on the small businesses or put them at too great a disadvantage.

Government solvency is the foundation of a sound social security. If we continue to endanger the solvency of the United States, and persist on a course which means further depreciation of the purchasing power of the American dollar, we shall defeat the ends we are now striving to achieve.

Mr. CAIN. Mr. President——

Mr. GEORGE. Mr. President, I yield to the Senator from Washington. Will the Senator kindly indicate how much time he will need?

Mr. CAIN. Approximately 30 minutes. I shall endeavor to conclude within that time.

Mr. GEORGE. I yield 30 minutes to the Senator from Washington.

The VICE PRESIDENT. The Senator from Washington is recognized for 30 minutes.

Mr. CAIN. Mr. President, the time is now hard upon us when we must vote on whether H. R. 6000 is to become the law of the land.

In the few minutes permitted me I desire to read a remarkable letter which I received this morning. The letter is from Mr. George M. V. Brown, administrator of the Pierce County Welfare Department of my own State of Washington, whose office is in my own home city of Tacoma. Mr. Brown has been, is, and I hope will continue to be, a close personal friend of the junior Senator from Washington.

I should like to read this letter and then to read my reply to Mr. Brown, in which is restated the position which the junior Senator from Washington has tried to present, in a reasonable way, during the entire consideration of the pending bill. Mr. Brown's letter reads as follows:

> DEAR HARRY: I am somewhat shocked and surprised at the reports we are receiving in our local newspapers concerning your attitude toward H. R. 6000 and Senate Report 1669. No legislation is ever perfect, but the changes that are contemplated in H. R. 6000 and Senate Report 1669, or any combination of them, is so much ahead of what we have at the present time that they deserve your fullest support. I believe we discussed this matter in some detail a few years ago when we had lunch together, and I know at that time you understood and agreed to the need for these changes. Without boring you with too much detail, please allow me to refresh your memory.
>
> The State old-age-assistance program (a pauperizing type of assistance) has been growing by leaps and bounds over the last 15 years. When this program was put into effect, it was the intent that it would be only a temporary measure until such time as the Federal Government could put into effect a pension-insurance program which would be directly contributed to by those who received benefits. Due to the lethargy on the part of the Federal Government, the old-age and survivors insurance program has been allowed to remain static to the place where returns to its participants are entirely inadequate, and the coverage has never been increased as was anticipated, and thus a relatively small percentage of the total population is covered by its benefits. As a direct result, the State old-age-assistance program, led by left-wing groups, has flourished in this fertile field of lethargy until

at the present time, as you well know, the financial stability of the State of Washington is seriously jeopardized. Not only are we serving many people on our State old-age-assistance program who should be covered by old-age and survivors insurance, but we are also finding it necessary to subsidize others, due to the fact that the Federal program has not been brought up to date since approximately 1938.

In addition to the financial burden which has unnecessarily been placed on this State by the above-mentioned inadequacies on the part of old-age and survivor's insurance, the resultant increase in State old-age assistance has tended to "drag along" an unnecessary liberalization of State relief programs to persons in other age brackets (aid to dependent children, general assistance, etc.).

There are probably many ways that an old-age and survivor's insurance program could be administered and financed. However, I think it is ill-advised to suggest the cost and confusion, which any new system would create, at this time when you and your colleagues have not as yet given full enough support to our present legislation to know whether or not it is either sufficient or workable.

In the interest of the people of the State of Washington, both those who are directly affected by this program and the taxpayers of this State, I hope that you will reconsider your viewpoint on this legislation and do all in your power to back up and vote for these revisions as suggested by H. R. 6000 and Senate Report 1669.

Those of us in the State of Washington should be the most interested people in the United States in this matter since it is my belief that the whole financial structure of our State is in more or less jeopardy, depending on how much we are able to handle old-age security on a contributory insurance basis rather than on a pauperizing base directly paid for by the already overburdened taxpayers.

Very truly yours,
PIERCE COUNTY WELFARE DEPARTMENT,
GEO. M. V. BROWN, *Administrator.*

He signed it "George" in a personal and affectionate way.

Today, Mr. President, the junior Senator from Washington wishes to respond to Mr. Brown, of Tacoma, Wash., as follows:

Mr. George M. V. Brown, Administrator, Pierce County Welfare Department, 2323 Commerce Street, Tacoma, Wash.

My dear Mr. Brown: Many thanks for your exceedingly frank letter of June 16. Much of the information in it only confirms what I have long suspected and believed.

Other portions of the letter, those urging me to support H. R. 6000, are so startling that I am moved to write you in some detail. In this letter I shall restate briefly the position I have tried to maintain throughout the whole consideration of the bill.

On May 24 last, shortly after H. R. 6000 was reported to the Senate, but before the committee report on the bill was available, I introduced a resolution—Senate Concurrent Resolution 92—calling for a completely independent investigation and overhauling of our social security system. I urged that, pending this investigation, we put aside H. R. 6000, leave the present system where it is, and pause until we had a clearer idea of where we are going.

I said then: "If the Nation is willing to provide for the needs of some of the aged, it ought to be willing to provide for the needs of all of the aged. It is because of this conviction that I shall oppose the passage of H. R. 6000 as amended with every legitimate means at my disposal."

That statement I now reaffirm and on it I still abide.

My earnest appeal for an investigation was not based on any notion that I was an expert in social security questions. I made the appeal because others, who understand these things in far greater detail than I, had been making similar appeals over a period of many months. These appeals had gone unheeded. It was only when it dawned upon me that this battle was liable to go to decision by default that I determined to fight.

You say, "There are probably many ways that an old age and survivors insurance program could be administered and financed. However, I think it ill-advised to suggest the cost and confusion, which any new system would create, at this time when you and your colleagues have not as yet given full enough support to our present legislation to know whether or not it is either sufficient or workable."

I say to you: The United States Congress has supported this legislation for 15 years and has seen the present social security system grow ever more complicated, capricious, cruel and unjust. How long do you think we should support it before looking for a better way?

In the statement which I made on May 24 and in my statements on June 15 and 16 during the debate, I tried to make clear the following points:

First. That the present two-headed system of old age assistance and old age and survivors insurance was complex beyond endurance, inordinately costly to administer, and tended to center bureaucratic control here in Washington. I believe that to be true. Why support a bill that promises to make this phase of the problem worse?

Second. That it was not insurance at all, since the system was riddled with examples of persons getting a dollar in benefits for a nickel put in.

Third. That despite all the talk about expanding social security there were millions of old people shut out and that, H. R. 6000 to the contrary notwithstanding, millions of the aged will still be left out even if the bill passes.

Fourth. I said that it was useless to talk of costs unless the two systems of old-age assistance and of the so-called insurance program are considered simultaneously. In your letter you make this point clear with a vengeance. You say: "The State old-age assistance program—a pauperizing type of assistance—has been growing by leaps and bounds over the past 15 years." That is exactly what I have said on the Senate floor. You say: "When this program was put into effect, it was the intent that it would be only a temporary measure until such time as the Federal Government could put into effect a pension insurance program which would be directly contributed to by those who received benefits." I repeatedly called the Senate's attention to what had happened to that temporary-assistance program, how expectations of its dwindling away had gone with the wind. You say: "As a direct result the State old-age assistance program led by left-wing groups has flourished in this fertile field of lethargy until at the present time, as you well know, the financial stability of the State of Washington is seriously jeopardized." If you say this I do not see how, in all conscience, you can ask me to support H. R. 6000, for the matching formulas for OAA remain the same, save for a minute cut in cases where old people get both OASI benefits and old-age assistance as well. The plain truth is, as I believe, that old-age assistance costs, the very thing you dread, are bound to soar if H. R. 6000 is passed. I note what you say about left-wing pressure. I suggest that you bring this interesting fact to the attention of Mr. Arthur Altmeyer, of the Social Security Administration.

Fifth. I have maintained during the debate that it was a monstrous fraud and cheat to tell young people, now in their early working life, that if, under these wretched covered categories they paid their social-security taxes for the allotted time, they would at retirement age qualify for and receive an annuity. The fraud and the cheat lies in the expansion of present benefits out of current security-tax income, with scarcely a thought of how the enormously increased benefit bill is going to be paid a generation from now. I said it could only be done with savagely increased taxes or with further depreciated dollars. I still say that.

Sixth. I said it was a mistake to pass H. R. 6000 and plan to investigate afterward, since the further entrenchment of the existing system could only make investigation far more difficult and politically hazardous. I still believe that to be true.

Seventh. I was at pains to acknowledge the months of work which the Senate Finance Commitee has given to this bill and made it perfectly clear that my strictures were not directed at them but at the fact that, since the basis of the bill was fissured with grievous faults, so the completed bill could not help but be faulty as well. It is faulty still and members of the Finance Committee during this very debate have pointed out many of these faults. Why perpetuate them?

Eighth. I made no claim to being a social-security expert and I refused to endorse any new system. But I pointed out how, increasingly, over the years criticisms of both the present system and its administrators had been piling up and piling up and how essential it was that an absolutely independent investigation be made. I did not find fault with the advisory council set up during the Eightieth Congress. Indeed, I acknowledged their public spirit. But I did say that no thorough-going overhauling can hope to be done unless it has the steady day-after-day attention of a corps of independent experts. I said: "What we want are independent, competent people of standing, who are prepared to give their full time to the work and who shall receive the compensation due to persons of their experience and prestige." I asked that enough money be granted out

of the contingent fund to see to it that such a corps could be recruited. I still urge it.

Ninth. I said that this investigation should not spend its time trying to shore up and patch the present system. Nor should it be compelled to restrict its labors to a single alternative. The scope of the inquiry should be broad and permit a wide latitude of investigation. The corps should be men competent and able to give their serious attention to whatever qualified persons ask to appear before them. And I would judge that it would not be too difficult to define the word "qualified." Former President Hoover urged that the investigating body be given a year for their labors. I believe that he was right. Is there not intelligent reason for halting at this point? It is possible to let the country know in the most explicit terms that this halt is not a stall. As I said in my statement: "Why pass a bill that we know is bad, when, with the expenditure of a little more time, we might have legislation that is good?"

Tenth. I called attention to the seriousness of the charges brought against officials of the Social Security Administration. I quoted the Hoover task force. I quoted charges made by persons who had had direct experience with the Social Security Administration. I enumerated instances of manipulated statistics, of calculations distorted and wrenched out of shape. I asked how, if these things should be proved true, it would be possible to trust the Social Security Administration. I still ask those questions. Those charges should be investigated, and by independent people. Do not you yourself think that this should be done?

In the process of considering this bill, I wrote to several hundred persons throughout the country, persons who have had years of experience with social-security problems. Some are actuaries. Some are in other branches of insurance. Some had been officials of the Social Security Administration itself. Some are academics. Some are in business. I asked these persons to write me frankly about their views on the pending bill and how they thought an investigation should be conducted.

Their response has been one of the most extraordinary experiences of my life. As evidence of the care and thought which these people gave to my request, I inserted in the CONGRESSIONAL RECORD for June 16, 1950, a group of their replies. I enclose a copy of this issue of the RECORD and commend these letters to your attention.

In sum, my position is this: If we are to have a social-security system at all, let us have one that freemen can accept with self-respect. Let us accept and act upon this bald truth:

That our old people, who have done their life's work and have quit, must be helped by those of us who still work. In due time, our children must look after us. Not in the old way of the old folks on the farm, but in the same spirit adapted to the institutions of our day—through taxation. Let us have done with this nonsense of a contributory system, this playing house and calling it insurance.

I accept wholeheartedly this proposition of having us who work help the old folks who have quit. I stand ready to pay as high a tax as my fellow citizens are willing to pay to put such an honest social-security system into operation.

I have refused to support H. R. 6000, not to evade a responsibility, but rather to accept one.

No kid stenographer in her first job in Tacoma will ever be able to accuse me of being an accessory to her defraudation when her retirement age finally comes. No down-and-out logger on the skidroad at the foot of Yesler Way in Seattle will be able to accuse me of forgetting his plight. No part-time apple picker in the Yakima and Wenatchee Valleys will be able to say that I did not recognize and seek to admit and save his rights.

I repeat, I believe that this bill is a truly disastrous mistake and that if we pass it, we will surely and bitterly live to regret it.

I say once more: If we are to look after some of our old people, we must look after them all. And, if we do this, let us find a way to do the whole job up year by year, starting every January 1 with a clean slate. If our Nation's economy gets pinched, the old folks will be pinched also. If we prosper, the aged will share in the Nation's prosperity. This is as it ought to be.

But let us have done with the jobbery that for 15 years we have had the crust to call social security.

With warm personal regards and in hope that you will share my views with the many citizens at home who are concerned and interested, I am, most sincerely and cordially, HARRY P. CAIN, the junior Senator from Washington.

P. S.—Should you wish any future letter to be held in confidence by me, it will only be necessary for you to mark it personal. I am happy that you permitted me to make your present one available to my colleagues and the Nation.

Mr. MILLIKIN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be suspended.

Mr. MYERS. Mr. President——

The VICE PRESIDENT. Either of the Senators in control of the time must yield to the Senator if he desires to address the Senate.

Mr. MILLIKIN. How much time does the Senator from Pennsylvania desire?

Mr. MYERS. About 20 minutes.

Mr. MILLIKIN. I yield 30 minutes to the Senator from Pennsylvania.

Mr. MYERS. Mr. President, we stand on the threshold of completing a legislative achievement of the first order of magnitude. It is probably idle to argue whether our accomplishment in enacting, as we will enact shortly, the pending social-security bill, is the most important social reform of the past decade. But few would doubt the observation that no other domestic program exceeds social security in importance.

Eleven years have passed since Congress made the last substantial revisions of our social-security law. Thus, it is clear that we have at least the task on our hands of bringing the 1939 provisions up to date. Living costs in that 11-year period have jumped nearly 70 percent and the insurance benefits payable under the prewar, preinflation standards are hopelessly out of line with what we should regard as a minimum income sufficient to keep body and soul together.

Naturally, then, our first requirement for the changes we now propose to make is the requirement that benefits be brought back to a level of buying power at least equivalent to the 1939 standard. I feel, however, that the Congress would be remiss in its duty if we were to accomplish no more than to rewrite the law to match today's dollar.

I am proud to say that Congress has shown no intention whatsoever of limiting its action to the social gains achieved 11 years ago. We can look at H. R. 6000 in the form in which it was reported by the House Ways and Means Committee last year; we can look at H. R. 6000 as adopted by the House of Representatives; and we can look at H. R. 6000 as recommended by the Senate Finance Committee, and without exception we will see that far more has been undertaken than merely to bring the law up to the standards of 1939.

Coverage—that is, the number of persons eligible to participate in the Federal retirement insurance program—has been enlarged. The long-recognized goal of universal social security coverage is brought considerably closer by the enlightened action of the House and of the Senate Finance Committee.

Retirement benefit payments, which under existing law average but a pitiful $26 a month, will be raised to an average of $49 monthly if the Senate committee bill is adopted. If some of the amendments to be offered to the pending bill are enacted, the average social security benefits may be increased to as much as $55 a month. Particularly for those of us who live in large urban areas, where living costs are highest, it is difficult to see how an average payment of $50 or so a month can do more than provide the barest kind of subsistence for a single person. Yet, by contrast, $50 is a tremendous stride forward from the present average of $26 monthly.

In addition to increasing the benefit payments, and opening participation in the social security program to another eight or ten million people, the recommendations of the Senate Finance Committee do a great deal to liberalize the eligibility requirements under which a person may become entitled to retirement benefits. The Senate committee has also recommended a much more liberal alternative method for calculating the average wage upon which the ultimate retirement benefits are based.

After having sat for some months as a member of the Senate Finance Committee, listening to the hearings, participating in the long discussions during executive sessions, I have come to appreciate keenly the studious and conscientious

manner in which the committee undertook its job of recommending changes in our all-important social security program. Almost without exception, the members of the entire committee were in accord as to the basic machinery of the social security program, agreeing that it was a tested and proven means of providing a bulwark against poverty for those who face a complete loss of income upon retirement.

The arguments of yesteryear that social security would lead to regimentation of our people and plunge us into socialism had no force in the committee's discussion. The experience of 15 years of operation has so thoroughly discredited such arguments that we heard almost none of them among the committee members.

Instead, Mr. President, the disagreements which came up during the Finance Committee's consideration of the social security bill were confined to questions of what we could afford to do at this time to make the social security program more adequate to meet the evident needs of the American people. I might add in this connection that there was no substantial disagreement among committee members as to what the basic needs of our people were. It was agreed that Federal machinery did provide the only practical means whereby our people could plan ahead for their ultimate retirement. It was agreed that the social security program should be made self-supporting through the equal contributions of employee and employer alike. It was agreed that the principle of self-supporting social insurance is much to be preferred over public relief which is supported out of general tax revenues. There was agreement, too, among the committee members that the problem of the disabled worker forced into premature retirement by accident or disease was a most critical one which is not being met now through the limited scope of workmen's compensation laws and private disability insurance.

In short, there was no real disagreement on the part of the committee as to the major needs of our people in terms of income loss. As I say, the vehicle of social security was recognized as the suitable means of meeting these problems, and the question of cost was the only major deterrent to extending the welfare benefits that were considered.

I should like here to say something about this question of cost. As I indicated earlier, it was the intent of the committee to make the social-security program completely self-supporting through the mechanism of wage-tax contributions. The committee estimated in reporting H. R. 6000 that the level premium rate for the insurance benefits proposed in the bill would, some years hence, amount to 6.15 percent of the payroll of those covered by social security. In other words, this would mean that the wage-tax deduction for the employer would finally reach a level somewhat in excess of 3 percent and a similar contribution would be made by the employee.

It is significant here to point out, I believe, the assumption on which the committee based its estimate of a level premium cost amounting to more than 6 percent of payroll. The committee assumed the present levels of economic activity would continue into the future. It assumed that the program would some day cost 6 percent of the 1950 payroll of employees in covered occupations.

But, Mr. President, I do not agree that our present economic levels represent the high tide of American wealth. I have faith, great faith, in the capacity of America to continue its economic growth. I believe the committee in assuming that payrolls would not continue to rise in the future closed its eyes to the history of this country. In the past century, for example, the productive output per worker has increased 600 percent. In the past 60 years there has been an increase in payroll which has averaged 3 percent annually. I believe, Mr. President, that we will continue to see such an expansion here in America. Perhaps our economy has matured, but it has certainly not lost its vitality.

I believe we should assume that payrolls will be greatly larger in the future. If we take even the modest assumption that payrolls will increase 2 percent annually, instead of the 3 percent yearly rise which we have experienced for more than half a century, the level premium rate for the insurance benefits recommended in the Senate bill will not, in fact, amount to 6.15 percent of payroll, by the time all these benefits vest. Instead of 6.15 percent, they would cost only 4.9 percent of payroll, assuming that our economy does expand to the extent of 2 percent yearly in the future.

I think an understanding of this is essential in considering how far we should go at this time in liberalizing the social-security program.

If it is true, in fact, that the benefits proposed by the committee will ultimately cost less than 80 percent as much as the committee thought they would cost in terms of our future buying power, then I say, Mr. President, that we should consider seriously the question of liberalizing the present law still further.

In terms of the insurance program, there are three amendments of major importance which should be adopted at this time. In all three of these instances, the House itself took a more liberal position than did the Senate Finance Committee, though I want to make it clear that the Senate bill was, in many respects, more liberal than the House bill, but in other particulars.

I want to address myself first to the question of disability insurance. I will not develop this in great detail because on Friday of last week I placed in the RECORD a lengthy statement describing the disability-insurance amendment at the time I submitted it for myself and for nine other Senators. Briefly, however, the question of disability is closely related to that of retirement as a result of old age. Disability is simply a premature retirement; a sudden aging, long before it is ordinarily expected, which forces a worker to leave his job and which makes it impossible for him to support himself and his family by any sort of gainful employment. I believe I am correct in saying that the possibility of income loss as a result of a permanent, total disability is one of the most terrifying prospects that lurks uncertainly in the future of anyone. The House adopted a disability-insurance program when it passed H. R. 6000, and the amendment which I submitted on Friday merely seeks to restore, with a few improvements which I outlined at the time, the disability feature set forth in the House bill.

Two other amendments of prime importance deal with the formula used to calculate retirement benefit payments. The House and the Senate Finance Committee have both recommended major changes in the benefit formula which is now the law, and in either instance, the average retirement benefits will be about doubled over what they are now. However, the present requirement established in 1939, of a $3,000 wage and tax base, means that an employee who earns more than $250 a month contributes to the insurance fund only on the basis of $250 of his monthly earnings—and correspondingly, the benefits which he will receive upon retirement are thus limited to a maximum average monthly earning of $250, regardless of what his average earnings had been. At the time this $3,000 limitation was placed in the law in 1939, 95 percent of those whom the law covered had yearly earnings less than that amount. The Senate Advisory Council on Social Security, speaking through 15 of its 17 members, recommended that the wage and tax base be advanced to $4,200 to bring it in line with the present high level of wages. The Senate Finance Committee, however, recommended that the present wage base of $3,000 be retained and the House agreed to the figure of $3,600. I believe it imperative that the wage base be increased to $4,200 in order that we may continue to make effective the policy established by Congress in the 1939 social security revisions.

The second major amendment to the more liberal benefit formula of the Senate bill deals with the so-called increment—that is, the means by which the benefits available upon retirement are increased in proportion to the number of years an employee has contributed to the pension fund. Under the present law the basic benefit as calculated in the formula is increased by 1 percent for each year the person has worked in covered employment. Under the House bill this increment was reduced to one-half of 1 percent for each year of insurance coverage.

The increment amendment which I submitted for myself and 12 other Senators takes a compromise position between the present law and the House bill. The Senate bill has no increment factor whatsoever. Under our proposal, benefits would be increased by 1 percent for each year an insured person contributed to the system prior to 1951, and for the years following 1950, the increment would be reduced to one-half of 1 percent. In short, the compromise recognizes the rights of those who contributed to the system during the period the increment was 1 percent, and then reduces the increment in the future.

To me it is only reasonable that the benefits available on retirement should

reflect the number of years that an employee contributed to the pension fund. Yet, under the Senate bill, a retired person receives a benefit calculated only on his average wages, and it makes no difference whether he has contributed to the system for 3 years, or 40 years, prior to retirement.

At least until we arrive at the point that social security covers every working person, I believe we should recognize the principle that a worker should receive a greater benefit according to the years he has contributed to the system. This has the psychological advantage of encouraging him to remain in covered employment, and it is in line with the sound practices of private industrial pensions where, as a general rule, benefits vary according to the years of service for the company.

Taken together, the three amendments—disability insurance, the increase of the wage and tax base from the present level of $3,000 to $4,200, and the restoration of the increment to the Senate committee recommendations—will add, according to the assumptions of the committee as to future costs, about 1¾ percent of payroll. In other words, the level premium rate of 6.15 percent of payroll estimated by the committee for its own bill would, with these three amendments, come to about 8 percent of payroll.

As I indicated earlier, however, I believe the economy of America will continue to expand in the future, and if we use the conservative estimate of a 2 percent average annual increase in payroll, the Senate bill, plus the three amendments I have just discussed, will have a level premium rate of about 6.3 percent, instead of the 8 percent as estimated by the committee's assumption of a static economy in the future.

Since the committee agreed to a level premium rate of 6.15 percent as a reasonable cost for the social-security system, the figure of 6.3 percent is in line with this thinking, and I strongly urge the Senate to put its stamp of approval on the amendments providing disability insurance, the $4,200 wage base, and the increment factor.

I wish to refer generally to other amendments that are pending, which would, in my opinion, further strengthen the many improvements recommended by the Senate committee bill. I have submitted two amendments relating to blind persons—one of which deals with the Federal grants to States for blind pensions; and since I have already issued a statement describing that amendment, I shall not go further into it at this time. My second amendment for the blind restores a provision of the House bill which would cut off Federal grants to States which require blind persons to have more than 1 year of residence to become eligible for blind pensions. In view of the fact that a majority of our States have residence requirements of a year or less, this seems only fair; and the Senate Advisory Council took the position that there should be no time-of-residence requirement at all for the blind.

I endorse in principle the extension of public assistance grants to Puerto Rico and the Virgin Islands. I support the caretaker amendment for dependent children, and believe it to be of utmost importance. I support generally the amendments to liberalize the insurance coverage provisions for salesmen, agent drivers, and so forth.

Insofar as the portions of the bill dealing with unemployment compensation are concerned, I strongly support the amendment submitted by the Senator from Illinois [Mr. LUCAS], and the Senator from Rhode Island [Mr. GREEN], to provide reinsurance grants to States to enable them to expand their existing unemployment compensation programs. This is not a matter of collecting new taxes for this purpose, but it is simply a question of making full and good use of the entire amount of the Federal unemploment tax, instead of allowing a part of the tax money to be drafted off for other purposes.

The junior Senator from California [Mr. KNOWLAND], has submitted to the pending bill an amendment which is, according to his explanation, designed to restore to States the right to operate their unemployment compensation programs without Federal intervention. This amendment, I believe, goes much further in its effect than its supporters contend. Furthermore, the amendment was not considered by the Senate Finance Committee; there have been no hearings upon it; and where a proposal so important as this is brought up more or less at the last minute, I firmly believe we should reject it at this time, and should refer the matter to the Senate Finance Committee for hearings and study, before acting upon it.

In closing, Mr. President, I wish to state once more my belief that in passing the pending social-security bill, we are undertaking one of the most important domestic reforms of recent years. The bill as it passed the House was a good bill. The bill reported by the Senate Finance Committee after the most careful study was a good bill.

There are, as I have indicated in a general way, some improvements which can be made without materially increasing the costs of our retirement insurance and public-assistance programs.

The over-all value in terms of our economy and in terms of the health and livelihood of our people, is immense. No longer do we hear social security attacked as socialistic, and no longer is it referred to as regimentation. It has proven itself. We here, by improving the good which the program is capable of accomplishing, are doing more to promote the economic health of our country and the material security of our people than we can readily imagine.

Our ultimate goal, of course, is universal coverage under social security by use of the self-supporting contributory pension system. The proposals before us, and which we will enact, are a major stride toward that goal—which is, in the final analysis, a prosperous and secure America under an ever-expanding free-enterprise system.

Mr. MILLIKIN obtained the floor.

## POLITICAL EXPENDITURES FROM PRODUCTION AND MARKETING ADMINISTRATION FUNDS

Mr. AIKEN. Mr. President, will the Senator yield to me for a few minutes?

Mr. MILLIKIN. I yield 12 minutes to the distinguished Senator from Vermont.

Mr. AIKEN. Mr. President, on April 11, I called the attention of the Senate to the circumstances relating to a State meeting of the Production and Marketing Administration, held in St. Paul, Minn., on April 3 and 4.

At that time I pointed out an apparent misuse of public funds incurred in paying salary and expenses of community committeemen in attending this meeting to hear the Secretary of Agriculture make a political speech.

I made it clear at the time that I had no criticism and made no charge of illegality against a meeting of county committeemen on April 3 and 4 for the purpose of discussing and formulating a State PMA program for the State of Minnesota.

As a result of the disclosures made, the Honorable Lindsay C. Warren, Comptroller General, directed an investigation of the circumstances surrounding this St. Paul meeting.

The Secretary of Agriculture, apparently much disturbed by the investigation of the St. Paul meeting, wrote to Mr. Warren, under date of June 1, 1950, a letter which was clearly intended to justify the expenditure of public funds in connection with this meeting and the part which he himself played in it.

This letter was inserted in the CONGRESSIONAL RECORD on June 15 by the junior Senator from Minnesota. The Secretary of Agriculture made so many misleading inferences in this letter that I cannot let the matter go unnoticed.

I now ask to have inserted at this point in my remarks a copy of the letter written to Hon. Lindsay C. Warren by Charles F. Brannan, the Secretary of Agriculture, under date of June 1, 1950.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Without objection, it is so ordered.

The letter is as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
*June 1, 1950.*

Hon. LINDSAY C. WARREN,
*Comptroller General.*

DEAR MR. WARREN: I appreciate the opportunity you have given me to outline the nature and circumstances of the meeting of Production and Marketing personnel held at St. Paul, Minn., on April 3 and 4, 1950, which I addressed and about which there has been some criticism on the floor of the Senate.

First, something about the character of the meeting. This was an ordinary staff meeting of the same type and purpose as many others held by this agency and other agencies and bureaus of the Department of Agriculture for many years, and, I am confident, held by many other agencies of Government from time to time. There were about 2,322 Production and Marketing Administration committeemen at the meeting. Of this number, about 245 were county committeemen, and about 2,077 were community committeemen. The per diem and travel expenses of the county committeemen amounts to approximately $8,100. The per diem and travel costs of the attending community committeemen amounts to approximately $34,000. If I understand Senator AIKEN's statements correctly, he objects only to the presence at the meeting of the community committeemen. It is clear from the following excerpt from the record that Senator AIKEN does not object to the presence of the county committeemen at this meeting:

"On April 3 and 4 the county committeemen of the Production and Marketing Administration for the State of Minnesota met in St. Paul. This was an annual meeting, a perfectly proper meeting called for the purpose of developing an agricultural conservation program for 1951.

"These programs have generally bene beneficial to each of the 48 States and to the national agricultural economy.

"The 2-day meeting of the county committeemen at St. Paul was for a perfectly logical and legitimate purpose.

"However, Mr. President, an incident connected with this meeting was, in my opinion, neither logical nor legitimate" (CONGRESSIONAL RECORD, April 11, p. 5050).

The farmer committeemen carry out the program authorized by the Congress and which are assigned to the Production and Marketing Administration of the Department of Agriculture. It is undoubtedly the most efficient and least costly means of accomplishing the task. Please note that the county committeemen and the community committeemen do identical types of work. Only the geographic area of responsibility is different, although the county committeemen act in a somewhat supervisory capacity over the community committeemen. Both county and community committeemen receive the same scale of remuneration, paid from the same sources and for the same types of service.

Section 7 (b) of the Soil Conservation and Domestic Allotment Act of 1938, as amended, provides as follows:

"The Secretary (of Agriculture) shall designate local administrative areas (communities or townships) as units of administration of programs under this section. No such local area shall include more than one county or parts of different counties. Farmers within any such local administrative area, and participating or cooperating in programs administered within such area, shall elect annually from among their number a local committee of not more than three members for such area and shall also elect annually from among their number a delegate to a county convention for the election of a county committee. The delegates from the various local areas in the county shall, in a county convention, elect annually the county committee for the county which shall consist of three members who are farmers in the county. The local committee shall select a secretary and may utilize the county agricultural extension agent."

In accordance with this provision of the law, annual and nonpartisan elections are held in each agricultural community in the United States. In 1949 elections were held in 29,106 communities and that many community committees were elected with about 87,000 committee members. These committeemen are charged with the responsibility of administering the PMA programs in their communities for 1950. They do not receive a fixed salary for their services but do receive a daily wage and travel expenses. This is an important variance from the status of the usual Federal employee, who when in travel status receives his salary plus a travel per diem, plus railroad fare or car mileage.

In administering the PMA programs for the fiscal year 1948–49, community committeemen were paid an average of $6.30 per day for an average of 6.5 days spent in carrying on PMA program work. The balance of the time which they devoted to program work was performed without remuneration from any Government sources whatsoever. Nearly all committeemen spend considerably more of their time in program work for which they receive no compensation. They are working for improved conditions for agriculture and for the Nation and their remuneration comes from the satisfaction in this service.

County committeemen received an average of $6.90 per day for an average of 44.1 days work on the programs during the same fiscal year 1948–49. They, too, work many more days than they are compensated for.

It is noteworthy that the committeemen would receive approximately the same amount of money throughout the year for work done whether or not they made this trip to St. Paul. There is just so much money available for the reimbursement of community committeemen and when that sum is used up they continue to work thereafter without remuneration. The implication that representative American farmers could be bribed or induced to attend a meeting by the offer of $8 per day plus 5 cents a mile for travel is unthinkable, unwarranted, and unjust to American farmers.

All of these committeemen are elected to their positions annually and although many are reelected year after year, it is necessary to carry on a program of training in order that the new members may be acquainted with their duties and both the new members and the old members acquainted with the changes in the programs as those changes are authorized from time to time by the Congress and established by the Secretary.

Conferences for the purpose of training and instructing new committeemen occur annually through the entire United States. Some of these conferences are held in smaller groups at various places throughout the State with the State committee people traveling to these various meetings. The method of instruction is left to he discretion of the State committee people, many of whom find it desirable to bring the committeemen together once a year for a general discussion of programs.

The conferences are carefully planned and are hard-working affairs. The farmer committeemen who attend receive appreciable benefit from the straight program training and instruction which is made available to them. It has also been found that in the conduct of these conferences a very useful purpose can be served by providing committeemen with the opportunity to hear first hand the views of some of the leading agriculturists in the country. This has led to the general practice of inviting well-known and accepted agricultural leaders to participate on conference programs. For example, the principal speaker at the Vermont State PMA conference this year was Senator GEORGE D. AIKEN. The North Carolina State PMA conference this year invited Senator CLYDE R. HOEY as its main speaker. Senator SPESSARD L. HOLLAND spoke at the Florida State PMA conference. It has been a generally accepted practice when time would permit for the Secretary of Agriculture to attend one or more of these State conferences throughout the year. Each of the two preceding Secretaries of Agriculture had spoken at an identical type of meeting in Minnesota and at many other such meetings in other States.

The two Senators from Minnesota were invited to attend this meeting. Senator EDWARD J. THYE did not attend. The invitation to him and his reply are attached. Senator HUBERT H. HUMPHREY did appear on the program.

In 1948, the then Secretary of Agriculture, CLINTON P. ANDERSON, was the principal speaker and discussed existing and proposed farm legislation.

The same kind of an invitation or notice of Mr. ANDERSON's expected attendance at the meeting was issued in which attention of the committeemen was called to the fact that per diem and travel would be allowed.

So that you may judge the character of the remarks made by me during the session, I have supplied you with a transcript of a recording taken at the meeting. I also have a recording for your use if you care to check against the written transcript. I especially invite your attention to the fact that this was a discussion of the farm problem. No reference was made to a political party or to a political candidate (unless Allan Kline is now a political candidate). The listeners were not exhorted to vote in one fashion or another or any issue whatsoever; in fact, the question of voting is not mentioned specifically or by innuendo.

Without respect to the question as to whether or not such meetings are sound administration or are authorized by law—my views on these two points being very clear that they are both wise and lawful—I believe these conclusions are inescapable:

First, the community committeemen who attended this meeting will have received at the end of the year no more money than if they had not attended this meeting. Approximately so much money is available each year for administrative costs and when these funds are exhausted, the farmers continue their work without remuneration. They would have earned this money before the year was out in some other fashion.

Second, there is nothing about the convening or conduct of this meeting which is in any wise different from many other meetings which have been held this year and in previous years throughout the country by this and many other agencies of Government.

Third, there is nothing different about this meeting than previous meetings held in this State, even including the nature, phraseology, and character of the notice or invitation sent to the community committeemen.

Fourth, community committeemen and county committeemen are engaged in the very same type of program and, therefore, if, as it is already acknowledged, this meeting was perfectly proper as far as county committeemen are concerned, it very logically follows that it was equally proper as far as community committeemen are concerned.

Fifth, the fact that Senator HUMPHREY addressed this meeting in political terms cannot be charged to those who organized the meeting or to the Secretary of Agriculture. Senator THYE, a member of the opposite party, was invited and could have spoken as vehemently on the other side of the same issues if he had chosen to do so. I do not believe it wise to exclude Members of Congress from these meetings, and I assume that Senator AIKEN agrees for he has availed himself of such opportunity subsequent to the date he took exception to the St. Paul meeting.

Obviously, if there is any additional information which we can supply to you with regard to this matter, we shall be pleased to do so.

Yours truly,

CHARLES F. BRANNAN,
*Secretary.*

Mr. AIKEN. Mr. President, the Secretary states in paragraph 2:

This was an ordinary staff meeting of the same type and purpose as many others held by this agency and other agencies and bureaus of the Department of Agriculture for many years.

Let us analyze this statement.

First, it was not an ordinary staff meeting, as far as the second day was concerned. It was a huge convention arranged to hear the Secretary of Agriculture promote the Brannan plan and attack a great farm organization which has 70,000 members in the State of Minnesota alone. As a matter of fact, the Secretary discarded the speech which he had prepared and released to the press in advance, and then delivered his 100-percent political oration, in violation of title 18, section 201 of the United States Code, which I ask to have printed at this point in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The excerpt from the United States Code is as follows:

TITLE 18. CRIMINAL CODE AND CRIMINAL PROCEDURE

SEC. 201. Use of appropriations to pay for personal service to influence Member of Congress to favor or oppose legislation.

No part of the money appropriated by any act shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers and employees of the United States from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

Any officer or employee of the United States who, after notice and hearing by the superior officer vested with the power of removing him, is found to have violated or attempted to violate this section shall be removed by such superior officer from office or employment. Any officer or employee of the United States who violates or attempts to violate this section shall also be guilty of a misdemeanor and on conviction thereof shall be punished by a fine of not more than $500 or by imprisonment for not more than 1 year, or both (July 11, 1919, ch. 6, sec. 6, 41 Stat. 68).

Mr. AIKEN. Mr. President, the Secretary's statement that this meeting was of the "same type and purpose as many others held by this agency" is interesting, indeed. I was advised some time ago that audiences had been hired for the Secretary of Agriculture on other occasions. I did not expect such a frank admission as appears in the Secretary's letter to Mr. Warren.

I have written the Secretary asking him to give me a complete list of meetings where expenses and salary have been paid communty committeemen to attend State meetings.

In the same paragraph of the Secretary's letter he makes a complete misstatement. He states:

> There were about 2,322 Production and Marketing Administration committeemen at the meeting. Of this number, about 245 were county committeemen and about 2,077 were community committeemen.

This statement of the Secretary is in sharp contrast to the press reports, which estimated the attendance at the meeting as high as 8,000.

As a matter of fact, the attendance at the meeting did approximate between five and six thousand.

There were evidently between 3,300 and 4,000 community committeemen in attendance; but after learning of the irregularities engaged in by the State chairman of the PMA for Minnesota and the United States Department of Agriculture, over one-third of these community committeemen, and possibly as high as 40 percent, did not submit any claim for salary and travel expenses. As a matter of fact, the number in attendance is immaterial. It is just as wrong for a public official to pay a few people for political purposes as it would be to pay all of them.

It appears that, up to May 15, 2,043 did submit claims for reimbursement, and the cost was approximately $34,000.

However, should all the community committeemen whom the State committee had agreed to pay for attendance at this meeting submit claims for reimbursement, the cost would be over $50,000, as indicated in my statement to this body on April 11.

The Secretary quotes section 7 (b) of the Soil Conservation and Domestic Allotment Act of 1938 in his letter to Comptroller General Warren. Just how section 7 (b) justifies wrongful expenditure of funds in connection with the St. Paul meeting of April 3 and 4, 1950, is not apparent.

It is section 388 (b) of the Agricultural Adjustment Act of 1938 which authorizes the payment of salary and expenses to county committeemen to attend state meetings. Mr. President, I ask unanimous consent to have section 388 (b) of the triple A Act of 1938 inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Section 388 (b) is as follows:

AGRICULTURAL ADJUSTMENT ACT OF 1938

UTILIZATION OF LOCAL AGENCIES

SEC. 388. * * *

(b) The Secretary is authorized and directed, from any funds made available for the purposes of the Act in connection with which county committees are utilized, to make payments to county committees of farmers to cover the estimated administrative expenses incurred or to be incurred by them in cooperating in carrying out the provisions of such Acts. All or part of such estimated administrative expenses of any such committee may be deducted pro rata from the Soil Conservation Act payments, parity payments, or loans, or other payments under such acts, made unless payment of such expenses is otherwise provided by law. The Secretary may make such payments to such committees in advance of determination of performance by farmers. (7 U. S. C. 1940 ed. 1388 (b), February 16, 1938, 52 Stat. 68.)

Mr. AIKEN. Mr. President, it is clear that the law was not intended to cover the payment of salary and expenditures of all community committeemen to attend such meetings. If that were the purpose, why have not salary and travel expenses been allowed community committeemen to attend all other State PMA meetings?

The answer is that this is not the intent of the law.

The Secretary, on page 3 of his letter states:

> The implication that representative American farmers could be bribed or induced to attend a meeting by the offer of $8 per day plus 5 cents a mile for travel is unthinkable, unwarranted and unjust to American farmers.

The Secretary hits below the belt in this statement. He knows there was no such implication in my statement of April 11.

The community committeemen of Minnesota were virtually instructed to attend this meeting by a series of communications and by personal direction from higher officials; in fact, the field men were put on the road so as to make sure that they would attend this meeting.

Many of the committeemen undoubtedly could not afford to attend the meeting unless reimbursed for their expenses. The fact that over one-third of them did not submit expense accounts when they found that they had been summoned to attend a political pow-wow is, in itself, a high tribute to the integrity of the Minnesota community committeemen.

I would make no complaint if they had all submitted claims for reimbursement, for I doubt whether hardly any of them knew that their superior officials were acting in an improper manner in directing their attendance at this meeting.

As a matter of fact, one county chairman protested the action of the State chairman, and only under extreme pressure and at the last moment advised his community committeemen to attend.

Mr. THYE. Mr. President, will the Senator yield?

Mr. AIKEN. I am speaking in the time of the Senator from Colorado. I think I can get through in time to yield to the Senator from Minnesota for a minute, perhaps.

Mr. THYE. I thank the Senator.

Mr. AIKEN. I have never heard of any farm meeting where so much pressure was exerted to secure an audience as at this meeting in St. Paul on the afternoon of April 4.

From time to time, Department officials have tried to make it appear that the community committeemen attended the meeting to hear some 20 other speakers discuss the PMA program. The fact is the community committeemen were not invited to attend the first day's session, when speeches relating to the work of PMA programs were made. They were directed to be on hand the second day, to hear the Secretary of Agriculture.

When one is caught red-handed in violating a principle or a law, Mr. President, he usually tries to point out as many other people as he can who are also guilty, in order to justify his own act. He also tries to make it appear that people who are not guilty have indulged in the same practices in which he himself has been caught.

In his letter to Comptroller General Warren, Secretary Brannan undertakes to further excuse the manipulating of the St. Paul meeting by pointing out that the senior Senator from Vermont, the senior Senator from North Carolina, and the junior Senator from Florida also spoke at State PMA conferences. The inference is that these conferences were similar to the Minnesota conference, at which the Secretary delivered his political speech.

I am sure the senior Senator from North Carolina and the junior Senator from Florida are amply able to defend themselves against any charges by the Secretary of Agriculture. I wish, in all fairness, to state that the Vermont PMA conference, which I have attended for many years, almost from its inception, was vastly different from the Minnesota

State meeting at St. Paul. It was, as usual, a conference of county committeemen legally called for the purpose of formulating recommendations for the next year's program.

I resent any inference on the part of the Secretary that the Vermont State PMA Committee has at any time indulged in the wrongful expenditure of funds or political practices. I think this assertion will hold true for nearly all PMA State committees. Certainly, the meetings I have attended adhered strictly to the business for which the county committeemen were called together.

The Secretary of Agriculture also attempts to justify his political speech at St. Paul on April 4 by pointing out that the two preceding Secretaries of Agriculture had done exactly the same thing.

Mr. Brannan lends particular emphasis by his statement that in 1948 the then Secretary of Agriculture, Clinton P. Anderson, addressed a similar type of meeting in Minnesota and many other such meetings in other States. This statement simply is not in accord with my understanding of the facts. I assume that the junior Senator from New Mexico is amply able to defend himself against any charges of this nature made by the present Secretary of Agriculture. But even if this charge be true, it still does not warrant a continuance of wrongful practices by the present Secretary.

I have been reluctant to make this statement today, Mr. President, but I cannot let the inferences and insinuations contained in Secretary Brannan's letter to Comptroller General Warren go unnoticed. I have been reluctant to make this statement, because I have hoped against hope that the Secretary of Agriculture would put aside his political maneuvering and would attend to the business of promoting a healthy and stable agriculture under the laws enacted by the Congress.

I have been reluctant to do or say anything which would cast doubt and suspicion upon the officials and employees of the United States Department of Agriculture, who have had an enviable record of accomplishment and integrity, who want to do their work well, and who now have been placed in a position embarrassing to most of them by the political manipulations of the administration.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. AIKEN. Will the Senator yield 5 seconds more?

Mr. MILLIKIN. I yield for as long as it takes the Senator to conclude, not exceeding 5 minutes.

Mr. AIKEN. I thank the Senator.

I will not willingly tolerate the use of this great Department of Government as a political front for any party or philosophy of government, and I appeal to the Secretary of Agriculture to untangle himself from the web he has woven and to administer the work of his office in the worthy manner of which I believe him to be capable.

Mr. THYE. Mr. President, will the Senator from Colorado yield sufficient time to the Senator from Vermont [Mr. AIKEN], so that he may in turn yield to me for a moment or two, in order that I may be enabled not only to support the statements made by the Senator from Vermont, but may also make one or two comments in connection therewith?

Mr. MILLIKIN. The Senator suggests a moment or two. We will make it 2 minutes.

Mr. THYE. I thank the Senator.

Mr. President, the city of St. Paul is, of course, in the State of Minnesota, the State I in part represent, and it was most unfortunate that such a meeting as the one referred to should have been held in St. Paul, because of the apparent black eye, to use a familiar expression, which the entire farm program received from that strictly political gathering and political speech, in connection with the gathering of PMA officials in the State of Minnesota.

I have heard from a considerable number of county and township committeemen within the State who attended the meeting with the expectation of having a discussion of the farm program and possible future problems in the administration of that program. These men, assembled as they were in the auditorium in St. Paul to listen to discussions of the farm program and of the farm question in general, found themselves compelled to listen to speeches, and every utterance bore the aspect of a political appeal.

They came away from that meeting regretting that such speeches had been made. Some of the PMA county committeemen have written to me stating that they have not submitted their expense accounts, that their consciences would not permit them to submit expense accounts in connection with attending that meeting.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. THYE. Mr. President, will the Senator yield me another half minute?

Mr. MILLIKIN. I yield another full minute.

Mr. THYE. Mr. President, such conferences at which such political activities take place within the conference hall are bound to destroy the farm program and the confidence of the public in a farm program.

Mr. President, the Senator from Vermont has not only rendered a service to the Department of Agriculture, but to the Members of Congress, by pointing up what took place at the conference in St. Paul.

In behalf of the PMA county committeemen and the township committeemen, I want to say that Minnesota has a group of men who are as much concerned about the farm program as is any PMA group of administrators who can be found in any State. If any reflection has been cast on the PMA officials of Minnesota, I hope it will be speedily erased, because those men were not responsible; they were not the ones who called the meeting. The calling of the meeting was encouraged by officials in Washington, in my humble opinion.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. THYE. Mr. President, will the Senator from Colorado yield further in order that I may complete my thought?

Mr. MILLIKIN. I yield.

Mr. THYE. Mr. President, I hope it will be a warning to the officials of the Department of Agriculture and PMA officials in the various States of the Union that they should not again conduct themselves in the manner in which they conducted themselves in St. Paul.

## SOCIAL SECURITY ACT AMENDMENTS OF 1950

The Senate resumed the consideration of the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes.

Mr. SCHOEPPEL. Mr. President, will the Senator from Colorado yield to me for a moment?

Mr. MILLIKIN. Mr. President, I yield 2 minutes to the Senator from Kansas.

Mr. SCHOEPPEL. Mr. President, I sent to the desk an amendment to House bill 6000 which I intend to call up and offer at the appropriate time.

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). The amendment offered by the Senator from Kansas will be received and lie on the table.

Mr. MILLIKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WATKINS. Mr. President, I send to the desk an amendment which I intend to call up later.

The PRESIDING OFFICER. The amendment will be received and lie on the table.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the following bill of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 2335. An act to make certain revisions in titles I and III of the Officer Personnel Act of 1947, as amended; and

S. 3639. An act providing for an extension of the time during which annual assessment work at mining claims held by location in the United States may be made.

The message also announced that the House had insisted upon its amendment to the bill (S. 2655) for the relief of Mrs. Evelyn M. Hryniak, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNE of New York, Mr. DENTON, and Mr. JENNINGS were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4692) to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 1082. An act conferring jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon any claim arising out of personal injuries sustained by the Bunker Hill Development Corp.;

H. R. 2230. An act to reimburse Arthur S. Horner, Leah B. Horner, and Maude Brewer, partners composing a firm, doing business as A. S. Horner Construction Co.;

H. R. 4871. An act for the relief of Shiro Takemura;

H. R. 5019. An act for the relief of Felia H. Holbrook;

H. R. 5632. An act for the relief of William T. Orton; and

H. R. 6691. An act for the relief of Paul D. Banning, Chief Disbursing Officer, Treasury Department, and for other purposes.

The message further announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 2603. An act for the relief of Albert J. Peterson;

H. R. 3254. An act for the relief of Iva Gavin;

H. R. 5846. An act for the relief of Mrs. Lillian Coolidge; and

H. R. 6934. An act for the relief of E. H. Corrigan.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 6339. An act to authorize a preliminary examination and investigation to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif.;

H. R. 7431. An act for expenditure of funds for cooperating with the public-school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district, and for other purposes;

H. R. 7824. An act to provide for the administration of performance-rating plans for certain officers and employees of the Federal Government, and for other purposes;

H. R. 7934. An act to reduce and revise the boundaries of the Joshua Tree National Monument in the State of California, and for other purposes;

H. R. 7982. An act to abolish the Wheeler National Monument, in the State of Colorado, and to provide for the administration of the land contained therein as a part of the national forest within which such national monument is situated, and for other purposes;

H. R. 8610. An act relating to the activities of temporary and certain other employees of the Bureau of Land Management; and

H. J. Res. 480. Joint resolution extending the time for the release, free of estate and gift tax, of certain powers.

## ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 3436. An act to amend the War Contractors Relief Act, as amended;

H. R. 3498. An act for the relief of the Gulckin Corp.;

H. R. 4100. An act for the relief of Calvin E. Cranford;

H. R. 4163. An act for the relief of Mr. and Mr. C. S. Walker;

H. R. 4960. An act for the relief of Mrs. Elizabeth H. Whitney;

H. R. 5979. An act for the relief of John Tweit;

H. R. 6652. An act for the relief of Mrs. Fujiko Chichie Imbert, wife, and Robert Imbert, Jr., son of an American soldier;

H. R. 7050. An act for the relief of Louie Gam Yean;

H. R. 7065. An act for the relief of Kazuko Miyama Akana and Chang King Akana;

H. R. 7066. An act for the relief of Setsuko Amano;

H. R. 7073. An act for the relief of Kote Kogami Kitsu and Jeannette Akemi Kitsu;

H. R. 7199. An act for the relief of Nobuko Maeda;

H. R. 7254. An act for the relief of Mrs. Bernard Smith;

H. R. 7315. An act for the relief of Baijiro Yoshida;

H. R. 7362. An act for the relief of Mrs. Willard Thulin (formerly Jutta Kono);

H. R. 7416. An act for the relief of Suzuko Takanashi;

H. R. 7579. An act to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes;

H. R. 7656. An act for the relief of David George Callaway;

H. R. 7658. An act for the relief of Mitsuko Ito;

H. R. 7682. An act for the relief of Mrs. Akiko Osada Gustafson; and

H. R. 8270. An act relating to the renewal of contracts for the carrying of mail on star routes.

## HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles, and referred, as indicated:

H. R. 6339. An act to authorize a preliminary examination and investigation to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif.; to the Committee on Public Works.

H. R. 7431. An act for expenditure of funds for cooperating with the public-school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district, and for other purposes;

H. R. 7934. An act to reduce and revise the boundaries of the Joshua Tree National Monument in the State of California, and for other purposes;

H. R. 7982. An act to abolish the Wheeler National Monument, in the State of Colorado, and to provide for the administration of the lands contained therein as a part of the national forest within which such national monument is situated, and for other purposes; and

H. R. 8610. An act relating to the activities of temporary and certain other employees of the Bureau of Land Management; to the Committee on Interior and Insular Affairs.

H. R. 7824. An act to provide for the administration of performance-rating plans for certain officers and employees of the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

H. J. Res. 480. Joint resolution extending the time for the release, free of estate and gift tax, of certain powers; to the Committee on Finance.

## ADDITIONAL REPORT OF A COMMITTEE

Mr. GEORGE, by unanimous consent, from the Committee on Finance, to which was referred the joint resolution (H. J. Res. 480) extending the time for the release, free of estate and gift tax, of certain powers, reported it without amendment, and submitted a report (No. 1848) thereon.

## RECESS

Mr. GEORGE. Mr. President, I wish to inquire whether any Senators desire to speak on the bill at this time. Under the unanimous-consent agreement we cannot vote until 4 o'clock. Mr. President, I move that the Senate stand in recess until 3:45 o'clock p. m.

The motion was agreed to; and (at 2 o'clock and 6 minutes p. m.) the Senate took a recess until 3:45 o'clock p. m.

On the expiration of the recess, the Senate reassembled and was called to order by the Vice President.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 118. An act for the relief of Clemente Sabin Dopico;

S. 330. An act for the relief of George Gabriel Herrmann, Greta (Marketa) Herrmann (wife), and Alice Herrmann (daughter), known also as George Gabriel Herman, Greta Herman, and Alice Herman;

S. 1165. An act to provide relief for the sheep-raising industry by making special quota immigration visas available to certain alien sheepherders;

S. 1452. An act for the relief of Dr. Juan A. Queralt Balleste;

S. 1484. An act for the relief of Augustino Marlia;

S. 1637. An act for the relief of Marie Henriette de Bruyn;

S. 2107. An act for the relief of Georges Gregory Alpiar;

S. 2265. An act for the relief of Marina George Papadopoulos;

S. 2309. An act for the relief of Oscar (Oszkar) Nemenyi, Marianna Nemenyi (wife), and Thomas John Nemenyi (son);

S. 2397. An act authorizing the Secretary of the Interior to convey certain lands in the State of Minnesota to Signa M. Lodoen and Nels R. Lodoen;

S. 2510. An act to authorize and direct the Secretary of the Interior to issue to Anson Harold Pease, a Crow allottee, a patent in fee to certain lands;

S. 2511. An act for the relief of Dr. John R. Portaria;

S. 2551. An act to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.;

S. 2552. An act to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.;

S. 2556. An act for the relief of Mrs. Billy J. Knight and Dorothea Knight;

S. 2629. An act for the relief of Marianne Bruchner;

S. 2714. An act for the relief of Thomas Pfeiffer;

S. 3029. An act authorizing the Secretary of the Interior to issue a patent in fee to Wilbur J. Scott;

S. 3128. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.; and

S. 3130. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.

The message also announced that the House had passed a bill (H. R. 6013) to amend an act fixing the price of copies of records furnished by the Department of the Interior, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

By unanimous consent, the bill (H. R. 6013) to amend an act fixing the price of copies of records furnished by the Department of the Interior, was read twice by its title, and referred to the Committee on Interior and Insular Affairs.

ANNUAL ASSESSMENT WORK ON CERTAIN MINING CLAIMS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3639) providing for an extension of the time during which annual assessment work on mining claims held by location in the United States may be made, which were, on page 1, line 6, after "States", insert a comma and "including Alaska,"; on page 1, line 8, strike out all after "October" over to and including "act" in line 3, page 2 and insert "1950: *Provided*, That assessment work or improvements required for the year ending at 12 o'clock meridian July 1, 1951, may be commenced immediately following 12 o'clock meridian July 1, 1950," and to amend the title so as to read: "An act providing for an extension of the time during which annual assessment work on mining claims held by location in the United States, including Alaska, may be made, and for other purposes."

Mr. CORDON. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

SOCIAL SECURITY ACT AMENDMENTS OF 1950

The Senate resumed the consideration of the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes.

The VICE PRESIDENT. Under the agreement, the Senate is to begin voting at 4 o'clock. Does the Senator from Georgia wish to be recognized?

Mr. GEORGE. Mr. President, I shall yield to the majority leader, but, first of all, I yield 1 minute to the Senator from Montana.

DISABILITY INSURANCE BENEFITS IN PRIVATE RETIREMENT PLANS AND UNDER A FEDERAL PROGRAM

Mr. MURRAY. Mr. President, I ask unanimous consent to insert in the RECORD at this point a statement which I have had prepared on Disability Insurance Benefits in Private Retirement Plans and Under a Federal Program.

As chairman of the Subcommittee on Labor-Management Relations of the Committee on Labor and Public Welfare, I am deeply interested in the various provisions of collective-bargaining contracts and private plans providing for old-age, disability, and other welfare benefits. In view of the fact that we are going to vote this afternoon on a proposal to include disability insurance benefits under the Social Security Act, the analysis which I have had prepared shows that it would be of great value to management and labor if permanent total disability insurance were included under the Social Security program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MURRAY

In considering the need to restore permanent total disability insurance provisions to H. R. 6000 I have explored the experience of private retirement plans for the light it sheds on the problem we have before us. I can think of no better support for the amendment for permanent and total disability insurance than to point out the most salient facts which emerge from this experience. In brief, we find that the need for economic protection against the risk of permanent total disability has long been recognized in private plans; that many employers have initiated and administered programs in an attempt to cover this risk; that this experience has extended over many years; but that inherent limitations generally prevent private plans from meeting this problem completely and satisfactorily.

No reasonable employer has ever failed to be moved by the plight of an old and faithful employee disabled after spending the best part of his working life in the employer's service. It is no wonder, then, to find that the first retirement plan established by industry in the United States was designed to protect disabled workmen. To the American Express Co. goes the distinction for having set up a plan, in 1875, to provide company-paid benefits for permanently incapacitated workers over 60 years of age. That first plan required the worker to have served the company continuously for over 20 years and to be deemed worthy of receiving benefits. This first retirement plan is extremely interesting in that it recognized the relationship between incapacity and old age, a basic retirement issue which is still being debated today. The proposed amendment, which would add disability benefits to the old-age and survivors insurance program, offers a national solution for the interrelated problem of old-age and permanent and total disability.

The problem of retirement for disability has recently attracted widespread attention with the renewal of the drive for pensions on the part of the unions. Some time ago, Fortune magazine carried the results of a poll made in the spring of 1948 by sociologist C. Wright Mills of Columbia University for the United Auto Workers. The poll revealed that the chief cause of insecurity among auto workers today is not job problems or old-age security—since a basic measure of protection already exists for these. The most common cause of worry for this group of workers was how to support themselves and their families in case of serious incapacitating accident or prolonged sickness, for which adequate protection is still lacking. Most of the newer retirement plans negotiated under collective-bargaining agreements are attempting to remedy this gap in protection, by allowing disabled workers to retire before age 65.

Let us now examine the extent and effectiveness of existing insurance protection under private retirement plans. There has been just completed a study of over 200 retirement plans, established or revised in the last 10 years, which provide for the payment of disability insurance benefits. These plans cover establishments employing 3,000,000 workers. Estimates show that this is about one-fourth of the number employed in all the establishments in the country which have retirement plans.

A number of important facts were brought out by this study. First, very few retirement plans are established exclusively for disability retirement. Most retirement plans are essentially designed for old age and allow retirement for disability only incidentally. Some of these retirement plans may have a specific disability clause. The others, and they are in the majority, contain an early retirement option or a vested rights provision under which any covered employee may retire before normal retirement age, provided he meets certain conditions. An employee who becomes disabled may avail himself of these opportunities for early retirement if he meets these conditions.

In the second place, the conditions governing coverage for disability in most plans are such that they exclude a large number of workers employed in the establishments which have such plans. Coverage may be limited to those in certain types of employment, or may be based on amount of earnings, or length of service with the company, or age, or a combination of the latter two—as you will see if you glance at the study prepared by the Social Security Administration.

Thirdly, even if an employee should meet all the requirements for coverage, he may face a new set of hurdles to qualify for benefits when he becomes disabled. Long and continuous service—often of 15 or more years—is usually a required condition for receiving disability benefits. Also, the definition of compensable disability varies from plan to plan. Some may require an employee to be permanently and totally disabled and to have his incapacity certified by a physician. In other plans, the question of what is disability may be left to the discretion of the employer or his pension board. The disadvantages of such indefinite stipulations are many and obvious. For one thing, the employee has no clear idea in advance of whether he can expect anything from the plan if he should become disabled, or even if his disability is recognized, what benefits he may receive. Even if a disabled employee may wish to take advantage of the early retirement option or of the vested rights provided by some of the plans, the condition of a minimum age—usually 55 for the early retirement option—restricts opportunities for disability retirement to the older workers only.

Fourth, the net result of setting requirements for coverage and for eligibility to benefits is that they disqualify many disabled workers from receiving benefits. For instance, the study showed that in a group of retirement plans having specific disability clauses, 55 percent would pay no benefits to a disabled employee with as much as 10 years' service and monthly average earnings of $200 or even $250. Where benefits are payable, the usual retirement benefit formula applied to employees who retire prematurely on account of disability results in such low benefits that they can hardly be regarded as replacement of former earnings. In another group of plans, with early retirement or vested rights provisions, it was found that in over two-thirds of these plans an employee with 10 years of service and monthly average earnings of $200 or $250 would receive a benefit not exceeding $15 a month.

However, the most important disadvantage of retirement plans with disability provisions is not that most retirement plans cover the risk of disability only in a roundabout way, or that they restrict coverage, or that they pay small benefits. It is that they have inherent limitations which are found in all private pension plans.

One of these inherent limitations is that private retirement plans cannot adjust themselves to the normal movement of labor. Workers naturally move about from place to place and from employer to employer in search of work or of better employment conditions. Requirements of long periods of

continuous service to qualify for disability benefits tend to tie down labor. In our dynamic industrial economy, such requirements are unrealistic. No individual employer and no single industry can reasonably be expected to provide continuous employment to the same workers for many years. In fact, the history of the industrial development of our country is full of incidents of old industries replaced by new industries and of the movement of industries in search of more favorable conditions for production. Everyone is familiar with the exodus of the textile industry from New England to the South, with ghost towns left in its wake. Today the rise of the television industry is a real threat to the radio industry. As new industries develop or new enterprises are established in old industries, labor must be able to move about to meet the shifting demands of production. Yet an employee covered by a private retirement plan can seldom carry his rights from employer to employer. Dr. Clark Kerr, director of the Institute of Industrial Relations at the University of California, in an address before the National Industrial Conference Board on November 22, 1949, describes what he calls the "unfortunate social consequences" of pension plans:

"Private pension plans, except where they provide full and immediate vesting of both the employee's and firm's contribution, and a few of them do, retard such movement. They tend to tie the worker to the company while employed; and hold him in a company-attached labor pool when unemployed. Even with full vesting, since plans vary, workers can be confused and even harassed. By retirement age, if all his employment had been covered by private plans with vesting, he would be drawing income according to the provisions of several different plans. Any one who has moved from one plan to another knows how exasperating this can be."

Although the inflexibility of private plans has been generally recognized, no one as yet has come forward with a workable solution.

The other inherent limitation of private retirement plans is that they cannot be relied upon to assure protection for a risk which may extend over the whole span of an individual's working lifetime. Here we put our finger on what is probably the most serious weakness of private plans. Their continued existence may be very precarious. They may be discontinued at any time by their sponsors, or because of economic conditions. Full funding of a pension plan is the only way to assure employee security if the company fails. But this is beyond the means of many firms, particularly small firms. Today, 95 percent of our business firms, or over 3,000,000 establishments, have less than 20 employees. These firms are most sensitive to economic stresses, and business failures among them is as high as 5 to 10 percent annually even in the most prosperous years. With the best of intentions, therefore, private retirement plans can be no more stable than the life of the sponsoring firm.

If we try to discover why private retirement plans place restrictions on coverage and eligibility for benefits for disability retirement, we find that costs bulk largely behind these restrictions. To assure responsibility for payment of disability benefits to a disabled employee for the rest of his life, however small the payments may be, is a financial burden which few employers can bear individually—just as in the case of old age. For this reason, employers cushion their disability retirement plans with all kinds of restrictions. These are justifiable safeguards for the employer's plan. In no other field of industrial relations must management assume a financial burden at all comparable with the liabilities of a retirement plan. That is why retirement plans with disability benefits are usually found among the larger and the older companies. For the 3,000,000 small firms which are the majority of all business firms, private disability retirement plans—establishing them, financing them, funding them—are simply prohibitive. Furthermore, spreading the risk of disability or, for that matter, any other similar risk, over their small labor force is actuarially unsound.

There are seven risks which require social action, either compulsory or voluntary. Three of these social security risks—old age, dependent survivorship, permanent total disability—may be considered long-range risks; they are one-time occurrences in the life of a worker. The remaining four—industrial injuries, unemployment, temporary sickness disability, and medical care—are short-term or current risks. Mr. J. W. Myers, manager of the insurance and social security department of the Standard Oil Co. (New Jersey), who has been administering plans for employee pensions and other types of benefits for over 30 years, has recently commented on the nature of these risks:

"The long-range category comprises nonrepetitive risks which involve accumulating liabilities beyond the resources of average individuals and which transcend State lines. Thus, they lend themselves to uniform treatment by Federal legislation based on a long-term record of wages or contributions. The short-range risks involve repeated occurrences and, to a larger extent, danger of malingering. These lend themselves more readily to State, community, or voluntary procedures, particularly direct dealings between employer and employee." (J. W. Myers, Governmental and Voluntary Programs for Security, Harvard Business Review, March 1950.)

The problem of retirement for long-range risks must be handled on a broader basis. The Federal Government is best adapted to meet the long-range needs of the population that necessarily involve long-range commitments. This is the opinion of most thoughtful students of workers' security, whether they come from the ranks of management, labor, government, or academic life. Dr. Clark Kerr sums up succinctly the reasons why government can best assume these risks:

"The advantages of the Federal insurance system are that it is fully contributory and universal in coverage; it treats like situated individuals alike; it permits full mobility of workers, and it has adequate financial backing."

The same opinion was recently expressed by Mr. Charles E. Wilson, the president of General Motors, who said: "Adequate Federal pensions operated on a sound basis would seem to be the real answer to the pension problem." And still upon another occasion, he said that Federal pensions "would greatly reduce the pension problem for businessmen, unions, and employees." Essentially the same position was taken by the Advisory Council on Social Security appointed in 1947 by the Finance Committee of the Senate, and just recently by the House of Representatives' Ways and Means Committee, which provided for disability benefits in H. R. 6000. This is also the opinion of most forward-looking labor leaders. Mr. Harry Becker, director of the United Auto Workers social security department has said, "The basic solution to the problem of retirement security for the aged and incapacitated is through a Federal system of social insurance assuring an adequate level of benefits for all people."

You may ask, then, why labor, which is aware of the inherent limitations of private retirement plans, has so insistently bargained for them, even for the long-range risks. The answer is not hard to find. The unions have attempted to bridge temporarily a long unfilled gap in workers' security. Although unions, particularly those in mass production industries, are actively trying to negotiate retirement, health, and welfare plans through collective bargaining, their major objective continues to be adequate and comprehensive Federal legislation for the long-range risks. The American Federation of Labor, for instance, has stated that negotiated plans "provide, at best, an interim program pending the enactment of comprehensive social insurance legislation."

If the long-term risks are covered by the comprehensive program—and I emphasize the fact that permanent disability is among the long-term risks—current protection against short-term risks, as Mr. Myers points out would remain a very appropriate field for direct dealings between employer and employee. Here, negotiated agreements and other private plans can make invaluable contributions to dispel insecurity resulting from current, temporary hazards.

In summary, it is clear that private retirement plans with disability benefits, whether induced by humanitarian considerations or collective bargaining, or industry's competition for labor, cannot realistically cope with the problem of retirement arising out of permanent disability. Both management and labor recognize that private retirement plans are intrinsically less satisfactory in dealing with long-range risks. Wise statesmanship suggests that we take a conservative, but nevertheless constructive, approach to the problem by providing for permanent total disability benefits under the program already established to safeguard against the other long-range risks of old-age and dependent survivorship. We have had 15 years of experience in administering this program. We have also had considerable experience in handling national disability programs for special groups of the population under laws passed by Congress establishing the railroad-retirement program, the civil-service retirement program, and the veterans programs. Costs which loom so great in private retirement plans would come within manageable bounds in a program of national scope, because the risk of permanent total disability would be spread over the whole population. Administrative savings would follow from integration with old-age and survivors insurance.

I am convinced that the best protection against the risk of permanent total disability would result from an over-all approach by the Federal Government, where all employers and all workers would cooperate in a single program of contributory insurance. That is why I favor restoration of permanent total disability benefits to this bill. The solutions that private retirement plans have offered so far—and there have been honest attempts by private industry, alone or together with labor, to meet the problem of disability retirement—can never be fully satisfactory because of the long-range nature of the risk. The Federal-insurance program is undoubtedly better adapted to assume such risks. Addition of disability benefits to the old-age and survivors insurance program, because it would retain full freedom of movement for labor and would reduce the financial burden on the individual employer, offers the best solution to the problem of disability retirement in our dynamic industrial economy.

The following is a summary of a study entitled "Permanent and Total Disability Benefit Provisions in Industrial Retirement Plans" prepared by the Social Security Administration:

"PART I

"I. SCOPE OF STUDY

"The recent collective-bargaining agreements in the automobile and steel industries have thrown the spotlight on retirement plans that have been set up by industry. A number of these make some provision for immediate benefits to employees who become permanently and totally disabled. In an effort to determine the preva-

lence of such provisions, an examination was made of approximately 275 retirement plans received by the Division of Research and Statistics of the Social Security Administration between January 1, 1948, and November 1, 1949.[1] Only 77 of these plans contained specific provisions for the retirement of employees because of permanent and total disability. In addition, there were three plans designed especially to provide disability benefits.[2] Thus, there was found a total of 80 plans that can truly be considered as making definite provisions for the risk of total and permanent disability.

"In many retirement plans, however, a permanently and totally disabled employee may obtain benefits under one of two other types of provisions: (1) Early retirement and (2) vested rights. Furthermore, in some plans with disability-benefit provisions, an employee who does not qualify for benefits under the disability provision may qualify under the early retirement or vested-rights provision. Under the early-retirement option, any employee may retire prior to normal retirement age under the conditions specified in the plans, usually age and service. A disabled employee who meets these conditions may avail himself of such an option. For the purpose of this study, only plans with an early-retirement option that permit retirement at age 55 or earlier are considered. There were found 129 such plans.

"Under the vested-rights provision, an employee upon termination of his employment prior to normal retirement age may, under the conditions specified, usually age and service, be entitled to part or all of the plan's assets accumulated in his behalf out of funds contributed by the sponsors of the plan.[3] In most plans, vested rights are in the form of deferred annuities beginning at normal retirement age. In a few, immediate annuities are granted under certain conditions. A disabled employee, who meets these conditions, may avail himself of these vested rights. For the purpose of this study, plans in which the disabled employee may avail himself of these vested rights immediately are considered. Ten such plans were found.

"Thus, of the 275 retirement plans examined, 219 were found to make some provision for employees permanently and totally disabled before normal retirement age. The 219 plans fall in the following four categories:

| | |
|---|---|
| "Special disability plans | 3 |
| Old-age retirement plans with provisions for— | |
| Specific disability benefit | 77 |
| Early retirement | 129 |
| Vested rights | 10 |

"Practically all of the 219 plans were established or revised since 1940, a large proportion, 67 percent of them, after January 1, 1945. The 80 plans providing disability benefits specifically were generally more recent, nearly 80 percent of them were established or revised since January 1, 1945. They include plans in various industries and in firms or organizations of various sizes, self-insured, insured, contributory and noncontributory plans, and plans sponsored unilaterally by employers, as well as under collective-bargaining agreements. Included are the retirement plans resulting from the recent collective-bargaining agreement between the United Automobile Workers (CIO) and the Ford Motor Co. and that of the Bethlehem Steel Corp. recently revised as a result of its collective-bargaining agreement with the United States Steelworkers of America (CIO).

"While this study is based on a small number of plans that have not been collected especially for the purpose of this study and hence are not necessarily representative, it is estimated that approximately 2,000,000 employees are in establishments in which the 80 plans operate, and approximately 1,000,000 are in establishments in which the other 139 plans are in operation. Tentative estimates indicate that these 3,000,000 employees may represent about one-fourth of the employment in all the establishments having retirement plans.[4]

"The Social Security Administration has been assembling and studying for a long time available information on voluntary retirement plans. It is believed that the characteristics of the plans studied illustrate those generally found in the industrial plans that make some provision for disability benefits. Most of the plans are those of well-known firms or organizations. Many of these plans have received public attention for one reason or another—the inclusion of some special feature, prominence of the employer, importance of the industry in the economy, intensity of collective-bargaining negotiations, etc. The 80 plans, in particular, are those of firms or organizations that have given a great deal of thought to the problem of disability and have made specific provision for this risk.

"II. SUMMARY OF FINDINGS

"Only the three special disability benefit plans and the 77 retirement plans with disability benefit provisions can truly be considered as covering the risk of permanent and total disability. In the other 139 retirement plans, employees must rely on the early retirement or vested rights provisions to claim benefits when they become disabled.

"The provisions for disability benefits present no clear-cut pattern. Except for the recently negotiated plans in the steel industry, few of the retirement plans which contain disability provisions are alike. They are generally tailor-made to fit the financial resources of the sponsors and the composition of the labor force to be covered.

"The 219 plans cover individual firms or establishments, except for the United Mine Workers welfare and retirement fund which is industry-wide. The plans are of varying sizes, ranging from a small establishment with 28 employees to the giant American Telephone & Telegraph Co. with over 650,000 employees.

"Nearly all of the plans are unilateral employer-sponsored plans. That is, they are plans initiated and fully controlled by the employers. Of the 219 plans, only 17 are the result of collective bargaining agreements between employers and trade unions, or plans originally sponsored by employers and later brought within the scope of collective bargaining agreements.[5] These plans are designed essentially to cover production workers and hence include a relatively large number of employees. In plans under collective agreements, the emphasis on specific provisions for disability benefits is quite recent.

"Over 70 percent of the 219 plans are insured plans, that is, they are underwritten by insurance companies; the rest are self-insured by the sponsors. Over 60 percent of the plans are financed jointly by the employers and employees and are, therefore, contributory. The rest are noncontributory, that is, financed entirely by the employer. In retirement plans, there is no need for separate financing arrangement for disability benefits; the contributions are made for the retirement plan as a whole.

"There is considerably greater proportion of contributory and of self-insured plans among the 77 retirement plans with specific disability benefit provisions, than among the other 139 plans as the following table shows:

*Distribution of 219 plans, by method of underwriting and of financing*

| Method of underwriting and of financing | All plans | Special disability benefit plans | Old-age retirement plans with provisions for— | | |
|---|---|---|---|---|---|
| | | | Specific disability benefit | Early retirement | Vesting rights |
| Total | 219 | 3 | 77 | 129 | 10 |
| Insured | 156 | ------ | 30 | [1] 116 | 10 |
| Contributory | 116 | ------ | 17 | [1] 91 | 8 |
| Noncontributory | 40 | ------ | 13 | 25 | 2 |
| Self-insured | 63 | 3 | [2] 47 | 13 | ------ |
| Contributory | 18 | ------ | [2] 12 | 6 | ------ |
| Noncontributory | 45 | 3 | 35 | 7 | ------ |

[1] Includes 2 plans with both contributory and noncontributory features.
[2] Includes 1 plan with both contributory and noncontributory features.

"Most plans restrict coverage to certain employees by imposing requirements on the basis of employment classification, earnings, service, and age. The last two are by far the most frequent. In over one-third of the plans age and service combined are the requirement; only a small proportion of the plans do not stipulate either age or service requirements for coverage.

"Having met the requirements for coverage in a plan, an employee who becomes disabled must meet another set of requirements in order to qualify for benefits. First, the disability must be of a type covered under the plan; second, the disabled employee may be required to have served a specified period of time; third, he may have to be a certain age or under a certain age; or fourth, have to meet the double condition of age and service.

"The question of determination of disability is important only with respect to the 80 plans with specific disability benefit provisions. These provisions are designed to make possible retirement on account of disability rather than age. In the other retirement plans, since the disabled employee simply exercises the usual option to retire under the early retirement or vested rights provision that any other employee may exercise, the

[1] For plans negotiated between the end of the cut-off date of this study and December 1949, see appendix B of the full study.

[2] In one of these, the United Mine Workers' welfare and retirement fund, the disability benefit is payable only on the basis of need.

[3] In contributory plans, upon termination of employment, the employee is always entitled to at least the return of his contributions.

[4] Indications are that, as of January 1950, establishments having pension plans employed about 12,000,000 persons, 7,000,000 of whom were covered. This is derived from the Bureau of Internal Revenue which reports that through August 1946, it had processed pension plans in establishments employing about 9,700,000 persons, 3,300,000 of whom were covered at the time of the submission of the information. Annual report of the Commissioner of Internal Revenue, June 1947, p. 127. These figures were adjusted (a) for the incomplete coverage of the Bureau of Internal Revenue for that year, and (b) to bring the data up to date, taking into account the increase in number of retirement plans between 1946 and 1950, and the recent trend in more complete coverage of employees under these plans.

[5] Such plans as those of the Amalgamated Clothing Workers (men's clothing industry) and of the International Ladies Garment Workers Union (cloak and suit industry in New York City) are excluded for the following reasons. The former makes no provision for benefits to disabled workers other than the benefits at normal retirement age or later; the latter does not provide for the retirement of disabled workers before age 60.

question of whether or not he is in fact disabled does not exist.

"In the plans with specific disability benefit provisions a fairly long service requirement is more frequently found because of the unpredictable nature of the risk for which these provisions are designed. The other retirement plans merely give the disabled employee the option to retire at an earlier age. The important factor in these plans is the attainment of a certain age, usually 55, before a disabled employee can avail himself of the early retirement option.

"The benefit formulas found in the plans vary greatly. Generally they provide for a specified percentage of average monthly earnings for each year of service. Since a disabled worker usually retires many years before reaching normal retirement age it follows that, under these formulas, the benefits are low.

"There were also found some plans that provide for a reduction in benefits when the disabled retired worker qualifies for old-age benefits under the Social Security Act.

*"Plans with disability-benefit provisions*

"In general, the 80 plans with disability-benefit provisions are found in large establishments. The plans of the American Telephone & Telegraph Co. and of the United Mine Workers Welfare and Retirement Fund together account for almost 1,000,000 of the 2,000,000 employees who are in the establishments where these plans are found. Almost 60 percent of the plans are in establishments with 2,500 or more employees.

"Not all of the 2,000,000 employees, however, are covered under these plans. First, 10 percent of the 80 plans restrict coverage to salaried employees only; thus, they exclude the production workers in these establishments. Second, in 65 percent of the plans an employee must reach a certain age, generally age 30 or older; or serve his employer a specified period of time, generally 5 years; or meet both requirements before he can be covered. Service is more frequently specified than age.

"Furthermore, to be entitled to benefits, the disabled employee must also have served his employer for a specified number of years, reached a certain age, or both. Such requirements are found in 67 percent of the plans. The service requirement is found in about two and one-half times as many plans as the age requirement. The length of service with the employer is generally 15 or more years. The age when specified, is often 55 years or older.

"Having met these requirements, the disabled employee does not qualify for benefits unless the disability is of a type covered by the plan. The disability is sometimes defined in great detail and requires the employee to be incapable of earning any income; or the determination may be left entirely to the time when the disabled employee applies for benefits; or some combination of these conditions may be found. Thus, the concept of disability may be (a) very vague, with no apparent criteria and leaving the determination to the discretion of the administrator of the plan; (b) inability to work, without defining the disability; (c) inability to work, defined in terms of performance of regular duties; (d) incapacity, requiring medical certification; or (e) permanent and total disability established after the completion of a waiting period and certified by a physician.

"Many of the plans attempt to offset the reduced benefit which would result from the application of the usual retirement-benefit formula for employees who retire prematurely on account of disability. This is done by using such devices as minimum amounts, flat amounts, waiver of the age of applicant for benefits. Nevertheless, the application of the benefit formula results generally in relatively small payments.

"For 53 of the 80 plans, where it has been possible to estimate benefit amounts, it was found that with 10 years' service and monthly average earnings of $200 or $250, 55 percent of these plans would pay no benefits to a disabled employee, as shown in chart I. Where benefits are paid, the concentration is in plans paying benefits of less than $25 and between $25 and $50 monthly. For the few remaining plans that pay more than $50 monthly the essential difference between the worker who earns an average of $200 monthly and the one who averages $250 is in the maximum benefit payable, which is $55 and $65, respectively.

"Even with 20 years' service and monthly average earnings of $200 or $250, 15 percent of these plans would pay no benefits to a disabled employee. Where benefits are payable, the concentration is in the plans paying from $25 to $50 monthly and from $50 to $75. Maximum benefits in the few remaining plans are $85 for workers with the lesser earnings and $100 for the workers with the higher earnings.

"Some of these benefits, however, are subject to an adjustment to social-security old-age benefits. The full amount or one-half of the primary old-age insurance benefit may be deducted from the benefit under the plan, or the latter may be discontinued entirely when the worker becomes eligible for old-age insurance benefits.

*"Other retirement plans*

"The 129 plans that have early retirement or vested-rights provisions available to disabled employees are found generally in smaller establishments than the 80 plans making specific provisions for disability benefits. Over 50 percent are in establishments with less than 2,500 employees.

"Here again there are coverage restrictions. On the basis of employment classification and earnings, over one-tenth of the plans are restricted to salaried employees only, or to employees with annual earnings of $3,000 or more. While a minimum period of service of usually 1 or 5 years is required as a condition for coverage in nearly all plans, a minimum age, usually age 30 or older, is required in about 40 percent of the plans.

"As to the requirement for benefits, the typical provision stipulates that a worker may retire within a stated period, usually 10 years preceding normal retirement age. This makes the attainment of a minimum age, usually 55, practically the rule. On the other hand, a minimum period of service, usually 15 years or longer, is required in less than 24 percent of the plans.

"Where a disabled employee must rely on the early retirement or vested rights provisions, the benefits would be very low. In the 131 plans for which data are available, an employee with 10 years of service and who had averaged monthly earnings of $200 or even $250 would receive no benefits in over 20 percent of the plans. This is shown in chart II. Where the benefit would be payable, it would be under $15 monthly in most of the plans. In the remaining plans, the maximum benefit would be $35 for employees with the smaller earnings and $45 for those with the higher earnings.

"While an employee with 20 years' service would fare noticeably better, his benefit would still be very low. In 5 percent of the plans, he would not qualify for benefits, even if his earnings had averaged $200 a month. Where the benefits are payable, the concentration is in the plans paying benefits under $15, and between $15 and $25, even for employees with the higher monthly average earnings of $250. Again, the main difference between the worker with the smaller and the worker with the higher earnings in the remaining plans is in the maximum benefit payable which is $45 and $60, respectively.

*Amount of disability benefits payable in retirement plans—Percent of plans paying selected benefit amounts, by years of service and average monthly earnings, 1949*

I. 53 PLANS WITH DISABILITY BENEFIT PROVISIONS

| Amount of benefit | Average monthly wage for 10 years' service | | Average monthly wage for 20 years' service | |
|---|---|---|---|---|
| | $200 | $250 | $200 | $250 |
| | *Percent* | *Percent* | *Percent* | *Percent* |
| 0 | 55 | 55 | 15 | 15 |
| 0 to $25 | 22 | 21 | 21 | 11 |
| $25 to $50 | 17 | 15 | 32 | 29 |
| $50 to $75 | [1] 6 | [2] 9 | 23 | 30 |
| $75 to $100 | | | [3] 9 | 15 |
| Total | 100 | 100 | 100 | 100 |

II. 131 PLANS WITH EARLY RETIREMENT OR VESTED RIGHTS PROVISIONS

| | | | | |
|---|---|---|---|---|
| 0 | 22 | 21 | 5 | 3 |
| 0 to $15 | 70 | 68 | 40 | 20 |
| $15 to $25 | 5 | 9 | 43 | 56 |
| $25 to $35 | 3 | 2 | 10 | 13 |
| $35 to $45 | | 2 | 2 | 6 |
| $45 to $60 | | | | 2 |
| Total | 100 | 100 | 100 | 100 |

[1] Maximum benefit is $55.
[2] Maximum benefit is $65.
[3] Maximum benefit is $85.

"III. CONCLUSIONS

"The retirement plans studied indicate that a number of employers have recognized the need for disability protection, and have found it possible to set up and administer plans covering this risk. Although only 80 of the 219 plans included in this study make specific provisions for disability retirement, they tend to be in the establishments with a large labor force. Moreover, since the completion of the study, there has been an increasing emphasis on disability protection in collective bargaining plans. The newer agreements negotiated for old-age retirement plans in three of the mass-production industries, namely, steel, auto, and rubber, and involving over 1,350,000 employees, include provisions designed specifically to allow retirement for disability. This growing emphasis on disability protection is evidence of the concern of unions and employers for making more adequate provision available for this risk than now exists.

"While these recent developments in the private pension field show that the problem of disability retirement is receiving increasing attention, examination of the 80 plans included in this study that make specific provisions for the risk of disability reveals real structural limitations. These plans do not cover all the employees in the establishments in which they are in operation; most plans are designed to cover only the permanent element of the establishment's labor force. For this reason, they often exclude employees with less than a specified period of service, who are under a certain age, who earn less than a specified amount, who are not in the bargaining unit, or who are production workers. The latter exclusion is particularly significant since production workers constitute, by far, the bulk of the labor force in the manufacturing establishments studied. Even if the employee is assured of coverage, the long service requirements for eligibility to benefits in a high proportion of these plans, and age less frequently, tend to disqualify the disabled worker for benefits.

"The concept of disability varies greatly from plan to plan. While some of these plans state explicity the conditions concerning entitlement to disability benefits and size of benefit, others leave these important decisions entirely to the employer, the pension committee, or the board of trustees.

This discretionary power may at times operate to the advantage of the disabled employee, but at other times, it may work to his disadvantage. In other words, even though an employee may be covered he cannot be certain in advance of the extent of the protection available to him in case of disability.

"The cumulative effect of all the above limitations on coverage and on entitlement to benefits, together with the very fluid concept of disability used in these plans is that a large proportion of disabled workers do not receive benefits.

"Another real limitation of these 80 plans is that, when benefits are payable, they do not generally provide any significant replacement of former earnings. For the employee disabled after 10 years of service and with average monthly earnings of $250, only about one-fourth of these plans would pay $25 or more, representing the replacement of 10 percent or more of former earnings. For the employee disabled after 20 years of service and with average earnings of $250 monthly, less than one-half of the plans would pay a benefit of $50 or more, representing the replacement of 20 percent or more of former earnings. These benefit amounts assume stable employment at relatively high earnings, over long periods of service (mostly continuous) with the same employer. Generally, this has not been the experience of wage earners, and certainly earnings have not been consistently high over the past decade or two.[6]

"As to the 139 plans in which the disabled employee must rely entirely on early retirement or vesting rights provisions, they afford an even less adequate replacement of wage loss. Moreover, these are essentially old-age retirement plans and require the attainment of a certain minimum age—usually 55—before a worker can exercise his option to retire prior to normal retirement age. Insofar as these plans do provide an opportunity for early retirement in case of disability, the age requirement limits this protection generally to older workers, and the plans provide no disability protection at the younger ages.

"The responsibility assumed by an employer in paying benefits to a disabled employee for the rest of his life is a costly undertaking just as it is in the case of old-age retirement. The stringent eligibility requirements for disability benefits in the plans that provide specific provisions for disability benefits, as well as in those that permit a covered employee to exercise his option for early retirement, may be justified on the grounds of the long-range nature of the protection required for permanent and total disability.

"These plans, however, have certain disadvantages which stem from more fundamental considerations than the structural limitations mentioned above. These are the inherent limitations which are common to all private pension plans. Mobility of labor between industries and between employers within industries is characteristic of the present day labor force.[7] Private pension plans generally have not been able to devise a satisfactory solution for the normal movement of labor from place to place and from job to job; an employee covered can seldom carry his protection with him from employer to employer. Moreover, the stability of the plans may be uncertain because they can be discontiuued, or they may not survive changing economic and industrial conditions. These plans, therefore, that attempt to cover the risk of disability provide a measure of security only for a minority of workers, but do not assure basic protection to the average worker because he cannot be certain of coverage during the greater part of his working life."

[6] Average weekly earnings in manufacturing industries rose successively from $20.13 in 1935, to $29.58 in 1941 and to $49.25 in 1947 so that earnings over this 12-year period averaged only about $140 a month. See Handbook of Labor Statistics, 1947 ed., U. S. Department of Labor, Washington, D. C., p. 54.

[7] The wage records of the Bureau of Old-Age and Survivors Insurance show that for for the 49,000,000 workers who earned taxable wages in covered employment at some time during 1947, 33 percent worked for more than one employer, and 26 percent were employed in more than one industry. The corresponding figures for the steel industry were 38 and 36 percent, respectively. In the automobile industry, 40 percent of all workers had at least two different employers and 39 percent were employed in at least one industry other than automobile. A recent study of 1,000 heads of family in the Oakland, Calif., labor market shows that the average worker has had a new job every 3½ years, or 10 to 12 times during his total working life. Clark Kerr, Social and Economic Implications of Private Plans, Institute of Industrial Relations, Reprint No. 16, University of California, Berkeley, Calif., 1949, p. 5.

THE GEORGE-MILLIKIN RESOLUTION

Mr. MURRAY. Mr. President, one of the proposals on which we are going to vote this afternoon is the resolution submitted by the Senator from Georgia [Mr. GEORGE] and the Senator from Colorado [Mr. MILLIKIN] providing for a further study of social security. I am supporting this resolution because I believe that there are a number of important improvements which should be made in our social-security program, and which are not contained in H. R. 6000.

I should like to point out, however, that a great deal of propaganda is being spread in opposition to the George-Millikin resolution. I ask unanimous consent to insert in the RECORD at the conclusion of my remarks, a statement issued by Mrs. Marjorie Shearon, in which she opposes the George-Millikin resolution because, as she says, the "Finance Committee is no good." I know that Senators will not place any reliance whatsoever in the unfounded criticisms which Mrs. Shearon is making of the Finance Committee. I believe that the Members of the Finance Committee are to be highly congratulated for the fine job that they have done in improving the social-security program.

Mrs. Shearon also asks Senators to vote against the proposed amendment for permanent and total disability insurance because, as she says, "Senators don't know what it's all about." This attack on Senators on both sides of the aisle is in my opinion unjustified. I know that members of the Finance Committee have given very careful consideration to all proposals, and I know that there are various members of the Finance Committee who are supporting the amendment for permanent and total disability insurance.

I trust that Senators will vote both for the resolution to give further study to social security and also to include permanent and total disability insurance despite the reckless and false charges made in this propaganda sheet.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WARNING! GREAT EMERGENCY!

The medical profession, the insurance industry, and all other Americans are in imminent danger from H. R. 6000.

Voting on this bill begins at 4 p. m., Tuesday, June 20. Amendments will be considered, 10 minutes being allowed for each amendment. Democrats LUCAS (Illinois) and MYERS (Pennsylvania) will introduce amendment to establish Falk's permanent and total disability insurance program under the Social Security Act. This is one part of national compulsory health insurance. Do not believe anyone who tells you the situation is under control. It is not. This amendment will be passed on June 20 unless you make the fight of your life. The disability provision is in the House-passed version of H. R. 6000. It will become law if the Senate passes it.

Yesterday MILLIKIN introduced a weak resolution for further study of social security by the Senate Finance Committee after not before passage of H. R. 6000.

This is what you should do immediately:

1. Wire or telephone your Senators (too late to write) to bring the George-Millikin resolution for further study into line with Cain resolution. Imperative that a separate commission be set up. Finance Committee is no good and will only say what social security staff tells it to say. There must be independent staff having no connection with social security. There should be bona fide investigation of prior administration; $100,000 should be allotted.

2. Wire or telephone your Senators to vote against permanent and total disability amendment. Some medical experts should see that every Senator has a short statement of reasons for opposition to this proposal. Senators don't know what it's all about.

3. Send medical delegation to Washington Monday and Tuesday to visit every Senator.

4. Get 10 persons to wire or telephone your Senators.

H. R. 6000 will be passed by the Senate this coming week. All you can do is hold the line. Get a decent George-Millikin resolution for future study and investigation. Oppose permanent and total disability insurance. Rally around the Cain resolution.

The Shearons are available around the clock with advice and latest information.

MARJORIE SHEARON.

Mr. GEORGE. Mr. President, I yield the remainder of the time to the Senator from Illinois [Mr. LUCAS].

Mr. LUCAS. Mr. President, 16 years ago, when I first came to Congress as a Representative from the Twentieth District of Illinois, one of the major pieces of legislation with which the Congress was concerned was the Social Security Act of 1935. At that time, the country was suffering from depressed economic conditions caused to some extent by the presence of many older workers, who found it impossible to obtain employment. To cope with this problem, Congress enacted the Social Security Act of 1935.

The principal features of that measure were a contributory old-age insurance program, an authorization for the use of Federal funds to match State assistance expenditures for the aged, the blind, and dependent children, and a State-Federal unemployment compensation program.

The long-range plan to meet the continuing problem of dependency during old age was the contributory old-age insurance system. This program is based upon the theory that the charity approach could be eliminated over the years by giving workers an opportunity to contribute to a system which would in turn pay benefits to the aged who might otherwise be dependent. Under this system, benefit payments are directly related to prior wages and to the individual ability and initiative of the beneficiary. This approach is sound, not only from the viewpoint of meeting the national problem involved but also in recognizing the principles of private initiative basic to our economic system.

At that time, as a freshman Representative from Illinois, I was keenly aware of the suffering and want of millions of our older citizens who could no longer completely support themselves. I realized, as so many other Members of Congress realized, that the poorhouse and the pauper's oath were degrading to the aged and out of place in a country with the resources of America. For these reasons, I voted for the Social Security Act of 1935.

I have been in Congress since that time and have seen this program develop. In 1939 I supported amendments which broadened the protection of the Old-Age Insurance System so that benefits were provided for the surviving wife and children of a covered worker. The old-age and survivors insurance program was amended again in 1946. Survivors' insurance benefits were provided for the survivors of World War II veterans who died within 3 years after their discharge from the Armed Forces. This was an important recognition for the veterans who were denied continued coverage under the social-insurance program because they were temporarily in the Armed Forces.

The bill now before the Senate was carefully prepared to improve the system in line with the recommendations of the Advisory Council of the Eightieth Congress after extensive hearings before the Ways and Means Committee of the House of Representatives in 1949 and the Senate Finance Committee in 1950.

These improvements are concerned primarily with extending the coverage under this contributory system, liberalizing the benefits, and relaxing the requirements for eligibility so that more of the aged may be brought under this system in the near future. I would like to discuss some of these improvements in some detail in order to explain precisely what they mean to millions of the aged in this country as well as to innumerable workers and their families.

So long as we have both an insurance and a charity system operating side by side, we are faced with a basic question of deciding to what extent the coverage under the contributory system may be broadened so that it will provide benefits for more and more of the aged. Both questions of policy and administration have operated to limit extensions of coverage in the past. I recall quite well the arguments of many Representatives and Senators that even the limited coverage provisions enacted in the 1930's created an insurmountable administrative problem.

Through the years, however, administrative techniques have been developed which make the problems of extending coverage less difficult. This extension of coverage is the most essential factor in developing a sound social-security system. If this system is to meet the national problem of dependency in old age, it must be available to everyone faced with the risk of dependence in old age.

The committee bill is designed to make important improvements in this respect. An additional 10,000,000 persons will now be brought under this program. Two of these groups which will now be covered under the old-age and survivors insurance system for the first time are the non-farm self-employed, and certain agricultural workers.

It has long been apparent that the self-employed, as much as any other group, need the protection offered by such an insurance system. This group is comprised of the operators of the bulk of the small business enterprises which are such an important factor in the American economy. These people more than any others take the risks of a free-enterprise system. They risk not only their capital but also their time and labor. It is therefore important that they be given some protection against dependence in old age.

One of the tendencies which has concerned me since the social-security program was first inaugurated is the manner in which the protection has been concentrated in urban areas. Statistics have shown that dependence in old age is a very great problem among rural farm workers. So long as this group of workers is not covered under the old-age and survivors insurance program their dependence in old age can be met only through charity-type assistance payments. Equal treatment for farm groups and city dwellers is just as important in this aspect of Government activity as in any other, and equal treatment can be obtained only by the coverage of farm workers.

A huge administrative problem is immediately presented by any plan intended to cover these workers. For the migratory, seasonal, or part-time farm worker, no easy method of collecting the tax has been devised.

The committee bill, however, makes real progress in giving many farm workers treatment equal to that of urban employees by providing for coverage of regularly employed farm workers. The term "regularly employed farm worker" means one who is employed by a single farmer for at least 60 days in a 3-month calendar quarter and who receives cash wages of at least $50 during that period. This type of provision was favored by representatives of the leading farm organization. Under its terms almost 1,000,000 farm workers will be brought under the old-age and survivors insurance system.

The second major improvement which experience under this system has shown to be necessary is a liberalization of the benefit payments. In 1945 and again in 1948 substantial increases were made in the amount of Federal funds available for the charity-type assistance program. This resulted in the unusual situation of the Government providing higher average payments under the charity-type program than under the contributory insurance system. The person who qualified for charity received an average allotment of $45 a month, while the beneficiary under the old-age and survivors insurance program received an average payment of $26 a month.

The Senate Finance Committee has made real strides toward correcting this unusual inequity. In this bill the benefit formula has ben changed to make substantial increases in the benefits payable to workers who retire in the future as well as increasing the benefits now paid to current beneficiaries.

At the present time there are approximately 3,000,000 persons receiving old-age and survivors insurance benefits. Approximately 180,000 of these live in Illinois. Under the committee bill these current beneficiaries will have their benefit payments increased, on the average, about 85 or 90 percent. For example, a retired worker who receives a primary benefit payment of $25 under existing law will have his benefit amount raised to about $48 after the enactment of this measure.

For workers who will retire in the future, benefits paid to them in the next 10 years will be about 110 percent higher than they would have been under existing law. The minimum benefit payment under this measure will be $25 a month and the maximum payment for families has been increased to $150. The average benefit payment will be in excess of $50 a month for a single retired worker and over $80 a month for a retired worker and his wife.

The third major improvement made by the committee bill is in the sections concerned with eligibility requirements. Under existing law, in order to be eligible for old-age benefits under the insurance program, a person now 65 years of age needs 6½ years of coverage. The difficulty with stringent eligibility requirements, such as this, is that many older workers are never able to qualify.

The committee-approved bill provides a new start in the eligibility requirements. This means that workers who are now 62 years of age or older can qualify for benefits at age 65 with a minimum of six quarters, or a year and a half, of coverage. In order to meet these requirements, years of service and wage credits earned prior to 1950 may be used.

This is an essential feature in the improvement of the contributory system. It means that an additional 700,000 persons will be eligible under this program when the bill is enacted. It also means that many more older workers will be able to find protection under this system within the next few years.

However, in addition to these major improvements which the Senate Finance Committee has made in the social-security program, there are other features of this system which should also be improved. Amendments have been introduced which I consider would add immeasurably to the soundness of this entire system.

I urge the Senate to give serious consideration to some major improvements in the social-security program which were provided in the House-approved bill but omitted by the Senate committee. These include the raising of the maximum-wage base for tax and benefit purposes, the provision for an increment of one-half of 1 percent of the primary benefit amount for each year of coverage, and the principle of benefit payments to cover employees who become totally and permanently disabled.

Under the contributory insurance system, the total wages of all covered employees are not considered for tax or benefit purposes. If they were, a few high-salaried employees would be forced to make large contributions and would receive inordinantly high benefits. Instead, under existing law, only the first $3,000 of annual wages are considered for tax and benefit purposes.

In 1939 this $3,000 wage base meant that the total wages of about 95 percent of the workers covered by the contributory insurance system were included for tax and benefit purposes. Today almost 40 percent of covered workers earn more than $3,000 a year. To me this seems to indicate that some upward adjustment in the wage base is necessary. It is interesting to note that the advisory council of the previous Congress reported that to make a partial adjustment for this change in wage levels the maximum annual wage considered for tax and benefit purposes should be raised to $4,200 a year. It seems to me that the adjustment made in the House bill is the least that should be done.

I have joined in sponsoring an amendment raising the wage base to $4,200 because I am convinced, as were the members of the Advisory Council, that this adjustment is essential to give some recognition to the increase in wage levels during the last 10 years.

When I speak of the Advisory Council I am speaking of the Council which was appointed during the Eightieth Congress under the distinguished chairman of the Finance Committee at that time, Mr. MILLIKIN.

Under the existing law, for each year that a worker is covered by the old-age and survivors insurance system, he receives an increase of 1 percent in his primary benefit amount. This is known as the increment factor. In the House-approved bill the factor was decreased to one-half of 1 percent.

Despite the fact that the increment factor was reduced, it is still an important part of a contributory insurance system in which the benefits are related to wage credits. It seems to me that this gives an important recognition to the fact that the person who contributes more should receive more in benefits. Without an increment the benefits tend to flatten out. Under the committee bill two persons with the same average monthly wage will receive the same benefit amount, even though one has contributed for 5 years and the other for 40 years. Because I believe a reasonable increment factor is essential to preserve individual incentive, I intend actively to support and vote for an amendment to restore this important provision to the social-security system.

The House of Representatives also included provisions for the payment of benefits to covered employees who have become totally and permanently disabled. These provisions were in line with the recommendations of the Advisory Council of the Eightieth Congress. On page 69 of the report of the Advisory Council, it is stated:

> Income loss from permanent and total disability is a major economic hazard to which, like old age and death, all gainful workers are exposed. The Advisory Council believes that the time has come to extend the Nation's social-insurance system to afford protection against this loss. There can be no question concerning the need for such protection.

These are the words of the Advisory Council of the Eightieth Congress appointed by the Finance Committee then under the chairmanship of the Senator from Colorado [Mr. MILLIKIN].

I have been much concerned over these provisions because I realize that administrative problems might be very great. However, I do not believe that those difficulties should be insurmountable. These clauses have been administered in all other Federal retirement plans, in the Railroad Retirement System, and many State and private pension plans. I believe that the principle of total and permanent disability benefits should not be lost.

In addition to these amendments concerned with the old-age and survivors insurance system, there are other parts of the social-security program which should be improved.

Another amendment which I have introduced provides for assistance to the caretaker of dependent children. Under the assistance program, the use of Federal funds is authorized to help finance State-administered charity programs providing benefits for dependent children. These are children who are in need and one or more of whose parents are absent from the home. Under existing law, however, no assistance is provided for the caretaker of those children. To me this does not seem practical or sensible. If assistance is to be provided for dependent children, it should be done in such a way that the home available to them may be kept intact. It seems to me that this can be done only by providing assistance for the mother or relative with whom the children are staying so that a proper home may be provided.

The amendment I have introduced will allow the use of Federal funds to match State funds used for asistance payments for this parent or relative.

I have gone into some detail on many of these provisions; but such detail seems necesary in relating this complex program to the specific interests of the many people vitally concerned with it. I have long had the conviction that the Social Security Act of 1935 was one of the more important measures I have been privileged to support and develop while in Congress. It gives me a great deal of satisfaction to support and vote for this Social Security Act of 1950, together with some liberalizing amendments, because this measure will revitalize the Social Security System so that it will be of real aid to millions of Americans.

The VICE PRESIDENT. The hour of 4 o'clock having arrived, the question is on agreeing to the resolution (S. Res. 300) offered by the Senator from Georgia [Mr. GEORGE] and the Senator from Colorado [Mr. MILLIKIN]. Only 5 minutes' debate is in order.

Mr. MILLIKIN. Mr. President, the Committee on Finance started its hearings on this subject on January 17 and concluded the hearings at the end of March. It then went to work in executive session and employed itself for several weeks in considering various aspects of the social-security question. The further we got into the subject the more we realized that certain areas of study had not been completed and could not be completed in time to pass a social-security bill at this session. Therefore, it was proposed that there be created a continuing study committee, as it might be termed. Under the resolution which has been offered the Senate Committee on Finance is given complete control over the scope and methods of that study. Therefore, there can be no criticism that there will not be sufficient flexibility in the plan to cover those matters which remain uncovered in the studies so far made.

We found, for example, much pressure, demand, and argument for a new approach to the whole subject, as well as for a pay-as-you-go and universal-coverage system of some kind. Many suggestions along this line were made. We did not have sufficient basic data upon which to make decisions. We also found that we did not have sufficient information on the administrative feasibility of wider coverage for agricultural workers. I believe there was a very strong sentiment in the committee that there should be wider coverage. However, the administrative difficulty of covering migrant workers, as well as covering employers who at times work as employees, led us to the conclusion that further study of that subject should be undertaken. We were also aware of the fact that in order to sustain any kind of system we must keep the productivity of the country on the increase, and that perhaps that could not be done if we prematurely retired people who are able and willing to work. Therefore, we found it advisable to give more study to plans under which we could keep elderly people working who are able and willing to work.

We encountered much criticism involving the reserve fund, and received many suggestions of proposals to take the place of the reserve fund. We were not prepared to pass on that question. So we thought that subject should be given further study.

We have been confronted lately with a large number of pension plans, which are adding many thousands of persons to their coverage. There are now about 13,000 private pension plans, all of them having relation to the Government social-security system. How to bring those into coordination, if that is possible, and how to establish the proper

relationship between them were questions which were not studied, and we felt studies should be made of that subject.

Under this resolution the Senate Committee on Finance will be able to assign different subjects for study than those I have mentioned. The committee is given great flexibility and great responsibility in relation to the entire subject. I hope the resolution will be agreed to.

Mr. PEPPER rose.

The VICE PRESIDENT. The opponents of the resolution are entitled to 5 minutes. Is the Senator from Florida opposed to the resolution?

Mr. PEPPER. I am not opposed to it, but I wish to propound an inquiry to the chairman of the Committee on Finance, if I may.

Mr. GEORGE. I shall be glad to yield to the Senator, if I have the time to yield.

Mr. PEPPER. As the able chairman of the committee knows, very many earnest citizens have believed for many years that we would eventually come to the adoption of the universal system of pensions, of adequate means and currently financed, called the Townsend plan. Dr. Townsend, a very distinguished American, has for many years given of himself unstintingly to the advocacy of such a system. The distinguished chairman of the committee and his associates permitted Dr. Townsend and others, including several Senators, of whom I was one, to appear before the committee when the hearings were in progress, and to propound that measure to the committee.

The committee has not seen fit to adopt that alternative approach to the problem of security. I am gratified to know that if the Senate adopts the resolution there will be a continuing study of this vital subject. We all feel that we must come to something like a universal coverage, current in payment and something like adequate in amount, for the senior citizens of the country.

The inquiry I wish to propound to the distinguished chairman of the committee is whether those who are the earnest advocates of the general principle of the so-called Townsend plan may anticipate that the distinguished committee, which will continue its study, will specifically include a study of the merit and proposals and principles of the Townsend plan.

Mr. GEORGE. I think I may answer without qualification in the affirmative that the committee will continue the study of the Townsend plan, along with other related matters.

Mr. PEPPER. Will the particular measure, which is now lying on the table as an amendment, be specifically studied by this distinguished committee?

Mr. GEORGE. I can answer in the affirmative, as I said. I can make that positive statement so far as I am concerned.

Mr. PEPPER. I thank the distinguished chairman of the committee. In view of his assurance, which I am very gratified to have him give, I shall not call up the amendment which is lying on the desk at this time.

The VICE PRESIDENT. The resolution is open to amendment.

Mr. PEPPER. Mr. President, will the Senator from Colorado yield for a simple inquiry?

Mr. MILLIKIN. Yes.

Mr. PEPPER. I wish to make the same inquiry of the Senator, because we all know the interest in this subject of the able Senator from Colorado, who is a co-author of the pending resolution. Can the Senator give the same affirmation which the distinguished chairman of the committee has given with reference to the Townsend plan?

Mr. MILLIKIN. I am glad to give the same affirmation. The pending resolution includes a paragraph which is ample for the purpose, and I am quite sure that all members of the Committee on Finance will give very careful consideration to anything which those favoring the Townsend plan may wish to propose to the committee.

Mr. ROBERTSON. Mr. President, I hope the Senator from Colorado will give me the assurance that he does not intend to take up much time on the Townsend plan.

Mr. MILLIKIN. I shall not give that assurance to the Senator. I think the committee will give whatever time is necessary to thoroughly probe into any proposal which is offered to the committee.

The VICE PRESIDENT. The question is on agreeing to the resolution offered by the Senator from Georgia [Mr. GEORGE] and the Senator from Colorado [Mr. MILLIKIN].

The resolution was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. LUCAS] for himself and other Senators, to the committee amendment, the committee amendment being a complete substitute for the original text of the bill. Five minutes of debate is available to each side.

Mr. GEORGE. Mr. President, the Committee on Finance this morning considered all pending amendments to H. R. 6000. This particular amendment was considered, and I am authorized by the committee to accept the amendment.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 246, beginning with line 13, it is proposed to strike out all down to and including line 24 and insert in lieu thereof the following:

(8) (A) Service performed in the employ of a State, or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned by one or more States or political subdivisions (other than service included under an agreement under section 218 and other than service performed in the employ of a State, political subdivision, or instrumentality in connection with the operation of any public transportation system the whole or any part of which was acquired after 1936);

(B) Service performed in the employ of any instrumentality of one or more States or political subdivisions to the extent that the instrumentality is, with respect to such service, immune under the Constitution of the United States from the tax imposed by section 1410 of the Internal Revenue Code (other than service included under an agreement under sec. 218).

On page 328, beginning with line 8, strike out all down to and including line 16 and insert in lieu thereof the following:

(8) (A) Service performed in the employ of a State, or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned by one or more States or political subdivisions (other than service performed in the employ of a State, political subdivision, or instrumentality in connection with the operation of any public transportation system the whole or any part of which was acquired after 1936);

(B) Service performed in the employ of any instrumentality of one or more States or political subdivisions to the extent that the instrumentality is, with respect to such service, immune under the Constitution of the United States from the tax imposed by section 1410.

Mr. MILLIKIN. Mr. President, may we have a description of the amendment?

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Illinois, which the Senator from Georgia, as chairman of the committee, has said he is authorized to accept.

Mr. MILLIKIN. It has not been described, so we do not know how to place it.

The VICE PRESIDENT. It was stated when offered, and is the pending question. It is lettered "J."

Mr. GEORGE. It is the amendment lettered "J." It was offered by the distinguished Senators from Illinois [Mr. LUCAS and Mr. DOUGLAS], the Senator from Alabama [Mr. HILL], the Senators from New York [Mr. IVES and Mr. LEHMAN], the Senators from Massachusetts [Mr. SALTONSTALL and Mr. LODGE] and the Senator from Ohio [Mr. TAFT].

Mr. FLANDERS. Mr. President, may not the amendment be distributed?

The VICE PRESIDENT. It has been distributed, and has been placed today on every Senator's desk.

Mr. FLANDERS. It has not been placed on all the desks.

Mr. GEORGE. Mr. President, the amendment provides for the compulsory old-age and survivors insurance for all present and future employees of any transportation system any part of which is taken over by a State or local government at any time after 1936. I think it is a subject with which the Senate Finance Committee is quite familiar.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. TAFT. My name is on the amendment, but I should like to call the attention of the Senate to the fact that in my opinion the amendment is broader than is necessary, or is broader than might be agreed to in conference. I quite agree we should cover street railway companies which were formerly under the system and which have been taken over by the States in the meantime. This amendment goes somewhat further, and covers any activity which is subject to taxation, that is, any activity whatever, such as an

electric store, or anything of the kind which has been held, under the Constitution, to be subject to taxation. In that particular it is broader than the House provision.

I merely wish to state to the Senate that if the amendment is taken to conference, I do not believe that the action of the Senate should be taken necessarily as an approval of this wider coverage. It seems to me clear that employees of a street railway when it was a private company who have been under the system, should stay under the system when the railway is taken over by the public, and also that States may include other similar companies. Whether it should apply to every activity of the State which is not strictly governmental, without the State legislature's approval, I think is doubtful.

The VICE PRESIDENT. The time of the Senator from Georgia has expired.

Mr. MILLIKIN. Mr. President, the point raised by the distinguished Senator from Ohio was considered by the Committee on Finance, and it was thought best to keep the matter in conference where it will be given careful consideration.

Mr. THYE and Mr. SALTONSTALL addressed the Chair.

The VICE PRESIDENT. Does the Senator from Colorado yield, and if so, to whom?

Mr. MILLIKIN. I yield first to the Senator from Minnesota.

Mr. THYE. I should like to ask the distinguished Senator from Colorado whether the amendment includes the school teachers' retirement fund.

Mr. MILLIKIN. It would not include the school teachers' retirement fund.

Mr. SALTONSTALL. Mr. President, will the Senator from Colorado yield for a question?

Mr. MILLIKIN. I yield.

Mr. SALTONSTALL. I am one of the sponsors of the amendment, but in the opinion of the Senator from Colorado would the amendment in its present form include a steamship company taken over by a State government, as well as a transit company?

Mr. MILLIKIN. If it is a transportation system, it is included.

Mr. LUCAS. Mr. President, I should like to say just a word about the amendment.

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Illinois?

Mr. MILLIKIN. I yield.

Mr. LUCAS. A great many employees of a transportation system in the city of Chicago are vitally affected by the pending amendment. I appreciate that the amendment is broader than the provision contained in the bill as passed by the House of Representatives. However, I hope that the Senate will insist upon the amendment in its present form, because it seems to me that not only those who have been in the past employed in the transportation systems, but that others as well, should be included in the old-age benefit system at the present time.

Mr. LEHMAN. Mr. President, I hope that the pending amendment offered by the majority leader will be adopted. This amendment vitally affects large numbers of transit workers in my State. A considerable number of public transit lines—subways, motor bus lines and other means of public transportation—have been taken over by city and other governmental authorities in New York.

These employees urgently desire to be covered by Federal social security. I firmly believe that any groups which wish to be covered should be covered.

It would be an injustice for these individuals to be left outside the old-age and survivors insurance program. Some of them have made payments into the OASI fund for 10 years. Their benefits under the municipal retirement systems would be much less than those of other public employees who have been covered by these systems for longer periods of time.

Mr. President, I call the attention of the Senate to the fact that the A. F. of L. unions in my State are asking for this amendment. The CIO transit unions, headed by Mr. Michael Quill, are also asking for the amendment.

Although I advocated and continue to support the exclusion from Federal old-age and survivors insurance of all public employees already covered by retirement systems, because these employees do not wish to be covered, I strongly urge that the pending amendment covering this special group, who urgently wish to be covered, should be approved.

Yesterday I introduced into the RECORD a letter from Mr. Michael Quill to this effect. I do not think it is necessary to make reference to the letter again. I ask for the approval of the amendment.

Mr. LODGE. Mr. President, I ask to have printed at this point in the RECORD a brief statement which I have prepared on the pending amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON TRANSIT EMPLOYEES BY SENATOR LODGE

Mr. President, as one of the sponsors of the pending amendment, I wish to say very briefly that adoption of this provision for coverage of transit employees is a matter of great importance for a very large number of citizens of Massachusetts. Last year I filed a bill, S. 1658, the purpose of which was similar to the pending amendment and I believe that approval of this proposal amounts to an act of simple justice.

Principally affected in Massachusetts will be some 6,000 employees of the metropolitan transit authority. Most of these employees were originally employees of the Boston Elevated Railway Co. prior to August 1947. The Boston Elevated was a privately owned company, and its employees were covered by the old-age and survivors insurance provisions of the Social Security Act. In 1947 this company was acquired by the metropolitan transit authority, an instrumentality of the Commonwealth of Massachusetts, which presently operates passenger streetcar, subway, and bus service in Boston and vicinity.

The result of this change in ownership was to deprive these employees of the full benefits of the Social Security Act. These employees should not be discriminated against because their employment ceased to be for a private corporation. The pending amendment meets this problem in a satisfactory way. This fact is confirmed, insofar as Massachusetts is concerned, by the messages of approval which I have received from Local 849, International Union of Operating Engineers, Boston; Massachusetts Federation of Labor, Boston; District Lodge No. 38, International Association of Machinists, Boston; Division 589, Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, A. F. of L., Boston; Boston Central Labor Union; and several others.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that there be inserted in the RECORD at this point a brief statement which I have prepared on the pending amendment, and I should like to extend my thanks for the cooperation of the officers and representatives of the Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DOUGLAS

I am very glad that the Senate Finance Committee has accepted the amendment to H. R. 6000, which provides coverage under the law to the employees of public transit systems acquired after 1936.

In the discussions which preceded the drafting and introduction of this amendment I would like to acknowledge the splendid assistance and cooperation extended to us by the officers and representatives of the Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America.

Mr. A. L. Spradling, its president; Mr. O. David Zimring, its chief counsel; and Mr. Joseph F. Fahey, representing its Division 589; all appeared and testified at the hearings. Their representatives also advised with us in numerous conferences to enable us to bring all of the relevant facts to the attention of the Senate and to draft an amendment that would protect the proven equities of the transit employees.

I offer for the RECORD herewith a brief memorandum submitted by representatives of the association in further explanation of the amendment:

"MEMORANDUM ON STATUS OF TRANSIT WORKERS OF TRANSPORTATION SYSTEMS PUBLICLY ACQUIRED AFTER 1936 UNDER PROPOSED AMENDMENTS TO THE SOCIAL SECURITY ACT

"(Submitted by Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, AFL)

"The Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, AFL, is the dominant labor organization in the field of mass transportation of passengers by motor bus or streetcar. The membership of that organization is desirous of rectifying certain injustices which have resulted from a loss of coverage under the existing Social Security Act on the part of employees of mass transportation systems transferred from private operations to public operations.

"During the last decade municipal public authorities have acquired and are operating several large transportation systems. Among such systems are San Francisco, Cleveland, Chicago, and Boston. In addition, New York City has since 1936 acquired from private companies a very large portion of its present municipal operations. There are a number of smaller cities, such as Springfield, Mo., which are in the same category. Approximately 50,000 of our members are employed in transportation systems which have already been acquired by municipalities and public authorities. As a result of the change to public operation, such employees have lost all or a large part of their benefits under the Social Security Act.

"Under the existing Social Security Act, fully insured status may be obtained by employees who have been paid $50 or more in covered employment and at least half the number of calendar quarters as there are between January 1, 1937, when the social security program began and the quarter when the employee becomes 65 or dies. The acquisition of 40 quarters of coverage makes a worker fully insured for life. While employees who have had 40 quarters of coverage prior to the transfer of a public operation to public ownership are fully insured and entitled to some benefits at age 65, such benefits will be seriously reduced during the period of public ownership, since the work under public ownership does not count under the existing act. In addition, they will not receive the acquisition of 1 percent a year in primary benefits under the period of public ownership, since wages, in the meaning of section 209 (a) of the act, will no longer be earned by them. Thus even employees who are fully insured under the act will receive greatly reduced benefits.

"The Senate Committee on Finance has eliminated from H. R. 6000 those provisions of the House bill which sought to deal with this problem but which did so inadequately. The objections to H. R. 6000, insofar as it deals with this problem of loss of coverage for transit workers, may be summarized as follows:

"1. No assurance is afforded employees transferred to public ownership that they will receive full protection, since section 210 (a) (8) (B) has an escape clause which permits any political subdivision operating a transit system to exclude its employees from the coverage of the act by the simple process of filing a statement with the Commissioner of Internal Revenue to the effect that coverage is not designed for employees who become such in the acquisition of a public transit system by the political subdivision.

"2. Further inequities are created by the House bill in that while it protects employees of a privately operated system publicly acquired after 1936, if such employees were employed by the transit system at and prior to the transfer of an operation, it fails to protect employees hired after the beginning of public operation. For example, employees of the Chicago Surface Lines who became employees of Chicago Transit Authority when public operation began, would be covered. Employees hired after the Chicago Transit Authority began operation would not be. The result is, therefore, that a constantly increasing number of employees would not be covered by the law, and, ultimately, all the employees would have no protection under the act, since the work force would ultimately consist of employees hired after the date of public operation.

"The Senate Committee on Finance would, in effect, deprive the employees of the groups mentioned above of any protection under the act. The committee proposes to limit the portion of the unsatisfactory and inadequate provisions for voluntary coverage to situations in which no existing pension plan covers the employees. In substantially all the situations in which transit employees are involved, wherein a loss of coverage results from the transfer from private to public operations after 1936, there is in existence a pension plan. The committee's failure to return to such employees the benefits of the act which they have lost is based on a complete misconception as to the nature and origin of the pension plan covering employees on public transportation systems. The public authorities which have taken over transportation systems from private companies are, in a majority of cases, operating in substantially the same fashion as private corporations. In most cases, the statutes which created such public authorities exclude the employees from the coverage of civil service systems, including civil service retirement systems. The Massachusetts statute requires the authority created to take over the pension obligations which existed in connection with the operation of the transit system. The statute further authorizes the authority to bargain collectively with the employees on the subject concerning pensions. Under private operation, the employees were covered by pension plans secured through collective bargaining agreements and by the social security system. When the private operation became a public one, such employees lost the benefits of the social security system, but continued to be included under the pension systems negotiated through annual collective bargaining agreements. The result is that such employees do not have the continuity of protection normally contemplated by statutory enactments, and they have lost the benefits of the contributions made by them through the social security system. In most cases collective bargaining agreements concerning pensions were negotiated in contemplation of the return of coverage under the social security system. Other pension plans are frequently inadequate and serve as no justification for depriving the employees under such plans of the benefits they formerly enjoyed under the Social Security Act, and which the committee has found proper to extend to new groups of employees throughout American industry.

"The amendment which we are sponsoring would remedy a wholly inequitable situation. This amendment presents no conflict with the interests of other groups of public employees who have never been covered by the social-security system, who have made no contributions to that system, and who do not desire coverage thereunder. The committee's proposed social security program would afford to many groups of employees hitherto not covered by the law, the benefits of the social security program. Our amendment does no more than restore coverage to employees who have previously enjoyed protection under the act, and are being deprived of the benefits of their contributions thereto, through no fault of their own.

"Nor is this problem a static one. There has been a growing trend toward public ownership of mass transportation systems in our cities and metropolitan areas. Many employees from private systems may, in the future, become employees of publicly operated systems. Inequities created by loss of coverage under the act in such situations should not be allowed to grow. Our organization is deeply concerned about this problem. We seek protection for all our members under the social security program. We have, therefore, supported an amendment to the act which would provide for coverage of employees of public transportation systems acquired after 1936."

FURTHER COMMENTS BY SENATOR DOUGLAS

I have likewise had numerous appeals not only from Mr. Spradling, president of the association, but also from many other divisions of the organization which have helped to make clear the full facts of the situation.

The following message from Chicago leaders of the association is typical of the feeling of these workers about the amendment the committee has, and I believe wisely, adopted:

CHICAGO, ILL., *May 24, 1950.*

Senator PAUL DOUGLAS,
*Senate Office Building:*

Well over 20,000 employees of the Chicago Transit Authority represented by divisions 241 and 308 of the Amalgamated Association of Street Electric Railway and Motor Coach Employees of America, A. F. of L., earnestly desire to be covered by the Social Security Act. They had been covered and had made their contributions for 10 years until the transit facilities were bought by the authority in 1947. All or a great part of these contributions will be lost unless our coverage is restored. Our pensions are not provided by the municipality or State through taxation but by a provision in our labor agreement which is on an annual basis and which was entered into when we were covered by social security and in contemplation of it it would be grossly unfair to penalize these employees simply because the municipality has taken over the transit facilities of our predecessor employers. We therefore strongly and urgently plead for your support of the amendment sponsored by Senators LUCAS, DOUGLAS, and LODGE.

PATRICK J. O'CONNOR,
*Vice President.*
DANIEL J. MCNAMARA,
*Recording Secretary, Division 241, Amalgamated Association of Street Electric Railway and Motor Coach Employees of America, AFL.*
CARL SELLS,
*President, Division 1129.*
ROBERT LAMPING,
*President, Division 1381.*

Mr. MILLIKIN. Mr. President, I hope that the amendment may be agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. LUCAS] for himself and other Senators.

The amendment was agreed to.

Mr. GEORGE. Mr. President, I have certain other amendments which were approved this morning by the Committee on Finance, and I wish now to offer them.

The first one I send to the desk is amendment lettered "B," which merely changes the effective date of the maternal- and child-welfare section of the bill.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 381, line 6, it is proposed to strike out "1951" and insert "1950."

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GEORGE. Mr. President, in dealing with the self-employed, generally the professional classes were excluded where they indicated a strong desire to have themselves excluded from the particular provision of the bill dealing with the self-employed.

Among those who appeared after the committee went into executive session were the registered or licensed funeral directors, and the committee has approved an amendment, which I now send to the desk, which will have the effect of excluding them from the self-insured or self-employed.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 261, line 21, after the word "accountant", it is proposed to insert "funeral director." On page 360, line 12, after the word "accountant", it is proposed to insert "funeral director."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. GEORGE. Mr. President, the committee also approved an amendment, lettered "C", which classifies as employees traveling or city salesmen engaged in the selling of merchandise to retailers, or the selling of consumer goods to hotels, restaurants, and other similar establishments. I offer the amendment.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 255, line 22, it is proposed to strike out the word "or."

On page 255, line 23, after the semicolon, to insert the word "or."

On page 255, between lines 23 and 24, to insert the following:

(C) as a traveling or city salesman engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, his principal (except for side-line sales activities on behalf of some other person) of (i) orders from retail merchants for merchandise to be delivered subsequently to such merchants for retail sale to their customers, or (ii) orders from hotels, restaurants, and other similar establishments for supplies to be delivered subsequently to such establishments and to be consumed in the operation thereof,

On page 336, line 20, to strike out the word "or."

On page 336, line 21, after the semicolon, to insert the word "or."

On page 336, between lines 21 and 22, to insert the following:

(C) as a traveling or city salesman engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, his principal (except for side-line sales activities on behalf of some other person) of (i) orders from retail merchants for merchandise to be delivered subsequently to such merchants for retail sale to their customers, or (ii) orders from hotels, restaurants, and other similar establishments for supplies to be delivered subsequently to such establishments and to be consumed in the operation thereof,

The amendment was agreed to.

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement on the so-called George amendment to include wholesale outside salesmen.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN

Mr. President, I also have an amendment dealing with the subject of wholesale outside salesmen. I am glad to support Senator GEORGE'S amendment and if it is accepted, I will not, of course, call up my amendment.

There is no sound reason for the exclusion of wholesale outside salesmen from definition as employees under the old-age and survivors insurance program. This group are employees, whatever the common law or contractual relationship.

The situation today is loose and untidy as a result of the Gearhardt resolution and of the prevailing practice of letting the employer decide whether the salesman is an employee or is self-employed.

This situation should be clarified. These salesmen should be included as employees. I hope this amendment will be approved.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. GEORGE. I will, just as soon as I offer another amendment.

By authority of the Senate Finance Committee I now offer an amendment which raises the wage base from $3,000 to $3,600. I do not believe it is necessary to read it, because it is in technical terms, and I think the entire Senate understands it. In the original bill as reported the wage base was fixed at $3,000, which is the present rate. The amendment raises it to $3,600.

The amendment offered by Mr. GEORGE is as follows:

On page 237, line 18, strike out "$3,000" and insert in lieu thereof "$3,600."

On page 260, line 5, strike out "$3,000" and insert in lieu thereof "$3,600."

On page 263, line 25, strike out "$3,000" and insert in lieu thereof "$3,600."

On page 264, line 6, strike out "$3,000" and insert in lieu thereof "$3,600."

On page 267, line 5, strike out "$150" and insert in lieu thereof "$200."

On page 273, line 21, strike out "$3,000" and insert in lieu thereof "$3,600."

On page 315, line 3, strike out "$3,000" and insert in lieu thereof "$3,600."

On page 316, line 17, strike out "$3,000" and insert in lieu thereof "$3,600."

On page 317, line 7, strike out "$3,000" and insert in lieu thereof "$3,600."

On page 319, between lines 14 and 15, insert the following:

"(b) So much of section 1401 (d) (2) of the Internal Revenue Code as precedes the second sentence thereof is amended to read as follows:

"'(2) Wages received during 1947, 1948, 1949, and 1950: If by reason of an employee receiving wages from more than one employer during the calendar year 1947, 1948, 1949, or 1950 the wages received by him during such year exceed $3,000, the employee shall be entitled to a refund of any amount of tax, with respect to such wages, imposed by section 1400 and deducted from the employee's wages (whether or not paid to the collector), which exceeds the tax with respect to the first $3,000 of such wages received'."

On page 319, beginning with line 15, strike out all down to and including line 19 and insert in lieu thereof the following:

"(c) Section 1401 (d) of the Internal Revenue Code is amended by adding at the end thereof the following new paragraphs:

"'(3) Wages received after 1950: If by reason of an employee receiving wages from more than one employer during any calendar year after the calendar year 1950, the wages received by him during such year exceed $3,600, the employee shall be entitled to a refund of any amount of tax, with respect to such wages, imposed by section 1400 and deducted from the employee's wages (whether or not paid to the collector), which exceeds the tax with respect to the first $3,600 of such wages received. Refund under this section may be made in accordance with the provisions of law applicable in the case of erroneous or illegal collection of the tax; except that no such refund shall be made unless (A) the employee makes a claim, establishing his right thereto, after the calendar year in which the wages were received with respect to which refund of tax is claimed, and (B) such claim is made within two years after the calendar year in which such wages were received. No interest shall be allowed or paid with respect to any such refund.

"'(4) Special rules in the case of Federal and State employees'."

On page 320, line 7, strike out "$3,000" and insert in lieu thereof "$3,600."

On page 339, line 25, strike out "$3,000" and insert in lieu thereof "$3,600."

On page 358, line 18, strike out "$3,000" and insert in lieu thereof "$3,600."

Mr. WHERRY. Mr. President, will the Senator yield for an inquiry?

Mr. GEORGE. I yield.

Mr. WHERRY. What happened to the amendment discussed before this one? I refer to the wholesale outside salesmen amendment.

Mr. GEORGE. That was agreed to. I now yield to the Senator from Illinois [Mr. DOUGLAS].

Mr. WHERRY. Mr. President, I did not hear the announcement that the amendment was agreed to.

The VICE PRESIDENT. The Chair announced as loudly as he could that the amendment had been agreed to.

Mr. WHERRY. The Senator from Nebraska did not hear the announcement. I did not hear the decision of the Chair.

The VICE PRESIDENT. The Senator from Illinois started to ask the Senator from Georgia to yield to him simultaneously with the Chair's announcement that the amendment had been agreed to.

Mr. DOUGLAS. Mr. President, I merely wanted to ask for the sake of the RECORD if I am correct in my understanding that the amendment which was offered by the distinguished Senator from Georgia was designed to include house-to-house salesmen selling directly to consumers?

Mr. GEORGE. It does not include such salesmen.

Mr. DOUGLAS. And therefore excludes them?

Mr. GEORGE. And therefore excludes them so far as this specific definition is concerned.

Mr. President, has the amendment I just offered been acted upon?

The VICE PRESIDENT. The last amendment offered by the Senator from Georgia with reference to the wage base has not been agreed to. It is open to amendment.

Mr. MYERS. Mr. President, I offer an amendment to the amendment offered by the Senator from Georgia by authority of the committee, to strike out the amount "$3,600" wherever it occurs, and substitute therefor "$4,200."

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. In the amendment offered by Mr. GEORGE on behalf of the committee it is proposed to strike out "$3,600" wherever that figure occurs, and insert in lieu thereof "$4,200."

The VICE PRESIDENT. The Senator from Pennsylvania is recognized for 5 minutes.

Mr. MYERS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MYERS. Is the Senator from Georgia also entitled to 5 minutes? Is the Senator from Georgia entitled in all to 10 minutes on his amendment and my amendment thereto, and am I entitled to 10 minutes on the committee amendment and my amendment thereto?

The VICE PRESIDENT. The proponent of the amendment is entitled to 5 minutes and the opponent of the amendment is entitled to 5 minutes. If the Senator from Georgia opposes the amendment of the Senator from Pennsylvania to the committee amendment, he is entitled to recognition for 5 minutes.

Mr. MYERS. Mr. President, this amendment which is sponsored by myself and 12 other Senators is designed to raise the $3,600 wage and tax base to $4,200. The $3,000 wage base was put

into the law by the 1939 provisions of the Social Security Act. In that period 95 percent of those covered by the law earned less than $3,000 a year. So it was the intention of Congress to permit the overwhelming majority of the covered workers to receive benefits calculated on the basis of their full earnings.

The Senate Advisory Council on Social Security, speaking through 15 of its 17 members, recommended that the tax and wage base be advanced to $4,200 in order to restore the intent of Congress as set forth in the act of 1939. The Senate Finance Committee until today did not recommend any change in the existing $3,000 limitation. Thus, a worker whose earnings exceed $3,000 a year—in other words, $250 a month—pays a tax based on the first $250 of his monthly earnings. Now the committee itself has agreed and offered an amendment that the wage base be increased to $3,600 a year. But I see no reason whatsoever for believing that we should compromise the principle established in 1939 that 90 or 95 percent of the covered employees should be permitted to receive retirement benefits based upon their maximum average monthly earnings. If it was a sound principle in 1939, I think it is sound today, and particularly when 15 of the 17 members of the Senate Advisory Council on Social Security recommended that the wage base be increased to $4,200.

Mr. GEORGE. I shall take half a minute, and the distinguished Senator from Colorado [Mr. MILLIKIN] will allot the remaining time.

Mr. President, we can make the taxes too heavy for the American people to bear, and we can break down and destroy a great program if we follow that course. Now it is perfectly obvious that a tax which begins at 1½ percent upon the worker and the employer each, and which under this bill goes up to more than 6 percent upon payrolls, becomes a very heavy tax, especially if the wage base is raised higher. There is an additional $600 to which this tax will apply in the amendment which the committee itself is offering. It certainly should be approved by the Senate, as I think, and as the committee thinks, and I earnestly hope that the amendment offered by the Senator from Pennsylvania [Mr. MYERS] will not be accepted.

Mr. MILLIKIN. Mr. President——

The VICE PRESIDENT. The Senator from Colorado is recognized for the remainder of the 5 minutes.

Mr. MILLIKIN. It has been thought by most of the members of the Senate Finance Committee that, considering the additional benefits and the other advantages offered by the bill, and taking the whole bill into consideration, we have gone about as far as we can, having in mind the safety of our economy at the present time.

The original purpose of the social-security system was to give the impact of its benefits primarily to lower paid workers. The theory is that as the individual goes up in the wage scale he has a better opportunity to help his own security with his own funds. I believe the $3,600 is a fair adjustment and a fair compromise of the various proposals which have been made for raising the wage base.

I yield a moment to the Senator from Ohio [Mr. TAFT].

Mr. TAFT. Mr. President, I believe that the chief effect of the amendment offered by the Senator from Pennsylvania [Mr. MYERS] upon a worker who receives $4,200 a year, will be to make him pay 15 percent on the additional $600, and I believe he can get more for his money if he goes to a private company to buy insurance than he can under such a proposal. He has to pay 1½ percent on his payroll income, and his employer has to pay the same percent, but he only gets as a benefit 15 percent of the additional $600. Up to $100 a month base wage he gets $50, but over $100 the benefits are based in the Senate bill on only 15 percent. The result is that he would have to pay an additional tax on the extra $600 which would be so high that he would not get his money back for what he pays.

The proposal does not offer any benefit for the $4,200 a year man. True, he receives a greater benefit, but he pays a much higher tax. He pays a tax so much larger and his benefit is so much smaller that the only net effect of an amendment of this kind is to place more money in the fund. It is an effort to secure more taxes. The taxes apply, yes, beginning at 1½ percent, and then rising to 6 percent, but the benefits are only increased by 15 percent of the additional $600. I say the worker can go to a private company and instead of paying this additional money in taxes, buy insurance from the private company and get more for his money than he would receive under the Federal system.

Mr. PEPPER. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. The Senator from Colorado [Mr. MILLIKIN] has the floor.

Mr. MILLIKIN. How much time have we, Mr. President?

The VICE PRESIDENT. Two minutes.

Mr. MILLIKIN. I yield to the Senator from Florida for a brief question.

Mr. LEHMAN. Mr. President, I shall ask the Senator from Pennsylvania [Mr. MYERS] to yield to me any part of the time he has left. I believe he has 3 minutes left.

The VICE PRESIDENT. The Senator from Colorado has 2 minutes left.

Mr. MILLIKIN. I yield now to the Senator from Florida for a brief question.

Mr. PEPPER. Mr. President, why do we fix an arbitrary limit on the $3,000 man and not extend the principle higher? Why should a man in a higher group not also be required to make his contribution? Why do we freeze the category from zero up to $3,000, and now to $3,600?

Mr. TAFT. Mr. President, I am trying to point out that in this system the benefits are heavily weighted for the low-income man. That is all right; I do not object to it. For the first $1,200 of his wage, he receives benefits of $600 a year; but, after that, over and above the first $1,200, he receives only 15 percent of the next $1,000; for the next $1,000 he receives only $150, as compared to the $600 which he receives for the first $1,200 of his wage.

Consequently, the only result of including the higher-income man is that he pays more taxes in proportion to the benefits he receives, and that is done in order to get more money into the fund. I do not see any reason for getting more money into the fund.

Mr. PEPPER. The same thing applies to the $3,000 man.

Why should a man in a higher-income group not be required also to make his contribution? In other words, what the Senator says about the man with a $4,200 income also applies in principle to a man with a $3,000-a-year income, whom we have been taxing, and whom we have been including heretofore in the tax base.

Mr. LUCAS. Mr. President, I challenge the argument made by the Senator from Ohio; and back in 1948 the Senate Advisory Council challenged that theory. The statement the Senator from Ohio has made applies only when a man has paid in during a great number of years, and only then, perhaps, when he has reached the age of 65 or 70. However, the argument the Senator makes does not apply in any way whatever to a man of 45 or 50 years of age.

Otherwise, why should distinguished men throughout the United States have come before the Finance Committee a few years ago and recommended $4,200 as the wage and tax base which should be established by the Congress? Why would that have been done, if the position the Senator from Ohio takes is correct?

The VICE PRESIDENT. The time of the Senator has expired.

Does the Senator from Pennsylvania wish to be recognized at this time?

Mr. MYERS. Mr. President, I understand that I have 3 minutes remaining; is that correct?

The VICE PRESIDENT. That is correct.

Mr. MYERS. I yield to the Senator from New York.

Mr. LEHMAN. Mr. President, I strongly urge that the amendment be adopted. Any other wage scale would be utterly unrealistic.

It must be borne in mind that monetary wages have doubled since this wage base was established in 1939. The cost of living has also increased by almost the same amount.

Although I would consider the old-age benefits provided under the law as amended in 1939 to be completely inadequate, the fact is that the purchasing power of the benefit provided in 1939 is greater than the purchasing power of the increased benefit provided in the committee bill.

In terms of purchasing power, a $3,000 wage in 1939 is equivalent to a $5,100 wage in 1950. The committee bill takes no cognizance of this circumstance. The committee bill takes no cognizance of the standard of living of American skilled and supervising employees.

I urge the Senate to increase the wage base at least to $4,200, so that the more highly paid workers may look to an old-

age benefit which will provide real security. We should at least raise the wage base to a level commensurate to the wage base established in 1939. To do otherwise would be to rob the worker who was insured in 1939 of the security, in terms of real purchasing power, he was led at that time to expect.

As I have said, I consider the benefits established 10 years ago to be inadequate. Certainly the benefits established in the committee bill, although better than the benefits which were originally proposed, are still completely inadequate.

If this amendment calling for an increase to $4,200 is adopted, and if we also adopt the amendment providing for an increment, the maximum benefit for a man who has contributed for 20 years to this system would be $114, instead of $72.50. The average benefit would be increased to $55, instead of the $49 provided in the Senate committee version of the bill.

Therefore, I strongly urge the adoption of the amendment offered by the distinguished Senator from Pennsylvania to the amendment of the Senator from Georgia.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. MYERS] to the amendment of the Senator from Georgia [Mr. GEORGE]. [Putting the question.]

The "noes" seem to have it.

Mr. LUCAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. TAFT. Will the Chair please state what the pending question is?

The VICE PRESIDENT. The pending question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. MYERS] to the amendment of the Senator from Georgia [Mr. GEORGE], to increase the basic wage from $3,600 to $4,200.

Those in favor of the amendment of the Senator from Pennsylvania to the amendment of the Senator from Georgia will vote "yea," when their names are called; those opposed will vote "nay."

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is necessarily absent.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from North Carolina [Mr. GRAHAM] is absent on public business.

The Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Montana [Mr. MURRAY] is detained on official business, and if present would vote "yea."

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

On this vote the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Florida would vote "nay."

I announce further that if present and voting the Senator from Idaho [Mr. TAYLOR] would vote "yea."

Mr. SALTONSTALL. I announce that the senior Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate. If present and voting, the Senator from North Dakota [Mr. LANGER] and the Senator from Oregon [Mr. MORSE] would each vote "yea."

The Senator from South Dakota [Mr. MUNDT] is unavoidably detained.

The result was announced—yeas 36, nays 45, as follows:

YEAS—36

| | | |
|---|---|---|
| Aiken | Kefauver | Magnuson |
| Anderson | Kilgore | Myers |
| Benton | Leahy | Neely |
| Douglas | Lehman | O'Mahoney |
| Green | Lodge | Pepper |
| Hayden | Long | Saltonstall |
| Hendrickson | Lucas | Smith, Maine |
| Hill | McCarran | Smith, N. J. |
| Humphrey | McCarthy | Sparkman |
| Hunt | McFarland | Thomas, Utah |
| Ives | McKellar | Thye |
| Johnson, Tex. | McMahon | Withers |

NAYS—45

| | | |
|---|---|---|
| Brewster | Ellender | McClellan |
| Bricker | Ferguson | Malone |
| Bridges | Flanders | Martin |
| Butler | Frear | Maybank |
| Byrd | Fulbright | Millikin |
| Cain | George | Robertson |
| Capehart | Gillette | Russell |
| Chapman | Gurney | Schoeppel |
| Connally | Hickenlooper | Stennis |
| Cordon | Hoey | Taft |
| Darby | Jenner | Tydings |
| Donnell | Johnson, Colo. | Watkins |
| Dworshak | Kem | Wherry |
| Eastland | Kerr | Wiley |
| Ecton | Knowland | Williams |

NOT VOTING—15

| | | |
|---|---|---|
| Chavez | Langer | Taylor |
| Downey | Morse | Thomas, Okla. |
| Graham | Mundt | Tobey |
| Holland | Murray | Vandenberg |
| Johnston, S. C. | O'Conor | Young |

So Mr. MYERS' amendment to Mr. GEORGE's amendment was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the amendment offered by the Senator from Georgia. [Putting the question.]

Mr. LONG. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. LONG. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. What amendment are we voting on? Is it the committee substitute?

The VICE PRESIDENT. The amendment now being voted on is the amendment offered by the Senator from Georgia, raising the base from $3,000 to $3,600. It is open to amendment. If there be no amendment, the question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. GEORGE. Mr. President, I send forward another amendment, which does not have the approval of the full Finance Committee, but which has the approval or consent of the distinguished Senator from Illinois, who offered an amendment in the committee classifying certain aged drivers as employees. It is desirable to amend it so as to make clear the meaning of the particular provision.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 255, line 22, after the word "services", it is proposed to insert "for his principal"; and on page 336, line 20, after the word "services", insert "for his principal."

The VICE PRESIDENT. The Senator from Georgia is entitled to 5 minutes.

Mr. GEORGE. Mr. President, the whole purpose of this amendment is to exclude from the employee group the man who buys merchandise and sells it on his own account, not for the account of a principal. It is a clarifying amendment and is intended to leave this whole matter open in conference so that it can be fully considered.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

The VICE PRESIDENT. Has the Senator from Georgia further amendments?

Mr. GEORGE. Mr. President, there are certain other amendments which the committee has authorized the chairman to accept. Before another amendment is submitted, I desire now to ask unanimous consent to make technical corrections in the bill, and to renumber the sections and subsections in accordance with the final action taken by the Senate.

The VICE PRESIDENT. Without objection, it is so ordered. Are there further amendments?

Mr. KNOWLAND. Mr. President, I send forward my amendment B and ask that it be read.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following:

PROVISIONS OF STATE UNEMPLOYMENT COMPENSATION LAWS

SEC. 405. (a) Section 1603 (c) of the Internal Revenue Code is amended (1) by striking out tht phrase "changed its law" and inserting in lieu thereof "amended its law", and (2) by adding before the period at the end thereof the following: "and such finding has become effective. Such finding shall become effective on the ninetieth day after the governor of the State has been notified thereof unless the State has before such ninetieth day so amended its law that it will comply substantially with the Secretary's interpretation of the provision of subsection (a), in which event such finding shall not become effective. No finding of a failure to comply substantially with the provision in State law specified in paragraph (5) of subsection (a) shall be based on an application or interpretation of State law with respect to which further administrative or judicial review is provided for under the laws of the State."

(b) Section 303 (b) of the Social Security Act is amended by inserting before the period at the end thereof the following: "; *Provided*, That there shall be no finding

under clause (1) until the question of entitlement shall have been decided by the highest judicial authority given jurisdiction under such State law: *Provided further*, That any costs may be paid with respect to any claimant by a State and included as costs of administration of its law."

The VICE PRESIDENT. The Senator from California is recognized for 5 minutes.

Mr. KNOWLAND. Mr. President, I first want to call the attention of every Senator in the Chamber to page 8783 of yesterday's CONGRESSIONAL RECORD, where there will be found messages from States north, east, south, and west, and their official agencies, asking for the support of this amendment. I speak as one of the Representatives of a far-western State which has felt the arbitrary power of the executive branch of the Government infringing on States' rights. I hope that those Senators who in the past have expressed a great interest in the matter of States' rights will particularly view with favor this amendment.

Mr. President, I wish at this time to ask to have printed certain telegrams of support received from the official agencies of the States of Arizona, Utah, South Carolina, North Carolina, Tennessee, Wisconsin, Arkansas, and North Dakota, which are in addition to the others, together with a statement by the Senator from Washington [Mr. CAIN].

There being no objection, the telegrams and statement were ordered to be printed in the RECORD, as follows:

PHOENIX, ARIZ., *June 20, 1950.*
WILLIAM F. KNOWLAND,
*United States Senator,*
*Senate Office Building:*
Administration this agency unqualifiedly approves your amendment, H. R. 6000, also George loan fund as originally enacted.
BRUCE PARKINSON,
*Employment Security Commission.*

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SALT LAKE CITY, UTAH, *June 20, 1950.*
Senator KNOWLAND,
*United States Senator,*
*Senate Office Building:*
Following wire sent to Utah Senators: "Urge you to support Knowland amendment to H. R. 6000, providing that Secretary of Labor cannot decertify State unemployment compensation law prior to time courts have passed on disputed items relative to payment of benefits. Proposed amendment clarifies and adds needed strength to what we believe law now provides."
OTTO A. WIESLEY,
*Commissioner, Industrial Commission of Utah.*

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WASHINGTON, D. C., *June 20, 1950.*
Senator WILLIAM F. KNOWLAND,
*Senate Office Building:*
Your amendment to H. R. 6000 represents the views of South Dakota Employment Security Department.
ALAN WILLIAMSON,
*Commissioner.*

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OLYMPIA, WASH., *June 19, 1950.*
Senator W. F. KNOWLAND,
*Senate Office Building,*
*Washington, D. C.:*
Original to Senators CAIN and MAGNUSON: "Urge that you give immediate attention to Senator KNOWLAND's amendment to House Resolution 6000. This amendment restricts Secretary of Labor from holding States out of confirmity until State courts have passed on disputed items. Favorable consideration of this amendment will be appreciated. Understand this amendment is to be voted on Tuesday, June 20."
J. H. ROBERTSON,
*Commissioner, Employment Security Department, State of Washington.*

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COLUMBIA, S. C., *June 19, 1950.*
Senator WILLIAM F. KNOWLAND,
*Senate Office Building:*
The South Carolina employment security commission strongly supports the George loan-fund provision underwriting the solvency of States unemployment compensation funds as contained in H. R. 6000 and especially your amendment thereto designed to protect the States from Federal interference in administrative and judicial procedures.
B. M. GIBSON,
*Chairman.*

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RALEIGH, N. C., *June 19, 1950.*
Hon. WILLIAM F. KNOWLAND,
*Senate Office Building:*
Approve your amendment, H. R. 6000. Urge passage for State protection.
EMPLOYMENT SECURITY COMMISSION,
HENRY E. KENDALL, *Chairman*

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NASHVILLE, TENN., *June 16, 1950.*
Senator K. D. MCKELLAR,
*United States Senate,*
*Washington, D. C.:*
We request your careful consideration and if possible your support of Senator W. F. KNOWLAND'S, of California, amendment to H. R. 6000, providing in effect that Secretary of Labor is restricted from holding States out of conformity until State courts have passed on disputed items.
E. K. WILEY,
*Commissioner, Department of Employment Security.*

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NASHVILLE, TENN., *June 16, 1950.*
Senator ESTES KEFAUVER,
*United States Senate,*
*Washington, D. C.:*
We request your careful consideration and if possible your support of Senator W. F. KNOWLAND'S, of California, amendment to H. R. 6000, providing in effect that Secretary of Labor is restricted from holding States out of conformity until State courts have passed on disputed items.
E. K. WILEY,
*Commissioner, Department of Employment Security.*

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MADISON, WIS., *June 20, 1950.*
Senator WILLIAM F. KNOWLAND,
*Senate Office Building,*
*Washington, D. C.:*
We strongly favor your amendment to H. R. 6000 designed to assure due process before any Federal official can hold a State unemployment-compensation law out of conformity with Federal requirements. Urge your continuing efforts to secure passage.
VOYTA WRABETZ,
*Chairman, Industrial Commission of Wisconsin.*

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LITTLE ROCK, ARK., *June 20, 1950.*
Hon. W. F. KNOWLAND,
*United States Senator,*
*Washington, D. C.:*
We concur wholeheartedly in your amendment to H. R. 6000 to provide that Secretary of Labor be restricted from holding States out of conformity until State courts have passed on disputed items. It is of grave importance to States that they have ample opportunity to correct any controversial items before being held out of conformity.
ROLAND M. SHELTON,
*Arkansas Employment Security Division.*

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BISMARCK, N. DAK., *June 20, 1950.*
Senator KNOWLAND,
*Senate Office Building,*
*Washington, D. C.:*
North Dakota agency supports your proposed amendment to H. R. 6000.
NORTH DAKOTA WORKMEN'S COMPENSATION BUREAU,
B. M. RYAN, *Chairman pro tempore.*

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STATEMENT BY SENATOR CAIN

The amendment offered by the Senator from California involves a very important matter and it should have the unanimous endorsement of the Senate. The State of Washington along with the State of California has a very special interest in this problem.

Last November the Federal Department of Labor informed the commissioner of unemployment security of the State of Washington that certain decisions of the Washington State Unemployment Security Agency were inconsistent with requirements of the Federal laws relating to unemployment security. A similar case arose at the same time involving the State of California, and both officials of the State of Washington and the State of California were called to Washington, D. C., by the Department of Labor to show cause why their laws should not be held out of conformity with the Federal Unemployment Compensation Act. These officials of the States of Washington and California were then in effect told to administer the laws of their States according to the desire of the United States Department of Labor—or all the employers subject to unemployment compensation laws in the State of Washington and California would be penalized by having to pay a double tax on their 1949 payrolls.

I am not going to trespass on the time of the Senate by going into the ramifications of the particular cases, although I think it would be enlightening to do so. I think the important point is that the Secretary of Labor held that an interpretation of the Washington State statute constituted a change in the Washington statute so as to take it out of conformity with the Federal law. This was not a final interpretation by the highest court of the State but a casual interpretation by the State appeals tribunal which under the law of the State is required to be impartial.

Strangely enough the hearings held at the Department of Labor last December covered not only the law but went into the detailed facts of the particular cases and in effect gave a complete review de novo. Labor Department and labor-union attorneys argued against the facts as found by the impartial appeals tribunals. They claimed that the rulings in these cases had construed the State of Washington law in such a manner as, in effect, to change the law so that it was out of conformity and should be decertified. They argued that the unemployment compensation statute of the State of Washington should not be interpreted by the State of Washington in accordance with its constitution, its other laws, and its own judicial precedents. No, they said, the State of Washington must bow to superior intelligence and accept whatever interpretation some Federal bureaucrat tells the State to accept.

They go even further than this. They say that before making an interpretation in these border-line cases the impartial appeals tribunal of the State, the State director of employment security, the legislature of the State, yes, and even the supreme court of the

State, should telephone the regional representative of the Federal bureaucracy and ask what they should do.

Let me read you a brief excerpt from the transcript of the hearings held last December in the Department of Labor.

Mr. Millard, assistant attorney general of the State of Washington, stated:

"We do not want your answer now, but where could you later establish for us a line of demarcation, and where do we stop with reference to finding those facts?"

Mr. Donahue, Assistant Solicitor of the Department of Labor, replied:

"We can establish a line of demarcation the minute the situation appears to arise."

Mr. Millard then stated:

"The trouble is that under our statute, it might arise too late. There is a limitation on appeals and the matter might be closed."

Mr. Donahue then replied:

"You can get in touch with our regional representative, Mr. Brockway, within an hour. He is situated in California. It would take no more than 24 hours to get in touch with us."

Mr. Ernst, an employers' attorney then asked:

"What if the Supreme Court does not want to call up Mr. Brockway?"

Mr. Donahue made this amazing reply:

"If the Supreme Court does not want to call up Mr. Brockway, that presents not an unusual impasse that arises in this type of system. The legislature might not want to call up Mr. Brockway, but fortunately, very often we are able to give our advice to the legislature, as well as, in many instances, to the courts, with respect to those questions, if the Agency desires our advice on those matters."

In the face of the penalty involved, the State of Washington was compelled to surrender. That particular case is now disposed of. The important question now is whether we may expect from this time forward that the bureaucrats in the Department of Labor are going to control in every detail the administration of the State unemployment-compensation laws in all of the States. If our courts insist on maintaining their judicial integrity and refuse to bow to the Federal bureaucrats in interpreting the laws of the State, will the Federal bureaucrats hold that the State law is out of conformity with the requirements of the Federal statute? Will they penalize the employers of the State to the extent of millions of dollars in double taxes?

The amendment of the Senator from California will go far toward correcting this situation, although it does not go as far as I think it should. It does not provide for appeal from the decisions of the Secretary of Labor in certification cases. There should be such an appeal. However, the amendment of the Senator from California will make it much more difficult for the Secretary of Labor and his assistants to act in an arbitrary manner and it should be adopted.

Mr. KNOWLAND. Mr. President, this amendment is one requested by the Interstate Conference of Unemployment Compensation Administrators as necessary legislation.

In December of last year the Secretary of Labor, through an employee of the Department of Labor, made highly important administrative decisions.

These administrative decisions hit the States of California and Washington, and in the case of the latter State resulted in a formal finding. They were decisions which might have resulted in unemployment-tax taxpayers in California and Washington having to pay into the Federal Treasury more than $200,000,000 which would not have been otherwise due or payable. The Secretary of Labor, under existing law, can make the same kind of decision with respect to any of the 48 States. He alone—not a three-member independent board as under the original act—can impose a Federal unemployment tax on the taxpayers of every State in the Union equal to exactly 10 times the amount of tax now paid. And he can base this penal action on mere unappealed benefit determinations made by a claims examiner or clerk in the employ of a State unemployment compensation agency, or he can do so on an appeals board decision. In December the States of California and Washington, in complete absence of opportunity for their courts to pass on the matters which the Secretary of Labor seized upon as basis for his action, were threatened with this potent penalty action.

Fortunately for California taxpayers and for Washington taxpayers, but unfortunately for the rights of the States, the State administrators were able to capitulate to the Secretary of Labor and satisfy his requirements of State conformity in the California and Washington cases before December 31 of last year. December 31 is the last day on which State laws may be certified to Treasury for tax credit for any year. The Secretary certified these States on the basis of negotiation and promises by the two State administrators. The State administrators had no choice. They could not be parties to the imposition of a $200,000,000 Federal tax penalty upon citizens of their own States.

All of this was done on the basis of reviewable administrative interpretations of State laws. The courts of the States were never afforded an opportunity to interpret the statutes on their own statute books.

This amendment does one principal thing and one only. It says to the Secretary of Labor that he must base his costly—in every sense of the word—decision of nonconformity with Federal statutory requirements only upon interpretations of State law which are made by the courts of the States involved. It tells the Secretary of Labor that he cannot, as he did with California and Washington, seize upon an appealable benefit decision perhaps made by State personnel of the lowest rank—unappealed, not reviewed by State administrator or State courts—as a basis for saying to a State, at the eleventh hour, that it is out of conformity, that it is for every practical purpose out of business. It confirms the rights of States to follow their own orderly review procedures, and permits their State courts to interpret their own State laws. It simply postpones action by the Secretary of Labor until the State judiciary has spoken; it does not deprive him of any power he now has, but merely restricts its premature exercise.

The only other provisions of the amendment are a clarifying change and a provision granting a 90-day period for a State declared out of conformity to amend its law and escape the penalties which would otherwise be imposed.

JUDICIAL REVIEW IN UNEMPLOYMENT COMPENSATION

The argument that individual hardships may result from delays incidental to judicial review is in fact an attack upon our whole system of justice.

Section 303 (a) of the Federal Social Security Act requires that every State unemployment compensation law shall provide "opportunity for a fair hearing, before an impartial tribunal, for all individuals whose claims for unemployment compensation are denied."

In the official Social Security Board publication, "Social Security in America," on page 127, the following guidance was given to States who were then establishing unemployment compensation systems:

> In its unemployment compensation act each State will need to draft provisions consistent with its judicial structure and procedure to specify (a) the type of legal action to be used for judicial review of contested cases; (b) the court or courts to be used; (c) transmission by the administrative agency of the record in the case; (d) assessment of court costs, etc.

Every State law has such judicial review provisions. These are essential. For benefits are payable as a matter of statutory right and it is of fundamental importance that the State courts shall have jurisdiction to interpret and apply the statute in an orderly manner to the various situations arising under the State law.

Only a small fraction of claims cases involve any dispute as to the law. But where a question of law is involved judicial review is essential. For only in this way can precedents be established and certainty and uniform application of the law be achieved.

Obviously some hardship and delay is encountered by any claimant who must go through this review procedure in establishing his claim, whether his claim be for unemployment compensation, old-age and survivors insurance, workmen's compensation, or be based on some tort or contract. In every such case, provision is made for court review, thus affording the claimant "opportunity for a fair hearing." In old-age and survivors' insurance the appeal from the highest administrative tribunal, under section 205 (g) of the Social Security Act, is to the Federal district court, and the judgment of that court, to quote the Federal provision, "shall be subject to review in the same manner as a judgment in other civil actions." Some of these cases have been before the Supreme Court of the United States.

The argument that judicial review works a hardship on the claimant and accordingly should be short-circuited in some way, or abandoned, is in fact an argument against our whole system of law. It assumes that rights can and will be determined and precedents established in some other way.

Any argument that the Secretary of Labor should be permitted to step in at some stage of a State claims procedure and relieve the claimant from further need to seek to establish his rights under State procedure, could be just as validly

urged if he were attempting to establish old-age insurance or other Federal benefits. For the whole idea of such intervention is based on the assumption that because of some individual hardship in establishing a claim, the system of court review is wrong and should be scrapped. If this is in fact the case, we must revise all our concepts of orderly procedure, and amend all our laws governing the determination of disputed claims. We must thus choose between preserving judicial review in State unemployment-compensation systems and permitting intervention by the Secretary of Labor in the State claims procedure.

The fact that the claims procedure of the State must be complied with was consistently recognized throughout the administration of the Federal provisions for more than a decade by the Secretary of Labor's predecessors in functions. They did not once intervene in such procedure. The pending amendment merely requires the Secretary to continue this long-established principle.

Mr. President, I ask support for this amendment. I think it is a practical demonstration of States' rights.

Mr. GEORGE. Mr. President, I yield 2½ minutes to the Senator from Oklahoma [Mr. KERR].

The VICE PRESIDENT. The Senator from Oklahoma is recognized for 2½ minutes.

Mr. KERR. Mr. President, I hope this amendment will not be adopted. It is not an amendment to amend the old-age and survivors' insurance program; it is not an amendment to improve or to amend the old-age assistance program; in reality, it is not an amendment to improve or amend House bill 6000. It is an attempt to amend and, in fact, to repeal certain provisions of the unemployment insurance legislation.

As I understand, it would not seek to create a national program of unemployment insurance, but would establish 51 different programs of unemployment insurance. It would destroy the Federal minimum requirements in the program which has been created by Federal legislation and which is operated by Federal legislation. It would impair State and Federal cooperation with reference to the unemployment insurance program. In fact, it would open the door for the creation of 51 unemployment insurance programs by the States, which would thereby become the controlling factor with reference to the Federal Government, and not otherwise.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Ohio.

Mr. TAFT. Is the Senator aware that there are now 51 separate systems and that Federal control relates only to taxes?

Mr. KERR. I am aware of the fact that we have the opportunity for 51 variations of one program; but this amendment would require the Federal Government not to be a part of the overall program, but to meet the variations in the requirements of the 51 programs.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. GEORGE. Mr. President, I yield 2½ minutes to the Senator from Colorado [Mr. MILLIKIN].

Mr. MILLIKIN. I yield a minute to the Senator from Ohio.

Mr. TAFT. Mr. President, this amendment would improve the present situation in which the Federal Government can step in at any time and tell the States how to administer the law.

Mr. KNOWLAND. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. KNOWLAND. Mr. President, I want to underscore what the Senator from Ohio has said. Power is still left in the Secretary of Labor. If, after normal procedures have been gone through, he wants to declare a State out of compliance, he can do so. Ninety days' time is provided within which the legislature can meet and get into compliance. It seems to me that of all cases, it is a case in which a State should be able to follow through with its own procedures. It is an arbitrary use of Federal power to try to invoke that power as was done in the California and Washington cases.

Mr. LEHMAN subsequently said: Mr. President, I ask unanimous consent that the following statement may be printed in the RECORD immediately preceding the vote on this amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN

Mr. President, the distinguished Senator from California [Mr. KNOWLAND] has submitted an amendment to the bill we are now considering which would, in my judgment, have far-reaching effects upon uniform and effective administration of our unemployment-compensation system.

As I understand the amendment, it would make certain procedural changes in connection with the consideration and determination of questions of conformity of State laws with the Federal Social Security Act by the Secretary of Labor. It would also provide that the only type of change in a State law which the Secretary could consider would be an amendment of the law by act of the State legislature.

I am not, and I venture to think that few of us are, able to assess the full meaning and import of the procedural changes in the law that would be made by the Knowland amendment. But, surely, none of us are so naive as not to realize that in large measure a law is what administration makes that law to be. We have heard the argument advanced many times on the floor of this body that various administrative agencies of the Government have, in administering laws enacted by the Congress, changed the intent of Congress when it enacted that law. States are no more immune from this tendency, I submit, than are the agencies of the Federal Government. Under the amendment of the Senator from California, the unemployment-compensation authorities of a State could interpret their unemployment-compensation law in a manner wholly at variance from the clear intent of the language of the law, and the Secretary of Labor would be powerless to raise any question of whether that law continues to conform with the requirements laid down by the Congress. This would result, Mr. President, in a virtual abandonment by the Congress of any effort to assure uniformity and consistency of administration of the Social Security Act through the States insofar as unemployment insurance is concerned.

The other point that I want to make, Mr. President, is that it certainly does not seem to me as one Senator that an amendment of such a far-reaching character should first receive consideration on the floor of this body without our having the benefit of prior hearings and careful study by the committee headed by the very able and distinguished senior Senator from Georgia. I understand that an effort was made to bring this matter before the Committee on Finance during its deliberations on H. R. 6000. The committee, however, refused to take action on this amendment. It is my firm belief, Mr. President, that the Senate should refuse to approve this amendment.

The VICE PRESIDENT. All time on the amendment has expired.

The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

Mr. WHERRY and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is necessarily absent, and if present would vote "nay." The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from North Carolina [Mr. GRAHAM] is absent on public business.

The Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

On this vote the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from Idaho [Mr. TAYLOR]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Idaho would vote "nay."

Mr. SALTONSTALL. I announce that the senior Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate. If present and voting the Senator from North Dakota [Mr. LANGER] and the Senator from Oregon [Mr. MORSE] would each vote "nay."

The Senator from South Dakota [Mr. MUNDT] is unavoidably detained.

The result was announced—yeas 45, nays 37, as follows:

YEAS—45

| | | |
|---|---|---|
| Brewster | Frear | Martin |
| Bricker | Fulbright | Millikin |
| Bridges | Gurney | Robertson |
| Butler | Hendrickson | Russell |
| Byrd | Hickenlooper | Saltonstall |
| Cain | Hoey | Schoeppel |
| Capehart | Ives | Smith, N. J. |
| Chapman | Jenner | Stennis |
| Cordon | Johnson, Tex. | Taft |
| Darby | Kem | Thye |
| Donnell | Knowland | Watkins |
| Dworshak | Lodge | Wherry |
| Eastland | McCarthy | Wiley |
| Ecton | McClellan | Williams |
| Ferguson | Malone | Withers |

NAYS—37

| | | |
|---|---|---|
| Aiken | Hunt | Magnuson |
| Anderson | Johnson, Colo. | Maybank |
| Benton | Kefauver | Murray |
| Connally | Kerr | Myers |
| Douglas | Kilgore | Neely |
| Ellender | Leahy | O'Mahoney |
| Flanders | Lehman | Pepper |
| George | Long | Smith, Maine |
| Gillette | Lucas | Sparkman |
| Green | McCarran | Thomas, Utah |
| Hayden | McFarland | Tydings |
| Hill | McKellar | |
| Humphrey | McMahon | |

NOT VOTING—14

| | | |
|---|---|---|
| Chavez | Langer | Thomas, Okla. |
| Downey | Morse | Tobey |
| Graham | Mundt | Vandenberg |
| Holland | O'Conor | Young |
| Johnston, S. C. | Taylor | |

So Mr. KNOWLAND'S amendment B was agreed to.

Mr. LUCAS. Mr. President, I offer my amendment lettered "I," which I ask to have stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. It is proposed on page 378, line 4, after "provide" to insert a comma and "effective July 1, 1951";

On page 378, line 7, to strike out "and";

On page 378, line 11, to strike out the period and insert in lieu thereof a semicolon and the following: "and (11) provide that no aid will be furnished any individual under the plan with respect to any period with respect to which he is receiving old-age assistance under the State plan approved under section 2 of this act."

On page 378, strike out lines 18 and 19 and insert in lieu thereof:

(d) The amendment made by subsection (a) shall take effect July 1, 1951; the amendments made by subsection (b) shall take effect October 1, 1950.

On page 378, beginning with line 20, strike out all down to and including line 2 on page 379 and insert in lieu thereof the following:

COMPUTATION OF FEDERAL PORTION OF AID TO DEPENDENT CHILDREN

SEC. 322. (a) Section 403 (a) of the Social Security Act is amended to read as follows:

"SEC. 403. (a) From the sums appropriated therefor the Secretary of the Treasury shall pay to each State which has an approved plan for aid to dependent children, for each quarter, beginning with the quarter commencing October 1, 1950, (1) an amount, which shall be used exclusively as aid to dependent children, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to dependent children under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $30, or if there is more than one dependent child in the same home, as exceeds $30 with respect to one such dependent child and $20 with respect to each of the other dependent children, and not counting so much of such expenditure for any month with respect to a relative with whom any dependent child is living as exceeds $30—

"(A) three-fourths of such expenditures, not counting so much of the expenditures with respect to any month as exceeds the product of $12 multiplied by the total number of dependent children and other individuals with respect to whom aid to dependent children is paid for such month, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to dependent children, or both, and for no other purpose."

(b) The amendment made by subsection (a) shall take effect October 1, 1950.

On page 379, line 10, after the word "children", insert a comma and the following: "and includes money payments, or medical care or any type of remedial care recognized under State law for any month to meet the needs of the relative with whom any dependent child is living if money payments have been made under the State plan with respect to such child for such month;

"(c) The term 'relative with whom any dependent child is living' means the individual who is one of the relatives specified in subsection (a) and with whom such a child is living (within the meaning of such subsection) in a place of residence maintained by such individual (himself or together with any one or more of the other relatives so specified) as his (or their) own home."

On page 381, between lines 14 and 15, insert the following:

(b) Clause (7) of such subsection is amended to read as follows:

"(7) provide that no aid will be furnished any individual under the plan with respect to any period with respect to which he is receiving old-age assistance under the State plan approved under section 2 of this act or aid to dependent children under the State plan approved under section 402 of this act."

On page 381, line 15, strike out "(b)" and insert in lieu thereof "(c)."

On page 382, line 4, strike out "(c)" and insert in lieu thereof "(d)."

On page 382, line 25, strike out "(d)" and insert in lieu thereof "(e)."

On page 382, line 25, strike out "subsection (c)" and insert in lieu thereof "subsections (b) and (d)."

Mr. LUCAS. The chairman of the Committee on Finance and the members of the committee this morning agreed to accept the amendment. In the past the program has provided aid to dependent children, but it has made no provision for parents or persons with whom such children are staying. This did not seem to be right and proper, and that is why the amendment is offered. It has been accepted by the Committee on Finance.

Mr. GEORGE. The Committee on Finance has no objection to the amendment. The same provision is in the House bill.

Mr. TAFT. Mr. President, if the Senator will yield for a statement, let me say that I shall not oppose the amendment. However, if we were to adopt this amendment, $75,000,000 would be added to the expenses of the Federal Government and to the budget deficit for next year. It represents an increase in Federal aid out of general taxes, and giving the money to States in order to enable them to do a better job in aiding dependent children. I have very serious doubt, not so much about the program, but about the wisdom at this time of what amounts to appropriating money, because the Committee on Appropriations has no further ability to withhold this amount. I think it is an unwise course to follow. However, since the committee has approved the amendment, I shall not object to it.

Mr. GEORGE. The Senator from Ohio is absolutely correct. The amendment does increase the appropriations for the State assistance program. However, the majority of the committee has agreed to accept the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. LUCAS].

The amendment was agreed to.

Mr. LONG. Mr. President, I call up my amendment 6–19–50—D.

The VICE PRESIDENT. The Secretary will state the amendment. Does the Senator wish the amendment to be read in full?

Mr. LONG. Do I understand that if the amendment is read in full the time consumed in reading it will be charged against my time?

The VICE PRESIDENT. No; it will not be charged to the Senator's time.

Mr. LONG. If it is not to be charged to my time, I ask that the amendment be read.

The VICE PRESIDENT. The Secretary will read the amendment.

The legislative clerk proceeded to read the amendment.

Mr. LONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LONG'S amendment entire is as follows:

On page 385, line 6, to strike out "Part 5—Miscellaneous Amendments" and insert in lieu thereof the following:

"PART 5—AID TO THE DISABLED

"SEC. 351. The Social Security Act is further amended by adding after title XIII thereof the following new title:

"'TITLE XIV—GRANTS TO STATES FOR AID TO THE DISABLED

"'APPROPRIATION

"'SEC. 1401. For the purpose of enabling each State to furnish financial assistance, as far as practicable under the conditions in such State, to needy disabled individuals who are unable to engage in any substantially gainful activity by reason of medically demonstrable physical or mental impairment, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1951, the sum of $50,000,000, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Administrator, State plans for aid to the disabled.

"'STATE PLANS FOR AID TO THE DISABLED

"'SEC. 1402. (a) A State plan for aid to the disabled must (1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them; (2) provide for financial participation by the State; (3) either provide for the establishment or designation of a single State agency to administer the plan,

or provide for the establishment or designation of a single State agency to supervise the administration of the plan; (4) provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for aid to the disabled is denied or is not acted upon with reasonable promptness; (5) provide that in cases where doubt exists as to the disability, State plans shall require that a panel of three doctors certified by the State agency must examine the applicant and agree unanimously upon the eligibility of the applicant; (6) provide such methods of administration as are found by the Administrator to be necessary for the proper and efficient operation of the plan, including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Administrator shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods; (7) provide that the State agency will make such reports, in such form and containing such information, as the Administrator may from time to time require, and comply with such provisions as the Administrator may from time to time find necessary to assure the correctness and verification of such reports; (8) provide that no aid will be furnished any individual under the plan with respect to any period with respect to which he is receiving old-age assistance under the State plan approved under section 2 of this act, aid to dependent children under the State plan approved under section 402 of this act, or aid to the blind under the State plan approved under section 1002 of this act; (9) provide that the State agency shall, in determining need, take into consideration any other income and resources of an individual claiming aid to the disabled; (10) provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of aid to the disabled; (11) provide that all individuals wishing to make application for aid to the disabled shall have opportunity to do so, and that aid to the disabled shall be furnished with reasonable promptness to all eligible individuals; and (12) effective July 1, 1953, provide, if the plan includes assistance to individuals in private or public institutions, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such institutions.

"'(b) The Administrator shall approve any plan which fulfills the conditions specified in subsection (a), except that he shall not approve any plan which imposes, as a condition of eligibility for aid to the disabled under the plan—

"'(1) Any residence requirement which excludes any resident of the State who has resided therein continuously for 1 year immediately preceding the application for aid;

"'(2) Any citizenship requirement which excludes any citizen of the United States.

"'PAYMENT TO STATES

"'SEC. 1403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the disabled, for each quarter, beginning with the quarter commencing October 1, 1950, (1) an amount, which shall be used exclusively as aid to the disabled, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the disabled under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $50—

"'(A) three-fourths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $20 multiplied by the total number of such individuals who received old-age assistance for such month, plus

"'(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to the disabled, or both, and for no other purpose.

"'(b) The method of computing and paying such amounts shall be as follows:

"'(1) The Administrator shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, (B) records showing the number of disabled individuals in the State, and (C) such other investigation as the Administrator may find necessary.

"'(2) The Administrator shall then certify to the Secretary of the Treasury the amount so estimated by the Administrator, (A) reduced or increased, as the case may be, by any sum by which he finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State under subsection (a) for such quarter, and (B) reduced by a sum equivalent to the pro rata share to which the United States is equitably entitled, as determined by the Administrator, of the net amount recovered during a prior quarter by the State or any political subdivision thereof with respect to aid to the disabled furnished under the State plan; except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Administrator for such prior quarter: *Provided*, That any part of the amount recovered from the estate of a deceased recipient which is not in excess of the amount expended by the State or any political subdivision thereof for the funeral expenses of the deceased shall not be considered as a basis for reduction under clause (B) of this paragraph.

"'(3) The Secretary of the Treasury shall thereupon through the fiscal service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Administrator, the amount so certified.

"'OPERATION OF STATE PLANS

"'SEC. 1404. In the case of any State plan for aid to the disabled which has been approved by the Administrator, if the Administrator after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds—

"'(1) that the plan has been so changed as to impose any residence or citizenship requirement prohibited by section 1402 (b), or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of such State agency, in a substantial number of cases; or

"'(2) that in the administration of the plan there is a failure to comply substantially with any provision required by section 1402 (a) to be included in the plan;

the Administrator shall notify such State agency that further payments will not be made to the State until he is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

"'DEFINITION

"'SEC. 1405. For purposes of this title, the term "aid to the disabled" means money payments to, or medical care in behalf of or any type of remedial care recognized under State law in behalf of, needy individuals who are disabled, but does not include money payments to or medical care in behalf of any individual who is an inmate of a public institution (except as a patient in a medical institution) and does not include money payments to or medical care in behalf of any individual (a) who is a patient in an institution for tuberculosis or mental diseases, or (b) who has been diagnosed as having tuberculosis or psychosis and is a patient in a medical institution as a result thereof.

"'PART 6—MISCELLANEOUS AMENDMENTS'"

On page 385, line 7, strike out "351" and insert in lieu thereof "361".

Mr. LONG. I should like to explain that this amendment is phrased substantially in the language of the provision which the House committee approved and the House of Representatives passed. It provides for the Federal Government to aid indigent persons. This is not an insurance program. I wish Senators to bear that fact in mind. Under this program the Federal Government would match the States in providing for disabled persons who are indigent. Rather than using such terms as "total and permanent disability," or "totally and permanently disabled," I have used the description "who are unable to engage in any substantially gainful activity by reason of medically demonstrable physical or mental impairment." I think that language is much better than the other language.

Furthermore, this amendment provides that before those who are disabled may be aided by a State-Federal program for the needy disabled, a panel of three doctors must examine and unanimously approve any disabled applicant who may apply for aid.

Mr. President, based on my study of this program, in my humble opinion one of the greatest shortcomings of our present system is that no Federal aid whatever is provided for those who are totally disabled from earning a living. I have the great honor to represent in part the State of Louisiana, a State of two and a half million people. I should like Senators to listen to the kind of ailments which are included in total disability. Persons who suffer from these ailments but who have not reached the mature age of 65 years cannot be aided by the Federal Government. In the State of Louisiana 17,900 needy persons suffer from heart disease, such as coronary thrombosis, or high blood pressure. Doctors have advised many of them that if they should attempt to work they would die as a result of straining themselves. I know that the committee feels it would like to see people rehabilitated rather than to be cared for under an aid-to-disabled program, however, two-thirds of the people in my State who are being aided, are suffering from heart diseases, such as coronary thrombosis, and other similar ailments which would kill many of them

if they should try to work. I notice that in my State about two and a half percent of the persons in this category, or 813, have cancer. Certainly they would not be able to take care of themselves. There are 6,000 cases of arthritis and rheumatism, and 4,000 cases of mental and nervous disorders, by reason of which they are not able to earn any type of living.

Today we have no way of helping these people. Many States are unable even to aid their aged persons substantially. For example, when one looks at page 54 of the committee report he will see that many of the poorer States—and some of them are among the Southern States—are able to put up only a small amount of money to match funds of the Federal Government in looking after their aged and blind where there is a Federal matching program. By failure to have any matching or any provision whatsoever for these disabled persons, those States are not able to set up any kind of a program for the aged and indigent.

Mr. President, this is not a social-security insurance program; this is a matching provision which would have in mind the Federal and the State governments working together to match funds to make it possible to help deserving disabled persons.

In my State 3 percent of those who are disabled are bedridden, unable to get up out of bed, by doctor's orders. Eleven percent are partially ambulatory, not able to get around to any considerable extent. I think that anyone who made a study of this matter would find that the cases of crying need going without assistance are cases of those who are disabled. In most cases, I would say in almost 90 percent of the cases, the disability is a result of cancer, heart disease, arthritis, rheumatism, or similar maladies.

So far as we are able to determine, the program would require about $50,000,000 to match the amounts being afforded by the States. I presume States which have a program for their aged would divert some of their funds to help the cases of crying need, which the Federal Government cannot help today. It would then be possible for those States who today cannot do anything for the totally disabled to use their funds to help other people.

Mr. President, I yield the remainder of my time to the junior Senator from Wyoming [Mr. HUNT].

The VICE PRESIDENT. The time of the Senator from Louisiana has expired.

Mr. HUNT. Nevertheless, Mr. President, I thank the Senator from Louisiana.

Mr. GEORGE. Mr. President, I merely wish to say that the committee has given great consideration to the problem raised by the amendment. It has been one which has given the committee great concern. The particular provision referred to will be in conference. It is in the bill as it passed the House, and we will have full opportunity to consider it in conference. It was that reason, among others, which the committee bore in mind in recommending against this particular amendment.

I yield the remainder of my time to the Senator from Colorado [Mr. MILLIKIN].

Mr. MILLIKIN. Mr. President, as the Senator from Georgia has stated, the subject will be in conference. I should like to invite attention also to the fact that one of the specified studies to be undertaken by the Study Committee is the relation of the social-security program to care, income maintenance, and rehabilitation of disabled workers. I believe that the committee could easily, under its general authority, continue the study of this subject if nothing should come out of the conference committee.

Mr. TAFT. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield to the Senator from Ohio.

Mr. TAFT. I wish to call attention to the issue we really have before us. It is, how far shall we increase Federal aid to the States out of general funds? The whole appeal made by the distinguished Senator from Louisiana is based on the fact that the States have no money with which to pay cash benefits. Most of the disabled are taken care of in institutions, in one way or another, but what we are asked to consider now is cash benefits to the disabled, and the Senator says the States have no money with which to pay such benefits.

The Federal Government has no money with which to do it. There is a deficit at the present time, regardless of the merits of the amendment, of $5,000,000,000. To say that we must come to the aid of the States, who are able to pay their own way, who are balancing their budgets at the present time, seems to be a wholly fallacious argument, regardless of the merits of the proposal.

In Louisiana today, of persons over 65 years of age, 791 out of every thousand are on the public payroll, paid with Federal funds—791 out of 1,000. In the State of Ohio there are less than 200 out of 1,000. In many States, such as the State of New Jersey——

Mr. LONG. Mr. President, will the Senator yield?

Mr. TAFT. I have no time to yield. In New Jersey 67 out of 1,000 are on the public payroll. The question of whether cash benefits shall be extended, the payment of cash to persons because they are hard up, is a serious one. We have to consider the whole problem of poverty, of all the people who are unable to make a living, who today are supported by the States. In general, of course, the States have the primary obligation to take care of those who are unable to pay their own way. That is their obligation. How far shall the Federal Government relieve them of it?

I admit that the Federal Government should step in when the need is clearly shown, when we have the money and the States have not the money. At the present time the States have the money and the Federal Government has not the money.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG].

Mr. MILLIKIN. Has the time been exhausted?

The VICE PRESIDENT. There is about half a minute left.

Mr. MILLIKIN. I would merely like to say that the question will be in conference as the bill stands now, because the provision is not in the Senate committee bill, but it is in the bill as it passed the House. Thus the matter is ready for consideration by the conference.

Mr. LONG. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is necessarily absent.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from North Carolina [Mr. GRAHAM] is absent on public business.

The Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Idaho [Mr. TAYLOR] would vote "yea."

Mr. SALTONSTALL. I announce that the senior Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from North Dakota [Mr. LANGER] is paired with the Senator from Oregon [Mr. MORSE]. If present and voting the Senator from North Dakota would vote "yea" and the Senator from Oregon would vote "nay."

The result was announced—yeas 41, nays 42, as follows:

YEAS—41

| | | |
|---|---|---|
| Anderson | Kefauver | Mundt |
| Benton | Kerr | Murray |
| Chapman | Kilgore | Myers |
| Douglas | Leahy | Neely |
| Eastland | Lehman | O'Mahoney |
| Ecton | Long | Pepper |
| Ellender | Lucas | Russell |
| Frear | McCarran | Smith, N. J. |
| Green | McCarthy | Sparkman |
| Hayden | McFarland | Stennis |
| Hill | McKellar | Thomas, Utah |
| Humphrey | McMahon | Tydings |
| Hunt | Magnuson | Withers |
| Johnson, Tex. | Maybank | |

NAYS—42

| | | |
|---|---|---|
| Aiken | Flanders | McClellan |
| Brewster | Fulbright | Malone |
| Bricker | George | Martin |
| Bridges | Gillette | Millikin |
| Butler | Gurney | Robertson |
| Byrd | Hendrickson | Saltonstall |
| Cain | Hickenlooper | Schoeppel |
| Capehart | Hoey | Smith, Maine |
| Connally | Ives | Taft |
| Cordon | Jenner | Thye |
| Darby | Johnson, Colo. | Watkins |
| Donnell | Kem | Wherry |
| Dworshak | Knowland | Wiley |
| Ferguson | Lodge | Williams |

NOT VOTING—13

| | | |
|---|---|---|
| Chavez | Langer | Tobey |
| Downey | Morse | Vandenberg |
| Graham | O'Conor | Young |
| Holland | Taylor | |
| Johnston, S. C. | Thomas, Okla. | |

So Mr. LONG's amendment was rejected.

Mr. NEELY. Mr. President, for the distinguished senior Senator from West Virginia [Mr. KILGORE] and myself, I offer an amendment.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 278, line 19, it is proposed to strike out "sixty-five" and insert in lieu thereof "sixty."

The VICE PRESIDENT. The junior Senator from West Virginia is recognized for 5 minutes.

Mr. NEELY. Mr. President, the amendment, if adopted, would reduce the retirement age for both men and women from 65 to 60 years. The present law provides old-age benefits for the retired worker and his wife, for the widow without children, and for the dependent parent of a deceased worker only after the attainment of the age of 65. The committee amendment leaves the present law unaltered.

In the case of women the reasons which warrant a reduction in the retirement age are obvious and persuasive. Such action was urged by the Federal Security Agency and is supported by every profound student of the social-security system. The essential fact is that under peacetime conditions relatively few women over 60 work for wages. The most recently available census data show that more than four out of five women in the 60-to-64 age group do not hold paying positions, whereas only one out of five men in the same age group is not in the labor force. The exact figures are that while only 21 percent of the male population aged 60 to 64 is not in the labor force, the corresponding figure for women is nearly 85 percent.

A reduction in the qualifying age for women would be of enormous assistance to aged couples. Wives are customarily a few years younger than their husbands, so that today, when a man reaches the age of 65, the only benefit available for the couple is likely to be the husband's benefit. At the present time only about one-fifth of the wives are eligible for benefits when the husband attains the age of 65. If the wives' benefits are payable at 60, the proportion is raised to about three-fifths.

There is another point of great significance. A woman widowed at the age of 60, who has not previously been employed, finds it far more difficult than a younger woman to locate paid employment. At present only about one widow in four is eligible for widow's benefits immediately upon the death of her husband. With an age requirement of 60, about 40 percent of such widows would be eligible immediately. The same considerations are applicable in the case of a mother who survives a son or daughter on whom she had been dependent.

If the eligibility age for wives, widows, and dependent mothers is lowered to 60, the retirement age for women primary beneficiaries should also be lowered. Although many women who have been working regularly will doubtless prefer to continue working after the age of 60, working women who become unemployed at the age of 60 should not be required to wait until 65 for benefits if other women receive dependents' or survivor benefits at the lowered age.

The considerations which support a reduction in the retirement age for men are different but equally compelling. Increased mechanization and improved labor processes have brought about an increase in productivity which during recent years has averaged 2½ percent or more annually. The benefits of this increased productivity are reflected in rising living standards, and it is altogether equitable that a higher standard of living be achieved by way of an earlier retirement age no less than in an increased consumption of automobiles, refrigerators, and other similar goods.

More important is the fact that in this age of new and high-speed technology men, no less than machines, wear out at an earlier age. In a simple handicraft economy, age was a far lesser handicap. Today in many industries, complicated, high-speed machines demand younger men for their servicing. In other industries, such as mining, the nature of the work takes a heavier toll in the early years. The need for an earlier retirement age is not universal throughout the economy, but it is sufficiently widespread to require action now. The essential purpose in reducing the retirement age for men from 65 to 60 is to permit those who labor in extra-hazardous occupations or in industries where they have been displaced by younger men to obtain benefits at the age of 60 for their support. Not every worker will accept the invitation to retire—today the average retirement age is 68 or 69—but the possibility will exist for those who have no other alternative.

The total cost of reducing the retirement age from 65 to 60 in the case of both men and women in approximately 2 percent of the Nation's payroll. Social-security experts have estimated that this total of 2 percent is approximately equally divided between men and women. Both parties have pledged an extension of the social-security program to provide additional protection against the hazards of old age, disability, disease, and death. A reduction in the eligibility age from 65 to 60 years is a step in the right direction. It is my sincere hope that the Senators present will provide the opportunity to take that step, and take it now.

Mr. GEORGE. Mr. President, the amendment, of course, in the case of women workers, makes a very strong appeal. I, myself, felt that the retirement age should be reduced from 65 to 60 years. But in looking into the matter, I found that, according to the statistics, women outlive men and that men are now living about 12 years beyond the retirement age of 65. In other words, each year longevity is increasing.

Mr. President, this particular amendment would cost the system or would add to the tax burdens about 2½ percent on all payrolls, or not far from an addition of $3,000,000,000 annually on a level-premium basis. Already this bill, to which your committee has given many long weeks of labor and study, will on a level-premium base, cost the general economy, which means the workers and their employers, more than 6 percent of the combined payroll, within a comparatively short period of time. This amendment, if adopted, would increase that cost to 9 percent or very close to 9 percent of the total payroll. If Senators wish to break down the system, they can do so by putting upon it a burden which it cannot carry.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. ROBERTSON. Is it not a fact that during the past 10 years, before any increase in the benefits, as provided in House bill 6000, every reputable economist who testified on this subject before the Ways and Means Committee of the House and before the Senate Finance Committee stated that we already had a 6-percent program—3 percent on the employer and 3 percent on the employee—before we add the new benefits carried in this bill?

Mr. GEORGE. Mr. President, in addition to what I have already said, when Dr. Altmeyer, of the Federal Security Agency, himself came before the committee on the first or second day of the hearings, as I recall, I asked him the specific question whether we could lower the retirement age limit for women workers to 60 years of age. He said he had been forced to abandon the idea because of the very heavy cost it would add to the system.

Therefore, Mr. President, I ask that the Senate reject the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from West Virginia [Mr. NEELY] for himself and his colleague [Mr. KILGORE]. [Putting the question.]

Mr. BREWSTER. Mr. President——

The VICE PRESIDENT. The "noes" seem to have it, and the amendment is rejected.

Mr. BREWSTER. Mr. President, has all time on the amendment expired?

The VICE PRESIDENT. For what purpose does the Senator from Maine address the Chair?

Mr. BREWSTER. I rise to inquire whether any time is left for discussion of the amendment.

The VICE PRESIDENT. The Senator from Georgia had several minutes left, but he was not yielding to any other Senator at that time.

Mr. BREWSTER. I was addressing the Chair, to inquire whether the Senator would yield.

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Maine?

Mr. GEORGE. Mr. President, the amendment has already been rejected. Like the lawyer who appeared before the Supreme Court of Georgia, I would not want to lose the case [laughter] in this instance, by listening to an eloquent appeal by my distinguished friend and member of the committee. However, I gladly yield to the Senator from Maine whatever time I have left.

Mr. BREWSTER. Mr. President, I shall conduct myself with the utmost circumspection.

I wish to join with the Senator from Georgia in expressing the hope that the

amendment will be rejected, and at the same time I wish to express my regret that I was not present when the so-called George-Millikin resolution was considered by the Senate. At that time I was called to the telephone.

I wish to associate myself with the Senator from Florida [Mr. PEPPER] in his expression of interest in the study which is to be made of the so-called Townsend plan, as one who has long believed in the wisdom of the fundamental principles upon which that plan is based. I wish to have it made clear that I was associating myself in the earnest hope that the study which will be made during the recess will lead to a far more serious consideration of that program than, in my judgment, it has thus far received.

The VICE PRESIDENT. The Senator's time has expired.

The Chair will put the question again: The question is on agreeing to the amendment offered by the Senator from West Virginia [Mr. NEELY] for himself and his colleague [Mr. KILGORE].

The amendment was rejected.

Mr. LEHMAN. Mr. President, I call up my amendment marked "5–22–50—A," being the amendment to include Puerto Rico and the Virgin Islands along with the States which are to receive assistance.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 387, beginning with line 13, it is proposed to strike out all down to and including line 21, and to insert in lieu thereof the following:

SEC. 403. (a) (1) Paragraph (1) of section 1101 (a) of the Social Security Act is amended to read as follows:

"(1) The term 'State' includes Alaska, Hawaii, and the District of Columbia, and when used in titles I, IV, V, and X includes Puerto Rico and the Virgin Islands."

(2) Paragraph (6) of section 1101 (a) of the Social Security Act is amended to read as follows:

"(6) The term 'Administrator' except when the context otherwise requires, means the Federal Security Administrator."

(3) The amendment made by paragraph (1) of this subsection shall take effect October 1, 1950, and the amendment made by paragraph (2) of this subsection, insofar as it repeals the definition of "employee", shall be effective only with respect to services performed after 1950.

Mr. LEHMAN. Mr. President, no geographic area in the United States more urgently needs the public assistance provisions of House bill 6000 than Puerto Rico and the Virgin Islands.

My amendment is a very simple one, in that it includes Puerto Rico and the Virgin Islands in the definition of States. I believe that all the titles of the Social Security Act should be applicable to Puerto Rico and the Virgin Islands on the same basis on which they are applicable to the States.

All these titles are already applicable to Alaska and Hawaii. It is eminently unfair to exclude Puerto Rico and the Virgin Islands. In Puerto Rico, out of a labor force of 700,000, an average of 100,000 are usually unemployed. I say say "usually" because of the seasonal nature of employment in both Puerto Rico and the Virgin Islands.

It is true that Puerto Rico and the Virgin Islands do not pay taxes into the United States Treasury on the same basis as the States of the Union. But this is not a failure on their part. It is a waiver on the part of the Federal Government in recognition of the Peculiar economic conditions pertaining in those islands.

The cost of the application of the public assistance titles to Puerto Rico and the Virgin Islands would be slightly more than $9,000,000. Of this, $8,213,000 would be for Puerto Rico and $165,000 would be for the Virgin Islands.

We dare not forfeit our obligations to these American citizens.

Mr. TYDINGS. Mr. President, will the Senator yield to permit me to make a simple observation?

Mr. LEHMAN. I yield.

Mr. TYDINGS. There is a great deal of merit in what the Senator from New York says; but I wonder whether he has in mind that Puerto Rico already is permitted to keep in its island treasury its income taxes, taxes which all the States of the United States pay into the Federal Treasury and, in addition, that Puerto Rico is permitted to keep in its island treasury the liquor taxes, tobacco taxes, and so forth. So we already are giving to Puerto Rico more than $50,000,000 of revenue a year coming from taxes which the States are required to pay into the Federal Treasury.

Mr. LEHMAN. I realize that; but those taxes are retained in Puerto Rico for the support of the government there; they are not used for old-age pensions or public assistance.

Mr. President, as I just said, we dare not forfeit our obligations to these American citizens. They are American citizens just as much as are the citizens of San Diego, Chicago, or New York. In fact, when Puerto Ricans or Virgin Islanders come to New York, they are automatically eligible for public-assistance payments. There is no reason for considering them less eligible when they are in Puerto Rico or the Virgin Islands.

The House Ways and Means Committee studied very exhaustively this special problem of Puerto Rico and the Virgin Islands. A subcommittee went to Puerto Rico and the Virgin Islands and studied the conditions there and conferred with the officials of those islands concerning their needs and desires. As a result of those conferences, the local governments of these two Territories made all legislative arrangements required in order for them to receive and to match the Federal grants.

The House approved the inclusion of Puerto Rico and the Virgin Islands in the public-assistance provisions, although the formula was somewhat less generous than that which I propose in my amendment.

I believe that the Senate committee acted unwisely and without giving due consideration to the international implications of excluding Puerto Rico and the Virgin Islands. These two Territories are our dependent Territories. The manner in which we treat the peoples of these two Territories will be, if we discriminate against them, used in propaganda against us.

I urge with all the conviction at my command that we approve the pending amendment and that we make these islands eligible for public-assistance grants on the same basis as any other part of the United States is eligible.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield the remainder of my time to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, if the Senator from New York had not himself offered this amendment, I am sure that I should have done so.

The Committee on Interior and Insular Affairs has immediate concern over the peoples and the government of Puerto Rico and the Virgin Islands. Both these areas were brought into the United States by the action of our Government, not primarily by the action of the people of those islands. The Virgin Islands were purchased by the Government of the United States. Puerto Rico was taken over by the United States as a result of the Spanish-American War.

I think the Government and the people of the United States owe an absolute obligation to the peoples of those islands to treat them in the way that the amendment proposed by the Senator from New York provides. I certainly hope that this amendment will be adopted, so that the Government of the United States may carry out its full responsibility toward the peoples of these islands.

Mr. GEORGE. Mr. President, I desire to make only a brief statement. This matter was given full and due consideration by the committee. The truth is that all the taxes paid in the Virgin Islands are returned to the islands with a greatly increased sum. The truth also is, as the distinguished Senator from Maryland has pointed out, that Puerto Rico retains all of its internal taxes and retains all the income taxes. This is the amendment to increase the assistance to States. Puerto Rico and the Virgin Islands are brought under the old-age and survivors insurance title of this act, and with very greatly improved eligibility requirements in the pending bill; and, in view of a special provision which we inserted largely to take care of the situation in Puerto Rico, the people of those islands will receive great benefit under the bill. But since they keep all their taxes and even more than their taxes, the view of the committee was against bringing them in under the State assistance program or the grants.

I yield whatever time I have to the Senator from Colorado or to anyone else whom he may wish to yield it to.

Mr. MILLIKIN. Since this matter is in the House bill, not in the Senate committee bill, I suggest it can be handled in conference, and that the amendment be rejected.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. TAFT. I am opposed to the inclusion of Puerto Rico, but I personally should want to see the Virgin Islands included. The reason for that is, as was said by the distinguished Senator from Georgia, that we permit Puerto Rico to keep all the excise taxes, for

instance, which are levied on the rum which they make, which taxes are in fact paid by the people of the United States. It is just as if we let North Carolina take all the tobacco taxes which come into the United States Treasury, for the State of North Carolina. We give the Puerto Ricans about $10,000,000 off on their income taxes, which they retain. We do not get the income taxes from Puerto Rico, which amount to $20,000,000 more. So that we are in effect making a cash credit to Puerto Rico of $30,000,000, far more than would be the additional aid given in this bill.

I have every sympathy for measures designed to aid Puerto Rico, and I have always supported them, but it seems to me, while they have such an over-all grant from the United States, there is no reason to include Puerto Rico under various State-aid programs. This is about the only thing they do not get. I see no reason for the amendment. The Virgin Islands pay their taxes, and so, so far as I am concerned, if the question should be in conference and I were on the committee I should be in favor of the proposal for the Virgin Islands.

I may say also, as has been suggested, that we have included Puerto Rico in old-age and survivors insurance. They pay the taxes like anyone else, and they will get the benefits.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LEHMAN. Is it not a fact that there are now certain States of the Union which, while taxes are collected within their borders, receive more from the Federal Government in the form of grants of various kinds and relief and old-age assistance and public assistance than the amount which the Federal Government receives from them in the form of revenue?

Mr. TAFT. It is impossible to tell what the Federal Government gets from them, but I think probably that is so. But there is no State in the Union which is permitted, as Puerto Rico is, to keep the income taxes paid to the Federal Government. The Puerto Rican income tax is entirely retained by Puerto Rico. The revenue taxes paid on rum made there and sold to the people of the United States at $9 a gallon are retained by Puerto Rico. I say it is exactly as though North Carolina kept the tobacco tax. There is no State in the entire United States that is in that situation.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. TAFT. Now, I think I am through.

The VICE PRESIDENT. The time of the Senator has expired. All time has expired. The question is on agreeing to the amendment offered by the Senator from New York [Mr. LEHMAN].

The amendment was rejected.

Mr. WATKINS. Mr. President, I call up the amendment which I have already sent to the desk, and ask that it be read.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 312, between lines 13 and 14, it is proposed to insert the following:

SERVICES FOR COOPERATIVES PRIOR TO 1951

SEC. 110. In any case in which—

(1) an individual has been employed at any time prior to 1951 by organization enumerated in the first sentence of section 101 (12) of the Internal Revenue Code,

(2) the service performed by such individual during the time he was so employed constituted agricultural labor as defined in section 209 (1) of the Social Security act and section 1426 (h) of the Internal Revenue Code, as in effect prior to the enactment of this act, and such service would, but for the provisions of such sections, have constituted employment for the purposes of title II of the Social security act and subchapter A of chapter 9 of such Code,

(3) the taxes imposed by sections 1400 and 1410 of the Internal Revenue Code have been paid with respect to any part of the remuneration paid to such individual by such organization for such service and the payment of such taxes by such organization has been made in good faith upon the assumption that such service did not constitute agricultural labor as so defined, and

(4) no refund of such taxes has been obtained, the amount of such remuneration with respect to which such taxes have been paid shall be deemed to constitute remuneration for employment as defined in section 209 (b) of the Social Security act as in effect prior to the enactment of this act (but it shall not constitute wages for purposes of deductions under section 203 of such act for months for which benefits under title II of such act have been certified and paid prior to the enactment of this act).

The VICE PRESIDENT. The Senator from Utah is recognized for 5 minutes.

Mr. GEORGE. Mr. President, will the Senator from Utah yield to me for a half minute?

Mr. WATKINS. I yield.

Mr. GEORGE. Mr. President, I desire to say that the Senate Finance Committee has considered this amendment, and has unanimously approved it. Earlier, in the consideration of the bill—that is, at least after the committee went into executive session—I had conversations with both the distinguished senior Senator and junior Senator from Utah about this matter. Both have been interested in the subject matter. The committee unanimously recommends that the amendment be adopted.

Mr. WATKINS. Mr. President, I ask unanimous consent to have inserted at this point in the RECORD a statement with respect to this amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WATKINS

This amendment provides retroactive benefits for employees of farmer cooperatives whose status under the existing social-security law is doubtful because of the recent case of Henry R. Azevedo, claimant, social security account No. 545-12-8715. The emendment provides that employees of farmer cooperatives, who together with their employers have contributed to the social-security fund in the past in the belief that they were covered by the law, would be accorded credits to which such payments entitle them, provided no refunds have been paid.

There has been some suggestion that because these amendments accord retroactive coverage benefits they should not be enacted. However, retroactive benefits have been accorded in the past (1946 U. S. C. Cong. Serv. 948). In an amendment, enacted by the Seventy-ninth Congress, veterans of World War II were accorded retroactive coverage benefits for the time served in the armed services. Furthermore, these retroactive benefits were accorded even though no contributions to the fund were made by the veterans or by any employers. It was simply a gratuitous offering on the part of the Government.

If the Azevedo case is carried to its logical conclusion, employers of farmer cooperatives may not receive refunds of taxes paid, except for the last 4 years of the contributing period. Unfortunate as that may be, it is not as unfortunate as the fact that their employees suddenly learn that they have not been in covered employment for many years during which contributions have been made. In other words, the amendment does not request coverage for a class of employees who have made no payments to the social-security fund, as was the case with World War II veterans; the amendment provides only for a correction of an inequity where both employers and employees have made the necessary contributions to obtain such coverage and desire to obtain that coverage.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. WATKINS].

The amendment was agreed to.

Mr. MYERS. Mr. President, I call up my amendment "I."

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 385, it is proposed to strike out lines 3 to 5, inclusive, and insert in lieu thereof the following:

(b) The provisions of subsection (a) shall be effective only for the period beginning October 1, 1950.

Mr. MYERS. Mr. President, this amendment corrects a rather peculiar situation which has arisen in Pennsylvania, and, I understand, also in Missouri. I further understand that this amendment had the sanction of the Finance Committee this morning.

Mr. GEORGE. Mr. President, if the Senator will yield to me, I may say that the committee considered this amendment, and the committee has approved it.

Mr. MYERS. Mr. President, if the committee accepts it, I merely ask to have printed in the RECORD at this point a brief statement which I had prepared explaining the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MYERS

This amendment, Mr. President, has the sanction of the committee majority. It corrects a rather peculiar situation which has arisen in Pennsylvania and, as I understand it, in Missouri.

For 15 years now, Pennsylvania has operated what many regard as the most enlightened program of assistance to the blind that exists anywhere. Since 1938 Pennsylvania has been forced to pay dearly for its liberal program, for, since that time, it has not received a single penny in Federal assistance for its blind pension. The reason, Mr. President, boils down to this:

Under existing law, the Federal Security Agency has felt that it did not have the power to approve funds for any State program which did not conform to the rigid

standards set forth in the law. This provision, which was intended primarily to promote minimum standards among the State programs for the blind, has had the effect of precluding development of State programs more liberal than provided for under existing Federal legislation.

Had Pennsylvania been willing to cut back its program for the blind—knocking out the additional liberal provisions of its own program—Federal funds would have gone to the State. However, the State has chosen, instead, to maintain its program, with the result that it has been forced to pay for it exclusively out of State funds.

The Senate Committee, in reporting H. R. 6000, sought to correct this situation temporarily by permitting the Social Security Administrator to approve Federal grants to Pennsylvania and Missouri for the period of the next 3 years. These funds would be available to the State only for that fraction of the blind population whose incomes met the rigid needs test specified in the Federal law. But, on the other hand, the State would be free to operate out of its own funds its pension program for the other blind persons whose incomes were in excess of the Federal maximum.

All my amendment does, Mr. President, is to make permanent this temporary provision. And this is accomplished by striking from the bill the date of July 1, 1953.

I want to repeat one thought, although I have mentioned it briefly in my preceding remarks. The amendment simply means that Pennsylvania and Missouri will be permitted to continue their present enlightened programs and will only receive such Federal assistance as they would receive were they to cut back to the less liberal standards of the Federal requirement. Insofar as assistance to other blind persons is concerned, that phase of the State program will continue, as it has in the past, to be supported entirely by State funds.

So, Mr. President, I urge that my amendment be adopted.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. MYERS].

The amendment was agreed to.

Mr. KILGORE and other Senators addressed the Chair.

The VICE PRESIDENT. The Chair will recognize all Senators when he gets to them, but he can only recognize one at a time. The Senator from West Virginia.

Mr. KILGORE. Mr. President, I desire to call up my amendment F.

The VICE PRESIDENT. Does the Senator want the amendment read in full?

Mr. KILGORE. No.

The amendment offered by Mr. KILGORE is as follows:

On page 290, line 5, change the period to a semicolon and add the following: "and the term 'State-wide retirement system' means a retirement system established by a State which covers any class or classes of its employees and any class or classes of employees of one or more political subdivisions of the State or covers any class or classes of employees of two or more political subdivisions of the State."

On page 290, delete lines 6 through 15 and insert in lieu thereof the following:

"(5) The term 'coverage group' means (A) employees of the State other than those in positions covered by a State-wide retirement system and those engaged in performing service in connection with a proprietary function; (B) employees of a political subdivision of a State other than those in positions covered by a State-wide retirement system and those engaged in performing service in connection with a proprietary function; (C) employees of the State and employees of its political subdivisions who are in positions covered by a State-wide retirement system; (D) employees of a State engaged in performing service in connection with a single proprietary function; or (E) employees of a political subdivision of a State engaged in performing service in connection with a single proprietary function."

On page 292, delete lines 12 through 17 and insert in lieu thereof the following:

"(d) (1) It is hereby declared to be the policy of the Congress that (A) the total benefit rights and protection afforded individuals employed, at the time of the referendum referred to in paragraph (2) of this subsection, in positions covered under a retirement system in effect on the date the agreement is entered into, or receiving periodic benefits under such retirement system at the time of such referendum, will not be reduced or impaired as a result of such agreement or legislative enactment in anticipation thereof, and (B) the total benefit rights and protection afforded individuals thereafter employed in positions which at the time of such referendum were covered by such retirement system will not be less, as a result of such agreement or legislative enactment in anticipation thereof, than those previously provided under such retirement system.

"(2) No agreement with any State may include services performed in positions covered by a retirement system in effect on the date the agreement is entered into unless the State requests such inclusion and the Governor of the State certifies to the Administrator that the following conditions have been met:

"(A) A written referendum, on the question whether services in positions covered by such retirement system should be excluded from or included under the agreement, was requested in a petition signed by at least one-third of the employees who were in such positions on the date of the petition.

"(B) Such referendum was held by secret ballot within the period prescribed in paragraph (4) of this subsection.

"(C) An opportunity to vote in such referendum was given (and was limited) to the employees who were in such positions at the time the referendum was held.

"(D) Ninety days' notice of such referendum was given to all such employees.

"(E) Such referendum was conducted under the supervision of the Governor, or of an appropriate official of the State or of the retirement system designated by him.

"(F) Not less than three-fourths of the voters, and two-thirds of the individuals eligible to vote, in such referendum voted in favor of including services in such positions under the agreement.

This subsection shall not be construed to require that the Governor of any State initiate or conduct such referendum, nor, if such referendum is conducted and the result is in accordance with the conditions specified in subparagraph (F), that services in positions covered by such retirement system be included in the agreement; and the Governor may, if he deems it appropriate, require a larger majority than that specified in subparagraph (F).

"(3) No modification of an agreement with any State may provide for the inclusion of services performed in positions covered by a retirement system in effect on the date the modification is agreed to unless the State requests such inclusion and the Governor of the State makes a certification which meets the requirements of paragraph (1).

"(4) The period within which a referendum must be held for the purposes of this subsection shall be the period beginning 1 year before the effective date of the agreement and ending on the date such agreement is entered into, except that in the case of a modification of an agreement such period shall begin 1 year before the effective date of the modification and end on the date such modification is agreed to."

Mr. KILGORE. I desire to make a brief explanation of the amendment, in lieu of having it read in full.

The VICE PRESIDENT. The Senator is recognized for 5 minutes.

Mr. KILGORE. Mr. President, my amendment "F" to the Senate committee's version of H. R. 6000 would add to the bill provisions of the House version concerning coverage of State and local government employees who are covered by retirement systems, with the following changes:

First. A declaration of congressional policy is included to indicate that it is not the intent of the Congress that existing retirement systems be impaired.

Second. A referendum concerning coverage could be held only at the written request of one-third of the members of the retirement system, and would have to be conducted and supervised by the governor or by an appropriate official designated by him.

Third. Ninety days' advance notice of the referendum would have to be given.

Fourth. The referendum would have to be by secret ballot.

Fifth. Two-thirds of those eligible to vote, and 75 percent of those actually voting, would have to vote in favor of coverage.

Sixth. Language is included to make it clear that no action at all need be taken to conduct a referendum or to cover retirement systems under the agreement, if the State does not wish to do so.

Mr. President, I have been trying for a number of years to protect State and subordinate group employees. A great number of them are covered by vastly inferior retirement systems at the present time. In most States, under existing Federal law, it is utterly impossible. This would provide a Federal policy which would permit each State to determine what it is going to do, leaving it up to the employees, who, by a two-thirds vote of 75 percent of the entire group, could decide in favor of utilizing the Federal retirement system.

Mr. MAGNUSON. Mr. President, I offer a substitute amendment for the amendment of the Senator from West Virginia. It is my amendment E.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Washington to the amendment of the Senator from West Virginia.

The LEGISLATIVE CLERK. It is proposed, on page 292, line 17, before the period, to insert a comma and the following: "unless such agreement contains such provisions as the Administrator may determine to be appropriate to assure, so far as it is practicable and feasible to do so, that such retirement system will not be abolished or made inapplicable to members of such coverage group or that the benefits provided under such retirement system will not be reduced."

Mr. MAGNUSON. Mr. President, I do not offer this amendment as a substitute for the amendment of the Senator from West Virginia, because I am opposed to his amendment, but I think my amendment is a much better solution of the problem which the Senator from West Virginia and other Senators, including myself, desire to solve.

There are approximately 1,400,000 persons in the United States under municipal and local subdivisions of government having pension systems, and they would not want to come under a Federal pension system if that system would impair their present local system. In many cases, as the Senator from West Virginia has pointed out, the Federal system would be better, but in many other cases it would not be as good. The House bill provides that by a two-thirds vote they may come under the Federal system——

Mr. KILGORE. If 75 percent of them vote in favor of it.

Mr. MAGNUSON. Yes. The Senate version has no provision whatsoever for employees under municipal pension systems coming under the provisions of the bill. My amendment provides that if the Administrator can work out a satisfactory agreement with the local government or the local units of government, employees may be permitted to come under the Federal system. I think that is a sensible way to approach the problem.

I have been in contact with most of the units of municipal and State employees in my State, and they are pretty much in agreement with my amendment. I think it is a good amendment. I hope the Senator from Georgia [Mr. GEORGE] will take it to conference, because the House bill provides for something which is somewhat similar to that which is provided by the amendment offered by the Senator from West Virginia. It gives 2,400,000 employees no greater privileges than are now given to those who have private pension systems in industry.

I hope my amendment will be agreed to and will be taken to conference.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. KILGORE. I merely want to say to the Senator that I think we are both driving in the same direction. If the Senator from Washington can say that his amendment will give as complete satisfaction to employees as would the amendment which I have offered, I would have no opposition to it whatever. My amendment would simply put the question up to the employees themselves. The amendment offered by the Senator from Washington would put it up to a State official in charge of the work in the State. Both amendments aim at the same objective. I happen to believe in the democratic way of leaving it to the employees. The Senator from Washington has apparently received word that the other system would be better. In case his amendment is adopted, if he will absolve me from blame with those persons who favor my program, I certainly shall absolve the Senator from blame as to his groups.

Mr. MAGNUSON. Mr. President, I am sure it can be worked out, because the House bill now provides for a two-thirds vote. The persons whom I have contacted who represent municipal employees seem to think that if this flexibility is placed in the hands of the Administrator, where pension systems of municipal and State employees are such that they would like to come under the Federal system, they can work out a satisfactory agreement.

I hope my amendment will be adopted.

Mr. MAGNUSON subsequently said: Mr. President, I ask unanimous consent to have placed in the RECORD following my remarks on my amendment a letter and a telegram pertaining to this subject.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

WASHINGTON FEDERATION OF STATE EMPLOYEES,
*Olympia, Wash., May 19, 1950.*

Hon. WARREN G. MAGNUSON,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR MAGNUSON: In previous correspondence with you, you are acquainted with the position of our organization with regard to extension of the survivors' insurance plan of social security to public employees. We were unalterably opposed to the provision in H. R. 2893, passed by the House in the Eightieth Congress, that completely excluded public employees already in an existing local retirement system. Largely through the efforts of our international, the current social security measure as it was passed by the House (H. R. 6000) contained a provision (sec. 218 (d)) which would require a referendum vote among members of an existing retirement system, and a two-thirds favorable vote in such a referendum before such members could be accepted into social security. Our organization highly favored this provision.

However, considerable opposition developed from other States, and from groups that are not truly representative of public employees to this provision, with the result that the Senate Finance Committee eliminated the provision and substituted the same obnoxious provision of total exclusion contained in H. R. 2693. Our international was in session in its biennial convention at Omaha, Nebr., at the time, and called for a public hearing of all State delegations from States that have existing retirement systems. From this hearing came a new proposed amendment, that completely satisfied the entire membership of our international and was adopted unanimously by the convention. Our proposed amendment is: That as a substitute for the House proposal in section 218 (b) and the Senate Finance Committee's provision, that section 218 (b) be amended to read substantially as follows:

"Public employees who now have pension and/or retirement plans shall be excluded except in cases where the governing bodies will agree to supplement such plans with H. R. 6000 benefits with no reduction in the benefits already existing in such pension and/or retirement systems."

This will have to come as a Senate amendment and our organization is very anxious that you not only support such an amendment, but in fact if possible introduce it, which would be the official stand of the largest public employee international union in the American Federation of Labor and the AFL stand on this question. We are supported by the American Federation of Teachers and the International Association of Technical Engineers in this State, both of which unions are vitally concerned with local retirement systems.

For your information, there is probably no State in the Union whose public employees are now more thoroughly covered by existing local retirement plans. The Washington State Employees Retirement System is the seventh largest local retirement system in the Nation. This includes as of this date, all State employees except those covered by other systems such as teachers and State patrol; the employees of 37 out of 39 counties in this State, about half of the operating PUD's, most of the port districts, 80 percent of the noncertificated employees of school districts, and many other political subdivisions—altogether about 24,000 members. Then there is the large teacher's retirement system, the firemen's pension system, the city-wide system with about a dozen municipalities and eight of the larger cities with their own retirement plans.

All of us who have worked through employee unions for these retirement plans realize that the benefits are wholly inadequate, but must be limited by available local tax revenue, so that our only chance of ever securing an adequate retirement program for the public employees of this State will be through an eventual supplementation of our plans with Federal Social Security. Our legislature in 1936 made provision for social security coverage whenever available, so at all times we have looked forward to combining our systems with social security. The amendment placed on H. R. 6000 by the Senate Finance Committee sounds the deathknell to all hopes of ever securing adequate retirement benefits for public employees of this State. Therefore I personally urge you to give this matter your most careful consideration, as I am sure every public employee in this State will be grateful to you. Our proposed amendment so completely protects existing retirement systems that any opposition to this amendment can only come from those who are opposed to any increase in retirement benefits for our public servants.

With kindest personal wishes, I am,
Respectfully yours,

MARK WIENAND,
*Chairman of Retirement Committee, Washington Federation of State Employees, also Assistant Executive Secretary, Washington State Employees Retirement System.*

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SEATTLE, WASH., *June 15, 1950.*

Senator WARREN G. MAGNUSON,
*Senate Office Building,*
*Washington, D. C.:*

Re H. R. 6000. We urge you actively oppose Senator KNOWLAND's amendment. We further urge you continue your fine working support of this bill as passed by the House. We believe provisions for protection against permanent and total disability should be restored. In addition to broadening of coverage and liberalization of benefits we support your efforts to secure enabling amendment for voluntary coverage of State, county, and other public employees. PUD's for example already covered by another retirement system. We also authorize you to state that Senator CAIN does not speak for the Federation and that he did not write us a letter asking our opinion even though we represent the largest group of organized labor in the State of Washington.

E. M. WESTON,
*President, Washington State Federation of Labor.*

Mr. LEHMAN. Mr. President, it is with great regret that I rise to oppose the amendment offered by my good friend from West Virginia. It is rarely that I find myself on a side different from that supported by the distinguished senior

Senator from West Virginia, especially on social questions.

The VICE PRESIDENT. Under the unanimous-consent agreement, the Chair must recognize the proponent of the amendment and then the chairman of the committee, in opposition. The Chair cannot recognize Senators in their own right in opposition to amendments.

Mr. MAGNUSON. Mr. President, I yield the remainder of my time to the Senator from New York.

The VICE PRESIDENT. The Senator has 1 minute remaining.

Mr. LEHMAN. Mr. President, on this question, however, I have evidence that it is the unanimous desire of the public employees in my State, who are covered by retirement systems, to be excluded from coverage. They are opposed to referendum proposals of any kind for reasons which are sound but too technical to go into in the limited time available to me.

Mr. MAGNUSON. Mr. President, will the Senator yield at that point?

Mr. LEHMAN. I yield.

Mr. MAGNUSON. That is true of most of the municipal employees who have pension systems. But the amendment now before the Senate would not hurt them at all.

Mr. LEHMAN. I shall bring that out.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. GEORGE. I yield a minute to the Senator from New York.

Mr. LEHMAN. If the Senator from West Virginia will offer an amendment to include any specific group of public employees who have indicated their desire to be covered, I will support such an amendment. But to make a general provision directly counter to the wishes of the public employees involved is unnecessary and, in my judgment, unwise. I hope the amendment proposed by the senior Senator from West Virginia will be defeated.

The retirement systems in New York State provide much more generous benefits than those in the Federal old-age and survivors insurance program. The public employees covered by retirement systems in my State are fearful lest their systems be abolished or their benefits diminished in favor of the Federal old-age and survivors insurance program.

I shall support—have supported—any amendment to grant Federal old-age and survivors insurance coverage to employees, even though they are covered by retirement systems, who so desire it. But the amendment offered by the Senator from West Virginia is a blanket amendment. I hope it will be defeated.

Mr. GEORGE. Mr. President, do I have 5 minutes on the amendments which have been offered?

The VICE PRESIDENT. The Senator has 4 minutes left.

Mr. GEORGE. On both amendments?

The VICE PRESIDENT. On the Magnuson amendment.

Mr. GEORGE. Mr. President, I merely want to say that if there is any one question which was presented to the Senate Finance Committee with almost unanimity of view, sentiment, and contention it was this very question. The committee was unanimously of the opinion that State police officers, firemen, and school teachers in the several States and municipalities ought not to be forced under the Federal social-security system. That was the unanimous verdict of the Finance Committee after listening to testimony day after day from persons who had come from all parts of the country, from Maine to California. All they had to say to us was this: "Do not make it possible for pressure groups and bureaus to propagandize us and force us to give up systems which we now wish to keep, and put us under a Federal old-age and survivors insurance system."

Mr. President, I think it would be a great mistake and tragedy if we undertook to take into the Federal system people who are already under retirement systems, who are already on the whole receiving great benefits, and in many instances greater benefits than they would receive under the Social Security Act. I therefore ask that the amendment offered by the Senator from Washington to the amendment of the Senator from West Virginia be defeated, and that the amendment offered by the distinguished Senator from West Virginia be also defeated.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question, if time permits?

Mr. GEORGE. I yield for a question.

Mr. MAGNUSON. I should like to ask the Senator if he understands that the amendment which I have offered in the nature of a substitute would merely allow municipal pension systems and pension systems of subdivisions of local governments to negotiate with the Administrator if they so desire?

Mr. GEORGE. I understand that perfectly, and I say to the Senator that once this amendment is written into law the bureaus in Washington would propagandize every State retirement system in the entire country, and the retirement systems would be helpless to resist the pressure, with the result that the whole of it would be federalized. Literally thousands of teachers have either written, telegraphed, or come here in person. Arresting officers, police officers, and firemen in all States are opposed to it. There is no need to break down a salutary principle of the social-security system by opening the way in this fashion. If a State system or a local system is inadequate those in it may abandon the system. When they have no system they are mandatorily covered. If they wish to give up their system, they may do so.

Mr. MILLIKIN. Mr. President, I merely wish to say that the committee was unanimous in its opposition to this type of amendment. I agree wholeheartedly with everything that the senior Senator from Georgia has stated.

The PRESIDING OFFICER (Mr. HOEY in the chair). The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON] to the amendment offered by the Senator from West Virginia [Mr. KILGORE].

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment offered by the Senator from West Virginia.

The amendment was rejected.

Mr. BUTLER. Mr. President, it had been my intention to offer an amendment in the nature of a substitute, on a stopgap basis. However, after conversation which has been held this afternoon with reference to one or two other proposals which are in the planning stage, I am inclined not to offer my amendment, with the understanding, however, that the distinguished leadership of the Committee on Finance will make the plan contemplated by it one of their special studies during the next 2-year period.

Mr. MILLIKIN. Mr. President, I believe the substance of the Senator's proposed amendment will receive close scrutiny by the committee, and for that reason I suggest that he would be making an appropriate decision if he were not to press his amendment.

Mr. BUTLER. With that understanding, Mr. President, I shall not offer my amendment.

Mr. WILEY. Mr. President, I call up my amendment 6–19–50—I.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 292, line 17, before the period, it is proposed to insert a comma and the following: "unless the State or political subdivision by which such retirement system was established had in effect on January 1, 1950, a statute, ordinance, or other legislative act providing for making such retirement system supplementary to the insurance system established by this title."

Mr. WILEY. Mr. President, yesterday, June 19, I offered an amendment for printing under which permission would be given for the integration of the Wisconsin Retirement Fund, with the Federal Social Security System. The text of my statement may be found on page 8796 of the June 19 RECORD.

THIRTY THOUSAND PEOPLE'S WELFARE AT STAKE

I should like to point out very briefly that upon the decision of the Senate in accepting or rejecting this amendment will depend the fate of some 30,000 individuals, their survivors, and dependents. If any of my colleagues has any question about the desirability of this amendment, let me simply ask him this question:

Should one State of the Union which has been farsighted enough to write into its basic law a provision for ultimate integration between the State retirement set-up and the Federal system—should that one State be penalized by having its 30,000 covered individuals denied the right of supplementary Federal coverage?

WHY PENALIZE WISCONSIN FORESIGHT?

Make no mistake about it, gentlemen, if this Wisconsin amendment is defeated, the United States Senate will have put a penalty upon a State for being farsighted. This is contrary to the action

which we have taken in providing that, for example, the employees of the Ford Motor Co. should receive supplementary coverage—their private pensions plus a Federal pension. The employees of the General Motors Co., of Chrysler, and of other major American corporations receive both private pensions and Federal pensions. Why, then, should we deny the Wisconsin retirement fund covering individuals in 76 Wisconsin cities, 15 villages, 37 counties, and 33 other local governments, merely because they happen to have been covered at the time the Federal-State agreement for integration will have been made?

WHAT COMMITTEE PROVIDED

Note that point, gentlemen. What the Senate Finance Committee in effect says in its present version is that the Federal and State Governments can make agreements for integration between their specific retirement systems, provided that the agreement does not include employees covered by a retirement system at the time the agreement is made applicable to the coverage group.

I am reading that from page 6 of a summary prepared by the Senate Finance Committee itself.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. WILEY. I should like to carry on with my statement.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. WILEY. In other words, what we are asking for is an arrangement for coverage of individuals now covered, rather than simply coverage of individuals who may in the future be covered by a State retirement system and consequently, by the Federal social-security system.

NO OPPOSITION IN WISCONSIN

I have indicated that I have received no single message of opposition from anywhere in Wisconsin to my proposals. No teacher, no policeman, no fireman opposes the integration of the Wisconsin retirement fund, with the Federal social-security system. There is no reason for any such opposition because the teachers, for example, have a completely separate retirement system, wholly separate from the Wisconsin retirement fund.

NO OPPOSITION OUTSIDE WISCONSIN

In the same manner, this integration which I am proposing and which my colleague, the junior Senator [Mr. McCARTHY] is proposing does not adversely affect any teacher, policeman, or fireman in any of the other 47 States of the Union. The Social Security Administration has no objection to it. The organized labor unions have no objection to it. We have received support for this amendment from as far away as the great Empire State of New York. I am glad to acknowledge the gracious approval of the junior Senator [Mr. LEHMAN].

WE MUST NOT PENALIZE FORESIGHT

In summary, Mr. President, I repeat—shall the one State in the Union which has enough foresight to provide for ultimate integration—shall this one State and its 30,000 covered employees be left out in the cold merely because they were wise enough 7 years ago to foresee that the modest State pensions would be wholly inadequate to meet the needs of retired individuals, their survivors and dependents?

Let me point out lastly that two out of three indviduals now covered by the Wisconsin retirement funds and now past the age of 65 still have not retired. Why? Because, as I stated yesterday, these individuals receive so pitifully small a pension that they cannot possibly survive on it. Only by expanded coverage can they hope to make ends meet. I urge my colleagues, accordingly, to approve this amendment in the interest of 30,000 humble employees of my State.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point questions and answers on my amendment to H. R. 6000, which I have prepared, together with data with respect to typical retirement annuities.

There being no objection, the questions and answers and the data were ordered to be printed in the RECORD, as follows:

QUESTIONS AND ANSWERS ON AMENDMENT TO H. R. 6000 BY SENATOR WILEY

1. Question. Do I understand correctly that this amendment will not in any way affect the individuals under this system in my State who are vigorously objecting to integrating this system with social security?

Answer. Yes; that is entirely correct. I have been informed by a representative of the Commissioner for Social Security that the Wisconsin retirement fund is apparently the only system which could qualify under this amendment. The provision for integrating the Wisconsin retirement fund with social security has been in the Wisconsin law since the system was first established by the 1943 Wisconsin Legislature. There is complete agreement in Wisconsin on this amendment on the part of—

(a) The State legislature.

(b) The city council, county boards, village boards, etc., included under the system.

(c) The employees who will benefit from such integration.

2. Question. Are we to understand, then, that under the Wisconsin law that the existing system will not be abandoned?

Answer. Yes; this Wisconsin law provides for automatically transforming the existing system into a supplementary system, just as has been done in the case of many retirement systems in business and industry.

3. Question. The National Education Association has indicated strenuous objection to integration. How will this amendment affect that situation?

Answer. The Wisconsin Education Association has taken no position on H. R. 6000, and the last issue of their official journal carried articles pro and con on this matter. However, this amendment in no way affects the teachers' retirement system nor does it affect any other retirement system, such as those for policemen, firemen, Milwaukee city and county employees, etc. Instead, it affects only the 30,000 persons under the Wisconsin retirement fund who desire this integration and for which provision has been made ever since the system was just created.

TYPICAL RETIREMENT ANNUITIES UNDER THE WISCONSIN RETIREMENT FUND ONLY AS COMPARED WITH THE COMBINED ANNUITIES IF THE WISCONSIN RETIREMENT FUND IS INTEGRATED WITH SOCIAL SECURITY

(Assume a life income of $2,700 for an individual with a wife his own age)

EXAMPLE I

Assumption: In private employment prior to 1936. Receives credits under Wisconsin Retirement Fund from January 1, 1936:

| | |
|---|---|
| A. Benefits per month under Wisconsin retirement fund only for retirement Dec. 31, 1955, at age 65 | $59.29 |

The widow would receive no annuity in case of his death.

B. Benefits if the Wisconsin retirement fund is integrated with social security as provided by amendment proposed by Senators WILEY and MCCARTHY:

| | |
|---|---|
| Annuity from Wisconsin retirement fund | $55.72 |
| Worker's annuity from social security | 68.75 |
| Wife's annuity from social security | 34.38 |
| Combined income | 158.85 |

Upon death of annuitant, widow would receive $51.56 per month from social security.

EXAMPLE II

Assumption: Credits under Wisconsin retirement fund from January 1, 1921, to retirement on December 31, 1955, at age 65:

| | |
|---|---|
| A. Benefits under Wisconsin retirement fund only | $112.50 |

The widow would receive no annuity in case of his death.

B. Benefits if Wisconsin retirement fund is integrated with social security:

| | |
|---|---|
| Annuity from Wisconsin retirement fund | 112.50 |
| Worker's annuity from social security | 68.75 |
| Wife's annuity from social security | 34.38 |
| Combined income | 215.63 |

Upon death of annuitant, widow would receive $51.56 per month from social security.

EXAMPLE III

Assumption: Credits under Wisconsin retirement fund from January 1, 1951, to retirement on December 31, 1985, at age 65:

| | |
|---|---|
| A. Benefits under Wisconsin retirement fund only | $112.50 |

The widow would receive no annuity in case of his death.

B. Benefits if Wisconsin retirement fund is integrated with social security:

| | |
|---|---|
| Annuity from Wisconsin retirement fund | 68.49 |
| Worker's annuity from social security | 68.75 |
| Wife's annuity from social security | 34.38 |
| Combined income | 171.62 |

Upon death of annuitant, widow would receive $51.56 per month from social security.

Mr. WILEY. Mr. President, the State of Wisconsin, by act of its legislature, approved by the Governor, wrote into its

basic retirement law in 1943—and Wisconsin was the only State to do so—that the Wisconsin retirement fund was designed to serve as a supplement to the Federal social-security system whenever the Federal Government decided to broaden coverage to include State and local workers.

Under this statute, 30,000 individuals are now covered by the Wisconsin retirement fund.

However, the Senate Finance Committee version of H. R. 6000 provides that any Federal-State agreement for coverage of State and local workers shall not be allowed to include any group of workers covered by a State or local retirement system at the time the Federal-State agreement is made.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. WILEY. Just a moment; we are running against time.

Let me summarize. The State of Wisconsin, by the act of its legislature, approved by its governor, wrote into its basic retirement law in 1943—and it was the only State that did so—that the Wisconsin retirement fund was to serve as a supplement to the Federal social-security system whenever the Federal Government decided to broaden coverage to include State and local workers.

The VICE PRESIDENT. The Senator's time has expired.

Mr. GEORGE obtained the floor.

Mr. LEHMAN. Mr. President, will the Senator yield that I may ask unanimous consent to insert a statement in the RECORD.

Mr. GEORGE. I yield.

Mr. LEHMAN. I ask unanimous consent to insert in the RECORD a brief statement in support of the amendment.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN

I support the amendment proposed by my colleague from Wisconsin. I have joined with him in sponsoring this amendment despite the fact that this amendment concerns only a group of employees in the State of Wisconsin.

I support this amendment because of my belief that all those who wish to be covered should certainly be covered.

I supported and advocated and continue to advocate the provision in the Senate committee bill excluding public employees already covered by retirement systems, because the employees involved indicated an almost unanimous desire to be so excluded. It is certainly true of policemen, firemen, teachers, and others in my State and in other States of the Union. I would oppose any amendment restoring coverage to these people, since they believe it would threaten their retirement systems.

However, if there is any group, like that in Wisconsin, which desires to be covered by Federal social security, I would support the proposal to grant coverage to that group. I hope the pending amendment is adopted.

Mr. KILGORE. Mr. President, will the Senator from Georgia yield that I may ask a question of the Senator from Wisconsin, which he has so far refused to answer?

Mr. GEORGE. The Senator from Wisconsin?

Mr. KILGORE. I merely wish to ask the Senator from Wisconsin a question in the time of the Senator from Georgia.

Mr. GEORGE. I have but little time; but I yield.

Mr. KILGORE. Will the Senator from Wisconsin please explain, but not too fast, as he has been talking in the past, racing against time, as it were, whether the Senator from Wisconsin desires to add the retirement pay to the total amount paid by the Federal Government, whether it is augmentation or integration the Senator is seeking?

Mr. WILEY. If the Senator from Georgia will yield, I placed the figures in the RECORD, and I do not have them at hand at present.

Seven years ago the State of Wisconsin passed its law, having in mind that eventually under the Federal system we would have the right to integrate the two systems. The bill as it is before the Senate now fails to cover existing State retirement systems. It is therefore unfair to those people under Wisconsin law, which showed foresight and vision.

The States which make agreements in the future can come into it. We ask that the law be made retroactive, so that this group of 30,000 citizens, will not be prejudiced.

Mr. KILGORE. Mr. President, will the Senator from Georgia yield further?

Mr. GEORGE. I cannot yield. I have but 2 minutes left in which to make a statement.

The Wisconsin case is no different from any other case, except that prior to the consideration of the pending bill the State of Wisconsin had taken some legislative action. But if we are to permit the States now to integrate their retirement systems with the Federal system, and all the States do that, the burden will be thrown onto the Federal Government. Do Senators want to do that? Are not the American States in better shape than the Federal Government to carry this burden? The majority of those under retirement systems in all the States are satisfied, and do not want to have their systems brought under the control of a bureau in Washington.

Mr. KILGORE. Will the Senator yield?

Mr. GEORGE. I have not any time left, so far as I know. I hope the Senate will reject the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. WILEY].

The amendment was rejected.

Mr. MYERS. Mr. President, I call up my amendment B.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 267, line 3, after the word "be", it is proposed to insert "the sum of the following: (A)."

On page 267, line 5, to strike out the period and insert in lieu thereof a comma and the following:

(B) an amount equal to 1 percent of the amount computed under clause (A) multiplied by the number of years prior to 1951 in which $200 or more of wages were paid to such individual, and (C) an amount equal to one-half of 1 percent of the amount computed under clause (A) multiplied by the number of years after 1950 in which the sum of the wages paid to and the self-employment income derived by such individual was $200 or more.

On page 273, beginning with line 10, to strike out all down to and including line 13 and insert in lieu thereof the following:

(C) With respect to calendar years after 1950, the 1 percent addition provided for in section 209 (e) (2) of this act as in effect prior to the enactment of this section shall be one-half of 1 percent and shall be made with respect to any such year in which the sum of the wages paid to and the self-employment income derived by the individual was $200 or more.

Mr. MYERS. Mr. President, this is the amendment known as the increment amendment. I offered it on behalf of myself and 12 other Senators. The junior Senator from Illinois [Mr. DOUGLAS] also sponsored the amendment, and I therefore yield to him at this time.

Mr. DOUGLAS. Mr. President, I hope it will not seem ungracious if we offer this amendment. For, before I speak on it, I wish to say that we all are very much indebted to the Committee on Finance for the hard work they have done and for the bill they have brought in. In general, it is a very excellent bill, but we do believe that it can be improved, particularly in the matter of the so-called increment, for length of contributions.

The present law provides that benefits shall be increased by 1 percent for each year of contributions and coverage. The bill which the House passed reduced that to one-half of 1 percent. The draft of the Senate committee completely abolishes this increment.

The proposal of the distinguished senior Senator from Pennsylvania is that for the years which have elapsed up through 1950 the present provision shall apply, namely, a 1-percent addition for each year of coverage, thus continuing the present law up to this date, but that for the years after 1950 the House provision, of an increment of one-half of 1 percent for each year of coverage, shall apply.

Mr. President, the bill reported by the committee virtually abolishes any connection between the total amounts contributed by the insured persons and the total benefits paid to those insured persons. All connection between those two is virtually eliminated.

Let me give an illustration. Suppose there are two insured persons, one A, the other B. A has contributed or will contribute for 40 years at an average wage of $200 a month, while B acquires eligibility in six quarters, at the same average of $200 a month.

Their average wage during the period of coverage is indeed the same. But one

is a young man who pays contributions for 40 years while the second is a man 63 years old who gets in under the system in six quarters and pays contributions for only that time.

The first man over the course of his working life will have paid contributions on total wages of $96,000—that is, $2,400 times 40—at an average rate, let us say, of 2 percent. He will himself have paid $1,920 in contributions, and his employer will have added an equal amount. The total cash contributions for that man over his insured life will have been $3,840.

The total contributions for B in six quarters, at average wage of $200 a month, will have been only $72, and with the $72 of contributions his employer will make, a combined total of only $144. This is only one-twenty-seventh of the contributions the 40-year man will have made and had made for him. Yet the two men under the committee proposal would receive absolutely the same monthly benefit, namely, $65 a month.

Mr. President, a system of social security of necessity should introduce considerations of need which a private system of insurance cannot, but it should not be entirely based on need. We should make some provision so that those contributing for a longer period of time and contributing more shall receive a higher benefit. Otherwise we are throwing over completely the principle of insurance, and making the basis purely need and purely assistance.

Mr. President, I hope that the Myers amendment may be agreed to.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Pennsylvania.

Mr. MYERS. I understand that the increment feature which has been in the law ever since the inception of the program, of 1 percent, has been reduced on the House side to one-half of 1 percent.

Mr. DOUGLAS. That is correct.

Mr. MYERS. And the Senate committee repealed the increment feature entirely.

Mr. DOUGLAS. That is correct.

Mr. MYERS. And, in effect, it is a retroactive action on the part of the committee.

Mr. DOUGLAS. That is correct, and the Myers amendment retains the 1 percent for the years up through 1950, but continues it subsequently to 1950 at one-half of 1 percent.

Mr. GEORGE. Mr. President, it is a question of having one's cake and eating it, too. If we are going to break down the whole social-security system by loading upon it a burden which it cannot support, we will have lost it all.

What is the situation? The Senate Committee on Finance changed the benefit formula by taking 50 percent of the first $100 and 15 percent of all over and above that. What does that mean? It means that with respect to all pensions and benefit payments hereafter, under the old-age and survivors insurance title of the law, those who qualify will receive $80 a month. Under the House bill, with the increment provision included, an individual will receive less by about $18 per month.

We have been generous in this matter. It is true that because we are giving a new start so as to enable old people to come into this system by working a comparatively few quarters, and qualifying for benefits, that is held up as an argument why this increment should be continued in the act. We are doing more than the House bill does. We did more than the House bill did for the next few years, even on the wage base of $3,000, as against $3,600 in the House bill. The House will never take the benefit formula we are trying to give to the old people and also add this increment provision. They were trying to bring their benefit payments up to some reasonable level. We will not obtain both. You can have your increment if you want it, because there are people who are demanding it, but you can give the aged people real benefits by holding to the benefit formula which we have inserted in the bill. As a practical matter you will not obtain both. You cannot expect to obtain both. Here is a provision for $80 per month for all persons who become fully insured, whether they come in under the new start program or they start from an early age in life under this system. It is an adequate provision.

Moreover, Mr. President, this one single amendment will add 1 percent to the total payroll tax of the country; in other words, more than $1,000,000,000 a year added to the cost and weight of the system. Do not break it down. Whatever may be the fine motive and purpose of my distinguished friend from Illinois and my distinguished friend from Pennsylvania—and I do not question the motive and purpose of either Senator—I appeal to them and say, do not break the system down. It is worth more to the people of the United States than the little increment provision. I hope the Senate will reject the amendment.

Mr. DOUGLAS. Mr. President, do we have any more time left on our side?

The PRESIDING OFFICER. The proponents have 1 minute left.

Mr. DOUGLAS. Mr. President, the Senate committee did precisely what the Senator from Georgia said, namely, it diminished the amount the long-time contributors would receive and increased the benefits of short-time contributors. And it is true that the amendment would cost about nine-tenths of 1 percent.

The Senator from Georgia, however, ignores the fact that we have already increased the wage base to $3,600, which will save one-sixth of 1 percent, and that furthermore, money wages in the past have increased at the rate of 2 percent a year, whereas the actuarial basis followed by the committee in estimating receipts under this provision is a constant base of $2,400.

We may expect on the basis of the past a further 2 percent a year in covered earnings and in contributions per worker. This will increase the revenue by more than the added costs so that in all probability this extra cost of the increment can be financed out of these other savings.

Thus in the century between 1822 and 1922, average wages increased from about $6 a week to about $26, or over four times. In the 28 years since then, money wages have nearly doubled again. Interestingly enough the increase in real wages over long periods of time such as a half century tends to be equal to the increase in real wages.

On the whole, therefore, it would seem that we may expect a further doubling in money wages over the next 30 years or an increase of 2 percent per year compounded. If this happens, then since the benefits on the upper increments of income are less than on the lower and are less than the contribution paid on them, we may expect a further saving. The $200 a month or $2,400 a year man under the Senate formula gets $65 a month and the $300 a month man gets $80. In other words, increasing incomes and contributions by 50 percent only increases benefits by 23 percent.

It is quite possible, therefore, that the addition of the increment factor proposed in the Myers amendment will not cost any more money. If it should, however, we are willing to have the joint contributions increased, but do not see how this would be more than by one-fourth of a percent on each party. In view of these estimates of increasing receipts, therefore, I hope the Senate will adopt the Myers increment amendment.

Mr. GEORGE. Have I any time remaining, Mr. President?

The PRESIDING OFFICER. Yes; 2 minutes.

Mr. GEORGE. I think it is best to call an economist also as a witness, since an economist appears on the other side. I call none other than Dr. Slichter, of Harvard, one of the most eminent economists of the country. When this very question was before the Senate Finance Committee, in answer to a question from me—

Would you care to comment on that now? If so, we would be glad to hear you—

He made the following reply:

Dr. SLICHTER. I see no reason why I should not. The view in the Council was that it would be preferable to pay more adequate pensions now rather than to get up to some standard of adequacy 20 or 30 years from now by the method of an increment. If you put an increment into the formula and you say this formula, including the increment, will give an adequate pension, you are really saying—are you not?—that adequate pensions according to your standards, whatever the standard may be, will not be attained until 30 or 40 years from now, until the average person drawing a pension has had the benefit of the increment over a lifetime of employment in industry? If we assume that a lifetime of employment in industry is in the neighborhood of 40 years, that would mean that adequate pensions by whatever standard you accept will not be attained until 40 years hence.

So, Mr. President, we think we are on sound ground, and we ask for rejection of the amendment.

The PRESIDING OFFICER. The question is on the amendment lettered "B" offered by the Senator from Pennsylvania [Mr. MYERS] for himself and other Senators, on page 267, line 3.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment was rejected.

Mr. IVES. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 374, between lines 3 and 4, it is proposed to insert the following:

INCOME-TAX EXEMPTION WITH RESPECT TO $3,000 OF GOVERNMENTAL PENSIONS, RETIRED PAY, OR ANNUITIES

SEC. 210. (a) Section 22 (b) (2) of the Internal Revenue Code (relating to annuities, and so forth) is amended by inserting at the end thereof a new subparagraph to read as follows:

"(C) Pensions, retired or retirement pay and annuities.—In the case of amounts received from the United Staes, any State or political subdivision thereof, or any agency or instrumentality of any of the foregoing, as a pension, retired or retirement pay, or as a retirement annuity, so much of such pension, pay, or annuity received during the taxable year as does not exceed $3,000 shall be excluded from gross income. For the purposes of this subparagraph the term 'State' includes a Territory, a possession of the United States, and the District of Columbia. For the purposes of the second sentence of subparagraph (A) of this paragraph the amounts received as an annuity which are excluded from gross income under this subparagraph shall not be considered in computing the amount 'received as an annuity', or the 'amount received in the taxable year', or the 'aggregate amount excluded from gross income under this chapter'. Nothing in this subparagraph shall be deemed to require the inclusion in gross income of any amounts received during the taxable year which are excludable from gross income under other provisions of law."

(b) The amendment made by this section shall be applicable only with respect to taxable years beginning after December 31, 1950.

Mr. GEORGE. Mr. President, while I dislike to do so, I must raise a point of order against the amendment. The point of order is that it is not germane to the social-security bill.

Mr. IVES. Mr. President, will the Senator withhold his point of order for a moment?

Mr. GEORGE. I withhold it for the moment.

Mr. IVES. In that connection, the Senator from New York would like to point out that the amendment is an amendment to the committee amendment of section 1631 of the Internal Revenue Code, as indicated on page 372 of the bill. Otherwise the Senator from New York would not have offered it.

Mr. GEORGE. The language to which the Senator refers does not deal at all with old-age and survivors insurance nor with the Social Security Act. The amendment is not germane to the bill. When the unanimous-consent agreement was entered into it was agreed that no amendment not germane to the bill would be pressed.

Mr. IVES. Mr. President, I recognize that the question of germaneness exists, but I still think it is debatable. The Senator from New York would still point out that this is an amendment to the Internal Revenue Code, which is mentioned in the bill. Although it is not applicable perhaps to social security, it is applicable generally to pensions, with which social security itself deals.

The PRESIDING OFFICER. Under the unanimous-consent agreement——

Mr. IVES. Mr. President, will the Chair rule on the point of order?

The PRESIDING OFFICER. The Chair was about to rule.

Under the unanimous-consent agreement, that amendments not germane shall not be considered, a point of order can be raised against such amendments. When such a point of order is raised, it is submitted to the Senate to decide whether the amendment is germane. That is done without debate. If the Senator wishes the question whether his amendment is germane to be submitted to the Senate, he may have it submitted.

Mr. IVES. Mr. President, in view of the fact that the Senator from New York feels that the amendment is a rather important one, and in view of the fact also that the Senator from New York feels that the amendment is germane to the over-all subject, the Senator from New York would like to have the question submitted.

The PRESIDING OFFICER. The question submitted to the Senate is, Is the amendment offered by the Senator from New York germane? [Putting the question.] The "noes" have it, and the amendment is held not to be germane.

Mr. IVES. Mr. President, I ask unanimous consent to have incorporated in the body of the RECORD at this point a statement I have prepared in support of the amendment which was just now declared to be not germane.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR IVES ON INCOME TAX EXEMPTION FOR RETIREMENT PENSIONS, UP TO $2,000 PER ANNUM, RECEIVED UNDER FEDERAL, STATE, OR MUNICIPAL GOVERNMENT SYSTEMS

The purpose of this amendment is to grant an income tax exemption for retirement pensions—up to $2,000 per annum—received by members of Federal, State, or municipal pension systems.

At the present time, a similar privilege of tax-exclusion has been widely extended. Statutory exemptions exclude both benefits paid under the Railroad Retirement Act and the pay of Armed Forces officers retired for medical reasons. Further, a Treasury ruling makes benefits paid under old-age and survivors insurance nontaxable income. The proposed amendment would remedy this existing inequity which exempts these benefits while pensions paid under Government retirement plans are included as taxable income. Such obviously unfair treatment should not be permitted to continue.

Data submitted to me by the Civil Service Employee's Association of New York State and the New York City Employee's Retirement System show clearly the hapless position of many Government pension recipients. It is this small fixed-income group that has suffered most severely from the inflationary squeeze. As prices have risen, their meager fixed incomes have been able to purchase fewer and fewer of the necessities of daily living. Their plight must not remain ignored.

This amendment would both remedy an existing unfairness and help a group which has been particularly hard-hit by recent price rises. An estimate made by the staff of the Joint Committee on Internal Revenue Taxation indicates that—were the tax exemption to be complete, and not limited to income below $2,000—the total revenue loss to the Federal Government would be approximately $7,750,000. This comparatively small loss in revenue is more than offset by the remedial effect of the proposal on a presently inequitable situation. The larger benefits to be achieved should not be precluded by such small cost.

Mr. SCHOEPPEL. Mr. President, I call up the amendment which I sent to the desk earlier in the day and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 261, in line 21, after the word "director", it is proposed to insert: "or other accountant registered or licensed as an accountant under States or municipal law."

On page 360, in line 12, after the word "director", it is proposed to insert "or other accountant registered or licensed as an accountant under State or municipal law."

Mr. GEORGE. Mr. President, let me say that the Finance Committee was canvassed on this amendment this morning, and considered it, and decided that the amendment is a meritorious one; and we make the recommendation that it be accepted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. SCHOEPPEL].

The amendment was agreed to.

Mr. CAIN. Mr. President, I call up Senate Joint Resolution 137, which I introduced yesterday; and I now offer it as an amendment, at the proper place, to the committee amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill, it is proposed to insert the following:

That service or employment of any person to assist the Senate Committee on Finance, or its duly authorized subcommittee, in the investigation ordered by S. Res. 300, agreed to June 20, 1950, shall not be considered as service or employment bringing such person within the provisions of section 281, 283, or 284 of title 18 of the United States Code, or any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation with any claim, proceeding, or matter involving the United States.

Mr. GEORGE. Mr. President, let me say to the distinguished Senator from Washington that the committee is willing to accept the amendment and take it to conference. Of course, there is no similar provision in the House version of the bill.

Mr. CAIN. I understand.

Mr. GEORGE. But inasmuch as the amendment would probably result in direct aid and assistance to the committee which we have already voted to establish, the House probably would not object. At any rate we would be glad to take it to conference, if that is agreeable.

Mr. CAIN. Let me say that the only purpose in offering the amendment is to be of some constructive help to the committee in the performance of its work

under Senate Resolution 300, which was agreed to by the Senate this afternoon.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington.

The amendment was agreed to.

Mr. MYERS. Mr. President, I call up my amendment D, submitted on June 16. It is the so-called total and permanent disability amendment.

The PRESIDING OFFICER. The amendment is a very long one. Does the Senator from Pennsylvania desire to have it read in full?

Mr. MYERS. No, Mr. President. I ask that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, that will be done.

The amendment submitted by Mr. MYERS, for himself, Mr. GREEN, Mr. HUMPHREY, Mr. KILGORE, Mr. LEHMAN, Mr. MURRAY, Mr. MORSE, Mr. NEELY, Mr. PEPPER, and Mr. THOMAS of Utah, is as follows:

On page 209, line 14, after the word "benefits" and before the comma insert "or was entitled to disability insurance benefits for the month preceding the month in which he attained retirement age."

On page 254, line 19, strike out "219" and insert in lieu thereof "221."

On page 255, lines 1 and 9, strike out "219" and insert in lieu thereof "221."

On page 259, line 8, strike out "219" and insert in lieu thereof "221."

On page 260, lines 12 and 19, strike out "219" and insert in lieu thereof "221."

On page 263, between lines 23 and 24, insert the following:

"(ii) no quarter any part of which is included in a period of disability (as defined in section 219 (i)), other than the initial or last quarter, shall be a quarter of coverage."

On page 263, line 24, strike out "(ii)" and insert in lieu there of "(iii)."

On page 264, line 1, strike out "clause (i)" and insert in lieu thereof "clauses (i) and (ii)."

On page 264, line 3, strike out "(iii)" and insert in lieu thereof "(iv)."

On page 264, line 7, after "shall", insert "(subject to clause (ii))."

On page 264, line 8, strike out "(iv)" and insert in lieu thereof "(v)."

On page 266, line 7, strike out "or."

On page 266, strike out line 8, and insert in lieu thereof:

"(B) twenty quarters of coverage within the 40-quarter period ending with the quarter in which he attained retirement age or with any subsequent calendar quarter or ending with the quarter in which he died; or

"(C) forty quarters of coverage;

not counting as an elapsed quarter for purposes of subparagraph (A), and not counting as part of the 40-quarter period referred to in subparagraph (B), any quarter any part of which is included in a period of disability (as defined in sec. 219 (i)) unless such quarter is a quarter of coverage."

On page 266, line 10, strike out "or (2) (A)" and insert in lieu thereof "or in clause (A) or (B) of paragraph (2)."

On page 266, between lines 11 and 12, insert the following:

"(4) If an individual upon attainment of retirement age is not, under paragraph (2), a fully insured individual but (were it not for his attainment of retirement age) would have been entitled to a disability insurance benefit for the month in which he attained retirement age or for any subsequent month, he shall be a fully insured individual beginning with the first month for which he would have been so entitled to disability insurance benefits. For the purpose of determining whether an individual would have been so entitled to disability insurance benefits, his application for old-age insurance benefits shall be considered as an application for disability insurance benefits."

On page 266, line 19, strike out the period and insert in lieu thereof ", excluding from such 13-quarter period any quarter any part of which is included in a period of disability unless such quarter is a quarter of coverage."

On page 268, line 11, strike out the period and insert "and any month in any quarter any part of which is included in a period of disability (as defined in sec. 219 (i)) unless such quarter is a quarter of coverage, and excluding from such total of wages and self-employment income any wages paid in or self-employment income credited to any quarter any part of which is included in a period of disability unless such quarter is a quarter of coverage."

On page 268, line 17, after the words "shall be" insert the words "(i) for the purposes of benefits under section 202."

On page 268, line 20, strike out the period and insert ", and (ii) for purposes of disability insurance benefits (under sec. 219) shall be the first day of the quarter in which his disability determination date occurred."

On page 268, line 23, after the word "under", insert "clause (i) of."

On page 268, line 24, after the words "closing date", insert "for the purposes of benefits under section 202."

On page 269, line 7, after "(B)" insert "for the purposes of benefits under section 202."

On page 269, line 16, strike out the period and insert in lieu thereof "or, if the computation is being made for an individual who is entitled to disability insurance benefits with respect to a disability, in or after the month in which occurs his disability determination date for such disability."

On page 273, line 7, after the word "benefits", insert "or his disability determination date."

On page 273, between lines 15 and 16, insert the following:

"(E) For the purposes of this paragraph the term 'primary insurance benefit' includes disability insurance benefit."

On page 297, between lines 5 and 6, insert the following:

"DISABILITY INSURANCE BENEFITS

"SEC. 107. Title II of the Social Security Act is amended by adding after section 218 (added by section 106 of this act) the following:

"'PERMANENT AND TOTAL DISABILITY INSURANCE BENEFITS

*"'Conditions of entitlement*

"'SEC. 219. (a) (1) Every permanently and totally disabled individual (as defined in subsection (h)) who—

"'(A) has not attained retirement age;

"'(B) has filed application for disability insurance benefits;

"'(C) is insured for disability insurance benefits; and

"'(D) has been under a disability throughout his waiting period, shall be entitled to a disability insurance benefit for each month, beginning with the first month after his waiting period in which he becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: he ceases to be a permanently and totally disabled individual, dies, or attains retirement age. Such individual's disability insurance benefit for any month shall be equal to his primary insurance amount (as defined in section 215 (a)) for such month.

"'(2) The term "waiting period" means, with respect to the disability of any individual, the period beginning with the calendar month in which occurred his disability determination date (as determined under subsection (c)) and ending at the expiration of the sixth calendar month following such month.

"'(3) An individual who would have been entitled to a disability insurance benefit for any month had he filed application therefor prior to the end of such month shall be entitled to such benefit for such month if he files application therefor prior to the end of the sixth month succeeding such month; except that the provisions of this paragraph shall not apply for purposes of determining a period of disability (as defined in subsection (i)), or when a disability determination date occurred.

"'(4) No application for disability insurance benefits filed prior to 7 months before the first month for which the applicant becomes entitled to receive such benefits shall be accepted as an application for purposes of this section.

*"'Determination of insured status*

"'(b) An individual is insured for purposes of disability insurance benefits if he had not less than—

"'(1) six quarters of coverage (as determined under section 213 (a) (2)) during the thirteen-quarter period which ends with the quarter in which his disability determination date occurred; and

"'(2) twenty quarters of coverage during the forty-quarter period which ends with the quarter in which his disability determination date occurred.

In case such individual was previously entitled to disability insurance benefits, there shall be excluded from the count of the quarters in each period specified in paragraphs (1) and (2) any quarter any part of which was included in a period of disability unless such quarter is a quarter of coverage.

*"'Disability determination date*

"'(c) An individual's disability determination date shall be whichever of the following days is the latest:

"'(1) The day the disability began;

"'(2) June 30, 1951;

"'(3) The first day of the thirteenth month prior to the month in which he filed such application; or

"'(4) The first day of the first quarter in which he would be insured for disability insurance benefits with respect to such disability if he had filed application therefor in such quarter.

*"'Determination of disability*

"'(d) The Administrator shall make adequate provision for determination of disability and redeterminations thereof at necessary intervals; he shall provide for such examination of individuals as is necessary for purposes of determining or redetermining disability and entitlement to benefits by reason thereof. An individual shall not be deemed a permanently and totally disabled individual unless he furnishes such proof of his disability as may be required by regulation; and unless the evidence in the case affirmatively establishes his disability. Reexaminations for redetermining the disability of an individual shall be made at periodic intervals except that the Administrator may dispense with such reexaminations of an individual after he has been entitled to disability benefits for 2 years upon finding that such examinations serve no further purpose. Official medical examinations may be performed in existing medical facilities of the Federal Government if services are readily available, and by impartial private physicians, clinics, hospitals, or other medical facilities designated for conducting such examinations. In the case of any individual submitting to an examination to determine his disability there may be paid (1) the necessary travel expenses (including subsistence expenses incidental thereto), either on a flat rate or a commuted basis, of such individual in connection with such examination, and (2) if the examination is made by an in-

dividual who is not an employee of the United States, there may be paid, either directly or through appropriate Federal or State departments, agencies, or commissions, the necessary fees, costs of tests, and necessary travel expenses, either on a flat rate or a commuted basis, for such examination. There is hereby authorized to be appropriated for each fiscal year from the Trust Fund such amount as may be necessary for the purpose of this subsection.

"'*Reduction of benefit*

"'(e) (1) Where a benefit is payable to any individual under this section and a workmen's compensation benefit or benefits have been or are paid to such individual on account of the same disability for the same month, such individual's benefit under this section for such month shall, prior to any deductions under section 220, be reduced by one-half, or by an amount equal to one-half of such workmen's compensation benefit or benefits, whichever is the smaller.

"'(2) In case the benefit of any individual under this section is not reduced as provided in paragraph (1) because such benefit is paid prior to the payment of the workmen's compensation benefit, the reduction shall be made by deductions, at such time or times and in such amounts as the Administrator may determine, from any other payments under this title payable on the basis of the wages and self-employment income of such individual.

"'(3) If the workmen's compensation benefit is payable on other than a monthly basis (excluding a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments), reduction of the benefits under this subsection shall be made in such amounts as the Administrator finds will approximate, as nearly as practicable, the reduction prescribed in paragraph (1).

"'(4) In order to assure that the purposes of this subsection will be carried out, the Administrator may, as a condition to certification for payment of any disability insurance benefit payable to an individual under this section (if it appears to him that there is a likelihood that such individual may be eligible for a workmen's compensation benefit which would give rise to a reduction under this subsection), require adequate assurance of reimbursement to the trust fund in case workmen's compensation benefits, with respect to which such a reduction should be made, become payable to such individual and such reduction is not made.

"'(5) For purposes of this subsection, the term "workmen's compensation benefit" means a cash benefit, allowance, or compensation payable under any workmen's compensation law or plan of the United States or of any State.

"'*Termination of entitlement to benefits by Administrator*

"'(f) In any case in which an individual has refused to submit himself for examination or reexamination in accordance with regulations of the Administrator, or has without good cause refused to take all steps necessary to obtain and to accept rehabilitation services available to him under a State plan approved under the Vocational Rehabilitation Act (29 U. S. C., ch. 4) after being directed by the Administrator to do so, the Administrator may find, solely because of such refusal, that such individual is not a permanently and totally disabled individual or that his disability (previously determined to exist) has ceased. The Administrator may find that an individual is not a permanently and totally disabled individual or that his disability (previously determined to exist) has ceased, if such individual is outside the United States and the Administrator finds that adequate arrangements have not been made for determining or redetermining such individual's disability.

"'*Cooperation with agencies and groups*

"'(g) The Administrator is authorized to secure the cooperation of appropriate agencies of the United States, of States, or of the political subdivisions of States and the cooperation of private medical, dental, hospital, nursing, health, educational, social, and welfare groups or organizations, and where necessary to enter into voluntary working agreements with any of such public or private agencies, organizations, or groups in order that their advice and services may be utilized in the efficient administration of this section.

"'*Definitions of "disability" and "permanently and totally disabled individual"*

"'(h) For the purposes of this title—

"'(1) the term "disability" means (A) inability to engage in any substantially gainful activity by reason of any medically demonstrable physical or mental impairment which is permanent, or (B) blindness; and the term "permanently and totally disabled individual" means an individual who has such a disability; and

"'(2) the term "blindness" means central visual acuity of 5/200 or less in the better eye with correcting lenses. An eye in which the visual field is reduced to five degrees or less concentric contraction shall be considered for the purposes of this paragraph as having a central visual acuity of 5/200 or less.

"'*Definition of "period of disability"*

"'(i) As used in this title the term "period of disability" means, with respect to any individual, a period of one or more consecutive calendar months for each of which such individual was entitled to a disability insurance benefit and the six calendar months, preceding the first month of such period of one or more consecutive calendar months, except that if such individual ceases to be entitled to disability insurance benefits with respect to a disability because he dies or attains retirement age, the month in which such individual died or attained such age, as the case may be, shall also be included in the period of disability with respect to such disability.

"'*Rehabilitation*

"'(j) There is hereby authorized to be appropriated for each fiscal year from the trust fund such amount as may be necessary to provide rehabilitation services for the rehabilitation of disabled individuals who are entitled to disability insurance benefits or serving a waiting period for such benefits, where it appears that such services may aid in enabling such disabled individuals to return to gainful work. Insofar as practicable, such services shall be provided through utilization of the services and facilities of State agencies (or corresponding agencies in the case of Territories or possessions) cooperating with the Federal Government in carrying out the purposes of the Vocational Rehabilitation Act, as amended (29 U. S. C., ch. 4). Agencies providing such services shall be reimbursed for the cost thereof.

"'DEDUCTIONS FROM DISABILITY INSURANCE BENEFITS

"'*Events for which deductions are made*

"'SEC. 220. (a) Deductions, in such amounts and at such time or times as the Administrator shall determine, shall be made from any payment or payments under this title to which an individual is entitled, until the total of such deductions equals such individual's benefit under section 219 for any month—

"'(1) in which such individual rendered services as an employee (whether or not such services constitute employment as defined in section 210) for remuneration of more than $50; or

"'(2) for which such individual is charged, pursuant to the provisions of subsection (c) of this section, with net earnings from self-employment (as determined pursuant to subsection (d)) of more than $50; or

"'(3) in which such individual fails to submit himself for examination in accordance with regulations of the Administrator; or

"'(4) in which such individual refuses without good cause to accept rehabilitation services available to him under a State plan approved under the Vocational Rehabilitation Act after direction by the Administrator to do so; or

"'(5) in which such individual is outside the United States if the Administrator finds that adequate arrangements have not been made for determining or redetermining the existence of the disability of such individual. The Administrator may, if in his judgment it will aid in the process of rehabilitation of any individual, suspend or modify the application of paragraphs (1) and (2) of this subsection for any month during which such individual is receiving rehabilitation services under a State plan approved under the Vocational Rehabilitation Act; except that the Administrator may not so suspend or modify the application of such paragraphs for any month after the eleventh month following the first month for which such suspension or modification was applicable.

"'*Occurrence of more than one event*

"'(b) If more than one event occurs in any 1 month which would occasion deductions equal to a benefit for such month, only an amount equal to such benefit shall be deducted. The charging of net earnings from self-employment to any month shall be treated as an event occurring in the month to which such net earnings are charged.

"'*Months to which net earnings from self-employment are charged*

"'(c) For the purposes of subsection (a) (2) of this section—

"'(1) If an individual's net earnings from self-employment for his taxable year are not more than the product of $50 times the number of months in such year, no month in such year shall be charged with more than $50 of net earnings from self-employment.

"'(2) If an individual's net earnings from self-employment for his taxable year are more than the product of $50 times the number of months in such year, each month of such year shall be charged with $50 of net earnings from self-employment, and the amount of such net earnings in excess of such product shall be further charged to months as follows: The first $50 of such excess shall be charged to the last month of such taxable year, and the balance, if any, of such excess shall be charged at the rate of $50 per month to each preceding month in such year until all of such balance has been applied, except that no part of such excess shall be charged to any month (A) for which such individual was not entitled to a benefit under this title, (B) in which an event described in paragraph (1), (3), (4), or (5) of subsection (a) occurred, or (C) in which such individual did not engage in self-employment.

"'(3) As used in paragraph (2), the term "last month of such taxable year" means the latest month in such year to which the charging of the excess described in such paragraph is not prohibited by the application of clauses (A), (B), and (C) thereof.

"'(4) For the purposes of clause (C) of paragraph (2), an individual will be presumed, with respect to any month, to have been engaged in self-employment in such month until it is shown to the satisfaction of the Administrator that such individual rendered no substantial services in such month with respect to any trade or business

the net income or loss of which is includible for the purposes of this subsection in computing his net earnings from self-employment for any taxable year. The Administrator shall by regulations prescribe the methods and criteria for determining whether or not an individual has rendered substantial services with respect to any trade or business.

"'*Special rule for computation of net earnings from self-employment*

"'(d) For the purposes of this section, an individual's net earnings from self-employment for any taxable year shall be computed as provided in section 211 with the following adjustments:

"'(1) Such computation shall be made without regard to the provisions of subsections (a) (2), (c) (1), (c) (4), and (c) (5) of section 211; and

"'(2) Such computation shall be made without regard to the provisions of sections 116, 212, 213, 251, and 252 of the Internal Revenue Code.

"'*Penalty for failure to report certain events*

"'(e) Any individual in receipt (on behalf of himself or another individual) of benefits subject to deduction under subsection (a) because of the occurrence of an event specified therein (other than an event described in paragraph (2) thereof) shall report such occurrence to the Administrator prior to the receipt and acceptance of a disability insurance benefit for the second month following the month in which such event occurred. If such individual knowingly fails to report any such occurrence, an additional deduction equal to that imposed under such subsection shall be imposed, except that the first additional deduction imposed by this subsection in the case of any individual shall not exceed an amount equal to 1 month's benefit even though the failure to report is with respect to more than 1 month.

"'*Report to Administrator of net earnings from self-employment*

"'(f) (1) If an individual is entitled to any disability insurance benefit during any taxable year in which he has net earnings from self-employment in excess of $50 times the number of months in such year, such individual (or the individual in receipt of such benefit on his behalf) shall make a report to the Administrator of his net earnings from self-employment for such taxable year. Such report shall be made on or before the fifteenth day of the third month following the close of such year, and shall contain such information and be made in such manner as the Administrator may by regulations prescribe. If the individual fails within the time prescribed above to make such report of his net earnings from self-employment for any taxable year and any deduction is imposed under subsection (a) (2) of this section by reason of such net earnings—

"'(A) such individual shall suffer one additional deduction in an amount equal to his benefit for the last month in such taxable year for which he was entitled to a disability insurance benefit; and

"'(B) if the failure to make such report continues after the close of the fourth calendar month following the close of such taxable year, such individual shall suffer an additional deduction in the same amount for each month during all or any part of which such failure continues after such fourth month;

except that the number of the additional deductions required by this paragraph shall not exceed the number of months in such taxable year for which such individual received and accepted disability insurance benefits and for which deductions are imposed under subsection (a) (2) by reason of such net earnings from self-employment. If more than one additional deduction would be imposed under this paragraph with respect to a failure by an individual to file a report required by this paragraph and such failure is the first for which any additional deduction is imposed under this paragraph, only one additional deduction shall be imposed with respect to such first failure.

"'(2) If the Administrator determines, on the basis of information obtained by or submitted to him, that it may reasonably be expected that an individual entitled to disability insurance benefits for any taxable year will suffer deductions imposed under subsection (a) (2) of this section by reason of his net earnings from self-employment for such year, the Administrator may, before the close of such taxable year, suspend the payment for each month in such year (or for only such months as the Administrator may specify) of such benefits payable to him; and such suspension shall remain in effect with respect to the benefits for any month until the Administrator has determined whether or not any deduction is imposed for such month under subsection (a). The Administrator is authorized, before the close of the taxable year of any individual entitled to benefits during such year, to request of such individual that he make, at such time or times as the Administrator may specify, a declaration of his estimated net earnings from self-employment for the taxable year and that he furnish to the Administrator such other information with respect to such net earnings as the Administrator may specify. A failure by such individual to comply with any such request shall in itself constitute justification for a determination under this paragraph that it may reasonably be expected that the individual will suffer deductions imposed under subsection (a) (2) of this section by reason of his net earnings from self-employment for such year.'"

On page 297, line 7, strike out "107" and insert in lieu thereof "108."

On page 297, line 8, strike out "218" and "106" and insert in lieu thereof "220" and "107", respectively.

On page 297, line 11, strike out "219" and insert in lieu thereof "221."

On page 297, line 21, strike out "108" and insert in lieu thereof "109."

On page 307, line 12, strike out "109" and insert in lieu thereof "110."

Mr. MYERS. Mr. President, I submitted the amendment on behalf of myself and nine other Senators. The amendment is referred to as the total-and-permanent disability amendment on the insurance side of this program.

This amendment proposes to restore the disability insurance feature substantially as it was recommended by the House Ways and Means Committee and as adopted by the House itself. This amendment, although it lacked the support of a majority of the Finance Committee, nonetheless received strong support from other committee members.

The Advisory Council on Social Security appointed by the Finance Committee in the Eightieth Congress, recommended—through 15 of its 17 members—that the social-security program be broadened to insure against income loss resulting from permanent and total disability prior to the retirement age of 65.

I might add that the American Medical Association—after long recognition that compensation for wage loss during disability had a beneficial influence upon ultimate recovery—said, through a resolution of its house of delegates in October 1947:

Social-security measures to maintain income such as disability insurance, old-age insurance, and public assistance are likewise of vital importance.

The house of delegates of the American Medical Association has taken no other official stand, although since 1947 some members of the AMA's board of trustees now oppose Federal disability insurance. However, it was brought out at the hearings before the Finance Committee that this opposition was not the official position of the AMA.

I might add that the only physician who served on the Senate Advisory Council joined in recommending disability insurance.

In submitting the disability insurance amendment last week, for myself and nine other Senators, we proposed two changes in the provisions of the House version of the bill. First, we clarified the duty of the applicant to submit proof of disability, placing upon him squarely the full burden of proof. As matters now stand, the applicant must be totally and permanently disabled, making it impossible for him to participate in any gainful employment. This disability must be demonstrable by clear medical evidence; a mere allegation of an aching back or some other ailment will not qualify him.

Moreover, after the disabled applicant's personal physician has submitted a diagnosis showing by medical evidence that the disability is total and permanent, the applicant is then required to go to an independent group of private physicians, specialists, who also make a diagnosis. The cost of this independent diagnosis is met out of program funds, in a fashion comparable to that adopted in many State and Federal programs.

A second change which we have incorporated is designed to expand State rehabilitation facilities. We contemplate earmarking part of the insurance trust-fund money for grants to States in order that they may further develop their existing facilities for rehabilitating disabled workers, and making it possible for them to engage once more in useful employment. But I wish to make it clear that we intend to have this rehabilitation work to be done exclusively by State and local governments by means of programs worked out to meet their individual needs.

The principle of disability insurance is completely consonant with the principle of insuring against wage loss resulting from retirement upon reaching a particular age. Disability is simply a compulsory retirement brought about by aging more rapidly as a consequence of accident or disease. The problems faced through income loss upon retirement are comparable, whether the cause is old age or disability. At any one time, some 2,000,000 people in America between the ages of 14 and 65 are permanently and totally disabled. This amendment would be of but little help to those presently disabled, but in the future perhaps as many as 1,000,000 disabled persons would become eligible for disability insurance payments under the present coverage of social security.

When we consider that 9 out of 10 accidents which lead to total and permanent disability are not work-connected, it is readily evident that workmen's compensation laws and private industrial-accident insurance are scarcely adequate to meet the needs of our disabled. Worse

still, the disabled person and his family faced with complete income loss are forced upon the local relief rolls, because public charges, and their needs are but scantily met. Extension of the self-supporting contributory insurance principle to guarantee workers against wage loss is a far preferable solution.

I urge the Senate to adopt the amendment. It will amount to a level premium rate of six-tenths of 1 percent of pay roll—a small cost indeed in terms of the good it will accomplish.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MYERS. I am happy to yield to the distinguished majority leader.

Mr. LUCAS. Does the Senator agree with me that the amendment does not provide any medical service under the total and permanent disability sections?

Mr. MYERS. That is quite true.

Mr. LUCAS. Does the Senator also agree that the only time a doctor will be connected with this program will be when he is called in to prove the fact of total and permanent disability?

Mr. MYERS. That is correct.

Mr. LUCAS. Does the Senator see that any socialized medicine is involved in this particular amendment, as is claimed by certain doctors?

Mr. MYERS. Of course, there cannot be, when the house of delegates of the American Medical Association itself went on record in favor of such a provision, and did so as recently as 1947.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. MYERS. Yes; I am happy to yield.

Mr. LUCAS. In connection with the last statement made, I should like to read into the RECORD the recommendations, in 1947, under a joint statement, planning for the chronically ill, by the American Hospital Association, the American Public Welfare Association, the American Public Health Association, and the American Medical Association:

> Other measures which enable chronically ill persons to be cared for at home include improved housing, supervised boarding homes, medical social service, recreational and occupational therapy, and vocational rehabilitation. Social-security measures to maintain income, such as disability insurance, old-age insurance, and public assistance, are likewise of vital importance.

Those recommendations are taken from the Journal of the American Medical Association of October 11, 1947.

Mr. MYERS. I thank the Senator.

Mr. DOUGLAS. Mr. President, to the amendment of the Senator from Pennsylvania, I call up two amendments which now lie at the desk, and which I ask to have stated.

The PRESIDING OFFICER. Which one does the Senator desire to have stated first?

Mr. DOUGLAS. That offered on page 6, in line 23.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. To the amendment proposed by Mr. MYERS, for himself and other Senators, the following amendment is proposed:

On page 6, line 23, before the period, insert a colon and the following: *"Provided, however,* That no individual shall receive a disability insurance benefit if the disability—

"(A) was incurred, contracted, or suffered while such individual was willfully and illegally engaged in, or resulted from his having willfully and illegally engaged in any felonous criminal action; or

"(B) was incurred, contracted, or suffered while such individual was under the influence of intoxicants, drugs, or narcotics, unless administered upon the prescription of a person duly licensed by law to practice medicine; or

"(C) was occasioned by the willful intention of such individual to injure or kill himself; or

"(D) was occasioned by the service of such individual in the Armed Forces of the United States or her allies, provided he receives a military disability benefit; or

"(E) was incurred as a result of a venereal disease."

Mr. DOUGLAS. Mr. President, will the clerk read also the second amendment, on page 9, line 11?

The PRESIDING OFFICER. Does the Senator from Illinois wish the two amendments considered en bloc?

Mr. DOUGLAS. I should prefer to have that done.

The PRESIDING OFFICER. Without objection, the two amendments will be so considered. The clerk will state the second amendment.

The LEGISLATIVE CLERK. On page 9, line 11, it is proposed to strike out the word "may" and insert in lieu thereof the word "shall."

On page 9, line 15, after the period, insert the following:

> The Administrator shall, in consultation with recognized private and governmental medical authorities, establish such medical standards, schedules, or guides for the determination of permanent and total disability as are not inconsistent with this section.

Mr. DOUGLAS. Mr. President, I want to congratulate the Senator from Pennsylvania and those who joined with him, including my colleague, the senior Senator from Illinois, on the amendment which they have just offered. It deals with one of the most severe problems that we have in the United States, namely, the problem of those who are permanently and totally disabled, but who are not cared for under workmen's compensation laws.

I believe the total number of these persons will run into the hundreds of thousands. They are at present uncared for, and I think it highly important that we adapt our system of social security so that we may take care of them.

I also want to congratulate the Senator from Pennsylvania and his colleagues for including two safeguards which were not originally in the bill as it was passed by the House. I believe his additions were aimed at tightening up the section on the determination of disability in order to require clear proof and to put the burden of proof upon the claimant and to expand the requirements for examinations. Also, his amendment gives greater emphasis to the linking of the disability benefit system with rehabilitation in every case where there is any possibility of returning the individual to gainful employment. This is vital.

The two amendments which I have proposed would introduce additional safeguards against the possibility of abuse by claimants of permanent and total disability, and would exclude from coverage certain risks which I believe an individual should not seek to have insured by a disability plan.

The first amendment which I have proposed would exclude individuals who incur their disability, first, in the commission of a felony; second, under the influence of intoxicants, drugs, or narcotics, unless prescribed by a doctor; third, by willful self-infliction; fourth, in the armed services, provided they receive a military disability benefit; and fifth, as a result of venereal disease. All these are excluded.

The second amendment makes mandatory the use of Government or private medical facilities in the determination of disability and directs the administrator in consultation with medical authorities to establish standards or guides for the determination of disability.

I have discussed these proposals with the Senator from Pennsylvania, and I believe that I am authorized by him to state that, so far as he is concerned, he is willing to accept them as improving amendments to his amendment.

Mr. MYERS. I think the amendments offered by the Senator from Illinois do improve my amendment. They tighten it up. They will help prevent malingering. Therefore I willingly accept those amendments and incorporate them in my own amendment.

Mr. DOUGLAS. Mr. President, I hope that these improving amendments may be accepted and then, that the entire amendment as proposed by the Senator from Pennsylvania and his colleagues may also be agreed to by the Senate.

The PRESIDING OFFICER. Does the Senator from Pennsylvania modify his amendment to include these?

Mr. MYERS. I modify my amendment to include the amendments just offered by the Senator from Illinois.

Mr. GEORGE. Mr. President, how much time remains?

The PRESIDING OFFICER. Ten minutes.

Mr. GEORGE. I will take but a minute or a minute and a half, and will leave the remainder of the time at the disposal of the distinguished Senator from Colorado.

Mr. President, the Senate Finance Committee opposes this amendment. First, the matter will be in conference anyway. It can be considered fully in conference, and there is little practical advantage in tying the hands of the Senate conferees on all the important provisions in this bill and leaving us at the mercy of the House conferees, although presumably they will have good provisions which they will wish us to take. Yet we are representing this body when it is in conference.

In the second place, this is a very sharply disputed question. It is one on which the Finance Committee took a

great deal of testimony. It has been in sharp conflict all the time among the experts who are familiar with this problem.

In the third place, it adds from one-half to three-fourths of a percent to the deductions from the entire payrolls of the country. In other words, it greatly increases the total burden on our economy and brings us back again to the point which I have tried to stress over and over and over, that we have brought forth a bill which is a good bill, which has merit in it; we have given all that our economy can really with assurance shoulder. Yet here are these efforts, by way of amendments which are offered and insisted upon, that would add and add and add to the total cost of this bill.

Mr. President, the insurance companies themselves tried this question of disability insurance. They have practically abandoned it. Why? Because there is no way to insure against disability without opening up the whole system to all sorts of questions. It is possible to insure against premature death, it is possible to insure against arrival at a time when people ought to retire. But when we insure against disability and put the Federal Government into that field, then it is opening up an avenue for the expenditure of vast sums of money, which will certainly embarrass us, particularly when we are here offering the most ambitious social-security program which has ever been offered to the country.

Mr. President, there are 35,000,000 people now under social security, and we are multiplying the advantages of the present system by practically 100 percent, for the past and for the future. We are bringing in 10,000,000 more people. There are 1,600,000 persons under the Railroad Retirement Act. There are about 1,200,000 under the Federal Employees Retirement Act. There are from 2,400,000 to 2,600,000 under the State and municipal system. So that when this bill passes we shall have given a maximum insurance against the real, absolute certainties against which it is possible to take appropriate safeguards, namely, arrival at retirement age, or premature death, to more than 51,000,000 people in the United States.

When we subtract from the total population the men and women in the Armed Forces who do not enter into the labor pool, it is possible to see that about the only people omitted from this system are the farmer, the migrant farm worker, and the occasional domestic servant, together with a few professionals, 400,000 of them, perhaps, who do not want to come under the system.

We want the system to carry itself. We want a system which will be sound. We do not want the Senate to vote it down and change it to the extent that the economy cannot support it. The only way we can support a social-security system is to have an economy that will do it. It will become as worthless as a scrap of paper if we break down the economy. We cannot take from $10,000,000,000 to $12,000,000,000 a year from our economy without passing it immediately back into the economy, without hurt. Therefore, I hope that this amendment, as amended, will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Pennsylvania [Mr. MYERS] for himself and other Senators.

The amendment was rejected.

Mr. LEHMAN. Mr. President, I wish to call up the amendment proposed by myself, the Senator from Montana [Mr. MURRAY], and the Senator from Minnesota [Mr. HUMPHREY], with regard to including tips and gratuities.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from New York.

The LEGISLATIVE CLERK. On page 239, line 21, and on page 319, after line 14, it is proposed to insert the following:

Tips and other cash remuneration customarily received by an employee in the course of his employment from persons other than the person employing him shall, for the purposes of this title, be considered as remuneration paid to him by his employer: *Provided, however,* That in the case of tips only so much of the amount thereof received during any calendar quarter as the employee, before the expiration of 10 days after the close of such quarter, reports in writing to his employer as having been received by him in such quarter, shall be considered as remuneration paid by his employer: *And provided further,* That such amount shall not be considered as such remuneration unless there is in the possession of the employer wages of the employee from which the tax required under section 1400 of the Internal Revenue Code can be withheld, or unless the employee remits to the employer with his report an amount equal to the tax required to be withheld with respect to such wages. The amount so reported by the employee to the employer shall be considered as having been paid to the employee by the employer on the date on which such report is made.

Mr. LEHMAN. Mr. President, the purpose of this amendment is to include tips as wages for the purpose of computing contributions and benefits under the old-age and survivors insurance program. I urge the approval of this amendment.

Unless tips are included the whole purpose of the program for the workers affected is defeated. In the case of waiters, bellhops, club employees, and many others, tips are a major part, if not the greatest part of earnings.

Unless this amendment is approved, a great number of workers will be denied benefits based upon their total earnings, which is the principle of the entire insurance program.

The advisory council recommended the inclusion of tips in wages. The House Ways and Means Committee recommended it and the House approved it.

The Senate Finance Committee excluded tips with the comment, "To report tips would greatly add to the bookkeeping."

In my amendment the responsibility is placed squarely upon the employee to report his tips. The employer pays his contribution, just as the employee does, only upon the amount of tips reported. In this sense it is a voluntary system.

This amendment also contains a provision designed to meet the objection that the employer would be liable for the employee's contribution in cases in which the employer had no opportunity to deduct the employee contribution from his wages. This would be true in the case of waiters and others who work on special assignment only.

This objection has been met in my amendment by a provision that the tips could not be counted as wages unless the employer had in his possession wages for the employee from which the employer could deduct the amount of the tax, or unless the employee transmitted with his report of tips a sum of money equal to the employee tax. This should meet all the objections based on so-called administrative difficulties.

Of course I do not consider this objection very sound in the first place. The Bureau of Internal Revenue requires that employers furnish records on the estimated tips earned by their employees. Moreover, in computing workmen's compensation benefits, the injured worker receives a percentage of all his earnings, including tips. Thus, very little additional bookkeeping is required in any event.

It is to be borne in mind that employees who report their tips for social-security purposes would presumably also be reporting their tips for income-tax purposes. It is a compelling circumstance that the employees themselves are demanding this amendment. The Hotel and Restaurant Employees International Union and the American Federation of Labor are urgently supporting this proposal.

This amendment affects several million workers. There are 3,000,000 waiters and waitresses alone. To reject this amendment would be to provide these millions of workers with a protection which would be virtually meaningless.

Mr. GEORGE. Mr. President, I yield time to the Senator from Colorado [Mr. MILLIKIN] if he wishes to use any time.

Mr. LUCAS. Mr. President, will the Senator from Georgia yield 1 minute so that I may propound a question to him?

Mr. GEORGE. I yield.

Mr. LUCAS. Mr. President, I desire to return to the amendment offered by the Senator from Pennsylvania [Mr. MYERS] to provide for total permanent disability benefits, and ask the able chairman of the Finance Committee this question: Is there anything in the amendment which deals directly with what we refer to as socialized medicine?

Mr. GEORGE. I do not think so. I do not think that is a valid objection to the amendment. I think the validity of the objection to it rests upon the grounds which I undertook to express—the difficulty of administration and the added cost to the system, which we must always keep in mind.

Mr. LUCAS. I thoroughly understood the argument made by the Senator from Georgia, and the only reason I propounded the inquiry to him was because on my desk there are many letters from doctors in my State who contend that this particular amendment, providing for total permanent disability benefits, is a part of the socialized-medicine theory. That is something which I could not understand.

Mr. GEORGE. I do not think that is a valid objection, any more than I

think it is a valid objection to the original bill that it is a movement toward socialism.

Mr. LUCAS. I thank the Senator from Georgia.

Mr. GEORGE. Mr. President, with reference to the amendment offered by the Senator from New York, the Finance Commmittee rejected the provision for tips as part of compensation, but we have lowered the earnings per quarter in such way as not to injure persons who might supplement their earnings by tips. I therefore hope the Senate will reject the amendment.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. LEHMAN. The Senator from New York is not quite clear how the lowering of the number of quarters of employment affects the matter of tips which are a very large part of the income of a great many persons, hundreds of thousands, if not millions of persons.

Mr. GEORGE. I mean that we lowered the requirement that there must be $100 earned in a quarter. They come in with slightly lower than the $25 minimum fixed in the bill. If they earn less than $34 a month they would qualify.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from New York [Mr. LEHMAN].

The amendment was rejected.

Mr. BRIDGES. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

That, effective with respect to service performed after the calendar quarter in which this act is enacted, section 1426 (b) of the Internal Revenue Code (relating to the definition of employment) is amended (1) by striking out "or" at the end of paragraph (15), (2) by striking out the period at the end of paragraph (16) and inserting in lieu thereof "; or", and (3) by adding the following new paragraph:

"(17) Service performed by an individual who has attained the age of sixty-five."

Mr. BRIDGES. Mr. President, this amendment is a very simple one. The social-security law is based upon the fact that when a person is 65 years of age and has contributed under the provisions of the law, then, if he retires, he is entitled to draw certain benefits for the rest of his life. All the amendment provides for is that if a person 65 years of age and eligible to retire decides, instead of retiring and drawing benefits from the Government to help to support him, to continue to work beyond 65 years of age, thereby foregoing benefits from the Government during that period, he shall not pay social-security taxes from the time he becomes 65 years of age so long as he continues to work. It is a money-saving proposition. If he retires, he draws benefits from the Government. If he continues to work, the Government does not have to pay benefits for the years in which he continues to work. Therefore, it should not be collecting social-security taxes from him. It is one way of making a very definite gesture to the elderly persons who have the desire and ambition to work after they become 65 years of age. It is a simple amendment. It costs no money. Actually, it provides a saving to the Government, and I think it is sound procedure.

Mr. GEORGE. I do not wish to have adopted an amendment under which employees would have to go to an employer and tell him their age, especially so far as women who happen to be at work are concerned. I can see no point to it. We have liberalized provisions in the bill to the extent that an employee may continue to work after 65, and he may actually earn as much as $50 a month in covered employment. He is not obliged to quit. If he does quit he draws his social-security benefits, and he pays no other tax. It would seem that he should be taxed, if for any reason he prefers to work. This amendment has not been studied by the committee. It amounts to a remission of all social-security taxes after a person becomes 65 years of age. I say that we should not be asked to accept an amendment of this kind without having had an opportunity to study it.

Mr. BRIDGES. The amendment was introduced and referred to the Committee on Finance. It has been before the committee for several months. If it has not been studied, it is certainly not the fault of the Senator from New Hampshire.

Mr. GEORGE. I have never heard of the amendment. If it was offered, it escaped my attention. Has it been printed?

Mr. BRIDGES. It is printed. It was introduced on March 7, legislative day of February 22. It has been before the committee for 3 months.

The PRESIDING OFFICER. The Chair will state that the Senator from New Hampshire originally introduced the measure as a bill. Therefore it was not considered as an amendment to the pending measure. It was introduced as a bill.

Mr. GEORGE. As a tax measure the Committee on Finance would have no original jurisdiction over the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. BRIDGES].

The amendment was rejected.

Mr. MURRAY. Mr. President, I call up amendment G offered on behalf of the Senator from Florida [Mr. PEPPER], the Senator from New York [Mr. LEHMAN], and myself.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 241, lines 1 and 2, it is proposed to strike out "on each of some 60 days during such quarter" and insert in lieu thereof the following: "on each of some 40 days during such quarter."

On page 322, line 24, it is proposed to strike out "on each of some 60 days during such quarter" and insert in lieu thereof the following: "on each of some 40 days during such quarter."

Mr. MURRAY. Mr. President, this amendment would provide old-age and survivors insurance coverage for a much greater number of agricultural workers than is provided by the bill as reported to the Senate. H. R. 6000 as reported covers all agricultural workers earning $50 or more in cash in a calendar quarter who are "regularly" employed in that calendar quarter. The bill defines an agricultural worker as regularly employed in a calendar quarter if he works for his employer on 60 different days in that quarter or in the preceding quarter. Under the amendment we propose, a regularly employed agricultural worker would be one who worked for a single employer on 40 different days during a calendar quarter. This amendment would, in an average week, result in the coverage of approximately 775,000 agricultural workers.

We are concerned because H. R. 6000 excludes so many persons who are by no means casual or irregular workers. For example, the bill would exclude all the workers who work right through the cotton-chopping season for the same employer because the season does not last more than 45 days at the most. When the same folks return to their employers during the cotton-picking season, they would again be excluded because the 8 weeks of the cotton-picking season do not all fall in the same calendar quarter. Normally, part of the picking is done in the July–September quarter; the balance in the October–December quarter.

Can we justify denying these people insurance protection on the ground that they are not steady or regular employees? We think not. These workers and many others like them work in agriculture at one job or another in the same general locality, during 6 months or more of the year.

The 775,000 additional workers in agriculture who would be covered under our amendment would be persons with sufficient agricultural employment to benefit from such coverage. Moreover, since they would be employed by the same farmer over a period of several weeks, their farm employers would have little difficulty in reporting their wages and social-security contributions. We, therefore, hope that the Senate will act favorably on the amendment we propose and make the benefits of the insurance program possible for these additional agricultural workers.

Mr. GEORGE. Mr. President, I do not care to argue this matter. We have provided coverage for regularly employed farm workers if they are employed for 60 days within a 90-day period. One of our great difficulties in applying social security to farm workers and domestic workers is the problem of administration. Administrative difficulties are very great. The committee went as far as it could in taking care of workers regularly employed on farms, as well as regularly employed domestic servants. I think it would do no good to undertake to reduce the requirements by 20 days. Therefore, I hope the Senate will reject the amendment.

Mr. MURRAY. It seems to me that the people in this category are more entitled to this kind of insurance protection than any other group of workers, because they are poor and have no other means of income except what they get from this work. It seems to me to be

very cruel to prevent their getting coverage under this bill.

Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY] on behalf of himself and other Senators.

The amendment was rejected.

Mr. LEHMAN. Mr. President, I offer my amendment C.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 375, line 17, after "assistance" it is proposed to insert the following: "in the form of money payments."

On page 376, line 12, it is proposed to insert after "and" the following: "(2) an amount, which shall be used exclusively as old-age assistance other than in the form of money payments, equal to one-half of the total amounts expended during such quarter as old-age assistance other than in the form of money payments under the State plan, not counting so much of such expenditures with respect to any month in such form as exceed the product of $6 multiplied by the total number of individuals who receive old-age assistance under the State plan for such month."

On page 376, line 12, change "(2)" to "(3)."

On page 378, line 20 through line 2, page 379, strike out section 322 and insert in lieu thereof the following:

SEC. 322. (a) Effective October 1, 1950, section 403 (a) of the Social Security Act is amended to read as follows:

"COMPUTATION OF FEDERAL PORTION OF AID TO DEPENDENT CHILDREN

"SEC. 403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to dependent children, for each quarter, beginning with the quarter commencing October 1, 1950, (1) an amount, which shall be used exclusively as aid to dependent children equal to the sum of the following proportions of the total amounts expended during such quarter as aid to dependent children in the form of money payments under such plan, not counting so much of such expenditures with respect to any dependent child for any month as exceeds $30, or if there is more than one dependent child in the same house, as exceeds $30 with respect to one such dependent child and $20 with respect to each of the other dependent children—

"(A) three-fourths of such expenditures, not counting so much of any expenditures with respect to any month as exceeds the product of $12 multiplied by the total number of dependent children with respect to whom aid to dependent children is paid for such month, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A),

and (2) an amount, which shall be used exclusively as aid to dependent children other than in the form of money payments, equal to one-half of the total amounts expended during such quarter as aid to dependent children other than in the form of money payments under the State plan, not counting so much of such expenditures with respect to any month in such form as exceed the product of $3 multiplied by the total number of dependent children with respect to whom aid to dependent children is paid for any month under the State plan; and (3) an amount equal to one-half of the total of sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to dependent children, or both, and for no other purposes."

(b) The amendment made by subsection (a) shall take effect October 1, 1950.

On page 383, strike out lines 4, 5, and 6, and insert in lieu thereof the following:

Section 1003 (a) of the Social Security Act is amended to read as follows.

On page 383, line 14, after the word "blind" insert the following: "in the form of money payments."

On page 383, strike out lines 17 and 18, and insert in lieu thereof the following:

(A) three-fourths of such expenditures, not counting so much of any expenditures with respect to any month as exceeds the product of $20 multiplied by the total number of such individuals who receive aid to the blind for such month, plus

(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) an amount, which shall be used exclusively as aid to the blind other than in the form of money payments equal to one-half of the total amounts expended during such quarter as aid to the blind other than in the form of money payments under the State plan, not counting so much of such expenditures in any month in such form as exceed the product of $6 multiplied by the total number of individuals who receive aid to the blind under the State plan for such month; and (3) an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to the blind and for no other purposes.

(b) The amendment made by subsection (a) shall become effective October 1, 1950.

Mr. LEHMAN. Mr. President, this amendment would authorize Federal grants to States for the cost of medical, hospital, and other health care for the needy, the blind, dependent children, and other recipients of State aid.

This amendment carries out the recommendations of the Senate's Advisory Council on Social Security. This amendment is supported by all the great professional health organizations—the American Dental Society, the American Hospital Association, the American Medical Association, the American Nursing Association, the American Public Health Association, and the American Public Welfare Association.

Under the terms of my amendment, the Federal Government would provide grants to the States for medical care based on the number of individuals receiving public assistance, in all its forms, in these States.

Each State could receive up to $6 monthly per person for each adult and $3 monthly for each child on the public-assistance rolls. The Federal Government would provide up to 50 percent of the expenditures of each State for medical care for these individuals. The States moreover could apply these grants to the cost of medical care for all individuals as long as these costs do not exceed the total represented by $6 per adult and $3 per child for all individuals on the assistance rolls of the State concerned.

Both the House and Senate versions of the pending bill authorize the use of Federal public-assistance grants to pay for the cost of medical care for the needy. The hitch is in the fact that the maximum limit of $50 per month per individual for public assistance and medical care combined is retained.

This amount is obviously inadequate to meet the cost of any serious illness. It also puts medical care in competition with relief payments.

I believe that the cost of medical care should be considered apart from the cost of normal subsistence. In the long run, this is an economy, since preventive medical care forestalls serious illnesses which make the individuals concerned long-term occupants of the relief rolls. These grants would be administered, under the terms of my amendment, by the public health departments of the various States.

All of us are greatly concerned over the over-all problem of medical care. Here is one field in which there is no controversy and no opposition from the medical and other health associations. On the contrary this amendment is vigorously supported by them. It should be adopted.

Mr. GEORGE. Mr. President, I have only to say that we are making a real effort to reduce the expenditures under the assistance program, and to increase the benefits under the old-age and survivors insurance, and this amendment would add some $70,000,000 a year to the cost of the Federal Government in matching with the States. I think the amendment ought to be rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New York [Mr. LEHMAN].

The amendment was rejected.

Mr. LEAHY. Mr. President, I call up my amendment lettered "A."

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 387, beginning in line 13, it is proposed to strike out all down to and including line 21, and insert in lieu thereof the following:

SEC. 403. (a) (1) Paragraph (1) of section 1101 (a) of the Social Security Act is amended to read as follows:

"(1) The term 'State' includes Alaska, Hawaii, and the District of Columbia, and when used in titles I, IV, V, and X includes the Virgin Islands."

(2) Paragraph (6) of section 1101 (a) of the Social Security Act is amended to read as follows:

"(6) The term 'Administrator,' except when the context otherwise requires, means the Federal Security Administrator."

(3) The amendment made by paragraph (1) of this subsection shall take effect October 1, 1950, and the amendment made by paragraph (2) of this subsection, insofar as it repeals the definition of "employee," shall be effective only with respect to services performed after 1950.

Mr. LEAHY. Mr. President, a short time ago the Senate rejected an amendment which would have extended to the

Virgin Islands and to Puerto Rico the provisions of the pending bill relative to public assistance. The purpose of my amendment is to extend the provisions of the bill to the Virgin Islands.

The distinguished senior Senator from Ohio [Mr. TAFT] a short time ago pointed out that there was a substantial difference between the economy of the Virgin Islands and the economy of Puerto Rico.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LEAHY. I yield.

Mr. TAFT. It seems to me this matter will be in conference, and I suggest to the Senator, and perhaps to the chairman of the Committee on Finance, that I am certain that the conferees will give serious consideration to the subject of the Senator's amendment, which is now covered in the bill as it passed the House. I suggest that perhaps the Senator, rather than have a vote on the amendment at this time, would be willing to withdraw the amendment, for he can be sure it will be considered.

Mr. GEORGE. Mr. President, I was about to suggest to the distinguished Senator from Rhode Island that the subject will be in conference, and I am quite sure that there will be on the part of the Senate conferees much sympathy for the amendment. The situation is different in the Virgin Islands, and if the Senator would be content to allow the matter to rest where it is, I think I can assure him that it will have very full consideration by the conferees.

Mr. LEAHY. Mr. President, with that assurance, I shall not press for a vote at this time.

The VICE PRESIDENT. Does the Senator withdraw his amendment?

Mr. LEAHY. I withdraw the amendment.

Mr. LEHMAN. Mr. President, I call up my amendment, dated June 14, 1950, lettered "D."

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 255, line 20, it is proposed to strike out all down to and including line 22 and insert in lieu thereof:

(A) as an agent-driver or commission driver engaged in distributing to wholesalers, retailers, or consumers, food products, beverages, laundry or dry cleaning services, or any other products or services (other than dairy products); or.

On page 336, beginning with line 18, strike out all down to and including line 20 and insert in lieu thereof:

(A) as an agent-driver or commission driver engaged in distributing to wholesalers, retailers, or consumers, food products, beverages, laundry or dry cleaning services, or any other products or services (other than dairy products); or.

Mr. LEHMAN. Mr. President, the purpose of this amendment is to include in the definition of "employee" certain agent-drivers who are not now included in the Senate committee bill. The Senate committee bill already includes as employees such agent-drivers as meat drivers, bakery drivers, and laundry drivers.

I see no reason why other agent-drivers, such as those who distribute beverages, fuel and ice, and ice-cream drivers, should not similarly be included.

Altogether, those who would be covered as employees under my amendment would be about 48,000. The committee bill already extends this coverage to approximately 75,000 persons.

My amendment does not, I repeat, "not" cover agent or commission drivers who distribute dairy products. The reason for this exclusion is to avoid the difficulty involved in the peculiar relationship between some of these drivers and individual farmers and farm co-ops.

Other than this group, all agent-drivers would be classified as employees. There would be no administrative difficulties involved in this arrangement. Drivers distributing beverages are no more self-employed than laundry drivers. The Senate committee bill defines the latter as employees. Those covered in my amendment should also be so considered.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it the purpose of the amendment of the distinguished Senator from New York to cover salesmen of such products as clothing, aluminum ware, brushes—salesmen who sell from house to house on commission?

Mr. LEHMAN. No; they would not be included. The intent of the amendment is perfectly clear. It applies only to agent drivers and commission drivers. These are persons driving cars either owned by or under contract or direct control of the producer or main distributor, cars which are specially equipped or adapted to such distribution. Those who merely use cars as transportation incidental to their house-to-house selling are not included within the terms agent driver or commission driver, but are instead salesmen who would be covered only if a new subsection C were to apply to them. And all proposed amendments to add a section C exclude such house-to-house retail salesmen.

Mr. DOUGLAS. I thank the Senator from New York for his very clear explanation.

Mr. GEORGE. Mr. President, I shall not make a point of order, but I think the amendment offered is subject to a point of order, because the particular language to which the amendment is directed has already today been amended in the Senate. The Senate has included certain agent drivers. The House bill contains a broader provision. The whole matter will be directly in conference, and since it is so difficult to define who an employee is in a particular line of business, and since adoption of the amendment would very often result in bringing in someone who was truly a self-employed person, an independent operator, who did not want to be classed as an employee, but who would be brought under the social-security program nevertheless, the committee was most reluctant to undertake to define literally thousands and hundreds of thousands of employees by undertaking specifically to indicate when a person was employed or when he was a self-employed person.

For the reasons stated, Mr. President, I ask that the amendment be rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was rejected.

Mr. LEHMAN. Mr. President, I call up my amendment dated June 14, 1950, lettered "C."

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed, on page 255, line 22, following the semicolon, to strike out "or."

On page 255, line 23, following the semicolon, to insert "or."

On page 255, between lines 23 and 24, to insert the following:

(C) as a home worker.

On page 336, line 20, following the semicolon, to strike out "or."

On page 336, line 21, following the semicolon, to insert "or."

On page 336, between lines 21 and 22, to insert the following:

(C) as a home worker.

Mr. LEHMAN. Mr. President, this amendment would extend coverage under the old-age and survivors insurance program to approximately 40,000 persons who work in their own homes on a piecework basis.

Most of the work they do is needlework. They make artificial flowers, embroidery, gloves, and lingerie.

Certainly these home workers should be given coverage. They need old-age insurance protection as much as any other group in our population.

Here again is a group of workers who, despite the contractual relationship and the common-law definition of what constitutes an employee, are truly employees in the social definition of the word.

In many other connections these home workers are considered employees. The Fair Labor Standards Act treats these people as employees and the courts have upheld that application. In several States of the Union, home workers are eligible for unemployment compensation. They should certainly be eligible for old-age and survivors insurance benefits.

In many jurisdictions home workers are regulated by law. In my own State these regulations are very detailed and place absolute and specific obligations upon the employer. The home workers in my State are covered by workmen's compensation insurance. I am advised that the same is true in a number of other States.

There is certainly no logical basis for excluding these home workers from coverage or for excluding them from definition as employees under the meaning of the act. Employers in my State, where a large proportion of these home workers are located, are required to keep detailed records on home workers. This amendment, placing them under old-age and survivors insurance, would require no special increase in bookkeeping. Nor would it present any other administrative difficulties.

I hope the Senate will approve the amendment.

Mr. GEORGE. Mr. President, I do not have anything to say with respect to

the amendment except that the committee has carefully considered it and rejected it. The committee felt it had gone as far as it could in prescribing specific definitions to fit employees, rather than to let them stand under the general rule which is written into the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New York [Mr. LEHMAN].

The amendment was rejected.

Mr. MALONE. Mr. President, I now move that the Senate reconsider the vote by which the amendment offered by the Senator from Louisiana [Mr. LONG], for himself and the Senator from Wyoming [Mr. HUNT], on page 385, line 6, the subject matter being the grants in aid to persons who are disabled.

The VICE PRESIDENT. The Senator from Nevada, who voted against the amendment, and therefore is qualified to move to reconsider, has moved to reconsider the vote by which the amendment was rejected.

Mr. LONG. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. The yeas and nays are requested.

Mr. MILLIKIN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MILLIKIN. May we be advised what is now proposed to be done?

The VICE PRESIDENT. The Senator from Nevada [Mr. MALONE] has moved that the Senate reconsider the vote by which the Long amendment was rejected earlier in the evening.

Mr. LONG. Mr. President, one of the sponsors of the amendment, the distinguished Senator from Wyoming [Mr. HUNT], had no opportunity at all to explain his position in support of the amendment. It seems to me the Senate should reconsider the vote by which the amendment was rejected, in order that the Senator from Wyoming may have an opportunity to explain his reason for supporting the amendment, especially in view of the fact that the amendment was defeated by only one vote. It seems to me that in justice to the Senator from Wyoming he should be afforded an opportunity to explain his reason for supporting the amendment.

Mr. GEORGE. Mr. President, I regret very much that we are faced by a motion to reconsider the vote on the amendment, after the amendment had been thoroughly submitted to the Senate. Some of us have been at work steadily on this bill since 10:30 this morning, in committee and from the committee directly to the Senate floor.

Mr. President, I desire to ask the majority leader how long he proposes to keep the Senate in session tonight?

Mr. LUCAS. I was hoping we could finish the bill. I thought the Senate was about through with the amendments.

Mr. GEORGE. Obviously we are not near the end of the consideration of the bill if there is to be reconsideration of amendments.

Mr. LUCAS. If there is to be a reconsideration of any of the amendments, and we are to have yea-and-nay votes and debate upon them, of course it will take some time. I sincerely hope we may pass the bill before the night is over. If we cannot do so, and some Senator wishes to move that the Senate take a recess, of course he can do so.

Mr. LONG. Mr. President, the amendment offered by me and the Senator from Wyoming [Mr. HUNT] was defeated by only one vote. I am sure many Senators did not have a chance to understand the amendment fully. We had only 5 minutes to debate the amendment on our side. I hope the Senate will reconsider the vote by which the amendment was defeated, since it was defeated by only one vote.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Under the unanimous-consent agreement, am I correct in my understanding that we are compelled to remain here until we complete action on the bill, or can we take a recess before that is done?

The VICE PRESIDENT. The Chair does not interpret the unanimous-consent agreement to compel the Senate to remain in session until action on the bill is completed. Of course, there is a special order for a vote tomorrow. That was entered by unanimous consent.

Mr. CONNALLY. Tomorrow will be the same legislative day as today, if we take a recess?

The VICE PRESIDENT. The unanimous-consent agreement provides for action on the calendar day of June 20, so that the legislative day does not have anything to do with it.

The Chair also would hold that under the unanimous-consent agreement the motion to reconsider comes under the 5-minute rule; 5 minutes to be allotted to those in favor and 5 minutes to those who are against the motion, if Senators desire to debate the motion.

The Chair was putting the question as to whether the yeas and nays should be ordered.

Mr. LONG. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Eleven hands were raised. That is not a sufficient number according to the vote that was had on the amendment.

The question is on the motion to reconsider the vote by which the so-called Long amendment was rejected.

The motion to reconsider was not agreed to.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment, the question is on the committee amendment, as amended.

Mr. LEHMAN. Mr. President, I call up amendment lettered "G" dated June 14, which I offer on behalf of myself, the Senator from Montana [Mr. MURRAY], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Illinois [Mr. DOUGLAS].

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 242, lines 1 and 2, it is proposed to delete "twenty-four days during such quarter" and insert in lieu thereof the words "six days during such quarter, each day being in a different calendar week."

On page 323, in lines 22 and 23, it is proposed to delete "twenty-four days during such quarter" and insert in lieu thereof the words "six days during such quarter, each day being in a different calendar week."

Mr. LEHMAN. Mr. President, this amendment would extend coverage under the old-age and survivors insurance program to approximately 1,000,000 domestics. The domestics who would be covered under this amendment are those who need this coverage most. They are domestics who perform day work 1 day a week for each employer.

These domestics are regularly employed although by different employers. It is unfair and unwise to include domestics who work as much as 2 days for a single employer and then to exclude those who work 1 day a week.

My amendment errs on the conservative side. My amendment provides that the domestic must receive a minimum of $50 in a calendar quarter from the same employer, as well as work 6 days in that quarter.

At the prevailing wage rates of $5 per day in the North and eastern parts of the country, this would mean that the domestic would actually be required to work for 10 days in the calendar quarter. In the South and other areas of lower wage levels, the period required to be worked to be considered regularly employed, would be even longer.

Yet I think this amendment goes a long way in the right direction. The committee bill provides coverage for domestics who are employed as many as 24 days in a calendar quarter. I have adopted the same wage minimum as that provided in the committee bill. This will cover domestics who work 1 day a week in my State.

If other Senators from other States would like to decrease the minimum wage requirement, I would be pleased to accept such a modification.

In any event, I urge the approval of this amendment. I consider it a highly important one for the purpose of extending old-age and survivors insurance protection to those who need it most.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New York [Mr. LEHMAN].

The amendment was rejected.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment, the question is on agreeing to the committee amendment, as amended.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared, dealing with House bill 6000.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

H. R. 6000 is an important bill which affects every one of the 150,000,000 American people. It is a measure which is long overdue. But, while the bill contains many important improvements in our social-security

program, it does not, in my opinion, go far enough in meeting the needs of our people.

The bill does not cover all the people under the insurance plan; the insurance benefits are not adequate enough, there is no provision for disability insurance benefits; and the assistance provisions are grossly inadequate.

The Senate Finance Committee made a number of changes in the House-approved bill, and I want to give credit first for the improvements which the committee made. There are eight major improvements. These are:

1. Increase in the second step in the benefit formula from 10 percent to 15 percent, including an upward adjustment of benefits for current beneficiaries.

2. Liberalization of the eligibility provision so as to make it easier for persons to become insured for benefits during the next decade.

3. Liberalization of the method of computing the "average monthly wage" for benefit purposes.

4. Inclusion of regularly employed agricultural labor.

5. Inclusion of publishers as self-employed persons.

6. Payment of benefits to dependent husbands and widowers of insured women workers and liberalization of survivors insurance benefits with respect to deaths of insured married women.

7. Increasing the maximum payments for aid to dependent children in which the Federal Government would share from $27 to $30 a month for the first child and from $18 to $20 for each additional child.

8. Increase in Federal grants for maternal and child health from $11,000,000 to $20,000,000 annually; for crippled children from $7,500,000 to $15,000,000; and for child welfare services, from $7,000,000 in the House bill to $12,000,000.

But after making the 8 improvements which I have just listed, the Finance Committee made 12 major crippling changes which deliberalize the House bill. These are as follows:

1. Reduction of the maximum wage based from $3,600 to $3,000 a year.

2. Elimination of the provision for permanent and total disability insurance.

3. Elimination of the increment for years of contributions to the insurance program.

4. Exclusion of tips from covered wages.

5. Exclusion of salesmen and certain other groups, such as driver-lessees of taxicabs and home workers, from coverage as employees.

6. Exclusion of naturopaths, architects, accountants, and all professional engineers from coverage as self-employed persons.

7. Elimination of the provision which would have increased assistance payments by providing a higher percentage of Federal funds under a formula weighted in favor of States with low payments.

8. Elimination of the provision for including an adult relative to aid-to-dependent-children families as a recipient for Federal matching purposes.

9. Elimination of the provision for Federal grants to the States for the needy permanently and totally disabled.

10. Elimination of the provision extending Federal grants for public assistance to Puerto Rico and the Virgin Islands.

11. Reducing Federal matching on State supplementary old-age assistance payments to a 50-50 basis in cases where a person becomes an insurance beneficiary after the effective date of the bill.

12. Restoring the 5-year residence requirement for the blind instead of the 1-year requirement in the House bill.

So, in summary, the Finance Committee made 8 major improvements and 12 major deliberalizations. I shall support amendments to correct these deliberalizations, and I hope that the Senate will vote to reverse them.

I am strongly in favor of the amendments which have been introduced to increase the maximum wage base. I favor increasing the wage base to $4,800 a year, which would make it possible to pay an insurance benefit of $95 a month instead of the $72.50 a month provided under the $3,000 wage base reported out by the Finance Committee. I believe that $72.50 a month is not sufficient to maintain an individual at a decent level.

I also favor the amendments proposed to restore an "increment," which would give the contributor an increased benefit based upon the years that he contributed to the insurance system. If the full 1-percent increment were restored to the bill, it would enable a benefit of $100 a month to be paid to persons retiring at the present time and about $114 a month to persons who had contributed for 20 years. These amounts seem to me to be more in keeping with what is required for an American standard of living.

I also favor the restoration of provisions for the payment of permanent and total disability insurance. Under the provisions of H. R. 6000 as passed by the House of Representatives, thousands of permanent disabled individuals would have been provided benefit during the period of their disability. I feel that the elimination of this protection from the bill is undesirable. When an individual has suffered a heart attack and is no longer able to work, when he is suffering from tuberculosis or cancer and is unable to perform his regular job responsibilities, he rapidly uses up his savings under the double strain of loss of income from his job and the necessity for paying for doctors and hospital bills, medical supplies and nurses' services. We now provide disability insurance protection to governmental employees under the Civil Service Retirement Act and under all of the other retirement acts passed by the Congress. We have by Federal legislation provided disability insurance protection to over 2,000,000 men and women under the Railroad Retirement Act. The administrative experience under the Railroad Act and under the Civil Service Retirement Act has been eminently successful. There are 5,000,000 persons covered under these two laws. Between two and three million employees of State and local governments are covered under State and local retirement systems which also provide disability insurance protection. With this wealth of administrative experience, I see no reason why we should not now extend this same type of protection to the workers in industry and commerce who need it so badly.

I believe that we should take immediate steps to extend the insurance program to cover as many persons as possible. I am a cosponsor, along with Senators LEHMAN, DOUGLAS, and MURRAY, of an amendment to extend coverage to an additional 1,000,000 persons, in domestic service. I hope that other Senators will join us in voting for this amendment.

The senior Senator from Montana has offered an amendment to extend coverage to an additional 1,000,000 farm laborers. Farm workers need social-security protection.

The junior Senator from New York has offered an amendment to assure protection to some 40,000 home workers under the insurance provisions of the bill. This is a very desirable amendment.

While I believe that all of these amendments are sound, and I shall vote for them, I believe that we must make a still more far-reaching revision of our social-security program. I believe that a sound social-security program should embody the following fundamental principles:

1. Universal coverage of all persons who work for a living.

2. Protection under the insurance system of all aged persons, irrespective of the length of time that they have contributed to the insurance system or whether they have retired prior to contributing to the insurance system.

3. A substantial increase in the amount of the benefit in order that individuals may retire with security, dignity, and reasonable comfort.

4. Payment of insurance benefits to individuals during periods of disability so that individuals who are sick or disabled may also have security as well as some income, which will make it possible for them to avoid asking for charity and enable them to pay their doctor's and hospital bills from their insurance benefits.

5. Federal grants to the States for public assistance to needy persons for whom the insurance program cannot meet all their needs.

We have made a good start in overhauling our social-security system. But we cannot be content with what we have done so far. We must not wait for another 11 years to make the necessary changes which will bring our social-security system up to date.

Our economy is expanding. Wages have been increasing and in my opinion will continue to increase because of the increasing productivity of our American economic system. Under these circumstances I believe we can provide a more generous, a more adequate, a more comprehensive social-security system which will really bring security to the American people. There are some who are afraid of improving our social-security system because they say it will cost too much. In my opinion these people do not have faith in the future of America. They do not have faith in our economic system. They do not have faith in our political system.

I believe we must go forward in making bold and progressive changes in our social-security system if we are going to meet the needs of our people in a dynamic and changing economy.

Until we have such a comprehensive and progressive social-security system I believe we must improve the existing program. I favor the amendments being offered to increase the coverage of the insurance program, liberalize the amount of the benefits and permanent-disability insurance, and increase Federal grants for public assistance.

Mr. MALONE subsequently said: Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement I have prepared.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE SOCIAL SECURITY LEGISLATION

The junior Senator from Nevada is for the maximum of social security that the economic structure of the Nation can support without danger to employment and investments.

The legislation, however, as at present constituted is neither insurance nor pensions, it is neither fish nor fowl; it is a hybrid thing. No definite permanent policy has yet been recommended by the committee.

The payments by both the employee and the employer, starting with a total of 3 percent, within a few years will approximate 7 percent.

The legislation will apparently absorb the greater part of the pensions paid by business. The steel companies are a good example.

The legislation will probably absorb most of the State pension systems within a reasonable time.

It is not a well-thought-out piece of legislation.

The George-Millikin resolution provides for a thorough study of the whole subject—to determine what trend the payments should take, how much social security the economy

can absorb, and how much can the program be substantially broadened without danger to the economic system. It is estimated that approximately 8,000,000 people past 65 will not be covered by the legislation. It is obvious that there should be greater coverage.

So, for these and other reasons, the junior Senator from Nevada believes that the results of the proposed study should have been made known before the passage of the legislation.

The VICE PRESIDENT. The question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

The VICE PRESIDENT. The question is on the engrossment of the amendment, and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. GEORGE and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is necessarily absent.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from North Carolina [Mr. GRAHAM] is absent on public business.

The Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. GRAHAM], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Maryland [Mr. O'CONOR], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] would each vote "yea."

Mr. SALTONSTALL. I announce that the senior Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate. If present and voting, the senior Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], and the junior Senator from North Dakota [Mr. YOUNG] would each vote "yea."

The result was announced—yeas 81, nays 2, as follows:

YEAS—81

| | | |
|---|---|---|
| Aiken | Capehart | Dworshak |
| Anderson | Chapman | Eastland |
| Benton | Connally | Ecton |
| Brewster | Cordon | Ellender |
| Bricker | Darby | Ferguson |
| Bridges | Donnell | Flanders |
| Byrd | Douglas | Frear |
| Fulbright | Knowland | Neely |
| George | Leahy | O'Mahoney |
| Gillette | Lehman | Pepper |
| Green | Lodge | Robertson |
| Gurney | Long | Russell |
| Hayden | Lucas | Saltonstall |
| Hendrickson | McCarran | Schoeppel |
| Hickenlooper | McCarthy | Smith, Maine |
| Hill | McClellan | Smith, N. J. |
| Hoey | McFarland | Sparkman |
| Humphrey | McKellar | Stennis |
| Hunt | McMahon | Taft |
| Ives | Magnuson | Thomas, Utah |
| Jenner | Malone | Thye |
| Johnson, Colo. | Martin | Tydings |
| Johnson, Tex. | Maybank | Watkins |
| Kefauver | Millikin | Wherry |
| Kem | Mundt | Wiley |
| Kerr | Murray | Williams |
| Kilgore | Myers | Withers |

NAYS—2

Butler Cain

NOT VOTING—13

| | | |
|---|---|---|
| Chavez | Langer | Tobey |
| Downey | Morse | Vandenberg |
| Graham | O'Conor | Young |
| Holland | Taylor | |
| Johnston, S. C. | Thomas, Okla. | |

So the bill (H. R. 6000) was passed.

Mr. GEORGE. Mr. President, I move that the Senate insist upon its amendment, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. GEORGE, Mr. CONNALLY, Mr. BYRD, Mr. MILLIKIN, and Mr. TAFT conferees on the part of the Senate.

Mr. GEORGE. Mr. President, I ask unanimous consent that the bill be printed showing the Senate amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

## ARMY ORGANIZATION ACT OF 1950—CONFERENCE REPORT

Mr. TYDINGS. Mr. President, I submit a conference report on the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see pp. 9002–9006 of today's proceedings of the House of Representatives.)

Mr. TYDINGS. Mr. President, I ask unanimous consent for the present consideration of the conference report.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, will the Senator please tell us what is involved in the report?

Mr. TYDINGS. This is a conference report on what is called the Army organization bill, which passed the Senate some time ago, and subsequently had some minor amendments made to it by the House of Representatives.

Under existing law we are required to have cavalry, for example. The old law has never been changed since before the war. This bill modernizes the law and brings it up to date, as the Army, the Air Force, and the Navy bills are all modernization bills.

There is nothing new in this measure, except that it provides for eliminating compulsory things which are not really being carried on.

There is very little difference between the House and the Senate versions of the bill; and the amendments which are in dispute are minor. The conferees were unanimous in regard to the amendments, agreeing after approximately 20 minutes of discussion.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

## EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to consider executive business.

## EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

## EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. NEELY, from the Committee on the District of Columbia:

Kenneth W. Spencer, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for a term of 3 years from July 1, 1950. (Reappointment.)

## THE CALENDAR

The VICE PRESIDENT. If there are no further reports of committees, the clerk will state the nominations on the calendar.

## FEDERAL TRADE COMMISSION—NOMINATION REPORTED ADVERSELY

The legislative clerk read the nomination of Martin A. Hutchinson of Virginia, to be a member of the Federal Trade Commission for the unexpired term of 7 years from September 26, 1946.

Mr. LUCAS. Mr. President, that nomination should go over.

The VICE PRESIDENT. Without objection, the nomination will be passed over.

## FEDERAL POWER COMMISSION

The legislative clerk read the nomination of Nelson Lee Smith, of New Hampshire, to be a member of the Federal Power Commission for the term expiring June 22, 1955.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

## FEDERAL COMMUNICATIONS COMMISSION

The legislative clerk read the nomination of George E. Sterling, of Maine, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1950.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

## RECESS

Mr. LUCAS. As in legislative session, I now move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 37 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, June 21, 1950, at 12 o'clock noon.

### NOMINATIONS

Executive nominations received by the Senate June 20 (legislative day of June 7), 1950:

DIPLOMATIC AND FOREIGN SERVICE

Donald R. Heath, of Kansas, a Foreign Service officer of the class of career minister, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the State of Vietnam, to the Kingdom of Cambodia, and to the Kingdom of Laos.

COAST AND GEODETIC SURVEY

The following-named officers of the Coast and Geodetic Survey for permanent appointment to the grades indicated, subject to qualification therefor as provided by law:

*To be captains*

Henry E. Finnegan
Charles M. Thomas
Charles Pierce

*To be commanders*

Ross A. Gilmore
Gilbert C. Mast
Fred A. Riddell
Ira R. Rubottom
Maurice E. Wennermark
Fred Natella
Jeremiah S. Morton
Robert A. Marshall

*To be lieutenant commander*

Don A. Jones

*To be lieutenants*

Robert C. Darling
Miller J. Tonkel
William E. Randall

*To be lieutenants (junior grade)*

John R. Plaggmier
Leonard S. Baker
Eugene W. Richards
Samuel D. Parkinson

### CONFIRMATIONS

Executive nominations confirmed by the Senate June 20 (legislative day of June 7), 1950:

FEDERAL POWER COMMISSION

Nelson Lee Smith to be a member of the Federal Power Commission for the term expiring June 22, 1955.

FEDERAL COMMUNICATIONS COMMISSION

George E. Sterling to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1950.

# HOUSE OF REPRESENTATIVES

## TUESDAY, JUNE 20, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou God of all grace, we thank Thee for the many overtures of kindness, mercy, and goodness which Thou art daily extending to us as individuals and to our beloved country.

May we be eager to keep inviolate the faith of our God-fearing fathers. May the spiritual principles upon which they built our Nation continue to be the guiding principles upon which we are relying and enthroning in our individual and national life.

Inspire us with a passionate longing to promote the spirit of fellowship, sympathetic understanding, mutual respect, and unity among all the members of the human family.

Help us to hasten the coming of that glorious day when men and nations shall think and act in terms of humanity and all declarations of independence shall give way to declarations of interdependence and we shall seek one another's welfare.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4692) entitled "An act to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II."

### RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

JUNE 14, 1950.

The Honorable SAM RAYBURN,
*The Speaker,*
*House of Representatives,*
*Washington, D. C.*

DEAR MR. SPEAKER: It is with sincere regret that I tender to you my resignation from membership on the Post Office and Civil Service Committee of the House.

It has been a great privilege to work with members of this fine committee and only the opportunity to return to a former committee assignment leads me to make this decision.

Sincerely yours,

E. H. JENISON.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

### CONSIDERATION OF CONFERENCE REPORT ON RENT-CONTROL EXTENSION

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to inquire of the gentleman from Massachusetts [Mr. MCCORMACK] as to the conference report to be considered tomorrow.

Mr. McCORMACK. A conference report on the extension of rent control has been filed. In response to the inquiry of my friend, the minority leader, it will be programed for tomorrow.

Mr. MARTIN of Massachusetts. Will it be first on the program?

Mr. McCORMACK. Yes; it will be the first order of business.

### HOARDING OF FOOD COMMODITIES

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a tabulation.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, yesterday I called attention to the enormous increase in the amount of food commodities in storage on April 30 of this year compared to April 30, 1949.

I now want the RECORD to show the terrific waste of the taxpayers' money in order to hoard these 11 food commodities in the period from July 1, 1949, to April 30, 1950, as compared with July 1, 1948, to April 30, 1949. It represents an increase of 859.26 percent. Following are the details:

| | Carrying charges | |
|---|---|---|
| | July 1, 1948, to Apr. 30, 1949 | July 1, 1949, to Apr. 30, 1950 |
| Butter | None | $1,474,284.50 |
| Cheese | None | 311,653.44 |
| Dried beans | None | 1,859,409.42 |
| Dried peas | None | 564,646.27 |
| Rice | None | 623,842.95 |
| Soybeans | $145.75 | 1,139,437.78 |
| Turkeys | 494.75 | 34,725.49 |
| Dried milk | 153,498.83 | 2,998,555.85 |
| Raisins | 268,219.67 | 714,249.09 |
| Prunes | 347,742.38 | 1,160,298.85 |
| Dried eggs | 719,085.20 | 1,885,889.13 |
| Total | 1,489,186.58 | 12,796,992.77 |

### CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, with the concurrence of my friend, the distinguished minority leader the gentleman from Massachusetts [Mr. MARTIN], whom I did not have the opportunity of consulting previously, I now ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

### MRS. MARION T. SCHWARTZ

Mr. LANE submitted a conference report and statement on the bill (H. R. 1169) for the relief of Mrs. Marion T. Schwartz.

### MRS. EVELYN M. HRYNIAK

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2655) for the relief of Mrs. Evelyn M. Hryniak, with amendments of the House thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BYRNE of New York, DENTON, and JENNINGS.

### BUNKER HILL DEVELOPMENT CORP.

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1082) conferring jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon any claim arising out of personal injuries sustained by the Bunker Hill Development Corp., with

Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 1, after "of", insert "alleged."

Page 2, lines 2 and 3, strike out "corporation, such damages being caused by" and insert "corporation as a result of."

Page 2, line 4, strike out "dust" and insert "dust."

Amend the title so as to read: "An act conferring jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon a claim of the Bunker Hill Development Corp."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

ARTHUR S. HORNER ET AL.

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2230) to reimburse Arthur S. Horner, Leah B. Horner, and Maude Brewer, partners composing a firm, doing business as A. S. Horner Construction Co., with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 2, after line 9, insert:

"SEC. 3. Any findings rendered under the authority of this act may be reviewed by the Supreme Court by writ of certiorari granted upon the petition of either party: *Provided*, That the passage of this act shall not be considered an inference of liability on the part of the United States."

Amend the title so as to read: "An act for the relief of Arthur S. Horner, Leah B. Horner, and Maude Brewer, doing business as the A. S. Horner Construction Co."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

ALBERT J. PETERSON

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2803) for the relief of Albert J. Peterson, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$10,310.79" and insert "$9,436.61."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

IVA GAVIN

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3254) for the relief of Iva Gavin, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That, notwithstanding the lapse of time or any statute of limitations, or any limitation upon the jurisdiction of United States district courts to hear, determine, and render judgment upon tort claims against the United States which accrue prior to January 1, 1945, suit may be instituted at any time within 1 year from the date of enactment of this act, in accordance with the provisions of law applicable in the case of tort claims against the United States, on the claim of Miss Iva Gavin, of Muncie, Ind., against the United States arising as a result of personal injuries sustained in an automobile accident involving a United States Army Air Corps bus at the intersection of United States Highway No. 25 and Coronette Avenue, near Dayton, Ohio, on August 18, 1943: *Provided, however*, That nothing contained herein shall be construed as an inference of liability on the part of the United States Government."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. LANE. Mr. Speaker, this is a bill to pay out of the Treasury of the United States the sum of $5,000 to Iva Gavin, of Muncie, Ind., in full settlement of claims for medical expenses and injuries sustained as a result of an automobile accident involving a United States Army Air Corps bus on August 18, 1943. The committee felt that due to the fact that the statute had intervened, the concurrence of the House in this amendment should be granted.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. LANE]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

RELIEF OF SHIRO TAKEMURA

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4371) for the relief of Shiro Takemura, together with the Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 5, strike out all after "appropriated", down to and including "family", in line 9 and insert "to the estate of Paul Toshio Takemura, deceased son of Shiro Takemura, of the county of Los Angeles, city of Los Angeles, State of California, the sum of $5,000, in full settlement of all claims against the United States."

Page 1, line 10, after "of", insert "the said."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

FELLA H. HOLBROOK

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5019) for the relief of Fella H. Holbrook, together with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, strike out "$6,229.96" and insert "$4,029.25."

Page 1, line 7, strike out ", and expenses incurred."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. LANE]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

WILLIAM T. ORTON

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5682) for the relief of William T. Orton, together with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 3, after "authorized", insert "and directed."

Page 1, line 3, after "pay", insert ", out of Lanham Act funds."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. LANE]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

MRS. LILLIAN COOLIDGE

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5846) for the relief of Mrs. Lillian Coolidge, together with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, strike out all after line 2 over to and including "Camp:" on page 2, line 1, and insert "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Lillian Coolidge, of Lancaster, Pa., the sum of $1,656, in full settlement of all claims against the United States for reimbursement for deposits made by her son, Thomas Coolidge, while present on Corregidor, just prior to its capitulation, for the purchase of United States bonds; such sum being an amount equal to the value, as of April 1950, of 18 $100 United States Savings Bonds of the April 1942 issue."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. LANE]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

PAUL D. BANNING

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6691) for the relief of Paul D. Banning, Chief Disbursing Officer, Treasury Department, and for other purposes, together with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 1, strike out all after "Department", down to and including "session", in line 4, and insert "such credits being allowed to adjust certain overdrafts in such accounts."

Page 3, line 4, strike out all after "in" where it appears the first time down to and including "stated" in line 6, and insert "such accounts for sums not to exceed those hereinafter stated."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

E. H. CORRIGAN

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6934) for the relief of E. H. Corrigan, together with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 9, strike out "January 15, 1944" and insert "January 17, 1944."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. LANE]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF PATENTS HELD BY VETERANS OF WORLD WAR II

Mr. BRYSON. Mr. Speaker, I call up the conference report on the bill (H. R. 4692) to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1880)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4692) to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment, and agree to the same.

JOSEPH R. BRYSON,
E. E. WILLIS,
J. CALEB BOGGS,
*Managers on the Part of the House.*

JAMES O. EASTLAND,
HERBERT R. O'CONOR,
ALEXANDER WILEY,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4692) to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment to the bill would have reduced the period of the proposed extension of patents for veterans of World War II from twice the period of their service between certain dates to a length of time only equaling the period of service between those dates. This would have inadvertently deprived many veterans of their rights because in many cases the period represented by the Senate amendment would have already expired. The effect of the Senate receding from its amendment is to restore the bill to precisely the form in which it passed the House.

JOSEPH R. BRYSON,
E. E. WILLIS,
J. CALEB BOGGS,
*Managers on the Part of the House.*

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

THE HIGH COST OF MEAT

Mr. TAURIELLO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. TAURIELLO. Mr. Speaker, I wish to call to the attention of the membership that on yesterday I introduced House Resolution 655 asking for a sweeping investigation of the meat industry and the skyrocketing of meat prices. I am sure that every Member of this House is alive to the condition that exists today, especially since it concerns the average housewife and the average worker. Meat prices in the past three or four months have skyrocketed to such a point that the average family cannot afford to purchase meat. Since this is the situation, I am sure this Congress wants to do something to remedy the condition.

I am asking that the House give this resolution its immediate consideration so as to bring about a correction of this condition.

In talking this situation over with wholesale and retail meat dealers in and around Buffalo, N. Y., my home city, I find that they are unable to explain the skyrocketing of meat prices generally. They stated that we are not going through any emergency at the present time and that there is no shortage, yet the prices have jumped in such proportion that it is impossible for them to realize any profits and next to impossible for the housewife to purchase meat at the prevailing prices.

Mr. Speaker, in my opinion there is a conspiracy on the part of some group or groups to skyrocket meat prices for their own selfish purposes in order to secure exorbitant profits at the expense of the consuming public.

I believe it is imperative that this Congress act favorably on House Resolution 655.

SPENDING FOR WAR

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, we may not be fools, but it seems to me that we do the things that fools would do. We say we want peace; I hope we all agree. If we do, then let us get to the point of doing the things that will bring peace to our minds and to our hearts and to our very beings. Peace to all nations of this world and to all peoples. If we want peace let us try to get it; let us stop spending $14,000,000,000 annually for our armed services and let us stop spending at the President's request another $1,250,000,000 to arm foreign countries. You spent $1,400,000,000 to arm foreign countries last year. You are never going to get peace in the world if you are going to continue this program.

I say we want to do things differently than we are doing them. If we do not this cold war will go on and on, and eventually we will go bankrupt and then we will be of no good to ourselves or anybody else. This administration program is for war.

Get common sense—work for a program to stop arming for war but get a program for peace that will mean peace.

ELECTION OF MEMBER TO COMMITTEE ON PUBLIC LANDS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution (H. Res. 658).

The Clerk read as follows:

*Resolved*, That EDWARD H. JENISON, of Illinois, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on Public Lands.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day.

The Clerk will call the first bill on the Private Calendar.

GEORGES GREGORY ALPIAR

The Clerk called the first bill on the Private Calendar (S. 2107) for the relief of Georges Gregory Alpiar.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration laws, Georges Gregory Alpiar, of Cashmere, Wash., who was admitted into the United States on a temporary visa, shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Turkey.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OSCAR (OSZKAR) NEMENYI, MARIANNA NEMENYI (WIFE), AND THOMAS JOHN NEMENYI (SON)

The Clerk called the bill (S. 2309) for the relief of Oscar (Oszkar) Nemenyi, Marianna Nemenyi (wife), and Thomas John Nemenyi (son).

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration and naturalization laws, the Attorney General is authorized and directed to record Oscar (Oszkar) Nemenyi, Marianna Nemenyi (wife), and Thomas John Nemenyi (son), as having entered the United States on May 5, 1948, for permanent residence. The said Oscar (Oszkar) Nemenyi, Marianna Nemenyi (wife), and Thomas John Nemenyi (son), shall not be subject to deportation by reason of such entry. Upon the enactment of this act the Secretary of State shall instruct the quota-control officer to deduct three numbers from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

On page 2, at the end of the bill add the following new sections:

"SEC. 2. That this act may be cited as the 'Foreign Skilled Personnel Admission Act.'

"SEC. 3. When used in this act, the term—

"(a) 'Board' means the Foreign Skilled Personnel Board created pursuant to this act.

"(b) 'Eligible foreign specialist' means an alien, as defined in section 28, subsection (b) of the act of May 26, 1924, as amended, 43 Stat. 168; 8 U. S. C. 224), who is seeking to enter the United States and whose services are urgently needed in the United States by the United States Government or any of its departments, agencies, or bureaus, or by a commercial, industrial, financial, educational, or health institution, or firm, or corporation, public or private, from the standpoint of national defense, public security, or because of highly skilled technical, medical, professional, or scientific training, experience, or ability of such person, such services being prospectively beneficial to the United States.

"SEC. 4. A number of passport visas, not to exceed 3,200 in any fiscal year, may be issued to eligible foreign specialists as nonimmigrants under the provisions of subsection (2) of section 3 of the act of May 26, 1924, as amended (43 Stat. 154; 8 U. S. C. 203), and to their spouses and their unmarried children under 21 years of age, if accompanying or following to join them: *Provided*, That the passport visas issued to such spouses and unmarried children under 21 years of age shall be in addition to and shall not be included in the total number of 3,200 passport visas to be issued annually to eligible foreign specialists: *And provided further*, That the admission into the United States of such eligible foreign specialists shall have been recommended to the Secretary of State and to the Attorney General by the Board.

"SEC. 5. Any agency or institution described in section 3 of this act, claiming the necessity of the admission into the United States of an eligible foreign specialist, may file with the Board a petition, in such form as may be prescribed by regulations promulgated by the Board, requesting the permission to import such eligible foreign specialist.

"SEC. 6. Upon basis of a finding that there is an urgent and special need for the services of an eligible foreign specialist specifically identified under the provisions of section 5 of this act, and that the same will yield a substantial benefit to the defense, or the security, or the economy, or the health of the United States, the Board shall recommend the temporary admission of such eligible foreign specialists to the Secretary of State and the Attorney General in a manner provided for by regulations to be promulgated by the Board.

"SEC. 7. There is hereby created a board to be known as the Foreign Skilled Personnel Board which shall consist of seven members. The Secretary of State, the Secretary of Defense, the Attorney General, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of Labor shall each appoint one member of the Board. The members of the Board shall select a Chairman from among their number for a term not to exceed two fiscal years.

"SEC. 8. The members of the Board shall receive no compensation for their services as such, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Board. There are hereby authorized to be appropriated such sums of money as may be necessary to enable the Board to discharge its duties. Within the limits of such funds as may be appropriated to the Board or as may be allocated to it by the President, the Board may employ necessary personnel without regard to the civil-service law or the Classification Act of 1923, as amended, and make provisions for necessary supplies, facilities, and services to carry out the provisions and accomplish the purposes of this act. It shall be the duty of the Board to formulate and issue regulations, necessary under the provisions of this act, and in compliance therewith, for the admission into the United States of eligible foreign specialists and the members of their families. It shall also be the duty of the Board to report, on July 1 of each year, to the Attorney General on the situation regarding the employment of eligible foreign specialists in the United States.

"SEC. 9. If, at the expiration of 12 months immediately following the admission into the United States of an eligible foreign specialist, the Attorney General shall, upon application filed with the Commissioner of Immigration and Naturalization by the alien, find that such person has maintained the employment with the agency or institution upon which application such person has been admitted into the United States, he is hereby authorized and directed to amend the record of such alien's temporary admission, and the records of admission of the members of his family admitted under the provisions of section 4 of this act, to show admission for permanent residence as of the date of their respective last entries into the United States: *Provided*, That no change in employment which may occur by the written consent of the agency or institution importing the alien under the provisions of this act shall preclude such alien from having his record of admission amended according to the provisions of this section: *And provided further*, That upon being notified by the Attorney General of the amendment of the record of admission of an eligible foreign specialist and the members of his family, admitted into the United States temporarily in accordance with the provisions of this section, the Secretary of State shall instruct the proper quota-control officer to deduct the requisite numbers from the immigration quota or quotas to which such foreign specialist and the members of his family are chargeable.

"SEC. 10. Any person or persons who knowingly violate or conspire to violate any provision of this act shall be guilty of a felony, and upon conviction thereof shall be fined not less than $500 nor more than $10,000, or shall be imprisoned not less than 2 or more than 10 years, or both."

Mr. D'EWART. Mr. Speaker, I raise a point of order against the amendment on the ground it is a general amendment to a specific act under rule 16 and not germane.

The SPEAKER. The gentleman makes a point of order that the committee amendment is not germane, is not proper legislative procedure and is general legislation on a private bill. It has been held several times, and the Chair reads from volume IV of Hinds' Precedents, section 3292:

It is not in order to amend a private bill by adding provisions general or public in character.

Under the precedents and under the feeling of the present occupant of the Chair, the Chair sustains the point of order. The amendment is stricken.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CLEMENTE SABIN DOPICO

The Clerk called the bill (S. 118) for the relief of Clemente Sabin Dopico.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration and naturalization laws Clemente Sabin Dopico, also known as Clementi Sabin Dopico, of Tampa, Fla. (file No. A-6279638), shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of his last entry into the United States, upon payment by him of the required head tax and visa fee.

SEC. 2. The Attorney General is authorized and directed to cancel any warrants of arrest or orders of deportation which may have been issued with respect to the said Clemente Sabin Dopico.

SEC. 3. Upon enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Spain.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE GABRIEL HERRMANN, ET AL.

The Clerk called the bill (S. 330) for the relief of George Gabriel Herrmann, Greta (Marketa) Herrmann (wife) and Alice Hermann (daughter), known also as George Gabriel Herman, Greta Herman, and Alice Herman.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration and naturalization laws, the Attorney General is authorized and directed to record George Gabriel Herrmann, Greta (Marketa) Herrmann (wife), and Alice

Herrmann (daughter) known also as George Gabriel Herman, Greta Herman, and Alice Herman, as having entered the United States on January 16, 1947, for permanent residence, upon the payment by them of the visa fees and head taxes. The said George Gabriel Herrmann, Greta (Marketa) Herrmann (wife), and Alice Herrmann (daughter) shall not be subject to deportation by reason of such entry. Upon the enactment of this act, the Secretary of State is instructed to direct the proper quota-control officer to deduct two numbers from the Austrian quota for the first year that such quota numbers are available, and to deduct one number from the Czechoslovakian quota for the first year that such quota number is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. JUAN A. QUERALT BALLESTE

The Clerk called the bill (S. 1452) for the relief of Dr. Juan A. Queralt Balleste.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration and naturalization laws, Dr. Juan A. Queralt Balleste shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. Upon enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Spain.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUGUSTINO MARLIA

The Clerk called the bill (S. 1484) for the relief of Augustino Marlia.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of the immigration and naturalization laws, the alien Augustino Marlia shall be held and considered to have been lawfully admitted to the United States for permanent residence as of August 20, 1948, the date on which he was admitted as a visitor, upon payment of head tax and visa fee. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIE HENRIETTE DE BRUYN

The Clerk called the bill (S. 1637) for the relief of Marie Henriette de Bruyn.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That for the purposes of the immigration and naturalization laws the alien, Marie Henriette de Bruyn, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her last entry into the United States, upon payment of head tax and visa fee. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EFROSINI ABAD

The Clerk called the bill (S. 1672) for the relief of Efrosini Abad.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That for the purposes of the immigration and naturalization laws, Efrosini Abad, of Istanbul, Turkey, who is the daughter of a citizen of the United States, shall be deemed to be a child under 21 years of age.

With the following committee amendment:

The Clerk read as follows:

Page 1, strike out lines 3 to 6, and insert "That, in the administration of the immigration and naturalization laws, the provisions of section 4 (a) of the Immigration Act of 1924, as amended, pertaining to the unmarried child under 21 years of age of a citizen of the United States, shall be held to be applicable to Efrosini Abad, of Istanbul, Turkey, who is the daughter of a citizen of the United States."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARINA GEORGE PAPADOPOULOS

The Clerk called the bill (S. 2265) for the relief of Marina George Papadopoulos.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of the immigration and naturalization laws, the alien, Marina George Papadopoulos, Las Vegas, Nev., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date she last entered the United States, upon payment of the head tax and visa fee. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. JOHN R. PORTARIA

The Clerk called the bill (S. 2511) for the relief of Dr. John R. Portaria.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration and naturalization laws, Dr. John R. Portaria, of Portsmouth, Va., shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of China (white).

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. BILLY J. KNIGHT AND DOROTHEA KNIGHT

The Clerk called the bill (S. 2556) for the relief of Mrs. Billy J. Knight and Dorothea Knight.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of the immigration and naturalization laws, Dorothea Knight, the natural-born daughter of Pfc. Billy J. Knight, deceased, shall be deemed to be a United States citizen by birth.

SEC. 2. That, for the purposes of the immigration and naturalization laws, Mrs. Billy J. Knight (formerly Miss Ellinar Pitterich), who would be entitled to nonquota immigration status but for the death of her husband, shall, if otherwise found admissible to the United States, be deemed to be a nonquota immigrant.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIANNE BRUCHNER

The Clerk called the bill (S. 2629) for the relief of Marianne Bruchner.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration and naturalization laws, Marianne Bruchner, the fiancée of Daniel Reule, a United States citizen veteran of World War II, may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months if otherwise admissible under the immigration laws: *Provided*, That the administrative authorities find that the said Marianne Bruchner is coming to the United States with a bona fide intention of being married to the said Daniel Reule. In the event the marriage between the above-named parties does not occur within 3 months after the entry of the said Marianne Bruchner, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event that the marriage between the above-named parties shall occur within 3 months after the entry of the said Marianne Bruchner, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Marianne Bruchner as of the date of her entry into the United States upon the payment of the required head tax and visa fee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS PFEIFFER

The Clerk called the bill (S. 2714) for the relief of Thomas Pfeiffer.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of the immigration and naturalization laws, Thomas Pfeiffer, who is presently residing in Montreal, Canada, and who is to be adopted by Mr. and Mrs. Ely Beaumont, of Burbank, Calif., shall be deemed to be the alien child of said Mr. and Mrs. Ely Beaumont, citizens of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. GIN SHIBASAKI OKAFUJI

The Clerk called the bill (H. R. 7079) for the relief of Mrs. Gin Shibasaki Okafuji.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States persons who are ineligible to citizenship, shall not apply to Mrs. Gin Shibasaki Okafuji, a native of Japan and the wife of Takeo Okafuji, a citizen of the United States and presently serving in Japan as a civilian employee with the United States Army, and that, if otherwise admissible under the immigration laws, she shall be granted admission into the United States as a nonquota immigrant for permanent residence upon application hereafter filed.

With the following committee amendment:

Page 1, line 10, after the word "Army", strike out the remainder of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KEIKO UCHIDA AND HER MINOR CHILD

The Clerk called the bill (H. R. 7820) for the relief of Keiko Uchida and her minor child.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, notwithstanding any provisions of the immigration laws or other laws relating to entry into the United States, the Attorney General is hereby authorized and directed to admit into the United States for permanent residence Keiko Uchida, who is the Japanese wife of Gene E. Doane, a citizen of the United States, and their minor child, and that, upon application hereinafter filed, she and her child shall be considered to be nonquota immigrants.

With the following committee amendment:

Strike out all after the enacting clause and insert "That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States aliens who are ineligible to citizenship, shall not hereafter apply to Mrs. Keiko Uchida Doane and her minor child, the wife and child, respectively, of Gene E. Doane, a citizen of the United States and honorably discharged veteran of World War II."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Keiko Uchida Doane and her minor child."

A motion to reconsider was laid on the table.

REGINA WATANABE

The Clerk called the bill (H. R. 7970) for the relief of Regina Watanabe (Mrs. Regina Anderson).

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That notwithstanding the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Regina Watanabe Anderson, of Nagoya, Japan, the wife of Leroi C. Anderson, a citizen of the United States, and an honorably discharged veteran of World War II, and that Regina Watanabe Anderson may be eligible for a visa on a nonquota status as the wife of an American citizen: *Provided*, That the administrative authorities find that the said Regina Watanabe Anderson is coming to the United States for permanent residence and that she is found otherwise admissible under the immigration laws.

With the following committee amendment:

Strike out all after the enacting clause and insert "That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States aliens who are ineligible to citizenship, shall not hereafter apply to Mrs. Regina Anderson and her minor child, the wife and child respectively of Leroi C. Anderson, a citizen of the United States and honorably discharged veteran of World War II."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mrs. Regina Anderson and her minor child."

A motion to reconsider was laid on the table.

NOAE KAWASHIMA

The Clerk called the bill (H. R. 8440) for the relief of Noae Kawashima.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the provisions of section 13 (c) of the Immigration Act of 1924, as amended, relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Noae Kawashima, the Japanese fiancée of Taiji Hirayama, a citizen of the United States, and that the said Noae Kawashima may be eligible for a nonquota immigration visa if she is found otherwise admissible under the immigration laws: *Provided*, That the administrative authorities find that marriage between the above-named parties occurred within 3 months immediately succeeding the enactment date of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YOSHIE NOZAWA

The Clerk called the bill (H. R. 8451) for the relief of Yoshie Nozawa.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the provisions of section 13 (c) of the Immigration Act of 1924, as amended, relating to the exclusion of aliens inadmissible because of race, shall not hereafter apply to Yoshie Nozawa, the Japanese fiancée of Le Roy L. Dugan, a citizen of the United States and presently serving in Japan with the United States Army, and that the said Yoshie Nozawa may be eligible for a nonquota immigration visa if she is found otherwise admissible under the immigration laws: *Provided*, That the administrative authorities find that marriage between the above-named parties occurred within 3 months immediately succeeding the enactment date of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JANOS TREBER AND MRS. KATALIN TREBER

The Clerk called the bill (H. R. 5110) for the relief of Janos (John) Treber and Mrs. Katalin (Katherine) Treber.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That for the purpose of the immigration and naturalization laws, the aliens Janos (John) Treber and Mrs. Katalin (Katherine) Treber, his wife, who arrived in the United States at New York, N. Y., on May 9, 1949, shall be held and considered to have been lawfully admitted, as of such date, to the United States for permanent residence. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to make appropriate deduction of two members from the quota for Hungary.

With the following committee amendment:

After "residence" in line 8, insert "upon the payment of the required visa fee and head taxes."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. VERA RAUPE

The Clerk called the bill (H. R. 5782) for the relief of Mrs. Vera Raupe.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc*, That, for the purposes of the immigration and naturalization laws, Mrs. Vera Raupe (formerly Vera Kohoutek), of Dallas, Tex., who entered the United States at New York, N. Y., on February 6, 1948, as a temporary visitor shall be held and considered to have been lawfully admitted, as of such date, to the United States for permanent residence. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Czechoslovakia for the first year such quota is available.

With the following committee amendment:

Page 1, line 8, after "residence", insert "upon the payment of the required visa fee and head tax."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. GEORGE ALEXANDROS CHRONAKIS

The Clerk called the bill (H. R. 6287) for the relief of Dr. George Alexandros Chronakis.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest and bond, which may have been issued in the case of Dr. George Alexandros Chronakis, of Knoxville, Tenn. From and after the date of en-

actment of this act, the said Dr. George Alexandros Chronakis shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

SEC. 2. In the administration of the immigration laws, the said Dr. George Alexandros Chronakis shall be considered as having been lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 3. That the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available quota for nationals of Greece.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA CRISTINA D'ANGELO

The Clerk called the bill (H. R. 7204) for the relief of Maria Cristina D'Angelo.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of the immigration and naturalization laws, the alien Maria Cristina D'Angelo, Biccari, Italy, legally adopted minor daughter of Antonio Mucci and Mrs. Maria P. Mucci, Newark, N. J., both United States citizens, shall be held and considered to be the natural-born daughter of the said Antonio Mucci and the said Mrs. Maria P. Mucci.

With the following committee amendment:

Page 1, line 7, after "to be the", insert "alien."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KAZUKO KAMADA

The Clerk called the bill (H. R. 7228) for the relief of Kazuko Kamada.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That notwithstanding the provisions of section 13 (c) of the Immigration Act of 1924, as amended, or any of the other provisions of the immigration laws relating to the exclusion of aliens ineligible to citizenship, the Attorney General is authorized and directed to permit the entry into the United States for permanent residence of Kazuko Kamada, the Japanese fiancée of Ralph S. Merithew, a citizen of the United States and a sergeant in the service of the Department of the Air Force: *Provided*, That the administrative authorities find that the said Kazuko Kamada is coming to the United States with a bona fide intention of being married to Ralph S. Merithew and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Kazuko Kamada, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156).

With the following committee amendment:

At the end of the bill insert the following: "In the event the marriage between the above-named parties shall occur within 3 months after entry of said Kazuko Kamada, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Kazuko Kamada as of the date of her entry into the United States, upon the payment by her of the required visa fees and head taxes."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TERESA GENTILE AND GALLIANO GENTILE

The Clerk called the bill (H. R. 7414) for the relief of Teresa Gentile and Galliano Gentile.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of the immigration and naturalization laws, the aliens Teresa Gentile and Galliano Gentile, of Lacedonia, Province of Avellino, Italy, legally adopted minor children of Galliano Gentile and Mrs. Nunzia Gentile, United States citizens residing in Newark, N. J., shall be held and considered to be the natural-born children of the said Galliano Gentile and the said Mrs. Nunzia Gentile.

With the following committee amendment:

Page 1, line 8, after "to be the", insert "alien."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ASAKO TSUCHIDA

The Clerk called the bill (H. R. 8183) for the relief of Asako Tsuchida.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Asako Tsuchida, Tokyo, Japan, the Japanese fiancée of James Yoshito Arima, a citizen of the United States and an honorably discharged veteran of World War II, and that Asako Tsuchida may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Asako Tsuchida is coming to the United States with a bona fide intention of being married to said James Yoshito Arima, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of Asako Tsuchida, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisisons of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after entry of said Asako Tsuchida, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Asako Tsuchida as of the date of her entry into the United States, upon the payment by her of the required fees and head taxes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOSHIKO MURAI

The Clerk called the bill (H. R. 8361) for the relief of Toshiko Murai.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Toshiko Murai, Nakano-Ku, Tokyo, Japan, the Japanese fiancée of John F. Finnegan, a citizen of the United States and an honorably discharged veteran of World War II, and the said Toshiko Murai may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Toshiko Murai is coming to the United States with a bona fide intention of being married to said John F. Finnegan, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Toshiko Murai, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Toshiko Murai, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Toshiko Murai as of the date of her entry into the United States, upon the payment by her of the required fees and head taxes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS JOSEPH C. GRANT

The Clerk called the bill (H. R. 8381) for the relief of Mrs. Joseph C. Grant.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration laws, the provisions, of the eleventh category of section 3 of the Immigration Act of 1917, as amended (U. S. C., 1946 ed., title 8, sec. 136 (c)), shall not hereafter apply to Mrs. Joseph C. Grant (nee Hedwig S. Schneider) the wife of a citizen of the United States on active duty with the United States Navy, insofar as concerns any conviction or admission of the commission of a crime by her of which the Department of Justice and the Department of State have knowledge on the date of enactment hereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HATSUKO TORIKAI

The Clerk called the bill (H. R. 8500) for the relief of Hatsuko Torikai.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Hatsuko Torikai, the Japanese fiancée of Frank S. Kino, a citizen of the United States and an honorably discharged veteran of World War II, and that Hatsuko Torikai may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Hatsuko Torikai is coming to the United States with a bona fide intention of being

married to said Grank S. Kino, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Hatsuko Torikai, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after entry of said Hatsuko Torikai, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Hatsuko Torikai as of the date of her entry into the United States, upon the payment by her of the required visa fees and head taxes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YASUKO HIGUCHI

The Clerk called the bill (H. R. 8581) for the relief of Yasuko Higuchi.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States aliens who are ineligible to citizenship, shall not hereafter apply to Mrs. Yasuko Higuchi, the wife of Norman Earl Thomson, a citizen of the United States and an honorably discharged veteran of World War II.

With the following committee amendment:

On line 7, after the name "Higuchi", insert the name "Thomson."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Yasuko Higuchi Thomson."

A motion to reconsider was laid on the table.

HISAKO SHIMIZU

The Clerk called the bill (H. R. 8583) for the relief of Hisako Shimizu.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the provisions of section 13 (c) of the Immigration Act of 1924, as amended, relating to the exclusion of aliens inadmissible because of race, shall not hereafter apply to Hisako Shimizu, the Japanese fiancée of Tomio Tahaka, a citizen of the United States and an honorably discharged veteran of World War II, and that the said Hisako Shimizu may be eligible for a nonquota immigration visa if she is found otherwise admissible under the immigration laws: *Provided*, That the administrative authorities find the marriage between the above-named parties occurred within 3 months immediately succeeding the enactment date of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YURIKO AOYAMA

The Clerk called the bill (H. R. 8600) for the relief of Yuriko Aoyama.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the provisions of section 13 (c) of the Immigration Act of 1924, as amended, relating to the exclusion of aliens inadmissible because of race, shall not hereafter apply to Yuriko Aoyama, the Japanese fiancée of Thomas A. Twitchell, a citizen of the United States and presently serving with the Armed Forces of the United States in Japan, and that the said Yuriko Aoyama may be eligible for a nonquota immigration visa if she is found otherwise admissible under the immigration laws: *Provided*, That the administrative authorities find that marriage between the above-named parties occurred within 3 months immediately succeeding the enactment date of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOSHIKO KIKYO AND FRANCIS KIKYO

The Clerk called the bill (H. R. 8655) for the relief of Toshiko Kikyo and Francis Kikyo.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States persons who are ineligible to citizenship, shall not apply to Toshiko Kikyo and Francis Kikyo, natives of Japan, and that, if otherwise admissible under the immigration laws, they shall be granted admission into the United States as nonquota immigrants for permanent residence upon application hereafter filed.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the provisions of the immigration laws relating to the exclusion of aliens inadmissable because of race shall not hereafter apply to Toshiko Kikyo, the Japanese fiancée of Barre E. Heim, a citizen of the United States and an honorably discharged veteran of World War II, and her son, Francis Kikyo, and that the said Toshiko Kikyo and her above-named son may be eligible for visas as nonimmigrant temporary visitors for a period of 3 months: *Provided*, That the administrative authorities find that the said Toshiko Kikyo is coming to the United States with a bona fide intention of being married to said Barre E. Heim, and that they are found otherwise admissable under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Toshiko Kikyo and her son, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-mentioned parties shall occur within 3 months after the entry of Toshiko Kikyo and her son, the Attorney General is authorized and directed to record the lawful admission for permanent residence of them as of the date of the payment by them of the required visa fees and head taxes."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JUN HIN LUM

The Clerk called the bill (H. R. 8722) for the relief of Jun Hin Lum.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration and naturalization laws, the provisions of sections 4 (a) and 9 of the Immigration Act of 1924, as amended, pertaining to unmarried children under 21 years of age of a citizen of the United States, shall be held to be applicable to Jun Hin Lum, minor child of Lum Tim, a citizen of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAND PATENT OF THOMAS STEPHENS

The Clerk called the bill (H. R. 4065) to provide for the relinquishment of mineral reservations in the land patent of Thomas Stephens.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is authorized and directed, upon surrender of patent numbered 1122575 (covering the following: Lot 4 of section 5, lots 6 and 9 of section 6, and lot 1 of section 7, in township 15 south, of range 13 east of the Louisiana meridian, in Louisiana, containing fifty-three and twenty-eight one-hundredths acres) by the heirs or assigns of the patentee, Thomas Stephens, to reissue to the heirs or assigns of the said Thomas Stephens a patent to such land without reservation to the United States of coal and other minerals, or of any right to prospect for, mine, or remove any such coal or other minerals.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MASA IYOKI

The Clerk called the bill (H. R. 7071) for the relief of Mrs. Masa Iyoki.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended (U. S. C., title 8, sec. 213 (c)), which excludes from admission to the United States persons who are ineligible to citizenship, shall not hereafter apply to Mrs. Masa Iyoki, a former resident of the United States and mother of an American citizen, and that the said Mrs. Masa Iyoki may be permitted to enter the United States as a nonquota immigrant for permanent residence.

With the following committee amendment:

On line 9, after the words "American citizen", change the comma to a period and strike out the balance of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. DONALD RAFTER

The Clerk called the bill (H. R. 7733) for the relief of Mrs. Donald Rafter.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States aliens who are ineligible to citizenship, shall not hereafter apply to Mrs. Donald Rafter, the wife of Corporal Donald Rafter (R. A. 32068411 6012—A. S. U. Military Police Detachment, Camp Stoneman, Calif.), a citizen of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN YEE HORN

The Clerk called the bill (H. R. 7815) for the relief of John Yee Horn.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of section 201 (g) of the Nationality Act of 1940, as amended (8 U. S. C. 601 (g)), Yee Kang Horn, a natural-born citizen of the United States, shall be held and considered to have had 10 years' residence in the United States prior to the birth of his minor son, John Yee Horn, at least 5 years of such residence being after the said Yee Kang Horn attained the age of 16 years, insofar as such section 201 (g) is applicable with respect to the nationality and citizenship status at birth of the said John Yee Horn.

With the following committee amendment:

Strike out all after the enacting clause, and insert "That, in the administration of the immigration laws, section 4 (a) and section 9 of the Immigration Act of May 26, 1924, shall be held applicable to John Yee Horn, the minor unmarried child of Yee Kang Horn, a citizen of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YEE BALCHE YEE

The Clerk called the bill (H. R. 8289) for the relief of Yee Balche Yee.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration and naturalization laws, the provisions of section 4 (a) of the Immigration Act of 1924, as amended, pertaining to unmarried children under 21 years of age of a citizen of the United States, shall be held to be applicable to the alien Yee Balche Yee, born November 23, 1949, minor child of Yee Kai Teung, a citizen of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANSON HAROLD PEASE

The Clerk called the bill (S. 2510) to authorize and direct the Secretary of the Interior to issue to Anson Harold Pease, a Crow allottee, a patent in fee to certain lands.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Anson Harold Pease, Crow allottee No. 1322, a patent in fee to the following-described lands in the State of Montana: Lot 8, south half northeast quarter, southeast quarter southwest quarter, southeast quarter of section 11; lots 1, 3, northeast quarter, east half northwest quarter of section 14, lot 3, southeast quarter southeast quarter of section 15, township 1 south, range 27 east, principal meridian, Montana, containing six hundred forty-nine and fifty-five one-hundredths acres, more or less.

SEC. 2. (a) The lands herein described shall not be sold after the date of enactment of this act to any purchaser, other than the Crow Tribe or a member thereof, unless (1) at least 60 days prior to such sale the superintendent of the Crow Agency shall have been served with notice of the terms thereof and a copy of such notice, together with a description of the lands, shall have been posted by the superintendent in a conspicuous public place at such agency and have remained posted for a period of 60 days, and (2) prior to the expiration of such 60 days no bona fide offer in writing to purchase such land upon the terms specified in such notice, or upon terms more favorable to the owner, shall have been made by the Crow Tribe or any member thereof and a copy thereof served upon the superintendent of the Crow Agency.

(b) A certificate of the superintendent of the Crow Agency stating that notice of the proposed sale was served upon him and was posted by him for a period of 60 days in accordance with the provisions of clause (1) of subsection (a) and that no offer was received in accordance with clause (2) of such subsection, when filed and recorded in the office of the county clerk and recorder of the county in which such lands are situated shall be conclusive evidence of compliance with this section. The superintendent shall furnish the certificate to the purchaser for filing and recording.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PINE RIDGE RESERVATION

The Clerk called the bill (S. 2551), to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is hereby authorized to sell the trust allotment No. 4533 of Julia Poor Bear Two Crow, Pine Ridge allottee, described as the northeast quarter of section 32, township 37 north, range 36 west, sixth principal meridian, South Dakota, containing 160 acres, conveyance to be made by deed or the issuance of a patent in fee to the purchaser and to disburse the proceeds of such sale to Julia Poor Bear Two Crow for her benefit.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF LAND ON PINE RIDGE RESERVATION, S. DAK.

The Clerk called the bill (S. 2552) to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is hereby authorized to sell the trust allotment No. 4534 of Bettie Morrison, now Betty Little White Man, Pine Ridge allottee, described as the southeast quarter of section 32, township 37 north, range 36 west, sixth principal meridian, South Dakota, containing 160 acres, conveyance to be made by deed or the issuance of a patent in fee to the purchaser and to disburse the proceeds of such sale to Betty Little White Man for her benefit.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILBUR J. SCOTT

The Clerk called the bill (S. 3029) authorizing the Secretary of the Interior to issue a patent in fee to Wilbur J. Scott.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is authorized and directed to issue a patent in fee to Wilbur J. Scott for the following-described lands in the State of Montana: The northeast quarter and the north half of the southeast quarter of section 34, township 2 south, range 28 east; lot 4 of section 18, township 4 south, range 33 east, and the southwest quarter of the southwest quarter of section 21, township 6 south, range 32 east, Montana principal meridian, and containing approximately three hundred seventeen and eighty-six one-hundredths acres.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF CERTAIN LAND ON WINNEBAGO RESERVATION, NEBR.

The Clerk called the bill (S. 3128) to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is hereby authorized to sell a portion of the trust allotment numbered 535 inherited by John D. Decora, Winnebago Indian, described as the southeast quarter of the northwest quarter of section 12, township 26 north, range 7 east, sixth principal meridian, Nebraska, containing 40 acres, conveyance to be made by deed or the issuance of a patent in fee to the purchaser and to disburse the proceeds of such sale to John D. Decora for his benefit.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF CERTAIN LAND ON THE WINNEBAGO RESERVATION, NEBR.

The Clerk called the bill (S. 3130) to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is hereby authorized to sell the trust allotment No. 144 of Charles Smith, deceased Winnebago allottee, described as the southeast quarter of the northwest quarter of section 3, township 25 north, range 6 east, sixth principal meridian, Nebraska, containing 40 acres, conveyance to be made by deed or the issuance of a patent in fee to the purchaser and to disburse the proceeds of such sale to the heirs, Lot Smith and Helen Seymour Smith, for their benefit.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LESLIE FULLARD-LEO AND ELLEN FULLARD-LEO

The Clerk called the bill (H. R. 3406) for the relief of Leslie Fullard-Leo and Ellen Fullard-Leo.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Leslie Fullard-Leo and Ellen Fullard-Leo, husband and wife, Honolulu, T. H., owners in fee simple of Palmyra Island as confirmed by a decision of the United States Supreme Court dated May 12, 1947 (91 Law Edition Advance Opinions, No. 14, p. 1127), the sum of $312,494.42, in full settlement of their claims against the United States Government on account of the use, occupation, and damages sustained by reason thereof, of Palmyra Island: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any one agent or agency, or by any one attorney or firm of attorneys, on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, lines 5 and 6, strike out "Leslie Fullard-Leo and Ellen Fullard-Leo, husband and wife," and insert "Ellen Fullard-Leo, widow of Leslie Fullard-Leo."

Page 1, lines 9 and 10, strike out "(91 Law Edition Advance Opinion, No. 14, p. 1127)," and insert "(331 U. S. 256)."

Page 1, line 10, strike out "$312,494.42" and insert "$100,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Ellen Fullard-Leo."

A motion to reconsider was laid on the table.

XYLDA L. DRIVER

The Clerk called the bill (H. R. 4836) for the relief of Xylda L. Driver.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money not heretofore appropriated, to Xylda L. Driver, of Tunica, Miss., the sum of $111.24, in full settlement of all claims against the United States for social-security payment on account of the death of her son, William Richard Driver, who died on August 5, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATUXENT DEVELOPMENT CO., INC.

The Clerk called the bill (H. R. 6363), conferring jurisdiction on the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That jurisdiction is hereby conferred upon the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon the claims of the Patuxent Development Co., Inc., of Southern Pines, N. C., against the United States arising out of the use and occupancy between August 17, 1943, and August 31, 1943, inclusive, of the Pine Needles Hotel property, at Southern Pines, N. C., by the Army Air Forces Technical Training Command under contract No. W202 eng-16862, dated March 3, 1942. In the determination of such claims the company shall, notwithstanding any provision of any contract, release, or other agreement, be entitled to receive fair and just compensation for losses incurred by the company, and damage done to such property, by reason of its use and occupancy by the United States between August 17, 1943, and August 31, 1943, inclusive, and for any property misappropriated or erroneously removed from the company's premises at the time of vacating by the United States.

SEC. 2. Notwithstanding any statute of limitations or lapse of time, suit upon such claims may be instituted at any time within 1 year after the date of enactment of this act. In any such suit brought pursuant to this act proceedings shall be had and the liability, if any, of the United States shall be determined in accordance with the provisions of law applicable in the case of tort claims against the United States.

With the following committee amendment:

Page 2, line 19, after the words "United States", add a colon and the following: "*Provided, however*, That nothing in this act does or shall constitute an admission of liability on the part of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ED HOWARD RUSSELL

The Clerk called the bill (H. R. 6709) for the relief of Ed Howard Russell.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ed Howard Russell, of Opelousas, St. Landry Parish, La., the sum of $9,180, in full settlement of all claims against the United States for compensation for personal injuries sustained, and reimbursement of expenses incurred as the result of an accident involving an Army vehicle on January 18, 1944, on United States Highway 190 in Baton Rouge, La.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8, after the word "for", strike out "compensation for personal injuries sustained, and reimbursement of expenses incurred" and insert in lieu thereof "personal injuries and loss of earnings sustained and medical, hospital, and incidental expenses incurred."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. COL. F. A. FERGUSON

The Clerk called the bill (H. R. 6850) for the relief of Lt. Col. F. A. Ferguson.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That Lt. Col. F. A. Ferguson, Corps of Engineers, who was responsible for the excess or erroneous payments under contract numbered W-22-052-eng-1015 for rental and recapture of two Buick sedans of amounts which in the aggregate, amount to an excess of $1,814.68 above the statutory limitation of $1,300 each on the purchase price of passenger-carrying vehicles, less the cost of transportation of $176.03, resulting in a net overpayment of $1,638.60, and he is hereby relieved of financial liability therefor and the Comptroller General of the United States is authorized and directed to allow credit in the settlement of his accounts as disbursing officer, Vicksburg District, Corps of Engineers, Vicksburg, Miss., in such amounts not exceeding the sum stated herein, which have been or hereafter may be disallowed, as may be necessary to relieve such dibursing officer of financial liability therefor.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF CERTAIN LANDS IN ALASKA TO THE THIS-SIDE-OF-HEAVEN CHILDREN'S HOME

The Clerk called the bill (H. R. 6221) to authorize the sale of certain public lands in Alaska to the This-Side-of-Heaven Children's Home for use as a children's home.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the This-Side-of-Heaven Children's Home, of Homer, Alaska, a corporation organized and existing under the laws of the Territory of Alaska, is hereby authorized for a period of 1 year from and after the effective date of this act to apply for the purchase of, and the Secretary of the Interior is hereby authorized and directed to convey to the corporation for use as a children's home, the following-described public lands situated in Alaska:

Lot 1 of section 3 and lots 1 and 3 of section 4, northwest quarter northeast quarter of section 4, township 6 south, range 12 west, Seward meridian, embracing one hundred four and seventy-seven one-hundredths acres; and south half southeast quarter of section 33, lots 3 and 4 of section 34, township 5 south, range 12 west, Seward meridian, embracing one hundred and thirty-two acres.

SEC. 2. That the conveyance shall be made upon the payment by the said corporation for the land at its reasonable appraised price of not less than $1.25 per acre, to be fixed by the Secretary of the Interior: *Provided*, That the conveyance hereby authorized shall not include any land covered by a valid existing right initiated under the public-land laws: *Provided further*, That the coal and other mineral deposits in the land shall be reserved to the United States, together with the right to prospect for, mine, and remove the same under applicable laws and regulations to be prescribed by the Secretary of the Interior.

SEC. 3. That such conveyance shall contain the further provision that if the This-Side-of-Heaven Children's Home shall at any time cease to use the property so conveyed for a children's home title thereto shall revert to the United States.

With the following committee amendment:

Page 2, strike out lines 19 to 23, inclusive.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPHINE STEVENS GOERING

The Clerk called the bill (H. R. 6964) authorizing the Secretary of the Interior to issue a patent in fee to Josephine Stevens Goering.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is authorized and directed to issue to Josephine Stevens Goering a patent in fee to the following-described lands, known as allotment 1264 on the Crow Indian Reservation, Mont.: the south half of the south half of the north half and the south half of section 29, the southwest quarter of section 28, and the north half of the north half of the northwest quarter of section 32, township 9 south, range 33 east, Montana principal meridian, containing 600 acres.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF CERTAIN LAND ON THE CHENA RIVER TO THE TANANA VALLEY SPORTSMEN'S ASSOCIATION, FAIRBANKS, ALASKA

The Clerk called the bill (H. R. 7753) to authorize the Secretary of the Interior to sell certain land on the Chena River to the Tanana Valley Sportsmen's Association, of Fairbanks, Alaska.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That upon the filing of an application within 1 year from the date of this act and the payment of the purchase price by the Tanana Valley Sportsmen's Association, of Fairbanks, Alaska, a nonprofit corporation organized under the laws of the Territory of Alaska, the Secretary of the Interior is authorized to sell and convey to the said corporation a tract of land described as the north half lot 10, section 7, township 1 south, range 1 west, Fairbanks meridian, Alaska, containing approximately twenty-two and twelve one-hundredths acres: *Provided*, That the purchase price for the land shall be the reasonable value thereof without improvements, as determined by the Secretary of the Interior, but not less than $1.25 per acre.

SEC. 2. The patent issued under this act shall contain a reservation to the United States of the mineral deposits in the land, together with the right to prospect for, mine, and remove the same under applicable laws and regulations to be prescribed by the Secretary of the Interior.

With the following committee amendments:

Page 1, line 9: Strike all after the word "as" through the word "acres" on page 2, line 2, and insert in lieu thereof the following: "that portion of lot 10, section 7, township 1 south, range 1 west, Fairbanks meridian, Alaska, included in the north half southwest quarter southeast quarter, and the south half northwest quarter southeast quarter of section 7, containing twenty-four and twenty-five one-hundredths acres."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN LANDS IN THE STATE OF MINNESOTA

The Clerk called the bill (S. 2397) authorizing the Secretary of the Interior to convey certain lands in the State of Minnesota to Signa M. Lodoen and Nels R. Lodoen.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is authorized and directed to convey by quitclaim deed to Signa M. Lodoen and Nels R. Lodoen, all right, title, and interest of the United States in and to the following-described tract of land in Becker County, Minn., which was mistakably included in a conveyance to the United States executed on January 12, 1938: Eighty-six one-hundredths acre in government lot 3 located in the northwest quarter of the southwest quarter of section 25, township 142 north, range 39 west of the fifth principal meridian in Becker County, Minn., and forty-eight one-hundredths acre in the northeast quarter of the southeast quarter of section 26, township and range aforesaid, described as follows:

Beginning at an iron pipe at a point which bears south twenty-six minutes east two and five-tenths chains from the quarter corner common to said sections 25 and 26; thence running north seventy-six degrees thirty-four minutes east three hundred and nine feet; thence north thirteen degrees twenty-eight minutes west ninety-four and two-tenths feet to a point on the north line of said northwest quarter of the southwest quarter of section 25; thence south eighty-nine degrees forty-three minutes west two hundred and eighty-one feet to the northwest corner of said northwest one-quarter southwest one-quarter; thence continuing south eighty-nine degrees fifty-two minutes west one hundred and twenty-three feet along the north line of the northeast quarter of the southeast quarter of afore-mentioned section 26; thence running south four degrees nineteen minutes west one hundred eighty-two and five-tenths feet; thence north eighty-one degrees thirty-four minutes east one hundred forty and three-tenths feet to the point of beginning and there terminating, together with the right of ingress and egress to the above-described premises over and across a strip of land one rod in width and whose center line is located as follows, to wit:

Beginning at a point on the westerly line of the above-described tract at a point forty-four and four-tenths feet from the northwest corner thereof, thence running north eighty-two degrees eleven minutes west two hundred ninety-one and five-tenths feet to intersect the north line of the afore-mentioned northeast quarter of the southeast quarter of section 26: *Provided*, That in said quitclaim deed it shall be expressed that there is reserved to the United States from the lands so quitclaimed any right-of-way thereon necessary for the management of adjoining property owned by the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OIL AND GAS LEASE IN PARK COUNTY, WYO.

The Clerk called the bill (H. R. 7916) to authorize and direct the Secretary of the Interior to execute an oil and gas lease on a certain tract of land in Park County, Wyo.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby, authorized, and directed to issue an oil and gas lease, as herein provided, covering lot 1 and the southeast quarter of the northeast quarter of section 23, township 58 north, range 100 west, sixth principal meridian, Wyoming, comprising fifty-nine and thirty-nine one-hundredths acres, more or less. The lease shall be issued to the operator who has been in continuous possession of the land described since prior to February 25, 1920, under an oil and gas lease issued by all the persons who located the land as an oil placer-mining claim on October 15, 1915, and shall be held by said operator for itself and the said locators and their successors, as their interests may appear.

SEC. 2. The lease shall be dated May 1, 1946, shall be in the form provided by section 17 of the act of February 25, 1920, as amended by the act of August 8, 1946 (60 Stat. 951 and 43 CFR, 1946, Supp., 192.54), and shall provide for the payment of royalty at the rates regularly prescribed for competitive leases issued under section 17 of said act, as amended, in amount or value of oil and gas removed or sold from nonunitized horizons or zones or removed or sold from or allocated to the lease under the provisions of the Elk Basin Unit Agreement, approved by the Secretary of the Interior on May 29, 1946.

SEC. 3. The lease shall not be issued unless and until, within 6 months from the effective date of this act—

(1) an application for the lease is filed by the operator to whom the lease is to be issued;

(2) the applicant pays to the United States as royalty an amount at the rates provided in the lease to be issued on all oil and gas produced and saved prior to May 1, 1946, from the land to be leased;

(3) the applicant, together with all persons or their successors in interest having a contract or lease with the applicant under which they claim or hold an interest in lots 1 and 2 and the south half of the northeast quarter of section 23, township 58 north, range 100 west, sixth principal meridian, shall relinquish and quitclaim to the United States all their interests and claims of whatever character in the land described, and shall agree that the interests to be held by them or inuring to their benefit under the lease authorized by this act shall be held by them in full satisfaction for every interest or claim which they may have or assert with respect to the land described;

(4) the lease to be issued under this act shall be fully committed to the Elk Basin Unit Agreement, approved on May 29, 1946, such commitment to be effective as of May 1, 1946; and

(5) the applicant agrees and binds itself to reimburse the unit operator, without interest, for the share of investment costs and operating expenses incurred from and after May 1, 1946, and allocated under the unit agreement to the land to be leased.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMISSION OF CERTAIN ALIEN SHEEPHERDERS

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1165) to provide relief for the sheep-raising industry by making special quota immigration visas available to certain alien sheepherders.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That for a period of 1 year after the effective date of this act, in any case in which the Attorney General, under the authority of the fourth proviso to section 3 of the Immigration Act of 1917 (U. S. C., title 8, sec. 136), grants permission for the importation of a skilled sheepherder into the United States and the investigation of the application for such importation discloses that—

(1) the employment offered such skilled sheepherder is permanent, and

(2) no immigration quota number of the country of which such alien sheepherder is a national is then available,

a special immigration visa may be issued to such alien sheepherder as provided in this act: *Provided,* That such alien sheepherder is otherwise admissible into the United States for permanent residence.

SEC. 2. The Attorney General shall certify to the Secretary of State the name and address of every skilled sheepherder for which an application for importation under the fourth proviso to section 3 of the Immigration Act of 1917 has been approved. If a quota number is not then available for such alien sheepherder, the proper consular officer may issue a special quota immigration visa to such alien sheepherder. Upon the issuance of such visa the proper quota-control officer shall deduct one number from the appropriate quota for the first year that such quota is available: *Provided,* That not more than 50 percent of any quota shall be deducted under the provisions of this act in any given fiscal year.

SEC. 3. (a) There shall not be issued more than 250 special quota immigration visas under this act.

(b) Nothing contained in this act shall be construed as increasing the immigration quota of any country or of altering the requirements for admission of aliens into the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. LANE and Mr. VELDE asked and were given permission to extend their remarks, each in three instances, and include extraneous matters.

Mr. DONDERO asked and was given permission to extend his remarks and include a newspaper item.

Mr. HILL asked and was given permission to extend his remarks.

Mr. BLACKNEY asked and was given permission to extend his remarks and include an address by the Honorable Edward M. Sharpe.

Mr. FUGATE asked and was given permission to extend his remarks and include extraneous matter.

Mr. GOSSETT asked and was given permission to extend his remarks and include a short resolution.

Mr. NORRELL asked and was given permission to extend his remarks and include an article from the Tax Review published in May 1950, by the Tax Foundation of New York.

Mr. RODINO asked and was given permission to extend his remarks and include an editorial.

Mr. WILSON of Oklahoma asked and was given permission to extend his remarks and include an article.

Mr. CROOK asked and was given permission to extend his remarks and include an article on the subject The Age That Disturbs the Laborer's Mind.

Mr. CRAWFORD asked and was given permission to extend his remarks in two separate instances, in one to include a brief press release on Puerto Rican labor and in the other brief newspaper statements.

Mr. HARVEY asked and was given permission to extend his remarks and include an editorial.

Mr. VURSELL asked and was given permission to extend his remarks and include the testimony he gave this morning before panel B of the Department of Commerce in opposition to the further reduction of tariffs on lead and lead products.

Mr. GOODWIN asked and was given permission to extend his remarks and include an editorial.

Mr. CLEVENGER asked and was given permission to extend his remarks and include an editorial.

Mr. HERTER asked and was given permission to extend his remarks and include an editorial.

Mr. HUGH D. SCOTT, JR., asked and was given permission to extend his remarks and include an article from the New York Daily News of June 15.

Mr. KLEIN (at the request of Mr. PRIEST) was given permission to extend his remarks in three separate instances and in each to include extraneous matter.

Mr. BIEMILLER asked and was given permission to extend his remarks in three separate instances and in each to include extraneous matter.

Mr. McCORMACK asked and was given permission to extend his remarks and include a splendid address recently made by Father Harold J. Martin, at Massena, N. Y.

Mr. FURCOLO (at the request of Mr. McCORMACK) was given permission to extend his remarks.

BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 2269)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 3. Section 22 of the Agricultural Adjustment Act, as amended (U. S. C., title 7, sec. 624), is hereby amended to read as follows:

"'SEC. 22. (a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the President shall specify.

"'(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 per centum ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided,* That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 per centum of the total quantity of such article or articles which was entered, or withdrawn from ware-

house, for consumption during a representative period as determined by the President: *And provided further,* That in designating any article or articles, the President may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

"'(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.

"'(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever he finds and proclaims that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever he finds and proclaims that changed circumstances require such modification to carry out the purposes of this section.

"'(e) Any decision of the President as to facts under this section shall be final.

"'(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for any article than that prescribed by the general agreement on tariffs and trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection.'"

And the Senate agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
BROOKS HAYS,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,
*Managers on the Part of the House.*

ALLEN J. ELLENDER,
SCOTT W. LUCAS,
CLYDE R. HOEY,
SPESSARD L. HOLLAND,
GEORGE D. AIKEN,
EDWARD J. THYE,
*Managers on the Part of the Senate.*

STATEMENT

The Managers on the part of the House in the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment proposed a new section 3 to the House bill which would amend section 22 of the Agricultural Adjustment Act in several respects. The committee of conference recommended that the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment.

The Senate amendment made no change in the House bill with respect to increasing the borrowing power of the Commodity Credit Corporation from $4,750,000,000 to $6,750,000,000. The Senate amendment proposed several changes to section 22 of the Agricultural Adjustment Act. There was no similar provision in the House bill. The conference amendment would amend section 22 of the Agricultural Adjustment Act in two respects, and the differences between the existing provisions of such section 22 and the conference amendment are indicated below.

The first change relates to subsection (a) of section 22 of the Agricultural Adjustment Act which provides that whenever the President has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under the Agricultural Adjustment Act, as amended, or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof, with respect to which any such program or operation is being undertaken, the President shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under section 22 to determine such facts. Such investigations shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the President shall specify.

In lieu of the existing provisions of subsection (a) of section 22 which provide that the President shall cause an immediate investigation to be made after he has reason to believe that any article or articles are being or practically certain to be imported which will affect the above mentioned programs, the conference amendment places upon the Secretary of Agriculture the responsibility of notifying the President whenever the Secretary of Agriculture believes or has reason to believe that any article or articles are being or practically certain to be imported into the country so as to render, or tend to render, ineffective or materially interfere with the above mentioned programs. The conference amendment further provides that if the President agrees that there is reason for such belief on the part of the Secretary of Agriculture the President shall cause an immediate investigation to be made by the United States Tariff Commission which under existing law is authorized to make such investigation.

The second change relates to subsection (f) of section 22 which now provides that no proclamation under section 22 shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party. In lieu of this provision the conference amendment would provide that no proclamation under section 22 shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of such section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for any article than that prescribed by the general agreement on tariffs and trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection. The effect of the conference amendment with respect to such subsection (f) is to make sure that future international agreements or amendments to existing international agreements give effect to the provisions of section 22 within the framework of the general agreement on tariffs and trade.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
BROOKS HAYS,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,
*Managers on the Part of the House.*

Mr. SPENCE. Mr. Speaker, this is practically the bill that passed the House. There is one amendment to section 22 which merely provides that the tariff policies may be carried out notwithstanding any future international agreements.

Mr. Speaker, I yield at this time 5 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Speaker, it is natural, I presume, that the members of the House Committee on Agriculture should be somewhat concerned about this conference report. The House passed a bill increasing the borrowing authority of the Commodity Credit Corporation by $2,000,000,000 and that was substantially all the bill contained.

In the Senate there was added what is called the Magnuson amendment, which deals with section 22 of the Agricultural Adjustment Act and that was the only question in conference. The matter in the conference report was not dealt with at all in the House bill.

This is a matter of very deep interest to every member of the House Committee on Agriculture. Section 22 seeks to give some protection to our farm programs by providing that if imports coming into this country impair or interfere with those programs or increase the cost of the price-support program, limitations on imports can be made by the President.

The language agreed upon in conference is a complete rewriting of section 22 as contained in the Agricultural Adjustment Act. I realize that there is not much that can be done under the circumstances, except I was requested by members of the committee to propound one question of the distinguished chairman of the Committee on Banking and Currency.

In what is commonly referred to as GATT, with which the chairman, I know, is familiar, that is, General Agreement on Tariffs and Trade, it is expressly provided that the provisions of law as they existed on November 15, 1947, would be respected; that is, as section 22 existed, and that all agreements would respect section 22 as it then existed. I should

like to ask the distinguished Chairman this one question. This provision now contained in subsection (f) of the rewrite of section 22, reads as follows:

(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for any article than that prescribed by the General Agreement on Tariffs and Trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection.

Is it the intention of the conferees that this provision is not intended to limit the authority of Congress to limit the use of section 22 regulations to any greater extent than existed at the time the General Agreement on Tariffs and Trade was entered into?

Mr. SPENCE. It only refers to future agreements, of course. We could not enter into any agreements in contravention of any treaty or Executive order. The Constitution of the United States says that treaties are the supreme law of the land, and I do not think anybody would want the Government to enter into an agreement in contravention of a treaty, because the national honor and good faith would be at stake. It provides, however, that no agreement shall be made in the future which would interfere with the operation of this section. We do not say "existing law." It merely says in the future they shall not enter into contracts that will interfere with the carrying out of this policy. It has no retroactive effect and it has no effect on existing treaties.

Mr. PACE. Does the gentleman mean to say that it is the intent of the conferees that future international treaties and agreements shall not be such as to prevent the operation of section 22?

Mr. SPENCE. That is true. They shall not enter into those agreements. Of course, if they enter into an agreement, whatever that agreement is, national honor and good faith compels us to uphold it, but in the future we shall not enter into any agreement that will interfere with the policy of this section.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Washington.

Mr. HOLMES. Does not this section, as changed in this conference report, change the text of old section 22 of the Agricultural Adjustment Act?

Mr. PACE. It changes the text somewhat, but under the assurance given by the chairman of the House conferees I shall not be disturbed; that it is the intention of the conferees that they shall not enter into any trade agreement hereafter that will violate the intention and the provisions of section 22 as rewritten in this conference report.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield to the gentleman from California because the gentleman from California and the gentleman from Washington are both very much concerned with this question.

Mr. ANDERSON of California. Indeed we are, and I cannot see why the gentleman from Georgia is so pleased with the assurance given by the chairman.

Mr. PACE. Because he said that it provides that no future treaties or international agreements shall be entered into which violate the terms of section 22 as redrafted in this report; nor will the adoption of this conference report have any retroactive effect in changing the terms of the general agreement on tariffs and trade, which recognized the provisions of section 22 as it existed at that time.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Speaker, this amendment is very vital to the specialty crops particularly those raised in California. I personally feel that we have gone a long way afield in our neglect to protect American agriculture and American laboring men by the repeal of the peril point in our tariff agreements. I believe this is just another step toward giving further control to the Administration in handling the situation as they see fit. I believe Congress should take some action to see that we protect American labor and American agriculture.

I know you are all very well apprised of the fact that labor organizations throughout this country are now deeply concerned with our repeal last year of the peril point and the escape clause in our trade agreements. As I understand, we shipped into this country 2 years ago about $1,600,000,000 worth of competitive agricultural crops. This country is now supporting the agricultural economy of the world. I believe it is time that we should respond to the demands of the people who are interested in protecting our economy and not give and give. We should try to protect our own American agriculture.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. SCUDDER. I yield to the gentleman from Nebraska.

Mr. CURTIS. The amendment as it now stands applies only to future agreements and will not be of very much protection, because we have agreements already with so many countries, where the damage is now being done. The Magnuson amendment would have been much better. The gentleman from Kentucky talks about honor, and that the country has to stand by these treaties. They are not treaties. They were not ratified by the Senate. They are agreements only. Future Congresses should not be bound. We should have a perfect right now to legislate on this for the interests of the American agricultural producers.

Mr. SCUDDER. The gentleman is right. We should adhere to the Magnuson amendment.

Mr. VURSELL. Mr. Speaker, will the gentleman yield?

Mr. SCUDDER. I yield to the gentleman from Illinois.

Mr. VURSELL. If these are treaties, is it not a fact that escape clauses were written into the reciprocal-trade treaties which would give the President the power to renegotiate? Is not that a fact?

Mr. SPENCE. Yes, under certain conditions.

What does the Magnuson amendment do? The Magnuson amendment places the responsibility in the Secretary of Agriculture. He not only makes the complaint, he tries the case and he renders the verdict. You talk about the administration wanting more power. Where could the administration have more power than that?

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Speaker, I yield myself 5 minutes.

The Secretary of Agriculture does not want the power arbitrarily to make the complaint, try the case, render the verdict, and pronounce the judgment. He sees the impropriety of it. So under this bill the Secretary of Agriculture has the authority to express his opinion, after hearing evidence, as to what action should be taken. He refers it to the President. The President puts in operation a bipartisan agency of the Government, the Federal Tariff Commission.

You talk about the administration grasping for power. If the administration wanted power, a good way to obtain that power would be to give this whole authority to the Secretary of Agriculture. The Secretary of Agriculture does not want it and the President does not want him to have it.

One of the perils of this bill, if you had put the Magnuson amendment on it, is that I am sure it would have been vetoed.

Wherein is there any peril to the agricultural interests of the country when you refer these tariff matters to a bipartisan board? By doing that you take them out of politics.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. CASE of South Dakota. What difference is it whether the power is vested in the Secretary of Agriculture or in the President—the administration still has the power, does it not?

Mr. SPENCE. The administration has no power to control this bipartisan Commission and justly so.

Mr. PHILLIPS of California. It is a discretionary power.

Mr. SPENCE. It is almost a judicial question and they arrive at a conclusion after having a hearing. The proper organization to do this is the agency of Government which has had the experience and the agency of Government which is created for this very purpose; that is the Tariff Commission.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. HOLMES. Is it a statement of fact that the State Department had a great deal to do with the writing of

section 22 as it now stands in the bill, and if that is the fact, why should not the Secretary of Agriculture have something to say about it?

Mr. SPENCE. The Secretary of Agriculture did not want it. The Secretary of Agriculture saw the impropriety of it. A man cannot be a prosecutor and judge at the same time. The Department of State agreed with the Department of Agriculture that the Department of Agriculture ought not to have this power and that it ought to be administered as it has been. But they give the power to the Secretary after a hearing to make the recommendation to the President. The Secretary of Agriculture could not set in motion the Federal Tariff Commission. The President had to set that in motion. So, in conformity with orderly procedure the Secretary of Agriculture makes the complaint to the President, and the President refers it to the Tariff Commission for its judgment. What could be more orderly procedure than that?

What kind of chaotic procedure would it be to give all of this power to the Secretary of Agriculture, to make a complaint, to hear the evidence and then to render a verdict.

Mr. HOLMES. It is true, is it not, that the State Department did have a great deal to do with the drafting of the language here?

Mr. SPENCE. I think the State Department and the Department of Agriculture got together on this. There was no contrariety of opinion. They agreed on it. The State Department did not think the Department of Agriculture ought to have this power, and the Department of Agriculture did not want it. The President, I know, did not want them to have it, because the President is charged with the duty of seeing that there is orderly procedures of government. This, as far as I know, met with the approval of all of the departments of Government. I do not see why it would not meet with the approval of the Department of Agriculture.

Mr. HOLMES. It is practically the reverse of the Magnuson-Morse amendment, is it not?

Mr. SPENCE. Why worry about that amendment? It was never in our bill. We brought the bill back here substantially as it was passed by the House.

The Magnuson-Morse amendment never was in the House bill. It was in the Senate bill. Nobody was very insistent that it stay in the Senate bill after conference.

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. HORAN. The Magnuson-Morse amendment, of course, gave priority of responsibility to the Secretary of Agriculture with regard to the imports of agricultural commodities where we might have a surplus already in this country. We are passing on a bill today to add $2,000,000,000 additional to buy up surplus commodities in this country. Now, the Magnuson-Morse amendment gave a priority of responsibility to the one man in the United States, who, whether we like it or not, we have to look to, who ought to have the responsibility.

Does not the action of your committee make the Department of State more dominant than the one man in the United States who should have a clear responsibility here? Will the gentleman answer that question?

Mr. SPENCE. My answer to that is a categorical no. It gives the Secretary of Agriculture authority and the duty to make a complaint. He makes a complaint to the President, the only person in authority that he could make a complaint to, and he sets in motion the Tariff Commission.

Mr. HORAN. I would like the gentleman to explain the language of the reconstructed paragraph (f) as the committee has recomposed it, because I have read it at least 20 times and I cannot understand it. I doubt very much if anyone on the floor understands it.

Mr. BROWN of Georgia. As I understand it, the present law, section 22, which we did not consider here, was amended in the Senate by what is known as the Magnuson amendment. These programs were initiated heretofore by the President. Under this conference report, under the agreement amongst the conferees, the Department of Agriculture initiates the program, and he makes recommendation to the President of the United States. The President then refers this report to the Tariff Commission. I think the Department of Agriculture and the Tariff Commission certainly ought to be consulted. That is the status of this section now.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. CASE of South Dakota. With reference to the statement made by the gentleman from Georgia [Mr. BROWN] whether or not reference to the Tariff Commission is mandatory on the President, or if it means if the President agrees with the Secretary of Agriculture that there is reason for such belief, then he refers it?

Mr. SPENCE. I do not think we pass acts that are mandatory on the President. He has the right to exercise his judgment. I think in every instance the President would refer it to the Tariff Commission if he found it was based upon fact.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. PHILLIPS of California. I wonder if the conference committee realized that they were doing two things. I have the same difficulty which other gentlemen have in understanding what the words mean in the amendment, but apparently they mean that the provision in the original section 22, which agricultural groups did not like because of its effect upon marketing agreements, has now been ratified and confirmed by the new amendment to the bill that is now before us. Did the conference committee in doing that realize that they were in effect setting aside the whole theory of marketing agreements as we have worked upon it in the United States?

Mr. SPENCE. No, we did not.

Mr. PHILLIPS of California. I hope the gentleman realizes it now.

Mr. SPENCE. The gentleman is referring to an amendment that was proposed in the Senate. It was not considered in the Senate. We had ample opportunity to consider the bill in the House. It was passed by an overwhelming vote in the House. That amendment was not considered in the House. The managers on the part of the Senate were not insistent upon it in conference. Do you expect the managers on the part of the House would press for an opportunity to adopt an amendment which the Senate conferees did not insist upon?

The SPEAKER pro tempore. The time of the gentleman from Kentucky [Mr. SPENCE] has expired.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, with this new section 22 in the bill, placed there by the conference report, the President must veto this bill.

It is an inescapable conclusion that the United States Congress will be returning to agricultural isolationism in this country because this provision takes completely out of the reciprocal trade program everything having to do with agriculture, and any commodity or any item processed from such an agricultural commodity. This provision tears the biggest hole in the reciprocal trade program that has ever been torn in it by any action of Congress since its inception.

Let me warn this Congress that once you return to the Smoot-Hawley tariff principles in any large segment of our public economy, you are going to tear down the economic fabric of this country, as well as industry. Let me warn the Congressmen if you think you can put in the power of one man, the President of the United States, the right to set quantitative limitations, to set the tariff, and to set how much international trade shall interfere or compete with our domestic production, with a power and discretion that can be changed at any time—and then not have other nations put into the power of a dictator the same powers in retaliation, you are mistaken. Such action moves against private enterprise in international trade, and invites Government manipulations and Government trading. Under such a broad section, all talk of private enterprise in international trade and the operation of economic principles is complete nonsense. Peculiarly, this proposal is backed by some who declaim most loudly against State interference, arbitrary powers in the Executive, and so forth, on the domestic scene. This is economic absolutism of the worst type, and this is agriculture through a certain bloc running wild.

If the President does not veto this bill, he should immediately withdraw or have the administration withdraw the sponsorship of the bill to approve the ITO charter prepared at the International Conference on Trade and Unemployment that was held at Habana. This was the Habana conference to reduce the limitations on goods in international commerce, to cut down existing arbitrary trade barriers, and to take the first steps to do away with state trade. Its purpose was to take away from the

hands of one man in any government the power to decide arbitrarily what part any nation's economy should play in international commerce and to write a system of basic rules mutually agreed upon for the encouragement and facilitating of private enterprise in international commerce. The purpose of the ITO charter was specifically to get away from quantitative restrictions; yet here is this committee coming in, in direct violation of the administration's policy, and in direct violation of the bipartisan policy called the reciprocal trade agreements program that we have voted and followed and which has built up international good will over the past decade and a half. Now, may I disagree with the chairman of the committee and say that he is completely in error when he states that this new section does not affect any current commodity or agreement. Under these reciprocal-trade agreements there are certain items or commodities that you can change and are therefore under this section as the last sentence of this particular provision section 22 states:

Prescription of a lower rate of duty for any article than that prescribed by the general agreement on tariffs and trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection.

And that refers exactly to the current agreements because it specifically links the operation of this subsection to any commodities covered by escape provisions of the general agreements. This is a concealed attempt to put over on the country a change from a bipartisan policy that has worked well; namely, the reciprocal trade agreements policy. This action on this bill will not only cost the taxpayers and consumers two billion more dollars, but will effectively kill the bipartisan reciprocal trade agreements policy as to agricultural products, and will make the administration's support of the principles of the ITO charter a meaningless sham.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON of California. Mr. Speaker, I wish I could share the complacency of my good friend from Georgia over the statement made by the chairman of the Committee on Banking and Currency in connection with the revised section 22, but it looks to me as though under this section that has been written into the conference report what we are actually doing is turning the agricultural program, at least insofar as perishable commodities are concerned, over to the State Department to administer, lock, stock, and barrel.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. PACE. Not being too sure what the section was intended to mean, I was gratified to have the assurance of the chairman that under this section no trade agreements can hereafter be entered into which will violate section 22.

Mr. ANDERSON of California. I sincerely trust that the gentleman from Georgia is right. I am going to get some additional information, I think, from the man who knows more about section 22 than anyone in the House; I am going to ask the gentleman from Michigan, the distinguished ranking minority member of the Committee on Banking and Currency to explain just exactly what paragraph (f) means and what it does.

Mr. WOLCOTT. I express my appreciation to the gentleman from California for the opportunity to do so. I think we need some background, however, thoroughly to understand subsection (f). We must take into consideration that under reciprocal-trade agreements there is the most-favored-nation clause. Under existing law and under the proposal the decision of the President as to the facts under this section shall be final. Under existing law section 22 provides:

(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

There is always the thought behind that that the program of the President wherein he increases duties to protect an agricultural program domestically may have that offset and completely nullified by an international agreement to which this country is a party. I do not use the term "treaty" because somewhere along the line somebody has drawn a line of demarcation between a treaty and a trade agreement and it has not yet been explained to me where the difference between a treaty and a trade agreement lies.

The SPEAKER. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Speaker, I yield 9 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, as I said, the existing law, section 22 (f), provides that no proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

I just explained that under my understanding of that the program of the President by which he increases the tariffs under section 22 to protect a domestic program might be completely nullified by any new international agreement in respect to tariffs.

Section (f) as it is written in the conference report replaces section (f) in existing law and attempts to protect the program of the President in respect to the increase of tariffs for the protection of domestic programs against nullification by treaties and agreements in the future. Although it starts off by stating that—

No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party—

That language being to protect the present international agreements against nullification by any action which the President might take under section 22, it nevertheless goes on to state—

but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable.

When I signed the conference report I had definitely in mind that that language was an attempt to prevent the possible nullification of any program under section 22 by any new international agreement, and I think that we may rest assured that if section 22 means anything and if subsection (f) means anything, it means simply, first, that present international agreements are respected and cannot be nullified or amended or modified through the program authorized in section 22 and that hereafter the section 22 program as proclaimed by the President is protected against nullification, modification, or amendment by any international agreement.

Let me just say this in general. Section 22 has never been used, and so long as it is permissive on the part of the President or the Secretary of Agriculture to use the authority contained in section 22, it is not going to be used in contravention of any international agreement and, I might say, it is not going to be used in the future any more than in the past. I might say also that where the existing law provides that the President shall activate this program, the proposed changes in the conference report in effect make no difference whatsoever in that particular.

We recognize the President as the head of the executive establishment, and when we use the word "President" in these laws, we do not necessarily mean the President as an individual. What we are referring to is the same as we refer here to Mr. Speaker, when we mean all of the ladies and gentlemen of the House; we refer to the ladies and gentlemen of the House when we address our remarks to the Speaker. So, when we refer to the President we refer to the executive establishment over which he has control. So, it does not make any difference in this law whether it says Secretary of Agriculture or the President, because the President has the responsibility for the program, as he should have. The reason why, I understand, the conferees substituted "Secretary of Agriculture" for the word "President" was that the Secretary of Agriculture might be expected to be watching this more closely than he would otherwise, and that he would activate the program, and then we go on to say that after this program is activated, that the President shall, if he finds the facts to be basically true, increase the tariffs not to exceed 50 percent. So, I cannot see where the President is compelled to do anything under this proposed amendment any more than he was compelled to do anything under the existing section 22. Where the law says that he shall increase the tariffs not to exceed 50 percent, of course, he is in full compliance with the law to increase them one one-hundredth of 1 percent. Now, after he has announced and proclaimed this program, there is nothing to pre-

vent the President from amending or modifying the program, so it becomes more or less an innocuous thing because if the United States wants to enter into an agreement in contravention of an existing section 22 program, then in anticipation of that all the President has to do is to amend the section 22 program to conform with what he wants to do in the international agreement.

So the basic difference, as I see it, between existing law and this amendment lies in the protection which subsection (f) at least attempts to give and, according to my understanding, does give to existing programs. It is at least a declaration of policy on the part of Congress that we want the domestic agricultural programs respected and not nullified by subsequent international agreements.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The gentleman has omitted to read or comment on the bottom sentence on page 2.

Mr. WOLCOTT. I understand that.

Mr. FULTON. I believe that that does change the law as regards the current agreements.

Mr. WOLCOTT. If the gentleman will read that in connection with the most-favored-nation clause in the reciprocal trade agreements, he will readily understand why that is in there, because under the reciprocal trade agreements the most-favored-nation clause causes these to apply to all countries that want its benefits.

Mr. FULTON. Does the State Department approve this section specifically? Can that be answered by the committee?

Mr. WOLCOTT. Yes. I can say this, that the State Department had a representative in the conference and the Department of Agriculture had a representative in the conference. They came down and worked with the conferees. I had little or nothing to do with it. I was more concerned with trying to get some mandatory provisions in here than perhaps I should have been, knowing that the program had never been used. Nevertheless, I think we were left with the impression from suggestions made by the State Department and the representative from the Department of Agriculture, which are embodied in the conference report, that these were compromise proposals and would assure that the program would be satisfactory to the President. Because it seemed to be satisfactory and I believe was satisfactory to these representatives of the State Department and the Department of Agriculture, we may assume that it is in keeping with the President's program and will be approved by him. Otherwise, of course, then we are confronted with the very paradoxical situation of the executive department coming down and recommending one thing and the President vetoing it.

Mr. BARRETT of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BARRETT of Wyoming. I was concerned with the last sentence of subsection (f) for an entirely different reason than the gentleman from Pennsylvania. It seems to me the last sentence negatives the provision you have there to protect against decreases in future trade agreements.

Mr. WOLCOTT. I am afraid the gentleman will have to ask somebody else for a specific interpretation of that, except that my understanding of it is that where you enter into a general tariff agreement with an escape clause in respect to some particular country, then the escape provisions, as it says here, of such general agreement shall not be deemed a violation of this subsection as provided for that particular country.

I think there is grave doubt as to whether they perhaps cannot be used to nullify the program, which is the weak point of the whole situation. I think there is some doubt about it. But I want to reiterate, if there is any meat to our debates here, and if the departments use the debates in determining legislative policy and intent, then let us stress the fact that when we accept this conference report we accept it with the understanding that no international agreement shall be entered into, notwithstanding any ambiguous language in this report, which will nullify the program which is laid out by the President.

That is my understanding of it. I do not think I would have signed the conference report, had I understood otherwise.

Mr. BARRETT of Wyoming. Will the gentleman from Michigan ask the gentleman from Kentucky if that is his understanding also?

Mr. WOLCOTT. I am asked to ask the gentleman from Kentucky if it is his understanding that, generally speaking, notwithstanding any ambiguous language in the act, it is the intent of the Congress, if they adopt this conference report, to prevent the nullification of any program set up under section 22 by any future international agreements.

Mr. SPENCE. Within the framework of the act.

Mr. WOLCOTT. That is right.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. RICH. If this conference report goes through, and we borrow $2,000,000,000 more to buy commodities, will the commodities be given to these foreign countries by the Secretary of Agriculture?

Mr. SPENCE. That is going a little further than I care to go to answer the question. I do not think it is germane here.

Mr. RICH. Is it not a fact that when you get additional surplus commodities in this country and do not know what to do with them, and pay the farmers for these commodities, instead of letting the price go down to our own people, the Secretary of Agriculture will distribute them to foreign countries, thus depriving the people in this country of low commodity prices?

Mr. SPENCE. I yielded to the gentleman to ask a question and he has made a political speech.

Mr. RICH. I would like 5 minutes to make a political speech.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. We seem to face this interesting situation, Mr. Speaker; there appear to be marked differences of opinion on the floor as to just what this new language means. Also, it seems obvious from the statement of the gentleman from Pennsylvania [Mr. FULTON], the gentlemen from Washington [Mr. HORAN and Mr. HOLMES] that this is not satisfactory to anyone. It appears to be unsatisfactory to those who are supporters of the reciprocal trade agreements and it is not acceptable to those who have tried for some time to keep section 22 provisions from invading the Marketing Act theory of agricultural legislation.

We should support what I understand to be the intent of the other body and return this respectfully to the conference committee for further study to see if that committee can come to an agreement as to what the amendment means and what should be done about it.

Mr. Speaker, it would be better not to adopt this amendment at all, but to leave the section 22 provisions as they are. They are clearer and better than this wording. We should not adopt this conference report as it is now worded.

Mr. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. JOHNSON. Is it the opinion of the gentleman from California that the Magnuson amendment does clearly prevent any inroads by the reciprocal trade agreements into section 22 of the AAA Act?

Mr. PHILLIPS of California. That was my understanding of the intent of the Magnuson amendment. But the Magnuson amendment has been scrapped in favor of what I understand to be wording presented to the subcommittee of the other body, refused by it, and then brought to the conference and adopted by the conference committee. So that we now have this very difficult situation as to just whose wording it is and what it is intended to say and do.

Mr. JOHNSON. The other body adopted the Magnuson amendment.

Mr. PHILLIPS of California. That is correct.

Mr. JOHNSON. Therefore, they might revamp their present conference report and include the specific wording which the Magnuson amendment contains which would solve the problem from our viewpoint.

Mr. FULTON. Mr. Speaker, will the gentleman yield for a question?

Mr. PHILLIPS of California. I yield.

Mr. FULTON. I compliment the gentleman from California because although he is on the other side of this particular question, I being a supporter of the reciprocal trade agreements, he feels exactly as I do—that it is not clear. If it is not clear, then we should have the chairman of the committee, and I will ask the chairman of the committee to state at this time whether the Secretary of State and the State Department approve this section as written.

Mr. PHILLIPS of California. If the gentleman from Kentucky heard that question, he can answer it.

Mr. SPENCE. I yield to the gentleman from Georgia [Mr. BROWN] 2 minutes to answer the question.

Mr. BROWN of Georgia. The conferees have brought back to the House the bill as passed. In addition to that, we compromised on the Magnuson amendment. You speak about the conferees going back for another conference. The House conferees agreed with the Senators on a compromise of the Magnuson amendment. If we had represented the views of the House entirely we would not have brought back the Magnuson amendment or any part of it. Some of the Members here want the Magnuson amendment as it passed the Senate. It was not adopted by the House and was not offered in the House. We did the best we could. The compromise was satisfactory to the State Department, to the Department of Agriculture, and was satisfactory to the conferees on the part of the Senate who brought the Magnuson amendment before us. Why should we go back for further conference when the compromise was entirely satisfactory to the Senators? We were not instructed by the House to approve the Magnuson amendment or any part of it. This is what it does. It is stated in the report:

> The effect of the conference amendment with respect to subsection (f) is to make sure that future international agreements or amendments to existing international agreements give effect to the provisions of section 22 within the framework of the general agreement on tariffs and trade.

We all understood it that way. It was unanimous by the conferees. I am sorry the compromise is not satisfactory to those of you who want the Magnuson amendment as adopted by the other body. We made a compromise that was satisfactory to both the House conferees and the Senate conferees. Why send it back for further conference?

The SPEAKER. The time of the gentleman from Georgia [Mr. BROWN] has expired.

Mr. RICH. Mr. Speaker, will the gentleman yield me 5 minutes?

Mr. SPENCE. I do not have 5 minutes. I am yielding to the other side in conformity with the wishes of the senior minority member of the committee. I yield 2 minutes to the gentleman from California [Mr. BRAMBLETT].

Mr. BRAMBLETT. Mr. Speaker, I yield such time as the gentleman from California [Mr. PHILLIPS] would like to have at this time.

Mr. PHILLIPS of California. Will the gentleman from Georgia make note of the fact that no one as yet has answered my question; that this wording as now in the bill definitely invades the theory of marketing agreements, upon which most of the perishable fruits and commodities have built their protection. I do not wish to take the time from the gentleman from Michigan [Mr. WOLCOTT].

Mr. BROWN of Georgia. I repeat what I said. It may not be satisfactory to those who wanted the Magnuson amendment adopted in full. The Magnuson amendment was not offered or adopted on the floor of the House. We did the best we could by modifying the Magnuson amendment, and brought back that which we thought would be satisfactory to everybody. I think it is clear to the gentleman from California.

Mr. PHILLIPS of California. Do you agree or disagree with this——

Mr. BROWN of Georgia. I agree to exactly what this amendment says.

I quote from the conference report:

> The effect of the conference amendment with respect to such subsection (f) is to make sure that future international agreements or amendments to existing international agreements give effect to the provisions of section 22 within the framework of the general agreement on tariffs and trade.

Mr. FULTON. May I again repeat my question to the chairman of the committee, that he advise us specifically whether the new section 22 in the conference report is approved by the Secretary of State or the Department of State, or disapproved. We should know that.

Mr. SPENCE. The Department of State and the Department of Agriculture both approved the amendment.

Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. WERDEL].

Mr. WERDEL. Mr. Speaker, I think it might be well if we just reviewed as quickly as we can what really is being discussed here. I think we shall then understand why the Secretary of Agriculture and the Secretary of State are in agreement upon this language brought back by the conference committee.

In the first place, the law as it now stands prohibits any proclamation that would violate a treaty or other agreement entered into. The Magnuson amendment atempts to aid the farmers of this country and particularly our domestic market by providing the reverse, that no treaty can be renewed or entered into in violation of section 22.

The committee has come back with this proposal: That the act as it is now prohibits any proclamation in violation of the treaty. Then they take the Magnuson language and say, that those treaties will not be entered into except—and I think this is important—that they comply with the full extent of the general agreement on tariffs and trade.

For many years the farmers of this country have been at a loss to know what to do to protect themselves because these general agreements on tariffs and trade have been written in violation of the intent of Congress when the law was passed. If we now pass this act we give a blessing to a violation of the congressional intent in the past. That is what we do when we pass this law; that is what this language of the conference committee does; that is what we are asked to do today. Without regard to the grounds or the basis of the gathering of more power by the Secretary of State in these general agreements we today, in effect, by congressional act bless it, say it is good for the future, and we want it for all time to come, and we do not want the Secretary of Agriculture to interfere.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Speaker, in these very brief 2 minutes I would like to sum up the legislative situation that we face here at this time. In the first place, the Commodity Credit bill with which the conference report deals, was passed by the House, and the so-called Magnuson-Morse amendment, of course, was not a part of it, nor was that principle voted upon in the House when the bill was before us. In the Senate the amendment we have referred to here as the Magnuson-Morse amendment was adopted.

Subsection (f) of section 22, which the amendment would replace provides:

> No proclamation under this section—
>
> Referring to section 22—
>
> shall be enforced in contravention of any treaty or of the international agreements to which the United States is or hereafter becomes a party.

The Magnuson-Morse amendment reverses that theory and recites this:

> No international agreement hereafter shall be entered into by the United States, or renewed, extended, or allowed to extend beyond its permissible termination date in controversion of this section—

A reversal of the principle. But the conferees ignoring both principles came in with a completely different concept, which in my opinion, at least, went outside of what was intended by either the Magnuson-Morse amendment or the language of section 22 as it now reads. They add a new thought as pointed out by the previous speaker, the gentleman from California [Mr. WERDEL], the new principle being the negation of section 22 by subordinating that section to the terms of article 2 of what is called GATT, or the general agreements on tariffs and trade. Under these conditions, without the House committee's having had any hearings on the principle involved in this conference agreement, when the conference committee agreement is not in accordance with either the terms of the present law or the Magnuson-Morse amendment, and when it is a very complicated matter in itself and naturally goes beyond anything that has been done by either House, it seems to me the logical thing for this body to do today would be to send this bill back to conference by rejecting this report.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. HOLMES].

Mr. HOLMES. Mr. Speaker, I would like to use this time to ask the chairman another question, if I may, along this line: If the language is adopted as now written, it would result in a congressional ratification of the limitations on section 22 now contained in the general agreement on tariffs and trade, would it not?

Mr. SPENCE. What limitations?

Mr. HOLMES. The limitations in section 22 involving permissive action of the Secretary of Agriculture.

Mr. SPENCE. What are the specific limitations?

Mr. HOLMES. Those limitations that the Secretary of Agriculture has of a

permissive nature to invoke if he sees fit the handling of the quotas and the amounts of imports of agricultural commodities that are in competition with surpluses in this country.

Mr. SPENCE. I do not know just what the gentleman has in mind. I do not think he would have that authority in contravention of agreements that have been made by our Government. He certainly would be bound by those agreements. We are bound by the agreements. We merely provide here that in the future no agreement shall be made that will interfere with the carrying out of the tariff policy of the United States. I do not think we can pass any act here that would give any agency of the Government authority to override the agreements we make with other nations as long as those agreements are in effect. I think this liberalizes section 22.

Mr. HOLMES. I feel sure it would mean approval of the limitations on section 22.

The SPEAKER pro tempore (Mr. THOMAS). The time of the gentleman from Washington has expired.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Speaker, we should keep in mind the thing that has been high-lighted by the gentleman from Georgia [Mr. BROWN], that we are bringing back in substance the bill that was passed by the House. I think, too, that we should recall that many agricultural leaders familiar with the problem are urging the increase in the authorization for the Commodity Credit Corporation to carry on its program. It must not be jeopardized. It would be jeopardized by the defeat of this conference report.

Furthermore, I want to endorse, as one of the conferees, what was so well stated by the gentleman from Michigan [Mr. WOLCOTT] to the effect that hereafter it is obviously the purpose of this legislation to say to the President, and it constitutes a mandate, that no agreement be entered into if in violation of section 22. We have strengthened section 22. Agreements cannot be made in the future that are not made in contemplation of the content and the spirit and the basic principles of section 22. To that extent I think it represents a break with the past.

The SPEAKER pro tempore. The time of the gentleman from Arkansas has expired.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Speaker, I certainly cannot agree with my friend from Arkansas that we have strengthened section 22. We have a conflict here. We have the general agreements on tariff and trade where the Secretary of State is dominantly interested, and we have section 22 where the Secretary of Agriculture should be dominant.

The action of this subcommittee puts the Secretary of State, in my opinion, in a more prominent position than the Secretary of Agriculture. Yet this afternoon we are adding $2,000,000 to the borrowing power of the Commodity Credit Corporation to take care of surplus agricultural crops.

I would also like to add for the RECORD that we passed a commodity-credit authorization bill on March 27. A meeting was held over at the other side of the Capitol at which, in accordance with the understanding, representatives of the State Department met on March 27 the staff members of the Senate Foreign Relations Committee and the Senate Agriculture Committee and members from the office of the Senate Legislative Counsel. There is where section (f) as now substituted for the Magnuson-Morse amendment was drawn up, and it is hung on what should be an agricultural bill. If any legislation should be recommitted to the committee for further hearings, this is it.

Mr. ELLSWORTH. Is it not true that the term "strengthening the bill" means it strengthens the bill in favor of the State Department over agricultural products?

Mr. HORAN. Absolutely; it endorses GATT completely. The members of the four committees, the Committee on Ways and Means, the Committee on Agriculture, the Committee on Banking and Currency, and the Committee on Foreign Affairs, are vitally interested in this, and yet here we are writing this vital legislation in sorry haste.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is it not a fact also that under these reciprocal-trade agreements the President has the power to reduce them and he can handle this affair to suit himself and we will have to take just what comes to us from foreign countries, regardless of what this bill calls for?

Mr. HORAN. Yes; even eggs from Communist China.

The SPEAKER pro tempore. The time of the gentleman from Washington has expired.

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include certain statements and excerpts.)

BILL VITAL TO FARMERS

Mr. PATMAN. Mr. Speaker, this legislation is vital to the farmers. It contains an authorization for $2,000,000,000 for the Commodity Credit Corporation to help the farmers. It is based upon the theory that to help the farmers, the entire country, and the entire economy will be helped. And, I believe that it will. We were convinced, as conferees, that the President would veto the bill if the Magnuson amendment was kept in the bill. We were convinced of that, and being convinced that we could not get by with it without a veto, and realizing the urgency and the need for this legislation to help the farmers, we then decided to write a different amendment, and the amendment written, I believe, will meet with the approval of the President of the United States, and I believe he will approve this bill.

There was one other situation last year concerning potatoes that really caused the adoption of this amendment in the Senate, and when we analyze the allegation that was made about the potato program, it is not of any great significance; it does not amount to anything in the world. The charge was that we were permitting the importation of potatoes from Canada into our country where we had a support program, and where they could get a higher price for their potatoes than they could get in Canada, and they were exporting them. That sounded awfully bad. It is true, absolutely true, that some potatoes were imported, but they were imported from the provinces in eastern Canada by the growers of potatoes who normally, in fact, always, invariably marketed their potatoes in the United States. They have no other market for them. So, they did last year just exactly what they have done heretofore. They did not increase the amount of imports at all; they only amounted to 9,000,000 bushels out of a crop of 400,000,000 bushels in the United States, and at the same time over on the western part of the United States we were exporting potatoes to Canada. It is true that we did not export as many as we imported on the eastern seaboard, but the difference was not great. It was a matter of minor importance, and that one thing caused the Magnuson amendment to be adopted more than any other one thing I am told.

LET CONSUMERS BENEFIT

May I say one word here about the gentleman from Pennsylvania [Mr. RICH], who, a while ago—and I hope he listens to me—made a significant statement. He said, "Why do we not let the prices of these perishable products go down when we have a surplus, and let the consumers of the country get the benefit of that lower price?" The gentleman made that statement, if I understood him correctly, and I agree with him 100 percent. That is exactly what we should do, and that is what the Brannan plan proposes; that is exactly what the Brannan plan proposes, and I believe a lot of people will agree with the gentleman from Pennsylvania.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Mississippi.

Mr. COLMER. I should like to ask the gentleman a little further about the so-called Magnuson amendment and the amendment adopted by the conferees. Am I to understand that the Magnuson amendment is strengthened or weakened by the action taken by the conferees?

Mr. PATMAN. It all depends on the way you look at it. Under the Magnuson amendment the Secretary of Agriculture would have complete control. He would file a complaint, he would hear the testimony, he would be the judge and the jury and the executioner. He would be everything. It would be unfair. So under the Magnuson amendment as amended by this committee of conference we leave it up to a bipartisan board, the Tariff Commission, to decide. Would not the gentleman rather have a bipartisan

board composed of both Democrats and Republicans decide an important issue like that, rather than have a member of the President's Cabinet have complete and full control and charge? That is the question involved here.

Mr. COLMER. Will the gentleman try to answer this one for me, so that I may get something definite? I am sure the gentleman can answer it. Under your language as opposed to the Magnuson amendment, which would be more effective in stopping the dumping of these foreign products over here?

Mr. PATMAN. I do not know that you would want to stop them entirely from Canada. That is one reason we changed this, after we were convinced the President would veto the bill.

Mr. COLMER. I mean those things on which we do want to stop dumping.

Mr. PATMAN. Canada is our best customer. If we stop the importation of 9,000,000 bushels of potatoes a year, they could ruin us on 25 or a thousand other things.

CRITICISM OF SECRETARY BRANNAN ANSWERED

There was a meeting held at St. Paul, Minn., on April 3, 1950, of Production and Marketing personnel of the Department of Agriculture. Secretary Charles Brannan addressed this meeting. He has been criticized for permitting the committeemen who attended this meeting to be paid.

In a letter to the Comptroller General, the Honorable Lindsay C. Warren, Secretary Brannan answers these charges, and I believe his answer is full and complete, should end the controversy and stop the false allegations.

The letter to Mr. Warren is as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
*June 1, 1950.*

Hon. LINDSAY C. WARREN,
*Comptroller General.*

DEAR MR. WARREN: I appreciate the opportunity you have given me to outline the nature and circumstances of the meeting of Production and Marketing personnel held at St. Paul, Minn., on April 3 and 4, 1950, which I addressed and about which there has been some criticism on the floor of the Senate.

First, something about the character of the meeting. This was an ordinary staff meeting of the same type and purpose as many others held by this agency and other agencies and bureaus of the Department of Agriculture for many years, and, I am confident, held by many other agencies of Government from time to time. There were about 2,322 Production and Marketing Administration committeemen at the meeting. Of this number, about 245 were county committeemen and about 2,077 were community committeemen. The per diem and travel expenses of the county committeemen amounts to approximately $8,100. The per diem and travel costs of the attending community committeemen amounts to approximately $34,000. If I understand Senator AIKEN's statements correctly, he objects only to the presence at the meeting of the community committeemen. It is clear from the following excerpt from the record that Senator AIKEN does not object to the presence of the county committeemen at this meeting:

"On April 3 and 4 the county committeemen of the Production and Marketing Administration for the State of Minnesota met in St. Paul. This was an annual meeting, a perfectly proper meeting called for the purpose of developing an agricultural conservation program for 1951.

"These programs have generally been beneficial to each of the 48 States and to the national agricultural economy.

"The 2-day meeting of the county committeemen at St. Paul was for a perfectly logical and legitimate purpose.

"However, Mr. President, an incident connected with this meeting was, in my opinion, neither logical nor legitimate" (CONGRESSIONAL RECORD, April 11, p. 5050.)

The farmer committeemen carry out the programs authorized by the Congress and which are assigned to the Production and Marketing Administration of the Department of Agriculture. It is undoubtedly the most efficient and least costly means of accomplishing the task. Please note that the county committeemen and the community committeemen do identical types of work. Only the geographic area of responsibility is different, although the county committeemen act in a somewhat supervisory capacity over the community committeemen. Both county and community committeemen receive the same scale of remuneration, paid from the same sources and for the same types of service.

Section 7 (b) of the Soil Conservation and Domestic Allotment Act of 1938, as amended, provides as follows:

"The Secretary (of Agriculture) shall designate local administrative areas (communities or townships) as units of administration of programs under this section. No such local area shall include more than one county or parts of different counties. Farmers within any such local administrative area, and participating or cooperating in programs administered within such area, shall elect annually from among their number a local committee of not more than three members for such area and shall also elect annually from among their number a delegate to a county convention for the election of a county committee. The delegates from the various local areas in the county shall, in a county convention, elect, annually, the county committee for the county which shall consist of three members who are farmers in the county. The local committee shall select a secretary and may utilize the county agricultural extension agent."

In accordance with this provision of the law, annual and nonpartisan elections are held in each agricultural community in the United States. In 1949 elections were held in 29,106 communities and that many community committees were elected with about 87,000 committee members. These committeemen are charged with the responsibility of administering the PMA programs in their communities for 1950. They do not receive a fixed salary for their services but do receive a daily wage and travel expenses. This is an important variance from the status of the usual Federal employee, who when in travel status receives his salary plus a travel per diem, plus railroad fare or care mileage.

In administering the PMA programs for the fiscal year 1948–49, community committeemen were paid an average of $6.30 per day for an average of 6.5 days spent in carrying on PMA program work. The balance of the time which they devoted to program work was performed without remuneration from any Government sources whatsoever. Nearly all committeemen spend considerably more of their time in program work for which they receive no compensation. They are working for improved conditions for agriculture and for the Nation and their remuneration comes from the satisfaction in this service.

County committeemen received an average of $6.90 per day for an average of 44.1 days' work on the programs during the same fiscal year 1948–49. They, too, work many more days than they are compensated for.

It is noteworthy that the committeemen would receive approximately the same amount of money throughout the year for work done whether or not they made this trip to St. Paul. There is just so much money available for the reimbursement of community committeemen and when that sum is used up they continue to work thereafter without remuneration. The implication that representative American farmers could be bribed or induced to attend a meeting by the offer of $8 per day plus 5 cents a mile for travel is unthinkable, unwarranted, and unjust to American farmers.

All of these committeemen are elected to their positions annually and, although many are reelected year after year, it is necessary to carry on a program of training in order that the new members may be acquainted with their duties and both the new members and the old members acquainted with the changes in the programs as those changes are authorized from time to time by the Congress and established by the Secretary.

Conferences for the purpose of training and instructing new committeemen occur annually throughout the entire United States. Some of these conferences are held in smaller groups at various places throughout the State with the State committee people traveling to these various meetings. The method of instruction is left to the discretion of the State committee people, many of whom find it desirable to bring the committeemen together once a year for a general discussion of programs.

The conferences are carefully planned and are hard-working affairs. The farmer committeemen who attend receive appreciable benefit from the straight program training and instruction which is made available to them. It has also been found that in the conduct of these conferences a very useful purpose can be served by providing committeemen with the opportunity to hear firsthand the views of some of the leading agriculturalists in the country. This has led to the general practice of inviting well-known and accepted agricultural leaders to participate on conference programs. For example, the principal speaker at the Vermont State PMA conference this year was Senator GEORGE D. AIKEN. The North Carolina State PMA conference this year invited Senator CLYDE R. HOEY as its main speaker. Senator SPESSARD L. HOLLAND spoke at the Florida State PMA conference. It has been a generally accepted practice when time would permit for the Secretary of Agriculture to attend one or more of these State conferences throughout the year. Each of the two preceding Secretaries of Agriculture had spoken at an identical type of meeting in Minnesota and at many other such meetings in other States.

The two Senators from Minnesota were invited to attend this meeting. Senator EDWARD J. THYE did not attend. The invitation to him and his reply are attached. Senator HUBERT H. HUMPHREY did appear on the program.

In 1948 the then Secretary of Agriculture, CLINTON P. ANDERSON was the principal speaker and discussed existing and proposed farm legislation.

The same kind of an invitation or notice of Mr. ANDERSON's expected attendance at the meeting was issued in which attention of the committeemen was called to the fact that per diem and travel would be allowed.

So that you may judge the character of the remarks made by me during the session, I have supplied you with a transcript of a recording taken at the meeting. I also have a recording for your use if you care to check against the written transcript. I especially invite your attention to the fact that this was a discussion of the farm problem. No reference was made to a political party or to a political candidate (unless Allan Kline is now a political candidate). The listeners were not exhorted to vote in one fashion or another on any issue whatsoever; in fact, the question of voting is not mentioned specifically or by innuendo.

Without respect to the question as to whether or not such meetings are sound ad-

ministration or are authorized by law—my views on these two points being very clear that they are both wise and lawful—I believe these conclusions are inescapable:

First, the community committeemen who attended this meeting will have received at the end of the year no more money than if they had not attended this meeting. Approximately so much money is available each year for administrative costs and when these funds are exhausted, the farmers continue their work without remuneration. They would have earned this money before the year was out in some other fashion.

Second, there is nothing about the convening or conduct of this meeting which is in any wise different from many other meetings which have been held this year and in previous years throughout the country by this and many other agencies of government.

Third, there is nothing different about this meeting than previous meetings held in this State, even including the nature, phraseology and character of the notice or invitation sent to the community committeemen.

Fourth, community committeemen and county committeemen are engaged in the very same type of program and, therefore, if, as it is already acknowledged, this meeting was perfectly proper as far as county committeemen are concerned, it very logically follows that it was equally proper as far as community committeemen are concerned.

Fifth, the fact that Senator HUMPHREY addressed this meeting in political terms cannot be charged to those who organized the meeting or to the Secretary of Agriculture. Senator THYE, a member of the opposite party, was invited and could have spoken as vehemently on the other side of the same issues if he had chosen to do so. I do not believe it wise to exclude members of Congress from these meetings and I assume that Senator AIKEN agrees for he has availed himself of such opportunity subsequent to the date he took exception to the St. Paul meeting.

Obviously, if there is any additional information which we can supply to you with regard to this matter, we shall be pleased to do so.

Yours truly,

CHARLES F. BRANNAN, *Secretary.*

FARM PROSPERITY CAUSES NATION'S PROSPERITY AND ENCOURAGEMENT OF HOME AND FARM OWNERSHIP

If anyone believes that our Government is going in the direction of socialism or communism, he will be greatly disappointed in what the president of the National Association of Real Estate Boards has had to say.

The president of this organization, Mr. Robert P. Gerholz, predicts that three out of four families in the United States will own homes. He says that a majority of the people own their own homes now. Socialism or communism would cause the people to divide what they have with others who do not have anything. As long as people are home owners, they are not going to be Socialists or Communists because they are not willing to divide their homes.

More people own their homes and farms today than ever before in history. More people own their automobiles and personal property of all kinds than ever before in all history, so the trend is not toward socialism, it is in the opposite direction.

Mr. Gerholz says that home ownership in the United States declined steadily from 1890 to 1940, but since the war this trend has been dramatically reversed. Therefore, the time in our country when socialism was probably stronger than at any other time was from 1890 to 1940.

I am inserting herewith a statement concerning this important subject that appeared in the Washington Post Sunday, June 18, 1950. It is as follows:

An expanding market—growing with a rising standard of living—will make home owners of three-fourths of American families.

This is the prediction of Robert P. Gerholz, president of the National Association of Real Estate Boards. In making it, he urged the housing industry to "move into the unreached market of 45 percent of American families."

The potential market by 1956, according to the official, is for 12,000,000 new homes. Even now, he observed, a majority of American families are home owners for the first time on record.

Writing in the current issue of NAREB's news letter, Gerholz viewed optimistically the outlook for home ownership over the Nation.

"Public taste and esteem for home ownership is at a new high," he declared. "We should never forget that the proportion of American families who owned their homes was in almost steady decline from 1890 to 1940. Since the war this trend has been dramatically reversed."

As factors contributing to increased home ownership, he named:

1. General economic expansion, which has made home ownership possible for many families who were unable to reach it in the prewar era.

2. The amortized insured mortgage, which has been an important factor.

3. Increased use of automobiles, which has made suburban neighborhoods of modestly priced homes more accessible to work centers.

Right now, Gerholz asserted, home ownership is at the highest level ever. He noted that an increase of 6,000,000 home owners occurred between 1940 and 1947—a gain of 40 percent.

"This pickup in home ownership is sound," he said. "Fifty-seven percent of all home owners are free and clear of mortgages. Seventy percent of our farms are free and clear. Equities generally are sounder, with carrying charges that require a smaller proportion of the family budget than was the case in the prewar era."

Home values, the official wrote, are good. He cited a recent NAREB survey which found that about half of all new home production is in the $8,000 and under price range.

Average selling prices of all houses—new and used—have been reported by the Federal Reserve Board at around $7,000, he said. Prices paid by veterans for homes bought under the GI bill average well under $7,000.

Gerholz said that the housing industry has broken all past building records and is well on the way to do it again this year. The number of new homes put under construction this year is 53 percent greater than in the same period of 1949, he reported.

Will this building pace continue?

In 1949, he said, a Government survey showed that there was still an unmet market for 7,000,000 homes in the next 5 years. If we add to this the number of families who say they might buy a house by 1956, the potential 5-year market is for 12,000,000 homes.

Mr. SPENCE. Mr. Speaker, I yield such time as he may desire to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I have just interrogated my friend, the gentleman from Texas [Mr. PATMAN], in an effort to get his valued opinion as to the merits of the conferees' substitute for the so-called Magnuson amendment.

I regret exceedingly that his time and all time is so limited that I could not follow that colloquy further. For, Mr. Speaker, I am convinced from the meager oportunity that I have had to study the conferees' substitute that it will not prove as effective as the Magnuson amendment in the goal sought of protecting our American agricultural interests against the importation of foreign products.

Frankly, I have never felt that the Magnuson amendment went far enough in attaining this goal. It was permissive and placed too much discretionary power in the Secretary of Agriculture rather than mandatorily providing the machinery to protect our American growers; but now it appears that the conferees have so weakened the already weakened Senate provision that the American farmer can expect little protection from this legislation if and when it becomes the law.

The American producer of agricultural products should have some real protection from similar products produced in countries with comparatively low standards of living. Certainly, he has a right to expect that consideration for the domestic market. To illustrate: We have in my section of this country an infant tung-oil industry. Tung oil is essential to our national defense, as well as for domestic uses. The development of this industry in this country has been accentuated for national-defense purposes particularly since World War I when the foreign supply was cut off and it proved a great boon during World War II. This House, realizing this, last year passed my bill, H. R. 29, for a mandatory support price on tung oil. That provision was subsequently adopted in the Senate in the over-all agricultural bill, and is now the law of the land. But notwithstanding that the Secretary must support tung oil at approximately 23 cents per pound the importers and brokers, who are more interested in fees than in the domestic economy, so manipulate the market with the importation of foreign—principally Chinese—oil that they are able to undersell the domestic growers because these Chinese and other foreign oils are produced with cheap coolie and Indian labor.

Realizing the importance of this industry and out of a desire to protect my American growers, more than 5 years ago, I introduced a bill, which is still pending before the Congress, to provide for a duty of 5 cents per pound on this imported oil. I have been unable to get favorable action on this proposed legislation because of the foreign policy with reference to foreign trade.

Of course, we all believe, Mr. Speaker, that it is necessary to help our foreign allies in the fight against communism in this troubled world; but it certainly does not make sense for us to fight communism with one hand and to help it with the other. In this particular case of tung oil that is exactly what we are doing under the present policy.

We are, in effect, assisting Communists in China in their effort to take over the great Chinese nation by permitting them to ship this cheaply produced and inferior grade of oil into this country to undersell our American growers. At the

same time we are also threatening an industry built up largely because of our national defense needs without which we would be at the mercy of the Communists in the event of another war. More than that, we are asking the American taxpayer through this support program to subsidize the Chinese Communists. No, it just simply does not make sense. Therefore, Mr. Speaker, I regret very much that the conferees have seen fit to weaken rather than to strengthen the so-called Magnuson amendment. And, while I dislike very much to vote against this bill increasing the Commodity Credit capital, I find it very difficult because of this action to go along with this legislation.

Mr. SPENCE. Mr. Speaker, I yield myself the remainder of the time.

Mr. Speaker, we are dealing today with an instrumentality that has done more for agriculture than any other agency of the Government. In 1933 when the Commodity Credit Corporation was set up by law, wheat was about 30 cents, corn about 20 cents, cotton about 6 cents, and tobacco about 5 cents. It has given a stability to the farming industry that it otherwise could not have had. It has given an incentive to the farmers to stay on the farm and produce the necessary crops.

The gentleman from Pennsylvania spoke of the injury he thought this act would do to labor by increasing the price of farm products. I have never seen labor prosperous unless agriculture was prosperous. Prosperity does not become spotty in the United States. We are either all prosperous or all depressed. No agency has done more to create this condition than the Commodity Credit Corporation.

Are you going to destroy the usefulness of this corporation which needs the money we are giving it now, the borrowing capacity, by discussing these technical questions which mean so little when we consider the over-all purpose and effect of the legislation and, if they do not meet with your entire approval, sending back this conference report and causing further delay? The purpose of passing this act was to give to agriculture the support they needed in this crop year. We failed in that by the delay. It is essential that this conference report be passed immediately, so that the borrowing capacity of the Commodity Credit Corporation will be increased by $2,000,000,000 in order that they can carry out the functions for which they were created and which are essential to the stability of agriculture.

We have not done anything to weaken section 22. You will find in the operation of this act that the full purpose for which it was created will be carried out. We could not give anybody the authority to make any agreements not in conformity with international trade agreements.

The treaties of the United States are the supreme law of the land. The international agreements, whether they are made with the formality of a treaty or not, pledge the faith and honor of the United States. We have to carry out our international agreements.

Mr. Speaker, I hope the House will approve of this conference report and will give the Commodity Credit Corporation the opportunity to continue to function and continue to render the services it has rendered in the past and to give a stability to agriculture which it otherwise would not have; to give an assurance to the farmer that he will obtain a living price for his products which will keep him on the farm; and which will give this basic industry an assurance that it may in the future rely upon the support it has had in the past and give the American people the assurance that the farmer will still produce.

This is a basic industry, an industry upon which we all rely.

The SPEAKER. The time of the gentleman from Kentucky has expired. All time has expired.

The question is on the conference report.

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 71, noes 39.

Mr. FULTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of the bill be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. RICH. Mr. Speaker, reserving the right to object, I cannot understand why this should go over until tomorrow, when we have the votes here now to defeat it, and we should defeat it.

Mr. McCORMACK. I am simply carrying out an agreement made with Members of the House.

The SPEAKER. Sometimes the leadership desires to accommodate Members who may not be present on a certain day. I assume that is why the gentleman from Massachusetts made the request.

Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FULTON. Mr. Speaker, I am glad to accommodate the majority side, and withdraw the point of order.

## RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

JUNE 20, 1950.

Hon. SAM RAYBURN,
*The Speaker, House of Representatives, Washington, D. C.*

MY DEAR MR. SPEAKER: I hereby respectfully submit my resignation as a member of the House Committee on Banking and Currency.

Sincerely yours,

HUGH B. MITCHELL.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

## ELECTION OF MEMBER TO COMMITTEE ON EDUCATION AND LABOR

Mr. DOUGHTON. Mr. Speaker, I offer a resolution (H. Res. 659) and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That HUGH B. MITCHELL, of Washington, be and he is hereby, elected a member of the standing Committee of the House of Representatives on Education and Labor.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## ELECTION OF MEMBER TO COMMITTEE ON BANKING AND CURRENCY

Mr. DOUGHTON. Mr. Speaker, I offer a resolution (H. Res. 660) and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That RICHARD BOLLING, of Missouri, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on Banking and Currency.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## COMMITTEE TO INVESTIGATE CAMPAIGN EXPENSES

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 635 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That a special committee of five members be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1951, with respect to the following matters:

1. The extent and nature of expenditures made by all candidates for the House of Representatives in connection with their campaign for nomination and election to such office.

2. The amounts subscribed, contributed, or expended, and the value of services rendered, and facilities made available (including personal services, use of advertising space, radio and television time, office space, moving-picture films, and automobile and other transportation facilities) by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, to or on behalf of each such candidate in connection with any such campaign or for the purpose of influencing the votes cast or to be cast at any convention or election held in 1950 to which a candidate for the House of Representatives is to be nominated or elected.

3. The use of any other means or influence (including the promise or use of patronage) for the purpose of aiding or influencing the nomination or election of any such candidates.

4. The amounts, if any, raised, contributed, and expended by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, including any political committee thereof, in connection with any such election, and the amounts received by any political committee from any corporation, labor union, individual, individuals, or group of individuals, committee, or partnership.

5. The violations, if any, of the following statutes of the United States:

(a) The Federal Corrupt Practices Act.

(b) The act of August 2, 1939, as amended, relating to pernicious political activities, commonly referred to as the Hatch act.

(c) The provisions of section 304, Public Law 101, Eightieth Congress, chapter 120, first session, referred to as the "Labor Management Relations Act, 1947."

(d) Any statute or legislative act of the United States, or of the State within which a candidate is seeking nomination or reelection to the House of Representatives, the violation of which Federal or State statute, or statutes, would affect the qualification of a Member of the House of Representatives within the meaning of article I, section 5, of the Constitution of the United States.

6. Such other matters relating to the election of Members of the House of Representatives in 1950, and the campaigns of candidates in connection therewith, as the committee deems to be of public interest, and which in its opinion will aid the House of Representatives in enacting remedial legislation, or in deciding any contests that may be instituted involving the right to a seat in the House of Representatives.

7. The committee is authorized to act upon its own motion and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made to the committee under oath, by any person, candidate, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in such complaint are immaterial or untrue. All hearings before the committee, and before any duly authorized subcommittee thereof shall be public, and all orders and decisions of the committee, and of any such subcommittee shall be public.

For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such public hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eighty-first Congress, to employ such attorneys, experts, clerical, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, and to take such testimony, as it deems advisable. Subpenas may be issued under the signature of the chairman of the committee or any subcommittee, or by any member designated by such chairman, and may be served by any person designated by any such chairman or member.

8. The committee is authorized and directed to report promptly any and all violations of any Federal or State statutes in connection with the matters and things mentioned herein to the Attorney General of the United States in order that he may take such official action as may be proper.

9. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties prescribed by law.

That said committee is authorized and directed to file interim reports whenever in the judgment of the majority of the committee, or of a subcommittee conducting portions of said investigation, the public interest will be best served by the filing of said interim reports, and in no event shall the final report of said committee be filed later than January 3, 1951, as hereinabove provided.

Mr. SMITH of Virginia. Mr. Speaker, this is the customary resolution passed every 2 years for the routine investigation of campaign expenditures. It is introduced by the majority leader. I know of no opposition and there are no requests for time on this side.

Does the gentleman from Ohio desire some time?

Mr. BROWN of Ohio. I would like about 2 or 3 minutes.

Mr. SMITH of Virginia. Mr. Speaker, I yield the gentleman from Ohio [Mr. BROWN] 3 minutes.

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Virginia [Mr. SMITH] has explained, this is a resolution that is adopted every campaign year by the House. It applies to the election of Members of the House. This is an agreed piece of legislation by the leadership on both sides of the aisle and certainly should be adopted. It is a nonpartisan effort to keep track of elections, and in the spirit of good government I think we should adopt this legislation.

Mr. SMITH of Virginia. Mr. Speaker, I have no further requests for time.

I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. BOYKIN. Mr. Speaker, I ask unanimous consent that at the expiration of the business today and other special orders previously agreed to, I may address the House for 40 minutes, and revise and extend the remarks that I make at that time and include statements by the Honorable Harley Hise, chairman of the Board of the RFC, and Hon. Harvey J. Gunderson, Director of the RFC.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

SELECT COMMITTEE TO INVESTIGATE THE USE OF CHEMICALS, COMPOUNDS, ETC., IN THE PRODUCTION OF FOOD PRODUCTS

Mr. DELANEY. Mr. Speaker, I call up House Resolution 323 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas the people of the United States are vitally interested in wholesome food; and since many individuals and firms have been placing adulterated dairy and meat products and other foods on the market and have by chemical processes together with pure adulteration reduced their nutritional value, specifically in various cheeses and meat products; and

Whereas an increasing proportion of the Nation's food supply is being industrially processed and the industrial techniques of processing food have a direct bearing on the quality of the national diet and the standards of public health; and

Whereas chemicals, compounds, and synthetics on an increasing scale are being introduced and used in the production, processing, preparation, and packaging of food products; and

Whereas under existing law there is no requirement that the chemicals, compounds, and synthetics be demonstrated to be nontoxic before being so used in the production, processing, preparation, and packaging of food products; and

Whereas chemicals, compounds, and synthetics are being used to reduce or displace in foods important nutritive ingredients; and

Whereas the trend represented by the use of these chemicals, compounds, and synthetics presents a serious problem not only to the health and welfare of people but also to the future stability and well-being of our entire agricultural economy; and

Whereas many pesticides and insecticides of known toxicity are being exposed for use in connection with the growing of fruit, vegetable, and forage crops and for the eradication of insect pests, the uncontrolled use of which threatens contamination of the food supplies of the Nation with resulting ill effects upon the health of the people; and

Whereas the use of commercial fertilizer containing excessive quantities of inorganic chemicals is definitely involved in the matter of plant, animal, and human nutrition and health: Now, therefore, be it

*Resolved*, That there be, and hereby is, created a select committee to be composed of seven Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation and study of—

(1) the nature, extent, and effect of the use of chemicals, compounds, and synthetics in the production, processing, preparation, and packaging of food products to determine the effect of the use of such chemicals, compounds, and synthetics (A) upon the health and welfare of the Nation and (B) upon the stability and well-being of our agricultural economy;

(2) the nature, extent, and effect of the use of pesticides and insecticides with respect to food and food products, particularly the effect of such use of pesticides and insecticides upon the health and welfare of the consumer by reason of toxic residues remaining on such food and food products as a result of such use; and

(3) the nature, effect, and extent of the use of chemicals, compounds, and synthetics in the manufacture of fertilizer, particularly the effect of such use of chemicals, compounds, and synthetics upon (A) the condition of the soil as a result of the use of such fertilizer, (B) the quantity and quality of the vegetation growing from such soil, (C) the health of animals consuming such vegetation, and (D) the quantity and quality of food produced from such soil, and (E) the public health and welfare generally.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations for legislation as it may deem advisable.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof authorized by the committee to hold hearings, is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary, to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government. Subpenas may be issued under the signature of the chairman of the committee or any member

of the committee designated by him, and may be served by any person designated by such chairman or member.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and reserve 30 minutes to myself.

I yield myself 5 minutes.

Mr. Speaker, this resolution deals with the use of chemicals in food. The resolution consists of three parts: The first has to do with substances of a chemical nature used in food; the second, with the use of insecticides and pesticides and their effect upon food; and the third, the use of chemicals in fertilizers and the residual toxicity that may carry over to the food.

Both the gentleman from Wisconsin [Mr. KEEFE] and the gentleman from Illinois [Mr. SABATH] have sponsored this type of legislation over a period of time. I believe we will all agree that FRANK KEEFE is probably one of the outstanding crusaders on public health that we have in the country, and as a result of 10 years of investigation into public health and welfare he deemed it necessary to have an investigation of this type. The gentleman from Illinois [Mr. SABATH], who some 40 years ago first became interested in the health of the Nation, also deemed that we should have an investigation of this type.

I might point out one or two instances to show what effect the use of chemicals has on human beings. For example, in the bread hearings before the Food and Drug Administration we found that two companies alone last year sold 10,000,000 pounds of chemicals to be used in the manufacture of bread. These were substitutes for fluid milk, butter, or essential oils, and other organic material, and also eggs. We do not know what effect this may have. The Food and Drug Administration informs us that only where the toxicity is evident, where it will have an immediate effect upon the test animals, can they determine with any degree of accuracy just what effect it might have on human beings. We find, however, that continued use over a long period of time does have an effect or may have an effect. Since the beginning of the war more than 500 applications have been made to the Food and Drug Administration to use new chemicals in foods.

In the other body I believe Senator GILLETTE is conducting an investigation into the economic impact of the use of these substitutes, the so-called chemicals, instead of the farm products that ordinarily would go into bread; that is, milk, eggs, butter, lard, and so forth. But that is purely on the economic basis; this investigation has to do with the health of the individual. We find evidence that certain chemicals used continuously do have a toxic effect on human beings, but just how much is a question.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from Minnesota.

Mr. JUDD. I want to commend the gentleman and his committee for bringing out this resolution, because in the last few years there has been such a marked increase in the use of artificial materials in foodstuffs. We have not yet been able to determine their full and ultimate effects. In addition, there are possible bad results on human beings from the widespread use of DDT and other chemicals to kill certain insects or weeds in lands where cattle graze. It has been demonstrated that some do produce changes in the milk of those cattle. Over a period of time certain deleterious effects seem to be produced in the human being who consume that milk. With the development of so many new drugs and remedial measures to fight disease and pests, we have entered a field that must be explored painstakingly in order to determine whether or not we may be seriously endangering the health of our people in ways that may not become apparent in some cases until months or years after the food is consumed. Therefore, there is no more important measure before us from the standpoint of protecting the health of our people than this one designed to get to the bottom of these problems by comprehensive, careful, scientific studies. I am sure there will not be any opposition to the adoption of the resolution.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from Michigan.

Mr. DONDERO. In my district a farmer cut the grass where a new outdoor theater was to be built. It had been sprayed with certain chemicals. He cut the grass, he took it home and fed it to the cattle and killed the entire herd. That is the effect of certain chemicals on animals.

Mr. DELANEY. That is exactly what this resolution seeks to investigate and remedy. It is an effort to give information to the public.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. DELANEY. Mr. Speaker, I yield myself five additional minutes.

Mr. Speaker, I might point out and read sections of a letter I have received from Dr. Paul B. Dunbar, Commissioner of Food and Drug Administration. This letter will clarify a great number of questions that I might be called upon later to answer. He states:

> The principal problem encompassed in these resolutions is the use in food of chemicals, insufficiently tested to determine their toxicity, to effect some real or fancied improvement or to protect food during production or storage against attack by pests.
>
> Under the present terms of the Federal Food, Drug, and Cosmetic Act of 1938, interstate traffic is proscribed in food which contains a poisonous or deleterious substance, whether added or not, which may render the article injurious to health. The law also forbids traffic in food containing an added poisonous or deleterious substance unless it is required in production or cannot be avoided by good manufacturing practice. Where it is required or cannot be avoided, the Administrator is authorized to prescribe tolerances limiting the amounts added so that the over-all quantity of toxic substances in our food supply will be held within the limits of safety to public health.
>
> More than 500 chemicals have been proposed for use in food since the beginning of World War II. Most of these were untested for toxicity or their effects upon nutritional values, or had been insufficiently tested to determine with finality that they could be safely used. Where a chemical is not spectacularly toxic and does not kill test animals promptly, it may require complex and tedious tests of long duration to determine, first, whether or not it is in fact a poisonous or deleterious substance and, second, if so, just how toxic it is and whether it can be safely used within some specific limitation.
>
> While most food manufacturers conscientiously refrain from using ingredients about the safety of which any doubt remains, there has been a tendency among some to use these chemicals before sufficient facts were available to establish their safety. Each of our annual reports since 1944 recites instances of such use.
>
> It has been suggested that the law should contain a provision relating to the use of new substances in food parallel to the present requirements with respect to new drugs. These requirements were embodied in the act of 1938 after a new drug, which had been marketed without adequate testing to determine its safety, had resulted in more than 100 deaths. The law now requires that a drug must be adequately tested to determine its safety for its intended use before it is distributed in interstate commerce. It is not necessary for the Government to show, as it must in the case of foods, that the article when consumed as directed may endanger health. The promoter of a new drug must assume the burden of showing its safety before the law permits its distribution.

This resolution will put into effect the recommendations made in this letter by Dr. Dunbar.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, as the gentleman from New York [Mr. DELANEY] has so ably explained, this resolution does create a special or select committee for the purpose of investigating various chemicals, synthetics, compounds, and other materials used in the manufacture of foodstuffs.

For a long time the distinguished gentleman from Wisconsin [Mr. KEEFE], our colleague who, because of illness, is unable to be with us today, has been giving careful study and attention to this entire problem. The gentleman from Wisconsin has spoken many times on the floor of the House to substantiate the need for an investigation such as this. He introduced a resolution in the House for the creation of a special committee for this specific purpose, as did the gentlemen from Illinois [Mr. SABATH], whose name appears as the author of this particular resolution. It has been their joint effort which has resulted in this resolution being presented, first to the Committee on Rules, where it was approved by a unanimous vote, and then on the floor of the House today for the attention of this body.

This is an important matter which strikes across all party lines and affects every individual citizen, man, woman, and child, in this country. As the gentleman from Minnesota [Mr. JUDD], an eminent physician in his own right, has so ably pointed out, this legislation, and the difficulties which may be cured as the result of its adoption, may well affect the future lives of our children and our children's children yet unborn. So I am hoping this resolution will be adopted, and I know of no one who opposes it. On the other hand, there are many Members who are very much interested in this

committee being formed and this investigation being made.

I want to take this time, however, to point out that this resolution, in establishing the committee and in setting forth the reasons for its creation and the need for it, carries in the last paragraph on page 4—and I would like anyone interested to carefully read that paragraph—the usual provision giving to the special committee created by the resolution the right and "authority to sit and to act, either as a committee or as a subcommittee, during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary, to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government."

Then I wish to call special attention to the last sentence in the resolution, which reads:

> Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

These provisions and these sentences I have read to you are identical with those that are usually included in every resolution setting up a special committee upon which subpena power is conferred. The language is identical with that which was included in the resolution which established the Select House Committee for the Investigation of Lobbying Activities, over which there has been considerable discussion as to the use of the subpena power or the attempted use of the subpena power by the chairman of that committee without consultation with, or the knowledge or consent of the full committee.

Before I took the floor to bring to your attention this matter, as contained in this resolution, which is identical language with that contained in the resolution setting up the lobbying committee, and identical with the language used in the establishment of other special committees, I conferred with the Parliamentarian of this House, who advised me that this language I have quoted does not confer upon the chairman of this special committee the power to issue subpenas except by and with the consent and authority of the majority of the committee, and that the consent and power of the committee can be conferred upon the chairman to issue subpenas only by action of a majority of the committee, spread upon the minutes or records of the committee.

So I want to make it very clear to those of you who have questioned me about this matter that the chairman of this special committee, like the chairman of every other special committee which has been constituted by similar resolutions containing the same language, can act only in an administrative capacity in the issuance of subpenas and the signing of subpenas, and not then unless full and complete authority to issue such subpenas has first been conferred by the full committee through actions spread upon the minutes and the records of the committee.

I hope this statement will for all time fix just what authority is conferred on special committees by the adoption of resolutions such as this, carrying language such as that which I have just mentioned.

I have brought up this matter because there were a number of Members of this House who informed me they would not vote for this resolution, or for any other such resolution, if it would give any arbitrary power to one Member of the House to issue subpenas without consultation with or the authority of the full membership of his committee. I hope we have clarified the situation to the satisfaction of all Members of the House, and that they can all now support this resolution, with that understanding, and with my word as a Member of this House as to the statements which have just been made to me by the Parliamentarian as to what the parliamentary rules are in connection with language of this type appearing in resolutions creating select or special committees.

Mr. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. JOHNSON. Am I to understand from what the gentleman said that the power conferred under previous resolutions of this type gave the chairman the right to subpena anybody he wants to?

Mr. BROWN of Ohio. Oh, no; it never conferred such right. Language such as this has never conferred the right upon the chairman of the committee to issue subpenas unless he was first authorized to do so by action of his committee. Any right that has been so exercised has been exercised, in my opinion, wrongfully, if not illegally. Instead, I have tried to make it clear that the provision, as contained herein, and as contained in the usual resolution setting up a special committee, only gives the chairman the power to act as an administrative official. He is the officer of the committee who signs the subpena, or he designates some other member of the committee to sign it, but he cannot sign any subpena and bind the committee unless he is first authorized or directed to do so by a majority vote of the committee. So the committee at all times controls the issuance of subpenas unless it delegates that authority, by a resolution spread upon the minutes of the committee, to the chairman of the committee.

Mr. FELLOWS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. FELLOWS. And if a subpena is issued without authority of the committee, as the gentleman has indicated, the man who receives that subpena or upon whom it is served and who does not answer it would not be in contempt, would he?

Mr. BROWN of Ohio. Of course, if the subpena is not issued legally, it is not a legal subpena, in my opinion—if there is any law left in the land, which I believe there is.

Mr. FELLOWS. And he would not be in contempt.

Mr. BROWN of Ohio. No man could be in contempt for failing to answer a subpena which was not a legal subpena. Of course, any lawyer will agree with that, I think.

Mr. ELSTON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. ELSTON. The gentleman knows that recently the courts have indicated that a minority of any committee, or a minority of a subcommittee has no authority, and in a recent perjury case I believe the courts determined that no person could be held to be guilty of perjury committed before a subcommittee or a committee at which a majority was not present.

Mr. BROWN of Ohio. Yes. I think, if I understand the gentleman correctly, what he is indicating is that the courts have held that unless a quorum is present, or a majority of the committee acts, that the action of the committee is not binding and that a minority cannot bind the full committee or act legally; is that correct?

Mr. ELSTON. Yes, and under the same circumstances, would it not follow that a chairman representing himself, a minority of the committee, would have no general authority to issue subpenas unless he was authorized by a resolution.

Mr. BROWN of Ohio. That is exactly what the Parliamentarian advised me as to the rules of the House, and is what I believe the law is. Because a discussion had developed over this particular question in connection with actions of the chairman of the lobbying committee, a number of the Members of the House had advised me they would not, or could not, vote for this resolution unless the matter was clarified. For that reason I went to the Parliamentarian, and I went to other officials of the House for information, and I have attempted to clarify the matter on the floor so that there could be no hesitancy on the part of anyone in voting for this resolution because the power of subpena, by this wording, is conferred upon the full committee and not upon the chairman.

I yield to the gentleman from Indiana [Mr. JACOBS].

Mr. JACOBS. I was just going to say it depends, of course, upon the language of the resolution.

Mr. BROWN of Ohio. I have just called attention that this was generally the language which has been used in other resolutions and was used in the previous lobby resolutions. Unless the language of a resolution adopted by the House itself specifically confers power directly upon one individual, then this language and rule obtains. This is generally the type of language used in the establishment of a special committee with reference to the granting of power to subpena and compel the production of documents, papers, records and other material.

I hope the situation is clarified so there is no longer any question in the mind of any Member of the House, and

that we can all join in support of this resolution.

Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Speaker, I am in favor of this type of resolution. There is an old saying, "Tell me what you eat, and I will tell you what you are." I am certain what we eat is important. There is nothing that people are more interested in more than food. It is the first thing most of us want after our first breath of air.

I became interested in the use of sprays, fertilizers and chemicals about 10 years ago when they first came in general use.

Much research has been carried on in finding new uses for chemicals in food. I sometimes feel that the Agricultural Department works overtime in trying to find substitutes for nature's food.

When I was State director of health in Nebraska, we made some special studies on the use of chemicals in food. Since that time I have been interested in reading some of the work that has been printed by scientists and the amount of experimental work upon the use of chemicals in food. This resolution goes further. It goes to the use of sprays and insecticides and fertilizers as used upon the land on which they are trying to raise more and more crops.

Recently there have been some scientific papers printed which show that certain chemicals in food and minerals in fertilizers and sprays, seem to have a tendency to produce some vascular diseases, kidney diseases, and diseases of the nervous system.

Some experts in animal disease seem to feel that the virus X disease which has been found in cattle, and which was found last year in Nebraska, might come from the use of certain sprays and fertilizers used on the plants which they fed to the animals. This is a very broad resolution. I think it is very necessary because of the use of chemicals substituting animal and vegetable fats in food. As the gentleman from New York reports, there were two bakery companies that used some 10,000,000 pounds of chemicals in bread last year. The Department of Agriculture tells us that if we used 3 percent more wheat in our bread there would be no surplus of wheat today. As I look at the resolution, it goes not only to the chemicals in food, which are several hundred, but it goes to the use of fertilizers used in raising the food. It goes to the use of sprays and insecticides used upon plants to kill certain insects and pests.

It is a good resolution. It is a long continuing one. It is one that cannot be finished in a year's time. It should be a continuing study. There are more and more scientific men printing papers and scientific reports showing that certain diseases in human beings have been increased, not only by the use of chemicals in food but by sprays and fertilizers that are being used.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. SMITH of Virginia. I have been disturbed not only by the things mentioned by the gentleman from Nebraska but particularly by these sprays used in agricultural areas. They use a spray called DDT in connection with the Japanese beetles. I am worried for fear it might affect or destroy the bees, because the bees are responsible for the fertilizing of our fruits and plants. If we destroy the bees we might destroy human life.

Mr. MILLER of Nebraska. That is correct. Certain human diseases are being increased perhaps because of these mysterious elements.

Mr. SMITH of Virginia. I hope they go deeply into that matter of sprays.

Mr. HUBER. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. HUBER. Why would it not be appropriate for the subcommittee of the Committee on Agriculture to study this matter, rather than to set up a special committee?

Mr. MILLER of Nebraska. I have no objection, but I think the Committee on Agriculture probably is quite busy on problems particularly affecting agriculture. This goes further. It goes into the public health. It goes into chemicals used in foods, into sprays used, and insecticides, and it goes into the use of fertilizers—what happens to food when we use certain fertilizers and sprays. It is a broad question in which the country is vitally interested.

The SPEAKER. The time of the gentleman from Nebraska [Mr. MILLER] has expired.

Mr. HERTER. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Speaker, I rise in support of the resolution. I am glad that a previous speaker paid tribute to the work done upon this subject by the gentleman from Wisconsin [Mr. KEEFE], who is unfortunately unable to be here today. Nothing would please him more than the passage of this resolution. It would be a recognition of his own interest and work over the years. As I say, I support the resolution. I am very glad it has been brought up and I hope it will pass unanimously.

Mr. HERTER. Mr. Speaker, I yield such time to the gentlewoman from Ohio [Mrs. BOLTON] as she may desire.

Mrs. BOLTON of Ohio. Mr. Speaker, I sincerely hope this legislation will be passed. There is so much that is not known about the values in food today, the poisons that may be in them, and just the sheer lack of vital essences. I hope exceedingly there will be no question about the passage of this resolution.

I join with my colleagues in expressing the thought that this will give our colleague the gentleman from Wisconsin [Mr. KEEFE], the sense of accomplishment in some of the work to which he has given so much energy.

Mr. Speaker, the whole problem of essential values in the food the people of this country buy and eat is one of basic importance to our future. Thirty years of research has shown pretty conclusively that systemic lack of only one needful item, iodine, is directly responsible not only for much of endemic goiter, but also of much feeblemindedness, deaf-mutism and certain other such crippling physical and mental conditions among our people. Animal research has shown that soil deficiencies influence food values and the results to the animals are bad. It would seem equally possible that the same might be true of humans. In addition there has been no adequate research on such questions as: First, the result of the new methods of food preservation on the value of the food when eaten; second, the actual chemical changes caused by tincans and other containers, and so forth.

This resolution seems to bring the hopes some of us have had closer to fruition.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. DELANEY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DELANEY: On page 1, strike out the preamble.

The amendment was agreed to.

A motion to reconsider was laid on the table.

## CONSTRUCTION OF BUILDING FOR THE USE OF THE BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 651 and ask for its present consideration.

The Clerk read as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7873) to authorize construction of buildings for the Bureau of Old-Age and Survivors Insurance, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, this resolution authorizes the consideration of the bill (H. R. 7873) which is reported, I believe unanimously, by the Committee on Public Works. It is a bill to provide for the construction of a building for the use of the Bureau of Old-Age and Survivors Insurance.

I know of no objection to the rule at this time. I am glad to yield such time as he may desire to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Speaker, as far as I know there is no objection to the rule on this side.

A bill very similar to the one made in order by this resolution was passed by the House in the Eightieth Congress, but in the closing days it was not acted upon by the other body.

The bill is a good housekeeping measure which would apparently save money because these various bureaus are now

housed in rented quarters in Baltimore and elsewhere, paying very large rentals and being in very inefficient quarters.

I hope the resolution is adopted and that the bill itself will be adopted.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

(Mr. WHITTINGTON asked and was given permission to include in the remarks he proposes to make in general debate on the bill, H. R. 7873, certain tabulations.)

Mr. WHITTINGTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7873) to authorize construction of buildings for the Bureau of Old-Age and Survivors Insurance, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 7873, with Mr. HUBER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

H. R. 7873, TO AUTHORIZE CONSTRUCTION OF BUILDINGS FOR THE BUREAU OF OLD-AGE AND SURVIVORS INSURANCE, AND FOR OTHER PURPOSES

Mr. WHITTINGTON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill, as amended, authorizes and directs the Administrator of General Services to make use of Government-owned land, without exchange of funds, or to acquire by purchase, condemnation, donation, or otherwise, the necessary land in or near the District of Columbia for the construction of a suitable building or buildings for the use of the Bureau of Old-Age and Survivors Insurance, Social Security Administration, Federal Security Agency.

The bill provides authorization for the withdrawal of not to exceed $11,500,000 from the Federal Old-Age and Survivors Insurance Trust Fund for the construction of a building or buildings. While the language of the bill is broad enough to authorize the condemnation of land for the building or buildings, it is contemplated that the buildings will be constructed on lands owned by the Government or on lands donated to the Government.

There were hearings on the bill and a number of proposals were made to donate lands near Alexandria and near the District of Columbia. The Government owns land in Suitland and near the Bethesda Hospital. The General Services Administrator, however, would be vested with discretion as to the location of the building or buildings.

In the event that suitable Government-owned or donated lands are not available, it would be necessary for Congress to make an additional authorization for acquiring lands since the present authorization is intended for the construction of the building or buildings. The committee, however, believes that the Administrator should have the power to condemn if it is necessary as such power would probably encourage donations if there were no Government-owned land available.

Hearings were conducted and printed copies of the testimony are available to all who are interested.

The need for a building or buildings was brought to the attention of the committee by the Acting Administrator of the Federal Security Agency and favorable reports were submitted by the Federal Security Administration, the Bureau of the Budget, and the General Services Administration as shown by the report of the committee. All agreed that a new building was needed. The difference was as to location. The representatives from Baltimore wanted it in or near Baltimore.

A similar bill, H. R. 3907, was reported favorably by this committee on May 17, 1948, but no action was taken thereon. It also provided that the building was to be located in or near the District of Columbia just as the present bill stipulates. There was an increase in the cost of construction from the time of the estimate submitted in 1947 and the estimate submitted in 1950. The previous bill, introduced in June 1947 and reported on May 17, 1948, authorized $9,500,000. As brought out in the testimony at the hearing, the bill under consideration increases the facilities. Among other additional facilities, there would be provided an extra 40,000 square feet, and there are changes in the walls, with provision for better finishes.

The General Services Administration designs and constructs Federal buildings generally. It is authorized to construct the proposed building or buildings in the pending bill and while the selection or approval of a site is vested in the Administrator, the Federal Security Administration will be consulted and would under the bill be required to approve the plans for both the building and the site.

It was suggested that the building be located in or near the city of Baltimore. An amendment to the pending bill to so provide was rejected by the committee.

There is need for the building, and the committee is satisfied that the building or buildings are long overdue. The committee is further satisfied that economy will be promoted by authorizing its construction.

As stated, the bill does not provide for a direct appropriation. Under existing law the administrative expenses of the Bureau, including the rentals now paid in the city of Baltimore, are paid out of the trust fund. The bill provides for the withdrawal of funds from this trust fund for the construction of the building. The hearings disclose that it will be more economical to construct a new building than to continue to rent quarters.

The Social Security Act was passed in August 1935. Space for record-keeping operations of the old-age insurance program was not available in Washington. Quarters for this unit were obtained in the Candler Building in Baltimore. The other headquarters employees of the Bureau, as well as those of the Social Security Board, remained in Washington.

A building known as the Social Security Building was authorized in 1938 and constructed thereafter. Defense and war needs necessitated the allocation of this building to other occupancy. However, it is now occupied, for the most part, by the Social Security Administration—other than the Bureau of Old-Age and Survivors' Insurance—and other units of the Federal Security Agency.

In 1942 the growth in the units of the Bureau remaining in Washington, plus the acute shortage of space in Washington, resulted in the transfer of these remaining units to Baltimore, where they are housed at the present time.

The growth in employment in the headquarters units of the Bureau of Old-Age and Survivors Insurance, the marked expansion of files and records, and the consequent growth in the space occupied and the rents paid are all reflected in the tabulations furnished me by the Deputy Commissioner of the Social Security Administration, marked "Exhibits 1 and 2," which, under unanimous consent previously granted, I attach hereto, as follows:

EXHIBIT 1

*Bureau of Old-Age and Survivors Insurance—number of employees in Baltimore (excludes field office staff)*

| Date | Number of employees | Functions and type of work performed | |
|---|---|---|---|
| | | Division of Accounting Operations | Remainder of central office |
| Dec. 31, 1936 | 2,399 | Establishment and maintenance of accounts of earnings of persons covered by the program.[1] | |
| June 30, 1937 | 2,258 | do | |
| June 30, 1938 | 4,167 | do | |
| June 30, 1939 | 4,464 | do | |
| June 30, 1940 | 4,556 | do | |
| June 30, 1941 | 4,295 | do | |
| June 30, 1942[2] | 4,620 | do | Policy making and direction, program research, and field management.[3] |
| June 30, 1943[2] | 4,850 | do | Do. |
| June 30, 1944 | 4,648 | do | Do. |
| June 30, 1945 | 4,688 | do | Do. |
| June 30, 1946 | 4,637 | do | Do. |
| June 30, 1947 | 5,146 | do | Do. |
| June 30, 1948 | 5,282 | do | Do. |
| June 30, 1949 | 4,939 | do | Do. |
| Apr. 30, 1950 | [4] 4,873 | do | Do. |

[1] The work of maintaining wage records involves extensive use of tabulating machinery, largely performed in a highly routinized manner by a large number of clerical employees of the lower civil-service classification grades.

[2] Reflects move in June, July, and August of 509 central office employees from Washington to make room for war agencies.

[3] Includes the Director's Office with the usual personnel, budgeting, methods, procurement and service staff, legal, claims policy making and program research staffs, and also the units responsible for managing field operations of the Bureau.

[4] Includes Division of Accounting Operations employees, 4,140; remainder of central office employees, 733; total, 4,873.

EXHIBIT 2

*Bureau of Old-Age and Survivors Insurance—data on rental of space in Baltimore*

| Fiscal year | Building | Acquired (square feet) | Released (square feet) | Total (square feet) | Occupied at end of year | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Candler Bldg. | American Meter Bldg. | Equitable Bldg. | Southern Supply Bldg. | Wilkes-Barre | Paca-Pratt Bldg. | Fallsway Bldg. | Miller Bldg. |
| 1937 | Candler | 126,108 | | 126,108 | 126,108 | | | | | | | |
| 1938 | do | 93,671 | | 219,779 | 219,779 | | | | | | | |
| 1939 | do | 33,212 | | 252,991 | 252,991 | | | | | | | |
| | American Meter | 38,105 | | 291,096 | 252,991 | 38,105 | | | | | | |
| 1941 | Candler | 1,015 | | 292,111 | 254,006 | 38,105 | | | | | | |
| 1942 | do | 12,016 | | 304,127 | 266,022 | 38,105 | | | | | | |
| | Equitable | 48,209 | | 352,336 | 266,022 | 38,105 | 48,209 | | | | | |
| | Southern Supply | 34,728 | | 387,064 | 266,022 | 38,105 | 48,209 | 34,728 | | | | |
| 1943 | Candler | 8,239 | | 395,303 | 274,261 | 38,105 | 48,209 | 34,728 | | | | |
| | Equitable | 1,256 | | 396,559 | 274,261 | 38,105 | 49,465 | 34,728 | | | | |
| 1945 | American Meter | | 3,729 | 392,830 | 274,261 | 34,376 | 49,465 | 34,728 | | | | |
| | Wilkes-Barre | 5,400 | | 398,230 | 274,261 | 34,376 | 49,465 | 34,728 | 5,400 | | | |
| 1947 | Equitable | 2,253 | | 400,483 | 274,261 | 34,376 | 51,718 | 34,728 | 5,400 | | | |
| 1948 | do | 1,876 | | 402,359 | 274,261 | 34,376 | 53,594 | 34,728 | 5,400 | | | |
| | American Meter | | 34,376 | 367,983 | 274,261 | | 53,594 | 34,728 | 5,400 | | | |
| | Paca-Pratt | 51,600 | | 419,583 | 274,261 | | 53,594 | 34,728 | 5,400 | 51,600 | | |
| | Fallsway | 40,000 | | 459,583 | 274,261 | | 53,594 | 34,728 | 5,400 | 51,600 | 40,000 | |
| 1949 | Candler | 389 | | 459,972 | 274,650 | | 53,594 | 34,728 | 5,400 | 51,600 | 40,000 | |
| | Wilkes-Barre | 5,352 | | 465,324 | 274,650 | | 53,594 | 34,728 | 10,752 | 51,600 | 40,000 | |
| 1950 | Paca-Pratt | 78,702 | | 544,026 | 274,650 | | 53,594 | 34,728 | 10,752 | 130,302 | 40,000 | |
| | Fallsway | | 40,000 | 504,026 | 274,650 | | 53,594 | 34,728 | 10,752 | 130,302 | | |
| | Miller | 45,000 | | 549,026 | 274,650 | | 53,594 | 34,728 | 10,752 | 130,302 | | 45,000 |
| | | | | | Annual rental costs, 1950 | | | | | | | |
| | | | | | $658,180 | $281,025 | | $108,010 | $18,000 | $18,278 | $183,446 | | $49,421 |

It is apparent that from the very beginning the lack of proper housing has been a constant problem. As time has gone on these problems have become more serious. A principal concern is the Division of Accounting Operations of the Bureau. This division is responsible for the wage records of some 95,000,000 workers. There are about 4,200 employees in this division and 2,900 of them work in the Candler warehouse building. The others are located in the Southern Supply, the Paca-Pratt, and the Miller buildings, and there is a small unit of 183 people working in Wilkes-Barre.

The Baltimore space is not only badly located but it is badly equipped. Lighting and ventilation are poor, the washrooms are a disgrace. Elevator service is inadequate. There is no restaurant service except that which is improvised by an employee organization. There is a high percentage of female employees, many of whom must work a night shift, which means that they are released around midnight in Baltimore's waterfront district. It is necessary to operate two shifts and, on occasion, three shifts. The elimination of the double shift will result in a savings of at least $300,000 a year. Other economies would amount to about $200,000 annually. This annual savings added to the rental of $658,000 results in an economy totaling more than $1,158,000 annually which amortized would pay for the building in 11 to 13 years.

Proposals were submitted to the Committee for the construction and lease of a building to the Government. Such proposals were rejected. The Government can construct and operate its own buildings more economically and satisfactorily than it can lease buildings. It is less expensive as taxes are saved. It is more flexible and satisfactory.

As shown by the report of the Committee, the Subcommittee on Public Buildings and Grounds consisting of Mr. ANGELL, Mr. MACK of Washington, and Mr. PICKETT visited the Candler Building in Baltimore 2 years ago. The Members reported unanimously that the building was unsuitable and unfit and recommended the construction of a new building as the present quarters are not only inadequate but wholly unsatisfactory.

The building should be located in or near the District of Columbia. A building in Baltimore would be better than no building. The activity to be housed in the building is national and should be located in Washington or vicinity. It is a typical departmental activity. It is important for good administration that these activities be located in close proximity to the headquarters of the Social Security Administration and the Federal Security Agency.

Such a location is necessary because of the frequent contacts with other Government agencies located in Washington, including the Bureau of Internal Revenue which collects the social-security taxes. The Bureau has frequent occasion also to consult the disbursing office of the Treasury, the Veterans' Administration, the Maritime Commission, the Bureau of the Census, the Agriculture and Labor Departments, including the service agencies such as the Bureau of the Budget, the General Services Administration, the Civil Service Commission, and the General Accounting Office.

The statistical records of the Bureau are of great value to other Government agencies. The location, therefore, should be close to these other agencies.

It was urged that the removal from Baltimore to Washington or vicinity would be inconvenient to many employees who have acquired homes. During the war and in preparing for war, a number of Government agencies were transferred to other cities. The transfer from Washington to those cities involved inconvenience. Some of them have been returned to Washington. This also involved inconvenience. It is not a question of payrolls for any community or city. The question is the convenience of the people of the United States. The question is to provide adequate and convenient offices for the transaction of public business. Moreover, no one city has a monopoly on civil service employees. They come from all over the country. Many Members of Congress have urged that this Government unit be returned to Washington. Under the terms of the bill, the building may be located between Washington and Baltimore. It must, however, be near the District of Columbia. Such a provision is sound.

The House has passed and the Senate is now considering H. R. 6000, the effect of which would be to add many responsibilities to the Bureau. The program is already large. An adequate building, located in or near the District of Columbia, which will probably take 2 years to construct, with ample time for relocation of the employees, is in the public interest.

The Administrator of the General Services and the officials of the Social Security Administration are human. So are the Members of Congress. They are sympathetic with employees who leave home and come to Washington and then go back home. They are sympathetic with any employees who have bought homes in Baltimore, but they can probably sell their homes for what similar homes will cost them in Washington. There is no testimony to show that housing is more difficult in Washington than it is in Baltimore or that the cost of housing is higher.

Again, the gentleman from Baltimore [Mr. FALLON] and other Members from the Baltimore area are interested in the building remaining near Baltimore, but the gentleman from Maryland [Mr. BEALL], who is also a member of the Public Works Committee, is interested in the building being near the District of Columbia in Montgomery County. The

gentleman from Virginia [Mr. SMITH] is interested in the building being in Virginia. The committee felt that the Administrator of General Services and the Administrator of the Federal Security Agency, after the appropriation was made would be in better position to select a site that would be fair to the public and other employees, but the committee insisted that the site should be in or near the District of Columbia. A site near Laurel, Md., belongs to the Government. It would be between Washington and Baltimore. The Government owns a site near Bethesda. The Government owns 425 acres of land in Suitland. Owners offer to donate lands but the Government should be careful to accept donations. There must be adequate utilities. The cost of the site is far less than the cost of the building. It may be that a reduction in the cost of construction would enable the building to be constructed with $11,500,000, and have funds from this amount to acquire a site.

The Public Works Committee was advised that the National Security Council, of which Mr. Stuart Symington is the head, had not formulated a policy with respect to the location of offices in the future in Washington or other large cities. Pending the formulation of such a policy, while the committee would like to have had a recommendation from the Administrator of General Services and the Federal Security Administrator as to the site, in the circumstances, the committee left to them the selection of the site.

Mr. PICKETT. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Texas.

Mr. PICKETT. I heard the chairman of my committee say a moment ago that this bill provides for the acquisition of land already owned by the Government, or the acquisition of land by a donation, upon which this building might be constructed.

Mr. WHITTINGTON. The gentleman will pardon me. This bill provides that the Administrator of General Services shall have the power to acquire land, not land already owned by the Government, or to use land already owned by the Government or acquired by donation, as the gentleman well knows. The gentleman will pardon me for making that correction.

Mr. PICKETT. Yes. I wanted to be sure I did not misunderstand the gentleman.

Mr. WHITTINGTON. I have given the gentleman the correct information. I say then, to emphasize, that this building is intended to be constructed on land presently owned by the Government or on land that may be donated to the Government. We felt that to give the Administrator the right to acquire land would assist him in his bargaining powers, because there appeared before the committee citizens from Alexandria, Silver Spring, and other localities that wanted to make a donation of land. However, it is desirable that there be a location in reach of the other agencies and that is adequate. For that reason, we retained the provision here that would provide for acquiring land. It is fair to say that the authorization of $11,500,000 would contemplate that if it is necessary for the Government to acquire a site, the Administrator will have to come back and get additional legislation so that that site may be approved.

Mr. PICKETT. I understand, then, that notwithstanding the language that is in the face of the bill itself, it is the intention of the committee that there shall be no land purchased by the authorities who are to administer this program until they come back to Congress and show the necessity therefor and get permission therefor.

Mr. WHITTINGTON. That is the intent of the committee. I may also add that the bill we reported 2 years ago carried with it an authorization of $9,500,000, and it embraced the same language, but it was contemplated in the bill it should be located on Government-owned property, as I recall at Suitland. In order to clarify the matter, while the Administrator probably has the right to accept a donation, we have affirmatively provided for a donation. So in all the circumstances, in the general public interest, there is no dissent from the proposition that a building for this agency is needed, that the authorization will result in economy to the fund, and that in the 2 or 3 years that will elapse in the construction of the building there will be adequate opportunity for these 4,000 employes, some of whom own homes in Baltimore, according to the testimony before our committee, to readjust themselves and find homes in or near Washington.

I trust that the bill will be promptly passed, or reported.

Mr. DONDERO. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, there remains very little to be said that has not already been said by our able and distinguished chairman in regard to this project. There is no controversy except the question as to where this building will be located. Under the terms of this bill, we leave that question to the agency that will administer the law.

The Bureau of Old-Age and Survivors Insurance does not have a home. As has already been testified to, they are now located in a rented building in the city of Baltimore some 38 or 40 miles from Washington. They need a home. It was shown beyond any reasonable doubt that it is necessary that they have a building of their own. The only restriction in this bill as to where it shall be located is that it shall be in or near the District of Columbia.

The administration of this law should be the first consideration, for the welfare of the entire country, and the desire and wish of the agency that administers the law should be the second consideration. It seemed to the committee that they should have the right to say where this building should be located, for the good of all.

The money for the building, of course, will not come out of the Federal Treasury. It comes out of the funds belonging to the old-age and survivors insurance, as has already been shown. The report of the committee is practically unanimous. May I say that in their eagerness to obtain the location of this new building several citizens came before us and offered land to the Government without cost. However, the committee believed that because of the various offers and the fact the Government already owns land in and near the District of Columbia which might be available, the suggestion was carried out in the proposed legislation that the agency itself should determine where to locate this new building.

Mr. Chairman, the bill ought to pass. It ought to be passed without a dissenting vote, because it is a good-housekeeping bill. It is really an economy measure when one considers the rent we are now paying in the city of Baltimore and when one considers the additional cost to the agency as a result of the inconvenience and inefficiency occasioned in its present quarters in the administration of the law itself. When we consider those two things, it must be apparent to everybody that the amount of $11,500,000, which is the estimated cost of a new building, will be a good investment on the part of the agency. It will amortize itself at least within 15 years. I am in favor of the bill and hope it passes without a dissenting vote.

Mr. WHITTINGTON. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman, I agree with my distinguished chairman and our distinguished ranking minority member of the committee, the gentleman from Michigan [Mr. DONDERO], as to the need for this new home for the Social Security Agency. I guess I am more familiar with the location of the facilities they have there than most any Member of the House. I believe they need a new building for many reasons, as stated by the chairman. I believe that the efficiency which can be attained by a new building would, over a period of time, more than offset the expenditure.

However, I do disagree on one point, and that is on moving the location of this building into the District of Columbia or within the immediate area. My reason is more or less a human reason. We have taken into consideration the cost, the type of construction, and the efficiency in many ways, but we have not taken into consideration the human equation. Fourteen years ago this department was organized in Baltimore with a very few employees. It has grown now to the point where they have 5,000 employees, most of them recruited from Baltimore.

As you know, many of you are familiar with the Social Security Agency, the type of employee is of low grade. I do not mean the character; I mean according to our social security records. These people cannot afford to uproot themselves and move into an area where there is a higher cost of living and higher rental expenses. It would be necessary, if this agency were moved into Suitland, or some place near Washington, where they would have to commute from Baltimore, that they would have a 30- or 45-minute trip to the train station, then they would have a 45-minute period of traveling on the train, and when they reached their destination in Washington

it would be necessary for them to go to Suitland, which is another 40 minutes, which altogether means 2 hours every morning in commuting time, and 2 hours to go back home in the evening.

Anybody who would have to spend that much time to and from his job is going to have a decreased efficiency, to the point where they might be separated from Government service or the Government will lose in that part of the efficiency.

They have another alternative, and that would be to resign their positions and look for work in Baltimore. As many of you know, we are already having our problems in most of the large cities with unemployment. Other than that, they would have to move to the Washington area, which is already overcrowded. Many of those people, after 13 or 14 years, are very deeply rooted as citizens of Baltimore. They have bought homes and are raising families and sending them to school in Baltimore. It would be necessary for Washington to absorb about 15,000 people, figuring three to a family, and it would be necessary to provide schools for those children. I doubt very much if it could be done under the conditions that now exist.

I questioned an official of the Social Security Agency and asked many questions in regard to why the agency should be located in Washington. He said, "We have many conferences and it would save time." I asked him how many people were involved in those conferences, and he said a very small number. So you are just making it convenient for less than a hundred people at the cost of 4,900 people. So I am offering the same amendment that I offered in committee, that in designating the location of this property it be designated in the Baltimore area.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. FALLON] has expired.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. MACK].

OASI ACCOUNTING OFFICE

Mr. MACK of Washington. Mr. Chairman, when a bill very similar to that which is now under consideration was before the Public Works Committee of the Eightieth Congress, I, at first, was inclined to oppose it.

I regarded some of the proposals which were then being advanced by the Social Security Administration as being highly impractical and visionary. I suspected that agency's request for a new office building might be also. I felt that perhaps these bureaucrats, by this legislation, were merely seeking to obtain more comfortable and luxurious quarters for themselves.

Also, I was disinclined, due to the financial condition of the country to spend money for any building which we could possibly get along without.

At that time I was named by the then chairman of the Public Works Committee, the gentleman from Michigan [Mr. DONDERO], on a special committee of four members to make a special study of the need for or lack of need for a new accounting building in Baltimore for the Social Security Agency. The other members of this special committee were the gentleman from Oregon [Mr. ANGELL], the gentleman from Texas [Mr. PICKETT], and the then Member of Congress, Mr. Coffin, of Michigan.

As we left for Baltimore, I doubt if any of the four members of this committee was any more convinced than I was that there was any great need for this new building.

The accounting offices of OASI were then, and still are, housed in a 9- or 10-story structure in the waterfront warehouse district of Baltimore, known as the Candler Building.

The Candler is not an office building. It is a warehouse and loft building. It was never intended to house office workers. It is noisy and dirty, illy lighted and illy ventilated, and totally unsuitable and inadequate both in size and arrangement for the purposes for which it was and is now being used. All of these factors make it a most undesirable place to work and one that contributes to inefficiency and unnecessary costs of operation.

I am quite sure that the directors of any private insurance company would not long tolerate conditions, for any building for which they were responsible, that are as bad as those in the Baltimore OASI accounting offices, to continue longer than necessary.

Commissioner W. E. Reynolds, of the Public Buildings Administration, in commenting on this building, told the committee hearings in May 1948 that—

> It is one of the worst conditions we have in the Federal establishment anywhere in the United States.

I am sure all four members of the special committee who inspected the property will concur in saying that Commissioner Reynolds' statement was no exaggeration.

There is ample money in the old-age insurance reserve fund to permit this expenditure of $11,500,000 for a new accounting office. This reserve fund on May 30 of this year contained a reserve of $12,413,200,000. This fund is the difference between what the OASI has collected in 2-percent withholding taxes from employees and employers and the amount paid out in benefits to persons on OASI pensions.

This fund is still growing by leaps and bounds. Last year's collections from a 2-percent withholding tax were $1,816,000,000, while pay-outs were $721,400,000. In short, the income of this fund last year was more than a billion dollars larger than the fund's expenditures.

Even when benefits are increased by about 80 percent, as is proposed by the bill H. R. 6000, now under consideration, the reserve fund still will grow in size for some years since on last January 1, the withholding tax to support this fund was increased from 2 to 3 percent.

If we do not authorize this $11,500,000 for the construction of a new accounting office, the old-age and survivors insurance department must continue to occupy inadequate and unsatisfactory rental quarters. The annual rental on these is $645,762. The erection of a new building will save this $645,762 rental charge.

But the savings in rentals are not the only ones that will be made possible by a new building. Large savings will be obtained from the greater efficiency that will be secured from conducting operations in a new modern office building rather than in carrying these on in a loft or warehouse structure that was never intended for office purposes.

Because of the inadequate size of the building space available it is necessary to operate the accounting office crew on a two-shift basis. The night shift is paid a 10 percent wage differential above that paid day workers. The new building, by providing adequate space for a one shift operation will save $300,000 a year in wage costs.

Also because of the two-shift operation, it is necessary to employ extra supervisors and guards and this adds another $151,000 to the costs of the present operation. This expense of $151,000 would be eliminated if a new building is constructed.

Furthermore, light and heating costs are more in the present building than they would be in a new one and the cost of char forces also are greater. These extra costs are estimated by the department at $98,000 a year.

The Department estimates that the savings from elimination of the night force, by lessening the need for a double force of supervisors and by cutting heating and lighting and guard and char services costs that total savings of $509,000 annually can be made in addition to the saving of $645,762 in rents.

The total savings in rent and from more efficient operations will exceed $1,100,000 a year if this new building is provided. These savings will make it possible for this building to pay for itself in approximately 14 years, including the cost of the building plus interest on the investment during the period the building is in use.

These facts, I think, prove quite convincingly that a new building for Old-Age and Survivors Insurance is not only needed, but also that the $11,500,000 spent on its construction will be a good investment.

I hope the bill will pass and construction of the new building will start at the earliest possible moment. Certainly no private company would continue to tolerate operation of its accounting offices in a building so unsuitable and inadequate as are provided by the present OASI rental quarters in Baltimore.

Mr. DONDERO. Mr. Chairman, I yield myself 4 minutes.

In answer to the statement made by the gentleman from Baltimore [Mr. FALLON], I simply wish to say and have the RECORD show that regardless of the reasons he advances why this building should be located in Baltimore, the public interest comes first; and when the public interest is considered it seems to me that the judgment of the committee was wise when it specified that the new building should be erected in or near the District of Columbia. I think that decision was

a proper one, and I hope the House will sustain the committee when the issue is reached.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. FALLON. The gentleman will remember that I did not insist that the building remain in the city of Baltimore for many reasons; among others, because most of the large corporations and manufacturers are trying to move to the outskirts of Baltimore to avoid the congestion of the city and to secure more desirable daylight locations on the outside of the city.

My second reason for offering the amendment, as I explained before, and as I will explain when I offer it today is that it should not be in any large city but that it should be in an area where there is less chance of its being destroyed in wartime by being in a target area such as Baltimore and Washington may be designated. It should be out of that congested area but accessible to Baltimore so that these people would not have to move their homes into an already crowded section like Washington.

Mr. DONDERO. I appreciate the gentleman's comment and I do remember that two sites were offered to the Government in or near the Baltimore area.

Mr. FALLON. That is right, but I did not offer the sites.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. WHITTINGTON. Permit me to state with respect now to the distance from here to Suitland, there is a magnificent parkway from here to Suitland, and after you cross the Anacostia River bridge it takes but a matter of 7 or 8 minutes to reach Suitland. The testimony showed that there were sites available within a 10 or 15 minutes drive from Washington in Silver Spring, and likewise near Alexandria. The testimony further showed that there was a desirable tract of land on the recently authorized Baltimore-Washington Parkway that would be available near Laurel.

Mr. BEALL. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. BEALL. Is it not a fact that the Naval Ordnance Laboratory owns several hundred acres out near Silver Spring just off Georgia Avenue? I think that is only about 5 miles from the Capitol.

Mr. DONDERO. Yes, and I think two sites in that area were offered to the committee by citizens of that area.

Mr. BEALL. In addition to that, the Government owns several hundred acres out in Montgomery County and its immediate vicinity.

Mr. DONDERO. Yes, between here and Baltimore.

Mr. BEALL. No; I mean in the vicinity of Silver Spring.

Mr. DONDERO. Yes.

Mr. BEALL. In Montgomery County. The Naval Ordnance Laboratory is about 5 miles from the Capitol here.

Mr. DONDERO. That is correct.

Mr. WHITTINGTON. Mr. Chairman, I yield 7 minutes to the gentleman from Texas [Mr. PICKETT].

Mr. PICKETT. Mr. Chairman, as a member of the subcommittee that went to Baltimore during the Eightieth Congress to look over the existing office space available in the Candler Building, I would like to add what additional weight my remarks may give to the words of our colleague from Washington [Mr. MACK], demonstrating the absolute essentiality of getting the people who handle the facilities in the Old-Age and Survivors Insurance Bureau out of their present quarters and into a building that is adequate to take care of the work that they must prosecute in order to do a good job for the agency. The gentleman from Washington [Mr. MACK] has very graphically described the conditions we found to exist over there.

There is one matter I think he overlooked, and that is the structure of the Candler Building that is now being used is such that to get from certain floors of the building to other floors you have to go up or down a few floors, as the case might be, and transfer to another elevator before reaching the desired destination. In an office building requiring efficient management, that is an intolerable situation. Of course, the building was a warehouse when it was taken over for the purpose it is now being used. I am sure that in the renovation of that building they did the best job they could. It is a fine commentary on the lack of efficiency in Government agencies for the people who work in the Candler Building to have to use that method to go back and forth to confer with each other even within the building in which they are housed to do their labor.

There is an absolute necessity for the construction of a new building. This bill does not call for the expenditure of one single tax dollar from the United States Treasury. The money will come from the trust fund of the agency which will occupy the building to be constructed. A large annual saving below what is now being paid out of that fund for rent will result in increasing the credit to the trust fund in a few years.

I am not entirely satisfied with the argument about where this building is going to be located. I would like to know right now where the agency in charge of choosing the site is going to put it. During the course of the hearings I raised that question with Mr. Reynolds, Commissioner of Public Buildings. This issue has been before the Congress on previous occasions and has been talked about for a number of years. Certainly somebody ought to have come up with an idea of where they want to put it. Certainly with all the land the United States Government owns in the vicinity of the District of Columbia and with all of the available spots that have been offered to the Congress as places where it could be constructed when the land is donated, they ought to have been able to pick out some place, come in and say to the committee and this Congress, "We are going to locate the building there and we ask for your approval of the legislation." I feel that way for more than one reason. In the first place, Congress ought to know what it is doing when it does something, but in an instance of this kind it is absolutely impossible because there is not a Member of this House that has the time, if he had the power, to go out and locate the best place to put a building and then come back and convince the other 434 Members that it ought to go to that place. But, the agency in charge here should tell us where it ought to go, and then let us pass upon the question of whether it suits the Congress or not, by writing a definite location into this bill.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. PICKETT. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. The members of the committee thought generally as the gentleman did, but it is fair to say that at present the General Services Administration and the other agencies of the Government are rather subject to a directive of the over-all security agency of which Mr. Stewart Symington is Administrator, with respect to additional buildings in Washington, Baltimore, or any other city, and we thought that the very best that could be done was to follow the language of the bill reported in the Eightieth Congress and the language of the bill reported in this session here that it should be on Government-owned land or on land donated to the Government.

Mr. PICKETT. I would like to say this, that I know of no reason why the National Resources Board, to which my chairman has referred, cannot be amenable to a law passed by Congress, and if we write in this piece of legislation where this building is to be constructed, then the Resources Board cannot have a whole lot to say about it. I quite agree with my chairman that the committee, of which I am a member, has done the very best it can do under the circumstances, and my remarks are not to be understood as being directed against the committee, of which he is chairman. My remarks are to be understood as being directed at the Resources Board, the General Services Administration, and the others that have had more than 2 years to pick the site where they want to put the building. With hundreds of acres already owned by the Government in this area, they have not been able to decide it yet.

Now then, there is a large tract of land at Suitland that has been referred to in this discussion. As I recall, there is something over 400 acres of land out there, 425 acres to be exact, that is not now being used for any purpose. It was once thought that this building would be located at Suitland on land already owned by the Government. Well, it appears that the Resources Board does not think that it is best for the security of the area for it to go there; at least, it has not decided that it is. But, if it is not safe to put this kind of a structure at Suitland or some other place where we already own the land in the area, then we ought not to put any other kind of a building in that same spot. We ought to sell all that 425 acres to somebody who wants to make use of it in private industry. I think it is high time for them

to give a little thought and make up their minds about using the land we already own on which to construct the necessary public buildings or whether we are just going to keep it and let it lie idle.

Mr. Chairman, this bill ought to be passed, but the next time some Government agency, bureau or commission comes before the committee of which I have the privilege of being a member and wants authority to construct a building, I want them to pick out the site before they come down, tell me where they want to put it, and then I can make a definite decision.

Mr. WHITTINGTON. Mr. Chairman, I have no further requests for time.

Mr. DONDERO. Neither have I, Mr. Chairman.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.*, That the Administrator of General Services is authorized and directed to acquire, by purchase, condemnation, or otherwise, the necessary land in or near the District of Columbia for the construction of a suitable building or buildings, for the use of the Bureau of Old-Age and Survivors Insurance, Social Security Administration, Federal Security Agency, and to prepare plans for such building or buildings and, by contract or otherwise, to construct and equip such building or buildings. The selection of the land to be acquired, and the plans for such building or buildings shall be subject to the approval of the Federal Security Administrator. There is hereby authorized to be appropriated to the Federal Security Agency from the Federal Old-Age and Survivors Insurance Trust Fund such sums as may be necessary, not exceeding $11,500,000, for the purposes of this act. The sums so appropriated may be transferred to the General Services Administration for the purposes of this act, including any amount determined by the Administrator to be necessary for the payment of salaries and expenses of personnel engaged in the preparation of plans and specifications, field supervision, and general office expenses. Funds so transferred may be consolidated on the books of the Treasury Department in a special account for direct expenditure in the prosecution of said work, and the Administrator is authorized to prepare drawings and specifications for such building or buildings prior to the approval by the Attorney General of the title to the site thereof.

With the following committee amendments:

Page 1, line 4, after "directed", insert "to make use of Government-owned land without exchange of funds or."

Page 1, line 5, after "condemnation,", insert "donation."

Page 2, line 2, strike out "acquired" and insert "used."

The committee amendments were agreed to.

Mr. FALLON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FALLON: On page 1, lines 6 and 7, strike out "or near the District of Columbia" and insert in lieu thereof "the close vicinity of the city of Baltimore, Md."

Mr. FALLON. Mr. Chairman, there is very little to add to what I have already said in the general debate, except to reiterate that this problem is a human problem as well as a problem of efficiency in the Federal Government. There has been no difference of opinion between the chairman or any other members and me in regard to the need for this building. There is a definite need for it, and it was outlined by the gentleman from Texas [Mr. PICKETT] and the gentleman from Washington [Mr. MACK] who made the inspection. Everything they said was true. Since then I may say there is an additional need because of the congestion that is ever increasing in that area.

However, I believe consideration should also be given to the 4,900 employees who will be uprooted from the city of Baltimore and brought over to the city of Washington. The reasons I outlined were first, the expense. The second, was the decrease in the efficiency of these people if they are caused to use 4 hours of their day in commuting. The other reason was that 13 or 14 years ago these people purchased homes in Baltimore City. At that time, as you know, real-estate values were down, and down very low. If it were necessary for them to move today it would be necessary for them to come into a high-priced area, such as the Washington area, and many of these people cannot afford it because the average salary is less than $3,000 a year.

I have been told by Mr. Mitchell that it is necessary to be near the city of Washington because of the many conferences they must have between the heads of the Agency in Baltimore and the heads of the Agency in Washington. I asked how many people were entailed in that particular group, and he said a very few. So it is just a question whether the people who make the policy of the Agency can for their convenience move 4,900 people into the city of Washington.

It was brought out by the chairman that for the safety of the records of this particular organization it might be necessary to locate it outside of Washington some place. For the same reason it would be necessary to locate it outside of Baltimore some place.

But I feel in the selection of this land every consideration should be given to these 4,900 people who will be affected by this move. I ask the committee to please see the wisdom of the amendment and with the thought of these humans in their heart support this amendment.

Mr. BOLTON of Maryland. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Maryland [Mr. FALLON] because to move the Bureau of Old-Age and Survivors Insurance from Baltimore to Washington would cause unnecessary hardships and distress to a great majority of approximately 5,000 Government employees now employed by this Bureau, who would necessarily be compelled to sever their connection with the Government and look for a job elsewhere because they could not possibly afford the expense of commuting from Baltimore to Washington.

I agree with the comments noted in the hearing before the committee that the present quarters of this Bureau in Baltimore are not only inadequate, unduly expensive, dirty, and unsanitary, creating an over-all picture tending to inefficient working environment, but that the location of the building itself, in the water-front section of Baltimore, surrounded by wholesale markets, second-rate saloons, and cheap boarding houses, is undesirable for many reasons, and particularly from the standpoint of safety for young women employees going to and from daily work at all hours of the day and night.

Therefore, a new building in another location in Baltimore designed especially to meet the requirements of the Bureau, is needed and I would recommend that such an improvement is imperative.

But what I do not understand nor agree with is the attempt to move the Bureau from Baltimore to a location in or near the District of Columbia.

Many good and desirable locations are available in Baltimore, where necessary public utilities are already installed, where this building could be located, and if erected in Baltimore would obviate the necessity of disturbing the living and economic conditions of 4,723 employees and their families.

I feel it is difficult to dispute the contention that if these employees were working in a modern structure in Baltimore, they could render just as efficient service as they could in Washington, and certainly the Bureau would have a much larger potential reservoir of manpower in Baltimore to draw from than they could find in the vicinity of Washington.

This Bureau has now been located in Baltimore nearly 14 years. Naturally, during this long period the employees have been associated with civic groups, churches, schools, social and other activities.

Do you think it fair to ask this large group of employees to change their whole environment overnight?

Many of them have purchased homes and become part of the neighborhood in which they live—their children attending the public or private schools, as the case may be. Do you think that you should ask such a large segment of our society, particularly a group that can be classed in the moderate-income group, to sacrifice their homes in fine communities and move to a section where they can ill afford to pay a higher shelter cost?

Some of these employees bought their homes at a price as low as $4,000 to $5,000 back in 1937 and 1938 and they are comfortably situated. I say to you, can they get themselves as well situated if they are called upon to locate elsewhere, as has been suggested?

The chairman of the committee suggested they would have 2 or 3 years to prepare themselves for this change, but I say to you that when employees are only making $2,500 a year, it is going to be impossible for them to move from their present location into the territory of Washington because of the very decided increase in shelter rent they are going to be called upon to pay.

One of the outcries around Washington has been the housing shortage. Why aggravate this situation by attempting to move a group of 5,000 families or thereabouts, already comfortably housed in Baltimore.

Remember, we are dealing with nearly 5,000 employees whose average income is $3,000 per year, the great majority making around $2,500. Therefore, commuting by the majority of these employees to a location like Suitland or other suggested location in and around Washington would be impossible because the fare to Washington would cost them at least $19.95 per month, together with the carfare to Suitland from Washington of 36 cents per day. You can readily see that this is a prohibitive cost of $27.15 per month for this group of employees, to say nothing of 4 hours consumed daily going to and from work. I say prohibitive, because no one can sustain a family on $2,500 to $3,000 per annum today and take on an extra burden of $27 per month. If the building were built anywhere in or around Washington the transportation costs would be almost the same.

If this Bureau were moved to Washington it would mean that the great majority of these employees would necessarily be compelled to sever their relations with the Bureau and seek employment elsewhere. I ask you, do you think this is fair to this class of our employees?

You must also remember that this Bureau is one of the large employers of labor in Baltimore, and to suddenly throw 5,000 people on the labor market in our city would create a condition for this type of employees that may prove quite distressing.

This Bureau can operate just as efficiently in Baltimore as it can elsewhere, and certainly, when we take into consideration the experienced help necessary to man the Bureau, you cannot escape the conclusion that it can operate more efficiently in Baltimore than elsewhere under the circumstances.

So, in conclusion, may I suggest favorable consideration of this amendment—

First. Because of the inconvenience, expense, and possible actual distress that would be sustained by a great majority of these employees, with low incomes of approximately $2,500 to $3,000 per annum, who would necessarily be dislocated economically and socially, to their extreme disadvantage.

Second. It is obvious that the Bureau would be able to operate more efficiently in Baltimore because of the availability of experienced help.

Third. Because of the large reservoir of manpower to draw from around Baltimore in comparison with other suggested locations.

Fourth. Because there is nothing to be gained on the part of the Government in moving this Department to locations around Washington.

Fifth. As long as there is a possibility of war, it does seem the part of wisdom to locate all such bureaus outside the environs of Washington whenever and wherever possible because of civilian defense and other obvious reasons, such as housing and shelter programs for those who will necessarily be compelled to live near Washington in the event of hostilities.

Sixth. Because there is no good reason offered why this Bureau should be moved from Baltimore to Washington.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as was stated in the opening argument, the amendment now proposed was that proposed in the committee and overwhelmingly rejected. The gentleman from Maryland [Mr. FALLON] and the gentleman from Maryland [Mr. BEALL] are both members of the Public Works Committee. We hold them in high esteem. The gentleman from Maryland [Mr. FALLON] wants the building located in the vicinity of Baltimore. The gentleman from Maryland [Mr. BEALL] wants it in or near the District of Columbia.

The gentleman from Maryland [Mr. FALLON] stated he was advised that about 100 top officials would be interested. I have a statement here. I speak by the record. I asked Mr. Mitchell to give me a statement in writing, as to why the building should be in or near the District of Columbia. I followed the reasons given. I also speak from page 76 of the hearings. The gentleman from Maryland [Mr. FALLON] asked Mr. Mitchell how many employees there were in the category where these conferences were held. Mr. Mitchell said a relatively small number—a comparatively small number to the 5,000. I am sure that in advising the gentleman from Maryland [Mr. FALLON] that 100 persons would be interested he had in mind the category referred to on said page.

But, frankly, as I stated in the beginning, the question of the national interest is involved. All Members of Congress are entitled to be considered when it comes to employing these persons. At present they are limited to Baltimore. Under the Civil Service Act they are divided among the States. If it is practicable that division should be continued. We do not know how many own homes. There was no testimony before our committee. There was testimony that some owned homes. There was testimony that some lived in Washington.

Two years ago we reported a bill that this building should be located in or near the District of Columbia. That is the exact language we use today. We can reach Suitland, Md., where you have the Census buildings and other important buildings, in 10 minutes. The new highway from Washington to Baltimore will reach land owned by the Government within 10 minutes. If those people desire to continue to live in Baltimore, they could reach the site in a short time when the new parkway is constructed. They could reach land in or near Silver Spring or Alexandria in 10 or 15 minutes from the Capital.

I repeat, there is no more shortage of housing in Washington than there is in Baltimore, according to the testimony before the committee. This is not a new question. It is a question that arose when we brought back the departments from Kansas City, which were sent there during the war; when we brought back departments from other cities, which were located there during the war. It is not the question of a payroll. The question is the general public interest. I asked the Social Security Administrator to tell me what agencies were contacted. I followed him in listing the agencies that should be in contact with the old-age and survivors' insurance. When Members of the House or Senate call up, we ought not have to wait until they can communicate with Baltimore. The Internal Revenue Department has to contact them to collect amounts due in taxes. This agency should be close by.

There are other agencies as I have said: The Disbursing Office of the Treasury, the Veterans' Administration, the Maritime Commission, the Bureau of the Census, the Department of Agriculture, the Department of Labor, and other agencies, including the General Services Administration, the Civil Service Commission, and the General Accounting Office. Then in addition Members of Congress instead of those in Baltimore or in Cumberland or some other place have to be considered in the allocation of these employees. There were 2,000 employees when it was started in Baltimore. The number was stepped up during the forties, and it may be stepped up now to 7,500 if H. R. 6000 now pending in the Senate should become law.

In all of the circumstances the committee, feeling most kindly, as all of us do toward the gentleman from Maryland [Mr. FALLON], and toward the gentleman from Maryland [Mr. BEALL], said to them that under the terms of this bill the Government owning land between here and Baltimore on or near the proposed Baltimore-Washington Parkway, the Government owning land in the District, and the Government owning land in Montgomery County, Md., nearby, that we have provided in this bill that this building shall be located in or near the District of Columbia. We had a closed session of the Public Works Committee. We were advised that at the present time the agency of which Mr. Symington is the chairman having to do with further construction in all great cities was not prepared to make a report. It may be a year before this appropriation is available and 2 years before the building is constructed.

In the public interest I ask that this amendment be defeated in the House as it was defeated in the committee.

The CHAIRMAN. The time of the gentleman from Mississippi has expired, all time on this amendment has expired.

The question is on the amendment offered by the gentleman from Maryland [Mr. FALLON].

The amendment was rejected.

Mr. FALLON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FALLON: After the word "land" in line 6 on page 1, strike out the words "in or near the District of Columbia" and insert in lieu thereof "between the District of Columbia and Baltimore City, Md."

Mr. FALLON. Mr. Chairman, I wish to state my reasons for offering this

amendment, as many of you will remember, just a short period ago, 3 or 4 weeks, we had a bill that was passed by the House giving the Government the right to construct a new parkway from the District of Columbia to Fort Meade. It was brought out during debate on that bill that along that highway the Government owned 52 square miles of land. My reason for offering this amendment and taking the building out of the Washington area is because nobody has yet defined just what distance is embraced by the word "area," either from Washington or from Baltimore. If it be Stuart Symington's judgment that 15 or 20 miles were within the area, then the agencies would have a much wider latitude in selecting the property.

Now, getting back to the national interest phase of this bill, all the States of the Union have their accounting done at this agency. It is no closer to California located 5 miles from Washington than it would be 5 miles from Baltimore.

Just a few short years ago, 2 years, I believe, to be correct, this agency was negotiating for a building in Baltimore; they were negotiating to buy and establish this agency in the suburbs of Baltimore, the northern end, which is further away from Washington. My understanding is that they would have purchased the building known as the Maryland Casualty Building could they have agreed on a price with the Maryland Casualty Co., but the Maryland Casualty Co. would have been forced to build another building for its own use, and they did not get together on the matter of price.

I am not in favor of this limitation. I submit that if the bill is changed as suggested in my amendment that the departments would have a wider latitude in which to choose a site. The Government already owns 52 square miles along the site of the Baltimore-Washington parkway. Assuredly within this vast area they could select a site that would be on an expressway and more accessible than it would be in the city of Washington or at Suitland. So, in my judgment, this language will really improve the bill and give the agency a much wider latitude in which to select its site.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. SMITH of Virginia. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Maryland [Mr. FALLON].

Mr. Chairman, the amendment which has been offered by the gentleman from Maryland is very appropriate from his standpoint, but it restricts very drastically the latitude allowed the agency which shall select this site. As I understand it, under the amendment the agency is restricted to the selection of a site between Washington and Baltimore.

Numerous sites have been offered to this committee free, gratis, for nothing, in the immediate vicinity of the District of Columbia that the agency should have the opportunity and the privilege of considering so as to finally select the best site there is. Two or three sites have been offered on the Virginia side of the river. One of these sites is within 5 minutes of any one of the bridges across the Potomac River. In other words, it is at the very doorstep of every other Federal agency in the District of Columbia. Yet, if this amendment were adopted the agency would be prohibited from considering any of those sites. In the same way we have several sites offered in the area of Maryland known as Silver Spring, some of them probably very suitable. This amendment would prohibit the agency from even considering the desirability of those sites.

The bill as framed is fair to all sides, the bill as framed gives the agency full authority to look over all of the sites that have been offered and to adapt the one that is most suitable for its purpose. I hope that this restrictive amendment will be defeated.

Mr. BEALL. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, there is no objection on my part to the gentleman from Maryland [Mr. FALLON] thinking about this matter as he does, but I do wish to call his attention to the fact that his amendment definitely restricts the powers that be in the choosing of a location for this building because they would be limited to a very definite area.

For his information and for the information of the members of the committee there are other locations that are equally accessible to Baltimore that may be used. For instance, there is a highway known as Columbia Pike, on which the Naval Ordnance Laboratory is located, a direct road from Washington to Baltimore, used by a great many people. If the Department should decide to go out there the road could not be used or that particular location could not be used under the gentleman's amendment.

Mr. Chairman, I hope the pending amendment will be rejected.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. BEALL. I yield to the gentleman from Maryland.

Mr. FALLON. The gentleman realizes that in offering this amendment and my other amendment I have not selected any particular site. The only purpose of my offering the amendment is to make this building convenient to the people who are already with this agency.

Mr. BEALL. The gentleman is familiar with the Columbia Pike. It runs to Ellicott City and if the building were situated out there it would be equally convenient to Baltimore. The road is not nearly as heavily traveled and would be more accessible to people in northwest Baltimore than the Baltimore-Washington Highway.

Mr. Chairman, I hope the amendment will not be agreed to and that the Department will be given the right to choose its own location.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments to the bill close in 5 minutes, and that that time be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, this is virtually the same amendment that has been overwhelmingly defeated not only by the Committee on Public Works, but by this Committee. As I stated, we feel most kindly toward our devoted friends, the gentlemen from Maryland [Mr. BEALL and Mr. FALLON], both of whom are members of our committee, and the gentleman from Virginia [Mr. SMITH]. We followed the language of the bill of 2 years ago. After considering this bill for many weeks, we could not improve on the language "in or near the District of Columbia" in fairness to the gentleman from Virginia [Mr. SMITH] where sites that were pronounced to be desirable were offered in Virginia, and in fairness to the gentlemen from Maryland [Mr. BEALL and Mr. FALLON] where sites were offered in Montgomery County and elsewhere that I am sure are desirable, and in accordance with the terms of this bill where we provide that donations might be accepted. But, we do urge that the amendment offered by the gentleman from Maryland [Mr. FALLON] be defeated because, according to the testimony before the committee, the one site between Washington and Baltimore was in the vicinity of Laurel, near the proposed Baltimore Parkway, and the Government owns that, just as the Government owns land in the vicinity of Bethesda and just as the Government owns land out here that you reach in 10 or 12 minutes from the Capitol over that magnificent parkway in Suitland, near Andrews Field, near the buildings of the Department of the Census. In all the circumstances, in view of the fact that the committee gave consideration to this amendment and to the other views advocated by the gentleman from Maryland [Mr. FALLON], keeping in mind that no one knows how many of those people own their homes, whether rents are higher or lower than in Washington, keeping in mind that there may be 2,000 more who are to acquire homes, should they not be given the opportunity to acquire them where they will give the best service to all of the Members of the House and of the Senate? I repeat that in the general interest, aside from payroll, aside from the interest of any Member and in fairness to all the Members of Congress, the amendment should be defeated.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The consideration of this bill brings to my mind memories of 15 years ago when I was a member of the Subcommittee of the Committee on Ways and Means that conducted hearings on the Social Security Act and considered it and drafted it and recommended it to the full Committee on Ways and Means. The Social Security Act has brought great benefits to the people of America. I remember well then the argument made against it that it was socialistic. If anything, it is sound, dynamic democracy functioning in these days. I remember well the in-

surance companies were fearful that it would destroy their business. We now know, as a matter of fact, that insurance underwriting has increased throughout the country three times as much as it was 15 years ago and that insurance companies are now going into the banking business, the finance business, and all fields of activity to put the premiums they receive intc operation and to make a return to build up their reserves to meet their future liabilities. I remember the fight very well, the hard fight we had to pass it through this body and through the other body. While this relates to the building, it brings back memories of the constructive legislation proposed by the immortal Franklin D. Roosevelt and put through by a Democratic administration, designed to preserve and strengthen the family life of America. That is what the Democratic Party has always stood for from the days it was formed and established by Thomas Jefferson, the party not only of the people but the party to preserve and strengthen the family life of America.

(Mr. WHITTINGTON asked and was given permission to revise and extend his remarks, and in the remarks he made in presenting the bill to include certain tables.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. FALLON].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HUBER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7873) to authorize construction of buildings for the Bureau of Old-Age and Survivors Insurance, and for other purposes, pursuant to House Resolution 651, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

### ORGANIZATION OF THE ARMY

Mr. PRICE submitted a conference report and statement on the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes.

The SPEAKER. Under previous order of the House, the gentleman from Alabama [Mr. BOYKIN] is recognized for 40 minutes.

### RECONSTRUCTION FINANCE CORPORATION

Mr. BOYKIN. Mr. Speaker, the Honorable Eugene Meyer, chairman of the board of the Washington Post and the first Chairman of the Reconstruction Finance Corporation, in his testimony before the Expenditures Committee of the Senate but a few days ago said:

> Administration argument that the transfer of the RFC to Commerce because it deals with business affairs * * * is fallacious. * * * There should be a shift of a half-dozen other Federal agencies such as the Tariff Commission, Federal Trade Commission to the Commerce Department.

I am happy to say that the Members of this House with but few exceptions are in accord with all that Mr. Meyer said.

Mr. Speaker, for some reason unknown to me and to many of the Members of this House, one of the most vicious hatchet jobs ever undertaken is now being performed upon the Reconstruction Finance Corporation, the successful financial history of which has never been equaled by any other Federal agency since the establishment of this Government.

Personally, I am disposed to feel that the President acted on bad advice when he proposed to transfer the Reconstruction Finance Corporation, which has always been an independent agency of Government, to the supervision and control of the Secretary of Commerce, and certainly, and I am not alone in feeling so, inasmuch as both Democratic and Republican members of the Senate committee who were in attendance at the current hearing, the Honorable JOHN L. MCCLELLAN, United States Senator from Arkansas, the Honorable KARL MUNDT, Republican Senator from South Dakota, revealed themselves as hostile to the proposed shift.

As for me, I cannot understand why anyone should for a moment condone the injury that would result to the small-business man of America by destroying the integrity and independence of action on the part of the Reconstruction Finance Corporation.

Mr. Speaker, it is needless for me to remind you, sir, that the Reconstruction Finance Corporation has always been self-supporting and has never called upon the Congress to appropriate a single dollar from the Federal Treasury to pay its operating expenses. On the other hand, the profits which that corporation has earned have been in the sum of $559,000,000, and during the course of its operation, it has turned over to the Federal Treasury out of its profits the huge amount of $308,736,000. This profit has been used to help pay the ordinary cost of government operation, while, at the same time, the Reconstruction Finance Corporation created for its own use—and out of profits a reserve of some several hundred million dollars which they now use as a revolving fund in order to continue to make loans to small-business houses.

In his appearance before the Senate Expenditures Committee, Mr. Eugene Meyer declared without equivocation that—

> The Reconstruction Finance Corporation independence of action would be destroyed if the transfer to the Department of Commerce were made as proposed.

Mr. Meyer further argued, and I am in hearty agreement with his argument that—

> The Reconstruction Finance Corporation as a lending institution should not be made subject to the direction of any executive department where other considerations, one-sided or political in nature, could possibly come into play.

He was not alone in his contentions that argument has the full support of the American Bankers Association, which also opposes the transfer on the grounds that it might lead to the use of the Reconstruction Finance Corporation facilities for purely political purposes.

> Any future Secretary of Commerce—

Said Mr. C. Francis Coche, chairman of the American Banking Association's committee on Federal Legislation—

> could use this power to direct the lending activities of the Reconstruction Finance Corporation in order to accomplish some political objective not in keeping with the sound operation of the Reconstruction Finance Corporation or in the best interests generally of the Nation's business and national economy.

Mr. Speaker, after having read the Washington Post's factual report of the Senate hearing, I asked for and received a statement made by Mr. Harvey J. Gunderson, Director of the Reconstruction Finance Corporation. It is a short factual, businesslike statement, and one that begs no issues.

Mr. Gunderson addressed himself solely to the desire of maintaining the economic, financial, and political independence of RFC, and certainly, there are few men in these United States who have worked more intimately, disinterestedly, harder, and honestly in behalf of the Nation's economy and the small-business groups than have Mr. Harvey J. Gunderson. When Mr. Gunderson said that was expressing his personal opinion, unbiased and free from prejudice, I know that he spoke the truth for other than the truth is not in him.

Mr. Speaker, let me read for the benefit of my colleagues in this House that short factual statement of this great public official, who in simplicity, clarity, and frankness, spoke these words:

> STATEMENT ON REORGANIZATION PLAN NO. 24 BEFORE THE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS BY HARVEY J. GUNDERSON, DIRECTOR, RECONSTRUCTION FINANCE CORPORATION, JUNE 15, 1950
>
> Mr. Chairman, the comments that I am about to make on Reorganization Plan No. 24, which would place Reconstruction Finance Corporation under the supervision of the Secretary of Commerce, are presented, not as the official view of the Corporation resulting from action by its Directors, but entirely

as my personal opinion arrived at by attempting to be unbiased and free of prejudice in estimating the facts as I know them at this time.

I have been with Reconstruction Finance Corporation since 1932 and I believe that I am fairly familiar with its business and its transactions engaged in since that time, especially as to those that have occupied the attention and its efforts since 1945 at which time I became a member of its Board of Directors.

The Corporation was conceived and has operated as a creature of the legislative branch under guidance of the Executive. Its functions have been altered and varied by the Congress to meet changing needs and new requirements and, at the moment, lending to business enterprises is a substantial and important task. But the other functions, now mainly in standby, have been more important, and more needed at other times than has the activity of making business loans. These other functions, of lending to public bodies, to banks, to railroads and transportation companies, to victims of disasters and catastrophes, and the manifold functions, now mostly dormant, of building war plants and procuring for war, do not have the kinship to the activities of the Department of Commerce that some may feel the making of business loans may have.

However, the lending business as enacted by Congress in the RFC Act to be carried out and performed by a bipartisan, independent board serving each citizen who may seek aid as fairly and impartially and without discrimination as it is possible to accomplish, does not, in my opinion, have kinship or affinity with any existing Cabinet department, each of which is headed by one man from the official family of the Chief Executive of the administration in power and whose control of such department and its chief personnel is in a large measure complete and among whose principal duties are many involving partisan political considerations, which is quite proper.

If the function of lending, as concerned in the RFC Act, is to be continued in our Government on a bipartisan, independent, and meritorious basis it should be administered, in my opinion, by a bipartisan and independent board. Any board composed of different people and representing different factions and different points of view will encounter, if it is workmanlike and progressive and desirous of carrying out the wishes of the Congress and the Executive, controversial and critical problems and duties with which it must deal. The solution of these problems, the performance of these duties cannot but fail at times to please everyone but the goal is attained in a normal, desirable, and democratic fashion and the public interest is fully served. Adverse criticism and different opinions of others, whose facts are not complete in most cases, in themselves undoubtedly serve a useful purpose in the movement toward the goal that Congress seeks in carrying on lending by the Government.

The Hoover Commission on Reorganization in the Government in recommending that the Corporation be placed under the supervision of a Cabinet department may well have been influenced by a belief that the Corporation's lending activity should be minimized or extinguished rather than by an evaluation or estimate as to the best means for carrying out such function.

Over the years, now almost 18, that I have been intimately concerned with Reconstruction Finance Corporation I have been impressed and continue to be impressed by the high standard of impartial, sound, and well-done work that the Corporation through its able and experienced staff has accomplished. This is as true today as it has ever been and under a bipartisan, independent board it can continue that way. Any Government agency, including this Corporation, is subject to political pressures, which unless they become unreasonable, do not interfere with the conduct of affairs. A bipartisan, independent board can always resist unreasonable political pressures as to my own knowledge has been true of this Corporation to this day.

Consequently, I believe Congress should retain direct control over the lending functions as are now carried on by Reconstruction Finance Corporation, which in turn should have freedom of operations as a self-contained unit.

The responsibility of running this Corporation should be squarely upon its board which should not be given protection in any fashion by other parts of the Government but should stand on its own feet and take all criticism directed at it for whatever worth or value it has. The Board of Directors should be accountable directly to the Congress and the Executive for the manner in which its duties are discharged. Responsibility should not be divided.

I have no doubt that sound reasons exist in the minds of the proponents of Reorganization Plan No. 24, as well as plans 22 and 23, or the plans would not have been recommended to Congress for its consideration. Such reasons, however, would seem to me to stem from a belief that the character, purpose, and the manner of such lending as this Corporation has carried on should be different than it has been since 1932.

If the wish is to continue the functions of Reconstruction Finance Corporation in the Government and have them carried out in a bipartisan, independent fashion, I believe that a bipartisan, independent board can come nearer the goal desired than another form of administration, regardless of such criticism or adverse charges as may be directed against the Corporation from time to time. That the record shows its operations continue to be profitable, and at the same time carry out the wishes of Congress, is strong evidence of the soundness of this belief.

I appreciate the committee's courtesy in receiving and considering these comments.

Mr. Speaker, like Harvey Gunderson I, too, firmly believe that the Reconstruction Finance Corporation was conceived and has operated as a creature of the legislative branch under the guidance of our Chief Executive, and like Mr. Gunderson, I, too, believe that this Congress should retain the direct control over the lending functions as now carried on by the Reconstruction Finance Corporation, which in turn should have the freedom of operations as a self-contained unit.

Mr. Speaker, I will yield to no man in my regard for the Honorable Jesse Jones, who was my friend long before he came to Washington and is still my friend. At the same time, Mr. Speaker, let me tell you that the Reconstruction Finance Corporation was never chaired by a more able, estimable, honorable, hard-working, conscientious public official and director than by its present Chairman of the Board, Mr. Harley Hise.

It is because of these facts, Mr. Speaker, that I want to see this Congress take such action as is necessary to continue the functions of the Reconstruction Finance Corporation in the Government and have them carried out by the same nonpartisan Board, acting in independent fashion as always, because I know that it is only through such an independent Board that we can come nearer to the goal than through any other form of administration—regardless of what criticisms might from time to time be directed against it by any other agency of Government.

The records of RFC's financial transactions are as clean as a hound's tooth. To date they have absorbed all shocks and losses due to bad accounts, and that is indeed the strongest of evidence in support of the soundness of the contention that it should continue to exist—as is.

Mr. Speaker, the calendar year 1949 established a record of which the Board of the RFC and the American people everywhere can be justifiably proud. During the calendar year 1949, 11,127 applications for business loans were filed with the Reconstruction Finance Corporation. Of that number, 4,559 applications involving loans aggregating $592,647,000 were approved, 2,213 loans were withdrawn, and 3,227 were declined.

Mr. Speaker, hear me well on this. Last year alone more than 11,000 applications for business loans were filed with the Reconstruction Finance Corporation and of that grand total of 11,000, more than 8,000 loans were processed. I need not elaborate upon the enormity of the detail of financial statements, balances, history and other data that were studied before the 4,559 were approved and the further 3,227 declined.

Mr. Speaker, now hear me again and well on this. The 4,559 applications approved, signified that that number of business houses were in some sort of financial distress, that they needed some type of financial assistance, and they could not receive that assistance from local banks, due to either State or Federal governmental banking restrictions and hence had to find relief at the Reconstruction Finance Corporation or else fold up and go into bankruptcy.

Well, in short, it meant that 4,559 business houses remained solvent; that they continued to give gainful employment to countless thousands of American citizens, all through the beneficent activities of the Reconstruction Finance Corporation and without the expenditure of a single dollar of any taxpayer's moneys, but rather, and mark me, sir, well on this one, actually at a profit to the Federal Treasury.

Mr. Speaker, applications for these loans were not received from any geographical, industrial, or agricultural section of this nation—they were received from every State in these United States, and in addition thereto, they came from Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

They came from manufacturing and nonmanufacturing industries, from poultry farms, greenhouses, mining companies, construction companies, wholesale and retail, trade, transportation, communications, recreational, professional and other services.

They came from food and from kindred industries; from textile mills, lumber, furniture and finished lumber products, paper, printing and publishing allied industries; from the chemical industry, rubber, leather, stone, clay, glass, iron and steel.

Manufacturers, producers as well as those gainfully employed in these indus-

tries have profited to the tune of untold billions by virtue of what the Reconstruction Finance Corporation did in that single year of 1949.

Mr. Speaker, the nonferric metals industry, the electrical machinery industry, and a host of other small-business houses as well as large-business concerns are in business today because of the wisdom, the sagacity, the prudence, the hardheadedness and forthright abilities of those charged with the business care and direction by this Congress with the lending facilities of the Reconstruction Finance Corporation.

Mr. Speaker, I am going to include as part of my remarks a statistical chart showing the number and the amount of the loans approved by the Reconstruction Finance Corporation during the calendar year of 1949 and still another by types of industries. Additionally thereto, I am going to show the business loan authorizations that were made during the calendar year of 1949 by their sizes and their amounts:

*Reconstruction Finance Corporation business loan applications pending as at Dec. 31, 1949, by State*

[Number only]

| | |
|---|---|
| Alabama | 12 |
| Arizona | 7 |
| Arkansas | 59 |
| California | 95 |
| Colorado | 15 |
| Connecticut | 13 |
| Delaware | 8 |
| District of Columbia | 5 |
| Florida | 73 |
| Georgia | 75 |
| Idaho | 14 |
| Illinois | 59 |
| Indiana | 28 |
| Iowa | 10 |
| Kansas | 20 |
| Kentucky | 28 |
| Louisiana | 20 |
| Maine | 7 |
| Maryland | 11 |
| Massachusetts | 38 |
| Michigan | 87 |
| Minnesota | 24 |
| Mississippi | 18 |
| Missouri | 39 |
| Montana | 30 |
| Nebraska | 17 |
| Nevada | 2 |
| New Hampshire | 7 |
| New Jersey | 42 |
| New Mexico | 11 |
| New York | 104 |
| North Carolina | 29 |
| North Dakota | 7 |
| Ohio | 84 |
| Oklahoma | 110 |
| Oregon | 46 |
| Pennsylvania | 122 |
| Rhode Island | 8 |
| South Carolina | 16 |
| South Dakota | 3 |
| Tennessee | 37 |
| Texas | 101 |
| Utah | 15 |
| Vermont | 5 |
| Virginia | 10 |
| Washington | 54 |
| West Virginia | 5 |
| Wisconsin | 20 |
| Wyoming | 4 |
| Alaska | 12 |
| Hawaii | 4 |
| Puerto Rico | 14 |
| Virgin Islands | 2 |
| Total | 1,686 |

*Reconstruction Finance Corporation—business loan authorizations—calendar year 1949, by type of industry*

| | Number | Gross amount | RFC amount |
|---|---|---|---|
| Nonmanufacturing industries: | | | |
| Poultry farms, greenhouses, crop specialties, forestry, fisheries, etc. | 110 | $5,036,011 | $3,866,011 |
| Mining | 91 | 29,648,757 | 28,659,517 |
| Construction | 285 | 18,376,466 | 15,482,335 |
| Wholesale and retail trade | 1,026 | 32,423,167 | 27,722,817 |
| Finance, insurance, and real estate | 78 | 65,351,750 | 61,198,275 |
| Transportation, communication, and other public utilities | 295 | 44,168,794 | 32,130,022 |
| Services: Personal, business, recreational, public, semipublic, professional, and other | 696 | 22,943,619 | 20,904,831 |
| Total | 2,581 | 217,948,564 | 189,963,808 |
| Manufacturing industries: | | | |
| Food and kindred products | 451 | 65,634,310 | 50,002,008 |
| Textile-mill products | 70 | 18,726,642 | 17,988,392 |
| Apparel and other products made from fabrics | 38 | 2,807,638 | 2,419,917 |
| Lumber and timber basic products | 243 | 33,948,468 | 31,812,630 |
| Furniture and finished lumber products | 114 | 6,887,584 | 5,946,815 |
| Paper and allied products | 36 | 9,019,843 | 8,566,537 |
| Printing, publishing and allied industries | 71 | 4,712,216 | 4,326,741 |
| Chemicals and allied products | 80 | 9,752,248 | 9,548,552 |
| Products of petroleum, coal and natural gas | 26 | 16,308,750 | 16,094,750 |
| Rubber products | 13 | 2,444,000 | 2,433,500 |
| Leather and leather products | 11 | 399,000 | 321,500 |
| Stone, clay and glass products | 134 | 8,356,228 | 7,731,590 |
| Iron and steel and their products | 173 | 79,492,468 | 77,355,465 |
| Transportation equipment (except automobiles) | 40 | 11,605,617 | 10,975,367 |
| Nonferrous metals and their products | 53 | 12,756,957 | 12,540,491 |
| Electrical machinery | 61 | 8,792,532 | 8,327,166 |
| Machinery (except electrical) | 238 | 19,024,343 | 16,509,377 |
| Automobiles and automobile equipment | 35 | 55,544,500 | 47,857,349 |
| Miscellaneous manufacturing industries | 91 | 8,394,719 | 7,721,837 |
| Total | 1,978 | 374,698,363 | 338,479,984 |
| Grand total | 4,559 | 592,646,927 | 528,443,792 |

*Reconstruction Finance Corporation—business loan authorizations—calendar year 1949, by size*

| | Number | Gross amount | RFC amount |
|---|---|---|---|
| $5,000 and under | 660 | $1,984,682 | $1,922,217 |
| $5,001 to $10,000 | 586 | 4,599,851 | 4,217,945 |
| $10,001 to $25,000 | 1,061 | 19,156,009 | 16,984,499 |
| Total $25,000 and under | 2,307 | 25,740,542 | 23,124,661 |
| $25,001 to $50,000 | 903 | 34,968,677 | 30,621,684 |
| $50,001 to $100,000 | 734 | 58,175,964 | 51,103,719 |
| Total, $25,001 to $100,000 | 1,637 | 93,144,661 | 81,725,403 |
| $100,001 to $200,000 | 252 | 38,753,744 | 34,862,857 |
| $200,001 to $500,000 | 217 | 68,396,504 | 60,934,060 |
| Total $100,001 to $500,000 | 469 | 107,150,248 | 95,796,917 |
| $500,001 to $1,000,000 | 71 | 52,558,634 | 47,582,137 |
| Over $1,000,000 | 75 | 314,052,842 | 280,214,674 |
| Total $500,001 or more | 146 | 366,611,476 | 327,796,811 |
| Grand total | 4,559 | 592,646,927 | 528,443,792 |

Mr. Speaker, I wish that I had a list showing the number of these loans that were made in the various districts represented by my colleagues in this House, but I am happy to tell you all that in the list of the business-loan application that were pending before the Reconstruction Finance Corporation as of December 31, 1949, the good State of Alabama is down near the very bottom of the list.

Mr. Speaker, I feel it absolutely unnecessary to tell you of the great confidence that the Members of this House have in the Honorable Harley Hise, Chairman of the Board of Directors of the Reconstruction Finance Corporation. Many of the Members of this body know him almost as a brother. We all know him as a friend and a great public official who has done a splendid job and all sincerely wish that he will continue to serve the small-business groups of this Nation in particular and America in general by continuing in his present capacity as head of the RFC for many, many years to come.

Mr. Speaker, in concluding my remarks, I want to insert at this part of the RECORD the statement made by the Chairman of the Board in a recent appearance before the Banking and Currency Subcommittee of the Senate. Mr. Harley Hise's statement is as follows:

STATEMENT OF HARLEY HISE, CHAIRMAN OF THE BOARD OF DIRECTORS, RECONSTRUCTION FINANCE CORPORATION, SENATE BANKING AND CURRENCY SUBCOMMITTEE INQUIRING INTO RFC, PURSUANT TO SENATE RESOLUTION 219, EIGHTY-FIRST CONGRESS, JUNE 8, 1950

I am pleased to have this opportunity of discussing with your committee the lending operations of the RFC.

The RFC was created by the Congress in 1932. Since then it has made loans to practically every segment of business and commerce and has realized in connection with its operations a net profit of approximately $560,000,000. This figure takes into consideration deductions of salaries, interest, and other operating expenses since 1932 including the cost of nonincome producing services rendered American enterprises, and reserves for losses of approximately $100,000,000. From the profit realized by the Corporation we have paid $308,736,740 to the Treasury as dividends. In addition we have returned $400,000,000 of our original $500,000,000 capital to the Treasury. The operations of the Corporation have not cost the taxpayers a single penny.

The statute under which the RFC acts at the present time authorizes loans "to aid in financing agriculture, commerce, and industry, to encourage small business, to help in maintaining the economic stability of the country, and to assist in promoting maximum employment and production."

After extensive hearings the Buck committee issued its report with particular emphasis, and properly, that loans should be in the public interest. The committee was unable to indicate precisely what loans would be, as a matter of policy in the public interest. The loan to the Glenn L. Martin Co. was used as an example of one being clearly in the public interest, although the committee report states, "In other cases, especially in the smaller loans, the interest of the public will not be so clear. * * * In the last analysis the determination of whether or not a particular loan will serve the public interest, must be left to the discretion of the directors of the Corporation."

No significant changes were made in the Senate bill by the House of Representatives except that in the statement of purposes for

which loans should be made, the House inserted the language "to encourage small business." It is obvious, in view of this history, that the Congress believed that loans made to small business enterprises are in the public interest.

RFC considers that an eligible business enterprise is one which is privately owned and operated for a profit and engaged in the production, distribution, or sale of goods or the furnishing of services. There are certain types of enterprises, however, to which the Corporation does not make loans such as concerns engaged in radio and television broadcasting, the production of movies, or enterprises publishing newspapers and periodicals for the reason that the Corporation does not wish to appear to be in a position to exercise control over or influence, even indirectly, concerns having an editorial policy or which are engaged in disseminating news.

We believe that it was the desire of Congress that the Corporation assist all eligible businesses, especially small enterprises, within the limitations and intent of the act, and we undertake to do so. The possibility of financial assistance through normal channels on reasonable terms is carefully explored in all cases before a loan is approved.

Approximately 90 percent of all the business loans authorized by the RFC during the past 2 years have been in amounts of $100,000 or less. In this regard special attention is given to applications filed by small businesses. Approximately 8,000 to 10,000 such enterprises each month seek the RFC's advice and assistance. Every effort is made by the Corporation to find a sound solution to these business problems. Applications which are not approved in the agencies are carefully studied by the Small Business Division of the Washington office.

Loans made by the Corporation to small businesses have aided concerns in every State in the Union and in almost every type of commercial enterprise. We presented to this committee, under date of May 8, summary of loans made, to all classes of industry by States. It disclosed that 9,578 loans in a total amount of $981,779,311 were approved from January 1, 1948, through March 31, 1950. This contribution to the economic well-being of our Nation speaks for itself.

In addition, RFC by using its personnel trained in the solution of business problems can often render material assistance to small businesses by determining the crux of particular problems relating to management, operations, and accounting. Suggestions are made for possible solutions to the problems and sources are indicated from which expert technical and consulting assistance can be drawn. We feel that the aid given to small business has been of substantial benefit to the economic stability of the country and has materially contributed to full employment.

The business-loan program of the RFC during the reconversion period following World War II substantially contributed to the prosperity of the Nation and helped check the downward cycle such as occurred after World War I. In three periods of our economic life—depression, war, and reconversion—this Corporation has played a major part.

Since the RFC has been in existence, 53,829 loans in the amount of $4,235,150,000 have been authorized to business enterprises. Of this amount, $2,040,930,000 has been disbursed; $1,463,835,000 of these loans have been repaid.

At the present time there are outstanding 6,344 direct RFC business loans having a dollar amount of $523,870,000; also, there are outstanding 5,647 business loans in which the RFC participates with banks. These participation loans aggregate $124,875,000.

An important contribution to the economic stability of the country has been and is still being made by the RFC through the financial assistance which it provides to States, counties, municipalities, and other public agencies toward financing projects, such as water works, sewer systems, transportation facilities, hospitals, bridges, tunnels, drainage facilities, irrigation works, airports, college dormitories, docks, and a host of other projects undertaken by States and local governments. Most of these worthwhile projects have been constructed in small communities which previously had been unable to obtain credit and large projects have been undertaken and completed which at the time could not be financed by the sale of bonds in the open market. This work has been carried on, not only with great benefit locally but on a self-supporting and profitable basis, as far as this Corporation and the Government is concerned.

There are certain areas of the Nation at the present time which are classified as being in distress economically. Other areas are expanding beyond the ability of financial institutions to keep pace with developments. The ebb and flow of credit is therefore the result of conditions and through our 31 loan agencies we endeavor to render in cooperation with banks and other lending institutions financial aid intended to assist in maintaining the economic stability of the country. By maintaining production and employment, we help sustain the consumer-purchasing power of the Nation in conformity with the law and intent of Congress.

The exercise of RFC's authority affects directly or touches indirectly many fields of endeavor and intent. In fulfilling its statutory responsibility, the Corporation has been criticized for being too liberal by some and for being too conservative by others. Some believe that the continuation of the Corporation is not justified since the cause for its creation—namely, a national depression of great magnitude—no longer exists. On the other hand, several bills are now pending in the Congress to broaden and liberalize our lending authority. Our daily contacts with applicants indicates a need for a continuance of the service of RFC in supplementing credit from private sources.

The SPEAKER. Under previous order of the House, the gentleman from Missouri [Mr. CANNON] is recognized for 60 minutes.

## SPENDING IN THE DARK

Mr. CANNON. Mr. Speaker, on May 10, 1941, a direct hit in an air raid from across the Channel completely destroyed the Chamber of the British House of Commons. In laying the cornerstone of the new Chamber which replaced it at the close of the war the Prime Minister said:

> The enemy may have thought that by destroying our Chamber they were delivering a blow against democracy. But the House of Commons is not a building. It is a living fellowship, renewed through the ages, changing in its membership, but always in essence the same.

In that same spirit it may be as truly said that the House of Representatives is not merely an agency created by the Constitution, a conclave of divergent schools of political and economic thought. It is a living fellowship of many men of many minds, but all of them always desiring the greatest good for the greatest number, willing to make any sacrifice to insure the perpetuity of our form of government, and the welfare and prosperity of those for whom it provides.

It is to that concept of the House that I wish to address myself today on a question which affects the Nation more vitally than any similar question which has come before the House since the adoption of our budgetary system in 1921. It affects not merely this session of Congress but all succeeding sessions for generations yet to come. It affects retrenchments, not merely of the two or three billion dollars cut from this year's estimates, but amounts which through future years will aggregate sums so vast as to challenge the comprehension of the human mind. It involves considerations of such far-reaching consequence as to forcibly recall the many governments and dynasties notably the Stuarts of England and the Bourbons of France, which have been wrecked on the rocks of national insolvency.

It naturally follows that a question of such import should be considered in the light of the general welfare rather than considerations of personal interest and party advantage. The first question should be not "How does it affect me?" or "How does it benefit my party?" but "How does it affect the Nation and the country and generations yet unborn?"

Judged by that criterion the omnibus appropriation bill—the consideration of all annual appropriations simultaneously in one bill rather than in a dozen separate and unrelated bills reported from time to time over a period of several months—offers the most practical and efficient method of handling the annual budget and the national fiscal program. And judged by our experience this session in the adoption of the omnibus bill, there is no legitimate reason which can be advanced against it. Conversely, no defensible reason can be submitted against the consideration of all appropriations in one bill.

These are sweeping statements. But they are justified by the literal facts and I have asked for an hour today with a view to yielding to anyone who may have any doubts or any suggestions in this connection. At the conclusion of my remarks I shall be glad to entertain any question as to any advantage in the adoption of the one-package bill or any disadvantage accruing from its operation.

The annual appropriations deal primarily with questions of business and economics rather than politics. And every effort has been made in the consolidation of the several appropriation bills to divorce and disassociate questions of procedure from politics and partisanship. From the beginning, every step in the improved procedure has been submitted to the two ranking minority members of the committee, the gentleman from New York [Mr. TABER] and the gentleman from Massachusetts [Mr. WIGGLESWORTH], both of whom participated actively in the effort of the House to achieve a workable legislative budget, and every recommendation made by them has been adopted. In the conference between the subcommittees of the Senate Appropriations Committee—including Senator BRIDGES and Senator FERGUSON—and the House Appropriations Committee, the minority members of both Senate and House committees participated in the discussion and when the conference adjourned, no disagreement was expressed on the part of any of the Democratic or Republican Senators or Representatives present on the pro-

cedure which has been followed up to this time. It is not a party measure and neither party can possibly gain or lose any political advantage through its adoption except by making it an instrument for carrying out more completely and more effectively their platform pledges of economy and better administration.

That the consolidation of appropriation bills and the simultaneous consideration of budget recommendations does mean retrenchment, and the better allocation of the funds appropriated, there can be no doubt. In commenting on this phase of the procedure the Baltimore Evening Sun said editorially, following the passage of the bill:

With just one bill it is harder to increase appropriations and easier to cut them. In view of the state of the Federal finances these are important advantages indeed.

The experience of the House this session, although laboring under exceptional difficulties, shows conclusively that the handling of the annual appropriations in one bill, speaking categorically:

First. Permits an earlier report of appropriations to the House. All annual appropriations were reported to the House this year on March 21, the earliest date in the history of the committee. The foreign aid appropriations were not included because of lack of legislative authority, but would have been included at that date had there been authorization.

Second. Contributes to a more thorough consideration and processing of estimates and appropriations.

Under the old system, each member of the Committee served on from two to four bills and the committee staffs were similarly handicapped, with the result that time and attention were divided proportionately. Under the new system each member of the committee and each member of the staff give their undivided attention to one chapter of the bill, with the result that each bill is studied in greater detail and more thoroughly processed than ever before.

The effect of this intensive study is reflected in the few changes made when the bill was passed by the committee and the House.

Third, consolidation protects the bill against amendments increasing appropriations or adding new appropriations. This year for the first time we were able to defeat amendments adding to amounts carried by the bill which in every former session we have been compelled to accept thereby increasing the bill by millions of dollars. For example, this is the first year we have been able to fight off amendments increasing appropriations for civil functions, the pork barrel section of the bill. This year the bill as messaged to the Senate carried practically no important increases except the committee amendments for national defense.

Fourth, the consideration of all appropriations in one bill tends to keep Members on the floor. Under the old system, large bills were frequently passed with a scant two dozen Members present, and proponents of increases in appropriations, by timing their attendance, could put through amendments which would not have been agreed to with more Members present. In fact, one of the few objections voiced against the omnibus bill is that it irks Members by keeping them on the Floor. I think there will be general agreement that the taxpayers would rather irk the Members a little during the consideration of the one bill than to pay the additional taxes due to the absence of Members in the pursuit of their official duties elsewhere.

Fifth, the plan unquestionably retrenches expenditures. The bill as it passed the House was far below the budget estimates and was millions of dollars below what it would have been had the departmental appropriations been reported to the House in a dozen separate bills.

The Washington Post editorially emphasized the retrenchment effected by the bill:

It remains to be seen what the Senate will do, but the House Appropriations Committee certainly succeeded in reducing overall appropriations quite substantially.

The great advantage of a one-package appropriations bill is that it puts pressure on the appropriations committee to reduce expenditures and produce a more balanced spending program. It gives members of Congress an opportunity to obtain a comprehensive view of the spending side of the budget picture that tends to curb enthusiasm for new spending projects.

The delay and confusion resulting from the manhandling of the omnibus appropriation bill by the House does not discredit its value as a legislative tool. It merely emphasizes the fact that procedural reforms cannot succeed if Congress persists in following unsound legislative practices.

As a matter of fact, the last two amendments, intended to decrease expenditures carried by the bill would not have been possible except for the omnibus plan of consideration. And the vote in favor of them would not have been so overwhelming had not this plan of operation been in use at the time.

As the Rochester Times-Union said:

As the bill left the House it provided for spending $41,000,000,000 in the year beginning July 1. The President's budget called for $2,000,000,000 more. Half the reduction was made by the Appropriations Committee before the Legion was organized, but the letters and coupons strengthened committee members to defend the cuts made by the bill itself.

But a billion dollars is still an enormous amount of money and Representative JOHN TABER deserves the thanks of all for devising means of saving that much.

Balked by unrecorded teller votes through weeks of debate in trimming specific items, he won in the end by his plan ordering cuts of from 2 to 20 percent on the various agencies spending for such things as travel, employment, transportation, communications, printing, and the like. Yet, the Legion of Obstinate Men and Women was bipartisan in the best sense and it should be noted here too, that the end obtained was made possible by the fact that Representative CLARENCE CANNON, chairman of the Appropriations Committee, insisted upon a consolidated bill this year, to include all domestic appropriations except fixed charges. Such a blanket cut as Taber proposed would have been impossible without a consolidated bill.

Sixth, it prevents logrolling. We had been told this was one of the defects of the new plan; that there would be more logrolling between interests wishing to trade votes in order to add amendments increasing appropriations. But in the practical operation of the plan every attempt of special interests to increase the bill was defeated, and when the last roll call came on reducing the amounts appropriated in the bill, the groups which had been unable to secure increases which they urged for themselves said in effect, "If we cannot get an increase, no one shall have an increase," and instead of logrolling to increase the bill they cooperated to reduce the bill.

Our experience with the omnibus bill this session demonstrates that it effectively disposes of the old system of logrolling so prevalent in the consideration of individual departmental bills.

Seventh, the one bill visualizes at a glance the outline of national income and expenditures, and centers the attention of the country on the national fiscal program. It was the pitiless limelight of national attention concentrated on these final votes that offset the pleas and importunities of the pressure groups and special interests. The omnibus appropriation bill has made the entire country definitely deficit-conscious. With all appropriations in one bill, accompanied by the figures on Federal income, there is no escape from the responsibility for deficit spending.

One of the great disadvantages of the old system, with a dozen or more separate bills, was that each subcommittee, working in its own segregated corner of the budget, was spending in the dark. Not until the last bill was passed and sent to the President at the end of the session, frequently long after the expiration of the fiscal year, did anyone have any definite idea of how much had been appropriated for the year and what the relation of the various individual bills was to the fiscal program as a whole.

The Baltimore Evening Sun summarized the situation very succinctly:

Since Congress usually changed the appropriations as listed in the budget, when the legislators had finished with their appropriations they could only guess what total expenditures would be. Hence they did not know whether they had thrown the budget more out of balance than before, or less. With the estimates now provided a more accurate budget picture is available, and that is of the utmost importance.

These and other advantages make the omnibus appropriation bill preferable to the old system with a multiplicity of bills.

And Ysābel and Robert Rennie, in their syndicated column, said:

If there is one thing about the annual budget which has long been clear to Congress, it is that the annual budget has not been clear to Congress.

Again, the Sun, in a subsequent editorial further stressed the contribution of the consolidated bill in this respect:

The fact is that the budget is much harder to understand when there are 12 separate appropriation bills than when there is 1 bill. With 12 bills, each part may be understandable, but nobody knows anything about the budget as a whole when Congress has passed the 12 bills. Members of the House and Senate themselves do not know. They only see pieces of a jigsaw puzzle that has not been put together. Congressmen may have trouble understanding it all when the 12 bills are combined into 1, but both they and the public do know something

about the budgetary situation when they get through with that 1 bill.

The omnibus bill should be continued. It not only facilitates an understanding of the budgetary situation but it also facilitates cuts in appropriations, as witness the fact that a blanket cut was made in the bill recently passed. The very fact that a blanket cut was considered and passed in this instance shows that the new system is better suited to the needs of the present day.

Eighth, the handling of all appropriations in the omnibus bill provides for elimination of conflicts, duplications, and overlapping expenditures. The consolidation in one bill supplies opportunity and facilities for identification of all sources of funds allocated to individual agencies, some of them difficult of ready determination. It was sometimes necessary to trace appropriations through a dozen or more items in a number of different bills under the old system. And as a result, inevitably there was from time to time provisions for expenditures which would not have been made had the subcommittee in charge of one bill had jurisdiction of all the items which appropriated money for the activity.

Ninth, it discourages the practice of attaching irrelevant riders either in committee or by amendment from the floor. Too frequently legislation has been tacked on the several appropriation bills under the guise of limitations or by the admission of germane amendments. In the general attention focused on the bill all such attempts were turned back and the bill went to the Senate singularly free of these impositions on the budget system and covert infringements on the jurisdiction of the legislative committees of the House.

Mr. Speaker, other advantages derived from the consolidation of appropriations into one bill could be enumerated. In fact, the most important has not been mentioned here and will await the final passage of the conference report in the House and Senate. Suffice to say, the bill in its passage through the House has justified every expectation and vindicated every promise.

It is the realization of hopes and plans on which congressional parliamentarians and economists have worked since the original adoption of the budget system in 1921. It is the practical adaptation of the idea of the legislative budget proposed in the Reorganization Act of 1946 on which House and Senate labored futilely for 2 years.

Now let us turn to the other side of the ledger and take up such objections as have been mentioned in opposition to the omnibus bill. Not one of them presents any substantial reason for returning to the old practice from which the House has been struggling to free itself and the country for the past 30 years.

For example, it has been claimed that under the new system the Senate must mark time until the bill comes over from the House—that until the omnibus bill passes, the Senate committees cannot start work—whereas under the old system the Senate opened hearings on the first of the multiple supply bills which came over comparatively early in the session and weeks before the one-package bill could be completed.

The claim is unfounded. On the contrary, the Senate under the new system may begin work on any of the annual appropriations within a week or two after the session opens and much sooner than before. Under the schedule followed in handling the omnibus bill in the House, the subcommittees start work on all chapters simultaneously, and print and transmit to the Senate committee, and to the press, the full hearings up to date on each agency or activity, as the hearings progress. As a result, the Senate has practically completed hearings on all chapters of the bill by the time the consolidated bill has passed the House—a gain of many weeks on most of the bill over what would have been accomplished had the bill been considered piecemeal. As a matter of fact the committees of the two Houses are in effect sitting simultaneously, thereby saving time formerly lost in waiting for individual bills.

Again, it is contended that it took too long to pass the bill. Of course much of the delay was avoidable. Under the rules the bill was privileged and was entitled to consideration within 3 days after being reported. But other business was pressing for consideration at the time and although the appropriation bill was reported March 21, it could not be called up in the House until April 3—a loss of 2 weeks at the start. This delayed the bill past the Easter holidays and it was not sent to the Senate until May 10. But even at that, the time required to pass it compared favorably with the time consumed in passing the divided appropriation bills in previous years. Calculating by days, whole or in part, on which the bill was considered in former years under the old system, and this year as a consolidated bill, the time required is tabulated as follows: 1938, 37 days; 1939, 31 days; 1948, 20 days; 1950, 21 days.

As will be noted, the time required in the second session of the Eightieth Congress was 20 days. And in the second session of the Eighty-first Congress, including all interruptions, it was 21 days. As compared with prewar records, the time used this year was phenomenally low. With ordinary good management in the subcommittees, the committee and the House, the omnibus bill can be messaged to the Senate each year before Easter, with time to spare, and can be passed in the Senate and sent to the President in ample time to meet the deadline at the end of the fiscal year—greatly facilitating early adjournment.

As the Washington Post very well said in its editorial of June 6, 1950:

The slow-moving machinery of Congress is largely responsible for the fact that the omnibus bill is now hung up in the Senate Appropriations Committee.

Another objection sometimes made is that the concentration of the annual supply appropriations in one bill prevents the President from exercising the item veto. Just what the item veto has to do with either the individual bills or the omnibus bill is difficult to understand inasmuch as a constitutional amendment would be required to apply it to either or to any form of appropriation bill. This is not the time or the place to take up an extraneous discussion of the disproportional advantage which the item veto would give the executive branch of the Government over the legislative branch, but in any event, the authorization of an item veto by the Chief Executive would not be effected by the form of the bill. Such a veto could be used on an omnibus bill as well as on a divided bill. And his veto power would be stronger in the former than in the latter as it would be more imperative that Congress accede or see every Department in the Government brought to a standstill. However, any suggestion relative to the extension of such additional veto power of the Presidency is entirely beside the point in a discussion of the operation of the omnibus bill.

A further criticism is that there has been lack of interest in the bill and that it has been difficult to keep a quorum on the floor. That is an old complaint. When efforts were being made to secure the consent of Speaker Cannon to the erection of the first House Office Building, he insisted that once offices and committee rooms were provided for Members, it would be impossible to keep a quorum on the floor. His predictions have been frequently vindicated—especially during general debate on the individual appropriation bills when Members burdened with committee hearings and departmental work have waited for the bells to answer roll call. The adoption of the consolidated bill has effected no difference per se in this respect. However, under the old system, general debate was not confined to the bill before the House and Members usually talked on subjects foreign to the pending measure. And those interested in the appropriations had no reason to neglect other business when the debate was on other and unrelated matters. But under the omnibus bill all debate is confined to the bill before the House and attendance is correspondingly heavier. For every instance cited to indicate a light attendance on the floor during debate on the omnibus bill, more instances can be given showing a still lighter attendance during consideration of the individual bills under the old system.

But the most untenable of all the objections to the omnibus bill is that it is unwieldy. The experience of every major nation in the world and every State in the Union belies such a proposed criticism. England, France, Sweden, and other leading nations have for centuries considered their budgets in one-package bills. Every State in the Union submits its annual budget in an omnibus bill. The United States is the notable exception to the rule. In any nation or any State the suggestion today that it abandon its time-tried method of considering its fiscal program in one bill and resort to the piecemeal expedient of separate bills would be regarded as absurd. None of them find it unwieldy—whatever that means. And the House did not find it unwieldy this time. No one finds it unwieldy but the bureaus downtown on which the bill economizes and the lobbying interests about the Capitol which do not like it because it is harder to slip through appropriations they want and more difficult to defeat appropriations which they are paid to oppose.

Mr. Speaker, the consolidated bill is in conformity with the best business thought of the Nation. It is supported by the weight of public opinion. It has been approved by metropolitan newspapers in every section of the country as indicated by editorials which I have previously reprinted in the CONGRESSIONAL RECORD.

Here is a significant letter from the Chamber of Commerce of the United States:

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
*May 29, 1950.*

Hon. KENNETH MCKELLAR,
*Chairman, Appropriations Committee,*
*United States Senate,*
*Washington 25, D. C.*

DEAR SENATOR MCKELLAR: The Chamber of Commerce of the United States again appeals to you to cut Federal spending. On our part, we are conducting a Nation-wide campaign designed to support your committee in reducing appropriations on all fronts.

At our recent annual meeting, much was said about the excessive demands being made upon the financial resources of our citizens. Our members held that the broadening undertakings of the Government are a menace to our economic stability. But they also recognized the pressures exerted by State and local authorities on the Congress for Federal funds.

We are trying to be realistic about the matter. We believe that the majority of both parties in Congress dislike the continuance of deficit financing. The only way to stop it is to curtail Federal services and to postpone many projects, desirable as they may be, until our financial house is in order.

So we have directed an urgent appeal to 8,700 officials of our member commercial and trade organizations, and to the presidents of more than 21,000 business corporations. We have asked them to do two things:

1. Use their influence to keep local interests, including public authorities, from seeking Federal appropriations.

2. Work with their newspapers and community organizations to obtain editorial support for and public acceptance of a rigid economy program.

We believe that the House, in passing H. R. 7786, made a commendable move in consolidating major appropriations and in reducing the total of those appropriations below the 1951 budget proposals.

We sincerely hope that the Senate Appropriations Committee will not only hold the ground thus gained, but will find still further opportunities for economy.

Cordially yours,

CLARENCE R. MILES.

Mr. Speaker, it is inconceivable that the Congress should consider taking a backward step reverting to multiple supply bills. They are the quill pen and the three-legged stool in an adding-machine age. They are the oxcart and the kyak in a jet-plane era. The decision on the applicability of the one bill to modern budgetary conditions determines whether under our form of government the representatives of the people can control national spending or whether they will continue on down the rapidly accelerating declivities of the road to unbalanced budgets and mounting national debt.

## SOIL CONSERVATION

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to address the House for 60 minutes.

The SPEAKER pro tempore (Mr. PRICE). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS. Mr. Speaker, a number of days ago, I spoke of the benefits resulting from soil conservation in north Louisiana; and our farmers are most grateful for these benefits. I now wish to speak of the need of our section for further development of the soil and water resources.

One might assume from what I said the other day that all of our farm land in Louisiana is under the effect of the soil-conservation practices. Such is not the case. On the contrary, in spite of the enormous progress which has been made in the past few years, only one and one-half million acres of land in Louisiana are now under combined soil-conservation treatment. This represents only 16 percent of the farm land of the State. Louisiana has a total, roughly, of 10,000,000 acres of farm land. Of the total of 28,913,000 acres of land, both farm and nonfarm in our State, only about one-third million is in use as farms.

It is interesting to know that 14 percent of the entire acreage of the United States is under soil-conservation treatment; while in Louisiana 16 percent is under treatment. We are, therefore, slightly above the national average for this type of service; but we are yet far below what is needed to complete our work of stopping erosion, drainage, reforestation, and pasture deterioration. At the rate we have been proceeding within the last 10 years, I would say that it will require 50 more years to complete this work. Perhaps the Nation will never be completely treated for combined soil conservation; but at least our plans should go forward with this purpose. Twenty-six percent of the acreage of the country is planned for this treatment as against 33 percent planned for the State of Louisiana. I believe all of this clearly indicates the need for this work in our State for some time to come.

In Louisiana, during the last few years, the need for fertilizer and pasture improvement has been more and more pronounced. Our cattlemen and our farmers have entered into this program with much zeal, and as a result, we find much of our meadowland undergoing a face-lifting operation. The winter cover crops give a new appearance to the countryside even during the course of the drab, dull winter months; and in the growing seasons, the results in production are very evident. All of these programs must proceed to completion. I have always supported them.

More important, if possible, than this is the great drainage program which we have set out for our State. Since so much of our land is low and flat, drainage is all-important to us. This program started a number of years ago; and it is continuing at the present time.

The program of soil erosion and conservation is producing magnificent results in every section of the country. It is increasing our soil fertility and our production. It has produced crops in the past few years in vast abundance, although, of course, production this year is somewhat down. The improved condition of our soil, and the zeal with which our farmers apply themselves, are having the effect of producing crops to the point of piling up surpluses.

Cotton, wheat, corn, and tobacco are all in surplus now. We in the cotton areas are especially concerned about production of this southern staple. Although for several years we have had record yields, our Government-owned cotton surpluses are now reduced to 2,372,000 bales. Government reports show the production of cotton for the 1949 season was in excess of 16,127,000 bales; and our figures further show an American carry-over of 11,000,000 bales is at hand. These records, and equally optimistic forecasts for the future, have caused the reinstitution of acreage allocations.

Mr. Speaker, I am one who believes in free enterprise; and I believe that our farmers would be much better off, in the long run, were they permitted to continue to farm without restriction and without regulation. When, however, the prodigious efforts of these who toil on our farms produce food and fiber in record quantities, I feel that some protection should be given these people in their efforts. The Congress provided for acreage reduction of basic crops. Last year our farmers tilled 27,000,000 acres of cotton land and produced 16,127,000 bales of cotton. Eight or nine million bales would have been enough cotton to have served the needs of our country. This year, by legislation, our cotton acreage is to be reduced to 22,000,000 acres.

Generally speaking, our farmers understand the situation and are willing to do their part in controlling production from extremes and excesses of past years. There have been inequities in the administration of this law. These inequities have had the effect of seriously hurting some of our farmers and the effect of aiding other farmers. This is most unfortunate. Improvement in administration must be had throughout the entire Cotton Belt, and no farmer must be made the victim of malicious and calculated efforts to injure him and the production of his crop. I shall continue to fight as long as unfairness remains.

I hope, Mr. Speaker, the time may soon come when all controls over cotton production may be removed. When, however, our soil-conservation practices improve the production of the farm and the advanced method of our farmers increase vastly the capacities of each individual farm hand to produce, the problem of surplus production is presented which is most difficult to solve.

## REA PROGRAM

Mr. Speaker, almost hand in hand with this program of soil conservation moves the program of rural electrification. The good effect of it is seen at every village, every crossroads, and on every farm. It is felt in the home which now has fine electric lights, and on the farm, which has hired old man kilowatt to do the manual work. Electricity on the farm lights up the barns, pumps the water, runs the machines, and is the handy man who is available 24 hours of the day and at every turn. REA is changing the face of the landscape of Louisiana; and I am proud of the fact

that I have supported REA during every session of Congress which I have attended; and that I have voted for every dollar which has been appropriated for REA since coming to Congress.

This is a great program for our farms. It is a program which has not cost our Government one dollar of public money. It is one on which much work must yet be done before we finish the job. On June 30, 1949, only 71.4 percent of our farms had electricity available. We estimate that on June 30, 1950, a few days off, some 75 percent of Louisiana farms will be electrified. This means that 25 percent or one-fourth of our farms are still in darkness; and I am one who will not be satisfied until every Louisiana farm possesses this great boon to our way of life.

Another program of the Federal Government goes hand in hand with the REA program. It is the rural telephone program. As with REA, we want private industry to do the job of providing these things for our families. It is when private industry fails or refuses to provide electricity that our Government should act; but I believe that we owe a fundamental duty to those who live in the rural areas to make the way of life on the farm as comfortable as life is now to those who dwell in the big cities.

With this in mind, the Congress passed a law last year to aid in bringing the telephone to the rural areas. Under this bill, Congress says that it will lend the money to telephone companies to provide service which is needed and to provide first-class equipment in rural areas where poor equipment is now being used. We give the telephone companies 1 year during which they can apply for these loans to begin the new work. After the end of the 1 year period, either REA may borrow the money and use it to provide telephone service to the farms throughout the country, or cooperatives may be formed to do this job. I am determined that our farmers and their families shall have those necessities and those comforts which the city dweller accepts without question, if they desire to have them.

With good farm roads for which we are now providing millions of dollars, with soil improvement and soil conservation, with electricity and with telephone, I feel that our Federal program to take care of the farmers will have made substantial progress. Already acting under the stimulus of the federation rural telephone law, many companies are now engaged in a mad rush to provide the service which should have been made available 10 years ago to our people. I shall continue to fight for this program until the demand for telephone on the farms of Louisiana has been fully met.

HOUSING ACTIVITIES

About 5 years ago I saw the need of an independent, local FHA office in northwest Louisiana; and I set to work to get this office for us. From the beginning of the FHA activities, authority had been vested in a distant point, and the approval of our applications was constantly delayed and made more difficult by this fact. Beginning with an office of three people, dependent upon a regional office located several hundred miles away, I have developed FHA into an office employing 40 or more people, and independent of every office in the country save Washington. I have supported applications for public housing when sponsored by local authorities and have helped on numerous housing projects throughout the northern part of the State.

One of the many results of the establishment of an independent office in north Louisiana was the creation of an interest by lending agencies in housing projects in smaller places throughout the northern part of the State. As a result of this, increased FHA activity was evidenced at once and much building has been sponsored throughout the entire congressional district. At the present time, this area of Louisiana is undergoing an unprecedented building boom, with more than $40,000,000 of construction in operation, or pending. A great deal of additional construction is necessary, and with proper use of the new facilities of FHA and other lending agencies, our section of the State will expand much further. I have given my full cooperation in obtaining this construction activity.

NATIONAL DEFENSE

One of the programs in which I take especial pleasure in working upon is the national defense program. I have supported our efforts to protect our country against invasion and to preserve the peace of the world. During the course of my life, I have witnessed, first-hand, two world wars; and I frankly do not want to live to see a third world war. It is with these ideas in mind that I have taken a most active part in our defense program. As the vice chairman of the Armed Services Committee, I have contributed a large part to the defense bills which have passed the House in the last few years.

I have personally introduced and helped put through the House the Reserve retirement law—Public Law 810; the law increasing the GI pay from $50 to $75 per month; uniform military justice law; and I am now working on the bill to create a national armory program, at a cost of some $400,000,000. These and many other measures have given us the backbone of our national defense program during the last few years. I shall continue this work until such time as our people feel safe from the aggression of the Soviet and can return undisturbed to the paths of peace without having daily to fear the Russians.

On the local front, I am sure every one is familiar with the part I have played in the expansion of Barksdale Air Base. Since I have come to Congress, the base has expanded in personnel from 1,800 officers and men to almost 10,000 officers and men, including civilian workers. This has been accomplished at a cost of more than $45,000,000, and the results of this work can be seen by any visitor who takes time to inspect this magnificent air base and note its mighty institutions.

As a result of my efforts, a contract for the construction of 692 housing units of the base has been let, to be built at a cost of some $7,000,000. I hope to see ground broken on the project within a few weeks. In the Congress, I have just been working on a bill, which has passed the House and the Senate and will soon be signed by the President, to authorize $1,500,000 for the construction of jet fuel storage at the Barksdale Air Base.

I actively urged the transfer of the Slack Air Depot following the war from the Transportation Corps to Barksdale Air Base. It is being used now for storage by the Air Force and is filling a valuable place in our defense requirements. The Louisiana Ordnance Plant is being kept in a stand-by condition, usable within 24 hours after the outbreak of trouble, in the event of hostilities. During this period, a part of the base is being used for the manufacture of fertilizer; and the entire operation employs the services of 500 to 700 persons.

I have worked long and earnestly in the development of our Reserve establishment. In the Fourth Congressional District, many units of the National Guard and the Reserves have been formed and are now in operation. They are a valuable asset to our north Louisiana community and will form the first Reserve contingent of men upon whom we rely in the event of a national emergency. This program is of tremendous importance to our section of Louisiana and to the Nation; and I shall continue to work actively to build up our Reserve components of the Defense Establishment.

National defense legislation is costing a vast amount of money. It is falling with a heavy burden upon our taxpayers; and yet it is vital to our way of life and our security as an independent people.

The Air Force is working upon the location of the site for the Air Academy. Although more than 600 applications have been filed by cities and towns throughout the United States at the present time, much interest has been exhibited locally in such a project. I am working on it with the idea of bringing this project to our section of the State. My activity as the ranking member of the Armed Services Committee puts me in an advantageous position to aid our people in pushing their applications for this Academy, which will cost more than a hundred million dollars when built.

VETERANS' PROGRAM

As your Representative from the Fourth Congressional District in the Congress, I have consistently supported veterans' legislation. In fact, I helped the American Legion draft the GI bill of rights, and I supported it when it was before the Congress for final passage. I am the author of the terminal leave pay bill, which paid the sum of $3,500,000 in funds for leave pay to the enlisted veterans throughout the United States. I personally handled this bill on the floor of the House and sent it on its eventful way to the Senate. I opposed the Senate version of the bill after it was amended, and finally sat on the conference committee which gave our veterans the final version of the bill which became law.

Locally, I have been just as active on behalf of this strong program for our

veterans. Early during the progress of the Second World War, I conceived the idea of obtaining a VA hospital for north Louisiana; and for many years I worked on this project, at times to the exclusion of every other project. As a result of this work, our great hospital on the banks of the Red River now approaches completion, and will be in use by the first of October 1950. In the future, our veteran population will be able to secure hospitalization locally in north Louisiana; and families and friends will be able to visit our sick and disabled veterans without having to go hundreds of miles away from home to be with them in their critical days of suffering.

In addition to the hospital, I worked for the establishment of a VA regional office for north Louisiana; and this office is now functioning, rendering service to our veterans who, before its establishment, had to go to New Orleans for help; and is located on the Dodd College property in Shreveport.

I am now giving my attention to the matter of obtaining $1,500,000 for the purpose of constructing a permanent building for the regional office, to be located on the hospital grounds overlooking the Red River. I hope that the appropriation for this purpose will be placed in the budget for 1951 and that this building may soon become a reality.

I promised to work for the establishment of a veterans' center for north Louisiana. This center has been authorized, and even now the machinery for the operation of the veterans' center is being set up and is beginning to function. When the new office building is completed and the veterans' center becomes an efficiently functioning organization, I will have done everything possible to give our veterans the service and help to which defenders of the Nation in time of war are entitled to receive.

CONCLUSION

All of these programs are very important. They are needed badly by our people and by the Nation generally. None of them is more important than our program of maintaining permanent peace. They all unite behind the program to prevent a third world war. A Nation strong economically and developed internally, a satisfied people, and a strong defense are necessary to increase the influence and prestige of this Government in its diplomatic affairs. They are all necessary to prevent a return of mankind's greatest curse—modern warfare.

We are moving through perilous times in the world. In the wake of World War II, people and nations of the world are dissatisfied and are oftentimes struggling to obtain things which they cannot rightfully possess. If the Congress, by acting with calmness and with firmness, can prevent a third world war, we will have accomplished a great deal for the happiness of the people of the United States.

It has been a privilege to represent the Fourth Congressional District in Congress. I am grateful to a loyal, sympathetic and cooperative people who stand behind an active program for the development of our section of Louisiana. I appreciate the confidence which you have shown in me when you call upon this office for help in your governmental problems, and I hope that you will continue to show this confidence and to continue to call upon me to help cut red tape, eliminate inefficiency, and bring to you the efficient service which a great Government should render its people.

SPECIAL ORDER GRANTED

Mr. FURCOLO asked and was given permission to address the House for 20 minutes on June 28, following the legislative program and any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. FISHER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement made by him on yesterday.

Mr. AUGUST H. ANDRESEN asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. MULTER (at the request of Mr. PRICE) was given permission to extend his remarks in two instances and include extraneous material.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3436. An act to amend the War Contractors Relief Act, as amended;

H. R. 3498. An act for the relief of the Gluckin Corp.;

H. R. 4100. An act for the relief of Calvin E. Cranford;

H. R. 4163. An act for the relief of Mr. and Mrs. C. S. Walker;

H. R. 4960. An act for the relief of Mrs. Elizabeth H. Whitney;

H. R. 5979. An act for the relief of John Tweit;

H. R. 6652. An act for the relief of Mrs. Fujiko Chichie Imbert, wife, and Robert Imbert, Jr., son of an American soldier;

H. R. 7050. An act for the relief of Louie Gam Yean;

H. R. 7065. An act for the relief of Kazuko Miyama Akana and Chang King Akana;

H. R. 7066. An act for the relief of Setsuko Amano;

H. R. 7073. An act for the relief of Koto Kogami Kitsu and Jeannette Akemi Kitsu;

H. R. 7199. An act for the relief of Nobuko Maeda;

H. R. 7254. An act for the relief of Mrs. Bernard Smith;

H. R. 7315. An act for the relief of Daijiro Yoshida;

H. R. 7362. An act for the relief of Mrs. Willard Thulin (formerly Jutta Kono);

H. R. 7416. An act for the relief of Suzuko Takanashi;

H. R. 7579. An act to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes;

H. R. 7656. An act for the relief of David George Callaway;

H. R. 7658. An act for the relief of Mitsuko Ito;

H. R. 7682. An act for the relief of Mrs. Akiko Osada Gustafson; and

H. R. 8270. An act relating to the renewal of contracts for the carrying of mail on star routes.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 714. An act for the relief of Pieter Cornelis ten Wolde and family;

H. R. 1038. An act for the relief of William Richard Geoffrey Malpas;

H. R. 1609. An act for the relief of Arne Gordon Westley;

H. R. 2226. An act for the relief of Victor C. Kaminski (also known as Victor Kaminski);

H. R. 2705. An act for the relief of Martin Kenneth Ikeda;

H. R. 3018. An act for the relief of Camilla Fabris;

H. R. 3009. An act for the relief of Dr. Ali Reza Bassir;

H. R. 4532. An act for the relief of Dr. Ta Fu Wu;

H. R. 4903. An act for the relief of Krikor G. Guiragossian;

H. R. 5355. An act for the relief of Mindel Malek;

H. R. 5541. An act for the relief of William Lawrence Tan;

H. R. 6589. An act for the relief of Mitsue Miyamoto;

H. R. 6747. An act for the relief of Helga Holleb;

H. R. 6756. An act for the relief of Arthur Chen Shu Jee;

H. R. 6787. An act for the relief of Mrs. Kyoko Nakamura Kornhauser;

H. R. 6880. An act for the relief of Mrs. Kiyo Narumi Murakami and Keiko Narumi;

H. R. 6894. An act for the relief of Mrs. Nobuko Eto Heard;

H. R. 7035. An act for the relief of Hisako Sakata Ikezawa;

H. R. 7047. An act for the relief of Mrs. Tomo Nonque Rosevear;

H. R. 7096. An act for the relief of Mrs. Maria Salome Holland;

H. R. 7292. An act for the relief of Erio Louis Tomita and Fumiko Tomita;

H. R. 7363. An act for the relief of Suzuko Yagi and Anne Yagi; and

H. R. 7889. An act to postpone the application of the Classification Act of 1949 to certain employees of the Selective Service System.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. EDWIN ARTHUR HALL, for an indefinite period, on account of illness in family.

To Mr. LOVRE, for 1 week, on account of official business.

ADJOURNMENT

Mr. McCARTHY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 16 minutes p. m.) the House adjourned until tomorrow, Wednesday, June 21, 1950, at 12 o'clock noon.

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EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1504. A letter from the Archivist of the United States, transmitting a report on records and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

1505. A letter from the Acting Attorney General, transmitting a copy of the order of the Commissioner of the Immigration and Naturalization Service granting the application for permanent residence filed by the subject of such order, pursuant to section 4

of the act of Congress approved June 25, 1948 (Public Law 774); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BARDEN: Committee on Education and Labor. H. R. 7940. A bill to provide financial assistance for local educational agencies in areas affected by Federal activities, and for other purposes; with amendment (Rept. No. 2287). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H. R. 8792. A bill to amend the statute relating to certificates of trade-mark registrations; with amendment (Rept. No. 2288). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee of conference. H. R. 8198. A bill to provide for the organization of the Army and the Department of the Army, and for other purposes (Rept. No. 2289). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BYRNE of New York: Committee of conference. H. R. 1169. A bill for the relief of Mrs. Marion T. Schwartz (Rept. No. 2286). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII public bills and resolutions were introduced and severally referred, as follows:

By Mr. COOLEY:

H. R. 8881. A bill to permit educational, religious, or charitable institutions to import textile machines and parts thereof for instructional purposes; to the Committee on Ways and Means.

By Mr. SIMPSON of Pennsylvania:

H. R. 8882. A bill to amend section 23 (p) (1) (D) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. WALTER:

H. R. 8883. A bill to amend section 17 of the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes; to the Committee on the Judiciary.

H. R. 8884. A bill to provide for extension of terms of patents where the use, exploitation, or promotion thereof was prevented, impaired, or delayed by causes due to war or other national emergency; to the Committee on the Judiciary.

By Mr. WHITE of California:

H. R. 8885. A bill to authorize the Secretary of the Interior to undertake the North Fork Kings River development, California, as an integral part of the Central Valley project, and for other purposes; to the Committee on Public Lands.

By Mr. BIEMILLER:

H. R. 8886. A bill to amend the Public Health Service Act and the Vocational Education Act of 1946 to provide an emergency 5-year program of grants for education in the fields of medicine, osteopathy, optometry, dentistry, dental hygiene, nursing, sanitary engineering, and public health, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PETERSON:

H. R. 8887. A bill to declare that the United States holds certain lands for the Seminole Tribe of Florida; to the Committee on Public Lands.

By Mr. GRANAHAN:

H. R. 8888. A bill to provide for retroactive adjustments in compensation in certain reclassification cases; to the Committee on Post Office and Civil Service.

By Mr. VINSON:

H. R. 8889. A bill to provide for the organization of the Air Force and the Department of the Air Force, and for other purposes; to the Committee on Armed Services.

By Mr. O'HARA of Illinois:

H. R. 8890. A bill to amend the Federal Property and Administrative Services Act of 1949 so as to make applicable to the Government Printing Office the provisions of section 306 thereof, relating to the power to remit, where just and equitable, the whole or any part of liquidated damages under contracts; to the Committee on Expenditures in the Executive Departments.

By Mr. BOGGS of Louisiana:

H. J. Res. 489. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Mid-Century International Exposition, Inc., New Orleans, La., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

By Mrs. BOSONE:

H. Con. Res. 224. Concurrent resolution authorizing the printing of the proceedings in Congress upon the occasion of the acceptance of the statue of Brigham Young; to the Committee on House Administration.

By Mr. SECREST:

H. Con. Res. 225. Concurrent resolution expressing the sense of the Congress that the President should rescind foreign-trade agreements with Communist-controlled countries; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FARRINGTON:

H. R. 8891. A bill for the relief of Mrs. Shizuo Chiba Street and Janice Street; to the Committee on the Judiciary.

H. R. 8892. A bill for the relief of Hirako Hirohashi and Linda Marie Kumiko Kimitsuka; to the Committee on the Judiciary.

H. R. 8893. A bill for the relief of Toshiko Kishiki; to the Committee on the Judiciary.

H. R. 8894. A bill for the relief of Michiko Yamanouchi and Yuichi Yamanouchi; to the Committee on the Judiciary.

By Mr. GRANAHAN:

H. R. 8895. A bill for the relief of Sigmund M. Sterling and others; to the Committee on the Judiciary.

By Mr. HEDRICK:

H. R. 8896. A bill for the relief of Sarah Kabacznik; to the Committee on the Judiciary.

By Mr. HERLONG:

H. R. 8897. A bill for the relief of Dewey Pickett; to the Committee on the Judiciary.

By Mr. HESELTON:

H. R. 8898. A bill for the relief of John Yansak; to the Committee on the Judiciary.

By Mr. HOBBS:

H. R. 8899. A bill for the relief of Peter B. Olney; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 8900. A bill for the relief of Catherine B. Molostvoff; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 8901. A bill for the relief of Mrs. Asako Ikeda Heaney; to the Committee on the Judiciary.

By Mr. MARSHALL:

H. R. 8902. A bill for the relief of Satoko Matsushima Hoglund; to the Committee on the Judiciary.

By Mr. WHITE of Idaho:

H. R. 8903. A bill for the relief of certain Basque aliens; to the Committee on the Judiciary.

# SENATE

## WEDNESDAY, JUNE 21, 1950

*(Legislative day of Wednesday, June 7, 1950)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Most merciful God, who knowest our necessities before we ask and our ignorance in asking, have compassion, we beseech Thee, upon our infirmities; strengthen us in all noble purposes and daily increase in us the spirit of wisdom and understanding, the spirit of counsel and knowledge and true godliness. Dowered with privileges as no other nation, may the richness of our heritage be to us Thy call to protect the weak and exploited, to unshackle the enslaved, to clear the way for freedom, that through the potent ministry of our dear land all peoples of the earth may be blessed. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 20, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1672) for the relief of Efrosini Abad, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3406. An act for the relief of Ellen Fullard-Leo;

H. R. 4065. An act to provide for the relinquishment of mineral reservations in the land patent of Thomas Stephens;

H. R. 4836. An act for the relief of Xylda L. Driver;

H. R. 5110. An act for the relief of Janos (John) Treber and Mrs. Katalin (Katherine) Treber;

H. R. 5782. An act for the relief of Mrs. Vera Raupe;

H. R. 6221. An act to authorize the sale of certain public lands in Alaska to the This-Side-of-Heaven Children's Home for use as a children's home;

H. R. 6287. An act for the relief of Dr. George Alexandros Chronakis;

H. R. 6363. An act conferring jurisdiction on the United States District Court for the

Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.;

H. R. 6709. An act for the relief of Ed Howard Russell;

H. R. 6850. An act for the relief of Lt. Col. F. A. Ferguson;

H. R. 6964. An act authorizing the Secretary of the Interior to issue a patent in fee to Josephine Stevens Goering;

H. R. 7071. An act for the relief of Mrs. Masa Iyoki;

H. R. 7079. An act for the relief of Mrs. Gin Shibasaki Okafuji;

H. R. 7204. An act for the relief of Maria Cristina D'Angelo;

H. R. 7228. An act for the relief of Kazuko Kamada;

H. R. 7414. An act for the relief of Teresa Gentile and Galliano Gentile;

H. R. 7753. An act to authorize the Secretary of the Interior to sell certain land on the Chena River to the Tanana Valley Sportsmen's Association, of Fairbanks, Alaska;

H. R. 7783. An act for the relief of Mrs. Donald Rafter;

H. R. 7815. An act for the relief of John Yee Horn;

H. R. 7820. An act for the relief of Keiko Uchida Doane and her minor child;

H. R. 7873. An act to authorize construction of buildings for the Bureau of Old-Age and Survivors Insurance, and for other purposes;

H. R. 7916. An act to authorize and direct the Secretary of the Interior to execute an oil and gas lease on a certain tract of land in Park County, Wyo.;

H. R. 7970. An act for the relief of Mrs. Regina Anderson and her minor child;

H. R. 8183. An act for the relief of Asako Tsuchida;

H. R. 8289. An act for the relief of Yee Balche Yee;

H. R. 8361. An act for the relief of Toshiko Murai;

H. R. 8381. An act for the relief of Mrs. Joseph C. Grant;

H. R. 8440. An act for the relief of Noae Kawashima;

H. R. 8451. An act for the relief of Yoshie Nozawa;

H. R. 8500. An act for the relief of Hatsuko Torikai;

H. R. 8581. An act for the relief of Yasuko Higuchi Thomson;

H. R. 8583. An act for the relief of Hisako Shimizu;

H. R. 8655. An act for the relief of Toshiko Kikyo and Francis Kikyo;

H. R. 8600. An act for the relief of Yuriko Aoyama; and

H. R. 8722. An act for the relief of Jun Hin Lum.

## LEAVES OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. FLANDERS was excused from attendance on the sessions of the Senate today and through Monday next.

On request of Mr. MCFARLAND, and by unanimous consent, Mr. LONG was excused from attendance on the sessions of the Senate for an indefinite period.

On request of Mr. LUCAS, and by unanimous consent, Mr. PEPPER was excused from attendance on the sessions of the Senate today and the remainder of this week.

On his own request, and by unanimous consent, Mr. AIKEN was excused from attendance on the sessions of the Senate beginning today and continuing until Wednesday of next week.

## COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. HUNT, and by unanimous consent, the Committee on the Judiciary was authorized to meet this afternoon during the session of the Senate.

## AMENDMENT OF THE HATCH ACT—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1243) to amend the Hatch Act.

The VICE PRESIDENT. Under the unanimous-consent agreement heretofore entered into, a quorum call is automatic.

Mr. MCFARLAND. Mr. President, before the roll is called I ask unanimous consent that the time, which is already divided under the unanimous-consent agreement, be in charge, respectively, of the junior Senator from Mississippi [Mr. STENNIS] for the proponents and of the senior Senator from Ohio [Mr. TAFT] for the opponents.

The VICE PRESIDENT. Without objection, it is so ordered.

The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Gurney | McMahon |
| Anderson | Hayden | Malone |
| Benton | Hendrickson | Martin |
| Brewster | Hickenlooper | Millikin |
| Bricker | Hill | Mundt |
| Bridges | Hoey | Murray |
| Butler | Holland | Myers |
| Byrd | Humphrey | Neely |
| Cain | Hunt | O'Mahoney |
| Chapman | Ives | Robertson |
| Chavez | Jenner | Russell |
| Connally | Johnson, Colo. | Saltonstall |
| Cordon | Johnson, Tex. | Schoeppel |
| Darby | Kefauver | Smith, Maine |
| Donnell | Kem | Smith, N. J. |
| Douglas | Kerr | Sparkman |
| Dworshak | Kilgore | Stennis |
| Eastland | Knowland | Taft |
| Ecton | Lehman | Thomas, Utah |
| Ellender | Lodge | Thye |
| Ferguson | Lucas | Tydings |
| Frear | McCarran | Watkins |
| Fulbright | McCarthy | Wherry |
| George | McClellan | Wiley |
| Gillette | McFarland | Williams |
| Green | McKellar | Withers |

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from North Carolina [Mr. GRAHAM] and the Senator from Rhode Island [Mr. LEAHY] are absent on public business.

The Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Washington [Mr. MAGNUSON] and the Senator from South Carolina [Mr. MAYBANK] are absent on official business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS], the senior Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Indiana [Mr. CAPEHART] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

Under the unanimous-consent agreement entered into 1 hour of debate on the conference report is provided, to be equally divided between the opponents and the proponents, to be controlled, respectively, by the junior Senator from Mississippi [Mr. STENNIS] and the senior Senator from Ohio [Mr. TAFT].

Mr. TAFT. Mr. President, I yield myself 15 minutes.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LUCAS. I should like to repeat what I said yesterday about the program following disposition of the conference report. Immediately following action on the conference report we shall consider H. R. 6826, the extension of the Selective Service Act of 1948. I had expressed the hope that we would be able to finish consideration of that bill today, and I had suggested that a night session would be held, if necessary, in order to hurry it along, because it is absolutely necessary either that the bill be passed or that there be passed a joint resolution extending the period of the effectiveness of the present act for at least 30 days, in order to give us an opportunity to pass the bill itself. I hope we will be able to finish it today, at least not later than tomorrow.

If I could get a unanimous-consent agreement acceptable to those who are against the selective-service measure, or who are for certain amendments which are debatable, I would not ask the Senate to hold a night session; but I shall take that matter up immediately following the vote on the pending conference report.

Mr. HAYDEN. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator from Ohio has the floor.

Mr. TAFT. I yield.

Mr. HAYDEN. I should like to state to the Senate that the deficiency appropriation bill, which will be favorably reported to the Senate today from the Committee on Appropriations, will be ready for consideration tomorrow morning.

Mr. KEFAUVER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. If more time is to be given under unanimous consent, I think it should be evenly divided.

The VICE PRESIDENT. Under the unanimous-consent agreement nothing is now in order except debate on the conference report.

Mr. TAFT. Then I suggest that Senators wait until after the vote, whenever it is had.

Mr. President, my opposition to the conference report is based on my conviction that it simply kills the Hatch Act

provisions, or some very important sections of them. The Hatch Act was passed in order to keep elections clean, to prevent the use of Government positions to coerce employees, to prevent the activity of millions of Government employees, who have increased to such tremendous numbers today that they can affect materially the results of elections.

The Hatch Act, in various sections, to which I shall not refer, provides for a criminal penalty of a $1,000 fine, or imprisonment for not more than 1 year, or both. But in the one provision of the Hatch Act which was considered the most important it is provided that—

> It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No officer or employee in the executive branch of the Federal Government, or any agency or department thereof, shall take any active part in political management or in political campaigns. All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects.

In particular, it was aimed at those who used their positions, their official authority or influence, for the purpose of interfering with an election or affecting the result thereof. That was considered such a heinous violation of election laws that the act provided that—

> Any person violating the provisions of this section shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by any act of Congress for such position or office shall be used to pay the compensation of such person.

What the conference report does is to eliminate that penalty provision. If, Mr. President, it was considered that that was too severe a penalty, and if there had been substituted for it a fine of a thousand dollars, or imprisonment for not more than 1 year, or both, as in the case of many other provisions in the Hatch Act, I would not oppose the report. But instead of that, what is done seems to me to be a complete elimination, for practical purposes, of any penalty whatsoever. Instead of an automatic removal, the conference report provides that—

> If in the case of any person violating the provisions of this section it is found by the United States Civil Service Commission that such violation warrants removal he shall be immediately removed.

That is a delegation of legislative power. The members of the Civil Service Commission, or a majority of them, may well believe that no such violation ever warrants such a severe penalty as removal, in which case they simply will not find that it warrants removal, and therefore the individual will not be immediately removed.

Under the curious provisions of the conference report it is doubtful whether, in some cases, there will be any penalty, because the report proceeds to say:

> If the Commission finds by unanimous vote that the violation does not warrant removal, a lesser penalty shall be imposed by direction of the Commission: *Provided*, That in no case shall the penalty be less than 30 days' suspension without pay.

Mr. President, if one member of the Commission thinks that the violation warrants removal and two members think that it does not warrant removal, then that difference of opinion in the Commission will result in no penalty at all, because there will be no affirmative finding that the violation warrants removal, and, therefore, the individual cannot be immediately removed, and there will be no unanimous opinion that the violation does not warrant removal but for which a lesser penalty may be imposed. There will be no penalty at all. I do not know that that was intended, but that certainly is the result of the curious language of the conference report.

Under those circumstances also, suppose there is a unanimous finding that the action of an individual warrants a lesser penalty than removal, and that the penalty is 30 days' suspension without pay. What kind of penalty is that? The political party that has employed the individual to work for it, for whom he is working, will have no difficulty in paying his 30 days' pay or 60 days' pay. In other words, the whole effect of the proposed amendment of the Hatch Act is to kill the Hatch Act. That is why I am opposing the conference report.

Mr. President, I feel that under the circumstances the report should be rejected and it should go back to the conference committee. The committee ought certainly to rewrite the language of this penalty provision, and, in my opinion, they should impose a criminal penalty for violation of the Hatch Act. If that were done I would no longer oppose the report. But I think the Nation ought to know that what is being done here by the action of the Senate and the action of the House is an emasculation of the most important provisions of the Hatch Act, so that if the report is adopted there no longer is a Hatch Act.

Mr. STENNIS. Mr. President, for the benefit of Senators who may not have been present during the debate which took place some days ago, I shall briefly refer to the history of the pending legislation, which originated in the House of Representatives as an amendment to the Hatch Act designed to give some discretion to the Civil Service Commission in imposing a penalty less than removal in cases considered by the Commission to be minor infractions of the law. The present law provides that for any act by an employee of the Federal Government which amounts to a violation of the Hatch Act, the only possible penalty that can be prescribed is dismissal; that is, the law automatically imposes the penalty of absolute dismissal.

In the course of the years there have arisen a number of cases in which that penalty had to be imposed, although there was absolutely no conscious guilt. The person involved was standing before the law guilty of certain acts, but really did not know the implications of them. A case which, to my mind, is outstanding is that of a very young lady, a post office employee, who was asked by a friend to hand out some political cards. The young lady did so, not knowing the implication and not realizing what was involved, and she lost her job. I shall not go into the details, but there are a number of cases of that kind.

The report is designed simply to vest the members of the Civil Service Commission with some discretion respecting the penalty in minor cases. Under the present law they first have to determine whether or not an employee is guilty. In the first place, this is administrative law more than straight criminal law, and I have found that there is some difference between the wording of a criminal law and this kind of a law. But under the present law the Commission first must determine the guilt, which they will continue to do under the bill as proposed by the conference report. That can be done by a 2 to 1 vote of the Commission; in other words, there is majority control.

Under my interpretation of the present law, which I think is clear, and which is confirmed by a letter from the United States Civil Service Commission, when an act is committed, and after a hearing, it is determined that the employee in question is guilty, even if only two of the three Commissioners vote "guilty," the person involved is automatically discharged.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. TAFT. To me it is clear that they must not only find the person guilty, but they must find that such violation warrants removal. In other words, they have not only to find him guilty, but they must impose the sentence. Is that not correct?

Mr. STENNIS. I do not think that is a correct interpretation. If the Senator will permit me briefly to outline the conferees' interpretation of the language, and then to make comment thereon, I shall yield to the Senator for a question.

The conferees believed that the first thing that must be determined under this amendment, as under the present law, is the guilt or innocence of the person involved. If he is innocent that is the end of the matter. But if two Commissioners vote that the employee is guilty of the act charged and determine that his act is a violation of the statute, then he is discharged, even on a 2 to 1 vote.

Mr. TAFT. On what basis is that finding made? It is now proposed to repeal the only section that says anything about removal. The proposed language replaces the old subsection (b), does it not?

Mr. STENNIS. In part, the language of the conference report assumes a case where guilt has been determined.

Mr. TAFT. Yes.

Mr. STENNIS. The language of the conference report in that respect could be improved, I think, so far as the use of the English language is concerned. However, it is unmistakably clear that there must be a determination of guilt, and then the question of punishment

arises. I think the proper interpretation is that, when that question arises, unless there is a unanimous vote to impose a punishment of less than dismissal, the person automatically stands dismissed, even on a vote of 2 to 1 regarding his guilt.

Mr. President, I have before me a communication from the Civil Service Commission, dated June 19, and addressed to the Senator from Arizona [Mr. HAYDEN]. The Commission was asked to commit itself in writing to the Senate, with the understanding that its letter would be a part of the legislative history of this measure, and was asked to set forth in the letter its views and its interpretation of the conference report, and to state how it would administer the measure.

I submit the letter to the Senate as a part of the legislative history of this measure. I shall read some paragraphs of the letter, and then I shall ask unanimous consent to have the entire letter printed in the RECORD, if I am able to obtain unanimous consent for that purpose.

I read now from the letter from the Civil Service Commission:

The first point for consideration is the portion of the bill amending the present penalty provisions of section 9 (b) of the Hatch Act.

That is the portion to which the Senator from Ohio addressed himself.

I read further from the letter:

Under current law a Federal employee who has been found to have engaged in prohibited political activity must be removed from the service regardless of how minor the violation may have been. Under the proposed amendment the Civil Service Commissioners may by unanimous vote apply a suspension penalty in lieu of removal, with the express proviso that in no case shall this suspension be less than 30 days.

It has been suggested that the language of the amended section 9 (b) as reported by the conferees is ambiguous and may lead to a situation in which a majority of the Commissioners would be in favor of a suspension, but inasmuch as the vote would not be unanimous the suspension could not be applied and as a result the violator would not be punished.

That is the case found by the Senator from Ohio. I read further:

The Commission's view is that the proposed section 9 (b) must be read in its entirety, and as so read it means that if a Federal employee is found to have violated the political activity restrictions of section 9 of the Hatch Act, he must be removed from the service unless all three Civil Service Commissioners find that a lesser penalty should be applied.

That is the Commission's interpretation, and is right down the middle of the road. That states that if the employee is found to be guilty, he must be removed, unless a majority of the Civil Service Commission vote for a lesser penalty.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield briefly.

Mr. CORDON. Does the Senator mean to say, then, that a majority of the Civil Service Commission can determine on a lesser penalty? I think he meant to say that the vote on that question must be a unanimous vote.

Mr. STENNIS. I thank the Senator for that correction. What he has said is correct, namely, it must be a unanimous vote.

Mr. President, I read further from the letter of the Civil Service Commission:

In practice the Commissioners would in each case first vote on the question whether or not the employee violated the law. If they made an affirmative finding, which could be by majority vote, then they would vote on the question whether the facts in the particular case are such as to warrant a penalty of less than removal. If the three Commissioners failed to agree on this second question then the vote of the first question would control and the employee would have to be removed from the service.

That is a direct committal as to the interpretation of this language, as presented by the conferees.

I read further from the letter:

It should be pointed out that the Commission has been operating under section 12 of the Hatch Act for approximately 10 years. This is the section prohibiting political activity on the part of certain State officers and employees. In this type of case the Commission is called upon to make two decisions.

This is with reference to section 12, which covers employees of a State government who are paid in part by the Federal Government. Section 12 is the present law, not touched by the measure now before the Senate.

The two decisions which the Civil Service Commission makes under the present section 12 are:

(1) Did the employee violate the law, and (2) if he did, does the violation warrant removal? During this entire 10-year period there has been only one split decision, and in that case the majority favored removal.

Mr. President, the language of the conference report is virtually the same as the language of section 12 of the present act. There was a difference between the language of section 12 and the language of section 9. Section 9 applied to Federal employees fully employed by the Federal Government. In other cases the employees were employed by a State, but the Federal Government contributed to their salaries—as, for instance, employees of the Agricultural Extension Services in the various States. Thus, after all, this language is adopted from section 12 of the present law; it is what I call administrative language. It is not like the language that I would include in a criminal statute.

Nevertheless, under the practice we have had the benefit of 10 or 12 years of administration of this law and of administrative practice by the Civil Service Commission; and section 12 has worked entirely satisfactorily, insofar as we have been able to determine.

The position of the conferees is that whatever doubt there might have been about the use of the language criticized, this letter, being a committal—not merely binding on the individual members of the Commission, but a committal on the Civil Service Commission itself—removes any doubt. The letter is clear and unequivocal; it is right down the line, stating that first the Commission has to determine the person's guilt, and that then he will be removed unless he receives the unanimous vote of the Commission in favor of imposing a lesser penalty.

I submit to the Senate that that makes it altogether conclusive, and does not leave any commission or any court or any other governmental body in a position to make any other interpretation of this language—in short, no interpretation except that set forth in the letter from the Civil Service Commission, which is presented to the Senate now as a part of the legislative history of this measure.

Mr. President, I ask unanimous consent that the letter in its entirety, including the excerpts I have read into the RECORD, be printed at this point in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES CIVIL SERVICE COMMISSION,
*Washington, D. C., June 19, 1950.*

Hon. CARL HAYDEN,
*United States Senate.*

DEAR SENATOR HAYDEN: This is in reply to your letter of June 16, 1950, requesting a statement of the Commission's views on the application of H. R. 1243 as reported by the conferees of the Senate and the House of Representatives.

The first point for consideration is the portion of the bill amending the present penalty provisions of Section 9 (b) of the Hatch Act. Under current law a Federal employee who has been found to have engaged in prohibited political activity must be removed from the service regardless of how minor the violaiton may have been. Under the proposed amendment the Civil Service Commissioners may by unanimous vote apply a suspension penalty in lieu of removal, with the express proviso that in no case shall this suspension be less than 30 days.

It has been suggested that the language of the amended section 9 (b) as reported by the conferees is ambiguous and may lead to a situation in which a majority of the Commissioners would be in favor of a suspension, but inasmuch as the vote would not be unanimous the suspension could not be applied and as a result the violator would not be punished. The Commission's view is that the proposed section 9 (b) must be read in its entirety, and as so read it means that if a Federal employee is found to have violated the political activity restrictions of section 9 of the Hatch Act, he must be removed from the service unless all three Civil Service Commissioners find that a lesser penalty should be applied.

In practice the Commissioners would in each case first vote on the question whether or not the employee violated the law. If they made an affirmative finding, which could be by majority vote, then they would vote on the question whether the facts in the particular case are such as to warrant a penalty of less than removal. If the three Commissioners failed to agree on this second question then the vote on the first question would control and the employee would have to be removed from the service.

It should be pointed out that the Commission has been operating under section 12 of the Hatch Act for approximately 10 years. This is the section prohibiting political activity on the part of certain State officers and employees. In this type of case the Commission is called upon to make two decisions: (1) Did the employee violate the law, and (2) if he did, does the violation warrant removal? During this entire 10-year period there has been only one split decision, and in that case the majority favored removal.

It has also been suggested that the proposed section 9 (d) would throw open the confidential records of the Commission in those cases. In the past information regarding the alleged political activity of Federal employees was obtained by the Commission in investigations in which the witness was assured that the source of the information would be held confidential. During the past 2 years the Commission has been experimenting with obtaining information through affidavits in which the persons making the affidavits furnished such affidavits with the express understanding that there is no pledge that they would be treated as confidential. The Commission has as yet not decided whether to continue this nonconfidential system or whether to revert to the former method of obtaining information under a pledge of confidence.

It is the Commission's view of the proposed section 9 (d), as reported by the conferees, that if the Commission continues to obtain affidavits without any pledge of confidence such affidavits would be furnished the Congress or any committee thereof upon request. If, on the other hand, the Commission should find it necessary to revert to the former method of obtaining affidavits or other information under a pledge of confidence, then the Congress and any committee thereof would be furnished the texts of the affidavits but would not be furnished the names of the persons making the affidavits or any information which would have the effect of divulging the names of those witnesses.

In any event it is the Commission's understanding that it would not be required under the proposed section 9 (d) to make available to Congress or to any of its committees any intraoffice memoranda, confidential comments of investigators, and any other matters which the Commission should consider confidential.

The Commission for several years has recognized that the penalty provisions of section 9 (b) of the Hatch Act as they now exist result in injustices in many cases in that the same penalty or punishment must be given to very minor violators as is given in the case of those committing major violations of the act. Under the circumstances we feel that the penalty provisions provided in the proposed section 9 (b) of H. R. 1243 deserve favorable consideration in the interest of equity and justice.

You have also asked whether the amendment of section 16 of the Hatch Act would be made applicable to those localities in Tennessee, New Mexico, and Washington under the control of the Atomic Energy Commission.

H. R. 1243, as reported by the conferees, would continue section 16 in the form in which it has existed for the past 10 years with the additional proviso that the Commission's regulations could not contain a provision which would require the affected Federal employees to participate only as nonpartisan candidates for public office.

The present section 16 of the Hatch Act applies not only to municipalities in the immediate vicinity of the National Capital in the States of Maryland and Virginia, but applies also to any municipality in any State where the majority of the voters of the municipality are employed by the Government of the United States. The amended section 16 would also apply to any municipality in Tennessee, New Mexico, and Washington, or any other State, if the municipality held elections and a majority of the voters in the municipality were employed by the Government of the United States. The Commission understands, however, that the localities in Tennessee, New Mexico, and Washington under the control of the Atomic Energy Commission are not municipalities in the sense contemplated by section 16, and elections in these localities are not held in the sense contemplated by the section. We are advised that the Atomic Energy Commission has been permitting its employees in these localities to become candidates for and hold positions on an advisory council which consults with the community manager on municipal affairs. We are accordingly dealing here with localities which do not have a regular municipal form of government and do not have elections of the kind contemplated by section 16. It is, accordingly, the Commission's view that this amendment would not be applicable to the localities to which you refer.

By direction of the Commission:

Sincerely yours,

HARRY B. MITCHELL,
*Chairman.*

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. STENNIS. I am glad to yield to the Senator from Washington.

Mr. CAIN. I seem to recall that in the original Senate text it was provided that a willful violator would automatically be removed from office.

Mr. STENNIS. Yes.

Mr. CAIN. I wonder whether the Senator from Mississippi will reflect on the reasons which resulted in the omission from the conference report, as it is now presented, of any reference to willful violators.

Mr. STENNIS. That is a very pertinent question, and it was explained when the conference report was before the Senate a few days ago.

It was found that the use of the word "willful" with reference to this type of law made the language so very strong that it would leave very little room for the operation of the amendment. In other words, the use of the word "willful" would mean that the act referred to malum prohibitum—in other words, prohibited by law—rather than something wrong by and of itself, or malum in se, as the Latin is. When the word "willful" is used in conjunction with a matter prohibited by the act, which is malum prohibitum, it has been consistently held by the courts that any knowledge whatsoever or any conscienceness whatsoever, on the part of the person involved, that the act was prohibited by law would render the act a willful one. When that test was applied, it was found that perhaps only one case in the history of the Hatch Act would fail to be willful. Therefore, we thought the language was too strict, and we omitted it. In my statement the other day, I said that the Commission certainly would be derelict in its duty, however, if it did not consider any willfulness as a part of the circumstances of the case, and that the Commission would have no right to ignore that point.

Mr. CAIN. I thank the Senator.

Mr. CORDON. Mr. President, will the Senator yield to me at this point?

Mr. STENNIS. I yield now to the Senator from Oregon.

Mr. CORDON. Do I correctly understand the Senator to say that the conferees found legal support for the proposition that the doing of an act prohibited by law is the doing of it willfully, even though the one performing the act does not in fact know that he is violating the law?

Mr. STENNIS. Expressed in another way, under statutes of this type, it is held that a knowledge of wrongdoing is not necessary in order for the act to be willful.

Mr. CORDON. A knowledge that it is a violation of a mandate is necessary, is it not, in order that it be willful? Is there any question in the Senator's mind about that?

Mr. STENNIS. That is, a knowledge that the act done was expressly prohibited by law?

Mr. CORDON. That is correct.

Mr. STENNIS. Those terms are very close. I satisfied my mind thoroughly about it at the time, and in my recent statement to the Senate I presented cases on that point. There are cases where the person actually had read the law; but that is seldom so, although notices are posted as to how the law will be applied. But, anyway, the practical test is that, of all the cases which came up, I think only one would have been judged to be not willful. We therefore thought the language of the Senate bill was too strong.

Mr. CORDON. Is it a fact that, of all the cases which have been brought under this particular law and this particular section of the law, only one was a case in which the individual charged did not know that he was violating the law?

Mr. STENNIS. In technical law, they are charged with notice of what the law is. In technical law and in the technical consideration of it, as I recall, there was only one case that would have qualified to have been clearly not willful, because in malum prohibitum law the test is not so rigid, and no consciousness of wrongdoing is necessary in order for it to be adjudged willful in criminal law.

Mr. CORDON. Mr. President, will the Senator yield further?

Mr. STENNIS. I am glad to yield.

Mr. CORDON. The Senator from Oregon does not quite understand this situation. I am referring to the facts in connection with the prosecutions or investigations of violations of this section. Is it correct to say that, of all the violations of the section which have come to the attention of the Civil Service Commission, only in one instance was there a violation by an individual who was ignorant of the fact that his act was a violation of this law?

Mr. STENNIS. No; I would not state it that way at all. But as I recall the facts, there was only one case which, under the interpretation of laws of this kind, could have been classified as not willful in law, and not willful in fact. But there is a very fine discrimination as to the words, and I inserted in the RECORD during the previous debate a statement of exactly which decisions it was that we relied on. I do not have them before me now. I have here for the Senator from Oregon a memorandum as to the cases which were before the conferees, which has already been inserted in the RECORD.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Mississippi yield to the Senator from Ohio?

Mr. STENNIS. I yield.

Mr. TAFT. The Senator justifies as mild a penalty for coercion of employees,

and so forth, as 30 days' suspension, when in the same act we have an alternative penalty of $1,000 or imprisonment for 1 year for anyone who merely leaves out the name of an officer in publishing a political advertisement. That is in section 3. In this case it seems to me we have gone from the sublime to the ridiculous. We have gone from a penalty of complete removal—which is a penalty that really deters, though perhaps it is too severe—to a position where the Civil Service Commission may practically wipe out any penalty whatever. I cannot see that removal is the proper penalty in all cases, or that suspension is a proper penalty, at all. Complete removal, if a very severe automatic penalty is desired, is all right. But when discretion is given to the Civil Service Commission, and all it can do is to suspend for 30 or 60 days, involving a little loss of pay which will be made up by the political party that the employee, the man or woman, is supporting, it seems to me we have no penalty left at all in connection with the most important provision of the Hatch Act, while at the same time there is retained in section 3, among other sections, the very substantial penalty of criminal prosecution before a court.

Mr. STENNIS. I may point out that the Senator said the only thing that could be done was to impose a mild penalty of 30 days. The Senator understands that that is the minimum penalty which can be imposed. It may extend anywhere from 30 days on up to complete dismissal. Thirty days is merely the minimum possible penalty, and that can be imposed only by unanimous vote of the Commission. I think that has a meaning. I think it has something of practical value.

Mr. TAFT. I cannot understand why, for the most serious violations of the Hatch Act, we give the Civil Service Commission complete discretion to impose suspensions which may amount to nothing at all, when we actually drag a man into a criminal court for other violations of the act which may be of a less serious character.

Mr. STENNIS. The only reference in the conference report to the $1,000 fine and 1 year in the penitentiary is made for the purpose of broadening the present law, to make it a little more inclusive, and to cover the act of putting unsigned matter in the mail.

Mr. TAFT. My point is that all the provisions of the present law, except the one referred to, attach a criminal penalty for the most serious violations, but here we are reducing the penalty of automatic removal, which perhaps was an equivalent and severe deterrent, to the discretionary imposing of temporary suspension, as a result of which no man is brought up in public, no man is brought before a court. What is finally imposed is a little loss of the pay, which the political party can very easily make up.

Mr. STENNIS. The Senator from Mississippi is not interested in trying to emasculate the Hatch Act. If he thought the provisions of the conference report did so, he would not favor it. I think it does exactly what it is designed to do. It merely imposes, in the case of very minor violations, discretionary authority within the Commission to impose less than complete removal.

I now yield the floor.

Mr. ROBERTSON. Mr. President, before the Senator yields the floor, will he yield to me for a question?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Virginia?

Mr. STENNIS. I think the time has about expired.

Mr. CAIN. Mr. President, may I ask one more question?

Mr. TAFT. Mr. President, I will yield further time to the Senator. I yield 2 minutes to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 2 minutes.

Mr. STENNIS. I take it that is for the purpose of propounding a question.

Mr. ROBERTSON. Mr. President, I thank my distinguished friend from Ohio for permitting me to have 2 minutes in which to make comment on the point he has raised. For the purpose of emphasis, Mr. President, I should like to read a paragraph of a letter which the Senator from Mississippi has read, which gives the interpretation of the Civil Service Commission on the modified section 12, which it has been enforcing for 10 years, and which the Senator from Mississippi says is substantially the same as it has been during all that time. The Civil Service Commission says, in the fifth paragraph of the letter of June 19, 1950, to the Senator from Arizona [Mr. HAYDEN]:

> It should be pointed out that the Commission has been operating under section 12 of the Hatch Act for approximately 10 years. This is the section prohibiting political activity on the part of certain State officers and employees. In this type of case the Commission is called upon to make two decisions: (1) Did the employee violate the law, and (2) if he did, does the violation warrant removal? During this entire 10-year period there has been only one split decision, and in that case the majority favored removal.

The Senator from Mississippi has tried to make it crystal clear that no one can escape proper punishment, because the first question, which is determined by a majority vote is, Did he violate the law? When that has been determined, then the remainder of the issue to be determined is, What should the punishment be? Unless the Commission is unanimous that the punishment shall not be dismissal, then dismissal is compulsory. But if the Commission is unanimous that the offense is so minor that it does not justify a harsh penalty, it can fix a lesser penalty.

It seems to me that in justice and fairness in administering laws which carry a criminal penalty, we certainly would not want to apply to a misdemeanor the penalty for a felony. We do not do it as to any other criminal law. I certainly hope that will be the attitude of the Senate when we vote today on the conference report.

The senior Senator from Virginia [Mr. BYRD] will speak briefly, primarily on the issue which has risen in Virginia and Maryland, where both Democrats and Republicans are hamstrung by a ruling of the Civil Service Commission which we think is most unfair and most unjust, the effect of which is that if we organize and have mass meetings, conventions, and all the political activities of a political party, we are not engaged in politics if we call ourselves nonpartisan, but if we call ourselves Republicans or Democrats we get the axe on the neck. I certainly feel justification for that type of discrimination in purely local elections. Those are the elections to which the ruling applies.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. CAIN. Can the Senator state the number of persons who have been removed since the Hatch Act was passed approximately 10 years ago?

Mr. ROBERTSON. I should prefer to leave that to a member of the committee who is more familiar with the past history of it than I am.

Mr. CAIN. I wonder if the Senator from Mississippi could provide us with that information, the question being as to the total number of persons removed within the past 10 years?

Mr. STENNIS. I do not have accurate information about it. My best information is that it averaged approximately 10 each year since 1940.

Mr. CAIN. I thank the Senator.

Mr. STENNIS. Mr. President, I yield 4 minutes to the senior Senator from Virginia [Mr. BYRD].

Mr. BYRD. Mr. President, I desire to address the Senate on section 2 of the conference report.

When the Hatch Act was first enacted an amendment was adopted authorizing the Civil Service Commission to permit civil-service employees of the Federal Government to participate in local elections in areas where there was a predominating number of civil-service employees such as in Arlington and Fairfax Counties in Virginia and Montgomery and Prince Georges Counties in Maryland.

Under this permissive legislation, subject to the approval of the Civil Service Commission, authority was requested to allow Government employees in nearby counties to be candidates for office on the local level and to be members of the two regular political parties. This was denied. The result is that other Government employees are permitted to engage in all forms of political activity under the nonpartisan label or as independents. They are candidates for local offices, engage in all forms of political activity, hold mass meetings, publish and circulate literature against the candidates of the regular parties, and yet are not considered to be in violation of the Hatch Act by the Civil Service Commission. All of this, while other Government employees who desire to remain as members of either the regular parties—the Republican or Democratic Parties—are permitted only to vote, and to take part in any other activity would be considered by the Civil Service Commission to be a violation of the Hatch Act, and consequently they would lose their Government positions.

This is a condition which is manifestly unjust and unfair. I repeat, under the existing law and Federal officeholder in those counties may participate in local elections under regulations as approved by the Civil Service Commission, but this is limited to enabling such Federal employees to participate, provided they do so in a nonpartisan manner. The result is that a Democratic employee desiring to participate or to be a candidate must act as an independent, and the same applies to a Republican. The amendment proposed does not prohibit a Federal employee from acting as a nonpartisan or as an independent, but merely gives the same privilege to those officeholders who desire to participate on the local level in elections as Democrats or as Republicans.

The amendment originally proposed was approved by former Senator Hatch.

A situation which permits officeholders only to be candidates on an independent ticket is destructive of the method by which we conduct our Government, which is carried on through regular political parties.

I might say to the Members on the other side of the Chamber that in Arlington County, Va., there was a predominating Republican vote in the last Presidential election; in fact, the county went Republican. Both the Democratic organization and the Republican organization were in favor of permitting civil-service employees to take part in local politics. They cannot do so above the county level as Democrats or as Republicans. The ruling would force a Democrat or a Republican to become an independent in order to be a candidate for office. I can see no sense in that regulation. If it is the desire not to permit civil-service employees to take any part in politics, then that may be logical; but here is a situation in which civil-service employees can take part and be candidates only as independents, but cannot be candidates as Democrats or Republicans.

I think, in justice to the many thousands of Federal employees in adjacent counties, they should be permitted to be candidates at the local level, or to take part in elections as they would ordinarily do as Democrats or Republicans.

I hope, Mr. President, that the conference report will be adopted, since it remedies the situation to which I have referred.

Mr. STENNIS. Mr. President, I yield 2 minutes to the Senator from Kansas.

Mr. SCHOEPPEL. Mr. President, as every Member of the Senate knows, when this matter first came up I spoke in the Chamber in relation to it. I was appointed a member of the conferees on the part of the Senate to meet with the conferees of the House on the question. The Senator from Mississippi, who spoke a moment ago, has outlined and set forth the attitude and the consideration which the conferees gave to the matter and the intention which the conferees sought to express by the report which they have submitted to the Senate. It may not be the clearest in the world in the way in which it is phrased, but I feel that the interpretation placed upon it by the Civil Service Commission, which has been explained by the Senator from Mississippi, that it does give the Commission leeway on a unanimous vote to make a determination of a lesser penalty than complete dismissal.

I want to say that I concur in the report, and I hope it will be acceptable to the Senate.

The PRESIDING OFFICER. The Senator from Ohio has 21 minutes.

Mr. TAFT. Mr. President, I think the Senator from Minnesota does not desire to speak, and I have no desire to speak further on the subject. If the Senator from Mississippi needs a little more time, I shall be glad to yield him time. I yield back 10 minutes to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator from Ohio for his attitude. I yield myself 5 minutes.

I have in my hand a communication based upon facts obtained from the Civil Service Commission illustrating some of the cases which have come before the Commission to which this amendment is designed to apply in the dispensing of justice.

I refer first to the case of a post-office clerk, 58 years of age, in Philadelphia, with more than 14 years of service. He had circulated a nomination petition in behalf of a retired post-office clerk and a life-long friend. Yet, despite this man's excellent service, he was removed, although he was within less than 2 years of retirement age. That was a case of a man 58 years of age and within 2 years of retirement age. All he had done was to circulate a nomination petition in behalf of a retired post-office clerk and a life-long friend. This man was a Democrat.

There is in the files of the Civil Service Commission another case, that of a widowed mother, with three minor children, a clerical employee in an Army hospital in New Jersey, who, because she thought she had an opportunity to improve local roads and civic activities, became a member of a Republican county committee. Finally, when she heard that there was some question of the propriety of her action, she resigned without attending any committee meetings. In the meantime, however, she had engaged in sufficient activity to insure her mandatory removal.

Two other cases concern a Virginia veteran and father of four children, and also a civilian patrolman in Montana, both of whom filed in primaries as candidates for sheriff. Since it was a county office, neither had any knowledge that this was forbidden under the Hatch Act, yet the law of removal applied to them. Lastly, there was a war-contract negotiator in Massachusetts, who was a Republican candidate for town water commissioner. This happened to be one of the few towns in that district which elected its city officers on a partisan ticket, yet this man had to be removed.

There are many other cases along similar lines which this bill is designed to cover. That is all it is designed to do. It would permit the Civil Service Commissioners in their discretion in such cases of minor infractions to impose a penalty less than removal.

I call to the attention of the Senate again that any argument with respect to the language employed in the conference report has been entirely covered and clearly decided in favor of what might be called a very strict interpretation of this proposed amendment to the law by the letter from the Commission, which is filed as part of the legislative record of the bill.

Mr. President, may I inquire if there are any other Senators who wish a little time? Does any Senator wish to speak in favor of the report?

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. McMAHON. I had to leave the chamber a short time ago. I do not remember the expression which the senior Senator from Ohio [Mr. TAFT] used before I left, but I understood him to say that the adoption of this conference report would either ruin, repeal, or wipe out the Hatch Act. I assume that the Senator in the meantime has answered that allegation in full in his remarks.

Mr. STENNIS. I have tried to answer that allegation. I do not think that there is any question left about it after reading the letter from the Civil Service Commission.

Mr. McMAHON. The Civil Service Commission is given the right under this amendment to impose a punishment less than severance completely from the Government service. That is the main objective of the amendment, is it not?

Mr. STENNIS. That is correct.

Mr. McMAHON. In other words, it is an effort to make the offense and the punishment of the offense somewhat in accord with common sense. I take it that the Senator would agree with that statement.

Mr. STENNIS. I do agree with it.

Mr. President, I yield the floor.

Mr. TAFT. I shall take not more than 2 minutes, and shall again refer to the fact that the question is not whether the present penalty provided in this section of the Hatch Act is or is not too severe. Perhaps it is to severe. Certainly, however, there is no reason so to emasculate the section that practically no penalty is left in it at all, or no deterrent to anybody, because when the penalty is whittled down to 30 days' suspension, there is, in effect, no penalty left at all. There can be a loss of pay, but of course that can be made up to the employee by his political party. The original Senate bill was much stronger than the conference report, in my opinion. The original bill said:

> *Provided*, That if the Civil Service Commission, after hearing shall find, by unanimouns vote, that such violation was not willful, a lesser penalty may be imposed by the Commission: *Provided further*, That in no case shall the penalty be less than 60 days' suspension without pay.

Under the conference report the requirement that a willful violation still means automatic removal is eliminated. It is left entirely to the discretion of the Civil Service Commission. The language is exceedingly ambiguous. The very fact that the junior Senator from Mississippi [Mr. STENNIS] has felt it

necessary to get a letter from the Civil Service Commission to put into the RECORD to tell us what the Commission thinks the bill means, and to explain how they would operate under it—although, of course, another civil service might operate entirely differently—seems to me a sufficient condemnation of the ambiguous language contained in the conference report. In my opinion, the language is sufficiently ambiguous in some cases to remove the possibility of any penalty being imposed. Therefore, Mr. President, the purpose of this bill, which has been under consideration by three Congresses and which finally is apparently reaching its final stage, is clearly to bring to an end any further effectiveness of the most important provision of the Hatch Act, which provides that Federal officers shall not use their office to get other employees to line up and engage in political campaigns. It is for that reason, it seems to me, that this report should be rejected.

Mr. President, unless some other Senators wish to speak on the subject, I shall suggest the absence of a quorum.

Mr. ROBERTSON. Mr. President, will the Senator from Ohio withhold his suggestion of the absence of a quorum?

Mr. TAFT. Yes.

Mr. ROBERTSON. Mr. President, will the Senator yield for a question?

Mr. TAFT. Yes.

Mr. ROBERTSON. Does not the present law give the Civil Service Commission power to exercise discretion short of discharge in the case of a State employee to whose salary the Federal Government contributes? If that is the case—and I understand it is—under what logic can we say that we should apply one rule to one group of employees and a different rule to another group?

Mr. TAFT. If the Senator will permit me to say so, it has never seemed to me that the provision with respect to State employees who are paid in part out of Federal funds was a very wise provision. It was a later enactment of law. It was not a part of the original Hatch Act. However, I do not think it is particularly important because the danger, as I see it, in which we are interested is that the Federal Government may use the vast power of its 2,000,000 employees in political elections. The act was originally enacted to meet that danger. I do not particularly object to the provision referred to by the Senator from Virginia. I do not think it is particularly important, either. I do not believe that it has accomplished anything. As a practical matter, it has not prevented State employees from operating because it has imposed no very effective penalty.

Mr. ROBERTSON. So far as I am concerned, everyone could go out. That is the way I feel about it. However, when we covered State employees in the act, we recognized how harsh it would be to let the Civil Service Commission discharge a man from office, perhaps when he was in a period of life when he could not get any other type of employment, simply because he was guilty of a very minor infraction of the act. Moreover, as I recall, a State employee is allowed to go into court for a determination of the final judgment on the penalty. That was done after we took a second look at the original Hatch Act. The second look was better than the first one.

Mr. TAFT. Perhaps the penalty is too severe, but why not impose a criminal penalty, as is imposed for any other violation of the election laws? Why impose a wishy-washy slap on the wrist by way of a 30-day suspension which, as I said, is almost certain to be paid by the political party involved?

## REVISIONS OF TITLES I AND III OF OFFICER PERSONNEL ACT OF 1947

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2335) to make certain revisions in titles I and III of the Officer Personnel Act of 1947, as amended, which were on page 3, line 1, strike out all after "consideration" down to and including "therefor" in line 6, page 3; on page 6, line 14, strike out "(1)" and insert "(l)"; on page 7, line 4, strike out "naval officers" and insert "Regular officers on the active or retired lists of the naval service"; on page 8, line 10, strike out "(1)" and insert "(l)"; on page 8, line 17, strike out "(1)" and insert "(l)"; on page 12, after line 2, insert:

SEC. 4. As soon as practicable after June 30, 1950, the Secretary of the Navy shall convene a board of not less than five officers of the Regular Navy of the grade of rear admiral or above to consider and recommend for continuation on the active list officers of the line of the Regula Navy not restricted by law in the performance of duty serving in the grade of captain who were serving in that grade on June 30, 1948, and who on that date had completed twenty-nine or more years of total commissioned service as defined in section 102 of the Officer Personnel Act of 1947, as amended, and whose names are not on a promotion list. Such officers recommended for continuation on the active list in the report of such board, as approved by the Secretary of the Navy, shall be so continued under the provisions of the Officer Personnel Act of 1947, as amended. Each such officer not so recommended shall be placed on the retired list on the first day of the sixth month following the month of enactment of this act with retired pay at the rate of 2½ percent of his basic pay on the active list at the time of retirement, multiplied by the number of years of service for which entitled to credit in the computation of his pay on the active list, not to exceed a total of 75 per centum of said basic pay: *Provided*, That a fractional year of 6 months or more shall be considered a full year in computing the number of years of service by which the rate of 2½ percent is multiplied: *Provided further*, That nothing in this section shall be held to reduce the retired rank or pay to which such officer would be entitled under other provisions of law.

On page 12, line 3, strike out "SEC. 4." and insert "SEC. 5."

Mr. HUNT. Mr. President, as chairman of the subcommittee which handled the bill in the Senate, I move that the Senate concur in the amendments of the House.

Mr. TAFT. Mr. President, I do not know what the bill is, and of course, no one expected any extraneous matter to be brought up during the consideration of the conference report. Will the Senator explain what the bill is?

Mr. HUNT. The bill deals with the promotion of Navy personnel. It was reported favorably by the subcommittee unanimously, and passed by the Senate unanimously, as I recall.

Mr. TAFT. Do all the Senate conferees approve of the House amendments?

Mr. HUNT. They do, and they are quite acceptable to the Navy.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

## AMENDMENT OF THE HATCH ACT—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1243) to amend the Hatch Act.

Mr. TAFT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Gurney | Malone |
| Anderson | Hayden | Martin |
| Benton | Hendrickson | Millikin |
| Brewster | Hickenlooper | Mundt |
| Bricker | Hill | Murray |
| Bridges | Hoey | Myers |
| Butler | Holland | Neely |
| Byrd | Humphrey | O'Mahoney |
| Cain | Hunt | Robertson |
| Chapman | Ives | Russell |
| Connally | Jenner | Saltonstall |
| Cordon | Johnson, Tex. | Schoeppel |
| Darby | Kefauver | Smith, Maine |
| Donnell | Kem | Smith, N. J. |
| Douglas | Kerr | Sparkman |
| Dworshak | Kilgore | Stennis |
| Eastland | Knowland | Taft |
| Ecton | Lehman | Thomas, Utah |
| Ellender | Lodge | Thye |
| Ferguson | Lucas | Tydings |
| Frear | McCarran | Watkins |
| Fulbright | McClellan | Wherry |
| George | McFarland | Wiley |
| Gillette | McKellar | Williams |
| Green | McMahon | Withers |

The VICE PRESIDENT. A quorum is present. All time for debate has expired. The question is on agreeing to the conference report.

Mr. WHERRY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from North Carolina [Mr. GRAHAM] and the Senator from Rhode Island [Mr. LEAHY] are absent on public business.

The Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Colorado [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON] and the Senator from South Carolina [Mr. MAYBANK] are absent on official business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the

sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

I announce further that if present and voting, the Senator from Colorado [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Maryland [Mr. O'CONOR] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS], the senior Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG] and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Indiana [Mr. CAPEHART] is necessarily absent.

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official business.

The result was announced—yeas 42, nays 32, as follows:

YEAS—42

| | | |
|---|---|---|
| Anderson | Hill | McFarland |
| Benton | Hoey | McMahon |
| Byrd | Holland | Murray |
| Chapman | Humphrey | Myers |
| Connally | Hunt | Neely |
| Douglas | Johnson, Tex. | O'Mahoney |
| Eastland | Kefauver | Robertson |
| Ellender | Kerr | Russell |
| Frear | Kilgore | Schoeppel |
| Fulbright | Knowland | Sparkman |
| George | Lehman | Stennis |
| Gillette | Lucas | Thomas, Utah |
| Green | McCarran | Tydings |
| Hayden | McClellan | Withers |

NAYS—32

| | | |
|---|---|---|
| Aiken | Ferguson | Mundt |
| Brewster | Gurney | Saltonstall |
| Bricker | Hendrickson | Smith, Maine |
| Bridges | Hickenlooper | Smith, N. J. |
| Butler | Ives | Taft |
| Cain | Jenner | Thye |
| Cordon | Kem | Watkins |
| Darby | Lodge | Wherry |
| Donnell | Malone | Wiley |
| Dworshak | Martin | Williams |
| Ecton | Millikin | |

NOT VOTING—22

| | | |
|---|---|---|
| Capehart | Leahy | Pepper |
| Chavez | Long | Taylor |
| Downey | McCarthy | Thomas, Okla. |
| Flanders | McKellar | Tobey |
| Graham | Magnuson | Vandenberg |
| Johnson, Colo. | Maybank | Young |
| Johnston, S. C. | Morse | |
| Langer | O'Conor | |

So the report was agreed to.

## FOREST LUMBER CO.—VETO MESSAGE
(S. DOC. NO. 189)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on the Judiciary and ordered to be printed:

*To the Senate of the United States:*

I return herewith, without my approval, the enrolled bill (S. 764) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Forest Lumber Co.

This claim arises out of a contract between the Superintendent of the Klamath Indian Agency, for and on behalf of the Klamath Indians, and the Forest Lumber Co. of Kansas City, Mo., approved by the Assistant Secretary of the Interior on July 25, 1922. The contract covered the sale of an estimated stand of 450,000,000 board feet of timber, principally western yellow pine, at an initial basic price of $5.08 per thousand feet board measure. The agreement provided for an increase of the stumpage price by 3-year periods based on the rise of the lumber market. The price of the timber was raised to $5.48 on April 1, 1928, which was an increase of 40 cents per thousand feet, board measure.

The Forest Lumber Co. protested this increase, claiming that it was unauthorized under the terms of the contract, but the Department of the Interior concluded that the increase was fully justified in the light of conditions then existing, and that the contract provided sufficient authority for the action which had been taken. The Forest Lumber Co. paid the increase which amounted to a total of $44,772.62, and subsequently filed claim No. 1-391 against the United States in the United States Court of Claims. The Court of Claims held that the Forest Lumber Co. was entitled to recover and awarded judgment in the above amount (86 Ct. Cl. 188 et seq.).

This decision was reversed by the United States Supreme Court on the ground that the case was not within the jurisdiction conferred upon the Court of Claims by section 145 (1) of the Judicial Code—now incorporated in section 1491 of title 28 of the United States Code. That section provided that the Court of Claims should have jurisdiction over claims "founded upon any contract, express or implied, with the Government of the United States." The Supreme Court held that the contract in question was not a contract of the United States within the meaning of this language—Three Hundred and Fifth United States Reports, page 415.

Subsequently the Department of the Interior carefully reviewed the merits and equities of the case, including factors which apparently had not been brought to the attention of the Court of Claims. Upon the basis of this review, the Department came to the conclusion that while technical irregularities may have been committed in the administration of the contract involved, these irregularities were encouraged by and were beneficial to the claimant. It also concluded that the total effect of the manner in which the contract had been administered was not shown by the record to have caused any pecuniary damage to the claimant.

The enrolled bill would permit the Forest Lumber Co. to bring a new suit in the Court of Claims upon the same contract against either the United States in a fiduciary capacity or the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians—commonly known as the Klamath Tribe. It provides, however, that any judgment which may be awarded shall not exceed the amount awarded by the Court of Claims in the original suit. The bill states that "such judgment may be awarded against the United States in a fiduciary capacity or as guardian, or against the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians, or in part against the United States in a fiduciary capacity, or as guardian and in part against such tribe, as the facts and law require, except that as to timber cut from allotted lands any judgment may be against the United States as guardian of the allottees." The bill provides further that "upon the rendition of final judgments the court shall certify the same to the Secretary of the Interior, who shall thereupon direct the payment of said judgments out of any funds in the Treasury of the United States to the credit of said Klamath and Modoc Tribes and Yahooskin Band of Snake Indians."

While I am not opposed to a further judicial review of the merits of the claim involved, I am constrained to withhold approval from S. 764 for the following reasons:

First. The Klamath Tribe would be required to make full reimbursement of any judgment that might be awarded by the Court of Claims, despite the fact that only a portion of the money the claimant is seeking to recover was deposited to the credit of the tribe. This inequitable feature of S. 764 is magnified by the fact that an identical requirement is contained in other enrolled bills, S. 765 and S. 766, dealing with similar situations arising under contracts for the sale of timber on the Klamath Reservation entered into with the Algoma Lumber Co. and the Lamm Lumber Co. The total amount collected with respect to all three contracts under the alleged illegal increases in stumpage prices was $81,993.57. This amount was distributed as follows:

| | |
|---|---|
| To the United States as reimbursement for administrative expenses | $6,509.49 |
| To various individual Indians for timber cut from trust allotments | 4,101.72 |
| To the Klamath Tribe for timber cut from tribal lands | 71,332.36 |
| Total collected | 81,993.57 |

While the bill provides for separate judgments on account of timber cut from tribal lands and timber cut from allotted lands belonging to individual Indians, it also contains the quite inconsistent stipulation that all judgments shall be paid from the funds of the Klamath Tribe. Nor does the bill take account of the fact that the United States charged the Indians a fee of 8 percent on all amounts collected under each contract as reimbursement for the expenses of their administration. Since only a part of the asserted overcharges was actually received by the Klamath Tribe, it would be improper to require the Tribe to bear the full burden of reimbursing the claimant for any award made on account of these transactions.

Second. The enrolled bill fails to provide adequately for consideration by the Court of Claims of equities in favor of the United States or the Klamath Tribe which might estop the claimant from contesting the validity of actions taken in reliance on its own course of conduct, or which might give rise to counterclaims on the part of the United States or the tribe that could be set off against the amount of the claim. This omission is of considerable pertinency in view of the fact that the terms of the contract and the course of dealing between the parties may have

imposed a duty upon the claimant to pay sums in addition to those actually collected by the officers of the Government and in connection with items not covered by the asserted overcharges. Under section 2508 of title 28 of the United States Code, the Government may, in general, assert counterclaims when a suit is brought against it in the Court of Claims. However, the contention might be made that section 2508 would not be applicable in a case such as the present where the counterclaim would be based upon a failure to make collection due to a mistake of law, and where the real defendant would be an Indian tribe. If the claimant is to be given a day in court, the court should be able to consider all the circumstances of the case. Its ability to do this would, under the terms of the enrolled bill, be open to question.

I would give my approval to a bill that corrects these errors.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 21, 1950.*

ALGOMA LUMBER CO.—VETO MESSAGE
(S. DOC. NO. 190)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on the Judiciary and ordered to be printed:

*To the Senate of the United States:*

I return herewith without my approval, the enrolled bill (S. 765) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Algoma Lumber Co. and its successors in interest, George R. Birkelund and Charles E. Siddall, of Chicago, Ill., and Kenyon T. Fay, of Los Angeles, Calif., trustees of the Algoma lumber liquidation trust.

The provisions of this enrolled bill are the same, except with respect to the identity of the claimant, as those of S. 764, a measure which I am also returning without my approval. The circumstances upon which the claim is predicated are also the same, in all essential particulars, as those presented in connection with S. 764, although there is some variation, of course, in the amounts and other details of the transactions involved.

The instant bill, like S. 764, is subject to two basic objections: it would require the Klamath Tribe of Indians to make full reimbursment of any judgment awarded by the Court of Claims, despite the fact that only a portion of the money the claimant is seeking to recover was deposited to the credit of the Tribe; and it fails to provide adequately for consideration by the Court of Claims of equities in favor of the United States or the Klamath Tribe which might estop the claimant from contesting the validity of actions taken in reliance on its own course of conduct, or which might give rise to counter claims on the part of the United States or the tribe that could be set off against the amount of the claim. Both of these objections, together with the pertinent facts, are explained fully in my message with respect to S. 764.

For these reasons, I am constrained to withhold approval from S. 765. However, as I stated with respect to S. 764, I would approve a bill which removed these objections.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 21, 1950.*

LAMM LUMBER CO.—VETO MESSAGE
(S. DOC. NO. 191)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on the Judiciary and ordered to be printed:

*To the Senate of the United States:*

I return herewith, without my approval, the enrolled bill (S. 766) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Lamm Lumber Co.

The provisions of this enrolled bill are the same, except with respect to the identity of the claimant, as those of S. 764, a measure which I am also returning without my approval. The circumstances upon which the claim is predicated are also the same, in all essential particulars, as those presented in connection with S. 764, although there is some variation, of course, in the amounts and other details of the transactions involved.

The instant bill, like S. 764, is subject to two basic objections: It would require the Klamath Tribe of Indians to make full reimbursement of any judgment awarded by the Court of Claims, despite the fact that only a portion of the money the claimant is seeking to recover was deposited to the credit of the tribe; and it fails to provide adequately for consideration by the Court of Claims of equities in favor of the United States or the Klamath Tribe which might estop the claimant from contesting the validity of actions taken in reliance on its own course of conduct, or which might give rise to counter claims on the part of the United States or the tribe that could be set off against the amount of the claim. Both of these objections, together with the pertinent facts, are explained fully in my message with respect to S. 764.

For these reasons, I am constrained to withhold approval from S. 766.

However, as I stated with respect to S. 764, I would approve a bill which removed these objections.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 21, 1950.*

DAVIS GROCERY CO.—VETO MESSAGE
(S. DOC. NO. 192)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on the Judiciary, and ordered to be printed:

*To the Senate:*

I am returning herewith, without my approval, S. 2339 for the relief of the Davis Grocery Co., of Oneida, Tenn.

The bill would authorize and direct the Secretary of the Treasury to pay to the Davis Grocery Co., of Oneida, Tenn., the sum of $5,184.26, allegedly representing the amount of a meat subsidy due it as a class 2 meat slaughterer for the period 1943 through 1946.

In connection with its responsibilities for administration of the meat-subsidy program as part of the over-all price-control structure established during the recent war, the Reconstruction Finance Corporation promulgated certain administrative regulations, one of which directed that subsidy claims be filed within 1 month of the close of the monthly accounting period covered by the claim. Although apparently entitled to subsidy benefits, the claimant not only failed to file claims in accordance with this regulation but did not file any claim until after the date on which the entire meat-subsidy program was terminated, despite the fact that before such date it was specifically supplied by Federal authorities with certain information relating to the payment of subsidies, including the time limitations within which claims had to be filed.

The present bill is objectionable on two grounds: First, the award which this measure proposes to pay the claimant appears to be excessive. The sum was apparently computed by the claimant at the rate of 4 cents per pound subsidy on a stated total number of pounds of dressed meat purchased. Significantly, however, the maximum rate of subsidy, which prevailed only during the final year of the program, payable to slaughterers ranged from less than 1 cent per pound on sheep to 3 cents per pound on top-grade cattle calculated on the weight of live animals actually slaughtered. The record discloses not only that the claimant slaughtered other animals beside cattle but also that the nature of its operations was such as to make it highly improbable that it would ever be eligible for payment at the maximum rate. Thus, it seems clear that the proposed award has been computed at an excessive rate on an improper basis and, entirely apart from any other considerations, is in excess of the amount to which the claimant would have been entitled if it had filed timely claims as required by the aforementioned regulation.

Second, there appears to be no sound reason for singling this claimant out for special treatment. The time-of-filing requirement of the RFC regulation was essential to effective and equitable administration of the meat subsidy program. It would have been impossible to have administered this exceedingly complex and extensive program involving scores of thousands of claims without time limitations on the filing of such claims. In addition, it was necessary that there be contemporary scrutiny of subsidy claims by both the OPA and the RFC in order to assure proper administration of the subsidy program as an integrated part of the price stabilization structure. The approval of claims such as the instant one, except under exceptional circumstances not evident here, filed after the termination of the program under which they were authorized and long after the occurrence of facts upon which they are based, would give an unfair advantage to this claimant over other claimants, large and small, who filed their claims during the active period

of price control and of subsidy investigations and enforcement.

For the foregoing reasons, I am compelled to withhold my approval from this measure.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 21, 1950.*

REPORT OF PANAMA RAILROAD COMPANY—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Interstate and Foreign Commerce:

*To the Congress of the United States:*

I transmit herewith, for the information of the Congress, the One Hundredth Annual Report of the Board of Directors of the Panama Railroad Company for the fiscal year ended June 30, 1949.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 21, 1950.*

SUPPLEMENTAL ESTIMATE, DISPLACED PERSONS COMMISSION

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation, amounting to $8,800,000, for the Displaced Persons Commission, fiscal year 1951, in the form of an amendment to the budget, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REORGANIZATION PLAN NO. 27—RESOLUTION OF WISCONSIN STATE DENTAL SOCIETY

Mr. WILEY. Mr. President, I was glad to receive this morning from Dr. M. E. Johnson, chairman of the legislative committee of the Wisconsin State Dental Society, an important communication presenting the views of his distinguished organization in opposition to Reorganization Plan No. 27. I personally opposed the previous scheme which would have prepared the way for socialized medicine, a scheme which has now been dressed up with a few minor variations as plan No. 27.

It is obvious that none of us like to oppose a reorganization plan as such but we are determined to expose the real reasons behind this phony plan. We want genuine Government reorganization which will achieve economy and which will not result in any damaging of the American system of private enterprise or the American system of private medicine which has contributed to our magnificent health standards.

I ask unanimous consent that Dr. Johnson's letter be printed in the body of the RECORD at this point, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Expenditures in the Executive Departments and ordered to be printed in the RECORD, as follows:

WISCONSIN STATE DENTAL SOCIETY,
*Milwaukee, Wis., June 16, 1950.*

The Honorable ALEXANDER WILEY,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR WILEY: The dental profession in the State of Wisconsin is sincerely concerned about the proposed Reorganization Plan No. 27.

The plan, as you know, sets up a Cabinet department to deal with health affairs, which would be headed by a layman. It has always been our firm belief that a Cabinet department dealing with matters of health and only matters of health should be established and that this department should rightfully be administered by members of the health professions. Further, Reorganization Plan No. 27 would elevate to Cabinet status an agency of the Federal Government around which is built the compulsory health-insurance plan, thus enhancing the prestige of an agency sponsoring a program which is to the detriment of the public interest.

We are most grateful for the consideration that you have given to our views in the past, and do trust that you will do everything in your power to see that Reorganization Plan 27 is defeated.

Sincerely yours,

M. E. JOHNSON,
*Chairman, Legislative Committee.*

RESURVEY OF WOLF RIVER, WIS.—RESOLUTIONS

Mr. WILEY. Mr. President, the sportsmen of Wisconsin are tremendously disturbed by the continued attempts of certain Government agencies to construct unnecessary dams all over creation to destroy magnificent natural fish and game habitats. A particular sore spot with the sportsmen of my State relates to the proposed resurvey by the Corps of Engineers of the Wolf River.

Wisconsin is, in my judgment, one of the most conservation- and sports-minded States in the Union, if not the most intensely interested. Last year over 434,000 game-hunting permits were sold to Wisconsin sportsmen, the highest total on record. Moreover, there are about twice as many licensed local fishermen in Wisconsin as there are even hunters. The magnificent sports facilities of my State have contributed to these impressive statistics.

Now, Mr. President, I have in my hand a letter received today from the acting director of the Wisconsin Conservation Department, H. T. J. Cramer. The letter conveyed two splendid resolutions from the Wisconsin Conservation Commission and the Wisconsin Conservation Congress opposing the ruining of sporting facilities on the Wolf River by any unnecessary engineering construction. The director of the Wisconsin Conservation Department is Ernest Swift. G. E. Sprecher is another assistant director. These men, as well as Edward Schneberger, W. F. Grimmer, C. L. Harrington, F. G. Wilson, Neal Lemay, and George S. Hadland, have devoted lifetimes to State conservation problems. I know that their viewpoint as well as the views of the conservation commission itself and the conservation congress will be of interest to my colleagues, so I ask unanimous consent that there be printed at this point in the RECORD the text of the two resolutions which I received, and that they be appropriately referred.

There being no objection, the resolutions were referred to the Committee on Public Works and ordered to be printed in the RECORD, as follows:

RESOLUTION PASSED BY WISCONSIN CONSERVATION COMMISSION JUNE 9, 1950

Whereas under date of November 5, 1931, the United States Engineer Office at Milwaukee, Wis., submitted to the Chief of Engineers a report on a survey of the Wolf River, this survey having been conducted for the purpose of establishing the need for improvements on this stream in the interest of navigation, flood control and power production, and of determining the advisability and feasibility of creating several reservoirs on the upper reaches of the river; and

Whereas the Chief of Engineers and the Board of Engineers for Rivers nad Harbors then decided that the suggested improvements were clearly not practicable and not justified; and

Whereas the Wisconsin Conservation Commission is of the opinion that the facts prejudicial to the contemplated river improvements as established by the previous survey have not been eliminated or undergone any significant changes; and

Whereas technical experts of the United States Fish and Wildlife Service and the Wisconsin Conservation Department have expressed the opinion that the construction of reservoirs on the Upper Wolf River would destroy a considerable area of Wisconsin's trout waters, both in the main stream and the major tributaries, that extensive game habitat in one of the most important hunting and trapping sections of Wisconsin and rare scenic and esthetic values would be eliminated: Be it therefore

*Resolved*, That the Wisconsin Conservation Commission go on record as being opposed (a) to the proposed survey of the Wolf River as an unnecessary duplication of effort; and (b) to the contemplated improvements, especially the construction of reservoirs on the Upper Wolf River as being of only minor value in flood control and as excessively damaging or destructive to fish and wildlife, and scenic and esthetic values.

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RESOLUTION PASSED BY WISCONSIN CONSERVATION CONGRESS JUNE 6, 1950

Whereas the past half century has seen a rapid growth in the utilization of our water-power resources to a point where there is very little remaining wilderness of white water left in the State that is available as a recreational or scenic beauty attraction; and

Whereas by reason of the fact that so little of this type of water remains unspoiled in the State, makes the remaining water of far greater value than it was in former days; and

Whereas current plans by power developments and by the Federal Government to place dams on the Wolf and Namekagon Rivers again have centered attention on the problems of production of power versus scenic beauty and recreational facilities: Now, therefore, be it

*Resolved*, That the conservation congress in convention assembled, does hereby recommend that in the future greater emphasis be placed by the legislature, Federal agencies, and public service commission and the conservation commission on the value of natural scenic beauty and recreational values in determining policy concerning the granting of water-power development where such development would tend to impair the few remaining fast-moving waters in the State.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FREAR, from the Committee on the District of Columbia:

H. R. 4788. A bill to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes; with amendments (Rept. No. 1850).

By Mr. NEELY, from the Committee on the District of Columbia:

S. 3776. A bill to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended; without amendment (Rept. No. 1854).

By Mr. McKELLAR, from the Committee on Appropriations:

H. R. 8567. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes; with amendments (Rept. No. 1851).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs:

S. 3584. A bill to amend the act of June 9, 1906 (34 Stat. 227), entitled "An act granting land to the city of Albuquerque for public purposes"; without amendment (Rept. No. 1852).

By Mr. McCARRAN, from the Committee on the Judiciary:

H. R. 6994. A bill for the relief of Karen R. McAndrews; without amendment (Rept. No. 1855).

## AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT OF 1949—REPORT OF A COMMITTEE

Mr. CONNALLY. Mr. President, from the Committees on Foreign Relations and Armed Services, jointly, I report favorably, without amendment, an original bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949, and I submit a report (No. 1853) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

The bill (S. 3809) was read twice by its title and placed on the calendar.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KERR (for Mr. THOMAS of Oklahoma):

S. 3804. A bill for the relief of Chimako Watanabe; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 3805. A bill to exempt veterans of World War II from section 404 (b) and (c) of the Nationality Act of 1940, relating to loss of nationality by residence abroad; to the Committee on the Judiciary.

By Mr. TYDINGS (by request):

S. 3806. A bill to authorize the detail of officers of the Armed Forces to any duty or position with the Department of Commerce in connection with the work of promoting civil aviation; and

S. 3807. A bill to authorize the President to appoint Col. Henry A. Byroade as Director of the Bureau of German Affairs, Department of State, without affecting his military status and perquisites; to the Committee on Armed Services.

By Mr. CORDON:

S. 3808. A bill authorizing the Secretary of the Interior to convey to the city of Klamath Falls, Oreg., all right, title, and interest of the United States of America in certain lands in Klamath County, Oreg., and for other purposes; to the Committee on Interior and Insular Affairs.

(Mr. CONNALLY, from the Committee on Foreign Relations and Armed Services jointly, reported an original bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. WILEY:

S. 3810. A bill for the relief of Mark G. Rushmann; to the Committee on the Judiciary.

## EXTENSION OF RENT CONTROL FOR THE DISTRICT—AMENDMENT

Mr. CAIN submitted an amendment intended to be proposed by him to the bill (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended, which was ordered to lie on the table and to be printed.

## AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT OF 1949—AMENDMENT

Mr. LODGE submitted an amendment intended to be proposed by him to the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949, which was ordered to lie on the table and to be printed.

## HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred, as indicated:

H. R. 3406. An act for the relief of Ellen Fullard-Leo;

H. R. 4836. An act for the relief of Xylda L. Driver;

H. R. 5110. An act for the relief of Janos (John) Treber and Mrs. Katalin (Katherine) Treber;

H. R. 5782. An act for the relief of Mrs. Vera Raupe;

H. R. 6287. An act for the relief of Dr. George Alexandros Chronakis;

H. R. 6363. An act conferring jurisdiction on the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.;

H. R. 6709. An act for the relief of Ed Howard Russell;

H. R. 6850. An act for the relief of Lt. Col. F. A. Ferguson;

H. R. 7071. An act for the relief of Mrs. Masa Iyoki;

H. R. 7079. An act for the relief of Mrs. Gin Shibasaki Okafuji;

H. R. 7204. An act for the relief of Maria Cristina D'Angelo;

H. R. 7228. An act for the relief of Kazuko Kamada;

H. R. 7414. An act for the relief of Teresa Gentile and Galliano Gentile;

H. R. 7783. An act for the relief of Mrs. Donald Rafter;

H. R. 7815. An act for the relief of John Yee Horn;

H. R. 7820. An act for the relief of Keiko Uchida Doane and her minor child;

H. R. 7970. An act for the relief of Mrs. Regina Anderson and her minor child;

H. R. 8183. An act for the relief of Asako Tsuchida;

H. R. 8289. An act for the relief of Yee Balche Yee;

H. R. 8361. An act for the relief of Toshiko Mural;

H. R. 8381. An act for the relief of Mrs. Joseph C. Grant;

H. R. 8440. An act for the relief of Noae Kawashima;

H. R. 8451. An act for the relief of Yoshie Nozawa;

H. R. 8500. An act for the relief of Hatsuko Torikai;

H. R. 8581. An act for the relief of Yasuko Higuchi Thomson;

H. R. 8583. An act for the relief of Hisako Shimizu;

H. R. 8655. An act for the relief of Toshiko Kikyo and Francis Kikyo;

H. R. 8600. An act for the relief of Yuriko Aoyama; and

H. R. 8722. An act for the relief of Jun Hin Lum; to the Committee on the Judiciary.

H. R. 4065. An act to provide for the relinquishment of mineral reservations in the land patent of Thomas Stephens;

H. R. 6221. An act to authorize the sale of certain public lands in Alaska to the This-Side-of-Heaven Children's Home for use as a children's home;

H. R. 6964. An act authorizing the Secretary of the Interior to issue a patent in fee to Josephine Stevens Goering;

H. R. 7753. An act to authorize the Secretary of the Interior to sell certain land on the Chena River to the Tanana Valley Sportsmen's Association, of Fairbanks, Alaska; and

H. R. 7916. An act to authorize and direct the Secretary of the Interior to execute an oil and gas lease on a certain tract of land in Park County, Wyo.; to the Committee on Interior and Insular Affairs.

H. R. 7873. An act to authorize construction of buildings for the Bureau of Old-Age and Survivors Insurance, and for other purposes; to the Committee on Public Works.

## MEMORIAL ADDRESS BY THE REVEREND ARTHUR J. RILEY, HISTORIAN OF THE KNIGHTS OF COLUMBUS

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an address entitled "Worthy Tribute to Blessed Memories," delivered by the Reverend Arthur J. Riley, historian of the Knights of Columbus, at Memorial Day observances held in New Haven, Conn., which appears in the Appendix.]

## ATLANTIC CHAIN REACTION—ARTICLE BY SERVAN SCHREIBER

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an article entitled "Atlantic Chain Reaction," written by Servan Schreiber, and published in the New York Herald Tribune of June 11, 1950, which appears in the Appendix.]

## APPLE GROWERS SHUN GOVERNMENT SUPPORT

[Mr. BYRD asked and obtained leave to have printed in the RECORD an article regarding the attitude of apple growers toward Government support, which appears in the Appendix.]

## COMMUNISM AND SOCIALISM—ADDRESS BY E. C. COLEMAN

[Mr. BYRD asked and obtained leave to have printed in the RECORD an address on socialism and communism delivered by E. C. Coleman, Grand Master of the Grand Lodge of Masons of Tennessee, in Memphis, Tenn., on May 10, 1950, as reported in the Nashville Banner, which appears in the Appendix.]

## AMERICAN POLICY IN GERMANY—ADDRESS BY SENATOR HENDRICKSON

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an address on Senate Resolution 260, delivered by Senator HENDRICKSON at the annual convention banquet of the Department of New Jersey, Jewish War Veterans of the United States, at Asbury Park, June 17, 1950, which appears in the Appendix.]

CENSORSHIP OF NEWS—ARTICLE FROM THE NEW YORK TIMES

[Mr. BENTON asked and obtained leave to have printed in the RECORD an article on Censorship of News, published in the New York Times of June 18, 1950, which appears in the Appendix.]

THE PRESIDENT'S CIVIL RIGHTS PLAN—ARTICLE FROM GREENSBORO DAILY NEWS

[Mr. HOEY asked and obtained leave to have printed in the RECORD an article entitled, "Successful Fayetteville Negro Leader Opposes President's Civil Rights Plan," written by Jack Crosswell, and published in the Greensboro (N. C.) Daily News, June 18, 1950, which appears in the Appendix.]

SHOWDOWN IN THE PACIFIC—ARTICLE FROM BARRON'S NATIONAL BUSINESS AND FINANCIAL WEEKLY

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD an article entitled, "Showdown in the Pacific," published in Barron's National Business and Financial Weekly of June 19, 1950, which appears in the Appendix.]

FULTON LEWIS, JR.—ARTICLE BY CHARLES VAN DEVANDER

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article relative to Fulton Lewis, Jr., written by Charles Van Devander, published in the New York Post of Wednesday, June 21, 1950, which appears in the Appendix.]

POEMS BY FLOYD CHATHAM GENTER

[Mr. IVES asked and obtained leave to have printed in the RECORD two poems, one entitled "Prayer For America," the other entitled "Lest We Regret," written by Floyd Chatham Genter, of Schenectady, N. Y., which appear in the Appendix.]

UNESCO CONFERENCE AT FLORENCE, ITALY

Mr. BENTON. Mr. President, yesterday I saw the President to report briefly to him on my recent trip to Italy. I ask unanimous consent to insert in the body of the RECORD the statement I gave the press at the White House following my interview with the President. I hope this quick summary will serve as an adequate report to the Senate as well. My observations on the UNESCO Conference, which concluded last Saturday at Florence, should be considered, of course, in conjunction with my speech to the general conference in Florence, which is to be found on page A4431 of the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BENTON

I reported to the President on the UNESCO Conference at Florence to which he appointed me, along with Mrs. SMITH of Maine, as a congressional adviser to the United States delegation. I told him that I felt I spoke for both Mrs. SMITH and me in reporting that the United States delegation had performed admirably. Under the chairmanship of Mr. Howland Sargeant, of the State Department, it had pressed aggressively for a rigorous elimination of many projects to achieve concentration on the most important. Unhappily, there are far too many that are trivial. I fear that this is inevitable when such responsibility for the program is left to a general conference of 59 nations.

I told the President that it is my feeling based on 5 years' experience with UNESCO that greater power should be put in the hands of the Director General, who must be held strictly responsible, and that roles of the executive board and the general conference should be reexamined and revamped. Our delegation at Florence proposed that UNESCO should hold a general conference only once every 2 years hereafter, and this is an important reform which in itself necessitates a reorganization, including placing more responsibility in the hands of the Director General.

I gave the President the background of my own speech in Florence in which I called upon the delegates for a rededication to first principles. Unhappily, too many of the intellectuals and scholars at the UNESCO Conferences feel that education, science, and culture are ends in themselves rather than means for the attainment of UNESCO's objectives. In this speech I asked for the development of a UNESCO program which would eliminate the minor and diffuse projects and I suggested that every project be judged strictly by the relative potential importance of its contribution to peace.

I told the President that I urged upon UNESCO an active role in world politics, including facing up to the great and titanic struggle in which the world is now engaged—a struggle for the minds and hearts of mankind which goes straight to the center of UNESCO's reason for existence. This struggle is a moral and an educational struggle far more than it is a contest of military and economic potentials. (I left with the President the full text of my speech—to be found on p. A4431 of the Appendix of the CONGRESSIONAL RECORD.)

I further told the President that at the invitation of Mr. Paul Hoffman I had visited several of the ECA projects in Italy and Sicily. I described to him Italy's amazing recovery, which is largely, if not wholly, attributable to American assistance. The $3,000,000,000 which we have poured into Italy since the war is a record unparalleled in all history in the relationship between a victorious power and a conquered one. The present ECA program, in my opinion, accounts for the fact that the growth of communism has been arrested in Italy. In Florence 65 percent of the vote in the last election was Communist, and in Milan, which I also visited, it was over 50 percent. The largest confederation of labor unions, with more than 3,500,000 members, is wholly controlled by the Communists, with Communist-trained in every key post.

Against this formidable infiltration, Prime Minister de Gasperi, with whom I dined while in Rome, has formed a successful government which has brought stability and economic progress. The Italian people are hard working and skillful. I spoke to the American Chamber of Commerce in Rome and told them we know the Italians well in Connecticut, where there are over 75,000 who were born in Italy, and we know them to be enterprising and self-reliant. I called the communism of Italy the communism of the empty belly and I attributed it in part to the fact that capitalism has never worked successfully. I plead with these businessmen to give the long-suffering people of Italy the chance which the United States wants to give them. In view of the tragic background—the more than 20 years of fascism, the entrenched business monopolies which charge too much and give too little, the age-long need for land reform, with something like one-third of all the land in the hands of a small number of rich families—and finally in view of the great need for tax reform so that the rich will carry a much bigger percentage of the taxes than at present—and the poor get the relief they deserve—in view of these needs, with which Premier de Gasperi and his cabinet are wrestling, the progress of Italy is remarkable and seems to me a great tribute to the success of our foreign policy in western Europe.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3181) to extend the Housing and Rent Act of 1947, as amended, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4895) to permit the prospecting, development, mining, removal, and utilization of the mineral resources within the Superior National Forest, Minnesota, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 1082. An act conferring jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon a claim of the Bunker Hill Development Corp.;

H. R. 2230. An act for the relief of Arthur S. Horner, Leah B. Horner, and Maude Brewer, doing business as the A. S. Horner Construction Co.;

H. R. 2803. An act for the relief of Albert J. Peterson;

H. R. 3254. An act for the relief of Iva Gavin;

H. R. 4371. An act for the relief of Shiro Takemura;

H. R. 4692. An act to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II;

H. R. 5019. An act for the relief of Fella H. Holbrook;

H. R. 5682. An act for the relief of William T. Orton;

H. R. 5846. An act for the relief of Mrs. Lillian Coolidge;

H. R. 6691. An act for the relief of Paul D. Banning, Chief Disbursing Officer, Treasury Department, and for other purposes; and

H. R. 6934. An act for the relief of E. H. Corrigan.

EXTENSION OF SELECTIVE SERVICE ACT OF 1948

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of the House bill 6826, Calendar No. 1789.

The VICE PRESIDENT. The Secretary will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 6826) to provide for the common defense through the registration and classifica-

tion of certain male persons, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes, which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause and insert:

That subsection (b) of section 17 of the Selective Service Act of 1948 (62 Stat. 604) is hereby amended by striking out the words "second anniversary" and substituting therefor the words "fifth anniversary."

SEC. 2. The Selective Service Act of 1948 is hereby amended by inserting after section 20 the following new section:

"SEC. 21. (a) Any person who registers as required by the terms of this title, and any person who hereafter voluntarily enlists in the armed forces of the United States, shall be afforded an opportunity to state in writing over his signature whether he has a preference to serve only in a unit all of the enlisted personnel of which are of his own race. Such opportunity shall be afforded at the time of registration in the case of those registering under the requirements of this title, or upon enlistment in the case of those who hereafter enlist in the armed forces of the United States. Any such person who expresses such preference shall thereafter be assigned only to units of a type consistent with his preference. The right to express and the effect of expressing any such preference shall be clearly explained to each person who hereafter registers under this title, or enlists in the armed forces of the United States. As used in this section the term 'unit' means a group of persons serving in the armed forces who (1) share the same housing, messing, or sanitary facilities, or (2) participate jointly in recreational or social activities. For the purposes of this subsection an individual's race shall be determined in accordance with the more detailed classification as to race used by the Bureau of the Census in connection with the taking and preparation of statistics of the Sixteenth Census of the United States. Nothing in this subsection shall be deemed to preclude the assignment of any individual who belongs to a race comprising less than 1 percent of the population of the United States to units containing enlisted personnel of the most numerous race in the United States, if the Secretary of the armed force concerned has determined that it is impracticable to organize units all of the enlisted personnel of which are of such individual's race.

"(b) Any commissioned officer of the armed forces who knowingly and willfully denies to any person his right to express a preference upon enlistment as provided by subsection (a) or assigns any person after enlistment or induction to any unit in violation of the provisions of such subsection shall be guilty of conduct unbecoming an officer and a gentleman and shall be subject to trial and punishment under the appropriate article of war, article for the government of the Navy, or article of the Uniform Code of Military Justice."

The VICE PRESIDENT. The Senate has before it House bill 6826, with one amendment, which is a complete substitute for the text of the bill as passed by the House of Representatives.

Mr. LUCAS. Mr. President, I call up an amendment offered by myself, the Senator from Pennsylvania [Mr. MYERS], the Senator from New York [Mr. LEHMAN], and other Senators; and I ask that the amendment be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, beginning with line 18, it is proposed to strike out down to and including line 16 on page 5.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Illinois, offered for himself and other Senators.

Mr. RUSSELL. Mr. President, I do not know in what order it is intended to have amendments considered. I had assumed that perhaps the chairman of a committee would decide to make a statement with respect to the over-all provisions of the bill.

Mr. TYDINGS. That is correct; that is what I intend to do, now that the bill has been made the unfinished business.

Mr. LUCAS. Mr. President, that was my only reason for offering the amendment at this time, namely, to give the Senator from Maryland an opportunity to make an over-all statement regarding the bill. The amendment will be disposed of later.

Mr. TYDINGS. Mr. President, the bill now before the Senate contains a provision which is somewhat controversial. To it, the Senator from Illinois has just submitted an amendment. My remarks will be addressed rather to the general purpose of the bill than to any specific provision of it.

The Draft Act, or the Selective Service Act, will expire, I think, on the 24th of June. If we do not take some action on or before that date in reference to the Selective Service Act, there will be no Selective Service Act on the statute books; it will be nullified, it will no longer be a part of the preparedness machinery of the country. The draft boards are now in being. They have files showing the men who have registered, and who are required under the law to register for call in the event of an emergency. If the law shall expire, these records in each precinct and community throughout America will no longer be valuable, and they are likely to be destroyed. The draft boards, who are familiar with the personnel equation in each precinct and community of America, will go out of business, and we shall be absolutely without any machinery in being, in case of an emergency, to supply men to the Army, Navy, and Air Force.

It is not proposed by the extension of the Selective Service Act to put the Act into effect. It is not in effect now. We are not drafting men or women to serve in the Armed Forces, and the extension of the act is not for the purpose of using it to draft persons into the armed services. It is simply to have it on the books, to have the boards in being, to have the registration files in being, and to have everything in readiness, so that in case it becomes necessary to increase rapidly our Army and our Navy or our Air Force, then the machinery will be there, and it can be put into operation immediately.

If this is not done, I am advised by General Hershey, who is in charge of Selective Service, General Bradley, General Collins and others who testified before the committee, that four precious months will be lost in case of an emergency, because a new act will have to be passed, new boards will have to be created, new registrations will have to take place, new sifting will have to be made, and, in the case of an emergency 4 precious months will have been lost.

The sole purpose of extending the act is to prevent that contingency from happening. It is not the purpose in extending the act to use it to fill up the ranks of the Armed Services, because it is not expected that that will be necessary. The sole purpose is to have it ready in case of some emergency, should the Congress not be in session, or should it be in session, so that the machinery is available. I prefer to liken it to an automobile of which the engine is running, and the car is not moving, but everything is ready to go ahead. One does not put the automobile into gear and send it down the roadway unless he feels that it is necessary. The engine is turning over, the gas and oil are there, the ignition is operating, and, if it is necessary, all one has to do is to throw the car into gear and it moves off. So it is with the Selective Service Act. It is not intended that it shall be put into operation. It is not in operation now. It has not been in operation for months and years; but it is there, just as everything else is, in our preparedness program, to take care of an emergency which might arise.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Is it not also true, in the words of General Bradley, that the existence of this act makes it possible for us to have a smaller number of persons in our Regular armed services today?

Mr. TYDINGS. That is true. I thank the Senator for giving me that thought, and I am going to take the liberty of enlarging upon it a little. The psychological effect of the selective-service law is this: The very fact that it is on the statute book induces a great many men to volunteer for military service who perhaps would not do so if the act were not on the books. Therefore, it has not been necessary to use the draft act, because the voluntary enlistments, impelled by the thought that it can be used in an emergency, have been sufficient to produce a sufficient volume of recruits on an enlistment basis so that we have not had to use draftees to fill up the ranks of the armed services.

Here is the great danger of not extending the Selective Service Act: If it is not extended, not only will there go out of being in all the communities throughout America the draft boards who are trained and who know the work and who know the personnel equation in every precinct and community; not only will the registration of new recruits stop, so that we shall not have any records for the future; not only will the lists now in being; the appropriately numbered and allocated, cease to exist; not only will all of those things happen, but if we do not extend selective service, and the propulsion which it now puts on those who might be called to enlist voluntarily without being drafted ceases to exist, the danger

is that in that contingency we are likely to have the numerical strength of our Army, Navy, and Air Force gradually decreased to a point where we shall have to have compulsory selective service.

I think the Senator from Massachusetts and the Senator from Washington, who are present on the floor and who serve on the Armed Services Committee with me, will recall that when the question was asked the proper authorities, if we did not extend this act, what would be likely to happen, the fear was expressed that if that act were not on the books the Congress would have to come back within a very few months to pass a compulsory Selective Service Act, under which we would really start drafting again, in order to keep the ranks of the military forces sufficiently filled during this period of international tension and emergency. So if anyone feels that by defeating the extension of the Selective Service Act there will be less need for the use of the selective service as an instrumentality for filling the Military Establishment ranks, he is wrong. If the Selective Service Act is not extended, the prediction by all the military authorities is, and the experience tables show, that there will not be sufficient voluntary enlistments, without selective service in the background, to give us the minimum number of men we require. We shall then, in this period of world tension, have to have compulsory draft in order to get the men we must have as a precaution for our own safety and defense.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LUCAS. The Senator has referred indirectly to the fact I am about to mention. It is my understanding that 10,000,000 registrations under the present act will become void in the event the present Selective Service Act is not continued.

Mr. TYDINGS. That is correct. Consider the magnitude of the task.

Mr. LUCAS. I should like to have the Senator elaborate upon that phase of it, because it seems to me it is one of the most important features of the entire selective-service program, so far as continuation is concerned, for, as the Senator has said, if we were compelled to pass another law in a great emergency which might arise at any moment, all the work which has been done in the past few years under the present act would be lost. We would have to do it all over again. It seems to me that is one of the most vital things in connection with the matter. It would cause confusion and would create chaos. It seems to me the crisis is almost here if we do not act promptly.

Mr. TYDINGS. I shall not go into all the details, but I should like to skeletonize slightly the effect. First of all, we would have to have a new act eventually. In the meantime, we would have no Director of Selective Service; in the meantime, 3,600 selective-service boards in the various communities of the country would cease to exist; in the meantime, 10,000,000 registrants, who have already registered and whose records are all complete, signed up, and temporarily allocated and given a number so as to be available in case of emergency, would have gone for naught. If we do not extend the act, and we have to extend it later on, it will take four precious months to recapture the lost ground. When we repass it we shall have to have another Director of Selective Service. His staff will have to be established all over again. We shall have to reconstitute 3,600 selective-service boards——

Mr. LUCAS. Does not the Senator mean 36,000?

Mr. TYDINGS. There are 3,600 boards and there are 37,000 noncompensated persons who are now giving their time and their service to make the organization an efficient and functioning stand-by piece of machinery for our safety and national defense. All of that would go out of existence if the act should not be extended.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. TYDINGS. I yield.

Mr. LUCAS. I have one more observation on the very important point which the Senator is discussing. As I understand, there are 54 State and territorial directors whose positions would also terminate.

Mr. TYDINGS. That is correct. We do not now realize what took place when the act was first passed. It has been modified and changed slightly, but basically it has gone all the way through since before the beginning of the war down to today. When we first passed it there was a period of 4 or 5 or 6 months after it was passed in which it was necessary to create the boards, to assemble the machinery, make it function, and have the young men registered. We have accepted it. Now that we have gotten away from the actual fighting part of the war we accept it as if it is something which can be done easily. It is a gigantic undertaking. It involves many thousands of employees, both paid and unpaid; it involves every community in the Nation. But over and above everything else that gives me concern is the fact that the tables of enlistment now show there is a gradual decline in the number of persons voluntarily enlisting. The Army is 27,000 under its authorized minimum strength at this time. One of the reasons we have been able to keep the Army up to a reasonable strength is that a great many young men decided that maybe it would be necessary to draft them later on, and they would just as soon go into the service and have it behind them. That propulsion, that inducement, has caused thousands of young men to enlist and render service to their country so it would be behind them, the future would be clear, and they would not be involved in any Selective Service if it were later to come.

If the draft act—I prefer to call it the Selective Service Act—is not extended, the enlistments, which are already beginning to decline, will decline more precipitately, they will fall off more violently, and the net result will be, according to the military experts and the tables of experience, that we shall have to find some means to get men into the services in order to bring the services up again to their minimum requirements.

I shall be glad to answer any questions on the subject. I have tried to cover the philosophy of the bill in a general way.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WATKINS. Let me first make the observation that I think I voted for the Selective Service Act in the first place, or at least for the extension of it when it was before the Eightieth Congress. I have not heard the Senator explain just how the machine will be set up with gasoline in it and all ready to go. Who will start it? Who will have authority to put it into operation again?

Mr. TYDINGS. It will be the same machine covered by the amendment for which the Senator voted in the Eightieth Congress. We are to extend an existing law without changing the existing law.

Mr. WATKINS. Does the Senator realize that many changes have been made in our position before the world since the time the Eightieth Congress voted for an extension of the act?

Mr. TYDINGS. Yes, but I cannot say that the danger has lessened. The situation in the Orient, in the eyes of many persons, has become more dangerous. There is a big threat of communism in China and a threat of it in southern Asia. I should like also to point out to the able Senator that since we extended the act, the Marshall plan has been in operation, together with the arms implementation program and the North Atlantic Security Pact, so that we have commitments which we did not have when we extended the act 3 years ago.

I appreciate the Senator's point of view, but I cannot see that we are well on the roadway to peace. I wish to heaven we were. We are in the position of a man who feels that his house is not so likely to burn down as it was 3 years ago, but he does not feel he can reduce the insurance on the house merely because of the little less probability that it will catch on fire. We have got to have a few more fire-prevention policies in effect before we can further reduce the volume of insurance we are carrying on the house which we call the United States of America.

Mr. WATKINS. I may say, if the Senator will further yield, that I am not asking these questions as indicating in any way that I am opposed to extension. I am very much interested in the situation as it will be in the hands of one man who is to put the machine in operation again and operate it.

Mr. TYDINGS. Let me say to the Senator from Utah that I am not insinuating or even taking the assumption which he himself has suggested as my own thought; I am simply talking generally. It is anticipated that Congress will adjourn some time around the first of August. It is anticipated that we shall not be back again until next January. There is a period of approximately 5 months in which Congress will not be in session. Not long ago there was a plane shot down over the Baltic, taking the lives of 11 or 12 of our gallant military personnel. There was a little tension involved, mildly, for a few days,

It would have been idle, in my judgment, to have gone to war recklessly, but, nevertheless, that illustrates the point that events may occur which are not now within our ken, not now on the horizon, but which could very quickly change the whole picture. Therefore, I think we have to have the lever of the idling automobile in the hands of someone who is here. He cannot declare war, but at least he can start to build up the forces rather than to await the return of Congress.

Mr. WATKINS. What would be the objection in the mind of the Senator to the provision in the House bill—I think it is section 22—which places the matter in the hands of Congress to authorize the President by resolution to go ahead and put the machinery in operation?

Mr. TYDINGS. There are several answers to that. One of them is that we do not want ourselves to declare an emergency in order to meet an emergency.

Mr. WATKINS. Someone must make that declaration. Should it be left to the President, or to the Congress?

Mr. TYDINGS. Let me read what our staff has drawn up with respect to that matter. I have not read it carefully. I think it is a comprehensive statement. The Senator will take note that the House adopted two new sections. They are sections 21 and 22.

The first of these proposed new sections freezes the induction authority of the President, and requires a declaration of an emergency by the Congress before inductions can be resumed.

Mr. WATKINS. The Senator is speaking of the House version.

Mr. TYDINGS. Yes. It requires a declaration of an emergency by the Congress before inductions can be resumed. If we were to be away from Washington for 5 months, it would take a little while to reassemble the Congress if it were called back. In the second place, many Members would not wish to return if it were just before a primary election, or before the general elections. As a matter of fact, many of our colleagues are not in the Senate today and have not been here because they are back home trying to fix their fences and to make contact with their people and answer their opponents. After the first of August that situation will increase in intensity, rather than diminish, because all Members of the House of Representatives are up for reelection, and more than one-third of the Senate, counting the vacancies, will be out talking to the people. To call them back while they are engaged in election contests is a matter which is fraught with some little difficulty.

Mr. WATKINS. What would happen if an emergency should arise which indicated that Congress would be required to meet in order to consider a declaration of war? They would have to come back then.

Mr. TYDINGS. I believe there is a great deal of difference between coming back to put selective service machinery into effect and coming back to declare war. There is no alternative if the situation is so serious that we are called upon to declare war. I hope and pray that will not happen. There is no comparison between that and simply putting the selective-service machinery into operation.

Mr. WATKINS. It seems to me, although I have not heard a very thorough discussion of the subject and I have not had an opportunity to acquaint myself fully with it, that under this proposal we would be placing a great responsibility in one man by giving him the authority to put this machinery into operation. There would have to be some kind of emergency. He would have to declare some kind of emergency before he could place it into operation. At the same time a situation might develop under which one Atlantic Pact nation was attacked and that nation would invoke article V of the Atlantic Pact, which would require us to go to war. If that were to happen Congress would have to be called back, unless we are to proceed on the theory that we are at war automatically if such a thing were to happen. Under an interpretation of the pact the President might put us in the war, and put the draft machinery into operation, without having Congress called back.

Mr. TYDINGS. The Senator's question is a very proper one. The situation which he described is one which we have virtually had in operation for the last 1, 2, or 3 years. The President could have done what the Senator says may be done in the future. The President could have done that during the past year.

Mr. WATKINS. But not prior to the adoption of the Atlantic Pact, which gave him additional authority.

Mr. TYDINGS. The Atlantic Pact has been on the books for quite some time.

Mr. WATKINS. Since last fall.

Mr. TYDINGS. I forget the exact date. At any rate, the President has not used the machinery. Let me read on, please.

The Senate position is that they oppose a proposal which would require a declaration of an emergency by the Congress before inductions can be resumed.

We oppose that because we feel that it strikes at the fundamental purpose of the law. The law seeks to guarantee to the Nation an armed strength which is large enough to deter the aggressor's threat. A strength large enough to cope with situations that are developing. We seek to cut off the Whitsunday riot in Berlin, rather than assemble here in this Senate chamber after the situation has exploded in our faces, and ruefully go through the business of declaring a national emergency. In the last analysis, this portion of the House version actually makes it necessary to declare an emergency in order to attempt to prevent one.

The Armed Services Committee has consistently avoided any war-scare tactics in dealing with this bill.

We look upon this bill, just as we look upon providing our Army, Navy, and Air Force with weapons, men, or any other ordinary routine elements, as important and necessary to the national defense at one of the most critical and unpredictable periods in the history of the human race. There is not a Senator on this floor who can look ahead for a month and reasonably diagnose and ascertain the portents of the unfolding hour. For the moment it looks as though national safety has gotten fairly back on solid ground. I see a slight ray of optimism, although I cannot prove it. It is more or less emotional. Because we have been inured to so many small scares, and some large ones, we have lost our sense of shock and fright. Therefore, in the absence of some great or large outbreak of hostilities, most of us are likely to assume that when some danger threatens it is going to be merely another minor crisis.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. TYDINGS. I should like to finish this statement. We are about to authorize the establishment of a 70-group Air Force. That does not mean that we shall buy the additional 16 groups, to increase the number from 54 to 70. It means that it has been considered by the Congress. It is what we ought to have. It is what we would call provisional insurance against an emergency. We have considered it. The bill is in conference. It will soon be out on the floor. We are not going to appropriate the money and build right up to 70 groups, any more than we are going to throw this lever into gear and start the draft act functioning. However, there are certain precautionary things we must have in the offing—just in case. I do not know what may happen in Asia in the next 6 months before Congress reconvenes. I do not know what will happen in southeast Asia, or in China. I do not know what will happen in Iran, which is a small country that abuts the southern border of Russia and runs down to the great oil fields of the Middle East.

I do not know what may happen in the elections which may be held in one place or another, and whether or not communism will increase or decrease. I do know that the most precious thing in all Christendom is the strength and vitality of the United States of America. That is the keystone in the whole arch of world civilization and democracy. It is the hope of millions of people behind the iron curtain, and the prayer, the fervent prayer, of millions of men, women, and children in all the democratic countries of the earth.

I pray to God we will never have to use the Selective Service Act again, but we have not moved down the corridor of time sufficiently away from World War II to enable us to say we will never need it again, or that it can be taken from the books, or should not be applied quickly in some possible hour of danger.

Mr. SCHOEPPEL. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON of Texas in the chair). Does the Senator from Maryland yield to the Senator from Kansas?

Mr. TYDINGS. I yield.

Mr. SCHOEPPEL. I should like to ask a few questions of the distinguished Senator from Maryland, in whose ability I have great confidence, and who has given much thought and consideration to these matters.

The Senator has pointed out that we are in a period of time when we do not know what is ahead of us. Within a few short days, certainly not too many hours hence, we will vote on the extension of the Draft Act for another period of years, in order to get the young men

of the United States of America, this great Republic, ready for mobilization so as to be able to protect this country. In all seriousness, I wonder if the Senator has given some consideration to the question of whether it is not perfectly proper for us to start mobilizing industry and labor, and the technical knowledge we have, and not put the burden on the young people of America alone, but put it on the shoulders of other segments of our great country, and indicate that the young men and women are not the only ones who are going to be held in readiness. Are we going to permit millionaires by the score to be made out of another world war if it comes? And God forbid that it come. What is to be our answer to the young people of the United States?

Mr. TYDINGS. Will the Senator permit me to answer?

Mr. SCHOEPPEL. Certainly.

Mr. TYDINGS. No more pertinent question could be asked on this floor concerning a major policy in peacetime than the one posed by the distinguished Senator from Kansas.

Let me say, in answer, that we have had before the Senate Committee on Armed Services, not once, but several times this year, those charged with formulating a program which will deal with industry in the same way in which we deal with human beings, to marshal it and mobilize it for the defense of the country in time of war. We have had a subcommittee working on that for a long time. We have had the representatives of the interested Government agencies before our committee. The ramifications of the plan we must make for America in the future to deal with the situation the Senator from Kansas has described almost baffle the imagination. It touches the field of law, it touches the field of commerce—foreign, interstate, and domestic—it touches the fields of finance, it touches the field of taxes, it touches the field of rationing, it touches the field of price fixing, it touches the field of critical materials. There are literally scores of facets to the mobilization of the industry of the country on a basis comparable with the mobilization of the personnel, if this Nation shall be confronted with another great world war.

The reason for that is that our country was not a battlefield in the last two great world wars. The first one was fought in Europe and on the seas. The second one was fought in Europe and on the adjacent seas, in Africa, in Asia, and on the seas around Asia. But my State and the other States, Kansas, Utah, and all the other States of the Union, escaped being battlefields, while most of the remainder of the earth, in varying degree, was a battlefield. Our country was not fought over. Millions of men did not march back and forth over our land as they did over France, Belgium, Holland, Germany, Poland, Czechoslovakia, and Russia. No great fleets of airplanes came over, in the dead of night or in the daytime, and let loose thousands of powerful bombs to destroy the factories, the homes, the railroads, and the bridges of our people, as happened in many places in the world.

When we went to bed at night, with reasonable security in our hearts and souls, our anxiety was for those who had gone abroad to take part in the struggle; but we slept soundly, almost completely oblivious of the fact that our slumbers might be broken by the roar of planes which might snuff out the population of Baltimore, Topeka, Salt Lake City, New York, or any other city.

Mr. President, that time has gone. In the event of another great war, the time when we could go to sleep without fear of our own country becoming a battlefield is in the limbo of forgotten things. Never again will we have the luxury of time in which to prepare. We have to be prepared, or it might be disastrous.

Mr. President, I should like to say to my able friend from Kansas that we have had before us the people to whom I have referred, and with a realization of the picture I have briefly touched upon, we urged them to give us their plan, and get it to us quickly. We have had preliminary discussions of the subject with those in authority. We have had a sort of a preview of the plans, so far as they have gone, and the amount of work done on them has been tremendous. I myself had no idea, until they testified before our committee in executive session, of the ramifications of what we must do as respects industry in the event of another great war. We must all assume, whether we like it or not, a degree of regimentation for all our normal business activities, if another great war comes, similar to the regimentation to which persons wearing the uniform of the country are subjected.

Mr. SCHOEPPEL. Mr. President, will the Senator yield further?

Mr. TYDINGS. I yield.

Mr. SCHOEPPEL. I know the Senate is fully aware of our responsibility in that regard, but is it not a fact that in the last war we had a lag of many months, almost a year and a half, before industry came to be at least partially mobilized in the effort to meet its responsibility?

Mr. TYDINGS. The Senator is correct about that.

Mr. SCHOEPPEL. Does not the distinguished Senator from Maryland feel that it is wrong to procrastinate and say to the young people of America, "You are the only ones who are going to be on the line, subject to the orders that may come overnight, or within a matter of hours, and industry and labor and all the other segments of our great country can wait until we get jolly well ready to arrange to have them come in"? Does not the Senator feel it is of transcendent importance that we give consideration to that matter, perhaps not at this session, but certainly at the earliest possible time in the next session? Otherwise, I am afraid that the young folks of America and their parents—and there are millions of them—have a right to feel they have been sold short on the proposition of the defense of America.

Mr. TYDINGS. The Senator is absolutely right, and I am in thorough accord with him. We cannot expect the human beings who are the defenders of the Government to carry the whole burden of the sacrifices of war, without other citizens bearing a share of them.

If we should have war tomorrow, or if we should have the threat of war tomorrow, let me name a few of the things that would have to be done. Probably prices would have to be frozen by Executive order. Probably wages would have to be frozen. Immediately we would have to ration all critical items, such as rubber, oil, and manganese, and all other items we do not have in abundance.

Then there would have to be allocations. We could no longer build in America or buy automobiles, or this, that, or the other, if what went into those things was needed for the common defense. Lumber and everything of that sort would be withheld from normal channels of trade. It would be necessary to enact all sorts of legislation dealing with the Department of Justice. We would have to provide the Government with the right to seize property without paying for it until later, which is abhorrent to our peacetime idea of private property. If the Government were to need something, it would take it and tell the one from whom it was taken, "Send in your bill and we will adjudicate what we will pay you later on." There are literally hundreds and thousands of things that would have to be done if we were confronted tomorrow with another great war.

The Senator from Kansas and I see eye to eye on this subject. I believe the members of our committee will bear me out when I say that I have been putting pressure, and strong pressure, on those who are concerned by law with the phases we have been discussing in getting the plan whipped into shape so we could have a bill ready and put it on the statute books. I have even gone so far as to say, "If you cannot give us the perfected plan, give us as much as you can, and we will go along." I am thoroughly in accord with that procedure. But, meantime, in the interim period between this time and the next session of Congress we have got to keep our manpower up, because that is our first line of defense. Our industry behind it in time of war is our second line of defense.

Mr. SCHOEPPEL. Mr. President, will the Senator again yield?

The PRESIDING OFFICER (Mr. HUNT in the chair). Does the Senator from Maryland yield to the Senator from Kansas?

Mr. TYDINGS. I yield.

Mr. SCHOEPPEL. Does not the Senator feel that there always will be pressure brought to bear to except this segment and that segment of our great economy, or delay action with respect to them, unless those who constitute industry understand that war is not a luxury or a money-making proposition, but that it is an all-out effort, and that everyone is in the same boat as are the young men and women of the country?

Mr. TYDINGS. I should like to say that I share the Senator's opinion, only a little more in volume than he has been good enough to claim for himself.

Let me give the Senate a thought or two. It has been the traditional history of our country that we would rely on the two great oceans. There was the

Atlantic on the east and the Pacific on the west. We have always maintained a wonderful navy. For a long, long while it has had its ups and downs, but basically it has been about the finest navy in the world, and today rides the crest of the waves without a close competitor. So with the great oceans on either side of us and our great Navy, we have felt secure here. We have always had time to deal with an emergency.

Those great oceans are narrow now. They are only brooks; they are nothing more nor less than brooks. Great fleets of airplanes can leave the Continent of Europe and come over here in a matter of 10 or 12 hours. Great fleets of airplanes can leave Asia and fly over here in a matter of a few hours. There is no such thing as relying on the oceans any more for our protection, except for surface craft that come over the water to attack us in that fashion.

I do not have the figures available—I looked them up sometime ago—but my recollection is that it is only 9 hours by modern bomber from Siberia to Seattle. It is only about 9½ hours by modern bomber from Siberia to San Francisco. It is only about 10 hours or so from Siberia to Chicago. It is not very far from Maine to Moscow or from Moscow to Maine over the great circle. There are military planes in being that could take off from Maine and fly to Moscow, turn around and fly back to Maine, and turn around and fly back to Moscow without refueling.

Before Pearl Harbor, on the 7th of December 1941, honest men on this very floor doubted that the Japanese would undertake to tackle a strong power such as the United States of America. It was pretty hard to believe, when we knew what our strength was then and what our ultimate strength would be, that the Japanese would be so foolhardy as to come to our shores and hit the United States a blow that would pull us into the war. On that Sunday morning we could not believe our ears as we heard the radio reports out of a clear sky that the great fleet which we on the Naval Affairs Committee had spent years in building, was at the bottom of Pearl Harbor. Those wonderful old ships, one of them bearing the name of my own State, destroyers, battleships, cruisers, were a bent and twisted mass. And there and then, on the very day that we were involved in the war on the 7th of December 1941, those of us who served then on the Naval Affairs Committee of the Senate, as we used to call it before the unification bill was enacted, had to start out with a war on our hands to build a Navy all the way from scratch up to the top all over again, and at the same time fight a war.

I am going to tell Senators a little story which has a certain analogy to the draft act. About 1929 in this very body the chairman of the Senate Committee on Naval Affairs was the Honorable Frederick Hale, of Maine, a man who devoted a tremendous amount of time to the building up of the Navy. I was a humble member of that committee then. We had had the Naval Disarmament Conference in Washington in 1922, and while we sank some battleships and cruisers, most of the other powers that joined in with us simply tore up blueprints of ships they said they had planned to build. We did all the disarming, and they did all the observing. So when we got to 1939 we found that some of these countries were building up in permissible categories, such as cruisers, and the United States was beginning to fall behind.

In 1929, before the rise of Hitler or Mussolini, before the war clouds began to gather in the sky, there were not many people interested in preparedness. But Senator Hale, an eminent member of the Republican Party and a very distinguished American, who had devoted an enormous amount of time to the Navy, making it almost a hobby in his legislative work, said, "Boys, I think we have got to start building up our Navy again." We took testimony, and after a while we brought a bill on the Senate floor to provide for the building of 15 cruisers, 3 of them to be built each year, or the keels laid each year, as I recall, over a period of 5 years, until all 15 of them were completed.

On the Senate floor we had one of the most hectic debates for 5 or 6 weeks that I remember about a piece of preparedness legislation. Senator Brookhart, of Iowa, I recall, led the fight against the cruiser bill. Senator James Reed, who occupied a seat close to where I am now standing, was one of the strong advocates of the cruiser bill. As a young and humble Member of this body, I did what I could to have the bill enacted into law. After a long struggle, the bill passed and went to the President, and he signed it.

But do Senators know that after the ships were sunk at Pearl Harbor, the 15 cruisers which we built during the peaceful years of 1929, 1930, 1931, and 1932 were the thin line of ships that stood between us and a Japanese attack on the mainland of the United States of America? If we had not fought the good fight then, and if we had not had those 15 cruisers ready, after Pearl Harbor the great fleet of Japan could have come to our coast with relative impunity and could have attacked the great cities of San Francisco, San Diego, Portland, and so on.

Senator Brookhart said we did not need any navy; he said, "There will never be another war. We learned in World War I the utter futility of war. Today, in view of the advance of science and invention, it would be so foolhardy for anyone to go to war again, that we are just throwing money down a rat-hole to build these cruisers."

Fortunately, Mr. President, his viewpoint, although a sincere one, I am sure, did not withstand the combined judgment of the Senate; and the cruisers were built.

Since that time, and coming down to the present day, in a fairly long service in this body identified with preparedness, a service in which I have tried to be rational, and not be swept off my feet by brass or uniforms or the clash of arms or the pageantry of armed forces, I have realized how much cheaper it is to spend a little money on prevention, and how terribly expensive in life and treasure it is to adopt some temporary expedient, requiring no sacrifice at the moment, but later to have to pay cruelly with the blood and the treasure of our country, far beyond the necessity if a little wiser and sterner course had been adopted in the meantime.

Mr. President, I have spoken at some length on this measure. I wish to conclude with this thought:

All of us are living in an age which is almost on a push-button basis. Whereas formerly it took weeks to assemble a fleet to come to our country to attack us, or for our fleet to go to another country, now an attack can be made in a matter of hours. There are in existence bombs of terrific strength and power, and as time passes bombs which are more and more devastating will be developed, and they can be carried by great air fleets. Great air fleets with such bombs can come to the United States, unless we are prepared—just as the Japs came to Pearl Harbor in 1941.

Mr. President, I do not wish to be an alarmist; I do not think we shall be attacked tomorrow morning. I do not see a war in the offing. But the lesson we must learn is that in the future we cannot have time, as we have had it in the past; and today we must put our defenses in more or less of a presently available basis, rather than on an eventually available basis.

So, Mr. President, in the interest of every man, woman, and child in America, in the interest of our way of life, in the interest of our democratic institutions, in the interest of our traditions and our heritages, I ask the Senate to extend this act for just a little while longer, in the fervent hope that the war clouds which every now and then darken the horizon may be dissipated, as reason supplants force, as human understanding of the differences between nations solves the imponderables of international conduct.

I ask the Senate to extend this act so that we may not have to call our young men to the colors in some period of strife in the future, so that we shall not have to pour out our treasure of blood and natural resources.

I ask the Senate to extend this act because if the Senate does not do so, the country will be weaker than it should be, and weakness invites attack, weakness endangers our stability and endangers our existence as a Nation.

Therefore, Mr. President, I hope every Senator will vote for the extension of this act, and in doing so, I hope every Senator will feel that he is writing the best insurance policy we can possibly write on the floor of the Senate for the continuance of the country we love and its prestige in the world. After all, our country is the hope not only of our own people but of the democratic peoples all over the world, who must look to us for leadership and protection, because there is no other place on the globe to which they can look.

Mr. SALTONSTALL. Mr. President, as a member of the Armed Services Committee, I rise to support the chairman in urging the Senate to extend the Selective Service Act. I also rise to support the

amendment which is now the pending question. That amendment has been offered by the majority leader, for himself and other Senators. I should like to say that in behalf of myself, the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH], I have offered an amendment which is similar to the amendment offered by the majority leader for himself and other Senators. The amendment proposes to strike out, on page 3, beginning with line 18, all down to and including line 16 on page 5. In other words, the amendment would strike out the so-called Russell amendment, which was included as a part of the committee substitute.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield to the Senator from Maryland, the chairman of the Armed Services Committee.

Mr. TYDINGS. I should like to ask a question of my distinguished colleague. Incidentally, Mr. President, he is one of the most valiant members of the Armed Service Committee, and is one of the most diligent of its members in his efforts, and is one who is most thorough in his comprehension of defense projects. He is a real stalwart on the committee, and is of great help to his country in keeping up its defense strength. I say that in all sincerity.

I should like to ask him whether his amendment is identical with that offered by the Senator from Illinois, for himself and other Senators?

Mr. SALTONSTALL. It is, except the amendment of the Senator from Illinois for some reason also proposes a change in the title of the bill.

Mr. TYDINGS. I only wish to understand the philosophy of the amendment.

Mr. SALTONSTALL. But the language of the two amendments is exactly the same as far as striking out the Russell amendment is concerned.

Mr. President, I do not wish to see any boy in this country drafted; but I believe it is necessary to extend the Selective Service Act in the interest of our own security; in the interest of the security of American boys themselves who may be subject to induction; in the interest of the security of their mothers, their fathers, their sisters, and their families.

In other words, Mr. President, we do not propose to extend this measure for war purposes; we do not propose to extend it for the purpose of extending our fighting power to other parts of the world; but we propose that this measure be extended for our own security here at home. This measure is a peace bill; it is a bill to extend peace in the world, not to extend war. I feel very strongly that if the enactment of this measure were not necessary in order to maintain peace, I, for one, would not have any part of it.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. SCHOEPPEL. Does not the distinguished Senator from Massachusetts also feel that not only should this measure be related to the young people of the United States who are covered by this draft, but in order to insure the peace of the world and to deter those who might think the Nation is considering only its young people, we should provide for a mobilization and registration of industry, labor, and capital, if necessary, in order to prevent an all-out war and to make it impossible for profits to be made out of a future war?

Mr. SALTONSTALL. I agree with the Senator. I think his purpose is now being attempted to be translated into specific terms by Mr. Symington. In the Unification Act, Congress created the National Security Resources Board, which now is a part of the defense system. We have provided for a mobilization system. All the questions which the Senator raises require planning to the highest degree. I thought the Senator from Maryland answered the Senator from Kansas very well in that regard. What he suggests is something we are going to do, indeed, is something we are doing, and the program would come into effect, as it should, if there were another war, or if it became necessary to send our boys to fight anywhere and to build up our industrial production for war purposes.

Mr. President, as I was saying, we are today improving and increasing the equipment which is being supplied to the armed services. We are spending millions of dollars on research for better guns, better ships, better electronic gadgets, better radar, and all the other types of defensive armament which, as we know, are required in modern warfare. We are appropriating vast sums of money. Yesterday the Subcommittee on Armed Services voted to report to the full committee for its approval a measure which would this year appropriate more than $12,000,000,000. All the equipment, the research, and the money will be useless unless we have the necessary manpower, trained to use modern equipment and able to be as secure and as safe as possible in the use of the equipment under modern conditions.

For those several reasons, I believe that we must extend the Selective Service Act at this time. I think that if we extend it, it should be in the form of the Senate bill rather than of the House bill. Two years ago we established this system, after months of hearings and careful consideration by the committee in executive session. I remember it very well, because I was a member of the Armed Services Committee at that time. Congress at that time enacted it because the Nation needed it. The manpower in our Armed Forces was falling off very rapidly. Enlistments were not being made. At the present time, although enlistments are coming in, they are not coming in quite so rapidly as they were. As a result the Army is under its appropriated strength. We all know that with the background of this act we get a larger number of voluntary enlistments, we build up our Reserves, and we have a stronger National Guard. I hope that the provisions of the act when extended will not have to be used, but I believe that it is very wise, for the reasons given by the chairman, that the act be kept on the statute books.

There is another reason which I should like to touch upon very briefly. Since the enactment of the law 2 years ago, we have entered into the military assistance pact. We have with other countries signed the North Atlantic Pact. We have passed several ECA bills, and we have watched the magnificent performance of the Berlin airlift. If we do not extend the Selective Service Act, it seems to me that many of the countries with whom we have made agreements will lose confidence in us. They will believe that as the result of our failure to extend the act at the present time they may not receive assistance from us when they may need it most.

As I tried to develop through a question addressed to the chairman a little while ago, General Bradley testified, as the present occupant of the chair, the Senator from Texas [Mr. JOHNSON] knows, for he was present, that the fact of having this measure on the books would allow us to maintain a smaller strength in our Armed Forces at the present time. In other words, we do not have to have them filled to full strength, because we have this reserve manpower that can be utilized if needed. As I have already stated, the steps we are taking will permit better training; make fighting safer in the event fighting becomes necessary; promote greater efficiency and, therefore, make the men more secure.

In extending the Selective Service Act we should give the President the power at the proper time, in his discretion as Commander in Chief—and certainly he will not use it unless it becomes absolutely necessary—to call American boys into the service. If we leave it to a joint session of the Congress to declare an emergency, we open the possibility of the people of our country becoming excited and the whole world thinking that perhaps we are going to war. In that way we would stimulate action of a fighting nature rather than to extend our peacetime efforts, as we are really trying to do. In other words, the proposal of the Senate committee is one more step in our ability to remain strong and, through being strong, to keep peace in the world and to obtain greater security for ourselves.

Mr. President, for the reasons I have discussed I support the extension of the Selective Service Act.

I should now like to speak for a few moments on the amendment offered in the committee, as a part of the committee substitute, by my friend, the distinguished Senator from Georgia [Mr. RUSSELL]. I believe the amendment offered by the majority leader to strike out the Russell amendment should be adopted. I say this because I believe the Russell amendment is unworkable. I believe it would apply to volunteers as well as to inductees, and therefore would upset the whole system under which the Army, the Navy, and the Air Force are now being operated. In other words, it would be a step backward, not a step forward, in the effort to solve a difficult problem in our armed services.

At the outset, in discussing the amendment, allow me to make one point clear.

I defer to no one when it comes to proposals to guarantee a reasonable and a sympathetic recognition of the differing customs, traditions, and habits which have developed through generations of community life in the various sections of our country. Indeed, my own State has a wealth of such tradition and custom. It is an inseparable part of our heritage. So I should be the last person to suggest the point of view which would tend suddenly to violate the habits and customs of any other section. But I submit that is not the issue. We are seeking the same thing—a considered and reasonable approach to a most sensitive problem. I think therefore we differ, not in our objective, but simply in our method of obtaining it. I oppose the Russell amendment, the section dealing with racial segregation, for the same reasons that I opposed it in 1948. I believe that it is unnecessary, that it is provocative, and that it is unworkable. It is unnecessary, because the services, themselves, who have for many years been living with this question, need no such controversial legislation as this to enable them to continue to meet the problem in an intelligent and sensible manner. It is provocative, because——

Mr. RUSSELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JOHNSON of Texas in the chair). Does the Senator from Massachusetts yield to the Senator from Georgia?

Mr. SALTONSTALL. I yield.

Mr. RUSSELL. I was interested in the distinguished Senator's observation that the amendment would be unworkable. We managed to get along in this country with a similar provision for something like 150 years, and to win a number of great wars under a similar system.

I was also interested in the Senator's observation that the military forces are handling this matter in a satisfactory way. Does not the Senator know that the idea of complete integration of the races, down to the squad level, in the Army, did not originate with the military, but originated with the civilian who is President of the United States and who issued an order on that subject; and that not only did it not meet with the approval of the military, but that the distinguished Senator from Massachusetts himself elicited the statement from General Eisenhower, who is supposed to have had some experience in military matters, that he did not approve of the complete integration of the races, but thought it ought to stop on a company level; that the proposal to change the customs and conditions and to deny to an individual the right of saying whether he should serve with his own race originated with a civilian committee appointed by the President, none of whose members had any military experience of any nature? I should like to have the Senator quote some outstanding military leader who has said that this Presidential policy will add to the fighting power of American arms.

Mr. SALTONSTALL. I would answer the Senator by saying that I intended to quote not from a military authority, but from the report of a committee appointed by the President, which examined the subject and made a report.

Mr. RUSSELL. That committee was headed by Mr. Charles Fahy, I believe, who has done a number of errands for the President, and has served on various committees. Two of the members are distinguished colored citizens of the city of Chicago. One is the publisher of the Chicago Defender and the other was an adviser to the Secretary of War on racial matters, during the war, but they are not military men; they are civilians telling the military how the Army should be composed and how it should be run.

Mr. SALTONSTALL. I would respectfully say to my colleague on the committee that I believe I am correct in saying that the leaders in the various military services, whether they approve or not, have said the plan was working well at the present time in the various services.

Mr. RUSSELL. I do not recall any such testimony. However, I did not attend all the hearings which were had on the bill.

Mr. SALTONSTALL. I say it with reservations, but I think I heard two, if not three, leaders say that.

Mr. RUSSELL. I know that General Bradley, who has had some military experience, and some political experience, having served on a committee appointed by the President to perform a specific job, made the statement that the Army did not like to be used as an instrument of social reform and that he had no intention of carrying out integration. The next day the President issued an order to General Bradley to institute the policy of complete integration. So it is purely a civilian and political movement and it in nowise touches anything which has anything to do with strengthening the national defense or increasing the might of American arms.

Mr. SALTONSTALL. I would agree with the Senator that it is a civilian movement, but I hope it is not a political movement.

Mr. RUSSELL. I should like to ask the distinguished Senator from Massachusetts if he does not feel that men who have spent a lifetime in the Army should have as much of an idea as to how it should be composed and operated as do Mr. Charles Fahy and the other civilian members of the committee who are enforcing the Presidential order.

Mr. SALTONSTALL. I believe their opinion should be given weight. I believe that every military man must take his orders from his Commander in Chief, whether he approves of them or not, and try to make the orders workable and practicable. I believe, from listening and observing in the past 2 years, that the steps taken show progress in the way both the Senator from Georgia and I want them to make progress—progress by education, by peaceful means, and without fanfare and emotional words.

Mr. RUSSELL. I certainly advocate progress along those lines, and I trust that I have been able to contribute in some small degree to progress along those lines, but I insist that that is quite a different assertion than to say that the provision is unworkable because the Fahy committee says that all is well with the armed services.

Mr. SALTONSTALL. If I am correct, the Senator's amendment includes volunteers as well as inductees?

Mr. RUSSELL. Yes, it does. The Senator well knows that we carefully drew the act. I doubt whether any piece of legislation in the history of the Congress has been gone over more carefully than has the Selective Service Act of 1948. The Senator knows we drew the act deliberately to induce enlistments in order to avoid selections, and for that reason the amendment applies to both selectees and volunteers.

Mr. SALTONSTALL. The Senator will agree with me, since he had a great part in the enactment of the law, and I hope I had a small part in it, that the act has worked to encourage volunteers so that we have not for 18 months had to use the processes of the draft.

Mr. RUSSELL. That is quite correct, but the Senator from Massachusetts knows there was evidence before the committee that enlistments were declining in recent weeks to a marked degree, and I think it is due in part at least to the way the committee referred to is pushing its program and compelling men to serve under conditions which are distasteful to them, thus drying up enlistments, so that, without the adoption of an amendment such as the one I have submitted, we shall have to begin drafting men within the next few months.

Mr. SALTONSTALL. I most respectfully disagree with my friend that that is the cause of enlistments drying up.

Mr. RUSSELL. I know that has been the result in certain sections of the country where men like the Army as a career.

Mr. SALTONSTALL. If I may continue, very briefly, Mr. President, I think I have stated that the amendment is provocative because it places constant emphasis on a problem which can best be handled by deft and tactful leadership.

It is unworkable because it presents practical assignment difficulties which cannot be solved, and includes punitive provisions which constitute an ever-present obstacle to the exercise of good judgment and common sense by the military officers most closely in touch with the situation.

Mr. President, I have in my hand a copy of the report of the President's Committee on Equality of Treatment and Opportunity in the Armed Services. This report comes from a committee of distinguished Americans headed by Judge Charles Fahy. It is called Freedom to Serve. It is the report which the Senator from Georgia [Mr. RUSSELL] just discussed. I should like to read into the RECORD the conclusions of the committee transmitted to the President on May 22, 1950, just a month ago, on the Navy, the Air Force, and the Army. This is the committee's conclusion as to the Navy:

> All jobs and rating in the naval general service now are open to all enlisted men without regard to race or color. Negroes are currently serving in every job classification in general service.

All courses in Navy technical schools are open to qualified personnel without regard to race or color and without racial quotas. Negroes are attending the most advanced technical schools and are serving in their ratings both in the fleet and at shore installations.

Negroes in general service are completely integrated with whites in basic training, technical schools, on the job, in messes and sleeping quarters, ashore and afloat.

Chief, first-, second-, and third-class stewards now have the rate of chief, first-, second-, and third-class petty officers. (Policy change adopted June 7, 1949.)

Stewards who qualify for general ratings now can transfer to general service.

The Marine Corps, which as a part of the Navy is subject to Navy policy, has abolished its segregated Negro training units. (Policy change adopted June 7, 1949.) Marine Corps training is now integrated, although some Negro marines are still assigned to separate units after basic training. In this respect the effectuation of Navy policy in the Marine Corps is yet to be completed.

THE AIR FORCE

The Air Force announced its new racial policy on May 11, 1949. As a result of this policy, the all-Negro Three Hundred and Thirty-second Fighter Wing at Lockbourne Field, Ohio, has been broken up, and its personnel either sent to schools for further training, transferred to white units in other commands, or separated under current regulations.

A majority of other Negro units has also been abolished. As of January 31, 1950, only 59 Negro units remained, and 1,301 units were racially integrated, as compared with 106 Negro units and only 167 mixed units on June 1, 1949, when the Air Force policy went into effect.

Approximately 74 percent of the 25,000 Negroes in the Air Force on January 31, 1950, were serving in integrated units; and 26 percent still were serving in Negro units. This integration process is continuing.

All Air Force jobs and schools are open to qualified personnel without racial restriction or quotas. Six percent of the total personnel attending technical training schools in January 1950 were Negro.

Negroes serving in mixed units and attending service schools are integrated with whites in living conditions.

THE ARMY

All Army jobs now are open to Negroes. (Policy change adopted September 30, 1949.)

All Army school courses are open to Negroes without restriction or quota. (Policy change adopted September 30, 1949.)

For the first time Negroes no longer are limited in assignment to Negro and overhead (housekeeping) units, but are to be assigned according to their qualifications to any unit, including formerly white units. (Policy change adopted January 16, 1950.)

Negroes serving in mixed units will be integrated on the job, in barracks and messes. (Policy change adopted January 16, 1950.)

The 10 percent limitation on Negro strength in the Army has been abolished, and there no longer are Negro quotas for enlistment. (Policy change adopted March 27, 1950.)

The succeeding chapters contain a more detailed account of the Committee's recommendations to the services and the extent to which the President's policy is being implemented.

Mr. President, I believe that the progress which is reported in the Fahy report is due to leadership and to the American spirit of cooperation. I most emphatically deny that the advances made in the services in this respect are the result of coercion and force. I contend that these extracts from the Fahy report, which is a report filed by a group of impartial and patriotic Americans, are convincing proof that this problem can be met and is being met without any controversial legislative directive such as is contained in section 2 of the pending bill. It can be met, as it is being met, by good judgment and sympathetic military leadership. I again emphasize the basic thesis of my argument. Every Senator in this Chamber is striving toward the same goal in this matter. We are all seeking just one thing, which is a fair and reasonable and acceptable solution of this difficult question. We differ only as to method. I therefore hope that this section of the bill will be omitted, because I feel we are making progress and shall continue to progress better without it.

My second point is that this provision is unwise because it is provocative. It provokes and emphasizes prejudices which should be better left to some more tactful and sympathetic approach.

Finally, I believe section 2 of this bill is unworkable, and is dangerously punitive. It is not only punitive on the officers, but, as the Senator from Georgia has said, it covers volunteers as well as draftees. For instance, when replacements are being sent to their new units in large groups, many different units would be involved in a single shipment. Men come by ship, train, and airplane, and they arrive at all hours of the day and night. They are frequently delayed en route in replacement depots and staging areas. Under such difficult and unpredictable circumstances it is literally impossible to maintain a rigid segregation of groups.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. RUSSELL. The situation to which the Senator refers would not be affected by the amendment. The amendment says, "shall be assigned to a unit." The replacements which the Senator refers to as traveling around the country would not be affected by the amendment. The amendment would not apply to those replacements. The amendment provides that they shall be assigned to a unit composed of their own race. The amendment would not affect the replacements to which the Senator refers.

Mr. SALTONSTALL. I believe the Senator is largely correct with respect to my last remarks. I may say to the Senator from Georgia, however, and I emphasize, that the report of the Fahey committee and the reports of the military authorities to our committee, indicate progress along what I hope are peaceful lines to the solution of this very difficult question. I believe the adoption of the proposed Russell amendment would be a step backward, rather than a step forward. I believe that the system is working well at the present time in the case of those who are voluntarily coming into the armed services, and so far as I know, we have had no knowledge or reports of any criticism or any violence in connection with the system.

In everything I have ever said on the subject, either publicly or privately, I have always emphasized that I believe the solution is education. I believe the solution is a greater understanding of the subject by everyone. I have always been very hopeful that in what is being done in the armed services, under conditions where a man comes into the services and finds that he is not his own boss, the problem would be worked out satisfactorily. I hope that at the present time, in peacetime, this gradual solution and understanding in our armed services will be continued. I have opposed the Senator's amendment, as I now oppose it, because I believe that it is not a step forward in the solution of the problem, but a step backward. I can see the Senator's reasons for offering the amendment, but I most respectfully disagree with him.

Mr. RUSSELL. I appreciate the Senator's statement, and he knows the high regard in which I hold him. I may say, however, that he makes a splendid argument for the provision which he seeks to strike out when he says that he is in favor of educational methods, rather than compulsion. The very effect of this amendment is to avoid the compulsion of military law, and the law passed by the Congress of the United States, which reaches down into the home, takes out a 19-year-old boy, brings him into the service under conditions which are distasteful to him, and attempts by compulsion to make him change his mores, or his traditional habits of living. The argument which the Senator from Massachusetts has made is one to which I can fully subscribe, because it expresses my position, rather than his.

Mr. SALTONSTALL. Mr. President, I would not have made the argument if I thought it supported the Senator's position. I thought I was supporting my own position when I made the argument, because I thought conditions in the Army were being worked out satisfactorily, as shown by the committee report from which I have read, which is in accord with my own knowledge of the situation.

Mr. President, I shall not continue this discussion any further, because I believe it is clearly understood by those who are in favor of the bill and those who are opposed to it. In conclusion I merely wish to emphasize two points. I fully endorse the section of the bill which would extend the present Selective Service Act for a period of 3 years. I think such action is necessary to our national security, and I urge that it be taken. I believe 3 years is better than 2 years, because it gives our own people a better understanding of the needs of the moment. The time can always be cut by the President or the Congress, in their discretion. I believe it would give more confidence to our friends and allies in other parts of the world if this act were extended for 3 years. It would also help the boys themselves, because it would give them a greater knowledge of their responsibilities and what they must face. I think it is necessary for our national security and for our friends to obtain peace in this world—not war, Mr. President, but peace. It is our strength that is needed in order to assure peace. I again say that I hope section 2, the so-called Russell amendment, will be omitted. I feel that we can leave out section 2 and still give to all the people of the country the just and rea-

sonable treatment to which they are entitled. I am profoundly hopeful that the Senate will remove that section from the bill and pass it in the form in which the Committee on Armed Services drew it up with the Russell amendment stricken out, rather than in the form it came over to the Senate from the House.

SALE OF MINERAL RIGHTS ON LANDS PURCHASED FROM THE GOVERNMENT

Mr. WILLIAMS. Mr. President, during recent years our Government, either through foreclosures or outright purchases, has obtained title to several million acres of farm land. Later this land was offered for sale by the Government. In most instances as the land was sold by the numerous Government agencies, a portion of the mineral rights on the land was retained in the name of the United States Government.

The retention of these mineral rights by the Government has not been entirely satisfactory to the new purchasers of the land. Recently there has developed widespread demand from the farmers who bought the lands to be permitted to own them outright without any reservations. For this reason Congress, by H. R. 4800, is asked to establish a uniform policy for the sale of these rights to the present owners of the land.

H. R. 4800, the bill which proposes to establish such a uniform policy for the disposition of these mineral rights, has already passed the House and has been reported favorably by the Senate Committee on Agriculture and Forestry. The bill is now in the Senate Calendar awaiting action.

I agree with the sponsors of this proposed legislation that Congress should make a decision as to whether the Government should retain these mineral rights or sell them. If Congress decides that the Government should sell these mineral rights, it is highly desirable that we establish a uniform policy for their sale.

However, since the time H. R. 4800 was reported to the Senate certain additional information has been developed which, in my opinion, would now make it advisable that any consideration of this bill by the Senate be postponed pending a further study of the entire question by the appropriate committee. In the meantime, pending such study, we should take some action to protect the interests of all parties concerned.

With this thought in mind, on behalf of myself and the Senator from Nebraska [Mr. WHERRY], I submit a resolution which states that it is the sense of the Senate that the United States shall not sell, lease or otherwise dispose of mineral interests owned by it in lands to which it does not own the surface rights until an appropriate policy for such disposition shall hereafter be established by an act of Congress.

I am today writing the chairman of the Senate Committee on Agriculture and Forestry requesting an opportunity to appear before that committee in executive session to explain why I think it is essential that this resolution be adopted, and why I feel that a further study of this entire problem is in order prior to consideration of H. R. 4800.

I now send to the desk the resolution, and ask that it be referred to the appropriate committee. Before it is referred, I ask that it be read for the information of the Senate.

The PRESIDING OFFICER. Without objection, the clerk will read the resolution.

The legislative clerk read the resolution (S. Res. 301) as follows:

*Resolved*, That it is the sense of the Senate that the United States shall not sell, lease, or otherwise dispose of mineral interests owned by it in lands to which it does not own the surface rights until an appropriate policy for such disposition shall hereafter be established by act of Congress. As used herein the term "United States" includes agencies and instrumentalities thereof.

The PRESIDING OFFICER. The resolution will be referred to the Committee on Interior and Insular Affairs.

THE STATE DEPARTMENT AND COMMUNIST WORLD INFLUENCE

Mr. CAIN obtained the floor.

Mr. MALONE. Mr. President, will the Senator yield that I may make a statement of 5 or 6 minutes' duration?

Mr. CAIN. I shall be pleased to yield to the Senator from Nevada if it can be done without my losing my right to the floor, and I would ask unanimous consent for that privilege.

Mr. MALONE. Mr. President, I ask unanimous consent that the Senator from Washington may yield without jeopardizing his right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Nevada may proceed.

Mr. MALONE. Mr. President, the junior Senator from Nevada charges that officials of our State Department have every intention of recognizing the Communist regime in China, and will do so as soon as they think they have softened up the American people sufficiently to make them take it.

Official recognition of the Communists in China would be extended even now were it not for fear of American public opinion on the part of these very State Department officials. While administration officials are mouthing brave little phrases and meaningless double talk against Communist Russia—apparently in an attempt to appease a now wary American public—they are secretly planning to strengthen Communist domination through recognition of Communist China, after a period of softening up here through the propaganda machine.

Despite their pious, though somewhat delayed, pro-American talk, the administration plans to sell us more communism. The Secretary's step toward recognition of the Communist regime in China, through not officially objecting to their acceptance by the United Nations, is part of the softening-up process.

Though it must have shocked an unsuspecting public, those of us who have watched the pattern of State Department moves for the past few years were not surprised when Mr. Acheson asserted that the United States would not use its veto power to block United Nations' recognition of the Communist regime in China, which was not only a further surrender in the so-called cold war, but a form of betrayal to the enemy.

Indications are that Communist Russia has planned for a piecemeal surrender to them of the rest of the world. The fact that it has gained a diplomatic piecemeal surrender by us in Asia must be weighed with the complementary fact of the Communist drive for Europe. Trygve Lie, Secretary General of the United Nations, has let it be known how Stalin proposes to end the cold war: First, kick the nation of China out of the United Nations and seat in its place Communist puppets of Russia; and, second, withdraw from Berlin and set up there a "democratic"—that is, a Communist-controlled—government. The first of the two piecemeal surrenders would lead to the Russian capture of all of Asia, and the second to the Russian capture of all of Europe. We now know where our State Department stands on the first; a little more time will tell everyone where it intends to ultimately stand on the second.

In the fall of 1949, when the Senate was discussing, in the conference between Canada, England, and the United States, held in Washington, on the subject of storing atomic bombs in England, and other matters—a conference timed to make the 1934 Trade Agreements Act extension easier by diverting public attention from the most important debate on the Senate floor in a century. The Senator now speaking warned that England, whom we had been keeping on our payroll in some form since the declaration of World War II, would soon affront us by extending official recognition to the Chinese Communists, who were working closely with the American Communists we were then jailing as enemies of our country. England, despite all previous denials, did recognize the Chinese Communists. The next thing, the junior Senator from Nevada fears, will be official recognition of these Communists by our own State Department as part of the plan.

By strange coincidence, Mr. Acheson's recent statement was followed immediately by implications from Trygve Lie that the United Nations would proceed to unseat the delegates of the nation of China, one of the founders of the United Nations, and would seat Communist delegates in their place.

If the United Nations is ever to be useful to the human race, it must free itself of Communist domination—not add to it. Apparently, we cannot even hope to attain this until the weak personnel of our State Department is itself subjected to a thorough housecleaning.

There is little likelihood that the State Department's attitude will change as long as we have Communist sympathizers in high office.

DEVELOPMENT OF ATOMIC ENERGY—ARTICLE BY DAVID LILIENTHAL

Mr. MURRAY. Mr. President, will the Senator from Washington yield?

Mr. CAIN. I yield to the Senator from Montana.

Mr. MURRAY. Mr. President, there are few problems in America today as difficult and as challenging as those involved in the future development of atomic energy in the United States.

How far can we go in developing atomic energy for industrial and civilian purposes?

How can we break down the iron curtain of secrecy, which has become a serious obstacle to creative research, invention, and development in the atomic energy field?

Where should we draw the line between the necessary role of the Government and the desirable role of private enterprise?

Within the realm of private activities in connection with atomic energy, how can we assure truly competitive development on the part of a large number of companies?

How can we protect against the concentration of control of atomic energy resources in the hands of a few giant companies?

Questions of this type are discussed at length in an important series of articles which has been written for Collier's magazine by David Lilienthal, former chairman of the Atomic Energy Commission.

The first article in this series has already stirred widespread discussion on the role of the Government in the field of atomic energy. The series will probably initiate the first full-dress national debate on the subject since the Atomic Energy Act became law in 1946.

In my judgment, every Member of Congress and every serious student of public affairs should read Mr. Lilienthal's articles. I therefore ask unanimous consent to have the first article in the series, entitled "Free the Atom," along with the editor's footnote, inserted in the body of the RECORD at this point in my remarks, for the information of the Senate.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FREE THE ATOM

(By David E. Lilienthal, former Chairman of the Atomic Energy Commission)

[EDITOR'S NOTE. This is the first of several important articles which Mr. Lilienthal will write for Collier's. It is the first he has written since his retirement from a long career of Government service which included an intimate and unsurpassed acquaintance with the whole development of atomic energy.

In this issue Mr. Lilienthal writes with grave concern of the Government monopoly that has stifled developing the peaceful uses of the atom. But he also writes with high hope of an atomic future which he sees as one of progress and undreamed-of development.

In his subsequent articles Mr. Lilienthal will offer specific recommendations for ending the atomic monopoly and transferring Government-held knowledge, facilities and production to competitive private enterprise—the historic source and the guardian of America's material progress. He will speculate, with the fund of knowledge at his command, on the possible uses to which the industrial atom may be put.

David Lilienthal has something to say that is of great significance not only to the American people but to the entire world. Collier's considers it a privilege to provide the platform from which he speaks.]

No Soviet industrial monopoly is more completely owned by the state than is the industrial atom in free-enterprise America. The Government has today an ironclad, airtight and all-embracing legalized monopoly of this vast enterprise, and of the new industrial era the development of the atom could bring to this country.

All the industrial materials of this new industry are owned by Government monopoly.

All the plants and facilities—running into several billions of dollars—are owned by Government monopoly. All the industrial information and techniques and all the industrial "know-how" are owned and strictly controlled by Government monopoly. Only on its say-so can new developments be undertaken.

There is no private investment, no risk of loss nor chance of profit by any private individual or corporation.

There can be no private ideas about the industrial atom. No private individual or institution that Government monopoly has not expressly admitted to the necessarily narrow circle of its "contractors" can work on or experiment with atomic industrial materials.

No one can compete, using his own ideas and dollars, with those within the circle for the great prizes of satisfaction, prestige, and profit that have always spurred men on in every other new chapter of American industrial history.

The Atomic Energy Commission has tried and continues to try conscientiously to adapt Government monopoly to American industrial habits and traditions and capabilities. But it is an impossible assignment. To be directed to harmonize monopoly of ideas with competition in ideas is like being told to make oil and water mix.

Instead of moving into this new frontier of the industrial atom along the road we know so well, we have gone down another road, one that is against all our experience and contrary to our temperament. The hard fact is that we are trying to hang up a great American industrial achievement by what are essentially the monopoly methods of Soviet Russia.

The industrial frontier of the second 50 years of the twentieth century is the development of the atom for useful purposes. Here is that new "ground floor" that Americans are always watching out for—something brand-new with no limits to its future.

The development of the industrial atom can provide the setting for still another American miracle of industrial growth, another opportunity to boost the rate and variety of our productiveness, another wide upswing in everybody's income and standard of living comparable to that which resulted from the stimulus of electricity, the automobile, or the vast industries based on modern chemistry. I can think of almost no industry or business or profession or labor skill in the country that is not a potential beneficiary.

To make the industrial atom really sprout and flourish within the next decade or so would create kinds of jobs and businesses and ways of living now undreamed of. Here would be something concrete and understandable for the whole world to take note of in that hot competition known as the cold war. What powerful propaganda ammunition this would be we can better understand by imagining what would happen in men's minds everywhere if the Russians should beat us at developing this peaceful side of the atom.

There is no reason why they should beat us at it, though. This particular kind of pioneering is just our dish.

We ought to start at once to get the industrial atom back on the American track. A great deal is at stake. It will take a lot of doing. I am convinced that it can be done. We should lose no time getting going.

We know how to make technical progress in this country. We know how to take new discoveries and apply them to useful purposes. We know how to dig out new knowledge to fill in the gaps that show up, how to shape development so that it supplies human needs, how to cut costs, get rid of the "bugs" in new processes, how to see that labor gets a share in increased productivity.

This kind of development "know-how" is an art, a distinctive American art. It is widely respected in the world. We know that it is one of our greatest assets.

This art of development is the very heart of the American industrial system. It is based largely on wide-open competition of ideas, providing an open and free field for any man's idea of a better way to do something. It is fluid, flexible, and vigorous. Sometimes it has been ripsnorting and crude. But it has given the American consumer and worker, and the young people setting out in life, a wide range and freedom of choice. It has given us a military power that was decisive in two world wars. It enables us today to help many countries and peoples who would otherwise starve or fold up or be pushovers for communism.

But when it comes to the new era of the atom we have thrown overboard almost everything we know about how to make industrial progress.

Now, of all times, we need to demonstrate the vigor and adaptability of American business and industrial management. Yet we pick this time to dump our unique advantages overboard for 100 percent Government ownership, 100 percent Government financing, and increasingly centralized and governmental direction of one of the most technical undertakings in our whole history.

The crowning irony of all this remains to be stated. As to the new era of the atom, we have not only turned our back on the essentials of the industrial system that has given us our military security, we have done it in the name of military security. In the midst of a desperate competition with the Russian system, we have adopted a method that more nearly resembles the Russian system than it does our own.

How did this strange state of affairs come about? What are the stakes in the industrial development of the atom? How can we get the atom back on the road on which we have prospered and become strong? Can we do this without divulging "atomic secrets" of military importance? What inducements can be set up so private capital and competitive brains will come into this new region?

These are among the many questions that arise. I shall offer here what seems to me a basis for developing the answers. I believe that there are practical and sensible steps that can get us back on course.

Let me say, first of all, that there are no "devils" in this story. This is not a sinister tale of conspirators and master spies. My disagreement is not concerned with individuals. I am certainly not critical of my former associates, the able and exceptionally devoted men of the Atomic Energy Commission and its organization. And President Truman, from the very outset, has steadily espoused, supported, and promoted civilian control of the atom and its beneficial development; he has seen clearly the bright prospect that the peaceful applications of atomic energy hold out for mankind.

The strange and dangerous course we are now pursuing was set by the Atomic Energy Act of 1946. Sponsored by Senator BRIEN MCMAHON and known as the McMahon Act, it was the end product of monumental hearings, in which many able citizens appeared and expressed their views. The conduct of these hearings by Senator MCMAHON, and his uphill but successful fight for the principle of civilian direction of this great new knowledge, constitute one of the brightest chapters in the legislative history of our generation.

When this law was enacted 4 years ago no one could see, that there was any alterna-

tive to an air-tight Government monopoly; certainly this was my own view at that time. But though not a single vote was cast against its passage in the Senate, there were deep misgivings among the sponsors of the legislation, doubts which found their way into almost the first words of the law itself, that this legislation will necessarily be subject to revision from time to time since so many unknown factors are involved.

Three years of actually administering atomic energy has convinced me completely that the time for revision has come; that there is a better way than monopoly; that changes both of law and, equally important, of public and Congressional approach to the industrial atom are urgently needed.

I therefore propose that the basic provisions and fundamental assumptions of the Atomic Energy Act and its administration be thoroughly reexamined by the country. This reexamination should take into account how the law has actually worked in practice, and whether the structure of organization provided by the law tends to defeat the purpose of the act itself; it should take into account such new facts as the Russian atomic achievements. I believe this reexamination will demonstrate that a thoroughgoing revision of the law is required. I urge that the revised law state flatly and without equivocation, as fundamental policy of this country, that development of the industrial atom shall be in accord with the American system. A series of steps should be provided to achieve that purpose, over the very shortest practical space of time.

If this article serves to focus public attention upon this strange critter, an idea monopoly in a land of free opportunity for new ideas, and if it stimulates public discussion, it will serve my purpose. If enough people become convinced, as I now am, that we are off the track, then I'm sure we are practical enough to find specific ways and means of setting things to rights.

The future course of American life will be profoundly affected by this issue. The foundations of our military strength are directly involved, and so is our basic pattern of life.

What is at stake here? Is atomic energy only a military weapon, only a cataclysmic explosion? A good many people still think so.

But this is as great an error as to think that the Chicago fire is a typical example of the use of fire, or that because electricity is used for electrocutions, electricity and electrocutions are synonymous. To put the development of electricity in the hands of a United States Electrocution Commission is about as sensible as to force our Atomic Energy Commission to become merely an Atomic Munitions Trust; and this is what we are now rapidly heading for.

If atomic energy actually were just another piece of military ordnance then Government monopoly is appropriate enough; or in any event, no deep harm is done and industrial advance all along the line is not lost to us.

But far more than a kind of supermunition is involved. I can make this clear by some analogies.

Suppose 50 years ago (or even 25 years ago) virtually all the knowledge of the new chemistry and of chemical reactions had been declared by law to be a Government monopoly, on the ground that it is upon our knowledge of the science of chemistry and chemical know-how that we depend for high explosives, bombs and incendiaries, and poison gas. Or suppose that all facts about aerodynamics, airplane design, and all development of the airplane had been taken over as a Government monopoly after the Wright brothers first demonstrated that a heavier-than-air machine could be made to fly. Chemical reaction and the airplane are far more closely linked to the national security than is the atom bomb. Or make the same supposition about Government monopoly of radio and electronics—without which, also, this country would be helpless in a military sense.

If there had been a Government monopoly for chemistry or aviation, or radio, as there now is for the atom, what kind of chemical and aviation and radio industries would we have today? Would we have commercial aviation, for example? Would we have radio and television in our homes? Or would aviation and radio still be a Government secret to be developed only at Government cost and in Government-owned plants and for Government purposes? Would we, for example, have developed the vast industrial benefits based on chemical research, creating an industry that has multiplied the wealth of the land employing hundreds of thousands, causing the investment of billions of dollars of private funds?

Of course not. I need not argue the point; the fabulous record of nonmonopoly development based on chemistry, aerodynamics and electronics has changed the whole of American life, has strengethened and improved it. A system of Government monopoly of ideas in those fields would never in the world have produced such magnificent results.

In saying these things I'm not "cussing out" government. The talk about the "dead hand of government" is nonsense. The men and women doing scientific and technical work throughout our Government have very great achievements to their credit. Those working in the atomic field, for the Atomic Energy Commission or for one of the Commission's many private contractors, I believe to be exceptionally talented and energetic. What is wrong is not the people, but the system of monopoly under which the work is done. Government monopoly as a means of developing industrial ideas is what is wrong.

No one can tell in advance where great new ideas will come from, ideas that result in an electric motor or generator, or an automobile engine, ideas like those that created penicillin or the sulfa drugs, ideas that gave us the automobile self-starter or nylon or air conditioning and the refrigerator, or synthetic rubber. We've always tried to encourage people to have such ideas; never before have we turned over to anyone (much less to our Government) the power to limit the circle from which ideas could come.

It takes the ideas of thousands and thousands of different people, armed with what knowledge and know-how has been previously accumulated, to make the kind of industrial progress that this country stands for. And no Government commission, however wise and well-intentioned, no inner circle of private contractors for Government, however well selected and diversified, can be counted on to develop these ideas, for they only grow well in the soil of competition—competition in spirit and in fact.

This is the lesson of our whole history. This is our message of productivity to the whole wide world.

The whole atmosphere has to be right, too, if ideas are to flourish. Otherwise people will not be attracted to a new subject, and will not be stimulated to new ideas. Certainly they will not put their own money and time and energy into developing new things unless the climate of work is favorable.

For this purpose, the atmosphere in the field of the industrial atom could hardly be worse. Men don't get excited about working on new ideas by having available a technical document, especially a carefully "distilled" one, or by being given a quick walk through an atomic factory or laboratory. They need to get their hands into the dirt, into the guts of the working facts. That's not possible today, and won't be without the changes I believe should be made.

A basic change, and one that is badly needed, is a change in this climate; an end to the absurd cloak-and-dagger air of mystery that still hangs over this monopoly; relief from hideous complexity and increasing centralization and red tape.

Can just any talented person, can a young Ford or Edison or Chrysler or Kettering work at the atom today? I mean work at it, not under a formal contract with a government project number, but just to see what he can find out? He certainly can't. Can he even walk into the Smithsonian Museum and get inspiration by seeing the first models in the atomic field—ones now almost as obsolete as Otto Lilienthal's nineteenth-century glider or Samuel Langley's airplane or George Stephenson's locomotive steam engine?

No—not even that. Even our obsolete information is locked up, monopolized.

These things are wrong. They need correction, if we are not to miss out on what may be one of the greatest opportunities of modern times.

You may well ask: "Now look, mister, just what is this opportunity you say we are missing? Just what can industry do with the atom?" My answer would be that I don't know; that, today, no one knows. That's my point; we must permit industry itself to find out.

I don't know just what can come of the industrial atom, but I do know that we are dealing here with a series of very great discoveries about the fundamental nature of everything physical—whether it is made of metal or is a gas like the oxygen in the atmosphere, and whether it is living or inanimate.

We are dealing here with knowledge about the building blocks of which everything on this earth is made.

We don't know much yet, and we know very little about how to use what we do know, except, of course, as a revolutionary weapon of war. But what else atomic knowledge and its application can do of a creative and useful sort in raising living standards the world over no one really knows much.

To ask precisely what this fundamental knowledge can do for us, industrially, would be like asking Michael Faraday, a hundred years ago, when he demonstrated his crude little gadget for inducing a feeble electric current: "Tell us how a 60,000-horsepower electric generator will transform life in a great city."

But imagine what could happen to the industrial atom if tomorrow we turned over all we know thus far—the basic information—to the hundreds of thousands of minds in industry and in the universities who are capable of new ideas. Think of the creative men in the automotive industry or the pharmaceutical or glass industries, or the great army of men engaged in building a new world based upon the chemistry of petroleum or cellulose or gas. Just to contemplate the prospect of what they could do for us all stirs the blood.

Anyone familiar with American industrial capabilities could set down a list of a dozen or more concerns in almost every medium-sized city in this country that might well push the industrial atom along. I believe I could list offhand 50 such companies, large and small, in each of our dozen largest industrial cities from coast to coast.

Once this sort of development gets really rolling, the ramifications might be widespread. That was the way with the automobile. It had its effect on industries and businesses that in the days of the auto pioneers seemed a long, long way from any connection with the "horseless carriage," and created businesses that never did exist before the auto.

That is the kind of stimulus that we can bring all up and down the line, if we will get back on the beam by providing a basis for competition in ideas as to the most fundamental of all knowledge, the heart—or nucleus—of the atom itself.

As to how important to industry (and therefore to us all) atomic discoveries might be, a genuine analogy is provided by the industrial development of chemistry and chemical reactions, recently described as "the premier industry of the United States."

Chemistry and chemical engineering rearrange atoms, and clusters of atoms called molecules, into patterns that are different from their patterns in their original state. A synthetic rubber tire, for example, is petroleum atoms rearranged by industry into "rubber." Cellophane, high-octane gasoline, nylon, plastics—these are products in which atoms and molecules have been shuffled and tossed around and rearranged. Burning coal or igniting gasoline are other examples of a chemical change in which there results a rearrangement of atoms.

But in no chemical change is the heart of the atom itself changed.

In this new field of atomic energy and atomic radiation, however, the atom itself is changed.

When you "split" an atom, the heart of the atom—the nucleus, the core—changes. In that process of changing, atom radiation results. Great heat is created. Not just hundreds and thousands of degrees (as when the atoms are rearranged in burning coal, for example) but heat in the hundreds of thousands and millions of degrees.

These things happen today. Not just in laboratories on a very small and experimental scale. This process of changing the heart of the atom is going on every day, around the clock, on a factory scale in several of this country's atomic plants.

In these Government-owned factories one substance or element is changed, by atomic particles or by radiation, into quite a different one. Uranium into plutonium is the best-known example. But in splitting atoms of uranium, entirely different elements, by the dozens, are created out of uranium—such as barium, lithium, aluminum and so on.

This is transmutation of the elements. It is what the ancient alchemists tried to do when they sought the way to "transmute" mercury into gold. We can do that too, today, in atomic machines, though of course there seems little point in doing it except as a stunt. Occasionally, though, we do change gold into mercury.

When the heart of the atom is changed in this way, radiation, or energy rays, are set off. Rays from radium and from X-ray machines are instances of radiation with which men in industry are familiar. For industrial use, radium is scarce; X-ray machines are very costly. But just the waste, or byproducts, of a single month's operation of one of this country's atomic plants is the equivalent of tons of radium, and gives off far more radiation than all the X-ray machines in the country could produce in many years.

The technical and industrial uses to which intense beams and huge volumes of radiation can be put have not yet been carefully investigated; in fact it has barely been thought about seriously. Radiation does things to any material that is put in its path. It changes the structure and characteristics of common metals—iron, cobalt, steel, copper, zinc and so on. It changes the structure and nature of curious materials as yet little known to industry or to everyday life, such as those known as germanium and zirconium.

What has been learned thus far about what happens to industrial materials that are exposed to atomic radiation is chiefly what damage it does. Researchers are looking for metals that will contain radiation, or conduct or transfer the heat thereby created. Few materials can take it for these specialized uses. But this is an old story. More often than not, this is the negative process whereby new and useful things have been discovered. Effects that, to one man bent on a particular experiment, seem useless or harmful may, to another with a different goal in mind or no goal whatever or a livelier imagination, lay the foundation for a whole new edifice of technical knowledge and human welfare.

Just a few weeks ago at the University of California there occurred an illuminating and heartening example in the medical field of what I mean. This appears to be a giant stride in the ability to detect hardening of the arteries—high among killers of men—years before any recognizable symptoms appear. This boon, if fully confirmed, is the wholly unexpected, wholly unplanned result of experiments that has as their purpose finding some way to combat the harmful and usually deadly effects of overdoses of radiation on human beings.

I confess I take little stock in the offhand way some people say atomic energy and radiation will probably never amount to much, in the sense of practical industrial use and daily living. "A fine bomb, yes, but not anything else of consequence; certainly not for 50 years." I recall that in 1901, after he and his brother had failed in their stubborn effort to fly, Wilbur Wright concluded that it would be a thousand years before man would fly; 7 years later he made a single flight of more than 77 miles. But Orville Wright's view of this early "failure" of the science of flying is worth repeating to the more dismal of today's atomic energy prophets. He said it was not that flight was impossible; it was just that he and his brother didn't yet know enough.

The possibilities of the industrial atom appear almost limitless. We do not know, for example, what chemical reactions in ordinary substances of industry may be caused by the kind of intense radiation we now have available to us for the first time in history. We cannot be sure, today, how we can make use of the fantastically high temperatures released by changing the heart of the atom. Will it ever be possible, as a result of atomic knowledge, to produce electricity directly—that is, without a boiler and turbine and generator? It doesn't now seem in the cards. But does anyone know enough to be sure?

By the application of temperature, pressure and catalysts modern chemists have rearranged the atoms of such common substances as sulfur, coal tar and chlorine, producing a string of more than 500,000 new compounds. Many of these materials have already found their application in industry. Who is there who can say that the process of changing the heart of the atom itself cannot produce comparable results?

The fabulous benefits that have flowed from chemistry would certainly never have been ours if there had been Government monopoly of the dissemination of the information, the materials with which to carry on the work and of the financing. Industrialists and research directors and investigators, viewing the harassing difficulties and frustrations in the atomic field now subject to Government monopoly, will choose other avenues of opportunity that are open to them, avenues across which there has not been thrown a monolithic roadblock. And America and Americans will be the losers. The time for the first industrial applications of atomic knowledge is overdue.

I have said that it is the absence of competition in ideas that is holding back a vigorous and spirited and full development of the industrial atom; that the individuals and private corporations engaged in this undertaking—the inner circle—are able, talented, intent upon making progress. I have said that the Atomic Energy Commission tried conscientiously to make the Soviet-type system we had unwittingly adopted work in an American atmosphere.

It is important to emphasize and to expand on these points.

No one can shrug off his deep concern about this dangerous development in our industrial life by saying that the trouble does not go very deep, that minor adjustments would make unnecessary the complete course reversal that I am now proposing. A hard look at this picture shows that this illness is not a surface chill; it is deep in our vital organs.

The atomic bomb was developed under Government monopoly; it was a great achievement. Many private corporations were hired by Gen. Leslie R. Groves and his Manhattan District organization to do particular assigned tasks. The Manhattan District wartime goal was a single and clearly defined one: to make an atomic bomb and make it in time to help win the war. That kind of governmental objective, under wartime incentives (and without political interference in technical decisions which total wartime secrecy provided) is appropriate for Government monopoly.

But when the civilian Atomic Energy Commission was created in August 1946, it was not given the single objective of developing and making atomic munitions. A year's congressional hearings had made it plain to the country and to Congress that far more than weapon-making is involved in atomic knowledge. The very first words of the McMahon Act providing for a civilian commission state this conclusion in these words, words of great sweep and promise:

"Research and experimentation in the field of nuclear chain reaction have attained the stage at which the release of atomic energy on a large scale is practical. The significance of the atomic bomb for military purposes is evident. The effect of the use of atomic energy for civilian purposes upon the social, economic, and political structures of today cannot now be determined. It is a field in which unknown factors are involved. Therefore, any legislation will necessarily be subject to revision from time to time. It is reasonable to anticipate, however, that tapping this new source of energy will cause profound changes in our present way of life. Accordingly, it is hereby declared to be the policy of the people of the United States that, subject at all times to the paramount objective of assuring the common defense and security, the development and utilization of atomic energy shall, so far as practicable, be directed toward improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace."

But it takes more than mere words, however eloquent, in a statute that creates a Government monopoly to cancel out the contradiction between monopoly and our competitive enterprise system.

Under our free system the purpose of government and the purpose of industry are quite dissimilar. They ought to be kept that way, if we want to continue that free society. This is especially important in the field of industrial developments.

When government takes over a whole field of knowledge, and monopolizes it, as it has done under the McMahon Act, its purposes—as government—are not only "paramount," they tend to become exclusive. They tend to drive to lower and lower priority those purposes that are actually not the business of government, but of industry—that is, general industrial development.

It is of the deepest importance to us all that we face up to this inescapable fact:

atomic knowledge in the hands of government will be intensively and successfully developed only for military purposes. Here is a simple way to demonstrate that this is true. Suppose that, overnight, atomic energy lost its importance as a weapon, let us say because of some remarkable new discovery. Would it not be recognized, almost without debate, that the whole field of peacetime industrial development of this knowledge would then be the exclusive province of competitive private industry?

The danger that Government monopoly would choke industrial development was clear to me when I first became the Commission's Chairman. But as a practical matter, the only course for the Commission was to try by actual administration somehow to make monopoly work.

Accordingly, private corporations rather than Government employees were selected to do almost every bit of the actual work of production, process engineering, and so on. New companies were brought in and added to the list of contractors. The roster of firms engaged by the Commission to do portions of the work is a very impressive one, including, among others, such honored names of American industry as these: Carbide & Carbon Chemicals Corp., the General Electric Co., Monsanto Chemical Co., the Kellex Corp., the Air Reduction Co., Inc., Western Electric Co., Bell Telephone Laboratories, Inc., Bendix Aviation Corp., Standard Oil Development Co., Westinghouse Electric Corp., Allis-Chalmers Manufacturing Co., Carrier Corp., and Mallinckrodt Chemical Works.

Wide latitude and discretion were given these concerns in the management of their part of development and production work. (Later, in the Hickenlooper hearings and the resulting legislative "riders," Congress knocked this principle in the head.)

The Commission, at the very outset, launched an effort to broaden knowledge of what was at stake in the industrial atom. We tried, within the law, to increase the information and "know-how" at the disposal of industrial men, those outside the inner circle. This effort continues today. At the Commission's urgent invitation, able industrialists gave months of their time studying this problem of making monopoly work in a land of industrial competition.

What have been the results?

The effort to bring a large segment of the industrial minds of the country actively to bear on this whole new possibility failed. Most American business activities do not have and cannot have any access whatever to genuinely workable and hands-in-the-earth contact with the production of atomic materials or with the industrial atom's potentialities.

The act's process of declassifying (i. e., making nonsecret) information having industrial value has proved hopelessly academic and unworkable. It resembles nothing so much as trying to cut down the redwood tree of secrecy with a penknife: the tree grows faster than the whittler can cut.

As to production: Only one corporation in the country is making or is permitted to know how to make by the method now in use the basic atomic material known as uranium 235.

Only one industrial concern in the country is making, and only two know how to make, the basic atomic end product, plutonium.

As to intermediate "feed" materials, there is only one company making each of these materials; there is no intraindustry competition as to quality, price or (most important) basic improvement in process.

Quite aside from the monetary spur, there is in the atomic enterprise almost no chance for men in industry to have the satisfaction (often quite as important as the profit incentive) of trying to beat the other fellow's methods, his costs, his consumer acceptance.

The estimate of costs of the great new experimental machines for production of atomic power are very high; they are constantly rising, by increments of millions of dollars. Nothing is ever attempted on a small, modest, or limited scale.

There is not a dime of private investment in any of the experimental machines, no financial risk to the corporations doing the work, no cost to them if estimates continue to go zooming up while completion schedules stretch out longer and longer. There is no loss of prestige for mediocre work inasmuch as secrecy makes it difficult or impossible for other industry to judge the performance.

But the men and the corporations at work are excellent. The management personnel of the AEC rank very high. I would say that Carroll Wilson, general manager, is one of the very ablest industrial and technical executives of this generation, an opinion with which many industrial men would agree.

The people and corporations are good, but the results are not. They are not up to American par because the job is not being done the American way.

## UNITED NATIONS RECOGNITION OF COMMUNIST CHINA—STATEMENT BY SENATOR BRIDGES AND SENATOR KNOWLAND

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from California?

Mr. CAIN. I yield.

Mr. KNOWLAND. I ask unanimous consent to have printed in the body of the RECORD, as part of my remarks, a statement that was issued jointly by the Senator from New Hampshire [Mr. BRIDGES] and myself relative to the question of the United Nations recognition of Communist China.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

It is our firm belief that America wants peace with honor. Appeasement is surrender on the installment plan. We believe that our security and the cause of a free world of free men depend on vigorously resisting Soviet pressure in the United Nations on the question of seating the Communist regime in place of the Republic of China.

We handed Manchuria to Russia in the Yalta agreement and that launched the Red conquest in Asia. We abandoned the free peoples of Poland and Czechoslovakia when we acquiesced to rigged elections and that lower the iron curtain over eastern Europe.

What have these concessions gained us? Nothing. We have bought only more cold war tension and more terror. One by one, the countries of the world are falling under the Kremlin's dictatorship. Russia is preparing for war. The Soviet Union is spending more on armaments than all of the free world combined, including the United States.

If we concede on China, we will be asked to yield next on Indochina, Korea, India, Burma, Siam, the United States of Indonesia, and the Philippines. Do we wait until, one by one, all the non-Communist countries of Asia have gone under the hammer and sickle? Do we wait until we are completely isolated or, perhaps, we are asked to concede Hawaii or Alaska?

The new isolationists are those who betray this country's friends by sacrificing them to Soviet-sponsored international communism rather than give them our support. Eventually, if the process continues, we will be isolated, alone against a communized world.

The issue over seating Red China—which means expelling our wartime ally and longtime friend, Nationalist China, one of the United Nations' founding members—is a crucial test in total diplomacy. Secretary of State Dean Acheson has used that expression. Only the Soviet Union, however, has used total diplomacy. While we have wavered, the Kremlin has moved ruthlessly to grab what it wants.

Now Russia wants another vote in the Security Council. UN Secretary General Trygve Lie conveniently cooperates in a scheme to deliver it.

Lie says the Communists represent China's people. That is not true notwithstanding Soviet propaganda. The Communists do not represent China's people. China is the victim of a treacherous invasion, incited and directed from Moscow. Has Trygve Lie forgotten the quislings in his own Norway? Communist agents don't represent China any more than the Nazis represented Norway when they overran Mr. Lie's country.

The United States must not acquiesce in this move to seat Soviet China in the United Nations. To do so would be contrary to the principle of nonrecognition of conquests which Henry L. Stimson laid down when the Japanese conquered Manchuria in 1932. We stood by that principle when the quislings drove the government of which Trygve Lie was Foreign Minister out of Norway. We supported Mr. Lie's government when it had fled into exile and we helped put it back in power.

Do we quit now, drop total diplomacy and go back to Chamberlin appeasement diplomacy at a moment when the future peace of the United States is at stake? There is grave danger that the Soviet Union may destroy the United Nations by holding a gun at the heads of each free nation with a dictate "do it our way—or else."

Lie says the China issue is obstructing progress toward peace through the United Nations. This is camouflage. Russia is obstructing progress toward peace. There would be no issue if Russia accepted its obligations under the United Nations. But Russia refuses to abide by the UN Charter. Lie says, in effect, if Russia will not accept the rules of the UN, the rules must be changed. He adopts the same insiduous tactics as the Communists themselves and becomes at least their tool, if not their actual ally.

What Lie proposes is more than mere craven appeasement. It is surrender, abject capitulation. The only support Lie has a right to expect is from the Comintern—not from the United States or the other free nations. Russia wants to apply the police state to the UN. If we yielded to that we would be selling ourselves out and with no assurance, even at that price, that peace can be preserved.

On this issue, Russia has the United States backed to the wall. Any sign of weakness now would cost us more loss of prestige and further impair our leadership of the anti-Communist forces of the world.

This has been slyly calculated in Moscow. China is not an isolated issue. Her position in the United Nations is part of the whole world situation in which peace is so precariously balanced. It cannot be separated from the subjugation of eastern Europe to Soviet dictatorship. China's peril cannot be separated from the peril of other countries in Asia, Latin America, Europe, and the Near East from Russia's armies and Russia's international agents.

In his rebuke to Lie, Secretary Acheson has taken the realistic view that the impasse in the United Nations is the result of Soviet Union's unwarranted attempt to coerce the UN. This is good, as far as it goes.

But does it go far enough? Secretary Acheson repeatedly has said the United States will vote against seating Communist

China. Will he now carry his convictions to a logical conclusion? Will he agree to help organize the free nations to resist Soviet blackmail? To use the veto, if necessary?

Russia has exercised the veto at least 40 times—including vetoes of applications for membership by Ireland, Austria, Finland, Italy, and other countries. Soviet China is another new applicant. Soviet China was created by Russia's imperialist aggression. It was created by conquest of the forces backed by the Kremlin. There is precedent for a veto of Soviet China's application. There also is urgent necessity for it.

We endorse the foreign-aid program for countries which stand with the United States for peace and freedom. It is only simple logic, however, that our wealth and our arms cannot be handed to powers which ultimately might use them against us. It is too dangerous. We are sure the American people agree that those countries which wither under the pressure of Soviet total diplomacy now are ultimate threats to the peace we are paying a very high price to preserve.

We, the undersigned, therefore declare this to be our policy:

1. We affirm Mr. Acheson's repudiation of the Lie pressure proposals for seating Soviet China in the United Nations.

2. In order to lend support to our Government and help strengthen its total diplomacy, we believe that we should consider carefully before giving further United States aid, economic or military, to any nation which betrays its democratic interests under pressure from the Soviet Union, its satellites or agents.

3. Unless Trygve Lie at once withdraws his proposals for seating Soviet China, we ask that the Government of the United States instruct its representatives to the United Nations to seek the selection of an impartial Secretary in place of the Soviet partisan incumbent. His efforts, if successful would open, through the UN, a side door for more Communist agents to enter this country. He has exceeded his authority. He has endangered both peace and the structure of the United Nations, causes he professes to advance.

4. Unless the Soviet Union ends its boycott of the United Nations and ceases its arbitrary and obstructionist tactics, we recommend that the United States use its veto power, if necessary, in the issue over China's representation. We deplore the necessity even to consider using the veto. However, the Soviet Union is attempting to subvert the UN into an instrument for its own imperialist ambitions. In the face of the Soviet's clear plan for conquest, there is no other alternative on this issue.

STYLES BRIDGES,
*United States Senator (Republican of New Hampshire).*
WILLIAM F. KNOWLAND,
*United States Senator (Republican of California).*

## VOTING PROCEDURE IN THE SECURITY COUNCIL

Mr. KNOWLAND. Mr. President, I also ask to have printed in the RECORD, for the information of the Senate, a statement by the delegations of the four sponsoring governments on voting procedure in the Security Council, issued on June 7, 1945.

Mr. President, I desire particularly to call to the attention of the Members of the Senate the part of the statement indicated by the Roman numeral II, sections one and two, dealing with the question of whether action is subject to a veto. Subsection 1 reads:

In the opinion of the delegations of the sponsoring governments, the draft charter itself contains an indication of the application of the voting procedures to the various functions of the Council.

2. In this case, it will be unlikely that there will arise in the future any matters of great importance on which a decision will have to be made as to whether a procedural vote would apply. Should, however, such a matter arise, the decision regarding the preliminary question as to whether or not such a matter is procedural must be taken by a vote of seven members of the Security Council, including the concurring votes of the permanent members.

I submit, Mr. President, that this indicates that on the question of the seating of the Communist regime in China or the unseating of the Republic of China the veto of not only the Republic of China itself could apply against such action, but also the United States would be well within its rights to exercise a veto in that matter.

Mr. President, I merely wish to say in conclusion at this time, though I shall have more to say on the floor at a later date, that it seems to me the time is rapidly approaching, particularly in view of the indications that Mr. Trygve Lie is again making a trip to Europe in the interest of seating the Communist regime in the United Nations, and in view of the indication by the British Government today in the articles carried in the morning newspapers that they are now at work in trying to seat the Communist regime, that perhaps the thing the Senate and the House of Representatives should do with respect to the arms-implementation appropriation and the ECA appropriation, which are now before the Appropriations Committee, is to provide a 7 months' allocation of funds. The Congress of the United States will be back here in January of next year, and at that time we will have additional facts to go on as to whether the British Government and these other governments are going to seat the Communists in the United Nations. I shall be prepared to offer such an amendment in the Appropriations Committee so that we may have a review of the entire situation when we return as the Eighty-second Congress in January 1951.

I wish to thank the Senator from Washington for having yielded to me.

The PRESIDING OFFICER (Mr. MURRAY in the chair). Without objection, the statement will be printed in the RECORD.

The statement is as follows:

STATEMENT BY THE DELEGATIONS OF THE FOUR SPONSORING GOVERNMENTS ON VOTING PROCEDURE IN THE SECURITY COUNCIL, JUNE 7, 1945

Specific questions covering the voting procedure in the Security Council have been submitted by a subcommittee of the conference committee on structure and procedures of the Security Council to the delegations of the four governments sponsoring the conference—the United States of America, the United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist Republics, and the Republic of China. In dealing with these questions, the four delegations desire to make the following statement of their general attitude toward the whole question of unanimity of permanent members in decisions of the Security Council.

I

1. The Yalta voting formula recognizes that the Security Council in discharging its responsibilities for the maintenance of international peace and securty, will have two broad groups of functions. Under chapter VIII, the Council will have to make decisions which involve its taking direct measures in connection with settlement of disputes, adjustment of situations likely to lead to disputes, determination of threats to the peace, removal of threats to the peace, and suppression of breaches of the peace. It will also have to make decisions which do not involve the taking of such measures. The Yalta formula provides that the second of these two groups of decisions will be governed by a procedural vote—that is, the vote of any seven members. The first group of decisions will be governed by a qualified vote—that is, the vote of seven members, including the concurring votes of the five permanent members, subject to the proviso that in decisions under section A and a part of section C of chapter VIII parties to a dispute shall abstain from voting.

2. For example, under the Yalta formula a procedural vote will govern the decisions made under the entire section D of chapter VI. This means that the Council will, by a vote of any seven of its members, adopt or alter its rules of procedure; determine the method of selecting its president; organize itself in such a way as to be able to function continuously; select the times and places of its regular and special meetings; establish such bodies or agencies as it may deem necessary for the performance of its functions; invite a member of the organization not represented on the Council to participate in its discussions when that member's interests are specially affected; and invite any state when it is a party to a dispute being considered by the Council to participate in the discussion relating to that dispute.

3. Further, no individual member of the Council can alone prevent consideration and discussion by the Council of a dispute or situation brought to its attention under paragraph 2, section A, chapter VIII. Nor can parties to such dispute be prevented by these means from being heard by the Council. Likewise, the requirement for unanimity of the permanent members cannot prevent any member of the Council from reminding the members of the organization of their general obligations assumed under the charter as regards peaceful settlement of international disputes.

4. Beyond this point, decisions and actions by the Security Council may well have major political consequences and may even initiate a chain of events which might, in the end, require the Council under its responsibilities to invoke measures of enforcement under section B, chapter VIII. This chain of events begins when the Council decides to make an investigation, or determines that the time has come to call upon states to settle their differences, or makes recommendations to the parties. It is to such decisions and actions that unanimity of the permanent members applies, with the important proviso, referred to above, for abstention from voting by parties to a dispute.

5. To illustrate: In ordering an investigation, the Council has to consider whether the investigation—which may involve calling for reports, hearing witnesses, dispatching a commission of inquiry, or other means—might not further aggravate the situation. After investigation, the Council must determine whether the continuance of the situation or dispute would be likely to endanger international peace and security. If it so determines, the Council would be under obligation to take further steps. Similarly, the decision to make recommendations, even when all parties request it to do so, or to call upon parties to a dispute to fulfill their obligations under the Charter, might be the first step on a course of action from which the Security Council could withdraw only at the risk of failing to discharge its responsibilities.

6. In appraising the significance of the vote required to take such decisions or actions, it is useful to make comparison with the requirements of the League Covenant with reference to decisions of the League Council. Substantive decisions of the League of Nations Council could be taken only by the unanimous vote of all its members, whether permanent or not, with the exception of parties to a dispute under article XV of the League Covenant. Under article XI, under which most of the disputes brought before the League were dealt with and decisions to make investigations taken, the unanimity rule was invariably interpreted to include even the votes of the parties to a dispute.

7. The Yalta voting formula substitutes for the rule of complete unanimity of the League Council a system of qualified majority voting in the Security Council. Under this system non-permanent members of the Security Council individually would have no "veto." As regards the permanent members, there is no question under the Yalta formula of investing them with a new right, namely, the right to veto, a right which the permanent members of the League Council always had. The formula proposed for the taking of action in the Security Council by a majority of seven would make the operation of the Council less subject to obstruction than was the case under the League of Nations rule of complete unanimity.

8. It should also be remembered that under the Yalta formula the five major powers could not act by themselves, since even under the unanimity requirement any decisions of the Council would have to include the concurring votes of at least two of the non-permanent members. In other words, it would be possible for five non-permanent members as a group to exercise a veto. It is not to be assumed, however, that the permanent members, any more than the non-permanent member, would use their veto power willfully to obstruct the operation of the Council.

9. In view of the primary responsibilities of the permanent members, they could not be expected, in the present condition of the world, to assume the obligation to act in so serious a matter as the maintenance of international peace and security in consequence of a decision in which they had not concurred. Therefore, if a majority voting in the Security Council is to be made possible, the only practicable method is to provide, in respect of nonprocedural decisions, for unanimity of the permanent members plus the concurring votes of at least two of the non-permanent members.

10. For all these reasons, the four sponsoring Governments agreed on the Yalta formula and have presented it to this conference as essential if an international organization is to be created through which all peace-loving nations can effectively discharge their common responsibilities for the maintenance of international peace and security.

II

In the light of the considerations set forth in Part 1 of this statement, it is clear what the answers to the questions submitted by the subcommittee should be, with the exception of question 19. The answer to that question is as follows:

1. In the opinion of the delegations of the sponsoring governments, the draft charter itself contains an indication of the application of the voting procedures to the various functions of the Council.

2. In this case, it will be unlikely that there will arise in the future any matters of great importance on which a decision will have to be made as to whether a procedural vote would apply. Should, however, such a matter arise, the decision regarding the preliminary question as to whether or not such a matter is procedural must be taken by a vote of seven members of the Security Council, including the concurring votes of the permanent members.

QUESTIONNAIRE ON EXERCISE OF VETO IN SECURITY COUNCIL, MAY 22, 1945

(NOTE.—It is provided under ch. VI (C), par. 3, that in all questions under VIII (A) a party to a dispute shall abstain from voting. Therefore unless otherwise indicated the veto referred to in each question below is the veto of a permanent member who is not a party to a dispute.)

Under new paragraph 1 of chapter VIII (A), prepared by the sponsoring Governments:

"Without prejudice to the provisions of paragraphs 1–5 below, the Security Council should be empowered, if all the parties so request, to make recommendations to the parties to any dispute with a view to its settlement in accordance with the principles laid down in chapter II, paragraph 3."

(1) If the parties to a dispute request the Security Council to make recommendations with a view to its settlement, would the veto be applicable to a decision of the Security Council to exercise its power to investigate the dispute for that purpose?

(2) If the Security Council has investigated a dispute under this paragraph, would the veto be applicable to a decision of the Security Council to recommend to the parties certain terms, with a view to the settlement of the dispute?

Under present paragraph 1 of chapter VIII (A):

"1. The Security Council should be empowered to investigate any dispute, or any situation which may lead to international friction or give rise to a dispute, in order to determine whether its continuance is likely to endanger the maintenance of international peace and security."

(3) If the attention of the Security Council is called to the existence of a dispute, or a situation which may give rise to a dispute, would the veto be applicable to a decision of the Security Council to exercise its power to investigate the dispute or situation?

(4) If the Security Council has investigated the dispute, would the veto be applicable to a decision by the Security Council that the continuance of the dispute is likely to endanger the maintenance of international peace and security?

Under present paragraph 3, chapter VIII (A):

"3. The parties to any dispute the continuance of which is likely to endanger the maintenance of international peace and security should obligate themselves, first of all, to seek a solution by negotiation, mediation, conciliation, arbitration, or judicial settlement, or other peaceful means of their own choice. The Security Council should call upon the parties to settle their dispute by such means."

(5) If the Security Council has decided that the continuance of a dispute is likely to endanger the maintenance of international peace and security, would the veto be applicable to a decision of the Security Council to call upon the parties to settle their dispute by the means indicated in paragraph 3?

Under paragraph 4 of chapter VIII (A) as proposed to be amended by the sponsoring governments:

"4. If, nevertheless, parties to a dispute of the nature referred to in paragraph 3 above fail to settle it by the means indicated in the paragraph, they should obligate themselves to refer it to the Security Council. The Security Council should in each case decide whether or not it deems that the continuance of the particular dispute is in fact likely to endanger the maintenance of international peace and security, and, accordingly, whether the Security Council should deal with the dispute, and, if so, whether it should take action under paragraph 5 it shall decide whether to take action under paragraph 5 or whether itself to recommend such terms of settlement as it may consider appropriate."

(6) If a dispute is referred to the Security Council by the parties under this paragraph, would the veto be applicable to a decision by the Security Council under the second sentence of this paragraph that it deems the continuance of the particular dispute is in fact likely to endanger the maintenance of international peace and security?

(7) If the Security Council deems that the continuance of the particular dispute is in fact likely to endanger the maintenance of international peace and security, would the veto be applicable to a decision of the Security Council under the second sentence of this paragraph to take action under paragraph 5?

(8) If the Security Council deems that the continuance of the particular dispute is in fact likely to endanger the maintenance of international peace and security, would the veto be applicable to a decision of the Security Council under the second sentence of this paragraph to recommend to the parties such terms of settlement as it considers appropriate?

Under paragraph 5 of chapter VIII (A):

"5. The Security Council should be empowered, at any stage of a dispute of the nature referred to in paragraph 3 above, to recommend appropriate procedures or methods of adjustment."

(9) Would the veto be applicable to a decision of the Security Council, at any stage of a dispute, to recommend to the parties appropriate procedures or methods of adjustment?

Under paragraph 6 of chapter VII (A):

"6. Justiciable disputes should normally be referred to the International Court of Justice. The Security Council should be empowered to refer to the Court, for advice, legal questions connected with other disputes."

(10) Would the veto be applicable to a decision of the Security Council under the first sentence of this paragraph that a dispute is of a justiciable character?

(11) Would the veto be applicable to a decision of the Security Council under the first sentence of this paragraph to refer a justiciable dispute to the International Court of Justice?

(12) Would the veto be applicable to a decision of the Security Council to deal with a justiciable dispute by some other means of adjustment?

(13) Would the veto be applicable to a decision of the Security Council to refer to the International Court of Justice a legal question connected with a nonjusticiable dispute?

Under paragraph 1 of chapter VIII (B) as proposed by the four sponsoring governments:

"Section B: Determination of threats to the peace or acts of aggression and action with respect thereto. 1. Should the Security Council deem that a failure to settle a dispute in accordance with procedures indicated in paragraph 3 of section A, or in accordance with its recommendations made under paragraphs 4 or 5 of section A, constitutes a threat to the maintenance of international peace and security, it should take any measures necessary for the maintenance of international peace and security in accordance with the purposes and principles of the Organization."

(14) Would the veto be applicable to a decision of the Security Council that it deemed that a failure would constitute a threat to the maintenance of peace and security?

(15) Would the veto be applicable of the Security Council that it should take any measures necessary for the maintenance of international peace and security?

Under new paragraph 2 of chapter VIII (B) as proposed by the four sponsoring governments:

"2. In general, the Security Council should determine the existence of any threat to the peace, breach of the peace or act of aggression, and should make recommendations or decide upon the measures set forth in paragraphs 3 and 4 of this section to be taken to maintain or restore peace and security."

(16) Would the veto be applicable to a decision of the Security Council that it determined the existence of any threat to the peace, etc.?

Under new paragraph proposed by the four sponsoring governments to be inserted between paragraphs 2 and 3 of chapter VIII (B):

"Before making the recommendations or deciding upon the measures for the maintenance or restoration of peace and security in accordance with the provisions of paragraph 2, the Security Council may call upon the parties concerned to comply with such provisional measures as it may deem necessary or desirable in order to prevent an aggravation of the situation. Such provisional measures should be without prejudice to the rights, claims, or positions of the parties concerned. Failure to comply with such provisional measures should be duly taken account of by the Security Council."

(17) Would the veto be applicable to a decision of the Security Council that it may call upon the parties, etc.?

(18) Would the veto be applicable to a decision of the Security Council that failure to comply should be duly taken account of, etc.?

Under the second paragraph of chapter VI (C):

"Section C. Voting. 1. Each member of the Security Council should have one vote.

"2. Decisions of the Security Council on procedural matters should be made by an affirmative vote of seven members."

(19) In case a decision has to be taken as to whether a certain point is a procedural matter is that preliminary question to be considered in itself as a procedural matter or is the veto applicable to such preliminary question?

Under the third paragraph of chapter VI (C):

"3. Decisions of the Security Council on all other matters should be made by an affirmative vote of seven members including the concurring votes of the permanent members; provided that, in decisions under chapter VIII, section A, and under the second sentence of paragraph 1 of chapter VIII, section C, a party to a dispute should abstain from voting."

(20) If a motion is moved in the Security Council on a matter, other than a matter of procedure, under the general words in paragraph 3, would the abstention from voting of any one of the permanent members of the Security Council have the same effect as a negative vote by that member in preventing the Security Council from reaching a decision on the matter?

(21) If one of the permanent members of the Security Council is a party to a dispute, and in conformity with the proviso to paragraph 3 has abstained from voting on a motion on a matter, other than a matter of procedure, would its mere abstention prevent the Security Council from reaching a decision on the matter?

(22) In case a decision has to be made under chapter VIII, section A, or under the second sentence of chapter VIII, section C, paragraph 1, will a permanent member of the Council be entitled to participate in a vote on the question whether that permanent member is itself a party to the dispute or not?

(23) In view of questions raised by several delegations, the Greek delegation would like to be informed whether, under chapter 10, paragraph 1, of the Dumbarton Oaks proposals as amended by the four governments, the recommendation of the Security Council to the Assembly in respect of the election of the Secretary-General and his deputies is subject to veto.

## EXTENSION OF SELECTIVE SERVICE ACT OF 1948

The Senate resumed the consideration of the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes.

Mr. CAIN. Mr. President, the junior Senator from Washington wishes to associate himself with the senior Senator from Maryland [Mr. TYDINGS], the chairman of the Senate Armed Services Committee, with the Senator from Massachusetts [Mr. SALTONSTALL], and with other Senators in recommending that the Selective Service Act of 1948 be extended for a period of 3 years. This law was approved on June 24, 1948. It was to be effective for a period of 2 years, unless sooner terminated by the Congress. If the Congress does not direct otherwise, therefore, the statute will expire on Saturday, the 24th of this month. That date is almost here.

The committee report contains a rather complete outline of the main features of the 1948 act, so I shall not take the time to review them all in detail. There are two or three points, however, which I will discuss briefly, as I think we should have them clearly in mind, and the Nation ought to be conscious of them.

The law calls for the registration of all male persons 18 through 25 years of age. Those less than 18 are required to register as they reach that age. All told, over 10,000,000 men have so far been registered.

There actually have been no inductions from among this group for nearly 18 months. However, the law authorizes the induction of certain nonveteran, unmarried persons between the ages 19 through 25, provided the manpower strengths specifically authorized by the Congress cannot be met by enlistments. It is important to note, at this point, that this induction authority is in reality a very limited one, in that the law clearly specifies definite manpower ceilings. As a practical matter, there is a further congressional control, because manpower totals are in reality determined by the numbers actually appropriated for each year by the Congress.

Any inductions which might be made are for a period of 21 months. There are very liberal deferments and exemptions for persons who have dependents, who have had previous military service, who are attending high school or college, or who belong to the Reserves. These deferments and exemptions are, of course, far more liberal than could be supported in even a fairly limited mobilization. That is as it should be, because the present act was never intended as a mobilization proposition. It is—and we should always bear that in mind—a peacetime measure, designed and planned to give us a force big enough to deter aggression, and thus act as a preventive to a full-scale emergency; or, if one should come, to enable us to meet the initial shock with a force respectable enough to give us the time necessary to marshal our resources.

The present law also gives reemployment rights but no GI benefits, provides for the compulsory filling of orders for military supplies, and contains a number of features of lesser importance, all of which were considered in detail by the Senate 2 years ago, at which time the act was passed by an impressive majority.

As Senators will recall, early in 1948 the Senate Committee on Armed Services held an exhaustive series of hearings on the question of military manpower. During the long weeks of those hearings, our most respected and competent officials, both civilian and military, pointed out, with an impressive degree of unanimity, that in their best judgment the number of men on active duty in the Military Establishment was at a dangerously low level. Our forces were simply not big enough to meet the immediate demands of our national security, and to maintain our national position. Even today, none of us can forget how badly the international situation had deteriorated during 1946 and 1947; how dismally the hopes of mankind for a free and peaceful world were then being frustrated by the caprice, and the willfulness, and the increasingly ruthless arrogance and stubbornness and prevailing lack of a desire to cooperate, of the Soviet leaders.

But even so, the witnesses who appeared at those hearings back in 1948 did not contend that a war was immediately or about to break out, nor that enemy bombers were virtually overhead, nor that the Nation should be converted then, or tomorrow, or now, into an armed camp. What they said was simply that the number of men actually in our Armed Forces at that time was too small to meet our national commitments, too small to prevent the numerous critical situations which we were then facing from developing into major and serious and dangerous emergencies.

Furthermore, the existing military forces not only were too small at the moment, but they were decreasing at an alarming rate. In spite of what was, at that time, the largest and most successful recruiting program ever conducted by any nation in peacetime. We were simply unable to fill our ranks.

The answer to this increasingly dangerous situation was, first, to authorize an increase in our Armed Forces, and, second, to provide a limited form of selective service which would insure that the necessary strengths would not only be reached, but could, and would be, maintained.

It was against this background that the Selective Service Act of 1948 was recommended to the Senate by the Committee on Armed Services, and was overwhelmingly approved. We appear today to ask that the act be extended. I shall attempt to give the Senate our reasons for recommending this admittedly difficult course of national action.

The effects of the 1948 act are pretty well recognized by all who are familiar with the Military Establishment. Two years ago our combat units were not only inadequate in numbers and types,

but even those which we did have were so depleted in strength as to be incapable of performing their missions. There was also a grave shortage in the noncombat, or service, troops which are so necessary to carry out the vital functions of logistic support. The Army, where the situation was by far the worst, was at the alarmingly low strength of 542,000, and was still losing men at the rate of several thousand each month.

In approving the 1948 act, the Congress directed that no inductions should be made for a period of 90 days, and that in the meantime the President should further intensify the enlistment program, in an effort to obviate the need for making any inductions at all. As a matter of fact, there was a full agreement—which agreement, I might add, has been fully and honestly kept—that the President would not use his induction authority unless it was absolutely necessary to do so, and would cease using it the moment the Armed Forces could maintain the strength which had been authorized, and appropriated for, by the Congress.

Mr. WATKINS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). Does the Senator from Washington yield to the Senator from Uath?

Mr. CAIN. Certainly; I am pleased to yield.

Mr. WATKINS. Will the Senator inform us how many men were actually inducted under that measure?

Mr. CAIN. There have been inducted under the Selective Service Act of 1948, 30,170 men, almost all of whom have, since their induction, been retired, at their own request, to private life. I think it is a fact that of the 30,170 men who have been inducted since 1948, as a result of the passage of the Selective Service Act of 1948, only 200 are yet serving in the Army of the United States; and all of those 200 are serving at their own request.

Mr. WATKINS. Then I understand that it was possible to obtain the necessary numbers of men without having to draft more than approximately 30,000 men. Is that correct?

Mr. CAIN. For approximately 18 months we have had the Selective Service Act on our statute books, while inducting no men into the Armed Forces.

Mr. WATKINS. What is the present situation with respect to the Armed Forces? Do we now have in the Armed Forces enough men to take care of current needs?

Mr. CAIN. The Army is presently about 25,000 men under strength, in the sense that the Army has appropriations sufficient, as I understand, to pay the wages and salaries of 25,000 more men than are presently in the Army.

Mr. WATKINS. Would it be asking for classified material if I were to ask the Senator to state the total number of men now in the Armed Forces?

Mr. CAIN. By no means. Those figures are to be found on page 7 of the committee report. The Army has a present strength of 593,000 men; the Navy, a present strength of 427,000 men; and the Air Force, a present strength of 350,000 men.

Mr. WATKINS. Did I correctly understand the Senator from Washington to say that we now are short about 30,000?

Mr. CAIN. My best understanding is that we are now short approximately 25,000 men. We have financial authority to pay for approximately 25,000 more men than thus far have been taken into the Army.

Mr. President, immediately upon the passage of the Selective Service Act of 1948, the volume of volunteer enlistments in all services increased far beyond even the most optimistic estimates. It is to this portion of my statement that I would call the attention of the Senator from Utah, because I think this portion of it reflects on the very serious concern the Senator has over the need or the lack of need for continuing our Selective Service Act.

Mr. WATKINS. Mr. President, will the Senator yield at this point?

Mr. CAIN. I yield.

Mr. WATKINS. Let me say to the Senator from Washington that I do not wish to be understood in any way as opposing the extension of the Selective Service Act itself. However, I have some very serious questions with respect to placing in the hands of the Chief Executive the power to declare the act operative and the power to call men to the colors again without any act of Congress. That is the question I have in mind. I think it was raised by the House of Representatives, which disagreed with the version of the bill which has been reported to us by the Senate committee.

I hope the Senator will discuss that phase of the question before he resumes his seat.

Mr. CAIN. Mr. President, the Senator from Utah is quite correct in stating that the positions assumed by the House of Representatives, on the one hand, and by the Senate committee, on the other hand, are completely dissimilar in respect to the power to be granted to the President to invoke the draft.

I shall attempt as best I can to give the Senate Armed Services Committee's view of the matter, and I shall welcome any questions the Senator from Utah may care to ask.

Mr. President, in the first months immediately following the passage of the 1948 Selective Service Act, more than a quarter of a million men over and above the total of those who had enlisted in a comparable period prior to the act, voluntarily enrolled in the armed services. Not only the active-duty forces, but the National Guard and the Organized Reserve, as well, benefited by the unprecedented program.

Inductions through selective service began in November of 1948, and continued for 3 months, at which time further calls were canceled. Slightly over 30,000 men were inducted into the Army; none into the Navy, and none into the Air Force. The Army inductions were necessary, because, even in spite of the heavy flow of enlistments, it was not possible to accomplish the initial build-up in strength at the rate demanded by the national interest and the Nation's security and as authorized by appropriations made available by the House of Representatives and by the Senate. All told, by January of 1949, the active-duty strength of the Army had been increased from 542,000 men to 711,000 men, although only about 30,000 of that total increase had been inducted. It was therefore possible to release every inductee who wished to leave the service and return to civilian life.

Mr. President, I should merely like to restate that it is my present understanding that only about 200 of the 30,000 men who were inducted are still in the Army, and they are there because it was their wish so to remain.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. WATKINS. At what stage were they released? Were they released immediately after induction, or were they released at the end of the term of service for which they were inducted?

Mr. CAIN. The inductions are normally for a 21-month period. However, in answer to the Senator's question, let me say that my understanding is that all of the approximately 30,000, less the 200, were released from the service at the end of a year's service, or 12 months of active duty.

Mr. WATKINS. They were not released immediately after induction?

Mr. CAIN. The Senator from Utah is quite correct in that instance.

Mr. President, registrations and classifications have continued in compliance with the law. There have been some 10,000,000 registrations, in all. These registrations will become invalid, however, if the law expires on Saturday night of this week or if the law is even permitted to lapse for a short period of time.

Mr. WATKINS. Mr. President, will the Senator yield at this point?

Mr. CAIN. Gladly; I yield.

Mr. WATKINS. Is it not true that we now have 10,000,000 men registered?

Mr. CAIN. That is my understanding.

Mr. WATKINS. And is it not true that 9,000,000 of them are classified? Have not the draft boards and other authorities in the Selective Service System been able to classify about 9,000,000 of the 10,000,000 who have been registered?

Mr. CAIN. I have been told that substantially all of the men who have registered have already been classified. If the number registered is 10,000,000, then approximately 10,000,000 have thus far been classified.

Mr. WATKINS. The question I have in mind is this: In the event the act is not extended, would we have the full benefit of those registrations and classifications, to pick up immediately, if we should enact another draft act?

Mr. CAIN. Upon expiration of the act on Saturday night of this week, every one of the 10,000,000 registrations would automatically become invalid.

Mr. WATKINS. They might become invalid, but, as a matter of fact, the information we have, including the names of the registrants, their addresses and the classifications into which they have

been placed by action of the boards would all be available, would it not?

Mr. CAIN. I think that is entirely correct. Unless we should assume that such records as contain the classifications and registrations are to be destroyed, we should quite properly assume the information would be available in the future.

Mr. WATKINS. Would there be any idea that those cards and records would then be destroyed?

Mr. CAIN. I think there would be no such feeling.

Mr. WATKINS. So that whatever we have done in that respect to date would still be available under any new draft act or registration in the future, would it not?

Mr. CAIN. Whatever we have done would be available in the future, in the form of information. Men could not be called to the services unless the Congress passed the necessary legislation.

Mr. WATKINS. I understand that, but another selective-service system could refer to all these registrations and classifications, adopt them, and start from that point on, could it not?

Mr. CAIN. I think the Senator is entirely correct, but the classifications would be useless in a great number of instances.

Mr. President, in effect, the induction feature of the 1948 act is today on a sort of stand-by basis, but it can be again placed in operation, if the President should find that it is impossible to continue to maintain present strengths through voluntary enlistments. I am exceedingly pleased to have an opportunity to say that the armed services have used the Selective Service Act in complete good faith. They stopped making calls for induction the moment they were able to maintain themselves without those inductions. Events have borne out the wisdom of our having enacted this legislation 2 years ago, and I believe that they warrant its continuation. The spectacular success of the Berlin airlift—which, incidentally, began just 2 days after the law took effect in 1948—helped avert a show-down when this Nation was not ready for a show-down in Germany or anywhere else, and gave America time to build up the depleted ground force which we had been attempting to maintain in that area of Germany. Last Whitsunday, in Berlin, that force had grown to where it had become a power to be reckoned with, and, backed by our Nation's determination to stand its ground, helped to prevent the development of an emergency, the gravity of which is literally overwhelming even to contemplate. And had we been too weak in that area, had we not built up a force reasonably big enough to prevent that Communist emergency from ever developing, what a very futile and tragic gesture it would then have been for the Congress of the United States to meet and then solemnly declare that an emergency existed. What more convincing proof do we need that our present military posture is an effective one, which should not be weakened?

For the next few moments, Mr. President, I should like to call the attention of the Senate to several important and basic changes which the Senate Committee on Armed Services recommends be made in the House version of the pending bill.

In the first place, we recommend that the present law be extended for three additional years, instead of only two. We feel that any policy which is as important to our national security as selective service should be relatively stable, without at the same time becoming a permanent peacetime fixture. The best-informed and most responsible leaders of the country today all urge the full 3-year extension. I think it ought more properly to be said that a great many well-informed and completely responsible leaders of America recommend this course of action. We feel that there is nothing in the world situation as it now exists which warrants disregarding their recommendation, and extending the law for only 2 years. Also, in our preoccupation with the international picture, we should not become unmindful of the thousands of volunteer workers who make up the local boards and the other vital parts of the selective-service machine, whose know-how, experience, prestige and morale are invaluable. The Selective Service System today has approximately 37,000 of these volunteer workers who give their services to the country without compensation. The System does its job with only 2,100 paid full-time positions. It gives us, in return for the ten and a half million dollars it costs, more real security per dollar than any other expenditure authorized by the Congress. It is not fair to this large army of volunteer workers to keep them on a sort of hand-to-mouth basis, as they are at the present time, unable to decide whether the Nation considers their efforts worth while or not.

In the second place, interested Members will note that the House bill adds to the existing law two new sections, Nos. 21 and 22, in the line-typed portion of the language.

The first of these proposed new sections freezes the induction authority of the President, and requires a declaration of an emergency by the Congress before inductions can be resumed.

We opposed that, Mr. President, as a committee, and, I think, unanimously, because we feel that it strikes at the fundamental purpose of the law. The law seeks to guarantee to the Nation an armed strength which is large enough to deter the aggressor's threat. A strength large enough to cope with situations as they are developed. We seek to cut off the Whitsunday riot in Berlin, rather than to assemble in this Senate Chamber after the situation has exploded in our faces, and ruefully go through the business of "declaring a national emergency." In the last analysis, this portion of the House version actually makes it necessary to declare an emergency in order to attempt to prevent or to avoid one.

The Armed Services Committee of the Senate has consistently avoided any war-scare tactics in dealing with this bill. We have never attempted, nor do we now attempt, to justify this measure on the thesis that we must mobilize, or that this very Capitol Building may be bombed at any moment, or that some other vague and frightening national catastrophe is actually upon us. We are simply trying to meet a very simple, clear-cut, realistic though regrettable situation. It is merely this:

Suppose for a moment that, in spite of all the recruiting effort possible, the present 25,000 shortage in the Army falls off another 25,000 by November 1; or that the Navy is not able to fill the 22,000 vacancies which presently exist in its ranks; or that the Air Force cannot get the 7,000 men it needs right today.

Let me make it perfectly plain, we are not crying "wolf." We feel confident, as confident, that is, as is consistent with not gambling with our security, that these figures can be met by voluntary enlistments. But we base our estimates on the clear premise that the present law is extended in its present form, and not watered down to what is virtually a sort of automatic census machine. The emergency provision in the House bill renders the act all but useless in meeting the problem it was designed to meet. For, if on November 1 the President finds that the armed forces are dangerously below the strengths actually appropriated for by the Congress, how could he suddenly ask the Congress to declare an emergency? What we are seeking to meet is not an emergency. It is simply a situation. A situation in which the President declares that it is necessary to supplement voluntary enlistments in the armed forces of the United States in order to maintain the strengths authorized, and appropriated for, by the Congress.

Furthermore, we disagree with the provisions of the House bill which cancel, except and until Congress declares an emergency, all short-term enlistments and prevents voluntary tours of duty by enlisted reservists. Those are important inducements, aimed to attract volunteers, and thereby cut down the need for inductions. We feel that it is completely illogical to suspend them; further, we feel that suspending them tends strongly to further complicate the entire situation. For how could the Congress declare an emergency existed which required inductions if, all during the period covered, these important volunteering procedures had been outlawed?

The House version contains another provision—a proposed section 22 to be added to the present law—which permits the President to order the National Guard and the other Reserve units into the Federal service in the event this section 21 emergency is declared.

This goes far beyond any authority which the committee ever contemplated should be included in a peacetime selective service bill. The calling of the civilian components into the Federal service is a prelude to war. It is one of the initial steps taken in a full mobilization. To call them from time to time in peacetime simply to augment the active-duty strength of the Regular forces is a radical departure from our traditional use of these non-Regular components. And it completely changes the concept of the 1948 act, which provides extensive deferments for veterans and married men.

The Reserve components contain thousands upon thousands of World War II veterans and large numbers of married men. To again call this group to the colors in peacetime simply because they are in the Reserve components would be a major breach of faith.

We, therefore, feel that this proposed section 22, which appears in the line-typed portion of the bill, is a wholly fallacious proposal. It is in reality a mobilization measure. The 1948 act was in no sense a mobilization measure, and it should not be converted into one. It was intended, as I have said again and again, as a measure which would give us a military force, actually in being, large enough, and well enough supported, give us a military posture which merits the respect of other nations and which would prevent the development of tensions into emergencies which might bring on war.

Finally, we recommend that the title of the bill be amended so as to show exactly what the bill does, and what the Senate intends that it should do—extend the Selective Service Act of 1948 for a period of 3 years, and in a form which will permit the President of the United States to use the act if it becomes necessary to supplement voluntary enlistments in order to maintain the strength authorized by the Congress.

In conclusion, we recommend that the present law be extended, and for a period of 3 years. We recommend against the involved and cumbersome trigger provision which is contained in the House bill, and against the broad authority to order out the Reserves, which the House contemplates. For the last time, let me urge that we be consistent in our action. Our basic objective in passing the 1948 act was to build and maintain a larger, but still, according to present-day standards, relatively meager, peacetime military force. By so doing we hoped to further our other efforts toward world peace by preventing any one of the many critical situations and tensions from deteriorating into a war. But if such a war should come, we would have a force large enough to meet the initial impact, and we would have in actual operation a trained selective service system which would save us 4 months of vital mobilization time. In 1948 we begged that the Nation not gamble with its national security. We renew that plea today. And, above all, let us not lose our sense of direction, and set up some wholly unworkable machinery whereby we force ourselves to declare an emergency before we can move to prevent one. What we must do is to prevent Communist riots in Berlin, as we did. We must not ignore them. We must not allow them to grow until they explode into an emergency, concerning which the Congress would meet in solemn session, and declare—hours, weeks, or months after the damage had been done—that an emergency was upon us.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. WATKINS. In the Senator's view, would it be necessary for the President of the United States to declare an emergency to put into operation the draft act if it should be extended?

Mr. CAIN. No; it would be only necessary for him to declare that he could not get the necessary number of men.

Mr. WATKINS. My memory does not serve me very well with respect to the provisions of the present act. Does the act require the President to give good reasons for declaring an emergency before he calls it into operation again?

Mr. CAIN. If the Senator from Utah will permit me, in an effort to answer his question, to read section 20 of the present law——

Mr. WATKINS. I shall be glad to have the Senator do so.

Mr. CAIN. It reads as follows:

This title shall become effective immediately; except that unless the President, or the Congress by concurrent resolution, declares a national emergency after the date of enactment of this act——

Mr. WATKINS. Is that the 1948 act?

Mr. CAIN. Yes. I read further:

no person shall be inducted or ordered into active service without his consent under this title within 90 days after the date of its enactment.

Mr. WATKINS. Mr. President, if the Senator will permit an interruption, it seems to me the first part of the section answers the question. The President himself has to declare an emergency to exist; otherwise he cannot invoke the provisions of the act.

Mr. CAIN. The act under which we presently carry out the Selective Service System says that within the first 90 days of the enactment of the law in 1948 no person could be inducted into the services unless the President declared a national emergency. After the expiration of 90 days it was no longer necessary for the President to so declare.

Mr. WATKINS. Does not the Senator think that the provision with respect to the President's declaring an emergency before he could take further action was a good provision at the time it was adopted?

Mr. CAIN. In my opinion, there was a very good reason for the adoption of that provision.

Mr. WATKINS. Why should it be for only 90 days? Why should it not be necessary for the President to so declare after 90 days? Was there anything in the situation at that time which made it necessary for the Congress or the President to declare an emergency?

Mr. CAIN. For a good many months prior to the passage of the Selective Service Act of 1948 the armed services themselves had done an extremely good job, in the opinion of many of us, at least, through a recruiting program, which even so, was only reasonably successful. It was the desire of Congress to permit and to encourage the armed services to do an even better job. The adoption of section 20, therefore, handed to the armed services an additional 90 days during which they could attempt to get volunteers to enter the armed services. Despite the fine efforts of everyone concerned in the Nation's recruiting program, it turned out that the armed services were unable to secure the number of men which they were authorized to have by virtue of the appropriations made available to the services by the Congress.

Mr. WATKINS. During those 90 days they were able to get actually only 30,000 men, or a few more than that.

Mr. CAIN. Some 30,000 were inducted in some 16 months after the passage of the act. All the other several hundred thousand men were secured through voluntary sources.

Mr. WATKINS. It seems to me that the Senator is missing the point of the question. If it was a good provision that during the 90-day period it was necessary for the President or Congress to declare an emergency before the act could be invoked, why would it not be a good provision today? What was there in the situation then which required the President or Congress to declare an emergency which is not present in the situation today?

Mr. CAIN. I think there was involved in that situation the remaining hope that on a purely voluntary basis the Armed Services would be able to secure their manpower needs, as those needs had a ceiling placed upon them by the provisions set up in the Selective Service Act of 1948. It has turned out to the satisfaction of a good number of us who are charged with studying the question that without the presence of a selective service act, and because of our experience in the past—and this is one Senator's considered guess—it would be impossible or at least unlikely that the authorized strength of the armed services could be secured from those who volunteered.

Mr. WATKINS. I am not raising any question as to the necessity of having a selective service act. I am raising the question, as I have already pointed out, with respect to the power being placed in the hands of the President to declare the act operative and to begin inducting men into the services without further action by Congress. I call the Senator's attention to the fact that with the adoption of the Atlantic Pact we changed materially the situation of the United States with respect to the territory which we must or may be called upon to defend. As the Senator will recall, in the pact it is provided that an attack upon any one of the signatory parties to the pact is the same as an attack on the United States. It has been argued—and I think with a great deal of merit and force—that an attack on any one of those countries would bring us automatically into the war, even without the action of Congress. If that should happen, and the President had the additional power to bring into effect the draft act and to undertake to induct the boys of this land into the armed services, it would place in the hands of one man both the power to declare a state of war and to bring the men into the armed services without further action by the Congress. Our situation has radically changed between the time Congress passed this act and the present. I realize the act has been in effect since the ratification of the Atlantic Pact. However, this is the first time I have had occasion to raise questions with respect to the power to be

placed in the hands of the Chief Executive of the United States.

If the situation today is as dangerous as the Senator from Maryland [Mr. TYDINGS] has said it is, namely, that anything could happen at any time, and it is necessary to have this power, then I think it is necessary for the Congress, which represents the people, to stay in session to meet that kind of contingency, rather than leave it to the Chief Executive to determine when we are to be at war, who is going to fight the war, and bring the young men of America into the armed services without further action by the representatives of the people.

Mr. CAIN. The Senator from Washington believes he can safely speak for the Senate Committee on Armed Services in welcoming such questions as have presently been raised by the Senator from Utah. If I understand the chief concern of the Senator from Utah, I think I should say three things. First, the Selective Service Act as it is presently on the books, and as it is intended to be extended, provides limits, or ceilings, beyond which the President of the United States is not authorized to induct men into the armed services. The Senate committee states, at page 6 of the committee report:

The following active duty strength ceilings (excluding 1-year enlistees) are imposed on the armed forces:

| | |
|---|---|
| Army | 837,000 |
| Navy (including Marine Corps) | 666,882 |
| Air Force | 502,000 |
| Total | 2,005,882 |

Whatever happens, without additional authorization from the Congress, the President of the United States would not be permitted to go beyond these limits to induct American young men into the services. That is the first thing I wished to point out.

Mr. WATKINS. How many hundred thousand is that figure above the present armed strength of this country, or above the ceiling which is already placed on that strength by the act?

Mr. CAIN. The figures which I have given to the Senator would be the ceilings beyond which the strength of the armed services could not go, and beyond which the President of the United States could not invoke his authority to induct American men into the services. As I indicated a few minutes ago, the figures differ substantially from the actual present strength of the armed services. I should like to restate the comparative figures for the purpose of the RECORD.

Mr. WATKINS. May I ask whether the figures are higher than the present figures? Are they much higher?

Mr. CAIN. They are considerably higher, sir. The present strength of the Army is 593,000, as opposed to a ceiling strength included in the Selective Service Act of 837,000.

The present strength of the Navy is 427,000, as opposed to an authorized ceiling strength of more than 200,000 in addition to that, or 666,882. The present strength of the Air Force is 350,000, as contrasted to a ceiling limit of 502,000. Now let us keep the record straight in this particular instance.

The second thing the Senator from Washington would like to offer for consideration by the Senator from Utah is that it is not possible, in a practical way, for the President of the United States to induct American men into the Armed Forces if the Congress of the United States has not appropriated money for their maintenance and care. It has been my own personal contention for a long time that anyone who is seriously concerned with the question of the size of our security force should first concern himself with what is done and what will or will not be done by the committees on appropriations of the Congress, rather than concern himself with a selective service system, presently effective or to be in effect in the future.

I think it should be stated that the Congress determines the strength of the armed services, first, through appropriating dollars; and, second, a selective service system serves only the purpose of providing the manpower sufficient to accommodate the dollars which have been appropriated by the appropriate committees and the Congress for the securing of $x$ number of men in the Army, the Navy, and the Air Force.

Mr. WATKINS. Mr. President, let me say to the Senator that I have been summoned to a committee meeting, and must leave. I thank the Senator for his courtesy in yielding to me to answer my questions. I have to leave, and I am sorry.

Mr. CAIN. Will the Senator from Utah permit me to say that the Senate Armed Services Committee is most desirous of having the Senator from Utah understand the reasons for our recommending the pending measure, because we are hopeful of having his support? As he leaves for his committee meeting I wish he would take with him this thought, that the Selective Service Act we are discussing limits the authority of the President of the United States by establishing ceilings for the several services; and, secondly, the Congress of the United States can limit the authority of the President of the United States any day in the week it sees fit so to do by reducing what otherwise might be a larger appropriation. In part it is for those two basic reasons that we think it a perfectly reasonable and desirable thing to provide the President of the United States with authority to induct men into the armed services within the limits of the ceilings prescribed by the Congress, and within the limits of the dollars made available for such purposes to the President of the United States and his Armed Forces by the Congress of the United States. I think that is the substance of our logic on this question.

Mr. WATKINS. I thank the Senator.

Mr. CAIN. Mr. President, a few minutes ago the Senator from Utah asked whether or not it was not true that if the law is terminated on Saturday of this week, June 24, the records, consisting of registrations and classifications, would not continue to be available for the future. The response of the Senator from Washington was that in one sense those records would be continuingly available, but I want the RECORD to show that the records of classifications automatically and constantly change. There is no permanent status for any man who registers under the Selective Service Act to maintain. He marries, he may become disabled, his classification within a period of 2 or 3 years is almost certain to change.

I would point out, for the interest of others, that about a million 19-year-olds move into the selective service registration and classification pool each year, and about the same number move out within the same period of time. Unless the classification records are kept, in my opinion, on a current and constantly revised basis, within a relatively short time they would, in a practical way, no longer be worth the paper they were written on.

Mr. WHERRY. Mr. President, will the Senator from Washington yield?

Mr. CAIN. I yield readily to the Senator from Nebraska.

Mr. WHERRY. I notice that the Senate substitute extends the act for 3 years.

Mr. CAIN. Yes.

Mr. WHERRY. The House provision, I believe, is for a 2-year extension from the anniversary of the date when the bill became a law.

Mr. CAIN. I think 2 years from the date of its intended expiration, which is June 24.

Mr. WHERRY. That would be the anniversary date of the bill. Am I correct in that?

Mr. CAIN. I think the Senator from Nebraska is substantially correct.

Mr. WHERRY. Why was the extension made 3 years by the Senate committee, and only 2 years by the House?

Mr. CAIN. The Senator from Washington cannot answer the question concerning why the House provided for only a 2-year extension. It was the consensus of opinion within the Senate Armed Services Committee, on the testimony offered to that committee by the Chairman of the Joint Chiefs of Staff, General Bradley; by the Army Chief of Staff, General Collins; by the Director of Selective Service, General Hershey; and by the Secretary of our National Defense Establishment, Mr. Johnson, that it would be wise to extend the Draft Act for a period of 3 years because of the uncertainty of the day in which we live, and because there was no cogent reason for expecting that within a 3-year period all our national concerns and problems would be resolved.

Personally, as an individual member of the committee, I thought it wise to vote for an extension of 3 years. I thought it would be a favor, in a way, to the young men of America, to let them know that for a period of 3 years at least there would be a continuing selective-service law. I was in favor of the 3-year period in the hope that it might stimulate more volunteering on the part of American young men, making it less and less likely for the Nation to be required to invoke the law.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. CAIN. Certainly.

Mr. WHERRY. Would not the suggestion made by the distinguished Sen-

ator from Washington be met by extending the law for 2 years?

Mr. CAIN. It could be.

Mr. WHERRY. From the hearings I cannot see any justification for a 3-year extension. I appreciate the fact that we are living in uncertain times, and we have been, and were when the act was passed in the first place. Whether the times are more uncertain now than they have been is a matter of opinion. The President has said, apparently, that there is no emergency in sight, and that the people should not be afraid.

The Secretary of State, Mr. Acheson, has a different opinion. There seems to be a total state of confusion as to the need. Aside from all that, I cannot see any justification, on the basis of the record, for extension of the act for 3 years instead of for 2 years at the outside.

Mr. CAIN. On page 8 of the committee report I find this reference to the question just raised by the Senator from Nebraska, and I would call it to his attention for his consideration:

Subsection 17 (b) of this original Senate version provided for a 5-year expiration date. The basis of this committee provision was a feeling that policies which affect the national security so profoundly as selective service should be relatively stable, without at the same time becoming permanent fixtures. A 5-year authority seemed to provide a reasonable degree of continuity, especially in the light of events as they existed early in 1948, at which time the committee felt that the available evidence did not warrant a presumption that the then-existing tensions would be dissipated with any degree of rapidity. This 5-year provision of the Senate committee bill was changed by a Senate floor amendment to 2 years.

Mr. WHERRY. Yes, and the arguments the Senator made respecting a 5-year expiration date could be made for a 3-year or 2-year expiration date.

Mr. CAIN. That is so.

Mr. WHERRY. The point I make is that we will have a new Congress every 2 years. Therefore, it seems to me the logical period of time to extend the act is for 2 years, rather than 3 or 5 years. Then each succeeding Congress could do as it pleased about extending the act. I wondered whether I had missed something in the RECORD, or whether I had failed to note some other justification for the 5-year period. I appreciate that the argument made for the 5-year period is based on the uncertainty of world conditions.

Mr. CAIN. In all frankness I should say to the Senator from Nebraska that the time limit of the bill has not been a major concern of the Senator from Washington. I do not in fact recall that I was present at the meeting when a thorough discussion of this question was had. My chief concern was with a reasonable extension of the Selective Service Act, and when I was advised that other members of the committee were recommending a 3-year extension, it seemed, all factors considered, to be a perfectly reasonable recommendation to me, and I gave my own vote to it.

Mr. WHERRY. Will the Senator yield for another question?

Mr. CAIN. I yield.

Mr. WHERRY. In view of the fact that the countries signatory to the North Atlantic Pact have now had 1 year of military assistance and have been developed along the line suggested by the administration, is there as much need now for an extension of the draft as there was a year ago when the North Atlantic Treaty countries were just getting started, and when we were told that the North Atlantic Pact was being entered into so that the manpower could be produced on the other side and would not have to be produced here in the event of hostilities? Has the picture changed? Is it better or worse? What is the situation? What was the testimony in that regard?

Mr. CAIN. I do not think the Senator from Washington is the best qualified witness to respond to the question of the Senator from Nebraska as it relates to affairs on the other side of the ocean. I say that my own view is that there is a present and a well-established need in this country for the continuation of the Selective Service Act for the years which lie immediately ahead. Before we had our Selective Service Act—and this was only several short years ago—a good many of us were seriously concerned over how rapidly the services were losing personnel. We have increased the force of our military service in large part, it seems to me, because of the mere existence of a selective-service system which encouraged young men to volunteer for service who otherwise might not have been disposed to do so.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. LUCAS. The Senator has probably answered this inquiry, but how long has it been since men were inducted under the act?

Mr. CAIN. About 18 months ago, and of the 30,000 who were inducted prior to 18 months ago, all, with the exception of 200 who wished to remain in the service, have been released and returned to civilian life.

Mr. LUCAS. In other words, the purpose of the act is that in case any emergency should arise we would have the machinery ready to operate. If I understand the situation correctly, volunteering will continue probably on the same basis or even at a greater rate than in the past, and the chances are that others will never have to be called.

Mr. CAIN. A good many of us feel that if the act is extended, as is proposed, it will continue to be an inducement and incentive to young men to volunteer, so as to get their period of service to their country done and over with, who otherwise, in the absence of such a law, might not feel constrained to volunteer.

Mr. LUCAS. I concur wholeheartedly in what the Senator has said respecting the situation throughout the Nation. Yet I definitely feel that if we should—and I am sure the Senator will agree with me—let the act die, we might have to reenact it in 3 or 4 months, or perhaps 6 months' time, and then we would have to go through all the necessary steps, insofar as placing the machinery in operation is concerned, to have the boys registered again. It seems to me to be foolhardy and more or less absurd not to continue the act, because of the many contingencies which might be involved in the event we let the act die.

For instance, in the early part of the debate the Senator from Maryland [Mr. TYDINGS] and I were talking about the 10,000,000 registrations which have now been made, and that if we were to let the act die and if we were faced with an emergency which made it necessary to place the act on the books again in a couple of months, or even a shorter time, those who have already registered would have to reregister, which would occasion confusion and chaos. It seems to me the Senate should pass the bill without any question at all, in the interest of orderly procedure, in the interest of national defense, and in the interest of what is the best thing for the country.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. WHERRY. While it may be absurd not to continue the Draft Act, as the majority leader said, yet I call attention to the fact that the House had an entirely different opinion apparently respecting how to proceed.

Mr. CAIN. The House did. Will the Senator permit me to say with reference to the contribution made a minute ago by the able senior Senator from Illinois that, if I understood him correctly, he said, "This is the way I, as an individual, look at this question." It happens that the Senator from Washington strongly shares the views expressed by the majority leader. That is not to say that others ought not to dissent from those views and have positive views of their own on the same question. It is true that there is a fundamental difference between the version of a continuing Selective Service Act as between the House and the Senate.

Mr. WHERRY. The House takes the position that Congress should be the controlling agency rather than the President of the United States.

Mr. CAIN. That is correct.

Mr. WHERRY. That is not so absurd, is it?

Mr. CAIN. In my opinion it is certainly a defensible position to take for those who believe in it. The Senator from Washington, who happens to be a member of the Armed Services Committee, thinks that circumstances which prevail require that we continue the necessary authority in the hands of the President.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. CAIN. I yield.

Mr. WHERRY. The House bill contained a provision, did it not, to extend the Draft Act for a period of 2 years instead of 3 years?

Mr. CAIN. That is quite correct.

Mr. WHERRY. That is the point I was making earlier.

Mr. CAIN. Certainly, and I merely gave it as my individual opinion that 3 years was more adequate than 2; but I do not press the opinion strongly.

Mr. WHERRY. One more question in relation to the observations made by the Senator from Washington to the effect that continuing the Draft Act would induce boys to volunteer in the service. Have enlistments on a voluntary basis increased or decreased during the past 6 months as compared with the first year of the operation of the act?

Mr. CAIN. With the Senator's permission, I should like to ferret out the record regarding that matter and give the Senator a completely accurate answer to his question. All I can say now is that within a very few months following the passage of the Selective Service Act of 1948, enlistments began to increase in an amazing fashion.

Mr. WHERRY. That is correct.

Mr. CAIN. Whether the full degree of that increase is continuing today, I am not qualified to say accurately. So I hope the Senator will permit me to obtain the correct answer to his very legitimate question.

Mr. WHERRY. I should like to have the answer, if the Senator can furnish it for the RECORD. Of course, I am not a member of the Armed Services Committee, and that is why I am asking these questions.

Mr. CAIN. Certainly.

Mr. WHERRY. The answers are not to be found in the printed hearings.

I am told that enlistments have fallen off. I should like to know whether there is a reason for that. Could it be for the reason that the draft is about to end, unless it is further extended by the Congress? In other words, are the inducements sufficient to keep the number of enlistments up to a satisfactory point? Is the pay sufficient?

Mr. CAIN. We shall provide the Senator with whatever the answer to that question actually is.

Mr. WHERRY. As I understood the debates when the act was passed, it was that if there were sufficient inducements in the way of pay and opportunities for training and advancement, there would be ample enlistments and there would be no need for the draft. I do not wish to repeat those arguments, but I wish to find out whether the Senator feels that enlistments would increase if the draft were ended or if the draft were continued. I should like to find out whether the Senator believes that under those inducements or under any inducements at all—if the pay were increased or if further opportunities were provided—sufficient numbers of men would be induced to make service in the Armed Forces their career.

Mr. CAIN. I can reply by saying that if the draft act is permitted to expire, none of the armed services will be able to maintain their present strength as a result of having volunteers enter the services. On the basis of my own experience, and from what history tells us, I am absolutely certain that is the case.

I think it is a distressing fact—but it should be stated, for I believe it to be true—that no nation in the history of the world has ever been able to maintain an adequate military force in the absence of a selective service system or of a conscription act of some kind. History tells us that, through the ages, people have not volunteered in sufficient numbers for military duty, unless there was imposed upon them some obligation, by direction or by indirection, so to do.

Perhaps I should say parenthetically that, if we could, we should induce enough men and women everywhere to voice their opposition to war openly, and then the end of war would be in prospect, for then we could not get enough men and women to fight. Many of us who today recommend an extension of the Selective Service Act, because we are faced with a reality and not a theory, are foremost among those who hope that some day there will be no need, in America or any other country, either for a Selective Service Act or for war itself.

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Does the Senator from Washington yield the floor?

Mr. CAIN. Yes, Mr. President; I yield the floor.

Mr. LUCAS. Mr. President, in the early part of the afternoon, I addressed the Senate on the question of the possibility of reaching a unanimous-consent agreement in regard to this bill some time later.

It is now 20 minutes of 5. I think the issue has been debated all afternoon. If we could obtain a unanimous-consent agreement to have the Senate vote on the bill sometime tomorrow, I should certainly like to have that done.

I am wondering whether the minority leader or the Senator from Georgia could give me any indication as to whether we might be able to obtain a unanimous-consent agreement to vote sometime tomorrow afternoon.

I yield now to the Senator from Georgia.

Mr. RUSSELL. Mr. President, I have no desire whatever to prolong this debate. However, some amendments are being peddled around to which some Senators on this side of the aisle are very much opposed. I do not see how we could agree, in the absence of an understanding that these amendments would be tabled or that they would not be adopted. Apparently the amendments are germane to the subject matter, although they are not directly related to the continuation of the Selective Service Act.

I have discussed that situation with several of my colleagues. In the absence of some understanding about those amendments, I would be very loath to agree to a time to vote.

I would be glad to agree to a time to vote on the amendment proposed by the Senator from Illinois for himself and some of his colleagues.

However, as to a final vote, unless we have some protection against the amendments, to which I have alluded, which, although germane, are irrelevant to the subject-matter of the bill, I do not see how we could agree now upon a time when the Senate would vote on the bill.

If we can have assurance from the majority leader and any substantial number of Senators that the amendments will be tabled or will not be adopted to the bill, I shall be willing to arrive at some understanding.

However, in the absence of such assurance, I do not see how we can reach a unanimous-consent agreement.

Mr. LUCAS. I wonder whether we can move on and can obtain a vote on the pending amendment. Then we can determine whether there are to be further amendments.

Mr. RUSSELL. That course will be perfectly agreeable to me, Mr. President.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I am quite satisfied that so far as the membership on this side of the aisle is concerned, there will be no objection to entering into a unanimous-consent agreement to vote sometime tomorrow, provided the distinguished Senator from Utah [Mr. WATKINS] can be assured that he will have ample time to make some remarks about the bill. He is the only Senator I know of at this time who would like to speak. He would like to be assured of having that much time—not in the time to be allotted under the unanimous-consent request, of course.

In other words, if we could enter into a unanimous-consent agreement for a vote to be had at, let us say, 5 o'clock tomorrow afternoon, with the time between 3 and 5 o'clock tomorrow to be divided between the proponents and the opponents, and if the Senator from Utah could be assured of having sufficient time to deliver his remarks—and his speech will not be too long—I would have no difficulty, so far as I am concerned, in regard to reaching a unanimous-consent agreement.

I realize that it is difficult to guarantee that any Senator will be recognized to speak at any particular time. However, the Senator from Utah would like very much not to have to deliver his speech tonight, for he has not finished preparing it.

I submit to the majority leader that we took up this measure only a few hours ago. Although I wish to cooperate in every way, and will do so, to bring this bill to an early vote, yet the Senator from Utah is asking for additional time in order to be able to get his remarks ready for delivery tomorrow.

I should be perfectly agreeable to entering into a unanimous-consent agreement to vote tomorrow at some time that would please the majority leader. I have suggested 5 o'clock, with a division of the time. If the time can be divided so that the Senator from Utah can be included, we can even agree on that. I want the majority leader to know that.

Mr. LUCAS. Mr. President, I announced earlier in the afternoon—in fact, I announced yesterday—that we would probably have a night session, if we could not get some sort of a unanimous-consent agreement. There is no reason, it seems to me, why we cannot finish the bill. The Senator from Utah, as I recall, was ready to speak earlier this afternoon. At least, someone told me he was. I have announced at least three times within the past week that this bill would be taken up following the disposition of the conference report,

which was disposed of today. The Senator from Utah may be very busy in connection with other matters, and he no doubt should have more time. But, after all, Mr. President, this is an important piece of legislation. The only reason the Senator from Illinois even suggested that we might have a night session was because of the deadline which exists.

I say, Mr. President, in all seriousness, that there is a crisis so far as the Selective Service Act is concerned, and under no circumstances can the Senate get away from here until we either pass the pending bill or pass a joint resolution continuing the present law for the next 30 days. We have only until Saturday night to do that. As majority leader of the Senate, I cannot take the responsibility, and the Senate cannot take the responsibility, in my opinion, for letting the country down on an important question of this kind at this particular juncture in the affairs of the world. Senators, it seems to me, should realize the situation and look at the picture as it exists.

I know there is some difference between the House version of what ought to be done and the Senate version, with respect to delegation of power to the President, and with respect to retaining the power in the Congress. I did not mean to say a moment ago that that is an absurd position for any Senator to take. What I meant was that it is absurd to think that the Senate will not act, between now and midnight Saturday, on an important piece of legislation of this kind. That is the point I made a moment ago. I believe we shall act.

Mr. McFARLAND and Mr. WHERRY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield; and if so, to whom?

Mr. LUCAS. I yield first to the Senator from Arizona.

Mr. McFARLAND. I should like to suggest that we might be able to enter into a unanimous-consent agreement to vote on the amendment offered by the Senator from Illinois at 7 o'clock this evening, and then try to get an agreement to convene at 11 o'clock tomorrow and to vote at 2 o'clock. That would give time, after the vote, to enable the Senator from Georgia to get the assurance he wants, and would give time for the Senator from Utah to make his speech tomorrow.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. How many amendments to this bill are involved? I do not have that information on my desk.

The PRESIDING OFFICER. There are only two amendments involved. They are identical amendments.

Mr. LUCAS. There are but two amendments, and they are identical?

The PRESIDING OFFICER. That is correct.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Mr. President, it may be that a Senator may yet offer an amendment. Such a thing frequently occurs. I want to state to the majority leader that Senators on this side of the aisle are perfectly willing to enter into a unanimous-consent agreement to vote on the pending measure at 5 o'clock tomorrow. The only request the junior Senator from Nebraska made was that the distinguished Senator from Utah be permitted to make his speech. That is not an unusual request. The Senator is not prepared to make his speech tonight. I should be glad to enter into a unanimous-consent agreement along the line suggested by the Senator from Arizona. I think that so far as this side is concerned, we are perfectly willing to vote on the so-called Russell amendment whenever the Senate desires to vote on it.

Mr. RUSSELL. It is a committee amendment.

Mr. WHERRY. Or, we are perfectly willing to vote at 5 o'clock tomorrow night on the bill and all the amendments, including any amendment which may be offered. I should like to stipulate a division of the time, in order that the distinguished Senator from Utah may be included and may have time in which to make his speech.

Mr. LUCAS. Mr. President, in view of what the distinguished Senator from Georgia said a moment ago, it is impossible to obtain a unanimous-consent agreement to vote at 5 o'clock tomorrow on the bill and all the amendments thereto.

Mr. McFARLAND. Why not enter into a unanimous-consent agreement to vote on this amendment at 7 o'clock this evening. We will have made that much progress. By that time, perhaps we can obtain unanimous consent to vote tomorrow.

Mr. LUCAS. I should be glad to vote at 7 o'clock, or even at 6 o'clock, upon this amendment, and then move a recess until tomorrow, to come back and finish the bill.

Mr. WHERRY. That is agreeable.

Mr. LUCAS. That is the only agreement it is possible to get at the present time. In view of the statement made by the distinguished Senator from Georgia, no unanimous-consent agreement could be made. I made inquiry about the amendments, because I thought we might——

Mr. RUSSELL. Mr. President, I want it to be perfectly clear, for I do not want the majority leader to be deceived, that there will be perhaps one or two other amendments offered to the bill, but I do not think they will require more than 10 or 15 minutes for debate.

Mr. LUCAS. I was under the impression that this was the only amendment.

Mr. RUSSELL. It is the only amendment pending. I wanted the Senator, in arriving at his conclusion as to the course he would pursue, to be informed of all the facts I have in my possession. I think very likely there will be another amendment offered, but I am quite sure it will not require more than 15 minutes.

The PRESIDING OFFICER. The Chair desires to state for the RECORD that this is the only amendment which has been printed.

Mr. RUSSELL. The Chair made that perfectly clear, when he stated the two similar amendments were the only ones on the desk which had been printed. But I happen to know there is another amendment which undoubtedly will be offered. It will not delay the final vote on the bill more than 10 or 15 minutes.

Mr. LUCAS. Mr. President, my reason for making the inquiry was that I thought perhaps, if there were one, two, or three amendments, we might obtain unanimous consent to vote on them, and no other amendments, and we could then probably get the agreement the Senator from Georgia was interested in. We cannot do that.

The PRESIDING OFFICER. That was quite clear to the Chair.

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senate vote on the pending amendment at 6 o'clock tonight.

The PRESIDING OFFICER. Is there objection?

Mr. RUSSELL. Mr. President, I think that at least there should be some agreement as to the division of time. I do not mind saying that my remarks on this amendment, if we operate under a time limitation whereby I shall not be able to yield, should not require more than 25 or 30 minutes. But there may be other Senators who will want to speak on this matter. Under the rules, we are supposed to have a quorum call before we enter into the unanimous-consent agreement, are we not?

The PRESIDING OFFICER. The Chair is advised that that only applies to the final passage of a bill, not to a vote on an amendment.

Mr. RUSSELL. So far as I am concerned, I might be willing to vote by 6 o'clock. But the Senator from South Carolina indicated he had a short speech he wanted to make on the amendment.

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senate vote upon the pending amendment not later than 6:30 this evening, the time to be equally divided between the Senator from Georgia [Mr. RUSSELL] and the Senator from Illinois.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. Reserving the right to object, is it the intention, then, that after that amendment has been voted on the Senate shall recess until tomorrow?

Mr. LUCAS. The Senator is correct.

Mr. WHERRY. I have no objection.

Mr. LUCAS. If we can get this amendment out of the way, I shall move to recess until 11 o'clock in the morning.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. In order that we may get the matter straightened out, are we to vote on the Lucas amendment to strike out the Russell amendment? Is that the amendment we are to vote on? There

are two such amendments. Have they been made one?

Mr. LUCAS. I do not know whether they have been made one, but the amendments are identical.

Mr. WHERRY. I thank the Senator.

Mr. LUCAS. Mr. President——

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. RUSSELL. I suggest to the Senator that since there may be some Senators who would like to discuss the agreement, he suggest the absence of a quorum.

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The clerk will call the roll.

The assistant journal clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hayden | Malone |
| Anderson | Hendrickson | Martin |
| Benton | Hickenlooper | Maybank |
| Brewster | Hill | Millikin |
| Bricker | Hoey | Mundt |
| Bridges | Holland | Murray |
| Butler | Humphrey | Myers |
| Byrd | Hunt | Neely |
| Cain | Ives | O'Mahoney |
| Chapman | Jenner | Robertson |
| Chavez | Johnson, Colo. | Russell |
| Connally | Johnson, Tex. | Saltonstall |
| Cordon | Kefauver | Schoeppel |
| Darby | Kem | Smith, Maine |
| Donnell | Kerr | Smith, N. J. |
| Douglas | Kilgore | Sparkman |
| Dworshak | Knowland | Stennis |
| Eastland | Lehman | Taft |
| Ecton | Lodge | Thomas, Utah |
| Ellender | Lucas | Thye |
| Ferguson | McCarran | Tydings |
| Frear | McCarthy | Watkins |
| Fulbright | McClellan | Wherry |
| George | McFarland | Wiley |
| Gillette | McKellar | Williams |
| Green | McMahon | Withers |
| Gurney | Magnuson | |

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). A quorum is present.

Mr. LUCAS. Mr. President, I desire to address the Senate for a few moments only on the pending amendment, upon which we have agreed to vote at not later than 6:30 o'clock tonight. This is an amendment which has been offered by myself, the Senator from Pennsylvania [Mr. MYERS], the Senator from New York [Mr. LEHMAN], the Senator from Illinois [Mr. DOUGLAS], the Senators from Connecticut [Mr. MCMAHON and Mr. BENTON], and I understand the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from California [Mr. KNOWLAND] have offered an identical amendment.

I should like to speak briefly about the pending measure before I discuss the amendment. It seems to me that this is an extraordinary piece of sound legislation, with it the committee amendment offered by the Senator from Georgia [Mr. RUSSELL] is eliminated.

I have attempted to advise the Senate and the country of the importance of acting upon the proposed legislation before midnight on June 23, which will be next Friday and I shall give some of the reasons which I am sure every Senator should take into serious consideration in order to expedite a vote upon the measure and the amendments as soon as possible.

In the event that the Congress of the United States should permit the Selective Service Act to lapse, these are some of the things which would happen. First, 10,000,000 registrants would be void. In other words, even if the Selective Service Act lapses 1 minute after midnight on the 24th, all the registrations under the present Selective Service Act would be void, and the boys who have gone to their draft boards throughout the United States would be compelled once again to appear and register. I am certain that no Senator desires that in the event that he feels that a draft law of some kind should be continued on the statute books. Surely we do not want such confusion, chaos, and trouble.

In addition to that, the Presidential appointments of 37,000 unpaid local-board members and their employees, chosen upon the recommendations of the governors, would immediately terminate. In other words, the personnel machinery would be terminated, scattered to the four winds, and later if we were compelled to pass a Selective Service Act at any time hereafter, in an emergency, we would not have the advantage of this fine type of personnel machinery all set up and ready to go.

Third, the Presidential appointments of 54 area and State directors appointed upon the recommendations of the governors would also terminate immediately, and when those appointments were terminated by the lapsing of the act, it would mean that these area and State directors, who are familiar with what is going on in their particular regions or areas, would be out of office, and obviously we would not get experienced individuals to go along under a new Selective Service Act.

Mr. President, if the Selective Service law were to lapse a large portion of the aforementioned personnel would not be available for reappointment for personal and other reasons. This would mean that the Selective Service System, for the most part, would have to be reconstructed from the ground up.

Again in most communities office space is contributed without charge. This office space is in great demand, and with the termination of the Selective Service Act it would be devoted to other purposes.

These are facts and figures that my office has obtained from the office of the Selective Service in Washington, D. C., and I have no reason to doubt the accuracy of any of the statements I have made.

Mr. President, I lay this premise before the Senate of the United States to show the extreme importance of this measure to the country from the standpoint of the continuation of a sound and adequate national defense. It seems to me that the amendment of the Senator from Georgia has absolutely no place whatsoever in the legislation.

We have two versions of the legislation, one coming over from the House, which seeks to keep the control of Selective Service in the Congress of the United States, through a concurrent resolution if and when that becomes necessary. On the other hand, under the Senate version we seek to delegate that power to the President of the United States. From what I can hear there will be difficulty in conference probably in arriving at some solution one way or the other. We should not inject an amendment of this kind into an already difficult situation, as it seems to me, which will be pending when the matter comes before the conferees.

Mr. President, I undertake to say that the racial issue has no business in this bill. It seems to me the amendment dealing with that issue ought to be defeated without any question. The measure before us relates to national defense, and the question of racial discrimination through segregation should not, it seems to me, be presented here at this time.

The national safety and the security of the country stand above any and all amendments that may be offered along this line, or any other kind of amendment which might be germane but which is in reality irrelevant to what is before us at the present time.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Illinois yield to the Senator from Wisconsin?

Mr. LUCAS. I yield.

Mr. WILEY. Do I correctly understand that the law as it is now leaves the matter in a discretionary form with the military authorities as to whether there should be or should not be segregation in military units?

Mr. LUCAS. That is true. As I understand, the armed services themselves are doing a very creditable job with this very difficult question of segregation, and we should not in any wise, in my opinion, attempt to tie their hands with an amendment of this kind. I understand how difficult, how delicate the situation is. But progress is being made. In my opinion adoption of the amendment offered by the Senator from Georgia would be a definite step backward. We cannot turn the clock back. We must make progress upon the question of civil rights through proper legislation and education.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. RUSSELL. The Senator from Illinois, of course, is correct in stating that the existing law does not contain any provisions on this subject. But the Commander in Chief, the President of the United States, has issued an order which changes the existing order and the composition of the armed services from what they have been since the birth of the Republic.

Mr. LUCAS. Mr. President, that may be true.

I am not going to take any more time of the Senate upon this measure. I repeat what I said before, that this is a sound piece of legislation, that it ought to be passed; that the safety and the security and the defense of the country are involved in it. It is something that has been tried the last few years. It has been successful. No men have been inducted into the service during the last 18 months under this law, primarily be-

cause the law is causing the volunteer system really to work. It is the opinion of those who are members of the Armed Services Committee, and it has been repeated over and over again in the hearings and upon the floor, that once the law is permitted to lapse, it might be necessary that we induct men within a few months, due to the falling off of volunteering of men for the military services of the country.

Mr. President, I respectfully urge that Members of the Senate defeat the so-called Russell amendment——

Mr. RUSSELL. Mr. President, the Senator from Illinois in his statement has said that he did not think the racial issue should be brought into selective-service legislation. I agree that it should not have been injected in the first instance. I am not bringing the racial issue into the selective-service extension. It is already here by virtue of the fact that, without the advice of military leaders who have had experience in commanding the Armed Forces and who have lived with the men in the camps and in the field and in actual combat, civilian authorities of the United States, by an Executive order, have injected the racial question into the Selective Service System and into the armed services.

Until 2 years ago, Mr. President, there was a policy of strict segregation in the military forces of the United States. The Armed Services Committee, in the consideration of the Draft Act of 1948, had before it some of those who were responsible at the Cabinet level for directing the policies affecting the composition of the Armed Forces as related to segregation. We were told that no drastic change was contemplated at that time. Within a few weeks after the passage of the bill, Executive orders were put into effect, and commissions composed of civilians were created, who overrode the views expressed by General Eisenhower before the committee as to the proper composition of the Armed Forces of the United States. These civilians claimed that the armed services were dragging their feet, and they insisted that the races should be integrated and brought together, from the squad level on without regard to the views of the men who are affected, at the time and in the manner indicated by a politically selected group of civilians, rather than as thought wise by the military profession.

The President's order said that it was his purpose to afford equality of treatment and of opportunity in the armed services. That is the purpose which is sought by the amendment which I proposed in the committee, and which the committee approved. The provisions of the amendment are so fair and so crystal clear that no Senator has made any direct attack upon it. The Senator from Illinois says that it has no place in this bill. The Senator from Massachusetts said that in his opinion it was unworkable. But no Senator has claimed that there is anything in the amendment that is unfair to one man in the armed services without regard to his race or to his creed or his color.

Mr. President, it is difficult to understand how so much confusion could arise about such a simple proposition. All the amendment undertakes to do is this: When a young man registers and subjects himself to the compulsion of the draft, or enlists, he has a right to say whether or not he chooses to serve in a unit that is composed only of members of his own race. It affords absolute equality to every man in the armed services without regard to his race or his creed. Some Senators who may think they are gaining credit with members of the Negro race by opposing this proposition might check with the rank and file. If many of them were given an opportunity to express their choice, I am sure they would express the choice to serve with members of their own race.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. FREAR. The Senator from Georgia just mentioned testimony, I believe, given by General Eisenhower regarding this matter.

Mr. RUSSELL. Yes.

Mr. FREAR. What did General Eisenhower say regarding this proposal? Did he say it was workable or not workable?

Mr. RUSSELL. Of course, it has been proven workable for 80 years in the armed services. It is only when it runs contrary to the findings of the board or commission which was appointed and which has had no actual military experience that it is claimed it is unworkable. The policy of segregation has been in effect in the armed services for many years.

This amendment does not propose to destroy the new policy. It takes nothing away from the policy of integration. Every young man who goes into the service has a right to express a choice. If he expresses no choice, he is subject to integration under the new policy.

The old policy, which General Eisenhower said he thought was desirable, was to keep the men of the same race in units of a company or larger. General Eisenhower went into that matter in detail. I quote brief extracts from his statement:

> I personally have always stood since that time for organizing the Negro down to include units no larger than platoons. It does create certain social problems on a post because you always have men that do not like to mingle freely between the races, and therefore if you have a dance for your soldiers you have a problem. But I believe those things can be handled. They are not too difficult; particularly since we are going to have large posts, the social problem can be met without difficulty. I personally see no reason why he should not be amalgamated to that extent.

He went on to state that if we go further, here is the problem:

> In general, the Negro is less well educated than his brother citizen that is white, and if you make a complete amalgamation, what you are going to have is in every company the Negro is going to be relegated to the minor jobs, and he is never going to get his promotion to such grades as technical sergeant, master sergeant, and so on, because the competition is too tough.

Mr. FREAR. Mr. President, will the Senator yield for a further question?

Mr. RUSSELL. I yield.

Mr. FREAR. Does not the Senator think that if segregation were in existence in the Armed Forces, it would create more of an opportunity for the members of different creeds or races to rise to higher positions in the services? Would it not give an advantage in that respect? In this debate the members of the Negro race have been mentioned. Would not segregation in the Armed Forces give more of them an opportunity to become officers, an opportunity to strive to obtain the things they have been seeking?

Mr. RUSSELL. That was the effect of General Eisenhower's testimony, namely, that it was to their advantage to have separate units for the two races, that it enabled them to obtain posiions as noncommissioned officers and as commissioned officers—opporunities which they would not have under other circumstances.

Mr. FREAR. Does the able Senator from Georgia know of other high-ranking officers who concur in the opinion of General Eisenhower?

Mr. RUSSELL. I have a press statement quoting General Bradley, in which he stated that he did not favor the absolute abolition of segregation in the armed services, that the Army should not be used as an instrument of social reformation, but should be looked at from the standpoint of its efficiency as a military machine.

However, within a day or two after General Bradley made that statement, the President—who I do not think has had quite the military experience that General Bradley has had—issued the Executive order, which was in the teeth of General Bradley's advice as to what the Nation should do in order to have the most efficient military machine.

Mr. FREAR. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield for a question.

Mr. FREAR. The Senator from Georgia did not state the date of the speech by General Bradley, I believe.

Mr. RUSSELL. It was in July 1948.

Mr. FREAR. The Executive order of the President was dated shortly after that, was it?

Mr. RUSSELL. As a matter of fact, I think it was issued a day of two before, because I have here another statement which says that General Bradley said he did not know about the President's Executive order when he made the statement. I should like to read this newspaper article:

> General Bradley, when he was interviewed at Fort Knox last week, didn't know the President had issued an Executive order on civil rights, so he spoke out for continued segregation. He hadn't seen newspapers, and reporters put questions to him without telling him what happened. His answer was according to standard Army policy—up to then.
>
> Now Bradley tells friends that nothing in Europe frightened him as badly—when he found out about it.

That statement is carried in the newspaper I have before me, and it indicates that the two were issued almost simultaneously, but that General Bradley did not know about the Executive order at the time when he made the statement.

Mr. FREAR. Mr. President, does the Senator have reason to believe that either General Eisenhower or General Bradley has changed his opinion about that matter since then?

Mr. RUSSELL. I have no reason to believe so. I may say, however, to a man in the military service, who has been accustomed to military discipline over a long period of years, any statement from a man higher up is most persuasive; and that might be particularly so when there was an order from the Commander in Chief to change the policies of the Army. That does not absolve the Congress of its responsibilities.

Mr. FREAR. Mr. President, will the Senator yield for a further question?

Mr. RUSSELL. I yield for a question.

Mr. FREAR. I am sure the able Senator from Georgia is familiar with what is known as a conscientious objector, in relation to service in the Armed Forces. I wonder whether the Senator would mind at least enlightening me as to what difference there would be or what privilege a conscientious objector would have, as regards the amendment offered by the Senator from Georgia.

Mr. RUSSELL. Mr. President, the distinguished Senator from Delaware has brought out a point which, to my mind, is absolutely persuasive, or should be, to any open-minded person.

When it comes to the matter of the creed or the belief of a man, we wrote into the law a provision that he is not even to be compelled to serve in the Armed Forces under any circumstances. We respect his creed. Yet, in the name of equality, this amendment of the Senator from Illinois and the present policy proposes to strike down the inherent feeling in the hearts and minds of men that they prefer to live, serve, and, if need be, to face the enemy and to die in the company of their own kind.

The Senator from Delaware has put his finger upon the weak point in any argument in favor of striking this provision out of the bill. For the sake of a man's creed we give him exemption, but when he has a racial instinct, a preference to sleep and eat and die, if need be, with the members of his own race, with his own kind, there is an attempt to say that he cannot do so, because the President has issued an Executive order which would change the custom which has prevailed in the Army for 80 years.

I thank the Senator for bringing up that point. To my mind, he has made a great contribution to all the arguments as to why this amendment should be sustained.

Mr. FREAR. I thank the Senator.

Mr. RUSSELL. I thank the Senator from Delaware for his splendid contribution.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WILEY. Will the Senator read into the RECORD the President's Executive order, so that all who read the RECORD may see how extensive the order is and how mandatory it is, if it is mandatory?

Mr. RUSSELL. I have all the orders before me. The President issued a series of them. All of them are in the pamphlet which is before me and which I believe Senators have on their desks. They are included in the report by the President's committee, a civilian committee, composed of "General" Fahy, "General" Palmer, "General" Sengstacke, "General" Granger, and "General" Stevenson, who overrode the suggestions of the military. They consider the Executive order to mean that men shall be brought together in the most intimate relations of life on the squad level.

I may say, Mr. President, that there are no more intimate relations between men on this earth than the relations between boys who are taken from their homes and required to serve in the military forces, and to serve there on the squad level. They have to eat and sleep together. Such little recreation as they are able to enjoy, they have to take together. Under the harsh compulsions of military law, they are forced into the closest of associations from day to day. They have very few privileges. They do not have any wide circle of associations in which they can discuss the little things that are important to them—such as the letters they receive from home. In their hopes and plans and aspirations for the future, they have only the members of their own squad or their own platoon with whom they can discuss those matters.

That might sound trivial to the Members of this body, but it means everything to the 19-year-old and 20-year-old boys whom we are proposing to draft under the provisions of this bill. Certainly it is a very small right to extend to them, to allow them to express a preference in regard to whether they shall carry on that service at the unit level with the members of their own race.

As I have said, Mr. President, this amendment carries out the theory of the President of equality of treatment and opportunity in the armed services, because the amendment extends the same right to every man who serves in the armed forces. Let anyone point out where this amendment discriminates against a single American citizens on account of his race or his creed.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. GILLETTE. I believe I can point out definitely where it does.

Mr. RUSSELL. Very well; let the Senator do so, if he can.

Mr. GILLETTE. I believe it does so, because of the exemption that is written into the amendment in the case of a race which comprises less than 1 percent of the 150,000.

Mr. RUSSELL. That is no new discrimination, because there has never been anything about that in the armed services.

Mr. GILLETTE. But the esteemed Senator asked to have pointed out to him a single instance where there was a discrimination against one member of a race.

Mr. RUSSELL. If the percentage should go down to fourteen one-hundredths of 1 percent, there may be——

Mr. GILLETTE. No; it is 1 percent.

Mr. RUSSELL. But it so happens that of those with less than 1 percent, the largest was fourteen one-hundredths of 1 percent.

Mr. GILLETTE. Is the Senator speaking of the Indian race?

Mr. RUSSELL. I am speaking of those of Japanese descent.

Mr. GILLETTE. Was that applicable to the Japanese?

Mr. RUSSELL. The Indian race has always been considered and carried along with the regular units of the Army.

Mr. GILLETTE. Yes; but they are listed by the Census Bureau as a separate race, which the Senator has written into this bill.

Mr. RUSSELL. Perhaps the Senator is right about that. If he is, I should be glad to have adopted an amendment that would correct it, if there is any defect. I do not think there is. It does not alter the present system. Wherein does it discriminate, then, against them?

Mr. GILLETTE. Is the Senator addressing a question to me?

Mr. RUSSELL. Yes.

Mr. GILLETTE. The Senator just called attention to the close association of men in the military unit.

Mr. RUSSELL. That is correct.

Mr. GILLETTE. I understand he said they should be authorized to have relationship with men of their own type or race.

Mr. RUSSELL. That is correct.

Mr. GILLETTE. And then the Senator followed that with a question.

Mr. RUSSELL. Oh, no.

Mr. GILLETTE. The Senator challenged anyone to call attention to any men who were deprived of that under this amendment.

I called attention to the fact.

Mr. RUSSELL. They are not deprived of it.

Mr. GILLETTE. Yes; the members of the Indian race are.

Mr. RUSSELL. No; the Army can still do it, and the Army did it—one of the greatest fighting outfits that was in the Army in the last war were the Nisei combat teams. They were composed of those of Japanese ancestry who were born in this country. They were brought together by the Army and kept together through the whole war. There is nothing in the world in this amendment that prevents that. They wrote a glorious page in American history, with their courage. They never failed to take an objective that they were ordered to take. They constituted one of the great fighting outfits of the American Army, and they did not complain, either, because it was said they were segregated. They looked around and saw they had guns just like any other American soldier, they had a uniform just like any other soldier, they received the same mess as any other American soldier. They looked at the man at the side, and there was another Nisei, and that was good enough for them. They went ahead and they carried every objective that they were ordered to take.

Now, Mr. President, this amendment does not work to the injury or detriment of anyone. It is a true civil rights provision. It extends to every young man of whatever race the identical rights. If

he is to be subjected to the compulsions of the law, this provision allows him the right to express a preference of association during that service. This amendment does not deny any citizen the right to serve in a mixed unit, if he so desires. If the registrant does not express an affirmative preference, he may be, and undoubtedly will be, assigned to mixed groups in accordance with the President's order. That is all that is involved in this amendment. It is fundamentally fair and American.

The enactment of this bill will mean that thousands of young American citizens will be compelled to forego the opportunities of civilian life for almost 2 years. During that time they will serve under military discipline and military law in the armed forces of their country. They are entitled to every right of the American citizen which is consistent and compatible with the maintenance of an efficient military establishment. They should not be treated as criminals who have been convicted of a felonious offense. They should be allowed every measure of autonomy or independence which is consistent with military efficiency. There is no conflict between this provision and the system which has obtained in our military services for 150 years and which has enabled us to emerge victoriously in every war in which this country has been engaged.

In some sections of our country there are people who for generations have traditionally conducted their daily lives according to a certain pattern. For years they have gone about the daily business of eating and sleeping and enjoying such leisure and recreation as they know in the company of persons of their own race. This is a custom in many parts of our country in the daily lives of not only white people but members of the Negro race. I realize that conditions are not the same in all parts of the country. Differences in customs and habits exist and are a part of the heritage of each community. These conditions are, of course, not completely static. Through the process of evolution changes are occurring. Some of these changes are wholesome and are to the benefit of all. But these changes take time. They must be based upon mutual understanding and good will. Their success depends upon voluntary cooperation. They cannot be forced, and efforts to coerce people by law will fail.

The armed services themselves have been making gradual advances over the years, but until the last 2 years this program was on a voluntary basis. In recent months the program of so-called integration has been greatly intensified. This has been distasteful to many young men in this country who ordinarily would look with favor upon service in the Army. It has brought about a reduction in enlistments on a voluntary basis and will result in a great diminution of voluntary enlistments in the months to come. Those who have preferred not to subject themselves to the so-called integration program are not reactionaries nor bigots. They are not hostile to any man because of his race or color. But they have become accustomed through years of tradition and heritage to living certain phases of their daily lives only among members of their own race. The present racial program now being so vigorously pursued in the armed services at the dictates of those with civilian background, and without extended military experience, is too extreme for many people, black as well as white. They are therefore avoiding experiences which are distasteful to them simply by declining to enlist.

This is sure to necessitate the invocation of forcible induction into the services of many thousands of young men, if this amendment is stricken from the bill. These men will be compelled by all of the overwhelming disciplinary power inherent in a military organization to take part in a social experiment which is fundamentally and irrevocably distasteful to them. I submit in all earnestness that this is grossly unfair. It could easily result in young men being court-martialed, dishonorably discharged, and losing their citizenship simply because they were forced to engage in practices which are not essential to the maintenance of a military organization, but to which they are fundamentally opposed. Such a development would be shocking and violative of every concept of fair play and justice.

This provision will grant a very modest privilege to men who are required to give a great deal to their country. It does this without depriving any other American citizen of any right, real or imaginary.

May I inquire how much time I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. RUSSELL. Mr. President, this provision will have no effect on the progress already made in the armed service in the field euphoniously labeled integration. It will not prevent this program from continuing and expanding on a voluntary basis. Many young men from various parts of the country have no feelings on the subject and would express no preference as to assignment. These men could be assigned without any restriction.

The provision is intended simply as a reasonable safeguard to those who do have strong feelings in the matter. I submit that it is not fair to use compulsions of military court martial to uproot sentiments which are part of the lives of men when there is no necessity for doing so, particularly when these men are taken from their homes or taken from the schools by the arbitrary power of the law.

Mr. President, this amendment provides a reasonable and an American way of meeting this situation. It will generate a better feeling and understanding among all the elements of our people. The individual soldier is a small and a peculiarly lonely part of a great machine. He must obey orders or suffer the consequences. Only the very young are now sought for service. The Army seeks to get those who are from 18 to 22 years of age for actual combat duty. In all good conscience I submit there is no reason to force numbers of fine, young, but inexperienced men into situations for which they are completely unprepared, where the basic customs of their lives, customs which have nothing to do with the essentials of military service, are suddenly changed by military edict. These men are entitled to and should be given the wholly reasonable privilege which this section allows.

Its fundamental fairness has never been challenged. Even its bitterest opponents have been unable to point out where it does any violence to the rights of any race for a member of another race to express this choice in his condition of military service.

Mr. President, I do not see why those who would prefer to have their sons serve in mixed units can in fairness object to extending this fundamentally fair provision to other American citizens.

As I have stated heretofore, I have never heard or read the testimony of anyone who had had practical experience in handling large bodies of troops under combat conditions or in living in camps under military conditions who has ever submitted any argument that this so-called integration program would increase the efficiency and fighting power of American armies.

Mr. President, the Army is now far below its authorized strength. As this program of compulsory integration proceeds apace, enlistments will continue to decline. I unhesitatingly predict that it will be necessary to resume the compulsory draft of men into the military service within a period of months if this provision is stricken from the bill. Why is it not better to allow freedom of choice to young men who are willing to enlist, rather than to set into motion all the machinery of the draft and reach down into the homes and schools of the Nation and draft boys into the service, particularly when many of them would be serving under conditions which would cause them to feel that they were being mistreated and imposed upon?

That kind of feeling is bound to affect adversely the morale and the will to fight of men who are in the armed services.

I repeat, Mr. President, that this amendment does not restore or compel the policy of segregation, although that inference has been created in the press throughout the country. It will allow the integration of units to proceed and will also allow young men the freedom of selection without imposing upon any citizen or denying a single right to anyone.

Why is this bill being pressed for passage? Why are we called upon to extend this arbitrary draft power which is so abhorent to the fundamental way of American life in time of peace? It is because we are told that our country is in danger of aggression from abroad. We are told it is necessary to build up our armed forces in order to defend this country against attack. If that be the reason, Mr. President, let us build up the armed forces of the United States without a policy of compulsion on the young men of this land by forcing them to serve as guinea pigs in any social experimentation such as is embraced in this integration program, if it be against their consent.

Mr. President, for the Congress to use this draft program as a basis to compel distasteful social association when it is unnecessary to do so, in order to carry out the views and political promises of certain individuals who may occupy high positions in American life, is a perversion of the police power of the state, and it is an unnecessary perversion of that power.

Mr. President, the Senator from South Carolina [Mr. MAYBANK] desires to address himself to the question, and I yield my remaining 5 minutes to him.

Mr. MAYBANK. Mr. President, the proposal before us at this time is not new. Two years ago the Senator from Georgia [Mr. RUSSELL] and I offered an amendment on the floor for which we had unsuccessfully sought committee approval. At that time I was a member of the Armed Services Committee.

It is gratifying to have it before the Senate at this time supported by the Committee on Armed Services. The purpose and effect of the proposal is clear. It merely seeks to guarantee to any individual citizen brought into the services the right to serve in a military unit composed of members of his own race where he makes an affirmative declaration of his desire to do so. It does not deprive any other individual citizen of a single right, real or imaginary.

As was clearly pointed out in 1948—and it is equally true of the present proposal—the legislation would assure every citizen entering the armed services the privilege of serving with his own kind if at the time of registration or induction he expresses his desire to do so. It does not discriminate against any citizen or group of citizens. It does not deprive anyone of any right. It permits the serviceman to serve in units composed of mixed races if he so desires and is ordered to do so.

As I have said, the committee 2 years ago declined to approve the so-called Russell-Maybank amendment. Essentially the same provisions now come before the Senate with committee approval, and I hope the bill will be enacted.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. RUSSELL. The Senator, of course, recognizes that the reason the committee did not approve it was because of the assurances we received from those in positions of high authority that they did not intend to prosecute this program.

Mr. MAYBANK. The Senator is eminently correct. No one was more shocked than were the Senator from Georgia and myself when the orders came out, after the testimony of General Eisenhower, to which I shall now refer.

In 1948 General Eisenhower appeared before the committee and declared that nonsegregation would slow the progress and development of colored boys who had been put into mixed units—that their advancement to the grades of sergeant, technical sergeant, and master sergeant is almost impossible in the face of competition from the better-educated, better-trained, and more adaptable white boys in the same organizations. At that time General Eisenhower was in supreme command of the Army, and his views were military, not political.

Mr. President, this is a Nation of many races, but we must not forget that white people carved it out of the wilderness, white people conceived this Republic, white people fought the War of the Revolution, and in victory they gave to the world the greatest system of free government ever known to mankind.

The decent, self-respecting people of this country, regardless of the section in which they live, are getting more than sick of all this kowtowing to a minority group which holds the balance of power in a few large doubtful States.

The wars of this country have been won by white soldiers, and I defy any Member of this body to challenge this statement. The Army and Navy have wisely attempted to utilize the Negro soldiers in the positions which they are capable of filling. Certainly there are some Negro soldiers and some Negro units which have demonstrated effectiveness on the battlefield; but by and large, Negro soldiers have rendered their greatest service as cooks, drivers, maintenance men, mechanics, and such positions, for which they are well qualified.

I believe that Negro soldiers should be educated and entitled to a higher level of service in our Armed Forces. However, racial pride alone should make them want to train and fight with a unit of their own people, and in distinguishing themselves reflect due credit to their race. They should not be content to hitchhike on the accomplishments of white soldiers.

A vast majority of the white soldiers and the white sailors of this country, especially in the South, will refuse to associate with Negroes in their barracks and mess halls; and, more important, no decent, self-respecting Negro would want to be forced into the company of people who do not want him. This amendment gives these boys, both white and colored, an opportunity to serve in a segregated unit if they so desire.

The pending proposal does not undertake to tell the Army or the Navy what they shall do about segregation, but permits the serviceman himself to decide the question.

If the Army adopts a policy of forcing our white boys to serve in mongrelized units, it will stir up such racial strife as can never be overcome in a decade. The progress which has been made up until now will all go for naught. I predict that the Army will be faced with a deluge of courts martial such as has never been seen. I visualize a conscript army of bitter malcontents.

Those who are agitating the breaking down of our segregation laws may think they are playing smart politics, but they are destroying years of effort on our part to improve the economic and educational status of the Negro.

Time will not now permit me to tell the Senate what the South has done, and what it is doing, to make the Negro a more useful citizen. Our economic struggle in the South knows of no color line. Since the War Between the States we have been up against economic disadvantages imposed upon us, which have weighed heavily upon both the white and colored people of the South. To some degree we are winning our fight for economic parity with other States, and as we do, the economic level of all of our people will rise. When this is accomplished, we shall have new and better educational facilities for all of our people.

Increased economic and educational advantages are what the Negroes in the South need, and that is what the forward-thinking people of the South are seeking to provide. Yet our efforts are set back constantly by misguided campaigns to abrogate our segregation laws and customs. It is easy to see that the Negro of the South is being made the victim of political by-play aimed at winning the Negro vote in doubtful States.

Mr. President, if there was ever a proposal to safeguard and guarantee individual rights, this is it. This amendment is basic. It strikes right at the heart of a fundamental freedom—the freedom of a man to live and work with people of his own choosing. The amendment must be adopted in the interest of harmony in the ranks of our armed services. It must be adopted as a guaranty against social controls by Executive order in an effort to break down our customs and established codes. I sincerely hope that enough Senators will see the wisdom of this proposal and that it will be adopted.

Mr. LUCAS. Mr. President, I yield 2 minutes to the junior Senator from New York.

Mr. LEHMAN. Mr. President, I rise in support of the amendment offered by the Senator from Illinois [Mr. LUCAS]. As Members of the Senate undoubtedly know, throughout my life I have been heart and soul against discrimination of any kind. I am against discrimination in employment, education, and enjoyment of political civil rights. I know of no discrimination which is more inexcusable than discrimination in the armed services of our country, a service in which men are expected to assume equal responsibilities, and in which all men are expected and are compelled to assume equal risks of life and limb. I hope with all my heart, and strongly urge, that this amendment, which has been presented by the Senator from Illinois [Mr. LUCAS] to eliminate the so-called Russell amendment, which is included in the bill, will be adopted by the Senate.

Mr. LUCAS. Mr. President, I yield 5 minutes to the Senator from California.

Mr. KNOWLAND. Mr. President, first of all, as a member of the Committee on Armed Services, I wish to speak in support of an extension of the Selective Service Act for 3 years. In the troubled condition in which the world finds itself at the present time I believe this Nation must be prepared under any circumstances to meet whatever challenge may confront it in the future. Such a challenge may confront us at a time when the Congress of the United States is not in session. In the atomic age in which we live, and in an age of the atom and airplane, it is conceivable that the Congress of the United States could not assemble immediately upon a serious situation developing in the world. For that reason, although I had some reluc-

tance at first, I am inclined to support the provision in the Senate bill which would permit the President of the United States to bring the law into operation, if the need should arise, without congressional resolution so to do.

I am opposed to the provision which was put into the bill by the committee at the suggestion of the Senator from Georgia [Mr. RUSSELL]. I do not believe that it would be a practical, operating feature which could be administered with any success. I do not believe that it would be any more feasible than it would be to ask every individual soldier in which State he would like to serve or train. I think it would be confusing from the point of view of discipline in the Army. Under our constitutional system we have a Commander in Chief, who is the President of the United States. Regardless of who the President may be, or what his party affiliation may be, under the Constitution he is still the Commander in Chief of the Army and Navy. He has prescribed certain regulations for the armed services. I think it would be most confusing if the Congress of the United States were to attempt to establish some other standards in legislation of this kind and freeze them.

Although I am expressing only my personal opinion, it is quite possible that the President of the United States has attempted too rapidly to achieve the result he is attempting to achieve. I am of the opinion that many of the desired results can be attained much better by a process of gradual education than by trying to force the issues too rapidly. The fact of the matter is that such regulations have been put into effect, and they are operating very well in the Air Force and in the Navy, according to the testimony, and I believe they are operating also in the Army. I do not believe that it is feasible or practical for this type of amendment to be written into law, and I think to do so would cause confusion in the armed services at a time when we dare not have confusion.

Mr. LUCAS. Mr. President, some question has been raised about the date of Saturday, the twenty-fourth of June. In discussing the matter just recently with the legislative counsel, Mr. Rice. I asked him if he would write out his version of the termination date of this act. He believes that under the general rules of statutory construction an act takes effect at 12:01 a. m. of the day it is signed unless the time it is signed is placed thereon. If, therefore, an act ceases to be effective by its terms after 1 year, and such act was signed on June 24, without the time of signing being placed thereon—and it was not placed on the Selective Service Act—such act ceases to be effective at midnight on June 23 next.

Mr. President, if that construction is correct—and I have great respect for Mr. Rice's opinion on these matters—instead of completing action on this bill by the twenty-fourth, we would have to complete it by Friday night, June 23. In other words, we would have to go to conference with the bill, the conferees would have to agree, and they would have to come back to the Senate and to the House with a measure of some kind. As I said a moment ago, if that cannot be done, it is absolutely necessary, and in fact indispensable, that a joint resolution, be passed so as not to let the Selective Service Act lapse. After we have concluded with the vote which we are about to take I shall move that the Senate stand in recess until 11 o'clock tomorrow morning, with the hope that we can finish consideration of the pending bill at an early hour tomorrow and procure a vote on it, in order to get it to conference.

Mr. GEORGE. Mr. President, I hope the Senator from Illinois will permit me to call up one matter which is not controversial.

Mr. LUCAS. I shall be glad to yield now to the Senator from Georgia if he desires to bring it up at this time, because no one else wishes to speak on the pending measure.

### RELEASE OF CERTAIN POWERS OF APPOINTMENT IN THE CASE OF ESTATE AND GIFT TAXES

Mr. GEORGE. Mr. President, I ask that Calendar No. 1851, House Joint Resolution 480, be laid before the Senate. I should like to make an explanation of it. This resolution also refers to an act which the Finance Committee believes necessary to be renewed for 1 year. The act expires on the twenty-third or twenty-fourth of this month. The joint resolution would simply extend the act for 1 year. It relates to the release of certain powers of appointment in the case of estate and gift taxes. I ask unanimous consent for the present consideration of the joint resolution.

Mr. WHERRY. Mr. President, reserving the right to object, I understand that unless the act is extended it would terminate on the twenty-fourth of this month. Therefore an emergency exists and it is necessary to extend the legislation. May I ask the distinguished Senator from Georgia whether the only new provision in the bill is the year?

Mr. GEORGE. Absolutely; "1950" is stricken out, and "1951" is inserted.

Mr. WHERRY. Mr. President, I have no objection.

The PRESIDING OFFICER. The clerk will state the joint resolution by title.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 480), extending the time for the release, free of estate and gift tax, of certain powers.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia for the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

Mr. GEORGE. Mr. President, I thank the Senator from Illinois and the Senator from Nebraska.

### EXTENSION OF SELECTIVE SERVICE ACT OF 1948

The Senate resumed the consideration of the bill (H. R. 6626) to provide for the common defense through the registration and classification of certain male persons, and for other purposes.

Mr. LUCAS. Mr. President, it is my understanding that no other Senators desire to speak upon the pending measure, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hendrickson | Malone |
| Anderson | Hickenlooper | Martin |
| Benton | Hill | Maybank |
| Brewster | Hoey | Millikin |
| Bricker | Holland | Mundt |
| Butler | Humphrey | Murray |
| Byrd | Hunt | Myers |
| Cain | Ives | Neely |
| Chapman | Jenner | O'Mahoney |
| Connally | Johnson, Colo. | Robertson |
| Cordon | Johnson, Tex. | Russell |
| Darby | Kefauver | Saltonstall |
| Donnell | Kem | Schoeppel |
| Douglas | Kerr | Smith, Maine |
| Eastland | Kilgore | Sparkman |
| Ecton | Knowland | Stennis |
| Ellender | Lehman | Taft |
| Ferguson | Lodge | Thomas, Utah |
| Frear | Lucas | Thye |
| Fulbright | McCarran | Tydings |
| George | McClellan | Watkins |
| Gillette | McFarland | Wherry |
| Green | McKellar | Williams |
| Gurney | McMahon | Withers |
| Hayden | Magnuson | |

The PRESIDING OFFICER. A quorum is present.

The Chair is advised that the unanimous-consent agreement does not require the Senate to wait until 6:30. The Senate can proceed to vote now. What is the pleasure of the Senate?

SEVERAL SENATORS. Vote.

Mr. LEHMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEHMAN. On what are we about to vote?

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Illinois [Mr. LUCAS] for himself and other Senators to strike out section 2 of the committee bill, which is known as the Russell amendment.

Mr. LEHMAN. I thank the Presiding Officer.

The PRESIDING OFFICER. The question is on the amendment to strike out the so-called Russell amendment which appears in the bill.

Mr. RUSSELL and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. GILLETTE (when his name was called). On this vote I have a pair with the junior Senator from South Carolina [Mr. JOHNSTON]. I am informed that if he were present he would vote "nay." If I were permitted to vote I would vote "yea." I withhold my vote.

Mr. McFARLAND (when his name was called). On this vote I have a pair with the junior Senator from Louisiana [Mr. LONG]. If he were present and voting he would vote "nay." If I were permitted to vote I would vote "yea." I withhold my vote.

Mr. MURRAY (when his name was called). On this vote I have a pair with the Senator from North Carolina [Mr.

GRAHAM]. If he were present and voting he would vote "nay." If I were permitted to vote I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is necessarily absent and if present would vote "yea."

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from North Carolina [Mr. GRAHAM] and the Senator from Rhode Island [Mr. LEAHY] are absent on public business.

The Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

I announce further that if present and voting, the Senator from Idaho [Mr. TAYLOR] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Wisconsin [Mr. MCCARTHY] and the Senator from New Jersey [Mr. SMITH] are necessarily absent. If present and voting, the Senator from Indiana [Mr. CAPEHART] and the Senator from New Jersey [Mr. SMITH] would each vote "yea."

The Senator from Idaho [Mr. DWORSHAK] and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from Vermont [Mr. FLANDERS], the senior Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate. If present and voting, the Senator from Vermont [Mr. FLANDERS], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY] would each vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] is detained on official business.

The result was announced—yeas 42, nays 29, as follows:

YEAS—42

| | | |
|---|---|---|
| Aiken | Hickenlooper | Malone |
| Anderson | Humphrey | Martin |
| Benton | Ives | Millikin |
| Brewster | Jenner | Mundt |
| Bricker | Johnson, Colo. | Myers |
| Butler | Kem | Neely |
| Cain | Kilgore | Saltonstall |
| Darby | Knowland | Schoeppel |
| Donnell | Lehman | Smith, Maine |
| Douglas | Lodge | Taft |
| Ferguson | Lucas | Thomas, Utah |
| Frear | McCarran | Thye |
| Green | McMahon | Wherry |
| Hendrickson | Magnuson | Williams |

NAYS—29

| | | |
|---|---|---|
| Byrd | Ellender | Hoey |
| Chapman | Fulbright | Holland |
| Connally | George | Hunt |
| Cordon | Gurney | Johnson, Tex. |
| Eastland | Hayden | Kefauver |
| Ecton | Hill | Kerr |
| McClellan | Robertson | Tydings |
| McKellar | Russell | Watkins |
| Maybank | Sparkman | Withers |
| O'Mahoney | Stennis | |

NOT VOTING—25

| | | |
|---|---|---|
| Bridges | Langer | Smith, N. J. |
| Capehart | Leahy | Taylor |
| Chavez | Long | Thomas, Okla. |
| Downey | McCarthy | Tobey |
| Dworshak | McFarland | Vandenberg |
| Flanders | Morse | Wiley |
| Gillette | Murray | Young |
| Graham | O'Conor | |
| Johnston, S. C. | Pepper | |

So the amendment offered by Mr. LUCAS, for himself and other Senators, was agreed to.

## EXTENSION OF SELECTIVE SERVICE ACT OF 1948—AMENDMENTS

Mr. RUSSELL and Mr. CHAPMAN each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. WATKINS (for himself, Mr. WHERRY, Mr. TAFT, Mr. BREWSTER, Mr. JOHNSON of Colorado, and Mr. KEM) submitted an amendment intended to be proposed by them, jointly, to House bill 6826, supra, which was ordered to lie on the table and to be printed.

## EXTENSION OF RENT CONTROL—CONFERENCE REPORT

Mr. MAYBANK. Mr. President, I understand that the House has adopted the conference report on the rent control bill, providing for an extension of 6 months, and then 6 months more, at option; and I desire to have the conference report brought before the Senate.

Therefore, Mr. President, I submit the conference report on Senate bill 3181, to extend the Housing and Rent Act of 1947, as amended, and for other purposes; and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The conference report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3181) to extend the Housing and Rent Act of 1947, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Housing and Rent Act of 1950'.

"SEC. 2. Section 4 (e) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out 'June 30, 1950', and inserting in lieu thereof 'June 30, 1951'.

"SEC. 3. Section 204 (a) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out 'June 30, 1950', and inserting in lieu thereof 'June 30, 1951'.

"SEC. 4. Section 204 (f) of the Housing and Rent Act of 1947, as amended, is hereby amended to read as follows:

"'(f) (1) The provisions of this title, except section 204 (a), shall cease to be in effect at the close of December 31, 1950, except that they shall cease to be in effect at the close of June 30, 1951—

"'(A) in any incorporated city, town, or village which, at a time when maximum rents under this title are in effect therein, and prior to December 31, 1950, declares by resolution of its governing body adopted for that purpose, or by popular referendum, in accordance with local law) that a shortage of rental housing accommodations exists which requires the continuance of rent control in such city, town, or village; and

"'(B) in any unincorported locality in a defense-rental area in which one or more incorporated cities, towns, or villages constituting the major portion of the defense-rental area have made the declaration specified in subparagraph (A) at a time when maximum rents under this title were in effect in such unincorporated locality.

"'(2) Any incorporated city, town, or village which makes the declaration specified in paragraph (1) (A) of this subsection shall notify the Housing Expediter in writing of such action promptly after it has been taken.

"'(3) Notwithstanding any provision of paragraph (1) of this subsection, the provisions of this title shall cease to be in effect upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier.

"'(4) Notwithstanding any provision of paragraph (1) or (3) of this subsection, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any right or liability incurred prior to the termination date specified in such paragraph.'

"SEC. 5. Section 204 (j) (3) of the Housing and Rent Act of 1947, as amended, is hereby amended to read as follows:

"'(3) The Housing Expediter shall terminate the provisions of this title in any incorporated city, town, village, or in the unincorporated area of any county upon receipt of a resolution of its governing body adopted for that purpose in accordance with applicable local law and based upon a finding by such governing body reached as the result of a public hearing held after ten days' notice, that there no longer exists such a shortage in rental housing accommodations as to require rent control in such city, town, village, or unincorporated area in such county: *Provided*, That where the major portion of a defense-rental area has been decontrolled pursuant to this paragraph (3), the Housing Expediter shall decontrol any unincorporated locality in the remainder of such area.'

"SEC. 6. Nothing in this Act or in the Housing and Rent Act of 1947, as amended, shall be construed to require any person to offer any housing accommodations for rent.

"SEC. 7. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

"SEC. 8. This Act shall become effective on the first day of the first calendar month following the month in which it is enacted."

And the House agree to the same.

BURNET R. MAYBANK,
J. WILLIAM FULBRIGHT,
JOHN SPARKMAN,
RALPH E. FLANDERS,
JOHN W. BRICKER,
*Managers on the Part of the Senate.*

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
BROOKS HAYS,
*Managers on the Part of the House.*

The PRESIDING OFFICER. The conference report is a privileged matter. Is there objection to the request for its present consideration?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. DOUGLAS. Mr. President, I am very glad that we are to continue rent control for 6 months, with an option for the localities to continue such controls for an additional 6 months.

I regret that the Senate conferees were not able to persuade the conferees on the part of the House to agree to the provision contained in the Senate version of the bill which exempted permanent tenants in hotels from rent control. Although I favored the inclusion of the provision regarding permanent quarters in apartments, last year, when this measure was before the Congress, I became convinced this year that there was no longer any need for such control. This was because of the fact that apparently there is a vacancy rate of 12½ percent in the permanent accommodations in Chicago hotels, and inasmuch as I do not believe in continuing rent control unless it is needed. I felt that rent controls should be abolished in this case, for permanent accommodations in Chicago hotels.

As I say, Mr. President, I regret very much that the conferees on the part of the House would not recede from their position.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MAYBANK. I wish to be perfectly frank about the matter of receding. In view of the fact that the conferees on the part of the House had been very generous and kind in receding in regard to the 7-months' and 5-months' provisions, I thought the conferees on the part of the Senate should recede regarding the provision relating to hotels in Chicago.

I regret the situation, but I wish the Senator from Illinois to understand distinctly that I myself voted to recede.

Mr. DOUGLAS. Mr. President, I make this statement in part because I understand that on the floor of the House this afternoon a Member of the House implied that I had proposed this amendment exempting permanent accommodations in Chicago hotels, with the intent of scuttling it later, in the conference.

I thank the Senator from South Carolina for making this situation clear.

I was called out of the city to deliver a commencement address in Chicago on Wednesday, and then later to make a speech on the Pacific coast, on Saturday. So it was not possible for me to be present. But through my administrative assistant, Mr. McCulloch, I made it clear to the Senate conferees that I hoped they would be able to obtain House consent for the decontrol of permanent accommodations in hotels.

I do not think I have ever proposed a measure in which I did not believe; and I hope the gentleman on the House side, who apparently made the implication, this afternoon, to which I have referred, will withdraw the statement he made, when he understands the situation.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. CAIN. Mr. President, I wonder whether the distinguished Senator from South Carolina [Mr. MAYBANK], the chairman of the Banking and Currency Committee, would object to having a yea-and-nay vote on the question of the adoption of the conference report. I suggest such a move because of my feeling that it is tremendously important to state again, for the benefit of the Senate and the Nation, that there are a number of Senators who have no intention at any future period in peacetime of permitting an extension of rent control beyond the expiration date which is outlined in the conference report.

Mr. MAYBANK. Does the Senator desire to have a yea-and-nay vote on the question of agreeing to the conference report, with a view, if it should be rejected, of sending the report back to a further conference?

Mr. CAIN. The Senator from Washington would appreciate having a yea-and-nay vote on the question of agreeing to the conference report.

Mr. MAYBANK. Does the Senator wish to have the vote taken now?

Mr. CAIN. When the Senator from South Carolina has concluded his observations, I shall be glad to have that done.

Mr. MAYBANK. If the Senator from Washington wishes to have a yea-and-nay vote taken immediately on that question, that will be all right with me.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. CAIN and other Senators asked for the yeas and nays.

The yeas and nays were ordered.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAYBANK. Do I correctly understand that on this vote, a vote of "yea" will be a vote in favor of adoption of the conference report for the 6 months' period, and that a vote of "nay" will be a vote to send the conference report back to a further conference?

The PRESIDING OFFICER. A vote "yea" will be a vote in favor of adoption of the conference report as submitted. A vote "nay" will be a vote to refuse to approve the conference report.

Mr. MAYBANK. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Iowa [Mr. GILLETTE], the Senator from Arizona [Mr. HAYDEN], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Mississippi [Mr. STENNIS], and the Senator from Kentucky [Mr. WITHERS] are necessarily absent.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from North Carolina [Mr. GRAHAM] and the Senator from Rhode Island [Mr. LEAHY] are absent on public business.

The Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

On this vote the Senator from Iowa [Mr. GILLETTE] is paired with the Senator from Delaware [Mr. WILLIAMS]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Delaware would vote "nay."

On this vote the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Virginia [Mr. BYRD]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Virginia would vote "nay."

On this vote the Senator from Rhode Island [Mr. LEAHY] is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting, the Senator from Rhode Island would vote "yea," and the Senator from Virginia would vote "nay."

I announce further that if present and voting, the Senator from Arizona [Mr. HAYDEN], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Mississippi [Mr. STENNIS], the Senator from Idaho [Mr. TAYLOR], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Kentucky [Mr. WITHERS] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from Idaho [Mr. DWORSHAK] and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from Vermont [Mr. FLANDERS], the senior Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Nebraska [Mr. WHERRY] are detained on official business. If present, the Senator from Nebraska would vote "nay."

The Senator from Delaware [Mr. WILLIAMS], who is detained on official business, is paired with the Senator from Iowa [Mr. GILLETTE]. If present and voting, the Senator from Delaware would vote "nay" and the Senator from Iowa would vote "yea."

The result was announced—yeas 40, nays 24, as follows:

YEAS—40

| | | |
|---|---|---|
| Aiken | Hunt | Magnuson |
| Benton | Ives | Malone |
| Chapman | Johnson, Colo. | Maybank |
| Connally | Johnson, Tex. | Murray |
| Darby | Kefauver | Myers |
| Donnell | Kerr | Neely |
| Douglas | Kilgore | Saltonstall |
| Eastland | Lehman | Smith, Maine |
| Frear | Lodge | Sparkman |
| Fulbright | Lucas | Thomas, Utah |
| Green | McCarran | Thye |
| Hendrickson | McFarland | Tydings |
| Hill | McKellar | |
| Humphrey | McMahon | |

NAYS—24

| | | |
|---|---|---|
| Brewster | George | McClellan |
| Bricker | Gurney | Martin |
| Butler | Hickenlooper | Millikin |
| Cain | Hoey | Mundt |
| Cordon | Holland | Russell |
| Ecton | Jenner | Schoeppel |
| Ellender | Kem | Taft |
| Ferguson | Knowland | Watkins |

NOT VOTING—32

| | | |
|---|---|---|
| Anderson | Johnston, S. C. | Stennis |
| Bridges | Langer | Taylor |
| Byrd | Leahy | Thomas, Okla. |
| Capehart | Long | Tobey |
| Chavez | McCarthy | Vandenberg |
| Downey | Morse | Wherry |
| Dworshak | O'Conor | Wiley |
| Flanders | O'Mahoney | Williams |
| Gillette | Pepper | Withers |
| Graham | Robertson | Young |
| Hayden | Smith, N. J. | |

So the report was agreed to.

## EXTENSION OF SELECTIVE SERVICE ACT OF 1948

The Senate resumed the consideration of the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes.

Mr. LUCAS. Mr. President, I intend to move a recess until 11 o'clock tomorrow. I understand the Senator from Utah desires to speak at least about 30 minutes. I know of no other Members of the Senate who desire to speak. It may be that they do, but I plead with Senators to expedite the pending measure and get the bill into conference, so that the conferees can come back with some kind of selective service bill. It must be done before midnight Friday, and it has to be in the President's hands before that time, otherwise the Selective Service law will expire. We shall be in a peck of trouble, in the event it does. I plead with Senators on both sides of the aisle to come here tomorrow at 11 o'clock, and after a quorum is obtained, to get this bill on its way to the House of Representatives, and have the conferees appointed so that the conference report may be submitted and acted upon, and action completed on this important measure within the time specified.

Mr. HUMPHREY. Mr. President, I should like to say to the majority leader that it was the intention of the junior Senator from Minnesota to offer a series of amendments, but in view of the vote which has just taken place with reference to the elimination from the bill of the so-called Russell amendment, and in view of what I consider to be a creditable record on the part of the President, the Secretary of Defense, and the Secretaries of the Army, Air, and the Navy, on promoting a better pattern of human relationships and civil rights within the armed services, it is not the intention of the Senator from Minnesota to offer his amendments.

I agree with the majority leader that we ought to expedite this legislation, and I make my position clear at this time so we can arrive at some sort of understanding by which we can have the bill passed promptly. It would be a singular tragedy if we were to go over the deadline. I want the majority leader to know I extend my fullest cooperation.

Mr. LUCAS. I thank the Senator from Minnesota. There was some question as to whether the Senator from Minnesota would offer certain amendments, which was one of the reasons why we could not obtain a unanimous-consent agreement. With that understanding, I am wondering whether we cannot now get a unanimous-consent agreement to vote at 2 o'clock tomorrow, say, upon the bill and upon any amendments offered thereto in the meantime. Would that be satisfactory to the Senator from Utah?

Mr. WATKINS. I do not know about other Senators. I would suggest 3:30.

Mr. LUCAS. I wish we could agree to vote at 2 o'clock. I may say to the Senator, it is planned to convene tomorrow at 11.

Mr. WATKINS. I understood the previous unanimous-consent agreement was agreed to on the ground that there would be no further unanimous-consent agreement for tomorrow.

Mr. LUCAS. That was because of the situation in which we found ourselves with respect to amendments which might be offered by the Senator from Minnesota or by other Senators who contemplated offering amendments of the kind he proposed to offer. But I understand now, from his statement, that he does not propose to do that, and that he wants to expedite the passage of the bill. I should like very much to enter into that kind of agreement, if possible.

Mr. WATKINS. I had in mind some of the other Senators who might want to speak on some of the amendments, particularly the one I have proposed.

Mr. LUCAS. I do not see any Senator rising who wishes to speak very long.

Mr. CAIN. Mr. President, in the absence of the Senator from Maryland [Mr. TYDINGS] I would venture the guess that the Senate Committee on Armed Services would appreciate having 30 minutes within which to conclude its presentation or to answer any new arguments.

Mr. LUCAS. Plenty of time would be afforded if we start at 11 a. m. and vote at 2:30 p. m.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. RUSSELL. Mr. President, the statement of the Senator from Minnesota [Mr. HUMPHREY] is most gratifying, although it did grow out of the fact that a very fair amendment was defeated. While I want to expedite the passage of the bill in every way possible, I do not feel that I can agree now, without some understanding with a sufficient number of Senators, as to matters which might or might not be germane and relevant to the bill.

Mr. LUCAS. Mr. President, apparently, under the circumstances, we cannot reach a unanimous-consent agreement; and in accordance with the statement I made earlier, I move that the Senate proceed to consider executive business.

Mr. DONNELL. Mr. President, will the Senator withhold his motion for a moment?

Mr. LUCAS. Yes.

Mr. DONNELL. I was informed that the Senator from Illinois had stated that the Senate would recess today after the vote on the Lucas amendment to House bill 6826. Am I correct in that understanding?

Mr. LUCAS. That was not quite the understanding. I advised the Senate that we might hold a night session if we did not dispose of the Russell amendment and, possibly, the bill itself; but I did say later on that if we could dispose of the amendment, we would take a recess, which we are about to do.

Mr. DONNELL. I will say to the Senator, if he will permit me, that when the minority leader [Mr. WHERRY] left, after voting on the so-called Lucas amendment, he was under the impression that there would be nothing further taken up after action on that amendment. I did not interpose any objection to the action taken on the conference report on the rent-control bill, although, in looking back over it, I am not so sure but that I should have objected.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAYBANK. Mr. President, I want to make it perfectly clear that several Senators suggested to me that some Senators had gone and would not be here to vote; but the Senator from Washington [Mr. CAIN] had a perfect right to have the conference report come up for a vote. It was not by unanimous consent; it was after a quorum was called. I did not suggest it to the Senator from Washington. It was a conference report, which is a privileged matter.

Mr. DONNELL. Mr. President, will the Senator yield for a brief statement?

Mr. LUCAS. I yield.

Mr. DONNELL. I should like the RECORD to show very clearly, primarily in the interest of some of the Senators who have gone, that I understand the Senate would recess immediately after action on the Lucas amendment. The minority leader, on leaving, requested me to see to it, so far as it was possible for me to do so, that the Senate should not transact any business after action on the Lucas amendment. If any Senator has been precluded from expressing himself on the conference report, I should like the RECORD to show that it was due to the fact that I did not interpose objection, and it was not due to the fact that the Senator who did not have such opportunity was delinquent in his duty in regard to the matter.

Mr. NEELY. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. NEELY. I should like to inquire of the majority leader on what early date he will help me to obtain the right-of-way for consideration of the District rent-control extension bill?

Mr. LUCAS. I should say to the Senator that we might possibly be able to take it up tomorrow or next day, although I have told the Senator from Texas [Mr. CONNALLY] that we would take up the military assistance bill. I know how vital is the District of Columbia rent-control bill, and I am under the impression that we can take it up tomorrow or the next day.

Mr. President, in reply to the Senator from Missouri, I should like to make this statement: Some Senators came to me after the vote was taken on the amendment and I advised them that I did not think any more votes would be taken today on any measure. The Senator from New Mexico [Mr. ANDERSON] and other Senators left. It is impossible to tell what may happen on the floor of the Senate, as every Senator knows who has been here very long. The Senator from South Carolina [Mr. MAYBANK] came to me and said, "I can put the rent-control conference report through in a very few minutes." He was in good faith when he made that statement. An argument ensued and a roll call was asked with reference to the report. I presume we should have recessed and taken it up tomorrow; but I do not think anyone has been hurt very much by what has happened.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. DONNELL. Mr. President, I did not have the slightest idea of intimating that the Senator had been in any sense guilty of any bad faith in the matter. I am sure that neither he nor the Senator from South Carolina had any intention of putting any Senator in an embarrassing position by reason of the action which was taken. Notwithstanding that I had assured the minority leader that I would take action toward securing a recess immediately following the action on the Lucas amendment, I thought, in view of the nature and the history of the rent-control conference report, it was proper that I should not insist upon an immediate recess. But in view of the fact that so many Senators have gone and have possibly relied on the statement that the Senate would not act on any other matters, I am constrained to object to the transaction of any further business.

Mr. LUCAS. I join with the Senator in that statement. I shall object to any further business being transacted.

Mr. DONNELL. I think that is very wholesome.

### EXECUTIVE SESSION

Mr. LUCAS. I renew my motion that the Senate proceed to the consideration of executive business.

The PRESIDING OFFICER. The question is on the motion of the Senator from Illinois.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HOLLAND in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of Carl Rodman, of Massachusets, for appointment as a Foreign Service officer of class 6, a vice counsul of career, and a secretary in the Diplomatic Service of the United States, which nominating messages referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

### EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

Willis W. Ritter, of Utah, to be United States district judge for the district of Utah.

Mr. DONNELL. I object to the transaction of any further business, on the ground that the general understanding in the Senate was that there was to be no further business transacted after the passage of the Lucas amendment.

Mr. LUCAS. We did not have that understanding with respect to the executive calendar. If there is any nomination on the executive calendar to which the Senator wants to object, that is a different proposition. It is always in order to consider the executive calendar, but if the Senator wants to object, we can pass it over until tomorrow.

The PRESIDING OFFICER. The Chair is advised that there is one nomination on the calendar which pertains to the District of Columbia.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. DONNELL. I have not seen a copy of the executive calendar. There is no desire on my part to object to the further transaction of business because of any particular personality.

The PRESIDING OFFICER. The Chair is advised the first two nominations on the calendar have been passed over heretofore, and there is a request that they be again passed over. The only open nomination is the nomination of Kenneth W. Spencer, of the District of Columbia, to be a member of the Public Utilities Commission.

Mr. DONNELL. Mr. President, was there an outright agreement that there should be no further business transacted after the Lucas amendment was voted upon?

Mr. LUCAS. Mr. President, I ask that the nomination of Kenneth W. Spencer to be a member of the Public Utilities Commission of the District of Columbia, be passed over.

The PRESIDING OFFICER. The nomination will be passed over.

### RECESS

Mr. LUCAS. As in legislative session, I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 58 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 22, 1950, at 11 o'clock a. m.

### NOMINATIONS

Executive nominations received by the Senate June 21 (legislative day of June 7), 1950:

#### UNITED NATIONS

Isidor Lubin, of New York, now United States representative on the Economic and Employment Commission of the Economic and Social Council of the United Nations, to be also the representative of the United States of America on the Economic and Social Council of the United Nations.

#### DIPLOMATIC AND FOREIGN SERVICE

James W. Riddleberger, of Virginia, for promotion from Foreign Service officer of class 1 to Foreign Service officer of the class of career minister of the United States of America.

John D. Jernegan, of California, now a Foreign Service officer of class 2 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

Elbert R. Williams, of Pennsylvania, a Foreign Service staff officer, to be a consul of the United States of America.

Sidney V. Suhler, of Texas, for appointment as a Foreign Service officer of class 6, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

#### RAILROAD RETIREMENT BOARD

Horace W. Harper, of Texas, to be a member of the Railroad Retirement Board for the term expiring August 29, 1954.

#### IN THE COAST GUARD

The following two officers of the United States Coast Guard for promotion to the permanent grade of rear admiral:

Harold G. Bradbury
Roy L. Raney

#### IN THE NAVY

Capt. Arleigh A. Burke, United States Navy, for temporary appointment to the grade of rear admiral.

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### WITHDRAWAL

Executive nomination withdrawn from the Senate, June 21 (legislative day of June 7), 1950:

#### DIPLOMATIC AND FOREIGN SERVICE

Carl Rodman, of Massachusetts, for appointment as Foreign Service officer of class 6, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

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# HOUSE OF REPRESENTATIVES

## WEDNESDAY, JUNE 21, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, whose divine sovereignty and authority we cannot doubt or disobey, we pray that daily we may faithfully and fearlessly seek to do what Thou dost command.

Show us how we may enrich and strengthen our national life and find the secret of its cohesive and conquering power.

Inspire and guide our Speaker and all the Members of this Congress in their deep concern for the honor and security

of our democracy. May they perceive what is needful and devise what is right.

Grant that we may fix our hopes and expectations and desires not on mere material prosperity but upon the achievement of spiritual greatness.

Hear us in the name of the Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 2, 1950:

H. R. 7341. An act to authorize and direct the Commissioners of the District of Columbia to construct a bridge over the Anacostia River in the vicinity of East Capitol Street, and for other purposes;

H. R. 7635. An act to amend the Armed Forces Leave Act of 1946, as amended, to provide graduation leave upon appointment as commissioned officers in the Regular components of the Armed Forces of graduates of the United States Military, Naval, or Coast Guard Academies; and

H. R. 8578. An act authorizing loans from the United States Treasury for the expansion of the District of Columbia water system.

On June 5, 1950:

H. R. 7797. An act to provide foreign economic assistance.

On June 7, 1950:

H. R. 6655. An act for the relief of Taeko Suzuki.

On June 8, 1950:

H. R. 1285. An act for the relief of the legal guardian of Lena Mae West, a minor.

On June 14, 1950:

H. R. 4892. An act to provide for the admission of pay patients to the Home for the Aged and Infirm;

H. R. 5126. An act for the relief of Mrs. Nathalie E. Cobb;

H. R. 5295. An act for the relief of C. R. Springman;

H. R. 5913. An act to authorize the exchange of certain lands of the United States situated in Ross County, Ohio, for lands within Symmes Creek purchase unit in Lawrence County, Ohio, and for other purposes;

H. R. 6406. An act providing procedure for claimants of mining claims in the United States obtaining credit for assessment work performed during the year ending July 1, 1949, under the provisions of Public Law 107, Eighty-first Congress;

H. R. 6552. An act to correct a clerical error in section 2 of the act of January 16, 1883, an act to regulate and improve the civil service of the United States, as amended by Public Law 425, Eighty-first Congress;

H. R. 6632. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines;

H. R. 7866. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide an order of precedence for lump-sum death payments, and for other purposes; and

H. R. 7966. An act to amend the act entitled "An act to incorporate the trustees of the Presbyterian congregation of Georgetown," and approved March 28, 1806.

On June 15, 1950:

H. R. 4641. An act to authorize the Secretary of Agriculture to accept title to certain land owned or to be acquired by the county of Plumas, State of California, and in exchange therefor to convey to Plumas County certain land owned by the United States in said county;

H. R. 5103. An act to provide for clerical assistance at post offices, branches, or stations serving military and naval personnel, and for other purposes;

H. R. 5166. An act to extend the laws of the United States relating to civil acts or offenses consummated or committed on the high seas on board a vessel belonging to the United States, to the Midway Islands, Wake Island, Johnston Island, Sand Island, Kingman Reef, Kure Island, Baker Island, Howland Island, Jarvis Island, Canton Island, and Enderbury Island, and for other purposes; and

H. R. 5511. An act to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities.

On June 16, 1950:

H. R. 589. An act for the relief of C. M. Smart;

H. R. 1124. An act for the relief of Lee Freddie Lambert;

H. R. 1432. An act for the relief of Frances L. Marshall;

H. R. 1492. An act for the relief of Harold L. Lindquist;

H. R. 1866. An act for the relief of Honorio Canciller and Nancy Ting Evangelista;

H. R. 3480. An act to authorize the Commonwealth of Kentucky to use for certain educational purposes lands granted by the United States to such Commonwealth for State park purposes exclusively;

H. R. 3527. An act for the relief of Gifford E. Moak;

H. R. 3672. An act for the relief of Mrs. Vera C. A. Freund;

H. R. 3996. An act for the relief of Dr. J. Carlyle Nagle;

H. R. 4015. An act for the relief of Kate Laursen;

H. R. 4509. An act to amend the act of February 25, 1920 (41 Stat. 452), and for other purposes;

H. R. 4567. An act to amend the Displaced Persons Act of 1948;

H. R. 4969. An act to direct the Secretary of Agriculture and the Secretary of the Army to transfer and convey certain lands and thereby facilitate administration and give proper cognizance to the highest use of United States lands;

H. R. 5872. An act to extend the boundaries of the Toiyabe National Forest in the State of Nevada;

H. R. 6371. An act for the relief of J. O. Evans;

H. R. 6385. An act for the relief of Louise M. Koch;

H. R. 6521. An act to authorize the sale of certain land on the Pine Ridge Indian Reservation, S. Dak., allotted to Lucy Arapahoe Iron Bear;

H. R. 6577. An act for the relief of Haruko Teramoto;

H. R. 6689. An act for the relief of Mitsuko Uemura;

H. R. 6991. An act for the relief of E. G. Morris;

H. R. 7013. An act for the relief of Mrs. Yae Bennett;

H. R. 7094. An act for the relief of Kazuyo Dohi;

H. R. 7147. An act to change the effective date of the act of June 19, 1948, relating to the Fire Department of the District of Columbia;

H. R. 7255. An act to provide for the conveyance of certain real property in Hopkins County, Ky., to the estate of James D. Meadors;

H. R. 7609. An act to grant a renewal of Patent No. 59,560 relating to the emblem of the Disabled American Veterans of the World War;

H. R. 7700. An act to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended;

H. R. 7708. An act to authorize the Secretary of the Navy to grant to the Monmouth Consolidated Water Co. certain easements and rights-of-way within the United States Naval Ammunition Depot, Earle, N. J.

H. R. 7888. An act to amend the Classification Act of 1949 to make it inapplicable to postal employees of the Panama Canal; and

H. R. 7984. An act to authorize the conveyance to the city of Miles City, State of Montana, certain lands in Custer County, Mont., and for other purposes.

On June 17, 1950:

H. R. 829. An act to authorize the Secretary of Agriculture to accept buildings and improvements constructed and affected by the Buffalo Rapids Farms Association on project lands in the Buffalo Rapids water conservation and utilization project and canceling certain indebtedness of the association, and for other purposes;

H. R. 1110. An act for the relief of Ann Irene Feikema;

H. R. 1170. An act for the relief of Mrs. John Kaudy (formerly Stella Cappler);

H. R. 1275. An act for the relief of Anna Helman;

H. R. 1602. An act for the relief of Ben Grunstein;

H. R. 4011. An act for the relief of Stavros Matheos (also known as Steve Matheos or Matheou);

H. R. 5017. An act for the relief of Ng Soo Lip and Ng Yut Chee;

H. R. 5332. An act to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones;

H. R. 5581. An act for the relief of Deborah Elizabeth Ebel;

H. R. 5709. An act for the relief of Patrick Cronin;

H. R. 6271. An act for the relief of Mrs. Harry Schneider;

H. R. 6344. An act for the relief of Mrs. William Y. Imanaka;

H. R. 6414. An act for the relief of Mrs. Chikako Mary Ohori Hori;

H. R. 6462. An act for the relief of Mrs. Sachiko Iwai Higaki;

H. R. 6485. An act for the relief of Jodeene Lehrman;

H. R. 6793. An act for the relief of Fujiko Fukuda;

H. R. 6942. An act for the relief of Hisako Nakane;

H. R. 7084. An act for the relief of Yoshiko Ishii Teves;

H. R. 7173. An act for the relief of Toshiko Ono;

H. R. 7338. An act for the relief of Asano Teramoto;

H. R. 7410. An act for the relief of Mrs. Kiyoko Tanaka Perez;

H. R. 7427. An act for the relief of Mrs. June Noda Loman; and

H. R. 7485. An act for the relief of Mrs. Maria Margarite Noe.

On June 19, 1950:

H. R. 1103. An act for the relief of Miriam Berkle; and

H. R. 4996. An act for the relief of Lonnie M. Abernathy.

On June 20, 1950:

H. R. 1047. An act for the relief of the Aero-Bocker Knitting Mills, Inc.;

H. R. 1272. An act for the relief of Edward A Seeley;

H. R. 1627. An act for the relief of Filip Nicola Lazarevich;

H. R. 5150. An act for the relief of Ira D. Doyal and Clyde Doyal;

H. R. 5199. An act for the relief of Mr. and Mrs. Thurman L. Bomar;

H. R. 5556. An act to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex.;

H. R. 5639. An act for the relief of Ivan E. Townsend;

H. R. 6364. An act for the relief of Yosniko Matsumura;

H. R. 6490. An act for the relief of Margarita Funakura;

H. R. 7082. An act for the relief of Mrs. Isamu Tarasawa;

H. R. 7092. An act for the relief of Mrs. Karry Wakefield;

H. R. 7194. An act for the relief of Mrs. Rei Yamada Munns and Edward Lee Munns;

H. R. 7256. An act for the relief of Mieko Nishitsuru;

H. R. 7279. An act for the relief of Umeko Stevenson;

H. R. 7283. An act for the relief of Mrs. Jack B. Meyer;

H. R. 7313. An act for the relief of Lucy Teresa Morris;

H. R. 7560. An act for the relief of Mary Frances Yoshinaga; and

H. R. 7778. An act for the relief of Miyoko Oishi.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 3639. An act providing for an extension of the time during which annual assessment work on mining claims held by location in the United States may be made.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6000. An act to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GEORGE, Mr. CONNALLY, Mr. BYRD, Mr. MILLIKIN, and Mr. TAFT to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8198) entitled "An act to provide for the organization of the Army and the Department of the Army, and for other purposes."

### RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

JUNE 21, 1950.

The honorable the SPEAKER,
*House of Representatives,*
*Washington, D. C.*

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Agriculture.

Respectfully,

NORRIS COTTON.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

### ELECTION TO COMMITTEE

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 661), as follows:

*Resolved*, That BEN GUILL, of Texas, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on Agriculture.

The resolution was agreed to.

A motion to reconsider was laid on the table.

### BORROWING POWER OF COMMODITY CREDIT CORPORATION

The SPEAKER. The unfinished business is the question on the adoption of the conference report on the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation.

The question is on the conference report.

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 22, noes 18.

Mr. FULTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 235, nays 81, answered "present" 1, not voting 113, as follows:

[Roll No. 178]

YEAS—235

| | | |
|---|---|---|
| Abbitt | Dawson | Kilburn |
| Abernethy | Deane | Kilday |
| Addonizio | DeGraffenried | Kirwan |
| Albert | Delaney | Kruse |
| Allen, Ill. | Denton | Lane |
| Allen, La. | D'Ewart | Lanham |
| Andersen, H. Carl | Dollinger | Larcade |
| | Donohue | LeCompte |
| Andrews | Doughton | Lind |
| Arends | Douglas | Linehan |
| Aspinall | Doyle | Lucas |
| Barden | Durham | Lynch |
| Barrett, Pa. | Eberharter | McCarthy |
| Barrett, Wyo. | Elliott | McCormack |
| Battle | Evins | McCulloch |
| Beckworth | Feighan | McGuire |
| Bennett, Fla. | Fernandez | McMillen, Ill. |
| Bennett, Mich. | Fisher | Madden |
| Bentsen | Flood | Magee |
| Biemiller | Forand | Mahon |
| Blatnik | Fugate | Mansfield |
| Boggs, La. | Furcolo | Marcantonio |
| Bolling | Garmatz | Marsalis |
| Bolton, Md. | Gathings | Marshall |
| Bonner | Golden | Martin, Iowa |
| Bosone | Gordon | Martin, Mass. |
| Boykin | Goraki | Meyer |
| Breen | Gossett | Michener |
| Brooks | Granahan | Miles |
| Brown, Ga. | Grant | Miller, Nebr. |
| Brown, Ohio | Green | Mills |
| Buchanan | Gross | Multer |
| Buckley, Ill. | Guill | Murdock |
| Burleson | Hagen | Murphy |
| Burnside | Halleck | Murray, Tenn. |
| Burton | Harden | Murray, Wis. |
| Byrne, N. Y. | Hardy | Nelson |
| Byrnes, Wis. | Harris | Noland |
| Camp | Harrison | Norrell |
| Cannon | Hart | Norton |
| Carlyle | Harvey | O'Brien, Ill. |
| Carnahan | Havenner | O'Hara, Ill. |
| Carroll | Hays, Ark. | O'Hara, Minn. |
| Case, S. Dak. | Hays, Ohio | O'Konski |
| Cavalcante | Hedrick | O'Neill |
| Celler | Hill | O'Toole |
| Chatham | Hoeven | Pace |
| Chesney | Holifield | Passman |
| Chiperfield | Holmes | Patman |
| Chudoff | Horan | Patten |
| Clemente | Howell | Peterson |
| Cole, Kans. | Huber | Philbin |
| Combs | Hull | Pickett |
| Cooper | Jacobs | Poage |
| Crawford | Jenison | Potter |
| Crook | Jennings | Preston |
| Crosser | Jensen | Price |
| Cunningham | Jones, Ala. | Priest |
| Curtis | Jones, N. C. | Rains |
| Davenport | Karst | Ramsay |
| Davis, Ga. | Karsten | Rankin |
| Davis, Tenn. | Kee | Rees |
| Davis, Wis. | Kelly, N. Y. | Rhodes |
| Robeson | Spence | Welchel |
| Rodino | Staggers | Whitaker |
| Rogers, Fla. | Stefan | Whitten |
| Rooney | Sullivan | Whittington |
| Sadlak | Tackett | Wier |
| Sasscer | Talle | Williams |
| Scrivner | Teague | Willis |
| Secrest | Thomas | Wilson, Tex. |
| Shafer | Thompson | Winstead |
| Shelley | Thornberry | Withrow |
| Sheppard | Trimble | Wolcott |
| Short | Underwood | Woodhouse |
| Simpson, Ill. | Velde | Woodruff |
| Smathers | Vinson | Yates |
| Smith, Va. | Vursell | Zablocki |
| Smith, Wis. | Walter | |

NAYS—81

| | | |
|---|---|---|
| Allen, Calif. | Gillette | Mason |
| Anderson, Calif. | Goodwin | Nicholson |
| Angell | Graham | Patterson |
| Auchincloss | Hale | Plumley |
| Baring | Hall, | Poulson |
| Bates, Mass. | Leonard W. | Reed, N. Y. |
| Beall | Herter | Ribicoff |
| Bishop | Heselton | Rich |
| Boggs, Del. | Hinshaw | Riehlman |
| Bolton, Ohio | Hoffman, Mich. | Rogers, Mass. |
| Bramblett | James | St. George |
| Canfield | Javits | Saylor |
| Case, N. J. | Jenkins | Scott, Hardie |
| Clevenger | Johnson | Scott, |
| Cole, N. Y. | Jonas | Hugh D., Jr. |
| Colmer | Judd | Scudder |
| Corbett | Kean | Simpson, Pa. |
| Dague | Kearney | Smith, Kans. |
| Dondero | Kearns | Taber |
| Eaton | Keating | Tauriello |
| Ellsworth | Kunkel | Tollefson |
| Elston | Latham | Van Zandt |
| Engle, Calif. | LeFevre | Vorys |
| Fallon | Lichtenwalter | Wadsworth |
| Fellows | McDonough | Wagner |
| Fenton | McKinnon | Wigglesworth |
| Fulton | Mack, Wash. | Wolverton |
| Gavin | Macy | |

ANSWERED "PRESENT"—1

Jackson, Calif.

NOT VOTING—113

| | | |
|---|---|---|
| Andresen, August H. | Hobbs | Pfeiffer, William L. |
| | Hoffman, Ill. | |
| Bailey | Hope | Phillips, Calif. |
| Bates, Ky. | Irving | Phillips, Tenn. |
| Blackney | Jackson, Wash. | Polk |
| Brehm | Jones, Mo. | Powell |
| Bryson | Keefe | Quinn |
| Buckley, N. Y. | Kelley, Pa. | Rabaut |
| Bulwinkle | Kennedy | Redden |
| Burdick | Keogh | Reed, Ill. |
| Burke | Kerr | Regan |
| Chelf | King | Richards |
| Christopher | Klein | Rivers |
| Cooley | Lodge | Roosevelt |
| Cotton | Lovre | Sabath |
| Coudert | Lyle | Sadowski |
| Cox | McConnell | Sanborn |
| Davies, N. Y. | McGrath | Sikes |
| Dingell | McGregor | Sims |
| Dolliver | McMillan, S. C. | Smith, Ohio |
| Engel, Mich. | McSweeney | Stanley |
| Fogarty | Mack, Ill. | Steed |
| Ford | Merrow | Stigler |
| Frazier | Miller, Calif. | Stockman |
| Gamble | Miller, Md. | Sutton |
| Gary | Mitchell | Taylor |
| Gilmer | Monroney | Towe |
| Gore | Morgan | Walsh |
| Granger | Morris | Welch |
| Gregory | Morrison | Werdel |
| Gwinn | Morton | Wheeler |
| Hall, Edwin Arthur | Moulder | White, Calif. |
| | Nixon | White, Idaho |
| Hand | Norblad | Wickersham |
| Hare | O'Brien, Mich. | Widnall |
| Hébert | O'Sullivan | Wilson, Ind. |
| Heffernan | Perkins | Wilson, Okla. |
| Heller | Pfeifer, Joseph L. | Wood |
| Herlong | | Young |

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Kerr for, with Mr. Blackney against.

Mr. Sabath for, with Mr. Hand against.

Mr. Keogh for, with Mr. Hoffman of Illinois against.

Mr. Morgan for, with Mr. William L. Pfeiffer against.

Mr. Lovre for, with Mr. Towe against.

Mr. Dolliver for, with Mr. Smith of Ohio against.
Mr. Klein for, with Mr. Coudert against.
Mr. Forgarty for, with Mr. Phillips of California against.
Mr. Gilmer for, with Mr. Taylor against.
Mr. Miller of California for, with Mr. Jackson of California against.

Until further notice:

Mr. Sims with Mr. Edwin Arthur Hall.
Mr. Hébert with Mr. August H. Andresen.
Mr. Bailey with Mr. Keefe.
Mr. Gary with Mr. McGregor.
Mr. O'Brien of Michigan with Mr. Brehm.
Mr. Stanley with Mr. Engel of Michigan.
Mr. Welch with Mr. Stockman.
Mr. Morrison with Mr. Sanborn.
Mr. King with Mr. Miller of Maryland.
Mr. McGrath with Mr. Merrow.
Mr. Roosevelt with Mr. Cotton.
Mr. Heller with Mr. Ford.
Mr. Wickersham with Mr. Gamble.
Mr. Redden with Mr. Gwinn.
Mr. Rabaut with Mr. Hope.
Mr. Heffernan with Mr. Morton.
Mr. Sutton with Mr. Reed of Illinois.
Mr. Wheeler with Mr. Widnall.
Mr. Cooley with Mr. Wilson of Indiana.

Mrs. HARDEN, Mr. CRAWFORD, Mr. BARRETT of Wyoming, Mr. WOODRUFF, and Mr. SMITH of Wisconsin changed their votes from "nay" to "yea."

Mr. PRIEST. Mr. Speaker, I am informed that on this roll call the gentleman from Illinois, Mr. SABATH, is recorded as voting "yea." The roll call is in error in that respect since the gentleman from Illinois is not in town. I ask unanimous consent that the roll call be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

Mr. JUDD. Mr. Speaker, I am constrained to vote against approving the conference report. I voted for the original bill to increase the purchasing power of CCC and I approve that part of the bill now. However, the new legislation written by the conferees and amending section 22 of the Agricultural Adjustment Act is too drastic to be approved without full consideration by the appropriate committees of Congress. Actually the changes involve matters affecting the province of four committees: Agriculture, Ways and Means, Foreign Affairs, and Banking and Currency. It is not enough to allow such legislation to pass with only a small number of the last-named committee having any previous knowledge of it, and when some of them frankly say they are not sure what the new section 22 (f) means. I confess I cannot understand it. I believe this report should be sent back to the conferees and the section 22 amendments removed or brought up in separate legislation or at least spelled out so we can know what we are doing.

## ARMY ORGANIZATION ACT OF 1950

Mr. KILDAY. Mr. Speaker, I call up the conference report on the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

[The conference report and statement are as follows]:

CONFERENCE REPORT (H. REPT. No. 2289)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Army Organization Act of 1950.'

"TABLE OF CONTENTS

"SEC. 1. Short title of act.
"SEC. 2. Definitions.

*"Title I—Secretary of the Army; Under Secretary of the Army; Assistant Secretaries of the Army*

"SEC. 101. Powers and duties of the Secretary.
"SEC. 102. Under Secretary and Assistant Secretaries.

*"Title II—Chief of Staff and the Army Staff*

"SEC. 201. Army Staff and its composition.
"SEC. 202. Chief of Staff.
"SEC. 203. Vice Chief of Staff, Deputy Chiefs of Staff, and Assistant Chiefs of Staff.
"SEC. 204. Duties of Chief of Staff.
"SEC. 205. Duties of Army Staff.
"SEC. 206. Chiefs of Services.
"SEC. 207. Inspector General and Provost Marshal General.
"SEC. 208. Deputy and Assistant Chiefs of Services.

*"Title III—Organization of the Army*

"SEC. 301. Composition of the Army.
"SEC. 302. Composition of the Regular Army.
"SEC. 303. Army commands.
"SEC. 304. Territorial organization.
"SEC. 305. Organized peace establishment.
"SEC. 306. Branches of the Army.
"SEC. 307. Army Medical Service.
"SEC. 308. Judge Advocate General's Corps.
"SEC. 309. Chaplains.
"SEC. 310. Women's Army Corps.

*"Title IV—Repeals, Amendments, and Saving Provisions*

"SEC. 401. Repeals.
"SEC. 402. Amendments—Transfers of duties and powers.
"SEC. 403. Intrusting of public money.
"SEC. 404. Saving provisions—Miscellaneous matters.
"SEC. 405. Saving provision—Existing orders and regulations.
"SEC. 406. Army Mine Planter Service.
"SEC. 407. Saving provision—Powers of the Secretary of Defense.
"SEC. 408. Separability provision.

"DEFINITIONS

"SEC. 2. As used in this Act—

"(a) The terms 'Army of the United States' and 'Army' are synonymous and mean the Army or Armies referred to in the Constitution of the United States, less that part established by law as the Air Force. The Army includes the components and persons prescribed in section 301 of this Act.

"(b) The term 'members of the Army' means all persons appointed, enlisted, or inducted in any of the components of the Army; all persons appointed, enlisted, or inducted in the Army without specification of component; and all persons serving in the Army under call or conscription under any provision of law. The term 'officers of the Army' means all members of the Army appointed to and holding a commissioned or warrant officer grade. The term 'enlisted members of the Army' means all members of the Army in any enlisted grade.

"(c) The term 'Army Establishment' means all organizations, forces, agencies, installations, and activities, including the Department of the Army, all members of the Army, all property of every kind and character—real, personal, and mixed—and all civilian personnel, under the control or supervision of the Secretary of the Army.

"(d) The term 'Department of the Army' means the executive part of the Army Establishment at the seat of government.

"TITLE I—SECRETARY OF THE ARMY; UNDER SECRETARY OF THE ARMY; ASSISTANT SECRETARIES OF THE ARMY

"POWERS AND DUTIES OF THE SECRETARY

"SEC. 101. (a) Except as otherwise prescribed by law, the Secretary of the Army shall be responsible for and shall have the authority necessary to conduct all affairs of the Army Establishment, including but not limited to those necessary or appropriate for the training, operations, administration, logistical support and maintenance, welfare, preparedness, and effectiveness of the Army, including research and development, and such other activities as may be prescribed by the President or the Secretary of Defense as authorized by law. There are authorized to be appropriated such sums as may be necessary to conduct the affairs of the Army Establishment.

"(b) The Secretary of the Army may assign to the Under Secretary of the Army and to the Assistant Secretaries of the Army such of his duties under this Act as he may consider proper. Officers of the Army shall report regarding any matters to the Secretary, Under Secretary, or either Assistant Secretary of the Army, as the Secretary of the Army may prescribe.

"(c) Except as otherwise prescribed by law, the Secretary of the Army or, as he may prescribe, the Under Secretary of the Army or either Assistant Secretary of the Army, shall, in addition to other duties, be charged with supervision of the procurement activities of the Army Establishment, of plans for the mobilization of materials and industrial organizations essential to wartime needs of the Army, and of other business pertaining thereto.

"(d) Except as otherwise prescribed by law, the Secretary of the Army may make such assignments and details of members of the Army and civilian personnel as he thinks proper, and may prescribe the duties of the members and civilian personnel so assigned; and such members and civilian personnel shall be responsible for, and shall have the authority necessary to perform, such duties as may be so prescribed for them.

"(e) Except as otherwise prescribed by law, the Secretary of the Army shall cause to be manufactured or produced at the Government arsenals or Government-owned factories of the United States all those supplies needed by the Army which can be manufactured or produced upon an economical basis at such arsenals or factories.

"UNDER SECRETARY AND ASSISTANT SECRETARIES

"SEC. 102. (a) There shall be in the Department of the Army an Under Secretary of the Army and two Assistant Secretaries of the Army, who shall be appointed by

the President, by and with the advice and consent of the Senate, and who shall receive the compensation prescribed by law.

"(b) In case of the death, resignation, removal from office, absence, or disability of the Secretary of the Army, the officer of the United States who is highest on the following list, and who is not absent or disabled, shall, until the President directs some other person to perform such duties in accordance with section 179, Revised Statutes (5 U. S. C. 6), perform his duties until a successor is appointed, or until such absence or disability shall cease—

"(1) The Under Secretary of the Army;

"(2) the Assistant Secretaries of the Army in the order fixed by their length of service as such;

"(3) the Chief of Staff.

"(c) If the Chief of Staff by reason of succession assumes, or if he or any other officer of the Army is designated in accordance with section 179, Revised Statutes (5 U. S. C. 6), to perform the duties of the Secretary of the Army, section 1222, Revised Statutes (10 U. S. C. 576) shall not apply to him by reason of his temporarily performing such duties.

"TITLE II—CHIEF OF STAFF AND THE ARMY STAFF

"ARMY STAFF AND ITS COMPOSITION

"SEC. 201. (a) There shall be in the Department of the Army a staff, which shall be known as the Army Staff, and which shall consist of—

"(1) the Chief of Staff;

"(2) a Vice Chief of Staff;

"(3) not to exceed three Deputy Chiefs of Staff and not to exceed five Assistant Chiefs of Staff as the Secretary of the Army may prescribe;

"(4) the officers prescribed in sections 206, 207, and 208 of this act; and

"(5) such other members of the Army and such civilian officers and employees in or under the jurisdiction of the Department of the Army as may be assigned or detailed under regulations prescribed by the Secretary of the Army.

"(b) Except as otherwise specifically provided by law, the Army Staff shall be organized in such manner, and its members shall perform such duties and bear such titles, as the Secretary of the Army may prescribe. Part of the Army Staff may be designated the Army General Staff.

"(c) Except in time of war or national emergency hereafter declared by the Congress, not more than three thousand officers of the Army shall be detailed or assigned to permanent duty in the Department of the Army, and of this number, not more than one thousand officers of the Army may be detailed or assigned to duty on or with the Army General Staff: *Provided*, That the numerical limits prescribed in this subsection shall not apply upon a finding by the President that an increase in the number of officers in the Department of the Army or on or with the Army General Staff is in the national interest: *Provided further*, That the Secretary of the Army shall report quarterly to the Congress the number of officers in the Department of the Army and the number of officers on or with the Army General Staff and the justifications therefor.

"(d) A commissioned officer of the Army now or hereafter detailed or assigned to duty in the Department of the Army shall serve for a tour of duty not to exceed four years, except that such tour of duty may be extended beyond four years upon a special finding by the Secretary of the Army that the extension is necessary in the public interest. Upon relief from such duty no such officer shall again be detailed or assigned within two years to duty in the Department of the Army except upon a like finding by the Secretary of the Army. This subsection shall not take effect until one year after the enactment of this Act, and shall be inapplicable in time of war or national emergency hereafter declared by the Congress.

"CHIEF OF STAFF

"SEC. 202. The Chief of Staff shall be appointed by the President, by and with the advice and consent of the Senate, from the general officers of the Army, to serve during the pleasure of the President; but no person shall serve as Chief of Staff for a term of more than four years unless reappointed by the President, by and with the advice and consent of the Senate. The Chief of Staff, while holding office as such, shall have the grade of general, without vacation of his permanent grade in the Army, and shall take rank as prescribed by law. He shall receive the compensation prescribed by law and shall be counted as one of the officers authorized to be serving in grade above lieutenant general under the provisions of the Officer Personnel Act of 1947 (61 Stat. 886), as amended.

"VICE CHIEF OF STAFF, DEPUTY CHIEFS OF STAFF, AND ASSISTANT CHIEF OF STAFF

"SEC. 203. The Vice Chief of Staff, the Deputy Chiefs of Staff, and the Assistant Chiefs of Staff shall be general officers of the Army detailed to those positions. In case of a vacancy in the office or the absence or disability of the Chief of Staff, the Vice Chief of Staff or the senior Deputy Chief of Staff, who is not absent or disabled, shall, unless otherwise directed by the President, perform the duties of Chief of Staff until his successor is appointed or such absence or disability shall cease.

"DUTIES OF CHIEF OF STAFF

"SEC. 204. (a) The Chief of Staff shall have supervision of all members and organizations of the Army, shall perform the duties prescribed for him by the National Security Act of 1947, as amended, by this Act, and by other laws, and shall perform such other military duties not otherwise assigned by law as may be assigned to him by the President.

"(b) The Chief af Staff shall preside over the Army Staff. Subject to the provisions of section 101 of this Act, and of subsection (c) of this section, he shall be directly responsible to the Secretary of the Army for the efficiency of the Army, its state of preparation for military operations, and plans therefor. He shall transmit to the Secretary of the Army the plans and recommendations of the Army Staff, shall advise him in regard thereto, and, upon the approval of such plans or recommendations by the Secretary of the Army, he shall act as the agent of the Secretary of the Army in carrying the same into effect.

"(c) Except as otherwise prescribed by law, the Chief of Staff shall perform his duties under the direction of the Secretary of the Army.

"DUTIES OF ARMY STAFF

"SEC. 205. (a) The Army Staff shall render professional aid and assistance to the Secretary of the Army, the Under Secretary of the Army, and the Assistant Secretaries of the Army.

"(b) Under the direction and control of the Secretary of the Army, it shall be the duty of the Army Staff—

"(1) to prepare such plans for the national security, and the use of the Army for that purpose, both separately and in conjunction with the naval and air forces, and for recruiting, organizing, supplying, equipping, training, serving, mobilizing, and demobilizing the Army, as will assist the execution of any power vested in, duty imposed upon, or function assigned to the Secretary of the Army or the Chief of Staff;

"(2) to investigate and report upon all questions affecting the efficiency of the Army and its state of preparation for military operations;

"(3) to prepare detailed instructions for the execution of approved plans to supervise the execution of such plans and instructions;

"(4) to act as the agents of the Secretary of the Army and the Chief of Staff in coordinating the action of all organizations of the Army Establishment; and

"(5) to perform such other duties not otherwise assigned by law as may be prescribed by the Secretary of the Army.

"CHIEFS OF SERVICES

"SEC. 206. (a) There shall be in the Army the following officers: Chief of Engineers, Chief Signal Officer, Adjutant General, Quartermaster General, Chief of Finance, Chief of Ordnance, Chief Chemical Officer, Chief of Transportation, Surgeon General, Judge Advocate General, and Chief of Chaplains.

"(b) Each of the officers named in this section shall have the grade of major general, and shall be selected and appointed by the President, by and with the advice and consent of the Senate, as prescribed in section 513 of the Officer Personnel Act of 1947 (61 Stat. 901; 10 U. S. C. 559g); except that the Judge Advocate General shall be selected and appointed as prescribed in section 249, Public Law 759, Eightieth Congress (62 Stat. 643).

"(c) Each of the officers named in this section shall perform such duties as may be prescribed by the Secretary of the Army or required by law.

"INSPECTOR GENERAL AND PROVOST MARSHAL GENERAL

"SEC. 207. (a) There shall be in the Army an Inspector General and a Provost Marshal General, who shall be general officers of the Army detailed to those positions for tours of duty not to exceed four years, except that such tours of duty may be extended beyond four years upon a special finding by the Secretary of the Army that the extension is necessary in the public interest.

"(b) The Inspector General shall, when so directed by the Secretary of the Army or the Chief of Staff, inquire into and report upon matters which pertain to the discipline, efficiency, and economy of the Army; and shall perform such other duties as may be prescribed by the Secretary of the Army or the Chief of Staff or required by law.

"(c) The Provost Marshal General shall perform such duties as may be prescribed by the Secretary of the Army or the Chief of Staff or required by law.

"DEPUTY AND ASSISTANT CHIEFS OF SERVICES

"SEC. 208. (a) Each of the officers named in sections 206 and 207 of this Act shall have such deputies and assistants as may be prescribed by the Secretary of the Army. Except as prescribed in subsections (b) and (c) of this section, such deputies and assistants shall be officers of the Army selected and detailed to those positions for tours of duty not to exceed four years by the Secretary of the Army under a procedure prescribed by the Secretary of the Army, which procedure shall be similar to that prescribed in section 513 of the officer Personnel Act of 1947 (61 Stat. 901; 10 U. S. C. 559g), but no officer shall be entitled to any increase in rank, pay, or alowances solely by virtue of such selection and detail.

"(b) There shall be an Assistant Surgeon General with the rank of major general, who shall be an officer in the Dental Corps, and who shall be selected and appointed as prescribed in section 513 of the Officer Personnel Act of 1947.

"(c) There shall be an Assistant Judge Advocate General with the rank of major general, who shall be selected and appointed as prescribed in section 249 of Public Law 759, Eightieth Congress.

"TITLE III—ORGANIZATION OF THE ARMY

"COMPOSITION OF THE ARMY

"SEC. 301. The Army includes the Regular Army, the National Guard of the United

States, and the Organized Reserve Corps; all persons appointed, enlisted, or inducted in the above-named components; all persons appointed, enlisted, or inducted in the Army without specification of component; and all persons serving in the Army under call or conscription under any provision of law, including members of the National Guard of the several States, Territories, and the District of Columbia when in the service of the United States pursuant to call as provided by law.

"COMPOSITION OF THE REGULAR ARMY

"SEC. 302. (a) The Regular Army is that component of the Army which consists of persons whose continuous service on active duty in both peace and war is contemplated by law, and of persons who are retired members of the Regular Army.

"(b) The Regular Army shall include the commissioned officers, warrant officers, and enlisted members, holding appointments or enlisted in the Regular Army as now or hereafter provided by law; the professors and cadets of the United States Military Academy; the retired commissioned officers, warrant officers, and enlisted members of the Regular Army; and such other persons as are now or may hereafter be specified by law. No person who is now a member of the Regular Army, active or retired, shall, by reason of the enactment of this Act, be deprived of his or her membership in the Regular Army.

"ARMY COMMANDS

"SEC. 303. Except as otherwise prescribed by law, the Army shall be divided into such commands, forces, and organizations as may be directed by the Secretary of the Army.

"TERRITORIAL ORGANIZATION

"SEC. 304. For Army purposes, the United States of America, its Territories and possessions, and other territory in which the Army may be stationed or operate, may be divided into such areas as may be directed by the Secretary of the Army; and officers of the Army may be assigned to command of Army activities, installations, and personnel in such areas. In the discharge of the Army's functions or such other functions as may be authorized by other provisions of law, officers of the Army so assigned shall perform such duties and exercise such powers as the Secretary of the Army may prescribe.

"ORGANIZED PEACE ESTABLISHMENT

"SEC. 305. The organized peace establishment of the Army, including the Regular Army, the National Guard of the United States, and the Organized Reserve Corps, shall include all military organizations, with their supporting and auxiliary elements, including combat, training, administrative, and logistic organizations and elements; and all personnel, including those not assigned to units; necessary to form the basis for a complete and immediate mobilization for the national security.

"BRANCHES OF THE ARMY

"SEC. 306. (a) There shall be in the Army certain branches, which shall be known as basic branches of the Army, to which members of the Army shall be assigned by the Secretary of the Army; but the Secretary shall not assign to any basic branch any officer who has been appointed and commissioned in one of the special branches specified in subsection (b) of this section. The basic branches of the Army shall be: Infantry, Armor, Artillery, Corps of Engineers, Signal Corps, Adjutant General's Corps, Quartermaster Corps, Finance Corps, Ordnance Corps, Chemical Corps, Transportation Corps, Military Police Corps, and such other basic branches as the Secretary of the Army deems to be necessary. For the duration of any war or national emergency hereafter declared by the Congress, the Secretary of the Army may discontinue or consolidate the basic branches enumerated in this subsection.

"(b) There shall be in the Army certain branches, which shall be known as special branches, and which shall consist of Regular Army officers appointed and commissioned therein, and such other members of the Army as may be assigned thereto by the Secretary of the Army; but the Secretary shall not assign to any special branch any officer who has been appointed and commissioned in some other special branch, or in the Regular Army without specification of branch. The several corps of the Army Medical Service, the Judge Advocate General's Corps, and the chaplains, authorized by sections 307, 308, and 309 of this Act, shall constitute the special branches of the Army.

"(c) Under such regulations as the Secretary of the Army may prescribe, commissioned officers of the Army may be detailed as general staff officers and as inspectors general; and members of the Army may be detailed to duty in particular fields to be designated from time to time by the Secretary of the Army, including, but not limited to, the fields of intelligence, counterintelligence, and military government.

"(d) Members of the Army, appointed or assigned to one branch, may, under regulations prescribed by the Secretary of the Army, be detailed for duty with any other branch.

"(e) Members of the Army while not serving on active duty may, under regulations prescribed by the Secretary of the Army, be assigned to the branches of the Army provided for in this Act, or to such other branches or groups, and to such organizations as the Secretary of the Army may deem to be appropriate.

"(f) Under regulations prescribed by the Secretary of the Army, officers of the Army assigned to technical, scientific, or other professional duties shall possess qualifications suitable for the performance of those duties; and, when the duties involve the performance of professional work, the same as or similar to that usually performed in civil life by members of a learned profession, such as engineering, law, medicine, or theology, they shall, unless the exigencies of the situation prevent, possess, by education, training, or experience, qualifications equal or similar to those usually required of members of that profession.

"ARMY MEDICAL SERVICE

"SEC. 307. There shall be in the Army an Army Medical Service, which shall consist of the Surgeon General and the Assistant Surgeons General authorized by sections 206 and 208, respectively, of this Act, the Medical Corps, the Dental Corps, the Veterinary Corps, the Medical Service Corps, the Army Nurse Corps, and the Women's Medical Specialist Corps. Each such corps shall consist of Regular Army officers appointed and commissioned therein and such other members of the Army as may be assigned thereto by the Secretary of the Army; but the Secretary shall not assign to any corps of the Army Medical Service any officer who has been appointed and commissioned in some other corps of the Army Medical Service, or in some other special branch, or in the Regular Army without specification of branch. The Medical Service Corps, the Army Nurse Corps, and the Women's Medical Specialist Corps shall include the Chiefs and Assistant Chiefs, and shall include the sections, as now prescribed by law.

"JUDGE ADVOCATE GENERAL'S CORPS

"SEC. 308. There shall be in the Army a Judge Advocate General's Corps, which shall consist of the Judge Advocate General and the Assistant Judge Advocate General authorized by sections 206 and 208, respectively, of this Act, three officers with the rank of brigadier general, Regular Army officers appointed and commissioned therein, and such other members of the Army as may be assigned thereto by the Secretary of the Army; but the Secretary shall not assign to the Judge Advocate General's Corps any officer who has been appointed and commissioned in some other special branch or in the Regular Army without specification of branch. The authorized number of commissioned officers of the Regular Army on the active list in the Judge Advocate General's Corps shall be prescribed by the Secretary of the Army, but such authorized number shall not be less than 1½ per centum of the authorized number of commissioned officers on the active list of the Regular Army. The Judge Advocates' promotion list prescribed in section 247, Public Law 759, Eightieth Congress, shall include only commissioned officers of the Regular Army on the active list in the Judge Advocate General's Corps.

"CHAPLAINS

"SEC. 309. There shall be chaplains in the Army. The chaplains shall include the Chief of Chaplains authorized by section 206 of this Act, Regular Army officers appointed and commissioned as chaplains, and other officers of the Army appointed and commissioned as chaplains in the Army, or in any component thereof, as now or hereafter provided by law.

"WOMEN'S ARMY CORPS

"SEC. 310. There shall be in the Army a Women's Army Corps as now authorized by law.

"TITLE IV—REPEALS, AMENDMENTS, AND SAVING PROVISIONS

"REPEALS

"SEC. 401. The following laws and parts of laws are hereby repealed, and all other laws and parts of laws inconsistent with the provisions of this Act are hereby repealed: *Provided*, That any such laws and parts of laws shall remain in effect to the extent, but only to the extent, that they are applicable to the Department of the Air Force, the United States Air Force, or any officers or agencies thereof, by virtue of the National Security Act of 1947 (61 Stat. 495), as amended, or action taken under the authority of that Act:

"(a) Sections 1, 2, 3, 5a, 5b, 6, 7, 8, 9, 9a, 10, 12, 12a, 13, 15, 17, 18, 19, 20, 25, and 30 of the National Defense Act, as amended;

"(b) All of section 5 of the National Defense Act, as amended, except that part which was inserted by section 2 of the Act of June 15, 1933 (ch. 87, 48 Stat. 153; 10 U. S. C. 38);

"(c) Sections 219, 1104, 1105, 1108, 1112, 1132, 1157, 1164, 1165, 1166, and 1167 of the Revised Statutes, as amended;

"(d) The Act of March 5, 1890 (ch. 26, 26 Stat. 17; 5 U. S. C. 182), as amended;

"(e) Section 2 of the Act of October 1, 1890 (ch. 1266, 26 Stat. 653; 10 U. S. C. 212);

"(f) Section 3 of the Act of April 22, 1898 (ch. 187, 30 Stat. 361; 10 U. S. C. 3);

"(g) Section 31 of the Act of February 2, 1901 (ch. 192, 31 Stat. 756; 10 U. S. C. 641);

"(h) The Act of February 14, 1903 (ch. 553, 32 Stat. 830);

"(i) Sections 1, 3, and 4 of the Act of January 25, 1907 (ch. 397, 34 Stat. 861);

"(j) Section 108 of title 3 of the United States Code (ch. 644, 62 Stat. 672);

"(k) The Act of February 24, 1925 (ch. 307, 43 Stat. 970);

"(l) The Act of February 23, 1929 (ch. 298, 45 Stat. 1255; 10 U. S. C. 22a);

"(m) Section 4 of the Act of July 31, 1935 (ch. 422, 49 Stat. 506; 10 U. S. C. 552b);

"(n) The Act of April 13, 1938 (ch. 146, 52 Stat. 216);

"(o) Section 2 of the Act of August 30, 1935 (ch. 830, 49 Stat. 1028), as amended by section 6 of the Act of April 3, 1939 (ch. 35, 53 Stat. 557; 10 U. S. C. 487a);

"(p) All of section 1 of the Act of August 30, 1935 (ch. 830, 49 Stat. 1028), as amended by section 5 of the Act of April 3, 1939 (ch.

35, 53 Stat. 557); except the last proviso thereof as amended by the Act of July 25, 1939 (ch. 349, 53 Stat. 1079), the Act of December 10, 1941 (ch. 562, 55 Stat. 796), and section 2 of the Act of June 20, 1949 (Public Law 108, Eighty-first Congress);

"(q) Section 1 of the Act of December 16, 1940 (ch. 931, 54 Stat. 1224), as amended by the Act of December 15, 1944 (ch. 591, 58 Stat. 807), and section 2 of the Act of May 15, 1947 (ch. 60, 61, Stat. 93; 5 U. S. C. 181a);

"(r) Section 1 of the Act of July 20, 1942 (ch. 509, 56 Stat. 663; 10 U. S. C. 156);

"(s) So much of the Appropriation Act of June 20, 1874, as reads: 'and hereafter it shall be unlawful to allow or pay to any of the persons designated in this Act any additional compensation from any source whatever, or to retain, detail, or employ in any branch of the War Department in the city of Washington, any person other than those herein authorized, except in the Signal Office and the Engineer Corps, and except such commissioned officers as the Secretary of War may from time to time assign to special duties' (ch. 328, 18 Stat. 101; 10 U. S. C. 642a);

"(t) The proviso only, appearing on page 238 of volume 22, chapter 389, of the Statutes at Large, being a part of the Appropriation Act of August 5, 1882 (5 U. S. C. 183);

"(u) The first two provisos and the sentence following the second proviso only, appearing on page 109 of volume 23, chapter 217, of the Statutes at Large, being a part of the Army Appropriation Act of July 5, 1884 (10 U. S. C. 1200);

"(v) The proviso beginning on page 110 and ending on page 111 only, of volume 23, chapter 217, of the Statutes at Large, being a part of the Army Appropriation Act of July 5, 1884;

"(w) The second proviso only, appearing on page 242 of volume 34, chapter 3078, of the Statutes at Large, being a part of the Army Appropriation Act of June 12, 1906 (10 U. S. C. 641);

"(x) The first proviso only, appearing on page 250 of volume 34, chapter 3078, of the Statutes at Large, being a part of the Army Appropriation Act of June 12, 1906 (10 U. S. C. 1240);

"(y) The first complete paragraph only, appearing on page 418 of volume 34, chapter 3514, of the Statutes at Large, being a part of the Appropriation Act of June 22, 1906 (5 U. S. C. 188);

"(z) The second and third provisos only, appearing on page 733 of volume 35, chapter 252, of the Statutes at Large, being a part of the Appropriation Act of March 3, 1909 (10 U. S. C. 1174);

"(aa) The fourth proviso only, appearing on page 254 of volume 36, chapter 115, of the Statutes at Large, being a part of the Army Appropriation Act of March 23, 1910 (10 U. S. C. 811);

"(bb) The fourth and fifth provisos only, appearing on page 1049 of volume 36, chapter 209, of the Statutes at Large, being a part of the Army Appropriation Act of March 3, 1911 (10 U. S. C. 642);

"(cc) So much of the Army Appropriation Act of March 4, 1915, as reads: 'In addition to detailing for duty at said disciplinary barracks such number of enlisted men of the Staff Corps and departments as he may deem necessary, the Secretary of War shall assign a sufficient number of enlisted men of the line of the Army for duty as guards at said disciplinary barracks and as noncommissioned officers of the disciplinary organizations hereinafter authorized. Said guards, and also the enlisted men assigned for duty as noncommissioned officers of disciplinary organizations, shall be detached from the line of the Army, or enlisted for the purpose;' (ch. 143, 38 Stat. 1085; 10 U. S. C. 1454);

"(dd) The fifth proviso only, appearing on page 1279 of volume 41, chapter 124, of the Statutes at Large, being a part of the Appropriation Act of March 3, 1921 (10 U. S. C. 273).

"AMENDMENTS—TRANSFERS OF DUTIES AND POWERS

"SEC. 402. Wherever by the following Acts or parts of Acts, as amended, certain duties and powers are imposed upon or vested in the Quartermaster Corps, the Ordnance Department, the Finance Department, the Medical Department, the Adjutant General's Department, or the Chiefs or other officers of such branches of the Army, such Acts and parts of Acts are hereby amended so that hereafter such powers and duties shall be vested in and performed by whatever branch, office, or officers of the Army the Secretary of the Army may from time to time designate:

"(a) Sections 1135, 1141, 1143, 1144, 1145, and 3715 of the Revised Statutes of the United States;

"(b) The first proviso on page 111 of volume 23, chapter 217, of the Statutes at Large, being a part of the Army Appropriation Act of July 5, 1884 (10 U. S. C. 73);

"(c) The last proviso on page 178 of volume 27, chapter 195, of the Statutes at Large, being a part of the Army Appropriation Act of July 16, 1892 (10 U. S. C. 1335);

"(d) Only that part of the Appropriation Act of June 4, 1897, included in the paragraph commencing with the words: 'Soldiers' Home, District of Columbia:' appearing on page 54 of volume 30, chapter 2, of the Statutes at Large (24 U. S. C. 58);

"(e) The proviso on page 216 of volume 31 of chapter 586 of the Statutes at Large, being a part of the Army Appropriation Act of May 26, 1900;

"(f) The proviso on pages 832 and 833 of volume 33, chapter 1307, of the Statutes at Large, being a part of the Army Appropriation Act of March 2, 1905 (10 U. S. C. 177);

"(g) Section 14 of the Act of May 28, 1908 (ch. 215, 35 Stat. 443; 50 U. S. C. 64);

"(h) The second complete paragraph on page 751 of volume 35, chapter 252, of the Statutes at Large, being part of the Army Appropriation Act of March 3, 1909 (34 U. S. C. 540; 50 U. S. C. 70);

"(i) Section 47 of the Act of March 4, 1909 (ch. 319, 35 Stat. 1075);

"(j) The first proviso on page 362 of volume 38, chapter 72, of the Statutes at Large, being a part of the Army Appropriation Act of April 27, 1914;

"(k) The first proviso on page 1079 of volume 38, chapter 143, of the Statutes at Large, being a part of the Army Appropriation Act of March 4, 1915 (10 U. S. C. 1234; 34 U. S. C. 539);

"(l) Paragraph 3 of section 2 of the Army Appropriation Act of March 4, 1915 (ch. 143, 38 Stat. 1085; 10 U. S. C. 1453);

"(m) The first proviso on page 635 of volume 39, chapter 418, of the Statutes at Large, being a part of the Army Appropriation Act of August 29, 1916 (31 U. S. C. 488);

"(n) The Act of October 30, 1941 (ch. 465, 55 Stat. 758; 10 U. S. C. 1304).

"INTRUSTING OF PUBLIC MONEY

"SEC. 403. Under such regulations as may be prescribed by the Secretary of the Army, officers of the Army accountable for public moneys may intrust moneys to other officers of the Army for the purpose of having them make disbursements as their agents, and the officer to whom the moneys are intrusted, as well as the officer who intrusts the moneys to him, shall be held pecuniarily responsible therefor to the United States.

"SAVING PROVISIONS—MISCELLANEOUS MATTERS

"SEC. 404. (a) The Armor shall be a continuation of the Cavalry; the Artillery shall be a continuation of the Field Artillery and the Coast Artillery Corps; and the offices, positions, branches, corps, services, components, and organizations referred to in this Act shall be continuations of corresponding offices, positions, branches, corps, departments, services, components, and organizations previously authorized or existing. The reappointment, reassignment, or redetail of members of the Army, or of civil officers or employees, now holding any such offices, or now appointed, assigned, or detailed to any such positions, branches, corps, departments, services, components, or organizations shall not be required.

"(b) Notwithstanding the repeal or amendment of any law by this Act, no civil officer or employee now serving, and no member of the Army now in service, active, inactive, or retired, shall, in consequence of the passage of this Act, be deprived of any civil or military office, appointment, commission, warrant, or rank, held by him, or of any right to pay, allowance, promotion, retirement, or of any other right, privilege, or benefit to which he is or may be entitled under the authority of laws or regulations existing immediately prior to the effective date of this Act.

"(c) Nothing in this Act shall be construed as changing the numbers of officers authorized by law in each of the several commissioned officer grades in the Army; or as changing the laws applicable to the promotion and retirement of members of the Army; or as giving to any person any right to retirement, to pay, or to allowances not heretofore authorized by law.

"(d) Nothing in this Act shall be construed as changing existing laws pertaining to the Chief of the National Guard Bureau.

"(e) Nothing in this Act shall be construed as reducing or eliminating the professional qualifications required by existing laws or regulations of officers of the several different branches of the Army.

"(f) Nothing in this Act shall be construed as changing existing laws pertaining to the military or civil functions of the Chief of Engineers or the Corps of Engineers of the Army, or as changing the Act of June 25, 1948 (Public Law 777, Eightieth Congress), pertaining to rank, pay, and allowances of the Assistant Chief of Engineers in charge of civil works. The number of officers and enlisted men set forth in section 11 of the National Defense Act, as amended, shall be a minimum strength and not a limitation.

"(g) Nothing in this Act shall be construed as changing existing laws, orders, or regulations pertaining to the Panama Canal or the Panama Railroad Company.

"SAVING PROVISION—EXISTING ORDERS AND REGULATIONS

"SEC. 405. Notwithstanding the repeal by this Act of any law vesting any power in or imposing any duty upon any officer, civil or military, of the Army Establishment, or in or upon any department, corps, branch, or organization of the Army; and notwithstanding the several provisions of this Act to the effect that the powers and duties of various officers, civil and military, of the Army Establishment, and of various branches and organizations of the Army, shall be such as the Secretary of the Army shall prescribe; and in order that there shall be no interruption in the performance of duties; and in order that the immediate issuance and promulgation of new orders and regulations shall not be required; it is hereby prescribed that every power vested in and every duty imposed upon any officer, civil or military, of the Army Establishment, or in or upon any department, corps, branch, or organization of the Army, by any law, regulation, or order, in force immediately prior to the effective date of this Act, shall continue to be exercised and performed by the same officer, department, corps, branch, or organization, or by his or its successor, until the Secretary of the Army shall otherwise direct in accordance with the authority conferred upon him by this Act.

"ARMY MINE PLANTER SERVICE

"SEC. 406. Nothing in this Act shall be construed as amending existing provisions of law concerning the Army Mine Planter Service, except that that service shall no longer be a part of the Coast Artillery; but it may hereafter be discontinued or assigned to or consolidated with such other branch of the Army, or such other service as the President may direct.

"SAVING PROVISION—POWERS OF THE SECRETARY OF DEFENSE

"SEC. 407. Nothing in this Act shall be construed as amending, repealing, limiting, enlarging, or in any way modifying any provision of the National Security Act of 1947, as amended.

"SEPARABILITY PROVISION

"SEC. 408. If any provision of this Act or the application thereof to any person or circumstances be held invalid, the validity of the remainder of the Act and of the application of such provision to other persons and circumstances shall not be affected thereby."

And the Senate agree to the same.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
LESLIE C. ARENDS,
*Managers on the Part of the House.*

MILLARD E. TYDINGS,
HARRY F. BYRD,
VIRGIL M. CHAPMAN,
HARRY P. CAIN,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8198) to provide for the organization of the Army and Department of the Army, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House passed the bill H. R. 8198 and the Senate amended the House bill by striking out all after the enacting clause. The managers on the part of the House have receded from the disagreement to the Senate amendment, with an amendment.

There were 58 points of difference between the original House bill and the Senate amendment. Most of these differences involved new subtitles, typographical corrections, errors of punctuation, a table of contents, and one incorrect citation. There were 10 substantive differences between the two bills as follows:

1. Subsection 201 (a) (3) of the original House bill provided a limitation on the number of Deputy Chiefs of Staff and Assistant Chiefs of Staff to be authorized within the Department of the Army. The Senate amendment placed no limitation upon the number of Deputy Chiefs of Staff and Assistant Chiefs of Staff. The Senate conferees agreed to the numerical limitations previously contained in the House bill and, as a result, the bill limits the Department of the Army to not to exceed three Deputy Chiefs of Staff and not to exceed five Assistant Chiefs of Staff. The Senate recedes.

2. In subsection 201 (c) of the original House bill there was a limitation on the number of officers who could be detailed or assigned to permanent duty in the Department of the Army. Included in this limitation was a further restriction that of this number not more than 1,000 could be detailed or assigned to duty with the Army General Staff. This provision was not applicable in time of war or national emergency hereafter declared. The Senate amendment permitted this limitation to be exceeded upon a finding by the Secretary of the Army, concurred in by the Committees on Armed Services of the Senate and House of Representatives. The conferees retained the limitation provided in the original House bill but agreed upon a proviso which will permit the numerical limits to be exceeded upon a finding by the President that such an increase is necessary in the national interest. The proviso further requires that the Secretary of the Army report quarterly to the Congress the number of officers on duty in the Department of the Army, as well as the number of officers serving on or with the Army General Staff, along with the justifications therefor.

3. Subsection 201 (d) of the House bill and the Senate amendment placed a limit of 4 years on the length of the tour of duty of a commissioned officer in the Department of the Army, but the House bill provided that such a tour of duty could be extended upon a special finding by the Secretary of the Army that the extension was necessary in the public interest. To permit an orderly transfer of personnel, the House bill provided that tours of duty performed prior to the enactment of the bill would not be included in computing the 4-year limitation. The Senate amendment struck out that portion of the House subsection which excluded the period of time served prior to the enactment of the bill in computing the limitations on the tours of duty. The conferees agreed to the Senate amendment of the subsection which requires that time served in a tour of duty in the Department of the Army be included in the 4-year limitation, but to permit an orderly transfer the conferees agreed that the subsection would not take effect until 1 year after the enactment of the bill.

4. Subsection 204 (b) of the House bill contained a provision that the Chief of Staff was to be directly responsible to the Secretary of the Army for the efficiency of the Army, the state of preparation for military operations and the plans therefor. The Senate amendment modified this subsection by providing that the Chief of Staff would have this responsibility subject to the provisions of section 101 of the act and of subsection (c) of section 204 of the act. Section 101 fixes upon the Secretary of the Army full responsibility for all of the affairs of the Army Establishment. Thus the Senate amendment clarified the intent of the proposed act that the responsibility for Army affairs is not shared jointly by the Secretary and the Chief of Staff, but that the responsibility is in the Secretary of the Army and that the Chief of Staff's responsibility is to the Secretary. The House recedes.

5. Subsection 207 (a) of the House bill provided that the Inspector General and the Provost Marshal General would be detailed to those positions for periods not to exceed 4 years. The Senate amendment added to this section a qualification that such tours of duty may be extended beyond 4 years upon a special finding by the Secretary of the Army that the extension is necessary in the public interest. Subsection 201 (d) of the act provides that any commissioned officer may have his tour of duty extended beyond 4 years upon a special finding by the Secretary of the Army. The House recedes.

6. Section 306 (a) of the House bill established 12 basic branches within the Army but provided that the Secretary of the Army could establish new basic branches or discontinue or consolidate the basic branches enumerated in the subsection for the duration of any war or national emergency hereafter declared by the Congress. The Senate amendment permitted the Secretary of the Army to establish new basic branches and to discontinue or consolidate branches now in existence, both in times of peace or war. In lieu of the House or Senate versions of the subsection, the conferees agreed to the original language in the House bill that there should be 12 basic branches, but further provided that the Secretary of the Army may establish other basic branches as he deems necessary. However, only in time of war or national emergency hereafter declared may the Secretary of the Army discontinue or consolidate the basic branches enumerated in the subsection. It should also be noted that the Senate amendment would have changed the name of the "Corps of Engineers" to the "Engineer Corps". The House bill retained the historical name of the Corps of Engineers and the conferees agreed to retain the name "Corps of Engineers".

7. Subsection 401 (c) of the Senate bill repeals section 11 of the National Defense Act of 1916, which is the prewar law prescribing the composition and strength of the Corps of Engineers. The House bill did not repeal this section of the National Defense Act of 1916. The conferees agreed to strike out from the Senate amendment the subsection which repealed that portion of the National Defense Act which prescribes the composition and strength of the Corps of Engineers, thus preserving the minimum statutory strength of the Corps of Engineers. The Senate recedes.

8. Subsection 401 (s) of the Senate amendment repealed the act of December 1, 1941, which prescribes the military duties of the Chief of Engineers. The House bill did not repeal the afore-mentioned act. The Senate recedes.

9. Subsection 404 (f) of the House bill provided that nothing in the act should be construed as changing existing laws pertaining to the "military or civil functions" of the Chief of Engineers or the Corps of Engineers. Likewise, the last sentence of subsection 404 (f) of the House bill provided that "the number of officers and enlisted men set forth in section 11 of the National Defense Act, as amended, shall be a minimum strength and not a limitation." The Senate amendment did not contain the words "military or", nor the reference to the minimum strength. In view of the fact that the conferees agreed not to repeal section 11 of the National Defense Act, and in view of the dual functions of the Corps of Engineers, the conferees agreed to the original House bill which provides that nothing in the act shall be construed as changing the existing law pertaining to military or civil functions of the Corps of Engineers or the Chief of Engineers, and likewise prescribes that the statutory strength of the Corps of Engineers shall be considered a minimum strength and not a limitation. The Senate recedes.

10. The original House bill did not include a saving provision as to the Panama Canal and the Panama Railroad Company. The Senate amendment contained a subsection which provided that nothing in the act should be construed as changing existing laws, orders, or regulations, pertaining to the Panama Canal or the Panama Railroad Company. Since it was not the intent of the act to change any laws, orders, or regulations, pertaining to the Panama Canal or the Panama Railroad Company, the House accepted this portion of the Senate amendment. The House recedes.

The report agreed to by the conferees contains substantially the language of the original House bill with the exception of the modifications heretofore mentioned. The act will provide the flexibility deemed necessary for the better administration of the Army Establishment.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
LESLIE C. ARENDS,
*Managers on the Part of the House.*

**Mr. KILDAY.** Mr. Speaker, this bill was passed by the House recently and as it comes from the conference is substan-

tially the bill as passed by the House. It is a unanimous report of the conferees.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

HOUSING AND RENT ACT OF 1950

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (S. 3181) to extend the Housing and Rent Act of 1947, as amended, and for other purposes, and ask unanmious consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 2285)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3181) to extend the Housing and Rent Act of 1947, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Housing and Rent Act of 1950.'

"SEC. 2. Section 4 (e) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out 'June 30, 1950' and inserting in lieu thereof 'June 30, 1951'.

"SEC. 3. Section 204 (a) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out 'June 30, 1950' and inserting in lieu thereof 'June 30, 1951'.

"SEC. 4. Section 204 (f) of the Housing and Rent Act of 1947, as amended, is hereoy amended to read as follows:

"'(f) (1) The provisions of this title, except section 204 (a), shall cease to be in effect at the close of December 31, 1950, except that they shall cease to be in effect at the close of June 30, 1951—

"'(A) in any incorporated city, town, or village which, at a time when maximum rents under this title are in effect therein, and prior to December 31, 1950, declares (by resolution of its governing body adopted for that purpose, or by popular referendum, in accordance with local law) that a shortage of rental housing accommodations exists which requires the continuance of rent control in such city, town, or village; and

"'(B) in any unincorporated locality in a defense-rental area in which one or more incorporated cities, towns, or villages constituting the major portion of the defense-rental area have made the declaration specified in subparagraph (A) at a time when maximum rents under this title were in effect in such unincorporated locality.

"'(2) Any incorporated city, town, or village which makes the declaration specified in paragraph (1) (A) of this subsection shall notify the Housing Expediter in writing of such action promptly after it has been taken.

"'(3) Notwithstanding any provision of paragraph (1) of this subsection, the provisions of this title shall cease to be in effect upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier.

"'(4) Notwithstanding any provision of paragraph (1) or (3) of this subsection, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any right or liability incurred prior to the termination date specified in such paragraph.'

"SEC. 5. Section 204 (j) (3) of the Housing and Rent Act of 1947, as amended, is hereby amended to read as follows:

"'(3) The Housing Expediter shall terminate the provisions of this title in any incorporated city, town, village, or in the unincorporated area of any county upon receipt of a resolution of its governing body adopted for that purpose in accordance with applicable local law and based upon a finding by such governing body reached as the result of a public hearing held after ten days' notice, that there no longer exists such a shortage in rental housing accommodations as to require rent control in such city, town, village, or unincorporated area in such county: *Provided*, That where the major portion of a defense-rental area has been decontrolled pursuant to this paragraph (3), the Housing Expediter shall decontrol any unincorporated locality in the remainder of such area.'

"SEC. 6. Nothing in this Act or in the Housing and Rent Act of 1947, as amended, shall be construed to require any person to offer any housing accommodations for rent.

"SEC. 7. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

"SEC. 8. This Act shall become effective on the first day of the first calendar month following the month in which it is enacted."

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
BROOKS HAYS,
*Managers on the Part of the House.*

BURNET R. MAYBANK,
J. WILLIAM FULBRIGHT,
JOHN SPARKMAN,
RALPH E. FLANDERS,
JOHN W. BRICKER,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3181) to extend the Housing and Rent Act of 1947, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the Senate bill and the House amendment. Except for clerical changes, the following statement explains the differences between the House amendment and the substitute agreed to in conference.

The Senate bill contained a provision extending rent control under the Housing and Rent Act of 1947 through December 31, 1950, and authorizing further extension through June 30, 1951, under local option. The House amendment provided for an extension through January 31, 1951, and contained a similar local-option provision. The substitute agreed to in conference follows the language of the Senate bill.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
BROOKS HAYS,
*Managers on the Part of the House.*

Mr. SPENCE. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this is a conference report on the rent-control bill.

I would like to call to the attention of the House the fact that we have just agreed to a conference report providing the means by which the support price for farm products may be maintained. That conference report has received the almost unanimous support of Members from the cities. Members from the cities have taken a larger view of the subject and have voted for an agricultural bill. Now the city people are in need of some protection, and they ask you, Who are the beneficiaries of that conference report which they have just supported, to heed their Macedonian cry for help and to give them some assistance?

This has been a remarkable conference. We have brought back to the House a bill that is substantially the same bill that was reported by the committee. In the House we increased the first period of rent control from December 31 to January 31. I thought that was a good amendment, because 42 legislatures meet next January, and I thought they might handle the matter satisfactorily to the States. But the conferees were of other opinion. The Senators said the Senate would not agree to the conference report with that provision in it, at least without great delay, and we receded.

So we bring the bill back to you as it was reported by the committee, with one minor amendment, which gives the counties the right to decontrol unincorporated areas within their boundaries.

There was no material difference between the Senate bill and the House bill that came to conference save in one instance. The minority conferees, however, did not sign the report. The report is signed by all the Senate conferees. The reason the minority members of the conference committee did not sign the report is because the conferees did not agree to the Douglas amendment, which was never considered by the House, and which the Senate conferees readily receded from. That was a remarkable condition that prevailed. This bill was brought to the House under an open rule. Any germane amendment was in order. No amendment of that character was offered, and none was considered. Because the managers on the part of the House did not agree to the Senate amendment, from which the Senate readily receded, the conferees broke up, as far as the minority and majority on the part of the House is concerned, in disagreement.

What does the Douglas amendment do? I think it is unnecessary to consider it because it was never in issue, but the Douglas amendment provided that where there was an appreciable number

of people in an establishment ordinarily called a hotel who received the ordinary services of the hotel, such as bellboy service, desk service, laundry service, the furnishing of linen, maid service, and so forth, that the hotel would be decontrolled as a unit. In many hotels there are permanent residents who have remained there for years, but because an appreciable number receive these services the hotel would be decontrolled. What is "an appreciable number"? Webster's Dictionary defines "appreciable" as "large or material enough to be recognized; perceptible." Any number, it seems to me, would be an appreciable number, and any institution could qualify itself for decontrol by furnishing these few services to one or more persons. Those words are weasel words that just suck the meaning out of the amendment and the amendment may be construed as making every institution eligible for decontrol.

Is it not an unreasonable position for any of the conferees on the part of the House to oppose the House bill passed under an open rule subject to all germane amendments, because the conferees did not accept a Senate amendment that the Senate itself did not seem to want? There is no doubt that in many sections of this country we still need rent control.

This is a bill that takes back to the people themselves the right to say whether control shall be continued. Every council elected by the people of the cities can decontrol rents at any time after this bill is enacted into law, and if they desire to continue the controls after the 31st of December they must take affirmative action. Why should we cloak this bill with restrictive amendments when we are sending the whole matter back to the people to decide for themselves? It may be that rent control is on the way out; it probably is. But certainly there would not be such an insistent demand for this bill from certain sections of the country unless there were a real need for it. We know how active the members from city districts have been for this measure; we know that it not only means much to their citizens but also that it means much to their future political welfare. They are acting on the demand, the crystallized sentiment of their people, and they have asked you to give them the protection that may come from the authority of the city government or the citizens themselves to decide whether or not they need the extension of rent control. It certainly is a logical and reasonable thing to do. I feel confident that the membership will agree to this conference report, for with one exception it is practically the bill which passed the House—agree to the conference report and give the people the right they have asked, to decide this issue themselves, a question which is essentially local and about which they know more than the Congress could possibly know.

Mr. Speaker, if this conference report is not adopted the protection that they have asked for will probably go out of the window. The Members who want this most have recently shown that they view legislation from a national standpoint because if you will look at the RECORD tomorrow morning and observe the vote on the Commodity Credit Corporation conference report you will find that most of the Members from the city voted for it. They come now and ask you to help them in order that their people may be treated fairly, in order that there may be an orderly discontinuance of rent control, in order that the impact of decontrolling rents abruptly at this time may not be felt and in order that the unhappiness and inconvenience that would result may be obviated.

Housing is essential to our people. It is not only essential for their comfort and their welfare but it is essential for our domestic tranquillity. I hope this bill will be administered in such a way that it will be fair to both the property owner and the tenant. They have mutual rights and mutual obligations.

The SPEAKER pro tempore (Mr. PRIEST). The time of the gentleman from Kentucky was expired.

Mr. SPENCE. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, as the chairman of the Committee on Banking and Currency has stated, the conference report brings back a bill which is substantially the bill as passed by the House, the one major exception being that the House had adopted an amendment continuing rent control until January 31, 1951, unless by resolution of the governing body in any incorporated city, town, and municipality, it was decontrolled before then. When the Committee on Banking and Currency reported the bill to the House it provided that rent controls would expire on December 31, 1950 in localities outside of these incorporated areas and in the incorporated areas which had not taken action to continue controls. The conferees on the part of the House yielded to the Senate in that particular so that as the bill comes back to us now rent controls terminate in all unincorporated areas and in the incorporated areas which do not take affirmative action to continue them on December 30, 1950. In the incorporated areas in which this affirmative action is taken, then rent controls shall continue to not beyond June 30, 1951.

That is the substantial difference. But I think that, in justice to many Members who have consulted with me and other members of the committee in respect to an amendment which the Senate had already adopted, I should comment upon the fact that the Senate receded from the action which it had taken in respect to the so-called Chicago amendment, and I presume that there was nothing else for the House to do, inasmuch as the so-called Chicago amendment was not in the House bill, but to accept the position which the Senate conferees took in respect to their own amendment.

I am placed in the very embarrassing, if not humiliating, position of having told at least six Members of the House that there was no question but that the Senate amendment decontrolling the residential and apartment hotels in the city of Chicago would stay in the bill. I had reason to believe that the sponsor of that amendment in the Senate would be a member of the conference. He has been a member of many conferences on housing and rent control ever since he has been in Congress. I felt—and nothing to the contrary has convinced me otherwise—that he used good faith in presenting the amendment in the Senate to decontrol the Chicago residential and apartment hotels, but, frankly, I never saw conferees on the part of the Senate yield so quickly on anything in my life, and without consultation with the Member who offered the amendment in the Committee on Banking and Currency of the Senate and who was responsible for its enactment on the floor of the Senate. So I want to apologize to those Members whom I advised against offering a similar amendment in the House for my lack of understanding of what the tactics might be in respect to this particular amendment. I still do not understand it. A good many of us have been in conference with the Senate on a good many occasions, and a good many of us have sat around the conference room for hours while the Senate conferees were trying to contact the sponsor of amendments which were in controversy in the conference committee. Not so in this case. The sponsor of this amendment was not a member of the conference committee. He was temporarily absent from the city. He returned to the city the night of the conference and could have been consulted in respect to his wishes.

I am a little chagrined because of the rapidity with which the Senate yielded on its own language. There was every reason to believe that the Senate language decontrolling the Chicago residential and apartment hotels would stay in, because the same Member of the other body who offered the amendment this year decontrolling the residential and apartment hotels in Chicago offered the amendment successfully last year which kept them under control. He did it because, as he argued, there are something over 12½ percent of vacancies in the Chicago residential and apartment hotels at the present time, and undoubtedly there was not any goodly number of vacancies a year ago when he offered the amendment to keep them under control.

You will recall that the language of the 1949 Housing and Rent Control Act provided that apartment and residential hotels as distinguished from transient hotels would not be decontrolled in cities having a population of more than 2,500,000 inhabitants which, of course, confined the operation of the act to the cities of New York and Chicago. New York has enacted its own rent-control law and will come out from under Federal control, so it left Chicago the only city in interest.

I think if the arguments which have been made for the continuance of rent control were applied to this situation it would justify anyone's taking the position that this particular class of controlled property should come out from under control. When Tighe Woods was before the House Committee on Banking and Currency he said that controls could

safely come off when there were 5 percent of vacancies, which of course we realized meant depression vacancies, because in the depression there were only about 5 percent vacancies. We are confronted with this fact, not a theory but a fact, that vacancies in these properties in Chicago are about 12½ percent. So if there is any logic to decontrolling on the advice of the Expediter when properties generally have a vacancy of 5 percent, then of course the same logic would apply to the decontrol of the apartment and residential hotels in Chicago which have a vacancy of 12½ percent.

I have no brief to hold for Chicago or the apartment hotels in Chicago or anywhere else, but I merely take this time to make a matter of record the fact that hereafter, forewarned by the strategy which was followed in this particular, we will arm ourselves against a recurrence of it.

Otherwise, the bill is no better and no worse than it was when it left the House. I think I may reiterate what I have said, that this bill is going to create uncertainty, and in the attempts to administer it we are likely to get the same results we got in 1946 in attempting to administer a bill equally as bad as this, that one being in respect to price control.

As far as I am personally concerned, I do not want any responsibility for the uncertainty and perhaps chaos which will result from the enactment of this bill, budgetary as well as in any other respect; and I want it very distinctly understood that most of us who voted against this bill on the occasion of its final passage in the House did so because we were fearful of the consequences of the stability of the American economy. As far as I am concerned, I still feel the same way about it.

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Speaker, I had hoped the conference report would retain the so-called Judd amendment extending the time of Federal control until February 1 of next year. Under ordinary circumstances I would have fought vigorously for the retention of the House action in the conference. I think it is appropriate, however, to point out that unusual conditions confront us. These controls expire on June 30 and the necessity for acting promptly is apparent. Therefore, I reluctantly signed the conference report, although it is contrary to my views with reference to the January date.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. JUDD. I regret that the House conferees did not insist on the bill as it passed the House because I believe events will prove it would have been much better for both the country and the Congress, inasmuch as rent control was certainly going to be extended for 6 months, and then transferred to local control, to have had the transfer 1 month later, on January 31, in order to make the transition as orderly and smooth as possible.

As the chairman of your committee just said, rent control has now become essentially a local problem. I believe it was the responsibility of the national Congress to transfer the problem from the Federal level to the State and local level under the most favorable circumstances possible from the standpoint of all involved, which was what my amendment sought to do. However, I recognize fully the practical problem to which the gentleman has referred, and that to insist, when the Senate conferees refused to yield, on sending it back to the other body for a vote on my amendment as passed by the House might get the bill into interminable difficulties. You had a deadline to meet and while I regret the action I think there is nothing else that can be done now except to accept the conference report.

Mr. HAYS of Arkansas. I am so glad the gentleman from Minnesota agrees on that point. It is the only point I wanted to make. I agree thoroughly with him. It therefore appears the only wise course for us is to approve the conference report.

Mr. SPENCE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore (Mr. PRIEST). The question is on the conference report.

The question was taken; and on a division (demanded by Mr. MILLER of Nebraska) there were—ayes 72, noes 50.

Mr. MILLER of Nebraska. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] One hundred and forty-two Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 176, nays 145, answered "present" 2, not voting 107, as follows:

[Roll No. 179]

YEAS—176

| | | |
|---|---|---|
| Addonizio | Chelf | Garmatz |
| Allen, La. | Chesney | Gordon |
| Andrews | Christopher | Gorski |
| Aspinall | Chudoff | Granahan |
| Baring | Clemente | Grant |
| Barrett, Pa. | Colmer | Green |
| Bates, Ky. | Cooper | Gregory |
| Battle | Corbett | Gross |
| Bennett, Fla. | Crook | Hardy |
| Bentsen | Crosser | Harris |
| Biemiller | Davenport | Hart |
| Blatnik | Davies, N. Y. | Havenner |
| Boggs, La. | Davis, Tenn. | Hays, Ark. |
| Bolling | Dawson | Hays, Ohio |
| Bolton, Ohio | Deane | Hedrick |
| Bonner | DeGraffenried | Heselton |
| Bosone | Delaney | Holifield |
| Boykin | Denton | Howell |
| Brooks | Dollinger | Huber |
| Brown, Ga. | Donohue | Hull |
| Buchanan | Douglas | Jacobs |
| Buckley, Ill. | Doyle | Javits |
| Burnside | Eberharter | Jonas |
| Burton | Elliott | Jones, Ala. |
| Byrne, N. Y. | Engle, Calif. | Judd |
| Camp | Evins | Karst |
| Canfield | Fallon | Karsten |
| Cannon | Feighan | Kean |
| Carnahan | Flood | Kee |
| Carroll | Forand | Kelly, N. Y. |
| Case, N. J. | Fugate | King |
| Cavalcante | Fulton | Kirwan |
| Celler | Furcolo | Klein |
| Lane | O'Brien, Ill. | Secrest |
| Lanham | O'Hara, Ill. | Shelley |
| Larcade | O'Konski | Sheppard |
| Lichtenwalter | O'Neill | Smith, Va. |
| Lind | O'Toole | Spence |
| Linehan | Patman | Staggers |
| Lynch | Patterson | Sullivan |
| McCarthy | Peterson | Tackett |
| McCormack | Philbin | Tauriello |
| McGuire | Powell | Thornberry |
| McKinnon | Price | Trimble |
| Mack, Wash. | Priest | Underwood |
| Madden | Rains | Van Zandt |
| Magee | Ramsay | Vinson |
| Mansfield | Rhodes | Wagner |
| Marcantonio | Ribicoff | Walter |
| Marsalis | Robeson | Whitaker |
| Marshall | Rodino | Wier |
| Mills | Rogers, Mass. | Wigglesworth |
| Multer | Rooney | Williams |
| Murdock | Roosevelt | Willis |
| Murphy | Sasscer | Withrow |
| Nelson | Saylor | Wolverton |
| Noland | Scott, Hardie | Woodhouse |
| Norrell | Scott, Hugh D., Jr. | Yates |
| Norton | | Zablocki |

NAYS—145

| | | |
|---|---|---|
| Abernethy | Golden | Norblad |
| Albert | Goodwin | O'Hara, Minn. |
| Allen, Calif. | Gossett | Pace |
| Allen, Ill. | Graham | Passman |
| Andersen, H. Carl | Guill | Patten |
| Anderson, Calif. | Hagen | Pickett |
| Angell | Hale | Poage |
| Arends | Hall, Leonard W. | Potter |
| Auchincloss | Halleck | Poulson |
| Barden | Harden | Preston |
| Barrett, Wyo | Harrison | Rankin |
| Bates, Mass. | Harvey | Reed, Ill. |
| Beall | Herter | Reed, N. Y. |
| Beckworth | Hill | Rees |
| Bennett, Mich. | Hinshaw | Rich |
| Bishop | Hoeven | Richlman |
| Boggs, Del. | Hoffman, Mich. | Rogers, Fla. |
| Bolton, Md. | Holmes | Sadlak |
| Bramblett | Horan | St. George |
| Brown, Ohio | James | Scrivner |
| Burleson | Jenison | Scudder |
| Byrnes, Wis. | Jenkins | Shafer |
| Carlyle | Jennings | Short |
| Case, S. Dak. | Jensen | Simpson, Ill. |
| Chatham | Johnson | Simpson, Pa. |
| Chiperfield | Jones, N. C. | Smathers |
| Clevenger | Kearney | Smith, Kans. |
| Cole, Kans. | Keating | Smith, Wis. |
| Cole, N. Y. | Kilburn | Steed |
| Crawford | Kilday | Stefan |
| Cunningham | Kruse | Talle |
| Curtis | Kunkel | Teague |
| Dague | LeCompte | Thomas |
| Davis, Ga. | LeFevre | Thompson |
| Davis, Wis. | Lucas | Velde |
| D'Ewart | McCulloch | Vorys |
| Dondero | McDonough | Vursell |
| Doughton | Mahon | Wadsworth |
| Durham | Martin, Iowa | Weichel |
| Eaton | Martin, Mass. | Werdel |
| Ellsworth | Mason | White, Idaho |
| Elston | Meyer | Whitten |
| Fellows | Michener | Whittington |
| Fenton | Miller, Nebr. | Widnall |
| Fisher | Murray, Tenn. | Wilson, Tex. |
| Gathings | Murray, Wis. | Winstead |
| Gavin | Nicholson | Wolcott |
| Gillette | Nixon | Woodruff |

ANSWERED "PRESENT"—2

Jackson, Calif. Tollefson

NOT VOTING—107

| | | |
|---|---|---|
| Abbitt | Frazier | Kelley, Pa |
| Andresen, August H. | Gamble | Kennedy |
| | Gary | Keogh |
| Bailey | Gilmer | Kerr |
| Blackney | Gore | Latham |
| Breen | Granger | Lodge |
| Brehm | Gwinn | Lovre |
| Bryson | Hall, Edwin Arthur | Lyle |
| Buckley, N. Y. | | McConnell |
| Bulwinkle | Hand | McGrath |
| Burdick | Hare | McGregor |
| Burke | Hébert | McMillan, S. C. |
| Combs | Heffernan | McMillen, Ill. |
| Cooley | Heller | McSweeney |
| Cotton | Herlong | Mack, Ill. |
| Coudert | Hobbs | Macy |
| Cox | Hoffman, Ill. | Merrow |
| Dingell | Hope | Miles |
| Dolliver | Irving | Miller, Calif. |
| Engel, Mich. | Jackson, Wash. | Miller, Md. |
| Fernandez | Jones, Mo. | Mitchell |
| Fogarty | Kearns | Monroney |
| Ford | Keefe | Morgan |

| | | |
|---|---|---|
| Morris | Polk | Stigler |
| Morrison | Quinn | Stockman |
| Morton | Rabaut | Sutton |
| Moulder | Redden | Taylor |
| O'Brien, Mich. | Regan | Towe |
| O'Sullivan | Richards | Walsh |
| Perkins | Rivers | Welch |
| Pfeifer, Joseph L. | Sabath | Wheeler |
| | Sadowski | White, Calif. |
| Pfeiffer, William L. | Sanborn | Wickersham |
| | Sikes | Wilson, Ind. |
| Phillips, Calif. | Sims | Wilson, Okla. |
| Phillips, Tenn. | Smith, Ohio | Wood |
| Plumley | Stanley | Young |

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hand for, with Mr. Miller of Maryland against.

Mr. Coudert for, with Mr. Smith of Ohio against.

Mr. Keogh for, with Mr. Blackney against.

Mr. Sadowski for, with Mr. Hoffman of Illinois against.

Mr. Fogarty for, with Mr. Gilmer against.

Mr. Joseph L. Pfeifer for, with Mr. William L. Pfeiffer against.

Mr. Mack of Illinois for, with Mr. Towe against.

Mr. Heller for, with Mr. Dolliver against.

Mr. Hébert for, with Mr. Wood against.

Mr. Rabaut for, with Mr. Cox against.

Mr. Perkins for, with Mr. Regan against.

Mr. Welch for, with Mr. Phillips of California against.

Mr. Kerr for, with Mr. Macy against.

Mr. Miller of California for, with Mr. Jackson of California against.

Mr. Heffernan for, with Mr. Gwinn against.

Mr. Jackson of Washington for, with Mr. Plumley against.

Mr. McSweeney for, with Mr. Redden against.

Mr. O'Sullivan for, with Mr. Wilson of Oklahoma against.

Until further notice:

Mr. Morgan with Mr. McGregor.

Mr. Morrison with Mr. Engel of Michigan.

Mr. Sabath with Mr. Gamble.

Mr. Sims with Mr. Ford.

Mr. Gary with Mr. August H. Andresen.

Mr. Herlong with Mr. Stockman.

Mr. Stanley with Mr. Taylor.

Mr. Burke with Mr. Wilson of Indiana.

Mr. Cooley with Mr. Hope.

Mr. Young with Mr. Edwin Arthur Hall.

Mr. Wheeler with Mr. Sanborn.

Mr. Wickersham with Mr. Tollefson.

Mr. Sutton with Mr. Phillips of Tennessee.

Mr. O'Brien of Michigan with Mr. Morton.

Mr. Kelley of Pennsylvania with Mr. Lovre.

Mr. Irving with Mr. Brehm.

Mr. Polk with Mr. Cotton.

Mr. Abbitt with Mr. Merrow.

Mr. Bailey with Mr. McMillen of Illinois.

Mr. Walsh with Mr. Latham.

Mr. Stigler with Mr. Keefe.

Mr. Sikes with Mr. McConnell.

Mr. DAVIS of Wisconsin and Mr. HINSHAW changed their votes from "yea" to "nay."

Mr. WITHROW changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

PERSONAL ANNOUNCEMENT

Mr. JACKSON of California. Mr. Speaker, on roll call 178 I had a pair with the gentleman from California, Mr. MILLER. I voted "no." Had he been present, he would have voted "aye." Therefore, I withdraw my vote and answer "present."

Mr. Speaker, on roll call No. 179 the same situation prevails, and I withdraw my vote and answer "present."

REORGANIZATION PLANS NO. 24 AND NO. 27

Mr. RIEHLMAN. Mr. Speaker, I ask unanimous consent that the minority members of the Committee on Expenditures in the Executive Departments may have until midnight Saturday, the 24th of June, to file minority views on Reorganization Plan No. 24 and Reorganization Plan No. 27.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GOVERNMENT STORAGE OF DRIED EGGS

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, the Federal Government had in storage on April 30, 1950, 88,444,915 pounds of dried eggs; $919,345.07 is shown as a loss incurred on this item between July 1, 1949, and April 30, 1950. I have not been able yet to obtain any report from the Department of Agriculture as to how much of that loss is due to spoilage or destruction. But it is significant that the Department reports 68,839,013 pounds were purchased in 1949 and it has cost the taxpayers $1,970,458.13 to keep them in storage. It is even more significant that 28,446,183 pounds were purchased back in 1948 and the taxpayers' money has been wasted for storing them in the amount of $1,083,286.37.

Considered from the point of view of the use of this money in paying transportation charges to make this food available to people who could and would eat it, the obstinate refusal to do this is tragic. That amount of money would have paid for the transportation from Atchison, Kans., to New York of 174,493,902 pounds of dried eggs or almost double the amount hoarded by the Federal Government on April 30.

It is difficult to obtain, and even more difficult to analyze, the factual information as to this program. But I am confident that in the end the truth will become public and the American people will demand action. In the meantime, those who are opposing any action must be ready to accept full responsibility for the results. It is particularly difficult to understand the reason for opposition from those who profess to be interested in a sound agricultural program.

CONDUCT OF FEDERAL COMMUNICATIONS COMMISSION

Mr. RODINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, I would like to direct your attention to the remarks of Hon. STEPHEN YOUNG, of Ohio, under date of June 6, 1950; of Hon. ANTHONY TAURIELLO, of New York, under date of May 3, 1950; and of Hon. HUGH ADDONIZIO, of New Jersey, under date of June 15, 1950, with reference to the Federal Communications Commission in its present attempt to not renew the licenses of radio stations WJR, of Detroit; WGAR, of Cleveland; and KMPC, of Los Angeles. Each of these gentlemen stressed the conduct of the Federal Communications Commission in these present proceedings, with particular reference to the fact that it used—as its star witness—a man by the name of Clete Roberts who, while under oath, took a scurrilous and defamatory position against all Italians of the southern part of Italy.

As these gentlemen have pointed out, Mr. Speaker, there are some very serious questions involved in the present conduct of the Federal Communications Commission in this case. Insofar as its star witness, Roberts, is concerned, we of southern Italian ancestry are very much alarmed over the fact that this defamer of Italian people can well cause a continuation of increasing reaction against the Federal Communications Commission for having supported in the past, and continuing to support as of now, the credibility of such a discredited witness.

Mr. Speaker, when the Federal Communications Commission issued its so-called Blue Book indicating its intent to control all that goes out over the air, Broadcasting Magazine wrote as follows:

> The meddling of Government in the instruments which enlighten public opinion is contrary to the precepts of the Constitution and rebuts the fundamental thinking of our leaders from George Washington down to Harry Truman. There is more at stake than the ultimate pattern of American broadcasting—there is at stake the pattern of American life, and you can find that truth in the charred ruins of a chancellery in Berlin.

When an agency of our Government, Mr. Speaker, proceeds to use a witness who so ill-advisedly and stupidly attacks in such a scurrilous manner the Italian people, I believe that the Federal Communications Commission—and its discredited witness, Clete Roberts—should hurriedly make the apology that is long overdue before an outraged public opinion begins its attack on a national basis.

Mr. Speaker, as an American of Italian ancestry and having great pride in my forbears and supporting the remarks of my colleagues in every way, I say now that the conduct of the Federal Communications Commission in this particular case must be investigated at the quickest possible moment.

RENT-CONTROL BILL

Mr. SPENCE. Mr. Speaker, was there not an error made in the announcement of the vote on the adoption of the conference report on the rent-control bill?

The SPEAKER. One Member withdrew his vote and answered "present." As the vote now stands, it is 174 yeas and 145 nays, and two answering "present."

GENERAL LEAVE TO EXTEND REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks on the rent-control bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. MANSFIELD. Mr. Speaker, on Monday last I received permission to extend my remarks and include a speech by Col. Melvin J. Maas to the Marine Corps Officers Association. I am informed by the Public Printer it will exceed the amount allowed by two and two-thirds pages, slightly in excess of the usual cost. I ask unanimous consent to include the resolution, notwithstanding.

The SPEAKER. Notwithstanding, and without objection, the extension may be made.

There was no objection.

PROSPECTING, DEVELOPMENT, MINING, AND REMOVAL OF MINERAL RESOURCES WITHIN SUPERIOR NATIONAL FOREST, MINN.

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H. R. 4895, an act to permit the prospecting, development, mining, removal, and utilization of the mineral resources within the Superior National Forest, Minn., and for other purposes, together with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, lines 7 and 8, strike out "Superior National Forest," and insert "national forests in."

Page 2, line 10, strike out all after "Agriculture" down to and including "purposes" in line 14.

Amend the title so as to read: "An act to permit the prospecting, development, mining, removal, and utilization of the mineral resources within the national forests in Minnesota, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. MARSHALL]?

Mr. CRAWFORD. Reserving the right to object, Mr. Speaker, will the gentleman from Minnesota give a brief explanation of the Senate amendments?

Mr. MARSHALL. Mr. Speaker, this bill passed the House approximately a year ago. The Senate has made some changes in the bill, which it seems to me improve the bill to some extent.

This bill is to permit the prospecting and development of mineral resources removable from the Superior National Forest, Minn. The Senate amended it to include all national forests in Minnesota, which was a good amendment, in that it does create less confusion within the State when all of the forest lands are put in one category, so to speak.

It also strikes from the bill some language which is duplicated in connection with the authority of the Secretary of Agriculture, making his responsibility more clearly defined.

Mr. CRAWFORD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. MARSHALL]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Speaker, I am so sure that you will instantly recognize the meritorious, sound, and just objectives of this bill that I do not consider it essential that I have any attitude of trying to argue with you in support thereof but merely to call its objectives thoroughly and briefly to your attention. I desire to say and ask that you take immediate notice that yesterday I filed H. R. 8875 and this bill was immediately referred to the Committee on Veterans' Affairs. Its objective is to provide for payments to certain disabled veterans commonly described as paraplegics who sold or will shortly sell, in the area adjacent and close by the former Van Nuys Veterans' Hospital, or Birmingham Hospital, whichever you know it as, their homes in order to move and receive care and treatment which is so necessary to the protection of their lives at the Long Beach Veterans' Hospital, which is located in the Eighteenth Congressional District of California, which I represent.

I herewith read you the text of the bill:

H. R. 8875

A bill to provide for payments to certain disabled veterans who sold their homes in order to move from Van Nuys, Calif., to Long Beach, Calif., for the purpose of receiving care and treatment at the Veterans' Administration hospital at Long Beach, Calif.

*Be it enacted, etc.*, That where any person (hereinafter referred to as "veteran") who served in the active military or naval service of the United States and who is entitled to compensation under the provisions of Veterans Regulation No. 1 (a), as amended, for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheel chair—

(1) received care or treatment at the Veterans' Administration hospital at Van Nuys, Calif.;

(2) owned a housing unit in the vicinity of such hospital; and

(3) sold or shall sell such housing unit after April 30, 1950, and before July 1, 1951, in order to move to the vicinity of the Veterans' Administration hospital at Long Beach, Calif., for the purpose of receiving care or treatment at such Long Beach Hospital, the Administrator of Veterans' Affairs shall, under such regulations as he may prescribe, pay such veteran a sum equal to the amount, if any, by which the cost of such housing unit exceeded the amount for which such housing unit was sold by such veteran; except that where the Administrator of Veterans' Affairs finds that a veteran sold or shall sell any such housing unit for an amount substantially less than the fair market value of such housing unit, the sum paid under this act shall be equal to the difference between the cost of such housing unit and the fair market value of such housing unit at the time of such sale. Application for payment under this act shall be made on or before August 31, 1951.

SEC. 2. Nothing in this act shall be deemed to create any liability in the Government of the United States with respect to any housing unit serving as the basis of a payment to a veteran under this act.

SEC. 3. For the purposes of this act—

(1) The term "housing unit" includes special fixtures and facilities, if any, and necessary land; and

(2) The term "cost of such housing unit" means the cost of such housing unit to the veteran, including as part of such cost any assistance which such veteran may have received with respect to such housing unit under part IX of Veterans Regulation No. 1 (a), as amended.

Recently before returning to my duties in this Congress after attending the primary election vote in California on June 6, I twice visited this great Long Beach Veterans Hospital and found that the transfer of these paraplegics and other patients from the Van Nuys, or Birmingham Hospital, about 50 miles away, had been accomplished with dispatch, promptly and with an exceedingly high degree of care to the best interests of these paraplegic veterans and also to all the other patients. It appeared to me clear that the greatest concern and worry with those whom I conferred was a few dozen of them had acquired homes nearby the Van Nuys Hospital with Government aid and that they anticipated they would have to take a serious financial loss on the sale of these specially equipped homes in the event they sold them on the market in order to move their investment and their families residing in these homes to be adjacent to the Long Beach Veterans Hospital.

Paraplegic, by the way, is such a distinguished veteran as has a permanent and total service-connected disability due to loss, or loss of the use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheel chair.

I talked with one of these veterans who invested $10,000 in such a home close by the veterans' hospital in which his wife and two children now reside while he is necessarily hospitalized at the Long Beach Veterans Hospital. His natural and normal heart's desire was concern that his wife and children should be close by him so that on occasions he could have the joy of residing with them in such home and nevertheless be able immediately and frequently reach the Long Beach Veterans Hospital in which he could receive the essential and necessary hospitalization to protect and preserve his life and health as long as possible.

Upon inquiry the Veterans' Administration here at Washington informed me that there are approximately 100 paraplegics in the Los Angeles County area—where both Van Nuys and Long Beach are located—and that they believed only

a few less than half were closer to the Long Beach Veterans' Hospital than they were to the Van Nuys Veterans' Hospital which has discontinued paraplegic care and which site has been announced by the Veterans' Administration as the one upon which a great new and necessary neuropsychosis veterans' hospital is to be promptly constructed. Therefore they decided the essential move was to transfer these paraplegics to the Long Beach Veterans Hospital which was the closest by and the closest to where they could have the specialized care so essential to them. The Veterans' Administration also informed me several days ago that the first week of June there had been installed at the Sawtelle Veterans' Hospital, closed to Van Nuys by 15 to 25 miles, than the Long Beach Hospital, an outpatient clinic to which the paraplegics needing only out-patient treatment can promptly, instead of making the round trip of approximately 90 miles from Van Nuys to Long Beach, have out-patient treatments. Therefore, it is only the highly specialized and more permanent treatment which is essential which they must receive at the Long Beach Veterans' Hospital. This is the comparatively small group who would stand to suffer real financial loss and deprivation of economic security if they are compelled to give up their substantial investment in specially constructed and equipped homes in order to have their funds to use at and in connection with such special home facilities and construction at or near Long Beach, Calif.

I am informed by the Veterans' Administration that the number of those who might reasonably be expected to sell their homes at Van Nuys would range from as few as 10 to 15 up to as high as 50 or 60. There is no presently accurate data or way of determining how many may or may not desire to sell.

The bill I have proposed provides that if any do sell after April 30, 1950, and before June 1, 1951, in order to move to the vicinity of the Long Beach Veterans Hospital for the purpose of receiving care or treatment and that then the Administrator of Veterans Affairs shall, under such regulations as he may prescribe, pay such veteran a sum equal to the amount, if any, by which the cost of such home exceeded the amount for which such home was sold by such veteran. And to protect the veterans and their families and also the Government funds involved my bill expressly provides that where the Administrator of Veterans Affairs finds that any such paraplegic veteran sells his home, if he does, for an amount substantially less than the fair market value of such that then the sum paid to such paraplegic veteran by the Administrator of Veterans Affairs shall be equal to the difference between the cost of such home and the fair market value of such home at time of such sale.

I am sure you will agree with me that this is a fair provision as to Government funds and also the paraplegic and his family.

A copy of my bill was immediately furnished to the Veterans' Administration here in Washington; a copy was immediately furnished the Veterans' Affairs Committee of this House; a copy was immediately air-mailed to the Veterans Hospital at Long Beach and the Veterans' Administration offered immediate cooperation to ascertain the material facts necessary to a high and sound conclusion at the earliest possible date.

You will recognize that time is of the essence in consideration of this bill. If we are to protect these lads and their families against sharp economic losses in these few cases involved it must be decided at the earliest possible date.

I urge favorable consideration of this bill at the earliest possible moment by the Veterans' Committee. I have already spoken to the distinguished chairman, Hon. JOHN RANKIN about it. I urge that he and the other distinguished members of his committee give it immediate and favorable consideration. I urge that the appropriate Senate committee and the Senate give it the earliest possible favorable consideration.

As I now speak briefly to you of the bill and explain it to you, I note with pleasure that several heads are nodding in approval and others are smiling in apparent approval of this worthy objective.

Let us do it and do it promptly and remove from these distinguished permanently paralyzed and paraplegic veterans the present mental hazard to themselves and their families and all concerned as the result of this present hazard and loss which they are facing.

It is just; it is meritorious; it is an expression of the heart of America toward these relatively few distinguished veterans who thus come right up to the open door of death itself and have given their almost all to the service of our national security and the independence and happiness of our great Nation. The amount involved will be relatively negative. The objective is of the highest within the gift of the heart, mind and spirit of the American people.

## WAGE-HOUR VIOLATOR FINED

Mrs. BOLTON of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a news release of the United States Department of Labor.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON of Ohio. Mr. Speaker, on Wednesday, April 19, 1950, I inserted in the Appendix of the RECORD on page A2807 a letter written by the president of Row, Peterson & Co., of Evanston, Ill., to the Secretary of Labor, Mr. Maurice J. Tobin, in which he gave a very vivid picture of the problems created by the inspectors.

It has recently been suggested to me that inasmuch as this insertion was critical of the Department of Labor it would be no more than fair to balance this with another case which would evidence constructive action on the part of the Department.

I am, therefore, asking unanimous consent to include in my remarks today a release of recent date which shows that a violator of the wage-hour law was duly apprehended and fined. Believing thoroughly in a fair presentation of both sides of any situation, I am happy to spread this in the RECORD:

### WAGE-HOUR VIOLATOR FINED

CAMDEN, N. J.—An Atlantic City, N. J., sweater manufacturer and retailer was fined $500 and severely reprimanded in the United States district court of New Jersey for criminal contempt of court in connection with flagrant violations of the Federal wage-hour law. The defendant, Avalon G. Paxson, had previously been compelled to pay $4,277 in illegally withheld back wages to her employees.

Federal Judge Thomas F. Madden called Miss Paxson a plain, ordinary liar and cheat. He said that only her age and physical ailments saved her from a stiff jail sentence for defrauding her employees and submitting false wage receipts to the court.

Miss Paxson has been found in violation of wage-hour provisions on four separate occasions. Sweaters for which home workers received only $3 were sold at Miss Paxson's Atlantic City shop for as much as $50. She also shipped sweaters to shops in other States, investigators of the United States Labor Department's Wage and Hour and Public Contracts Division found.

The sentence imposed by Judge Madden follows a previous contempt conviction in the same court, on April 25, 1947. At that time Miss Paxson was charged with failure to carry out the court's order to pay the $4,277 in back wages found due to her employees. The defendant had pleaded guilty to violations of the overtime provisions of the Fair Labor Standards Act, falsification of wage and hour records, and failure to pay the minimum wage, then 40 cents an hour.

Six months later, on October 24, 1947, Miss Paxson's attorney informed the court she had made payments of all sums due the employees and claimed that receipts had been submitted to the Wage and Hour Division. The court dismissed the action, believing settlement had been made. More recently, wage-hour investigators found that these receipts had been falsified or signed under misapprehension by employees. In many cases no back wages had been paid employees; in other instances only token payments had been made. In some cases, these partial payments were made by Miss Paxson only after she had learned that the wage-hour investigators were interviewing those who had signed receipts.

## PERMISSION TO ADDRESS THE HOUSE

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. VAN ZANDT addressed the House. His remarks appear in the Appendix.]

## ONE HUNDREDTH ANNUAL REPORT OF BOARD OF DIRECTORS OF PANAMA RAILROAD—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and together with the accompanying papers referred to the Committee on Merchant Marine and Fisheries:

*To the Congress of the United States:*

I transmit herewith, for the information of the Congress, the One Hundredth

Annual Report of the Board of Directors of the Panama Railroad Company for the fiscal year ended June 30, 1949.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 21, 1950.*

## EXTENSION OF REMARKS

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks and include an address by a great Texan.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McCULLOCH asked and was given permission to extend his remarks.

Mr. JUDD asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. O'KONSKI asked and was given permission to extend his remarks and include a resolution.

Mr. CRAWFORD asked and was given permission to extend his remarks and include an editorial.

Mr. MADDEN asked and was given permission to extend his remarks in two instances; in one to include a resolution passed by the Polish American Council on Constitution Day; and in the other to include a resolution passed by the Common Council of the City of East Chicago, Ind.

Mr. ROONEY asked and was given permission to extend his remarks and include a platform adopted by the Ninth Biennial State Convention of Affiliated Young Democrats of New York City.

Mr. KRUSE asked and was given permission to extend his remarks and include an editorial from the June 6 issue of the Fort Wayne Gazette.

Mr. LUCAS asked and was given permission to extend his remarks and include an editorial on the tidelands decision which appeared in the Union Banner, Fort Worth's labor paper.

Mr. QUINN (at the request of Mr. LYNCH) was given permission to extend his remarks and include extraneous matter.

Mrs. DOUGLAS asked and was given permission to extend her remarks in two separate instances and in each to include extraneous matter.

Mr. GRANT asked and was given permission to extend his remarks and include an editorial.

Mr. HAGEN asked and was given permission to extend his remarks and include an article on the subject of trees and soil conservation.

Mr. WOODRUFF asked and was given permission to extend his remarks and include an editorial.

Mr. MARTIN of Iowa asked and was given permission to extend his remarks and include a speech by the Honorable HUGH D. SCOTT, JR., of Pennsylvania.

## UNITED STATES PARTICIPATION IN INTERNATIONAL ORGANIZATIONS

Mr. KEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. J. Res. 334) to amend certain laws providing for membership and participation by the United States in certain international organizations.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 334, with Mr. HOLIFIELD in the chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

Mr. KEE. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, at the time of the adoption of the rule for the consideration of the pending bill, House Joint Resolution 334, I addressed the House briefly, naming the five international organizations involved in the proposed legislation. I also stated, as to each of the five, the amount of the present annual assessment of the United States for the maintenance of such organization, as well as the amount in each case, of the assessment proposed by the resolution we are now considering.

I feel that it is well to again give this same information to the Members of the House.

The organizations included in the provisions of the measure under consideration are as follows:

First. The Food and Agricultural Organization.

Second. The South Pacific Commission.

Third. The American International Institute for the Protection of Childhood.

Fourth. The World Health Organization.

Fifth. The International Labor Organization.

While a history of the five organizations, including the date and circumstances under which they were instituted, would be interesting, the time at our disposal precludes us from going into such details. As a matter of fact, information of that character would have but little, if any, bearing upon the issues involved in the measure now under consideration.

In passing, however, it might be well to call attention to some facts about the origin and purpose of each of the five organizations included in the legislation.

The Food and Agricultural Organization is the first of the new permanent United Nations organizations to be established. It came into existence at Hot Springs, Va., in the year 1945 as a direct result of United States initiative. It is one of the specialized agencies of the United Nations.

The South Pacific Commission was established following an agreement, signed at Canbarra, Australia, on February 6, 1947, between the United States, the United Kingdom, Australia, France, the Netherlands, and New Zealand, all Governments possessing non-self-governing territories in the South Pacific area. The principal function of the Commission is the development of a cooperative effort on the part of the several countries, parties to the agreement, to promote the social and economic welfare of the inhabitants of the territories within the scope of the Commission.

The American International Institute for the Protection of Childhood was established in 1925, with Uruguay taking the leadership in the movement. Membership in the organization has so far been confined to the Latin-American countries and the United States. It is now a specialized agency of the Organization of American States. Its headquarters are located at Montevideo, Uruguay. The organization is perhaps the most popular of all similar organizations with the South American nations. As its name implies, its interest and operations are in the field of child welfare.

The World Health Organization is one of the specialized agencies of the United Nations. It was established in 1948. The organization has made significant headway in formulating plans, and, indeed, in carrying forward the long-term work for which it was established. It is because of this very progress, entailing, as it does, additional expenditures and necessitating an increase in budget, that calls for an increase in the contributions of all member nations and makes necessary this legislation.

The International Labor Organization, the oldest of all the international agencies now functioning, is the instrumentality through which 60 member countries get together in consultation and effort to work out international standards to improve conditions of labor and employment. It must be understood that this is actually not a labor organization in the sense the name usually implies. It is actually an organization in which representatives of management, government, and labor have a part. The organization was established in 1919, as an independent agency of the League of Nations. The United States became a member in 1934, and in 1946, the organization acquired the status of a specialized agency of the United Nations.

I shall now pass to the purpose of the legislation now before us. The object of the resolution is to raise to some extent the ceilings placed by former acts of the Congress on the appropriations necessary to pay the contributions of the United States Government toward the support of the five organizations I have named.

I shall take the organizations, one at a time, in the order already used, state the sum the United States has been heretofore contributing, the proposed new assessment in each case, the additional amount this Nation will be asked to pay during the present year, and the ceiling proposed by the pending legislation we now have under consideration.

The table I hold in my hand, and from which I read, supplies the information I have mentioned. It will appear in the RECORD in connection with my remarks.

| Organization | Present legislative ceiling | Proposed legislative ceiling | Maximum possible increase in United States assessment | Proposed 1-time contribution | 1950 assessment of organization | Increase in assessment over present ceiling |
|---|---|---|---|---|---|---|
| American International Institute for the Protection of Childhood | $2,000 | $10,000 | $8,000 | $24,000 | $10,000 | $8,000 |
| Food and Agriculture Organization | 1,250,000 | 2,000,000 | 750,000 | ---------- | 1,355,000 | 105,000 |
| South Pacific Commission | 20,000 | 75,000 | 55,000 | ---------- | 32,575 | 12,575 |
| World Health Organization | 1,920,000 | 3,000,000 | 1,080,000 | 560,000 | 2,520,000 | 600,000 |
| International Labor Organization | 1,091,739 | 1,750,000 | 658,261 | ---------- | 1,269,870 | 178,131 |
| Total | 4,283,739 | 6,835,000 | 2,551,261 | 584,000 | 5,187,445 | 903,706 |

In connection with the International Labor Organization, we have heard some question raised with reference to its duties and the possibility of its adopting conventions which will force its will upon the different countries that are members of the organization. It has been said in some quarters that the International Labor Organization will propose that some of its conventions, adopted at its annual meetings, be put into effect without any ratification on the part of the different member countries. That idea is absolutely erroneous.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield.

Mr. PHILLIPS of California. My question is in regard to the amount the gentleman gave as to the total increases. They add up to something like $4,000,000, although the gentleman gave a figure which was slightly less than $1,000,000. I thought perhaps the gentleman would like to correct that.

Mr. KEE. The total increase was $903,706, approximately $1,000,000.

Mr. JUDD. That is for ILO alone.

Mr. KEE. No.

Mr. JUDD. The increase for all five is about $2,500,000.

Mr. KEE. The gentleman is right insofar as the ceilings are concerned. But the increase in the assessments against the United States by all five organizations amounts to the figure I have stated, $903,706. It is an increase of $8,000 in the case of the American International Institute for the Protection of Childhood. The increase on FAO is $105,000. The increase on the South Pacific Commission is $12,572. The increase on the WHO is $600,000. The increase on the ILO is $178,131. This makes a total of $903,706.

That is the increase in the assessments. As to the increases in the ceiling there is a latitude and a possible increase may amount to $2,551,000.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield.

Mr. JUDD. And it is true, is it not, that the total increase of $2,500,000, approximately, in the ceilings could never be used except as other countries belonging to these organizations increase their contributions in exactly the same proportion?

Mr. KEE. That is right; it must be in the same ratio.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield.

Mr. MILLER of Nebraska. I notice in House Report 1257, at pages 25 and 26, I have counted up the organizations to which the United States makes contributions. There are 48 or 49 organizations, and the total amount is $128,734,489, which is $47\frac{23}{100}$ percent of the amount of the total contributions to some 48 various international organizations to which we now belong and contribute; is that correct? Are the findings correct?

Mr. KEE. I presume they are correct, but the gentleman understands we are only dealing with five organizations here.

Mr. VORYS. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota, Dr. JUDD.

Mr. JUDD. Mr. Chairman, this joint resolution grew out of a resolution which I introduced last year to increase the ceiling on American annual contributions to the World Health Organization. When a subcommittee was set up by the chairman of the Committee on Foreign Affairs to study that it came to our attention that four other organizations were faced with a similar problem. So the subcommittee held hearings and considered all five of the organizations, and decided that, instead of introducing five separate resolutions, the convenient and proper way was to consider them altogether in a one-package bill, which we prepared and Chairman KEE introduced, with the unanimous approval of the full committee.

As a result we have House Joint Resolution 334 before us today. There are two main questions that arise. First, should there be definite ceilings in the legislation by which the United States participates in and makes contributions to these international organizations? And second, what should the ceiling be for each organization? Members may recall that for most of the organizations which we joined prior to the Eightieth Congress, including some that we have been in for many, many years, there were no such ceilings. When we joined the United Nations itself, when we joined its first specialized agencies, like UNESCO, the Universal Postal Union, and others, no such ceilings were provided. Then there developed in one or two organizations situations which we could not approve. One or two of the organizations came to be dominated by groups which tended to operate in directions which we felt were not wholly in our interest or in the direction of freedom and human betterment. Also, in instances where the United States was providing more than half of the budget—in some cases up to 72 percent as we did with UNRRA—and all the rest of the world had to put up only $1 to get about $3 out of the United States, it was understandable that they would never willingly give up so good a proposition as that. On the contrary they would inevitably tend to continue and expand its activities with minimum contributions from themselves and maximum contributions from us.

Our committee felt that was a bad setup. It might be justified occasionally in a temporary organization for emergency relief, but it is not justified in permanent organizations to which we would be making contributions annually. So in the later organizations we joined we provided ceilings in the authorizing legislation to permit annual review by Congress, to prevent our paying too large a share of an international organization's budget, and to help control over appropriations vested in Congress, without any misunderstanding by the organizations or their member countries.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. BROWN of Ohio. Are the provisions contained in this particular bill the same or practically the same as were defeated by the last Congress?

Mr. JUDD. No; this bill never came to a vote.

Mr. BROWN of Ohio. I do not mean this bill. I mean the items contained therein or the authorities contained therein.

Mr. JUDD. No.

Mr. BROWN of Ohio. We had before us in the first session of the Eighty-first Congress some of these proposals to increase the responsibility of the United States with reference to contributions to these international organizations. As I recall it, the House either refused to consider, or turned down those measures.

Mr. JUDD. This same resolution was before the House last October in the closing days of the first session. It did not get to a vote. It was being discussed one day under the 21-day rule, and before the time had expired it was laid aside for a conference report which had a deadline date on it, and it was not taken up again for consideration in the first session of the Eighty-first Congress or in this session until last week when the debate on the rule was concluded under the 21-day rule.

Mr. BROWN of Ohio. This bill provides for an increase in the contributions made by the United States to these international organizations of approximately $800,000?

Mr. JUDD. The total increase in ceilings is approximately $2,500,000. The increase in the amount that will be appropriated this next year is about $900,000.

Mr. BROWN of Ohio. The gentleman does not have any doubt but that we will reach the ceiling?

Mr. JUDD. We will reach the ceilings only if the other countries increase their contributions proportionately. I think under those circumstances we should increase ours, up to the ceiling level if that is reached.

Mr. BROWN of Ohio. Do you in any way propose to reduce the percentage of contributions made by the United States to these organizations?

Mr. JUDD. No; this bill does not require reduction of percentage; but that is our Government's policy in all cases

where our percentage is more than a third. It is much lower than that in many cases.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. JUDD] has expired.

Mr. VORYS. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. BROWN of Ohio. Originally, of course, when the United States first entered into these agreements, if I recall correctly, many of the other nations which were members of these various UN organizations, were in very difficult economic situations. It was impossible for them to make heavy contributions. Since that time we have spent billions upon billions of dollars of American money to help those nations recover in an economic way. I am just wondering if we are taking into consideration the fact that those other countries now have a greater ability to bear their fair share of the load and are going to see that they do meet their fair share of responsibility, now that we have aided them to recover to such an extent they have 40 or 50 percent greater production of goods and commodities than prior to the war.

Mr. JUDD. I think that is a good question, and the answer is "Yes."

Mr. BROWN of Ohio. Now what action do you take? What guaranty is there, if any, that the burden on us will be reduced? If I support this legislation, how can I go back to my people and say, "We have acted to protect your interests?" What guaranty is there of that in this bill?

Mr. JUDD. There is no guaranty of that in the bill, and I do not see how we could insert it. We cannot try to dominate the organization or control the shares of other countries, any more than we intend to let them control our appropriations. Let me point out the percentages now in existence. The United States is contributing 25 percent of the budget of the Food and Agricultural Organization. Twelve and one-half percent of the South Pacific Commission. There are only six countries in that organization and we are one of the smallest contributors, because we have only a few islands in that area, whereas Great Britain, Australia, the Netherlands, and New Zealand have larger holdings, New Caledonia and other islands.

Our share of the World Health Organization's budget was almost 40 percent, originally. A year ago the organization under our persuasion, reduced it in a resolution which said precisely what the gentleman has suggested, namely, that as economic conditions improve in those countries it shall be the policy of the World Health Organization to reduce the share of the United States, so that ultimately not more than one-third of its budget should come from any one country. They reduced it to 36 percent last year, and in the meeting in Geneva a month ago they reduced it to 35 percent. I have every confidence that it will go down to 33⅓ percent.

Mr. BROWN of Ohio. As I understand it, you are dealing with 5 international organizations out of about 48?

Mr. JUDD. That is right.

Mr. BROWN of Ohio. The average increase on these five will be about two and one-half million, if everyone else puts up their full amount?

Mr. JUDD. That is the maximum increase.

Mr. BROWN of Ohio. What will be the reduction in percentage from the present figure the United States will be putting up under this bill?

Mr. JUDD. In the case of the World Health Organization, it will unquestionably go down to 33⅓ percent. I do not think the percentage of the ILO should go below the present 22 percent, or the South Pacific Commission below the present 12½ percent; or Food and Agriculture Organization below the present 25 percent.

Mr. BROWN of Ohio. If I can check correctly, the grand total of contributions, by the United States is $128,734,000, or 47.23 percent of the total amounts furnished by all the other countries of the world to these various UN organizations.

Mr. JUDD. That is right.

Mr. BROWN of Ohio. The point I am driving at is simply this: When are we going to cut that percentage down and lessen the burden on our own people? We are now running a large deficit, the heaviest tax burden and the greatest national debt we have ever had in our history.

Mr. JUDD. If the gentleman will look in the appendix of the committee report he will find under the heading, United Nations and specialized agencies, two groups: permanent and temporary. There are three of the latter, the International Refugee Organization to which the United States contribution is over $70,000,000; the United Nations International Children's Emergency Fund, for which we have authorized $25,000,000, or 72 percent of its budget; and the third is United Nations Relief for Palestine Refugees, $8,000,000. Since this report was prepared the Congress has voted about $27,000,000 more for this one agency.

Mr. BROWN of Ohio. The gentleman says those are only temporary organizations?

Mr. JUDD. That is true, they are to provide relief in emergency situations arising out of war.

Mr. BROWN of Ohio. Has the gentleman ever heard of one of these temporary organizations being discontinued?

Mr. JUDD. Yes. For example, UNRRA, which was by far the biggest of all.

Mr. BROWN of Ohio. But in its place we devised something bigger and better, the ECA, and now this point 4 program, which I am sure will soon be larger than UNRRA ever thought of being.

What I am driving at is to ascertain, if I can, why on earth we in this Congress are not trying to protect the interests of the American taxpayers who are having to pay for all these world-wide organizations, and a lot of useless operations, like UNESCO, and some of those others which have not paid off. They have not paid off, and now we find ourselves spending the money of the people of this country in an armaments race and for defense preparations. Our expenditures in these international fields certainly have not accomplished what we started out to accomplish, and I am wondering what we are doing to protect the interests of the American people.

Mr. JUDD. I have recently returned from the World Health Organization meeting in its annual assembly in Geneva, and I can assure the gentleman that the American representatives there took a strong, firm, persistent position that the United States could not be bled by increasing by any percentage the contributions from this country. A delegate from another country got up in that meeting and said that the contributions should be on the basis of ability to pay and that the United States was the most able because it had the highest per capita national income.

Mr. BROWN of Ohio. And the gentleman took a very strong stand that the United States could not continue to be bled in the way we have been bled and are being bled?

Mr. JUDD. That it could not be bled by increasing our percentage.

Mr. BROWN of Ohio. The gentleman meant "further."

Mr. JUDD. There were delegates from some countries who openly sought to increase our percentage and wanted to go back to the UNRRA formula of our paying 72 percent which was worked out by Mr. Acheson and his deputy, Mr. Hiss, in the Atlantic City conference which set up that organization.

Mr. BROWN of Ohio. By whom?

Mr. JUDD. By Mr. Acheson and Mr. Hiss. Mr. Acheson was our chief representative there and agreed to that formula for UNRRA.

Mr. BROWN of Ohio. I am sure that neither gentleman has contributed a great deal to the peace of the world or to the benefit of the United States.

Mr. JUDD. I mentioned that illustration because I wanted to show the gentleman that we have gotten away from that pattern of thinking. Some wanted to go back to it in the WHO Assembly, and I suppose they would like to in other organizations, too. They said that the United States on the basis of annual per capita income ought to be paying 72 percent now the same as in the case of UNRRA. But they will not succeed. We got up and said, among other things, that if they want to consider the per-capita income they should also consider the per-capita debt, and we pointed out that the per-capita debt of every American citizen is over $1,700. We were able without difficulty to resist the pressure to increase our share. Instead of an increase there was a decrease.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. KEE. Mr. Chairman, I yield two additional minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Iowa.

Mr. GROSS. I hope that when the foreign agent spoke up in meeting and said the contribution should be based upon ability to pay, the gentleman from Minnesota promptly reminded him that

the United States debt was more than the debt of all the rest of the world put together.

Mr. JUDD. That is what we said; I myself pointed out that the per capita debt for every man, woman, and child in the United States was over $1,700.

Mr. GROSS. The gentleman from Minnesota reminded him of that?

Mr. JUDD. I did, and as a result of our representation they reduced our percentage from 36 to 35. So I believe the interests of the American taxpayer were reasonably well protected; and I wish to add that the State Department representatives, and Dr. Scheele, the head of our Public Health Service, who was the chairman of the American delegation, were just as firm and vigorous as any Congressman could be in protecting the interests of the United States, which action I am sure is also in the interest of the organization.

It is just as bad for the organization itself as it is for the contributor, to have more than a third, and in my opinion, more than one-fourth of its budget coming from any one of its members.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from California.

Mr. PHILLIPS of California. Is this an authorization for the expenditure of funds?

Mr. JUDD. It is, yes.

Mr. PHILLIPS of California. And this will have to go to the Appropriations Committee?

Mr. JUDD. Yes. This puts a limitation on the amount that we may contribute. The Appropriations Committee cannot go beyond these ceilings. It does not have to come up to them. As a matter of fact, the present request in one case is for only about 40 percent of the ceiling.

Mr. PHILLIPS of California. May we have it understood through the gentleman, then, that we have not, therefore, obligated ourselves to give immediately this full amount that has been mentioned?

Mr. JUDD. The gentleman may understand that firmly and definitely. As I have said, there has been no request for anything like the maximum as yet.

Mr. Chairman, before I yielded to answer questions, I stated that one of the basic questions in considering this subject is, Why should we have ceilings? I may say that there are some people, including the State Department, who believe we should not have such ceilings in legislation. I myself, and our committee, think we should have them, first, so it is understood by all concerned that the Congress has the right and intends to review every year what is going on in these organizations. Secondly, because we believe that you and I, having taken an oath to support the Constitution of the United States, cannot delegate to any other organization the determination of what our appropriations for any purpose are to be. I believe that in the case of these organizations that are proving themselves sound and are operating reasonable and useful programs that need moderate expansion, we should make larger contributions, but we should not allow any organization to get control over how much we should give or should not give. Hence, I am firm in the belief that we should have ceilings. Whenever an organization has demonstrated that it is doing a good job and needs and can use advantageously a larger amount than our ceiling permits, and other countries will increase their contributions proportionately, I believe the Congress should be willing to raise our ceilings appropriately, which is what we seek to do by this joint resolution.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. VORYS. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Tennessee.

Mr. JENNINGS. In the very interesting statement the gentleman is making he said a moment ago that Mr. Acheson was connected with something. Does the gentleman mean Dean Acheson, our present Secretary of State?

Mr. JUDD. Yes.

Mr. JENNINGS. And the gentleman also mentioned a Mr. Hiss. Was that Mr. Alger Hiss?

Mr. JUDD. Yes.

Mr. JENNINGS. There is an axiom of the law that fraud vitiates everything. Is there anything good that Alger Hiss ever did or that I ought to follow, adopt, or swallow, or jam down the necks of my people?

Mr. JUDD. The pattern that was adopted for UNRRA by those gentlemen is no longer being followed. The pattern in this resolution is a quite different sort of pattern. Under it the Congress, which I am sure the gentleman approves, has control over appropriations to the international organizations in question and nobody in the executive branch or in any other country or any organization can commit us to appropriate or contribute any amount to their support in excess of the limitations we here establish.

Mr. JENNINGS. This resolution makes it possible, if the Appropriations Committee should so far forget itself, to raise the appropriations $2,500,000?

Mr. JUDD. A total increase of approximately $2,500,000. I am sorry I have not had opportunity to discuss the work or merits of the individual organization. I believe they are all deserving of the increases provided.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. KEE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I wish to urge most vigorously the adoption of House Joint Resolution 334, which will lend new strength to America's program of positive action for world peace. The reasons for expanding our support of these five agencies can be stated simply. First, they are proof to the rest of the world that our foreign policy is not limited to a negative drive to stop communism but rests on an affirmative desire to raise the standard of living of all the free peoples.

Three of the agencies involved here are part of the United Nations system, and they are proving again and again the validity of the principles of international cooperation. These agencies are the World Health Organization, Food and Agriculture Organization, and the International Labor Organization. The other two agencies are the South Pacific Commission and the American International Institute for Protection of Childhood. There can be no doubt but that through our work in these organizations, too, we establish to the mass of the world's people, our good faith in international relations, the main responsibility for implementing total diplomacy which the President and Secretary of State have set down as our international goal.

It is a truism that of all of our representative institutions, this Chamber is closest to the American people. By adopting House Joint Resolution 334, we shall offer a forceful proof that our foreign policy draws its real strength from the whole country.

These organizations are so obviously resigned to eliminate the human suffering on which communism and other totalitarianisms feed, that it is inconceivable to me that anyone really anxious to oppose dictatorships can fail to support House Joint Resolution 334.

Perhaps the best known of these agencies is the International Labor Organization. Since 1919 the ILO has done a valiant job of raising the world living and working standards. It is a completely voluntary organization, in which the leading spokesmen for labor, management, and Government work out joint solutions to common problems. Since 1934 the United States has given its support to the ILO and we have every reason to continue to strengthen that support. At the present session, our Government is ably represented by Assistant Secretary of Labor Philip M. Kaiser and Senator HERBERT R. O'CONOR, and our able colleague the gentleman from Pennsylvania, Congressman GUS KELLEY, is the alternate delegate. Our country's employers are represented by Charles P. McCormick, of McCormick & Co., and the labor spokesman is George P. Delaney, of the A. F. of L.

Adoption of House Joint Resolution 334, is the best and most immediate proof that we can give to the citizens of the world democracies that we are committed to a better life for them as well as for ourselves.

Mr. KEE. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Chairman, I hope there is no disposition in this House to treat the resolution before us, House Joint Resolution 334 as a matter of minor importance.

The sums of money concerned are relatively small. There are no great pressure groups working for or against passage. The resolution comes to the floor unheralded by headlines or radio broadcasts. But House Joint Resolution 334 is a piece of legislation which ranks with the Voice of America as a potential for making the force of our democratic ideals known around the world. I believe its approval is imperative if we

are to make progress in the multitongued battle of the free world against the Communists.

Just what does this resolution do? It would raise the ceiling on United States contributions to three specialized agencies of the United Nations: the World Health Organization, the Food and Agriculture Organization, and the International Labor Organization. It also provides for raising the ceilings on our contributions to the South Pacific Commission and the American International Institute for the Protection of Childhood.

Before we discuss the specific amounts involved and the reasons for requesting increased American aid, I want to say just a few words about our obligation to the United Nations itself. I am among those who believe that our conduct in that forum in which so much of world opinion is formed has been above reproach. I think we have done everything that we could to make the United Nations a success. That the United Nations is not yet a success is the fault of Soviet Russia and her all-obedient satellites. But there are those in the world, who remain unconvinced, who have lived too long in the shadow of distrust to place their trust easily.

These agencies of the United Nations are the best possible route to the end of that distrust. They are the best method of rehabilitating the United Nations as a force for peace in the world—and making it clear that this country is ever ready to work for world cooperation within the UN.

I am particularly interested in the matter of the World Health Organization. This unit has done a magnificent job under almost unbelievable handicaps. Yet as I speak, the United States has still not paid $600,000 of its obligation to the current budget of the WHO. And unless this resolution passes, this Government will default that amount. Furthermore, the United States was not able to give any support to the new budget when the World Health Assembly approved that budget in Geneva on May 8.

I cannot believe the Members of Congress want to undermine the work of the World Health Organization. Many problems of public health have ceased to be matters for merely national concern. They must be solved by international teamwork. We have learned that the only sound long-range defense against epidemic diseases is an attack upon diseases at their source. Today the rapid increase in the speed and amount of travel has sharpened the threat of the invasion of our own shores by diseases that infest other areas. The World Health Organization is the international agency which has been created to carry on an integrated attack against disease everywhere. Each of its projects aiming at eliminating reservoirs of disease aids not only the people of the infested area, but all of us.

The World Health Organization, although it was not established as a permanent body until September 1948, has already paid rich dividends in human lives, in better health, and in general economic improvement. The campaign against malaria in Greece, for example, has resulted in an almost 98-percent reduction in malaria cases, and has made available the equivalent of 30,000,000 man-days a year in increased labor.

WHO demonstration teams are operating in many countries showing local health personnel effective methods of combatting malaria and venereal disease. The largest mass immunization campaign in history, the antituberculosis campaign in Europe and other areas, is being carried on through the cooperative efforts of the WHO and the United Nations Children's Emergency Fund. A WHO fellowship program is making possible the training of hundreds of doctors, nurses, and other desperately needed health personnel.

WHO is making progress in applying the magnificent discoveries of modern science which have provided us for the first time truly effective weapons against disease. I am convinced that no one in this House would wish this progress impeded.

Yet, this is exactly what will happen if House Joint Resolution 334 is not approved. This resolution provides for raising the ceiling on the United States contribution to the World Health Organization from $1,920,000 to $3,000,000. I would like to emphasize that this is a maximum, not a minimum, amount. The budget of WHO has already been increased from $5,000,000 to $7,000,000, and although the United States share of the budget was reduced by the second World Health Assembly from 38.54 percent to 36 percent, our share of the present budget is $2,520,000. This already exceeds the ceiling previously authorized by Congress.

On the other hand, the budget of the WHO is small indeed when the magnitude of its task is considered. WHO has completed its initial organization, and it now must have funds to carry out the field programs and other operations which are the core of its program. Without this, their objectives become a mockery and our claimed interest a sham.

It is not that the members of WHO expect the United States to carry more than its share of the load. On the contrary, the member states have all agreed that the United States share of the budget would be reduced gradually to 33⅓ percent as the economic conditions of other members improve.

The United States percentage is higher than that of any other state, but other members are contributing as much and more than the United States on a per capita basis. Our contribution amounts to a cent and one-half a year for each person in the United States, a very small investment for a program that is helping to protect our health, the health of the world, and more than that, I firmly believe, helping to preserve world peace.

The World Health Organization is not planning any major increase in its budget beyond the figure of $7,000,000 voted for 1950. The budget for 1951, approved by the executive board of the WHO, which will be considered at the world health assembly in May, is $7,100,000—an increase of only $100,000.

Our Committee on Foreign Affairs has examined the proposed plan of operations of WHO extremely carefully, and has declared in its report that—

> It was made apparent that the organization is proceeding along sound lines avoiding temptation of trying too much too soon.

The committee concluded that—

> The World Health Organization amply justifies confidence from the United States and the increased contribution is fully warranted.

I would like to add a final warning. If the United States defaults on its contributions to the World Health Organization for 1950, the organization will be required to reduce its operations. Furthermore, if the United States defaults, the support of the organization by other states may be greatly weakened. Other states may seize on the United States failure to meet its assessment as an excuse for also defaulting and an atmosphere be created which would result in breaking the back of the entire international health program.

This would be disastrous. The improvement of the health of the people in many areas is an integral part of our effort to improve economic conditions. We are spending billions to spur the economic recovery of Europe. The work of the World Health Organization contributes greatly to economic advancement, not only in Europe but in the underdeveloped areas of the world. We must not permit the World Health Organization to founder by failing to authorize an increase in our contribution to that organization of only slightly more than a million dollars. The failure of the WHO would be a blow to all of the international efforts to develop through the United Nations and its specialized agencies a foundation for enduring peace.

Mr. KEE. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, the legislation now before the House deals with the contributions which our Government shall make to five international organizations: the American International Institute for the Protection of Childhood, the Food and Agriculture Organization, the South Pacific Commission, the World Health Organization, and the International Labor Organization.

Adequate hearings were held, and the committee then considered in a number of sessions the problems raised by the needs of the groups involved. The committee considered the following questions:

(a) Whether or not an increase in United States contributions to the organizations concerned was justified.

(b) Whether ceilings should be eliminated as sought by the executive department, or whether new ceilings should be set, taking into consideration any need for increases.

(c) Whether the approach should be through one piece of legislation or through five individual items of legislation.

The committee decided to recommend keeping limitations on contributions to

the organizations involved and to deal with the problem in one piece of legislation. Thus, you have House Joint Resolution 334 before you for your consideration.

It should be helpful to give you a comparison of the money involved in this legislation in comparison to the total United States expenditures in the field of international organizations. This is done for you in appendix I of the committee report for the fiscal year 1949. The total contribution of the United States to permanent international organizations during that year was in round figures, $24,500,000.

This figure represents about six tenthousandths of the total expenditures of this Government in the fiscal year 1949. In relation to the Government's military expenditures in the same period, it stands in the ratio of 1 to 588. It stands as about 1 to 250 in relation to the Government's expenditures for foreign assistance for the like period.

In the determination of the fiscal position of the Nation, expenditures on permanent international organizations are thus a minor factor. This is not intended, however, to waive aside the importance of these expenditures or the necessity of considering them with care. To the contrary, these expenditures should be measured in accordance with principles of strict economy—not necessarily in the sense of economy which counts as lost every dollar spent, but rather in the sense of insisting that every dollar spent must be justified by results.

In the American philosophy of government, we look to public authority to do the things that are beyond the reach of individuals and private groups, and we look to the central government to do only those necessary things that cannot be done by the local units of government. A parallel exists in this respect in relation to national and international governmental activities.

Therefore we should look to international organizations to do those things, desirable in terms of human benefits, which are beyond the reach of nations acting alone. Thus we can reasonably expect international organizations to make an increasingly convincing demonstration to all men of the hope that lies ahead in the path of international cooperation.

Everyone should realize that international organizations cannot properly function if they are encased in a financial strait-jacket. Their areas and levels of action must be given reasonable room to function. Successful organizations must, in a measure, determine their own limits of value and action. By the very fact of their operation in one period, they will tend to transform situations so as to increase the needs of their activity in a subsequent period. Such growth is nothing more or less than a characteristic of success, and yet, such development must be kept within bounds and made to respond to reasonable standards.

Each of the organizations here involved is a voluntary group organized and functioning as a democratic body. All the nations involved, including our own, are getting actual international democratic experience, which we all need. Each organization involved is actually applying the democratic concept of cooperation to the solution of problems they are each designed to cope with. This is an opportunity we should welcome. Are we then as a leading exponent of democracy going to withhold our encouragement of such action?

This legislation is, in my opinion, vitally necessary if we make the contribution we should make toward expanding and strengthening democratic concepts through the world. Such expansion and strength is necessary if we perpetuate our way of life. At such a comparatively small expenditure it would, of course, be utterly foolish to pursue any other course.

In closing, I earnestly urge all my colleagues to support this legislation in the interest of peace through international cooperation, understanding, and friendship.

Mr. VORYS. Mr. Chairman, I yield 8 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, it was my privilege to go to Europe and the Near East last fall as a member of the Select Committee on Expenditures in the Executive Departments to look particularly into the operation of various United Nations Organizations. I followed this report with a great deal of interest. One of the organizations that we gave a great deal of attention to, because it was not an action agency, but one of the so-called advisory and technical information services, was the World Health Organization.

I note on page 19 of the committee report there is a statement of the testimony of Dr. Scheele, for whom I have a very high regard. This statement starts out this way:

> WHO is a new organization. It is getting its feet wet. It is taking its first steps. It has gone a long way.

I suggest that, as I follow through other statements of the testimony, there is a definite philosophy prevalent, as evidenced by the testimony here, that they are going to utilize some of the functions of UNICEF, following its proposed extinction next year, to embark in other fields than a purely advisory and technical assistance program. In other words, WHO was set up as an advisory and technical assistance organization, but I have every reason to believe, from the committee print here, that there is going to be an attempt made to make it an action agency. I think that would be certainly detrimental to the theory under which WHO was organized, and I certainly would hope that that is not going to be the case.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from Minnesota.

Mr. JUDD. I can give the gentleman categorical assurance that that is not going to be the case. I think that may be the major reason why the Russians and their satellites have refused to participate further in the work of the Organization. Apparently, they thought they could maneuver the World Health Organization into operating a great, expensive commodity-supply program, so that it would be furnishing powdered milk, vitamins, and what have you to the people in their areas as the UNICEF did for children. And when it became clear that WHO was sticking to technical assistance, not commodity supply, they pulled out. But there are certain medical operations that UNICEF has been carrying on in connection with tuberculosis, vaccination, and other public-health measures which should be on a permanent basis. When we do terminate the Children's Emergency Fund, because the emergency for which it was created has ended, then these long-term functions should be permanently under WHO.

Mr. HARVEY. That is exactly the thinking I am talking to the gentleman about.

Mr. JUDD. But it is not a supply program, it refers to the medical aspects of it.

Mr. HARVEY. As this says, you are going to get your feet wet. You are going to get them wet in an action agency. That is where you are headed just as sure as the world.

Mr. JUDD. It cannot be very large under this ceiling established in this resolution.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from Montana.

Mr. MANSFIELD. It has been the policy of the Congress to send a committee of Representatives from the House and Senate each year to sort of check on this organization. Last year we sent the gentleman from New York, Dr. PFEIFFER. This year we sent our distinguished colleague, the gentleman from Minnesota, Dr. JUDD. These people give a first-hand report on what is going on. In that way the Congress can remain cognizant of what these organizations are doing.

Mr. HARVEY. I am not casting aspersions at the gentleman from Minnesota, Dr. JUDD, at all. I am simply giving the report as I saw the picture over there.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from Iowa.

Mr. GROSS. I do not quite understand what the gentleman means by an action agency. Is that when they get both feet in the trough and start spending billions of dollars instead of a few million?

Mr. HARVEY. I would say that the amount of spending as far as a United Nations organization is concerned is not a measure of whether they are an action agency or not. As the point was just made, the function of the World Health Organization is advisory, and I think it should at the very least remain in that capacity. But if you start vaccinating children all over the world, then you become an action agency.

Mr. MANSFIELD. If the gentleman will yield further, I want to take this occasion to compliment him and the committee of which he is a member on the fine and thorough job you did in carrying on your investigation last fall.

You did a splendid job, and I think we owe you a debt of gratitude.

Mr. HARVEY. I thank the gentleman.

Mr. JUDD. If the gentleman will look down further on page 19, where he was reading, to about the middle of the page, he will find this also from Dr. Scheele's testimony:

> The International Children's Emergency Fund is a supply organization whereas the World Health Organization is not.

That is the crux of the matter. This ought not to be and I am utterly opposed to its being a supply program.

Mr. HARVEY. There is a difference between even a supply program and an action agency, I suggest to the gentleman, and I think certainly it is headed in direction of an action agency. We should certainly recognize the fact we ought to be getting out of the supply phase because we were in Warsaw in Poland as an official committee there of the Congress. We had been granted admission, but then when we finally arrived there they would not even let us see how they were disposing of UNESCO's supplies. So I never entertained the thought that there was any thought in the WHO organizations of continuing the supply activity, but I do say you are heading directly toward that very thing that I am warning you about which is that you are getting your feet wet as an action agency which was never contemplated for WHO.

Mr. JUDD. If by the term "action agency" the gentleman means field activities, why of course WHO always has contemplated and should carry on field activities. It has two types of operations. One is in the field. For instance, it picked out three major problems on which to focus its work in the field. They are the greatest health problems in three-fourths of the world, namely, malaria, tuberculosis, and venereal diseases. Its method of approach is not the supplying of drugs or medicines. Rather it sends technical experts to help individual countries to strengthen their own public health services so that they can handle their own problems. Those are field activities.

Mr. HARVEY. I will say to the gentleman that the distinction lies in the fact that you should be sending technical personnel over there to advise with their medical and technical men in the field, not to go out and do the work. That is exactly the direction, I think, in which you are headed.

Mr. JUDD. It is understood, of course, that experts must go to the various countries. For instance, in India they have already set up a demonstration center where they can bring doctors and public health officials in from the various provinces to see what can be done for venereal diseases. With the discovery of penicillin and similar drugs it is possible to carry out rapid treatment that can almost eliminate those diseases as was never possible before in the long history of man. But the techniques are rather complicated and exact and only by bringing in the local doctors and the local health officers, can they observe the techniques so that they can then go back and attack the problems in their own areas.

Mr. HARVEY. That comes back again to the very thing I attempted to try to point out to the gentleman and explain my thinking, which is that you are going to finally wind up doing the program. That is just exactly the reason why a great many of the people of our country take a very dim view of many of these organizations. They feel we have been led far afield from the original intent of the United Nations Organization.

Mr. JUDD. Of course the gentleman will agree that an organization whose budget for the whole world is only $7,300,000 cannot get into very extensive operations.

Mr. HARVEY. I know, but under the program you say that is just the start, and that is exactly the complaint I am talking about.

Mr. JUDD. No, it was understood when we joined this organization, that under the orderly development, which I hope will come about, it will probably have eventually a program on a permanent basis with a budget of up to $15,000,000. It ought to do that much work a year, and the United States ought to put up for it at least the $3,000,000 this resolution authorizes. But as for an extensive and expensive supply program like the Children's Fund and UNRRA and IRO, there is no chance of that happening unless this Congress were to vote for it.

Mr. HARVEY. I hope what the gentleman says is true. I have wanted to say this on the floor of the House and to get it into the RECORD, because I have every right to feel that WHO at the present, if it sticks to its last, is going to do a good job, but I believe it is headed out into the realm of an action agency and when it does you will see a $150,000,000 budget.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. KEATING. Which section of the bill relates to WHO? Is it this subsection (b)? I cannot link the report up with the bill. How much is it proposed to increase the budget for WHO?

Mr. HARVEY. May I suggest that the gentleman direct his inquiry to the gentleman from Minnesota.

Mr. KEATING. Would the gentleman from Minnesota advise how much they are seeking by this bill to increase WHO?

Mr. JUDD. The ceiling would be increased from $1,920,000, which is the present ceiling, to $3,000,000. But the annual budget which has already been adopted by WHO would require from the United States only about $2,500,000. This ceiling of $3,000,000 is above WHO's present requirements, but rather than come back here every single year for a change in ceiling, we provided for a reasonable amount of growth and expansion, a certain cushion which is particularly important in health matters.

Suppose a world-wide epidemic of influenza, were to break out, such as we had at the end of World War I, the organization ought to have a certain amount of elasticity for emergencies. But when the organization has only $3,000,000 as the ceiling on the total appropriation from the United States, believe me it cannot run away very much, can it?

Mr. HARVEY. May I say in conclusion I do not think it is the intention of the Members of the Congress of the United States to attempt to raise enough money to make the whole world healthy.

Mr. JUDD. That is completely true, and this resolution makes that certain.

Mr. KEE. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. HOLIFIELD] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, I wish to commend to the House House Joint Resolution 334 which would raise the ceiling which Public Law 843 placed upon United States contributions to the International Labor Organization and certain other international organizations. I am in full support of this resolution because I am a strong believer in the principle that if, in this atomic age, we are to attain peace in the world, one of our major instruments for attaining that peace is the United Nations and its specialized agencies.

For 30 years the ILO has been carrying on effective and constructive work in the labor field. I need not emphasize the importance of labor in the world we live in today. We are faced with two major tasks. First, we must raise economic and living standards throughout the world so that peoples everywhere may attain at least those minimum conditions which will satisfy their material needs. Secondly, we must do everything in our power to check expanding world communism. These two objectives, of course, are inseparably related because a major bulwark against communism is raising standards of living.

For 30 years the ILO has devoted itself to raising standards of living. It has not done this in the theoretical plane. It has done it concretely. The ILO knows that standards of living cannot be raised without corresponding increases in productivity and the ILO's program in the fields of manpower utilization and training workers in specific skills are geared directly to increasing productivity.

In short, the ILO is in my opinion an important instrument for world peace, because the ILO is an efficient international organization and because it is devoted to constructive efforts to solve those economic problems which stand in the way of peaceful relations between nations.

House Joint Resolution 334 is designed to remedy a major impediment to effective United States participation in the ILO and other international organizations. All that it does is to raise the limitation on United States contributions to the ILO, FAO, WHO and certain other international organizations. It does not say that United States contributions to the ILO must be more than they are now, nor does it say what the United States contributions to the ILO should be. That, I submit is not related to authorizing legislation. Ever since the

ceiling limitation imposed by Public Law 843 has been in effect, our delegation to ILO meetings have been seriously hampered. The budget of the ILO and all other international organizations is determined by general democratic agreement of the member countries.

This is no time for the United States to risk compromising the efforts of international organizations which are in line with the objectives of our foreign policies. The ILO is doing this. Let us keep our friends where we have them.

(Mr. SHELLEY asked and was given permission to extend his remarks at this point in the RECORD).

Mr. SHELLEY. Mr. Chairman, I want to speak in support of House Joint Resolution 334, which would raise this country's contribution to several international agencies, among them the International Labor Organization. Unless this bill is passed, we will be unable to meet our fair share of the running expenses of the ILO.

As an American and as an American trade unionist, I am particularly interested in the ILO. Its creation in 1919 was due in large measure to the inspiration of Samuel Gompers, the first president of the AFL, whose one hundredth anniversary we have just celebrated.

But my support of the ILO is not limited to this sentimental attachment for its past. I have seen the ILO at work in the present-day world and I know that it is carrying on its job with efficiency and vigor. Its job—the raising of working and living standards throughout the world—is one I am sure we will all support.

I was a member of the United States delegation to the ILO Conference in 1948, held in San Francisco. There I saw government, management, and labor representatives from all over the world working together and finally coming to agreement on the best ways to improve labor standards. Delegates to that conference represented all the leading industrial countries of the world with the exception of the U. S. S. R., which is not a member of the ILO. The political scenes and the economic structures in the delegates' home countries varied greatly, as you would imagine. Yet we were able to agree on a number of important points.

Watching the ILO at work, I thought that it offered the best possible medium for real representation for the United States.

Our Government is, of course, represented in all UN agencies, but only the ILO provides a meeting place for our free-labor movement and for our employers. In all ILO meetings the voices of industry and labor are heard, as well as that of government. Our system of free enterprise is nowhere shown to better advantage internationally than in the councils of the ILO.

Compared to other funds which have been voted or are contemplated by the Congress, the money involved in this legislation seems very little indeed. Yet if we do not pass this legislation, we will seriously cripple the ILO's current program.

Before closing, I want to mention a part of that program which is, I believe, of particular importance. The ILO has been working with notable success assisting the Marshall plan countries of western Europe in the solution of their manpower problems. It has given them technical assistance in the problems of training and retraining workers for industry and in the establishment of employment services so that the job and worker can be brought together.

In addition to its work in western Europe, the ILO is giving similar assistance to the countries of Asia where the need for trained workers is acute. This activity of the ILO, which fits in so well with the programs contemplated by the point 4 legislation, should be supported and not curtailed. I therefore want to register my wholehearted support for House Joint Resolution 334.

Mr. VORYS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, this bill seeks to raise the ceilings for certain United Nations organizations and I favor it as a necessary measure. I think, also, that it is a very good place at which to make a few observations about the United Nations itself.

Two impressions have been sought to be created with respect to the United Nations.

First, that all of these activities, like the World Health Organization, the Food and Agricultural Organization, and the International Labor Organization, are little extra appendages which really did not belong to the original conception of the United Nations.

Second, that there is something fundamentally invalid about what was the very leading point in the bipartisan foreign policy which saw this country through a great world war and into the auspicious beginning of a great peace—bipartisanship in foreign policy or the United Nations.

Let us understand that when we are facing the American people today with a $14,000,000,000 budget for defense we have at the same time got to offer them some feeling that we are trying to work for peace. One of the two major hopes that we offer them that we are trying to work for peace is the work we do through the United Nations. The hope we offer to the millions and millions of free peoples throughout the world, is the hope that we offer them through these very programs which are so lightly condemned here on the theory that we are being financially bled, which seek to improve their own standards of living, their own health, and their own agriculture, and to keep them from getting into that state of despair, which is the royal road to communism.

On this question of being bled white due to the cost of these programs, I would like to say this: We had general Marshall before us the other day in the Foreign Affairs Committee, testifying on the mutual defense assistance program, which is more popularly known as "arms for Europe." Mr. VORYS and I jointly handling this phase of the testimony, asked the General to give us an estimate of what it would mean to the budget and to the people of the United States if the United States instead of being isolationist, which was the old worry in the days before World War II, should become isolated by the fact that the major free countries of the world went the Communist way. General Marshall, after some thought and deliberation, said that in his opinion, at the minimum it would cost us $30,000,000,000—not $14,000,000,000 but $30,000,000,000—for the defense of the United States, and, Dr. Judd reminds me, $30,000,000,000 this is annually—recurring each year.

Let those gentlemen who think we are being bled white who are weighing in the balance an addition of about $2,500,000 as a ceiling increase for these organizations, which make the work of the United Nations go round, let them weigh the cost in terms of more military expenditure alone of following any view which would isolate the United States. Let them add to that the regimentation. We have debated here on the floor about regimentation. Just think over the regimentation of our country if we had to have a $30,000,000,000 military establishment, and if the country was girding itself for war. Everything we are talking about today that we call regimentation would be a pale shadow by comparison. Add to this also the mandatory decrease in the standard of living of all Americans attributable to the diversion of so much more of our production to military needs.

It is extremely important that the United Nations be maintained. It is extremely important that the free peoples of the world, sustained by us and by the great body of nations, shall have this hope for peace.

I would like to tell you one specific reason why. We are dealing with the Soviet Union in a very difficult struggle between freedom and slavery, not only for the world's mind but for the world's spirit, for its opportunities and resources, and for the future of all people. In that struggle, if we should shut out the Soviet Union and its satellites as we have been advised to do on occasion and make the United Nations just a social club for our own friends, then we would be giving the Soviet Union and its satellites the greatest vindication for their own people that could be had. Remember they have their own people that they have to deal with every day. Because what they are saying to their own people is that we hate them—the people—that the Western World hates them. They tell them that the Western World intends to attack and to subjugate and to exploit them, and you can see how we would just be confirming everything that this blind leadership in the Kremlin is telling the 200,000,000 Soviet and satellite people if we by our own unilateral action should eject them from the United Nations. No; Mr. Chairman, the way to deal with the Soviet Union is to have infinite patience. We can stick it out for a lot longer than they—we have the morale and the resources to do so—and we want to stick it out because we want peace. If we keep our shirts on we can win; for all free people and for those who desire freedom; if we lose our heads we are in grave danger of losing for all.

Mr. KEE. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Chairman, I ask unanimous consent that the gentleman from Washington [Mr. JACKSON] may insert his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. JACKSON of Washington. Mr. Chairman, House Joint Resolution 334, which we are now considering, increases the ceilings on United States contributions to five international organizations of which we are members.

I have had personal experience with one of those organizations—the International Labor Organization. I have had the privilege of participating in some activity of the ILO every year since 1945. In 1946, I had the honor of presiding over the International Maritime Conference in Seattle.

Based on what I have seen, I believe that the ILO is an organization that gets results—results which are extremely helpful to American industry and labor, and which probably save the United States money in the long run—because they help to further European recovery, in which we are investing billions of dollars.

I think our participation in and contribution to the ILO is a good investment for America—one that will pay good dividends.

Take ILO's contribution to European recovery, as an example. One of the great obstacles to faster recovery is the shortage of skilled workers—which, sadly enough, often goes along with a surplus of unskilled workers. The committee of European nations—the OEEC—asked the ILO to help out. The ILO has helped to set up training programs to help correct this situation. It has also improved the operation of employment services throughout Europe, so that labor can move more easily to the places where it is most needed. We have spent billions of dollars trying to accomplish European recovery. If the ILO is able to further this objective, then I think our contribution to the ILO is an investment well spent.

One of the fine things that comes out of the ILO is the establishment of minimum wages and standards of working conditions. This is good for American industry as well as for American labor. It is good for our working people because it helps to guarantee for them the standards they have been able to achieve. It is good for industry as well, because it tends to equalize costs of labor all over the world, and eliminate disadvantageous competition.

Now it may appear that the ILO is nothing more than a debating society, since in many cases its conventions are not formally ratified by the member nations. Yet these conventions do have a noticeable effect. For example, in the renovation of certain passenger ships after the war, shipping companies did pay heed to a convention passed at the International Maritime Conference in Seattle in 1946, which dealt with the conditions of crews' quarters.

Even if the ILO were just a debating society, I believe it would still have considerable merit, in bringing together the representatives of government, industry, and labor, so that they can discuss their common problems, and get a better idea of what the problems of their industry all over the world mean to them.

The United States contribution to the ILO is considerably less than its contribution to the UN itself, as well as many of the major specialized agencies. While we contribute up to 40 percent of the budget of other agencies, our contribution to the ILO is only 22 percent.

Many of you may know that the ILO has recently come under the direction of David Morse, formerly our own Under Secretary of Labor. Under his guidance, the ILO is striking out in new directions. The present ceiling on our contribution to the ILO does not permit it to maintain the programs the organization is now calling for.

I urge you to support an increase in the ceiling on our contribution to the ILO—for the welfare both of American industry and American labor, and as a good investment in our entire world program.

Mr. VORYS. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, we have before us a joint resolution dealing with the participation of this country in international organizations. I want to say to the Members of the House, both Democrats and Republicans, that I have come to the conclusion unreservedly that it is about time for the American people to wake up and realize just what is being done by our Foreign Affairs Committee and our State Department and those who are fostering the things we are doing in these international organizations to the point that eventually we will be so complicated in the affairs of all the nations of the world that America will be no more.

Whenever the time comes that we give more attention and more time to looking after foreign countries than to looking after our own people it is about time for the American people to wake up and look after the Congress of the United States and get men here who will work to save America. I am afraid that the complications you are getting us into will eventually wreck us, as the money you are taking from the American taxpayers to look after foreign countries has about reached its zenith. I just looked at a comparison between this country and Great Britain. Great Britain is in the black; the United States is in the red. The United States budget for 1950 is substantially this: Receipts, $36,600,000,000; expenditures, $42,000,000,000; deficit, $5,400,000,000, but it will go beyond that; it will be closer to $7,000,000,000 deficit. Look at Great Britain. Their budget for 1950 is: Receipts, $11,000,000,000; expenditures, $5,500,000,000; a balance in the treasury of a billion and a half; yet you Members of this Congress are giving socialized Great Britain more than a billion and a half of our own money, sticking up your own American taxpayers and asking them to go down in their pockets to raise that money. If that is not downright foolishness then I do not know what is. It is time you woke up; it is time the American taxpayers woke up. Before it is too late.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. HOFFMAN of Michigan. Why are you looking at me and the rest of the fellows on this side? We are not doing any such thing.

Mr. RICH. Well, you fellows who are voting right like the gentleman from Michigan need not worry. Look at the record of some of the Members—they are the fellows I am talking about.

Mr. HOFFMAN of Michigan. Look over there on the other side.

Mr. RICH. Well, I am looking over there; and I want the people of this country to know, too, their voting record—they are selling America short. I do not care whether you are a Democrat or a Republican. If you are going to pass this legislation—there are a few Republicans doing too much of this to suit me. I want them to get their just dues. I am not here to talk as a Democrat or Republican; I want to talk as an American. When the time comes that I do not want to be an American then I shall get out of the United States, I shall be ready to go to heaven or to some place else, but I am going to stay here and fight as long as there is any fight left. I shall fight for American liberty, freedom, and solvency.

Everything is hopeless unless we stop a lot of these appropriations. Beware of foreign entanglements.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Resolved, etc.*, That the following laws of the United States are hereby amended in the following particulars:

(a) Public Resolution 31, Seventieth Congress, is revised to read as follows:

"That in order to meet the obligations of the United States as a member of the American International Institute for the Protection of Childhood, there are hereby authorized to be appropriated to the Department of State—

"(a) the sum of $24,000 for payment by the United States of its assessed annual contributions for the period beginning July 1, 1946, and extending through the fiscal year expiring June 30, 1949; and

"(b) such sums, not to exceed $10,000 annually, as may be required thereafter for the payment by the United States of its share of the expenses of the Institute, as apportioned in accordance with the statutes of the Institute."

(b) Public Law 174, Seventy-ninth Congress, is amended by striking out the figure "$1,250,000" in section 2 thereof and inserting in lieu thereof the figure "$2,000,000."

(c) Public Law 403, Eightieth Congress, is amended by striking out the figure "$20,000" in subsection (a) of section 3 thereof and inserting in lieu thereof the figure "$75,000."

(d) Public Law 643, Eightieth Congress, is hereby amended:

(1) By striking out the words "There is hereby authorized to be appropriated annually to the Department of State" in section 3 thereof and inserting in lieu thereof

the words "There are hereby authorized to be appropriated to the Department of State for contribution to the working capital fund of the organization the sum of $560,000 and as annual appropriations the following"; and

(2) By striking out the figure "$1,920,000" in subsection (a) of section 3 thereof and inserting in lieu thereof the figure "$3,000,000."

(e) Public Law 843, Eightieth Congress, is hereby amended:

(1) By striking out the figure "$1,091,739" in subsection (a) of section 2 thereof and inserting in lieu thereof the figure "$1,750,000";

(2) By striking out the words "article 13 (c)" in section (a) of section 2 thereof and inserting in lieu thereof the words "article 13 (2) (c) and 13 (3)"; and

(3) By striking out the words "not to exceed $95,000 per annum" in subsection (b) of section 2 thereof.

Mr. MILLER of Nebraska. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, before we vote upon this piece of legislation we ought to understand that while this resolution affects only five international organizations we presently contribute to 48 international organizations. You will find them named on pages 25 and 26 of House Report No. 1257 of the Eighty-first Congress, first session.

The total amount that we are contributing to these 48 organizations is $128,734,489, which amounted to 47.23 percent of the total amount of the appropriations. While it is true we are asked here in this bill for additional money for five separate international organizations the over-all increase will be about $2,500,000.

I am concerned, Mr. Chairman, as to how many of these international organizations we might well belong to and whether these other countries should not now carry a larger percentage of the amount of money involved. Our country has a larger debt than all the other countries put together, some $260,000,000,000. Our money is being diluted and polluted to the point where the dollar is worth less and less as time goes by.

The European nations who participate in these organizations to an extent of less than 50 percent are recovering their economy. Why should they not be called upon to contribute a larger percentage to the operation of these groups? In fact, I feel this way: That many of these organizations could be dispensed with. While I am in sympathy with the purposes of the World Health Organization, I think its objectives are good. I know this: That when once these agencies are set up they go far beyond the purposes for which they were first created. They become an expanding bureaucracy. They will expand in this organization to vaccinate all the peoples of the world, if they could, and I would be for it if we could afford it. But, my colleagues, we cannot afford all these things, no matter how good they are. About 10 years ago we entered upon a program of vaccinating the children of the United States against smallpox, dyphtheria, and typhoid fever; and I am for it; I think that is where we really should start, because we have several millions that are still unprotected in these United States. But here we have an organization which takes in all of the peoples of the world. Well, we just cannot afford it. This country is broke, and it seems to me, while we may have some obligation to perform in going on and continuing them as is for a little while longer, the appropriation to them should not be increased. In fact, I think there ought to be a careful review of the 48 international agencies that we now support. Oh, yes; somebody said some of them were temporary agencies. I guess originally they were temporary, but they soon become permanent. You might be surprised to read the names of some of these organizations. There are 48 international organizations that we are bolstering up with the taxpayers' money. It amounts to more than $128,000,000. The committee say, "Now we come along with these five groups; let us give them some more money to enlarge their activities." I think it is time to shave these off, to cut them down, and not expand them.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Ohio.

Mr. CLEVENGER. I might say to the gentleman from Nebraska that there are some 250 of these international organizations altogether. I think the hearings for State, Justice, and Commerce show that some 100 or 101 are authorized to have meetings during the fiscal year 1950, and that the check for the expenses of these will be somewhere around $1,650,000. These four or five mentioned here are just a few of them. There are about 250 of them altogether. I put the names in the RECORD 2 years ago.

Mr. MILLER of Nebraska. I thank the gentleman. I noticed on pages 25 and 26 at least 48 are listed to which we make contribution. They always get a disease called "meetitis." They meet ever so often to discuss their problems, and that all costs money. I hope the House will reject these increases and take definite steps to cut the others down.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, here we go again; the circus is on. Are we going to spend more money or are we going to use a little sense? According to this report, as the gentleman from Nebraska just told you, we are spending $128,000,000 a year on these foreign organizations. As I understand from the hearings, the people who went through the appropriation bill said that most of those items should be cut in half. I wonder if that is not correct. The gentleman from Ohio [Mr. CLEVENGER] was on that committee. Is that not correct, that most of these organization expenses could be cut in half without hurting them much?

Mr. CLEVENGER. I should think so, and I would like to go further than that and say that I think the number might be reduced from about 250 to 50 and the others entirely dispensed with.

Mr. TABER. And then you would really be operating the Government on a progressive basis instead of a reactionary basis running further behind.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MILLER of Nebraska. I want to qualify my statement, to the effect that these 48 organizations are not all the international organizations; they are the ones operating under the United Nations Organization.

Mr. TABER. Yes; but there are a lot of others besides those.

Mr. MILLER of Nebraska. About 100 more.

Mr. TABER. Yes.

We can go ahead and authorize increased expenditures that the State Department will work out and build up when it comes before the Budget and the Appropriations Committee to implement the authorizations. If we start in and open the door and add to the amount that can be appropriated instead of reducing it the way we should, we are just going to be getting more and more in trouble and in deeper and deeper. I hope the Members of the House will not vote for any more bills increasing authorizations, or we will absolutely break the United States. Is it not time for us to have a sense of responsibility, for us to feel a responsibility to the people back home to treat them honestly, to treat them fairly, and not try to build up an enormous expense here all the time? Would it not be nice if some committee could someday bring in a bill which would reduce authorizations instead of increase them all the time?

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. GROSS. May I commend the gentleman from New York on his statement? Let me also observe that a moment ago the gentleman from Nebraska spoke of $260,000,000,000 of Federal debt. He might well have added to that $17,000,000,000 of municipal debt in this country and $4,000,000,000-plus of State debt.

Mr. TABER. We can owe money, but unless the owing of that money and the paying of interest upon it makes enough of an impression upon the people of the United States so that they demand that we treat them honestly and fairly and stop fooling away their money, it is just too bad.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. JUDD. I appreciate the gentleman's yielding, to allow me to make clear for the record that of these 48 organizations to which we give a total of $128,000,000 a year, $104,000,000 of the $128,000,000 goes to the three expensive relief operations which are temporary. The other 45 to which we make annual contributions have to do with regulation of shipping and lighthouses and international postal union and allocation of air waves and civil aviation, and other organizations to which we must belong if we are to have trade and commerce with the rest of the world. Our contributions to those 45 are less than $25,000,000 per year, so I do not believe that it can be said that we are squandering money like

a drunken sailor when we are giving only $25,000,000 a year to the 45 international organizations which are essential if we are to have orderly relations with the rest of the world.

Mr. TABER. A great lot of those organizations can and should function on very small amounts of money, and most of them are already very well provided for.

Mr. VORYS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it seems to me it would be a good idea to get our sights fixed right, let us not strain at gnats and swallow camels.

Our committee staff has gotten together, on page 25 of our report, an official list of international organizations so we can get a look at them. These are the ones covered by appropriations made or allocated to the Department of State. There are about 48 of them. They amount to about $128,000,000, of which $104,000,000 is for temporary United Nations organizations.

Our percentages on all 48 vary from 72.13 percent to the Pan American Union, the highest, as I see it, down to 2.04 percent for the Central Bureau for the International Map of the World on the millionth scale, an organization for which our annual contribution is $50.

Look over this list. There are many of them that are outside the United Nations. There are 10 connected with the Western Hemisphere. There are 8 temporary ones outside the United Nations group. There are 17 others that are mostly scientific or technical in character. They are extremely worth while.

When we entered the United Nations we thought it was going to bring a peaceful world. The United Nations and its subsidiaries in this list cost about $22,000,000. If we could double or treble our contributions to the United Nations and get a little peace so that we would not have to spend $15,000,000,000 a year for arms and another billion dollars a year for arms aid, and further billions of dollars for economic aid for our own security, we would be making money fast, and we could reduce our budgets here at home.

But as we consider this particular bill I point out to you that the amount of increase involved is less than a million dollars for the current year, as far as appropriations are concerned. Three of the organizations involved are United Nations organizations and subsidiaries. One has to do with our inter-American relations and one has to do with our responsibilities in the South Pacific. Those are pretty legitimate organizations for us to support.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. KEATING. What is the organization in subparagraph (b), on page 2, where the maximum is raised from $1,250,000 to $2,000,000?

Mr. VORYS. That is the FAO.

Mr. KEATING. Then what is the one on page 3, subparagraph (e) 1? That is the one where the maximum is raised from $1,091,000 to $1,750,000.

Mr. VORYS. That is the ILO, the International Labor Organization.

Mr. KEATING. What do they do?

Mr. VORYS. The International Labor Organization was started in 1919 as a League of Nations organization. It carries on investigations for improved labor standards all over the world. None of their recommendations are adopted, except by constitutional action of the 60 member countries individually. The representation in that Organization consists of two members of government, one of management, and one of labor for each delegation. One of the things they are going to take on very shortly under the United Nations is an investigation of the Russian slave-labor camps, an investigation which will reveal to the world labor conditions which I think will dim the enthusiasm of some of those who are wavering toward the Communist way of life. That is one of the things this Organization does.

Mr. KEATING. Can they do that against the opposition of Russia?

Mr. VORYS. They will have to do the best they can. Since the WFTU, the Communist-front labor organization, has been shown up, Russia and her satellites have not been participating in the ILO. But the ILO is an official United Nations organization and is in a position to go ahead with that investigation.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. SMITH of Virginia. In connection with the item the gentleman is speaking of, the last item strikes out the figures of $95,000 per annum. The effect of that is to lift entirely any restriction on the authorization for that item. May I ask the gentleman to explain why such an unprecedented provision is contained in this bill as to take off all limitation on the appropriation?

Mr. VORYS. The proposed ceiling for ILO contributions is $1,750,000.

Mr. KEATING. The gentleman is referring to the last paragraph where the words "not to exceed $95,000 per annum" are stricken out.

Mr. VORYS. That was the former limitation, as I understand it.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. VORYS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Minnesota.

Mr. JUDD. That $95,000 is a limitation in existing law on the amount that the United States may spend in sending delegates to conventions or in its own actual participation in the work of the Organization. Removing it does not remove the limitation on the United States contribution to the ILO.

Mr. SMITH of Virginia. The question I would like to have answered is why your committee should recommend the unprecedented thing of taking the limit off of an appropriation entirely.

Mr. VORYS. The limit was not taken off for contributions.

Mr. SMITH of Virginia. Then there is something the matter with your language.

Mr. VORYS. It was raised from $95,000 to $1,750,000. In each case there has been a legislative ceiling put on for each of those organizations.

Mr. JUDD. If the gentleman from Virginia will look at the last paragraph on page 24, the action is explained.

Mr. SMITH of Virginia. I am looking at page 29, where the matter is set out under the Ramseyer rule, which shows the change in the law:

> Such additional sums, not to exceed $95,000 per annum, as may be necessary to pay the expenses incident to participation by the United States in the activities of the organization—

And so forth. When you strike out $95,000, it then reads:

> Such additional sums as may be necessary to pay the expenses—

And so forth. So you entirely take the lid off. I want to know why the unprecedented thing of taking the lid off of an appropriation.

Mr. JUDD. Will the gentleman yield?

Mr. VORYS. I yield.

Mr. JUDD. As that paragraph in our report says:

> The existing law also sets a limit of $95,000 on the annual cost of United States participation in the International Labor Organization; this is the only organization for which this type of limitation has been set.

Then it continues:

> The sum has proved inadequate for proper representation at all International Labor Organization meetings. Expenses of travel are paid not only for United States Government representatives but also for employer and worker representatives. The increase in technical committee meetings, the scheduling of some meetings in the Far East, as well as in Europe and the Western Hemisphere, and other unpredictable factors make an estimable annual cost impossible. An additional factor, not taken into account at the time this limit was set, is the charge made by the FBI for its investigation of personnel connected with United States participation.

It was felt that the value derived from holding meetings in various parts of the world, rather than all in Geneva, more than offset the additional money required for such purposes.

Mr. VORYS. The limitation has been removed from one place and put in another. It has been increased, but in my judgment the limitation is similar for each of these organizations.

Now, I want to get a minute or so to say something on my own account.

I am happy to answer such questions as I can, but one thing I wanted to say was this: that the members of the Foreign Affairs Committee of the House have to stand for a great deal on this floor. There are not many votes in being on Foreign Affairs, because we do not authorize appropriations for particular districts or local interests or pressure groups. However, I want to say

that, insofar as I know, none of the members of the Foreign Affairs Committee ever recommended any authorizations that they felt were not in the interest of this country. I get sick and tired of having members of our committee who labor on these matters, involving our national security and the national interest of our country, criticized as if we were some sort of aliens and were unpatriotic. As far as economy is concerned, you have heard today what it would cost to carry out the recommendations that some have made here; that we pick up our marbles all over the world and come home and not spend a dime for these international organizations, and stop doing what we are doing in Japan, Germany, and Europe. Do you know what that would cost? The figure came from the former Chief of Staff who handled a rather successful war. Certainly he ought to know something about it. His estimate is that it would cost $30,000,000,000 a year for military expenditures if we try to stand alone against Russia. Now some of you economy experts who think that we can save money ultimately by cutting out our participation in world affairs better look around and try and face your own responsibility when you criticize the patriotism of those of us who are trying for both peace and economy.'

Mr. RICH. Mr. Chairman, I move to strike out the last word; not only the last word, but the whole bill.

Mr. Chairman, the gentleman from Ohio made the statement that we should get our sights fixed right. I think that is the watchword right here now: Get your sights fixed right. But I am not looking through the same sights as the gentleman from Ohio.

I am interested in trying to help foreign countries in a manner that is commensurate with our ability to help them. I want to help anybody; I have not anything against anybody either in the House or anywhere in the world; I do not hold any animosity. But I know that there are some things we can do and some things we cannot do. I do not believe in the way the gentleman from Ohio wants to handle the affairs of this Nation. Here we are a country of 150,000,000 people in a world of 2,400,000,000. Looking at this report and studying it you find that the committee through these various organizations wants the 150,000,000 people of America to carry the load of the 2,400,000,000 people of the world. I say it just cannot be done. It is foolish to think so.

Let me show you the percentages of the cost of some of these organizations that they expect us to carry: 39.89; 25; 38.79; 45.57; 72; 54.35; 51; 47; 72—these are percentages—the lion's share. I can go on down the line and show you that this 150,000,000 people are carrying the elephant's load for the whole world. How do you think we can do it? We are running in the red $7,000,000,000 a year, yet some of these other countries have balanced budgets and a surplus in the treasury. Still you come in and ask the American taxpayers to carry the load. There is something wrong in the upper story of your anatomy when you think that way.

I remember when we started the United Nations. I was for the United Nations, but I predicted that the United Nations would fail when they refused to open their session with prayer; and you admit that they have failed. You then went into the Bretton Woods agreement and you lauded the Bretton Woods Agreement and the wonderful things it would do for people, how we would make loans, and all that. Instead of making loans to other countries you are out now making them gifts. Your whole intent and effort is to give something away that belongs to the American people. You do not think of trying to do the things that can be done on a good, sound business basis, but you run around the world giving America away. Then you came in here with the Dumbarton Oaks Conference, and how you lauded the Dumbarton Oaks Agreement and how it was going to do a great deal for the world. You want this country to run the affairs of all the other countries. You meddle in their affairs too much to suit me. I want to say to you that when this is all over and you stop giving money to these foreign countries because you can no longer give when you are broke, they will all turn against you, turn on you, and you will wonder who is your friend.

The gentleman from Ohio makes the statement that it is going to cost $30,000,000,000 to fix up our Armed Forces because we do not go in and take the lion's share of all these organizations. I do not agree with him. He is on the wrong road to peace. I think that you are entirely wrong when you appropriate $15,000,000,000 a year for our Armed Forces, when you spend a billion and a half dollars and more in foreign countries to arm those countries right under Stalin's nose. Suppose Stalin should come over here and arm Mexico and Cuba. You would rise up in holy horror and say: "That is no way to get peace." It is no way to get peace when we arm all of the countries of the world. You are only building up an organization here for war, and every one of you knows it. There is not one of you who does not believe that. If you do not, you want to go to a psychiatrist to look you over.

If you prepare for war, you generally get war. If we used our good offices to try to settle our differences by peaceful means, by arbitration and conciliation, we could no doubt prevent war. We would save our country and our boys. What was gained by World War II? Happiness? Peace? Good will? No; nothing but distrust, discontent, disillusion, debt, destruction, and death. Let there never be another war.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the requisite number of words.

THE RESULT OF INTERNATIONALISM

Mr. Chairman, the gentleman from Ohio [Mr. VORYS] generated a little heat. Apparently he does not like some of us who disagree with this foreign policy which we have been following for lo, all these many years. Of course, that is his privilege as it is also his privilege to express his opinion, not only of our ideas but of us personally.

The gentleman spoke about the United Nations. What has the United Nations accomplished to date? What has the head of the United Nations been doing recently? He has been in Russia trying to compromise with, and conciliate Joe Stalin. Since the day in 1933 the United States recognized the Russian Government we have been in trouble.

Our foreign policy over the years has involved us in two wars. I ask you now, what have we won? I remember very well when we were told that the British Navy was our defense. There is now no British Navy.

We are now told our first line of defense is in Europe—but under Acheson we need some in the East—in China.

What about this armament program that the gentleman from Ohio talks about and this foreign policy of ours, giving to all the other nations on the theory that they will help us in time of war? Does the gentleman deep down in his heart believe any one of those nations which is receiving our money, our military aid, will help us if war comes? I wonder whether the gentleman, I repeat, deep down in his heart honestly and sincerely believes any one of them would go to war and fight if the United States and Russia became involved. There have been plenty of statements in the press from informed sources that if war with Russia came we would have to fight it alone.

He talks about the cost of defense. How does anyone know it will cost $30,000,000,000? I do not know where he got that figure. Nor has he any assurance that our foreign policy will prevent war, give us peace.

Do you know how much World War I cost us, not in money or property, for I care not so much about that? We can recover from a financial depression. But how much did it cost us in suffering, in blood, in the death of young men and women?

What did World War II cost us in the same terms? Have you ever figured it out? What will be our future bill for the veterans we are under deepest obligation to aid?

As the gentleman from Pennsylvania asked, how long do you think 150 or 160 million people can support the rest of the world? The gentleman from Minnesota [Mr. JUDD] told us here earlier in the day that the debt we have now amounts to about $1,700 for each man, woman, and child. Has anyone told us how many men, women, and children cannot, will not, pay 1 cent of that debt and what the proportion is that the workers of America, those of us who have earned a dollar, who have saved a dollar, who have earned dollars by getting down in the dirt or working in the factory, mill, or mine, must pay?

I get tired, too, sometimes. I can take criticism and the gentleman should take it. The man who cannot take criticism should get out of Congress. He has no business here, because that is what our lot will always be. How much money now, I ask, have all these advocates of this giving or spending taken from our people who work? How much

have those people earned by honest labor, their sweat, their callouses on their hands? How much? Altogether too many of them have calluses from loafing in swivel leather-cushioned chairs in air-cooled offices. They can sit around and tell people how to spend their money, and they can aid in giving away the hard-earned dollars of our people, but they did very little either to create wealth or to practice thrift. What have we got now out of the policy we have been following? What is the present situation? Five years after the second World War ended, after the fighting ended, what have we? Have we liberty and freedom in America? Oh, no. They are clamping down even on the Members of Congress trying to restrict their rights to express their opinions given to them under the Constitution. What have we accomplished abroad? Is there peace in the world? Our young men and our young women and the people working at home won the war. The politicians and the American internationalists lost the peace and the victory won through suffering and death. What have we now? A national debt about to bankrupt us and the threat of another war. That is the result of your foreign policy, of the policy of the internationalists—not of the isolationists.

The CHAIRMAN. Under the rule, the Committee rises.

Mr. JUDD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JUDD. I understand that this concludes debate on the resolution and the vote will be put over until tomorrow.

The CHAIRMAN. That will be determined in the House. The Chairman has no information as to that.

Mr. MARTIN of Massachusetts. I may say that the understanding is, as far as I know, there will be no vote today. The majority leader was obliged to go to the White House for a conference.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HOLIFIELD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. J. Res. 334) to amend certain laws providing for membership and participation by the United States in certain international organizations, pursuant to House Resolution 350, he reported the resolution back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that the further consideration of House Joint Resolution 334 be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, a parliamentary inquiry?

The SPEAKER. The gentleman will state it.

Mr. BROWN of Ohio. It is my understanding that under the unanimous-consent request made by the gentleman from Montana, this measure will be the first order of business tomorrow.

The SPEAKER. That is correct.

Mr. KEE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on House Joint Resolution 334.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

### EXTENSION OF REMARKS

Mr. PERKINS (at the request of Mr. CHELF) was given permission to extend his remarks.

Mr. BOYKIN asked and was given permission to extend his remarks.

Mr. O'SULLIVAN asked and was given permission to extend his remarks and include extraneous matter.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. JENISON asked and was given permission to extend his remarks and include an editorial.

### SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 20 minutes.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks and include newspaper comments and other documents.)

### FREE SPEECH, A FREE PRESS, THE RIGHT TO PETITION, OR THE GAG AND A DICTATOR

Mr. HOFFMAN of Michigan. Mr. Speaker, the liberty of the citizen, the security of the Nation, cannot be preserved if freedom of speech, a free press, the right to petition the Congress, is denied or impaired.

The representative, republican form of Government which was given us by the founding fathers in the Declaration of Independence, the Constitution and the Bill of Rights, cannot exist if a President or a political party or one branch of the Federal Government can by either force or through fear stifle criticism.

Equally true is it that the freedom of the citizen, the security of the Republic, can be undermined and destroyed through the influence of secret, powerful, continuous propaganda, the result of which is to destroy the effectiveness of legislation.

Hence it was that the Congress, alarmed by the fear that pressure groups, through propaganda, were exerting a strong and improper effect upon the legislative process, enacted the Federal Regulation of Lobbying Act—title III of the Legislative Reorganization Act of 1946, Public 601 of the Seventy-ninth Congress, August 2, 1946, chapter 753, title 3, section 303; Sixtieth Statutes, page 840; Second United States Code, chapter 8, section 261.

#### REGULATION OF LOBBYING ACT DOES NOT DEFINE LOBBYING

Strange as it may seem, the act does not define lobbying.

It provides for the keeping of detailed accounts of contributions made for the purpose of lobbying.

The act provides for the filing with the Clerk of the House, between the first and tenth day of each calendar quarter, of a statement containing detailed information of the activities of the lobbyist.

Section 307, being section 266 of title 2 of the code, designates the persons to whom the lobbying act is applicable as follows:

#### THE ACT PUNISHES ANYONE WHO COLLECTS OR RECEIVES MONEY OR VALUABLE THING IN AN ATTEMPT TO INFLUENCE LEGISLATION

SEC. 266. Persons to whom chapter is applicable:

The provisions of this chapter shall apply to any person (except a political committee as defined in chapter 8 of this title, and duly organized State or local committees of a political party), who by himself, or through any agent or employee or other persons in any manner whatsoever, directly or indirectly, solicits, collects, or receives money or any other thing of value to be used principally to aid, or the principal purpose of which person is to aid, in the accomplishment of any of the following purposes:

(a) The passage or defeat of any legislation by the Congress of the United States.

(b) To influence, directly or indirectly, the passage or defeat of any legislation by the Congress of the United States. (Aug. 2, 1946, ch. 753, title III, sec. 307, 60 Stat. 841.)

The succeeding section, section 308, being section 267 of title 2 of the code, requiring the registration of lobbyists with the Secretary of the Senate and Clerk of the House, provides that—

SEC. 267. (a) Any person who shall engage himself for pay or for any consideration for the purpose of attempting to influence the passage or defeat of any legislation by the Congress of the United States shall, before doing anything in furtherance of such object, register with the Clerk of the House of Representatives and the Secretary of the Senate and shall give to those officers in writing and under oath, his name and business address, the name and address of the person by whom he is employed, and in whose interest he appears or works, the duration of such employment, how much he is paid and is to receive, by whom he is paid or is to be paid, how much he is to be paid for expenses, and what expenses are to be included. Each such person so registering shall, between the 1st and 10th day of each calendar quarter, so long as his activity continues, file with the Clerk, and Secretary a detailed report under oath of all money received and expended by him during the preceding calendar quarter in carrying on his work; to whom paid; for what purposes; and the names of any papers, periodicals, magazines, or other publications in which he has caused to be published any articles or editorials; and the proposed legislation he is employed to support or oppose. The provisions of this section shall not apply to any person who merely appears before a committee of the Congress of the United States in support of or opposition to legislation; nor to any public official acting in his official capacity; nor in the case of any newspaper or other regularly published periodical (including any individual who owns, publishes, or is employed by any such newspaper or periodical) which in the ordinary course of business publishes news items, editorials, or other comments, or paid advertisements, which directly or indirectly urge the passage or defeat of legislation, if such newspaper, periodical, or individual, engages in no further or other

activities in connection with the passage or defeat of such legislation, other than to appear before a committee of the Congress of the United States in support of or in opposition to such legislation.

Section 311, being section 270 of title 2 of the code, exempts from the Lobbying Act the practices and activities which are regulated by the Federal Corrupt Practices Act—Second United States Code, chapter 8, section 241.

DISCUSSION OF THE LOBBYING ACT IN YALE LAW JOURNAL

Discussions of the Lobbying Act will be found in the January 1947 issue of the Yale Law Journal, volume 56:

In a world in which the center of political gravity is shifting from legislature to executive the Legislative Reorganization Act of 1946[1] represents an attempt by Congress to reassess and strengthen its position as an integral part of representative government. Congress has recognized the need for reorganizing and streamlining the decision-making process if it is to recapture its position as the dominant policy determining branch of Government. Reformation of the standing committees, increased use of governmental experts, higher salaries for Members, prohibition of private legislation, regulation of lobbying activities are all methods of improving the intelligence function of Government so as to increase the probability of rational legislative decision.

The provisions of the act which regulate lobbying are, therefore, to be regarded as one element in a larger scheme to improve present political processes. Democratic political theory assumes that rational decision can best be reached after hearing and evaluating the interests of the component members of society. These interests are in theory expressed by individuals through the medium of their elected representatives in the legislature. Election of these representatives on a geographical basis overlooks the fact that individuals identify their interests not only with a State or political subdivision, but more importantly with a business, economic, social, or fraternal group. Technological advances in communications and transportation have facilitated group interests which are no longer confined within political boundaries. The failure of the Constitution to provide for group representation, the decline of the political party as a prompter of opinion and policy, the intrusion of government into virtually all fields of economic activity, and the increasing complexity of modern legislative problems have led to the development of a powerful extra-legal machinery for achieving group aims. Today legislation is the result of a compromise between these conflicting group interests, but survival of geographical representation largely obscures the functional basis for legislative action.

Two groups have advanced remedies designed to reconcile the existing fact situation with political theory. The first seeks a means by which group interests can be fitted into the formal pattern of government, a system of functional representation as a substitute for, or supplement to, existing political institutions. On the other hand, a second group regards the problem of representation as subordinate to a rationalization of the whole legislative process. Their emphasis is upon administrative efficiency, extension of Federal research and information services, increased governmental planning, and bringing lobbying activities into the open. It is this view which Congress has espoused in the Reorganization Act.

[1] Public Law 601, 79th Cong., 2d sess. (Aug. 2, 1946), title III.

THE PROBLEM

If lobbying is defined in its broadest terms as an attempt by individuals or groups to influence governmental decision, it is apparent that in some form it inheres in all government. American history is full of examples of legislation passed at the instance of and for the benefit of special interests. But lobbying today is both qualitatively and quantitatively a different problem from lobbying in the past. Whereas the old-style lobby, confined almost entirely to representatives of business interests, operated secretly and depended for its success upon personal solicitation of legislators, often accompanied by corruption; such methods are largely obsolete today. Modern lobbyists, or legislative agents, act on behalf of almost every conceivable business, economic, and social group, generally operated openly and frankly, and rely upon public opinion, real or stimulated, through judicious use of publicity and propaganda, to compel legislative action. * * *

Pressure groups with large memberships are an effective threat to an elective officeholder through the votes they control and the large segment of public opinion they represent; those with a smaller popular base can secure legislative consideration of their proposals only by stimulating or feigning public approbation.

Legislative investigations aimed at disclosing the extent of lobbying practices bear striking testimony to the effectiveness of utilization of mass channels of propaganda provided by the newspaper, the radio, the school, the theater, and the church. Pressure can be brought on legislators by publicity campaigns designed to prompt constituents, within or without the pressure group, to bring influence to bear by writing letters or sending telegrams, at election dates, candidates, regardless of party affiliation, considered favorably disposed toward group interests can be supported by the organization; or public opinion can be skillfully molded to identify the public interest with legislation favored by the group. * * *

Even if no practical or constitutional difficulties were encountered, few observers today would advocate the abolition of pressure groups or forbid the activities of lobbyists. In addition to providing an unofficial form of functional representation, pressure-group activities which publicize the legislative process, focus attention upon the voting records of Congressmen, and keep the public informed as to the content and significance of legislative proposals are desirable in a democracy. The expert analysis of bills made by the competent lobbyist before congressional committees, and the link he provides between legislators and a large segment of the public, may well improve the quality of legislative decision. While the larger and more cohesive the interest represented the more justification can be found for its activities, it remains true that the smallest minority has a right to be heard. It is hopeless to classify lobbies in terms of "good" or "bad," i. e., those which concern themselves with what they conceive to be the public welfare and those which work for the direct interests, usually economic, of their membership. All lobbies identify their interests with those of the general public and may, in particular situations, be justified in doing so. The danger to rational legislative decision lies not from hearing the claims of organized groups, but from inability to determine when those claims legitimately represent the welfare of the general public. This difficulty stems from the ignorance of legislators amidst the growing complexity of governmental functions, the unequal power of pressure groups, and the abuses which have survived the old lobby or arisen in the new lobby.

The evils disclosed by legislative investigations of lobbying fall roughly into two categories: (1) Activities which leave the public and legislators with inadequate or unbalanced information on which to make decisions; and (2) activities which coerce or corrupt legislators.

Pressure-group propaganda aimed primarily at influencing the public is often characterized by misrepresentation or distortion of fact, made more effective by concealment of source. When the source of a statement is undisclosed, or appears nonpartisan, legislators and the public, ignorant of motivation, cannot evaluate possible bias. Special interests have often created a favorable climate of opinion by such questionable practices as controlling newspaper editorial policy by placement or withdrawal of advertising; sending "canned copy" to country presses; hiring radio commentators and columnists to express favorable views, educators to write textbooks, and speakers to address clubs, schools, and churches without revelation of the contract of employment.

While most lobbyists openly admit their affiliations, many are prone to exaggerate the size and cohesion of their membership and sometimes work for interests other than those they claim to represent. Oftentimes one group will serve as a "front" for another, disguising the partisan nature of the views it advocates, some lobbies of this type exist on paper only. The forces of group opinion can be magnified by instigation of letters, telegrams, and phone calls to Congressmen which, though the sole creation of a special interest group, create a false impression of opinion in the legislator's home district.

Activities which coerce or corrupt Congressmen are a hangover from the old lobby, and, though of lesser importance, are occasionally resorted to. Included in this category are such crude devices as bribery, threats, and promises of financial security, as well as the subtler techniques of social pressure. (1947 Yale Law Journal, vol. 56, pp. 304–311.)

Section 305 (a) provides that "Every person receiving any contributions or expending any money" to influence legislation must file a detailed statement every calendar quarter with the Clerk of the House. The term "person" again is defined to include any individual or group of persons, corporation, partnership, or association, but excludes anyone registering under the Corrupt Practices Act.

As in the case of individual lobbyists, the provisions of section 305 are limited by section 307. Thus construed, only those organizations which solicit money or receive contributions principally to aid in the influencing of legislation, or those receiving or expending money whose principal purpose is to influence, directly or indirectly, legislation, must register. Obviously, the efficacy of the provision hinges on judicial interpretation of the word "principal."

Past congressional investigations have disclosed the fact that the most important pressure groups today are the National Association of Manufacturers, the chamber of commerce, the A. F. of L., the CIO, various trade and professional associations, labor groups, farm associations, and veterans' organizations. All of these special interests could argue that their principal activity is dissemination of information within the group for business or social purposes, trade promotion, or research, and that their lobbying activities, however extensive, are not the principal purpose of the organization. Such an interpretation would completely emasculate the act; almost no group which exercises a substantial influence over public or legislative opinion would be required to register. Groups spending hundreds of thousands of dollars in propaganda activities would be exempt from reporting such expenditures, while

other groups spending only insignificant sums would have to submit detailed accounts.

Despite the fact that a literal interpretation of "principal" makes little sense in the light of the factual situation, a strong argument to support this view can be made from the legislative history of section 307. The Smith bill, from which the section was copied almost verbatim, originally used the phraseology "in whole or in part," and its sponsor substituted the word "principally" when the breadth of the former provision was brought to his attention. When asked whether labor and fraternal organizations would have to register, Representative SMITH replied in the negative. He stated that the provision was intended to exclude many large organizations with thousands and millions of members who spent only a minor part of their funds influencing legislation.

In debate on the instant act it was stated that the groups which were included in this section were "those whose principal purpose, not incidental purpose" was "to influence the passage of legislation." Juxtaposition of the words "principal" and "incidental" indicates that all purposes of an organization which are not "incidental" are in the category covered by the act, suggesting a much broader meaning of the word "principal" than it might be given if taken alone.

A classification of activities which only incidentally influence legislation can be found in cases construing provisions of the Internal Revenue Code. Tax exemption is provided for gifts to charitable and educational organizations "no substantial part of the activities of which is * * * attempting to influence legislation." The test imposed by the courts has been whether or not the political activity is incidental to the main purposes of the organization, and relevant criteria include its stated purpose as determined by the article of association, the amount expended in political activities as contrasted with other business, the presence or absence of a political program, and the controversial nature of the propaganda promulgated. Under these rules gifts to trade associations, labor unions, professional groups, and social reform organizations have been deemed taxable. Although the analogy of the instant problem to taxation is far from perfect, neither the classification of groups nor the criteria imposed seem entirely inapposite.

If a test case should bring section 307 before the courts for judicial construction, any one of three results is possible. The court could construe "principal" narrowly to mean "primary," "chief," or "most important." Although this interpretation would exempt most pressure groups and vitiate the act, it would, nevertheless, have the support of Representative SMITH'S remarks, coupled with legal dogma requiring a strict construction of criminal statutes. * * *

An interpretation of "principal" to mean "substantial," or any activity not purely incidental, would overcome most of the objections to which the narrowed construction is subject and has already proved workable in tax cases. (Yale Law Journal, 1947, vol. 56, pp. 321–324.)

CONCLUSION

It is probable that the Lobbying Act will prove largely ineffective. The loopholes provided by the "principal" requirement, the incompleteness of the information required to be filed, the lack of an adequate enforcement agency, and the weakness of the publicity provisions may combine to make the act as dead a law as similar State statutes.

Congress has recognized the need for regulating pressure group activities. It has seen the solution not as prohibition of an undesirable practice but as an adaptation of present imperfect mechanisms for expressing group opinion into a political pattern which will utilize this opinion to improve the decision-making process. It is to be hoped that this growing realization of the problem will lead Congress to amend the present act to effectuate more nearly the congressional purpose. (The Yale Law Journal, vol. 56: 304, pp. 331–332.)

Reference to the conclusions of the writer in the Columbia Law Review, 1947, are similar to those reached by the writer of the article in the Yale Law Journal:

CONCLUSION

Those who attempt to influence the passage or defeat of legislation fall into three classes: (1) The organized pressure group, (2) the paid lobbyist, and (3) the citizen who expresses his individual opinion. It seems unnecessary, and perhaps undesirable, to regulate the third class. Elimination of the undesirable aspects of lobbying by the first two groups may best be accomplished by publicizing their activities. Apparently the most feasible distinction between those who are to be regulated and those who are not is to be drawn in terms of the amount of money expended to influence legislation. In these respects the Federal Regulation of Lobbying Act is theoretically sound, and its accounting and registration provisions would serve to accomplish its purpose if the act were more precisely phrased.

But the act was neither carefully drafted nor fully considered. Its ambiguous terms encourage evasion, and in providing for enforcement Congress has failed to draw upon the experience of the States in dealing with this problem. Their experience indicates that the regular law-enforcement agencies are not adapted to handling the peculiarly specialized duties involved in regulation of lobbying. Whether enforcement is best accomplished by the establishment of a permanent legislative committee for that purpose is immaterial, provided some agency is given the sole duty of enforcing the act. Effective regulation of lobbying requires correction of the faults of the act. (Columbia Law Review, vol. 47, pp. 108–109.)

RESOLUTION AUTHORIZING INVESTIGATION BY HOUSE LOBBYING COMMITTEE

That it might, to some extent at least, be informed of the propaganda, the sources from which it came and the motives back of it, the Congress has in the past authorized committees of both Houses to hold hearings, make investigations, and to report back to the Congress the result of those hearings.

The most recent attempt of the House along this line is House Resolution 298 of the Eighty-first Congress, first session, adopted August 12, 1949, which created a committee of seven, which was "authorized and directed to conduct a study and investigation of, first, all lobbying activities intended to influence, encourage, promote, or retard legislation; and, second, all activities of agencies of the Federal Government intended to influence, encourage, promote, or retard legislation."

The committee was given the usual investigatory powers.

At the first meeting of the committee, which was held on March 27, 1950, the chairman, the gentleman from Pennsylvania [Mr. BUCHANAN], among other things, said:

When the Eighty-first Congress decided to take another look at the lobbying problem, the assignment given this committee was unlimited in scope.

It is almost impossible to investigate all pressure groups and governmental lobbying in the limited time and with the appropriation available. We can, however, investigate broadly and report generally on the forms which lobbying has taken in the 3½ years of the existence of the Federal Regulation of Lobbying Act of 1946.

This act is a very significant and important forward step, pioneering in a field in which the Congress has always been vitally concerned. The Congress never before had the kind of information which is now available to us under the terms of this act. The present act does not regulate lobbying. It merely requires registration and a detailed account of contributions and expenditures. We have been able to make a detailed study and survey of the forms, and of the material and information furnished on these forms, some of which are very abbreviated and others more complete.

* * * * *

The word "lobbying" has developed unfavorable connotations over the years. One reason for that may be that most congressional investigations of lobbying activities in the past were designed to show up fraud or corruption or sinister or evil practices. I personally look upon lobbying as necessary and essential. While lobbying in itself is not an evil, there are evils in lobbying.

* * * * *

We must keep before us at all times the spirit and letter of the first amendment to the Constitution of the United States, wherein the right of petition is expressed:

"Congress shall make no law * * * abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for redress of grievances."

NECESSITY OF DISTINGUISHING BETWEEN FREE SPEECH, FREE PRESS, RIGHT TO PETITION, AND ILLEGAL LOBBYING

The committee is at the outset confronted by a most difficult problem. The most painstaking care and soundest judgment must be used if the result of its action is to be constructive, rather than destructive.

If the result of the committee's action is to silence critics of the party in power, of governmental or administrative policy and practices; to silence critics of attempts, direct or indirect, by propaganda or political pressure to ignore or run counter to the principles upon which our Government is founded; if the committee, through its staff or those working with it, creates an atmosphere of fear, intimidates, makes silent, all critics of the administration, of governmental policy, of corruption in office, of individuals who are disloyal, then the committee will not only have failed of the purpose for which it was created, but it will have contributed to the establishment of a dictatorship and the always resulting tyranny.

If the committee, its staff or those working with it, lends itself to those individuals or those organizations which do not believe in our form of government, which advocate a surrender of our sovereignty and independence, which stir up and encourage class conflict, then it will find itself in the same position as those who would by force destroy the citizen's freedom, the security of the Republic.

The committee's first task, and perhaps the most difficult one, would seem

to be to accurately define the line of demarcation between free speech, a free press, the right to petition, and the use of propaganda, the application of pressure, by individuals or organizations using vast sums of money to corruptly influence the enactment, or the enforcement, of the laws of the land.

Under the resolution, one of the duties of the committee is to conduct a study and investigation of all lobbying activities intended to influence, encourage, promote, or retard legislation.

In my humble judgment, the first task confronting the committee would be to obtain, no matter how difficult the task, an accurate definition of lobbying.

The committee should then confine its activities to lobbying which is improper or unlawful, strictly avoid even the appearance of interfering with free speech, a free press, the right to petition the Congress.

It is extremely difficult, in view of the record, to understand the contradictory statements of the chairman of the committee, the gentleman from Pennsylvania [Mr. BUCHANAN].

UNSUCCESSFUL ATTEMPT FROM THE FLOOR TO OBTAIN FROM BUCHANAN DEFINITION OF "LOBBYING"

On Thursday, June 15, 1950, when an attempt was made to obtain from the chairman a definition of lobbying, the following occurred—CONGRESSIONAL RECORD, pages 8691–8693:

Mr. HOFFMAN of Michigan. The thing that is troubling me is to learn what constitutes lobbying within the meaning of the act creating the lobbying committee.

It has been the belief of many of us for some time at least that lobbying was a specialized activity, that a lobbyist was one who advocated the passage or the rejection of legislation, one who engaged in persuasion for hire—the purpose being to influence legislation.

Now it seems that lobbying—at least I gather that the committee accepts this view—that a man is a lobbyist if he attempts to influence legislation, no matter what purpose motivates him. Am I right? I ask the gentleman from Pennsylvania [Mr. BUCHANAN] is that the fact?

Mr. BUCHANAN. I may say that the Committee on Lobbying has come to no conclusion as to any definition of the word lobbying.

Mr. HOFFMAN of Michigan. It would seem to me that the first thing the committee should do—I hesitate even to offer a suggestion—that the first thing the committee should do would be to get a definition of lobbying. Can the gentleman tell me what he considers lobbying to be? Can he give me some definition?

Mr. BUCHANAN. I would remind the gentleman from Michigan that ours is an investigating committee, not a legislative committee; that the definition of the word "lobbying" comes within the realm of the proper legislative committee of the House; it is up to them to define the term and to make their recommendation.

Mr. HOFFMAN of Michigan. With all due respect, if the chairman of the committee investigating lobbying cannot give me a definition of lobbying, I cannot see how he is going to get very far. How can a committee investigate lobbying if it does not know what it is looking for, if it does not know the definition of lobbying?

Mr. PHILLIPS of California. I came in when a statement was being made by the gentleman from Pennsylvania in which I understood him to say that the committee had not yet determined what lobbying was. Am I correct in that?

Mr. HOFFMAN of Michigan. That is correct.

Mr. PHILLIPS of California. Do you mean the committee does not know what lobbying is?

Mr. HOFFMAN of Michigan. I asked the chairman, the gentleman from Pennsylvania [Mr. BUCHANAN] if he knew what lobbying was, and he said he had not made up his mind. He sits here now, and if he wants to give a definition of lobbying, I will be glad to have it, and I think the Members of the House and the people of the country would be glad to know what he is trying to investigate.

Mr. PHILLIPS of California. How can you investigate something if you do not know what it is?

Mr. HOFFMAN of Michigan. Well, ask him.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. I might say that in the present Lobbying Act there is no definition, and I do not feel that it is within the realm of the investigating committee to state at this stage of the game and set up any definition of the term lobbying.

BUCHANAN'S LAPSE OF MEMORY AND INCONSISTENT STATEMENTS RELATING TO DEFINITION OF "LOBBYING"

If the replies of the chairman of the committee, the gentleman from Pennsylvania [Mr. BUCHANAN], made on the floor mean anything at all, the meaning is that he had not attempted to obtain for the use of the committee, and that he did not have in mind, any definition of lobbying. Note his statement last above quoted:

Mr. BUCHANAN. I might say that in the present Lobbying Act there is no definition.

That statement is correct. The gentleman then continued:

And I do not feel that it is within the realm of the investigating committee to state at this stage of the game and set up any definition of the term "lobbying."

BUCHANAN'S DEFINITIONS OF "LOBBYING"

Permit me now, without in any way being critical, to quote from pages 6 and 7 of part 1 of the hearings before the gentleman's committee, held on the 27th day of March 1950. The following is from the statement of the chairman:

As our resolution states, we are to investigate "all lobbying activities."

Before calling on our first witness I want to read a few definitions of the term "lobbying." I am indebted for these to Dr. George B. Galloway, senior specialist in American Government for the Legislative Reference Service of the Library of Congress—and, incidentally, one of our witnesses here tomorrow morning—for some definitions of the term. Many of the definitions he has supplied us are taken from laws intended to regulate lobbyists in one way or another. I shall save those for tomorrow when they become more relevant to the subject matter of the hearing.

But some of the definitions are general, and I will read a few:

From Webster's New International Dictionary: "To address or solicit members of a legislative body in the lobby or elsewhere, as before a committee, with intent to influence legislation."

From the report of the House Investigating Committee of 1933: "The activity of a person or body of persons seeking to influence Congress in any way whatsoever."

According to Senator Thomas, of Colorado, in 1913, lobbying is "any effort to substitute for the public interest a private interest. The lobbyist," he said, is "a man who tries to induce the legislator to forget temporarily all the people and to do something that will promote the fortunes of a single citizen or a group of citizens."

The laws of Georgia of 1923 defined it as "personal solicitation not addressed solely to the judgment of the legislators."

And, along the same lines, Wolff's Statutes (La.), 1920, defined it as "an attempt to influence the action of a member of the legislature by any method other than appealing to his reason."

For some of those definitions one might find wide disagreement.

The final definition I will read today comes from the Yale Law Journal of January 1947, wherein lobbying is described as "any attempt by individuals or groups to influence governmental decision."

The last one is, in my opinion, the one we should follow in our investigation. It is as broad in its scope as our own investigation.

Again, if the foregoing means anything at all, it means that the committee, through the chairman, early in the hearings had and adopted a definition of lobbying.

What, then, did the chairman of the committee mean, in answer to my question from the well of the House on June 15—CONGRESSIONAL RECORD, page 8691—when he said, and I quote:

Mr. BUCHANAN. I may say that the Committee on Lobbying has come to no conclusion as to any definition of the word "lobbying."

One conclusion which might be put upon his contradictory remarks would be that when, on June 15, he was asked for a definition of lobbying he had completely forgotten his own statement made at the committee's first hearing.

LEGAL DEFINITIONS OF LOBBYING

There are other definitions of lobbying:

Lobby: As a noun, a passage or hall of communication, especially when large enough to serve also as a waiting room, etc., as in the British House of Commons and in the capitols of the United States.

Lobbying: The term "lobbying" has a well-defined meaning in this country, and signifies to address or solicit members of a legislative body in the reception hall or elswhere with the purpose of influencing their votes. Presentation by argument in a public and legitimate manner the injurious effect proposed legislation will have on a particular business does not constitute lobbying.

Lobby member: A person who frequents the lobby of a house of legislation for the purpose of influencing measures.

Lobby services: A term generally defined to mean the use of personal solicitation, the exercise of personal influence, and improper or corrupt methods, whereby legislative or official action is to be the product.

Lobbyist: One who frequents the lobby or the precincts of a legislature or other deliberative assembly with the view of influencing the views of its members. Sometimes the term is defined as a person who hangs around legislators and solicits them for the purpose of influencing legislation. (54 C. J. S., pp. 659–660.)

There have been many attempts to distinguish between conduct and propaganda which is lawful and proper, an exercise of the right of free speech, a free press, the right to petition the Congress, and efforts to influence legislation through improper, corrupt, or illegal means.

Space and time do not permit an exhaustive discussion of the subject, but a footnote carries brief excerpts from some of the authorities, which aid in drawing a distinction between legal and illegal activities which tend to influence governmental action:

The law will not lend its aid to the enforcement of any agreement which expressly or impliedly contemplates the employment of corrupt or otherwise improper methods to influence the official conduct of legislators or others charged with public duty. But it does not forbid all efforts of interested persons or classes to secure the adoption of desired legislative measures. The courts do not condemn the attempts to secure legislation for legitimate purposes and in a legitimate manner. A person may contract to appear before the legislature to present, openly and fairly, the merits of a proposed claim or to urge the passage of a bill, and provided he openly acknowledges his interest in the measure, and does not resort to any questionable and unfair methods in urging the consideration of the subject matter in which he is interested, a recovery may be had on such contract. Thus, an agreement to render proper professional services, for example, the professional services of an attorney, is not illegal. Although it has been said that if a layman engages to procure or aids in obtaining the passage of a bill, he necessarily contracts for lobby services, this statement appears to be too broad. Where the services to be rendered are of a legitimate nature, the fact that the person employed is not a member of the legal profession would seem to make no difference, at least where it appears that the services require special knowledge and training and that the person who is to render them has qualified himself to do so. * * *

The fact that the agreement contemplates the use of money does not necessarily render it void. The use of money to influence legislation is not always wrong. Whether its use is wrong depends altogether upon the manner of its use. If it is used directly in bribing or indirectly in working up a personal influence upon individual members by means well known to lobbyists, which aim to secure a member's vote without reference to his judgment, then it is illegal. If, however, it is to be used for the publication of circulars or pamphlets or otherwise for the collection or distribution of information openly and publicly among the members of the legislature, there is nothing objectionable or improper.

As the law does not presume that a person intends to violate its provisions, the general principle controlling the construction of an agreement to influence legislation when the agreement itself does not in terms stipulate for improper means seems to be that it will be upheld, unless the use of such means appears by necessary implication. The test is, Does the contract, by its terms or by necessary implication, require the performance of acts which are of a corrupt character or which have a corrupting tendency? This test has, however, not been applied in the case of agreements to influence legislation by withdrawing opposition to legislative action. Such agreements have been declared to be against public policy.

Personal influence or solicitation: The distinction between valid and invalid agreements to further legislation appears to be that in the former the services or the results thereof are used, or designed to be used, either before the legislature itself or some committee thereof as a body, while in the latter a person is employed to exert his personal influence, whether great or little, with individual members, or to labor privately in any form with them, out of the legislative halls, in favor of or against any act or subject of legislation. The cases are in general accord in holding that all agreements stipulating for the performance of lobbying services, in the sense of exerting private or personal influence with members of the legislature, or in interviewing or bringing pressure to bear on them, outside of the legislative halls, or which by their terms imply that such services are to be rendered, are void as contrary to sound legislation and public policy. (12 American Journal, chs. 203–204, pp. 703–706.)

But back to the record and the chairman of the committee.

From page 7 of part 1 of the hearings held by the gentleman's committee, permit me to again quote him. Referring to the definitions which he had read, the chairman said:

For some of those definitions, one might find wide disagreement.

The final definition I will read today comes from the Yale Law Journal of January 1947, wherein lobbying is described as "any attempt by individuals or groups to influence governmental decision."

The last one is, in my opinion, the one we should follow in our investigation. It is as broad in its scope as our own investigation.

When the chairman read from the Yale Law Journal of January 1947, the definition of "lobbying" which, in his opinion, was the one which the committee should follow, he inadvertently misquoted the Journal.

The statement from the Journal which the gentleman apparently was attempting to follow reads as follows:

If lobbying is defined in its broadest terms as any attempt by individuals or groups to influence governmental decision, it is apparent that in some form it inheres in all government. (56 Yale Law Journal, pp. 304, 306 (for 1947).)[2]

Mr. Speaker, that cannot be the meaning of the term "lobbying activities" which the committee was authorized to make. If it were, then the committee would have the power to modify, to qualify, the right of free speech, a free press, to petition the Congress.

This it could accomplish by requiring one who exercised any or all of those rights to appear before it and give an account of all the means which enabled him to exercise that right.

The committee, by its actions in requiring detailed information as to how and from whom one received the funds which enabled him to speak, write, or petition the Congress freely, would be attaching a penalty to the exercise of that right.

If one, under the Constitution, has the right to speak freely, the Congress is without power, so long as the right is exercised in such a manner as not to interfere with the national welfare or the rights of other citizens, to adopt any legislation which in the slightest degree limits that right.

HOFFMAN'S DEFINITION OF "LOBBYING"

In my own humble judgment, lobbying which the Congress under the Constitution has the power to regulate, which the Congress by the adoption of title III of Public Law 601, Seventy-ninth Congress, intended to regulate, might be defined in this way:

Any attempt—other than through the presentation of facts, expressions of opinion labeled as such, or appeals to reason—by individuals or groups, through pressure, political or economic, the offer of reward or the threat of punishment, or the use of money, to influence the enactment or administration of legislation or any governmental activity, is hereby declared to be illegal lobbying.

Or, phrasing it in another way:

Illegal lobbying is any attempt—other than through the presentation of facts, expressions of opinion labeled as such, or appeals to reason—by individuals or groups, through pressure, political or economic, the offer of reward or threat of punishment, to influence the enactment or administration of legislation or governmental activities.

QUERY AS TO PURPOSE OF LOBBYING COMMITTEE'S STAFF, I. E., "WORKING ONE SIDE OF THE STREET"

From the well of the House on the 15th, I raised the issue as to whether the staff of the House Select Committee on Lobbying Activities, in its study and investigation, was engaged in an effort to ascertain the individuals or organizations who were engaged in improper or illegal lobbying, the purpose of such lobbying and the methods used; or whether there was justification for the thought that the staff was itself engaged in propagandizing for administration policies, left-wing activities, and in an effort to suppress critics of policies or principles to which the staff adheres, critics of the administration, those who were attempting to expose Communists.

Some doubts as to the intentions of some members of the committee staff were raised in my mind by what at the time seemed to be a one-sided inquiry and search for information, and by the attempt of some member of the committee's staff to publicize, without authority, the circulation by Congressmen of frankable material.

There seems to be evidence that staff members were engaged in what was referred to as "working one side of the street."

First. "As to working one side of the street": On May 31, the chairman sent out a letter, seeking detailed information, to some 166 corporations, as follows:

CHAIRMAN BUCHANAN'S LETTER

CONGRESS OF THE UNITED STATES,
HOUSE SELECT COMMITTEE
ON LOBBYING ACTIVITIES,
*May 31, 1950.*

GENTLEMEN: You are requested to furnish this committee with the following information for the period from January 1, 1947, to date, in order to assist the committee

[2] In general see Blaisdell, TNEC report, Economic Power and Political Pressure, Monograph No. 26 (1941); Chase, Democracy Under Pressure (1945); Crawford, The Pressure Boys (1939); Herring, Group Representation Before Congress (1929); Lobby, 9 Encyc. Soc. Sciences 565 (1933); Boeckel, Regulation of Congressional Lobbies (1928) 1st ed., Res. Rep. 207; Brewer, Congressional Lobbying (1946) 1 id. 317; Logan, Lobbying (1929) 144 The Annals (July supp.); Pressure Groups and Propaganda (1935) 179 id., passim. More specialized studies which throw light on the pressure-group problem are Schattschneider, Politics, Pressures, and the Tariff (1935), and Zeller, Pressure Politics in New York (1937).

in its investigation being carried out pursuant to House Resolution 298, Eighty-first Congress.

(a) Travel expenses: As to each trip to or from Washington, D. C., which your organization has paid for any person, please supply details in tabulated form under the headings: Date of trip, total expenses paid by your organization, name of person making trip, title of office of person making trip, purpose of trip.

(b) Maintenance of Washington office: Please supply details in tabulated form under the headings: Year, total cost, purpose of office.

Total cost should include salaries paid, rent, telephone and telegraph, office supplies, etc. It is realized, of course, that such offices sometime serve functions of a nonlegislative nature.

(c) Expenditures for printed or duplicated matter: As to each expenditure by your organization for printed or duplicated matter dealing with public issues which might be the subject of Federal legislative action, please supply details in tabulated form under the headings: Date, cost of such printed or duplicated matter, cost of distribution, title of printed or duplicated matter, process used (mimeographed, multigraphed, printed, etc.), brief description, number of copies issued, source of printed or duplicated matter, disposition of such copies.

Forward copies of such matter where available.

The committee specifically desires you to include all expenditures in connection with the following organizations:

1. American Enterprise Association.
2. America's Future, Inc.
3. Committee for Constitutional Government, Inc.
4. Constitutional Educational League.
5. Constitution and Free Enterprise Foundation.
6. Economists National Committee for Monetary Policy.
7. Foundation for Economic Education.
8. Public Affairs Institute.

(d) Expenditures for advertising services: As to each newspaper or other periodical advertisement (dealing with public issues which might be the subject of Federal legislative action) paid for or whose insertion was arranged by your organization, please supply details in tabulated form under the headings: Date, cost of insertion, brief description of matter, where published.

Forward copies of such advertisements where available.

(e) Contributions: As to each contribution made by your organization: (i) to any organization which, to your knowledge, was exempt from taxation under subdivisions (6) or (7) of section 101 of the Internal Revenue Code; or (ii) which was deducted by your organization from gross income under section 23 (q) of the Internal Revenue Code (charitable or other contributions by corporations); or (iii) which was deducted by your organization from gross income under section 23 (a) of the Internal Revenue Code (trade and business expenses), and was made to an organization which prepares and/or distributes books, pamphlets, or other printed or duplicated matter dealing with public issues, please supply details in tabulated form under the headings: Date, amount, recipient (give name and address—address need not be listed more than once), category (add the code description (i), (ii), or (iii), or the applicable combination, depending on which of the above listed categories encompasses the contribution).

(f) Expenditures in connection with legislative interests: As to each expenditure by your organization relating to any attempt to influence, direct or indirectly, the passage or defeat of any Federal legislation (and not elsewhere listed in this reply), please list details in tabulated form under the headings: Date or dates, amount, name and address of recipient, purpose. Expenditures in connection with testimony before congressional committees should be included here.

It is requested that the reply to each subdivision of this letter be started on a separate sheet of paper. The response to each subdivision should be submitted as completed, rather than waiting until the entire reply is prepared. It is requested that this information be submitted to the committee not later than June 15, 1950. Each reply letter should identify the person responsible for the accuracy of the statements contained therein. Immediate acknowledgment of receipt of this letter is requested.

Very truly yours,

FRANK BUCHANAN,
*Chairman.*

LIST OF CORPORATIONS TO WHOM QUESTIONNAIRE WAS SENT

Allied Chemical & Dye Corp., New York, N. Y.; Allis-Chalmers Manufacturing Co., Milwaukee, Wis.; Aluminum Co. of America, Pittsburgh, Pa.; American Automobile Insurance Co., St. Louis, Mo.; American Can Co., New York, N. Y.; American & Foreign Power Co., Inc., New York, N. Y.; American Gas & Electric Corp., New York, N. Y.; American Power & Light Co., New York, N. Y.; American Telephone & Telegraph Co., New York, N. Y.; American Tobacco Co., New York, N. Y.; American Viscose Corp., Philadelphia, Pa.; Anaconda Copper Mining Co., New York, N. Y.; Armco Steel Corp., Middletown, Ohio; Armour & Co., Chicago, Ill.; Armstrong Cork Co., Lancaster, Pa.; Association of Casualty & Surety Cos., Manhattan, N. Y.; Atchison, Topeka & Santa Fe Railway Co., Chicago, Ill.

Baltimore & Ohio Railroad Co., Baltimore, Md.; Beech Aircraft Corp., Wichita, Kans.; Belden Manufacturing Co., Chicago, Ill.; Bethlehem Steel Corp., New York, N. Y.; Borden Co., New York, N. Y.; Burroughs Adding Machine, Detroit, Mich.

Carolina Power & Light Co. (North Carolina), Raleigh, N. C.; Celanese Corp. of America, New York, N. Y.; Central Power & Light Co. (Tex.), Corpus Christi, Tex.; Champion Spark Plug Co., Toledo, Ohio; Chesapeake & Ohio Railway Co., Cleveland, Ohio; Chrysler Corp., Detroit, Mich.; Cities Service Co., New York, N. Y.; Cleveland Electric Illuminating Co., Cleveland, Ohio; Coca-Cola Co., New York, N. Y.; Columbia Gas & Electric Corp., name change, Columbia Gas System, New York, N. Y.; Columbus & Southern Ohio Electric Co., Columbus, Ohio; Commonwealth Edison Co., Chicago, Ill.; Commonwealth & Southern Corp., Wilmington, Del.; Connecticut Light & Power Co., Hartford, Conn.; Consolidated Edison Co., of New York, Inc., New York, N. Y., Consumers Power Co. (Mich.), Jackson, Mich.; Continental Can Co., Inc., New York, N. Y.; Curtiss-Wright Corp., Wood-Ridge, N. J.

Deere & Co., Moline, Ill.; Delaware Power & Light Co., Wilmington, Del.; Detroit Edison Co. (Mich.), Detroit, Mich., and New York, N. Y.; Distillers Corp.-Seagrams, Ltd., Montreal, Canada; Dow Chemical Co., Midland, Mich.; du Pont & Co., E. I. de Nemours, Wilmington, Del.

Eastman Kodak Co., Rochester, N. Y.; Electric Power & Light Corp., New York, N. Y.; Empire Gas & Fuel Co., Ltd., Wellsville, N. Y.; Empire State, Inc., New York, N. Y.; Erie Railroad Co., Cleveland, Ohio.

Firestone Tire & Rubber Co., Akron, Ohio; Florida Power & Light Co., Miami, Fla.; Ford Motor Co., Dearborn, Mich.; Fruehauf Trailer Co., Detroit, Mich.

General Electric Co., Schenectady, N. Y.; General Motors Corp., Detroit, Mich.; Georgia Power Co., Atlanta, Ga.; B. F. Goodrich Co., Akron, Ohio; Goodyear Tire & Rubber Co., Akron, Ohio; Great Northern Railway Co., St. Paul, Minn.; Gulf Oil Corp., Pittsburgh, Pa.

Harnischfeger Corp., Milwaukee, Wis.; Humble Oil & Refining Co., Houston, Tex.

Illinois Central Railroad Co., Chicago, Ill.; Indianapolis Power & Light Co., Indianapolis, Ind.; Inland Steel Co., Chicago, Ill.; International Elevator Co., New York, N. Y.; International Harvester Co., Chicago, Ill.; International Hydroelectric System, Boston, Mass.; International Nickel Co., Inc., New York, N. Y.; International Paper Co., New York, N. Y.; International Telephone & Telegraph Co., New York, N. Y.

Jersey Central Power & Light Co., Asbury Park, N. J.; Johns-Manville, New York, N. Y.; Jones & Laughlin Steel Corp., Pittsburgh, Pa.

Kennecott Copper Corp., New York, N. Y.; Kentucky Utilities Co., Inc., Lexington, Ky.; Alfred Kohlberg, Inc., New York, N. Y.; S. H. Kresge, Detroit, Mich.

Libby-Owens Ford Glass Co., Toledo, Ohio; Liggett & Myers Tobacco Co., St. Louis, Mo.; Eli Lilly & Co., Indianapolis, Ind.; Lone Star Cement Corp., New York, N. Y.; Lone Star Gas Co., Dallas, Tex.

Manufacturers Mutual Fire Insurance Co., Manhattan, N. Y.; Marshall-Wells Co., Duluth, Minn.; Mellon National Bank & Trust Co., Pittsburgh, Pa.; The Middle West Corp., Wilmington, Del.; Monongahela Power Co., Fairmont, W. Va.; Monsanto Chemical Co., St. Louis, Mo.; Montana Power Co., Butte, Mont.; Montgomery Ward Co., Chicago, Ill.; Mountain States Power Co., Albany, Oreg.

Nash-Kelvinator Corp., Detroit, Mich.; National Dairy Products Corp., New York, N. Y.; National Distillers Products Corp., Richmond, Va.; National Steel Corp., Wilmington, Del.; New York Airbrake Co., New York, N. Y.; National Power & Light Co., New York, N. Y.; New York Central Railroad Co., New York, N. Y.; Niagara Hudson Power Corp., Syracuse, N. Y.; Norfolk & Western Railway Co., Roanoke, Va.; North American Co., New York, N. Y.; Northern Indiana Public Service Co., Hammond, Ind.; Northern Pacific Railway Co., St. Paul, Minn.

Ohio Edison Co., Akron, Ohio; Owens Illinois Glass Co., Toledo, Ohio.

Pacific Gas & Electric Co., San Francisco, Calif.; Pacific Power & Light Co., Portland, Oreg.; Pacific Telephone & Telegraph Co., San Francisco, Calif.; Pennsylvania Electric Co., Johnstown, Pa.; Pennsylvania Power & Light Co., Allentown, Pa.; Pennsylvania Railroad Co., Philadelphia, Pa.; Philadelphia Electric Co., Philadelphia, Pa.; Pittsburgh Plate Glass Co., Pittsburgh, Pa.; Potomac Electric Power Co., Washington, D. C.; Procter & Gamble Co., Cincinnati, Ohio; Public Service Co. of Colorado, Denver, Colo.; Public Service Co. of Indiana, Inc., Indianapolis, Ind.; Public Service Co. of New Hampshire, Manchester, N. H.; Public Service Corp. of New Jersey (Public Service Electric & Gas Co.), Newark, N. J.; Public Service Co. of Oklahoma, Tulsa, Okla.; Public Service Electric & Gas Co., Newark, N. J.; Puget Sound Power & Light Co., Seattle, Wash.; Pullman, Inc., Wilmington, Del.

Radio Corp. of America, New York, N. Y.; The Reading Co., Philadelphia, Pa.; Republic Steel Corp., Cleveland, Ohio; R. J. Reynolds Tobacco Co., Winston-Salem, N. C.; Rochester Gas & Electric Corp., Rochester, N. Y.

San Diego Gas & Electric Co., San Diego, Calif.; Schenley Distillers Corp., New York, N. Y.; Sears, Roebuck Co., Chicago, Ill.; Shell Oil Corp., New York, N. Y.; Singer Manufacturing Co., Elizabeth, N. J.; Socony-Vacuum Oil Co., Inc., New York, N. Y.; Southern California Edison Co., Ltd., Los Angeles, Calif.; Southern Pacific Co., San Francisco, Calif.; Southern Railway Co., Washington, D. C.; Southwestern Gas & Electric Co., Shreveport, La.; Standard Oil Co. of California, San Francisco, Calif.; Standard Oil Co. of Indiana, Chicago, Ill.; Standard Oil Co. (New Jersey), New York, N. Y.; Sun Oil Co., Philadelphia, Pa.; Swift & Co., Chicago, Ill.; Standard Gas & Electric Co., New York, N. Y.

The Texas Co., New York, N. Y.; Texas Electric Service Co., Fort Worth, Tex.

Union Carbide & Carbon Corp., New York, N. Y.; Union Electric Co. of Missouri, St. Louis, Mo.; Union Pacific Railroad Co., New York, N. Y.; United Gas Improvement Co., Philadelphia, Pa.; United States Gypsum Co., Chicago, Ill.; United States Rubber Co., New York, N. Y.; United States Steel Corp., New York, N. Y.; Utah Power & Light Co., Salt Lake City, Utah.

Virginia Electric & Power Co., Richmond, Va.

The Washington Water Power Co., Spokane, Wash.; Western Electric Co., Inc., New York, N. Y.; Western Massachusetts Electric Co., Greenfield, Mass.; Westinghouse Electric Corp., Pittsburgh, Pa.; Wisconsin Electric Power Co., Milwaukee, Wis.; Wisconsin Power & Light Co., Madison, Wis.

Youngstown Sheet & Tube Co., Youngstown, Ohio.

Mr. Speaker, the list of organizations to which the chairman's request was sent is significant in that practically all, other than those which were exclusively engaged in business, have been and are vigorous proponents of a constitutional form of government, have been critical of the New Deal and of the Communists.

So far as I was able to learn at that time, friends of the administration, like Kaiser, Latex Corp., Consolidated Vultee, the CIO, the PAC, labor organizations supporting the President, or left-wing propaganda organizations, like Friends of Democracy, the Antidefamation League, or other organizations listed by the Attorney General or the House Committee on Un-American Activities as subversive, had not at that time received requests for similar information or subpenas to appear before the committee.

News Bulletin, published here in Washington by Paul O. Peters, in its Friday, June 16, 1950, letter, gives this report on Friends of Democracy:

ARE THESE "FRIENDS OF DEMOCRACY"?

Friends of Democracy, 137 East Fifty-seventh Street, New York, N. Y., recently distributed a confidential report to friends and supporters in which it is stated:

"Extreme rightist groups now very active:

"(1) Very reactionary groups: National Association of Manufacturers; Committee for Constitutional Government; National Industrial Conference Board; Freedoms Foundation; Americans for the Competitive Enterprise System; Wage Earners Committee of the United States of America; National Small Business Association; Conference of American Small Business Organizations; Freedom Forums; Tool Owners' Union; Southern States Industrial Council, Inc.; Foundation for Economic Education.

"(2) 'Anti' organizations of the reactionary variety: National Council for American Education; The Constitutional Educational League; National Economic Council; Judge George W. Armstrong Foundation; Gerald L. K. Smith's Patriotic Tract Society and Christian Nationalist Crusade."

L. M. Birkhead, national director, announced:

"One of the basic jobs that Friends of Democracy does is to collect all the 'anti' propaganda, publications, reports of meetings, facts about organizations and individuals."

Personally, we do not subscribe to the principle that any organization in the United States should set itself up as a snooping agency to gather facts about organizations and individuals.

Over the past 10 years we have, without attempting to snoop, gathered considerable material on L. M. Birkhead and the Friends of Democracy.

On Saturday, April 11, 1942, the St. Louis Post-Dispatch in an editorial, Leave It to the FBI, said:

"Friends of Democracy, Inc., with headquarters in Kansas City, sends out an appeal for funds, which says in part:

"'We must continue to be on guard at home as well as abroad. Our own Nation has its quislings who are doing their utmost to disrupt and disunite us.

"'Of course they can't win—they can't, that is, if we Americans stand guard. That is why Friends of Democracy will continue to police these men who have been giving aid and comfort to our enemies both here and abroad. We know their game and we'll beat them at it.

"'Friends of Democracy, which is acting for you as one of the guardians of our democracy, must have $100,000 to do our part of the job of defending our way of life. When you send your contribution you will receive 64 colorful flag stamps.'"

What makes this communication worthy of notice is the fact that on the back of the letterhead is a list of names of prominent Americans, who are described as the "national committee." Among these are: Louis Bromfield, president; Van Wych Brooks, Walter B. Cannon, David Cushman Coyle, John Dewey, Paul H. Douglas, Will Durant, Frank P. Graham, Jay William Hudson, Eduard C. Lindeman, Thomas Mann, Robert A. Millikan, and Rex Stout.

We cannot believe that these people are in favor of organized private spying such as this letter pledges. We cannot believe that they think that work which falls within the province of the FBI should be assumed by this or any other voluntary organization. Friends of Democracy, Inc., has a good record in exposing demagogs and spreaders of religious prejudice, but it is off base this time.

News-Bulletin of Friday, June 16, 1950, reports:

"From the materials we have at hand and from our study of the old Un-American Activities Committee hearings, we conclude that Friends of Democracy, Inc., needs to be fully investigated by an appropriate committee of the Congress, since many of its alleged members have been at one time or another connected with organizations which have been listed as Communist or subversive."

PAUL O. PETERS.

Mr. Speaker, nor have I been able to learn that the committee sent any questionnaire to the Communist Party, United States of America, with national headquarters at 35 East Twentieth Street, New York, N. Y.

Nor did the committee, so far as I have been able to learn, send any such questionnaires to the district and local officials of the Communist Party.

The names of the organizations and the officers, the committee's staff could easily have found on pages 22 to 32, inclusive, of "One Hundred Things You Should Know About Communism," published by the House Committee on Un-American Activities.

Missing from the list of organizations to which the questionnaire went is the Jefferson School of Social Science in New York; the California Labor School; the People's Institute of Applied Religion, located at 4105½ Third Avenue South, Birmingham, Ala.; the Methodist Federation for Social Action, 150 Fifth Avenue, New York; the Protestant, published by Protestant Digest, Inc., 521 Fifth Avenue, New York—all listed by a House committee as subversive organizations.

Then, on page 65 of the same document, there is a list of communistic schools. None of those, which are engaged in lobbying as defined by the definition adopted by the chairman, is listed for interrogation.

Missing from the list of those to whom questionnaires were sent by the Lobbying Activities Committee are some 29 organizations listed as subversive by the Attorney General—all named on page 68 of the report of the Committee on Un-American Activities.

Missing, too, from the list of those from whom the committee's staff was seeking information are all those individuals and organizations, some 33 in number—cited either by the Attorney General or by the House Committee on Un-American Activities as being subversive.

Why is it, may I ask, that the committee's staff is not, as stated by the chairman, "working both sides of the street"?

It is now my understanding that, since the question was raised on the floor of the House on the 8th of June, a few individuals or corporations which might be termed to the left rather than to the right have been called upon for information.

GRILLING THREE ORGANIZATIONS WHICH HAVE BEEN FIGHTING FOR CONSTITUTIONAL GOVERNMENT

Perhaps the three most vigorous and effective organizations which have propagandized for constitutional government are the Committee for Constitutional Government, Inc., the Constitutional Educational League, and the National Economic Council.

Over the years, these three organizations have carried on a campaign to expose Communists who had infiltrated into not only the executive departments of the Federal Government, but into the schools, religious, labor, and other groups and organizations. In 1925 John L. Lewis called attention to this infiltration into the labor movement, though later the Communists and their methods were used to organize and establish the CIO. Just recently the CIO has by public sentiment been forced to oust some Communist-controlled unions.

The campaigns of these three organizations—the Committee for Constitutional Government, Inc., the Constitutional Educational League, and the National Economic Council—to educate the American people, to alert them to the necessity of vigilance if the liberty of the citizen and the security of the public were to be maintained, were apparently producing results, becoming more and more effective.

So far as I have been able to learn, the organizations were not carrying on any illegal activities nor were they apparently taking any part in any campaign for the election of any particular individual.

ASKING CORPORATIONS TO DISCLOSE CONTRIBUTIONS TO EDUCATIONAL ORGANIZATIONS

Nevertheless, in the questionnaire to the more than 150 corporations, the committee stated that it "specifically desires you to include all expenditures in connection with the following organizations":

1. American Enterprise Association.
2. America's Future, Inc.

3. Committee for Constitutional Government, Inc.
4. Constitutional Educational League.
5. Constitution and Free Enterprise Foundation.
6. Economists National Committee for Monetary Policy.
7. Foundation for Economic Education.
8. Public Affairs Institute.

The committee subpenaed Edward Rumely, Joseph Kamp, and Merwin K. Hart, officers of the three organizations, in an effort to ascertain, among other things, who was supplying funds for the support of these organizations.

Hart, of the National Economic Council, appeared willing to disclose the information requested.

Rumely, of the Committee for Constitutional Government, and Kamp, of the Constitutional Educational League, refused until it was made to appear that the committee had authority to inquire into the activities of the organizations of which they were officers.

If the Lobbying Committee is sincere and if it follows a logical course, will it not then be required to call the officers of the National Republican and Democratic Committees and, using the information now required to be filed, question those who make contributions to the national committees, to disclose, as Hart was required yesterday by Mr. Little, attorney for the committee, to disclose, the organizations and the policies which the contributors to these two national political committees entertain and support?

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. PHILLIPS of California. If the newspaper reports of that hearing yesterday are correct, it seems to be that both sides of the table, both Democrat and Republican Members, felt that line of inquiry was out of order. Am I right?

Mr. HOFFMAN of Michigan. I cannot answer adequately, because I did not attend the hearing.

CONTEMPT CONVICTION OF JOSEPH KAMP

In the House on the 5th of June, the gentleman from Wisconsin [Mr. BIEMILLER] made, and at other times and places others have made, much of Joseph Kamp's conviction on a charge of contempt of the House; also of a conviction of Edward Rumely, of the Committee for Constitutional Government.

It happens that I was a witness before the Anderson committee where Kamp refused to give that committee, which was investigating political expenditures, information which would have disclosed the names of those who were at that time contributors to the Constitutional Educational League.

At that time, I advised Mr. Kamp to answer the questions put to him and told him that, if he persisted in his refusal and if Congress took action, he would undoubtedly be sentenced to jail for contempt of the Congress.

Kamp replied in substance that, inasmuch as the league was not engaged in political activities, the committee has no authority to ask for the names of those who contributed to its support and that, in any event, the disclosure of those contributors would result in merciless persecution by left-wing organizations, such as the Antidefamation League, Friends of Democracy, and organizations which were Communist fronts.

He then stated that, rather than subject his friends to such a smear campaign, to such persecution—and he was then familiar with the Washington Post's persecution of the so-called seditionists, none of whom were ever convicted of that offense—stated that, if the result was jail, he would pay the penalty, and that without whining.

In my mind, he is the victim of his own considered determination to preach constitutional doctrine, to expose Communists, at whatever the cost to himself.

During the last 15 years, communism has had no more factual, vigorous, effective opponent than Joe Kamp. The statements made in the pamphlets which he has written and which the league has distributed have seldom, if ever, been successfully challenged.

Congressman Dies was persecuted when chairman of the Committee on Un-American Activities, and finally driven from Congress. The gentleman from Mississippi, Congressman RANKIN and the gentleman from Louisiana, Congressman HÉBERT were removed from that committee, evidently because they were too active against Communists, refused to take orders from those in high places.

To those familiar with the methods of the Communists, of their friends, and of those who are using them, it is not at all strange that they finally got Kamp and that he is now incarcerated in a Washington jail.

Kamp is now paying the price for the freedom from persecution and vilification which others who contributed to the Constitutional Educational League might otherwise have suffered at the hands of left-wing, of Communist, organizations, had he disclosed their names.

It may be that the attack on the Constitutional Educational League and Joseph Kamp, on the Committee for Constitutional Government, and Edward Rumely, engineered by members of the staff of the Lobbying Activities Committee and what was said from the well of the House on June 5 by the gentleman from Wisconsin [Mr. BIEMILLER] and the gentleman from Texas [Mr. PATMAN] are but coincidental.

Be that as it may, the same pattern is followed in each case.

CHARGES OF BIEMILLER AND PATMAN AGAINST RUMELY

From the CONGRESSIONAL RECORD of June 5, page 8078, note the following excerpts:

Mr. BIEMILLER. * * * In 1937, the committee was organized to fight President Roosevelt's proposal to expand the Supreme Court. Frank Gannett, millionaire publisher and a very active reactionary, furnished most of the money, and Edward Rumely most of the work. After the defeat of the proposal Gannett revealed that the committee had mailed out more than 10,000,000 pieces of literature against it and went around bragging of the success of what he called "mail-order government."

Gannett then put his friend and mentor, Edward Rumely, in charge of the committee as executive secretary. This man Rumely—the same now under subpena in the lobby investigation—has a background passing strange for the active director of an organization pretending to 200-percent Americanism.

Shortly after World War I, he was indicted for over-close cooperation with the agents of the German Government—the government with which we had been at war at the time of the alleged cooperation. Mr. Rumely escaped from that situation relatively well—with a sentence to serve a year in the Federal prison at Atlanta.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. BIEMILLER. I yield to my distinguished friend, the gentleman from Texas.

Mr. PATMAN. Is it not a fact that in that case it was disclosed that this man, Edward A. Rumely, received more than a million dollars directly from the German Government, and that money was used to buy a newspaper in New York City and the newspaper was used to spread German propaganda preceding and during the First World War, and he was convicted of espionage and sentenced to the penitentiary? That is the same Rumely?

Mr. BIEMILLER. That is my understanding of the situation exactly.

Mr. PATMAN. And he is the one who is spearheading this organization, which I consider the most outstanding and most dangerous Fascist movement in America and has been for the last 13 years.

Mr. BIEMILLER. I agree entirely with the gentleman from Texas, and later in my remarks I intend to pay tribute to the fine fight which the gentleman from Texas made a few years ago in exposing the machinations of this nefarious organization.

To give you further insight into this episode and Rumely's attitude toward it, considering these paragraphs from hearings held by Senate investigating committee which once expressed curiosity about the funds of the old Committee to Uphold Constitutional Government:

"Senator SCHWELLENBACH. When a man comes in and represents himself as a patriotic American it is relevant to see if it is the same campaign being conducted by you as was conducted by the German Government in 1915——

"Mr. RUMELY. You have no right to say that——

"Senator GREEN. Weren't you convicted and didn't you serve a term in Atlanta?

"Mr. RUMELY. I did because I fought on an unpopular side.

"Senator GREEN. And didn't you take an appeal to the Supreme Court and didn't the Supreme Court deny an appeal of the case?

"Mr. RUMELY. That is correct.

"The CHAIRMAN. Let me read into the record what the Circuit Court of Appeals said that case was all about—I am reading now from *Rumely et al.* v. *U. S.* (293 Fed. 532 at p. 533): 'The plaintiffs in error have been convicted under an indictment which charged them with having conspired to defraud the United States from seizing and administering a certain indebtedness of the defendant Rumely to the Imperial German Government.'"

Then, after referring to an essay contest which apparently the Committee for Constitutional Government had held in Texas, the gentleman from Wisconsin continued—CONGRESSIONAL RECORD, page 8079:

And who do you suppose they sent down to take charge of these essay contests? None other than convicted-enemy agent Edward Rumely. A man who brushed off conniving with an enemy government to prejudice the American people against their allies as "choosing the unpopular side." A man who told a House committee that they had no right to question him about his unsavory connections with Franz von Papen, chief foreign conniver for the Kaiser and later for

Hitler. A man who was indicted for contempt for refusing to turn over the records of the Committee for Constitutional Government to the Senate committee in 1938. That is the man whom self-styled patriot Frank Gannett chose to go to Texas and conduct essay contests for school children in Americanism.

CHARGES UNJUSTIFIED BY THE RECORD

One listening to the gentleman from Wisconsin [Mr. BIEMILLER] and the gentleman from Texas [Mr. PATMAN], or reading the CONGRESSIONAL RECORD as quoted above, would reach the conviction that Edward Rumely had committed some heinous offense; that he was an agent of the German government during the war.

Let us for a moment analyze the statements from the RECORD above quoted. Is there any reason why any individual, any organization, was not, is not at liberty through any lawful means, to oppose the late President Roosevelt's proposal to expand the Supreme Court? Some Democratic Senators did oppose that plan, and it was defeated.

Is the Committee for Constitutional Government to now be condemned because it exercised its right of political expression? The statement carries its own absurdity.

Now what about the conviction of Mr. Rumley? So far as I recall, I never met the gentleman. Let him present his own case, cite his own authorities.

The present is not the first time Mr. Rumely has appeared before an investigating committee. From the committee's booklet, Needed Now, permit me to quote the reprint of chapter 8, captioned "The right of privacy," which reads as follows:

THE RIGHT OF PRIVACY

(Ch. 8)

Freedom of the citizen is probably our most basic right. And a fundamental of that freedom is what the late Justice Brandeis repeatedly upheld as the right of privacy.

When the reorganization bill of 1938 neared a vote in the Senate, pressure on Congress from both sides was intensive. A special Senate committee to investigate lobbying activities, headed by Senator Sherman Minton, of Indiana, had an excellent opportunity to investigate the activities of both sides. Toward lobbying for the reorganization bill it kept its eyes tightly closed, but about activities of the National Committee To Uphold Constitutional Government, which had done no lobbying, it displayed wide-eyed curiosity.

March 17, 1938, two agents of the Minton committee visited the New York office and demanded that Executive Secretary Rumely give them access to documents of any kind—papers, letters, telegrams—in the Constitutional Committee's files. The investigators would not describe what documents they sought. They proposed to seize and examine everything.

Citizens had long and meekly submitted to demands like these from congressional committees. Sometimes they gave in because they feared it might be dangerous or expensive to defy such demands. But more often they yielded because they did not realize what their constitutional rights were, or their sense of congressional rights and duties was dulled, or because they had never exercised the courage of a good conscience.

According to the fourth amendment to the Constitution:

"The rights of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized."

Commenting upon this guaranty, the Supreme Court once said, "A governmental fishing expedition into private papers on the possibility they may disclose evidence of crime is contrary to the first principles of justice." Still legislative committee continue to fish in private files.

Dr. Rumely told the Senate committee visitors that they could not fish. He refused to permit them to dragnet the office files of the National Committee To Uphold Constitutional Government either in its New York office or elsewhere. The Minton Committee investigators intimated that this refusal might result in fine and imprisonment. Dr. Rumely still refused, whereupon he was subpenaed for appearance in Washington the next morning before the Senate investigating committee.

When Dr. Rumely took the stand, Senator Minton demanded all documents of the National Committee To Uphold Constitutional Government. Dr. Rumely asked the Senator to describe what documents he sought. Mr. Minton declined to go into details but demanded repeatedly, "all records, papers, memoranda, books, and documents in your possession." Each demand met with refusal. Mr. Minton finally asked, "Will you produce what I have asked for or not?"

"I will not."

Whereupon Dr. Rumely was excused for 5 days. He took counsel with Chairman Gannett and Representative Pettengill. The committee had nothing to hide. Would it be wise to compromise with the Minton Committee? All three conferees opposed compromise because they believed that a firm stand would teach a timely lesson as to the full meaning of constitutional guaranties.

"We'll resist," said Mr. Gannett, "even if it means we go to jail for awhile."

Again Dr. Rumely faced the Minton Committee. Again he refused to surrender the Constitutional Committee's files. Senator Minton tried coaxing.

"No," said the witness.

The Senator tried intimidating.

"No," was the answer.

"In any event," said Senator Minton, "whether these papers are here or in New York you refuse to produce them?"

"Absolutely," said Dr. Rumely.

Whereupon many people in Washington anticipated that something terrible would happen to Dr. Rumely and to other officers of the committee. But no retribution fell. When the dragon was defied, it evaporated. Dr. Rumely and other officers of the committee were not cited for contempt; they were not even reprimanded by the Senate. In fact, the Senate refused to grant Senator Minton's request for additional funds and thus ended the Black-Minton Committee which had harassed business for years.

Mr. Speaker, permit me also at this point to quote a statement released to the press by Mr. Rumely after his appearance before the Buchanan Select Committee on Lobbying on June 6, 1950, and a statement released to the press thereafter by Sumner Gerard, trustee of the Committee for Constitutional Government, Inc. I read:

RUMELY STATEMENT TO BUCHANAN COMMITTEE

(A statement released to the press after Dr. Rumely's appearance on the stand before the Buchanan Select Committee on Lobbying Activities—June 6, 1950)

I ask the opportunity to make a statement while I am under oath and subject to cross-examination rather than to be compelled to release it to the press without such scrutiny by you and your committee.

This statement, I believe, may be helpful to you, your committee and to the Congress in presenting the matters at issue, in their proper perspective. First, let me say that nothing in this statement is intended as a personal criticism of Mr. Louis Little or his assistants. During the 2 weeks while they were in our offices, they acted with courtesy and consideration.

Our complaint goes to part of the job that they were sent to do, and to what we believe is a wholly misguided and unconstitutional conception on your part of your powers.

When Mr. Louis Little first called, he said, "Chairman BUCHANAN thinks that a new form of lobbying has developed. Lobbyists no longer primarily buttonhole Congressmen but instead reach out to the public back home and build public opinion that causes constituents to speak up to their Congressmen, and thus legislation is influenced. Your organization, we regard as the most efficient operation on the right or conservative side, and we want to see just how you project your viewpoint to the country."

I was horrified at the thought that a branch of Congress could enter the field of dissemination of ideas among citizens in an area where, under the Bill of Rights, they are guaranteed privacy and complete freedom from Government interference.

When I was a young man, a student of medicine in Europe, almost 50 years ago, an incident occurred that left a lifelong impression. One fall, one of our friends, a fellow interne in medicine did not return as we had expected he would for his studies. About a month later, a middle-aged Russian woman, a fellow student of medicine, came and asked, "Please give me 10 francs. The reason our friend and fellow student did not return is that he has been exiled into the coldest part of Siberia where he is shivering without adequate clothing and we are collecting money to buy sheepskin coats and blankets with the wool on them to keep him warm."

This student, leaving for home in July, had left a little money to have his mail forwarded, but he had subscribed to a magazine published in Switzerland, to come to this hospital and it was also forwarded. It was on the prohibited list of the czar's secret police, and the arrival of a single number, showing a year's subscription, caused the police to put this student away for 1 year in exile in Siberia.

In history that is the kind of thing that happens when government invades the area of molding people's thinking—in Russia under Stalin, in Italy under Mussolini, in Germany under Hitler. American correspondents who observed the rise of Hitler report that it was not so much the excellence of his own propaganda as the ability to knock down and shut off the expression of any opposing viewpoint. That, Mr. BUCHANAN, is exactly what you are doing.

The CIO News, in an editorial directed to your committee, entitled "Lobby Probe," said on May 8: "We would like to see a full explanation of such outfits as the Committee for Constitutional Government." In the June 5 number, reporting on your meeting with the press, this same publication says, "At a press conference BUCHANAN made no bones of his personal distaste for these three organizations." We were one of the three. You are further quoted, "Congress is entitled to know which financial interests are back of attempts to influence public opinion and legislation."

Do not clergymen and educators influence public opinion? Are you going to suppress them?

This statement quoted by the CIO News—also on page 1 of the New York Times—confirms the viewpoint outlined by your representative, Louis Little, as the objective of your investigation. We challenge your power to meddle in the processes by which

the American people have facts and educational material in books and other publications, presented to them, from which, ultimately, public opinion results.

Of the thousand or more opinion-molding organizations at work, the most gigantic machine ever built is that of the labor monopolies. They report collection of $425,000,000 annually of regular dues, with an estimated $200,000,000 additional in assesments and the services of 100,000 shop stewards, paid by stockholders but misused for political purposes, often against the long-range interests of the workers themselves, as well as the stockholders.

Next in power is the bureaucracy of the Federal Government itself, with 45,000 on the payroll engaged primarily in press-agentry, and costing $70,000,000 annually, plus tens of millions in free postal service to promote their loaded propaganda for bigger and bigger government. The CIO News reports: "The name of the CCG first came up in the lobby probe several weeks ago when Leo Goodman, director of the housing committee, charged that it financed some of the activities of the real estate lobby. Goodman said the CCG sent out mail, paid for print material attacking rent control and Federal housing legislation." The CIO has spent probably hundreds of times as much as we, using its gigantic machine to pressure for rent control, urging confiscation of part of the home owner's income by rent control.

Now, at CIO behest, you and your agents are digging into how we distribute our educational material to citizens back home, on these rent-control and housing issues.

We are carrying on, in the area of public opinion, a nonpartisan, nonprofit educational effort, influencing public opinion, as do newspapers, magazines, periodicals, churches, service clubs, colleges, and innumerable other forces.

It was Jefferson's concept and that of the men who wrote our Bill of Rights that with the free play of such forces all sides, uncurbed and uninfluenced by government, even the unpopular side of a question could be presented and heard. The citizens, with the information before them, could come to sound conclusions and, by their votes, wisely guide the course of their government.

Your agents showed little interest in the tens of thousands of individual purchases of books and literature. For example, on the day after Lincoln's Birthday we received 2,171 units, aggregating $9,452; 30 of these were contributions, averaging $12 each; more than 2,000 purchases of books and literature and the Bill of Rights, with an over-all average of $4.50 each.

Your agents took back to Washington, for your information, copy of our auditor's annual financial reports for the years 1949, 1948, and 1947. For example, the 1949 report shows that we had received no contributions in excess of $490, and only 158 contributions ranging from $101 to $490; 5,526 contributions of less than $10; 1,707 ranging from $11 to $25; and 1,051 ranging from $26 to $100. The average amount received in contributions during 1949 was $22.20, just about the amount the average union member pays in dues. In that same year we sold books and literature in 22,000 separate orders, averaging $15 each.

You had these facts before you, yet you put out a totally false statement that went through the press of the whole United States, saying that you were seeking to find out Rumely's "financial angels." It is true that a few who bought more than 100 books or whose support amounted to more than $100 are public-spirited citizens with means or in prominent position. If you now demand their names and present them as typical of the support of the committee, as you have done, you ignore the evidence before you and misuse the confidence of the press in a congressional committee to project to the Nation a totally false picture. If any private individual or institution put out such a biased and unfounded press interview, it would be looked upon as downright dishonesty.

We have sold about 600,000 copies of Flynn's book, The Road Ahead, during the past 5 months, in tens of thousands of individual orders, ranging from 1 to 10 copies each; a small percentage of the total sales were purchased in quantities, by individuals and institutions, for redistribution. Demanding and releasing the names of these buyers, you would again create a false picture in the public mind. The CIO reports: "BUCHANAN believes that the Committee for Constitutional Government is the parent of a network lobbying against labor and the Fair Deal," and he believes that "the investigation of the financial backing of three organizations will reveal the ties."

That statement of yours, based on your surmise, is false, for our committe has no ties with other organizations. With 80,000 who have given financial support, it, of course, is probable that a small percentage also have given support to other organizations. But you have projected to the whole country an unfounded surmise, before your committee has had a chance to see the facts. That's biased propaganda on your part and not objective investigation.

See attached hereto a statement released by Sumner Gerard, one of our trustees, setting forth how your demand for the names of the purchasers of our books and literature violates our rights—the rights of all citizens—under the first and fourth amendments to the Constitution.

Four of your agents went to work in our office during 2 weeks, going through books of accounts, our files, correspondence, and inspecting every piece of literature and the books that we have printed and distributed. We gave your representatives more than 98 percent of what they asked for—responding to 24 out of 25 demands, although much of it was irrelevant to the purposes of this investigation. For example, your agents went through our correspondence with Members of Congress. They picked out correspondence with Republicans or with Jeffersonian Democrats like Senator BYRD, but when they saw comment from men like Senator PEPPER on our releases they left that to one side.

It is for the reasons set forth in the Gerard statement and these reasons that we are declining to give you the names of the quantity purchasers of our books and literature; also, the names of a few who made loans for the purpose of enabling us to advertise and promote the Fighters for Freedom movement, which has no relation to lobbying activities before Congress; also, to pay for the printing and promotion of early editions of The Road Ahead.

I am taking this stand after consultation and on the advice of my counsel, Neil Burkinshaw, and after consultation with the trustees of the Committee for Constitutional Government, Inc.

EDWARD A. RUMELY.

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STATEMENT RELEASED BY SUMNER GERARD, TRUSTEE OF THE COMMITTEE FOR CONSTITUTIONAL GOVERNMENT, INC.

The House Select Committee on Lobbying Activities has ordered the Committee For Constitutional Government, Inc., to produce at 10 a. m. on June 6 in Washington various records and data including the names and addresses of quantity purchasers of books which it has published. These include: The Constitution of the United States, by Thomas James Norton; The Road Ahead, by John T. Flynn; Compulsory Medical Care and the Welfare State, by Melchior Palyi; Why the Taft-Hartley Law? by Irving G. McCann.

A basic right of every American citizen is, in our judgment, involved in the Buchanan committee's procedure—as well as the basic right of every publisher, whether of books, newspapers, magazines, pamphlets, or handbills.

Wherever freedom of the press is lost, freedom of the individual citizen is eventually lost. Press freedom is guaranteed in the Bill of Rights not primarily for newspapermen or for printers. It was put there to protect the basic right of the people to know.

Framers of our Constitution demanded it because they knew that in Europe men who dared to criticize the government had their tongues slit, their ears cut off, were imprisoned and fiendishly tortured. Our forefathers wanted to be secure against such government suppression of the voice of the people.

Therefore, the issue coming up in Washington concerns all the people.

For the precedent sought by Chairman BUCHANAN, if not resisted and overthrown, will expose any publisher's private files to unreasonable search and seizure. Nor would he or those who buy his publication or give it financial support be free from smearing attacks, intimidation, and coercion if he printed a book or a paper displeasing to some pressure group powerful enough to cause misuse of the legitimate prerogatives of congressional committees.

We base this conclusion on the current experience of the Committee for Constitutional Government, Inc., of which I am a trustee.

For many years a major portion of the work of this organization, fighting to uphold the principles of constitutional freedom, has been publishing and distributing books.

In the last 6 months it has published and sold some 600,000 copies of its special-size edition of John T. Flynn's book, The Road Ahead. Only a small percentage of sales has been to organizations and individuals purchasing in quantities for redistribution. The Buchanan committee's agents demanded the names of all who purchased 100 or more copies.

Why? To expose them to smear attack by radical commentators and some of the left-wing press. What other purpose?

In 1943 the Committee for Constitutional Government acquired copyright of Thomas James Norton's book, the Constitution of the United States. This book had been selected by a committee of the American Bar Association as the best available on that all-important but long-neglected subject. It had languished in regular publishers' hands. More than 600,000 copies have been distributed since 1943.

William H. Cowles, Jr., editor and publisher of the Spokane Spokesman-Review, like his father before him, every year has purchased from 1,000 to 1,200 copies of the Norton book to present to high school graduates. Has the Buchanan committee's demand for the names of such purchasers anything to do with the investigation of lobbying activities as defined in the authorizing resolution of Congress?

The Committee for Constitutional Government has printed 100,000 copies of Dr. Melchior Palyi's book Compulsory Medical Care and the Welfare State, and it has in page proof Irving G. McCann's book, Why the Taft-Hartley Law? Mr. McCann was counsel to the House committee in its hearings on which that law was based. Explaining his demand for the names of the book purchasers, the chief investigator of the Buchanan committee said, "If an employer buys more than 100 copies of this book on the Taft-Hartley law, why shouldn't his employees be informed about it?" Such disclosure and potential intimidation of book purchasers is outside the legitimate field of investigating lobbying activities. The publicity threat of the Buchanan committee is the reason why one order for 1,000 copies of the Taft-Hartley book was cut to 50.

Since Congress, under article I of the Bill of Rights, cannot abridge the freedom of the

press, and since a book publisher, or any publisher, is guaranteed protection against unreasonable search and seizure, Mr. Frank Gannett, a fellow trustee, heartily approves the stand of the committee in resisting this unwarranted invasion of its constitutional rights—the rights of every publisher and of every American. He writes our executive secretary:

"I agree that the Buchanan committee has gone far out of bounds in considering the committee's sale of books as coming under the Lobbying Act. I don't think they have any right to demand the names of purchasers of the books, and I hope our committee stands firm in refusing to give out such information. I believe the Constitution protects the right of privacy in such matters."

Our committee is striving to uphold the rights of every citizen as well as the rights of a free press. If we value our freedoms—and freedom of the press is only one of them that can be lost for all of us—we will recognize the danger of the precedent which Chairman BUCHANAN evidently seeks to establish, and resist it with all the forces that public opinion can muster. Let us thank God for what we now enjoy—and fight to maintain it.

Now back to Rumely's conviction—the one referred to by the gentleman from Wisconsin [Mr. BIEMILLER] and by the gentleman from Texas [Mr. PATMAN].

Here is Mr. Rumely's statement on that subject:

II. WARNING OF LIBEL

(Edward A. Rumely, as executive secretary of the Committee for Constitutional Government, Inc., in resisting what we believe to be an unconstitutional and unwarranted invasion of every citizen's right of privacy under the Bill of Rights, is acting as custodian and under direction of this committee's officers and trustees. His refusal has their full approval and support. They hope by carrying this case to the highest court, if that is necessary, to establish a precedent good as long as our constitutional government endures.)

Some publishers, editors, columnists, radio stations and commentators have fallen into the habit of repeating, inadvertently or maliciously, gross libels against Dr. Edward A. Rumely, and incidentally creating unjustified and damaging prejudice against the Committee for Constitutional Government.

THE FACTS

Edward A. Rumely never was indicted as, nor was he ever convicted of being, a German agent, nor of other of the many defamatory charges loosely disseminated.

He was tried, together with two attorneys, law partners of the well-known jurist Arthur Garfield Hays, for allegedly making a false report under the Trading With the Enemy Act in World War I. All three were convicted—by jurors, five or whom later admitted that "it was our disposition to give to the Government" (not to the accused) "the benefit of whatever doubt existed."

Suffice it to say that within 3 weeks after the conviction, 11 of the 12 jurors recommended that their verdict be set aside by executive clemency. And when evidence suppressed at the trial was made available, 11 of the jurors signed the petition for Dr. Rumely's unconditional pardon. A majority signed a statement saying that had they had before them the evidence which was withheld, they would not have voted as they did, for conviction.

President Calvin Coolidge granted the pardon, with full restoration of citizenship on the ground that there had been a miscarriage of justice and that the convicted men were innocent. The sentence served was 1 month in the Westchester (N. Y.) County penitentiary.

Dr. Rumely was informed, and no proof that he had knowledge to the contrary was ever produced, that the funds which he borrowed to finance, in part, his purchase of the New York Evening Mail in 1915, were those of private individuals. He was informed it was the capital of Herman Sielcken, an American citizen residing at Baden-Baden, but transmitted 2 years before the United States entered the war, via the only means then available, German diplomatic channels. Under war conditions many private transactions for all countries were handled by and through Government channels. The late Charles Nagel, a St. Louis attorney who was President Taft's Secretary of Commerce, cooperated in helping to make this loan for Dr. Rumely possible.

The courts have held that to mention a conviction without also mentioning a pardon, where pardon has been granted, is libel per se.

Permit me to quote further from a statement from Rumely under the caption "An old red herring";

AN OLD RED HERRING

The Minton committee's attack was the most determined campaign conducted against the Constitutional Committee by its enemies. Innuendo spreaders failed to pry into its files. They failed in efforts to discover and harass committee supporters—and to misrepresent them as "wealthy reactionaries" and "contributors of huge slush funds." Likewise, they failed in their ambition to wreck the committee. They had hoped to halt its work when Senator Minton dragged into the hearing slanders on Dr. Rumely.

These slanders are now the fairly exclusive property of irresponsibles and of left-wing publications. They arise out of the case of the New York Evening Mail, of which Dr. Rumely was once editor and publisher. And an examination of the facts of the case indicates one reason for Dr. Rumely's devotion to a cause which resists arbitrary acts of Government.

Dr. Rumely is a native of Indiana, where his people settled nearly a century ago. One of his grandfathers accompanied Carl Schurz to this country after the unsuccessful democratic German revolution of 1848. The Rumelys built agricultural implements. Although educated as a physician and surgeon in England and Germany, Dr. Rumely entered the family business after his father's death and, among other pioneering developments in power farming, brought out one of the first tractors. At the same time, he pioneered in modern education, establishing the famous Interlaken School for Boys near La Porte.

Two years before the United States entered World War I, Dr. Rumely purchased the New York Evening Mail. It was an old ambition, paralleling the urge that led him to found his Interlaken School. Under his editorship, the Mail stood with the United States Government for the rights of neutrals—and in particular it strongly condemned German brutality. Furthermore, the Rumely newspaper was the recognized mouthpiece of his friends, Theodore Roosevelt and Gen. Leonard Wood. It fought vigorously for military preparedness and a watchful America.

In the summer of 1918, Dr. Rumely and two members of the law firm of which the senior partner was the well-known liberal, Arthur Garfield Hays, were charged with conspiring to make an improper report to the Alien Property Custodian. This report had to do with a pre-war indebtedness contracted in the purchase of stock in "The Mail." The trial turned upon the point whether a report of indebtedness contracted 2 years before the United States entered World War I was technically correct. Evidence of pivotal importance was withheld from the defendants and all three were convicted upon this technicality.

A full report of this matter is available. Suffice it here to say that within 3 weeks after the conviction, 11 of the 12 jurors recommended executive clemency. Thereafter, the majority of the surviving 11 jurors stated that at the time of the trial "it was our disposition to give to the Government the benefit of whatever doubt existed" and that they had expected that the conviction, with their recommendation of extreme mercy, would carry at most a monetary fine. They further stated that had the jury had the evidence which was withheld from the defendants at the time of trial, but which was later brought to attention by the Honorable Charles Nagel, who was Secretary of Commerce under President Taft and attorney for the witness whose testimony was withheld, they would have reached a different verdict. The petition of these jurors to the President concluded with the following: "Since in our judgment this new evidence would have altered our verdict or resulted in a disagreement, we therefore respectfully recommend that by the exercise of executive clemency this verdict be now completely set aside."

Both the prosecuting attorney and the trial judge joined in recommending a pardon.

The President, following the request of the jurors that their verdict be set aside, and the supporting recommendations by outstanding national leaders, among them statements of Cabinet members and judges, granted a full and unconditional pardon to all three.

In a later proceeding for the reinstatement to the bar of the two attorneys, Mr. Justice Cardozo, then of the New York Court of Appeals, later a Justice of the United States Supreme Court, in his decision stated: "The President in granting this pardon acted in accordance with the recommendation of his Attorney General, now Mr. Justice Stone of the Supreme Court of the United States, who after examining the record expressed a belief that the petitioners were innocent." In the same decision, Justice Cardozo added: "A pardon may in some conditions be a warning as significant as a judgment of reversal that the looms of the law have woven a fabric of injustice. The very case at hand is indeed an opposite illustration. The record makes it plain that the pardon was granted because the President of the United States was advised by his Attorney General that the petitioners were innocent."

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LEGAL OPINIONS

The view has been taken that a person charged with crime may maintain an action for libel or slander if, before the speaking of the words, a pardon has been granted to him. In fact, the opinion has been expressed that even though the words charging a criminal offense expressly fixed such offense to a particular period, since which the liability to punishment therefor must have been discharged by a general pardon, yet the words were actionable, as the scandal of the offense remained. (33 American Jurisprudence, p. 47, sec. 16.)

In the case of a full pardon, it relieves the punishment and blots out of existence the guilt of the offender to such an extent that in the eye of the law he is innocent as if he had never committed the offense. So completely is an offense considered to be obliterated by a pardon that it has been held that pardon of treason or felony, even after conviction, will enable a man to have an action of slander for calling him a traitor or felon. (39 American Jurisprudence, p. 550, sec. 51.)

Effect of pardon: The fact that the liability to punishment is discharged by a pardon prior to the publication of words imputing a crime will not deprive plaintiff of his right of action. (36 Corpus Juris., p. 1196, sec. 106.)

A pardon is construed as a whole to carry out the intention of the grantor and should be construed most strictly against the State and most liberally in favor of the person pardoned. (46 Corpus Juris., p. 1192, sec. 31.)

When a full and absolute pardon is granted, it exempts the individual upon which it is bestowed from the punishment which the law inflicts for the crime which he has committed. The crime is forgiven and remitted and the individual is relieved from all of its legal consequences. (46 Corpus Juris., p. 1192, sec. 32.)

A pardon by the President relieves the recipient from all disability or responsibility on account of the commission of the offense for which he was pardoned. (*Rison* v. *Farr* (24 Ark. 161, 87 AMd. 52), (C. J. 46, p. 1183).)

MR. JUSTICE CARDOZO, MR. JUSTICE STONE CONCURRED IN OPINION THAT RUMELY WAS NOT GUILTY OF CHARGE OF WHICH HE WAS CONVICTED

Now I ask you, after reading the report of the actions of Mr. Justice Cardozo at the time the two attorneys convicted with Mr. Rumely and who had been disbarred were restored to good standing—after reading the recommendation of the then Attorney General, later Mr. Justice Stone of the Supreme Court, who, after examining the record of Rumely's conviction, expressed the belief that the petitioners were innocent—just how much weight do you give to the present charge that Rumely is an ex-convict, that he was convicted of a crime? To the present attempt to intimidate, to force into silence, this officer of the Committee for Constitutional Government? Does not the pardon wipe out that conviction?

EDITORIAL FROM WASHINGTON STAR

In the same connection, note this editorial from the Washington Evening Star of October 10, 1944. I quote:

THE RUMELY PARDON

In an editorial commenting on the indictment last week of Dr. Edward A. Rumely for refusing to supply the House Campaign Expenditures Committee with names of contributors to the Committee for Constitutional Government, of which he is executive secretary, the Star stated that after the first World War he was convicted and served a prison term on a charge of violating the Trading With the Enemy Act. That complaint grew out of the purchase by Dr. Rumely of a New York newspaper before this country went to war with Germany in 1917. The prosecution contended that the German government supplied some of the funds for the purchase, a circumstance of which Dr. Rumely denied knowledge. He and two attorneys were convicted, however, on a conspiracy charge based on a report of the transaction which they made to the Alien Property Custodian.

Later, after evidence not introduced at the trial had become available, President Coolidge commuted their sentences, pardoned all three men and restored their civil rights. Mr. Coolidge acted on a recommendation by Harlan F. Stone, then Attorney General and now Chief Justice of the Spreme Court, who expressed the belief that the three men were innocent. In a proceeding for the reinstatement of the two attorneys to the New York bar, Chief Justice Cardozo of the New York Court of Appeals, later an associate justice of the Supreme Court, also indicated his belief that the men had been unjustly convicted. Similar opinions were expressed by other prominent lawyers and jurists.

The Star's editorial did not state that Dr. Rumely had been pardoned, and it is in fairness to him that the circumstances of the pardon are published at this time.

EDITORIAL FROM THE TIMES-HERALD

Then, if you care to bring the story down to date, listen to this editorial from the Times-Herald of June 12, 1950:

ANOTHER BLACK COMMITTEE

The conduct of an investigation into lobbying by a committee under Representative FRANK BUCHANAN, of Pennsylvania, has drawn deserved condemnation from other Member of the House. Mr. BUCHANAN has proceeded with little respect for normal congressional procedures of subpenaing witnesses and examining them or for the constitutional protection of free speech and a free press.

If anything approaching such high-handed methods were employed by a congressional committee dealing with suspected Communists or other subversives, there would be an immediate outcry from the "liberal" wing of the eastern press. Representative BUCHANAN's activities, however, have been greeted with dead silence by these professed champions of due process and the inviolability of the individual.

It has been established by the officers of certain private organizations dedicated to the safeguarding of the American-constitutional system that Mr. BUCHANAN has had the volunteer assistance in his smearing campaign of a poison-pen outfit misnamed "Friends of Democracy."

This is a propaganda racket conducted by Rex Stout, a goat-bearded mystery writer, once on the editorial board of the Communist magazine, New Masses, in association with Leon Birkhead, an ex-preacher, and one Avedis Derounion, a Levantine of many aliases, sometimes known as John Roy Carlson.

REWARDED BY TAX EXEMPTIONS

The principal interest of this crowd seems to be to advance the creeping New Deal revolution by assassinating the character of anyone manful enough to withstand its mud guns and to defend a constitutional Republic. The New Deal recognizes that it has valuable auxiliaries in Stout, Birkhead, and Derounian, and has conferred upon them tax exemption for what contributions they can get by shaking the bushes, justifying this extraordinary boon on the ground that the outfit is engaging in an educational work.

It has become apparent that Mr. BUCHANAN's interest in lobbying is confined to the activities of organizations which openly oppose the New Deal and call for a return to constitutionalism. One such group, in furtherance of the goal of acquainting the people with the New Deal's progress into socialism, appears to have published some books and to have assisted in the publication and distribution of at least one other—John T. Flynn's The Road Ahead.

Representative BUCHANAN has endeavored to represent these activities, which certainly are valid, as some sort of nefarious plot, and has levied upon the publishing agency a demand that it spread before him the names of those contributing to publication and those who purchased the books. This approach is in open contravention of the first amendment guaranteeing that the state may not abridge the right to a free press, and it would also appear to violate the fourth amendment governing security of person and property against unreasonable searches and seizures.

The further BUCHANAN proceeds, the more it is apparent that he has patterned his star-chamber proceedings upon the model of the infamous inquisition into lobbying conducted by Senator Hugo Black in the early period of the New Deal. In that fishing expedition, Black subpenaed the complete telegraphic correspondence of more than 1,000 specified persons and groups, piling up more than 5,000,000 copies of messages, which were then used to smear the opponents of the Roosevelt administration.

FORMER MEMBER OF KU KLUX KLAN

For this contemptible service, Black was elevated by Roosevelt to the Supreme Court, despite his acknowledged former membership in the Ku Klux Klan, an organization whose terroristic methods conformed to his own.

If the House wishes to preserve respect for its integrity, it will lay Mr. BUCHANAN and his committee away in the freezing compartment before they proceed to still greater outrages. Black finally came a cropper when, having been accused of violating the fourth amendment, he was severely taken to task by the District of Columbia Court of Appeals.

If the House wants to spare itself similar disgrace, it will rebuke BUCHANAN for his illegal methods and strip his committee of all authority.

WHERE IS THE COMMITTEE STAFF HEADING?

While no investigation has been made, from information which has been volunteered, some doubt is created as to the direction in which two members of the staff are traveling.

SPINGARN OF THE STAFF AND PART OF HIS PREVIOUS RECORD

The CONGRESSIONAL RECORD of January 19, 1950, at page 669, shows that Jerome H. Spingarn was employed as research assistant to the chairman of the committee.

During the activities of the House Select Committee Investigating the Federal Communications Commission—in 1943–44—Spingarn was Assistant Chief of the FCC's War Problems Division, which Division and others of the FCC, operated in conjunction with the Office of War Information too, and in the opinion of some caused many American citizens to be taken off the air and out of their jobs at numerous foreign language broadcast stations in the United States.

Americans taken off the air were frequently replaced with alien refugees, some enemy alien refugees; and some of those replacements in their jobs censored our religious programs—such as Easter and Christmas programs, and the like.

The FCC never called Spingarn as a witness when it made its defense of charges against it; but, as shown by the hearings of said committee, Spingarn's name was mentioned and referred to by other witnesses as having taken a prominent part in preventing due renewal of the foregn language broadcast station licenses and in taking Americans off the radio.

An examination of the testimony taken in the hearings just referred to shows that many times other witnesses referred to Mr. Spingarn in such a way that it might be construed as indicating that he was not one who would give unbiased consideration to an inquiry into the activities of organizations engaged in a campaign designed to jealously guard and promote constitutional government.

COMMITTEE STAFF ATTORNEY LOUIS LITTLE—BUCHANAN'S STATEMENT

From the well of the House on the 15th, it was stated that I had been advised, in substance, that another member of the committee staff, Louis Little, an at-

torney, had acted as bondsman for certain individuals charged with criminal offenses, some of whom were or became his clients.

After that statement was made, the chairman of the committee, the gentleman from Pennsylvania [Mr. BUCHANAN] advised me that I was in error—that there might be another Louis Little in Pittsburgh. The following then occurred:

Mr. HOFFMAN of Michigan. * * * Can you give me the street address and something that I may determine whether or not I have unjustly referred to Louis Little? I find in the telephone directory but one Louis Little, and he is listed as an attorney.

Mr. BUCHANAN. He has a law office at No. 7 Court Place, Pittsburgh.

Mr. HOFFMAN of Michigan. That is the one that is in the directory. * * *

Mr. HOFFMAN of Michigan. Did the gentleman say that I was in error when I said that he had signed bonds?

Mr. BUCHANAN. That is correct. He is not a professional bondsman.

Mr. HOFFMAN of Michigan. That is your statement?

Mr. BUCHANAN. That is my statement, and I believe verification of this fact has been handed to me by a member of the staff who has talked to Mr. Little. I believe that he is in the House Gallery listening to this colloquy.

Mr. HOFFMAN of Michigan. I will be glad to correct any misstatement I may have made, if I find court records do not refer to the Louis Little who is on the committee staff.

Mr. BUCHANAN. I thank the gentleman for his contribution.

In view of the foregoing, which I assume means that the Louis Little who is on the staff of the committee has not signed, nor is responsible for the signing of any bond in criminal cases, in some of which cases he later appeared as the attorney, and in view of the fact that Mr. Little, whom the gentleman from Pennsylvania [Mr. BUCHANAN] stated he believed was in the House Gallery listening to the colloquy, the gentleman's statement, which I assume means that Mr. Little had nothing to do with bailing out those charged with criminal offenses, it may be assumed that the Members of the House will accept the statement of the gentleman from Pennsylvania [Mr. BUCHANAN].

QUERY AS TO WHETHER, IN SPITE OF BUCHANAN'S STATEMENT ON FLOOR, LOUIS LITTLE IS NOT INTERESTED IN SIGNING OF BONDS FOR THOSE CHARGED WITH OFFENSES

However, permit me to inquire of the attorney for the committee, Mr. Little, through the courtesy of the gentleman from Pennsylvania [Mr. BUCHANAN], the chairman of the Lobbying Committee, whether he, Mr. Little, was not interested in procuring bondsmen for the individuals named hereafter and who were charged with certain offenses in the courts of Pittsburgh.

Adam Hilliard, 121, Feb. 1949, solicitation to sodomy.

Giles Royston, 189, Feb. 1949, felonious assault and battery.

Harvey Condon, 262, Feb. 1949, violation Public Apartment Act.

Theodore Ferris, 294, Feb. 1949, felonious assault and battery.

Ellsworth Ferris, 221, Mar. 1949, assault.

Richard Ziller, 118, Mar. 1949, arson.

Henry Taylor, 396, Mar. 1949, solicitation to sodomy.

Jackie Green, 284–295, May 1949, keeping assignation house, prostitution, assignation.

Bernard Nichols, 310, Sept. 1949, felonious assault and battery.

Wm. Jennings, 156, 1949, felonious assault and battery.

Virginia Clark, 44, Oct. 1949, prostitution and assignation.

Huston Henderson, 462, Sept. 1949, larceny, receiving stolen goods.

Louise Radgett, 461, Sept. 1949, violation public arrest.

Engus Dixon, 363, Apr. 1950, prostitution and assignation.

Boswell Ellis, 651, June 1949, felonious assault; 77, June 1949, prostitution, assignation, K. B. H.—K. D. H., failure to support legal children.

Helen Wilhams, 255–256, June 1949, 704, Sept., prostitution and assignation, K. B. H.—K. D. H.

Julius Gordon, 390, Sept. 1949, larceny, R. T.

Leon McLean, 901, Sept. 1949, aggravated assault and battery.

Calvin Homsky, 731, Sept. 1949, larceny, receiving stolen goods.

Albert Meyors, 525, Sept. 1949, fraudulent conversion.

Geo. Jones, 202, June 1949, felonious assault and battery.

George Hill, 143, Apr. 1950, felonious assault and battery.

Herman Beasley, 140, Nov. 1949, felonious assault and battery.

Mary Stewart, 289, Oct. 1949, prostitution and assignation.

Jessie Brown, 143, Nov. 1949, keeping house assignation.

Ollie Davis, 64, Nov. 1949, prostitution.

Anna Ford, 446 and 447, Nov. 1949, keeping prostitution house and assignation.

Unici Ernest, 36 and 47, Dec. 1949, keeping body house, violation beverage act.

Pauline Brown, 264, Jan. 1950; 51, Jan. 1950, O. and T.

Elmer Maish, prostitution and assignation, robbery of person.

Robert Grady, 55, Mar. 1950, O and T., burglary, receiving stolen goods (repeater).

William H. Coleman, 22, May 1950, O. and T. solicitation.

Robert Lott, 78, May 1950, malicious mischief.

John Green, alias O, 297, Apr. 1950, felonious assault and battery, Harry Hanks, 153, May 1950, assault and battery to rape; George Hanks, O. and T., 52, May, receiving stolen goods.

Thomas Miller, 377, May 1950, pointing firearms and assault (long record).

William Edwards, 722, Sept. 1949, Lowt., 500, Feb. 1950, larceny and receiving stolen goods.

James Austen, 510, Jan. 1949, larceny and receiving stolen goods.

Roy Jack, 525, Oct. 1948, pointing firearms.

Frank Talck, assault with intent to ravish.

Louise Baxton, O. 90, Feb. 1949, assault and battery, 597, Feb. 1949, surety.

Carlton Barrett, Jr., 256–261, Feb. 1949, public indecency.

Henry Gathers, 349, Feb. 1949, violation of liquor laws.

Theodore Fair, 100, Mar. 1949, felonious assault.

Richard Gauffrey, 293, Mar. 1949, pointing firearms, assault.

James Guerry, two charges, involuntary manslaughter.

Leo Chapman, 433, Sept. 1949, violation firearms act (record of moral offenses).

Robert Hoezenrother, 436, Sept. 1949, larceny, receiving stolen goods.

Robert E. Bechtold, 221–222, Nov. 1949, worthless checks, conspiracy.

John Sobrush, 184, Mar. 1950, adultery and bastardy.

Kenneth Richtold, 373–374–515–840, Sept. 1949, worthless check, conspiracy.

Meto Ehrum, (Gypsy), public asst. violation.

Sam Flurellen, 7–8, Jan., receiving stolen goods.

Emmett Jones, 373, Nov. 1948, assault and battery.

Sam Dickson, 978, Oct. 1948, assault and battery.

Gus Jordan, 2, Oct. 1948, felonious assault and battery.

Pearl Davis, sodomy (long record liquor).

James Hunter, 196, Sept. 1948, O. and T., burglary, receiving stolen goods.

Thomas Avery, 990, Sept. 1948, adultery.

Robert Almond, 989, Sept. 1948, adultery.

Wm. Campbell, 934, Sept. 1948, keeping bawdy house.

Robert Grant, 425, June 1948, assault and battery.

Joseph Hyfnagel, 485, June 1948, self-administrating drugs.

David S. Daughterty, 640, Oct. 1947, O. and T., robbery from person.

Henry Huriston, 197, Mar. 1948, violation of public asst. act.

Ralph Boyce, 97, May 1948, assault and battery.

James Hamilton, 66–67, May 1948, aggravated assault and battery.

Eugene Barber, 146, Nov. 1947, violation public asst. act; 453, Apr. 1948, larceny.

Francis King, 37, Apr. 1948, indecent assault (repeater).

Amanda Clark, 301, Mar. 1948, assault and battery, 409, Mar., surety.

La Verne Allen, 66, Feb. 1948, prostitution and assignation.

Delbert Kidd, 48, Feb. 1948, aggravated assault and battery.

Wilbert Brower, 164, Jan. 1948, larceny, automobile.

Kenneth Lowe, 143, Dec. 1947, violation liquor laws.

Carrie Bradley, 45, Nov. 1947, robbery from person (has long record as prostitute).

Wylie Coyle, 19, Nov. 1947, receiving stolen goods.

Margaret Fagan, 68, Oct. 1947, adultery.

Lewzie Gross, 278, Oct. 1947, drunk and disorderly.

Margaret Anderson, 134, Sept. 1947, sodomy.

Clarence Budd, 662, Sept. 1947, Feb., assault and battery.

Richard Ellis, 375, Sept. 1947, larceny.

Dunbar King, 232, Sept. 1947, drunk and disorderly.

Stanley Dushac, 379, June 1948, neglect of minor children.

Dolores Adams, 29, Sept. 1949, prostitution and assignation.

Zayuna Allen, 66, Feb. 1948, prostitution and assignation.

SNOOPING BY COMMITTEE STAFF

That at least some member or members of the committee staff seek the intimidation of Congressmen who oppose the New Deal policies, some of the policies of the administration, and who have been fighting communism, is shown by the fact that a staff member went snooping into the folding room, from which some material sent out by Congressmen is mailed, and made inquiry as to what and how much franked mail had been sent out by five Congressmen.

Inasmuch as material which is printed in the CONGRESSIONAL RECORD is frankable and as no claim has been made that any one of those named used the frank on anything that was not printed in the RECORD, the only logical conclusion is that the snooper desired to get material which would enable him to smear those who sent out statements or arguments in

opposition to policies which he, his associates or those for whom he acted advocated.

That procedure is nothing new. As I pointed out from the well of the House on the eighth, it has been tried before. It did not work then; it will not work now, except as to those who do not feel it worth while to stand up and fight the vicious vilification which all must suffer when they oppose the policies of certain powerful groups, groups determined to have their own way, regardless of the effect upon the welfare or security of the Nation.

I have nothing to say about the other individuals who attempted to enlighten their constituents by the circulation of material which the snooper or his associates did not approve, for they are able and willing to make their own fight.

For myself, let me make the situation clear.

On September 29, 1949, from the floor of the House I made a speech in opposition to the attempt of the President to settle the steel strike through the appointment of his own fact-finding board.

The Constitutional Educational League saw fit to reprint that speech in a pamphlet and, at its own expense and without a cent of cost to the taxpayer, with postage fully prepaid, to send it out to individuals of its own choosing.

Is that fact any business of the snooper or of anyone else? Is not anyone exercising his right to free speech, to a free press, at liberty to reprint any article carried in the CONGRESSIONAL RECORD, especially when he has the consent of the author? What kind of thinking motivated this snooper or those for whom he was acting?

Those in control of the Committee for Constitutional Government at their own expense photolithed that speech and again, at their own expense and with postage fully prepaid, sent it through the mail.

May I ask this snooper: Is he, are his bosses, the only ones who have the right to reproduce parts of the CONGRESSIONAL RECORD and at their own expense send them out through the mail?

In addition, the Committee for Constitutional Government asked permission to have reprinted in pamphlet form copies of that same speech and it paid the full cost of the reprinting of those speeches. I caused some of those speeches to be franked out and again I ask, there being no violation of law, what business was that of the committee snooper, or, for that matter, of the committee?

We have not yet reached that stage where a committee of the House or any of its staff can tell a Member of Congress what he shall say, what he shall print, or what he shall, under the frank, send out.

I made two other talks, each a page and a half; one was entitled "Misuse of Hoover Label"; the other was entitled "Taking From All of Us To Give To Some of Us." Each in part was a reprint of statements published by the Committee for Constitutional Government.

I hazard the statement that, on every day that the CONGRESSIONAL RECORD is printed, it carries a reprint from some publication or a letter from some constituent of a Congressman.

Not only has it never been considered an offense to reprint these letters or these articles, but unanimous consent is first given for the purpose of having them inserted in the RECORD, and there is no doubt of the right of the people to receive this frankable material or of a Member of Congress to mail it.

What the snooper and those responsible for his action were evidently trying to do was to silence, through intimidation, through the false charge that franking out anything which came from any one of these three organizations, was reprehensible, a violation of some Federal law, Congressmen who oppose administration policies.

In my time here I have seen some vicious attacks by unscrupulous individuals and organizations made upon Members of this and the other body in an attempt to silence opposition.

Never, so far as I can recall, has any member of a committee staff had the effrontery, without any justification whatsoever, to act as a tool of those who would cover up and conceal Communists in or out of the Federal Government and whose purpose is to destroy our Government.

Members of the House Committee on Lobbying should realize that in permitting their snooper to inquire into and to criticize lawful activities of their colleagues, they are but following the methods of one, who just a few days ago was characterized by the gentleman from Georgia [Mr. WOOD] as the arch character assassin of all times.

I have been wondering what the gentleman from Pennsylvania and the Members on his side of the aisle who are also members of the House Lobbying Committee will have to say if after the November election, in January of 1951, the opposition should come into power and a House committee should call the chairman of the present Lobbying Committee and his financial backers and political friends to the stand, and inquire as to their political beliefs, methods, and contributions.

Just how far does the Committee on Lobbying intend to go in permitting this Louis Little, who gained much of his experience as a criminal and divorce court lawyer, in grilling American citizens who attempt to exercise their constitutional rights?

IS LOBBYING COMMITTEE, IN A CAMPAIGN YEAR, MAKING EFFORT TO SILENCE OPPOSITION?

Is it not evident from what has been here said that there is at this time, a political campaign being now on, a deliberate attempt to intimidate, to silence, those who would criticize any policy, any action, of the present administration and its adherents?

Are these efforts to be successful? Are we, the people's representatives, to tamely submit to the unauthorized snooping into our legitimate affairs by the staff of this committee?

That their efforts are meeting with cooperation from at least one columnist is evident from an article which appeared in one of the papers in my own congressional district. The writer, not daring to make a direct charge, nevertheless, by telling but a part of the story, sought by innuendo to convey the impression that I and other Members of Congress had improperly—yes, unlawfully—sent out material in violation of the law.

The writer of that article knew that the inference conveyed was false. Lacking the courage to make the charge directly, it was sought to do it by indirection.

I for one am convinced that, if those sought to be silenced stand up and fight as they should, the result of the effort to purge will be as futile as have been previous efforts on the part of the administration in power.

PREVIOUS EFFORTS FAILED

Some remember Wilson's demand that the people return a Democratic Congress. Result? The people sent back a Republican Congress.

President Roosevelt sought to purge certain Senators. The people returned them to office.

The late President Roosevelt did succeed, with the aid of the American Labor Party, in purging one Democratic Congressman, John O'Connor, of New York.

President Truman, in a primary election, succeeded in preventing the renomination of a Democratic Congressman, Roger Slaughter, who had opposed some of the administration's policies. There is evidence that that purge was accomplished through the casting of fraudulent votes. The net result was the election of a Republican from that district.

At the moment, the President has opened certain files relating to incomes to a Senate committee probing gambling. But he is still holding closed and secret the files which would reveal the truth or falsity of the charges made by a Member of the other body to the effect that there have been and are Communists in the State and other executive departments; the files which would show whether there are or there are not at this time, after 91 homosexuals have been discharged from the State Department, other individuals with like characteristics still drawing Federal pay.

Nor should it be forgotten that, when a House committee sought to look into the files which would show the tax returns of the President's friend, Paul Dillon, who admitted he received a fee of $10,000 for assisting in obtaining the parole of the five Capone gangsters, the President denied the request of the House committee.

He also denied a request for a look at the files which would have shown the income of Maury Hughes, a friend of the then Attorney General, now Supreme Court Justice Tom Clark, who testified that from an unknown individual he received a fee of $15,000 for assisting in procuring the dismissal of an indictment which barred a parole to the five Capone gangsters—gangsters who were convicted of an attempt to extort more than a million dollars from union employees.

DO CONGRESSMEN LACK COURAGE OR INCLINATION TO FIGHT BACK?

There is an old saying that murder will out. It is my humble opinion that if those who believe in constitutional government, who believe that right and justice will prevail, have the courage of

their convictions, will stand up and fight, this smear effort will but strengthen the convictions, increase the courage and determination of those who wish to preserve the liberty of the citizen, the security of our Nation.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan may proceed for three additional minutes in order that I may ask him one or two questions.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. Does the gentleman from Michigan charge any illegal act at all or is he charging an unethical act against a highly successful, eminently qualified lawyer from the State of Pennsylvania? Is the gentleman charging anything of that sort?

Mr. HOFFMAN of Michigan. Does the gentleman want me to answer that question?

Mr. EBERHARTER. Yes. That is the question.

Mr. HOFFMAN of Michigan. All right. The answer is this: Emphatically no. I am charging that the gentleman has specialized in criminal cases and in divorce matters and in view of the manner of questioning that he is reported to have followed yesterday he is not the proper man to conduct either an investigation or the interrogation of witnesses for a House committee. That is what I charge.

Mr. EBERHARTER. If the gentleman would refer to the bar association of the home county of Mr. Little, if he will refer to the State bar association and the American Bar Association, he would have the answer that this man is very reputable and has been for 25 years. He has earned the reputation of being one of the most successful and one of the most moral and ethical men who ever practiced law. If the gentleman from Michigan wants to continue with his innuendo it is all right with me, but there is no crime in practicing criminal law.

Mr. HOFFMAN of Michigan. That is right. Now will the gentleman listen to me for a minute? Will the gentleman just inquire and come back and say on his honor as a Congressman that Mr. Little is not causing professional bonds to be signed and whether or not he has not in the cases where he caused those bonds to be signed acted as attorney? Come back and tell me that. If that is not unethical conduct and so branded by every bar association in the country I do not know what unethical conduct is. As for being a member of the Bar Association, look at your newspaper today and note the news item that there are 5,000 lawyers in the guild who are Communists.

Mr. EBERHARTER. The gentleman asked me whether I think it is unethical for a lawyer who has a client accused of criminal conduct to obtain a bondsman.

Mr. HOFFMAN of Michigan. I did not say obtain a bond.

Mr. EBERHARTER. The gentleman asked me a question. The gentleman himself has practiced law in the State of Michigan for many years. I wonder whether or not he himself has ever defended any person accused of crime and whether or not in defending those persons accused of crime he would want to be accused of unethical conduct for defending somebody in a court of justice in this country? That is the innuendo he is putting out. I say frankly and honestly. It requires a man of ability to make the reputation that this gentleman did.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to proceed for one additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Of course not. Everyone knows that is a silly question because if a man is accused of a crime and he does not have an attorney it is the duty of the court to appoint an attorney for him. Everyone accused has the right to an attorney. There is no question about that. In Michigan an attorney cannot sign a bond in a criminal case. The point I am making is this: Has not Mr. Little over a period of years, since 1947, in at least 150 cases been personally interested in the signing of a bond? That is easily answered. You can take the cases I put in the RECORD today, and then come back and tell us whether he or his agent did not cause bonds in criminal cases to be signed.

Mr. EBERHARTER. The gentleman knows that he is using the familiar tactics of associating somebody else with somebody that he is talking about.

Mr. HOFFMAN of Michigan. You are defending the gentleman.

Mr. EBERHARTER. Those are perhaps the only tactics that the gentleman can use.

Mr. HOFFMAN of Michigan. Before we get through you will get the record.

Mr. EBERHARTER. And before the public you can create a wrong impression by asserting all these things by association. I thought the gentleman said the other day he did not believe in the theory of guilt by association.

The SPEAKER. The time of the gentleman from Michigan has expired.

The SPEAKER. Under previous order of the House the gentleman from Connecticut [Mr. SADLAK] is recognized for 10 minutes.

### HON. JOHN DAVIS LODGE

Mr. SADLAK. Mr. Speaker, since the first congressional primaries this year, and earlier than that in other instances, there has been indicated to us in the House that distinguished Members, with whom each of us has been privileged to be associated, will not be colleagues in this body during the Eighty-second Congress.

Some as the result of successful primaries will vie for seats in the other body; others will contest elections for gubernatorial seats; a number are retiring voluntarily; and the Grim Reaper has made untimely visits, thereby lessening the group of familiar names and faces.

The Republican State Convention at New Haven, Conn., on last Thursday by its action added another famous name to the list when it nominated as its candidate for Governor my friend and your colleague, JOHN DAVIS LODGE, the Representative from the Fourth District of the great Constitution State.

From my close observance of the gentleman and association with him, I am of the opinion that JOHN DAVIS LODGE is a man of outstanding ability, of unquestioned integrity and one possessing a great capacity for hard work. It was in recognition of his ability, background, and experience that Mr. LODGE has been selected for a larger opportunity of service to all of the people in Connecticut.

Mr. KEATING. Mr Speaker, will the gentleman yield?

Mr. SADLAK. I am happy to yield to my colleague from New York.

Mr. KEATING. JOHN LODGE came to Congress at the same time I did, and it so happened that I had the good fortune to occupy an office next to his. I feel that, perhaps, with the exception of his Connecticut colleagues, I learned to know his great qualities of mind and heart as well, if not better, than any other Member in the House. Frequently we had occasion to discuss, after the heat of the day was over, problems affecting the veterans, for whom our distinguished colleague, Mr. LODGE, was always a strong supporter, himself being a veteran with a distinguished record. We discussed problems of agriculture, problems of the industrial worker, and problems relating to the responsibilities of our country in the international field, and many others. JOHN LODGE always displayed a great interest in all of these matters; an unusual grasp of the fundamental issues involved, and what is perhaps of even greater importance in the performance of the duties to which many of us hope he will be called, a deep and sincere quality of heart in his desire to see this made a better country, in his desire to see that all of its citizens enjoyed greater prosperity and well-being.

I am very happy that the gentleman has risen here today for this purpose and privileged to have the opportunity of saying on behalf of JOHN LODGE that I know of no Member of this body who has contributed more during his service than has he. I sincerely hope that the people of the great State, for which the gentleman now speaking is the Congressman at Large, will recognize the rare privilege which is theirs to support a man of JOHN LODGE's ability and integrity for the office of Governor. We, his colleagues and the Nation will miss his outstanding services here, but Connecticut will be the gainer through our loss.

Mr. SADLAK. I am most grateful for the gentleman's gracious statement in regard to my colleague [Mr. LODGE].

Mrs. BOLTON of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SADLAK. I yield to the gentlewoman from Ohio.

Mrs. BOLTON of Ohio. I want to thank my colleague from Connecticut [Mr. SADLAK] very much for the opportunity this gives some of us to express ourselves in the matter of JOHN LODGE'S leaving this House, we hope, as our colleague from New York has said, to take on the chief administrative job in the State of Connecticut.

I happen to have a particular interest in Connecticut because my people came from there. They went out to the Connecticut Western Reserve in Ohio when the British burned their properties. We still have in the family the little farmhouse 50 miles from Hartford, where they lived for several centuries.

JOHN LODGE exemplifies so many things that I like to feel the younger men exemplify, men like yourself, Mr. SADLAK, the finer qualities of American manhood, courage, willingness to work, and ability to apply themselves to those things that matter.

JOHN LODGE has had a wide experience. His war service was in the Navy, where he proved his capacities and his courage. A man of great personal charm, with a gift in languages, he has served this country in unusual ways. He came to the Committee on Foreign Affairs as one of what we of longer experience called the "young fry," and soon made himself felt in the committee. He has done a very splendid job.

As a member of a subcommittee of which I was chairman several years ago he went to Europe, stopping off in Italy and France. His report was most interesting and helpful to the Committee on Foreign Affairs and to the other Members of Congress.

I know all the Members on both sides of our committee table are exceedingly interested that John be given an opportunity to use his fine capacity to the greatest extent, and although probably the other side of the table would like to see the other fellow win this fall, when John wins they will give him a hand because they admire him and like him, and they find him good to work with.

I do not know that there is anything finer that can be said of a man than that he is good to work with. You get to know him, you get to understand him, and then you are able to laugh with him, too.

I want to thank the gentleman from Connecticut once again for the privilege of saying these few words about this colleague of ours. With many others of this great body I shall miss him greatly. May he have Dame Fortune on his side.

Mr. SADLAK. I am most grateful for those kind words.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. SADLAK. I yield to the gentleman from New Jersey.

Mr. CANFIELD. May I say to my friend and colleague from Connecticut that I, too, regret that JOHN LODGE is to leave the House of Representatives. During our association here I found him more interested in people than in things. I shall always remember his concern for the displaced Polish soldiers who fought in the forces of freedom in World War II. We now know that the new Displaced Persons Act provides for the entry of thousands of those soldiers through the amendment sponsored by him on this floor. That is one of the monuments to his work here.

Mr. SADLAK. I thank the gentleman.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. SADLAK. I yield to the minority leader.

Mr. MARTIN of Massachusetts. I appreciate the yielding by my good friend, the able and distinguished Representative from Connecticut [Mr. SADLAK].

It is true, as he says, that there are many older members leaving the House, men we can ill afford to lose. Through years of experience and knowledge they are of great value to the Congress and in helping to solve our many difficult problems. But that is the way of life. Time marches on and the call of duty beckons to other fields of State and national service.

So it has been with the gentleman from Connecticut [Mr. LODGE]. I have been acquainted with Mr. LODGE for a good many years. It was my privilege many years ago to be the campaign manager for his illustrious grandfather in his final contest for the United States Senate. The Lodge family has been a family with a long history of national service—of men who enter the service of country with but one purpose, and that is to serve their country and make this life a better one.

I am happy over the nomination of Mr. LODGE for Governor of Connecticut. I think he will be elected. I know he will be a good Governor. I know the people of Connecticut will be very fortunate indeed to get a man of his many attainments and abilities, of his courage and praiseworthy purpose.

Men like JOHN LODGE bring a new spirit and a new lift into the national service. He knows people and how to deal with them. He has the capacity to give a sound and able administration; the desire to promote the welfare of all the people.

So I join with my good friend from Connecticut [Mr. SADLAK] in congratulating Mr. LODGE upon his call to a higher service. I know Connecticut will prosper if it chooses him for the high office of Governor.

Mr. SADLAK. I am grateful for the gentleman's fine contribution.

I yield to my colleague the gentleman from California [Mr. MCDONOUGH].

Mr. MCDONOUGH. Mr. Speaker, I would like to say in connection with this symposium which the gentleman from Connecticut is so aptly putting on at this time that we are all happy for Mr. LODGE on his nomination for Governor of Connecticut.

We are hopeful that he will be successful. In that same connection, may I say that it is my hope that the gentleman from Connecticut [Mr. SADLAK] who is a candidate for Congressman-at-large from the State of Connecticut, will also be successful in his own reelection to the House as a Member of the Eighty-second Congress.

In my opinion he has shown a courage and statesmanlike attitude in the House of Representatives that the people of the State of Connecticut can be proud of. The fact that he has to run at large, just as the governor, as well as the fact that he belongs to the present minority party, makes his task difficult and I hope he will be successful.

I trust the people of Connecticut will fully appreciate his excellent services here in the House of Representatives and that they will return him for another term which he has earned and is so deservedly entitled to.

Mr. SADLAK. I am most grateful for this unexpected tribute from my friend, the gentleman from California.

I yield to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I should like also to pay tribute to the gentleman from Connecticut [Mr. SADLAK]. I hope he will return to the House with even a greater majority than he had before.

He has worked mightily for the protection of the industries of New England and is fighting day by day for everything that is fine in America.

I join with the gentleman from Connecticut [Mr. SADLAK] in our appreciation of Mr. JOHN LODGE. We shall miss him in the House. I have a personal feeling of interest and affection for him because of his Massachusetts association and his Massachusetts forbears. We were very sorry to lose him to the State of Connecticut.

I would like also to mention that I believe the gentleman is making a very real sacrifice in leaving the House, because he is a prominent member of the Committee on Foreign Affairs of the House of Representatives, and has taken an enormous interest in all our international affairs as well as the internal affairs of the United States of America.

He will make a very able governor. We shall miss him. We shall also miss his charming helpmeet who has been very helpful to Mr. LODGE in his career.

Mr. SADLAK. I thank the gentlewoman very much.

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. HERTER. Mr. Speaker, I am delighted to have this opportunity of joining with my colleagues in saying a few words regarding JOHN DAVIS LODGE. While as a Massachusetts man I have known members of his family for many years, I did not have an opportunity to get to know him intimately until he came to the House. During the years here, we have worked on many problems together. Not only has he been practical, but he has been able to apply a very keen and discriminating intelligence to each legislative problem as it came along. In addition, with his diligence and conscientiousness, he has made an outstanding legislator.

The Republican Party of Connecticut is to be congratulated in choosing him for its nominee for Governor. My one regret in his acceptance is that the House of Representatives will be the loser. All of us who know him will wish him the victory he so fully deserves in November.

Mr. PATTERSON. Mr. Speaker, it has often been said that the great men and their accomplishments die with them; that their descendants are people of average or mediocre ability, who contribute very little to the national scene. Not so in the case of my good friend and your colleague, the Honorable JOHN DAVIS LODGE, who is a member of a family that has distinguished itself in many fields of work. John epitomizes the growing concern of the American people for a world which is ever growing smaller; for a world in which nations, through the sheer necessity of the atomic age, must learn to live together. In him we find a man with vigorous ideas which are keyed to the needs of this modern day and age.

During my close association with and observation of John, I have always been impressed with his warm friendliness of manner, his competence and his integrity, and have found him to be a man of the people. As one who has served the State of Connecticut and the Nation capably in Congress, who served with distinction in the naval service, who has comprehensive knowledge of domestic and foreign affairs, John is undoubtedly well fitted to become the Governor of the great State of Connecticut, particularly in a time when all public officials must have vision and understanding not only of national but international problems.

Connecticut sorely needs a helmsman capable of steering the State through the turbulent waters of economic dislocation. JOHN LODGE is the direct antithesis of the present executive in our State and, under John's able guidance, our citizens may look forward to a steady course in the future. I doubt not that our citizens will recognize his worth and ability, as have the constituents in his congressional district on two occasions, and as have we who served with him in the Congress.

### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KEOGH (at the request of Mr. CLEMENTE), for June 21, on account of official business.

To Mr. HINSHAW, for the balance of this week, on account of family business.

To Mr. AUGUST H. ANDRESEN (at the request of Mr. O'HARA of Minnesota), for the remainder of this week, on account of official business.

### ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1082. An act conferring jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon a claim of the Bunker Hill Development Corp.;

H. R. 2230. An act for the relief of Arthur S. Horner, Leah B. Horner, and Maude Brewer, doing business as the A. S. Horner Construction Co.;

H. R. 2803. An act for the relief of Albert J. Peterson;

H. R. 3254. An act for the relief of Iva Gavin;

H. R. 4371. An act for the relief of Shiro Takemura;

H. R. 4692. An act to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II;

H. R. 5019. An act for the relief of Felia H. Holbrook;

H. R. 5682. An act for the relief of William T. Orton;

H. R. 5846. An act for the relief of Mrs. Lillian Coolidge;

H. R. 6691. An act for the relief of Paul D. Banning, Chief Disbursing Officer, Treasury Department, and for other purposes; and

H. R. 6934. An act for the relief of E. H. Corrigan.

### BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On June 20, 1950:

H. R. 3436. An act to amend the War Contractors Relief Act, as amended.

On June 21, 1950:

H. R. 3498. An act for the relief of the Gluckin Corp.;

H. R. 4100. An act for the relief of Calvin E. Cranford;

H. R. 4163. An act for the relief of Mr. and Mrs. C. S. Walker;

H. R. 4960. An act for the relief of Mrs. Elizabeth H. Whitney;

H. R. 5979. An act for the relief of John Tweit;

H. R. 6652. An act for the relief of Mrs. Fujiko Chichie Imbert, wife, and Robert Imbert, Jr., son of an American soldier;

H. R. 7050. An act for the relief of Louie Gam Yean;

H. R. 7065. An act for the relief of Kazuko Miyama Akana and Chang King Akana;

H. R. 7066. An act for the relief of Setsuko Amano;

H. R. 7073. An act for the relief of Koto Kogami Kitsu and Jeannette Akemi Kitsu;

H. R. 7199. An act for the relief of Nobuko Maeda;

H. R. 7254. An act for the relief of Mrs. Bernard Smith;

H. R. 7315. An act for the relief of Daijiro Yoshida;

H. R. 7362. An act for the relief of Mrs. Willard Thulin (formerly Jutta Kono);

H. R. 7416. An act for the relief of Suzuko Takanashi;

H. R. 7579. An act to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes;

H. R. 7656. An act for the relief of David George Callaway;

H. R. 7658. An act for the relief of Mitsuko Ito;

H. R. 7682. An act for the relief of Mrs. Akiko Osada Gustafson; and

H. R. 8270. An act relating to the renewal of contracts for the carrying of mail on star routes.

### ADJOURNMENT

Mr. MANSFIELD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 10 minutes p. m.) the House adjourned until tomorrow, Thursday, June 22, 1950, at 12 o'clock noon.

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### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1506. A letter from the President, Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill to amend section 7 of an act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902; to the Committee on the District of Columbia.

1507. A letter from the Acting Attorney General, transmitting the annual report of the activities of the Office of Alien Property, Department of Justice, for the fiscal year ended June 30, 1949; to the Committee on Interstate and Foreign Commerce.

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### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 4709. A bill conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon claims arising out of certain blasting operations on the Merrimack River; with amendment (Rept. No. 2301). Referred to the Committee of the Whole House on the State of the Union.

Mr. BRYSON: Committee on the Judiciary. H. R. 5003. A bill to authorize War Assets Administration or its successor to reimburse the people of the State of New York for certain lands at Manhattan Beach, Kings County, N. Y., in pursuance of an agreement between the people of the State of New York and the Government of the United States; with amendment (Rept. No. 2302). Referred to the Committee of the Whole House on the State of the Union.

Mr. REDDEN: Committee on Public Lands. H. R. 8606. A bill to amend the act of March 12, 1914, to authorize the construction and operation of a cement plant in the Territory of Alaska, and for other purposes; with amendment (Rept. No. 2303). Referred to the Committee of the Whole House on the State of the Union.

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### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DENTON: Committee on the Judiciary. H. R. 1500. A bill for the relief of Mrs. Barbara Guanapoulos; with amendment (Rept. No. 2290). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 1586. A bill for the relief of Harold E. Trautwein; without amendment (Rept. No. 2291). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 2805. A bill for the relief of John F. Oettl; without amendment (Rept. No. 2292). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3304. A bill for the relief of José Cotto Santiago; without amendment (Rept. No. 2293). Referred to the Committee of the Whole House.

Mr. KEATING: Committee on the Judiciary. H. R. 3412. A bill for the relief of N. H. Kelley, Bernice Kelley, Clyde D. Farquhar, and Gladys Farquhar; without

amendment (Rept. No. 2294). Referred to the Committee of the Whole House.

Mr. KEATING: Committee on the Judiciary. H. R. 4136. A bill for the relief of Helen M. Booth; with amendment (Rept. No. 2295). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 4657. A bill for the relief of J. R. Fleming & Co.; with amendment (Rept. No. 2296). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 4775. A bill for the relief of Harold L. Corzett, commander, United States Naval Reserve; without amendment (Rept. No. 2297). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4954. A bill for the relief of Jacob F. Hutt; with amendment (Rept. No. 2298). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 6312. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Joseph Lundborg and others against the United States; with amendment (Rept. No. 2299). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 6417. A bill for the relief of Mrs. Frieda Gray (formerly Frieda Putman); with amendment (Rept. No. 2300). Referred to the Committee of the Whole House.

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PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII public bills and resolutions were introduced and severally referred as follows:

By Mr. DURHAM:

H. R. 8904. A bill to amend section 503 (b) of the Food, Drug, and Cosmetic Act of June 25, 1938, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. HAND:

H. R. 8905. A bill to provide for the deduction and credit of contributions or subscription charges to certain prepayment health-service plans for the purposes of the Federal income tax, and for other purposes; to the Committee on Ways and Means.

By Mr. PETERSON:

H. R. 8906. A bill to repeal certain legislation relating to the Gallup-Durango Highway and the Gallup-Window Rock Highway at the Navajo Indian Reservation; to the Committee on Public Lands.

By Mr. HOLIFIELD:

H. R. 8907. A bill to provide for payments to certain disabled veterans who sold their homes in order to move from Van Nuys, Calif., to Long Beach, Calif., for the purpose of receiving care and treatment at the Veterans' Administration hospital at Long Beach, Calif.; to the Committee on Veterans' Affairs.

By Mr. LANE:

H. R. 8908. A bill to provide for the storage in New England of at least 150,000 bales of cotton owned or controlled by the Commodity Credit Corporation; to the Committee on Banking and Currency.

By Mr. McMILLAN of South Carolina:

H. R. 8909. A bill to authorize the District of Columbia government to establish an Office of Civil Defense, and for other purposes; to the Committee on the District of Columbia.

By Mr. MURDOCK:

H. R. 8910. A bill to promote the rehabilitation of the Papago Tribe of Indians and a better utilization of the resources of the Papago Tribe, and for other purposes; to the Committee on Public Lands.

By Mrs. BOSONE:

H. J. Res. 490. Joint resolution to authorize and direct the Secretary of the Interior to study the respective tribes, bands, and groups of Indians under his jurisdiction to determine their qualifications to manage their own affairs without supervision and control by the Federal Government; to the Committee on Public Lands.

By Mr. BATES of Massachusetts:

H. Res. 662. Resolution for the relief of Mrs. Catherine Regina Andrews; to the Committee on House Administration.

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PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUCHINCLOSS:

H. R. 8911. A bill for the relief of Maia Andre and her mother, Mrs. Juliane Altenbrun; to the Committee on the Judiciary.

By Mr. BARRETT of Pennsylvania:

H. R. 8912. A bill for the relief of Marianne Ese Banck; to the Committee on the Judiciary.

By Mr. BUCKLEY of New York:

H. R. 8913. A bill for the relief of Martin, Margarita, Hersch, Serina, and Yolanda Low; to the Committee on the Judiciary.

By Mr. CHUDOFF:

H. R. 8914. A bill for the relief of Charalampos Pitsilos; to the Committee on the Judiciary.

By Mr. JENNINGS:

H. R. 8915. A bill for the relief of Erika Kroenes; to the Committee on the Judiciary.

By Mr. KARST:

H. R. 8916. A bill for the relief of Leroy Peebles; to the Committee on the Judiciary.

By Mr. RIBICOFF:

H. R. 8917. A bill for the relief of Margareta (Margaret) Klapp; to the Committee on the Judiciary.

By Mr. SAYLOR:

H. R. 8918. A bill for the relief of Mary Rynik Baran; to the Committee on the Judiciary.

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PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2208. By Mr. CANFIELD: Resolutions of Quentin Roosevelt Post, No. 8, American Legion, Clifton, N. J., adopted in regular meeting on June 19, 1950, requesting that the Justice Department make public a full report on the 1945 Amerasia case as requested by the Federal grand jury; to the Committee on the Judiciary.

2209. By Mr. MILLER of Maryland: Resolution of Stanley Cochrane Post, No. 16, American Legion, Crisfield, Md., in opposition to any form of compulsory insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

2210. Also, resolution of Worcester Post, No. 67, American Legion, Inc., Snow Hill, Md., opposing any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

2211. By the SPEAKER: Petition of Gordon W. Hirtle, secretary, Morgantown Chamber of Commerce, Morgantown, W. Va., requesting the passage of legislation that will curtail the importation of foreign oil that affects adversely the economic life of Morgantown and Monongalia County; to the Committee on Ways and Means.

# SENATE

## THURSDAY, JUNE 22, 1950

*(Legislative day of Wednesday, June 7, 1950)*

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God our Father, we thank Thee for the unquenchable impulse toward Thee Thou hast planted in us. Open our eyes to see Thee, not out on the far rim of the universe, in some distant star, but in human love which hallows our lives and which edges with crimson and gold the common days.

Conscious of Thy overshadowing presence, we pray for fidelity, not to shirk the issues of these momentous days. May our own lives freed of pettiness and prejudice, and radiant with good will which leaps all barriers, be channels through which Thy saving grace may flow for the healing of the nations. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 21, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 21, 1950, the President had approved and signed the following acts:

S. 1146. An act for the relief of Francis W. Dodge;

S. 1769. An act to reimburse the Stebbins Construction Co.; and

S. 2070. An act for the relief of the Clark Funeral Home.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 118. An act for the relief of Clemente Sabin Dopico;

S. 330. An act for the relief of George Gabriel Herrmann, Greta (Marketa) Herrmann (wife), and Alice Herrmann (daughter), known also as George Gabriel Herman, Greta Herman, and Alice Herman;

S. 1165. An act to provide relief for the sheep-raising industry by making special quota immigration visas available to certain alien sheepherders;

S. 1452. An act for the relief of Dr. Juan A. Queralt Balleste;

S. 1484. An act for the relief of Augustino Marlia;

S. 1637. An act for the relief of Marie Henriette de Bruyn;

S. 2107. An act for the relief of Georges Gregory Alpiar;

S. 2265. An act for the relief of Marina George Papadopoulos;

S. 2309. An act for the relief of Oscar (Oszkar) Nemenyi, Marianna Nemenyi (wife), and Thomas John Nemenyi (son);

S. 2397. An act authorizing the Secretary of the Interior to convey certain lands in the State of Minnesota to Signa M. Lodoen and Nels R. Lodoen;

S. 2510. An act to authorize and direct the Secretary of the Interior to issue to Anson Harold Pease, a Crow allottee, a patent in fee to certain lands;

S. 2511. An act for the relief of Dr. John R. Portaria;

S. 2551. An act to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.;

S. 2552. An act to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.;

S. 2556. An act for the relief of Mrs. Billy J. Knight and Dorothea Knight;

S. 2629. An act for the relief of Marianne Bruchner;

S. 2714. An act for the relief of Thomas Pfeiffer;

S. 3029. An act authorizing the Secretary of the Interior to issue a patent in fee to Wilbur J. Scott;

S. 3128. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.;

S. 3130. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.;

S. 3181. An act to extend the Housing and Rent Act of 1947, as amended, and for other purposes;

S. 3639. An act providing for an extension of the time during which annual assessment work on mining claims held by location in the United States, including Alaska, may be made, and for other purposes;

H. R. 1243. An act to amend the Hatch Act;

H. R. 4895. An act to permit the prospecting, development, mining, removal, and utilization of the mineral resources within the national forests in Minnesota, and for other purposes;

H. R. 8198. An act to provide for the organization of the Army and the Department of the Army, and for other purposes; and

H. J. Res. 480. Joint resolution extending the time for the release, free of estate and gift tax, of certain powers.

## LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. HICKENLOOPER was excused from attendance on the sessions of the Senate through Monday next.

On his own request, and by unanimous consent, Mr. TAFT was excused from attendance on the session of the Senate tomorrow.

On request of Mr. MYERS, and by unanimous consent, Mr. LUCAS was excused from attendance upon the sessions of the Senate until Tuesday next, on account of public business.

## INVESTIGATION OF COST OF EQUALIZING WHITE AND NEGRO SCHOOL BUILDINGS

Mr. EASTLAND. Mr. President, out of order, I introduce a joint resolution which would require the Department of Education in the Federal Security Agency to investigate and compute the cost of equalizing white and Negro school buildings in the South. The object of the joint resolution is to ascertain the cost of equalizing the school-building facilities in order that some equitable basis may be arrived at for contributions by the Federal Government and the States involved to equalize the white and Negro school-building facilities in the States with a dual school system.

Recent decisions of the Supreme Court are an attempt to tear down the dual school system of the South. The Southern States, Mr. President, have offered the world a classic example of two races in great numbers who live side by side in harmony and good will. In fact, there is more racial amity and harmony in the Southern States than in the city of Washington or in any of the Northern or Eastern States. The basis of this sound racial relationship is the dual school system cherished by white and black alike. As long as the system prevails the sources of friction are removed and amity and good will will be permitted to flourish.

Mr. President, racial segregation is our way of life. The white race, the Negro race do not desire and will not have interracial schools. The Negro race desires better schools, and this the southern white man is giving, and will continue to give. Who will deny that tremendous progress has been made?

There is much about the system and its practical aspects that outsiders do not understand. In the first place there is a time lag between intention and realization that is very real, but unavoidable. The common sense of the American people must realize that 85 years ago there were very few, if any, Negro school teachers or Negro school buildings in the South. The Negro race was illiterate and was just emerging from slavery. The South manfully and with a deep regard for its responsibility embarked upon a program of education for the Negroes living in their midst. A Negro school system was started from scratch. The problem was further complicated by the poverty in which the South was overwhelmed as a result of the war and the chaos attendant upon reconstruction. Among many vast problems, not only were we confronted with the problem of Negro education but with the rehabilitation of white education. No one in his right mind would say that the South should have retarded white education in order that a previously nonexistent Negro educational system could be built up. The task of educating Negro teachers and the building of Negro schools has grown apace with the advancement of economic conditions in the South. The time lag necessarily inherent in the problem which confronted the South has been narrowed with the passing years. In fact, in the past few years, as economic conditions improve, Negro education has made more progress than white education in the Southern States.

To show the progress that is being made I asked the Department of Education in the Federal Security Agency to give me figures on three Southern States. We selected North Carolina, Georgia, and Mississippi.

In the school year 1941–42 Georgia spent on Negro schools $3,893,000. In 1947–48, Georgia spent $12,426,000. In other words, in a period of 6 years Georgia more than tripled its Negro school appropriations.

In 1941–42 North Carolina spent $7,799,000 on Negro education and in 1947–48 North Carolina spent $23,200,000. Thus, in this period North Carolina more than tripled its appropriation for Negro education.

In Mississippi in 1940 $2,200,000, was spent on Negro education and in 1950 $8,832,000. Thus, Mississippi in 10 years had quadrupled its appropriations for Negro education. Teachers' salaries also in the South have almost without exception been equalized.

If the South is permitted to continue its efforts and the country is patient, the educational difficulties of the South will be solved. Southern people favor better schools, better hospitals and health facilities for the Negro. In fact, Mr. President, southern people believe in equality of economic opportunity for the Negro. We of the South realize that as an area we cannot prosper if the Negro is ground down in poverty. We realize that his increased purchasing power and a higher standard of living for him mean a higher standard of living for everyone. It is only when the social angle is injected that we draw the line.

Mr. President, we have no apologies to make for racial segregation. Regardless of what the agitators say, racial segregation in the South is not about to crumble. We believe in it. We shall continue to practice it. We defy those meddlers who attempt to force racial equality upon us. Segregation lives in the minds and hearts of southerners. It is integral to southern culture. As the agitators and racial demagogs rave and rant against it, they merely strengthen the determination of southern people to protect their culture and preserve their way of life.

Mr. President, regardless of court decrees, the dual school system will continue to exist and flourish. There is no other way. An educational system cannot be built by substituting chaos for order, and strife for amity. Examples are replete over the Nation. Where schools are mixed in approximately even numbers there is great friction and discord, and education suffers. The Anglo-Saxon people of the South cannot permit themselves to be submerged. They cannot permit their culture to be destroyed. They cannot permit their educational system to be wrecked. We cannot permit agitators and strife breeders in combination with pressure groups, who know nothing of the problem, to force us to relinquish a segregated-school system. We demand, and we shall enforce the right as human beings to live our lives and set up our social customs as we please.

We desire to equalize the school facilities between the races. If the States are not financially able to equalize them immediately, then the Federal Government if it is sincerely interested in helping the Negro, should contribute to the construction of school buildings. The object of the joint resolution introduced by me is to ascertain the amount of money it will take in order that we can decide upon equitable percentages of contributions by the States and by the Federal Government. The States involved will operate the school facilities

without Federal aid or Federal donations after their construction.

Mr. President, because of the position of the court, because of the drive to destroy the South, because of the attempt by the use of force of the Federal Government to remold us to the image desired by agitators who know nothing about our conditions or our problems, I cannot and will not vote for Federal aid to education. I cannot and will not support anything which could in time give the Federal Government any voice in the control of our school system either white or black. We cannot permit our schools to become dependent upon Federal aid, and I shall certainly oppose any appropriation of Federal funds for maintenance of or the operation of the schools of the country. I am afraid that American democracy is doomed if we have Federal bureaucratic control of the school system. With the present political complexion of the country it is plain to me that a program for Federal aid for schools is the most dangerous proposition that has ever faced us. I shall oppose it to the limit and I hope if it is ever enacted my State of Mississippi and all Southern States will refuse to accept Federal funds. We cannot afford to gamble with the welfare of little children.

If it takes more money for the operation of our schools, then the money must be provided by the States. Let us not be so naive as to believe that when our school system is dependent upon Federal moneys, and we are at the mercy of the Federal Government, the anti-southern pressure groups will not open their drive to control our school system and use it to teach our children what they want them to learn and mold to their desires our social habits.

No, Mr. President, Federal aid for the maintenance and support of schools in the South cannot be accepted without bringing with it a train of evils now so clearly indicated. On the other hand, if the Nation is truly concerned with a more rapid advancement in educational facilities for the Negroes then the sensible and acceptable way to accomplish it is through the building of school facilities and physical properties. This can be accomplished at a far less expense than could a Federal-aid-for-education proposal. The job can be done in the course of a few years and no further Federal obligation will be incurred. It is the realistic, practical approach to a very complicated problem.

I send the joint resolution to the desk for appropriate reference.

The joint resolution (S. J. Res. 189) to provide for a study of the cost of equalizing public elementary and secondary schools in States where separate schools are maintained for minority races, introduced by Mr. EASTLAND, was read twice by its title, and referred to the Committee on Labor and Public Welfare.

## ACTION ON RENT-CONTROL CONFERENCE REPORT

Mr. WHERRY. Mr. President, yesterday when the majority leader made a request for unanimous consent to vote upon his amendment to strike the so-called Russell amendment from the selective-service measure, the junior Senator from Nebraska, reserving the right to object, asked the majority leader if it was his intention to move a recess after the amendment had been voted on. That colloquy is found on page 8989 of the RECORD. It was my understanding that the majority leader stated that immediately after the vote on the Russell amendment, there would be a recess until 11 o'clock this morning.

Because of that, I informed several Senators on this side of the aisle that there would be no further voting, and some were absent at the time when the rent-control conference report came up for consideration, and did not have an opportunity to vote on it. In fact, I was one of the Senators who was absent, having made an engagement, after the assurance that there would be no further votes taken, with a Nebraska constituent who was in Washington asking for relief from an order of one of the Government agencies.

Mr. President, I want the RECORD to show that I was absent on that official business, and that I relied upon the statement of the majority leader that there would be no vote. I was necessarily absent. If I had been present and permitted to vote, I would have voted against the adoption of the conference report.

Mr. McFARLAND. Mr. President, in my opinion Members of the Senate should take into consideration the fact that an effort is being made to bring about final adjournment on July 31, and although the majority leader may announce that it is the intention to adjourn or take a recess following a certain record vote, yet when matters come up which are more or less agreed to, as was the rent-control conference report, and no fight is made against them, it is nevertheless appropriate to act on such matters. I believe that in the future every Senator should hold himself in readiness to be present immediately after any vote may be taken, in order that the business of the Senate may be transacted.

Of course, announcements may be made as to what the intentions are, but after a yea-and-nay vote yesterday, when nearly all Senators were present, no objection was made to proceeding with the rent-control conference report, and I do not believe it can be said there was any breach of faith so far as the majority leader was concerned. The minority was represented on the floor of the Senate when the request was made. The question was asked as to whether there was any objection to considering the rent-control conference report, and no objection was made.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield to the Senator from Delaware.

Mr. WILLIAMS. I desire to join the Senator from Nebraska in protesting the action that was taken last night. I was present in the Chamber at the time the majority leader made the announcement that immediately following the vote on the Lucas amendment he would ask for a recess of the Senate, and that no further business would be transacted. After voting on the amendment when the yeas and nays were called, I, too, left the Senate to catch a train, with the full understanding that there would be no further business transacted.

I think the Members of the Senate have a right to expect that when the majority leader gives us an indication of his program, he will live up to what he tells us he will do. I have no objection to the majority leader holding a night session if he wishes, but I must say that when he tells the Senate something, we have a right to accept his statement.

Mr. McFARLAND. Mr. President, the Members of the Senate should expect that until adjournment controversial matters may be brought up, and they should take notice that conference reports may come up at any time and be acted upon when no objection is made. The question was asked whether there was any objection to the consideration of the conference report on the rent control bill, and no objection was made. If any Senator on the other side had desired to object, there would have been a different story, but no objection was made to the consideration of the conference report.

Mr. WHERRY. Mr. President——

Mr. McFARLAND. I yield.

Mr. WHERRY. I want the floor in my own right if I can get it.

Mr. McFARLAND. Very well.

Mr. WHERRY. I am not disposed to argue with the acting majority leader. His admonition that Senators should be on the floor is one which I have expressed many times, and I will put my record against his or that of any other Senator so far as attendance on the floor of the Senate is concerned. But that is not the point involved at all. We on this side are perfectly willing to cooperate 100 percent with the majority in attempting to facilitate and approve or to disapprove programs and measures which are presented. But I should like to say once again that the rent-control measure is a controversial one. The fact that a record vote was taken upon the conference report shows that the subject of rent control is controversial. The vote on the conference report was 40 yeas and 24 nays. That in itself shows that the subject is controversial. If no objection had been made to the consideration of the conference report, but a yea-and-nay vote were asked for, then, in order to keep faith with the Members of the Senate, I believe the majority leader should have requested that the report go over until 11 o'clock this morning and have the vote taken then in order that all Senators who desired to do so could express themselves on the conference report.

I should like to say to my distinguished friend from Arizona that, if now announcement is to be made which, regardless of any statements made to the contrary, I can depend upon, the minority Members will be here. They will be here from the time we start until we adjourn and will be ready for any emergency.

Certainly, Mr. President, I relied in good faith upon the statement of the majority leader. I want Senators to know that when I told Members of this side that they might go home last night,

as there would be no further vote taken, I did so in good faith.

Even though the minority did not make objection when the proposal was made to consider the conference report, yet when there developed a controversy and a yea-and-nay vote was asked for, I think the only fair thing to have done at that time would have been to hold the conference report over until this morning. It would only have required a few minutes this morning to have the vote taken, and if that had been done each and every Member would have had an opportunity to vote upon the report.

Mr. McFARLAND. Mr. President, I do not care to prolong the colloquy. I am not speaking for the majority leader. But I serve notice that when I am in the position of acting majority leader, and the question is asked whether there is any objection on this side or the other side to proceeding with a measure, and no objection is made, I shall consider it proper to proceed to the consideration of the measure. That is exactly what happened in connection with the conference report on the rent-control bill.

I am informed that the Senator from South Carolina [Mr. MAYBANK] did not consult the majority leader, because the Senator from South Carolina had an agreement with the Senator from Washington [Mr. CAIN] that the report could be considered and a decision upon it had by voice vote. The Senator from Washington later wanted a yea-and-nay vote. No objection was made on the other side to a yea-and-nay vote. The question was not raised until after the vote was taken. So I do not consider that any breach of faith is involved.

I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Anderson | Hendrickson | Martin |
| Benton | Hickenlooper | Maybank |
| Brewster | Hill | Millikin |
| Bricker | Hoey | Mundt |
| Bridges | Holland | Murray |
| Butler | Humphrey | Myers |
| Byrd | Hunt | Neely |
| Cain | Ives | O'Mahoney |
| Capehart | Jenner | Robertson |
| Chapman | Johnson, Colo. | Russell |
| Chavez | Johnson, Tex. | Saltonstall |
| Connally | Kefauver | Schoeppel |
| Cordon | Kem | Smith, Maine |
| Darby | Kerr | Smith, N. J. |
| Donnell | Kilgore | Sparkman |
| Douglas | Knowland | Stennis |
| Eastland | Lehman | Taft |
| Ecton | Lodge | Thomas, Utah |
| Ellender | Lucas | Thye |
| Ferguson | McCarran | Tydings |
| Frear | McCarthy | Watkins |
| Fulbright | McClellan | Wherry |
| George | McFarland | Wiley |
| Gillette | McKellar | Williams |
| Green | McMahon | Withers |
| Gurney | Magnuson | |
| Hayden | Malone | |

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from North Carolina [Mr. GRAHAM] and the Senator from Rhode Island [Mr. LEAHY] are absent on public business.

The Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the senior Senator from Vermont [Mr. AIKEN], the junior Senator from Vermont [Mr. FLANDERS], the senior Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Idaho [Mr. DWORSHAK] is absent on official business.

The VICE PRESIDENT. A quorum is present.

Mr. McCARRAN. Mr. President, I inquire what is the parliamentary situation at the present time?

The VICE PRESIDENT. The committee amendment, as amended, to the House bill 6826 is now before the Senate, and is open to further amendment.

Mr. McCARRAN. Mr. President, if in order, I should like to present a matter for consideration in the way of a report from a conference committee.

## TRANSACTION OF ROUTINE BUSINESS

Mr. WHERRY. Mr. President, if the Senator will yield for an inquiry, does the acting majority leader propose to ask unanimous consent for the transaction of routine business?

Mr. McFARLAND. Mr. President, I ask unanimous consent that there may be transaction of the usual routine business at this time, without speeches or debate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

## MRS. MARION T. SCHWARTZ—CONFERENCE REPORT

Mr. McCARRAN. Mr. President, I submit a conference report on the bill (H. R. 1169) for the relief of Mrs. Marion T. Schwartz, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The conference report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1169) for the relief of Mrs. Marion T. Schwartz, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the sum inserted by the Senate amendment, insert "$3,000"; and the Senate agree to the same.

PAT MCCARRAN,
HERBERT R. O'CONOR,
ALEXANDER WILEY,
*Managers on the Part of the Senate.*

WILLIAM T. BYRNE,
WINFIELD K. DENTON,
JOHN JENNINGS, JR.,
*Managers on the Part of the House.*

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

Mr. WHERRY. Reserving the right to object, will the distinguished Senator from Nevada give us an explanation of what is involved?

Mr. McCARRAN. Briefly, the facts in the case are that the now deceased husband of the claimant was injured through the negligence of a civilian employee of the Army, at the Oakland Army Base, in September 1944. At the time of his injuries, the deceased was a part-time employee of the Government working at the Army base three evenings a week, and earning approximately $48 a month. He was regularly employed in the daytime as a clerk, for the East Bay Municipal Utility District of Oakland, where he earned about $280 a month. There was a manpower shortage at the time, and all able-bodied men in the vicinity had been urged as a patriotic duty to take this part-time work wherever possible.

As a Government employee, Schwartz received compensation payments from the Bureau of Employees' Compensation, but because such payments were calculated on the basis of the monthly wage of the employee, the amounts he received for his injuries were negligible, in view of the serious nature thereof. That is to say, he was paid $283.20. For this reason the Government agencies concerned were inclined to look with favor upon the bill as passed by the House. The Senate committee reduced the amount awarded by the House to $1,671, which was the amount that he actually lost in wages from his regular employment because of the injuries sustained on the part-time job.

The compromise between the House and the Senate was for $3,000.

The VICE PRESIDENT. Is there objection to the present consideration of the report?

Mr. WHERRY. Mr. President, will the Senator permit me to ask another question or two?

Mr. McCARRAN. I yield.

Mr. WHERRY. Are we receding from the Senate's position?

Mr. McCARRAN. Yes. This is a private claim which has been in conference since April 25, 1949. The conference committee consisted of the senior Senator from Nevada, the junior Senator from Maryland [Mr. O'CONOR], and the senior Senator from Wisconsin [Mr. WILEY].

The House passed the bill providing for an award of $4,000. The Senate Judiciary Committee proposed an amendment reducing the amount to $1,671, and the Senate accepted this amendment and passed the bill in that form. The conferees have split the difference, making the figure $3,000.

Mr. WHERRY. Mr. President, I have no objection.

The VICE PRESIDENT. Without objection, the conference report is agreed to.

## REPORT OF OFFICE OF ALIEN PROPERTY—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the

President of the United States, transmitting the annual report of the Office of Alien Property, Department of Justice, which, with the accompanying report was referred to the Committee on the Judiciary:

*To the Congress of the United States:*

I transmit herewith for the information of the Congress the annual report of the Office of Alien Property, Department of Justice, for the fiscal year ended June 30, 1949.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 22, 1950.*

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUMPHREY, from the Committee on Expenditures in the Executive Departments:

S. 3147. A bill to establish a temporary National Commission on Intergovernmental Relations; with amendments (Rept. No. 1856).

By Mr. WILEY, from the Committee on the Judiciary:

S. 1501. A bill for the relief of Mr. and Mrs. Ray S. Berrum; without amendment (Rept. No. 1857).

By Mr. CAIN, from the Committee on Armed Services:

S. 3579. A bill for the relief of Midshipman Willis Howard Dukelow, United States Navy; without amendment (Rept. No. 1858).

By Mr. SALTONSTALL, from the Committee on Armed Services:

H. R. 7058. A bill to amend laws relating to the United States Military Academy and the United States Naval Academy, and for other purposes; with an amendment (Rept. No. 1859).

By Mr. BYRD, from the Committee on Armed Services:

H. R. 7764. A bill to authorize the construction of modern naval vessels, and for other purposes; with amendments (Rept. No. 1860).

By Mr. JOHNSON of Texas, from the Committee on Armed Services:

H. R. 8604. A bill to provide for the conveyance of the Percy Jones General Hospital, Gull Lake Annex, Gull Lake, Mich., to the W. K. Kellogg Foundation, Battle Creek, Mich.; without amendment (Rept. No. 1861).

## ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 22, 1950, he presented to the President of the United States the following enrolled bills:

S. 118. An act for the relief of Clemente Sabin Dopico;

S. 330. An act for the relief of George Gabriel Herrmann, Greta (Marketa) Herrmann (wife), and Alice Herrmann (daughter), known also as George Gabriel Herman, Greta Herman, and Alice Herman;

S. 1165. An act to provide relief for the sheep-raising industry by making special quota immigration visas available to certain alien sheepherders;

S. 1452. An act for the relief of Dr. Juan A. Queralt Balleste;

S. 1484. An act for the relief of Augustino Marlia;

S. 1637. An act for the relief of Marie Henriette de Bruyn;

S. 2107. An act for the relief of Georges Gregory Alpiar;

S. 2265. An act for the relief of Marina George Papadopoulos;

S. 2309. An act for the relief of Oscar (Oszkar) Nemenyi, Marianna Nemenyi (wife), and Thomas John Nemenyi (son);

S. 2397. An act authorizing the Secretary of the Interior to convey certain lands in the State of Minnesota to Signa M. Lodoen and Nels R. Lodoen;

S. 2510. An act to authorize and direct the Secretary of the Interior to issue to Anson Harold Pease, a Crow allottee, a patent in fee to certain lands;

S. 2511. An act for the relief of Dr. John R. Portaria;

S. 2551. An act to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.;

S. 2552. An act to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.;

S. 2556. An act for the relief of Mrs. Billy J. Knight and Dorothea Knight;

S. 2629. An act for the relief of Marianne Bruchner;

S. 2714. An act for the relief of Thomas Pfeiffer;

S. 3029. An act authorizing the Secretary of the Interior to issue a patent in fee to Wilbur J. Scott;

S. 3128. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.;

S. 3130. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.;

S. 3181. An act to extend the Housing and Rent Act of 1947, as amended, and for other purposes; and

S. 3639. An act providing for an extension of the time during which annual assessment work on mining claims held by location in the United States, including Alaska, may be made, and for other purposes.

## BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTIN:

S. 3811. A bill for the relief of Rev. Stanley Yu; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 3812. A bill relating to the compensation and leave benefits of officers and employees in the custodial service of the Post Office Department transferred to the General Services Administration under Reorganization Plan No. 18 of 1950; to the Committee on Post Office and Civil Service.

(Mr. EASTLAND introduced Senate Joint Resolution 189, to provide for a study of the cost of equalizing public elementary and secondary schools in States where separate schools are maintained for minority races, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

By Mr. TYDINGS:

S. J. Res. 190. Joint resolution extending the period of effectiveness of the Selective Service Act for 15 days; ordered to lie on the table.

## REORGANIZATION PLAN NO. 27 OF 1950

Mr. TAFT (for himself, Mr. BUTLER, Mr. SMITH of New Jersey, Mr. BRICKER, Mr. KNOWLAND, Mr. MUNDT, and Mr. HENDRICKSON) submitted the following resolution (S. Res. 302), which was referred to the Committee on Expenditures in the Executive Departments:

*Resolved,* That the Senate does not favor the Reorganization Plan No. 27 of 1950 transmitted to Congress by the President on May 31, 1950.

## INVESTIGATION OF CAUSE OF INCREASING UNEMPLOYMENT IN CERTAIN INDUSTRIES—CHANGE IN DATE OF MAKING REPORT

Mr. THOMAS of Utah. Mr. President, Senate Resolution 274, providing for an investigation of the cause of increasing unemployment in certain industries by the Committee on Labor and Public Welfare, carries the date of June 25 for making a report to the Senate. At the request of the Senator from West Virginia [Mr. NEELY], I ask unanimous consent that the committee be given until July 5 to make a report.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

## PERMANENT NATIONAL COMMISSION ON INTERGOVERNMENTAL RELATIONS—RECOMMITTAL OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that Calendar No. 483, Senate bill 1946, to establish a permanent National Commission on Intergovernmental Relations, be taken from the calendar and recommitted to the Committee on Expenditures in the Executive Departments.

The VICE PRESIDENT. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

## CROWNING OF THE STATE LAUREL QUEEN—ADDRESS BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD excerpts from an address delivered by him at the ceremonies of the crowning of the State laurel queen, at Wellsboro, Pa., on June 16, 1950, which appears in the Appendix.]

## APPOINTMENT OF A "WATCHDOG SUBCOMMITTEE"—STATEMENT BY SENATOR JOHNSON OF COLORADO

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a statement prepared by him dealing with the appointment of a "watchdog subcommittee" to follow the activities of the Federal Trade Commission in eliminating existing confusion with respect to the validity of freight absorption and competitive pricing practices, which appears in the Appendix.]

## DEBTS, DEFICITS, AND TAXES—ADDRESS BY HON. HERBERT HOOVER

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an address on the subject of debts, deficits, and taxes, delivered by Hon. Herbert Hoover before the United States Junior Chamber of Commerce, at Chicago, June 16, 1950, which appears in the Appendix.]

## THE GREAT BETRAYAL—EDITORIAL FROM THE OMAHA MORNING WORLD-HERALD

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial entitled "The Great Betrayal," published in the Omaha Morning World-Herald of June 19, 1950, which appears in the Appendix.]

## ALL AMERICAN CONFERENCE TO COMBAT COMMUNISM MOVES FORWARD

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an article entitled "All American Conference to Combat Communism Made Permanent in Meet of 60 National Groups at Chicago," published in the July 1950 issue of the American Legion Monthly, which appears in the Appendix.]

## TERROR BY LAW

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an article entitled "Terror by Law," written by George N. Craig, national commander, American Legion, and published in the July 1950 issue of the American Legion Monthly, which appears in the Appendix.]

EXTENSION OF THE DRAFT ACT—EDITORIAL FROM THE PHILADELPHIA INQUIRER

[Mr. MYERS asked and obtained leave to have printed in the RECORD an editorial regarding the extension of the Draft Act published in the Philadelphia Inquirer of June 21, 1950, which appears in the Appendix.]

SOCIAL SECURITY REVISION—EDITORIAL FROM THE PHILADELPHIA INQUIRER

[Mr. MYERS asked and obtained leave to have printed in the RECORD an editorial entitled "Good Start on Social Security Revision," published in the Philadelphia Inquirer June 22, 1950, which appears in the Appendix.]

MR. DEWEY'S DECISION — EDITORIAL FROM THE PHILADELPHIA INQUIRER

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Mr. Dewey's Decision," published in a recent issue of the Philadelphia Inquirer, which appears in the Appendix.]

COMPETITION OF SOUTH AMERICAN COPPER

[Mr. ECTON asked and obtained leave to have printed in the RECORD an editorial entitled "Copper Trouble" from the Washington Post of June 22, 1950, and a letter from Carlos Reyes, press attaché of the Chilean Embassy, published in the Washington Post of June 22, 1950, which appear in the Appendix.]

A PROGRAM FOR LIBERALS—ADDRESS BY SENATOR LEHMAN

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an address on the subject A Program for Liberals, delivered by him on the occasion of the sixth birthday dinner of the Liberal Party of New York, which appears in the Appendix.]

ATTITUDE OF ORGANIZED LABOR TOWARD RECENT AND COMING ELECTIONS—ADDRESS BY WILLIAM GREEN

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an address on the subject of the attitude of organized labor toward the recent and coming political elections, delivered by Mr. William Green, president of the American Federation of Labor, before a dinner meeting of the Liberty Party of New York, June 14, 1950, which appears in the Appendix.]

THE UNITED NATIONS AND THE CHINESE COMMUNIST GOVERNMENT

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Britain Moving for UN Entry of Chinese Reds," by Kenneth Bilby, published in the New York Herald Tribune of June 21, 1950, and also an article entitled "Saving the UN," written by Ludwell Denny, published in today's issue of the Washington News, in which Mr. Denny states:

A slick diplomatic trick is being worked to slip Red China into the United Nations through the back door as payment of Soviet blackmail.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of June 21, 1950]

BRITAIN MOVING FOR UN ENTRY OF CHINESE REDS—PLANS TO EASE THEM IN BY FIRST GETTING THEM INTO UN SUBSIDIARY GROUPS

(By Kenneth Bilby)

LONDON, June 20.—Cautiously, and with considerable reluctance, the British Government is taking new soundings on the possibility of getting the Chinese Communist regime admitted to the United Nations, it was established today.

When the Economic and Social Council, one of the UN's major organs, convenes in Geneva again on July 3, British representatives, according to Foreign Office sources, will sound out other neutrals on the possibility of switching from abstention to affirmative votes for the Reds.

Until a majority is assured for the Communists, Britain will not change from abstention. But there are unmistakable official signs that the Government is exercising persuasion to induce smaller nations such as Ecuador, Cuba, and Egypt to support a switch in Chinese regimes.

It was officially conceded today, in fact, that British representatives at the meeting of the International Children's Emergency Fund consulted other countries on the subject. When it was determined that a majority could not be raised, the British decided it would be premature to press for a vote.

The British initiative is based on the conviction that the United States, for political reasons, is helpless to lead a movement in favor of the Communist regime. Foreign Secretary Ernest Bevin informed the House of Commons last month of the Government's desire to see the Communist regime admitted as the representative of the vast majority of the Chinese people, if Russia would cease its boycott of the UN.

Since Russia has not altered its policy, Britain is moving toward the goal of a unified UN via the back door. Rather than switching to an affirmative vote itself, and thus pressing for Chinese Communist admission to the Security Council, the Government appears to be seeking a solution through the fringe organizations where countries not members of the Security Council are represented.

It is obvious, in the British view, that if the new Chinese Government is seated in first one and then two or three of the subsidiary organizations of the UN, it will be impossible to refuse participation in the Security Council deliberations. It is pointed out here that an intolerable situation would arise if two warring Chinese delegations were represented in the UN on different bodies. If the Communists gain a foothold, their status as Chinese representatives is expected by the British to spread rapidly throughout the UN.

Britain's embarrassment at taking the initiative in this delicate problem is manifest here. Having already recognized the Communist regime, the British have been informed that they cannot expect Communist counterrecognition unless they adopt a positive attitude toward the new rulers in the UN. Rather than submit to this direct pressure, the Government is adamant in refusing to vote affirmative until a majority of the UN members are ready to endorse the new regime.

In the meantime, however, encouraged by strong hints that France is prepared to support the Chinese Communists, the British Government is pursuing that aim quietly in the belief that ultimately the Communists are bound to be admitted.

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[From the Washington Daily News of June 22, 1950]

SAVING THE UN

(By Ludwell Denny)

A slick diplomatic trick is being worked to slip Red China into the United Nations through the back door as payment of Soviet blackmail.

Stalin says he will continue to boycott the UN until he has his way, so some are ready to appease him in the name of friendship for the international security organization.

Trygve Lie, UN Secretary General, leads this movement. But he cannot deliver without support of the British and French foreign offices. He is beginning to get that aid from London and Paris.

If the movement succeeds the results will extend far beyond a Russian victory and American defeat on the China issue, which is the immediate point of dispute. It will change the nature of the UN. It will confirm the trend by which Stalin has been gaining negative control of the UN—through misuse of the veto power, and through boycotting the organization unless it bows to his dictate.

Even the most enthusiastic appeasers cannot contend such a shackled and subservient body was the kind the authors of the Charter supposed they were creating at the San Francisco conference.

Some may argue—with disregard of past costly failures of appeasement—that this is a more realistic approach to peace and security. But it is the opposite method to which the Russian Government and all others pledged their honor and their loyalty when they signed the Charter.

Secretary-General Lie is accused by United States Senators and others of being a Stalin tool. To attempt to judge the motives of a public servant is usually as fruitless as it is unfair. But regardless of motives, the net effect of Mr. Lie's avowed activities is to get Russia back into the UN operation on Stalin's terms rather than to guard the Charter standards.

Mr. Lie's recent trip to Moscow, his report to UN members, and his projected campaign trip to Europe on June 30, coincide with Stalin's phony "peace" maneuvers to split the defensive democratic alliance barring Soviet aggression.

The British Foreign Office made the mistake some months ago of recognizing Stalin's puppet regime in Peiping, only to be snubbed by those Reds. Now they promise to return the recognition favor, and save Britain's face, if she will get them seated in the UN.

This week Britain tried behind the scenes to slip Red China into one UN subsidiary body and failed. She probably will repeat the effort when the UN Economic and Social Council meets in Geneva July 3.

Meanwhile France, which has withheld recognition of the Peiping Reds because of their aid to the Indochina revolution, is putting out feelers for a deal on the UN pay-off. Britain and France together might also swing the votes of Egypt, Ecuador, and Cuba.

And all this is happening in the name of "saving" the UN.

THE THREATENED RAILROAD STRIKE

Mr. DONNELL. Mr. President, I should like to have the permission of the Senate to introduce certain items into the RECORD, and make a brief statement with regard to them, which will take only 5 minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. DONNELL. Mr. President, I ask unanimous consent that there be set forth in the body of the RECORD two articles appearing today, one in the Washington Post entitled "Rail Tie-Up Threatened Over Nation," the other an article appearing in the New York Times of this morning entitled "Switchmen To Strike on Sunday on Five Roads Over 40-Hour Week."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 22, 1950]

REAL TIE-UP THREATENED OVER NATION

CHICAGO, June 21.—AFL switchmen today called a strike for Sunday against five big western and midwestern lines. The carriers said a Nation-wide tie-up is threatened for July 15 by a walk-out of two other unions.

The Chicago, Rock Island, & Pacific, one of the five lines named in the switchmen's strike call, said it will shut down completely Sunday if the men go out. The Rock Island operates an 8,000-mile rail system between Chicago and the west coast. It also serves the Southwest.

The AFL Switchmen's Union of North America also called a strike for 6 a. m. local time Sunday against the Great Northern, Chicago Great Western, Denver & Rio Grande Western, and the Western Pacific lines.

The carriers said the switchmen's union and the big trainmen and conductors' unions notified them they were rejecting wage and hour recommendations made June 15 by a Presidential fact-finding board.

CAN STRIKE ANY TIME

The switchmen's union can strike legally at any time, having complied with all peace machinery of the Railroad Labor Act. The trainmen and conductors are restrained from striking before July 15 by a 30-day cooling-off requirement of the act.

There was a chance that some other roads named in the switchmen's strike call would not attempt to operate. Daniel P. Loomis, chairman of the Association of Western Railroads, said before the Rock Island announcement he understood some of the railroads planned to shut down.

The Presidential board recommended a 40-hour week and 18-cent hourly pay boost for 75,000 railroad yard employees but denied wage raises for 125,000 trainmen and conductors who man the trains. The ruling applied specifically to the Brotherhood of Railroad Trainmen and the Order of Railway Conductors. In a separate case the board recommended a 40-hour week and 18-cent hourly pay increase for 4,000 yard workers represented by the Railroad Yardmasters of North America.

The trainmen and conductors did not set a strike date. They will meet in Chicago July 10 to consider future action.

The board did not hear the switchmen's case but recommended to President Truman April 19 that the findings in behalf of other yard workers be applied to these employees. The switchmen's union rejected this recommendation and has been legally free to strike since May 19, when the 30-day cooling-off period ended.

The yard workers represented by unions had asked 40 hours' work at 48 hours' pay. In addition the 125,000 operating employees represented by the trainmen's and conductors' unions had demanded a sliding scale of pay rates depending on weight of locomotives and reduction of the basic day on passenger trains from the present 150 miles or 7½ hours to 100 miles or 5 hours.

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[From the New York Times of June 22, 1950]

SWITCHMEN TO STRIKE ON SUNDAY ON FIVE ROADS OVER 40-HOUR WEEK

CHICAGO, June 2.—The Switchmen's Union of North America, AFL, announced today it would strike at 6 a. m. Sunday against five midwestern and western railroads, including two Chicago lines.

The railroads scheduled to be struck include the Chicago, Rock Island & Pacific Railway Co., the Chicago & Great Western Railway Co., the Great Northern Railway Co., the Denver & Rio Grande Western Railroad Co., and the Western Pacific Railroad Co. The Rock Island and the Great Western have their headquarters in Chicago.

With many of the major western roads unaffected by the strike call, a serious curtailment of passenger and freight traffic from the East and consigned through Chicago to western points is not expected.

In the case of the Rock Island, however, service would be interrupted daily for an average 2,000 through passengers and several hundred shippers who use the carrier's 8,000-mile system in 14 States in the West and Southwest.

ROCK ISLAND TO SHUT DOWN

Officials of the Great Western said tonight they were taking no immediate steps to cancel its 10 passenger and 30 freight trains operated daily between Chicago, Kansas City, Omaha, and the Twin Cities.

Shortly after the union issued its strike call, J. D. Farrington, president of the Rock Island, announced his line would shut down completely if the walk-out was not canceled before Sunday morning. He noted that the union had 1,400 members on the Rock Island.

The strike call was issued to enforce a union demand for a 40-hour week without a reduction in pay. At present switchmen work 48 and 56 hours a week. The strike against the five lines would involve about 4,000 switchmen. The union says it has a membership of 25,000, but railroad spokesmen insist that the figure is only 6,000.

Computed on a 48-hour week, the present average annual pay of switchmen was reported as follows: Switch tenders, $4,610; yard conductors, $4,976; and yard brakemen, $3,944. A spokesman for the Brotherhood of Railway Trainmen, whose membership includes 85,000 switchmen, said the switchmen's workweek was virtually the same on all roads.

A. J. Glover, president of the switchmen, who issued the strike call, said:

"It is about time the switchmen had a 40-hour week. American industry has operated on a 40-hour week for years. More than 1,000,000 other railroad workers have a 40-hour week."

UNION POLITICS CHARGED

Mr. Loomis, however, said that the switchmen were playing union politics in their ambition to make a better showing than two other rival unions, the Brotherhood of Railroad Trainmen and the Order of Railway Conductors.

"The switchmen in their reckless drive for prestige and members are making a mockery of the Railway Labor Act," he said.

Although the union demand is relatively simple, its position is complicated in connection with the Railway Labor Act. When the switchmen's case came before President Truman for assignment to a fact-finding board, he named as a board the same men who were reviewing similar demands presented by the trainmen, the Order of Railway Conductors, and the yardmasters of America. The trainmen's union has many members who do switchmen's work.

The board and the switchmen's union failed to agree, however, on the order in which the union's case was to be reviewed. It was never formally heard in the customary way. The board stated, however, that its findings in regard to the other three unions should also apply to the switchmen.

Last week the board recommended that all the yard workers be put on a 40-hour week and be given an increase of 18 cents an hour to compensate in part for the loss of 1 day of work. The railroads agreed to this, but the switchmen, trainmen, and conductors rejected it.

Meanwhile Francis A. O'Neill, Jr., chairman of the National (Railway) Mediation Board, and Leverett Edwards, board member, came to Chicago in an effort to head off the walk-out. They helped settle the strike of the Brotherhood of Locomotive Firemen and Enginemen against five railroads last month.

Mr. DONNELL. Mr. President, in the article in the New York Times it is stated that—

The railroads scheduled to be struck include the Chicago, Rock Island & Pacific Railway Co., the Chicago & Great Western Railway Co., the Great Northern Railway Co., the Denver & Rio Grande Western Railroad Co., and the Western Pacific Railroad Co.

The strike has been called by the Switchmen's Union of North America, A. F. L., and has been called for 6 o'clock on the morning of Sunday next, against these five midwestern and western railroads.

Mr. President, I think it is of particular importance that these matters be inserted in the body of the RECORD because of their immediate applicability to the pendency of a bill which I had the honor of introducing on April 21, Senate bill 3463, included in which bill is a provision that—

Any strike, including any concerted stoppage of work by employees or any concerted slow-down, sit-down, walk-out, or other concerted interruption of operations by employees, or any lock-out by a carrier, arising out of or in connection with any dispute falling within the purview of this act—

The Railway Labor Act—

shall be unlawful.

Mr. President, the Nation has only recently passed through strikes and threatened strikes in the railway industry. In addition to the one by the switchmen which has just been called for next Sunday morning, I undertake to say there is substantial reason for apprehension with respect to what the trainmen and the conductors may likewise do with respect to a controversy now pending. I call attention also to the fact that the carriers have stated that the switchmen's union and the big trainmen's and conductors' unions notified the carriers they were rejecting the wage-and-hour recommendations made June 15 by a Presidential fact-finding board.

I shall not go into details at this time with respect to the effect of a strike such as that which has been called for next Sunday morning, but I should like to have the RECORD include a paragraph from what I think was a telegraphic message sent or to be sent by Mr. J. D. Farrington, president, Chicago, Rock Island & Pacific Railway Co., a copy of which I received yesterday afternoon or evening, which paragraph reads:

It is unfortunate that this strike comes just when the new wheat crop is being harvested and regrettable that numerous industries and towns which are served by 8,000 miles of Rock Island lines in 14 States will be seriously crippled. The strike of our 1,500 switchmen will cause approximately 20,000 of the other employees to be laid off for the duration. The situation arising from this strike will so paralyze transportation throughout the widespread area served by the struck railroads, a great part of which area is not served by other railroads, as to create an emergency which will affect the entire national economy and thus create a national emergency which should be averted promptly by appropriate legislation to protect the interests of the public, the railroads, and the nonstriking employees.

Mr. President, I submit that this pending strike and the history of the past few

weeks, the tremendously dangerous situation which developed in 1946 when for 2 days practically the entire Nation's railways were paralyzed in a Nation-wide strike, the situation existing in 1948 when it was only through a Federal injunction that a strike which was then threatened was called off—all of these illustrate and indicate most strikingly and conclusively the high importance of the Senate giving prompt and active consideration to the passage of a bill which as Senate bill 3463, which would make unlawful, as I have indicated, any strike or any lockout by a carrier arising out of or in connection with any dispute falling within the purview of the Railway Labor Act.

From time to time I shall take the liberty of asking unanimous consent to have inserted in the RECORD various newspaper articles and perhaps magazine articles which bear upon the vital importance to our country of seeing to it that we realize and, through legislation, implement the realization, that not merely the interest of the carriers or the interest of their employees is involved in these strikes, but, likewise, the interest of a third party, the public of the Nation, is involved. That fact emphasizes indisputably, to my mind, the importance and urgent necessity of placing into effect some such legislation as that which I have proposed.

Mr. President, as I have indicated, in my judgment Senate bill 3463 is the remedy to apply at this time. I believe we should make any strike in this particular field unlawful, not solely because of its effect upon the carriers or upon the employees who are striking, or upon the employees of other departments of the railways, but because of the interest of the public at large. Therefore, I think the Congress should and must pass effective antistrike legislation applicable to this field of industry.

Mr. DONNELL subsequently said: Mr. President, in emphasizing further the importance of prompt enactment into law of the bill (S. 3463) to make unlawful strikes and lock-outs by carriers, rising out of or in connection with any dispute falling within the purview of the Railway Labor Act, I ask unanimous consent that at this point in my remarks there be inserted in the body of the RECORD an article appearing in today's Evening Star, of Washington, D. C., entitled "National Rail Tie-up Seen If Other Unions Join Switch Strike."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NATIONAL RAIL TIE-UP SEEN IF OTHER UNIONS JOIN SWITCH STRIKE

CHICAGO, June 22.—A possible Nation-wide rail tie-up was foreseen today as—

1. A switchmen's union set Sunday as a strike date against five big lines, and

2. Two more unions become legally free to strike July 15.

The Rock Island and the Western Pacific said they would stop running Sunday if the switchmen left work.

The AFL Switchmen's Union of North America told the Rock Island, the Western Pacific, Great Northern, the Chicago Great Western, and the Denver & Rio Grande Western lines yesterday that they were turning down a Presidential board's wage-and-hour recommendations.

PROVISIONS CARRIED OUT

The board made its suggestions April 19. Since May 19, under the Railway Labor Act 30-day "cooling-off" period provision, the switchmen have been legally free to strike. All the peace-making provisions of the law have been carried out.

The carriers were notified at the same time that the Brotherhood of Railroad Trainmen and the Order of Railway Conductors were rejecting a wage-and-hour recommendation by a Presidential board on June 15. They must "cool off" until July 15.

The officers of the two unions made a joint statement saying the June 15 findings were an "insult" to railroaders, as well as the "most unjust, unfair, inequitable, and injurious report" by the emergency board since enactment of the Railway Labor Law.

F. H. Nemitz, chief of the conductors, and W. P. Kennedy, head of the trainmen, said their unions were "ready to use economic strength, if necessary, to force a fair settlement of the issues."

40-HOUR WEEK RECOMMENDED

The Presidential board April 19 recommended to President Truman that the switchmen be awarded a 40-hour week and an 18-cents-an-hour wage increase. The switchmen want a 40-hour week with the pay they now get for a 48-hour week.

The fact-finders on June 15 specifically did not recommend a boost for the trainmen and conductors when they recommended a 40-hour week and 18 cents an hour to 75,000 yard employees.

The 125,000 members of the trainmen's and conductors' unions also wanted sliding scales of pay rate depending on weight of locomotives and a reduction of the basic day from the present 150 miles or 7½ hours to 100 miles or 5 hours.

The trainmen and conductors did not actually set a strike date. They will meet in Chicago July 10. Future action will be mapped then.

Mr. DONNELL. Mr. President, in further emphasizing the importance of prompt enactment into law of the bill S. 3463, I ask unanimous consent that there be inserted in the RECORD at this point in my remarks an article appearing in the Kansas City Times of today, entitled "Strike Job Peril."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STRIKE JOB PERIL—ROCK ISLAND AND THE WESTERN PACIFIC LINES THREATEN A COMPLETE HALT IF SWITCHMEN GO OUT—UNION MEMBERS NOW PLAN TO WALK OFF POSTS EARLY SUNDAY MORNING

CHICAGO, June 21.—The Rock Island Railroad anounced today it will shut down completely Sunday if strike plans of AFL switchmen go through.

One of five lines named in the switchmen's strike call, the Rock Island operates an 8,000-mile rail system between Chicago and the west coast. It also serves the Southwest.

The carriers said a Nation-wide tie-up is threatened for July 15 by a walk-out of two other unions.

ALSO WOULD CLOSE DOWN

The Western Pacific Railroad will not attempt to operate any trains if the switchmen strike, Frederic B. Whitman, president of the road, said.

"We will close down completely," he said. That will affect about 4,500 employees.

Thirty freight and four passenger trains would be halted, he added.

The switchmen's union also called a strike for 6 a. m. (local time) Sunday against the Great Northern, Chicago Great Western, and Denver & Rio Grande Western.

The carriers said the switchmen's union and the big trainmen's and conductors' unions notified them they were rejecting wage-and-hour recommendations made June 15 by a Presidential fact-finding board.

The switchmen's union can strike legally at any time, having complied with all peace machinery of the Railway Labor Act.

ROCK ISLAND GIVES VIEWS

J. D. Farrington, Rock Island president, said in announcing plans to suspend operations:

"After careful consideration of the situation and the difficulties involved in any attempt to operate in the face of a strike by all switchmen and the possibility of illegal strike of associated running crafts we feel that the interest of the public and the railroads can best be served by our complete suspension of operations over our entire 8,000 miles of system."

He said 20,000 to 21,000 of the system's 23,000 employees will be laid off at a payroll loss of $7,400,000 a month. The union's wage demands, he said, would cost the Rock Island $1,800,000 a year.

The Rock Island operates in Illinois, Iowa, Minnesota, South Dakota, Nebraska, Kansas, Colorado, New Mexico, Texas, Oklahoma, Missouri, Arkansas, Louisiana, and Tennessee. Its largest yards are outside Chicago, at Silvis, Ill., in Kansas City, Kans., Des Moines, and El Reno, Okla.

The line operates 22 Diesel streamliners and hauls 29,000 Chicago suburbanites daily. Twelve through trains operate in and out of Chicago daily.

Mr. DONNELL. Mr. President, in further emphasis of the necessity for the prompt enactment into law of Senate bill 3463, I ask unanimous consent that at this point in my remarks there be inserted in the body of the RECORD an article appearing on the front page of the Kansas City Times of today, entitled "Unions Increase Pressure on Railroads."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNIONS INCREASE PRESSURE ON RAILROADS

CHICAGO, June 21.—The country's 300 class 1 railroads tonight were confronted with strike threats served within a few hours by three unions, which, if carried out, would paralyze the rail transportation systems and imperil the national economy.

Tonight the Brotherhood of Trainmen and the Order of Railway Conductors, two of the five operating unions, announced that the 250,000 members of the two organizations "were ready to use economic strength, if necessary, to force a fair settlement of the issues."

The announcement was made in a joint statement issued by F. H. Hemitz and W. P. Kennedy, presidents respectively of the ORC and BRT, in which they assailed the Presidential emergency board's findings. They described the findings, issued June 15, as "the most unjust, unfair, inequitable, and injurious report and recommendations issued by an emergency board since the Railway Labor Act became law."

The two unions cannot legally strike before July 15.

The announcement followed one by the switchmen's union which said it would strike against five western and midwestern railroads Sunday.

## THE GENOCIDE CONVENTION—LETTER BY THOMAS J. DODD

Mr. McMAHON. Mr. President, today the New York Times carries a letter

signed by a distinguished lawyer of my State, Mr. Thomas J. Dodd. His letter is on the subject of the Genocide Convention. That convention has been referred to the Foreign Relations Committee, and I am informed that it will shortly be considered by the committee. Mr. Dodd, with typical clarity, addressed himself to some of the objections which have been made, but which both he and I believe to be without substance. I ask unanimous consent that his letter be printed at this point in the RECORD, following these remarks by me.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FOR GENOCIDE CONVENTION—CONSTITUTION SAID TO PERMIT SUCH INTERNATIONAL COOPERATION

To the EDITOR OF THE NEW YORK TIMES:

As several members of the American Bar Association's Special Committee on Peace and Law Through the United Nations have actively opposed ratification of the Genocide Convention, I, as a member of that same committee, should like to record my opinion in favor of the treaty.

There is no provision in the American Constitution which prevents this country from joining with other civilized nations in this humanitarian pact. To the contrary, the Constitution readily permits this kind of international cooperation, as article I specifically vests Congress with the right to define and punish offenses against the law of nations.

Article V of the Genocide Convention provides that legislatures of the contracting nations implement the treaty through such legislation as their respective constitutions permit. Thus, the treaty is not self-executing. There are several Supreme Court decisions in point.

In Foster against Nielson and United States against Percheman it is stated that a treaty provision which is made dependent on legislative action does not take effect as a law of the land until such action is had.

These cases apply fully to such a treaty as the Genocide Convention.

I had the privilege of serving as executive trial counsel at the Nuremberg trial. Based on this experience, I realize that had this genocide convention been in existence in the early days of the Hitler regime, what happened might not have happened. For one thing, the Nazi state would have stood condemned. Its ministers and ambassadors would not stand in the same position as those of other nations not in violation of a genocide convention, and great numbers of people inside Germany would have taken heart and might have been more vigorous in their resistance to the regime itself.

I have heard it asked: "What can we do about the Russians, who are probably doing the same sort of thing behind the iron curtain now?"

It is not true that Russia is independent of public opinion of the world. Russia is spending hundreds of millions on propaganda in foreign countries. She wants to appear as a savior of the small nations and of the colonial peoples in Asia. She certainly would not like therefore, to see herself exposed as a Cain of nations. Russia will not be able to push genocide too far once it becomes an international crime. She cannot afford to appear before the forum of the world as a common criminal.

THOMAS J. DODD.

HARTFORD, CONN., *June 12, 1950.*

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 1606) conferring jurisdiction upon the Court of Claims to hear and determine the claim of Auf der Heide-Aragona, Inc., and certain of its subcontractors against the United States.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5368) to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. BROOKS, Mr. KILDAY, Mr. SHORT, and Mr. ARENDS were appointed managers on the part of the House at the conference.

## TRANSFER OF CERTAIN REAL PROPERTY BY DEPARTMENTS OF ARMY, NAVY, AND AIR FORCE

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 5368) to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CHAPMAN. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. BYRD, Mr. RUSSELL, Mr. CHAPMAN, Mr. BRIDGES, and Mr. SALTONSTALL conferees on the part of the Senate.

## BLAINE W. HUGHES

Mr. McCARRAN. Mr. President, on Wednesday, April 19, during the call of the calendar, the Senate passed Senate bill 2807, for the relief of Sgt. Blaine W. Hughes. This bill was reported from the Committee on the Judiciary on February 7. On February 21, a companion bill, House bill 6692, was passed by the House, and this House bill was referred to the Committee on the Judiciary of the Senate on February 22, 1950.

The House bill should have been held on the Senate Calendar, and substituted for the Senate bill when the calendar was called.

Therefore, Mr. President, I now ask unanimous consent that the Committee on the Judiciary be discharged from consideration of House bill 6692, which is identical with the Senate bill, and that it may be immediately considered by the Senate with a view to its passage without amendment.

Mr. WHERRY. Reserving the right to object, as I understand, this action will correct the RECORD; is that correct.

Mr. McCARRAN. It is to correct the RECORD.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the bill (H. R. 6692) for the relief of Sgt. Blaine W. Hughes, was considered, ordered to a third reading, read the third time, and passed.

## SENATE JUDICIARY COMMITTEE WORK AND WORKLOAD AS OF MAY 31, 1950, EIGHTY-FIRST CONGRESS

Mr. McCARRAN. Mr. President, I desire to make a brief statement with reference to the Committee on the Judiciary.

The workload of the Senate Judiciary Committee during the Eighty-first Congress, as of May 31, 1950, consisted of 40.3 percent of all Senate bills and resolutions introduced; 49.9 percent of all House bills and resolutions presented in the Senate; and 42.5 percent of all bills and resolutions irrespective of origin.

Not only has the Judiciary Committee received a far larger share of the workload than any other standing committee of the Senate; it has also performed a larger share of all committee work than any other committee. Of 1,754 written reports filed in the Senate by all committees, the Judiciary Committee filed 840, which represents 47.8 percent.

The total of reports filed to the Senate does not give the whole picture of committee activity, because committee consideration of many bills resulted in adverse action and indefinite postponement. Furthermore, the committee has handled and disposed of more than 4,000 individual immigration cases, involving suspension of deportation. Each immigration case is equivalent to a bill.

Through May 31, 1950, during the Eighty-first Congress, the Judiciary Committee has received 1,713 Senate bills and resolutions and 637 House bills and resolutions, making a total of 2,350 bills and resolutions.

As of May 31, 1950, the committee had disposed of 1,043 Senate bills and resolutions and 528 House bills and resolutions, or a total of 1,571 bills and resolutions.

Of the bills thus disposed of, 199 were general bills other than claims or immigration; 676 were private relief bills; 631 were private immigration bills; 14 were general claims bills; and 51 were general immigration bills.

Committee approval was granted to 410 Senate bills and resolutions and 439 House bills and resolutions, or a total of 849 bills and resolutions of both Houses.

It will be noted that written reports were filed by the committee with respect to all but 9 of the 849 bills and resolutions approved.

Of the bills and resolutions acted upon favorably, 102 were general bills other than claims or immigration; 407 were private relief bills; 320 were private immigration bills; 12 were general claims bills; and 8 were general immigration bills.

Bills indefinitely postponed by the committee included 633 Senate bills and

resolutions and 89 House bills and resolutions, or a total of 722 bills and resolutions of both Houses.

Of the bills thus acted upon unfavorably, 97 were general bills other than claims or immigration, 269 were private relief bills, 311 were private immigration bills, 2 were general claims bills, and 43 were general immigration bills.

Measures pending before the committee as of May 31, 1950, included 670 Senate bills and resolutions and 109 House bills and resolutions, or a total of 779 bills and resolutions of both Houses.

Of these bills, 103 are general bills other than immigration and claims, 194 are private-relief bills, 451 are private-immigration bills, 23 are general-claims bills, and 8 are general-immigration bills.

It will be noted the committee disposed of 528 House bills and resolutions out of 637 such measures referred to it, leaving only 109 House bills and resolutions pending as of May 31, 1950.

In comparison, out of 1,713 Senate bills and resolutions referred to it, the committee acted upon 1,043, leaving 670 Senate bills and resolutions pending.

In this connection it should be noted the committee received 160 Senate bills and 103 House bills subsequent to March 31, 1950.

Suspensions of deportation by the Attorney General, under authority delegated by the Congress, are submitted in groups; but in the committee, each individual case requires separate investigation, appraisal, and action. At the beginning of the first session, there were pending in the committee 1,501 cases of suspension of deportation, to which were added 5,723 additional cases submitted during the Eighty-first Congress, making a total of 7,224 cases, of which 4,180 were approved, 38 were rejected, and 135 were screened out and held for further consideration, and 10 were withdrawn by the Attorney General, leaving 2,861 cases in process as of May 31, 1950.

Through May 31, 1950, the committee received 207 executive nominations, of which 95 were Federal judges, 49 were United States district attorneys, 46 were United States marshals, 1 was Attorney General of the United States, 1 was an Assistant Solicitor General, 3 were Assistant Attorneys General, 1 was a Commissioner of Patents, 3 were members of the Displaced Persons Commission, 4 were members of the War Claims Commission, and 4 were members of the Motor Carrier Claims Commission.

As of May 31, 1950, nominations not yet acted upon totaled 10.

During the Eighty-first Congress through April 30, 1950, the committee and its subcommittees conducted 139 hearings, which involved 272 separate hearing sessions. The record of these hearings total 29,452 folios.

## EXTENSION OF SELECTIVE SERVICE ACT OF 1948

The Senate resumed the consideration of the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes.

Mr. CAIN. Mr. President, during the debate yesterday afternoon, the distinguished majority leader and the distinguished minority leader requested some statistics on enlistments in the armed services. I said I would obtain those figures in detailed tabular form. I now have them.

Before placing these figures in the RECORD, I wish to reiterate, for the third time during this debate, that the armed services is not urging this legislation solely on an emergency basis, either an emergency regarding enlistments or an emergency in which the Nation's capital is about to be attacked.

As I distinctly said yesterday, we are reasonably confident that the armed forces can continue, exactly as they have for the past 18 months, to get the necessary men by voluntary enlistments. But let me again say, as I said yesterday, that we base that estimate on the assumption that the Selective Service Act will be continued in its present form. Further, we decline to assume the responsibility of guessing whether, if the present act is modified in form such as requiring some form of congressional declaration, we can continue to get enough men on a purely voluntary basis. I think the record should be crystal clear in that regard. As a committee, we refuse to speculate, or to gamble, with anything so important.

Now, sir, as to the recruiting picture as it looks today: The great boom in enlistments which began when the Congress passed the 1948 act kept up during 1949. There was no difficulty in meeting quotas. In fact, a cut back in strength made it possible to stop all new enlistments for a short period of time.

The 1950 problem has as yet caused no serious concern. It is true there is at present a net shortage of roughly 60,000 below strength for all three services. This shortage is largely due to an increase in discharges during last November, December, and January. So far as we know, it is not the result of a gradual decline. We are hopeful that these numbers can be built up during the next 4 or 5 months.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. WATKINS. Was the shortage due in any measure to a decline in enlistments?

Mr. CAIN. A good many of the discharges came about by reason of the fact that some wartime family allowances were repealed or eliminated by virtue of action taken by the Congress. Therefore it automatically followed that a large number of young men in the lower grades within the Army, possessed of families, many of which were large, thought they could do better in the future in private life than by continuing in the Army. That in itself was responsible for a very large number of discharges in the last 3 months of 1949.

Mr. WATKINS. Mr. President, will the Senator yield further?

Mr. CAIN. Certainly.

Mr. WATKINS. Does the Senator have any figures showing what the current rate of enlistment in the armed services is as compared with a year ago, or any other comparable time?

Mr. CAIN. Immediately after the Senator from Washington has concluded this brief statement he will submit for the RECORD some figures on that subject, and he would be pleased to have the Senator from Utah look at the figures prior to that time. The figures cover the enlistment record beginning with July 1948, and concluding with May 1950. It seems to me that these tabulations will answer accurately the question which has just been asked of me by the Senator from Utah.

Mr. WATKINS. I thank the Senator.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. CAIN. Yes.

Mr. WHERRY. I wish to thank the distinguished Senator from Washington for furnishing the statistics which the junior Senator from Nebraska requested in the debate yesterday. I should like to ask whether the figures show a breakdown by the services, that is, by Army, Navy, and Air Force, as well as by the branches of the service, such as the Marine Corps, for example. The reason I ask the question is that prior to the time when the extension act was passed, the enlistment difficulty was largely with the Army. The Navy and the Air Force had sufficient enlistments. Is that correct?

Mr. CAIN. The Senator is correct.

Mr. WHERRY. Do the figures now show any difference in that relationship as compared with the time when the Draft Act was passed?

Mr. CAIN. The figures which are now offered to the Senator from Nebraska are broken down in rather fine detail, and cover each of the three services. I shall restate this last paragraph of my remarks. The 1950 problem has as yet caused no serious concern. It is true there is at present a net shortage of roughly 60,000 below strength for all three services. This shortage is largely due to an increase in discharges during last November, December, and January. So far as we know, it is not the result of a gradual decline. We are hopeful that these members can be built up during the next 4 or 5 months.

Quotas were not being filled during March and April, but that in itself is not alarming. Initial reports for May look more hopeful. I use the word "initial" because the reports which are now in the hands of the Senator from Nebraska indicate that the figure for May was on an estimated basis. The Navy has cut back slightly on its physical requirements. The Air Force is planning on cutting its classification score back to 90. The Army is already at 90, and may be forced to cut back still further.

The point is that we feel the enlistment problem is tighter today than it was a year ago—and the figures bear that out—but it is not alarming. We feel quotas can be met, but we base our

estimates on the extension of the present act in its present form.

If the power to make inductions is taken from the hands of the President, where it is now vested, we would withdraw our estimate, because we feel it would be giving the American people a form of false reassurance based on what could only be considered to be an outright gamble.

Mr. President, I ask that the tables be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

*Department of Defense—Enlisted personnel recruiting summary, July 1948 to June 1949*

| | July 1948 | August 1948 | September 1948 | October 1948 | November 1948 | December 1948 | January 1949 | February 1949 | March 1949 | April 1949 | May 1949 | June 1949 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total Department of Defense | 74,255 | 75,543 | 72,423 | 66,629 | 71,892 | 62,757 | 79,675 | 33,818 | 28,304 | 24,955 | 28,489 | 43,287 |
| 1-year enlistees | 4,956 | 7,829 | 6,719 | 4,467 | 4,563 | 3,796 | 8,223 | 4,559 | 2,430 | 1,451 | 1,499 | 2,711 |
| Inductees | | | | | 8,030 | 8,006 | 12,653 | 142 | | | | |
| Other new recruits | 52,392 | 49,492 | 46,433 | 26,915 | 28,531 | 22,461 | 32,783 | 9,073 | 8,155 | 6,896 | 10,737 | 18,274 |
| Immediate reenlistments [1] | 4,460 | 6,302 | 7,422 | 14,350 | 19,632 | 19,117 | 14,597 | 12,576 | 11,293 | 11,218 | 10,428 | 14,223 |
| Other reenlistments [2] | 12,447 | 11,920 | 11,849 | 10,897 | 11,136 | 9,377 | 11,419 | 7,468 | 6,426 | 5,390 | 5,825 | 8,076 |
| Army [3] | 38,721 | 43,651 | 42,242 | 31,899 | 41,755 | 40,817 | 56,394 | 14,539 | 11,504 | 11,180 | 13,937 | 16,838 |
| 1-year enlistees | 2,655 | 4,643 | 3,202 | 1,633 | 1,641 | 1,485 | 2,840 | 820 | 81 | 74 | 128 | 262 |
| Inductees | | | | | 8,030 | 8,006 | 12,653 | 142 | | | | |
| Other new recruits | 26,844 | 29,230 | 28,010 | 17,680 | 15,849 | 14,492 | 25,790 | 3,671 | 3,079 | 3,275 | 6,041 | 6,925 |
| Immediate reenlistments [1] | 1,489 | 2,171 | 3,776 | 7,100 | 10,788 | 12,097 | 8,578 | 6,954 | 5,721 | 5,919 | 5,347 | 6,720 |
| Other reenlistments [2] | 7,733 | 7,607 | 7,254 | 5,486 | 5,447 | 4,737 | 6,524 | 2,952 | 2,623 | 1,912 | 2,421 | 2,930 |
| Navy | 19,500 | 14,697 | 14,681 | 15,813 | 10,284 | 5,241 | 8,066 | 6,129 | 4,957 | 3,548 | 4,204 | 9,553 |
| 1-year enlistees | 1,094 | 1,987 | 2,083 | 1,813 | 1,827 | 1,388 | 3,717 | 2,332 | 1,512 | 904 | 917 | 1,412 |
| Other new recruits | 13,907 | 7,850 | 9,286 | 10,848 | 5,539 | 1,555 | 2,111 | 1,809 | 1,606 | 1,146 | 1,567 | 5,111 |
| Immediate reenlistments [1] | 2,330 | 3,336 | 1,516 | 1,244 | 1,259 | 1,413 | 1,044 | 988 | 1,176 | 861 | 1,103 | 1,692 |
| Other reenlistments [2] | 2,169 | 1,524 | 1,796 | 1,908 | 1,659 | 885 | 1,194 | 1,000 | 663 | 637 | 617 | 1,338 |
| Marine Corps | 5,438 | 4,677 | 3,129 | 2,953 | 1,700 | 1,519 | 1,958 | 1,600 | 1,089 | 847 | 866 | 1,338 |
| 1-year enlistees | 435 | 500 | 430 | 368 | 485 | 372 | 717 | 543 | 385 | 271 | 294 | 694 |
| Other new recruits | 4,087 | 3,412 | 2,016 | 1,736 | 659 | 649 | 496 | 411 | 20 | 51 | 53 | 1 |
| Immediate reenlistments [1] | 402 | 343 | 337 | 560 | 314 | 269 | 356 | 363 | 465 | 355 | 367 | 584 |
| Other reenlistments [2] | 514 | 422 | 346 | 289 | 242 | 229 | 389 | 283 | 219 | 170 | 152 | 59 |
| Air Force | 10,596 | 12,518 | 12,371 | 15,964 | 18,153 | 15,180 | 13,257 | 11,559 | 10,754 | 9,380 | 9,482 | 15,558 |
| 1-year enlistees | 772 | 609 | 1,004 | 653 | 610 | 551 | 949 | 864 | 452 | 202 | 160 | 343 |
| Other new recruits | 7,554 | 9,000 | 7,121 | 6,051 | 6,484 | 5,765 | 4,377 | 3,182 | 3,450 | 2,424 | 3,076 | 6,236 |
| Immediate reenlistment [1] | 239 | 452 | 1,793 | 5,446 | 7,271 | 5,338 | 4,619 | 4,271 | 3,931 | 4,083 | 3,611 | 5,230 |
| Other reenlistments [2] | 2,031 | 2,367 | 2,453 | 3,214 | 3,788 | 3,526 | 3,312 | 3,233 | 2,921 | 2,671 | 2,635 | 3,749 |

[1] Reenlistments within 24 hours after discharge. (Excludes extensions.)
[2] Reenlistments occuring more than 24 hours after discharge of persons who had prior active service in any of the services (Navy data include former USNR personnel some of whom may not have had prior active service).
[3] Based on AG-54, MPPSD report.

Source: Progress Reports and Statistics, Office of Secretary of Defense.

*Department of Defense—Enlisted personnel recruiting summary, July 1949 to May 1950*

| | July 1949 | August 1949 | September 1949 | October 1949 | November 1949 | December 1949 | January 1950 | February 1950 | March 1950 | April 1950 | May 1950 [1] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Total Department of Defense | 42,935 | 39,028 | 38,264 | 35,598 | 37,207 | 43,911 | 32,397 | 36,801 | 36,869 | 32,348 | 34,121 |
| 1-year enlistees | 2,483 | 741 | 741 | 155 | | | | | | | |
| Other new recruits | 20,306 | 18,110 | 16,813 | 12,289 | 11,623 | 7,108 | 10,661 | 13,100 | 13,439 | 12,759 | 15,450 |
| Immediate reenlistments [2] | 11,263 | 11,557 | 12,734 | 15,083 | 18,399 | 31,259 | 21,736 | 23,701 | 23,430 | 19,589 | 18,671 |
| Other reenlistments [3] | 8,883 | 8,620 | 7,976 | 8,071 | 7,185 | 5,544 | | | | | |
| Army [4] | 17,427 | 21,037 | 18,904 | 17,307 | 17,645 | 18,489 | 8,016 | 15,556 | 16,781 | 14,646 | 13,531 |
| 1-year enlistees | 349 | 452 | 426 | 85 | | | | | | | |
| Other new recruits | 8,925 | 11,195 | 10,390 | 8,206 | 7,004 | 2,695 | 357 | 4,831 | 6,344 | 6,187 | 6,044 |
| Immediate reenlistments [2] | 3,661 | 4,172 | 3,528 | 4,575 | 6,492 | 13,256 | 6,130 | 7,466 | 7,102 | 5,603 | 7,487 |
| Other reenlistments [3] | 4,492 | 5,218 | 4,560 | 4,441 | 4,149 | 2,538 | 1,529 | 3,259 | 3,335 | 2,856 | |
| Navy | 11,367 | 6,561 | 6,897 | 7,646 | 7,037 | 8,137 | 6,493 | 6,637 | 8,009 | 8,172 | 9,874 |
| 1-year enlistees | 1,007 | | | | | | | | | | |
| Other new recruits | 5,706 | 1,822 | 706 | 754 | 739 | 670 | 1,328 | 2,162 | 2,967 | 3,265 | 4,826 |
| Immediate reenlistments [2] | 3,291 | 3,888 | 5,451 | 5,606 | 5,438 | 6,863 | 3,945 | 3,363 | 3,899 | 3,759 | 5,048 |
| Other reenlistments [3] | 1,363 | 851 | 740 | 1,286 | 860 | 604 | 1,220 | 1,112 | 1,143 | 1,148 | |
| Marine Corps | 2,650 | 2,004 | 1,855 | 1,507 | 1,437 | 1,531 | [1] 2,068 | [1] 1,972 | [1] 1,795 | [1] 1,226 | 1,367 |
| 1-year enlistees | 783 | | | | | | | | | | |
| Other new recruits | 1,125 | 1,117 | 1,213 | 791 | 746 | 702 | 1,150 | 996 | 868 | 636 | 721 |
| Immediate reenlistments [2] | 463 | 553 | 476 | 580 | 547 | 709 | 918 | 976 | 927 | 590 | 646 |
| Other reenlistments [3] | 279 | 334 | 166 | 136 | 144 | 120 | | | | | |
| Air Force | 11,491 | 9,426 | 10,608 | 9,138 | 11,088 | 15,754 | 15,820 | 12,636 | 10,284 | 8,304 | 9,349 |
| 1-year enlistees | 344 | 289 | 315 | 70 | | | | | | | |
| Other new recruits | 4,550 | 3,976 | 4,504 | 2,538 | 3,134 | 3,041 | 7,826 | 5,111 | 3,260 | 2,671 | 3,859 |
| Immediate reenlistments [2] | 3,848 | 2,944 | 3,279 | 4,322 | 5,922 | 10,431 | 4,781 | 2,695 | 4,836 | 3,960 | 5,490 |
| Other reenlistments [3] | 2,749 | 2,217 | 2,510 | 2,208 | 2,032 | 2,282 | 3,213 | 4,830 | 2,188 | 1,673 | |

[1] Preliminary, partly estimated.
[2] Reenlistments within 24 hours after discharge. (Excludes extensions.)
[3] Reenlistments occurring more than 24 hours after discharge of persons who had prior active service in any of the services (Navy data include former USNR personnel some of whom may not have had prior active service).
[4] Based on AG-54, MPPSD report.

Source: Progress Reports and Statistics, office of Secretary of Defense.

Mr. WATKINS obtained the floor.

Mr. WHERRY subsequently said: Mr. President, I ask unanimous consent, if I may have the permission of the Senator from Utah [Mr. WATKINS], for that purpose—inasmuch as he has the floor at this time—that I be permitted to ask further questions of the Senator from Washington relative to the statistics he was so ably submitting for the RECORD at the time when other Senators were permitted to make insertions in the RECORD.

Mr. WATKINS. Yes, Mr. President; I ask unanimous consent that the Senator from Nebraska may propound such inquiries to the Senator from Washington, without causing me to lose the floor.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. WHERRY. Mr. President, I also ask unanimous consent that the questions I am about to propound may appear in the RECORD following the conclusion of the questions I have previously asked of the distinguished Senator from Washington. I make that request in order to preserve the continuity of the subject matter, which I am sure should be maintained, and also because of the interest which some may have relative to the enlistments which are occurring.

The VICE PRESIDENT. Without objection, the transposition will be made.

Mr. WHERRY. I thank the Chair.

Then, Mr. President, if I have unanimous consent for this purpose, I shall proceed with the questions.

Does the Senator from Washington have any statistics relative to the number of draftees, those who have been brought into the draft boards, and who have enrolled in the various classifications? Does the distinguished Senator from Washington have those statistics at hand?

Mr. CAIN. That is what is known as the manpower pool.

Mr. WHERRY. That is correct.

Mr. CAIN. It results from the registrations which are required under the Selective Service Act of 1948. They total approximately 10,000,000.

Mr. WHERRY. How many of those are in class 1–A?

Mr. CAIN. Permit me first to say that of the manpower pool of approximately 10,000,000 men, approximately 1,000,000 new men, as a result of registering, move into the manpower pool each year; and another million men, because of growing older, move out of the manpower pool. So, generally, we can rely upon having a manpower pool of registrations of approximately 10,000,000 men.

Mr. WHERRY. Yes.

Mr. CAIN. Of the 10,000,000 men who come into the manpower pool as a result of the registering of young men between the ages of 18 and 26, 9,790,000 are registrations by young men between the ages of 19 and 26. The Senator from Nebraska knows, of course, that a young man of 18 years of age must register under the Selective Service Act of 1948, but he is not required to be inducted before he has reached his nineteenth year.

Of the manpower pool of approximately 10,000,000 men, the draft boards of the United States have thus far classified 7,638,000. Obviously, as all of us can understand, there is a necessary lag between the time when a man registers and the time when his draft board gets around to classifying him.

Of the classified group of approximately seven and one-half million men, 1,466,000 are classified as being either 1–A or 1–A–O. The latter class is a small one, and consists of individuals who, although they are otherwise, physically and mentally, qualified to serve in combat, are conscientious objectors. The Senator from Washington cannot hazard a guess as to the total number of those classified as 1–A–O who are included in the total of 1,466,000.

The Senator from Nebraska should look to the classification of 1–A for those who are and who will continue to be the best qualified to serve their country in the event of an emergency or if at some future date they are required to be inducted.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. CAIN. Certainly.

Mr. WHERRY. How does the figure of 1,466,000 of eligible registrants compare with the figure of a year ago? Has that class decreased or increased in numbers, as compared with the situation a year ago?

Mr. CAIN. I am advised that it happens to be a little bit larger at this time than it was a year ago. However, as a general premise, we would always secure approximately the same number of men to be classified as 1–A, out of a total group of registrants approximating 10,000,000. These figures indicate to me that of every 10,000,000 men who either have registered heretofore or will be registered in the future, approximately 1,500,000 of the 10,000,000 should be suitable for classification as 1–A.

Mr. WHERRY. I understand that statement, and it is based upon the theory that we have approximately as many men becoming 18 years of age as we have men who leave the manpower pool because of their increase in age.

Mr. CAIN. Yes.

Mr. WHERRY. But are the voluntary enlistments added to the 18-year-old registrants, regardless of whether they are inducted?

Mr. CAIN. Many a young man would have registered, following which he would have enlisted for the service, without being inducted as a draftee; but his registration card would remain in the pool of 10,000,000.

Mr. WHERRY. If the man who volunteered was not of draft age, but if he was permitted to volunteer for service, would he be added to the class of 18-year-olds who are inducted each year?

Mr. CAIN. No; no 18-year-olds are inducted. And if I understood the Senator's question——

Mr. WHERRY. I refer to the class that he would be in, if he were 18 years of age. I am trying to find out how much manpower we have in 1–A, and how much manpower we have through voluntary enlistments, not included in 1-A. Is the number appreciable, or is it small?

Mr. CAIN. I should rather not hazard a guess. I think the Senator is entitled to an accurate answer; and, in the light of the question, I shall attempt to determine how many voluntary enlistments there are, which are not represented among the registrants, as a result of the Selective Service Act.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. CAIN. Certainly, if I am permitted to do so.

Mr. WHERRY. In the opinion of the Senator from Washington, does the draft act serve as a feeder, by way of inducing voluntary enlistments?

Mr. CAIN. I think that is the basic reason why the Senate Armed Services Committee has recommended an extension of the Selective Service Act of 1948 for a period of 3 years. We may be wrong, but as a committee we certainly think we are right in believing that the mere existence of the Selective Service Act in the laws of the land is a powerful stimulus and encouragement to voluntary enlistments. We further feel that without the existence of such a law it would be extremely unlikely that we could provide for the defense needs of the country through voluntary enlistments.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. CAIN. Certainly.

Mr. WHERRY. Are the inducements which have been offered sufficient to keep the boys in the service after they have once enlisted? If not, why do we find so many discharges? It is a double-barreled question, but I think both parts of it are related.

Mr. CAIN. I shall answer as best I can. I understand that in the Army at present about from 50 to 60 percent of those who serve for one enlistment period reenlist. It is obvious to anyone who has looked into the question at all that the Nation has progressed continually in recent years in the matter of making it more attractive to men to remain in the armed services.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. CAIN. Certainly.

Mr. WHERRY. My theory is that we should make the inducements sufficiently attractive to assure our getting voluntary enlistments. My feeling is that that will result in the best kind of army that can be obtained, and the best kind of defense. That was my position a year ago.

Mr. CAIN. I think there is a point beyond which a nation cannot go in the matter of providing so-called inducements. The inducements now provided by the military services of the Nation, according to my view, are very substantial, very attractive. But however attractive we may make them, there will obviously be tens of thousands of young men who, having served one or more enlistments, will seek to return to civilian life in order to develop civilian careers.

Mr. WHERRY. That is because they would not care to make military service a career. They feel that they have rendered their service, and with them it is no longer a question of inducements, but a question of getting back into private life. Is that not correct?

Mr. CAIN. I think it is true that many a young American thinks he wants to make a career of military service.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Washington yield to the Senator from Massachusetts?

Mr. CAIN. Certainly.

Mr. SALTONSTALL. Without taking too much additional time, I should like to inquire, in order to carry out and to bring to a fulfillment the questions asked by the Senator from Nebraska, whether it is not true that there are in the Army many married men who seek to make it

a career, in order that they may receive all the emoluments that go with it? Is not that the answer to the question?

Mr. CAIN. My answer to that is a positive "Yes."

Mr. SALTONSTALL. Is it not also true that the minimum pay of a private has risen from about $30 a month to about $80 today?

Mr. CAIN. The Senator is entirely correct.

Mr. SALTONSTALL. And is it not true that from that point it goes up very quickly to around $120 a month?

Mr. CAIN. That is true.

Mr. SALTONSTALL. What we have done is to try to make the Army attractive to men seeking a career. However, we cannot expect to get 100 percent of reenlistments, for various reasons, physical, mental, and the desire to go elsewhere. Is that not true?

Mr. CAIN. Is it not a very proper thing to say that as of this time the Congress has made service in the armed services as attractive as the Congress thinks it possible to do?

Mr. SALTONSTALL. I may answer the Senator's question absolutely in the affirmative. Today the private in the Army is costing, if my memory serves me correctly, approximately $3,000 a year, for pay, maintenance, upkeep, and everything else that goes with it, so that we feel that we have made the Army as attractive as possible to volunteers. What we need is to have this act on the books, not as a feeder, as the Senator from Washington suggests, but as an inducement for volunteers.

Mr. WHERRY and Mr. WATKINS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Washington yield further; and, if so, to whom?

Mr. CAIN. I should first like to say that I appreciate exceedingly the indulgence of the Senator from Utah for permitting my use of his time.

Mr. WHERRY. Mr. President, I have a final question I should like to ask.

Mr. WATKINS. I am very glad to yield. However, I had a question I wished to address to the Senator from Washington.

Mr. CAIN. I shall try to answer it.

Mr. WHERRY. Mr. President, the question I should like to ask is this: On the theory which has been advanced here that it is necessary to extend the Selective Service Act in order to be able to get volunteers, does the Senator from Washington feel that the draft must become a permanent procedure in order that we may build up the defenses of the country and that there will continue to be extensions of the draft at intervals of 1, 2, or 3 years in order to enable us to maintain an Army, a Navy, an Air Force, and a Marine Corps? Is that likely to be the ultimate outcome?

Mr. CAIN. I am wondering whether the junior Senator from Washington can answer the Senator's question. The best he can do is to try. It is his considered opinion that for so long a time as our Nation thinks it necessary to maintain an Army, a Navy, an Air Corps, and a Marine Corps of the present-day strength, or of a larger strength in the future, it will be the intelligent and proper thing to maintain a Selective Service Act.

Speaking more to myself yesterday afternoon than to anyone else, I suggested in concluding my remarks in the name of the committee that the junior Senator from Washington is like a number of other Senators who look forward to the day when it will be unnecessary, in America or outside America, for any nation on the face of the earth to maintain a selective-service act, when war itself will somehow disappear from the face of the earth. But until such time as we learn the final direction in which our great Nation and other nations of the world are going to move, and for so long as we think we must maintain a reasonably and relatively strong defense position, I think I shall continue to believe in the continuous need of a Selective Service Act.

Mr. SALTONSTALL. Mr. President, if the Senator will yield for one more question, did not General Bradley, in his testimony before our committee, say that the fact of having the Selective Service Act on the books made it possible for us to have a smaller armed force in being?

Mr. CAIN. That was General Bradley's considered opinion, as stated to us.

Mr. WHERRY. Mr. President, is it the Senator's answer to my question that, in order to get the kind of defense the Senator feels the Nation needs, it is necessary to continue to extend the Selective Service Act, so that in effect it will result in having that act permanently on the books?

Mr. CAIN. The Senator from Washington, with other Senators, is recommending a 3-year extension. We do not think that the facts available to us today justify our looking ahead more than 3 years.

Mr. WHERRY. Why not make it 2 years? Why not make it 1 year? Why not let the Congress review each year the need of continuing the Selective Service Act?

Mr. CAIN. I am not suggesting that the Senator from Nebraska does not have a defensible point in suggesting an extension of 1 year, 2 years, 5 years, or any other number of years instead of the 3 years recommended by the Senate Committee on Armed Services. It is a moot point. We are much more concerned with an extension of the Selective Service Act, for the time being, than we are with a 3-year as opposed to a 2-year recommended extension.

Mr. WHERRY. I agree that it is probably a moot question. I feel that Congress should assume the responsibility of extending the draft act and the provisions which go with it. My suggestion was that, instead of tying it up for 3 years, which, to my mind, is a long period, why would it not be sensible to extend it for 2 years or for 1 year, and let Congress review the situation? Unless that is done, it seems to me that, upon the argument advanced by those who are interested in selective service, it becomes more or less a permanent procedure.

Mr. CAIN. The committee has recommended a 3-year extension. We feel very certain in our own minds that that is a proper recommendation to make. We are not suggesting that other Senators should not make other recommendations. What we are hopeful of is that recommendations will be made, and if they are contrary to the recommendations of the Senate Committee on Armed Services, we shall resolve the matter and agree on an extension date, and do it very soon because of the expiration hour of 12 midnight on Saturday of this week, which is almost upon us.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. LUCAS. We have been assuming that the expiration date was on Saturday at midnight, but yesterdey the legislative counsel, after I discussed the point, advised that the expiration date is on Friday, tomorrow, at midnight, rather than on Saturday.

I merely mention that to remonstrate how important it is that we take action immediately on the bill; otherwise we shall be compelled to adopt a joint resolution extending the act for a period of 30 days. We cannot, it seems to me, let the act expire and create all the confusion and the chaos which would be created as a result of the expiration of the act without taking some action.

Mr. CAIN. I agree most thoroughly with the majority leader.

The Senator from Washington would like to make this observation: To his mind, the length of the extension is not the fundamental question which is to be resolved by the Senate, we hope, this afternoon. A compromise may easily be reached on that point. What is going to be the important issue at stake is whether we shall provide for an extension of the Selective Service Act which can be brought into play only by virtue of a joint resolution of the Congress, or by executive authority, as is presently the case. I am most hopeful, speaking as an American and as a member of the Armed Services Committee, that somehow we can have that serious question brought up and taken care of without a continuing joint resolution, and conclude the matter tonight, if possible.

## DEFICIENCY APPROPRIATIONS, 1950

Mr. McKELLAR. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 8567, making appropriations to supply deficiencies for the present year.

The VICE PRESIDENT. The Senator from Tennessee asks unanimous consent that the unfinished business be temporarily set aside for the consideration of the bill which the clerk will state by title.

The LEGISLATIVE CLERK. A bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. WHERRY. Mr. President, I have no objection to the immediate consideration of the bill, but I suppose the distinguished Senator from Tennessee will

take some time in making a statement, will he not?

Mr. McKELLAR. Mr. President, the report was unanimous, the Republicans and Democrats on the committee all agreeing to the items in the bill. It is absolutely necessary that the bill be passed at this time, since it will have to go to conference, because some additions were made by the Senate committee. That is why I am asking unanimous consent at this time for the consideration of the bill. I do not think there will be any objection, and I was about to ask unanimous consent that the bill be read for amendment.

Mr. WHERRY. May I ask the distinguished chairman of the committee whether the appropriations added by the Senate committee do not amount to about $34,000,000 or $35,000,000?

Mr. McKELLAR. There is an increase of $34,000,000 or $35,000,000, which is why we will have to have a conference with the House.

Mr. WHERRY. Will not the Senator say, offhand, about what that increase is for? It is mostly to cover increases in pay?

Mr. McKELLAR. No; it is largely for construction work which has heretofore been authorized.

Mr. WHERRY. That is, for the Military and Defense Establishment?

Mr. McKELLAR. Twenty million dollars is for that purpose, and there is another appropriation of $3,500,000 for the Post Office Department. We added $4,000,000 to that because of increases in pay which have just been passed by the Senate.

Mr. WHERRY. So that a brief analysis would indicate that approximately four and a half million dollars is for the Post Office Department, $20,000,000 for the Department of Defense, and about three and a half million dollars for the National Advisory Committee for Aeronautics?

Mr. McKELLAR. The statement of the Senator is substantially correct.

Mr. WHERRY. I have no objection to the consideration of the bill. I realize that the pay bills which were passed in the first session of this Congress are on the statute books, and the amounts are authorized.

Mr. McKELLAR. And we are obliged to appropriate the money.

Mr. WHERRY. We are obliged to increase the appropriations to pay the amounts authorized. The bill will go to conference anyway, and the differences will be adjusted.

Mr. McKELLAR. Yes.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection; the Senate proceeded to consider the bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. WHERRY. Mr. President, I am a member of the committee, and there is one item about which I should like to ask a question. I refer to the appropriation for the Executive Office of the President. How much is allocated for that purpose?

Mr. McKELLAR. Two million dollars. That is usual in such bills as this.

Mr. WHERRY. This fund is one that is used for emergency relief purposes, is it not?

Mr. McKELLAR. The Senator is correct.

Mr. WHERRY. Which the President can use at a moment's notice?

Mr. McKELLAR. The Senator is entirely correct.

Mr. WHERRY. It applies mostly to States where relief is asked, as in States which are suffering because of the floods in the West. Is that correct?

Mr. McKELLAR. It is for relief caused by the suffering from floods in the West, to a very large extent.

Mr. President, I ask that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will state the first amendment of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Chapter I—District of Columbia—Regulatory Agencies," on page 2, after line 15, to insert:

PUBLIC SCHOOLS

OPERATING EXPENSES—GENERAL SUPERVISION AND INSTRUCTION

For an additional amount, for "General supervision and instruction," $160,000.

The amendment was agreed to.

The next amendment was, under the subhead "Courts—Municipal Court," on page 3, line 4, after the word "court", to strike out "$32,400" and insert "$40,630."

The amendment was agreed to.

The next amendment was, under the subhead "Health Department—Capital outlay, Glenn Dale Tuberculosis Sanatorium," on page 3, line 11, after the figures "$19,500", to insert "to remain available until expended."

The amendment was agreed to.

The next amendment was, under the heading "Chapter II—Legislative branch," on page 5, after line 2, to insert:

SENATE

CONTINGENT EXPENSES OF THE SENATE

Miscellaneous items: For an additional amount for miscellaneous items, exclusive of labor, $127,000.

The amendment was agreed to.

The next amendment was, on page 5, after line 6, to insert:

Folding documents: For an additional amount for folding speeches and pamphlets at a basic rate not exceeding $1 per thousand, $2,000.

The amendment was agreed to.

The next amendment was, under the subhead "House of Representatives," on page 5, after line 13, to insert:

For payment to Isabelle McIntyre Lemke, widow of William Lemke, late a Representative from the State of North Dakota, $12,500.

The amendment was agreed to.

The next amendment was, on page 5, after line 16, to insert:

For payment to Estelle Geisenger Lesinski, widow of John Lesinski, late a Representative from the State of Michigan, $12,500.

The amendment was agreed to.

The next amendment was, under the heading "Chapter III—Department of Justice—Legal activities and general administration," on page 8, line 18, after the word "for", to strike out "$109,000" and insert "$145,000."

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses," on page 8, line 23, after the word "expenses", to strike out "$80,000" and insert "$114,000."

The amendment was agreed to.

The next amendment was, on page 9, after line 8, to insert:

SALARIES AND EXPENSES OF DISTRICT ATTORNEYS, AND SO FORTH

For an additional amount for "Salaries and expenses of district attorneys, and so forth," $320,000, of which $270,000 shall be derived by transfer from the appropriation for "Salaries and expenses, claims of persons of Japanese ancestry, 1950."

The amendment was agreed to.

The next amendment was, on page 9, after line 15, to insert:

SALARIES AND EXPENSES OF MARSHALS, AND SO FORTH

For an additional amount for "Salaries and expenses of marshals, and so forth," $440,000, of which $302,000 shall be derived by transfer from the appropriation for "Salaries and expenses, claims of persons of Japanese ancestry, 1950", and $15,000, from the appropriation "Property claims of alien enemies, 1950."

The amendment was agreed to.

The next amendment was, under the subhead "Fees of witnesses," on page 10, line 3, after the word "witnesses", to strike out "$185,000" and insert "$90,000."

The amendment was agreed to.

The next amendment was, under the heading "Chapter IV—Treasury Department—Secret Service Division—Contributions for annuity benefits," on page 14, after line 12, to strike out:

For "Contributions for annuity benefits," such additional amounts as may be necessary.

And insert in lieu thereof the following:

For an additional amount for "Contributions for annuity benefits," $11,900.

The amendment was agreed to.

The next amendment was, under the heading "Post Office Department—Field service," on page 15, after line 18, to insert:

OFFICE OF THE CHIEF INSPECTOR

INSPECTORS

For an additional amount for "Inspectors," $54,200.

The amendment was agreed to.

The next amendment was, under the subhead "Rural delivery service," on page 16, line 11, after the word "service", to strike out "$6,000,000" and insert "$10,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Fourth Assistant Postmaster General," on page 18, after line 11, to insert:

SALARIES, CUSTODIAL SERVICE

For an additional amount for "Salaries, custodial service," $572,000.

The amendment was agreed to.

The next amendment was, under the heading "Chapter V—Department of Labor—Salaries and expenses, Office of the Solicitor," on page 19, line 3, after the word "Solicitor", to strike out "$113,000" and insert "$91,300."

Mr. McKELLAR. Mr. President, before this amendment is agreed to, I move an amendment in line 3, to strike out the amount "$91,300" and in lieu thereof to insert the following: "$64,127, to remain available for obligation until July 31, 1950."

That is a reduction, and I hope the amendment will be agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, under the subhead "Salaries and expenses, Bureau of Labor Standards," on page 19, line 6, after the word "Standards", to strike out "$9,500" and insert "$6,100."

The amendment was agreed to.

The next amendment was, under the subhead "Wage and Hour Division—Salaries and expenses," on page 19, line 10, after the word "expenses", to strike out "$1,100,000" and insert "$655,000, to remain available for obligation until July 31, 1950."

The amendment was agreed to.

The next amendment was, under the heading "Chapter VI—Department of Agriculture," on page 21, after line 5, to insert:

CONTROL OF FOREST PESTS

FOREST PEST CONTROL ACT

For an additional amount for "Forest Pest Control Act," $3,620,000, to remain available until June 30, 1951: *Provided*, That this appropriation shall be available from and including May 29, 1950, for the purposes of such appropriation. All obligations incurred during the period between May 29, 1950, and the date of enactment of this act in anticipation of such appropriation are hereby ratified and confirmed if in accordance with the terms thereof.

The amendment was agreed to.

The next amendment was, under the heading "Chapter VIII," on page 24, after line 1, to insert:

EXECUTIVE OFFICE OF THE PRESIDENT

EMERGENCY FUND FOR THE PRESIDENT

For an additional amount for "Emergency fund for the President," $2,000,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Independent offices—Public Housing Administration—Annual contributions," on page 25, line 4, after the figures "$1,651,550", to insert "to remain available until June 30, 1951."

The amendment was agreed to.

The next amendment was, under the subhead "National Advisory Committee for Aeronautics—Construction, Unitary Wind Tunnel Plan Act," on page 25, line 18, after the figures "$75,000,000", to insert a semicolon and "for initiation of construction at educational institutions as authorized by section 102 of the act of October 27, 1949 (Public Law 415), $3,500,000; in all, $78,500,000."

The amendment was agreed to.

Mr. CAIN. Mr. President, would it be proper to address a question to the chairman of the Committee on Appropriations?

Mr. McKELLAR. Certainly.

Mr. CAIN. I should like to inquire concerning the figure "$600,000" found on page 26, under the item for the Office of the Housing Expediter. My question is, Is that $600,000 a figure which came to the Senate Committee on Appropriations from the House, and whether or not the figure $600,000 represents what the Housing Expediter requested as a deficiency appropriation?

Mr. McKELLAR. The Expediter requested $800,000, and the Budget Bureau sent in an estimate for $800,000. The House reduced that to $600,000, and the Senate committee recommended the House figure. I hope the provision will be agreed to.

Mr. CAIN. Will the distinguished Senator from Tennessee permit me to make a very brief observation?

Mr. McKELLAR. Certainly.

Mr. CAIN. I think it was only several months ago, probably the 15th of March, when the Office of the Housing Expediter requested of the Congress a deficiency appropriation in the sum of $3,600,000. He said that was the very least amount on which he could reasonably manage the affairs of his office for the remainder of the year.

The Senate and House at that time cut that requested figure of $3,600,000 to $1,400,000, which, when we add $600,000 to it, leaves, as a result of congressional action, a net saving, as I understand figures, of $1,600,000.

I merely wanted to point out that if the Office of the Housing Expediter can get along with the $1,400,000 which we gave to him in March and the $600,000 which we are presently prepared to give to him, it stands to reason that the Office of the Housing Expediter requested in March a sum which was entirely indefensible and unjustified, and I think it ought to be mentioned by someone in passing that the Congress at least has saved $1,600,000 for the taxpayers.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. WHERRY. I should like to make that statement in behalf of the Senate of the United States and to compliment the distinguished Senator from Washington for the very constructive interest he has taken in helping to reduce the amount to $1,600,000.

Mr. CAIN. The junior Senator from Washington and other Senators understand we are in this body to represent not the executive branch of the Government or to agree with their whims and their requests, but we are here to serve the people of the United States; and I am delighted to join with other Senators in acknowledging the small saving that has been accomplished in this year of 1950.

Mr. WHERRY. I may say to the junior Senator from Washington that if other Senators will take the same interest in other legislation I am confident we can do the same thing all along the line.

The VICE PRESIDENT. The next committee amendment will be stated.

The next amendment was, under the heading "Chapter X—Department of Defense," on page 30, after line 17, to insert:

DEPARTMENT OF THE AIR FORCE

ACQUISITION AND CONSTRUCTION OF REAL PROPERTY

For an additional amount for "Acquisition and construction of real property, 1950," to carry out the provisions of title II of the act of October 27, 1949 (Public Law 415), relating to the Air Engineering Development Center, $20,000,000, to remain available until expended, and, in addition thereto, the Secretary of the Air Force is authorized to enter into contracts for the same purposes in an amount not to exceed $35,000,000.

The amendment was agreed to.

The next amendment was, under the heading "Chapter XII—Increased pay and travel costs—Department of Labor," on page 55, line 11, after the word "expenses", to strike out "$41,000, and $85,000" and insert "$6,000 and $120,000."

The amendment was agreed to.

The next amendment was, under the heading "Claims for damages, audited claims and judgments," on page 63, line 1, after the word "in", to insert "Senate Document Numbered 177, and"; and in line 3, after the word "Congress", to strike out "$3,627,922.79" and insert "$9,914,903.82."

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments. The bill is open to amendment. If there are no further amendments, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 8567) was read the third time and passed.

Mr. McKELLAR. I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. McKELLAR, Mr. HAYDEN, Mr. RUSSELL, Mr. BRIDGES, and Mr. GURNEY conferees on the part of the Senate.

Mr. McKELLAR. Mr. President, I thank the two leaders, the acting majority leader and the minority leader for their support of this measure. I believe we can get it back from the House so final action can be taken before the end of the fiscal year.

I also thank the Senator from Utah [Mr. WATKINS] for yielding.

## EXTENSION OF SELECTIVE SERVICE ACT OF 1948

The Senate resumed the consideration of the bill (H. R. 6326) to provide for the common defense through the registration and classification of certain male persons, and for other purposes.

The VICE PRESIDENT. The question is on the committee amendment as amended.

The Senator from Utah [Mr. WATKINS] has the floor.

Mr. WATKINS. Mr. President, I notice the Senator from Washington has mentioned a number of times that the mere presence of the Selective Service Act is an inducement for the youth of the country to enlist in the Armed Forces. Will the Senator explain to the Congress and to the people of the country why it is an inducement?

Mr. CAIN. Yes. I think the Senator from Washington can, as can many other Senators, explain it in a word or two. The Senator from Utah, I imagine, and, I hope, every Senator and every American, is conscious of the fact that within a 2-year period or within a very limited period after the Selective Service Act of 1948 was approved by the Congress, volunteers by the tens of thousands entered the service. The Senator is aware of that fact, is he not?

Mr. WATKINS. I understand enlistments increased as a result of the passage of the act, but why does the Senator think it is an inducement for the youth of the country to join the armed services?

Mr. CAIN. I wanted the Senator from Utah, first, to be conscious of what has happened since the Selective Service Act of 1948 was passed. I shall give my own reason why I think the mere existence of the act encourages young Americans to volunteer. In the presence of an act which says to them, "You are likely to be called to serve for a period of 21 months; you are given a chance on a volunteer basis to serve your time in the Military Establishment of the country on your own terms"—a man who has registered for 2 years as 1-A, for example, and is between the ages of 19 and 25, can be called up at any period during those years when he is anywhere from 19 to 25 years of age—many a young American most certainly, in considering his own future, what he wants to do, and what he wants to become, will say to himself, "If there is a very good chance that I shall be called into the armed services at some future but uncertain and unknown date, and perhaps when I am in the middle of a job which it will take me several years to complete, I had better go ahead and get my service to my country over and done with."

From my point of view, that is the best single answer I can give as to why I think the existence of the Selective Service Act encourages thousands and thousands of young men to volunteer for service in the Armed Forces, who, in the absence of a Selective Service Act, would be inclined not to serve at all.

Mr. WATKINS. As I gather from what the Senator has said, there is an element of coercion, or sort of a threat, held over the youth of the country by the act which induces them to volunteer. Is that the logical conclusion from what the Senator has just said and from what other Senators have said with reference to the act?

Mr. CAIN. To use the words of the Senator from Utah, no man can deny that there is a threat of war hanging over the world. In attempting to minimize that threat, in attempting to prepare ourselves to conquer in whatever emergency may be forced upon us, in an attempt to make the likelihood of armed conflict with any nation in the future less likely, this country, through its Congress, has determined on a certain personnel strength for the Army, the Navy, and the Air Corps. In order to carry out what we have already determined through our appropriations we have devised a selective service act which says, in substance, two things: "If as an American you seek to exercise a free choice and to volunteer for service for a limited period of time in the armed services of your Nation, that is your choice."

If a sufficient number of Americans do not see fit at an early age to exercise the choice of serving their country on a voluntary basis, the law provides the machinery through which the intent of the Congress of the United States will be carried out. I do not construe it as a threat; I construe it as a reality, and that if Congress says we shall appropriate X dollars to provide for maintenance and care of X men, we are only being realistic, reasonable, and intelligent by providing the machinery which will provide the men for the dollars appropriated for their maintenance and care.

Mr. WATKINS. Mr. President, will the Senator yield for a further question?

Mr. CAIN. Certainly.

Mr. WATKINS. I appreciate the Senator's answer. I cannot say I agree with him 100 percent in his conclusions, but he is very frank.

Mr. CAIN. I intend to be.

Mr. WATKINS. I should like to invite attention to one other consideration which has been brought up here, and that is by reason of the inducements in the way of pay, education, travel, and whatever others there may be, which we give to the young men of the country, many of them remain in the service.

Mr. CAIN. Presently about 50 to 60 percent reenlist.

Mr. WATKINS. Fifty or sixty percent. Has the Senator read a recent article published in Look magazine which calls attention to the deplorable conditions in Alaska with respect to the armed forces there?

Mr. CAIN. With particular reference to housing?

Mr. WATKINS. With particular reference to housing. If the Senator has read the article, I wonder if he would tell us what if anything the Committee on Armed Services has to recommend or suggest which would take care of a situation which, if true, certainly is deplorable.

Mr. CAIN. I have seen the magazine article to which the Senator has referred. I believe it was published some months ago in Look magazine. I can only say in answer to the Senator's question that the Committee on Banking and Currency and the Committee on Armed Services have and are investigating what has and has not been done in the way of military housing in Alaska, and what might be done in the future. If I am not mistaken, legislation which is now known as the Wherry law has been designed in a direct and positive effort to make housing available in Alaska, as well as in continental United States, for the benefit of military installations at a far more reasonable cost of construction than has been the case in recent years.

Mr. WATKINS. From what the Senator has said, apparently we are still talking about doing something, and we are still talking about some legislation which is on tap to take care of the housing situation. Is it not true that Congress, about a year ago, passed legislation giving money to the Armed Forces to take care of the very situation which has been called to our attention in this magazine article? If the situation is as has been described in the article, housing conditions certainly would not induce men to serve in Alaska or to enlist for service there, or to reenlist up there.

Mr. CAIN. We are faced with a housing problem in Alaska which is far bigger than any military consideration. If the Senator will do what I have done, namely, take a thoughtful and searching look into the testimony given at some of the hearings, thus determining that a single unit in Alaska, consisting of five or six rooms, for a variety of reasons costs from $20,000 to $40,000 to construct, the Senator will at once recognize that the problem is not a simple one. The junior Senator from Washington has no ready answer to how the housing needs of military personnel and civilians in Alaska can be taken care of in the next several years. I do not know.

Mr. WHERRY. Mr. President, will the Senator from Utah yield so that I may address a question to the Senator from Washington?

Mr. WATKINS. I yield.

Mr. WHERRY. Mr. President, the distinguished Senator from Washington, in answer to questions propounded by the junior Senator from Nebraska earlier today, stated that because of uncertainty in conditions, and for other reasons, the Armed Services Committee felt that the Selective Service Act should be continued. I suppose those uncertain conditions mean that we have failed to win the peace and that there is an acute situation in the world today which necessitates an extension of the Selective Service Act. Is that correct?

Mr. CAIN. As an individual Senator who happens to be a member of the Committee on Armed Services, I should like to say to the Senator from Nebraska that if the Senator from Washington was in opposition to voting for an extension of the Selective Service Act of 1948, in all consistency he would want to say, and back up what he had to say, if he could, and vote vehemently against every ECA appropriation which may come before the Senate, and he would vote against any military aid to Europe. He would vote against the Atlantic Pact. He would be in opposition to the extension of any help, as we have given it, to Turkey and Greece. If the junior Senator from Washington were against an extension of the Selective Service Act, he would consistently have to be against everything Congress has done in other ways in recent years, because, although

he may be wrong, his conviction is that the Selective Service Act is a part of a policy which, however regretful the fact may be, we have found necessary as a nation to develop and support.

Mr. WHERRY. That really answers my question in the affirmative, to the effect that we have lost the peace and we have spent $35,000,000,000 in western Europe under ECA, and we have spent money here, there, and everywhere, willy-nilly, and we have not won the peace, and the situation today, if the military is correct, is that we are losing the cold war. Is that correct?

Mr. CAIN. The Senator from Washington does not know if we have lost the peace. What he does know in this month of June 1950, is that we have not won it. He is in support of the extension of the Selective Service Act for a reasonable period, in the hope that it will help win the peace, which is so much in jeopardy at this time.

Mr. WHERRY. Of course, selective service is notice to the one world power which is extending its lines in Asia, where since World War II I think it has accumulated or placed in its orbit something like 13,000,000 square miles, and about 800,000,000 human beings. We are being asked to extend the draft act 3 years. Yet Mr. Acheson, the Secretary of State, has already stated, according to press reports, that he will abide by the decision of the vote of the majority delegates in the United Nations whether the Red delegates from Communist China are to be seated in the United Nations. I ask the distinguished Senator from Washington whether asking for the extension of the draft is one thing, but asking the United States of America to permit the seating of the delegates from Communist China in the United Nations is quite another thing? Should we not also serve notice on Russia and let its leadership know that fact, rather than admit Red China to the family of nations and give it the prestige that follows such a course of action? If we are to take a stand, why do we not take a stand on that question, just as we are asked to take a stand on the question of the extension of the draft?

Mr. CAIN. I would rather answer the Senator's question as an American citizen. In direct answer to his question, I should like to say that I do not think Mr. Acheson's position, as the Senator has stated it to be, is tenable, and certainly I have every intention of continuing to oppose it. However, I wish to add to my statement to one of the best friends I have in the Senate, the distinguished junior Senator from Nebraska, that on the question before us every member of the Committee on Armed Services has done his level best to arrive at what would best protect the legitimate needs of this country in the foreseeable and immediate future, and which would help to maintain us until we can secure a competent peace. It was from that point of view and in that effort that we have presented our recommendation of a 3-year extension of the Selective Service Act of 1948.

Mr. WHERRY. Mr. President, I should like to return the compliment which the Senator from Washington has offered to me. I have no closer friend in the Senate than the junior Senator from Washington, and I appreciate the flattering remarks he has made about the junior Senator from Nebraska. The point I wanted to bring out very forcibly if I could was brought out by the question I asked. The policy we have in China has been one of letting the dust settle. We have no policy. Even though recommendations relative to Formosa have been made by such men as General MacArthur, we are still in the dark.

We are asked to support a continuation of the draft law, it seems to me to implement what I think are mistakes which have been made since the shooting war terminated. We are not gaining in China, we are not gaining in Formosa, yet we are being asked to continue the draft, and at the same time the one who is leading in our foreign relations policies has said he will sit by quietly and take no interest in seating in the United Nations the Reds who are causing the difficulty in Asia, where they have taken over 13,000,000 square miles and 800,000,000 human beings since the shooting war ended. It is difficult for me to go along with the assistance asked for in the draft act when we are frittering away the peace which the people of America and of the world are seeking.

Mr. CAIN. Mr. President, responding to the Senator from Nebraska, even though the two of us look at the problem in a slightly different way, I wish to say, and very feelingly, that I agree with the Senator from Nebraska that great and grievous mistakes have been made in recent years, resulting in uncertainty and confusion and doubt as to what we can or must or will do in the years to come. It is because of that uncertainty, because of that confusion, because of some serious mistakes which I think have been made in other branches of the Government, that as one Senator, I think we can best protect American welfare by a reasonable extension of the Selective Service Act at this time.

Mr. President, I express deep gratefulness to the Senator from Utah for his willingness to permit the colloquy which has just been concluded between the Senator from Nebraska and myself.

Mr. WATKINS. Mr. President, I have been very much interested in the colloquy which has taken place between the junior Senator from Washington and other Members of the Senate respecting some of our problems. I do not desire to delay action on the bill, but I do wish to call attention to the fact that day after day during the present session, and almost during the entire time of my service in the Senate of three and a half years, we have been called on to meet deadlines and emergencies which, in my humble opinion, need not have arisen had there been proper management of the legislative program.

I realize and understand that the leaders, both on the Republican side and on the Democratic side, have their problems, and probably they are doing the best they can in view of all the pressures which are being put upon them to put this bill or that measure on the calendar, or on the agenda for immediate action. But now we arrive at a time when we have before us one of the most important measures effecting the youth of this country and the peoples of the world, and it is brought in at the last moment and we are urged to speed up the procedure in order to enact the measure. I shall do my best, so far as I can and still express my views on the measure, to expedite its consideration, because I realize that we are facing a deadline, and that we must do something about it.

The peoples of the world have all wanted peace, the people of this country want peace, and I imagine that if they think about it at all—many of them do, but we are becoming so callous to emergencies and crises that the people simply laugh them off, and they attract attention for only a day or two—they must realize that the pending measure is going to affect the lives of literally millions of young men, and some of the girls of this country. Realizing that, if they do realize it, they would expect us to give proper time and attention to the subject.

It might help us and might help the country and the world to stop occasionally and think about where we are and whence we have come, and what has happened to us on the way. Why are we in the condition in which we are today? The junior Senator from Washington has indicated, in a measure, some of the things which have happened, and the Senator from Nebraska called his attention to certain mistakes and blunders. The little people, the rank and file of the nations of the world, are not responsible for these blunders. The leaders, those who have had the responsibility placed upon them of conducting the affairs of the world, have failed, and that is one of the reasons why we are in the situation in which we find ourselves today.

We find almost a total abandonment of moral force to help to bring peace in the world. I have been chagrined, and I am sure many of my colleagues have been, at the more or less callous way in which are received the various suggestions from Members of this body and Members of the House of Representatives with respect to attempting again to find, by negotiation, some means of bringing about an understanding with those who are opposing us and our way of life. Unfortunately, I believe, for the good of this country, the President of the United States and the State Department are not receptive to those suggestions. It seems to me that the moral forces of the world should be brought into play, that every effort should be made to justify our position and get the truth to the peoples of the world, and to keep on trying and trying as long as there is anyone who will listen to us.

I remember the statement I made in April 1947, soon after I came into this body on the occasion of the Greek-Turkish loan. I voted for the measure then pending, as I have for practically all the measures to aid in the fight against communism and to restore our friends in Europe to their feet. I have made a statement then of which I have never been ashamed since. It was rather crudely worded, perhaps, but to my mind the principle to which I called attention

has been one of those things which have been lacking over the years. I should like to call the attention of the Senate to a few of the things I said at that time, which was when the Truman doctrine had been presented to the Congress, and we were asked to make large loans to Greece and Turkey. I said:

Mr. President, I am voting for this bill with the belief and the hope that this is only the first step; that we shall now come back to the first principles as set forth in the Atlantic Charter not only in Greece and Turkey but in China.

I underscore the name "China," because of the debacle which has since happened in China had not then occurred. I said further:

That we will reverse the action we took in that nation recently when we decided not to take sides as between the Nationalists and the Communists, but decided to get out.

As I recall, the great general who had been sent over there to carry out the mission entrusted to him by the United States, said, in effect, "A plague on both your houses," and left the Nationalists to face the Communists. At that time they were regarded only as agrarian reformers.

I said further:

That we will redeem our promise made to the Koreans that they shall have their independence; that we shall refuse to make any more agreements with Russia until she gives some evidence that she is willing to honor and respect the agreement she has already made from the days of the Atlantic Charter down to the present time; that as a logical outgrowth of that stand we shall not ratify the treaty with Italy which renders Italy defenseless for a long time to come against a constant threat of the Communist Tito and his government which is a satellite of Russia; that with respect to Germany we make no further agreements of any kind with Russia respecting that nation, until such time as Russia honors her past agreements; that we lay all of the facts on the table before the United Nations.

In other words, that we call for a showdown.

Let us also declare (at that showdown meeting) it is our policy that we expect to honor all our agreements and expect other nations to do likewise, that we shall be glad to help Russia attain any of her legitimate ambitions and her necessities by peaceful means.

Mr. President, have we ever tried to do that with Russia? If we have, it has escaped my attention. Have we ever sat down with her and tried to help her achieve her legitimate ambitions and her necessities by peaceful means?

I remember sometime back there was a discussion, and a similar discussion pops up occasionally, over Russia's claim of her right to have access to the warm waters of commerce, to have warm-water ports, among other things she demanded which we could have looked into. It might have meant that we would have had to spend some money to aid her to get what she felt she was legitimately entitled to. Had we taken that step at that time, it is my humble opinion we might possibly have averted many of the events which have occurred since, and we might have removed the great threat to world peace today. But, instead of that, we and the other nations have been insisting on this right and that right, but not having in our minds and in our methods anything to try to help that particular nation get some of the things to which she might be legitimately entitled. She wanted to get her products into world commerce, and to have the raw products of the world brought to her. How much cheaper it might be in manpower and in suffering and in lives if we could have worked out that problem with that great nation.

I said at that time:

Let us declare to her that as we are a Christian Nation, we shall be willing to abide by the doctrine of the Christ, known as the Golden Rule.

I wonder if we have ever tried to put that into effect in a realistic manner? Oh, I know, we talk about it. It becomes a platitude to most of us, a generality, and we say it cannot be done. But I think under the circumstances we are now facing that this Nation cannot afford to overlook any method short of war to accomplish the overwhelming desire of the great number of the people of the world, which is peace. We cannot neglect anything that may be open to us.

I stated further at that time:

By taking this stand, Mr. President, I sincerely believe we can stop the present ideological war and prevent a shooting war of world war III. Halfway measures, in my opinion, will not do. We must go the full distance. This is a case which requires the boldest of action. By any other methods I believe we court disaster, and I say this notwithstanding the fact that we have the atom bomb.

That statement was made in 1947. It was made before Czechoslovakia was taken behind the iron curtain, and before Hungary also was taken over. It was made before China fell, and before many other events happened that have made necessary legislation such as we are talking about today.

Mr. President, sometime, someday, we are going to face across a peace table Russia and her satellites and other nations who oppose us. It may be 25 years from now. It may be within a few years. It may be after we have sacrified on our side and they have sacrificed on their side many millions of lives and have undergone great suffering. Let us remember that if we are going to live in this world we have got to come to peace terms and we have got to sit at the peace table with other nations.

Mr. President, I realize it will be said that we have tried, that we have been patient, that we have met with objections all the time from a certain nation, and that we could not get anywhere with her. I often wonder if we have done everything we could. I have a great deal of sympathy for my colleagues in the Senate, the Senator from Connecticut [Mr. MCMAHON], and others, who have made various proposals for another try. It is all well worth while. That can be going on while we are doing these other things.

So today in considering the draft measure it is a good time for the American people to take stock of where we are, what distance we have covered. Are we on the road, as many think we are in our present course, rushing headlong into another world war that will almost wipe out our civilization? Can we do anything now to help stop it?

I said something about the United States being a Christian nation. There may be some who will object to that. I have so many times seen pressure groups come to Congress and in their greedy way demand that they get theirs, irrespective of what happens to the rest of the people, that I have begun to doubt that we are a real Christian nation. What have we in our country except a great prosperity and a great many institutions to demonstrate to the world that we really are as Christian as we may think we are? I will admit we have made great progress over the years; but when one sees these contending groups, in our own country, actuated by greed and avarice and hatred, it makes one wonder whether we are in very deed followers of the lowly Nazarene who wanted all men to do unto others as they would like to be done by.

It seems to me that the moral forces of this country could do a great deal by demonstrating to the rest of the world that we know how to be unified and how to get together; that we place spiritual powers and forces above any of the material things of the world; that when we pray to Almighty God we get down on our knees and in faith and in right to ask for blessings from Him; and that when the Chaplain of the Senate prays in our behalf it is not an idle gesture, but we catch that spirit and use it in our deliberations.

Mr. President, I do not intend to talk very much longer today, but I desire to call attention to a number of things in connection with this particular bill which I think we should keep in our minds and should take into consideration. We are asked to extend the Draft Act. Personally, I am in favor of doing that. I voted for the act in the first place on the theory that from the representations made to us by our military commanders and our President it was absolutely necessary to do it.

There have been many times in the past when I have not had confidence in all of the promises and the plans and the suggestions made by the executive department. Many people of this country have not had confidence in them. When we have considered the long series of events that have happened in the previous administration and in the present administration, the long series of events in our foreign affairs which have turned out to be monumental blunders, that seem to have thwarted all our efforts to bring about peace, we have found on analysis that many of them are the very things that have put Russia and her satellites and communism in a commanding and threatening position today. So if we may look with some lack of confidence upon the President of the United States and the State Department, I think we may be pardoned.

I would say, and I say it in all kindness, the President of the United States in his connections with the Eightieth Congress and with the Eighty-first Congress has not shown any great degree of confidence in the Congress. Confidence

begets confidence. He has been unsparing in his criticism of this body and of the work of the Eightieth Congress, notwithstanding the fact that we went down the line time and time again and voted for appropriations and for measures to help undo the great blunders that had been committed in the foreign field.

Some of us say, as I am going to say, that we are placing entirely too much power in the hands of the President of the United States, in one man, to say when this draft act shall become operative and the young men of our country shall be taken into the armed forces. In connection with that let us remember that last year we ratified and approved the Atlantic Pact, which binds us in effect upon an attack being made upon any one of the signatories to that pact other than ourselves, to rush to their defense. Let it be remembered also that the Senate refused to accept a reservation which reserved to the Congress of the United States its constitutional right to pass or not to pass without being under force or duress or coercion of any kind, a joint resolution to declare war. That reservation was defeated. In my humble opinion, the Constitution of the United States was thereby violated. The failure to adopt that reservation placed in the hands of the executive department the right to proceed and wage a war if a major attack should come against any one of the nations signatory to the Atlantic Pact, irrespective of how it happened. If we place in the President's hands, in addition to that power, the power to call the young men of the United States into the armed forces without action by Congress, it seems to me we shall have gone too far. Already, by what we have done, we have abdicated too much of the congressional power.

The situation as of today has changed from the former situation.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. WATKINS. I yield.

Mr. CAIN. Does the President presently, under the provisions of the Selective Service Act of 1948, have the power and authority to induct American young men into the armed services?

Mr. WATKINS. The President does have that power, and the Congress gave it to him because he said an emergency was existing at that time; his statements and the intelligence reports led us to believe that we might be engaged in a war in a short time. So the President was given that power by the Congress. However, since that time we have ratified the Atlantic Pact, and it has changed the situation materially.

From now on, Congress itself should either be constantly in session or, if it takes a recess, should be on call at any time by its officers, so that it could quickly return into session if occasion should again arise to require the induction of our young men into the Armed Forces.

Mr. CAIN. Mr. President, will the Senator yield for a further question?

Mr. WATKINS. I yield.

Mr. CAIN. How long has it been since the President exercised any of the authority given to him by the provisions of the Selective Service Act of 1948?

Mr. WATKINS. The Senator from Washington knows the answer, for he made a statement on that point yesterday, as I recall. The President exercised that power for a short time only. Because of the understanding that if they did not volunteer for service, they would be brought into the Armed Forces by way of induction, considerable numbers of our young men volunteered for service at that time, and therefore it was necessary to induct only approximately 30,000, as I recall.

Mr. CAIN. The Senator is correct. I simply wanted to keep the continuity of the matter clearly before us, so as to show that, in fact, it has been 18 months since the President required the induction of even one man under the Selective Service Act.

Mr. WATKINS. My point is that it is the duty of Congress to prepare and provide the means for defending the country. The President may be the Commander in Chief; but it is the right and the power and the obligation of the Congress to provide the means for defending the Nation. It seems to me that after placing in the hands of the President the tremendous power he has under the provisions of the Atlantic Pact—and we note the way that power is being exercised; agreements are springing up on all sides, and they will call for larger and larger appropriations, and may eventually call for the sending of our troops abroad, to help garrison those lands—we have given him sufficient power. When we note all those things going on, we realize that the President does have tremendous power.

However, the situation existing today is not what the situation was when the Draft Act of 1948 was passed.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. KNOWLAND. First of all, Mr. President, let me say that although I do not agree with the Senator from Utah in regard to the amendment which he is submitting, nevertheless I have a high regard for his sincerity and his point of view. As in the case of most public questions, in this case, likewise, there is room for an honest difference of opinion on the question of the Senator from Utah has raised on the floor of the Senate.

I am interested in the statement the Senator has made that the situation at the time when the draft act was passed in 1948 was much more tense than the situation is today.

Mr. WATKINS. Permit me to interrupt the Senator, for I think he misunderstood me. I said the situation was tense. I would not say it was more tense than the situation is today, because we really do not know the exact truth about the situation. The President has said, if we can credit what he has told us, that we are in the best situation now, with respect to peace, that we have been in for 6 years.

Mr. KNOWLAND. Of course, I agree with the Senator that the Congress has a responsibility which it cannot lightly put aside or abdicate to anyone. However, it seems to me that by means of the enactment of the selective-service legislation, the Congress is performing its constitutional duty to raise and support armies.

As the Senator pointed out the other day, when the Joint Chiefs of Staff and the heads of the National Defense Establishment come to the Congress and say, "In our judgment, the minimum requirements for the Army, Navy, and Air Force are so many men," and when the Congress of the United States then enacts legislation fixing the size of our Military Establishment, the Congress has an obligation to see to it that the Military Establishment is maintained at the size thus established.

I do not know whether the Senator has been so familiar as members of the Appropriations Committee have been with some of the statements made by witnesses who appeared before that committee. I think I can say without fear of contradiction that every one of the responsible members of the Joint Chiefs of Staff—the Chairman of the Joint Chiefs, General Bradley; the Chief of Naval Operations, Admiral Sherman; the Chief of the Air Force Staff, General Vandenberg; and the Chief of the Army General Staff—General Collins—all of them emphasized that the present very large budget for our Military Establishment is required in order to meet the minimum requirements for the defense of the United States.

The facts of the matter, unpalatable as they may be, are that within the last year, two great events occurred. One was the President's announcement that the Soviet Union now has the atomic bomb. That statement by the President is backed by every top scientific man who has had anything to do with the development of our own atomic weapons.

The second event, as the Senator from Utah has pointed out, has been the catastrophic series of events which have occurred in the Far East, and which have uncovered our defensive position in the entire Pacific area.

With those facts in view, it seems to me that the Congress has the responsibility of seeing to it that our defense establishment at least comes up to the minimum requirements.

I agree with the Senator from Utah that I would much prefer to withhold, insofar as we can, the granting of any excessive power to the President of the United States. However, the fact remains, under our constitutional system, that he is the President; the fact remains that he is the Commander in Chief of the Army and the Navy. The fact still remains—we can try to laugh it off or try to toss it off, but we cannot change it—that now, in the month of June 1950, we are living in the age of the airplane and in the age of the atomic bomb and of atomic energy. Everyone agrees that never again will we have a period of 1 or 2 or 3 years in which to prepare for war. In my judgment, no nation will strike in Europe until it has first struck at the heart of America—at our great industrial centers, at our great communications centers. I believe it is entirely possible, in this age of the airplane and the atom bomb and atomic energy, that the Congress of the United States might not be able to function under such circumstances; that by the time the Con-

gress could get together, a period of 30 or 60 days might elapse, during which this country might be completely stymied, as regards making the necessary moves to build up our defense establishment.

For those reasons, I think there is sufficient justification for enabling the President of the United States to keep our military strength up to the minimum requirements.

Mr. WATKINS. Mr. President, in answer to the Senator's question and to his argument, let me say that I realize the force of his argument. However, let me point out, as a realistic, practical matter, the situation as it is today. If a sudden attack should come upon our country, an attack such as the Senator from California has implied by what he has said, neither the President nor anyone else from the draft system could get together sufficient forces to meet that particular attack.

I have served in the Senate with the Senator from California and with other Senators; and we have voted many billions of dollars of appropriations for the building of the defenses of this country—for great air forces, for the most modern planes, for bombs, indeed almost an untold sum for the development of additional bombs to aid in the defense of our country. They are in being. If the figures given me are correct, we now have an army of 1,370,000. Let me call attention to the fact that our very military leaders who are advising on this matter now have already said within recent weeks that we no longer need the same number of men for defense that we once needed. At least those statements were made with reference to Europe.

When the nations of western Europe began to find out that under the program they were to furnish the line—we were the backfield, and they were to furnish the ground forces in large numbers to meet the attack—we then had the startling statements made about the great advance which had been made in the matter of defensive weapons, so that now we will not need so many ground troops, for the new weapons will stop the foe and hold him until we can get into operation.

If the Congress is dispersed when there is a threat hanging over the heads of the people of America, then I think we shall be to blame for having the Congress dispersed. It should be kept in being, even if we have to recess subject to call by the Presiding Officers in the face of a threat of that kind. The same damage, the same bombing that would come to the Congress, if we were here, would likewise come to the President and the executive department. Someone must make the decision; and it becomes important, in connection with the North Atlantic Pact and the other agreements we are now making with the European countries, that the people who are going to do the dying and the fighting on the battlefields of the world, should have here their own representatives under the Constitution to which we all subscribe, to say when they shall be called to the colors and when the battle shall take place.

Mr. KNOWLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from California?

Mr. WATKINS. I yield.

Mr. KNOWLAND. Of course I do not think there is any difference between us with regard to the ultimate objectives in which the Senator is interested. I am sure every one of the 96 Members of the Senate of the United States and every one of the 435 Members of the House—and, indeed, of the 140,000,000 people of the United States—will agree that what we want is peace with honor. There is no question that we could get an agreement with the Soviet Union overnight if we would give them everything they want and agree that they could extend their influence over any power that might be in their way. I think there is no doubt that we could sit down with them tomorrow and get that kind of agreement. But I do not think it would be peace with honor. I am sure the Senator agrees with me that no nation has a moral right to surrender the liberties and rights of other nations and to deal with them as one would deal with chips or chessmen in a game.

Mr. WATKINS. Mr. President, may I interrupt the Senator for a moment?

Mr. KNOWLAND. Certainly.

Mr. WATKINS. The executive department has done just that, without the approval of the Senate or even submitting numerous executive agreements which have fixed boundaries in the East, in China and in Korea and in that general area, as well as in Europe. The executive department has gone ahead, time and time again, making executive agreements, which have all the force and effect of treaties, without ever submitting them to the Representatives of the American people in Congress. The actions on the part of the Executive have done that very thing. Those actions have largely been responsible in a measure for the difficulties we are in today.

Mr. KNOWLAND. The Senator from Utah knows that I have been just as critical of the agreement made at Yalta as has the Senator from Utah. I agree with him that we lost some of our moral leadership in the world when we entered into the Yalta agreement and certain of the others, such as those made at Tehran and other places, without the consent of the American Congress or of the American people. I think we must begin to rebuild and to regain some of the moral leadership we lost by so doing. But I may say to the Senator that it would seem to me it would do very little good for a community of law-abiding citizens to create a police department if it then refused to man the police department. It would do very little good to build firehouses and put new equipment into them, if the community refused to pay for the firemen, or refused to see that the firemen were secured for the purpose of manning the equipment.

Mr. WATKINS. May I interrupt?

Mr. KNOWLAND. If the Senator will permit me to continue for a moment, I may say we are not going to be the ones to determine when the fire is going to break out or when the act of the international gangster may occur; but whenever it occurs, we must be prepared to discharge our responsibilities.

I believe this Nation offers to its young men more rights and privileges than any other nation on the face of the earth. I believe we should point out to our young men and women the rights, privileges, and opportunities they have in America. But I also think we should talk about our obligations of citizenship. I do not think a citizen can be on the receiving end only. I think every citizen has an obligation to serve his country. The Swiss, who over many years have had a system of compulsory military training, are one of the freest, most democratic nations on the face of the earth. I do not believe that a Republic such as ours loses any of its liberties or any of its rights or privileges by providing through the legislative and democratic process, a force which will help maintain a system of international law and order, so that the peace of the world can be maintained for ourselves and our children.

The 13 men in the Kremlin are a very cold and calculating and practical group. It is my judgment that they will not begin a war, if they ever do, until they think the calculated risk of their winning it is greater than the calculated risk of their losing it. Our greatest contribution to the peace of the world will be to make sure that their calculations of losing it are going to be much greater than their calculations of winning it.

Mr. WATKINS. Mr. President, there is so much that the Senator has said with which I agree, that it is difficult to pick out the statements with which I do not agree. But I should like to point out to the Senator one of the things that have moved me to propose the amendment which I am proposing, in cooperation with certain of my colleagues, to leave it in the hands of the Congress to determine when inductions shall become operative is the simple fact that over the years the executive department has made so many blunders that I do not want to entrust that power to the executive department again. That is the reason. I merely do not have the confidence. The President does not have confidence in us, and, personally, I do not have it in him.

I think the decision should be in the hands of the representatives of the people. I believe the program can be carried out, as I have pointed out, in a realistic manner, and that we can get the necessary men into the Army, who will be needed at a given time. I believe the Congress can do it better than it could be done by the President.

Mr. LUCAS. Mr. President, will the Senator yield, that I may make a slight observation in his time?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Illinois?

Mr. WATKINS. The time is all between us. I yield.

VISIT TO THE SENATE BY 101 CHILDREN FROM THE TWENTY-FIRST CONGRESSIONAL DISTRICT OF ILLINOIS

Mr. LUCAS. Mr. President, the Twenty-first Congressional District of Illinois is composed of seven counties. It is ably represented by PETER F. MACK, JR., the Representative from that District in the House of Representatives. PETER MACK, JR., has brought to Washington 101 of the most deserving children from his congressional district. The children are now seated in the gallery on my left. I merely want to call the attention of the Senate to their presence, because I think Representative MACK is deserving of a tribute for having brought these youngsters to Washington and affording them an opportunity to look in on what is going on in the House of Representatives, the Senate, and other places in and about the seat of the Government of the United States.

These children have been selected by an impartial board. They were recommended by the teachers in the respective counties, after which an impartial board decided which of them were the most deserving. The decision of the board was made regardless of race, color, creed, or politics.

I thank the Senator from Utah for having permitted me to make this observation. I saw the youngsters in the gallery. And, by the way, seven of them are from my own county of Mason.

The PRESIDING OFFICER (Mr. HOEY in the chair). On behalf of the Senate, the Chair congratulates the State of Illinois upon having sent to Washington this fine delegation of children from that State. The Chair joins with the Senator from Illinois and other Senators in extending to them a most cordial welcome.

Mr. WATKINS. I join with the Senator from Illinois in greeting these young people from his great State. I am proud of the fact that the Senator has so many present from his home county. I personally extend to them my welcome as well.

Mr. LUCAS. I thank the Senator from Utah. Although we do not agree upon the amendment which he has been seeking to have the Senate adopt, we can agree upon the youngsters of the country.

EXTENSION OF SELECTIVE SERVICE ACT OF 1948

The Senate resumed the consideration of the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes.

Mr. LODGE. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield.

Mr. LODGE. I heard a part of the speech of the able Senator from Utah, and I know the serious spirit and the conscientious attitude he has toward these questions. I should like to put this consideration to him: That the whole trend of events, so far as modern war is concerned, forces upon us the necessity of being immediately ready. That is due to two things. First of all, nations no longer take the trouble to declare war and give advance notice of an attack. If that should occur, we would at present have no one holding the enemy back for us; we would have to do it ourselves. It is also due, in the second place, to the fact that technological warfare is much more complicated and requires a much longer training period. Many years ago a young man grabbed his musket and marched off with his regiment. That situation no longer applies. We must be ready when the whistle blows. We have to have people who know the profession of arms. Without in any way differing from what the Senator has said with reference to confidence or lack of confidence in the party which happens to be in power, the fact of the matter is that Congress, by its very nature, is utterly unable to meet these issues, and even if it were in session it would not be in position to exercise the leadership and control the factors which are essential to military success.

Mr. WATKINS. Does the Senator want us to have a system such as exists in Russia?

Mr. LODGE. I do not think we face at all the choice of becoming a dictatorship, as is Russia, on the one hand, or of being a soft push over, on the other. I think we can keep this Nation in a strong defensive position without bankrupting our economy or scrapping our democracy. I think we are smart enough to do that, and that is what I think we should do.

Mr. WATKINS. The Seantor was probably not present when I mentioned it before, but we are told by the executive department that we have a wonderful Air Force, a great Army, and a great Navy, and we have nearly everything we ought to have to meet any initial surprise attack. In fact, the Secretary of Defense has gone to the extent of saying—and I have heard him say it in his speeches at dinners—that at 4 o'clock on any morning we are ready to meet the enemy. That is as it should be, because we have spent on the armed services approximately fourteen or fifteen billion dollars every year since I have been in the Senate, which has been 3½ years. If that is a fact, why is it necessary to have so many men inducted each month and turn over to the President the power to say when the act shall become operative?

The Secretary of State does not agree with some of the other leaders, one of whom says this, another says that, and another says, "We have not yet had enough money," and the President says we are in a better situation than we have been at any time in 6 years. In view of that confusion I do not want to turn over to them the power to say when they are going to start inductions again. I am in favor of keeping the act in operation, the records, the books, the employees, everything necessary to have it all ready to go. The only difference I have with the Senator from Massachusetts and with some other Senators on the other side of the question is that I should like to know who is going to push the button and start it in operation. That should be done by the representatives of the people, under the Constitution.

Mr. LODGE. Mr. President, will the Senator yield further?

Mr. WATKINS. I yield.

Mr. LODGE. Unfortunately, we cannot win battles with records, books, and registration forms. It must be done with men.

Mr. WATKINS. Is there now any lack of men?

Mr. LODGE. For any kind of a major war we have a great shortage of manpower in America. That is one reason why we have to have friends and allies, because there are simply not enough Americans to wage another major war by themselves. That is why we have the Atlantic Pact, and that is why we are hoping to get the west into a strong posture, within 3 or 4 years, to build up a strong front there which will be so strong that no aggressor will ever be tempted to overrun the west. It seems to me we are in one of those fateful moments in history when we have it within our power to make a decision whether we shall have world war III or whether we shall not. If we maintain the condition of military weakness in which we have been, and go along without building up any additional strength, we can be very sure that an aggressor will jump on us in 3 or 4 years, or we might even be so manifestly weak that the aggressor can win even without a war. On the other hand, if we get to work and build up a position of strength and get the west into a strong posture, in 3 or 4 years, world war III may never happen at all. If we are going to expect the nations of the west to do their share toward this end—that means munitions and also men—certainly it would ill become us to refuse to extend our own manpower law when the price at stake is the avoidance of world war III——

Mr. WATKINS. I agree that we should be prepared. I have been fighting right along to get the necessary money and men. I voted for the Draft Act. The only difference I can see between the Senator's position and mine is that I think Congress should have the say. After an attack is made, we can make the declaration of war. If the attack is made on our own territory, we are automatically at war. I think those questions belong to the Congress, and I do not think we have a right to pass them on. If the Defense Department has planned carefully, it now has the necessary planes, guns, tanks, radar, and whatever it takes to meet an initial attack, without the Draft Act. If we have not those things, God pity us.

Mr. LODGE. Is the Senator talking about an attack on continental United States, or as offensive action abroad?

Mr. WATKINS. An attack on the United States. The only reason we went into any of these other arrangements was because it was supposed to react and protect us in this country. It is the primary duty of a nation to defend its own people.

Mr. LODGE. Of course; and that is what we are discussing here. It is obvious that the defense of the West is just as vital to this Nation as would be the repelling of an invasion on the Atlantic coast. There cannot be any question about that.

Mr. WATKINS. May I ask the Senator a question?

Mr. LODGE. Yes.

Mr. WATKINS. Is it not a fact that within recent weeks our defense experts have pointed out that we do not need so many men now, that we do not need to have such big armies as we had in the past, that by reason of our modern weapons of defense, which have been increased in their effectiveness, we do not need to have as many men to repel an initial attack? I hope we have in this country today such an expert group that can meet any initial or surprise attack, or emergency.

All I am pleading for is that we leave in the hands of Congress that power, because of the confusion in the executive department. If the situation is so dangerous as some Senators say it is and has been intimated by the Senator from Massachusetts, we had better stay within call.

Mr. LODGE. Let me say to the distinguished Senator from Utah that military operations must be commanded or headed up by an individual. If the Senator from Utah is right when he says that confusion exists in the executive department—and I think there is some confusion in the executive department—it is nothing to the confusion which would exist in Congress if the 435 Representatives and the 96 Senators undertook to exercise military command in an emergency. I can imagine nothing more utterly disastrous to the welfare of our country and to the young manhood of our country than such a possibility.

Mr. WATKINS. The Senator from Massachusetts wishes to leave in the hands of one man the question of determining when we are to go to war and whom we are to fight.

Mr. LODGE. No.

Mr. WATKINS. The Senator says that unless the——

Mr. LODGE. The Constitution states who shall command the troops. In a fast changing and fast moving situation like the present, the legislative situation which we have had for the last few years meets the situation. Congress, with its power to authorize the size of the Armed Forces, and with its power to appropriate funds, still retains basic control of the size of the whole thing at all times anyway.

Mr. WATKINS. All I am asking for is that we live up to our Constitution and do our constitutional duty. It may be that a democracy has much more difficulty in making its decisions than any other kind of government, but it has much to make up for that weakness. Personally I am not ready to surrender that constitutional duty. If it is done, it will be done over my objection.

Mr. LODGE. Mr. President, if the Senator from Utah will permit me, I should like to say that no one appreciates the blessings of democracy more than the Senator from Massachusetts. It has been said that democracy is like a raft: one's feet are always wet, but no one ever drowns. It is true that people in a democracy go through some periods of indecision and inefficiency, but in the long run they come through all right, because they believe in what is being done and do things because they want to do them and not because of compulsion.

Mr. WATKINS. We have done a great deal without a draft act.

Mr. LODGE. We have not done a great deal without a draft act in World War I or in World War II. To do it without a draft act is precisely the worst way to do it.

Mr. WATKINS. We are doing it now, and I am voting for it, as I did.

Mr. LODGE. The Senator has voted for it, and I have voted for it. We agree that the draft is a good thing.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. LUCAS. Mr. President, I am a little worried about the possibility of the draft extension bill not becoming law by tomorrow at midnight. I have conferred with some Senators on this side of the aisle. Because of the emergency, and because of the lateness of the hour, it seems to me that the best course to pursue would be temporarily to lay aside the pending bill and pass a joint resolution continuing the present draft law for a period of 30 days. That would give us time to continue the debate, and it would assure the country that the Selective Service Act would not expire tomorrow night. I do not like to interrupt the Senator's address. I am wondering how much longer he wishes to hold the floor.

Mr. WATKINS. That will depend a great deal on my colleagues. I think I have practically completed my remarks, and in view of what the distinguished majority leader has said, I do not care to prolong them. I believe I have made all the points that I wished to make. I cannot add to them by repeating them, even though they were made in the course of colloquy with my colleagues. I doubt the necessity of passing a joint resolution unless the distinguished majority leader has reasons with which I am not acquainted. There is no desire on my part to delay action on the bill, even though I believe we should have sufficient time to debate it properly.

Mr. LUCAS. If the Senator will further yield, I should like to say that I am not taking this action as the result of the address which the Senator from Utah is making. I appreciate the fact that he desires to see action on the bill expedited with all convenient speed. However, a situation in the House is involved which may delay matters beyond midnight tomorrow. That is why I was eager to get a joint resolution through the Senate and the House. Perhaps it would not be necessary to have the resolution go into effect, because it may be possible that we could get the bill through in time. However, I do not believe that Congress can afford to take a chance in view of what would be involved if we permitted the Selective Service Act to die. We have been all over that. Every Senator knows what is involved. We all know the chaos that would exist. It seems to me a definite crisis with respect to this legislation exists, and I hope we can agree on a joint resolution. If we could agree, we could then debate this bill as long as we wished to do so.

Mr. WATKINS. May I ask the distinguished majority leader whether he would ask to lay aside the pending bill to offer such a resolution?

Mr. LUCAS. I would ask unanimous consent to temporarily lay aside the pending bill. Following the passage of the joint resolution we would move right back into debate on the pending measure and would continue debate on it until we had finished with its consideration. I hope we can finish consideration of the bill today, get it into conference, and perhaps dispose of its before midnight tomorrow. However, it seems to me the danger is too great not to pass a joint resolution.

Mr. WATKINS. I should like to say to the Senator from Illinois that if we were to pass the resolution he suggests, we would have 30 additional days, within which time we could prepare whatever amendments we wished to offer to the bill. I have some doubt about some amendments.

Mr. KEM. Mr. President, will the Senator from Utah yield so I may address an inquiry to the Senator from Illinois?

Mr. WATKINS. I yield.

Mr. KEM. I have no objection to a joint resolution extending the act. However, in view of the amendment offered by the Senator from Utah, which raises the question whether the President should have the power to put the act into effect, or whether it should be done by a concurrent resolution of Congress, I wonder whether the proposed joint resolution should not contain a provision that the Draft Act shall not become effective except on the adoption of a concurrent resolution by Congress. In other words, the President would have the power to continue the machinery of the draft, but would not have the power actually to call up any young men except in accordance with a concurrent resolution adopted by Congress.

Mr. LUCAS. I am aware of the position of the able Senator from Missouri. However, I hope the Senator will not seriously press that point. In other words, what I am proposing is merely an extension of the Draft Act for 30 days. If we extended it with the kind of proviso suggested by the Senator from Missouri the resolution would have to go to the House and they would probably have to debate it because it is the same proposal as that contained in the amendment of the Senator from Utah.

Mr. WATKINS. Is it not true that the House has already adopted largely what I am contending for? If such a provision were added to the resolution the House might pass it all the more readily.

Mr. LUCAS. There is no question about that. It does seem to me, in view of the fact that the joint resolution would involve an extension for only a 30-day period, we should leave it just as it is. I am sure the House will act on it. Of course I would have to object to any amendment along the line which is now suggested by my friend from Missouri.

Mr. KEM. Mr. President, may I say that the Senator has not made clear why he would have to object to such an amendment.

Mr. LUCAS. Because I do not believe in that kind of proposition. In other words, my philosophy of the Selective Service Act is exactly in line with what was reported by the Committee on Armed Services. If I were to adopt the Senator's suggestion, I would be abandoning my position and going along with the distinguished Senator from Utah. I could not do that.

Mr. KEM. It does not seem to me that the Senator, by agreeing to this temporary extension resolution, would make any concession of that kind. He would merely make a concession to those who think that that should be the law in order to get his 30-day extension through the Senate.

Mr. LUCAS. I could not do that, and I will say to the Senator from Missouri that I doubt the Senate would do it if there were a vote on it.

What I am trying to do is to expedite this matter, but I do not want to expedite it by including a provision of the kind suggested, which is unalterably opposed by the entire Armed Services Committee which reported the bill. The Senator from Maryland, the chairman of the committee is not present, and I am speaking only for myself, but I rather think that the Committee on Armed Services would take the same position I am taking.

It seems to me that, considering the importance of this measure, we should not have any trouble in extending the act for a period of 30 days without any amendment, which would afford everyone an opportunity to discuss and debate the amendment and finally get a vote on it, and the Senate would make the determination. If the Senate should defeat the Senator's amendment and it should go to conference, the conferees would have plenty of time to work out something which would be satisfactory to all Senators. The House of Representatives, I understand, are in favor of the amendment offered by the Senator from Utah; in fact, they passed a bill to the same tenor. So if we should defeat the Senator's amendment, and it went to conference, it would give the conferees plenty of time to work out something which would be satisfactory.

It seems to me that from the standpoint of all Senators, whether they favor the proposition or whether they are opposed to it, a mere 30-day extension is a proper thing, and I sincerely hope we can agree to that without much trouble.

Mr. KEM. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield to the Senator from Missouri.

Mr. KEM. There are two versions of the proposed law. There is the version already adopted by the House, and there is the version proposed by the Senate Committee on Armed Services. I do not see why the able Senator from Illinois, the majority leader, should seek to impose in his proposed resolution of extension the Senate committee version rather than the House version. Does he not know that a considerable number of the Members of this body believe strongly in the House version rather than in the Senate committee version?

The Senator says that the proposed extension would be for only 30 days. I invite his attention to the fact that it would take only 30 minutes for the President to put the draft into effect under the existing law. There is no reason to create a hiatus, in my opinion, during which he would have powers which he very likely will not have after the final passage of the legislation.

Mr. LUCAS. Mr. President, will the Senator from Utah yield to me?

Mr. WATKINS. I yield.

Mr. LUCAS. I suggest that, by unanimous consent, we lay aside the unfinished business temporarily, and then take up the joint resolution and debate it. The Senator then could offer his amendment, and the same arguments the Senator from Utah has made for his amendment would apply to the amendment the Senator from Missouri would want to make. Then let us vote on the joint resolution within a reasonable length of time, and get it to the other House. That is what I am trying to do.

Mr. WATKINS. Mr. President, so far as I am concerned, I do not care to hold up for one moment an effort to have such a joint resolution passed.

Mr. LUCAS. I am very grateful to the Senator.

Mr. WATKINS. Then, even if it does not have in it the amendment the Senator from Missouri thinks it should contain, in my opinion nothing will happen during the next 30 days. I do not wish to delay, and I shall yield the floor now, and, so far as I am concerned, I shall not object.

Mr. LUCAS. I thank the Senator from Utah for his consideration in this matter, in the light in which the Senator from Illinois placed it before the Senate. I know how deeply the Senator is interested in his amendment, but as a matter of good sportsmanship, in order to get something through, the Senator has yielded, and I deeply appreciate the statement he has made.

Mr. KEM. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Missouri?

Mr. LUCAS. Does the Senator wish to make a speech?

Mr. KEM. I desire to suggest the absence of a quorum.

Mr. LUCAS. I yield for that purpose.

Mr. KEM. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Anderson | Ecton | Hunt |
| Benton | Ellender | Ives |
| Brewster | Ferguson | Jenner |
| Bricker | Frear | Johnson, Colo. |
| Bridges | Fulbright | Johnson, Tex. |
| Butler | George | Kefauver |
| Byrd | Gillette | Kem |
| Cain | Green | Kerr |
| Capehart | Gurney | Kilgore |
| Chapman | Hayden | Knowland |
| Chavez | Hendrickson | Lehman |
| Connally | Hickenlooper | Lodge |
| Cordon | Hill | Lucas |
| Darby | Hoey | McCarran |
| Douglas | Holland | McCarthy |
| Eastland | Humphrey | McClellan |
| McFarland | Myers | Stennis |
| McKellar | Neely | Taft |
| McMahon | O'Mahoney | Thomas, Utah |
| Magnuson | Robertson | Thye |
| Malone | Russell | Tydings |
| Martin | Saltonstall | Watkins |
| Maybank | Schoeppel | Wherry |
| Millikin | Smith, Maine | Wiley |
| Mundt | Smith, N. J. | Williams |
| Murray | Sparkman | Withers |

Mr. WHERRY. I announce that the senior Senator from Missouri [Mr. DONNELL] is detained because of attendance at a meeting of the Committee on the Judiciary.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). A quorum is present.

Mr. LUCAS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate Joint Resolution 190, introduced today by the Senator from Maryland [Mr. TYDINGS], to extend the period of the effectiveness of the Selective Service Act for 1948 for 15 days. It had originally been intended to make the extension period for 30 days, but it was later decided to make it 15 days.

Mr. JOHNSON of Colorado. Mr. President, reserving the right to object, I should like most respectfully to suggest to the majority leader that if the Senate will accept the House draft measure it will take only a few moments' time to pass the bill in the Senate and it will not be necessary to have the extension of time which the Senator has requested.

Mr. LUCAS. Mr. President, I appreciate the suggestion made by the able Senator from Colorado, but a situation exists in the House of Representatives which compels us to do what I am now asking be done. I definitely understand that if certain parliamentary moves are made in the House of Representatives, which will be made, the House cannot pass the bill by midnight tomorrow, and the act will expire. That is the basic reason why the Senator from Illinois is attempting to secure an extension of 15 days.

Mr. JOHNSON of Colorado. If I may interrupt again and make a further suggestion: If we accept the House bill then there will be no action required by the House, will there?

Mr. LUCAS. Of course, the Senator is probably correct in that. But I think the Armed Services Committee is pretty much inclined not to accept the House bill. In view of the fact that the Armed Services Committee unanimously reported this measure I believe the Senate itself ought to have an opportunity to vote upon the amendment to the bill offered by the able Senator from Utah [Mr. WATKINS]. Of course, if the Armed Services Committee's position is lost, that would be the end of it. If it is won, then the matter would go to conference.

Mr. JOHNSON of Colorado. So far as the Armed Services Committee is concerned, the only proponent of the measure I have seen active on the floor is a member from the minority side. I have not seen the chairman of the committee active. I have not seen other members of the committee active. But I have seen one of the minority members of the Senate Armed Services Committee on the

Senate floor very, very active. I wonder how that happened.

Mr. LUCAS. The Senator from Colorado has not been on the floor all the time. That is where the trouble lies.

Mr. JOHNSON of Colorado. That is true.

Mr. LUCAS. There are many Senators who have been active in connection with the bill; the Senator from Maryland [Mr. TYDINGS], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Washington [Mr. CAIN]. I have heard from the Senator from Georgia [Mr. RUSSELL] frequently. The Senator from Kentucky [Mr. CHAPMAN] is ready to take the floor in defense of his position at any time, I believe. The Senator from Virginia [Mr. BYRD] will also speak.

Mr. JOHNSON of Colorado. Whenever I am on the floor I see a minority member of the committee active.

Mr. LUCAS. He has been talking quite a good deal. I believe the Senator is referring to the Senator from Washington [Mr. CAIN].

Mr. JOHNSON of Colorado. That is correct.

Mr. LUCAS. He has been interrupted many times by various Senators who have taken a very active position.

Mr. JOHNSON of Colorado. I am not objecting to the Senator's unanimous-consent request.

Mr. LUCAS. I thank the Senator.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KNOWLAND. I wish to say that the Senator from Maryland [Mr. TYDINGS], the chairman of the committee, is tied up today in the hearings of the Subcommittee on Foreign Relations, which has an important witness before it, and requested that some of the other Senators who were on the committee look after the bill while he is otherwise occupied. I think that is a perfectly legitimate excuse for the Senator from Maryland not being here. I am sure there are many members of the Armed Services Committee who have already participated in the debate, or are expecting to do so during the course of the time between now and when the vote is taken. I wanted the RECORD made clear on that point.

Mr. LUCAS. I thank the Senator from California; and that is a true and correct statement of the facts with respect to the able chairman of the Armed Services Committee. He has been very busy, and he requested that I do what I could, as majority leader, to help this matter along.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Of course, the passage of the joint resolution in no way would interfere with further debate on the selective-service extension bill. Is that correct?

Mr. LUCAS. That is correct.

Mr. WHERRY. Is it the intention of the majority leader that if the joint resolution is passed, there will be a night session tonight on the selective-service extension bill; or will the passage of the joint resolution obviate that situation?

Mr. LUCAS. It probably will obviate it, although I would hope that we might dispose of the amendment of the Senator from Utah this afternoon. I understand that amendment is practically the only matter yet to be disposed of in connection with the bill. The Senator from Missouri has a speech to make on that subject.

The moment the joint resolution is passed, we shall then return to the consideration of the unfinished business, which is the Selective Service Extension Act. I should like very much to have the Senate conclude action on that measure, so that we can take up other vitally important matters.

If we are unable to reach a vote on that measure this afternoon, I do not wish to try to hold Senators here tonight for that purpose; but I certainly hope the measure can be handled today.

The PRESIDING OFFICER. The Senator from Illinois has requested unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Senate Joint Resolution 190, extending for 15 days the life of the Selective Service Act of 1948.

Mr. WHERRY. Mr. President, may the joint resolution be read?

The PRESIDING OFFICER. The joint resolution will be read.

The legislative clerk read as follows:

*Resolved, etc.,* That subsection (b) of section 17 of the Selective Service Act of 1948 is amended by striking out "the second anniversary of the date of enactment of this title" and inserting in lieu thereof "July 9, 1950."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of the Senate Joint Resolution 190?

There being no objection, the Senate proceeded to consider Joint Resolution 190.

Mr. LUCAS. Mr. President, I have already made my argument on the joint resolution itself, and I should like to have a vote on it now, if possible.

The PRESIDING OFFICER. Is the Chair correct in understanding that an amendment changing the period of extension provided by the joint resolution from 30 days to 15 days has already been incorporated in the joint resolution?

Mr. LUCAS. It was originally intended to introduce the resolution for a 30-day extension, but it has been decided to make the extension only 15 days.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the resolution.

The joint resolution (S. J. Res. 190) extending the period of effectiveness of the Selective Service Act of 1948 for 15 days was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. LUCAS. Mr. President, I desire to express my thanks to the Senator from Utah, the Senator from Missouri, the Senator from Colorado, and my distinguished friend, the minority leader, the Senator from Nebraska, for their cooperation in connection with this matter.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON, Mr. MAHON, Mr. THOMAS, Mr. WHITTEN, Mr. TABER, and Mr. WIGGLESWORTH were appointed managers on the part of the House at the conference.

## EXTENSION OF SELECTIVE SERVICE ACT OF 1948

The Senate resumed the consideration of the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes.

Mr. KEM. Mr. President, I wish to address myself to the amendment to be offered by the Senator from Utah [Mr. WATKINS], which, in effect, provides that no person shall be inducted or ordered to report for induction into the armed forces of the United States until the Congress has by concurrent resolution declared that it is necessary that such induction be made.

The amendment of the Senator from Utah is based upon an important constitutional principle. This principle is that each of the three coordinate branches of the Government, created by the Constitution, should discharge the duties and responsibilities placed upon it by the Constitution. I am sorry to be compelled to say that, in my judgment, the bill as reported by the Committee on Armed Services is inconsistent with, and contrary to, that principle. In the absence of compelling necessity, no branch of the Government should abdicate its responsibilities, and shift its duties to another branch.

Article I of the Constitution of the United States defines the powers of Congress. Section (8) of this article specifically confers on Congress the power "to declare war." Congress is also given the power "to raise and support armies," and "to provide for calling forth the militia to execute the laws of the Union, suppress insurrections and repel invasions."

The amendment of the Senator from Utah, which amendment is substantially embodied in the bill as passed by the House, is described in the House committee report as a "trigger provision." The House committee says this of the provision:

> The effect of this amendment is evident. It keeps under congressional control the decision as to when compulsory service is necessary. It protects the Nation from administrative whimsy in the implementation of Selective Service authority.

Mr. President, I believe that almost everyone agrees that Congress should not surrender important powers to the executive branch of the Government except in the case of compelling necessity. What is the necessity in this case? Here

is the justification given in the Senate committee report:

The act—

In other words, the 1948 act—

provided many enlistment incentives, and directed the continuance of a vigorous recruiting campaign. But if these measures failed to produce the number of men actually authorized by the Congress, the President was authorized to resort to inductions. For example, if the current shortage of over 25,000 in the Army persists in spite of all efforts to fill it by recruiting, and if by perhaps November the strength of the Army has fallen another 25,000, the President could induct men necessary to fill the shortage and meet the totals already authorized by the Congress.

Mr. President, here is the reason given in the Senate committee report for the inclusion of the provision giving the President this great authority:

Thus the 1948 act was intended to meet what is in reality a very practical, yet vital, situation, rather than to provide a course of action to be taken should some vague threat of national disaster suddenly materialize.

Now, Mr. President, we see the unusual circumstance that the committee in its report supports the provision on one ground; and when the provision reaches the floor of the Senate for consideration, it is justified by members of the Armed Services Committee on an entirely different ground. In other words, the committee report says very clearly that the justification is not some vague threat of national disaster suddenly to materialize. On the other hand, we hear able and distinguished members of the Armed Services Committee saying that the justification is the atomic bomb threat, the chance that our cities will suddenly be bombed or the possibility of some other sudden catastrophe.

In other words, if I may be permitted to say so, the committee, in its official report, and on the Senate floor, is blowing both hot and cold. If the reason we should pass this bill is that pointed out on the Senate floor, then the committee has used in the report language which successfully conceals that thought.

I agree that if voluntary enlistment fails to provide the number of men for the Armed Forces authorized by Congress, this is, in the words of the committee report, a "very practical yet vital situation." But, Mr. President, is Congress unable to deal with a vital, practical situation? Are we being told by our committee in polite language that Congress has lost the power of effective action? Have we become a flock of "sitting ducks"? Are we mice or are we men?

The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning, but without understanding—

Said Mr. Justice Brandeis in a famous case.

I should like to be permitted to say, Mr. President, that the greatest danger to our liberty is not in encroachment by the President upon the powers of Congress. The greatest danger, in my judgment, lies in the supine surrender by the Congress of its constitutional powers. When Congress voluntarily gives up its powers, it does not do so through any lack of zeal, patriotism, or good intention. We all know that. It is due either to a lack of appreciation of the fundamental principles of the Constitution upon which our liberties are based or a failure to apply them to the case at hand. When there is a concentration of power in one person, there is a loss of liberty. History proves that to be so. The proposal of the committee is a further instance of the present-day trend to transfer authority from the legislative branch of the Government to the executive branch, with a resulting concentration of power in the President.

Mussolini said, "Mankind is tired of liberty." That may have been true of the people of continental Europe when those words were used, but it is certainly not true of the people of the United States. On their behalf, I repudiate the idea.

We all recognize that most of us have a natural tendency to shrink from responsibility. We are glad to avoid, when we can, the stark necessity of thinking, standing, and acting on our own. I believe, Mr. President, that if we decline in this case to keep the "trigger" in our own hands, to use the language of the House report, we shall simply be making a concession to the frailty of human nature. "Liberty means responsibility," says George Bernard Shaw; "that is why most men dread it."

When Lincoln was on his way to Washington to assume the duties of the Presidency, he stopped off at Lawrenceburg, Ind., where he made a short speech. That was on February 28, 1861. He said:

I have been selected to fill an important office for a brief period, and am now in your eyes invested with an influence which will soon pass away. But should my administration prove to be a very wicked one, or what is more probable, a very foolish one, if you the people are true to yourselves and the Constitution, there is but little harm I can do, thank God.

One of the most important functions of the Congress is to act as a check on the executive branch of the Government and to define the channels through which the power of the President is to flow. Lincoln tells us that so long as we adhere to the Constitution our system of checks and balances will bring us through.

There would be no need—indeed, there is no need—for Congress if, when it is confronted with an important decision, such as determining when to call men to the colors, all we do is to write a law giving the President the power to do anything he likes about the matter. Any clever bureaucrat could cover that situation by a directive.

All authority in our Republic belongs to the people. Members of the Congress are the representatives of the people. When Ethan Allen was asked by a British officer by whose authority he demanded the surrender of Ticonderoga he answered, "In the name of the great Jehovah and the Continental Congress."

I should be glad to support legislation designed to keep the selective service organization on a stand-by basis, to be available in the event of an emergency. But the machinery should not be turned over lock, stock, barrel, and trigger, to the President, his bureaucrats, and his military leaders. Let me repeat that, Mr. President. The machinery should not be turned over in whole to the President, his bureaucrats, and his military leaders. I do not think that is what the people of the United States expect of the Congress. I do not think it is what they want the Congress to do. The trigger should remain safely and securely under the control of the people through their representatives in the Congress.

I have supported, and I shall continue to support, legislation to give the United States a modern air force, second to none, and an adequate Army and Navy. I have supported, and I shall continue to support, legislation to develop and to provide for our Armed Forces the very lastest types of equipment which the superb technical and productive facilities of America and the inventive genius of our people are able to furnish. We should develop, as has been said already in this discussion, a national defense so strong that no nation will be under the slightest temptation to attack us.

But I cannot justify abdicating to the executive branch of the Government under present peacetime conditions the power vested solely in the Congress of raising an army by compulsory induction. This harsh power to reach into the homes of the land and take away its sons for military service is perhaps the most drastic of all the powers of the Government. Certainly none affects the fathers and mothers of the land more intimately.

Why, why, should it be surrendered by the representatives of the people?

Mr. McFARLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant journal clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Anderson | Hendrickson | Malone |
| Benton | Hickenlooper | Martin |
| Brewster | Hill | Maybank |
| Bricker | Hoey | Millikin |
| Bridges | Holland | Mundt |
| Butler | Humphrey | Murray |
| Byrd | Hunt | Myers |
| Cain | Ives | Neely |
| Capehart | Jenner | O'Mahoney |
| Chapman | Johnson, Colo. | Robertson |
| Chavez | Johnson, Tex. | Russell |
| Connally | Kefauver | Saltonstall |
| Cordon | Kem | Schoeppel |
| Darby | Kerr | Smith, Maine |
| Douglas | Kilgore | Smith, N. J. |
| Eastland | Knowland | Sparkman |
| Ecton | Lehman | Stennis |
| Ellender | Lodge | Taft |
| Ferguson | Lucas | Thomas, Utah |
| Frear | McCarran | Thye |
| Fulbright | McCarthy | Tydings |
| George | McClellan | Watkins |
| Gillette | McFarland | Wherry |
| Green | McKellar | Wiley |
| Gurney | McMahon | Williams |
| Hayden | Magnuson | Withers |

The PRESIDING OFFICER. A quorum is present. The question is on the adoption of the committee amendment to H. R. 6826, as amended.

Mr. WATKINS. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The committee amendment, as amended, is open to further amendment.

Mr. WATKINS. Mr. President, I call up my amendment lettered E.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 3, between lines 17 and 18, it is proposed to insert the following new section:

SEC. 2. The Selective Service Act of 1948 is hereby amended by inserting after section 20 the following new section:

"SUSPENSION OF AUTHORITY

"SEC. 21. No person shall be inducted or ordered to report for induction into the armed forces of the United States under this title unless the Congress after the date of enactment of the act entitled 'An act to extend the Selective Service Act of 1948 (62 Stat. 604) for a period of 3 years and for other purposes,' has by concurrent resolution declared that it is necessary to supplement voluntary enlistments in the armed forces of the United States in order to maintain the strength thereof to the extent appropriated for by the Congress."

Mr. WATKINS. Mr. President, this amendment provides substantially what is provided by the House bill, except that it leaves in Congress the authority to say when inductions under the Draft Act would become operative. That is the only substantial difference. It removes from the House bill the statement with reference to an emergency. I think it is an improvement over the House version. It would retain in Congress the power to make operative the induction feature of the Draft Act. It would extend all the other features of the act which would be extended by the Senate bill. The induction machinery of the Selective Service Act would be in full force and effect, as well as the records, the keepers of the records, and all officials. The only difference is that the House and the Senate combined, would have to declare when the induction machinery would go into operation. That is the chief difference between the amendment and the committee bill.

Mr. MARTIN. Mr. President, will the Senator yield for a question?

Mr. WATKINS. Yes.

Mr. MARTIN. Would the Senator's amendment keep intact all the selective-service machinery in the various States of the Union?

Mr. WATKINS. It would. It would have the same effect as the House bill, except for the provision that Congress would have to declare an emergency to exist, which is eliminated.

Mr. MARTIN. In other words, before the President could call up any men through selective service, it would be necessary for a concurrent resolution to be adopted by Congress?

Mr. WATKINS. It would have to be done by action of the Congress. It could be a resolution or an act. However, Congress would not have to find that an emergency existed. Under the amendment, section 21 would provide:

No person shall be inducted or ordered to report for induction into the Armed Forces of the United States under this title unless the Congress after the date of enactment of the act entitled "An act to extend the Selective Service Act of 1948 (62 Stat. 604) for a period of 3 years and for other purposes," has by concurrent resolution declared that it is necessary to supplement voluntary enlistments in the Armed Forces of the United States in order to maintain the strength thereof to the extent appropriated for by the Congress.

It would not be necessary to adopt a resolution declaring an emergency to exist. All the features of the Senate version would be in effect if this amendment were adopted.

Mr. MARTIN. Mr. President, will the Senator yield for another question?

Mr. WATKINS. Yes.

Mr. MARTIN. Would there be any dislocation of the various selective-service organizations in the United States?

Mr. WATKINS. I am informed that there would be no dislocations.

Mr. MARTIN. If I may ask another question, am I correct in understanding that all the selective-service machinery, including personnel, such as directors of the various State boards, and organization in the various counties, would remain intact?

Mr. WATKINS. That is my understanding.

Mr. MARTIN. Before they could start to function, calling men into the service, it would be necessary to have action by the Congress, would it not?

Mr. WATKINS. That is correct.

Mr. MARTIN. I thank the Senator.

Mr. KEM. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield to the Senator from Missouri.

Mr. KEM. I should like to say to the Senator from Utah that in this discussion I find myself confused as to the impelling reason for taking this power out of the hands of Congress, where it is placed by the Constitution, and putting it into the hands of the executive branch of the Government, where it is placed by the Senate committee version of the bill. I have looked at the report of the Senate committee, and the report says that this provision giving the authority to the President is intended, quoting their language, to meet "a very practical, yet vital, situation, rather than to provide a course of action to be taken should some vague threat of national disaster suddenly materialize."

I have listened intently to the statements made by members of the Committee on Armed Services. They all bear down on the threat of atomic attack, the bombing of cities, and that sort of thing. Which is it—is it that we are asked to pass this as a practical means of meeting a usual situation, and not to meet an emergency, or are we asked to pass it to meet an emergency? Which is it, and what is it?

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WATKINS. In a moment.

Mr. SALTONSTALL. Will the Senator yield to permit me to answer the question?

Mr. WATKINS. I shall give my answer, and then the Senator may give his.

I have heard two versions from the proponents of the committee bill. One version is that it is to meet an emergency, such as an atomic bomb attack. It is said that we will not have any time, if we are hit by force, and that we must put this machinery into effect immediately. That is one version.

Mr. KEM. Let me ask the Senator this question: If the first is the justification for the provision, why did the committee send in a report saying that is not the justification, but that it is merely an attempt to meet a practical yet vital situation?

Mr. WATKINS. Mr. President, I ask unanimous consent that the Senator from Massachusetts, a member of the committee, may answer the question. I cannot speak for the committee.

Mr. SALTONSTALL. Mr. President, I can speak only for myself as a member of the committee, but I say emphatically as I can to the Senator from Missouri that my vote for the continuation of selective service is impelled by a desire to maintain a sufficiently strong Army so that we will keep the world at peace. I believe the selective service law—call it an inducement, or call it a background—should encourage voluntary enlistments, so far as we can get them. If we can get them, then we will not have to use the law. We want to keep the world at peace.

Mr. KEM. Mr. President, may I address a question to the Senator from Massachusetts?

Mr. WATKINS. I ask unanimous consent that the Senator from Missouri may, in my time, address an inquiry to the Senator from Massachusetts.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. KEM. I should like to ask the Senator from Massachusetts whether he has lost confidence in the ability of Congress to conduct its business in a way calculated to keep the peace. Why should not this drastic power continue to be vested in the Congress, where it was placed by the founding fathers? Why do we have to run in the teeth of the teachings of the framers of the Constitution?

Mr. SALTONSTALL. Because if it had to be done by Congress, after debate and after discussion, it would absolutely contravene one of the purposes for which the selective service is established, namely, to keep our Army strong and to keep our people confident that the world will remain at peace. If we stir the people up, if we arouse a feeling that we have to have a large additional force, or draft men into the service, it would give our people a lack of confidence and make them think we might be going to war.

Mr. KEM. May I address another question to the Senator from Massachusetts?

Mr. WATKINS. I ask unanimous consent that the Senator from Missouri may address a question to the Senator from Massachusetts.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. KEM. Am I to understand that the Senator from Massachusetts has lost confidence in the legislative branch, and wants to substitute for our constitutional form of government a dictatorship, which can act quickly, and without discussion or debate?

Mr. SALTONSTALL. I certainly would say to the Senator from Missouri that I think just the contrary. Whoever he may be for the time being, I believe that under our system of government we

have to place a certain amount of confidence in our Commander in Chief. We can always impeach him; we can always deprive him of his office.

Mr. KEM. The Senator will agree that the Constitution does not place this power in the Commander in Chief, but, to the contrary, places it in the elected representatives of the people in the Congress; will he not?

Mr. SALTONSTALL. The Senator misunderstood me. Under the Constitution, the Commander in Chief is the Commander of our Armed Forces.

Mr. KEM. That is correct, and the Senator will agree that the Commander in Chief does not have the power to induct citizens into the Army without the consent of Congress.

Mr. SALTONSTALL. That is correct.

Mr. KEM. Very well. Then why does the Senator want to change the constitutional set-up of our fathers and give this great, harsh power to the President?

Mr. SALTONSTALL. I do not want to change the Constitution; I do not want to change the degree of power given to the President. I believe we are living in very difficult and uncretain times, and I, for one, want to keep peace in the world. I believe that if we have a sufficiently strong Army, and give the Commander in Chief certain powers in these uncertain times, which we must give him, we will keep peace in the world. The powers proposed are to exist for only 3 years. I would respectfully call to the attention of the Senator from Missouri the fact that they can be repealed by majority vote in the Congress at any time.

Mr. TAFT. Not if the President vetoes the bill.

Mr. KEM. No; not if the President vetoes the bill.

Let me ask the Senator another question. Is there anything in the recent experience of the people of the world to indicate that setting up dictatorships, to indicate that vesting vast, unchartered powers to one man leads to peace?

Mr. SALTONSTALL. I would answer the distinguished Senator from Missouri, whose questions are always very penetrating, by saying that the powers given to the President are not, as the Senator would seem to imply, the broad, unlimited powers which a dictator has. They are extremely limited powers.

Mr. KEM. The Senator from Massachusetts will agree that there is no more drastic power than the power to take our sons from the homes of the land and induct them into the military service. He will agree to that, will he not?

Mr. SALTONSTALL. That is a very large power.

Mr. KEM. If the Senator from Massachusetts wants to do away with the teachings of the Constitution, if he wants to embark on an unchartered sea, where is he going to stop? If he is in favor of vesting such a power in the President as is proposed, what is he going to deny him? Is he going to give him a blank check, to go ahead and do whatever he and his bureaucrats and military chiefs think is advisable to preserve the peace of the world? I dare say the people of Masachusetts do not want that done. I know of nothing in the writings of the great patriots of Massachusetts which would lead me to believe that was in their minds.

The Senator was not in the Chamber a few minutes ago when I referred to the words of a great New Englander, Ethan Allen. The Senator will recall that when he was asked by a British officer under whose authority he demanded the surrender of Ticonderoga, he said, "In the name of the Great Jehovah and the Continental Congress." In other words, the Senator from Massachusetts surely thinks that these powers are in the people, and should be vested there or in the elected representatives of the people. We should not take away these powers without giving the most careful and thoughtful consideration to what we are doing.

Mr. SALTONSTALL. I would agree with the Senator from Missouri entirely. I would also suggest to the Senator from Missouri that I am confident that the people of Missouri do not want to go to war. If we are to keep the peace, and if by giving limited powers to our Commander in Chief, the Chief Executive of the country, in a most uncertain condition of the world, we can keep the peace, I believe we should do it. I am against giving unlimited powers to the Executive. I am for keeping the powers in the Congress.

I am sorry to see the discussion of the point at issue get into this angle, because to me it is not the point of view from which to consider it. The angle from which to consider it is how best we can maintain a sufficient number of volunteers in our armed services in order to keep the Armed Forces up, so that the equipment and training of the men will be ample, and no other nation will want to go to war with us.

Mr. KEM. Does the Senator from Massachusetts mean to suggest that it is out of order to discuss the fundamental principles of our Constitution on the floor of the United States Senate? If so, since when did it become so?

Mr. SALTONSTALL. I certainly do not.

Mr. KEM. Then why, in considering the grant of this vast power to the President, should we not discuss the basic principles of the Constitution? Why should we soft-pedal them? Why should there be sent up from the Armed Services Committee mealy-mouthed language to the effect that the bill is not to meet a national disaster which may suddenly materialize, but is merely a practical way to meet a practical situation? Why does the committee send the bill to the Senate with one kind of a report, and then come forward and assign and argue an entirely different reason for the passage of the bill?

Mr. SALTONSTALL. I most respectfully say to the Senator from Missouri that I do not consider those words mealy-mouthed. I did not write the report. It is the report of the chairman. So I cannot take the responsibility for those words. But I think this is an attempt to meet a practical situation.

Mr. KEM. I do not wish to characterize the language of the draftsman of the report in any uncomplimentary terms, but I should like to ask the Senator if the justification given in the report is not entirely different from the justification the Senator from Massachusetts is presenting to the Senate?

Mr. SALTONSTALL. I would not suppose so. I would want to read the whole report.

Mr. KEM. I invite the attention of the Senator from Massachusetts to the language:

> Thus the 1948 act—
>
> Containing this power, as it does—
>
> was intended to meet what is in reality a very practical, yet vital, situation, rather than to provide a course of action to be taken should some vague threat of national disaster suddenly materialize.

As I understand the Senator from Massachusetts, his argument is that we want to meet some vague threat of national disaster which may suddenly materialize, which is exactly what the report of the committee says the provision of the bill is not intended to meet.

Mr. SALTONSTALL. I would answer the distinguished Senator's question by saying that I do not say there is anything vague to meet. I believe we want to keep the present situation from becoming more uncertain than it is today. The way we can do it is to keep our country strong.

Mr. KEM. My question of the Senator is: Is the justification he is giving for the bill the same as the justification contained in the report?

Mr. SALTONSTALL. The member of the committee staff who is sitting beside me says it is the same. I would have to read it myself.

Mr. KEM. May I say that I have just read it to the Senator.

Mr. SALTONSTALL. Will the Senator show me where he is reading?

Mr. KEM. I am reading from page 9 of the report of the committee, the last sentence in the fourth paragraph, the fourth paragraph being the one which deals with the subject under discussion.

Mr. SALTONSTALL. I read:

> Thus the 1948 act was intended to meet what is in reality a very practical, yet vital, situation—

And that is to keep our forces up to the strength the armed services consider necessary.

Mr. KEM. Exactly. Will the distinguished Senator continue to read the sentence?

Mr. SALTONSTALL. Yes—

> rather than to provide a course of action to be taken should some vague threat of national disaster suddenly materialize.

The purpose of that sentence, as I understand it, is that if the present Selective Service Act should expire, some event might occur by reason of which we would have suddenly to recruit a great many men for the armed services and we would not have the means at hand to take the steps necessary to be taken properly to recruit them. I would say most respectfully to my friend, the Senator from Missouri, that what I have tried to say I believe backs up the reasoning behind that sentence.

Mr. KEM. The Senator suggested a few minutes ago that he thought the people of Missouri want peace. I am quite

sure they do. But the people of Missouri are not tired of liberty.

Mr. SALTONSTALL. I agree with the Senator.

The PRESIDING OFFICER. The Senator from Utah [Mr. WATKINS] has the floor.

Mr. WATKINS. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. SALTONSTALL. Mr. President, has the Senator from Utah yielded the floor?

Mr. WATKINS. I yield the floor.

The PRESIDING OFFICER. The yeas and nays have been ordered. The Senator from Massachusetts [Mr. SALTONSTALL] is recognized.

Mr. SALTONSTALL. I offer an amendment to the amendment offered by the Senator from Utah, which I ask to have stated.

The LEGISLATIVE CLERK. On page 2, line 2, after the word "declared", it is proposed to insert the words "or the President has proclaimed."

Mr. SALTONSTALL. Mr. President, the five words of the amendment explain themselves. They give to the President the power to proclaim it necessary to supplement the voluntary enlistments in the Armed Forces of the United States in order to maintain the strength thereof to the extent appropriated for by the Congress. In other words, whereas the Senator from Utah by his amendment would give the power to both branches of Congress by concurrent resolution to supplement the voluntary enlistments, my amendment would give equal power to the President.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. McFARLAND. I should like to ask the Senator from Massachusetts if the Armed Forces are not limited with respect to the number that can be inducted into the services by the appropriations made and the provisions for the standing Army provided for by the Congress in the appropriation bills?

Mr. SALTONSTALL. I would state that the Senator from Arizona is entirely correct. The authorized strength at present is as follows: The Army 837,000. The Navy, including the Marine Corps, 666,882. The Air Force 502,000. Or a total authorized strength of 2,005,882.

The amount of appropriations for the fiscal year 1951 permitted the Army to have 630,000 men, the Navy to have 449,000 men, and the Air Force to have 357,000 men. So that at the present time the armed services are below authorized strength.

Mr. McFARLAND. Is the President merely given the power to bring the Armed Forces up to these figures in the event the volunteer system does not provide a sufficient number?

Mr. SALTONSTALL. That is entirely correct. I should like to call to the attention of the Senator from Arizona that under the present act the President can, first, call only men between the ages of 19 and 26; second, nonveterans; third, men who are unmarried.

Members of the Reserve components are exempt. Boys in high school and college are exempt. Therefore the numbers that can be inducted have very real and practical limits.

Mr. McFARLAND. In other words, the Senate bill would make it unnecessary to use the draft instead of compelling its use?

Mr. SALTONSTALL. We pray so. I certainly pray so.

Mr. McFARLAND. Unless there was an emergency which required Congress to appropriate more money.

Mr. WATKINS. Mr. President, what is the parliamentary situation? As I understand the yeas and nays have been ordered on my amendment, and the Senator from Massachusetts has offered an amendment to the amendment I offered. It occurs to me the amendment of the Senator from Massachusetts is late.

The PRESIDING OFFICER. Amendment of the amendment is not prevented at this stage; but the yeas and nays have been ordered on the amendment proposed by the Senator from Utah.

Mr. SALTONSTALL. I ask for the yeas and nays on my amendment to the amendment of the Senator from Utah.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from Massachusetts to the amendment of the Senator from Utah. On this question the yeas and nays have been ordered.

Mr. McFARLAND and Mr. WATKINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. McFARLAND. Mr. President, I was going to suggest the absence of a quorum, if the Senator from Utah is about to continue his speech.

Mr. WATKINS. Yes.

Mr. McFARLAND. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Anderson | Hendrickson | Martin |
| Benton | Hickenlooper | Maybank |
| Brewster | Hill | Millikin |
| Bricker | Hoey | Mundt |
| Bridges | Holland | Murray |
| Butler | Humphrey | Myers |
| Byrd | Hunt | Neely |
| Cain | Ives | O'Mahoney |
| Capehart | Jenner | Robertson |
| Chapman | Johnson, Colo. | Russell |
| Chavez | Johnson, Tex. | Saltonstall |
| Connally | Kefauver | Schoeppel |
| Cordon | Kefn | Smith, Maine |
| Darby | Kerr | Smith, N. J. |
| Donnell | Kilgore | Sparkman |
| Douglas | Knowland | Stennis |
| Eastland | Lehman | Taft |
| Ecton | Lodge | Thomas, Utah |
| Ellender | Lucas | Thye |
| Ferguson | McCarran | Tydings |
| Frear | McCarthy | Watkins |
| Fulbright | McClellan | Wherry |
| George | McFarland | Wiley |
| Gillette | McKellar | Williams |
| Green | McMahon | Withers |
| Gurney | Magnuson | |
| Hayden | Malone | |

The PRESIDING OFFICER. A quorum is present.

Mr. TYDINGS obtained the floor.

Mr. DONNELL. Mr. President, will the Senator from Maryland yield to me for a brief statement in connection with a roll call?

Mr. TYDINGS. I yield.

Mr. DONNELL. I learned after coming into the Chamber a few moments ago that, without my knowing it, there had been a quorum call preceding the last one by a few moments. I want the RECORD to show that I was in attendance on the Judiciary Committee, on the matter of the nomination of Harold I. Baynton, during the quorum call preceding this one. I have answered to this one.

Mr. TYDINGS. I ask that the RECORD show that the Senator from Massachusetts [Mr. LODGE], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Rhode Island [Mr. GREEN], and myself have been sitting all morning and afternoon in the subcommittee concerned with the loyalty probe.

But what I asked recognition for was this: The Senator from Utah has offered an amendment, and the Senator from Massachusetts [Mr. SALTONSTALL] has offered a perfecting amendment. If the Saltonstall amendment to the amendment prevails, then I believe that the Committee on Armed Services would be wise to accept the amendment as amended by the Senator from Massachusetts. In that event, the proposition would be as follows: The Selective Service Act would be extended on a stand-by basis; it would not be used; it would be on the books; the machinery would be kept intact; the 10,000,000 registrants would already be in the record; the draft boards would be continued. We would not use the law any more in the future than we have used it in the past, unless the Congress declared that an emergency existed, by reason of which we would have to put it into operation. Of course, the Congress may not be here for 5 months of this year, and it would not be wise to go away and have no one here to put it into operation. So the Saltonstall amendment provides that either the Congress or the President can find the facts which warrant the placing of the Selective Service Act into operation. That is a concession to the varying and conflicting points of view. I do not believe we could surrender any more than we have of our original position without jeopardizing the security and preparedness of the United States.

Mr. KEM. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Missouri?

Mr. TYDINGS. I yield.

Mr. KEM. I should like to ask the distinguished Senator from Maryland whether, under the Saltonstall amendment, the Congress would not be ceding or shifting to the President the right, power, and authority to induct citizens under compulsion?

Mr. TYDINGS. I did not quite understand the question.

Mr. KEM. I am asking whether, in the event the Saltonstall amendment to the Watkins amendment should be adopted, it would not in effect shift from the Congress to the President the right to induct citizens into the Army under compulsion.

Mr. TYDINGS. I do not believe it would, and I give the Senator briefly my reasons. If Congress were in session,

it is my belief it would be the operating agency to declare that the selective-service law should be employed. If Congress were not in session, there would be no one to make such a declaration unless the Congress were called back and decided to do so.

I understand, rather unofficially, that a target of around the first of August has been tentatively set as the date by which Congress hopes to complete its labors and go home. We must remember that the 435 Members of the House of Representatives are all up for election this year, and a third of the Senate; so that when the Congress recesses or adjourns and goes home, its Members will be busy with matters that concern the election, and there will be no agency in Washington that could employ and put in operation the selective-service law, in the event it became necessary to do so.

My opinion is, therefore, that it would be unwise to go away from the Capital leaving that sort of situation hanging in abeyance. I therefore feel that the Saltonstall amendment is absolutely imperative to the defense of the country, particularly when we are pretty sure that Congress will not be in session for a period of 4 or 5 months; that is, during the months which remain following the recess or adjournment.

Mr. KEM. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Missouri for a question?

Mr. TYDINGS. I yield.

Mr. KEM. I know the Senator from Maryland has no difficulty in finding words to express his ideas. If the Senator from Maryland intends not to give to the President the power to induct citizens into the Army when the Congress is in session, the Senator from Maryland will agree that the Saltonstall amendment does not express that idea, will he not?

Mr. TYDINGS. That is correct. I should like to say to the Senator from Missouri that we are going to have to work out some phases of this in conference. Even if the Saltonstall amendment is adopted, we shall not be on all fours with the proposition as it came from the House. I hope the Senator will not put the conferees on the part of the Senate in a position where we shall have surrendered completely to the House point of view and have nothing at all to discuss. I think we ought to maintain the position of the Armed Services Committee at least in substance, when it is supported by all the military experts who testified before the committee as being essential in the sense that the Senate received the report from the Armed Services Committee of the Senate. I am very hopeful the Senate will not compel us to go to conference with nothing at all in our hands with which to discuss the matter with the Members from the House.

Mr. KEM. Mr. President, if the Senator will permit, I should like to say that in my judgment the Saltonstall amendment as now framed is no concession at all. It means utterly nothing. I think the Senator from Maryland must realize that and appreciate it, good lawyer that he is.

Mr. TYDINGS. Of course, I do not want the Saltonstall amendment, and I do not want the Watkins amendment. I want the unanimous position of the Committee on Armed Services of the Senate to prevail. But in order to try to meet the position of those on the other side, after some consultation with most of the members of the Armed Services Committee who were then on the floor—not all of them—I should like to say that I am willing to go a certain way in the interest of having what is being done to conform as far as possible, to the viewpoint of the Senator from Utah and of the Senator from Missouri. But they are asking us to go all the way, and I think that would be a mistake.

Mr. KEM. On the other hand, the Senator from Maryland is asking us to concede fundamental constitutional principles which have served us well for 150 years.

Mr. TYDINGS. No, I am not, because I do not think there are any fundamental constitutional principles surrendered in this proposition at all. If the Senator from Missouri thinks there are, I respect his point of view, but it is not my point of view.

Mr. KEM. Will the Senator from Maryland permit me to ask him two or three questions?

Mr. TYDINGS. Yes; certainly.

Mr. KEM. The Senator agrees that the right to induct citizens into the Army is placed by the Constitution in the Congress of the United States, does he not?

Mr. TYDINGS. I would not say that. I think Congress can, within certain constitutional limitations, designate how, when, and under what circumstances it shall be done. Congress does not sit as a draft board; it does not sit as a director of selective service; it does not say what all the requirements are. It generally fixes the purview of selective service and designates persons to put it into effect.

Mr. KEM. Article I of the Constitution is the one which defines the powers of the Congress. Section 8 of that article provides that the Congress shall have power "to declare war"; that it shall have the power "to raise and support armies"; that it shall have the power "to provide for calling forth the militia to execute the laws of the Union, suppress insurrections, and repel invasions."

Clearly, that is placing in the hands of the Congress the right to induct citizens into the Army. I do not think there can be any question about that. I have never heard it argued that the Constitution does not place in the Congress this power. The question is whether it is a sound principle for us to shift that responsibility and say that we are not willing to take the responsibility of calling citizens to the colors, and that we want the President to do it for us.

That trend has been going on in this country for 15 or 20 years, or perhaps longer. The question is whether on this important subject we are going to continue the present trend and say that the President knows better than we do, that he is better advised, because he has around him a lot of bureaucrats and military chiefs, and accordingly that he can do it better than can the elected representatives of the people.

The question is presented to us under the guise of saving the peace, but it really involves the question of saving the liberties of the people.

Mr. TYDINGS. I agree with the Senator that the President cannot have selective service without an act of Congress. He cannot simply say, "I want so many men in the Army, in the Navy, and in the Air Force." He cannot do anything about it unless we pass a law providing for it. I agree that the Constitution places the power in the Congress. This is not giving the President the right to do it. It is telling him, under the circumstances fixed by Congress, when he can employ it. But we created it, and we hold the power. We are the genesis of the whole proposition. The President has no authority to do it. All we are dealing with here is the time element.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. GEORGE. Mr. President, it seems to me that there is a very vital and a very important question involved. Why would it not meet the real situation if the amendment offered by the distinguished Senator from Massachusetts should be modified to the extent of providing that if Congress is not in session, an emergency may be declared by the President?

Mr. TYDINGS. I would have no objection to such a modification, but the principle would not be altered.

Mr. GEORGE. If Congress were in session, Congress would have the responsibility and the duty to act.

Mr. TYDINGS. My point is that the need, for the President to declare an emergency, if Congress were in session, would be less; but if we say the President can do it when Congress is not in session, we can, by the same logic, say that the President can do it when Congress is in session, as a matter of legal right, provided the Congress gives him the right.

I am not arguing for a moment that the suggestion of the Senator from Georgia is not a good one, in keeping with democratic processes; and to that extent I agree with the able Senator from Missouri. But the principle of allowing the President to do it is the same.

Mr. KEM. Mr. President, will the Senator yield further?

Mr. TYDINGS. I yield.

Mr. KEM. I should dislike to confer that power on the President even with the Congress not in session, but I can see that there are certain practical considerations involved. As practical men, I think that perhaps we should accept the suggestion of the able Senator from Georgia.

Mr. TYDINGS. Mr. President, I wonder if the Senator from Massachusetts, in the event we can get an agreement—the sands in the hourglass are running out, and this is a very vital matter; we do not want to lose 10,000,000 registrants

who possibly may have illegibly registered and will have to be registered all over again—I wonder if the Senator from Massachusetts would not modify his amendment to provide that the President may put into operation the machinery of selective service, provided the Congress is not in session, and that in all other cases Congress shall be the sole agency to put the machinery into operation.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

The PRESIDING OFFICER. The Chair invites the attention of Senators to the fact that the yeas and nays have been ordered upon the amendment offered by the Senator from Massachusetts, and, therefore, the amendment may not be modified except by unanimous consent.

Mr. TAFT. Mr. President, it seems to me that if we confine the President's right to declare a national emergency to a time when the Congress is not in session, that would be a reasonable distinction. If the fact is merely that there are not enough men coming into the Army, and enlistments are falling off, that is a different matter. I can see some reason for giving the power to the President to declare an emergency if there is a threat of war.

I would suggest that the amendment be modified to provide that if Congress is not in session, if the President shall find a national emergency to exist, he can put the draft law into operation. I do not like the idea, however, of giving him that power simply because not enough men are enlisting. But if he is willing to say, "This is a national emergency; Congress is not here, and I think we should put the law into effect," I would be willing, personally, to agree to that kind of an amendment.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FERGUSON. Would the amendment which the Senator is proposing provide that if the President should find an emergency to exist he would have the power to put the selective service law into operation?

Mr. TAFT. Yes; he would have to find an emergency to exist. Then he could put the act into effect if Congress were not in session.

Mr. TYDINGS. Let me say to the able Senator from Ohio that I want to try to accede, so far as I can, to any reasonable suggestion in order to have the Selective Service Act extended, providing that we do not get a hollow victory. In all good faith, while I am impressed with what the Senator from Ohio says, I should like to present to him this situation: There is a great number of troops across the water, both in the Atlantic and Pacific areas. The fact is that voluntary enlistments are beginning to drop off. We are now 20,000 below the minimum strength which chiefs of staff have fixed as the limit beyond which we should not go. Their prediction, supported by the testimony of General Hershey, is that that decline in voluntary enlistments is growing at an increasing and accelerated rate. If it continues to grow and the President declares that in itself to be an emergency, it would not be the kind of emergency which I think the Senator from Ohio has in mind when he makes his suggestion. Am I correct in that statement?

Mr. TAFT. Mr. President, I think the Senator is right, although it might go to such an extent that it would become a national emergency. If there seemed to be threats, it might go to an extreme case. I do not think merely because Congress cannot be called back for 30 days that a national emergency is created; but it seems to me that there could arise such an extreme case. After all, if we give the President the power to find that a national emergency exists, he can make such a finding, and under those circumstances we cannot stop him. I agree to that. I think by requiring him to do it indicates to him that he is not supposed to do it unless a national emergency does exist.

Mr. TYDINGS. If it is the general understanding—and I think we ought to have a general understanding and ought to act with our eyes open—that if enlistments fall off the President may say it is an emergency, and not only when some war scare exists in some foreign country, that is one thing. However, I do not want the President to have to find that an emergency exists because of some Whitsuntide event in Berlin, or a riot in Tokio. I say that because the emergency I see coming is that there will not be a sufficient number of men in the armed services to give us the kind of security which we must have until the international situation straightens out.

I shall be glad to take such a modification to conference for further consideration, with the distinct understanding that what I have explained in these brief remarks as the thought of the Senate would be the kind of emergency in which the President could act without being charged with breaking faith with Congress.

Mr. WHERRY. There may be something completely different from that suggested in the observation just made by the Senator from Maryland. The point is that the President, if he feels he is justified, may declare an emergency to exist. If he does, there is no question that he would have the right we are talking about.

Mr. TYDINGS. I have taken a good deal of liberty with the amendment of one of the ablest of my helpmates and colleagues, the Senator from Massachusetts. Perhaps I have given hostages to fortune in a rather unappreciative way for the services rendered by him. May I ask the Senator if he would be willing to modify his amendment to meet the point of view which has been expressed here.

Mr. SALTONSTALL. I would say to the Senator from Maryland, first, that I believe in the committee's action. I do not believe in the House provision. Secondly, the amendment offered by the Senator from Utah, which was drafted by the Senate counsel, contains the words of the amendment which was drafted for me, with the exception of the words I have added. It will be noted that the amendment of the Senator from Utah strikes from the House bill the words "national emergency." It limits the induction to maintenance, instead of increasing the strength of the Armed Forces, and limits it to the extent appropriated for by Congress. I mention that fact because I believe the amendment of the Senator from Utah is in much superior form to the language used in the House bill. Personally I do not like the words "national emergency," because I think those words create an excitement and a scare feeling which may not really be at all justified.

The whole purpose of the selective-service law, as I have said to the Senator from Missouri, is to keep peace—and for no other purpose—by having a strong, trained force, which would be smaller than would be needed if the act were not in effect. I am agreeable to the suggestion made by the Senator from Georgia because it would give us something to discuss with the House. I believe there is merit in what he says, in view of the strong opinion of many people, particularly of Senators on this side of the aisle. I hesitate to add the words "national emergency" for the reasons I have stated.

Mr. TYDINGS. I agree thoroughly with the position taken by the Senator from Massachusetts. I doubt whether I have either the right as committee chairman, or the right in the knowledge of the evidence which was given before our committee, to surrender, in the national interest, to any proposal that has been made. Personally I should like to go down the line, fight it out on principle, and have a yea-and-nay vote. However, I can see another tragedy looming, which would affect the 10,000,000 men now registered and those likely to be registered, and the 3,200 draft boards and 23,000 voluntary employees who would go out of business on the 24th of June if the present law were not extended. Therefore, it is not a question of whether we can get what we believe we ought to have as a matter of support for an essential national program, but whether we can get enough of it so as not to leave the country exposed to a danger and expense which would mean the loss of 4 months in our preparedness effort. Therefore, I should like to have a vote on the proposal of the Senator from Massachusetts, as modified by the Senator from Georgia. I do not believe Senators ought to ask us to go any further than that, because we shall probably have to make further concessions in conference. If our hands should be tied any further in conference, the Senate conferees would be practically powerless.

Mr. FERGUSON. Will the Senator from Maryland yield so that I may ask a question of the Senator from Massachusetts?

Mr. TYDINGS. I yield.

The VICE PRESIDENT. Without objection, the Senator from Maryland yields for that purpose.

Mr. FERGUSON. Is not the very purpose of the suggestion of the Senator from Georgia to the effect that there should be a deterrent upon the power of

the President merely to step in and call men to the colors? What we have in mind is that no such action should be taken unless the facts are presented to Congress; but if Congress is not in session the circumstances should be such as to create a national emergency, and that under such circumstances the President could act as the Commander in Chief. Would not the Senator say that was the situation we should consider?

Mr. SALTONSTALL. I agree. The only question I had in mind was with respect to the necessity of having the President declare a national emergency. In my opinion, those words constitute strong language. What we are trying to do is not to have an emergency but to keep the peace, and to maintain a sufficient number of men in our Armed Forces so as to avoid an emergency.

Mr. FERGUSON. Does not the Senator believe that if the President did call up the men that such a national emergency would exist, if he were to use it for the purpose of calling men to the colors?

Mr. SALTONSTALL. That might or might not be the result.

Mr. KNOWLAND. Mr. President, since we are legislating on the floor, and all the implications of what we do may not be visible at the moment, I should like to ask the Senator from Massachusetts has any exploration been made to determine whether, if a requirement is put in the legislation that the President declare a state of national emergency, that would bring into operation many more Executive powers than we would want him to have in peacetime? I should like to see something worked out which would meet the general objections of our friends who have been hesitant on this question.

Mr. SALTONSTALL. I will say that the question has not been discussed.

Mr. TYDINGS. Mr. President, I should like to say that I have been trying to find different words than "national emergency." After conferring with the Senator from Ohio [Mr. TAFT], the Senator from Nebraska [Mr. WHERRY], the Senator from Georgia [Mr. GEORGE], and the Senator from Utah [Mr. WATKINS], in order to try to keep the philosophy of what has been proposed without using the words "national emergency," which may give a connotation that we are threatened with a war, and might give the President powers which we do not want him to have, the following language has been suggested:

If Congress is not in session, and the President of the United States declares that a national necessity exists which requires an increase in the armed strength of the United States—

There we have a point of view upon which we all seem to agree, namely, that the President will act only when Congress is not in session, and we put it on the ground of national necessity rather than national emergency.

Mr. KNOWLAND. Mr. President, will the Senator from Maryland yield?

Mr. TYDINGS. I yield to the Senator from California.

Mr. KNOWLAND. As one member of the Committee on Armed Services—although I was not in the Chamber at the time the debate opened on this particular point—I would say that while the amendment goes further than I would personally prefer to have it go, tying the hands of the President more than I think it is wise to tie them, in the interest of attempting to have the legislation passed through the Congress, I would agree to the language suggested.

Mr. HOLLAND. Mr. President, will the Senator from Maryland yield?

Mr. TYDINGS. I yield to the Senator from Florida.

Mr. HOLLAND. I should like to draw to the attention of the Senator from Maryland the fact that in my humble judgment the language which he has just read might be construed, and I believe it would be construed, to allow the President to call men to the colors in excess of the authorized strength of the Armed Forces. I am sure the Senator did not intend to have any such meaning attached to the language.

Mr. TYDINGS. The Senator is correct. The Senator from Florida has an excellent point, and I think the language should be fitted in.

Mr. TAFT. I think it should go after the words "United States", in line 3, instead of at the end, with the proper commas inserted.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the order for the yeas and nays be vacated.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the order is vacated. Does the Senator from Mssachusetts now desire to modify his amendment?

Mr. SALTONSTALL. I modify my amendment—which I understand has substantial agreement, and which I believe the chairman of the committee is willing to accept—in accordance with the Watkins amendment, so that it will read as follows:

SEC. 21. No person shall be inducted or ordered to report for induction into the armed forces of the United States under this title (1) unless the Congress after the date of enactment of the act entitled "An act to extend the Selective Service Act of 1948 (62 Stat. 604) for a period of three years and for other purposes," has by concurrent resolution declared that it is necessary to supplement voluntary enlistments in the armed forces of the United States in order to maintain the strength thereof to the extent appropriated for by the Congress, or (2) if the Congress is not in session, unless the President of the United States declares that a national necessity exists, which requires an increase in the armed forces of the United States in order to maintain the strength thereof to the extent appropriated for by the Congress.

Mr. TYDINGS. That will take care of it.

The VICE PRESIDENT. The Senator modifies his amendment.

Mr. TYDINGS. If we can get an agreement on this amendment, I should like to say that of course we will give it further scrutiny in the conference, and if there are any legal imperfections in it, or any misconceived words the effect of which would not be what we intend, when we get legal opinions on it, we will feel honor-bound, within the philosophy of the amendment, to make sure that the point of view of the Senate is carried out.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Utah.

Mr. WATKINS. I ask unanimous consent to withdraw the request for the yeas and nays on my amendment.

The VICE PRESIDENT. Without objection, the request is withdrawn.

Mr. WATKINS. I now accept the modification of the amendment proffered by the Senator from Massachusetts.

The VICE PRESIDENT. The Senator modifies his own amendment according to the modification of the Senator from Massachusetts.

The question now is on agreeing to the amendment as modified.

The amendment as modified was agreed to, as follows:

SEC. 2. The Selective Service Act of 1948 is hereby amended by inserting after section 20 the following new section:

"SUSPENSION OF AUTHORITY

"SEC. 21. No person shall be inducted or ordered to report for induction into the armed forces of the United States under this title (1) unless the Congress after the date of enactment of the act entitled 'An act to extend the Selective Service Act of 1948 (62 Stat. 604) for a period of 3 years and for other purposes,' has by concurrent resolution declared that it is necessary to supplement voluntary enlistments in the armed forces of the United States in order to maintain the strength thereof to the extent appropriated for by the Congress, or (2) if the Congress is not in session, unless the President of the United States declares that a national necessity exists, which requires an increase in the armed forces of the United States in order to maintain the strength thereof to the extent appropriated for by the Congress."

Mr. CHAPMAN. Mr. President, I call up an amendment which I have on the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the proper place it is proposed to insert the following new section:

SEC. 3. So much of section 10 (b) (4) of the Selective Service Act of 1948 (62 Stat. 604) as precedes the second proviso is hereby amended to read as follows: "(4) to appoint, and to fix, in accordance with the Classification Act of 1949, the compensation of such officers, agents, and employees as he may deem necessary to carry out the provisions of this title: *Provided*, That the compensation of employees of local boards and appeal boards may be fixed without regard to the Classification Act of 1949."

Mr. CHAPMAN. Mr. President, I have offered this amendment by direction of the Committee on Armed Services as a committee amendment. It provides that the clerks of local boards and appeal boards shall be excepted from the operation of the Classification Act of 1949.

When the Selective Training and Service Act of 1940 was enacted, and when the Selective Service Act of 1948 was enacted, there was such a provision contained in each of the acts. There is no such provision in the pending bill, and the officers of the selective service have requested that this action be taken. It was considered at a meeting of the Committee on Armed Services this

morning, and was unanimously endorsed.

The amendment would result in a saving in the operation of the selective service of $480,000 a year, and at the same time it would be a contribution to good morale in various localities throughout the United States.

Mr. President, the selective service boards serve without compensation. There are 3,745 of them in the United States, at least one in every county. They occupy quarters, as a rule, for which no rent is paid, and it has been the custom, under the preceding acts, to have their compensation fixed according to local standards, and not under the Classification Act.

A good deal of difficulty might occur as a result of having the part-time clerks of draft boards working in the same courthouses with clerks in the regular county offices and drawing two and three times as much compensation. In addition to that, the saving to the Government of $40,000 a month in the opinion of the committee, makes the amendment worthy of adoption.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. CHAPMAN].

The amendment was agreed to.

Mr. RUSSELL. Mr. President, I desire to call up my amendment lettered "D."

The VICE PRESIDENT. Does the Senator desire to have the amendment read in full?

Mr. RUSSELL. I do not care to have read in full, but I should like to have it printed in the RECORD.

The VICE PRESIDENT. Without objection, the amendment will be printed.

Mr. RUSSELL's amendment was to insert, at the end of the bill, the following new sections:

SEC. 2. The Selective Service Act of 1948 is hereby amended by inserting after section 20 the following new section:

"SEC. 21. (a) Any person who registers as required by the terms of this title, and any person who hereafter voluntarily enlists in the armed forces of the United States, shall be afforded an opportunity to state in writing over his signature whether he has a preference to serve only in a unit all of the enlisted personnel of which are of his own race. Such opportunity shall be afforded at the time of registration in the case of those registering under the requirements of this title, or upon enlistment in the case of those who hereafter enlist in the armed forces of the United States. Any such person who expresses such preference shall thereafter be assigned only to units of a type consistent with his preference. The right to express and the effect of expressing any such preference shall be clearly explaind to each person who hereafter registers under this title, or enlists in the armed forces of the United States. As used in this section the term 'unit' means a group of persons serving in the armed forces who (1) share the same housing, messing, or sanitary facilities, or (2) participate jointly in recreational or social activities. For the purposes of this subsection an individual's race shall be determined in accordance with the more detailed classification as to race used by the Bureau of the Census in connection with the taking and preparation of statistics of the sixteenth census of the United States. Nothing in this subsection shall be deemed to preclude the assignment of any individual who belongs to a race comprising less than 1 percent of the population of the United States to units containing enlisted personnel of the most numerous race in the United States, if the Secretary of the armed force concerned has determined that it is impracticable to organize units all of the enlisted personnel of which are of such individual's race.

"(b) Any commissioned officer of the armed forces who knowingly and willfully denies to any person his right to express a preference upon enlistment as provided by subsection (a) or assigns any person after enlistment or induction to any unit in violation of the provisions of such subsection shall be guilty of conduct unbecoming an officer and a gentleman and shall be subject to trial and punishment under the appropriate article of war, article for the government of the Navy, or article of the Uniform Code of Military Justice."

SEC. 3. (a) The amendment made by section 2 of this act shall take effect only in accordance with the provisions of subsection (b) of this section.

(b) The Secretaries of the Army, the Navy, and the Air Force, and the Director of Selective Service are authorized and directed to take such action as may be necessary to provide for the submission of the question, "Do you desire to serve with a unit composed only of persons of your own race?" to each person registered under the Selective Service Act of 1948 or enlisted into any of the armed forces of the United States during the 6-months period beginning with the first day of the first calendar month following the month in which this act is enacted. If a majority of the persons so registered or enlisted from each of 36 States answer such question in the affirmative, section 2 of this act shall become effective on the first day of the seventh calendar month following the month in which this act is enacted; and on and after such day it shall be applicable to persons enlisted or inducted into any of the armed forces of the United States during such 6-months period as well as to persons enlisted or inducted therein after such period. Unless a majority of the persons so registered or enlisted during such 6-months period from each of 36 States answer such question in the affirmative, such section 2 shall not become effective and shall be deemed to be repealed as of the first day of the seventh month following the month in which this act is enacted.

Mr. RUSSELL. Mr. President, this is a substantial modification of the amendment which the committee approved, and I submit it in all earnestness to the sense of fair play and justice of the Members of the Senate.

The amendment provides that in the registration of those who are compelled to register under the act, and in receiving enlistments into the Army under the law, the question shall be propounded to each person as to whether or not he prefers to serve in a unit that is composed of members of his own race only.

For the first 6 months of the operation of the amendment, it allows no privilege to anyone to have the right, which I have regarded as fundamental, of expressing a choice, or receiving the benefit of a choice, but if after the end of 6 months the total number of men who have registered or who have enlisted from 36 States out of the 48 have expressed any choice, then they are to be assigned by their respective services according to their choice.

Mr. President, there seems to have been a feeling that the amendment which came before the Senate yesterday was seeking some special benefit for young men who happen to register or be inducted or to enlist from the Southern States. Eliminating the 11 Southern States, this amendment would require an affirmative statement by the young men registering from 25 States, the Southern States being eliminated, and if in 13 States less than a majority express a choice, it would not become operative.

I do not see how any Senator, if he was representing the views of the young men in his State in opposing the amendment yesterday, could object to this amendment. It requires the approval of a majority of the registrants in three-fourths of the States of the Union, the highest number known under our law for State approval. I submit in all seriousness, appealing to the sense of fairness and justice of the Senate toward the young men who will be inducted into the Army, if a majority of them in three-fourths of the States desire this privilege, which cannot interfere with military efficiency, which is not contrary to the recommendations of the military leaders of the Nation, they are entitled to have it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL]. [Putting the question.] The "noes" seem to have it.

Mr. RUSSELL. Mr. President, I ask for a division.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. GILLETTE (when his name was called). On this vote I have a pair with the able junior Senator from South Carolina [Mr. JOHNSTON]. I am informed that if he were present he would vote "yea." If I were permitted to vote I would vote "nay." I withhold my vote.

Mr. MCFARLAND (when his name was called). On this vote I have a pair with the junior Senator from Louisiana [Mr. LONG]. I am informed that if he were present and voting he would vote "yea." If I were permitted to vote I would vote "nay." I withhold my vote.

Mr. MURRAY (when his name was called). On this vote I have a pair with the distinguished Senator from North Carolina [Mr. GRAHAM]. If he were present and voting he would vote "yea." If I were permitted to vote I would vote "nay." I therefore withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], and the Senator from Rhode Island [Mr. LEAHY] are absent on public business.

The Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Nevada [Mr. MCCARRAN] is detained on official business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate

on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

The Senator from Mississippi [Mr. EASTLAND] is paired on this vote with the Senator from Nevada [Mr. MCCARRAN]. If present and voting, the Senator from Mississippi would vote "yea," and the Senator from Nevada would vote "nay."

I announce further that if present and voting the Senator from Idaho [Mr. TAYLOR] would vote "nay."

Mr. SALTONSTALL. The Senator from Idaho [Mr. DWORSHAK] is absent on official business.

The senior Senator from Vermont [Mr. AIKEN], the junior Senator from Vermont [Mr. FLANDERS], the senior Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate. If present and voting the Senator from Vermont [Mr. FLANDERS] and the Senator from Oregon [Mr. MORSE] would each vote "nay."

The Senator from Oregon [Mr. CORDON] and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

The result was announced—yeas 27, nays 45, as follows:

YEAS—27

| | | |
|---|---|---|
| Byrd | Hayden | McKellar |
| Chapman | Hill | Maybank |
| Connally | Hoey | O'Mahoney |
| Ecton | Holland | Robertson |
| Ellender | Hunt | Russell |
| Frear | Johnson, Tex. | Sparkman |
| Fulbright | Kefauver | Stennis |
| George | Kerr | Watkins |
| Gurney | McClellan | Withers |

NAYS—45

| | | |
|---|---|---|
| Anderson | Hickenlooper | Martin |
| Benton | Humphrey | Millikin |
| Brewster | Ives | Mundt |
| Bricker | Jenner | Myers |
| Bridges | Johnson, Colo. | Neely |
| Butler | Kem | Saltonstall |
| Cain | Kilgore | Schoeppel |
| Capehart | Knowland | Smith, Maine |
| Chavez | Lehman | Smith, N. J. |
| Darby | Lodge | Taft |
| Donnell | Lucas | Thomas, Utah |
| Douglas | McCarthy | Thye |
| Ferguson | McMahon | Tydings |
| Green | Magnuson | Wherry |
| Hendrickson | Malone | Williams |

NOT VOTING—24

| | | |
|---|---|---|
| Aiken | Johnston, S. C. | O'Conor |
| Cordon | Langer | Pepper |
| Downey | Leahy | Taylor |
| Dworshak | Long | Thomas, Okla. |
| Eastland | McCarran | Tobey |
| Flanders | McFarland | Vandenberg |
| Gillette | Morse | Wiley |
| Graham | Murray | Young |

So Mr. RUSSELL'S amendment was rejected.

Mr. HUMPHREY. Mr. President, I offer an amendment, which I send to the desk, and for which I ask immediate consideration.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill, it is proposed to add the following section:

SEC. 2. The Selective Service Act of 1948 is hereby amended by inserting after section 20 the following new section:

"SEC. 21. (a) It is hereby declared to be a violation of this act, subject to the penalty provisions of section 12 of this act, without authority of law to: (1) commit or attempt to commit, or instigate, incite, organize, aid or abet the commission of violence upon the person of any member of the armed forces of the United States because of his race, color, national origin, ancestry, language or religion, or (2) exercise or attempt to exercise, by physical violence against the person, any power of correction or punishment over any member of the Armed Forces of the United States in the custody of any peace officer or suspected of, charged with, or convicted of the commission of any criminal offense, with the purpose or consequence of preventing the apprehension or trial or punishment by law of such member, or of imposing a punishment not authorized by law."

Mr. HUMPHREY. Mr. President, I wish to make a few remarks in regard to the amendment.

The amendment is offered as an effort on the part of the Congress of the United States to guarantee the rights of personal security to members of the armed services. The amendment is offered in view of the background of the commission of some acts of violence upon persons in the Armed Forces of this country.

I fully recognize that there has been great improvement in the past years in regard to the protection of the civil rights of the members of the armed services; but it appears to me that any person who is brought into the armed services of this great Nation should be assured of equal treatment and should be assured of the full protection of the law.

I say that I recognize that the commission of acts of violence is at a minimum. However, any minimum is, within itself, a violation of honorable treatment.

In World War II there were occasional examples, in all parts of the country, and I emphasize the fact of all parts of the country, of members of the armed services being set upon by acts of violence for their point of view or for an expression of opinion, because of their race or their national origin.

I want it clearly understood that the amendment is not applied to any particular group; it is applied to all, who may in any way suffer ill treatment, illegal treatment, unlawful treatment, at the hands of self-appointed vigilantes who take it upon themselves to determine what should be the ordinary, normal conduct on the part of members of the armed services.

Mr. President, it had not been my intention to offer the amendment; I had hoped that yesterday the bill we are now debating would be passed.

I happen to believe that, for the security of our Nation, the continuation of selective service is a vital part of our national defense program.

However, I find after I had indicated that the amendments I had intended to propose—and I had others—would be withdrawn or withheld, that was not a salutary effort on my part; no other Senator seemed to feel that we should expedite the work on this measure.

Therefore, in view of the amendments which have been presented, I feel that it is my responsibility—in fact, I regard it a moral obligation—to submit the amendment to the Senate.

I want it thoroughly understood that I think the amendment is entirely proper and germane. Just as in 1948 the Senate saw fit to adopt an anti-poll-tax amendment to the Selective Service Act which was passed at that time, so I believe that the members of the Armed Forces should be protected by every law of the land; and I believe that if under any circumstances a member of the Armed Forces, wearing the uniform of the country, should be the victim of violence by any group, the Congress should take steps to see that provision is made for the punishment of such violence, so as to prevent it.

Such incidents did occur in respect to American Indians, Japanese-Americans, Chinese-Americans, and members of the Negro race.

I wish to be perfectly honest and frank, as I have said, in saying that such incidents are at a minimum. I am not saying that they constitute a national emergency. However, I say that when in peacetime we take a step such as the enactment of a selective-service law, and when we call upon the young men of the country to serve in the Armed Forces of the country, it is entirely proper and fitting that every protection of the law be made for their security and their personal well-being.

So, Mr. President, I call for the adoption of the amendment.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MAYBANK. I wish the Senator would state where such incidents have occurred.

Mr. HUMPHREY. I am not prepared to present a tabulation of them. However, the National Defense Establishment has such a tabulation, and so does the Department of Justice.

Mr. MAYBANK. Did the Senator from Minnesota mention acts of violence committed upon Negroes in the armed services?

Mr. HUMPHREY. I said to the Senate that there was a very minimum amount of it; but I said that the instances which did occur were abominable; and I say that we should take every possible step to see to it that such things do not happen again.

Mr. MAYBANK. I should like to know where they have happened.

Mr. HUMPHREY. Mr. President, the records are available.

It is not my desire to debate the amendment at length. Anyone who wishes to study the material can find it at the National Defense Establishment or at the Department of Justice, where the records are available.

As I have said, it was not my intention even to offer the amendment.

The point is this: Regardless of whether there has been even one act of violence, the fact is that this protection should be provided by the law. This protection is deserved by every citizen of the United States, regardless of service in the Armed Forces. It has always been my opinion that the guaranty provided by the amendment is a legal guaranty which certainly is within the proper jurisdiction of the Congress of the United States.

Instead of presenting, case by case, the instances to which I have referred, and which the Senator from South Carolina has asked me to state, let me say that I shall be more than happy to place a full documentation of them in the RECORD.

I repeat that the occurrence of any violence at all is not the issue. The issue is whether we should provide this guaranty. It is my opinion that we should.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield for a question.

Mr. MAYBANK. If the Senator will permit, I should like to ask unanimous consent that I may make an observation, without causing the Senator from Minnesota to lose the floor.

Mr. HUMPHREY. I am more than happy to yield to the Senator under such circumstances.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MAYBANK. Mr. President, let me say that I believe in law and order, and I am opposed to violence as much as is the Senator from Minnesota.

However, as a member of the Armed Services Committee for the past several years, and as a member of the Military Affairs Committee all during the war, I wish to say that no such violations ever were called to the attention of our committee. Certainly I do not think we should suppose that there have been such violations in the Army camps or in the Navy bases, or wherever units of the Armed Forces may serve.

I asked the question on the supposition that charges of such violence had been made, and on the supposition that the Senator from Minnesota contended that such an amendment should be adopted because of the occurrence of such incidents; and in that connection I asked the Senator where such incidents occurred. Of course, I do not want a documentation of them, case by case.

However, I wish to point out that during the time in which I was a member of the Armed Services Committee, no such incidents were ever brought to our attention.

Mr. HUMPHREY. I simply wish to say that the President's Commission on Civil Rights recommended the very amendment which the junior Senator from Minnesota has submitted, as well as other amendments which I am not offering. Further than that, the American Civil Liberties Union has documented a full report. That is the commission of inquiry of the American Civil Liberties Union, under the authorship of Arthur Garfield Hayes, documented, with a full and complete tabulation, what it considered to be the abrogation of personal security rights on the part of the members of the armed services.

Mr. DOUGLAS, Mr. TYDINGS, and Mr. MAYBANK addressed the Chair.

The VICE PRESIDENT. Does the Senator from Minnesota yield; and if so, to whom?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I should like to ask the Senator from Minnesota whether I was correct in understanding him to declare that such incidents had occurred in all parts of the country?

Mr. HUMPHREY. Indeed, yes.

Mr. DOUGLAS. And that he was not trying to single out any section of the country, but that he was, in general, trying to approach this matter with a very fair attitude? That was the general impression which I gathered from the statement by the Senator from Minnesota.

Mr. HUMPHREY. That is exactly correct, and I want to say again that I have no desire to precipitate a prolonged discussion. This issue can be voted on, just as was the amendment offered by the Senator from Georgia. The Senator from Georgia was very gracious and kindly in terms of considering the time of the Senate. He offered his amendment, and it was to be voted up or down. That is exactly what the Senator from Minnesota is here asking. I am not talking about Georgia or Arkansas or South Carolina or Minnesota. I am talking about a national policy, and I submit that that national policy is one which deserves the consideration of the Senate. Without prolonging the debate—because I want to expedite the business of the Senate—I submit that we can vote upon this amendment, and we have already made up our minds on this issue. I ask that the vote be taken, and that we decide this issue, once and for all, at this session of the Congress.

Mr. HOLLAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Florida?

Mr. HUMPHREY. I am happy to yield.

Mr. HOLLAND. Did not the Senator say on the floor of the Senate yesterday that he would not offer this and other kindred amendments to this particular bill?

Mr. HUMPHREY. The Senator from Minnesota said on the floor yesterday that it was his desire to expedite the business of the Senate. The Senator from Minnesota had been informed that the amendment which was in the bill would be stricken by the amendment proposed by the Senator from Illinois and the Senator from Pennsylvania. It was my understanding that if that amendment were stricken, we would go on to consider this bill and finally vote upon it expeditiously. In fact, I had been informed earlier that we were going to have a night session in order to get a vote.

The Senator from Minnesota did say yesterday that in order to expedite the business of the Senate he would not offer his amendments. But I came back on the floor of the Senate today to find out that the vote which was taken on another amendment yesterday was to be reopened, literally speaking, and I find that my efforts to try to cooperate by not offering these amendments has not accomplished the purpose of expediting the business of the Senate. I have more amendments. I am not going to offer them unless I am pressed. I surely will, if I am pressed. The Senator from Minnesota offered this amendment simply as a matter, if the Senate please, of fulfilling an obligation he feels he owes to himself.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am glad to yield.

Mr. DOUGLAS. Is it not true that, just as the Senator from Georgia tried to expedite the business of the Senate by seeking action on his amendment without a long accompanying speech, so the Senator from Minnesota has tried to expedite the business of the Senate by merely stating his amendment without a long accompanying speech, and that there is no purpose on the part of the Senator from Minnesota to stir up any passions on the floor of the Senate or to delay the business of the Senate?

Mr. HUMPHREY. That is correct. The Senator from Minnesota assured the chairman of the Armed Services Committee, a Senator whom he holds in the highest regard, that he would in no way delay the transaction of the business of the Senate. I assured him I wanted to offer this amendment, and that I would restrict my remarks, if not questioned and interrogated, to a very limited amount of time; and I was prepared to do that.

Mr. HOLLAND. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. Has the fact that the Senate has this afternoon passed by unanimous consent and by unanimous vote a resolution extending the present Selective Service Act for 15 days, which measure has already now been adopted by similar action on the part of the House—has that matter affected the decision of the Senator from Minnesota not to offer this particular amendment, so that he has reconsidered and has now offered it here on the floor of the Senate?

Mr. HUMPHREY. I can assure the Senator from Florida that that had no part whatever in the decision which the Senator from Minnesota made, nor do I think it fair and proper even to question the motives of the Senator from Minnesota. The fact is that the Senator from Minnesota said to a number of his colleagues yesterday that if there were no more amendments offered, such as the one offered by the Senator from Georgia, there would be no amendments offered by the Senator from Minnesota. But the fact is that an amendment was offered today, and the further fact is that in view of that I felt a moral obligation to fulfill what I considered to be a commitment to my conscience to offer the amendment which is now before the Senate.

Mr. HOLLAND and Mr. STENNIS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Minnesota yield; and if so, to whom?

Mr. HUMPHREY. I yield to the Senator from Florida.

Mr. HOLLAND. The Senator has described in brief terms to the Senate the first numbered objective of his proposed amendment having to do with the committing, or attempting to commit, of violence, or the instigation, inciting, organizing, aiding, or abetting the commission

of violence upon the person of any member of the Armed Forces of the United States, because of his race, color, national origin, ancestry, language, or religion. I think that that element of his amendment is perfectly clear. The Senator from Florida and several other Senators who have just had a bare opportunity to read his objective No. 2 are unable to understand it, and I should like to read it into the RECORD and then ask the Senator from Minnesota to describe it briefly for the RECORD.

Mr. HUMPHREY. I thank the Senator.

Mr. HOLLAND. The second objective of the amendment, which is No. 2, reads that—

> It is hereby declared to be a violation of this act, subject to the penalty provisions of section 12 of this act, without authority of law to * * * (2) exercise or attempt to exercise, by physical violence against the person, any power of correction or punishment over any member of the Armed Forces of the United States in the custody of any peace officer or suspected of, charged with, or convicted of the commission of any criminal offense, with the purpose or consequence of preventing the apprehension or trial or punishment by law of such member, or of imposing a punishment not authorized by law.

Frankly, the Senator from Florida has not understood that provision and would appreciate its explanation at this time by the Senator from Minnesota.

Mr. HUMPHREY. The Senator from Minnesota is familiar with that provision and is more than happy to oblige the Senator from Florida. The interpretation or explanation of that provision is simply that when anyone, a member of the armed services, has been duly apprehended by a peace officer, that is, by a lawful officer of the law—in other words an official of a municipality, a county, a State, or of the Federal Government—that particular member of the armed services shall not in any way be set upon by any group of self-appointed guardians of the law, to be wrested from the control of the peace officer; and if such does happen, that those who participate in such activity are subject to the penalties of section 12 of the Selective Service Act. In other words, there shall be no vigilante action anywhere on the part of civilians who are not lawfully clothed with a power to enforce the law, upon any member of the armed services as he is being apprehended by the law.

Mr. STENNIS. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Mississippi for a question?

Mr. HUMPHREY. I yield.

Mr. STENNIS. In view of the importance of this bill, and the importance of the committee recommendations on the floor to Members who are not on the committee, may I ask the Senator: Did he present this amendment to the Armed Services Committee?

Mr. HUMPHREY. No; the Senator from Minnesota did not.

Mr. STENNIS. The committee has not had a chance to pass on this amendment, has it?

Mr. HUMPHREY. The Senator from Mississippi is entirely correct.

Mr. STENNIS. May I ask the Senator whether he is presenting the amendment at the request of any of the Army authorities or the Department of Defense?

Mr. HUMPHREY. No; the Senator is offering this amendment at the request of the Senator from Minnesota.

Mr. STENNIS. Did the naval authorities request such an amendment?

Mr. HUMPHREY. I have not discussed it with the authorities of the Navy.

Mr. STENNIS. Did the authorities of the Air Force make any such request?

Mr. HUMPHREY. In order to expedite the business of the Senate, I may say that the Senator from Minnesota did not consult any member of the armed services.

Mr. STENNIS. Mr. President, will the Senator yield for one more question?

Mr. HUMPHREY. I yield.

Mr. STENNIS. May I ask whether the Department of Justice has expressed any need for such an amendment, so far as the Senator knows?

Mr. HUMPHREY. The Senator from Minnesota will reply that the special board of inquiry established by the President of the United States, known as the President's Civil Rights Committee, did recommend such an amendment; but it has always been the intention of the Senator from Minnesota to offer such amendments as bills within themselves, on the floor of the Senate.

Mr. STENNIS. My question was, Does the Department of Justice recommend or express any desire for the adoption of this amendment?

Mr. HUMPHREY. I am sure the Department would, since it is committed to the program of the President of the United States. The program of the President is one which includes fair treatment to members of the armed services and one which supports the recommendations of his own board of inquiry, the Citizens' Committeee on Civil Rights, appointed by the President.

Mr. STENNIS. Does the Senator propose any amendment which would protect civilians from members of the armed services?

Mr. HUMPHREY. The Senator from Minnesota did introduce a bill which is now pending before the Judiciary Committee which would have broad application to all persons. I may say that I believe the Senator from Michigan [Mr. FERGUSON] has a bill on the calendar, which has been approved by the Judiciary Committee, which would have the same sort of application.

Mr. STENNIS. My specific question was, Has the Senator proposed any amendment to the bill which would protect a person in civilian life from members of the armed services?

Mr. HUMPHREY. No; but the Senator from Minnesota would be happy to accept such an amendment on the part of the Senator from Mississippi to this amendment.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Following up the inquiry of the very able Senator from Mississippi, for whom we all have a very high opinion, is it not true that assaults by members of the armed services upon civilians would be subject to military law, subject to court-martial, and that therefore it is not necessary for the Congress of the United States to legislate upon the question? An assault by civilians upon members of the armed services would not be subject to martial law, but would be subject to criminal law, and, therefore, would be a proper subject for the Congress to deal with by appropriate legislation.

Mr. HUMPHREY. As usual, the Senator from Illinois has stated the case very appropriately and with fact, clear observation, and good judgment, and it is exactly as the Senator from Illinois has said, that the rules of martial law give ample protection and provide very severe penalties for any infringement of the rules or regulations.

It is the intention of the Senator from Minnesota only to offer equal protection to the members of the armed services. As I have said, I doubt whether it will be something that will have to be applied in more than a few instances. The fact of the matter is that whether it needs to be applied or not, it is a fair and just rule of law, and it should be incorporated as a part of the basic public law of the Nation.

Mr. STENNIS. Mr. President, will the Senator yield for one short question?

Mr. HUMPHREY. I was about to yield to the Senator from Virginia [Mr. ROBERTSON], who has always been very courteous, polite, and cooperative with me, and I want to be equally so.

Mr. ROBERTSON. I preface my question by saying that no one is more desirous than I am of seeing equal protection of the law accorded to all persons. I also feel that instinctively the American people will respect the uniform of our defense organization. During a part of World War I, I was at Camp Lee. Labor battalions were stationed there, and there were as many as 10,000 colored soldiers there at one time. There were probably more colored soldiers at Camp Lee than at any other camp in the United States, because it was one of the largest camps in the United States.

During that entire period I did not know of a single instance—and many soldiers certainly went out into the surrounding territory—of any mistreatment of any colored soldier or of any trouble that grew out of the fact that a man was colored. Of course, Mr. President, any soldier or any sailor who fills up with liquor and becomes involved in a brawl with civilians will get himself into trouble, and the civilian will defend himself. But, in all fairness, I ask the distinguished Senator from Minnesota if he does not feel that through the enactment of this kind of an amendment we would be inviting friction and racial trouble where none now exists.

Mr. HUMPHREY. The Senator from Minnesota wants to make it quite clear that he has great respect for the judgment, attitudes, and pronouncements of the Senator from Virginia. I think the

Senator knows that from our private conversations. It is my belief that it would not have that result. On March 23, 1949, General Hershey, National Selective Service chief, who surely knew something about the problems of selective service, according to a United Press dispatch made the following recommendation:

> To make attacks on or the lynching of a draftee a Federal offense with severe penalties. This provision should apply to local police as well as to civilians.

I want to say that no man I can think of would know better what should be the protections that are needed than would the distinguished General Hershey.

Mr. ROBERTSON. Before the Senator leaves that point I want to ask him another question.

Mr. HUMPHREY. If there has been no violence, as has been pointed out—and there seems to be room for debate on the point—if there is no particular reason for it, what harm can it do to include it? At least, we should take the precautionary measure to see to it that men in the armed services are given every protection which the law of the land can possibly give them. We have been generous with reference to veterans' rights following the war. It seems to me that we should be generous with the rights of the members of the armed services during the period in which they are in the service.

There is no attempt on the part of the Senator from Minnesota to point the finger of scorn or of blame at anyone. There is only an attempt to see to it that the law is as protective as it can possibly be for men who will be called out of their normal peacetime activities and who are denied the right to live a normal peacetime civilian life, and that their rights will in no way be infringed upon in cases which may come up under this act, which may occur in any part of the United States or in any of its possessions or in any area under its jurisdiction.

Mr. ROBERTSON. Let us forget racial differences and apply it to the white soldiers in the Army. Suppose the white soldiers should construe the language to mean that when they leave camp they can do pretty much what they please and that no civilian or peace officer can exercise any powers of correction over them: Have we not then started trouble where no trouble before existed?

Mr. HUMPHREY. As a matter of fact, the Senator from Minnesota never did believe that brawling in the streets was a legal activity. The Senator from Minnesota has believed that if there was any action to be taken it should be taken by properly constituted peace officers. We should not write legislation providing that the way to control the peace of a community is by self-appointed vigilantes. All we ought to do is to see to it that the protections of law are guaranteed. We shall have to apply them very seldom, if ever. It is only a fair and proper effort to strengthen the law.

While I ask the support of every colleague on this issue, we are going to vote our convictions. There are honest differences of opinion, and I respect them. I have a profound and deep respect for the attitudes, the opinions, and the judgments of my colleagues from other parts of the Nation. Rather than to prolong the discussion, I ask that we now vote upon the issue, and the Senator from Minnesota will yield the floor.

Mr. JOHNSON of Colorado. Mr. President, I move that the amendment offered by the Senator from Minnesota be laid on the table.

Mr. HUMPHREY and other Senators asked for the yeas and nays.

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Anderson | Hendrickson | Martin |
| Benton | Hickenlooper | Maybank |
| Brewster | Hill | Millikin |
| Bricker | Hoey | Mundt |
| Bridges | Holland | Murray |
| Butler | Humphrey | Myers |
| Byrd | Hunt | Neely |
| Cain | Ives | O'Mahoney |
| Capehart | Jenner | Robertson |
| Chapman | Johnson, Colo. | Russell |
| Chavez | Johnson, Tex. | Saltonstall |
| Connally | Kefauver | Schoeppel |
| Cordon | Kem | Smith, Maine |
| Darby | Kerr | Smith, N. J. |
| Donnell | Kilgore | Sparkman |
| Douglas | Knowland | Stennis |
| Eastland | Lehman | Taft |
| Ecton | Lodge | Thomas, Utah |
| Ellender | Lucas | Thye |
| Ferguson | McCarran | Tydings |
| Frear | McCarthy | Watkins |
| Fulbright | McClellan | Wherry |
| George | McFarland | Wiley |
| Gillette | McKellar | Williams |
| Green | McMahon | Withers |
| Gurney | Magnuson | |
| Hayden | Malone | |

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the motion of the Senator from Colorado to lay on the table the amendment offered by the Senator from Minnesota.

Mr. DOUGLAS. I ask for the yeas and nays.

The yeas and nays were not ordered.

The motion to lay Mr. HUMPHREY'S amendment on the table was agreed to.

The VICE PRESIDENT. The committee amendment is open to further amendment.

The question is on agreeing to the committee amendment as amended.

The amendment, as amended, was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 6826) was read the third time and passed.

The title was amended so as to read: "An act to extend the Selective Service Act of 1948 (62 Stat. 604) for a period of 3 years, and for other purposes."

Mr. WHERRY. Mr. President, I move that the Senate insist upon its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. TYDINGS, Mr. BYRD, Mr. CHAPMAN, Mr. GURNEY, and Mr. SALTONSTALL conferees on the part of the Senate.

Mr. BYRD. Mr. President, I ask that the bill be printed showing the Senate amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I should like to have a statement pertaining to the selective service bill printed in the RECORD, as a statement, followed by two articles, one entitled "In the Armed Forces," and the other "He Fought for Freedom."

There being no objection, the statement and articles were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

Mr. President, I rise to set the record straight. On the floor of the Senate yesterday a number of historically inaccurate statements were made in regard to the contributions which the Negroes have made to our American way of life and in our Armed Forces. I was not on the floor of the Senate when those remarks were made or I would have at that time risen from my seat.

It is fortunate that the Senate of the United States yesterday repudiated those who enforce segregation within the Armed Forces. I also say, Mr. President, that it is fortunate that the same undemocratic views which were repudiated yesterday did not prevail in the Continental Congress which guided our new Nation to independence. The historians record that while slavery prevailed in all 13 Colonies, Negroes from the north in the early days of the Revolutionary War fought side by side with their fellow white citizens in the patriotic army. As the war went on and the ranks of the army grew smaller, an increasing number of Negroes took the place of whites. In the army of George Washington there was an average of about 50 Negroes to each battalion. In 1781 Maryland raised 750 Negro soldiers to be incorporated with whites, and Virginia in the same year, to her honor, freed all Negroes who had served honorably in her army. It is interesting to note that every State, with the exception of Georgia and South Carolina, abolished the slave trade during the Revolutionary War. In fact, President Harry Laurens, of the Continental Congress, himself a citizen of South Carolina, founded a great but too little known southern tradition when he declared that he was not "one of those who dare trust in providence for defense and security of their own liberty while they enslaved thousands who are as well entitled to freedom as ourselves."

The record of American history is replete with testimony of the courage and valor on the part of Negro Americans. To distinguish between the races in America in going to war for the building of our great Nation is to provide a disservice to the very democratic institutions which provide the foundation for our existence. To say that any one race or any one people is responsible for the success and the growth of America is to provide the very roots which can ultimately destroy the freedom of which we are so proud and which we so cherish.

The Senate of the United States can be proud of the fact that yesterday it repudiated the racist theory raised in yesterday's debate. We are at a critical stage of the cold war between totalitarianism and democracy. We of the United States who profess the democratic faith seek allies so as to achieve the goal of a free world.

We seek those allies in a world in which two-thirds or more of the population is black or brown or yellow, and in which less than one-third are white. It is a world which looks upon our deeds rather than our words. In fact, they cannot hear our words for the sounds of our practices din loudly in their ears. The importance, therefore, of establishing democratic practices within our institutions and certainly within our Armed Forces cannot be overemphasized. For on these practices depends the future of democracy.

On March 16, 1950, Secretary of State Dean Acheson said:

"We cannot take the attitude that what we do at home has no relation to the rest of the world. Take, for instance, civil rights. There are minorities in our population who do not enjoy all the rights we enjoy. We are inclined to think of that as a domestic problem. I assure you it is not. There are vast populations of the world watching and drawing conclusions about our world attitude from our domestic attitude on civil rights."

To send segregated armies to all parts of the globe would be the most telling propaganda in the interests of totalitarian communism.

I do not raise this issue at this time so as to debate again the merits of an amendment already repudiated by the Senate. I raise it so that the records of the United States Congress in the CONGRESSIONAL RECORD can clearly indicate that the Senate of the United States does not accept any doctrines of racial superiority.

The world moves fast. Yet in 2½ years, the Congress of the United States has failed to adopt one single civil-rights measure out of nearly a score of legislative proposals recommended by the President of the United States in 1948. To date, none of the civil-rights measures recommended by the President have been adopted by the Congress. Yet those measures are necessary to secure to all Americans those rights for which Jefferson believed the Government was established in these United States. In the past 2 years and more, great steps toward reaching the American ideal have been taken by the executive department of the Government, particularly within our Armed Forces. Our courts, the great conservator of our liberties, the cautious and tradition-preserving branch of our Government—the courts have struck resounding blows against discrimination in housing, against inequality of educational opportunity, against discrimination in transportation.

The executive branch of our Government and the judicial branch of our Government can be proud of the steps they have taken toward formulating and preserving the key to our basic democratic unity, strength, and hope.

Only here in the Senate have we been proven powerless to take up a single measure for the advancement of civil rights and for the curbing of acknowledged abuses against those rights so dearly bought by Americans of all kinds and races in the War for Independence and particularly in the most recent World War.

I now want to say a few words about the amendment which I had prepared to bring to the floor yesterday. I first ask that its text be printed at this point in the RECORD. My decision not to bring up that amendment was contingent upon my understanding that no further attempts would be made to interfere with the growing democratic pattern within the armed services. I made that decision because of the urgent need to enact selective-service legislation without further delay. I want to make it clear, however, that if additional efforts will be made to burden this bill with what I consider to be undemocratic objectives, I will with energy and determination bring my amendment to the floor of the Senate, with the full understanding that if we are to draft an army, it had best be a democratic army.

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[From Survey Graphic for January 1947]

IN THE ARMED FORCES—ARMY AND NAVY EXPERIENCE IN WORLD WAR II AFFORDED CONVINCING LESSONS AS TO THE WASTE AND INEFFICIENCY OF SEGREGATION; HAVE WE LEARNED THEM?

(By Charles Dollard and Donald Young)

Both the Army and Navy during World War II suffered grossly from racialism, and sacrificed military efficiency in the use of Negro personnel through prejudice, stupidity, and indifference. Yet before the end of the war, both services were meeting racial problems at least as rationally as any urban community in the country. Their culpable failure was in not taking full advantage of their wartime opportunities to move faster toward racial democracy.

Segregation in the Armed Forces may not be understood unless it is appreciated that the services are no less a part of the national community than the church industry, the school, and other agencies. The rank and file of military and naval personnel share the attitudes, prejudices, and other qualities of their civilian relatives, friends, and neighbors. Commissioned personnel, however, includes a somewhat higher proportion of individuals with strong racial prejudice than does the civilian population, both because of an overrepresentation of officers of southern extraction and because of the class consciousness fostered by military tradition.

Nevertheless, it was evident during World War II that the War and Navy Departments and most of the top commanders did their utmost to assure subordination of prejudice to the requirements of military objectives in accordance with their judgment of the facts. The basic fact is that the Departments have neither invented the undemocratic notion that Negro and white citizens must be kept apart, nor have they stubbornly clung to it against the national will.

COMMUNITY INFLUENCES

The Army and Navy are not only part of the national community and therefore constrained to operate in reasonable harmony with national custom, tradition, and sense of propriety; it is also true that all their training and other operations on home territory must be conducted in cooperation with some specific town or city. Soldiers and sailors are a part of the civilian community in or near which their camp is located.

During the war, any sharp differences invariably produced unrest and sometimes serious trouble. This was true whether the camp was more or less liberal than the civilian community with regard to segregation.

It also has to be taken into account that a large proportion of white soldiers and sailors, like their civilian counterparts, were by earlier experience accustomed to relatively complete racial segregation. Under military regulations, commanding officers are responsible for the repose of their command and are necessarily given wide latitude in the formulation and enforcement of local regulations designed to insure the required peace and order. One may be as flatly and unalterably opposed to racial segregation as are the authors of this article and still wonder just how he would have accomplished his assignment if he had been given command of one of the mushrooming camps during World War II.

This comment on recent practices of segregation in the armed forces is decidely not an attempt to whitewash the authorities. They did not do all they could and should have done solely in the interests of military efficiency to move from segregation toward a more democratic structure. The point is that an effective program for the elimination of segregation in the armed forces must be based on a realistic understanding of the circumstances which have created and now support such discrimination.

The public, in general, tends to think of the Army and the Navy as autonomous agencies practically independent of the compulsions of tradition, legislation, politics, and public sentiment. Racial liberals, in particular, seem to have difficulty in realizing that the War and Navy Departments are not entirely free to enforce complete racial democracy as called for by the Constitution and the Selective Service Act. They know that the Federal Government has been, on many occasions, an effective spearhead in the battle against segregation. This has helped create an understandable expectation that the Military Establishments could, by mere fiat, operate without regard for color.

The fact is that neither the Army nor the Navy now or in any earlier time in our history has been in position to depart radically, in the treatment of its personnel, from civilian practices openly or tacitly supported by the bulk of the population. The Armed Forces are open to criticism not because they do not defy public opinion, but because of their tendency to lag far behind the possibilities for step-by-step racial integration in advance of ordinary civilian practice.

HOW SEGREGATION CAME

At the time of our American Revolution, there was no fixed policy requiring the segregation of Negro enlisted personnel in either the Army or the Navy. Comparatively few Negroes saw Army service until the Civil War, and up to that time they were rarely assigned to separate units. With the increase in the number of Negro soldiers following the Emancipation Proclamation and in subsequent years, the pattern of practically complete segregation became thoroughly established.

During the Revolution, there were relatively more Negroes in the Navy than in the Army. Negroes also played an important role as seamen in the War of 1812 and for some years thereafter. During the later wars of the nineteenth century, few Negroes served in the Navy, and it was not until World War II that large numbers were accepted for general service.

No clear policy as to segregation has developed in the Navy. This is, perhaps, partly because of the nature of naval operations and organization, as well as the absence of any traditional Negro units in the Navy other than the commissary and stewards groups, and partly because of the political pressure against initiating new patterns of segregation in 1942 when recruitment of Negroes for general service ratings began. The final result is that within the Naval Establishment today there may be found numerous and varied examples of relatively complete segregation and of relatively thorough integration.

Thus, by what might be called a series of historical accidents, segregation is now a well-fixed Army pattern; while in the Navy, popularly considered the more conservative of the two services, there is much greater latitude in the assignment of enlisted personnel.

Since the limitations of space do not permit exhaustive treatment of the problem of segregation in all the armed services, the balance of this article deals only with the Army situation—with which the authors are most familiar. It may be observed, in passing, that whether or not the several services are merged in a single department, future practices regarding segregation by race or color will in all probability tend to follow parallel lines; further, that despite its past record, the advance is apt to be paced by the Army.

WARTIME PATTERNS

World War II inductees allotted to the Army were classified by race, and the Negroes assigned to "special" (a favored Army euphemism) companies at induction centers where they were tested and classified separately, but according to uniform procedures. From the induction centers, they were shipped to replacement training camps or directly to units in training on separate requisitions. Most training camps had accommodations for both Negroes and whites, the normal procedure being to set off a separate area within the camp for Negro trainees who were always organized in segregated units.

The backbone of segregation in the Army is this business of separation by unit. While

this practice remained unchanged at VE-day, the years 1941 to 1945 witnessed certain breaks in the general pattern. Of these, the official order banning segregation in theaters, post exchanges, service clubs, and buses operating within Army establishments was the most publicized and perhaps least important.

By the time the order was issued, each camp had its Harlem, complete with recreational facilities and, in the typical case, any Negro who wished to test the policy would have been required to go well out of his way to do so. Camps which had only one theater often solved the problem by designating sections of seats for different units, thus maintaining segregation while still technically conforming to regulations. A decision by the Assistant Secretary of War that the language of the antisegregation order should be construed to include officers' clubs was in practice almost totally disregarded.

On the plus side, the order forced improvement in transportation facilities for Negroes and expanded the provision for all types of recreation. More important, it reflected the honest determination of the War Department not to tolerate segregation beyond the limits of what is conceived to be the needs of military efficiency. But as far as the local pattern was concerned, the net effect in most instances was to change the designation of the service club in the colored area from Negro Service Club to Service Club No. 2.

Two other cracks in the pattern—one a change in War Department policy, the other an experiment sanctioned by a theater commander—while less publicized, were of much greater symbolic importance. The first was a decision to abandon segregation in all officers' candidate schools except those for Air Force flying personnel. At the peak, there were about a score of such integrated camps, each producing specialists for some one branch of the service—artillery, tank corps, infantry, and so on. White and Negro slept, ate, and trained together with a minimum of friction and with no incidents worthy of record.

The importance of this step was two-fold: It indicated that when factors of economy and efficiency were sufficiently obvious and compelling, the War Department was willing to frame and enforce a policy which enfeebled the whole principle of segregation. And it put on the record, for all time, evidence that integration could be accomplished without loss of military efficiency.

The second crack in the pattern resulted from a single experiment. On December 26, 1944, Lieutenant General John C. H. Lee issued an order, permitting Negro enlisted men in service units within his command to volunteer for duty as infantrymen, with the understanding that after the necessary training, they would be committed to front-line service with white companies. In spite of the fact that all volunteers had to sacrifice any ratings they held, about 2,500 took advantage of the opportunity and eventually saw combat duty. For the first time in the recent history of the Army, Negroes and whites operated as members of a single company.

THE ARMY'S CASE

The Army's basic defense of segregation is that it is necessary for efficiency because it is desired by a large majority of the white troops who comprise 90 percent of the personnel; and that abandonment of the policy would, at the least, adversely affect morale and, at the worst, result in riots and bloodshed. It is also argued by many in high places that Negroes prefer segregation as a pattern to which they are already accustomed by civilian experience.

Both these assumptions were subjected to study by the War Department early in 1943 through a sample survey conducted in camps throughout the country. Negro and white troops were asked, "Do you think Negro and white soldiers should be in separate outfits or should they be together in the same outfits?"

About nine-tenths of the white soldiers interviewed expressed preference for separate outfits. Among Negroes, 38 percent favored separation, 36 percent were for mixed outfits, and the balance either had no opinion or expressed no preference. Similar questions regarding separate recreational facilities drew only a slightly more liberal response from whites and not much greater sentiment for common facilities from Negroes.

At their face value, these data confirmed the official view that white sentiment was overwhelmingly in favor of separation and that a large minority of Negroes also preferred it. But two things should be noted.

First, few questions of Army policy are decided primarily on the basis of soldier preference. (The notable exception to this rule was the demobilization plan; the major criteria for priority of release from active duty were determined by a world-wide soldier vote.) In no institution in the world is the infallibility of higher authority more stoutly maintained than in the United States Army.

Second, the extent to which a verbal response predicts how the respondent will behave in the hypothetical situation which he has never experienced is the question which most troubles students of public opinion. Both points may be illustrated by citing another study conducted among white and Negro soldiers by the same research group. Here the attempt was to determine the soldier attitudes toward service in the Army.

The question asked was, If it were up to you to choose, do you think you could do more for your country as a soldier or as a worker in a war job? In their replies, 65 percent of the Negro soldiers and 47 percent of the white expressed a warm confidence that they would be immensely more useful in war jobs than in uniform—a sentiment which the Army wisely and necessarily accepted only as evidence that better orientation was needed. The draftees' preference for tweeds did not move them to revolt nor to mass desertion. Similarly, it is unlikely that their expressed preference for segregated outfits foreshadowed violent resistance to a carefully planned program of integration.

Segregation is an expensive luxury. No exact estimate of what it costs the Army to keep the Negro in his place can be reached. It is possible, however, to suggest some of the items which made up the total bill during the period of armament and war.

WHY SEGREGATION IS A LUXURY

In the first place, consider the cost of maintaining two sets of units in every branch of the service between which no exchange of personnel is permissible. White engineering battalions might be begging for replacements while Negro engineering units were at full strength. The reverse situation was equally possible. To anyone familiar with the personnel problems of large organizations, the arrangement will appear about as efficient as that of a railroad which arbitrarily ruled that its blond engineers could pilot north-bound trains only, while those with dark hair specialized in south-bound traffic.

In addition to under-use of personnel, segregation involved over-building and under-use of facilities. Fort Huachuca, the only large, all-black camp in the country, was used to capacity for only a portion of the war, yet its hospital and other overhead services had to be maintained continuously. In many camps, recreational facilities were duplicated on the separate but equal principle. During the war, it was not uncommon to see a handful of Negro officers monopolizing a regimental officers' mess, while four times as many white officers packed into a building of the same size a mile away—uncomfortable but safe from contamination.

Some of the costs of the system resulted from the Army's pious determination to be scrupulously fair and democratic, short of integration. This determination led it to commission some Negroes who would not have qualified as officers in a free-for-all competition. Many of these men ended up in replacement depots overseas. Too many of them made ineffective company officers and furnished ready ammunition to critics who were anxious to prove that Negroes lack any capacity for leadership. At the same time other Negroes, men qualified in specialties in which no Negro units had been organized, were not used effectively.

But the least measurable and the most serious cost of all was the decreased efficiency of Negro units. The constant reminder of their second-class citizenship which the whole business of segregation involves is deadening to the spirit and to initiative. The full measure of this cost may be found in the unhappy history of the Ninety-second Division.

The Ninety-second Division had a spotty combat record in Italy. A study of its performance and of the underlying reasons for its shortcomings was made by Truman Gibson, able Negro Assistant Secretary of War, who reported that elements in the division had exhibited a tendency on a number of occasions to melt away under fire. Lack of sufficient preparation and of well-trained leadership, the discouragements of Jim Crow in military service and in civilian life were among the causes for poor morale and performance which Mr. Gibson pointed to in his report.

Against these costs, of which the Army is perfectly aware, must be balanced some savings. Like many other Government departments, the Army relies for necessary legislation, including appropriations, on two committees normally dominated in Democratic administrations by southerners and heavily pervaded by southern attitudes on race. Any sudden move away from the principle of segregation probably would bring reprisals from this source and also divert an undue amount of the time of the War Department over this issue. It is difficult to question the Army's estimate of this as a saving, especially during the war years when the harrassed and undermanned Department maintained a daily schedule which few civil servants or officers were asked to match. Also reckoned as a saving, in Army terms, was the avoidance of strongly adverse criticism from the solid South, where a high proportion of the training camps were located.

THE SOLDIER'S BALANCE SHEET

From the standpoint of individual Negroes, segregation involves both profit and loss, although the debit entries far outweigh the credits. On the profit side, reference has already been made to the fact that some of the Negro soldiers selected for officer training were below the relatively rigorous standards set for whites. Their deficiencies were not, of course, inherent. They resulted from inadequate education and very limited opportunity to develop qualities of leadership as civilians.

Segregation also brought about a greater degree of up-grading for some enlisted men than otherwise would have obtained. As a matter of economy, the Army attempted to make maximum use of civilian training and experience in assigning all personnel. If this consideration had governed as completely as it would in a nonsegregated service, there would have been fewer Negroes in the technical services. But since they largely lacked the civilian experience for technical branches, Negroes would undoubtedly have been even more heavily concentrated than they were in quartermaster and transportation units—the labor battalions of earlier wars.

Hence, segregation, plus the Army policy of having at least token representation of Negroes in all branches of service meant that

some Negroes were offered valuable training opportunities which otherwise would have been closed to them.

Finally, segregation undoubtedly served to reduce tension and uncertainty for Negroes accustomed to the pattern as civilians. It is this fact that explains why so large a minority of Negroes expressed a preference for separate outfits. Sudden transition from the kitchen to the parlor, whatever its beneficent effects on the ego, raises havoc with the digestive system. In actual fact, this transition might have been much less difficult than was feared, particularly if the Army had prefaced it with a solid educational program for both Negroes and whites. But the 38 percent of the Negroes who said they preferred separate outfits were reacting in terms of their own experience rather than in terms of the ideal situation.

On the debit side, the most important loss to the Negro was the frustration of the first-rate talent in the group. For every Negro officer who won his bars because of segregation, there was at least one whose progress up the ladder of promotion was halted or hindered by the system. Theoretically, promotion procedures were identical with those for whites. In practice, however, comparatively few Negroes rose above the rank of captain.

The very few of field-grade rank at the end of hostilities were for the most part men who had won their rank in a National Guard unit or as Reserve officers. Many Negro enlisted men, too, knew that their abilities were wasted under a scheme where color determined assignment.

Along with this frustration went a deepened sense of inferiority. The Army complained with some truth that Negro soldiers would not follow Negro officers in combat. Yet such a lack of confidence merely reflected the fact that, implicit in the Army's own practices, was the judgment that Negro and white officers are different species. What could be more blind than a policy which expects men to risk death behind an officer who from the start is labeled inferior? How can we ever expect Negroes to recognize leadership in their own ranks so long as that recognition is withheld by the white majority?

LOOKING AHEAD

At the close of World War II, the War Department acknowledged the urgent need to revise its policy regarding Negro troops. The first step was the appointment of a board of officers, with Lt. Gen. Alvin C. Gillem as chairman, to review wartime experience and plan for the efficient postwar utilization of Negro military manpower.

The report of this Board, issued as part of War Department Circular No. 124 on April 27, 1946, gives ground both for dismay and for hope. It recommends continuation of segregation by unit for the present—but for reasons of expediency rather than of racial doctrine. On the other hand, it moves significantly in the direction of integration: First, by providing for the elimination of Negro divisions; and second, by authorizing the organization of Negro units as part of larger, racially mixed units.

The statement in the appendix to this report (which one suspects was added under pressure), that the ultimate objective is for manpower to be utilized, in the event of another major war, in the Army without regard to antecedents or race, is a flat denial of a policy of military segregation.

The real test of the Army's devotion to its assigned tasks, without unnecessary temporizing with the forces of race prejudice, will be the thoroughness and speed with which its policies and operations are brought into conformity with this announced goal.

IMPERATIVE PROGRAM

For reasons set forth earlier in this discussion, it is not practical to take the stand that all traces of segregation in the Army must immediately be removed. Nevertheless, it is both reasonable and imperative that a program for the swift and orderly elimination of all distinctions between Negro and white soldiers be developed and adopted in the shortest time possible.

The report of the Gillem board is most disappointing in its statement that "the Board cannot, and does not, attempt to visualize at this time, intermediate objectives," and that "between the first and ultimate objective, timely phasing may be interjected and adjustments made in accordance with conditions which may obtain at this undetermined date." Such planning merely for the immediate present is more likely to freeze existing practices than to lead to the achievement of the final objective defined in the report.

The postwar decision of the War Department to discontinue organization of Negro troops in divisions in favor of Negro regiments or groups, separate battalions or squadrons, and separate companies, troops, or batteries is a logical result of World War II experience, and suggests a rational line of future action. Obviously it soon should be followed by the abolition of Negro regiments through the association of Negro and white companies within regiments. The next step would be the abolition of Negro companies and the assignment of Negro and white platoons to the same company. Complete integration could, and probably would, follow almost automatically.

At each of these steps should come increasing restriction on the maximum degree of separate organization permissible, and there should be continuous encouragement of closer forms of integration as local and other conditions permit. Such a program would be entirely in accord with the general findings of the board of officers and also with their specific conclusion that experiment and other experiences of World War II indicate clearly that the most successful employment of Negro units occurred when they were employed as units closely associated with whites on similar tasks, and a greater degree of success was obtained when small Negro organizations were so employed. It may be criticized as a program of compromise or gradualism, but it could be initiated at once, and in all probability could be carried to its conclusion in something less than 15 years.

Those who hold the conviction that racial segregation in the Armed Forces of the United States must be quickly abolished can find encouragement in the fact that not only has the Army publicly taken the position that race is not a sound basis for military organization but that the Navy also has gone on record to the same effect. The Guide to the Command of Negro Naval Personnel, issued by the Bureau of Naval Personnel in 1944, underscores the statement that the Navy accepts no theories of racial differences in inborn ability, but expects that every man wearing its uniform be trained and used in accordance with his maximum individual capacity determined on the basis of individual performance.

It will take time to translate these official declarations into practice, but their very existence provides firm bases for needed corrective measures.

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HE FOUGHT FOR FREEDOM—NOW THE NEGRO VETERAN, AFTER SERVICE IN EVERY THEATER, LAYS ASIDE HIS UNIFORM—WHAT ARE HIS POSTWAR EXPERIENCES AS VOTER, JOB SEEKER, STUDENT?

(By Charles G. Bolté)

**After VJ-day, 1,200,000 Negro veterans began to come back home. Many of these men had been in far corners of the globe; all had been taken out of their familiar home setting. The elements of space and mobility—those insurmountable handicaps to the underprivilegd in modern industrial society—were no longer the barriers they once had been.**

Many of the Negro servicemen had been in countries where no color line is drawn. They had been trained to use modern weapons of war. They had acquired skills as a group in greater abundance than any segment of their race ever had had before. On the statute books was a vital program in which they shared as veterans. It offered them education, vocational training, and a measure of security for a job-seeking period of as much as 52 weeks, through a $20-a-week readjustment allowance.

With these assets, the Negro veteran's integration into the fabric of national life might have been rapid and thorough. But he has encountered the durable prejudices of the color-caste system, more often than he has met the opportunities of democracy.

THE POLITICAL SCENE

On the political front, the 725,000 Negro veterans who returned to homes in the South were unquestionably of greater strategic importance than the similar number who returned to northern homes, where the Negro has long had the vote and played his part in politics. Among these southern Negroes there are thousands who possess maturity, education, and good judgment, who had gained what war and foreign service had to teach them of political understanding.

The so-called hot-headed type is relatively rare among the politically minded southern Negro veterans of this war. Political interest and maturity, as might be expected, seem to be found together.

By one of the ever-present ironies of the race problem, it is the mature, responsible Negro who gives the southern reactionary political machines the greatest concern. This kind of American veteran is the finest citizen, an asset to the life of any community. Yet it is precisely this veteran whom the majority of southern politicians seek to frustrate.

In the recent elections, nowhere was there total disfranchisement of the qualified Negro veteran. In North Carolina and Virginia, Southern States where disfranchisement in recent years has been on the wane, Negro veterans participated with other qualified voters without any important incidents.

In Georgia, the United States Supreme Court's rejection of the white primary law, coupled with Governor Arnall's refusal to circumvent the decision by legal subterfuge, resulted in open elections and the heaviest Negro vote in recent Georgia history. Of the 80,000 Negroes who went to the polls in that State, many thousands were veterans.

Even in Mississippi, where the strongest legal barriers and the most illiberal attitudes persist, though the number voting in November was negligible, Negro veterans have begun to make their influence felt in politics. Approximately 1,500 Negroes went to the polls in Mississippi. Observers of the voting reported that of this number the majority probably were veterans. They cast their ballots despite the effort of Senator Bilbo and his supporters to deny by threat of violence what the democratic process had awarded them by means of a clear-cut decision of the United States Supreme Court. The most important influence of Negro voters in Mississippi was negative, since their presence alone created for the reactionary politicians new difficulties in handling the race problem. Nonetheless, that influence was felt.

In addition to the ballots cast by Negroes, the 1946 campaign in Mississippi and throughout the South was notable for the fact that there were thousands of intelligent and courageous young Negro veterans who day by day were studying ways to make the white primary and the open election a reality in their own communities. In this they were not without allies among white southerners.

White individuals spoke out in their behalf on numerous occasions, and various church and educational groups espoused their cause.

With the Supreme Court ruling that the vote of a Negro henceforth would have as much weight as the vote of a white man, a number of politicians seemed prepared to accept—however reluctantly—the fact that the Negro would soon be a force in southern politics. In all this, the presence of the Negro veteran was perhaps decisive. If his military record had won him the hatred and fear of demagogues and reactionaries, that very record was beginning to win him white allies in the South.

The issue in this region is far from decided, and much of the struggle goes on below the surface. With the rise of such Fascist-minded groups as the Columbians and the Ku Klux Klan, the lines are being drawn, and the day approaches when true friends of the Negro will have to identify themselves openly or retreat into a mist of wordy ineffectiveness and hypocrisy.

In any event, the southern Negro veteran, like his northern comrade-in-arms, is in politics. He has not been offered the attractive political careers which are opening out before many white veterans. In the South he is a realist, and personal political ambitions do not concern him now.

The southern Negro wants a chance to vote no less than pay taxes, and to have his proportionate effect in nominating and electing candidates who will serve his interests as a citizen and as a former serviceman. He does not want special favors; but he does want an end to the whole oligarchic system, operated for the benefit of a small caste of powerful whites—a scheme of State government which has kept him more serf than citizen in the land where he was born, and for which he has fought.

THE RIGHT TO WORK

In the larger sense, of course, the employment outlook of the veteran, white or Negro, northern or southern, is determined by the economy as a whole. Many returned servicemen have a sobering realization that if this country's tremendous potential of production and prosperity is left to the mercy of profiteers, speculators, and the unregulated operation of the business cycle, their hopes for secure postwar jobs at fair wages are doomed to defeat. The veteran's loan from the Government, the home he bought, the business he established would be wiped out by a runaway inflation. And to many veterans, this seems to be the disturbing trend of the day.

In the narrower sense, the Negro does not share the common lot. The first concern of the serviceman when he puts aside his uniform is a job. And in the whole employment field, the Negro is the victim of discrimination, based solely on the color of his skin.

In the North the discrimination takes the familiar pattern of the job ceiling, which places a severe limit on all Negroes irrespective of personal qualifications, holding them to recognized types of Negroes' jobs in specific physical areas in the city's economic life. The northern Negro veteran, on the whole, cannot expect to get a job nearly as well paid as the one he might have secured had he possessed the same qualifications along with a white skin.

Except for civil-service work, race relations work, and a limited number of fields marginal to the main business currents—and not always wholly reputable—the Negro GI looks in vain for a clean, well-paid job in an attractive office downtown. The chances are, even in the North, that he has to accept less agreeable work under the job ceiling which white custom established long ago for the Negro.

Here and there a few talented and fortunate Negroes are breaking through the ceiling; but the the average Negro GI, like his white brother, is neither scholar nor artist but a plain American, limited in education and not very articulate. His only great good fortune is the fact that the country still maintains a high level of employment. If for any reason production lags—and many conservative economists are taking this prospect as a matter of course—the Negro will find that, veteran or not, he is still the last hired and first fired, and that the war really has made little difference in this respect.

In the South the Negro faces a situation even more serious than the job ceiling—the high walls of segregation and much definite hostility toward his progress. The situation inevitably makes many an individual dole minded.

JOBS

A typical report from Georgia (written by George S. Mitchell, of the Southern Regional Council) tells part of the story:

Jobs are aplenty, but at low pay and in unattractive work. In town after town Negro veterans are being offered old-line Negro jobs at twelve-, fifteen-, eighteen-, or twenty-odd dollars a week. A large proportion of the men can show prewar or Army experience at work better than common labor, and they are therefore entitled to draw the readjustment allowances. This is "rocking chair" money.

In Arkansas, 95 percent of the placements of Negroes made by the USES are in service and unskilled occupations.

The only Negro veterans who have come out of the rocking chair in large numbers are those who have found jobs in small service and repair businesses. Mr. Mitchell writes:

Once employed, they (Negro veterans) are usually liked and they usually stay. In my observation, the gain that is significant here is in comparatively new lines of work where patterns are not set. Small shops with one, two, or three employees are frequently better about using Negro veterans than big industries where racial lines are settled.

Weary of the old role of field hand and sharecropper, Negro veterans in large numbers are seeking vocational training chiefly in the radio, electrical, machine shop, and mechanics, carpentry, and woodworking trades. But in almost all communities they find doors to such training barred, by segregated schools for whites only, by the inadequacy of the on-the-job training available, or by discrimination by unions and employers in the apprentice-training program.

The record of job-training programs for Negro veterans is a record of failure. In a special survey, National Urban League representatives were unable to find any well-organized effort to secure on-the-job training or apprenticeship training for Negro veterans in any city. This survey included both the South and the North. The league estimated that in the South, out of 102,200 veterans receiving on-the-job training benefits, only 7,700 are Negroes. Although Negro veterans constitute about one-third of all southern veterans, only one-twelfth of them have a job-trainee position.

Apprentice training presents an even gloomier picture. Whereas on-the-job training is a new program which may be modified and improved, apprenticeship has been established for generations, and race lines are fixed, in the North as well as in the South. There is virtually no opportunity for Negro veterans in the electrical trades. Even in the carpenters, plasterers, and brickmasons trades, traditionally the most hospitable to Negro apprentices, the lowest ratio to be found is fifty white veterans to one Negro veteran. It is clear why Negroes in general have little faith in the trade-union movement.

HOUSING

All veterans agree that there is no place like home—if you have one. The situation is acute for white ex-servicemen and their families. It is worse for Negroes. In the South, for every four units being constructed for white veterans, only one is being built for Negro veterans—with the ratio of white to Negro veterans only 2 to 1.

Few Negro veterans have enough economic security to contemplate buying a house; most of them want to rent. Here, too, they are at a disadvantage. The average veteran can afford to pay $48 a month rental; the average Negro veteran cannot pay more than $25.

A survey recently made by the Bureau of the Census in Macon, Ga., underscores the plight of Negro veterans in securing decent housing. Whereas 33 percent of the white veterans in Macon are doubled up or inadequately housed, 44 percent of the Negro veterans are living with in-laws or in hovels. There are half again as many vacancies in white neighborhoods as in Negro.

The average Macon home sells for over $4,000, which many white veterans are able to pay. The average Negro veteran can afford to pay $2,100 for a new home. Obviously the average Negro veteran in Macon cannot buy a new house.

Over 30 percent of all Negro veterans are living in substandard, unhealthy rooms, as compared with 11 percent of the white veterans. Over 50 percent of all Negro veterans' dwellings lack one or more of the standard facilities—bath, toilet, running water, electric light. An army barracks, no matter how segregated, was never like this. But this is home for over 1,000 Negro veterans in Macon. And the situation in Harlem (in New York City), or in Roxbury, Mass., where similar studies were made, is not much better.

In education, one of the great fields of postwar opportunity for veterans, the Negro has considerably less chance than his white comrade in arms. Many of the technical trade schools of the North are neither equipped nor staffed to meet the needs of the former servicemen for specific job training. The segregated schools of the South are few in number and meager in equipment.

College openings for qualified Negro veterans are equally limited. The Southern Regional Council estimates that only 28,000 Negro veterans are receiving institutional training (secondary, vocational, college, and postgraduate) in the South, as compared with 129,000 white veterans.

EDUCATIONAL SURVEY

A significant survey of educational facilities available to Negro veterans in the South under the GI bill of rights was conducted last winter by a group of Methodist women leaders in Mississippi, in cooperation with George S. Mitchell of the Southern Regional Council. This group held a symposium at the Galloway Memorial Church in Jackson, Miss., at which educators (white and Negro), State officials, representatives of veterans' organizations, and of official veterans' agencies, discussed the provisions of GI legislation as these might be realistically applied in Mississippi.

One after another, the heads of the various small, segregated Negro colleges and trade schools told the same pathetic story of inability to provide the educational opportunities offered veterans in the Federal act. The heads of these institutions gave facts and figures showing the lack of physical equipment, teaching staff, financial support, and of capacity to expand to meet the need.

What their reports really told, indirectly, was the dismal failure of segregated education in Mississippi. The GI bill of rights, along with thousands of young veterans seeking a promised opportunity which cannot be fulfilled, only serves to point out a situation which has existed for generations.

The white officials of the State board of education and of the veterans' groups, chiefly the American Legion, which were given official advisory capacity by the Mississippi legislature, claim without exception a record of good faith and adequate assistance to the

State's Negro veterans of this and of past wars. But against these claims are arrayed the facts not only pertaining to education, but to all the long list of public functions in which Mississippi and the other poorer Southern States trail far behind the Nation. Against the claims of diligent service by veterans' organizations, stand, too, the stories of many individual veterans who testify to the inaccuracy of such claims.

What exists in Mississippi exists to a large extent throughout the Southern States. For wherever the Negro veteran is condemned to second-class citizenship by the force of State laws, these statutes are in clear opposition to the benevolent intentions of the GI bill of rights, and to honest and fair administration of that act at the State level.

Transcending the traditional caste barriers of the South are Federal laws which give blanket benefits to all veterans in every part of the USA. But for the Negro veteran, particularly in the South, the laws are virtually nonexistent. With the sole exception of the National Housing Agency, the Federal agencies which administer these benefits have consistently ignored the needs of Negroes.

In a survey of Veterans' Administration offices in a group of southern cities, not one Negro was found on the staff, except in the scattered Negro colleges which have been selected as rehabilitation and counseling centers. How can the Negro veteran obtain a sympathetic hearing at a Veterans' Administration office when the staff that is serving him is Jim Crow?

In Tennessee and Louisiana where the United States Employment Service maintains separate offices for Negroes, there is not one Negro on the staff. Yet in these States 50 percent of the United States Employment Service job applicants are Negroes.

A Southern Regional Council report shows that "no Negroes are employed as contact representatives by the Veterans Employment Service in the Southern States, and very few are so employed in other sections of the country." In only one city are Negroes represented on the rating boards. Even New York City's 15 boards have not 1 Negro member.

WARTIME GAINS

In every major war the American Negro's cause has moved ahead. Yet each war has been followed by a reaction which, on some levels, wiped out all gains. The American Revolution saw the rise of a brisk, mercantile society and of a Jeffersonian outlook in the North. The combination removed the last vestiges of slavery in the Northern States. It was not long, however, before a booming cotton market brought the rapid growth of the plantation system, and rooted slavery in the South for another century.

Out of the Civil War the Negro gained emancipation, the dignity of military service, and—for a time—universal political suffrage. Yet the war was not over many years before the "new birth of freedom" gave way to a newer birth of discrimination and disfranchisement.

World War I gave the Negro his first real opportunity as a worker in northern industry. More than a million migrated to northern centers. The way of life there, though largely limited to the confines of racial slums, gave them greater stimulation and satisfaction than they had known in the peonage and cotton tenancy of the South. Yet the great wartime migration sharply increased the animosity of northern white workers; and the postwar years saw a number of serious riots, and the extension of the ghetto pattern in the North.

POSTWAR SETBACKS

The Negro veteran of World War II finds himself facing similar retrogressive forces. He is no longer strategic in the military balance. The end of the war has weakened the bargaining power of the Negro population as a whole. The groups who desire to restore wholesale segregation and prejudice are less hampered now than they were during the war.

Many a Negro veteran has found this peacetime America "too tough to take." For all the humiliations of segregated army service, many remembered that it was only in uniform that they ever knew anything approaching a decent standard of living—shelter, warm clothing, and decent food; Army medical service, insurance, and jobs, whatever the details, were better than the dirty, listless tasks offered most of them as civilians.

Despite the justified wartime outcry of the Negro community and of Negro servicemen, themselves, against the indignity of segregated Army life, Negro veterans poured back into the service in the first year after the war while the attractive reenlistment program was still open to them. Although they had constituted approximately 10 percent of the wartime Army, they accounted for 25 percent of the reenlistments in the first year after the war. (Reenlistments in the Navy were also high.) When this process began to change the traditional proportions in the Army, the War Department ended Negro reenlistment until such time as an acceptable white majority is restored.

The obvious interpretation of the high rate of Negro reenlistment is not that the individual soldier loves Jim Crow military life more, but Jim Crow civilian America less. Properly understood, these reenlistment figures are a penetrating comment on America's homecoming welcome to the Negro serviceman.

While many Americans are aware of this fact and eager to speed the integration of the Negro into the Nation's life, the Negro veteran soon learned, ironically enough, that these individuals are apt to be found among teachers, intellectuals, writers, and progressive political groups, rather than among former servicemen like himself in the old-line veterans' organizations. Though he may be well aware that he cannot buck postwar race reaction singlehandedly, and though instinctively he may seek to join forces with the men who have served in uniform, as he has, he faces the hard fact that the older and politically powerful veterans' organizations are not interested in his case.

The general practices of the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans—the big three—run to segregated posts for Negroes and to a second-rate type of membership for them which is a rough parallel of the Negro's second-rate citizenship.

Undoubtedly, there are veterans of the more recent wars in these older organizations who oppose such practices. But they are a minority and generally without power in the policy-making councils. Leadership still rests with the older, prosperous, established, and often reactionary, veterans of earlier wars. Numerous public statements made by these leaders to justify their Jim Crow practices expose their basic lack of sympathy with the cause of Negro integration.

In general the Jim Crow posts are justified on the dubious grounds that Negro veterans want things that way. To the Negro veteran, such statements spell only hostility and the desire to perpetuate the very segregation patterns which are the basis of his insecure position in all fields.

The alternatives to Jim Crow membership are not numerous. Negro veterans in remote sections in the South organized local groups, but through lack of national contacts and political status in the community, the effectiveness of their organizations is very limited. On a national scale the United Negro and Allied Veterans got underway, affirming a biracial make-up, but actually nearly all Negro.

The American Veterans Committee welcomes Negro veterans to full and unqualified membership and seeks at every opportunity to represent their interests within the larger framework of the organization's policy: Citizens first, veterans second. Negro membership constitutes a sizable proportion of the AVC.

There are two general conclusions, it seems to me, that can be drawn from the experiences of America's Negro veterans in the first year and a half following the end of hostilities. The first is that these Negroes on the whole represented a class of men who by virtue of the training, discipline, sacrifices, and maturing experiences of Army life, had been prepared for integration into the Nation's life. The second is that the Nation has largely failed to grasp this opportunity and in too many instances has regarded it rather as a threat.

The Negro has shared appreciably in the GI bill of rights and in the specific Federal legislation which could not possibly have been written to embrace color-caste segregation. But membership in the "52–20 club" (52 weeks on the $20 allowance) is not primarily what the Negro asks of America, any more than it is what the white veterans ask. He wants to be a man, a citizen, a human being, an equal.

In order to channel this eagerness, which certainly could be made the basis for useful and creative citizenship and for the growth of well-rounded individuals, America must find a way to accept the entire Negro minority into its life. Segregation cannot be compartmentalized.

In any discussion of race relations one hears the statement of certain confused and timid people that "the Negro should be patient," and "the Negro only hurts his cause by agitation." This is precisely the way to turn hope into hatred, and a dark-complexioned veteran-citizen into a malcontent. The inevitable human response to hypocrisy is disgust.

A century ago a former slave, Frederick Douglass, speaking on Independence Day, voiced this response in unforgettable words:

What to the American Negro is your Fourth of July? I answer: A day that reveals to him more than all other days in the year, the gross injustice and cruelty of which he is the constant victim. To him your celebration is a sham; your boasted liberty an unholy license; your national greatness, swelling vanity; your sounds of rejoicing are empty and heartless; your denunciation of tyrants, brass-fronted impudence; your shouts of liberty and equality, hollow mockery; your prayers and hymns, your sermons and thanksgiving with all your religious parade and solemnity are to him mere bombast, grand deception, impiety and hypocrisy—a thin veil to cover up crimes which would disgrace a nation of savages.

America cannot afford to impose such despair upon its Negro veterans. But when the lynching of a Negro ex-sailor in Louisiana or the wanton blinding of an ex-soldier in South Carolina go so callously unpunished, the bitterness of Frederick Douglass seethes in the heart of every Negro veteran who can think and feel.

Something of the same reaction darkens the spirit of the northern veteran who finds he must confine his work and life to the deary opportunities of a ghetto world. The Nation cannot afford to lose these men.

Segregation is nowhere more costly to democracy than among the segregated veterans who fought for freedom.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 190) extending the period of effectiveness of the Selective Service Act of 1948, 15 days.

The message also announced that the House had agreed to the amendments of

the Senate to the bill (H. R. 5943) to provide for the erection of a monument at the grave of Constantino Brumidi.

EXTENSION OF DISTRICT OF COLUMBIA EMERGENCY RENT CONTROL ACT

Mr. NEELY. Mr. President, I ask unanimous consent that the Senate proceed to consider calendar 1857, Senate bill 3776, to amend and extend the provisions of the District of Columbia emergency rent act, as amended.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended.

Mr. NEELY. Mr. President, an amendment has been proposed to the bill by the Senator from Washington [Mr. CAIN].

Mr. WHERRY. Mr. President, will the Senator from West Virginia yield so that I may address an inquiry to the acting majority leader?

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Nebraska may proceed.

Mr. WHERRY. May I ask the acting majority leader if it is his intention to try to finish consideration of the District of Columbia rent bill ths evening?

Mr. MYERS. There is little, if any, objection to the bill, as I understand, and it will take only a short time to finish its consideration.

Mr. WHERRY. In the event that consideration of the bill is completed this evening, does the acting majority leader wish to state now what the Senate will next take up?

Mr. MYERS. The next legislation to be considered by the Senate will be calendar No. 1856, S. 3809, to amend the Mutual Defense Assistance Act of 1949.

Mr. MAGNUSON. Will the Senator yield?

Mr. NEELY. The Senator from Washington.

Mr. MAGNUSON. I note that the Senator from Louisiana [Mr ELLENDER] is present, and I merely wish to inform the minority leader that I understand the Senator from Louisiana expects to bring up the conference report on the so-called Commodity Credit Corporation bill. I understand he desires to bring it up tomorrow.

Mr. ELLENDER. That is correct.

Mr. MAGNUSON. If that is correct, its consideration will take some time, particularly on my amendment, which was emasculated in conference.

Mr. WHERRY. I thank the Senator from Washington for the observation. If we were to consider the military aid bill tomorrow, I should like to have a conference with my colleagues, so as to be prepared to consider it. However, if there is to be debate on a privileged matter tomorrow, we shall proceed along that line and see about it later.

Mr. NEELY. Mr. President, the Senator from Washington [Mr. CAIN] has submitted an amendment which is accepted.

The VICE PRESIDENT. It has not been offered yet.

Mr. NEELY. It is my hope that the Senator will offer it at once.

The VICE PRESIDENT. There are two amendments at the desk sent forward by the Senator from Washington. One is printed, and the other is typewritten.

Mr. CAIN. Mr. President, I ask to call up the amendment which was printed as of yesterday in an effort to clear the bill.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 1, it is proposed to strike out lines 3 to 8, inclusive, and insert in lieu thereof the following:

That section 1 (b) of the District of Columbia Emergency Rent Act, as amended (D. C. Code, 1940 edition, sec. 45–1601 (b)), is hereby amended (a) by striking out "June 30, 1950" and inserting in lieu thereof "December 31, 1950, unless the Commissioners of the District of Columbia, prior to December 31, 1950, shall declare by resolution that a shortage continues in one or more classes of housing accommodations which requires the continuance of the provisions of this act with respect to such class or classes of housing accommodations, in which event the provisions of this act and all regulations, orders, and requirements thereunder shall continue in force and effect with respect to such class or classes of housing accommodations until June 30, 1951," and (b) by adding at the end thereof, the following sentence: "The term 'classes of housing accommodations' as used in this section shall be deemed to be without limitation and may include categories of housing accommodations by location or geographical area, by monetary rental, or by types."

The VICE PRESIDENT. Is this the amendment which is agreeable to the Senator from West Virginia?

Mr. NEELY. Yes, that is the one that is acceptable.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. NEELY. Mr. President, in my opinion, the pending bill is now in every important particular identical with the general control extension bill just passed by the Congress.

The VICE PRESIDENT. The bill is open to amendment.

Mr. CAIN. Mr. President, I ask to have called up an amendment which the junior Senator from Washington sent to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 1, beginning with line 9, it is proposed to strike out through line 14, page 2, as follows:

SEC. 2. Section 2 of such act is hereby amended by adding at the end thereof the following new paragraph:

"(5) After June 30, 1950, the provisions of this act shall not apply to, and no maximum rent ceilings or minimum service standards shall be prescribed for any furnished nonhousekeeping housing accommodations which are rented as rooms without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms nor rooms in hotels used for occupancy by persons other than transients, that is as living quarters for residents on a permanent basis), and when and for such period as all of the housing accommodations in any building consists of rooms rented as furnished nonhousekeeping housing accommodations without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms) the provisions of this act shall not apply to, and no maximum rent ceilings or minimum service standards shall be prescribed for, any such building."

And to insert:

SEC. 2. Section 2 of such act is hereby amended by adding at the end thereof the following paragraphs and subsections:

"(5) (a) After June 30, 1950, the provisions of this act shall not apply to, and no maximum rent ceiling or minimum service standards shall be prescribed for any furnished nonhousekeeping housing accommodations which are rented as rooms without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms), and when and for such period as all of the housing accommodations in any building consists of rooms rented as furnished nonhousekeeping housing accommodations without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms) the provisions of this act shall not apply to, and no maximum rent ceilings or minimum service standards shall be prescribed for any such building.

"(b) After June 30, 1950, self-contained family units (as defined by regulations issued by the Administrator) located in hotels shall continue to be housing accommodations subject to maximum rent ceiling and minimum service standards unless the Administrator issues an order decontrolling them, or any of them, which he shall issue if he finds that such hotel is primarily engaged in furnishing accommodations for transients."

Mr. CAIN. Mr. President, the Senator from Washington would like to say to the Senator from West Virginia, and to other Senators, that this amendment has two purposes. Its first purpose is to decontrol nonhousekeeping rooms in hotels. Its second purpose would be to give to the District Rent Administrator the authority, after June 30, 1950, to decontrol multiple nonhousekeeping rooms, if that is his desire. Such an authority the present law does not give to him.

Mr. President, I think that within several minutes the junior Senator from Washington can rationalize, if that is the proper word, his reasons for offering this amendment, in the hope that it will be accepted.

Under date of April 18, 1950, Mr. Robert F. Cogswell, the local Rent Administrator, the one man above all others to whom we look for advice concerning rent control, and elimination of those controls, wrote to the Commissioners of the District of Columbia and in part said:

I stated that when I thought the necessity for rent control no longer existed I would not hesitate to say so. This being the case, I have reached the conclusion that the supply and demand of furnished nonhousekeeping rooms rented by the month or by the week has reached a point where normal supply and demand is almost in balance. They should therefore—

Said Mr. Cogswell in April—

be freed from control after June 30, 1950.

The Senate bill has attached to it a committee report. That report, which is presently on the desk of every Senator, says this, referring to the pending business:

The bill makes two changes in the District of Columbia Emergency Rent Act. The first removes controls from furnished nonhousekeeping rooms.

That is a clear declaration, within the report submitted to the Senate of the United States by the Committee on the District of Columbia, that nonhousekeeping rooms have been, under the terms of the legislation, decontrolled.

I suggest, without criticism implied or direct, that the bill which the committee has reported continues controls over nonhousekeeping rooms within the District of Columbia.

It seems obvious, therefore, first, that it was the intention of the Senate Committee on the District of Columbia to decontrol nonhousekeeping rooms, and I presume completely unintentionally, as provided within the recommended law, the extension of controls over nonhousekeeping rooms.

In order to check the present status of Mr. Cogswell's thinking on this question, I had him called last night. He said that a nonhousekeeping room may be in a private dwelling, it may be in a boarding house, it may be in a hotel, and it was Mr. Cogswell's recommendation to the Commissioners of the District in April, and it continues to be his intention and recommendation this afternoon, that such controls over nonhousekeeping rooms within the District of Columbia should be eliminated in their entirety.

The Senator from Washington, therefore, on the basis of the contradiction confronting us in the Senate as between the committee report, which says we have decontrolled such rooms, and the committee bill, which says we are continuing to control nonhousekeeping rooms, has done the one and only obvious and reasonable and fair thing, he has sent to the desk an amendment, which, if agreed to by the Senate, will carry out the wish of the Senate Committee on the District of Columbia, and remove controls from nonhousekeeping rooms within the District.

Mr. President, with this explanation, I would ask the distinguished Senator from West Virginia whether he believes, as the Senator from Washington believes, that the latter is on sound ground, and that the amendment should be agreed to without further discussion. May I inquire of the Senator from West Virginia his wishes in this matter?

Mr. NEELY. Mr. President, I cannot accept that amendment.

Mr. CAIN. The Senator from Washington would be extremely pleased were the Senator from West Virginia to explain to the Senate why he wants to retain a restriction over private property in the District of Columbia when his own committee's report said, "We have decontrolled such property"?

Mr. NEELY. Mr. President, the Senator from West Virginia does not want the bill to differ from the report in the slightest degree. The latter says:

> The bill makes two changes in the District of Columbia Emergency Rent Act. The first removes controls from furnished nonhousekeeping rooms.

That is precisely what the bill proposes. But the Senator's amendment provides for decontrol of apartments and apparently that is the consummation which the Senator seeks to achieve.

Mr. CAIN. The Senator from Washington, sir, is doing no such thing. The Senator is arguing for the decontrol of a furnished nonhousekeeping room, which may be such a facility in a private home, in a boarding house, or in a hotel. The Committee on the District of Columbia has eliminated such controls from boarding houses and private homes, and is encouraging the retention of such controls over furnished nonhousekeeping rooms in hotels.

Mr. NEELY. Mr. President, last Tuesday, the Committee on the District of Columbia considered, at length, this amendment, which was offered by the distinguished Senator from Delaware [Mr. FREAR]. It was voted down by an overwhelming majority. In fact, the Senator from Delaware, to the best of my recollection, was the only member of the committee who voted for it. The committee, almost unanimously rejected the very proposal for which the Senator is contending. It is my hope that the Senate will confirm the committee's action.

Mr. CAIN. Will the Senator from West Virgina agree with the Senator from Washington that the committee report submitted by his committee says one thing and the bill submitted and offered by his committee says another thing? If he will make such an agreement, how are we to reconcile that very grievous contradiction?

Mr. NEELY. Mr. President, in my opinion there is absolute harmony between the report and the bill.

Mr. CAIN. The Senator from West Virgina would not resist a determination on the part of the Senator from Washington to probe this matter a little further, would he?

Mr. NEELY. Certainly not.

Mr. CAIN. I want to say, Mr. President, to every Senator in this body that the committee report makes a statement which ought to be restated a thousand times. We have got to reconcile an obvious discrepancy and contradiction. The report says:

> The bill makes two changes in the District of Columbia Emergency Rent Act. The first removes controls from furnished nonhousekeeping rooms.

Mr. President and Members of the Senate, the bill continues controls over furnished nonhousekeeping rooms. I ask, in heaven's name, what do we expect the average citizen living in the District of Columbia to believe? It is a common practice, is it not, a custom followed by almost everyone, not to read a bill, but to read a report, which is construed to be an explanation of a bill. There is no citizen within the District of Columbia who can read the District of Columbia Committee's report without being absolutely satisfied that after June 30, 1950, furnished nonhousekeeping rooms will no longer be imposed upon by a rent-control law.

The Senator from Washington has had no desire to obstruct the passage of and continuing of the rent law for the District of Columbia. During the debate on the national question the Senator from Washington said he would vote against it, and would speak 30 minutes or less in opposition to it. But the Senator from Washington has the same eyes as every other Senator. The Senator from Washington can understand the English language, as can every other Senator. When the Senator from Washington reads a committee's report which says that something has been done which a bill reported by the same committee says is not to be done, somebody, before action is taken on the bill, must either admit that a serious, if unintentional, mistake was made by whoever wrote the report, or must say the report meant what it said, and therefore an amendment to the bill is properly and justifiably in order.

Mr. President, I do not know how we are to reconcile this difference, but I think at the moment I shall exercise my privilege under the agreement which was reached during discussion of the national rent-control bill, between the Senator from West Virginia and the Senator from Washington. That agreement was that if the bill to be recommended by the Committee on the District of Columbia of either House or Senate was very comparable or identical to the national bill which was approved by Congress, the Senator from Washington would speak not to exceed 30 minutes in opposition to the extension of rent controls in the District. In a minute the Senator from Washington will exercise that 30 minutes right under the agreement, and then he will be willing to continue to fight on the merits of what no one yet has told him is not what it seems to be—an obvious contradiction in terms and purposes as between a committee report and a bill.

Before the Senator from Washington begins to speak in his own right for 30 minutes he wants to call to the attention of the Senator that there is no city today in the United States, no single city in the United States, large or small, with the exception on the one hand of New York City, and on the other hand of Chicago, that continues controls on furnished nonhousekeeping rooms. The only reason that New York continues to have such controls is that New York, by an act of its legislature, I think in the early part of May, designed and approved a State rent-control law. That was New York State's business. The only reason the city of Chicago, in what was once the sovereign State of Illinois, continues to have controls over furnished nonhousekeeping rooms, is that a year ago the junior Senator from Illinois [Mr. DOUGLAS] prevailed upon the Senate to accept an amendment which would continue such controls on furnished nonhousekeeping rooms in American cities having a population of two and a half million or more.

Every other city in the United States has had its furnished nonhousekeeping rooms in hotels decontrolled by an act of our American Congress. Now we are confronted with a committee report which says that here in the District we are going to decontrol furnished nonhousekeeping rooms, and joined with it is a bill which says, "We are going to continue such controls."

The Senator from West Virginia a few minutes ago said that this matter had been before his committee, and that the committee turned it down; that the committee thought it would be best for the people in the District to continue such controls. If that is so, why does not the report say so, and what consideration are we going to give to it, if we are serious in our joint desires, as often expressed, to rid this country and Washington, D. C., of rent controls, be they either local, State or Federal? Are we in the District willing to give no consideration to Mr. Robert Cogswell, whose sole and prime function at the present time, and for recent years, has been to administer the rent control within the District of Columbia, and to make recommendations for the release of controls? Robert Cogswell in April wrote seriously, over his signature, to the Commissioners of the District of Columbia and said, "I recommend that from the 30th day of June there shall no longer be a single furnished nonhousekeeping room under rent controls in the District of Columbia."

The first point which can be established is that Mr. Cogswell in this instance is a pure figurehead. Someone pays him money to make his recommendations. Since I have been in the Congress, the Congress has said that every time it has a chance and an opportunity to decontrol property belonging to human beings, it will do so.

Now Mr. Cogswell, who is paid to make such recommendations, recommends to the Commissioners of the District of Columbia the decontrol of such rental facilities in the city of Washington, D. C.; but no one has said as yet that anyone in authority has paid any attention to him.

Small wonder it is, Mr. President, that there are some Senators, I hope, aside from myself, who will not permit a vote on this issue until we get a reconcilement between a report from a committee which says one thing and a bill on the same subject, from the same committee, which says quite another thing.

Perhaps again this is an instance in which we are going to give as little consideration to the needs and wishes of the local citizens of this great capital of the world as we have given in the past.

Talk sometimes serves a very legitimate purpose, Mr. President. There are a number of Senators who neither have had a chance to read the District of Columbia's committee's bill nor have had a chance to read its report. I am suggesting for the RECORD, in order that every Senator can read it, that if Senators believe the committee report, they will accept an amendment to correct a mistake which has been made in the committee bill.

If some Senators wish to think that rent controls on furnished, nonhousekeeping rooms should be continued in the District of Columbia, despite the fact that Robert Cogswell, the District of Columbia Rent Administrator, has recommended that they be abolished, then such Senators must agree with me that some reconcilement must be made between the committee report and the committee bill.

Let us have some Senators from the Committee on the District of Columbia of the Senate rise and admit that whoever wrote the committee report either did not understand the question or had no appreciation of the English language or did not have the foggiest idea of what he was doing.

Mr. President, I will keep a cautious and careful and accurate eye on the clock, and will consume the 30 minutes which I had intended to take in speaking in opposition to continuation of rent controls in the District of Columbia, on the assumption that that would have been my only contribution, and no other.

After this declaration of faith and logic, at least, it is logic from my point of view, has been given, I will again raise the question of how to reconcile a committee report and a committee bill which manifest within themselves all the difference that exists between day and night.

Mr. President, the junior Senator from Washington wishes to provide, as best he can, for his colleagues, and in only a very few minutes, some factual material relative to the rental housing situation in our Nation's Capital, Washington, D. C., and its metropolitan area. The bill before us, S. 3776, proposes a further extension of a wartime emergency system of rent controls imposed on this community almost 10 long years ago. The bill before us comes to the Senate from the District Committee without benefit of committee hearings. The accompanying report is very meager; and not one of the bill's proponents, either on or off the committee, is prepared to offer any serious factual justification for its passage.

Mr. President, if the administration leadership feels that this legislation is sufficiently important—and the majority leadership obviously believes it is—to provide the bill time for debate on the floor in its own right, rather than leave the bill on the Consent Calendar, then surely there should be among us those—and I hope there will be more than just one Senator—who should seriously provide solid facts, figures, and logic in support of, or in opposition to, the proposed legislation extending rent controls within the District of Columbia.

The junior Senator from Washington is seriously of the belief that the decontrol of rents in Washington, D. C., would bring to this community every beneficial result that has been manifested in the many American cities throughout the Nation already decontrolled. What are those benefits? They are as follows:

An accelerated production of housing, both sale and rental.

An immediate offering of housing for rent, previously held for sale only.

An immediate return to the market of locked-up rental units, units whose owners refused to continue to rent for as long a time as those units were subjected to controls.

A redistribution of the available inventory of rental shelter, too large a proportion of which is presently being overbought because of its frozen, low rental price.

A tremendous volume of redecorating, remodeling, repair, and refurnishing. Deferred maintenance caused by insufficient rental income will produce employment in every segment of the building trades and allied service industries.

An immediate reduction in the number of eviction actions.

A reestablishment of free and fair bargaining between tenant and owner.

These, Mr. President, are but a few of the healthy, immediate results obtained in every large metropolitan community following the decontrol of rents. These economic realities occurred in Miami, Salt Lake City, Dallas, Spokane, and Milwaukee, to name but a few.

Will these same desirable aids to a greater availability of shelter be attained in Washington, D. C.? Is there any demonstrable condition here in the District that would prevent the attainment of results similar to those which have been obtained in every other American city now decontrolled? I think not. On the contrary, there prevail here in the District conditions which will guarantee and will make all the more certain that the above enumerated good results will come to pass in the District of Columbia if controls are removed in the District.

Mr. President, I wish to say here that as a result of my opposition of the national rent-control law, it could be construed that I am an owner of property in which tenants live. That is quite true; I own a home on the shores of what is known as American Lake, 3,000 miles away, and I have rented it on a long-term lease. Like many a man in this body, I am not able to support a home in Washington, D. C., and a home in my own State—in my case, a home outside of Tacoma, Wash. However, in speaking against the District of Columbia rent-control bill, I speak as a renter, I speak as a tenant, I speak as an American citizen who thinks that the owner of the facility in which I so happily live in our Nation's Capital has some rights which I shall help to protect as best I can.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAIN. I yield for a question.

Mr. WHERRY. Let me ask whether the distinguished Senator from Washington has been informed that the chairman of the committee will be agreeable to taking the Senator's amendment to conference.

Mr. CAIN. I must say that I have not been so informed. Is the Senator from Nebraska in an official sense so informing me?

Mr. WHERRY. I am asking whether the Senator from Washington has been so informed. I ask that question because I understood that was a possibility, and I wonder whether the Senator from Washington has received that information.

Mr. CAIN. Of course I have been busy with this problem; at any rate, I have not received such information.

Mr. NEELY. Mr. President, will the Senator yield, to permit me to reply to the inquiry of the distinguished minority leader?

Mr. CAIN. Yes; I yield for that purpose.

Mr. NEELY. Mr. President, if it will assure a vote on the bill this evening, I

shall unwillingly accept the amendment in the hope that it will eventually be rejected by the House, or the conferees.

The VICE PRESIDENT. As many as favor the amendment——

Mr. CAIN. Mr. President, will the Chair permit me—and, I think, encourage me—to respond to the Senator from West Virginia?

I am not much concerned with the fact that the Senator from West Virginia says he is willing to take the amendment to conference.

The VICE PRESIDENT. The Chair might suggest to both Senators that the bill is a Senate bill. If the House agrees to the bill in the form in which it is passed by the Senate, there will not be a conference. If the House disagrees, there will be a conference.

Mr. CAIN. Mr. President, I only wish to establish this as being so, in order that we may anticipate the requirements of the future: On the basis only of what I have pointed out to the Senate of the United States—namely, a discrepancy, a contradiction, a serious mistake, Mr. President, as between a committee bill, on the one hand, and a committee report, on the other hand—if by way of argument the amendment was accepted and the bill, as thus amended, went to conference, and if the House conferees permitted themselves to accept such carelessness—and I speak respectfully—and rejected the amendment, then I would have no reasonable, logical, decent, or American course of action to pursue other than to be as strongly against acceptance of the conference report as I am willing to be in trying to resolve the merits of this question on their own feet, standing here tonight, tomorrow, or some other time.

If the Senator from West Virginia wishes to get a vote on this amendment, and if the amendment is adopted, and if the Senator from West Virginia finds it necessary to take the bill to conference, then I merely wanted to know that when the conference report comes back, if it disregards the advice of Mr. Cogswell and continues the premise that something is done in the Senate bill which the Senate committee report says is not done, I would do everything I could to get Senators to agree that we had better reconcile what obviously is a mistake—I have never said it was an intentional mistake—before we take any positive action. Whatever the Senator from West Virginia wishes to do will be I think acceptable to the junior Senator from Washington.

Mr. NEELY. Mr. President, if it is necessary for me to sell my parliamentary soul in order to prevail upon the Senator from Washington to permit us to vote on the bill tonight—the price is much higher than I am willing to pay. If my only choice is between the sacrifice of what I conceive to be proper protection for the people of the District of Columbia and a prolonged filibuster by the Senator from Washington, I shall unhesitatingly choose the latter.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. CAIN. Mr. President, I ask unanimous consent that the remainder of my statement be inserted in the RECORD at this point.

There being no objection, the remainder of the statement was ordered to be printed in the RECORD, as follows:

Prior to 1940, there were available for occupancy in metropolitan Washington 253,000 units of living space. Since 1940, through 1949, there have been added 169,000 units of additional shelter. These additional units created since 1940 are sufficient to house in excess of 500,000 persons. Breaking down these additional 169,000 units of space, we find in Fairfax County, Va., 17,000 new units of space; Arlington County, 25,000 new units; in Alexandria, 10,000 new units; in Montgomery County, Md., 24,000 additional units; Prince George County, 32,000 new units; and in Washington, D. C., 61,000 new units. These figures just given you are to December 31, 1949. They do not reflect some 7,000 or 8,000 housing units that have been started and now under construction since January 1, 1950, and which will soon be ready for occupancy. No other city or metropolitan area in the United States has had such a relative increase of new units constructed to units available prior to the war.

Census figures and BLS figures prove conclusively, and none to my knowledge has satisfactorily contradicted the plain fact that rent control produces shortages. Any commodity or service which can be purchased at far less than such commodity or service would bring in the free market will be purchased in a quantity or amount in excess of the actual need for such commodity or service. This has been clearly illustrated and defined in city after city throughout the country as it relates to housing and shelter. The prewar rate of housing consumption in Washington, D. C., was 3.8 persons per unit. The postwar housing consumption rate is down to 3.5 persons per unit. Nevertheless and despite the fact that the consumption rate per unit is down to 3.5, there has been built and there is now building, an amount of housing which will exceed the estimated population of Washington, D. C., by approximately 100,000 people. It is for this reason and for this known fact that the District of Columbia office of the Federal Housing Administration announced on May 13, 1950, that, and I quote:

"Neither sites would be approved nor applications for mortgage insurance accepted for rental-housing projects under section 207 in the Washington metropolitan area for either elevator or garden-type apartments in the high and medium-rent range until satisfactory market absorption of the large number of rental units (existing, under construction, and proposed) is observed and a demand for additional units is clearly evidenced."

Provable figures indicate that Washington, D. C. has outbuilt every other city in the Nation in relation to new rental units started in proportion to the size of the city—its population. In the 4-year period, 1946–49, Boston has started 37 rental units for each 10,000 of its population; San Francisco, 67 new rental units per 10,000 population; New York City, 111 per 10,000; Los Angeles, 167 per 10,000; Washington, D. C., 319 rental units per 10,000. The average for the United States is 40 rental units per 10,000. Washington, therefore, has so far outbuilt the rest of the Nation that there is no large city in the country where decontrol of rents could be more justified. There is no large metropolitan area anywhere in the country except Washington, D. C., where rental housing built has approached the increase in population since the beginning of the war through December 31, 1949. The population gain in Washington, D. C. has been 41 percent since 1940. The increase in the number of standing units of rental housing has been 39 percent since 1940. This is rental housing only. It does not include the tens of thousands of houses built to sell. It does not include the very substantial number of houses that were converted into apartments.

In the early part of the war there was established a central-listing bureau, the D. C. housing center, at which bureau, owners of rental property were requested to list their rental offerings and with which those in need of housing would file their applications. Figures showing the applications received have steadily declined since 1946, at which time applications ran approximately 4,000 per year, down to the present indicated rate in the spring of 1950 of approximately 1,700 applications per year. Through the same period of time, figures obtained from the central-listing bureau indicate that rental units available have steadily increased so that in the spring of 1950 placement of applicants far exceeded applications for accommodations, and these figures and this comparison do not include single rooms in rooming houses or boarding houses.

There is no better barometer to check market conditions than advertising. In a seller's market, the buyer advertises for goods—in a buyer's market, the seller advertises for buyers. In the first case, the buyer seeks the seller, in the second the seller seeks the buyer. The state of the rental market is truly reflected by advertising, particularly the classified lineage of houses and apartments for rent and houses and apartments wanted to rent.

Beginning with the fall of 1944, and continuing to about the end of 1947, there was an obvious shortage of family housing. Housing could be obtained all through the war if a person or family were willing to live in rented rooms. During the 42-month period referred to, the advertising lineage of housing seekers was about four times as much as the lineage used for advertising houses and apartments for rent.

Then what happened? From the end of 1947, the lineage used to offer apartments and houses, again no rooms, has been on the continual climb until today it exceeds what it was in the fall of 1941. At the same time, advertising by those seeking housing has dropped to about one-third of what it was at its peak in early 1947. The amount of lineage used to advertise places for rent has increased from its low in 1945 about seven times.

This one set of facts proves that the housing shortage in Washington is a thing of the past.

With further reference to the use of advertising as a barometer of market conditions, and in addition to the above facts just given, which were related to classified advertising, we find for the first time in 8 or 9 years the reappearance of display advertising in every week-end edition of the local press, offering available apartments in all sizes, one-, two-, and three-bedrooms, ranging from $66 up, including utilities, in most of them. These two-, three-, and four-column display ads offer apartments both in and out of the District and in every community within the metropolitan area. Not so long ago, one rental project used an entire double-page spread to offer its facilities, soon to come onto the market.

And now some facts on family income for residents of the District. Those who favor a continuation of rent control in the District state that rental housing being built rents for more than the vast majority of the people of Washington can afford to pay. Figures recently made available disprove that statement. The greater portion of the people of Washington and its immediate vicinity have the highest incomes of probably any city in the United States and can pay, and in actual fact are paying, the going

rentals in new buildings. It has long been a rule of thumb in the rental business that a tenant is justified in paying between 20 and 25 percent of his income for rent. The median rent for Washington, D. C., is $83 per unit. Twenty-five percent of the median take-home pay after allowance for income-tax deductions is $84. This would indicate that more than half the population can afford to pay 25 percent of their income as rent.

Mr. President, the junior Senator from Washington has been endeavoring as best he could to bring to the attention of his colleagues facts and figures on housing in the metropolitan area of Washington, and now, before concluding his remarks, may he reflect on the disastrous effect of rent control in another capital city of a great country—Paris, France. Many, if not all of my colleagues, have at one time or another visited this city and I need not tell them of the squalid, unhealthy rental facilities in that great city, but perhaps I might for a few minutes reflect on what has caused this physical deterioration of their existing rental housing, and the almost total nonproduction of new rental shelter.

I now desire to read briefly from a pamphlet entitled "No Vacancies," written by Bertrand de Jouvenel, as follows:

"The story starts with World War No. 1. It then seemed both humane and reasonable to preserve the interests of the families while the boys were in the Army or working for victory. So existing situations were frozen. It was also reasonable to avoid disturbances at the end of the war. The veterans' homecoming should not be spoiled by evictions and rent increases. Thus prewar situations were hardened into rights. The owner lost, temporarily, of course, the disposition of his property, and the stipulations of law superseded agreement between the parties. This was only for a time.

"But by the time the situation was reviewed in 1922, retail prices had trebled with rents still at their prewar level. It was then plain that a return to liberty would imply huge increases, an index to them being provided by rents in the smallish free sector, which hovered around two and a half times the 1914 rents. The legislator shrank from this crisis. Wages were by then three and a half times what they had been in 1914, and the expenditure for rent in the worker's budget had shrunk from something like 16 percent before the war to around 5 percent. In our times habits grow up rapidly: Instead of regarding rent as constituting normally one-sixth of one's expenditures, one took it now as being normally one-twentieth. Also, a "right" had developed, the "right" to dig in. Always very sedentary, the French now had stuck roots in their rented lodgings.

"The legislator decided to deal with this matter in a prudent, statesmanlike manner. So the tenant's right to stay in possession was confirmed but the rent was slightly raised. Successive increases were granted in further laws, all warmly debated. A new owner-tenant relationship thus took shape. The owner was powerless either to evict the tenant or debate the price of rent with him, the state took care of that price. The price rose but slowly, while in the meantime the field of regulation was successively enlarged to bring in such flats as had not been previously regulated. New buildings put up since 1915 were alone left unregulated to stimulate construction. This exception was not to endure for long.

"THE FEAR OF LIBERTY

"No systematic view inspired this policy. It just grew from the fear of a sudden return to liberty which seemed ever more dangerous as prices stepped up. And, of course, if one must control the price of rent, one could not allow the owner to dismiss tenants, because in that case he might so easily have stipulated secretly with the new tenant; so rent control implied necessarily the denial of the owner's right to dismiss.

"What then happened to rents under this regime? In 1929, with retail prices more than six times what they had been in 1914, rents had not yet doubled, the real rents, the rents in terms of buying power, were less than a third of what they had been before the war.

"Lawmaking went on; no single subject has taken up so much of the time and energy of Parliament. But the improvement in the condition of the owners, when it occurred, was not the work of the lawmakers. It was brought about by the economic crisis which lowered retail prices. Thus by 1935, rents then being up to almost three times their prewar level, retail prices were down and the owners obtained almost two-thirds of their prewar real income. Or they would have obtained it had not the Laval government then decided on a cut of 10 percent in rents as one of the measures designed to bring down the cost of living and implement a policy of deflation.

"When the Popular Front came in in 1936, the process of devaluations started again, retail prices soared, and the real income from buildings crumbled from year to year.

"Then came World War II. The return to liberty which had been devised for 1943 was, of course, dismissed, and all rents were frozen, including this time those of recent building which had till then escaped.

"THE BUSY LAWMAKERS

"Since the liberation, an order in council of 1945 and two laws in 1947 have intervened, bringing up to 119 the number of laws or quasi-laws on the subject since 1918. The new laws have provided for increases jacking up rents. The lodgings built before 1914 can now be rented at prices 70 percent above the 1939 price. But while rents increased 1.7 times, retail prices increased more than 14 times. In other terms, the buying power of rents was set at 12 percent of its 1939 level, already greatly depressed as we have seen. The buildings put up since 1914 were more severely treated on the assumption that the ruling rents in 1939 had been more adequate. The permissible increase was set at 30 percent as against 1939, thus keeping the buying power of rents at 9 percent of what it was before World War II. It was further specified for the buildings dating back to 1941 or earlier, which comprise, as we have noted, 9 out of 10 buildings, that their rent should in no case be more than 6.6 times the 1914 rent. This, in spite of the fact that retail prices were then 99.8 times as high as in 1914.

"In short, owners of new buildings have been allowed to get in terms of real income less than a tenth of what they got before World War II.

"Owners of old buildings, that is, nine-tenths of all buildings, have been allowed to get in terms of real income either 12 percent of what they got in 1939 or a little less than 7 percent of what they got in 1914—whichever is least, the law took care to specify.

"Possibly the French example may prove of some interest. It goes to show that rent control is self-perpetuating and culminates in both the physical ruin of housing and the legal dispossession of the owners. It is enough to visit the houses in Paris to reach conclusions. The havoc wrought here is not the work of the enemy but of our own measures."

And so, Mr. President, let us not through misinformation or selfish partisanship subject our own national capital to these same insidious conditions which have made housing in Paris so unattractive to its tenants and have made paupers of most of its owners.

Therefore, Mr. President, it is my solid conviction that there is no economic justification for any further extension of rent control within the District of Columbia, and as Washington, D. C., was the first American city to be placed under rent control by action of its Congress, so let it be the first American city to be removed from rent control by direct action of its Congress.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT OF 1949

Mr. MYERS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1856, the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949.

The VICE PRESIDENT. The Secretary will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949.

The VICE PRESIDENT. The question is on the motion of the Senator from Pennsylvania.

The motion was agreed to, and the Senate proceeded to consider the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

S. 2335. An act to make certain revisions in titles I and III of the Officer Personnel Act of 1947, as amended; and

S. J. Res. 190. Joint resolution extending the period of effectiveness of the Selective Service Act of 1948 for 15 days.

## BENEFITS TO ANNUITANTS WHO RETIRED PRIOR TO APRIL 1, 1948—CONFERENCE REPORT

Mr. HUMPHREY. Mr. President, I submit a conference report on the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The conference report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1 and 2.

HUBERT H. HUMPHREY,
J. ALLEN FREAR, Jr.,
WILLIAM LANGER,
*Managers on the Part of the Senate.*

TOM MURRAY,
HOMER THORNBERRY,
EDWARD H. REES,
*Managers on the Part of the House.*

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

Mr. DONNELL. Mr. President, reserving the right to object, will the Senator state what this bill is?

Mr. HUMPHREY. Mr. President, I may say to the Senator from Missouri that this bill pertains to retirement benefits. It was passed unanimously by the House and was passed, with an amendment, by the Senate. The amendment which was adopted by the Senate would have adversely affected retirement benefits for employees receiving less than $3,000-a-year income. Those receiving above $3,000 a year it would have benefited. That is how the Senate amendment would have worked in that particular situation. The Senate conferees, after extensive conference with the House conferees, receded from the Senate amendments Nos. 1 and 2, and concurred in the House bill unanimously.

Mr. DONNELL. I understand the Senator to mean that the Senate conferees unanimously concurred with the House conferees.

Mr. HUMPHREY. That is correct.

Mr. DONNELL. I thank the Senator.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

## EXECUTIVE SESSION

Mr. MYERS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

## EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

## EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. BYRD, from the Committee on Armed Services:

Capt. Charles D. Wheelock, for temporary appointment to the grade of rear admiral in the United States Navy;

Glenn L. Wegener, and sundry other persons, for appointment in the Navy;

Alvin A. Annis, and sundry other persons, for appointment as commissioned warrant officers in the Navy;

Andrew J. Myers, Jr., to be second lieutenant in the United States Air Force;

Earl L. Laird, and sundry other persons for appointment in the United States Air Force;

James K. Adcock, and sundry other persons for appointment in the United States Air Force;

Lawrence Wendall Adams, and sundry other officers, for promotion in the Regular Army of the United States.

The VICE PRESIDENT. If there be no further reports of committees, the Clerk will state the nominations on the Executive Calendar.

## DISTRICT OF COLUMBIA

The legislative clerk read the nomination of Kenneth W. Spencer to be a member of the Public Utilities Commission of the District of Columbia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

## UNITED STATES DISTRICT JUDGE

The legislative clerk read the nomination of Willis W. Ritter to be United States judge of the district of Utah.

Mr. WHERRY. Over.

Mr. MYERS. That nomination should go over.

The VICE PRESIDENT. The nomination will be passed over. That completes the calendar.

## RECESS

Mr. MYERS. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 49 minutes p. m.) the Senate took a recess until tomorrow, Friday, June 23, 1950, at 12 o'clock meridian.

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## NOMINATIONS

Executive nominations received by the Senate June 22 (legislative day of June 7), 1950:

### UNITED STATES MARSHAL

William Holroyd McGinnis, of West Virginia, to be United States marshal for the southern district of West Virginia. He is now serving in this office under an appointment which expired June 21, 1950.

### IN THE ARMY

Lt. Gen. Clarence Ralph Huebner, O4552, deputy commander in chief, United States zone, Germany, and commanding general, United States Army, Europe (major general, U. S. Army), to be placed on the retired list in the grade of lieutenant general under the provisions of subsection 504 (d) of the Officer Personnel Act of 1947.

The following-named officers for appointment to the positions indicated under the provisions of section 504 of the Officer Personnel Act of 1947:

Lt. Gen. Manton Sprague Eddy, O4655 (major general, U. S. Army), to be commanding general, United States Army, Europe, with the rank of lieutenant general.

Maj. Gen. Stafford LeRoy Irwin, O3803, United States Army, to be commanding general, United States forces, Austria, with rank of lieutenant general.

Maj. Gen. Joseph May Swing, O3801, United States Army, to be commandant, the Army War College, with the rank of lieutenant general.

Maj. Gen. Frank William Milburn, O3738, United States Army, to be commanding general, V Corps, with the rank of lieutenant general.

The following-named officers for appointment in the Regular Army of the United States to the grades indicated under the provisions of title V of the Officer Personnel Act of 1947:

*To be major generals*

Maj. Gen. James Kirk, O3372, Army of the United States (brigadier general, U. S. Army).

Maj. Gen. Alfred Bixby Quinton, Jr., O3451, Army of the United States (brigadier general, U. S. Army).

Maj. Gen. Frank August Heileman, O4936, Army of the United States (brigadier general, U. S. Army).

*To be brigadier generals*

Brig. Gen. Egbert Frank Bullene, O9708, Army of the United States (colonel, U. S. Army).

Brig. Gen. George Irving Back, O10267, Army of the United States (colonel, U. S. Army).

Brig Gen. Andrew Daniel Hopping, O10993, Army of the United States (colonel, U. S. Army).

Brig. Gen. William Lillard Barriger, O11220, Army of the United States (colonel, U. S. Army).

Brig. Gen. Jonathan Lane Holman, O11226, Army of the United States (colonel, U. S. Army).

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of subsection 515 (c) of the Officer Personnel Act of 1947:

*To be major generals*

Brig. Gen. Roy Victor Rickard, O8156, United States Army.

Brig. Gen. John Huston Church, O8197, United States Army.

Brig. Gen. Truman Casper Thorson, O10264, United States Army.

Brig. Gen. Thomas Francis Hickey, O10362, United States Army.

Brig. Gen. Robert Homer Soule, O11888, United States Army.

*To be brigadier generals*

Col. Charles Frederick Colson, O12173, United States Army.

Col. John Harrison Stokes, Jr., O12181, United States Army.

Col. George Windle Read, Jr., O12603, United States Army.

Col. Francis Hudson Oxx, O12607, United States Army.

Col. Richard Clare Partridge, O12630, United States Army.

Col. Francis William Farrell, O12784, United States Army.

Col. George Honnen, O12816, United States Army.

Col. Edward Thomas Williams, O12818, United States Army.

The following-named officer for appointment in the Regular Army of the United States to the grade indicated under the provision of title V of the Officer Personnel Act of 1947:

*To be brigadier general, Medical Corps*

Maj. Gen. George William Rice, O8850, Army of the United States (colonel, Medical Corps, U. S. Army).

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of subsection 515 (c) of the Officer Personnel Act of 1947:

*To be brigadier generals*

Col. Sam Foster Seeley, O17344, Medical Corps, United States Army.

Col. Paul Irwin Robinson, O17802, Medical Corps, United States Army.

The following-named persons for appointment in the Regular Army of the United States in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), and Public Law 36, Eightieth Congress, subject to physical qualification:

*To be majors*

Armen Bogosian, MC, O1685970.
Burt Friedman, MC, O332184.
Joseph D. Goldstein, MC, O319748.
Paul J. Schrader, MC, O542612.

*To be captains*

Charles R. Blake, MC, O936875.
Nicholas F. Conte, MC, O1725449.
David J. Edwards, MC, O1785988.
David L. Greenless, MC, O1736046.
Howard M. Huntington, DC, O976463.
Charles G. Kendall, DC, O1774998.
Carolus N. Lancaster, DC, O506478.
Oliver G. Nystul, DC.
Oakley K. Park, MC, O346607.
Jack P. Pollock, DC, O1774898.
Edme Regnier, MC, O1705166.
Richard L. Ross, DC, O473319.
Charles R. Stewart, MC.
Theo E. Tetreault, MC, O438349.
Kenneth W. Thomasson, DC.
Keith A. Walker, MC, O1767394.

*To be first lieutenants*

Francis H. Anderson, JAGC, O1695624.
Theodore M. Behrmann, DC, O984102.
Robert J. Carson, MC.
John F. Christianson, MC, O960853.
Henry C. Cosand, Jr., MC, O978339.
George W. Cullum, MC, O977331.
Richard A. Doane, DC, O965226.
Glen S. Gamble, DC, O728634.
John F. Goodman, Jr., JAGC, O377159.
Byron J. Greany, DC, O969128.
William K. Howard, MC, O980543.
Thomas H. Reese, JAGC, O465269.
Eric Reiss, MC, O954962.
Richard E. Swisher, DC, O975842.
Charles M. Thompson, JAGC, O975167.
Nathan E. Vanaman, DC, O981281.
Maurice B. Wehr, MC.
Robert H. West, DC, O966002.

*To be second lieutenants*

Joan D. Archer, ANC, N792912.
Allen C. Brown, WMSC, R2543.
Lucile R. Hord, WMSC, M2855.
Margaret C. McDonough, ANC, N792476.
Mary J. Olssen, ANC, N754136.
Catherine M. Owen, WMSC, M2858.
Jessy R. Powell, WMSC, R2458.
Carolyn I. Regan, WMSC, M2861.
Agnes Spock, ANC, N804320.
Jane R. Wiley, ANC, N804164.

The following-named persons for appointment in the Medical Corps, Regular Army of the United States in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to completion of internship, and subject to physical qualification:

Walter M. Anglin, O975957.
Norman L. Arnett, O975356.
Theodore M. Badgley, O975342.
Richard R. Beckworth, O2051045.
Irving Berke, O975956.
Nelson R. Blemly, O975841.
Gordon W. Briggs, O975762.
John P. Briske, O975343.
John E. Canham, O975579.
Elwyn Cavin, O425163.
James R. Collier, O975559.
Calvin C. Cranfield, Jr., O975687.
Forrest G. Dannenbring, O974384.
Robert F. Dillon, O975768.
Charles R. Downs, O975542.
Donald C. Fox, O975355.
Charles E. Gahagen, O975756.
Richard H. Garrett, O975688.
James J. Gibbs, O975095.
Robert F. Glock, O975569.
Maurice J. Gonder, O971846.
Richard E. Green, O975079.
James E. Hansen, O976165.
Frank W. Hardy, O975901.
Louis E. Harman, Jr., O969836.
Robert F. Hood, O975900.
Vincent H. S. Hume, O969837.
Thomas J. Hurley, O977071.
Donald J. Jacobson, O975691.
Arnold W. Johnson, Jr., O966511.
Robert C. Jones, O975570.
Robert R. Keim, Jr., O975560.
Louis W. King, Jr.
Robert J. King, O975093.
Gene N. Lam, O975354.
Samuel G. Latty, O975838.
Arthur G. Law, O975366.
Wendell F. Lienhard, Jr., O975544.
Bruce L. Livingstone, O975073.
Joseph H. Masters, O975759.
Laurence C. McGonagle, O975069.
Travis H. Mueller, O975693.
Stanley Newman, O975758.
Bernard F. O'Hara, O975694.
Robert E. Parmenter, O975353.
Harvey W. Phelps, O975095.
Douglas B. Price, O975707.
John E. Reisner, O975341.
Francis J. Rigney, O975582.
Victor R. Rivera, O975757.
Eugene A. Rosenberger, O975895.
Milton E. Rubini, O975760.
Robert B. Schmidt, O975765.
Gerald J. Schwab, O976502.
Vernon M. Smith, O975764.
Reuel A. Stallones, O975958.
Charles M. Struthers, O975358.
Robert L. Sundre, O975896.
Elias M. Throne, O975075.
Thorndike C. Toops.
Joseph N. Tori, O976839.
Darl E. Vander Ploeg, O974387.
Walter Wartonick, O976194.
Charles H. P. Westfall, O976503.
Charles F. Wilkins, Jr., O2040984.
George S. Woodard, Jr., O975549.
Ray E. Yarbrough, O965993.

The following-named persons for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to physical qualification:

Milton Allen, O945726.
Fred M. Bristol, O520729.
Calvin W. Ellis, O955560.
John G. Engstrom, O1688760.
James A. Lillard, O1913282.
Herbert F. Neller, Jr., O948274.
Stanley I. Pilgrim, O979317.
Wyatt G. Price.
Ben L. Sanders, O543938.
Clifford H. V. Turner.
Kenneth S. Whittemore, Jr., O446101.

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as distinguished military graduates, and subject to physical qualification:

Charles L. Anderson.
William S. Bice.
William M. Bradley.
George T. Burnop, O978761.
Henry C. Camp, Jr.
William G. Clemons.
William E. Dasch.
David W. Einsel, Jr.
David C. Fariss.
Ernest G. Grenier.
Richard P. Jameson.
Vance S. Jennings, O954108.
James H. Johnson.
Ben S. Malcom.
Kenneth A. Marden.
John L. McKinzey, O955338.
Richard V. Murphy.
Robert L. Peck III, O2204559.
Joseph B. Starker.
David P. Vielhaber.
Richard L. Walton.
Kenneth J. Williams, O954522.
George S. Woodson.
Doyle B. Wright.

The following-named distinguished military student for appointment in the Medical Service Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as a distinguished military graduate and subject to physical qualification:

Charles H. Meacham.

The following-named graduated cadets, United States Military Academy, for appointment in the Regular Army of the United States in the grade of second lieutenant, to rank from June 2, 1950, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Ernest Thomas Hayes, Jr.
Richard Louis Kramer.
Charles Rufus Smith, Jr.

CONFIRMATION

Executive nomination confirmed by the Senate, June 22 (legislative day of June 7), 1950:

DISTRICT OF COLUMBIA

Kenneth W. Spencer, to be a member of the Public Utilities Commission of the District of Columbia for a term of 3 years from July 1, 1950.

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# HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 22, 1950

The House met at 12 o'clock noon.

Rev. Frank Dent, formerly pastor of the First Methodist Church of Galveston, now pastor of Oak Lawn Methodist Church, of Dallas, Tex., offered the following prayer:

Eternal God of our fathers, Thou hast said, "When thou prayest go into thy secret place and thy Father who seest in secret will reward thee openly."

These are days when our American people, our American officials, and leaders need the power of the secret place. Each of us has prayed before we came here this day, so we desire to fill the glory of the public with the beauty of the private devotion. We are not the first to seek to harmonize the beauty of the private and the glory of the public. Men of old have sought to bring into harmony the ideals which they feel within their hearts, with their desire to serve the public interests. One has expressed it in this way:

"The earth is the Lord's and the fulness thereof; the world, and they that dwell therein.

"For He hath founded it upon the seas and established it upon the floods.

"Who shall ascend into the hill of the Lord? or who shall stand in His holy place?

"He that hath clean hands and a pure heart; who hath not lifted up his soul unto vanity nor sworn deceitfully.

"He shall receive the blessing from the Lord and righteousness from the God of his salvation."

So, our Father, today, that we may bring the beauty of the private into the glory of the public, we pray that we may have clean hands and a pure heart.

It is easy for us to see impure hands. We can look across the sea and say, "Your hands are stained. They are dirty. They are filled with the blood of men." We can even look at the other end of Pennsylvania Avenue and say something about hands, or we might even look across the aisle and accuse our colleagues. Yet, even as we say this, our Father, we know that the only hands we are responsible for are the two that hang from our own shoulders, and the only heart that we are responsible for is the one that really and truly beats underneath our own shoulder.

So, give unto us this purity and cleanliness within our own private life that we may bring out that beauty, that hope, that harmony in the glory of our public living and service.

Bless these men who represent their people and the people whom they represent. Lead us through these days through which we go, that we may climb this hill and bring peace, and may others desire to follow with us.

So fill our public service with the power and strength that comes from the secret place.

In Jesus' name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on June 21, 1950, the President approved and signed bills of the House of the following titles:

H. R. 2386. An act to provide for the establishment and operation of a rare and precious metals experiment station at Reno, Nev.;

H. R. 3675. An act for the relief of Erik H. Lindman; and

H. R. 5920. An act to provide for payment of amounts due mentally incompetent personnel of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 480. Joint resolution extending the time for the release, free of estate and gift tax, of certain powers.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2335. An act to make certain revisions in titles I and III of the Officer Personnel Act of 1947, as amended.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1243) entitled "An act to amend the Hatch Act."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3181) entitled "An act to extend for 1 year the Housing and Rent Act of 1947, as amended."

TRANSFER OF CERTAIN REAL PROPERTY BY THE DEFENSE ESTABLISHMENT

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5368) to authorize the Department of the Army, Navy, and the Air Force to participate in the transfer of certain real property and/or interest therein, with Senate amendments thereto, disagree to the amendments of the Senate, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. VINSON, BROOKS, KILDAY, SHORT, and ARENDS.

PERMISSION TO ADDRESS THE HOUSE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. FLOOD addressed the House. His remarks appear in the Appendix.]

SEX CRIMINALS

Mr. DAVENPORT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DAVENPORT. Mr. Speaker, on April 4 of this year I introduced a bill, H. R. 7994, whose purpose was to make available to local police authorities the past records of sex criminals who had traveled in interstate commerce. In this way, local police officials will be able to maintain adequate surveillance over known criminals within their jurisdiction. In addition, H. R. 7994 makes it necessary for sex criminals who move from one State to another to register with the United States attorney's office and brings the full force of Federal law to bear on those who repeat their sex crimes in other States.

While I believe that H. R. 7994 is an absolute necessity today because of the growing tendency of sex criminals to move among the various States in order to avoid detection, I believe that a full-scale investigation of the entire problem of sex crimes is in order.

FBI tally sheets show that this type of crime is becoming a greater menace yearly. It must be stopped before it assumes terrible proportions. American mothers and our children are too dear to us to permit the continuation of the current depravities. These heinous crimes must be reduced as far as is humanly possible if our womenfolk and our children are to walk through our parks and our streets in safety.

I have, therefore, introduced a House resolution today to create a select committee of five Members of the House of Representatives to conduct a full investigation and study of the cause of sex crimes and to make such recommendations to Congress as it deems advisable. This committee will hold hearings throughout the country, covering as many localities as it can where such atrocities are a public menace. It will cooperate with the police officials and the political authorities in the various States in order to amass as complete a body of information as it can. And when it makes its report to Congress, we will have available a realistic over-all program to cope with this problem. We have no time to lose. We must act now.

YOUTHFUL AMERICANS VISIT NATION'S CAPITAL

Mr. MACK of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include the names of certain visiting school children.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MACK of Illinois. Mr. Speaker, I am honored today by having as my guests in Washington 100 of the most deserving young men and women from the Twenty-first Congressional District of Illinois. These young people were recommended by their teachers, principals, and county superintendents of schools and were selected by nonpartisan committees who feel that these children are the most deserving children in the various counties of my district to make this educational tour to Washington. I am proud of the children they have selected and I am proud to have these children as my guests in Washington. They are today the youth of our Nation, but tomorrow they will be the ones who are called upon to guide the destiny of our country. The names of these outstanding Americans follow:

LIST OF CHILDREN ON MACK EDUCATIONAL TOUR BY COUNTIES

Sangamon: George Muller, Elsie Pavletich, John Norris, Charles Starling, Thomas Hoffman, Robert Dougherty, John Kelly, Ralph Klein, James Lard, Freda Spangler, Thelma Sebring, Barbara Silvens, William Bercot, Doris Motley, Nancy Ann Carter, Marie Weller, Arthur Fliege, Thomas Wilson, Dorothy Brummett, Jane Morgan, Phillip Pinney, George Bales, Arline Janoff, James McCabe, Earl Eliason, John Gatschenberger, Donald Snodgrass, Charles O'Hara, Charles Shymanski, Jr., Rita Hogarth, John Wolf, Olive Cooke, John Teer, Barbara Parks, Mary Louise Schmidt, Eleanor Rimini, Kenneth L. McGeath, Harry McLaughlin, Henry Harmony, Ronald Robison, Ronald D. Kane, Richard Jacobs, Ronald Hasten, Robert Brown, Earl Suggs, Darla Rudolph, Robert Dougherty.

Macoupin: Lois Eades, Charles Baker, Fredie Garst, Walter McKenzie, Earnest Richardson, Jimmy Kuenneth, Eugene Saatkamp, Angeline Markulakis, Marlene Johnson, Wilma Sauerwein, Anna Farmer, Sheridon Carroll, Ronald Lahey, Mary Kalvin, Jack Lehman, Geraldine Koniak.

Montgomery: Mildred Meffert, John Savage, Barbara Ann Hanisko, Rollie L. Henry, Richard Rompasky, Richard Bailey, Walter Weerts, Isabelle Barry, Wilda Mae Hill, Thomas Moroney, Barbara Sanders, Patricia McClaine.

Christian: Robert Cole, Aniti Credi, Howard Wise, Arthur Carter, Barbara Jean Sebaskey, Camil Beloit, William Hayes, James Duncan, William Southard, Donald Pembroke, Mildred Foster, Evelyn Pugh.

Mason: Franklin Gilmore, Yvonne Simpson, Ronnie Woll, Shirley Nall, James Fletcher.

Bond: Jesse Darnell, Carolyn Granda, Wayne Long, Thomas Frey, Max Lee Perch.

Menard: Van Monroe Miller, Jimmie Elmore, Hank Abbott, Bob Dixon.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include certain material from the State Department.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

[Mrs. ROGERS of Massachusetts addressed the House. Her remarks appear in the Appendix.]

OIL IMPORT PROGRAM

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Speaker, over a period of many months the question of imported petroleum has been studied by committees in both branches of Congress. The inquiries have been exhaustive and they have served to develop all the facts needed to establish a policy on which the petroleum industry of the United States could depend.

My concern is that something be done. We need no more studies as a basis for action. I have watched the development of the greatest oil importing program in history with apprehension. No one who remembers the great and successful effort made by the petroleum industry to supply the oil needs during the war can fail to appreciate the vital necessity of maintaining the oil industry of the United States at top efficiency. The Nation's security is one issue that we cannot afford to ignore. Imports of petroleum are a threat to security.

Hearings have been held by three committees and subcommittees in this branch of Congress this year. The record that was developed was clear and conclusive. The independent oil producers and refiners have been hurt. Their markets have been narrowed by imports. Producers have produced and sold less oil in our own markets. Refiners have shut down in many instances and they have curtailed their runs of crude oil. The ability of the industry to explore for and develop new fields has been shrinking. State governments are losing tax revenues. Employment has decreased. Several thousand field and refinery workers have been made idle.

Independents in the oil industry three or more years ago tried to get executive or legislative action to prevent the injury that has come to pass. The coal and railroad industries have in recent weeks been before committees to tell of their unemployment due to foreign oil. Others will inevitably follow unless action is taken.

A remedy is in the hands of the executive branch of the Government. It has repeatedly been importuned by Members of Congress as well as by the independent petroleum industry and others to make use of the authority which it reserved in the trade agreements with countries where oil is produced. The executive branch has made no move to curb the increasing imports of oil. In fact, the principal spokesmen on the subject in the State Department and the Department of Commerce have been loud in their assertions that no action should be taken by the executive department and they have used every opportunity to engage in propaganda against action by Congress. The great corporations which produce and import the oil from Venezuela and the Middle East have no more devoted allies than those in the two departments mentioned. Those who are styled petroleum specialists in those agencies adopt fully and give expression to all the arguments which the oil importers themselves advance.

Long ago—in 1932—Congress expressed its preference for the oil industry of the United States as against that of foreign countries. It did this in the form of an excise tax on imported crude petroleum and refined products. In 1939 the executive department began to whittle away at the tax schedule. Under various trade agreements it has cut the schedule in half. The rate is now one-fourth of a cent per gallon on crude oil and fuel oil, which are today the principal forms of petroleum imports. Such a rate constitutes no barrier whatever to the importing program.

The volume of imports has risen steadily. In the year 1946, the first full year after the end of the war, the daily average of imports was 377,000 barrels. In 1947 it was 436,000 barrels. In 1948 it was 514,000 barrels. In 1949 it was 641,000 and in the first quarter of this year the average was 820,000 barrels a day. Thus, the present rate is more than double the 1946 daily average.

The figures on the volume do not alone tell the story, for we had a substantial gain in consumption since the close of the war. But in percentage of total supply imports of oil have consistently occupied a larger place. In 1946 imports were 6.9 percent of the total supply in the United States. In the first quarter of this year they absorbed 13.1 percent of the supply.

The export market for our petroleum is fading fast. In 1946 it required 419,000 barrels daily. In the first quarter of 1950 the exports of crude oil and products were 265,000 barrels daily. Foreign markets are being filled with foreign production by substantially the same group of large corporations which are bringing the oil into the United States.

Are we to stand by and see the home markets as well as the export increasingly taken up by foreign oil?

The record is clear and unmistakable. The American consumer's greatest assurance of abundant supply lies in the maintenance of a vigorous, competitive industry. To continue with its historical effectiveness, the domestic industry must have a market for the oil it finds and develops. It must rely for the preservation of its home market on either the National Government or the importing companies. The record shows that voluntary restraint has not been practiced and their announced programs call for a much higher rate of imports for 1950 than in 1949, and announced programs can be changed without notice or consent.

There are bills in both branches of Congress to provide workable and dependable restraints on the imports of petroleum. It is my concern that we do something in this session. If we do not, we will find the trouble has increased and the present storm which petroleum imports have raised will have become a tornado.

FORMOSA

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, if we can believe the press reports of yesterday the defense arms of Government are now coming to the conclusion at a very late hour that Formosa is an extremely important piece of land in the world insofar as the defense of the United States is concerned. In my opinion the State Department, the Army, and the Navy had sufficient information as early as last October to know exactly what General MacArthur and his staff thought about that proposition, and at that time we should have taken all steps to protect Formosa the same as any section of the United States. As a matter of fact, and for our defense, we should not have surrendered control over Formosa until the Japanese peace treaty was signed. Certainly this is no time to turn Japan over to the Russian bear, unless we wish to commit suicide.

MILK

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, 1,150,175,142 quarts of fluid milk could have been made from the dried milk held by the Federal Government in storage April 30, 1950.

More than 67 percent of that was purchased last year.

It cost the taxpayers $3,717,096.60 up to April 30 just to keep these more than 157,000 tons of a wholesome food commodity in storage.

It costs eighty-seven one-thousandths of a cent to transport 1 pound of dried milk from Manawa, Wis., to New York City.

The Federal Government could have used this wasted storage money to pay the freight on all this milk to places where people would drink it. Beyond that, more than $800,000 would still have been saved.

It is obvious now that those who have the power to bring about an immediate end to this insane situation have no intention of doing so. But they cannot escape the responsibility for their inexcusable and defiant continuing waste of the taxpayers' money. From July 1, 1949, to April 30, 1950, on dried milk alone the daily waste was $12,227.32. On April 30, 1950, the Government had firm contracts to purchase an additional 27,656,941 pounds. Therefore the daily waste for storage alone must be over $13,000 a day now.

It is equally obvious that, unless something is done promptly, this food will spoil. Apparently those who have the clear power to prevent this hold in utter contempt the reaction of the American public to such wanton destruction of

wholesome food. But, if the truth can be made clear to the public, I am convinced that its indignation will be swift and certain.

COMMITTEE ON WAYS AND MEANS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight of Friday, June 23, to file its report on H. R. 8920, the tax bill, and that anyone desiring to file minority views may have the same time.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ANNUITANTS RETIRED UNDER CIVIL SERVICE RETIREMENT ACT

Mr. MURRAY of Tennessee submitted a conference report and statement on the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948.

MEAT INSPECTION

Mr. McCARTHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. McCARTHY. Mr. Speaker, I wish to call the attention of the House to another one of the very harmful effects of the so-called Taber amendment to the appropriation bill. This situation has been well described by an article by Alfred D. Stedman, the agricultural editor of the St. Paul Pioneer Press. He says that the biggest set-back in 46 years of fighting for pure food and public health is threatened by this House slash. Some 346 meat inspectors throughout the country will have to be dismissed as a result of this curtailment in the appropriation bill.

I think the contradiction is apparent when just this week we authorized the appointment of a committee to investigate chemical poisons or potential poisons in food, but at the same time are cutting appropriations to eliminate meat inspectors who are looking for causes of diseases which we know to exist.

I hope that the Senate will reconsider this arbitrary, unsound House action and provide adequate funds for the support of the meat-inspection program. I have included the full text of the Stedman article in the Appendix of the RECORD.

CLAIM OF AUF DER HEIDE-ARAGONA, INC.

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1606) conferring jurisdiction upon the Court of Claims to hear and determine the claim of Auf der Heide-Aragona, Inc., and certain of its subcontractors against the United States, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 9, strike out all after "Maryland" over to and including "expense" in line 19, page 2, and insert ": *Provided, however,* That nothing contained in this act shall be construed as an inference of liability on the part of the United States Government."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ANNUAL REPORT, OFFICE OF ALIEN PROPERTY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed:

*To the Congress of the United States:*

I transmit herewith for the information of the Congress the Annual Report of the Office of Alien Property, Department of Justice, for the fiscal year ended June 30, 1949.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 22, 1950.*

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks and include an article, notwithstanding the fact that it is estimated by the Public Printer to cost $218.68.

Mr. FLOOD asked and was given permission to extend his remarks in two instances, in one to include an editorial from the Havana Post, and in the other a statement supporting a resolution he introduced calling for a survey of the occupation of Japan.

Mr. HART asked and was given permission to extend his remarks and include a resolution.

Mr. LANE asked and was given permission to extend his remarks in three instances, in one to include a speech of his and in the others extraneous matter.

Mr. MACK of Illinois asked and was given permission to extend his remarks and include an address of Gov. Adlai E. Stevenson, notwithstanding the fact it is estimated by the Public Printer to cost $273.34.

Mr. PHILBIN asked and was given permission to extend his remarks and include a newspaper article.

Mr. CARNAHAN asked and was given permission to extend his remarks and include extraneous matter.

Mr. KLEIN asked and was given permission to extend his remarks in five instances and include extraneous matter.

Mr. CLEMENTE asked and was given permission to extend his remarks and include an article by Gen. Wendell Westover, notwithstanding the fact it is estimated by the Public Printer to cost $191.34.

Mr. CROOK asked and was given permission to extend his remarks on the topic, Destruction on Our American Highways.

Mr. LARCADE asked and was given permission to extend his remarks and include extraneous matter.

Mr. GRANT asked and was given permission to extend his remarks and include an address recently delivered by General Vandenberg.

Mr. MULTER asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. LEFEVRE asked and was given permission to extend his remarks and include an editorial appearing in the New York Times.

Mr. JONAS asked and was given permission to extend his remarks and include an address delivered by Brig. Gen. Julius Klein commemorating the fifty-fifth anniversary of the Jewish War Veterans of the United States.

Mr. MARTIN of Iowa asked and was given permission to extend his remarks and include an address delivered by Mr. James S. Schramm.

Mr. CRAWFORD asked and was given permission to extend his remarks and include an editorial.

Mr. GROSS asked and was given permission to extend his remarks.

Mr. MACK of Washington and Mr. ASPINALL asked and were given permission to extend their remarks and include extraneous material.

Mr. HARRISON asked and was given permission to extend his remarks and include extraneous matter.

Mr. WIER asked and was given permission to extend his remarks and include an excerpt from a Minneapolis labor paper.

Mr. TAURIELLO asked and was given permission to extend his remarks in two instances and include in one an address by Hon. James A. Farley and in the other a letter he received from the American Zionist Council.

Mr. CANFIELD asked and was given permission to extend his remarks and include two letters.

UNITED STATES PARTICIPATION IN INTERNATIONAL ORGANIZATIONS

The SPEAKER. The unfinished business is the question on the engrossment and third reading of House Joint Resolution 334, to amend certain laws providing for membership and participation by the United States in certain international organizations.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

Mr. RICH. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. RICH and Mr. BROWN of Ohio) there were—ayes 87, noes 29.

Mr. ALLEN of Illinois. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent

Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 209, nays 91, not voting 130, as follows:

[Roll No. 180]

YEAS—209

| | | |
|---|---|---|
| Abbitt | Flood | Multer |
| Addonizio | Forand | Murdock |
| Albert | Fugate | Murphy |
| Allen, Calif. | Fulton | Murray, Tenn. |
| Allen, La. | Furcolo | Nelson |
| Andrews | Garmatz | Nixon |
| Angell | Gathings | Noland |
| Aspinall | Gordon | Norrell |
| Bailey | Gossett | Norton |
| Barden | Grant | O'Brien, Ill. |
| Bates, Mass. | Gregory | O'Hara, Ill. |
| Beckworth | Guill | O'Neill |
| Bentsen | Hale | O'Sullivan |
| Biemiller | Hardy | O'Toole |
| Blatnik | Harris | Face |
| Boggs, La. | Harrison | Passman |
| Bolling | Hart | Patman |
| Bolton, Ohio | Havenner | Patten |
| Bonner | Hays, Ark. | Peterson |
| Bosone | Hays, Ohio | Philbin |
| Bramblett | Hedrick | Pickett |
| Brown, Ga. | Herter | Poage |
| Buchanan | Heselton | Poulson |
| Buckley, Ill. | Holifield | Preston |
| Burleson | Holmes | Price |
| Burnside | Howell | Priest |
| Burton | Huber | Rains |
| Byrne, N. Y. | Jackson, Calif. | Ramsay |
| Camp | Jacobs | Rhodes |
| Canfield | Javits | Riehlman |
| Carlyle | Johnson | Robeson |
| Carnahan | Jones, Ala. | Rodino |
| Case, N. J. | Jones, Mo. | Rogers, Fla. |
| Celler | Jones, N. C. | Rogers, Mass. |
| Chatham | Judd | Rooney |
| Chelf | Karst | Roosevelt |
| Chesney | Karsten | Sasscer |
| Chiperfield | Kean | Shelley |
| Christopher | Kee | Sheppard |
| Clemente | Kilburn | Sikes |
| Combs | Kilday | Smathers |
| Cooley | King | Spence |
| Cooper | Kirwan | Staggers |
| Corbett | Klein | Stanley |
| Crook | Kruse | Sullivan |
| Crosser | Lane | Tauriello |
| Dague | Lanham | Thomas |
| Davenport | Larcade | Thompson |
| Davies, N. Y. | Lind | Thornberry |
| Davis, Ga. | Linehan | Tollefson |
| Davis, Tenn. | Lucas | Trimble |
| Dawson | McCarthy | Underwood |
| Deane | McConnell | Van Zandt |
| DeGraffenried | McCormack | Vinson |
| Denton | McDonough | Vorys |
| Dollinger | McGrath | Wagner |
| Donohue | McGuire | Walter |
| Doughton | McKinnon | Whitaker |
| Douglas | McSweeney | White, Idaho |
| Doyle | Mack, Ill. | Widnall |
| Eaton | Madden | Wier |
| Elliott | Magee | Wigglesworth |
| Ellsworth | Mahon | Willis |
| Engle, Calif. | Mansfield | Wilson, Okla. |
| Evins | Marcantonio | Wilson, Tex. |
| Fallon | Marsalis | Woodhouse |
| Feighan | Martin, Mass. | Yates |
| Fenton | Miles | Young |
| Fernandez | Mills | Zablocki |
| Fisher | Morgan | |

NAYS—91

| | | |
|---|---|---|
| Abernethy | Elston | Kearney |
| Allen, Ill. | Fellows | Keating |
| Andersen, H. Carl | Ford | Kunkel |
| | Gavin | Latham |
| Anderson, Calif. | Golden | LeCompte |
| Arends | Graham | LeFevre |
| Barrett, Wyo. | Gross | Lichtenwalter |
| Bennett, Fla. | Hagen | McCulloch |
| Bennett, Mich. | Hall, Leonard W. | McMillen, Ill. |
| Bishop | | Mack, Wash. |
| Boggs, Del. | Halleck | Martin, Iowa |
| Brown, Ohio | Harden | Mason |
| Byrnes, Wis. | Harvey | Meyer |
| Case, S. Dak. | Hill | Michener |
| Clevenger | Hoeven | Miller, Nebr. |
| Cole, Kans. | Hoffman, Mich. | Murray, Wis. |
| Colmer | Horan | Nicholson |
| Crawford | Hull | Norblad |
| Cunningham | Jenison | O'Hara, Minn. |
| Curtis | Jenkins | O'Konski |
| Davis, Wis. | Jennings | Phillips, Calif. |
| D'Ewart | Jensen | Rankin |
| Dondero | Jonas | Reed, Ill. |
| Reed, N. Y. | Simpson, Pa. | Vursell |
| Rees | Smith, Kans. | Weichel |
| Rich | Smith, Wis. | Whitten |
| Scrivner | Stefan | Williams |
| Scudder | Taber | Winstead |
| Secrest | Tackett | Withrow |
| Short | Talle | Wolcott |
| Simpson, Ill. | Velde | Woodruff |

NOT VOTING—130

| | | |
|---|---|---|
| Andresen, August H. | Gwinn | Pfeiffer, William L. |
| | Hall, Edwin Arthur | Phillips, Tenn. |
| Auchincloss | | |
| Baring | Hand | Plumley |
| Barrett, Pa. | Hare | Polk |
| Bates, Ky. | Hébert | Potter |
| Battle | Heffernan | Powell |
| Beall | Heller | Quinn |
| Blackney | Herlong | Rabaut |
| Bolton, Md. | Hinshaw | Redden |
| Boykin | Hobbs | Regan |
| Breen | Hoffman, Ill. | Ribicoff |
| Brehm | Hope | Richards |
| Brooks | Irving | Rivers |
| Bryson | Jackson, Wash. | Sabath |
| Buckley, N. Y. | James | Sadlak |
| Bulwinkle | Kearns | Sadowski |
| Burdick | Keefe | St. George |
| Burke | Kelley, Pa. | Sanborn |
| Cannon | Kelly, N. Y. | Saylor |
| Carroll | Kennedy | Scott, Hardie |
| Cavalcante | Keogh | Scott, Hugh D., Jr. |
| Chudoff | Kerr | |
| Cole, N. Y. | Lodge | Shafer |
| Cotton | Lovre | Sims |
| Coudert | Lyle | Smith, Ohio |
| Cox | Lynch | Smith, Va. |
| Delaney | McGregor | Steed |
| Dingell | McMillan, S. C. | Stigler |
| Dolliver | Macy | Stockman |
| Durham | Marshall | Sutton |
| Eberharter | Merrow | Taylor |
| Engel, Mich. | Miller, Calif. | Teague |
| Fogarty | Miller, Md. | Towe |
| Frazier | Mitchell | Wadsworth |
| Gamble | Monroney | Walsh |
| Gary | Morris | Welch |
| Gillette | Morrison | Werdel |
| Gilmer | Morton | Wheeler |
| Goodwin | Moulder | White, Calif. |
| Gore | O'Brien, Mich. | Whittington |
| Gorski | Patterson | Wickersham |
| Granahan | Perkins | Wilson, Ind. |
| Granger | Pfeifer, Joseph L. | Wolverton |
| Green | | Wood |

So the joint resolution was passed.

The Clerk announced the following pairs:

Mr. O'Brien of Michigan with Mr. Gamble.
Mr. Quinn with Mr. Potter.
Mr. Heffernan with Mrs. St. George.
Mr. Lynch with Mr. Merrow.
Mr. Gorski with Mr. Cole of New York.
Mr. Herlong with Mr. Cotton.
Mr. Delaney with Mr. August H. Andresen.
Mr. Cox with Mr. Edwin Arthur Hall.
Mr. Dingell with Mr. Beall.
Mr. Steed with Mr. Hinshaw.
Mr. Stigler with Mr. Sanborn.
Mr. Wheeler with Mr. Smith of Ohio.
Mr. Teague with Mr. Stockman.
Mr. Sutton with Mr. Werdel.
Mr. Polk with Mr. Kearns.
Mr. Powell with Mr. Hope.
Mr. Wickersham with Mr. Gillette.
Mr. Redden with Mr. Hardie Scott.
Mr. Regan with Mr. Wilson of Indiana.
Mr. Welch with Mr. Miller of Maryland.
Mr. Rabaut with Mr. Morton.
Mr. Ribicoff with Mr. Keefe.
Mr. Wood with Mr. Phillips of Tennessee.
Mr. Irving with Mr. Plumley.
Mr. Joseph L. Pfeifer with Mr. Towe.
Mrs. Kelly of New York with Mr. Taylor.
Mr. Jackson of Washington with Mr. Coudert.
Mr. Perkins with Mr. Auchincloss.
Mr. Keogh with Mr. Wolverton.
Mr. Green with Mr. Hand.
Mr. Sadowski with Mr. James.
Mr. Boykin with Mr. Blackney.
Mr. Granahan with Mr. William L. Pfeiffer.
Mr. Kennedy with Mr. Dolliver.
Mr. Carroll with Mr. Shafer.
Mr. Miller of California with Mr. Sadlak.
Mr. Hébert with Mr. Macy.
Mr. Gary with Mr. Hugh D. Scott, Jr.
Mr. Moulder with Mr. Brehm.
Mr. Gilmer with Mr. Gwinn.
Mr. Sims with Mr. Lovre.
Mr. Heller with Mr. McGregor.
Mr. Morrison with Mr. Patterson.
Mr. Eberharter with Mr. Engel of Michigan.
Mr. Kelley of Pennsylvania with Mr. Hoffman of Illinois.
Mr. Fogarty with Mr. Wadsworth.
Mr. Frazier with Mr. Goodwin.

Mr. GUILL changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8567. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. HAYDEN, Mr. RUSSELL, Mr. BRIDGES, and Mr. GURNEY to be the conferees on the part of the Senate.

ENLISTMENT OF ALIENS IN THE REGULAR ARMY

Mr. COLMER. Mr. Speaker, I call up House Resolution 649 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2269) to provide for the enlistment of aliens in the Regular Army. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, this resolution would make in order the consideration of S. 2269, a bill which has been requested by those in charge of the Armed Forces of this country, to permit certain aliens to be enlisted in our Armed Forces.

Mr. Speaker, I now yield 12 minutes to the distinguished chairman of the House Committee on Armed Services, the gentleman from Georgia [Mr. VINSON], who will explain the purposes of the bill.

Mr. VINSON. Mr. Speaker, I will try to explain this new program which is to

be inaugurated in the Army with respect to enlistments. The bill, which the pending resolution makes in order to be considered in the Committee of the Whole House on the State of the Union, authorizes 2,500 aliens to be enlisted in the Army of the United States. Before these aliens can be enlisted in the Army they must first be screened by the Department of the Army and the program must have the approval of the Office of the Secretary of State. Every effort will be made in the screening process to have it so thorough that no one who should not serve in our Armed Forces will be permitted to enter. We prescribe that they not have dependents and they must be between the ages of 18 and 35.

I may say that this is a Senate bill. It was introduced and passed in the other body, the author of it being the distinguished junior Senator from the Commonwealth of Massachusetts [Mr. LODGE].

The reason why the Army feels it is necessary to have these aliens is based on several factors. In modern warfare it is necessary to have technicians of the highest character, people who can handle modern weapons, people who are familiar with the language spoken in foreign countries, people who are familiar with the terrain, and people who know something about areas which are somewhat foreign to us. That is the reason why General Collins appeared before the committee in executive session as well as in public session and considered this new step highly important in the management of the Army. He feels it is necessary that there be a small number admitted into the Army.

What do we offer these people in return for enlisting? We say they must enlist for a period of 5 years. If at the end of that period they obtain an honorable discharge and have been ordered to the United States and have been brought to this country by that means, then they will be eligible for citizenship. That is all the bill does.

Mr. Speaker, I propose to offer an amendment to the committee amendment to strike out on page 3 the words "or earlier." The committee language was this: "pursuant to military orders shall, if otherwise qualified for citizenship, and after completion of 5 or more years of military service, or earlier if honorably discharged therefrom."

The reason that prompted us to put the words "or earlier" in was that after the person enlists and serves a year or so he might be found to have some physical disabilities and therefore we would not want to hold him to the 5-year requirement. But the more we thought about it, we thought we were on sounder ground if we struck out the words "or earlier" so that the person would have to be in the Army for at least 5 years.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield.

Mr. RICH. What is the real purpose of taking a foreigner and putting him into our army when you can get men who have been naturalized who know all of these countries? We have people from all of these countries who already have become naturalized citizens of the United States.

Mr. VINSON. That is a very important question. General Collins feels, and the Army feels, that it is highly desirable at this time to have a small number of highly trained technicians, people who are familiar with every phase of life in other countries, so they can contribute their knowledge to the proper performance of military duty.

Mr. RICH. Mr. Speaker, will the gentleman yield further?

Mr. VINSON. I yield.

Mr. RICH. If you want those men, do you know who they are?

Mr. VINSON. No. I do not know who they are. Probably the services do not yet know; but they know one thing, that there are types of people abroad who would like to get into the Army, who can contribute certain important knowledge to our Army, and by doing so, if honorably discharged and brought to this country—remember that—brought to this country, they will get citizenship. As a matter of fact, they may never come to this country. The Army may not order them here. The Army may keep them abroad. If so, they do not get citizenship.

Mr. RICH. If he is a citizen of some foreign country, the Army cannot give him any orders at all that he will obey. He will obey the laws of his own country.

Mr. VINSON. But he cannot get into this country unless the Army orders him here.

Mr. RICH. We have 13,000 aliens in the State Department, and if you can tell me where they are doing a good job for this country, then I do not know anything about it.

Mr. VINSON. Well, we have all been considerably disturbed about various recent charges, but I am utterly confident that General Collins and the men who run the Army are not going to bring any Communists into the United States Army. I will speak without any reservation as far as the Army is concerned.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the distinguished gentleman from Mississippi.

Mr. WILLIAMS. It is my understanding that the Army needs these people to perform certain specialized duties, such as interpreters, and so forth. In the light of that, is there any reason why those people could not be employed in a civilian capacity, rather than to take them into the Army?

Mr. VINSON. Well, you would not have sufficient control over them. You must have people that you can direct and order in military matters.

Now, I repeat that we asked General Collins to come into executive session on this. I said, "Tell us how you are going to use these men," and he told us. I cannot divulge those things in public debate, but you can rest assured that the Army is not going to put any Communists in it knowingly, and these aliens are going to be in our service only after they have been most carefully screened.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the distinguished gentleman from Iowa.

Mr. HOEVEN. Why is it necessary to have the approval of the Secretary of State?

Mr. VINSON. As far as I am concerned, I would just as soon have the approval of the Army. I will go further and say that I am perfectly willing to have the scrutinizing done by committees of Congress. We have plenty of precedent for that. I am perfectly willing to have the list of these men submitted to our Judiciary Committee for consultation with the Department of the Army before they are admitted to the service. But these men should be in the Army because they can render great service to the Army. Only 2,500 are involved.

Mr. HOEVEN. That is not the question; I want to know why we need the approval of the State Department?

Mr. VINSON. I do not need the approval of the Secretary of State as far as I am concerned. That can be stricken out.

Mr. HOEVEN. Why is it in the bill?

Mr. VINSON. Because Senator LODGE put it in the bill. So far as I am concerned it can be stricken out.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield.

Mr. WALTER. What effect will the enactment of this legislation have on immigration quotas?

Mr. VINSON. This is outside of immigration quotas.

I will be perfectly willing to accept an amendment—now listen, because you will want to know what I am talking about—that before any of these aliens are accepted by the Army consultation must be had with the Judiciary Committees of the House and the Senate; because we all have the same objective, we do not want anybody in our Army who should not be in that service. I am willing to accept any safeguard to see that we get the right recruits, recruits who can be of service and benefit to carry out any Army mission that General Collins feels is absolutely necessary.

Mr. WALTER. I call attention to the picture at the left of the Speaker, the portrait of Lafayette; I remind the gentleman of Pulaski, Von Steuben, and others, men who took an illustrious part in our fight for independence.

Mr. VINSON. That is quite different; they did not enlist in the Army of the United States; they were allies. These men, however, are going to enlist.

Mr. WALTER. A moment ago the question was raised as to the reason for the inclusion of the Secretary of State. That is absolutely essential, as I see it, because the State Department occupies the position of screening all aliens that come to the United States. By including the authorization from the Secretary of State it is certain there is no question but what the proper visa would be issued.

Mr. VINSON. I hope the committee will give us a full opportunity to vote on the bill, so I trust the rule will be adopted; but I felt it necessary in advance of general debate to make some

explanation of the reasons behind the bill.

Mr. JAVITS. Mr. Speaker, will the gentleman yield for a question?

Mr. VINSON. I yield.

Mr. JAVITS. The gentleman emphasized the point about Communists; will the gentleman emphasize equally the fact that those with a Nazi or Fascist background are equally undesirable as far as our Army is concerned?

Mr. VINSON. They will be screened; we will not have anybody but whose heart beats in harmony with ours.

Mr. Speaker, I hope the committee will adopt the resolution, will debate the bill for an hour and will let the House vote on it.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I am opposed to this bill, because in times like these when we hear about all our other departments of the Government having Reds and Communists and subversives in them, above all, I want to see that the United States Army is 100 percent American. That is the reason why I am opposing this measure. I know that for many years there were certain individuals in our Government who have been attempting to get these foreigners into it. First they wanted a foreign legion, then they wanted 25,000, but they found so much opposition among the membership of both bodies of Congress that they abandoned that and now they have finally got it down to 2,500.

I think there is a statement in the report that is nothing less than an insult to the American soldier. It states that these foreigners, "the citizen candidate on his part gives us a rare human talent in highly specialized fields and will certainly be of substantial value to our country."

Mr. Speaker, can you conceive that this bill provides for boys of 18 years of age coming in and joining the Army and being classified as specialists? As specialists they will naturally obtain the rank of master or technical sergeant. It would be an insult to these men whom the Armed Services Committee is calling into the service and who may be specialists if you do not give them the rank of master sergeant or technical sergeant. This putting of foreign boys 18 years of age over American boys who have been in the Army for many years is not fair.

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Georgia.

Mr. VINSON. The gentleman is in error in the line of argument he is making because this covers original enlistments. When they originally enlist they go in at the lowest grade, so, therefore, could not come in as a technical sergeant.

Mr. ALLEN of Illinois. I am saying that this bill provides that these foreigners who come in are specialists at 18 years of age. The bill itself stipulates they must be specialists and, consequently, if they are specialists they would be entitled soon to become master or technical sergeants and our own American boys who have served for many years would be under the orders of these foreigners.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. It is nothing unusual for an alien who is a resident of the United States to enlist in our armed services. If the gentleman will go back through military history he will find resident aliens held responsible positions in the Army, Navy and Marine Corps and American boys submitted to their commands.

Mr. ALLEN of Illinois. As far as I am concerned if I were in the Army I would not want some 18-year-old boy to come in and be my master sergeant or technical sergeant.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Iowa.

Mr. GROSS. Where are these foreigners coming from?

Mr. ALLEN of Illinois. I do not know what countries they are coming from.

Mr. GROSS. Is there a lack of men wanting to enlist in the Army at the present time?

Mr. ALLEN of Illinois. At the present time I believe they have more who desire to enlist—more American boys—than they will take.

Mr. GROSS. Can the gentleman tell me what effect this sort of thing will have upon the 4,000,000 unemployed and on a lot of boys who have just come out of the high schools and colleges?

Mr. ALLEN of Illinois. Inasmuch as there are thousands of young boys—tens of thousands of them—coming out of the colleges with no work, who have engineering and other specialist learning, perhaps it would be well to regard them as specialists. They are the ones who have lived in America. We should give them the master sergeant's position.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. It is my impression that the age limit set out in this bill is between 18 and 35.

Mr. ALLEN of Illinois. That is correct, 18 to 35. In other words, this bill provides that a young foreigner 18 can be regarded as a specialist. They would come into the Army as specialists and consequently they would eventually receive a specialist's rank as technical or master sergeant.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I want to express the thought that if anybody enlisted at 18 comes in as an original enlistment and got any such rank there might be room for criticism.

Mr. ALLEN of Illinois. The bill provides he must be a specialist. I will ask the gentleman how the average foreigner could be a specialist at that age?

Mr. CASE of South Dakota. It is not limited to those who are 18. The age is up to 35 and they have that long to qualify as a specialist.

Mr. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from California.

Mr. JOHNSON. A great many boys enlist who want to become specialists and they enlist at 18. They have to work up through the ranks before they can attain the rank of technical sergeant. None of these boys will go in as sergeants; also, I want to point out to the gentleman that probably the vast majority of them will be over 21 years of age because very few minors come to America before they are 21.

Mr. ALLEN of Illinois. It is the practice of the Army if a specialist comes in for him to soon reach a sergeantcy. This bill provides that they must be specialists in order to qualify.

Mr. JOHNSON. The bill does not provide that at all.

Mr. ALLEN of Illinois. It provides that they must be a specialist.

Mr. JOHNSON. That is not in the bill.

Mr. ALLEN of Illinois. What does this language in the report mean, then? What is the purpose of writing it in the report?

Mr. JOHNSON. The purpose is to provide that they may become specialists.

Mr. ALLEN of Illinois. The purpose is stated. That is why they are brought in, because they are specialists.

Mr. VAN ZANDT. I am afraid the gentleman from Illinois does not understand the real job to be assigned these individuals. They must have certain qualifications which security reasons will not permit me to mention at this time. But, I can assure the gentleman the specialized ability of these individuals does not apply to the term "specialists" as the gentleman understands it.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from New York.

Mr. KEATING. In that same connection I suggest to the gentleman that among the specialists, of course, would be those who had linguistic ability which some of our own people might not have, and that might enter into this picture; also I make the observation that in World War II there were a great many aliens who served in our Army and who served with great distinction and courage, and in recognition of that we passed a measure here to assist in their efforts to become American citizens.

Mr. ALLEN of Illinois. In conclusion, Mr. Speaker, again I say that I personally would like to keep at least one department of this Government 100-percent American.

Mr. COLMER. Mr. Speaker, I yield 10 minutes to the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, in relation to the pending bill, I think my distinguished and valued friend from Illinois [Mr. ALLEN] is unnecessarily alarmed. If I had any objection to the bill it would be the fact that it is confined to 2,500 only. But, that is satisfactory to me, because I recognize that committees have their problems, and I go along as far as I possibly can with committee reports. The committee has done an unusually fine job by the first amendment on page 2 which eliminates the possibility of any American foreign legion. I think the committee acted wisely in that respect, because in referring to the foreign legion of any country, without mentioning any one country in particular, and I do not like to, sometimes it brings about repercussions abroad that may be misunderstood when there is no offense intended, but, the first committee amendment on page 2 takes care of that and precludes, if it remains in the bill, which I assume it will, and becomes law, the possibility of any organization such as an American foreign legion being established.

Mr. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from California.

Mr. JOHNSON. Regarding the number, the gentleman will note that Senator LODGE had 10,000 in it, and our committee, after considering it very carefully, determined it was sort of an experiment, pioneering, and that we would sooner have a small number, and if proved to be successful that we could enlarge it.

Mr. McCORMACK. I had that in mind. I recognize that when the committee reports out a bill, that it is the collective judgment of the committee, and while I might have some views in some respects to the contrary, I hesitate to go against a committee, even in part, when I am in agreement with the objective sought. I am supporting the bill. My remarks are not to be taken as criticism of any member of the committee reporting out this fine bill, and the two amendments adopted by the committee are excellent amendments. They are not merely perfecting, but strengthening amendments.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I was hoping that the gentleman would oppose the amendment and let it stay at 10,000, because it seems to me the bill has merits on its face. If we cannot integrate 10,000 troops in the total Army, it would be surprising.

Mr. McCORMACK. Of course, this bill will go to conference, and what will be in disagreement will be 10,000 in one branch and 2,500 in the other.

What I wanted to talk about was a matter that I consider of historic importance today taking place in Paris. Delegates from France, western Germany, Belgium, Italy, the Netherlands, and Luxemburg met last Tuesday in Paris, France, in what may be a historic conference aimed at pooling their coal and steel production and to see if they can resolve the recent suggestions of Robert Schuman, Foreign Minister of France, and his French associates, into a practical and effective plan.

What a great ideal to try to bring into agreement, operation, and effect by these six countries.

As stated in part by Foreign Minister Schuman:

> It is our desire to associate in a common and permanent work of peacetime nations which for centuries have fought one another in bloody conflicts.

He was referring, of course, to France and Germany.

Through the successful welding of France and Germany together in this common effort there would be assured, as he said, the "certainty thus to banish from our European community a latent cause of trouble, suspicion, and anguish," and this would be a basis to erect "a solid, European edifice accessible to all nations of good will."

What noble thoughts when he further said:

> We feel we are not permitted to fail, nor to quit without finishing the job. But no one has ever tried such a system as we have outlined. Never have the states conferred, nor even thought of delegating as a group a fraction of their sovereignty to an independent supranational organization.

He called for "a pioneering boldness which is too often absent from our international institutions."

I hope the representatives of the six countries attending this conference will do so with an understanding mind, not impugning the motives of anyone or any of the countries. If this is the animating spirit of the conference, and I am sure it is, no matter how far apart they may be during their deliberations they will be able to come to an agreement of historic importance.

We of America will watch the deliberations, and hope and pray they will come to a successful conclusion.

There is a great ideal that has been brought into this conference and which has brought the conference into being. It has as its objective the removal of some important economic factors that have caused Germany and France in the past to be suspicious of each other for centuries, all due to human weaknesses, and which have created fear, hostility, enmity, and war, instead of understanding and confidence in each other, and friendship and peace. For if any decided step forward in understanding and trust and real friendship can be and is taken by France and Germany and the other four participating nations, a historic step has been taken toward European unity and permanent peace throughout the world.

In connection with this conference a significant event happened in the elections a few days ago in a part of Germany, where the Communist Party candidates, who received 16 percent of the votes cast in the last election, received only about 5 percent of the votes cast a few days ago.

Over 150 years ago the fathers of our country met in a Constitutional Convention to establish a new government for the Thirteen Colonies who had successfully won their independence from Great Britain. The delegates to that convention met under most trying conditions. We know from history that they had a great and historic ideal in mind, the result of which is our country today, which we enjoy and possess. We know from history the opposition they met, of their uncertainties, their despair many times of success, but they persevered and finally were successful. We know the great difficulty they had in having three-fourths of the Original Thirteen States ratify the Constitution.

But conditions existed that required solution, and men with great ideals and courage lived then, and difficulties that appeared insurmountable were overcome.

Uncertainty and confusion vanished and a new notion was established, which is ours today.

The delegates to the convention were men with ideals. They were men with understanding minds. They were determined to succeed, and they did succeed. The framers of the Constitution and the founders of our Government had to meet honest misunderstanding on the part of some; jealousy and prejudice on the part of others; they had to meet the doubting Thomases also. They always exist. They had to contend with the blind and deliberate opponents to any form of government other than a monarchy. They had to contend with those who, in their day, sought only personal or political advantage even against the best interests of the 13 floundering States operating under the Articles of Confederation.

While the conference now going on in Paris is not for the purpose of establishing a new nation, it is a conference of historic importance. Its ideals are high and noble. Its purpose is to chart a new journey in Europe. However, there is a basic resemblance between this conference and our Constitutional Convention of over 150 years ago. The delegates to the Paris Conference, I think it might also be called a convention, can learn much to guide and direct them in their deliberations and efforts from the deliberations of the Constitutional Convention which brought the United States of America into existence. The free world and countless of millions of persons in Communist-controlled countries are watching and will watch with hope and prayers the outcome of this conference. A successful outcome will be one of the outstanding constructive events in the history of the world. The delegates of the six countries have grave responsibilities resting upon them, for the benefit or disappointment of not only this generation, but of many generations to come.

Mr. Speaker, I consider this conference to be of such importance and the results which may flow from it to be of such historic importance to you and me and others of this generation as well as those of future generations to come, that notice should be taken of it in this body. I felt it was my duty to do so and to convey to the delegates to that conference representing the six participating countries the fact that we are watching it—not only countless of millions of Americans, but countless of millions of people everywhere, recognizing that if they can make a decided step forward,

they will be overcoming human weaknesses that have brought about wars in the past and they will be thereby strengthening the will of God, which is everlastingly present, and that they will be accomplishing something of benefit to the entire world for many generations to come.

A successful outcome will be a decided step toward permanent peace.

Mr. Speaker, the entire text of Mr. Schuman's statement on the steel- and coal-pool plan is as follows:

TEXT OF SCHUMAN STATEMENT ON POOL PLAN

Six weeks to the very day have barely elapsed since in this very room with historic memories the French Government made known its plan. Six weeks—a very short interval for such a new and vast objective as pooling the coal and steel production of our countries; very short when one thinks of the customary slowness of international transactions.

France has been blamed for acting precipitately. There has been talk of rapid and brutal tactics. But experience has shown us that the best initiatives are frittered away when, after their birth, they are delayed in preliminary consultations.

In a world anguished by so many set-backs and by impotence, I think we had the right—in fact, the duty—to count on the strength of the idea, to take advantage of the impetus given by the hope it has aroused and the instinctive support of our peoples.

We are now here at the beginning of our task. It is to you, gentlemen, that our six governments have confided the task of justifying this hope. Your task is to express in elastic and clear language, with a view to preparing definite commitments, the principles that have determined the choice of our objectives and that constitute the basis of our deliberations.

We are agreed on the orientation of our work, on the goal we wish to reach. Our governments have agreed to seek in common, by a free confrontation of views and special situations, the best means of applying the principles that we have accepted by creation of new institutions without precedent in the present-day world.

DECLARES TASK IS GREAT

It is a great task, gentlemen, that the confidence of our governments has conferred upon us. We undertake it with pride and conscious of our responsibilities, we feel that we are not permitted to fail or to give up without result. Moreover, our conclusions, as you know, will be submitted for the approval of our governments and the sovereign decision of our parliaments.

No one among us is unaware of the exceptional difficulties of our undertaking. Admittedly, we all have voluminous statistics at our disposal. We shall make good use of the impartial studies made previously on a national scale, as well as those made by international bodies.

But never has a system resembling that which we have in view actually been attempted. Never have States entrusted nor even considered jointly delegating a fraction of their sovereignty to an independent supranational organization.

We shall have to set up a draft treaty that will define in broad outline the attributions of this joint authority, the way it will function, the means of appeal against its decisions and of making its responsibilities effective. We shall have to examine without, however, writing them into the treaty, the technical details that will be the objective of agreements to be concluded subsequently after ratification of the treaty. These conventions will have to be easy to revise so that they may be adapted to the lessons of experience.

We wish to substitute for the ancient practices of dumping and discrimination an enlightened cooperation. That is essential. But what is equally important, and what from the very beginning has been inscribed in the forefront of the plan, is our determination to associate in a joint and permanent task of peace two nations that for centuries have been opposed in bloody competition. It is the certainty of thus eradicating from our European community a latent cause of trouble, of mistrust, and anguish; it is the hope of erecting on this peaceful cooperation a solid European structure, accessible to all nations of good will.

We earnestly would have liked Great Britain to be present at our discussions. We cannot conceive of Europe without her. We know, and are reassured by this, that the British Government desires the success of our labors.

Certain difficulties that have prevented her participating, actively, at least, at the present stage, appeared in the course of discussions that were both frank and friendly. We preserve the hope that the doubts and scruples that a somewhat doctrinal reasoning has failed to overcome will finally yield to more concrete demonstrations.

The French Government certainly will act in conformity with the desires of all the participating governments when it keeps the British Government informed of the development of our deliberations, and thus will insure it the possibility, if not of coming and joining us—which we persist in hoping—at least of sending us all its useful observations, and thus prepare the way for future cooperation.

The conclusions we shall reach will be the fruit of our discussions. Each one of you will contribute your suggestions and criticisms. We shall have a joint determination to succeed, to do something constructive, on the basis of the principles already defined. We shall be inspired by a youthful rashness that is too frequently absent from our international institutions.

Without losing sight of the individual needs of our countries we must be aware that national interests in these times consist in finding beyond our national boundaries the means of achieving a more rational economic structure, more economical and more intensive production, and a greater and more readily accessible market.

Our initiative in no way is meant to ignore or misunderstand the attempts made elsewhere to give Europe a healthy economy. Mr. Stikker recently made an important and fruitful contribution to it. It is situated in a different sphere from our own. There is neither duplication nor contradiction between our two objectives.

The chief characteristic of the French proposal is that, aside from its economic importance, which is susceptible to developments that at the present moment cannot be guessed at, it has had and preserves a political value that from the very first moment struck opinion in different countries more than anything else.

For our part, we shall begin the work thus assigned to us. We shall first of all have to adopt a method of working. It will be work in teams instead of a conference with meticulous and rigid rules. We shall all of us wish above all to be efficient. Brilliant eloquence will not tempt us.

An informative meeting tomorrow will enable us to fix our ideas in this respect. They will be defined during personal contacts that we shall be anxious to establish and maintain.

The fundamentals of our problems will be taken up at the same time. The two cannot be separated. We shall pool our ideas, we shall put them up against each other and choose between them. The French Government will make known its ideas to you in the next few days. The draft text it will submit will form the basis for work it hopes will be useful and fruitful.

For today, I shall limit myself to welcoming you in my Government's name, and expressing ardent hopes that we shall not disappoint the expectations of the peoples who place their hope and confidence in you.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to proceed on the same subject that the distinguished majority leader just discussed.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

THE FREE STATES OF EUROPE

Mr. CASE of South Dakota. Mr. Speaker, I am not authorized to speak for the minority on this matter, but it happens that during the Eightieth Congress in the fall of 1947 I was chairman of a subcommittee for Germany and Austria of the so-called Herter committee, the Select Committee on Foreign Aid, and spent 6 weeks in Germany and Austria with a subcommittee of five members. The problem which the gentleman from Massachusetts has discussed was the basic problem with which we were concerned during the entire time that we were there, and that was the economic rehabilitation of western Europe and the part that western Germany might play in it.

In that capacity we conferred not only with the German leaders but the French leaders in the French zone of western Germany and with British leaders in the English zone. When we returned we made a report, which included this recommendation:

That the states of Germany which are free to do so be encouraged to form a constitutional government at the earliest possible date; a government with powers derived from the member states, a government which other German states could join when free to do so, and free itself to join any federation of free states looking toward the economic stability of Europe and world peace.

In concluding our report covering this and other recommendations, we said:

The committee believes that carrying out these recommendations will go far in putting Germany on her feet, relieve the United States taxpayer of immense occupation costs, bring to the cause of world stability and European recovery the great capacities of the German people and aid much in developing the free states of Europe as a bulwark of world peace and free institutions.

The report was signed:

The subcommittee for Germany: FRANCIS CASE, South Dakota, chairman; JOHN M. VORYS, Ohio; CHARLES W. VURSELL, Illinois; EUGENE E. COX, Georgia; OVERTON BROOKS, Louisiana.

So it is my sincere conviction, Mr. Speaker, that what is happening in Paris today is probably as important for the future of the world as anything can be. I would heartily endorse all that the distinguished majority leader has said as to the importance of what is going on there to all our deliberations here. All of these things that we talk about here—peace and the cost of Government—are

definitely hitched up to what may come out of the Paris conference.

As a member of the minority I want to join in what the distinguished majority leader has said about the importance of what they are trying to do at the conference. So, for myself, and I am sure for those who were on that committee, I wish for Premier Schuman and his associates the greatest possible success in what they are seeking to do at this conference in Paris.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I hold in highest regard the members of the Military Affairs Committee on both sides of the aisle, but I am greatly surprised at their bringing in a bill such as we have to consider today. They want to admit 2,500 more aliens, if necessary, into this country above the quota. That is the first objection I have to the bill.

The second objection I have to the bill is because they want the Secretary of State to pass on the men they are going to allow to come into the Army of the United States, and go into foreign countries where they learn everything about our own Army, and then, if they do not want to join up as an American citizen, they are free to tell everything they have learned about the American Army. If that is good policy and good business, then I do not know what I am talking about. It is silly to me.

Then I want to say further that I have the highest regard for the Military Affairs Committee, but I do not want to see them taken over like most of the members of our Foreign Affairs Committee is being taken over by foreign countries. We are getting so imbued with the ideology of these foreign countries that I wonder where our Americanism is going. I just cannot see it like they do. It is too much for me. It seems to me that these foreigners are pulling the wool over our eyes and we do not know it. This is poor judgment on the part of everybody who has any part in trying to pass this legislation. When you have 13,000 aliens in the State Department passing out the hard-earned dollars of our American taxpayers it is about time that the American people woke up and realized what is going on. I just cannot understand what you are trying to do, putting 2,500 aliens in the Army. It is just too terrible to contemplate the ultimate results if they turn against America.

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Georgia, chairman of the committee, a man who I have the greatest respect for.

Mr. VINSON. The gentleman said he was surprised that the Armed Services Committee reported such a bill. Does the gentleman know who the author of this bill is—the distinguished Senator from Massachusetts [Mr. LODGE]?

Mr. RICH. I do not care who the author of it is. I do not care whether he is a Republican or a Democrat, or what he is. All I want him to be is a good, sound American, and if he is a good, sound American, he will think deeper. These fellows who brought up this bill here have not been thinking deep enough, hard enough, sound enough for me.

Mr. VINSON. Does the gentleman know that the Chief of Staff, General Collins, personally is appealing for this legislation? What comment has the gentleman about the Chief of Staff? He has already made his comments about the committee and about the author of the bill. What is his comment about the Chief of Staff?

Mr. RICH. I want the Chief of Staff of the American Army to get Americans. We do not have to get a lot of foreigners to run our Army, it is a sad commentary. I want the Chief of Staff of the American Army to see that we educate our own American boys to be in our Army. We have a lot of our American boys who are right here in America who want to go into the Army, men who know all about those countries, men whom you can trust, men who are good American citizens, born in America or naturalized American citizens, men that we are going to pay with American dollars, men that are Americans from the top of their head to the soles of their feet. That is what I want. I do not want any foreigners.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. RICH. Yes; I yield to my colleague who was kind enough to give me this time.

Mr. ALLEN of Illinois. I asked the gentleman to yield in order that I might ask a question of the gentleman from Georgia [Mr. VINSON].

Does this deny the American boy, if we reach a certain quota in our own Army, where there may be thousands of American boys trying to get into our own Army—will this bill, according to its language, deny 2,500 American boys the right to serve the flag which they admire so much?

Mr. VINSON. I would say it probably would not, because you will hardly ever be up to within 2,500 of our enlisted strength. It will not interfere with any enlistment in the Army.

Mr. RICH. I will ask the gentleman from Georgia this question: There being a quota on the number of men in the Army, and we take in these 2,500 foreigners, will not that necessarily deny such positions to 2,500 American boys?

Mr. VINSON. Yes; it would, if you had only 611,000, and that is all the money you appropriated for. You might not have any money to pay for 2,500, so the 2,500 would not come in.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman three additional minutes; and I will ask the able chairman of the Defense Committee this question: I think the gentleman from Pennsylvania made a very thought-provoking observation when he said that the State Department approves of these individuals coming into the Army. What will prevent left-wingers from coming over here, getting information from our Army in these enlistments and peddling it to their advantage to some other country in the event some crisis confronts us?

Mr. VINSON. If the gentleman from Illinois and the gentleman from Pennsylvania think that General Collins and the men who run the Army will permit aliens who are communistic in thought to enter into the armed services, then they should vote against this bill.

Mr. ALLEN of Illinois. Well, I think it.

Mr. VINSON. And I want to say this in view of the way the distinguished gentleman from Pennsylvania has been criticizing the committee, criticizing the officers——

Mr. RICH. No; I said that the State Department was pulling the wool over the committee's eyes. I think you good men are being fooled terribly in this legislation.

Mr. VINSON. The gentleman was criticizing the committee; he was criticizing the author of the bill; he was criticizing General Collins.

Mr. RICH. No, no, no; first, I am criticizing the Foreign Affairs Committee—and I love every one of the members of that committee and the members of the Armed Services Committee—but you have just been hoodwinked. I want you to get your glasses on and see what is happening. That is the point I am trying to make here. Only sound Americans should be in the American Army.

Mr. VINSON. My glasses are on, and I am looking over them listening to the fallacy of the gentleman's argument; but at the same time I am trusting General Collins. Strike out the State Department if that disturbs you.

Mr. RICH. Well, you ought to do that; you should do it, and only let good Americans in our armed services.

Mr. VINSON. All right. I am going along with the bill. I have confidence in General Collins, and the American people have confidence in him. When General Collins comes behind closed doors after we had held this bill in committee for over a year and stated his reasons for wanting it, charged with the responsibility he is charged with, saying that we must have this small group, I am willing to trust him.

Mr. RICH. We have the gentleman's own statement now that he held this bill up 1 year. You just did not hold it up 1,000 years long enough; yes, better still, forever.

Mr. VINSON. That may be true. We would not have brought it out if General Collins, charged with this great responsibility, had not urged it.

Mr. RICH. Let me ask the chairman of the Armed Services Committee this question: Why in the world does General Collins, head of our Army, want to go out and get 2,500 foreigners instead of getting 2,500 equally well-trained and competent Americans? That is what I want to know.

Mr. VINSON. For the simple reason that he wants people in the Army who know the terrain, the language, the customs, the philosophy, and the psychology of the people in countries that probably he may have to deal with.

Mr. RICH. For years we have been taking men from every country in the world into this country; they have become American citizens—good American citizens, naturalized. To say that we do not have qualified Americans to fill this need is ridiculous. It is a poor admis-

sion by anybody in the Army or out of the Army.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has again expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield four additional minutes to the gentleman from Pennsylvania.

Will the gentleman from Pennsylvania yield?

Mr. RICH. I yield.

Mr. ALLEN of Illinois. The chairman of the Armed Services Committee does not for one minute imagine that General Collins, great man that he is, but busy man that he is, could personally supervise these enlistments and check against left wingers getting into the armed services.

Mr. VINSON. I will say this, that these men will be hand-picked and they will be combed and the authorities will know exactly what they are before they are taken in the Army. That is the reason we have limited it to 2,500 men.

Mr. ALLEN of Illinois. I have heard that expression before, especially in connection with the State Department and the Secretary saying how clean his Department was, yet other officials of the State Department came here at one time and stated that they knew there were two or three hundred homosexuals who should be fired.

Mr. BURNSIDE. Mr Speaker, will the gentleman yield?

Mr. RICH. No; I asked for this time to put across an idea, but I have not had much of the time to myself. The idea is Americanism is and should be the best citizenship in all the world.

The head of the Army, great general that he may be, ought to realize that he should be able to get better results from American citizens than from any foreigner who was ever born. That is the point I make. If we here in the Congress are American citizens we ought to insist on having an army of American citizens. We should not hire other citizens to betray their own country. The Good Book says, "Lead us not into temptation." We do not want an army of foreigners.

Mr. BURNSIDE. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from West Virginia.

Mr. BURNSIDE. I want to answer three questions that have been raised here. First, the Army is 25,000 under quota at the present time and this will not displace any persons in the Army; second, we were able to get many scientists to help us with our experiments in New Mexico which we could not have gotten if we had not used a method like this and, third, the 13,000 the gentleman is speaking about in the State Department are clerks and assistant clerks and if we went ahead and sent Americans over there to those places our cost of government would go up tremendously.

Mr. RICH. What does the gentleman care about the cost of government? He has been voting for everything. That does not seem to mean anything to a lot of Members over on that side.

I want soldiers who are Americans first and, second, I want fellows in the Army from the top to the bottom who are going to see that we have Americans to look after America. It is about time that we stop trying to meddle in all the affairs of every nation in the world. It is time that we look after the citizens of this country and do it through and by citizens of this country.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. I would like to ask the chairman of the Committee on the Armed Services another question. In the event these people go in the Army do they have all of the benefits that the American soldiers have for their service or do they get more benefits?

Mr. VINSON. They will be enlisted with the same rights, the same privileges and be dispersed through the Army like any other enlistee in the Army.

Mr. ALLEN of Illinois. They will not get more than the American soldier in benefits?

Mr. VINSON. Every benefit that the American soldier is entitled to he gets.

Mr. TACKETT. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Arkansas.

Mr. TACKETT. With all the talk that has been going on I have not been able to ascertain yet, I have heard no one say yet, what the purpose of this bill is. Why do we need 2,500 aliens in the Army?

Mr. RICH. I say we do not need them. We have Americans enough, we have Americans who are sound men who are naturalized American citizens, who will fight for the country like our own boys have in all the wars that they have been in. I do not believe in taking a lot of aliens and putting them in our Army regardless of where they come from or what their nationality is or anything else. I think it is wrong. That is the matter I am talking about.

Mr. TACKETT. Does the gentleman understand this is a swap whereby we guarantee some person on foreign soil American citizenship if he will spy on his own country or some other country?

Mr. RICH. Yes; and when the 5 years are up he goes back to his own country and tells them all the secrets he learned while a member of the armed services of our country. It is wrong. I hope the committee will take this bill back and keep it for just 1,000 years longer in committee. America for Americans forever. Once an American always an American. An America that is worth citizenship is worth fighting for. Love of country is our greatest heritage.

Mr. COLMER. Mr. Speaker, I yield 6 minutes to the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Speaker, I do not purport to know anything about this bill. For that reason I am not going to argue for it or against it. But I would like to have some facts in order that I may know whether or not it is the type of legislation I suspect it to be.

It is my opinion that this proposal enlists 2,500 aliens into our armed services for the purpose of obtaining information from foreign countries by giving some on foreign soil something they otherwise would not have less they be spies. We passed a bill of this sort last year. It was so secretive we did not even open our mouths about it. They said, "Do not talk about it at all. It is too secret." You were then authorizing the armed forces to enlist some 50 or 100 spies a year, as I remember it. Now you get into an argument as to whether 10,000 or 2,500 should be enlisted by virtue of this legislation. I have an idea you just want 2,500 because you just want 2,500 spies. I guess that is what it is all about. This is another matter that is so secret we are not supposed to talk about it. You know, when things get that secret they do not usually amount to a hoot, anyway.

I want to know if there is any person within the United States or elsewhere who is worth a tinker's hoot to this country or any other country who would take the citizenship of some other country in order to sell out the people of his own country? If he has a certain philosophy in life and has a definite belief, and if he will swap that information that might be detrimental to his own people to some other nation because they will give him citizenship and a few more dollars than he could get by serving his own people, then I guarantee you that that information is not worth a hoot, anyway.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I do not know of anything that is dearer to the American people than their citizenship.

Mr. TACKETT. But we are selling it mighty cheap now.

Mr. ABERNETHY. American citizenship is something which is coveted around the world. Does not the gentleman think that we are lowering it to a very ordinary category when we use it as a lure to get spies into the Army of the United States?

Mr. TACKETT. I cannot imagine anything that we could do that would so lower respect of those things that our people have so prized in life as to offer American citizenship to somebody that will come here and give us some information about some other people—even his own people; in other words, we will give the sorriest man in the world citizenship if he will be a dirty spy.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Mississippi.

Mr. RANKIN. To show you how easy it is for one of these spies to cover up, 135 years after the close of the Revolutionary War the British Government published a record that showed that Bancroft, Benjamin Franklin's secretary, while he was in France, was a British spy, and when Franklin would send him over to England to get information, instead of getting information, he would give information to the enemy.

It would be very easy for these spies who would come in under this kind of a provision to undermine this country and to take back the secrets that we are trying to protect.

Mr. TACKETT. I want to ask someone, if it is not too big a secret to tell,

do we need 2,500 men who happen to live in Europe or on some other portion of this globe outside this country? Do we need them, have we run out of people to serve in our Army, is it necessary for us to have a hired army, or is it the fact that you are just trying to get some information by luring someone into believing that they should tell on their own people in turn for American citizenship?

Mr. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from California.

Mr. JOHNSON. Does not the gentleman realize that in America there are a great many refugees from countries behind the iron curtain? There are thousands of them that have left their country because the government has changed and the entire life of the country has changed. They have ideas like we have, and it is those people that we would like to have in our Army, people who are thoroughly screened and who understand the situation in parts of the world where we have very meagre knowledge.

Mr. TACKETT. Why does not this bill say that?

Mr. JOHNSON. The bill could not spell all those things out, in the very nature of things, but that is what the situation is. I want to point out one thing, if I may. Some people seem to be so jittery about foreigners. Sitting right in this Congress, one out of every six men and women in this House of Representatives is the son or the daughter of an immigrant. Their parents were good American citizens. We think the screening process provided by our bill will guarantee beyond any question that these soldiers will be 100 percent American.

Mr. TACKETT. Well, I do not know that that is anything to be all elated over. The fact is, though I do not know but maybe we have two or three people here who are descendants from American Indians. I guess the rest of us come from somewhere; I do not know where. That is not the argument. My goodness alive, 150 years ago a lot of your people did some things that maybe you would not be proud of or I would not be proud of, I do not know, but that is the poorest argument I ever heard of.

Mr. RANKIN. Mr. Speaker, if the gentleman will yield further, I want to call the attention of the gentleman from California to the fact that we had some of these refugees from behind the iron curtain, especially a couple of Eislers. When we turned the spotlight onto them we found that they were Communists, traitors to this country. Gerhardt Eisler is over there now leading a Communist drive in Germany.

Mr. TACKETT. I know if these 2,500 people are all perfect, and if General whoever he is is going to personally look after them, and he can keep his hands right on them and not make one mistake, it will be a wonderful idea, because we can get some good information from some other countries from some fellow that is willing to sell his own people down the river. At the same time, if you make one mistake, it will cost you a lot more than you will gain by taking in these 2,500 people.

Mr. COLMER. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I can recognize and appreciate the differences of opinion that arise about this proposed legislation. I especially appreciate the fact that so much of the opposition to this proposed legislation that has been expressed today, openly and privately, comes from my section of the country. I have always prided myself and my section, justly or unjustly, and that is neither here nor there, on the fact that when it came to real patriotism in this country my section had no superior. Therefore, I can understand the alarm and the concern of my friends and colleagues, as I say, particularly from my section. But now let us see where we are on this proposed legislation.

This is nothing new, to begin with, about having aliens in our armed forces. Why, in the very birth of this country, who contributed more, aside from George Washington, than the gentleman from France, Mr. Lafayette? Who contributed more in taking our green enlistees and turning them into trained soldiers than Von Steuben, of Germany? Who contributed more than Pulaski, of Poland, to whom monuments have been erected in this country?

Aside from that, modern warfare is conducted in modern times on a different basis, when every resource, when every technique has to be resorted to in order to win that war. We live in a small world, a world that has shrunk to a very small sphere compared with what it was a few years ago. We live in one world, whether we like it or do not like it. As far as I am personally concerned, and I have often said this, I should like to follow the admonition of the great father of this country to beware of these foreign alliances and entanglements and live within ourselves. If it were not for the smallness of this world today, I would be the rankest isolationist in this body. I should like to get away from all of that. But we have to face conditions as they are.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi.

Mr. COLMER. I appreciate the courtesy of my friend.

The chairman of the Committee on Armed Services says he would be glad to take the State Department out of this. I, too, have criticized the State Department, but the State Department, is put into this picture because it is the one agency that is best set up and qualified to screen these people who are going to be taken into the armed forces. If there is a better agency that can be set up, then substitute that when you have the bill on the floor.

Modern warfare, as I started to say, has changed. Conditions have changed over there. We have to have confidence in somebody. My first impression, when this legislation was brought up before the Committee on Rules, was to oppose it. As a layman, as a civilian, as a Member of Congress, I cannot say what we should have or should not have in our armed services. But when the Chief of Staff of the Army of the United States says that this is what we need, and that they want it, so that they can guard them and watch them and screen them, and if they commit sabotage against this country or prove unfaithful, they will be subject to court martial, I cannot argue against it.

Let us not get unduly excited about this. If, after giving mature judgment and consideration to this, you do not believe that it is a wise, patriotic thing to do for our country, then vote against it. But let us not get into hysteria on the question.

Mr. RICH. Can you place more confidence in a foreigner than you can in an American citizen?

Mr. COLMER. Of course not, my friend, of course not. That is not the issue here. The issue is simply whether we have enough confidence in those in charge of our armed services and the national defense to give them the weapons to properly defend this country. They say that they can best do that job by having these trained aliens, familiar with certain countries of Europe, the habits and secrets of the people and the governments of those countries, in our armed service.

The Chief of Staff and his fellow officers are trained in warfare. I am a layman. I am forced to rely on their judgment.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I did not think I was going to ask for a roll-call vote on the rule or on the bill itself, but after listening to the debate here and not hearing one reason why we should have this measure passed, I certainly am going to ask for a roll call on both the rule and the bill.

One thing has come out here. While General Collins, I believe, did come up and request this bill, there is nothing in the record where the Department of Defense or where Mr. Johnson or any of them came up and requested such a thing as this. I do not think anyone can dispute that some of these foreign boys would like to come into this country and get benefits forever under such a law as this. They would be happy to join the colors in order to receive these benefits as technical master sergeants and as specialists—benefits which they would get for the rest of their lives. Naturally they will join the American flag and perhaps it may be that some of them may turn over the information they receive as a result of holding these technical positions to the enemy.

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. VINSON. In view of the fact that the gentleman from Illinois pays so much attention to Mr. Johnson, I want to call his attention to what Mr. Johnson said:

As indicated the Department of the Army testifies in support of the proposed legisla-

tion. In so testifying, the Army is representing the views of the Department as a whole.

Mr. ALLEN of Illinois. Yes; that is right; that is the department as a whole.

With regard to the quota of enlistments, there are now many American boys who want to join the American Army. If you add these 2,500 that will be denying 2,500 American boys the right to serve under the American flag, boys who will probably do a much better job than some of these foreigners. I appreciate that under the bill that anyone opposing this bill will not have an opportunity to speak.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore (Mr. THOMAS). The question is on the resolution.

The question was taken; and on a division (demanded by Mr. ALLEN of Illinois and Mr. RICH) there were—ayes 73, noes 17.

Mr. RICH. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not preesnt.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 232, nays 61, not voting 137, as follows:

[Roll No. 181]

YEAS—232

| | | |
|---|---|---|
| Abbitt | Cooley | Halleck |
| Addonizio | Cooper | Harden |
| Albert | Corbett | Hardy |
| Allen, Calif. | Crawford | Harrison |
| Andersen, H. Carl | Crook | Hart |
| | Crosser | Harvey |
| Andrews | Cunningham | Havenner |
| Arends | Curtis | Hays, Ark. |
| Aspinall | Dague | Hedrick |
| Bailey | Davenport | Herter |
| Barden | Davies, N. Y. | Heselton |
| Baring | Davis, Tenn. | Hoffman, Mich. |
| Bates, Mass. | Deane | Holifield |
| Battle | Delaney | Holmes |
| Beckworth | Denton | Howell |
| Bennett, Fla. | Dollinger | Huber |
| Bennett, Mich. | Donohue | Jackson, Calif. |
| Bentsen | Douglas | Jacobs |
| Biemiller | Doyle | Javits |
| Blatnik | Eaton | Jenison |
| Boggs, La. | Eberharter | Jennings |
| Bolling | Elliott | Jensen |
| Bonner | Ellsworth | Johnson |
| Bosone | Elston | Jones, Ala. |
| Bramblett | Engle, Calif. | Jones, Mo. |
| Brown, Ga. | Evins | Jones, N. C. |
| Brown, Ohio | Feighan | Judd |
| Buchanan | Fellows | Karst |
| Buckley, Ill. | Fenton | Karsten |
| Burleson | Fernandez | Keating |
| Burnside | Fisher | Kee |
| Burton | Flood | Kilburn |
| Byrne, N. Y. | Forand | Kilday |
| Byrnes, Wis. | Ford | King |
| Camp | Fugate | Kirwan |
| Canfield | Fulton | Klein |
| Cannon | Furcolo | Kunkel |
| Carnahan | Garmatz | Lane |
| Carroll | Gavin | Lanham |
| Case, N. J. | Goodwin | Latham |
| Case, S. Dak. | Gordon | LeCompte |
| Celler | Gorski | LeFevre |
| Chatham | Graham | Lind |
| Chelf | Grant | Linehan |
| Chesney | Gregory | Lucas |
| Christopher | Guill | McCarthy |
| Clemente | Hagen | McConnell |
| Clevenger | Hale | McCormack |
| Colmer | Hall, Leonard W. | McCulloch |
| Combs | | McDonough |
| McGrath | O'Sullivan | Sullivan |
| McGuire | Patten | Taber |
| McKinnon | Peterson | Talle |
| Mack, Wash. | Philbin | Tauriello |
| Madden | Phillips, Calif. | Thomas |
| Magee | Poulson | Thompson |
| Marsalis | Preston | Thornberry |
| Martin, Iowa | Price | Tollefson |
| Martin, Mass. | Priest | Trimble |
| Meyer | Ramsay | Underwood |
| Michener | Rhodes | Van Zandt |
| Miles | Riehlman | Vinson |
| Miller, Nebr. | Robeson | Vorys |
| Mills | Rodino | Wagner |
| Morgan | Rogers, Mass. | Walter |
| Multer | Rooney | Weichel |
| Murdock | Roosevelt | Whitaker |
| Murphy | Sasscer | Widnall |
| Murray, Tenn. | Scudder | Wier |
| Nelson | Sheppard | Wigglesworth |
| Nixon | Short | Wilson, Okla. |
| Noland | Sikes | Withrow |
| Norblad | Simpson, Ill. | Wolcott |
| Norton | Smathers | Woodhouse |
| O'Brien, Ill. | Spence | Woodruff |
| O'Hara, Ill. | Staggers | Yates |
| O'Konski | Stanley | Young |
| O'Neill | Stefan | Zablocki |

NAYS—61

| | | |
|---|---|---|
| Abernethy | Hull | Rankin |
| Allen, Ill. | Jonas | Reed, Ill. |
| Allen, La. | Kean | Reed, N. Y. |
| Angell | Kearney | Rees |
| Barrett, Wyo. | Kruse | Rich |
| Bishop | Larcade | Rogers, Fla. |
| Bolton, Ohio | McMillen, Ill. | Scrivner |
| Carlyle | Mahon | Secrest |
| Cole, Kans. | Mansfield | Smith, Kans. |
| Davis, Ga. | Marcantonio | Smith, Wis. |
| Davis, Wis. | Mason | Tackett |
| D'Ewart | Murray, Wis. | Teague |
| Dondero | Nicholson | Velde |
| Gathings | Norrell | Vursell |
| Golden | O'Hara, Minn. | Whitten |
| Gossett | O'Toole | Williams |
| Gross | Passman | Willis |
| Harris | Patman | Wilson, Tex. |
| Hays, Ohio | Pickett | Winstead |
| Hill | Poage | |
| Hoeven | Rains | |

NOT VOTING—137

| | | |
|---|---|---|
| Anderson, Calif. | Hébert | Plumley |
| Andresen, August H. | Heffernan | Polk |
| | Heller | Potter |
| Auchincloss | Herlong | Powell |
| Barrett, Pa. | Hinshaw | Quinn |
| Bates, Ky. | Hobbs | Rabaut |
| Beall | Hoffman, Ill. | Redden |
| Blackney | Hope | Regan |
| Boggs, Del. | Horan | Ribicoff |
| Bolton, Md. | Irving | Richards |
| Boykin | Jackson, Wash. | Rivers |
| Breen | James | Sabath |
| Brehm | Jenkins | Sadlak |
| Brooks | Kearns | Sadowski |
| Bryson | Keefe | St. George |
| Buckley, N. Y. | Kelley, Pa. | Sanborn |
| Bulwinkle | Kelly, N. Y. | Saylor |
| Burdick | Kennedy | Scott, Hardie |
| Burke | Keogh | Scott, Hugh D., Jr. |
| Cavalcante | Kerr | |
| Chiperfield | Lichtenwalter | Shafer |
| Chudoff | Lodge | Shelley |
| Cole, N. Y. | Lovre | Simpson, Pa. |
| Cotton | Lyle | Sims |
| Coudert | Lynch | Smith, Ohio |
| Cox | McGregor | Smith, Va. |
| Dawson | McMillan, S. C. | Steed |
| DeGraffenried | McSweeney | Stigler |
| Dingell | Mack, Ill. | Stockman |
| Dolliver | Macy | Sutton |
| Doughton | Marshall | Taylor |
| Durham | Merrow | Towe |
| Engel, Mich. | Miller, Calif. | Wadsworth |
| Fallon | Miller, Md. | Walsh |
| Fogarty | Mitchell | Welch |
| Frazier | Monroney | Werdel |
| Gamble | Morris | Wheeler |
| Gary | Morrison | White, Calif. |
| Gillette | Morton | White, Idaho |
| Gilmer | Moulder | Whittington |
| Gore | O'Brien, Mich. | Wickersham |
| Granahan | Pace | Wilson, Ind. |
| Granger | Patterson | Wolverton |
| Green | Perkins | Wood |
| Gwinn | Pfeifer, Joseph L. | |
| Hall, Edwin Arthur | Pfeiffer, William L. | |
| Hand | Phillips, Tenn. | |
| Hare | | |

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. O'Brien of Michigan with Mr. Wolverton.
Mr. Gary with Mr. Macy.
Mr. Bates of Kentucky with Mr. Coudert.
Mr. Burke with Mr. Towe.
Mr. Jackson of Washington with Mrs. St. George.
Mr. Gilmer with Mr. Horan.
Mr. Boykin with Mr. Jenkins.
Mr. Miller of California with Mr. Kearns.
Mr. Hébert with Mr. Chiperfield.
Mr. Redden with Mr. Miller of Maryland.
Mr. Mitchell with Mr. Lichtenwalter.
Mr. Rabaut with Mr. McGregor.
Mr. Cavalcante with Mr. Auchincloss.
Mr. deGraffenried with Mr. Blackney.
Mr. Fallon with Mr. Morton.
Mr. Welch with Mr. Dolliver.
Mr. Wickersham with Mr. Gwinn.
Mr. Perkins with Mr. Hand.
Mr. Wood with Mr. Hoffman of Illinois.
Mr. Brooks with Mr. James.
Mr. Morrison with Mr. Sadlak.
Mr. Sadowski with Mr. Wadsworth.
Mr. Moulder with Mr. Boggs of Delaware.
Mr. Keogh with Mr. Patterson.
Mrs. Kelly of New York with Mr. Potter.
Mr. Heller with Mr. Engel of Michigan.
Mr. Heffernan with Mr. Beall.
Mr. Kennedy with Mr. Anderson of California.
Mr. Joseph L. Pfeifer with Mr. August H. Andresen.
Mr. Buckley of New York with Mr. Brehm.
Mr. Chudoff with Mr. Cole of New York.
Mr. Green with Mr. Gillette.
Mr. Barrett of Pennsylvania with Mr. Hinshaw.
Mr. Lynch with Mr. Hope.
Mr. Dingell with Mr. Taylor.
Mr. Cox with Mr. Shafer.
Mr. Fogarty with Mr. Simpson of Pennsylvania.
Mr. Frazier with Mr. Stockman.
Mr. Granahan with Mr. Hardie Scott.
Mr. Regan with Mr. William L. Pfeiffer.
Mr. Ribicoff with Mr. Gamble.
Mr. Steed with Mr. Edwin Arthur Hall.
Mr. Stigler with Mr. Hugh D. Scott, Jr.
Mr. Irving with Mr. Werdel.
Mr. Sutton with Mr. Wilson of Indiana.
Mr. McSweeney with Mr. Sanborn.
Mr. Mack of Illinois with Mr. Saylor.

Mr. SECREST and Mr. MARCANTONIO changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

DEFICIENCY APPROPRIATION ACT, 1950

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause]. The Chair hears none, and appoints the following conferees: Messrs. CANNON, MAHON, THOMAS, WHITTEN, TABER, and WIGGLESWORTH.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the conferees on the bill H. R. 8567 have until 12 o'clock tonight to submit a conference report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ENLISTMENT OF ALIENS IN THE REGULAR ARMY

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2269) to provide for the enlistment of aliens in the Regular Army.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 2269, with Mr. CARROLL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. VINSON. Mr. Chairman, the gentleman from Illinois [Mr. ALLEN] raised the question that the bill did not have the approval of the Secretary of Defense, Mr. Johnson. I desire to call to the attention of the committee the fact that in a letter dated January 25, 1950, written to me by the Secretary of the Army, the Secretary had this to say:

> The Secretary of Defense has delegated to this department the responsibility of expressing the views of the Department of Defense. The Department of the Army favors the enactment of H. R. 5140 subject to the amendments hereinafter recommended.

So the committee can understand this is a departmental bill recommended by the Department of Defense and the responsibility for its consideration was given to the Department of the Army.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. JOHNSON. Will the chairman please advise the committee whether the vote on the bill in committee was unanimous?

Mr. VINSON. I point out to the Committee that after two or three hearings, after Senator LODGE, the author of the bill, appeared in person, after General Collins had testified in open hearings as well as in executive session, after thorough debate in committee, the Committee on Armed Services made a unanimous recommendation in support of this bill.

Mr. Chairman, in view of what has been said, I propose to offer an amendment to strike out the wording with reference to the Secretary of State. I am not sharing, by offering that amendment, in some of the criticisms that have been made of the Secretary of State or his department, but I am eliminating the opportunity that the retention of those words in the bill might give to some as a ground for objection.

So the bill will read, if that amendment is agreed to, "With the approval of the Secretary of the Army."

Mr. ALLEN of Illinois. Will the gentleman yield?

Mr. VINSON. I yield.

Mr. ALLEN of Illinois. Did the Committee on Armed Services unanimously agree to the State Department doing the screening of everyone? Is it my understanding that the Armed Services Committee wanted the State Department to do all the screening and the final approval?

Mr. VINSON. If the gentleman from Illinois has the idea that the State Department does any screening, he is in error.

Mr. ALLEN of Illinois. Did your committee unanimously approve doing the screening as the gentleman from California mentioned, when he said you had unanimously reported the bill?

Mr. VINSON. The whole theory of the bill is that all the screening and the selection and the enlisting shall be done by the Department of the Army. So I will offer an amendment at the proper time to strike from this bill "the Secretary of State," giving complete control of this legislation to the Department of the Army. That will eliminate the objection that some have made to the bill.

Then I will also offer an amendment on page 3 of the bill to strike out the words "or earlier." The effect of that is this: Under the committee amendment, before anyone could get citizenship, he must be ordered to this country and must have served honorably for 5 years or have received an honorable discharge at the end of the enlistment or at an earlier date. So we will offer an amendment to strike out "or earlier." The effect of that is that he must serve not less than 5 years, must be honorably discharged, and he must be ordered to the United States. If he is not ordered to the United States, it makes no difference how long he serves, he never can become a citizen of the United States.

Now, let us be realistic about this. Suppose a certain alien is recruited in the Army from a country in Europe. He never comes to this country. He never becomes a citizen of the United States. If he is never ordered here, he does not become a citizen of the United States. If he is ordered here, and if he is otherwise qualified and has served 5 years honorably, then he is eligible for citizenship.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. STEFAN. After 5 years can he take out his first papers, or does he automatically become a citizen?

Mr. VINSON. He must qualify after that, just like everyone else.

Mr. STEFAN. In other words, he will have to wait 5 years more before becoming a citizen?

Mr. VINSON. No.

Mr. STEFAN. Then, he automatically becomes a citizen. I am afraid the gentleman did not clarify that. After 5 years he takes out his first papers, does he? Under the regular immigration laws an alien takes out his first papers.

Mr. VINSON. He gets the same benefits automatically that the wartime alien received.

Mr. STEFAN. That would be 1 year, then.

Mr. VINSON. Yes. That is all the benefit he gets.

Mr. STEFAN. Then, after 5 years, the 1-year provision applies?

Mr. VINSON. Yes. Now, all this bill does is to permit the Department of the Army to recruit 2,500 people, to recruit them for a period of 3 years. They must be between the ages of 18 and 35.

Let me call your attention to this: The demands of modern war and of modern military machines for highly technical, scientific, professional, and specially trained individuals are insatiable. The time has passed when a general practitioner in the art of warfare will suffice. The military now is a grouping of vast numbers of specially trained technicians in every field of human endeavor.

This high degree of specialization and our world-wide interests, risks, and obligations have produced this program. It will open to our Army opportunities for obtaining exceptionally well qualified persons in fields which cannot be fully satisfied through our own manpower resources. Persons such as skilled linguists, persons who comprehend foreign customs, temperament, and psychology, who are intimately familiar with the terrain and local geographic features of various areas in the world, will be of extreme value to our Army and yet very difficult to obtain solely from among American citizens. It is such people that this bill contemplates will be admitted into our Army.

That is the whole purpose of the legislation, and it is also safeguarded as to citizenship.

With the number admissible so limited—only 2,500—there can be no doubt that those admitted will be of the very highest caliber and of the finest abilities. Because of these considerations the Army Chief of Staff, who appeared before our committee both in open and in executive session on this bill, is very eager for the early enactment of this measure in order to get this important program promptly under way.

Now, there is another important provision in this bill. It is section 4, appearing on page 3 of the bill.

This section will qualify for American citizenship, within certain limitations, the persons who enter the Army under this program.

In order to qualify, these persons must first enter the United States pursuant to military orders. In other words, the Army must order them into the United States before they may qualify for citizenship.

So, here is the situation on that: The alien enlists overseas if acceptable in all respects to the Army. He cannot get to the United States unless the Army orders him here. If the Army does not order him here, he can never become an American citizen in this program. He will remain an alien in our service abroad until and unless the Army terminates his service or he refuses to reenlist.

So you see when he enlists abroad he must be ordered by the Army to come here before the benefit of citizenship can be given to him. The Army can keep him 5 years in his Army enlistment abroad, and he gets no benefit as far as citizenship is concerned, but if the Army orders him here, he qualifies for citizenship and needs only to file a petition of naturalization, or if he and his witnesses are examined by a representative of the Army they may be naturalized immedi-

ately. Even then he must have completed 5 years of service before he can qualify.

I think that gives the committee all the information. There is nothing in this bill to get excited about. The Department of the Army sponsors it; General Collins is asking for it; and I think it is a bill that will strengthen the Army. It is a bill that will not permit the Army to have saddled upon it some 2,500 Communists enlisting in the services.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Georgia has consumed 12 minutes.

Mr. SHORT. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, when this legislation was first proposed to our committee, the gentleman from Texas [Mr. KILDAY] and myself both hit the ceiling. To say that we were surprised is putting it very mildly. Naturally, one would think of foreign legions, of hired Hessians, and wonder if we have reached such a low level in this country that red-blooded Americans are not any longer willing to face danger and, if necessary, die for their country but would have to depend on foreign mercenaries. That was one of the things that caused us some apprehension in the beginning.

Another was the thought if we would bring in the original number asked for, 25,000, we might get enough rotten apples in the barrel of our own Army to contaminate our patriotic American soldier. That danger still exists to some extent because if we are frank and honest with you we will have to admit that this measure carries some calculated risk.

We run a risk when we bring aliens into our Army. They, I think, run an even greater risk because they give notice to their native countries as well as to America that their head is in a noose and they will have to exercise not only extreme caution but prove through trial under close surveillance, after being carefully screened, and combed with a fine-tooth comb, that they are loyal and patriotic to the Army in which they have entered.

We all know of the deplorable state of affairs in Europe following the last global conflict, the complete destruction and utter devastation, the hopelessness and despair existing among the masses of the people. We know there are many people who because their forms of government have been changed, who because they suffered such political upheaval, social chaos and economic dislocation who now live in slavery and fear, would welcome the opportunity of entering the service of the United States Army in the hope of some day receiving citizenship, perhaps the greatest prize that could be offered to a distressed people in any section of this world.

Modern mechanized warfare is no longer a simple matter. It is highly complex and technical. Some of us here who visited the great underground factory at Nordhausen in Germany 3 or 4 weeks before the surrender of the Reich went through 33 miles of subterranean passages where the V-1 and V-2 bombs were being manufactured. We had witnessed the appalling destruction in both London and Antwerp that was done by these missiles of death. We will have to frankly admit that in many respects the Germans were scientifically ahead of us, not only when it came to making up these bombs of destruction but also in the development of submarines of the snorkel type.

If we can get some good German scientists, Czech engineers, and Balt brains, if we can get some men of high technical skill—men who love freedom as most of the Polish loved it—we might use them to advantage, and do not forget the magnificent contribution that the Polish volunteers in the last war made to the winning of our victory, particularly in Italy. Do not forget even what the Japanese out in Hawaii contributed in the same country—in Italy—in bringing victory to the American forces.

Look at the two portraits before you. George Washington, a British subject, led our American Revolution and Lafayette, a citizen of France, helped him win our independence. We do not have to question the patriotism of any of these foreigners or aliens who are willing to join us because of their comparable political background, because of their love of freedom, because of their devotion to liberty, because of their similar philosophy of life. Many of them are without a home or country and would not have to betray their native land.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from California.

Mr. JOHNSON. Will the gentleman kindly add the Italians who joined the Fifth Army to help us fight in Italy and Germany?

Mr. SHORT. Not only the Italians who joined the Fifth Army but the underground in France and every other country invaded. Now, I think we learned, particularly you men here who were in active combat—certainly the author of this bill as an officer in the United States Army in Sicily, in north Africa, and in Italy—he learned through his own experience, as has, I am sure, our friend the gentleman from Pennsylvania [Mr. VAN ZANDT], out in the Pacific war—we learned the lesson in Africa, in Europe, in the Pacific, wherever men fought that if we had had the advantage and the benefit of certain skills, knowledge of the language, knowledge of the topography, the geography, the terrain, the conditions in a particular area to be invaded, we would have saved many, many American lives. It is all a question of intelligence and it is all a question of knowing not only how strong you are but how strong or weak your enemy is; and if we take 2,500 men, which are not many when they are dispersed, but integrated among over 600,000, I think perhaps they will be able to give their commanders certain knowledge in the event of conflict and before invasion that will save many, many American lives.

Let us be honest. This is a dirty business, but war is dirty. It is dangerous business, but war is dangerous. So while I was inclined at the beginning to vigorously oppose this bill, and while there are aspects to it that are repugnant to the conscience of any decent human being, I am convinced, after we sat on the bill and after we heard the representatives of both the State and Defense Departments, the bill should be passed. Because we do have to have a State Department—I hope—that Members will not allow any preconceived notions or prejudices to have too much weight as they consider this particular measure. We have our foreign embassies in all countries. We have our military and naval attachés. I think that today the Department of Defense and the Department of State must work more closely in unison and integration and cohesion than ever before. This last war taught us that lesson. But, whether you leave the State Department in the bill or take it out, I think that on the whole the measure is meritorious and should be passed in the interest of the security and the defense of the United States.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Michigan.

Mr. DONDERO. Are we taking a new step today or is there any precedent in American history for an act of this kind?

Mr. GAVIN. Mr. Chairman, I would like to answer that question.

Mr. SHORT. I yield to the gentleman.

Mr. GAVIN. I might call the attention of the gentleman from Michigan to the fact that during the war years of 1941 to 1945 we had 117,000 aliens in the service of the Armed Forces, so there is nothing new in this legislation before us today. We have already established the precedent of enlisting aliens into the Armed Forces.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. It is a well-known fact that after World War I and World War II we granted citizenship to aliens who aided us to win both World Wars.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from New York.

Mr. MARCANTONIO. While that statement is true, the fact should be pointed out that these so-called aliens, I prefer to use the term foreign born, who were residing in the United States and were called into the Army did not set up the fact that they were not citizens, but went in and served and served honorably and well for our country, and that is why they became citizens of the United States later. But this is a different situation. These are people who are living abroad and are not living in the United States and will become merely paid hirelings, present-day Hessians.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Georgia.

Mr. VINSON. Let me call the attention of the gentleman from New York to the fact that this involves the same principle and is the same thing seamen had. There are laws on the statute books today that an alien seaman can

get citizenship after 5 years of service on a ship. The identical thing is in this bill.

Mr. SHORT. May I also call the attention of the gentleman from New York to the language on page 2, lines 5 to 8:

Persons enlisted under the provisions of this act shall be integrated into established units with citizen soldiers and not segregated into separate organizations for aliens.

So they are no more citizens than the people who resided for a brief period in the United States before they went into the armed services. A few months of residence makes little difference.

Mr. MARCANTONIO. I will tell the gentleman what makes the big difference. It is the fact that a person has migrated to the United States, together with the fact that he has chosen our country as the land in which he wants to live. That man has the right to fight for the United States and should be given citizenship. But there is certainly a big difference between that situation and the situation where you take a hireling abroad and confer citizenship upon him, for what?

Mr. SHORT. I may say to the gentleman, and the gentleman well knows it, and knows it as well or better perhaps than most of us, that there are hundreds of thousands of aliens and foreigners in other countries who have been more eager but less fortunate in getting to the United States than those who are already here.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I should like to call to attention of the gentleman my remarks made when this proposal was before the House in June 1948 about people who have no country to turn to. They are stateless people. They cannot go back to their own countries as they have no country to go to. I said at that time:

Now as far as availability of aliens is concerned for enlistment, it might be said there are a considerable number of Polish ex-servicemen; and in Britain alone it is estimated there are about 110,000 of these men. How many are in the United States and British zones of Germany who could be enlisted in our Armed Forces, I am unable to say. But I understand there are thousands of these stateless men and that a great many are being used by our forces for civilian guard duty.

There are also a great number of males from the Baltic States—Estonia, Latvia, and Lithuania—and some from Czechoslovakia and Yugoslavia, who are most reliable and are potential soldiers. Many of these men have basic military training and are well qualified to serve in our Army.

So it is not a question of taking them into this country, they have no country to go to.

Here we have a group of men who are stateless, who would be anxious to enlist in the services of the United States; who understand the characteristics and language of the country in which they would serve; who would be good soldiers and do a fine job for us. In fact, we have used them in a civilian status. I think this legislation is of great importance and will give us an opportunity to tap this reservoir of manpower desirous of enlisting in our services.

This would give these soldiers and prospective citizens something to work for, and during the 5-year period we could indoctrinate them with the fundamentals of Americanism and good citizenship. If after rendering honorable service and found qualified, they would be in excellent condition to make good sound American citizens. I think this is a great opportunity and this bill should pass overwhelmingly.

Mr. SHORT. God forbid that there should be another conflict, but if we are forced into it, I hope that when we invade certain sections of the world we will have some people, a few, just a few, from those regions who do speak the language, who do know the country, and who know conditions, and can advise our commanders intelligently as to the problems they are going to face when they go in there and take over. That is the purpose of this bill.

There is little that anyone else, I think, could add to what our chairman has already given you. It is something that we cannot tell you everything about. We would like to talk about it, but, as I said once in connection with the consideration of similar legislation, perhaps the least we said about this in public the better off we all would be.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. The gentleman is familiar with General MacArthur's island-hopping program in the Pacific?

Mr. SHORT. Very.

Mr. VAN ZANDT. Were it not for the fact he had aliens who knew the terrain, location of bridges, and so forth, on the islands under attack, he would have lost thousands upon thousands of lives.

Mr. SHORT. There is no doubt about that. I think it is an accurate historical and military fact that has been established.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. REES. The thing that disturbs me is that you have to put them in the United States Army to get the information you are talking about. Can you not secure the information without having to take these people and putting them in the United States Army to get that information which we are discussing now and which was mentioned by the gentleman from Pennsylvania? These people who gave us the information that he talks about were not in our armed forces, were they?

Mr. SHORT. No; but if they fought side by side with us and were a part of us, we would perhaps receive even greater help. If the thing does not become too top-heavy it would work out, there is your danger.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. SHORT. I yield.

Mr. DONDERO. In other words, this bill is intended really to make a contribution to our national defense.

Mr. VINSON. Yes.

Mr. DONDERO. That is what I gather from the gentleman's speech.

Mr. SHORT. Absolutely. That is the reason we reduced the number to 2,500 because it is more or less a new project. It is going to be a matter of trial and error. If it proves successful then we can expand it and enlarge it. If it does not, we can get rid of it.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. SCRIVNER. What other benefits will these men receive, besides the oportunity to take out American citizenship if they are ordered to this country? I am referring definitely and particularly to veterans' benefits. What will they get?

Mr. SHORT. They will be entitled to the same rights, benefits, privileges, prerogatives and pay as any other enlistee in the United States Army and no more.

Mr. SCRIVNER. That is whether they come over here and take out American citizenship or not?

Mr. SHORT. No; they have to become American citizens and they will not become American citizens unless they are brought to this country.

Mr. SCRIVNER. The bill does not say that.

Mr. SHORT. Yes it does but I dare say that not very many of them will become citizens of the United States.

Mr. VINSON. The bill does say positively that they get no benefits until they become citizens of the United States. When the person becomes a citizen of the United States, he will enjoy every benefit that every other citizen enjoys.

Mr. SHORT. He gets no more and no less.

Mr. SCRIVNER. That still does not answer the question as to what veterans' benefits these men will get whether they become citizens or not.

Mr. VINSON. He gets no benefits until he becomes a citizen. He must become a citizen.

Mr. SCRIVNER. I think the committee should make that exceptionally clear in the bill.

Mr. VINSON. He is an alien until he becomes a citizen, so that he can enjoy any benefits under any of our laws.

Mr. SCRIVNER. He would be a veteran as soon as he is discharged.

Mr. VINSON. He will not be a citizen. He is an alien in every sense of the word until citizenship is conferred upon him.

Mr. SCRIVNER. Then I take it on the word of the chairman that he would not receive any veterans' benefit unless he becomes a citizen?

Mr. VINSON. That is correct.

Mr. SCRIVNER. Now the statement has just been made here that very few of them are going to take out citizenship papers—then where is the great reward that you are talking about in this bill?

Mr. SHORT. They will get the pay of a United States soldier while they are serving for five long years. Some will become citizens but by no means all.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. VAN ZANDT. Is it not true they will be on probation for about 5 years before being granted citizenship?

Mr. SHORT. Absolutely. And they are watched and checked continually and carefully.

Mr. VAN ZANDT. Also they will be under the strict observation of their commanding officer who will have to recommend whether or not they shall be granted citizenship?

Mr. SHORT. They will be combed when they are brought in by the Army and they will be combed by the Department of State as well before they have the rights of citizenship bestowed upon them.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. MILLER of Nebraska. The statement has been made that about 115,000 or 116,000 aliens were in the Army in the last war which just closed, and they were not citizens of the United States, as I understand it. Do they get benefits under the GI bill of rights, the same as men who are citizens of the United States?

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from New York [Mr. KEARNEY], who is a member of the Committee on Veterans Affairs, to answer that question.

Mr. KEARNEY. If they are honorably discharged members of the armed services, they are entitled to the benefits of veterans legislation.

Mr. MILLER of Nebraska. But under this bill unless they become citizens of the United States they are not entitled to any of the benefits of the GI bill of rights?

Mr. SHORT. That is right.

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. ALLEN of Illinois. What would be the position of the individual soldier in the event that the United States went to war against his country? Does he have to give up any allegiance to his own country while serving under the Stars and Stripes?

Mr. SHORT. Why, certainly, absolutely. If he does not, he would in all probability lose his head if he went back to his own country.

Mr. ALLEN of Illinois. What does he have to do with regard to serving his allegiance to his own country?

Mr. SHORT. When he goes into the United States Army he pledges allegiance and swears loyalty and fealty to the flag, Constitution, and institutions of the United States.

Mr. ALLEN of Illinois. He takes the oath?

Mr. SHORT. Yes. If he is caught reneging or cheating, of course, it is his neck through court martial in our own forces; or, if he tries to go back to his own country, they would put him before the firing squad the following morning.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. VAN ZANDT. Is it not true veterans of World Wars I and II were granted a short cut to citizenship as a result of their honorable service during the wars?

Mr. SHORT. Yes; that is true.

Mr. VELDE. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. VELDE. Certain mention has been made of possibilities of war. I presume you include in the realm of possibilities a war with Russia. In what way would this help to get information from Russia about various facilities in Russia?

Mr. SHORT. I am hopeful, myself, that several of the Slavic countries behind the iron curtain can furnish us with a few of this quota, because they possess a great deal of knowledge, not only about their own countries behind the iron curtain, but they possess considerable knowledge about Russia itself.

Mr. ALLEN of Illinois. Will the gentleman yield for one further qeustion?

Mr. SHORT. I yield.

Mr. ALLEN of Illinois. Was there any testimony that this was the beginning of a one-world army?

Mr. SHORT. No. None whatever.

Mr. ALLEN of Illinois. It is not the forerunner to bring us under one general army?

Mr. SHORT. No, no. I think I can allay the gentleman's fears and apprehensions on that score.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. ELSTON. As a matter of fact, there are three safeguards. First, they must serve 5 years in the Armed Forces of the United States.

Mr. SHORT. Yes.

Mr. ELSTON. And, in the second place, they must be sent to this country on orders of military authorities?

Mr. SHORT. Yes, sir.

Mr. ELSTON. And, in the third place, which has not been mentioned, they must otherwise possess all other qualifications of a citizen.

Mr. SHORT. Oh, yes. Yes. Absolutely.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. GROSS. It is presumed that these men are going to win stripes soon after they get into the American Army? Is that not right?

Mr. SHORT. Yes. I hope so; they will be no good if they do not.

Mr. GROSS. What effect will that have upon the morale of the American Army?

Mr. SHORT. I think the American is willing to compete with anybody at any time, and if he is not willing to do it, then he should be ashamed to call himself an American.

Mr. GROSS. But you are going to bring those men in here and almost automatically bestow stripes on them.

Mr. SHORT. Oh, no. Not at all. They come in as enlisted men, and they serve through the grades. However, I dare say the men who are chosen will be men who possess many skills and specialized knowledge and are much smarter in some ways even than many Americans. I know they are much smarter than I am.

Mr. GROSS. Of course I would not admit that.

Mr. SHORT. And we need that scientific training and technological development. Americans should not think that we have a monopoly on all the wisdom and virtue there is in this world.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. VINSON. I think the gentleman should make it clear, and the committee should understand, that anyone enlisting now will get no benefits of the GI bill of rights, because they all had to serve during the other war. They apply only during that time, and they get no rights that the GI obtains on account of his service during the war. He would get all benefits of an enlisted man, clothes, rations, pay, and then he cannot get anything until he becomes an American citizen.

Mr. SCRIVNER. Not even peacetime disability pensions?

Mr. VINSON. We have no peacetime disability pensions.

Mr. SCRIVNER. Oh, we most certainly do.

Mr. SHORT. Yes; we have peacetime disability pensions.

Mr. SCRIVNER. The question I want to ask is this: As I read this bill, when these men enlist they are to be unmarried aliens, men without dependents.

Mr. SHORT. Men without dependents; so it will be cheaper.

Mr. SCRIVNER. How long will they have to remain unmarried and without dependents? There is nothing in the bill which says how long they shall remain so.

Mr. SHORT. During his term of enlistment, I should think.

Mr. VINSON. No. You cannot enlist anyone unless he is a single man.

Mr. SCRIVNER. But he can enlist today and get married the next day and develop a line of dependents, and in 5 years he could have at least three.

Mr. VINSON. They could not do that without permission of the service.

Mr. SCRIVNER. There is nothing in the bill that says so.

Mr. VINSON. He cannot do it, because that is during the term of his enlistment.

Mr. SHORT. That is my understanding.

Mr. SCRIVNER. There is not any bar on it.

Mr. VINSON. Mr. Chairman, I yield myself 2 minutes to clear up this matter.

Anyone serving outside of the United States cannot get married without the permission of the commanding officer under whom he serves. That applies to citizens, and it will apply in cases of this kind.

Mr. SCRIVNER. Let us follow that a little. Here, for instance, the enlistee could be the elder son or any son of the family; the parent dies; he has four or five brothers and sisters dependent upon him. If they are actual dependents he is entitled to benefits for them under the pay bill, just the same as our men are.

Mr. VINSON. He would be entitled as an enlisted man to any benefits other enlisted men in the Army are entitled to.

Mr. SCRIVNER. That is just exactly what I figured.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. GROSS. The gentleman predicates his answer on overseas service. There is nothing in this bill that states that the man will be in overseas service or any part of it.

Mr. VINSON. He has to enlist from overseas, and he is kept overseas until the Army orders him here.

Mr. GROSS. The bill does not say so.

Mr. VINSON. Then if he is ordered here, after serving 5 years honorably, he is eligible for citizenship. That is all the bill does.

Mr. GROSS. But this bill makes no such provision.

Mr. VINSON. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Texas [Mr. GOSSETT].

Mr. GOSSETT. Mr. Chairman, the distinguished chairman of the committee said this was not a bill to get excited about, and I am not going to get excited about it; but I am opposed to the bill, and I want to explain briefly the reasons for my opposition.

Last year, if you will recall, out of this same committee we passed a bill to permit the CIC—I believe that is right, anyway the intelligence forces—to bring in 100 persons; they could bring in anyone they wanted to. It was thought at that time and it was argued at that time that such would take care of the emergency cases of persons furnishing information to the armed services. Recently, in this session of Congress—and I want the gentleman to follow me here—recently, in this session of Congress we passed the Walter bill for selective immigration, and we provided that a board should be set up composed of a representative from each of Commerce, State, Justice, Labor, and the armed services—five on this board—to pick 2,500 per year. They could just give an immigration visa to any person they wanted, regardless of who he was or his place in line. That would take care of persons of peculiar skills or those whom we thought might be of service to this country.

My opposition to this bill is that it is a new gadget, of which we have too many already, for obtaining American citizenship. My guess is that if this bill should become law probably a million aliens would like to enlist, because it certainly would be a bonanza for them; the emoluments and privileges of service in the American Army certainly exceed those of most jobs and professions abroad. I am just a little tired of passing legislation year in and year out, multitudinous legislation, because some general in the armed services, or some secretary comes in and says, "We need it; we want it." I do not know the parentage of this particular bill, but I fear it is ill-conceived.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. VINSON. I certainly trust the gentleman will not try to convey the thought to this committee that we 35 men are pushed around by generals because they just want this or just want that done. If there is any committee of Congress that is independent and that is independent in its thinking, it is the Armed Services Committee.

Mr. GOSSETT. I concede to my good friend that he has a very distinguished committee; but, unfortunately, the committees of this Congress—and that applies to all of us—generally tend to lean too heavily upon the bureaus and agencies whose business they handle.

Mr. VINSON. This committee does not do it; this committee does its own thinking. That is the reason why we are oftentimes in controversy with the departments.

Mr. GOSSETT. And there are some members of the gentleman's committee who are not very well sold on this bill, I might say, notwithstanding the atmosphere of unanimity the gentleman seeks to throw around it.

What I am trying to say is that we have already taken care of this situation in the bill passed last year and in the bill now pending in the other body.

And let me make this point: The distinguished Member of the other body who authored this bill, after his return from Europe, recommended the discharge of all aliens in the State Department. Now he wants to employ aliens abroad in the American Army.

Reference has been made here to the citizenship provisions that we extended to aliens serving in wartime. Those were aliens resident in this country.

This bill sets up a complete new departure from any policy that has ever heretofore been followed in this country, and I submit it is a dangerous policy, a needless policy, an unnecessary policy, and that we should not pass this type of legislation.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Kansas.

Mr. REES. There is another thing that disturbs me. Under this bill, we are holding out to a foreigner, a man who lives in a foreign country, the promise that, if he will relinquish his citizenship, his allegiance to his own country, then he can join the American Army and have the benefits same as our armed forces. It seems to me it is a rather strange situation when we have to go through this process to protect ourselves and our country against a potential enemy or an enemy we think we may have later on. We tell a fellow in some foreign country who joins our forces that, in the event we have to go to war with his country or any country, "You must give up all of your rights and relinquish your citizenship and join the American Army."

Mr. GOSSETT. We are asking the man to forswear his allegiance, assuming thereby we will make him a better servant of our own.

Mr. REES. Which to me is a rather strange situation, especially considering this is a peacetime measure.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Georgia.

Mr. VINSON. In answer to the gentleman from Kansas, my viewpoint would be that a great many people are in countries that are dominated by outside countries, and therefore this gives an opportunity to serve where he feels he can be of some benefit.

Mr. GOSSETT. We are not setting up the American Army as an escape avenue for people who may want to run away from their own country.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. VINSON. Mr. Chairman, I yield the gentleman one additional minute. Let me ask the gentleman from Texas this question: Is it not a fact that a similar kind of provision exists in reference to serving by aliens under the seamen's law?

Mr. GOSSETT. That is true, and I think that act ought to be repealed. It is bad legislation.

Mr. VINSON. I have a copy of it before me. We are doing no more by this bill than is already on the statute books in reference to serving on ships as seamen, is that not correct?

Mr. GOSSETT. That is correct, but one bad law does not justify another bad law. These persons who are going to foreswear and repudiate allegiance to their own country would not be the sort of individual we would want to make an American citizen. That is the sort of person you are inviting by this legislation. If he is not a good citizen of the country for which he refuses to fight and the country that he deserts, he is not going to be a very good citizen of this country.

Let me remind the committee that this bill obligates us, as a matter of fact, to give the enlisted alien citizenship.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. VINSON. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I want to call the committee's attention to the fact that for 10 years there has been on the statute books an act providing that aliens who volunteer, and serve honorably for a period of 3 years on our ships at sea, automatically get citizenship if their service has been satisfactory. So what is the use of getting disturbed about this legislation?

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from New York.

Mr. MARCANTONIO. Does not the statute provide that these seamen must have been lawfully admitted?

Mr. VINSON. No; it does not provide that at all. He is not even admitted. He enlists when the ship goes abroad and he makes a contract and serves for 3 years. We already have a law like this, and everybody is getting excited about extending almost the same provisions to the Army.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. JOHNSON. The big point is that the people we propose to enlist are without a country. They are all over there in the occupied areas.

Mr. VINSON. That is it exactly.

Mr. JOHNSON. They cannot go back to the Baltics and the other countries.

Mr. VINSON. Mr. Chairman, if there are no further requests for time, I ask that the bill be read for amendment.

The CHAIRMAN. The Clerk will read.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That, with the approval of the Secretary of State, the Secretary of the Army, under such regulations as the Secretary of the Army may prescribe, is authorized until June 30, 1951, to accept original enlistments in the Regular Army for periods of not less than 5 years of not to exceed 10,000 qualified unmarried aliens (without dependents as defined in sec. 4 of the act of June 16, 1942 (56 Stat. 361), as amended), who are not less than 18 years of age or more than 35 years of age; and, with the approval of the Secretary of State, to accept reenlistment of any such alien upon the expiration of his original term of enlistment for such period or periods as the Secretary of the Army may determine.

SEC. 2. Provisions of law prohibiting the payment of any person not a citizen of the United States shall neither apply to aliens who enlist in the Regular Army under the provisions of section 1 of this act nor to their dependents and beneficiaries.

SEC. 3. So much of section 2 of the act approved August 1, 1894 (28 Stat., chs. 179, 216; 10 U. S. C. 625), as amended, as reads "; and in time of peace no person (except an Indian) who is not a citizen of the United States or who has not made legal declaration of his intention to become a citizen of the United States, shall be enlisted for the first enlistment in the Army" is hereby suspended until June 30, 1951, with respect to enlistments made under section 1 of this act.

SEC. 4. Notwithstanding the periods set forth therein, the provisions of section 324A of the Nationality Act of 1940, as added by the act of June 1, 1948 (Public Law 567, 80th Cong.), are applicable to aliens enlisted or reenlisted pursuant to the provisions of this act. Any alien enlisted or reenlisted pursuant to the provisions of this act who subsequently enters the United States or an outlying possession thereof (including the Panama Canal Zone, but excluding the Philippine Islands) pursuant to military orders shall be deemed to have been lawfully admitted to the United States for permanent residence within the meaning of such section 324A.

With the following committee amendments:

Page 1, line 5, strike out "1951" and insert "1953."

Page 1, line 6, after the word "enlistments", insert "or reenlistments."

Page 1, line 8, strike out "ten thousand" and insert "two thousand five hundred."

Page 2, line 5, after the colon, insert "*Provided*, That persons enlisted under the provisions of this act shall be integrated into, established units with citizen soldiers and not segregated into separate organizations for aliens."

Page 2, line 21, strike out "1951" and insert "1953."

The committee amendments were agreed to.

The Clerk read as follows:

Committee amendment: Page 3, line 10, after the word "shall", insert the following: "if otherwise, qualified for citizenship, and after completion of five or more years of military service, or earlier if honorably discharged therefrom."

Mr. VINSON. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON to the committee amendment:

Page 3, line 11, strike out the words "or earlier."

The amendment was agreed to.

The committee amendment as amended was agreed to.

Mr. VINSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON:

On page 1, strike out lines 3 and 4 and insert in lieu thereof the following: "That the Secretary of the Army, under such regulations as the Secretary of."

And on page 2, strike out lines 1 and 2 and insert in lieu thereof the following: "35 years of age, and to accept reenlistment of any such alien upon."

Mr. VINSON. Mr. Chairman, I desire to state that this is the language that I offered to strike out, so that no one has any authority over this except the Secretary of the Army.

Mr. STEFAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I listened very carefully to the debate on this particular phase of this bill, that is, that part of it which relates to the Department of State. I hope the gentleman will withdraw this amendment, and I will tell you why. The United States has about 300 missions scattered over the world today. They are expected to be our first line of defense. In each of these missions we have the chief. He is the sole representative of the United States in that part of the world. Under him we have various employees who are the eyes and ears of our Government. In some of these missions we have military, naval, and air attachés. All foreign affairs and contacts with foreign governments must be cleared through these missions and eventually through the Department of State at home. These missions handle all of our foreign problems including the questions of immigration. This bill is in part a problem of immigration but mainly it is part of the stockpiling against a probable future emergency. It stockpiles men into our service. The Chief of National Defense and the Chief of our Army say it is necessary. That is a must in the plans for future defense. But the plans for future defense is an all-inclusive one. It brings together not only the armed services but our Foreign Service and the State Department are on this defense team. Each is part of the defense wheel and the Foreign Service and the State Department are most important spokes in this wheel. The amendment of the chairman of the Armed Services Committee is dangerous because it tears out two important spokes and entirely bypasses the State Department which now deals with these problems of aliens in foreign lands who want to come to our country. No matter what any of you think personally about the Secretary of State or the State Department I urge you to vote against this amendment. This country must have a good Department of State and a good Foreign Service and neither should be bypassed in legislation dealing with our serious defense problems. If we want teamwork do not start breaking up the team with amendments such as this one.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Georgia.

Mr. VINSON. I would say in response to the gentleman's observation that the State Department further than being mentioned in this bill is bound to be in the picture. The State Department under the National Security Act is in all phases of the Army, Navy, and Air defenses. Under that act they are conversant with each other. Even though you leave out the Secretary of State, no man, I am satisfied, would be enlisted unless the Secretary of State was cognizant of the importance of these various enlistments. So I do not think it would hurt to leave out that phrase. The reason the gentleman has just advanced was the reason we put it in, but the gentleman heard the debate.

Mr. STEFAN. I have heard the debate, and I think it is a dangerous precedent you are setting by your amendment.

Mr. VINSON. It might be. So let us do this. The committee heard the debate. If the committee want to leave it out, let them leave it out. If they want to keep it in, let them keep it in. It is immaterial to me. The committee wanted it in, but to meet certain objections that were being raised to this bill I offer this amendment to give the committee an opportunity to decide on it. Now, if they want to vote it out, let them vote it out, but let us vote on it.

Mr. STEFAN. In spite of my admiration for the chairman of the Committee on Armed Services, I must oppose his amendment. It shows lack of confidence of a very important part of our national defense team.

I urge the Committee to vote against the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. VINSON].

The question was taken; and on a division (demanded by Mr. ALLEN of Illinos) there were—ayes 14, noes 58.

So the amendment was rejected.

Mr. GOSSETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOSSETT: On page 1, line 9, after the word "unmarried", insert "male."

Mr. VINSON. Mr. Chairman, we accept the amendment. It was never intended that anyone except male aliens would be enlisted in the service.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. GOSSETT].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CARROLL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2269) to provide for the enlistment of aliens in the Regular Army, pursuant to House Resolution 649, he reported the bill back to the House with

sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. ALLEN of Illinois) there were—ayes 80, noes 21.

Mr. ALLEN of Illinois. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 201, nays 84, not voting 145, as follows:

[Roll No. 182]

YEAS—201

| | | |
|---|---|---|
| Abbitt | Fallon | McDonough |
| Addonizio | Feighan | McGrath |
| Albert | Fellows | McKinnon |
| Allen, Calif. | Fenton | McSweeney |
| Anderson, Calif. | Fernandez | Mack, Wash. |
| Arends | Flood | Madden |
| Aspinall | Forand | Magee |
| Bailey | Ford | Marsalis |
| Baring | Fugate | Martin, Iowa |
| Bates, Mass. | Fulton | Meyer |
| Beckworth | Furcolo | Michener |
| Bennett, Fla. | Garmatz | Miller, Nebr. |
| Bentsen | Gavin | Mills |
| Biemiller | Goodwin | Morgan |
| Boggs, La. | Gordon | Multer |
| Bolling | Gorski | Murdock |
| Bonner | Graham | Murphy |
| Bosone | Guill | Nelson |
| Boykin | Hall, | Nixon |
| Bramblett | Leonard W. | Noland |
| Brown, Ga. | Halleck | Norblad |
| Brown, Ohio | Harden | Norton |
| Buchanan | Hardy | O'Brien, Ill. |
| Buckley, Ill. | Harrison | O'Konski |
| Burnside | Havenner | O'Neill |
| Burton | Hays, Ark. | O'Sullivan |
| Byrne, N. Y. | Hedrick | Peterson |
| Byrnes, Wis. | Heselton | Philbin |
| Camp | Holifield | Phillips, Calif. |
| Canfield | Holmes | Poulson |
| Cannon | Howell | Preston |
| Carnahan | Huber | Price |
| Case, N. J. | Jackson, Calif. | Priest |
| Case, S. Dak. | Jacobs | Ramsay |
| Celler | Javits | Rhodes |
| Christopher | Jenkins | Riehlman |
| Clemente | Jennings | Robeson |
| Colmer | Jensen | Rodino |
| Combs | Johnson | Rogers, Mass. |
| Cooley | Jones, Ala. | Roosevelt |
| Cooper | Jones, Mo. | Sasscer |
| Corbett | Judd | Scudder |
| Crawford | Karst | Shelley |
| Crook | Karsten | Sheppard |
| Crosser | Kearney | Short |
| Cunningham | Keating | Sikes |
| Curtis | Kee | Simpson, Ill. |
| Dague | Kilburn | Smathers |
| Davenport | Kilday | Staggers |
| Davies, N. Y. | King | Stanley |
| Davis, Tenn. | Kirwan | Stefan |
| Dawson | Klein | Sullivan |
| DeGraffenried | Kunkel | Taber |
| Denton | Lane | Talle |
| Dollinger | Lanham | Tauriello |
| Dondero | LeCompte | Thomas |
| Donohue | LeFevre | Thompson |
| Doughton | Lind | Thornberry |
| Doyle | Linehan | Tollefson |
| Eaton | Lucas | Trimble |
| Elliott | McConnell | Underwood |
| Elston | McCormack | Van Zandt |
| Engle, Calif. | McCulloch | Vinson |
| Vorys | Widnall | Woodruff |
| Wadsworth | Wigglesworth | Young |
| Wagner | Wilson, Okla. | Zablocki |
| Walter | Withrow | |
| Weichel | Wolcott | |

NAYS—84

| | | |
|---|---|---|
| Abernethy | Golden | O'Hara, Minn. |
| Allen, Ill. | Gossett | O'Toole |
| Allen, La. | Grant | Passman |
| Andersen, H. Carl | Gregory | Patman |
| Andrews | Gross | Patten |
| Angell | Hagen | Pickett |
| Barden | Harris | Poage |
| Barrett, Wyo. | Hart | Rains |
| Battle | Harvey | Rankin |
| Bennett, Mich. | Hays, Ohio | Reed, Ill. |
| Bishop | Hill | Reed, N. Y. |
| Blatnik | Hoeven | Rees |
| Bolton, Ohio | Hoffman, Mich. | Rich |
| Burleson | Hull | Rogers, Fla. |
| Carlyle | Jenison | Rooney |
| Carroll | Jonas | Scrivner |
| Chelf | Jones, N. C. | Secrest |
| Chesney | Kean | Smith, Kans. |
| Clevenger | Kruse | Smith, Wis. |
| Cole, Kans. | Larcade | Tackett |
| Davis, Ga. | McCarthy | Vursell |
| Davis, Wis. | Mahon | Wier |
| Deane | Mansfield | Williams |
| D'Ewart | Marcantonio | Willis |
| Douglas | Murray, Tenn. | Wilson, Tex. |
| Ellsworth | Murray, Wis. | Winstead |
| Fisher | Nicholson | Yates |
| Gathings | Norrell | |
| | O'Hara, Ill. | |

NOT VOTING—145

| | | |
|---|---|---|
| Andresen, August H. | Herlong | Plumley |
| Auchincloss | Herter | Polk |
| Barrett, Pa. | Hinshaw | Potter |
| Bates, Ky. | Hobbs | Powell |
| Beall | Hoffman, Ill. | Quinn |
| Blackney | Hope | Rabaut |
| Boggs, Del. | Horan | Redden |
| Bolton, Md. | Irving | Regan |
| Breen | Jackson, Wash. | Ribicoff |
| Brehm | James | Richards |
| Brooks | Kearns | Rivers |
| Bryson | Keefe | Sabath |
| Buckley, N. Y. | Kelley, Pa. | Sadlak |
| Bulwinkle | Kelly, N. Y. | Sadowski |
| Burdick | Kennedy | St. George |
| Burke | Keogh | Sanborn |
| Cavalcante | Kerr | Saylor |
| Chatham | Latham | Scott, Hardie |
| Chiperfield | Lichtenwalter | Scott, Hugh D., Jr. |
| Chudoff | Lodge | Shafer |
| Cole, N. Y. | Lovre | Simpson, Pa. |
| Cotton | Lyle | Sims |
| Coudert | Lynch | Smith, Ohio |
| Cox | McGregor | Smith, Va. |
| Delaney | McGuire | Spence |
| Dingell | McMillan, S. C. | Steed |
| Dolliver | McMillen, Ill. | Stigler |
| Durham | Mack, Ill. | Stockman |
| Eberharter | Macy | Sutton |
| Engel, Mich. | Marshall | Taylor |
| Evins | Martin, Mass. | Teague |
| Fogarty | Mason | Towe |
| Frazier | Merrow | Velde |
| Gamble | Miles | Walsh |
| Gary | Miller, Calif. | Welch |
| Gillette | Miller, Md. | Werdel |
| Gilmer | Mitchell | Wheeler |
| Gore | Monroney | Whitaker |
| Granahan | Morris | White, Calif. |
| Granger | Morrison | White, Idaho |
| Green | Morton | Whitten |
| Gwinn | Moulder | Whittington |
| Hale | O'Brien, Mich. | Wickersham |
| Hall, Edwin Arthur | Pace | Wilson, Ind. |
| Hand | Patterson | Wolverton |
| Hare | Perkins | Wood |
| Hébert | Pfeifer, Joseph L. | Woodhouse |
| Heffernan | Pfeiffer, William L. | |
| Heller | Phillips, Tenn. | |

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Chatham for, with Mr. Whitten against.

Mr. Towe for, with Mr. Horan against.

Mr. Hand for, with Mr. Hoffman of Illinois against.

Mr. Lodge for, with Mr. Dolliver against.

Mr. Coudert for, with Mr. Smith of Ohio against.

Mr. Sadowski for, with Mr. Pace against.

Mr. McGuire for, with Mrs. Woodhouse against.

Mr. Mack of Illinois for, with Mr. Teague against.

Mr. Wolverton for, with Mr. Mason against.

Mr. Kearns for, with Mr. Macy against.

Mr. Herter for, with Mr. McMillen of Illinois against.

Until further notice:

Mr. Jackson of Washington with Mr. Keefe.

Mr. Rubicoff with Mr. Auchincloss.

Mr. Steed with Mr. Taylor.

Mr. Stigler with Mrs. St. George.

Mr. Regan with Mr. Gamble.

Mr. Miller of California with Mr. James.

Mr. Wickersham with Mr. Hinshaw.

Mr. Whittington with Mr. Gillette.

Mr. Redden with Mr. Stockman.

Mr. Wheeler with Mr. Simpson of Pennsylvania.

Mr. Mitchell with Mr. Gwinn.

Mr. Sutton with Mr. Hale.

Mr. Wood with Mr Patterson.

Mr. Dingell with Mr. William L. Pfeiffer.

Mr. Barrett of Pennsylvania with Mr. Cole of New York.

Mr. Whitaker with Mr. Beall.

Mr. Green with Mr. August H. Andresen.

Mr. Perkins with Mr. Boggs of Delaware.

Mr. Joseph L. Pfeifer with Mr. Latham.

Mr. Rabaut with Mr. McGregor.

Mr. Sabath with Mr. Werdel.

Mr. Evins with Mr. Wilson of Indiana.

Mr. Frazier with Mr. Shafer.

Mr. Hébert with Mr. Hardie Scott.

Mr. Keogh with Mr. Hugh D. Scott, Jr.

Mrs. Kelly of New York with Mr. Brehm.

Mr. Heller with Mr. Chiperfield.

Mr. Lynch with Mr. Cotton.

Mr. Heffernan with Mr. Engel of Michigan.

Mr. Delaney with Mr. Edwin Arthur Hall.

Mr. Kennedy with Mr. Hope.

Mr. O'Brien of Michigan with Mr. Sanborn.

Mr. Eberharter with Mr. Potter.

Mr. Kelley of Pennsylvania with Mr. Phillips of Tennessee.

Mr. Gary with Mr. Miller of Maryland.

Mr. Morrison with Mr. Martin of Massachusetts.

Mr. Hobbs with Mr. Saylor.

Mr. Gilmer with Mr. Velde.

Mr. Herlong with Mr. Sadlak.

Mr. Cavalcante with Mr. Morton.

Mr. Chudoff with Mr. Merrow.

Mr. Irving with Mr. Plumley.

Mr. O'HARA of Illinois changed his vote from "present" to "nay."

Mr. THORNBERRY changed his vote from "nay" to "yea."

Mr. WIER changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

STILL FURTHER MESSAGE FROM THE SENATE

A still further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 190. Joint resolution extending the period of effectiveness of the Selective Service Act of 1948 15 days.

EXTENDING SELECTIVE SERVICE ACT OF 1948

Mr. VINSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution

190, extending the period of effectiveness of the Selective Service Act of 1948 15 days.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, I realize if I objected to the present consideration of the resolution, a rule would be obtained and it would be called up tomorrow. That would only inconvenience the membership so that they would have to come back here tomorrow when I understand it is intended that we adjourn over until Monday.

Therefore, nothing would be accomplished by objecting at this time except to delay the matter 24 hours.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. McCORMACK. In order that the RECORD might show that the assumption of the gentleman from New York is correct, I will state that that is correct.

Mr. MARCANTONIO. I thank the gentleman. Therefore, Mr. Speaker, I shall not object to the present consideration of the resolution. However, I want the RECORD to show my consistent and conscientious opposition to any form of selective-service legislation.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the joint resolution (S. J. Res. 190), as follows:

*Resolved, etc.*, That subsection (b) of section 17 of the Selective Service Act of 1948 as amended by striking out "the second anniversary of the date of enactment of this title" and inserting in lieu thereof "July 9, 1950."

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SIGNING OF ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House it may be in order for the Clerk to receive any messages from the Senate, and the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by both Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. PATTERSON (at the request of Mr. MICHENER) was given permission to extend his remarks.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks.

Mr. PETERSON asked and was given permission to extend his remarks and include a citation issued to his colleague, Mr. BENNETT of Florida.

Mr. TEAGUE (at the request of Mr. PRIEST) was given permission to extend his remarks in two instances and include extraneous matter.

Mr. WICKERSHAM (at the request of Mr. PRIEST) was given permission to extend his remarks.

Mr. DAVENPORT asked and was given permission to extend his remarks and include extraneous matter.

Mr. DONOHUE asked and was given permission to extend his remarks and include extraneous matter.

PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. I would like to inquire of the majority leader if he can advise as to the program for next week.

Mr. McCORMACK. I should be very glad to do so.

Monday is District Day. There are seven bills on the District Committee agenda. I am not sure if they will be called up in this order, but I am stating them in the following order for the information of the House.

H. R. 2887, known as the architect's registration bill.

H. R. 6669, the rent control bill.

H. R. 7881, known as the dead human bodies bill.

H. R. 8055, relating to banks, demand items.

H. R. 8709, relating to the health officer and assistant.

H. R. 8710, relating to the Eastern High School Stadium.

H. R. 8782, relating to nurseries and nursery schools.

On Monday we are hopeful that the Rules Committee will report out a rule making in order consideration of the tax bill. I have no knowledge now what period of time the rule will provide for, but upon the assumption that there will be 2 days' debate, then the tax bill will be taken up Tuesday and Wednesday. Of course, Wednesday is primary day in Georgia, and in accordance with the policy of respecting that in the case of all States, if the program is carried out, the roll call will take place on Thursday. If we are not fortunate enough to have the Rules Committee report out a rule on Monday—and I hope it will—and they report it out later in the week, of course the tax bill will come up next week.

Any conference reports, of course, are always in order for consideration. That is subject to giving the membership proper notice, if they are important ones.

Any further program I will announce later on, if there is any for next week.

I would like to get in as much as I can next week because, while I cannot make any definite commitment now, I am hopeful that the week of July 4 will be a very light one. The only difficulty may be the conference report on the selective-service legislation. We have extended it until July 9, which is on a Sunday, as the Senate passed the resolution. I am hopeful that if there is any requirement for a conference that the conferees may be able to iron out their differences next week.

Mr HALLECK. Of course since the 9th of July does come on Sunday and would be the expiration date of the 15-day extension just passed, might it not be possible that another temporary extension could be had, that would not necessitate the presence of all Members during the Fourth of July week?

Mr. McCORMACK. Exactly. That could be done. I am glad the gentleman from Indiana referred to it, because that is a very proper contribution to make. In other words, if the conferees cannot get together next week and there is a prolonged conference, both branches could provide for a further extension of time.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. BROWN of Ohio. I have asked the gentleman to yield in view of the statement made relative to a possible rule being granted in connection with the tax bill. I have just informed the majority leader and the minority leader that both the chairman of the Ways and Means Committee and the ranking Republican member have informed me that they will request a rule for 2 days' debate on the bill.

Mr. McCORMACK. I am very glad to get that information. I did not have that information and my announcement of the program was predicated upon the assumption which the gentleman kindly confirms.

Mr. HALLECK. I might say to the gentleman from Massachusetts that, of course, I am in complete accord with the arrangement in respect to the Members from Georgia and their primary on next Wednesday. It just so happens, however, that out in Indiana both parties are having their State conventions, which is a matter of some consequence to all of us from Indiana.

I take it the leadership will be seeking a closed rule on the tax bill.

Mr. McCORMACK. Yes.

Mr. HALLECK. If that is granted, then on Thursday the business would simply be calling the roll on the motion to recommit and the passage of the bill, if a roll call should develop.

Mr. McCORMACK. Exactly.

I find it difficult at times to make a program that will be pleasing to everyone, but I am sure the Members know I do my best to have the program of the House that will be pleasing as far as humanly possible to the membership on both sides. If by meeting an hour earlier on Thursday next it would be of assistance I would be glad to do it, and I am sure that the membership of the House would concur in such action.

Mr. HALLECK. I was on the point of suggesting, in view of the situation of the Georgia Members with respect to their returning to Washington and other Members who would be away, that

it would be a good thing. I am glad the majority leader has that in mind, because I am convinced that it would be of considerable assistance to the Members.

Mr. McCORMACK. If the gentleman from Indiana desires that, I hope he will confer with me next week.

Mr. HALLECK. Yes; I shall be glad to do that, and I may say to the gentleman that I am glad to hear his announcement for the week of the 4th of July. We have been working here quite steadily, and as far as I can discover, the House is right well up with its work.

Mr. McCORMACK. The House has been most cooperative. I have expressed my appreciation before, and I cannot emphasize it too strongly. We are caught up, and I do not know of anything now which will not permit an exceedingly light week, if there be anything at all for the week of the Fourth. But, of course, I would like just a slight leeway to protect myself, because I feel obligated to carry out any absolute statement I make to the House. I should like a slight leeway in case something should develop.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. HARRIS. I should like to ask the majority leader if under the circumstances that he has presented the rule is granted and the tax bill is considered on Tuesday and Wednesday and the vote should go over until Thursday, would the vote be the first order of business on Thursday?

Mr. McCORMACK. Exactly; the vote would be the first order of business on Thursday.

Mr. HALLECK. Then, I take it, unless something develops in the meantime, that the House would adjourn over until the following Monday.

Mr. McCORMACK. That is my intention, of course; that is always my intention, and the House has always cooperated where it could be carried out.

MONUMENT TO CONSTANTINO BRUMIDI

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5943) to provide for the erection of a monument on the grave of Constantino Brumidi, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 3, strike out "(a)."

Page 1, lines 4 and 5, strike out "accept on behalf of, and without cost to the United States, title to" and insert "install a bronze and stone monument at."

Page 1, line 10, after "Capitol" insert ": *Provided*, That upon the installation of the monument the maintenance of the monument and perpetual care of the grave site shall be assumed by the trustees of Glenwood Cemetery, District of Columbia: *And provided further*, That the United States shall have no responsibility for the upkeep and care of the monument at the grave site."

Page 1, strike out all after line 10 over to and including line 4 on page 2.

Page 2, line 6, strike out "$200 to carry out the purposes of this act" and insert "$100 for the perpetual care and upkeep of the monument and grave site by the trustees of Glenwood Cemetery, and the further sum of not to exceed $400 for a suitable bronze and stone monument to mark the grave of the said Constantino Brumidi."

Amend the title so as to read: "An act to provide for the erection of a bronze and stone monument at the grave of Constantino Brumidi."

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

HONORARY DEGREE CONFERRED ON MRS. NORTON

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I seek recognition at this time—and the gentlewoman from New Jersey is not aware of the purpose for my doing so—to convey to my colleagues of the House information that I know will be pleasing to all of them.

We all have deep respect for the gentlewoman from New Jersey [Mrs. NORTON] without regard to party. No matter what may be any Member's difference of opinion with her on legislation, there is profound respect for her because of her ability, her sincerity, and her courage.

I know the membership of the House will be pleased to learn that she received a great honor. The St. Bonaventure College, a great Catholic institution, recently conferred upon our colleague and friend, the gentlewoman from New Jersey [Mrs. NORTON], the greatest honor any institution can confer upon anyone, an honorary degree, in her case the degree of LL.D., doctor of laws.

I know that in extending my congratulations I am extending the congratulations of all my colleagues to the gentlewoman from New Jersey [Mrs. NORTON] on this additional honor she has received and which she so richly deserves.

JAMES S. ORR

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 640 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That there shall be paid out of the contingent fund of the House to James S. Orr, father of Reba M. Orr, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate she was receiving at the time of her death and an additional amount not to exceed $350 toward defraying the funeral expenses of said Reba M. Orr.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MRS. DOROTHY W. UPTON

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 642 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That there shall be paid out of the contingent fund of the House to Mrs. Dorothy W. Upton, wife of Edward P. Upton, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate he was receiving at the time of his death and an additional amount not to exceed $350 toward defraying the funeral expenses of said Edward P. Upton.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MRS. CATHERINE REGINA ANDREWS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 662 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That there shall be paid out of the contingent fund of the House to Mrs. Catherine Regina Andrews, widow of John Andrews, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate he was receiving at the time of his death and an additional amount not the exceed $350 toward defraying the funeral expenses of said John Andrews.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MRS. EDITH CHARON

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 654 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That there shall be paid out of the contingent fund of the House to Mrs. Edith Charon, wife of Jean E. Charon, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate he was receiving at the time of his death and an additional amount not to exceed $350 toward defraying the funeral expenses of said Jean E. Charon.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CAMP JOSEPH T. ROBINSON

Mr. DEGRAFFENRIED. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3783) authorizing the transfer of part of Camp Joseph T. Robinson to the State of Arkansas, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, line 3, strike out all after "way" down to and including "property" in line 7.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

TRANSPORTATION ON CANADIAN VESSELS

Mr. HART. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3771) to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. RICH. Mr. Speaker, reserving the right to object, what does this bill do?

Mr. HART. Mr. Speaker, that is fully explained in the title of the bill, which is "to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation."

Under our general statutes this would be illegal, but permission has been granted to Canadian vessels which provide this service because American vessel service is not available.

This bill merely extends for an additional year the permission that has been given in prior years.

Mr. RICH. It would not interfere with any American enterprise by substituting Canadian enterprise.

Mr. HART. There is no American enterprise, I will say to the gentleman from Pennsylvania, and as to the necessity for the enterprise being there, the Canadian vessels alone are authorized to provide this service.

Mr. RICH. We want to help the Canadians all we can, but I do not want to let any other country interfere with American enterprise.

Mr. HART. I may say to the gentleman that this bill passed the Senate and was unanimously reported by the House Committee on Merchant Marine and Fisheries.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There being no objection, the Clerk read the bill as follows:

*Be it enacted, etc.*, That, until June 30, 1951, notwithstanding the provision of law of the United States restricting to vessels of the United States the transportation of passengers and merchandise directly or indirectly from any port in the United States to another port of the United States, passengers may be transported on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation: *Provided*, That such Canadian vessels may transport merchandise between Hyder, Alaska, and other ports and points herein enumerated.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive Departments may have until midnight Saturday night to file reports on H. Res. 647 and H. Res. 648.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

ATTEMPT TO SILENCE CRITICS

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, the gentleman from Pennsylvania [Mr. BUCHANAN] heads a select committee of the House appointed to investigate lobbying activities. He is proceeding with his investigation. But apparently he is doing so without the slightest public indication of what he hopes to accomplish or of how to accomplish it. This is true only if one ignores the crassly political motives which evidently inspired the Democratic majority to create the committee.

In the first place, the present law to regulate lobbying on legislative matters before the Congress of the United States fails specifically to define lobbying. The purpose of the law is to compel paid lobbyists to register with the Congress, and to disclose the sources and amounts of incomes earned by lobbying. Presumably it is intended to keep the lobbyists out in the open, where their activities can be restricted if need arises.

Questioned on the floor, the gentleman from Pennsylvania [Mr. BUCHANAN] refused to define lobbying; said further that he did not think it necessary to adopt a definition. This, of course, is in line with the purposes obviously in the minds of Democratic leaders when the committee was created. But when he opened the hearing he said lobbying was "any attempt by individuals or groups to influence governmental decisions."

Recently, in an effort to get at the real purpose of the committee staff, I questioned the gentleman from Pennsylvania, Congressman BUCHANAN, on the floor of the House. When he refused, or was unable, to define lobbying, I described lobbying as "any attempt, other than through the presentation of facts, expressions of opinion labeled as such, or appeals to reason, by individuals or groups, through pressure, political or economic, the offer of reward or threat of punishment, to influence enactment or administration of legislation or governmental activities."

This definition, if adopted and followed, would police all those who, in an effort to influence legislation or governmental decisions, abuse the right of free speech, a free press, the right to petition the Congress. It would, however, keep open the way to regulate those who for corrupt purposes or by corrupt means misuse free speech, a free press, the right of petition.

But apparently the adoption and the adherence to such a definition would not be consistent with the real objective of some of the staff of the Lobbying Committee.

One of the objectives of that staff seems to be the silencing through intimidation of all critics of the administration, of all those who are fighting either waste, corruption, or communism in the executive departments.

One reason for this suspicion lies in the questionnaire sent out by the committee staff and in the selection of the 166 business and educational organizations to whom it was sent.

It was notable that this list was confined exclusively to those companies and firms which have opposed the socialistic proposals of the Fair Deal and who have stood firm for constitutional government. It was notable, too, that many large companies, and left-wing organizations and labor unions, which have supported the Fair Deal, were conspicuously absent from the list.

Even a cursory reading of the questionnaire reveals that it was intended to harass and embarrass the companies and organizations formed to support constitutional government to which it was addressed. The questionnaire contained questions which many with a pencil and paper, a file of newspapers and magazines, and an advertising rate book could answer for themselves. But the questions relating to paid advertising on legislative subjects were only a small part of the questionnaire.

Other questions were included, relating to expenses and donations to organizations, such as the Committee for Constitutional Government, Inc., and to the Constitutional Educational League, which are fighting nobly for the things their names imply. Officials of these, and other organizations of the kind, earlier had been smeared by New Deal supporters and one of them jailed, for refusal to list their subscribers and contributors and thus lay them open to smears and persecution at the hands of Government officials and others who support such left-wing propaganda machines as the Friends of Democracy and the Anti-Defamation League.

The whole thing added up to a demand for information which would cost hundreds of thousands of dollars to gather and collate over a period of some months. Yet the committee staff gave those presented with the questionnaire only about 3 weeks in which to do the job.

There are those who are willing to say that this questionnaire was just a trap, that and nothing more; a means of accomplishing a purpose far afield from that for which the committee was authorized.

Some people say that the CIO or left wing furnished a part of the staff for the

committee; that it was not intended that companies and patriotic organizations receiving the questionnaire should be able to comply with committee demands.

These people say that the real purpose of the questionnaire was to provide an excuse for CIO representatives and tools of the Friends of Democracy and the Anti-Defamation League, working through the committee staff, to get a look at corporation books, a privilege hitherto denied the unions.

In any event, it appears that some members of the Buchanan committee staff are not such as one should select to guide the activities of the committee. All of them, no doubt, are known as respectable citizens, against whom no charge of moral turpitude would be made. But it would seem that their ideas and purposes, as indicated by their past activities, are not such as to qualify some of them for the positions they now occupy.

The real purpose in this, a campaign year, appears to be an attempt to silence critics of the administration.

LEAVE OF ABSENCE

By unanimous consent, leave of absense was granted as follows:

To Mr. SADLAK (at the request of Mr. WOODRUFF), for today and Friday, to attend the funeral of a close personal friend.

To Mr. SMITH of Virginia (at the request of Mr. HARRISON), for Thursday, June 22, on account of official business.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1243. An act to amend the Hatch Act;

H. R. 4895. An act to permit the prospecting, development, mining, removal, and utilization of the mineral resources within the national forests in Minnesota, and for other purposes;

H. R. 8198. An act to provide for the organization of the Army and the Department of the Army, and for other purposes; and

H. J. Res. 480. Joint resolution extending the time for the release, free of estate and gift tax, of certain powers.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1165. An act to provide relief for the sheep-raising industry by making special quota immigration visas available to certain alien sheepherders;

S. 118. An act for the relief of Clemente Sabin Dopico;

S. 330. An act for the relief of George Gabriel Herrmann, Greta (Marketa) Herrmann (wife), and Alice Herrmann (daughter), known also as George Gabriel Herman, Greta Herman, and Alice Herman;

S. 1452. An act for the relief of Dr. Juan A. Querait Balleste;

S. 1484. An act for the relief of Augustino Marlia;

S. 1637. An act for the relief of Marie Henriette de Bruyn;

S. 2107. An act for the relief of Georges Gregory Alpiar;

S. 2265. An act for the relief of Marina George Papadopoulos;

S. 2309. An act for the relief of Oscar (Oszkar) Nemenyi, Marianna Nemenyi (wife), and Thomas John Nemenyi (son);

S. 2397. An act authorizing the Secretary of the Interior to convey certain lands in the State of Minnesota to Signa M. Lodoen and Nels R. Lodoen;

S. 2510. An act to authorize and direct the Secretary of the Interior to issue to Anson Harold Pease, a Crow allottee, a patent in fee to certain lands;

S. 2511. An act for the relief of Dr. John R. Portaria;

S. 2551. An act to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.;

S. 2552. An act to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.;

S. 2556. An act for the relief of Mrs. Billy J. Knight and Dorothea Knight;

S. 2629. An act for the relief of Marianne Bruchner;

S. 2714. An act for the relief of Thomas Pfeiffer;

S. 3029. An act authorizing the Secretary of the Interior to issue a patent in fee to Wilbur J. Scott;

S. 3128. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.;

S. 3130. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.;

S. 3639. An act providing for an extension of the time during which annual assessment work on mining claims held by location in the United States, including Alaska, may be made, and for other purposes; and

S. 3181. An act to extend the Housing and Rent Act of 1947, as amended, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1082. An act conferring jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon a claim of the Bunker Hill Development Corp.;

H. R. 2230. An act for the relief of Arthur S. Horner, Leah B. Horner, and Maude Brewer, doing business as the A. S. Horner Construction Co.;

H. R. 2803. An act for the relief of Albert J. Peterson;

H. R. 3254. An act for the relief of Iva Gavin;

H. R. 4371. An act for the relief of Shiro Takemura;

H. R. 4692. An act to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II;

H. R. 5019. An act for the relief of Fella H. Holbrook;

H. R. 5682. An act for the relief of William T. Orton;

H. R. 5846. An act for the relief of Mrs. Lillian Coolidge;

H. R. 6691. An act for the relief of Paul D. Banning, Chief Disbursing Officer, Treasury Department, and for other purposes; and

H. R. 6934. An act for the relief of E. H. Corrigan.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 18 minutes p. m.), under its previous order, the House adjourned until Monday, June 26, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1508. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated May 10, 1950, submitting a report, together with accompanying papers and an illustration on a preliminary examination and survey of Webster Cove, Somerset County, Md., with a view to constructing a jetty in the project channel, authorized by the river and harbor act approved on March 2, 1945 (H. Doc. No. 619); to the Committee on Public Works and ordered to be printed, with one illustration.

1509. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated April 28, 1950, submitting a report, together with accompanying papers and an illustration, on a review of reports on Toledo Harbor, Ohio, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on July 23, 1945 (H. Doc. No. 620); to the Committee on Public Works and ordered to be printed, with one illustration.

1510. A letter from the Acting Secretary of Defense, transmitting a draft of legislation together with appropriate justifications covering proposed legislation entitled "A bill to eliminate the additional internal-revenue taxes on coconut oil coming from the trust territory of the Pacific Islands, and for other purposes"; to the Committee on Ways and Means.

1511. A letter from the Comptroller General of the United States, transmitting the report on the audit of Federal Housing Administration for the fiscal year ended June 30, 1949 (H. Doc. No. 621); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1512. A letter from the Secretary, National Gallery of Art, Smithsonian Institution, transmitting a draft of a proposed joint resolution entitled "Joint resolution excluding from gross estate of a nonresident alien works of art on loan to the Trustees of the National Gallery of Art"; to the Committee on Ways and Means.

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REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURRAY of Tennessee: Committee of conference. H. R. 4295. A bill to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948 (Rept. No. 2304). Ordered to be printed.

Mr. RANKIN: Committee on Veterans' Affairs. S. 3582. An act to authorize revision of the procedures employed in the administration of certain trust funds administered by the Veterans' Administration; without amendment (Rept. No. 2305). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. H. R. 8619. A bill to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to provide for the appointment of dental specialists, and for other purposes; without amendment (Rept. No. 2306). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. H. R. 8845. A bill to provide for the conveyance of a tract of land in Kennebec County, Maine, to the town of Chelsea; without amendment (Rept. No. 2307). Referred

to the Committee of the Whole House on the State of the Union.

Mr. BRYSON: Committee on the Judicary. H. R. 17. A bill to provide for trials of and judgments upon the issue of good behavior in the case of certain judges; with amendment (Rept. No. 2308). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILSON of Texas: Committee on the Judiciary. S. 2864. An act to authorize certain administrative expenses for the Department of Justice, and for other purposes; with amendment (Rept. No. 2309). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILSON of Texas: Committee on the Judiciary. H. R. 4192. A bill to amend title 18, United States Code, section 220, relating to receipt of commissions or gifts for procuring loans; without amendment (Rept. No. 2310). Referred to the House Calendar.

Mr. O'TOOLE: Committee on Merchant Marine and Fisheries. S. 3771. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation; without amendment (Rept. No. 2312). Referred to the House Calendar.

Mr. O'TOOLE: Committee on Merchant Marine and Fisheries. H. R. 6536. A bill to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation; without amendment (Rept. No. 2313). Referred to the House Calendar.

Mrs. NORTON: Committee on House Administration. House Resolution 640. Resolution for the relief of James S. Orr; without amendment (Rept. No. 2314). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 642. Resolution for the relief of Mrs. Dorothy W. Upton; without amendment (Rept. No. 2315). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 662. Resolution for the relief of Mrs. Catherine Regina Andrews; without amendment (Rept. No. 2316). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 654. Resolution for the relief of Mrs. Jean E. Charon; without amendment (Rept. No. 2317). Ordered to be printed.

Mr. CANNON: Committee of conference. H. R. 8567. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes; without amendment (Rept. No. 2318). Ordered to be printed.

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REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ENGLE of California: Committee on Public Lands. H. R. 6038. A bill to provide for issuance of a supplemental patent to Charles A. Gann, patentee No. 152,419, for certain land in California; without amendment (Rept. No. 2311). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII public bills and resolutions were introduced and severally referred as follows:

By Mr. FORAND:

H. R. 8919. A bill to provide for an unemployment reinsurance fund; to the Committee on Ways and Means.

By Mr. DOUGHTON:

H. R. 8920. A bill to reduce excise taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. BATES of Kentucky:

H. R. 8921. A bill to authorize the attendance of the United States Marine Band at the annual meeting of the Kentucky Education Association to be held in Louisville, Ky., on May 13, 1951; to the Committee on Armed Services.

By Mr. MILLER of Nebraska:

H. R. 8922. A bill authorizing and directing the Commissioners of the District of Columbia to prescribe regulations with respect to milk and milk products, and for other purposes; to the Committee on the District of Columbia.

By Mr. MURRAY of Tennessee:

H. R. 8923. A bill to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RAINS:

H. R. 8924. A bill to authorize the creation of private mortgage corporations and to modify the Government's secondary market for FHA-insured and VA-guaranteed residential mortgages; to the Committee on Banking and Currency.

By Mr. MURRAY of Tennessee:

H. R. 8925. A bill to provide a recruitment procedure for the competitive civil service in order to insure selection of personnel on the basis of open competition and merit, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REES:

H. R. 8926. A bill to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SMATHERS:

H. R. 8927. A bill to authorize aid to needy American nationals in connection with their repatriation from foreign countries, and for other purposes; to the Committee on Foreign Affairs.

By Mr. FLOOD:

H. R. 8928. A bill to foster economic development in areas of chronic unemployment; to the Committee on Public Works.

By Mr. DAVENPORT:

H. Res. 663. Resolution creating a select committee to conduct an investigation and study of sex crimes; to the Committee on Rules.

By Mr. FLOOD:

H. Res. 664. Resolution requesting the President to appoint a bipartisan commission relating to American policy in Japan; to the Committee on Foreign Affairs.

By Mr. NIXON:

H. Res. 665. Resolution creating a select committee to conduct an investigation and study of the administration and apportionment of hospital facilities for veterans; to the Committee on Rules.

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PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CASE of New Jersey:

H. R. 8929. A bill for the relief of Vincent F. Leslie; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

H. R. 8930. A bill authorizing the issuance of a patent in fee to Matthew High Pine; to the Committee on Public Lands.

By Mr. CHELF:

H. R. 8931. A bill for the relief of Franz Furtner, his wife, Valentina Furtner, and her daughters, Nina Tuerck and Victoria Tuerck; to the Committee on the Judiciary.

By Mr. LEONARD W. HALL:

H. R. 8932. A bill for the relief of William Yinson Lee; to the Committee on the Judiciary.

By Mr. JONES of North Carolina:

H. R. 8933. A bill for the relief of Mr. and Mrs. Horace S. Ritch; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 8934. A bill for the relief of the American Barrel Co., Inc.; to the Committee on the Judiciary.

By Mr. LeFEVRE:

H. R. 8935. A bill for the relief of Mrs. Jaye Kurusu Maddox; to the Committee on the Judiciary.

By Mr. MARCANTONIO:

H. R. 8936. A bill for the relief of Mrs. Marguerite A. Brumell; to the Committee on the Judiciary.

By Mr. O'TOOLE:

H. R. 8937. A bill for the relief of Miriam Rosenblum; to the Committee on the Judiciary.

By Mr. WILLIAM L. PFEIFFER:

H. R. 8938. A bill for the relief of Sportservice, Inc.; to the Committee on the Judiciary.

By Mr. ROONEY:

H. R. 8939. A bill for the relief of Mrs. Marianna Di Spigna, nee Di Meglio; to the Committee on the Judiciary.

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PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2212. By Mr. CANFIELD: Resolution adopted by the New Jersey State Bar Association, Trenton, N. J., at its annual meeting on May 27, 1950, opposing the passage of the national health insurance and public health bill; to the Committee on Interstate and Foreign Commerce.

2213. By Mr. MILLER of Maryland: Resolution of the Cecil County Farm Bureau, Inc., opposing any form of compulsory health insurance or any system of political medicine; to the Committee on Interstate and Foreign Commerce.

2214. By the SPEAKER: Petition of C. L. Queen, secretary, Pineapple Growers Association of Hawaii, San Francisco, Calif., against any form of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

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# SENATE

## FRIDAY, JUNE 23, 1950

*(Legislative day of Wednesday, June 7, 1950)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, as noontide marks the hurrying day and our words are hushed to silence, we would bathe our hearts and minds in the glorious thought

that amidst all life's changing scenes we are with Thee.

Purge us, we beseech Thee, of low desire. Lift us to high resolve. In this great hour of human destiny, deepen in us the sense of surpassing opportunity and responsibility, yea, of a glorious mission to do our full part in averting a global catastrophe as our willful world is given one last chance to make this earth a decent habitation for all Thy children. May it be in Thy providence that our America, desiring nothing but peace for herself and for all the world, may come to the kingdom for such a time as this. In the Redeemer's name we ask it. Amen.

### THE JOURNAL

On request of Mr. MYERS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 22, 1950, was dispensed with.

### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 3771) to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

The message also announced that the House had passed the bill (S. 2269) to provide for the enlistment of aliens in the Regular Army, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3783) authorizing the transfer of part of Camp Joseph T. Robinson to the State of Arkansas.

The message also announced that the House had passed a joint resolution (H. J. Res. 334) to amend certain laws providing for membership and participation by the United States in certain international organizations, in which it requested the concurrence of the Senate.

### LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. GEORGE was excused from attendance upon the sessions of the Senate for the week beginning Monday next.

Mr. THYE. Mr. President, I ask unanimous consent to be absent from the Senate until 2:30 or 3 o'clock Tuesday afternoon, depending upon flying conditions at the Washington National Airport.

The VICE PRESIDENT. Without objection, the leave is granted.

### CALL OF THE ROLL

Mr. MYERS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Anderson | Holland | Millikin |
| Benton | Humphrey | Morse |
| Bricker | Hunt | Mundt |
| Butler | Ives | Murray |
| Byrd | Jenner | Myers |
| Cain | Johnson, Colo. | Neely |
| Capehart | Johnson, Tex. | O'Mahoney |
| Chavez | Kefauver | Robertson |
| Connally | Kem | Russell |
| Cordon | Kerr | Saltonstall |
| Darby | Kilgore | Schoeppel |
| Donnell | Knowland | Smith, Maine |
| Douglas | Leahy | Smith, N. J. |
| Ecton | Lehman | Sparkman |
| Ellender | Lodge | Stennis |
| Ferguson | McCarran | Thomas, Utah |
| Fulbright | McClellan | Thye |
| George | McFarland | Tydings |
| Gillette | McKellar | Watkins |
| Green | McMahon | Wherry |
| Gurney | Magnuson | Wiley |
| Hayden | Malone | Williams |
| Hendrickson | Martin | Withers |
| Hill | Maybank | |

Mr. MYERS. I announce that the Senator from Kentucky [Mr. CHAPMAN], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], and the Senators from North Carolina [Mr. GRAHAM and Mr. HOEY] are absent on public business.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Illinois [Mr. LUCAS], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the senior Senator from Vermont [Mr. AIKEN], the junior Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. HICKENLOOPER], the senior Senator from North Dakota [Mr. LANGER], the Senator from Ohio [Mr. TAFT], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Idaho [Mr. DWORSHAK] is absent on official business.

The Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Wisconsin [Mr. MCCARTHY] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

### TRANSACTION OF ROUTINE BUSINESS

Mr. IVES, Mr. DONNELL, and other Senators addressed the Chair.

The VICE PRESIDENT. The Chair will ask that the unfinished business be laid aside temporarily so the Chair may recognize Senators for transaction of routine business, without speeches and without debate. Is there objection? The Chair hears none, and it is so ordered.

### EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

#### AMENDMENT OF SYNTHETIC LIQUID FUELS ACT

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to amend the Synthetic Liquid Fuels Act, as amended (with accompanying papers); to the Committee on Interior and Insular Affairs.

#### GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

Two letters from the Acting Attorney General of the United States, transmitting, pursuant to law, copies of the orders of the Commissioner of the Immigration and Naturalization Service granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien and the reasons for granting the application (with accompanying papers); to the Committee on the Judiciary.

#### SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

A letter from the Acting Attorney General of the United States, transmitting, pursuant to law, copies of the orders of the Commissioner of the Immigration and Naturalization Service, suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

#### SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAMES

A letter from the Acting Attorney General, withdrawing the names of Pedro Albarez-Salgado and Jose Alvarez from reports relating to aliens whose deportation had been suspended more than 6 months ago, transmitting to the Senate on January 16, 1950, and October 3, 1949, respectively; to the Committee on the Judiciary.

#### AUDIT REPORT ON FEDERAL HOUSING ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Federal Housing Administration, for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

#### AUDIT REPORT ON ACCOUNTS OF JOINT SENATE AND HOUSE RECORDING FACILITY

A letter from the Comptroller General of the United States, transmitting an audit report of the accounts of the Joint Senate and House Recording Facility, for the period May 10, 1949, to April 10, 1950 (with an accompanying report); to the Committee on Rules and Administration.

### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented and referred as indicated:

By the VICE PRESIDENT:

A telegram in the nature of a petition from Maurice N. Eisendrath, president, Union of American Hebrew Congregations, Jacob Blaustein, president, American Jewish Committee, Adolph Held, chairman, Jewish Labor Committee, Jackson J. Holtz, national commander, Jewish War Veterans of U. S. A., Irving Kane, chairman, National Community Relations Advisory Council, Frank Goldman, national chairman, Anti-Defamation League of B'nai B'rith, and Irving Miller, president, American Jewish Congress, of New York, N. Y., praying for the prompt ratification of the Genocide Treaty; to the Committee on Foreign Relations.

Resolutions adopted by the Catawissa American Legion Auxiliary Unit, No. 541, the Garden Club of Catawissa, and the Business and Professional Women's Club of Ganville, all in the State of Pennsylvania, and the Pineapple Growers Association of Hawaii, San Francisco, Calif., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

By Mr. TYDINGS:

A resolution adopted by the Maryland State and District of Columbia Federation of Labor, protesting against the enactment of section 1112 of the general appropriations bill for 1951 (H. R. 7786), relating to the use of funds to pay for annual leave accumulated during the calendar year 1950 and unused at the close of business on December 31, 1950; to the Committee on Appropriations.

A resolution adopted by the Maryland State and District of Columbia Federation of Labor, favoring the continuation of the suspension of the import tax on copper; to the Committee on Finance.

A resolution adopted by the Maryland Branch of the Catholic Central Verein of America, and the Maryland Branch of the Catholic Women's Union, Baltimore, Md., favoring the enactment of Senate bill 2311, to protect the United States against certain un-American and subversive activities, and for other purposes; to the Committee on the Judiciary.

A resolution adopted by the mayor and council of Easton, Md., protesting against the enactment of the bill (H. R. 3111) to amend the Bankruptcy Act; to the Committee on the Judicary.

Resolutions adopted by the past presidents of Maryland Guard Memorial Unit No. 35, American Legion Auxiliary; Medical and Chirurgical Faculty of the State of Maryland; Fullerton Democratic Club of Baltimore County, Inc.; Edmondun Suburban Group of the Women's Civil League; Private William H. Rotan Post, No. 219, Veterans of Foreign Wars; and Champagne Post, No. 195, Veterans of Foreign Wars, all of the city of Baltimore; the Mountain Top Chamber of Commerce, of Oakland; the American Legion Auxiliary of Jeff Davis Post, No. 18, of Centreville; Ladies Auxiliary of the Joseph L. Davis Post, No. 47, of Havre de Grace; Frank Pelham Stone Unit, No. 173, American Legion Auxiliary, of Glen Echo; Bar Association of Montgomery County, Rockville; Hampstead Unit, No. 200, American Legion Auxiliary, of Hampstead; Grantsville American Legion Auxiliary Post, No. 214, of Grantsville; Woman's Auxiliary of the Baltimore County Medical Society, of Randallstown; and the Cecil County Farm Bureau, all in the State of Maryland, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the American Legion Auxiliary of Jeff Davis Unit, No. 18, of Centreville, Md., protesting against the recommendations of the Hoover Commission report which deal with veterans affairs; to the Committee on Expenditures in the Executive Departments.

A resolution adopted by the Maryland State and District of Columbia Federation of Labor, relating to the duties of mail handlers in the postal service; to the Committee on Post Office and Civil Service.

A resolution adopted by the Maryland-District of Columbia Federation of Labor, favoring the adoption of a new FEPC law with enforcement provisions; ordered to lie on the table.

## CURTAILMENT OF POSTAL SERVICES—RESOLUTION OF BOSTON (MASS.) CITY COUNCIL

Mr. SALTONSTALL. Mr. President, on behalf of my colleague the junior Senator from Massachusetts [Mr. LODGE] and myself, I present for appropriate reference and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Boston (Mass.) City Council, relating to the reduction of services of the Post Office Department in the Boston area.

There being no objection, the resolution was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

*Resolved*, That the Boston City Council petition the Congress of the United States to take immediate steps to correct the deplorable reduction of services of the United States Postal Department in this area.

The false economy of curtailed mail deliveries to residential and business customers, as well as the resultant confusion of the public in general, has aroused the indignation of the people of Boston.

It is indeed a sad reflection on the reasoning power of the authorities responsible for this chaotic situation, to behold on one hand, billions of dollars being expended by our Government for aid to foreign nations who have postal services far superior to our own, and to witness on this hand a reduction of postal services which returns us to the horse and buggy methods of the early 1800's.

Let us not allow this deplorable inconsistency of government and all its resultant economic hardships to continue, without our vigorous protest.

In city council June 19, 1950, adopted.

Attest:

W. J. MALLOY,
*City Clerk.*

## FINANCIAL ASSISTANCE TO PRIVATE ENTERPRISE

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have inserted in the body of the RECORD at this point a resolution adopted by the Board of County Commissioners of St. Louis County, Minn., endorsing and urging the passage of House bill 8512, to authorize the Reconstruction Finance Corporation to extend financial assistance to private enterprise to promote the development, production, and utilization of taconite and other minerals advantageous to the national defense and the strengthening of the national economy, to promote free enterprise in the mineral mining industry, and for other purposes.

There being no objection, the resolution was referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

CERTIFIED COPY OF RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ST. LOUIS COUNTY, MINN.

RESOLUTION NO. 490, ADOPTED JUNE 13, 1950

*Resolved*, That this board hereby endorses and urges the passage of H. R. 8512, being a bill "to authorize the Reconstruction Finance Corporation to extend financial assistance to private enterprise to promote the development, production, and utilization of taconite and other minerals advantageous to the national defense and the strengthening of the national economy, to promote free enterprise in the mineral mining industry, and for other purposes."

*Resolved further*, That the Members of the House of Representatives and the United States Senate from the State of Minnesota are hereby urged to promote the passage of the above identified H. R. 8512.

## EQUALITY OF REPRESENTATION BY STATE LEGISLATIVE BODIES

Mr. HUMPHREY. Mr. President, in the course of debate on S. 1728, the FEPC bill, the question came up with regard to whether or not State legislatures are representative bodies. Opponents of the bill took issue with my statements concerning the unrepresentative character of some legislative bodies.

In this connection it is interesting to take note of the resolution adopted by the United States Conference of Mayors which met in New York City last month. I ask unanimous consent that the resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the body of the RECORD, as follows:

*Resolved*, That since equality of representation is the most vital and fundamental principle of democracy and inequality of representation is a tyranny to which no people worthy of freedom will lightly submit; and in order that cities be accorded the fair and equal representation in the various State legislatures to which they are entitled as a matter of justice and right, the 1950 Annual Conference of the United States Conference of Mayors urge upon the States where fair and equal representation does not exist to correct this condition which is utterly repugnant to the basic concept of democratic processes of government, by initiating action leading to reapportionment at the conclusion of the 1950 population census, or, in those States not having constitutional or statutory provision for reapportionment on the basis of population, to sponsor the constitutional or statutory amendments necessary to make such reapportionment possible.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 6270. A bill to authorize the sale of certain allotted inherited land on the Winnebago Indian Reservation, Nebr.; without amendment (Rept. No. 1862); and

H. R. 8287. A bill to authorize the Secretary of the Interior to issue duplicate of William Gerard's script certificate No. 2, subdivision 13, to Lucy P. Crowell; without amendment (Rept. No. 1863).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs:

S. 2423. A bill to amend section 7 of the act of February 27, 1925 (43 Stat. 1008), relating to the Osage Indians of Oklahoma; with an amendment (Rept. No. 1865).

By Mr. JOHNSON of Texas, from the Committee on Armed Services:

S. 3666. A bill to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry; with an amendment (Rept. No. 1864).

## ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 23, 1950, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 2335. An act to make certain revisions in titles I and III of the Officer Personnel Act of 1947, as amended; and

S. J. Res. 190. Joint resolution extending the period of effectiveness of the Selective Service Act of 1948 for 15 days.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ECTON:

S. 3813. A bill authorizing the Secretary of the Interior to issue a patent in fee to Sylvania Cooper Jahncke; and

S. 3814. A bill authorizing the Secretary of the Interior to issue patents in fee to certain allottees on the Blackfeet Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. KERR (for himself and Mr. THOMAS of Oklahoma):

S. 3815. A bill authorizing the President to present, in the name of Congress, a Congressional Medal of Honor to Don Dunn; to the Committee on Armed Services.

By Mr. LODGE:

S. 3816 A bill for the relief of Mrs. Yoshiko Ogiso Peterson; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 3817. A bill to eliminate the additional internal revenue taxes on coconut oil coming from the Trust Territory of the Pacific Islands, and for other purposes; to the Committee on Finance.

By Mr. ANDERSON:

S. 3818. A bill for the relief of Mrs. Ida McCabe; to the Committee on the Judiciary.

By Mr. JENNER:

S. 3819. A bill for the relief of Lawrence V. Grogan, Jr.; to the Committee on the Judiciary.

By Mr. BUTLER:

S. 3820. A bill to authorize the sale of certain lands of Lizzie Kemp Phillips; to the Committee on Interior and Insular Affairs.

By Mr. CORDON:

S. J. Res. 191. Joint resolution to designate the lake to be formed by the McNary lock and dam in the Columbia River, Oreg. and Wash., as Lake Umatilla; to the Committee on Public Works.

GENERAL APPROPRIATIONS, 1951—AMENDMENT

Mr. GREEN submitted an amendment intended to be proposed by him to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 334) to amend certain laws providing for membership and participation by the United States in certain international organizations, was read twice by its title, and referred to the Committee on Foreign Relations.

MEMBERS OF ATOMIC ENERGY COMMISSION—EXECUTIVE REPORTS OF A COMMITTEE

Mr. McMAHON. Mr. President, as in executive session, on the part of the Members of the Senate of the Joint Committee on Atomic Energy, I report favorably the nominations of Gordon Dean, of California; Thomas E. Murray, of New York; and Henry DeWolf Smyth, of New Jersey, to be members of the Atomic Energy Commission, with the recommendation that the nominations be confirmed.

The nomination of Sumner T. Pike, of Maine, is still pending in the committee. Under the rules of the committee, if one member asks for a hearing, such hearing will be given. The senior Senator from Iowa [Mr. HICKENLOOPER] has indicated his desire for a hearing on the nomination of Mr. Pike. I have set the hearing for next Tuesday. I shall later announce the hour.

The VICE PRESIDENT. The nominations will be received as in executive session and placed on the Executive Calendar.

ACCOMPLISHMENTS IN ITALY UNDER THE MARSHALL PLAN—ARTICLES BY SENATOR BENTON

[Mr. BENTON asked and obtained leave to have printed in the RECORD eight articles written by him during his trip to Italy as advisor to the United States Delegation at the UNESCO Conference, which appear in the Appendix.]

ADDRESS OF SENATOR MARTIN AT THE CELEBRATION OF THE ONE HUNDREDTH ANNIVERSARY OF LEECHBURG, PA.

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by him at the celebration of the one hundredth anniversary of Leechburg, Pa., on Sunday, June 18, 1950, which appears in the Appendix.]

THE PRESIDENT'S VETO OF BASING-POINT BILL—STATEMENT BY SENATOR O'MAHONEY

[Mr. THYE asked and obtained leave to have printed in the RECORD a statement prepared by Senator O'MAHONEY, entitled "President Truman's Veto Says: 'There Is No Bar to Freight Absorption or Delivered Price as Such,'" which appears in the Appendix.]

VETO OF THE BASING-POINT BILL—ARTICLE BY DAVID LAWRENCE

[Mr. THYE asked and obtained leave to have printed in the RECORD an article entitled "Business Seen Ruled by Bureaucrat Whim, Not Law of Congress," by David Lawrence, published in the Washington Evening Star for June 21, 1950, which appears in the Appendix.]

THE CONFLICT IN THE NATIONAL LABOR RELATIONS BOARD—EDITORIAL COMMENT

[Mr. IVES asked and obtained leave to have printed in the RECORD three editorials dealing with the conflict of jurisdiction between the National Labor Relations Board and the general counsel, which appear in the Appendix.]

ANTISTRIKE LEGISLATION AND THE SWITCHMEN'S STRIKE — TELEGRAMS FROM RESIDENTS OF KANSAS

[Mr. SCHOEPPEL asked and obtained leave to have printed in the RECORD 30 telegrams relative to antistrike legislation and the switchmen's strike, received by him from residents of Kansas, which appear in the Appendix.]

OUR CONSTITUTION—PAPER BY MISS JOAN STEWART

[Mr. WITHERS asked and obtained leave to have printed in the RECORD a paper written by Miss Joan Stewart, of Covington, Ky., which appears in the Appendix.]

LETTER OF APPRECIATION FROM DISPLACED PERSONS SETTLED IN THE UNITED STATES

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a letter received by him from David Berkingoff, which appears in the Appendix.]

FULTON E. LEWIS, JR.—ARTICLE BY CHARLES VAN DEVANDER AND EDITORIAL FROM THE NEW YORK POST

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "Top Nazi Official Described Lewis as Factual, Fair," by Charles Van Devander; and an editorial entitled "If Fulton Lewis Had the Story," published in the New York Post for June 22, 1950, which appear in the Appendix.]

PRESIDENTIAL PARSIMONY—EDITORIAL FROM THE WALL STREET JOURNAL

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an editorial entitled "Presidential Parsimony," published in the Wall Street Journal of June 23, 1950, which appears in the Appendix.]

THE THREATENED RAILROAD STRIKE

Mr. DONNELL. Mr. President, emphasizing the utmost importance of enactment into law of Senate bill 3463, to make unlawful any strike or any lockout by a carrier arising out of or in connection with any dispute falling within the purview of the Railway Labor Act, I ask unanimous consent that there be set forth in the body of the RECORD at this point in my remarks an article, being the first article on page 1 of this morning's New York Times, entitled "Fourth Strike Threat Faces Railroads; Another Is Studied," and continuing over onto page 18 of this morning's edition of the Times.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOURTH STRIKE THREAT FACES RAILROADS; ANOTHER IS STUDIED—PULLMAN CONDUCTORS SCHEDULE WALKOUT JULY 11 ON DEMAND FOR REDUCTION IN HOURS—YARDMASTERS WEIGH STEP—A FACT BOARD MAY HEAD OFF SLEEPER TIE-UP—SENATOR DONNELL DEMANDS ACTION

(By Louther S. Horne)

CHICAGO, June 22.—The Nation's railroads, already threatened with walkouts by three unions, today faced another strike call.

The Pullman Conductors Division of the Order of Railway Conductors scheduled a walkout for 7 a. m., Chicago daylight-saving time, July 11. Another union, the Railroad Yardmasters of America, has a strike call under consideration. Earlier, the latter union had scheduled a walkout for April 17, but canceled it when the National (Railway) Mediation Board intervened.

Appointment of a Presidential fact-finding board, it is expected, may head off the Pullman conductors walkout, which was ordered by A. G. Wise, executive vice president of the Order of Railway Conductors and general chairman of the Pullman Conductors Division. The union demands a reduction of the basic work month from 225 hours to 210, without a reduction of pay, and certain changes in working rules.

This strike, if it develops, would result in a stoppage of all pullman service and disruption of many rail operations in the current heavy vacation travel season. About 2,200 union members would be involved.

In the last 2 days three unions, including the Order of Railway Conductors, have posed strike threats that would paralyze operation of the country's more than 300 major railroads and that, if prolonged, would curtail American business and industrial activity. The other unions are the Switchmen's Union of North America, A. F. L., and the Brotherhood of Railroad Trainmen.

STRIKE EFFECTIVE SUNDAY

Arthur J. Glover, president of the switchmen's union, yesterday issued a strike call effective 7 a. m. Sunday against these five

midwestern and western railroads: The Rock Island and the Chicago Great Western, with terminals in Chicago; the Great Northern, the Denver & Rio Grande Western, and the Western Pacific. The Great Western is chiefly a freight carrier.

Mr. Glover's strike call would involve 4,000 of the union's members—it claims 25,000—and is aimed at enforcing the group's national demand for 48 hours' pay for 40 hours' work. The carriers have offered the 40-hour week and a pay rise of 18 cents an hour, but the switchmen insist an increase of 30 cents is necessary to maintain present take-home pay.

Early tonight, Francis A. O'Neill, Jr., chairman of the National (Railway) Mediation Board, who arrived here yesterday with Leverett Edwards, a Board member, to try to avert the switchmen's walk-out, reported that the disputing parties had held no meetings.

The Brotherhood of Railroad Trainmen and the Order of Railway Conductors voiced strike threats last night in a joint announcement that the general chairmen of both groups had been summoned to Chicago to consider country-wide strike action because of the findings of the Presidential emergency board in its report issued June 15.

REPORT IS CALLED UNJUST

W. P. Kennedy and F. H. Nemitz, presidents, respectively, of the BRT and ORC, reminded railroad officials that the 250,000 members of the two organizations had "voted over 95 percent to strike if necessary to get long overdue rules improvements for road men and the 40-hour workweek with no pay cut for yard-service employees."

The union heads' statement asserted that while the fact-finding board recommended the 40-hour workweek for yard service employes, it did not provide 48 hours' pay, and recommended withdrawal of most of the other requests made by the two unions for liberalization of working rules.

The union charged that the board's report was "the most unjust, unfair, unequitable, and injurious report and recommendations issued by an emergency board since the Railway Labor Act became law."

"All steps of the Railway Labor Act have been fully complied with," the two union leaders asserted, "and we are within our rights to withhold our labor in the historic battle of working men and women for dignified, fair, and reasonable working conditions."

Under the terms of the Railway Labor Act, the unions are free to strike 30 days after an emergency board reports. In this case, the 30-day period would end July 15.

Meanwhile, the switchmen's dispute brought announcements from the Great Western and Western Pacific systems that they would join the Rock Island in preparing for a complete shut-down Sunday morning if the strike were not canceled. A spokesman for the Great Western said embargoes were in preparation "to get everything off the line by the deadline."

Mr. DONNELL. Mr. President, I ask unanimous consent that immediately following the insertion of the article to which I just referred an article on page 18 of today's New York Times entitled "Antistrike Action Asked" be inserted in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ANTISTRIKE ACTION ASKED

WASHINGTON, June 22.—Senator FORREST C. DONNELL, Republican, of Missouri, told the Senate today that antitstrike legislation should be passed immediately to head off the threat of Nation-wide railroad shut-down.

He said the threat to the national safety was great.

Senator DONNELL is author of a bill that would amend the present Railway Labor Act to prevent strikes and in effect require compulsory arbitration of railway-labor disputes.

Mr. DONNELL. Mr. President, I have received a considerable number of telegrams from various companies and various representatives of organizations, as for illustration, from the vice president of the transportation division of the St. Joseph Chamber of Commerce, a representative of the St. Joseph Livestock Exchange, the president of the chamber of commerce of the city of St. Louis, and numerous others. In the interest of saving time I shall not read the telegrams, but I send them to the desk and ask that they be set forth in the body of the RECORD at this point in my remarks. All of them bear on the threatened railroad strike.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ST. JOSEPH, MO., *June 22, 1950.*

Hon. FORREST C. DONNELL,
*Senate Office Building,*
*Washington, D. C.:*

Threatened strike on Rock Island and Chicago Great Western Railways due Sunday will seriously affect economy of St. Joseph, its trade territory, and entire Midwest. Wheat crops must move or spoil. Urge immediate passage Donnell bill or any other possible means to avert this disastrous strike.

L. F. TEMPLIN,
*Vice President, Transportation Division, St. Joseph Chamber of Commerce.*

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ST. JOSEPH, MO., *June 22, 1950.*

Hon. FORREST C. DONNELL,
*United States Senator,*
*Senate Office Building,*
*Washington, D. C.:*

Please use influence to prevent railroad switchmen's strike which is pending at this time. Movement of grass cattle and spring lambs started this week, about first week in July will be in full swing. Suggest passage of legislation in the public interest in regard to rail strikes.

ST. JOSEPH LIVESTOCK EXCHANGE,
DON K. SPALDING.

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ST. JOSEPH, MO., *June 22, 1950.*

FORREST DONNELL,
*United State Senate,*
*Washington, D. C.:*

The strike of the Rock Island switchmen will stop our service and is not in public interest. Enactment of legislation imperative.

CUTRATE LUMBER CO.

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ST. JOSEPH, MO., *June 22, 1950.*

Hon. FORREST C. DONNELL,
*United States Senate,*
*Washington, D. C.:*

We urge immediate action on legislation to prevent rail strikes. Switchmen strike Rock Island and Chicago Great Western will delay grain handling here at harvest time.

HART-BARTLETT-STURTEVANT GRANARY,
FRED NUZUM, *Manager.*

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ST. JOSEPH, MO., *June 22, 1950.*

Senator FORREST C. DONNELL,
*Senate Office Building,*
*Washington, D. C.:*

We would appreciate you taking prompt action so as to avoid switchmen's strike on C. R. I. & P., C. G. W. This will tie up a number of plants and jeopardize the shipping public in general.

WYETH CO.

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ST. JOSEPH, MO., *June 22, 1950.*

Senator FORREST C. DONNELL,
*United States Senate Office Building,*
*Washington, D. C.:*

Urge you use your influence to prevent pending switchmen's strike; also suggest passage of legislation to protect public interest in rail strike.

ST. JOSEPH STOCK YARDS CO.,
H. M. GARLOCK,
*Traffic Manager.*

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ST. JOSEPH, MO., *June 22, 1950.*

FORREST C. DONNELL,
*Senate Office Building,*
*Washington, D. C.:*

Strongly urge immediate action upon legislation pending to outlaw strikes. The threatened Rock Island and Great Western switchmen's strike will seriously injure our business.

HILLYARD CHEMICAL CO.

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ST. JOSEPH, MO., *June 22, 1950.*

Hon. FORREST C. DONNELL,
*Washington, D. C.:*

The threatened strike of the Rock Island switchers will tie up our entire operations, as we have many new pack items that will be rolling about this time of year. And it is not to the public interest. Immediate action in legislature is imperative.

WESTERN GROCER CO.,
W. M. JONES, *Manager.*

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ST. JOSEPH, MO., *June 22, 1950.*

Hon. FORREST C. DONNELL,
*United States Senate,*
*Washington, D. C.:*

Strongly urge pressing immediately legislation outlaw rail strikes. Threatened Rock Island-Chicago Great Western switchmen strike stops grain flow—critical harvest period—resulting spoilage moisture grain. Public welfare demands action.

STRATTON THEIS GRAIN CO.

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KANSAS CITY, MO., *June 22, 1950.*

Hon. FORREST C. DONNELL,
*United States Senate,*
*Washington, D. C.:*

Kindly use your best efforts to have the railroads strike averted.

KANSAS CITY HAY DEALERS ASSOCIATION,
W. J. ADAMS, *President.*

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CHICAGO, ILL., *June 21, 1950.*

Senator FORREST DONNELL,
*United States Senate,*
*Washington, D. C.:*

Understand switchmen's strike set for Sunday June 25. Imperative action be taken by Government to forestall this threat to National Health and Welfare.

W. N. DERAMUS III,
*President, Chicago Great Western Railway Co.*

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ST. LOUIS, MO., *June 22, 1950.*

Hon. FORREST C. DONNELL,
*Senate Office Building,*
*Washington, D. C.:*

The impending strike of railroad switchmen on the Rock Island and other western railroads, if not blocked, will seriously affect the economy of St. Louis, many of its industries served exclusively by Rock Island, and a vast agricultural territory now harvesting its wheat crops, which territory is an important part of the St. Louis trade area. The public is entitled to have these railroad strikes stopped. This threatened emergency requires appropriate legislative action.

GEORGE C. SMITH,
*President, St. Louis Chamber of Commerce.*

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ST. LOUIS, MO., *June 22, 1950.*

Hon. FORREST C. DONNELL,
*United States Senator from Missouri, Senate Office Building,*
*Washington, D. C.:*

Threatened rail strike will seriously injure industries located along Rock Island here

besides jeopardizing employment and creating what might quickly become a national emergency. Recommend immediate emergency legislation to halt paralyzing effect on rail service.

GIRARD C. VARNUM,
*President, St. Louis County Chamber of Commerce.*

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ST. JOSEPH, MO., *June 22, 1950.*

Senator DONNELL:

Switchmen's strike threatens on Rock Island railroads; threatens stoppage of service to Dugdale Packing Co. Enactment of legislation to prevent railroad strike imperative to protect public interest. Immediate action necessary.

DUGDALE PACKING CO.

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KANSAS CITY, MO., *June 22, 1950.*

FORREST C. DONNELL,
*United States Senate:*

Announcement that Switchmen's Union of North America will strike June 25 on Rock Island and four other western railroads presents most critical outlook for movement of our wheat crop just getting started. Press comment also indicates possibility this strike spreading other railroads. We understand switchmen's union ignoring recommendations of President's emergency board which railroads have agreed to accept. The curtailment or stoppage of transportation this territory right now becomes of national importance in handling and preservation of foodstuffs and may entail tremendous losses to producers in our area. We feel this threatening situation requires immediate passage of emergency legislation that we may avert a serious calamity in this entire southwestern territory.

A. F. THEIS,
*Chairman, Joint Terminal Grain Committee, and Chairman, Transportation Committee, Board of Trade of Kansas City, Mo.*

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KANSAS CITY, MO., *June 22, 1950.*

Hon. FORREST C. DONNELL,
*United States Senate,*
*Washington, D. C.:*

Rock Island Lines to shut down completely if switchmen's strike called on 25th. Once again strongly urge passage Senate bill 3463.

FOSTER LUMBER CO.
J. FORD FOSTER.

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ST. JOSEPH, MO., *June 22, 1950.*

Hon. FORREST C. DONNELL,
*United States Senate:*

Switchmen strike RI CGW threatens stoppage service critical harvest period and spoilage grain loading. Enactment legislation preliminary strikes, imperative; protect public interest. Immediate action urged.

ST. JOSEPH GRAIN EXCHANGE.

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KANSAS CITY, MO., *June 22, 1950.*

Hon. FORREST C. DONNELL,
*Senate Office Building:*

Switchmen's Union of North America has announced its intention to strike the Rock Island and four other roads June 25. This in defiance of emergency board's recommendation. The undersigned is a traffic and transportation association of flour mills located at Kansas City and numerous points in Kansas, including points on Rock Island, some of which are served by Rock Island exclusively. We believe switchmen's action arbitrary and shows disposition to ignore orderly processes set up for protection all concerned. Public interest is paramount to that of a few switchmen, and such a condition should not be tolerated. We do not favor oppression of labor, but they should abide by the same rules as others. We urge such action by Congress as necessary prevent this strike.

KANSAS MISSOURI RIVER MILLS,
J. W. HOLLOWAY,
*Executive Secretary.*

## AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT OF 1949

The Senate resumed the consideration of the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949.

Mr. CONNALLY. Mr. President, it is not my purpose to speak at any length; but I wish to call attention to the fact that this bill, the arms defense bill for western Europe and the Atlantic area, has been reported to the Senate under most favorable circumstances. It has been reported by the Committee on Foreign Relations and by the Committee on Armed Services, who sat together in the consideration of the bill. Every member of those committees who was present or who desired to be recorded, voted for the favorable report. There were only three members of both committees combined who asked to be recorded as "present." So it seems to me that sort of recommendation by these two great committees, after careful and detailed consideration to the bill, ought to appeal to the judgment of the Senate.

Who were the members who so voted? The Senator from Georgia [Mr. GEORGE]. The Senate, I am sure, has confidence in the Senator from Georgia. The Senator from Utah [Mr. THOMAS], a distinguished Member of this body; the Senator from Florida [Mr. PEPPER]; the Senator from Rhode Island [Mr. GREEN]; the Senator from Connecticut [Mr. MCMAHON]; the Senator from Arkansas [Mr. FULBRIGHT].

The Senator from Michigan [Mr. VANDENBERG] was ill in the hospital, and I had no opportunity or desire to interfere with his comfort, so he was not consulted. His office was consulted and agreed with the decision that it would be best not to record the distinguished Senator. I am sure, however, from his actions in the past and from his general conduct as a member of the Committee on Foreign Relations, that had he been present he would have voted enthusiastically for the favorable report of the bill. The Senator from Wisconsin [Mr. WILEY], presently the ranking minority member of the Committee on Foreign Relations, as a result of the illness of the Senator from Michigan [Mr. VANDENBERG], voted for the report, as did the Senator from New Jersey [Mr. SMITH], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Massachusetts [Mr. LODGE]. The chairman of the Committee on Foreign Relations voted for a favorable report on the bill.

From the Armed Services Committee, the Senator from Georgia [Mr. RUSSELL] was marked "present," as was also the Senator from Virginia [Mr. BYRD].

Members of the Armed Services Committee who voted for a favorable report were the Senator from Kentucky [Mr. CHAPMAN], the Senator from Texas [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Wyoming [Mr. HUNT], the Senator from New Hampshire [Mr. BRIDGES], the Senator from South Dakota [Mr. GURNEY], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Oregon [Mr. MORSE], and the Senator from California [Mr. KNOWLAND]. The Senator from Washington [Mr. CAIN] was recorded as "present." The chairman of the Armed Services Committee, the Senator from Maryland [Mr. TYDINGS], voted for a favorable report.

I cite these names because it is a most unusual circumstance that an important bill such as this should receive a unanimous report by two of the powerful committees of this body.

Mr. President, the Committee on Foreign Relations and the Committee on Armed Services have finished their consideration of the mutual defense assistance program for the next fiscal year. I should like to present our recommendations to the Senate at this time. Since the basic issues were debated at considerable length last year I shall not detain the Senate very long.

Shortly before the outbreak of the first great war in 1914 a famous British statesman remarked that "There is no such thing as an inevitable war. If war comes it will be from failure of human wisdom."

On two tragic occasions since that time human wisdom has failed. We are determined that, so far as the free world is concerned, it shall not fail again.

Mr. President, last year the Senate took two vitally important—perhaps decisive—steps toward world peace. We approved the ratification of the North Atlantic Treaty by an overwhelming vote of 82 to 13. Then we proceeded without delay to implement our obligations under that treaty by supporting the mutual defense assistance program.

The bill now before the Senate, which would continue that program for another year, is yet another indication of our determination that freedom shall survive in the world. It is a declaration of faith that free men can meet and overcome the persistent menace of totalitarianism. Together with the United Nations, the European recovery program, and the North Atlantic Treaty, it is the best insurance we can presently find that the peace of the world will not be broken, or if it is broken by totalitarian aggression, that right will be defended by might.

Members of the Senate are fully aware of the reasons such insurance is essential. During the past few years our efforts to maintain peace in the world have been constantly undermined by the threat of direct or indirect aggression on the part of the Soviet Union. In the face of this threat we have no alternative. The free nations must work together to build up our collective strength to the point where no potential aggressor would dare launch an attack against any of us.

We know that the peace of the world will not be broken by the democratic countries. We know, also, that weakness and indecision on our part invite aggression. We know, too, that strength coupled with a clear determination to use that strength, if necessary, to repel

aggression is the best guaranty we can possibly have that a third world war may be avoided.

MDAP AND UNITED STATES FOREIGN POLICY

As I pointed out last year, Mr. President, the mutual defense assistance program is entirely consistent with other major foreign policy steps this country has taken during the past few years. In order to counter Soviet expansionism and aggression our policy has developed along five closely related lines.

First. We have placed constant emphasis upon the United Nations as the cornerstone of American foreign policy. Everything within our power has been done to strengthen the UN machinery for the peaceful settlement of disputes and for economic and social cooperation among the nations.

Second. We have cooperated fully with other countries in repairing the terrible damages brought by the war and in returning the world to some degree of economic stability. The Marshall plan and the technical assistance program stand as eloquent evidence of our good faith in this regard.

Third. We have maintained a national defense establishment sufficient to meet our own defense needs and to take care of our international commitments in a turbulent and uncertain world. No realistic person would advocate any other course.

Fourth. We have joined in collective self-defense arrangements with like-minded countries in Latin America through the Rio pact, and the North Atlantic area, where we believed such pacts would help the cause of peace. Here again the emphasis is on defense, for both the Rio pact and the North Atlantic treaty are aimed only at aggressor nations.

Fifth. We have launched a military assistance program in an effort to help strengthen the defense capacity of certain friendly countries whose freedom is vital to the security of the United States and to world peace.

These five facets of our foreign policy are all of the utmost importance. Each one is closely related to the others. Only if we push ahead vigorously with all of them can we be sure that our foreign policy will be successful.

SUMMARY OF BILL

At the outset let me review briefly what the pending bill provides. Last year the Congress authorized and appropriated $1,314,010,000 for the mutual defense assistance program. For the coming fiscal year the joint committee recommends that an additional $1,222,500,000 be authorized. Of this amount not to exceed $1,000,000,000 would be used to carry on the important task of helping our North Atlantic Treaty partners build up their defensive strength; $131,500,000 would go to Greece, Turkey, and Iran; $16,000,000 to Korea and the Philippines; and $75,000,000 to countries in the general area of China. In addition, the bill before the Senate includes a number of amendments which will make possible a more effective administration of the program during the critical year that lies ahead.

ATLANTIC TREATY OBLIGATIONS

The North Atlantic Treaty makes clear that an armed attack against any one of its members is an attack against all. It further provides that, in the event such an attack should occur, the parties to the treaty will take such action as they deem necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

This pledge in itself is a powerful deterrent to aggression. It puts any potential aggressor on notice that the combined power of the North Atlantic community will be available to defend our freedom and our civilization.

It is article 3, however, that provides the bone and muscle for the treaty structure. In that article the 12 signatories further pledged themselves, by means of continuous self-help and mutual aid, to maintain and develop their individual and collective capacity to resist aggression.

Now, Mr. President, we must be realistic. The pledge we have all made to take action against armed attack is exceedingly important. But we can give real substance to that pledge only by working together to build up a collective-defense capacity sufficient to meet the needs of the hour.

IMPLEMENTING THE TREATY

Last fall various Members of the Senate feared that it would be difficult, if not impossible, to get the kind of unified planning and cooperative action necessary for the proper implementation of the North Atlantic Treaty. In particular, it was feared that our European friends, reluctant to depart from the outdated military traditions of the past, would be unwilling to agree to an integrated and balanced defense for western Europe.

In western Europe, too, there were some understandable fears. Living under the shadow of the Russian bear as they do, this whole enterprise is a matter of life and death to them. They wanted to make sure, therefore, that the United States really meant business. They wanted to make certain—before taking any far-reaching action—that the United States stood ready to translate its words into concrete action.

Happily these fears have been dissipated. In the few short months since last September when the Congress approved the mutual defense assistance program, the North Atlantic Treaty machinery has been set up, plans for the integrated defense of Europe have been drafted and approved, and the first shipments of arms have begun to move from our ports.

Mr. President, this is a remarkable achievement. I think it is safe to say that never before in our peacetime history has so much constructive planning been accomplished by so many nations in such a short period of time.

While this speed is commendable, it is, of course, absolutely essential if we are to accomplish our objective. The Soviet Union, which never fully demobilized after the war, continues to modernize its military strength and to expand its area of power wherever possible. According to a recent reliable report, the U. S. S. R. is now spending the equivalent of $45,000,000,000 each year for military purposes. While this may be an exaggeration, the difficult situation which we confront calls for unity on our part. It calls for courage. It calls for action.

In the implementation of the North Atlantic Treaty there are bound to be differences among the 12 member states. But this is no time to quibble over details. A man cannot afford to spend time discussing fire-prevention methods when a criminal is, at that very moment, setting fire to his house.

Meanwhile the program is well under way. By the end of this month our deliveries to western Europe will be more than 152,000 tons of military equipment and supplies, 195 military aircraft, and naval vessels with a combined tonnage of over 13,500. This we have been able to do in spite of the fact that our appropriations were not available until the end of October.

This substantial evidence of our firm intention to help our Atlantic Treaty partners defend themselves has met with an enthusiastic response abroad. The terrible feeling of insecurity and despair which has haunted western Europe since the war is rapidly being replaced by a spirit of assurance and determination. Our European friends are tackling the problem of joint defense with a new and bold confidence which is most encouraging to us.

Last year the Congress wisely provided that our assistance should be conditioned upon approval by the President of recommendations from the North Atlantic Council for an integrated defense of the North Atlantic area. I am convinced that this gentle request for cooperation has paid rich dividends. As early as January 27 a strategic concept for the integrated defense of the North Atlantic area was recommended by the Council and approved by the President.

Two months later a detailed list of the equipment to be furnished had been prepared. This list was based upon the strategic concept which I referred to above. In other words, it was based upon the role each country is to play in the coordinated defense of the North Atlantic area.

BALANCED DEFENSE FORCES

Mr. President, this is real progress. Still more progress came out of the recent London meeting of the Council. There it was agreed that the 12 treaty members should concentrate upon the development of balanced collective forces in building up the defensive power of the area.

Viewed historically, this decision is nothing short of amazing. In the past the countries of Europe have insisted upon maintaining a complete defense establishment with a separate army, navy, and air force. This has resulted in great duplication of effort, waste, inefficiency, and relative weakness.

Now these piecemeal efforts have been abandoned and there will be a practical division of labor. Each nation will make the contribution with respect to the kinds

of weapons and forces which it is best equipped to make and which will fit into the common defense effort. In this way we shall have a much stronger combined common defense force at a smaller cost than we could possibly produce with each nation proudly pursuing its own independent objectives with its own independent forces.

NEW WEAPONS

There have been persistent reports in the press lately that our Government has perfected a number of new defensive weapons that may change drastically the nature of modern warfare. It is even suggested that, equipped with these new weapons, a relatively small number of well-trained troops might be able to prevent the invasion of western Europe by any potential aggressor. If this be true, some people have asked, will not the kind of aid we are now sending to Europe soon be outdated and is it not a waste of American dollars?

The answer is an emphatic "No." It is true that our defense establishment is working hard on certain peapons which will add greatly to the defensive strength of our North Atlantic forces. But, for the most part, these weapons are not ready to be put into active use, and it would be a serious mistake to become so enthusiastic about them that we neglect the immediate and difficult task of helping our western European friends build up their defenses in an effective manner.

It would, of course, be a pleasant thing if we could find some easy way out. The fact remains, however, that the aid contemplated in this program is absolutely basic to the defense of western Europe, regardless of any new weapons which may be developed. Every tank, every plane, every gun we send today will play its part in defending our freedom if trouble should come tomorrow.

CONTRIBUTION OF OTHER COUNTRIES

Before voting for this program every Senator will, of course, want to consider whether the other participating countries are contributing their fair share to the defense effort. In doing this, we should all keep in mind that, while our contribution to the North Atlantic states is a very vital one, it is nevertheless only a small proportion of the total amounts which they have set aside in their budgets for such purposes.

Let us look at the figures. During fiscal 1951 the United States will spend approximately 6.9 percent of our net national income for defense purposes. During the same period the United Kingdom will spend 7.4 percent of its net national income; France, 7.9 percent; the Netherlands, 9.1 percent; Greece, 9 percent, and Turkey, 7.7 percent. It will be noticed that our percentage is smaller than any of these. In terms of their relative capacity to pay, and in view of our admonition that they should not let their defense programs impair the progress of economic recovery, I think the other participating countries are doing very well indeed.

The act we passed last year stated:

> Congress recognizes that economic recovery is essential to international peace and security and must be given clear priority.

While the program for 1951 contemplated increased military expenditures on the part of our European partners, great care is being taken to make sure that this additional financial burden on these countries will not have an adverse effect on their economic recovery. To my mind, economic recovery comes first, defense preparations second. There can be no really sound defense preparation unless there is a sound economy at its base. One reason why the joint committee rejected an amendment proposed by the able junior Senator from Massachusetts to use ECA counterpart funds for military purposes was because it was felt that it would be a mistake to divert these funds from their planned use for recovery.

"NEUTRALITY" IN EUROPE

Some people in this country and in Europe have suggested that western Europe may in the future assume the role of a buffer between the United States and Russia. They have suggested that once western Europe has recovered its economic strength—once it has built up its military power—it will remain neutral in the event of a conflict between totalitarianism and freedom. They fear that our military assistance will not, in effect, be aid to our allies, but aid to a group of neutral countries. This is a fantastic suggestion and one which I deal with only because it is being bandied about by those who are careless of fact and history.

The states we are helping today are those which faced and staved off totalitarian aggression from 1913 to 1917, from 1939 to 1941. They gave the United States time to gird itself for the war against totalitarianism which we knew was coming. These people valued freedom even more than their homes and their lives. They fought on when their lands were overrun. They are more familiar than we are with the darkness that would forever enshroud western Europe if communist imperialism should envelop them.

These are the states from which in large part we drew our institutions, our law, our democratic system, our heritage. If capable of resistance, they would no more desert us in a conflict with totalitarianism than we could have stood aside and watched them go down to defeat in 1917 or 1942.

The people of western Europe have learned even better than we that in the twentieth century neutrality is not possible in the clash of ideas represented by communism and democracy. Peace can only be attained if the free states stand together in defending their freedom.

AID TO OTHER COUNTRIES

While our own security is vitally linked to the security of western Europe it is also dependent upon the peace and security of other areas of the world. Consequently, we urgently recommend the continuation of our aid to Greece, Turkey, and Iran, to Korea and the Philippines, and to the general area of China. Let me say a few words about each of these.

The encouraging situation in Greece is convincing proof of the principle that a little preventive medicine, if given in time, may forestall a very serious illness. Had Greece yielded to Communist pressures that country would now be a hotbed of intrigue and subversive activities in the Mediterranean area and a constant menace to world peace. But the gallant people of Greece, encouraged by our aid, have at long last put down the guerrilla bands which threatened their freedom. Now, for the first time in a decade, they have control over their own destiny.

The Greek-aid program is a bright star in the annals of American diplomacy. It would be penny-wise and pound-foolish, however, to withdraw now, with the battle nine-tenths won. We must continue our assistance on a reduced scale for another year so that the Greeks may replace their battered equipment and be in a position to prevent any new guerrilla uprisings.

Our military assistance to Turkey has also been extremely effective. The Turks, whose courage no one can doubt, have been able to stand on their own feet and resist the terrific pressure of Soviet imperialism. During the past 2 years they have brought about a substantial reduction in the size of their armed forces; at the same time, through the process of modernization, they have greatly increased the combat effectiveness of those forces. This program is now past the halfway mark.

Iran is still a third near eastern country whose security is tremendously important to the free world. The people of Iran live under the very shadow of the Kremlin and are subject to constant Communist intrigue. While they are at present devoting a large share of their resources to defense purposes, they cannot, without outside assistance, provide for the modern, well-equipped forces they need. We recommend, therefore, that funds be authorized to provide equipment and training which will improve the fighting effectiveness of the Iranian Army.

THE FAR EAST

In the Far East the situation remains dangerously fluid. While, in general, it is impossible for us to formulate aid programs for Asia with the same thoroughness and precision that they are developed for western Europe and the Near East, we must continue to take vigorous action to prevent the further expansion of communism in that area. We are strongly recommending, therefore, that our program for the Far East continue on the same scale as last year.

In southeast Asia the tentacles of Communist China are already greedily reaching toward Indochina, Thailand, Burma, Malaya, and Indonesia. Both Stalin and Mao Tse-tung would like nothing better than to see the whole of that rich and important area fall into the Communist maw.

Last year the Congress provided the President with a $75,000,000 emergency fund to be spent by him in the general area of China. That money is being used to very good advantage. Some weeks ago we announced our vigorous support for the new states of Indochina in their struggle against the Communist

forces of Ho Chi-Minh. We have also taken steps to provide arms, ammunition, aircraft, and other jungle-fighting equipment to various governments in the Indochina area.

In the same vein, certain constabulary equipment is being made available to Indonesia so that the new government, which has taken over an extremely difficult assignment, will be able to maintain internal order and stability. It is important that the people of this area stand firm against the infiltration of the Communist virus. Our relations with the Philippines and our whole strategic position in the Far East are involved.

So far as the Philippines are concerned we pledged our word that we would help in the training and development of their military establishment. We are already doing so under a law passed by the Seventy-ninth Congress and we will continue to stand by our friends whose independence we granted in 1946. Assistance extended under this bill will provide the training and equipment necessary if Philippine forces are to preserve internal order in the face of the strenuous efforts of the Huk Communist-inspired guerrillas to create disorder and take over the country.

One final word about South Korea. There we have a relatively new democratic state flanked on the north by the Soviet-dominated country of North Korea. The people of Asia are watching this situation very carefully to see whether the new republic can stay alive and maintain its free government. Last July our occupation forces withdrew and the people of South Korea must now be able to protect themselves. Under this bill the President can extend Korea the kind of military aid it needs to preserve internal security and to deter possible aggression from the north.

Mr. President, there is unfolding in Asia a great human drama that is one of the historic developments of our age. Hundreds of millions of people, stirred by a growing feeling of nationalism, are on the march. War-weary and poor, they seek security and independence. They want to be allowed to work out their own destiny. They want more of the good things that modern technology has brought to the western world.

Their governments, which are new and inexperienced, face chaotic conditions brought on by the war. Trade has been disrupted or destroyed. Old established patterns of society are breaking down. Under these conditions Communist propaganda, which cleverly exploits the growing nationalism in Asia, may have an especial appeal to many people.

Can we meet this challenge? I am confident we can. Over the years we have developed strong ties of friendship with the peoples of the East. But we must act boldly. We must do what we can to help them in their determined efforts to find security, stability, and better living standards. Moreover, we in the western world must demonstrate, in a way they cannot fail to understand, the vigor, the vitality, and the moral strength of the democratic way of life.

Given the situation which we confront in the Far East, military aid is an essential part of our total program. The pending bill will permit the President to take rapid, and I hope effective, action there whenever it is in our national interest to do so.

COMMITTEE AMENDMENTS

In addition to the authorizations for next year, the two committees recommend several amendments to the existing law which are essential if we are to move ahead as rapidly as we should. In the last part of the committee report are set forth in detail proposed changes in the present law, to which I invite the attention of Senators who are interested in that feature. Since these are discussed at some length in the committee report, I will refer briefly to only three of them here.

In the first place, it seems entirely logical to change the law so as to permit our Government to furnish several kinds of military-production equipment which are badly needed by our partners abroad. At the present time we can send machine tools, but we cannot send production equipment, such as welding machines, filters, heat-treating equipment, and electric furnaces. Such material would aid them in producing military equipment of various kinds.

This is a distinction without a real difference and it works to our serious disadvantage. One of our objectives is to stimulate additional military production in western Europe. It is estimated that for every dollar's worth of machinery and materials we provide Europe can produce seven or eight dollars worth of finished equipment. Why then, by a self-denying ordinance, should we furnish some of the things they need but refuse to furnish others?

The committees recommend, therefore, that the bill be amended to include not only machine tools but production equipment as well. That proposal is in the bill. This is the best way I know to get more security at a decreased cost to the American taxpayer.

In the second place, we are at present unable to provide assistance, even on a cash-sale basis, to a number of friendly countries whose security and friendship are important to our own national interest. Certain countries, for example, need spare parts for American tanks and other equipment which they secured from us through lend-lease channels. They find it a little difficult to understand why we could furnish them the tanks but not the spare parts—when they have the cash to pay for them—which they must have to keep those tanks in good condition.

Under existing law cash-on-the-barrel-head assistance may be extended to the members of the Rio Treaty and the Atlantic Pact, together with those nations designated to receive grant aid under the bill. This means that the other countries of the world, including some of our very good friends in Africa and the Near East, are automatically excluded. Here again, it seems to me, we are cutting off our nose to spite our own face. Here again important benefits could be provided without cost to the United States.

I strongly recommend, therefore, that the provision relating to cash sales be broadened so that we may be able to sell military equipment and materials to any other nation whose ability to defend itself or to participate in the defense of the area of which it is a part, is important to the security of the United States. Clearly, we must abandon our highly inconsistent policy of furnishing military equipment on a grant basis to some of our friends and refusing to sell such equipment to others for cash.

In the third place, the United States can extend grant aid only to those countries designated in the law. This means that we would not be in a position to make military equipment available to certain other countries—unless they had the necessary dollars with which to purchase them on a cash basis—even in the face of a critical emergency seriously affecting the security of the United States.

This is an uncertain world and our Government ought not to be powerless to act to meet such an emergency. For this reason the joint committee recommends that the President be given some additional authority to grant a limited amount of assistance to any other European country whose strategic location makes it of direct importance to the defense of the North Atlantic area and whose defensive strength is vital to our security. In the event any such assistance is given, the appropriate committees of the Congress will be immediately notified.

CONCLUDING COMMENTS

Mr. President, in his message to the joint session of the Congress in February 1918, Woodrow Wilson, a great President, made the following statement:

> We believe that our own desire for a new international order under which reason and justice and the common interests of mankind shall prevail is the desire of enlightened men everywhere. Without that new order the world will be without peace, and human life will lack tolerable conditions to existence and development. Having set our hand to the task of achieving it, we shall not turn back.

Unfortunately, Mr. President, we did not set our hand in 1919 to the task of achieving the kind of international order President Wilson spoke about. But now our course is set and we could not turn back even if we tried.

I am convinced there is no other road to peace. I am convinced that, in the world of today, this program is essential if we are ever going to be able to build the kind of international order in which reason and justice and the common interests of mankind can ultimately prevail. It is essential because, if democracy is to survive, we must be strong enough to defend ourselves against those who would enslave us.

The free nations have learned the hard way that our security lies in our strength and our strength lies in our unity. Our cooperative efforts on behalf of peace are succeeding. But we must never permit the encouraging momentum toward

peace which is building up in the free world to subside. To falter now would imperil all the hard-won gains of the past few years. I urge the Senate to give its overwhelming approval to this bill and take yet another decisive step toward peace.

Mr. President, we speak of the war as if it had ended. The war, in fact, has not ended. It will not end until there is some assurance to the free nations of the world that their safety will be protected and secured to them. So long as the world stands quaking with fear at the aggression and the efforts of totalitarian powers, there can be no peace, there can be no peace within the breasts of freemen. I trust and pray God that those who entertain ambitions of conquest, who want to spread their power over the earth, may hesitate and may pause, and may abandon their ambitions.

There is room enough on this globe for all people of good will and good mind to pursue their activities and to prosper reasonably. Why should any nation want to lay the heavy hand of conquest upon other nations and other peoples?

Mr. President, we have entered into obligations to assist other peoples, we have assumed commitments with reference to western Europe, not for our own sake, but for the sake of the peoples of those areas, their freedom and their independence. The United States cannot abandon them. We cannot give up the efforts we are making for the peace of the world, and the sanctity of the lives and the liberties of the peoples of the world.

Mr. President, I ask the Senate to give this measure its support by an overwhelming majority, just as the Committee on Foreign Relations and the Committee on Armed Services gave it a unanimous report, except for three members who were recorded as present, and who did not vote. We gave the bill our best consideration, and out of it came the approval of this long list of distinguished members of the committee. I trust the bill will receive an overwhelming vote of the Senate.

### THE BRITISH INTERNATIONAL POSITION AND AMERICAN AID PROGRAMS

Mr. McCARRAN. Mr. President, the British Socialist Party recently issued a declaration opposing British participation in the Schuman plan to unify the European coal and steel industries. This plan is probably the first major step taken at European initiative toward the goal of European integration. Our newspapers, aware of the enormous significance of the plan, have been doing an intensive job of explanation. The issues are many, and I would like this afternoon to indicate certain new and resultant problems which face the United States in our relations with the United Kingdom. I suggest the desirability of reexamining our foreign aid programs to make sure that they conform to new realities resulting from the British position.

To begin with, Mr. President, there seems to be some ambiguity as to whether the statement represents the British Socialist Party or the British Government. Let me say that I do not think that it matters much whether the attitude of the British Government differs slightly from that of the Socialist Party. Nor do I think it matters whether the United Kingdom eventually endorses the Schuman plan in principle and, after several months of negotiations and adjustments, accepts membership and then, by delaying tactics, keeps the organization from functioning.

My point is that the record shows that every time the British Government has been offered an opportunity to join other Marshall-plan countries in concrete action toward the unification of Europe, the British Government has not only failed to assume leadership, but has obstructed and delayed the action of others.

This was true of those efforts made from time to time to give authority to the OEEC—the organization of Marshall-plan countries. This was true of the attempt of the continental countries to create the European Payments Union. In fact, I have received disturbing reports that the plan tentatively agreed to in Paris has been obtained only after meeting British conditions, the acceptance of which threatens to make it a ghost of what it might have been or what we and the continental countries intended. And now we see the familiar pattern being followed in the current effort to unify the European steel and coal industries.

All these British positions, I believe, can be explained simply. The fact is that in spite of the many policies the United States has in common with the United Kingdom, despite the great good will which the two nations have for each other, the British objectives with respect to European integration are fundamentally opposed to those of the United States.

Our foreign policy since the end of the war has assumed that British and Americans were partners in a common enterprise, striving for a common objective. While I do not doubt that the British agree with us on such obvious ends as peace and the general welfare, it seems clear they do not agree on the immediate steps for rebuilding the economy of Europe. It is my belief that all these events make it necessary to acknowledge the reality of Britain's position and consider whether our Marshall-plan program should be reoriented.

Let me hasten to say that British interests, in not coinciding with our own, are not less worthy than our own. I do not imply that British aims are more selfish than those of the United States; they are simply different. While we have many more interests in common than we have differences, the British do have a Socialist government and the British are trying to hold together the Empire. Both of these facts have a strong bearing on the current policy of the British toward Europe.

I believe that, since the British people have freely chosen a Socialist government, it is fundamental that the United States should be scrupulously noncommittal on that political choice. It is also Britain's sovereign right to shore up the empire if it feels that this is the road to solvency and strength. But our respect for Britain's sovereign right to choose its own direction does not mean that we should applaud that direction to the detriment of our own objectives on the continent.

The error in the American position, it seems to me, is our failure to recognize that a Nation dedicated to socialism and striving simultaneously to maintain a special status with a group of countries scattered across the globe cannot subordinate itself to a new authority embracing the Marshall-plan countries. My point is that we cannot shut our eyes to the British position, and that if we find that the British Government is committed to policies which prevent it from becoming a part of a united Europe, without reservation, we should cease to carry on a program based on the assumption that it will do so.

Many of us, when confronted with this consistent obstructionism on all proposals aimed at Europe's economic integration, have had the impulse to say that Britain's refusal to cooperate should be answered with a denial of Marshall-plan funds. I am afraid that this is not the answer—that this position solves nothing and that we would create more problems than we would solve by taking that position.

It is hardly necessary to point out that the British Government is not following its present course because of ignorance or stubbornness or because it desires to flout the United States. It is simply a fact that a government elected on a platform of socialism, which must give first priority to maintaining full employment and raising living standards of the masses, cannot disregard the mandate of the electorate, cannot commit itself to integration with European industries when this inevitably means changes in wage rates, closing down of certain industries, and a painful period of economic adjustment. A government which believes that its only hope of regaining its position as a world power is to maintain its position as the leader of an empire, cannot abandon its special status with the empire countries and join as an equal partner with France, Italy, Belgium, and so forth, in the creation of a European superstate.

Our short-run objectives in Europe, meaning military and economic assistance, are fully as important as our long-run objectives, European integration and self-sufficiency, and any redirection of British policy would require at least a couple of years to accomplish even if Britain were willing. We need the constant help of the United Kingdom in making the North Atlantic Treaty effective. We want the cooperation of the United Kingdom, which is an industrial and commercial power, in getting Europe back on its feet and bringing the commerce of the world back to normal. In short, we need the continued friendship and good will of the British people.

It seems to me, therefore, Mr. President, that we should take action along a different line. We should not follow a policy aimed at coercing the British into joining a unified Europe under present circumstances. Instead, I feel that the framers of our foreign policy should

revise our basic program of economic aid in at least two respects.

First, we should reexamine the earlier assumptions on which the Marshall plan was based.

Our basic premise has always been that western Europe has resources which, if fully utilized, would permit that area to maintain itself economically and politically, and that the great deterrent to full utilization has been economic nationalism. We should now consider whether this premise holds with the United Kingdom, outside of the integrated area. We should decide whether it is an economic possibility for the Continent to integrate and be self-sufficient without the United Kingdom. If, for example, our plans for building new factories on the Continent have been based on a European economic pattern inclusive of England's industries, such plans should certainly be reexamined on the basis of England's refusal to be a part of that economic area.

Secondly, just as it is necessary for us to reconsider the program for European integration without England, we must reappraise the program of economic aid to Great Britain, in view of the new fact that the costs of fitting Britain's economy into the integrated structure are no longer a consideration. The question of whether or not England would require less United States aid if the resources of the empire are not supplemented by those of western Europe through integration is a difficult one, and should receive careful study. Certainly, even though the United States finds it desirable to continue to finance the United Kingdom while not insisting that the United Kingdom conform to our program for rebuilding Europe, the United States would find it difficult to justify a program of assistance to the British Empire which did not include in it acceptance by the British of United States policies toward world trade, particularly as regards trade restrictions and discriminations.

It would seem, Mr. President, that an estimate of British dollar requirements for the next fiscal year, hitherto based on the premise that the British program is part of the program for all western Europe, should be recalculated if it develops that different basic assumptions must be adopted.

One further complication must be noted: It is clear that our final decision on policy toward the United Kingdom cannot be decided on economic considerations alone, on whether they help or hinder Europe's economic integration. We need Britain's military assistance and Britain's political backing. I am sure the Marshall-plan countries also need Britain. This seems to point to the conclusion that it is more difficult every day to maintain a separation between our economic aid and military assistance. Perhaps, taking the larger view, it is necessary to spend money to solidify the Atlantic community without drawing too fine a distinction as to whether the assistance should have economic or military labels.

Mr. President, I should like to include in my remarks at this point a statement which I, as chairman of the watchdog committee, recently made before the Appropriations Committee. This statement develops in greater detail some of the problems with which we are confronted in determining how much money Europe really needs.

At the hazard of repetition, I now present my views to the whole Senate.

Mr. President, last year I submitted to the Appropriations Committee a memorandum suggesting a possible reduction of $740,000,000 in the appropriation for the ECA. The suggested reduction was from the budget estimate, and was based on studies of that estimate made by the staff of the "watchdog committee."

The budget estimate last year was $4,198,200,000. Had my suggested reduction been adopted, an appropriation of $3,458,200,000 would have been provided.

The ECA, in reply to my suggestion, protested that such a reduction would substantially retard the recovery of Europe. They stated:

> The program presented by the ECA is a minimum for recovery, not a minimum for relief.

Mr. President, I believe you will find it interesting to review the RECORD for a moment and see how much I was in error when I made the suggestion for a reduction last year, as a member of the Appropriations Committee and as chairman of the "watchdog committee."

The Congress provided an appropriation, for the present fiscal year, of $3,778,380,000. At present, the estimate for obligation of this appropriation indicates the ECA will have a carry-over of approximately $277,000,000 as of June 30, 1950. If we deduct this carry-over or unobligated sum from the appropriation, it appears that ECA will spend approximately $3,501,380,000 during the present fiscal year, or within approximately $40,000,000 of the amount suggested by the "watchdog committee" as adequate for this year's programs.

Last year I suggested that ECA was asking for more money than it would need for certain commodities. Among these was food. In this category I suggested that possibly $125,000,000 could be saved. In reply the ECA said:

> The net effect of such a cut ($125,000,000) would be an absolute decline in the consumption levels of bread grains, fats and oils and sugar, which would lead to the reimposition of food rationing in some countries and to a reduction in the present ration scale in others.

The ECA in its estimate last year estimated the total dollar import requirements of the participating countries at $1,036,000,000 for food from the United States during fiscal 1949–50. The estimate now before us, based on 8 months' experience, places this figure at $626,500,000, or a reduction of $410,000,000.

It becomes apparent that at least $125,000,000 was saved in this category alone, and there have been none of the dire results with respect to food consumption contemplated by ECA as quoted above. In fact, ECA now says, and I quote:

> The diet of western Europe has improved sharply, both in quantity and quality, since 1947 and is now back virtually to the prewar levels. The consumption of fruits and vegetables has expanded substantially as has that of fats and oils, dairy products, and meat. * * * The largest gains over 1947–48 were made by bread grains (42 percent) and sugar (40 percent) which rose from 69 to 98 and 77 to 108 percent, respectively, of prewar.

From my personal observation I can attest to the greatly improved diet and food consumption of the people of western Europe. Her agricultural production is approximately equal to prewar. The statistics before us also indicate impressive industrial recovery and show that Europe today, excluding Germany, is producing at a rate 29 percent above prewar. It would seem to me that this record indicates recovery has been achieved, yet we know that much of this recovery depends on some continued aid. This brings me up to the question we are now faced with. How much is it necessary for us to appropriate for the next fiscal year?

The things we need to know in order to determine how much should be appropriated for European recovery for the next fiscal year are not contained in the volume full of statistics which the Appropriations Committee has before it. The answer to the problem confronting us cannot be found today by comparing calories, bushels, tons, bales, and barrels for 1951 against 1950 or for Austria against Sweden.

The problem of determining the right amount of European aid is considerably different today from what it was at the beginning of the program 2 years ago. When people were near starvation one could calculate requirements for calories, translate them into dollars, and feel some confidence that he had the answer. When factories were idle, he could make an estimate of the quantities of copper, coal, and machinery to get them into operation, and he was proved correct if the result was that the factories got into operation. So long as feeding the hungry and getting idle machinery to operate were the immediate objectives, the job of estimating the money needed was relatively simple.

My point is that today those objectives have been reached, and that the problem of determining how much money it is necessary for us to supply for an economic-aid program for Europe is much more difficult.

The ECA recognizes that it is confronted with a changed situation, and its request for 1950–51 has been arrived at by cutting last year's amount of country aid by 25 percent and then reducing the sum further by certain savings from the 1949–50 program. This total has been divided up among countries and commodities with various individual adjustments. But the basic fact is that the over-all amount was arrived at by reducing the 1949–50 figure by 25 percent.

The ECA does not explain in detail how this 25 percent figure was arrived at, or why it was not 35 percent or 40 percent instead. Undoubtedly, a major factor was the unexpected progress in European production which had been made in the last year. When European industry is producing more than before the war, and European agriculture almost as

much as before the war, the need for economic assistance has clearly diminished. I suspect that another factor which entered into the calculations in arriving at this 25-percent reduction was a judgment as to what the taxpayers of the United States would be willing to spend. The 25 percent figure was arrived at last autumn, and it is possible that a different judgment as to what we can afford to spend for European economic aid might be made today.

At any rate, my argument is that the ECA has not this year based its request on a target of mouths to feed or of idle factories, but it recognizes that money is necessary to carry forward its program toward objectives which are exceedingly difficult to translate into dollars. Translation has been made by a very simple device—a 25 percent cut. The thing that is really important, it seems to me, is not how the $2,657,000,000 which ECA is requesting is divided among countries or commodities, which is what the ECA presentation is concerned with, but why Europe needs 25 percent less than last year, rather than 50 percent, or 40 percent, or 15 percent less.

I have said that it is more difficult to estimate the requirements for European recovery in 1950 than it was in 1948. The answer that has been given to every proposal in the past for a substantial reduction in the ECA appropriation has been that it would wreck the program. Let me ask the Senate to consider what wrecking the program might mean. Certainly in view of the level of economic activity in Europe today, no one can argue that a further cut of ECA dollars of 15 percent—that is, 40 percent below 1949–50, instead of 25 percent below—would transform Europe into a land of starvation, or would stop the wheels of European industry. After all, ECA dollars are a relatively small part of Europe's total income today, Europe is well above the starvation level, and her factories are operating well above the prewar rate.

The dangers we have to meet with our dollars in Europe today are much less tangible. I suppose that most people, including Mr. Hoffman, would say that the most important thing for the ECA program to accomplish in Europe is to maintain the new spirit of hope and determination which has become manifest among the people of western Europe since the inauguration of the Marshall plan. I would agree that any cut in the ECA appropriation which would lead the people of Europe to feel that the United States no longer cared for their well-being, that we were no longer standing in their corner in the fight against communism, would be disastrous. I cannot believe, however, that under current conditions an appropriation of $2,657,000,000 would be right in this respect, while an appropriation of $2,200,000,000 would be wrong. Remember, Mr. President, that since 1948 we have become a party to the North Atlantic Treaty, and have embarked on a program of military assistance to Europe. Surely, the people of Europe know today that we are with them, and no item of a few hundred million dollars in economic assistance is going to alter that fact.

I believe that many people, including Mr. Hoffman, would agree that perhaps the second most important of our current objectives in Europe is to promote the economic integration of that area. Europe is not likely ever to pay its own way if it rebuilds its economy along the nationalistic lines that prevailed before the war. The only way in which Europe can make the maximum use of its resources is to develop into one big market and concentrate its production in the most advantageous locations.

The ECA proposes to make a substantial advance in this direction by establishing a European payments union, and is earmarking a part of next year's appropriation for that purpose. Nevertheless, I do not feel that much progress has been made toward industrial unification, and I feel that money is being spent unwisely in building factories in Europe to conform to programs which are essentially national in character. I commend to each member of this committee that section of the watchdog staff study entitled "An Analysis of the ECA Program" dealing with the economic unification of Europe. This report indicates that the pattern of the European steel industry has been set for the next generation, that it is not an integrated pattern, and that it has been financed with American money.

The so-called Schuman plan seems to hold much promise in this direction. The Schuman plan will not take much ECA money, however. As far as rebuilding the European steel industry is concerned, the money has already been committed.

I note that in the 1950–51 program Europe is to import about $900,000,000 worth of capital equipment from dollar sources. I maintain that this is too much. Until Europe is organized to put into effect a unified industrial program—which it is not today—the money will be spent to benefit national interests, and after the factories are built it is too late to integrate them. European factories are producing more than they did before the war. Let us not build any more until we know they will advance the integration of Europe.

I believe that Europe would be better off in the long run if we cut in half the ECA appropriation for capital equipment.

Probably most people, and I believe that Mr. Hoffman would agree, feel that a third major objective of our European program is to provide enough money so that no government will fall to another unfriendly to the United States. I cannot believe that at this time the political balance is so precarious that $2,657,000,000 of United States money will keep friendly governments in power, while $2,200,000,000 would be too little to permit us to keep the Communists from taking over France and Italy.

I concede that it is extremely difficult for anyone to estimate how many dollars it will take in 1950–51 to keep each country in western Europe from going Communist. It is extremely difficult to say how many dollars are needed in 1950–51 to unify European industry. It is extremely difficult to say how many dollars are required to maintain in Europe the spirit of hope rather than despair.

It is not my judgment that these things can be accomplished only with a sum of $2,657,000,000 and that an expenditure of $2,200,000,000 would make them impossible.

Unless in 1950–51 the spirit of Europe changes from hope to despair, unless the advance toward unification is reversed, and unless some participating governments are taken over by the Communists, I do not believe that anyone can charge that the program has been wrecked.

The ECA has always overestimated its requirements in the past. Last year when the watchdog staff estimated that the ECA appropriation request could be reduced by $740,000,000, it was charged that such a cut would wreck the program. Nevertheless, this estimate of the staff proved to be almost exactly the amount which the ECA has actually used.

I propose therefore that there be appropriated approximately $2,200,000,000 and that authority be granted to use the carry-over funds. This will provide approximately $2,500,000,000 for the ECA programs in 1950–51. This amount is approximately 16 percent less than ECA estimates its requirements for the coming fiscal year. This is, however, the same percentage by which the ECA estimate was overstated for the present fiscal year. I am sure that it cannot be shown today that such an amount would wreck the program.

I see no reason why the reduction which I recommend would cause western Europe to lose confidence in us, or why it would hinder steps toward integration, or why it would cause any participating government to fall.

If some unforeseen crisis should appear next winter, there will be ample time to present such problems to the Congress.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. WHERRY. I thank the distinguished Senator from Nevada for his forceful address based upon the analysis of the watchdog committee which was appointed to supervise and investigate the spending of ECA funds. I should like to ask the Senator if he does not feel that the report and the observations made completely justify the continuance of that committee during the life of ECA?

Mr. McCARRAN. I shall answer the Senator as follows: It has been my privilege to serve as chairman of the watchdog committee during the Eighty-first Congress. We have made very careful studies and very careful reports. Some of our reports have been put into the CONGRESSIONAL RECORD. All of them have been made to the Congress. In my judgment it would be a colossal mistake to do away with the "watchdog committee," which was established by the Eightieth Congress. Under existing conditions, the Senate may know that no appropriation is available which would continue the staff of the "watchdog committee" beyond the 30th day of June. The ECA Authorization Act, a reenactment of the 1948 act, went through Congress some

months ago. The act carried a provision for the "watchdog committee," but carried nothing in the way of an appropriation. As I have said, the appropriation will end on the 30th of this month, which will leave a legally constituted committee of the Senate and House of Representatives hamstrung because we shall have no means by which we can continue with our staff. Hence there will be no means of carrying out the direction of the legislation. I think it would be a great mistake to have that situation come about.

We had some difficulty in trying to put the item into the appropriation bill. Just a few days ago the Committee on Appropriations, I think by a unanimous vote, adopted a resolution providing that the "watchdog committee" should receive its money from the contingent fund of the Senate. That matter is now pending before the Committee on Rules and Administration, and it is my fervent hope, regardless of who may be the chairman of the "watchdog committee," for the next year at least, that the item will be approved by the Committee on Rules and Administration and that the "watchdog committee" will be continued, so that it may act in accordance with the law.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. McCARRAN. Certainly.

Mr. WHERRY. In the judgment of the distinguished Senator from Nevada is the amount of the proposed appropriation consistent with the staff and personnel that is needed to continue the activities of the watchdog committee?

Mr. McCARRAN. Very much so. I wish to say in that regard that the Appropriations Committee cut the item down to such a point that we had to reduce the staff, and very capable and competent members of the staff, seeing the end in sight, sought other employment. We are now going along with what might be termed a skeleton staff. It is a very competent skeleton staff. If the amount suggested by the Committee on Appropriations is approved by the Committee on Rules and Administration, we can restaff the watchdog committee and continue to do what I think is a worth-while job.

Mr. WHERRY. I thank the Senator.

## INCREASE OF BORROWING POWER OF COMMODITY CREDIT CORPORATION—CONFERENCE REPORT

Mr. ELLENDER. Mr. President, I submit a conference report on House bill 6567, to increase the borrowing power of Commodity Credit Corporation, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 3. Section 22 of the Agricultural Adjustment Act, as amended (U. S. C., title 7, sec. 624), is hereby amended to read as follows:

"'SEC. 22. (a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulation as the President shall specify.

"'(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 per centum ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 per centum of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the President: *And provided further*, That in designating any article or articles, the President may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

"'(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.

"'(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever he finds and proclaims that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever he finds and proclaims that changed circumstances require such modification to carry out the purposes of this section.

"'(e) Any decision of the President as to facts under this section shall be final.

"'(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for any article than that prescribed by the general agreement on tariffs, and trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection.'"

And the Senate agree to the same.

ALLEN J. ELLENDER,
SCOTT W. LUCAS,
CLYDE R. HOEY,
SPESSARD L. HOLLAND,
GEORGE D. AIKEN,
EDWARD J. THYE,
*Managers on the Part of the Senate.*

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
BROOKS HAYS,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,
*Managers on the Part of the House.*

Mr. ELLENDER. Mr. President, I ask for immediate consideration of the conference report.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Pennsylvania.

Mr. MYERS. Based on several conferences which we have had on the subject, we have come to the conclusion that it may be possible to work out a unanimous consent agreement to vote on the conference report at 4 o'clock on Monday afternoon. However, before submitting a unanimous consent request, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

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|---|---|---|
| Anderson | Chavez | Ellender |
| Benton | Connally | Ferguson |
| Bricker | Cordon | Fulbright |
| Butler | Darby | George |
| Byrd | Donnell | Gillette |
| Cain | Douglas | Green |
| Capehart | Eaton | Gurney |

| | | |
|---|---|---|
| Hayden | Lodge | Robertson |
| Hendrickson | McCarran | Russell |
| Hill | McClellan | Saltonstall |
| Holland | McFarland | Schoeppel |
| Humphrey | McKellar | Smith, Maine |
| Hunt | McMahon | Smith, N. J. |
| Ives | Magnuson | Sparkman |
| Jenner | Malone | Stennis |
| Johnson, Colo. | Martin | Thomas, Utah |
| Johnson, Tex. | Maybank | Thye |
| Kefauver | Millikin | Tydings |
| Kem | Morse | Watkins |
| Kerr | Mundt | Wherry |
| Kilgore | Murray | Wiley |
| Knowland | Myers | Williams |
| Leahy | Neely | Withers |
| Lehman | O'Mahoney | |

The PRESIDING OFFICER (Mr. STENNIS in the chair). A quorum is present.

Mr. MYERS. Mr. President, after making some inquiries it seems it will be impossible to reach a vote on the conference report this afternoon. I therefore make the unanimous-consent request that on the calendar day of Monday, June 26, 1950, at the hour of 4 o'clock p. m., the Senate proceed to vote, without further debate, upon the motion to agree to the conference report on the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation; that the time between 12 o'clock and 4 o'clock p. m. on said day be equally divided between those favoring and those opposing the report, the time to be controlled, respectively, by the Senator from Louisiana [Mr. ELLENDER] and the Senator from Washington [Mr. MAGNUSON].

Mr. THYE. Mr. President, reserving the right to object, and I do not intend to object, I wish to say that I made inquiry in the forepart of this week as to what we might expect respecting the calendar of business for this week, and the majority leader at that time gave me quite definite information about what we had to expect, and what he hoped we would be able to accomplish before the end of the week.

I realize fully that no one can predict what the Senate will do or how much time will be required on a legislative measure. Nevertheless, knowing that the conference report on the Commodity Credit Corporation bill would be taken up today, and not expecting more than a couple of hours of discussion on it, I canceled meetings at which I had arranged to be present this week end, and had them postponed until next week. It is not possible for me to leave Minnesota until 7:15 on Tuesday morning. That will bring me back into Washington before 2 o'clock Tuesday afternoon, providing we have flying weather that will permit us to take off in Minnesota and land in Washington.

If the vote comes on Monday afternoon at 4 o'clock I shall not be here. I regret that I cannot be here, because I am a member of the conferees on the part of the Senate who have finally signed the report. I signed it reluctantly. For that reason I should like to be present when the report is finally considered and passed upon. So if there is acceptance of a request to vote at 4 o'clock on Monday I shall regret it.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. WHERRY. Mr. President, reserving the right to object, may I make an inquiry of the distinguished acting majority leader? In the event the unanimous-consent agreement is entered into, and I hope it will be, the conference report will then be the pending business, and, of course, will be open to debate until the Senate recesses when it is through with its business today. Is it the intention of the distinguished acting majority leader to keep the report as the pending business, or in the event there is not sufficient debate upon it today to occupy the remaining time, is it the intention to take up something else?

I should like to know, because several Senators are wondering whether or not there might be a vote on something else before the conclusion of the Senate's session today.

Mr. MYERS. I can reply to the minority leader in this manner. I think there are probably sufficient speeches to be made today on the conference report to occupy the remainder of the time. If there are no further speeches, then, as we reach an appropriate hour, I think we should recess and not resume the consideration of the military-assistance bill.

Mr. WHERRY. I thank the Senator from Pennsylvania.

Mr. THYE. Mr. President, will the Senator yield for an observation?

Mr. MYERS. I yield.

Mr. THYE. It is now only 2:25 p. m. The afternoon is long. I believe it would be good business and good policy to undertake to have the speeches that are to be made, delivered this afternoon, and try to arrive at a vote on this measure before we recess this evening. There are many hours remaining before a reasonable time for taking a recess arrives. I do not believe there will be speeches on this question so lengthy that we would run into a late hour this evening before arriving at a vote on the question.

Mr. MYERS. Mr. President, I should like to reply to the Senator from Minnesota in this manner: I endeavored to secure unanimous-consent agreement for voting at 1 or 2 o'clock on Monday, and those who are objecting to the conference report refused to enter into such an agreement, because they really believe that they needed not only the time remaining today, but a few hours on Monday to discuss the conference report. Personally I should be very happy if we could get the report out of the way today, by voting on it later in the afternoon, but I have been informed by a number of Senators that it will be impossible to secure a vote this afternoon.

Mr. THYE. Mr. President, reserving the right to object, I wish to say that some unanimous-consent agreements result in delaying the legislative work of the Senate. I have seen unanimous-consent agreements arrived at to vote at a certain hour, after which there was no Senator on the floor ready to speak on the subject involved, and the Senate was obliged to recess for as much as an hour and a half in midafternoon because no Senator wanted to take up the time to speak. That is the difficulty and the trouble with respect to arriving at unanimous-consent agreements. We arrive at them, and then we mark time, as a soldier would say, for hours without continuing discussion of the question under consideration, waiting only for the hour to vote to arrive.

I regret exceedingly that we cannot proceed with the report now. I hope we can at least pass it over until next Tuesday at 4 o'clock, by entering into a unanimous-consent agreement to vote at that time, and in the meantime consider some other measure.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. MORSE. Reserving the right to object, and I shall not object, I should like to say that I have a great deal of sympathy for the point of view expressed by the Senator from Minnesota [Mr. THYE]. I should like very much to have the Senator from Minnesota present not only when the vote is taken but when most of the debate on this matter takes place, because as one of the conferees, I prize very highly his point of view on matters affecting American agriculture. As he knows, I seek his counsel constantly in regard to agricultural problems, along with that of the Senator from Vermont [Mr. AIKEN].

As one who objects to voting this afternoon, I want to say to the Senator from Minnesota that I prefer not to vote this afternoon for two reasons. I have checked into the question of a roll call, and I feel that we will be in a much better position to defeat the conference report Monday than we will be this afternoon. I want to be very frank about that.

Second, I think it is going to take the week end for some of my colleagues in the Senate to be fully apprised as to the attitude of America's farm organizations in regard to the conference report. Before the week end is over I think they will hear from those farm organizations, as they are very much opposed to the conference report, because they feel that great damage would be done American agriculture if the report were adopted. I quite agree with the farm organizations. I would have no objection if a unanimous-consent agreement could be worked out with the acting majority leader to vote on Tuesday at 4 o'clock, with the understanding that on Monday we take up some other measure, beginning at 12 o'clock noon, and devote our time on Monday to it, and then vote on the conference report on Tuesday afternoon at 4 o'clock. But I have no jurisdiction at all in that matter.

I am satisfied that if the intention is to have the conference report voted on this afternoon the debate which will occur will be so prolonged that it will not be possible to reach a vote on the conference report this afternoon, because I think a serious mistake has been committed in the conference report. In my opinion, those of us who are doing what we can to protect the best interests of American agriculture must make a complete record on this particular conference report, because I believe the language of the conference report is worse than nothing on this subject matter. I

think we should go back to the Magnuson-Morse amendment and to the language of the House bill.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. WILLIAMS. I join the Senator from Oregon in saying that I feel reasonably certain that there is not enough time left this afternoon to debate this matter as it should be debated. I am agreeable to having the vote on the conference report taken either on Monday or on Tuesday, but I do know that there are quite a few points which should and will be brought out in the debate on the floor of the Senate.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. THYE. Mr. President, I have asked to be recognized in order that I may comment on the remarks of the very able junior Senator from Oregon [Mr. MORSE]. He said the farm organizations are very unhappy about the conference committee's report relative to what we call the Magnuson amendment. I personally stated earlier that I myself was very unhappy about the conference report, and I signed it very reluctantly. But after I learned that it was utterly and absolutely impossible to obtain any agreement from the other branch of the Congress, the House of Representatives, as to the inclusion of different language in the conference report, I finally agreed to sign this conference report, because it already is late in the season; today, is June 23, and the combines are in operation in the Southwest, and the harvest is moving north, and the entire Commodity Credit Corporation's program is awaiting the final action on this matter. Every day we delay action on this piece of legislation, that much later will be the final report, coming from the Commodity Credit Corporation, which gives the farmer any assurance of what his support program for this year will be.

It was for that reason—because of the lateness in the year and the positive knowledge that the House of Representatives would not yield to us—that I finally agreed to sign this particular conference report, but I did so most unhappily.

I wish to say that every day we delay the enactment of this measure, we are creating a greater confusion in the agricultural areas of the Nation, because of the lack of a farm-support-program announcement.

Mr. MAGNUSON. Mr. President——

Mr. MYERS. I yield to the Senator from Washington.

Mr. MAGNUSON. Mr. President, reserving the right to object, I merely wish to assure the Senator from Minnesota that there is no disposition on the part of those of us who support the amendment to delay this matter. We appreciate the necessity of having something done about the conference report by the end of the month. However, we feel very strongly about the amendment. We think it is very greatly in the interest of the agriculture of the United States, and we want to make the fight on that basis.

I was merely going to suggest to the acting majority leader that if it were possible, if some other proposed legislation could be taken up on Monday or even during the remainder of today, without having a vote on it, then perhaps we could vote on the conference report on Tuesday at 4 o'clock—setting the conference report aside until then. If that decision were reached, we could then either vote up or vote down the conference report at that time. Of course, the report must be adopted by the end of the month.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. WHERRY. I think that the proper procedure—and I am sure the acting majority leader will agree—is to attempt to have favorable action taken on the proposal to have the vote on the conference report taken on Monday afternoon. Certainly I could not agree to the suggestion of the Senator from Washington that the conference report be set aside and that the Senate take up some other measure, in view of the fact that an announcement was made, as all Members of the Senate know, that the business before the Senate this afternoon would be the conference report on the Commodity Credit Corporation bill.

Of course, whenever an attempt is made to obtain a unanimous-consent agreement, it is very difficult to satisfy everyone. However, if Monday is not satisfactory, then I certainly would suggest that the acting majority leader make a proposal to have the vote on the conference report taken some time later next week.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. WILLIAMS. The impression seems to have been created that we are operating against a deadline, so far as this measure is concerned—a deadline of June 30, or some such date. However, Mr. President, there is no deadline so far as the adoption of this conference report is concerned. There is no reason in the world why the Secretary of Agriculture has not already announced his 1950 wheat program, unless he arbitrarily sees fit to hold it up in an attempt to force Congress to adopt this conference report. If any farmer in the Midwest or elsewhere is having any trouble in getting his loans, I wish he would tell us about it, because there is absolutely nothing which prohibits the Secretary of Agriculture from taking care of all the farmers in this matter; and certainly they should be taken care of, regardless of whether we as individual Senators agree on the law which is now on the statute books.

I am not going to object to the proposal to postpone the vote on the conference report until Monday; but I do not wish the Senate to be under the misapprehension that a deadline is involved, or to operate under any alleged threat from the administration that there is a deadline which much be met or otherwise the agricultural program will be sabotaged.

The Secretary of Agriculture has ample funds now on hand to carry out his announced programs and I will discuss this phase further Monday.

Furthermore I call particular attention to the fact that this Corporation which is seeking another $2,000,000,000 has still not submitted their audited reports to the Congress for their operations during the period since June 30, 1947. And as I pointed out last week, the Corporation as of June 30, 1947, found it necessary to write off over $96,000,000 in order to balance their books.

So far as I am concerned those books for the years 1948, 1949 are going to be delivered to the Senate before they get another dime.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. THYE. The Senator from Delaware has said there are ample funds, and that there is no reason why the Secretary of Agriculture cannot announce the program. The Senator is correct, in that the funds available are ample to permit announcement of a support program for wheat, and possibly to permit announcement of a support program for some of the other basic commodities which may come to harvest early in this particular calendar year.

However, let us remember that the diversified farmer and the other type of farmer—as distinguished from wheat, cotton, or corn farmers—have just as much right to the Commodity Credit Corporation funds as any other groups of farmers do. If the Secretary of Agriculture were to obligate all the present funds to the crop now coming on—in other words, the crop now in harvest—there would be no funds left to support poultry, pork, dairy products, citrus fruits, or some of the other nonbasics.

I think the Secretary of Agriculture has in mind that when he announces the program, he must know whether he has sufficient funds to go through with it in regard to the perishables or the nonbasics, as well as the basic commodities, the price of which by law the Secretary of Agriculture is mandatorily bound to support.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Pennsylvania? The Chair hears none.

Mr. WILLIAMS. Mr. President, I should like to reply to what the Senator has just said, but before doing so, I have no objection to having the unanimous-consent agreement entered into.

The PRESIDING OFFICER. Does the Senator reserve the right to object?

Mr. MYERS. Mr. President, is the unanimous-consent request agreed to? If it is, I shall then be happy to yield to the Senator from Delaware for the purpose of making the reply.

The PRESIDING OFFICER. The Chair has not finally announced that it was agreed to. Does the Senator from Delaware object?

Mr. WILLIAMS. I do not object.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the unanimous consent is entered into.

The unanimous-consent agreement, as reduced to writing, is as follows:

*Ordered*, That on the calendar day of Monday, June 26, 1950, at the hour of 4 o'clock p. m., the Senate proceed to vote, without further debate, upon the question of agreeing to the conference report on the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation.

*Ordered further*, That the time between 12 o'clock and 4 o'clock p. m. on said day be equally divided between those favoring and those opposing the report and controlled, respectively, by Mr. ELLENDER and Mr. MAGNUSON.

Mr. MYERS. Mr. President, I yield to the Senator from Delaware.

Mr. WILLIAMS. Mr. President, I merely desire to say, in reply to what the Senator from Minnesota has just said, that the Senator from Minnesota was pointing out the fact that the combines are now operating in the Midwest, and that the farmers there were going to be confronted with a serious problem.

Mr. THYE. If the Senator will permit a correction, I did not refer to combines operating in the Midwest, but in the extreme Southwest.

Mr. WILLIAMS. The extreme Southwest is what I meant. The farmers of that area will not be up against any problem at all, if the Secretary of Agriculture will carry out the instructions of the Congress and will administer the law, for which he has the necessary money available. The only reason in the world why he would place any farmer in an embarassing position today is because he wants to put a little pressure on Congress to give him this $2,000,000,000 increased borrowing power.

## ENLISTMENT OF ALIENS IN REGULAR ARMY

The PRESIDING OFFICER (Mr. STENNIS in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 2269) to provide for the enlistment of aliens in the Regular Army, which were, on page 1, line 5, strike out "1951" and insert "1953"; on page 1, line 6, after "enlistments", insert "or reenlistments"; on, page 1, line 7 and 8, strike out "ten thousand" and insert "two thousand five hundred"; on page 1, line 8, after "unmarried", insert "male"; on page 2, line 4, after "determine", insert "; *Provided*, That persons enlisted under the provisions of this Act shall be integrated into established units with citizen soldiers and not segregated into separate organizations for aliens"; on page 2, line 17, strike out "1951" and insert "1953", and on page 3, line 3, after "shall", insert "if otherwise qualified for citizenship, and after completion of five or more years of military service, if honorably discharged therefrom."

Mr. LODGE. Mr. President, this is a Senate bill which was reported unanimously by the Armed Services Committee of the Senate. It was passed by the Senate unanimously. The purpose of the bill is to authorize the enlistment in the Army of 10,000 selected aliens. The House took the Senate bill as reported by the Senate Armed Services Committee, but reduced the number from 10,000 to 2,500. It was then passed by the House, yesterday.

Let me say that the bill is strongly desired by the Chief of Staff of the Army, which is due to the fact that World War II proved that it is vitally necessary that we have within the ranks men who understand the languages, customs, people, terrain, and weapons of different nations. I know of no objection to the bill. The change from 10,000 to 2,500 has the approval of the chairman of the Armed Services Committee, the Senator from Maryland [Mr. TYDINGS], with whom I have consulted. I therefore move that the Senate agree to the House amendments.

The PRESIDING OFFICER. The question is on the motion of the Senator from Massachusetts.

The motion was agreed to.

## INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

Mr. ELLENDER. Mr. President, the Senate now has under consideration the conference report agreed upon by the conferees appointed by this body, on H. R. 6567. I may say the House has already adopted the report, and it is now up to the Senate to do likewise, in order that the bill may be sent to the President for his signature.

I thought it might be advisable at this time for me to give a brief history of the amendment to section 22 of the Agricultural Adjustment Act, as it has been made part of the report we are now considering. It will be recalled that the Senate adopted the House version of the bill and added to it the so-called Magnuson-Morse amendment, which seeks to amend section 22 in three respects. Under section 22 of the present law, whenever the President has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and such quantities as to render or tend to render ineffective, or materially interfere with, any farm program, he may require the Tariff Commission to investigate the matter and, upon the finding of that Commission, he may decide under that section whether to increase the tariff, or impose a quota on goods being imported into this country.

The Magnuson amendment, in the first instance, changes that portion of section 22 and places the responsibility on the Secretary of Agriculture to initiate these proceedings. Second, instead of having the Tariff Commission make the final investigation, as is now provided by the law, the Magnuson amendment would make it read so that the Department of Agriculture would investigate the matter and make all findings and reports to the President.

The third and most important change is with respect to subsection (f) of section 22 of the present law.

Subsection (f) provides specifically that no proclamation under section 22 shall be enforced in contravention of any treaty or other international agreements to which the United States is or hereafter becomes a party. The significant change made by the so-called Magnuson amendment to that particular subsection (f) is that it reverses the order, in that it provides that no international agreement may hereafter be entered into or present agreements extended beyond their termination dates which do not reserve the right of this country to invoke section 22 whenever the President decides to do so. That is the distinction between the present law and the provisions of the Magnuson amendment. The House did not pass upon that issue.

We went into conference, and of course met with strenuous opposition to the Magnuson amendment on the part of the House conferees. We met on two occasions, and finally came to an agreement. It is true that the Senate conferees did not get all they sought, but I believe that some progress has been made toward carrying out the policies and protective provisions of section 22 of the present law. The conferees agreed to reenactment of the present law, with two changes. Instead of the President's initiating the investigation as to whether goods should be prevented, under the provisions of section 22, from coming into the United States, the Secretary of Agriculture is to initiate the inquiry, the same as is provided in the Magnuson amendment, with the addition that after the Secretary of Agriculture makes his finding he shall so advise the President, and if the President shall agree that there is reason for such relief, the President is required to cause an immediate investigation to be made by the United States Tariff Commission to determine the facts.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THYE. Has the Senator seen the letter sent out by the American Farm Bureau Federation relative to section 22?

Mr. ELLENDER. I may state to the distinguished Senator that I have received many letters, but I do not recall that particular letter.

Mr. THYE. If the Senator will yield, I should like to read one paragraph of the letter, because it is relevant to the remarks which the Senator has made with reference to the entire question.

Mr. President, I ask unanimous consent that the entire letter be printed in the RECORD at this point. It is a letter addressed to me by Mr. J. Don Parel, associate director of the Washington office of the American Farm Bureau Federation.

The PRESIDING OFFICER (Mr. HILL in the chair). Without objection, it is so ordered.

The letter is as follows:

AMERICAN FARM BUREAU FEDERATION,
*Washington, D. C., June 15, 1950.*

HON. EDWARD J. THYE,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR THYE: In compliance with your request concerning the views of the American Farm Bureau Federation rela-

tive to the conferees' action on section 22 of H. R. 6567, they are as follows:

Section 22 was designed to protect United States agriculture from imports when such imports would cause undue hardships to domestic producers of like commodities.

The proposed conference amendment to section 22 does not accomplish the original objective of section 22 to which we are committed by American Farm Bureau Federation resolution.

If the Congress accepts the conference report, the situation will be improved if the legislative history includes an interpretation of the conference amendment showing it was the intention of the Congress that under the conference amendment section 22 could be invoked when acreage allotments, marketing quotas, or marketing agreements are in force with regard to any agricultural commodity or when surpluses of agricultural commodities are being used for school-lunch and other domestic-consumer programs.

Sincerely,

DON PAREL,
*Associate Director, Washington Office.*

Mr. THYE. Mr. President, the last paragraph of the letter covers the main question. It reads as follows:

If the Congress accepts the conference report, the situation will be improved if the legislative history includes an interpretation of the conference amendment showing it was the intention of the Congress that under the conference amendment section 22 could be invoked when acreage allotments, marketing quotas, or marketing agreements are in force with regard to any agricultural commodity, or when surpluses of agricultural commodities are being used for school-lunch and other domestic-consumer programs.

Mr. ELLENDER. Mr. President, in the course of my remarks I shall bring out that point. I believe, as the letter states, that the language contained in the conference report is an improvement on the present law. Under the present law it is optional that the President continue the safeguards that are contained in article XI of the general agreement on tariffs and trade, but this new language makes it obligatory on him to incorporate these safeguards in any future agreements or amendments to existing agreements.

Mr. THYE. If I may ask a further question of the Senator, if that becomes mandatory on the President, then why was the Magnuson amendment emasculated in the manner in which it was?

Mr. ELLENDER. I may state to my distinguished friend that we were dealing in conference; we dealt with House Members who had not considered this proposal, and they made us a proposition which we accepted. I think it is a decided improvement on the present law.

Mr. THYE. As the Senator so well knows, I was a member of the conference committee, and the Senator knows as well as I do that we did not yield until we felt that every effort on the part of the Senate conferees had been exhausted. Some of us felt it was useless to debate it any longer, and we either had to report that we were in disagreement or we had to sign what we had before us and report it to the Senate. I was most unhappy when I signed it, because I felt we were suggesting to the President what we hoped he would do, but I did not feel that we wrote anything into the law which made it mandatory on the part of the President to do something. That is why I read the paragraph from this letter, so as to make certain that the very able Senator from Louisiana would agree specifically that what we, as members of the conference committee and Members of the Congress, want, so far as the Senate is concerned, is the application of the very position stated in the letter from the American Farm Bureau Federation. That is what we expect of the President and what we expect of the officials of the Commodity Credit Corporation, including the Secretary of Agriculture. What we hoped for and what the Magnuson amendment intended, was to do that which is stated in the paragraph of the letter which I read.

Mr. ELLENDER. I propose to discuss with the Senate a little later the provisions of the general agreement dealing with the very subjects to which the Senator has referred. It makes it obligatory on the President when negotiating new agreements or changes in existing agreements to include the pertinent provisions now contained in GATT.

Mr. President, just before I was interrupted——

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THYE. I thank the Senator for yielding to me. I realize that he yielded for more than a question. He permitted me to speak my real thoughts and convictions on the question.

Mr. ELLENDER. I was very glad to yield to my distinguished friend from Minnesota.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. MAGNUSON. I shall not get into a discussion with the distinguished Senator from Louisiana with reference to this amendment, because I appreciate the problems of the conference, and I appreciate the fact that the objective sought by the change of the amendment was somewhat along the lines of the original agreement, but I hope that before we are through with the discussion the Senator from Louisiana will discuss the practical angle. Experience has taught us many times that with the processes which are now in effect, by the time we get around to achieving any action on the matter the damage has already been done.

Mr. ELLENDER. As I understand the Magnuson amendment, it is not retroactive; it applies to future agreements.

Mr. MAGNUSON. That is correct.

Mr. ELLENDER. The conference report on the pending bill also applies to future agreements. It prohibits the President from entering into agreements which do not permit the imposition of quotas under section 22 to the extent permitted by article XI of the United Nations general agreement on tariffs and trade, or which do not permit increases in duties under section 22 to the extent permitted by article XIX of such general agreement. Today, in entering into new agreements, he can disregard the policy of articles XI and XIX entirely, or he can further limit their scope. We have provided that the President must in the future make international agreements in accord with the exceptions that are contained in articles XI and XIX of the general agreement on tariffs and trade. I am saying to my friend that this is, to my mind, an improvement on what we now have, because as I have indicated, under subsection (f) of section 22 he can bypass section 22, but we are making it obligatory on him to continue the safeguards of articles XI and XIX in the future.

Mr. MAGNUSON. Of course, the Senator from Louisiana appreciates that it has been bypassed on many occasions.

Mr. ELLENDER. For the reason that subsection (f) of section 22 gave him full authority to bypass it. He could use his own discretion in entering into trade agreements. However, Congress is telling him, "You must make future agreements which are consistent with the policy of articles XI and XIX of the general agreement on tariffs and trade."

The questions anticipated a little what I was going to say. Now that we are on the subject I may as well discuss it. As I tried to indicate, the agreement reached by the conference committee leaves section 22 as it is now written with two exceptions, one exception being that the Secretary of Agriculture is made responsible for initiating action instead of the President. After the Secretary comes to a conclusion, he advises the President, and if the President agrees with the Secretary the President proceeds, as now provided under section 22, to have the Tariff Commission investigate the facts and make a finding.

I come now specifically to what may be termed the meat in the coconut. I refer to subsection (f).

Mr. THYE. Mr. President, will the Senator yield at this point?

Mr. ELLENDER. I yield for a question.

Mr. THYE. This is the language which is in the report. It says:

The Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission.

I am afraid of that "if," and I was afraid of it at the time I reluctantly signed the conference report. It says, "if the President agrees." The President may not agree. He has what might be called a mile of latitude in the word "if." That is what I was concerned about when I reluctantly signed the conference report.

Mr. ELLENDER. As the Senator knows, the Secretary of Agriculture is an appointee of the President. He acts under the President, and the President in the past has been given discretionary powers over the entire executive department. That is really the reason for the

language. We cannot make it obligatory upon the President to carry out the recommendations of the Secretary.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. HOLLAND. I should like to ask the distinguished Senator if it is not a fact that the conference committee had the feeling that the provision as incorporated in the conference report, which required the Secretary of Agriculture to take affirmative action by making a report of a threat to the agricultural economy of the Nation, or any particular portion thereof which was under a support-price program, would itself bring a greater guaranty to American agriculture than would anything in the present law.

Mr. ELLENDER. Yes; and that action would be taken. That is correct.

Mr. HOLLAND. Will the Senator yield further?

Mr. ELLENDER. I yield for a question.

Mr. HOLLAND. Is it not a fact that it was the view of the conferees—I believe it was the unanimous view of the conferees—that agriculture would receive much greater protection by having a positive, affirmative requirement that the Secretary of Agriculture, when there was a threat, must take action and would take action, than to have, as under the present law, no such requirement, in which case there is no assurance of initiating any action whatsoever?

Mr. ELLENDER. The Senator is correct. That is absolutely true.

Mr. HOLLAND. Therefore it would be much more likely that the President would take action in requiring the investigation by the Tariff Commission——

Mr. ELLENDER. That is correct.

Mr. HOLLAND. Since the Secretary of Agriculture had taken official action to protect an official program existing under a law of the United States and supported by appropriations made by the Congress of the United States?

Mr. ELLENDER. That is correct.

Mr. HOLLAND. Is the Senator still of the opinion that that one provision brings about a much more effective initiation of the program than that embraced in the present law?

Mr. ELLENDER. Exactly. It is an improvement on what we have.

Before I was interrupted—and I do not mind interruptions—I was about to discuss subsection (f) in the light of the way it was changed in conference. It will be noted that the language of subsection (f) of the present law has not been changed. In other words, it says:

> No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

That language is also in the amendment agreed upon in conference.

However, we have added this significant language, which in my opinion is also an improvement over what we have under the law at the present time. Let us not forget that, although the President has the power under the general agreement on tariffs and trade, to take certain action under section 22 when we have a surplus and when we have a production control program, the President could, under the present language of section 22, give up such power in a future agreement. This new language makes it mandatory that the President continue the present conditions of the general agreement under which we can now invoke section 22. I will read it:

> But no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable.

In other words, under the general agreement, article XI, we have this provision:

> 1. No prohibitions or restrictions other than duties, taxes, or other charges, whether made effective through quotas, import or export licenses or other measures, shall be instituted or maintained by any contracting party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of any product destined for the territory of any other contracting party.

That is the general provision in article XI of the general agreement on tariffs and trade. However, to that general provision there are exceptions. Let me read one:

> 2. The provisions of paragraph 1 this article shall not extend to the following:
>
> (c) Import restrictions on any agricultural or fisheries product, imported in any form, necessary to the enforcement of governmental measures which operate—

I invite the attention of Senators to this part—

> to restrict the quantities of the like domestic product permitted to be marketed or produced.

In other words, if we have in this country today marketing agreements or, as we have on cotton, acreage controls, the President can impose quotas under the section 22 upon the importation of the commodity which is subject to such agreements or controls. This rule applies to any commodity on which we have an effective marketing quota or acreage reduction. Section 22 can be invoked in those cases.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield for a question.

Mr. THYE. What would be the situation so far as powdered eggs coming in from a foreign country are concerned, or with respect to dairy products? Perhaps we could refer to apples, or potatoes. Of course potatoes would be under an acreage allotment or marketing agreement. However, so far as apples are concerned, that would not be the situation, because there are no marketing agreements on apples.

Mr. ELLENDER. As I understand the provisions which I have just read, their intent is that these sections apply in cases where we have marketing quotas or some other effective production control. With respect to eggs, we do not have an effective marketing or production control. Therefore, the provisions of article XI which I have read do not apply. However, where we do have production controls, as in the case of cotton and corn, those provisions would apply.

Mr. MAGNUSON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Washington.

Mr. MAGNUSON. Of course, the effect of the conference report, as I interpret it, is to substitute article XI for the provisions of section 22.

Mr. ELLENDER. Let me state to the distinguished Senator from Washington that the point is that the general agreement on tariffs and trade, because of the exceptions I have just read, allows section 22 to be fully effective, if there are in effect, as I have stated here, marketing or production limitations.

Mr. MAGNUSON. And if the State Department would carry them out.

Mr. ELLENDER. Oh, no; I beg the Senator's pardon. That is the law now. But if the Senate should agree to the conference report, it will make it obligatory on the State Department and on the President not to exclude these provisions in any future agreement, as they can now do.

Mr. MAGNUSON. Let us get this straight; not to refrain from violating section 22, but not to violate the provisions of article XI.

Mr. ELLENDER. That is correct; he must keep the present relationships between section 22 and the general agreement in effect.

Mr. MAGNUSON. So we might as well be honest about it and repeal section 22.

Mr. ELLENDER. No. I state with all the emphasis in my power that as I understand the report, as to matters which can be dealt with under articles XI and XIX, section 22, under the terms of the conference agreement, has the same force and effect as it now has. Of course, we have to have an effective marketing or production control on the commodities involved, or come within some other permissive provision of article XI or XIX, before section 22 can be invoked.

The reason why the Senator is a little troubled is, I believe, because we cannot have an effective production control for apples, let us say, unless the apple trees are cut down. We face the same problem in imposing effective control of the production of eggs. As to those commodities, it may not be possible to have effective controls.

Thus there may be a question as to whether or not article XI applies. But I again state and emphasize that as to all commodities which can be effectively controlled, either through marketing quotas or through production controls, the operation of section 22 under the general agreement on tariffs and trade can be made as effective as it now is. Does the Senator disagree with that?

Mr. MAGNUSON. No; I do not disagree with that; I say it can be, but if

my amendment had been retained, we would have been assured it would be.

Mr. ELLENDER. I am pointing out to the distinguished Senator that the same language which he proposed in his amendment has been incorporated in the conference report. Let me read it again to the Senator:

No international agreement or amendment to an existing international agreement shall hereafter be entered into—

The same language the distinguished Senator used—

which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable.

Certainly the distinguished Senator will not deny that article XI of the general agreement on tariffs and trade provides:

The provisions of paragraph 1—

Which I read awhile ago—

shall not extend to the following—

And what is included in the "following"?—

(c) import restrictions on any agricultural or fisheries product, imported in any form, necessary to the enforcement of governmental measures which operate—

(i) to restrict the quantities of the like domestic product permitted to be marketed or produced, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted; or

(ii) to remove a temporary surplus of the like domestic product, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be diretcly substituted, by making the surplus available to certain groups of domestic consumers free of charge or at prices below the current market level.

Referring to the furnishing of school lunches and measures of that character. In other words, whenever we have surpluses of certain commodities which are being removed from the market by the Government or on which effective production controls are in effect, the general agreement on tariffs and trade would allow section 22 to be invoked.

Mr. President, what we have written in the conference report is that the President shall in the future consider the policies set out in articles XI and XIX of GATT, and he shall not enter into any future agreement unless the policies of those provisions are carried out therein. In other words, he cannot disregard them, as he could do under the present law.

Mr. President, I should also like to point out that the new subsection (f) does not prevent the President from entering into agreements that prescribe lower rates of duty than are prescribed in the general agreement for the same articles. However, the new subsection (f) does require that such agreements contain an escape clause similar to that contained in article XIX of the general agreement. This is made clear in the last sentence of the new subsection (f).

Mr. President, I wish to say, in conclusion, that I think the Senate conferees have discharged their duty well, especially in view of the fact that, as the Senator from Minnesota will remember, when we walked into the conference the first thing the conferees from the House said was, "We want our bill as written. We do not want the so-called Magnuson-Morse amendment." It was up to us then to battle with them. We discussed the matter on the first day for quite some time, and I could see that, with the Magnuson-Morse amendment in the bill as written, there would be no chance at all to have the House agree.

The first thing Mr. SPENCE, who represented the House, said was, "I have it from good authority, unquestionable authority, that if the Magnuson-Morse amendment remains in the bill the President will veto the bill."

Mr. THYE. Mr. President, will the Senator yield at that point that I may support the Senator's statement?

Mr. ELLENDER. I yield.

Mr. THYE. I address my remarks to the able Senator from Washington [Mr. MAGNUSON], as well as to the Senator from Louisiana. When we were in the conference, while we studied the overall question of the amendment the first day, and likewise into the second day of conference with the House Members, we, as Senate Members of the conference, definitely recognized that we were not going to get House concurrence in the amendment as it was written. As the Senator from Louisiana stated, if that amendment as it is drawn, were to remain in the Senate bill, we could expect a Presidential veto. I wish to state again that it was for that reason that I, as one of the conferees, signed the report.

If the Senator will allow me, I should like to make a further remark. I regret that I shall not be present on Monday when the vote comes on the question of whether the conference report shall be adopted or rejected. A unanimous-consent agreement has been reached for a vote on the report on Monday. I shall not be able to return from the State of Minnesota for that vote on Monday. I stated earlier that I had changed my schedule so as to be present today. After having changed my schedule I now find that we cannot have a vote on the measure today, but that the vote will be taken on Monday, when I cannot be present. Were I present—and that is the reason for these remarks now—I would vote for and I would ask the Senate to adopt the report as it is written. I do not believe—and I say this in all sincerity—that we could obtain any better language than appears in the report as it is now written. All that can be done is to delay for several more days the enactment of this proposed legislation, which would delay the final announcement of a farm-support program to the farmers. I think it would not only be a mistake but a catastrophe if that announcement were delayed many days, because it is already late. It is for that reason that I am announcing now that were I here on Monday I would ask the Senate to adopt the report as it is written.

In event there are any mistakes, as it may seem to us, made by the Secretary of Agriculture and by the President in administering the provisions of this proposed act, we will be back in session at the beginning of next year and we can deal with the question at that time again.

I should like to say to the very able Senator from Washington I fully realize his disappointment. I am disappointed. But I realize that when we are up against a stone wall which we cannot very easily hurdle and we know we cannot hurdle it, we had better make the very best of it, rather than delay the whole farm program in an attempt to send the report back for another conference with the House conferees.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MAGNUSON. Neither the Senator from Oregon nor I want to delay this matter. It is important to announce the farm program as soon as possible. I appreciate that. But, in my opinion, the truth of the matter is that this is something which is of far greater importance for the future of American agriculture under the present Government-support system. The State Department, the reciprocity committees, and the Tariff Commission are now in the process of forming their lines for conference in England in the latter part of August, I believe, for the negotiation of new trade agreements. Most of those agreements will run for 3 years. Most of the agreements now being renegotiated are of vital importance to American agriculture, because they involve countries which are themselves engaged in the production of agricultural products similar to our own.

I think it is vitally important that the State Department know, not only the intent of Congress, but the extreme necessity of making the new trade agreements in such a way that they will fit into our Government-support program. Had my amendment been in the law we would not have had the potato scandal we had last year. We would not have had a situation which makes people wonder why it seems that we support prices out of one pocket and then allow the State Department to negotiate agreements which might be injurious.

I appreciate the problem the conferees had. The Senator from Louisiana said that last year the Senate adopted the same amendment to the Anderson bill by a vote of, I believe, 54 to 22. The Senator from Louisiana is correct in stating that the President of the United States at that time said to the congressional leaders, and to me, I might say, that if the Anderson bill contained the amendment he, the President, would probably veto the bill. I do not know where the information comes now to the House side. Surely there has been no intimation to me now from the White House that there would be a veto of the commodity-credit bill because of my amendment.

Mr. THYE. Mr. President, will the Senator yield to me at that point?

Mr. ELLENDER. Yes.

Mr. THYE. We have had so many vetoes during this legislative session that many of us realize they come forth just as the blossoms in the spring.

Mr. MAGNUSON. I think the vetoes of the President so far have been correct. It happens that I voted against the measures he has vetoed. But I think there has been a considerable change of thinking toward this so-called approach, because since last year we have had this problem brought to the fore, it has been brought to the attention of the American public, the Department of Agriculture and the State Department, which is now in process of negotiating new agreements.

Mr. President, I do not know whether there would be another veto. However, I do not think the United States Senate should legislate or submerge its opinion on any matter because of the fact that a piece of legislation might be vetoed. If legislation is vetoed we will meet that situation when it comes. I think the matter of letting the State Department know now what we mean and what we meant by section 22 is of more vital interest to American agriculture and to our future economic agricultural stability than any other one thing we can do. That is why I am trying to have the measure sent back to conference, because the Senate has, not once but twice, decided the point. The House conferees know all about the matter. They had the matter up last year. I know we are at loggerheads. I appreciate the Senator's position with respect to the matter. The House voted on the question yesterday. The vote was about 2 to 1 against us.

Mr. ELLENDER. More than 2 to 1.

Mr. MAGNUSON. It was more than 2 to 1 against us. It is time we have a show-down on the matter.

Mr. ELLENDER. Since the distinguished Senator from Washington has raised the question with respect to the tariff agreements, let me read what Winthrop G. Brown, Director, Office of International Trade Policy, United States Department of State, had to say.

Mr. MAGNUSON. Mr. Brown is the man who has been doing all the lobbying here for the State Department against the amendment. He has a perfect right to do so. I do not object to that.

Mr. ELLENDER. Mr. President, I do not like the term "lobbying." The committee called on Mr. Brown.

Mr. MAGNUSON. I say he has a perfect right to do it.

Mr. ELLENDER. We called on Mr. Brown as a witness. We called on him to assist us in trying to bring in something that would improve the situation. I read from his testimony before the Senate Committee on Agriculture and Forestry, as it appears on page 372 of the hearings:

> We do not think that it is necessary to reserve that complete unilateral right to impose quotas, because, in our opinion, in the opinion of the Department of Agriculture, we have under the general agreement the right to use quotas in the cases where we really need to do so.

That is in the general agreement, now, but it is not obligatory on the President to continue it. We are now providing that he must continue it. I quote further from Mr. Brown's testimony:

> For example, the general agreement says that we would be free to impose a quota on agricultural imports in any case where we are supporting the prices of the commodity in this country and where we are restricting our own domestic production.

That is what the general agreement provides for, and since, under the present wording of subsection (f), the President does not have to include that provision in future agreements if he does not want to do so, he could exclude it. But now we say "You have got to include it in any future agreement or amendment to existing agreements."

Mr. Brown said:

> The basis for that agreement, of course, is that where there is a limitation on the domestic market, it is fair and right and proper that there should also be a limitation on the import.
>
> There is also a provision in the agreement which would permit the imposition of a quota at any time where we are disposing of our agricultural surpluses, say, in the free-lunch program or under a stamp plan or any way of that kind as we, I think, are doing with potatoes today; and, finally, in the agreement it would permit the imposition of a quota or a fee at any time where the imports of the commodity were causing or threatening any serious injury to the domestic production.

All that comes about from the exceptions I have read into the RECORD on several occasions.

I read further from the hearings:

> Senator AIKEN. Well, have not all three of those conditions occurred in the case of potatoes, Mr. Brown?
>
> Mr. BROWN. Yes, sir; and we would be under the——
>
> Senator AIKEN. Mind you, I am not saying that in a critical sense, but I noticed that as you enumerated the conditions under which quotas could be imposed, that all those conditions apparently applied to the potato crop at the present year, of the 1949 crop.
>
> Mr. BROWN. Yes, sir. This is really a matter or legal right that we are discussing here, and that is what concerns us.
>
> Under the agreement we would be free, as a matter of right, as it now stands and under section 22 as it now is, to impose a quota on Irish potatoes.

Of course, it is not obligatory now to continue those conditions under which section 22 can be invoked with respect to Irish potatoes; but we will make it obligatory, under the agreement reached by the conferees on the part of the Senate and the conferees on the part of the House.

I read further from the hearings:

> Senator AIKEN. The President is simply authorized, not required to do it.
>
> Mr. BROWN. That is correct.

I say to the distinguished Senator from Washington that is the law now; and under the agreement reached by the conference committee we will make it obligatory on the President to continue it.

Reading further from the hearings, Mr. Brown then said:

> But so far as what worries us is concerned, which is our international situation, the agreement which we now have and the section as it now reads, gives him the power if he decides as a matter of internal policy and procedure that he wants to do it.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THYE. Would the conference report prevent the importation of pork products from Poland?

Mr. ELLENDER. Yes, if we have an effective marketing program or an effective production program.

Mr. THYE. I had occasion to obtain, on May 29, from the PMA some figures on the importation of pork products, lard and hams, particularly from Poland. It was startling to me to note that even in January 1950, and in February and March, we imported large amounts. For instance, we imported 608,000 pounds in January, 895,000 pounds in February, 595,000 pounds in March. On the other hand, our exports of lard to Poland were absolutely zero in the months of January and February, and we exported only 140,000 pounds of lard in the month of March.

If we examine the figures for the entire calendar year 1949, we find that after May 1949, we had heavy importations; but, on the other hand, the Secretary of Agriculture was announcing from time to time, as he appeared before the Senate Committee on Agriculture and Forestry, that he was positive that he would be compelled to purchase pork before the calendar year 1949 was over, in order to maintain parity in pork prices.

Let us consider the figures for the months of September and October 1949. We find that in September, 137,000 pounds of pork products were imported from Poland; in October, 182,000 pounds; and in November, when pork prices in the United States were going down every week, 220,000 pounds were imported; and in December—when we were actually in distress, so far as pork prices to the producers were concerned, the price was almost down to the support price, and some farmers were taking less than the parity price for their pork—in December, 269,000 pounds of pork and pork products were imported into the United States from Poland. On the other hand, during September, October, November, and December we did not export any lard to that section of the world, where normally we would expect that they would be taking lard from the United States.

That is one of the reasons why the Senator from Washington [Mr. MAGNUSON] submitted the amendment. That is one of the reasons why so many of us from the diversified-farming section of the country or the section where diversified types of farming operations are conducted, are so keenly concerned.

Mr. President, I ask unanimous consent that the tabulation from which I have been reading may be printed in the RECORD at this point.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

*Trade in pork and lard between United States and Poland, 1949–50*

| Year and month | United States imports of pork from Poland | | United States exports of lard to Poland | |
|---|---|---|---|---|
| | Quantity | Value | Quantity | Value |
| 1949 | *Thous. of pounds* | | *Thous. of pounds* | |
| January | | | 10 | $1,798 |
| February | | | 355 | 56,806 |
| March | | | | |
| April | | | 1,102 | 146,645 |
| May | 5 | $3,852 | 4,626 | 593,321 |
| June | 58 | 43,970 | 1,554 | 178,945 |
| July | 75 | 63,008 | 1,251 | 166,346 |
| August | 151 | 127,934 | 6 | 779 |
| September | 137 | 116,031 | | |
| October | 182 | 123,787 | | |
| November | 220 | 162,137 | | |
| December | 209 | 182,378 | | |
| Total | 1,097 | 823,097 | 8,904 | 1,145,140 |
| 1950 | | | | |
| January | 608 | 417,077 | | |
| February | 895 | 643,636 | | |
| March | 595 | 420,103 | 140 | 16,649 |

Mr. THYE. Mr. President, many persons think farmers receive a benefit from the farm program, just because a high support price is announced for corn and because a high support price is announced for wheat. However, that is not true in the case of the farmers in the diversified-agriculture areas.

For instance, in Minnesota, Wisconsin, Indiana, Illinois, the eastern part of North Dakota, and the eastern part of South Dakota, the mere fact of the existence of a high support price on corn and a high support price on wheat does not mean a great deal to the farmers in those areas. In Minnesota we have 188,952 farms; but of that number, only 5,677 farms obtained a wheat loan in fiscal year 1949 or availed themselves of the so-called wheat support program. That amounted to only 3 percent of our farms. In the case of corn, 30,841 farms of the 188,952 farms, obtained a corn loan.

The rest of this great group of farmers were going to the elevators and were buying competitively, we might say, with the "seal-up" program, to obtain the mill feeds and the other supplementary feeds they need to carry on their normal production both in the poultry house and in the dairy barns and in the feed lots and in the hog yards.

In Iowa there are 208,934 farms. Only 3,329 of them, or 1.8 percent of the farms in Iowa, received a wheat loan. So the wheat program does not mean a thing to the Iowa farmers.

Among the group of Iowa farms—208,934 of them—only 59,269, or 28 percent of the farms, obtained corn loans. I am now speaking of the fiscal year 1949.

The situation in Illinois is practically the same, for in Illinois 4 percent of the farms took wheat loans, and 19 percent of the farms took corn loans.

In Indiana, only 2.6 percent of the farms took wheat loans, and 6 percent of the farms took corn loans.

In Wisconsin, only .01 percent of the farms took wheat loans, and 1.8 percent of the farms took corn loans.

So, Mr. President, in speaking about the over-all farm program and in speaking of imports, there is good reason why many of the Members of Congress—those representing the diversified-agriculture areas of the United States, such as the State of Washington, where there is a great amount of fruit production and dairying, and the States in the Midwest, such as the States of Minnesota, Wisconsin, Iowa, the Dakotas, and Illinois—will support the Magnuson amendment. In Minnesota we are in the so-called diversified-agriculture husbandry or diversified-agriculture management area, and we produce livestock and perishable commodities in connection with practically every farm operation we have.

However, we see the importation of potatoes, in competition with potatoes produced by our Minnesota Red River Valley potato growers and by the North Dakota Red River Valley potato growers. Yet the farmer is ridiculed by the consumers because the farmer is said to be receiving the benefits of the support program or because it is said there is a support program for him, and the consumer thinks the farmer is getting too much benefit in that connection; and consumers consider that, as consumers, they are being held up by the fact, as is alleged, that the farmer is getting too much for the commodity he produces—although the fact is that the farmer is not getting too much; he is only getting from 60 percent to a possible 90 percent of parity, and who would deny that to him? Yet the farmer is held up to ridicule, and the newspapers carry cartoons showing piles of potatoes deteriorating. When we read those stories; when we see potatoes imported from Canada, which importation is breaking the market of the potato grower in this country so that he must depend upon some sort of price-support program; when we see pork products being imported from countries behind the iron curtain, so to speak, while we cannot export a pound of lard or any of the other by-products of pork to countries behind the imaginary iron curtain—when we see those things, it behooves such men as the Senator from Washington [Mr. MAGNUSON], myself, and other Senators who represent the diversified type of farming in the United States, to stand on the Senate floor and say that we are unhappy when we see an amendment, which was first approved by the Senate Committee on Agriculture and Forestry, and then adopted by the Senate and sent to conference, deleted in conference and the provision left with an "if" in it, so that if the President wishes to do this, that, or the other thing, he may do so.

I have read the figures showing the importations of pork. I have read the figures showing how much the diversified agricultural area of the United States obtain from the wheat and corn program. I have made these statements for no other purpose than to point out that we have made some mistakes in the past. The President has been a party to those mistakes. When importations of products and commodities which deteriorate or even destroy our market are permitted, and when we then must appropriate funds to support a commodity and to buy up the commodity as we were compelled to buy potatoes in order to maintain parity or near parity for the potato growers, there is something wrong. If this emasculated amendment offered by the Senator from Washington [Mr. MAGNUSON] stands, I merely want to say that we as Senators and Members of the Congress must watch the situation very carefully in the course of the next year. If we do not have full cooperation by the President and the Secretary of Agriculture in preventing imports which deteriorate and destroy our own produce and commodity prices, we shall merely have to come back on the Senate floor a year from now, or 7 or 8 months from now, to wage the necessary fight in order that we may get some sort of protection against imports which would deteriorate or destroy the diversified type of American farming in the United States.

Mr. ELLENDER. Mr. President, at this point let me call the attention of my distinguished friend to the fact that the same Congress which enacted section 22 did not enact subsection (f), to provide that no proclamation under section 22 shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party. It was only after this law was put on the statute books that it was amended to include the language I have just read to my distinguished friend.

I have said, and I repeat, that what the conference has done is, to my way of thinking, to make many of the provisions of section 22 effective, in that in future agreements, the policy of article XI from which I have so often quoted cannot be discarded as it can be now. What can happen now under the present law is that the President can agree that section 22 shall never be invoked. But the conference report requires him to continue the conditions under which section 22 can now be invoked. I think it is a decided change from what now exists.

Mr. MAGNUSON. I think it is a change.

Mr. ELLENDER. I mean a change for the better.

Mr. MAGNUSON. I should like to ask the Senator a question. What the conference report in effect does is to substitute the provisions of article XI for section 22. Is not that correct?

Mr. ELLENDER. To some extent it does, that is correct. But what difference does it make, if the same goal can be obtained?

Mr. MAGNUSON. I think the procedure is so cumbersome that the goal never will be obtained. But here is an example of what happens: For about 2 years now I have been trying to get the

State Department to act under section 22 for the tree nut industry. The Department, with whom I have had all kinds of correspondence, still continues to say that it cannot act under section 22, because it conflicts with article XI.

Mr. ELLENDER. In what way does it conflict?

Mr. MAGNUSON. I will read that tomorrow. I have the reasons given by the State Department.

Mr. ELLENDER. If the Senator will permit me, it is because there is no specific law to curb the production of the commodity to which the Senator refers. If there were an effective method by which such commodities could be marketed or the production of them curtailed, then it would come within the purview of article XI.

Mr. MAGNUSON. That is what I think. But the State Department speaks otherwise.

Mr. ELLENDER. But even if article XI remained as now written, and as the law now provides, the President could eliminate it just as he can agree that the provisions of section 22 can never be invoked. Let me further call to the attention of my good friend from Washington the fact that even if his amendment were adopted as written, it would not affect agreements now in force.

Mr. MAGNUSON. That is correct.

Mr. ELLENDER. It would affect future agreements only.

Mr. MAGNUSON. That is correct. But the reason I proposed it in that form was that we are to negotiate all our agreements within the next few months. For example, let us take the tree nut industry, which has no presently operative marketing agreement. We have never been able to get the Department to do anything about it, yet we are spending $5,000,000 annually to support that small industry. We have never been able to place it even under a marketing agreement.

I should like to ask the Senator from Louisiana a further question, which I think will be most helpful to Senators who are not present this afternoon, but who will be here Monday. Let us take the case cited by the Senator from Minnesota, the importation of pork. I suppose those who produce pork look with some alarm upon the fact that the pork importations are becoming such, in their opinion, as possibly to injure the price-support program. They may have to apply for parity support. Under the conference agreement, just what would be the practical procedure, if there were those who wished to put this machinery into motion in the hope that the President might ultimately act to place quotas on the imports, in order to protect them?

Mr. ELLENDER. To begin with, any agreement that is entered into cannot bypass the exceptions to which I have referred on several occasions.

Mr. MAGNUSON. Suppose we have an agreement to allow so much of a given product to be imported?

Mr. ELLENDER. If there is an effective marketing agreement, or other production or marketing control, for the products, then, under article XI, section 22 could be invoked. And under this new provision the President could not sign an agreement bypassing article XI.

Mr. MAGNUSON. I understand that.

Mr. ELLENDER. We make it obligatory. It will work. Let me put it to the Senator in this way: The procedure will work virtually the same as it would under the Senator's amendment. Then we say that no future agreement can be entered into in violation of articles XI and XIX.

Mr. MAGNUSON. I should like to ask the Senator one further question. Suppose an agreement is made taking into consideration article XI, and it allows the importation of pork in certain quantities; suppose the pork raisers of America believe that they are being injured. What would be the procedure to remedy the situation under the conference-agreement recommendation?

Mr. ELLENDER. The Secretary of Agriculture would start the ball rolling.

Mr. MAGNUSON. The same as would be the case under my amendment?

Mr. ELLENDER. Yes.

Mr. MAGNUSON. What would be the next step?

Mr. ELLENDER. The next procedure would be to submit his recommendations to the President. The President would refer them to the Tariff Commission. Under the Senator's amendment, what would happen would be that the Secretary of Agriculture would initiate the proceeding and would look into the matter himself.

Mr. MAGNUSON. That is correct.

Mr. ELLENDER. That is the difference, up to that point.

Mr. MAGNUSON. Under my amendment the Secretary of Agriculture would initiate it and make a finding which would go to the President.

Mr. ELLENDER. And the President would put it into execution.

Mr. MAGNUSON. If he wished to do so.

Mr. ELLENDER. Yes; the same as it is under the Senator's amendment.

Mr. MAGNUSON. But my amendment also provides that it is mandatory under section 22.

Mr. ELLENDER. As is the case with the conference-report provision. It is the same thing. There is very little difference as I see it between the conference report and the Senator's amendment with respect to procedure.

Mr. MAGNUSON. Even now we can go through the Tariff Commission. The Secretary of Agriculture has to act first; then the President turns it over to the Tariff Commission, and then it comes back to the President for action. But all the imports are in before any action is taken.

[Manifestations of applause in the galleries.]

The PRESIDING OFFICER. The Chair warns the occupants of the galleries that it is a violation of the rules of the Senate to express approval or disapproval in any way.

Mr. ELLENDER. Let me point out to my distinguished friend that the person who finally acts is the President. So there is not much distinction between the two in that respect.

Mr. MAGNUSON. Will the Senator allow me to ask one more question to clarify the matter?

Mr. ELLENDER. Certainly.

Mr. MAGNUSON. This, again, is an interpretation of the conference report. Would not the practical effect of the conference report provision be that after the President has gone through all the steps which have been referred to he would have to consult the signatory nations.

Mr. ELLENDER. No; not immediately.

Mr. MAGNUSON. Is it the Senator's interpretation, that the President can act unilaterally without consulting the signatories to the general agreement?

Mr. ELLENDER. Yes; if delay would result in serious damage. Later, he would have to. If action to increase duties under section 22 can be delayed without serious damage, the President would consult the other signatories. As I understand it, the conference report makes no difference in that situation.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Florida for a question.

Mr. HOLLAND. If the Senator will be indulgent, I should like to make some observations and use them as a basis for a question or two.

In the first place, I should like to say to the Senator from Washington, for whom I have esteem and with whose purposes in this matter I have complete sympathy, having supported his amendment, that I believe the Senator from Louisiana and the Senator from Minnesota have, if anything, understated the difficulties with which we found ourselves confronted in conference. It seemed to the Senator from Florida that the situation was so serious that it involved not just the possibility of a Presidential veto, but, what was much more important, the probability of complete failure to get anything at all in the way of needed additional powers for the Commodity Credit Corporation in the serving of the agricultural groups of the Nation. It was only after several conferences, after having called in the appropriate executive departments, both Agriculture and State, after various controversies which were a great deal warmer than those which have occurred on the floor, that the conferees felt they should make the concession on the amendment which undoubtedly was made, as the Senator properly said, in arriving at the conference report, rather than to unsuccessfully continue to insist upon the program incorporated in the Senator's amendment. The principal purpose of the bill, after all, does not directly pertain to section 22, which is only brought into the bill by the amendment.

I should like to bring up two or three points which I think may temper the situation greatly.

First, with reference to the potato situation, I should like to remind the Senator from Washington that the Senator from Louisiana [Mr. ELLENDER], the Senator from Illinois [Mr. LUCAS], and the junior Senator from Florida

were three authors and sponsors of the amendment to the bill which recently passed the Senate, which completely terminated any question in the potato situation, so that, unless we hereafter agree upon something much more effective by way of a price-support program for Irish potatoes, there will be none.

With that predicate, so that it will appear that in no sense is the Senator from Florida, nor are the other Senators mentioned, defending or apologizing for what happened under the potato program, I should like to suggest a correction to the statement of the Senator from Washington relative to the potato debacle of last year.

The Canadian situation aggravated the potato problem, but it did not create it. The total importations from Canada last year amounted to a little less than 10,000,000 bushels, whereas the domestic surplus was, as I recall, about five times that amount.

Again I say I do not defend or apologize for the bringing in of any Canadian potatoes, because I do not know why they should have been allowed to be brought in to further complicate the picture.

The second thing I should like to observe, if I may, is that the reciprocal trade program is far wider than the price-support programs under the Agricultural Adjustment Act. In my State, for instance, there are very few crops which have the benefit of any price-support program. We raise some cotton, some peanuts, some tobacco, and some tung nuts, and they are subject to the price-support program; but our citrus industry, which is our largest agricultural industry, and the large vegetable industries of the State and others are not subject to the price-support program. So they are much more interested in other implications of the reciprocal trade program than they are with respect to subsection (f) of section 22 relative to the reciprocal trade agreements, which applies only to the products which have price supports. They find it hard to understand why they, who do not have the benefit of governmental price supports, should not have at least as friendly treatment as that sought to be given by section 22 and by the Magnuson amendment to agricultural producers who are direct beneficiaries of Government subsidies.

May I say further to the Senator that I think it is interesting to observe not only that we were interested in conference in strengthening section 22 by the insertion of a mandatory requirement, a mandate coming down from the Congress, that the Secretary of Agriculture himself must be effective and active in this field, which provision was not in the present law, but that we thought it was a distinct contribution and a useful addition coming out of conference, to the amendment introduced by the distinguished Senator from Washington, and we are still of that opinion. May I repeat my question? Is not the distinguished Senator from Louisiana strongly of the opinion that that change does greatly add to the effectiveness of the proposal?

Mr. ELLENDER. I do not think there is any doubt about it, as I said before.

Mr. HOLLAND. The next thing I should like to mention is that I think the Senator, while partially correct in his statement that article XI of the general agreement on tariff and trade has to a limited extent been substituted for section 22, he is in error in many respects in making such a general statement, in that many of our neighbors with whom we carry on much trade are not signatories of the general agreement. For instance, only last week an outstanding committee composed of early tomato producers of the Nation sought the help of the State Department to negotiate a reciprocal trade agreement with Mexico, which is an early tomato producer, and is a strong competitor with the early tomato producers in this country. We were advised, in the very beginning, that dealing with Mexico had to be on an entirely separate and different basis from that which would prevail in dealing with any country covered by the provisions of the general agreement on tariffs and trade; in other words, that an agreement with Mexico would not come at all under the provisions of article XI of the general agreement on tariffs and trade.

The next point that I should like to make is this. Of course, all of what I am saying is by way of trying to bring some comfort to my very good friend from Washington, because I realize he has an objective which is much greater—and the conference committee admits that it is greater—than that which is covered by the conference report. However, we do feel that we have made real progress under the conference report.

The next point that I wish to make is addressed to the fact that instead of having gotten no value heretofore for agriculture out of section 22 the conference, after considerable investigation of the subject, felt that—notwithstanding the fact that section 22 had not been as sympathetically administered as we felt it should have been—great values had nevertheless come to the agriculture of our Nation out of the administration of section 22 to date, and that they were strengthened materially in the conference report. With the thought of having in the RECORD the worth-while things for agriculture that have been done under section 22, I should like to ask the distinguished Senator from Louisiana if he would have any objection to my incorporating in the RECORD at this time—or whether he would be good enough to do so—a letter from Mr. W. T. M. Beale, Associate Chief, Commercial Policy Staff of the State Department, responding to the request of the Senator from Louisiana and my request regarding the performance with respect to cotton, wheat, and flour. The memorandum on cotton it attached to the letter.

Mr. ELLENDER. I have no objection, and I cheerfully join the distinguished Senator from Florida in requesting that the material be placed in the RECORD at this point in his remarks.

Mr. HOLLAND. Therefore, Mr. President, I should like to place in the RECORD at this point a letter addressed to my distinguished friend the Senator from Louisiana, from the Department of State, written by W. T. M. Beale, Associate Chief of the Commercial Policy Staff, dated June 23, 1950, and relating in the first instance to certain action taken with respect to cotton under section 22, and also referring to certain rulings—and they were helpful rulings—which were made with respect to wheat and wheat flour under section 22. I should like to offer also a listing of the investigations made and proclamations issued thereon relative to cotton.

There being no objection, the letter and list were ordered to be printed in the RECORD, as follows:

JUNE 23, 1950.

The Honorable ALLEN J. ELLENDER,
*United States Senate.*

MY DEAR SENATOR ELLENDER: In response to Senator HOLLAND'S request to Mr. Brown, of this Department, for a list of the actions currently in effect under section 22, Mr. Brown has sent a memorandum, a copy of which I enclose, to Senator HOLLAND concerning the orders in effect which establish quotas on various grades of cotton and certain cotton wastes.

For your further information the only other such actions in effect under section 22 are the annual quotas of 800,000 bushels of wheat and 4,000,000 pounds of wheat flour. These quotas became effective on May 29, 1941, under a presidential proclamation contained in Treasury Decision No. 50404. Modifications in the operation of the wheat and wheat-flour quotas which do not alter the over-all amount and which are of no great current importance are in further proclamations contained in Treasury Decisions 50609, 50863, 50983, and 51033.

Sincerely yours,

W. T. M. BEALE,
*Associate Chief, Commercial Policy Staff.*

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UNITED STATES TARIFF COMMISSION INVESTIGATIONS ON COTTON

Under the provisions of section 22 of the Agricultural Adjustment Act of 1933, the Tariff Commission has conducted eight investigations on United States imports of raw cotton since 1939. The following summarizes pertinent data on each investigation:

1. ORIGINAL INVESTIGATION

At the request of the Secretary of Agriculture, the President directed the Tariff Commission on July 26, 1939, to investigate American imports of raw cotton with a view either to raise the tariff or impose quantitative restrictions if it was found that such imports were coming into this country under such conditions and in sufficient quantities as to render or tend to render ineffective or materially interfere with our domestic agricultural programs. Hearings were held on August 14–16, 1939, and a report was made to the President on August 25, 1939.

The recommendation of the Tariff Commission was to establish annual country quotas on three classes of cotton, as follows: Short-staple cotton (except harsh cotton under ¾ inch and except linters), 14,516,882 pounds; long-staple cotton (1⅛ inches and longer), 45,656,420 pounds; and cotton waste, 5,432,509 pounds. The recommendations were accepted by the President and issued in a Presidential proclamation dated September 5, 1939, and effective September 20, 1939.

2. FIRST SUPPLEMENTAL INVESTIGATION

On November 20, 1940, the Chairman of the Advisory Committee to the Council of National Defense recommended to the Tariff Commission the suspension of import quotas on long-staple cotton of 1 11/16 inches and longer for the duration of the emergency.

The committee pointed out that this cotton was urgently needed for the manufacture of balloon and airplane fabrics but was in short supply in the United States. The Tariff Commission ordered an investigation on December 4, 1940, held hearings 1 week later, and issued a report to the President on December 13, 1940. The Commission recommended the suspension of quotas on cotton 1 11/16 inches and longer. The President issued a proclamation to this effect on December 19, 1940, effective immediately.

3. SECOND SUPPLEMENTAL INVESTIGATION

Until the proclamation of September 5, 1939, it had been possible for United States cotton that had been sold to Canada and rejected by the purchaser, to be returned to the United States for resale. As a result of the proclamation it was not possible to do so and apparently American cotton exporters had suffered losses. On October 27, 1941, the Under Secretary of Agriculture requested the Tariff Commission to investigate this situation. An investigation was ordered on November 12, 1941, hearings held on December 10, and a report made to the President on February 20, 1942. The report recommended the suspension of quotas on American cotton returned to the United States upon rejection by foreign importers. It was also recommended that the quota be suspended on commercial samples of cotton and cotton waste. The President accepted the report and issued a proclamation on March 31, 1942, effective immediately.

4. THIRD SUPPLEMENTAL INVESTIGATION

As a result of the trade agreement concluded with Peru on May 7, 1942, it was understood that country quotas on long-staple cotton would be changed to a global quota equal to the total of the country quotas. This change would permit the United States to import the same amount of long-staple cotton despite the adverse effects of the war on certain producers. A request for this change was made to the Tariff Commission by the Secretary of State on May 9, 1942, and an investigation was ordered on May 12. No hearings were held. A report recommending the change was sent to the President on June 8 and a presidential proclamation embodying this recommendation was issued on June 29, 1942, effective July 29.

5. FOURTH SUPPLEMENTAL INVESTIGATION

The Secretary of Agriculture requested the Tariff Commission to investigate the situation with regard to harsh or rough cotton under three-fourths of an inch which, as noted above, had not been covered by the President's proclamation of September 5, 1939. An investigation was ordered on September 17, 1946, hearings held on October 14 and 15, and a report issued to the President on December 31, 1946. The Commission recommended a global quota of 70,000,000 pounds on this type of cotton. A Presidential proclamation to this effect was issued on February 1, 1947, and made retroactive to September 20, 1946.

6. FIFTH SUPPLEMENTAL INVESTIGATION

At the request of the American cotton-textile industry an investigation was ordered on January 23, 1947, to determine whether or not a supplemental quota should be established for long-staple cotton. Hearings were held on February 18, 1947, and a report issued to the President on April 21, 1947. The report recommended a supplemental quota for cotton 1 3/8 inches or more but less than 1 1/2 inches of 23,094,000 pounds for the quota year ending September 19, 1947. The President issued a proclamation on June 9, 1947, embodying this recommendation; the proclamation became effective on June 14.

7. SIXTH SUPPLEMENTAL INVESTIGATION

The American cotton-textile industry requested the continuation of a supplemental quota on long-staple cotton for the following quota year. An investigation was ordered on January 15, 1948, hearings held on February 17, 1948, and a report issued to the President on May 14, 1948. The report recommended that no quotas be placed on cotton 1 3/8 inches or longer and that a supplemental quota of 18,300,000 pounds be established for cotton over 1 11/16 inches but less than 1 3/8 inches. The report was not accepted by the President because of the passage in the interim of the Agricultural Act of 1948. It was requested that the Tariff Commission reconsider the matter.

On July 14, 1948, a revised report was sent to the President, recommending a supplemental quota of 18,000,000 pounds for cotton 1 1/8 inches or over and less than 1 11/16 inches. In addition it was recommended that licenses be issued to individual cotton-manufacturing concerns on the basis of their essential needs for the remainder of the quota year ending September 19, 1948. A Presidential proclamation to this effect was issued on July 20, 1948, effective immediately.

8. SEVENTH SUPPLEMENTAL INVESTIGATION

The cotton-textile industry requested a further continuation of a supplemental quota as well as a change in the quota year to permit them to obtain foreign long-staple cotton under the quota under more favorable conditions. An investigation was ordered on June 9, 1949, hearings were held on July 7, 1949, and a report was issued on August 11. The report recommended changing the beginning of the quota year to February 1 each year for cotton 1 1/8 inches or more but less than 1 11/16 inches and establishing an interim quota of 16,487,042 pounds for the period September 20, 1949, to January 31, 1950. The President's proclamation which accepted this report was issued on September 3, 1949, effective September 20, 1949.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator from Louisiana.

Mr. ELLENDER. I wish to thank my friend from Florida. As I indicated a moment ago, I have nothing to add to my statement unless some further questions are asked of me. I am very hopeful that the Senate will approve the conference report next Monday.

## NOMINATION OF GORDON DEAN AS MEMBER OF THE ATOMIC ENERGY COMMISSION

Mr. MORSE. Mr. President, I should like to make brief comment on the nominations for membership on the Atomic Energy Commission which were reported to the Senate this afternoon by my friend the Senator from Connecticut [Mr. McMAHON]. I think they are excellent nominations, and I particularly wish to pay tribute and compliment this afternoon to one of the nominees, whom I know personally and intimately, Mr. Gordon Dean. It was my pleasure during 1936 and 1937 to serve in the Department of Justice. Interestingly enough, Mr. Dean and the Senator from Connecticut [Mr. McMAHON] were my two superior officers. I came to know Mr. Dean very well.

I wish to say for the RECORD that in my judgment Mr. Gordon Dean is the type of man who should be encouraged to take up a career of public service. He is a man of great intellectual integrity and unquestioned loyalty to his Government. He is a man of superior intelligence and, in my judgment, he has demonstrated by his past public service that he always places the public interest foremost in his thinking when it comes to rendering any decision connected with his duty as a public servant.

Although the President of the United States has bestowed a great honor on Mr. Dean by nominating him for this post, the American people also are complimented by this nomination, because Mr. Dean will serve them with distinction. He is a devoted public servant who places the public interest uppermost in his service to his country.

## INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

Mr. MORSE. Mr. President, I am very hopeful that the Senate will disapprove the conference report, which the Senator from Louisiana has so ably but, nevertheless, I think mistakenly defended here this afternoon. I do not intend to speak at great length. I wish to lay a foundation in the RECORD with certain material which I shall use as a basis for a longer argument on Monday. I think the conference report is a most unfortunate report from the standpoint of the interest of the American farmers. I think it should be returned to conference with specific instructions from the Senate that the Senate wishes to have further discussion with the House conferees on the adoption of the Magnuson-Morse amendment.

I believe that from any angle from which the problem may be approached, the Magnuson-Morse amendment should be approved. I desire to discuss it for a short time from the viewpoint of the future of the reciprocal trade program. I wish to discuss it as a Republican who has supported the reciprocal trade program of the present administration. I happen to be one who believes that the principle of reciprpcal trade in the world in which we live should be considered as being here to stay. I am a Republican unalterably opposed to any movement backward in the direction of the Smoot-Hawley tariff program for our country, because in my judgment the framework of the Smoot-Hawley tariff is economic isolationism. Economic isolationism will jeopardize peace in the world today just as much as will political isolationism.

Mr. President, one of the great dangers—and I have noticed this danger in my brief service in the Senate—is that too frequently there is a tendency on the part of Congress, yes, on the part of the American people, too, to move from one extreme to another, failing to take into account the fact that we do not make progress in America by extreme action. We make progress in this country only when we agree upon the adoption of sound principles, and then seek to carry them out reasonably, moving forward by degrees, not seeking to make progress by way of a social or economic avalanche.

I think the principle of a reciprocal trade program is sound, but certain abuses have developed within the ad-

ministration of the reciprocal trade program to which I would direct the attention of the Senate.

Mr. President, I would that I did not have to make the statement I am now about to make, but for the past 4 years I have pleaded with the State Department time and time again to give evidence of an intelligent understanding of America's agricultural problems. The fact is that in incident after incident the State Department has come to satisfy me that it does not have an intelligent understanding of agricultural problems in America, and its administration of the reciprocal trade program in respect to agricultural products is my exhibit A in support of my accusation that there is a need in the State Department, in the reciprocal trade section, of men who can demonstrate some practical understanding of America's agricultural problems. Time after time in recent years the State Department, in the name of carrying out a reciprocal trade program, has discriminated against America's farmers, with the result that I desire to say from my desk here today to the President of the United States and to the State Department that, whether they know it or not, the truth is that there is a revolt developing among American farmers in opposition to the whole program of reciprocal trade. American farmers are mistaken in their belief that their economic welfare can be served by a return to a high tariff wall, because they must recognize that, after all, their economic interests, too, happen to be dependent upon the economic welfare of other economic groups.

Mr. President, the American farmers are right about one thing; they are right in their insistence that the abuses in the administration of the reciprocal trade program, which have come to characterize the reciprocal trade section of the State Department in respect to agricultural products, must come to an end. That is one reason why the junior Senator from Oregon has supported the peril point principle in respect to reciprocal trade. He continues to be at a loss to understand the arguments of those who criticize those who support the peril-point amendment. He submits, when all is said and done that the peril-point amendment is inherent in the Magnuson-Morse amendment. It is simply an amendment which seeks to accomplish what is consistent with our constitutional system of government, namely, a check upon the executive branch of the Government.

It is not an amendment which seeks to destroy the reciprocal trade principle, but is an amendment which says in effect, when we simmer it all down to its essence, that there is a duty resting upon the Congress of the United States to make certain that the officials in the executive branch of the Government, including the President of the United States, shall have the facts before them before they reach an agreement on reciprocal trade. It seeks to give assurance that if the President then goes forward and executes a reciprocal trade agreement, in direct opposition to what the economic facts brought out by the application of the peril point procedure may show, he shall then be required to advise the Congress as to why nevertheless he went forward with the agreement.

What is wrong with that? Certainly we have not reached the point in this country when we are going to delegate to the President of the United States, or, through him, to the State Department, complete, arbitrary, blanket authority to determine the economic welfare of the Nation through executing reciprocal trade agreements—and blanket reciprocal trade agreements have exactly that effect—without some effective check upon them by the Congress of the United States.

In connection with the Magnuson-Morse amendment, I wish to say that, I am holding fast to a principle which I think is fundamental in our system of government, namely, the principle of adequate checks of the legislature upon the executive, just as I support adequate checks of the executive upon the legislature.

Mr. President, if we had had the peril-point amendment in operation, or if we had had the Magnuson-Morse amendment in operation, 2 years ago, certain decisions which have been reached by the State Department in regard to the administration of reciprocal trade could not have been put into execution, because the submission of the facts to the American people, through the application of the peril point amendment, would have been the check of fact necessary to stop such arbitrary action as the State Department has been guilty of in incident after incident.

Therefore, as a supporter of the reciprocal trade-agreement principle, I plead here this afternoon for a further consideration of the Magnuson-Morse amendment, because I think it will operate as an effective check upon the executive branch of the Government, and I think it will bring some sense to the State Department in regard to agricultural products, the lack of which has characterized so much of the action of the State Department in the field of reciprocal trade in the past 4 or 5 years.

It has been 5 years now that the Senator from Washington [Mr. MAGNUSON] and the junior Senator from Oregon have fought shoulder to shoulder on this issue. This is not the first time we have been able to get through the Senate of the United States the principle of the Magnuson-Morse amendment. We got it through in the Eightieth Congress, we got it through in the first session of the Eighty-first Congress, and how were we undercut in the last session of the Congress in this matter?

The Senator from Washington is here and he can check me now for accuracy, but I want to submit for the record my understanding of what happened in the last session. After we had again secured Senate approval of the principle for which we are once more fighting, it was reported to the Senate and to the conferees that a gentleman's understanding had been worked out, that there had been an informal understanding or assurance from the State Department that in the future very careful consideration would be given to the type of problem the Senator from Washington and the junior Senator from Oregon had raised time and time again with State Department officials and Department of Agriculture officials. Assurance was given, so I understood, that the State Department would carry out the purposes of the Magnuson-Morse amendment but did not want it written into the law. I may say, seeing the present occupant in the chair is the Senator from Florida [Mr. HOLLAND], that we appreciate the great help we have received from him in years past in dealing with the very problem I am now discussing.

Mr. President, gentlemen's agreements in the Senate are one thing. Gentlemen's agreements and understandings in the Senate are as good as the coin of the realm. They are lived up to. They are the legal tender of good faith. But it is sad to report that I have not formed a very favorable impression to date respecting gentlemen's agreements with certain departments of the Government on the executive side. I mean that as no reflection on the President of the United States, because let me say here as a Republican that if we have a gentleman's understanding with the President of the United States it, too, is as good as the coin of the realm. Having had such understandings with the President, I know whereof I speak.

But the President of the United States cannot begin to keep his fingers on all the intricacies of operation of the many departments of the executive branch of the Government. I happen to be one who believes that the President of the United States is not fully aware of the way the Reciprocal Trade Section of the United States State Department, particularly in respect to agricultural products, has been working in years immediately past. I am sorry to have to express such a lack of confidence in that section of the State Department, but I do so, based upon very sad experience with it.

It is interesting to note, from the material I shall insert in the RECORD before I close, Mr. President, that it was the State Department again, in spite of the informal assurance I thought we had in days gone by, that was going to see to it that the particular problems the Senator from Washington and I have stressed so many times in connection with this particular issue would be handled on the basis of facts; yet, it was the State Department that appeared primarily against the amendment, and as I shall show on Monday, offered a series of specious arguments in opposition to it.

Oh, let us stop "kidding" ourselves about this, Mr. President. Let us face the fact—and I assert it is the fact—that what that group in the State Department really wants is unchecked, arbitrary, discretionary power to enter into reciprocal trade agreements in behalf of the United States Government with foreign powers, unchecked by the Congress of the United States.

I believe in the check-and-balance system of our Government. I believe, Mr. President, that before the State Department enters into reciprocal trade agreements the American people are entitled to know that there has been a presentation of facts to the executive

branch of Government, through a legislative check such as the peril-point amendment seeks to accomplish, which would in effect be accomplished by the Magnuson-Morse amendment in respect to agricultural products. Once that checking of fact has been submitted, then let the administration face those facts and decide at that point whether or not it then wants to go forward with a specific proposed reciprocal trade agreement.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. MORSE. I shall yield in a moment.

I think that is sound administration. I think that is carrying out the principle of checks and balances of American constitutional government. But I want to say, as a constitutional liberal on the Republican side of the aisle in the Senate, that the American people had better wake up, before it is too late, and realize the growing expansion of arbitrary power on the part of the executive branch of the Government. If we let that trend continue in America, then the American people are going to lose the effectiveness of one of the greatest guaranties they have, namely, the principle of checks that the founding fathers themselves wrote into the Constitution. By disuse there comes atrophy. If we, the Congress, continue in bill after bill to grant into the hands of departments in the executive branch of the Government more and more unchecked power, we are going to find in the years to come that the whole system of checks and balances will atrophy. If he does not watch out, a Senator of the United States will soon find himself, when he stands up to defend one of the great safeguards of freedom for the American people, namely, the principle of using checks and balances against arbitrary power on the part of the executive branch of the Government, as one who is talking almost a foreign theory. We have already gone so far, Mr. President, that it has become characteristic of the thinking of too many heads of too many sections of the executive branch of the Government, particularly in the State Department, that the Congress of the United States should not even contemplate imposing checks upon them.

I know of no department of Government that needs more checks today than the State Department, and particularly in the whole field of the administration of the reciprocal trade program and other foreign trade matters. I shall continue to defend and fight for the principle of reciprocal trade, but I also shall continue to insist that the administration of the reciprocal trade program must be brought within the realm of an adequate check on the part of the legislative branch of the Government. I think that is inherent in the Magnuson-Morse amendment.

I now yield to the junior Senator from Washington.

Mr. CAIN. Mr. President, I should like to say to my friend, the distinguished Senator from Oregon, that since the junior Senator from Washington first came to the Senate of the United States about 4 years ago he has heard a very great deal about reciprocal trade treaties and agreements without being certain that he actually understands the proper and true meaning of the word. I wonder if the Senator from Oregon can tell me how any trade agreement which is either unfair or lopsided or unjust to American industries and American consumers can be construed to constitute a reciprocal trade treaty?

Mr. MORSE. If the facts are as assumed by the Senator's hypothetical question to be the case, then of course his question answers itself. Such a reciprocal trade agreement could not be fair. Such a reciprocal trade agreement would be discriminatory.

I am glad the Senator raised the question, because it leads to the very next point I want to make in respect to the obligation which I think the people of the United States owe to the American farmer in connection with reciprocal trade agreements affecting certain basic commodities of American agriculture. I want to make the point in this way:

I should like to be reassured, Mr. President, that there is at least one man or one official in the State Department who knows that it takes from 10 to 12 years to grow an orchard of trees to profitable production, be the trees filberts or walnuts, be they cherries or apples, be they pears or peaches.

The fact is, Mr. President, that, striking an average, from 10 to a dozen years are required to get an orchard to a point where the orchardist can make a reasonable profit in a good year from his orchard. Yet in the State Department there are theorists who apparently have no compunction about working out a reciprocal trade agreement which will wipe out, insofar as reasonable profits are concerned, thousands of acres of orchards in the United States, ignoring the arguments which many of us in the Senate have made in the past 5 years. Among those Senators I include the Senator from Washington [Mr. MAGNUSON], the junior Senator from Washington [Mr. CAIN], my colleague from Oregon [Mr. CORDON], and the Senator from Florida [Mr. HOLLAND], who also has been of assistance in this connection, in regard to certain fruit crops in Florida.

What reply do we receive from the State Department, Mr. President? The reply is, "Of course we cannot enter into reciprocal trade agreements without having some injury done to America."

Mr. President, that is granted; I have never denied that premise. I realize that we cannot continue the reciprocal trade agreement program—and I think it is essential that it be continued, from the standpoint of world peace—without doing some injury to some segments of the American economy, including some segments of the agricultural economy. But, Mr. President, I ask who should bear the loss? Is it fair, is it sporting fair, to have a small group of economic theorists in the State Department fly to Geneva and work out a reciprocal trade agreement affecting, for instance, the orchards of the United States—and what I am saying about the orchards can likewise be said with equal force in regard to a good many other agricultural products of the United States—and by that one agreement heap upon that group of American farmers all the losses resulting therefrom—and I emphasize the word "all." If such a reciprocal trade agreement is essential for the economic welfare of the United States, over the long pull, then I say it is essential that all the American people stand a part of the loss which flows from the agreement.

Do not forget, Mr. President, that in these days we are living in a world in which many nations with whom we carry on reciprocal trade negotiations are not functioning on the basis of a private free-enterprise system. To the contrary, in these negotiations, these days, we are dealing with a great many nations which are operating, in varying degrees, upon the basis of a state economy. That is true whether it be Great Britain, France, Italy, or even the Scandinavian countries; and also there is much of it in the Low Countries. We have to do economic business with them; but cannot the Senate see, cannot the administration see, that when we are negotiating a reciprocal trade agreement with another nation in respect to a particular product which comes under a state-economy program, then we place the American producers of that product at a great disadvantage? This point is particularly true in respect to manufactured products, more so than in respect to agricultural products, although even there it is interesting to note, in the case of the state-economy countries, the state aid which flows to their farmers as a result of a state-economy program. So the fact is that in a great many instances there is really very little reciprocity between a state-economy nation and our Nation with its free economy.

So I say again today what I have been heard to say on other occasions, that one of the reasons why we need to have all the economic facts in advance of the negotiation of a particular reciprocal trade agreement is the necessity of informing the American people, as well as the administration—which has the primary responsibility for negotiating such agreements—as to the effects of the proposed agreement upon a given segment of the American economy and, therefore, indirectly upon the total economy.

Mr. CAIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Oregon yield to the Senator from Washington?

Mr. MORSE. I will yield as soon as I finish this particular point.

Mr. CAIN. I thank the Senator.

Mr. MORSE. Mr. President, that is what I am pleading for. However, that is not the way it works. The theorists in the State Department fly to Geneva and negotiate a reciprocal trade agreement. Of course, the Congress is supposed to rubber-stamp it; in fact, in American politics we have almost reached the point where if those of us who serve in Congress do not automatically rubber-stamp with approval the reciprocal-trade negotiations of the State Department, then efforts are made

to brand us as persons opposed to the reciprocal-trade principle. However, Mr. President, I am used to that kind of misrepresentation, and it does not bother me a bit. I am continuing with my fight to do what I can to force this administration to face the economic facts in regard to the effects of some of the reciprocal trade agreements upon America and the American economy and, in this instance, particularly in respect to the effects upon the agricultural economy.

I say that the farmers of the United States are entitled to have the losses spread among the American people as a whole, and not brought to bear entirely upon the orchardist, for example, who has spent from 10 to 12 years of hard labor in bringing an orchard up to profitable condition, only to have it wiped out, in effect, by an unfortunate reciprocal trade agreement.

Mr. President, I shall insert in the RECORD at this point, from the standpoint of personal experience, some evidence which I know very well can be subject to misinterpretation by those who do not know me personally. However, it will not be subject to misinterpretation by anyone who is personally acquainted with me, because I think my acquaintances know that a personal economic interest would not cause me to change a position on any matter of principle. Yet when I give this example I know there will be those who will say, "Oh, oh! He lost some money, and that explains his position on the Magnuson-Morse amendment."

To the contrary, Mr. President, my experience in the particular matter which I now wish to mention gives me personal authority to speak on the subject, because I happen to know the effects of some of the actions of some of the starry-eyed theorists in the State Department—in this connection, Mr. President, as regards some of their negotiations in connection with filbert nuts.

I happen to have had—and note, I emphasize "to have had"—a small filbert orchard, merely a small hobby orchard; not one on which I could have made any substantial living, but one consisting of about 3½ acres. For a professional man who spends most of the hours of the day in the office and then tries to take care of a small orchard during the seasons of the year at least when the orchard needs attention, taking care of 3½ acres of filberts is no small job. At any rate, it keeps a man in trim.

The reciprocal-trade-theory boys in the State Department, who, I suspect from conversations with some of them, had never seen a filbert tree, consummated certain reciprocal-trade agreements covering filberts, with the result that our domestic market was flooded with foreign nuts. As a result the filbert growers have been taking a tremendous loss. It reached a point where for two reasons I decided to tear out my filbert trees and grow hay. It got to the point where my loss was so much on my mere 3½ acres that I jerked the trees out of the ground and sowed a crop of oat hay because I could not afford the financial loss caused by the State Department boys. Further I wanted to place myself in such a position that no one could say that I have any particular vested interest in any particular orchard growing filberts. I at least have removed that basis of criticism. But the experience I have had with my own little filbert orchard satisfies me that the theorists in the State Department simply do not know the A B C's of agricultural problems in this country. They need to have some checks brought to bear upon them. They need to have the kind of check provided in the Magnuson-Morse amendment and the kind of check provided in the peril-point amendment which, on two occasions has been defeated in the Senate of the United States.

I take the position that if the State Deparment officials are to be given the arbitrary power which they are exercising, and if it is decided that it is in the best economic interest of the United States to go forward with a reciprocal-trade agreement affecting, for example, some segment of American agriculture, then the losses resulting therefrom should be spread over all the people of the United States. Supposedly the reciprocal-trade program has been entered into for the economic benefit of all our people. It is not fair to levy the total cost of the loss accruing on but one small segment of American agriculture.

That is pretty much the point of view of farm leaders, to whose views I shall refer in a moment, in regard not only to this amendment but in regard to their general objections to the reciprocal-trade agreements made by the State Department respecting agricultural products. I say, not with unkindness, or at least without any intent to be unkind, that what is needed in the State Department in the reciprocal-trade section apparently is men who show at least some evidence of an understanding of the agricultural problems of the country. To date I say they have shown for the most part a sorry ignorance, a lack of any knowledge of agricultural problems.

I yield now to the Senator from Washington.

Mr. CAIN. Mr. President, the Senator from Washington is seriously interested in the meanings of words. The Senator from Oregon undoubtedly has read and studied, as has the Senator from Washington, a number of the trade agreements signed by the United States with other countries throughout the world. Has the Senator from Oregon ever been able to find the word "reciprocal" in a single trade treaty at any time signed by this Nation with some other nation?

The reason I raise the question is that I am pretty much of opinion that reciprocity means to share equally. It is obvious to any man who can think that a good many of the trade treaties now binding upon our country do not share equally. They, therefore, cause great suffering to American farmers in the Pacific Northwest and to other American industries. I am about to fall heir to a very strong opinion that someone possessed of an acutely sensitive mind, with a vocabulary well suited to publicizing something which is not true, has hit upon the word "reciprocal," and has used it so incessantly that it has become a byword throughout the Nation. It is a word which is about as misleading as any word I could possibly call to mind. I wonder whether the Senator from Oregon shares my concern about the misuse, if I am correct in terming it that, of the expression "reciprocal trade treaty," when everything he has said this afternoon indicates that the basis of his charges is that there is no reciprocity in the agreements which are called reciprocal.

Mr. MORSE. The Senator from Washington has answered the question for me. The burden of my argument this afternoon is that, particularly in respect to agreements affecting agricultural products, they have not been reciprocal.

Mr. CAIN. Yet the State Department constantly refers to them as reciprocal trade agreements, does it not?

Mr. MORSE. That is correct.

Mr. ELLENDER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. MORSE. I yield.

Mr. ELLENDER. The distinguished Senator from Oregon concedes, does he not, that the so-called Magnuson-Morse amendment would not be effective, let us say, with respect to the filbert growers, unless they were to have a program of some kind?

Mr. MAGNUSON. But they do have.

Mr. ELLENDER. Just a moment. I want to ascertain the fact. Is that correct?

Mr. MORSE. That is correct.

Mr. ELLENDER. What kind of program is in effect for the filbert growers, the apple growers, and other fruit growers? Can the Senator tell us for the RECORD? I should like to know.

Mr. MORSE. The only program we have ever been able to place in operation for the filbert growers has been the Morse marketing agreement, which I got through the Senate last year, and which the House approved. We did not receive much encouragement from the State Department or the Agriculture Department for that agreement, I may say to the Senator from Louisiana. We have not been able to get any sympathy from the State Department in most of the controversies over agricultural products, whether affecting filberts, apples, pears, or what not. I submit it is more because of ignorance in the State Department than of intent. I simply think they do not know their stuff when it comes to agricultural problems. That is why I believe we must take the arbitrary power away from them and provide a checking channel whereby we can stop the starry-eyed theorists of the State Department, who have come from the economic classrooms of America but not from the farms of America, to deal with the problems of American agriculture. I say that as one who taught for more than 20 years. But I desire to add that I think it is also important that we bring together both practical men and theorists when we come to study the effect

of a reciprocal trade agreement on American agriculture.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ELLENDER. The Senator will admit, then, will he not, that the only way by which any assistance can be afforded the farmer under the Magnuson-Morse amendment is to have an effective program as to the product grown?

Mr. MORSE. Yes, it is necessary that there be an effective program.

Mr. ELLENDER. That is the Senator's view, is it not?

Mr. MORSE. Yes, but marketing agreements are worthless if the State Department is free to defeat their purpose by entering into an unfair reciprocal trade agreement.

Mr. ELLENDER. I understand that. But unless there is a program in effect, the Magnuson-Morse amendment, even if adopted, would not be effective as to the growers of any commodity not covered by an effective program. Is not that correct?

Mr. MORSE. Until they put a marketing program into effect.

Mr. ELLENDER. I merely wanted the record to show that that was in the Senator's mind.

Mr. MORSE. I have no quarrel with that. There are some good marketing programs in effect which would profit greatly from the adoption of the Magnuson-Morse amendment.

Mr. President, I have spoken as long as I care to this afternoon. I shall make my major argument on the amendment itself on Monday, but at this point I desire to insert in the RECORD certain supporting material which I think adequately sustains the position which the junior Senator from Oregon and the junior Senator from Washington have taken.

I have here a telegram from Albert S. Goss of the National Grange, which reads as follows:

> The National Grange appreciates and hopes you will continue to insist on the Magnuson amendment in the CCC bill. We feel it is vital to any program of price supports.

The next is a telegram from John J. Riggle, assistant secretary, National Council of Farmer Cooperatives, reading as follows:

> National Council of Farmer Cooperatives strongly urges your support of original text Magnuson-Morse amendment to CCC bill when it reaches Senate floor. We believe language suggested by conferees is not adequate to give United States farmers protection they urgently need against injurious imports.

The next is a telegram from John E. Trunk, general manager, Northwest Nut Growers, which reads as follows:

> One of our greatest legislative disappointments is conferees' rejection of Magnuson-Morse amendment for section 22. Many agricultural crops including ours face ruination and discontinuance under present State Department trade policies. May we ask your help to fight on Senate floor rejection of conference report and insist that Magnuson-Morse amendment be accepted?

The next telegram is from E. F. Forbes, president, Western States Meat Packers Association, of San Francisco, Calif., which reads as follows:

> We wholeheartedly favor the Magnuson-Morse amendment to the CCC bill, H. R. 6567, which was passed by the Senate to protect against excessive imports of agricultural commodities on which we have price support programs. The amendments substituted by the conferees after striking out the Magnuson-Morse amendment have no value and offer no protection, but merely act to continue the present unsatisfactory situation. We urge that you fight for the Magnuson-Morse amendment as the practical answer to this problem.

Mr. President, I ask unanimous consent to insert in the RECORD what I consider to be a very excellent synopsis and analysis of the action of the conferees on the bill, which has been prepared by my good friend from Washington [Mr. MAGNUSON], entitled "Brief Analysis of Conferees' Action on Commodity Credit Corporation Bill, H. R. 6567."

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

BRIEF ANALYSIS OF CONFEREES' ACTION ON COMMODITY CREDIT CORPORATION BILL, H. R. 6567

(By WARREN G. MAGNUSON, United States Senator)

On Thursday, June 15, House-Senate conferees reached agreement on differences in the two versions of H. R. 6567. The Senate version of this bill contained, as section 3, the so-called Magnuson-Morse amendment. This amendment was in the nature of a substitute for existing section 22 of the AAA.

Section 22 gives the President only limited and only permissive authority to deal with agricultural imports. The Magnuson-Morse amendment does not expand his authority or make it mandatory. If the facts warrant it, he may impose an import fee up to 50 percent ad valorem or a quota not less than 50 percent of the imports during a representative period.

Please bear in mind that section 3 of H. R. 6567, the Magnuson-Morse amendment, was adopted unanimously by the Senate Agriculture Committee. It was adopted by the Senate without objection and after a 3-day floor fight last year, similar language was approved by a vote of 44 to 28. Last year, too, the amendment was lost in conference.

A subsection, F, was added to section 22 by the Eightieth Congress. The most important single provision of the Magnuson-Morse amendment is the substitute for this subsection.

Here is the way subsection F now reads:

"No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party."

The Magnuson-Morse amendment reverses the emphasis by saying:

"No international agreement hereafter shall be entered into by the United States or renewed, extended, or allowed to extend beyond its permissible termination date in contravention of this section."

Here is the language the conferees adopted:

"(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereinafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for any article than that prescribed by the general agreement on tariffs and trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection."

If you will read the underscored portions of this language you will see why it is so objectionable. The net effect is to ratify article 11 of the General Agreement on Tariffs and Trade—or to put it another way, the net effect is to make section 22 subordinate to article 11 of GATT and to authorize the Department of State in any new trade agreements to follow the same pattern. As a practical matter present provisions of GATT nullify section 22.

The most pertinent part of article 11 of GATT reads as follows:

"1. No prohibitions or restrictions other than duties, taxes, or other charges, whether made effective through quotas, import or export licenses or other measures, shall be instituted or maintained by any contracting party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of any product destined for the territory of any other contracting party.

"2. (c) Import restrictions on any agricultural or fisheries product, imported in any form, necessary to the enforcement of governmental measures which operate—

"(i) to restrict the quantities of the like domestic product permitted to be marketed or produced, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted; or

"(ii) to remove a temporary surplus of the like domestic product, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted, by making the surplus available to certain groups of domestic consumers free of charge or at prices below the current market level; or

"(iii) to restrict the quantities permitted to be produced of any animal product the production of which is directly dependent, wholly or mainly, on the imported commodity, if the domestic production of that commodity is relatively negligible."

Since the net effect of the conferees' action on H. R. 6567 is to subordinate section 22 to article 11 of GATT, it would be far better and certainly more forthright to repeal section 22.

FURTHER ACTION

The conferees also "compromised out of the bill" the streamlining provision of the Magnuson-Morse amendment. The amendment transferred from the Tariff Commission to the Secretary of Agriculture full responsibility for developing the facts upon which the President would act, in cases where imports threaten domestic farm programs.

Justification for streamlining stems from the fact existing machinery is so cumbersome as to be totally ineffective—particularly in the case of perishables. Net effect of conferees' action is to write into section 22 the procedure presently followed under Executive Order 7233, dated November 23, 1935. This accomplishes nothing.

Mr. MORSE. Mr. President, I ask unanimous consent to have inserted at this point in the RECORD a letter which I have received from Frank W. Taylor, secretary-manager, Northwest Horticul-

tural Council, dated April 11, 1950, attached to which is a brief prepared by the Northwest Horticultural Council in support of the Magnuson-Morse amendment.

There being no objection, the letter and brief were ordered to be printed in the Record, as follows:

NORTHWEST HORTICULTURAL COUNCIL,
*Wenatchee, Wash., April 11, 1950.*

Hon. WAYNE MORSE,
*Senate Office Building,*
*Washington, D. C.*

DEAR WAYNE: I am indeed sorry that circumstances beyond my control prevented my seeing you in your office last Friday morning as planned so that we could further discuss the above Senate bill which, as you know, has been reported out by the Senate Committee on Agriculture and Forestry to accompany H. R. 6567 which was passed by the House and provides for increased borrowing power for the Commodity Credit Corporation. Senate report No. 1375, as you know, includes in addition to the Commodity Credit Corporation borrowing authorization, the Magnuson-Morse sponsored amendment to change section 22 of the Agricultural Adjustment Act. This amendment is of vital importance to our industry particularly as it is a step in the right direction to afford our fruit and other perishable agricultural industries streamlined action designed for protection against injurious imports.

In our particular case, the chief problem is, as you know, heavy and unrestricted imports of Canadian apples. We have long attempted, both in the departments and legislatively, to secure such protection and we consider it of paramount importance to the northwest apple industry that the Magnuson-Morse amendment to S. 2626 be passed by the Senate in its present form. We know that you will see that it is supported on the floor when the Senate considers this bill and we urge that you oppose any attempts to change its text either for political reasons or otherwise. Once it has passed the Senate we also sincerely hope that you will use your influence with your colleagues in the House to insure its acceptance by the House conferees from the Banking and Currency Committee.

We strongly recommend that, if the bill passes the Senate and the amendment to section 22, of which you are cosponsor, is rejected in conference, that you and Senator MAGNUSON rally your colleagues and insist that the Senate refuse to accept the conference report unless your amendment is included.

Although we have given you, from time to time a great deal of information on the situation that confronts us, the writer believes that the attached copy of a letter addressed to Mr. Hyman Leikind of the United States Tariff Commission by Mr. J. Walter Hebert, chairman of our import committee, boils down pertinent facts that may be useful to you in supporting our contention that the proposed change in section 22 is necessary and desirable. If there is any additional information which we can supply you or if you have any further questions please do not hesitate to contact the writer immediately by telephone or telegram.

With kindest personal regards, we remain,
Sincerely yours,
NORTHWEST HORTICULTURAL COUNCIL,
FRANK W. TAYLOR, *Secretary-Manager.*

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NORTHWEST HORTICULTURAL COUNCIL,
*Wenatchee, Wash., April 4, 1950.*

Mr. HYMAN LEIKIND,
*United States Tariff Commission,*
*Washington, D. C.*

DEAR MR. LEIKIND: When you were in Seattle recently you will recall that R. L. Shultz promised you a summary of the competitive situation that exists on the United States market as a result of importation of Canadian apples. With the assistance of Mr. Shultz, I have attempted in this letter to summarize the more important points without going into statistical details which are already available to you in governmental statistical reports and in the briefs filed with the Committee for Reciprocity Information before the Annecy conference last year.

The United States imports of Canadian apples come almost entirely from British Columbia. Apple production in British Columbia is similar to that in the State of Washington. It has the same soil and climatic conditions and employs the same orchard practices, harvesting, and packing methods as does the United States apple industry of the Pacific Northwest. They size and grade their apples and pack them in the standard Northwest apple box, having adopted these practices from the United States Northwest apple industry. To the casual United States consumer, its apples are identical in grade and style of package to those produced in the United States Northwest apple districts.

The varieties it exports to United States markets are for the most part the same as those grown on the United States side of the Northwest border. The one important exception is the MacIntosh variety which they grow in large volume. This variety is not grown in the Pacific Northwest but is grown in our Middle Western States and New England and is our second largest variety nationally. British Columbia MacIntosh competes strongly with our Mid-West MacIntosh. This matter of varietal competition is extremely important. For example, the 1949–50 national apple crop in the United States consisted of the following varieties in point of volume: First, Delicious; second, MacIntosh; third, Winesap; fourth, Jonathan; and thereafter followed numerous other varities in smaller volume—Romes, Staymans, Yorks, Newtons, Baldwins, etc. The first four varieties named constituted 50 percent of the crop. The Winesap is a late keeper and is not generally shipped until after the Jonathan, Delicious, and MacIntosh are out of the way. The British Columbia exports consist primarily of Jonathan, MacIntosh, and Delicious, and compete with the heavy production in point of time as well as in usage with the major production of United States grown apples.

These so-called fall varieties move into consumption from September through February, mostly October through December, during which time the impact of additional imported quantities of these same varieties greatly aggravates the competitive situation. This is the period of the heaviest Canadian shipments, which is also the time of the heaviest United States shipments. Last season the impact was so severe as to drive prices of Jonathan and MacIntosh below the costs of packing and transportation and selling, leaving the United States grower little or nothing whatever for his apples, or even a debit in many cases.

The distribution of British Columbia-grown apples to United States markets practically parallels that of apples from the Pacific Northwest. They also compete strongly with Midwest-grown MacIntosh and Jonathans in Midwest markets such as Minneapolis, Milwaukee, and Chicago.

The unit cost of production in British Columbia is substantially less than in the Pacific Northwest. The transportation cost is the same to the United States markets where these apples compete. Therefore, the British Columbia grower has a distinct competitive advantage on the basis of delivered unit cost. It is the practice of B. C. Tree Fruits, Ltd., the one-desk selling organization for British Columbia apples, to sell in United States markets on a delivered basis. This, of course, includes the freight and all delivery costs. The British Columbia shipping organization prepays the Canadian portion of the freight in Canadian currency, and the United States portion in United States dollars. They collect from the United States buyer the entire delivered price in United States dollars. The United States duty of 12½ cents per bushel, net weight, is, of course, merely nominal. When computed on the net weight in the standard Northwest apple box it figures about 11.5 cents per box, compared with 37.5 cents per standard apple box, gross weight (railroad published estimated weight of 50 pounds), for the Canadian tariff.

While it is not a matter of tariff, we wish to point out that the 10 percent official discount of the Canadian dollar in terms of the United States dollar enables the Canadian grower to recover from 30 to 40 cents on the average delivered-price sale of a box of British Columbia-grown apples when the United States dollars are exchanged for Canadian currency. This is an important incentive, over and above the normal trading inducements, to sell larger quantities of British Columbia apples in the United States than would otherwise be the case. This recovery in exchange more than pays the United States duty and in actual practice completely nullifies the tariff.

The trend of production in British Columbia is upward because of the age of their plantings and could easily double within the next decade. According to a tree survey taken in 1945, 24.3 percent of the British Columbia trees were under 10 years of age while Washington had only 7.4 percent. Their plantings of trees since that time have been triple those of the Washington apple growers. The British Columbia plantings are mostly of the Delicious variety which is now the largest single variety produced in the United States.

The British Columbia apples (and other fruits) are sold through one selling organization established by the Natural Products Marketing Act of 1937. This act creates a complete monopoly which is empowered to fix uniform prices and control shipments. The so-called "one-desk selling agent," British Columbia Tree Fruits, Ltd., exercises complete control of prices and may refuse to sell any distributive agency which does not maintain wholesale or retail prices at any point in Canada. The law has been held to be constitutional in both Provincial and Dominion courts. This creates a potential competitive situation against which the United States grower is practically helpless and which is, of course, illegal in the United States. It amounts to a State controlled cartel, which our Government has frowned upon in other British controlled cartels, notably rubber, but seems to accept or condone in our fruit trade relations with Canada.

Prior to World War II (1939), both Canada and the United States had exportable apple surpluses, most of it going to Britain, continental Europe, and Scandinavian countries. British Columbia exported between 40 and 50 percent of its production, heavily to Britain. Canada practically took over our large export business to Britain following the imposition of the Empire Preference policy and the high British tariff of 4 shillings 6 pence per hundredweight on United States apples in 1932. Canadian exports to the United States were negligible prior to 1940. The British and other trans-Atlantic markets were almost completely lost to both Canada and the United States following the 1939 crop season. Canada thereupon turned to the United States as their major export market. This situation has persisted and grown since that time. It is doubtful—in fact,

practically a certainty—that exports to Britain and European markets will never reach the same quantities they did before 1939. This is due to two major reasons: First, because of the fast increasing production of apples in England in the European countries; and second, because of the economic effects of the war. It seems improbable that this situation will change materially for some years to come. In the meantime, as the production increases in British Columbia, the impact of its surplus, with increased United States imports, will grow and the competitive situation will be progressively aggravated. If the apple industry of the United States, and especially that large segment located in the Pacific Northwest, is not to suffer serious damage, then certainly some restrictive measures for control of imports must be instituted. At the present time there are absolutely no barriers or conrol measures in effect and no import regulations applicable to apples coming in from Canada other than the nominal duty. Canada on the other hand imposes a much higher duty and other import onerous regulations, and, while we do not look to Canada for any substantial apple exports, the wide discrepancy in the trading conditions offers an opportunity for a closer approach to equality of treatment in the forthcoming revision of the Canadian-United States trade agreement.

You will recall the statement made in Seattle by Mr. Shultz that in considering or attempting to evaluate the injurious effect of Canadian exports to the United States, the over-all figures such as are set forth in the tariff summary on fresh apples are misleading for the following reasons. First, approximately one-third of the total crop is processed annually. Another 10 percent is used on the farm, wasted, fed to livestock, etc. It does not get into fresh commercial channels. Exports have been limited to about 1½ to 2 percent in recent years. Fresh domestic use is therefore around 60 percent of the total crop. This 60 percent from a marketing point of view should be classified according to variety, grade, and size, and by localities where grown. The most important of these perhaps is variety. Different varieties have their own peculiar qualities and uses, as well as varying length of life. Price differentials of varieties vary from year to year, depending on the supply of each.

This fact is recognized both by the British Columbia sales agency and the marketing concerns in the Pacific Northwest and elsewhere, wherever apples are sold from point of production. It has been customary for the British Columbia representatives at the annual conference between the Canadian and United States apple industries to give an estimate of the probable movement of British Columbia apples to the United States by varieties and by months which they intended to export to the United States. The purpose of this estimate is merely informative and not agreed to and is in no sense binding on anyone. It is a recognition of the fact that varietal impact upon like varieties grown in the United States is a vital factor in the distributive process. The 1949–50 schedule as estimated in August was as follows:

[In thousands of bushels]

| Variety | Sept. 15 to Oct. 31 | Nov. 1–30 | Dec. 1–31 | Jan. 1–31 | Feb. 1 |
|---|---|---|---|---|---|
| Wealthy | 20 | | | | |
| MacIntosh | 330 | 150 | 100 | | |
| Jonathans | 800 | 100 | | | |
| Delicious | 50 | 200 | 200 | 150 | 25 |
| Rome | | | 25 | 50 | 25 |
| Newtons | | | | 50 | 50 |
| Miscellaneous | | 50 | | 60 | 55 |
| Total | 700 | 510 | 325 | 310 | 155 |

This contemplated schedule was badly disrupted by actual marketing experience. The United States market on Jonathans and MacIntosh, due to a large crop of these varieties in our Middle West, plus the impact of Canadian imports, sank to a point that did not return freight and packing costs. Consequently, B. C. Tree Fruits, Ltd., largely discontinued the export of these varieties and substituted therefor heavy shipments of standard Delicious and Red Delicious due to a much more favorable market for these varieties. In fact, British Columbia exports of Red Delicious to the United States amounted to more than 10 percent of the Northwest reduction of this variety. Furthermore, it should be recognized that British Columbia will probably export to the United States about 2,000,000 boxes which compete directly on the fresh fruit market with the 26,000,000 produced in the Pacific Northwest of the same varieties and sold to the same wholesale and retail buyers. This increase in supply of an identical product is approximately 8 percent and an increase of 8 percent in years of surpluses causes a decline in prices of far more than 8 percent. The losses occasioned by a decline in price are also augmented by forcing the United States Northwest grower to hold back his Delicious and other fall varieties in cold storage at additional cost and also frequently causing loss of condition and repacking, as was the case this season. The losses occasioned by this factor alone probably equaled or even exceeded the decline in price occasioned by Canadian imports.

The Pacific Northwest apple crop this year has averaged considerably less than parity which, as of January 15, was $2.38 per bushel. And this despite the fact that the equivalent of well over a million boxes which would ordinarily be marketed were not packed and many were not harvested. Realizing there was a surplus production, growers were induced to leave certain varieties or uncolored apples on the trees or if harvested, were sold to byproduct plants at mere salvage prices. The preliminary average price of Washington apples as computed by the Seattle B. A. E. office is $2.12 f. o. b., whereas actual costs of production range around $2.55 to $2.58 f. o. b. cars, according to the best figures obtainable from large growers who keep accurate accounts.

This situation was recognized by the Department of Agriculture and the Northwest industry has been aided by PMA purchases for the school-lunch program, and by an export subsidy. The PMA purchases were at $1.70 and $1.80 f. o. b., far below costs of production or even much below parity. Similarly, some 420,000 boxes were exported to Britain through the use of CCC funds and ECA dollars. The prices, however, were also on a salvage basis and far below parity, being from $1.80 to $1.90 per box f. o. b.

The point was raised in your discussion with Mr. Shultz that, if importations of apples were stopped it might result in the consumer being gouged by exorbitant prices. The answer seems self-evident. We are a Nation which is geared to an historical record of apple exports. We have developed a national production which is dependent on an export market as a matter of calculated foresight and good business practice. It is only through the exigencies and disruption of normal and historical trade channels that we are not able to export an adequate portion of our production and have become an importing Nation. Our imports are not necessary to fill a void or a need for more apples but are forced upon our markets by international economic pressure despite our own surpluses created by our lack of exports. The proximity of British Columbia-grown apples to the United States markets, plus their loss of the British market and our nominal duty, makes a combination of circumstances which prompts them to look to the United States markets as a lucrative source of revenue. When, during the thirties, there were no apple imports and our exports were at the high point, prices in the United States were at the low point of history. While there were other factors affecting price, that of imports certainly had no bearing because there were none. It should be apparent to anyone attempting to analyze the price structure of apples that all other fruits are competitive to apples, especially bananas which come into the United States duty-free in quantities which have in the past exceeded in volume the entire fresh-apple consumption. The effect of apple imports on the United States consumer does not lie in a danger of exorbitant prices if they are discontinued but rather to the discouragement of the United States grower to the point of abandoning or being forced out of production, thereby leaving the market to a foreign monopolistic and State-controlled pricing system with which the United States grower cannot compete.

We trust this summary will give you a more realistic and down-to-earth viewpoint of the situation as we see it here in the Pacific Northwest. We shall be glad to amplify any particular point or points or furnish supporting statistical data on costs or crops by varieties, etc., should you so desire.

Very truly yours,

NORTHWEST HORTICULTURAL COUNCIL,
J. WALTER HEBERT,
*Chairman, Import Committee.*

Mr. MORSE. Mr. President, I close by saying that I have heard with both regret and some puzzlement an argument which has been used on the floor this afternoon and which has been too oft repeated on the floor of the Senate during this session of Congress. I do not propose to quote verbatim, for the RECORD will speak for itself tomorrow, when I say that the argument has been made again this afternoon that this report was the best the conferees could do in face of a presidential veto which would most likely result if the Magnuson-Morse amendment were adopted by the conferees.

I do not like that argument, Mr. President; I do not like it at all. When I hear that argument, I want to ask this question: So what? Since when shall the work of the United States Senate in passing legislation which it thinks is sound and in the public interest be blocked by a threatening argument on the floor of the Senate that if we carry out what we think is right the President will veto it? It is never going to influence my vote, Mr. President. The President can veto all he wants to. That is his constitutional authority and right, and it happens to be his duty, if, as President of the United States, he differs in judgment with the Senate of the United States as to what the public interest is in respect to a given piece of legislation. But I cannot justify to my constituents or to the people of the rest of America my voting for a single piece of legislation, although I may think it is not as good as it should be, simply because the argument is made on the floor of the Senate that if I insist upon voting for what I think is right a presidential veto may be encountered. I shall cross that bridge when I come to it, and I shall do my best when we reach that bridge by urging an overriding of the President's veto. That happens to be our duty as Senators.

There is a growing tendency in the Senate of the United States, which has been all too apparent, particularly in this session of Congress, Mr. President, of advising us in the eleventh hour of debate, as though we were little school boys, "Now, if you do not go along with this the teacher will take you out to the woodshed and spank you with a veto." That is not my idea of living up to our obligations in the Senate of the United States.

The one question before the Senate in regard to the Magnuson-Morse amendment is a very simple one: Are the merits of the arguments and is the preponderance of the evidence on the side of the Magnuson-Morse amendment or against it? Believe me, Mr. President, if the argument is on our side, then each and every Senator in this body has the obligation of voting for what he believes to be right. Then, we shall meet the President on a veto message. We will hear his argument. That is the theory of that constitutional check that the President shall have his day in court; he shall have his veto forum, at which time he can make his argument as was intented by the Constitution. Then when his veto message comes to the Congress I shall study it, and if he can convince me by his message that he is right and I am wrong, then I shall vote to sustain his veto and not to override it. But I am not going to be influenced one whit, Mr. President, on this occasion or on any other occasion, by a threatening argument being used on the floor of the Senate that we have no choice, because if we do what we think should be done, the President will veto our action. To the contrary, I say it is our solemn duty, in keeping with the oath of office which we took, to act as independent representatives of the people, independent of the White House. Under our check-and-balance system it is our duty to pass legislation which we think is right, and then let the President of the United States exercise his constitutional power, as intended by the founding fathers of either signing or vetoing the legislation we pass. If he vetoes it then it becomes our duty to fight it out once again on the floor of the Senate when the veto message comes to the floor.

Let me say something in defense of the President, too. I do not think the argument to which I have referred is fair to the President of the United States. I do not think it is fair to intimate on the floor of the Senate that if we do what we think is right the President is going to veto it, because, again, as a constitutional liberal, I would take the Members of the Senate back to the procedure of the Constitution itself. The veto check was provided so as to check arbitrary or unsound action on the part of the Congress of the United States; but it also affords time for the President of the United States to reflect upon the judgment of the Congress. It affords time for the President of the United States to read the arguments made on the floor of the Senate and on the floor of the House in support of a particular bill. It affords the President time to study the transcript of the record of the hearings on the bill.

I have confidence in whoever holds the Presidency of the United States, be he from either party, because I think whoever holds that particular position will rise to great heights of public responsibility. I am satisfied that any President—and I am particularly satisfied that it is true of Harry Truman—would study the record before he sent any veto message to the Congress of the United States. If in the course of this debate, as I hope it is possible to do, we can make a record of argument and evidence so convincing as to show that we are right in our advocacy of the Magnuson-Morse amendment, I am satisfied that careful consideration will be given to those arguments by the President of the United States. I am convinced that he will keep himself free of mind to pass final judgment after the whole record has been made.

Therefore, I say in conclusion, Mr. President, I do not think it is fair to the Senate, and I do not think it is fair to the President to use the argument that I heard used this afternoon, that it is the best that could be done, because the conferees were satisfied that if the Magnuson-Morse amendment were left in the bill the President would veto it. I hope that such an argument will not be made again in the Senate of the United States, because I think the argument itself constitutes an infringement upon the independence of the Senate. If the time ever comes when Members of this body do not exercise an honest independence of judgment on the merits of issues in accordance with the facts as they find them, uninfluenced by any threat of a veto, this body will have ceased to be the great deliberative and independent body that the founding fathers intended when they created it.

Mr. President, I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I do not wish to prolong the debate, but I am wondering if the Senator will tell us whether or not he ever attempted in recent years to have section 22 revised in accordance with the provision in the original Senate bill which we passed some time ago. In other words, as was pointed out by the distinguished Senator, efforts were made to incorporate in other bills the provisions of section 22. For instance, we have it in the Commodity Credit bill. Does not the Senator think that it would be conducive to better legislation for a revision of section 22 to be discussed on its own merits, rather than to have it attached to a bill such as a bill to increase the borrowing power of the Commodity Credit Corporation?

Mr. MORSE. I wish to say to my friend, the Senator from Louisiana, that I think we ought to try to have this principle adopted in connection with every piece of legislation to which it properly applies. I have tried for some years, I may say to the distinguished Senator from Louisiana, in connection with agricultural bills, to have the principle of this amendment placed in effect. We made some progress in the Senate in years gone by, but we have failed at other points. In regard to those failures I would say that I am always hopeful that a sound lesson, adequately taught, will finally be accepted by the pupil. We have been building up over the years our lesson in regard to this matter. I was hopeful that this year the State Department would see that they ought to agree with what we are seeking to accomplish. I was keenly disappointed that they were the ones who principally opposed the amendment again. I think this is the place to incorporate the principle of the amendment because it has direct application to the subject matter over which we are seeking to take jurisdiction.

Mr. ELLENDER. I can say to the Senator from Oregon that if a bill had been introduced in the early part of this session or last session, and had been brought before the Committee on Agriculture and Forestry, consideration could have been given to the merits of the bill itself. That would have been better than to attach it every now and then to other legislation. If the Senator will introduce a bill to carry out what the so-called Magnuson-Morse amendment has in mind, as a member of the committee I will say to him that we shall give consideration to it and have it brought to the Senate floor at an early date. As the Senator knows, the Committee on Agriculture and Forestry has gone on record on two occasions in the last few years on this issue. The last time the committee was unanimous in its approval of the so-called Magnuson amendment. All members voted for it except the one member who was absent. All the members voted for the amendment as it was incorporated in the Commodity Credit Corporation bill.

Mr. MORSE. The distinguished Senator from Louisiana and the Senator from Oregon being very good friends, I hope the Senator will not take offense if I discuss for a moment the parliamentary implications of his suggestion. He has made an argument which is frequently heard on the floor of the Senate when something is sought to be accomplished by an amendment which is germane. I submit to the Senator from Louisiana that the Magnuson-Morse amendment is germane to the legislation which is now before the Senate. When it is attempted to have it adopted as an amendment, the argument is frequently heard which the Senator from Louisiana has made: "Why didn't you try it another way? Why didn't you try it by a separate and independent bill?" Of course that is a matter of choice on the part of the authors of a bill. The Senator from Louisiana and I may disagree as to what the result may have been had we tried to do it in another way. The Senator from Washington and I were satisfied that we would get a much earlier consideration of our amendment if we followed the parliamentary channel which we followed this year. I think time has proved us to be right. We got it through the Senator's committee, and we thank him for the assistance he was to us. We got it through the Senate. We did pretty well. That is the choice we made.

Mr. ELLENDER. The Senator from Oregon would have had the same result if a bill had been introduced.

Mr. MORSE. The Senator and I disagree as to how well we might have done had we taken the course he now suggests. Our judgment is that we would not have done nearly so well. It is very reassuring for the Senator from Louisiana to tell us that we would have done as well but I do not know how we could have done better as far as the Senate is concerned. We did pretty well in getting the amendment attached to the bill as it passed the Senate. We followed that choice. I think it was a sound choice to make. At any rate that is the decision we reached. The amendment is germane. It is no rider. It is germane. Although there were alternatives, I confess that I am a little suspicious as to what would have happened if we had tried to accomplish the same result by a separate bill. Let me say that I have several bills sleeping on the calendar. I think those bills are very important. However, I do not seem to be able to induce the majority leader—in whose capacity my friend from Louisiana is now acting—to quite agree with me that it is important to take those bills up for formal action by the Senate. The Senator from Washington, [Mr. MAGNUSON] and I did not think we should take a chance on this issue. We succeeded in having it adopted as a germane amendment to the bill. I am now for taking the kind of action that we shall ask the Senate to take on Monday, and that is to send the bill back to conference.

## EXTENSION OF DISTRICT OF COLUMBIA EMERGENCY RENT CONTROL ACT

Mr. CAIN. Mr. President, the junior Senator from Washington wishes to offer two brief statements.

During the course of today several Senators who were not present late yesterday afternoon when the Senate took affirmative action on extending rent controls in the District of Columbia for a period of 6 months from June 30, 1950, have inquired of the junior Senator from Washington concerning whether they would be given a future opportunity to vote against any extension of rent controls for the District of Columbia. The Senator from Washington has suggested to these Senators that the Senate rent-control-extension bill for the District of Columbia would probably go to conference, and if this action takes place, all Senators will be provided with an opportunity to vote for or against the conference report as is their individual wish. The junior Senator from Washington wishes now to serve notice that he will request a yea-and-nay vote if or when a 1950 District of Columbia rent-control-extension conference report is before the Senate.

The Senator from Washington was pleased to have other Senators state to him this day that they wanted a chance to make it clear to the authorities and to the citizens of the District of Columbia that in their judgment they think it is timely to decontrol rents in the District of Columbia, and that some Senators who have recently voted in favor of decontrolling rents throughout the Nation, will not vote to continue rent controls in the District.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CAIN. I am pleased to yield.

Mr. MORSE. I was excused by the Senate last week from attendance on the Senate, because of an election campaign in my home State in which I am vitally interested, and during my absence the conference report on the rent-control measure came before the Senate. I had left instructions to be recorded against the conference report. I find that those instructions did not, for some reason, reach the Secretary of the Senate—through no fault of his—so I am recorded as not voting.

I want the RECORD to show that I was opposed to the conference report. I want the RECORD to show also that I think that what should have prevailed in the country should have prevailed in the District of Columbia. I was likewise opposed to the continuation of rent controls in the District of Columbia. I was paired with the Senator from New Jersey [Mr. HENDRICKSON] on the rent control bill itself, and paired against the bill. With the permission of the Senate and the Senator from Washington, I take this half minute to say, by way of reiteration, what I have said previously for the RECORD, that I was opposed to continuation of rent control, because of the inevitable answer I had to make to two questions, first, the question of fact: Did the evidence in the record show a national need, because of a Nation-wide housing shortage, for the continuation of rent control? I think the answer clearly was "No."

Second, Was the continuation of rent control justified as a matter of law? The Supreme Court has clearly held that Federal legislation in the field of rent control can be legally justified only on the basis of a national emergency. Having found as a matter of fact, by a preponderance of the evidence, a failure to establish a national emergency, because of a housing shortage, as a reason for a continuation of rent control, I had to answer the second question, so far as the matter of law was concerned, also against a continuation of rent control. I concluded that the proposed legislation could not be justified as a matter of law, on the basis of the decisions already handed down by the Supreme Court.

Mr. President, again I say that I am at a great loss to understand how any constitutional liberal, if satisfied that the evidence did not show the need for rent control on a Nation-wide basis, could justify a vote for a bill which provides for the exercise of Federal jurisdiction over a subject matter which, in the absence of a national emergency should be handled on a localized basis in whatever section of the country there may be a local need for a continuation of rent control.

Mr. CAIN. Mr. President, the Senator from Washington is only distressed that the Senator from Oregon has spoken so briefly on such a fundamental and interesting question. It happens that the Senator from Oregon was not among the several Senators who, during the course of this day, have inquired as to whether they might have a future opportunity to vote on the extension of rent controls within the District of Columbia. It is very good to know, I wish to say to my good friend from Oregon, that when that question comes shortly before the Congress again, as it probably will, those who share his views may look to him for an aggressive vote against accepting whatever the conference report may recommend.

Mr. President, I desire now to refer to another subject.

The PRESIDING OFFICER. The Senator from Washington has the floor.

## EXTENSION OF THE SELECTIVE SERVICE ACT OF 1948

Mr. CAIN. Mr. President, yesterday during the debate on the extension of the Selective Service Act in the Senate an amendment was offered by the Senator from Utah [Mr. WATKINS] and other Senators. The purpose of the amendment was to place the authority for inductions in the hands of the Congress, rather than to have this authority remain with the President of the United States, as had been recommended by the Senate Committee on Armed Services.

The Watkins amendment was compromised by an amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL]. The amended amendment provided that both the Congress and the President would have the authority to require that inductions take place under the Selective Service Act. The Congress would assume this responsibility when it was in session, and the President would assume the resposibility when the Congress was not in session. The amendment in question was approved by the Senate, and the bill of which the amendment became a part was passed by the Senate and sent to conference.

The junior Senator from Washington, who is a member of the Senate Committee on Armed Services, opposed the Watkins amendment, and voted for the Saltonstall compromise with real reluctance. He considered the position of the Senate Committee on Armed Services to be sound and realistic. He now hopes, however, that the very least the conference committee will agree to do is to retain the Watkins-Saltonstall amendment. To reject this amendment in favor of the original House position would be, to my mind, to have no way of activating the Selective Service Act during those periods when the Congress was in adjournment or recess.

We can all hope that it will never be necessary to employ a manpower draft in America, but we will all agree, I think we must agree, that we must have a practical and daily means of utilizing selective service should a real need arise.

Mr. President, one thing became apparent to the junior Senator from Washington during the debate, which occupied most of Wednesday and Thursday of this week, and I wish to speak a word or two about it.

I believe it to be so that a number of Senators who are in favor of extending the Selective Service Act are in strong opposition to providing the President of the United States with authority to determine when inductions under the act

ought to be made, because they do not trust the President, and they do not wish to provide him with the power recommended for fear that he will abuse it.

I ought to say, Mr. President, that the junior Senator from Washington has about as little confidence as anyone in the office of the President of the United States as it is now occupied and managed. He has, in fact, a deep distrust of that office. He feels that it will be good for the people of America when the present chief occupant of the White House is returned to private life.

But, Mr. President, the big question today before the Congress of the United States, and before the conference, which includes Members from both the House of Representatives and the Senate, is not my opinion or our opinion of the President of the United States, but, rather, the welfare and the good of the American people.

With reference to the Senate Armed Services Committee's recommended extension of the Selective Service Act of 1948, the advisers of the President in his capacity as Commander in Chief of the armed forces of the United States are Americans for whom the junior Senator from Washington has the fullest possible measure of respect, admiration and confidence. Had the Selective Service Act been approved as recommended by the Senate Committee on the Armed Services, the President of the United States would take his advice—from whom? From the Secretary of Defense, Mr. Louis Johnson, the chairman of the Joint Chiefs of Staff, Gen. Omar Bradley, the Army Chief of Staff, Gen. J. Lawton—called Lightning Joe—Collins, the Director of Selective Service, Gen. Lewis Hershey, the Secretary of the Army, Mr. Frank Pace, and the heads of several other services. These men, to my mind, would no more abuse and avoid the will and wish of the Congress of the United States and of the people of America, than they would be guilty of treason against the land of their birth.

The gentleman to whom I have referred will seek recourse to the Selective Service Act only if it turns out to be utterly impossible to secure the required number of enlistments from volunteers. These gentlemen, through their advice to the President, stopped using the Selective Service Act 18 months ago because volunteers were being recruited in sufficient number to maintain an adequate personnel strength in the several services.

The recommended Selective Service Act extension provides personnel ceilings beyond which no one, including the President of the United States, is authorized to go without additional authority to be secured from a future Congress. In addition to this worth-while and justifiable safeguard, the Congress will continue to limit the strength of the armed services through the appropriation which the Congress makes available for the care and maintenance of military personnel. These two safeguards, it seems to me, justify granting authority to the Chief Executive to activate the Selective Service Act within the limits defined by the personnel ceilings and by appropriations.

The Senator from Washington was strongly in opposition to the Watkins amendment and was strongly in support of the committee recommendation because he sincerely was convinced that the welfare and safety of every American would be the more fully protected and maintained had the position and recommendation of the Senate Committee on Armed Services been approved by the Senate on yesterday. But, Mr. President, because of what took place yesterday, because it was felt necessary to reach a compromise position, the Senator from Washington hopes that the conference will agree to have the President of the United States share a great and a serious responsibility with the Congress of the United States in determining when the Selective Service Act shall and must be invoked.

## EXECUTIVE SESSION

Mr. ELLENDER. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

## EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. MORSE in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Post Office and Civil Service.

(For nominations this day received, see the end of Senate proceedings.)

## EXECUTIVE REPORTS OF COMMITTEES

The following favorable report of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

H. Freeman Matthews, of Maryland, now Ambassador Extraordinary and Plenipotentiary to Sweden, to be an Assistant Secretary of State;

Henry F. Grady, of California, now Ambassador Extraordinary and Plenipotentiary to Greece, to be Ambassador Extraordinary and Plenipotentiary to Iran;

W. Walton Butterworth, of Louisiana, now an Assistant Secretary of State, to be Ambassador Extraordinary and Plenipotentiary to Sweden;

Donald R. Heath, of Kansas, a Foreign Service officer of the class of career minister, to be Envoy Extraordinary and Minister Plenipotentiary to the State of Viet Nam, to the Kingdom of Cambodia, and to the Kingdom of Laos;

Milton Katz, of Massachusetts, to be the United States special representative in Europe, with the rank of Ambassador Extraordinary and Plenipotentiary, pursuant to title I of the Foreign Assistance Act of 1948;

John D. Jernegan, of California, now a Foreign Service officer of class 2 and a secretary in the diplomatic service, to be also a consul general;

Elbert R. Williams, of Pennsylvania, a Foreign Service staff officer, to be a consul;

Sidney V. Suhler, of Texas, for appointment as a Foreign Service officer of class 6, a vice consul of career, and a secretary in the diplomatic service;

James W. Riddleberger, of Virginia, for promotion from Foreign Service officer of class 1 to Foreign Service officer of class of career minister;

Chester G. Dunham, of Ohio, and James F. L. S. Matthews, of Florida, for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service; and

Isador Lubin, of New York, now United States representative on the Economic and Employment Commission of the Economic and Social Council of the United Nations, to be also the representative on the Economic and Social Council of the United Nations.

By Mr. THOMAS of Utah, from the Committee on Labor and Public Welfare:

Thomas H. Ainsworth, and sundry other candidates for appointment in the Regular Corps of the Public Health Service.

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

Walter C. Capron, and sundry other persons for appointment in the Coast Guard.

The PRESIDING OFFICER. If there be no further reports of committees, the nominations on the calendar will be stated.

Mr. ELLENDER. Before that is done, Mr. President, I ask unanimous consent that the nomination to the Motor Carrier Claims Commission, the nomination to the Federal Trade Commission, and the nomination to be United States district judge, being Calendar Nos. 333, 537, and 541, be passed over.

The PRESIDING OFFICER. Without objection, the nominations will be passed over.

## NOMINATIONS IN THE ARMY, AIR FORCE, AND NAVY

Mr. ELLENDER. Mr. President, I ask unanimous consent that the routine nominations in the Army, in the Air Force, and in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and, without objection, the nominations in the Army, in the Air Force, and in the Navy, are confirmed en bloc.

Mr. ELLENDER. I ask that the President be notified.

Mr. CAIN. Mr. President, may I inquire of the Senator from Louisiana as to whether he made reference to the treaties outlined on the first page of the calendar?

Mr. ELLENDER. I made no recommendation with respect to them.

The PRESIDING OFFICER (Mr. MORSE in the chair). May the Chair inform the Senator from Louisiana that the majority leader [Mr. LUCAS], so the Chair understands, has an understanding with the Senator from Missouri [Mr. DONNELL] that he will not, during this session of Congress, ask that the President be notified of nominations confirmed on the day that nominations are approved by the Senate.

Mr. ELLENDER. Mr. President, I withdraw the request.

The PRESIDING OFFICER. The Senator from Louisiana withdraws his request.

Does the Senator from Washington wish to make an inquiry?

Mr. CAIN. I merely inquired of the Senator from Louisiana what disposition was made of the treaties.

Mr. ELLENDER. They were passed over.

Mr. CAIN. I thank the Senator from Louisiana.

RECESS TO MONDAY

Mr. ELLENDER. As in legislative session, I now move that the Senate take a recess until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate took a recess until Monday, June 26, 1950, at 12 o'clock meridan

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NOMINATIONS

Executive nominations received by the Senate June 23 (legislative day of June 7), 1950:

POSTMASTERS

The following-named persons to be postmasters:

ARKANSAS

Bertie Vos, Almyra, Ark., in place of Louella Boswell, retired.

Frank S. Brummitt, Stuttgart, Ark., in place of H. H. Horst, deceased.

COLORADO

Reese E. Wilkinson, Greeley, Colo., in place of J. F. Redman, retired.

GEORGIA

Willis H. James, Homerville, Ga., in place of K. S. Hughes, transferred.

Allen W. Holder, Whitesburg, Ga., in place of J. J. Bailey, deceased.

ILLINOIS

Louis J. Froninckx, Jr., Clifton, Ill., in place of C. J. Hendron, transferred.

Edward T. O'Shay, Rockford, Ill., in place of L. P. Luby, retired.

INDIANA

Arvil Wellbaker, Palmyra, Ind., in place of A. T. Ferber, deceased.

IOWA

Ralph W. Reed, Peterson, Iowa, in place of S. H. Wareham, retired.

Woodrow W. Strathman, Westside, Iowa, in place of G. G. Patterson, retired.

KANSAS

Lorenzo D. Morgison, Clifton, Kans., in place of Max Dolan, transferred.

LOUISIANA

Wilbert G. C. Rhodes, Gretna, La., in place of F. J. Wisser, Jr., resigned.

MASSACHUSETTS

James E. Rogers, East Bridgewater, Mass., in place of L. J. O'Brien, deceased.

MICHIGAN

Albert F. Lenart, Smiths Creek, Mich., in place of C. F. Neal, resigned.

MISSOURI

Miller L. Coleman, Aurora, Mo., in place of C. M. Reid, transferred.

Myron H. Holloman, Ironton, Mo., in place of J. M. Hawkins, retired.

Noland K. Deaver, Paris, Mo., in place of M. J. Heathman, deceased.

Harvey M. Miller, Jr., St. Clair, Mo., in place of R. E. Sincox, transferred.

NEW MEXICO

Lawrence C. Bangert, Fort Bayard, N. Mex., in place of W. E. Bilbrey, resigned.

NEW YORK

Harry F. Reed, Camden, N. Y., in place of T. T. Smith, deceased.

George M. Miller, Guilford, N. Y., in place of F. S. Tripp, transferred.

OHIO

Joseph F. Prosser, Cleveland, Ohio, in place of G. R. Lucas, retired.

Raymond W. Wortman, Leipsic, Ohio, in place of H. H. Montooth, resigned.

PENNSYLVANIA

Leo J. Kordella, Hibbs, Pa., in place of Frank Coletti, resigned.

RHODE ISLAND

Ambrose G. Bliss, Little Compton, R. I., in place of G. B. Almy, retired.

WEST VIRGINIA

Evelyn A. McBrayer, Thorpe, W. Va., in place of B. F. Hall, retired.

Wallace J. Varney, Williamson, W. Va., in place of J. P. Hatfield, resigned.

WYOMING

Harold E. Wheatley, Encampment, Wyo., in place of K. L. Wingo, removed.

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CONFIRMATIONS

Executive nominations confirmed by the Senate June 23 (legislative day of June 7), 1950:

IN THE ARMY

The nominations of Lawrence Wendall Adams, O38608, and other officers, for promotion in the Regular Army of the United States, under the provisions of sections 502 and 510 of the Officer Personnel Act of 1947, which were confirmed today, were received by the Senate on June 9, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Lawrence Wendall Adams, which is shown on page 8416, and ending with the name of Carol Mae Williams, which appears on page 8417.

UNITED STATES AIR FORCE

The nominations of Earl L. Laird, AO335650, et al., for appointment in the United States Air Force, which were confirmed today, were received by the Senate on June 8, 1950, and appeared in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Earl L. Laird, which is shown on page 8327, and ending with the name of Luther T. Brantley, Jr., which is shown on page 8328.

The nominations of James K. Adcock, O481975, et al., for appointment in the United States Air Force in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress, which were confirmed today, were received by the Senate on June 12, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of James K. Adcock, which is shown on page 8455, and ending with the name of John J. Yusievicz, which is shown on page 8456.

The nomination of Andrew J. Myers, Jr., AO900043, for appointment in the United States Air Force in the grade of second lieutenant, with the date of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress.

IN THE NAVY

The nomination of Captain Charles D. Wheelock, for temporary appointment to the grade of rear admiral in the United States Navy.

The nominations of Alvin A. Annis and other officers for appointment in the Navy, and the nominations of Glenn L. Wegener et al., for appointment in the Navy, which were confirmed today, were received by the Senate June 12, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Alvin A. Annis, which appears on page 8456, and ending with the name of Sylvia P. Reed, which appears on page 8457.

# SENATE

## MONDAY, JUNE 26, 1950

*(Legislative day of Wednesday, June 7, 1950)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God our Father, in all the confusion and perplexity of these convulsive days, our faith looks up to Thee, who dost overarch our fleeting years with Thy eternity and dost undergird our weakness with Thy strength. Standing in these epochal days in the valley of decision, strengthen our will to choose that which is morally excellent rather than that which is politically expedient. May we never hesitate when the choice is between honor and calculation.

Our hearts in sympathy leap the seas this morning with the solemn realization that this very hour, under eastern skies, men are dying for freedom rather than to live as slaves.

"God the all-righteous One,
Man hath defied Thee,
Yet to eternity standeth Thy word.
Falsehood and wrong shall not tarry beside Thee,
Give to us peace—a righteous peace—
In our time, O Lord!"

Amen.

THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 23, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 23, 1950, the President had approved and signed the following acts and joint resolution:

S. 2335. An act to make certain revisions in titles I and III of the Officer Personnel Act of 1947, as amended;

S. 3181. An act to extend the Housing and Rent Act of 1947, as amended, and for other purposes; and

S. J. Res. 190. Joint resolution extending the period of effectiveness of the Selective Service Act of 1948 for 15 days.

LEAVE OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. YOUNG was excused from attendance on the sessions of the Senate for the remainder of the week.

On his own request, and by unanimous consent, Mr. KERR was excused from attendance on the sessions of the Senate beginning with Wednesday of this week until Wednesday of next week.

COMMITTEE MEETINGS DURING SENATE SESSIONS

On request of Mr. MCFARLAND, and by unanimous consent, the Committee on

the Judiciary was authorized to meet this afternoon during the session of the Senate.

On request of Mr. MAYBANK, and by unanimous consent, a subcommittee of the Banking and Currency Committee was authorized to continue its hearings this afternoon during the session of the Senate.

On request of Mr. MCCLELLAN, and by unanimous consent, the Subcommittee on Highways of the Public Works Committee was authorized to meet this afternoon during the session of the Senate.

### CALL OF THE ROLL

Mr. MCFARLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Anderson | Holland | Millikin |
| Benton | Humphrey | Morse |
| Bricker | Ives | Mundt |
| Bridges | Jenner | Murray |
| Butler | Johnson, Colo. | Neely |
| Byrd | Johnson, Tex. | O'Mahoney |
| Cain | Kefauver | Pepper |
| Chapman | Kem | Robertson |
| Connally | Kerr | Russell |
| Cordon | Kilgore | Saltonstall |
| Darby | Knowland | Schoeppel |
| Donnell | Leahy | Smith, Maine |
| Douglas | Lehman | Smith, N. J. |
| Ecton | Lodge | Sparkman |
| Ellender | McCarran | Stennis |
| Ferguson | McCarthy | Taft |
| Frear | McClellan | Thomas, Utah |
| Fulbright | McFarland | Tobey |
| Gillette | McKellar | Tydings |
| Green | McMahon | Watkins |
| Gurney | Magnuson | Wherry |
| Hayden | Malone | Wiley |
| Hendrickson | Martin | Williams |
| Hill | Mayoank | Withers |

Mr. MCFARLAND. I announce that the Senator from New Mexico [Mr. CHAVEZ] is necessarily absent. The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Mississippi [Mr. EASTLAND] and the Senators from North Carolina [Mr. GRAHAM and Mr. HOEY] are absent on public business.

The Senator from Georgia [Mr. GEORGE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Wyoming [Mr. HUNT] is absent on official committee business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

The Senator from Pennsylvania [Mr. MYERS] is absent because of illness in his family.

Mr. SALTONSTALL. I announce that the senior Senator from Vermont [Mr. AIKEN], the junior Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. HICKENLOOPER], the senior Senator from North Dakota [Mr. LANGER], the Senator from Minnesota [Mr. THYE], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] and the Senator from Indiana [Mr. CAPEHART] are necessarily absent.

The Senator from Idaho [Mr. DWORSHAK] is absent on official business.

The VICE PRESIDENT. A quorum is present.

### INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

The VICE PRESIDENT. Under the unanimous-consent agreement, the time between now and 4 o'clock is divided between the proponents and the opponents of the conference report, to be controlled by the Senator from Louisiana [Mr. ELLENDER] and the Senator from Washington [Mr. MAGNUSON], respectively.

Mr. ELLENDER. Mr. President——

The VICE PRESIDENT. The Senator from Louisiana is recognized.

Mr. MAYBANK. Mr. President——

The VICE PRESIDENT. Between now and 4 o'clock the Chair cannot recognize any Senator, except the Senator from Louisiana and the Senator from Washington.

The Chair has recognized the Senator from Louisiana.

### TRANSACTION OF ROUTINE BUSINESS

Mr. ELLENDER. Mr. President, I ask unanimous consent that Senators be permitted to submit routine matters, without debate, and that the time required for that purpose be taken from the time allotted to me.

The VICE PRESIDENT. Without objection, it is so ordered.

### COMMUNISTS IN GOVERNMENT SERVICE—RESOLUTION OF YOUNG REPUBLICAN CLUB OF HAMMOND, IND.

Mr. JENNER. Mr. President, I present for appropriate reference a resolution adopted by the Young Republican Club of Hammond, Ind., in session assembled, supporting the efforts of the Senator from Wisconsin [Mr. MCCARTHY] to rid the State Department of Communists, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Whereas the present national Democratic administration has seemingly adopted a policy of coddling and protecting Communists and those in sympathy with the Communist Party and has refused to rid the various bureaus and departments of the Federal Government of employees who are endorsing Communists or their supporters of communistic principles; and

Whereas Senator JOSEPH MCCARTHY, Republican, of Wisconsin, has almost singlehandedly attempted to expose the presence of communism and Communist sympathizers in the State Department of the National Government; and

Whereas an organized and vicious smear campaign has been conducted by those in high office in order to belittle the patriotic efforts of Senator JOSEPH MCCARTHY and to whitewash the State Department; and

Whereas citizens from all walks of life and from all sections of the Nation are rallying to the support of Senator MCCARTHY in his demand for exposure of communism and Communist sympathizers in the State Department: Now, therefore, be it

*Resolved by the Young Republican Club of Hammond, Ind., in session assembled,* That this organization go on record in support of Senator JOSEPH MCCARTHY, Republican, of Wisconsin, in his efforts to rid the State Department of those persons who are opposed to the principles of our Republic; and be it further

*Resolved,* That a copy of this resolution be forwarded to Senator JOSEPH MCCARTHY, Senator WILLIAM JENNER and Senator HOMER CAPEHART.

EDWARD B. BELLAMY,
*President.*
MARIETTA A. SPANIOL,
*Vice President.*
JAMES R. TEWELL,
*Treasurer.*
MARY JANE SARGENT,
*Recording Secretary.*
PHYLLIS J. LIVINGSTON,
*Corresponding Secretary.*

### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MCCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. 3256. A bill directing the transfer to the Department of the Interior by the General Services Administration of certain property in Boise Barracks, Boise, Idaho; without amendment (Rept. No. 1866);

H. R. 5526. A bill to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, and for other purposes; without amendment (Rept. No. 1867;

S. Res. 290. Resolution disapproving Reorganization Plan No. 24 of 1950, providing for the transfer of the RFC to Department of Commerce; without recommendation (Rept. No. 1868);

Reorganization Plan No. 23 of 1950, providing for transfer of the financing of factory-built homes from the Reconstruction Finance Corporation to the Housing and Home Finance Administrator; (Rept. No. 1870); and

Reorganization Plan No. 26 of 1950, providing for reorganizations in the Department of the Treasury; (Rept. No. 1869).

By Mr. LEAHY, from the Committee on the District of Columbia:

S. 2930. A bill to amend and clarify the District of Columbia Teachers' Leave Act of 1949, and for other purposes; with amendments (Rept. No. 1872);

S. 3350. A bill to amend the minimum-wage law by extending the application of minimum-wage orders to men, and for other purposes; with amendments (Rept. No. 1873);

S. 3658. A bill to amend the act entitled "An act to establish a Code for the District of Columbia," approved March 3, 1901, regulating the disposal of dead human bodies in the District of Columbia; without amendment (Rept. No. 1874);

S. 3678. A bill to change the designations of Health Officer and Assistant Health Officer of the District of Columbia, respectively, to Director of Public Health and Assistant Director of Public Health; without amendment (Rept. No. 1875);

H. R. 4237. A bill to amend the act entitled "An act to regulate the practice of optometry in the District of Columbia"; with amendments (Rept. No. 1876);

H. R. 7662. A bill to amend the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia,

and for other purposes," approved December 20, 1944; with an amendment (Rept. No. 1877); and

H. R. 7695. A bill to provide a 5-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force; with amendments (Rept. No. 1871).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 1858. A bill to permit the admission of alien spouses and minor children of citizen members of the United States Armed Forces; with an amendment (Rept. No. 1878);

S. 1866. A bill for the relief of Mrs. Clayre Louise Forsyth; without amendment (Rept. No. 1879);

S. 2204. A bill for the relief of Rudolph Farcher; with an amendment (Rept. No. 1880);

S. 2457. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of A. K. Chahroudi; without amendment (Rept. No. 1881);

S 2617. A bill for the relief of Ermalinda Mary Pizzuto; with an amendment (Rept. No. 1882);

S 2625. A bill for the relief of Ivo Marsak; without amendment (Rept. No. 1883);

S 2897. A bill for the relief of Hyman D. Langer, his wife and daughter; with amendments (Rept. No. 1884);

S 3017. A bill for the relief of Sgt. James C. Hollon and Bessie L. Hollon; with amendments (Rept. No. 1885);

S. 3059. A bill for the relief of John J. Sebenick; with an amendment (Rept. No. 1886);

S. 3097. A bill conferring jurisdiction on the United States District Court for the Southern District of Mississippi to hear, determine, and render judgment upon the claim of O. S. Rees; with amendments (Rept. No. 1887);

S. 3098. A bill to amend section 104 of title 28 of the United States Code so as to create a Greenville Division in the northern district of Mississippi with terms of court to be held at Greenville; with an amendment (Rept. No. 1888);

S 3325. A bill for the relief of Isolde Bexner; with amendments (Rept. No. 1889);

S. 3610. A bill for the relief of R. W. Harris, authorized certifying officer, Bureau of Federal Supply, Treasury Department; without amendment (Rept. No. 1890);

S. 3614. A bill for the relief of John B. Underwood, Jr., TMC, United States Navy; without amendment (Rept. No. 1891);

S. 3644. A bill to amend the War Claims Act of 1948, as amended; without amendment (Rept. No. 1892);

H. R. 1022. A bill conferring jurisdiction upon the United States District Court for the District of Delaware to hear, determine, and render judgment upon the claim of Alvin Smith, of New Castle, Del., arising out of the damage sustained by him as a result of the construction and maintenance of the New Castle United States Army Air Base, New Castle, Del.; without amendment (Rept. No. 1893);

H. R. 2233. A bill for the relief of Ewa Plantation Co., a Hawaiian corporation; with amendments (Rept. No. 1894);

H. R. 2535. A bill for the relief of Samuel J. D. Marshall; without amendment (Rept. No. 1895);

H. R. 3007. A bill for the relief of Harry C. Goakes; with an amendment (Rept. No. 1896);

H. R. 4041. A bill for the relief of Parish Bros.; without amendment (Rept. No. 1897);

H. R. 4141. A bill for the relief of Edwin F. Shockley; without amendment (Rept. No. 1898);

H. R. 4364. A bill for the relief of Mrs. Ruth B. Moore, John Robert Lusk III, John R. Lusk, Sr., Mrs. Minnie P. Pruitt, and Mrs. Billie John Bickle; without amendment (Rept. No. 1899);

H. R. 4386. A bill to amend section 2 (a) and section 7 of the Foreign Agents Registration Act of 1938, as amended, to make failure of registration a continuing offense, and to continue the obligation of officers, directors, and persons acting as such, to comply with the act despite dissolution of a foreign agent; without amendment (Rept. No. 1900);

H. R. 5566. A bill for the relief of Dr. Agostino DeLisi; with amendments (Rept. No. 1901);

H. R. 5849. A bill for the relief of Samuel M. Kornegay; without amendment (Rept. No. 1902);

H. R. 6482. A bill for the relief of Antonio Artolzaga Euscola; without amendment (Rept. No. 1903);

H. R. 6489. A bill for the relief of United Transformer Co. (formerly United Transformer Corp.); without amendment (Rept. No. 1904);

H. R. 6505. A bill to legalize the entry of Mrs. David Munson Osborne (nee Janet Mary Tole), a native of New Zealand; with an amendment (Rept. No. 1905);

H. R. 6644. A bill for the relief of Edwin F. Rounds; without amendment (Rept. No. 1906);

H. R. 7072. A bill for the relief of Mrs. Young Ja Kim; without amendment (Rept. No. 1907);

H. R. 7392. A bill for the relief of Columbus Finley; without amendment (Rept. No. 1908); and

S. J. Res. 147. Joint resolution giving the consent of Congress to an agreement between the State of Missouri and the State of Kansas establishing a boundary between said States; without amendment (Rept. No. 1909).

## REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. FREAR (for Mr. JOHNSTON of South Carolina), from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

## BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. IVES:

S. 3821. A bill for the relief of La Donnie Zel; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 3822. A bill for the relief of Helen Sadako Yamamoto; to the Committee on the Judiciary.

(Mr. MAGNUSON also introduced Senate bill 3823, to amend section 9 of the Shipping Act, 1916, relating to transfer of vessels documented under the laws of the United States to foreign citizens and for other purposes, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

By Mr. LEHMAN:

S. 3824. A bill for the relief of Kenneth Bruce Kohei Kozai;

S. 3825. A bill for the relief of Mrs. Robert M. Sternberg; and

S. 3826. A bill for the relief of Helene Gabor; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 3827. A bill for the relief of Louise Hagman, formerly Hai Kwang-ye; to the Committee on the Judiciary.

By Mr. HOLLAND (for Mr. EASTLAND):

S. 3828. A bill for the relief of Cornelius VerSluis; to the Committee on the Judiciary.

(Mr. FREAR (for himself, Mr. HUMPHREY, and Mr. THYE) introduced Senate bill 3829, to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes, which was referred to the Committee on Post Office and Civil Service, and appears under a separate heading.)

By Mr. FREAR:

S. 3830. A bill to provide a recruitment procedure for the competitive civil service in order to insure selection of personnel on the basis of open competition and merit, and for other purposes; to the Committee on Post Office and Civil Service.

(Mr. MAGNUSON introduced Senate Joint Resolution 192, to designate the lake to be formed by the waters impounded by the Chief Joseph Dam in the State of Washington as "Rufus Woods Lake," which was referred to the Committee on Public Works, and appears under a separate heading.)

## REGISTRATION OF AMERICAN SHIPS UNDER FOREIGN FLAGS

Mr. MAGNUSON. Mr. President, I introduced for appropriate reference a bill. It is introduced on behalf of the Subcommittee on Merchant Marine of the Senate Committee on Interstate and Foreign Commerce.

I desire to call the attention of the Senate to an evil which has arisen in the maritime industry of the world, namely, the registration of ships under Panamanian and other foreign registries, which operates to the detriment of the employment of our seamen. It also involves a tax evasion on the part of many American citizens who build ships here, or at other places throughout the world, and then register them under the Panamanian flag. It is an evil which we hope we shall be able to eradicate.

There is a most difficult legal question involved, but it surely is one which must be dealt with if we are to keep an adequate merchant marine flying the American flag. I call attention particularly to the fact that the language of the bill is not entirely perfect, because of legal questions involved. However, we hope to have immediate hearings on the bill. We are open to suggestions. Our real objective is to eradicate the evil referred to.

The bill (S. 3823) to amend section 9 of the Shipping Act, 1916, relating to transfer of vessels documented under the laws of the United States to foreign citizens and for other purposes, introduced by Mr. MAGNUSON, was read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

## POST OFFICE DEPARTMENT FINANCIAL CONTROL ACT OF 1950

Mr. FREAR. Mr. President, on behalf of the junior Senator from Minnesota [Mr. HUMPHREY], the senior Senator from Minnesota [Mr. THYE], and myself, I introduce for appropriate reference a bill to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes. In order to save the time of the Senate, I ask unanimous consent that an explanatory statement of the bill I have prepared, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the explanatory

statement will be printed in the RECORD. The Chair hears no objection.

The bill (S. 3829) to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes, introduced by Mr. FREAR (for himself, Mr. HUMPHREY, and Mr. THYE), was read twice by its title, and referred to the Committee on Post Office and Civil Service.

The explanatory statement presented by Mr. FREAR is as follows:

STATEMENT OF SENATOR FREAR TO ACCOMPANY INTRODUCTION OF BILL

It is the purpose of this proposed legislation to implement the Hoover Commission report on the Post Office Department with respect to the accounting and auditing recommendations. As it affects the financial control procedures of the postal service, the Hoover Commission recommends as follows:

"We do not recommend that the Post Office Department should be incorporated under that law (Government Corporations Control Act of 1945), as we consider that to be unnecessary. We do recommend that the provisions of that law in respect to business management, budgeting, accounting, and audit be applied to the post office."

The report further stated:

"We wish to emphasize our recommendations elsewhere that the Department should keep its own accounts and make its own disbursements subject to audit by the Comptroller General and in accordance with procedures determined by the Accountant General (not yet in existence), these procedures to be approved by the Comptroller General."

The task force for the Hoover Commission on the post office stated with respect to this problem that the final settlement of accounts of the Post Office Department should be made by the General Accounting Office.

The Post Office Department budget of this year has been prepared along functional lines and, in view of this recent change, it is not proposed to enact legislation which will again completely revise the budget system of the Department.

The proposed legislation carries out these suggestions of the Hoover Commission report and implements the new budget procedure by—

1. Transferring the administrative accounting and reporting functions presently performed by the Comptroller General to the Postmaster General;

2. Transferring the preaudit of expenses by the General Accounting Office to the Postmaster General;

3. Authorizing the Comptroller General to prescribe the principles and standards for the accounting system of the Post Office Department in accordance with certain requirements established in the bill;

4. Authorizing the Postmaster General to collect all debts, fines, penalties, and forfeitures and liabilities arising out of the operation of the postal service, but he may refer items which he cannot collect to the Comptroller General for collection;

5. Establishing a revolving fund for the Post Office Department;

6. Authorizing the Postmaster General to designate the places where administrative examination of accounts be made (now required to be made in Washington);

7. Authorizing and directing the General Accounting Office to audit the financial transactions of the Post Office Department. A less than 100 percent audit may be made at the option of the Comptroller General;

8. Providing for separately setting out in the annual statement of revenues and expenditures of the Post Office Department those items presently certified to the Secretary of the Treasury and the Comptroller General under the act of June 9, 1930;

9. Permits more flexibility in making leases for real estate;

10. Transferring to the Post Office Department such records, property, personnel, appropriations, etc., primarily connected with functions transferred under the bill; and

11. Rescinds specific laws which will no longer be necessary if the bill is enacted.

DESIGNATION OF RUFUS WOODS LAKE

Mr. MAGNUSON. Mr. President, I introduce for appropriate reference a joint resolution which would provide for the designation as Rufus Woods Lake of the huge lake which is to be formed by the waters impounded by the Chief Joseph Dam, in my State, which is to be one of the largest hydroelectric power plants in the world.

The reason for that designation is quite obvious to those of us who live in the Pacific Northwest and who have been interested in the great development of the potentials of our hydroelectric reclamation and irrigation projects. Rufus Woods was one of the pioneers in the city of Wenatchee, Wash., and for many years he edited and published the Wenatchee Daily World. That newspaper, largely through the personal efforts of Mr. Woods, was primarily responsible for the early pioneering work of acquainting the people of the State of their vast potential resources. Mr. Woods was unceasing in his efforts. He kept hammering away at the facts, the ascertainment which led to much of the awareness, not only within the State of Washington and in the Pacific Northwest, but in the Congress, of the need for development of those great projects. He lived to see a substantial development of the Columbia River. However, unfortunately he passed away a few weeks ago, not living to see the culmination and fruition of his real dream, namely, the building of the Chief Joseph Dam, which is to supply power for the great Wenatchee Valley.

I think it only appropriate at this time, and I am sure it will meet with the approval of every resident of the State of Washington, that the great lake which is to be formed behind Chief Joseph Dam be named in honor of Rufus Woods. The large lake behind Grand Coulee has been named appropriately Franklin D. Roosevelt Lake, because, along with Rufus Woods and other pioneers, he had a great deal to do with the development of the Grand Coulee and the building of the power dam.

I hope the Senate and House will look with favor upon this joint resolution. If they do, it will meet with the gratitude of all of us who revere the memory of Rufus Woods.

Mr. CAIN. Mr. President, will the Senator yield for a short observation?

Mr. MAGNUSON. I yield.

Mr. CAIN. I should very much like to associate myself with the remarks of the Senator regarding the very distinguished American, Rufus Woods, to whom all of us throughout the Pacific Northwest have reason to be grateful, and whom we shall miss in the years to come.

Mr. MAGNUSON. I thank my colleague.

The joint resolution (S. J. Res. 192) to designate the lake to be formed by the waters impounded by the Chief Joseph Dam in the State of Washington as Rufus Woods Lake, introduced by Mr. MAGNUSON, was read twice by its title, and referred to the Committee on Public Works.

REDUCTION OF EXCISE TAXES—AMENDMENT

Mr. JOHNSON of Colorado submitted an amendment intended to be proposed by him to the bill (H. R. 8920) to reduce excise taxes, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

BOUNDARY AGREEMENT BETWEEN MISSOURI AND KANSAS—ADDITIONAL COSPONSORS OF JOINT RESOLUTION

Mr. KEM. Mr. President, Senate Joint Resolution 147, giving the consent of Congress to an agreement between the State of Missouri and the State of Kansas establishing a boundary between said States, was reported favorably today by the Senate Judiciary Committee. The joint resolution gives the consent of Congress to a boundary agreement between the States of Missouri and Kansas. The junior Senator from Kansas [Mr. DARBY] introduced a similar joint resolution, Senate Joint Resolution 181. That joint resolution was not acted on by the Judiciary Committee because it would accomplish the same result as Senate Joint Resolution 147. I ask unanimous consent that the junior Senator from Kansas [Mr. DARBY], together with the senior Senator from Missouri [Mr. DONNELL], and the senior Senator from Kansas [Mr. SCHOEPPEL] be recorded as joint cosponsors of Senate Joint Resolution 147.

The VICE PRESIDENT. Is there objection to the request of the Senator from Missouri? The Chair hears none, and it is so ordered.

MAJOR FOREIGN AND DOMESTIC ISSUES—INTERVIEW WITH SENATOR SMITH OF NEW JERSEY

[Mr. SMITH of New Jersey asked and obtained leave to have printed in the RECORD a transcript of an interview, in which he discussed major issues of domestic and foreign policy now before Congress, in the Washington Report, radio series, June 25, 1950, which appears in the Appendix.]

THE FAITH OF OUR FATHERS—ADDRESS BY WILLIAM JENNINGS BRYAN, JR.

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an address entitled "The Faith of Our Fathers," delivered recently by William Jennings Bryan, Jr., before the Democratic Luncheon Club of Los Angeles, Calif., which appears in the Appendix.]

"DURING GOOD BEHAVIOR"—THE NATIONAL JUDICIARY — ADDRESS BY WALACE HAWKINS

[Mr. KERR asked and obtained leave to have printed in the RECORD an address entitled "'During Good Behavior'—The National Judiciary," delivered on June 22, 1950, by Walace Hawkins, of the Dallas Bar Association and State Bar of Texas, to the Mississippi Bar Association at Biloxi, Miss., which appears in the Appendix.]

COMMENT ON RECENT ADDRESS BY SENATOR SMITH OF MAINE

[Mr. JENNER asked and obtained leave to have printed in the RECORD a letter from B.

Brewer, publisher of the Standard Times, of New Bedford, Mass., to Senator SMITH of Maine, which appears in the Appendix.]

FORGOTTEN MEN IN VETERANS' HOSPITALS

[Mrs. SMITH of Maine asked and obtained leave to have printed in the RECORD an article entitled "Forgotten Men in Our Veterans' Hospitals," written by Holman Harvey, and published in the May 1950 issue of the Reader's Digest, which appears in the Appendix.]

SOCIAL SECURITY IMPROVEMENTS—EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial entitled "Social Security Improvements," published in the New York Herald Tribune of June 22, 1950, which appears in the Appendix.

OPERATIONS OF THE NATIONAL LABOR RELATIONS BOARD—ARTICLE FROM BUSINESS WEEK AND STATEMENT BY THE NATIONAL LABOR RELATIONS BOARD

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "Peaceful Revolution," relating to the operations of the National Labor Relations Board, published in Business Week Magazine for June 17, 1950, and a statement by the National Labor Relations Board, which appear in the Appendix.]

THE RACINE, WIS., 100-PIECE BOY SCOUT BAND CONCERT AT SYLVAN THEATER, WASHINGTON, D. C.

[Mr. WILEY asked and obtained leave to have printed in the RECORD a Department of the Interior press release relating to a special concert at the Sylvan Theater in Washington, D. C., on June 26, 1950, by the Racine, Wis., 100-piece Boy Scout band, which appears in the Appendix.]

GREECE ASKS JUSTICE—ARTICLE BY SOTERIOS NICHOLSON

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "Greece Asks Justice," written by Soterios Nicholson, and published in the Atlantis for June 25, 1950, which appears in the Appendix.]

DEWEY FINE CITIZEN AND PUBLIC OFFICIAL — EDITORIAL FROM THE WASHINGTON (PA.) OBSERVER

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Dewey Fine Citizen and Public Official," published in the Washington (Pa.) Observer of June 22, 1950, which appears in the Appendix.]

MEETING OF BOY SCOUTS AT VALLEY FORGE—EDITORIAL FROM THE PHILADELPHIA INQUIRER

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "American Boys at a Shrine of Freedom," published in the Philadelphia Inquirer of June 25, 1950, which appears in the Appendix.]

THE RAILROAD STRIKE

[Mr. DONNELL, by separate requests, asked and obtained leave to have printed in the RECORD nine newspaper articles regarding the current railroad strike, which appear in the Appendix.]

POPULATION INCREASE, HIGHER PAY LEVEL NEXT—ARTICLE FROM THE TULSA TRIBUNE

[Mr. KERR asked and obtained leave to have printed in the RECORD an article entitled "Population Increase, Higher Pay Level Next," published in the Tulsa Tribune of June 15, 1950, which appears in the Appendix.]

SOIL, WATER PROGRAMS INDICATE NEW BOOM—ARTICLE FROM THE TULSA TRIBUNE

[Mr. KERR asked and obtained leave to have printed in the RECORD an article entitled "Soil, Water Programs Indicate New Boom," published in the Tulsa Tribune of June 16, 1950, which appears in the Appendix.]

STATE IRRIGATION PLANS STALLED BY HIGH COSTS—ARTICLE FROM THE TULSA TRIBUNE

[Mr. KERR asked and obtained leave to have printed in the RECORD an article entitled "State Irrigation Plans Stalled by High Costs," published in the Tulsa Tribune of June 19, 1950, which appears in the Appendix.]

THE RAILROAD STRIKE

Mr. DONNELL. Mr. President, again recognizing the utmost importance of the enactment into law of Senate bill 3463, to make unlawful any strike or any lock-out by a carrier arising out of or in connection with any dispute falling within the purview of the Railway Labor Act, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an editorial entitled "Unions and Public Opinion," which appeared in the New York Times of Saturday, June 24.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNIONS AND PUBLIC OPINION

Five of the Nation's key railroad systems were tied up from May 10 to May 15 by a strike of locomotive firemen. At 7 o'clock tomorrow morning another group of five roads is scheduled to be struck—this time by the A. F. of L. switchmen's union. And threats of strikes on a Nation-wide scale have been voiced by two of the carriers' Big Four brotherhoods—the Order of Railway Conductors and the Brotherhood of Railroad Trainmen.

Other railroad disputes, too, are reported to be moving toward the walk-out point. But these three have one important characteristic in common. In each case the union has carried the issue through the preliminary stages provided by the Railway Labor Act to the highest tribunal under that law, a Presidential fact-finding board. And in each case the union is striking, or threatening to strike, not because it hasn't had a fair trial but because an able, fair-minded and disinterested court has refused to concede its demands 100 percent.

For about a decade after it was passed, the Railway Labor Act functioned pretty much as its authors had hoped it would. Labor and management used its facilities sparingly because they preferred to settle their differences between themselves. When they took their disputes to the Mediation Board, it was because they believed that such a course might expedite a settlement. Then a development occurred which was to mark the beginning of the end of this period of the Board's successful operation.

This was the discovery by the railroad unions that by throwing their weight around politically they could, in a manner of speaking, make the railway labor law work for them. From that time forward they showed less and less interest in threshing out disputes with management and more in seeing what they could get from the Mediation Board in the way of compromise. Soon the Mediation Board, in turn, became only a whistle stop on the way to the fact-finding board, appointed directly by the President. And, finally, the day came when they found that if enough pressure were put on the White House they could often wangle something additional to what had been granted them by the fact-finding board.

When situations arise such as the walkout of last month and the three new walkouts now threatened, the stock defense of the union leaders is that there is "nothing in the Railway Labor Act" which compels them to accept a fact-finding board's recommendations. It is true the recommendations have behind them only the compulsion of public opinion. Unfortunately, it is equally true that the unions have been trading on this very fact now for a decade. They have recognized and exploited the fact that the railroads, being a public utility, cannot use the economic weapon of the lock-out against them and that by resorting to force they are dealing, therefore, with an antagonist who is unarmed. This may be "smart" tactics, but obviously it outrages the whole spirit of the Railway Labor Act, the basic purpose of which was to insure the uninterrupted maintenance of national transportation.

We think that in electing to circumvent the spirit of the Railway Labor Act the railway labor unions will find before too long that they have made a serious miscalculation. We think they will find that they have greatly underrated the power of public opinion, which their actions suggest they hold in very low esteem. Largely because they are so heavily fraught with public interest and necessity, the railroads are treated differently before the law than other corporations. A railroad may not cease operations at will, as an industrial plant may shut down. If a railroad defaults on its debts, its creditors may not descend upon it, break it up, and divide its physical assets among them. It must be preserved as a going concern, in the interest of public convenience and necessity.

The unions who operate these railroads are no less economically monopolistic than the carriers themselves, and they are under no less responsibility than railroad management to see that interruptions are prevented from occurring in the flow of goods from one area to another. If the unions persist in ignoring this responsibility, then the time will come—and it will come in the not too distant future, in our opinion—when the public and the Congress will take that choice out of their hands once and for all.

Mr. DONNELL. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an editorial entitled "Dangerous Strikes," which appeared in the Washington Daily News of Saturday, June 24.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DANGEROUS STRIKES

The A. F. of L. Switchmen's Union has ordered a strike tomorrow by 4,000 of its members against five western railroads. The Brotherhood of Railway Trainmen and the Order of Conductors threaten a national strike by 250,000 members on July 15.

All three unions object to the recommendations of a Railway Labor Act fact-finding board appointed by the President.

They had demanded a 40-hour week, at the same pay now received for 48 hours, for some 80,000 members employed as railroad yard workers. The board recommended the 40-hour week with a wage raise of 18 cents an hour as a partial offset to the loss of 8 hours' pay. It turned down increases demanded for other members of the trainmen's and conductors' unions.

Presidents Kennedy of the trainmen and Nemitz of the conductors call the board's report "unjust, unfair, inequitable, and injurious." Rank-and-file workers, they say, are dissatisfied with the Railway Labor Act and feel that they can get more through direct negotiations.

The Railway Labor Act does not compel acceptance of fact-finding board's recommendations. So the unions are within their legal rights in threatening to strike, or actually striking, as a means of trying to enforce their full demands.

But, in this newspaper's opinion, the country would not tolerate strikes which deprived it of railroad services essential to national health and safety.

A certain result of such strikes would be immense growth of public demand for compulsory arbitration of railway labor-management disputes, as proposed by Senator DONNELL, Republican of Missouri, in a bill now before Congress. A quite probable result would be enactment of the Donnell bill.

Both labor and management have often complained against the workings of the Railway Labor Act. But if that law and its voluntary principles are destroyed by strikes, what replaces it will surely be far more unsatisfactory to the unions.

Mr. DONNELL. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an article entitled "Switchmen Strike, Halting Operation of Four Roads in West," appearing in this morning's New York Times.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SWITCHMEN STRIKE, HALTING OPERATION OF FOUR ROADS IN WEST—REJECTING PLEAS OF NATIONAL MEDIATION BOARD FOR DELAY, 4,000 QUIT ON FIVE RAILWAYS—EAST IS ESCAPING EFFECTS—TRAINS SHIFT TO OTHER LINES—ROCK ISLAND, WESTERN PACIFIC, DENVER & RIO GRANDE, GREAT WESTERN HIT

CHICAGO, June 25.—Four thousand members of the Switchmen's Union of North America, American Federation of Labor, walked off their jobs today on five midwestern and western carriers. The strikers demand shorter hours and more pay.

The strike was the second major railroad walk-out in 40 days.

Ignoring last-minute efforts of the National (Railway) Mediation Board to postpone the strike, the railroad yard employees, who for the most part operate manual switches, abandoned their posts at 6 a. m. central standard time.

As a result, all through passenger and freight trains on four of the roads involved were halted for the duration of the emergency when they reached their destinations.

The exception was the Great Northern Railway Co., on whose 8,000-mile system only 60 of 15,000 switchmen are members of the striking union. The rest are members of the Brotherhood of Trainmen.

The four other roads involved in the strike call issued on Wednesday by Arthur J. Glover, of Buffalo, N. Y., union president, are the Chicago, Rock Island & Pacific Railway Co., the Chicago & Great Western, the Denver & Rio Grande Western Railroad Co., and the Western Pacific Railroad Co.

HUNDREDS OF CARS DIVERTED

There were indications tonight that eastern shippers and passengers would not be seriously affected by the strike. The struck lines, it was learned, are turning over hundreds of their cars for use by carriers unhampered by the walk-out. The Rock Island disclosed that all of its special trains assigned to carrying delegates to and from the Shrine convention in Los Angeles had been switched to operating transcontinental roads.

As the struck roads were taking steps to remove about 66,000 employees from their payrolls, steps toward a possible settlement were taken by the Mediation Board.

Francis A. O'Neill, Jr., Board Chairman, said this afternoon that Mr. Glover had agreed to return to Chicago from his Buffalo headquarters tomorrow morning for a meeting at 10 a. m. with the Board and the railroads. Mr. O'Neill disclosed that he had telegraphed Mr. Glover today and had expected him here today, but his arrival had been postponed.

Before the strike became effective, Mr. O'Neill and T. E. Bickers, secretary of the Board, had wired Mr. Glover urging postponement of the walkout.

SERIOUS INTERFERENCE CITED

Mr. O'Neill asked for postponement until Tuesday, when he has scheduled a meeting in Chicago with the Brotherhood of Railroad Trainmen and the Order of Railway Conductors to discuss the recent Presidential emergency board's recommendation of a 40-hour week and 18-cent pay increase. Mr. Glover refused to agree to a postponement.

These two unions are currently negotiating with the Nation's carriers. Heads of the unions have called a meeting of their general chairmen here July 10. They are legally free to strike on July 15.

Mr. Bicker's telegram stressed that failure to postpone the walkout would "seriously interefere" with the Board's negotiations involving the trainmen and conductors on Tuesday.

To Mr. Bicker's request that the switchmen's negotiating committee resume concurrent mediation with the trainmen and conductors Mr. Glover replied:

"The railroads not only offered no solution to the dispute, but absolutely refused to bargain in the spirit intended by the Railway Labor Act.

"It is our position that no board heard our dispute in accordance with the provisions of the Railway Labor Act, consequently there could be no board recommendations that would apply to us."

The switchmen are asking a 40-hour week, equivalent to an hourly increase of 31 cents. The union recently won a contract with the Delaware, Lackawanna & Western Railroad providing 48 hours for a 40-hour week. This contract sets the daily pay scale at $13.06 to $15.67 for switch foremen or yard conductors; from $12.21 to $14.65 for helpers or yard brakemen, and from $10.71 to $12.86 for switch tenders.

LARGE TERRITORY AFFECTED

The western territory that faced disruption of travel and shipping is shown by the areas traversed by the struck lines. The Rock Island's 8,000 miles of trackage cross Illinois, Iowa, Minnesota, South Dakota, Missouri, Kansas, Nebraska, Colorado, New Mexico, Texas, Oklahoma, Louisiana, Arkansas, and Tennessee.

The Great Western's 1,500 miles of tracks cross Illinois, Iowa, Missouri, and Minnesota.

The Denver & Rio Grande, operating out of Denver, crosses Oklahoma and Utah, where it terminates in Salt Lake City. In addition, it has a number of offshoots in both States.

The Western Pacific, starting at Salt Lake City, crosses Utah, Nevada, and has terminals in Sacramento and San Francisco in California.

The main terminal of the Great Northern is at the Twin Cities. From there and Duluth and Superior the vast system sprawls across the northern tier of States and has terminals at Portland, Oreg., Seattle, Wash., and Vancouver in British Columbia.

OPPOSING STATEMENTS ISSUED

During the day Mr. Glover and the railroads issued statements in which they clashed on the strike issues. Asserting that the walk-out of 4,000 of his union's 25,000 members would stay in effect until we win our objective, Mr. Glover added:

"The major issue in this dispute is the 40-hour week. Many of our switchmen now work 48 to 56 hours a week without overtime pay.

"Most of the industry has operated on a 40-hour week for years. There is no reason why the railroads can't put switchmen on a 40-hour week. Already more than 1,000,000 railroad employees work a 40-hour week.

"Our strike is a legal strike for legitimate demands. We are sorry if the strike causes inconveniences to the public, but the responsibilities for that strike rests entirely with the railroads."

Contending that the 44-hour week isn't an issue at all, a spokesman for the railroads said:

"They were offered the 40-hour week and an 18-cent hourly wage increase on recommendation of the Presidential Fact-Finding Board. Glover turned it down."

COMPENSATION CALLED ISSUE

"The real issue is compensation for the 40-hour week. The union is demanding 48 hours pay for 40 hours, or 31 cents in terms of hourly pay increase.

"As for the 50-hours-a-week work, there isn't a single switchman who is required to work 56 hours, or 7 days. Some of them do because they want to earn the extra pay it brings them."

Meanwhile, officials of the switchmen's union said that pickets had been stationed at yard offices and terminals of the five struck railroads. In Chicago one patrolman was assigned to strike duty at the Rock Island yards. He reported all quiet.

Two other strike threats confront the railroads.

The Railroad Yardmasters of America, A. F. of L., are legally free to strike on or after July 15. They have assailed as disgraceful the June 15 recommendations of a Presidential fact-finding board.

In addition, the Pullman conductors division of the Order of the Railway Conductors, numbering 2,200, have set a strike for 6 a. m. standard time, July 11. The legal machinery of the Railway Labor Act is expected to head off the walk-out for 60 days.

Mr. DONNELL. Mr. President, it is my intention not to consume further time at this point, in view of the debate which is to occur on the conference report. However, later in the day I shall submit a request for unanimous consent to introduce various other articles on the question of the railroad strike.

Mr. DONNELL subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD certain editorials which I shall submit in a moment. My reason for making the request is the pendency of the switchmen's strike, now in progress on the Chicago, Rock Island & Pacific Railroad; the Chicago Great Western Railroad; the Denver & Rio Grande Western Railroad; the Western Pacific Railroad; and the Great Northern Railway Co.; and also the other recent strikes or strike threats which have confronted the railroads.

Mr. President, not only do these strike threats concern the railroads, but, deeper and much more fundamental and of much greater importance, they concern the public of the United States.

There is now pending a bill, which I had the honor of introducing on April 21 of this year, Senate bill 3463, to make unlawful any strike or any lock-out by a carrier arising out of or in connection

with any dispute falling within the purview of the Railway Labor Act.

Mr. President, by reason of the pendency of the existing strike, by reason of the other strike threats which now confront the railroads and confront the public itself, and by reason of the tremendously urgent importance of the enactment by Congress of the proposed legislation embraced in Senate bill 3463, I ask unanimous consent to have incorporated at this point in the body of the RECORD, as part of my remarks, first, an editorial entitled "The Donnell Bill," appearing in the Chicago Journal of Commerce of May 11, 1950.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE DONNELL BILL

The Donnell bill is strong medicine—but the patient is mighty sick. The measure offered to the Senate by the Missouri Republican would require compulsory arbitration in railway labor disputes. The voluntary method of settling labor disputes, set up in the railway labor act, has proved a dud. Indeed that entire statute, once regarded as a model of labor legislation, has come to look feeble and flabbly and futile.

The need for heroic measures is underlined by the strike of 18,000 members of the Brotherhood of Locomotive Firemen and Enginemen. In their fanatical fight to force the Nation's railroads to place an extra fireman—unwanted and unneeded—on multi-unit Diesels, the firemen have choked off operations on four major railroads. Presidents of three of those lines—Gurley of the Santa Fe, Metzman of the New York Central and Franklin of the Pennsylvania—have flatly declared that voluntary arbitration has failed.

The Nation's transportation system is suffering from union-made thrombosis. Talk and handwringing won't make it well. That's why we favor stronger remedies.

The phrase "compulsory arbitration" hasn't a pretty sound. Americans don't like compulsion in any form. Nevertheless, where the public welfare is closely and vitally affected, it appears the only swift and sure solution. The alternatives in this case are (a) continuation and broadening of the rail stoppage—a disaster that would cripple American business; and (b) capitulation to one of the most outrageous featherbedding demands in the history of labor relations.

Twice fact-finding boards have denied the union's contention that a third man was needed on Diesels for reasons of "safety." It is unthinkable that any fair-minded board of arbitration could find otherwise. The railroads can submit to arbitration—compulsory or voluntary—in serene confidence. The union, of course, cannot.

The Nation is faced with possible economic strangulation or cowardly surrender—or swift passage of the Donnell bill.

Mr. DONNELL. Second, Mr. President, an editorial entitled "Wheels A-Stopping," appearing in the Chicago Journal of Commerce of June 23, 1950.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHEELS A-STOPPING

Sunday morning, if his threat holds good, A. J. Glover will pull the switch and the light will flash red for scores of trains on five rail systems.

Mr. Glover is president of the A. F. of L. Switchmen's Union of North America, which has decided to ignore the recommendation of a Presidential fact-finding board. The board proposed that henceforth the switchmen, as well as unions representing trainmen and conductors, be awarded 44 hours' pay for 40 hours' work. The unionists, however, demand 48 hours' pay for 40 hours' work, plus a reduction of the basic workday in passenger service to 5 hours.

And so the switchmen will go on strike. The trainmen and conductors may also strike when their statutory cooling-off period expires on July 15. In any case some or all of the five struck railway lines will cease operations before 6 o'clock Sunday morning.

As usual everyone will suffer except the union leaders who called the strike. The rail systems and their stockholders will lose money. Shippers and passengers (including many Chicago suburban commuters) will be seriously inconvenienced. Four thousand switchmen and many thousands of nonstriking employees of the railway systems will find their incomes choked off.

Reason for the precipitate action by the switchmen's union, according to D. P. Loomis, chairman of the Association of Western Railways, is the fact that leaders of that union, although representing only 5 percent of the switchmen, entertain an ambition to get out ahead of the trainmen and conductors.

The prospect of this damaging and cynical strike could easily have been averted. On May 11 we editorially supported the Donnell bill, which would require compulsory arbitration in railway labor disputes. But on May 17 our Washington bureau reported that there was little chance of action in the Senate Labor Committee on the bill. By that time the firemen's strike had ended. And with that spur removed, the Senators had no wish to dabble with a politically touchy measure.

But by now it should be obvious that something very like the Donnell bill is the only visible means of immunizing the Nation against transportation paralysis. Where the United States economic health is involved, politics should take second place—and a poor second at that.

Mr. DONNELL. Third, Mr. President, an editorial entitled "They Offer Nothing," appearing in the Charlotte (N. C.) Observer of June 17, 1950.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THEY OFFER NOTHING

Those who bitterly denounce the bill introduced by Senator DONNELL, of Missouri, to prevent railroad strikes ought to propose a better way.

Testifying before the Senate Labor Committee, President William Green, of the American Federation of Labor, denounced the measure as an attempt to establish a phase of Russian philosophy into American life, and a gratuitous insult because it assumes that labor would permit a real national emergency to develop.

He apparently wishes us to believe either that a strike that would paralyze the rail transportation system of the Nation would not create a national emergency or else that the railroad workers would never stage such a strike, even if called upon by their leaders to do so.

He said: "Any legislative assumption that the working people of this country are so lacking in patriotism and moral fiber is a sad commentary, not on the workers, but on the state of mind of those very legislators."

Green had the support of Senator NEELY, of West Virginia, who said "the Donnell bill would provide unlimited aid and comfort for every Communist recruiter in the country who seeks recruits in the ranks of labor."

But neither Green nor NEELY suggested any better plan for protecting the country against the national emergency of a Nation-wide railroad strike than the Donnell bill, which would prohibit rail strikes and require compulsory arbitration of railroad labor disputes.

It is based on the premise that the public interest is predominant to that of either labor or management in a dispute which threatens a national emergency.

But the opponents wish us to believe that the rank and file of railroad workers would never follow their leaders to stage a strike that would create a national emergency by paralyzing the Nation's railroad transportation system.

Mr. DONNELL. Fourth, Mr. President, an editorial entitled "Certainly Mr. Green Prefers Seizure," published in the Louisville Courier Journal of June 15, 1950.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CERTAINLY MR. GREEN PREFERS SEIZURE

Government seizure of strike-bound industries is one way to get them going again. In practice, however, it has amounted to a union victory more often than not. Because of that it is somewhat less than surprising to find William Green, president of the American Federation of Labor, opposing the proposal of Missouri's Republican Senator DONNELL to outlaw railroad strikes.

Instead, Mr. Green suggested to Congress, Why not simply give the President authority to seize the railroads in critical labor disputes?

"We wouldn't object to that," assures Mr. Green in a small masterpiece of understatement.

The last time the Government seized a strike-bound industry was in 1946. The industry was coal. When the dust had settled the United Mine Workers had a healthy pay raise; their portal-to-portal day was cut from 8 to 7 hours; the employers were contributing 10 instead of 5 cents to the miners' welfare fund; paid lunch periods were longer, and the now-famous able-and-willing clause was tucked into their contract as a condition of work.

It was a total victory for John L. Lewis.

Since Government seizure in the past has meant that private ownership would get its business back with most of labor's demands agreed to, Government seizure has meant a collapse of collective bargaining in favor of the union. We have an idea that industrial management is not excessively opposed to this turn of events, because it may take the cheerful position that the settlement is none of its responsibility, and, whatever the cost, it may be passed along to the consumer.

Senator DONNELL's proposal would submit critical rail disputes to compulsory arbitration, which in his view is like submitting other disagreements to the civil courts. Mr. Green takes the somewhat extravagant position that the Donnell bill is flavored with Russian philosophy and is a gratuitous insult to all organized labor.

The Donnell plan needs further discussion, since if it were enacted as law it would have wide significance in organized labor outside the railroad brotherhoods, and since compulsory arbitration anyway is a subject of violent dispute. With no further discussion at all, however, Mr. Green's suggestion may be seen to offer no help.

(At this point Mr. DONNELL submitted nine newspaper articles on the railroad strike, which at his request were ordered to be printed in the Appendix of the RECORD, and appear there.)

Mr. DONNELL. Mr. President, in connection with these railway strikes—such as the one now in progress; such as the one we had a month ago; such as those which have been threatened; such as that in 1946, which tied up the

Nation's network of railways, and resulted in an immediate paralysis of service; such as the strike which was threatened in 1948, and was prevented only by Federal injunction—again I make the point, Mr. President, as I have made it time and time again on the floor of the Senate and in the Senate Committee on Labor and Public Welfare, that the interest of the public demands that there be enacted legislation, as is proposed in Senate bill 3463, to make unlawful any strike or any lock-out by a carrier arising out of or in connection with any dispute falling within the purview of the Railway Labor Act.

### CITATION OF SENATOR MAGNUSON FOR SERVICE TO THE MERCHANT MARINE

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled, "Events of Interest in Shipping World." The article refers to a distinguished honor which is to be given to one of our colleagues, the able and distinguished Senator from Washington [Mr. MAGNUSON].

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EVENTS OF INTEREST IN SHIPPING WORLD—SENATOR MAGNUSON WILL GET CITATION TODAY FOR SERVICE TO THE MERCHANT MARINE

Senator WARREN G. MAGNUSON, Democrat, of Washington, will be honored this morning by the Marine News Board of Awards with a citation.

Joseph F. Kelly, chairman of the board, said yesterday that the presentation would be made by Vice President ALBEN W. BARKLEY at a ceremony in the Senate Office Building.

Mr. Kelly said the Senator had been closely identified with virtually all the progressive maritime legislation now being considered by the upper House, and he paid particular tribute to his championing an adequate merchant marine.

This will be the eighth award made by the board, which was formed a year ago. Besides Mr. Kelly other members are George H. Palmer and W. P. Dodge.

Others honored by the board were Charles E. Wilson, president of the General Electric Co.; John G. Pew, president of the Sun Ship Building & Dry Dock Co.; William P. Roth, president of the Matson Navigation Co.; John M. Franklin, president of the United States Lines; George G. Sharp, of New York, the naval architect; William S. Newell, chairman of the board of the Bath Iron Works Corp. and head of the United Seamen's Service; and Le Grand Skinner, pioneer marine engineer and designer of the world's largest marine engine.

A special citation was also presented to Federal Judge Harold R. Medina of the southern district of New York.

### ATTITUDE OF GREAT BRITAIN TOWARD WESTERN EUROPE AND EUROPEAN UNITY

Mr. SMITH of New Jersey. Mr. President, last Friday, June 23, there was published an important letter from the British Ambassador, Sir Oliver Franks, to ECA Administrator Paul Hoffman. This letter was in response to an informal inquiry which Mr. Hoffman made at my suggestion.

The letter outlines the attitude of Great Britain toward western Europe and the contributions which Britain has made and hopes to make toward European unity. It goes further than any British statement I have seen in stressing British support for unity in Europe.

At the same time is was disappointing to me because my main concern was the obscure position of the British Government and the British Labor Party on the Schuman plan for a European coal-steel pool. I had hoped that some clarification would be forthcoming on this particular question, but it is understandable that since it is now in debate in the British Parliament no statement can be made at the moment. When that debate is concluded I hope that we may get more light on the British position, which may well be decisive for the success or failure of the Schuman plan.

I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, the text of Mr. Hoffman's letter to Ambassador Franks and the text of the Ambassador's reply.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JUNE 19, 1950.

His Excellency Sir OLIVER FRANKS,
*Ambassador of Great Britain,*
*Washington, D. C.*

DEAR MR. AMBASSADOR: You will know that when I appeared before the Senate Armed Services and the Senate Foreign Relations Committees on June 15 I was asked for an informal statement clarifying British policy in relation to western Europe. I agreed that such a clarification was desirable at the present time and I should be very grateful if you, as British Ambassador to the United States, would give me a statement which serves this purpose.

Sincerely yours,

PAUL G. HOFFMAN,
*Administrator.*

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BRITISH EMBASSY,
*Washington, D. C., June 21, 1950.*

The Honorable PAUL G. HOFFMAN,
*Economic Cooperation Administrator,*
*Washington, D. C.*

DEAR MR. HOFFMAN: I am very glad to reply to your letter asking me for an informal statement on British policy in relation to western Europe. These are my views as British Ambassador to the United States.

The policy of the British Government is to cooperate with other western European countries and work with them for unity in Europe. This has been the policy of the British Government during the years since the war. It is so today. In virtue of history and geography alike such a policy is a vital necessity for Britain.

In carrying out this policy the British Government has worked and is working closely with other western European governments to develop and accomplish the common purposes which give increased strength and unity to all. The record shows the constructive and positive part Britain has played in the economic sphere, in matters of defense, and in the new political venture of the council of Europe.

The British Government took the lead in drawing up the convention under which OEEC was established in Paris following upon General Marshall's speech. The British Government has since worked in one team with the other democratic countries which are members of the OEEC, whether or not they differ in their domestic policies. This is the policy stated by the Prime Minister in the House of Commons on Tuesday, June 13, 1950, when he said:

"The Government has always made clear, both at the OEEC and elsewhere, that they are fully prepared to cooperate in the closer integration of the European economy with other countries which hold different economic views."

In the work of OEEC we have cooperated fully in the intra-European payments arrangements of the last 2 years and in connection with them have given further assistance in the form of credits to other participating countries. We were among the first to advocate and carry out the policy of liberalization of trade in western Europe. There has resulted a substantial freeing of trade between Britain and western European countries. It is a matter of record that total imports by Britain from other OEEC countries were £231,000,000 in 1947; £327,000,000 in 1948; and £448,000,000 approximately in 1949.

The European Payments Union which is now being worked out in OEEC will mark another major step in the freeing of monetary and trading conditions from which a further expansion of intra-European commerce will result. It has not been easy for Britain to offer to enter the European Payments Union as a full member. We have continuously exerted ourselves to do so, and now believe that, with the help of our European neighbors and the Office of the Special Representative, we have found the way to reconcile our membership of the Commonwealth with membership of the European Payments Union to the mutual advantage and prosperity of both these great trading areas. Britain is the focus of the Commonwealth, the maintenance of which we believe to be vital not only to its members but also to the free world. And it is only as the focus of the Commonwealth that the strength of Britain can make its full contribution to European recovery and unity. The long discussions which have taken place in Paris are evidence of the constructive and successful effort we have put forth to achieve full membership of the European Payments Union.

In recent weeks we gave an immediate welcome to the French initiative displayed in the Schuman plan. The Prime Minister said in the House of Commons on May 11:

"His Majesty's Government will approach the problem in a sympathetic spirit and desire to make it clear at the outset that they welcome this French initiative to end the age-long feud with Germany and so bring unity and peace to Europe."

Mr. Attlee again made the British attitude plain in the House of Commons on June 13:

"His Majesty's Government desire to help, not to hinder in this matter, and the manner in which they can best do so will only appear after the negotiations have begun."

In matters of defense, western union was a British initiative. Britain took the lead in negotiating the Brussels Treaty and establishing an integrated defensive system for the common defense of the territories of the five signatory countries—Belgium, Britain, France, Luxemburg, and The Netherlands. Under this system these five nations have made common arrangements for the build-up of land forces, backed by tactical air forces and a joint air defense system, and for the control and defense of vital sea communications. They are also cooperating in the production of equipment to support these forces.

Western union has now become one regional element in the wider North Atlantic Treaty organization. Britain has gladly played her full part in the wider integrated system and has, like the United States, backed up her willingness by making contributions of arms and equipment to her allies to the limit of what her financial and economic resources could bear without impairing her prospects of recovery. Since the end of the war Britain has contributed in the form of gifts, loans, or sales at greatly reduced prices well over $1,000,000,000 worth of arms and equipment to friendly countries, mainly to western European governments and Greece and Turkey.

Britain has also contributed positively to the idea of European unity in supporting the Council of Europe. Britain took a worthy part in the discussions which preceded the setting up of the Council and has been concerned throughout that its constitution should enable the Council to operate with real effect.

Britain is a power with world-wide interests, responsibilities, and commitments. Just as cooperation with her western European neighbors and the vigorous promotion of unity in Europe is a vital necessity for Britain so her associations in the Commonwealth and in the Atlantic community are also vital. The foreign policy of Britain rests upon and draws strength from these vital relationships with Europe, the Commonwealth, and the Atlantic community. It is the aim of British policy so to reconcile these relationships that they perpetually reinforce each other and by their complementary strengths add vigor and resource to the free world.

Yours sincerely,

OLIVER FRANKS.

## CHARLES L. WATKINS

Mr. WILEY. Mr. President, in the Washington Star for today, June 26, there is an article entitled "Mr. Watkins is the Senate's Solomon." The article refers to our beloved Charles L. Watkins, whom we have the privilege of looking at every day. I desire to read from the first two paragraphs of the article:

Charles L. Watkins is a mild man who holds a job in which he's supposed to have the impartiality of Solomon.

He must be doing all right, because he's had his job a long time—

Mr. President, I shall not read the remainder of the paragraph; in fact, I would suggest that it be stricken out, because it says:

in a place where tempers are short and suspicions sharp.

I ask unanimous consent that the entire article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MR. WATKINS IS THE SENATE'S SOLOMON

(By James Marlow)

Charles L. Watkins is a mild man who holds a job in which he's supposed to have the impartiality of Solomon.

He must be doing all right because he's had his job a long time in a place where tempers are short and suspicions sharp.

Mr. Watkins, who is 70, is the Senate Parliamentarian. In fact, he's the only full-time Parliamentarian the Senate ever has had.

In this job, he's supposed to walk down the middle, looking neither at the Democrats nor Republicans, while unscrambling the Senators from their own red tape, of which there is plenty.

Until 1883, the Senate had 44 rules. In that year, in what must have been an economy wave, the Senate reduced its rules from 44 to 40.

It still has the same 40, and it does its business according to those rules.

Any time a Senator acts contrary to what another Senator thinks one of the 40 rule means, his hand is called.

And since Democrats and Republicans are always pulling the rule book on one another, there's work for Mr. Watkins.

In short, he's supposed to help straighten them out on what the rules mean. At this point maybe you're thinking:

"Well, if there are only 40 rules, don't all the Senators know them by heart? Why do they need Watkins?"

In the first place, the 40 rules cover about 50 pages in a booklet called the Senate Manual.

It's safe to say no Senator knows the 40 rules by heart. Not even Mr. Watkins, who knows them inside out, can recite them word for word.

Further, there's a little thing, but a very important one, called precedent which concerns what previous Senates did about a certain rule.

Although all 40 rules have remained in force, down through the years, the various Senates have modified most of them by deciding a rule really meant this or really meant that.

So, when the present Senate gets into a dispute about a rule, if it knows the precedents on that rule it can follow them. Or it can shoot off in another direction, setting a new precedent.

Maybe here you say: "But can't the Senators keep a copy of the rules beside them, plus a copy of the precedents?"

The trouble is, those precedents never have been gathered together except in Mr. Watkins' head and in his own typewritten notes.

He has gone back to 1883 in the CONGRESSIONAL RECORD—the daily journal of Congress' doings—and read every page of every day the Senate has been in session since that time.

He had to do it that way, because every dispute about a rule was buried between tons of oratory, copies of bills, and the other stuff that gets printed daily in the journal.

Mr. Watkins took full notes on every dispute, and now has 10 fat volumes of them in his office. Even so, his records go only from 1883 to 1932. He hopes to bring the precedents up to date.

Then he expects the Senate will have this whole history of precedents printed by the Government Printer for the use of future Senates.

Mr. Watkins, born in Arkansas, got his first Senate job as a clerk on June 15, 1915. At that time the assistant Secretary of the Senate was doubling as Parliamentarian. For 8 years, Mr. Watkins sat beside him listening to him discourse on rules.

Then in 1923, when this man became sick, Mr. Watkins was made acting Parliamentarian. In 1935, the Senate made him official Parliamentarian, the first time that had happened. His assistant is Edward Hickey, who may succeed him some day.

The House Parliamentarian is Lewis Deschler. He's had the job since 1928. Being a much younger man than Mr. Watkins, he may wind up having been a Parliamentarian longer.

## ORDER OF BUSINESS

Mr. MAGNUSON. Mr. President, it is my understanding of the parliamentary situation that we are to vote on the pending conference report at 4 o'clock, the time between now and then being equally divided between the distinguished Senator from Louisiana [Mr. ELLENDER] and myself. Am I correct in that understanding?

The VICE PRESIDENT. That is correct.

Mr. MAGNUSON. In view of that, I yield 10 minutes of my time to the senior Senator from New Hampshire [Mr. BRIDGES].

The VICE PRESIDENT. The Senator from New Hampshire is recognized for 10 minutes.

## UNITED STATES FOREIGN POLICY IN KOREAN WAR SITUATION

Mr. BRIDGES. Mr. President, this is a solemn hour in the history of the world. The free people of all nations are looking to the United States for leadership. The leaders of the slave nations also are looking to the United States. On our immediate actions will hinge the plans of the Kremlin for other conquests.

Mr. President, will we continue appeasement? Will we wait for the dust to settle? Will we discover 6 months, or 6 years from today what we should have done today?

I say that now is the time for decisive action. Now is the time to draw the line. Now is the time to tell all the world, unmistakably, that America will not surrender, equivocate, appease, or hesitate.

Yesterday, on Sunday, June 25, 1950, we learned of the dastardly, unprovoked attack on the Republic of Korea. From all the information at my command, I am amazed to learn that apparently the American Government was not apprised through our intelligence services of the proposed attack.

I supported unification of the armed services. I supported the creation of the Central Intelligence Agency, which was supposed to prevent another surprise such as the Pearl Harbor attack. Yet from all the information I can obtain neither the State Department nor the Department of Defense was informed by the Central Intelligency Agency of the impending attack. Both claim that neither had any warning of it. It was such a surprise that the head of our military mission was far away, in Tokyo. It came as a complete surprise, even though the North Korean Communist armies were at the borders of south Korea, and had been for some time.

This morning there appeared before the Senate Appropriations Committee Secretary Acheson and Secretary Johnson, of whom we inquired as to the reason for their failure to be informed. The answer we got was that we would have to talk to Rear Admiral Hillenkoetter, Director of Central Intelligence. We have requested the attendance of Admiral Hillenkoetter before our committee at 3 o'clock this afternoon, when we propose to go into the question in some detail.

The Communist satellite armies of North Korea have moved in on South Korea against a government and a territory nurtured by the United States.

A modern, fully equipped army—trained and supplied by Communist Russia at this very hour, overrunning the meager constabulary—the pitiful military force which we trained and equipped as a mere police force to maintoin law and order in South Korea.

As Americans we are shocked and horrified by this sudden and unprovoked breach of the peace. We are at a loss to understand how the Soviet Government, while brazenly branding the United States as an imperialistic warmonger and proclaiming various Communist peace offensives, can, in cold blood, order a satellite to march off to war. Americans cannot understand this kind of double dealing. Our State Department immediately calls on the United Nations to do something about it. A good many of our good but naive citizens are flabbergasted to think that "good old Joe Stalin" could do a thing like this when we are trying to cooperate with him to

build the peace. I point out, Mr. President, that Mr. Hoffman has testified that since the end of World War II the United States has poured about $1,000,000,000 in various forms of economic and military aid into South Korea. I have in my hand the justifications for our economic aid to Korea, which show that in 1946, 1947, 1948, and 1949, $356,000,000 was poured into Korea. The point I am making is that economic aid by itself is not enough.

I point out also, that under a previous program authorized by the Congress, called the mutual defense assistance program, we provided funds for military aid to Korea. From the report of the Foreign Relations Committee, as of May 31, 1950, we find that but a very small part of that amount has been obligated or used in any way. Why?

We know that as late as 51 days ago the President of Korea, appealing for combat planes from the United States, held a press conference in Seoul in which he stated that the Communist regime had 195 planes, most of them Russian made. He included 70 new-type planes and 55 of the Yak type. His own air force, he reported, had 20 light observation planes and training planes. In other words, the assistance we have given is woefully small; woefully weak and, I am afraid, not in time. Is this another case of too little too late?

In my judgment, the time is here for us to draw a line.

What is running through the minds of the peoples of the free world? They are wondering when their turn will come. They are looking to the United States. They know we gave away Manchuria and found excuses not to intervene in China. They know we allowed Poland to fall. They know what has happened in Czechoslovakia, Rumania, and Bulgaria. They know the Russian military might. The free peoples know that Stalin's armies are poised on many frontiers. They weigh Stalin's success against our success. Forty-one times the Soviet veto has prevailed in the United Nations in effect to block peace. To the one-sixth of the world which Stalin ruled in 1945 he has added another one-sixth, until now he has one-third of the world in slavery.

It is not enough to fight communism with ideas and economic assistance as we have done in Korea. It is not enough to bring moral pressure to bear. The Soviets have no idea which can stand before our ideal of human freedom. The Cominform has no economic weapon to counter free enterprise. Communism offers no moral resistance to the concepts of Christianity. But these weapons are not enough. Communism is everywhere equipped with tanks, artillery, and war planes.

I realize that it is considered politically unwise to advocate a strong policy, because some people say that a strong policy might lead us to war. But the Cominform has thrown down the gauntlet. If we pick it up, there may be a risk of war. I realize it is politically smart to back away from international incidents, from situations which may lead to the loss of American lives. But let us be completely honest. Is there any way to avoid war with Soviet Russia? Is there any way to prevent armed conflict? Yes; I believe there are two ways:

First. We can continue our present course. It is the way of appeasement. It is surrender on the installment plan. We postpone war, and we finally become the largest slave state.

Second. We can call communism's bluff. I think it would work. I believe the Cominform is too crafty to risk a full scale armed conflict with the free world. But it is a calculated risk. Let us be frank. It might lead to war.

But it is the only course open to America is to preserve its freedom.

We should take a stand today firmly and forthrightly.

It is my wish today to invite attention to the desirability of taking a calculated risk, the desirability of establishing a line in the world. Beyond this line we should announce we shall not permit Russia nor the Communist satellites to penetrate.

Mr. President, we have the Korea war on our hands today, and some of our leaders appear not to be interested. Some shrug their shoulders. I know the attitude of some persons on the subject. It was the same before World War II. Hitler was a serious menace to world peace, but Hitler was never the menace in his day that Russia is today——

The VICE PRESIDENT. The time of the Senator from New Hampshire has expired.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the junior Senator from New York.

The VICE PRESIDENT. The junior Senator from New York is recognized for 10 minutes.

Mr. LEHMAN. Mr. President, there are times for greatness. This is such a time.

I do not refer to individuals. I refer to all of us, collectively. I refer to all our people. I refer to our country. I refer to all countries.

The news of the past 48 hours has shocked us. We cannot doubt that the occurrence in Korea, the armed attack by prepared forces, is part of a pattern. It is a move, whose motive we can only guess. We cannot doubt that it was planned, or at least acquiesced in by the Kremlin.

I shall not discuss the strategic dangers to which we would be exposed if Korea fell to the Communists. This is not a time for amateur strategists. Our trust, today, must rest in those officials charged with the calculation of strategic factors.

Nor shall I look backward and speculate on where the fault lies, that today's happenings should have occurred. It is easy to simplify history and to rewrite it according to one's political tastes or prejudices. That is not called for today.

What we in the Senate are called upon to do today is to show the world our attitude and our reaction to the terrible events rushing upon us. Are we to be stricken by panic and confused by recrimination? Are we to think of what advantage this political party or that political party may take of the current situation?

No; this is not the course for the United States Senate. The role of the Senate today is to reflect for the people of the world what the American people are thinking of today. Our function is to be deliberative and to take counsel on what our general purposes are, and what principles this Nation shall be guided by in the hard days ahead.

I must warn my colleagues that although today's battles are being fought in far-off Korea, these battles are but one engagement in the much vaster struggle which is taking place today in Europe, in Asia and in Africa, and in this hemisphere, too. In shifting our attention suddenly to the Korean front, we cannot and dare not forget the other fronts. We dare not urge measures, however simple and direct they may seem, which may quicken the outcome in Korea, but weaken us on every other front upon which we are engaged.

We may be sure that what we do in Korea is being watched in India, in Indochina, in Malaya, in Siam, in Indonesia, in the Philippines, and behind the iron curtain in China, itself. Anxious millions, hundreds of millions, are watching what we do and are listening to what we here say.

They fear that they may be next on the Kremlin's schedule. Their reaction to this aggression in Korea may well be controlled by what we do or say in these historic hours.

Will they support us, or will they be neutral? That question may be answered by what we here in the Senate may say. If they can have confidence in our responsibility, in our motives, and in our purpose, they will certainly turn to us. Therefore let us guard our words.

The executive branch of Government must look to the Senate for support and strength, for sure guidance and helpful counsel. And the junior Senator from New York, as one spokesman of 15,000,000 Americans, must give voice to what he thinks we must say to our people, to our Government, and to all peoples of the earth.

Ten years ago Korea was a name unknown to many of us. It was a remote geographic area in the distant Orient. Today we feel it to be within gunshot. Today the city of Seoul, the capital of the south Korean Republic, looking out upon the Yellow Sea, and facing the great land mass of China, is the center of the world's fears and anxieties.

The Korean Peninsula, itself, lying geographically at the center of the Japan-Russia-China triangle, has suddenly become the battleground of the two conflicting worlds into which mankind has been unhappily resolved. The Koreans call their land not Korea but "Chosen," which means morning calm. But no calm prevails there today. No calm has prevailed there for many years.

Communist troops, led by tanks, are said to be striking for Seoul, the capital. This city, almost 2,000 years old, has a high wall almost completely surrounding it. But this wall will not stop the tanks of the Communist forces. The wall was built for wars of an age long gone by. It may be that tanks are outdated, too, for the war that might be fought today.

I hope and pray that this war will not come. I hope that this conflagration in Korea may be isolated and contained. I do not share the feeling of those who say, "Let us be done and have it over with. It is going to come some time. It might as well be now."

No, Mr. President, I hope with all my heart that the aggressors in Korea may be thrown back. I am willing to follow the leadership of the President, the Secretary of State, and their military advisors in taking all measures that are necessary to aid the authorities and people of Korea in repelling and pushing back the Communist thrust.

But my faith in the strength of our arms and my satisfaction at the rapidity with which we have already moved in this situation are subordinated to my faith in the will of the world's peoples to peace. We must not betray that faith. We must not weaken or compromise the efforts being made through the United Nations to dispose of this threat to the world's peace by collective measures. These measures are designed to show the leaders of the Soviet Union that the United States is moved to act not by its confidence in its armed might—although fortunately we have that might—but by confidence in the fact that all men are of one mind and will in demanding that the peace be preserved in justice and in honor, and in consideration of the rights of the weak as well as the responsibilities of the strong.

Exactly 5 years ago on this very day, the Charter of the United Nations was signed at San Francisco. That was a day of high hopes for the world: That was a day when men dreamed that war might forever be banished from among civilized men. Although those hopes have not been realized, we must cherish the organization which was born from so much suffering and sacrifice. We must give it every opportunity to mobilize the world's strength, both moral and physical, against this act of aggression in Korea.

We have every reason to maintain our faith in the United Nations. In Palestine, in Indonesia, and in Iran the United Nations has, in the recent past, performed its high functions with brilliant success. On those occasions, the peace was preserved. Thus far in the Korean situation, the United Nations organization has moved with a speed and determination which have left nothing to be desired. Let us continue to act under the United Nations Charter, and within the framework of that Organization.

Let us adhere to the means offered us by the United Nations. Let us exhaust every resource to keep the world from the calamity of war.

We must show strength, firmness, and courage. But let us, in this hour of danger, show that greatness to which destiny has called us. Let us avoid partisanship as evil, itself. In this hour, and on this question, let all Americans stand firm for justice but strive with all our hearts and all our souls to save mankind from the catastrophe of another world war.

Mr. ELLENDER. Mr. President, I ask that the Senator from California [Mr. KNOWLAND] be recognized for 15 minutes.

The VICE PRESIDENT. The Senator from California is recognized for 15 minutes.

Mr. KNOWLAND. Mr. President and Members of the Senate, the situation in Korea is of vital importance to the survival of the United Nations, the peace of the world, and the ultimate security of the United States.

On Sunday, June 25, at the request of the Government of the United States the United Nations Security Council met to discuss the active aggression of the North Korean Communist regime against the Republic of Korea. The statement of the American representative, Ambassador Ernest A. Gross, gives some interesting background and I ask unanimous consent that this be included in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

At 4 o'clock in the morning Sunday, June 25, Korean time, armed forces from North Korea commenced an unprovoked assault against the territory of the Republic of Korea. This assault was launched by ground forces along the thirty-eighth parallel in the Ongjin, Kaesong, and Chunchon sectors, and by amphibious landings on the east coast in the vicinity of Jnagmung. In addition, North Korean aircraft have attacked and strafed the Kimpo airport in the outskirts of the capital city of Seoul.

Under the circumstances I have described, this wholly illegal and unprovoked attack by the North Korean forces, in the view of my Government, constitutes a breach of the peace and an act of aggression.

This is clearly a threat to international peac and security. As such, it is of grave concern to my Government. It is a threat which must inevitably be of grave concern to the governments of all peace and freedom-loving nations.

A full-scale attack is now going forward in Korea. It is an invasion upon a state which the United Nations itself, by action of its General Assembly, has brought into being. It is armed aggression against a government elected under United Nations supervision.

Such an attack strikes at the fundamental purposes of the United Nations Charter. Such an attack openly defies the interest and authority of the United Nations. Such an attack, therefore, concerns the vital interest which all the members of the United Nations have in the organization.

The history of the Korean problem in the United Nations is well known to you. At this critical hour I will not review it in detail. But let me recall only a few milestones in the development of the Korean situation.

A joint commission of the United States and the Soviet Union for 2 years sought unsuccessfully to agree on ways and means of bringing to Korea the independence which we assumed would automatically come when Japan was defeated. This 2-year deadlock prevented 38,000,000 people in Korea from getting the independence which it was agreed was their right.

My Government, thereupon, sought to hold a four-power conference at which China and the United Kingdom would join the United States and the Soviet Union to seek agreement on the independence of Korea. The Soviet Union rejected that proposal.

The United States then asked the General Assembly to consider the problem. The Soviet Union opposed that suggestion. The General Assembly by resolution of November 14, 1947, created the United Nations Temporary Commission on Korea.

By that resolution the General Assembly recommended the holding of elections not later than March 31, 1948, to choose representatives with whom the Commission might consult regarding the prompt attainment of freedom and independence of the Korean people. These elected representatives would constitute a national assembly and establish a national government of Korea.

The General Assembly further recommended that, upon the establishment of a national government, that government should in consultation with the Commission constitute its own national security forces and dissolve all military or semimilitary formations not included therein.

The General Assembly recommended that the national government should take over the functions of government from the military command and from the civilian authorities of North and South Korea, and arrange with the occupying powers for the complete withdrawal from Korea of the armed forces as early as practicable and if possible within 90 days.

Elections were held in South Korea and the Commission did observe them. A government in South Korea was set up as a result of the elections observed by the Commission. The Commission was unable to enter North Korea because of the attitude of the Soviet Union.

The temporary commission in its report to the third session of the General Assembly stated that not all the objectives set forth for it had been fully accomplished and that in particular, unification of Korea had not yet been achieved.

Notwithstanding the frustrations and difficulties which the temporary commission had experienced in Korea, the General Assembly at its third session continued the commission's existence and requested it to go on with its efforts to bring North and South Korea together.

One aspect of the resolution adopted by the third session of the General Assembly should, I feel, be particularly emphasized.

The General Assembly declared that a lawful government had been established in Korea as a result of the elections observed by the Commission and declared further that this was the only lawful government in Korea. This is a most significant fact.

The General Assembly declared further that the Government of Korea was based on elections which were a valid expression of the free will of the electorate of that part of Korea and which were observed by the United Nations Commission.

In the light of this declaration, my Government on January 1, 1949, extended recognition to the Government of the Republic of Korea, and more than 30 states have since that time also accorded recognition to that government.

The United Nations Commission worked toward the United Nations objective of the withdrawal of occupation forces from Korea, the removal of the barriers between the regions of the north and south and the unification of that country under a representative government freely determined by its people.

In 1949, as in 1948, the Commission's efforts to obtain access to North Korea which included both direct intercourse with the northern authorities and endeavors to negotiate through the Government of the U. S. S. R. were fruitless. The Commission was unable to make progress either toward the unification of Korea or toward the reduction of barriers between the Republic of Korea and the northern authorities.

The Commission reported to the General Assembly that the border of the thirty-eighth parallel was becoming a sea of increasingly frequent exchanges of fire and armed raids, and that this constituted a serious barrier to friendly intercourse among the people of Korea. The Commission observed the with-

drawal of United States forces, which was completed on June 19, 1949.

Although it signified its readiness to verify the fact of the withdrawal of Soviet occupation forces from North Korea, the Commission received no response to its message to the U. S. S. R. and therefore could take no action.

At the fourth session, the General Assembly again directed the Commission to seek to facilitate the removal of barriers to economics, social, and other friendly intercourse caused by the devision of Korea. The General Assembly also authorized the Commission on October 21, 1949, in its discretion, to appoint observers and utilize the services and good offices of persons, whether or not representatives of the Commission. The United Nations Commission on Korea is presently in Seoul and we have now received its latest report.

Mr. President, I have tabled a draft resolution which notes the Security Council's grave concern at the invasion of the Republic of Korea by the armed forces of North Korea. This draft resolution calls upon the authorities in the north to cease hostilities and to withdraw armed forces to the border along the thirty-eighth parallel.

The draft resolution requests that the United Nations Commission on Korea observe the withdrawal of the North Korean forces to the thirty-eighth parallel and keep the Security Council informed on the implementation and execution of the resolution.

The draft resolution also calls upon all members of the United Nations to render every assistance to the United Nations in the carrying out of this resolution and to refrain from giving assistance to the North Korean authorities.

Mr. KNOWLAND. Following discussion by its members the Security Council, by a vote of 9 to 0, with the Soviet Union absent and Yugoslavia abstaining, passed the following resolution which I ask to have included at this point in my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The Security Council—

Recalling the finding of the General Assembly in its resolution of October 21, 1949, that the Government of the Republic of Korea is a lawfully established government "having effective control and jurisdiction over that part of Korea where the United Nations Temporary Commission on Korea was able to observe and consult and in which the great majority of the people of Korea reside; and that this Government is based on elections which were a valid expression of the free will of the electorate of that part of Korea and which were observed by the temporary commission; and that this is the only such government in Korea";

Mindful of the concern expressed by the General Assembly in its resolutions of December 12, 1948, and October 21, 1949, of the consequences which might follow unless member states refrained from acts derogatory to the results sought to be achieved by the United Nations in bringing about the complete independence and unity of Korea; and the concern expressed that the situation described by the United Nations Commission on Korea in its report menaces the safety and well-being of the Republic of Korea and of the people of Korea and might lead to open military conflict there;

Noting with grave concern the armed invasion of the Republic of Korea by armed forces from North Korea,

Determines that this action constitutes a breach of the peace;

1. Calls for the immediate cessation of hostilities; and calls upon the authorities in North Korea to withdraw forthwith their armed forces to the thirty-eighth parallel.

2. Requests the United Nations Commission on Korea (a) to communicate its fully considered recommendations on the situation with the least possible delay; (b) to observe the withdrawal of the North Korean forces to the thirty-eighth parallel; and (c) to keep the Security Council informed on the execution of this resolution.

3. Calls upon all members to render every assistance to the United Nations in the execution of this resolution and to refrain from giving assistance to the North Korean authorities.

Mr. KNOWLAND. Yugoslavia has been poorly advised in this show of disinterest. There is no nation which by its geographical location has more to gain by the establishment of a system of international law and order and the discouragement of overt aggression than does Yugoslavia. Her failure to arise to the occasion may turn up to plague that nation at a not too distant date. I will have more to say on this subject at an early date.

The Republic of Korea is not likely to be saved by a United Nations resolution alone.

No competent observer of the world scene can believe that the satellite north Korean regime took this major step of a full-scale overt aggressive action without prior consultation and approval of the Soviet Government. It is not likely that they will be too impressed with resolutions alone.

Time is of the essence. We must constantly keep in mind that Holland was overrun by Nazi Germany in 5 days and Denmark in 2. The Security Council meets again Tuesday afternoon at 5 o'clock.

If there is any prolonged debate or if obstructionism is practiced by the Soviet Union and its satellites the free people of Korea may lose their liberty while diplomats are talking.

Mr. President, at this point in my remarks I wish to insert the latest Associated Press dispatch from Seoul dealing with the Korean situation. It reads in part as follows:

A Communist northern spearhead swept within 9 miles of Seoul tonight and fears were expressed it may reach the city before dawn.

Southern resistance at Uijongbu, only 12 miles away, collapsed before the Russian-backed forces hammering at them with tanks and artillery.

The American Embassy burned its important secret papers in a huge bonfire. The air raid sirens screeched. The city was buzzing after four northern planes strafed downtown streets.

I ask unanimous consent that the remainder of the dispatch be printed in the RECORD at this point.

There being no objection the remainder of the dispatch was ordered to be printed in the RECORD as follows:

The flying column rushed toward here from the Uijongbu Valley. A southern counteroffensive there failed miserably during the day. Heavy artillery softened up the Uijongbu defenders and the tanks pushed them out of town after savage street fighting.

Two southern divisions totaling 20,000 men dug in outside of the town of Uijongbu. But the determined onslaught of heavy tanks pushed them aside and the northern invaders, who were halted temporarily yesterday, rolled on toward the capital.

President Syngman Rhee and his Cabinet were in emergency session at midnight. They were reportedly discussing the Ongjin Peninsula front, where southern forces were reeling or knocked out.

Mr. KNOWLAND. Mr. President, I was in Korea last November, and I went up to the 38th parallel. Historically, Mr. President, he who controls Uijongbu controls the capital city of Seoul. A wide open valley, excellent for armored divisions, leads directly to the nation's capital. I think the free world must be prepared to accept the possibility that Seoul will fall even as we are discussing the situation today.

The first requisite of a free people is to be willing to fight and die for their freedom. From having been in Korea last November I am convinced that the people of the Republic of Korea will do this. I do not believe they are going to be the push over that international communism believes they will be.

Gen. W. L. Roberts, until recently chief of the American military mission training the Korean troops, told me in Seoul that in his judgment the Korean troops that had gone through the complete training cycle would prove to be as courageous and as competent as were the Nisei Japanese who fought in the American Army during World War II. Having personally inspected their soldiers at the thirty-eighth parallel, I also have a high opinion of the soldiers of the Republic of Korea.

But no matter how courageous or well trained troops may be, it will be difficult for them to withstand an invasion by forces twice their number supported by tanks and planes supplied by the Soviet Union.

Mr. President, at this point in my remarks I wish to point out that on March 5, 1949, Kim Il Song, chief of the North Korean puppet government, with his attendants, left for Moscow for the purpose of drawing up a military aid program.

On March 18, 1949, the program was agreed upon. Following are some of the more important points agreed upon:

Russia was to make a loan of 1,800,000,000 won, based on an exchange rate of 7 won to 1 ruble.

Russia was to furnish equipment and arms for six new infantry divisions. This was to be in addition to the three existing divisions and the one separate brigade.

Russia was to furnish sufficient arms and equipment for seven constabulary units, one battalion for each province and a larger unit for the city of Pyong Yang.

In addition to that, while in Moscow, Kim Il Song conferred with Lim Ho, the commanding general of the Communist forces in Manchuria. During this conference, another agreement was concluded. Following are some of the points covered:

Both forces would, for the common cause, fight any imperialistic invasion against Manchuria or North Korea.

The Chinese Communist Party would furnish both men and equipment to North Korea during the period July 1, 1949, to August 31, 1949.

North Korea would get a high priority on the Japanese technicians and Japanese war materials still remaining in Manchuria.

A barter trade system would be entered into by both parties in accordance with their economical necessities.

The most important part of the agreement between the Korean Communist regime in North Korea and the Manchurian Chinese Communists was that mutual assistance in the way of troops, arms, ammunition, and equipment would be forthcoming.

It was also determined at that meeting that if North Korea should decide to attack South Korea a mere request for assistance would bring forth aid from the Chinese Communists in North Korea.

The government of the Republic of Korea has repeatedly asked for some armored equipment and for fighter planes to offset the ranger of bombing attacks upon their centers of population and upon their troops in the field. For some reason which I cannot understand this request for fighter planes has not been complied with. Press reports today indicate that a few planes will now be turned over to Korean pilots in Japan. It may be another case of too little and too late.

Press reports from Taipeh also indicate that Clair Chennault has offered to organize a 1950 version of the Flying Tigers. It seems to me that every effort should be made to expedite this offer of Clair Chennault.

We have with wide publicity hurried shipments of such planes to Europe where the immediate danger was not as pressing. It but underscores the fact that the whole Far East has been given a much lower priority than many of us have felt is wise. Far East funds in the pending arms implementation bill are less than 10 percent of those allotted to Europe and the Middle East.

The immediate need is to get the equipment needed to the Republic of Korea at once. It can be done if there is a will to do it by the executive branch of this Government. They need no legislation or appropriations at this time for this purpose. In addition to the funds provided in the arms implementation bill of last year, and in the pending legislation, Korea is also eligible to receive excess equipment, not only under the $450,000,000 excess aid section of last year's act but also under the measure now the unfinished business before the Senate.

Korea today stands in the same position as did Manchuria, Ethiopia, Austria, and Czechoslovakia at an earlier date. In each of those instances a firm stand by the law-abiding nations of the world might have saved the peace. Procrastination, timidity, or lack of unity among the powers lost the opportunity, and with the lost opportunity went the hope for peace.

If Korea is not supported and maintained there is no place on the Continent of Asia that can be ultimately supported or maintained. From this statement I exclude neither India nor Pakistan. The Soviet Union through its satellite the Communist regime of North Korea has deliberately chosen a test case by attempting to liquidate the free people of the Republic of Korea. Here there exists a nation with whom we have had friendly relations from 1883 until the occupation of that country by the Japanese in 1910. During the 35 years of Japanese occupation the people of Korea and their leaders who planned for eventual independence had the friendly interest of the Government and people of the United States. This Nation joined with others at the Cairo conference, prior to the close of World War II, in promising independence to Korea. The United Nations sponsored the establishment of the Republic of Korea and supervised its first election. The government of the republic has been recognized by 30 nations, including all of the great powers except the Soviet Union.

Here is a nation with no colonial ties and with strong national aspirations. Here is a nation reestablished under the auspices of the free nations of the world. Here are a free people whom we have endeavored to help because we recognized that we had a responsibility when we permitted the line of demarcation at the thirty-eighth parallel to be drawn. Such an artificial line handicapped her economic recovery, and made much more difficult her political problems.

If international communism can destroy this free people, what hope is there that the chaotic condition in Viet Nam can be stabilized, or that world opinion can be mobilized to support the colonial areas of Hong Kong or Malaya, the chaotic internal conditions of a disunited Burma, or the Kingdom of Siam, which would be almost completely surrounded, or even India and Pakistan, with international communism already pressing in along a wide and difficult front.

The destruction of the Republic of Korea would be catastrophic. It is my belief that Korea and the other nations I have just mentioned must be looked upon as a unit. If this nation is allowed to succumb to an overt invasion of this kind, there is little chance of stopping communism anywhere on the continent of Asia.

Time is rapidly running out. Difficult decisions cannot be permanently pushed aside. In these closing days of June 1950, the Congress, the American people, and the free world, must be prepared to make a prompt decision.

The peace of the world will not be saved by abject surrender to the pressures of international communism any more than it was at Munich 12 years ago. Appeasement then, as now, is but surrender on the installment plan.

Mr. ELLENDER. Mr. President, I ask that the distinguished senior Senator from Texas be allowed 10 minutes of my time.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The Senator from Texas is recognized for 10 minutes.

Mr. CONNALLY. Mr. President, I have listened to the addresses of the Senator from New Hampshire [Mr. BRIDGES] and the Senator from California [Mr. KNOWLAND]. The subject they have discussed is, of course, of transcendent importance to the United States, and, for that matter, to the peace of the world. It involves questions which we cannot solve at the moment. We cannot settle here and now exactly what we should do, but I wish to say that the United Nations Security Council has acted with promptness, and I hope with decision. We should wait until all the facts have been disclosed, and we should take counsel with the United Nations without unduly seeming to arrogate unto ourselves authority to settle the problem here at home.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CONNALLY. Yes; I yield.

Mr. KNOWLAND. The able chairman of the Foreign Relations Committee does not believe, does he, that the North Korean troops are going to be stopped merely by a resolution of the United Nations?

Mr. CONNALLY. No. I have not said that. That question certainly implies that the Senator from Texas at least thinks that it might be done by a resolution. But we have set up the United Nations, and when it decides upon the course that ought to be pursued, we will then be in a better position to judge our responsibility, and what we should do, than we are today. If it takes more than resolutions, the United Nations can take action beyond resolutions.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CONNALLY. I should prefer to wait a minute. I should like to answer one question before I get shot in the ribs with another question. [Laughter]. I know the astuteness of the Senator from California. I know how many questions he has concealed about his person, and how prolific he is in expressing his own views upon every question that attracts any attention whatever.

Mr. President, some will say that the advice from Northern Korea cannot be stopped by resolution of the United Nations. That is very true. Others will say the United Nations has no armed forces which it could call into action. That is true. But the United Nations in its over-all power and in its over-all authority would have authority and would have power to call upon any nation or any group of nations that are members of the United Nations to supply troops if the United Nations determines that the use of troops is justified and is necessary.

I now yield to the Senator from California.

Mr. KNOWLAND. Has the Senator explored the fact that when the United Nations Security Council meets tomorrow afternoon, if any action is proposed forthwith, the Soviet Government might return just long enough to exercise its veto against any action, and then does the Senator from Texas believe that we should sit back and twiddle our thumbs and do nothing?

Mr. CONNALLY. I will say to the Senator that I do not undertake to anticipate all the possibilities. Of course, the veto is involved somewhat, but some of the nations other than Russia might do a little vetoing themselves. If the

United Nations cannot act, they might together pursue a course over and above the powers of the United Nations. The freedom-loving people of the world might agree among themselves that we shall not permit this palpable breach of the peace; that this overt attack, without provocation and without justification, upon a free people and a free republic will not be tolerated by other free governments in the world. That is a possibility. I ask the Senator from California if he does not agree that that is a possibility. Does the Senator answer the question or not?

Mr. KNOWLAND. Yes; that is a possibility.

Mr. CONNALLY. I do not appreciate the Senator from California sitting in his seat in violation of the rules of the Senate and answering an inquiry addressed to him by another Senator on the floor. I suppose that, other than the Senator from California, we are merely a lot of school boys or office boys.

Mr. KNOWLAND. Mr. President——

Mr. CONNALLY. I do not care to yield to the Senator again in view of his conduct.

Mr. KNOWLAND. I merely want to say I apologize. There was certainly no attempt on my part to be discourteous to the Senator. He was, in the course of his discussion, asking a question, and I tried to nod and to indicate to him that I felt there was a possibility.

Mr. CONNALLY. Yes. That is all right.

Mr. KNOWLAND. And I will say that I do not think the able Senator from Texas contributes to the bipartisan cooperation that is necessary by his continual attempts to throw harpoons into Members on this side of the aisle. I think he makes no contribution to bipartisan cooperation at this desperate hour in our Nation's history.

Mr. CONNALLY. The Senator from California has certainly never made any contribution that I know of, of any great consequence, to the bipartisan situation. I will say to the Senator from California that the Senator from Texas has been in conference already with the Senator from Wisconsin [Mr. WILEY], who is the ranking minority party member on the Foreign Relations Committee, and assured him—and I mean it—that I shall not conceal from him any information I may acquire with regard to this situation in the Far East, and I shall not conceal it from any other Senator. I did take offense at the conduct of the Senator in sitting in his seat and nodding his head and not making a respectful reply to an inquiry which I propounded to him, and he understood, of course, that I was yielding to him for the purpose of making a reply.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. Mr. President, will the Senator yield for one short observation, and then I promise not to disrupt the Senator again.

Mr. CONNALLY. Very well.

Mr. KNOWLAND. In answer to the statement of the Senator just made that the junior Senator from California has never contributed to bipartisan cooperation in the Senate——

Mr. CONNALLY. I did not say that.

Mr. KNOWLAND. I will say that I supported the United Nations, I supported the North Atlantic Pact, I supported the arms implementation bill, I supported the Marshall plan and the ECA, and I defy the Senator from Texas to point out a time during the 5 years I have been a Member of the Senate of the United States, since I came back from overseas, when I have not recognized the fact that we live in the age of the airplane and the atom, and that we can no more return to isolation than an adult can return to childhood.

Mr. CONNALLY. I am very happy to hear the Senator make that statement. I probably—and I apologize to the Senator—I probably made a somewhat extravagant statement. I did not say quite what the Senator says I said. I do know, however, that the Senator has on many occasions attacked our policy toward the Chinese situation, et cetera. I can refer to the RECORD without referring to my memory. I apologize. I want foreign relations to be bipartisan.

If I may be permitted a little personal reference in connection with the bipartisan foreign policy, the Senator from Texas—I hope with not undue pride—points out that when Secretary of State Hull was first negotiating about the formation of the United Nations, Dumbarton Oaks, and other conferences, he and I discussed the question, and he suggested that there be designated a committee from the Senate Foreign Relations Committee and a group of distinguished citizens to attend a conference with the Secretary once a week to work out a plan for the United Nations.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. CONNALLY. Mr. President, I ask the Senator from Louisiana if he will yield me 5 minutes more.

Mr. ELLENDER. I yield eight more minutes to the Senator from Texas.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. In a moment. I should like to finish my statement, if the Senator will bear with me.

Mr. FERGUSON. Yes; I am glad to.

Mr. CONNALLY. I suggested to the Secretary of State that that would be a fine arrangement. What happened? As chairman of the Foreign Relations Committee I appointed a subcommittee. Did I appoint all Democrats? Did I appoint a majority of Democrats, which is the custom of all committees when the Democrats are in power and a similar custom prevails when the Republicans are in power? I appointed four Democrats and four Republicans. There was no partisanship in it. We attended the conferences with Secretary Hull and with other distinguished men who were considering the formation of the United Nations. There was never a partisan idea suggested. We worked as Americans. That is where the bipartisan foreign policy originated. That is where it was first put into operation. There are still Members of the Senate who were on that committee, and they will bear out the statements I have just made.

I now yield to the Senator from Michigan.

Mr. FERGUSON. The question is——

Mr. CONNALLY. Very well, ask a question. I do not want a speech. I will be glad to have a question.

Mr. FERGUSON. I do not intend to make a speech. I will ask a question.

Mr. CONNALLY. All right.

Mr. FERGUSON. The distinguished Senator from Texas has said that he has conferred with the Senator from Wisconsin and would be glad to give whatever information he had to the Senate. The question is, Could the Senator advise the Senate as to whether or not our Government has any commitments at the present time with the Government of South Korea, in case of an invasion?

Mr. CONNALLY. Has the Senator finished?

Mr. FERGUSON. Yes; that is the question.

Mr. CONNALLY. I cannot tell the Senator in detail as to what our commitments are. The Senator knows the history of our association with Korea. We were in occupation in Korea; we kept an army there. We had a military mission there, until we withdrew our forces some several months ago.

We still have a military mission there. The Senator knows that we are friendly with Korea; we have aided her; in the present arms implementation bill, which is before the Senate, we are appropriating money for Korea; that bill carries funds for the aid of Korea. I do not know that there is any black and white detail as to how many troops will be furnished at any one time or how much money we will give them at any one time; but essentially the United States is pledged in its good will toward Korea.

We helped form Korea. In the conferences which occurred following the war, the United States insisted upon the recognition of Korean independence and freedom, and that resulted in the agreement upon the thirty-eighth parallel, whereby Russia would be in occupation in northern Korea and the United States in southern Korea.

Mr. President, why all this splendid attitude of doubt and of suspicion that something is wrong and something is dark and behind cover? So far as I know, there is nothing. The United States stands today just where it has always stood; but the United States does not want to act precipitously.

The President of the United States is considering this question. He flew back to Washington, as Senators know, from Missouri, to meet the problems which the Korean situation has presented. He has had the Chiefs of Staff, the Secretary of State, and the Secretary of Defense in constant communication. They spent almost all last night, the entire night, considering all the angles of this question, seeking to solve it—seeking to solve it, if possible, in peace, but seeking to solve it firmly and with insistence upon the rights of the United States and upon the rights of a free republic whose sovereignty and sanctity have been challenged and whose soil has been invaded

by troops from North Korea. That shall continue to be our policy.

Mr. President, some Senators speak as if they wanted to declare war tomorrow. The Senator from New Hampshire said we could not depend on other courses, and that there was only one course left to us. He did not say "declare war," but the clear implication of his remarks was that we could not go any further, that we had to make a stand and, if necessary, we had to make an armed stand.

Mr. President, those questions are being considered. The Secretary of State and the Secretary of Defense this morning were before the Appropriations Committee. I was there as an observer. They were not permitted, because of instructions by higher authority, to discuss such questions before that committee at this particular time, because, after all, the responsibility does not rest upon the Chiefs of Staff, the responsibility does not rest on the Secretary of Defense, but the responsibility rests upon the President of the United States; and the President of the United States does not want to take a course which might involve the people of the United States in war until all aspects of the matter have been considered.

The responsibilities of the United States shall be considered. The safety of free peoples shall be considered, and the national security and the national interest of the United States must be considered.

I feel sure that Senators need not become unduly alarmed. The President of the United States is not going to neglect the interests of the United States or its people. He is not going to tremble like a sycophant before the Russian power. He is not going to surrender our rights or the rights of free peoples.

This is a plain and an aggravated case. The United Nations was created to prevent just such occurrences as this one, to prevent armed aggression by one nation upon the territory or the sanctity of another nation. Of course, we have seen in the press statements to the effect that North Korea claims that South Korea provoked this incident. However, that claim will not stand the light of examination, it will not stand any investigation or examination, because it is not true.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The time of the Senator from Texas has expired.

Mr. MAGNUSON. Mr. President, because of the importance of this matter, I shall be glad to yield an additional 5 minutes to the Senator from Texas.

Mr. CONNALLY. One additional minute will be sufficient, I think.

The PRESIDING OFFICER. The Senator from Texas is recognized for 5 minutes additional.

Mr. CONNALLY. I thank the Chair.

Mr. President, this is a matter of tremendous importance. We want to solve the problem presented; but we want to solve it after we know all the facts; we want to solve it in the light of our obligations and duties; we want to solve it in the light of our own safety and national integrity and national security.

If Senators will be patient a little while, we will come to just decisions, we will come to decisions in which Senators on the Republican side of the Senate can have just as much voice and just as much influence as any Senator on this side of the aisle.

I beg the Senator from California to recall what I am saying now, as I have undertaken to be fair to the Senator in the past. I have already apologized for using language which probably was a little strong in one respect. However, the Senator from California himself uses rather strong language when he speaks—for instance, when the speaks about the wreckage of Chiang Kai-shek and about how we just threw him in the wastebasket—after giving him $2,000,000,000 and after giving him arms and ammunition which wound up in the hands of the Communists and enabled them to conquer the rest of China. The Senator from California is rather rough on some of the rest of us at times. However, I do not want to have any friction with the Senator from California, because he has an abrasive way of wearing down, by constant repetition; he simply keeps on wearing down those he opposes or the views he opposes, until finally, after a while, he makes an impression.

No, Mr. President; I want Senators to know that those of us who are directly responsible, through the committees of this body, are giving this matter attention. Already this morning I have had considerable of a conference with the Secretary of State. He advised me that he would keep the Committee on Foreign Relations advised as to every aspect of this question and as to every development regarding it.

I have assured the Senator from Wisconsin—although he does not need any assurance from me, when I tell him something—but I have given every assurance to him that when I receive information about this matter, he shall know it, and know it in full; and all other members of the committee shall know; they shall counsel with us.

That, Mr. President, is what I care to say at the moment. Later on I may be provoked to add some other remarks; but for the moment that is all I care to say.

I thank the Senator from Washington and I thank the Senator from Louisiana.

Mr. WILEY. Mr. President, will the Senator from Louisiana yield me 5 minutes?

Mr. ELLENDER. I ask that the Senator from Wisconsin be recognized for not more than 5 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 5 minutes.

Mr. WILEY. Mr. President, now that everything has been smoothed out in such a lovely fashion between the two distinguished Senators and love once more rules on the floor of the Senate, I feel that perhaps, in view of the fact that my name was brought into the discussion and since I am, as the result of the illness of the Senator from Michigan [Mr. VANDENBERG], the ranking minority member of the Committee on Foreign Relations, I should say a few words.

In my opinion, the real concern of the people of America is to get an answer to the question, "Where do we go from here?" Is it a crisis of major or minor importance? Does it mean war? Personally, when the attack on South Korea became known yesterday, and I was questioned by newspapermen, I felt that I had to say, "Let us wait until we get all the facts before we go off the deep end; let us know what the situation is." I may say that I personally had the assurance to which the Senator from Texas [Mr. CONNALLY] has referred. I have also been in contact with the Secretary of State, and I feel that the thing for all of us to do is to remain calm, so that when the facts are submitted to us, we of the Senate at least will be able to give proper advice to the Executive Officer who is the constitutional spearhead in the situation which confronts the Nation.

We may ask ourselves the question, Will the invasion of South Korea provide another proving ground, as Spain did when two forces tested and proved their weapons? That is one question. Is Russia bluffing? is another question. Should we call her bluff? I think we have, in part. We have spoken to MacArthur, who is sending munitions and provisions into South Korea. We have instigated action within the United Nations. We have at least gotten things started. We are now at least indicating a positiveness of character which I think is admirable. I do not think that the practice of examining into the past and of constantly dwelling on mistakes is going to be of assistance at this particular moment, in this particular crisis, unless we can profit by our mistakes and can determine how best to meet the present situation.

One thing we want to make sure, and that is we do not focus all our attention on Korea, important as that may be. The Russian technique has always been to divert attention.

It is a serious situation, this Korean crisis, and it requires earnest and sincere consideration to the end that we act with judgment and with our eyes open to consequences. It was a mistake to divide Korea. Let us profit by that mistake and by others we have made. But dwelling on the past, with the present so full of challenges, does not get the job done that is before us.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. WILEY. I yield.

Mr. FERGUSON. The Senator has indicated that we should not think of what happened in the past. But the division of Korea presented a situation, did it not, as a result of which we should have anticipated exactly what happened on Saturday evening? Is not that a fact? And, having anticipated it, should we not have been in position to act?

Mr. WILEY. I stated that the only reason for dwelling on the past is that if mistakes have been made in the past, it might enable us to profit from them. But "let the dead bury their dead." In that sense, let us go on to meet this challenge as men, with adequacy, with fervor, and, if necessary, with strength.

But I question the advisability of habitually looking at the mistakes which have occurred in the past. I do not think that habitual retrospective inquiry is calculated to make one competent to meet the problem of today, except as it leads to an avoidance of the previous mistakes.

I know our people are concerned, and they have a right to be concerned, as well as we of the Senate do. We ask ourselves, is this another spark to ignite a powder keg? Are we adequately prepared? In February, 1941, I asked that question on the floor of the Senate. I at that time asked that the President and the Secretary of State supply us with information as to how well prepared we were in Hawaii and in the Philippines. No information was received.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. WILEY. I thank the Senator from Louisiana for yielding to me.

Mr. MAGNUSON. Mr. President, since no other Senator apparently wishes to speak on this very important matter, I shall presently request that we return to the pending business; but before returning to the discussion of the conference report I should like to add a few remarks. The Senator from Wisconsin has just asked the question, Are we prepared? I may say there have been many of us in the Senate and in the other branch of the Congress of the United States who have had great concern during the past 2 or 3 years regarding the defenses of the country nearest to what might become the tinderbox of Asia. I refer to Alaska.

I am able to report a great deal of progress made by the Department of Defense, through appropriations of the Congress, in strengthening the defenses of Alaska. In Alaska we have a fine bastion of defense, both in the air and on the land; perhaps not so much as might be desired, but there has been great improvement, so that the American territory which is nearest to what may become—and which I hope will not become—a tinderbox in Asia has been rapidly developed and stands ready to serve not only as a listening post but as our farthest outpost of defense.

## INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

Mr. MAGNUSON. Mr. President, I wish to make a statement on the measure now before the Senate, namely, the conference report on the bill (H. R. 6567). I have prepared a statement, which I want to read, but before doing so I wish to preface it with a few observations The so-called Magnuson-Morse amendment is quite technical, and I want to be sure the RECORD is correct. The bill before the Senate proposes to extend the borrowing power of the Commodity Credit Corporation. As passed by the House the bill did not contain the so-called Magnuson-Morse amendment. The Senate added to the simple House bill, extending the borrowing power of the Commodity Credit Corporation, this amendment. It is an amendment which was also added last year by the Senate to the agricultural bill. It is a very simple amendment. As I shall show later in the discussion, it is an amendment with a very technical meaning, yet its wording is very simple. In my opinion it would clarify the situation regarding the price support of agricultural products in relation to so-called reciprocal trade agreements concluded by the State Department.

Last year, when the amendment was adopted by the Senate by a very substantial vote and sent to the House for conference, it was there thrown out by the House conferees. The suggestion was made by those representing the White House that, should the Magnuson amendment be kept in the bill, the agricultural bill would be vetoed. That presented a very serious problem, because we had a bill that went into all phases of agriculture, including the matter of price supports themselves. The possibility of the whole thing being lost if the so-called Magnuson amendment were written into the bill surely should have been the subject of careful consideration by the conferees. I can see how the Senate might have yielded to the House conferees on that occasion because of the threat of a Presidential veto. I do not believe that we should legislate in that manner. But the truth of the matter is that we were nearing the end of the session. We needed an agricultural bill, and it appeared as though this amendment might have the effect of killing the bill.

But we are faced with a much different situation today. The pending bill provides a mere expansion of the borrowing power of the Commodity Credit Corporation. The Commodity Credit Corporation has the money anyway. It will have no effect upon the power of the Commodity Credit Corporation, should this bill be returned to conference through an insistence by the Senate upon this amendment. The Corporation will proceed with its business in the interests of American agriculture and in the interests of the stability of the American agricultural economy, regardless of how long it may take a conference to agree upon this amendment. So we are faced with a much different legislative situation at the present time.

Some intimation was given last Friday by the distinguished senior Senator from Minnesota [Mr. THYE] that we may be faced with another Presidential veto, should the Magnuson-Morse amendment remain in the Commodity Credit Corporation bill. I do not know about that, but it seems to me that those in the State Department and in the White House, since the adoption of the amendment last fall, probably should have profited by certain of the things which have happened in relation to price support of agricultural products in relation to imports.

It is my definite opinion, Mr. President, that had this amendment been in the agricultural bill a year ago we would not have experienced the so-called potato scandal. Many other problems affecting agricultural production would have been solved had this amendment been in effect.

Let me also invite attention to the fact that last year we were approximately in the middle of our normal 3-year trade agreements. Ninety percent of them expire at the end of this year, and we are now in the process, through reciprocity committees, the Tariff Commission, and the State Department, of attempting to negotiate new trade treaties with all nations which signed the Geneva Conference report. So it is very important that we insist upon this amendment as it affects reciprocal trade agreements and new trade treaties. It is much more important at this time. Our experience in the past should certainly show the necessity of such an amendment; and the fact that we are about to negotiate new trade treaties makes the situation more important to meet than it was previously. Were we not in that position, I probably should not insist upon the amendment and that the conference report be sent back.

Mr. President, before presenting further arguments for rejecting the report I want to clarify two important points which are involved. The so-called commodity credit bill, House bill 6567, as passed by the House, was a very simple and short bill. It merely increased the borrowing authority of the Commodity Credit Corporation by $2,000,000,000. Sections 1 and 2 of the Senate bill conform exactly to the House version, both in language and in purpose.

The question of increasing, by $2,000,000,000, the borrowing power of the Commodity Credit Corporation, therefore, was not in controversy when the bill went to conference. Both House and Senate were in complete agreement that the CCC's borrowing authority should be increased.

In consequence, any Senator who votes with me to reject this conference report cannot be accused, by that action, of being against the farmers of this country. Irrespective of whether we send this bill back to conference, a $2,000,000,000 increase in the CCC's borrowing authority is assured.

The only question before the conferees had to do with section 3 of the Senate version of House bill 6567. Section 3 is the so-called Magnuson-Morse amendment. In reality, section 3 is in the nature of a substitute for section 22 of the Agriculture Adjustment Act as it now stands. If we reject the conference report today, section 3, the Magnuson-Morse amendment, again will be the only issue before the conferees.

I now undertake to demonstrate that failure on the part of the Senate to reject this report will jeopardize two major programs vital to the welfare of our Nation. Failure to reject this report will jeopardize our price support and related farm programs. It will also jeopardize the reciprocal-trade program.

To understand what the conferees have done we need to review briefly the intent and purpose of section 22 of the Triple A Act and the intent and purpose of the Magnuson-Morse substitute for this section.

Section 22 of the AAA Act was designed to provide a means of protecting domestic agricultural producers—under certain circumstances—from ruinous imports. As a corollary, it was designed to insure that the taxpayers and the Treasury of this country would not be required to support the price of foreign production of commodities, enjoying price support in this country. It was designed to insure that our farmers who agree to measures designed to protect their domestic market would not be penalized twice over—I say "penalized twice over" because the more successful our farmers and this Government are in stabilizing domestic prices at a decent level the greater will be the attraction for imports—the greater will be the incentive for the foreign farmer to attempt to break into this market.

Some reasonable machinery for preventing the destruction of domestic farm programs must be assured, otherwise the taxpayers of the country will resist and ultimately eliminate both the farm program and the reciprocal-trade program.

The Magnuson-Morse amendment seeks to make section 22 an effective tool. It consists of two somewhat separate but closely related parts. Subsections A, B, C, D, and E contain the machinery for dealing with imports which threaten to destroy the effectiveness of a marketing agreement, price support, school lunch, export subsidy, domestic diversion, acreage allotment, or similar farm program.

Under section 22 as it existed prior to the Eightieth Congress the President was authorized, if circumstances warrant it, to impose an import fee up to 50 percent ad valorem, or to proclaim a quota limiting the amount of the imports to not less than 50 percent of the imports during a representative period in the past.

To assist in discharging this responsibility the President issued Executive Order No. 72, dated November 23, 1935. Section 22 has been the law of the land since that time. In this order the President delegated to the Secretary of Agriculture authority to make a preliminary investigation of alleged interference by imports with a domestic farm program authorized under the Triple A Act.

The theory was that the Secretary of Agriculture would make a preliminary investigation. If this investigation convinced the Secretary that imports were creating a serious problem, particularly with reference to farm surpluses, he would recommend to the President that the machinery of section 22 be set in motion.

The President would set the machinery in motion by instructing the Tariff Commission to make a thorough investigation of the alleged destructive impact of imports. The Tariff Commission would then make its investigation and would report back to the President.

The President would then have to decide what, if anything, should be done. He might proclaim an import fee on the troublesome commodity, or he might impose a quota, or he might take no action whatever. As the chief executive of this country he would make the final decision. His authority was permissive, not mandatory.

What did the Magnuson-Morse amendment propose to do about the mechanics of section 22? I preface this by saying that experience has shown that in the case of a perishable crop, the season is over before the relief provided under section 22 can be made available. By the time the Secretary makes an investigation, reports to the President, the President orders the Tariff Commission to investigate, the Tariff Commission reports back to the President, and the President makes up his mind, the season is over; the damage is done.

I might add that the same is true with reference to nonperishable crops. The procedure requires months, and sometimes decisions are delayed as long as 17 or 18 months or 2 years. So section 22, which has been the law of the land and designed to protect our agricultural economic stability, has had practically no effect with reference to ruinous imports.

Our amendment seeks to streamline this procedure. It transfers to the Secretary of Agriculture full and final responsibilities for investigating the alleged injurious effect of agricultural imports upon the farm program. My amendment streamlines section 22 so that only one investigation is necessary. Under it, the Secretary of Agriculture would hold a public hearing, determine the facts, and transmit his findings to the President. The President would either proclaim an import fee of not more than 50 percent ad valorem, proclaim a quota, or would do nothing, depending upon the circumstances in the particular case. Under our amendment, the Secretary of Agriculture is made the investigator, the collector of facts. He does not make the final decision. As is the case under the present law, the President himself has the final word.

Let us see how this would work. Last year, in the case of imports of potatoes, which did not directly cause the trouble we had with potatoes, but seriously aggravated the trouble, the procedure could have taken place within 2 or 3 days. I am sure if the President had had this authority a great deal would have been done immediately to take care of the troublesome potato problem. Under section 22 it would take months to take any action. All this amendment does, in one respect, is to streamline the procedure.

I have gone into the mechanics of section 22 at some length because there was a great deal of confusion in the House on this score when this conference report came up over there for debate a few days ago. As a matter of fact, anyone who reads the five or six pages of colloquy between the House conferees and House Members seeking information can hardly escape the conclusion that the House conferees were themselves confused with respect to the real significance of their action. For example, on page 8924 of the June 20 RECORD the chairman of the House conferees said:

> What does the Magnuson amendment do? The Magnuson amendment places the responsibility in the Secretary of Agriculture. He not only makes the complaint, he tries the case, and he renders the verdict. You talk about the administration wanting more power. Where could the administration have more power than that?

Actually, as I have already stated, the Magnuson amendment does not give the Secretary of Agriculture responsibility for making the complaint, trying the case, and rendering the verdict. Under the Magnuson-Morse amendment the Secretary would collect the facts, but the President would render the verdict. They have that power now, except that it involves a very cumbersome procedure to arrive at.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MAGNUSON. Yes.

Mr. WILLIAMS. Is it not a fact that the sole purpose of the Magnuson-Morse amendment is to make certain that the money which the Department of Agriculture would spend under the support program would be spent for the benefit of the American farmers and not for the purpose of setting up a world-wide agricultural support program?

Mr. MAGNUSON. That is correct. Furthermore we seek to protect the Department of Agriculture itself so that they would stay within the framework of the intent of Congress. In other words, we would not have the situation of the Department of Agriculture taking the taxpayers' money out of one pocket to maintain the price-support program and the State Department spending money out of the other pocket by allowing imports to come in under trade agreements, with the result of wrecking the price-support program.

Mr. WILLIAMS. Without this amendment in the bill we would be supporting agricultural products throughout the world. Is that not correct?

Mr. MAGNUSON. Of course; and that is what we have been doing, because under section 22, the procedure is so cumbersome that by the time they get around to it, even if the President did make a decision which he thought should be made under the circumstances, the damage is done and we have poured out taxpayers' money to keep an agricultural product at an economic stable level.

If the President wishes to call the Tariff Commission in to advise him, there is nothing to prevent that in section 22 as we propose to amend it. Under our amendment, however, the Tariff Commission would not be brought into the problem except on an advisory basis and at the request of the President.

The Congress has placed responsibility for administering the price support program in the hands of the Secretary of Agriculture. He should have parallel authority over imports, subject, of course, to the limitations of section 22 itself. In supporting prices the Secretary has to deal with the "total supply in the market place." The total supply is made up of domestic shipments plus imports.

I want to make just one more point with reference to the streamlining provisions of the Magnuson-Morse amendment. A subcommittee under the able chairmanship of the senior Senator from Louisiana held hearings on this amendment on Tuesday, March 21, 1950. Not a single witness from the Department of Agriculture appeared before the subcommittee to testify against the Magnuson-Morse amendment. This is significant because in the House debate conferees asserted that the Secretary of Agriculture is opposed to our proposal. If this be true, he missed an excellent opportunity to make his views known when he failed to appear either in person or by representative before the subcommittee headed by the Senator from Louisiana on March 21 of this year.

I believe that the streamlining provisions of the Magnuson-Morse amendment are a tremendous improvement over the present cumbersome machinery and should be adopted.

Let us now turn to the more controversial subsection of section 3 of H. R. 6567. I remind Senators again that section 3 is the Magnuson-Morse substitute for the existing section 22.

The Eightieth Congress added a subsection (f) to section 22. As a practical matter this action nullified section 22. The most important single provision of our amendment, therefore, relates to existing subsection (f).

This is a very technical matter, and the House conferees were confused by it. I quote subsection (f) of section 22 of the Agricultural Act, as follows:

> No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

In other words, by section 22, which is the law of the land, we sought to protect the price-support program, but under subsection (f) the intent of Congress is completely nullified, and in effect we say to the State Department: "You can run willy nilly to England and make all the trade agreements you want, and allow to come into this country all the agricultural imports you want to allow to come in, despite the fact that it is going to cost millions of dollars of taxpayers' money to support the price of the product which is jeopardized by the imports." Mr. President, I say that does not make sense. Either we should repeal section 22 and subsection (f), which are now the law of the land, or we should adopt the Magnuson-Morse amendment. The two are completely inconsistent.

The State Department keeps coming to Congress and insisting it has that power, in contravention of the intent of Congress when it passed the original Agricultural Act, and in contravention of the interests of the taxpayers, who have to pay for the price-support program.

As the Senator from Oregon has stated, I, too, as a long-time supporter of reciprocal trade agreements, having voted for their extension during my 14 years of service in Congress, think that leaving this authority in the State Department does more harm than any other one thing I can think of. Hence the suggested amendment. Subsection (f) of our amendment reads as follows:

> No international agreement hereafter shall be entered into by the United States or renewed, extended, or allowed to extend beyond its permissible termination date in contravention of this section.

In other words, we say to the State Department, "When you make these agreements, pay attention to this fact, and place in the agreement the authority of the President of the United States to have a flexible jurisdiction over any type of ruinous imports which affect the price-support program."

Mr. MORSE. Mr. President——

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Washington yield to the Senator from Oregon?

Mr. MAGNUSON. I yield.

Mr. MORSE. Does the Senator from Washington agree with the junior Senator from Oregon that in essence what the Magnuson-Morse amendment seeks to accomplish, and probably will accomplish, is that it will make available to the administration the facts they need, in advance of any damage being done to the agricultural industry of this country, whereas the conferees' report has the bad defect of permitting the damage all to be done in the first instance, and then trying to lock the stable door after the horse is gone?

Mr. MAGNUSON. That is exactly what has happened in many cases, and the most crying example was afforded by the potato crop last fall. The amendment protects reciprocal trade agreements within the framework of what we are trying to have. The Geneva agreement took cognizance of the fact that there were governments which had government-supported agricultural programs, and the nations agreed in Geneva that in making trade agreements that should be taken into consideration, and there could be no objection on the part of any signatory nation to the inclusion in our trade agreements of such a provision as the Senator and I propose.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MORSE. Does the Senator from Washington agree with the junior Senator from Oregon that at least in our conversations with the State Department officials we have a great deal of difficulty in getting them really to raise any objections to the purposes which we seek to accomplish, but that their general attitude is, "We do not need to have this safeguard put into the law"?

Mr. MAGNUSON. That is it; they say, "We will take care of it," and, of course, they do not take care of it. They go to trade conferences, but they have never paid any attention to having any trade agreement written in accordance with our price-support program. They have allowed agricultural imports in some cases to result in greater costs to our Government. In Geneva we agreed, and all the signatory nations agreed, to what we are proposing.

Mr. MORSE. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I yield.

Mr. MORSE. I am trying to analyze the attitude of the State Department. I desire to be fair to them, but I am going to insist that they in turn be fair to the agricultural interests of the United States.

Does the Senator come away from some of those conferences with State Department representatives with the feeling which the junior Senator from Oregon has, that apparently what they want is a law so broad that there are not written into it any legislative checks imposed by Congress which will in any way slow them down at the trade conferences, but will leave them free really to bind this country in the first instance at the conferences, expecting, of course, that once they enter into an agreement, we will rubber stamp it when they get back?

Mr. MAGNUSON. Of course, that is exactly their attitude. They like to go to the conferences with a blank check, and make such agreements as they desire. Then they say to themselves—I do not know, but I imagine this is their thinking—"Perhaps we can agree with some country on olive oil, or citrus fruit, or apples, or wheat, and we might as well let them bring in more, because it will not make any difference, the Agricultural Department will have to pay more for price supports." Thus they can take care of some of their favorite subjects in the trade agreements.

I would not propose any free trade, but I have been for a Government support program. The State Department represents one arm of the Government, the Secretary of Agriculture represents the other arm.

I agree with the Senator from Oregon, and I said the other day, when appearing before the Reciprocity Committee, in connection with our plywood problem, that if they keep up their endeavors to such a point that they are ruining industries in geographical areas, where there is not a great spread, they are going to create a sentiment in this country which will ruin the reciprocal trade program, and put us back under the tariff wall program, which neither the Senator from Oregon nor I desire.

Mr. MORSE. Mr. President, will the Senator yield again?

Mr. MAGNUSON. I yield.

Mr. MORSE. Does the Senator from Washington find himself in somewhat the same position in which the junior Senator from Oregon has found himself, so far as political campaigning has been concerned, when he has answered questions from the economic reactionaries, who would take us back to a Smoot-Hawley situation, to a tariff that would result inevitably in war just as surely as we stand here today? The junior Senator from Oregon finds himself as a defender of reciprocal trade in the position of having such reactionaries say, "Look at what it is doing to the fruit industry of the Pacific Northwest, look at what it is doing to the lumber industry of the Pacific Northwest, look at what it is doing to America in general," leaving us only with the argument, "I hold no brief

for the abuses of the reciprocal trade program, but I am trying to iron out those abuses." That is why I have joined with the Senator from Washington in the so-called Magnuson-Morse amendment to the bill. Does the Senator find himself in that position?

Mr. MAGNUSON. I imagine we have both found ourselves in that position, and even though I cannot defend some of the things done, I am a great supporter of reciprocal trade. The real danger is that if this tendency continues, and the officials of the State Department will not accept arguments such as those now being made here, when they come before Congress next year and ask for an extension of reciprocal trade agreements, they will find those who must represent their districts in opposition, saying, "This agreement has ruined an industry in my area, and I cannot vote for its extension," and we will go back to the old protective tariff situation. As the Senator has said, I know of no quicker road into world war III than going back to the Smoot-Hawley tariff, which some of our enemies would like to see happen.

Reciprocal trade agreements do not mean free trade, they mean working out protection for certain industries within the framework of the law. The amazing thing is that the State Department knows that at the Geneva Conference, where 60-some nations signed their names to the pact, in article 11 they agreed to recognize the fact that we did have some Government-supported programs, and they said, "They must be fools if they would allow us to bring in imports which would wreck the Government-support program." And I think we are. But the State Department seems to want the authority to go to England next fall and dicker all over again, and bind us to the principle of trade treaties, which is all right, but it will have the effect of costing the American taxpayers—all the taxpayers, not only the farmers, but all of us—more money, because we are going to have to support agricultural prices. This amendment offers a simple way to protect us, to protect the farmer, and all the taxpayers. It offers a very simple way to put into the minds of the American people a reaffirmation of faith in reciprocal trade agreements which we can negotiate and at the same time protect ourselves, to the mutual benefit of both parties to the agreements.

Mr. President, I read section (f) of section 22, which gives the power and the authority the administration of which the Senator from Oregon and I criticize. I also read the proposed amendment, which just reverses the procedure. That is what it does.

As to subsection (f) of section 22, we merely say that in the future when the Department makes trade agreements it must take into consideration the fact that we do have a price-support program.

Mr. MALONE. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield to the Senator from Nevada.

Mr. MALONE. I should like to ask the distinguished Senator from Washington just what it is he thinks this amendment will do and what effect it will have on the State Department when they make these so-called reciprocal trade agreements. As the Senator knows, the two words, "reciprocal trade" do not appear in the 1934 Trade Agreements Act at all, and it is not the intention of the State Department to bring about reciprocal trade. It is a one-way street in leveling our standard of living with the nations of the world through an arbitrary lowering of the tariffs and import fees without regard to the differential of the standards of living between this country and the competitive nations. Will the Senator tell the junior Senator from Nevada just what he thinks will be the effect of the amendment?

Mr. MAGNUSON. I will read again the language of the amendment. We say:

> No international agreement hereafter shall be entered into by the United States or renewed, extended, or allowed to extend beyond its permissible termination in contravention of this section.

Section 22 with respect to a price-supported agricultural product merely sets up a procedure whereby, when the Secretary of Agriculture certifies that there is a surplus, and that there is need to support the prices, the President can add a 50 percent ad valorem tax or establish quotas which will bring the exports down to the point where they will not be injurious to our agricultural products. That is the procedure, but subsection (f) nullifies it. We streamline the procedure, because even if we were to go back to section 22 it would take months and months and months to accomplish what section 22 provides. So we say that when the Secretary of Agriculture, who is in charge of the agricultural program, who must determine price supports, who must determine marketing agreements affecting the things that relate to the farm program and its economic stability, who is a fact finder in this case, finds that an import is injurious to a Government-supported agricultural product, commodity, or program, he shall report that directly to the President, and the President can act immediately by adding 50 percent ad valorem tax or establishing a quota. It is as simple as that.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MALONE. Just what crops does the amendment of the distinguished Senator from Washington include?

Mr. MAGNUSON. It includes all crops under our so-called farm program. That would be price-supported crops, crops under quotas, under acreage allotments. That would be crops under marketing agreements. That would be crops that might be purchased by the Government for various reasons, school lunches, and things like that. It would include such crops. It would include practically the main substance of our agriculture, I would say.

Mr. MALONE. The entire range of crops that are supported under the price-support program?

Mr. MAGNUSON. It includes those definitely. Those under marketing agreement, those under any Government program which costs the Government money to maintain.

Mr. MALONE. Mr. President, will the Senator yield for a further question?

Mr. MAGNUSON. Yes.

Mr. MALONE. Then it puts definitely into the hands of the Department of Agriculture, or the Secretary of Agriculture, the complete judgment? It is up to his judgment entirely for decision? The decision rests upon no one else's judgment as to when these quotas and corrections shall be invoked? It is entirely in the power of the Secretary of Agriculture?

I agree with the senior Senator from Washington that a tariff or import fee should make up that differential of cost of production between this country and the competitive nations; flexible and in the hands of a nonpartisan authority.

It would be administered on a basis of fair and reasonable competition; there would be no question of a high tariff or a low tariff; but would represent the difference in the wage standard of living.

Mr. MAGNUSON. No. Let me answer the question. The Senator remembers that we have two purposes in the amendment. One is to put a check on the State Department in making the agreements. I think the Senator agrees with that provision. The other is the procedure when it is found that an import is injurious to a Government-supported agricultural-crop commodity program. In section 22, which has been the law of the land since 1935, a procedure was set forth. There was no check on the State Department, but there was a procedure established. That procedure was that the Secretary of Agriculture should make a determination that an imported product, such as that on which the Government was supporting a surplus, became injurious to that program. Then he would send that finding to the President. Then the President would send it to the Tariff Commission, which would hold hearings—maybe. I do not whether they would. Sometimes they do not even hold hearings. Then the Tariff Commission would report back to the President, and the President would have the authority to establish a quota or to add 50 percent ad valorem tax. That procedure required months and months. The damage was already done before action to prevent it could be taken. In the case of perishable crops, two seasons could go by before something would happen to protect us from injurious imports.

Under our amendment, we do two things. We say to the State Department, "When you make these international agreements, you shall have a clause in them which provides that when the Secretary of Agriculture, as a fact finder alone, determines that imports are injuring a program which he must administer with taxpayers' money, he shall report it directly to the President of the United States, and then the President can either do what he is allowed to do under section 22, directly add 50 percent ad valorem, or establish a quota, and do it immediately.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Louisiana.

Mr. ELLENDER. Is it not a fact that after the findings are made by the Department of Agriculture the President may by proclamation impose fees, and so forth?

Mr. MAGNUSON. That is correct. It is permissive.

Mr. ELLENDER. The present law says it shall be done. Is that not a fact?

Mr. MAGNUSON. No.

Mr. ELLENDER. Let me read to my good friend section 22 in that respect.

Mr. MAGNUSON. Let me interrupt my friend. Section 22, yes; but section 22 has been nullified by subsection (f), and the President has never taken such action.

Mr. ELLENDER. I thought my good friend from Washington admitted last Friday in debate that as to any crops which can be controlled either through marketing agreements or any other production controls, the conference provision will be as effective as section 22 under the amendment of the Senator from Washington and the Senator from Oregon.

Mr. MAGNUSON. Oh, I think it would be as effective if section (f) were knocked out, but the conference procedure will have no effect at all.

Mr. ELLENDER. Is not the difference in procedure only this: under the conference agreement the Secretary of Agriculture initiates the matter?

Mr. MAGNUSON. The same as under section 22.

Mr. ELLENDER. No. Under Section 22 the President does it, and then the second step, as to who shall carry on this investigation, the Senators' amendment provides that the Department of Agriculture shall make the investigation——

Mr. MAGNUSON. The investigation shall be made by the fact finders.

Mr. ELLENDER. Whereas under the conference agreement it remains as it is.

Mr. MAGNUSON. It is with the Tariff Commission. They are the fact finders.

Mr. ELLENDER. Yes. The essential difference from that point between the Senators' amendment and what the conference report proposes is that if the Secretary of Agriculture makes a finding, the President may exercise a certain right given to him under section 22. Whereas under our compromise agreement the President shall by proclamation impose such fees and so forth as are provided under the law.

Mr. MAGNUSON. After the finding by the Tariff Commission.

Mr. ELLENDER. Certainly.

Mr. MAGNUSON. That is my point.

Mr. ELLENDER. And after the finding by the Department of Agriculture, the President may invoke section 22. The point I am urging upon my distinguished friend is that under the Senators' amendment the President may do a thing, but under the conference report provision he shall do it.

Mr. MAGNUSON. That would be the case if the Tariff Commission agreed.

The point I wish to make to my distinguished friend is this: I do not know whether he has had any experience with trying to invoke the provisions of section 22, which was nullified, insofar as efforts of the State Department to make agreements are concerned. However, even if we tried to invoke section 22 or the procedure suggested by the conference report, I guarantee that that procedure would take no less than 12 months. By that time the perishable crops would be off the market and another crop would be coming on. The procedure in the Tariff Commission is very cumbersome and slow. The Commission holds hearings, but that procedure takes a very long time.

Under our amendment action can be taken very quickly.

Mr. ELLENDER. Does the Senator mean that under the amendment action could be taken without having investigations?

Mr. MAGNUSON. The Secretary of Agriculture will be the fact finder, under our amendment.

Mr. ELLENDER. But would he not be obliged to go into all the facts to the same extent?

Mr. MAGNUSON. Yes; but he could do that easily, because under the price-support program he is the administrator, and from week to week he knows what the facts are.

Mr. ELLENDER. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I yield.

Mr. ELLENDER. Would it not be necessary for the Secretary of Agriculture to have a large corps of employees to make the investigations?

Mr. MAGNUSON. Oh, no. I can go to the telephone in the cloakroom now and telephone the Department of Agriculture, and in 1 hour the Department of Agriculture will give me an answer as to how many potatoes, for instance, are coming in and how they will affect the crop the Department estimates for this year; or in equally quick time the Department of Agriculture can give me the corresponding information in regard to citrus fruits or other agricultural commodities. The Department has all the information at its fingertips.

However, the procedure by means of the Tariff Commission is cumbersome. The Tariff Commission is not at all conscious of the price-support situation. That procedure will take months, and that is what we are complaining about.

Mr. ELLENDER. Mr. President, I should like to have the Senator show me what provision of his amendment would change the procedure as to the fact finding, except that under the present law it is to be done by the Tariff Commission, and under the Senator's amendment it would be done by the Secretary of Agriculture.

Mr. MAGNUSON. That is correct.

Mr. ELLENDER. I say that either one will have to go through the same procedure in order to arrive at an understanding of the over-all situation.

Mr. MAGNUSON. No.

Mr. ELLENDER. How would the Department of Agriculture act otherwise?

Mr. MAGNUSON. They do not have to obtain anything except a picture of the Government's price-support situation. That has nothing at all to do with imports or with trade treaties. If the other part of my amendment carries, the law then will be that if the State Department makes trade treaties, it must make sure that they carry out the provisions of section 22, which was nullified by the Eightieth Congress by the adoption of subsection (f).

Mr. ELLENDER. Mr. President, I should like to call to the attention of the Senator the language of his amendment which, I may say, is no different from the language of the present law.

Mr. MAGNUSON. I wish the Senator would consider the over-all situation in this respect. He agrees with me, I am sure, that there are two parts of my amendment. One part deals with the making of international trade agreements. The other part of the amendment deals with the procedure to be followed if the amendment is invoked.

Mr. ELLENDER. But the law would not be changed in any respect by the amendment; under the amendment, the law would be identical with the law as of the present time. The only change the Senator's amendment would make would be that the Department of Agriculture would make the finding, instead of having the Tariff Commission. That is the only difference. The procedure in regard to obtaining the results would be the same. If that is not so, I wish the distinguished Senator would explain to me the difference between the present law and his amendment. The language of each is the same throughout.

Mr. MAGNUSON. Except that we would reenact the language of section 22, which was practically nullified by the language of subsection (f), because subsection (f), which was adopted by the Eightieth Congress——

Mr. ELLENDER. Mr. President, I am talking about procedure, not about subsection (f).

Mr. MAGNUSON. I agree with the Senator from Louisiana that the procedure would be the first point to be considered; and under the procedure, the matter would go first to the Secretary of Agriculture, and then to the President, and then to the Tariff Commission; and the Tariff Commission would make a report to the President; and then the President could act if he wished to do so.

Mr. ELLENDER. In other words, that is the procedure which would be in force under the Senator's amendment.

Mr. MAGNUSON. No; that procedure would be in effect under any amendment, because the President can evaluate the report of the Tariff Commission in any way that he wishes. We cannot force the President to act. We may say that he shall act, but he does not have to act.

Mr. ELLENDER. I had in mind the findings. Under the Senator's amendment, after the findings are made by the Secretary of Agriculture, the President may act. However, under the findings made by the Tariff Commission, the President, must act, according to the provisions of the conference report.

Mr. MAGNUSON. That would depend upon what language the Tariff Commission used in its report to the President. I do not think the President need act under either provision; but by means of our amendment we would simplify the procedure.

I cannot understand why the conferees were not willing to simplify the language and the procedure. What was the objection?

Mr. ELLENDER. We were trying——

Mr. MAGNUSON. Of course I appreciate the position of the Senate conferees, but my question is in regard to the House conferees.

Mr. ELLENDER. The House conferees took the position that inasmuch as the Tariff Commission was more or less of a bipartisan body and was in a position to study the over-all picture, it would be better to leave the procedure as it is, rather than to place the responsibility on the Department of Agriculture.

Mr. MAGNUSON. Very well. What was the objection to changing the language from subsection (f), which gives the State Department unlimited power to make agreements in contravention of a price-support program, as against the language of our amendment, which the Senate adopted, under which no international agreement shall hereafter be entered into or renewed, and so forth, in contravention of this section.

Mr. ELLENDER. The House conferees felt that if the language thus proposed remained in the bill, it would do violence to our trade-agreement program. That is what they said.

Mr. MAGNUSON. That was the position of the State Department, was it not?

Mr. ELLENDER. No; that was the position of the House conferees. That is what I am talking about.

Mr. MAGNUSON. Well, that is the State Department's position.

Mr. ELLENDER. However, the conferees finally agreed to a report which would make it impossible, as it were, for the President to enter into any future trade agreements unless article XI and XIX of GATT were taken into consideration. In other words, the President today cannot bypass those provisions of GATT in future agreements.

Mr. MAGNUSON. I understand that. However, title 11 is not sufficient.

I do not want the President or the Secretary of State or the trade negotiators to bypass the avowed intent of Congress, as set forth in section 22, that imports shall not be allowed under trade agreements, if such imports will injure the price-support program.

In other words, the conferees shifted over to GATT. Article 11 is rather flexible; and the representatives can go to England this fall and can do a great many things. That is my point.

I agree with the Senator that perhaps there is some argument as to the merits of the procedure. I was simply trying to streamline the procedure, and I was trying to make it easier to be used, so that the President of the United States could act quickly.

In other words, if action were taken to begin to engage in dumping operations under the Canadian trade agreement, in the case of deciduous fruit, by the time the Tariff Commission was appealed to and by the time the Tariff Commission went all through its procedure, the situation complained of would have ceased to exist; it would be over. The crop would have been marketed; or, if the Government was supporting the price, the Government would have to dig down into its pockets and pay more money.

This amendment provides procedure by which action can be taken quickly; but under the amendment the final decision still will rest in the President of the United States.

Mr. President, there has been some discussion as to the meaning and effect of the present subsection (f) and as to what the conferees did.

Let us consider the present language. When we say that this section shall not be enforced in contravention of any international agreement, we are simply saying, in effect, what has been done all these years, namely, that no part of section 22 may be enforced if such action conflicts with general agreements on tariffs and trade, as negotiated by the State Department.

To put the matter in another way, subsection (f), as adopted by the Eightieth Congress, subordinates section 22 to existing and subsequent agreements.

By means of the Magnuson-Morse amendment we seek to preserve the integrity and intent of section 22, by saying to the State Department, "Here is exactly what we do: We say you cannot enter into any new trade agreements or you cannot extend existing agreement when they terminate, 2 or 3 years hence, if such action will be in contravention of section 22." Congress adopted section 22. Congress did not adopt article 11, and it should have no part in the agricultural program.

To put it another way, subsection (f) as adopted by the Eightieth Congress subordinates section 22 to existing and subsequent agreements.

In the Magnuson-Morse amendment we seek to preserve the integrity and intent of section 22 by saying to the State Department, "You cannot enter into any new trade agreements, or extend existing agreements, when they terminate 2 or 3 years hence, in contravention of section 22." We are saying, "unless, and until section 22 is written off the books, you must observe it in writing trade agreements."

Why should the State Department object to that? Does it want to proceed further and make trade agreements in contravention of the laws of Congress? The Department representatives came here to try to convince the Senate committee that that should be done. The Senate committee did not agree with them. But apparently, the House conferees think it is all right for the Department to make international trade agreements in contravention of the laws of Congress, and that they should be given that authority. I think it is time we put this check upon it, particularly in those instances where the taxpayer is paying for the agricultural support program.

This then, was the intent of subsection (f) of the Magnuson-Morse amendment as contrasted with present language.

The amendment was adopted unanimously by the Senate Agriculture Committee as section 3 of H. R. 6567. Not a single voice was raised against it here on the Senate floor. Last year it was adopted by a vote of 44 to 28 as an amendment to the Anderson bill. Last year the Senate conferees on the Anderson farm bill deferred to the House conferees, and the amendment was lost.

I pointed out previously that in the colloquy which took place on the floor of the House recently no one seemed to understand what was being sought to be done. The State Department seems to have confused everyone about it.

This year the amendment was taken to conference and what happens? The conferees agreed to so-called compromise language, which compromises the Magnuson-Morse amendment out of the bill entirely.

The language of subsection F, agreed to by the conference, is worse than no language at all—is worse than the language we seek to eliminate. In about three times as many words the compromise section again nullifies section 22 and again subordinates it to the General Agreement on Tariffs and Trade.

Furthermore it is highly significant that the language agreed to by the conferees is precisely the language recommended to the Senate Agriculture Committee, in March, by the State Department.

I hope the Senator from Louisiana will bear with me while I repeat that statement. It is highly significant that the language agreed to by the conferees is precisely the language recommended to the Senate Agricultural Committee, in March, by the State Department.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. ELLENDER. The Senator is correct. That was by and with the consent and approval also of the Senate Committee on Finance, as well as of the Committee on Foreign Relations.

Mr. MAGNUSON. I appreciate the fact that the Senate approved it.

Mr. ELLENDER. All those interested in the subject had their representatives present, and an effort was made to use language which would be acceptable to all concerned.

Mr. MAGNUSON. What I am trying to point out—and it is somewhat more than significant—is that the opposition to this came constantly from the State Department, which wants authority to make trade agreements in contravention of the laws and of the intent of the Congress. If it is desired to give the State Department that authority, let us repeal section 22 to allow the Department to proceed to make agreements to permit the importation of agricultural products, and forget about section 22.

I say it is somewhat significant that the language agreed to by the conferees is precisely the language recommended to the Senate Agricultural Committee, in March, by the State Department.

Reference to this fact is on page 6 of the Committee report on H. R. 6567. Let me read the most pertinent paragraph. I am reading now from page 6 of the committee report dated March 30:

In accordance with this understanding representatives of the State Department met on March 27 with staff members of the

Senate Foreign Relations Committee and Senate Agriculture Committee and an attorney from the office of the Senate legislative counsel. The following amendment to the language of the pending bill has been suggested as a result of this meeting which your subcommittee submits to the full committee without recommendation.

There follows then, the full and exact text of subsection (f) adopted by the conferees.

When the question of adopting this proposal came before the full Senate Agriculture Committee, it was rejected unanimously—the Magnuson-Morse language was adopted unanimously.

The Senate is asked now to agree to a proposition which its own committee has already considered and discarded.

Let me read the conference language, omitting some of the excess verbiage, so its full import may be more readily understood:

No proclamation under this section shall be enforced in contravention of any treaty or international agreement to which the United States is or hereafter becomes a party—

Up to this point the language is exactly the same as subsection (f) adopted by the Eightieth Congress. It continues:

but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section * * * to the full extent that the General Agreement on Tariffs and Trade, * * * permit such enforcement.

Now what does that language mean? If I understand English correctly it means that any action taken under section 22 against imports must be in conformity with action permitted under the General Agreement on Tariffs and Trade. The language of the conferees simply means that the President can take no action under section 22 in contravention of General Agreement on Tariffs and Trade.

In one sense, adoption of this conference report will constitute ratification of article II of the General Agreement on Tariffs and Trade. From this point of view, the language of the conferees is even more objectionable than subsection (f) as it now stands.

Boiled down to its essence, the language agreed to by the conferees subordinates section 22 to existing and future agreements.

If we adopt this language we will be saying to the State Department, "We forgive you all past transgressions upon section 22. We authorize you to go your way and sin some more—as long as your future transgressions make no greater inroads on section 22 than those of the past."

I return to the thesis I have expounded on this floor for the last 2 years—either make section 22 an effective tool or take it off the statute books. Either give the President workable authority to deal with imports that destroy the effectiveness of a domestic farm program, or repeal the program itself. In my judgment, the American people will not long consent to a course of action which requires them to support both domestic and world prices.

I urge the Senate to reject this report, thereby indicating to our conferees, that the Senate wishes them to insist upon its amendment.

I remind the Senators again that a vote to reject the conference report cannot be interpreted by anyone, by any stretch of the imagination—as a vote against the $2,000,000,000 increase in the borrowing authority of the Commodity Credit Corporation. A vote to reject the conference report is a method of serving notice upon those who have responsibility for trade-agreement programs, that they cannot by executive action nullify the law of the land. I repeat, that by rejecting the conference report we shall in no way be jeopardizing the extension of the borrowing power of the Commodity Credit Corporation. The langugage on that subject is the same in both the House and Senate versions, and is not in dispute. I have talked to officials of the Commodity Credit Corporation, and I have asked them frankly, "Would a delay in this matter affect the operations of the CCC?" The answer was that it would not, that the Corporation has the money, anyway. We do not need to rush this matter, which is one of extreme importance.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. ELLENDER. Will the Senator tell us from whom, representing the Commodity Credit Corporation, he obtained that information? I have received information to the contrary.

Mr. MAGNUSON. Does the Senator refer to information to the effect that it would stop the operations of the CCC?

Mr. ELLENDER. No, no—that the CCC did not need it immediately, that it could wait, and wait, and wait. To whom did the Senator talk?

Mr. MAGNUSON. I talked to the secretary. I said, "Would this affect your operations, if it went on?" I was under the impression that if the CCC did not get this by June 30, it might make some difference. But the Commodity Credit Corporation can continue for the next 2 or 3 weeks without any trouble whatever. That is my information. If the Senator has information to the contrary, I do not know of it.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. WILLIAMS. I agree with what the Senator has said. There is no rush about the enactment of this proposed legislation. The Commodity Credit Corporation has adequate funds with which to carry on its duties at this particular time.

Mr. ELLENDER. It has a little money on hand, but it cannot announce its program on basic crops for 1950. What I am saying is that the Commodity Credit Corporation must in the near future announce a program as to what it will do in the future with reference to crops now growing. That is why it is necessary to have $2,000,000,000 available at an early date.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. WILLIAMS. I disagree completely with what the Senator from Louisiana has said. There is nothing in the law which would prohibit the Commodity Credit Corporatoon from announcing its program.

Mr. ELLENDER. How can it be done unless money is available?

Mr. WILLIAMS. The money is available.

Mr. ELLENDER. Suppose the Senate should not permit an addition of $2,000,000,000 in borrowing power?

Mr. WILLIAMS. The corporation has one and a quarter billion dollars of borrowing authority which has not been used. That is a great deal of money. Besides, the books of the corporation have not been brought down for 2 years, and we do not have the slightest factual idea as to how much money it has available——

Mr. ELLENDER. I do not want to take up the time of the Senate in going into details. The Senate had before it all the facts, presented by my distinguished friend from Delaware, and $2,000,000,000 was authorized. That is all I have to say.

Mr. MAGNUSON. In any event, Mr. President, the matter of a few days is not going to make any difference in the operations. The Corporation can announce its program.

I should like to add before I yield to the distinguished Senator from Nebraska [Mr. WHERRY] that I am a supporter of the Trade Agreements Act, and I know the Senator from Louisiana is also a supporter of it; but if the State Department continues in the way it has been going, particularly with reference to industries in certain geographical areas, and if it continues to make agreements containing no escape clause, and allowing agricultural imports to come into this country, wrecking our farm program, we shall find that the whole reciprocal trade program will be wrecked.

I think the amendment protects the State Department from its own evils; it protects it in spite of itself. Next year, when the Trade Agreements Act comes up for extension, Congress may refuse to continue it if the State Department continues such tactics as it has been employing. It is high time for the Department to know that if its devotion to reciprocal trade agreements is what it says it is, it had better make some concessions, because the American taxpayer will not stand for such tactics much longer.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I wish to finish my statement, and then I shall yield the floor.

We may have to go back to protective tariffs, and I heartily disapprove of protective tariffs. I think that would be the most disastrous thing that could happen to this country. That would be the quickest way to world war III. I think that even some Republicans would agree to that.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. MAGNUSON. In just a moment.

Mr. President, every farm organization in the United States is in favor of this amendment. I do not want to clutter the RECORD with their statements, but two typical ones are from the National Council of Farm Cooperatives and the National Grange. There are many others.

As a matter of fact, I do not know of anyone who opposes this amendment, with the exception of the State Department. Every farmer, taxpayer, and American citizen, who understands it, is in favor of it.

In closing I read two telegrams I received this morning from two great farm organizations:

National Council of Farmer Cooperatives strongly urges your support of original text Magnuson amendment to CCC bill when it reaches Senate floor. We believe language suggested by conferees is not adequate to give United States farmers protection they urgently need against injurious imports.
NATIONAL COUNCIL OF FARMER COOPERATIVES,
JOHN J. RIGGLE, *Assistant Secretary.*

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The National Grange appreciates and hopes you will continue to insist on the Magnuson amendment in the CCC bill. We feel it is vital to any program of price supports.

THE NATIONAL GRANGE,
ALBERT S. GOSS, *Master.*

Mr. President, I yield as much time to the Senator from Nebraska [Mr. WHERRY] as he may wish.

The PRESIDING OFFICER. The Senator from Washington has 10 minutes time remaining.

Mr. WHERRY. Mr. President, continuing the observations made along the same lines, which have been so forcefully presented by the Senator from Washington [Mr. MAGNUSON], the junior Senator from Nebraska, last February, sought to have adopted by the Senate an amendment to restrict the importation of Irish potatoes when the supply of potatoes in this country is in excess of the goal of production or national production allotment as set by the Secretary of Agriculture.

When my amendment was before the Senate there were cries that it would upset the broad over-all policies of the Department of State, just as has been so dramatically set forth by the Senator from Washington.

Again we are confronted by language in the pending conference report, the ultimate effect of which will be to subordinate recommendations of the Secretary of Agriculture to the global planning of the Department of State, and its goal to fill every dollar gap around the free world, real or fancied.

That is why the farm organizations are opposed to the conference report. They want the Department of Agriculture, which is a fact-finding agency of government, to be the Department to determine whether there is an impact upon the agricultural production of the United States. Why leave it to a political agency, the Department of State, to make the determination while it writes its agreements with foreign countries?

The rights and interests of our farmers should be fostered by the agency of the Government created for that purpose, the Department of Agriculture, and not be left to the political global planning of the Secretary of State.

Again the junior Senator from Nebraska arises in support of tariff protection for American industry, agriculture, and labor.

The Senate-House conference report, now before the Senate, deals with the tariff on agricultural commodities, and procedures for protecting United States producers of agricultural commodities against loss of their American markets, the domestic markets, to importations from other countries.

The junior Senator from Nebraska is hopeful that, before the present session of the Congress adjourns, there will be passed a broad, general amendment to the Trade Agreements Act, to provide protection for all American producers, all industries, and all agriculture, against further reductions in tariff schedules below peril points for our own producers.

A start toward this wholesome, necessary action can be taken by the Senate on the pending conference report dealing with the tariffs on agricultural commodities.

The evidence in support of this action is abundant and conclusive.

The forthright, sensible, sound action taken by the Senate in adopting the Magnuson-Morse amendment to House bill 6567, the Commodity Credit Corporation bill, has been revised in conference.

As it stands before the Senate, it would provide so much red tape and duplication of investigation and finding of facts, that it would be next to worthless. The relief against ruinous imports, to which the farmers of the United States are so justly entitled, would be long deferred if it should ever come.

The Senate amendment, which the conferees revised into a merry-go-round of investigations, was adopted unanimously by the Senate Agriculture Committee, and subsequently adopted by the Senate.

Last year, in a 3-day floor debate, in which all the issues were thoroughly discussed in this body, the amendment was adopted, 44 to 28.

This section, as it went to conference with the House, provided for simple, direct, effective procedure, under which the Secretary of Agriculture would make the finding of fact, if imports or threatened imports of a given commodity seriously affected or threatened to affect American farmers and processors.

Then the Secretary of Agriculture was to submit his finding to the President.

The President would still have discretionary authority given to him in the Trade Agreements Act, to put the recommendations of the Secretary of Agriculture into effect in foreign-trade agreements, or he could reject them.

But the voice of agriculture would be heard through the Secretary of Agriculture. And there is no better agency for passing upon purely agricultural tariff matters than the Department of Agriculture. All of the organizations of farmers are supporting this procedure.

Many letters have already been introduced into the RECORD, and no doubt more will be introduced, confirming that observation. They know that the Department of Agriculture knows more about the facts and the impact of the wholesale importations of agricultural products into this country than does any other governmental agency, especially the Department of State.

The conference report now before the Senate would retain initiative for the Secretary of Agriculture, in posting warning signs against tariff slashes on agricultural commodities, but have them referred to the United States Tariff Commission for further investigation, further study, more hearings, and more reports.

Section 22, as adopted by the Senate, provided clear, unmistakable language regarding treaty obligations. For obvious reasons it is not desirable to revise tariff schedules, in contravention of existing treaties. To do that would be an act of bad faith. The amendment as originally adopted by the Senate covered the situation in this language:

No international agreement hereafter shall be entered into by the United States or renewed, extended, or allowed to extend beyond its permissible termination date in contravention of this section.

That was forcefully pointed out a few moments ago by the senior Senator from Washington.

When the Senate adopted the Magnuson-Morse amendment, its purpose was to establish a procedure by which tariff protection could and would be provided for the American farmers, and to accomplish that purpose in the most direct and effective way possible. The conferees have injected into this clear, straightforward amendment detours, if's and's, and but's.

Mr. President, today's news—the hostilities in Korea and fast-moving events around the globe—which disturbs the yearning of our people for lasting peace, should remind all of us of the paramount importance of keeping the United States strong—strong financially, strong economically, and strong spiritually. Much as we all desire to help other countries to get on their feet, so they can resist communism, we must be prudent about it and not sap the strength of the United States by opening the floodgates for importations of agricultural commodities. Every economist will tell us that agriculture is the foundation for national prosperity. Sixty-five percent of our wealth comes out of the soil.

There is abundant evidence that our farmers are beginning to feel the impact of imports. Canned meats, fresh and frozen beef, fresh eggs, dried eggs, potatoes, tree nuts, and other commodities, even including corn and wheat, are coming in to compete with our own American producers. Certainly there is no sound thinking in permitting importation of commodities which are in the Commodity Credit Corporation's price-support operations. I ask the question: Is there? The end result of such a program is to have the Government—all the taxpayers—maintain price supports for importers to take advantage of. For the producers of commodities which are not in the price-support program to face the loss of their domestic markets to foreign producers, is to advocate, if you please,

"Buy foreign," instead of "Buy American."

Mr. President, what is the use or purpose of extending the borrowing power of the Commodity Credit Corporation, which is the primary purpose of this legislation, if at the same time we permit unrestricted imports of products in direct competition with supported domestic production? Without such protection, we shall continue to take it out of the American taxpayers' hide, coming and going. For that matter, Mr. President, what is the use of maintaining high wage levels in this country, and other high standards of living, if we are to let those standards be imperiled by imports produced by slave labor, and under conditions with which the American farmer and the American producer cannot compete?

The PRESIDING OFFICER (Mr. McFARLAND in the chair). The time of the Senator from Nebraska has expired. All time of the opponents has expired.

Mr. WHERRY. I wonder whether the Senator from Louisiana would be kind enough to grant me 3 minutes in order that I may conclude my statement.

Mr. ELLENDER. Certainly.

Mr. WHERRY. Either our own agriculture program must receive first attention, or foreign agriculture programs will be given priority. I wish every Senator would remember that fact, not only now, but especially in the future, when it is proposed to extend trade agreements. In the future, trade agreements should not be made with a view to expanding foreign agriculture at the expense of our farmers and our American economy.

These questions are now before the Senate to decide. The junior Senator from Nebraska is supporting the Magnuson-Morse amendment because it offers an approach to protection for American farmers against ruinous foreign competition. It is to be assumed that the President, confronted by evidence submitted by the Department of Agriculture, will recognize its validity in the interests of the United States. It has been suggested that the Senate conferees obtained the best in conference that was possible. This the junior Senator from Nebraska does not question, for he believes the Senate conferees were true to their trust, and did all they could to have the Senate provisions adopted in conference. But, the legislative process is still underway. The normal course of submitting the conference report to the Senate is now being taken. It is quite within the rights of the Senate to review its position, and, having found that its original action is more practical and feasible than the compromise reached in conference, the Senate has the right to insist upon the original language. The junior Senator from Nebraska submits that by rejecting the conference report, and insisting upon the language so overwhelmingly adopted by the Senate, the hands of the Senate conferees will be strengthened when they go back to conference the next time. Fortified by Senate reiteration of its position in support of the Magnuson-Morse amendment, the Senate conferees can resume meeting with the conferees on behalf of the House of Representatives confident of success in persuading them of the wisdom of the Senate's position.

Mr. President, for all the reasons I have given in the very brief time available to me, I urge rejection of the conference report, and, if it succeeds, insistence upon the clear, workable, and effective procedures already approved by the Senate.

Mr. President, once more I thank the distinguished Senator from Louisiana for the courtesy he has extended to me.

Mr. ELLENDER. Mr. President, I do not have much new material to add to what I have already presented to the Senate, but I should like to emphasize a few of the points which I made last Friday. At the outset I wish to say that the conferees met on two occasions, and every effort was made by the Senate conferees to have the Senate version of the bill adopted. However, we were met with most strenuous opposition on the part of the House conferees. The House conferees were positive in their assertion that if the so-called Magnuson-Morse amendment were adopted in its present form it would do much violence to our future trade-agreements program. After considerable debate in conference the conferees finally agreed to report what is now before the Senate. I may say that the more I study the compromise report the better I like it, and under it, we should come considerably closer to settling the problems which have been discussed by the Senator from Washington [Mr. MAGNUSON] and the Senator from Oregon [Mr. MORSE] than if we permitted the law to remain as it now stands. As I pointed out Friday we are placing mandatory provisions as to what should be done by the Secretary of State and the President in carrying out our trade-agreements program, instead of making them permissive.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. MAGNUSON. The Senator made the statement that the House conferees thought the amendment, if adopted, would do violence to the trade program. I am wondering whether the Senator could inform the Senate in what specific respects they thought violence would be done.

Mr. ELLENDER. It would be done by striking the present subsection (f) from section 22. As the Senator well understands, the President need not take into consideration section 22 in executing trade agreements in the future.

Mr. MAGNUSON. How did they say specifically it would do violence? I cannot see how it would do violence.

Mr. ELLENDER. For the simple reason that the language in the Senator's proposal is so broad that any commodity with respect to which there is a purchase agreement, a loan, or any kind of program—whether or not that commodity is produced in excess of our requirements, could be excluded from future trade agreements; that is, such a commodity could be made the subject of an investigation by the Department of Agriculture, whether or not an effective program to curtail production or limit the marketing thereof, were possible.

Mr. MAGNUSON. Oh, no.

Mr. ELLENDER. I know the Senator does not agree with that, but, as he has admitted, there must be a program in effect. Where we differ is as to the effectiveness of such a program in limiting production or curtailing its disposition through marketing agreements.

As I started to say, all the conferees on the part of the House, as well as all the conferees on the part of the Senate—with the exception of one—signed the conference report. The exception on the Senate side was the Senator from North Dakota [Mr. YOUNG], who did not feel that he could sign the conference report because he was not in full agreement with what could be done under the new proposal.

Mr. MAGNUSON. Let me ask the Senator another question. Is it not correct that in accepting the House version, which is the State Department version, the Senate conferees accepted an amendment which they had unanimously rejected in the Senate Committee on Agriculture and Forestry? It is exactly the same language.

Mr. ELLENDER. I will not say it was unanimously rejected. We considered it, but the Senate committee at that time thought that the Magnuson amendment, which was before us, was couched in better language and would do more to accomplish the purpose than what was proposed.

Now let me state to the Senator, as I mentioned last Friday, that the conference report agreed upon is effective with respect to our basic crops, or, for that matter, any crops which we produce and on which we can control overproduction by marketing quotas or acreage allotments. I am sure my distinguished friend from Washington will not disagree with that. Under his own amendment, before it could be effective as to any commodity it would be necessary that some form of control be in effect. The Senator admits that.

What I am saying is that with respect to the conference report, that is, the language which has been agreed to by the Senate and the House, the language with respect to our basic crops, and any crops on which marketing quotas can be imposed, or which can be controlled by acreage controls, would be as effective as that of the amendment proposed by the distinguished Senator from Washington. The only difference, as he pointed out, would be with respect to procedure.

I wish to point out to the Senate that the procedure outlined in the present law is not changed one iota from the procedure indicated in the amendment of the Senator from Washington, except that, instead of the President initiating any action, the conference agreement would place this responsibility on the Secretary of Agriculture, who would report to the President, and who in turn would have the Tariff Commission investigate the facts. Under the Senator's amendment, the Department of Agriculture would initiate the machinery, and the Department of Agriculture itself would then hold hearings and determine the extent to which certain commodities

are coming in, and are, in a measure, doing violence to or affecting adversely the producers of similar commodities in this country.

Mr. President, after the findings are made by the Department of Agriculture, in the case of the amendment proposed by the distinguished Senator from Washington, the President may by proclamation impose such fees, "not in excess of 50 percent ad valorem or such quantitative limitations on any article or articles which may be entered," and so forth. The present law states that if a finding is made, and if that finding shows that the entry of any commodity into this country will do violence to the producers of similar commodities here, the President shall impose such ad valorem fees. The conference report makes it obligatory on him to do it, whereas in the case of the Magnuson amendment he is not obligated to do it. That is why I am saying to the Senate that the more I study both proposals, the greater is my conviction that a more effective method can be worked out under the agreement reached by the conferees than under the Magnuson-Morse amendment, insofar as our basic crops are concerned, or insofar as concerns any other crop, the production of which the Department can successfully curtail by means of acreage controls or other methods.

Mr. President, I repeat, the same line of commodities which could be affected under the pending proposal agreed to in conference could also be affected under the so-called Magnuson-Morse amendment. In other words, there is absolutely no difference in what can be done as to our major crops, except that in the method of attaining the goal the Magnuson amendment treats the matter differently. That is the only difference, as I am sure the Senator from Washington will admit. He is of the opinion that because the Department of Agriculture can initiate the procedure, because the Department of Agriculture can itself hold hearings and make the findings, it stands in a better position to have things done which would benefit agriculture than if we let the Tariff Commission do it.

Let me point out to the Senator that the Tariff Commission, as the distinguished Senator knows, is a bipartisan commission, composed of Republicans and Democrats. This Commission has to do with our trade as a whole, and is not relegated merely to dealing with agriculture, or with the production of steel or any other commodity. It has experts to make studies of all the proposals brought before it, in the light of an over-all picture, and I contend that it is in a better position to make findings than would be the Department of Agriculture.

Mr. President, a question arose as to the position of the farm organizations throughout the country. As the distinguished Senator pointed out, there are several farm organizations, I know, which are strongly in favor of the so-called Magnuson-Morse amendment, and do not agree to what the conference report proposes. For instance, a letter from the National Milk Producers Federation addressed to me today states:

We wish to indicate the position of the National Milk Producers Federation concerning that part of the conference report on H. R. 6567 relating to section 22 of the Agricultural Adjustment Act.

Mr. President, the letter expresses a contrary view to my feelings in this matter and the way I think about it. I want to be perfectly fair with the Senate, however, in presenting the views of those who are opposed to my position as well as those who are in favor of it. This morning I had my secretary telephone the heads of various farm organizations in Washington, five of them, and I am glad to say that all responded either by telegram or by letter. The letter I am reading, from the National Milk Producers Federation, as I stated, takes a position contrary to mine. I continue to read:

At the thirty-third annual meeting in November 1949 the federation adopted a resolution with respect to import controls which reads in part as follows:

"We recommend as permanent legislation the repeal of subsection (f) of section 22 of the Agricultural Adjustment Act and the enactment of legislation to provide that no international agreement shall hereafter be entered into by the United States, or renewed, or permitted to extend beyond its earliest permissible termination date, which would be in contravention of said section 22."

The present law, because of subsection (f) in conjunction with the General Agreement on Tariffs and Trade, does not provide adequate protection for our agricultural programs. Recognition of this fact has given rise to the present move to amend section 22.

The conference report insofar as it relates to section 22 does not accomplish the desired objective nor correct the present unsatisfactory condition. The legislation therein recommended would merely prevent the United States from entering into future trade agreements containing provisions more harmful than those already contained in the general agreement.

To this extent the proposed legislation may be some improvement over the present law, but it does not solve the basic problem.

As has been stated here, insofar as the milk producers are concerned, the provision proposed by the conferees is not entirely acceptable, but it is a move in the right direction, and in my opinion will correct many of the discrepancies which now exist.

The National Council of Farmer Cooperatives in a letter addressed to me today had this to say:

We appreciate your efforts to make section 22 of the Agricultural Adjustment Act effective in the protection of our various farm programs.

Our people believe the original language of the Magnuson-Morse amendment accomplishes the original objective of speeding procedure, and yet safeguarding it in the hands of the Agriculture Department which is informed and prepared to act as rapidly as inquiries into the problem may indicate.

On the other hand, we believe the conference report version is not clear enough for us to predict the interpretation which may later be put on paragraph (f). And we also feel that the procedure under paragraphs (a) and (b) provide unnecessary delay in obtaining the facts and in reaching a decision thereon.

In other words, the chief objection by that organization is with respect to questions of procedure. In the letter from which I have just quoted, they refer to one of them. In my humble opinion, the method of procedure by which the Department of Agriculture should make the over-all study would run into serious difficulties. The study cannot be confined merely to milk or to cheese, or to any particular farm commodity. The Senator from Washington knows that in making a trade agreement we cannot satisfy everyone. We are bound to trample on the toes of some. Unless an over-all study is made of the situation by a bipartisan group which is familiar with all phases of our foreign trade, a good job cannot be done that will treat everyone as equitably as he should be treated. The Senator knows that to be so.

It will not, in my opinion, be as simple for the Secretary of Agriculture to conduct the hearings as the Senator has indicated. The Department of Agriculture cannot solve the problem by a study with respect to what effect a certain amount of wheat coming into this country would have on the wheat producers; it would also have to study the benefit that an agreement in which wheat is involved would bring to the producers of other commodities throughout the country. That over-all picture would have to be considered by whoever is designated by the Congress to make the study that is called for in section 22. I maintain that the department of government best able to make that study is the Tariff Commission. It has experts in every line, and they can do the work much more quickly, and to the better advantage of everyone concerned, than can the Department of Agriculture which would be the prosecutor, the judge, and the jury if the Magnuson-Morse amendment were adopted.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MAGNUSON. That may sound all right, Mr. President, but the actual experience we have had in connection with this matter is that there are too many experts in the Tariff Commission. I can tell the Senator what has happened time after time, in many instances, when an agricultural product is coming into this country which is ruinous to a Government-supported program. I speak of the result to the taxpayers not to the producers. When the cumbersome procedure of the Tariff Commission is followed, by the time the hearings are ended, and the recommendation is made, months and months have passed, and the damage has been done. The Tariff Commission does not consult with anyone. It has its own experts. They do, as the Senator says, look at the over-all picture. The experts of that agency are adept; they study and study and study the subject, and by the time the recommendation is finally made, the damage is done to, let us say, perishable agricultural products involved. If they would act with due dispatch, very well; but we have never had the experience

with them that they do act with due dispatch.

Mr. ELLENDER. Let us assume that the Department of Agriculture makes the investigation. The facts and the findings must then be submitted to the President. If the Department of Agriculture cannot show the President how its findings or recommendations, if it makes recommendations, will affect other commodities, the President would have to go to the Tariff Commission before reaching a final decision.

Mr. MAGNUSON. If he wished to do so; yes.

Mr. ELLENDER. Of course. That is where he would go. That is where he has to go. I do not believe the Department of Agriculture is equipped with the proper staff to make an over-all study of how a certain commodity affects other commodities throughout the country. Yet before the President acts on any proposal concerning trade agreements he has to know how his action will affect the producers of other commodities.

When the proposal embodied in the Magnuson-Morse amendment was first submitted to the Congress, the Department of Agriculture suggested then that the best agency of Government to make this over-all study was the Tariff Commission. The reason for the Agriculture Department's recommendation was that the Tariff Commission had the necessary experts, who had devoted years of study to the subject, that they had most of the facts at hand, and that therefore they could work more rapidly than could any other agency of Government.

Mr. President, a moment ago I was discussing the position of the farm organizations.

Mr. MAGNUSON. Mr. President, if the Senator will permit me to interrupt, inasmuch as I have to go to the telephone in a moment, I should like to ask him a question: Is it not a fact that every farm organization, so far as the Senator knows—including the so-called Big Five, to which we have referred—would like to see the Magnuson-Morse amendment adopted?

Mr. ELLENDER. I shall read statements giving their views. I think the Senator was a little in error in saying that all of them are opposed to the conference report and in favor of the Magnuson-Morse amendment.

Mr. MAGNUSON. I think all of them endorsed the Magnuson-Morse amendment. There may be some who say, as the milk producers do, that "Although we are not getting the whole loaf, this will be about one-tenth of a loaf for us."

Mr. ELLENDER. Exactly. I say to my distinguished friend that if the agreement reached in the conference committee were thoroughly understood by the various farm organizations, then, instead of preferring to have no law at all on the subject, I believe they would prefer to have the conference report, for the reason that it is a step in the right direction, and it will tend to ameliorate many of the difficulties which give rise to the Magnuson-Morse amendment.

Mr. MORSE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. KEFAUVER in the chair). Does the Senator from Louisiana yield to the Senator from Oregon?

Mr. ELLENDER. I yield.

Mr. MORSE. I should like to say that a few minutes ago Mr. Sanders, of the National Grange, called me into the reception room and expressed the view that he certainly had no fear that harm would come to the farm program as a result of returning the conference report for a further conference.

Later in the afternoon I shall insert in the RECORD a letter which the head of the Grange, Mr. Goss, has written, and his letter certainly expresses their position on this matter.

Mr. ELLENDER. Mr. President, I have received a letter from the Grange, dated today, June 26, reading as follows:

> It is our opinion that the conference report on the Commodity Credit Corporation bill still leaves any tariff adjustments to the discretion of the President. Unless clear-cut authoritative interpretation can be approved by the Senate, we believe the report should be returned to conference for clarification.
>
> A. S. Goss,
> *Master, the National Grange.*

I pointed out in particular to the Senator that in his letter, Mr. Goss says that in their opinion—

> The conference report * * * still leaves any tariff adjustments to the discretion of the President.

Certainly that is true, regardless of whether the conference report is adopted or whether the Magnuson-Morse amendment is adopted.

Mr. MORSE. There is a difference between the exercise of the checks under the two proposals.

Mr. ELLENDER. Let me point out that after the findings are made by the Secretary of Agriculture, under the so-called Magnuson-Morse amendment it is not obligatory on the President to impose ad valorem fees.

Mr. MORSE. There is no attempt on the part of the Senator from Oregon and the Senator from Washington to make that obligatory, because we are satisfied that if we can adopt a timing schedule which will make it possible for us to get the facts to the administration in advance of the doing of damage, the damage will not be done.

Mr. ELLENDER. Under the conference report, when the Tariff Commission finds that the facts warrant action by the President, then the President must act. In that respect, the conferees have followed the law which now exists. Section 22 as now written provides that—

> If, on the basis of such investigation—

That is, if an investigation is made by the Tariff Commission—

> and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 percent ad valorem—

And so forth. But with reference to the so-called Magnuson-Morse amendment, the word "shall" is changed to "may." I think that change constitutes a significant difference, especially when we view that language in connection with the proposal, as I shall read it in a few minutes, which has been submitted to the Senate by the conference committee, namely, that insofar as the basic commodities are concerned, and insofar as is concerned any commodity on which we have effective limitations on marketing or production, the steps which will be taken will be as effective as those which could be taken under the Magnuson-Morse amendment. The only difference would lie in who shall make the findings—whether the Department of Agriculture or the Tariff Commission.

Mr. President, I repeat that it would be unfair to the producers of other commodities to permit the Department of Agriculture to make the investigation and be the judge of everything in that connection, because necessarily, in the making of trade agreements, we must take into consideration the producers of commodities other than those directly affected by the agreements. For instance, we must determine the extent to which the manufacture of automobiles will be affected and the extent to which the manufacture of other commodities will be affected by the various trade agreements into which we enter.

The Senator from Oregon knows that, regardless of what agreements we make, we are bound to trample on the feet of some while we help others, or vice versa.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MORSE. I wish to say that I respect the views of the Senator from Louisiana regarding the conference report, but our difference is rather fundamental. Our difference is over the question of who will make the investigation, and when the investigation will be made.

I wish to say that the conference report fails miserably to place any effective check on the trade agreements' section of the State Department, which to date have shown that they have failed to have any sound understanding of the problems of American agriculture.

Mr. ELLENDER. Mr. President, the Tariff Commission is a fact-finding body.

Mr. MORSE. But its findings are made too late to be effective or to do any good.

Mr. ELLENDER. The Tariff Commission bases its findings on the facts presented to it, and then the Tariff Commission advises the President that such and such should be done.

I repeat to my good friend, the Senator from Oregon, that if the investigation is made by the Secretary of Agriculture, then in order to enable the Secretary of Agriculture to have an over-all picture in regard to how the entire program affects the producers of other commodities, either the Secretary of Agriculture will have to go to the Tariff Commission or he will have to have a force of his own to look into all these devious problems, if he is to obtain an over-all picture.

Regardless of whether this matter is submitted by the Secretary of Agriculture or not, the President would finally have to go to the Tariff Commission, in

the event the Secretary of Agriculture could not give him the over-all picture.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MORSE. I wish to say to the Senator from Louisiana that under the Magnuson-Morse amendment the department of the Government best qualified to advise the President of the United States in regard to the effect of a proposed agreement on the American farmer will have its day in court, which is not possible under the Senator's proposal.

Mr. ELLENDER. Mr. President, I have to differ with my good friend the Senator from Oregon, because the proposal the conference committee has made is that the Secretary of Agriculture shall initiate these proceedings.

Mr. MORSE. What good does it do to initiate a proceeding if there is inability to conduct the investigation and to make the findings of fact on the basis of having the department best qualified make the findings of fact?

Mr. ELLENDER. I believe that a great deal of good will be accomplished by making the Secretary of Agriculture responsible by law to initiate the proceedings.

Mr. MORSE. What the Senator is doing is passing the buck to another agency of the Government which experience has shown has not protected the American farmer. That is what the Senators from Oregon and Washington are trying to prevent. The conferees are merely continuing the evil we are seeking to remedy.

Mr. ELLENDER. I am sure my good friend from Oregon would not state to the Senate that if this matter were put entirely into the hands of the Department of Agriculture, that Department would be able to say what effect it would have on the producer of automobiles in Michigan, upon a tire producer in Ohio, or upon other people who are interested in trade agreements. In other words, in order that the President may be able to make up his mind and to follow the suggestions made to him by the Department of Agriculture, he will have to have before him a study of the over-all picture, not merely a statement of how a certain agreement affects wheat, corn, and other things.

Mr. MORSE. We do not seek to prevent that.

Mr. ELLENDER. But it would be prevented if the Tariff Commission is bypassed completely.

Mr. MORSE. We do seek to guarantee to the American farmer that his interests shall be protected as they have not been protected under the administration of the reciprocal-trade agreement program now for some years past.

Mr. ELLENDER. Let me state to my good friend that the Department of Agriculture has made a close study of this matter. The Magnuson-Morse agreement has been before the Department for study for quite some time, and the Department itself is opposed to it. The Department thinks that the agency which ought to perform this function is the one which is equipped to do it, namely, the Tariff Commission.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. MORSE. I am sure the distinguished Senator from Louisiana is perfectly well aware of the fact that when a department is advised as to what an administration policy is, it is not inclined to go against the administration's policy. Of course, we know that the administration is opposed to the Magnuson-Morse amendment. But for the Senator to quote as his star witness the Department of Agriculture itself, does not carry any weight with the Senator from Oregon. But place the power there, and I am satisfied that then for the first time we shall get from the Department of Agriculture the independence of conduct which we ought to get from it.

Mr. ELLENDER. Mr. President, I am not going to argue further with my good friend on that subject. Before I was interrupted, I was trying to show the position of the various farm organizations on the question of adoption of the conference report. I was reading from a letter addressed to me today by the National Grange. The letter reads as follows:

NATIONAL GRANGE,
*Washington, D. C., June 26, 1950.*

Hon. ALLEN J. ELLENDER,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR ELLENDER: It is our opinion that conference report on the Commodity Credit Corporation bill still leaves any tariff adjustments to the discretion of the President. Unless clear-cut authoritative interpretation can be approved by the Senate giving assurance that such adjustments are mandatory, we believe the report should be returned to conference for clarification.

Yours sincerely,

A. S. GOSS,
*Master, the National Grange.*

I may say that the so-called Magnuson-Morse amendment does not make these adjustments obligatory upon the President. Under the conference committee's proposal the President, after the facts are found, after the report is made, must adjust the tariffs, and the extent to which he must adjust them depends upon the findings, of course, whereas under the Magnuson-Morse amendment he does not have to act if he does not want to.

I should like to quote from a telegram that I have this day received from the American Farm Bureau Federation:

WASHINGTON, D. C., *June 26, 1950.*

Hon. ALLEN J. ELLENDER,
*United States Senator,*
*Washington, D. C.:*

In compliance with your request concerning the views of the American Farm Bureau Federation relative to the conferees' action on section 22 of H. R. 6567, they are as follows: Section 22 was designed to protect United States agriculture from imports when such imports would cause undue hardships to domestic producers of like commodities. The proposed conference amendment to section 22 does not accomplish the original objective of section 22 to which we are committed by American Farm Bureau Federation resolution.

I invite special attention to this:

If the Congress accepts the conference report, the situation will be improved if the legislative history includes an interpretation of the conference amendment showing it was the intention of the Congress that under the conference amendment section 22 could be invoked when acreage allotments, marketing quotas, or marketing agreements are in force with regard to any agricultural commodity or when surpluses of agricultural commodities are being used for school lunch and other domestic consumer programs.

J. DON PAREL,
*Associate Director, American Farm Bureau Federation.*

I think I have made that very plain in the debate heretofore, but in order to make it doubly certain, I requested the office of the Secretary of the State to submit their views on this matter.

This is what was said in a letter addressed to me by the Department's Deputy Legal Adviser, Jack B. Tate:

JUNE 26, 1950.

The Honorable ALLEN J. ELLENDER, Sr.,
*United States Senate.*

DEAR SENATOR ELLENDER: You have asked the opinion of the Department as to what type of measure would be considered sufficient to justify an import quota under the general agreement on tariffs and trade, referred to in the conference report on the proposed amendment to section 22 of the Agricultural Adjustment Act.

In the opinion of the State Department, the basic question is one of fact. Import quotas would be permitted under the general agreement on tariffs and trade in any case where there is an effective limitation on domestic marketing or production.

That is the point I emphasized previously and on many occasions, particularly last Friday and also here today. The letter continues:

A farm marketing quota, if not set so high as to exceed what the farmers would ordinarily market, would, for example, constitute an effective restriction within the meaning of the agreement. Marketing agreements and orders and farm-acreage allotments are other devices which might also constitute effective restrictions.

Sincerely yours,

JACK B. TATE,
*Deputy Legal Adviser.*

In other words, there is no doubt that it is the understanding of the conferees on the part of the Senate that farm-marketing quotas constitute effective restrictions on production or marketing. It is also understood that marketing agreements and orders and farm-acreage allotments may also constitute effective restrictions on marketing or production, and that the judgment of the Secretary of Agriculture will be accepted as the authoritative judgment with respect to whether a marketing agreement and order or farm-acreage allotments are effective restrictions.

So you will see that that is in line with what the Farm Bureau desired. In other words, the Farm Bureau states that if that interpretation can be made, it would have no objection to the conference report.

I am saying that, with this language and with this interpretation of the language which I have just quoted, the conference report makes it as effective with respect to all of the basic crops and others crops with which it is possible to have effective marketing controls or acreage allotments, as would be the case

under the Magnuson-Morse amendment to section 22.

The fifth farm organization consulted by me was the National Farmers Union. As of today, I have received a telegram from the union as follows:

WASHINGTON, D. C., *June 26, 1950.*

Senator A. ELLENDER,

*Senate Office Building:*

The National Farmers Union strongly urges the adoption this afternoon by the Senate of the conference report on the bill increasing borrowing power of the Commodity Credit Corporation. While we did not favor the adoption of the Magnuson amendment and would prefer that the bill not deal with foreign trade matters, we feel the conference report has modified sufficiently the original Magnuson amendment so that the report should be adopted as it stands. In any case, the provision of the additional price-support monetary authorization is of the utmost gravity to farmers. Commodity Credit needs the additional loaning funds at once if it is to carry out congressional commitments.

RUSSELL B. SMITH.

Mr. President, I feel doubly certain that if all our great farm organizations understood the report which is now before the Senate, and if they knew it was going to be given the interpretation which I have just indicated as coming from the office of the Secretary of State, as well as the interpretation placed upon it by the conferees, they would conclude that the report made to the Senate will be as effective with respect to all our commodities which can be controlled either through marketing agreements or acreage allotment, as would be the case under the so-called Magnuson-Morse amendment.

Mr. President, one of the points made by the distinguished Senator from Washington [Mr. MAGNUSON] was that a great deal of time would be required for the Tariff Commission to make its investigation. I have before me a few examples of the time required to submit to the President certain findings.

On November 20, 1940, the Chairman of the Advisory Committee to the Council of National Defense recommended to the Tariff Commission the suspension of import quotas on long-staple cotton of one and eleven-sixteenths inches and longer for the duration of the emergency. The committee pointed out that this cotton was urgently needed for the manufacture of balloon and airplane fabrics but was in short supply in the United States. The Tariff Commission ordered an investigation on December 4, 1940, held hearings 1 week later, and issued a report to the President on December 13, 1940. The Commission recommended the suspension of quotas on cotton one and eleven-sixteenth inches and longer. The President issued a proclamation to this effect on December 19, 1940, effective immediately.

In other words, Mr. President, from the time the Commission was asked to make the investigation until the procedure was completed, less than a month transpired.

I have before me quite a number of such examples, but I have only 7 minutes remaining, so I shall ask that there be inserted in the RECORD the rest of these examples showing the time involved by the Tariff Commission in its investigations.

There being no objection, the examples referred to were ordered to be printed in the RECORD, as follows:

3. SECOND SUPPLEMENTAL INVESTIGATION

Until the proclamation of September 5, 1939, it had been possible for United States cotton that had been sold to Canada and rejected by the purchaser, to be returned to the United States for resale. As a result of the proclamation it was not possible to do so and apparently American cotton exporters had suffered losses. On October 27, 1941, the Under Secretary of Agriculture requested the Tariff Commission to investigate this situation. An investigation was ordered on November 12, 1941, hearings held on December 10, and a report made to the President on February 20, 1942. The report recommended the suspension of quotas on American cotton returned to the United States upon rejection by foreign importers. It was also recommended that the quota be suspended on commercial samples of cotton and cotton waste. The President accepted the report and issued a proclamation on March 31, 1942, effective immediately.

4. THIRD SUPPLEMENTAL INVESTIGATION

As a result of the trade agreement concluded with Peru on May 7, 1942, it was understood that country quotas on long-staple cotton would be changed to a global quota equal to the total of the country quotas. This change would permit the United States to import the same amount of long-staple cotton despite the adverse effects of the war on certain producers. A request for this change was made to the Tariff Commission by the Secretary of State on May 9, 1942, and an investigation was ordered on May 12. No hearings were held. A report recommending the change was sent to the President on June 8 and a Presidential proclamation embodying this recommendation was issued on June 29, 1942, effective July 29.

5. FOURTH SUPPLEMENTAL INVESTIGATION

The Secretary of Agriculture requested the Tariff Commission to investigate the situation with regard to harsh or rough cotton under three-fourths of an inch which, as noted above, had not been covered by the President's proclamation of September 5, 1939. An investigation was ordered on September 17, 1946, hearings held on October 14 and 15, and a report issued to the President on December 31, 1946. The Commission recommended a global quota of 70,000,000 pounds on this type of cotton. A Presidential proclamation to this effect was issued on February 1, 1947, and made retroactive to September 20, 1946.

6. FIFTH SUPPLEMENTAL INVESTIGATION

At the request of the American cotton-textile industry an investigation was ordered on January 23, 1947, to determine whether or not a supplemental quota should be established for long-staple cotton. Hearings were held on February 18, 1947, and a report issued to the President on April 21, 1947. The report recommended a supplemental quota for cotton 1⅜ inches or more but less than 1⅛ inches of 23,094,000 pounds for the quota year ending September 19, 1947. The President issued a proclamation on June 9, 1947, embodying this recommendation; the proclamation became effective on June 14.

7. SIXTH SUPPLEMENTAL INVESTIGATION

The American cotton-textile industry requested the continuation of a supplemental quota on long-staple cotton for the following quota year. An investigation was ordered on January 15, 1948, hearings held on February 17, 1948, and a report issued to the President on May 14, 1948. The report recommended that no quotas be placed on cotton 1⅜ inches or longer and that a supplemental quota of 18,300,000 pounds be established for cotton over $1\frac{11}{16}$ inches but less than 1⅜ inches. The report was not accepted by the President because of the passage in the interim of the Agricultural Act of 1948. It was requested that the Tariff Commission reconsider the matter.

On July 14, 1948, a revised report was sent to the President, recommending a supplemental quota of 18,000,000 pounds for cotton 1⅛ inches or over and less than $1\frac{11}{16}$ inches. In addition it was recommended that licenses be issued to individual cotton-manufacturing concerns on the basis of their essential needs for the remainder of the quota year ending September 19, 1948. A Presidential proclamation to this effect was issued on July 20, 1948, effective immediately.

8. SEVENTH SUPPLEMENTAL INVESTIGATION

The cotton-textile industry requested a further continuation of a supplemental quota as well as a change in the quota year to permit them to obtain foreign long-staple cotton under the quota under more favorable conditions. An investigation was ordered on June 9, 1949, hearings were held on July 7, 1949, and a report was issued on August 11. The report recommended changing the beginning of the quota year to February 1 each year for cotton 1⅛ inches or more but less than $1\frac{11}{16}$ inches and establishing an interim quota of 16,487,042 pounds for the period September 20, 1949, to January 31, 1950. The President's proclamation which accepted this report was issued on September 3, 1949, effective September 20, 1949.

Mr. ELLENDER. Mr. President, some investigations, of course, necessarily require more time than do others. They involve many more problems which might affect many more commodities throughout the country. But I want to stress the point that irrespective of whether the investigations are made by the Secretary of Agriculture or by the Tariff Commission, the study and final action would have to incorporate an over-all consideration of the whole category of problems, and not only the specific article or commodity in question.

I wish to repeat by way of emphasis that if the conference report be adopted section 22 will remain now as law with the exception of several changes that I have previously mentioned. Primarily, instead of the President being responsible for initiating the hearing, the Secretary of Agriculture will be designated by law to do so. If the Secretary of Agriculture believes action should be taken, he shall so advise the President, and if the President agrees that there is reason for relief, the President submits the matter to the Tariff Commission, and the Tariff Commission proceeds, under the law as it is now written, to make its findings.

As I pointed out a while ago, the Tariff Commission covers in its findings not only the commodity in question, but the effect of the proposed change upon other commodities.

That is, if we let a basic commodity come in from a foreign nation, it may be that by allowing its importation in a quantity in excess of what it should be, American producers of that commodity may be seriously affected; but, on the other hand, we must also look into the beneficial effects which might result to the producers of other commodities, such as our manufacturers of automobiles and other goods which are sold in large quantities abroad.

I repeat, that a study as to the general effect can best be made by the Tariff Commission rather than by the Department of Agriculture, which is interested primarily in agriculture.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. MAGNUSON. What the Senator says in analyzing the differences between the conference report and my amendment is correct as to procedure; but does not the Senator agree that my amendment would streamline that procedure and make it less cumbersome?

Mr. ELLENDER. I cannot agree with my distinguished friend in that respect, because I am convinced that the study must be a broad over-all study. The Department of Agriculture would simply confine its study to agriculture—for example, to the effect of permitting a few more apples to come into this country, and what the result would be with regard to the apple growers of Washington or Virginia. It would have to do something it is not equipped to do, make an over-all study to find out how the agreement as a whole affects the producers of other commodities, and other goods and manufactured products.

We all understand that in entering into an agreement with another nation we are bound to trample on the toes of some of our producers. We cannot escape that. But the over-all results have been good in the past. The Senator knows that. That is why the Senate of the United States has gone on record on several occasions in renewing the President's power to enter into trade agreements, namely, because of the over-all good it does to our entire national economy.

Mr. MAGNUSON. Let me ask the Senator this question: There is, of course, is there not, a distinct difference between the conference report and my amendment as to procedure?

Mr. ELLENDER. Not as to procedure, but as to who shall do it; that is all.

Mr. MAGNUSON. The real meat of the coconut is not contained in the conference report at all. I refer to the elimination of subsection (f).

Mr. ELLENDER. But in place of subsection (f)——

Mr. MAGNUSON. Article XI is substituted.

Mr. ELLENDER. That is generally correct. As to the basic crops or any other commodities, on which there can be imposed production or marketing restrictions, the conference report will be as effective with respect to those commodities as would be the Magnuson-Morse amendment.

Mr. MAGNUSON. I do not admit it would have that effect. What we are now doing is to let the State Department accept——

Mr. ELLENDER. No; I beg the Senator's pardon. Under the present law the State Department can enter into an agreement or can amend an existing agreement and it does not have to pay any attention to articles XI and XIX of the general agreement on tariffs and trade, but by the conference report we make the State Department pay attention to it. In other words, the President through the State Department could agree with any foreign nation that section 22 can never be invoked. The conference report will prevent that from happening.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CAIN. Mr. President, my colleague [Mr. MAGNUSON] had intended to yield 15 minutes in order that I might speak with reference to the amendment, but because of the lack of time, I ask unanimous consent that the statement which I prepared on the question be made a part of the RECORD at this point.

There being no objection, Mr. CAIN's statement was ordered to be printed in the RECORD, as follows:

Mr. President, the junior Senator from Washington wishes to support the Morse-Magnuson amendment to House bill 6567.

Its laudable purpose is one which I have supported for quite some time, but the presence of the amendment today somehow seems to have conveniently coincided in some minds with a year that finds elections taking place. I wish to support the amendment while pointing out that agriculture is but one of the important segments of our Nation's economy. If the amendment is finally made a part of law, and I hope that it will so become, all of us ought to understand that our work of securing reasonable protection for American industry, business, and agriculture has just begun.

Apparently the purpose in taking investigations of injury to domestic farm programs, because of excessive imports, away from the Tariff Commission is that the Department of Agriculture is much more favorably inclined toward home production and fewer imports.

It would not be flattering to any Senator to say that he or his party had just discovered that Agriculture was being seriously set back by excessive imports of some product and that a mistake had been made when the State Department was granted too much power over our farmers.

One can only assume that some among us have been prompted by the obvious needs of the moment to take a very small step in the opposite direction from that consistently taken in earlier tests of our farm and foreign-trade policy.

We had a vote late in the last session of the Congress on a proposal to limit the imports of furs from Russia, and other no-cost or low-cost nations, because literally thousands of our own fur farmers were being ruined by millions and millions of dollars worth of imports.

That amendment would only have given the President authority to impose a quota if domestic fur farmers were being seriously injured by excessive imports.

That vote was so close that just one switch from "nay" to "aye" would have allowed it to clear the Senate.

The same situation occurred on an amendment to limit the imports of oil.

The same thing occurred on the famous peril point amendment, except that the margin was larger, for on September 15, 1949, the amendment was defeated by a vote of 43 to 38.

As far back as you want to investigate, some Senators have consistently voted to increase the power of the State Department to lower tariffs, increase imports, and decrease American output, with the old threadbare, wornout, and completely discredited theory that to do so would be an inducement to foreign nations to reduce their limitations on shipments of goods from the United States.

Almost every country of the world has increased restrictions on imports of American farm goods—not only once, but many times. Not only by increased barriers, but by discriminatory licenses for imports, absolute embargoes, and hundreds of bilateral trades that completely eliminated United States products. Everyone knows it is becoming harder and harder to ship American goods abroad—especially farm goods.

You may be surprised at this information. I was; but it is good evidence of what I have been saying. In 1947 we exported millions of dollars worth of farm products more than we imported. In 1948 we shipped millions of dollars more of agricultural products abroad than we purchased; in 1949, although the margin was much narrower, we still sold more than we imported. Then what happened. All at once we discovered that the tariff give-away program had caught up with us.

In January 1950 we imported $63,000,000 worth of agricultural products more than we exported and if the trend continues, as it is expected to do, we will import this year over a million dollars more of agricultural products than we will export.

Now the American farmer is finding this out, and people in political life are discovering the same thing and are anxious to do some small bit of retracting that will indicate to the voter and the taxpayer that improvements are in sight.

Now there is another important point connected with this effort to reverse the free-trade trend. As was to be expected the State Department sent one of its American representatives up to try to "scotch" the amendment in committee hearings. Mr. Winthrop Brown, whose principal job is to deal with foreign representatives and who is not too interested in the problems of the farmers in our own country, naturally asked the Committee on Agriculture to reject the amendment. The reasons were that it would interfere with our foreign policy.

Mr. Brown was unwilling to admit that any part of the amendment was good, but objected most strenuously to the section that would require the alteration or renegotiation of any agreement containing features repugnant to our farm policy or programs. He said it would be a great blow to this country's prestige to have to nullify any parts of our trade agreements, even though congressional action in the establishing of farm programs had been contradicted in those agreements.

Now it couldn't be any plainer to me that the State Department is worried that it will need to take back some of its concessions if this amendment, as originally proposed, carries.

I want to make this point clear now, why did Mr. Brown object so strongly to this section, unless some of those agreements did contain concessions that were contrary to our internal farm policy? It is a frank admission that the State Department negotiators did offer and did give to foreign nations concessions that contradicted our farm policy.

Now how could this be? I know that paragraph (f) of section 22, which the amendment before us very laudably reverses, does state that no farm program shall be adopted which would contravene any foreign commitment. I know that this carte blanche authorization to our negotiators was slipped into the farm bill by the State Department over the objections of Agriculture and without the knowledge of many legislators. But this was done only a year or two ago—and only one trade agreement has been negotiated since that clause was put into the law—and under that law only one agreement could legally have contained anything that ran contrary to established internal laws.

The State Department, I am told, objects to the amendment because it might require

the renegotiation of agreements which contain concessions that obstruct and negate our agricultural program. When the agreements were negotiated there was absolutely nothing in any actual or implied delegation of power to any of our negotiators to make foreign commitments that would run contrary to our farm program. Any commitment so made must have been qualified or it was illegally done and any such agreements should be renegotiated.

It is my information that most trade agreements do contain qualifying sections which allow the United States to make such adjustments as are necessary to enforce and operate its agricultural programs. If this is so, then Mr. Brown is dragging the biggest red herring the administration has yet been caught with, and that is going a long way. If no foreign agreements would need to be altered if this amendment is adopted, then State Department objections are without meaning and indicate only a desire to put something over. If they did actually go beyond their authority and make trade agreements that diametrically oppose domestic legislation, then they should be censured and investigated thoroughly.

I stated that I intended to support the amendment—and that goes for the reversal of paragraph (f) of section 22.

It is indeed a paradox that anyone who opposed the fur amendment and the peril point amendment when the trade agreements law was extended last year should now propose and support a proposition so nearly akin to it.

The peril-point amendment defeated so narrowly last fall was even less of a protective device than this one.

It was a simple requirement that a qualified and expert agency of the Government should give to the President its best judgment concerning how low a tariff might be reduced without seriously injuring a domestic industry.

The report was to be kept secret by the President, even from Members of Congress, and no part of it was to be divulged to anyone unless the President saw fit to cut a rate of duty below the minimum mentioned. Then, and only then, was he to tell Congress what that particular minimum was and give his reason for ignoring it.

How could anything be more fair, simpler, or easier to administer? How could it be as restrictive on our negotiators as this amendment before us? Yet those who are urging that this amendment be adopted did not all vote for the peril-point amendment, not by any means, and the farmers and workers and industry owners who are being accused of a lack of patriotism because they continue to urge "buy American when it is available" are not likely to be fooled by a reversal of policy just before election time.

The proposal of this amendment to H. R. 6567 is a frank admission that its sponsors do not trust the State Department to refrain from injuring domestic farmers and making foreign deals that interfere with the operation of farm programs.

It is a plain, unvarnished invitation to our diplomats to stick to their negotiating and stay within the bounds of their authority. It is a proposal that we turn our agricultural programs over to our agricultural experts and delete them from the category of pawns in the international game of politics.

I am for it, and I congratulate those who have seen the light and seek some reversal of our Nation's free-trade policies.

Mr. BUTLER. Mr. President, will the Senator yield for an insertion in the RECORD?

Mr. ELLENDER. I yield.

Mr. BUTLER. Mr. President, I ask unanimous consent, in view of the shortness of the time, that a statement which I have prepared on the same subject be inserted in the RECORD at this point.

There being no objection, Mr. BUTLER's statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUGH BUTLER

Mr. President, I intend to support the move to send this bill back to conference, because I believe that the Magnuson-Morse amendment is essential to prevent our farm price-support program from being destroyed by imports of surpluses from abroad.

In fact, in my opinion, the Magnuson-Morse amendment does not go far enough. It provides a method of keeping out agricultural imports when those imports are damagaing the domestic program, but the method provided is unfortunately a slow and uncertain one. When we have a control program on any domestic product, we should have promptly and automatically a program of control on imports of the same commodity. It is no use controlling domestic producers if we do not also control imports. In other words, import controls should be just as strict as domestic controls and should go into effect just as promptly.

During the last few years, there have been far too many cases of imports of farm products coming in at such a time and in such a way as to sabotage our efforts here to maintain farm prices at a reasonable level. Millions of pounds of potatoes have been shipped in by Canada at the very same time the Government was buying up millions of pounds of domestic potatoes and destroying them to hold them off the market. Millions of pounds of dried eggs have been shipped in from China during the same period when the Government was purchasing eggs here for drying and storage. Millions of bushels of rye and other grains have been shipped here from Canada, although we have tremendous stocks of these grains in the warehouses bought or taken over by the Government to hold them off the market.

It seems that everyone realizes the absurdity of these contradictory policies except the State Department. Sometimes it almost seems that the State Department wants to sabotage our farm programs. At least it is evident that the State Department does not care very much if the domestic program is damaged by agricultural imports. That is the impression that is given by the record of past attempts to handle this problem.

As stated above, Mr. President, I feel strongly that the Magnuson-Morse amendment does not really go far enough, but it is certainly the minimum that we have a right to insist on if we intend to protect our domestic support programs from interference by these agricultural imports. I very much hope that if this bill is sent back to conference the Senate conferees will be firm and will be able to persuade the managers on the part of the House that we must have this amendment in order to have any effective farm-support policy.

The VICE PRESIDENT. The time of the Senator from Louisiana has expired.

All time for debate has expired.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Anderson | Cordon | Gillette |
| Benton | Darby | Green |
| Bricker | Donnell | Gurney |
| Bridges | Douglas | Hayden |
| Butler | Ecton | Hendrickson |
| Byrd | Ellender | Hill |
| Cain | Ferguson | Holland |
| Chapman | Frear | Humphrey |
| Connally | Fulbright | Ives |
| Jenner | McMahon | Schoeppel |
| Johnson, Colo. | Magnuson | Smith, Maine |
| Johnson, Tex. | Malone | Smith, N. J. |
| Kefauver | Martin | Sparkman |
| Kem | Maybank | Stennis |
| Kerr | Millikin | Taft |
| Knowland | Morse | Thomas, Utah |
| Leahy | Mundt | Tobey |
| Lehman | Murray | Tydings |
| Lodge | Neely | Watkins |
| McCarran | O'Mahoney | Wherry |
| McCarthy | Pepper | Wiley |
| McClellan | Robertson | Williams |
| McFarland | Russell | Withers |
| McKellar | Saltonstall | |

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the conference report.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MORSE. A vote of "yea" would be a vote in favor of the conference report, and a vote of "nay" would be a vote against the conference report?

The VICE PRESIDENT. That is correct.

Mr. WHERRY and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BYRD (when his name was called). On this vote I have a pair with the senior Senator from Illinois [Mr. LUCAS], who is absent by leave of the Senate because of a death in his family. Were the Senator from Illinois present he would vote "yea." Were I permitted to vote I would vote "nay." I withhold my vote.

Mr. O'MAHONEY (when Mr. HUNT's name was called). My colleague, the junior Senator from Wyoming [Mr. HUNT] is absent on official business. If present and voting he would vote "yea."

The roll call was concluded.

Mr. McFARLAND. I announce that the Senator from New Mexico [Mr. CHAVEZ] is necessarily absent.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Mississippi [Mr. EASTLAND] and the Senators from North Carolina [Mr. GRAHAM and Mr. HOEY] are absent on public business.

The Senator from Georgia [Mr. GEORGE], the Senator from South Carolina [Mr. JOHNSTON] the Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from West Virginia [Mr. KILGORE] is unavoidably detained on official business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

The Senator from Pennsylvania [Mr. MYERS] is absent because of illness in his family.

The Senator from Georgia [Mr. GEORGE] is paired on this vote with the Senator from Maine [Mr. BREWSTER]. If present and voting, the Senator from Georgia would vote "yea," and the Senator from Maine would vote "nay."

The Senator from North Carolina [Mr. HOEY] is paired on this vote with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from North Carolina would vote "yea," and the Senator from New Mexico would vote "nay."

The Senator from Pennsylvania [Mr. MYERS] is paired on this vote with the Senator from Iowa [Mr. HICKENLOOPER]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Iowa would vote "nay."

The Senator from Oklahoma [Mr. THOMAS] is paired on this vote with the Senator from Idaho [Mr. TAYLOR]. If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from Idaho would vote "nay."

I announce further that if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from West Virginia [Mr. KILGORE], and the Senator from Louisiana [Mr. LONG] would vote "yea."

Mr. SALTONSTALL. I announce that the senior Senator from Vermont [Mr. AIKEN], the junior Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from North Dakota [Mr. LANGER], the Senator from Michigan [Mr. VANDENBERG], are absent by leave of the Senate.

The Senator from Indiana [Mr. CAPEHART] is necessarily absent.

The Senator from Idaho [Mr. DWORSHAK] is absent on official business.

The Senator from Minnesota [Mr. THYE] who is absent by the leave of the Senate is paired with the Senator from North Dakota [Mr. YOUNG] who is also absent by leave of the Senate. If present and voting, the Senator from Minnesota would vote "yea," and the Senator from North Dakota would vote "nay."

The Senator from Maine [Mr. BREWSTER] who is necessarily absent is paired with the Senator from Georgia [Mr. GEORGE]. If present and voting the Senator from Maine would vote "nay," and the Senator from Georgia would vote "yea."

The Senator from Iowa [Mr. HICKENLOOPER] is paired with the Senator from Pennsylvania [Mr. MYERS]. If present and voting the Senator from Iowa would vote "nay," and the Senator from Pennsylvania would vote "yea."

The yeas and nays resulted—yeas 35, nays 35, as follows:

YEAS—35

| | | |
|---|---|---|
| Anderson | Humphrey | Murray |
| Benton | Johnson, Colo. | Neely |
| Chapman | Johnson, Tex. | O'Mahoney |
| Connally | Kefauver | Pepper |
| Douglas | Kerr | Robertson |
| Ellender | Leahy | Russell |
| Fulbright | Lehman | Sparkman |
| Gillette | McCarran | Stennis |
| Green | McClellan | Thomas, Utah |
| Hayden | McKellar | Tydings |
| Hill | McMahon | Withers |
| Holland | Maybank | |

NAYS—35

| | | |
|---|---|---|
| Bricker | Frear | McFarland |
| Bridges | Gurney | Magnuson |
| Butler | Hendrickson | Malone |
| Cain | Ives | Martin |
| Cordon | Jenner | Millikin |
| Darby | Kem | Morse |
| Donnell | Knowland | Mundt |
| Ecton | Lodge | Saltonstall |
| Ferguson | McCarthy | Schoeppel |
| Smith, Maine | Tobey | Wiley |
| Smith, N. J. | Watkins | Williams |
| Taft | Wherry | |

NOT VOTING—26

| | | |
|---|---|---|
| Aiken | George | Lucas |
| Brewster | Graham | Myers |
| Byrd | Hickenlooper | O'Conor |
| Capehart | Hoey | Taylor |
| Chavez | Hunt | Thomas, Okla. |
| Downey | Johnston, S. C. | Thye |
| Dworshak | Kilgore | Vandenberg |
| Eastland | Langer | Young |
| Flanders | Long | |

The VICE PRESIDENT. On this question the yeas are 35, the nays are 35. Under the Constitution the President of the Senate, having the right to vote in case of a tie, casts his vote in the affirmative. The conference report is agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. MILLS, Mr. CAMP, Mr. LYNCH, Mr. REED of New York, Mr. WOODRUFF, and Mr. JENKINS of Ohio were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 6073) to amend section 501 (b) (6) of the Internal Revenue Code, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. MILLS, Mr. CAMP, Mr. LYNCH, Mr. REED of New York, Mr. WOODRUFF, and Mr. JENKINS of Ohio were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. BROOKS, Mr. KILDAY, Mr. SHORT, and Mr. ARENDS were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 27 to the bill, and concurred therein, and that the House had receded from its disagreement to the amendments of the Senate numbered 11, 12, and 24, to the bill, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendment of the Senate to the joint resolution (H. J. Res. 332) providing for the establishment of a Joint Senate and House Recording Facility; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mrs. NORTON, Mr. STANLEY, and Mr. BISHOP were appointed managers on the part of the House at the conference.

The message further announced that the House having proceeded to reconsider the bill (H. R. 87) relating to the promotion of veterans of World War II in the field service of the Post Office Department, returned by the President of the United States, with his objections, to the House of Representatives, in which it originated, it was—

*Resolved*, That the said bill do pass, two-thirds of the House of Representatives agreeing to pass the same.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2269. An act to provide for the enlistments of aliens in the Regular Army;

S. 3771. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation;

H. R. 1606. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Auf der Heide-Aragona, Inc., and certain of its subcontractors against the United States;

H. R. 3783. An act authorizing the transfer of part of Camp Joseph T. Robinson to the State of Arkansas;

H. R. 5943. An act to provide for the erection of a bronze and stone monument at the grave of Constantino Brumidi; and

H. R. 6692. An act for the relief of Sgt. Blaine W. Hughes.

PROMOTION OF VETERANS OF WORLD WAR II IN FIELD SERVICE OF POST OFFICE DEPARTMENT—VETO MESSAGE (H. DOC. NO. 627)

The VICE PRESIDENT laid before the Senate a message from the House of Representatives, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
*June 26, 1950.*

The House of Representatives having proceeded to reconsider the bill (H. R. 87) entitled "An act relating to the promotion of veterans of World War II in the field service of the Post Office Department," returned by the President of the United States with his objections, to the House of Representatives, in which it originated, it was—

*Resolved*, That the said bill do pass, two-thirds of the House of Representatives agreeing to pass the same.

The VICE PRESIDENT laid before the Senate the message from the President of the United States, which was read by the legislative clerk.

(For President's message, see today's proceedings of the House of Representatives on p. 9193.)

The VICE PRESIDENT. Without objection, the message from the President and the bill will lie on the table, and the bill will be printed in the RECORD. The Chair hears no objection.

The bill is as follows:

*Be it enacted, etc.,* That classified postal employees or classified substitute postal employees who are in the postal service on the date of enactment of this act, or who shall enter such service after such date but prior to July 1, 1950, and subsequent to service in the military or naval forces of the United States during World War II, terminated under honorable conditions, who have not reached the maximum grade of salary shall receive credit for time served in the military or naval forces to the extent that they have not already received credit for such military or naval service in determining their salary grade. Such credit shall be on a pro rata basis for each year served in the military or naval forces. On the basis of such credit, each employee to whom this section applies shall be promoted to the grade to which such postal employee or substitute postal employee would have progressed had his original appointment been to grade 1.

SEC. 2. Substitute postal employees who failed of promotion to regular because they were in the military or naval forces during World War II shall, for the purpose of determining their postal salary, be held to have been promoted to such regular position as of the date a vacancy, to which they as senior substitute could have been promoted, occurred.

SEC. 3. No person shall, by reason of the enactment of section 1 of this act, be entitled to any compensation for any period prior to the effective date of this act.

SEC. 4. For the purposes of this act, the term "World War II" means the period beginning September 16, 1940, and ending June 30, 1946, both dates inclusive.

## ESTABLISHMENT OF JOINT SENATE AND HOUSE RECORDING FACILITY

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the joint resolution (H. J. Res. 332) providing for the establishment of a joint Senate and House recording facility, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HAYDEN. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. BENTON, Mr. GILLETTE, and Mr. MUNDT conferees on the part of the Senate.

## ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 26, 1950, he presented to the President of the United States the following enrolled bills:

S. 2269. An act to provide for the enlistments of aliens in the Regular Army; and

S. 3771. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

## AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT OF 1949

The Senate resumed the consideration of the bill (S. 2809) to amend the Mutual Defense Assistance Act of 1949.

Mr. McKELLAR obtained the floor.

Mr. McFARLAND. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield.

Mr. McFARLAND. Mr. President, it is now my purpose to ascertain whether there will be objection to a unanimous-consent agreement to vote upon the unfinished business, Senate bill 3809, next Wednesday at 4 o'clock. That is the bill to amend the Mutual Defense Assistance Act of 1949.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. WHERRY. I should like to state to the distinguished acting majority leader that in view of the statement made by several witnesses for the Administration before the Appropriations Committee this morning it seems to me it would be preferable to withhold the unanimous-consent request, if the Senator is going to offer one, until at least tomorrow. I shall be glad at that time to try to work out a unanimous-consent agreement. If the request were put over until tomorrow it would give us time to contact members on this side respecting their wishes in the matter. I believe tonight would be too early to make such a request. I shall be glad to cooperate and try to secure a unanimous-consent agreement later on, possibly tomorrow, when debate is continued on the measure.

Mr. McFARLAND. Mr. President, I appreciate the statement of the distinguished minority leader. I should like to suggest, however, that it is very important to obtain a unanimous-consent agreement to vote upon the measure, particularly in view of the conditions in the world today, and also in order that Senators may know how to govern themselves in line with the legislative program. During next week will be the Fourth of July. While it is not planned to have any particular vacation at that time, Senators will want to know what measures will be brought up and what measures will be voted upon. I respectfully suggest to the Senator from Nebraska that it is important to come to a unanimous-consent agreement to vote upon the measure on next Wednesday, if possible. If we cannot have an agreement to vote on Wednesday, let us have an agreement to vote on Thursday. But an agreement to vote on any later date would probably inconvenience many Senators.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. WHERRY. I should like to ask the distinguished acting majority leader, now that he has mentioned it, what the plans will be for the Fourth of July and the day prior thereto, which will be Monday? Is the acting majority leader in a position to state that there might be a recess for a period running from possibly Friday to Wednesday; or does the acting majority leader now announce that there will be a session of the Senate on Monday?

Mr. McFARLAND. I would prefer that the majority leader make an announcement as to that matter for himself when he returns. He is absent now because of illness in his family. I understand he has previously stated that there would be no recess except over the Fourth of July, and only for that day.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. McFARLAND. I yield.

Mr. WHERRY. So it is now contemplated that there will be a session on Monday the 3d of July?

Mr. McFARLAND. Unless the majority leader announces to the contrary.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. CONNALLY. Let me say to the Senator from Nebraska that I think it is well at the earliest date to fix the time to vote on the mutual-defense assistance measure. I believe it will be in the interest of those who want to debate it to know when it will be voted upon. If a date for voting is not fixed Senators will delay presenting their positions with respect to the bill. If today we fix the time for voting on the bill the Senators can guide themselves much better than if a definite time is not fixed. I hope the Senator will agree to a vote being had sometime tomorrow.

Mr. WHERRY. I shall be glad to try to work out a unanimous-consent agreement to vote on the military-assistance bill. I do not believe that tonight is the time to make that unanimous-consent request, but I will cooperate and will endeavor to find out what are the wishes of all Senators on this side. The suggestion for a unanimous-consent request comes at a very late hour today. I desire to contact several Senators on this side of the aisle, particularly one or two of them who are away. If the unanimous-consent request is presented tomorrow, I shall be very glad to try to work out a program satisfactory to the distinguished Senator from Texas.

Mr. CONNALLY. The only thing is that if we wait until tomorrow, and agree to vote tomorrow——

Mr. WHERRY. Oh, Mr. President, I am quite positive the distinguished Senator from Texas does not feel we should vote on the bill tomorrow. It has scarcely been debated.

Mr. CONNALLY. I meant Wednesday.

Mr. WHERRY. The distinguished acting majority leader has made the point that by Friday several Senators will want to leave, to make some speeches perhaps in advance of the Fourth of July, even though a recess is not taken over Monday, and that possibly it is best that we vote before those Senators leave. I agree with that suggestion. But in view of the importance of the measure and in view of the fact that statements have been made that recommendations might be coming forthwith from the President, I feel

that tomorrow is the earliest time we should consider a unanimous-consent request for a vote.

Mr. CONNALLY. I feel sure that Senators on the other side of the aisle will agree that we ought to vote on the measure at the earliest possible date.

Mr. WHERRY. Yes.

Mr. CONNALLY. The bill was reported from the committee unanimously. I do not think much time will be occupied in discussing it. The longer the time for voting is put off, the longer Senators will wait and put off their presentations, and then at the last minute they will not be able to present their views.

Mr. WHERRY. Mr. President, I believe the distinguished Senator from Texas will agree with me that I am in favor of obtaining unanimous-consent agreements providing for votes as expeditiously as possible. The Senator knows he will have my cooperation in attempting to secure a unanimous-consent agreement to vote on the pending bill, but I feel that tonight is too early a time to make the request. I am not prepared now because I have not even contacted Members on this side of the aisle relative to their wishes. I certainly will do so, and if the unanimous-consent request is presented tomorrow we will be able to give the information the acting majority leader is now seeking.

The VICE PRESIDENT. No request has been submitted, and the Chair understands objection has been interposed. Therefore there is nothing before the Senate on the subject.

Mr. McKELLAR obtained the floor.

Mr. KILGORE. Mr. President, will the Senator yield for a moment so I may submit a request?

Mr. McKELLAR. I yield if it will take only a moment.

Mr. KILGORE. Mr. President, my request is that I be recorded as voting affirmatively on the last vote.

The VICE PRESIDENT. The request is out of order. The Senator cannot be recorded as voting after the result of the vote has been announced.

## DEFICIENCY APPROPRIATIONS, 1950—CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I submit a conference report on House bill 8567, making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see pp. 9191–9192 of House proceedings for June 22, 1950.)

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. WHERRY. Mr. President, will the distinguished Senator from Tennessee please inform the Senate what is at issue in connection with the conference report and whether the appropriation under the conference report is larger or smaller than the appropriation under the bill as passed by the Senate?

Mr. McKELLAR. I shall do so.

Mr. President, under the rules, certain amendments made by the House of Representatives to amendments adopted by the Senate have come back to the Senate and will have to be voted on by the Senate. Three other amendments will have to be voted upon by the House. I think all Senators understand that procedure.

The VICE PRESIDENT. First the Senate must act on the conference report, and then the amendments will be laid before the Senate.

Mr. WHERRY. Mr. President, that is the point. At this time I should like to ask the distinguished Senator from Tennessee whether he will give us the information I have requested.

The VICE PRESIDENT. There are three or four House amendments.

Mr. WHERRY. I understand; but I think an outline of the amendments should be given to us now.

Mr. McKELLAR. I shall be glad to do so. The amendments of the Senate numbered 11, 12, and 24 have been agreed to by the House of Representatives, which makes an amendment to each one. The only matter in controversy, not yet agreed to, is the action of the Senate in voting an appropriation of $2,000,000 for disaster relief for the Senator's section of the country.

Mr. WHERRY. That was reduced from $2,000,000 to less than $1,000,000, was it not?

Mr. McKELLAR. Yes; to $750,000.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. McKELLAR. I yield.

Mr. HOLLAND. I should like to ask the distinguished Senator from Tennessee whether I am correct in understanding that the item of $750,000 as an emergency appropriation needed for the repair and restoration of the levees around Lake Okeechobee is still in the bill.

Mr. McKELLAR. It was in the bill as it came to us from the House of Representatives, and the Senate did not touch it. It is still in the bill. If the Senate will permit the conference report to be agreed to, I am sure that item will remain in the bill.

The VICE PRESIDENT. The matter is not in conference, is it?

Mr. McKELLAR. No; but it cannot be acted upon finally until the report is agreed to.

Mr. President, the Senate must consider the amendments of the House of Representatives to the amendments of the Senate numbered 11, 12, and 24.

The VICE PRESIDENT. The Chair must advise the Senator that the conference report itself must be agreed to before it will be in order for the Senate to act on the amendments of the House to the particular Senate amendments referred to.

Mr. McKELLAR. I thought the conference report had been agreed to.

The VICE PRESIDENT. No; it has not been agreed to.

Mr. McKELLAR. In view of the confusion existing in the Senate Chamber, it is no wonder that there can be a mistake about that matter.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 8567, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES,
UNITED STATES,
*June 26, 1950.*

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 27 to the bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 11 to said bill and concur therein with an amendment as follows: In lieu out the language inserted by said amendment, insert the following:

"SALARIES AND EXPENSES OF DISTRICT ATTORNEYS, ETC.

"For an additional amount for 'Salaries and expenses of district attorneys, etc.,' $270,000, which shall be derived by transfer from the appropriation for 'Salaries and expenses, claims of persons of Japanese ancestry, 1950'."

That the House recede from its disagreement to the amendment of the Senate numbered 12 to said bill and concur therein with an amendment as follows: Strike out the figure "$440,000" in line 3 of said amendment and insert in lieu thereof "$375,000."

That the House recede from its disagreement to the amendment of the Senate numbered 24 to said bill and concur therein with an amendment as follows: In lieu of the sum of "$2,000,000" in line 4 of said amendment insert "$750,000."

Mr. McKELLAR. Mr. President, I move that the Senate concur in the amendments of the House of Representatives to the amendments of the Senate numbered 11, 12, and 24.

The motion was agreed to.

Mr. McKELLAR. Mr. President, I thank the Vice President and the Senate.

Mr. MILLIKIN subsequently said: Mr. President, I should like to invite the attention of the distinguished senior Senator from Arizona to the conference report accompanying the bill H. R. 8567. On page 4 I notice the following:

Amendment No. 23 appropriates $2,000,000 for forest pest control instead of $3,620,000 as proposed by the Senate, such amount to be available from May 29, 1950, and all obligations for such purpose incurred after such date to be charged to the appropriation herein provided.

May I ask the distinguished Senator for an explanation of that?

Mr. HAYDEN. The Senate provided in the amendment as follows:

*Provided*, That this appropriation shall be available from and including May 29, 1950, for the purposes of such appropriation. All obligations incurred during the period between May 29, 1950, and the date of enactment of this act in anticipation of such appropriation are hereby ratified and confirmed if in accordance with the terms thereof.

The House conferees contended that that could not be included in the law, because it was an additional appropriation. But my understanding is that the language of this report accomplishes the same purpose as does the language the Senate inserted in the bill.

Mr. MILLIKIN. That is the purpose of the language, is it?

Mr. HAYDEN. That is correct.

Mr. MILLIKIN. I thank the distinguished Senator.

## AMENDMENT OF LAWS RELATING TO UNITED STATES MILITARY ACADEMY AND UNITED STATES NAVAL ACADEMY

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of House bill 7058, Calendar No. 1861.

The VICE PRESIDENT. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7058) to amend laws relating to the United States Military Academy and the United States Naval Academy, and for other purposes.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment, on page 3, after line 12, to strike out:

(c) One hundred and eighty cadets from among enlisted members of the Army of the United States and the Air Force of the United States. Each component (Regular and Reserves) of these services may nominate three candidates for each available vacancy from among their enlisted members, who have served in an active duty or active training status in such component not less than 1 year, to compete for admission at the annual competitive entrance examination. Such nominations shall be made under such rules and regulations as the Secretary concerned may prescribe. The vacancies will be filled from among such qualified competitors making the highest proficient averages in the order of merit established at the competitive entrance examination, without regard to the service or component thereof from which the candidates are appointed.

And insert:

(c) One hundred and eighty cadets from among enlisted members of the Army of the United States and the Air Force of the United States as follows:

Ninety from the Regular components (Regular Army and Regular Air Force);

Ninety from the Reserve components (National Guard of the United States, the Air National Guard of the United States, the Organized Reserve Corps, and the Air Force Reserve),

Three candidates may be nominated from each component (Regular and Reserve) of the Army of the United States and the Air Force of the United States for each available vacancy for their respective components from among the enlisted members thereof to compete for admission at the annual competitive entrance examination. Such nominations shall be made under such rules and regulations as the Secretary concerned may prescribe. The vacancies for the Regular and the Reserve components will be filled from among such qualified competitors of the respective components making the highest proficiency averages in the order of merit established at the competitive entrance examination, who have served in an active-duty or active-training status (including training performed by members of the National Guard of the United States and the Air National Guard of the United States under provisions of sections 92, 94, 97, and 99 of the National Defense Act, as amended) in such component not less than 1 year.

Mr. SALTONSTALL. Mr. President, I simply wish to say that enactment of the bill will place the Naval Academy laws and the Military Academy laws in the same category. The bill eliminates the differences which now exist in that respect.

Three major changes will be made by the enactment of the bill.

The first major change provides that 90 enlisted men of the Regular Army and the Regular Air Force, and 90 enlisted members of the Reserve and National Guard of the Army and Air Force, may be enrolled in the Military Academy at one time.

The second major change would make uniform the minimum and maximum ages for admission to the two Academies, and would permit the normal peacetime maximum age for admission to the Naval Academy to be increased from 21 to 22 years.

The third major change made by the bill would give the Secretary of the Navy the same authority, which the Secretary of the Army now has, to appoint to the Naval Academy individuals to take the place of principals or alternates who fail to be admitted to the Naval Academy.

Those are the three principal changes made by the bill.

There are several minor changes which merely make uniform certain provisions of existing law.

The bill is reported unanimously from the Armed Services Committee, and I hope it will be passed at this time, in order that the changes may go into effect this year.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee, which has been stated.

The amendment was agreed to.

The VICE PRESIDENT. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

## RESOLUTIONS OF VETERANS OF FOREIGN WARS, DEPARTMENT OF NEBRASKA

Mr. BUTLER. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD the contents of four resolutions which were submitted by the Veterans of Foreign Wars, Department of Nebraska, and I should like to invite the attention of the Senate to one of the four resolutions. It pertains directly to the junior Senator from Wisconsin, and I think it should be very pleasing to him, because the Veterans of Foreign Wars, Department of Nebraska, are very definitely behind him in his campaign against communism.

Mr. McCARTHY. I thank the Senator from Nebraska. I also feel deeply grateful to the Veterans of Foreign Wars who adopted the resolution. It gives me added confidence in our veterans' organizations.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Resolution opposing the Hoover Commission plan on veterans' preference

Whereas the Hoover Commission on Government Reorganization recommended that veterans' preference in Government service be sharply curtailed by dividing applicants for employment in four categories and giving veterans preference only within each group; and

Whereas this same plan would sharply curtail veterans' preference on reduction in force by giving a veteran 1 year of credit for each 6 months' military service and thereafter competing for retention on equal basis with nonveterans; and

Whereas the adoption of such a plan would result in the discharge of thousands of veterans and would lessen opportunity in the future for appointment of veterans to Government service; and

Whereas the present principle of veterans' preference has been in existence for over 70 years and not only have veterans benefited from such preference but also the whole concept of public service: Now, therefore, be it

*Resolved by the Thirtieth Annual Encampment of the Department of Nebraska, Veterans of Foreign Wars of the United States, held at Grand Island, Nebr., on June 11–13, 1950,* That the National Legislative Service be directed to oppose any reorganization plan or any legislation which would result in carrying out any part of the recommendation of the Hoover Commission as set forth above.

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Resolution urging Senate approval of VFW pension bill, H. R. 4617

Whereas the House of Representatives on June 1, 1949, passed the VFW pension bill, H. R. 4617, by a vote of 365 for and only 27 against; and

Whereas in substance this bill does little more than write into law the present VA regulations relating to non-service-connected disability pensions; and

Whereas the bill liberalizes existing law by awarding the present $72 pension for veterans aged 65 years by presuming the veteran is permanently and totally disabled and unemployable; and

Whereas the bill, H. R. 4617, has been apparently pigeon-holed in the Senate Finance Committee and unless the bill clears the Senate this session, all of the work of the VFW which brought the measure safely through the House will have come to naught: Now, therefore, be it

*Resolved by this Thirtieth Annual Encampment of the Department of Nebraska, Veterans of Foreign Wars of the United States, held at Grand Island, Nebr., on June 11–13, 1950,* That immediate steps be taken to prevail upon the United States Senate to consider and approve this vital legislation before the adjournment of the Eighty-first Congress; and be it further

*Resolved,* That the Department Adjutant be directed to send, in behalf of the Department Encampment, telegrams to the two United States Senators from Nebraska, urging them to do all within their power to expedite approval of this vital veterans' legislation.

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Resolution 17

Whereas the threat of communism to our way of life and to our Government has caused grave concern throughout the Nation; and

Whereas persons who are or were Communists or communistic sympathizers or

fellow travelers, and held high positions in our Government, have been revealed as such through their convictions in our courts; and

Whereas it is possible that there yet remain in high positions within our Government, a number of persons who believe in or are sympathetic to communistic policies; and

Whereas the retention of any person in any governmental position who has any connection with, or is friendly to any theory of government tainted in the least with communistic philosophy, is critically dangerous to our theory of government and to our way of life: Therefore be it

*Resolved,* That this thirtieth annual convention of the Department of Nebraska, Veterans of Foreign Wars of the United States, assembled in Grand Island, Nebr., this 13th day of June 1950, place ourselves on record as being absolutely opposed to any individual in any governmental position, who is in sympathy with Communistic philosophy; be it further

*Resolved,* That a copy of this resolution be sent to each Member of Congress from Nebraska, demanding that they lend their immediate and active support toward an impartial investigation to determine if there are any Communists or fellow travelers employed in governmental positions, and if so, to take steps to insure the immediate firing of any such individual.

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Resolution 18

Whereas Senator JOSEPH MCCARTHY, of Wisconsin, has almost single-handed led the attack in the present movement to eliminate Communists and communistic sympathizers from our Federal Government: Therefore be it

*Resolved by this thirtieth annual encampment of the Department of Nebraska, Veterans of Foreign Wars of the United States, assembled in Grand Island, Nebr., this 13th day of June 1950,* That a vote of gratitude for services rendered be voted Senator MCCARTHY, and that a copy of this resolution be forwarded to him, and to each Member of Congress from Nebraska.

## COMMUNISTS IN GOVERNMENT SERVICE

Mr. McCARTHY. Mr. President, I have before me a letter from Mr. J. A. Kapmarski, who is editor of America's largest Polish daily newspaper. As well as being the largest Polish paper in America, it is also the oldest.

This letter I think should be of considerable interest to the Senate, in that it indicates that the American people are intelligently following the present attempt to clean Communists out of the State Department.

This letter comments upon the State Department's official statement answering a speech which I recently made in Milwaukee, Wis. At this point, Mr. President, I ask unanimous consent to insert in the body of the RECORD the speech which was made by me at Milwaukee.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Fellow Americans, fellow Republicans, I am sure all of you realize how deeply I appreciate the honor and the privilege of being asked to make the keynote speech at this Republican State convention.

There are a vast number of issues vital to the Republican Party and to the Nation which should be discussed. I shall attempt to give you an over-all picture of what I consider the issue which towers above all others in importance. It is an issue of the American people versus communism. Unless this fight is won by the American people, then the other issues which we today consider important will fade into insignificance. This is a fight, ladies and gentlemen, which over the past years the American people have been losing at an alarming rate. "Why is this so?"

Is it because we are less intelligent than the Communists? Is it because we can't match them in courage? Is it because their devotion to atheism is greater than our devotion to God? Is it because we are less willing to stand up and fight for what we think is right?

The answer to all those questions is "No." Then, what is the answer? Is it in the leadership with which we are now saddled? To that, my answer is "Yes," and I challenge anyone to find another answer.

As you know many times during the past years the administration has been accused of protecting Communists in high places. With very few exceptions, however, the accusers have ended up as political corpses—victims of the all-out campaign of vilification and smear launched by the vast taxpayer-supported press corps of the Government agencies and supported by the left-wing, phoney "liberal" press and radio commentators. The principal purpose of this type of smear is to discourage Senators and Congressmen from risking their political futures attempting to clean Communists out of our Government.

Since we started this current fight against Communists in our Government, the screaming, squealing and whining smear, as you know, is something almost beyond conception.

Today I shall refer to a few photostats and other documents. To save the time of reading them I have prepared about 2,000 complete sets of these documents for you.

At this point, ladies and gentlemen, let me make it clear that when I talk about fighting Communists, I don't mean fighting communism. One of the most harmless and useless but politically popular sports in this Nation for the past number of years has been shadow boxing with communism.

In fact you will find the entire smear brigade of the left-wing press, the fellow travelers and the Communists themselves regularly doing a job of damning communism in general terms.

Alger Hiss, Julian Wadleigh, and all of the top Communists were willing to criticize communism. However, it wasn't communism as a theory in our State Department that sold Poland into Communist slavery, nor Rumania, Bulgaria, Albania, Latvia, Hungary, Lithuania, Estonia and Czechoslovakia. It wasn't communism as a theory that betrayed into slavery 400,000,000 of our Chinese allies. It was particular Communists—men and men with names. They do not bear the symbol of the traitorous act upon their arms. They are not the bearded Hollywood version of a Communist. They are the smooth, slick, artists who do an excellent job of sugar-coating and selling their wares.

Alger Hiss, as you will recall, was labeled as one of the nicest men who had ever worked in the State Department, but those Americans who exposed this particular Communist, Alger Hiss, were smeared, defiled and damned.

It was not communism as a theory which placed the atheistic gangster of the Kremlin astride Europe and Asia. It was not an idea. It was not a book. It was not a manifesto. It was specific Communists—men and women willing to do the bidding of the Kremlin.

You can condemn communism in general terms, in the Acheson manner with a lace handkerchief, a silk glove, and with a Harvard accent, if you please. But you can't fight Communists in that fashion. I know of not one single reason why Communists should be handled with kid gloves. They don't use kid gloves or powder puffs on us. Did the Russians use powder puffs and kid gloves on that dark day when they massmurdered the entire officer corps of the Polish army, which was their ally? It was not power puffs which tore the wounds through which flowed the life blood which drenched the floor of Katyn Forest on that infamous day of treachery. The graves which were uncovered in Katyn Forest showed that not powder puffs, but soft-nosed bullets tore the life out of those unarmed trusting Polish soldiers. Let that be a lesson to those who would make an ally of Communists.

Are the 10,000,000 anti-Communist slave laborers toiling in Siberian salt mines handled with kid gloves and powder puffs? For nearly 20 years we have allowed dilettante diplomats to do the "fighting" for us with kid gloves in perfumed drawing rooms. The time has come to pin-point individually the most dangerous Communists and if lumberjack tactics are the only kind they understand, then we shall use those tactics.

The administration's coddling and protecting of Communists in our Government poses a grave danger in addition to those generally discussed. Now that the complete Communist infiltration of the high levels of our Government is being exposed, the administration feels it must do something to convince the American people that it is against communism. Hence, the sort of thing which we witnessed the other day when the chairman of the whitewash committee, Mr. TYDINGS, who is also chairman of the Armed Services Committee, predicted imminent war with Russia.

I accuse this administration of warmongering abroad while it permits the enemy within our gates to operate with impunity. If we are engaged in a cold war, justifying the expenditure of billions of dollars of your money—your money, ladies and gentlemen, because there is no such thing as Government money—then there is no excuse for the coddling of fellow travelers, the concealment of Communists, the obstruction of justice in the prosecution of traitors.

Why this conspiracy to prevent the exposure of the other Alger Hisses in our Government? Where does the trail of treason lead? Whom does it involve? Why does the high-powered smear-bund go into operation the instant one of those connected with the formulation of policy favorable to communism is actually named?

So far those who object to our methods in this present fight have offered as their only alternative that we go back to the method used for the past 16 years during which the Communists have been permitted to take control of our State Department, infiltrate our Government, and work with the Soviet Union to accomplish the two major Russian aims:

1. To create a Red China; and
2. To create a Red Poland.

These two major Communist aims have been no more secret than were Hitler's aims in Mein Kampf.

First, let's briefly review the background on today's situation. About 4 months ago, during a Lincoln Day speaking tour, I quoted from a copy of a letter from the Secretary of State to Congressman SABATH. The letter is among the documents being furnished you.

This letter reveals the Communists' success in the initial stages of the postwar Communist infiltration of the State Department. This letter shows that the State Department insisted on hiring 205 individuals who had been declared unfit for Government service by the President's own security and loyalty board.

At that time I sent the President a wire asking that he immediately get the names of those 205 individuals and have Acheson explain whether they are still on the payroll and if so, why. After 3½ months, the State Department has finally explained that they still have approximately 50 of those individuals on the payroll, but they have not explained why.

At the time I asked the President to get the names of those 205 individuals, I told him I had the names of 57 individuals whose files would indicate that they were either Communists or loyal to the party.

My continued investigation has increased that list to 81, which cases were given to the Senate. Since then as the result of additional investigation I have given them 25 more names, totaling 106.

In that connection I have here a limited number of photostats showing that the FBI gave the State Department a detailed chart 3 years ago showing that there were a total of 124 Soviet agents, Communists, Communist sympathizers, and suspects in the State Department. Two months later 106 of those individuals who were listed by the FBI as shown in this photostat were still working in the State Department and of course handling secret material.

I pointed out to the Senate 4 days ago that some of those men who the FBI listed as Soviet agents are still working in the State Department shaping our foreign policy at this very moment.

My answer to the State Department's almost daily official statements saying no proof, no proof, no proof—like a broken record—is that in my book when the FBI examines its files and officially labels individuals as Soviet agents, Communists, and sympathizers, that is proof enough to satisfy me even though it won't satisfy the State Department.

The American people call upon the Democratic administration to get rid of that dangerous Communist debris now. They are in complete power. They have all the information necessary to prosecute. If they don't do it now, then just as certain as you sit here this afternoon, the Republicans will after the fall elections.

And ladies and gentlemen, in my book when the Federal Bureau of Investigation says these men are Communist agents, when the FBI sends over a formal report to the State Department saying we have the evidence, that to me is proof despite all the screaming and squealing of those who say "McCarthy, you should not expose those traitors; you are injuring those poor people; you are smearing them; and you are making the Red Dean of Fashion, poor Mr. Acheson, very, very unhappy."

At the time the cases were presented to the Senate, I pointed out to it that the material in the files was developed at a cost of millions of dollars to the taxpayers and by thousands of investigators working over a period of years and that, therefore, the proof in each case had to be gotten from the files as it would be clearly impossible for me in a period of a few months to single-handedly do the job which had taken thousands of men millions of man-hours to do over a period of years. The Senate unanimously agreed with this. Not a voice or a vote was raised against the motion to subpena all of the files and get at the true facts.

After the Senate voted to get the files, the President first said he would make files available only to clear innocent people. He next said he would cooperate in every way to disprove McCarthy's charges. He later stated that no files would be opened and that the black-out which he decreed when Alger Hiss was exposed would continue. Finally, however, a new plan was hit upon. He announced that he would make available not all of the files, but the loose leaf, raped, and denuded State Department files in some of the cases—files, which, according to a House committee report based upon an FBI survey, had been extensively tampered with.

My friends in the State Department tell me there was really a good job of spring house cleaning done on those files. One of the documents I am giving you will show how easily that rifling job could be done.

The administration's highly paid press staff, working with the Tydings Committee, has hit upon a method of operation designed to keep the sordid picture in the State Department from public view.

This is their point-7 plan:

1. Have the President keep under lock and key the proof while feeding out a few raped and denuded files.

2. Have Chairman Tydings and his staff go all-out in an attempt to make it impossible to force proof down the throat of the committee.

3. Keep secret that evidence which will expose Communists and make public that evidence which will serve to whitewash.

4. Turn loose the State Department's entire press corps and the Communists' poison-pen artists to smear and attack witnesses who will expose Communists.

5. Deny me the usual right of a Senator to cross-examine witnesses.

In this connection let me point out that while I was responsible for the creation of the committee, I have no power whatsoever over its actions. The committee is controlled completely by the Democratic majority and every vote obstructing my efforts to forcefeed them with proof has been a 3 to 2 straight party-line vote.

6. Deny the Republican minority the right to subpena witnesses.

7. Have the committee's high-paid whitewash staff interview any witnesses whom I suggest and refuse to call them if their evidence would prove the existence of Communists or dangerous individuals in our State Department.

In this connection I have enclosed in the documents a telegram from the head Security officer of OSS which explains what the committee whitewash stooges do to a witness who is willing to testify under oath about Communists in government.

Strangely, for the first time a committee, which has been assigned the task of exposing Communists has received not one word of criticism from any Communist source. Every other committee of the Congress which has been assigned to a task such as this, and has then set about its job, has been damned from hell to breakfast and the members thereof subjected to the typical all-out Communist smear. This time, however, the mud-slinging brigade has been careful not to let even one little speck mar the senatorial toga of either Tydings or McMahon, who control the committee, or of Lucas, who engineered them into this job.

The administration was successful in stalling the Alger Hiss prosecution for 10 years.

The administration was successful in stalling the Kansas City vote fraud cases until the statute of limitations had run out.

It has been successful in apologizing for the Acheson-Jessup clique and their Communists in the State Department—the men who promoted Stalin's design to wash our shores on one side with a Red Pacific and on the other with a Red Atlantic. It now hopes for equal success in stalling the infamous, traitorous Amerasia spy case—a case which I have named as the key to the Soviet spy network, which extends deep into the State Department.

Ladies and gentlemen, the time has long since passed during which Americans can safely blind their eyes and close their ears to what was the creeping threat of communism, but which now has become a racing doom closing in our shores each day. The time has come for the 152,000,000 American people to notify this administration that they shall not stand idly by while a group of untouchables in the State Department—either through incompetence or traitorous acts, or a combination of both—plan with Moscow the communistic enslavement of the world.

Even in the face of the administration's decision to protect Communists and traitors in government at all costs, cases are being slowly and laboriously proven.

As an example, I would like to give you the complete case proven on Dr. Philip Jessup, the State Department's Ambassador-at-Large.

You will find all the documents and photostats to which I refer with those being furnished you.

This is the man who, under the guidance of Lattimore, is determining to a large extent our far-eastern policy. Only recently he returned from a trip to London with Acheson where they planned world strategy—the Acheson-Lattimore-Jessup strategy of hitting Communists at the front door with a silk handkerchief while they beat the brains out of your friends at the back door.

The documentary evidence shows that Jessup belonged to five organizations which had been officially declared as fronts for and doing the work of the Communist Party. A description of those Communist fronts is among the documents furnished you. I have with me several photostats of the letterheads and programs of each of those Communist fronts which proudly bear his name. Unfortunately, I was not able to have complete sets with the other documents for you. You may look at the copies here on the stand if you care to.

Also, Jessup was in charge of the publication of a Communist front known as the Institute of Pacific Relations. This publication under Jessup spearheaded the Communist Party line and spewed forth the Communist Party line perfumed sewage. The sworn testimony before the committee is that Communist writers were used by this publication extensively. This publication was supported by Communist money. Along with the material being furnished you are photostats of checks totaling $6,000, all signed by the self-proclaimed Communist, Frederick Vanderbilt Field.

It is possible that Ambassador Jessup was so naive or so dumb that he did not know why the Communists were supporting his organization. But you can be dead certain that the Communists knew what their money was buying.

Now, when it was called to Truman's attention that his Ambassador-at-Large was affiliated with Communist-front organizations and had run a publication which was preaching the Communist Party line and employed Communist writers and that it was supported by Communist money, immediate action was taken. And what do you think that action was, ladies and gentlemen? This is all a matter of record. No secret about it. Mr. Jessup was given top-secret clearance to all A- and H-bomb information.

You understand that this information about Ambassador Jessup was not developed by the committee. It was forced down the throat of the committee. It was developed with tremendous difficulty. I am sure you realize how difficult it is to get photostats of checks that are 5 or 6 years old and get them from hostile sources. But still, every day you hear the State Department press corps through press releases and the left-wing press shout McCarthy has furnished no proof.

When I originally charged that Jessup's file showed that he had an affinity for Communist causes and that he was, therefore, unfit to be our Ambassador-at-Large, there was a great hue and cry that Jessup was being smeared, and that this was an irresponsible charge. Even some of my good friends said, "You should not have overstated the case." Ladies and gentlemen, this was a great understatement. Since the proof which I am presenting to you was laboriously dug out, I can add to the original statement that not only does he have a great affinity for Communist causes, but also a great affinity for Communist associates; a great affinity for the Communist Party line; and the Communist-line publication over which he had editorial control, had a great affinity for Communist money.

This brief review of the facts is very necessary because of the type of reporting being done by the largest newspaper in the State—the Milwaukee Journal. I would like to give you one of the many examples of the extent to which this paper deliberately and grossly prostitutes the freedom of the press.

As you will recall, the first witness whom I asked the committee to call was Louis Budenz. Louis Budenz had been one of the top members of the Communist Party. He was editor of the Communist Daily Worker. He sat in on the most secret meetings of the top policy makers of the Communist Party in this country. He finally broke with the party completely and since has been invaluable to the Government in convicting dangerous Communists. For example, he was on the stand 10 days during the trial of the eleven top Communists who were convicted largely on the basis of his evidence. He testified for the United States Government in some 9 other important cases.

When I asked that he be called, I stated that he could testify that Lattimore was a member of the Communist Party. All those interested in the case were watching to see whether he would so testify.

As you will recall, Louis Budenz testified that as editor of the Daily Worker he had to know all the names of the top members of the party and that he was kept officially informed of those topmen whom he was to treat as members of the party.

He testified that Lattimore was known to him as a member of the party.

He testified further that Lattimore was a member of a Red cell in the Institute of Pacific Relations, of which Jessup was also long a member and officer.

He testified that Lattimore was so high up in the party that when there was a change in the Communist Party line in 1943, the orders were transmitted to the American politburo through Owen Lattimore.

Let me read the Journal headline reporting the Budenz testimony. Budenz says Lattimore aids Reds but refuses to call him Communist. The subhead is "No, No," his answer at Senate hearing to flat question about party membership.

This was no honest mistake. They had been watching for this evidence for weeks and hoping that Budenz would fail to confirm MCCARTHY's statement that he would testify that Lattimore was a member of the party. They had available to them all three press services. They had one of their top and very competent reporters in Washington.

Now let me show how deliberately dishonest was this prostitution of the press for their purpose. They took a question which was asked of Louis Budenz in regard to an article which he had written for Colliers magazine. He was asked whether or not in that article he had named Lattimore as a Communist. He said, "No, no, no," and explained that he had not even mentioned Lattimore in the article.

The Journal then headlined to its readers that Budenz refused to name Lattimore as a Communist. This, even though for 2 hours Budenz under oath repeatedly stated that Lattimore was a Communist and went into detail on the proof of Lattimore's membership in the party—not only membership but the fact that he was so important that he was used to transmit a change in the party line to the Communist Party in this country.

Just so you will fully appreciate the comparison between the Journal's distorted reporting and some of the other papers picked at random, let me show you a few of the other papers.

If this were the only time that the news was so badly twisted and distorted, you could write it off as just an unfortunate mistake. However, this type of reporting on the Communist fight is the rule and not the exception of the Milwaukee Journal.

In discussing the Journal there is danger of doing an injustice to the vast number of honest, loyal Americans who work for the paper. I want to make it very clear that I refer only to that clique who control and are responsible for the prostitution of what could be a great midwestern paper. So much for the Journal at this time.

Rather than discuss the proof on some of the other men named, let's discuss the results of their actions—for if the Soviet Government and its Communist legions conquer the world, it will make little difference to us whether those who led us to destruction were Communists or dupes. It will make little difference whether they were Moscow's willing tools or men without faith or integrity or courage.

The big gangster in the Kremlin is after one thing—results. He cares not who does his dirty work. He cares not whether they are sanctimonious or depraved so long as they get him the results he is after.

Now I would like to briefly discuss the most vicious fraud ever perpetrated upon the American people in the history of this Republic.

It is the Lattimore-Acheson plan for the Soviet conquest of the Pacific. Mr. Lattimore master-minded it. He admits it. He not only confesses it but shouts out to the world that this is the child of his brain.

This is what he says in referring to one of our allies when he wants to turn over to Communist slavery:

"The thing to do, therefore, is to let South Korea fall, but not to let it look as though we pushed it."

This, ladies and gentlemen, by the architect of our State Department far-eastern policy.

This is an evil thing to behold. It spells ruin for freemen behind a cloak of fraud that deceives and betrays America. It is the fine art of covering Communist tracks with double dealing. It is the whole scheme of ideological barbarism laid bare.

Ladies and gentlemen, does the impact of Lattimore's master plan for one of our allies—bought, lock, stock, and barrel by Acheson not for Korea but for the entire Pacific—sound like an American talking?

This is what Lattimore means—spend American dollars and American lives to hold South Korea, but just enough to make it look as though we are trying.

This is now the plan for the rest of Asia. We can only judge them on past performances.

Let's look further at the record. At Lattimore saying—and Acheson acting—on the suggestion that the forces of freedom in Asia should be pushed to their doom by the left hand of the State Department while its right hand holds forth token aid—just enough to fool those of us who are paying for it—you and me—enough to fool those who may die for it, if you please.

The Lattimore-Acheson Axis served the purpose of the Kremlin in China—it delivered millions of people into Communist slavery plus vast areas of land.

Let's just take a brief look at some of the evidence which Acheson has produced on Acheson. This is the Acheson who reinstated and put in charge of personnel in the Far East, John Stewart Service, who was arrested by the FBI in connection with the stealing of hundreds of secret State Department documents.

This is the Acheson, who in 1930 before Hiss did all of his damage at Yalta and in all of our postwar planning, said, "Don't investigate Hiss; I will vouch for him," and who kept him in top jobs and finally made him Secretary of the United Nations Convention in San Francisco.

This is the Acheson who sent Hiss to Yalta where Hiss together with Gromyko and a third man drafted the Yalta Agreement. This agreement was described by our Ambassador Arthur Bliss Lane as follows: "As I glanced over the document, I could not believe my eyes. To me, almost every line spoke of a surrender to Stalin."

This is the Acheson who was sponsored by Senator TYDINGS way back in 1933 for Under Secretary of the Treasury, at which time TYDINGS said, "Don't hold it against him because his law firm has represented Communist interests."

This is the Acheson who said, "I will not turn my back on Alger Hiss," after Hiss was convicted by a jury for perjury in connection with the delivery of State Department secrets to a courier for Soviet Russia.

This is the Acheson who said after his clique engineered the Communist victory in China, "A new day has dawned in Asia."

This is the Acheson who last week notified the world that we would not stand in the way of United Nations recognition of Communist China. Incidentally, it is interesting to note that several weeks before he made that statement, Owen Lattimore made a speech in Philadelphia urging the same, identical traitorous sell out.

From October 1945 to March of 1947, Acheson's law firm was retained by the Communist government of Poland to obtain a $90,000,000 loan from the United States. The loan was put through and Acheson's firm received a fee of over $50,000, according to Acheson's sworn testimony.

During this time, Acheson was assistant Secretary of State and had the authority and the responsibility to pass on the loan. He admitted in January 1949 that he was charged with responsibility of making that loan.

Fifty million of the ninety million went to equip and arm the Communist army and the dreaded UB—the Communist secret police just then being set up in Poland.

It was Mr. Acheson who placed the guns, the whips, the blacksnakes, and the clubs in the hands of those Communists. It was Mr. Acheson who furnished them with bullets to keep a Christian population under Soviet discipline. It was Mr. Acheson who helped put uniforms on the masters of prostrate Poland.

He did not do these things blindly. He was fully advised as to what the money would be used for. Listen to the words of our patriotic Ambassador to Poland, Arthur Bliss Lane, who pleaded with Acheson not to make the loan:

"With the greatest earnestness of which I am capable, I beg the Department not to approve the extension of any credits at this time. When the terroristic activities of the security police come to an end, when freedom of the press is restored, and when American citizens are released from Polish prisons—not until then should United States public funds be used to assist the Polish Provisional Government of National Unity."

Lane was on the ground. He knew the facts. He had gone about the country and talked with hundreds of real Polish leaders, who were bitterly opposed to an American loan to the Communist government.

In behalf of Poland and liberty, he begged Acheson not to make a loan to tyranny.

But Acheson coldly turned aside the patriot Lane's warning. Shortly thereafter, Lane resigned to tell his story in his book, under the very significant title, "I Saw Poland Betrayed." Lane went out and Acheson remained. Acheson always remained.

I say to Mr. Acheson: Today, there are many questions that you might answer on your Chautauqua tour in the sale of your foreign policy soothing sirup.

Tell us whether you now know that the man to whom you made that loan, President Beirut, was one of the top members of the Soviet MVD. In your speeches, tell us if you would advise the Polish people to try to retain their Christianity for which they are daily dying. Tell us what you think of

the recent appointment of Marshal Rokosovsky, a Soviet war load, as head of the Polish Army and member and master of the Polish Politburo. Your loan, Mr. Acheson, kept him in uniform, too.

Your law firm got a fee for the making of that loan to help set up the police state in Poland. But the real fee was paid in the blood of the Polish Christian martyrs.

This man, Dean G. Acheson, who worked on the team of world strategy to create a Red China and a Red Poland, should be removed from the high command of our foreign policy at once. The people cannot afford to wait until the elections of 1952. As an American—not as just a Democrat—the President has a duty to remove him. Democratic faces cannot be saved if all faces are lost. Even the Democratic Party cannot be saved if America is lost.

We are a patient people. However, I think you will agree that the time has run out for the men who today are covering the tracks of their blunders with plans that will lead us to further disaster.

It does not take a foreign policy expert to watch the corpse of China writhe today under the heel of a Soviet boot. You do not need to go to Harvard to learn which are the policies of incompetent or dishonest men.

Take a look at us today in the eyes of a man or woman from the other side of the sea. Can we command their respect when our Government cringes in the face of communism? Are we earning their confidence when we abandon China by State Department decree? I think not. When any nation dedicated to the principles of liberty falters in the face of adversity, the spirit of the world sags. Without spirit, the world of free men and women will suffer enslavement in this day and age as surely as it has throughout history.

Until this Nation actively realizes this and leads the Nation out of the morass of deceit and fraud under way today, we will continue to suffer one betrayal after another.

We must restore to this Nation the integrity handed it by the founding fathers.

We must renew its glory and honor before the other lands of the world and before God.

The Republican Party has never been found at the half-way mark in the race to win against Communist infiltration in the Nation.

We, as a party, have long been dedicated to combating the forces of this evil growth fastened on the Nation. None can dispute this. However, the party Republicans alone cannot do this job. We invite all true Democrats, all true progressives to join with all loyal Americans in turning out the anti-Americans—the world Socialists, the Communist traitors—and to put honest, intelligent Americans back in control of our Government.

To beat Russia at her own game, we must have men who honestly want to win. We must have men who are not hip deep in their own failures.

Mr. McCARTHY. In my talk at Milwaukee I pointed out that international communism had two major aims as a necessary prelude to taking over the United States and creating world communism. One of those aims concerned the East, the other the West. I pointed out that the major aim of international communism in the West was the creation of a red Poland and in the East the creation of a red China.

It will be noted from the speech which I am inserting in the RECORD that I dealt in some detail with Dean Acheson's efforts in bringing about the accomplishment of those two Communist aims. I pointed out that Acheson's law firm represented the Communist government in Poland and handled its application for a $90,000,000 loan from this country. I pointed out that Donald Hiss—brother of Alger—who was named by Whittaker Chambers in 1939 as a part of a Soviet spy ring in the State Department, personally handled this loan application. I also pointed out one of the other members named in the spy ring, Julian Wadleigh, later turned state's evidence and confessed not only his part in the ring, but also implicated Donald Hiss. Hiss is the man in Acheson's law firm, it will be understood, who personally handled this application for a $90,000,000 loan to the Communist government in Poland. I pointed out that, while Acheson stated he received no part of the cut which his law firm received on the loan, he did admit that his law firm received over $50,000 as a fee. I pointed out at that time that our Ambassador to Poland, Arthur Bliss Lane, begged of Mr. Acheson that the loan be not made. This is one time when Acheson was not acting in the dark, but knew he was performing a tremendous service for communism by approving this loan and that by granting this loan he was immeasurably aiding in the communization of the world.

I may say that in January 1949 Mr. Acheson admitted under oath that he, and he alone, had the final say as to whether this loan should be granted. At that time I quoted Ambassador Lane. I should like now to quote about five lines from what Ambassador Lane stated in one of his memorandums to the State Department at the time Acheson was considering this loan, and I ask Senators to keep in mind that this is a good, loyal democratic Ambassador, as to whom there is no possible or conceivable claim that he could be playing politics. Listen to what this Ambassador says. Here is the man who was on the ground, preparing a memorandum addressed to Acheson. I quote him, as follows:

> With the greatest earnestness of which I am capable, I beg the Department not to approve the extension of any credits at this time. When the terroristic activities of the security policy come to an end, when freedom of the press is restored, and when American citizens are released from Polish prisons—not until then should United States public funds be used to assist the Polish Provisional Government of National Unity.

In other words, the Polish Communist government.

I pointed out that despite the fact that Acheson knew exactly what he was doing, he turned down the advice of our loyal Ambassador to Poland and took the advice of Donald Hiss of his own law firm, who was named as part of a State Department Soviet spy ring.

Shortly thereafter, as Senators will recall, Ambassador Lane resigned and wrote a book, which I recommend to interested Senators for reading. His book is entitled "I Saw Poland Betrayed."

It will be recalled that Donald and Alger Hiss both escaped investigation and were retained in the State Department because of the unqualified backing given them by Acheson at that time. That was in 1939.

Immediately after my speech at Milwaukee the State Department issued the usual screaming and screeching denial in an attempt to continue its deception of the American people.

This letter, which I intend to read into the RECORD, will demonstrate very clearly that the State Department underestimates the intelligence of the American people, who are now saying: "We have had enough 'official lying'; let us start getting the truth, the whole truth, and nothing but the truth from our public servants."

It will be noted that this letter points out that the State Department's answer indicates one of two things, either, First, Gross negligence on the part of whoever made such an idiotic statement, or second, deliberate falsification of fact.

So far as I know, the editor and the publisher of this paper are perhaps the best students of Polish history we can find. Here is what this man, Kapmarski, has to say:

> KURYER PUBLISHING CO.,
> *Milwaukee, Wis., June 19, 1950.*
>
> Senator JOE MCCARTHY,
> *Washington, D. C.*
>
> DEAR SENATOR: According to the AP, the State Department, answering your charges recently made in Milwaukee, issued a statement including the following point:
>
> "That the Department at that time still had hopes that the Mikolajczyk government, then in power in Poland, might be saved from Russian domination."
>
> This is either indicative of gross ignorance on the part of whoever made such an idiotic statement, or a deliberate falsification of fact.
>
> Anyone acquainted with events in postwar Poland knows that Mikolajczyk was in the Communist-dominated government only briefly and at that he was merely a minor figurehead, and a chair warmer, with absolutely no authority or voice in governmental affairs.
>
> To call that government "the Mikolajczyk government" is utterly fantastic. This offers you a chance to hurl the cited statement back into the teeth of whoever made it, if you have not already done so.
>
> Keep up the good work of hammering away at the Reds. All thinking Americans, particularly those of Polish ancestry, are behind you in this fight.
>
> Sincerely yours,
>
> J. A. KAPMARSKI,
> *Editor.*

Mr. President, I want to compliment the editor of that Polish-language paper for taking the time to give the Senate and the country the benefit of views and facts in answer to the State Department's white papers, with their distortion and twisting of the truth. It is a great relief to find that American citizens are taking the time to study the statements and make it unnecessary for the Senate alone to try to correct everything that is said.

Mr. DONNELL. Mr. President, I should like to ask the Senator from Wisconsin what is the newspaper, the Daily Kuryer Polski, on the letterhead of which the editor has written the Senator.

Mr. McCARTHY. It is the largest and the oldest Polish-language newspaper in America. It has a circulation in all 48 States, I believe.

Mr. DONNELL. I notice in the World Almanac of 1950 that the Polish population as of 1940 in this country was 993,479, and I ask the Senator whether he knows or has any basis for knowing how widely this publication circulates. In addition to the mere fact that it circulates among the various States, does it go into the home of a great many Polish people?

Mr. McCARTHY. I could not give the circulation, but I know it is listed as the largest, so that the circulation is very great.

Mr. DONNELL. Is the newspaper, in the Senator's opinion, one of excellent standing among the Polish people?

Mr. McCARTHY. Not only that, but I believe the editorial staff of this paper is regarded generally as rather outstanding in its knowledge of the history of Poland and the background of the entire sell-out of Poland.

Mr. DONNELL. Does the Senator know how the editor himself personally stands with respect to reputation for ability and integrity?

Mr. McCARTHY. It is very excellent, and that applies to the publisher, also.

LET US MAKE UP OUR MINDS WHAT IS IMPORTANT TO OUR SAFETY—THE KOREAN SITUATION

Mr. MALONE. Mr. President, the surprising thing with reference to the attack on South Korea which has been evidenced by many persons is that anyone should be surprised, considering the policies which have been adopted in relation to Asia and the Pacific areas.

Mr. President, we are sending arms to half the world, making no definite policy, not specifying what we shall do in case there is a failure of what is supposed casually to be our foreign policy.

Mr. President, one of the fundamental maxims in the West is that a man does not go for his gun unless he intends to use it. We are going for our gun everywhere. We are furnishing arms and munitions; we are talking tough and are not acting.

It is about time that we made up our minds. It is time the State Department, the President of the United States, and the National Defense Secretary, in fact, the entire executive department, should make up their minds what areas in the world are important to the ultimate safety of this Nation, and then make definite what they intend to do in case pease is violated—as for example, the Monroe Doctrine, effective in the Western Hemisphere for 125 years.

Mr. President, in the humble opinion of the junior Senator from Nevada, we have made every mistake possible, starting with Yalta in 1945, in Asia and in Europe, and if we do not bring on a war it certainly will not be our fault.

STATE DEPARTMENT NEVER CONSULTED MACARTHUR AND BADGER

It is evident and well known that the State Department never seriously discussed the situation in Asia with probably the only two men who best understand Asia, namely, General MacArthur, in Japan, and Admiral Badger who spent considerable time in China and other areas before the evacuation of China.

The National Defense Secretary has just spent some time with General MacArthur, and it is the opinion of the junior Senator from Nevada that he has probably received some very good advice and that within the next 24 or 48 hours he will perhaps have something to say about it.

It is further the opinion of the junior Senator from Nevada that he has received about the same advice as that which was given to the Senator from Nevada in 1948 and which anyone could have secured upon inquiry.

LOSE CHINA AND SUFFER ECONOMICALLY AND PSYCHOLOGICALLY

I have refrained from quoting directly General MacArthur, but it is well known that he thought Japan, Okinawa, the Philippines, and New Guinea could be defended at a greatly increased cost if China were lost, but that economically and psychologically we were comparatively in terrible shape. In other words, Japan profitably and consistently could trade only with China, and if the Communists conquered China, of course, it would have to conform in order to trade.

THE UNITED STATES CANNOT BUY THEIR PRODUCTS

Otherwise, we in the United States of America would have to purchase the materials manufactured by Japan, which we could not consistently do, for the very reason that we already have more of those products for the most part than we need. Therefore we would necessarily be forced to support Japan indefinitely and keep our occupation forces there, or allow her to become Communist in order that she could trade with Communist China.

HISS-LATTIMORE—THE PATTERN OF COMMUNISM

Mr. President, starting at Yalta, with all these famous advisers of the President of the United States present, including Mr. Hiss, and Mr. Lattimore's advice to the State Department, which was made known much later but which fits into the whole pattern, all the advice apparently was along the line of Mr. Lattimore's letter which was later made public, to the effect that we should lose China simply because, as he said in effect:

The type of policy represented by support of Chiang Kai-shek does more harm than good to the interests of the United States, and no modification of this policy seems promising. Chiang Kai-shek was a unique figure in Asia. He is now fading into a kind of eclipse that is regrettably damaging to the prestige of the United States—

This was made public on April 3, 1950—

because the United States supported him.

We go further into the advice which was given by Mr. Lattimore to the State Department. In the statement made by him on April 3, he said:

South Korea is more of a liability than an asset to the interests and policy of the United States. It is doubtful how long the present regime in South Korea can be kept alive, and mere effort to keep it alive is a bad advertisement, which continually draws attention to a band of little-and-inferior-Chiang Kai-sheks who are the scorn of the Communists and have lost the respect of democratic and would-be democratic groups and movements throughout Asia.

THE PATTERN CONTINUES

Without going ahead with that statement, it is fairly clear that what happened in China and what is now happening in Korea were brought about deliberately by the advisers of the President at Yalta and by the advisers of the State Department since then. Only a few days ago, in answer to an inquiry by a newsman, Mr. Acheson was very definite in saying that there was no change in policy in Formosa. A few days later we have the picture of General MacArthur sending military supplies to South Korea.

JUST WHAT IS THIS COLD WAR?

I have before me a newspaper column written by Oland D. Russell, entitled "Germany of the Far East," published today in the Washington Daily News. I wish to quote briefly from the article.

Mr. Russell says:

As the cold war spotlight focused on Korea today, the question uppermost in the minds of those looking into the background of the crisis was this:

How did it happen in the first place that Korea, a united country, was arbitrarily cut in two along an artificial, unrealistic geographical line and one part turned over to Russia and the other part given to the United States occupation forces?

That is a fair question, Mr. President. Mr. Russell goes on to say:

Korea as a whole was promised her independence by three Allied powers, the United States, Britain and China, as early as December 1, 1943. Russia had no part in the pledge because Russia was not then at war with Japan. Korea was a vassal state of Japan.

Originally the plan was for occupation of all Korea by American forces after the defeat of Japan. Surrendered Japanese troops were to be repatriated and an interim government set up under United States auspices, looking to eventual self-rule of all Korea by a democratically chosen Korean government.

But something intruded to upset this plan and make Korea the Germany of the Far East.

Who it was that decided, and when, that Russia should be cut in for half of Korea has never been officially stated.

WHO DIVIDED KOREA?

Mr. President, all inquiries made by the junior Senator from Nevada, other Senators, and agencies of the Government have been fruitless. They have not been able to find out who made the suggestion that Korea be divided, with half of it going to Russia, who entered the war with Japan 5 days before the war ended. However, Mr. President, we do know who the adviser was to an ailing President at Yalta. It was Mr. Hiss, as well as his associates. So we can be reasonably sure, or at least I believe it to be reasonably sure, to say from where this advice came.

Further quoting from Mr. Russell's article:

But like so many other items of the big give-away program in Russia's favor, the decision was in line with the Rooseveltian policy of appeasing Russia at Yalta, and probably was made there. The Yalta conference sat from February 3 to February 11, 1945—long after the Cairo conference of 1943 when Korea was promised self-rule with no strings attached.

MANCHURIA GIVEN TO RUSSIA

Mr. President, along that same line it will be remembered that at the Yalta

conference Russia was given Manchuria, not only without the consent of China but without even the knowledge of Chiang Kai-shek and his advisers. The news was broken to Chiang Kai-shek later. Thus China was forced to accept what it could not, of course, prevent.

To continue further with Mr. Russell's article:

But at Yalta President Roosevelt and Prime Minister Churchill secretly began making their offers to Stalin to get Russia to enter the war against Japan.

DIVIDING THE MANUFACTURING AND POWER PLANTS OF SOUTHERN KOREA

Mr. President, remember that Russia came into the war 5 days before the war was over.

And, included in the rewards held out, it was subsequently reported that Stalin was promised the northern part of the country, containing almost all of Korea's manufacturing capacity—

That is important, Mr. President—

containing almost all of Korea's manufacturing capacity, most of the coal and iron, railroad rolling stock, rail repair shops and all the important sources of electrical power.

Independence was given to South Korea. Obviously independence in South Korea could not be maintained without continual help from the United States, or some other substantial country, with their productive area gone. Mr. Russell goes on to say:

But all efforts failed, and in 1948 the Russians went so far as to shut off electric power to South Korea. For a time the United States Army used power barges to keep industries going in the south.

Meanwhile the United Nations had made an abortive effort to bring about some order and hold free elections for all Korea in fulfillment of the promise for self-rule and independence. The UN sent a commission but Moscow refused to permit it to enter North Korea.

The United States went ahead with its plan of granting independence to South Korea, and on August 13, 1948, the Republic of Korea was proclaimed.

But now the 2-year-old Republic not only faces a fight for its life, but the peace of the world is threatened by outbreak of a conflict which stems back to the folly of dividing a conquered or liberated country between two victors of diametrically opposed interests.

Mr. President, I want to call particular attention to the fact that Korea was divided in a way which makes it impossible for either half to support itself. These things do not happen accidentally, Mr. President. Germany was divided in exactly the same way, and has never been able to support itself. That is to say, history shows that it has never been able to produce enough food in order to support itself. The people of Germany have always had to industrialize in order to sell their products, so that they could eat. So they were divided in a way to make self-support almost impossible. What kind of a business is that—and who was directing it?

THE COLD WAR—THE IRON CURTAIN

Mr. President, in going on further, we have been conducting what is named by some besides us a "cold war." Then we had the expression "the iron curtain." Trace them back to where they came from. They can be traced to Mr. Churchill, of England.

ENGLAND—OUR ALLY—RECOGNIZED COMMUNIST CHINA

Let us see what we have been doing with the cold war. First, almost immediately, our ally in the cold war recognized Communist China. It is the conviction of the junior Senator from Nevada that at the international conference here in September 1949 between Canada, England, and the United States our Secretary of State committed himself to follow England in the recognition of Communist China. But it required a softening up of the American people in order to do that, and that softening up period did not operate quite as successfully as it looked at the moment it might. It was delayed.

SOFTENING UP THE AMERICAN PEOPLE

Recently, our Secretary of State has told a joint meeting of the Congress that the United States has no intention of opposing the United Nations' recognition of Communist China, and seating their delegates in place of the Nationalist delegates, who are now serving. In other words, we would not use our veto against bringing Communist China into the United Nations in place of Nationalist China. Then if the Communists take over South Korea, what will be the attitude of the State Department?

Again, that is water on the wheel of the progress of recognition of Communist China by the United States of America, because once they are recognized by the United Nations—and the votes are there to do the job, with Mr. Lie encouraging it, with all his power—then the propaganda will go out over the United States, from the greatest propaganda machine ever known in any place at any time, namely, our State Department, which will proceed to soften up the people of this country to the point where they will say, "Well, every other nation has recognized Communist China, it is in the United Nations and is a part of the United Nations, and we may as well recognize it."

LIE—COMMUNIST SECRETARY OF UNITED NATIONS

No one, Mr. President, denies that Mr. Lie was recommended by the Russian nation. No one denies that his record reeks of communism.

He recently resented bitterly a question from a newsman as to whether or not he was now or ever had been a Communist.

Mr. President, it is time for a good old-fashioned house cleaning from top to bottom in both the United Nations and the State Department.

THE COMMUNIST PATTERN

Mr. President, this whole plan from the beginning makes a pattern. From the time it was evident that the war would close, from the time of the Yalta conference, the pattern has been distinct. It can be put together. As a matter of fact, it needs no putting together; it falls in order, if we just stop to think about it.

Almost immediately England recognized Communist China. Then she continued her trade with Communist China unabated—as a matter of fact, accelerated it—shipping them everything they needed in Communist China to consolidate their gains, and a large amount of the material the Soviet Government would need for world war III, using the Chinese Communists for troops.

Let us see what further we are doing in the cold war. We tell the American people we will not send materials to Russia. Certainly we will trade with them and send them anything they can use in making war on us and consolidating their gains in eastern Europe and Asia.

NINETY-SIX TRADE TREATIES—16 ECA COUNTRIES WITH RUSSIA AND SATELLITES

I called attention to the facts three times on the Senate floor, beginning in March 1949 and again in January 1950, and again during the debate on the Marshall plan in March of this year on this floor. The junior Senator from Nevada started with a total of 88 trade treaties which the 16 Marshall-plan countries had made up to and including 1947 with Russia and the iron-curtain countries, and ended with, by name, 96 such treaties in good standing, being renewed from time to time with the Marshall-plan countries shipping to Russia and the iron-curtain countries everything they needed to make world war III on the United States and to consolidate their gains in eastern Europe and Communist China. I ask you, Mr. President, what kind of a cold war is that?

THE ECA AND WEST-EAST TRADE

The only difficulty there is about it is that every nation in Europe is fattening itself in trade in the same manner they always do, trading with what the State Department has said are potential enemies. Where are they getting the materials? There is the great Marshall plan and the ECA. It was said on the Senate floor on March 4 and 5, 1948, by the junior Senator from Nevada, that they were making such trade treaties, and I put into the RECORD a trade treaty already made by England with Russia at that moment, including 1,100 locomotives, and went on down through tool steel, electrical equipment, machinery, and other materials.

Someone taking the other side of the debate said: "Of course, no ECA or Marshall-plan director would allow such a thing." The junior Senator from Nevada, comparatively young on the Senate floor, not having the confidence in any ECA or Marshall-plan director some Senators evidently had, doubted that that would be the case. History has shown that they not only allowed it, but encouraged it.

What do we find now? The average of the nations of Europe, outside of Germany and Austria, are 125 to 130 percent recovered, according to the indstrial index of 1937–38. They are way past the point of recovery, so if we are not fighting a cold war, then what are we doing?

MAKERS OF OUR POLICY

Mr. President, I desire to call attention to an editorial in the Saturday Evening Post entitled "United States Policy Makers for the Asia Front Laid a China Egg." I quote briefly from it:

The State Department is headed by Dean Acheson, who as late as June, 1946, advised that economic assistance to China should be

carried out "through the medium of a government fully and fairly representative of all important Chinese political elements, including the Chinese Communists.

I recall to the Senate, Mr. President, that the State Department about that time sent a very distinguished gentleman, General Marshall, to represent the State Department in China, and that he did several things there. Among them, he asked Chiang Kai-shek to join hands with the Communist Government. He said they were agrarian Communists. We have heard that before. All they wanted to do was to get a piece of land, he said, that they were our kind of people, that everything would be all right, that they would join hands with Nationalist China.

THE GENERALS MARSHALL—CHAING KAI-SHEK—FU

Mr. Marshall forced Chiang Kai-shek to let the agrarian Communists through the Pass over into Manchuria, where they picked up the arms which the Japanese had left there when they quit Manchuria, after we gave Manchuria to Russia. They went through the Pass and came down on the Chinese Army from the north. Mr. Marshall stopped the ammunition going to General Fu's army and Chiang Kai-shek, for the American guns we had already given China. He did that in 1946.

As early as 1948 the junior Senator from Nevada flew into Peiping. It was said the Communists were 8 or 10 miles out, but General Fu, who was handling the northern army for Chiang Kai-shek at that time, sent a car, without lights, to the airport. We landed without lights. I was able to go to his camp to a midnight conference. Mr. President, I had a high regard for General Fu. He looked capable to me. He said he was really beaten when General Marshall stopped the ammunition going to their guns in 1946, and he said, in November 1948, "Unless I get substantial help in 30 or 60 days—I will be a prisoner of war." And of course history shows he was. He had up to that time been able to keep the railroad open from the harbor up to Peiping.

RAILROAD CLOSED

But it was soon closed because of the great belief of these Korean Communists that everything would be all right; with the Lattimores and the Hisses and the Achesons all proclaiming that nothing definite should be done.

Several times the newspapermen contacted the junior Senator from Nevada while in China and in Japan, and they were very fair. When the junior Senator from Nevada returned to this country and saw their dispatches, they read well. The junior Senator from Nevada has never said that we should go into China with arms and men. What he did say, Mr. President, many times, was that we had better make up our minds as to what was important to the United States of America, and do it very fast; that if the integrity of China was important to our ultimate safety, then we had better get in; that if the integrity of China was not important to our ultimate safety, then we had better get out. Because in my league one cannot be half in and half out of a gang fight. One simply gets hurt thereby. That is what happened. We got hurt. And the end is not yet.

Mr. President, the editorial further says:

An expert whose advice has been formally sought by the State Department and who was considered important enough to be assigned to Chiang Kai-shek as an adviser, is Owen Lattimore. * * * Mr. Lattimore's most recent advice to the State Department amounted to a scramble from virtually every point of vantage in Asia where our presence might cause annoyance to the Russians.

MR. LATTIMORE AND CHINA

In an earlier article he sought to soothe the anxious by declaring that "the Russians have neither the surplus of money, nor the surplus of equipment, nor the surplus of technicians and know-how with which to intervene in Asia as we have intervened." Many sincere people have held these and similar views, and one need not be a Communist to defend them. But, the way things are turning out, they represent a weak reed for the United States policy to lean on.

MR. JESSUP

Still read from the editorial:

Another State Department expert is roving Ambassador Phillip C. Jessup, who is credited with the authorship of the China white paper in which Chiang Kai-shek is blamed for everything that happened, including our own double-crossing of him at Yalta. He is an expert on international law, with an interest in the Far East.

Further along in the editorial it says:

THE PRESIDENT—MR. TRUMAN AND 1952

With President Truman treating this vital matter as if it were a case of covering up for a dumb jobholder in the county courthouse, we agree with Senator TAFT that nothing short of a new administration will bring about this imperatively needed New Deal. But the people at least have a congressional election through which to express themselves. If they don't take advantage of this opportunity, it will not be for want of available information.

A DECLARED WAR

I read from an editorial appearing in the New York Mirror of this morning, June 26, as follows:

We now have a declared war, piddling though it may be, or may not be, involving the United States and American prestige in the Far East.

The North Korean Communist forces which have invaded American-sponsored and UN-approved South Korea obviously could not have moved without Soviet direction and permission.

It is the job of our diplomats to keep us out of war. War begins where diplomacy fails.

Further along in the editorial it says:

MR. DULLES—AND ASIA

Only last week, John Foster Dulles, Republican adviser to Secretary Acheson, was in Korea and assured the southern republic, which this country created and which we recognized January 1, 1949, that the United States does not intend to abandon it to Communist aggression.

That is very good news, Mr. President, coming from a very prominent citizen such as Mr. Dulles. Further reading from the editorial:

What does this mean?

Mr. Dulles is an official representative of the United States Government.

What can his statement mean to all the menaced peoples of Asia who have not already come under Soviet domination?

Mr. Acheson, himself, told Congress, in seeking economic aid for South Korea (though we were completing the abandonment of China at the time), that if Korea were overrun by the Communists * * * "You will get a shiver of fear all through the Philippines, all through southeast Asia, India, and all other parts of the Far East. * * * We are bound to have an accentuation of disintegration."

In parentheses the editorial says:

(That last sentence in Achesonese for "Things will get worse.")

Mr. President, I ask unanimous consent that the editorial may be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHEN DIPLOMATS FAIL

We now have a declared war, piddling though it may be, or may not be, involving the United States and American prestige in the Far East.

The North Korean Communist forces which have invaded American-sponsored and UN-approved South Korea obviously could not have moved without Soviet direction and permission.

It is the job of our diplomats to keep us out of war. War begins where diplomacy fails.

Our diplomacy has so miserably failed us in the Far East by its acquiescence to the Communist conquest of China—amounting almost to approval—that it has brought upon our people and the world this crisis.

Will the diplomats want us to go to war now to pay for their mistakes?

We don't think they'll get away with that. The people are well aware of our failures of statesmanship and are not disposed to erase them with American blood.

But we are on the spot, nonetheless.

Only last week, John Foster Dulles, Republican adviser to Secretary Acheson, was in Korea and assured the southern republic, which this country created and which we recognized January 1, 1949, that the United States does not intend to abandon it to Communist aggression.

What does this mean?

Mr. Dulles is an official representative of the United States Government.

What can his statements mean to all the menaced peoples of Asia who have not already come under Soviet domination?

Mr. Acheson, himself, told Congress, in seeking economic aid for South Korea (though we were completing the abandonment of China at the time) that if Korea were overrun by the Communists—

"You will get a shiver of fear all through the Philippines, all through southeast Asia, India and all other parts of the Far East. We are bound to have an accentuation of disintegration."

(That last sentence is Achesonese for "Things will get worse.")

As if to make them worse, Mr. Acheson "scared hell" out of the Governors' Conference last Tuesday in a closed-door discussion of the cold war; then on Thursday, at Harvard, was carefully sanguine on the theme that "war is not inevitable."

At the same time of the latter speech, General Bradley, Chief of Staff, and Defense Secretary Louis Johnson, were just leaving Tokyo for this country after a momentous conference with General MacArthur.

Moscow must have wondered about this Far East meeting of our top defense chiefs, who do not see eye-to-eye with Acheson.

Moscow may have taken Acheson's "war-is-not inevitable" speech as a go-ahead signal

to launch, if not a full-scale invasion, at least a test thrust for feeling-out purposes.

Americans, we think, should view this crisis in two ways: (1) Let's make it the occasion to determine whether the United Nations should be junked or changed; (2) let's keep as cool and unhysterical as possible in this hot spell.

Mr. MALONE. Mr. President, I ask unanimous consent also to have printed in the RECORD at this point an article by John O'Donnell under the heading "Captol Stuff."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAPITOL STUFF

(By John O'Donnell)

WASHINGTON, D. C., June 25.—The worst of bad news delights to arrive in this Capital on sunny Sundays. The evil tidings that now come from Korea do not reach the high degree of tragedy attained on that Sunday 8 years and 7 months ago when correspondents eating lunch in the National Press Club leaped from tables in stunned astonishment as radio and news tickers excitedly proclaimed:

"Japs bomb Pearl Harbor. Official. Japs bomb Pearl Harbor."

But this Sunday's news is bad enough. It will do. It's of a piece with the story of Pearl Harbor. Our State Department's intelligence has been just as faulty and incompetent and as thoroughly surprised by the enemy, as Cordell Hull's outfit was back on Sunday, December 7, 1941.

TRUMAN GOT NO WARNING ON RED BLOW

President Truman, having a quiet week end back home in Missouri, had no warning from his advisers that the Commies were about to strike, pour into the United States-backed zone of South Korea—as our experts now say they can—and so put the military striking power of the Reds 100 sea miles and less than 30 minutes in a bombing plane from MacArthur's outposts in Japan. There may be dispute about F. D. R.'s advance knowledge that the Japs were about to attack us, that "they had been maneuvered into firing the first shot," as former Secretary of War Henry Stimson wrote in his diary, but it's certain that Truman had received no warning from his experts.

All of which makes John Foster Dulles, the Republican wing of the Truman bipartisan foreign policy, look downright silly, a tragic comedian and a pathetic clown in the circus ring of international diplomacy.

It was only 6 days ago that this GOP special adviser to Secretary of State Acheson arrived in the now Commie-bombed and machine-gunned Seoul.

What this pseudo-international expert, protégé of New York's Governor Dewey, told the Koreans last Monday in his ridiculous pep talk—"the eyes of the free world are upon you • • • you will set up a peaceful influence which will disintegrate the hold of Soviet communities on your fellow to the north"—makes sour reading at the moment.

"I've been told that the Communists have been spreading silly rumors that Korea might be left alone in its defense of its freedom," Dulles said. "I hope the days I have spent here will be one more evidence of the fact that Korea does not stand alone."

THE BUCK IS PASSED TO UN'S COUNCIL

Now, all this stupidity may well have great value to the United States. The medicine is bitter but beneficent. If further evidence of collapse, incompetence, and (worse still) downright ignorance of the directors of the Truman-Acheson foreign policy were needed, the voting citizens have it.

Now Truman so-called masterminds have passed the buck up to the Security Council of UN. And this, too, is all for the best because a present demonstration of the utter futility of the set-up at Lake Success may hasten the death of that international monstrosity, born under the sinister ministering care of diplomatic obstetrician Alger Hiss at San Francisco 5 years ago. And the end of UN would be one of the best breaks this unlucky Republic has got in many a year.

The bright side of the news from this latest shooting front in the Far East is that now, at long last, the befuddling experts handling the State Department's so-called China policy will find power taken from their feeble and uncertain hands (hands which in too many cases have been described as smeared with red and pinkish guilt) and the final over-all authority, in both military and diplomatic fields, turned over to Gen. Douglas MacArthur, as defender of the United States defense outposts in the Far Pacific.

This decision will be made as soon as Truman, hastily returning from Missouri, sits down with Secretary of Defense Louis Johnson and top man of the Joint Chiefs of Staff Gen. Omar Bradley—both of whom are just back from Tokyo with the benefit of MacArthur's advice. The hard-boiled military professionals here in the Capital are agreed that if the Kremlin is really backing up the Red Korea drive with fighting planes and has stiffened the "people's republic" army with veteran Russian officers from World War II, a Red victory is assured.

THE SCRAP CAME FLYING BACK AT YANKS

And with a bitter grimace, they will agree that in this probable event that $10,000,000 worth of military equipment which we've already sent to Korea will fall into commie hands. The boys remember how the scrap iron which F. D. R's diplomats sold to Japan in the months before Pearl Harbor came flying back at our troops as shells and bombs. The boys figure that there is a good chance that history may repeat itself—and that it may teach the American people what happens on a small scale in Korea might happen on a disastrously large scale in western Europe.

And so the developments in Korea now suddenly emerge as a major political issue on the domestic front in the coming battle for control of Congress. Truman and Acheson are expected to be forced into the embarrassing spot of completely reversing themselves with regard to defending Formosa within the next week—on the basis of the recent consultations with MacArthur and the strategic steps necessary to hold the defense line of Japan, Formosa, and the Philippines.

QUIT REACHING FOR OUR GUN—UNLESS WE MEAN TO USE IT

Mr. MALONE. Mr. President, it seems to the junior Senator from Nevada that it is time we quit reaching for the gun unless we are going to use it, or else someone is going to get hurt. Let us think it through. Let us get down to first principles. On March 4 and 5, 1948, when the Marshall plan first came before this body, the junior Senator from Nevada stood here 3 or 4 hours and tried to think it through, and tried to see where we were going. Certainly he did not have the answers.

SOCIALIST GOVERNMENTS AND $17,000,000,000

But he was convinced no one on this floor had the answers as to how it would benefit our Nation to take $17,000,000,000 and give it to governments outright with no strings, governments who were already showing signs of socialism and worse.

How could we win by giving them the money to remain in power, and to sell to their poor people the materials we furnished when they themselves had the money with which to buy foodstuffs, and when we furnished the governments money with which to build industry, which in the long run was bound to be socialized and would be used against us. It was used against us in two ways, it panned out, just as the junior Senator from Nevada suggested when he read into the RECORD in March 1948, the trade treaty that had then already been made between England and Russia, under which England shipped a wide variety of materials, starting off with 1,100 locomotives, and going into various types of equipment that all nations need to manufacture equipment for war and consolidate gains in strange areas.

First, the money and the material would be used to build up their industries, and the material manufactured there would be shipped to our potential enemies, which has been done through the 96 trade treaties already described. Second, in building these plants they would be building competition for the workingmen and the investors of America through their free-trade set-up, with this Nation—first pointed up by the 1934 Trade Agreements Act.

THE "FREE TRADE" ACT OF 1934

Mr. President, what does the 1934 Trade Agreements Act do? It is simply that the Congress of the United States transferred its constitutional responsibility for the regulation of foreign trade, the regulation of the national economy through the regulation of imports to an executive department that had been trying to secure control of that particular regulation for 100 years. And all prior Congresses had had gumption enough not to give it to them.

THE INTERNATIONAL TRADE ORGANIZATION

Then they suggested the International Trade Organization. All this has been, and is, on the must list of the President. The International Trade Organization is on the President's must list of legislation for this year. The administration is still insisting that we must pass it to make free trade permanent and level the standard of living in this Nation with the nations of the world.

REGULATION OF OUR NATIONAL ECONOMY TO FOREIGN CONTROL

It would take that same authority and transfer it from an industrially inexperienced State Department—to where? To a foreign organization, an international trade organization, made up of 58 or 59 nations, we having but 1 vote out of the whole 58 or 59 nations. What happens? What authority does that organization have? They have the authority to set the tariff and the import fees for their member nations, and they have the authority then to fix quotas, if you please, Mr. President, so if too many shoes are being produced in America, in the opinion of the very smart people that will sit around the table, each one of them representing one of these nations, then that production could be assigned to some other country, to Czechoslovakia behind the iron curtain, or anywhere they wanted to assign it. How does the State Department determine what industries are to survive and which industries are to be sacrificed, involving the jobs and investments of America?

JOBS AND INVESTMENTS

How can those in the State Department do that? They can do it because the Congress has given them authority to lower the tariffs and import fees approximately 75 percent after holding only perfunctory hearings. Inasmuch as those persons in the State Department never have been in business, so far as I have been able to determine, obviously it is a simple matter for them to run all businesses in the United States; indeed, it is all too simple, so far as they are concerned.

NO FOREIGN POLICY

Let me refer now to today's occurrences. They could not have been a surprise, they did not surprise anyone in my State, or on the Senate floor I hope. For the last 6 months we have been discussing the entire setup in Asia and in Europe, which constitute a powder keg arranged by our own representatives, because of our lack of foreign policy.

Mr. President, we have no foreign policy. Our so-called foreign policy is a joke. We have simply tied the regulation of our national economy to our foreign policy, so-called, in an attempt to make one economic world—which is what we are headed toward—in which we will divide our markets with the other countries of the world, with the result that we will lower our standard of living. It is claimed that in that event there will be perpetual peace, that is the objective.

LET US DECIDE WHAT IS IMPORTANT TO THIS NATION

So, Mr. President, as I said in March 1948, and again in March 1949, and again in September 1949, and again in March 1950, let us make up our minds. Let the executive branch of the Government, whose constitutional responsibility it is to fix the foreign policy, make up its mind and decide what areas in Europe and what areas in Asia and what areas in Africa are important to our national safety, so far as their governmental integrity is concerned. Then, instead of sending a few six shooters into Korea in an attempt to beat Russia, if we decide that that area is important to us, let us send there something that will stop the encroachment of one government upon another, not just enough to be of value to the Russians when they capture it.

Mr. President, I return to the fundamental principle—and so far as I know, it has not been changed by anything which has occurred anywhere in the world—that a man who reaches for his gun had better have made up his mind to use it. That is what we must do—less talking and more doing.

However, as matters now stand, the prestige of the United States is practically down to zero, with the result that the feeling is widespread, that other nations, including England, furnish their citizens better protection than we do for our own people.

Let us make up our minds and quit fooling the American people—and the nations of the world.

THE KOREAN WAR SITUATION—SELL-OUT-TO-STALIN STATESMEN

Mr. JENNER. Mr. President, the front paging of the present plight of Korea is a grim reminder that the Russian bear is sprawled across the Eurasian continent, biding its time, digesting its prey, and digging itself in for a long and cruel international winter. The Korean debacle also reminds us that the same sell-out-to-Stalin statesmen, who turned Russia loose, are still in the saddle, riding herd on the American people.

These are the men who sold out 100,000,000 people in eastern Europe to Communist slavery. These are the men who, after American troops had captured Berlin, ordered our withdrawal so that Russia could enter as the great conquerer and liberator. These are the men who turned Berlin into a Russian prison which we could neither enter nor leave except by traveling through Russian-occupied territory.

These are the men who sold out China at Yalta; who gave to Russia Outer Mongolia, Manchuria, the northern half of Korea, half of Sakhalin Island, just to the north of Japan, and the Kurile Islands, 1,000 miles southwest of Alaska.

These are the men whom Russia had informed time and again of her determination to turn Manchuria into a Russian base. These are the men who knew that Korean Communists were fighting for Russia in Manchuria, the same Korean Communist troops who today are part of the attack being launched on South Korea.

These are the men who have depended upon confidential reports of Owen Lattimore, John Service, and Phillip Jessup. In addition, our own Secretary of Defense, and our Chief of Staff, and Mr. Dulles, just completed a recent tour of the Far East, a United Nations Commission, with an American representative, has been in Korea for 2 years, and our Central Intelligence Agency, which receives intelligence reports from every branch of the Government, including our Armed Services, has been represented on the spot.

Yet, in spite of the hundreds of millions of dollars we have been spending merely to support these branches of national security, this administration does not even know what is going on. The President, himself, when he was returning to Washington from Kansas City, yesterday, said he was returning because he did not know the facts.

For myself, grave as this Korean situation has become I believe the time has arrived when we can no longer entrust our future to those who have betrayed the past. We need a day of reckoning when we can put all the facts on the table, when we can lay the foundation for what constitutes the minimum requirement for an impregnable national defense and for the defense of the Western Hemisphere, before we can wrest the initiative out of Stalin's hands and take back the moral leadership of the world into our own.

EXECUTIVE SESSION

Mr. McFARLAND. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. SPARKMAN in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Labor and Public Welfare.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following reports were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

Harold I. Baynton, of Nevada, to be an Assistant Attorney General to fill an existing vacancy;

Carrick H. Buck, of Hawaii, to be first judge of the first circuit, circuit courts, Territory of Hawaii;

Austin L. Staley, of Pennsylvania, to be a United States circuit judge, third circuit, vice John J. O'Connell, deceased;

Gus J. Solomon, of Oregon, to be United States district judge for the district of Oregon;

Benjamin B. Mozee, of Alaska, to be United States marshal, division No. 2, District of Alaska;

Edward J. Carrigan, of California, to be United States marshal for the northern district of California, vice George Vice, retired; and

Maurice T. Smith, of Colorado, to be United States marshal for the district of Colorado.

By Mr. CONNALLY, from the Committee on Foreign Relations:

Executive H, Eighty-first Congress, second session; treaty of friendship, commerce, and navigation between the United States of America and Ireland, together with a protocol relating thereto, signed at Dublin on January 21, 1950 (Ex. Rept. No. 8).

By Mr. TYDINGS, from the Committee on Foreign Relations:

Executive L, Eightieth Congress, second session; convention on the Intergovernmental Maritime Consultative Organization, signed at Geneva on March 6, 1948, by the respective plenipotentiaries of the United States of America and other countries concerned; with reservation and understanding (Ex. Rept. No. 7).

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

Mr. McFARLAND. I ask that we start with the nomination to the United Nations.

The PRESIDING OFFICER. Without objection, that will be done.

UNITED NATIONS

The legislative clerk read the nomination of Isador Lubin to be a representative of the United States of America on the Economic and Social Council of the United Nations.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF STATE

The legislative clerk read the nomination of H. Freeman Matthews to be an Assistant Secretary of State.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

Mr. McFARLAND. Mr. President, at the request of the distinguished minority leader, I ask that the nomination of W. Walton Butterworth be passed over.

The PRESIDING OFFICER. The nomination will be passed over.

Mr. McFARLAND. I ask that the remaining nominations in the Diplomatic and Foreign Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the remaining nominations in the Diplomatic and Foreign Service are confirmed en bloc.

ATOMIC ENERGY COMMISSION

The legislative clerk read the nomination of Gordon Dean, to be a member of the Atomic Energy Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Thomas E. Murray to be a member of the Atomic Energy Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Henry DeWolf Smyth to be a member of the Atomic Energy Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES COAST GUARD

The legislative clerk proceeded to read sundry nominations in the United States Coast Guard.

Mr. McFARLAND. I ask that the nominations in the United States Coast Guard be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the United States Coast Guard are confirmed en bloc.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

Mr. McFARLAND. I ask that the nominations in the Public Health Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Public Health Service are confirmed en bloc.

RECESS

Mr. McFARLAND. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 45 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, June 27, 1950, at 12 o'clock meridian.

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## NOMINATIONS

Executive nominations received by the Senate June 26 (legislative day of June 7), 1950:

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the Public Health Service:

To be senior surgeon (equivalent to the Army rank of lieutenant colonel), effective date of acceptance:

Travis P. Burroughs

To be surgeon (equivalent to the Army rank of major), effective date of acceptance:

Leo P. Krall

To be assistant sanitary engineer (equivalent to the Army rank of first lieutenant), effective date of acceptance:

James B. Coulter

To be pharmacist (equivalent to the Army rank of major), effective date of acceptance:

Carl L. Jones

To be senior assistant scientists (equivalent to the Army rank of captain), effective date of acceptance:

Paul P. Weinstein — Herbert F. Schoof
Roy W. Chamberlain — Bernard Brookman

To be senior assistant veterinarian (equivalent to the Army rank of captain), effective date of acceptance:

John H. Scruggs

To be sanitarian (equivalent to the Army rank of major), effective date of acceptance:

Mary Jo Kraft

To be senior assistant sanitarians (equivalent to the Army rank of captain), effective date of acceptance:

Walter L. Newton — Kent S. Littig
Deed C. Thurman, Jr. — Robert D. Murrill
Leslie D. Beadle

To be nurse officers (equivalent to the Army rank of major), effective date of acceptance:

Harriet G. Dexheimer
Ethel A. Todd

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## CONFIRMATIONS

Executive nominations confirmed by the Senate June 26 (legislative day of June 7), 1950:

UNITED NATIONS

Isador Lubin, now United States representative on the Economic and Employment Commission of the Economic and Social Council of the United Nations, to be also the representative of the United States of America on the Economic and Social Council of the United Nations.

DEPARTMENT OF STATE

H. Freeman Matthews to be an Assistant Secretary of State.

DIPLOMATIC AND FOREIGN SERVICE

Milton Katz to be United States special representative in Europe, with the rank of Ambassador Extraordinary and Plenipotentiary, pursuant to title I of the Foreign Assistance Act of 1948.

Henry F. Grady to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iran.

Donald R. Heath to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the State of Vietnam, to the Kingdom of Cambodia, and to the Kingdom of Laos.

James W. Riddleberger to be a Foreign Service officer of class of career minister of the United States of America.

John D. Jernegan to be consul general of the United States of America.

Elbert R. Williams to be a consul of the United States of America.

Sidney V. Suhler to be a Foreign Service officer of class 6, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

Chester G. Dunham to be a Foreign Service officer of class 6, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

James F. L. S. Matthews to be a Foreign Service officer of class 6, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

ATOMIC ENERGY COMMISSION

Gordon Dean, to be a member of the Atomic Energy Commission for a term of 3 years expiring June 30, 1953.

Thomas E. Murray, to be a member of the Atomic Energy Commission for a term of 2 years expiring June 30, 1952.

Henry DeWolf Smyth, to be a member of the Atomic Energy Commission for a term of 1 year expiring June 30, 1951.

UNITED STATES COAST GUARD

*To be captains*

Walter C. Capron — Leslie D. Edwards
Watson A. Burton — Frederick G. Eastman
Frank K. Johnson

*To be commanders*

Ernest A. Cascini — Edward C. Thompson, Jr.
Frank V. Helmer — George R. Boyce, Jr.
Robert F. Shunk — Gerald T. Applegate
Justus P. White — Charles F. Perry
William J. Lawrence — George R. Reynolds
Bernard E. Scalan — Fred J. Scheiber
Guy L. Ottinger — Herbert E. Peters
Clifford S. Gerde

*To be lieutenant commanders*

Garland Sponburgh — John O'Brien
Raphael T. A. McKenzie — Linwood Hudgins
John M. Joseph — Ralph Burns
Norman D. MacLellan — Donald R. Greenawalt
Joseph E. O'Hagan — Clyde R. Brink
James W. Stonecypher — Charles F. Blake
Ralph D. Fritz — John L. Morgan
Alvin N. Fisher — Anthony P. Winkler
Daniel D. Murphy — David G. Cowie
Howard M. Sias — Norman A. Dreher
Brownlow J. Fadden — Ernest D. Murray
Gordon P. Hammond — James W. Coste
Ray Thorp — Burritt K. Cook
John Lenci

*To be lieutenants*

Alexander Cameron — Richard E. Weinacht
Alden E. Lewis — James E. Fleming
Robert T. Norris — Harry G. Kosky
James N. Ashbrook — Neale O. Westfall
Frank B. Carter — Edward P. Sawyer
Paul Morosky — Burton V. Weston, Jr.
Frank M. Fisher, Jr. — Robert H. Roberts
Rufus S. Drury — Manson E. Meekins
John J. Doherty — Gordon L. Bates
David L. Davies, Jr. — Carleton W. Wahl
Donald A. Caswell — Walter J. Felton
Donald J. P. Evans — Bruce H. Jensen
Joseph D. Meagher — Leonard A. Wardlaw, Jr.
Lewis F. Lovell — Caleb M. Sickles
David C. Kierbow — David Block
Lloyd M. Logan — Harold J. McCormack
Albert S. Frevola — Earl B. Cooper
Edwin J. Brummeler — Rayner C. Burke
William H. Campbell — William H. Monger
Robert E. Foley — William W. Richards
Antone E. Clark
James D. Doyle

*To be chief boatswains*

William R. Gill
James E. Barr

*To be chief machinist*

Leroy Teele

*To be chief pay clerk*

Albert D. Stumpff

PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the Public Health Service:

*To be senior surgeons (equivalent to the Army rank of lieutenant colonel) effective date of acceptance*

Thomas H. Ainsworth
Horace De Lien

*To be surgeons (equivalent to the Army rank of major), effective date of acceptance*

Eli M. Lippman
Leslie H. Thomasson

UNIVERSITY OF MICHIGAN LIBRARIES

*To be senior assistant surgeons (equivalent to the Army rank of captain), effective date of acceptance*

| | |
|---|---|
| Walter F. Edmundson | Audrey W. Talley |
| Ernest Cotlove | William C. Knox |
| Lester R. Nagel | Chester S. Murata |
| Freeman L. Rawson, Jr. | Miriam D. Manning |
| | Roland B. Ormsbee |
| Edmund C. Peirce II | William B. Crawford, |
| Leslie T. McClinton | Jr. |
| Daniel J. Tenenberg | Harold S. Feldman |
| Harry Goldman | Warren A. Rasmussen |
| George H. L. Dillard | Douglas H. Crockett |
| Ruth M. Moldenhauer | Tracy Levy |
| Richard E. Lee | Elmore P. Kalbaugh, |
| Delbert L. Warwick | Jr. |
| Sarah E. Stewart | Robert W. Hartley |

*To be assistant surgeons (equivalent to the Army rank of first lieutenant), effective date of acceptance*

| | |
|---|---|
| George W. Metcalf | George E. Spaulding |
| Major W. Rhodes, Jr. | Nicholas J. Galluzzi |
| William H. Anderson | Charles M. Clark |
| Maurice L. Sievers | Marvin F. Miller |
| James L. Deadwyler | Thomas R. Reid, Jr. |
| Robert H. Robertson | Clermont S. Powell |
| John L. Eicholz, Jr. | Robert E. DeLashmutt |
| Benjamin Schwimmer | LeRoy K. Mills |

*To be senior assistant sanitarians (equivalent to the Army rank of captain), effective date of acceptance*

Noah H. Norman
Harold J. Fournelle

*To be senior scientists (equivalent to the Army rank of lieutenant colonel), effective date of acceptance*

Harold M. Skeels
John T. Tripp

*To be assistant scientist (equivalent to the Army rank of first lieutenant), effective date of acceptance*

John H. Weisburger

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# HOUSE OF REPRESENTATIVES

## MONDAY, JUNE 26, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Infinite and eternal God, whose resources of grace are abundantly adequate for all our needs, we pray that Thou wilt evoke within us a new sense of Thy greatness and goodness.

We rejoice that Thou art always seeking to inspire us with lofty aspirations, glorious visions, and mighty hopes. May we have the will and the courage to bring them to fulfillment.

Grant that we may be more eager to identify and unite our desires and purposes with Thy divine will, pledging ourselves to it in loyalty and devotion and making it the constant and controlling thought of our minds.

In Christ's name we pray. Amen.

The Journal of the proceedings of Thursday, June 22, 1950, was read and approved.

### COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

JUNE 23, 1950.

The Honorable the SPEAKER,
*House of Representatives.*

SIR: Pursuant to authority granted on June 22, 1950, the Clerk received today from the Secretary of the Senate the following message:

That the Senate insist upon its amendments to the bill (H. R. 5368) entitled "An act to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes," disagreed to by the House of Representatives, and agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appointed Mr. BYRD, Mr. RUSSELL, Mr. CHAPMAN, Mr. BRIDGES, and Mr. SALTONSTALL managers on the part of the Senate at said conference.

That the Senate had passed with amendments the bill (H. R. 6826) entitled "An act to provide for the common defense through the registration and classification of certain male persons, and for other purposes"; that the Senate insist upon its amendments to said bill and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and appointed Mr. TYDINGS, Mr. BYRD, Mr. CHAPMAN, Mr. GURNEY, and Mr. SALTONSTALL managers on the part of the Senate at said conference.

That the Senate agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4295) entitled "An act to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948."

That the Senate agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1169) entitled "An act for the relief of Mrs. Marion T. Schwartz."

That the Senate had passed the bill (S. 3776) entitled "An act to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended."

That the Senate had passed without amendment the bill (H. R. 6692) entitled "An act for the relief of Sgt. Blaine W. Hughes."

Very truly yours,

RALPH R. ROBERTS,
*Clerk of the House of Representatives.*

### SIGNING OF BILL AND JOINT RESOLUTION

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on June 22, 1950, he did on that date sign the following bill and joint resolution:

S. 2335. An act to make certain revisions in titles I and III of the Officer Personnel Act of 1947, as amended; and

S. J. Res. 190. Joint resolution extending the period of effectivness of the Selective Service Act of 1948 for 15 days.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2269. An act to provide for the enlistment of aliens in the Regular Army.

### SOCIAL SECURITY ACT OF 1950

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I find in the bill as passed by the other body a resolution to investigate other methods of pensions, including the pay-as-you-go plan, which is the Townsend plan. That calls only for an investigation by the Senate. May I inquire of the gentleman from North Carolina if he has given any consideration to the idea of making the investigation include both branches?

Mr. DOUGHTON. As far as I know that matter has not been considered by our committee.

Mr. MARTIN of Massachusetts. Does the gentleman think it would be advisable to have only a Senate investigation? If there is to be an investigation, I personally believe the House should have some part in it, too. We are all interested in pensions for the aged and the House must retain its leadership.

Mr. DOUGHTON. If there is to be a general investigation, I can see no reason why the House should not take part in it. I like to discuss important matters with my committee before expressing myself definitely.

Mr. MARTIN of Massachusetts. I appreciate the position of the gentleman, and I am not trying to press him for a premature decision, but I repeat, the House should, in my opinion, participate in the inquiry even if the inquiries should be separate.

Mr. DOUGHTON. As far as I am concerned, I am in accord with what the gentleman says, but I always defer to the members of my committee on important matters.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, I understand the Senate has taken out the provision which the House inserted with reference to Puerto Rico. I hope the House will insist on the position of having Puerto Rico included in our social-security system. Not to do so will only mean an intensification of the discrimination that exists against Puerto Rico under the present colonial system.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. DOUGHTON, MILLS, CAMP, LYNCH, REED of New York, WOODRUFF, and JENKINS.

### INTERNAL REVENUE CODE

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6073) to amend section 501 (b) (6) of the Internal Revenue Code, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. DOUGHTON, MILLS,

CAMP, LYNCH, REED of New York, WOODRUFF, and JENKINS.

EXTENDING SELECTIVE SERVICE ACT OF 1949

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. VINSON, BROOKS, KILDAY, SHORT, and ARENDS.

COMPOSITION OF THE ARMY AND AIR FORCE

Mr. VINSON submitted a conference report and statement on the bill (H. R. 1437) to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes.

REDUCING EXCISE TAXES

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 666, Rept. No. 2323), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes, and all points of order against said bill are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 2 days, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by the direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SPECIAL ORDER GRANTED

Mr. COMBS asked and was given permission to address the House for 1 hour today, following the legislative program and any other special orders heretofore entered, and to revise and extend his remarks.

TIDELAND DECISION

Mr. COMBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COMBS. Mr. Speaker, I wish to say to my colleagues I have just reserved a special order, the first in 5½ years that I have been here, because I think I have something to say that will be of interest to the Members.

On June 5 our Supreme Court, by a divided decision, by a minority of only four Judges, decided that the rich oil-bearing tidelands of my State, which have been owned and preserved for our school children since the days of the Republic, no longer belong to us. I am going to discuss, and I think I can with all propriety, the decision of the Court and its far-reaching implications. In my judgment it threatens the fisheries and the rights of every State in the Nation. It is frightening in its implications.

I invite you to be present this afternoon when I speak. The time I have asked for will be much more than I will use, but I did it so that I might have a chance to yield for questions or comments. Meantime I have introduced a bill that would amend the statute to require orders of the Supreme Court, in cases of which it has original jurisdiction, to be decided by not less than five members.

The SPEAKER. The time of the gentleman from Texas has expired.

DEFICIENCY APPROPRIATION BILL, 1950

Mr. CANNON. Mr. Speaker, I call up the conference report on the bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes; and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. NO. 2318)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8567) "making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2 and 26.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 6, 7, 8, 13, 15, 16, 17, 18, 20, 21, 25, 28, 29 and 30, and agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$122,500"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$100,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

"For 'Contributions for annuity benefits,' such additional amounts as may be necessary on account of the Act of September 1, 1916 (39 Stat. 718), as amended."

And the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert ", of which not to exceed $20,000 may remain available for obligation until July 31, 1950"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert ", of which not to exceed $127,000 may remain available for obligation until July 31, 1950"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment, insert:

"CONTROL OF FOREST PESTS

"FOREST PEST CONTROL ACT

"For an additional amount for 'Forest Pest Control Act', $2,000,000, to remain available until June 30, 1951: *Provided*, That this appropriation shall be available from and including May 29, 1950, for the purposes of such appropriation."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 11, 12, 24 and 27.

CLARENCE CANNON,
GEORGE H. MAHON,
ALBERT THOMAS,
JOHN TABER,
R. B. WIGGLESWORTH,
*Managers on the Part of the House.*

KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
STYLES BRIDGES,
CHAN GURNEY,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DISTRICT OF COLUMBIA

Amendment No. 1 appropriates $160,000 for general supervision and instruction, public schools, as proposed by the Senate.

Amendment No. 2 appropriates $32,400 for the municipal court, as proposed by the House, instead of $40,360, as proposed by the Senate.

Amendment No. 3 extends the availability of funds for Glenn Dale Sanatorium, as proposed by the Senate.



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LEGISLATIVE BRANCH

Amendments Nos. 4 and 5 appropriate $127,000 for contingent expenses of the Senate, as proposed by the Senate.

Amendment No. 6 appropriates $2,000 for folding documents, as proposed by the Senate.

Amendments Nos. 7 and 8 appropriate gratuities to the widows of deceased Representatives, as proposed by the Senate.

DEPARTMENT OF JUSTICE

Amendment No. 9 appropriates $122,500 for legal activities not otherwise provided for, instead of $109,000 as proposed by the House, and $145,000 as proposed by the Senate.

Amendment No. 10 appropriates $100,000 for contingent expenses, instead of $80,000 as proposed by the House and $114,000 as proposed by the Senate.

Amendment No. 11 is reported in disagreement.

Amendment No. 12 is reported in disagreement.

Amendment No. 13 appropriates $90,000 for fees of witnesses as proposed by the Senate, instead of $185,000 as proposed by the House.

TREASURY DEPARTMENT

Amendment No. 14 appropriates an indefinite amount for contributions for annuity benefits, Secret Service Division, as proposed by the House, instead of $11,900 as proposed by the Senate.

POST OFFICE DEPARTMENT

Amendment No. 15 appropriates $54,200 for salaries of inspectors as proposed by the Senate.

Amendment No. 16 appropriates $10,000,000 for rural delivery service as proposed by the Senate instead of $6,000,000 as proposed by the House.

Amendment No. 17 appropriates $572,000 for salaries, custodial service as proposed by the Senate.

DEPARTMENT OF LABOR

Amendment No. 18 appropriates $64,127 for the office of the solicitor as proposed by the Senate instead of $113,000 as proposed by the House.

Amendment No. 19 provides that not to exceed $20,000 of the appropriation for the office of the solicitor shall remain available until July 31, 1950, instead of an indefinite amount as proposed by the Senate.

Amendment No. 20 appropriates $6,100 for the Bureau of Labor Standards as proposed by the Senate instead of $9,500 as proposed by the House.

Amendment No. 21 appropriates $655,000 for the Wage and Hour Division as proposed by the Senate instead of $1,100,000 as proposed by the House.

Amendment No. 22 provides that not to exceed $127,000 of the appropriation for the Wage and Hour Division shall remain available until July 31, 1950, instead of an indefinite amount as proposed by the Senate.

DEPARTMENT OF AGRICULTURE

Amendment No. 23 appropriates $2,000,000 for forest pest control instead of $3,620,000 as proposed by the Senate, such amount to be available from May 29, 1950, and all obligations for such purpose incurred after such date to be charged to the appropriation herein provided.

EXECUTIVE OFFICE OF THE PRESIDENT

Amendment No. 24 reported in disagreement.

PUBLIC HOUSING ADMINISTRATION

Amendment No. 25 provides that the appropriation shall remain available until June 30, 1951.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

Amendment No. 26 appropriates $75,000,000 as proposed by the House instead of $78,500,000 as proposed by the Senate.

DEPARTMENT OF THE AIR FORCE

Amendment No. 27 reported in disagreement.

PAY INCREASES—DEPARTMENT OF LABOR

Amendment No. 28 provides that $120,000 of the funds for the Bureau of Labor Statistics shall be derived by transfer, as proposed by the Senate, instead of $85,000, as proposed by the House.

CLAIMS, JUDGMENTS, ETC.

Amendments Nos. 29 and 30 appropriate $9,914,909.82 for payment of claims, etc., as proposed by the Senate instead of $8,627,922.79 as proposed by the House.

CLARENCE CANNON,
GEORGE H. MAHON,
ALBERT THOMAS,
JOHN TABER,
R. B. WIGGLESWORTH,
*Managers on the Part of the House.*

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 11, page 9, line 9, insert:

"SALARIES AND EXPENSES OF DISTRICT ATTORNEYS, AND SO FORTH

"For an additional amount for 'Salaries and expenses of district attorneys, and so forth,' $320,000, of which $270,000 shall be derived by transfer from the appropriation for 'Salaries and expenses, claims of persons of Japanese ancestry, 1950.' "

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment, which I send to the desk.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate numbered 11 and concur therein with an amendment as follows: In lieu of the language inserted by said amendment, insert the following:

"SALARIES AND EXPENSES OF DISTRICT ATTORNEYS, AND SO FORTH

"For an additional amount for 'Salaries and expenses of district attorneys, and so forth,' $270,000, which shall be derived by transfer from the appropriation for 'Salaries and expenses, claims of persons of Japanese ancestry, 1950.' "

The SPEAKER. The question is on agreeing to the motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12:

"SALARIES AND EXPENSES OF MARSHALS, AND SO FORTH

"For an additional amount for 'Salaries and expenses of marshals, and so forth,' $440,000, of which $302,000 shall be derived by transfer from the appropriation for 'Salaries and expenses, claims of persons of Japanese ancestry, 1950,' and $15,000, from the appropriation 'Property claims of alien enemies, 1950.' "

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate numbered 12 and concur therein with an amendment as follows: Strike out the figure "$440,000" in line 3 of said amendment and insert in lieu thereof "$375,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24:

"EXECUTIVE OFFICE OF THE PRESIDENT

"EMERGENCY FUND FOR THE PRESIDENT

"For an additional amount for 'Emergency fund for the President,' $2,000,000, to remain available until expended."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein with an amendment as follows: In lieu of the sum of "$2,00,000" in line 4 of said amendment insert "$750,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 27:

"DEPARTMENT OF THE AIR FORCE

"ACQUISITION AND CONSTRUCTION OF REAL PROPERTY

"For an additional amount of 'Acquisition and construction of real property, 1950' to carry out the provisions of title II of the act of October 27, 1949 (Public Law 415), relating to the Air Engineering Development Center, $20,000,000, to remain available until expended, and in addition thereto, the Secretary of the Air Force is authorized to enter into contracts for the same purposes in an amount not to exceed $35,000,000."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit tomorrow afternoon while the House is in general debate on the tax bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

ANNOUNCEMENT REGARDING APPROPRIATION BILL, 1951

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I understand that the Committee on Appropriations will bring in a continuing resolution tomorrow. I would like to ask the chairman of the committee, who called me this morning, if that is correct; and I do this so that the House will be advised.

Mr. CANNON. Mr. Speaker, it is now evident that we will be unable to secure

passage of the appropriation bill by the end of the fiscal year, and this is the usual continuing resolution ordinarily passed every June.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

JUNE 23, 1950.

The honorable the SPEAKER,
*House of Representatives.*

SIR: I have the honor to transmit herewith a sealed envelope from the President of the United States, addressed to the Speaker of the House of Representatives of the United States, said to contain a veto message on H. R. 8422, received in the office of the Clerk on June 23, 1950.

Very truly yours,
RALPH R. ROBERTS,
*Clerk of the House of Representatives.*

CARMENCITA VON PLETTENBERG—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 628)

The SPEAKER laid before the House the following veto message from the President of the United States:

*To the House of Representatives:*

I return herewith, without my approval, the enrolled bill (H. R. 8422) for the relief of Carmencita von Plettenberg.

The bill directs the transfer to Countess Carmencita von Plettenberg of 30.77 percent of the property vested by vesting order 10744 as the property of Casa Konke S. A. and La Talleres Tipo-Litograficos Ariston (Imprenta Ariston), business enterprises organized under the laws of Honduras.

It appears that Countess Carmencita von Plettenberg acquired an interest in these Honduran enterprises by inheritance from her father, a German citizen. The remaining interest in the enterprises was held by German citizens resident in Germany. Although Countess von Plettenberg was a German citizen, resident in Germany during the war, she would be eligible under section 32 (a) of the Trading With the Enemy Act for return of any property formerly owned by her if she were shown to be a victim of religious or political persecution. But, while it appears that she was a victim of persecution by the Nazis, the property which she claims was owned by corporations in which she was a minority shareholder. Her minority share of the vested assets of the corporations in question cannot be returned under the law as it now exists because more than 50 percent of the stock was owned by persons who are ineligible under the statute for the return of the vested property.

It is recognized that injustices may result from the statutory prohibition against return of property to persons who, even though they qualify as individuals, are ineligible because their ownership of the vested property was through the medium of a corporation. This provision of law has required the Office of Alien Property to deny the return of property in other cases just as deserving as the one here in question. The special consideration this bill would grant to this particular claimant would be unfair to the other claimants in equally appealing circumstances.

The problem presented by this case and other similar cases should be considered in connection with general legislation amending the Trading With the Enemy Act to permit returns of property to persons who would be eligible claimants if they had owned the property directly rather than through a corporate equity. I hope that the Congress, with the assistance of the Executive agencies concerned, will develop and enact appropriate legislation at an early date.

While the particular facts in this case warrant sympathetic consideration, I am constrained for the foregoing reasons, to withhold my approval from the bill.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 23, 1950.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection the bill and message will be referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

JUNE 23, 1950.

The honorable the SPEAKER,
*House of Representatives.*

SIR: I have the honor to transmit herewith a sealed envelope from the President of the United States, addressed to the Speaker of the House of Representatives, received in the office of the Clerk on June 23, 1950.

Very truly yours,
RALPH R. ROBERTS,
*Clerk of the House of Representatives.*

PROMOTION OF VETERANS OF WORLD WAR II IN THE FIELD SERVICE OF THE POST OFFICE DEPARTMENT—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 627)

The SPEAKER laid before the House the following veto message from the President of the United States:

*To the House of Representatives:*

I return herewith, without my approval, H. R. 87, a bill relating to the promotion of veterans of World War II in the field service of the Post Office Department.

This bill, for purposes of promotion and salary, would grant veterans who first entered the postal field service after the conclusion of their services in the Armed Forces full credit for such military service during the war. Its benefits are limited to those who are in the postal field service on the date of enactment, or who shall enter such service after such date, but prior to July 1, 1950. They would receive pay increases of $100—one pay grade—for each year of military service on a pro rata basis. Under section 2 also, any substitute postal employee who failed of promotion to regular employee because he was in the military or naval forces of the United States during World War II shall, for the purposes of determining his postal salary, be held to have been promoted to such regular position as of the date of a vacancy to which he, as senior substitute, could have been promoted. I do not object to the provisions of section 2.

There are four basic weaknesses in the remaining provisions of this bill.

First, H. R. 87 is based on the bad principle of allowing credit for service in no way related to a civil career. It would thus violate the long-established principle of granting promotions or increases in pay on the basis of satisfactory performance.

There is a big difference between the principle on which this bill is based and the principle, now recognized in law, of granting credit for military service to employees whose civilian careers were interrupted by wartime service in the Armed Forces. There is good basis for presuming that civilian employees who were called into the Armed Forces and who performed creditable service in military jobs would have performed with equal merit if they had stayed on their civilian jobs. The records of their promotions since the war, both in the postal service and in other branches of the civil service, have demonstrated the soundness of the presumption under which they have gained credit.

By the same token there is also a sound basis for the granting of credit for service in the Armed Forces to those who were on registers of eligibles awaiting appointment to the postal service when they were called to duty in the Armed Forces. On the other hand, it cannot reasonably be presumed that the veterans to be benefited by this law intended to enter the postal service. They were not in the postal service before the war; they were not on lists of eligibles for appointment to the postal service; many of them by reason of age, lack of experience, or other work history, could not have obtained any eligibility until after completion of their military service. Therefore, I believe that to extend the benefits proposed in this measure to them would be tantamount to giving what might be called an indirect bonus or adjusted service payment in recognition of military service. This would be a far-reaching step in an undesirable direction.

Second, H. R. 87 is discriminatory and would be detrimental to the efficiency of the postal service and of the Federal civil service at large. It is limited to a small fraction of the veterans in the employ of the Federal Government and to one group of employees in the Post Office Department. If permitted to become law, its consequences could be only discontent and a demand for similar treatment for other branches of the Federal service. This fact becomes even more apparent when it is recognized that it would promote veterans over the heads of nonveterans of equal ability and capacity and that the veteran appointed on June 30, 1950, would obtain its benefits while a veteran appointed a day later would not.

Third, H. R. 87 cannot be defended even as a veterans' benefit bill. It provides a special benefit to a special group of veterans without reference to a real

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and distinctive need. There is no more effective way of undermining the soundness and integrity of a veteran's status than by the enactment of legislation which does not apply equally to all veterans similarly situated under that law. In the aggregate, fewer than 100,000 of the more than 15,000,000 World War II veterans—of whom about 900,000 are in Government service—would receive pay increases under this bill. Thus, I believe it is apparent that these pay increases cannot logically be related either to the program of the Federal Government for assisting disabled servicemen to overcome service handicaps or to the broader program of facilitating the readjustment of other ex-servicemen to productive civilian life. The benefits of those programs are available to the veterans affected by this measure. It is to be expected that they either have received or will receive such of the benefits as are applicable to their particular cases, including the important element of preference for appointment and retention to positions in the Federal civil service. That "veterans' preference" is important is demonstrated by the fact that veteran eligibles have replaced all but a handful of war service nonveterans appointed to the postal field service between October 23, 1943 (when competitive examinations for the postal field service were suspended) and the end of the war. To grant some of these veterans pay increases solely on the ground of prior military service would certainly be a pyramiding of benefits which I feel cannot be justified.

Fourth, H. R. 87 would require large additional budget expenditures at a time when postal service throughout the Nation is being curtailed in an effort to reduce a postal deficit which currently exceeds half a billion dollars a year. This bill would cost almost $24,000,000 in the fiscal year 1951 and would have a total cost of over $163,000,000. My objection to the bill on this score is based partially upon the absence of any provision for increasing postal revenues to reduce the postal deficit.

Furthermore, I feel that this objection is reinforced by the fact that since 1945, very substantial pay increases have been given the postal employees. The legislation cannot be defended on the grounds that in the absence of a general pay adjustment, a pay increase for one group is warranted. This bill would not help to maintain the integrity of the pay system in the postal field service. It would merely cause dislocations of a kind which are particularly bad, not only because of cost, but more important, because the bill would afford advancements beyond those already earned in a service which has relatively limited promotional opportunities. I believe that the comparatively small number of supervisory positions in the postal service should be reached in the normal manner and not by resort to a costly measure which would distort accepted relationships between work performance and salary.

For the foregoing reasons, I believe that the principal provisions of H. R. 87 are intrinsically without merit. I am, therefore, compelled to return it without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 23, 1950.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. MURRAY of Tennessee. Mr. Speaker, I move that the bill and message be referred to the Committee on Post Office and Civil Service and ordered to be printed.

Mr. MARCANTONIO. Mr. Speaker, I ask for recognition on the motion.

Mr. MURRAY of Tennessee. Mr. Speaker, I move the previous question.

The SPEAKER. Without objection the previous question is ordered.

Mr. MARCANTONIO. I object, Mr. Speaker.

The SPEAKER. The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Tennessee [Mr. MURRAY].

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 115, nays 165, not voting 150, as follows:

[Roll No. 183]

YEAS—115

| | | |
|---|---|---|
| Albert | Granger | Pace |
| Andrews | Grant | Patman |
| Arends | Gregory | Pickett |
| Barden | Hale | Poage |
| Bates, Mass. | Halleck | Preston |
| Battle | Hardy | Priest |
| Bennett, Fla. | Harrison | Ramsay |
| Bolton, Ohio | Hedrick | Reed, N. Y. |
| Bonner | Heselton | Rees |
| Bosone | Holifield | Rich |
| Breen | Hope | Rogers, Fla. |
| Burton | Huber | Scott, |
| Byrnes, Wis. | Jenkins | Hugh D., Jr. |
| Cannon | Jones, Ala. | Sikes |
| Carlyle | Jones, Mo. | Simpson, Ill. |
| Case, S. Dak. | Karst | Simpson, Pa. |
| Cheif | Kean | Smith, Va. |
| Christopher | Kilburn | Stefan |
| Clevenger | Kilday | Stockman |
| Cooper | Lanham | Taber |
| Cotton | LeFevre | Taylor |
| Coudert | Lucas | Teague |
| Curtis | McCarthy | Thomas |
| Dague | McCormack | Thompson |
| Davis, Wis. | McKinnon | Thornberry |
| Doughton | McMillen, Ill. | Towe |
| Eaton | McSweeney | Underwood |
| Eberharter | Magee | Velde |
| Ellsworth | Mahon | Vinson |
| Fellows | Martin, Mass. | Vorys |
| Fenton | Mason | Wadsworth |
| Fernandez | Michener | Whitaker |
| Fisher | Miller, Calif. | Whitten |
| Fugate | Miller, Nebr. | Whittington |
| Gavin | Mills | Wigglesworth |
| Goodwin | Murray, Tenn. | Williams |
| Gore | Nicholson | Wilson, Tex. |
| Gossett | Norrell | Young |
| Graham | Norton | |

NAYS—165

| | | |
|---|---|---|
| Abbitt | Ford | Norblad |
| Abernethy | Fulton | O'Brien, Ill. |
| Addonizio | Golden | O'Brien, Mich. |
| Allen, Calif. | Gordon | O'Hara, Ill. |
| Allen, Ill. | Gorski | O'Hara, Minn. |
| Allen, La. | Gross | O'Konski |
| Andersen, | Guill | O'Sullivan |
| H. Carl | Hagen | O'Toole |
| Anderson, Calif. | Harden | Passman |
| Andresen, | Harvey | Patten |
| August H. | Havenner | Perkins |
| Angell | Hays, Ohio | Phillips, Calif. |
| Aspinall | Hill | Phillips, Tenn. |
| Bailey | Hinshaw | Polk |
| Baring | Hoeven | Poulson |
| Barrett, Wyo. | Hoffman, Ill. | Price |
| Beall | Holmes | Rains |
| Beckworth | Horan | Rankin |
| Bennett, Mich. | Hull | Rhodes |
| Biemiller | Jackson, Wash. | Richards |
| Bishop | Jensen | Rodino |
| Blatnik | Johnson | Rogers, Mass. |
| Bolling | Jonas | Rooney |
| Bolton, Md. | Judd | Sabath |
| Bramblett | Karsten | St. George |
| Brown, Ga. | Kearney | Sasscer |
| Buchanan | Keating | Saylor |
| Buckley, Ill. | Kee | Scrivner |
| Burke | Klein | Scudder |
| Burnside | Larcade | Secrest |
| Camp | LeCompte | Shelley |
| Canfield | Lind | Sheppard |
| Carnahan | Linehan | Short |
| Chesney | Lyle | Smathers |
| Chiperfield | Lynch | Smith, Kans. |
| Clemente | McCulloch | Smith, Wis. |
| Cole, Kans. | McDonough | Spence |
| Combs | McGregor | Staggers |
| Crosser | McGuire | Sullivan |
| Cunningham | McMillan, S. C. | Tackett |
| Davis, Tenn. | Mack, Ill. | Talle |
| Dawson | Mack, Wash. | Tauriello |
| DeGraffenried | Macy | Tollefson |
| Delaney | Mansfield | Trimble |
| D'Ewart | Marcantonio | Vursell |
| Dollinger | Marsalis | Walsh |
| Dondero | Marshall | Walter |
| Doyle | Martin, Iowa | Weichel |
| Elliott | Merrow | Wier |
| Elston | Meyer | Willis |
| Engle, Calif. | Miles | Winstead |
| Evins | Moulder | Wolcott |
| Fallon | Multer | Wolverton |
| Feighan | Murdock | Woodruff |
| Flood | Murray, Wis. | Zablocki |
| Forand | Nixon | |

NOT VOTING—150

| | | |
|---|---|---|
| Auchincloss | Frazier | Kerr |
| Barrett, Pa. | Furcolo | King |
| Bates, Ky. | Gamble | Kirwan |
| Bentsen | Garmatz | Kruse |
| Blackney | Gary | Kunkel |
| Boggs, Del. | Gathings | Lane |
| Boggs, La. | Gillette | Latham |
| Boykin | Gilmer | Lichtenwalter |
| Brehm | Granahan | Lodge |
| Brooks | Green | Lovre |
| Brown, Ohio | Gwinn | McConnell |
| Bryson | Hall, | McGrath |
| Buckley, N. Y. | Edwin Arthur | Madden |
| Bulwinkle | Hall, | Miller, Md. |
| Burdick | Leonard W. | Mitchell |
| Burleson | Hand | Monroney |
| Byrne, N. Y. | Hare | Morgan |
| Carroll | Harris | Morris |
| Case, N. J. | Hart | Morrison |
| Cavalcante | Hays, Ark. | Morton |
| Celler | Hébert | Murphy |
| Chatham | Heffernan | Nelson |
| Chudoff | Heller | Noland |
| Cole, N. Y. | Herlong | O'Neill |
| Colmer | Herter | Patterson |
| Cooley | Hobbs | Peterson |
| Corbett | Hoffman, Mich. | Pfeifer, |
| Cox | Howell | Joseph L. |
| Crawford | Irving | Pfeiffer, |
| Crook | Jackson, Calif. | William L. |
| Davenport | Jacobs | Philbin |
| Davies, N. Y. | James | Plumley |
| Davis, Ga. | Javits | Potter |
| Deane | Jenison | Powell |
| Denton | Jennings | Quinn |
| Dingell | Jones, N. C. | Rabaut |
| Dolliver | Kearns | Redden |
| Donohue | Keefe | Reed, Ill. |
| Douglas | Kelley, Pa. | Regan |
| Durham | Kelly, N. Y. | Ribicoff |
| Engel, Mich. | Kennedy | Richlman |
| Fogarty | Keogh | Rivers |

| | | |
|---|---|---|
| Robeson | Steed | Wickersham |
| Roosevelt | Stigler | Widnall |
| Sadlak | Sutton | Wilson, Ind. |
| Sadowski | Van Zandt | Wilson, Okla. |
| Sanborn | Wagner | Withrow |
| Scott, Hardie | Welch | Wood |
| Shafer | Werdel | Woodhouse |
| Sims | Wheeler | Yates |
| Smith, Ohio | White, Calif. | |
| Stanley | White, Idaho | |

So the motion was rejected.

The Clerk announced the following pairs:

Mr. Hays of Arkansas with Mr. Engel of Michigan.
Mr. Frazier with Mr. Auchincloss.
Mrs. Douglas with Mr. Hand.
Mr. Kerr with Mr. William L. Pfeiffer.
Mr. Sadowski with Mr. Corbett.
Mr. Hébert with Mr. Van Zandt.
Mr. Mitchell with Mr. Patterson.
Mr. Wagner with Mr. Sadlak.
Mr. Hart with Mr. Leonard W. Hall.
Mr. Keogh with Mr. Brown of Ohio.
Mr. Joseph L. Pfeifer with Mr. Case of New Jersey.
Mr. Celler with Mr. McConnell.
Mr. Burleson with Mr. Gamble.
Mr. Carroll with Mr. Reed of Illinois.
Mr. Byrne of New York with Mr. Brehm.
Mr. Cox with Mr. Boggs of Delaware.
Mr. Deane with Mr. Lovre.
Mr. Garmatz with Mr. Miller of Maryland.
Mr. Sutton with Mr. Riehlman.
Mr. Crook with Mr. Hardie Scott.
Mr. Roosevelt with Mr. Shafer.
Mrs. Kelly of New York with Mr. Withrow.
Mr. Denton with Mr. Kearns.
Mr. Murphy with Mr. Widnall.
Mr. Gary with Mr. Keefe.
Mr. Noland with Mr. Blackney.
Mr. Lane with Mr. Cole of New York.
Mr. Philbin with Mr. Crawford.
Mr. Furcolo with Mr. Dolliver.
Mr. Kennedy with Mr. Gillette.
Mr. Heller with Mr. Herter.
Mr. Barrett of Pennsylvania with Mr. Jennings.
Mr. Granahan with Mr. Werdel.
Mr. Green with Mr. Smith of Ohio.
Mr. Chudoff with Mr. Sanborn.
Mr. Cavalcante with Mr. Nelson.
Mr. McGrath with Mr. Morton.
Mr. Boggs of Louisiana with Mr. Gwinn.
Mr. Morrison with Mr. Edwin Arthur Hall.
Mr. Fogarty with Mr. Hoffman of Michigan.
Mr. Stanley with Mr. James.
Mr. Gilmer with Mr. Jenison.
Mr. Steed with Mr. Jackson of California.
Mr. Stigler with Mr. Wilson of Indiana.
Mr. Welch with Mr. Potter.
Mr. Bates of Kentucky with Mr. Plumley.
Mr. Wickersham with Mr. Kunkel.
Mr. Ribicoff with Mr. Lichtenwalter.
Mr. Irving with Mr. Javits.

Messrs. WILLIS, PASSMAN, LARCADE, BOLLING, MCMILLAN of South Carolina, COMBS, BOLTON of Maryland, BURNSIDE, DOYLE, DEGRAFFENRIED, and HARVEY changed their votes from "yea" to "nay."

Messrs. CANNON and EBERHARTER changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The question was taken; and there were—yeas 213, nays 72, not voting 145, as follows:

[Roll No. 184]

YEAS—213

| | | |
|---|---|---|
| Abbitt | Gathings | Nicholson |
| Abernethy | Gavin | Nixon |
| Addonizio | Golden | Norblad |
| Albert | Goodwin | O'Brien, Mich. |
| Allen, Calif. | Gordon | O'Hara, Ill. |
| Allen, Ill. | Gorski | O'Hara, Minn. |
| Allen, La. | Graham | O'Konski |
| Andersen, H. Carl | Grant | O'Sullivan |
| Anderson, Calif. | Gross | O'Toole |
| Andresen, August H. | Guill | Passman |
| Angell | Hagen | Patten |
| Arends | Halleck | Perkins |
| Aspinall | Harden | Phillips, Calif. |
| Bailey | Harvey | Phillips, Tenn. |
| Baring | Havenner | Pickett |
| Barrett, Wyo. | Hays, Ohio | Polk |
| Beall | Hedrick | Poulson |
| Beckworth | Hill | Price |
| Bennett, Fla. | Hinshaw | Priest |
| Bennett, Mich. | Hoeven | Rains |
| Biemiller | Hoffman, Ill. | Rankin |
| Bishop | Holifield | Reed, Ill. |
| Blatnik | Holmes | Reed, N. Y. |
| Bolling | Horan | Rees |
| Bolton, Md. | Hull | Rhodes |
| Bolton, Ohio | Jackson, Wash. | Richards |
| Bramblett | James | Rodino |
| Brown, Ga. | Jenkins | Rogers, Fla. |
| Buchanan | Jensen | Rogers, Mass. |
| Buckley, Ill. | Johnson | Rooney |
| Burke | Jonas | St. George |
| Burnside | Jones, Ala. | Sasscer |
| Canfield | Judd | Saylor |
| Carlyle | Karst | Scott, Hugh D., Jr. |
| Carnahan | Karsten | Scrivner |
| Chesney | Kearney | Scudder |
| Chiperfield | Keating | Secrest |
| Christopher | Kee | Shelley |
| Clemente | Kilday | Sheppard |
| Clevenger | King | Short |
| Cole, Kans. | Klein | Simpson, Ill. |
| Colmer | Lanham | Smathers |
| Combs | LeCompte | Smith, Kans. |
| Cooper | Lind | Smith, Wis. |
| Crosser | Linehan | Spence |
| Cunningham | Lucas | Staggers |
| Curtis | Lyle | Stefan |
| Dague | Lynch | Sullivan |
| Davis, Tenn. | McCarthy | Tackett |
| Davis, Wis. | McCulloch | Talle |
| DeGraffenried | McDonough | Tauriello |
| Delaney | McGregor | Taylor |
| D'Ewart | McGuire | Tollefson |
| Dollinger | McKinnon | Trimble |
| Dondero | McMillan, S. C. | Underwood |
| Doyle | Mack, Ill. | Velde |
| Eaton | Mack, Wash. | Vursell |
| Elliott | Mansfield | Walsh |
| Elston | Marcantonio | Walter |
| Engle, Calif. | Marsalis | Weichel |
| Evins | Marshall | Whitaker |
| Fallon | Martin, Iowa | Wier |
| Feighan | Martin, Mass. | Wigglesworth |
| Fellows | Merrow | Williams |
| Fenton | Meyer | Willis |
| Flood | Miles | Winstead |
| Forand | Miller, Calif. | Withrow |
| Ford | Miller, Nebr. | Wolcott |
| Fulton | Moulder | Wolverton |
| Furcolo | Multer | Woodruff |
| | Murdock | Zablocki |
| | Murray, Wis. | |

NAYS—72

| | | |
|---|---|---|
| Andrews | Fisher | Magee |
| Barden | Fugate | Mahon |
| Bates, Mass. | Gore | Michener |
| Battle | Gossett | Mills |
| Bonner | Granger | Murray, Tenn. |
| Bosone | Gregory | Norrell |
| Breen | Hale | Norton |
| Burleson | Hardy | O'Brien, Ill. |
| Burton | Harrison | Pace |
| Byrnes, Wis. | Heselton | Patman |
| Camp | Hope | Poage |
| Cannon | Huber | Preston |
| Case, S. Dak. | Jones, Mo. | Ramsay |
| Chelf | Kean | Rich |
| Cotton | Kilburn | Sabath |
| Coudert | Larcade | Sikes |
| Dawson | LeFevre | Simpson, Pa. |
| Eberharter | McMillen, Ill. | Smith, Va. |
| Ellsworth | McSweeney | Stockman |
| Fernandez | Macy | Taber |
| Teague | Towe | Whitten |
| Thomas | Vinson | Whittington |
| Thompson | Vorys | Wilson, Tex. |
| Thornberry | Wadsworth | Young |

NOT VOTING—145

| | | |
|---|---|---|
| Auchincloss | Hall, | Morton |
| Barrett, Pa. | Edwin Arthur | Murphy |
| Bates, Ky. | Hall, | Nelson |
| Bentsen | Leonard W. | Noland |
| Blackney | Hand | O'Neill |
| Boggs, Del. | Hare | Patterson |
| Boggs, La. | Harris | Peterson |
| Boykin | Hart | Pfeifer, |
| Brehm | Hays, Ark. | Joseph L. |
| Brooks | Hébert | Pfeiffer, |
| Brown, Ohio | Heffernan | William L. |
| Bryson | Heller | Philbin |
| Buckley, N. Y. | Herlong | Plumley |
| Bulwinkle | Herter | Potter |
| Burdick | Hobbs | Powell |
| Byrne, N. Y. | Hoffman, Mich. | Quinn |
| Carroll | Howell | Rabaut |
| Case, N. J. | Irving | Redden |
| Cavalcante | Jackson, Calif. | Regan |
| Celler | Jacobs | Ribicoff |
| Chatham | Javits | Riehlman |
| Chudoff | Jenison | Rivers |
| Cole, N. Y. | Jennings | Robeson |
| Cooley | Jones, N. C. | Roosevelt |
| Corbett | Kearns | Sadlak |
| Cox | Keefe | Sadowski |
| Crawford | Kelley, Pa. | Sanborn |
| Crook | Kelly, N. Y. | Scott, Hardie |
| Davenport | Kennedy | Shafer |
| Davies, N. Y. | Keogh | Sims |
| Davis, Ga. | Kerr | Smith, Ohio |
| Deane | Kirwan | Stanley |
| Denton | Kruse | Steed |
| Dingell | Kunkel | Stigler |
| Dolliver | Lane | Sutton |
| Donohue | Latham | Van Zandt |
| Doughton | Lichtenwalter | Wagner |
| Douglas | Lodge | Welch |
| Durham | Lovre | Werdel |
| Engel, Mich. | McConnell | Wheeler |
| Fogarty | McCormack | White, Calif. |
| Frazier | McGrath | White, Idaho |
| Gamble | Madden | Wickersham |
| Garmatz | Mason | Widnall |
| Gary | Miller, Md. | Wilson, Ind. |
| Gillette | Mitchell | Wilson, Okla. |
| Gilmer | Monroney | Wood |
| Granahan | Morgan | Woodhouse |
| Green | Morris | Yates |
| Gwinn | Morrison | |

So (two-thirds having voted in favor thereof) the bill was passed, the objections of the President to the contrary notwithstanding.

The Clerk announced the following pairs:

Mr. McCormack with Mr. Brown of Ohio.
Mr. Yates with Mr. Hand.
Mr. Heffernan with Mr. Shafer.
Mr. Redden with Mr. Auchincloss.
Mr. Regan with Mr. Sadlak.
Mr. Howell with Mr. Corbett.
Mr. Morrison with Mr. Case of New Jersey.
Mr. Frazier with Mr. Dolliver.
Mr. Welch with Mr. Engel of Michigan.
Mr. O'Neill with Mr. Gwinn.
Mr. Brooks with Mr. Gamble.
Mr. Crook with Mr. Mason.
Mr. McGrath with Mr. McConnell.
Mr. Wagner with Mr. Kearns.
Mr. Gilmer with Mr. Van Zandt.
Mr. Garmatz with Mr. Jackson of California.
Mr. Ribicoff with Mr. Hoffman of Michigan.
Mr. Sims with Mr. Hardie Scott.
Mr. Gary with Mr. Crawford.
Mr. Wickersham with Mr. Brehm.
Mr. Mitchell with Mr. Lovre.
Mr. Rabaut with Mr. Cole of New York.
Mr. Irving with Mr. Boggs of Delaware.
Mr. Granahan with Mr. Burdick.
Mr. Barrett of Pennsylvania with Mr. Widnall.
Mr. Sadowski with Mr. Wilson of Indiana.
Mr. Bates of Kentucky with Mr. Miller of Maryland.
Mr. Hart with Mr. Patterson.
Mr. Sutton with Mr. Leonard W. Hall.

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Mr. Wilson of Oklahoma with Mr. Jennings.
Mr. Hays of Arkansas with Mr. Werdel.
Mr. Murphy with Mr. Sanborn.
Mr. Noland with Mr. Riehlman.
Mr. Heller with Mr. William L. Pfeiffer.
Mr. Hébert with Mr. Nelson.
Mrs. Kelly of New York with Mr. Morton.
Mr. Roosevelt with Mr. Kunkel.
Mr. Hobbs with Mr. Latham.
Mrs. Douglas with Mr. Lichtenwalter.
Mr. Donohue with Mr. Blackney.
Mr. Carroll with Mr. Gillette.
Mr. Deane with Mr. Edwin Arthur Hall.
Mr. Denton with Mr. Herter.
Mr. Keogh with Mr. Javits.
Mr. Joseph L. Pfeifer with Mr. Jenison.
Mr. Kennedy with Mr. Smith of Ohio.
Mr. Lane with Mr. Potter.
Mr. Celler with Mr. Plumley.
Mr. Green with Mr. Keefe.

Messrs. BURKE and RANKIN changed their votes from "nay" to "yea."

Mrs. NORTON changed her vote from "yea" to "nay."

The result of the vote was announced as above recorded.

BENEFITS FOR ANNUITANTS WHO RETIRED UNDER THE CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930, PRIOR TO APRIL 1, 1948

Mr. MURRAY of Tennessee. Mr. Speaker, I call up the conference report on the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2304)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1 and 2.

TOM MURRAY,
HOMER THORNBERRY,
EDWARD H. REES,
*Managers on the Part of the House.*

HUBERT H. HUMPHREY,
J. ALLEN FREAR, Jr.,
WILLIAM LANGER,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: Section 8 (b) (1), added by the House bill to section 8 of the Civil Service Retirement Act of May 29, 1930, as amended, provides that an annuity shall be payable, upon the death of an annuitant who retired before April 1, 1948, and who received the increased annuity provided by such section, to his or her wife or husband to whom the annuitant was married before April 1, 1948. Paragraph (1) applies in the case of any such annuitant who died after April 30, 1948. The Senate amendment makes this paragraph inapplicable in the case of a retired officer or employee whose present annuity exceeds the amount of the annuity to which he wold be entitled if the Civil Service Retirement Act, as now in effect, had been in effect on the date of his retirement, unless such retired officer or employee elects to have his annuity reduced to such amount. The Senate recedes.

Amendment No. 2: Section 8 (b) (2), added by the House bill to section 8 of the Civil Service Retirement Act of May 29, 1930, as amended, provides that the annuity of a retired officer or employee who elected a survivor's annuity in accordance with the proviso in such section 8 shall be increased by 25 percent, or $300, whichever is the lesser. The Senate amendment provides that the annuity of a retired officer or employee shall not be increased under paragraph (2) to an amount which will exceed the amount of annuity to which he would be entitled if the Civil Service Retirement Act, as now in effect, had been in effect on the date of his retirement. The Senate recedes.

TOM MURRAY,
HOMER THORNBERRY,
EDWARD H. REES,
*Managers on the Part of the House.*

Mr. MURRAY of Tennessee. Mr. Speaker, this is a unanimous report of the conferees. The bill comes from the conference exactly as it passed the House. The Senate added two amendments to the House bill, and the conferees have receded from the Senate amendments and agreed to the House bill.

Therefore, Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. PATMAN asked and was given permission to address the House today and on the next three succeeding days for 5 minutes, following the legislative program and any special orders heretofore entered.

GOVERNMENT COMPETITION WITH PRIVATE BUSINESS

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, on many occasions I have warned that the spending, taxing, free-and-easy money-lending policy of the administration is destroying our system of private competitive enterprise.

I rise at this time to call your attention to what has happened in one of the towns in my district. It is an illustration of what is happening everywhere in the United States.

According to an Associated Press dispatch, the Peoples Bank, of Atlanta, Ill., which has been in existence for 62 years and is in a sound financial condition, is going out of business. In announcing this decision, Circuit Judge Frank S. Bevan, who is president of the bank, said that the directors find it impossible to maintain a sound, going concern because of "excessive taxes, Government restriction, and Government competition." He particularly pointed out the "competition by various Government lending agencies." Rather than wait until the day when the bank would be obliged to close its doors, the board decided to do so now when it was in a position to meet its obligations to its depositors and stockholders and to the community it serves.

As excessive taxes rob our private economic system of the power to produce and expand, the administration proposes to supply the deficiency through Government loans, or loan guaranties, or by entering into business itself. Instead of recommending a more liberal taxing policy, the administration recommends a more liberal Government credit policy. The Federal Government takes from the people money which the people would use on their own terms, and proposes to lend it back to them to use on the Government's terms.

Mr. Speaker, this is the process by which our great private competitive economic system is being destroyed, and in its place a socialistic state is being erected. This is the process by which, slowly but surely, we approach a nationalization of finance, industry, and agriculture.

Atlanta, Ill., is a relatively small community of hard-working, thrifty American people who have the will and the desire to do things for themselves, to grow and to prosper. But the Federal Government will not let them. An important bank in that community is closing its doors because of excessive taxes and destructive Government competition.

SPECIAL ORDER GRANTED

Mr. LARCADE asked and was given permission to address the House for 30 minutes today following the legislative program and any special orders heretofore entered.

JOINT SENATE AND HOUSE RECORDING FACILITY

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H. J. Res. 332) providing for the establishment of a Joint Senate and House Recording Facility, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey? [After a pause.] The Chair hears none, and appoints the following conferees: Mrs. NORTON, Mr. STANLEY, and Mr. BISHOP.

WAR IN KOREA

Mr. BATTLE. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BATTLE. Mr. Speaker, the invasion of South Korea endangers the prestige of the United States and the security of the freedom-loving nations of the world. Red-trained, communistic, North Korean troops, have invaded the sovereign nation of South Korea which was established by the United Nations and backed by the United States. The invasion from North Korea is an indirect challenge to America. Because of our faith in democratic principles we assumed some moral obligation at least and invested materially to help this small nation stand as a bulwark against the spread of atheistic communism.

This invasion could mean the end of the United Nations if it does not immediately and successfully take the necessary sanctions to stop this merciless slaughter of innocent, freedom-loving people.

I heartily commend our representatives in the United Nations for the speedy action they have taken in this crisis and urge them to press for sanctions immediately which will be even more effective.

I commend the executive branch of our Government, including the State Department and the Defense Department for the alert response to this horrible state of war which was thrust upon the world so suddenly. I call upon them to advise with Congress in revising our strategy and policy in the Far East.

I will insist that the House Foreign Affairs Committee, of which I am a member, consider a concurrent resolution which I have introduced along with other members of this body calling upon the President of the United States to immediately take the initiative in calling a general conference of the United Nations pursuant to article 109 for the purpose of making the United Nations capable of preventing war.

This bill, which I introduced January 15, 1949, is known as House Concurrent Resolution 15 and states:

Whereas all the world deeply desires durable peace; and

Whereas the United Nations was created as an instrument to preserve the peace of the world; and

Whereas experience increasingly indicates that the United Nations in its present structure is not fully adequate for this task; and

Whereas the United Nations Charter in its article 109 provides a procedure whereby the Charter of the United Nations may be revised and amended: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring)*, That it is the sense of the Congress that the President of the United States should immediately take the initiative in calling a General Conference of the United Nations pursuant to article 109 for the purpose of making the United Nations capable of enacting, interpreting, and enforcing world law to prevent war.

### PRODUCTION OF SYNTHETIC LIQUID FUELS FROM COAL

Mr. RAMSAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RAMSAY. Mr. Speaker, today I have introduced a bill which will provide tax credit incentive for construction by liquid fuel users of plants for production of synthetic liquid fuels from coal. My purpose in introducing this legislation is to encourage the development of the synthetic liquid fuel industry, and to provide facilities for production of synthetic liquid fuel in the event of a national emergency.

I have in mind principally the Nation's railroads. We are well aware of the rapid rate our railroads are switching from coal-burning steam locomotives to Diesel-electric locomotives. The increase has been extremely great since the close of World War II.

We can all recall how inadequate were our meager domestic supplies of oil during World War II. We can also recall the great demands placed on our railroads, which then had an adequate supply of coal, except during one extremely hard winter. What would happen now to our rail-transportation system if we were faced once more with the oil shortage of World War II? It would be competing with the needs of our military services for an extremely limited supply of oil. Most of our railroads would find it impossible to reconvert to steam for their old locomotives have been turned into scrap. Production of new steam locomotives would in turn place too great a burden on the steel industry which today, in time of peace, is operating at full capacity to meet demand.

The time to solve the oil-shortage problem is now, when materials and labor are available to construct plants for conversion of coal into Diesel fuel. The railroads have ready access to coal. There would be no transport problem in connection with the raw materials. While it is true that the processes for converting coal to liquid fuel have not yet proved themselves to be competitive with natural oil, production on a commercial basis would cut pilot-plant costs. Elimination of distribution costs, plus the tax incentive, should enable the railroads, in particular, to utilize synthetic liquid fuels on an economically feasible basis.

Unless steps are taken now, Mr. Speaker, our transport system may break under the burden in case we should have another war when an oil shortage even more critical than that of 1941–45 will occur.

Moreover, Mr. Speaker, there would be two important byproducts to such a proposal. Operation of the synthetic plants on the part of the railroads would take up some of the employment slack created by Dieselization of the lines. Another important byproduct is that such a program would restore to coal one of its traditional markets.

I hope the Committee on Ways and Means will give this proposal serious consideration.

### KOREA

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, last November, in company with three other Members of the House, it was my privilege to visit Korea. At that time General Roberts, who heads our military mission there, said it was not a question of if the Communists would invade Korea, but when they would invade Korea. The "when" apparently has arrived.

As we look over events of what has happened in Korea, we can only come to one conclusion. It has been the policy of the State Department, through Messrs. Acheson, Hiss, Latimer, Jessup, Service, and others, that has caused the softness toward communism in the Far East. Undoubtedly the same pattern is being recommended for Formosa, southeast Asia, and the Philippines. In my opinion we are in a dangerous situation. If a boatload of refugees coming out of Korea should be overtaken by a Russian submarine and sent to the bottom of the sea, what will happen then? It will take some level, cool heads at this time to find the proper course to follow. The horse is stolen, the barn door has been unlocked. The American people would hardly permit soldiers to be sent off to Korea to fight this oriental war. Had General MacArthur been placed in complete control of all the Far East this undeclared war would never have happened.

### RAILWAY SWITCHMEN'S STRIKE AFFECTS GRAIN SITUATION

Mr. HOPE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, revise and extend my remarks and include several telegrams.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Speaker, the switchmen's strike which went into effect yesterday morning on the Rock Island and four other western railroads has brought about a most serious situation with respect to the movement of grain and harvest supplies in the great wheat-growing areas of this country. The Rock Island Railroad which traverses some of the most important wheat-growing areas in this country has been forced to close down just as harvest is getting underway. This means no outlet for millions of bushels of grain already in storage in elevators along the Rock Island and which must be moved out before the new crop can be received, and no possibility for handling the new crop which must in most cases be piled on the ground. It is impossible to estimate the loss of food which may result or the financial losses which may be suffered if this strike continues.

I am in receipt of many, many telegrams from farmers, cooperative organizations, grain dealers, and other businessmen demanding that something be done to relieve this impending disaster

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and urging that Congress pass legislation which will prohibit strikes in essential industries.

It is unfortunate that the Railway Labor Act, a great constructive piece of labor legislation which in the past has worked well, is breaking down now simply because there are a few labor leaders who are determined that it shall not work. If this constructive legislation breaks down because of a lack of cooperation on the part of those who sponsored it in the first place and who have received great benefits under its provisions, then there is no alternative as I see it except the enactment of legislation which will prohibit strikes in transportation and other vital industries.

Mr. Speaker, under leave to extend my remarks I include herewith copies of a few of the many telegrams which I have received on this matter.

DODGE CITY, KANS., *June 23, 1950.*
Hon. CLIFFORD HOPE,
*United States House of Representatives:*
Please do everything within your power to prevent oncoming railroad strike. Tremendous losses to farmers will result. Wheat must move.
Respectfully,
THE DODGE CITY COOPERATIVE EXCHANGE,
EDWARD A. GALL, *Manager.*

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BUCKLIN, KANS., *June 23, 1950.*
CLIFFORD HOPE,
*United States Congress:*
I believe you should take an active interest in trying to avert this strike of railway switchmen which is called for June 25, 1950. Our elevators are full to capacity and this strike will mean that thousands of bushels of wheat will have to be put on the ground. This strike will seriously cripple the handling of this grain here on the Rock Island.
BUCKLIN COOPERATIVE EXCHANGE,
DWIGHT F. GASTON.

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HUTCHINSON, KANS., *June 23, 1950.*
CLIFFORD R. HOPE,
*Kansas Representative, Fifth District,*
*House of Representatives:*
BOXCAR shortage here is serious. Do everything possible to delay switchmen's strike on Rock Island. Wheat harvest in full swing. Good crop. Not enough storage space locally.
CHAS. A. HAGEMAN,
*County Agricultural Agent (Reno County), Hutchinson, Kans.*

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MINNEOLA, KANS., *June 23, 1950.*
CLIFFORD HOPE,
*Washington, D. C.:*
Six strike will paralyze entire harvest operations. Elevator will be blocked within few days. Wheat will be put on ground. Please use all influence possible to avert this strike.
MINNEOLA CO-OP EXCHANGE,
GENE RICKARD, *Manager.*

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LIBERAL, KANS., *June 22, 1950.*
Hon. CLIFFORD HOPE,
*Old House Office Building,*
*Washington, D. C.:*
Pending railroad strike scheduled for Sunday morning will seriously impair our operation since we are located on Rock Island railroad only. This season of year when we are moving sizable tonnage perishables due to increase demand from wheat harvest our territory. Anything you can do to ward off strike will be greatly appreciated.
BLAKEMORE BROS. GROCERY CO.,
DON ZOOK.

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HUTCHINSON, KANS., *June 23, 1950.*
Hon. CLIFFORD HOPE,
*United States Senate,*
*Washington, D. C.:*
Present threatened rail strike illustrates imperative need immediate legislative action outlawing strikes in essential industries and services where public interest is involved. I hope you will make every possible effort to remedy this condition and to prevent this strike.
J. P. O'SULLIVAN,
*President, the Hutchinson Foundry & Steel Co.*

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GREENSBURG, KANS., *June 23, 1950.*
Hon. CLIFFORD HOPE,
*Care House of Representatives,*
*Washington, D. C.*
DEAR MR. HOPE: We are wiring in regard to the impending railroad strike. This would be very disastrous for us with harvest in full swing. Try to get legislation to stop this and all future strikes that will affect other business as well.
FARMERS GRAIN & SUPPLY CO.
F. U. HOLMES, *Manager.*

---

GREENSBURG, KANS., *June 23, 1950.*
Representative CLIFFORD HOPE,
*Washington, D. C.:*
Everything that is possible to do should be done to avoid the pending railroad strike. A strike at this time is ill advised and contrary to public opinion in this locality. With the present wheat harvest and grain movement on elevators are unable to take storage wheat account filled with Government loan wheat and shortage of cars. A strike at this time would be calamity to this section of Kansas. We recommend legislation to eliminate a few men disrupting our entire economy.
CHAMBER OF COMMERCE.
J. A. MENOHER, *President.*

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HUTCHINSON, KANS., *June 22, 1950.*
Hon. CLIFFORD HOPE,
*Congressman, Kansas Fifth District,*
*House of Representatives,*
*Washington, D. C.:*
We would appreciate anything you can do to prevent switchmen strike being called Sunday; also your support of legislation to avoid these crippling strikes.
J. S. DILLON & STORES CO.,
By JOHN L. CRAWFORD.

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PRESTON, KANS., *June 22, 1950.*
CLIFFORD R. HOPE,
*Congressman, House Office Building,*
*Washington, D. C.:*
We bitterly oppose the threatened strike of switchmen on June 25. Urge immediate legislation to stop it. Will hurt farmers and businessmen severely. Good crop to be saved.
UPPENDAHL GRAIN CO.,
PRESTON COOP GRAIN & MERCANTILE,
GRIER GRAIN CO.

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HUTCHINSON, KANS., *June 23, 1950.*
CLIFFORD R. HOPE,
*United States Representative,*
*Washington, D. C.:*
Regarding railroad strike and all strikes: Why can't we get some legislation that will stop the disruption of our economy?
BURT & U. BINFORD,
*Contractors.*

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TOPEKA, KANS., *June 23, 1950.*
Hon. CLIFFORD HOPE,
*House of Representatives,*
*Washington, D. C.:*
Threatened switchmen's strike involving Rock Island and other lines would paralyze wheat shipments causing financial loss and grain damage to farmers and to grain elevators. Our more than 200 farmer stockholders urge you to act now in an attempt to settle, postpone, or prohibit this strike; also to enact legislation to prevent future strikes at such critical times as this.
KAW COOPERATIVE ASSOCIATION,
FRED DOYLE, *President,*
C. V. COCHRAN, *Secretary.*

## EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts asked and was given permission to extend his remarks and include a resolution adopted by the Grand Lodge of Massachusetts Knights of Pythias.

Mr. ANDERSON of California (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks and include a newspaper article.

Mr. DONDERO (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in two instances and include newspaper articles.

Mr. PATTEN (at the request of Mr. RODINO) was given permission to extend his remarks and include a speech.

Mr. MITCHELL (at the request of Mr. HOLIFIELD) was given permission to extend his remarks in three instances and include extraneous material.

Mr. WICKERSHAM (at the request of Mr. PRIEST) was given permission to extend his remarks.

Mr. SIKES asked and was given permission to extend his remarks and include an editorial.

## DISTRICT OF COLUMBIA LEGISLATION

The SPEAKER. This is District Day.

### NURSERIES AND NURSERY SCHOOLS IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 8782) to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia through June 30, 1951, and ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 2 of the act entitled "An act to authorize and direct the Board of Public Welfare of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nusersies and nursery schools for day care of school-age and under-school-age children, and for other purposes," approved July 16, 1946, as amended, is amended by striking out "until June 30, 1950, and no longer" and inserting in lieu thereof "until June 30, 1951, and no longer."

SEC. 2. Section 3 of such act is amended to read as follows:

"SEC. 3. The Board is authorized to make and enforce rules and regulations governing admission to and use and enjoyment of said nurseries and nursery schools, including the fixing of fees to be charged parents for care and maintenance therein of their children;

which fees shall, as near as practicable, equal the expenditures of the District of Columbia for personal services, labor, food, and supplies in the operation and maintenance of such nurseries and nursery schools or to enter into contracts with any private or public agency or agencies for such care and maintenance: *Provided*, That the Board may, in cases where parents are unable to pay for such care waive all or part of such fees. All fees collected under the provisions of this act shall be paid to the Collector of Taxes of the District of Columbia and deposited into the Treasury of the United States to the credit of an account to be known as 'Miscellaneous trust-fund deposits, District of Columbia—Day care nurseries,' said fund to be available, in addition to appropriations made pursuant to section 4 of this act, for expenditure for the purposes of this act: *Provided further*, That such fund shall be audited and disbursed in the same manner as other trust funds are audited and disbursed by the District of Columbia: *And provided further*, That any balance remaining in such trust-fund account after June 30, 1951, shall be covered into the Treasury to the credit of miscellaneous receipts of the District of Columbia."

SEC. 3. Section 4 of such act is amended to read as follows:

"SEC. 4. There is authorized to be appropriated for the fiscal year ending June 30, 1951, out of any moneys in the Treasury of the United States to the credit of the District of Columbia not otherwise appropriated, not exceeding $100,000 to carry out the purposes of this act."

SEC. 4. Section 2 of this act shall take effect upon enactment.

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to continue the present system of nurseries and nursery schools for the day care of children in the District of Columbia through June 30, 1951, and authorizes an appropriation of $100,000 to carry out the purposes of this bill.

The Commissioners of the District of Columbia have voiced no objection to the continuation of these child-care centers.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## CHANGING DESIGNATION OF HEALTH OFFICER AND ASSISTANT HEALTH OFFICER OF THE DISTRICT OF COLUMBIA TO DIRECTOR OF PUBLIC HEALTH AND ASSISTANT DIRECTOR OF PUBLIC HEALTH

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 8709) to change the designation of Health Officer and Assistant Health Officer of the District of Columbia, respectively, to Director of Public Health and Assistant Director of Public Health, and ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. PHILLIPS of California. Mr. Speaker, reserving the right to object, will the gentleman state why this is necessary?

Mr. McMILLAN of South Carolina. The purpose of this bill is to change the designation of the Health Officer and Assistant Health Officer of the District of Columbia, respectively, to Director of Public Health and Assistant Director of Public Health. This legislation was requested by the Commissioners for the District of Columbia and unanimously approved by the District Committee.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield.

Mr. MILLER of Nebraska. Changing the name of the Health Officer to Director conforms to the standard adopted in the other 48 States. It simply changes the word "officer" to "administrator."

Mr. PHILLIPS of California. Is the gentleman from Nebraska in favor of this bill?

Mr. MILLER of Nebraska. I think there is nothing wrong with the bill.

Mr. PHILLIPS of California. This does nothing to increase the salaries of the Director or Assistant Director, or the addition of a few more assistants, and so forth?

Mr. MILLER of Nebraska. Not that I know of. They are known as directors of public health and assistant directors of public health in the various 48 States.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Health Officer of the District of Columbia shall be known as the Director of Public Health and the Assistant Health Officer of the District of Columbia shall be known as the Assistant Director of Public Health.

SEC. 2. This act shall take effect 30 days after its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## COLLECTION, PAYMENT, AND DISHONOR OF DEMAND ITEMS

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 8055) relating to the collection, payment, and dishonor of demand items, and to the revocation of credit for, and payment of, such items, by banks in the District of Columbia.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The clerk read the bill, as follows:

*Be it enacted, etc.*, That, in any case in which a bank in the District of Columbia receives, other than for immediate payment over the counter, a demand item payable by, at, or through such bank and such bank gives credit for such demand item before midnight of the day of receipt of such item, such bank may have until midnight of its next business day after receipt of such item within which to dishonor or refuse payment of such item. Any credit so given, together with all related entries on the books of the the receiving bank, may be revoked by such bank, by returning such item, or if such item is held for protest, or at the time is lost, or is not in the possession of such bank, by giving written notice of dishonor, nonpayment, or revocation. Such credit and related entries shall be revoked by such bank only if such item or such written notice is dispatched in the mails or by other expeditious means not later than midnight of such bank's next business day after the item was received. For the purpose of determining when notice of dishonor must be given or protest must be made under the law relative to negotiable instruments, an item duly presented, credit for which is revoked as authorized by this act, shall be deemed dishonored on the day such item or such written notice is dispatched. A bank, revoking credit pursuant to the authority of this act, is entitled to refund of, or credit for, the amount of such item.

SEC. 2. For the purposes of this act—

(1) a demand item received by a bank on a day other than its business day, or received on a business day after its regular business hours, or during afternoon or evening periods when it has reopened or remained open for limited functions, shall be deemed to have been received at the opening of such bank's next business day;

(2) the term "credit" includes payment, remittance, advice of credit, or authorization to charge and, in cases where the item is received for deposit as well as for payment, such term also includes the making of appropriate entries to the receiving bank's general ledger without regard to whether such item is posted to individual customers' ledgers; and

(3) each branch or office of a bank shall be deemed a separate bank;

SEC. 3. The effect of this act may be varied by agreement.

With the following committee amendments:

Page 3, line 11, strike out "bank" and the period and insert "bank."

Page 3, line 12, insert:

"(4) the term 'bank' includes any bank or trust company doing business in the District of Columbia."

Page 3, line 14, at the end of the line, insert the word "written."

The committee amendments were agreed to.

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to authorize any bank in the District of Columbia which gives credit for a check or other demand item on the day of its receipt to revoke such credit and return the item without any payment at any time before midnight of the bank's next following business day. The exception to this would be where an item was received for immediate payment over the counter.

This legislation was introduced at the request of the District of Columbia Bankers Association and has been endorsed by the American Bankers Association and the Board of Governors of the Federal Reserve System.

All but 6 of the 48 States and the District of Columbia have enacted laws substantially the same as this proposed legislation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## CODE OF LAW FOR THE DISTRICT OF COLUMBIA RELATING TO THE DISPOSAL OF DEAD HUMAN BODIES

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I call

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up the bill (H. R. 7881) to amend sections 675 and 676 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, regulating the disposal of dead human bodies in the District of Columbia, and ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina.

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That sections 675 and 676 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901 (31 Stat. 1296), as amended, be amended to read as follows:

"SEC. 675. (a) Removal of dead bodies: No dead body of any human being or any part of such body shall, in said District, be removed from place to place, interred, or in any manner disposed of without a permit for such removal, interment, or disposal granted by the Health Officer of said District, or by the proper municipal, county, or State authorities at the place where the death or disinterment occurred, except that permits for the removal of dead bodies from place to place within said District may be issued by any deputy duly appointed as provided in subsection (b) of this section. No such body or any part of such body shall be removed from place to place, interred, or in any manner disposed of otherwise than in accordance with the terms of said permit. Permits issued by the Health Officer or any duly appointed deputy for the removal, interment, or disposal of such body or part thereof shall be issued only upon the presentation of a proper death certificate, signed by a physician registered at the Health Department of said District, who attended the deceased during his last illness, or by the coroner of said District or his deputy, except that whenever any person shall die at home during the hours between dusk and dawn and such person was attended in his last illness by such a physician, a licensed undertaker may, if he shall certify that he is unable to obtain such death certificate signed by such attending physician, apply, on a special removal request form furnished by the Health Officer, for a permit for the removal of the body of such person within said District if such special removal request form includes written confirmation of the death of such person signed by any physician duly licensed to practice in said District, and the Health Officer or any deputy duly appointed for such purposes may thereupon issue a permit for such removal: *Provided*, That no licensed undertaker shall embalm any such body until the completed death certificate has been secured from the attending physician: *And provided further*, That every such special removal request form which has been used to obtain such removal permit shall, not later than 5 o'clock postmeridian following the time of death, be filed with the Health Officer. No such body shall be disinterred in said District without a permit granted by the Health Officer. Permits for disinterment (including permission to reinter or transport the body disinterred) shall be issued only upon the written application of the nearest relative or the legal representative of the deceased. No superintendent or other person in charge of any cemetery in said District or other place for the disposal of dead bodies shall assist in or assent to or allow any such interment, disinterment, or disposition to be made in such cemetery or place until permit shall be given as aforesaid. It shall be the duty of the Health Officer to furnish all superintendents or other persons in charge of cemeteries in said District with a currently correct list of all municipal, county, and State officials authorized to issue burial or removal permits in adjoining States. It shall be the duty of every such superintendent or other person who shall receive any such permit aforesaid to endorse thereon the date of the interment, disinterment, or disposal and to sign and forward the same before 6 o'clock postmeridian of the Saturday following the day of burial, disinterment, or disposal to the Health Officer of said District.

"(b) Appointment of deputies to issue removal permits: The Commissioners of said District, upon recommendation of the Health Officer, may appoint a reasonable number of District of Columbia and United States employees as deputies who shall be authorized to issue permits for the removal of dead human bodies or parts thereof from place to place within said District, in accordance with the provisions of section 675 (a) of this code. Such deputies shall be furnished with a currently correct list of names of physicians registered at the Health Department of the District of Columbia to enable them to ascertain the authenticity of death certificates.

"SEC. 676. Conveyance through the District: No dead body of any human being or any part of such body shall be in any manner carried or conveyed from, in, to, or through said District by any person, or by any public or private conveyance, without a permit therefor first granted by the Health Officer of said District, or any duly appointed deputy, or by the proper municipal, county, or State authorities at the place where the death or disinterment occurred: *Provided*, That an such body or part of such body may be brought into said District, carried through the same in transit upon a permit of the proper authorities, and whenever the remains of any deceased person have been conveyed, transferred, or removed beyond the limits of said District it shall be the duty of the person or agent or officer of the corporation having charge of such conveyance, transfer, or removal to detach, date, sign, and return to the Health Officer the permit authorizing such conveyance, transfer, or removal before 6 o'clock postmeridian of the Saturday following the day of such conveyance, transfer, or removal of said remains."

Mr. McMILLAN of South Carolina. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McMILLAN of South Carolina:

On page 1, line 9, after the comma insert the word "disinterred."

On page 2, line 1, after the word "interment", insert the word "disinterment."

On page 2, line 15, after the word "his", insert "or her."

On page 2, following line 16, insert "or by the proper municipal, county, or State authorities at the place where the death occurred."

On page 5, line 1, after the word "occurred", strike out the semicolon and insert the following "except such who have died of Asiatic cholera, yellow fever, typhus fever, leprosy, diptheria, the plague, or scarlet fever."

The committee amendment was agreed to.

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to amend existing law relating to the issuance of permits for the removal of dead human bodies. Under the proposed amendment it would be possible in these cases where (a) a person dies at his home in the hours between dark and dawn; (b) the person was attended in his last illness by a licensed physician; (c) the undertaker certifies that he is unable to obtain the death certificate from the attending physician, and (d) a licensed physician, other than the attending physician, certifies the fact of death, a permit to remove the dead body may be issued.

The permit to remove would not authorize embalming or burial. The usual burial permit would be required for the latter and the usual certificate of death would be required before issuance of the burial permit.

This legislation was requested by the Commissioners of the District of Columbia.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### COLLECTION, PAYMENT, AND DISHONOR OF DEMAND ITEMS

Mr. PHILLIPS of California. Mr. Speaker, I ask unanimous consent to return to the bill (H. R. 8055) relating to certain banking practices in the District of Columbia, for the purpose of asking a question of the chairman.

The SPEAKER. To do that we would have to vacate all the proceedings by which the bill was passed.

Mr. PHILLIPS of California. Can I do it without that?

The SPEAKER. Without objection the gentleman from California may proceed for a minute and yield to whom he pleases.

There was no objection.

Mr. PHILLIPS of California. Will the gentleman from South Carolina return to the paragraph of the bill H. R. 8055, section 3, on page 3:

The effect of this act may be varied by written agreement.

This is not clear to me and I raise the question of whether we are passing a law affecting the banking procedures of the District of Columbia and whether that implies that the bill may then be changed by written agreement without further reference to the Congress.

Mr. McMILLAN of South Carolina. No; this does not; this bill just makes the laws of the District of Columbia conform to those of 40 other States.

Mr. PHILLIPS of California. That may be, but will the gentleman explain section 3? What is it that is to be varied by written agreement without rereference to the Congress? It is on page 3, line 14.

Mr. McMILLAN of South Carolina. I will ask the author of the bill, the gentleman from Illinois [Mr. SIMPSON] to explain it.

Mr. PHILLIPS of California. I yield to the gentleman from Illinois, Mr. Speaker.

Mr. SIMPSON of Illinois. Mr. Speaker, I am not too sure that I can explain it. I can only tell you what I think it is.

The purpose of the bill was to authorize any bank in the District of Columbia which gives credit for a check or other demand item on the date of its receipt to revoke such credit and return the item at any time before midnight of the bank's next following business day. The exception to this would be the case in which

an item was received for immediate payment over the counter.

Mr. PHILLIPS of California. That is in another section. There is no objection to that.

Mr. SIMPSON of Illinois. If the banks of the District agree in writing with a depositor as to the variance of the time of clearing of checks this would permit such agreement, in my opinion.

Mr. PHILLIPS of California. Mr. Speaker, I think there is some doubt about section 3.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. MILLER of Nebraska. I was not on the subcommittee that handled that bill, but it was my understanding that frequently there are written agreements as to the handling of certain kinds of checks. When that is done it gives them the right to proceed with an agreement, a personal agreement between the bank and the individual depositor.

Mr. PHILLIPS of California. There certainly is no objection to that, and if that is intended to be an agreement between the bank and the individual depositor, then I withdraw any objection that I might have had to the bill.

Mr. SIMPSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. SIMPSON of Illinois. I will assure the gentleman, having introduced this legislation at the request of the banks of the District of Columbia, that we will find out exactly what is intended to do under it, and make a report to the gentleman, and if a change is necessary, seek to have it made in the other body.

### AMENDMENT TO ARCHITECTS' REGISTRATION ACT

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 2887) to amend the Architects' Registration Act for the District of Columbia in order to safeguard life, health, and property, and to promote the public welfare, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 10 of the Architects' Registration Act, as amended, is hereby amended to read as follows:

"SEC. 10. A roster showing the names and places of business and residences of all architects shall be prepared by the secretary of the Board during the month of June of each year; such roster shall be printed out of the funds of the Board as provided in section 11. On or before the 1st day of August each year the Board shall submit to the Commissioners of the District of Columbia a report of its transactions for the preceding fiscal year, together with a complete statement of the receipts and expenditures of the Board, certified by the chairman and the secretary, and a copy of the said roster of architects."

SEC. 2. Section 14 of such act, as amended, is hereby amended to read as follows:

"SEC. 14. (a) Except as otherwise provided in this act, no person shall practice architecture in the District of Columbia or use the title 'architect' or 'registered architect', or any words, letters, figures, or other device indicating or intending to imply that he or she is an architect, without having qualified as required by this act.

"(b) The practice of architecture within the meaning and intent of this act consists of rendering or offering to render services by consultations, preliminary studies, drawings, specifications, or any other service in connection with the design of any building or addition or structural alteration thereto, whether one or all of these services are performed either in person or as the directing head of an organization.

"(c) An architect within the meaning of this act is an individual technically and legally qualified to practice architecture and who is authorized under this act to practice architecture."

SEC. 3. Sections 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, and 27 of such act, as amended, are hereby amended to read as follows:

"SEC. 16. No firm, company, partnership, association, corporation or other similar organization shall be registered as an architect. Only individuals shall be registered as architects but a number of architects constituting a firm may use the collective title 'architects' or 'registered architects'.

"SEC. 17. Nothing contained in this act shall prevent the draftsmen, students, clerks of work, superintendents, and other employees of those lawfully practicing as architects under the provisions of this act from acting under the instruction, control, or supervision of their employers, or to prevent the employment of superintendents of the construction, enlargement, or structural alteration of buildings or any appurtenance thereto. Nor shall anything contained in this act be construed to apply to alterations to any building which do not involve changes affecting the structural safety thereof or the public health; nor to prevent the preparation of details and shop drawings by persons, other than architects, for use in connection with the execution of their work; nor to prevent the preparation of drawings or details for fixtures, cabinet work, furniture, or other interior appliances or equipment, or for any work necessary to provide for their installation unless the same involves public health or safety; nor apply to the construction or alteration of a non-fire resistive building which conforms with the District of Columbia Building Code requirements and that does not cover 1,000 square feet of ground area, and does not have a height of over 20 feet to the uppermost ceiling, or two habitable floors above a basement, and does not have a volume of over 20,000 cubic feet.

"SEC. 18. A building, for the purposes of this act, is any structure consisting of foundation, floors, walls, columns, girders, and roof, or a combination of any number of these parts, with or without other parts or appurtenances. All drawings and specifications prepared for such structures, or enlargements or structural alterations to such structures, in accordance with this act, shall be signed by the architect responsible for their production.

"SEC. 19. (a) Nothing in this act shall prevent any person who actually engaged in the practice of architecture under the title of architect prior to December 13, 1924, from continuing the practice of architecture without a certificate of registration if such person has filed with the Board of Examiners and Registrars of Architects an affidavit establishing to the satisfaction of said Board the fact that he or she was in practice as an architect in the District of Columbia on and prior to December 13, 1924: *Provided,* That registration shall not be granted under this subsection unless the application therefor is filed with the Board of Examiners and Registrars of Architects within 1 year after the effective date of this subsection.

"(b) Any properly qualified person may be granted registration without examination who submits evidence that he or she was engaged in the practice of architecture in the District of Columbia for 5 years immediately preceding the effective date of this subsection, and submits evidence of experience in architecture satisfactory to the Board of Examiners and Registrars of Architects, indicating that he or she is qualified to assume responsible charge of the work involved in the practice of architecture: *Provided,* That registration shall not be granted under this subsection unless the application therefor is filed with the Board of Examiners and Registrars of Architects within 1 year after the effective date of this subsection.

"(c) Any properly qualified person who was on active duty in the armed forces of the United States at any time after October 16, 1940, may be granted registration without examination who submits evidence that prior to the effective date of this subsection he or she was for an aggregate period of 5 years engaged in the practice of architecture in the District of Columbia, and submits evidence of experience in architecture satisfactory to the Board of Examiners and Registrars of Architects, indicating that he or she is qualified to assume responsible charge of the work involved in the practice of architecture: *Provided,* That registration shall not be granted under this subsection unless the application therefor is filed with the Board of Examiners and Registrars of Architects within 1 year after the effective date of this subsection.

"SEC. 20. Any citizen of the United States or any person who has declared his (or her) intention of becoming a citizen, being at least 21 years of age, of good moral character, and who has had at least 3 years of practical experience in offices engaged in the practice of architecture as defined by this act, may apply for registration or for such examination as shall be requisite for registration under this act.

"SEC. 21. The applicant shall satisfactorily pass an examination in such technical and professional subjects as shall be prescribed by the said Board. The Board may, in lieu of examination, accept registration or certification as an architect in another State, Territory, or country where the qualifications prescribed at the time of such registration or certification were equal to those prescribed in the District of Columbia at the date of application; and where such State, Territory, or country accepts in like manner the registration of architects of the District of Columbia.

"SEC. 22. An architect who has lawfully practiced architecture for a period of more than 10 years outside of the District of Columbia shall, except as otherwise provided in section 21, be required to take only a practical examination, the nature of which shall be prescribed by the Board of Examiners and Registrars of Architects.

"SEC. 23. (a) The fees to be paid to the treasurer of the Board of Examiners and Registrars of Architects shall be fixed by said Board from time to time and shall not exceed in amount the several fees provided for in this section.

"(b) The fee to be paid by an applicant for registration as an architect shall be $25.

"(c) The fee to be paid by an applicant who has been granted a certificate of registration as an architect by the Board shall be not in excess of $12, such fee to be prorated on a monthly basis from time of granting of application to the 30th day of the following April.

"(d) The fee to be paid upon renewal of a certificate of registration shall be not in excess of $15.

"(e) The fee to be paid for the restoration of an expired certificate of registration shall be not in excess of $20.

"SEC. 24. (a) All examination papers and other evidences of qualification submitted by each applicant shall be filed with the Board of Examiners and Registrars of Architects, and said Board shall keep a record of its proceedings relating to the issuance, refusal,

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renewal, suspension, and revocation of certificates of registration.

"(b) The record shall also contain the name, known place of business and residence, and the date and number of the certificate of registration of every architect entitled to practice his or her profession in the District of Columbia.

"SEC. 25. (a) Every architect registered in the District of Columbia shall annually, during the month of May, renew his certificate of registration and pay the renewal fee required by section 23 of this act. It shall be unlawful for any architect who fails to renew his or her registration to continue the practice of architecture, subject to restoration upon paying the fee therefor prescribed in accordance with section 23 of this act.

"(b) A person who fails to renew his certificate of registration during the month of May in each year may not thereafter renew his certificate except upon payment of the fee required by section 23 of this act for the restoration of an expired certificate of registration.

"(c) Every renewal certificate shall expire on the 30th day of April following the issuance.

"SEC. 26. Exemptions: Nothing in this act shall be construed to affect or prevent the following, provided that no words, letters, figures, or other device shall be used in such manner as to tend to convey the impression that the person rendering such service is an architect duly registered under this act:

"(a) Consultants, officers, and employees of the United States or of the District of Columbia governments while engaged solely in the practice of architecture for said governments.

"(b) Landscape architects, landscape engineers, city and regional planners from the preparation of drawings for, and the supervision of, planting, grading, walks, paving, and such minor structural features as fences, steps, walls, pools, and garden structures, normally included as a part of their work, where such features could not constitute a possible menace to life, health, or public welfare.

"(c) Professional structural engineers, heating engineers, plumbing engineers, air conditioning and ventilation engineers, electrical engineers, elevator engineers and civil engineers from performing architectural services which are purely incidental to their engineering practice.

"SEC. 27. Revocation of certificate: The Board of Examiners and Registrars of Architects may revoke any certificate after 30 days' notice with grant of hearings to the holder thereof if proof satisfactory to the Board be presented in the following cases:

"(a) In case it is shown that the certificate was obtained through fraud or misrepresentation.

"(b) In case the holder of the certificate has been found guilty by said Board or by a court of justice of any fraud or deceit in his professional practice or has been convicted of a felony by a court of justice.

"(c) In case the holder of the certificate has been found guilty by said Board of gross incompetency or of recklessness in the planning or construction of buildings."

SEC. 4. Sections 30, 31, and 32 of such act, as amended, are hereby amended to read as follows:

"SEC. 30. Any person who shall practice or offer to practice architecture or who shall use the title 'architect' or 'registered architect' or any other words, letters, figures, or other device indicating or intending to imply that the person using the same is an architect, without having complied with the provisions of this act, shall be deemed guilty of a misdemeanor, and upon conviction shall be punished by a fine not exceeding $200, or by imprisonment for not more than 1 year, or both, prosecution therefor to be made in the name of the District of Columbia by the corporation counsel.

"SEC. 31. Saving clause: If any section or sections, clause or clauses, of this act, or any regulations promulgated thereunder, be declared unconstitutional or invalid, that shall not invalidate any other sections or clauses of this act, or any other regulations promulgated thereunder.

"SEC. 32. Repeal of conflicting legislation: All laws or parts of laws and regulations promulgated thereunder in conflict with the provisions of this act shall be, and the same are hereby, repealed."

SEC. 5. Nothing contained in this act shall be construed to affect the force of validity of any act of the Board of Examiners and Registrars of Architects performed prior to the date of enactment of this act.

SEC. 6. The act of December 13, 1924, as amended by the act of May 29, 1928, and by this act, may be cited as the "Architects' Registration Act."

SEC. 7. The term "effective date of this subsection" as used in section 19 of the Architects' Registration Act shall mean the effective date of this amendatory act.

With the following committee amendment:

Page 4, strike out lines 1 to 7 inclusive and insert the following: "nor apply to the construction or alteration of a building that does not cover over 1,000 square feet of ground area, and does not have a height of over 20 feet to the uppermost ceiling, or two habitable floors above a basement."

Mr. McMILLAN of South Carolina. Mr. Speaker, the primary purpose in amending the present act is to provide additional safety for the life, health, and property of the citizens of the District of Columbia as set forth in the proposed amendments.

Under present practice the architects of the District of Columbia are classified as "architects"—those who were practicing architecture prior to December 13, 1924, the date the first act became effective; and "registered architects"—those who have qualified to practice architecture by examination. The proposed amendments eliminate the aforementioned classification, so that all practitioners are hereafter known and described as "architects."

The present Architects' Registration Act contains no definition of either an architect or the practice of architecture. In order to define the practice of architecture, and a person qualified to practice architecture section 14 of the present act is amended by: First, stating, specifically of what the practice of architecture shall consist; and second, who shall be qualified to practice architecture. This amendment also prohibits any individual from practicing architecture in the District of Columbia unless and until he or she shall have qualified as required by the act. This is one of the most important changes proposed because only persons qualified by training and experience will be permitted to design structures in and around which the people are, or could be, constantly subjected to danger of different kinds and types, a menace to their health and bodily safety.

Section 16 provides that, since the practice of architecture is an individual endeavor, the corporate fiction must and should be eliminated and only individuals may be registered, except that the collective title "architects" or "registered architects" may be used by a firm.

Section 17 proposes another important change. By the provisions therein contained no one, other than an architect who qualifies under this act as amended, can practice architecture in the District of Columbia except where the public health or safety is not involved. The provisions, however, permit the removal, relocation, or installation of nonstructural partitions in a building, the rearrangement or installation of store fixtures, interior decorating not involving structural changes, and the construction of small residences and simple structures to be accomplished by an individual other than an architect registered under this act.

Section 18 requires that all drawings and specifications for buildings as defined by the act be signed by the architect responsible for their production.

Section 19—grandfather clause—provides that within 1 year after the effective date of this section those who actually engaged in the practice of achitecture prior to certain dates and certain qualified persons who were in the armed forces of the United States after October 16, 1940, may be granted registration upon the submission of required evidence. Section 20 raises the age limit from 20 years to 21 years and requires that an applicant for examination have at least 3 years' practical experience in offices engaged in the practice of architecture.

Section 21 eliminates the provision granting registration without examination to a person with a diploma of graduation or certificate from an architectural school or college together with 3 years' practical experience in architecture. One year after the passage of H. R. 2887 registration in the District of Columbia will be granted only to those persons who shall satisfactorily pass an examination as prescribed by the Board of Examiners and Registrars of Architects, except that the Board may accept registration or certification as an architect in another State, Territory, or country.

Section 22 contains a technical change necessitated by the amendments.

Section 23 increases the fee paid by an applicant for registration from $10 to $25.

Sections 24 and 25 contain technical changes necessitated by the amendments.

Section 26 changes exemptions contained in the present act in the following respects:

Consultants, officers, and employees of the United States or the District of Columbia so long as their architectural practice is confined to official work.

Landscape architects, landscape engineers, city and regional planners from the preparation of drawings for, and the supervision of, planting, grading, walks, paving, and such minor structural features as fences, steps, walls, pools, and garden structures, normally included as a part of their work, where such feature could not constitute a possible menace to life, health, or public welfare.

Professional structural engineers, heating engineers, plumbing engineers, air conditioning and ventilation engineers, electrical engineers, elevator engineers, and civil engineers are exempt when per-

forming architectural services incidental to their engineering practice.

Section 27 grants authority to the Board of Examiners and Registrars to revoke certificate in certain cases.

Section 4 amends sections 30, 31, and 32 of the present act.

Section 30 provides that a person found guilty of unauthorized practice or use of title "architect" or "registered architect" shall be guilty of a misdemeanor and punished by a fine of $200 or 1 year imprisonment or both.

Section 31 contains the saving clause.

Section 32 repeals conflicting legislation.

Section 5 protects the validity of any act of the Board of Examiners and Registrars of Architects performed prior to the enactment of this act.

This legislation was endorsed by the Commissioners of the District of Columbia under date of May 10 in a report to the chairman of the House District Committee.

The SPEAKER. The question is on the committee amendment.

The amendment was agreed to.

Mr. McMILLAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McMILLAN of South Carolina: Strike out subsections (b) and (c) of section 19 and insert in lieu thereof the following:

"(b) Any properly qualified person may be granted registration without examination who submits an affidavit establishing to the satisfaction of the Board of Examiners and Registrars of Architect that he or she was regularly engaged in the practice of architecture in the District of Columbia for 5 years immediately preceding the effective date of this subsection: *Provided*, That registration shall not be granted under this subsection unless the application therefor is filed with the Board of Examiners and Registrars of Architects within 1 year after the effective date of this subsection."

"(c) Any properly qualified person who was on active duty in the Armed Forces of the United States at any time after October 16, 1940, may be granted registration without examination who submits an affidavit establishing to the satisfaction of the Board of Examiners and Registrars of Architects that prior to the effective date of this subsection he or she was for an aggregate period of 5 years regularly engaged in the practice of architecture in the District of Columbia: *Provided*, That registration shall not be granted under this subsection unless the application therefor is filed with the Board of Examiners and Registrars of Architects within 1 year after the effective date of this subsection."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## EXTENDING PROVISIONS OF THE DISTRICT OF COLUMBIA EMERGENCY RENT ACT

Mr. McMILLAN of South Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6669) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue for 30 minutes, the time to be equally divided and controlled by the gentleman from Minnesota [Mr. O'HARA] and myself.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6669, with Mr. YOUNG in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, the purpose of this bill is to extend until January 31, 1951, the District of Columbia Emergency Rent Control Act which was originally enacted in the Seventy-seventh Congress and became public law on December 2, 1941. The original act regulated rents in the District of Columbia through December 31, 1945, and has been amended each year since that time.

The House District Committee in considering extension of rent control in the District of Columbia discussed the possibility of extending rent control until January 31, 1951, with an amendment that the Commissioners would have authority after January 31, 1951, to extend rent control for an additional time if they felt such an emergency still existed. In a discussion in a committee meeting on June 15, 1950, the members of the committee agreed that final authority for any continuation of rent control in the District of Columbia should rest in the Congress rather than in the Commissioners of the District of Columbia and the bill was amended accordingly so that final authority would rest in the Congress and would be acted upon by a joint resolution.

The Rent Administrator for the District of Columbia in a report under date of April 18, 1950, to the Commissioners of the District of Columbia stated that the necessity for rent control in the District of Columbia would exist for at least another year pending unforeseen events, with one exception that furnished nonhousekeeping rooms rented by the month or by the week would be decontrolled as the normal supply and demand were almost in balance. The recommendations of the Administrator were written into the bill and accordingly such furnished nonhousekeeping rooms would be decontrolled with the expiration of the present rent law on June 30, 1950.

This legislation has the approval of the Commissioners of the District of Columbia as well as the Rent Administrator for the District of Columbia.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, yesterday I took a ride into the country which gave me information which I now find very interesting in view of the consideration of this extension of rent control. Anyone on this floor who has gone into the country around the District of Columbia within the past few weeks will realize the complete lack of necessity of any bill of this kind. I have no idea how many thousands of new living units are being built, but it would astonish anyone to ride down the Lee Highway as far as Fairfax, or to ride into the northern sections around the Maryland edge of the District. As you know, Mr. Chairman, and as the Members know, once rent control is imposed upon any nation, it is almost an impossible thing to get rid of. It has been one of the greatest handicaps economically to several nations, including France, and certainly of all places in the United States today where there is a glut approaching in the building of living units, this bill should not be passed by this House.

Mr. Chairman, it is my intention to ask the House to go on record and to ask for a roll call on this bill so that we may know exactly who believes in imposing a rent-control act upon the District of Columbia.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I would like to reply to my distinguished and good friend from California who has just spoken with reference to the problem of rent control within the District of Columbia. It is true, there was evidence submitted before the committee that the building of new units in the District of Columbia, I believe, exceeded that of any other city in the United States. But, as one who has been opposed to rent control nationally, I felt that as long as this Congress had established the policy of continuing rent control, that it was certainly needed in the District of Columbia, and I so voted in reporting the bill out.

Let me say, furthermore, to my good friend from California, that while the record in this city has been excellent in the matter of construction of living quarters and housing units, that as yet the complete problem has not been answered and maybe it never will be completely answered. But I hope my good friend will review his statement and not conclude to put the burden upon us of having a roll call, though I am sure the House will vote a continuation of rent control on a roll call for the District of Columbia.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from California.

Mr. PHILLIPS of California. As the gentleman knows, I have the highest regard for him and his judgment, but I would like to ask him a couple of questions. Did the members of this committee themselves actually drive out through Fairfax and see the great, almost incredible building that is going on out in that area, 14 miles out of town, great apartment buildings, that you do not often find in the heart of larger cities?

Mr. O'HARA of Minnesota. I will say to the gentleman that I have driven about considerably in the city of Washington and the surrounding country, and while there is a great deal of building

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going on, many of those apartments will not be ready for occupancy for 6 months to a year.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. It must be understood also that the State of Virginia has rent decontrol, beginning as of July 1, so that might have had something to do with additional apartments in Virginia.

Mr. PHILLIPS of California. How about the area in the other direction, over beyond the Maryland line?

My desire to put this House on record is not to embarrass anybody, which I would regret immensely, but to put on record the people who are willing to impose on the United States a system of continued rent control, of which it has never been found possible for a Nation to rid itself, once it was imposed upon it. I think we should know who believes in free government and who does not, and it was for that purpose I was going to ask for a roll call.

Mr. MILLER of Nebraska. I have no objection to a roll call because, since the war was over I have always voted against rent controls. I opposed this bill in committee. But I must say to the gentleman from California that we are adopting rent control for the Nation, and it will expire, I believe, on January 1, 1951. I was hopeful that this bill would conform pretty much with the national law so that it could pass out of the picture then. Certainly we do not want to continue rent control. I have opposed it. But I think it would be wrong at this time to take it off in the District and not take it off in the rest of the Nation. Let us let it all go at the same time. Let the head go with the tail. This is the dying gasp of rent control as far as the District is concerned, and the Nation, I hope.

Mr. PHILLIPS of California. What is the connection? What has taking it off in the District got to do with taking it off in the Nation? We should have taken it off in the Nation.

Mr. MILLER of Nebraska. We should have taken it off Nation-wide.

Mr. PHILLIPS of California. What has that got to do with the District?

Mr. MILLER of Nebraska. Rent control is needed in the District perhaps more than in any other large city because of the large number of people living here working in the Government. Rent controls should go all over the country at the same time.

Mr. PHILLIPS of California. I do not want to belabor this, but if the gentleman will just go up Sixteenth Street or Massachusetts Avenue or Wisconsin Avenue he will see the apartment houses being built in the District. I do not see any connection between whether we have rent control in the District and whether we have it in the United States. They are separate problems. Federal rent control ought to be taken off in both places. Rent control is a local problem.

Mr. MILLER of Nebraska. The last rent-control bill we passed in the District decontrolled new apartments. Two or three amendments are being offered to this bill, and one is to decontrol luxury apartments, I presume those renting for over $80 or $85. There is also an amendment to decontrol hotel apartments.

Mr. PHILLIPS of California. I call the gentleman's attention to figures that are put out by the Bureau of Labor Statistics. They show that in many of the cities where decontrol has taken place the cost of rental units has gone down. The only units raised in most of those areas are very low-priced houses or apartments where the rent was too low, anyway. Why will not rents go down in the District if you do not have rent control just as readily as they will go up?

Mr. McMILLAN of South Carolina. Mr. Chairman, may I state that rent control in the District of Columbia has been administered with a minimum of complaints. Very few complaints from the residents of the District of Columbia have been registered with the Congress or the House District Committee relative to the manner in which rent control has been administered in the District of Columbia. Mr. Cogswell, the present rent administrator, I think should be complimented. Almost every landlord that has appealed to him for an increase, during the past 5 years, has had his request granted. In fact, it is my opinion that the landlords in the District of Columbia are not suffering in any respect at the present time from the effects of rent control. The Congress enacts laws making it necessary for additional employees to be employed here in the District of Columbia each year, and it is our responsibility to see that these employees are not left entirely in the hands of some ruthless real-estate dealer. I certainly would like to see the Government completely divorce itself from all private enterprise; however, since we have had rent control for a number of years, and also for a number of years we were unable to build additional housing facilities in this country, I am of the opinion that we should keep rent control in the thickly populated centers until sufficient housing is available. I certainly hope that within 1 year rent control can be completely abolished throughout the United States. We certainly have more reason for rent control here in the District of Columbia where hundreds of employees are compelled to live while they work for the Government than any other city in the United States.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, if I am correct in my recollection, the general, Nation-wide, if I may call it such, Rent Control Extension Act which this House has already passed provided that unless the appropriate governing body of a State or a municipality shall ask for a continuation of rent control within its borders prior to January 31, 1951, then rent control will cease in that municipality.

If they do ask, then rent control under the general act will continue until June 30, 1951, and then stop. On page 1 of the bill we provide the date of January 31, 1951, instead of June 30, 1951. Up to that point it is in conformity with the general law which we passed, but the proposed amendment further reads: "Unless the Congress shall by joint resolution insert a later date." How much later? My understanding was that the committee wanted this bill to conform to the provisions of the general bill whereby the Congress shall have the right by joint resolution to extend it until June 30, 1951. But this says "to a later date." It may be a year later.

Mr. McMILLAN of South Carolina. It was the opinion of the committee that this Congress should not try to bind any subsequent Congress and if they want rent control after January 1, they can so provide.

Mr. WADSWORTH. The same observation would apply to the general bill. We cannot bind the Eighty-second Congress under the general bill any more than we can in this bill. But we attempted to do so in the general bill. Of course, the Eighty-second Congress could amend our general bill when it meets next January.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. GWINN].

Mr. GWINN. Mr. Chairman, the whole idea of rent control is so bad and so mistaken on the facts that I would like the RECORD to show columns and columns of advertisements of two- three-, and one-room apartments unfurnished for rent, as well as furnished apartments and columns of little places for sale. Whereas less than a third of the space is taken by advertisements of apartments wanted. So there is, in fact, in the city of Washington and the surrounding territory a surplus of apartments as there is in the rest of the country, and a surplus of places for sale.

The whole rent-control idea ought to be abolished in one spot. Let us experiment at least in the District of Columbia and give the people a chance to build new houses for rent to take the place of those less desirable.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. GWINN. I yield.

Mr. MILLER of Nebraska. Three weeks ago the Sunday papers carried 2,351 advertisements of rooms, apartments, and houses for sale of people wanting to rent their house or sell their house or rent their apartments, and only 341 seeking such accommodations.

So I agree with what the gentleman is saying. However, if we are going along with rent control throughout the Nation, we should have a terminal time for the end of rent control in the District.

Mr. GWINN. But if we are wrong for the Nation, we ought not to pass the wrong onto the District of Columbia, which is so abused anyway.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.*, That section 1 (b) of the District of Columbia Emergency Rent Act, as amended (D. C. Code, 1940 edition, sec. 45–1601 (b)), is hereby amended by striking out "June 30, 1950" and inserting in lieu thereof "June 30, 1951."

SEC. 2. Section 8 of the District of Columbia Emergency Rent Act, as amended (D. C. Code, 1940 edition, sec. 45–1608), is hereby amended by adding at the end thereof the following new subsection:

"(d) Where a landlord petitioning for an adjustment under section 4 must prove the existence or nonexistence of any fact in the period from January 1, 1941, to July 1, 1945, he shall not be required to produce the evidence deemed by the Administrator to be the most reliable for such proof, if he shows to the satisfaction of the Administrator that such evidence cannot practicably be produced; in lieu thereof, he may produce such other evidence as the Administrator deems probative."

With the following committee amendment:

Page 1, line 6, strike out "June 30, 1951", and insert in lieu thereof "January 31, 1951, unless the Congress shall by joint resolution insert a later date."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 1, line 9, strike all of section 2, and insert:

"SEC. 2. Section 2 of such act is hereby amended by adding at the end thereof the following new paragraph:

"'(5) After June 30, 1950, the provisions of this act shall not apply to, and no maximum rent ceilings or minimum service standards shall be prescribed for any furnished nonhousekeeping housing accommodations which are rented as rooms without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms nor rooms in hotels used for occupancy by persons other than transients, that is as living quarters for residents on a permanent basis), and when and for such period as all of the housing accommodations in any building consists of rooms rented as furnished nonhousekeeping housing accommodations without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms) the provisions of this act shall not apply to, and no maximum rent ceilings or minimum service standards shall be prescribed for, any such building.'"

Mr. ABERNETHY. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. ABERNETHY to the committee amendment: Page 2, strike out all of section 2 of the committee amendment and insert in lieu thereof the following:

"(5) (a) After June 30, 1950, the provisions of this act shall not apply to, and no maximum rent ceiling or minimum service standards shall be prescribed for any furnished nonhousekeeping housing accommodations which are rented as rooms without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms), and when and for such period as all of the housing accommodations in any building consists of rooms rented as furnished nonhousekeeping housing accommodations without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms) the provisions of this act shall not apply to, and no maximum rent ceilings or minimum service standards shall be prescribed for, any such building.

"(b) After June 30, 1950, self-contained family units (as defined by regulations issued by the Administrator) located in hotels shall continue to be housing accommodations subject to maximum rent ceilings and minimum service standards unless the Administrator issues an order decontrolling them, or any of them, which he shall issue if he finds that such hotel is primarily engaged in furnishing accommodations for transients."

Mr. ABERNETHY. Mr. Chairman, this amendment is a modification of section 2 of the committee amendment. It provides that luxury apartments in transient hotels shall be decontrolled. It brings forward into the bill all of section 5, except the words beginning on line 19 "nor rooms in hotels used for occupancy by persons other than transients."

Mr. Chairman, this amendment will bring the bill into conformity with the Senate bill.

Incidentally, with regard to the luxury apartments, I have conferred with Mr. Cogswell, Administrator for Rent Control in the District, and I hold in my hand a letter from him to the effect that he has no objection to the inclusion of the above amendment in the bill.

I would like also to state that I have contacted 20 of the 25 members of the District of Columbia Committee, all of whom have approved the amendment. There are five members of the committee whom I have not seen, four of whom I know to be out of town, and the other I have been unable to locate.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. PHILLIPS of California. I think perhaps the RECORD should show what in the opinion of the gentleman from Mississippi and the opinion of the committee is a luxury apartment.

Mr. ABERNETHY. I have referred to luxury apartments in transient hotels, which as I understand includes all apartments in transient hotels.

Mr. PHILLIPS of California. It seems to me that is a tacit admission that we do not need rent control in the District of Columbia.

Mr. ABERNETHY. The gentleman may be correct.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. McCORMACK. On the question of luxury apartments we are elected and come down here to serve our districts. I live in the Hotel Washington. Would that be considered as a luxury apartment?

Mr. ABERNETHY. If the gentleman occupies more than one room, it is so regarded, as I understand.

Mr. McCORMACK. Of course I do. The gentleman does not suppose I would bring Mrs. McCormack down here to a one-room apartment, does he?

Mr. ABERNETHY. I do not intend to argue with the gentleman. I yielded to him for the purpose of answering his question and explaining what was regarded as a luxury apartment.

Mr. McCORMACK. Is that what a luxury apartment is?

Mr. ABERNETHY. That is what the Administrator calls it, as I understand.

Mr. McCORMACK. That is a rather strange idea, to my mind.

Mr. ABERNETHY. Well, it may be.

Mr. McCORMACK. The committee amendment would take care of that, would it? I am not speaking so much for myself as I am for others, but does the committee amendment decontrol apartments in a hotel?

Mr. ABERNETHY. The committee amendment does not.

Mr. McCORMACK. But your amendment will?

Mr. ABERNETHY. My amendment to the amendment will.

The CHAIRMAN. The question is on the amendment to the committee amendment, offered by the gentleman from Mississippi [Mr. ABERNETHY].

The question was taken; and the Chair being in doubt, there were—ayes 31, noes 19.

So the amendment to the committee amendment was agreed to.

The CHAIRMAN. The question recurs on the committee amendment as amended.

The committee amendment as amended was agree to.

Mr. O'HARA of Minnesota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Minnesota: On page 3, after line 7, insert a new section as follows:

"SEC. 3. (c) Where rooms or accommodations are decontrolled in the foregoing section the building in which said rooms or accommodations are located shall also be decontrolled."

Mr. O'HARA of Minnesota. Mr. Chairman, late on Friday afternoon last my attention was called to the fact that in the present bill as reported by the District Committee, rooming houses were decontrolled, the rooms themselves were decontrolled, but the building was left sitting there subject to the control of the Rent Control Administrator. It appealed to me as being a completely illogical situation, that if we decontrolled the rooms in these rooming houses which permits the operator of the rooming house to increase the rent or the cost of the accommodations furnished, we still leave the landlord sitting there with his hands completely tied under the Rent Control Act. The only Member with whom I have had an opportunity to discuss this, the gentleman from Mississippi [Mr. ABERNETHY], who was the acting chairman of the committee, agrees with me thoroughly that under the bill without amendment it is completely illogical and inconsistent.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. ABERNETHY. This presents a rather peculiar and unusual situation. The bill provides that lodging houses—on recommendation, incidentally, of the Rent Administrator—shall be decontrolled. If you should happen to own a lodging house in the District of Columbia and have it rented to a primary tenant, the primary tenant would be in the happy situation, as the bill now reads, of having the premises decontrolled, but the rent that he would pay you as owner of the house would not be decontrolled. In other words, the rooms would be decontrolled, but you would be left in the ridiculous situation of protecting the primary tenant, as his landlord.

Mr. O'HARA of Minnesota. And it also places us in the position where

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either the rooms should be decontrolled and the buildings in which they are located decontrolled, or neither of them should be decontrolled.

Mr. ABERNETHY. That is true.

Mr. O'HARA of Minnesota. I have therefore offered this amendment, Mr. Chairman, for the purpose of correcting what seems to be a completely illogical situation.

Mr. KLEIN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. KLEIN. Does the gentleman's amendment decontrol the rooms or does it decontrol the entire rooming house?

Mr. O'HARA of Minnesota. It merely provides that where the rooms have been decontrolled the building itself should also be decontrolled.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

Mr. ABERNETHY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ABERNETHY: Add a new section as follows:

"SEC. 5 (b) (2) of Public Law 45, Eighty-first Congress, first session, is hereby amended to read as follows:

" 'SEC. 5 (b) (2). The landlord seeks in good faith to recover possession of property for his immediate and personal use and occupancy as a dwelling: *Provided*, That in the case of housing accommodations for which the rent does not exceed $85 per month in a structure or premises owned or leased by a cooperative corporation or association, no such action or proceeding under this paragraph or (3) of this section shall be maintained unless stock or membership in the cooperative corporation or association has been acquired by persons who are or were tenants in occupancy of at least 65 percent of the dwelling units in the structure or premises at the time said cooperative corporation or association either (1) acquired or leased said structure or premises, or (2) entered into a contract or option to acquire or lease said structure or premises, whichever date is earliest, and who as such stockholders or members are entitled to possession of their respective dwelling units in the structure or premises by virtue of proprietary leases or otherwise; and this provision shall apply where such corporation or association acquired or leased such structure or premises or entered into a contract or option to do so prior to or after the effective date of this amendatory act or unless as holder of stock or membership acquired in the cooperative corporation or association prior to March 1, 1949, a stockholder or member was entitled to possession of a dwelling unit in the structure or premises by virtue of a proprietary lease or otherwise, or * * *."

Mr. ABERNETHY. Mr. Chairman, in the first session of this Congress the Rent Control Act of the District of Columbia provided that an apartment could not go cooperative unless 65 percent of the tenants of the apartment purchased stock in the association.

The amendment I have offered continues that situation with the one limitation that it shall not apply to apartments which rent for more than $85 a month. It continues the provision that the apartment cannot go cooperative unless 65 percent of the tenants who pay $85 and less a month rent agree and take that much stock. In other words, the tenant who pays no more than $85 per month is not affected. His unit continues under rent control and cannot be affected by the apartment going cooperative.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. ABERNETHY].

The amendment was agreed to.

Mr. McMILLAN of South Carolina. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. YOUNG, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6669) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the the bill as amended do pass.

CALL OF THE HOUSE

Mr. KILBURN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously, a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 185]

| | | |
|---|---|---|
| Anderson, Calif. | Furcolo | McConnell |
| Auchincloss | Gamble | McGrath |
| Bailey | Garmatz | McMillen, Ill. |
| Barrett, Pa. | Gary | Mack, Wash. |
| Bates, Ky. | Gillette | Madden |
| Bentsen | Gilmer | Miller, Md. |
| Blackney | Gossett | Mitchell |
| Boggs, Del. | Granahan | Monroney |
| Boggs, La. | Grant | Morgan |
| Boykin | Green | Morris |
| Brehm | Hall, Edwin Arthur | Morrison |
| Brooks | Hall, Leonard W. | Morton |
| Brown, Ohio | Hand | Murdock |
| Bryson | Hare | Murphy |
| Buckley, N. Y. | Harris | Nelson |
| Bulwinkle | Hart | Noland |
| Burdick | Hébert | O'Neill |
| Carnahan | Heffernan | Pace |
| Carroll | Heller | Patten |
| Case, N. J. | Herlong | Patterson |
| Case, S. D. | Herter | Peterson |
| Cavalcante | Hobbs | Pfeifer, Joseph L. |
| Celler | Hoffman, Mich. | Pfeiffer, William L. |
| Chatham | Holifield | Philbin |
| Chiperfield | Howell | Phillips, Tenn. |
| Chudoff | Irving | Plumley |
| Cole, N. Y. | Jackson, Calif. | Potter |
| Cooley | Jacobs | Poulson |
| Corbett | Javits | Powell |
| Cox | Jenison | Quinn |
| Crawford | Jennings | Rabaut |
| Crook | Jones, N. C. | Redden |
| Davenport | Kearns | Reed, N. Y. |
| Davies, N. Y. | Keefe | Regan |
| Davis, Ga. | Kelley, Pa. | Ribicoff |
| Dawson | Kelly, N. Y. | Rich |
| Deane | Kennedy | Riehlman |
| Denton | Keogh | Rivers |
| Dingell | Kerr | Robeson |
| Dolliver | Kruse | Rogers, Fla. |
| Donohue | Kunkel | Roosevelt |
| Douglas | Lane | Sadlak |
| Durham | Latham | Sadowski |
| Engel, Mich. | Lichtenwalter | Sanborn |
| Engle, Calif. | Lodge | Scott, Hardie |
| Fernandez | Lovre | Shafer |
| Fogarty | McCormack | Sheppard |
| Frazier | McDonough | Sikes |
| Furcolo | McGregor | Sims |
| Gamble | McKinnon | Smathers |
| Garmatz | McMillan, S. C. | Smith, Ohio |
| Gary | McVey | Stanley |
| Gillette | Macdonald | Steed |
| Gilmer | Machrowicz | Stigler |
| Gossett | Mahon | Sutton |
| Granahan | Marshall | Teague |
| Grant | Martin, Iowa | Tollefson |
| Green | Martin, Mass. | Van Zandt |
| Hall, Edwin Arthur | Merrow | Vinson |
| Hall, Leonard W. | Metcalf | Wagner |
| Hand | Miller, Calif. | Welch |
| Hare | Miller, Nebr. | Werdel |
| Harris | Miller, N. Y. | Wheeler |
| Hart | Mills | White, Calif. |
| Hébert | Morano | White, Idaho. |
| Heffernan | Morgan | Whitten |
| Heller | Morris | Wickersham |
| Herlong | Morrison | Widnall |
| Herter | Morton | Wilson, Ind. |
| Hobbs | Murdock | Wilson, Okla. |
| Hoffman, Mich. | Murphy | Wilson, Tex. |
| Holifield | Nelson | Withrow |
| Howell | Noland | Wood |
| Irving | O'Neill | Woodhouse |
| Jackson, Calif. | Pace | Yates |
| Jacobs | Patten | |
| Javits | Patterson | |
| Jenison | Peterson | |
| Jennings | Pfeifer, Joseph L. | |
| Jones, N. C. | Pfeiffer, William L. | |
| Kearns | Philbin | |
| Keefe | Phillips, Tenn. | |
| Kelley, Pa. | Plumley | |
| Kelly, N. Y. | Potter | |
| Kennedy | Poulson | |
| Keogh | Powell | |
| Kerr | Quinn | |
| Kruse | Rabaut | |
| Kunkel | Redden | |
| Lane | Reed, N. Y. | |
| Latham | Regan | |
| Lichtenwalter | Ribicoff | |
| Lodge | Rich | |
| Lovre | Riehlman | |
| McCormack | Rivers | |
| McDonough | Robeson | |
| McGregor | Rogers, Fla. | |
| McKinnon | Roosevelt | |
| McMillan, S. C. | Sadlak | |
| McVey | Sadowski | |
| Macdonald | Sanborn | |
| Machrowicz | Scott, Hardie | |
| Mahon | Shafer | |
| Marshall | Sheppard | |
| Martin, Iowa | Sikes | |
| Martin, Mass. | Sims | |
| Merrow | Smathers | |
| Metcalf | Smith, Ohio | |
| Miller, Calif. | Stanley | |
| Miller, Nebr. | Steed | |
| Miller, N. Y. | Stigler | |
| Mills | Sutton | |
| Morano | Teague | |

The SPEAKER. On this roll call 261 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

The SPEAKER. The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. PHILLIPS of California) there were—ayes 103, noes 72.

Mr. PHILLIPS of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and fifteen Members are present with the exception of the present occupant of the chair, which makes 216, a quorum.

So the bill was passed.

A motion to reconsider was laid on the table.

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the title of the bill.

The Clerk read the Senate bill, as follows:

*Be it enacted, etc.*, That section 1 (b) of the District of Columbia Emergency Rent Act, as amended (D. C. Code, 1940 ed., sec. 45–1601 (b)), is hereby amended (a) by striking out "June 30, 1950" and inserting in lieu thereof "December 31, 1950, unless the Commissioners of the District of Columbia, prior to December 31, 1950, shall declare by resolution that a shortage continues in one or more classes of housing accommodations which requires the continuance of the provisions of this act wtih respect to such class or classes of housing accommodations, in which event the provisions of this act and all regulations, orders, and requirements thereunder shall continue in force and effect with respect to such class or classes of housing accommodations until June 30, 1951", and (b) by adding at the end thereof, the following sentence: "The term 'classes of housing accommodations' as used in this section shall be deemed to be without limitation and may include categories of housing accommodations by location or geographical area, by monetary rental, or by types."

SEC. 2. Section 2 of such act is hereby amended by adding at the end thereof the following paragraphs and subsections:

"(5) (a) After June 30, 1950, the provisions of this act shall not apply to, and no maximum rent ceiling or minimum service standards shall be prescribed for any furnished nonhousekeeping housing accommodations which are rented as rooms without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms), and when and for such period as all of the housing accommodations in any building consists of rooms rented as furnished nonhousekeeping housing accommodations without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms) the provisions of this act shall not apply to, and no maximum-rent ceilings or minimum-service standards shall be prescribed for, any such building.

"(b) After June 30, 1950, self-contained family units (as defined by regulations issued by the Administrator) located in hotels shall continue to be housing accommodations subject to maximum-rent ceiling and minimum-service standards unless the Administrator issues an order decontrolling them, or any of them, which he shall issue if he finds that such hotel is primarily engaged in furnishing accommodations for transients."

SEC. 3. Subsection (b) of section 4 of such act is hereby amended by inserting before the period at the end thereof a colon and the following: "*Provided further*, That the Administrator may by order adjust the maximum-rent ceiling or minimum-service standard hereunder although the landlord fails to produce evidence of facts occurring in the period from January 1, 1941, to December 31, 1945, if the landlord proves circumstances which in the opinion of the Administrator excuse the failure to produce evidence of such facts."

Mr. McMILLAN of South Carolina. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McMILLAN of South Carolina: Strike out all after the enacting clause of S. 3776 and insert in lieu thereof the following: "That section 1 (b) of the District of Columbia Emergency Rent Act, as amended (D. C. Code, 1940 edition, sec. 45–1601 (b)), is hereby amended by striking out 'June 30, 1950' and inserting in lieu thereof 'January 31, 1951, unless the Congress shall by joint resolution insert a later date.'

"SEC. 2. (5) (a) After June 30, 1950, the provisions of this act shall not apply to, and no maximum rent ceiling or minimum service standards shall be prescribed for, any furnished nonhousekeeping housing accommodations which are rented as rooms without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms), and when and for such period as all of the housing accommodations in any building consists of rooms rented as furnished nonhousekeeping housing accommodations without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms) the provisions of this act shall not apply to, and no maximum rent ceilings or minimum service standards shall be prescribed for, any such building.

"(b) After June 30, 1950, self-contained family units (as defined by regulations issued by the Administrator) located in hotels shall continue to be housing accommodations subject to maximum rent ceiling and minimum service standards unless the Administrator issues an order decontrolling them, or any of them, which he shall issue if he finds that such hotel is primarily engaged in furnishing accommodations for transients.

"SEC. 3. Subsection (b) of section 4 of such act is hereby amended by inserting before the period at the end thereof a colon and the following: '*Provided further*, That the Administrator may by order adjust the maximum rent ceiling or minimum service standard hereunder although the landlord fails to produce evidence of facts occurring in the period from January 1, 1941, to December 31, 1945, if the landlord proves circumstances which, in the opinion of the Administrator excuse the failure to produce evidence of such facts.'

"SEC. 3. (a) Where rooms or accommodations are decontrolled in the foregoing section, the building in which said rooms or accommodations are located shall also be decontrolled.

"SEC. 4. Section 5 (b) (2) of Public Law 45, Eighty-first Congress, first session, is hereby amended to read as follows:

"'Section 5. (b) (2) The landlord seeks in good faith to recover possession of the property for his immediate and personal use and occupancy as a dwelling: *Provided*, That in the case of housing accommodations for which the rent does not exceed $85 per month, in a structure or premises owned or leased by a cooperative corporation or association no such action or proceeding under this paragraph or paragraph (3) of this section shall be maintained unless stock or membership in the cooperative corporation or association has been acquired by persons who are or were tenants in occupancy of at least 95 per centum of the dwelling units in the structure or premises at the time said cooperative corporation or association either (1) acquired or leased said structure or premises, or (2) entered into a contract or option to acquire or lease said structure or premises, whichever date is earliest, and who as such stockholders or members are entitled to possession of their respective dwelling units in the structure or premises by virtue of proprietary leases or otherwise, and this provision shall apply whether such corporation or association acquired or leased such structure or premises or entered into a contract or option to do so prior to or after the effective date of this amendatory Act or unless as the holder of stock or membership acquired in the cooperative corporation or association prior to March 1, 1949, a stockholder or member was entitled to possession of a dwelling unit in the structure or premises by virtue of a proprietary lease or otherwise, or * * *'."

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent the proceedings whereby the bill H. R. 6669 was passed were vacated, and that bill was laid upon the table.

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent that the House insist upon its amendment to the bill (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended, and ask for a conference with the Senate on the disagreeing votes of the two Houses.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. McMILLAN of South Carolina, ABERNETHY, and O'HARA of Illinois.

## INCREASE IN SALARY OF MEMBERS OF CONGRESS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to address the House for 8 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, today I introduced a bill which will probably be my last in Congress. This bill is to increase the compensation of Members of Congress from $12,500 to $20,000 per annum, and to call attention to the fact that, although Congress has increased the salaries of the President, Vice President, Speaker of the House, Cabinet members, Judges of the Supreme Court and Federal courts, our own congressional staffs, committee clerks, and I think practically every Federal employee of the Congress, we have neglected to advance our own salaries. I have served 26 years in the House and during that time, although the cost of living has advanced more than 50 percent, it is a fact that our salaries have practically remained static. Since I came to Congress in 192[illegible], my salary has been increased $2,500, while the cost of living during that period has more than doubled. As I have said, Members have voted increases to nearly everyone in the employ of the Federal Government and for some strange reason have overlooked themselves, probably because the matter has never been presented as it should be.

I do not believe that the American people would approve of their 531 Members of Congress, whom they have elected to represent them, being underpaid for services rendered. A Member must maintain a home in Washington where rents and food command the highest prices. He must also maintain a home in his congressional district and at the same time bear the expense of a campaign every 2 years with all the incidentals attached to a campaign—much traveling from Washington to the district—and it was only a few years ago that an expense account of $2,500 was allowed for this item.

I have been informed that comparatively few Members of Congress have other sources of income. Many who came here left temporarily good law practices, expecting to continue their professions, but have found it impossible to do so because of the long sessions we have had since 1933. Others have found it necessary to discontinue various kinds of businesses because of the pressure in Washington. A great many young men with families have told me that meeting their obligations has been a constant source of worry and I contend that when one is worried, it is impossible to do the kind of work we should do here in Congress.

I am proud to say that during my long service I have found very few Members who were not conscientious in the discharge of their duties and obligations. Many work long hours in committee day after day where most of the work is done. We represent a cross section of the greatest country in the world and are responsible for appropriating billions of dollars of tax money and conducting the largest corporation in the world—Government—yet if we compare our salaries with those of any large corporation, it should give us much food for thought.



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I have before me a list of salaries of top executives which I shall place in the RECORD for the information of the Members. The list is based on records of the Securities and Exchange Commission and also reports from copies of Business Week:

*Total fees, salaries, and commissions received by presidents, and chairmen of the boards of directors of selected corporations—1949*

[The totals listed here do not cover bonuses and pension fund payments—Figures cover year ending Dec. 31, 1949, except as otherwise indicated]

| Corporation | Chairman board of directors | President |
|---|---|---|
| 1. Abbott Laboratories [1] | ---------- | $67,715.00 |
| 2. Allied Chemical & Dye Corp. | ---------- | 125,000.00 |
| 3. Allis-Chalmers Manufacturing Co. | ---------- | 76,150.00 |
| 4. Willys-Overland Motors, Inc.[2] | $50,000.00 | 96,875.00 |
| 5. American Airlines, Inc. | ---------- | 50,000.00 |
| 6. American Sugar Refining Co. | 40,550.00 | 100,450.00 |
| 7. Armour & Co.[3] | 97,033.42 | 102,700.00 |
| 8. Eastman Kodak [4] | 80,000.00 | 170,000.00 |
| 9. Coty, Inc.[5] | 19,149.96 | 21,235.00 |
| 10. General Motors Corp. | 48,600.00 | 201,101.00 |
| 11. The Hecht Co.[6] | 40,000.00 | 25,020.00 |
| 12. Ingersoll Rand Co. | 78,000.00 | 122,500.00 |
| 13. National Cash Register | 100,000.00 | 100,000.00 |
| 14. Pepsi-Cola Co. | ---------- | [7] 104,000.00 |
| 15. Packard Motor Car Co. | ---------- | [7] 109,374.84 |
| 16. Studebaker Corp. | ---------- | [7] 125,000.00 |
| 17. Vicks Chemical Co. | ---------- | [7] 47,735.00 |

[1] Year ending Dec. 31, 1948.
[2] Year ending Sept. 30, 1949.
[3] Year ending Oct. 29, 1949.
[4] Year ending Dec. 25, 1949.
[5] 6-month period ending Dec. 31, 1949.
[6] Year ending Jan. 31, 1950.
[7] Offices of chairman of board and president are held by 1 man.

Source: Securities and Exchange Commission, annual reports by corporations.

The following table was taken by issues of Business Week, issues of May 20, 1950, and April 22, 1950. The salaries given are those of industrial corporations with more than $1,000,000,000 in sales in 1948:

| | |
|---|---|
| 1. Loew's Inc., Louis B. Mayer, first vice president | $509,622 |
| 2. American Tobacco Co., Vincent Riggio, president | 460,000 |
| 3. R. J. Reynolds Tobacco Co., James A. Gray, chairman | 229,216 |
| 4. American Cyanamid Co., W. B. Bell, president | 370,562 |
| 5. Union Carbide & Carbon Corp., Fred Haggerson, president | 225,000 |
| 6. National Lead Co., Joseph Martino, president | 158,269 |
| 7. Safeway Stores, Inc., Lingan A. Warren, president | 368,542 |
| 8. National Distillers Products Corp., Seton Porter, chairman | 325,962 |
| 9. Republic Steel Corp., Charles M. White, president | 314,371 |
| 10. Colgate-Palmolive-Peet Corp., Edward Little, president | 300,000 |
| 11. Radio Corp. of America, David Sarnoff, chairman | 211,901 |
| 12. Pittsburgh Consolidation Coal Co., George H. Love, president | 136,305 |
| 13. Federated Department Stores, Inc., Fred Lazarus, Jr., president | 145,570 |
| 14. Shell Oil Co., Alexander Fraser, president | 132,000 |
| 15. Bethlehem Steel Corp.: | |
| Eugene Grace, chairman | 333,996 |
| Arthur Home, president | 273,328 |
| 16. E. I. du Pont de Nemours & Co.: | |
| C. H. Greenewalt, president | 438,550 |
| A. B. Echols, vice president | 313,350 |
| 17. Chrysler Corp.: | |
| K. T. Keller, president | $250,800 |
| B. E. Hutchinson, vice president | 225,700 |
| Herman Weckler, vice president | 242,947 |
| Fred Zeder, vice president | 215,400 |

I have been giving the subject of increased compensation for Members of Congress much thought and I know how difficult it is for any Member to introduce a bill to raise his or her own salary without being misunderstood. Since this will be my last year of service and I will not profit by the increase, I decided to offer this bill for your consideration. I know what it has cost me to live here very modestly and without a family to support. I realize how difficult it is for a young man who would like a career in Congress, and I think we can say with pride that so many of our young men are doing a great job for their congressional districts and for their country. You will note in my bill that I have provided extra compensation for the majority and minority floor leaders. I think that this should be done because the majority and minority leaders both have great responsibility in directing legislation and must be on the floor or available during the entire time that Congress is in session. They are entitled to extra compensation.

I have loved my service in the House and shall always cherish the friendships I have enjoyed with the fine men and women who have helped me over many a rough spot. I shall be very happy if when leaving you this, my last bill, becomes law, for no person realizes more than I do how necessary it is to encourage the right kind of people to serve in Government. I believe that in the years ahead many more men and women would be encouraged to serve in Congress if they could be assured that their service would not entail financial worry.

If my bill is approved by Congress, I feel confident that the President will sign it. He has said repeatedly that he favors adequate compensation for those who are engaged in Government business.

The United States Government is the greatest corporation in the world. The Congress is its Board of Directors. It should have the best brains to conduct its business. We cannot secure such people unless they receive proper compensation or, we elect men and women with other sources of income.

Mr. McCORMACK. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I want to congratulate the gentlewoman from New Jersey for introducing her bill and for making the remarks she has. I thoroughly subscribe to the bill that the gentlewoman has introduced and I want the RECORD and the world to know that I am in favor of it. On a number of occasions in the past I have stated on the floor of the House that I favor a salary of $25,000 a year for Members of Congress, but, naturally, I recognize that could not be accomplished. I will support an increase in salary to $20,000 a year.

I think we underestimate the common sense of the people of our districts. The people of our districts want us to live under proper conditions. Of course, you cannot expect to obtain as large compensation in public life as you do in private life, but our people expect and they want us to be paid an adequate salary. I sometimes think we underestimate the average person who, when given the facts, appreciates and understands and supports a proposition. I have yet to vote against a salary increase in any legislative body I have been in, because I felt they were all justified, both in this body and in the Massachusetts Legislature, and I would vote for this one. I have my doubts, but I hope we will approach it with confidence and courage and do it this year, because you will have to do it this year in order to have the increase go into effect next year.

Again, I congratulate the gentlewoman from New Jersey in introducing the bill and making the remark she has in support of it.

Mrs. NORTON. I thank the gentleman.

I commend my bill to you, ladies and gentlemen of the House, and I sincerely hope that it will become law before I say adieu.

### THE 1950 TAX-JUGGLING BILL

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a short editorial.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Speaker, the 1950 tax bill, H. R. 8920, is not a tax-reduction bill at all. It is a tax-juggling bill. The bill proposes to shift an obvious tax burden—excise taxes—from some of the consumers of the Nation to a concealed tax burden placed upon all the consumers—corporation taxes. In this respect the bill is a phony tax-reduction bill.

The tax burden today upon the average American family amounts to $1,600 per year, $32 per week for the 50 working weeks in the year, and 80 cents per hour for the average family breadwinner, based upon a 40-hour workweek. The only way to reduce this excessively heavy tax load is to drastically curtail Government expenditures. There is no other way.

Mr. Speaker, the shifting or juggling of the tax load that is proposed in H. R. 8920 is so well discussed in the following editorial entitled "Who Pays Corporation Taxes?" carried in the June 20, 1950, issue of the Streator Daily Times-Press, Streator, Ill., that I include it as a part of my remarks:

WHO PAYS CORPORATION TAXES?

There should be no jubilation over prospects of securing reductions in excise taxes at the expense of adding some 3 percent to the present heavy corporation tax. Corporations which have been paying 38 percent of their profits into Federal coffers have been bearing a heavy percentage of Federal expenditures and to add an additional burden on these business enterprises is to weaken the whole structure of private enterprise.

Every corporation dollar that is paid the Government in the form of income tax is a dollar which the corporation cannot use to expand production, that cannot be used to develop new products, and cannot be used to pay salaries.

When it is not possible to develop new products and not possible to expand production of present products, it means only that new jobs cannot be created, and that is serious, for our entire economy is based upon more and more jobs to provide employment for the hordes of young men and women who each year are entering occupations for the first time.

By all means, wartime emergency excise taxes which have been unfairly distributed and retained long after hostilities have ended should be eliminated at the earliest possible moment. It could be accomplished by reducing Government expenditures, as shown by Senator BYRD, of Virginia, and without forcing additional taxes to make up for the shortage from excise levies. But the administration has insisted that the President would veto any such tax bill that did not carry additional taxes from some source, and apparently the easiest spot to drop additional burdens is upon the corporation. Everybody seems to think the corporation operates in some magic manner without limit of its resources.

The corporation, however, thinks of taxes in terms of expense, and additional taxes will mean additional prices which the consumer must pay, for that is the only way the funds are forthcoming. The whole economy will suffer by overtaxing corporations, but corporations as such do not vote.

After all, if the voters do not see through the fallacy of burdening business too heavily, Congress will lay it on heavily. Off will come the levies on baby talcum and cosmetics and up will go the corporation tax. That's the simple and unthinking way to produce more income.

### PERMISSION TO ADDRESS THE HOUSE

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks in the Appendix and include certain correspondence and tables.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[Mr. MURRAY of Wisconsin addressed the House. His remarks appear in the Appendix.]

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. COMBS] is recognized for 60 minutes.

### THE TIDELANDS DECISION OF THE SUPREME COURT IN THE TEXAS CASE

Mr. COMBS. Mr. Speaker, I have sought this special order to discuss what I think is a serious question presented by the decision of our Supreme Court in the Tidelands cases involving California, Louisiana, and Texas. As I view those decisions, the principles upon which the Court based its judgment, taking from those States the lands that lie under the waters adjacent to their shores, and which prior decisions in an unbroken line for a hundred years preceding have confirmed to the States beyond question, are a new thing in the law. As I shall point out, the doctrine of the paramount right of the Federal Government to take for national use all which it needs without paying for it, and that is what it amounts to in the final analysis, presents a grave question.

Mr. Speaker, on June 5, 1950, the United States Supreme Court by a 4 to 3 decision, two Justices not participating, handed down a decision and judgment, the effect of which is to take from the people of Texas the offshore submerged lands which have been within the boundaries of Texas and have belonged to Texas since the days of the Republic.

The Republic of Texas fixed her boundaries by act of the Texas Congress on December 19, 1836, and in doing so fixed her seaward boundary at three leagues or 10½ miles from shore, beginning at the mouth of the Sabine River on the east and extending to the mouth of the Rio Grande. Subsequently, she was recognized as an independent nation by several foreign countries including the United States. By the terms of the agreement between the Republic of Texas and the United States by which Texas joined the Union, Texas retained all "vacant and unappropriated lands lying within its limits." The history of the negotiations, including letters exchanged between J. A. Donaldson, the United States Commissioner, and President Polk show that the "limits" referred to were those set forth in the act of 1836 and that President Polk wrote while the negotiations were in progress "Of course, I would maintain the Texan title to the extent which she claims it to be." In view of these facts, Texans have felt ever since the Federal Government began asserting title, or "paramount rights" in the underwater coastal lands that regardless of what might be the outcome as to the claim asserted against other States, surely there could be no question as to Texas ownership of the seaward 10½-mile strip within her limits. Consequently the people of Texas have been profoundly shocked by the action of the Supreme Court. The valuable, oil-bearing coastal lands involved belong to our permanent school fund which our State has built up and zealously guarded from the days of the Republic as a priceless heritage of our children. The prospect of these lands being taken from them by Court judgment is of itself shocking enough. But there are circumstances and implications attending the action that are even more disturbing. These circumstances and implications, which I shall now refer to, profoundly affect every State, and in a sense every person in this Union.

In the first place, the decision was rendered by a minority of four members of a nine-member Court. This came about by reason of the fact two justices, Mr. Justice Jackson and Mr. Justice Clark were disqualified, and as a consequence four justices constituted a majority of the seven remaining justices. Three justices dissented, Mr. Justice Reed, Mr. Justice Minton and Mr. Justice Frankfurter, on the ground that Texas owns the tidelands involved to the 10½-miles seaward limit and the oil and minerals beneath them. Are these valuable lands to be taken from our people by a Court judgment pronounced by a minority? Shall a controlling precedent of Court opinion that will profoundly affect every State in the Union be thus established?

Another disturbing fact is the refusal of the Court to grant Texas' request for permission to submit evidence. In the past the Supreme Court has many times received evidence in State boundary disputes and claims between the Federal Government and a State, in which not only the historic background and other facts were inquired into but also the opinions of leading authorities on the subject involved were heard. Had the request been granted, Attorney General Daniels of Texas was prepared to establish the facts above stated and a lot more; he would have submitted the testimony of a number of outstanding authorties on international law, all to the effect that Texas owns the lands and minerals involved. This was refused and the case adjudged merely on the pleadings without hearing any facts.

Finally, and this is profoundly disturbing, in deciding the case, the court opinion laid down a doctrine, or principle of precedent law, which farther extends that strange new doctrine of paramount right of the Federal Government first pronounced in the majority opinion in the California case. I have done some research and I have carefully studied and analyzed the opinion in the Texas case. I have no doubt that the principle there stated, carried to its logical conclusion, will profoundly affect the relationship heretofore existing between the Federal Government and the States. The first and most obvious effect will be for the Federal Government to move in and take over the fisheries and other activities of the coastal States from Maine to Washington and points between clear up to low-water mark. I understand that certain agencies of the Government are even now planning to seek legislation and appropriations to do just that. But the opinion goes much farther. The principle announced of the paramount right of the Federal Government to take without compensation whatever minerals or other substances it needs for the national defense can be applied to the lands and minerals of every State. Now, I want to discuss that question, and in doing so will discuss the court opinion.

Since it is necessary that I discuss the opinion of the court, and I feel that it is necessary, I want to offer a few general observations. I have been a practicing lawyer for more than 30 years and about 17 years of that was served at different periods on the trial and appellate benches of my State. I have always observed with meticulous care the ethics of my profession. Also, I have been both on the giving and on the receiving end of court criticism. There is a good deal of confusion in people's thinking concerning the propriety and right to criticize the opinion and decisions of a court. It is perfectly proper to criticize court opinions and decisions if it is done in the proper way and in the proper spirit. This is a democracy. Judges and courts are entitled to great respect because of the function the court performs in our system of government. But judges are

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not infallible. They are human and are subject to the rule that we are all subject to, that it is but human to err. Also, it is through the right of the lawyer and others to criticize that important questions for decision of the courts are given complete rather than one-sided consideration.

I have formulated a simple rule to guide me in my criticism of courts and court judgments in the years gone by. I didn't read it in a book, but it has served my purpose very well. In substance it is this. It is never proper for one to impugn the motives of or to ridicule or speak contemptuously of any court or any judge or justice of it or to bring in question the integrity and honesty of a court or its judges. To do so would be an attack upon the court as an institution. It would tend to breed suspicion and contempt of the judicial institution and to undermine the faith and confidence of our people in the courts. And it is essential, in a republic especially, that the citizen shall have complete confidence in the judicial institution and live in the knowledge that he can resort to the courts of his country as to the horns of the altar to adjudge and secure for him the rights to his property, his life, and his liberty. But while it is not proper to improperly criticize a court, it is perfectly proper and on occasion a duty to question the soundness of a court's decision, to criticize the logic of the opinion, and to argue that it is not in keeping with past precedents, that it is not sound in principle, or that the doctrine announced will be injurious to the public.

Now, to understand the full meaning and effect of the decisions of our Supreme Court in the California, Louisiana, and Texas cases, it is necessary that we first understand what is involved. What is the tidelands issue? How did it originate?

I will trace very briefly the history of the tidelands questions. It has been the practice of nations and States for centuries in establishing their boundaries on a seacoast that the boundary be not fixed at the water's edge but is established some distance out seaward. Along most every seacoast there is a strip of land referred to as the continental shelf extending outward in some places many miles before the open sea is reached. This submerged land is considered by most authorities on international law to be but an extension of the land mass to which it is attached. The Colonies, long before the formation of the Union, established their seaward boundaries 3 miles from shore as was common at that period. The 3 miles was supposed to be the distance that a cannon shot could be fired in those days. The 3 miles of water-covered land was as much within the boundaries of the State as was the land above water. And all through the years and up to this time the States have exercised police powers, regulated fisheries and took shell, kelp, and other substances from these waters within their limits, subject only to the right of the Federal Government to control navigation and conduct the national defense, and so forth. All through the years controversies have now and then arisen between the Federal Government and a State concerning the use of such waters and more than 200 decisions of the courts, both Federal and State, extending back for 100 years or more, have held that the States owned the tidelands within their boundaries. I will read brief excerpts from three decisions of the Supreme Court of the United States to illustrate the uniform holding.

In one early case, *Mumford* v. *Wardwell* (6 Wall. 423, 436), handed down in 1867, it was held:

> The settled rule of law in this court is, that the shores of navigable waters and the soils under the same in the original States were not granted by the Constitution to the United States, but were reserved to the several States, and that the new States since admitted have the same rights, sovereignty, and jurisdiction in that behalf as the original States possess within their respective borders. When the Revolution took place, the people of each State became themselves sovereign, and in that character hold the absolute right to all their navigable waters and the soils under them.

Mr. Chief Justice Waite in 1876 said:

> Each State owns the beds of all tidewaters within its jurisdiction.

Mr. Chief Justice Hughes said in 1935:

> The soils under tidewaters within the original States were reserved to them respectively, and the States since admitted to the Union have the same sovereignty and jurisdiction in relation to such lands within their borders as the original States possessed.

As early as around 1920 the State of California leased her tidelands for oil production and wells have been drilled and oil produced from her tidelands ever since. No question was raised as to her right to do so, nor as to the right of any State to lease the tidelands within the limits for oil production until about 1937 when Mr. Ickes, then Secretary of the Interior, decided to assert a claim to the offshore oil on behalf of the United States. But before that, in 1933, Mr. Ickes himself wrote a letter to an applicant for an oil lease on the California tidelands in which he said:

> Title to the oil within the 3 miles limit is in the State of California and land may not be appropriated except by the authority of the State.

Consequently, not only California but the States of Texas and Louisiana leased the tidelands within their boundaries for the production of oil and gas. Oil companies and wildcatters invested millions in the purchase of leases and the States themselves have through the years derived large revenue from the oil.

But the claim asserted by Mr. Ickes in 1937 gathered support from some officials of the National Government and as a result suit was filed by the Attorney General against California and later against Louisiana and Texas. Such is the history of the controversy.

In deciding the California case, the Supreme Court, by a divided court incidentally, held that California did not own the submerged lands within its limits because the transfer from Mexico was to the United States. And so, said the Court, the marginal sea area was not acquired by California. It did not hold that the Federal Government owns the land or the oil in the submerged lands within the boundaries of California. What it did hold was that the Federal Government has a paramount right to take the oil regardless of the bare title of the land. Thus a strange new doctrine was announced—the right of the Federal Government to take, without compensation, oil needed for national use, at least under the facts it found to exist in the California case. But in the Texas case the Court does not question the fact that the Texas Republic owned the land in the marginal sea to its 10½-mile boundary. Still it applies the paramount-right doctrine to Texas, and, as a result, destroys an existing ownership of the State. And, of course, this would also destroy the title of any person holding under prior conveyance from Texas.

Thus, we are now confronted with a solemn and challenging fact. By decision of only four members, a mere minority of the full membership of the Supreme Court, a judgment has been entered striking down the Texas title. In doing this the Court greatly extended the doctrine of the California case. It has announced principles which threaten the rights of every State in the Union. For if the Court by judicial decree can take the tidelands and the oil beneath them from Texas, Louisiana, and California without compensation she can likewise take title to any mineral or substances anywhere. If anyone doubts this he need only read the opinion of Mr. Justice Douglas who wrote the Court opinion. He spelled out clearly the implications of the holding when he said:

> Today the controversy is over oil, tomorrow it may be over some other substance or mineral, or perhaps the bed of the ocean itself.

Thus the fisheries of Washington and Oregon, of Maine and Massachusetts, the sponge fisheries of Florida are to be taken over. The sea waters along the coast line are to pass under the control of the Federal Government up to the low-water mark. Even now certain agencies of the Government are preparing to ask for legislation and appropriations to take control from the States in the seaward area within the boundaries of the littoral States. And if the Government can seize these rights from the States by judicial decree she can likewise take the coal from West Virginia, the phosphates of Tennessee, or the copper of Montana if needed for a national use, regardless of who owns the base title.

The fundamental doctrine of the Court decision in the Texas case is astounding and most dangerous indeed. I said at the outset that the Texas decision goes far beyond the doctrine announced in the California case. Justice Reed filed a dissenting opinion in which he was joined by Justice Minton. In that dissent Justice Reed stated:

> I think the resolution of annexation left the marginal sea area in Texas. The resolution expressly concedes all "vacant and unappropriated lands lying within its limits." An agreement of this kind is in accord with the holding of this Court that ordinary lands may be the subject of a compact between a

State and a Nation, *Sterns* v. *Minnesota* (179 U. S. 223). The Court, however, does not decide whether or not the vacant, unappropriated lands lying within its limits at the time of annexation includes the land under the marginal sea. I think it does include those lands. At least we should permit evidence of its meaning.

Instead of deciding this question of cession, the Court relies upon need for the United States to control the area seaward of low-water mark because of its national responsibility. It reasons that full dominion over the resources forces this paramount responsibility, and refers to the California discussion of the point. But the argument based on international responsibility prevailed in the California case because the marginal sea area was staked out by the United States. The argument cannot reasonably be extended to Texas without a holding that Texas ceded that area to the United States.

Necessity for the United States to defend the land and to handle international affairs is not enough to transfer property rights in the marginal sea from Texas to the United States—the needs of defense and sovereign affairs alone cannot transfer ownership of an ocean bed from a State to the Federal Government any more than they could transfer iron ore from under uplands of a State to Federal ownership. National responsibility is no greater in respect to the marginal sea than it is to every other parcel of American territory. In my view Texas owns the marginal area by virtue of its original proprietorship. It has not been shown to my satisfaction that it lost it by the terms of the resolution of annexation.

Mr. Justice Frankfurter, in a separate, short dissent had this to say:

I must leave those who deem the reasoning of that decision—

The California case—

the right to define its scope and apply it, particularly to the historically very different situation of Texas. As is made clear in the opinion of Mr. Justice Reed, the submerged lands now in controversy were part of the domain of Texas when she was on her own. The Court now decides that when Texas entered the Union she lost what she had and the United States acquired it. How that shift came to pass remains for me a puzzle.

I think what the dissenting Justices had in mind is that the Court opinion does not show any legal transfer of title from Texas to the United States. Under the American system of law relating to real estate, as is true in all English-speaking countries, the ownership of land is absolute and carries with it the right to the air above and to all substances on or beneath it. Also the title must be transferred in some lawful fashion, such as by deed, grant, or inheritance. And, of course, there was no such transfer by Texas to the United States. And the Court decision naturally did not show any such transfer. The Court decision did work a transfer by extending the doctrine of paramount right.

Mr. Justice Reed points out that the court's decision does not show any legal transfer of title from Texas, which all admit, on the tidelands and Justice Frankfurter states that how the shift came about "remains for me a puzzle." But I think Mr. Justice Douglas, in writing the Court's opinion, in one single paragraph, shows exactly how the majority worked that shift of title. He states:

It is said there is no necessity for it—

That is for the Federal Government to own the sea bottom and the oil—

that the sovereignty of the sea can be complete and unimpaired no matter if Texas owns the oil underlying it. Yet, as pointed out in *United States* v. *California*, since low-water mark is passed the international domain is national. Property rights must then be so subordinated to political rights as in substance to coalesce and unite in the national sovereignty.

Let us examine this language critically. Citing the California case, it says that "once low-water mark is passed the international domain is reached." This means that the submerged lands from there out to the State line is being dealt with at that point, that is the low-water mark, "Property rights" must then be "subordinated to political rights." First, take note that this concedes the property rights or ownership of the State or its grantees in those offshore lands, but that property rights or ownerships must be subordinated. But not only that it must "be so subordinated to political rights"—that is the necessity of the National Government—"as in substance to coalesce and unite in the national sovereign." There is where the transfer takes place. It "coalesces." In other words I own an oil lease from the State in tidelands. The Government wants to take my oil without paying me for it. So it subordinates my right and ownership to such an extent that my right "in substance" passes to the sovereign. And how does it pass? By title conveyance or by condemnation and payment as provided in the Constitution? Oh no, it just "coalesces." And as it coalesces it just naturally "unites in the national sovereign." In other words, the Government, because it needs the oil, just takes it away from me without paying for it.

In some countries they call this expropriation. That principle is unknown to the law of any English-speaking country. In the tidelands cases, it is applied as against the States—also—and thus the power of the Federal Government over the States would be greatly increased. We have no such word as expropriation in our English and American system of justice. But we do have an expressive word that describes the process perfectly. The word is confiscation, and the term is an unpleasant one. But the effect is just the same whether you call the process confiscation or coalesce. In either case the citizen is deprived of his property without due process of law. And the property of the citizen is taken without compensation.

It is noteworthy that in support of that strange doctrine the only authority cited is the decision in the California case by the same court. It is no wonder no other authority was cited because there is none in the whole history of American and English jurisprudence. The principle announced is contrary to the law of real property ownership as it has existed from Coke, Blackstone, and Kent until now. There is not a decision of the high courts of this or any other English-speaking country to support such a doctrine, nor is there an expression from any legal scholar, past or present, in such countries to support it.

I say these things with regret. But as I view it the implications of what the Court has done are too far reaching, too fraught with serious consequences to our country for them to be ignored. It is my thought that some one in the Congress must challenge the holding.

One thing we can do is to bring forth the tidelands relinquishment bill promptly, consider it, and enact it into law. We passed such a bill in the House last Congress with only 29 dissenting votes. Let us pass it again and put at rest the encroachment of Federal authority upon the rights and ownerships of our States in their marginal lands.

As a Texan I want to see the heritage of the school children of Texas, the oil-rich tidelands which their forebears bought for them at San Jacinto, made safe and secure. And may we hope that our Supreme Court will see fit to erase from the books its strange new doctrine of the paramount right of the Federal Government to take the property of the States and their citizens without compensation.

Mr. PICKETT. Mr. Speaker, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from Texas.

Mr. PICKETT. The gentleman is making a very clear, concise, analytical and sound speech. It should be heard, read, and studied by every Member of the House. If it is considered with understanding, legislation on the tidelands subject which is expected to be considered on the floor at an early date will pass by a tremendously large majority—so large that it will serve notice of the futility of a veto such as took place on a previous bill. It will be a guaranty against any attempted seizure in the future.

Mr. COMBS. I thank the gentleman very much for his comments. A rule was granted today, as you know, on this tidelands bill, and I am hopeful that in putting this argument in the RECORD, at least it will help to counter some of the arguments that may be made that Congress, in passing the tidelands bill, will be giving something away. The United States has nothing to give away in those tidelands. We do need to clear up the uncertainty created by the claim of the Federal Government. It is injuring the States, and the matter should be put at rest by conferring the title of the States to their tidelands.

Mr. DOYLE. Mr. Speaker, will the gentleman yield?

Mr. COMBS. I yield.

Mr. DOYLE. I want to compliment our colleague, a distinguished lawyer, on his very fine presentation. As the House knows, in the Seventy-ninth Congress I filed a tidelands bill for the State of California and again in this session of the Congress I did the same thing.

As we come to debate this issue in the next few days, I hope we bear in mind

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that even though the Supreme Court has enunciated a new theory of law with which I disagree, as well as the gentleman now in the well of the House addressing us, nevertheless the House of Representatives reserves unto itself the determination of policy, and I firmly believe the policy of the Congress should be that these rights in controversy should remain in the ownership, possession, and control of the States.

Mr. COMBS. I thank the gentleman for his helpful comments. He is certainly right.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. COMBS. I yield.

Mr. PATMAN. I desire first to commend the gentleman from Texas on his excellent statement and to assure him I am in accord with what he is saying. Under the decision of the courts, what will happen to the area outside of the 3-mile zone extending to the 3 league, or 10½-mile line? Does the opinion of the Court assert that the Federal Government will own out to the 10½-mile line which Texas owns, or does the opinion state that the paramount right will extend to the 3-mile line only?

Mr. COMBS. The Court has refused to claim a thing for the United States Government, even within the 3-mile limit and up to the shore, to say nothing of beyond the 3-mile limit. In other places the farthest the United States has claimed is 3 miles out, and if they were to stand by that, then they would abandon everything beyond the 3 miles, which is land that Texas has had sovereignty over since 1836. I suppose in this atomic age the Government will let the fishermen of all nations come to within at least the 3-mile limit and perhaps even to the low-water mark.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. COMBS. I yield.

Mr. NICHOLSON. I cannot help but remark what a great deal of work the gentleman must have put in on this problem to prepare such a wonderful answer to the decisions of the Court. In the case of Massachusetts, you will find that King James gave us a charter which extended to the 3-mile limit, which was the international law at that time.

That was included in the State of Massachusetts. I assume, although I do not know, that every State on the seacoast, with the exception of Florida will probably have the same kind of charter. If we take these decisions of the Supreme Court to be the law of the land, permitting the government to step in, then all the seashore property in the city of Boston, which is built over tidewater land and on filled-in land and so forth, could be taken away from us without due process which could not be done if they looked up the charters.

Mr. COMBS. The gentleman is correct. Every regulatory craft of the fishing industry, such as in the State of Maine and other States, will probably be put off the high seas and taken over by Uncle Sam by a Washington agency here.

Mr. BECKWORTH. I want to compliment my colleague on the excellent presentation he has given to the House, and to call to the attention of the House the fact that there is no person in this country more qualified to give a fair and concise statement than the gentleman who has spoken, for through the years he has been one of the high judges of the State of Texas, and has studied every problem that has come before him, in the most diligent manner possible. I think we all recognize the unassailable argument he has made. It is my hope that those who have not been privileged to hear him this afternoon will at least take the time to read that which he has said, for I cannot help but believe if that is done we shall win the fight which we know is right, to wit, the retention of the tidelands for our State.

Mr. COMBS. I thank my colleague.

I want the Members to know that I have spoken under great restraint, and I hope with due respect to our highest Court.

Mr. GUILL. Mr. Speaker, will the gentleman yield?

Mr. COMBS. I yield to my colleague from Texas.

Mr. GUILL. I would like to commend the gentleman on his fine statement and I would like to read a few words by Dr. J. A. Hill:

HILL-TOP VIEWS

(By Dr. J. A. Hill)

CANYON.—One of the worst aspects of American life today is the progressive disintegration of governmental integrity. This is not the baseless assertion of a wailing pessimist, but is one of those public tragedies that almost might be classified as self-evident.

The Supreme Court decision in the tidelands matter looks to this column like a case in point. Two independent republics voluntarily entered into a treaty—a solemn, regularly constituted agreement by which the younger and smaller republic surrendered its independence to the older and larger one.

Among the provisions of that treaty was the stipulation that Texas should retain and be responsible for her own national debt. In turn, she was to keep her public lands, which at that time, seemed almost worthless. Had either party to the treaty known the ultimate value of these lands the outcome of the negotiations doubtless would have been quite different.

In the absence of knowledge of the value of the property involved they signed the treaty with mutual feelings of satisfaction. Each was unquestionably well satisfied with the deal. And no question of ownership of public lands or title to same was raised for more than a century.

As long as the tidelands were just so much water-covered terrain the United States had no more thought of the Texas boundary line than she did of Rhode Island's. But once it became rich with oil Texas' title to this tideland was invalid. In the opinion of a majority of the Court, when Texas became a State in the Union all conditions of admission became null and void. Texas was just another State, like Kentucky or Kansas.

It is said that billions of dollars are involved in this decision, and that Texas schools and other public State agencies will suffer irreparable loss. This means a heavier burden on the taxpayers of Texas and one that neither equity nor national honesty would seem to justify.

However, bad as these losses are, they are not the worst features of this recent Court decision. If our National Government will not keep its solemn contracts with one of its own member States and will deliberately filch the property of such States, how can any foreign power have any faith in our international agreements?

We are right now having difficulty making people of the world believe in our national sincerity and dependability. Moreover, our administration in Washington is constantly lashing the Russian Government for its insincerity in all of its relations with the west saying that we cannot treat with that country because no faith can be put in her agreements.

Personally, I think that our diagnosis of Russian diplomacy is 100 percent correct, but when we turn right around and abrogate a solemn treaty between ourselves and the State of Texas, though the terms of that treaty have never before been questioned in its 100-year history, we impeach our own integrity and stand out before the world as a champion of the doctrine that might makes right.

As the world's chief exponent of free government, which is based upon high moral values, and as the world's most responsible leader the United States of America cannot afford to abrogate a solemn compact between herself and any other political unit, domestic or foreign, anywhere on earth. The integrity of this country is far more important these days than all the billions of wealth or even of the rights of all of Texas school children, great as these are.

Already the respect of her own citizens for their government is in a state of unstable equilibrium. This is itself a dangerous situation and our Government should be leaning backward to prove its fidelity to its obligations. As this column sees it the Court decision is a national calamity. If Congress has any power over the situation it should act promptly and decisively in defense of our national honor.

Mr. COMBS. I thank my colleague for that comment.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. COMBS. I yield.

Mr. PHILLIPS of California. I want to commend the gentleman on the very clear and interesting statement, particularly his emphasis on the fact that while the decision itself is serious, the implications are much more serious than the question of States' rights. In the original discussion of this act it was clearly to be seen that this would throw a cloud on the title to a great deal of land adjoining the original areas of the edges of the ocean and the edges of streams. Has that been cleared up by this decision?

Mr. COMBS. No. It has not been cleared up, and the shipyards in the lower part of my district at Beaumont, Orange, and Port Arthur, Tex., are piled up with idle barges and ships that have been hauled in from the sea because they had to quit drilling out there on the Texas leases because of this decision of the Court, until they are cleared up. There are thousands of men out of work and the State is sustaining a great loss of revenue by reason of this cloud on the title to the off-shore land.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. COMBS. I yield.

Mr. LUCAS. I take much pride, as a fellow Texan, in the statement which my colleague has made. It is a frightening situation, as the gentleman has said. I think if this information is given to all Members of Congress, we will have no difficulty in passing a bill protecting the rights of the people. Surely the people of the Nation wish the rights of the tidelands to be in those in whom they have rested for over a century. Nothing

has so inflamed the people of the State of Texas as has this decision. I do not know whether I commend the gentleman or not for his restraint, because I myself have called this decision a theft.

Mr. COMBS. I thank my colleague for his comment.

Mr. ELLIOTT. Mr. Speaker, will the gentleman yield?

Mr. COMBS. I yield.

Mr. ELLIOTT. I want to commend the gentleman on the learned statement he has made, and to ask the gentleman this question: Does the effect of this decision go far enough to bar Texas from asserting the right which it has to that part of the tidelands beyond the 3-mile limit, and within the 10½-mile limit? Is the decision broad enough to exclude you from that?

Mr. COMBS. I would say that the implications, if not the direct decision, would be to stop Texas, and every other State, at the low-water mark. I do not think it could possibly have any other effect.

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. COMBS. I yield.

Mr. McSWEENEY. If the ruling does not go into effect will there not be an effort on the part of other States to have their boundaries extended in like manner?

Mr. COMBS. There may be, and they should do it. The right of sovereignty ought to be extended seaward from our shores by the Federal Government and the States should assert their property rights. I think the right of sovereignty ought to be extended to the continental shelf. By the States to their chosen boundaries and by the Federal Government from there on.

Mr. McSWEENEY. Is it not a fact that following the battle of Jutland, Norway said that she would consider it an unfriendly act for a foreign vessel of war to approach within 11 miles of her coast?

Mr. COMBS. She did.

Mr. McSWEENEY. Will there not be more acts by other nations extending their sovereignty?

Mr. COMBS. There probably will be. Oil is not the only thing involved. At the present time California has a coal mine which extends 4 miles under the Pacific. That is affected by this decision.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. COMBS. I yield.

Mr. POAGE. As I understand it, when a contract is broken by one of the parties, through failure of consideration or otherwise, the other party is relieved of his obligations. Is that right?

Mr. COMBS. That is a principle of contract between persons; yes.

Mr. POAGE. I believe the gentleman told us that the Republic of Texas contracted with the United States for the admission of the Republic into the Union.

Mr. COMBS. That is what we did.

Mr. POAGE. And that the United States Senate rejected originally a treaty which provided that the United States should own all of the public lands of the Republic and that the United States would pay the public debt. The United States Senate did reject that kind of treaty, did it not?

Mr. COMBS. It did reject it, but later an agreement was worked out.

Mr. POAGE. That is right; a joint resolution of the two Houses.

Mr. COMBS. That is right.

Mr. POAGE. And the joint resolution provided, if I recall, and I believe the gentleman so advised the House, provided in express terms that the United States would not pay the debt of the Republic of Texas, that the United States would not take the lands of the Republic but that the State of Texas should reserve those lands and that the Republic should use the lands to pay the debt, and when the debt was paid the State should have the land free and clear of encumbrance. That was the substance of the agreement.

Mr. COMBS. That is right.

Mr. POAGE. In 1950 the State of Texas sold a substantial amount of public lands, about two-thirds. The State of New Mexico, I may say to the gentleman from New Mexico [Mr. MILES], was a part of the State of Texas in 1850. A portion of the State of Oklahoma, a portion of the State of Kansas, a large part of the State of Colorado, and a portion of the State of Wyoming were at that time parts of the State of Texas. We sold that land in order to pay that debt, did we not?

Mr. COMBS. That is correct.

Mr. POAGE. We paid that debt; we applied the proceeds of the sale of that land to that debt and understood that by applying that money to that debt we received clear and complete title to the remaining public land which the gentleman has so clearly shown include the tidelands.

Mr. COMBS. The gentleman is absolutely correct. Let me point out there the CONGRESSIONAL RECORD of 1848 and turn to the page where Senator Thomas J. Rush of Texas rose in the Senate and read the boundaries of Texas including three leagues out from shore into the RECORD. Later the Treaty of Guadalupe Hidalgo, set forth the boundaries calling for the seaward boundary to be 3 miles off-shore at the mouth of the Rio Grande, as in the act of 1836.

Mr. POAGE. The situation would be that the State of Texas was entitled to a free, clear, unencumbered title to those boundaries that had been described just 2 years before.

Mr. COMBS. That is right.

Mr. POAGE. Since the United States has not carried out its part of the consideration, or at least since it has repudiated its part of the contract, what about the ownership of that large portion of New Mexico, of central Colorado, and of western Kansas and Oklahoma, and a portion of southern Wyoming? Who do you reckon owns that area now?

Mr. COMBS. Let us not raise that question with them; we love those folks over there.

Mr. POAGE. We would like to have them back home.

Mr. COMBS. I know, but the children marry off, you know.

Mr. POAGE. We did not send them there because we did not love them; we would like to have them with us. But now with the United States repudiating its part of the contract, how about getting our property back?

Mr. COMBS. Our children married and went up there, established themselves in the State of New Mexico and other places, and they are doing a pretty good job of housekeeping. We are proud of our children.

Mr. LYLE. Mr. Speaker, will the gentleman yield?

Mr. COMBS. I yield.

Mr. LYLE. I very much appreciate the statement the gentleman has made. I have no doubt but what our great State could win the fight using the weapons the gentleman himself uses, right, justice, integrity of contract, but the weapons they are using are political weapons, not the ones that are spoken of in the contract. Here is one thing the gentleman would like to emphasize I am sure and that is we are not concerned with the oil. If our Government needs that oil we will give it to them. We have given them our lives; we have offered our lives. We are concerned with the integrity of contracts; we are concerned with the integrity of property rights; we are concerned with those things that are precious to us. That is the right to know that we own that which is ours and that our Federal Government respects the agreements it makes with us. We have got to know that to be strong as a whole. It is impossible to strengthen the Nation when you tear down individual parts of it.

We are not interested in that which is under the water. Yes, it belongs to us. We are interested in the principle of the thing. If they need that oil the gentleman will give it to them. I would give it to them; the rest of the people of Texas and America would give it to the Nation. We will give them everything to preserve it. But it is a matter of principle, right, and justice, and I hope the gentleman can get them to fight with the same cornstalks he is using.

Mr. COMBS. It is true that we must preserve our agreements. Also we must preserve the continuity of the law as expressed in sound legal precedents if we are to have stable institutions and a strong society. Property rights and human rights are the same thing—one cannot long exist without the other.

Mr. THORNBERRY. Mr. Speaker, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from Texas.

Mr. THORNBERRY. I want to express to my colleague from Texas my appreciation for this very valuable discourse.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from Iowa.

Mr. JENSEN. The gentleman has made a very wonderful speech and I am with him 100 percent. The gentleman knows, as do all of us, that a Socialist government cannot be completed perfectly without the sanction and the support of the highest court of the land. Unless we fight this thing, then, certainly, we have no reason to fight other socialistic moves in America. I am going to fight right with the gentleman.

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Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from Mississippi.

Mr. RANKIN. May I say to the gentleman from Texas that he has made a wonderful statement. This is not only a question of oil; it involves the boundary of every State that touches the Gulf, the Great Lakes, the ocean, or any navigable stream and covers not only oil rights, but fishing rights, navigation rights and all the other rights that go with the States that border on a body of water.

The SPEAKER. Under the previous order of the House, the gentleman from Louisiana [Mr. LARCADE] is recognized for 30 minutes.

## THE CALIFORNIA OIL CASE

Mr. LARCADE. Mr. Speaker, Louisiana is the third largest oil-producing State in the Union, and my district is one of the largest oil-producing sections in the State. My district extends and borders on the Gulf of Mexico on the south, therefore, my district is intensely interested in the tidelands question.

It is a well known fact that there has been more development off the shores of Louisiana than in either California or Texas, and as a result the action of the minority of the Supreme Court of the United States since the decision in the California case, leasing, exploration and further development of our valuable tidelands has been interrupted. I have been very active in working to prevent the Government from appropriating and depriving the rightful owners of these valuable offshore lands which we maintain, notwithstanding the decision of the United States Supreme Court, to be the property of Louisiana, as well as the property of all States where these lands touch their borders. As an evidence as to the interest of my State in these tidelands, I wish to read from an article how much Louisiana has lost since the decision in the California case:

SAY LOSS DUE TO TIDELANDS CASE—ESTIMATES STATE LOST $20,000,000 IN BONUSES

SHREVEPORT, LA., June 17.—The State of Louisiana has lost an estimated $20,000,000 in bonus money for offshore lands since the tidelands decision in 1948, according to O. G. Collins, chairman of the State mineral board, Shreveport.

Collins said the board has not leased any tidelands since the controversial California decision in October 1948.

Under the latest decisions handed down by the United States Supreme Court, the State stands to lose $4,000,000 yearly in rentals alone if the United States should proceed to take over the lands in question. This figure is based on a report of the State mineral board to the Governor and legislature with rentals of $15,533,732.72 on offshore lands from 1946–49.

Bonuses received for 1945–49 amounted to $26,022,812.59 for 2,542,696.11 acres in 757 leases. This adds to a total of $41,556,506.31.

That's over $10,000,000 a year alone to the State. Loss of this income would deal the Louisiana taxpayer, already overburdened, possibly an even greater blow.

The report shows 79 producing wells on producing acreage of 172,951 acres, indicating that only a start has been made toward the development of the tidelands.

Despite the fact no offshore lands have been leased since October 1948, total returns from this source have been almost $6,000,000 more than from inland acreage. Total returns from inland were $35,855,148.55 as compared to the tideland figure of $41,556,506.31.

Mr. Speaker, it is our belief that the Supreme Court has erred in their decision in the California case, and our attorney generals and others from all of the States involved have submitted irrefutable evidence and argument to prove this contention. Notwithstanding, when Louisiana and Texas had litigation filed by the Government making the same claim for our tidelands, the best legal authority in the United States attacked the claims of the Government, and likewise presented answer orally, by brief and by argument to establish beyond any question of a doubt, that the Government had no claim or right of ownership of our tidelands; however, the Supreme Court, without, in my opinion, properly taking into consideration the law, facts, evidence, previous decisions over a period of over 125 years, and precedent and other considerations, handed down a decision, based entirely and relying completely upon the previous decision in the California case, did and does aver that the tidelands belong to the Government, and not to Louisiana and Texas, and which decision we maintain is in error, incorrect, unjust, without authority in law, precedent, fact, and evidence submitted to the contrary.

Mr. Speaker, in this connection, I wish to read into the RECORD an editorial from the Plaquemine's Gazette, of Point a la Hache, La., of date April 1, 1950:

STATE'S TITLE URGED IN ARGUMENTS

The motion for judgment filed on behalf of the United States against the State of Louisiana was argued in the Supreme Court in Washington Monday.

Representing the State of Louisiana in Court were Attorney General Bolivar E. Kemp, Jr., Assistant Attorney General John Madden, and Special Counsel L. H. Perez, Cullen R. Liskow, of Lake Charles, Stamps Farrar, of New Orleans, and Bailey Walsh and Trowbridge vom Baur, of Washington.

The United States was represented by Solicitor General Perlman, who made only a brief argument claiming that the Louisiana case was controlled entirely by the decision rendered by the Supreme Court in 1947 against California.

He claimed that the decision rendered in 1836 by the United States Supreme Court in favor of Louisiana's title to public property in the same category as the rivers, seas and shores, and public places, did not apply in this case.

Cullen Liskow, of Lake Charles, argued the first defense for Louisiana and showed that the Supreme Court has consistently held even in the California case, and in a later South Carolina case that, where Congress had not asserted any authority or governmental power in conflict with that exercised by the State, the Court could not render judgment creating any such authority or power for the United States.

Mr. Liskow urged the Court, therefore, that the Government's petition claiming Louisiana's tidelands and the right to produce oil and to control the taking of all other resources had no standing in Court in the absence of an act of Congress asserting authority and power to produce oil and to take the other resources from the Gulf bodies or waters.

JUDGE PEREZ ARGUED

Judge Perez argued that Louisiana's title was based not only on the equal-footing rule by which it was admitted as a State into the Union by an act of Congress in 1812, and therefore had all of the same sovereignty and property right to the tidelands that the Original Thirteen States bordering on the sea had at the time of the Declaration of Independence in 1776 and the Treaty of Peace with the British Crown in 1783.

He pointed out that the British Crown entered into a treaty, with the United States naming the Thirteen Original States each by name, and dealt with them as independent, sovereign States and gave up to them, the Original States, all right of government, proprietorship or title and territorial jurisdiction previously held by the British Crown.

The United States Supreme Court held in 1842 that when the people of the State of New Jersey, along with the people of each of the other Thirteen Original States, declared their independence and succeeded in their revolution, they, the people of each State, succeeded to the sovereignty of the British Crown and to all right of government and the property which the British Crown formerly held.

The Court also held that under the old common law of England the British Crown owned such public property as the submerged lands and waters of the seas subject to the common use of the people, and that the right of the submerged lands and waters and resources in them passed from the British Crown to the people of the several Thirteen Original States.

That decision has been upheld by the Supreme Court in at least 100 cases since 1842 until the time of the decision in the California case in 1947 by the New Deal Court.

Judge Perez pointed out that in the case of Louisiana, particularly under the French Treaty or Cession in 1803 of the Louisiana Territory to the United States, that it was agreed that the inhabitants of the Louisiana Territory should be admitted as a State under the principles in the Federal Constitution and that the people were to be protected in their liberty, property, and religion which they professed.

He pointed out that in the decision of the United States Supreme Court in 1836, the Court held that the people of Louisiana owned the rivers, the seas, and the shores, and all public places within the boundary of the State, as fixed by the act of Congress extending three leagues from the coast out into the Gulf, and that the United States had never acquired title to such property, but only held it in trust for the inhabitants of Louisiana until the State was created by act of Congress and at that time the State of Louisiana became sovereign, the same as the Original Thirteen States, and then held such public property, including the rivers, seas, and the shores and all public places within the State's boundary for the benefit and common use of the people of the State of Louisiana.

He pointed out that if the legal representatives of the United States could now prevail upon the Supreme Court to render a decree confiscating the property of the people of the State of Louisiana in their united sovereignty, then the United States Government might as well have the Supreme Court render decrees depriving the people of the State of their liberty and of their religion as well as their lives, because the United States was no more entitled to confiscate the property of the people of the State which they held in their united sovereignty under the Constitution than to do any other such unlawful acts, and, if they succeeded in this, they might as well tear up the United States Constitution.

Furthermore, Judge Perez pointed out that the proceeding before the Court was in favor of the United States to confiscate Louisiana's public property without any trial on the merits or the hearing of any evidence, when, as a matter of fact, the Constitution guaranteed a right of trial by jury in all such cases

of property title and possession involving $20 or more, while this case involved not only the invaluable sovereignty rights of the people, but admittedly was worth many millions of dollars.

Judge Perez urged the Court to dismiss the motion of the United States for judgment on the pleadings and to grant a right of trial by jury and to fix the case on the merits.

Mr. Speaker, I also wish to present an editorial from the Times-Picayune, of New Orleans, La., published after the Supreme Court handed down its decision in the Tidelands case recently, as follows:

TIDELANDS DECISION

The Federal Supreme Court's decision Monday for Federal control of the Louisiana and Texas tidelands does not come as a surprise. When the high court in the California case reversed rulings and upset precedents that prevailed for more than a century and a quarter, many may have hoped, but few believed, that it would limit that sweeping extension of Federal powers to the single State, even though some Government apologists then suggested that California's situation was unlike that of other coastal States and the extension of the grab to the others might never be sought.

Most thoughtful observers recognized the administration maneuver for what it turned out to be: A planned and deliberate drive to expand the Federal powers by contracting and nullifying the powers and rights vested in the several States.

Once the Court of last resort as reorganized under the late President Roosevelt adopted as its own the administration policy enunciated by the Federal suit for California's oil-bearing tidelands, there was small hope that this revolutionary decree would be reversed or substantially modified in later decisions by the same jurists who rendered it. Louisiana and Texas were next attacked, their selection obviously being promoted by the oil riches, actual and potential, of their submerged tidelands. The California decision now is cited by its makers to support the decisions against the two Southern States.

The fight does not end, however, with these decisions. Congress never has authorized the grab. The administration cannot exploit its judicial triumph, as we understand it, save by authorizing enactment by Congress. That will not be secured from the present Congress which, like its predecessor, shows no disposition to sanction this Federal encroachment. To cash in on their current legalistic grab of the tidelands, the "big Government" champions in the Federal bureaus, therefore, will have to await the election of a Congress whose majority favors nullification of State powers and rights and open concentration of all governmental power in the Government at Washington. The election of such a Congress is possible as all things—including the upset of State rights enjoyed since the Nation's beginning—but we canont bring ourselves to believe that such a national calamity is possible in the near future, if ever.

Mr. Speaker, I would also like to submit for the RECORD excerpts from an editorial from the Plaquemines Gazette, published on December 31, 1949, as follows:

Excerpts from an editorial was published in Oil newsmagazine. The same issue of the magazine carried the complete statement filed by Judge Perez with the United States Senate Committee on Interior and Insular Affairs, on October 5, 1949, on the States' right and title to their tidelands and submerged lands and resources:

"The statement of Leander H. Perez, submitted to the United States Senate Committee on Interior and Insular Affairs,, with respect to the proposed legislation dealing with the tidelands, is a notable exposition of States' rights under the United States Constitution.

"In this issue we publish in full the statement of Leander H. Perez, district attorney of Plaquemines Parish, La., and special counsel of the State of Louisiana in the tidelands case, submitted to the United States Senate Committee on Interior and Insular Affairs with respect to proposed legislation dealing with the tidelands.

"We believe it is the most thorough and comprehensive discussion of this important issue that has been published to date and Mr. Perez is entitled to the thanks of the oil fraternity and the public at large, for his painstaking research and industry which have developed so many significant historical phases of the subject.

"As a matter of fact this document may have a greater influence on the future of our Nation, and the freedom of our people, than may be apparent from a casual or superficial reading. Like some small stone cast in the water, its effect may extend to the farthermost shore, for it is undoubtedly true that the tidelands case may well prove to be the crucial test in the alinement of those who have the courage of their conviction and are willing to take their stand across the march of socialism, statism, and regimentation.

"The battle forces are already engaged—it is not merely a question of States' rights and legal title to the tidelands. It is a question of the survival of our democratic form of government, our American way of life and our free institutions.

"It was gratifying to note at the recent annual meeting of the Interstate Oil Compact Commission, comprised of the governors and representatitves of all oil-producing States of the Union, that the vast preponderance of sentiment favored the rights of the individual States in their fight against the proposed tidelands grab by the Federal Government. In fact, the Commission adopted a strong resolution urging Congress to speedily settle the tidelands issue and confirm the States' rights to the submerged areas.

"It was also significant that Governor Carlson, of Kansas, who was chairman of the Commission, said, notwithstanding the fact that his own State of Kansas has no tidelands, having the interest of his country at heart, has been convinced that the principles involved in this great issue extend beyond the boundaries of the tidelands States and engulf all other States; that a united stand of all freedom-loving people is imperative if the insidious and vitalizing forces of evil are to be halted.

"Said Governor Carlson:

"'If the several States, the counties, the cities, the towns, and the villages subordinate their constitutional rights to a central power in Washington, we will lose our right to freedom and autonomy at the level of local government. Should we do so, we should thereby abolish the purpose and intention of our Constitution, the last hope of freedom on this earth.

"'The issues have never been clearer than they are today. * * * Each and every one of us is challenged to fight and protect our Republic at all costs. You, as individuals, must rely on Congress to use its constitutional powers to check the executive branch in its program to subdue the States and nationalize our industries and professions.

"'In the 14 years that the Interstate Oil Compact Commission has been in existence the individual States have regulated the production of oil and gas under sound conservative principles. There is no need for Washington to enter our field of regulations.'

"Governor Carlson reviewed the progress of the production of oil and gas in America under our competitive system and State conservation laws."

Mr. Speaker, along the same lines, I would include also an editorial from the New Orleans Times-Picayune, respecting the tideland decision, as follows:

LONG FIGHT AHEAD

Following the Federal Supreme Court's newest decision against a century-old and long-unchallenged right of the coastal States, we may expect another drive for a "compromise" settlement. The "big-Government" clique tried the compromise racket last year and failed. Presumably they will use the new decision as a club in an attempt to force formal surrender that might bar later restoration of rights judicially nullified at the moment, but restorable by Congress.

It will be recalled that Congress enacted such a restorative law in 1946, but President Truman vetoed it. Its reenactment now is entirely practicable, as we understand it, with substantial majorities available in both Houses. That action in our judgment should be taken now as a protest by the legislative branch of our Government against the nullification of rights and powers reserved to the several States and their transfer to Washington. Mr. Truman would use his veto power against it, of course—but he could not minimize nor break the force of such a pronouncement by the United States Congress. Unless the power-centralization movement is driven to the point of complete submission by the American people, and total deprivation of the State's constitutional powers, Mr. Truman's successor in the White House, either in 1953 or 1958, in all probability will interpose no veto on a restorative bill passed by Congress and backed beyond question by the American majority.

The struggle thus may be long-drawn, but it is one that needs to be made. Seizure of the tidelands is only a beginning, of course. The precedent thus created could and would be used sooner or later against inland States with equally seizable resources tempting the power-hungry bureaucrats in Washington. That is so well understood that both the conference of State governors and the Nationwide organization of State attorneys general have declared repeatedly and almost unanimously against the tidelands grab. So long as Congress refuses to sanction it, the Federal grabsters cannot cash in on it. Another desperate effort to coax or frighten the States into surrender by compromise can be and must be turned back if this Republic is to be saved from the totalitarian yoke toward which the "big-Government" crowd is heading.

Mr. Speaker, it is my fervent hope that the Supreme Court may grant the appeal of the States of Louisiana, and Texas; however, if the Supreme Court does not do so, I am certain that if the legislation to settle this question is presented to the Congress that the Congress will vote overwhelmingly not to deprive California, Louisiana, Texas, or any other States of their rightful title and ownership of their tideland.

(Mr. LARCADE asked and was given permission to revise and extend his remarks and include various statements, newspaper editorials, and other material.)

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 5 minutes.

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include statements and excerpts, especially testimony before the Committee on Small Business this morning.)

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## FEDERAL TRADE COMMISSION INVESTIGATION BY SELECT COMMITTEE ON SMALL BUSINESS

Mr. PATMAN. Mr. Speaker, it was my privilege, this morning, as chairman of the Select Committee on Small Business, to open our hearings on the Federal Trade Commission. These hearings are taking place after extensive preliminary investigation. The purpose is to ascertain whether or not the Commission is performing its function of preserving small business and curbing monopoly as effectively as possible.

The hearings and investigation have come about as the result of recommendations made by members of the Small Business - Antimonopoly Conference called together by me last year and which has been meeting in Washington since that time. The Select Committee on Small Business has been pleased to adopt the recommendations.

### STATEMENTS OF FIRST WITNESSES

Commissioner John Carson, who was designated by the Commission as liaison officer with the committee in this investigation, was invited to deliver a preliminary statement following my opening statement. With the permission of the Members of the House I am including the full text of his statement, as well as my own, as part of my extended remarks. You will note that Commissioner Carson pledges the 100 percent cooperation of the Commission in our investigation, and I know he means what he says. Moreover, he serves notice that no witness who has, or may have, a case before the Commission need fear any recrimination by reason of testifying.

Our first witness was Mr. A. J. Hayes, international president of the International Association of Machinists. I am including the full text of his statement in my extended remarks. Mr. Hayes was the member of the Small Business-Antimonopoly Conference who first proposed the Federal Trade Commission investigation. A copy of his original proposal also appears in my extended remarks.

You will note that Mr. Hayes makes quite a point, in his statement, as to the interest of his union in small business:

At present—

He states—

the International Association of Machinists has some 12,000 separate contracts with employers, the bulk of which are with small firms.

He goes on to say:

It is simply foolish to charge that labor is slugging the free-enterprise system to death in America.

Our second witness was Mr. Watson Rogers, president of the National Food Brokers Association, and also a member of the Small Business Antimonopoly Conference. He called for stricter enforcement by the Federal Trade Commission of its cease-and-desist orders, with an increase in its compliance staff, if necessary. He also urged that the Commission recommend more cases to the Department of Justice for criminal prosecution, including Robinson-Patman Act price-discrimination cases. He asked for stricter enforcement of the brokerage provisions in the law. With the leave of the Members of the House, I am also including the full text of his statement in my extended remarks.

STATEMENT OF WRIGHT PATMAN, MEMBER OF CONGRESS, CHAIRMAN, SELECT COMMITTEE ON SMALL BUSINESS—FEDERAL TRADE COMMISSION HEARINGS, JUNE 26, 1950

Last year, I invited the representatives of a group of Nation-wide organizations to a conference on an "affirmative aid to small business" program. These representatives, whose names and organizations will appear in this RECORD, formed a loosely knit organization adopting the name Small Business-Antimonopoly Conference. These organizations represent a cross section of fine Americans who are interested in the preservation of a free, competitive market place in which the consumer dollar may be expended to the best advantage.

Members of this group, I believe, during the course of their testimony in these hearings, will indicate they are strong friends of small business and are thoroughly conversant with the necessity of combating the forces of monopoly in order to preserve and strengthen a healthy American economy. These organizations include bona fide small-business organizations—farm organizations, labor organizations, and consumer organizations. The conference group has expressed the view that strengthening of the agencies entrusted with the enforcement of our antitrust laws would be one of the most effective aids to small business and would be invaluable to consumers. With this thought in mind, Mr. A. J. Hayes, international president of the International Association of Machinists, who will be our first witness, proposed an investigation of the Federal Trade Commission. This suggestion was amended to include the Antitrust Division of the Department of Justice. The Small Business Committee has sponsored these proposals as set forth in the progress report, first session, a unanimous committee report, and the hearings on which we are about to embark today are the beginning of a record which we hope will be in the public interest as well as beneficial to the Commission and those with whom the Commission deals. The investigation of the Antitrust Division of the Department of Justice is presently under way.

At this point, I desire to refer to the wholehearted cooperation which the Commission has given the committee and particularly to refer to the splendid cooperation of Commissioner Carson, who was officially designated by the Commission to confer with the committee on all matters pertaining to the investigation. Commissioner Carson's help has been invaluable and constructive, and he and other members of the Commission I know will welcome the opportunity later in these hearings to present their viewpoint. We expect to invite and to hear all of the Commissioners at an appropriate time during the course of the hearings.

It is the committee's expectation and desire that, as a result of this investigation and these hearings, the Federal Trade Commission will be strengthened and will become a more effective agency in the enforcement and administration of our antitrust laws.

Mr. Hayes, in his original proposal, propounded six questions to be asked the Federal Trade Commission. The answers were made public at the time they were received. These answers have been widely distributed, and much study and consideration has been given to them. This will be brought out during the hearings.

The scope of this investigation can be measured by the scope of the acts administered by the Commission. A mere mention of them is revealing. They include the following:

1. Federal Trade Commission Act and the Wheeler-Lea Act amendment.
2. The Clayton Act and the Robinson-Patman Act amendment.
3. Wool Products Labeling Act.
4. Webb-Pomerene Export Act.

To administer these laws and administrative procedures, there are the various bureaus and divisions of the Commission, all of which will be carefully examined in this investigation.

Apart from this, there will be our special inquiry into the relations between the Commission and the Department of Justice. We shall also make inquiry as to the extent to which the Commission requests Justice to bring authorized injunction and mandamus proceedings, as well as criminal proceedings, including those authorized under section 3 of the Robinson-Patman Act.

The great importance of small business in the American economy lies in the fact that it is to small business that the Nation must look to maintain competition. Large business units, representing a merger of formerly competing plants, have restricted competition; and it is primarily through the efforts of the remaining independents that competition is, and must be, maintained.

Since it is to small business, in the main, that we must look for maintaining competition, we must give careful consideration to measures which will permit independents to survive on the basis of their productive efficiency. The Federal Trade Commission, Clayton, and Robinson-Patman Acts were all designed for this purpose. How effective have they been? What suggestions do you representatives have for strengthening them?

Since our policy of maintaining competition rests largely on the shoulders of small business, we should also like to learn about the current business practices which injure, restrict, and hamper small business. We should like to learn, in particular, about the extent to which small business suffers (1) from the refusal of large producers controlling major sources of supply to sell freely to dealers and fabricators who offer cash payment, (2) from the exercise of geographic and quantity price discriminations by large, monopolistic enterprises, and (3) from the policy of large concerns in buying up small and medium-sized competitors who seek to get established by being competitive on price and quality.

This is a friendly investigation, a constructive investigation, an objective investigation, and it is wholly designed to build up the Commission. This thought also underlies our investigation of the Antitrust Division of the Department of Justice.

Gentleman, we welcome you, the representatives of small business, as well as their friends—the farm, labor, and consumer groups—and the Federal Trade Commission to these hearings as main pillars for maintaining our national policy of competition.

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STATEMENT OF HON. JOHN CARSON, COMMISSIONER, FEDERAL TRADE COMMISSION, JUNE 26, 1950

My name is John Carson. I am a member of the Federal Trade Commission. When this committee decided to investigate the Commission, I was named by the Commission to act as a liaison for the Commission and to make certain that the Commission would give to the utmost in its cooperation with the committee.

I understand that I was invited this morning for the purpose of establishing in the record the desire of the Commission and our determination to cooperate with the committee. I understand that a member of the Commission, and perhaps each member will be called later to testify, and I assure you that the Commission will be grateful for that opportunity.

Representatives of your committee have been working in the Commission's building. I have talked with them, whenever they desired to talk with me. I am sure they will

confirm my statement that we have done everything we could do to help them and that we have always been subject to calls from them. They are fine men. That working relationship will continue. If there is the slightest evidence, at any time, that anyone associated with the Commission has failed to cooperate, I assure you the Commission will review any statement charging failure to cooperate, and will publicly censure anyone who is guilty of failing to cooperate.

If the committee will permit, I would like to make one more statement. I have been through a lot of investigations during my years as an employee on Capitol Hill. I suspect that some representatives of some organizations may be a bit reluctant to appear before this committee, for the purpose of criticizing the Commission, or its staff. They may fear that they might have cases henceforth before the Commission and they might suffer because of some ill-will they might develop through being witnesses here. Because of that possibility, I prepared this two or three minute statement so that I could assure you that it had the unanimous support of the Commissioners. It has.

The Commission assures every prospective witness that no greater service could be done for the Commission than that of presenting constructive criticism of the Commission to this Committee. We shall not only welcome such criticism. We shall also state that any employee of the Commission would be faithless to his oath of office if he were in any way to express resentment against those who testified. For the Commission, I pledge our expression of appreciation to everyone who will cooperate with the Committee in laying bare any fact, or condition, which will be helpful to us in serving the public interest.

The Commission will be ready to appear whenever you desire us to appear, Mr. Chairman. I should say that we were grateful for the respite given to us because we are endeavoring to complete as much of our case work as possible before the end of this fiscal year, and, because of that work, I doubt that any member of the Commission has used much of any day in intensive work on the questions which may arise during this inquiry.

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LETTER OF A. J. HAYES, INTERNATIONAL PRESIDENT, INTERNATIONAL ASSOCIATION OF MACHINISTS, ADDRESSED TO THE SMALL-BUSINESS-ANTIMONOPOLY CONFERENCE AT A MEETING ON JULY 26, 1949

MR. CHAIRMAN: We, in organized labor, or at least in the organization for which I can speak, the International Association of Machinists, are becoming increasingly interested in the value of our wage dollars.

We are interested in, and concerned about, the powers that might determine the price of the things we buy.

We are interested in, and concerned about, that thing we know as monopoly.

Now, as we understand, another committee of the House, the Committee on the Judiciary, is investigating monopoly. Until we see what that committee does, it would seem that we should not, in anything we propose here, duplicate that work.

The cause of small business is our cause because every member of our organization is a small-business man. He has to sell his labor through our various associations which make up the International Association of Machinists, just as the corner druggist or grocer has to sell his labor. We are just as much opposed to the monopolist as is any grocer or druggist because we know that the end of that road, monopoly, is total.

But we want to suggest something which we think will have unanimous support from this conference, and we line it up as follows:

1. The Federal Trade Commission was established to create a free and fair and honest market place where we and others, the buyers or consumers, would be assured of a fair deal under a fair and free—bona fide free enterprise system.

2. It is true that despite the existence of the Federal Trade Commission throughout some 35 years, monopoly has developed and has waxed strong until today the only answer we find is that whenever monopoly is challenged we have demands that the United States Congress shall grant a moratorium for monopoly. That is the answer we find now proposed in the Capehart-Johnson bills. We found this in the field of insurance. We hear it proposed in the field of medical care. We hear it discussed in the field of finance and credit.

3. Therefore, we propose that this conference shall ask the House Committe on Small Business to do the following:

(a) Ask the Federal Trade Commission to advise the House Committee on Small Business:

(a) 1. What is its Federal Trade Commission authority and its responsibilities with reference to the development of monopoly and monopoly power.

(a) 2. Why is it that monopoly and monopoly power has developed throughout the years despite the authority and the responsibility granted to the Federal Trade Commission.

(a) 3. Does the Federal Trade Commission need greater authority of a statutory nature and, if so, what additional authority?

(a) 4. Does the Federal Trade Commission need greater assistance in the way of appropriations from the Congress?

(a) 5. What suggestions would the Federal Trade Commission have to make the Commission an educational and informative Commission to advise and assist us, the members of organized labor and of organized farmers, and of organized small business, and of cooperatives, and for the purpose of insuring to all of us a free and fair and honest market where we could spend our wage dollars?

(a) 6. Should the Federal Trade Commission be reorganized to make certain that it would become an agency, with sufficient authority and power and support in the way of appropriations to insure to all of us a free and fair and honest market in which we could spend our wage dollars?

4. We propose that the House Committee on Small Business shall ask the Federal Trade Commission for a statement with reference to these points we have raised.

5. We propose that when this statement is made, the House Committee on Small Business shall duplicate that statement and send a copy of it to each of the organizations participating in this conference.

6. We propose then that the House Committee on Small Business shall organize a series of hearings and under a plan through which each of the organizations here represented shall have the opportunity and the right to examine the representatives of the Federal Trade Commission.

7. We propose then that this conference shall consider any recommendations made by the Federal Trade Commission and shall take these recommendations back to their organizations and endeavor to organize a Nation-wide campaign of education in support of a free and fair and honest market.

In support of these proposals, we present only the obvious. We have always understood that the responsibility of the Federal Trade Commission was that of keeping the United States Congress—and through the United States Congress, the responsibility of keeping us informed and alert—to the dangers of the march of monopoly power.

Despite that we have had the Federal Trade Commission in existence for more than 35 years, we have the facts before us, and those facts are:

1. We have monopoly power developed until the danger of monopoly power causes the Congress to create a Temporary National Economic Commission, and it exposes only that monopoly power has grown until it controls and dominates our country.

2. We have now the committees of the House and Senate investigating monopoly and monopoly power.

3. We have investigations upon investigations—all of which should have been made by the Federal Trade Commission and under some plan or program through which we, in organized labor, organized agriculture, organized small business, and organized cooperatives should have been kept alert to the menace of monopoly power.

Now, we in the International Association of Machinists think that this was the job of the Federal Trade Commission. We think the Commission should have had the authority and the appropriations to do this job from week to week and month to month, so that we, in organized labor, would have been informed. We think the Federal Trade Commission was created to be the watchman in the tower. We want to know why the Commission has not done its job. In saying this we do not want to criticize the Commission or any member of the Commission because we are informed that the Commission has never had support from organized labor, organized agriculture, organized small business, or organized cooperatives. It has only had the opposition of the monopoly interests.

We are just proposing now that through this conference we should begin to look at this entire subject realistically. We propose that we should get the facts and then begin to act.

A. J. HAYES,
*International President,*
*International Association of Machinists.*

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STATEMENT OF A. J. HAYES, INTERNATIONAL PRESIDENT, INTERNATIONAL ASSOCIATION OF MACHINISTS, BEFORE THE HOUSE SMALL BUSINESS COMMITTEE IN CONNECTION WITH THE INVESTIGATION OF THE ANTITRUST LAWS, JUNE 26, 1950

I am very glad to appear before your committee this morning. The work of the House Small Business Committee is always of particular interest to the International Association of Machinists. This is so because among the large unions of the Nation, we are one whose prosperity is intertwined with that of business. At present, for example, the International Association of Machinists has some 12,000 separate contracts with employers, the bulk of which are with small firms. What prospers general business in the economy, therefore, is of direct bread-and-butter benefit to many of our members. Because of this fact, the IAM has always been aggressive in going to bat for the interests of business whenever we have the chance.

When the late war descended upon the Nation, many small businesses were faced with the critical problem of obtaining Government contracts for war production or of going out of business.

Because small business was not as well represented in Washington as big business, its quest of war contracts was, for a period, quite unsuccessful. Many small businesses folded because they were not organized to demand and receive a fair share of Government war orders. In this crisis for small business, the International Association of Machinists, at its own expense, set up a bureau to assist small-business men to locate Government contracts. Our organization was in the forefront of the battle to create the Smaller War Plants Corporation which, when it was finally established, did a spendid job of putting to work the productive powers of small business in the war effort. We know it saved many thousands of small concerns from the fate of bankruptcy.

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Today the House Small Business Committee under your able chairmanship, Mr. PATMAN, is embarging on an inquiry which we believe to be of the greatest importance to the Nation in general and to small business in particular. You are looking into the question of whether the existing antitrust laws are doing an effective job of protecting and preserving free enterprise in the Nation's business.

The essence of free enterprise is simply the existence of free and fair competition in business.

In a free-enterprise economy there may be both large and small businesses. But whatever the size of a business, if free enterprise is to be protected and preserved, it must not be allowed either to suppress competition in an industry or to engage in unfair methods of competition against its rivals.

The opposite of free enterprise is monopoly. When businessmen suppress competition and establish a monopoly control of markets, free enterprise perishes. When businessmen can engage in unfair methods of competition, the result is to unfairly destroy competitors and to destroy competition in industries. Not infrequently unfair competition has been used to whittle competition away to such an extent that monopoly emerges and the history of our business shows that it has been a powerful weapon in the hands of those who have fashioned monopoly controls in the marts of our commerce.

The fundamental purpose of the antitrust laws is to safeguard free enterprise in two ways. First, to prevent monopoly in business by enforcing standards of fair competition among businessmen. Second, to break it up and restore competition where it does emerge in the economy. The Sherman law—the basic antitrust statute enacted in 1890—and the Federal Trade Commission Act passed in 1914, empower the Department of Justice and the Federal Trade Commission to break up monopolies.

Section 5 of the Federal Trade Commission Act vests in the Federal Trade Commission the power to define and declare unlawful unfair methods of competition. Provisions of the Clayton Act—also passed in 1914—spell out in the law certain methods of unfair competition such as discriminatory discounts and allowances and prohibit them. The Robinson-Patman Act passed in 1936 strengthens the provisions of the Clayton Act forbidding certain forms of unfair competition. The Wheeler-Lea Act enacted in 1938 implements the power of the Federal Trade Commission to ban false and misleading types of advertisement—a formidable method of unfair competition.

The enforcement of fair competition in markets is of permanent importance to small business. To thrive in trade a businessman must have business ability. But sheer ability will not make him a success. He must have access to capital. But ability and capital are still not enough. If he is a small-business man he must be protected from unfair methods of competition, particularly when such methods are employed by larger rivals whose resources are many times his own. If an unfair competitive battle, victory generally goes automatically to the competitor that has the greater staying power measured in terms of its resources. There are many forms of unfair competition which will bankrupt the business of a small-business man no matter how great his efficiency or ability.

In other cases, a small-business man may manage to stay alive, but the result of the unfair competition to which he has been subjected will ultimately rob him of his business. If one customer of a large oil company can obtain its gasoline unfairly for 18 cents a gallon while his other rivals are charged 22 cents, he can sell at a profit at 20 cents a gallon but his rival in meeting his price would be selling at a loss of 2 cents a gallon. If a large concern cuts its prices below cost in a region, survival is merely a matter of the staying power of the contestants. Small competitors will inevitably be pushed out. If a large concern engages in fraudulent and misleading advertisement, the result will be to take business away from smaller rivals. For example, during the late war, one concern, starting from scratch and employing the unfair practice of false advertisement, throve to such an extent on this device that by the end of the war it had become the largest in a region which took in three States. Unfair competitive practices have been responsible for the death of literally hundreds of thousands of small businesses and have robbed the survivors of billions in trade that would otherwise have been rung up in their cash registers. For more than half a century the greatest obstacle to the legitimate progress of small business in the Nation's economy has been the flourishing of unfair methods of competition in business in spite of law on the statute books forbidding them.

Now I don't mean that small-business men do not perish from incompetency. They do and should. But we do believe that one of the important factors in the high mortality rate of small business for many years has been the failure of the antitrust laws to protect small business adequately from unfair competitive practices. Against such practices, we repeat, the small-business man has been helpless, whatever his efficiency.

From their inception, the antitrust laws have been a failure in our opinion. They have neither prevented the growth of monopoly in business nor broken it up effectively where it triumphed over competition. Part of the responsibility for their failure lies in the long years of delay in even facing the problem of monopoly by Congress and in the defectiveness of some of the laws enacted to combat monopoly. The Sherman law was passed in 1890. It empowered the Government to break up monopoly where it appeared. Yet not until 24 years later did Congress wake up to the problem of preventing the growth of monopoly. In section 5 of the Federal Trade Commission Act, the Commission was directed to define and prohibit unfair methods of competition. In section 2 of the Clayton Act, the Commission was directed to prohibit one of the deadliest forms of unfair competition—discriminatory discounts and allowances in trade.

In section 7 of the Clayton Act, Congress struck at one of the prime ways that monopoly grows—through the consolidation and merger of competitors. Wall Street had discovered that one of the most efficient ways to get rid of competition was not to drive it out of business by methods of unfair competition, but to buy it out of business through merging competitors in giant corporations. At the time Congress finally acted in 1914, great areas of business had already been denuded of effective competition by this technique. So Congress forbade one concern from buying the stock of another where the effect might be to substantially lessen competition in any line of commerce.

All this looked good. But in a few years much of this work of Congress turned out to be futile. Jokers were discovered in sections 2 and 7 of the Clayton Act. Section 2 was hamstrung by a provision that discriminatory discounts and allowances were legally condoned where a seller was meeting competition in good faith. The Federal Trade Commission soon found that price discriminators invariably turned up with this defense of their acts—and so price discrimination leaped clear of the Clayton Act. The prohibition against price discrimination in the Clayton Act was thus reduced to a nullity.

Not until 1936—some 24 years later—did Congress move to close this fatal loophole in section 2 of the Clayton Act by enacting the Robinson-Patman Act. Under the Robinson-Patman Act price discriminators were no longer allowed to justify their acts where competition had in fact been injured or where the effect of their discriminatory discounts and allowances might be to injure competition or competitors. Only recently big business has conducted an all-out 2-year fight to put back in the law the fatal loophole of the old Clayton Act which would make the meeting of competition in good faith a complete defense to a charge of price discrimination—to undo the Robinson-Patman Act which cured this loophole in the original Clayton law. They succeeded in actually passing a bill through both the House and Senate to accomplish this reactionary purpose and to leave small business a complete prey to price discrimination which has long been one of the most efficient methods for robbing and destroying small business.

Only a courageous veto of this bill by President Truman saved the day for small business—and by his act Mr. Truman has won the deserved gratitude of the Nation's millions of small-business men.

Section 7 of the Clayton Act also became a dead letter because of defective drafting. It forbade one concern to absorb another through the purchase of a controlling interest in its capital stock where the effect might be to substantially lessen competition in an industry. This was neatly and completely circumvented by having one concern purchase the assets of another concern instead of its capital stock. Since section 7 did not prohibit the purchase of assets the way kept open for the unimpeded onward march of mergers which progressively wiped out competition in business. For 36 years section 7 of the Clayton Act has remained a dead letter. Even under the New Deal efforts to cure its defectiveness failed. There is now pending in Congress, the O'Mahoney-Kefauver bill to finally put teeth in this section. But to date its chances for passage are reported slim.

All the above is a rather dreary picture of our Nation's effort to keep monopoly out of business. It becomes even drearier when other factors are taken into account. From their inception to date, the antitrust laws have been in substance toothless so far as providing penalties that would effectively deter businessmen from attempting monopoly. Illegal monopoly is a form of robbery. The monopolist takes money out of the pockets of persons just as surely as does the successful pickpocket. The difference, however, is that monopolists take a great deal more.

For thousands of years monopoly has been the most profitable form of robbery. The monopolist by charging higher prices for his products than would be charged under competition can tap the pockets of thousands, hundreds of thousands and even millions of persons. In history the profits of monopoly have been fabulous. The other evening I was reading Hendrik Van Loon's The Fall of the Dutch Republic and I found out some interesting facts about the profits of the famed East India Co. which flourished a few centuries ago in the modern world. A few merchants who owned the company were granted by the Estates General of Holland in 1602 a complete monopoly over all trade in the eastern colonies of the Republic. Five years after it was founded it paid 75 percent dividends. During 180 years of its existence the company averaged yearly dividends of 21 percent. During a period of 80 years upon one share of the company's stock, costing originally 3,000 guilders, no less than 107,665 guilders were paid in dividends and this share could have been sold regularly at 18,000 guilders. The company bought its spices in India for 30 cents a pound. She sold them at home for $36 a pound—a gain of 1,200 percent.

The East India Co. was a legal monopoly. In America we have legal monopolies—public utilities. But monopoly in utilities is allowed

by Government because it would be too wasteful to have two gas companies or two telephone companies in towns and cities.

Competition is abandoned because it is considered unsatisfactory as a regulator of business in the utility field. But wherever competition can work in trade, a monopoly, whether legally conferred by act of government or illegally achieved by acts of private parties, has always had the same result—robbery of the many for the enrichment of the few. In America illegal monopoly—monopoly achieved in violation of the antitrust laws—has been a prolific source of illicit profit and unearned billions. The old Standard Oil trust produced 20 or 30 of the richest Americans. The House of Morgan, through its monopolistic control of security markets for many years, spawned forth its crop of multimillionaires. Great fortunes have been made by monopolists in timber, steel, copper, aluminum, pullman cars, farm machinery, glass, munitions, electrical equipment, tobacco, and many other products. The record on this point is beyond gainsay. That being so, let us look at the penalties provided in the antitrust laws for deterring businessmen from seeking the fabulous profits of monopoly. Our criminal laws bear down heavily on the ordinary thief. But the monopoly thief for more than 50 years has been little worried about being caught up with by the law. The penalties provided have amounted to an open invitation to flout the law.

In antitrust enforcement the Department of Justice has been mainly concerned with breaking up monopolies by proceedings under the Sherman law. It can proceed either on the criminal or civil side against offenders. For a successful criminal prosecution two penalties are provided in the Sherman law. The officers of the convicted corporation or corporations may be sent to jail for a year. Or, fines may be imposed on either such officers or on their corporations. The court decides in its discretion what penalties will be applied. In practice the jail sentence penalty has been so seldom used as to be worthless. In only one case since the enactment of the Sherman law in 1890 have businessmen actually been sent to jail for monopolizing trade. The usual practice is for courts to impose the penalty of fines and to impose such fines not on the officers of offending corporations but on the corporations themselves. The trouble with this penalty is not only that the human agents responsible for violating the Sherman law escape the fines imposed, but that the fines decreed have been utterly inadequate to deter businessmen from risking the law in their quest for monopoly profits. A fine of a few thousand dollars or even a hundred thousand dollars on a corporation with resources of a billion dollars has little deterrent effect. This is particularly true when it is realized that the loot raked in by monopolists prior to their conviction is generally many times the fines assessed.

Where the Department of Justice proceeds against offenders on the civil side under the Sherman law no penalties are provided. Defendants convicted simply receive what is called a litigated decree of the court—one that merely prohibits them from continuing their monopolistic practices in the future. When it is realized that the bulk of cases prosecuted under the Sherman law by the Department of Justice are reported to have been on the civil side, the encouragement to monopolists is obvious.

There is still another way in which the Department can deal with offenders under the Sherman law. This is known as the consent-decree method. It is simply an agreement between the Department of Justice and offenders, approved by a court, that the latter will not repeat their monopolistic practices and prescribing frequently certain things that the offenders may do and certain things that they may not do. Under a consent decree also there are no penalties.

Now suppose our criminal laws against common thieves were recast to bring them in line with the judicial treatment accorded monopolists. Imagine the rejoicing among that fraternity that lives admittedly by taking the property of others. If prosecuted criminally they would have little to fear from a jail sentence. If fined, the fine would be much less than the loot obtained. If prosecuted civilly they would, at worst, merely be told by the court not to do it again and be permitted to keep all that had been swiped. If they took advantage of the consent-decree method they would merely agree not to repeat their offense and also be permitted to keep what had been stolen. Such a recasting of the criminal laws against thievery would obviously create a thieves' paradise—and theft would certainly be encouraged to run wild.

With this in mind, let me turn to the Federal Trade Commission, The Commission cooperates in the enforcement of the Sherman law—but only on the civil side of the docket. Its special mission, however, is to enforce rules of fair competition in business as provided by the Federal Trade Commission Act, the Clayton Act, the Robinson-Patman Act, and the Wheeler-Lea Act. But whether the offense is monopoly achieved or the employment of a destructive method of unfair competition by a defendant, the Commission is powerless to punish. In both classes of offenses it issues a cease-and-desist order, which merely orders a defendant not to repeat his offense in the future. When the Federal Trade Commission was being created by Congress it was intended to arrest monopoly or unfair competitive practices in their incipiency and before they could do much damage to the economy.

But in the evolution of the Commission, it has become concerned with monopolies long established and with unfair trade practices which have flourished for some time and resulted in considerable damage to competition and competitors. In such cases a cease-and-desist order is too mild a penalty if monopoly and unfair methods of competition are to be effectively deterred.

Now, Mr. PATMAN, I am not a lawyer. My analysis of the penalty provisions of the antitrust laws is entirely that of a layman. But we do think that the existing penalties in these laws have encouraged rather than restrained monopoly and unfair competitive methods.

Another important factor in the failure of the antitrust laws has been inadequate appropriations by Congress for their enforcement. There are thousands of industries in America, hundreds of thousands of individual businesses turning out millions of different kinds of products. Every one of the products of industry can become the focal point of an attempt at monopoly or the initiation of an unfair and destructive method of competition. The world of business in America has been a vast labyrinth for many years. Two years ago Mr. Wendell Berge, Assistant Attorney General in charge of the Antitrust Division of the Department of Justice from 1943 to 1947, made some revealing statements about the inadequacy of congressional appropriations for the enforcement of the antitrust laws. He pointed out that it was not until the fiftieth year of the Sherman law that there was as much as $1,000,000 appropriated annually for its enforcement. Between 1908 and 1935, the appropriations varied between $100,000 and $300,000 annually. In 1936, the figure was increased to $439,000. In 1939, it had increased to about $800,000. For the fiscal years 1940 and 1941, appropriations were at an all-time high of $1,300,000. Since that date appropriations have increased, but when the increased cost of hiring a staff is taken into account, he declared that the antitrust law-enforcement staff of the Department in 1948 was not much larger in manpower than the prewar staff on a much smaller appropriation.

Mr. Berge declared that during a large part of the history of the antitrust laws, enforcement has been little more than a token. In the days when President Theodore Roosevelt was supposed to be scotching the dragon of monopoly, the entire enforcement staff of the Antitrust Division of the Department of Justice consisted of only five lawyers and three stenographers. In World War I, when prices skyrocketed the number of lawyers increased to 18. In the twenties when mergers and the creation of monopolistic power proceeded at a fantastic pace, the number of lawyers did not exceed 25. Not until 1938 were as many as 50 lawyers actually employed and not until 1939 did the professional personnel reach 200 lawyers and a half dozen economists.

For almost its whole life, Mr. Berge concluded, "the Antitrust Division of the Department of Justice has been a kind of corporal's guard."

A striking statement of the problem of adequate appropriations and personnel for antitrust enforcement is found in one of the TNEC monographs entitled "Antitrust in Action," by Walton Hamilton and Irene Till. One paragraph of this volume says:

"A brief comparison of antitrust with the metropolitan police is suggestive. As $1,325,000 is being used to police industry, break up restraints, enforce competition throughout the United States, a sum around $60,000,000 is spent to preserve peace and order within New York City alone. The Antitrust Division now has 200 attorneys, while the police force of New York City runs to an aggregate of 20,000 persons. An analogy between unlikes must not be pushed too far; but, niceties aside, here is evidence of basic weakness in giving effect to the Sherman Act."

In 1939 the combined staff of the Antitrust Division of the Department of Justice and the Federal Trade Commission was less than 1,000 persons including charwomen and janitors. Yet when the Government ununder OPA sought to enforce an open price system—one far easier to enforce than a secret one which monopolists practice and which must be discovered by costly and often extensive investigation—34,000 persons were hired. Without adequate appropriations the soundest antitrust laws cannot preserve free enterprise.

Now, Mr. Chairman, a program to make the antitrust laws function at maximum effectiveness would certainly include more than adequate penalties and adequate appropriations. I am making no attempt to go into all that might be done to achieve such a goal. Rather I am suggesting that your committee come forward with two programs—one for immediate achievement and one which will be longer and require more effort and time to enact into law. In the short program I would include adequate penalties and appropriations and a measure to put life into section 7 of the Clayton Act so that the Federal Trade Commission may prevent in the future, mergers which substantially lessen competition in industries. Such a program if enacted into law would, in our opinion, go a long way toward the goal of antitrust enforcement which will stop monopoly and unfair competitive methods in business. It would bring an immediate and large amount of relief to small business. Because of the shortness of such a program and the wealth of material already available to support it, there would be, it seems to me, more than a fair chance of securing its adoption by Congress. I am afraid that I am a bit of a pessimist about making the antitrust laws effective. We have had a number of investigations of the subject, but practically nothing has come of them.

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Ten years ago the TNEC conducted one of the most exhaustive inquiries into the deficiencies of the antitrust laws in our history. This inquiry cost several millions of dollars. The data collected filled many volumes. Many recommendations were ultimately made in the committee's final report. Yet not one of them has been even considered by Congress since. All that was gleaned was packed away in moth balls. Only a few years ago the House Small Business Committee made another investigation of the antitrust laws and also submitted a long list of corrective measures. None of these either has received the attention of Congress. The truth is that we already know a great deal about the weaknesses of the antitrust laws. What has been long needed is action here and now. So I hope that one of the chief fruits of this committee's work in its present inquiry into the antitrust laws will be the formulation of a short program for making those laws more effective. Behind such a program labor, the farmer, and small business should mobilize their united political strength, and if they do, I believe such a program will be approved by Congress.

Before concluding my remarks I would like to touch briefly on a matter which may be raised before this committee in the course of these hearings. Many people in America at the hour are busy warning the people that free enterprise in the economy is on its last legs. The bulk of this warning comes from important businessmen—big businessmen. As they see it, Government, labor, and the farmer are responsible for this impending tragedy. In their apportionment of the blame, however, these gentlemen are understandably silent about the primary responsibility of capital and management for its existence and for its continuation. This responsibility is camouflaged by picturing capital as thoroughly competitive and labor and the farmer as dangerous monopolists who are undermining the system on the flank and at the bottom.

The picture of big business as thoroughly competitive, is either wishful thinking or deliberate misrepresentation. An example of this kind of strategy is furnished in the address of Mr. Benjamin Fairless, president of the United States Steel Corp., to the Baltimore Association of Commerce a month or so ago. He insisted that it is nothing less than fraud to attempt to pin the label of monopoly on his corporation and implied that United States Steel has had a glorious record of free enterprise activities. Mr. Fairless ought to know better. From 1870 to 1898, the steel industry was competitive. It was a period of great technological progress in the industry. The price of steel rails declined from $116 a ton to $16 or $17 a ton. The price of pig iron fell from $33 a ton to $19 a ton. But in 1898, the United States Steel Corp. was put together by the guiding hand of Morgan. It was a merger of scores of businesses formerly independent and competitive with one another. One of the first acts of the new giant corporation was to peg the price of steel rails at $29 a ton—a price that was maintained without variation until World War I. By 1920 United States Steel was before the United States Supreme Court on a charge of violating the Sherman law. The majority opinion of the court dismissed the charge. True, there had been the Gary dinners commencing around the beginning of the twentieth century. But the Gary dinners had been discontinued for a number of years and the highest court could not, therefore, discover any acts of the corporation fixing or attempting to fix prices. So United States Steel thankfully bowed itself out of court.

However, in our judgment and unbeknown to the learned Justices of the Supreme Court, there was plenty of evidence that United States Steel was fixing prices in the industry and had been so doing for many years. The Gary dinners became unnecessary because United States Steel had established a pricing system called Pittsburgh Plus. The price of a steel product was its base price at Pittsburgh, plus freight to destination. This was known as the single basing point system. It is our considered opinion that under its operation, competition ceased to exist in the industry and the Sherman law had been completely circumvented. Three years after the decision of the highest tribunal that United States Steel was not violating the Sherman law, the Federal Trade Commission exposed the monopolistic nature of Pittsburgh Plus and convicted the corporation of practicing monopoly. Shortly after this decision of the Federal Trade Commission, the corporation switched to a multiple basing point system, the effect of which, in our judgment, was exactly the same as that of Pittsburgh Plus. From shortly after 1923 to 1948 the multiple basing point pricing system prevailed in the steel industry.

In that year the highest court convicted the cement industry of using a multiple basing-point system to suppress competition in that industry. Following that decision, United States Steel announced it was abandoning its multiple basing-point system. But, if true, this does not necessarily mean the end of monopoly in this important industry. It still remains to be found out whether prices are not being fixed at the mill. In our judgment, however, for practically half a century United States Steel has consistently and brazenly flouted the Sherman law.

Is unionism what is really destroying free enterprise in the economy? Let us look at this problem realistically. There are only three known ways in a free enterprise economy to raise the wages and living standards of workers. One is called the price-reduction method, the other is through the activities of labor unions, and the third is by a combination of the other two.

What is the price-reduction method? Under competition, increased technological efficiency in business results in a lowering of prices which, in turn, increases the buying power of existing wages. In consequence, workers receive an increase in wages. But this method depends for its workability on the existence of free and fair competition in business. Under conditions of monopoly the method cannot work. An increase in business efficiency will then not result in lower prices. It will result only in increasing profits and the firing of workers since with greater efficiency, less workers can do the job.

Under conditions of competition, the lowering of prices not only increases workers' wages, but enables consumers to buy an increased output by business. The increase in output which follows prevents the discharge of workers. The workers discharged when prices do not fall under monopoly conditions are retained under conditions of competition to produce more of a product at its lower price. Thus under competition technological unemployment is curbed.

As far back as the thirties the Brookings Institute passed an illuminating judgment on the price reduction method for raising wages and expanding markets. The institute, of course, is hardly suspect of radicalism, or of being a baiter of big business or a friend of labor. In a study of the American economy the institute concluded:

"It is, however, evident from the facts disclosed in our general study of the distribution of income, that the competitive process upon which we rely to disseminate the benefits of progress have failed to function with expected effectiveness. The method of continuously expanding markets through a persistent reduction of prices as efficiency increases has, in a considerable measure, ceased to operate in American business. Price stabilization policies have in many lines come to stand in the way of a dissemination of the benefits of business progress, and have, therefore, tended to nullify the results of technological advance. The basic economic policy which we are enunciating does, however, definitely attack what we regard as a serious abuse of the profit system and the institutions of private capital which have grown up in modern times. This is the tendency to centralize economic advantage, to protect existing business enterprises by protecting the price structure. For more than 50 years this tendency has been developing through the devices of corporate consolidations, pools, trusts, cartels, trade associations, and code authorities.

"Particularly since the World War, and often with the active assistance of Government, efforts have been going forward to stabilize existing business situations and to underwrite the prosperity of individuals, corporations, or large business groups by attempting to stabilize prices. We believe the evidence is clear that such attempts, however well intentioned, are dangerously shortsighted."

The fact is that the price reduction method in business has been paralyzed. Labor had no hand in this painful result. It has been accomplished solely through the monopolistic efforts of businessmen. It is simply foolish to charge that labor is slugging the free-enterprise system to death in America.

Are the farmers destroying free enterprise in the economy? There are only two ways open to the farmer to improve his standard of living, to claim his fair share of an increase in the productive power of the Nation's business machine. He can sell his products in competitive markets and buy his industrial necessities in competitive markets, or he can insist on price supports for his products or demand outright compensation from the Government sufficient to keep his standard of living from being exploited.

The first way presumes the existence of free and fair competition in all business. The farmer cannot sell his products in competitive markets but buy his industrial necessities in monopolized ones. He found out that that kind of a deal drove him into the gutter. But if monopoly has seized control of industrial markets what can the farmer do but cling to price supports or direct compensation from the Government. Again businessmen may be highly critical of price supports and wasted surpluses, or see in outright compensation to the farmer from the Government a looming shadow of socialism. But whose fault is it—the farmers' or businessmen's?

Is Government destroying free enterprise in the economy? According to certain businessmen, Government is infernally sticking its nose into their affairs through the medium of investigations, harassing, and intimidating the freedom of business. The trouble with the Government is that it has not been diligent enough in relentlessly exposing monopoly and unfair methods of competition in business. Due to this lack of diligence on its part, Government has permitted businessmen to strike the free-enterprise system in America a deadly blow which may prove fatal—to destroy competition in business.

If free enterprise is really to be saved in America, businessmen must cease to block and dam up the competitive process in business. Only by restoring competition in business and maintaining it is there any hope to save free enterprise in the Nation.

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STATEMENT OF WATSON ROGERS, PRESIDENT OF NATIONAL FOOD BROKERS ASSOCIATION, JUNE 26, 1950

Mr. Chairman and gentleman of the committee, my name is Watson Rogers, I am president of the National Food Brokers Association, which is a national organization composed of independent local sales repre-

sentatives, with headquarters in the Munsey Building here in the District of Columbia.

First, I should like to announce that it was with a great deal of hesitancy and reluctance on our part that I appear before you today. By way of explanation I should like to state that our organization has long followed a policy of strictest cooperation with the various Government agencies, as it is our firm belief that it is the responsibility of business and business representatives to work closely with such agencies. Likewise, I might add, it is our belief that it is the responsibility of the Government agencies to work closely with business, as well as with the citizens of our land.

Since this hearing is in regard to the activities of the Federal Trade Commission, I should like to be more specific regarding our experience with that Government agency.

I have literally thousands of personal contacts in the food industry, at the producing, wholesale, and retail levels, and in my travels around the country and day-to-day correspondence with my friends and acquaintances in the food industry, I say most emphatically that it is my belief that the overwhelming majority of the members of the food industry believe in the purposes of the Robinson-Patman Act and want 100 percent enforcement of that act. But these men are disturbed over the appearance of dangerous pricing practices which are cropping up in the case of different food commodities. At every opportunity I have extolled the purposes of the Robinson-Patman Act and I have spoken loudly in praise of the job the Federal Trade Commission has done in the enforcement of that act. But time and again my friends and acquaintances in the industry have said to me how can you speak so loudly in praise of the Federal Trade Commission when destructive pricing practices and violation of that law keep coming to light.

Generally speaking, we have felt that the Federal Trade Commission has done a very fine job in enforcing the laws under its jurisdiction.

In FTC's enforcement of these laws, there have been a few instances when some of our own members have been involved. But I should like to state here—and our records will confirm this—that at no time have we been critical of the Federal Trade Commission in this respect. I might add further that when it was proved by the Federal Trade Commission that any of our members were in the wrong, and they willfully violated the laws of the land, we have expelled them from our association.

The members of the National Food Brokers Association work under a very strict code of ethics. It is generally conceded that they cannot adhere to our strict code of ethics and at the same time be found guilty by the Federal Trade Commission. Again I say, at no time have we ever been critical of that agency for its action in enforcing the law.

I merely give you this background to try to show you, Mr. Chairman, and gentlemen of the committee, that there is no association or organization in America which has worked any more closely with the Federal Trade Commission than has the National Food Brokers Association.

I still think the Federal Trade Commission has done a marvelous job. Its batting average in securing court decisions upholding its orders is pretty nearly 1,000 percent. One must wonder why, then, there should now be a number of violations of the Robinson-Patman Act when the Commission and the courts have made the meaning of that act clear in so many factual situations. Granted the Commission has achieved a marvelous record, it seems clear that it cannot stand still, but must do something to preserve its record of enforcement. To this end I have three suggestions.

First, there is a criminal provision in the Robinson-Patman Act carrying a $5,000 fine or a year's imprisonment for violation of that act. So far as I know this provision has never been invoked. It is my understanding, of course, that criminal proceedings of this kind are the responsibility of the Department of Justice. I don't know whether the Department of Justice or the Federal Trade Commission has been softhearted in staying away from criminal prosecutions, but it does seem to me that there must be many cases where the Federal Trade Commission instead of proceeding for the usual cease and desist order might turn such cases over to the Department of Justice for criminal prosecution. There is no better way of showing that the teeth of this law can bite, and I think the great majority of law-abiding members of the food industry would like to see the bite put upon the fringe of chiselers who are working to discredit the law in the manner that the prohibition law was brought into disrepute. I, therefore, suggest that the Federal Trade Commission and the Department of Justice start a program of close cooperation with a view to imposing the criminal penalties provided in the Robinson-Patman Act for violations thereof.

My second suggestion has to do with cease and desist orders already issued by the Federal Trade Commission. I understand there are over 4,000 such orders already in force. Not long ago I heard producers of a certain commodity complaining to the Commission that a respondent under one of those cease and desist orders was continuing to violate the order. It seems that the Commission would like to check into things like that, but they have a small staff of only eight people to look after over 4,000 cease and desist orders. Gentlemen of the committee, I think this is a weak spot in the Federal Trade Commission organization. If respondents aren't going to comply with cease and desist orders the proceedings to secure cease and desist orders become a joke. It is my understanding that wherever a respondent violates a cease and desist order, the Federal Trade Commission can ask the Department of Justice to go to court to collect a penalty of $5,000 for each such violation. So far as I know the Federal Trade Commission has never asked that such a penalty be imposed, either because they don't have enough of a staff to make such a case or because of a lack of an effective program of cooperation between the Federal Trade Commission and the Department of Justice. Accordingly, I suggest that if the Commission doesn't have enough money to set up an adequate division to investigate and enforce compliance of its outstanding cease and desist orders, Congress should be asked to give the Commission the necessary funds for this terribly important enforcement activity; and I suggest that the Department of Justice and the Federal Trade Commission have a plan and policy of cooperation to make sure the cease and desist orders are complied with under such penalty of the law.

My third suggestion has to do with the delay of the Federal Trade Commission in coming to a decision in cases where its trial examiners have completed the taking of evidence and the findings of facts and opinions as to violations of the law.

An example of such a case is that of the Independent Grocers Alliance Distributing Co., docket No. 5433. The Federal Trade Commission issued a complaint against this company on April 18, 1946, for alleged illegal brokerage receipts in violation of section 2 (c) of the Robinson-Patman Act.

The Federal Trade Commission held a hearing on this complaint and in a report filed March 25, 1948, the trial examiner found that during the 10-year period, 1937-46, the company had handled brokerage payments of about one-half million dollars a year from sellers. The trial examiner stated in his opinion that the handling of these brokerage collections was illegal and violated section 2 (c) of the Robinson-Patman Act and recommended that the Federal Trade Commission issue a cease and desist order against any further violation of that provision of the law.

As indicated above, this report of the trial examiner was prepared over 2 years ago. The parties filed exceptions to the trial examiner's report and the case was argued on the merits before the Commission on November 23, 1948. The months passed but no announcement on the case was forthcoming. Finally in 1950 it was announced that the case would be reargued before the Commission on March 29, 1950. This date was canceled and the reargument was tentatively set for the end of May. At that time we learned that the hearing had been indefinitely postponed.

Because of the seriousness of this matter we wrote Chairman Mead on May 26, 1950, as follows:

"DEAR CHAIRMAN MEAD: I feel confident that I reflect the sentiments of the entire membership of this association when I express to you my own gratification over the President's selection of you to be the Chairman of the Commission under the recently enacted reorganization plan. The officers and members of this association have a deep and abiding respect for the accomplishments of the Federal Trade Commission since its creation over three decades ago.

"Knowing the sentiments of the members of this association and its officers toward the Federal Trade Commission, I am less apprehensive of incurring their displeasure in speaking to you on my own personal responsibility concerning a matter which in my judgment is undermining much of the good work and many of the fine achievements of the Federal Trade Commission since the enactment of the Robinson-Patman Act.

"In addition to many contacts with the members of this association, I have as many or more contacts with other segments of the food industry and during the past few months I have been asked repeatedly how it is I can go about praising the Federal Trade Commission and its enforcement of the Robinson-Patman Act when the Commission itself seems to have pigeonholed a case which is alleged to be one of the 'worst' cases ever to arise in the enforcement of that act. The case referred to is that of the Independent Grocers' Alliance Distributing Co.

"I am not familiar with the record of this case, and therefore, have no opinion as to the guilt or innocence of the respondent therein. I have been told repeatedly, however, that the Commission's proceeding established the fact that that respondent has collected an average of almost one-half million dollars of brokerage per year and that the trial examiner found that these brokerage collections violated section 2 (c) of the act and recommended that the Commission order the respondent to cease and desist collecting such brokerage. These critics in the food industry say that the trial examiner made his report over 2 years ago but that argument on the merits of the case has been repeatedly postponed and that at the present time no date has been scheduled for such argument and the prospect of a decision by the Commission seems to be fading as time goes by.

"I know of my own personal knowledge that represenatives of this respondent have been trying to get the Robinson-Patman Act changed so as to legalize their brokerage receipts. Many responsible persons in the food industry have the same knowledge and have expressed to me the concern that maybe this respondent in one way or another is being treated differently than others. My sole purpose in bringing this matter to your attention, Mr. Commissioner, is simply this, to

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inquire whether or not it is true that further proceedings in the case have been indefinitely postponed, and if so, for what reason. I would like this information in order that I may answer the many inquiries that have been coming to me concerning this case."

In answer to this letter we received the following reply from Chairman Mead dated June 7, 1950:

"DEAR MR. ROGERS: I have received and carefully considered your letter of May 26, 1950, in which you inquired whether or not further proceedings in the above-entitled case have been indefinitely postponed and, if so, for what reasons.

"This matter was scheduled for reargument before the Commission on the merits last spring. The reargument was scheduled because of the changes which have taken place in the membership of the Commission since the date of the original oral argument before the Commission on the merits. Among the reasons for the postponement of the reargument to October 26, 1950, is the prospect of having on the Commission before that date an additional new Commissioner. He would not have been available for participation in the consideration of the case if the reargument had been held as scheduled in the spring of this year.

"I trust that you will find the above explanation fully responsive to your inquiry.

"With kindest personal regards."

You will note in the above letter this is now set for a rehearing on October 26, 1950.

Now, gentlemen, sellers and buyers in the food industry at large are genuinely concerned with this case. Here we have a company which was charged and proved to have handled brokerage of about one-half million dollars a year over a 10-year period, before the complaint was filed. So far as we know that company is still handling that much brokerage in almost the same way 4 years after the complaint was filed and no decision has been reached by the Commission.

The grocery industry had thought that such brokerage had been forever condemned by the law and the decisions of the courts upholding the law in similar cases decided by the courts 10 years ago. The delay by the Federal Trade Commission in acting upon the trial examiner's recommended decision issued over 2 years ago has given rise to disturbing inquiries.

Another disturbing aspect of this case lies in the fact that about a year ago this respondent, IGA, secured the introduction of a bill in Congress specifically designed to emasculate the brokerage section of the Robinson-Patman Act, thereby making its present activities legal. Of course, if this bill were enacted into law (which I seriously doubt it will be) before the Federal Trade Commission reached a decision in the pending case, the Federal Trade Commission would then have to dismiss the complaint on the ground that the case had become moot, FTC cease and desist orders operate in the future only, not in the past.

However, I have no fear that Congress will make this possible, as evidence will show that after the introduction of this bill wholesalers, retailers, and businesses of all descriptions rose up in arms over this proposed emasculation of the Robinson-Patman Act, which has been their greatest protector. They all realized that without the protection afforded them under the Robinson-Patman Act many of them would find it impossible to operate against discriminatory competition.

Many of the wholesalers and retailers affiliated with the organization mentioned are customers of members of the National Food Brokers Association. It is not in opposition to them that we appear here, but rather as much for their future protection as for the rest of the industry. If there is a loss of respect for the law, because of weak enforcement, these said members would be penalized as great as, if not greater than, many other organizations in the food industry.

I have gone into detail on this case alone although a very similar statement undoubtedly can be made against the handling of other cases pending equally long periods before the Commission.

This is no indication that the Commission has streamlined its activities to maintain current schedules and to insure prompt handling of all cases. It definitely is not in accord with recent widespread publicity that the Commission's calendar would be up-to-date by June or July.

I thought this committee would be particularly interested in these matters. You might want to investigate the reasons for this unnecessary delay in handling. In addition to clarifying the situation on this case, it might be the means to insure speedier handling in future cases.

The foregoing, gentlemen of the committee, is the reason for my being here today. I am sure you know that for the future protection of the majority of American business, the Robinson-Patman Act must be vigorously enforced.

You will recall what happened in the prohibition days. Because there were so many flagrant violations the citizens soon lost respect for the law. After the people lost respect, Congress and the people deemed it advisable to repeal the law. Because it is so important in the protection of the free-enterprise system of America, we cannot think of letting such a thing happen to the Robinson-Patman Act.

## EXTENSION OF REMARKS

Mr. ZABLOCKI asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. MULTER asked and was given permission to extend his remarks in four instances and include extraneous matter.

Mr. RAINS (at the request of Mr. BATTLE) was given permission to extend his remarks and include a speech.

Mr. EVINS asked and was given permission to extend his remarks and include an interim report from the Tennessee Valley Authority and other extraneous matter.

Mr. SADOWSKI (at the request of Mr. O'BRIEN of Michigan) was given permission to extend his remarks in three instances and include quotations in each.

Mr. JENKINS asked and was given permission to extend his remarks and include an article.

Mr. JONAS asked and was given permission to extend his remarks and include a radio address by Col. Robert R. McCormack, of the Chicago Tribune.

Mr. MACY asked and was given permission to extend his remarks and include an address.

Mr. REES asked and was given permission to extend his remarks and include some resolutions.

Mr. VELDE asked and was given permission to extend his remarks and include an editorial.

Mr. HOEVEN asked and was given permission to extend his remarks and include a copy of a letter.

Mr. SCUDDER asked and was given permission to extend his remarks and include an editorial.

Mr. SMITH of Kansas asked and was given permission to extend his remarks.

Mr. GWINN asked and was given permission to extend his remarks in two instances.

Mr. YOUNG asked and was given permission to extend his remarks.

Mr. BUCKLEY of Illinois asked and was given permission to extend his remarks and include therein a speech he delivered at the Statler Hotel in New York City yesterday, and also a speech made on that occasion by the president of the Letter Carriers' Association.

Mr. BYRNES of Wisconsin asked and was given permission to extend his remarks and include an editorial.

Mr. MOULDER asked and was given permission to extend his remarks on the subject of national compulsory health insurance.

Mr. MANSFIELD asked and was given permission to extend his remarks and include an address delivered by Col. Melvin J. Maas, United States Marine Corps Reserve, at the first postwar convention of the Marine Corps Reserve Officers Association, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $218.68.

Mr. HALE asked and was given permission to extend his remarks and include a letter.

Mr. BECKWORTH asked and was given permission to extend his remarks.

Mr. RICH (at the request of Mr. D'EWART) was given permission to extend his remarks in two instances and include editorials.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CASE of New Jersey (at the request of Mr. TOWE), on account of official business.

To Mr. HAND (at the request of Mr. WOLVERTON), for 1 day, on account of sickness in family.

To Mr. WAGNER (at the request of Mr. BREEN), for an indefinite period, on account of serious illness in the family.

To Mr. DEANE, for an indefinite period, on account of official business.

To Mr. PLUMLEY (at the request of Mr. ARENDS), for balance of week, on account of official business.

To Mr. WERDEL (at the request of Mr. HINSHAW), indefinitely, on account of illness.

To Mr. AUCHINCLOSS (at the request of Mr. ARENDS), for 2 days, on account of official business.

To Mr. SADLAK (at the request of Mr. ARENDS), to attend funeral.

## ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1606. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Auf der Heide-Aragona, Incorporated, and certain of its subcontractors against the United States;

H. R. 3783. An act authorizing the transfer of part of Camp Joseph T. Robinson to the State of Arkansas;

H. R. 5943. An act to provide for the erection of a bronze and stone monument at the grave of Constantino Brumidi; and

H. R. 6692. An act for the relief of Sgt. Blaine W. Hughes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2269. An act to provide for the enlistments of aliens in the Regular Army; and

S. 3771. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on June 22, 1950, present to the President, for his approval, bills of the House of the following titles:

H. R. 1243. An act to amend the Hatch Act;

H. R. 4895. An act to permit the prospecting, development, mining, removal, and utilization of the mineral resources within the national forests in Minnesota, and for other purposes;

H. R. 8198. An act to provide for the organization of the Army of the Department of the Army, and for other purposes; and

H. J. Res. 480. Joint resolution extending the time for the release, free of estate and gift tax, of certain powers.

ADJOURNMENT

Mr. BROWN of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 57 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 27, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1513. A letter from the Assistant Secretary of the Navy, relative to the Department of the Navy proposing the transfer of a 40-foot torpedo retriever boat to the Junior Midshipmen of America, Inc., located at New London, Conn., to be used in training boys in seamanship, navigation, boat handling, and related subjects; to the Committee on Armed Services.

1514. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to amend the Synthetic Liquid Fuels Act, as amended (58 Stat. 190, 62 Stat. 79)"; to the Committee on Public Lands.

1515. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated May 10, 1950, submitting a report, together with accompanying papers, on a review of report on the Arkansas River and tributaries, with a view to modification of the recommendations contained therein with respect to flood control on Hickory Creek. This investigation was requested by a resolution of the Committee on Flood Control, House of Representatives, adopted on April 19, 1946; to the Committee on Public Works.

1516. A letter from the Acting Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

1517. A letter from the Acting Attorney General, transmitting a letter relative to the case of Pedro Albarez-Salgado, file No. A-4374799 CR 25988, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of the Department of Justice; to the Committee on the Judiciary.

1518. A letter from the Acting Attorney General, transmitting copies of the orders of the Commissioner of the Immigration and Naturalization Service granting the application for permanent residence filed by the subjects of such orders; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DOUGHTON: Committee on Ways and Means. H. R. 8920. A bill to reduce excise taxes, and for other purposes; without amendment (Rept. No. 2319). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. House Resolution 647. Resolution disapproving Reorganization Plan No. 27 of 1950; without amendment (Rept. No. 2320). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. House Resolution 648. Resolution disapproving Reorganization Plan No. 24 of 1950; without amendment (Rept. No. 2321). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee of conference. H. R. 1437. A bill to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes (Rept. No. 2322). Ordered to be printed.

Mr. SABATH: Committee on Rules. House Resolution 666. Resolution for consideration of H. R. 8920, a bill to reduce excise taxes, and for other purposes; without amendment (Rept. No. 2323). Referred to the House Calendar.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. H. R. 3906. A bill to amend the Federal Aid to Wildlife Restoration Act, as amended; without amendment (Rept. No. 2324). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H. R. 3611. A bill to provide for the preparation, printing, and distribution of a list of all persons who died at any time after May 26, 1941, and before September 3, 1945, while serving on active duty with the armed forces of the United States; with amendment (Rept. No. 2325). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. H. R. 5507. A bill to amend an act entitled "An act for the protection of the bald eagle," approved June 8, 1940; without amendment (Rept. No. 2326). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. H. R. 6533. A bill to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes; with amendment (Rept. No. 2327). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 7192. A bill to provide benefits for the widows of certain persons who were retired or are eligible for retirement under section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 20, 1918, as amended; without amendment (Rept. No. 2328). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. H. R. 7209. A bill authorizing and directing the United States Fish and Wildlife Service of the Department of the Interior to undertake a continuing study of the shortage of white shad, herring, and other fish in the Albemarle and Pamlico Sounds and tributaries with respect to the biology, propagation, and abundance of such species, to the end that such Service may recommend appropriate measures for arresting the decline of valuable food fish for increasing the abundance and promoting the wisest utilization thereof; with amendment (Rept. No. 2329). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 7439. A bill to protect the national security of the United States by permitting the summary suspension of employment of civilian officers and employees of various departments and agencies of the Government, and for other purposes; with amendment (Rept. No. 2330). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. H. R. 7887. A bill granting the consent and approval of Congress to an amendment to the Atlantic States Marine Fisheries Compact, and repealing the limitation on the life of such compact; with amendment (Rept. No. 2331). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 2332. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 2333. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 8617. A bill to amend title 14, United States Code, entitled "Coast Guard"; with amendment (Rept. No. 2334). Referred to the Committee of the Whole House on the State of the Union.

Mr. CROOK: Committee on Post Office and Civil Service. H. R. 8767. A bill to authorize the exclusion from the mails of all obscene, lewd, lascivious, indecent, filthy, or vile articles, matters, things, devices, or substances, and for other purposes; with amendment (Rept. No. 2335). Referred to the Committee of the Whole House on the State of the Union.

Mr. DEGRAFFENRIED: Committee on Armed Services. H. R. 8816. A bill to provide for the conveyance of certain hospital supplies and equipment of the United States to the city of Gulfport and to Harrison County, Miss.; without amendment (Rept. No. 2336). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 8711. A bill relating to the compensation and leave benefits of officers and employees in the custodial service of the Post Office Department transferred to the General Services Administration under Reorganization Plan No. 18 of 1950; without amendment (Rept. No. 2337). Referred to the Committee of the Whole House on the State of the Union.

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. S. 603. An act to amend the Trading With the Enemy Act; with amendment (Rept. No. 2338). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 8923,



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A bill to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes; without amendment (Rept. No. 2339). Referred to the Committee of the Whole House on the State of the Union.

### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COMBS:

H. R. 8940. A bill to require that cases in which the supreme court has original jurisdiction be decided by the affirmative vote of at least five members of the Court; to the Committee on the Judiciary.

By Mr. FULTON:

H. R. 8941. A bill to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers; to the Committee on Banking and Currency.

By Mr. GRANGER:

H. R. 8942. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. JUDD:

H. R. 8943. A bill to provide that, in determining eligibility for pensions payable to veterans and their dependents, certain insurance proceeds shall not be considered income; to the Committee on Veterans' Affairs.

By Mr. KILBURN:

H. R. 8944. A bill authorizing the Ogdensburg Bridge Authority, its successors and assigns to construct, maintain, and operate a bridge across the St. Lawrence River at or near the city of Ogdensburg, N. Y.; to the Committee on Foreign Affairs.

By Mr. KING:

H. R. 8945. A bill to give effect to the Convention for the Establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City January 25, 1949, by the United States of America and the United Mexican States, and the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, by the United States of America and the Republic of Costa Rica, and for other purposes; to the Committee on Foreign Affairs.

By Mr. RAMSAY:

H. R. 8946. A bill to encourage increased production of coal, to promote the national defense, and for other purposes; to the Committee on Ways and Means.

By Mr. SADLAK:

H. R. 8947. A bill relating to the classification of registration officers in the Veterans' Administration; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Kansas:

H. R. 8948. A bill to amend section 10 of the Railway Labor Act, as amended, with respect to observance of recommendations made by emergency boards created by the President; to the Committee on Interstate and Foreign Commerce.

By Mr. SUTTON:

H. R. 8949. A bill making an appropriation for the construction of a research laboratory at Summertown, Tenn., for the Quartermaster Corps, United States Army; to the Committee on Appropriations.

By Mr. VINSON:

H. R. 8950. A bill to authorize the detail of officers of the Armed Forces to any duty or position with the Department of Commerce in connection with the work of promoting civil aviation; to the Committee on Armed Services.

By Mrs. NORTON:

H. R. 8951. A bill to increase the compensation of Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. McMILLAN of South Carolina:

H. R. 8952. A bill to authorize and direct the Commissioners of the District of Columbia to investigate and study the feasibility of widening and improving the roadway of Independence Avenue and B Street, from First Street SW. to Second Street SE., adjacent to and in the vicinity of the United States Capitol Grounds; to the Committee on the District of Columbia.

By Mr. VURSELL:

H. J. Res. 491. Joint resolution to modify the authority of the White County Bridge Commission, created by the act approved April 12, 1941; to authorize said commission and its successors to purchase or construct and maintain and operate bridges across the Wabash River at various locations and to purchase, maintain, and operate ferries; and for other purposes; to the Committee on Public Works.

By Mr. WALSH:

H. Res. 667. Resolution providing for the consideration of H. R. 8195, a bill to rescind the order of the Postmaster General curtailing certain postal services; to the Committee on Rules.

By Mr. REED of New York:

H. Res. 668. Resolution to make a study and investigation of social-security programs; to the Committee on Rules.

By Mr. McMILLAN of South Carolina:

H. Res. 669. Resolution to provide for the payment of certain compensation to William E. Cook; to the Committee on House Administration.

### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KILBURN:

H.R. 8953. A bill for the relief of Despina Dimitriou; to the Committee on the Judiciary.

By Mr. McMILLEN of Illinois:

H. R. 8954. A bill for the relief of Mrs. Florence E. Homann and her son John A. Villas; to the Committee on the Judiciary.

By Mr. VINSON:

H. R. 8955. A bill to authorize the President to appoint Col. Henry A. Byroade as Director of the Bureau of German Affairs, Department of State, without affecting his military status and perquisites; to the Committee on Armed Services.

By Mr. YATES:

H. R. 8956. A bill for the relief of Mrs. Claude Morita and Rodney Morita; to the Committee on the Judiciary.

By Mr. COUDERT:

H. R. 8957. A bill for the relief of John Lyman; to the Committee on the Judiciary.

### PETITIONS, ETC.

Under clause 1 of rule XXII,

2215. Mr. RICH presented a resolution of the Ladies Auxiliary to the Brotherhood of Railroad Trainmen, Susquenhanna Lodge, No. 62, Renovo, Pa., against order of Postmaster General curtailing mail delivery service, which was referred to the Committee on Post Office and Civil Service.

## SENATE

### TUESDAY, JUNE 27, 1950

*(Legislative day of Wednesday, June 7, 1950)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Gerhard E. Lenski, D. D., pastor, Grace Lutheran Church, Washington, D. C., offered the following prayer:

God of the nations, great and mighty, Thou who hast given unto us, the American people, a fair land and a goodly heritage and blessings too many to be named or numbered, we thank Thee this day for all Thy love toward us and for all Thy confidence in us.

In this solemn hour of world history help us, we pray Thee, to measure up to this confidence and to fulfill the destiny Thou hast planned. As war clouds darken on the horizon, as heavy pressures are imposed, as important issues demand our vote and our decision, help us, O omnipotent and all-righteous God, to look to Thee and to be guided by Thee in all things. Let Thy will be our will, Thy way our way, Thy truth and righteousness our shield and buckler. So may we face today unafraid. So may we build for peace in a world into which war can so easily come. So may Thy holy will be done on earth even as it is done in heaven above. All this we ask in Jesus' name and for His sake. Amen.

### THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 26, 1950, was dispensed with.

### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the bill (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended, with an amendment, in which it requested the concurrence of the Senate; that the House insisted upon its amendment, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MCMILLAN of South Carolina, Mr. ABERNETHY, and Mr. O'HARA of Minnesota were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2887. An act to amend the Architects' Registration Act for the District of Columbia in order to safeguard life, health, and property, and to promote the public welfare;

H. R. 7881. An act to amend sections 675 and 676 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, regulating the disposal of dead human bodies in the District of Columbia;

H. R. 8055. An act relating to the collection, payment, and dishonor of demand items, and to the revocation of credit for, and payment of, such items by banks in the District of Columbia;

H. R. 8709. An act to change the designations of Health Officer and Assistant Health Officer of the District of Columbia, respectively, to Director of Public Health and Assistant Director of Public Health; and

H. R. 8782. An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia through June 30, 1951.

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 4295. An act to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948;

H. R. 6567. An act to increase the borrowing power of Commodity Credit Corporation; and

H. R 8587. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes.

### COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. FULBRIGHT, and by unanimous consent, the subcommittee of the Committee on Banking and Currency dealing with the Reconstruction Finance Corporation was authorized to hold a hearing this afternoon during the session of the Senate.

On request of Mr. NEELY, and by unanimous consent, the Committee on the District of Columbia was authorized to hold a hearing this afternoon during the session of the Senate.

### CALL OF THE ROLL

Mr. McFARLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Anderson | Hickenlooper | Martin |
| Benton | Hoey | Maybank |
| Bricker | Holland | Millikin |
| Bridges | Humphrey | Morse |
| Butler | Hunt | Mundt |
| Byrd | Ives | Murray |
| Cain | Jenner | Neely |
| Capehart | Johnson, Colo. | O'Mahoney |
| Chapman | Johnson, Tex. | Robertson |
| Connally | Kefauver | Russell |
| Cordon | Kem | Saltonstall |
| Darby | Kerr | Schoeppel |
| Donnell | Kilgore | Smith, Maine |
| Douglas | Knowland | Smith, N. J. |
| Ecton | Leahy | Sparkman |
| Ellender | Lehman | Stennis |
| Ferguson | Lodge | Taft |
| Flanders | Lucas | Thomas, Utah |
| Frear | McCarran | Tobey |
| Fulbright | McCarthy | Tydings |
| Gillette | McClellan | Watkins |
| Green | McFarland | Wherry |
| Gurney | McKellar | Wiley |
| Hayden | McMahon | Williams |
| Hendrickson | Malone | Withers |

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Florida [Mr. PEPPER] are necessarily absent.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], and the Senator from Alabama [Mr. HILL] are absent on public business.

The Senator from Georgia [Mr. GEORGE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Washington [Mr. MAGNUSON] is absent on official business.

The Senator from Pennsylvania [Mr. MYERS] is absent because of illness in his family.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the senior Senator from North Dakota [Mr. LANGER], the Senator from Minnesota [Mr. THYE], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Idaho [Mr. DWORSHAK] is absent by leave of the Senate on official business.

The PRESIDENT pro tempore. A quorum is present.

### TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

### PROPOSED TRANSFER BY NAVY DEPARTMENT OF NAVAL MOTORBOAT TO JUNIOR MIDSHIPMEN OF AMERICA, INC.

The PRESIDENT pro tempore laid before the Senate a letter from the Assistant Secretary of the Navy, reporting, pursuant to law, that the Junior Midshipmen of America, Inc., of New London, had requested the Navy Department to transfer a motorboat for use in training boys in seamanship, navigation, boat handling and related subjects, which was referred to the Committee on Armed Services.

### COMMUNIST ATTACK ON SOUTH KOREA—COMMUNICATION FROM AMBASSADOR OF KOREA

The PRESIDENT pro tempore laid before the Senate a communication from the Ambassador of Korea, which was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

KOREAN EMBASSY,
*Washington, D. C., June 26, 1950.*

The honorable the PRESIDENT OF THE SENATE OF THE UNITED STATES.

SIR: I have the honor to transmit to you an appeal received this morning by cable from my Government, with the request that it be forwarded to the Congress of the United States. The text of the message is as follows:

"Beginning in the early morning of June 25 the North Korean Communist army began their armed aggression against the south. Your Excellency and the Congress of the United States already are aware of the fact that our people, anticipating an incident such as today's, established a strong national defense force. In order to secure the bulwark of democracy in the East and to render service liberating us, and in establishing our Republic, we, facing this national crisis and putting up a brave fight, furthermore appeal for your increasing support and ask that you at the same time extend effective and timely aid to us in order to prevent this act of destruction of the peace of the world. The above appeal was adopted by the National Assembly of the Republic of Korea on the morning of June 26 at its regular session."

Please accept, sir, the renewed assurances of my high consideration.

JOHN M. CHANG,
*Ambassador.*

### PETITION AND MEMORIAL

A petition and a memorial were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the St. Petersburg Townsend Club, No. 1, of St. Petersburg, Fla., favoring the enactment of Senate bill 2181, providing a national insurance program; to the Committee on Finance.

The memorial of Bertha E. Mullin, of Philadelphia, Pa., remonstrating against the recognition of any regime in China other than the Nationalist government; to the Committee on Foreign Relations.

### DEVELOPMENT OF LOW-COST PUBLIC ELECTRIC POWER—RESOLUTION OF NORTHEASTERN ELECTRIC COOPERATIVE ASSOCIATION

Mr. LEHMAN. Mr. President, more and more groups throughout New York State and New England are expressing their concern over delay in the development of low-cost power along the St. Lawrence and at Niagara Falls. Recently at a meeting in Burlington, Vt., the New England and New York State Associations of Electric Cooperatives merged and formed the Northeastern Electric Cooperative Association representing some 20,000 farm member consumers. I ask unanimous consent to insert in the body of the RECORD and appropriately referred a resolution adopted at that meeting favoring the public development of power in New York and the northeastern region.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

RESOLUTION OF NORTHEASTERN ELECTRIC COOPERATIVE ASSOCIATION

Whereas the Northeastern Electric Cooperative Association favors the development of the St. Lawrence seaway and hydro power project and other sources of low-cost power which would strengthen the economy in the Northeast and, in turn, of the entire Nation; and

Whereas it has come to the attention of this association that the New England Council and other organizations interested in maintaining the status quo have opposed such public developments at various times and places: Now, therefore, be it

*Resolved*, That this organization go on record as deploring the attitude of the New England Council and other interests for their short-sighted opposition to the development of low-cost public power; and be it further

*Resolved*, That this association publicly renew its stand in favor of the St. Lawrence seaway and hydro project and other feasible hydroelectric developments, and that this association urgently petition Congress to approve the pending St. Lawrence legislation providing for approval of the United States-Canadian agreement of 1941, and to make provision for a detailed survey of the proposed Passamaquoddy development and other potential sources of low-cost power. We further approve public development of low-cost power. We further approve the public development and control of such power as may be generated at Niagara Falls under the Canadian-United States Treaty of February 27, 1950.

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REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLAND, from the Committee on Public Works:

S. 2923. A bill to authorize the Federal Deposit Insurance Corporation to acquire or construct, with its own funds, a building within the District of Columbia suitable for the Corporation; with amendments (Rept. No. 1910).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 619. A bill for the relief of the Spicer Ice & Coal Co.; without amendment (Rept. No. 1916);

S. 2868. A bill to incorporate the Future Farmers of America, and for other purposes; with amendments (Rept. No. 1911);

H. R. 157. A bill authorizing the Attorney General of the United States to recognize and to award to outstanding courageous young Americans a medal for heroism known as the Young American Medal for Bravery, and for other purposes; with amendments without recommendations (Rept. No. 1912);

H. R. 5002. A bill to incorporate the Reserve Officers Association of the United States; with an amendment (Rept. No. 1913); and

S. J. Res. 180. Joint resolution to suspend until December 31, 1950, the application of certain Federal laws with respect to attorneys employed by the Subcommittee on Labor-Management Relations of the Senate Committee on Labor and Public Welfare in connection with the study and investigation ordered by Senate Resolution No. 140, Eighty-first Congress; with an amendment (Rept. No. 1914).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

H. R. 3419. A bill to amend the Merchant Ship Sales Act of 1946; without amendment (Rept. No. 1915).

By Mr. HUNT, from the Committee on the District of Columbia:

H. R. 8782. A bill to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia through June 30, 1951; with amendments (Rept. No. 1918).

By Mr. LEAHY, from the Committee on the District of Columbia:

S. 3257. A bill to amend the District of Columbia Unemployment Compensation Act to provide for unemployment compensation in the District of Columbia, and for other purposes; with amendments (Rept. No. 1919); and

S. 3308. A bill to provide for the payment and collection of wages in the District of Columbia; with an amendment (Rept. No. 1920).

By Mr. FREAR, from the Committee on the District of Columbia:

S. 3555. A bill defining and regulating the practice of the profession of engineering and creating a Board of Registration for Professional Engineers in the District of Columbia; without amendment (Rept. No. 1921).

DISTRICT OF COLUMBIA APPROPRIATIONS—REPORT OF A COMMITTEE

Mr. O'MAHONEY. Mr. President, on behalf of the senior Senator from Alabama [Mr. HILL], who is chairman of the subcommittee of the Committee on Appropriations having jurisdiction of the District of Columbia appropriation bill, in his absence, and at his request, from the Committee on Appropriations, I report favorably, with amendments, the bill (H. R. 8568) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1951, and for other purposes, and I submit a report (No. 1917) thereon.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HOLLAND:

S. 3831. A bill for the relief of Dewey Pickett; to the Committee on the Judiciary.

By Mr. THOMAS of Utah:

S. 3832. A bill to approve a contract negotiated with the Ogden River Water Users' Association, to authorize its execution, and for other purposes; and

S. 3833. A bill to approve a contract negotiated with the South Cache Water Users' Association, to authorize its execution, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DOUGLAS:

S. 3834. A bill for the relief of Shizue Nakamura; and

S. 3835. A bill for the relief of Lily Pfannenschmidt; to the Committee on the Judiciary.

INVESTIGATION OF DISLOYALTY IN STATE DEPARTMENT—INCREASE IN LIMITATION OF EXPENDITURES

Mr. TYDINGS submitted the following resolution (S. Res. 303), which was referred to the Committee on Rules and Administration:

*Resolved*, That the limit of expenditure contained in Senate Resolution 237, agreed to March 15, 1950 (relating to a study and investigation by the Committee on Foreign Relations as to whether persons who are disloyal to the United States are or have been employed by the Department of State), hereby is increased from $25,000 to $35,000.

AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT—AMENDMENT

Mr. TAFT submitted an amendment intended to be proposed by him to the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949, which was ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 2887. An act to amend the Architects' Registration Act for the District of Columbia in order to safeguard life, health, and property, and to promote the public welfare;

H. R. 8055. An act relating to the collection, payment, and dishonor of demand items, and to the revocation of credit for, and payment of, such items, by banks in the District of Columbia; and

H. R. 8782. An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia through June 30, 1951; to the Committee on the District of Columbia.

H. R. 7881. An act to amend sections 675 and 676 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, regulating the disposal of dead human bodies in the District of Columbia; and

H. R. 8709. An act to change the designations of Health Officer and Assistant Health Officer of the District of Columbia, respectively, to Director of Public Health and Assistant Director of Public Health; ordered to be placed on the calendar.

REORGANIZATION PLAN NO. 24—ANNOUNCEMENT AS TO RESOLUTION 290

Mr. FULBRIGHT. Mr. President, I notice that the press carried a statement this morning to the effect that I would call up Senate Resolution 290, disapproving Reorganization Plan No. 24, on July 7 next. That was a mistake. I canvassed the situation as carefully as I could, and it was my intention to move to take the resolution up on Thursday, July 6. I merely want everyone to know that that is my intention.

CAMPAIGN FOR CHEAP SILVER—ADDRESS BY WALTER W. JOHNSON, GOVERNOR OF COLORADO

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a radio address on the subject of the campaign for cheap silver, delivered by Hon. Walter W. Johnson, Governor of Colorado, on June 17, 1950, which appears in the Appendix.]

MUNDT-NIXON BILL—STATEMENT BY CARLE WHITEHEAD

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a statement entitled "An Assault on American Fundamentals," written by Carle Whitehead, which appears in the Appendix.]

FRANK GRAHAM'S DEFEAT—EDITORIAL FROM NEW YORK TIMES

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an editorial entitled "FRANK GRAHAM'S Defeat" published in the New York Times of June 27, 1950, which appears in the Appendix.]

SOCIAL SECURITY SYSTEM—EDITORIAL FROM SOMERSET (PA.) DAILY AMERICAN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "More Victims," published in the Somerset (Pa.) Daily American on June 23, 1950, which appears in the Appendix.]

FEDERAL AID—EDITORIAL FROM THE HARRISBURG EVENING NEWS

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Stassen's Warning," published in the Harrisburg Evening News on June 22, 1950, which appears in the Appendix.]

THE FEDERAL PAYROLL—ARTICLE BY MARTIN S. HAYDEN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an article entitled "One in Every Five Americans Getting Government Payments," published in the Washington Sunday Star on June 25, 1950, which appears in the Appendix.]

DEVELOPMENT OF RESERVES OF OKLAHOMA—LAND, WOOD, AND WATER

[Mr. KERR asked and obtained leave to have printed in the RECORD an article relating to the development of the resources of Oklahoma entitled "Land, Wood, and Water" development theme written by Malvina Stephenson, and published in a recent issue of the Tulas (Okla.) Tribune, which appears in the Appendix.]

DEVELOPMENT OF RESOURCES OF OKLAHOMA—WATER PRECIOUS AS OIL

[Mr. KERR asked and obtained leave to have printed in the RECORD an article relating to the development of the resources of Oklahoma entitled "Water Precious as Oil to State Development," written by Malvina Ste-

phenson and published in the Tulsa (Okla.) Tribune of recent date, which appears in the Appendix.]

DEVELOPMENT OF RESOURCES OF OKLAHOMA—$1,000,000 PROGRAM SOUGHT FOR BARTLESVILLE

[Mr. KERR asked and obtained leave to have printed in the RECORD an article entitled "$1,000,000 Program Sought for Bartlesville," written by Malvina Stephenson and published in a recent issue of the Tulsa (Okla.) Tribune, which appears in the Appendix.]

THE GENOCIDE CONVENTION

[Mr. JENNER asked and obtained leave to have printed in the RECORD nine provisions of the Genocide Convention, which appear in the Appendix.]

THE GENOCIDE CONVENTION—WHAT IT REALLY MEANS TO AMERICANS

[Mr. JENNER asked and obtained leave to have printed in the RECORD an editorial entitled "The Genocide Convention—What It Really Means to Americans," from the New Orleans States, which appears in the Appendix.]

THE GENOCIDE CONVENTION—DOES IT OBLIGATE US TO WAR?

[Mr. JENNER asked and obtained leave to have printed in the RECORD an editorial entitled "The Genocide Convention—Does It Obligate Us to War?" from the New Orleans States, which appears in the Appendix.]

THE GENOCIDE CONVENTION—HOW IT INVADES DOMESTIC LAW

[Mr. JENNER asked and obtained leave to have printed in the RECORD an editorial entitled "The Genocide Convention—How It Invades Domestic Law," from the New Orleans States, which appears in the Appendix.]

THE GENOCIDE CONVENTION—A THREAT TO FREEDOM OF SPEECH

[Mr. JENNER asked and obtained leave to have printed in the RECORD an editorial entitled "The Genocide Convention—A Threat to Freedom of Speech," from the New Orleans States, which appears in the Appendix.]

THE GENOCIDE CONVENTION—SHALL WE FACE FOREIGN JUDGES?

[Mr. JENNER asked and obtained leave to have printed in the RECORD an editorial entitled "The Genocide Convention—Shall We Face Foreign Judges?" from the New Orleans States, which appears in the Appendix.]

THE GENOCIDE CONVENTION—IT WILL NOT STOP DICTATORS

[Mr. JENNER asked and obtained leave to have printed in the RECORD an editorial entitled "The Genocide Convention—It Will Not Stop Dictators," from the New Orleans States, which appears in the Appendix.]

THE GENOCIDE CONVENTION—IT WON'T BE STOPPED IN PEACETIME

[Mr. JENNER asked and obtained leave to have printed in the RECORD an editorial entitled "The Genocide Convention—It Won't Be Stopped in Peacetime," from the New Orleans States, which appears in the Appendix.]

THE GENOCIDE CONVENTION—WE SHOULD REJECT IT AS SUBMITTED

[Mr. JENNER asked and obtained leave to have printed in the RECORD an editorial entitled "The Genocide Convention—We Should Reject It As Submitted," from the New Orleans States, which appears in the Appendix.]

THE GENOCIDE CONVENTION—COMMENTS BY VARIOUS CITIZENS

[Mr. JENNER asked and obtained leave to have printed in the RECORD comments by various leaders about the Genocide Convention which appear in the Appendix.]

A TIME TO KEEP OUR HEADS—EDITORIAL FROM THE WILMINGTON MORNING NEWS

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an editorial entitled "Time to Keep Our Heads," published in the Wilmington (Del.) Morning News of Monday, June 26, 1950, which appears in the Appendix.]

## INVASION OF SOUTH KOREA

Mr. LODGE. Mr. President, I ask unanimous consent to be recognized for 1 minute.

The PRESIDENT pro tempore. Without objection, the Senator from Massachusetts is recognized for 1 minute.

Mr. LODGE. Mr. President, I hope the President will exert firm leadership to retrieve what has been lost in Korea, and I pledge him my support in all possible efforts to that end. Weakness now would create a host of new dangers and would greatly threaten the encouraging beginnings of strength in Europe. A firm policy may mean risks and inconveniences, but we must not shrink from them.

I hope also that the military strength of America and the other free nations will increase so rapidly that Communist imperialism will no longer have the initiative, as it now has, and that we can then advance together to lasting peace.

## AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT OF 1949

The Senate resumed the consideration of the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949.

Mr. McFARLAND. Mr. President, I ask unanimous consent that tomorrow at 4 o'clock the Senate proceed to vote upon the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949; provided, that no vote on any amendment or motion shall be had prior to said hour of 4 p. m. on said day; that no amendment which is not germane to the subect matter of said bill shall be in order; and that, after said hour of 4 p. m., debate on any amendment or motion shall be limited to not to exceed 10 minutes, to be equally divided between the mover thereof and the chairman of the Committee on Foreign Relations; provided further, that the time between 12 noon and 4 p. m. on said day be equally divided between the proponents and the opponents of the measure.

The PRESIDENT pro tempore. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, I requested yesterday that time be given until at least, we could canvass the minority, as well as other Members of the Senate, as to fixing a suitable time to vote on the pending bill. I cannot at this time consent to the request. I think in the best interests of getting the bill through expeditiously, it would be well to afford time to work this out this afternoon, and then present the request later on. We might at that time have some information which we do not now possess. At this moment, I know that several Senators want to make speeches on the bill, but they are not ready to speak today.

The bill which now confronts the Senate presents a question which not only involves $16,000,000 for aid to Korea, but which might involve the entire foreign policy of the United States. It ought to be thoroughly debated on the floor of the Senate. I think it is all out of proportion to try continually to force through a unanimous-consent agreement on a measure of this kind, upon which there has been scarcely any debate at all. The movement for unanimous consent was started last night. I want the acting majority leader to know, however, that I am absolutely in sympathy with expediting the work of the Senate, and shall attempt to cooperate. For myself, I hope that a unanimous consent can be worked out as early as possible, in order that a vote may be had on this particular measure, but at this time I must say that I cannot consent to the request.

Mr. CONNALLY. Mr. President, I desire to express my disappointment at the action of the minority leader. Yesterday when an effort was made to fix a date for voting on the amendment of the Mutual Defense Assistance Act of 1949, I understood the Senator from Nebraska to give assurance that if the matter were allowed to lie over until today, he would cooperate in undertaking to fix a time for voting on the bill.

Mr. President, it is of the highest importance that the United States Senate act promptly on this bill, and not play with it or fumble with it. The condition of the world and the issues facing the world require that the United States Senate speak promptly. If a Senator does not want arms implementation, let him say so. But if the Senate wants it, we ought to have the right to vote for it. The Senator from Nebraska says there are many Senators who want to make speeches on the bill. Why have they not made them? They have had plenty of time in which to make them. The bill has already been before the Senate for several days.

I am very hopeful that the Senate will fix a time for voting on this important bill—important not alone to Senators who desire to make speeches. Shall the progress of the world be stopped in order that some Senator may deliver a speech? The question involved in this measure is more important than any campaign document, or the promulgation of the views of Senators. We want a vote. We want action. We have had enough words. We have had enough yah-yah and flag waving. Every Senator knows what he wants to do with this bill.

Mr. KEM rose.

Mr. CONNALLY. I yield.

Mr. KEM. I do not want the Senator from Texas to yield. I want to obtain the floor in my own right.

Mr. CONNALLY. Very well—the Senator from Missouri wants the floor in his own right. He is another Senator who wants to make a speech.

I know how I am going to vote; of course, I know how I am going to vote;

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I am going to vote wrong, but I want to make a speech about it. Let the Senate wait; let the world wait on my speech. No one will listen to my speech, probably, but I want to make it just the same. My speech is beamed toward Missouri. It is beamed directly to Kansas City. It is beamed directly to the voters who are going to vote. I have got to make a speech, regardless of the welfare of the world, regardless of the security of western Europe, regardless of the psychology of voting now in view of the public attitude and the situation confronting the world. No; we will not fix a time to vote. All I will agree to is to fix a time for my speech.

Mr. KEM. Mr. President, reserving the right to object, I realize fully that the distinguished Senator from Texas regards it as an act of supererogation for any other Member of the Senate to express an opinion on the foreign affairs of the United States.

Mr. CONNALLY. Oh, no.

Mr. KEM. I heard him say that to the distinguished Senator from Ohio [Mr. TAFT] on an occasion not long ago. I am sure that if the Senator from Texas believes that to be so in the case of the distinguished Senator from Ohio, a fortiori he believes it in the case of the Senator from Missouri.

Mr. President, I wish to say that I think there are several matters in connection with the pending measure which have not received adequate consideration on the floor of the Senate.

Yesterday the Senator from Texas [Mr. CONNALLY], discussing the crisis in Korea, said:

> This is a matter of tremendous importance. We want to solve the problem presented, but we want to solve it after we know all the facts; we want to solve it in the light of our obligations and duties; we want to solve it in the light of our own safety and national integrity and national security.

Mr. President, those are eloquent words, and I should like to associate myself with them.

Mr. President, I need not remind the Senate that the pending measure and the crisis in Korea are very closely related. The Senator from Texas [Mr. CONNALLY] tells us that of the $1,222,500,000 authorized by the bill, $16,000,000 is allocated to Korea and the Philippines, and $75,000,000 to countries in the general area of China.

I submit that this, too, is "a matter of tremendous importance." We want to solve the problem presented, but we want to solve it after we know all the facts. We do not have all the facts.

It occurs to me that before we vote to send additional millions of dollars to Korea, we should know just what the President and his Secretary of State are going to do about the situation in Korea. What is to be our policy there? What is to be our policy in regard to other countries in the general area of China? It would seem foolish indeed to continue pouring arms into Asia if our policy there is to continue to be, as has been said, "waiting for the dust to settle."

How about Formosa? How about southeast Asia? Just where do we stand? What is our policy?

Mr. President, we are now reaping the harvest for the tragic transactions at Yalta in 1945. It was at Yalta that the deal was made to divide Germany. It was at Yalta that a still-secret agreement is believed to have been made to split Korea in half along the thirty-eighth parallel.

As the Senator from Nevada [Mr. MALONE] said yesterday, after considerable investigation it appears not to be possible to find out just where the agreement to divide Korea at the thirty-eighth parallel was made.

It was also pointed out yesterday by the Senator from Nevada, and I should like to say that I do not think it can be referred to too often, that one of the leading State Department advisers for the President at Yalta was Alger Hiss.

The far-reaching decisions at Yalta were made in secret, without the consent of the Senate of the United States, as required by the Constitution.

Yalta should serve as a warning to the American people to stand by the principles of the Constitution. Yalta is a warning not to turn over to the President and the bureaucrats surrounding him the duty and responsibility of making decisions that may affect the peace of the world for generations to come. Such matters should be debated here and should be debated on the floor of the other body of the Congress. There is no reason to believe that when we put a pair of striped pants on a man and give him a high-sounding title and an elaborate office in the State Department, he acquires any of the characteristics of a demigod or gains a capacity for unerring judgment.

I am among those who believe, as did the British statesman who was referred to the other day, there is no such thing as an inevitable war, and that if war comes it will be from a failure of human wisdom.

We want peace. Our people hope and pray for peace. So far as the American policy is concerned, it should be decided by all the people, acting through the President and their duly elected representatives in the Congress. I do not favor shifting these important decisions to the bureaucrats of the State Department. I believe these questions should be threshed out on the floors of the two House of Congress. The arguments should be weighed in the balance of public opinion.

In a time of crisis such as this, the decisions of the Government should be the product of the joint thinking of all of us.

## THE PRESIDENT'S STATEMENT ON THE KOREAN SITUATION

Mr. LUCAS. Mr. President, I rise to place in the RECORD a statement just made by the President of the United States and released to the press upon the very question the distinguished Senator from Missouri has been discussing.

I hope every Senator on the floor will listen to the statement if he has not already seen it, because it presents a very serious situation to the country and the world in connection with Korea and other places in the Far East.

This is the statement:

STATEMENT BY THE PRESIDENT

In Korea the Government forces, which were armed to prevent border raids and to preserve internal security, were attacked by invading forces from North Korea. The Security Council of the United Nations called upon the invading troops to cease hostilities and to withdraw to the thirty-eighth parallel. This they have not done, but on the contrary have pressed the attack. The Security Council called upon all members of the United Nations to render every assistance to the United Nations in the execution of this resolution. In these circumstances I have ordered United States air and sea forces to give the Korean Government troops cover and support.

The attack upon Korea makes it plain beyond all doubt that communism has passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war. It has defied the orders of the Security Council of the United Nations issued to preserve international peace and security. In these circumstances the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to United States forces performing their lawful and necessary functions in that area

Accordingly I have ordered the Seventh Fleet to prevent any attack on Formosa. As a corollary of this action I am calling upon the Chinese Government of Formosa to cease all air and sea operations against the mainland. The Seventh Fleet will see that this is done. The determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations.

I have also directed that United States forces in the Philippines be strengthened and that military assistance to the Philippine Government be accelerated.

I have similarly directed acceleration in the furnishing of military assistance to the forces of France and the associated states in Indochina and the dispatch of a military mission to provide close working relations with those forces.

I know that all members of the United Nations will consider carefully the consequences of this latest aggression in Korea in defiance of the charter of the United Nations. A return to the rule of force in international affairs would have far-reaching effects. The United States will continue to uphold the rule of law.

I have instructed Ambassador Austin, as the representative of the United States to the Security Council, to report these steps to the Council.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I shall be glad to yield to the Senator from Missouri.

Mr. KEM. I notice that in the President's statement he says, "I have ordered the fleet to prevent any attack on Formosa." Does that mean that he has arrogated to himself the authority of declaring war?

Mr. LUCAS. The Senator from Missouri will have to place his own interpretation upon the President's statement.

Mr. KEM. Can the Senator from Illinois, as leader of the President's party on the floor of the Senate, elucidate that statement?

Mr. LUCAS. I do not care to debate that question with the Senator from Missouri. I do not believe that it means war but the Senator can place his own interpretation on it.

Mr. KEM. I am not asking the Senator to debate it; I am asking for information.

Mr. LUCAS. I shall not debate it with the Senator. I repeat he can place his own interpretation upon it. Obviously, it is a very firm commitment in respect to Formosa. It is in line with suggestions made a number of times in the past by Senators on the Republican side of the aisle.

Mr. KEM. Mr. President, will the Senator yield for a further question?

Mr. LUCAS. I yield.

Mr. KEM. I should like to ask the Senator this question: Of course, it is true that the Constitution places in the Congress the authority to declare war; is it not?

Mr. LUCAS. The Senator is correct.

Mr. KEM. Can the Senator tell me under what authority of the Constitution the President of the United States has authorized the fleet to make an armed attack?

Mr. LUCAS. I do not agree with the Senator that the President has authorized the fleet to make an attack, but I can assure him that history will show that on more than 100 occasions in the life of this Republic the President as Commander in Chief has ordered the fleet or the troops to do certain things which involved the risk of war. I shall not be drawn into a long debate on the point. A little later the Senator can exercise his own right on the floor of the Senate and debate it as long as he desires.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I am merely giving this information to the Senate for fear that perhaps other Senators might make a speech similar to the one made by the Senator from Missouri. I thought when he made his speech he had not read the President's message. He talked about the dust settling on our foreign policy in the Far East. The Senator now talks about the President of the United States having practically declared war. So it does not make any difference what the President may do. I doubt that any thing would satisfy my friend from Missouri.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KNOWLAND. I should like to say, if the able majority leader will permit me, that I think this statement of the President of the United States today has drawn a line in the Far East which was essential to be drawn at some time. Certainly the free world could not protect itself if the line were to be drawn in Europe, with no similar line in Asia. I believe that in this very important step which the President of the United States has taken in order to uphold the hands of the United Nations and the free peoples of the world, he should have the overwhelming support of all Americans, regardless of their partisan affiliation.

Mr. LUCAS. I am very grateful to the Senator from California for the contribution he has made to the debate. That was going to be my closing appeal to the Senate.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I was simply going to say to the majority leader that it seems to me the responsibility of the President of the United States is to protect the security of the United States, and as I listened to the message I thought we had an opportunity to protect the security of the United States without declaring war or without any desire to go to war. I personally approve of the action.

Mr. LUCAS. The Senator is absolutely correct. What we are trying to do is to avoid going to war through this unilateral action with respect to the defense of Formosa, the Philippines, and other nations of the Far East. In other words, it is a matter for our own defense and our own security, as the President has so aptly set forth in his statement.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one more question?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. Should not the majority leader add to the words "the security of the United States," the words "the peace of the world"? What we are trying to do is to bring about peace in the world today.

Mr. LUCAS. Of course. I wholeheartedly agree with the Senator from Massachusetts. To try to obtain everlasting peace for all mankind has been the basis of our foreign policy and of the bipartisan foreign policy of this Nation at all times.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Utah.

Mr. WATKINS. I could not hear the Senator when he read the first part of the President's statement. I am particularly interested in knowing what action he ordered with respect to Korea.

Mr. LUCAS. I shall read it again:

> In Korea the Government forces, which were armed to prevent border raids and to preserve internal security, were attacked by invading forces from North Korea. The Security Council of the United Nations called upon the invading troops to cease hostilities and to withdraw to the thirty-eighth parallel.

This is the first clear-cut case which has been presented to the United Nations in which an aggressor actually moved in, in an act of war. I read further:

> This they have not done, but, on the contrary, have pressed the attack. The Security Council called upon all members of the United Nations to render every assistance to the United Nations in the execution of this resolution. In these circumstances I have ordered United States air and sea forces to give the Korean Government troops cover and support.

Mr. WATKINS. I understand that means that our forces have been ordered to support the Korean Government by armed action.

Mr. LUCAS. I shall read it again to the Senator, and he can place his own interpretation upon it:

> In these circumstances I have ordered United States air and sea forces to give the Korean Government troops cover and support.

Mr. WATKINS. Does the Senator construe that to mean active armed support?

Mr. LUCAS. I could not construe it in any other way. We are giving them armed support, so far as covering and supporting South Korean troops may be concerned.

Mr. WATKINS. Does the Senator consider that an act of war between this Nation and those who are attacking?

Mr. LUCAS. Does the Senator mean the North Koreans?

Mr. WATKINS. Yes.

Mr. LUCAS. No; I do not. There have been many similar occurrences in our past history which could have been considered acts of war and were not. I do not consider this is an act of war.

Mr. WATKINS. Should it not have been called to the attention of the Congress before ordering our fleet and our Air Force to support the government of South Korea?

Mr. LUCAS. I am willing to leave what has been done in the hands of the Commander in Chief, and I wholeheartedly support his statement from beginning to end; I wholeheartedly concur in what has been done. I do not think we could take any other course as a result of the aggressive action upon the part of the North Korean Government.

Mr. WATKINS. May I say to the Senator that I was asking for information. I had not caught the full purport of what had just been said, that the President had actually ordered the Air Force and the Navy to support the South Koreans against the North Koreans. Naturally, the question arises whether it is an act of war and whether Congress should be consulted and given an opportunity to take some action with respect to it.

Mr. LUCAS. A state of emergency exists.

Mr. WATKINS. I realize that. It is a serious emergency, and I am taking that into consideration. But does the Senator consider the action taken justified by the fact that we have ratified the United Nations Pact and have become a member of it, and if a request is made by the United Nations, through the Security Council, to send support, whether the President would be justified, by that alone, in sending support which might result in a war?

Mr. LUCAS. I read again the following paragraph from the President's statement:

> The Security Council of the United Nations called upon the invading troops to cease hostilities and to withdraw to the thirty-eighth parallel. This they have not done, but on the contrary have pressed the attack. The Security Council called upon all members of the United Nations to render every assistance to the United Nations in the execution of this resolution.

Based upon the action of the United Nations Security Council, the President

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of the United States has ordered action. It is a demonstration of our keeping the faith.

Mr. WATKINS. That is the Senator's interpretation of our agreement, and the force and effect of the United Nations Charter?

Mr. LUCAS. The Senator is correct.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Ohio.

Mr. BRICKER. Am I correct in saying that the President's action was taken as a result of the cease-fire order issued by the Security Council of the United Nations?

Mr. LUCAS. The Senator is correct.

Mr. BRICKER. The Senator from Illinois does not interpret the cease-fire order as an order to the United States or any other member of the United Nations to bring about military action on their part.

Mr. LUCAS. The Senator is correct.

Mr. BRICKER. My question is whether, according to the Senator's information, any other member of the United Nations is cooperating in our efforts at this time to repel the invasion of Korea in accordance with the cease-fire order of the United Nations Security Council.

Mr. LUCAS. I cannot answer that question.

Mr. BRICKER. Does the Senator know whether any negotiations to that effect are being carried on at this time?

Mr. LUCAS. I can answer that question in the affirmative. I do not think that I can go any further than that.

Mr. BRICKER. Is the Senator in a position to give any assurance that cooperative effort will be made.

Mr. LUCAS. I can go no further than to state that I am satisfied there will be.

Mr. SMITH of New Jersey. As the majority leader has read the statement of the President, and as I read it, it is perfectly clear that the action which the President has taken is distinctly in line with action previously taken by the Security Council.

Mr. LUCAS. That is correct.

Mr. SMITH of New Jersey. It is in line with the action of the Security Council in asking for the war to stop, and for the invaders to withdraw. The invaders have shown no intention to comply with the request of the United Nations Security Council. Therefore the Security Council was put in the position where their order needed implementation with some force. I refer to chapter VII, article 39 and following, of the United Nations Charter. In line with the fact that there is no United Nations force in existence which can be called upon, we, along with other nations were asked to implement the order of the Security Council. The President's statement is in line with our responsibility under the United Nations Charter to meet this crisis.

I understand that negotiations have been begun with other members of the United Nations. I am advised that at 3 o'clock this afternoon the Security Council of the United Nations is meeting to determine what further action should be taken. However, the action which has been taken is distinctly in line with our responsibility, as agreed to in the United Nations Charter.

I wish to join with the Senator from California in the statement that this is a clean-cut and direct stand by the United States to carry out our obligation to the United Nations to make the United Nations exist as an organization which can function in an emergency. That is our responsibility, and that is what we have done.

As the Senator from California has stated, I feel that all of us should back up the action of the President in what I believe to be a real stand in the Far East, comparable to the stand we have taken in the Atlantic area.

Mr. LUCAS. I am grateful to the Senator from New Jersey for his statement. The Senator was present at the conference in the White House this morning, and he knows what transpired there. Without violating any confidence, I think I can say that all who were present agreed with the statement, and agreed that it was the only thing which could be done under the distressing circumstances which presently exist.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Massachusetts.

Mr. LODGE. I should like to say to the Senator from Illinois, as I indicated earlier, that I applaud the firm leadership of the President of the United States. I wish merely to add the hope that he will not shrink from using the Army, if the best military judgment indicates that that is the effective course to take.

Mr. LUCAS. I thank the Senator from Massachusetts.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the distinguished minority leader.

Mr. WHERRY. I should like to ask the distinguished majority leader if the course of action which has been taken by the United Nations Security Council also includes the action being taken by us with respect to Formosa. As I understand it, the President had ordered one fleet of our Navy to defend Formosa. Was that also in accordance with the resolution of the United Nations Security Council?

Mr. LUCAS. That is in accordance with unilateral action on the part of the United States Government, on the theory that our security and safety are involved in this section of the world, as a result of the aggressive action taken by the Government of North Korea.

Mr. WHERRY. I take that to mean that the administration is now drawing a line in the Pacific, which may be defined as an outpost which it is necessary to maintain in order to defend the United States of America.

Mr. LUCAS. I think that is a very fair statement of the situation.

Mr. McMAHON. I should like to say that we have not drawn the line. The Communists are drawing the line, because they have been the aggressors, and they are picking the places of conflict.

Mr. LUCAS. That may be true. Nevertheless, under the statement which has been made by the President, which I have read to the Senate, and which is now being debated by Senators, that fact is definitely stated. It is so important, that I should like to read it again. It is:

> Accordingly I have ordered the Seventh Fleet to prevent any attack on Formosa. As a corollary of this action I am calling upon the Chinese Government on Formosa to cease all air and sea operations against the mainland. The Seventh Fleet will see that this is done. The determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations.
>
> I have also directed that United States forces in the Philippines be strengthened and that military assistance to the Philippine Government be accelerated.
>
> I have similarly directed acceleration in the furnishing of military assistance to the forces of France and the associated states in Indochina and the dispatch of a military mission to provide close working relations with those forces.

In other words, through this statement we advise the world definitely what we intend to do in accordance with what we contend are our rights in the Pacific, which we shall defend.

Mr. KEM and Mr. NEELY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator yield; if so, to whom?

Mr. NEELY. Mr. President, I am seeking recognition in my own right.

Mr. LUCAS. I am glad to yield to the Senator from Missouri.

Mr. KEM. I should like to ask the distinguished majority leader if we may expect the President to consult with the Senate as the situation develops?

Mr. LUCAS. I will say to the Senator from Missouri that the President had at least 12 to 15 Members of the House and the Senate attend the conference at the White House this morning.

Mr. KEM. By whom were the members of the conference selected?

Mr. LUCAS. I do not know who selected them.

Mr. KEM. Were they supporters of the so-called bipartisan policy, or were any representatives drawn from the so-called critics of that policy?

Mr. LUCAS. The Senator from New Hampshire [Mr. BRIDGES] was there, and the Senator from Wisconsin [Mr. WILEY] was there. Most of the Members of the Senate and the House who attended the conference are members of the Committees on Armed Services, the Committee on Foreign Relations, and the Committee on Foreign Affairs. I should think that they would be the appropriate committees from which members for such a conference should be selected.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. I want to say to the able majority leader that present at the conference were members of the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs, and members of the Senate and House Committees on Armed Services. Both Democrats and Republicans were present. As I observed the

conference I felt that an attempt had been made to have both sides of the aisle in the House and in the Senate present when this important decision was made. Military and naval representatives were also there.

Mr. LUCAS. The Senator is correct.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CAIN. I should like to inquire of the distinguished majority leader whether he is still endeavoring to get a unanimous-consent agreement to vote on Senate bill 3809, the unfinished business?

Mr. LUCAS. No; I am not seeking to get a unanimous-consent agreement on that bill. I rose merely to discuss the statement issued by the President. I am glad the debate has taken place. I hope as we discuss the President's statement we can reach an early conclusion of the unfinished business, because of the importance of the President's statement in dealing with conditions in the Far East. On the other hand, I do not like to deny anyone the right to debate the question if he so desires. However, it does seem to me that we ought to consider very seriously whether we are for or against the bill and move along with as much expedition and speed as possible, because we are faced with a great emergency.

Mr. CAIN. The Senator from Washington wishes to make a brief observation concerning the unanimous-consent request, but absolutely has no desire to interfere with the remarks currently being offered by the majority leader.

Mr. MORSE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Oregon?

Mr. LUCAS. I yield.

Mr. MORSE. I presume the Senator from West Virginia [Mr. NEELY] is going to discuss a matter other than the message of the President, and with the permission of the Senate and the Senator from Illinois, I should like to make a very brief statement along the lines of the comments of the Senator from Illinois.

Mr. LUCAS. I shall be delighted to yield to the Senator from Oregon for that purpose.

Mr. MORSE. I think it should be obvious to all of us that in an hour of great crisis in America the Commander in Chief of the Army, the Navy, and the Air Force becomes President of all the people for the purpose of meeting that crisis. I believe we stand in the shadow of such a crisis at this moment.

As a Senator on the Republican side of the aisle, I wish to say that I join with the Senator from California [Mr. KNOWLAND], the Senators from Massachusetts [Mr. SALTONSTALL and Mr. LODGE], the Senator from New Jersey [Mr. SMITH], and the other Senators in their expression of what I consider to be a clear pledge to back up the President in his statement for the defense of America's security in Asia. I, too, pledge whatever support to junior Senator from Oregon can give to the President in this hour of crisis.

However, I think we should pause, and calmly and seriously consider the implications of the President's action. I believe we have at long last—and I think it has been too late in some respects—made clear to the freedom-loving peoples of the world that the false, lying, vicious Communist propaganda which would make it appear that they cannot count on the United States to defend freedom in the world is really false and lying and vicious. The historic statement of the President makes clear to the freedom-loving people of the world that we are not going to tolerate Communist aggression upon free people. It makes clear that the President, as Commander in Chief of the Army, the Navy, and the Air Force is carrying out his duties under section 2 of article 2 of the Constitution in reference to the executive powers of the President. Those of us who have studied constitutional law know that the so-called Commander in Chief powers of the President of the United States as referred to in the Constitution have yet to be defined fully in the decisions of the Supreme Court. In my opinion, they are very broad powers in times of emergency and national crisis.

Mr. President, I intend to support the hand of the President in carrying out what I think are the clear implications of the Presidents' historic statement. However, I think that we should take cognizance of some of the great mistakes America has made in recent years in handling our Asiatic problems. Back in 1945 we made a most serious mistake in the Senate at the time we ratified the San Francisco Charter, when on that occasion we turned down an opportunity to recognize then and there the provincial government of Korea. We had a great opportunity to give force and effect to the meaning of the principle of the self-determination of people in exercising freedom of choice in determining their own economic and political systems. Korea was entitled to her freedom then under the spirit and intent of the San Francisco Charter. We joined with Russia in denying it to her. It is a black mark against our international record. We need to do what we can to make amends for our mistake of 1945.

It was argued then that we should not recognize the Provincial Government of Korea because Russia was opposed to it. Not in a spirit of "I told you so," but by way of reference to the RECORD, on July 28, 1945 the junior Senator from Oregon sought to get the Senate of the United States to recognize the Provincial Government of Korea. That speech speaks for itself.

At that time the junior Senator from Oregon warned of Russia's intentions in regard to Korea, and a few months later our country participated with Russia in the partition of Korea. That was a great mistake, and in the eyes of history we are not going to be able to justify the partition of Korea. But having been one of the wrong-doers in partitioning Korea, that action placed upon us a great responsibility. That responsibility, it seems to me, was to protect the freedom-loving people of South Korea from Communist tactics seeking to overrun the people of South Korea, which have finally resulted in the aggressive action taken by the Communists of North Korea.

Mr. President, I believe it to be true that we provided too little too late for South Korea, but we have an opportunity now, in spite of the tremendous international risks which I am sure we all recognize we are running, to come to the assistance of the freedom-loving Korean people, whose country we participated in partitioning. We have a responsibility to make clear to all the peoples of Asia that we do stand ready and willing, within the framework of the United Nations, to protect their freedom from Russian aggression. The President's statement on Korea and Formosa which he has just released makes very clear that he proposes action within the framework of the United Nations.

Mr. President, let us consider the most serious implications of this action of the President, because I think there should be a closing of the ranks in America today. I believe there should be a uniting of the patriotic forces in America to stand behind the President in regard to his statement concerning both Korea and Formosa. The Senator from California [Mr. KNOWLAND] was very statesmanlike in the understatement he made on the floor of the Senate today when he pledged his support of the President's action. After all, we need to keep in mind that we have not recognized the Communist Government of China. In view of the fact that we have not recognized the Communist Government of China, so far as international law is concerned, we stand in the position of having certain responsibilities in regard to maintaining American security in the Pacific with respect to Formosa. We also have certain responsibilities with respect to the Government which still prevails in Formosa. The President's statement proposes to carry out those responsibilities. It makes clear that Formosa shall be defended until a peace treaty is completed. It makes clear that the Nationalist Government in turn shall cease its attacks on the mainland.
treaty is completed. It makes clear that as a result of Yalta and Cairo, from an international law standpoint, Formosa was in effect deeded to whatever government ruled China, nevertheless I wish to say today, as the Senator from California has been warning for months past, we nevertheless have a great interest in Formosa from the standpoint of America's security in the Pacific. I think events in Asia make clear that we now must protect Formosa until that time comes when the nations of the world including Russia will be willing to settle the crisis in Asia through the procedure of the United Nations.

Therefore, Mr. President, I go along with the President's action in seeing to it that aggression against Formosa is not carried on until the legal status of Formosa can be determined in the international tribunals of the world, through the United Nations.

Let me convey to the majority leader, Mr. President, my feeling that as the hours immediately ahead of us pass, we are going to find the American people standing behind the President. I believe the President is deserving in this hour

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of emergency, of the united support of the American people in carying out his constitutional duties as Commander in Chief of the Army, the Navy, and the Air Force, in seeing to it that America's security the world around is protected and maintained from Communist aggression. By his action the President has given renewed hope of freedom for peoples of the world who are still willing to stand up for freedom in spite of growing Russian threats.

Mr. McFARLAND. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Arizona.

Mr. McFARLAND. In answer to the inquiry with regard to the unanimous-consent request, I made inquiry yesterday evening to determine whether an agreement could be reached, and I followed through this morning because I thought the distinguished minority leader indicated that he would have an agreement worked out this morning. I merely wish to state that in making the request, I did so in good faith, in conjunction with the distinguished senior Senator from Texas [Mr. CONNALLY], the chairman of the Foreign Relations Committee, and in consultation with many Senators on the other side of the aisle.

Mr. President, as I see the situation, it is not appropriate during this crisis in the world, to discuss whether we should not have done something different in the past, but it is time for us to support what is being done now, if we believe in what is being done.

One of the measures up for consideration is Senate bill 3809, having to do with mutual aid and assistance among nations. I do not believe we should cut off debate upon this important question, and no one is trying to do that; but Senators on both sides of the aisle have consulted with me and said that it would help them in their work if they knew when they could count on a vote being had on this important subject. This is a measure which is important in the crisis which confronts us, and I am hopeful that we can work out a unanimous-consent agreement for voting at an early date.

Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McFARLAND. Was the unanimous-consent request objected to?

The PRESIDENT pro tempore. As the Chair understands, the junior Senator from Nebraska objected.

Mr. WHERRY. I stated that I would have to object at this time to the unanimous-consent request.

Mr. McFARLAND. Then I should like to make the same unanimous-consent request, but with the date being changed to Thursday at 4 o'clock p. m.

Mr. WHERRY. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I appreciate very much the ambitions of the distinguished Senator from Arizona and his endeavor to secure a unanimous-consent agreement. I believe I have made my position absolutely plain. A sufficient number of questions have been asked on the the floor within the last hour to indicate that certainly the Mutual Defense Assistance Act should be debated by the United States Senate. Many Senators are not yet ready to participate in a full dress debate until they have secured the facts. We have not even talked to those who were invited to the White House. There are many things we need to know. I happen to be a member of the Appropriations Committee, and each time the committee has a hearing I am amazed at some of the things we learn. I tell the Senate there are many things involved in this question. All I want is that opportunity for free debate be given to Senators who are interested. I do not know whether any Senator is ready to proceed this afternoon.

I want to advise the distinguished majority leader that I am not delaying action on the measure simply to put it off for another day. All I want is that some date be selected which is acceptable to Members on both sides of the aisle. At this time I am unable to suggest a date which will be satisfactory, but I assure the distinguished Senator from Arizona, the acting majority leader, as well as the majority leader, that just so soon as we can canvass Members on this side of the aisle, and as soon as some of the facts can be brought to our attention, then I shall be glad to do my level best to cooperate and obtain agreement on a date on which we can vote on this important bill.

Mr. NEELY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. NEELY. What is the regular order?

The PRESIDENT pro tempore. The regular order is the Mutual Defense Assistance Act of 1949, Senate bill 3809. The Senator from Illinois [Mr. LUCAS] has the floor.

Mr. LUCAS. Mr. President, the Senator from West Virginia is attempting to obtain the floor for the consideration of a privileged matter, but when he obtains the floor for that purpose the same Senators who have talked and who are now talking will be able to talk as long as they want to upon the subject now under discussion. I hope the Senator from West Virginia will not crowd me. I think Senators are entitled to ask me further questions about the matter we are now discussing.

Mr. NEELY. Mr. President, I am obliged to attend an important committee meeting. I should like to return at 4 or 5 o'clock and obtain consideration of a privileged matter.

Mr. LUCAS. In my judgment these are questions which are more important than the privileged matter the Senator from West Virginia has in mind.

I shall now continue to yield for questions, and I yield to the Senator from Washington [Mr. CAIN].

Mr. CAIN. Mr. President, if the majority leader thinks it proper, I should like briefly to respond to the request and the observation just made by the distinguished Senator from Arizona [Mr. McFARLAND], because the junior Senator from Washington is one of those with whom the minority leader has conferred in a desire to reach a date to vote on the unfinished business.

Mr. LUCAS. Mr. President, my thought was that perhaps after Senators have examined the statement of the President of the United States carefully and then, as the Senator from Nebraska said a moment ago, discussed the question with Senators who visited the White House this morning and attended the historic conference, we might be able to expedite the passage of the unfinished business as the result of such consultations among Senators. I am satisfied that no Senator desires to delay the passage of the bill. I am sure that when every Senator realizes the emergency involved in the President's statement as to what the country has done today, we will not have too much trouble in securing passage of the pending bill. That does not mean cutting off legitimate debate upon the measure.

But even though Senators may be opposed to what the President has done, though they may be opposed to the pending bill, I am satisfied that in the best interest of our own security and safety we ought to move along as rapidly as possible. I am positive that we will do so because of the extraordinary emergency that has arisen, and because, as the Senator from Oregon [Mr. MORSE] said a moment ago, the time has come when we should close ranks. It seems to me that in view of the world conditions as they exist, there was never a time when it was more important than it is now to move with a certain amount of speed to demonstrate to aggressor nations that after all America is united, that America means business, that it will continue to uphold the freedom and independence of freemen everywhere, and especially of the free people in the United States of America.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Utah.

Mr. WATKINS. Mr. President, I came into the Chamber late. Was the document referred to by the Senator from Illinois a message to the Congress?

Mr. LUCAS. No; it is a statement by the President that was given to the conference this morning, and also to the press of the country. No doubt every newspaper in the United States has it on the front pages now. The commentators have it. I am sorry that the statement was not passed around. I brought one copy from the White House. Perhaps it would have been much better if I had brought a number so that every Senator could have had a copy on his desk.

Mr. WATKINS. Will the Senator yield further so I may make an observation?

Mr. LUCAS. Certainly.

Mr. WATKINS. Mr. President, I have asked a number of questions with respect to this entire matter, and particularly with reference to the power of the President to order our Air Force and our sea force to back up the southern Koreans against the northern Koreans. In spite of the fact that the distinguished majority leader has said that that power

is pursuant to the power granted to the United Nations to require a defense of nations, which are subjected to aggression, it seems to me that the action taken is a step which in effect is war.

Mr. LUCAS. Just a moment.

Mr. WATKINS. Will the Senator permit me to finish?

Mr. LUCAS. Yes.

Mr. WATKINS. It is in effect war or a step leading to war. It may be that that is the very thing we ought to do. I am not one of those who have been taken into the confidence of the President and the Defense Department of the Government, so I do not know the facts. But it seems to me that this should have been called to the attention of the entire Congress. The Congress is now in session, and unless there is power in the United Nations to order our forces into an action of this kind which may result in a major world clash, then I think we should have been informed by the President direct by a message to the Congress today. As I recall, we were told time and again when we were considering the Atlantic Pact, that nothing would take us into war under that pact without action by the Congress. The President could not do it.

Mr. LUCAS. Let me say——

Mr. WATKINS. Just a moment, please. Now, according to the action taken, by the mere order and the request of the United Nations our troops can be sent into a fighting war without the Congress saying "yes" or "no." That is the observation I wished to make.

Mr. LUCAS. In reply to the Senator from Utah, I should like to read from the statement by the President again:

> The Security Council of the United Nations called upon the invading troops to cease hostilities and to withdraw to the thirty-eighth parallel.

The Senator from Utah will not deny that they had the right to do that under the United Nations Treaty?

Mr. WATKINS. I think that is true.

Mr. LUCAS. I continue to read:

> This they have not done, but on the contrary have pressed the attack. The Security Council called upon all members of the United Nations to render every assistance to the United Nations in the execution of this resolution.

After we have become a member of the United Nations in good faith, and the United Nations Security Council by unanimous vote made that sort of a request, what would the Senator from Utah do if he were President of the United States?

Mr. WATKINS. I will reply. I would have sent a message to the Congress of the United States setting forth the situation and asking for the authority to go ahead and do whatever was necessary to protect the situation.

Mr. LUCAS. The first thing the Senator would have done would have been to nullify the request made by the United Nations Organization. By so doing you would have repudiated the United Nations Organization. You would have destroyed it for all peaceful intents and purposes.

Mr. WATKINS. A question that has never been finally determined is whether that can be done without the consent of the Congress.

Mr. LUCAS. Well, it has been done.

Mr. HUMPHREY. Mr. President, will the Senator yield, to permit an observation?

The PRESIDING OFFICER (Mr. LEHMAN in the chair). Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. LUCAS. I yield.

Mr. HUMPHREY. Mr. President, it appears to me that the statement of the President of the United States is one that is temperate and one that is firm. It also appears that it is the sort of language and the sort of clear-cut statement and public policy definitely needed in this very grave hour of crisis.

I think every Senator should be mindful of what happened in Ethiopia, when there was delay, when there was indecision, and when there was ineffective action. I think we should be mindful of what happened in the Ruhr and the Rhineland when Hitler marched in with his legions and took over, and when no effort was made by the democracies to prevent that kind of aggression.

I believe that our President and the United Nations and the distinguished members of our Foreign Relations Committee are mindful of history. The fact that the President has conferred with members, on both sides of the aisle, of the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate, and the fact that he has sought the advice of our military commanders, indicates that this is a policy which has been announced after serious thought and in view of a grave and a serious international crisis.

The President's action indicates that he is exercising the leadership and the statesmanship which the people require of the President.

I say there is not a word in the President's statement which does not go right down the line with the policy of our Government, a policy which has been joined in by the Senate of the United States.

First, the President is acting within the Charter of the United Nations, and, in particular, in accordance with the recent resolution of the Security Council, and is giving the assistance which was requested in the third point of the Security Council's resolution.

Second, the President is acting, in terms of the Formosan situation, not as a partisan of one side or the other, but to preserve a condition of peace until the problem of Formosa can finally be resolved by the Councils of the United Nations and by treaty with Japan.

Third, the President is acting in accordance with the action we have already taken in the defense of the Philippines. Believe me, Mr. President, communism seems to be contagious. It is constantly on the march as an aggressor. The action of the President in bolstering the defenses of the Philippines should be cheered by every person in the world, and surely by every American.

So far as southeast Asia is concerned, the Communist sore and infestation is there. I think the President is to be congratulated. The fact that he has acknowledged the request of the French Government and the request of the Government of Bao Dai in Indochina to bolster the defenses in that area, where communism has moved into southeast Asia, is most encouraging.

In vew of what has been so courageously and in such statesmanlike words expressed by the Senator from California [Mr. KNOWLAND], the Senator from Oregon [Mr. MORSE], the Senators from Massachusetts [Mr. SALTONSTALL and Mr. LODGE], and the Senator from New Jersey [Mr. SMITH], I hope every Member of this body will stand by our President and our country in this hour of crisis. If we stand firm now, we may save ourselves from war. However, if we back up now, we may find out that we shall be involved in a complete replaying of the tragic history of the thirties.

I believe this is a fatal hour. I believe the decision the President has made may save the lives of millions of people, and may ultimately save the peace of the world.

I pray God in all reverence that all the people will give their support to this policy, so that we shall not find ourselves driven by our own indecision and our own inaction into the cataclysm of a third world war. This may be the greatest move for peace in the twentieth century.

Mr. KEFAUVER. Mr. President, will the Senator yield for an observation?

Mr. LUCAS. I yield.

Mr. KEFAUVER. I wish to associate myself with the sentiments expressed by the junior Senator from Oregon [Mr. MORSE] and many other Senators on the floor of the Senate today, to the effect that this is a time to close our ranks, to forget political considerations, and to stand behind the President in the vital decision he has made. It seems to me that if the President had done any less we would have forfeited the position of leadership of the United States in the free world today. In addition, if the President had done any less in backing up the decision of the Security Council, we would have had to mark off the United Nations as an instrumentality for the maintenance of peace and security in the world.

Undoubtedly also, Mr. President, if the President had done less, and if the United States had allowed Communists to have gotten by with this effort on their part, without any resistance on our part, it would have precipitated from time to time worse and worse situations, until finally we would have been confronted with one in which we would have to make a stand which would be more apt to throw the world into another war than is the courageous and definite action of the President in this the first Communist military invasion in violation of treaty and in defiance of the Security Council.

However, Mr. President, I wish to say that one disturbing thing in connection with this matter is that apparently we have not learned very much from the lessons of history. Unquestionably, the evil men of the Kremlin calculated that this would be the best time to make a move such as the one which has been made in

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Korea—at a time when there was a parliamentary crisis in France, and at a time when other democratic countries, after 4 or 5 years of piecemeal effort, were divided in their foreign policies or in their military or other arrangements or determination to keep the peace. If we had been united in these respects, I doubt very much if the Communists would have started this action.

So the distressing thing now is that we have had to go into this situation in the beginning alone. Of course, we hope that other nations—allies and friends—will back up the decision which has been made. However, it seems to me that if we had undertaken some effort, shortly after the war, to have had at least some method by law of obtaining unity of action among the democracies of the North Atlantic, we would have had such strength and such influence and would have thereby given knowledge to every would-be aggressor that we would act together, that the present situation never would have developed. However, that is past history.

I think the second great thing we can do, in addition to voting for the military aid program, to let the Communists and everyone else know where we stand, in order to make of this matter a lesson which will be valuable and which will give us a chance to have peace, is to adopt Senate Concurrent Resolution 57. This would require the President to invite representatives of the nations which sponsored the Atlantic Pact to meet, to explore what kind of an agreement for unity or federation we and they may be able to agree upon, so that we shall not be caught in the position of being divided, and shall not be in a position in which we can be picked off one by one, so that we shall not encourage aggressors to continue their illegal invasions on the theory that the democracies cannot get together.

Mr. President, I believe that the adoption of the resolution showing the determination of the free people of the North Atlantic that in this crisis and in crises to come we will have unison in our foreign policy for the preservation of peace and peace treaties and the free world, will do much to deter further Communist aggression.

I hope, Mr. President, that the Foreign Relations Committee may immediately report this resolution favorably to the Senate.

Mr. CONNALLY. Mr. President——

Mr. HENDRICKSON. Mr. President——

Mr. LUCAS. I yield to the Senator from Texas.

Mr. CONNALLY. Mr. President, we face a national crisis as well as an international crisis. I wish to make an appeal to the Members of the Senate and the country generally to stand behind the President of the United States in the statement he has submitted, which is before the Senate.

I congratulate Senators who have expressed their views on this subject. We cannot hesitate; we cannot divide. Any division here, by a speech or by any other expression of sentiment would be placarded all over the world as evidence that the United States is cautious or is afraid or is quaking in its boots. Such is not the fact.

The statement which the President has made is not a selfish statement. We seek nothing for ourselves. We seek the peace of the world. We seek action by the Security Council. Let me say to you, Mr. President, that we have the support of the United Nations. Its action already taken has outlined the position which the Security Council takes, namely, that it condemns the attack upon South Korea and appeals to the governments of all the members of the United Nations, including the United States, to condemn the action of North Korea in violating the integrity, the soil, the rights, and the freedom of the people of South Korea. The Security Council wants the support and aid of all the nations who are members of the United Nations, including our Nation. We are members of the United Nations. We signed the Charter. We ratified it here in the Senate. We ratified it before the world.

I congratulate the President on his having made this statement. It is one of firmness. It is one of clarity. It expresses the views of the United States. We do not seek war. The President's statement is that the Chinese Government on Formosa must cease its attacks against the mainland of China. That is in the interest of peace. That is in the interest of peace in the entire eastern area of Asia.

We want peace, but we want a peace with honor, a peace with integrity. We want peace with an assurance that it is in the interest of the peoples of the world.

Mr. President, this is a time for the people of the United States to stand together. It is no time for individual carpings and individual criticisms of what happened at Yalta. Yalta is in the past. We cannot undo what was done at Yalta—not here, at least, at the moment. This is a clarion call to the people of the United States and to the people of the world to condemn aggression, to stand up for the ideals of the United Nations, to stand up for the peace of the world. It is an appeal to all the peoples of the world who have rallied in large measure to the support of this declaration. Let not the United States be lagging. Let not the Senate of the United States be hesitant and afraid. Shall we quake, shall we quiver in our boots at the prouncement of a totalitarian government and at the tyrannical action taken by North Korea against South Korea? No, Mr. President. Let us stand together. Let us back up the President of the United States in his courageous and statesmanlike utterances, expressed in the statement which is before us.

Mr. LUCAS. Mr. President, I merely want to make a brief statement in conclusion. I want to read further from the statement by the President. In the next to the last paragraph he says:

> I know that all members of the United Nations will consider carefully the consequences of this latest aggression in Korea in defiance of the Charter of the United Nations.

As I see it, that is an appeal to all members of the United Nations, including Russia, which is a member of the United Nations. Whether Russia will attend the meeting of the Security Council this afternoon I do not know. But, Mr. President, Russia has a responsibility in keeping the peace of the world, if she so desires, just as America has. Russia could, if she desired, use her influence in North Korea with respect to following out the action taken by the United Nations organization in the historic meeting held yesterday.

Mr. President, in conclusion, I should like to make this kind of an appeal: As one who has been in the Senate for 12 years, I believe I am fully cognizant of the great emergency which is now before the Congress of the United States, the executive branch of the Government, and all the people of America. I believe I understand the implications of this emergency as it affects not only this country but the entire world.

We may talk about one-world government, but that will get us nowhere at this particular time. This is a time for action, and not a time for words. We can discuss what happened at Yalta from now on through the remainder of the week, and honest men will disagree as to whether the Yalta agreement was correct or incorrect. That, Mr. President, will not solve the situation with which we are presently faced. It is amazing how men with hindsight are able to tell you what should have been done, if a mistake was made, and yet had they been in a position to make the decision, it is doubtful that any different conclusion would have been reached. Mr. President, this is not the time to talk about the meeting in Cairo. It is not the time to talk about whether the partition of Korea was right or wrong, correct or incorrect. This is the hour when all America, and especially the Members of the Congress of the United States should forget their differences and close ranks. We should back to the limit the statement by the President of the United States, in order that we may demonstrate to the world, and particularly to any aggressor who seeks to challenge our freedom and our free institutions, that we stand where we have always stood in every great crisis, united and determined that justice and freedom shall continue to reign in this noble land which God has given us.

## EXTENSION OF RENT CONTROL IN THE DISTRICT OF COLUMBIA

Mr. NEELY. Mr. President, the House has passed, with an amendment in the nature of a substitute, the bill (S. 3776), to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended. I ask that the amendment adopted by the House and the message from that body be laid before the Senate.

The PRESIDENT pro tempore laid before the Senate the following amendment of the House of Representatives to the bill (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended, together with a message from the House

insisting upon its amendment and requesting a conference with the Senate thereon:

*Resolved*, That the bill from the Senate (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended, do pass with the following amendment. Strike out all after the enacting clause and insert:

"That section 1 (b) of the District of Columbia Emergency Rent Act, as amended (D. C. Code, 1940 ed., sec. 45-1601 (b)), is hereby amended by striking out 'June 30, 1950', and inserting in lieu thereof 'January 31, 1951, unless the Congress shall by joint resolution insert a later date.'

"'SEC. 2. (5) (a) After June 30, 1950, the provisions of this act shall not apply to, and no maximum-rent ceiling or minimum-service standards shall be prescribed for any furnished nonhousekeeping housing accommodations which are rented as rooms without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms), and when and for such period as all of the housing accommodations in any building consists of rooms rented as furnished nonhousekeeping housing accommodations without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms) the provisions of this act shall not apply to, and no maximum-rent ceilings or minimum-service standards shall be prescribed for, any such building.

"'(b) After June 30, 1950, self-contained family units (as defined by regulations issued by the Administrator) located in hotels shall continue to be housing accommodations subject to maximum-rent ceiling and minimum-service standards unless the Administrator issues an order decontrolling them, or any of them, which he shall issue if he finds that such hotel is primarily engaged in furnishing accommodations for transients.'

"SEC. 3. Subsection (b) of section 4 of such act is hereby amended by inserting before the period at the end thereof a colon and the following: '*Provided further*, That the Administrator may by order adjust the maximum-rent ceiling or minimum-service standard hereunder although the landlord fails to produce evidence of facts occurring in the period from January 1, 1941, to December 31, 1945, if the landlord proves circumstances which in the opinion of the Administrator excuse the failure to produce evidence of such facts.'

"SEC. 3. (a) Where rooms or accommodations are decontrolled in the foregoing section, the building in which said rooms or accommodations are located shall also be decontrolled.

"SEC. 4. Section 5 (b) (2) of Public Law 45, Eighty-first Congress, first session, is hereby amended to read as follows:

"'SEC. 5. (b) (2) The landlord seeks in good faith to recover possession of the property for his immediate and personal use and occupancy as a dwelling: *Provided*, That in the case of housing accommodations for which the rent does not exceed $85 per month, in a structure or premises owned or leased by a cooperative corporation or association no such action or proceeding under this paragraph or paragraph (3) of this section shall be maintained unless stock or membership in the cooperative corporation or association has been acquired by persons who are or were tenants in occupancy of at least 65 percent of the dwelling units in the structure or premises at the time said cooperative corporation or association either (1) acquired or leased said structure or premises, or (2) entered into a contract or option to acquire or lease said structure or premises, whichever date is earliest, and who as such stockholders or members are entitled to possession of their respective dwelling units in the structure or premises by virtue of proprietary leases or otherwise, and this provision shall apply whether such corporation or association acquired or leased such structure or premises or entered into a contract or option to do so prior to or after the effective date of this amendatory act or unless as the holder of stock or membership acquired in the cooperative corporation or association prior to March 1, 1949, a stockholder or member was entitled to possession of a dwelling unit in the structure or premises by virtue of a proprietary lease or otherwise, or.'"

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IN THE HOUSE OF REPRESENTATIVES, U. S.,
*June 27, 1950.*

*Resolved*, That the House insist on its amendment to the bill (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended, and asks a conference with the Senate on the disagreeing votes of the two Houses thereon.

*Ordered*, That Mr. MCMILLAN of South Carolina, Mr. ABERNETHY, and Mr. O'HARA of Minnesota be the managers of the conference on the part of the House.

Mr. NEELY. Mr. President, I move that the Senate disagree to the House amendment, agree to the request of the House for a conference, and that the Chair appoint conferees on the part of the Senate.

The PRESIDING OFFICER (Mr. LEHMAN in the chair). The question is on agreeing to the motion of the Senator from West Virginia.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Nebraska?

Mr. NEELY. I yield to the distinguished minority leader.

Mr. WHERRY. Will the distinguished Senator from West Virginia explain what is at issue between the House and the Senate?

Mr. NEELY. Certainly. Very briefly, the agreements and disagreements of the two bills are as follows:

Under the Senate bill the controls continue until December 31, 1950, and thereafter may, by the Commissioners of the District of Columbia, be continued until June 30, 1951. Under the House amendment, controls are continued until January 31, 1951, and may be thereafter extended by the Congress.

Section 2 of the House amendment is identical with section 2 of the Senate bill.

Section 3 of the House amendment is identical with section 3 of the Senate bill.

Section 3 (a) of the House amendment is new. It would cover all the facilities of any building in which any decontrolled room, rooms, or apartments are situated.

Section 4 of the House amendment is new. Its purpose is to permit premises to be sold to tenants on a cooperative basis in cases in which 65 percent of the occupants have consented thereto, as under the present law, if the rental of the apartment exceeds $85 a month.

The House amendment does not contain the language of section 1 of the Senate bill, which, in permitting the District Commissioners to decontrol property, would grant them discretion in selecting the housing accommodations to be decontrolled after December 31, 1950.

Mr. President, there is nothing further to explain.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. NEELY. I yield.

Mr. CAIN. I think it is very clear to the junior Senator from Washington and to most of the other Senators that the bill, as it has been returned by the House, is substantially the bill which was recently passed by the Senate, with one major difference. The Senate, practically unanimously—I believe there was not a dissenting vote—agreed to extend rent controls in the District of Columbia for 6 months, with authority for an additional 6 months vested in the Commissioners. The House saw fit to recommend an extension of 7 months. That is the only major difference between the two bills.

The question I wish to address to my friend, the distinguished Senator from West Virginia, is this:

Would he have any strong opposition to a motion being made, partly because there are more Senators on the floor at this moment than is generally the case, and partly because no Senator voted in opposition to the provision of the Senate bill for an extension of 6 months, with authority vested in the Commissioners to extend controls for an additional 6 months, which would amend the House bill by striking out 7 months and replacing it with the original Senate provision of 6 months with authority to extend for an additional 6 months?

Mr. NEELY. That would be objectionable. I desire a vote on my motion.

Mr. CAIN. Mr. President, would the Senator please state his motion?

Mr. NEELY. My motion is that the Senate disagree to the House amendments, agree to the request of the House for a conference, and that the Chair appoint conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to; and the Presiding Officer appointed Mr. KEFAUVER, Mr. LEAHY, and Mrs. SMITH of Maine conferees on the part of the Senate.

## EFROSINI ABAD

The PRESIDING OFFICER (Mr. LEHMAN in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1672) for the relief of Efrosini Abad, which was, to strike out all after the enacting clause and insert:

That, in the administration of the immigration and naturalization laws, the provisions of section 4 (a) of the Immigration Act of 1924, as amended, pertaining to the unmarried child under 21 years of age of a citizen of the United States, shall be held to be applicable to Efrosini Abad, of Istanbul, Turkey, who is the daughter of a citizen of the United States.

Mr. McCARRAN. Mr. President, I move that the House concur in the House amendment.

Mr. WHERRY. Mr. President, will the Senator explain the bill briefly?

Mr. McCARRAN. On April 19, 1950, the Senate passed Senate bill 1672 for the relief of Efrosini Abad. The bill as it passed the Senate provided that the

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beneficiary, who is the daughter of a citizen of the United States, would, for the purpose of the immigration laws, be deemed to be a child under 21 years of age. The purpose of that language was to enable the daughter, who, because of circumstances beyond her control, had been unable to receive a visa before reaching 21 years of age, to enter the United States. The House amended the bill by substituting different language which will accomplish the same objective that would have been accomplished by the language of the Senate bill. The effect of the House language is to make available to the beneficiary the nonquota provisions of the immigration law.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

## INCORPORATION OF RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. WHERRY. Mr. President, I am wondering if the Senator from Nevada has the intention of bringing up for consideration House bill 5002, which is a bill to incorporate the Reserve Officers Association of the United States. The reason I ask the question is because their national convention is scheduled for tomorrow, and they would like to adopt the language of the bill at the convention.

Mr. McCARRAN. Mr. President, that bill was reported yesterday afternoon, and with it was another bill, both of which I should like to have the Senate consider favorably and pass. One was to give a charter to the Future Farmers of America, and the other was the bill with reference to the incorporation of the Reserve Officers Association.

Mr. WHERRY. Mr. President, I wonder if there is any objection to their being considered at this time.

Mr. McCARRAN. Mr. President, I withdraw my request, and will take it up later in the afternoon.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 7058) to amend laws relating to the United States Military Academy and the United States Naval Academy, and for other purposes.

The message also announced that the House had passed a joint resolution (H. J. Res. 492) making temporary appropriations for the fiscal year 1951, and for other purposes, in which it requested the concurrence of the Senate.

## HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 492) making temporary appropriations for the fiscal year 1951, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

## NOMINATIONS OF MEMBERS OF THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK

Mr. MAYBANK. Mr. President, as in executive session, I report favorably the nominations of four members of the Board of Directors of the Export-Import Bank. I may say, Mr. President, that we did not have a quorum present at the committee meeting this morning, but I have had the clerk of the committee poll the members of the committee and find that a majority of them have approved of the nominations of the four members of the Board of Directors.

I conferred with the Senators from the States from which each of the nominees comes. Mr. Arey's nomination was approved by the Senators from Nebraska [Mr. BUTLER and Mr. WHERRY], Mr. Gaston's nomination was approved by the Senators from New York [Mr. IVES and Mr. LEHMAN], the nomination of Mr. Gauss was approved by the Senators from Connecticut [Mr. MCMAHON and Mr. BENTON], and the nomination of Mr. Stambaugh was approved by the Senators from North Dakota [Mr. LANGER and Mr. YOUNG].

The reason I am reporting the nominations today is because the terms of these gentlemen expire on the 30th day of June. If these nominations are not approved before that date, the bank will have no directors. Furthermore, under the rules of the Senate the names of nominees must lie over until the following day. I merely wished to make that explanation at this time. I regret that the committee could not have a quorum present this morning. Some members had to attend a meeting of the Committee on Appropriations. As I said, the Senators representing the States from which these men come have approved the nominations, and I trust that when the nominations are reached on the calendar the Senate will confirm them.

The PRESIDING OFFICER. The nominations will be received and placed on the Executive Calendar.

The nominations ordered to be placed on the Executive Calendar are as follows: Hawthorne Arey, of Nebraska; Herbert E. Gaston, of New York; Clarence E. Gauss, of Connecticut; and Lynn U. Stambaugh, of North Dakota, to be members of the Board of Directors of the Export-Import Bank of Washington for terms of 5 years each, expiring June 30, 1955.

## THE RAILROAD STRIKE

Mr. DONNELL. Mr. President, I desire to call the attention of the Senate to the fact that in this morning's New York Times there appears an article entitled "Stalemate Goes On in Railroad Strike." The subhead of the article reads: "But switchmen's head says he is ready to consider offers—four of five roads paralyzed."

I call attention to the fact that the opening sentence of the dispatch, which emanates from Chicago under date of June 26, reads as follows:

> The strike of the Switchmen's Union of North America, an affiliate of the American Federation of Labor, against five railroads operating in the Midwest and West continued through its second 24 hours tonight with no indication that it soon would be settled.

I call attention to the further fact that in the course of this article is this paragraph:

> As a result of the walk-out, operations of four of the struck carriers were at a standstill today. These are the Chicago, Rock Island & Pacific Railroad Co., the Chicago Great Western Railway Co., the Denver & Rio Grande Western Railroad Co., and the Western Pacific Railroad Co. The Chicago Great Western is largely a freight carrier.

The next succeeding sentence reads:

> Reports from the Twin Cities, Minnesota, indicated that the Great Northern Railway Co., the fifth road involved in the strike, has maintained near-normal passenger service, although its freight operations have been crippled.

Mr. President, at this point in my remarks I ask unanimous consent that the entire article from which I have quoted be set forth in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### STALEMATE GOES ON IN RAILROAD STRIKE

#### BUT SWITCHMEN'S HEAD SAYS HE IS READY TO CONSIDER OFFERS—4 OF 5 ROADS PARALYZED

CHICAGO, June 26—The strike of the Switchmen's Union of North America, an affiliate of the American Federation of Labor, against five railroads operating in the Midwest and West continued through its second twenty-four hours tonight with no indication that it soon would be settled.

Arthur J. Glover, president of the switchmen's union is here from his Buffalo headquarters at the request of Francis A. O'Neill, Jr., chairman of the National (railway) Mediation Board. He declared he would "sit down with anybody, anywhere, if they are ready to bargain in good faith." He was ready, he added, to confer with Mr. O'Neill and Leverett Edwards, a member of the board, "whenever they have anything to offer."

Mr. O'Neill said tonight that he was trying to get in touch with Glover, and expressed the hope that he would have an encouraging statement to make later.

#### STRIKERS HAVE KEY YARD ROLE

Mr. Glover called the strike of 4,000 union members at 6 a. m. yesterday in a move to enforce demands for shorter hours with automatically increased pay. Their role in railroad operation calls for their working of manually-operated yard switches.

As a result of the walkout, operations of four of the struck carriers were at a standstill today. These are the Chicago, Rock Island & Pacific Railroad Company, the Chicago Great Western Railway Company, the Denver & Rio Grande Western Railroad Company and the Western Pacific Railroad Company. The Chicago Great Western is largely a freight carrier.

Reports from the Twin Cities, Minn., indicated that the Great Northern Railway Company, the fifth road involved in the strike, has maintained near-normal passenger service, although its freight operations have been crippled.

The switchmen are demanding a 40-hour week with 48 hours' pay, or the equivalent of an increase of 31 cents an hour. Their work week is now 48 hours.

#### BOARD PLAN REJECTED

A Presidential fact-finding board recommended a 40-hour week and a wage increase of 18 cents an hour. This, the union rejected.

Meanwhile, Mr. O'Neill said that officials of the Brotherhoods of Railroad Trainmen, the Order of Railway Conductors, both independent, and the Railroad Yardmasters of America, A. F. of L., have agreed to confer with the board tomorrow to seek a way of heading off a strike by the three groups on or after July 15. All are legally free to strike. Their membership totals 325,000.

The three cases are similar to that of the striking switchmen. The trainmen, conductors and yardmasters also are demanding a 40-hour week with 48 hours' pay. They, too,

rejected the fact-finding board's recommendation that they settle for a 40-hour work week, with an 18-cent increase to make up some of the pay lost through the reduction in working hours.

OVERALL SETTLEMENT SOUGHT

Members of the board were apparently seeking to reach an accord between the carriers and the three unions in the hope that members of the smaller switchmen's group would then accept the same terms and return to work.

A strike of the three large unions would affect almost all of the country's Class I railroads.

A fifth strike is threatened by the Pullman Conductors Division of the Order of Railway Conductors. This walkout is scheduled for 6 a. m., at standard time in the four zones, on July 11. This is expected to be postponed for 60 days by the appointment of a Presidential fact-finding board.

Mr. DONNELL. Mr. President, I desire also to call the attention of the Senate to the fact that in this morning's Washington Post there appears a very interesting and important editorial entitled "Abuse of a Right." The editorial relates to the switchmen's strike, which, as the editorial writer states, has halted four midwestern and western railroads. I call the attention of the Senate particularly to this language in the editorial:

The tide of public opinion is bound to run heavily against any group that asserts the power to stall part of the Nation's transportation system, rather than accept the recommendations of impartial experts speaking for the Government. Such arbitrary conduct has become much too common. It is breaking down public confidence in the procedures of the Railway Labor Act and strengthening the demands for compulsory arbitration of such disputes. The brotherhoods ought to realize that every time they flout the findings of a fact-finding board they bring closer the day when they will lose the right to strike in situations of this kind.

Mr. President, I ask unanimous consent that at this point in my remarks the entire editorial be set forth in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ABUSE OF A RIGHT

The switchmen's strike, which has halted four midwestern and western railroads, is accompanied by a fog of conflicting statements. Perhaps the most serious of these is the claim of Arthur J. Glover, president of the Switchmen's Union, that no board heard the dispute in accord with the provisions of the Railway Labor Act. Technically, his statement is true. But it ignores a background of fact that puts an entirely different face on the situation. The Switchmen and the Brotherhood of Trainmen are rival unions, with the trainmen having a majority of the yardmen involved in the general controversy. In recent months both have been engaged in a drive for a 40-hour week. As neither could effect a settlement by collective bargaining, the President appointed an emergency board to examine the dispute involving the trainmen's and conductors' unions and then asked the same board to look into the switchmen's controversy. It is true that the boast postponed its specific recommendations until its analyses had been completed in both disputes. In the meantime the 30 days in which the report on the switchmen's dispute was due expired. But that is obviously a fact of minor significance. The union waited until the board did make recommendations applicable to its members and then called a strike.

Nor can Mr. Glover's claim that "the major issue in this dispute is the 40-hour week" be taken at face value. The 40-hour week was the original source of controversy. But the emergency board recommended a 40-hour week and a pay increase of 18 cents an hour. The railroads have accepted that proposal. The unions had demanded the same pay for 40 hours that their members now receive for 48 hours, which would amount to an increase of 31 cents an hour. In other words, the switchmen have refused to compromise their 31-cent wage demand for 18 cents.

The tide of public opinion is bound to run heavily against any group that asserts the power to stall part of the Nation's transportation system rather than accept the recommendations of impartial experts speaking for the Government. Such arbitrary conduct has become much too common. It is breaking down public confidence in the procedures of the Railway Labor Act and strengthening the demands for compulsory arbitration of such disputes. The brotherhoods ought to realize that every time they flout the findings of a fact-finding board they bring closer the day when they will lose the right to strike in situations of this kind.

Mr. DONNELL. Mr. President, I call attention also to the fact that in the Christian Science Monitor of June 17, 1950, there appears an exceedingly important editorial entitled "Alternate Routes," which relates, generally speaking, to the railroad firemen's strike and the proposed legislation in Senate bill 3463. Although the bill is not named by number, the editorial evidently refers to it by description. Mr. President, I ask unanimous consent that at this point in my remarks the editorial be set forth in full.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ALTERNATE ROUTES

Every time a labor dispute makes the American people begin to worry about their fuel, food, light, or freedom of movement, somebody starts talking about compulsory arbitration and outlawing strikes.

This is an understandable reaction on the part of the innocent bystander—the general public—and it has always come as a surprise to find that management opposes compulsory settlements as vigorously as does labor. (Witness United States Steel's campaign against a fact-finding board.)

Out of the recent and brief railroad firemen's strike came Senator FORREST DONNELL'S bill to outlaw strikes and require binding arbitration in rail disputes. This time three top members of management—the presidents of three big eastern roads—vigorously endorsed the idea.

That this break in management's front should come in public utilities is not surprising. For their rates are already set under regulation by one Government board, which in turn would pretty much have to consider wage awards which might be made by another.

The Donnell approach is appealingly direct and logical. But for that very reason it ought to be studied and weighed with greatest thoroughness and caution. Some such solution might have to come. The rail brotherhoods in the last 7 years have tended to push disputes clear through mediation and fact finding to the emergency stage. If it should come, the law should provide a maximum of prior voluntary commitments by the unions and the roads on the make-up of standing arbitration panels.

But other and less revolutionary remedies should be considered first. One factor in several difficult disputes has been a log jam of cases before the railway adjustment boards—sometimes several years' accumulation. Perhaps the machinery of the National Railway Labor Act needs a factory overhaul.

Another road toward an answer lies in spelling out in advance and specifically just how the President could use his powers to keep essential freight and travel moving to protect the national safety and welfare.

After all, here lies the only indisputable ground for Government compulsions—not to force terms upon either side but to protect the general public.

The brotherhoods of trainmen and of conductors, just denied a wage increase by a fact-finding board, now have it within their grasp to demonstrate the railroaders' belief in solution by reason, or to push public opinion toward the flat prohibitions of the Donnell bill.

Mr. DONNELL. Mr. President, I call the attention of the Senate also to the fact that in the Brooklyn (N. Y.) Eagle of June 18, 1950, there appears an editorial entitled "Compulsory Arbitration in Threat of Railroad Strike Seems Desirable."

I ask unanimous consent that at this point in my remarks the editorial in the Brooklyn Eagle may be set forth in full.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COMPULSORY ARBITRATION IN THREAT OF RAILROAD STRIKE SEEMS DESIRABLE

Public hearings are being held on the Donnell bill which would provide for compulsory arbitration in case of a threatened railroad strike. William Green, president of the A. F. of L., has appeared before the Senate Labor Subcommittee advocating seizure of the railroads by the Government as a substitute measure. By seizure Mr. Green makes very clear what he means. The Government should take over the business of running the railroads and pocket the profits for the duration of the emergency.

The objection to the compulsory arbitration plan, according to witnesses opposing the bill, is that the technique would spread to other industries and destroy the whole collective-bargaining set-up. It is contended that there is no continued threat of strikes on the roads. Compulsory arbitration is a form of force against the workers. The final argument supported by Senator NEELY is that once compulsory arbitration becomes the law of the land it would be difficult to discern how our handling of the problem differs from that prevailing in Soviet Russia.

We may be a bit nearsighted, but we fail to see why each of the arguments presented by the opposition to the bill could not be applied to their own proposal for seizure by the Government. It would have a similar effect on collective bargaining; it would be a form of force against the company; it would be much more, we think, like the Russian pattern.

The testimony of the witnesses seems to bring out one point clearly. Unilateral action by Government against one side in such a dispute must be avoided. An injunction would penalize the workers; seizure penalizes the employer. Compulsory arbitration merely transfers the final decision in the dispute to a third party. The would-be strikers continue to draw their wages, the company continues to accumulate profits. Both are deprived of the privilege of freely consenting to the terms of the contract. They have, however, left themselves open to that contingency by failing to agree. The public welfare demands a peaceful settlement.

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They have no right to fight out their private antagonisms at the expense of the public. If they do not want Government compulsions, the door of voluntary arbitration is still open to them. Let them set up their own mutually agreed upon board of arbitration and request the public authority to vest the final decision with the sanction of law. It will be one or the other.

The one thing that is as clear as the nose on your face is that Nation-crippling strikes can no longer be tolerated. If compulsory arbitration will impress upon the contestants the need and the reasonableness of voluntary agreements or voluntary arbitration, we would advocate the enactment of the Donnell bill. An amendment allowing for that possibility should be made a part of the legislation.

Mr. DONNELL. Mr. President, I shall not take further time of the Senate except to state that the various articles and editorials which I have placed in the RECORD by unanimous consent of the Senate again emphasize the utmost importance of the enactment into law of Senate bill 3463, to make unlawful any strike or any lock-out by a carrier arising out of or in connection with a dispute falling within the purview of the Railway Labor Act. I call further attention to the fact that in the disputes between these great national interests, the real parties in interest are not exclusively the strikers or the railroads, but that the great predominant interest is the interest of the public of the United States. I most earnestly urge that it is of highest importance that the Congress of the United States enact promptly Senate bill 3463, which would make unlawful any strike or any lock-out by a carrier arising out of or in connection with any dispute such as I have named, namely, those falling within the purview of the Railway Labor Act.

## RESERVE OFFICERS ASSOCIATION OF AMERICA

Mr. McCARRAN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 1913, House bill 5002, to incorporate the Reserve Officers Association of the United States.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 5002) to incorporate the Reserve Officers Association of the United States.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment on page 4, line 8, after the word "to", to strike out "assist in" and insert "promote."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

## THE ADMINISTRATION HAS NO FOREIGN POLICY—THEY ARE STILL SHARPSHOOTING

### THE SITUATION IN KOREA

Mr. MALONE. Mr. President, in the present crisis, as always, there is only one question to be resolved, only one question confronting this Nation, which is, What areas in Europe, Asia, and Africa and other parts of the world is it necessary to currently protect for our own ultimate safety?

### OBJECTIVE—OUR OWN ULTIMATE SAFETY AND INTEGRITY

Mr. President, the aim of our foreign policy should always be the protection of the integrity of this country and the well-being of our own people. This point seems to be completely missed and disregarded in the State Department's stupid, helpless meanderings throughout the earth, in their seemingly never ending quest for a new type and kind of trick foreign government to fasten upon the American people.

### GUNS—THEN MEN

In a newspaper dispatch this morning the President of Korea is quoted as saying that the Koreans expect us to furnish the arms and that they will do the fighting. I believe we have heard that one before—Mr. Churchill—prior to World War II. I quote direct from the New York Daily News of Tuesday, June 27, where the President of Korea is quoted as saying:

> What we need is weapons and equipment. We don't expect American soldiers to shed their blood for us. We will do the fighting and the dying. Our boys are fighting to do their best. They are dying. But the weapons did not come in time.

Mr. President, I now quote direct from the New York Times a special dispatch from Lake Success dated June 26:

> The United Nations Commission on Korea reported today that the cease-fire resolution adopted by the Security Council Sunday may prove academic. That is a master understatement. The United States is now expected to propose that the Security Council give a second warning to the northern Korean invaders.
>
> The United States, in fact, has been studying the possibility of asking the Security Council to authorize the use of United States troops, but a usually well-informed source said tonight that he did not believe it would go this far because of the increasing deterioration of the situation in southern Korea.

Indicating that southern Korea would not last long enough to get United States troops that far, but this Nation expected the United Nations Commission on Korea to grant this permission.

### ADMINISTRATION—THROUGH TWO WORLD WARS—NEVER CONFIDED IN THE AMERICAN PEOPLE

Mr. President, never through two World Wars, and with a third now threatening, has the executive branch of our Government, the President, the State Department, and the National Defense Department ever confided in the American people, if they knew, or now know, what areas or what nations in the world are important to our ultimate safety, and what areas or what nations it is necessary for us to protect at this moment for the ultimate security of this Nation.

Mr. President, in the President's statement of this morning there is a paragraph which says:

> Accordingly—

Meaning since this attack has been made in south Korea—

> Accordingly I have ordered the Seventh Fleet to prevent any attack on Formosa. As a corollary of this action I am calling upon the Chinese Government on Formosa to cease all air and sea operations against the mainland.

### THE NATIONALIST GOVERNMENT MUST CEASE FIGHTING

Against what, Mr. President? Against the Communist Government of China, which they have been fighting since the close of World War II. First it was the Japs and then the invasion of the Communists. So the Seventh Fleet will see that this directive is observed. They must cease to fight for their country. In other words, Chiang Kai-shek is through. He is not to be allowed to fight Communists any more.

### WE SAVE THE COMMUNISTS FROM THE NATIONALISTS

What does that mean, Mr. President? It means that the Communist areas will not be attacked further by the Nationalist Chinese Government.

### CLEAN FIELD FOR ENGLISH-COMMUNIST TRADE

The Communists will have more time to help the northern Korean Communists attack the southern Korean citizens, and it will give a clear field for the trade which England has been conducting through Hong Kong into Communist China continually since the Communists took over China. Not only has there been no decrease in the trade, there has been an acceleration of the trade, the British sending them everything they needed to consolidate their gains, and for northern Korea to consolidate their gains, to fight a world war III with us, and to fight south Korea. The Nationalist Government of China has been the only drawback to a free flow of trade from England, and perhaps some of the other European countries, through Hong Kong to Communist China.

### THE ULTIMATE SAFETY OF THIS NATION PARAMOUNT

Mr. President, I want it well understood that I am not objecting to anything that is necessary to be done. In fact, I will support anything that is necessary to be done to protect an area anywhere in the world that the executive branch of this Government, which is charged with fixing foreign policy, says is important to the ultimate safety to the United States of America.

I have read the statement by the President dated June 27, marked "Immediate Release," very carefully, not once, but two or three times, and nowhere in that message do I find any such area named. Not only is the area under discussion not named, but I find no area in the world named, with a specific statement to the effect that the defense of such area is important to our ultimate safety.

I believe the American people are going to inquire about that, as to where we are headed and just what areas it is necessary to protect, and then they may

inquire why arrangements have not already been made to protect those areas—we have had 5 years since the war closed.

THE CENTRAL INTELLIGENCE AGENCY—MR. HILLENKOETTER

Mr. President, I now wish to quote briefly from a very well known man, as he is quoted in the New York Daily News of Tuesday, June 27, 1950. His picture appears in the center of a group of three national figures. I read: It is stated in the caption that Rear Adm. Roscoe Hillenkoetter, chief of the Central Intelligence Agency, tells two members of the Senate Appropriations Committee that the Korean invasion had been expected for a year, but that it was impossible to predict the specific timing.

INVASION EXPECTED BUT NO FOREIGN POLICY

Mr. President, what has the specific timing got to do with it? If for a year they knew this invasion was going to take place, and if they had 5 years—which they have had sinrce World War II—to determine the areas—the nations in the world whose integrity was important to our ultimate safety, if they had positive information, as Admiral Hillenkoetter says they did that this invasion was going to take place, why then the surprise?

ONLY SURPRISE IS THAT ANYONE WAS SURPRISED

The surprising thing is that anybody would be surprised in view of the foolish, stupid policies of the State Department in Asia since World War II. And then we have the confession that we knew all about this invasion, but since we were just not able to time it to the hour, we were not ready.

Mr. President, I read further from the statement by the President:

THE DIVISION OF KOREA—THE THIRTY-EIGHTH PARALLEL

The Security Council of the United Nations called upon the invading troops to cease hostilities and to withdraw to the thirty-eighth parallel.

Mr. President, the junior Senator from Nevada already has called attention to stupid division of Korea at the thirty-eighth parallel. Who fixed the thirty-eighth parallel? No one will now admit he had anything to do with it. It is an exact parallel case, Mr. President, to that of India, from which the English withdrew. There are now really three nations made out of India. There is now a divided India—one called Pakistan, Pakistan is in two sections 3,000 miles apart—this nation that was set up with the full knowledge that it cannot possibly survive.

DIVISION OF KOREA CANNOT SUCCEED

The people who fixed this thirty-eighth parallel, Mr. President, whether at Yalta, where we had the great and good and profound advice of Mr. Hiss to fix that thirty-eighth parallel, or elsewhere, knew it could not work because they cut the manufacturing section and the power supply section of Korea away from the farming section.

PRESIDENT DOES NOT SAY INTERVENTION NECESSARY FOR OUR SAFETY

Therefore it was impossible for such a division to be successful. But the United Nations has ordered the North Koreans to withdraw to that parallel. Our President does not say whether the area south of the parallel is important to our ultimate safety or not. He does not say that the area north of the parallel 38 in Korea is not necessary to be protected for our own ultimate safety. He said nothing about that. He has called upon the American people to support the United Nations in whatever they say, and I think it has been made plain many times that there are Communist sympathizers at the head of that organization, including Mr. Lie himself.

UNITED NATIONS DIVIDED

Mr. President, we go further in the President's statement. He says in this statement, which is well written:

I know that all members of the United Nations will consider carefully the consequences of this latest aggression in Korea in defiance of the Charter of the United Nations.

Mr. President, he thinks all nations are going to do that, when as a matter of fact, the State Department, the Department of National Defense, and the executive branch of the Government are continually maintaining that one member of the United Nations—Russia—is supporting this insurrection and those trying to capture the entire Korea south of the thirty-eighth parallel. The President continues:

A return to the rule of force in international affairs would have far-reaching effects. The United States will continue to uphold the rule of law.

WILL COOPERATE WITH DEFINITE FOREIGN POLICY

Mr. President, to make definitely and doubly clear, the junior Senator from Nevada is not objecting to sending material and assistance into Korea if first the executive department of our Government in accordance with the Constitution of the United States will fix a foreign policy and say what areas are important to be protected at this time for our ultimate safety. That has never been done, Mr. President, and I called attention to that fact in March 1948, standing upon this floor, again in March 1949, again in September 1949, and again on January 24, 1950, and almost on every other occasion when the question was being debated upon this floor.

AMERICAN PEOPLE SHOULD WAKE UP TO THE STUPID PROGRAM

Our administration, our State Department, had made many stupid blunders. This body, in backing up the State Department in these matters, has acted just as stupidly. The administration was warned of this crisis and did nothing, Mr. President. If we squeak through this crisis without another world war, it should awaken the American people to the total ineptitude of our State Department.

Mr. President, let us clear the atmosphere. Let us face the facts. Let us tell the American people the truth. This Government should decide what areas are important to our ultimate safety and integrity, and then prepare to defend those areas.

WE SHOULD JUDGE AREAS IMPORTANT TO OUR SAFETY

We should be the judge of what areas are important to us, and no other nation should be the judge. Yet we are faced by the head of a great intelligence department who said, "We knew for a year this invasion was coming. We just could not time it to the minute or to the hour, so we made no preparation whatever, no preparation to defend against the attack"—and no decision as to whether or not the area was important to our ultimate safety.

Apparently no decision has been made up to this minute as to what areas in Korea, as to what areas in China, as to what areas any place on earth we must protect at this moment for our ultimate safety.

NO AREAS NAMED—A SHOTGUN ANNOUNCEMENT

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Nevada yield to the Senator from Illinois?

Mr. MALONE. I yield.

Mr. DOUGLAS. I am sure my good friend from Nevada has read the statement which the President issued this noon.

Mr. MALONE. I have read it three times.

Mr. DOUGLAS. From it it is apparent that we will defend Formosa, that we will defend Indochina, and that we will defend the Philippines. In other words, all points in danger will be defended by the United States.

Mr. MALONE. Is that a question?

Mr. DOUGLAS. Yes. Is that not true?

Mr. MALONE. That is true. It is another shotgun announcement—no complete areas or nations included. It is simply a random statement. It does not say that China itself is important to our safety. It does not say that Formosa is important to our safety. It does not say what parts of Asia are important to our ultimate safety. It is simply another shotgun opinion.

THE MONROE DOCTRINE

Why do we not take the time—we have had 5 years of time—to determine the areas in Asia, the areas in Europe, the areas in Africa, every one of the areas in the world that are important to our ultimate safety, just as we determined 127 years ago that the Western Hemisphere was important to us to protect for our ultimate safety when Mr. Monroe, who was President at that time, said that we would protect the Western Hemisphere because it was necessary for our ultimate safety? He said that any government that seeks to extend its system of government into that area—I state the sense of the language—would be guilty of an overt act against the United States of America, and every nation in the world knew and every citizen of America knew that we would fight to protect that area. It was a warning—the world was on notice.

What do we know about this shotgun opinion? Aside from Indochina, it does not say anything about the Malayan States. It says nothing about Indonesia. It says nothing about any other area other than those contained in the shotgun opinion of today—and it does not say that it is important to our safety.



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STUPID TO SIGN PACTS

Why are we protecting South Korea? Because the United Nations says we must. The President does not say it is necessary for us to do so in order to protect our ultimate safety. I make that statement simply to clear the record.

Mr. President, while that question has been brought up let me say that in the opinion of the junior Senator from Nevada it is a stupid procedure to sign specific pacts, such as the Atlantic Pact. Of course, the Senator from Nevada explained that in some detail when the Atlantic Pact was under debate. To sign specific pacts is a stupid procedure because all of history shows that no foreign nation has ever kept a treaty or an agreement when an emergency arose and when it was not to its best interest to maintain the treaty. All history shows that regardless of whether there is an agreement or not, wherever the interests of foreign nations lie they will go.

The reason why it is stupid, in my opinion, to sign these pacts, so that some other nation can say that it has been attacked, and that we must, under the pact, help resist the attack, although the attack may be on an area which is outside the area which we currently regard as essential to our own safety, is because the offensive and defensive weapons change so rapidly over the years.

OFFENSIVE-DEFENSIVE WEAPONS CHANGE

A certain weapon or weapons will be dominant for a while, and later a defense will be found for it. Such weapons have continued to change over the years, and they are undergoing great changes at this moment. To say what the policy will be in regard to ability to defend the Western Hemisphere or areas at a certain distance around the Western Hemisphere—or at a lesser distance, that would be the case at this moment—and to say that we would not change our decision as to the area if the situation changed, to my mind is foolish and stupid business.

We cannot hold the world status quo—we cannot prevent the normal expansion changes over the generations ahead over the whole world—but we can determine the areas which we must protect for our own ultimate safety and integrity and deal with the problem in an honest and straightforward manner—and quit sparring with the nations of the world and above all quit fooling our own people.

CONGRESS CANNOT DETERMINE FOREIGN POLICY

Congress cannot determine policy. Congress can only debate the foreign policy determined by the executive department. If a treaty is submitted to the Senate, the Senate can debate it; the Senate can adopt or reject it; or the Congress can declare war or can refuse to declare war. Of course it may be, as was true in the last two wars, that very little will be left to be done toward declaring war by the Congress when the matter is finally submitted to Congress. The Executive may have moved so far ahead that the question of actually declaring war becomes academic because we would actually be in war when the issue reaches the Senate floor. However, Congress cannot decide on foreign policy in any case. The Constitution of the United States leaves determinations of foreign policy to the President. It charges the executive branch of the Government with that definite responsibility; just as the Constitution originally charged the Congress with the responsibility of regulating foreign trade—regulating the national economy through the regulation of imports, but in 1934 the Congress, just as stupidly, transferred that authority to the executive branch of the Government through the 1934 Trade Agreements Act.

SHOOTING AT A HAT

Mr. President, while we were hauling coal into Berlin at a cost of several hundred dollars a ton and were patting ourselves on the backs at the great job we were doing there, the Communist enemy was taking over China. We were shooting at a hat while the real objective escaped us. Korea is not the entire picture.

Let the executive branch decide now what areas are important to our own safety and security. That is the important point. We remember that while all eyes in America were focused on Berlin and on the great job we were doing in hauling coal by airplane into Berlin—at a cost of several hundred dollars a ton—and at a time when there was no traffic on the rivers in that area or on the railroads, or on the highways, due to the presence of a few Russians armed with rifles and bayonets, at that very time the Communists were laying the foundations for taking over China.

MAYBE WE ARE AGAIN SHOOTING AT A HAT

Mr. President, is it not possible that the Communists are just as smart now as they were then? The mark of a great general is his ability to get the eyes of the enemy focused on something other than what he is going to do. I wonder whether it is possible that now, with our eyes focused on Korea—although for a year we knew that the Communists were going to move there, according to the head of our Secret Service, and still no decision was made as to whether that area was important to the American people—the Russians are planning to move into other areas.

Now the decision is made on our part to hold South Korea. Why should we hold only that area, Mr. President? Is not North Korea important to us, also?

However, Mr. President, while all eyes are focused on Korea, there is a little spot called Iran, Irak, and Saudi Arabia next to Russia, which we should consider. It was my privilege to visit that area of the world in 1947, and I believe that while I was in that area and in adjacent areas I saw practically every oil well in the Middle East. It just could possibly be that the Communists are now getting ready for a little push there to get the oil which they really want.

I cannot imagine that South Korea is important enough to the Kremlin to start a war now—before they are ready.

ARMS TO EUROPE—ATLANTIC PACT

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MALONE. I am glad to yield.

Mr. MAGNUSON. Is not the present order of business the bill for the supplying of arms to Europe?

Mr. MALONE. Yes; and in my opinion there was never a more stupid thing. No opinion has ever been expressed by an authority that we can arm the European area under $50,000,000,000 to $100,000,000,000 and 10 to 15 years' time so it could offer decent opposition to Russia. The cost of arming the North Atlantic Pact nations would be so far above the amount carried by the little bill before us, by which it is hoped to supply small quantities of arms that no good effect can come from it. Furthermore, as was said a few minutes ago, we have yet to decide what areas in that part of the world are important to us. Mr. President, if we have to protect other areas, for our own ultimate safety, I think we had better start naming those areas and quit fooling the American people and the nations of the world.

Mr. MAGNUSON. I merely wish to point out—in view of the Senator's observation that all eyes are turned to Korea—that, after all, the Senate is now in the process, at least, of putting its energies toward sections of the world other than Korea. It seems to me that if we enact this measure, we shall be doing something in regard to the situation about which the Senator from Nevada is complaining.

Mr. MALONE. Mr. President, I would say to the distinguished senior Senator from Washington that if he considers he is going to take care of the situation by having the Congress appropriate a billion and one-half dollars, he is not only greatly mistaken, but is, in the opinion of the junior Senator from Nevada, doing great harm by giving our people a false sense of security for one thing, and for another committing ourselves to a pact which calls for war on our part whenever one of the pact members gets into trouble—without regard as to whether our own safety is threatened.

After all, the present arrangement is that when one nation is attacked, that nation will be the judge of whether we shall go to war. We ourselves will not be the judge of that matter. As I said yesterday, it amounts to having a man reach for his gun—in this case, reaching to almost every place in the world—but failing to be ready to use the gun. Mr. President, the tradition of the old West was that men did not reach for guns unless they were ready and determined to use them. The further we go with these stupid pacts, which require us to defend some areas and nations whose defense may not be necessary to our own safety, or pacts which may require us to go to war if some of these nations are involved the greater our difficulties will become.

POLICY MUST BE DETERMINED

The sooner we determine definitely what our foreign policy really is the better we will stand among the nations of the world, and certainly the little measure now before us, which is just fooling the public, will not do the job.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MALONE. I am glad to yield again.

THE PRESIDENT'S VETO

Mr. MAGNUSON. Unfortunately I did not hear all the Senator's speech, but I should like to ask him if he finds fault with the action the President has taken today.

Mr. MALONE. I say to the Senator that I have just explained that there is no foreign policy determined by his statement today. In other words, the President has not said in his message what is important in Asia or in the Pacific to the ultimate security of the United States. The President merely says that because the United Nations has made a statement, we shall back up that statement.

Mr. MAGNUSON. Does the Senator object to backing up the United Nations?

Mr. MALONE. I object to backing up anyone until we make our own decision as to where our interest in those areas lies, because the only nation which can cause trouble is not even sitting with the United Nations—a fact which the Senator from Washington should know by now.

Mr. MAGNUSON. I know that, but I wanted to understand the position of the Senator from Nevada.

Mr. MALONE. That is my view.

Mr. MAGNUSON. First I should like to inquire whether the Senator objects to the President's statement; second, whether the Senator objects to having us back up the United Nations.

Mr. MALONE. I certainly object to backing up the United Nations without determining whether or not our ultimate safety is involved since only about half the area of the world is interested in keeping the peace. The only nation in the world which could cause us any trouble is not operating with us in the United Nations.

However, we take the order from the United Nations, without ourselves having made any investigation, without having made any determination that this move which could result in war is important to our own ultimate safety.

Mr. President, I read in the newspaper—yesterday, I think, although it may have been earlier than yesterday—a statement to the effect that the United Nations hastily met, passed the resolution to stop this war, put it on the radio, and then retired to the lounge, cocktail I suppose, to await the results. It sounded about like the usual action of the United Nations.

Mr. President, I return to the security question. I have discussed this problem before, and I think my position is very well known. It is that we had better know what we intend to do before we move in. We did not do that when we started to haul the coal in airplanes, while we allowed China to be taken. Let us not repeat that action in the matter of the Middle East oil wells. If it is not important, let us say so. Let us determine which of these areas are important to our ultimate safety.

STATEMENT IN 1948—SENATE

Early in March 1948, the junior Senator from Nevada stood on the floor of the Senate for 3 or 4 hours, and at that time he said:

It is impossible to determine any policy, particularly any foreign policy, to say nothing of a bipartisan policy, until we know what the foreign policy is going to be.

I stated at that time that as a prerequisite for any action, we should determine the nations whose national integrity is important to our ultimate safety, that nothing could be accomplished until that were done. The American people have never been told that the protection of these oil areas of Iran, Iraq, and Saudi Arabia are important to our ultimate safety. It has been debated on the floor of the Senate, but the President of the United States, Mr. President, makes the foreign policy and he has never said that the area must be protected. Until the President fixes the foreign policy and says what is important to us, we can only debate. And, since we transferred our constitutional authority to regulate foreign trade to the executive branch—about all we have left is either to approve or adjust the appropriation bills which the President may send to the Congress. That is about the extent of the authority of the Congress of the United States at this time.

RUSSIA SUCCESSFUL IN DIVERTING ATTENTION

Russia may even now be diverting our attention to Asia while she is preparing to move in on certain of the oil areas of Iraq, Iran, and Saudi Arabia.

The test of a great general is whether he can divert the enemy's attention from his real objective. Russia has been extraordinarily successful in diverting the attention of our State Department from her real objectives.

THE 1948 DEBATES—FOREIGN POLICY

Mr. President, 2 years ago I stood on the floor of the Senate and warned of the approach of this crisis. I should like to read a few sentences from my statement at that time. The March 4 and 5 debate was so prolonged that on March 8, the junior Senator from Nevada collected certain recommendations that had been made during the debate for continuity in the RECORD. Under the title "Peace and Safety of the United States," on March 8, 1948, the junior Senator from Nevada said:

1. The peace and safety of this Nation is seriously threatened, through the complete absence of a definite foreign policy, telling our own people and the nations of the world what we consider will threaten our ultimate peace and safety, and the complete absence of a military organization spearheaded by an air corps to enforce our pronouncement.

2. The basic subject of foreign policy has never been discussed with the American people, through two world wars, and now the Marshall plan is in the same category. The basic subject at issue (as it was in 1823 when the Monroe Doctrine was established to protect South America and the Western Hemisphere from encroachment from the European empire-minded nations) is what areas—and naming the nations in the European and Middle East countries, including Asia and the South Seas—is it necessary for us to currently protect for our own ultimate safety? Until this decision is made no plan to make it effective can be intelligently discussed.

I challenge the State Department to name the nations of the 59 member countries of the United Nations Organization, whose integrity we must currently protect for our own ultimate safety, to tell the world and the American people the truth, so that any empire-minded nations may be apprised of our intentions and thus avoid what could well develop into a third devastating world war, and that our own people may prepare for their own defense, through rebuilding our military organization spearheaded by an air corps that could keep any other nation on the ground in the event of war.

Mr. President, what did that mean? It meant that if we had named these nations and had said, "Let us support the Monroe Doctrine over these areas that we say are important for our ultimate safety," and had warned every nation in the world, not mentioning one—and why mention one, when there are others who would like to control us? Had we done that, what would have been the result? Should we not say, as President Monroe said 127 years ago, that any nation which seeks to extend its form of government into those areas will be considered as committing an overt act against the United States of America, and then follow it up and make good our declaration by building an air corps, an army, a national defense organization that would bear silent evidence of our ability to enforce the pronouncement?

Mr. President, what might have happened had Russia known that we would go to war and were prepared to do so if she invaded Korea? In my opinion, Russia would not have invaded Korea. It is further my opinion that if we were to definitely say it today, she would not continue, but would turn back.

STOPPING AID TO NATIONS ASSISTING COMMUNIST AREAS

On January 24 of this year the junior Senator from Nevada introduced a joint resolution which would stop assistance from us to nations assisting the Communist Nations to arm. At that time I made a statement, from which I shall quote but one paragraph:

Today I intend to show, first, Mr. President, that we have no definite foreign policy; second, that we are aiding Russia to consolidate her gains in eastern Europe and in Communist China; third, that we are assisting Russia to arm for a third world war; and fourth, that the Secretary of State should make up his mind, relative to our foreign policy, as to whether the Russian Communists are dangerous to us; and, if so, that we should stop all aid to nations which are assisting Russia—the iron-curtain countries—China, or any Communist area; and that we should form our own policy, and not be pushed into it by other nations with whom we are dealing.

What did that mean? What did the junior Senator from Nevada mean by that statement? It meant that we were repeating the mistakes we made with Japan prior to World War II. The junior Senator from Nevada formerly maintained a branch office in San Francisco, from which he could look out over the Bay, in 1937, 1938, and 1939. What was happening? One could see boatloads of scrap steel and boatloads of petroleum going to Japan. Every veteran's organization in the United States of America raised a violent protest. What good did their protests do? We kept

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trading with Japan as usual. We kept sending them the materials they needed in order to be able to make war upon us.

ARMING RUSSIA FOR WORLD WAR III

Mr. President, I want to say this much for our Government. We learn, and we certainly improve. This time we not only are furnishing them everything they need to fight world war III, but to consolidate their gains in eastern Europe and in China. We have learned in 1938, 1939, and 1940, that the Japanese bought oil and scrap iron and paid someone for it. They had to manufacture the guns and the munitions which they were going to shoot back at us in World War II. But now we are away beyond that. What we now do is to have the Marshall plan and the ECA furnish everything needed, not only to reestablish their industry, but we have raised their industrial index up to approximately 125 to 130, based on the 1937–38 industrial index so that the same nations which are receiving huge sums of money, everything they need from us, including the money to make up their trade-balance deficits, are shipping the processed and manufactured goods to Russia and the iron-curtain countries.

They have 96 trade treaties with the iron-curtain countries and with Russia, and they are manufacturing the material for them, so it is much handier for them. They are receiving ball bearings, tool steel, electrical equipment, locomotives, heavy farm machinery, and heavy road machinery. As a matter of fact, hundreds of products which they could get nowhere else Russia and the iron-curtain countries are securing from the 16 Marshall-plan countries, and, Mr. President, to add insult to injury, our greatest ally, England, recognized Communist China, so they can speed up their trade by sending through China anything which Russia and Communist China needs.

COMMUNIST CHINA HELPING FIGHT SOUTH KOREA

I would venture the guess that what they are getting in Korea is some of the same material shipped through eastern Europe which England is shipping through to Communist China, and no doubt a part of it is coming through Korea. That would not be a bad guess, we will find, if we will take the trouble to look at the map.

We have improved a great deal, because those nations do not now have to go through the throes of manufacturing all the stuff they need; all they have to do is wait for it to come to them from our allies.

Mr. President, in the New York Sunday Mirror of June 25, 1950, I find a very good article by Dr. Ruth Alexander, entitled "Our America." I want to read a part of that article. It is a very good one. It reads, in part, as follows:

I'm tired of those silly words: "We won the war but we lost the peace." Aren't you? We lost the war and we might as well face it. We lost it to an "ally"—not to our enemy of the moment. But we lost it nevertheless. We are not goose stepping to Hitler. But we are goose pimpling with fear of Stalin every time he blows his hot breath down our neck by some new victory in this ill-named cold war.

With that I agree, Mr. President. We say we are fighting a cold war. We have sold America on the cold war. Let us analyze it for a moment. We say we will not sell Russia anything it can use to consolidate its gains or to fight world war III, but we sell everything necessary to 16 of our hoped-for allies, and they sell everything to Communist Russia which she needs to fight us and to consolidate her gains in eastern Europe and in China. If that is a cold war, Mr. President, I am simply in the wrong pew.

Dr. Ruth Alexander goes on to say:

What's cold about it—when shots still ring round the world at Stalin's command?

The only cold thing about it is the cold calculation of Communists, their "liberal" friends and their political proteges in the United States of America. They would sell us down the river in no time flat. Make no mistake about that.

As of the moment, their activities are confined to insidious methods of destruction. Capitalism has proved hardy and its collapse has not taken place on schedule. So what do they do—with their devilish oriental patience?

Slowly but surely, their gang here is broadening the base of our inflationary spiral, by pyramiding our debt to astronomical figures. Slowly but surely, their gang is debauching our monetary system by deficit financing and prodigal spending.

Stalin waits like a vulture for a possible recession when he could capitalize on the corpse of capitalism—and freedom.

THE FATE OF THE WORKINGMEN AND INVESTORS

Mr. President, every move we have made for the past 15 years has helped to build up a resistance to the investments of venture capital. We started it in 1934 when we passed an act which gave over to the State Department the right to lower tariffs approximately a total of 75 percent, and by that act we put into the hands of an industrially inexperienced academic Department the fate of every workingman and investor in the United States of America. We placed in the hands of the Secretary of State the right to say what industries shall survive and what shall be sacrificed on the altar of "One Economic World." That tended to stop venture capital going into business. Try to get some new capital in the textile business, the mining business, the lumber business, the precision-instrument business, the watch business, the glass business, with Europe sending in glass and the boys in Ohio and Illinois becoming unemployed as a result. Try to put some new capital into those businesses and see how far you get.

Every time we pass such legislation it fastens its vise-like grip upon venture capital a little tighter. Today, with the basic tax structure as it is, if anyone invests venture capital in any business and makes a few dollars, Uncle Sam takes the money; if he loses it, it belongs to him.

The Securities and Exchange Commission, with its engineers, mostly without experience, with its technicians who have no practical experience in business, says that before securities are sold, whether they relate to the mining business, or some other business, that Commission must decide that it will be a feasible business.

I have stated before on the Senate floor, Mr. President, that I had an opportunity, when I was chairman of the Economic Subcommittee of the Interior and Insular Affairs Committee, to ask a few of those engineers of whom I had never heard in the engineering business, although I had been in that business for 30 years, I said, "If you can look on the top of the ground and tell whether a vein of ore will widen out and get richer or pinch out and get leaner, I can make you some money, because no other engineer I have ever seen can do that."

Mr. President, Dr. Ruth Alexander goes on to say:

Why do we play ball with this outfit? Why do we go on shadow boxing with the United Nations? What is the sinister purpose of those who claim it is better that we sit than that we part? Do you want to sit at the table with your executioner? Would you ask him to your home? And the site of the United Nations is your home—thanks in part to Alger Hiss.

The latest travesty on decency is our idiotic assent to let the Chinese in if only the Russians will come back. Of course they will come back—when they get their way. Another crisis and they take another walk. Another "promise" and another default—for any resemblance between Russian promise and the truth is purely accidental.

Continuing with Dr. Alexander:

This latest shame proves them the victors and we the vanquished. Words have trapped us once again.

Mr. President, we have not yet heard of the withdrawal of the Communists from South Korea in obeyance to the order from the United Nations. Does anyone actually think the Communists there will obey any such order? How safe do my colleagues feel in the hands of the officials of the United Nations or its so-called Security Council? Is Trygve Lie our friend, or does he have Communistic sympathies? In a crisis between Communists and anti-Communists just where do you think his sympathies would lie? We might as well quit fooling ourselves—Russia recommended him in the beginning.

PRESENT LEADERSHIP—UNITED NATIONS—VALUELESS

The United Nations under its present leadership will do nothing for us. We must do it ourselves if it is to be done. If we are protected from aggression, it will be the patriotic people in the industry of the United States which will protect us. It will be the veterans, the workers, and the farmers who will protect the institutions of this country.

Mr. President, I have before me an editorial entitled "The UN at Stake," published in today's New York Mirror. The opening sentence reads as follows:

If Soviet Russia can conquer the whole of Korea and establish a new country, Soviet Korea, then the United Nations has totally lost its value and should be abolished.

Mr. President, I ask unanimous consent that the editorial be inserted in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE UN AT STAKE

If Soviet Russia can conquer the whole of Korea and establish a new country, Soviet

Korea, then the United Nations has totally lost its value and should be abolished.

For the conquest of Korea cannot be regarded as a revolutionary act of oppressed masses against an oppressive government. There is no oppressive government. There is no national united state in Korea yet. Only the beginnings of government exist in southern Korea.

What has happened is that by the Moscow agreement of 1945, that country is being jointly held in tutelage with the objective of establishing a democratic government with the aid and sanction of the conquering countries in the war with Japan. Korea was part of Japan during the war and had been since 1910.

As that worked out, Soviet Russia managed the affairs of Korea north of the thirty-eighth parallel, whereas the United States sought to work out a free government in Korea south of that line.

We now know that whereas our management has been on a peacetime basis, northern Korea was turned into a military base by Soviet Russia, with a trained air and tank force on the most modern basis.

The United Nations exists precisely to prevent any member government from establishing such a base in such a country as Korea.

The United Nations exists to prevent wars, to mediate wars, to localize wars, and to order sanctions, if any nation makes war.

That is the business of the United Nations.

If it fails in this instance, it will never have another chance.

Certainly, American public opinion will find no further justification for our huge expenditures to maintain that body and its vast number of commissions, committees, and bureaucrats, if it cannot perform its most primary function of ordering sanctions against a warmaker.

It is being reported that the British do not want to vote sanctions. If that is so, we shall know all we need to know about the British.

We shall know that they have been willing to accept our aid in lives and treasure in two wars, and in all the years in between, and even now—but that when we face a struggle for our dignity as a nation and for peace and the rights of people to choose their own governments, they, the British, desert us.

This will come as no surprise to those who have watched their effort to have Soviet China seated in the United Nations and their opposition to the Franco-German coal and steel pool. They tipped their hand in that.

So, if we have to face nothing but enemies and neutrals in the United Nations, then let us cut our losses and conduct our own foreign policy henceforth, without constant compromises to fit British tastes or Russian tastes or anybody else's tastes.

Let's get going on our own. We had done well that way for about 170 years of our existence. Why continue the nonsense of the past 5 years?

IF THE EXECUTIVE SHOULD DECIDE

Mr. MALONE. Mr. President, if the executive department decides that the integrity of Korea is important to our ultimate safety, let us now send jet planes, fighter planes, bombs, munitions, and men to protect Korea and fight back the aggressor. Let us be strong and use strong means.

I firmly believe that in the face of strength the Communists there would turn back. As a matter of fact, I have no doubt about that, anymore than I had doubt that the Russians would turn back in Berlin, at the time when we decided to haul coal to Berlin at a cost of several hundred dollars a ton, with sentries standing on the vacant road laughing up at us, provided we had had the guts to go through.

Mr. President, if we back up now after making the play, if we are not sure that this area in the Pacific is important to us, the party is about over. The last of our prestige will be gone with our false starts and indecision.

Let us make no Pacific Pact. It would be as worthless as the Atlantic Pact will be when it comes to the test. No one believes that France of the Atlantic Pact is ever going to fight another war for anyone. They will be neutral. A great number of the other countries have always been neutral, among them several countries upon whom we are depending and which we are now arming. There is a great deal of evidence to prove—and I shall not go into it at this time—that no nation in Europe will be with us the next time. I will say briefly why.

TRADE INTERESTS OF EUROPE NOT WITH US

The best interests of Europe in world trade do not lie in the United States of America. We are processors. We are the most highly developed processors and manufacturers in the world today. Old Europe is next. Every nation has a specialty. For us to say that an affinity exists in trade between the 16 European nations of Europe which we now have on our payroll and the United States is just as stupid as the rest of the stupid program.

In other words, for us to force trade, or for us to buy products from Europe of which we have too much, or vice versa, is like having two barbers in the same block who are trying to make a living by shaving each other.

The trade future of the nations of Europe lies in the eastern countries, in Russia, and in South America.

Ours lies in South America and in Asia. Let us face the facts on the economic ground, too, when we try to predict who is going to be our friend in an emergency. History proves that when the test comes any nation, which has the power to do so, goes wherever it is to its best interest to go, irrespective of pacts.

For thousands of years, for the last 50 years, with which we are most familiar, and for the last 30 years, which ought to be fresh in our minds, we have watched these pacts broken left and right. Those pacts were drawn simply as a front. What has become of them all?

PACTS BETWEEN FRANCE, ENGLAND, AND RUSSIA

What has become of the pact between France and Russia, and of the pact between England and Russia? They are still in good standing. They are surprisingly alike, and they are both similar to the pact which both of these countries have made with us, if you please—the Atlantic Pact.

I am making this point now because, if I know our weak-kneed State Department—and I think I do—we are going to be given some kind of sweet music about our State Department's great achievement in making a pact.

Our enemy goes wherever she wants to go and whenever it suits her. Our State Department says, "O. K. you keep what you have stolen, but please sign this nice little pact saying you will go no further."

Would to God we had a State Department of strong men now at the time we need strong men. And when we can, let us clean house down there.

Then let us clean up our own backyard, including the United Nations. A good old-fashioned spring house cleaning would do much good to both of these pieces of machinery.

INVESTIGATION OF LOANING POLICIES OF THE EXPORT-IMPORT BANK

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I believe there is some misunderstanding. I have just been advised that a point of no quorum was made for the purpose of permitting the junior Senator from Oregon to present a resolution. I ordinarily would object to abandoning a quorum call, but I certainly do not want a quorum called to enable Senators to hear the junior Senator from Oregon. Therefore, I ask unanimous consent that the order for the quorum call be rescinded and that further proceedings under the call be vacated.

Mr. MURRAY. I have no objection.

The PRESIDING OFFICER. Without objection, the order for the calling of the quorum is rescinded, and further proceedings under the call are suspended.

Mr. MORSE. Mr. President, I rise to offer and very briefly explain a resolution which I now offer. The resolution reads as follows:

*Resolved*, That the Senate Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation of the loan policy pursued by the Export-Import Bank of Washington and the loans made by such bank, with special emphasis on the loan policy pursued by such bank with respect to, and the loans made by such bank to, the countries of Argentina, Brazil, and Mexico, and private borrowers in such countries.

Sec. 2. The committee shall report its findings, together with such recommendations as it may deem advisable, to the Senate at the earliest practicable date, but not later than January 31, 1951.

Mr. President, I send the resolution to the desk for appropriate reference, and ask that it be printed.

The PRESIDING OFFICER. The resolution (S. Res. 304) will be received, out of order, printed, and referred to the Committee on Banking and Currency.

Mr. MORSE. Mr. President, the resolution I am offering I consider particularly apropos at this time, because I understand the terms of office of the members of the Export-Import Bank are about to expire, and there have been pending before the Committee on Banking and Currency the nominations of the members of the Export-Import Bank. I understand the nominations were reported favorably earlier today by the Senator from South Carolina [Mr. MAYBANK]. I wish to serve notice that the junior Senator from Oregon will oppose

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those nominations, if action is pressed upon them, until he is satisfied that the loaning policies of the Export-Import Bank can stand full public disclosure following an investigation by an appropriate committee of the Senate. He fully expects that at future dates he probably will speak somewhat at length in regard to the policies of the Export-Import Bank, if—and he underlines the word "if"—certain information which has been supplied the junior Senator from Oregon stands up factually after the junior Senator from Oregon completes his personal investigation of certain allegations concerning the loaning policies of the Export-Import Bank. He thinks that in fairness to the Bank, and in fairness to himself, an appropriate committee of the Senate should proceed at once with an investigation of the loaning policies of the Export-Import Bank.

The junior Senator from Oregon intends in this matter, as he tries to in all other matters, to be exceedingly fair, and to reach his final conclusions concerning the policies of the Export-Import Bank on the basis of what the evidence shows those policies to be after a thorough and fair hearing. He wishes to say, however, that certain correspondence he has had with the chairman of the Export-Import Bank in regard to the loan the bank made to the Government of Argentina is completely unsatisfactory.

The junior Senator from Oregon wants to know whether it is true that the Export-Import Bank does not follow any consistent policy in regard to making loans to foreign countries. He wants further to know, on the basis of the resolution he has offered for purposes of investigating the policies of the Export-Import Bank before any confirmation is asked of the nominations of any of the present members of the Bank on the part of the Senate, whether or not it is true that the Export-Import Bank follows one policy in making loans to Argentina, but an entirely different policy when it comes to making loans to Mexico and other Latin American countries.

Mr. President, the junior Senator from Oregon wants to know whether the members of the Export-Import Bank hold to the point of view which it is alleged they hold to, that it is perfectly all right to make loans to Argentina which certainly, in the recent past, has not been noted for democratic processes, in order to bail out certain American creditors, and all right to deny loans to Mexico, particularly loans to which at least the President of the United States seems to have given his sympathetic approval in times past. He wants to know if it is sound to deny a loan to Mexico on the ground that in Mexico the bank might be confronted with some project that is involved in a state economy program, but grant a loan to Argentina which comes very close to being totalitarian.

The junior Senator from Oregon would like to know what the relationship is between the State Department and the Export-Import Bank behind the scenes. He is not particularly concerned about the window dressing relationships between the State Department and the Export-Import Bank. But he is interested in finding out to what extent the State Department and the Export-Import Bank maintain a very interesting shuttle arrangement alibiing one for the other, whereby the State Department says, "Oh, well, we are for this loan, but the Export-Import Bank is against it," and to what extent on other occasions the Export-Import Bank says, "Oh, we are for it, but the State Department is against it."

Mr. President, in the world crisis in which we live this hour, I think we are dealing with a subject matter of such importance that it behooves the Senate of the United States, which has a tremendous responsibility in the field of international relations, to find out what the policies of the Export-Import Bank are in respect to international loans. It is a truism that the international economic policies of a nation have very direct influences upon its relationships to other countries of the world and can very well have a very direct relationship to the whole question of peace.

I am somewhat disturbed, Mr. President, by certain allegations which I do not certify as being true, but which come from sources which in my judgment deserve the most careful investigation by the Senate committee. They are to the effect that certain powerful economic forces in America, in respect to certain subject matters for loans, seem to be able to exercise great influence in determining whether or not loans shall or shall not be granted by the State Department and by the Export-Import Bank. I have been advised, and I want to find out if the facts support the allegation, that there are those on the Export-Import Bank who take the position that the bank simply cannot make a loan to a country involving a subject matter that in turn involves the operation of a state economy or the socialization of some industry within that state. Yet the bank was not the least bit squeamish about making a loan to Argentina, which, I say, by way of understatement, cannot be classified today as a country characterized by very much democracy.

I point out that the United States is judged around the world by the actions it takes internationally in support of some of the most reactionary forces in the world today. In the fight for freedom, in the great fight to preserve the democratic way of life around the world, it is important that the Senate look into the various departments on the executive side of this Government and apply itself to finding out what their international policies are in carrying out their administrative responsibilies and powers in respect to international relations.

Before we confirm a single nominee to the Export-Import Bank I think it important to find out what are the international policies of the members of that bank. I want to know a great deal more about the Argentine loan, Mr. President, than the Chairman of the Export-Import Bank told me in reply to a letter which I addressed to him recently in which I set forth specific questions for his answers. His lack of information was surprising. That and his apparent inability to answer some of the specific questions I laid down in my letter, raise serious doubts in my mind as to his competency to continue as Chairman of the Export-Import Bank.

I do not want to do him any injustice. I am perfectly willing to have him make his case for himself. But I want to tell the Senate that surrounding the Argentine loan there are numerous odors which are not particularly pleasant to the nostrils of people who believe that we ought to be strengthening the hand of democratic processes in Latin America.

The speed with which the Argentine loan was consummated, Mr. President, was a remarkable feat on the part of the Export-Import Bank. Sometimes one can move too fast. I have a little inkling of a suspicion that the Export-Import Bank moved too fast on the Argentine loan. At least the speed with which it moved was not very helpful to strengthening good will in some other Latin-American countries that have not received the same speedy consideration from the Export-Import Bank and the State Department as Argentina was able to receive.

I am sorry, Mr. President, to have to say this again today, because as one who has supported consistently and without exception the bipartisan foreign policy of this country ever since I came to the Senate, and as one who intends to continue to support the principle and the framework of that whole conception of a bipartisan foreign policy, I feel I owe an especial obligation to the American people when it appears to me that the State Department is guilty either of abusive action or capricious arbitrary action, or is permitting itself to be subjected to certain influences in this country that do not strengthen the hand of America in Latin-America. The junior Senator from Oregon owes an obligation to the American people to stand up on the floor of the Senate and say, as in effect he is saying this afternoon to the State Department, to the Export-Import Bank: "Just a minute! What are the facts? Just a minute! Let us see out here in the open, in the full inspection of the Congress and the people of the United States, just what are your policies in regard to foreign loans?"

I intend to take that stand in this fight on the Export-Import Bank. If what I believe to be true is true, I think we had better review the procedures of the past and put some very effective congressional checks on both the State Department and the Export-Import Bank in their handling of the international economic problems of the United States. I am afraid it is true that both the State Department and the Export-Import Bank are fumbling badly America's relations with Latin America insofar as international economic loans to those countries are concerned.

Mr. President, I wish to say both to the State Department and to the Export-Import Bank officials, that they are in a very strange position, it seems to me, when they say, as some State Department officials have said to me, in effect, "Well, we must not make any loan to any country in connection with any industry that involves a government monopoly or is a socialized industry in that country."

Mr. President, no one in the Senate is more opposed to socialism than I am. No one in the Senate will fight harder against the nationalization of any basic American industry or, for that matter, of any American industry at all than I will, because I happen to be opposed to the socialistic approach to the handling of economic problems. I know very well that the freedom of the individual cannot survive the socialization of the economy of the United States.

However, the State Department does not talk that way when it comes to the Congress and urges support for the ECA. The State Department does not talk that way when it comes to the Congress and urges needed economic support—support which, without exception, I have voted for—for certain countries in Europe. There is no talk then about our not making available money to be used in Europe, when we know very well that the funds provided to some extent are going to be used in and by countries for the economic strengthening of industries which have become socialized in those countries.

I have been heard to say on the floor of the Senate what I repeat this afternoon, namely, that, after all, what we need to look to in international economic relations is whether or not the principle of freedom of choice on the part of the people prevails in the countries to which we are asked to make loans or grants. After all, is not that the test of freedom in the world today? When all is said and done about democratic processes and freedom—words which can be used as clichés or can be used in the true sense of their meaning as embodying the rights and the liberties of every individual—do not those words, when boiled down to their real meaning, mean only freedom of choice at a free ballot box made available to the people of those countries, so they can determine for themselves their own political and economic systems? Is not that the test? Is not that the test which the State Department and the Export-Import Bank should be following?

Certainly I submit that the policy of the State Department in regard to European loans and European grants has been on the basis that we must not intermeddle in the internal economic affairs of Great Britain, for example, or of France or of the Scandinavian countries, in which socialism in varying degrees has existed now for decades, or of little Denmark or of other countries of the low lands. That has been the position of the State Department, and rightly so.

However, I call upon the State Department to apply the same policy consistently in its relations with Latin America. The State Department has not been doing so. In the State Department, again in the lower echelons, we find in this field the same type of arbitrary, capricious action which I spoke against the other day when I referred to the many mistakes of which the State Department has been guilty in the field of trade relations. There is in the State Department a small group of underlings who do not like any opposition from Capitol Hill, a small group of underlings who believe they should sit behind their desks in the State Department and should draw the blueprints for the economic relationships between the United States and Latin America unchecked by the Congress. It was that group which drew the blueprints—acting in collaboration, I may say, or at least in cooperative effort, with the Export-Import Bank—which resulted in the loan to Argentina. Perhaps democratic processes exist in Argentina; perhaps freedom of choice at a free ballot box exists in Argentina; but if so, I think it will be news to the Senate to learn of it.

However, in Latin America there are countries which are making an earnest fight for the preservation of freedom of choice: Mexico, Venezuela, Brazil, Colombia, Chile, and others. I would that I could feel some assurance that the State Department and the Export-Import Bank have the same great concern for and sympathy with the leaders of those countries, who have demonstrated time and time again their willingness to stand shoulder to shoulder with the United States in the fight to make freedom live and endure, not only in Latin America but elsewhere in the world. Yet those countries are greatly concerned and perplexed over the fact that their economic situations and problems in connection with some of their requests have taken so long to get even above the lower echelons of the State Department, whereas the Argentine loan could sail through the State Department and the Export-Import Bank with remarkable speed. That is causing some—and let us face the facts which is all I am asking for by means of this resolution—to raise their eyebrows in doubt in regard to the question of the extent to which certain powerful, selfish economic interests in America exercise undue influence on the State Department and on the Export-Import Bank in connection with the negotiations for those loans.

If Mr. Gaston did not understand my meaning when he read my letter, let me tell him from this desk today what I meant when I asked him some of the questions contained in my letter to him. I want to learn from him, as Chairman of the Export-Import Bank, the extent to which some of the powerful United States corporations with certain economic interests in Latin-America bring strong representations to bear upon the Export-Import Bank in connection with the determination of the loaning policy of that Bank.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. MORSE. I prefer to complete my statement, and then I shall be glad to yield.

The PRESIDING OFFICER. The Senator from Oregon declines to yield at present.

Mr. MORSE. Mr. President, I happen to be one who believes that the strongest chain of defense and security for freedom in the world must be forged by Canada, the United States, Mexico, and the Latin-American countries to the south of Mexico. I happen to be one who believes that in this Western Hemisphere we must develop a very strong international unity among the nations, and must make perfectly clear that we shall stand together in protecting the principles of freedom and liberty inherent in the great, statesmanlike, and historic document which the President of the United States issued today in respect to the Korean situation. That document deals with a subject matter which I discussed earlier in the afternoon and I shall not now repeat my views on it, except to incorporate by reference everything I said earlier in the afternoon.

However, in the present international situation and the crisis which exists in the world today, let us face the fact that our relations with the countries to the south of us are not so healthy as they should be. The chain to which I have referred is not so strong as it should be forged, Mr. President. Rightly or wrongly, there are leaders of government to the south of us who are entertaining doubts as to the sincerity of purpose of the United States in its international economic relations.

It is impossible to escape the fact that international economics happens to be as directly related to world peace as international politics—yes, Mr. President, I do not think the two can be separated. In fact, a part of the burden of my inquiry here this afternoon is to ascertain to what extent international politics is influencing the policies of international economics of both the State Department and the Export-Import Bank.

Communism is a serious threat at our front door, or at our back door, however one prefers to describe the location of Mexico. There is a great President of Mexico, Miguel Aleman, who in my judgment has made a heroic fight against communism in that country. I think the exchange of visits between President Truman and President Aleman in the not-too-distant past probably did more to strengthen the good-neighbor policy between the United States and Mexico than anything else that has happened within the past 25 years. Let us not lose the advantage, the great gains we have made in bringing the Mexican people to a better understanding of the high international ideals which motivate the American people. Let us make clear to the Mexican people that certain powerful American corporations do not speak for the American people on the question of the economic relations between Mexico and the United States.

Let us also demonstrate to the heads of other countries in South America and to the people of those countries that economic aid from America is not to be conditioned upon and determined by those countries passing particular types of domestic legislation or adopting particular types of economic reforms that certain underlings in the State Department and certain members of the Export-Import Bank appear to want to make conditions precedent to any economic relationships by way of loans or other economic aid to those countries on the part of the United States. At least, Mr. President, let us impose the same conditions precedent upon Argentina before we make loans to her. We did not do that, but, to the contrary, we strengthened the hands of one of the most reactionary governments in the world.

Let the record show that the junior Senator from Oregon will always be

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found fighting just as much against the totalitarianism of fascism as against the totalitarianism of communism. Both have but one object—the destruction of the individual liberty and freedom of the person. The dignity and the spiritual value of the person cannot survive under either communism or fascism.

We must realize, Mr. President, that there is a danger in America that we may be given to expressing high ideals and fine principles but may not always carry them out in practice when it comes to our international dealings. It is much like the fellow in church on Sunday who is repentant, and who, confronted through the church service with some of the realities of life, at least meditates on his shortcomings during Sunday, or at least during the hour in church; but who then, during the week, in his economic relations with his fellow men does not not let the spiritual values of Christianity motivate his conduct. Rather he backslides again into the sinful gutter of permitting personal selfishness to cause him to do injury to his fellow man. The junior Senator from Oregon insists that, after all, the very essence of democracy, the very essence of freedom, the thing we are trying to cultivate so that it will grow and blossom into full fruition by maintaining and safeguarding the freedom of choice at the free ballot box, both in this country and elsewhere in the world, happens to be the principles of Christianity put into practice. I do not think a permanent and lasting peace is ever going to reign in the world until we reach that point in the development of civilization where all forces, including the economic forces of a country, are willing to subordinate self-interest to the welfare of their fellow men.

I know, Mr. President, that arguing that thesis is subject to the criticism that it is too idealistic. The junior Senator from Oregon has been criticized many times for taking too idealistic an approach to these relations among men and among countries. But it is not at all too idealistic. It happens to be the kind of idealism, it happens to be the kind of economic faith, it happens to be the kind of conviction in the superiority of our American system of both political and economic freedom which needs to permeate to a greater extent, in my judgment, the State Department, today. It needs to be considered in respect to certain loans already granted, and with respect to others, the rejection of which apparently is contemplated by the Export-Import Bank. It happens to be the kind of realism which ought to permeate the Export-Import Bank.

I have said all I intend to say on this subject today, but it is not the last word I intend to speak on it. Mr. President, let this speech be interpreted by the State Department and the Export-Import Bank exactly as I mean it. The junior Senator from Oregon intends to satisfy himself at least as to just what the policies of the State Department and of the Export-Import Bank are in regard to loans to countries to the south of us. He intends to ascertain whether the State Department and the Export-Import Bank have one economic theory applicable to Europe and an entirely different economic theory applicable to the South American countries.

He concludes by issuing the warning that, with the threatening clouds of international strife forming in the skies of the world today, the State Department and the Export-Import Bank had better look to the strength of the United States in the countries south of us, because we are going to need their good will, we are going to need their economic support, we are going to need their cooperation in any contest with communism.

I, for one, Mr. President, do not intend to remain silent while the State Department and the Export-Import Bank, for example, put such a great President as the President of the Mexican Republic in the embarrassing position in which he finds himself. Acting in good faith, he believed that certain definite understandings were formed in regard to economic relationships between the United States and Mexico. Understandings which, to this date, have not been carried out, and, in the opinion of the junior Senator from Oregon, they have not been carried out because certain forces within the State Department have sought to scuttle them, and because the members of the Export-Import Bank have adopted a highly inconsistent policy, as demonstrated by the loan they have made in Argentina but which I understand they are opposed to making on a similar basis to Mexico and to some other South American countries.

## ADDRESS OF GOVERNOR DRISCOLL BEFORE NATIONAL CONVENTION OF NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE

Mr. HENDRICKSON. Mr. President, on Friday last, June 23, 1950, Gov. Alfred E. Driscoll, of New Jersey, delivered a very forthright and inspiring address at the national convention of the National Association for the Advancement of Colored People, at Boston, Mass.

Since the Senate has been assured of another opportunity to consider FEPC, I am sure that a great many of the Members of this body will want to avail themselves of the opportunity to read a great Governor's account of his stewardship on civil rights in the State of New Jersey.

For the convenience of the Senate, I have had excerpts of Governor Driscoll's address prepared, and I ask unanimous consent that they be inserted in the RECORD at this point in my remarks.

There being no objection, the excerpts of Governor Driscoll's address were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE ADDRESS OF GOV. ALFRED E. DRISCOLL, OF NEW JERSEY, TO THE NATIONAL CONVENTION OF THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE, AT BOSTON, MASS., JUNE 23, 1950

I am particularly happy for this opportunity to address the convention of the NAACP because I want to tell you of some of the things we have been doing in New Jersey to build a society which has enlarged the individual rights and opportunities of all persons.

The keystone of our heritage is the importance of the individual. Our country was founded in the belief that all men are created equal—that each of us has a sacred dignity which must be respected and protected by society and by the Government which acts for that society.

All of us, I think, cherish the right to individual freedom. But some of us—indeed, too many of us—look upon our heritage as a one-way proposition. We are willing to receive, but not willing to give. We preach one thing, and practice another—all the while unmindful of the fact that when we claim liberty for ourselves and deny it to others, we are placing our own liberty in jeopardy.

In our long and often discouraging fight to preserve and develop civil rights, one fact stands out clearly. It is this: that every individual who wishes to be secure in these rights himself must be willing to respect, protect, and preserve these same rights for all his fellow citizens.

To give effect to our ideals of freedom and equality for all, there is required more than the mere acceptance of an idea. The Bill of Rights is meaningless without positive, affirmative action to give life to the principles which it sets forth. In the daily life of our community, and in our relations with other countries, we must be willing and able to vigorously apply those principles. If we permit the abuse of fundamental guaranties of individual liberty and of national sovereignty, we invite personal and national aggrandizement. In New Jersey we have been acting while they have been talking in Washington.

In our State we have not been willing to permit these abuses to go unchallenged. We have attacked prejudice and discrimination because of race, color, religious principles of national origin. We have sought to eliminate the cause of prejudice and discrimination, and in so doing we have not only been promoting the common welfare, but have been neutralizing a major portion of the propaganda ammunition directed against us in every corner of the world by Communist Russia. While others have talked, we have acted.

Three years ago New Jersey adopted a new constitution. The bill-of-rights provisions of that document expresses our ideals of individual freedom in a far broader way than ever before in American constitutional history.

But we were not content to rest our case there. We set up a committee on civil liberties which studied every phase of the problem and submitted its findings to the State legislature. Its report—unlike that of the President's Committee on Civil Liberties—was translated into legislation. We now have in New Jersey a fair, effective law against discrimination—and the important thing about it is that it is working. Likewise, our FEPC law works.

Despite all this, there were some who did not take us seriously. The bill of rights of our new State constitution guarantees, among other things, that "No person shall be denied the enjoyment of any civil or military right, nor be discriminated against in the exercise of any civil or military right, nor be segregated in the militia or in the public schools, because of religious principles, race, color, ancestry, or national origin." The Army, for one, did not think we meant what we said. We were told that this provision was not to apply in the postwar reorganization of the National Guard. I responded that we intended to abide by the provisions of our constitution—and that is exactly what we did. Today there is no discrimination in the New Jersey National Guard, and it is a stronger, better force than it was before.

We are continuing to practice what we preach. Just this year the New Jersey Legis-

lature adopted eight laws prohibiting discrimination in housing built with public funds or public assistance. The timeliness of that action is apparent in view of the situation now prevailing in some States.

If we are to have the kind of world that actually will be based on the brotherhood of man, there can be no room for discrimination in any of its forms. Every one of us must strive unremittingly for a world cleansed of bigotry, the oppressions of economic exploitation, false theories of racialism, and the spirit of narrow nationalism.

We are making notable progress in New Jersey. It is our hope that New Jersey's example will soon find its reflection throughout the Nation.

## LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, after the Senate makes disposition of the unfinished business there are a few minor bills on the calendar which we expect to dispose of. However, I do not believe the Senate will be unduly delayed by the consideration of those bills. They are not very controversial, I will say.

There are two measures about which all Senators are concerned, namely, the omnibus appropriation bill, and the tax bill which I understand will be coming to the Senate within the next few days from the House of Representatives.

I see the very able and distinguished Senator from Tennessee, the chairman of the Committee on Appropriations [Mr. McKELLAR], on the floor, and I should like to ask my friend from Tennessee if he can give me any information as to when he believes the so-called one-package appropriation bill will be reported by the Appropriations Committee to the Senate for its study, debate, and consideration.

Mr. McKELLAR. In answer to the Senator's question, I would say that the appropriations subcommittees have marked up 10 of the 12 sections of the one-package bill. On the other two sections hearings have been held, and they will probably be reported to the full committee tomorrow or the next day. So that we are apparently well up on the bill. Just how long it will take to debate a one-package bill on the floor of the Senate no one can say.

Mr. LUCAS. I am not so much interested in the length of time it will require, although I shall be interested in it when the committee finally reports the bill. What I was trying to ascertain for the benefit of myself as well as of other Senators was how long it might be before the committee would be in position to report the appropriation bill.

Mr. McKELLAR. I am inclined to think the committee will be able to report it certainly within 10 days, or possibly within the next week.

Mr. LUCAS. I certainly hope the Senator is correct. I urge the distinguished chairman of the Appropriations Committee to plead with the members of his committee to move along as rapidly as possible in order to get the bill to the floor, because the Senator well knows that it will take some time to debate it, and it will take perhaps a little more time in conference, in view of the differences between the two Houses.

I thank the Senator for his statement.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. BYRD. I should like to ask with reference to the plans of the distinguished Senator from Illinois to bring up the nomination of Mr. Hutchinson.

Mr. LUCAS. I told the Senator from Virginia a few days ago that I would let him know in due course when we finally agreed to bring up the nomination of Mr. Hutchinson, if it is brought up. I assure the Senator that 48 hours' or 3 days' notice will be given.

Mr. BYRD. When will the decision be made?

Mr. LUCAS. It should be made sometime this week. I think I can definitely say that before the week is over the decision will be made.

Mr. BYRD. I thank the Senator.

## ANNOUNCEMENT REGARDING CONSIDERATION OF NOMINATION OF JUDGE RITTER

Mr. LUCAS. Mr. President, there is on the Executive Calendar the nomination of the Honorable Willis W. Ritter, of Utah, to United States district judge for the district of Utah. I understand that there will be some opposition to the nomination.

I wish to advise the Senate now that some time tomorrow we shall take up the Executive Calendar, if that is agreeable to the Senator from Utah.

Mr. WATKINS. Would it be agreeable to have the nomination taken up on Friday? I do not wish to make a fight on the nomination, but I wish to have sufficient time to make a statement regarding the nomination, and I am preparing the statement now.

Mr. LUCAS. I understand there is some urgency about the nomination, and I hoped we could consider it tomorrow.

Mr. WATKINS. Judge Ritter is now holding an interim appointment.

Mr. LUCAS. I understand.

Mr. WATKINS. So nothing will be lost by postponing the consideration of the nomination until Friday. I should like to have time to prepare a statement on the nomination. I have not yet been able to finish preparing the statement, because I have so many other things to do.

Mr. LUCAS. I certainly do not wish to crowd the Senator from Utah. I had thought we could dispose of the nomination tomorrow. Let us say that we shall dispose of it some time this week, and not later than Friday, if that is agreeable.

Mr. WATKINS. I shall certainly try to accommodate myself to that arrangement and to cooperate regarding it.

## AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT OF 1949

The Senate resumed the consideration of the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949.

Mr. LUCAS. Mr. President, I am ready to vote.

Mr. HENDRICKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant journal clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Anderson | Hoey | Maybank |
| Benton | Holland | Millikin |
| Bricker | Humphrey | Morse |
| Bridges | Hunt | Mundt |
| Butler | Ives | Murray |
| Byrd | Jenner | Neely |
| Cain | Johnson, Colo. | O'Mahoney |
| Capehart | Johnson, Tex. | Robertson |
| Chapman | Kefauver | Russell |
| Connally | Kem | Saltonstall |
| Cordon | Kerr | Schoeppel |
| Darby | Kilgore | Smith, Maine |
| Donnell | Knowland | Smith, N. J. |
| Douglas | Leahy | Sparkman |
| Ecton | Lehman | Stennis |
| Ellender | Lodge | Taft |
| Ferguson | Lucas | Thomas, Utah |
| Flanders | McCarran | Thye |
| Frear | McCarthy | Tobey |
| Fulbright | McClellan | Tydings |
| Gillette | McFarland | Watkins |
| Green | McKellar | Wherry |
| Gurney | McMahon | Wiley |
| Hayden | Magnuson | Williams |
| Hendrickson | Malone | Withers |
| Hickenlooper | Martin | |

The PRESIDING OFFICER. A quorum is present.

Mr. WHERRY. Mr. President, I should like to address a question to the majority leader. Earlier in the day the then acting majority leader asked whether an agreement could be reached, by way of unanimous consent in regard to a time for the Senate to vote on this bill. At that time I told him I would do my level best to enable the Senate to reach, at an early date, an agreement in regard to a time to vote on the bill.

I should like to say now that if the majority leader will submit a unanimous-consent request to have the Senate vote on this bill on, let us say, Friday of this week, I believe we can work out such an arrangement among Senators on this side of the aisle.

There are two or three reasons for my suggestion of Friday. One is that several Senators who wish to participate in the vote, prefer that date. Of course, I understand, that we have to try to work out arrangements for all 96 Senators; but what I have just stated is one of the reasons for asking that the vote be had at that particular time. In that connection, I would propose that there be whatever division of the time prior to the vote that may be agreeable to the distinguished Senator from Texas. Any hour—possibly 4 o'clock, or even 3 o'clock—which meets with the approval of the distinguished majority leader, would be acceptable, I think.

Mr. LUCAS. Mr. President, I should like to confer with the Senator from Texas, and then make an announcement a little later.

Mr. WHERRY. Very well.

Mr. TAFT. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 9, in line 25, it is proposed to strike out the words "the fair value" and insert "the full cost, actual or estimated, of such equipment, material or services."

Mr. TAFT. Mr. President, the amendment is offered to line 25, on page 9 of the bill. It is an amendment to the committee amendment which appears

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on page 41 of the report of the Committee on Foreign Relations and the Committee on Armed Services. The existing law also is set forth there.

To section 403 (d), in addition to providing $1,000,000,000 to European nations members of the Atlantic Pact, and in addition to providing the other special sums to go to certain individual nations, the following is proposed by way of a committee amendment:

*Provided*, That during the fiscal year ending June 30, 1951, an additional $250,000,000 worth of excess equipment and materials may be so furnished.

That is in addition to the $1,000,000,000.

The present law provides, in that connection:

For the purposes of this subsection, the worth of any excess equipment or materials means either the actual gross cost to the United States of that particular equipment or materials or the estimated cost to the United States of that particular equipment or materials obtained by multiplying the number of units of such particular equipment or materials by the average gross cost of each unit of that equipment or materials owned by the furnishing agency.

In other words, the $250,000,000 worth of excess equipment must be furnished at cost. It cannot be furnished at 10 percent of value, on some finding of the agency that the equipment or material is not worth anything.

Of that principle I entirely approve. What concerns me are the provisions of section 408 (e). By those provisions we authorized, outside the regular program, the United States to sell equipment to various nations, including nations which had no particular relation to the Atlantic Pact; the equipment or material could be sold to any nation. That provision of the law, passed last year, provides as follows:

(e) (1) The President may, from time to time, in the interest of achieving standardization of military equipment and in order to provide procurement assistance without cost to the United States, transfer, or enter into contracts for the procurement for transfer of, equipment, materials, or services to: (A) nations designated in title I, II, or III of this act, or to (B) a nation which has joined with the United States in a collective defense and regional arrangement.

In other words, under this arrangement we could sell to any country in South America, except Argentina; or we could sell, I believe, to practically any nation in the world.

When we passed the law last year, we included the following proviso:

*Provided*, That, prior to any such transfer or the execution of any such contracts, any such nation shall have made available to the United States the full cost, actual or estimated, of such equipment, materials, or services, and shall have agreed to make available forthwith upon request any additional sums that may become due under such contracts.

Now the committee proposes to amend that provision by adding the following proviso:

*Provided*, That, prior to the transfer of any equipment, materials, or services to a nation under this clause (C)—

That is, any nation in the world—

it shall provide the United States with assurance that such equipment, materials, or services are required for and will be used solely to maintain its internal security—

And so forth. The committee also proposes the additional amendment:

*Provided further*, That, in the case of any such transfer, the President shall forthwith notify the Committee on Foreign Relations of the Senate, the Committees on Armed Services of the Senate and of the House of Representatives, and the Committee on Foreign Affairs of the House of Representatives.

The committee proposes that the cost provision be removed.

The committee suggests, in the next subsection, the following:

(2) Whenever equipment or material is transferred from the stocks of, or services are rendered by any agency, to any nation as provided in paragraph (1) above, such nation shall first make available the fair value, as determined by the President, of such equipment, materials, or services.

So, under the amendment, as I see it, the President may fix any value on equipment and services, and may then proceed to sell to South America at 10 percent on the dollar or any other figure he may fix. In other words, what was originally in the last bill, a selling proposition solely, selling at cost, selling at real value, we are turning into a kind of another grant, not merely to European nations but to any nation in the world. To any nation in the world we may sell at what the President determines to be the fair value, and it has been quite common to fix approximately 10 percent of the value as the fair value. I can see no reason for again opening up such a program and providing these arms to South American nations, for instance, at any value he may see fit to fix on them.

I have always been very much opposed to the general policy of furnishing arms to South America, anyway. I cannot see that they are going to be in any sense valuable to us in any war that may occur. It seems to me that they only stimulate revolutions in South America. Arms are provided which are fought for by the different factions, and the faction that can gain control of the arms is apt to control at least certain of the Central and South American Republics.

So, Mr. President, all that my amendment proposes is to restore, in place of the fair value, the words "full cost, actual or estimated, of such equipment, material, or services."

I have tried to study the bill, and there are three or four different estimates of value; but, so far as I can discover, the purpose of this provision in the bill is primarily to permit the sale to South America and to other nations scattered throughout the world, which are not in the Atlantic Pact, in particular any arms and equipment, which may possibly be new arms and equipment, at any value the President sees fit to fix. I do not think that change should be made in the law.

I may be mistaken in my interpretation of the section. I should be glad to have the chairman of the committee consider my amendment, to see what he thinks was the reason for the committee's having felt it necessary to change existing law.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Texas?

Mr. TAFT. I am glad to yield.

Mr. CONNALLY. I may say to the Senator that the amendment he now suggests would practically restore the language that was in the bill a year ago.

Mr. TAFT. The existing law—exactly. That was my purpose.

Mr. CONNALLY. The reason we changed it was that those provisions in the last bill simply did not work. For example, take the case of a ship tied up at the dock for months and months: It deteriorates; it is not so good as it was when we bought it. To require that the purchaser pay the full value, instead of the real value, resulted in the ship not being sold. That is something which applies to all these materials. They may deteriorate. A fair value is much fairer than original cost. Take, for example, the suit of clothes which I have on. It is new. I bought it recently. I do not think I could dispose of it to anyone at the original cost, if I wanted to sell it; certainly not.

So I suggest to the Senator that while I have sympathy for his view in the matter, yet the act as we passed it last year simply did not work. If the Senator will kindly turn to page 39 of the committee report, he will find the definition of the term "value," as follows:

(c) The term "value," as used in subsection (b) of this section, means—

(1) with respect to any excess equipment or materials furnished under this act, the gross cost of repairing, rehabilitating, or modifying such equipment or materials prior to being so furnished;

(2) with respect to any nonexcess equipment or materials furnished under this act which are taken from the mobilization reserve (other than equipment or materials referred to in paragraph (3) of this subsection), the actual or the projected (computed as accurately as practicable) cost of procuring for the mobilization reserve an equal quantity of such equipment or materials or an equivalent quantity of equipment and materials of the same general type but deemed to be more desirable for inclusion in the mobilization reserve than the equipment or materials furnished.

There are two questions of that kind, I may say to the Senator, which arise, and it is very difficult to go back to figure what a particular article cost 2 years ago, and then estimate the cost of repairing it, and so on. For that reason, the language employed last year, which the Senator wants to revive, simply did not work. That is all I can say to the Senator.

Mr. TAFT. Let me read the section which was proposed last year, which was not a section to give away necessary equipment. It was a provision of this kind:

The President may, from time to time, in the interest of achieving standardization of military equipment and in order to provide procurement assistance without cost to the United States, transfer, or enter into contracts for the procurement for transfer of, equipment, materials, or services to:

In other words, it was not a section providing for the giving away of excess equipment. It was a provision simply to assist nations to buy in this country, to give them the specifications and, if they

wanted to buy arms, to undertake through the Government, perhaps our Government making the contract, to see that they got the arms. It was not a provision affecting excess equipment.

The distinguished Senator from Texas proposes that we take the definition of "value," found on page 39 of the committee report. Incidentally, that is fair value. But listen to the definition of "value" as applied to excess equipment:

> The term "value," as used in subsection (b) of this section, means—
>
> (1) with respect to any excess equipment or materials furnished under this act, the gross cost of repairing, rehabilitating, or modifying such equipment or materials prior to being so furnished.

We are not going to get a cent for the equipment and materials. All we are going to do is to charge just enough to recover the cost of repairing them and putting them into good condition.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Massachusetts?

Mr. TAFT. I yield.

Mr. SALTONSTALL. As one who last year, did quite a good deal of work with respect to the question of cost, I may say that I think the Senator from Ohio is entirely correct in what he says with respect to new material. As I understand, this section calls for "cash on the barrel head," and now a credit, of $100,000,000, is allowed with security, countries who wish to buy goods or equipment. If the equipment is new, then certainly the purchasing country should pay its full cost.

As I understand the provision with respect to fair value, if we take the case of an old ship which is tied up and in "moth balls," so to speak, and which has excess equipment, we then may be able to get rid of it at a fair value. It seems to me that the Senator might amend or modify his amendment so that it would apply to the cost of new equipment, and allow fair value to be used in the case of equipment that was not new.

Mr. TAFT. Mr. President, what I do not want to do is to give away excess equipment to South American nations, for instance. I think that is what the Army has been trying to do for 10 years. We cut it out of the last bill. Now, we have a provision which authorizes the Army to take all the excess equipment and give it to some South American or Central American country. It is that to which I object. I do not think the section was intended to authorize that. The modification of it makes that possible.

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Michigan?

Mr. TAFT. I yield.

Mr. FERGUSON. With respect to the interpretation placed upon the section referred to in the past, an example is that under the Korean aid bill of last October the only thing which was furnished under that bill, which provided for $27,600,000, was an item of wire. The original cost or value of the wire was $52,000, yet the only item of charge against the $27,640,000 was $200, the cost of repairing the wire and packing it for shipment. If the same interpretation should be made, the result would be exactly as the Senator from Ohio has said. It would authorize the giving away of material which has already been made for the United States and its forces to the extent of millions and literally billions of dollars, and charge only dollars against the items.

Mr. TAFT. Did the Speaker say that out of the $27,640,000 appropriated for Korea last year, only $200 has been received by Korea to date?

Mr. FERGUSON. It has only been shipped; it has not arrived at its destination.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Nebraska.

Mr. WHERRY. It has not been delivered.

Mr. FERGUSON. That is what I meant.

Mr. WHERRY. It was shipped only a short time ago.

I should like to say that the point which the Senator from Ohio is making is that the only thing that is chargeable against that wire is $200, whereas, in reality, there was several thousand dollars worth of wire which was just as good as new.

Mr. TAFT. That is under another section of the bill. I agree that that is the value which the Senator from Texas [Mr. CONNALLY] suggested that I take. But that was not true in the over-all selling section. The selling section provided for a sale for cash on the barrel head.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. SALTONSTALL. I probably did not make myself clear. What I was trying to say was that the section applies only to material which can be sold, and the money has to be in the hands of the United States Government before the material is delivered. But according to the modification this year, there can be $100,000,000 credit, if there is security on the barrel head before the goods are delivered.

I think the Senator from Ohio is completely right in saying that if the sale is to be made of new material, new ships, and new tanks, then it should be at cost. What I tried to point out to the Senator was that if the material was not new it was impossible to sell it at cost, because it was secondhand, and, therefore, this provision limits the United States, in selling for cash on the barrel head, second-hand material.

Mr. TAFT. But I do not think this section was ever intended to cover second-hand material. The excess equipment was to go to the Atlantic Union nations, or to Korea, or some of the other nations. It was a provision for selling to people with whom we do not necessarily have any connection whatever, primarily people in the South- and Central-American nations, and they were to pay cash. It was also to enable us to enter into contracts for equipment, materials, and services. The Government helped them to buy the materials here, but they were to pay the full cost. It was never contemplated that we should give equipment to South America for nothing.

Mr. SALTONSTALL. I agree entirely with the Senator that we do not want to give it to South America. The Senator has an automobile, Ohio registration 240. It is getting a little old. If he needs a new automobile, he hopes to get some trade-in value; he does not expect to give it away. It is the same way with the Army. It is better to sell goods at their fair value than to have them rot.

Mr. TAFT. I do not agree that the United States should be selling even its excess arms to countries all over the world. I do not think that promotes peace. I do not believe we should be selling those arms around the world unless there is a specific pact, such as the Atlantic Union pact, or some specific policy. It seems to me that providing arms to every South- and Central-American Republic is a very dangerous policy. I think it promotes war in South America. The arms are going to be used against each other. They are never going to use them in our interest against Soviet Russia, for instance. The policy will promote revolution and provide incentives for revolutions. If they want to buy new arms here, instead of somewhere else, with American specifications, so they can fit in more conveniently, that is another matter. The bill says, "in the interest of achieving standardization of military equipment."

I do not disagree with that, although I think it is somewhat dubious. But I do not think we should give excess equipment away for nothing.

Mr. SALTONSTALL. It is my understanding, although I do not say it is a complete understanding, that it would cover, for example, second-hand Coast Guard boats, escorts, and so forth.

Mr. TAFT. Why provide South America with second-hand boats?

Mr. SALTONSTALL. Why not, if they want to pay cash on the barrelhead?

Mr. TAFT. If they are excess and we do not want them, we can sell them to private parties.

Mr. SALTONSTALL. If the position of the Senator from Ohio is that we should not try to get rid of any of our second-hand equipment that we no longer want for cash on the barrelhead, then his position is entirely a correct one. If we are willing to get rid of some of the tremendous amount of equipment which we are never going to use again, as I understand, then I say there is a compromise between cash for new material at full cost and cash at a fair value for second-hand material.

Mr. TAFT. Let me ask this question of the Senator: If the Army chooses to declare something as being excess, has it not the right to sell it at public auction for any price it can get for it?

Mr. SALTONSTALL. To other nations?

Mr. TAFT. To anyone.

Mr. SALTONSTALL. I cannot answer that question.

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Mr. TAFT. Is there not a law providing for selling excess material at any price which can be obtained for it?

Mr. SALTONSTALL. I cannot answer that question.

Mr. TAFT. It seems to me that is a much surer way of getting at the value.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). Does the Senator from Ohio yield to the Senator from New Jersey?

Mr. TAFT. I yield.

Mr. SMITH of New Jersey. I realize that the Senator has raised some very important points. I feel that the suggestion made by the Senator from Massachusetts is worth considering as differentiating between the costs of second-hand material and new material. The bill refers to—

(A) nations eligible for assistance under title I, II, or III of this act, (B) a nation which has joined with the United States in a collective defense and regional arrangement.

This is an important provision, and it has reference to South American countries. It applies to the Rio Pact. It was to enable those countries to buy second-hand materials in order that they could build up the collective defense required under the Rio Pact. It is not merely South American countries, but South American countries in a collective defense and regional arrangement.

I read further:

(C) any other nation not eligible to join a collective defense and regional arrangement referred to in clause (B) above, but whose ability to defend itself or to participate in the defense of the area of which it is a part, is important to the security of the United States.

So, it is not merely any country.

Mr. TAFT. I would say it is any country, under the interpretation of the State Department. Sometimes Korea is and sometimes it is not; sometimes Formosa is and sometimes it is not. It is any nation to which the United States wants to give equipment.

Mr. SMITH of New Jersey. This is very important:

*Provided*, That, prior to the transfer of any equipment, materials, or services to a nation under this clause (C), it shall provide the United States with assurance that such equipment, materials, or services are required and will be used solely to maintain its internal security, its legitimate self defense, or to permit it to participate in the defense of the area of which it is a part and that it will not undertake any act of aggression against any other state.

By implication, that applies not only to South America, but to other areas, such as the Arab States, Palestine, or Israel, which have been seeking to buy. They do not want to buy second-hand material at full-cost prices; they want to be able to buy it at its fair value.

Mr. TAFT. I did not know they were asking for second-hand materials.

Mr. SMITH of New Jersey. When it is new material it should be at cost, and when it is second-hand material——

Mr. TAFT. But the moment we depart from the cost figure we go to nothing. We place it in the discretion of the President and the War Department, so they can give it away. The definition of "value" on page 39 of the report suggests that it go for nothing. It says that the value of excess materials is nothing except what is spent on packing it and sending it abroad.

Mr. SMITH of New Jersey. It covers new material and second-hand material, considering the areas of the world where such material might be needed for defense and where it cannot be used for aggressive purposes without violating the agreement with the United States.

Mr. WHERRY. Mr. President, will the Senator yield so that I may propound a question to the Senator from New Jersey?

Mr. TAFT. I yield.

Mr. WHERRY. Under the amendment suggested by the Senator from Massachusetts what new material would the United States be selling to South America? I refer to military equipment, of course.

Mr. SMITH of New Jersey. It is conceivable that they would be selling material to those countries.

Mr. WHERRY. I should like to ask for that information. I should like to know how that would be handled.

Mr. SMITH of New Jersey. I think the Senator had better address his inquiry to a member of the Committee on Armed Services, which has been examining this matter in greater detail than has the Committee on Foreign Relations.

Mr. WHERRY. If the Senator will bear with me, I was interested in the suggestion made by the Senator from Massachusetts to the effect that the amendment be limited to new materials. I cannot conceive of appropriations being made——

Mr. SMITH of New Jersey. As I understand, the Senator from Massachusetts suggests that cost be applied where new material is concerned, and fair value where second-hand material is involved.

Mr. WHERRY. If the Senator from Ohio will bear with me further, I should like to ask the distinguished Senator from New Jersey what new materials South American countries would buy? Would they be purchased from the military? How would such purchases be handled? Do we appropriate the money, and is the equipment then built? I should think that most of the material which would be handled would not be new material but material which had been held over, and would come under the category of excess material rather than new material.

Mr. SALTONSTALL. Mr. President, will the Senator yield so that I may reply to the Senator from Nebraska?

Mr. TAFT. Certainly.

Mr. SALTONSTALL. I can answer the Senator's question in a limited way. I understand the section was put in the bill primarily, not for South America, but for Canada and for some other countries who can pay the full value. That was the evidence which came before us. I cannot answer the Senator's question regarding South America.

Mr. WHERRY. Would these materials be fabricated?

Mr. SALTONSTALL. They would be fabricated. The dollars would be in our hands before the material was shipped. The purpose of permitting the fair value application was to avoid the money coming in when the goods would not be delivered for 6 months.

Mr. TAFT. Was there any evidence submitted in support of this proposed amendment of the committee?

Mr. SALTONSTALL. Does the Senator refer to the hearings?

Mr. TAFT. Yes.

Mr. SALTONSTALL. I was looking through the hearings myself, and I could find no evidence in the public hearings. This evidence was given in executive session.

Mr. TAFT. I cannot find any such evidence either. It seems to me under the general authorization for a billion dollars, and the $250,000,000 item with respect to excess equipment and material, there is covered about everything that is needed which has any direct relation to war. I do not believe we should change the selling section providing for full value, and establish another method. If we have so much excess equipment, let us give it to France, for example, and other nations. Let us not scatter it all over South America, where no Communist attack will be made, so far as I can see.

Mr. SALTONSTALL. That is entirely a question of policy. If the Senator from Ohio adopts that policy, he is entirely correct. The excess equipment which is to be included, and the added 17 percent, which is the amount of money required to put it into condition, are very carefully figured out on page 39 of the committee's report. The excess equipment provision was added this year. The $250,000,000 was added to the $450,000,000 which was inserted last year.

Mr. TAFT. Can the Senator tell me how much of the $450,000,000 has actually been used up during the current year?

Mr. SALTONSTALL. A substantial amount. My memory is that it is in excess of $300,000,000. However, I would not vouch for that being the correct figure.

Mr. TAFT. The balance would be carried over and added to the $250,000,000 for next year.

Mr. SALTONSTALL. That is correct.

Mr. TAFT. I see no reason for adding that for many nations, all around the world. It was thought necessary last year, and provision for South America was included last year, but the Senator from Michigan [Mr. VANDENBERG] and former Senator Dulles had the provision stricken out because they did not think we ought to be furnishing arms to South America.

Mr. SALTONSTALL. I believe the Senator is inaccurate.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. TYDINGS. I could not attend all the hearings of the committee which considered this bill. However, I have recollection of the hearings held a year ago, and particularly one session this year, when it was testified that the purpose of selling some of this equipment to South America was primarily to enable some ships to be sold to South

America. In World War II—and the same policy would be followed if we were to be involved in a world war III—it was the policy of Western Hemispheric defense to ask countries of South America to do a certain amount of patrolling of the sea lanes which abut South America, for the purpose of protecting the ships which bring ore and other materials up the Atlantic and up the Pacific coasts and through the Panama Canal. Instead of our having to do it all, we have been trying to help those countries develop navies so that they could take care of a certain amount of the patrolling duties. During the last war Brazil and several other countries of South America were a great help to us in that respect.

They released a great many of our ships. The purpose of putting that provision in the bill is a part of the hemispheric defense, in order to make it possible to augment their small supply of ships from our excess source of supply, on a cash basis, so that they may help us patrol the sea lanes and not tie up our Navy. More ships would be available to us for other purposes.

Mr. TAFT. If this section were to be confined to ships alone, I would have no objection to it. Perhaps such an amendment could be worked out. Apparently this section primarily refers to military equipment and does not contemplate ships. Let me point out the further fact that a limitation of $250,000,000 is placed on the excess equipment which can be furnished under the other provision of the bill. If we add this provision it seems to me we practically take the limit off the $250,000,000, because under this provision some nations who are getting the $250,000,000 can also get other excess equipment at fair value, and the President could point to section 403 (c) as to what the value is intended to be. He could furnish equipment not only to South America, but he could furnish the equipment to other nations for practically nothing and greatly in excess of $250,000,000. Practically the limit is taken off altogether. I would be willing to go along on the matter of ships. I am willing to sell ships to anyone, anywhere. I think the President would ask for a fair value on them, but I am not certain about the excess equipment.

Mr. THYE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. THYE. I am certainly not a competent witness so far as the questions of the Senator are concerned, because I was not able to attend all the hearings. However, in addition to ships such as destroyers, and I believe a cruiser or two, which we have made available already to some countries in South America, observation planes are also involved. Observation planes are not necessarily first-line equipment. Planes can be used for observation purposes which are not good planes battlewise. We are trying to protect our sea lanes, in order to assure the flow of oil, tin, and other vital supplies from South America, by letting South American countries have some excess ships which we believe we do not need ourselves. We likewise are trying to build up their observation units. To be frank, I cannot tell the Senator whether it is limited to these things only. I do know that they were a part of the motivation which caused this particular section to be written into the bill. I remember the testimony.

Mr. TAFT. It seems to me the section is so broad that it practically takes the limit off the amount of excess equipment which may be sent to any nation in the world. I think that is a mistaken policy. I should be glad to discuss that with the members of the committee, and perhaps work out something which would meet the approval of everyone.

Mr. TYDINGS. The term "excess equipment" is a very nebulous one. It is perfectly proper to confine the provision to material which would carry out the idea of the amendment. But as I contemplate equipment, it merely means equipment which would not be necessary in the event of war, either as a part of our military reserve equipment or as a part of our stock to take care of the Army, the Navy, and the Air Force which we would raise in time of war. In other words, the excess is over and above what we would need for our forces. That is the definition we have had over and over again. It is not conceivable, I am advised by our military authorities, that the excess equipment would ever be used, in case of emergency, by our own uniformed personnel. It is something we would not need for any use whatever. Some of that equipment is pretty widely scattered. As a matter of fact, it is exposed to the weather, it is setting out in the field, and is deteriorating. We have one of two options, to let it stay there and further deteriorate so that it will not be of any value, and use it for scrap, or give it some nation which might use it as a part of their over-all equipment.

Mr. TAFT. There are constant rumors about excess equipment being given away at 10 cents on the dollar, and the Army buying pretty much the same things today at a hundred cents on the dollar. I do not know whether there is anything in those stories or not, but certainly we are giving away our excess equipment for practically nothing.

Mr. TYDINGS. I do not think those rumors are well founded, and I do not believe the excess equipment is very valuable. As a matter of fact, I think it is stated in the bill that none of the excess equipment, except as to small quantities, is useful until it is repaired and put in shape, and I believe it costs about 10 or 15 percent of its original value to get it in shape so that it is usable.

Mr. TAFT. My recollection is that the big tank reservoir in Lima, Ohio, or Marion, I forget where, in northwestern Ohio, was shipping to various foreign nations tanks which looked good, after putting them in repair. There is a big repair shop there. I do not think the tanks are obsolete. There was a report of the shipment of two shiploads, to Israel, or Finland, or some other nation.

Mr. TYDINGS. Will the Senator yield to me to make a comment on that?

Mr. TAFT. Yes.

Mr. TYDINGS. I am advised that those tanks would not be used by our own country if we went to war. I am advised they are not the kind of tanks we would like to have if we were going into the tank business, as we are not at the present time, for reasons which I shall not discuss on the floor of the Senate. But they are better than nothing for countries which have very little defense equipment.

Mr. TAFT. Does the Senator mean we could not fight the Russians with them, but the other countries could fight the Russians with them?

Mr. TYDINGS. They are good for temporary work for a short period of time, but are not built or geared or modern enough to stand up in a big battle for any length of time. They are completely outmoded, they are vulnerable, they are not modern in any sense of the word. The best use to which they could be put would be for delaying action.

Mr. TAFT. The Senator is suggesting that the MAP program is to be worked out by giving European nations something that is not of real value?

Mr. TYDINGS. Is the Senator speaking in the sense of military value, or commercial value?

Mr. TAFT. Military value.

Mr. TYDINGS. I would say that anything is better than nothing if a nation has nothing with which to fight. But we do not ever want anything that is "better than nothing" in America. We want our own troops to have the best weapons human ingenuity can devise. But these foreign nations are not able to have weapons in that category or to make them in their own countries. Therefore we take weapons which we are not using in our own forces, recondition them, and send them over there, so that they will have something with which to meet an invasion, whereas, otherwise they would have nothing. I think that is good sense.

Mr. TAFT. Mr. President, coming back to the general provisions of section 408 (e) (1) and (2), to which I object, it is very difficult to modify the amendment, because I do not know what it is the Army is really trying to do. There is no evidence about that in the hearings. Whatever the evidence was, was secret. The distinguished Senator says he is not sure what is covered. He thinks it is ships, and possibly a few observation planes. If I could find out what it was the Army wanted, I would have no objection to giving them anything reasonable, but it seems to me the way the section is now drawn, it takes the lid off and provides for furnishing excess equipment for nothing to any nation in the world. I think it is an unfortunate provision.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes.

## EXTENSION OF SELECTIVE SERVICE ACT OF 1948—CONFERENCE REPORT

Mr. TYDINGS. Mr. President, while the Senator from Ohio is conferring with

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members of the committee who were able to attend the hearings—unfortunately the Senator from Maryland was not—I should like to point out to the Senator from Ohio and the Senator from Massachusetts that there has just come over to the Senate the conference report on the selective service bill, which the House has just adopted. The House adopted the conference report by a vote of 314 to 4, which is a pretty big vote.

The conference report on the selective service bill merely extends the present law for 1 year, as is. It further gives the President the right to call out the National Guard and the Organized Reserves in case of emergency.

Mr. President, I submit the conference report on the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes, and I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The conference report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see today's proceedings of the House of Representatives, on p. 9288.)

Mr. WHERRY. There is no objection, Mr. President.

Mr. TAFT. Mr. President, I yield the floor.

Mr. TYDINGS. I thank the Senator.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Nebraska.

Mr. WHERRY. As I understand, the conferees have agreed on extending the present act for 1 year only.

Mr. TYDINGS. That is correct.

Mr. WHERRY. The language which was in the Senate bill with reference to when the President could act and when the Congress could act is not in the bill now, is it?

Mr. TYDINGS. That is correct.

Mr. WHERRY. Is the provision about calling out the National Guard a new provision?

Mr. TYDINGS. It was in the bill as it passed the House.

Mr. WHERRY. But not in the Senate committee bill?

Mr. TYDINGS. Not in the Senate committee bill. I prefer not to go into the matter completely on the floor of the Senate.

Mr. WHERRY. I have no objection to the consideration of the report.

Mr. TYDINGS. I would say that a good case was made out for the inclusion of this provision. I am sure all Senators would agree to it. I prefer not to go into the details.

Mr. KEM. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Missouri.

Mr. KEM. I should like to ask the Senator what was done with reference to the provision that if Congress was in session the President could not induct men into the service.

Mr. TYDINGS. We merely provided that the law which is now on the statute books be extended for 1 year only, without any change or alteration.

Mr. KEM. The President would have the right to induct men into the service while Congress was in session?

Mr. TYDINGS. That is correct.

Mr. KEM. The Senate is opposed to that.

Mr. TYDINGS. So was the House.

Mr. KEM. It was discussed at length on the floor of the Senate, and it seems to me that a point of order should be made against the conference report because it is inconsistent with both the House and the Senate bills.

Mr. TYDINGS. Mr. President, I do not think the point of order would lie, because when the Senate considered the bill, it struck out everything after the enacting clause, which meant that any kind of a bill could be written in conference. I think that is a well settled rule, and I do not believe a point of order would lie. I therefore am willing to submit the matter to the Chair for immediate ruling.

Mr. KEM. At any rate, the conference report is inconsistent with both the Senate and the House bills, and I do not see how the conferees were justified in bringing in such a report, when both the House and the Senate had clearly indicated their intention and desire that the President should not have the power to induct men into the service when Congress was in session.

Mr. TYDINGS. Mr. President, I should like to say to the Senator from Missouri that the proposition which is now before the Senate for adoption is the House proposition. It is not a Senate proposition. We were contending for the Senate position in the conference, when the House conferees, in view of what had happened recently, made the suggestion to us that the wisest course would be to extend the present selective service law for 1 year, as is, in place of the 3-year provision of extension which the Senate had previously adopted. We then inquired whether a point of order would lie, because of the very point that the Senator from Missouri is now raising. It was found upon examination that a point of order would not lie, because the Senate, in acting upon the House bill, had stricken out everything after the enacting clause, which under the conference rules allows the rewriting of the proposition in the shape in which we have brought it here.

As a matter of fact when we went to conference the House was opposed to the President having any power to put the selective-service machinery into effect even when the Congress was not in session. The Senate took the position that the President ought to have the right to put the selective-service machinery into effect when the Congress was not in session. But as the bill came from the Senate Committee on Armed Services and was reported to the Senate, it provided that either the President or the Congress could put it into effect at any time regardless of whether the Senate or the House were in session or not.

So I think the Chair will rule—and I think the precedents will support the position—that the Senate conferees were within their rights when they acceded to the House proposition that the Selective Service Act, as is, be extended for the period of 1 year.

Mr. KEM. Mr. President, it seems to me, if I may say so, that the Senate conferees have disregarded the wishes of the Senate in agreeing to the conference report. The Senator from Maryland perhaps is correct technically that a point of order does not lie to the conference report, but certainly the report is inconsistent with both the House bill that was sent over here and with the Senate bill that was sent to conference.

So, Mr. President, I ask that the matter go over so that we can consider it more fully.

Mr. TYDINGS. Mr. President, I certainly hope that will not be done. It seems to me that we are very conversant with the matter which is now before us. Furthermore, the international situation is more complicated today than it was a week ago when we debated this matter, and I think we ought not to play cat and mouse with this thing. I think we all understand what issues are involved. We all understand the gravity of the situation. I think we not only have to think of our own country in this situation, but of the effect upon other governments all over the world of what we do or do not do here.

I do not want to retreat in the face of a little difficulty. I think the surest way to keep peace is to stand right up to this emergency and not go wishy-washy with it on the Chamberlain-Munich appeasement plan. I believe, without wanting to be warlike, that we can be dignified and resolute and forthright when we know all the ingredients, and have a better chance of getting peace than by equivocating, and playing cat and mouse.

Mr. KEM. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. KEM. The Senator from Maryland is always fair and reasonable.

Mr. TYDINGS. I want to be.

Mr. KEM. I appeal to his fairness. Is it not a consideration that the courtesy is due to a Senator who may have some doubt about the bill to allow the conference report to go over at least for today, without forcing it through with only a few minutes' consideration?

Mr. TYDINGS. I should like to accommodate the Senator. I believe his request is a fair one. I should like to ask him, and ask the leaders on both sides of the aisle, if we go along with the Senator and give him time to look into the report whether he would not agree that some particular time tomorrow be fixed, at the convenience of those who have charge of the operations of the Senate, to vote upon the report then, so that we will not unnecessarily delay it, which was the point of my argument?

Mr. KEM. I shall be agreeable to any time suggested by the minority leader.

Mr. TYDINGS. Mr. President, I therefore ask unanimous consent, if I may take it up myself to do so, but in the best of spirit, that beginning at 2 o'clock tomorrow the Senate proceed to vote upon the conference report. I will make it a quarter of 2 tomorrow, because the Senator from Maryland has to be at another important meeting.

Mr. KEM. Mr. President, may I say that it seems to me there ought to be some time for the intelligent discussion of the conference report. A quarter of 2 would not give very much time.

Mr. TYDINGS. What would the Senator suggest?

Mr. KEM. It would seem to me 3 o'clock would be better.

Mr. TYDINGS. I am trying to accommodate the Senator, and I hope he will try to accommodate the Senator from Maryland. I have one of the most important meetings of our committee to attend tomorrow at 2 o'clock. It is one of the meetings I am obliged to attend. I am in charge of this particular bill. I want to do all I can to accommodate the Senator from Missouri, and I am trying to do that. I wonder whether the Senator from Missouri would not agree to make the time a quarter to two, and we will divide the time equally between himself and the Senator from Maryland, so that he may have half of the time to argue any points he desires to make.

Mr. KEM. Mr. President, I do not know that I want any time at all.

Mr. TYDINGS. How about meeting at 11 o'clock?

Mr. KEM. I want an opportunity to look into the bill.

Mr. TYDINGS. How about meeting at 11 o'clock?

Mr. KEM. If I do not want any time, it is likely that some other Senators on this side or perhaps on the other side will want time, and in that event they ought not to be cut off. The question before us is a very important one. As I have said, the power to take sons from the homes of the land is one of the most drastic powers of all the powers of government. Certainly there is no power more intimately connected with our families. It seems to me that legislation involving the question of whether the President shall exercise this power or whether it shall be exercised by the elected representatives of the people when Congress is in session is of very great importance. I do not know that I will want to debate it at length tomorrow. I do not know that other Members of this body will want to debate it; but it seems to me that if we fix the time for voting at 3 o'clock, in the event there is to be debate, time enough will be given for both sides to be heard.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LEHMAN. Reserving the right to object, Mr. President, I simply want to make one observation. The international situation, as we all know, is more than serious. It is critical. The President took a stand today, and Senator after Senator rose on the floor of the Senate and expressed his confidence in what the President has done, and promised full support. At this critical time I think it is important to show the entire world that the Members of the Congress and the Nation stand solidly behind the President in the bold and courageous actions he has taken. The world must know that in these actions he represents the undivided will of the American people and Nation. I cannot conceive of anything that would be more effective toward this end than to act favorably on the conference report this afternoon.

I shall not object.

Mr. WHERRY. Mr. President, will the Senator from Maryland yield to me?

Mr. TYDINGS. I yield to the Senator from Nebraska.

Mr. WHERRY. Reserving the right to object, I wish to say that the distinguished Senator from Missouri simply wants to have time to look over the conference report. He is not asking for a division of time. I submit to the distinguished Senator from Maryland that if he can see his way clear to agree to vote on the conference report at 2 o'clock tomorrow, without any division of time, that we meet at 12 o'clock and vote at 2, it will no doubt be agreeable.

Mr. TYDINGS. Mr. President, in order to bring the matter to a head, and I hope that every Senator, whether he agrees in toto or only in part, will try to accommodate himself to the unanimous-consent agreement: I ask unanimous consent that at 2 o'clock tomorrow afternoon the Senate proceed, without further debate and without a quorum call——

Mr. WHERRY. Can we take a vote without having a quorum call?

Mr. TYDINGS. The quorum call can be had before 2 o'clock.

Mr. WHERRY. Yes.

Mr. TYDINGS. That when the hour of 2 o'clock arrives tomorrow the Senate proceed to vote upon the conference report.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Maryland? The Chair hears none, and it is so ordered.

The agreement as entered into was subsequently reduced to writing, as follows:

UNANIMOUS-CONSENT AGREEMENT

*Ordered*, That on the calendar day of Wednesday, June 28, 1950, at the hour of 2 o'clock p. m., the Senate proceed to vote, without further debate, upon the question of agreeing to the conference report on the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes.

LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, I assume there will be no more debate tonight on the military assistance program bill. When we resume the consideration of that measure tomorrow, I hope all Senators, on both sides of the aisle, who expect to make speeches regarding it, will be ready with their speeches, in order that we may dispose of this measure as quickly as possible. It is serious business we are into now, Mr. President. Senators who wish to make speeches on the bill certainly can prepare their speeches between now and tomorrow. I should like to close ranks as quickly as possible and obtain a vote on this measure.

The Senator from Nebraska suggested that perhaps we could reach a unanimous-consent agreement to have the vote on the bill taken on Friday. That would put off the vote for practically 3 days. Certainly we can proceed faster than that. Accordingly, I am not going to make such a unanimous-consent request. Instead, let us proceed with consideration of the bill tomorrow, and see whether we can conclude the speeches on this measure at that time.

I do not wish to prevent any Senator from debating the bill, but at the same time we should handle it expeditiously. It seems to me that it occupies a position very similar to that of the Draft Act, which we are getting ready to extend; it seems to me quite possible that the prompt enactment of this measure will have a desirable effect upon the free countries of the world, as well as upon the aggressors. On the other hand, if we were to postpone for several days the vote on this measure, it might be said that we were dilly-dallying or that we were appeasing.

So, Mr. President, under the circumstances I do not choose to propose a unanimous-consent agreement regarding this bill.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. In all good faith, I wonder whether the Senator from Illinois would object to a unanimous-consent agreement to have the Senate vote on MAP on Friday afternoon.

Mr. LUCAS. The Senator from Nebraska may so request, if he desires to do so. However, I wish him to understand that any Senator who makes such a request and obtains such an agreement must assume the responsibility for any delay which may occur in the passage of this measure.

Mention is made of certain Senators who are out of town, and who wish to return and speak on the bill before the vote is taken. Of course, that situation often develops.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I concur in the Senator's remarks about Senators who are out of town from time to time. Of course, the Senate often enters into unanimous-consent agreements regarding the time for the taking of votes.

I am prepared to say that I am satisfied that if a unanimous-consent agreement were proposed to have the vote on this measure taken on Friday, at 2 o'clock, for instance, no objection would be made. If the majority leader is so inclined, I do not see how such an agreement would result in any loss of time, because we are to vote tomorrow on the conference report on the extension of the Draft Act, and that will mean that part of tomorrow will be consumed in that way.

Mr. LUCAS. Mr. President, let us permit the matter to go over until tomorrow, because if we enter into an agreement to have the Senate vote on this bill on Friday, I guarantee that there will not be a dozen Senators here tomorrow to participate in the debate on the military-assistance program, for Senators would not need to be present until the time came to vote on the bill on Friday, if the Senate were to agree to have the vote taken on Friday.

I should like to have the bill debated; and I should also like to have the Senate

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proceed as quickly as possible with the consideration of the bill, and then vote on it. I am sure that if we were to agree to have the vote taken at 2 or at 3 or at 4 o'clock on any particular day there would be very few Senators present in the meantime; and during the interval requests would be made for the consideration of many extraneous matters. Such a situation, if permitted to develop, would not look very well, it seems to me.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. At least we would have arrived at a unanimous-consent agreement in regard to having the Senate vote on this measure on Friday, if such an agreement were entered into.

I do not wish to press regarding the matter. I am perfectly willing to wait until tomorrow, and see how the situation develops then. However, my experience has always been that entering into a unanimous-consent agreement saves time. It seems to me that while many Senators are in the Chamber at this time, it would be well for us to enter into such an agreement.

Mr. LUCAS. An agreement of that sort may save time. If Senators wish to debate the bill later than Friday of this week, that will be perfectly agreeable with me; but those who then are responsible for delay in reaching the vote on the bill will have to assume that responsibility.

Mr. President, that is all I care to say at this time.

## EXECUTIVE SESSION

Mr. TYDINGS. Mr. President, if the Senator will yield to me, let me inquire whether he expects to take up today any matters on the executive calendar?

Mr. LUCAS. Mr. President, I expect to do so right now.

I now move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

## EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. CHAPMAN in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Labor and Public Welfare.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. Reports of committees are in order. If there are none the calendar is in order.

Mr. LUCAS. Mr. President, before too long we expect to take up all the treaties on the calendar. I shall notify the Senate in advance when we shall do so. It is my understanding that there is no serious objection to any of them.

With respect to the nominations on the calendar, all nominations of judges should be passed over, as well as the nomination to the Motor Carrier Claims Commission.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I think there is no objection to confirmation of the nomination of the Hon. Gus J. Solomon, of Oregon, to be United States district judge for the district of Oregon, if the Senator from Illinois wishes to have the Senate proceed now to consider that nomination.

Mr. LUCAS. I was speaking of the three nominations on page 2 of the executive calendar. However, I notice that there are other nominations of judges on the calendar. It is my intention to request that the three nominations on page 2 of the calendar be passed over.

Mr. McCARRAN. Let me ask the Senator to state the three nominations to which he now refers.

Mr. LUCAS. I refer to the nomination of Frank E. Hook, the nomination of Martin A. Hutchinson, and the nomination of Willis W. Ritter.

The PRESIDING OFFICER. Does the Senator from Illinois desire to have the first nomination on page 3 of the executive calendar passed over?

Mr. LUCAS. No.

Mr. President, before we reach the nominations on page 3 of the Executive Calendar, I desire to make an announcement in regard to the nomination of Hon. Willis W. Ritter, of Utah, who has been nominated by the President to be United States district judge for the district of Utah. The Senator from Nevada [Mr. McCARRAN], the distinguished chairman of the Committee on the Judiciary, has to leave on Thursday night. Earlier today I announced, at a time when the Senator from Nevada was not in the Chamber, that we would accommodate the Senator from Utah [Mr. WATKINS] by taking up the nomination of Mr. Ritter on Friday. I wish to modify that arrangement by arranging that the nomination be taken up on Thursday.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KNOWLAND. I should like to ask that the nomination of Edward J. Carrigan, of California, to be United States marshal, go over.

Mr. LUCAS. That will be done when we reach that nomination.

Mr. President, I am notifying the Senate now that on Thursday I shall move that the Senate consider the nomination of the Honorable Willis W. Ritter, to be United States district judge for the district of Utah.

Mr. WATKINS. Mr. President, I have already explained to the Senator from Illinois, and the explanation is in the RECORD, that the only reason why I have requested additional time in connection with the action of the Senate on that nomination is that many other matters are pending—for instance, the military assistance program bill and the bill for the extension of the Draft Act. If the Senate votes on the nomination of Mr. Ritter on Thursday, that will not give me the time I need to prepare a statement regarding the nomination. It will not take me more than 30 or 40 minutes to make my statement on the nomination, and then I shall be prepared to vote on it. I shall not even ask that a yea-and-nay vote be had.

Mr. LUCAS. Of course the Senator from Utah is thoroughly familiar with the nomination, so I do not think it will take him long to prepare to discuss it.

Mr. WATKINS. I have already said that it will. The Senator can hardly know more about my ability to do things than I do myself.

Mr. LUCAS. I did not mean it in that way. I was under the impression the Senator was thoroughly familiar with all the objections, and so forth.

Mr. WATKINS. It was some time ago. I have been reviewing the record somewhat, and I have made that request.

Mr. LUCAS. Mr. President, I do not think I am unreasonable, I may say to the Senator, in giving him 2 days in which to prepare his speech regarding Mr. Ritter, when I am trying also to accommodate the Senator from Nevada so that he can get away on Thursday night. The Senator from Nevada has an engagement in his own State. I understand he will not be back for some time, and I am anxious to clean up the Executive Calendar as rapidly as possible. I think it is a very fair proposition, one to which the Senator from Utah ought not to have any objection, to consider the Ritter nomination sometime Thursday afternoon.

Mr. WATKINS. I have stated my opinion. The Senator from Illinois can go ahead as he thinks best.

Mr. LUCAS. I have stated my position, and I am going to move at that time to take up the nomination.

The PRESIDING OFFICER. The nomination will go over. The next nomination on the calendar will be stated.

## DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of W. Walton Butterworth to be Ambassador Extraordinary and Plenipotentiary to Sweden.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. CONNALLY subsequently said: Mr. President, I ask, in connection with the nomination of Mr. Butterworth, which was confirmed a while ago, that the President be notified.

Mr. WHERRY. Mr. President, in the absence of the distinguished Senator from Missouri [Mr. DONNELL], I ask that notification be withheld.

Mr. CONNALLY. I withdraw the request.

## DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of Harold I. Baynton to be an Assistant Attorney General.

Mr. WHERRY. Mr. President, I have been requested to ask that this nomination go over temporarily.

The PRESIDING OFFICER. The nomination will be passed over.

## UNITED STATES CIRCUIT COURT

The legislative clerk read the nomination of Austin L. Staley to be United States circuit judge for the third circuit.

Mr. SMITH of New Jersey. Mr. President, I do not desire to offer any objection to this nomination, because I do not know Mr. Staley personally. I should merely like to call the attention of the Senate to the fact that at the time this nomination was received the Senator from New Jersey [Mr. HENDRICKSON] and I, representing the State of New Jersey, placed a formal objection with the Com-

mittee on the Judiciary, on the ground that the third circuit has at this time three Pennsylvania judges and only one New Jersey judge. We gave evidence to show that the number of cases coming up from the State of New Jersey justified our having another member from New Jersey on that bench.

We also offered for the consideration of the committee the suggestion that Federal appointments to the bench should be on a bipartisan basis, whereas this bench is entirely composed of members of one party—the Democratic Party—with no Republican on it at this time. I am not raising that as an objection to Mr. Staley, because he is undoubtedly a very fine gentleman. I merely wanted the RECORD to show that we raised those points at the time this nomination was received.

Mr. HENDRICKSON. Mr. President, I strongly desire to associate myself with the remarks of the senior Senator from New Jersey with respect to this nomination.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

CIRCUIT COURTS, TERRITORY OF HAWAII

The legislative clerk read the nomination of Carrick H. Buck to be first judge of the First Circuit, Circuit Courts, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGE

The legislative clerk read the nomination of Gus J. Solomon to be United States judge for the district of Oregon.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The legislative clerk read the nomination of Benjamin B. Mozee to be United States marshal for Division No. 2, District of Alaska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Edward J. Carrigan, to be United States marshal for the northern district of California.

Mr. KNOWLAND. I ask that this nomination go over.

The PRESIDING OFFICER. The nomination will go over.

The legislative clerk read the nomination of Maurice T. Smith, to be United States marshal for the district of Colorado.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the nominations on the calendar.

CONVENTION ON THE INTERGOVERNMENTAL MARITIME CONSULTATIVE ORGANIZATION

Mr. TYDINGS. Mr. President, in the nature of things, the Senator from Maryland is compelled to be absent from the Senate floor while the Senate is in session, a great deal of the time. It happens that on the Executive Calendar, page 1, Calendar No. 7, there is the Convention on the Intergovernmental Maritime Consultative Organization, signed at Geneva on March 6, 1948, by the respective plenipotentiaries of the United States of America and other states concerned.

I was the chairman of the subcommittee which considered this convention, and it was reported unanimously by the Foreign Relations Committee. From the standpoint of expense, there is only $4,000 a year involved, but it is a very important treaty, because it waives the safety measures and other matters of that kind which the various nations attempted to have adopted as a uniform code by the shipping companies of the different flags. Inasmuch as I am absent a good bit of the time, these days, and inasmuch as there is no opposition to this treaty, I should very much appreciate it if the leader on each side of the aisle would accommodate me by having it considered now, so that I can make any explanation that may be desirable at this time.

Mr. WHERRY. Mr. President, I have no objection to the immediate consideration of the treaty.

The PRESIDING OFFICER. Is there objection to the present consideration of the convention?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the convention (Executive L, 80th Cong., 2d sess.), a Convention on the Intergovernmental Maritime Consultative Organization, signed at Geneva on March 6, 1948, by the respective Plenipotentiaries of the United States of America and other countries concerned, which was read the second time, as follows:

CONVENTION OF THE INTERGOVERNMENTAL MARITIME CONSULTATIVE ORGANIZATION

The States parties to the present Convention hereby establish the Intergovernmental Maritime Consultative Organization (hereinafter referred to as "the Organization").

PART I—PURPOSES OF THE ORGANIZATION

*Article 1*

The purposes of the Organization are:

(a) to provide machinery for cooperation among Governments in the field of governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade, and to encourage the general adoption of the highest practicable standards in matters concerning maritime safety and efficiency of navigation;

(b) to encourage the removal of discriminatory action and unnecessary restrictions by Governments affecting shipping engaged in international trade so as to promote the availability of shipping services to the commerce of the world without discrimination; assistance and encouragement given by a Government for the development of its national shipping and for purposes of security does not in itself constitute discrimination, provided that such assistance and encouragement is not based on measures designed to restrict the freedom of shipping of all flags to take part in international trade;

(c) to provide for the consideration by the Organization of matters concerning unfair restrictive practices by shipping concerns in accordance with Part II;

(d) to provide for the consideration by the Organization of any matters concerning shipping that may be referred to it by any organ or Specialized Agency of the United Nations;

(e) to provide for the exchange of information among Governments on matters under consideration by the Organization.

PART II—FUNCTIONS

*Article 2*

The functions of the Organization shall be consultative and advisory.

*Article 3*

In order to achieve the purposes set out in Part I, the functions of the Organization shall be:—

(a) subject to the provisions of Article 4, to consider and make recommendations upon matters arising under Article 1 (a), (b) and (c) that may be remitted to it by Members, by any organ or Specialized Agency of the United Nations or by any other intergovernmental organization or upon matters referred to it under Article 1 (d);

(b) to provide for the drafting of conventions, agreements, or other suitable instruments, and to recommend these to Governments and to intergovernmental organizations, and to convene such conferences as may be necessary;

(c) to provide machinery for consultation among Members and the exchange of information among Governments.

*Article 4*

In those matters which appear to the Organization capable of settlement through the normal processes of international shipping business the Organization shall so recommend. When, in the opinion of the Organization, any matter concerning unfair restrictive practices by shipping concerns is incapable of settlement through the normal processes of international shipping business, or has in fact so proved, and provided it shall first have been the subject of direct negotiations between the Members concerned, the Organization shall, at the request of one of those Members, consider the matter.

PART III—MEMBERSHIP

*Article 5*

Membership in the Organization shall be open to all States, subject to the provisions of Part III.

*Article 6*

Members of the United Nations may become Members of the Organization by becoming parties to the Convention in accordance with the provisions of Article 57.

*Article 7*

States not Members of the United Nations which have been invited to send representatives to the United Nations Maritime Conference convened in Geneva on the 19th February 1948, may become Members by becoming parties to the Convention in accordance with the provisions of Article 57.

*Article 8*

Any State not entitled to become a Member under Article 6 or 7 may apply through the Secretary-General of the Organization to become a Member and shall be admitted as a Member upon its becoming a party to the Convention in accordance with the provisions of Article 57 provided that, upon the recommendation of the Council, its application has been approved by two-thirds of the Members other than Associate Members.

*Article 9*

Any territory or group of territories to which the Convention has been made applicable under Article 58, by the Member having responsibility for its international relations or by the United Nations, may become an Associate Member of the Organization by notification in writing given by such Member or by the United Nations, as the case may be, to the Secretary-General of the United Nations.



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*Article 10*

An Associate Member shall have the rights and obligations of a Member under the Convention except that it shall not have the right to vote in the Assembly or be eligible for membership on the Council or on the Maritime Safety Committee and subject to this the word "Member" in the Convention shall be deemed to include Associate Member unless the context otherwise requires.

*Article 11*

No State or territory may become or remain a Member of the Organization contrary to a resolution of the General Assembly of the United Nations.

PART IV—ORGANS

*Article 12*

The Organization shall consist of an Assembly, a Council, a Maritime Safety Committee, and such subsidiary organs as the Organization may at any time consider necessary; and a Secretariat.

PART V—THE ASSEMBLY

*Article 13*

The Assembly shall consist of all the Members.

*Article 14*

Regular sessions of the Assembly shall take place once every two years. Extraordinary sessions shall be convened after a notice of sixty days whenever one-third of the Members give notice to the Secretary-General that they desire a session to be arranged, or at any time if deemed necessary by the Council, after a notice of sixty days.

*Article 15*

A majority of the Members other than Associate Members shall constitute a quorum for the meetings of the Assembly.

*Article 16*

The functions of the Assembly shall be:

(a) to elect at each regular session from among its Members, other than Associate Members, its President and two Vice Presidents who shall hold office until the next regular session;

(b) to determine its own rules of procedure except as otherwise provided in the Convention;

(c) to establish any temporary or, upon recommendation of the Council, permanent subsidiary bodies it may consider to be necessary;

(d) to elect the Members to be represented on the Council, as provided in Article 17, and on the Maritime Safety Committee as provided in Article 28;

(e) to receive and consider the reports of the Council, and to decide upon any question referred to it by the Council;

(f) to vote the budget and determine the financial arrangements of the Organization, in accordance with Part IX;

(g) to review the expenditures and approve the accounts of the Organization;

(h) to perform the functions of the Organization, provided that in matters relating to Article 3 (a) and (b), the Assembly shall refer such matters to the Council for formulation by it of any recommendations or instruments thereon; provided further that any recommendations or instruments submitted to the Assembly by the Council and not accepted by the Assembly shall be referred back to the Council for further consideration with such observations as the Assembly may make;

(i) to recommend to Members for adoption regulations concerning maritime safety, or amendments to such regulations, which have been referred to it by the Maritime Safety Committee through the Council;

(j) to refer to the Council for consideration or decision any matters within the scope of the Organization, except that the function of making recommendations under paragraph (i) of this Article shall not be delegated.

PART VI—THE COUNCIL

*Article 17*

The Council shall consist of sixteen Members and shall be composed as follows:

(a) six shall be governments of the nations with the largest interest in providing international shipping services;

(b) six shall be governments of other nations with the largest interest in international seaborne trade;

(c) two shall be elected by the Assembly from among the governments of nations having a substantial interest in providing international shipping services, and

(d) two shall be elected by the Assembly from among the governments of nations having a substantial interest in international seaborne trade.

In accordance with the principles set forth in this Article the first Council shall be constituted as provided in Appendix I to the present Convention.

*Article 18*

Except as provided in Appendix I to the present Convention, the Council shall determine for the purpose of Article 17 (a), the Members, governments of nations with the largest interest in providing international shipping services, and shall also determine, for the purpose of Article 17 (c), the Members, governments of nations having a substantial interest in providing such services. Such determinations shall be made by a majority vote of the Council including the concurring votes of a majority of the Members represented on the Council under Article 17 (a) and (c). The Council shall further determine for the purpose of Article 17 (b), the Members, governments of nations with the largest interest in international seaborne trade. Each Council shall make these determinations at a reasonable time before each regular session of the Assembly.

*Article 19*

Members represented on the Council in accordance with Article 17 shall hold office until the end of the next regular session of the Assembly. Members shall be eligible for re-election.

*Article 20*

(a) The Council shall elect its Chairman and adopt its own rules of procedure except as otherwise provided in the Convention.

(b) Twelve members of the Council shall constitute a quorum.

(c) The Council shall meet upon one month's notice as often as may be necessary for the efficient discharge of its duties upon the summons of its Chairman or upon request by not less than four of its Members. It shall meet at such places as may be convenient.

*Article 21*

The Council shall invite any Member to participate, without vote, in its deliberations on any matter of particular concern to that Member.

*Article 22*

(a) The Council shall receive the recommendations and reports of the Maritime Safety Committee and shall transmit them to the Assembly and, when the Assembly is not in session, to the Members for information, together with the comments and recommendations of the Council.

(b) Matters within the scope of Article 29 shall be considered by the Council only after obtaining the views of the Maritime Safety Committee thereon.

*Article 23*

The Council, with the approval of the Assembly, shall appoint the Secretary-General. The Council shall also make provision for the appointment of such other personnel as may be necessary, and determine the terms and conditions of service of the Secretary-General and other personnel, which terms and conditions shall conform as far as possible with those of the United Nations and its Specialized Agencies.

*Article 24*

The Council shall make a report to the Assembly at each regular session on the work of the Organization since the previous regular session of the Assembly.

*Article 25*

The Council shall submit to the Assembly the budget estimates and the financial statements of the Organization, together with its comments and recommendations.

*Article 26*

The Council may enter into agreements or arrangements covering the relationship of the Organization with other organizations, as provided for in Part XII. Such agreements or arrangements shall be subject to approval by the Assembly.

*Article 27*

Between sessions of the Assembly, the Council shall perform all the functions of the Organization, except the function of making recommendations under Article 16 (i).

PART VII—MARITIME SAFETY COMMITTEE

*Article 28*

(a) The Maritime Safety Committee shall consist of fourteen Members elected by the Assembly from the Members, governments of those nations having an important interest in maritime safety, of which not less than eight shall be the largest ship-owning nations, and the remainder shall be elected so as to ensure adequate representation of Members, governments of other nations with an important interest in maritime safety, such as nations interested in the supply of large numbers of crews or in the carriage of large numbers of berthed and unberthed passengers, and of major geographical areas.

(b) Members shall be elected for a term of four years and shall be eligible for re-election.

*Article 29*

(a) The Maritime Safety Committee shall have the duty of considering any matter within the scope of the Organization and concerned with aids to navigation, construction and equipment of vessels, manning from a safety standpoint, rules for the prevention of collisions, handling of dangerous cargoes, maritime safety procedures and requirements, hydrographic information, log-books and navigational records, marine casualty investigation, salvage and rescue, and any other matters directly affecting maritime safety.

(b) The Maritime Safety Committee shall provide machinery for performing any duties assigned to it by the Convention, or by the Assembly, or any duty within the scope of this Article which may be assigned to it by any other intergovernmental instrument.

(c) Having regard to the provisions of Part XII, the Maritime Safety Committee shall have the duty of maintaining such close relationship with other intergovernmental bodies concerned with transport and communications as may further the object of the Organization in promoting maritime safety and facilitate the coordination of activities in the fields of shipping, aviation, telecommunications and meteorology with respect to safety and rescue.

*Article 30*

The Maritime Safety Committee, through the Council, shall:

(a) submit to the Assembly at its regular sessions proposals made by Members for safety regulations or for amendments to existing safety regulations, together with its comments or recommendations thereon;

(b) report to the Assembly on the work of the Maritime Safety Committee since the previous regular session of the Assembly.

*Article 31*

The Maritime Safety Committee shall meet once a year and at other times upon request of any five of its members. It shall elect its officers once a year and shall adopt its own rules of procedure. A majority of its members shall constitute a quorum.

*Article 32*

The Maritime Safety Committee shall invite any Member to participate, without vote, in its deliberations on any matter of particular concern to that Member.

PART VIII—THE SECRETARIAT

*Article 33*

The Secretariat shall comprise the Secretary-General, a Secretary of the Maritime Safety Committee and such staff as the Organization may require. The Secretary-General shall be the chief administrative officer of the Organization, and shall, subject to the provisions of Article 23, appoint the above-mentioned personnel.

*Article 34*

The Secretariat shall maintain all such records as may be necessary for the efficient discharge of the functions of the Organization and shall prepare, collect and circulate the papers, documents, agenda, minutes and information that may be required for the work of the Assembly, the Council, the Maritime Safety Committee, and such subsidiary organs as the Organization may establish.

*Article 35*

The Secretary-General shall prepare and submit to the Council the financial statements for each year and the budget estimates on a biennial basis, with the estimates for each year shown separately.

*Article 36*

The Secretary-General shall keep Members informed with respect to the activities of the Organization. Each Member may appoint one or more representatives for the purpose of communication with the Secretary-General.

*Article 37*

In the performance of their duties the Secretary-General and the staff shall not seek or receive instructions from any government or from any authority external to the Organization. They shall refrain from any action which might reflect on their position as international officials. Each Member on its part undertakes to respect the exclusively international character of the responsibilities of the Secretary-General and the staff and not to seek to influence them in the discharge of their responsibilities.

*Article 38*

The Secretary-General shall perform such other tasks as may be assigned to him by the Convention, the Assembly, the Council and the Maritime Safety Committee.

PART IX—FINANCES

*Article 39*

Each Member shall bear the salary, travel and other expenses of its own delegation to the Assembly and of its representatives on the Council, the Maritime Safety Committee, other committees and subsidiary bodies.

*Article 40*

The Council shall consider the financial statements and budget estimates prepared by the Secretary-General and submit them to the Assembly with its comments and recommendations.

*Article 41*

(a) Subject to any agreement between the Organization and the United Nations, the Assembly shall review and approve the budget estimates.

(b) The Assembly shall apportion the expenses among the Members in accordance with a scale to be fixed by it after consideration of the proposals of the Council thereon.

*Article 42*

Any Member which fails to discharge its financial obligation to the Organization within one year from the date on which it is due, shall have no vote in the Assembly, the Council, or the Maritime Safety Committee unless the Assembly, at its discretion, waives this provision.

PART X—VOTING

*Article 43*

The following provisions shall apply to voting in the Assembly, the Council and the Maritime Safety Committee:

(a) Each Member shall have one vote.

(b) Except as otherwise provided in the Convention or in any international agreement which confers functions on the Assembly, the Council, or the Maritime Safety Committee, decisions of these organs shall be by a majority vote of the Members present and voting and, for decisions where a two-thirds majority vote is required, by a two-thirds majority vote of those present.

(c) For the purpose of the Convention, the phrase "Members present and voting" means "Members present and casting an affirmative or negative vote". Members which abstain from voting shall be considered as not voting.

PART XI—HEADQUARTERS OF THE ORGANIZATION

*Article 44*

(a) The headquarters of the Organization shall be established in London.

(b) The Assembly may by a two-thirds majority vote change the site of the headquarters if necessary.

(c) The Assembly may hold sessions in any place other than the headquarters if the Council deems it necessary.

PART XII—RELATIONSHIP WITH THE UNITED NATIONS AND OTHER ORGANIZATIONS

*Article 45*

The Organization shall be brought into relationship with the United Nations in accordance with Article 57 of the Charter of the United Nations as the Specialized Agency in the field of shipping. This relationship shall be effected through an agreement with the United Nations under Article 63 of the Charter of the United Nations, which agreement shall be concluded as provided in Article 26.

*Article 46*

The Organization shall co-operate with any Specialized Agency of the United Nations in matters which may be the common concern of the Organization and of such Specialized Agency, and shall consider such matters and act with respect to them in accord with such Specialized Agency.

*Article 47*

The Organization may, on matters within its scope, co-operate with other inter-governmental organizations which are not specialized agencies of the United Nations, but whose interests and activities are related to the purposes of the Organization.

*Article 48*

The Organization may, on matters within its scope, make suitable arrangements for consultation and co-operation with non-governmental international organizations.

*Article 49*

Subject to approval by a two-thirds majority vote of the Assembly, the Organization may take over from any other international organizations, governmental or non-governmental, such functions, resources and obligations within the scope of the Organization as may be transferred to the Organization by international agreements or by mutually acceptable arrangements entered into between competent authorities of the respective organizations. Similarly, the Organization may take over any administrative functions which are within its scope and which have been entrusted to a government under the terms of any international instrument.

PART XIII—LEGAL CAPACITY, PRIVILEGES AND IMMUNITIES

*Article 50*

The legal capacity, privileges and immunities to be accorded to, or in connection with, the Organization, shall be derived from and governed by the General Convention on the Privileges and Immunities of the Specialized Agencies approved by the General Assembly of the United Nations on the 21st November, 1947, subject to such modifications as may be set forth in the final (or revised) text of the Annex approved by the Organization in accordance with Sections 36 and 38 of the said General Convention.

*Article 51*

Pending its accession to the said General Convention in respect of the Organization, each Member undertakes to apply the provisions of Appendix H to the present Convention.

PART XIV—AMENDMENTS

*Article 52*

Texts of proposed amendments to the Convention shall be communicated by the Secretary-General to Members at least six months in advance of their consideration by the Assembly. Amendments shall be adopted by a two-thirds majority vote of the Assembly, including the concurring votes of a majority of the Members represented on the Council. Twelve months after its acceptance by two-thirds of the Members of the Organization, other than Associate Members, each amendment shall come into force for all Members except those which, before it comes into force, make a declaration that they do not accept the amendment. The Assembly may by a two-thirds majority vote determine at the time of its adoption that an amendment is of such a nature that any Member which has made such a declaration and which does not accept the amendment within a period of twelve months after the amendment comes into force shall, upon the expiration of this period, cease to be a party to the Convention.

*Article 53*

Any amendment adopted under Article 52 shall be deposited with the Secretary-General of the United Nations, who will immediately forward a copy of the amendment to all Members.

*Article 54*

A declaration or acceptance under Article 52 shall be made by the communication of an instrument to the Secretary-General for deposit with the Secretary-General of the United Nations. The Secretary-General will notify Members of the receipt of any such instrument and of the date when the amendment enters into force.

PART XV—INTERPRETATION

*Article 55*

Any question or dispute concerning the interpretation or application of the Convention shall be referred for settlement to the Assembly, or shall be settled in such manner as the parties to the dispute agree. Nothing in this Article shall preclude the Council or the Maritime Safety Committee from settling any such question or dispute that may arise during the exercise of their functions.

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*Article 56*

Any legal questions which cannot be settled as provided in Article 55 shall be referred by the Organization to the International Court of Justice for an advisory opinion in accordance with Article 96 of the Charter of the United Nations.

PART XVI—MISCELLANEOUS PROVISIONS

*Article 57*

Signature and Acceptance

Subject to the provisions of Part III the present Convention shall remain open for signature or acceptance and States may become parties to the Convention by:

(a) Signature without reservation as to acceptance;

(b) Signature subject to acceptance followed by acceptance; or

(c) Acceptance.

Acceptance shall be effected by the deposit of an instrument with the Secretary-General of the United Nations.

*Article 58*

Territories

(a) Members may make a declaration at any time that their participation in the Convention includes all or a group or a single one of the territories for whose international relations they are responsible.

(b) The Convention does not apply to territories for whose international relations Members are responsible unless a declaration to that effect has been made on their behalf under the provisions of paragraph (a) of this Article.

(c) A declaration made under paragraph (a) of this Article shall be communicated to the Secretary-General of the United Nations and a copy of it will be forwarded by him to all States invited to the United Nations Maritime Conference and to such other States as may have become Members.

(d) In cases where under a trusteeship agreement the United Nations is the administering authority, the United Nations may accept the Convention on behalf of one, several, or all of the trust territories in accordance with the procedure set forth in Article 57.

*Article 59*

Withdrawal

(a) Any Member may withdraw from the Organization by written notification given to the Secretary-General of the United Nations, who will immediately inform the other Members and the Secretary-General of the Organization of such notification. Notification of withdrawal may be given at any time after the expiration of twelve months from the date on which the Convention has come into force. The withdrawal shall take effect upon the expiration of twelve months from the date on which such written notification is received by the Secretary-General of the United Nations.

(b) The application of the Convention to a territory or group of territories under Article 58 may at any time be terminated by written notification given to the Secretary-General of the United Nations by the Member responsible for its international relations or, in the case of a trust territory of which the United Nations is the administering authority, by the United Nations. The Secretary-General of the United Nations will immediately inform all Members and the Secretary-General of the Organization of such notification. The notification shall take effect upon the expiration of twelve months from the date on which it is received by the Secretary-General of the United Nations.

PART XVII—ENTRY INTO FORCE

*Article 60*

The present Convention shall enter into force on the date when 21 States of which 7 shall each have a total tonnage of not less than 1,000,000 gross tons of shipping, have become parties to the Convention in accordance with Article 57.

*Article 61*

The Secretary-General of the United Nations will inform all States invited to the United Nations Maritime Conference and such other States as may have become Members, of the date when each State becomes party to the Convention, and also of the date on which the Convention enters into force.

*Article 62*

The present Convention, of which the English, French and Spanish texts are equally authentic, shall be deposited with the Secretary-General of the United Nations, who will transmit certified copies thereof to each of the States invited to the United Nations Maritime Conference and to such other States as may have become Members.

*Article 63*

The United Nations is authorized to effect registration of the Convention as soon as it comes into force.

In witness whereof the undersigned being duly authorized by their respective Governments for that purpose have signed the present Convention.

Done at Geneva this sixth day of March 1948.

Afghanistan
Albania
Argentina
B LLAMBI
B MAYANTZ
C A PARDO
A C L
A MALVAGNI
GUILLERMO MONTENEGRO
JUAN EUGENIO PEFFABET
Subject to acceptance
Australia
JOHN A. BEASLEY
Subject to Acceptance by Australian Government
Austria
Belgium
M H DE VOS
Subject to acceptance
J. A. DENOËL
Sous réserve de ratification
Bolivia
Brazil
Bulgaria
Byelorussian Soviet Socialist Republic
Canada
Chile
C. VALENZUELA M
(subject to acceptance)
China
Colombia
ERNESTO GAVIRIA
G CIRALDO JARAMILLO
(Sous reserve d'acceptation)
Costa Rica
Cuba
Czechoslovakia
Denmark
Dominican Republic
Ecuador
Egypt
M. Hamdy
Subject to acceptance
M A ALLUBA
A. ABDEL HADI
El Salvador
Ethiopia
Finland
S. SUNDMAN
Subject to acceptance
France
G. ANDUZE-FARIS
Sous réserve d'acceptation
Greece
A. TSEMBEROPOLOS Captain R. H. N. F.
Subject to acceptance
A. A. BACHAS R. H. N. F.
Subject to acceptance
Guatemala
Haiti
Honduras
Hungary
Iceland
India
A RAMASWAMI MUDALIAR
(subject to acceptance).
Iran
Iraq
Ireland
THEKLA J BEERE
(Subject to acceptance.)
Italy
GIULIO INGIANA,
sous reserve d'acceptation
Lebanon
J MIKAOUI
Sous reserve d'acceptation du Gouvernement Libanais
Liberia
Luxembourg
Mexico
Netherlands
OYEVAAR,
(Subject to acceptance of Government.)
New Zealand
Nicaragua
Norway
Pakistan
Panama
Paraguay
Peru
Philippines
Poland
Dr DARSKI.
(subject the acceptance of my government).
Portugal
CESAR DE SOUSA MENDES.
(sous réserve d'acceptation)
EDUARDO PEREIRA VIANA
Rumania
Saudi Arabia
Siam
Sweden
Switzerland
M MERMINOD.
M. CUSTER
Sous réserve d'acceptation
Syria
Trans-Jordan
Turkey
H. NURELGIN
Sous réserve d'acceptation
Ukranian Soviet Socialist Republic
Union of South Africa
Union of Soviet Socialist Republics
United Kingdom of Great Britain and Northern Ireland
W. G. WESTON
Subject to acceptance
United States
GARRISON NORTON,
subject to acceptance
HUNTINGTON T. MORSE
Uruguay
Venezuela
Yemen
Yugoslavia

The PRESIDING OFFICER. The convention is open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

Mr. WHERRY. Mr. President, I should like to ask either the chairman or some member of the Foreign Relations Committee about the reservation that is referred to in the printed report. I have the report in front of me. It states that the treaty is reported favorably by the Senator from Maryland [Mr. TYDINGS] with a reservation. That is in the printed report.

Mr. TYDINGS. Offhand, I am sorry to tell the Senator that I cannot tell him what the reservation is; but it is so minor that I know it is of no great moment. However, I shall have to refresh my memory about it because it has been 3 or 4 weeks since the matter was in my mind.

Mr. WHERRY. I wonder whether there is any other member of the Foreign Relations Committee who could give us an answer to that question. As in the case of an amendment to a bill, a Senator likes to know what he is voting on. If it is so minor, why is it a reservation?

Mr. TYDINGS. There is some minor point in it, that we did not want to become committed to.

Mr. WHERRY. I understand. I am not complaining.

Mr. TYDINGS. I must be frank with the Senator and say I cannot answer offhand what the reservation is, but I think it is a matter of minor consequence.

Mr. WHERRY. There are several other members of the Foreign Relations Committee present. I wonder whether any of them can supply the information.

Mr. TYDINGS. If the clerk of the committee were here I could really give the answer, because he would have it.

Mr. SMITH of New Jersey. I cannot answer the specific question asked by the Senator from Nebraska, but I may state that the Senator from Maryland brought this matter up.

The PRESIDING OFFICER. The Chair is advised that a copy of the report is being sent for.

Mr. TYDINGS. It will only be about a minute.

Mr. SMITH of New Jersey. I was merely going to say that when the Senator from Maryland brought up this matter, we considered it quite some time in attempting to decide the nature of the convention, and as to whether we should report it. We finally reported it unanimously. I remember that very well, but as to what the exact nature of the reservation is, I do not recall at the moment.

Mr. TYDINGS. Mr. President, I think I can now answer specifically the question asked by the Senator from Nebraska, by reading from the report, as follows:

RESERVATION CONCERNING RESTRICTIVE BUSINESS PRACTICES

The President has recommended in his report to the Senate that a reservation in regard to article 4 be attached to the ratification by the United States.

The conference at Geneva enlarged the scope of the Organization over previous draft conventions by inserting article 4, which reads as follows:

"In those matters which appear to the Organization capable of settlement through normal processes by international shipping business the Organization shall so recommend. When, in the opinion of the Organization, any matter concerning unfair restrictive practices by shipping concerns is incapable of settlement through the normal processes of international shipping business, or has in fact so proved, and provided it shall first have been the subject of direct negotiations between the members concerned, the Organization shall, at the request of one of those members, consider the matter."

That is the article 4 extension. I now read further from the report:

It is emphasized that the activities of the Organization are of a consultative and advisory character, and there is nothing in the history of the convention, which would indicate that the intent of article 4 is in any way to override domestic statutes. Nevertheless, unfair restrictive practices is nowhere defined in the IMCO convention.

In order to eliminate any question on this matter, the committee recommends that when the Senate gives its advice and consent to ratification of this convention it do so with the following reservation in regard to article 4:

"*Provided*, That the said ratification shall be subject to the following reservation and understanding, namely: it being understood that nothing in the convention on the International Martime Consultative Organization is intended to alter domestic legislation with respect to restrictive business practices, it is hereby declared that ratification of that convention by the Government of the United States of America does not and will not have the effect of altering or modifying in any way the application of the antitrust statutes of the United States of America."

In other words, Mr. President, it appeared that there might be an interpretation put upon article 4 which might override our own antitrust laws in regard to shipping practices. Therefore the President and the committee recommended that a reservation be attached that no agreement which might be made outside the United States by the convention would have any effect on our antitrust laws.

That is the only reservation to the treaty.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. MAGNUSON. Mr. President, I have been chairman of the subcommittee on merchant marine for some time, and this is the first notice we have had as to this treaty. It was not sent to our committee. I am wondering if the Senator from Maryland, who is also very conscious of the merchant marine problem, believes it would not in any way affect what we are trying to do domestically with our merchant marine.

Mr. TYDINGS. Not at all. It has to do with safety, certain standards, and decent practices in connection with the carrying of persons, and with any vicious or unfair competition which sometimes finds its way into shipping. As representing in part, the Port of Baltimore, the Senator can well be aware of the fact that I would be very conscious in connection with doing any injury to either his State or my own, because of the large interests involved.

Mr. MAGNUSON. In the Geneva conference there were certain standards established for safety and other standard practices, but our merchant marine is so well above those standards that it would not be affected in any way.

Mr. TYDINGS. We require so much of our own people that we want to get the other nations to come up somewhat to our standards, so that we shall be in a more equal position in serving the public.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Nebraska.

Mr. WHERRY. How many nations are involved?

Mr. TYDINGS. Approximately 30 or 40 nations.

Mr. WHERRY. How many nations have already signed this treaty?

Mr. TYDINGS. My recollection is that approximately 30 or 34 have signed it. In some nations they sign as we do, subject to ratification. I think nearly 40 have signed, some of them signing subject to ratification. It is in the interest of America, in the interest of the world, and in the interest of fair play, decency, and safety. It involves $4,000 a year. The benefits that may flow from it far outweigh any liabilities which may be involved, and I know of none.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. CORDON. The Senator from Oregon is not worried about the $4,000 a year, but he is interested in one or two other angles. Is this a new field in which the United States Government is entering?

Mr. TYDINGS. It is not.

Mr. CORDON. Is it an extension of some agreement which has heretofore existed?

Mr. TYDINGS. My understanding is that it was considered a year ago, and at that time we did not urge it because our shipping interests then wanted to consider it. So long as there was any division of thought among the shippers of America the Senator from Maryland, who was chairman of the subcommittee, thought he had better proceed slowly. At this session of Congress all shipping interests requested that the treaty be brought forward, and therefore we did not go completely over the ground we had covered a year ago, deeming it unnecessary, as no shipping interest in the United States was opposed to the treaty as reported to the Senate. I think I can say, and be completely accurate in saying it, that, so far as I know, all the shippers of America want this treaty, and there is no disagreement on the part of any of them as to the ratification of it.

Mr. CORDON. Is there any appearance or any statement by the United States Maritime Commission on the record?

Mr. TYDINGS. Yes. They asked us to ratify the treaty, stating that the shippers had asked them to have it ratified, and they favored it themselves. A representative of the Organized Shippers of America involving ships which fly the American flag appeared and urged the ratification of the treaty.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHERRY. This is an outgrowth of the experiences of the inter-allied pool, the United Maritime Authority, dissolved in March, 1946, the 18-member United Maritime Consultative Council, dissolved on October 31, 1946, and the Provisional Maritime Consultative Council, which came into force in April 1947, and will disappear when IMCO comes

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into existence. The United Nations expects that IMCO will be the final organization.

Mr. TYDINGS. That is correct.

Mr. WHERRY. And it will need to deal with global activities in transport and communications.

Mr. TYDINGS. Yes.

Mr. WHERRY. It has nothing to do with the United Nations?

Mr. TYDINGS. No.

Mr. WHERRY. It is an entirely separate and distinct organization, and the background of it is what I have just given, and it is to carry on the activities if IMCO goes out of existence.

Mr. TYDINGS. I think the Senator is correct.

The PRESIDING OFFICER. The resolution of ratification with the reservation will be read.

The legislative clerk read as follows:

*Resolved (two-thirds of the Senators present concurring therein)*, That the Senate advise and consent to the ratification of Executive L, Eightieth Congress, second session, a convention on the Intergovernmental Maritime Consultative Organization, signed at Geneva on March 6, 1948, by the respective plenipotentiaries of the United States of America and other countries concerned, provided that the said ratification shall be subject to the following reservation and understanding, namely:

It being understood that nothing in the Convention on the Intergovernmental Maritime Consultative Organization is intended to alter domestic legislation with respect to restrictive business practices, it is hereby declared that ratification of that convention by the Government of the United States of America does not and will not have the effect of altering or modifying in any way the application of the antitrust statutes of the United States of America.

The PRESIDING OFFICER. The question is on agreeing to the reservation to the resolution of ratification.

The reservation was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification with the reservation. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification, with the reservation, is agreed to, and the convention is ratified.

## CONVENTION WITH CANADA FOR THE EXTENSION OF PORT PRIVILEGES TO HALIBUT FISHING VESSELS

Mr. MAGNUSON. Mr. President, I desire to call up the convention with Canada for the extension of port privileges to halibut fishing vessels, which is on the Executive Calendar. It is a convention between the United States and Canada for the extension of port privileges to halibut fishing vessels on the Pacific coasts of the United States and Canada. It is Calendar No. 6 on the Executive Calendar. There can surely be no objection to this convention. It simply extends port privileges to halibut fishermen on the Pacific coast, permitting them to go into a port without certain restrictions. The reason I asked to have it brought up at this time is that the halibut fishing season is about to get into full swing, and it is very necessary, in emergencies such as storms, that bear down from the North Pacific, that these rights and privileges be extended. I hope the Senate will ratify this convention tonight.

The PRESIDING OFFICER. Is there objection to the present consideration of the convention?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the Convention (Executive M, 81st Cong., 2d sess.), a convention between the United States of America and Canada for the extension of port privileges to halibut fishing vessels on the Pacific coasts of the United States of America, signed at Ottawa on March 24, 1950, which was read the second time, as follows:

PREAMBLE

The Government of the United States of America and the Government of Canada, desiring to further the well-being of their fishermen engaged in the halibut fishery of the North Pacific Ocean by extending to the halibut fishing vessels of each other certain privileges in ports of the Pacific Coasts of the United States of America and Canada, respectively, have resolved for that purpose to conclude a Convention, and to that end have appointed as their Plenipotentiaries:

The Honourable LAURENCE A. STEINHARDT for the United States of America, and

The Honourable ROBERT WELLINGTON MAYHEW for Canada.

Who, having communicated to each other their full powers found in good and due form, have agreed as follows:

ARTICLE I

Fishing vessels of the United States of America engaged in the North Pacific halibut fishery only shall, subject to compliance with applicable customs, navigation, and fisheries laws of Canada, have the privileges in the ports of entry of Canada

(1) to land their catches of halibut and sable fish without the payment of duties and

(a) sell them locally on payment of the applicable customs duty;

(b) trans-ship them in bond under customs supervision to any port of the United States of America; or

(c) sell them in bond for export, and

(2) to obtain supplies, repairs, and equipment.

ARTICLE II

Fishing vessels of Canada engaged in the North Pacific halibut fishery only shall, subject to compliance with applicable customs and navigation laws of the United States of America, have the privileges in the ports of entry of the United States of America

(1) to land their catches of halibut and sable fish without the payment of duties and

(a) sell them locally on payment of the applicable customs duty;

(b) trans-ship them in bond under customs supervision to any port of Canada; or

(c) sell them in bond for export; and

(2) to obtain supplies, repairs, and equipment.

ARTICLE III

This Convention shall be ratified and the instruments of ratification shall be exchanged at Ottawa as soon as possible.

ARTICLE IV

This Convention shall come into effect immediately upon the exchange of ratifications. It shall continue in effect for a period of 1 year from that date and indefinitely after that period, but may be terminated by either of the Contracting Governments at the end of the 1-year period or at any time thereafter provided that at least 12 months prior notice of termination has been given.

In witness whereof the respective Plenipotentiaries have signed the present Convention.

Done at Ottawa, in duplicate, in the English language, both texts being equally authentic, this 24th day of March, 1950.

For the United States of America:

LAURENCE A. STEINHARDT.

For Canada:

R. W. MAYHEW.

The PRESIDING OFFICER. The convention is open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

Mr. WHERRY. I should like to ask a question. Is this the extension of a treaty we already have?

Mr. MAGNUSON. This is an extension of a treaty which has been in effect since May 24, 1930.

Mr. WHERRY. Is there any new material in the treaty?

Mr. MAGNUSON. There is no new material.

Mr. WHERRY. It simply extends the existing treaty, is that correct?

Mr. MAGNUSON. It extends what has already been in effect.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

*Resolved (two-thirds of the Senators present concurring therein)*, That the Senate advise and consent to the ratification of Executive M, Eighty-first Congress, second session a convention between the United States of America and Canada for the extension of port privileges to halibut fishing vessels on the Pacific coasts of the United States of America and Canada, signed at Ottawa on March 24, 1950.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention is ratified.

## THE KOREAN WAR SITUATION

Mr. HENDRICKSON. Mr. President, earlier today, in the course of the colloquies relating to the crisis in Korea, I endeavored to obtain recognition but without success.

It was not my desire at the time to belabor the Senate with any lengthy remarks, but I did want the record to disclose that early Monday morning I made my position on this tragic situation known to the public in a statement when called upon by the press. I said then:

Clearly the situation in Korea is fraught with great danger calling for courageous and positive action designed to guarantee the territorial integrity of South Korea against unwarranted aggression.

True, a positive course of action will produce attendant risks of war, but failure on our part to demand full respect for and compliance with the rules of the United Nations, would be interpreted by our foes as a show of cowardice and weakness. We need only to remember Munich and the events subsequent thereto, to realize that the surest and most certain way to war is by the road of appeasement.

If we fail in one crisis, we will fail in others. We must courageously face this situation to test the strength of the world's great democracies and the United Nations.

Mr. President, as I have indicated, these utterances took place prior to any

formal statement by the President of the United States on the subject, or prior to any indication as to what course he might follow. Thus, what I desired to say earlier today and what I wish to say now, is that the President has taken a courageous stand. I hope that that stand is not too late. At least it does prescribe a positive plan of operation for appropriate authorities both in the United Nations and our own Government to follow.

In the course of today's colloquies I listened with great interest to the remarks of a number of my distinguished colleagues on both sides of the aisle. I was deeply impressed by the remarks of the distinguished junior Senator from Massachusetts [Mr. LODGE], and the distinguished Senator from California [Mr. KNOWLAND], the distinguished junior Senator from Oregon [Mr. MORSE], and my own colleague from New Jersey [Mr. SMITH].

Mr. President, I desire to associate myself with their remarks today. I also associate myself with those remarks made on the other side of the aisle which had for their purpose a proper unification of party lines, to the end that America in this crisis will present a united front and furnish a show of the stamina, vigor, and courage which she has shown in every crisis throughout her long and noble history.

Mr. LUCAS. Mr. President, the press makes the following report this afternoon.

WASHINGTON.—The United States asked Russia today to use its influence to bring about the withdrawal of the invading Communist forces from south Korea.

Ambassador Alan G. Kirk delivered the request in a note to the Soviet foreign office at Moscow. The State Department announced the action here.

RECESS

Mr. LUCAS. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 2 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, June 28, 1950, at 12 o'clock meridian.

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NOMINATIONS

Executive nominations received by the Senate June 27 (legislative day of June 7), 1950:

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment and promotion in the Regular Corps of the Public Health Service:

To be surgeons (equivalent to the Army rank of major), effective date of acceptance:

| | |
|---|---|
| Solomon J. Axelrod | Robert P. Grant |
| Joseph H. Bragdon | Leonard S. Rosenfeld |
| George Brecher | Edwin B. Thomas |
| Murray C. Brown | Joseph Zinkin |

To be senior assistant surgeon (equivalent to the Army rank of captain), effective date of acceptance:

Kamehameha Kun-Lai Wong

To be scientists (equivalent to the Army rank of major), effective date of acceptance:

F. Earle Lyman
Lewis J. Sargent

To be nurse officer (equivalent to the Army rank of major), effective date of acceptance:

Mildred Struve

To be senior dietitian (equivalent to the Army rank of lieutenant colonel), effective date of acceptance:

Marion D. Floyd

Senior surgeons to be medical directors (equivalent to the Army rank of colonel):

| | |
|---|---|
| Robert H. Flinn | Hollis U. Maness |
| Richard C. Arnold | Leroy E. Burney |
| Leslie M. Smith | Charles R. Mallary |
| Donald W. Patrick | Michael J. Pescor |
| Llewellyn L. Ashburn | Hildrus A. Poindexter |
| Oliver C. Williams | Carroll E. Palmer |
| Calvin B. Spencer | George H. Hunt |
| Victor H. Haas | Harry Eagle |
| Clifton K. Himmelsbach | Norvin C. Kiefer |
| | Myron D. Miller |
| John W. Oliphant | H. Van Zile Hyde |
| Seymour D. Vestermark | Robert H. Felix |
| | Walter P. Griffey |

Senior dental surgeons to be dental directors (equivalent to the Army rank of colonel):

| | |
|---|---|
| Fritz R. Jackson | Charles B. Galt |
| John M. Francis | Leland E. Weyer |

Senior assistant dental surgeon to be dental surgeon (equivalent to the Army rank of major):

Richard P. French

Senior scientist to be scientist director (equivalent to the Army rank of colonel):

Samuel W. Simmons

Senior nurse officer to be nurse director (equivalent to the Army rank of colonel):

Marie E. Wallace

Senior assistant nurse officer to be nurse officer (equivalent to the Army rank of major):

Dorothe W. Whittington

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CONFIRMATIONS

Executive nominations confirmed by the Senate June 27 (legislative day of June 7), 1950:

DIPLOMATIC AND FOREIGN SERVICE

W. Walton Butterworth to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Sweden.

UNITED STATES CIRCUIT COURT

Austin L. Staley, to be United States circuit judge, third circuit.

CIRCUIT COURTS, TERRITORY OF HAWAII

Hon. Carrick H. Buck to be first judge of the first circuit, circuit courts, Territory of Hawaii.

UNITED STATES DISTRICT JUDGE

Hon. Gus J. Solomon to be United States district judge for the district of Oregon.

UNITED STATES MARSHALS

Benjamin B. Mozee to be United States marshal for Division 2, District of Alaska.

Maurice T. Smith to be United States marshal for the District of Colorado.

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# HOUSE OF REPRESENTATIVES

## TUESDAY, JUNE 27, 1950

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. PRIEST.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

JUNE 27, 1950.

I hereby designate the Honorable J. PERCY PRIEST to act as Speaker pro tempore today.

SAM RAYBURN.

PRAYER

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, who hast been our guide and companion in all our yesterdays, may the memory of Thy great goodness inspire us to meet the challenge of each new day with faith and fidelity.

Grant that our President, our Speaker, and all the Members of this legislative body may be blessed with clear minds and courageous hearts and capacities equal to the tragic needs of our generation.

We pray that, as they take counsel together, they may be guided in some special way by the eternal spirit of God in finding a just and righteous solution to all the problems of human relationships.

May the bonds of unity, which were forged in the heat of battle by freedom-loving nations, never be broken, but may they be strengthened and sustained in the glorious task of building a noble civilization.

In the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate has passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7058. An act to amend laws relating to the United States Military Academy and the United States Naval Academy, and for other purposes.

The message also announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 332) entitled "Joint resolution providing for the establishment of a joint Senate and House recording facility," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BENTON, Mr. GILLETTE, and Mr. MUNDT to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8567) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 11, 12, and 24 to the above-entitled bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) entitled "An act to increase the borrowing power of Commodity Credit Corporation."

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THE LATE HONORABLE FRANCIS D. McGAREY

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, I pause to pay tribute to the passing in Brooklyn, N. Y., of a great American and a distinguished public servant and jurist, the late Honorable Francis D. McGarey. Judge McGarey spent his entire life in the service of his community and people. Born in Williamsburg September 8, 1893, he started work at the age of 12 as a grocery boy. A brilliant scholar, he graduated from Erasmus Hall High School before he was 15 and from Fordham University Law School as the youngest member of the class and with the highest marks. In 1919, after service in the Army as a lieutenant, he was elected to the board of aldermen and reelected every year until 1933, when he was named assistant counsel to the board of transportation. Later he served as counsel to the Kings County sheriff and in 1939 was elected as a justice of the supreme court of the State of New York. In 1942 he was elected surrogate of Kings County, which office he held until his death.

He was the kind of public servant whom we should all seek to emulate, whose sterling life and qualities will be emblazoned in the hearts and minds of myriads of people who knew him. His activities in the community and in charitable endeavors were many. He was president of the Emerald Association, a life member of the advisory board of the Brooklyn Diocesan Catholic Charities and the Cathedral Club, and from 1946 to 1948 was general chairman of the bishop's lay committee for charity, and served as chairman of numerous drives of the Brooklyn Red Cross and the March of Dimes. These activities were acknowledged by the respect and esteem in which his people held him and by the honors which his church conferred upon him—a past grand knight of Loyola Council, a Knight of St. Gregory, Knight of Malta, and Equestrian Knight of the Holy Sepulcher.

As has been pointed out in the editorial which appeared in the Brooklyn Eagle and which has been inserted elsewhere in the RECORD:

> Surrogate McGarey was a man of unusual capacity and complete integrity. He was faithful to every trust. One of his outstanding characteristics was his deep sense of civic responsibility. It is indeed tragic that he has been cut down in the prime of life, when he could have continued for many years his varied services to the community he loved.

Mr. Speaker, it is indeed tragic and it is the kind of loss that no community can well afford to suffer, for his replacement will be most difficult. The heart of Brooklyn, Mr. Speaker, today is very sad, and its sadness extends to our late distinguished surrogate's fine family—his wife, Irene; his daughter, Mrs. Edward Ward McMahon; and his two sons, Francis, Jr., and Charles, to whom we extend our deepest and sincerest sympathy. He will rest in peace, for he lived in peace with the people he loved and served well.

CONGRESSMEN'S SALARIES SHOULD NOT BE RAISED

Mr. O'SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. O'SULLIVAN. Mr. Speaker, yesterday that superlative legislatrix, the gentlewoman from New Jersey, MARY T. NORTON as a gesture of real appreciation to the legislative ability of the Members of the House of Representatives, introduced H. R. 8951, a bill to raise the salaries of Members of Congress to $20,000 per year.

Due to the fact that the Seventy-ninth Congress passed a bill raising the salaries of Representatives in the Congress to $12,500 a year plus a $2,500 tax-free expense account, I feel that an additional salary raise now is neither timely nor necessary.

I say again as I said when I was elected to the Congress, that I sincerely believe that the present salary of ordinary Congressmen is more than adequate.

It is my thought that outside of the Speaker of the House, the majority and minority leaders, the Republican and Democratic whips, and the chairmen of the various committees of the House, that all other Members of Congress are adequately paid for the legislative initiative, sagacity, and intelligence which they display.

I shall therefore oppose vigorously all efforts at this time when we are plagued with an unbalanced budget and large deficit spending and when money is needed so badly for other worth-while purposes, to raise the salaries of ordinary Congressmen and shall insist upon practicing economy in Government where it hurts Congressmen the worst, to wit, their own pocketbooks.

THE KOREAN WAR

Mr. WALSH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WALSH. Mr. Speaker, today America stands before the world court of public opinion; the Korean war is a challenge to us all. Will America act now and not at some later date "with too little and too late"?

This is the acid test; we have chosen to speak out against the spread of communism and have pledged our resources to stop aggression. If we act now, the little peoples of the world will know that we mean what we have said, but if we fail to act, then all the money that Congress can appropriate for ECA, arms aid, and so forth, will be for naught.

The jitters of war are running pell-mell through every capital of Europe and Asia. Every nation knows that this far-off conflict is a major test of America's will and its prestige.

We cannot, at any cost, let Russia and its puppet state get by with this invasion. The United Nations has spoken, but is powerless to act without the full support of the United States.

I call upon our President and upon us, the Congress, to stand firmly behind the United Nations and to fight back with all of our resources, if need be. This action could be the Manchuria and the Ethiopia of a third world war. Firm, quick, and decisive action now, not next year, can assure the world of a peaceful tomorrow. The decision is today.

TO ESTABLISH OFFICE OF PERMANENT UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, I feel that an effort should be made, a strong and persistent effort which in some way will aid in the establishment of continuity of an unpartisan foreign policy being maintained and administered within this Government.

Because of the paramount position of the United States of America in world affairs today the slightest incident having to do with policy or the administration thereof immediately becomes the center of interest of every capital of every nation in the world. While the advantages of our system are many and great we should be the first to admit certain obvious defects. Keeping in mind the world leadership of this Nation and the widespread interest of the American people in international events, I feel it imperative that everything reasonably possible should be done to assure stability consistent with our system of government in that field of Government administration.

Great strides have been made and I am sure greater will be made to bring to the level of policy making an unpartisan approach. This same sense of agreement and understanding and cooperation is evidenced as well in the execution of such policy. The United States of America is the leading Nation in the world today. There is only one thing for a leader to do, and that is to lead.

That being the case, I feel that it is incumbent upon us to take the lead in establishing within our Department of State, for the purpose of assisting and giving effect to a stable and unpartisan foreign policy, a Government official whose experience and tenure of office at high level in the Department of State will not be subject to violent fluctuations as the result of domestic political change.

Mr. Speaker, for these reasons I have today introduced a bill to establish the office of permanent Under Secretary of State for political affairs.

PERMISSION TO ADDRESS THE HOUSE

Mr. JUDD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[Mr. JUDD addressed the House. His remarks appear in the Appendix.]

INCREASE IN COMPENSATION FOR MEMBERS OF CONGRESS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I was very much interested in the statement made by the gentlewoman from New Jersey [Mrs. NORTON] about raising the salaries of Members of Congress to $20,000 a year.

The gentlewoman from New Jersey also placed in the RECORD a list of corporations that were paying large salaries to their executives. If those corporations were running their businesses and going in the red in the same proportion as the United States is going in the red, and then raised the salaries of their executives, do you know what would happen? The next time they had a stockholders' meeting they would all go out the door—every one of them.

The people of this country are the stockholders of this Government, and if you Members think for a minute that you can take the advice of the gentlewoman from New Jersey [Mrs. NORTON] and raise your salaries to $20,000, I hope the people back home will take recognition of that fact, when this vote for their directors, that means their representatives in government, they will do like the corporate stockholders. So beware of salary increases. Get your house in order, cut down on Government spending, that is your job and mine. That is your duty and mine. That is absolutely necessary. Cut down on spending then we can have tax reduction.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

NAVAL VESSELS LENT TO RUSSIA

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Speaker, at frequent intervals I have called upon the State Department to call for the return of more than 500 naval vessels lent to Russia, all of which are listed in the RECORD for March 9, 1949, on page 2090. Only a few have been sent back to us; all should have been returned long ago.

Mr. Speaker, how many of these United States Navy vessels are now being used against South Korea? Mr. Speaker, how much other United States lend-lease military equipment is being used to ensure the Communist success in Korea?

Mr. Speaker, let us pray that these ships and supplies do not come back in the form of scrap.

THE UNITED NATIONS AND KOREA

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. The wanton aggression against the Republic of Korea, if left unredressed, could end the very life of the United Nations which is and has been the best and perhaps the last hope of the free peoples for peace. Defense against this danger and therefore the hope for world peace calls for invoking the most decisive provisions of the United Nations Charter. The charter, if invoked, is equal to the emergency.

Under chapter XVII, article 106, the United States, Great Britain, and France may consult with one another and with other United Nations members with a view to "such joint action on behalf of the Organization as may be necessary for the purpose of maintaining international peace and security." Under this article a decision by the Security Council, certainly practicable now that the Soviet has walked out, pursuant to article 42 to "take such action by air, sea or land forces as may be necessary to maintain or restore international peace or security" can be implemented. The United States should now take the initiative and state its willingness to contribute its forces to join with those of other members of the United Nations to act at the direction of the Security Council to stop aggression against the Republic of Korea and to bring about peace. The right of self-defense is the most fundamental and precious right of the United Nations and of the world's free peoples; they can utilize it to attain peace and international security.

The unprovoked attack on the Republic of Korea also calls for immediate negotiation on the initiative to be taken by the United States of a Pacific Pact to parallel the Atlantic Pact. Our interests in the Pacific area are no less vital than they are in the Atlantic area and the danger is even more imminent. A guaranty of the territorial integrity of this area under a regional pact pursuant to article 52 of the United Nations Charter will get the nations and free peoples of the Pacific area together so that they may take common action for their own defense, not only militarily but ideologically. I suggest as suitable for inclusion in the Pacific Pact the Philippines, the Republic of Indonesia, Australia, New Zealand, Siam, India, Burma, Pakistan, Malaya, Indochina, the Republic of Korea, and the Republic of China—Formosa.

REDUCTION OF EXCISE TAXES

Mr. H. CARL ANDERSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill H. R. 8920.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, in view of several commitments which I made more than a month ago back in my congressional district, I will have to leave Washington tonight but I want the RECORD to show that I favor the enactment of H. R. 8920, reported out by the Ways and Means Committee.

It is the general consensus of the people back in my district that it is time to reduce the excise taxes which were levied as a wartime, emergency measure. Certainly no businessman should be forced to bear the brunt of special taxes to the point where it injures his business and I believe it is high time they were given the relief they deserve in this connection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

COMMODITY CREDIT CORPORATION

Mr. CHRISTOPHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Speaker, yesterday the Republican Party expressed in no uncertain terms its disdain for the farmers of the United States. The action was consistent and the party was running true to form. The Eightieth Congress, a Republican Congress, had stripped the Commodity Credit Corporation of its power to buy, build or lease storage for farmers' grain held under Government loan. If that restriction had not been repealed by the present Congress, the price-support program for American agriculture would have been sabotaged and ruined. The Commodity Credit Corporation is the agency that supports the price of not only cotton, wheat, peanuts, tobacco, corn, oats, barley, and rice but many perishable products as well. The Commodity Credit Corporation is the only thing that stands today between the American farmer and bankruptcy. The Commodity Credit Corporation is the only agency that can prevent a return of the 12-cent corn, the 35-cent wheat, the 6-cent cotton, the 3-cent hogs, and the 6-cent eggs we saw in 1932. And yesterday when the bill authorizing funds for Commodity Credit Corporation, in order that the program of agricultural price stabilization could be continued, came up for consideration in the upper body the program was saved from ruin by the vote of only one man. Not

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a single Republican voted to allow Commodity Credit Corporation the additional funds necessary for the continuation of the price support program. How can any American farmer ever again vote a Republican ticket?

COMPONENTS OF THE SERVICE ACADEMIES

Mr. DURHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7058) to amend laws relating to the United States Military Academy and the United States Naval Academy, and for other purposes, with a Senate amendment and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 3, strike out all after line 12 over to and including line 3 on page 4 and insert:

"(c) One hundred and eighty cadets from among enlisted members of the Army of the United States and the Air Force of the United States as follows:

"Ninety from the Regular components (Regular Army and Regular Air Force);

"Ninety from the Reserve components (National Guard of the United States, the Air National Guard of the United States, the Organized Reserve Corps, and the Air Force Reserve).

"Three candidates may be nominated from each component (Regular and Reserve) of the Army of the United States and the Air Force of the United States for each available vacancy for their respective components from among the enlisted members thereof to compete for admission at the annual competitive entrance examination. Such nominations shall be made under such rules and regulations as the Secretary concerned may prescribe. The vacancies for the Regular and the Reserve components will be filled from among such qualified competitors of the respective components making the highest proficiency averages in the order of merit established at the competitive entrance examination, who have served in an active-duty or active-training status (including training performed by members of the National Guard of the United States and the Air National Guard of the United States under provisions of sections 92, 94, 97, and 99 of the National Defense Act, as amended) in such component not less than 1 year."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. ARENDS. Mr. Speaker, reserving the right to object, may I ask the gentleman who is calling this up if he will explain it to the House? There was unanimous agreement on the part of the conferees in reference to this bill, but I would like to ask the gentleman to explain it at the moment.

Mr. DURHAM. Mr. Speaker, the Senate has passed the bill H. R. 7058 with one minor amendment. Under the House version of the bill there were authorized 180 cadets at the Military Academy who could be appointed from the Regular Army and Regular Air Force, the National Guard, and the Organized Reserves of those services.

Heretofore, the Reserve officers have not participated in this. Under the House bill we provided that these Reserve officers could participate in these appointments.

Enlisted personnel for these components would have been required to compete among themselves for the appointments. Since the Regular Establishments send their enlisted personnel to preparatory schools for the purpose of qualifying for these examinations, the Senate took the position that this might prejudice the opportunity of National Guard men and reservists to receive such appointments.

I agree and concur in that.

Accordingly the Senate divided the 180 positions for cadets into two equal groups. One group of 90 will be filled by competition from within the Regular Army and Regular Air Force. The other group of 90 will be filled by competition from among members of the National Guard and the Organized Reserves of these services.

It would appear that this amendment protects the interest of the National Guard men and the Organized Reserves a little better than the House version.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. We have recently passed a bill allowing equal graduation leave for each graduate of the two Academies. I understand that the intent of Congress was that the leave given to each of the graduates of the Academies was to be alike. Upon checking, my information is that Annapolis is not this year giving the same graduation leave as at West Point. Annapolis graduation leave is being charged against the future leave of its current graduates instead of the way Congress stated we wanted it. May I ask the committee why that is?

Mr. DURHAM. I cannot explain to the gentleman why we are not doing that because we have passed the legislation. As will be recalled the Academy had leave before and we provided the same for the Naval Academy also under legislation recently passed.

Mr. FULTON. But now I understand the Secretary of the Navy is not giving it to these people who just graduated from Annapolis.

Mr. ARENDS. I might inform the gentleman the gentleman from New York had that before our committee. My understanding from him a moment ago is that the law is in effect and is applicable to the leaves this year. I might ask the gentleman from New York to clarify that.

Mr. FULTON. The intent of Congress was that beginning this graduation each of the graduates of the academies is to be treated alike as to graduation leave.

Mr. COLE of New York. That was the plain intent of the Congress and that is expressly a part of the act itself. I understand with respect to the men who graduated this year that plans had already been made with respect to their assignments so that it would have substantially disrupted the organization and administration of the Navy personnel if they had been given 60 days upon graduation; however, arrangements have been made so that they will get the equivalent of the 60-day leave within the coming 12-month period.

Mr. FULTON. And they are to be treated just the same as the West Point graduates this year?

Mr. COLE of New York. Yes.

Mr. FULTON. One other question. I understand the congressional appointments of Congress to Annapolis this coming year have been cut by one appointment. Is there any move by the committee to replace the funds to give back those appointments to the respective Congressmen?

Mr. DURHAM. Not so far as I know at the present time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. CRAWFORD addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. FULTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. Mr. Speaker, a while ago I questioned about the Annapolis appointments of Congress, which have recently been reduced one per Member. Unless the Committee on Armed Services comes up with a plan to make adequate housing available at Annapolis, it will be too crowded, I am advised, to have these appointments. Therefore, I respectfully ask the Committee on Armed Services to give consideration to a bill providing adequate housing at the Annapolis Naval Academy to relieve the present overcrowded conditions. We do not need less Annapolis cadets, we need more housing facilities.

I rise to speak this morning about the aggression in Korea. We people of good will in this country want to see the Government of South Korea maintained, as the United Nations Security Council has stated. Congress and the Foreign Affairs Committee had been assured by our Defense Department at the time that the United States troops were about to be withdrawn, that the South Korean Government could maintain itself unless there was outside aggression other than from North Korea. We have found to our sorrow that that statement is almost a fatal conclusion, so that those of us who have objected to the withdrawal of troops now find that a mistake has been made that is almost irrevocable.

The United States needs a positive policy in the Far East while there is yet time, as some of us on the Foreign Affairs Committee have been fighting for

these many months. The United States must offer to implement the recommendations of the United Nations Security Council, in cooperation with the other nations. We must make clear that our aim is peace and not war, and that we will cooperate with all nations to maintain a peaceful world, under the United Nations charter, as we have pledged ourselves to do. We must avoid any act of aggression and seek peace.

THE SOUTH KOREAN CRISIS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, for the information of the Members of the House I desire to read a statement just issued by the President:

STATEMENT BY THE PRESIDENT

In Korea the Government forces, which were armed to prevent border raids and to preserve internal security, were attacked by invading forces from North Korea. The Security Council of the United Nations called upon the invading troops to cease hostilities and to withdraw to the thirty-eighth parallel. This they have not done, but on the contrary have pressed the attack. The Security Council called upon all members of the United Nations to render every assistance to the United Nations in the execution of this resolution. In these circumstances I have ordered United States air and sea forces to give the Korean Government troops cover and support.

The attack upon Korea makes it plain beyond all doubt that communism has passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war. It has defied the orders of the Security Council of the United Nations issued to preserve international peace and security. In these circumstances the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to United States forces performing their lawful and necessary functions in that area.

Accordingly I have ordered the seventh fleet to prevent any attack on Formosa. As a corollary of this action I am calling upon the Chinese Government on Formosa to cease all air and sea operations against the mainland. The seventh fleet will see that this is done. The determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations.

I have also directed that United States forces in the Philippines be strengthened and that military assistance to the Philippine Government be accelerated.

I have similarly directed acceleration in the furnishing of military assistance to the forces of France and the associated states in Indochina and the dispatch of a military mission to provide close working relations with those forces.

I know that all members of the United Nations will consider carefully the consequences of this latest aggression in Korea in defiance of the Charter of the United Nations. A return to the rule of force in international affairs would have far-reaching effects. The United Nations will continue to uphold the rule of law.

I have instructed Ambassador Austin, as the representative of the United States to the Security Council, to report these steps to the Council.

I thought that this should be read as quickly as possible to my colleagues of the House so that they might be advised as quickly as possible of the release made by the President a few moments ago.

Outside of that, expressing briefly my own personal views, I think that such action was necessary not only in the national interest of the United States, which is paramount in our minds, but also in the interest of future possible peace.

SPECIAL ORDER GRANTED

Mr. DONDERO asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders heretofore entered.

RESCISSION OF HOUSE RESOLUTION 614

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 670.

The Clerk read the resolution, as follows:

*Resolved*, That effective June 9, 1950, House Resolution 614, fixing the salary of the assistant to the disbursing clerk of the House be, and the same is hereby, rescinded.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, I understand this is merely the rescission of an increase in pay given to an employee who has since died?

Mr. WALTER. The gentleman is correct.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in three instances, and include in one a speech, in another a letter, and in the other extraneous matter.

Mr. KEOGH asked and was given permission to extend his remarks and include an address delivered by Assistant Secretary of the Navy and Acting Chairman of the Federal Maritime Board, John T. Koehler, at the commencement exercises at the Maritime Academy last Wednesday.

Mr. HAYS of Ohio asked and was given permission to extend his remarks and include the testimony of Mr. James M. Duffy, president of the National Brotherhood of Operative Potters, before the Steed subcommittee.

Mrs. KELLY of New York (at the request of Mr. HAYS of Ohio) was given permission to extend her remarks and include a newspaper editorial.

Mr. ROGERS of Florida asked and was given permission to extend his remarks and include a memorial address.

Mr. WALTER asked and was given permission to extend his remarks and include an article by the vice president of the American Federation of Labor.

Mr. ADDONIZIO asked and was given permission to extend his remarks and include a newspaper article.

Mr. CLEMENTE asked and was given permission to extend his remarks and include a newspaper editorial.

Mr. JENKINS asked and was given permission to revise and extend the remarks he expects to make in Committee of the Whole and include certain excerpts and tables.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks and include two articles.

Mr. FORD asked and was given permission to extend his remarks and include a speech by Brig. Gen. J. P. McConnell.

Mr. SIMPSON of Pennsylvania asked and was given permission to extend his remarks and include an editorial from the Saturday Evening Post under date of June 3, 1950.

Mr. COOPER asked and was given permission to revise and extend the remarks he expects to make in the Committee of the Whole today and to include certain excerpts and extraneous material.

Mr. REED of New York asked and was given permission to revise and extend the remarks he expects to make in the Committee of the Whole this afternoon on the bill H. R. 8920, and to include therein certain tables and extraneous matter.

TEMPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1951

Mr. CANNON. Mr. Speaker, I call up the joint resolution (H. J. Res. 492) making temporary appropriations for the fiscal year 1951, and for other purposes, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

Mr. TABER. I object, Mr. Speaker.

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 492, and pending that motion I ask unanimous consent that general debate be limited to 30 minutes, one-half to be controlled by the gentleman from New York and one-half by myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 492, with Mr. KEOGH in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

Mr. CANNON. Mr. Chairman, the general appropriation bill making appropriations for the fiscal year 1951 passed the House several weeks ago and is still pending in the other body. It is now evident it cannot become law by the end of the fiscal year, that is, by midnight June 30, 1950. We therefore offer the customary continuing resolution, which is always offered. I will say this is the usual stereotyped routine resolution with added provision for certain

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situations which it is necessary to take care of.

Briefly summarizing the joint resolution by sections and paragraphs, section 1 (a) provides for all activities included in general appropriation bill as passed by House; (b) provides for carrying on activities at rate of last quarter of fiscal year 1950 for Office of the Housing Expediter and Selective Service System for which legislative authority so recently enacted as to make impossible submission of 1951 estimates, and Office of High Commissioner in Germany for which estimates must be considered in connection with ECA now pending Senate; (c) provides for continuation three activities in Interior Department which the House proposed be abolished. These activities are now being carried on and the proposal here is merely to continue them in operation until final settlement has been reached with Senate. This does not represent a retreat of House committee from its position in favor of their elimination.

The paragraph also provides for Senate services which were not included in the general appropriation bill.

Section 2 continues available for 1 month balances of 1950 appropriations for those agencies where carry-over funds will be adequate to meet requirements. The limitation on administrative expenses for assistance to Korea is increased $600,000. This amount is necessary, first, to carry through the month of July, and second, to meet the cost of evacuation of dependents of employees and other abnormal expenses incident to the current situation. The increase in administrative expenses, government and relief in occupied areas, is necessary because of necessity of carrying the program one additional month.

Section 3 provides for the District of Columbia. This may not be necessary as the Senate committee has reported the annual bill and, it is possible that final action may be taken before the end of the week.

Section 4 provides that funds made available by the act shall be subject to all provisions of the general appropriation bill, 1951, as passed by House except: In chapter X–A, carrying the Taber-Thomas amendment, application of the amendment is omitted because of the administrative difficulties and the intricate bookkeeping involved. Also because the imposition of arbitrary cutback on agencies involved would result in immediate drastic curtailment of vital Government activities such as Federal Bureau of Investigation, rural mail delivery, and so forth.

Section 1114, the Jensen amendment is made inapplicable for the same reasons as the Taber-Thomas amendment above. It may be argued that the Jensen amendment omits agents of FBI, but he fails to exempt laboratory technicians, fingerprint experts, and other employees of FBI.

Subsection (d) (2) of section 1111 merely waives time limitations on the filing of apportionments under the revised antideficiency act. Such time limitations are not necessary in connection with the temporary resolution.

Section 5 is the usual provision terminating effectiveness of resolution at date of enactment of appropriation bill, 1951, or July 31, 1951, whichever first occurs.

Section 6 is the usual provision regarding charge of expenditures under temporary resolution to appropriations when finally made.

Mr. Chairman, I reserve the balance of my time.

Mr. TABER. Mr. Chairman, there is no question but what we must have some kind of continuing resolution because the omnibus appropriation bill which was passed around the 10th of May has not yet been reported by the Appropriations Committee of the other body. On the other hand, this is not the usual type of resolution. There is a great deal in it in addition to the usual resolution. It carries three items, one for the Department of the Interior, the standardization of geographic names, the Indians of California, the National Indian Institute, which were deliberately left out of the bill by the House Committee on Appropriations. It also carries a section 4 which would wipe out, insofar as the period prior to the expiration of this continuing resolution, the amendments which were adopted reducing the amounts by a certain percentage which were available to the departments and providing that vacancies should not be filled except in certain cases.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. FULTON. May I interrupt the gentleman's train of thought to inquire of the majority leader if this commitment of our forces in the Pacific means war? What does it mean? I favor the commitment under the United Nations but I would like to reassure the country as to what it means and that we seek peace by this policy.

Mr. McCORMACK. It is my personal opinion that this constitutes notice that we are operating under and by virtue of action on the part of the United Nations insofar as Korea is concerned. I have stated repeatedly on the floor of the House that strength and power is of vital importance and that the only thing the Communists—and I use the word "Communists" and you can interpret my mind if you want to, so far as the term may describe any particular country—as I say, my personal opinion is that the only thing the Communists respect is that which they fear.

Mr. FULTON. So that there will be no misunderstanding, this is not a commitment to war, but is the United States operating under the Security Council of the United Nations?

Mr. McCORMACK. In connection with Korea, yes; and the logical hope is that it will be the assurance of peace.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JUDD. Is it not true that the Security Council has no course except to call upon the United States, which is the only Nation with forces in the Far East, to act immediately? We go in there not as an act of the United States, but as the agent of an international organization for peace?

Mr. McCORMACK. There are 11 nations involved, and of course the United States is the one Nation capable of acting in accordance with the action taken by the United Nations only a few days ago. The observation of the gentleman from Minnesota [Mr. JUDD] expresses my own personal opinion, and is correct.

Mr. FULTON. This is an action for peace and is to maintain peace, and is not an act toward war?

Mr. McCORMACK. Absolutely. Of course, that depends upon the consideration of other people that we have no control over, but it is the only action that can be taken in connection with future peace.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. TABER. Well, I will let this go on for another minute, and then I must get back to the matter under consideration. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I would like to ask this question: According to press reports, we have shot down some northern Korean planes. If a Russian submarine sinks one of our ships in the water over there, would that be undeclared war?

Mr. McCORMACK. The gentleman certainly asks a question which is purely a supposition. I think we ought to confine ourselves at this time to the facts. I am willing to answer any questions on the existing facts that I can.

Mr. MILLER of Nebraska. England announced this morning that it was our problem; that she washed her hands of it.

Mr. McCORMACK. I think probably that had better be withheld also.

Mr. HUGH D. SCOTT, JR. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. HUGH D. SCOTT, JR. I rise to congratulate the administration upon the entry of abdominal fortitude in the far-eastern policy. I am glad to see that guts have finally received their proper recognition after the weak and shifting and virtual absence of any foreign policy at all in the Far East.

Mr. McCORMACK. May I say in reply to that, the House has been very, very cautious and careful, and I am very proud of the fact, and I hope we will continue to be that way. I hope that my friend will reconsider that conclusion. There is no question about the "guts" of a man by the name of Harry S. Truman. We all know that.

Mr. HUGH D. SCOTT, JR. I assure the gentleman I was rising in support of the policy, but again I say it may be too little and too late.

Mr. McCORMACK. The gentleman admires the "guts" and courage of Harry S. Truman, the same as we all do.

Mr. DONDERO. Will the gentleman yield just for a question?

Mr. TABER. I yield.

Mr. DONDERO. Can the majority leader advise the House whether any other nation or country is cooperating with us in this move?

Mr. McCORMACK. I am not in a position now to say. I am sure the gentleman can rest content that everything is being done that can be done. I would

be glad to answer any questions I can, expressing my own opinion, as of the facts known now; but in the national interest of our country, there are many things which of course it would not be in the interest of our country to bring up.

Mr. DONDERO. I am disturbed by the answer given by the gentleman from Nebraska [Mr. MILLER] that England says she washes her hands of the whole affair.

Mr. McCORMACK. Well, I did not give that answer. The gentleman from Nebraska made that observation based on what he saw in the newspapers. I suggest that we wait and see what develops.

Mr. MILLER of Nebraska. It was a radio report from England.

Mr. McCORMACK. I have no doubt the gentleman quoted the radio report, but I am making my own observation. I want to be as frank as I can, but I think it would probably be best to wait until we see what the new developments are.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. PHILLIPS of California. Coming back to the temporary extension under the bill that the gentleman is talking about, does the gentleman see anything in this bill which limits the money expenditure for this month to one-twelfth of the budget, or is this, as I read it, an extension of any amount which might be used?

Mr. TABER. It is any amount that might be used, I am afraid. I am inclined to believe that there should be an amendment that would protect the Treasury against that.

I also feel that section 4 of the resolution should be stricken out. That is the section that provides for a wiping out of the amendments that were offered here by myself and by the gentleman from Iowa [Mr. JENSEN], and adopted by the House when the appropriation bill was before the House. I shall offer such an amendment when the time comes.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from New York has consumed 10 minutes.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.].

Mr. HUGH D. SCOTT, JR. Mr. Chairman, let me call the attention of this House to the statement made by the President on the 1st day of June of this year in which he said that we were nearer to permanent peace than we have been at any time within the last 5 years. We have just heard his message which indicates that we are at least in a state of active military assistance to an ally. We are in combat. I recall to you Patrick Henry's rejoinder: "The gentleman cries peace, peace; when there is no peace." Meanwhile we march steadily onward toward the dread arbitrament of war. If we are headed toward war let us by all means have the courage to say so, and stay in session to take the necessary action for the prosecution of that war. If we are not proceeding toward war let this administration enlighten us as to all the steps it has taken in the past for the defense of our island chain and of the ramparts which they should have been watching. Now is the time for Mr. Truman to tell us what commitments we have made to our friends and to our enemies and which ones we are living up to. Although he inherited the mistakes of Yalta, he confirmed the same errors at Potsdam, including the indefensible—and undefendable—division of the friendly Korean's Republic along the thirty-eighth parallel. A line without military logic or political reason, an action not in keeping with national honor. Now we are in for it. As Americans, all of us will have to bail out our leaders for their stupid and tragic trust of the Communist bear in the Kremlin.

By the way, who sold the President on ordering Chiang Kai-shek to make no further attempt to attack the Communists in China? This action alone is enough to button up China for the Reds, while the world's attention is focussed on Korea. Let them enlighten us on what steps, if any, have been taken for the attainment of peace in the Orient up until this moment and let them admit, that in all of the preceding months when we on this side have been advocating aid and defense for the island of Formosa and the Philippines and other areas, at least we of the minority have been right in agitating these things. We have been right in pointing out that the recent aid to Korea bill was merely economic, belated, and useless, rather than the early military assistance needed. We are in line with the saying of Dr. Syngman Rhee, head of the Korean Republic, yesterday, that American aid may again be too little, too late.

The road of State Department policy to date leads not to victory but to defeat. We had better drive our course toward victory over communism; if the Communists draw back behind the thirty-eighth parallel there is yet a chance for peace, if they do not, our lines are laid in far from pleasant places these coming days.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read, as follows:

*Resolved, etc.*, That there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units in each branch of the Government—

(a) Such amounts as may be necessary for the carrying out of projects or activities (not otherwise specifically provided for herein) for which appropriations, funds, or other authority (subject to limitations, restrictions, and permissive provisions) would be made available by the General Appropriation Act, 1951 (H. R. 7786, 81st Cong. 2d sess.), to the extent and in the manner provided for by said act as passed by the House of Representatives on May 10, 1950: *Provided*, That in no case shall the amount made available hereunder exceed the amount which would have been available under the Budget estimates for 1951 for any project or activity provided for in this subsection.

(b) Such amounts as may be necessary for carrying out, at a rate for operations, exclusive of terminal leave, not in excess of that which obtained in the last quarter of the fiscal year 1950, of projects and activities under the following:

Office of the Housing Expediter, but no funds may be used to pay compensation of any employee in a grade higher than the grade of such employee on May 22, 1950;

Selective Service System;

Government in occupied areas of Germany.

(c) Such amounts as may be necessary for the carrying out, at a rate not in excess of that which obtained in the last quarter of the fiscal year 1950, or that provided for in the Budget estimates for 1951, whichever is lower, for projects and activities under applicable appropriations, as follows:

Legislative branch: Senate; Architect of the Capitol (Senate items);

Department of the Interior:

Standardization of Geographic Names;

Indians of California;

National Indian Institute.

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. PHILLIPS of California: On page 2, line 8, after the word "exceed", insert "one-twelfth of."

Mr. PHILLIPS of California. Mr. Chairman, I offer this amendment not only for myself but for a number of Members on this side of the aisle who have asked that a statement be made or an amendment adopted referring to the proviso on page 2. I find nothing in this bill which in any way limits the amount of money which may be spent in the extension covered by this resolution. Whether or not that is desirable in all cases may be questionable, but there certainly should be some limitation in this bill upon the amount of money to be spent in the 1 month for which we give the extension under the temporary resolution.

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Montana.

Mr. D'EWART. If I read the gentleman's amendment correctly, it is one-twelfth of the budget estimates, not one-twelfth of what was appropriated by the House?

Mr. PHILLIPS of California. One-twelfth of the budget estimate, according to the printed resolution. That is an important point.

We face the situation that there are agencies which operate upon the basis of equal twelfths; and that there are agencies which operate upon a larger need of budget money during certain seasons; but I think there should be a statement here or some limitation placed upon the amount of money which is to be spent in the 1-month period. I think my amendment should be adopted and the matter further clarified in the other body or in conference.

Mr. CANNON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the limitations which the gentleman suggests are now in existence. They are already in operation in the accounting system of the Government and in this bill.

In the first place, Mr. Chairman, it is wholly impossible to divide and allot many of the annual expenditures by 12. For example, the appropriations for roads, road construction and road maintenance cannot be divided by twelfths

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because much of the work, the construction in particular is seasonal. That is also true of rivers and harbors and flood control work. They can work only at certain seasons of the year. The peak of their activity naturally is in the summer months. It is impracticable, if not impossible, to allot their funds one-twelfth for each month.

That is also true of the Forestry Service and many other activities of the Government. Obviously it would be impracticable to attempt to allocate and expend one month's fund at a time, equally throughout the year.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from California.

Mr. PHILLIPS of California. May I ask the chairman, did we not write a provision of that kind into the bills that we passed last year under somewhat similar circumstances?

Mr. CANNON. Oh no; no such provision is carried by current bills.

Furthermore, reverting again to the pending amendment there are two safeguards which prevent the catastrophe which the gentleman from California is seeking to avoid. Under this bill this money used by the various activities for which it makes provision must be released by the Bureau of the Budget and by the General Accounting Office. Now, I am certain everybody will agree they are not going to release undue sums or disproportionate amounts. The gentleman urges a limitation. There is the limitation, both of these agencies must agree that any proposed expenditure authorized by this joint resolution is reasonable and fair and is actually required.

Furthermore, in the last section of the bill on page 4, section 6, line 20, it also is provided that the funds used pursuant to the authority granted by this bill shall be deducted from their annual funds when such funds are made available by the enactment of the General Accounting Act. So it will be seen that there would be no inducement for them to use any undue amounts. If they did so, it would be taken out of the funds given them in the annual bill.

From any point of view, Mr. Chairman, there is no reason why this amendment should be tacked on the bill. And there is every reason it should not be. I trust the committee will reject the amendment.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it occurs to me that part of the difficulty arises out of the language which appears in lines 7 to 11 on page 2. It depends on how you read them. The proviso says:

*Provided*, That in no case shall the amount made available hereunder exceed the amount which would have been available under the budget estimates for 1951 for any project or activity provided for in this subsection.

Now, if that had said under the 1951 budget estimates, it would be clear that it applied to the estimates under whatever limitation might be. But, you can read that proviso to mean that the amount available would be the amount available for the fiscal year 1951 which, of course, I think, would not be reading it in accordance with the intent of the draftsmanship. I think it is important to have the intent clear, because in one instance, I recall, in the funds for the National Housing Agency, the House by a roll-call vote made a very substantial reduction in the budget estimates. If that agency should proceed to expend in the next month the amount of money that would be available for 1951, or to proceed on any such scale as the budget estimates, they would certainly find themselves in considerable trouble if the action of the House is sustained by the other body or sustained in conference.

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Montana.

Mr. D'EWART. Would the gentleman, as a member of the Committee on Appropriations, explain what the National Indian Institute is, and what funds are to be made available for it? That is to be found on page 3, line 5.

Mr. CASE of South Dakota. I would like to yield to some member of the subcommittee handling the appropriations for the Department of the Interior to answer the gentleman's question.

Mr. CANNON. Mr. Chairman, if the gentleman wishes, I will answer the gentleman's question. However, may I first answer the proposition submitted by the gentleman from South Dakota by saying that this provision in the bill to which he refers is an economy measure. The purpose here is to make available in each instance the lowest amount. In some cases the lowest amount is in the House bill. In some cases the lowest amount is in the budget estimate. It will be recalled that, unfortunately, in a few instances we exceeded the budget estimate in the bill. So this provision is carried here to make certain that we always take the lowest sum. If the sum carried by the House bill is the lowest, then that is the sum which governs.

On the other hand, if the figure in the House bill exceeded the budget estimate, and the budget estimate is less than the House bill, then the budget estimate governs. So the whole purpose of this provision is economy. It is included here to be certain that we take the lowest amount.

Mr. CASE of South Dakota. Mr. Chairman, I am glad to hear the chairman make that statement, and I think it clarifies the situation on that point. Now if the chairman would, will he answer the question put by the gentleman from Montana [Mr. D'EWART]?

Mr. CANNON. In response to the inquiry of the gentleman from Montana, the item in line 5 on page 3, the National Indian Institute, provides for an agency created by Executive order in 1941 pursuant to a provision of an international convention at Mexico City in 1940. The United States officially adhered to this proceeding, and it was ratified by the Senate in 1941. The functions of the Institute are administered in the Bureau of Indian Affairs. The Institute is actually a working unit of the Indian Bureau and is responsible for making preparations for periodic inter-American Indian conferences and handling the many other inter-American Indian matters rising in connection with the 1941 treaty. It is imperative, of course, that we have some such authority. It contributes to the comity between the sister republics of the Western Hemisphere.

Mr. CASE of South Dakota. How much money is used for that purpose?

Mr. CANNON. Twenty-two thousand five hundred dollars is the amount carried annually, and is the amount proposed in the budget estimate for the current year.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was rejected.

Mr. MARCANTONIO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have heard words read here by our distinguished majority leader which I think will mark a disastrous course, and the words I am using do not adequately describe the disastrous consequences this course will have on the people of the United States unless checked by the people themselves.

I refer specifically to these words the majority leader read from the President's statement:

In these circumstances I have ordered United States air and sea forces to give the Korean Government troops cover and support.

Then again the President is quoted:

Accordingly I have ordered the Seventh Fleet to prevent any attack on Formosa.

This means the utilization of Americans in our Armed Forces in two civil wars, one that is taking place in Korea and one that is well nigh completed in China. For all purposes, we were at war with the government and people of Korea, and we might as well face it, the moment these words were enunciated.

I would be remiss to the things in which I believe if I did not stand up here and state my opinion on this matter. After all, Mr. Chairman, you live only once, and it is best to live one's life with one's conscience than to temporize or accept with silence those things which one believes to be against the interests of one's people and one's nation.

The argument is advanced here that this action can be justified as a result of the United Nations Charter. That has been the tenor of the argument. I disagree with any such contention. However, I say that when we agreed to the United Nations Charter we never agreed to supplant our Constitution with the United Nations Charter. The power to declare and make war is vested in the representatives of the people, in the Congress of the United States. That power has today been usurped from us with the reading of this short statement by the President to the people of the world. We here in Congress are asked to supinely accept this usurpation of our right as representatives of the American people. We have abdicated it for I have heard no protest, I have heard not a single word against it. I have no other recourse but to stand up and point out exactly what this action is, how it violates our

Constitution, our democratic traditions, and how it deprives the American people of the right to express themselves on the vital question of war and peace, a power and a right properly vested in the representatives of the American people, the Congress, by those who wisely wrote our Constitution.

I know we are going to have and we have been having a lot of war drum beating. The beating of the war drums has been such that they may drown out reason. But I think it is time, before it is too late, that we pause and take inventory of what has happened in Asia.

We have been warned time and time again and all signs in Asia have been pointing to what? That the people of Asia, the people of China, have been seeking national liberation, and that aspiration for national liberation has been and is supreme in the very existence of the people of Asia. In China we spent $3,000,000,000 on Chiang Kai-shek. He controlled the mainland, he controlled the Government, he controlled the army, he controlled everything. Our $3,000,000,000 did not save him, because I tell you neither $3,000,000,000, nor any amount of billions, would ever defeat the desire of 400,000,000 Chinese to establish for themselves their own form of government, no more than billions of dollars could have stopped us to establish for ourselves our own form of government in 1776.

The CHAIRMAN. The time of the gentleman from New York [Mr. MARCANTONIO] has expired.

Mr. MARCANTONIO. Mr. Chairman, I ask unanimous consent and the indulgence of this Committee to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. I thank the Committee for giving me this extra time.

So the people of China asserted themselves. Formosa is just as much a part of China as Staten Island is a part of New York. Here we are told that the United States Fleet is to intercede and to interfere and attempt to stop the people of China from carrying out their own will in their own country.

I remember the words I said here on February 7 about Korea. I stated in the well of this House that the defense of tyranny was never in the best interests of the people of the United States. I pointed out the similarity between the rottenness that existed in the Chiang Kai-shek government and that existing in the South Korean Government—the imprisonment of 40,000 people; the harsh exploitation of the people, the feeling of unrest, and the contempt for the rulers of South Korea on the part of the general masses of the people. It was a government imposed on the people of Korea by force of arms, a police state; and I stated at that time that that Government could not long endure, that it would be wiped out by the will of the people of Korea.

I also said at that time that you cannot take a nation and draw a line through it and divide it and split into two countries a nation which is an ethnic unity, a people united culturally and racially over centuries. But we tried to do it. The United Nations itself recognized that that could not be done, and set up a United Nations commission to bring about a united country in Korea, and to carry out the will of the people for a united and independent country. The tyrannical rulers of South Korea continued to deny this legitimate aspiration of the people, ruthlessly suppressed every endeavor on the part of the people to achieve this objective and thus created an irrepressible conflict.

Here now we are sending American aviators to lay down their lives, sending American sailors to lay down their lives, and who knows how soon it will be before our infantry will be sent to lay down their lives to defend, aid and abet tyranny and perpetrate aggression against the Korean people who strive for a united and independent nation.

Now, you may want this action. I do not. I know that the American people will not want this action when they think it over, and I know that they will thrust through this terrible dark cloud of war that has been descending on them. Oh, yes, you can indulge in attacks on communism. You can keep on making impassioned pleas for the destruction of communism, but I tell you that the issue in China, in Asia, in Korea and in Viet Nam is the right of these peoples to self-determination, to a government of their own, to independence and national unity.

Remember one thing: A bomb was dropped on Hiroshima. It had terrible consequences, but it did not frighten the people of China and it did not frighten the people of Korea. For again, these people despite the terror of the atom bomb have refused to abandon their efforts for national liberation. They will no more abandon this objective than the American people did during our Revolution.

I also say, Mr. Chairman, that in the light of this background that before this action can be taken this question should be debated here and decided here. The vote must be taken here by us as representatives of the American people whether or not American aviators and American seamen shall be shot down, their blood spilled in defense of tyranny in a conflict similar to our own Civil War. That is a power which is vested in us by the Constitution. I shall do all that I can—alone perhaps, but living with my conscience—to oppose this course which is not in the defense of the best interests of the American people.

War is not inevitable; there are alternatives, but this declaration on the part of President Truman is an acceptance of the doctrine of the inevitability of war. I stand here and challenge that doctrine. I say that the ingenuity of Americans and people all over the world challenge this doctrine.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Not at this time.

Mr. McCORMACK. The gentleman challenged a statement.

Mr. MARCANTONIO. I challenge that doctrine.

Mr. McCORMACK. Where does the doctrine start?

Mr. MARCANTONIO. That is not the question here, but since you have asked the question I repeat the doctrine in this crisis originated with Truman.

Mr. RIBICOFF. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I agree with the gentleman from New York that war is not inevitable; but certainly if we were to follow his advice this Nation would gradually surrender nation after nation to Soviet imperialism. I think war under those circumstances would be inevitable.

The gentleman from New York says that the action of the President will lead to disaster. I contend that any other action by the President of the United States would lead to disaster.

I think there are striking parallels between what has happened in Korea and what happened in the recent past. We must stop, look, listen, and counsel with one another. The gentleman from New York talks as if this were an action by Korean patriots; this is an action by pawns of Soviet imperialism. What difference is there in the action of northern Koreans today and the actions which led to the Second World War? Talk about parallels. This is similar to Mussolini's invasion of Ethiopia, this is similar to Hitler's reoccupying the Rhineland, this is an exactly similar parallel to Japan's moving into Manchuria. Time after time it has been proven that inaction, that willingness to shut one's eyes to injustice eventually leads to war. Appeasement and indifference will not stop wars. We know that Russian imperialism seeks the domination of all the world. Let us not think that should the United States sit idly by and do nothing as one nation after another is conquered by Russia and Russian satellites that the United States itself would remain free. Under those circumstances there would be no alternative, the United States of America would stand by itself in a world completely dominated by Soviet Russia, a world where the entire balance of power, and economic, and material, and military resources would be in the hands of the Soviet Union.

Certainly the President of the United States cannot sit idly by, nor this Congress, and condone such circumstances or permit them to continue throughout the world. I feel that the next 50 years will determine the course of western civilization for the next 2,000 years. People of power, courage, and purpose will make that decision. Let us hope they will be people endowed with decency and a sense of freedom; and certainly, if we are to be successful and the civilization that we know is to remain, it is most important that the United States recognize the freedom of people all over the world and not stand idly by and allow Russia to take one nation after another as she has done in the past. That, itself, will lead to war and the action of the President in putting a stop to what is happening in Korea I cannot help but feel will restrict the further spreading of any general war because Russia when she realizes the determination of the United States will stop at that point.

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She stopped in Berlin, she stopped in Greece, she stopped in Iran. If we want peace we will get it if we are strong. "Peace through strength" should be the slogan of the United States. We should not continue to back away time and time again because Russia seeks to make a move unilaterally and we allow her to make the move. If successful, from that time on she probes further and further and further.

I am sure that the people of the United States of America will back up the conduct of the President of the United States because the conduct of the President of the United States today will lead to peace, not to war. If the President of the United States followed the advocacy of the gentleman from New York it would lead to a general world war and if it continues much longer we of the United States of America will ourselves have our back to the wall. I am sure that the Congress and people of this country will back the President of the United States in this important issue and not the gentleman from New York [Mr. MARCANTONIO].

Mr. HAYS of Ohio. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the gentleman from New York [Mr. MARCANTONIO], either with deliberate intent or through ignorance, sees fit to defend upon this floor time and time again the naked acts of aggression against various free governments of this world which are directed and dictated from Moscow. He undertook to defend the action of the Communist Party in Italy back in March of this year. I felt impelled at that time to take the floor and set him straight on a few facts.

He talks today about the nations of Asia determining for themselves which sort of government they are going to have. I wonder who he thinks he is kidding? You know and I know that the march of Red communism across China was not dictated by the Chinese people. It was dictated by the Kremlin, it was financed by the Kremlin, and the armies which marched across China were armed by the Kremlin. This invasion from North Korea against South Korea is not the will of the Korean people. It is directed by a bunch of gangsters who have been sent in from Russia or Manchuria, armed with Russian planes and Russian guns to nibble off another nation and add it to the list of the conquered.

If we sit idly by and allow them to do it, they will subject the free nations of the world one by one to a state of slavery. If we do nothing they will conquer the free world on the installment plan, with the United States as the final installment. Oh, I remember when Mein Kampf was in every library in America and we had the privilege of reading it. Hitler said what he intended to do, but we did not want to believe him. Stalin has just issued a book in which he says that he intends, and it is the intent of the Communist revolutionists to destroy democracies, to destroy capitalism, to uproot the church, and to subject human decency and liberty throughout the world to the rule of a few men who have as their greatest desire the degradation of everything that Americans hold dear.

I suppose that if the Russians marched into Austria the gentleman from New York [Mr. MARCANTONIO] would say that it is the will of the Austrian people. I was in Austria last fall, just a week before the elections. With half of that country occupied by Russian troops a free election was held. What percentage of the Austrian people voted for communism? Just a fraction less than 6 percent. Yet if the Russian-dominated Communist Army would march into Austria, I can almost hear the gentleman down in the well of this House say that it is the will of the Austrian people that they be enslaved. What unadulterated tommyrot and propaganda.

Mr. Chairman, I am not afraid of the decision of the American people upon what the President has done, because they know as we know that he is acting in the long-range interest of the United States as we know it, and according to democracy as it exists and is understood in the world today. He is acting to preserve the peace by letting Russia know that we have had enough aggression and conquest. He is speaking to the Communists in the only language they understand.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, in the House today this is a time of high feeling and critical decision, and we people who want to see the right course taken by the United States must feel sure that those who disagree with us have the right to speak. Instead of criticizing and instead of aiming bellicose words at one man in this House we ought to be reassured that the advocates of a certain point of view have the right to stand up here and say it. So I want to say to the gentleman from New York, that you have at least one person in the House who will sit and listen to you, including many other Members, because yours is a criticism of the formation of a policy that the United States is embarking upon that will affect the whole 100 years ahead of us. The effects of the policy announced today will have their trends in events that will take place throughout the lifetime of each of us. Each of us, if we are fair in this House, must restrain ourselves from name calling, must settle ourselves down and say to the gentleman from New York "You keep on speaking because no matter whether we disagree with you, you certainly speak honestly" and I might even say this afternoon under the temper of certain portions of this House, "and bravely."

When we examine the policy that the United States is embarking upon by the announcement of the President today, the Committee on Foreign Affairs of the House, the Committee on Armed Services of the House, the Committee on Foreign Relations of the Senate and the Committee on Armed Services of the Senate must meet and agree to proceed upon a bipartisan basis for the implementation of such policy.

My feeling this morning, therefore, is, first, that when Congress and the President agree upon a policy that it be not a party policy, but a United States policy. Secondly, that it be a bipartisan policy completed after full examination by both parties, and that we listen to opposition in order better to make that policy. Thirdly, that when we implement such a policy it be not a unilateral policy by the United States or by the President of the United States alone, but it be done sincerely through the United Nations and through its instrumentalities. This policy must be blended under the United Nations, and we must conform to the actions of the Security Council of the United Nations and adopt their suggestions and decisions.

It should be emphasized that this is a policy of peace to maintain the status quo and to implement the United Nations, so that it should be the instrument of peace that we all expect it to be. Might I say that today when the President has acted, in his statement he has said that the Security Council called upon all members of the United Nations to render their assistance to the United Nations in the execution of the resolution of the Security Council.

In closing I will concur, as a Republican, in a bipartisan policy in support of the United Nations. I hope that we can rise above partisanship in order to have an affirmative United States policy in the Pacific and keep safe these good shores of ours so that no American girl or boy will lose his or her life in a possible world war III.

The Clerk read as follows:

SEC. 2. Funds available in the fiscal year 1950 are hereby continued available until July 31, 1950, for the following:

Economic cooperation.

Assistance to the Republic of Korea; and the limitation on administrative expenses is increased from $1,500,000 to $2,100,000.

Government and relief in occupied areas; and the limitation on administrative expenses is increased from $42,500,000 to $44,500,000.

Displaced Persons Commission.

Mutual defense assistance.

International Children's Emergency Fund.

SEC. 3. The Commissioners of the District of Columbia are authorized to incur obligations and make expenditures therefor from applicable funds and revenues of said District, as may be necessary to carry out projects and activities, to the extent and in the manner provided for by the District of Columbia Appropriation Act, 1951, as passed by the House of Representatives on May 23, 1950: *Provided*, That obligations and expenditures hereunder shall be subject to applicable provisions of the General Appropriation Act, 1951, as passed by the House of Representatives on May 10, 1950.

SEC. 4. Appropriations and funds made available, and authority granted, pursuant to sections 1 and 2 of this joint resolution shall be subject to the provisions of the General Appropriation Act, 1951, as passed by the House of Representatives on May 10, 1950, except chapter X-A and section 1114, but

such appropriations and funds shall not be subject to the time limitations set forth in subsection (d) (2) of section 1111.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 4, lines 5 to 12, strike out section 4.

Mr. TABER. Mr. Chairman, I have offered this amendment to strike out section 4, which wipes out, insofar as the lifetime of this continuing resolution is concerned, the provisions of the so-called Taber-Thomas amendment and the Jensen amendment, which were adopted to the general appropriations bill when it was under consideration on the 10th of May 1950.

If we are going by subterfuge, and that is about what this is, to back-track, it is about time that we began to wake up. I think we should stand by our position. We should not wipe out those provisions but should permit them to continue and to be amended until the final bill is passed, and then we should support them insofar as we are able when the bill comes back from the Senate. The only way I can see to do this is by striking out section 4. That I request the House at this time to do.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. JENSEN. If this section is left in the bill, it says in effect that the House will capitulate completely, before we even have a meeting with the Senate in conference, as to that part of the appropriation bill which the House passed which pertains to section 1114. The gentleman's amendment has that in mind. We say right now without further ado that the House capitulates.

Mr. TABER. That is right. To that I am opposed.

Mr. Chairman, I hope this amendment will be adopted.

Mr. CANNON. Mr. Chairman, of course this amendment is wholly impracticable. This is merely a stopgap resolution to service the interim—a few days at most—between the end of the fiscal year and the enactment of the annual bill.

It is an entirely different proposition to apply these two amendments to the annual bill, where there will be opportunity to adopt it, to prepare for it, to make adjustments, and to iron it out in conference—than the proposition of putting those two amendments into effect in every department in the United States Government next Monday morning. It simply cannot be done. The detail, the bookkeeping, the adjustment is such that it could not be effected between now and that time.

Let us see what would be the practical result. Take for example the appropriation for travel in the mail service. There would be a 20-percent reduction in the travel allowance of the mail service. That means that on every rural route in the United States they must immediately reduce to a 4-day delivery or they must discontinue serving one-fifth of their patrons next Monday morning.



How absurd it is. And that applies to many Federal activities.

Consider an agency drastically important to the United States in this international crisis—the FBI. If this amendment is agreed to it reduces by 10 percent the personnel and by 20 percent the travel allowance of the FBI. Everybody knows that a large part of the expenses of the FBI is for travel, not only in this country, but in every country in the world where the FBI is operating, and where it is effectively protecting the interest of the United States.

On next Monday morning we would cut one-fifth of the travel out. Why, it is utterly ridiculous, Mr. Chairman. It simply cannot be done. These limitations must be kept in this bill. I trust the House will vote down the amendment.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I have to disagree with the distinguished chairman of the Committee on Appropriations [Mr. CANNON], but as a Member of the House of Representatives I do not want to be thrown in the position of starting to vote for war appropriations. In other words, I would rather join the gentleman from New York [Mr. TABER] and stick to the House appropriation bill as it passed this body. Then, after the other body considers the appropriations in some 5 or 6 weeks, which it undoubtedly will, and if, in the meantime, we wish to take up a war budget, then let it be a war budget.

But if we are still in peacetime, which personally I do not think we are, because I think the President today issued a declaration of war—I think this is a show-down, and I am not worrying too much about that—I am in favor of this amendment which has been offered by the gentleman from New York [Mr. TABER], which simply means that we should stick to the House bill as it was passed. Is that correct, may I inquire of the gentleman from New York [Mr. TABER]?

Mr. TABER. That is correct.

Mr. CRAWFORD. That is the way I understand the whole proposition. I do not think the accounting difficulties are at all impossible. Therefore, I have to disagree with the chairman of the committee [Mr. CANNON].

Mr. Chairman, on this question of the situation in the Far East I think there are many people in my district who would welcome knowing what my attitude is. This is a campaign year, and I do not mind telling them. I stated on the floor of the House last week, before the southern Korea incident developed, that I thought we were 9 months behind time. I think General MacArthur and his staff in Tokyo as far back as last October gave the administration every warning on earth necessary to give anybody. But subsequent to that time the administration substantially wrote Formosa off the sheet. The Secretary of Defense and the Chief of Staff went over there recently, also Mr. Dulles and some others, and came back a few days ago with their reports, and about the time they landed somebody decided to make the move in Korea.

Insofar as I am concerned, I want to say here categorically and specifically, as I have said before, that my life and what I have is dedicated to the proposition of defending our far eastern line, including Japan and Formosa and the Philippines, to the last man, if necessary, in order to offset the Communist movement out of Moscow.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. MASON. When General Bradley and Mr. Johnson came back after their conference with General MacArthur, before they could even report, our Secretary of State pulled the rug out from under their feet, and that was the go-ahead sign for this thing in Korea.

Mr. CRAWFORD. I understand that, but in the light of all that has happened since July 1945, where, so far as I know, Russia has never been stopped at a single spin of the wheel, for not a single barrier has been put in her way to actually stop her progress. Why, I do not know; but here is the show-down, and if we have anything in our hearts and souls and backbones whatsoever, let us gear our people and our energy to the proposition of deciding once and for all what we are going to do about the Russian movement. If we want to go along with her, then let us stop all of these war appropriations, crawl in bed with Russia and live with her as best we can. Either cut all of that out or let us put everything we have on the barrelhead and say, "This is the show-down, once and for all."

I do not think anybody has any reason to misunderstand my position on this matter. I am tired of bleeding our people to death, shipping our substance all over the earth, without first a decision. I would like to see these two great bodies of Congress take this matter up in the next 5 or 10 days and debate it as the first issue before our people, and reach a decision on it; take it out of the hands of the State Department, if you please, and let the Congress of the United States now decide what we are to do. But in the meantime stop the advance in southern Korea, Formosa, and the Philippines, and protect our defense line over there.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CANNON. Mr. Chairman, I yield the remaining 5 minutes to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, I shall devote the 5 minutes I have been allotted to close debate in discussing the pending amendment and the pending resolution and nothing else.

This amendment offered by the gentleman from New York [Mr. TABER] must be decisively defeated. The present general proposition in a nutshell is: Do you

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want to enact a continuing resolution to permit the various Government agencies to properly function from July 1 until such time as the other body takes action on the omnibus appropriation bill, which it has had before it since last May 10, and concerning which its Appropriations Committee has been holding daily hearings? With the world situation such as we find it today, a fairly reasonable status quo must be maintained in these various Government departments and agencies at least until the other body acts, until the 1951 fiscal year appropriation bill is passed by the Senate. Then the conferees on the part of each body may meet, and the House conferees will come back to the House with a picture which will be in true line with the world situation as of that date.

The distinguished and learned chairman of the full Appropriations Committee, the gentleman from Missouri [Mr. CANNON], previously mentioned to you an item which I feel is of the greatest importance in connection with your vote on the pending amendment. That is the appropriation for the Federal Bureau of Investigation. Last January 13 Director J. Edgar Hoover, of the Federal Bureau of Investigation, came before the subcommittee on appropriations of which I happen to be chairman, and requested 700 additional employees for the coming fiscal year, beginning July 1, which is right at the end of the present week; 325 new agents, and the balance in important clerical personnel. He stated that he needed over 600 of these new employees to afford greater investigative coverage in the field of internal security, particularly in connection with clandestine activities of the Communist Party, United States of America, and other groups who aim at our national security.

The committee saw fit, unanimously—there was no political partisanship involved—to grant this request for 700 additional employees for the Federal Bureau of Investigation. What happened since that action of your subcommittee and the subsequent ratification by the full appropriations committee and since the reading for amendment without successful amendment of the chapter which contains appropriations for the Federal Bureau of Investigation, just one item in the appropriation chapter for the Departments of State, Justice, Commerce, and the Federal Judiciary? The ill-advised Taber amendment of May 10 which was subsequently but unfortunately adopted by the House, and I am sure without full and adequate consideration of the consequences involved, completely nullified the committee's work and cut moneys for travel to the extent that the Federal Bureau of Investigation would be utterly crippled in the coming fiscal year insofar as even their normal operations are concerned. I point this out to you as merely one of a great many similar items.

Finally, the resolution now under consideration merely continues appropriations until such time as the other body acts and the appropriations are finally passed or July 31, 1950, whichever first occurs. To strike section 4 from it would only complicate matters far beyond the complications and devastating effect of the Taber amendment of last May 10.

Let us adopt the continuing resolution in the form in which it was drawn and as approved by the committee on appropriations. Therefore, Mr. Chairman, the pending amendment offered by the gentleman from New York [Mr. TABER] should now be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

The Clerk read as follows:

SEC. 5. Appropriations and funds made available, and authority granted, pursuant to this joint resolution, shall remain available until (a) enactment into law of an appropriation for any project or activity provided for herein, or (b) enactment of the applicable appropriation act by both Houses without any provision for such project or activity, or (c) July 31, 1950, whichever first occurs.

SEC. 6. Expenditures from appropriations or funds made available pursuant to this joint resolution shall be charged to any applicable appropriation or fund whenever a bill in which such applicable appropriation or fund is contained is enacted into law.

Mr. CANNON. Mr. Chairman, I move that the Committee do now rise and report the resolution back to the House with the recommendation that the resolution be passed.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Joint Resolution 492, he reported the same back to the House with the recommendation that it do pass.

The previous question was ordered.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and motion to reconsider was laid on the table.

### HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

### REDUCTION OF EXCISE TAXES

Mr. SABATH. Mr. Speaker, I call up the resolution (H. Res. 666) providing for the consideration of House bill 8920, a bill to reduce excise taxes and for other purposes.

The Clerk read the resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 days, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by the direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

### REVENUE ACT OF 1950

Mr. SABATH. Mr. Speaker, the Committee on Ways and Means of the House unanimously requested a closed rule on the revenue bill (H. R. 8920), that this rule makes in order, and pursuant to said request, the Committee on Rules unanimously granted a rule of their asking.

The rule provides for 2 days of general debate, closed as to amendments, except that amendments offered only by the Committee on Ways and Means will be in order, and all points of order against said bill or amendments thereto are waived.

Though the bill does not carry out the President's recommendations or my hopes in this matter, I realize that legislation, after all, is a compromise. Nevertheless, I must congratulate the Democratic members of the Committee on Ways and Means for their strenuous work during the past 5 months in an effort to report a bill which would repeal or at least reduce some of the wartime excise taxes. I want to compliment the committee on the finest report ever to reach the House.

I feel confident that had it not been for the Republican opposition in Committee and elsewhere, the excise taxes would have been reduced even further, if not repealed altogether. But having failed to eliminate the many loopholes in our extant tax laws, it was impossible to repeal the excise tax altogether. Unfortunately, the committee failed to place a sufficient tax on the so-called hundreds of charitable trust, family foundations, private trusts, and educational institutions which would have provided additional revenue.

As I understand, our Republican friends were willing to repeal the excise taxes but were unwilling to provide sufficient additional revenue to compensate for our loss of same, and have refused to vote for plugging the loopholes as I suggested. This reminds me of a former Member of this House from Tennessee, Mr. Austin, who voted for all appropriation bills but never for a revenue bill, believing that this would endear him to his constituency. But they did not approve of his attitude and retired him to private life which will surely happen to many of my Republican friends who promise and advocate the repeal of the excise taxes but fail to provide additional revenue to take its place. It is certainly to be regretted that in these prosperous days before us, as all reliable sources indicate, the Republicans are unwilling to vote for legislation reducing the deficit and bring about sufficient revenue to reduce our bonded indebtedness. The present bill lessens our national revenue by $12,000,000 when by right there should have been

a surplus created of from $3,000,000,000 to $5,000,000,000. When, oh, when, Mr. Speaker, will we start to reduce our bonded indebtedness, if not now in the most prosperous days?

LIFE INSURANCE COMPANIES

I for one, of course, am pleased that this bill contains a retroactive tax provision as to the large life insurance companies that have been milking the public and getting away with murder since 1947 when they paid no tax at all. As a matter of fact, in 1946 the life insurance companies paid into the Treasury $22,000; in 1945, $25,000; in 1944, $35,000; this, notwithstanding the fact that due to the increased longevity they failed to reduce their high premiums, which I am reliably informed, are at least 20 percent above the premiums charged in Great Britain and other countries. In 1948, for example, when the life insurance companies paid no tax at all under the old formula, the face amount of life insurance in force was $202,000,000,000 on which the premiums paid were $7,200,000,000, by 78,000,000 people who owned 188,000,000 individual policies. The total assets of life insurance companies in 1948, were $55,600,000,000, and the total reserves were $48,200,000,000, yielding a return of $2,400,000,000, which has been tax exempt.

PERCENTAGE DEPLETION ALLOWANCE

For the past 24 years the billion-dollar oil and gas combines received and have been receiving a depletion allowance of 27½ percent which was given them under a Republican administration. In fact, this depletion allowance exceeds by far—many times—the original investments of these companies. Instead of reducing or eliminating this allowance, the bill increases the percentage depletion allowance in the case of coal from 5 to 10 percent and sets up a new group of minerals to which depletion allowance is available at the rate of 5 percent, notwithstanding the high prices that the coal barons obtain for the coal which is nearly three times as high as it was 10 years ago.

It is estimated that these changes in the percentage depletion allowance will reduce the revenues by about $35,000,000 a year when fully effective. If the depletion allowance to the oil and gas companies had been reduced, as it should have been, we would have netted at least two or three times as much additional revenue in this respect.

I shall not explain the 10-percent withholding tax on the part of corporations on dividends from stockholders, for I was in the hopes that this bill would increase our revenue; instead it leaves a deficit, and that, as I said before, during the most prosperous times in the history of our country.

NO WORKABLE MAJORITY

I repeat, Mr. Speaker, I do not blame the sincere Democratic members of the Committee on Ways and Means who unfortunately found themselves in the same position I frequently find myself on my own committee, not having a workable majority to carry out the President's and Administration recommendations and policies which are invariably in the interests of the small taxpayers and at the same time aim to provide for the reduction of our bonded indebtedness to which my Republican friends so gleefully refer; though they are actually responsible for same. It was through their activities that we still, after 9 years, have excise taxes for the little fellow, and loopholes for the big fellow. In lieu of repealing the excise taxes in 1945, they repealed the excess profits tax and reduced the corporation tax, due to the working coalition that existed and which cost the Treasury $6,000,000,000; in 1948, they reduced income tax on individuals in the wealthy brackets by $5,000,000,000, and thereby gave relief, first of all, to the large corporations again and the wealthy tax brackets, instead of to the general public. I again call your attention to the fact that had you Republicans been sincere we could have repealed the excise taxes and plugged all the loopholes of the present laws. Day in and day out you attack the reckless spending, but you at all times vote to appropriate millions upon millions of dollars, however, as you did in the river and harbor-flood control "pork barrel" bill, and in fact, invariably, for all appropriations that to some extent are "political sop" or "handouts" to your particular district or State, and thus increase the deficit.

Mr. Speaker, in view of conditions and believing that one-half a loaf is better than no loaf at all, I am for this bill and hope that the next Congress will give the Democrats a real working majority, and the unholy coalition will not be able to thwart real democratic efforts to carry out the Jeffersonian principle of "equal rights to all and special privileges to none."

Mr. Speaker, these are some of my views on this important bill. Not being able to appear before the Committee on Ways and Means during the long course of their diligent hearings on same, I sent Chairman DOUGHTON a letter setting forth my views in detail. I mentioned the names of some large charitable trusts and uncharitable trusts that were formed solely for the purpose of evading our tax laws.

Therefore, Mr. Speaker, under unanimous consent I embody at this point in the RECORD that letter and my views contained therein in my remarks:

HON. ROBERT L. DOUGHTON,
*Chairman, Committee on Ways and Means, House of Representatives, Washington, D. C.*

DEAR MR. CHAIRMAN: Due to the illness of Mrs. Sabath and myself, which I am pleased is not serious, I was precluded from appearing personally before your committee.

Therefore, I submit to you the importance of enacting legislation which will eliminate the many loopholes in the present tax laws and at the same time eliminate the several tax exemptions to trusts, so-called charities, institutions of higher learning, life insurance companies, and the oil and gas depletion allowances, all of which are evading Government tax in one form or another and which amount to hundreds of millions of dollars annually. If my suggestions be carried out you can easily repeal the excise tax and eliminate deficit spending.

All of you, I am sure, desire to bring about the reduction of the burdens that fall on the average taxpayers, as you so frequently point out. I feel that if you consider my enclosed statement, you too will come to the conclusion that it is deserving of your favorable consideration.

Sincerely yours,

A. J. SABATH,
*Member of Congress.*

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REPUBLICAN DUPLICITY

Mr. Chairman, the President, in a recent message to this Congress, urged the inclusion in the proposed tax revision bill of specific provisions for closing the many loopholes in the present tax laws, and to repeal the exemptions presently allowed many corporations such as oil companies, life-insurance companies, and other corporations and organizations, on the huge sums used by them for purely speculative purposes. Some of our major education institutions are included in this category because of the tax exemptions granted in their original charters as charitable or eleemosynary institutions.

Some years ago certain industrialists who had accumulated tremendous wealth conceived the idea of setting up trusts or foundations effective upon their death for the very laudable purpose of benefiting our institutions of learnings, for research in medicine and other fields—to aid the needy, and for other worth-while purposes of improving the general welfare. Among these are the Carnegie Foundation, the Russell Sage Foundation, and, later, the Rockefeller Foundation. The profits from their operations were quite generally used for the specific purpose for which they were originally created. They have added to the material growth and welfare of our country. They were placed in a tax-exempt status because their income was used for humanitarian and worthy purposes.

Realizing the looseness of the provisions of the present law, a large number of greedy individuals conceived the idea of taking advantage of the law to serve their own selfish purposes, with the result that in the name of charity and higher education thousands of so-called family trusts have mushroomed in the last few years, resulting in a loss of hundreds of millions of tax dollars to the Government each year.

The Virginia Law Review of February 1948 reported that there are in existence today more than 10,000 foundations of this type, and the vast majority are of the "family" variety. The actual number is not known, it may well run into double or triple that number. These trusts are very secretive about their business. They take the position that their finances are nobody's business. They have long feared the spotlight of publicity and the possibility of legislative action to bring them in line. These foundations receive today preferred tax treatment. They are definitely obligated to justify their public sanction. The larger and older foundations have recognized this responsibility; annual reports are published and the public can ascertain where the income goes. All should be required to report their financial and other operations, and tax exemption should be limited only to their direct contributions to institutions with an active program for social welfare.

Let me point out a few of the operations of recent date of some of these so-called trusts or foundations.

The Hershey family formed the nonprofit Hershey Industrial School, which today owns most of the profitable Hershey Chocolate Co. Because of its tax-exemption status, operating costs of the company are not high. True, they contribute to the school, but it would be very interesting to know the exact story of the millions of its profits that have gone into the building of a sugar empire in Cuba.

In October 1948 a Chicago real-estate operator organized the Boston Foundation. Its first move was to purchase and lease the Edgewater Beach Hotel on Chicago's lake front. The real-estate operator is now president of the operating company, leasing the

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property from his own foundation. Its contributions to Chicago charitable institutions last year was $105,000, in tax-exempt money. It would be interesting to know where the balance of the profit went.

A year ago one of the South's profitable textile operations was turned into a tax-exempt foundation, involving its $34,000,000 holdings. The community gets about $400,000 in tax-exempt moneys—about equal to the taxes the company formerly paid locally. All of its other huge profit total is tax-exempt to the Federal Treasury.

Our universities and colleges have gone into business in grand style under this strangely overlooked weakness in our laws. Union College recently purchased all of the properties of Allied Stores Corp., one of the largest national department-store chains. The same college recently acquired the Abraham & Straus property in Brooklyn for $9,000,000 and immediately leased it back to Abraham & Straus at low rentals under an 80-year lease.

Oberlin College owns Montgomery Ward, Sears, Roebuck, and Woolworth locations in many parts of the country. The University of Pennsylvania, headed by that eminent Republican, Harold Stassen, and a Presidential candidate of that party, owns the Lit Bros. store property in Philadelphia. Lit's, of course, leases it from the university at a very favorable rental.

Columbia University, the haven of General Eisenhower, owns the site of much of Rockefeller Center. Cooper Union College owns the property upon which the Chrysler Building stands. New York University has gone into the macaroni business in a big way; it is also interested in the manufacture of piston rings, table china, leather goods and other products through the ownership or control of business institutions, all enjoying tax-free status. Had these particular corporations remained in private status last year, they would have paid $1,500,000 in Federal taxes. The Bureau of Internal Revenue, realizing that noodle making was stretching the dough too far, went into court to compel the university to pay taxes. This case is pending at the moment in our Federal courts.

Meanwhile, the involvement of educational institutions in the field of banking, real estate, commerce, and industry goes merrily on. Universities own haberdasheries, citrus groves, movies, cattle ranches, the Encyclopedia Britannica (owned by the University of Chicago), and a large variety of other enterprises. The University of Wisconsin controls patent pools and collects royalties. Universities and colleges, together with foundations, have an annual income from their business activities of well over a half billion dollars annually. Were this income not tax-exempt, they would pay $173,000,000 in Federal taxes annually.

Realizing the danger involved in the rapid spread of this system, the Association of American Colleges has issued a warning that the right to tax exemption has been abused by many colleges, and should be watched very carefully.

Some of our Republican friends in Congress are directing blasts against the cooperatives for not paying just taxes. However, I want to point out the cooperatives are in an entirely different position from these so-called charitable trusts and educational institutions. Cooperatives are set up to supply goods and services needed by their membership. Furthermore, about 30,000 cooperatives do pay income taxes, while only about 5,000 do not. By selling goods to their members at reasonable prices, the co-ops have succeeded in throwing much-needed light on the exorbitant prices charged by many of the big private monopolies, while these so-called charitable trusts and foundations, interested in securing all the profit they can possibly squeeze out of their commercial operations, do nothing that might offend the corporate giants they are nested in. The Biblical observation, "Charity covers a multitude of sins," applies very aptly to the operations of these family trusts and foundations of recent years.

An interesting light was thrown onto the operations of one of these so-called trusts some months ago as a result of the investigation conducted by the Senate Committee on Interstate and Foreign Commerce into the operations of Textron, Inc.

This investigation disclosed that Textron, Inc., had employed the device of charitable trusts to a substantial extent as a means of acquiring risk capital which was used in its business transactions, such as sales and leases of plants and equipment and by substantial loans to Textron, Inc., and its affiliates. A number of trusts were created to provide the large funds this firm needed for its gambling operations. The operators of this scheme formed six different trusts in the New England area. First, The Rhode Island Charities Trust—named the city of Providence Community Chest as the sole beneficiary. The trust was formed in 1937, but testimony revealed that not a cent was paid to the Community Chest until 1945, and then the sum of $10,000 was turned over to it. During 1945, 1946, and 1947 the Community Chest received a total of $85,000 from the trust, while the officers and the bank handling the funds for the trust received a total in excess of $140,000. This trust has never made an accounting to the beneficiary, nor has its books ever been audited. This is the story, substantially, of most of these so-called charitable trusts.

But the most disconcerting and dangerous feature of all in the operation of some of these trusts is brought out by the experience of the city of Nashua, N. H., with this corporation and trust. They purchased the Nashua Textile Mills in 1945, a mill which had been a mainstay of the economy in this community since 1823. Its previous owners were essentially manufacturers and not speculators in mill properties. Through the cooperation of loyal local labor the mills and the community prospered. Textron closed this plant shortly after acquiring it, transferring its activities in this field to Puerto Rico, where cheap, sweat-shop labor was available, throwing 5,500 real American workmen out of jobs and demoralizing the community.

This is a clear indication of tax-free income misused to destroy American unions, and to blight the spirit and destroy the well-being of American labor. It is high time some action was taken to eliminate such demagogic and un-American practices through the inadvertent cooperation of our own Government.

These loop-holes and tax-evasion schemes must be eliminated. If prompt action is taken, the present excise taxes can be reduced or repealed as I have so consistently urged, and it would aid materially in reducing or eliminating the deficit we are faced with and place the country in a sound financial position.

I am informed, however, that 10 of the Republican members of the Ways and Means Committee, unfortunately, in combination with a few southern Democrats, are holding back the efforts of the Democrats who seek to remedy the pernicious situation referred to above. I fully realize these Republicans are under the influence of the National Association of Manufacturers, among other pressure groups, which are opposed to any fair elimination of these loopholes in the law. The Republicans themselves should try to pry themselves loose from this vicious influence and I sincerely hope that some of the afore-mentioned 10 Republicans will recognize their responsibility to the people and aid the Democratic Members in amending the present law.

There is one more point I want to bring out clearly in connection with these lease-back deals made between the trusts and foundations who purchase businesses, land, and properties, and the firms who lease them back at favorable long-term rentals. The rent they pay is a deductible item in their income-tax returns, again reducing the taxes they would otherwise pay to the Federal Government, and also giving them an unfair competitive advantage over the small-business competitor. It is tending to build up monopolies more and more, while driving the small-business man to the wall.

In the interest of legitimate, honest small business, and in the interest of the honest taxpayer, as well as in their own interest, these Republican members should join with the Democratic members of this committee who are trying to bring out a bill as urged by our President, and vote to eliminate these loopholes that are resulting in the loss of hundreds of millions of dollars of revenue to the Treasury each year. Not only that, but these same Republican members should vote with the sincere Democratic members to eliminate the exemptions that have been given to life-insurance companies, oil and mining interests, and other giant monopolies via the so-called depletion allowances, by which these groups have been able to evade their just contribution to the cost of government which protects and safeguards their far-flung interests.

In addition to those now being charged with tax evasion, I have noticed that the steel and lumber racketeers have robbed the American people of millions and millions of dollars. I also observed that the textile manufacturers who controlled the price of textiles and the shirt manufacturers who boosted the price of $1.50 shirts to $5 and $6, saying the least, their actions have been criminal.

I feel that their activities should be penetrated as well as those of the war profiteers whose activities have been ignored.

I feel, therefore, Mr. Speaker, that if the Ways and Means Committee fails to report a fair bill, eliminating these loopholes and tax-avoidance schemes, the full responsibility will lie with the Republican members of that committee, and the Republican Party will be foreclosed from charging that we Democrats failed to repeal or reduce excise taxes as recommended by the President and which we Democrats desire.

If the Republicans continue to oppose a fair tax bill, I shall insist in the next Congress that the number of Republicans on the Ways and Means Committee, as well as on some of the other committees where legislation recommended by the President is held up in which the masses are vitally interested, be reduced so that the majority party as now constituted, and as I know will continue in control of our legislative body shall actually have a working majority in the next Congress and work for the will of the people.

I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain statements and excerpts, and I ask the same privilege for the special order I have this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

TAX BILL

Mr. PATMAN. Mr. Speaker, I, too, want to commend the Democratic members of the Committee on Ways and Means for bringing to this House a much better bill than I ever expected the committee to bring to us. This bill does not

go as far as I would like it to go in some respects on the excise taxes. I would like to see some of the other taxes reduced, and some eliminated. But, I concede that they have gone very far and it will be of great help to business in this country and to consumers in general for those reductions to be made. I am sure that the committee went just as far as it was possible for them to go, and I commend them for the fine work that they have done.

No. 1: The elimination of these excise taxes will be helpful to all business as well as consumers; it will be especially helpful to the smaller businesses of the country.

No. 2: It will be especially helpful to the smaller businesses of the country on tax reductions and adjustments of taxes on corporations earning less than $167,000 a year. It is true that there will be a slight increase on the larger corporations, but I see no reason why they should be opposed.

CORPORATION NATURAL PERSON

Under the fourteenth amendment the Supreme Court of the United States has held that a corporation is a natural person. That holding by the Supreme Court has given corporations many benefits and privileges that they would not otherwise have in all the States of this Union and in interstate commerce. They have all the benefits of a natural person. So you would naturally assume that if they were taxed no more than a natural person that they would not have any cause for complaint. It is purely a coincidence, I am sure, that the increase in taxes on the larger corporations, which, of course, are included in that category of natural persons, is from 38 percent to 41 percent, and that 41 percent is exactly one-half of what a natural person would pay under similar like and comparable circumstances, or 82 percent. So, if corporations are required to pay just one-half of what natural persons pay and they have all the rights, privileges, and benefits of natural persons, who would be required to pay 82 percent, I do not see where they have much cause to be alarmed, and certainly they should accept it and pay the taxes.

DEFICIT FINANCING

We must not continue in deficit financing any longer than we can possibly help. If we were to make the mistake of eliminating that 3 percent tax on big corporations we would be voting for deficit financing to the extent of almost an additional half billion dollars a year. We should not do that. We should keep this bill as it is. We know that the President will veto the bill if we do not raise substantially as much money as we reduce in taxes. So, a vote to eliminate the corporation taxes would be a vote to kill the bill.

I know that there will be opposition to this bill. There is opposition to all tax bills. We have been unable to reduce the budget as much as we would like to, so the only way we can do is to raise as much of the money in taxes to keep the deficit from being any larger than it is, and a vote to reduce corporation taxes would be a vote to continue and enlarge the amount of deficit financing.

BIG BUSINESS OR LITTLE BUSINESS

So far as this bill is concerned, it is an issue between little business and big business, little business for it and big business against it.

I made the statement here one time, and I reiterate it, that I have never known the time when there was a conflict of interest between big business and little business that the United States Chamber of Commerce did not take the side of big business. I predict they will take the side of big business in this case. That same statement goes for the National Association of Manufacturers. Every time, in case of a conflict of interest, they take the side of big business as against little business. Remember, I say where there is a conflict of interest they are inevitably for them.

POINT 4 PROGRAM

The point 4 program to guarantee American investments abroad is definitely in favor of the smaller businesses of the United States. The big business concerns can deal with other countries successfully themselves without any help from our Government. They have sufficient resources, influence, weight, and size to deal with the ordinary foreign country. This is not true with the smaller concerns; they need the Government's protection and help, at least in a limited way and in a discreet and prudent manner, as proposed in point 4.

SIDE OF BIG BUSINESS

It is not unusual that such organizations as the United States Chamber of Commerce and the National Association of Manufacturers both oppose this program. It is true, and the officials of each organization boast of the fact, that their membership is predominantly made up of small businesses, but in case of conflict between big business and small business each one always takes the side of big business. It is not unusual for them to act at the same time.

I have a letter from the National Association of Manufacturers, dated June 14, 1950, from Mr. Earl Bunting, managing director, stating that the association is opposed to the point 4 program. In the same mail I received a letter, dated June 14, 1950, from the Chamber of Commerce of the United States over the signature of Mr. Clarence R. Miles to the effect that the United States Chamber of Commerce opposes the point 4 program.

VOTES OF ORGANIZATIONS COMPARED

The recent report of the Joint Committee on the Economic Report contains some interesting information about how different organizations stand on major issues. I am inserting herewith a copy of that report. It is as follows:

*VIII. Current legislative recommendations by business, farm, and labor organizations*

Abbreviations of organizations:
NAM—National Association of Manufacturers
USCC—United States Chamber of Commerce
CED—Committee for Economic Development
AFBF—American Farm Bureau Federation
NG—National Grange
NFU—National Farmers Union
CIO—Congress of Industrial Organizations
AFL—American Federation of Labor

Explanation of symbols used:
F indicates the organization favors the proposition.
O indicates the organization opposes the proposition.
---------- indicates the organization has not taken an official position on the proposition.
Numerals refer to notes, which follow the list of recommendations.
For sources used, see bibliography at end of table.

| | NAM | USCC | CED | AFBF | NG | NFU | CIO | AFL |
|---|---|---|---|---|---|---|---|---|
| I. FISCAL AND TAX POLICY | | | | | | | | |
| 1. Make payments on the public debt if employment remains high | F | F | F | F | F | O | O | ---------- |
| 2. Balance the Federal budget for 1950–51 | F | F | F | F | ---------- | [1] O | [1] O | ---------- |
| 3. Reduce receipts from personal income taxes | [2] F | F | [3] F | ---------- | [4] F | [4] F | [4] F | ---------- |
| 4. Reduce corporate income-tax receipts | F | F | [3] F | ---------- | F | ---------- | ---------- | ---------- |
| 5. Raise personal income-tax exemption | O | ---------- | O | O | O | F | F | ---------- |
| 6. Increase estate and gift taxes | [5] O | [5] O | O | ---------- | F | ---------- | F | F |
| 7. Reduce or repeal excise taxes | [6] F | F | F | F | F | ---------- | F | F |
| 8. Increase capital-gains tax | [5] O | [5] O | O | ---------- | ---------- | ---------- | F | ---------- |
| 9. Increase the share of Government receipts coming from income taxes | ---------- | ---------- | [7] O | F | F | ---------- | [8] F | F |
| 10. Liberalize depreciation allowances | F | F | F | ---------- | ---------- | ---------- | ---------- | ---------- |
| 11. Eliminate double taxation of corporate income | F | F | F | [9] F | [10] F | ---------- | ---------- | ---------- |
| 12. Relax the restraints on retaining earnings | F | [11] F | F | F | ---------- | O | [12] O | ---------- |
| 13. Extend the carry-forward period allowed for losses, in computing income taxes | ---------- | F | F | [13] F | [13] F | ---------- | ---------- | ---------- |
| 14. Tax future issues of State and local government bonds | ---------- | ---------- | F | F | ---------- | ---------- | F | ---------- |
| 15. Require Government-owned enterprises to make charges equivalent to taxes paid by private enterprises with which they compete | ---------- | F | ---------- | F | ---------- | ---------- | ---------- | ---------- |

[1] Considering the unfavorable economic outlook.
[2] Particularly in higher brackets.
[3] An over-all revenue reduction of 2¼ billion dollars.
[4] Personal income tax reduction for those in the lower-income brackets.
[5] It is recommended that these taxes be decreased.
[6] Present excise taxes should be replaced by a uniform manufacturers' excise tax.
[7] High and steeply progressive income taxes reduce the supply of savings for investment.
[8] Sales taxes should be eliminated and offset by increased income taxes.
[9] Including both corporations and cooperatives.
[10] Double taxation on the profits of cooperatives should be eliminated.
[11] Companies must have authority to establish reasonable reserves, deductible for income-tax purposes.
[12] Enact an undistributed profits tax.
[13] Farmers and other individuals with fluctuating incomes should be permitted to average their incomes over a period of years.

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*VIII. Current legislative recommendations by business, farm, and labor organizations*—Continued

| | NAM | USCC | CED | AFBF | NG | NFU | CIO | AFL |
|---|---|---|---|---|---|---|---|---|
| **II. CREDIT** | | | | | | | | |
| 1. Return to gold standard | F | [14] F | | | | | | |
| 2. Provide private capital banks | | F | | | | | | |
| 3. Extend the maximum maturity period of RFC loans | | O | O | | | [15] F | | |
| 4. Increase the regulation of bank reserves | | O | | | | | | |
| 5. Regulate consumer credit | | O | | | | | | |
| 6. Provide agricultural credit, under Government supervision | | O | | F | | F | | |
| **III. AGRICULTURE** | | | | | | | | |
| 1. Adopt Brannan plan (production payments) | O | O | [16] O | O | O | F | F | |
| 2. Extend Government crop insurance | | O | | F | F | F | F | |
| 3. Stimulate consumption of agricultural products | | F | F | F | F | F | | |
| 4. Use import fees or quotas whenever necessary to protect domestic agriculture or price-support programs | | F | | F | F | | | |
| **IV. RESOURCE DEVELOPMENT** | | | | | | | | |
| 1. Extend Federal valley authorities and public power projects | O | O | [17] O | O | | F | F | F |
| 2. Continue the regulation of natural gas | | O | | | | | F | |
| 3. Dispose of unneeded Federal land holdings to private individuals | | F | | F | | | | |
| **V. WELFARE** | | | | | | | | |
| 1. Extend and liberalize social security | [18] O | F | F | F | [19] F | F | F | F |
| 2. Subsidize middle-income housing | O | O | O | [20] O | | | F | F |
| 3. Extend rent control | | | | | | | F | F |
| 4. Provide Federal aid for education | | O | | [21] F | [21] F | F | F | F |
| 5. Enact national health insurance | O | O | | O | O | F | F | F |
| **VI. INTERNATIONAL** | | | | | | | | |
| 1. Approve ITO Charter | O | O | [22] F | F | | | F | |
| 2. Reduce tariffs, stimulate imports, extend the Reciprocal Trade Agreements Act | | [23] O | F | F | [24] F | | F | [25] F |
| 3. Encourage and protect private capital in foreign investment; provide technical assistance to foreign countries | F | F | [26] F | F | | F | F | F |
| 4. Continue ECA (ERP) | [27] F | | [28] F | [29] F | [30] F | | F | F |
| **VII. LABOR RELATIONS AND WAGES** | | | | | | | | |
| 1. Repeal Taft-Hartley Act | | | | | O | F | F | F |
| 2. Rule out jurisdictional and sympathy strikes and secondary boycotts | F | F | F | | F | | | |
| 3. Increase minimum wages and the coverage of the wage-hour law | | | | | | F | F | F |
| 4. Rule out the closed shop | F | F | | | F | | | |
| 5. Make union contracts legally enforceable | F | F | | | | | | |
| 6. Make unions subject to the antitrust laws | F | F | F | F | F | | | |
| **VIII. MONOPOLY** | | | | | | | | |
| 1. Strengthen the antitrade restraint and antimonopoly program | | | | F | F | F | F | |

[14] Adopt policies in close conformity with essential principles of the gold standard.
[15] Recommends a general expansion of RFC activity.
[16] CED has not studied the whole agricultural program but in general CED opposes direct controls and any plan that involves subsidies in a period of high business activity.
[17] Valley authorities should be considered as public works, which are not needed now.
[18] OASI should be limited to providing a minimum layer of basic protection, leaving ample room for individual and voluntary group effort.
[19] Should be extended to farm people on a trial basis.
[20] The housing problem is primarily an individual responsibility.
[21] Provided that all control of schools remains with State and local governments.
[22] Providing articles 11 and 12, dealing with foreign investment, are eliminated
[23] Stimulate imports of articles required by the economy; but American industry must be protected against unfair competition.
[24] The Reciprocal Trade Agreements Act should be amended to require analysis by the Tariff Commission and ratification by the Senate.
[25] But AFL also advocates a program to induce domestic consumers to prefer American-made products.
[26] The movement of capital should be carried on by private enterprise; the export of capital should not be stimulated as a device to reduce domestic unemployment.
[27] At progressively lower amounts, terminating in 1952; recipient nations should not pursue policies of nationalization.
[28] At a level for 1950–51 slightly lower than that recommended by the President.
[29] Greater emphasis should be placed on self-help projects; the program must not be used as a means of dumping United States surpluses.
[30] Every effort must be made to terminate ERP in 1952; the program must not be used for dumping United States surpluses.

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It will be noticed that on 20 important issues where both the National Association of Manufacturers and the United States Chamber of Commerce took a definite stand, they took the same stand. It will also be noticed that the Committee for Economic Development has a record on important issues not too much unlike the National Association of Manufacturers and the United States Chamber of Commerce. More surprising still is the American Farm Bureau Federation stands with these different big business concerns on the same side of so many important issues.

Mr. SABATH. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, this bill constitutes a document of 152 pages. The report of the committee, including the minority report, is 160 pages long. I confess at the outset, Mr. Speaker, that I am not competent to discuss all the intricacies of this amazing measure.

I have been somewhat interested personally in the expression of disappointment which has come from two Members of the majority side with respect to the failure or inability of the Committee on Ways and Means to accomplish certain things which they would like to see accomplished. Those things, however, will be thoroughly discussed in the general debate by men who have studied this whole difficult problem from top to bottom.

Mr. Speaker, I now yield such time as he may desire to the gentleman from Ohio [Mr. McGREGOR].

Mr. McGREGOR. Mr. Speaker, the bill before us for consideration, H. R. 8920, known as the Revenue Act of 1950—the increase-decrease tax bill—in my opinion represents the greatest hoax that has ever been put over on the American people and it is clearly another example of the "mis-deal" of the present administration. This bill represents, for the first time in history, two subjects relative to taxation, an increase and a decrease,

and it comes on the floor of Congress under a procedure known as a gag rule which prevents the division of the two subjects and does not give to the people back home a knowledge of whether their Congressman is for increased taxes or decreased taxes.

I have always opposed the gag rule—a rule which prevents amendments on the floor—because I felt it was the right of the 435 Members of Congress to express their views and have those views accepted or rejected by a majority of this elected body rather than to follow the gag-rule procedure of forcing us to accept the dictates of a majority of the Ways and Means Committee comprising 25 members.

I believe that this legislation is a "misdeal" and a hoax because I think it is possible that an orderly reduction of a substantial number of wartime excise taxes without the imposition of any new taxes can and should be made. This can be done by cutting unnecessary Federal expenses, a procedure I am in accord with as shown by my record.

No nation can spend itself into real prosperity. Prices are rising and the real value of savings, pensions, annuities, and insurance are shrinking and being cut almost in half. Taxes are enslaving the American people of their right to spend their own money. The average American family of four is paying approximately $31 a week in taxes—four times as much as just 10 years ago. If we are to continue and have a real prosperity, unnecessary Federal expenses must be immediately reduced and they can be reduced, Mr. Speaker. Experience has proven to me if we give the Washington bureaucrats money, they will spend it, so let us have no new taxes and cut down unnecessary Federal expenses.

There are many sleepers in this bill, Mr. Speaker, one of the outstanding ones is the flat 10-percent withholding tax. This clause means that the Government will withhold 10 percent of every individual's investment income or patronage refund, however meager, and keep approximately 5 percent of this amount until the recipient dies or until the income or patronage refunds cease. The flat 10-percent withholding taxes will be applied to all dividends received by colleges, hospitals, churches, and similar organizations. There are many things in this legislation that I am in accord with but I certainly would like the opportunity of voting for that which I approve and against that which I do not approve.

I am voting against the gag rule so that I can have that opportunity. If the gag rule fails, I probably will vote for the legislation because I definitely feel that many of the wartime excise taxes should be reduced.

Mr. WADSWORTH. Mr. Speaker, there are no other requests for time on this side.

Mr. SABATH. Mr. Speaker, in view of the statement of the gentleman from New York [Mr. WADSWORTH] to the effect that the bill now under consideration is 152 pages in length and is highly technical, it is virtually impossible to digest let alone explain all of its provisions. Therefore, Mr. Speaker, I ask unanimous consent to include in my remarks a statement setting forth fully and clearly, and in an intelligent manner, the provisions of this important bill. The statement was prepared by the staff of the Committee on Ways and Means.

The SPEAKER pro tempore. Is there any objection to the request of the gentleman from Illinois?

There was no objection.

(The matter referred to follows:)

SUMMARY OF PRINCIPAL PROVISIONS OF THE REVENUE BILL OF 1950

I. Excise taxes: Excise taxes reduced or repealed on the following articles or services, in accordance with the attached schedule: Luggage, jewelry, furs, cosmetics, admissions, cabarets, chewing tobacco, snuff, cigars, distilled spirits used in medicines, amusement devices, tires and inner tubes, automobile parts and accessories, musical instruments, refrigerators, sporting goods, electric, gas, and oil appliances, photographic apparatus, business and store machines, matches, telephone and telegraph, transportation of persons and transportation of property.

II. Income taxes:

(a) The interest element of installment payments of life insurance proceeds would be subject to income tax.

(b) Dealers in State and municipal bonds would be denied a deduction for bond premium on bonds maturing in 5 years or less unless such bonds are sold within 30 days from the date the bonds are purchased.

(c) The dividends-received credit for property distributed in kind would be limited to 85 percent of the basis of the property in the hands of the distributing corporation.

(d) Percentage depletion of 15 percent extended to fuller's earth, refractory clay, quartzite, fire clay, perlite, diatomaceous earth, and tripoli; percentage depletion of 5 percent extended to stone (including clate), brick and tile clay, shale, oyster and clam shell deposits, sand, gravel, marble, and granite; percentage depletion for coal increased from 5 to 10 percent. No change in percentage depletion for oil, gas, sulfur, and metal mines.

(e) Dividends from earnings and profits of corporations accumulated prior to March 1, 1913, would be subject to tax.

(f) Distributions in liquidation of foreign subsidiaries of domestic corporations would be taxed at ordinary income rates in certain cases.

(g) Certain distributions of stock of family-type corporations used to pay estate and inheritance taxes would not be treated as dividends.

(h) Capital gains and losses: The holding period for long-term capital gains and losses is reduced from 6 months to 3 months and gain or loss from the sale or exchange of business property used in the trade or business would be treated as capital gain or capital loss. There would be no change in existing law respecting the right of livestock raisers to treat sales of breeding stock as sales of capital assets.

(i) Taxpayers would be prevented from converting short-term gains into long-term gains through the short-sales device.

(j) Income derived by shareholders in so-called collapsible corporations would be taxable as ordinary income rather than as capital gain.

(k) Nonresident alien individuals would be subject to tax on capital gains while in this country.

(l) A 1-year carry-back and 5-year carry-forward of net operating losses would be substituted for the present 2-year carry-back and 2-year carry-forward.

(m) Deduction would be disallowed for the amortization of bond premium attributable to conversion privilege.

(n) Employees of the United States working in possessions of the United States would be subject to tax on their salary.

(o) Residents of Puerto Rico would be taxable as residents of the United States on income from the mainland and from sources outside Puerto Rico, and would be exempt from Federal income tax on income earned in Puerto Rico only if a bona fide resident throughout the taxable year.

(p) Income taxes of small corporations under $167,000 a year would be reduced through the imposition of a flat 21 percent normal tax rate, and a flat 20 percent surtax rate on income above a $25,000 surtax exemption. (See attached table.)

III. Treatment of income of and bequests to certain tax-exempt organizations:

(a) Would tax the unrelated active business income, with an exemption of $1,000, of the following: (1) Labor, agricultural and horticultural organizations; (2) literary, library, scientific, research, educational, and charitable organizations, including hospitals and foundations; (3) business leagues, chambers of commerce, real estate boards, or boards of trade.

(b) Would tax as business income, rents derived from commercial or industrial property purchased with borrowed funds by the tax-exempt institutions mentioned above, and leased for a period of 5 years or more, on the ratio of the borrowed funds to the total purchase price.

(c) Would impose a tax on accumulated investment income of charitable trusts and foundations (interest, rents, dividends, and royalties) where the funds are not spent on designated purposes within the taxable year or within 2½ months after the close of the year. No tax would be applicable where the accumulations in trust are for a period of not more than 5 years if the trust instrument designates that the funds be turned over to the tax-exempt organizations. A trust would be permitted to accumulate tax-free earnings equal to its highest annual income during the preceding 5 years, and also accumulate tax-free earnings for 25 years where the trust is established by will.

(d) Would deny deductions for income, estate and gift tax purposes to donors of property for charitable trusts and foundations unless the instrument under which the organizations are established affirmatively provides that no part of the organization's assets may be loaned or sold to the donors of the organization or any of its officers or trustees, or any member of their families or to a corporation controlled by them; that only a reasonable compensation for services actually rendered may be paid to such persons by the organization; that the services of the organization may not be made available to such persons on a preferential basis; and that no substantial part of the assets of the organization may be used to purchase securities or other property from such persons.

(e) Would disallow in the case of private trusts or foundations, charitable deductions to a contributor for income, estate and gift tax purposes, if (1) the contributor, or members of his family, have voting control of the organization to which the contribution is made; and (2) the contribution consists of stock in a corporation in which the contributor together with members of his family control 50 percent or more of the voting stock or 50 percent or more of the total stock, including the stock held by tax-exempt organizations which the family control.

IV. Income taxes of life insurance companies: The correction of the formula for the taxation of life insurance companies contained in House Joint Resolution 371 would be made applicable to 1947, 1948, 1949, and 1950.

V. Estate tax:

(a) Property transferred by decedent more than 3 years before death will not be included in his gross estate, and transferred within 3 years of a decedent's death will be included unless the taxpayer rebuts the presumption that the transfer was in contemplation of death.

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(b) The estate tax deduction for the support of dependents prior to settlement of an estate is repealed.

VI. Miscellaneous amendments:

(a) Would require a 10 percent withholding of tax on dividends paid to stockholders of corporations and on patronage refunds of cooperatives, in cash or in kind. The provision would require the submission of information on withholding to the shareholder by January 31 in the form and manner chosen by the corporation. The corporation is to file an information return with the Commissioner by March 1.

(b) Interest on tax refunds reduced from 6 to 3 percent.

(c) Would modify the provisions of the Internal Revenue Code which now permit corporations to pay income taxes in four quarterly installments after the close of their taxable year by requiring the following schedule for payments, effective for taxable years ending on or after December 31, 1950:

| Year | First quarter | Second quarter | Third quarter | Fourth quarter |
|---|---|---|---|---|
| | *Percent* | *Percent* | *Percent* | *Percent* |
| 1951 | 30 | 30 | 20 | 20 |
| 1952 | 35 | 35 | 15 | 15 |
| 1953 | 40 | 40 | 10 | 10 |
| 1954 | 45 | 45 | 5 | 5 |
| 1955 | 50 | 50 | | |

The above schedule would mean that at the end of 5 years these corporations would be paying their income tax in two installments within 6 months after the close of their taxable year.

VII. Estimated revenue effect:

[Increase (+) or decrease (−)—In millions of dollars]

| | *Full-year basis* |
|---|---|
| Excise tax reduction before adjustment for increase in income taxes | −$1,010 |
| Increase in income taxes resulting from excise-tax reduction | +100 |
| Net excise-tax reduction | −910 |
| Changes in other taxes: | |
| Adjustment in corporation tax rates | +433 |
| Charitable trusts, family foundations, educational institutions, etc | [1] +100 |
| Miscellaneous loopholes | +95 |
| Loss on maturity of municipal bonds | [1] +20 |
| Percentage depletion | −35 |
| Withholding tax on corporate and patronage dividends | +170 |
| Payment of income tax of trusts and nonresident aliens in full on Apr. 15 | 0 |
| Life-insurance companies—stopgap legislation | +70 |
| Reduction in interest rate on refunds | [1] +45 |
| Total, other taxes | +898 |
| Total net change | −12 |

[1] Long-run effect.

*Comparison of corporate income-tax liability under present law and under the tax bill*

| Net income (normal tax and surtax) | Combined normal tax and surtax | |
|---|---|---|
| | Present law | 3 percent exemption law |
| $1,000 | $210 | $210 |
| $2,000 | 420 | 420 |
| $3,000 | 630 | 630 |
| $4,000 | 840 | 840 |
| $5,000 | 1,050 | 1,050 |
| $6,000 | 1,260 | 1,260 |
| $7,000 | 1,510 | 1,470 |
| $8,000 | 1,740 | 1,680 |
| $9,000 | 1,970 | 1,890 |
| $10,000 | 2,200 | 2,100 |
| $15,000 | 3,350 | 3,150 |
| $20,000 | 4,500 | 4,200 |
| $25,000 | 5,750 | 5,250 |
| $30,000 | 8,400 | 7,300 |
| $35,000 | 11,050 | 9,350 |
| $40,000 | 13,700 | 11,400 |
| $45,000 | 16,350 | 13,450 |
| $50,000 | 19,000 | 15,500 |
| $75,000 | 28,500 | 25,750 |
| $100,000 | 38,000 | 36,000 |
| $150,000 | 57,000 | 56,500 |
| $166,666⅔ | 63,333⅓ | 63,333⅓ |
| $200,000 | 76,000 | 77,000 |
| $237,500 | 90,250 | 92,375 |
| $240,000 | 91,200 | 93,400 |
| $300,000 | 114,000 | 118,000 |
| $400,000 | 152,000 | 159,000 |
| $500,000 | 190,000 | 200,000 |
| $750,000 | 285,000 | 302,500 |
| $1,000,000 | 380,000 | 405,000 |
| $5,000,000 | 1,900,000 | 2,045,000 |
| $10,000,000 | 3,800,000 | 4,095,000 |

*Action on excises taken by Committee on Ways and Means through June 13, 1950, which will affect excise tax collections*

[Staff data on excise taxes prepared by the staff of the Joint Committee on Internal Revenue Taxation for use of the Committee on Ways and Means, June 1950]

| | Rates | | Estimated revenue, full year basis (in millions of dollars) | | Loss in excise tax revenue (in millions of dollars) [1] | |
|---|---|---|---|---|---|---|
| | Present law | Committee action | Present law | Committee action | Full year | Fiscal year 1951 [2] |
| Retailers' excise taxes: | | | | | | |
| Luggage: | | | | | | |
| Luggage, toilet cases, etc | 20 percent | 10 percent | 75.0 | 15.5 | 59.5 | 46.0 |
| Handbags, wallets, key cases, etc | 20 percent | Exempt | | | | |
| Miscellaneous cases, kits, bags, etc | 20 percent | Exempt | | | | |
| Jewelry: | | | | | | |
| Jewelry in general | 20 percent | 10 percent | 200.0 | 95.0 | 105.0 | 84.0 |
| Watches retailing for not more than $65 and alarm clocks retailing for not more than $5. | 10 percent | Exempt | | | | |
| Other clocks retailing for not more than $5 | 20 percent | Exempt | | | | |
| Certain handicraft kits if sold for not more than 10 cents. | 20 percent | Exempt | | | | |
| Articles sold at auction at residence in excess of $100 | Exempt | 10 percent | | | | |
| Fountain pens and mechanical pencils, caps ornamented with precious metals, and pipes with stem or bowl so ornamented. | 20 percent on total retail value. | 10 percent on retail value of cap, pipe bowl or stem. | | | | |
| Advertising clock signs—value of clock not more than 30 percent of total value. | 20 percent | Exempt | | | | |
| Furs: | | | | | | |
| Furs in general | 20 percent | 10 percent | 50.0 | 28.0 | 22.0 | 20.0 |
| Articles sold at auction at residence in excess of $100 | Exempt | 10 percent | | | | |
| Cosmetics: | | | | | | |
| Cosmetics in general | 20 percent | 10 percent | 94.0 | 44.0 | 50.0 | 40.0 |
| Baby oils, powders, lotions, etc | 20 percent | Exempt | | | | |
| Aromatic cachous | 20 percent | Exempt | | | | |
| Articles used in barber and beauty shops | 20 percent | Exempt | | | | |
| Total, retailers' excise taxes | | | 419.0 | 182.5 | 236.5 | 190.0 |
| Tax on admissions and cabarets: | | | | | | |
| Admissions: | | | | | | |
| General admissions | 1 cent for each 5 cents or major fraction. | 1 cent for each 10 cents or major fraction. | 381.0 | 189.0 | 192.0 | 154.0 |
| Free admissions (except to horse or dog races) | 1 cent for each 5 cents or major fraction of value. | Exempt | | | | |
| Reduced admissions (except to horse or dog races) | 1 cent for each 5 cents or major fraction of value. | 1 cent for each 10 cents or major fraction of actual amount paid. | | | | |
| Activities conducted by educational, religious, and charitable organizations, agricultural fairs, symphony and community concerts, municipal swimming pools, etc., if earnings do not inure to benefit of any private stockholder or individual. | 1 cent for each 5 cents or major fraction. | Exempt [3] | | | | |
| Cabarets, roof gardens, etc.: | | | | | | |
| In general | 20 percent | 15 percent | 43.0 | 34.0 | 9.0 | 7.0 |
| Ballrooms where sale of refreshments is incidental | 20 percent | Exempt | | | | |
| Total tax on admissions and cabarets | | | 424.0 | 223.0 | 201.0 | 161.0 |

[1] These estimates take account of estimated increases in consumption resulting from reduction in rates but they do not allow for possible increases in income taxes.

[2] Assuming that changes become effective on Aug. 1, 1950, with minor exceptions.

[3] In general, the exemption shall not apply to (1) college athletic games, (2) pugilistic matches, or (3) carnivals, rodeos, or circuses in which any performer or operator participates for compensation.

*Action on excises taken by Committee on Ways and Means through June 13, 1950, which will affect excise tax collections*—Continued

[Staff data on excise taxes prepared by the staff of the Joint Committee on Internal Revenue Taxation for use of the Committee on Ways and Means, June 1950]

| | Rates | | Estimated revenue, full year basis (in millions of dollars) | | Loss in excise tax revenue (in millions of dollars) [1] | |
|---|---|---|---|---|---|---|
| | Present law | Committee action | Present law | Committee action | Full year | Fiscal year 1951 [2] |
| Tobacco: | | | | | | |
| Chewing tobacco: | | | | | | |
| Plug and twist | 18 cents per pound | 8 cents per pound | 15.0 | 10.5 | 4.5 | 4.0 |
| All other | 18 cents per pound | No change | | | | |
| Snuff | 18 cents per pound | 8 cents per pound | 7.5 | 3.3 | 4.2 | 3.7 |
| Cigars (large) | $2.50 to $20 per thousand | $2 to $20 per thousand with change in tax classes. | 45.0 | 30.0 | 15.0 | 13.0 |
| Cigarettes, small: | | | | | | |
| Economy brands to retail at not more than 12 cents per 20, exclusive of State taxes. | $3.50 per thousand | No change | 1,250.0 | 1,250.0 | ---------- | ---------- |
| Other | $3.50 per thousand | No change | | | | |
| Total, tobacco | | | 1,317.5 | 1,293.8 | 23.7 | 20.7 |
| Occupational taxes: | | | | | | |
| Distilled spirits used in manufacture of certain nonbeverage products: | | | | | | |
| Occupational tax in order to receive benefit of drawback: | | | | | | |
| Withdrawals of less than 10 gallons per year | $25 per year | $5 per year | 0.1 | 0.1 | Negligible | Negligible |
| Withdrawals of more than 10 gallons per year | $25 to $100 per year | No change | | | | |
| Draw-back of spirits used in medicines and medicinal preparations.[4] | $6 per proof gallon | $7 per proof gallon | [4] 13.5 | [4] 15.8 | 2.3 | 2.0 |
| Amusement and gaming devices: | | | | | | |
| Amusement devices: | | | | | | |
| Penny operated | $10 per machine per year | Exempt | 20.0 | 25.0 | −5.0 | −3.5 |
| Other | $10 per machine per year | No change | | | | |
| Gaming devices | $100 per machine per year | $150 per machine per year | | | | |
| Bowling alleys, billiard and pool tables: | | | | | | |
| Operated without charge by nonprofit organizations or governmental agencies. | $20 per alley or table per year | Exempt | 4.0 | 4.0 | Negligible | Negligible |
| Other | $20 per alley or table per year | No change | | | | |
| Total, occupational taxes | | | 10.6 | 13.3 | −2.7 | −1.5 |
| Manufacturers' excise taxes: | | | | | | |
| Tires and inner tubes: | | | | | | |
| Tires for toys, lawnmowers, baby buggies, etc | 5 cents per pound | Exempt | 150.0 | 111.0 | 39.0 | 31.0 |
| Tax paid tires or tubes sold on certain parts or accessories. | No crediting device | Crediting device | | | | |
| Other tires | 5 cents per pound | 3¾ cents per pound | | | | |
| Other tubes | 9 cents per pound | 6¾ cents per pound | | | | |
| Automobile parts or accessories: | | | | | | |
| Rebuilt or reconditioned parts | 5 percent | Exempt | 100.0 | 72.0 | 28.0 | 22.0 |
| Other | 5 percent | 3¾ percent | | | | |
| Musical instruments | 10 percent | 5 percent | 7.0 | 3.5 | 3.5 | 3.0 |
| Radio receiving sets, etc.: | | | | | | |
| Communication or navigation receivers sold to the U. S. Government. | 10 percent | Exempt | 43.4 | 43.4 | Negligible | Negligible |
| Radio parts used in manufacture of receivers sold to the U. S. Government. | 10 percent | do | | | | |
| All other | 10 percent | No change | | | | |
| Refrigerators, etc.: | | | | | | |
| Household type refrigerators | 10 percent | 7 percent | 68.0 | 59.0 | 9.0 | 6.0 |
| Quick-freeze units | No tax | do | | | | |
| Air-conditioners | 10 percent | No change | | | | |
| Sporting goods: | | | | | | |
| Children's toys and items used predominately in schools. | 10 percent | Exempt | 17.0 | 11.0 | 6.0 | 5.0 |
| Other | 10 percent | No change | | | | |
| Electric, gas, and oil appliances: | | | | | | |
| Cooking stoves and water heaters of household type | 10 percent | Exempt | 75.0 | 15.0 | 60.0 | 47.0 |
| Electric heating pads and blankets | 10 percent | Exempt | | | | |
| Electric fans not of household or office type | 10 percent | Exempt | | | | |
| Electric baby bottler warmers | 10 percent | Exempt | | | | |
| Electric hand irons | 10 percent | Exempt | | | | |
| Electric air space heaters | 10 percent | Exempt | | | | |
| Electric toasters | 10 percent | Exempt | | | | |
| All other | 10 percent | No change | | | | |
| Photographic apparatus: | | | | | | |
| Cameras, apparatus, and equipment | 25 percent | 10 percent | 40.0 | 10.0 | 30.0 | 25.0 |
| Film | 15 percent | 10 percent | | | | |
| Cameras, etc., films and plates, business type | 25 percent or 15 percent | Exempt | | | | |
| Business and store machines | 10 percent | 5 percent | 30.0 | 16.0 | 14.0 | 11.0 |
| Firearms made by gunsmiths using second-hand actions | 11 percent | Exempt | 10.0 | 10.0 | Negligible | Negligible |
| Matches, ordinary | 2 cents per 1,000 | 1 cent per 1,000 | 10.0 | 5.0 | 5.0 | 4.0 |
| Total, manufacturers' excise taxes | | | 550.4 | 355.9 | 194.5 | 154.0 |
| Tax on communications: | | | | | | |
| Telephone and telegraph, etc.: | | | | | | |
| Telephone or radio telephone toll messages: | | | | | | |
| Charge more than 24 cents | 25 percent | 20 percent | 330.0 | 257.0 | 73.0 | 57.0 |
| Charge less than 25 cents | 15 percent | 10 percent | | | | |
| Telegraph, cable, or radio dispatch: | | | | | | |
| International | 10 percent | No change | | | | |
| Domestic | 25, percent | 10 percent | | | | |
| Leased wires: | | | | | | |
| In general | 25 percent | 20 percent | | | | |
| Certain service furnished to shut-in students | 25 percent | Exempt | | | | |
| Two-way communications used on service trucks by public utilities. | 25 percent | Exempt | | | | |
| Wire and equipment service | 8 percent | No change | | | | |
| Local telephone service: | | | | | | |
| Residential | 15 percent | 10 percent | 250.0 | 206.0 | 44.0 | 34.0 |
| Business | 15 percent | No change | | | | |
| Total, tax on communications | | | 580.0 | 463.0 | 117.0 | 91.0 |

[4] Claims of draw-back for taxes paid at the $9 rate. The amounts shown represent payments of these claims and are deducted in arriving at the totals shown.

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*Action on excises taken by Committee on Ways and Means through June 13, 1950, which will affect excise tax collections*—Continued

[Staff data on excise taxes prepared by the staff of the Joint Committee on Internal Revenue Taxation for use of the Committee on Ways and Means, June 1950]

| | Rates | | Estimated revenue, full year basis (in millions of dollars) | | Loss in excise tax revenue (in millions of dollars) [1] | |
|---|---|---|---|---|---|---|
| | Present law | Committee action | Present law | Committee action | Full year | Fiscal year 1951 [2] |
| Transportation taxes: | | | | | | |
| Transportation of persons: | | | | | | |
| Transportation, seats, berths, etc. | 15 percent | 10 percent | 250.0 | 175.0 | 75.0 | 60.0 |
| Fishing boat trips | 15 percent | Exempt | | | | |
| Travel to and from the Virgin Islands and Puerto Rico. | 15 percent | Exempt | | | | |
| Transportation of property: | | | | | | |
| Coal | 4 cents per short ton | 2 cents per short ton | 330.0 | 165.0 | 165.0 | 130.0 |
| Other | 3 percent | 1½ percent | | | | |
| Total, transportation taxes | | | 580.0 | 340.0 | 240.0 | 190.0 |
| Grand total | | | 3,881.5 | 2,871.5 | 1,010.0 | 805.2 |

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8920, with Mr. DELANEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, general debate is limited to 2 days, to be equally divided and controlled by the gentleman from North Carolina [Mr. DOUGHTON] and the gentleman from New York [Mr. REED].

Mr. DOUGHTON. Mr. Speaker, I yield myself 33 minutes.

Mr. DOUGHTON. Mr. Chairman, H. R. 8920, a bill to reduce excise taxes and for other purposes, is the result of nearly 5 months of continuous work by the Committee on Ways and Means. After almost a full month of public hearings during which more than 350 witnesses appeared and testified, the committee went into executive session for approximately 4 months to study and discuss the record of 3,000 pages and to prepare a tax bill.

AGREEMENT ON EXCISE-TAX REDUCTION

From the outset, the entire committee was in agreement that there should be a reduction in excise taxes, especially those excise taxes which were imposed and increased to finance the prosecution of the war.

As pointed out in the committee report, the excise taxes today, 5 years after the cessation of hostilities, remain at the wartime peak, yet it is generally recognized that excise taxes, in contrast with income taxes upon individuals and corporations, have little relation to ability to pay.

Strong demand for repeal of the excise taxes came from producers, distributors, and consumers of articles subject to the tax. It was pointed out that the war excise taxes were creating serious unemployment problems in some fields and certain industries.

This is the third tax-reduction bill since the end of the war. The Revenue Act of 1945 reduced taxes on corporations and individuals by about $6,000,000,000 and removed nearly 12,000,000 individuals from the income-tax rolls. Individual income taxes were further reduced by approximately $5,000,000,000 by the Revenue Act of 1948, which removed an additional 7,000,000 persons from the income-tax rolls. Yet the wartime excise taxes which are not based upon ability to pay and which were added by three successive revenue acts during the war, the Revenue Acts of 1941, 1942, and 1943, are, with but minor exceptions, still in full force and effect today.

Ideally, we should have liked to reduce excise taxes without the necessity of providing offsetting revenue from other sources. It would have made our job much more pleasant and much easier if the Congress had reduced appropriations to eliminate or reduce the budget deficit and to provide a safe margin within which to make the excise tax reductions the Committee on Ways and Means deemed advisable. But our committee was confronted with an actual situation—not an opinion or a theory. We are still faced with a deficit of $3,500,000,000 to $4,500,000,000 for the fiscal years 1950 and 1951, according to the most optimistic estimates, even if the bill under consideration is enacted into law. Under these circumstances, in my opinion, it would have been an admission of lack of courage and imprudent fiscal irresponsibility for the Committee on Ways and Means to report to the House an excise-tax reduction bill which would have added to the deficit in the present period of peace, peak prosperity, and high national income. I must emphasize that I could neither willingly report nor support a tax bill that did not substantially make up from other sources the revenue lost by excise-tax reduction. In my opinion, it would be a great disservice to the country to enact a tax law increasing the Federal deficit at this time.

ADDITIONAL TAXES NECESSARY TO AVOID ADDING TO DEFICIT

Initially, it was the purpose of the majority members of the committee to try to meet the goal suggested by the President of limiting excise-tax reductions to the amount of revenue that we might be able to make up from closing loopholes in the present tax laws. Although the committee bill does not go as far in this direction as I should have liked, many important defects in the existing tax laws have been corrected, and some of the obvious loopholes have been closed.

In view of the decision of the committee to reduce excise taxes by a larger amount than recommended by the President, and since the loopholes closed did not recoup the revenue lost from excise-tax reduction, we had no alternative but to impose additional taxes if we were to avoid increasing the deficit. As much as I should have liked to avoid any increase in taxes, it is unjustifiable, if not unthinkable, in my opinion, for the Congress now to further weaken the fiscal position of the Government.

As stated in the committee report, if tax rates must be increased, the corporation income tax is probably the least objectionable source for the additional revenues. Corporations have received the largest percentage of tax reduction since the end of the war. Moreover, the corporate tax rate increase provided in the bill, I am advised, averages less than 2 percent of all taxable corporate income. In fact, there is no increase on any corporation with income below $167,000 annually, and most of them will have their taxes reduced.

It is probable that no major tax bill reported by the Committee on Ways and Means ever had the complete approval of every member of the committee. Almost certainly there will be some provisions which each committee member would like to see changed if he could have his own way. This is true of H. R. 8920. In fact, this bill probably contains more things with which I personally may differ, and omits more proposals that I should have liked to see included, than any other tax bill on which I have worked. Nevertheless, I have great confidence in the good judgment of a majority of my colleagues on the Committee on Ways and Means. At the very least, I would not set my own opinion above that of a majority of the committee.

SUMMARY OF REVENUE EFFECT OF THE PRINCIPAL PROVISIONS OF THE BILL

The committee made a complete examination of the entire war-excise-tax

field. Our deliberations dealt not only with the increases made by the Revenue Act of 1943, but also other war increases made since 1940. While the relief is not as great as I would have liked to see if the budget situation had been more favorable, substantial relief is granted in the case of admissions taxes, transportation of persons and property, communications, retail taxes on jewelry, luggage, furs, and toilet preparations, and the manufacturers' excise taxes. The bill also eliminates the tax on rebuilt and reconditioned automobile parts. This tax has caused quite a bit of irritation throughout the country. I was particularly happy to have the tax removed on cooking stoves and reduced on automobile parts and accessories and tires and tubes. These taxes are on vital necessities and therefore constitute a real burden on our people. The tax on sporting goods used predominantly in the schools is also eliminated. I am sure the membership will all be happy to know that the bill removes the taxes on ladies' handbags, baby oils, and children's toys.

According to the staff of the Joint Committee on Internal Revenue Taxation, the revenue loss from excise-tax reduction on a liability basis will be $1,010,000,000 a year, one hundred million of which will be recouped from additional income taxes which the manufacturers, distributors, and employees in the industries now subject to the excise taxes will pay as a result of increased business. The reductions in excise taxes are allocated among the various classes of excises as follows:

Reduction in the retail excise taxes on jewelry, furs, toilet preparations, and luggage, including complete repeal of the tax on women's purses, billfolds and pocketbooks, will lose $236,500,000 in revenue.

Reduction in the taxes on admissions from 20 percent to 10 percent and on cabarets from 20 percent to 15 percent, will lose another $200,000,000.

The committee decided to reduce the manufacturers' excise tax on tires and inner tubes, automobile parts or accessories, musical instruments, household-type refrigerators, business and store machines and ordinary matches by approximately one-half of the percentage-point increase made since 1940. The 25-percent tax on cameras and camera lenses, however, and the 15-percent tax on photographic film were both reduced to a uniform 10 percent. Apparatus and equipment used in the business of photography is eliminated from the tax. The loss in revenue from the changes in the manufacturers' excise taxes is $195,000,000 annually.

The taxes on communications—telephone and telegraph service—would be reduced by $117,000,000 a year. The greatest tax-rate reduction in this field is given to domestic telegraph and radio service, in the hope that the reduction from 25 percent to 10 percent will enable this important industry to survive. The tax on local residential telephones was reduced from 15 percent to 10 percent, and long-distance calls from 25 percent to 20 percent.

The tax on passenger fares is reduced from 15 percent to 10 percent, while the tax on transportation of property has been cut in half, that is, from 3 percent to 1½ percent, with an over-all loss from reduction of the taxes on transportation of $240,000,000 a year.

Miscellaneous reductions in certain occupational taxes, medicinal alcohol, and chewing tobacco, snuff and cigars account for the remaining loss of $21,000,000 a year.

The following table summarizes the reductions in the excise taxes, both on the basis of a full year of operation and for the fiscal year 1951:

[In millions of dollars]

| Retail excise taxes | Loss in excise revenue | |
|---|---|---|
| | In a full year of operation | In the fiscal year 1951 |
| Retail taxes | 230.5 | 172.1 |
| Admissions and cabaret taxes | 201.0 | 132.8 |
| Manufacturers' taxes | 194.5 | 126.2 |
| Communications taxes | 117.0 | 81.4 |
| Transportation taxes | 240.0 | 160.1 |
| Other taxes | 21.0 | 17.4 |
| Total | 1,010.0 | 690.0 |

The pending bill makes the following changes in other taxes:

(a) Corporation tax adjustments: Under existing law, corporations with incomes under $25,000 a year are taxed at the rate of 21 percent on the first $5,000; 23 percent on the next $15,000; and 25 percent on the next $5,000. All corporations with income above $50,000 are taxed at an effective rate of 38 percent, with a lesser rate for corporations with incomes between $25,000 and $50,000 a year. By revising the corporate tax structure to impose a flat 21-percent normal tax on corporations and a 20-percent surtax on corporate surtax net income above $25,000, the committee bill yields additional revenue of approximately $433,000,000 a year over existing law.

(b) Charitable trusts, family foundations, educational institutions, and so forth: By taxing the unrelated business income of certain tax-exempt organizations, and by imposing limitations and restrictions on the investment operations and accumulation of investment income of charitable trusts and foundations, it is estimated that the bill, over the long run, will provide about $100,000,000 a year from this source.

(c) Miscellaneous loopholes: The closing of more than a dozen miscellaneous loopholes will yield $95,000,000 a year from this source.

(d) Municipal bonds: The long-run effect of denying a tax benefit to dealers in municipal bonds for premiums on tax-exempt bonds held by them for investment rather than for resale will be $20,000,000 a year.

(e) Reduction in interest rate on tax refunds: The ultimate effect of the reduction in interest rate on refunds of Federal taxes from 6 percent to 3 percent will be $45,000,000 a year.

(f) Life insurance companies: The inclusion in the bill of the provisions of House Joint Resolution 371, already passed by the House, for correction of the formula for the taxation of life insurance companies and making it applicable to 1950, would yield $70,000,000 a year.

(g) Withholding of tax on corporate dividends and patronage refunds: To insure the collection of individual income taxes on more than $1,000,000,000 of corporate dividends and patronage refunds of cooperatives which are now estimated to be omitted from individual income tax returns, the bill provides for a system of withholding of tax at the rate of 10 percent, somewhat similar to that now in effect for salaries and wages. It is estimated that this provision will increase revenues by $170,000,000 a year without any increase in taxes.

(h) Percentage depletion: On the other side of the profit and loss statement, for a moment, the extension of percentage depletion allowances at the rate of 5 percent to sand, gravel, granite, marble, stone, brick and tile clay, shale and shell, and at 15 percent to borax, fuller's earth, refractory and fire clay, quartzite, perlite, diatomaceous earth, metallurgical and chemical grade limestone and tripoli, and the increase from 5 percent to 10 percent of the depletion allowance for coal will reduce revenues by about $35,000,000 a year when fully effective.

The following table summarizes the estimated revenue effect of the bill for a full year of operation:

*Estimated revenue effect of committee bill*

[Increase (+) or decrease (−)—In millions of dollars]

| | *Full-year basis* |
|---|---|
| Excise tax reduction: | |
| Reduction before adjustment for increased income taxes | −1,010 |
| Increase in income taxes resulting from excise tax reduction | +100 |
| Net excise tax reduction | −910 |
| Offsetting additional revenues and other adjustments: | |
| Withholding tax on dividends | +170 |
| Charitable trusts, family foundations, educational institutions, etc. | +100 |
| Miscellaneous loopholes, etc | +115 |
| Percentage depletion | −35 |
| Life-insurance companies | +70 |
| Interest rate on refunds | +45 |
| Corporate rate changes | +433 |
| Total net offsetting additional revenues | +893 |
| Total net change | −12 |

REVENUE EFFECT ON THE 1951 BUDGET

In the fiscal year 1951 and for the next few years, the revenue collections will actually be greater than the proposed reduction in excise taxes. Assuming that excise tax changes become effective on September 1, 1950, the net loss in revenue from excise tax reduction for the fiscal year 1951 would be $670,000,000, while additional revenues of $1,214,000,000 provide a net increase in collections of $544,000,000 toward further reduction in the budget deficit. This is attributable principally to the acceleration of tax payments of corporations, a reform that I have felt for some time was badly needed. Under existing law, a wage earner has his income tax deducted on payday. A person doing business either in

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the form of a partnership or an individual proprietorship must pay his estimated income tax quarterly during the year in which the income is earned. Yet under existing law, corporations may delay payment of their income taxes not merely until the end of the year in which the income is earned, but may pay in quarterly installments over the following year. For taxpayers on a calendar year basis, these quarterly payments fall on March 15, June 15, September 15, and December 15. This means that 50 percent of the tax liability is now paid during the first 6 months after the close of the taxable year and the remaining 50 percent is paid in the second 6 months.

It is only fair and equitable that corporations should pay the taxes due the Federal Government more promptly after the income has been earned. In order, however, not to impose too severe a burden from a sudden shift to more current collection of corporate taxes, a gradual transition period of 5 years is provided by the bill.

Ultimately, within a period of 5 years, corporations will be paying 100 percent of their taxes during the first 6 months after the close of their taxable year, but during the transition period corporations would pay as follows:

First year: 60 percent in the first 6 months; 40 percent in the second 6 months.

Second year: 70 percent in the first 6 months; 30 percent in the second 6 months.

Third year: 80 percent in the first 6 months; 20 percent in the second 6 months.

Fourth year: 90 percent in the first 6 months; 10 percent in the second 6 months.

Fifth year and thereafter: 100 percent in the first 6 months.

The following table shows in detail the estimated revenue effect of the provisions of the bill for the fiscal year 1951:

*Estimated revenue effect of H. R. 8920 for fiscal year 1951*

[Increase (+) or decrease (−)—In millions of dollars]

| | *Fiscal year 1951* [1] |
|---|---|
| Excise-tax reduction: | |
| Reduction before adjustment for increased income taxes | −690 |
| Increase in income taxes resulting from excise-tax reduction | +20 |
| Net excise-tax reduction | −670 |
| Offsetting additional revenues and other adjustments: | |
| Withholding tax on dividends | +70 |
| Charitable trusts, family foundations, educational institutions, etc | |
| Miscellaneous loopholes, etc | +8 |
| Percentage depletion | −15 |
| Life-insurance companies | +163 |
| Interest rate on refunds | +5 |
| Corporate rate changes | +170 |
| Accelerated payment of income taxes: | |
| Corporations | +730 |
| Trusts and nonresident aliens | +80 |
| Total net offsetting additional revenue | +1,214 |
| Total net change | +544 |

[1] Assuming that excise tax changes become effective on Sept. 1, 1950.

CONCLUSION

In conclusion, those who sincerely desire to see excise-tax reduction now should bear in mind the fair warning of the President in his tax message to Congress on January 23, 1950. The President said:

> I want to make it very clear that I could not approve excise-tax reductions unless they were accompanied by provision for replacement of the revenue lost, because I am convinced that sound fiscal policy will not permit a weakening of our tax system at this time.

As I have already pointed out, I would have liked to see all of this revenue made up through the closing of loopholes, but this is not possible under action of the committee. The most feasible alternative, in the opinion of a majority of the committee, was to secure additional revenue through an increase in corporate rates on corporations with large income. There the burden is felt less because of the high profits corporations are enjoying at the present time.

The easy road would have been to reduce excise taxes and nothing more, as was suggested by the minority. But they used up the temporary budget surpluses in 1947 and 1948 solely with income-tax reduction. So I think when the minority shed so many tears about the delay in excise-tax reduction and accuse the Democratic majority of "fiddling while the people waited" it may be a fair question to ask why they did nothing whatever to reduce excise taxes during the 2 years in which they were in control of the Congress. We who wish the Congress to assume and retain its responsibility for the fiscal integrity of the Government had no other choice. We had to provide offsetting revenue.

I trust that the membership will, upon reflection, come to the conclusion that if we are to relieve the country from the burden of the war-excise taxes, this bill affords the most feasible basis of accomplishing that end.

Mr. FARRINGTON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. FARRINGTON. I note in the bill as reported by the committee Puerto Rico and the Virgin Islands are exempt from the 15-percent excise tax on transportation of persons. Would the chairman explain the committee's reason for refusing to extend that exemption to the Hawaiian Islands and to Alaska?

Mr. DOUGHTON. The Virgin Islands and Puerto Rico are possessions of the United States, while Alaska is in a Territorial status, and is a part of the United States within the scope of the uniformity clause of the Constitution.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. COOPER. I am sure the distinguished chairman will recall and that the Delegate from Hawaii will bear in mind there is a serious constitutional question involved on that point because the Territories of Alaska and Hawaii are parts of the United States. Therefore, the question of uniformity of the tax rate would naturally be involved. In view of the serious constitutional question involved, the committee is of the opinion that action should not be taken along the line indicated by the gentleman.

Mr. DOUGHTON. A subcommittee of our committee went to Puerto Rico and the Virgin Islands to study the fiscal and economic conditions there and they reported very favorably on the action taken by the committee in this bill with respect to the Virgin Islands and Puerto Rico.

Mr. FARRINGTON. Mr. Chairman, I think it is important to establish for the purposes of the record that the Territories of Alaska and Hawaii are being asked to pay taxes on identically the same basis as the rest of the States of the Union while Puerto Rico and the Virgin Islands are exempted from that tax which falls with particular weight on the two Territories. I do not dispute the position of the committee, but I do want to say it is a most compelling argument why Hawaii should be admitted to the Union as a State.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. CASE of South Dakota. My attention has been called to the fact that under section 204, having to do with percentage depletion, the bill proposes to add a clause to the existing law on gross income from mining in the following words: "but such term shall in no case include transportation beyond the property."

In connection with nonmetallic minerals, such as feldspar and bentonite, and other minerals of that sort, the common practice is to collect or pick up the rough ores and then transport them to a central mill. In many cases 50 percent or more of the cost of the operation is involved in getting them to the processing plant. Until these ores have been processed, they are not usable. You have only crude ores. They are not products. They are only moved rocks or clays. The transportation to a processing mill, whether 100 yards or 20 miles, is a part of the mining. Transportation after milling or even grinding is something else. To make this clear, would the chairman say that it is not intended to deny the transportation costs where they are a part of the handling of the crude ore before it is processed or milled?

Mr. DOUGHTON. The subject of depletion was one of the controversial subjects that was before our committee and was considered very carefully. What we did is the decision of the majority members of the committee.

I yield to the gentleman from Tennessee [Mr. COOPER] if he has some observation to make.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. DOUGHTON. I yield myself four additional minutes.

Mr. COOPER. Mr. Chairman, I am sure the chairman will bear in mind, and if the gentleman from South Dakota [Mr. CASE] will refer to page 65 of the report, he will see the explanation of this provision. Briefly, it simply means this, that percentage depletion is pro-

vided for the production of the mineral but not for the transportation of it.

Mr. CASE of South Dakota. On page 65 the language says, "transportation of the product." If "the product" means the milled mineral, that is one thing, but if it is the crude ore, that is something else.

Mr. COOPER. Well, it is crude ore that is being talked about.

Mr. JENKINS. Mr. Chairman, will the gentleman yield to me?

Mr. DOUGHTON. I yield.

Mr. JENKINS. I would like to call attention to this proposition: Just as the gentleman from South Dakota says, there has been a great deal of complaint lately with reference to that language. I participated rather actively in this matter in the committee. We discussed this proposition, which is the mining of coal, and it was decided that in coal production there is a lot of expense before the coal finally leaves the property on which it is mined. Sometimes it is screened, and sometimes it is washed and pulverized and made into different sizes. At that time, while we were discussing this, we intended that all that expense would be included, before taking the coal further. As an illustration, in Ohio, for instance, we have what we call strip mines. The coal is mined and taken long distances before it is disposed of. It is not treated at all. It is taken up as far as Detroit, for instance, and sold. It would not be fair to consider that transportation as a part of the depletion cost, because that is simply going too far.

Mr. CASE of South Dakota. But coal is a usable product when it is mined, generally speaking; whereas, clays are not.

Mr. JENKINS. With reference to the production of clay, in most of the countries where clay is produced the brick and clay plants are close by, contiguous to where the clay is produced, but in some places they are not. In some places the clay must be hauled long distances. If that is the case, the same applies as with reference to coal. I doubt whether the language we have does fix it definitely and closely enough. This ought to be made more specific when the bill goes to the other body. But the intention was to grant to those people who produced minerals a rather complete concession, but it was not intended to apply to that product every step they hauled it.

Mr. CASE of South Dakota. If the haulage is merely a matter of 5 or 6 or 12 or even 20 miles to a central milling plant, it seems to me it is a part of the cost of production, because the product is not usable until it leaves the mill.

Mr. JENKINS. That will be a proposition of interpretation by regulation or further clarification in the other body.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. DOUGHTON] has again expired.

Mr. REED of New York. Mr. Chairman, I yield myself 50 minutes.

Mr. Chairman, first of all, I want to compliment our distinguished chairman of the Ways and Means Committee, the gentleman from North Carolina [Mr. DOUGHTON]. We are all very proud of his service in the Congress these many years. I have served on the Ways and Means Committee since 1933, and during that time I have never known him to be unfair or partial in his attitude toward the minority. It is a great pleasure to work under such a chairman. We look forward, of course, to the time when perhaps he will be very glad to work under a chairman from our side. At any rate, he has performed a great and splendid service for his country.

Three days ago the Bureau of Labor Statistics officially reported that between April 15 and May 15 the cost of living took the highest jump of any month in the last 2 years.

Today we in the House of Representatives are considering, and I fear on the verge of passing, a bill which will drive prices to unprecedented levels—a bill that will increase the costs of the necessities of life to the point where the low- and middle-income families will be compelled to reduce their present standard of living, where they will literally have to tighten their belts.

The bill before us today is one of the most dangerous measures ever to come before the House. It is dangerous for these reasons:

First. It creates an extremely dangerous psychology that may throw this Nation into a serious recession or economic depression.

Second. It puts a floor under taxes. By sponsoring this bill, the Truman administration serves unmistakable notice on the American people that they can expect no tax reduction; that, on the contrary, the tax rates, if they are changed in the future, must go higher.

Third. It adds fuel to the fires of inflation.

Fourth. It creates the fiction that the people are being given tax relief when the facts will show that the people in reality are having their taxes increased through higher prices for the things they have to buy.

Fifth. It firmly imbeds wartime excise taxes in the peacetime tax structure.

Sixth. It plunders people who owe no taxes, especially the old people who are living on dividends.

Seventh. It raids the meager treasuries of charitable institutions—churches, hospitals, homes for the aged and crippled children.

In short, this bill is the most dangerous and dishonest tax bill ever to be reported by a responsible congressional committee.

H. R. 8920, reported out of the Ways and Means Committee and brought to the floor of the House today, is indefensible. It violates the principles of sound and just taxation. Many of the provisions of this bill are unjust, inequitable, and un-American. It will tend to paralyze enterprise and place a penalty on honesty. It has made reductions in some excise taxes in order that the public may not know the extent of the injustice, dishonest and discriminatory character of other provisions of the bill.

There are provisions in H. R. 8920 which plunder the public to the point of confiscation. Under the terms of this revenue measure, an army of bureaucratic employees will be added to the Government payroll to administer this unsound, unjust, deceptive piece of legislation.

Does any intelligent person dispute the fact that all taxation is paid out of production and that all production bears the burden of taxation? Can it be successfully controverted that all production is hampered and handicapped by too high taxation?

Why are prices of goods at this time so inordinately high? Is not one of the factors that all products are increased in price in the exact proportion of taxation?

Let every taxpayer remember that when the top 41 percent corporation tax is laid on the product of a corporation, directly or indirectly, it must come out of the product, and that every such tax must be paid by the ultimate consumer in the price of the product. Is there any possible way for a producer to pay taxation of any kind except by adding the tax to the cost of his product?

The people will have to learn, perhaps the hard way, that excessive Government spending and high taxation mean ultimate depression, oppression, and destruction. This bill with its top 41 percent corporation tax will take from the people the money they should have to use for themselves to buy what they want and need. A slight, partial and discriminatory reduction in the excise taxes presented in this bill is to lull the taxpayers into the false belief that they are getting tax relief. Instead of tax relief this bill hikes taxes. In addition it places a burden on millions of old people who are trying to exist on a meager income from corporate dividends.

I again repeat I am for a liberal excise-tax reduction. At the beginning of this session of Congress I introduced a bill which would have completely eliminated many of the excise taxes and reduced drastically nearly all others. I have consistently championed excise reduction since the end of the war.

I think that we should have had excise relief long ago. But I can't go along with this deceitful measure.

I know of a case that is typical of thousands of elderly people. An old couple, each one of them past 65 years old, the wife blind and cared for by her husband. They own a humble home. It has to have repairs and taxes on it have to be paid. Their only income is from dividends amounting to $1,400 a year. They have five exemptions, two each because of age and one because of blindness. Therefore, they owe no income tax. Yet under this bill 10 percent of their annual income of $1,400 from dividends will be withheld from them by the Government. This old couple in the sunset of life, unable to work, is compelled under this bill to turn over to a spendthrift administration $140 for it to use without paying interest. Half of the $140 withheld will be continuously withheld by the impecunious Truman administration. It must be remembered that the tax bill is President Truman's. It has been made to meet his specifications and by his command.

What of a church which is exempt from income taxation, which receives dividends from a few stocks donated to

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it? Does the church escape? No. Ten percent is withheld under the provisions of this bill. The Government takes the money, uses it, and does not pay interest on it. Unless this provision is sometime repealed the church will be out half the amount withheld by the Government without a termination date.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. May I ask if in the two cases cited either the elderly people or the church or the charity owe any taxes whatever?

Mr. REED of New York. Not one cent.

What about the hospitals in the counties you represent, my colleagues, some of which may have an income of say $8,000 annually from dividends? The income of a hospital under present law is exempt. It is still nontaxable. But under the provisions of this bill the Government will withhold 10 percent of the $8,000—or $800—even though nontaxable. This administration is indifferent to the urgent needs of hospitals for money to care for the lame, the halt, the critically ill and the blind. The Government confiscates this $800 to the extent at least of taking it and using it without interest. Moreover, the hospital will always be out at least half the $800. If there are any financially hard-pressed institutions in the country today it is the local hospitals. The drive for funds in every large American community demonstrates their financial difficulties.

The colleges, of which there are thousands—many of them denominational—are hard pressed for funds. Most of them are the owners of a few stocks received as benefactions, from which stock income is derived in the form of dividends. Do these colleges, although exempt from taxes, escape the rigors of this confiscatory witholding provision of H. R. 8920? They do not.

What about the homes for crippled children? Do they, too, have to sacrifice the use and the interest on their income from dividends to gratify the greed of the Washington spendthrifts? They do.

This legislation presupposes that every American citizen and every free institution is a thief and a swindler.

There are provisions in this bill which will furnish all the information necessary for the Treasury and Internal Revenue Bureau in every respect to protect the revenue from loss through unreported dividends. All that would be required to protect the revenue would be to put in operation form 1099. It is applicable to corporations and cooperative organizations. Form 1099 could be filed before February 28 showing the aggregate amount of dividends or patronage refunds paid to any individual, trust, or estate, and the date of such payment. All taxpayers could be required to itemize the amount of each dividend and patronage refunds received together with the name of the payer or corporation. Corporations are now required under existing law to file a 1099 return showing the name of the taxpayer and the amount of dividends paid, only in those cases, however, where the amount of the dividends paid is $100 or more. By requiring corporations and cooperatives to file this form on all dividends and patronage refunds, irrespective of the amount, the Bureau will be advised of the name of every recipient, and not just those who received $100 or more from any one company, together with the amount received.

This simple, understandable, effective remedy to meet the problem, if there is one, of failure to report dividend income is not acceptable to the Truman administration, for the reason that it does not lend itself to the creation of more political jobs for the approaching congressional elections.

To continue the subject of the 10-percent withholding tax on dividends, I wish to present the views of an income tax expert, who speaks from tax practice rather than theory:

I am all for the Treasury Department getting every tax dollar that they are rightfully entitled to, but in the past few years since withholding taxes have been in force I have had many opportunities to see how long it took for the taxpayer to get money refunded to him resulting from overpayments.

Dividends are already plenty taxed now—taxed to the paying corporation at 38 percent, and taxed to the individual at from about 16.6 percent on up.

Were this plan put into operation it would impose a heavy expense on the paying corporation in addition to the expense of handling the present withholding tax and might result in the reduction of dividends.

The Treasury Department would soon decide that a new department was needed to properly handle this plan and would immediately require from 30,000 to 60,000 or more additional employees to handle it—and, of course, require a large sum of money to operate the new department.

Now—

Continues my friend—

for a look at the taxpayer's side of the matter: A large number of men employed on a salary, or wage try to save something for their old age and usually invest it in common stocks, preferred stocks, bonds, and Government bonds. These they lay away and as dividends are paid on them, they reinvest the earnings in still other securities, or use them for some specific purpose (such as paying on the home, the car, or some item of furniture, etc.).

Some of these men die before reaching the age of retirement, while others retire and attempt to live on this dividend income. In other cases it falls to the widow to live and operate her home on these dividends. In all cases these quarterly dividend checks help to keep things going. Beginning at age 65 the double exemption on the Federal income tax allows each person (man or wife) $1,200 of income not taxable and in the instances mentioned above these dividends would not be subject to income tax. In a great many instances neither the husband nor the widow would fully understand about this 10-percent withholding, nor how to go about getting it back. In such cases the tax which was withheld would become another tax on income (in the form of dividends), as they would not get it back. In all cases where it was withheld when the income was not taxable it would require from 1 year to 1¾ years from date of dividend payment to get it refunded, and then without interest.

I continue quoting:

I have in mind many situations which would apply to clients of mine, especially those who are at present in the 64th or 65th year. The following are two instances:

A. Man and wife have just reached 65 years during 1950—so they are entitled to an income tax exemption of $2,400.

They receive dividends from 10 to 15 stocks of approximately $1,200.

They have quite a few United States War Bonds, series E, which will mature in 5 to 7 years and on which they have reported interest each year according to schedule prepared for them, but which interest they will not get for 5 to 7 years as the bonds mature.

Under the proposed method of withholding of 10 percent of dividends income during the year they will be out $120 of cash income, or $10 a month which, after all, will still buy some necessary items. Now, if they are properly advised they will apply to get that $120 back, and so if lucky they may get back in a year and three-quarters from date of first dividend payment of the year, but before they get it their return must be audited, they will be questioned, etc.

B. A man died very suddenly leaving a wife, some common stocks, a little life insurance, and his home, which was about paid for. In her case she is about 53 years so she has a $600 exemption. She tries to supplement the income received from the dividends on her stock by renting several rooms in her home (she has no children home), but says it is rather difficult going as it is now.

Under the proposed method with a 10 percent cut in her income from dividends she will really find it tough going. Now if she files her tax return and the tax is not as much as has been withheld on the dividend income, she will have to wait a year to a year and three-quarters to get the refund, besides going through the same questioning and possibly having the amount of tax that was claimed to be withheld disputed by the tax auditors. In that case more delays. That may sound unreal, but it has happened to several persons already this year under the regular withholding plan.

It seems a crime to me to put in force a plan like that which will affect widows, older people, and those dependent on income from dividends for their living when such a plan is not necessary. For example, there are over 900,000 stockholders of American Telephone & Telegraph. Allied Chemical has thousands. So does the various investment trusts such as Massachusetts Investors Trust and many others. A large percentage of those are widows or old people who are dependent upon dividends for a living and a 10 percent cut would really hurt.

The foregoing statements are taken from situations which are not theories, but actual situations as I know them. Present Federal taxes take a large bite out of the lowest wage earner and should be reduced. They can only be reduced by a reduction in the Federal expenditures.

In the light of the increased tax load which H. R. 8920 will place upon the already overburdened public, an editorial points out:

What is needed in Washington is some clearness of vision and some sound American common sense; some realization that taxation means national exhaustion; some understanding that what the Government spends the people must pay; and that whatever is paid to the Government must be deducted from the purchasing power of the community, from the consumption of goods, from the manufacture of products and consequently from the expansion of business, and from the employment of labor.

There is one thing the Democratic Party has never learned either from experience or observation, and that is that the growth and development of business is what Government should encourage not penalize and paralyze. For 17 years the New Deal and its successor, the Tru-

manite spenders, have taught millions of citizens that they can live off the rich taxpayers. This cannot be done even under a program of confiscation of all taxable income over $10,000, for the reason that it would raise only $4,000,000,000, because the Truman welfare state program calls for over $7,020,600,000 as its estimated initial cost, and an additional cost of $25,187,000,000 as the annual expense of the President's proposal when in full operation.

To confiscate all incomes in the United States over $26,000 would yield only $990,000,000.

A corporation tax rate of 50 percent would raise only $3,000,000,000 in 1 year. Yet, to win votes President Truman would urge an annual expenditure of $65,000,000,000 to finance his spending program. It is a well-known fact to all sound economists that "the process of production requires the laying out of capital long before, in some cases many years before, any returns can be expected from the investment. No intelligent man of business will take such long risks with his savings or borrowed money when conditions are unsettled, and even the most venturesome are fearful of what lies ahead. Without confidence in the future, without trust in the Government, without faith in the courts, and without some assurance that the laws of the game will not be changed, capital will not seek investment."

And in the same connection let me quote Cicero:

Nothing—

Said he—

so cements and holds together in union all parts of a society as faith or credit.

This was written by Cicero at the time the Roman Republic was destroying both faith and credit.

No statesman before or since Cicero has pointed out so clearly as he did, at the moment of their occurrence, the causes of a nation's ruin.

If the provisions contained in the 152 pages of H. R. 8920 are carefully examined with its high tax rate, its drastic changes in the rules of the business game and its confiscatory aspects, no intelligent man of business will risk his venture capital in a new enterprise. The Trumanite program of spending, taxing, and confiscating is destroying public faith and public credit.

Venture capital is the very heart and life's blood of free enterprise. It is essential to full employment. Venture capital can come only from profits distributed as dividends and from the savings of the people. Impose too high a tax on these and the expansion of industry and of payrolls stagnate. Why? Because it has been fully demonstrated that confiscatory taxes prevent the creation of risk or venture capital. What interest has the laboring man in venture capital? He should have this interest. It requires on the average an investment of $8,000 in factory, tools, and machines to give one man or one woman a job. This is the average but it varies according to the character of the industry. The investment per job ranges from $2,000 per job to $40,000. The tax imposed in H. R. 8920 will not and cannot produce venture capital. It will retard savings. It will cut dividends. It will reduce the income of individuals and hence impair the effort to save venture capital.

ACCELERATION OF CORPORATE PAYMENTS—THE BIG HOAX

Under present law corporations may pay their taxes in four installments. In order, however, to bring revenue into the Treasury more quickly, the bill contains a provision for accelerating these payments so that within a 5-year period corporations will have to make their payments in two installments instead of four. This proposal will produce no additional revenue but has the political virtue of reducing the fiscal deficit for fiscal 1951 by approximately $700,000,000. As originally proposed, corporations would have had to immediately pay their taxes in two installments instead of four. As now contained in the bill corporations will pay 110 percent of their taxes in each Federal fiscal year over a 5-year period. The political motive is just as clear although the sleight-of-hand trick has been considerably modified from the original proposals, which was characterized by an organization of small businesses as a piece of "economic illiteracy."

Nevertheless, the proposal as it now stands is unwise and is an illustration of the frantic efforts being made by the Democratic majority to conceal the waste of the people's money perpetrated by the Truman spenders.

One of our leading newspaper chains—Scripps-Howard—has the slogan, "Give light and the people will find their own way." Here is what it has to say about the big hoax to hide the deficit:

The speed-up in corporate tax collections will not bring in a single dollar of additional revenue. It will only bring in some of those dollars sooner, and to that extent diminish the amount of red ink in the embarrassing fiscal years immediately ahead. And, when the speed-up schedule reaches its goal of two tax payments a year instead of four, the budget-makers will no longer have that cushion of corporate taxes due.

But others will have to worry about that. Many politicians now serving will no longer be in office.

There would be more public opposition to this speed-up if more people generally understood that when a corporation balances its books at the year's end, the profit figure is not represented by cash in the bank, but consists largely of inventories of raw materials, semifinished products, and finished goods in transport, in warehouses and on the shelves, in the endless stream of manufacturer and merchandising.

This speed-up provision is likely to cause sporadic unemployment as businesses borrow money from the banks, squeeze down inventories, and slow down production in order to catch up with the Government's new tax-payment schedule.

But it probably won't cause any layoffs until after the November election.

PRE-MARCH 1, 1913, HEARINGS

Section 205 of the bill imposes for the first time on corporate stockholders a tax on distributions of earnings, profits and appreciation in value of assets accrued prior to March 1, 1913. This new tax is unjustified, unnecessary, inequitable and discriminatory, for the following reasons:

First. To adopt the present provisions would be an unwarranted departure from the declared policy of the Congress consistently followed in Federal income tax legislation for 34 years. Distributions of earnings and profits or from appreciation in value accrued before March 1, 1913 are not taxable because they were exempted from taxation in the provisions of the Federal income-tax law in 1916, it being the purpose of the Congress to distinguish between earnings and accumulations prior to March 1, 1913—the effective date of said law—and to tax only earnings and accumulations after that date. The Congress studied this question extensively again in 1921, 1924, 1928, 1932, 1934, and 1942, and on each occasion refused to change the basic principle established in 1916.

Second. March 1, 1913, has long been definitely established in the law and in the concepts of the Congress as the dividing point between property (capital) and income for purpose of Federal taxation. Earnings and profits, and increase in the value of property accrued prior to that date, have been properly treated as capital, and not subject to tax whenever or however realized, or to whomsoever distributed in dividends. In the case of a complete liquidation of a corporation which was dealt with in *Lynch* v. *Turrish* (247 U. S. 221 (1918)) it was held that appreciation in value of assets accrued prior to March 1, 1913, was not taxable as income to stockholders when distributed. In *Lynch* v. *Hornby* (247 U. S. 339 (1918)) it was decided on very technical grounds and distinctions that dividends declared and paid in the ordinary course of business by a corporation to its stockholders after March 1, 1913, out of surplus accumulations before that date, were taxable to the individual shareholders as income.

The distinction above noted is a very tenuous one. In point of substance and practicality, what difference should it make that a stockholder—as in Lynch against Turrish—realizes the pre-March 1, 1913 surplus by a complete corporate liquidation after that date instead of—as in Lynch against Hornby—realizing it by virtue of the fact that a corporation after that date operates the assets in which the surplus inheres and sets aside for distribution the proceeds of such operation? Technical distinctions seem to disappear when the standard of fair and equal treatment is applied.

Third. The proposal here, if adopted, would result in the imposition of discriminatory tax burdens, in that (a) only corporation stockholders, and not individuals and partnerships, are affected by the tax, and (b) it discriminates against the stockholders of those corporations which have kept their pre-March 1, 1913, surpluses in the business and used them to expand industry for the purpose of increasing the economic strength of the country.

Fourth. It is frequently not practicable for a corporation to distribute pre-March 1, 1913, surpluses. It is a matter of common knowledge that all well-managed corporations, especially those which envision growth, must devote a certain portion of each year's income to betterments, additions, and general business expansion. Yet since the Revenue

Act of 1917, in order to take advantage of the exemption from income taxation, a corporation must first have distributed all earnings accumulated by it since February 28, 1913, in other words, "strip itself to the bone" in order that its stockholders may avail themselves of the exemption in the 1916 Revenue Act. For this reason, many corporations have not distributed their earnings and increase in value of assets accrued prior to March 1, 1913.

Fifth. The Treasury's claim of alleged simplification of tax computation and collection procedures as an argument for this proposal is illusory. Pre-March 1, 1913, earnings and appreciation in values have already largely been determined. Even where they have not, and whatever the administrative problem may be, simplification in income-tax procedure should not be attained at the price of inflicting unfair and discriminatory treatment upon taxpayers.

Sixth. The adoption of this proposal would not close any loophole as the Treasury suggests. Rather it would be a gouging out from the code a provision which, after full and mature deliberation, the Congress placed there in 1916 and has kept there since despite all the repetitive arguments now advanced against it.

Seventh. There is no evidence that the proposed amendments would result in the collection of any additional revenues. In the 34 years since the enactment of section 115 (b), many of the corporations which had surpluses as of March 1, 1913, have either distributed them or lost them in the course of their business operations, especially in the period of depression of the early 1930's. While there is still a substantial number of corporations with pre-March 1, 1913, surpluses, generally they have accumulated additional surpluses since that time which under the law must be distributed first. It is therefore unlikely that any great number will distribute pre-March 1, 1913, surpluses as dividends in the near future. Of course, if such surpluses are distributed in liquidation, they are constitutionally not taxable—Lynch against Turrish, supra. It is only when these surpluses are distributed as dividends that the tax would be levied.

TAXING THE INTEREST ELEMENT IN INSTALLMENT PAYMENTS OF LIFE INSURANCE

I state without fear of successful contradiction that H. R. 8920 sets up a racket for the confidence men and the swindlers. I refer to the provisons for taxing the interest element in installment payments on life insurance. You lawyers all know that there are vultures who prey upon the widows and orphans where benefits from insurance policies are paid to them in a lump sum.

The professional racketeers will hail the promise to tax the interest element on installment payments of life insurance as manna from Heaven. This provision will force lump-sum payments and thus throw down the bars of protection to widows and orphans, the protection of whom has always been considered a wise and humane public policy. I deplore the fact that such a provision should be enacted into law to aid a racketeering group of gougers in exploiting the insurance benefits bequeathed to the widows and orphans of the Nation.

There is a great difference from both a social viewpoint and a tax viewpoint between the purchase of a life annuity with money on which income taxes have already been paid and the indemnity paid to a beneficiary for loss of earning power of the insured. The vast majority of the latter payments are to widows and minor children. Sixty-five percent of the beneficiaries are women; 26 percent are men. Death benefits in 37 percent of the cases are paid to wives; in 23 percent of the cases to children, in 28 percent to estates, institutions, and others such as trustees. Ninety-six and five-tenths percent of death benefit payments are less than $2,000 a year.

The imposition of this tax at this time without a similar method being applied to purchased annuities is grossly unfair. It adds one more discrimination to the code which cannot be justified. The argument that the 3-percent annuity rule may later be corrected is not sufficient reason for the imposition at this time of this tax standing by itself. As you know only too well from your own experience, piecemeal revision has been the bane of the present Internal Revenue Code.

SALE OF BUSINESS PROPERTY

Section 209 (b) of the bill reverses the policy established in 1938, and continued in 1942, by providing that for taxable years beginning after the enactment of the bill losses from 117 (j) transactions—and also abandoned property—must be treated as capital losses instead of ordinary losses. An exception is made in the case of casualty losses which will still be treated as ordinary losses.

In 1938 the definition of capital assets was amended to exclude "property used in trade or business, of a character which is subject to the allowance or depreciation." The purpose of this amendment was to permit ordinary loss deductions for losses sustained on the sale of depreciable property, and as a corollary the gain was fully taxable. In 1942 Congress amended the law by enacting section 117 (j), which provides that net gains from the sale or exchange—or involuntary conversion—of depreciable property and real estate used in the taxpayer's trade or business for more than 6 months are to be treated as capital gains, and net losses from such transactions as ordinary losses. The effect of this change was to continue the policy adopted in 1938 of treating business property losses as ordinary losses and to make the gains from the sale or exchange of such property, including also real estate used in the trade or business, as capital gains subject only to the maximum effective rate of 25 percent.

There are many good reasons for continuing the provisions of section 117 (j) which treat as long-term capital gain net gains realized on the sale of depreciable property and land used in the taxpayers' trade or business for more than 6 months and treating net losses on the sale of such property as ordinary losses. A major objection to the Treasury proposal is that it runs counter to the policy of encouraging the replacement of obsolete equipment and encouragement for the sale of business property. Moreover, of course, section 117 (j) is not a "one-way street," as the Treasury claims, because in the case of depreciable assets losses on their sale generally reflect the inadequacy of the depreciation rates. Such losses should be allowed as ordinary losses because they are basically a cost of the business.

If there is to be any change in section 117 (j), then at least a fair and equitable change should be made, and not the provisions contained in H. R. 8920. Under existing law, corporations cannot deduct any capital losses from ordinary income, and the effect of the majority proposal will therefore be to prevent many businesses from taking any losses from the sale of business property. Most businesses do not have capital gains against which they will be able to apply the loss sustained from the sale of their plant and equipment, and in a period of depressed conditions and falling prices the severity of the majority provision will be most aparent. Demands will then be made for relief—and properly so.

A more equitable rule, and one which would encourage, and not discourage, industry to improve its plant efficiency by the replacement of obsolete equipment, would be to at least provide that if there is no offsetting capital gain then 25 percent of the loss from a 117 (j) transaction would be permitted against ordinary income. The 25-percent rate is the same rate applied to the capital gains.

CHARITABLE TRUSTS AND FOUNDATIONS

Among the complex provisions dealing with charitable trusts and foundations are two provisions which the Congress should not enact without at least giving the problem more study so that the full implications may be fully appreciated. I refer to the following two provisions contained in H. R. 8920:

First. Section 331 of the bill which denies tax deductions to donors of gifts to charitable trusts or foundations where the donor or members of his family control the organization to which the contribution is made and the contribution consists of stock in a corporation in which the donor, together with members of his family, controls 50 percent or more of stock including the stock held by the charitable trust or foundation.

Second. Section 321 of the bill which imposes a tax on the investment income of all future inter vivos trusts where the income under the trust is accumulated for more than a 5-year period even though the only purpose is to accumulate sufficient funds in order to fulfill a specific charitable objective such as the building of a library, church, or hospital.

It is apparent that if a donor desires to give stock of a corporation to a university he may make it directly and a deduction is allowable. If he gives the same stock to a foundation which neither he nor his family control and directs its use for the benefit of the same university a deduction is allowable. If he gives the same stock to a foundation, even one controlled by his own family, and directs its use for the same university the deduction is still allowable unless the

family and the foundation also control the corporation. In short, the same gift can be made to the same donee for the same objectives in any number of ways without the creation of a tax situation to the donor. It is frivolous to contend that a measure of such a character and having such legal possibilities of escape from taxation is a revenue measure.

Since the tax would only be involved where the donation is of a particular kind of property to a particular type of foundation the proposal is not only class legislation but a social measure as well. Surely family-controlled businesses do not offend public morals. Such businesses have added much that is good to the social and economic life of America. Certainly family foundations are not conceived in inequity or conducted for nefarious ends. The story of the Guggenheim, Carnegie, Rockefeller, and a hundred other family foundations is one of accomplishment. Also they have relieved the Government of this country and our local governments of far greater expenditures than any taxes which might have been collected. If neither the family business nor the family foundation have inherent evils I cannot conceive of the social immorality which arises when the two are brought together.

I think I have demonstrated that the pending proposal will not create revenue for the individual who desires to make substantial donations may still do so tax-free. If this is the case why should he or his estate be penalized, and it is a penalty, make no mistake about that, if those same donations are to be administered through a foundation whose policies he and his family direct? It seems to me the proposal is obviously put forward as a New Deal social reform. If this is so it should be done openly and hearings should be afforded to permit the committee to canvass as to the proposal's real objectives and as to the merits of those objectives.

I have touched upon some of the more obviously inequitable and unsound provisions of this bill. There are many more. For example, no provision for floor stock refunds has been made—another deliberate Democratic injustice to those who have large floor stocks upon which the higher excise tax rate has already been paid. This unfair failure to provide floor stock refunds will penalize with large losses many small businesses and even many large stores, particularly in the West, which serve such great areas that tremendous stocks of goods have to be kept and the excise tax paid.

The public has been urging, demanding, and appealing to the Truman spendthrifts and to his majority in Congress to do two things—cut Federal expenditures and give tax relief, especially excise-tax relief. The Truman spendthrifts have turned a deaf ear on both demands.

I call attention to the fact that at the opening of the first session of the Eighty-first Democratic Congress more than 50 bills designed to afford excise-tax relief were introduced by Republicans. Every one of these was ignored by the Democratic Congress. These Republican bills are on file in the Ways and Means Committee.

I have had some legislative experience that no other Member on the Ways and Means Committee, except its distinguished chairman, the gentleman from North Carolina [Mr. DOUGHTON], has had. I was a Member of Congress immediately after World War I. What were the fiscal conditions which the Republican Party had to face in 1919 when it came to power? Let me call the attention of the Members of the House to these postwar problems. I would have the Democrats who have joined in the Truman philosophy of unrestrained Federal spending and consequent deficit financing realize that when taxes are too high more revenue can be raised by lowering them than by skyrocketing them.

Tax reduction, a balanced budget, and debt retirement have ever been the traditional fiscal policy of the Republican Party. Our party is dedicated to a solvent America, an expanding economy, and a high standard of living for all the people under a free-enterprise system.

On the other hand, the Democratic Party is dedicated to the principles of deficit financing, higher taxes, and a controlled economy leading to bankruptcy, socialism, and war.

I shall now state some facts to counteract the false philosophy now being preached to and practiced on the American people by the Truman spenders of the people's money.

Debt in 1919 after World War I was $26,000,000,000; taxes, highest in peacetime in the history of the United States; six or seven million persons idle; soup kitchens organized in our cities; how could the Nation's productivity and employment be stimulated? was the issue confronting the people.

How was it met? Did the Republican Party plunge the Nation into deficit spending? Did it increase the national debt? The first thing the Republican Party did was to retrench, cut expenses to the bone, but did not impair essential services.

Next in 1919–20 it promptly cut personal-income taxes from 12 percent to 8 percent.

Again in 1921–23 another cut was made in individual-income taxes of married persons by increasing their personal exemption from $2,000 to $2,500 and the exemption for each dependent was increased from $200 to $400.

In 1924 the rate was reduced from 8 percent to 6 percent; also the tax for 1923 was reduced 25 percent by the 1924 act.

Again in the 1926 Revenue Act—year 1925–27—the personal-income tax was reduced from 6 percent to 5 percent; also the exemption for a single person was increased from $1,000 to $1,500 and the exemption for married persons was increased from $2,500 to $3,500.

In 1928—year 1929—the rate was reduced from 5 percent to 4 percent—1½ percent on first $4,000; 2 percent on second $4,000.

What was the effect of these reductions in taxes in the face of our national debt?

The six or seven million idle people were put to work.

One billion dollars each year for 10 years was paid on the national debt. The greatest period of prosperity was enjoyed by the people during this period of tax reduction; the budget was balanced each year for 10 years.

What about the World War I excise taxes? The Revenue Act of 1921 repealed a large number of war excise taxes which were a thorn in the flesh of the consumers.

The 1921 and 1922 act covered another large group of excise taxes inimical to business stimulation. The Revenue Act of 1924—June 2, 1924—repealed another large group of burdensome excise taxes. The Revenue Act of 1926—February 26, 1926—repealed another group of burdensome taxes on business enterprise and consumers.

Thus by the reduction of war taxes—Federal income taxes and war excise taxes—following World War I, business was stimulated, prosperity resulted, budget was balanced, and the national debt reduced $10,000,000,000 in 10 years.

The Truman spendthrift administration cries out that taxes cannot with safety be reduced in the face of a $257,000,000,000 debt, a $50,000,000,000 spending budget, and a $5,000,000,000 deficit.

Let us look into this piece of deception.

For example, in the fall of 1945 the Bureau of the Budget estimated that the administration would have a deficit of over $30,000,000,000 for the single year 1946—that is the period between July 1, 1945, and June 30, 1946.

Business was slipping, unemployment was increasing. How was the objective of providing incentives for business expansion and to increase consumer purchasing power to be achieved? There was only one answer and that was to provide tax relief to individuals and business enterprises.

Accordingly, the Revenue Act of 1945, the provisions of which became effective January 1, 1946, was enacted even though it was estimated that its provisions would result in a loss of revenue in excess of $5,000,000,000. This Revenue Act of 1945, despite an existing deficit of $30,000,000,000, was passed.

The President did not veto it. The act lowered slightly individual rates, allowing the same exemptions for the normal tax as were previously given only for the surtax.

What relief did this give in the face of the $30,000,000,000 deficit? It removed approximately 12,000,000 of the 48,000,000 then on the income-tax rolls from the tax rolls. This 1945 act made several changes in the corporate rate, the net result in general was to give a total combined rate of 38 percent instead of 49 percent as in 1945.

Not only this, but in the face of a $30,000,000,000 deficit the excess-profits tax was repealed for 1946 and later years and the capital-stock tax was repealed with respect to taxable years ending June 30, 1945.

All of this tax reduction program of 1945 was done to forestall a threatened depression. Now then, what happened to the revenue under the stimulating effect of tax reduction?

After these reductions under the 1945 revenue bill our tax receipts instead of

being less than the previous year, increased an additional $300,000,000 and by 1948 the revenue had increased by approximately $1,700,000,000 over 1946.

The bill, H. R. 8920, is only one more of the step-by-step legislative proposals for the Truman spendthrifts which, if enacted into law, will lead to a further decline in our free enterprise system.

I believe that nowhere else have the economic catastrophes which have led to the decline of a great country been summarized more briefly and effectively than by James H. Brested in Ancient Times:

The penalty of wealth seemed to be ruin, and there was no motive for success in business when such prosperity meant ruinous overtaxation. Many a worthy man secretly fled from his lands to become a wandering beggar, or even to take up a life of robbery and violence. The Roman Empire had already lost, and had never been able to restore, its prosperous farming class. It now lost likewise the enterprising and successful businessmen of the middle class. Diocletian therefore endeavored to force these classes to continue their occupations. He enacted laws forbidding any man to forsake his lands or occupation. The societies, guilds, and unions in which the men of various occupations had long been organized were now gradually made obligatory, so that no one could follow any calling or occupation without belonging to such a society. Once a member he must always remain in the occupation it implied. * * * Even the citizen's wages and the prices of the goods he bought or sold were as far as possible fixed for him by the state. The Emperor's innumerable officials kept an eye upon even the humblest citizen. They watched the grain dealer, butchers, and bakers, and saw to it that they properly supplied the public and never deserted their occupation. In a word, the Roman Government now attempted to regulate almost every interest in life, and wherever the citizen turned he felt the control and oppression of the state.

Staggering under his crushing burden of taxes, in a state which was practically bankrupt, the citizen of every class had now become a mere cog in the vast machinery of the government. He had no other function than to toil for the state, which exacted so much of the fruit of his labor that he was fortunate if it proved barely possible for him to survive on what was left.

President Truman and his spendthrift followers are leading a free people to the same disasters so clearly illustrated by Dr. Brested. Those who vote for H. R. 8920 will assist in the spendthrift high tax program.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8920) to reduce excise taxes, and for other purposes, had come to no resolution thereon.

## FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate disagrees to the amendment of the House to the bill (S. 3776) entitled "An act to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KEFAUVER, Mr. LEAHY, and Mrs. SMITH of Maine to be the conferees on the part of the Senate.

## EXTENDING SELECTIVE SERVICE ACT OF 1948

Mr. VINSON submitted the following conference report and statement on the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes:

### CONFERENCE REPORT (H. REPT. NO. 2345)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That subsection (b) of section 17 of the Selective Service Act of 1948 (62 Stat. 604), as amended, is hereby amended by striking out 'July 9, 1950' and substituting therefor 'July 9, 1951'.

"SEC. 2. The Selective Service Act of 1948 is hereby amended by inserting after section 20 the following new section.

"'AUTHORITY TO ORDER RESERVE COMPONENTS TO ACTIVE FEDERAL SERVICE

"'SEC. 21. Until July 9, 1951, and subject to the limitations imposed by section 2 of the Selective Service Act of 1948, as amended, the President shall be authorized to order into the active military or naval service of the United States for a period of not to exceed twenty-one consecutive months, with or without their consent, any or all members and units of any or all reserve components of the armed forces of the United States and retired personnel of the Regular armed forces.'

"SEC. 3. So much of section 10 (b) (4) of the Selective Service Act of 1948 (62 Stat. 604) as precedes the second proviso is hereby amended to read as follows: '(4) to appoint, and to fix, in accordance with the Classification Act of 1949, the compensation of such officers, agents, and employees as he may deem necessary to carry out the provisions of this title: *Provided*, That the compensation of employees of local boards and appeal boards may be fixed without regard to the Classification Act of 1949:'.

"SEC. 4. This Act may be cited as the 'Selective Service Extension Act of 1950'."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same with an amendment, as follows:

Amend the title so as to read: "An Act to extend the Selective Service Act of 1948, as amended, for a period of one year, and for other purposes."

And the Senate agree to the same.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
LESLIE C. ARENDS,
*Managers on the Part of the House.*

MILLARD E. TYDINGS,
HARRY FLOOD BYRD,
VIRGIL M. CHAPMAN,
CHAN GURNEY,
LEVERETT SALTONSTALL,
*Managers on the Part of the Senate.*

### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amended the House bill by striking all after the enacting clause of the House bill and substituting completely new language. All provisions of both the House bill and the Senate amendment were therefore in conference.

The House bill proposed to extend the Selective Service Act of 1948 for a period of 2 years; the Senate amendment provided for a 3-year extension. The House bill and the Senate amendment thereto contained widely different provisions which limited the use of the compulsory features of the 1948 act until certain actions in the form of concurrent resolutions or declarations had been taken by either the Congress or the President. As a consequence, the House bill and the Senate amendment were in complete disagreement as to the form any extension of the 1948 act would take.

The managers on the part of the Senate and on the part of the House both receded in part from their disagreement and agreed to extend the Selective Service Act of 1948 in its present form for a period of 1 year to July 9, 1951, due to world conditions.

The House bill contained authority for the President to order into the active military or naval service of the United States for a period of not to exceed 21 consecutive months, with or without their consent, any or all members and units of any or all Reserve components of the armed forces of the United States and retired personnel of the Regular armed forces in the event the Congress, by concurrent resolution, declared an emergency existed which required an increase in the armed strength of the United States. The Senate amendment contained no similar provision.

The Senate receded from its disagreement and agreed to an amendment which authorizes the President to order these components of the armed forces to active duty for 21 months within the personnel strengths provided by section 2 of the 1948 act.

The Senate amendment contained a technical provision with respect to the classification status of certain employees of local and appeal boards. The House bill contained no comparable provision. The managers on the part of the House receded from their disagreement and accepted the Senate amendment as necessary to correct a technical reference to the Classification Act of 1949.

The House bill contained a short title authorizing the act to be cited as the "Manpower Registration Act of 1950." The Senate amendment contained no comparable provision. The managers on the part of the Senate and the managers on the part of the House both receded in part and accepted as a short title "Selective Service Extension Act of 1950."

With respect to the title of the bill, the managers from both Houses agreed to an amended title, "An Act to extend the Selective Service Act of 1948, as amended, for a period of 1 year, and for other purposes."

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
LESLIE C. ARENDS,
*Managers on the Part of the House.*

Mr. VINSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 6826) to provide for

the common defense through the registration and classification of certain male persons, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. COLE of New York. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. MARCANTONIO. Mr. Speaker, if that is the case, I object. We have an understanding that we are going to have a record vote on this, and that is why I am not objecting. But if that understanding is to be violated, then I will object.

Mr. VINSON. Mr. Speaker, we will have a record vote on the final passage of the conference report.

Mr. COLE of New York. Mr. Speaker, I had no knowledge of any agreement that may have been made. Certainly, whatever agreement was made is not binding upon any individual member. A subject such as this, it seems to me, should be considered by the Members of the House before they are asked to vote on this. I am not in disagreement with the conference report; I supported it. But I do believe the Members should be present to consider and discuss it, and that is why I made the point of order that a quorum is not present.

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object——

The SPEAKER. Will the gentleman from New York withdraw his point of order for the time being?

Mr. COLE of New York. Yes, Mr. Speaker.

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, may I have the assurance of the gentleman from Georgia, the chairman of the committee, that he will ask for a record vote on this very important issue? I think the membership of the House should go on record on this important question.

Mr. VINSON. I will ask for a record vote on the adoption of the conference report.

Mr. COLE of New York. Mr. Speaker, I renew my point of order.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. SCRIVNER. Mr. Speaker, reserving the right to object, what was the request?

The SPEAKER. The immediate consideration of the conference report.

Mr. SCRIVNER. I shall not object to that, Mr. Speaker, but I make the point of order that a quorum is not present. In view of the newspaper reports as to what the conference report contains, which is drastically different from that which passed the House, I feel that every Member should be present during the consideration of the conference report.

CALL OF THE HOUSE

The SPEAKER. The gentleman from Kansas [Mr. SCRIVNER] makes the point of order that a quorum is not present. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 186]

| | | |
|---|---|---|
| Abbitt | Hall, | Pfeiffer, |
| Allen, Calif. | Edwin Arthur | William L. |
| Anderson, Calif. | Harden | Phillips, Tenn. |
| Auchincloss | Hare | Plumley |
| Bailey | Hébert | Potter |
| Barrett, Pa. | Heffernan | Powell |
| Barrett, Wyo. | Hobbs | Quinn |
| Bates, Ky. | Hoffman, Mich. | Ramsay |
| Bentsen | Horan | Redden |
| Boggs, La. | Howell | Reed, Ill. |
| Bolton, Md. | Irving | Regan |
| Bonner | Jackson, Calif. | Riehlman |
| Breen | Jacobs | Rivers |
| Brooks | Jennings | Robeson |
| Brown, Ohio | Johnson | Roosevelt |
| Bryson | Jonas | Sadowski |
| Buckley, N. Y. | Jones, Mo. | Sanborn |
| Bulwinkle | Jones, N. C. | Sasscer |
| Burdick | Judd | Scudder |
| Burton | Keefe | Shelley |
| Carnahan | Kelley, Pa. | Sims |
| Celler | Kelly, N. Y. | Smith, Ohio |
| Corbett | Kennedy | Staggers |
| Coudert | Kerr | Stanley |
| Cox | Kruse | Steed |
| Crook | Lodge | Stigler |
| Davenport | McMillen, Ill. | Sutton |
| Davies, N. Y. | Madden | Trimble |
| Davis, Ga. | Marshall | Van Zandt |
| Dawson | Mason | Vorys |
| Deane | Miller, Calif. | Walsh |
| Denton | Mitchell | Werdel |
| Dingell | Monroney | Wheeler |
| Dolliver | Morgan | Whitaker |
| Eaton | Morris | White, Calif. |
| Engel, Mich. | Morrison | Whittington |
| Fallon | Murphy | Wickersham |
| Fernandez | Nelson | Wilson, Ind. |
| Fogarty | Noland | Wilson, Okla. |
| Garmatz | Norrell | Wolverton |
| Gathings | O'Neill | Wood |
| Gillette | Pfeifer, | Yates |
| Gilmer | Joseph L. | |

The SPEAKER. On this roll call 305 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENDING SELECTIVE SERVICE ACT OF 1948

The SPEAKER. The gentleman from Georgia asks unanimous consent for the immediate consideration of the conference report. Is there objection?

There was no objection.

Mr. VINSON. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement.

Mr. VINSON. Mr. Speaker, these are critical and momentous times in which we are living. No one can tell what tomorrow will bring forth. In that atmosphere we conferees of the House and Senate felt that the only sensible thing to do was to extend the present selective-service law for 1 year, and that is what the conferees have unanimously agreed to. There were differences between the House and Senate, and, after long debate, probably those differences could have been reconciled, but we felt, in view of the world situation, that the sensible thing to do was merely to grant an extension for 1 year of the present Draft Act, and that is what we have done.

As you all know, under the present Draft Act the President has the authority to induct. If this conference report is agreed to, and the law is extended for 1 year, he can exercise that right if he sees fit to do so.

When the bill was before the House, the House placed a provision in the bill that upon the adoption of a concurrent resolution authorizing inductions, the President would have the authority to order the Reserves and the National Guard into Federal service. In conference we left out the requirement for the concurrent resolution, and the conference report provides that the President has the authority, if he desires to exercise it, for a period of 1 year, to order in the Reserves and the National Guard. As it is today, before the President can order in the Reserves and the National Guard, there must be a specific act of Congress authorizing him to do so. So in this draft extension we are saying that the President has the authority to order in the Reserves or the National Guard if, in his judgment, it is necessary to do so.

I think that in an emergency, the proper way to proceed would be first to order in all the organized reserves, order in the National Guard up to the numerical limits authorized in the law, and, lastly, to invoke the power of the draft. Of course, the President does not have to follow that procedure. The President can reverse that. Under this extension he could first order in the draftees. He could get up to his numerical ceiling in that way without ordering in the Reserves. We have given him full discretion, but we hope, if this authority must be used, he will first order in the Reserves and the National Guard before he exercises his right to order in the inductees. That is the substance of the conference report; it merely extends the present draft law for 1 year, to July 9, 1951. Every power given in the act of 1948 is carried forward for 1 year. We felt, in the uncertain times in which we are living, with no one knowing what lays in store, that the sensible thing to do in this instance is exactly what we did when the Rubber Act was before us a few weeks ago, that is, extend it for a period of time, because we cannot tell where we are drifting we do not know where the present difficulties may end. The situation is not of our making. We all know that the situation is clouded and uncertain. Therefore the safe and sound thing to do in such a situation is to stand where you were previously standing without embarking on severe restrictions on existing emergency authority.

If there is any question I shall be pleased to answer it; if not, I yield 15 minutes to my distinguished colleague the gentleman from Missouri [Mr. SHORT].

(Mr. SHORT asked and was given permission to revise and extend his remarks and to include two newspaper articles.)

Mr. SHORT. Mr. Speaker, most of the Members of this House know that I have up to this hour at all times violently opposed peacetime conscription. Perhaps I have not been the most intelligent, but certainly I have been one of the most vigorous and consistent opponents

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of peacetime draft because it is repugnant to free men.

I know how the uncertainty that hangs over the youth of the Nation makes it difficult for a young man to plan his education, and how difficult it makes it for him to find employment. Who would spend much time and money in training one who would soon leave.

I also realize that not since January of last year has any branch of the armed services resorted to peacetime draft, and they have succeeded in getting all the men they wanted or needed. However, the power of the President to conscript men during this past year and a half certainly has not been abused.

The bill we passed last week in the House provided that we should keep intact the Selective Service System by having registration and classification of all male eligibles between the ages of 18 and 25, but that none should be inducted until a concurrent resolution of both Houses of Congress was passed.

Your conferees fought for that position which you took. We met with the Senate conferees yesterday and got nowhere. We slept on it overnight—in fact, we have done very little sleeping the past two nights because something unusual but not at all surprising happened on Sunday. Events change one's outlook and position. We met again this morning and when it was apparent we were hopelessly deadlocked, and in view of world conditions and the tense international situation, we felt that unless the Senate would recede and agree to the House position, the best, the wisest, and the easiest thing for us to do would be not to extend and modify the more or less unintelligible version of a new draft law for 2 or 3 years but to continue the existing law for 1 year, and in addition give the President the authority whether Congress is in session or not to call out the National Guard or any of our Reserve components.

If any Member here ever entertained the slightest doubt as to the motives and purposes of one of our erstwhile allies, that doubt should now completely be dispelled. Though we promised in this last conflict we were fighting to respect the territorial integrities of the little countries and to give the people of those small nations the right to determine in free, open, and untrammeled elections, without outside pressure or external influence, the kind of governments they should have, we know one of our erstwhile allies, even before the surrender of Germany or the capitulation of Japan, forcibly seized a large hunk of Finland, and grabbed off Lithuania and Estonia, Latvia, Bessarabia, Ruthenia, Poland, East Prussia, and practically all of the Balkan States with the exception of Greece and Turkey and extended her frontier clear to the Elbe.

She threatened the little country of Iran, having an eye on the oil deposits there, and before the capitulation of Japan, came into the Pacific war at the eleventh hour after the United States had won that war almost single-handedly. Three days before the surrender of Hirohito, on board the battleship *Missouri*, to General MacArthur, this nation entered the Pacific war in order to grab off all of Manchuria, the south half of Sakhalin, the Kuriles, and to seize the north half of Korea, the industrial half above the thirty-eighth parallel.

She has been nibbling here, grabbing there, eating away, gnawing under, winning every round of this fight since the shooting stopped in 1945, winning every battle of the cold war without firing a shot.

We all know the technique of Soviet Russia. It is psychological penetration, it is subversive infiltration. It is to go into the little weak countries surrounding that vast territory where there is poverty and discontent, and by appealing to the discontented elements in the hope of creating mass confusion and offering impossible promises to stir up violence, the same technique, if you please, of Adolf Schickelgruber to divide and destroy. It is adroit but insidious and damnable.

What has happened in the last several hours? Her puppet regime in northern Korea without any provocation and without any justification attacked the people south of the thirty-eighth parallel. Once more the master mind is at work in the Kremlin, the 14 men who would rule the world, trying to test western civilization to find out just how far it can go without getting opposition reaction from those who oppose them.

If we sit idly by and allow Russia to come under this tree with an open basket to catch the ripe fruit that is about to fall, where will she strike next? Perhaps Formosa, that would dangerously impair our line of defense in the far-western Pacific from the Philippines through Okinawa to Japan. Korea today, Formosa tomorrow, the Philippines the next day, then Indochina, finally perhaps Iran. Heavens, where will there be an end and when shall we call a halt?

It was not an easy decision that your conferees had to make today. We have been wrestling with our consciences but we had to face brutal facts and meet a reality, unpleasant as that reality is. No longer can we continue to bury our heads like an ostrich in a sand dune with wishful thinking and expect peace to come to a shattered and a war-torn world. We already have lost too much face in the Orient, and face-saving means everything out there as many of us know. I see the gentleman from Florida [Mr. SIKES], the gentleman from California [Mr. JOHNSON], and others here who were with me in Korea when General Hodge had 40,000 American troops there in 1946, and we realized then that the moment we withdrew from that peninsula which is only 100 miles from Japan, that the Communists would move in, so there is nothing amazing or striking about what has taken place. The thing that surprises me is that they have not taken it over sooner because we withdrew a year ago.

Now, the big issue at stake in this thing is the supreme and severe test of the United Nations. Mr. Speaker, either it is going to be a going and successful concern from here out or it is going to crash and fall to pieces. For my part I want it to succeed. I voted for it originally. I still have faith and confidence in it. I know there have been many setbacks, bitter disappointments, but every infant has to crawl before it can walk; it has to walk before it can run, and no one can call the United Nations a failure until it is given a full and fair trial. Of course, one obstinate member, along with her satellites, because of the veto power, has balked much of the progress that could have been made, but I think with all of its weaknesses and failures it has accomplished much good and has promoted a much wider and better understanding among the different nations and the different peoples of this earth. Ye gods, we must realize that we are living in a shrunken world that has become a miniature province.

Coming back from Australia 3 or 4 years ago I had the honor of addressing the Chamber of Commerce in Honolulu for our genial and distinguished Delegate, Mr. FARRINGTON. That luncheon was at noon. The next evening I was having dinner with Mrs. Short here in Washington. We stopped in San Francisco to refuel about 1 or 2 o'clock in the morning, the only stop, but we were traveling in an oxcart, a C–54.

Only 2 weeks later a couple of our boys flew in 14½ hours nonstop from Honolulu to Andrews Field, adjacent to the District of Columbia.

Now we can fly across the continent, as one of our jet bombers did not so very long ago, from Moses Lake in the State of Washington to Andrews Field, in 3¾ hours, more than 600 miles an hour.

Not so long ago, coming back from Saudi Arabia and Iran, we had breakfast in Bermuda. I had luncheon in Washington, D. C., spent 4 hours in my office, and that same evening was having dinner with my family down in the southwest corner of Missouri near the Kansas-Oklahoma line.

So whether we like it or not, we must realize that modern science and technological developments and new methods of rapid transportation and communication have annihilated space and conquered time, and pushed Tokyo and Moscow up into our front yard.

We are going to have to live and get along with people, but so long as there are brigands in this world, so long as there are aggressors abroad, we must remain invincible and impregnable in this country on land, sea, and in the air. We shall continue to trust in God but still keep our powder dry. We will speak softly and reasonably but, if we have a thimbleful of brains, we will carry a big stick, because the only language that some people understand is the language of force. Having gone all through European Russia in 1931, I think I know enough about the Russian temperament to know that they respect strength and have only contempt for weakness.

Let us all hope and pray, as the President told several of us this noon down at the White House in the Cabinet room, with members of the Armed Services and Foreign Affairs Committees of both Houses of Congress, in addition to representatives of the State and Defense Departments, with all the Secretaries and the Joint Chiefs of Staff present, let us hope and pray that by taking bold, positive, firm action now we can stave off

another world catastrophe. If we had challenged Hitler back in the thirties, after the anschluss of Austria, after the invasion of the Rhineland, after the seizure of the Sudetenland, if we had acted before he had gone into Poland, he perhaps would have thought a second time before he ever entered that country on the 1st of September 1939.

We should have learned from our past painful experiences. Much as I dislike a peacetime draft, we must realize that while we are not perhaps in a shooting war at this minute, certainly we are not enjoying peace anywhere in this world. We are not living in peacetimes, we are living in dangerous and perilous times. We are living in times that try men's souls, and I hope that our souls will prove to have the mettle capable of standing up sounding and showing a clear challenge to the forces of aggression wherever they might raise their ugly heads.

Mr. Speaker, under leave granted me, I include the following two articles from today's Washington Evening Star:

THEY MUST BE STOPPED

At the moment, in the confusion of war news from southern Korea, it is far from certain whether the United States—acting through the United Nations—has enough time left to throw in aid of a type effective enough, and on a scale large enough, to save the country from being completely overrun by the Kremlin's puppet invaders from the north.

Prior to being taken by surprise by this act of Communist aggression (a surprise that throws serious doubts on the use of our intelligence system), the official American view was that the southern Koreans could hold their own against attacks from the north, provided (1) that they had a genuine will to resist, and (2) that the Russians did not intervene by offering heavy support to their puppets—two points that are open to considerable question at this time.

The one basic fact that is really clear right now—amid conflicting reports about the fate of Seoul, the capital city, and about the morale of the southern Koreans—is that the invaders, undoubtedly acting on instructions from the Kremlin, have no intention of obeying the Security Council's order to cease fire and withdraw to their own territory north of the thirty-eighth parallel. Accordingly, at its meeting in New York today the UN Council will have to do something about this challenge to its authority, but just what it can do, or will do, is problematical in the extreme, though conceivably it may call upon the United States to take the lead in applying direct military pressure to the situation.

In this connection, however, what needs to be emphasized is this fact: That the success of anything we may do in concert with the United Nations—whether we limit ourselves to the shipment of military equipment or intervene directly with such things as our air power—will depend largely on the character of southern Korean resistance and on the scope of Russian intervention. If the resistance folds, then obviously our help will not save the country. By the same token, if the Soviet Union goes all-out in supporting its puppets, even a combination of determined resistance and heavy American aid will be incapable of holding the peninsula. For that peninsula is strategically and tactically untenable in the sense that the Russians, with their continental lines of communication, could take it with relative ease if they put full-scale force behind a drive to take it. That is why Korea has been excluded from the official United States concept of what constitutes our primary line of defense in Asia and the far Pacific.

But the fact remains, regardless of all these considerations, that our country and the United Nations as a whole have compelling reasons to do everything possible at this stage—even at the risk of war—to save southern Korea. For what the Russians seem to be doing, through their northern puppets, is probing a soft spot in the free world to find out how far they can go without having the free world hit back. They may be ready to carry this test to the point of a global explosion, but whether they are or not, it seems clear enough that if they are not resisted to the full right here, and right now, it will be only a matter of time before they do precisely the same thing elsewhere—against Iran, for instance.

What we are up against, in short, is much more than a situation confined to southern Korea, whose downfall could easily shatter the United Nations and gravely undermine American influence throughout the world. What we are up against is exactly what we were up against in the 1930's when Hitler was on the march. He could have been checked then, and the Second World War probably averted, by resolute action, and the same may be said now of the Russians. They should be stopped; they must be stopped. For it seems virtually certain that if they are allowed to get away with this latest of their postwar crimes, they will grow progressively more criminal in the future.

True enough, any complete effort to have a showdown with the Kremlin at this stage involves grave risks. But those risks must be measured in relation to the much graver risks that would confront us later on as a result of failure to act resolutely now. The future of the free world is at stake. We have a chance to stop the Russians today without war; if we fail to make the most of that chance, then on some future day, as surely as the sun rises and sets, we shall have to try to stop them with a war that could end in the ruin of our civilization.

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IS RUSSIA READY TO FIGHT OVER KOREA?

(The author of this article has been writing a personalized column for the Associated Press since the days when he served as a war correspondent with American troops in north Africa. He expresses here a sort of average man's view of the meaning of the Korean explosion.)

(By Hal Boyle)

Is this the start of a third world war?

That is the question that touches most American hearts today. It is being asked again and again, as news pours in of the fighting in far Korea, the "Ireland of the Orient."

I believe the answer is "No." I believe that the answer would still be the same even though the United States dispatched troops, ships, and planes to back up the cease-fire decree of the United Nations.

Why? My conviction is that Soviet Russia isn't yet ready to plunge the globe into another international conflict.

She stretches across 7,000 vulnerable miles that aren't ready for war. Both her frontiers and her wide open heartland are unprepared for war, if we can believe what our military authorities say about her.

Let her own Russian-trained forces in Korea sweep through the opposition, as they have been doing. Or let them fail. Soviet Russia isn't yet ready to tie her own dreams of world conquest to the Northern Korean troops.

She yet expects to take Korea by the inaction of the Western World.

Again why? Because at present the Soviet military and political aim is to try to take the countries on its vast borders by their own interior revolutions. Greece yesterday, Korea today, Southeast Asia tomorrow. And where the day after tomorrow? Wherever poverty and interior political disaffection makes a country ripe for picking.

Russia backed down in Greece, is grappling in a sudden bold grab for Korea, hasn't yet made its main bid for Southeast Asia.

Why doesn't this mean war right now? For a deep and basic reason inherent to Russia's approach to its own predicament.

In Russia's very strength—its great sprawling, contiguous reach of land—lies its great weakness. It can be hit from many angles, and to keep itself from being approached it has endeavored to surround itself with buffer extensions of itself.

Whether or not it really accepts these satellite states into the pattern of its being, its leaders are trying frantically to protect the main body of Russia from possible enemy blows.

Russia lost the first battle for Berlin when its attempt to starve the German population was countered by the great Allied airlift, which flew in food, fuel, and medicine.

That was a substitute for direct force—and it worked. The Russian propaganda failed. The Allies delivered.

It is my conviction that even stronger measures can be taken in Korea than were employed in Greece—if the Allied command decides it is worth the gamble.

Russia is still barking in Korea—just another test of her pressure—and isn't ready to bite. She'll still stand for her bluff being called. And I'd call Joe Stalin now, just as Adolf Hitler should have been called when he marched into the Rhineland.

Remember?

Mr. VINSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. VINSON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 315, nays 4, answered "present" 1, not voting 110, as follows:

[Roll No. 187]

YEAS—315

| | | |
|---|---|---|
| Abernethy | Byrnes, Wis. | Elliott |
| Addonizio | Camp | Ellsworth |
| Albert | Canfield | Elston |
| Allen, Ill. | Cannon | Engle, Calif. |
| Allen, La. | Carlyle | Evins |
| Andersen, H. Carl | Carnahan | Fellows |
| Anderson, Calif. | Carroll | Fenton |
| Andresen, August H. | Case, N. J. | Fernandez |
| Andrews | Case, S. Dak. | Fisher |
| Angell | Cavalcante | Flood |
| Arends | Celler | Forand |
| Aspinall | Chatham | Ford |
| Barden | Chelf | Frazier |
| Baring | Chesney | Fugate |
| Barrett, Wyo. | Chiperfield | Fulton |
| Bates, Mass. | Christopher | Furcolo |
| Battle | Chudoff | Gamble |
| Beall | Clemente | Gary |
| Beckworth | Clevenger | Gathings |
| Bennett, Fla. | Cole, Kans. | Gavin |
| Bennett, Mich. | Cole, N. Y. | Golden |
| Biemiller | Colmer | Goodwin |
| Bishop | Combs | Gordon |
| Blackney | Cooley | Gore |
| Blatnik | Cooper | Gorski |
| Boggs, Del. | Cotton | Gossett |
| Bolling | Cunningham | Graham |
| Bolton, Ohio | Curtis | Granahan |
| Bosone | Dague | Granger |
| Boykin | Davis, Wis. | Grant |
| Bramblett | DeGraffenried | Green |
| Brehm | Delaney | Gregory |
| Brown, Ga. | D'Ewart | Gross |
| Buchanan | Dollinger | Gwinn |
| Buckley, Ill. | Dondero | Hagen |
| Burke | Donohue | Hale |
| Burleson | Doughton | Hall, Leonard W. |
| Burnside | Douglas | Halleck |
| Byrne, N. Y. | Doyle | Hand |
| | Durham | |
| | Eberharter | |

| | | |
|---|---|---|
| Hardy | McMillan, S. C. | Sabath |
| Harris | McSweeney | Sadlak |
| Harrison | Mack, Ill. | St. George |
| Hart | Mack, Wash. | Sasscer |
| Harvey | Macy | Saylor |
| Havenner | Magee | Scott, Hardie |
| Hays, Ark. | Mahon | Scott, Hugh D., Jr. |
| Hedrick | Mansfield | Scrivner |
| Heller | Marsalis | Scudder |
| Herlong | Martin, Iowa | Secrest |
| Herter | Martin, Mass. | Shafer |
| Heselton | Merrow | Sheppard |
| Hill | Meyer | Short |
| Hinshaw | Michener | Sikes |
| Hoeven | Miles | Simpson, Ill. |
| Hoffman, Ill. | Miller, Calif. | Simpson, Pa. |
| Holmes | Miller, Md. | Smathers |
| Hope | Miller, Nebr. | Smith, Kans. |
| Horan | Mills | Smith, Va. |
| Huber | Morton | Smith, Wis. |
| Hull | Moulder | Spence |
| Jackson, Wash. | Multer | Stefan |
| James | Murdock | Stockman |
| Javits | Murray, Tenn. | Sullivan |
| Jenison | Murray, Wis. | Taber |
| Jenkins | Nicholson | Tackett |
| Jensen | Nixon | Talle |
| Johnson | Norblad | Tauriello |
| Jones, Ala. | Norton | Taylor |
| Jones, Mo. | O'Brien, Ill. | Teague |
| Karst | O'Brien, Mich. | Thomas |
| Karsten | O'Hara, Ill. | Thompson |
| Kean | O'Hara, Minn. | Thornberry |
| Kearney | O'Konski | Tollefson |
| Kearns | O'Sullivan | Towe |
| Keating | O'Toole | Trimble |
| Kee | Pace | Underwood |
| Keogh | Passman | Velde |
| Kilburn | Patman | Vinson |
| Kilday | Patten | Vursell |
| King | Patterson | Wadsworth |
| Kirwan | Perkins | Wagner |
| Klein | Peterson | Walsh |
| Kunkel | Philbin | Walter |
| Lane | Phillips, Calif. | Weichel |
| Lanham | Pickett | Welch |
| Larcade | Poage | Whitaker |
| Latham | Polk | White, Idaho |
| LeCompte | Poulson | Whitten |
| LeFevre | Preston | Whittington |
| Lichtenwalter | Price | Widnall |
| Lind | Priest | Wier |
| Linehan | Rabaut | Wigglesworth |
| Lovre | Rains | Williams |
| Lucas | Rankin | Willis |
| Lyle | Reed, Ill. | Wilson, Tex. |
| Lynch | Reed, N. Y. | Winstead |
| McCarthy | Rees | Withrow |
| McConnell | Rhodes | Wolcott |
| McCormack | Ribicoff | Woodhouse |
| McCulloch | Rich | Woodruff |
| McDonough | Richards | Young |
| McGrath | Rodino | Zablocki |
| McGregor | Rogers, Fla. | |
| McGuire | Rogers, Mass. | |
| McKinnon | Rooney | |

NAYS—4

| | | |
|---|---|---|
| Crawford | Feighan | Marcantonio |
| Crosser | | |

ANSWERED "PRESENT"—1

Holifield

NOT VOTING—110

| | | |
|---|---|---|
| Abbitt | Dolliver | Kruse |
| Allen, Calif. | Eaton | Lodge |
| Auchincloss | Engel, Mich. | McMillen, Ill. |
| Bailey | Fallon | Madden |
| Barrett, Pa. | Fogarty | Marshall |
| Bates, Ky. | Garmatz | Mason |
| Bentsen | Gillette | Mitchell |
| Boggs, La. | Gilmer | Monroney |
| Bolton, Md. | Hall, Edwin Arthur | Morgan |
| Bonner | Harden | Morris |
| Breen | Hare | Morrison |
| Brooks | Hays, Ohio | Murphy |
| Brown, Ohio | Hébert | Nelson |
| Bryson | Heffernan | Noland |
| Buckley, N. Y. | Hobbs | Norrell |
| Bulwinkle | Hoffman, Mich. | O'Neill |
| Burdick | Howell | Pfeifer, Joseph L. |
| Burton | Irving | Pfeiffer, William L. |
| Corbett | Jackson, Calif. | Phillips, Tenn. |
| Coudert | Jacobs | Plumley |
| Cox | Jennings | Potter |
| Crook | Jonas | Powell |
| Davenport | Jones, N. C. | Quinn |
| Davies, N. Y. | Judd | Ramsay |
| Davis, Ga. | Keefe | Redden |
| Davis, Tenn. | Kelley, Pa. | Regan |
| Dawson | Kelly, N. Y. | Riehlman |
| Deane | Kennedy | Rivers |
| Denton | Kerr | Robeson |
| Dingell | Stanley | White, Calif. |
| Roosevelt | Steed | Wickersham |
| Sadowski | Stigler | Wilson, Ind. |
| Sanborn | Sutton | Wilson, Okla. |
| Shelley | Van Zandt | Wolverton |
| Sims | Vorys | Wood |
| Smith, Ohio | Werdel | Yates |
| Staggers | Wheeler | |

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hays of Ohio for, with Mr. Holifield against.

Mr. Garmatz for, with Mr. Sadowski against.

Until further notice:

Mr. Gilmer with Mr. Auchincloss.

Mr. Davenport with Mr. Hoffman of Michigan.

Mr. Mitchell with Mr. Coudert.

Mrs. Kelly of New York with Mr. Nelson.

Mr. Heffernan with Mr. William L. Pfeiffer.

Mr. Joseph L. Pfeifer with Mr. Engel of Michigan.

Mr. Boggs of Louisiana with Mr. Eaton.

Mr. Burton with Mr. Corbett.

Mr. Morrison with Mr. Allen of California.

Mr. Barrett of Pennsylvania with Mr. Mason.

Mr. Redden with Mr. Keefe.

Mr. Regan with Mr. Gillette.

Mr. Roosevelt with Mr. Wolverton.

Mr. Shelley with Mrs. Harden.

Mr. Cox with Mr. Brown of Ohio.

Mr. Fallon with Mr. Judd.

Mr. Dingell with Mr. Werdel.

Mr. Kerr with Mr. Lodge.

Mr. Hébert with Mr. Van Zandt.

Mr. Deane with Mr. McMillen of Illinois.

Mr. Howell with Mr. Phillips of Tennessee.

Mr. Irving with Mr. Plumley.

Mr. Brooks with Mr. Potter.

Mr. Breen with Mr. Wilson of Indiana.

Mr. Bentsen with Mr. Vorys.

Mr. Abbitt with Mr. Smith of Ohio.

Mr. Stanley with Mr. Burdick.

Mr. Stigler with Mr. Dolliver.

Mr. Wickersham with Mr. Edwin Arthur Hall.

Mr. Murphy with Mr. Jennings.

Mr. Noland with Mr. Jonas.

Mr. Bates of Kentucky with Mr. Sanborn.

Mr. Hobbs with Mr. Jackson of California.

Mr. Kennedy with Mr. Riehlman.

Mr. HOLIFIELD. Mr. Speaker, I have a live pair with the gentleman from Ohio, Mr. HAYS. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## AUTHORIZING DEPARTMENTS OF THE ARMY, NAVY, AND AIR FORCE TO TRANSFER CERTAIN REAL PROPERTY

Mr. KILDAY submitted a conference report and statement on the bill (H. R. 5368) to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes.

## MERCHANT SHIP SALES ACT OF 1946

Mr. HART. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3571) to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is a unanimous report of the committee?

Mr. HART. Yes; it is.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There being no objection, the Clerk read the Senate bill, as follows:

*Be it enacted, etc.*, That section 14 of the Merchant Ship Sales Act of 1946, as amended, is amended to read as follows:

"SEC. 14. No contract of sale shall be made under this act after December 31, 1950, and no contract of charter shall be made under this act after September 30, 1950, except as provided for charter under section 5 (e)."

SEC. 2. The fourth sentence of section 11 (a) of such act, as amended, is amended to read as follows: "A vessel placed in such reserve shall in no case be used for commercial operation, except that any such vessel may be used during any period in which vessels may be requisitioned under section 902 of the Merchant Marine Act, 1936, as amended, and that any such vessel may be used under a bareboat charter entered into pursuant to authority vested in the Secretary of Commerce on or after October 1, 1950."

SEC. 3. Section 5 of such act, as amended, is amended by adding at the end thereof subsections to read as follows:

"(e) Notwithstanding the provisions of sections 11 and 14 of this act, as amended, the war-built cargo vessels owned by the United States on September 30, 1950, may be chartered pursuant to this act for bareboat use in any service which in the opinion of the Federal Maritime Board is required in the public interest and is not adequately served and for which privately owned vessels are not available for charter by private operators on reasonable conditions and at reasonable rates for use in such service. No charters shall be made by the Secretary of Commerce under authority of this subsection until the Federal Maritime Board shall have given due notice to all interested parties and shall have afforded such parties an opportunity for a public hearing on such charters and shall have certified its findings to the Secretary of Commerce.

"(f) Notwithstanding the provisions of sections 11 and 14 of this act the Secretary of Commerce may charter any passenger vessel, whether or not war-built, owned by the United States on September 30, 1950, pursuant to title VII of the Merchant Marine Act, 1936, as amended."

SEC. 4. Section 2 of the joint resolution entitled "Joint resolution authorizing the Commandant of the United States Coast Guard to waive compliance with the navigation and vessel-inspection laws administered by the Coast Guard", approved March 31, 1947 (Public Law 27, 80th Cong.), as amended, is amended to read as follows:

"SEC. 2. The authority granted by this resolution shall remain in force only until December 31, 1950: *Provided*, That nothing herein shall be construed to authorize the Commandant of the United States Coast Guard to grant a waiver for the employment of alien seamen, or a waiver permitting a vessel to sail with less than its specified complement on board."

SEC. 5. Notwithstanding the provisions of section 27 of the act of June 5, 1920 (41 Stat. 999), as amended by act of April 11, 1935 (49 Stat. 154), and by act of July 2, 1935 (49 Stat. 442), or the provisions of any other

act or regulation, vessels of Canadian registry shall be permitted to transport iron ore between United States ports on the Great Lakes during the period from the date of enactment of this act to December 31, 1950, or until such earlier time as the President by order may designate.

With the following committee amendment:

Strike out all after the enacting clause, and insert "That section 14 of the Merchant Ship Sales Act of 1946, as amended, is amended to read as follows:

"'SEC. 14. No contract of sale shall be made under this act after January 31, 1951, and no contract or charter shall be made under this act after June 30, 1950, except as provided for charter under subsections (e) and (f) of section 5 hereof, as amended.'

"SEC. 2. The fourth sentence of section 11 (a) of such act, as amended, is amended to read as follows: 'A vessel placed in such reserve shall in no case be used for any purpose whatsoever except that any such vessel may be used for account of any agency or department of the United States during any period in which vessels may be requisitioned under section 902 of the Merchant Marine Act, 1936, as amended, and that any such vessel may be used under a bare-boat charter entered into pursuant to authority vested in the Secretary of Commerce on July 1, 1950, or granted to the Secretary of Commerce after such date.'

"SEC. 3. Section 5 of such act, as amended, is amended by adding at the end thereof subsections to read as follows:

"'(e) (1) Notwithstanding the provisions of sections 11 and 14 of this act, as amended, war-built dry-cargo vessels owned by the United States on or after June 30, 1950, may be chartered pursuant to this act for bare-boat use in any service which, in the opinion of the Federal Maritime Board, is required in the public interest and is not adequately served, and for which privately owned American-flag vessels are not available for charter by private operators on reasonable conditions and at reasonable rates for use in such service. No charters shall be made by the Secretary of Commerce under authority of this subsection until the Federal Maritime Board shall have given due notice to all interested parties and shall have afforded such parties an opportunity for a public hearing on such charters and shall have certified its findings to the Secretary of Commerce. The Secretary of Commerce is authorized to include in such charters such restrictions and conditions as the Federal Maritime Board determines to be necessary or appropriate to protect the public interest in respect of such charters and to protect privately owned vessels against competition from vessels chartered under this section: *Provided, however,* That all such charters shall contain a provision that they will be reviewed annually by the Federal Maritime Board, with recommendations to the Secretary of Commerce, for the purpose of determining whether conditions exist justifying continuance of the charters under the provisions of this subsection.

"'(2) A charter existing on June 30, 1950, with respect to a war-built dry-cargo vessel may be extended to September 30, 1950, if application is made within 10 days after the enactment hereof for the charter of such vessel under subsection (e) of this section and if the Secretary of Commerce deems such extension is justified in accordance with the provisions of section 5 (e) (1): *Provided, however,* That a new voyage under such extended charter shall not be begun after September 30, 1950, unless it has been determined prior to such date, in accordance with the procedure set forth in this subsection, that the continued use of the vessel in the service is required. The Federal Maritime Board shall conduct all hearings on applications made under this paragraph immediately upon receipt thereof and shall promptly certify its findings to the Secretary of Commerce, provided that all such certifications shall be made not later than September 30, 1950.

"'(f) (1) Notwithstanding the provisions of sections 11 and 14 of this act, as amended, the Secretary of Commerce may charter any passenger vessel, whether or not war-built, owned by the United States on or after June 30, 1950, pursuant to title VII of the Merchant Marine Act, 1936, as amended.

"'(2) Charters existing on June 30, 1950, with respect to passenger vessels may be continued until December 31, 1951, or until expiration thereof by the terms of their provisions.'

"SEC. 4. Section 2 of the joint resolution entitled 'Joint resolution authorizing the Commandant of the United States Coast Guard to waive compliance with the navigation and vessel-inspection laws administered by the Coast Guard' approved March 31, 1947 (Public Law 27, 80th Cong.), as amended, is amended by striking out the date 'June 30, 1950' and inserting in lieu thereof the date 'June 30, 1951.'

"SEC. 5. Notwithstanding the provisions of section 27 of the act of June 5, 1920 (41 Stat. 999), as amended by act of April 11, 1935 (49 Stat. 154), and by act of July 2, 1935 (49 Stat. 442), or the provisions of any other Act or regulation, vessels of Canadian registry shall be permitted to transport iron ore between United States ports on the Great Lakes during the period from the date of enactment of this act to December 31, 1950, or until such earlier time as the President by order may designate, and such vessels shall be permitted during the period from the date of enactment of this act to December 31, 1950, to transport coal to Ogdensburg, N. Y., from other points in the United States on the Great Lakes, or their connecting or tributary waters."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### LITTLE KANAWHA RIVER FLOODS

Mr. BURNSIDE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BURNSIDE. Mr. Speaker, floods in the Little Kanawha have done tremendous damage. They have swept away houses, washed out railroads, destroyed livestock, and ruined cultivated lands. They have left in their wake infertile fields, gullied farms, gutted channels, and ruined pastures. Perhaps even worse, they have changed the character of the channel itself so that even greater damages may result from even smaller storms.

A program of land restoration is needed. Such a program would have for its purpose the reduction in runoff, the prevention of erosion, and the stabilization of stream flow. It would develop for the watershed of the Little Kanawha those measures and practices which would not only aid in reducing the damages due to flood and erosion, but also in promoting better land use so as to make better use of the water that falls in the drainage. These practices would aid in reducing the runoff in flood time and would aid in increasing the low water flow, so badly needed to maintain industries and domestic water supplies, to aid in pollution abatement, and to provide other benefits that a stabilized river would have.

Such a program of land restoration in aid of flood control is possible under the Flood Control Act of 1936, as amended and supplemented. Under it, the Department of Agriculture is charged with developing the program, and, should Congress later authorize it, carry it out in cooperation with the local people.

A survey of the Little Kanawha watershed is therefore needed. Such a survey would determine the specific needs of the basin, and what is required to reduce runoff and prevent erosion. It would also recommend those practices and measures required to reduce the damages in the watershed. A survey of the Little Kanawha watershed has already been authorized by the Congress. A preliminary study by the Department of Agriculture has indicated that conditions are such that a land program would provide benefits in excess of cost. Barring unforeseen contingencies, a plan could be prepared within the year outlining the measures and practices necessary. All that is now lacking is the necessary funds to undertake the investigation so that a report can be presented to the Congress.

A study of the amounts carried in the appropriation bill for next fiscal year reveals that there are insufficient funds in sight at this time to carry out this work in the Little Kanawha. It is therefore requested that $100,000 be added to the bill as it now stands to enable this investigation to be made. It is urgent that this be done now because of the great hazards which exist in the watershed, hazards which the recent floods have demonstrated are growing. If these are unchecked, a disaster is possible with far more tragic consequences than those which have developed to date. The need is urgent.

### NURSERIES AND NURSERY SCHOOLS, DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3258) to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 2 of the act entitled "An act to authorize and direct the Board of Public Welfare of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes," approved July 16, 1946, as amended, is amended by striking out "on and after July 1, 1946, and until June 30, 1950, and no longer."

SEC. 2. Section 3 of such act is amended to read as follows:

"SEC. 3. The Board is authorized to make and enforce rules and regulations governing admission to and use and enjoyment of said

nurseries and nursery schools, including the fixing of fees to be charged parents for care and maintenance therein of their children; which fees shall, as near as practicable, equal the expenditures of the District of Columbia for personal services, labor, food, and supplies in the operation and maintenance of such nurseries and nursery schools or to enter into contracts with any private or public agency or agencies for such care and maintenance: *Provided*, That the Board may, in cases where parents are unable to pay for such care waive all or part of such fees. All fees collected under the provisions of this act shall be paid to the collector of taxes of the District of Columbia and deposited into the Treasury of the United States to the credit of an account to be known as 'Miscellaneous trust-fund deposits, District of Columbia—Day Care Nurseries', said fund to be available, in addition to appropriations made pursuant to section 4 of this act, for expenditure for the purposes of this act: *Provided*, That such fund shall be audited and disbursed in the same manner as other trust funds are audited and disbursed by the District of Columbia."

SEC. 3. Section 4 of such act is amended to read as follows:

"SEC. 4. There are authorized to be appropriated for the fiscal year ending June 30, 1951 and for each fiscal year thereafter, out of any moneys in the Treasury of the United States to the credit of the District of Columbia not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act."

SEC. 4. Section 2 of this act shall take effect upon enactment.

Mr. McMILLAN of South Carolina. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCMILLAN of South Carolina: Strike out all after the enacting clause and insert in lieu thereof the provisions of the bill H. R. 8782, as passed, as follows: "That section 2 of the act entitled 'An act to authorize and direct the Board of Public Welfare of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes,' approved July 16, 1946, as amended, is amended by striking out 'until June 30, 1950, and no longer' and inserting in lieu thereof 'until June 30, 1951, and no longer.'

"SEC. 2. Section 3 of such act is amended to read as follows:

" 'SEC. 3. The Board is authorized to make and enforce rules and regulations governing admission to and use and enjoyment of said nurseries and nursery schools, including the fixing of fees to be charged parents for care and maintenance therein of their children; which fees shall, as near as practicable, equal the expenditures of the District of Columbia for personal services, labor, food, and supplies in the operation and maintenance of such nurseries and nursery schools or to enter into contracts with any private or public agency or agencies for such care and maintenance: *Provided*, That the Board may, in cases where parents are unable to pay for such care waive all or part of such fees. All fees collected under the provisions of this act shall be paid to the Collector of Taxes of the District of Columbia and deposited into the Treasury of the United States to the credit of an account to be known as "Miscellaneous trust-fund deposits, District of Columbia—Day Care Nurseries," said fund to be available, in addition to appropriations made pursuant to section 4 of this act, for expenditure for the purposes of this act: *Provided further*, That such fund shall be audited and disbursed in the same manner as other trust funds are audited and disbursed by the District of Columbia: *And provided further*, That any balance remaining in such trust-fund account after June 30, 1951, shall be covered into the Treasury to the credit of miscellaneous receipts of the District of Columbia.'

"SEC. 3. Section 4 of such act is amended to read as follows:

" 'SEC. 4. There is authorized to be appropriated for the fiscal year ending June 30, 1951, out of any moneys in the Treasury of the United States to the credit of the District of Columbia not otherwise appropriated, not exceeding $100,000 to carry out the purposes of this act.'

"SEC. 4. Section 2 of this act shall take effect upon enactment."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MCMILLAN of South Carolina. Mr. Speaker, I move that the House insist upon its amendment and ask a conference with the Senate on the foregoing bill.

The motion was agreed to.

The SPEAKER. The Chair appoints the following conferees: Messrs. MCMILLAN of South Carolina, GRANGER, and MILLER of Nebraska.

EXTENDING PROVISIONS OF THE DISTRICT OF COLUMBIA EMERGENCY RENT ACT

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent that the House Committee on the District of Columbia have until midnight tonight to file a conference report and statement on the bill (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

H. R. 87 AND VETERANS IN THE POSTAL SERVICE

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, when H. R. 87 was before the House, I was privileged to vote for it as I believe that it constitutes highly desirable legislation in the interest of our faithful postal workers and veterans.

There was no notice that a vote on the Presidential veto of H. R. 87 would be held yesterday. It was not on the official program. In any event, I was unavoidably detained at that time in my district attending the funeral of a very dear friend. If present in the House on that occasion, I should have carried out my convictions in favor of this legislation and voted to override the Presidential veto.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Calendar Wednesday business in order on tomorrow and on Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONSENT AND PRIVATE CALENDARS AND SUSPENSIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of the Consent Calendar on Monday of next week and the call of the Private Calendar on Tuesday of next week be dispensed with, and that the call of both calendars be in order on Monday, July 10; and further that it be in order for the Speaker on Monday, July 10, to recognize Members for suspension of the rules.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ATTACK UPON KOREA

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. PATTERSON. Mr. Speaker, the crisis in which we find ourselves enveloped is not of our making. The unprovoked attack upon the Republic of Korea reveals the Communist intention to invoke its will and its system upon the free peoples of the world.

I have no hesitancy in declaring my support of our President in the action taken to forestall the domination of South Korea. Drastic steps are necessary to preserve the peace of the world. The lives of Americans in the beleaguered nation must be protected; furthermore, the future course of world events hangs in the balance. Peace at any price is peace without honor.

A raging bully is loose, and we must at some time express the determination that further tolerance is insipid appeasement. The admonition of Theodore Roosevelt to "speak softly but carry a big stick" was never more appropriate. Now is the test of the United Nations; under its Charter transgressors of the peace shall be met with concerted and united action. Our policy is in keeping with the spirit of that Charter. We cannot and will not tolerate the imposition of armed force upon free nations.

DEPARTMENT OF STATE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, my attention has been called to remarks which the distinguished gentleman from Michigan [Mr. SHAFER] made on the floor of the House under date of April 25, 1950, on the subject of Communists. In this connection I should like to call your attention to the paragraph near the top of page 5748 of the CONGRESSIONAL RECORD,

of that date, in which the gentleman from Michigan is quoted, as follows:

Assistant Secretary of State John E. Peurifoy admitted to the Senate Investigating Committee that nearly 100 moral perverts have been fired and nearly 200 Communists.

That statement, gentlemen, is incorrect. I am sure that he, and the other Members of the House, want to have the record show the true facts. They certainly do not want to get a distorted and incorrect impression which such a statement certainly gives. I have, therefore, checked into this matter very carefully, and this is what the record shows:

First. Deputy Under Secretary of State Peurifoy has never testified before the Senate Investigating Committee.

Second. Deputy Under Secretary of State Peurifoy did testify before the Senate Subcommittee of the Committee on Appropriations on February 28, 1950.

Third. At that time Mr. Peurifoy made it clear and it is stated in the record of the hearings before the subcommittee that there were 202 employees, including 91 homosexuals, on whom security questions have been raised, who have left the Department over a period of 3 years since January 1, 1947, either through resignations or through reduction in force. Mr. Peurifoy further stated that does not mean that those employees were security risks or that a final adjudication had been made.

That is what Mr. Peurifoy said. He did not say that the State Department fired 202 people as security risks; he did not say that the State Department fired 202 Communists. On the contrary, he made it clear that those employees included in his figure of 202 were not all security risks. In fact, he emphasized that those employees were not all security risks by indicating that some security questions had arisen about them which had not been adjudicated when they left. At no time did he say they were Communists.

That is the record.

My friend from Michigan is in error, and knowing him as I do, I am sure that he will further examine the record, and upon finding he made an incorrect statement, will make proper correction.

## CONTINUING SUSPENSION OF CERTAIN IMPORT TAXES ON COPPER

Mr. PATTERSON. Mr. Speaker, I offer a joint resolution (H. J. Res. 494) and ask unanimous consent for its immediate consideration.

The Clerk read the joint resolution, as follows:

*Resolved, etc.*, That the act of March 31, 1941, entitled "An act to suspend certain import taxes on copper" (Public Law 33, 81st Cong.), is hereby amended by striking out "June 30, 1950" and inserting in lieu thereof "August 31, 1950."

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. PATTERSON. Mr. Speaker, I am taking the action today of introducing a joint resolution which will provide for a further 60-day extension of the suspension of the import tax on copper. As you know, the tax will be reimposed on July 1 if some immediate step is not taken. The House Ways and Means Committee has scheduled a hearing on H. R. 7151—a bill providing a 2-year extension—for July 10. It is evident that joint consideration cannot be had until the end of July at least.

In view of the foreign crisis which has developed over the past few days, it would be sheer folly to jeopardize the supply of copper needed by this Nation. Unprecedented confusion will result from reinstitution of the tax during the period this legislation is in abeyance. The status of domestic producers of copper will not be changed by immediate passage of this resolution. Their arguments will still be heard by the committee during consideration of H. R. 7151.

An urgency exists to which we must apply ourselves. Military commitments must be met, and the national good overbalances regional considerations. Congress must demonstrate its capacity for meeting the needs of the hour, and it can best be done by the immediate consideration of this stop-gap legislation.

Unanimity of action will avoid confusion and uncertainty. In addition, the continuing cooperation of our friend and ally, Chile, will be assured.

Mr. CANFIELD. Mr. Speaker, I concur fully in the remarks of the distinguished gentleman from Connecticut [Mr. PATTERSON], sponsor of this extender and I believe it to be in the best interests of national defense and our economy as a whole that the resolution be passed by the House without delay.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 5 minutes.

## FEDERAL TRADE COMMISSION INVESTIGATION BY SELECT COMMITTEE ON SMALL BUSINESS—HEARINGS, SECOND DAY

Mr. PATMAN. Mr. Speaker, today was the second session of the hearings being conducted by the Select Committee on Small Business, of which I have the honor to be chairman, for the purpose of ascertaining whether the Federal Trade Commission is performing its function of protecting small business and curbing monopoly.

Our first witness was Mr. George J. Burger, vice president of the National Federation of Independent Business, Inc., claiming the largest individual membership of any business organization in the country. With the permission of the Members of the House I am including the full text of Mr. Burger's statement as part of my extended remarks.

Mr. Burger made clear that he had not come before our committee for the purpose of injuring the Commission, but that he had come for the purpose of finding out why the Commission has not been a more effective instrument for accomplishing its purposes and what means should be taken to make it such an effective instrument. He stated in his conclusion:

After reviewing the cases cited herein we come to the conclusion, Mr. Chairman, that there must be an immediate investigation made of the happenings in the cease and desist order against the United States Rubber Co. in 1939 by the Commission. Then there must be a thorough study and checking into why no follow-up action was taken by the Commission in the Federal court action in 1939 on the Goodyear-Sears case. Then there must be a thorough study of the trade practice rules. Are they a mere gesture for industry or can they bring the expected relief?

The actions of the House Small Business Committee in taking the appropriate steps can result in strengthening the Robinson-Patman Act and elevating the Federal Trade Commission itself into what the President of the United States and also an ex-President of the United States believe to be one of the most major agencies in the Government to keep the free enterprise system functioning, as a result of which the public will be the beneficiary and independent business of this Nation at both the production and distribution level will remain an important part of our economy.

With the permission of the Members of the House I am also including in my extended remarks the full text of the statement of James G. Patton, president of the National Farmers Union, read at our hearings this morning by Angus McDonald, of the National Farmers Union. Mr. Patton praised President Truman for his veto of S. 1008, the basing-point bill, and expressed the great interest of the farmer in the fight against monopoly and the enforcement of the antitrust laws, particularly by the Federal Trade Commission. He criticized the compliance operations of the Commission, although he recognized its budget difficulties.

I also include in my extended remarks, Mr. Angus McDonald's own statement. Mr. McDoanld criticized the Bureau of the Budget for the relatively small appropriations received by the Commission. He recommended that the Commission make more extensive use of its investigatory powers under section 6 of the Federal Trade Commission Act, particularly in relation to farm prices.

Murray D. Lincoln, president of the Cooperative League of the United States of America, was our third witness, and I include the full text of his statement in my extended remarks. He presented the thesis that the interests of small business and of cooperatives are identical, both being opposed to monopoly. He advocated more extensive appropriations for the Federal Trade Commission to conduct investigations, under section 6, including an investigation of the price spread between farmer and consumer. He stated:

We are confident that if we can develop facts so that the farmer and the cooperatives can make use of them, we will find the small-business men and the farmers and the cooperatives working together. We will stop the racketeers who are now selling falsehoods and suspicions and hate and discord.

STATEMENT OF GEORGE J. BURGER, VICE PRESIDENT, NATIONAL FEDERATION OF INDEPENDENT BUSINESS, WASHINGTON, D. C., BEFORE THE HOUSE SMALL BUSINESS COMMITTEE, INVESTIGATION OF THE FEDERAL TRADE COMMISSION, JUNE 27, 1950

INVESTIGATION OF THE FEDERAL TRADE COMMISSION

My name is George J. Burger. I am vice president and a member of the board of directors of the National Federation of Independent Business, Inc., head office, Burlingame, Calif., a national nonprofit organization organized under the laws of the State of California, which has the largest individual membership of any business organization in the Nation. I am also in charge of the Washington office of the National Federation of Independent Business, Inc., located in the Bond Building, Washington, D. C. We also maintain offices in Chicago, Cincinnati, and New York City.

I want to take this time to thank the chairman, the Honorable WRIGHT PATMAN, for the privilege extended to me in behalf of the federation and its membership, to appear here today and present our views on this major investigation.

It must be understood for the record that remarks which I will make are not in condemnation of the Federal Trade Commission, but are merely to explore its operation in an attempt to show the deficiencies in the administration of the laws intrusted to the Commission, and we trust that through the action of the House Small Business Committee, and the testimony which may be given by witnesses during these hearings it will be a help to the Federal Trade Commission in bringing about better enforcement of the laws through which the public will be the beneficiary, and more important, that the people we represent, independent business of this Nation will be benefited.

It must also be understood for the record that it will be found during the past 14 years that as an individual in my own private services representing independent tire dealers, and more recently in my official position as vice president of the National Federation of Independent Business, I have been an ardent supporter of the Federal Trade Commission and this statement can be confirmed through my many appearances before congressional appropriations committees urging increased appropriations for the Federal Trade Commission, and particularly in the recommendations made before the Joint Committee of the Economic Report July 14, 1947.

I think it is well to quote from a staff report to the Monopoly Subcommittee of the Committee on Small Business, House of Representatives, pursuant to House Resolution 64, Seventy-ninth Congress, page 26, of that report "The Statement from Mr. George Burger of the Burger tire-consultant service makes very detailed and lengthy charges that the cease-and-desist order issued by the Federal Trade Commission against the United States Rubber Co. in 1939 was meaningless in terms of practical results."

Mr. Chairman, it is necessary for me in my testimony to use as a pattern the experience that the Federal Trade Commission has had in the rubber-tire industry for over a period of 14 years. You will admit that this is no minor industry. In fact, it is one of the leading major industries of our Nation.

Prior to the enactment of the Robinson-Patman Act there were many hundreds of small independent tire manufacturers, and at the same time what could be commonly termed close to 100,000 independent tire-retail specialists, and our testimony will have to center around that industry as a pattern as to what we believe is taking place in the Federal Trade Commission which is bringing practically no beneficial results to Nation's independent retailers. Whether this is due to the inefficiency in the agency itself, or as a result of working on minor cases and overlooking the major cases in our economy, or whether the fault lies with the Congress itself because of lack of needed appropriations to the Commission to carry out the mandate of the Congress, we do not know, but it is the hope of our people—independent business people—that the committee will make its findings and recommendations at the earliest possible moment at the close of these hearings.

1. A major case was presented to me late in 1935 or early in 1936 from an independent retailer trading under the name of the Lon Williams Co., at Gadsden, Ala. He presented to me at that time a story alleging violations by his supplier, the Goodyear Tire & Rubber Co., of the Clayton Act. He alleged that practices of his supplier almost drove his company out of business. The Federal Trade Commission sent one of its representatives to visit with me at the time and the Commission was insistent that factual evidence of the alleged violations of Federal statute be secured for study and investigation by the Commission. Such evidence was secured in the form of invoices from the Goodyear Co. and letters from the Goodyear Co. to the independent retailer, and little or nothing further was done on the case. I had reviewed the correspondence very carefully and I believed there was substantial evidence for the Commission to follow through for relief and correction of the alleged violations of Federal statute.

2. On March 5, 1936, to the everlasting credit of the Federal Trade Commission they did issue a cease-and-desist order against the Goodyear Tire & Rubber Co. in its contract relationship with the Sears, Roebuck & Co. Briefly, Goodyear fought the order in the Circuit Court in Cincinnati. The Court, I believe, came to a decision in favor of the defense. The Federal Trade Commission appealed the decision to the Supreme Court, and it will be found that the Supreme Court sent the case back to Cincinnati Federal Circuit Court to be tried on the merits of the case. Possibly a lapse of 2 or 3 years took place from the time of the issuance of the cease-and-desist order of the Commission of March 5, 1936, until the case was finally terminated, and it will be found from the record that every so often the Goodyear officials have been found making statements to the effect that in some degree the Goodyear Co. won the case, or in simple words, the Court threw the case out of court.

What happened was that in the final decision of the circuit court in Cincinnati early in 1939, the court's decision was 2 to 1 favoring the defendant—the Goodyear Tire & Rubber Co. The court minority was very outspoken in condemnation of the majority decision of the court. No attempt was made by the Federal Trade Commission to appeal that important decision to the United States Supreme Court, and it resulted in establishing in the minds of many thousand of independent retailers that the laws were worthless insofar as protecting independent business and the opinion was commonly expressed that the big fellows can get away with it. Authorities in the rubber-tire industry and authorities outside of the rubber-tire industry believe that the injury and destruction which came to many thousands of members of the rubber-tire industry whose businesses were destroyed came through this contract relationship between the Goodyear Tire & Rubber Co. and the Sears, Roebuck Co., who the Government claimed had received a $41,000,000 preferential over the independent customers of the Goodyear company, and the Federal Trade Commission was most deficient in not fighting this case to the bitter end. The lack of action upon the part of the Commission was most demoralizing, and created a lack of faith in the Commission's actions.

3. In or around October 1936, to be exact, at the Statler Hotel in St. Louis, in fact, the chairman of this committee was the principal speaker at that tire dealer's national convention shortly after the enactment of the Robinson-Patman Act, and the chairman, the Honorable WRIGHT PATMAN, explained to a jam-filled banquet room, not alone to members of the rubber-tire industry, but to business people all around the area, what the Robinson-Patman Act meant to their future in protection to independent business both at the production and distribution levels. He also complimented that convention having the first set of fair trade practice rules approved by the Federal Trade Commission in conformity with the Robinson-Patman Act. These rules have been in existence 14 years and I know of no particular case of any major importance where the rules were enforced by the Commission so as to be of any beneficial help to the member of the rubber-tire industry.

We do know, however, that in or around 1939 or 1940, an organized campaign was instituted by three major rubber companies to put into use what could be termed (and even better business bureaus throughout the Nation concurred) one of the grossest misleading national advertising campaigns ever perpetrated in an industry—which was commonly known as the "50 off sale." It was so misleading and deceiving that in cities like Atlanta, New York, and other areas the city authorities moved in and took the necessary action to prohibit the continuance of this national advertising campaign. I think in one area in California, an arrest was made of an employee of a major company. Protests were filed by me as an official of the Tire Dealers Association with the Commission at that time, supported by factual evidence Nation-wide newspaper copy, etc., and it can be said that from the uproar created by our action (independent tire dealers or the better business bureaus, or the actions of the various city authorities) the campaign was discontinued by the three major companies and it is to be noted that some 6 or 10 months later, after the correction had been made, the Commission issued a cease-and-desist order.

4. In the spring of 1939, in my annual Nation-wide visit, one of the cities visited was San Francisco. At the conclusion of the meeting in that city a very prominent independent dealer placed with me an affidavit relating to a meeting held by a major rubber company manager in that area, and from the report on the action of that conference it was to drive the individual out of the tire business, and these rubber companies would institute a price-cutting campaign, which would eventually destroy the business of this dealer. Such affidavit, as given to me by this prominent dealer, was turned over to the Federal Trade Commission for action, and to this very day I never knew what happened to the case.

5. I am now coming to the real crux of the testimony and I refer to the earlier quotation made by me that cease and desist orders by the Commission, as we review the situation are meaningless. I am referring to the action of the Federal Trade Commission versus the United States Rubber Co., United States Tire Dealers Mutual Co., et al. It will be found from the record that the cease and desist orders of the Commission against the United States Rubber Co. in 1939 have brought about no beneficial effects that we can find and we do not know, up to this very moment, whether the United States Rubber Co. 11 years later has ever complied with the order of the Commission. In this respect it will be noted that the United States Rubber Co.'s legal representative, appearing before the Federal Trade Commission, attempted to place in evidence before the Commission early this year information that the Federal Trade Commission had ap-

proved the operations of the United States Rubber Co. and had given them its blessing. We find no record of such approval emanating from the Federal Trade Commission. Again we repeat, the order of 1939 is meaningless.

It will also be found that during the chairmanship of the present chairman of the committee in the Seventy-ninth Congress, the late Mr. George J. Schulte, then a staff member of the committee, called a high member of the Federal Trade Commission on the telephone and asked this question of the member of the Commission: "Has anything been done to find out whether the Commission's order against the United States Rubber Co. has been followed out?" The Commission member answered: "The economist who handled that case is no longer with the Commission." Mr. Schulte turned to me and said, "Apparently nothing has ever been done on the order."

Mr. Chairman, members of the committee, this action of the United States Rubber Co. was a tremendously major undertaking by that company, and when it was announced in January of 1937, industry throughout the Nation watched the development of his procedure. Some auhorities in business publications from the very first instant had stated either by word of mouth or by letter that the action of the rubber company was to bypass the Robinson-Patman Act. When the plans of operation of the rubber company were brought to my attention before being made public information in the press, the highest of that company's officials stated in these simple words—that their independent customers were to be placed on parity to meet all types of fair competition within the rubber-tire industry. They referred to the competition of tire manufacturers' company owned stores, mass distributors, and oil companies. It will be found from the record that at no time has the rank and file of United States Rubber Co. independent dealers been put in a position to meet the competition as mentioned above. At no time have the United States independent dealers been able to purchase their tires on the same buying arrangement as the large customers of the United States Rubber Co. I am not interested in the United States Rubber Co., but I am interested in the Robinson-Patman Act and its enforcement to the very limit by the Federal Trade Commission, which act, in our opinion, right up to this very moment has never been completely enforced; but if it had been enforced, it would have brought about the desired results.

I have said before congressional committees that the lack of consistent action by the Federal Trade Commission to follow through on this major case has resulted in the complete nullification of the Robinson-Patman Act in the minds and planning of not alone the rubber industry but many other industries, as they are of the opinion that nothing will be done. Bear in mind, Mr. Chairman, that not alone was a major rubber company involved, but also a mass distributor and leading petroleum companies, which resulted in additional major contracts being entered into between major petroleum companies and major rubber companies, and this action brought about increasing mortality in the ranks of independent retailers.

It is significant and important to note that shortly after the Robinson-Patman Act became law June 19, 1936, it will be found that the head of the Goodyear Tire & Rubber Co., Mr. Paul Litchfield, announced the cancellation of his company's contract with the Sears Co., although that contract at that time still had 5 years to run. Some 30 days later Mr. Robinson, president of the B. F. Goodrich Co., announced the cancellation of their portion of the contract with the Atlas Supply Co. who, we believe, is owned by the Standard Oil of New Jersey, as both he and Mr. Litchfield stated the reason for the cancellation of these contracts was that they could not justify the price under the Robinson-Patman Act. We know this much, that three major rubber companies were then operating a thousand or more retail stores in the main trading areas throughout the Nation and these stores were in active competition not alone with their own independent dealers but with other independents. Time and time again, in or around 1936 many store managers came to me and asked me where they could get a position because, as they stated, under the Robinson-Patman Act the tire manufacturers could never justify the operation of retail stores. These stores, which are owned and operated by the manufacturers, have not decreased since 1936, but their numbers have increased throughout the Nation, and in fact, for practical purposes, insofar as the sale of truck and bus tires is concerned, no independent retailer can attempt to compete. An interesting incident, Mr. Chairman, which has a great bearing on this over-all operation, took place in or around October 1936. Fortune magazine published an article on the rubber industry, and in part they stated that the United States Rubber Co. was planning to discontinue their business relationship with independent retailers and confine all of their operations to the manufacture of private-brand tires so as to keep within the framework of the Robinson-Patman Act. Of course, the United States Rubber Co. denied the statement, but they entered into new arrangements January 1937 which were supposed to be within the framework of the Robinson-Patman Act, but in 1939 the Federal Trade Commission found them in violation of the act. The complete action of the Federal Trade Commission and the part this witness played in this major transaction appears in the committee print, United States Versus Economic Concentration and Monopoly, an investigation of the effectiveness of the Government's efforts to combat concentration, a staff report to the Monopoly Subcommittee of the Committee on Small Business, House of Representatives, pursuant to House Resolution 64, Seventy-ninth Congress, so there is no need to take the time of the committee to explore in detail, but it is our hope and trust that the committee and its staff will thoroughly examine that case as it appeared in the staff report.

Mr. Chairman, let me conclude this statement by reaffirming that this charge is not leveled against a particular company, but the principle involved is the importance of the Robinson-Patman Act. I have heard it stated time and time again by high authorities of the rubber industry "Burger, what is the Federal Trade Commission doing on the Robinson-Patman Act?" "How can the Commission permit, under the law, new contracts made by * * * rubber companies with major petroleum companies, etc.?" Not alone has this question been put to me by members of the rubber industry but also by leaders in many other industries. So it would appear that industry had become aware of the situation that nothing would be done, and this resulted in policies and plans of various producers being put into operation circumventing or bypassing the Robinson-Patman Act. To substantiate this statement I am quoting herewith from an address by Corwin D. Edwards, director, Bureau of Industrial Economics of the Federal Trade Commission before the Golden Jubilee Commerce Conference at the University of Wisconsin, Madison, Wis., on May 10, 1950:

"Some of the great oil companies act as intermediaries in the distribution of tires between tire manufacturers and filling stations. These filling stations are also actual or potential customers of independent tire dealers who perform a wholesale function. An oil company which buys the tires and resells them to filling stations must face the question whether or not its purchase price as compared with the purchase price of the independent tire wholesaler, constitutes receipt of an unlawful discrimination. Certain oil companies, however, do not buy the tires, but instead receive a sales commission from the tire manufacturer, in return for which they encourage their filling stations to buy the manufacturer's tires direct from him. It is asserted by attorneys for these companies that, when the oil company buys no tires, its commission, however large, cannot be an unlawful discrimination. Whether or not the arrangement is lawful, there can be no question that a preferential commission, like a preferential wholesale discount, may be used to transfer the tire business of the filling stations from the independent tire merchant to other channels. It is also obvious that a commission may serve as readily as a discount to enhance the profit of a powerful concern at the expense of others less powerful."

6. As a result of a survey made by me of Nation's dealers earlier in the year, in or around September 1941, I filed a brief with the Federal Trade Commission alleging violations of the Robinson-Patman Act in the operations of certain tire manufacturers operating retail stores, contract relationships with mileage and rental contracts in which a 100-percent monopoly appears to exist with the major tire manufacturers; pricing arrangements by major tire manufacturers (4) in the sale of the fifth or spare tire; the relationship between major oil and rubber interests in the sale and distribution of tires. This brief was all-inclusive, and while we realize that during the war period such action by Federal agencies was suspended for the duration of the war, there is no evidence that any appropriate action has been taken by the Federal Trade Commission since the termination of the war.

After reviewing the cases cited herein we come to the conclusion, Mr. Chairman, that there must be an immediate investigation made of the happenings in the cease-and-desist order against the United States Rubber Co. in 1939 by the Commission. Then there must be a thorough study and checking into why no follow-up action was taken by the Commission in the Federal court action in 1939 on the Goodyear-Sears case. Then there must be a thorough study of the Trade Practice Rules. Are they a mere gesture for industry or can they bring the expected relief?

The actions of the House Small Business Committee in taking the appropriate steps can result in strengthening the Robinson-Patman Act and elevating the Federal Trade Commission itself into what the President of the United States and also an ex-President of the United States believe to be one of the most major agencies in the Government to keep the free-enterprise system functioning, as a result of which the public will be the beneficiary and independent business of this Nation at both the production and distribution level will remain an important part of our economy.

In conclusion I wish to quote the words of Senator KNOWLAND on the floor of the Senate on April 25, 1950:

"I say to the Senator from Missouri that the longer I have been here in Washington—I have been in the Senate a little more than 5 years now—the more convinced I have become that the founding fathers were correct when they wanted this Government to be a government of laws, not a government of men. If we write out the law specifically and then require administrative officials to follow the directives of the Congress I think we shall be much better off."

STATEMENT OF JAMES G. PATTON, PRESIDENT OF THE NATIONAL FARMERS UNION, BEFORE THE HOUSE SELECT COMMITTEE TO CONDUCT A STUDY AND INVESTIGATION OF THE PROBLEMS OF SMALL BUSINESS, RELATIVE TO AN INVESTIGATION OF THE FEDERAL TRADE COMMISSION, JUNE 27, 1950

First of all, I would like to commend the eminent chairman of this committee for his untiring zeal in attempting to preserve our antitrust laws. His work in this Congress to bring about defeat of the monopoly bill, S. 1008, has been outstanding. In my opinion, had it not been for the efforts of WRIGHT PATMAN, S. 1008 might well be the law of the land today. I also feel that others in this particular fight played outstanding roles, including JOHN CARROLL, of Colorado, Senators LONG, KEFAUVER, LANGER, DOUGLAS, and many others too numerous to mention.

The interest of the National Farmers Union in the monopoly fight in this Congress is not a novelty. It is merely the recent part of the continuous and sustained effort that the union has contributed to monopoly problems ever since its birth in 1902.

The American farmer, of course, had been concerned with monopoly for many years before that time. I think it is safe to say that if it had not been for farmers' protests against the great rising railroad and oil monopolies, there would have been no Sherman Act of 1890. Because it was the farmers of the South and West who were most affected by discriminatory freight rates, by stock-market manipulations, and by price squeezes which were engineered and planned by eastern industrial and financial leaders.

The result of these manipulations in the nineteenth century was to force the farmer to sell his products at a low price and buy what he needed for family living and farm production at a relatively higher price. The farmer in those days was almost completely at the mercy of those who controlled and rigged both industrial and farm prices. The farmer found himself selling in an open market and buying in a closed one. He found that the prices of things that he bought were relatively inelastic, and that prices of things he sold were elastic and responded daily, even hourly, to market conditions.

This situation, which came about with building of great corporate empires, has continued down to the present time. It is going on today. A cursory look at the price indexes of the Department of Agriculture indicates this. Farm prices have declined in some instances by more than 50 percent, and industrial prices have stayed up. This situation existed during the farm depressions of 1921 and 1929–32, and we may expect similar results today if this unbalance is not corrected.

Lowered farm prices, high inelastic industrial prices is not a one-way street. The end result of a price system administered by the great monopolies inevitably is economic disaster for the farmer and, of course, for labor and small business. The only difference is that the farmer suffers first and longest.

I call attention to these facts at this particular hearing because I believe that the only hope farmers and others have in remedying this situation is by adequate enforcement of our antitrust laws. And the most important agency of the Government insofar as antitrust laws are concerned is the Federal Trade Commission. I do not mean to disparage the work of the Antitrust Division of the Department of Justice, but it seems clear to me that the FTC had been clothed with more adequate powers and that it is better equipped to work in the interest of three great groups, namely, farmers, small business, and labor.

The Federal Trade Commission, set up primarily to check incipient monopolies, not only is vested with subpena powers which the Department of Justice lacks, but is staffed with economists who have kept abreast of changing industrial and economic conditions that call for new information, amended decrees, and even changes in the law itself.

I call your attention to the recommendations which Thurman Arnold made to the TNEC in 1941. This previous Assistant Attorney General, far from being jealous of the FTC or looking at it as a rival agency, recommended that there should be closer cooperation between the Department of Justice and the Federal Trade Commission. He also pointed out that statutory authority of the Commission should be expanded, appropriations be increased. Here is what he said:

"I recommend, therefore, that Congress enact a statute empowering the Federal Trade Commission to investigate either on its own motion or at the request of the Department of Justice, to hear evidence presented by the Department, and to make public findings of fact as to whether a designated local ordinance or a State statute or a group of such statutes interferes with interstate commerce." (Final report and recommendations of the Temporary National Economic Committee, p. 134.)

"I recommend that section 7 of the Federal Trade Commission Act be amended to provide that on the request of the Attorney General the Federal Trade Commission or any member thereof hear evidence and make findings of fact and conclusions of law in any pending antitrust proceedings" (ibid., p. 137).

"The experience of centuries has indicated that it is wise to entrust fundamental decisions to a concensus of laymen or to a judge who is constantly exposed to the impact of lay opinion. * * * The judge sitting in equity expressed the view of an expert whose duties keep him close to the community at large. A continuation of this system, aided by reference to the Federal Trade Commission to make initial findings in a highly complicated case, is likely to keep a line of development under the antitrust laws appropriate to the structure and temper of the American economy" (ibid., p. 138).

In regard to duplication and appropriations, Arnold had this to say:

"Although the Commission and the Antitrust Division have authority to deal with some of the same problems, there is, in fact, no unnecessary or wasteful duplication of effort. The two agencies cooperate, so that neither one spends time or money in dealing with problems which the other has under consideration.

"The current appropriations for the Federal Trade Commission do not permit it to make full use of the powers which Congress has given it. We believe, for example, that it is desirable to give additional appropriations to the Commission which would enable it to carry on general investigations and make findings of fact with respect to economic conditions in various industries. Furthermore, the fact that the Commission does not have adequate funds to stop in their incipiency practices which lead to restraints and monopolies increases the later burden which must be assumed by both the Commission and the Department of Justice" (ibid., p. 117).

Mr. Chairman, I believe that the situation in regard to appropriations is just as true today as it was 9 years ago. The Federal Trade Commission, year in and year out, has been one of the most starved agencies in Washington. It has never received the amounts which the Commissioners felt were necessary. Every recommendation they made was trimmed down by the Budget Bureau which, apparently, did not understand how vital antitrust law enforcement is.

Failure of the Commission to enforce our antitrust laws, however, does not altogether stem from a starvation diet. The Commission itself has not used in some areas the powers conferred on it by Congress. Its procedure has been cumbersome; minor administrative matters have occupied the time and the attention of the Commission, and cases have proceeded at a snail's pace.

It was the purpose of Congress that the Commission aid the Department of Justice by determining whether or not a decree was being complied with. Section 6 (C) of the Federal Trade Commission Act plainly states that the FTC may check up to see if a decree is being complied with. The Commission is in a much better position to carry on such an investigation than the Department of Justice since it has the power of subpena. The Justice Department must resort to a grand jury. Yet, the Commission has never used this power on its own initiative. And in only four instances, in 1917, 1921, 1929, and 1936 was the power used at the request of the Attorney General. It seems apparent that cooperation in regard to compliance has been almost completely lacking. Neither has the Commission exerted itself to check up on its own compliance orders. Not until 1947 did the Commission set up any machinery for investigating its own decisions.

The reason given for this laxity was lack of appropriations. Attention was called to the fact that there were only nine attorneys in the Division of Compliance.

While recognizing the severe budget difficulty, we feel that the question of compliance is second to none, and that nevertheless the power of section 6 (C) must be used. Decrees become out of date; legal, economic, and industrial conditions change.

In 1920, the courts ordered the packers and food-canning concern to disintegrate. In 1940, it was found that only recently had steps been taken to carry out the order. As Thurman Arnold said, "Twenty years is a long time to wait for the enforcement of a decree" (ibid., p. 119).

Finally, I would like to recommend that the Commission give more emphasis to antimonopoly work and a less proportionate amount to cases which involve fraud, false advertising, and the like. Work in these two areas should be separate and departmentalized. Importance, rather than the number of cases an attorney handles, should be emphasized both in planning work, reorganizing the Commission, and awarding promotion. We feel that the results of one case such as the Cement Institute basing-point case of 1948 or the pending price-discrimination case involving the Standard Oil Co., may well determine the kind of world we and succeeding generations will live in.

For once the floodgates of monopoly are opened wide, once a little group of men in Pittsburgh, or New York, or Chicago can determine whether or not a steel plant may be built in Texas or Colorado, whether or not 352 gasoline filling station operators in Detroit may operate, our free-enterprise system will be doomed. The enterprising independent big-business man will be unable to assist in developing regions which have lagged far behind the North and East. Small-business men everywhere will be swallowed up by monopoly. The farmer will find himself in an economic strait-jacket. He will be a prisoner in a world where he must pay prices which the oligopolists have previously agreed on and he must take whatever is offered for what he has to sell.

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STATEMENT OF ANGUS MCDONALD, ASSISTANT LEGISLATIVE SECRETARY OF THE NATIONAL FARMERS UNION, BEFORE THE HOUSE SELECT COMMITTEE TO CONDUCT A STUDY AND INVESTIGATION OF THE PROBLEMS OF SMALL BUSINESS, RELATIVE TO AN INVESTIGATION OF THE FEDERAL TRADE COMMISSION, JUNE 27, 1950

I would like to expand and document Mr. Patton's statement in regard to monopoly as it exists among those who process and sell commodities produced by the farmer and to recite a few statistics to the committee re-

garding the behavior of farm and industrial production during periods of economic recession as well as the behavior of farm prices during the last few years and the situation regarding farm costs and farm income. I would also like to correlate this matter with the situation regarding profits of those engaged in the distribution of food. Finally, I would like to comment briefly on the budgetary situation of the Federal Trade Commission and the relationship of the agency to the Department of Justice.

It is a well-known fact that monopolistic situations exist not only in industries which manufacture the products the farmer buys, but in industries which process and distribute food which the farmer produces. For example, the three largest dairy companies in the country distribute about one-sixth of the nation's total volume of milk. Ninety percent of the distribution in many communities and cities is carried on by one company. Eight companies control more than one-third of all the bread manufactured. One company controls almost half of the manufacture and distribution of biscuits and crackers. Eight companies distribute almost three-quarters of the dairy products of the Nation.

Concentration is even greater in industries which manufacture and sell things the farmer buys. Two companies, for example, control the manufacture of 89 percent of all grain binders, 77 percent of all corn planters, 75 percent of all tractor-drawn cultivators, 68 percent of all tractors, 64 percent of hay loaders, and 61 percent of all tractor plows. Two companies produce one-half of the Nation's output of fixed nitrogen, and three companies produce half of the Nation's potash.

In regard to the behavior of industrial prices, history has proved that during periods when demand falls there is a tendency for industrialists to reduce production in order to keep prices relatively high. For example, during the period 1929–1932, production of motor vehicles declined by 72 percent while prices declined by only 12 percent. Agriculture implement production declined by 84 percent, whereas prices fell only 14 percent. Cement production declined by 55 percent, prices by only 16 percent.

Production and prices of agriculture commodities behaved in the opposite fashion. During the same period agricultural production declined only by 1 percent, whereas the price for agricultural commodities declined by 54 percent. Here are two brief tables which prove that during the years 1929 through 1932, the production of meat, poultry, dairy and food grains remained relatively stable, whereas prices of these commodities declined from 35 to 60 percent.

*Production, 1929–32*

[1935–39=100]

| Year | Meat | Poultry | Dairy | Food grain |
|---|---|---|---|---|
| 1929 | 103 | 100 | 93 | 113 |
| 1930 | 100 | 106 | 94 | 109 |
| 1931 | 103 | 101 | 96 | 114 |
| 1932 | 101 | 99 | 97 | 92 |

*Prices, 1929–32*

[1935–39=100]

| Year | Meat | Poultry | Dairy | Food grain |
|---|---|---|---|---|
| 1929 | 160 | 161 | 164 | 116 |
| 1930 | 135 | 128 | 142 | 93 |
| 1931 | 93 | 99 | 111 | 57 |
| 1932 | 65 | 81 | 86 | 45 |

Recent economic history seems to indicate that we are following in some degree the pattern which developed during the depression years. Farm production during the last 2 years has been the greatest in history, whereas farm prices have been falling ever since 1948. Prices of some major commodities have declined as much as 50 percent; farm net income has declined from a high of $17,800,000,000 in 1947, to $13,800,000,000 in 1949. Industrial prices, however, have declined very little and prices of food still remain relatively high. Farm prices and income will continue to decline in 1950. Cash receipts are down 9 percent during the first 6 months as compared to the first 6 months of 1949. Department of Agriculture economists estimate that net farm income will decline to about $12,000,000,000 in 1950. They also estimate that farm costs which have been rising for the last year will remain high.

The committee can perhaps get a better picture of the situation if I cite examples of typical farms. In 1949, net income of farm operators in the Corn Belt averaged from $1,600 to $3,100 per farm less than in 1948. In 1949 operators of dairy farms averaged about $1,000 less than in 1948. The income of spring-wheat farmers declined from $6,900 to $3,500. Winter-wheat farmers experienced a decline in income from $9,000 to $6,000. Cattle ranchers' income declined from $10,000 to $7,000.

Farm costs of these farmers during the same period went up. Costs of Corn Belt farmers in 1949 was the highest on record, 190 percent of prewar. The farm cost of dairy farmers in Wisconsin rose from 203 to 205 percent of prewar. Spring-wheat farming costs rose from 171 percent to almost 174 percent. Cost of cattle ranching rose from 141 to 165 percent of prewar.

The disparity between industrial and retail food prices on the one hand and farm prices on the other was reflected in the widening of price spreads between farmer and consumer. The farm price of wheat during the period January through October 1948 declined 30 percent, during the same period the retail price of bread rose slightly. In December 1947, the farmer got 24 percent of the consumer bread dollar; in April 1950, he only got 18 percent. In December 1947, the farmer got 25 percent of the dollar spent for corn flakes; in April 1950, he only got 14 percent. In December 1947 the farmer got 71 percent of the consumer's meat dollar; in April 1950, he only got 62 percent. In December 1947 the farmer got 63 percent of the dollar spent in dairy products; in April 1950 he got only 54 percent. In December 1947, the farmer got 70 percent of the poultry and egg dollar, in April 1950, he got only 59 percent. In December 1947, the farmer got 36 percent of all money spent for cereal and bakery products; in April 1950 he got only 27 percent.

Examination of the net profits of companies engaged in the processing and distribution of these foods give a clue as to who received the benefits of these widening price spreads. In 1948 the net profits of the Ralston Purina Co. were $5,700,000, its percent of profits was 11 percent. In 1949 the profits of this company rose to $11,700,000, its percent of profit to 20.2 percent. In 1948 the profit of the Kellogg Co. rose from $9,500,000 to $11,500,000; its rate on investment from 37 to 38 percent. During this period the profits of the National Dairy Products Corp. rose from $25,000,000 to $33,000,000. Profits of the Carnation Co. rose from $5,700,000 to $7,700,000. And so on. These are only a few of the example that could be given. During the last 3 or 4 years many of the food-processing companies more than doubled their profits.

It seems obvious from these facts that money which the farmer previously received has been going into the pockets of middlemen and processors. Consumers have benefited very little from these price declines. The share of the farmer in the final analysis has declined, his costs have remained high. The cost of living has stayed up, together with high profits.

I have gone into the matter of farm costs, farm income, price spreads, and behavior of farm and industrial prices at some length because we feel that the Federal Trade Commission is the only agency equipped with adequate power to do anything about this situation. We recommend, therefore, that the Commission launch a series of investigations in regard to price spreads that exist between wheat and bread, dairy products, and other commodities in which the price spread has increased drastically since farm income began to fall. We also recommend that the Commission seek to determine if industry is holding up prices of things the farmer buys by curtailing production or engaging in other practices, the result of which is to keep prices unduly high.

We recommend further that the Federal Trade Commission expand, if possible, its machinery set up to determine if its orders and the decrees of the courts are being complied with. We further suggest that the Commission cooperate more fully with the Department of Justice and that it should not be timid in using the powers that exist in section 6C of the act.

I would like to call the committee's attention to the situation that exists in regard to appropriations for the Commission. This table, which I would like to insert in the RECORD, indicates that over the years the Budget Bureau has severely trimmed practically every sum requested by the Commission. This amount has been further reduced by Congress. The severity in these cuts in amounts requested has been growing. For example, for the fiscal year 1950 the Commission requested almost $6,000,000 and got only $3,650,000, which seems evident to us that the Budget Bureau is blind to the need for increased appropriations.

Finally, I would like to express the feeling of the leaders of the National Farmers Union in regard to the Commission as reconstituted by the President during the last year. We feel that all three new members nominated by the President are able and courageous men, well fitted to cope with the task of enforcing our antitrust laws. The two new members already serving on the Commission are giving new life to antitrust-law enforcement. It is obvious that they have a sense of high devotion to the public interest. In regard to the third nominee for the Commission, whose name is before the Senate, we would like to call to the committee's attention that we favor his confirmation without any reservations despite the disapproval by the Senate Interstate and Foreign Commerce Committee.

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STATEMENT OF MURRAY D. LINCOLN, PRESIDENT, COOPERATIVE LEAGUE OF U. S. A., BEFORE HOUSE SELECT COMMITTEE ON SMALL BUSINESS, JUNE 27, 1950

My name is Murray D. Lincoln. I am the president of the Cooperative League of the U. S. A., which is a national organization of consumer and purchasing cooperative organizations. This national organization represents approximately 1,800,000 families. A large part of the total number are the families of farmers, but there are many hundreds of thousands of families of wage earners in cities who are now members of consumer cooperative organizations.

I am also the president and general manager of the Farm Bureau insurance companies (auto, life, and fire) with headquarters in Columbus, Ohio, serving a million policyholders in 12 Eastern States. I am also president of the Cooperative for American Remittances to Europe, better known as CARE. I wanted to emphasize particularly my association with the Cooperative League because I understand that the first proposal that this committee should investigate the Federal Trade Commission was made by an

advisory group which included the Washington representative of the Cooperative League of the U. S. A.

As these discussions about the Federal Trade Commission and its work have developed during the last year, it has been apparent to most of us that the Commission and its work have been very little understood. However, these discussions, and particularly the recent attacks made on the Commission during the fight over the basing-point legislation have served to emphasize the importance of this Commission to the consumers.

As I understand it, the Commission has several functions:

1. Protecting the consumer against false and deceptive practices.

2. Protecting the consumer's right to a free market where that right is impaired by price discrimination and by concentration of industrial power.

3. Protecting the consumer through preservation of the rights and opportunities of the small-business man, and thereby providing the competition which might insure to the consumer the protection of fair and vigorous competition.

4. Protection to the consumer through the economic research done by the Commission and through the reports made to the Congress by the Commission.

It might surprise some of the Members of Congress to know that we are particularly interested in the assistance the Federal Trade Commission can give to independent and small-business enterprise. You have been getting thousands of propaganda letters—presumably from some owners of small business—in which they attacked cooperatives. I am sure the number of small-business men who wrote to you constituted only a small percentage of all small-business men, but a few thousand letters become impressive even though they may be less than 1 percent or 5 percent of the total.

The fact is that in Sweden, where the economy has been kept sound and healthy despite handicaps such as few other nations have withstood, the cooperation of independent small business and of cooperatives has contributed to that nation's prosperity. The Swedish small-business men are kept informed. The Swedish small-business man knows from experience that he has prospered as the cooperatives have prospered. The Swedish small-business man knows that his most dangerous enemy is monopoly, and its political ally, fascism or nazism. The Swedish small-business man knows that the cooperatives protect him and his business against monopoly and, therefore, that the cooperatives are his best friend. I hope this can be an example for the United States.

I hope that through the work of the Federal Trade Commission and the Select Committee on Small Business, plus the informed wage earners, cooperatives and small business, working with your committee, understanding will be furthered between cooperatives and small business. Then monopoly will have cause for worry. Then economic and political freedom will be served.

You may ask how this is related to an investigation of the Federal Trade Commission. Let me show you:

Several years ago, in 1942, the Ohio Farm Bureau Cooperatives asked Ohio State University to make a study of the farmer's dollar. The study showed that in the purchase of feed, fertilizer and petroleum products, electricity and insurance, the farmer's dollar in Ohio was at parity or better than parity. These were the items farmers buy cooperatively. In sharp contrast are food, clothing, furniture, home-building materials, farm machinery and farm-building materials—items the farmer does not buy cooperatively in significant quantities. Here are the facts and figures, and I say to you that these may well be the most significant facts you will get.

*Cost of things farmers buy cooperatively*

| Item | Base period | Index cost, September 1941 |
|---|---|---|
| Feed | 1910-14 | 104 |
| Fertilizer: | | |
| Single, Ohio | 1910-14 | 97 |
| Double, Ohio | 1910-14 | 73 |
| Gasoline | 1920 | 62 |
| Interest rate | 1920 | 67 |
| Electricity | 1920 | 50 |
| Insurance | 1935 | 54 |

*Things farmers do not buy cooperatively in large volume*

| Item | Base period | Index cost, September 1941 |
|---|---|---|
| Food | 1910-14 | 126 |
| Clothing | 1910-14 | 144 |
| Furniture | 1910-14 | 142 |
| Home building materials | 1910-14 | 167 |
| Farm machinery | 1910-14 | 155 |
| Farm building materials | 1910-14 | 156 |

We are spending about $7,000,000,000 a year to try to maintain parity for the farmer. Here we have an example of how parity can be maintained at no cost to the Government.

Big business is now filling the newspapers and magazines with its propaganda about taxes.

I am trying to get you to help me in telling big business how it can solve the tax problem.

The fact is, as you know, that when the Government spends six, or seven, or eight billions of dollars to maintain parity prices, the Government is subsidizing business from whom the farmer buys.

Many of us are now supporting the proposal of Senator HUBERT H. HUMPHREY that the Federal Trade Commission shall be directed to investigate and report to the Congress on the cost of distribution of farm produce.

I plead with you to take just a small part of the six or seven billions and tell the Federal Trade Commission to get the facts about the food or farm-produce industry. Until you do, I am afraid you are just going to continue pouring money down the slot and into the hands of the farmer, and through his hands into big business, and then inevitably into the development of monopoly and fascism.

Here are some of the stark facts which confront us:

We increased our agricultural production during the war as much as we had increased it in the 20 years from 1919 to 1939. With approximately the same amount of land in cultivation as before the war, we are now turning out one-third more farm products. Not only that; but three farm laborers today are producing more than four did in 1939. This is certainly a record of which the farmers of America can be justly proud.

What we are going to do with this remarkable production in terms of human beings is quite another problem. It becomes an increasingly difficult problem when we realize that with more efficient productive methods and soil conservation practices we may be able to increase agricultural productivity from 1 to 1½ percent per year indefinitely. Perhaps, if our population continues to increase as it has since 1940, we will not have to concern ourselves with surpluses or what to do with more efficient producers. In the past 10 years the population has increased 14,000,000. By 1955 we can expect that we will have between 8,000,000 and 10,000,000 more persons within our economy.

In spite of this briefly stated optimistic picture in terms or production, we all, as consumers, are actually faced with very real problems over which the farmer has little control.

It is a fact that close to one-third of the families in the United States have an inadequate diet and would, if they could afford it, buy more and better food. I believe it to be highly probable that unless we take some effective action, our poorly nourished groups are going to become proportionately larger. This, of course, would be an unfortunate consequence of unfathomable proportions.

We are forced to recognize also that farm consumers, as well as city consumers just mentioned, are the victims of this same inability to purchase an adequate quantity of agricultural commodities. On the farm side of the picture we find that the prices which are received by the farmer are down some 22 percent since a postwar high of January 1948. While on the other hand, the prices of the things which the farmer uses in the production of agricultural commodities are down only 3 percent, this from a high of July 1948. While there are many directions from which we might approach this economic dilemma, it seems to me that a clue is almost self-evident in the spread between what the farmer receives for his products and the price which the consumer pays when he purchases these products. The city consumers' ability to consume must be increased because of its effect on both city and farm folk.

It is common knowledge that the farmer's share of the consumer dollar has gone down to around 48 cents. This extends, of course, from a low of 10 cents for the farmer's share of the bread dollar, to 58 cents as his share of the milk dollar—to 65 cents for poultry and eggs—and about 64 cents as his share of the beef dollar. A study of statements and charts produced by the Bureau of Agricultural Economics, indicates that as prices received by the farmers have declined, so has the farmer's share of the consumer's dollar. In specific figures, the farmer's share of the retail food dollar declined from 53 percent in July 1948 to 49 percent in October 1949. It should be noticed, too, that the share for marketing agencies rose by a corresponding amount. Actually, farm prices have been drifting downward for the past couple of years, while marketing costs have remained about constant. It is significant to me that the consumer is not getting the benefit of the decline in the prices paid the farmers.

In fact, I would like to point out to you gentlemen of this select committee that as far back as 1937, which is now some 13 years ago, the Federal Trade Commission reported in one of its documents that "when the price to producers goes up, the full amount of the increase or more is usually added to the consumer's price—but that when the price to the producers goes down the consumer is often not given the benefit."

Let me illustrate with a few examples what I am talking about. Let us take bread as a first example. While bread was increasing in price for the 2-year period from October 1947 to October 1949—by a cent, the farmer's share on a loaf of bread had decreased from 3.3 cents per pound to 2.5 cents per pound. Now it is perfectly reasonable that part of this increased cost was due to the increased cost of salaries and wages, transportation charges, storage, and packaging, etc., but it seems a little unreasonable that this increase should come at the expense of only the farmer, while others along the line were increasing their margins at the expense of the consumer. Looking at oranges for a while, it would seem that here is another case where the grower is receiving a much smaller share of what should be his proportionate return. Out of the dollar spent for oranges in New York City the grower received 19 cents—picking and assembling costs 6 cents—packing and selling 16 cents, transportation 13 cents, auction 1 cent, and wholesale and retail costs 45 cents (Bureau of Agricultural Economics figures).

Now I don't pretend to be able to say how justifiable each of these costs all along the

way actually is. But it seems to me that if we're going to do anything to help the farmer get a better price and the consumer a lower cost then we have got to do something about these tremendously large distribution costs. Oranges are an especially good example because processing compared to canned foods is relatively small, and so is the grower's return.

Look for a moment at the costs paid by consumers for apples in Chicago, which were shipped in from Washington State. The retail sales price was $5.13, and of this amount the farmer received $1.36. At the shipping point $1.21 was paid, while freight costs were only 73 cents. Nine cents was paid to auction, and $1.74 was paid to the wholesaler and retailer. Look again at where the tomato dollar goes for South Carolina tomatoes which were marketed in New York City. Out of this dollar the farmer got less than one-third, while the assembly and packer got more than 12 cents, transportation nearly 9 cents, auction 8.1 cents, and the retailer and wholesaler 39.3 cents. It would seem to me that the margins taken by those individuals in the distributive process between the farmer and consumer are unduly high in proportion to the amount of risk taken by them.

With your indulgence, I would like to mention one more example of a consumer item which shows a real disparity between its sale price and the price the farmer gets as his part of the raw material. In 1945, a study was made by the Department of Agriculture which disclosed that out of 100 percent cost of an article, that about 7 percent was for the farm value of the cotton. Supposing that a shirt cost $3. This means that there would be only 21 cents worth of cotton in the shirt. It seems to me that some study ought to be undertaken which would determine whether this is a fair margin for the farmer to receive.

I realize, gentlemen, that any serious investigation of the margins taken by various distributive media is going to be a complex, detailed, and time-consuming job. But if we want to be fair to both the consumer and the farmer—which actually includes all of us—then it seems to me that it is necessary to make such a detailed study. Let me suggest another path of investigation which may provide a clue for the examination of this problem. Out in Ohio last year about 50,000,000 bushels of wheat went to market, over and above what was consumed on the farm. Because the farmers of Ohio were unable to hold their production for a higher spring price, they lost up to 35 cents per bushel. This was because they had to sell under the loan price to speculators who were able to profit from their losses. Taking a conservative average of 20 cents per bushel loss, this means that the farmers of Ohio alone, in 1949, lost at least $10,000,000, for in April of 1950 wheat went up to the loan price. But at this time the farmer did not receive the benefit of the increment because the wheat was out of his hands and in the hands of the speculators.

A similar situation was found in corn, where farmers were forced to sell in the fall at 40 cents per bushel under the loan price. Once again this was necessary because the corn had to be moved in the fall instead of being held.

Now, gentlemen, this difference in price paid the farmer and cost to the processor is not just a "fair, reasonable service charge," as claimed by some grain speculators; it is actually a profit which should either be retained in the hands of the farmer in order to help better his economic situation or be passed on as a reduction in price which should partially accrue to the city consumer.

This situation becomes even more shocking when we look at what happened to soybeans in Ohio last fall. In the fall and early winter soybeans were selling for around $2. By April 1950, the price on soybeans had gone to $3. But the Bureau of Agricultural Economics shows that there were fewer soybeans in the hands of farmers in the early part of 1950 than there had been at any time since farmers started to raise soybeans. Here was a clear-cut speculative profit of a dollar a bushel, which affected the production of eighteen to twenty million bushels of soybeans on Ohio farms. This had a direct effect on the decline in income experienced by Ohio farmers in 1949. Because this decline was general throughout the country, I am certain that speculation in grain was one of the direct causes.

I would like to take this opportunity to make a very concrete proposal to your committee and to the Federal Trade Commission. I recommend that your committee, or some appropriate committee in the Congress, charge the Federal Trade Commission with responsibility for investigating the great disparity of prices between the producer and the consumer. I suggest that the Federal Trade Commission be given the required funds to make a thorough investigation of price spreads and that it bring its recommendations to the Congress.

It is my own feeling that the great costs of distribution are in part due to inefficiency—but that the greatest part of those costs lies in hidden profits to speculators and tremendous profits to huge corporations which stand astride the channels of distribution and take their toll automatically on the milk for America's growing children, the food for the needy as well as for those who can afford it, and for the clothing and other fiber products used by American consumers.

The Gillette committee in the Senate has turned up some revealing figures on the profits of America's great milk processing and distribution corporations. These profits keep at high levels even in depression years. At their bidding retail prices are kept high. Milk consumption falls with high prices—and both the farmer and the consumer suffer.

The Gillette committee revealed, for instance that National Dairy Products did a business of $986,000,000 in 1948, or nearly one billion dollars. Profits were $26,000,000 of invested capital—showing a net return of 10 percent.

The Borden Co. did a business of $650,000,000 in 1948. It reported profits of 2.95 percent of sales. The president of Borden's under questioning was unable to say what the profits were on capital investment. The committee investigation places it at 10 percent. The president of Borden's guessed it was 7 or 8 percent. Apparently, at the moment, nobody knows.

During the period between 1911 to 1918 the Department of Justice brought a total of 21 antitrust cases relating to milk. Eighteen of these 21 were brought within the past 12 years, and 9 have been brought since 1946.

There is one good example of what can be done to cut these costs of distribution.

The United States Department of Agriculture, in a recent study estimated that Minneapolis residents pay 2½ cents less per quart than they would otherwise pay. The reason is simple. There is genuine competition, free enterprise, in Minneapolis. The Franklin Cooperative Creamery does about 25 percent of all the milk business in the city. It holds down the price to the consumer and holds up the payments to the farmer at the same time. The cooperative yardstick saves Minneapolis consumers $2,000,000 each year. The demand for milk is increased—and the farmer's take-home pay is increased.

Why can't the cost of distribution be cut in other cities?

Why doesn't the Federal Trade Commission undertake a sweeping investigation of this price-spread problem? Won't this committee initiate and insist that some positive action be taken?

I am going back to that point No. 4 I mentioned—how the consumer on our farms and in our cities can be helped by the Federal Trade Commission. I have been told what purports to be facts—facts which I'd like to see given to every farmer.

The Federal Trade Commission made an investigation of the electric utility industry in the 1920's. I have been told by one of Senator George W. Norris' associates that this country would not have a TVA today had it not been for that Federal Trade Commission investigation. My friend, who worked daily with Senator Norris says we would not have an REA development had it not been for that Federal Trade Commission investigation. The investigation developed all the economic facts which justified and compelled the TVA and REA development.

I understand that very soon after the Federal Trade Commission completed that work, mysterious influences developed in the Congress to halt further economic investigations by the Commission. I am told that a very fine Congressman has boasted about his part in halting the investigations. My friends assure me that no question can ever be raised about the public service of that Congressman—that he was a wonderful public servant. Yet, he assumed leadership in tacking a rider onto the appropriations for the Commission. That rider simply provided that the Commission could engage in no economic investigations, other than those permitted by the regular annual appropriation, unless the investigations were authorized specifically by both Houses of the Congress and unless appropriations were made.

The result is obvious. All that was needed thereafter was to limit to a ridiculously small amount the appropriations for economic investigations. Then the Power Trust and all other monopolies would be protected against any more exposés.

I understand the Congress has given the Commission only about $75,000 or $80,000 a year for economic investigations. Then the Congress, through its rider on the appropriations bill, has denied, in fact, the Commission any authority to make investigations.

Gentlemen, I am emphasizing these statements to develop the service which I think this committee can give to the public.

As everyone is a consumer, when I refer to the public I also refer to the consumer. The public interest and the consumer interest are synonymous.

Sometimes we take a lot of pleasure in poking fun at economists. But we—farmers, labor, and consumers—and you in Congress need economists to match the economic research available to big business.

Big business has its economic organizations to get and expose economic facts. Of course that is true.

But apparently it is a bad thing for the masses of people to get and know these economic facts. Farmers are learning how to get these economic facts. Organized labor is learning how to get these economic facts. The cooperatives are learning how to get these economic facts.

We insist that small business, farmers, wage earners, cooperatives, and big business shall have the assistance of fact-gathering experts in the Federal Trade Commission.

Let me give you some illustrations of the type of facts developed and presented since the war by the Federal Trade Commission which are of great interest to those of us in the cooperative movement, and, I should imagine, to all farmers, workers, small-business men, and, in fact, all groups and individuals who are concerned with the public interest.

As one example, the Federal Trade Commission has told us in a report, The Merger Movement, that big firms are buying up smaller companies right and left. According to a report issued by the Commission

in 1948, more than 2,500 formerly independent manufacturing and mining companies have disappeared since the war as a result of mergers. The asset value of these 2,500 firms amounted to $5,200,000,000 or roughly 5.5 percent of the total assets of all manufacturing corporations.

Those of us who are farmers are particularly interested to note that more mergers have taken place in the food industry than in any other field. Of the 2,500 firms which have disappeared as a result of mergers, some 370, or over 17 percent, have consisted of food processors. This means, of course, that the number of food processors available to the farmer as markets for his products is gradually being reduced. Because of these acquisitions, a few big companies have obtained more and more power to set the price which they are willing to pay the farmer for his produce.

I want to drive home the point that these mergers have actually consisted for the most part of big corporations gobbling up small companies. They do not consist, as some big business propagandists would have you believe, of little companies combined with each other in order to more effectively compete with their larger rivals. According to the report, more than 70 percent of the total number of firms bought up since the war have been absorbed by larger corporations with assets of more than $5,000,000. In other words, it is the large companies which are making the acquisitions. But the companies that are being bought up are essentially small firms. More than 70 percent of the total number of companies absorbed during this period have been smaller firms with assets of less than $1,000,000.

Not only has the Commission given us the hard facts as to the trend of mergers and acquisition; it has also shown us the results of this movement. In a report issued in 1949, entitled "The Concentration of Productive Facilities," the Commission has brought out the truly startling fact that in 1947, 113 giant corporations owned nearly half of the industrial facilities of all manufacturing enterprises. This finding is so important that I wish to quote the Commission's report directly. Here is what the Commission says, quoting from page 14: "In 1947, the 113 largest manufacturing corporations, with assets in excess of $100,000,000 each, owned $16,093,000,000 of net capital assets (property plant and equipment), or 46 percent of the total for all manufacturing, both corporate and noncorporate." I think all of us in the cooperative movement have long been aware of the power which a few giant corporations exert over the Nation's economy, but even in our worst nightmares we never imagined that the situation was as bad as the Commission has actually found it to be.

The Commission presented the facts not only as to concentration in manufacturing as a whole, but as to many important individual industries. In this same report the Commission found that the three largest companies in their respective industries own 100 percent of the industrial facilities in the aluminum industry, 95 percent in tin cans, 92 percent in linoleum, 88 percent in copper, 77 percent in cigarettes, 72 percent in distilled liquors, 71 percent in plumbing equipment, 70 percent in rubber tires, 69 percent in office and store machines, and so on.

Those of us who are farmers are, of course, greatly interested in the figures contained in the report relating to concentration in the production of articles which the farmer buys. Thus the report shows that two-thirds—exactly 66.6 percent—of all the industrial facilities in the agricultural machinery industry are owned by just three companies—International Harvester, Deere & Co., and Allis-Chalmers. We are also greatly interested in the concentration which exists among the food processors—the companies which buy the products which the farmer raises. According to this report, three companies own 68 percent of the facilities in the biscuit and cracker industry, 64 percent in the meat-packing industry, 56 percent in the dairy-products industry, 32 percent in the canning and preserving industry, etc.

In view of this enormous concentration in the food-processing field, is it not clear that the farmer is more or less at the mercy of these giant firms that buy his produce? And is it not also clear that the farmer will continue to be at their mercy as long as this concentration in the food-processing field exists?

A third report recently issued by the Commission which I also wish to call to the attention of this committee, is its report on the fertilizer industry, issued in 1950. Obviously, there are few subjects of greater interest to the farmer. If I had my way, a copy of this report would be sent free to every farmer in the United States. This report describes in great detail the history of the development of monopoly in each of the three basic fertilizer industries—nitrogen, phosphate and potash. It shows how each one of these fields has come under the control of a handful of monopolistic corporations. And it describes the types of monopolistic corporations. And it describes the types of monopolistic practices which these firms have used in order to rig the market and keep the price of fertilizer up.

Partly as a result of this monopolistic control the costs of distribution of fertilizer to the farmer are nothing less than outrageous.

Take, for example, the case of mixed fertilizer, regular 4–12–4 grade sold in my area, the East North Central States. According to the report, the average price paid by the mid-western farmer for this grade of fertilizer in the spring of 1941 was $30.49 per ton. Of that amount only $14.10 represented materials cost. That is to say, although the farmer paid over $30, only $14 was for nitrogen, phosphate, and potash—the materials which improve his soil's fertility. The remaining $16 went for distribution costs of one type or another, many of which could be reduced if the monopolistic control over the fertilizer industry could be broken.

The situation which existed in the midwest is not to be thought of as unusual. The figures in the report clearly show that it was typical of each region of the country. Take, for example, the State of the distinguished chairman of this committee. In the spring of 1941, the Texas farmer paid an average of $28 per ton for mixed fertilizer, regular 4–8–4 grade. Of that $28, only $15.31 went for nitrogen, phosphate, and potash. The remainder was again taken up by distribution costs.

How can the country expect to maintain its soil fertility when only about half of the farmer's fertilizer dollar actually goes for fertilizer materials?

It is facts such as these which I have cited with respect to mergers, economic concentration and the fertilizer industry which the country desperately needs for an understanding of how our complex economy works—of where the danger points are. I understand that the commission has been conducting these economic investigations with an appropriation which I understand is less than $100,000 a year.

This function should be greatly expanded. I cannot understand how anybody can disagree with the proposition that we need more and more of these facts.

Why do we need these facts? The cure for corruption and conspiracy and intolerance is the sunlight of fact. Give the small businessman and the cooperatives the facts and you will do many things. Let me list them.

1. You will save the small businessman from those who are exploiting him now by selling to him hate and intolerance.

2. You will develop cooperation and good will and unity within our United States.

3. You will do much to destroy monopoly and fascism.

4. You will make a great contribution to democracy and freedom.

Mr. Chairman, I think that TVA and REA contributed more to the welfare of our people than did almost any other developments of the last 50 years.

These developments were the fruit of inquiry into economic facts.

Mr. Chairman, I urge the Congress to strike down any rider on the appropriation bill such as I am told is there. I urge you to lead a fight to give the Federal Trade Commission several millions of dollars for economic investigations.

I think I've shown you how a few millions for investigation into the cost of distributing farm produce might save you billions of dollars, and more than that, might save for us both freedom and democracy.

I have been warned that someone will say, and I quote: "Look, we have the Department of Agriculture, which is knee-deep in economic reports," and "Look, we have the Department of the Interior, and the Department of Commerce, which are knee-deep in economic reports"—and—I am continuing to report what I am told will be the answers to my suggestions: "The committees of the Congress have made investigations"—and—"No one ever reads these economic reports, and no good comes from these economic investigations."

My first answer is that I think the Federal Trade Commission investigation of the electric-utility industry has proven how tremendous is that accomplishment.

My second answer, and this is most important, I want my Government to keep every window and door opened wide to the sunlight of economic fact, and every other kind of fact.

The Department of Commerce has sought for and developed, and then presented economic facts which are related to the selling of goods. That service was needed.

The Department of Interior and the Department of Agriculture and the Department of Labor and the Federal Reserve Board, and every other agency of our Government, have developed their economic facts related to our selling economy. They have opened all those particular windows on that side of our house. We should continue to keep them open.

But, I am wondering whether we do not have to open windows on the other side of our house, if we would be sure of having sunlight and fine and fresh and invigorating air in the house.

I am wondering whether we should not open windows on the consumer or buying side.

I am told that the end-road of every law the Commission enforces is marked "the welfare of the consumer." If so, the Commission had not been operating on all four cylinders during the last few years. We want to know why.

We are anxious to see this committee make this investigation of the Federal Trade Commission to help us to determine whether the Commission has failed us, or whether the Congress has failed both the Commission and us. The price spreads investigation I asked for earlier in this testimony would be one good step in the right direction.

To sum up, there is no place in Government now to which those who are interested in the consumer, on the farm and in the city, may turn for help in diagnosing our economic conditions. It seems to us that the Federal Trade Commission has been directed to do just that kind of work, but that the Commission has not performed. We want to know the facts. We are confident that if we can develop facts so that the farmer and the cooperatives can make use of them, we will find the small-business men

and the farmers and the cooperatives working together. We will stop the racketeers who are now selling falsehoods and suspicions and hate and discord.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. DONDERO] is recognized for 15 minutes.

MILLIONS OF ILLEGAL ALIENS ENDANGER AMERICAN SECURITY

Mr. DONDERO. Mr. Speaker, during the past few weeks the country has been shocked by the discovery of two major alien smuggling rings. This news would be a matter of grave concern in normal times, but in the present era of Soviet fifth-column infiltration, it is a matter of critical importance to the national security.

The gathering war clouds resulting from the Communist aggression in Korea only serve to underline the threat to our national defense from the invasion of our borders by indeterminate numbers of illegal aliens.

In view of the importance of this question, it is difficult for many of us to understand the almost complete lack of interest in the problem of illegal aliens which has been shown by the New Deal and the Fair Deal administration during the past 17 years.

This problem is not a new one. It is, however, only since the rise of the New Deal that the infiltration of aliens—especially those with subversive missions to perform—has assumed major proportions.

The record of the present administration in the enforcement of the immigrations laws is the most drab history of indifference toward the laws of the land that this Nation has ever seen. All of us are familiar with such glaring cases as that of the Eislers—cases in which leading figures in the administration forced conscientious officers in our Immigration Service to violate the immigration laws for the sole purpose of allowing international Communist agents to get in this country. In my opinion, this is collusion in Washington to bring Communists in and keep them here.

This is only a small part of the real problem we must face today. There are in this country an estimated four to five million illegal aliens. It is impossible for me to give the exact figures, because this information is not available. Even the Department of Justice—which is charged by law with the enforcement of the immigration laws—does not know how many illegal aliens there are in the United States.

An indication of the magnitude of this problem is given by the sworn testimony of a district director of immigration that there were 125,000 illegal aliens in the Detroit district alone. This district is in the industrial heart of the United States. It forges the muscle and sinews of our national prosperity and security. Imagine, if you can, the danger of this situation in the event of war with Soviet Russia.

This problem must be solved because communism in the United States is an alien movement; its ideology is alien, its leadership is alien, and its membership is largely of alien origin.

As pointed out in the recent report of the Senate Committee on the Judiciary relating to the immigration and naturalization systems of the United States:

> Communism is, of necessity, an alien force. It is inconceivable that the people of the United States would, of their own volition organize or become part of a conspiracy to destroy the free institutions to which generations of Americans have devoted themselves. * * *
>
> The Comintern realizes that it cannot rely on native Americans.

Maurice Malkin, a former organizer of the Communist Party, himself testified before the same committee that—

> The Communist Party was organized and has been led by aliens since its inception in 1919.

These facts are supported by the continued presence in this country of aliens of the Eisler type who have been sent here by the Kremlin for the purpose of controlling Communist subversive activity in this country.

What has been done to solve the problem?

As far as I have been able to determine, there has not been a single deportation of any alien for advocating overthrow of our Government by force and violence—in other words, of a Communist—in the past 10 years.

In cases where public opinion has compelled the administration to act, alien Communists have been given a gentle slap on the wrist and allowed to depart voluntarily or to escape like Gerhard Eisler. Even in the Eisler case efforts were made to have his sentence for contempt of Congress suspended in order to permit his voluntary departure. This effort failed, because Eisler escaped before they could persuade the court to their viewpoint. Of course, we know what happened in the Gubitchev case, in which a convicted Russian spy was allowed to leave the country with impunity.

Should Communists by the thousands be allowed to roam over our land because there is no place to deport them—because Soviet Russia or one of her satellites refuses to accept them? I wonder how long the people of America are going to tolerate this worthless alibi. There are other means of solving this problem. There has been legislation before this House for years to give the Government the right to intern dangerous alien Communists whose countries of origin refuse to accept them. We should no longer tolerate this frightful indifference toward the problem of illegal aliens within our borders. We are in the midst of a cold war, now getting hot. We have seen in Korea and elsewhere that the threat is a serious one.

It is not going to do us any good to have a powerful army in Japan or in Germany, or in Africa, if millions of potential subversives are here in the United States where they can destroy us without military invasion.

In order that this problem might be solved, an investigation and study should be made by a select committee authorized to prepare legislation bearing on the subject of illegal entry of aliens and deportation of subversive aliens and their internment or deportation. This is a vital problem in America and bears directly on our survival as a Nation. A select committee should be appointed in order that this problem shall not become a political football.

EXTENSION OF REMARKS

Mr. BUCKLEY of Illinois asked and was given permission to extend his remarks and include an address entitled "Postal Curtailment," notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $273.34.

Mr. WHITE of Idaho asked and was given permission to extend his remarks in two instances and include certain printed statements.

Mr. O'SULLIVAN asked and was given permission to extend his remarks and include extraneous matter.

Mr. CURTIS asked and was given permission to extend his remarks and include a magazine article.

Mr. GAMBLE asked and was given permission to extend his remarks in five instances and include editorials and news items.

Mr. PATTERSON asked and was given permission to extend his remarks.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks and include a tabulation by the DAV regarding hospitalization of veterans.

Mr. McCORMACK asked and was given permission to extend his remarks and include a letter received from Ralph S. Trigg, Administrator of the Production and Marketing Administration of the Department of Agriculture.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HINSHAW, for 1 week, on account of official business.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4295. An act to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948;

H. R. 6567. An act to increase the borrowing power of Commodity Credit Corporation; and

H. R. 8567. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1606. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Auf der Heide-Aragona, Inc., and certain of its subcontractors against the United States;

H. R. 3783. An act authorizing the transfer of part of Camp Joseph T. Robinson to the State of Arkansas;

H. R. 5943. An act to provide for the erection of a bronze and stone monument at the grave of Constantino Brumidi;

H. R. 6692. An act for the relief of Sgt. Blaine W. Hughes;

H. R. 6567. An act to increase the borrowing power of Commodity Credit Corporation; and

H. R. 8567. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 7 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, June 28, 1950, at 11 o'clock a. m.

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EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1519. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, United States Army, dated April 28, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Grand Traverse Bay on Lake Michigan and adjacent waters, with a view to the establishment of a suitable lock system to permit the passage of boats between Grand Traverse Bay and Torch Lake and other lakes in Antrim County, Mich., authorized by the River and Harbor Act, approved on July 24, 1946; to the Committee on Public Works.

1520. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated April 28, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Charlevoix Harbor, Mich., the south arm, with a view to the construction of a breakwater at or near East Jordan, authorized by the River and Harbor Act, approved on July 24, 1946; to the Committee on Public Works.

1521. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated April 28, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Millecoquin River, Mich., and the adjacent waters of Lake Michigan, authorized by the River and Harbor Act, approved on July 24, 1946; to the Committee on Public Works.

1522. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated April 3, 1950, submitting a report, together with accompanying papers and illustrations, on a review of reports on the Columbia River below Vancouver, Wash., and on Willamette River, below Portland, Oreg., with a view to modifying the existing project at and in the vicinity of Sauvie Island, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on July 29, 1946; to the Committee on Public Works.

1523. A letter from the Secretary of the Interior, transmitting copies of certain legislation passed by the Municipal Council of St. Thomas and St. John and by the Municipal Council of St. Croix, pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936; to the Committee on Public Lands.

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REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON: Committee on Appropriations. House Joint Resolution 492. Joint resolution making temporary appropriations for the fiscal year 1951, and for other purposes; without amendment (Rept. No. 2340). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMATHERS: Committee on Foreign Affairs. H. R. 8927. A bill to authorize aid to needy American nationals in connection with their repatriation from foreign countries, and for other purposes; without amendment (Rept. No. 2341). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEE: Committee on Foreign Affairs. House Joint Resolution 434. Joint resolution providing for recognition and endorsement of the California World Progress Exposition; without amendment (Rept. No. 2342). Referred to the Committee of the Whole House on the State of the Union.

Mr. GORDON: Committee on Foreign Affairs. House Joint Resolution 453. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the First United States International Trade Fair, to be held at Chicago, Ill., August 7 through 20, 1950; with amendment (Rept. No. 2343). Referred to the Committee of the Whole House on the State of the Union.

Mr. PATMAN: Select Committee on Small Business. Report of the Subcommittee on Oil Imports, pursuant to House Resolution 22; without amendment (Rept. No. 2344). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee of conference. House Resolution 6826. A bill to provide for the common defense through the registration and classification of certain male persons, and for other purposes (Rept. No. 2345). Ordered to be printed.

Mr. PETERSON: Committee on Public Lands. H. R. 8028. A bill to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla.; with amendment (Rept. No. 2347). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee of conference. H. R. 5368. A bill to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interest therein, and for other purposes (Rept. No. 2348). Ordered to be printed.

Mr. PRIEST: Committee on Interstate and Foreign Commerce. S. 2201. An act amending section 2 of the act of March 3, 1901 (31 Stat. 1449), to provide basic authority for the performance of certain functions and activities of the National Bureau of Standards, and for other purposes; with amendment (Rept. No. 2349). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRIEST: Committee on Interstate and Foreign Commerce. S. 441. An act to redefine the units and establish the standards of electrical and photometric measurements; with amendment (Rept. No. 2350). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRIEST: Committee on Interstate and Foreign Commerce. S. 2046. An act to provide authority for certain functions and activities of the National Bureau of Standards, and for other purposes; with amendment (Rept. No. 2351). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRIEST: Committee on Interstate and Foreign Commerce. H. R. 3943. A bill to amend the Public Health Service Act to support research and training in rheumatism and arthritis, multiple sclerosis, cerebral palsy and epilepsy, and other diseases, and for other purposes; with amendment (Rept. No. 2352). Referred to the Committee of the Whole House on the State of the Union.

Mr. HART: Committee on Merchant Marine and Fisheries. S. 3571. An act to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes; with amendment (Rept. No. 2353). Referred to the Committe of the Whole House on the State of the Union.

Mr. McMILLAN of South Carolina: Committee of conference. S. 3776. An act to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended (Rept. No. 2354). Ordered to be printed.

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REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. S. 2086. An act transferring management of certain public lands from the Agriculture Department to the Fort Sill Indian School in Oklahoma for agriculture uses; without amendment (Rept. No. 2346). Referred to the Committee of the Whole House.

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PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII public bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H. R. 8958. A bill relating to the policing of the buildings and grounds of the Library of Congress; to the Committee on House Administration.

By Mr. CELLER:

H. R. 8959. A bill to amend title 18 of the United States Code, relating to the mailing of obscene matter; to the Committee on the Judiciary.

By Mr. FLOOD:

H. R. 8960. A bill to establish the office of Permanent Under Secretary of State for Political Affairs; to the Committee on Foreign Affairs.

By Mr. GRANGER:

H. R. 8961. A bill to approve a contract negotiated with the South Cache Water Users' Association, to authorize its execution, and for other purposes; to the Committee on Public Lands.

H. R. 8962. A bill to approve a contract negotiated with the Ogden River Water Users' Association, to authorize its execution, and for other purposes; to the Committee on Public Lands.

By Mr. HARRIS:

H. R. 8963. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended, by authorizing continuance of county and local committees; to the Committee on Agriculture.

By Mr. HART:

H. R. 8964. A bill to require the armed services to use privately owned and operated American flag vessels for the overseas transportation of commodities and personnel; to the Committee on Merchant Marine and Fisheries.

By Mr. HART (by request):

H. R. 8965. A bill to amend the Merchant Ship Sales Act of 1946, and for other purposes; to the Committee on Merchant Marine and Fisheries.

UNIVERSITY OF MICHIGAN LIBRARIES

By Mr. KENNEDY (by request):

H. R. 8966. A bill to amend section 7 of an act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902; to the Committee on the District of Columbia.

By Mr. KUNKEL:

H. R. 8967. A bill to establish an Air Force Academy in the Eighteenth Congressional District of the Commonwealth of Pennsylvania; to the Committee on Armed Services.

By Mr. WHITE of Idaho:

H. R. 8968. A bill to authorize the construction of certain irrigation and power projects in the Snake River Basin, Idaho, Wyo., and Oreg., and Crooked River, Oreg., to establish a Snake River Basin account, and for other purposes; to the Committee on Public Lands.

By Mr. PACE:

H. R. 8969. A bill to amend the Agricultural Adjustment Act of 1938, as amended, the Soil Conservation and Domestic Allotment Act, Public Law 74, Seventy-seventh Congress, the Agricultural Act of 1949, and for other purposes; to the Committee on Agriculture.

By Mr. RABAUT:

H. J. Res. 493. Joint resolution to authorize the issuance of a stamp to commemorate the two hundred and fiftieth anniversary of the founding of Detroit, Mich.; to the Committee on Post Office and Civil Service.

By Mr. BREHM:

H. Con. Res. 226. Concurrent resolution relating to the granting of emergency assistance to the city of Crooksville, Ohio; to the Committee on Appropriations.

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PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HAVENNER:

H. R. 8970. A bill for the relief of Mrs. Margarete Weigert; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 8971. A bill for the relief of Gertrude Heil; to the Committee on the Judiciary.

By Mr. O'BRIEN of Michigan:

H. R. 8972. A bill for the relief of Mrs. Olympia Cuc; to the Committee on the Judiciary.

By Mr. WALTER (by request):

H. R. 8973. A bill for the relief of Archibald Walter Campbell Seymour; to the Committee on the Judiciary.

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PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2216. By Mr. WHITTINGTON: Resolution of the Board of Levee Commissioners for the Yazoo Mississippi Delta, commemorating the one hundred and seventy-fifth anniversary of the Corps of Engineers; to the Committee on Public Works.

2217. By the SPEAKER: Petition of Edward J. Myers, secretary, St. Petersburg Townsend Club, No. 1, St. Petersburg, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

2218. Also, petition of William V. Rathbun, town clerk, Davenport, N. Y., stating opposition to the construction of the proposed flood-control dam on the Charlotte River in the town of Davenport; to the Committee on Public Works.

# SENATE

## WEDNESDAY, JUNE 28, 1950

*(Legislative day of Wednesday, June 7, 1950)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, we bow this day in a spirit of solemn dedication as, in the onsweeping events of these troubled times, this dear Nation of our hope and prayer has come to an hour of destiny and decision. We thank Thee that in our ears is the sound of the liberty bell ringing once more around the earth. We would keep step with Thy purpose for all mankind as "Once to every man and nation comes the moment to decide, in the strife of good and falsehood, for the good or evil side, ere that choice goes by forever 'twixt that darkness and that light."

As our starry banner floats this June day in the free breeze of heaven it speaks to us of an awful sense of divine destiny, as our Nation prepares to take its part as the instrument of Thy providence in all the earth. We humbly pray that wherever it waves it may be to all men the emblem of freedom, equality, brotherhood, and justice; that wherever it is carried it may bring hope to the downtrodden, emancipation to the shackled, and doom to the thralldom of tyrants as, with the flags of united nations who cherish liberty more than life, it moves forward to meet and to make the future. In the name of that One whose truth makes all men free. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 27, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the bill (S. 3571) to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 3258) to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia, with an amendment, in which it requested the concurrence of the Senate; that the House insisted upon its amendment, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MCMILLAN of South Carolina, Mr. GRANGER, and Mr. MILLER of Nebraska were appointed managers on the part of the House at the conference.

The message further announced that the House had passed a joint resolution (H. J. Res. 494) to extend for 2 months the existing suspension of certain import taxes on copper, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 7058) to amend laws relating to the United States Military Academy and the United States Naval Academy, and for other purposes, and it was signed by the Vice President.

LEAVES OF ABSENCE

On request of Mr. LUCAS, and by unanimous consent, Mr. JOHNSON of Colorado was excused from attendance on the sessions of the Senate until July 5, 1950.

On his own request, and by unanimous consent, Mr. CAPEHART was excused from attendance on the sessions of the Senate until July 6.

On his own request, and by unanimous consent, Mr. MAYBANK was excused from attendance on the sessions of the Senate for several days.

On request of Mr. CAIN, and by unanimous consent, Mr. JENNER was excused from attendance on the sessions of the Senate tomorrow and Friday of this week, in order that he may attend the Indiana Republican State Convention.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to hold a hearing this afternoon during the session of the Senate.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Anderson | Hill | Maybank |
| Benton | Hoey | Millikin |
| Bricker | Holland | Morse |
| Bridges | Humphrey | Mundt |
| Butler | Hunt | Murray |
| Byrd | Ives | Neely |
| Cain | Jenner | O'Mahoney |
| Capehart | Johnson, Colo. | Robertson |
| Chapman | Johnson, Tex. | Russell |
| Connally | Kefauver | Saltonstall |
| Cordon | Kem | Schoeppel |
| Darby | Knowland | Smith, Maine |
| Donnell | Langer | Smith, N. J. |
| Douglas | Leahy | Sparkman |
| Ecton | Lehman | Stennis |
| Ellender | Lodge | Taft |
| Ferguson | Lucas | Thomas, Utah |
| Flanders | McCarran | Thye |
| Frear | McCarthy | Tobey |
| Fulbright | McClellan | Tydings |
| Gillette | McFarland | Watkins |
| Green | McKellar | Wherry |
| Gurney | McMahon | Wiley |
| Hayden | Magnuson | Williams |
| Hendrickson | Malone | Withers |
| Hickenlooper | Martin | |

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Florida [Mr. PEPPER] are necessarily absent.

The Senator from California [Mr. DOWNEY] and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from North Carolina [Mr. GRAHAM] are absent on public business.

The Senator from Georgia [Mr. GEORGE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senators from Oklahoma [Mr. KERR and Mr. THOMAS] are absent by leave of the Senate.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

The Senator from Pennsylvania [Mr. MYERS] is absent because of illness in his family.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Idaho [Mr. DWORSHAK] is absent by leave of the Senate on official business.

The VICE PRESIDENT. A quorum is present.

## CONTINUATION OF AUTHORITY OF SECRETARY OF COMMERCE UNDER MERCHANT SHIP SALES ACT OF 1946

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3571) to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes," which was to strike out all after the enacting clause and insert:

That section 14 of the Merchant Ship Sales Act of 1946, as amended, is amended to read as follows:

"SEC. 14. No contract of sale shall be made under this act after January 31, 1951, and no contract or charter shall be made under this act after June 30, 1950, except as provided for charter under subsections (e) and (f) of section 5 hereof, as amended."

SEC. 2. The fourth sentence of section 11 (a) of such act, as amended, is amended to read as follows: "A vessel placed in such reserve shall in no case be used for any purpose whatsoever except that any such vessel may be used for account of any agency or department of the United States during any period in which vessels may be requisitioned under section 902 of the Merchant Marine Act, 1936, as amended, and that any such vessel may be used under a bare-boat charter entered into pursuant to authority vested in the Secretary of Commerce on July 1, 1950, or granted to the Secretary of Commerce after such date."

SEC. 3. Section 5 of such act, as amended, is amended by adding at the end thereof subsections to read as follows:

"(e) (1) Notwithstanding the provisions of sections 11 and 14 of this act, as amended, war-built dry-cargo vessels owned by the United States on or after June 30, 1950, may be chartered pursuant to this act for bare-boat use in any service which, in the opinion of the Federal Maritime Board, is required in the public interest and is not adequately served, and for which privately owned American-flag vessels are not available for charter by private operators on reasonable conditions and at reasonable rates for use in such service. No charters shall be made by the Secretary of Commerce under authority of this subsection until the Federal Maritime Board shall have given due notice to all interested parties and shall have afforded such parties an opportunity for a public hearing on such charters and shall have certified its findings to the Secretary of Commerce. The Secretary of Commerce is authorized to include in such charters such restrictions and conditions as the Federal Maritime Board determines to be necessary or appropriate to protect the public interest in respect of such charters and to protect privately owned vessels against competition from vessels chartered under this section: *Provided, however,* That all such charters shall contain a provision that they will be reviewed annually by the Federal Maritime Board, with recommendations to the Secretary of Commerce, for the purpose of determining whether conditions exist justifying continuance of the charters under the provisions of this subsection.

"(2) A charter existing on June 30, 1950, with respect to a war-built dry-cargo vessel may be extended to September 30, 1950, if application is made within 10 days after the enactment hereof for the charter of such vessel under subsection (e) of this section and if the Secretary of Commerce deems such extension is justified in accordance with the provisions of section 5 (e) (1): *Provided, however,* That a new voyage under such extended charter shall not be begun after September 30, 1950, unless it has been determined prior to such date, in accordance with the procedure set forth in this subsection, that the continued use of the vessel in the service is required. The Federal Maritime Board shall conduct all hearings on applications made under this paragraph immediately upon receipt thereof and shall promptly certify its findings to the Secretary of Commerce, provided that all such certifications shall be made not later than September 30, 1950.

"(f) (1) Notwithstanding the provisions of sections 11 and 14 of this act, as amended, the Secretary of Commerce may charter any passenger vessel, whether or not war-built, owned by the United States on or after June 30, 1950, pursuant to title VII of the Merchant Marine Act, 1936, as amended.

"(2) Charters existing on June 30, 1950, with respect to passenger vessels may be continued until December 31, 1951, or until expiration thereof by the terms of their provisions."

SEC. 4. Section 2 of the joint resolution entitled "Joint resolution authorizing the Commandant of the United States Coast Guard to waive compliance with the navigation and vessel-inspection laws administered by the Coast Guard," approved March 31, 1947 (Public Law 27, 80th Cong.), as amended, is amended by striking out the date "June 30, 1950" and inserting in lieu thereof the date "June 30, 1951."

SEC. 5. Notwithstanding the provisions of section 27 of the act of June 5, 1920 (41 Stat. 999), as amended by act of April 11, 1935 (49 Stat. 154), and by act of July 2, 1935 (49 Stat. 442), or the provisions of any other act or regulation, vessels of Canadian registry shall be permitted to transport iron ore between United States ports on the Great Lakes during the period from the date of enactment of this act of December 31, 1950, or until such earlier time as the President by order may designate, and such vessels shall be permitted during the period from the date of enactment of this act of December 31, 1950, to transport coal to Ogdensburg, N. Y., from other points in the United States on the Great Lakes, or their connecting or tributary waters.

Mr. MAGNUSON. Mr. President, I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. MAGNUSON, Mr. MCFARLAND, and Mr. WILLIAMS conferees on the part of the Senate.

## NURSERIES AND NURSERY SCHOOLS IN THE DISTRICT

The VICE PRESIDENT laid before the Senate the following amendment of the House of Representatives to the bill (S. 3258) to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia, together with a message from the House insisting upon its amendment and requesting a conference with the Senate thereon:

*Resolved,* That the bill from the Senate (S. 3258) entitled "An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia," do pass with the following amendment: Strike out all after the enacting clause and insert:

"That section 2 of the act entitled 'An act to authorize and direct the Board of Public Welfare of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes,' approved July 16, 1946, as amended, is amended by striking out 'until June 30, 1950, and no longer' and inserting in lieu thereof 'until June 30, 1951, and no longer.'

"SEC. 2. Section 3 of such act is amended to read as follows:

" 'SEC. 3. The Board is authorized to make and enforce rules and regulations governing admission to and use and enjoyment of said nurseries and nursery schools, including the fixing of fees to be charged parents for care and maintenance therein of their children; which fees shall, as near as practicable, equal the expenditures of the District of Columbia for personal services, labor, food, and supplies in the operation and maintenance of such nurseries and nursery schools or to enter into contracts with any private or public agency or agencies for such care and maintenance: *Provided,* That the Board may, in cases where parents are unable to pay for such care, waive all or part of such fees. All fees collected under the provisions of this act shall be paid to the Collector of Taxes of the District of Columbia and deposited into the Treasury of the United States to the credit of an account to be known as "Miscellaneous trust-fund deposits, District of Columbia—Day Care Nurseries," said fund to be available, in addition to appropriations made pursuant to section 4 of this act, for expenditure for the purposes of this act: *Provided further,* That such fund shall be audited and disbursed in the same manner as other trust funds are audited and disbursed by the District of Columbia: *And provided further,* That any balance remaining in such trust-fund account after June 30, 1951, shall be covered into the Treasury to the credit of miscellaneous receipts of the District of Columbia.'

"SEC. 3. Section 4 of such act is amended to read as follows:

" 'SEC. 4. There is authorized to be appropriated for the fiscal year ending June 30, 1951, out of any moneys in the Treasury of

the United States to the credit of the District of Columbia not otherwise appropriated, not exceeding $100,000 to carry out the purposes of this act.'

"SEC. 4. Section 2 of this act shall take effect upon enactment."

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IN THE HOUSE OF REPRESENTATIVES, U. S.,
*June 27, 1950.*

*Resolved*, That the House insists on its amendment to the bill (S. 3259) entitled "An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia," and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

*Ordered*, That Mr. MCMILLAN of South Carolina, Mr. GRANGER, and Mr. MILLER of Nebraska be the managers of the conference on the part of the House.

Mr. KEFAUVER. I move that the Senate disagree to the amendment of the House, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. HUNT, Mr. KEFAUVER, and Mrs. SMITH of Maine conferees on the part of the Senate.

## TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

### PETITIONS AND MEMORIALS

Petitions, etc., were presented, and referred as indicated:

By Mr. HUMPHREY:

A resolution adopted by the Village Council of the Village of Aurora, Minn., relating to the development of low-grade ore and taconite; to the Committee on Banking and Currency.

By Mr. LODGE (for himself and Mr. SALTONSTALL):

Two resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolutions memorializing the President of the United States and Members of Congress to oppose further tariff reductions on imports of shoes and textile goods

"Whereas loss of textile export trade during the past years has resulted in increased unemployment in shoe factories and textile mills and in the loss of great sums of money to the workers, the manufacturers, and the mill owners; and

"Whereas the proposed tariff reductions will still further adversely affect these great industries, which now find themselves unable to compete with the major European competitors, as well as those of Japan and India, where wage scales are so much less: Therefore be it

*"Resolved*, That the General Court of Massachusetts hereby expresses its opposition to any further tariff reductions on imports of shoe and textile goods; and be it further

*"Resolved*, That a copy of these resolutions be sent by the secretary of the Commonwealth to the President of the United States and to each Member of Congress from this Commonwealth.

"In house of representatives, adopted, June 15, 1950.

"LAWRENCE R. GROVE,
*"Clerk.*

"In senate, adopted, in concurrence, June 20, 1950.

"IRVING N. HAYDEN,
*"Clerk."*

"Resolutions memorializing Congress relative to the importance of stockpiling worsted fabrics instead of raw wool

"Whereas it is the proposed intention of the Federal Government to mobilize industry within a 6 months' period; and

"Whereas the Federal Government is now engaged in a program of stockpiling raw wool; and

"Whereas it is the firm conviction of competent industrial leaders, based on accurate computations, that the stockpiling of wool is unsound at the present time and the stockpiling of worsted fabrics would assist materially in the Federal plan for mobilization, and would materially assist in relieving the present unemployment situation in the textile industry: Therefore be it

*"Resolved*, That the General Court of Massachusetts urges the Congress of the United States to take such immediate action as is necessary to revise the policy of the Federal Government by the substitution of stockpiling worsted fabrics instead of raw wool; and be it further

*"Resolved*, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this commonwealth.

"In the house of representatives, adopted, June 13, 1950.

"LAWRENCE R. GROVE,
*"Clerk.*

"In senate, adopted, in concurrence, June 19, 1950.

"IRVING N. HAYDEN,
*"Clerk."*

### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. 3728. A bill to implement Reorganization Plan No. 20 of 1950 by amending title 1 of the United States Code, as regards publication of the United States Statutes at Large, to provide for the publication of treaties and other international agreements between the United States of America and other countries in a separate compilation, to be known as United States Treaties and Other International Agreements, and for other purposes; without amendment (Rept. No. 1923).

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

S. 3123. A bill to amend section 5 of the act of February 26, 1944, entitled "An act to give effect to the Provisional Fur Seal Agreement of 1942 between the United States of America and Canada; to protect the fur seals of the Pribilof Islands; and for other purposes"; without amendment (Rept. No. 1924).

By Mr. NEELY, from the Committee on Post Office and Civil Service:

H. J. Res. 461. Joint resolution to provide that South Parkersburg, W. Va., shall for the purposes of the seventeenth decennial census be treated as a part of Parkersburg, W. Va.; without amendment (Rept. No. 1925).

### ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 28, 1950, he presented to the President of the United States the enrolled bill (S. 1672) for the relief of Efrosini Abad.

### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER:

S. 3836. A bill to authorize the sale of inherited interests in the allotment of Little Duck, deceased Ponca allottee;

S. 3837. A bill to authorize the sale of inherited interests in the allotment of Henry Johnson, deceased Santee Sioux allottee; and

S. 3838. A bill to authorize the sale of certain lands of Leonard Whitewater; to the Committee on Interior and Insular Affairs.

By Mr. THOMAS of Utah:

S. 3839. A bill to authorize the construction, operation, and maintenance of the Colorado River storage project and of certain other reclamation projects, and for other purposes; to the Committee on Interior and Insular Affairs.

Mr. LEHMAN:

S. 3840. A bill for the relief of Helena Shostenko; and

S. 3841. A bill for the relief of Gertrud Lomnitz; to the Committee on the Judiciary.

By Mr. McCLELLAN:

S. 3842. A bill to amend the Federal Property and Administrative Services Act of 1949, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. KEM:

S. 3843. A bill to record the lawful admission for permanent residence of certain aliens; to the Committee on the Judiciary.

### AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT—AMENDMENT

Mr. TAFT submitted an amendment intended to be proposed by him to the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949, which was ordered to lie on the table and to be printed.

### EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

### EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

James G. Norman, of the Coast Guard Reserve, to be a lieutenant (jg) in the United States Coast Guard; and

Henry E. Finnegan, and sundry other officers, for permanent appointment in the Coast and Geodetic Survey.

By Mr. McKELLAR, from the Committee on Post Office and Civil Service:

One hundred and twenty-eight postmasters.

### EUROPEAN RECOVERY PROGRAM—ADDRESS BY PAUL G. HOFFMAN AND RESOLUTION OF UNITED TEXTILE WORKERS OF AMERICA

[Mr. BENTON asked and obtained leave to have printed in the RECORD an address delivered by Paul G. Hoffman, Administrator of the Economic Cooperation Administration, before the United Textile Workers of America, in New York, June 22, 1950, and a resolution adopted by the United Textile Workers of America in their eleventh biennial convention, June 22, 1950, entitled "Reciprocal Trade Agreements Program," which appear in the Appendix.]

### THE SUPREME COURT DECISION IN THE TIDELANDS CASE—EDITORIAL FROM THE HOUSTON (TEX.) POST

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD an editorial regarding the Supreme Court decision in the tidelands case, published in the Houston

Post of June 22, 1950, which appears in the Appendix.]

INTEGRATION OF WISCONSIN RETIREMENT FUND WITH FEDERAL SOCIAL-SECURITY SYSTEM

Mr. WILEY. Mr. President, I send to the desk a statement which I have prepared on the subject of the need for integration of the Wisconsin retirement fund with the Federal social-security system. I ask unanimous consent that it be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

Mr. President, the fate of 30,000 employees of Wisconsin State, county, and local governments and the families of these employees hangs in the balance. The conferees appointed from the Senate Finance Committee and the House of Representatives Ways and Means Committee have it within their power to make a simple provision in the law which will assure justice for 30,000 individuals, or which will put them out in the cold.

It was with extreme regret that the people of Wisconsin read that the Senate had unfortunately rejected the Wiley-McCarthy amendment to permit the integration of our retirement fund with the Federal system. During the debate on the Senate floor on June 20, I pointed out that not a single individual in the United States could possibly be harmed by this amendment, but that on the contrary, 30,000 and more individuals would be helped. The very modest pensions to which these individuals are entitled under the Wisconsin system would have been supplemented by Federal coverage.

In addition the widows and dependents of these employees would have been given a square break.

It is incredible that Congress should decide that employees of the Ford Motor Company are entitled to get private pensions plus Federal coverage, or employees of the Chrysler Corp., or of the General Motors Corp.; but that an employee of the State of Wisconsin, or of a Wisconsin city or county is not similarly entitled.

Mr. President, I now publicly appeal, as I have privately appealed, to the Senate-House conferees. I ask them to permit employees now covered by the Wisconsin retirement fund to get social-security coverage. Under the House provisions of H. R. 6000, such employees could get coverage provided Wisconsin entered into an agreement with Uncle Sam, and provided two-thirds of the employees so voted. I am sure that if these 30,000 individuals are given an opportunity to vote on this matter, they will vote with almost complete unanimity. They have everything to gain and nothing to lose from integration. The people of the United States have everything to gain and nothing to lose from permitting integration.

This Wisconsin situation is unique. The Badger State is the only 1 of the 48 States which had the vision and the foresight to plan for integration. Surely this specific situation can be met by a specific provision in the final conference report on the bill. Surely the needs of these 30,000 individuals need not be slighted.

They should not be and must not be discriminated against.

Let us reward the State of Wisconsin for its foresight rather than have it penalized. Let these employees come in under the Federal social-security system.

EXTENSION OF SELECTIVE SERVICE ACT OF 1948—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the diagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes.

The VICE PRESIDENT. Under the unanimous-consent agreement the Senate will vote at 2 o'clock on the conference report on House bill 6826, the draft extension bill. There is no division of time and no control of time.

Mr. LUCAS. Mr. President, as the distinguished Vice President has said, the Senate has entered into a unanimous-consent agreement to vote at 2 o'clock today on the conference report on the bill to provide for the common defense through the registration and classification of certain male persons, and for other purposes, the bill dealing with the extension of the Selective Service Act of 1948. It is my understanding that the Senator from Missouri [Mr. KEM] and other Senators who were desirous yesterday of having further time to examine the report, have done so, and they do not desire to debate it. Therefore, Senators who are interested in the military-assistance program bill, as a number of Senators are, should obtain the floor and proceed to discuss that program. It is my understanding there will be no debate on the pending business, the conference report.

The VICE PRESIDENT. Under the unanimous-consent agreement the Senate will vote at 2 o'clock on the conference report on House bill 6826. Senate bill 3809, to amend the Mutual Defense Assistance Act of 1949, is the unfinished business.

Mr. TYDINGS. Mr. President, I desire to address myself very briefly to the military-assistance program.

Mr. LUCAS. Mr. President, will the Senator yield for one statement?

Mr. TYDINGS. Yes.

Mr. LUCAS. Mr. President, on yesterday I undertook to advise the Senate and the country of the importance—and I think everyone realizes the importance—of the military-assistance program bill which is before the Senate. It is my sincere hope that we may continue to debate the bill, that we may stick to the text, so to speak, and that extraneous matters may not be brought into the debate until we conclude the consideration of the bill. I should like to conclude it as speedily as possible. My hope is even yet that we may do so today.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. TYDINGS. I yield.

Mr. SALTONSTALL. Mr. President, will the Senator from Maryland permit me to ask a question of the majority leader, inasmuch as I am temporarily sitting in the minority leader's chair?

Mr. TYDINGS. Yes, if I may have unanimous consent for that purpose.

The VICE PRESIDENT. Is there objection? Without objection, consent is granted.

Mr. SALTONSTALL. Let me inquire whether the majority leader means that there will be a night session.

Mr. LUCAS. No; I would not contemplate holding Senators here for a night session, but perhaps until 7 or 8 o'clock this evening, if we can finish the bill by that time.

AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT OF 1949

The Senate resumed the consideration of the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949.

Mr. TYDINGS. Mr. President, I hope this measure today will receive favorable consideration by the Members of the Senate, because it is another part of the pattern of national defense which must be sufficient in order to make sure that the cradle of civilization, the reservoir of civilization, the reservoir of democracy, which is western Europe plus the United States and Canada, is strong enough to make certain that civilization and democracy shall survive. It took only the background of events of the last few days in Korea to bring home to us in vivid terms how quickly war can come, how unexpectedly it can come, and how we in the United States cannot get ready for it in the future, as could be done in the past, after it comes.

Heretofore it has been our historic role to take refuge behind the vast oceans, the Atlantic and the Pacific, which God placed on either side of this great country. Prior to the day of the airplane, the only way anyone could come to America to disturb the peace, the progress, and the tranquility of our people and government, was over the seas. However, that day now is gone. Now our country can be approached through the air. Although it takes days or weeks to come to our country by sea, now our country can be reached overnight through the air.

Great airplanes capable of flying 10,000 miles nonstop and able to carry the most deadly weapons ever known are now available. Regardless of whether other countries yet have such planes which can carry such weapons and operate with such great accuracy, we can be sure that the day will come when they will have such planes and such weapons.

So we can no longer rely on the oceans to keep the enemy in check. With that phase of our national defense planning a thing of the past, we can no longer rely on the oceans to give us time. The time element has gone. We will never, never, never again have time, as we had it in World War I and World War II, to get ready, to build camps, to draft men, to build arms, to equip our men with arms, and to send them forth, a year or two later, as powerful, trained, and equipped armies to the battlefields of the world. On the contrary, the next time we shall either be ready or we shall rue the day when we tampered, impelled by expediency, with the raw elements, the irreducible necessities, of national defense.

The last war cost us $2,000,000,000 a week, $100,000,000 a year in wealth,

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$400,000,000,000 in 4 years of war. We had better spend some money now to convince any potential enemy that it is unwise to attack the United States and its allies, so strong are they in military might rather than to be parsimonious with our national defense and, exhibiting our weakness and that of our allies, inviting attack, because in the end we would pay a thousandfold in treasure and ten-thousand-fold in blood for our indifference in meeting this problem.

This problem has been with us ever since the last shot was fired in World War II. Simply because it was not constantly visible, many of us discounted it. When the Berlin airlift was undertaken many of us were concerned; but when that problem tapered off, many of us subsided into indifference.

Now that we are confronted with the situation in Korea, there is brought home vividly to us the fact that an adequate defense is a constant job, demanding the unremitting attention of Congress so as to keep our defense impregnable, as we can do within our resources, and to help those who are allied with us. To do differently is to invite disaster.

No, Mr. President; in the future we cannot conceive of a defense plan built entirely on the two great oceans, as we have done heretofore. Today those oceans are merely brooks, from the standpoint of national defense; their great width has been narrowed by the march of invention and discovery. Today it is only a short airplane ride from Maine to Moscow. It is only 9 hours by any kind of modern bomber from Siberia to Chicago, and only 8½ hours from Siberia to San Francisco. It is only an overnight journey from Moscow to Maine. That is the world in which we live. It is not the world I want, not the world any Senator wants; but it is the world of reality, and we have to face it as representatives of the people, charged with the harsh responsibility of recognizing the physical elements which we cannot change. Until reason asserts itself and replaces force, we have no alternative other than to make this country strong and to strengthen those who are associated with us in the undertaking of keeping democracy and civilization and liberty and freedom alive in this tormented world.

Now to come specifically to the arms program, Mr. President, let me say that it is my considered belief, based on some observation on the spot, over a period of time, that if it had not been for the Marshall plan, if it had not been for the North Atlantic security alliance, if it had not been for the arms implementation plan, if it had not been for those things taken as a whole, it would have taken Europe about 20 years, unassisted, to round out anything like a reasonable defense program, that is, both to raise the men and to equip them sufficiently to have some sort of a rounded, considered, balanced force capable of resisting, within proper limits, any conceivable enemy. With the Marshall plan, with the North Atlantic security alliance, and with the arms implementation, we are steadily cutting down the time required to put these nations in a state of defense.

Someone may ask, "Why don't the other nations do it themselves?" Of course we might answer that question by asking, "Can they do it themselves? Have they the wealth, have they the resources, have they the means, to reconstitute what we might call peacetime preparedness without outside assistance?"

Let us look at the facts. It was only 5 years ago that all the allied countries of western Europe were occupied by a foreign foe. They had been occupied for 4 or 5 years by the Axis powers. Everything the Axis powers desired in the way of machinery, farm equipment, horses, matériel, raw material, money, lumber—anything they wanted—was garnered from the countries that are now associated with us. The material was taken to factories to be turned into munitions of war. The currency systems of the countries were ruined. The people lived under a dictator, a conquering foe. The armies had fought back and forth over their lands. Their great cities had been bombed, first by one force, and then another. Finally, when the day of deliverance came, there they were—prostrate.

They had not had an army for 4 years, because the conquerors had not allowed them to have an army. With the coming of defeat for the European allies after Dunkerque, all the military equipment, the tanks, the guns, the planes, the mortars, the shells, the ammunition, and the artillery they had accumulated between World War I and World War II had disappeared. It had been scattered to the winds and utilized by the conquering foe, so after 4 years, when liberation finally came, they had neither an army nor any of the equipment which for 20 or 30 years they had been steadily amassing.

All of a sudden, when liberation came, they had another problem: they were free, but they had no factories capable of employing their people. The factories had either been bombed or destroyed, or the machinery gutted. Bridges were down. Locomotives had been destroyed or worn out. Freight cars had been destroyed or worn out. Eighty percent of the industrial establishments had been destroyed either in whole or in part. Four-fifths of the machinery in the industrial plants had either been destroyed or removed by the conqueror and melted down to make new machinery with which to carry on the war.

Picture a country, suddenly liberated—without factories, without machinery, without bridges, without locomotives, without railroads, without freight cars, without raw materials; with the harbors full of sunken ships, and without a merchant marine to bring the things needed. To expect it within 4 or 5 years to develop, in addition to meeting the great problem of rebuilding its own domestic economy, anything like a balanced defense force, is to expect a camel to pass through the eye of a needle.

The first task of those countries naturally was to get their domestic economies going again, to reconstitute the machinery in their factories, to remove the sunken ships from the harbors, to rebuild the destroyed bridges, to rebuild the destroyed homes, and to make work for the people, so that in a dynamic, revolving economy sufficient money could be siphoned off for governmental purposes to restore gradually the devastation, first—and that had to come first—and then, out of that restoration perhaps to get the sinews of war necessary to build up an adequate defense. They could not do both simultaneously. They first had to have a government and an economy stable enough to produce taxes which would support a defense establishment.

They have not yet completed the restoration of their defense economy, and they will not complete it for some time to come.

I saw a table not long ago which showed that France, in terms of 1939 dollars—not in terms of modern dollars; it would be much higher—had sustained a total destruction of property amounting to more than $21,000,000,000. That is, in 1939 value. France is a country only one-sixteenth as large as the United States of America. On a geographical basis, that would equal a devastation in our country of about $330,000,000,000, in 1939 dollars. Let us merely suppose we had a devastation to that extent: it can be seen what a problem we would have domestically before we could turn our attention to national defense. The total destruction of France, in 1939 dollar values, was more than $21,000,000,000, and, as I say, France is only one-sixteenth of the size of the United States. If we were to figure a comparable devastation in the United States on an area basis, that would mean about a $330,000,000,000 waste of our machinery, our plants, our bridges, our locomotives, and whatnot, in the United States.

In 5 years that country has had to repair the damage, to get the normal procedures of civil life moving again, to make government strong, to stabilize its economy, and to provide work, shelter, and food for the people. Had it not been for our help, every one of these countries—for I have only used France as a sample—would be far, far down the line from the point it has reached today with our help on the road to recovery.

More than that, communism would have spread over France and Italy, but for our assistance, to a degree that is almost unbelievable. I know that in 1946, when that great Italian leader, Premier de Gasperi, was trying to rally the democratic forces in Italy to withstand the threat of communism in Rome, and when the Holy Father, also in Rome, was trying to spread the word of Christianity and brotherhood as opposed to the vicious and foreign doctrine of communism, it was a very close question as to whether the Communists might not actually take over the Government of Italy. It was a frequent sight in the city of Rome to see a mass meeting sponsored by the Communists attended by 100,000 people. It was only the help of our own country, in my opinion, plus the resolution of the leadership of the Italian people and their devotion to their church, fundamentally, that turned the tide in Italy. There was Italy, which had been a battlefield, fought over back and forth.

The harbors of all the cities of Italy, bordering on the seacoast, were literally filled with sunken ships. I saw many of them with my own eyes. The great warehouses and dockyards had been blown and battered both by shore bombardments, sea bombardments, and bombardments from the air. To expect a country that had been through a period of devastation and turmoil such as Italy had gone through to rebuild its military defenses in 5 years, would be idle; it could not be done.

What has followed in the wake of World War II? There came to this body an agreement called the North Atlantic security alliance, whereby the United States pledged its solemn word that if any of the countries in western Europe allied with us were attacked, it would be considered an attack upon the United States. If a Senator had not voted for that pact, I could understand how he might vote against arms implementation or arms assistance, Mr. President, if you please. But if a Senator voted that an attack upon Holland would be considered an attack upon the United States, then it seems to me the flow of logic clearly indicates that we have got to strengthen Holland, because, for military purposes, Holland really is the United States, according to the North Atlantic security alliance, with certain minor qualifications and reservations.

That pact was passed by this body by an overwhelming majority. It was debated for weeks. We gave our solemn commitment to stand by the western European nations. When we signed the North Atlantic Pact we committed ourselves to go to the defense of any nation in that area. Those nations cannot have the defenses which are required. We must either help them to help themselves to become strong in the military field or we must spend more money here at home. The stronger they are, the less strong we have to be; the weaker they are, the stronger we have to be. The logic of that observation, I believe, is inescapable.

It would be an idle and a foolish thing for this country to attempt to carry the whole burden of military responsibility for that area. We must diffuse that burden. Each nation which is a party to the North Atlantic security alliance must do what it can best do. We cannot do it all. I do not want American boys to do all the fighting, to bear all the arms, to have all the training, to make all the sacrifices. But those who vote against the plan are saying, in my opinion, "I want America to do most of it. I realize that the other countries cannot do it themselves, but I do not want to help them; I want our country to do it all. When the hour of fateful decision comes, it must be the American boys who must do the fighting, American planes which must go into action, American tanks which must hold the enemy."

If we know that those nations cannot do it themselves because of the impact of the Second World War, if we know their defenses are not adequate, and we refuse to make them stronger within our ability so to do, then we must make our own defenses stronger. We must perhaps have selective service in operation——

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. CONNALLY. Even though those nations are not able to do anything at all, does that in anywise relieve us from our obligation?

Mr. TYDINGS. The Senator has put his finger on the point with his usual keen sense of the situation. My answer is, Of course not; if they are unable today, if they refuse to become able, if they do nothing about it, or if they cannot do anything about it, we still have the job to do. My point is this——

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. Let me finish, please. My point is this: I believe they want to do all they can do and are doing what they can do within the scope of their ability, but I believe that each time we give them aid it increases both their will to do more, their desire to do more, and their ability to do more.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. TYDINGS. I have not finished. I shall yield in a moment.

Every time we help them with one dollar of military aid, in my judgment, we save several dollars of military aid which we would otherwise have to spend for our own country.

I now yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, I am in total agreement with the observation made relative to our responsibilities under the North Atlantic Pact, but I should like to ask the distinguished chairman of the Armed Services Committee with reference to the will to do. There came over the ticker a few minutes ago the news that Great Britain had not yet crystallized her responsibility—I believe that is the wording used—and the only thing Great Britain would do at this time would be to send ships, and then only for mercy purposes.

Does not the Senator feel that under the provisions of MAP a billion dollars of which is going to Europe, with Great Britain being the recipient of a large portion of it, there is a question about Great Britain's will to do what the distinguished Senator just spoke about?

I ask that question in all seriousness, because it seems to me that it is one thing to build up the military-assistance program, but it is another thing for the nations to have the will, which the distinguished Senator has mentioned, to aid in stopping communism wherever it is found, when they are the recipients of the dollars we send.

Mr. TYDINGS. The Senator has a good point there. I am sure Great Britain will do what it can, within the scope of its ability.

Mr. President, on my various trips up and down the Atlantic security-alliance countries, I have had the privilege of talking to the Defense Ministers of a number of them, and I have considerable confidential information from some of them. I have a document in my hand which is top secret, with permission to use parts of it whenever it seemed, in my judgment, wise to do so. I am going to take the liberty of reading a few things, because, after all, facts should be of some value. There is nothing so potent and powerful as a fact, and here are the facts.

What is the number of homes, that is, dwellings, destroyed during World War II?

The first country mentioned is France. In France the dwellings completely destroyed were 291,000; partially destroyed, 938,000; total completely and partially destroyed, 1,229,000 homes.

Farm dwellings completely destroyed, 78,000; partially destroyed, 200,000; total partially and totally destroyed, 278,000 farm buildings.

France is only one-sixteenth the size of the United States, yet France had 1,229,000 dwellings totally or partially destroyed and 278,000 farm buildings totally or partially destroyed. Mind you, during the war no homes were built in France; all building was at a standstill. The war in France lasted from 1939 to 1945.

Let us look at another item. What is the estimated value of the destroyed homes in replacement cost?

The estimated value of destroyed homes, in replacement cost, in 1938 dollars—not present dollars, but in high-priced dollars—including farm buildings, domestic buildings, and so forth, was $8,560,142,000.

That gives us some idea of the magnitude of the picture.

How many persons—men, women, and children—were killed or unaccounted for because of battle casualties or the results of battles, bombing, forced labor in other countries, and not returned to their homes?

Here is another figure which is difficult for us to realize:

Killed in the armed forces, 160,000.

Civilians killed in military action, 120,000.

Civilians executed in France, 40,000.

Civilians who died in Germany, 300,000.

Total casualties, 620,000, in that short war which France had, plus the period of occupation.

I am not counting the figures for the wounded, which were 400,000 in the army alone, nor the 1,500,000 persons who were prisoners of war, nor the 700,000 who were deported for forced labor.

What was the number of industrial plants destroyed during the war in France? Industrial and commercial buildings, 66,000 totally destroyed. Partially destroyed, 180,000. That is a total of 246,000 industrial and commercial buildings totally or partially destroyed. Public buildings, 6,000 completely destroyed; 26,000 partially destroyed.

What is the value from a replacement standpoint of the destroyed industries? The plants, equipment, and stocks destroyed—I shall give the totals only—had an approximate value of $1,252,000,000 in 1938 values.

How many bridges were destroyed? There were 6,800 bridges destroyed in France alone, of which 2,603 were rail-

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road bridges. Railroad bridges require pretty heavy construction. If we think of France as being one-sixteenth as large as the United States and then realize that 2,603 railroad bridges were destroyed, it gives us some idea of the paralysis of transportation at the time when the war came to a close.

What is the replacement value of those bridges? I shall give totals only. The approximate value of replacing the bridges in 1938 dollars is $471,428,000.

How many ships were destroyed? France has always been a great maritime power. In the merchant marine before the war France had 1,177,000 gross tons of liner and passenger-cargo vessels. Forty-five percent of them were losses. In cargo vessels she had 916,000 tons; in coalers, 248,000 tons; in tankers, 316,000 tons; in fruit ships, 86,000 tons. Eighty-seven percent of her freight vessels were sunk. Thirty percent of her coalers were destroyed. Twenty-five percent of her tankers were destroyed. Of the freight barges, which tread the canals of France, 87 percent of her 12,000 barges were destroyed during the war.

What is the replacement value of these ships? Two hundred and thirteen million dollars in 1938-dollar values.

The general cost of replacement of the damaged harbors and supporting facilities in 1938-dollar values was estimated to be $472,000,000.

What was the damage to the railroad rolling stock—engines, freight cars, and passenger cars? Of the engines, 24 percent were totally lost. Sixty-four percent of the freight cars and 40 percent of the passenger coaches were totally destroyed. I am reading only general summaries. I should like to take the time to detail the information.

How much of the military equipment was lost through seizure by the enemy or in battle? This is an interesting question as we come to the consideration of this bill. With very few exceptions the entirety of French military equipment was lost either in battle or through seizure by the enemy. The material thus lost corresponds to the equipment—I wish Senators would listen to this—corresponds to the equipment of 100 divisions. That is as many divisions as the Russians now have actively engaged or ready for action. We have 10 divisions. France lost the equivalent of equipment for 100 divisions in World War II.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I should like to finish with this information first, because time is running out and I wish to get these tables into the RECORD, if the Senator does not mind.

Mr. WHERRY. Oh, no. I want to accommodate the distinguished Senator.

Mr. TYDINGS. I thank the Senator. What is the estimated cost of the lost and damaged material? The approximate value in 1938 dollars was $2,000,000,000 in military equipment alone. That is gone. We came through the war, and when it was over we had all our equipment except what we had lost in battle. The French had nothing except the little bit that they were able to salvage in Africa and what we had used to equip the 8 or 10 divisions that had come up the Rhone Valley. We are tied to France and the other members of the North Atlantic Security Alliance because we have tried to build up their economic and military strength. Those are the facts of the present situation of France, ameliorated only by 5 years of their own efforts at recovery, plus the help we have been able to give them.

Mr. President, I have a great wealth of information. I have read information pertaining to France. I have it for Belgium, I have it for Holland, and I have it for Britain. I have it for all these countries.

Mr. WILEY. Can the Senator tell us what the total is?

Mr. TYDINGS. The total of the figures, exclusive of military losses, is $21,000,000,000 plus in 1938 dollars. If France suffered $21,000,000,000 of loss and damage, and is only one-sixteenth the size of the United States, to compare that loss with what it would mean in our great country, we would have to multiply $21,000,000,000 by 16. If we did that, we would have about $340,000,000,000 of war damage in the United States, or equal to almost the entire cost of the war, which was $400,000,000,000 as of D-day. I should like to put more figures into the RECORD, but those I have given illustrate the point.

We will not get all the military help from the countries of western Europe which we desire and expect to get within 5 years after they have been through such punishment as is indicated by the figures I have read. It takes time. Look at the South after the Civil War. All they had were the horses the Confederate soldiers took home for spring plowing, a wonderful and unconquered spirit, a ruined economy, property destroyed, slaves free, their trade gone, and a new economic outlook—"Hereafter we are not a low-tariff country, but a high-tariff country."

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. TYDINGS. I shall be glad to yield in a moment. Consider the time it took the South, vigilant and strong as the people of the South were, to rebuild on the ashes. Then consider what the last World War in its far-reaching effect, with the modern weapons which were employed. To expect these countries, with their burdens, in 5 years to play the part in any defense scheme that we want them to play is idle. I now yield to the Senator from Texas.

Mr. CONNALLY. Let me say to the Senator from Maryland, with reference to what happened to the Confederate soldiers at the end of the War Between the States, that my father was a soldier in the war, but that he never owned a slave, and he was not fighting for slavery.

Mr. TYDINGS. Certainly not.

Mr. CONNALLY. He came out of the war with his farm completely in ruin. He went back and with his own hands dug a subsistence out of the earth. But it took him years, of course, to build back to where it would have been except for the ravages and horrors of that war. So the Senator's description and comparison of what has happened are most striking, and I congratulate him for keeping those things within the view of our people.

Mr. WHERRY rose.

Mr. TYDINGS. I am going to yield to the Senator from Nebraska, but I wish to make an observation before I do.

Mr. President, it is very difficult for conditions in Europe to be realized by the people of America, whose great cities still stand, whose towns and villages have never been bombed, whose great sweep of farm land, with the grain rippling in this June weather, has never been marched over by armies going back and forth, whose rivers have never been patrolled by planes, whose harbors have never been blocked by sunken ships, whose people have never gone to bed in terror of what might happen to them during the night. As the citizens of this remnant of democracy on the western shores of the Atlantic who stand here with their traditions, with their freedom of speech, with their freedom of the press, with their freedom to worship God as they see fit, with their free enterprise system, the right of trial by jury, the right to be confronted with the witnesses who appear against them, the right to be dignified human beings, and not be degraded by totalitarian systems, we sometimes cannot appreciate the price the citizens of foreign lands are paying to stand by our side and keep moving the system we have here.

Mr. RUSSELL. Mr. President, will the Senator yield at that point?

Mr. TYDINGS. I promised to yield to the Senator from Nebraska.

Mr. WHERRY. I thank the distinguished Senator, because I have been trying to get him to yield. I appreciate his observations. He is the chairman of the Committee on Armed Services, and has had wide experience in Europe, and the facts he has given are most interesting.

No one wants to have his country bombarded as France was. I have been in France, along with the Senator from Maryland, and have seen the damage that was done. The pending bill is a military-assistance measure, and the Senator is well informed upon that subject. Granting that all the aid we are giving the foreign countries should be given, I ask the Senator whether there is any provision in the bill for air-force protection of the ground forces. I think that is a very pertinent question, because it is my feeling, as it was a year ago, that what we want is a dollar's worth of defense for every dollar we spend. I ask the distinguished Senator, who is an authority, whether there is any provision at all in the bill for air defense, to protect the very equipment the distinguished Senator so eloquently has argued for here during the brief moments he has been speaking on the floor of the Senate.

Mr. TYDINGS. Does the Senator mean ground air defense?

Mr. WHERRY. I mean air defense—bombers, fighters, everything that goes with air defense. The Senator well knows that ground forces are practically useless in the warfare of today unless there is over above them fighter defense, and also offense—planes which might bomb countries into submission, just as happened to France when the demolition

was so great there. I ask the distinguished Senator whether there is anything in the bill of that kind. I have examined it, and I, at least, cannot find anything of the kind. Perhaps the Senator can tell me what there is of that kind in the bill. I am asking the question in all sincerity, because what we want is a dollar's worth of defense for every dollar we spend.

Mr. TYDINGS. The Senator has asked a very proper question, and I think I can answer it, but first let me qualify my answer by telling him that most of the time testimony on that subject was being given in the committee I had to be in another committee, with which the Senator is familiar. With that explanation, I shall try now to answer the Senator's question.

The Senator will recall that not long ago an aircraft carrier belonging to France came to Newport News and loaded 60 fighter planes, and took them to France, as a part of the program we are discussing. I mention that item only because while it is true we have to keep many of these matters confidential, some things got into the newspapers and were published, but I believe our military authorities would prefer not to have the categories too widely discussed in public debate. But I shall answer the Senator in the affirmative; yes.

Mr. WHERRY. Can the Senator give the approximate amount in dollars?

Mr. TYDINGS. For the air force?

Mr. WHERRY. Yes.

Mr. TYDINGS. No; I cannot.

Mr. WHERRY. I am a member of the Committee on Appropriations, and while the bill before us is an authorization measure, in the Committee on Appropriations I have been asking question after question in an effort to ascertain just what constitutes the equipment we are to furnish, and I cannot get an answer as to the amount of air equipment. I know about the incident to which the Senator has referred, but certainly the Senator would not say to me that that small amount of air equipment, most of which becomes obsolete very fast, would be the kind of an air force we need to build up in western Europe in order to provide protection for the equipment which those countries themselves are supposed to furnish, along with the aid we are giving them.

Mr. TYDINGS. The Senator is absolutely correct. I would say that the amount of equipment we will furnish, of itself, is not going to accomplish the purpose we have in mind, and I would be the last one to mislead the Senate in that respect. I believe, however, that if we were talking off the record, I could give the Senator some information which I have learned abroad which would answer him more cogently than I can now, but I will say to him that there is a part of the general idea and plan for the defense of the area we are considering which is gradually taking shape, just as we would build a brick wall, putting different bricks into it from time to time, and what we are discussing now is a very substantial load of bricks.

So far as the Air Force is concerned, there are aircraft, aircraft spare parts, aeronautical equipment and supplies, bombs, rockets, miscellaneous ammunition, quartermaster equipment and supplies, and this has been declassified, I am advised, and I am at liberty to read this into the RECORD. If the Senator will bear with me, I may have something to offer in answer to the question he asked.

Mr. WHERRY. I hope the Senator can present something, because it has been impossible for me, in the Appropriations Committee, to ascertain the amount of money or the number of aircraft which is to be provided under this military-assistance program.

The Senator knows that Germany and a corridor there nearly 700 miles long are exposed to the Russians, in the event attack comes on that side. How is the equipment furnished to be protected in that corridor without air power?

Mr. TYDINGS. I am sure the Senator can get the answers to the questions in the Committee on Appropriations in executive session, but I am not able to give them, and I am not going to say that I have them.

Mr. WHERRY. The committee has held executive sessions; I have been in attendance, and I have done my level best to get the answers. I believe the Senator will recall that a year ago I made a fight for defense, just as he did.

Mr. TYDINGS. That is correct.

Mr. WHERRY. I think the strongest defense we can provide for the countries we are assisting is similar to the defense we need for our own country, namely, air power.

I do not desire to bring up any political question, but does the Senator know whether the military authorities feel that in the interest of the defense of this community of nations there should be any military appropriations assigned to Spain under the military-assistance program, or otherwise?

Mr. TYDINGS. Personally, I would have to answer the question rather carefully. I would say to the Senator that I think Spain is one of the great key countries in the bastion of civilization and democracy. I would prefer that the Senator ask me that question off the floor, and if there is anything I can tell him about Spain, I should like to inform him.

My point is that I doubt whether it is wise, even though I am a very poor military expert, for me to say things in public which might be of some value to those whom neither the Senator nor I desire to assist. If I am overcautious, I know the Senator will agree that I should be.

Mr. WHERRY. I do not want the Senator to say anything on the floor of the Senate which would in any way injure or hurt our cause. That illustrates our difficulty, however. We try to find out these things, and we ask those who know, but we do not get the answers. I am not criticizing, because if there is any information which is of a secret nature, or which would be an advantage to countries which which we are not in sympathy, I do not want the Senator to disclose it, but I have been seeking information for a year. We must start and choose where we are to spend our money and get a dollar's worth of national defense for every dollar we spend, and I have always believed that the air power, fighter defense, is No. 1 on the list.

Mr. TYDINGS. I have an answer for the Senator's question now.

Mr. WHERRY. I would go as far as our country could stand to go to get the defense that is necessary, but it seems to me to be absolutely foolish to throw a billion dollars into the foreign countries, without an adequate air force to defend the ground troops, and to leave exposed a corridor over 700 miles in length subject to attack from the east. I say that in all sincerity. I have been there.

Mr. TYDINGS. Let me give the Senator the answer to his question.

Mr. WHERRY. Is this about Spain?

Mr. TYDINGS. No. I was just advised that as a part of the program, the amount which goes to the air force of the European countries is, in total, $309,533,133. In other words, about one-quarter of the total appropriation is devoted to the air force of the countries we are assisting.

Now I will answer the question the Senator wishes to ask, but I hope he will not make a speech.

Mr. WHERRY. I have tried not to, Mr. President.

Mr. TYDINGS. I say that not in criticism.

Mr. WHERRY. I wish to ask one question. In attempting to decide where the dollars shall be spent, it is difficult for me to get away from the proposition I stated a year ago, that the one thing we needed for the defense of the country is air power. The Senator speaks of houses and other buildings which were bombed in France. I am firmly of the belief that we should put our money into fighter planes for resistance, and into bombers that can do the kind of work the Senator described, because if war should come I feel that target No. 1 will be the United States, and we do not want such destruction as the Senator described, to come to the United States.

Mr. TYDINGS. I agree.

Mr. WHERRY. It seems to me we should make a concentrated effort to give the United States the maximum defense we need, and at the same time, in connection with the program we are discussing, secure a dollar's worth of defense for the United States of America.

Mr. TYDINGS. I thank the Senator.

Mr. WHERRY. I should like to ask one more question in all sincerity, to clarify the record. I do not wish in any way to injure the appropriations for MAP. I wish to read from a press report which clarifies the point I had in mind in the question I asked a moment ago. If the Senator does not mind I should like to read two short paragraphs, as follows:

The informant said Britain for the moment is trying to confine her participation in the Korean situation to a noncombatant role. The use of British warships for humanitarian work around Korea, it was explained, would release American naval units for other operations.

The source said the British feel direct involvement in the Korean fighting might lead to a break with Communist China, whose

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government they offered to recognize early this year.

Of course, that is only a newspaper article, and as the distinguished Senator said, possibly in 24 hours the situation with respect to the fighting might change, or some statement might be made which would alter the situation.

I wanted to say a word in view of the observations so eloquently made by the distinguished Senator from Maryland. It is true we are tied to certain countries. Under the North Atlantic Pact we are tied to them and our responsibility exists with respect to them, I suppose, whether they fulfill all their responsibilities or not. But as I, as a Member of the Senate, am asked to appropriate billions of dollars for other countries, I should like to know what is going to happen to that money, and whether we should spend the money over there, or here, whether for air bases or for other purposes, whenever the spending of the money will do the most good.

The Senator from Maryland has traveled a great deal, and has talked to the officials of many countries. We are tied to certain countries, but are they tied to us? Is what I have just read going to be the position of Great Britain? Is she going to fight or is she simply going to go along and appease the Red Communists in China, finally recognizing them, and not resisting the expansion of communism?

Mr. TYDINGS. Mr. President, if the full fury, which God forbid, of world war III breaks out, with modern weapons perfected by the experts of science and discovery, I will thank God from the moment it starts, and if I live, until it concludes, that my position, at least so far as I can see, will be taken largely upon the basis of the defense of the soil of the United States of America.

I shall have a heavy heart, and I shall have a great deal of compassion, and I shall have a great deal of understanding for people in Norway, Denmark, Holland, Belgium, Luxemburg, Germany, France, Italy, Britain, who will feel the first violent, cruel, devastating, decisive impact of a foe which is at hand, not 3,000 miles away, which can attack not only from the skies, but over the land and over the seas.

We over here at least will be looking only in one direction for the approach of our enemies. They will have to look down and straight ahead and up and all around at the same time. Since they are small in comparison to the potential enemy and to ourselves, since they have come out of a devastating war in which all of them, with the exception of Britain—and Britain also to a considerable extent—were battlefields, since they have lost world position, and their economic stability, and do not have the economic resources to recover and rehabilitate, I shall look over there, if this dark and dire day ever comes, with a feeling of satisfaction that in the hours that were accorded to me and my country while we were bound by ties of a security treaty to stand or fall together, I did what I could to the best of my ability, to make them able to resist this potential foe. If it does not pay all the dividends I hope for, I know that every bit of ground they hold for another minute, every life they take from an enemy, every plane they shoot down, every bridge they destroy, every bit of delay they can cause to the invading foe, means an easier task for America, less squandering of its resources, less exploitation of its youth, less rivers of blood to run, and fewer recurring problems for this and other Congresses, even if we win the war, as I know we shall in the end.

Therefore if there is a gamble—and I want to be the first to admit there is a gamble—I desire to gamble on the side of having done all I could, without being sorry, rather than to look at it from a smaller area encompassed and regret that while I had the time I did not strengthen the ramparts of morality and religion and democracy and liberty while time was still available in our democratic hands.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHERRY. Of course, I could have made the same sort of speech with respect to the position I have taken in connection with the question I asked the Senator from Maryland.

Mr. TYDINGS. I am not saying this by way of any criticism of the Senator.

Mr. WHERRY. I should like to ask the Senator, as chairman of the Armed Services Committee, a question. Is it not likely that the first place the enemy will strike and will bomb is the United States of America?

Mr. TYDINGS. I have my doubts. I do not know. If I were running their show I would not put all my eggs in one basket. I would grab what I could grab quickly, and at the same time take the long-range point of view, too. But I would want to take the countries over there as quickly as I could so that the United States would not have any beachhead. When we speak of beachheads we must think of time; we must think of supplies, of ships, of transportation, of men, of ammunition, of oil, of railroads, of improvised bridges, of landing fields, of tanks. We must think of all those things. If the land is not held by the enemy we have time, and God knows we know what the landing of troops means.

Mr. WHERRY. Mr. President, will the Senator again yield?

The PRESIDING OFFICER (Mr. LEHMAN in the chair). Does the Senator from Maryland yield to the Senator from Nebraska?

Mr. TYDINGS. I yield.

Mr. WHERRY. I do not disagree with the Senator when he says that in order to conquer the enemy it is necessary to possess the land from which to operate. That is not the point of the argument. My question is: Where are we going to choose our place of defense? I ask the Senator once again, if the things he has mentioned are to be prevented, are they not to be prevented at home as well as overseas? Is that not correct?

Mr. TYDINGS. That is correct.

Mr. WHERRY. The answers from the military which I receive to my questions convince me that the enemy might strike here as the No. 1 target.

Mr. TYDINGS. I will answer the Senator in one statement. In the North Atlantic Security Alliance, and almost in the whole world, defense is indivisible. There is no such thing as defending one place and winning eventually. It is necessary to fight wherever we can fight. We have to hold whatever we can hold. We have to take from the enemy everything we can take from him, because war knows no limitations. Nowadays it respects neither men, women nor children, the home, the church, the universities, or what not; it respects nothing, I regret to say, which human beings now can count on as being untouched and regarded as sacred, when it is in the pathway of modern war.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHERRY. Agreeing again with the eloquent observations just made by the distinguished Senator from Maryland, I say to him—and he is chairman of the Armed Services Committee and is a member of the Foreign Relations Committee, and he probably has as much information as does any other Member of the Senate—that the most valuable spot on the entire continent is Germany; and unless Germany is protected, it is questionable to me whether this plan is the best plan for defense.

Furthermore, if there is one place in Europe which should be granted military assistance, it is the country of Spain. I have gotten that testimony directly from the military; and I tell the Senator that the State Department should hold out no longer, but should acquiesce to the demands of the military that we equip Spain, to prevent the very thing about which the Senator from Maryland is talking.

Mr. TYDINGS. I say to the Senator from Nebraska that I am in accord with the observation he has made more latterly.

Mr. President, I undertook to make only a few remarks, but I find that I have already talked at considerable length. I shall not undertake, therefore, to put into the RECORD all the data I have before me.

Some time ago, in talking to a group on this subject, I compiled a summary of general devastation caused in France in the recent war. Of course, France is the largest of the countries allied with us on the Continent. I also prepared a smaller summary of the devastation caused in Holland, which is one of the smaller countries allied with us on the Continent. At this time I should like to read the summary in regard to Holland, in order to show the experience through which that country went:

The number of houses entirely destroyed, 100,000.

The number of houses heavily damaged, 50,000.

The number of houses damaged by direct acts of war, by demolition, and so forth, 300,000.

Those who have been in Holland and, particularly, in The Hague since the end of the war will recall that at one place the enemy devastated an area straight through the entire city, to a width of two blocks. That line of devastation, two blocks wide, extended completely through the city, so that if opposing

forces landed on the beaches, those who then occupied the city would have an open field of fire two full squares or blocks wide, and extending completely across the city. In short, every house in that area two blocks wide, and extending completely from one end of The Hague to the other, was blown down and leveled, so that there would be a good field of fire in case of attack.

So in little Holland, 450,000 homes were either totally destroyed, heavily damaged, or damaged by direct acts of war, by demolition, and so forth—and Holland is not a large country. It is a very thrifty, hard-working country, and the Dutch are a great people; but they do not have a rich country, in the sense of natural resources.

In terms of 1938 dollars, the value of the homes destroyed in Holland was $385,000,000, plus an additional amount of $66,000,000 chargeable to deterioration due to occupation by the enemy.

The total number of persons in Holland—a small country, I repeat—who died in combat during the war was 244,000. Think of it, Mr. President. That little country was overrun in the mere matter of days, and yet 244,000 persons—a quarter of a million—out of a total population of, I believe, eight or nine million, made the supreme sacrifice. In fact, I notice that the summary I hold in my hand contains the notation that the population of Holland as of January 1, 1944, is estimated at 9,000,000. So, 244,000 of the people of Holland, or approximately one-thirty-sixth of its population, or one out of every 36 men, women, and children in Holland, died in combat during the recent war.

Mr. President, Holland is approximately the size of Maryland and Delaware combined—my own State, plus little Delaware. With 9,000,000 persons living in Holland, a country of that size, just think of the destruction of homes and of life which occurred during the war. Obviously, it is unreasonable to expect these countries in 5 years' time to be in a state of adequate defense. It cannot be done.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD, following my remarks, the two summaries I hold in my hand, one in regard to France and the other in regard to Holland.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits A and B.)

Mr. TYDINGS. Mr. President, permit me to state to the Senate, in conclusion, that if world war III comes, there is no safety on the face of the earth today for any person. There is no such thing as a sure defense against attack by a potential enemy. There is no certainty as to how long the sands of culture will continue to drop through the hourglass of civilization, if we have another world war. There is no seer who can look ahead and say whether the victor, let alone the vanquished, will be able, on the ashes of desolation which will follow that struggle, to gather together enough of the vestiges of civilization and liberty to be able to rebuild anything like the civilization we have struggled 2,000 years to attain.

Mr. President, while we have time, we must not tire of the task of defending the things we love. While there still remain hours and minutes and seconds and while liberty still exists on a large part of this planet, we had better make the sacrifices, we had better bear the burdens, we had better discharge the tasks, rather than to take the easier, temporary road, but eventually lose everything—because, like the republics which have gone down to the dust before ours, there finally comes a time in the greatness of every nation when some temporary comfort, some temporary expediency, seals the entire future of a nation and sends it into oblivion. We must do the best we can while the hours still are available.

Mr. President, on that premise I ask my colleagues, in this dark hour in the civilization of mankind, when war clouds gather on the horizon, to be of strong heart, to be worthy of our history, to be worthy of our traditions, to be worthy of those who have made this country and who met adversity, rather than run away from it. I ask my colleagues to strengthen those who are allied with us in this great battle for the preservation of the dignity of the common man. I ask my colleagues to pass this bill and, in an hour, extend the selective service system, and let the whole world know that the blood of the American patriots of old still courses through the veins of those in the Congress who represent the people of the United States.

EXHIBIT A

FRANCE

*Dwellings*

| | |
|---|---|
| Dwellings completely destroyed | 291,000 |
| Dwellings partially destroyed | 938,000 |
| Total | 1,229,000 |

*Farm buildings*

| | |
|---|---|
| Farm buildings completely destroyed | 78,000 |
| Farm buildings partially destroyed | 200,000 |
| Total | 278,000 |

LOSS IN DOLLARS

Estimated value of the destroyed homes, in 1938 dollar values: Dwellings, private buildings, household furniture, and farm buildings, $8,560,142,000.

*Deaths of French citizens during the war*

| | |
|---|---|
| Killed in the Army | 160,000 |
| Civilians killed in military action | 120,000 |
| Civilians executed in France | 40,000 |
| Civilians impressed for labor and taken to Germany, where they died | 300,000 |
| Total | 620,000 |

*Wounded*

| | |
|---|---|
| Wounded in the armed services | 410,000 |
| Impressed for labor in Germany (of which 300,000 never returned) | 700,000 |

*Damage to industrial plants*

| | |
|---|---|
| Industrial and commercial buildings: | |
| Completely destroyed | 66,000 |
| Partly destroyed | 180,000 |
| Total | 246,000 |

Replacement value of the destroyed plants and equipment, in 1938 dollar values, $1,252,000,000.

*Bridges*

| | |
|---|---|
| Railroad bridges destroyed | 2,603 |
| Road and highway bridges destroyed | 4,197 |
| Total | 6,800 |

Replacement value of these bridges, in 1938 dollar values, $471,428,571.

DESTRUCTION OF SHIPS

Forty-five percent of all the liners and passenger cargo vessels destroyed.

Eighty-seven percent of the general freight vessels destroyed.

Thirty percent of the coal-carrying vessels destroyed.

Twenty-five percent of tankers destroyed.

On the inland waterways 87 percent of the ordinary canal barges destroyed, 85 percent of the tankers destroyed and 75 percent of the tugs destroyed.

Replacement value of these ships, in 1938 dollar values, $213,000,000.

DAMAGE TO HARBORS

In 1938 dollar values, $472,000,000.

*Railroad rolling stock*

| | |
|---|---|
| Number of engines destroyed | 251 |
| Number of freight cars destroyed | 15,538 |
| Number of passenger cars destroyed | 1,805 |
| Miles of track destroyed | 3,542 |

Replacement value of railroads and rolling stock, in 1938 dollar values, $2,068,714,282.

MILITARY EQUIPMENT LOST OR DESTROYED IN BATTLE OR SEIZED BY THE ENEMY

The entire French military equipment was lost when France was conquered. It is estimated that the value of this lost and damaged matériel in 1938 dollar values was $2,000,000,000.

INDUSTRIAL MACHINERY, MACHINES, AND EQUIPMENT

Destroyed or dismantled and taken from France by the enemy, 6,900 plants, 9,975 pieces of equipment, together with the raw materials and manufactured stocks.

Losses in terms of 1938 dollar values, $2,612,142,000.

The over-all total of direct losses of capital equipment in France, including agriculture, industry and commerce, transportation and communication, war matériel, real estate and personalty, cash, securities, etc., in 1938 dollar values was $21,126,000,000.

This was the figure given to the United States mission by the French authorities in May 1946.

EXHIBIT B

| | |
|---|---|
| Number of houses entirely destroyed | 100,000 |
| Number of houses heavily damaged | 50,000 |
| Number of houses damaged by direct acts of war, by demolition, etc. | 300,000 |
| Total | 450,000 |

Value in 1938 dollar values, $385,000,000.

Plus additional for deterioration, due to occupation by the enemy, $66,000,000.

DEATHS

Total number of persons who died during the war in combat, 244,000.

Population (estimated January 1, 1944), 9,000,000.

Holland is about the size of Maryland and Delaware combined.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHERRY. A moment ago I asked the distinguished Senator about the money authorized by this bill which will constitute military assistance to other nations. I wonder whether the distin-

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guished Senator will give me a memorandum—if he does not care to discuss the matter on the floor of the Senate—in regard to just how such funds are to be integrated into the air defense of the community of nations.

Mr. TYDINGS. Does the Senator mean on the basis of country to country?

Mr. WHERRY. That is correct. I ask that question of the Senator, because I have not been able to find that information. Perhaps the Senator knows it. For instance, does the Senator know what contribution France is making in that respect to the family of nations?

Mr. TYDINGS. I think I do.

Mr. WHERRY. I should like to obtain that information, because I have not been able to do so. Of course, the $300,000,000 is not enough; it must be integrated into the whole air defense. I think we should have that information.

Mr. TYDINGS. The way the Senator from Nebraska can obtain that information—and in saying this, I have no desire at all to put off his question—is at some time, when he is able to do so, to go to France and confer with the Defense Ministry, under aegis of our own Armed Services Establishment, so that he will receive the most cooperative reception, and with them go over the situation. In that way he will obtain a proper view of the entire picture. Mere figures regarding numbers of airplanes are not sufficiently informative, for not only must there be sufficient numbers of planes, but there must also be sufficient in the way of maintenance, repairs, airfields, depots, gasoline dumps, and so forth. So the ramifications go on and on. To give the naked figures of numbers of planes, without following up that information with the necessary additional information, would give a false impression.

Mr. WHERRY. Mr. President, I appreciate the fact that the Senator advises that I go to France. I do not have time to go to France. Certainly there is an integrated plan. I want the facts. I agree wholeheartedly with the purposes expressed by the distinguished Senator. He has made an argument regarding the ground forces, and by the same token the argument is made that, without an Air Force the ground forces simply cannot exist. That is all there is to it. I happen to be air-minded, I guess.

Mr. TYDINGS. So am I.

Mr. WHERRY. I certainly believe in the necessity of having a strong Air Force. This is the first time I have been able to ascertain from anyone how much of the assistance is for Air Force, and the distinguished Senator says about one-fourth of it. Of course, that fourth would have to go to all the western European countries, unless there is an integration within those countries of a complete air defense.

Mr. TYDINGS. Of course, the Senator would not want me, with what little I know about it, to stand on the floor of the Senate and describe it.

Mr. WHERRY. What is wrong about that? There has been published in the United States News everything that I know about the Air Corps of the United States. It portrayed in bright colors what we have in the way of fighters and everything else.

Mr. TYDINGS. Yes, but that is not quite the picture abroad. I may say to the Senator that if he will talk to me afterward, and I can help him get any information from my committee, I shall be delighted to do so. I am going to ask the Senator to excuse me now, because I must attend a committee meeting at 2 o'clock, and I have 18 minutes in which to eat my lunch. I hope the Senator will let me go.

Mr. WHERRY. I will certainly let the Senator go. I have not had my lunch, but I will stay here 18 minutes. I know the Senator has important work, but I may say to him it is certainly difficult for one who is trying to make up his mind on MAP to obtain the facts. Senators ought to be in a position to vote intelligently on defense appropriations.

## ENDING THE COLD WAR—II

Mr. FLANDERS. Mr. President, the attack made through North Korea upon the Republic of Korea south of the thirty-eighth parallel represents a serious rise of temperature of what has hitherto been the cold war. In spite of optimistic assurances from the administration which, it is true, have alternated with threats of military weakness and disaster, it has seemed to me for many months that our handling of this cold war would bring about such a situation as now faces us. There was no question of "whether." The question was when and how the resort to arms would take place.

As a practical reaction to an existing situation, the statement made by the President yesterday should have the hearty support of the Congress. It is in many ways admirable. The military support and action called for is purely defensive against an invasion already under way. It should be kept defensive. In deciding to prevent any attack on Formosa, the point is made that no military action will be permitted, either from the mainland against Formosa or from Formosa against the mainland. Especially wise is the statement, "The determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations."

Finally, it is refreshing to find at long last a statement of policy relating to the cold war which brings in the United Nations as a prime factor in our policy, and proposes to refer the problem to the judgment of one of the constituent bodies of that neglected institution. The resolution introduced by Ambassador Austin gives effect to this purpose. I am therefore speaking in support of the proposals made by the President in his statement of June 27.

Yet, Mr. President, there are in the policies announced in that statement a number of things which make one pause for thought. One of these pauses must come when we wonder whether we have here a declaration of war without the consent of Congress. One of the things we must think about when this question is raised is the nature of our commitments and responsibilities in South Korea. We agreed with Great Britain, Russia, and China to form a trusteeship and establish an all-Korean provisional government which looked forward to that nation's becoming a free and independent country. As a purely military decision in achieving Japanese surrender we cleaned out the hostile forces south of the thirty-eighth parallel while Russia did the same for the territory north. That is all there was to the division of the peninsula so far as we knew when the division was made.

Russia has never carried out its trusteeship obligations, having kept the northern area in its possession and withheld all participation in elections and the formation of a government. The United Nations Temporary Commission on Korea and the United Nations Interim Committee decided that elections should be held for as much of Korea as was possible. In consequence, free elections were held and a government formed which began to operate in August of 1948. It would seem from the history of the situation that we hold certain responsibilities of military protection against military invasion in view of the history of South Korea. It would seem as though, in all logic, that obligation would be recognized by the United Nations Council and Assembly in view of their action in authorizing the establishment of a native government and in view of the failure of the United Nations to date to organize any police force of its own.

So, Mr. President, it seems to me that this is in no sense a declaration of war but the carrying out of an existing obligation. While I do not wish to labor the point and perhaps lack the skill to do so, I would feel that any invasion of the territory north of the thirty-eighth parallel, whether in pursuit of fleeing forces, in retaliation, or for any other purpose, would constitute action of a very different sort and should be undertaken only as an act of war legally authorized by the Congress of the United States.

But let us now come to the point which should give us the greatest concern. It is this. We are still on the defensive. Because we have relied so strongly on military force, the crisis is taking the military turn. Why should it not? We have neglected or only half-heartedly pursued the positive actions which might have led to other events than those we now face. It is true that we have taken positive action, though on too small a scale, with the Voice of America and other means of spreading the truth as to our purposes and policies behind the iron curtain. The possibilities of disintegrating the Russian conspiracy against the peace of the world and against, indeed, the peace and prosperity of its own people, remains evident. We should have been pressing the attack. That we have not done so with all the vigor that positive action requires is a joint responsibility of the Congress and the Department of State. Neither has seen the possibilities clearly. Perhaps the major fault lies with the administrative branch since the initiation of policy comes from there. There should have resulted a race between internal disintegration of the Politburo structure and the ability to inaugurate military offensives, such as that we are now witnessing. That

race has not taken place because our efforts remain practically unformulated, unauthorized, and unfinanced.

The other positive undertaking was the Marshall plan which has a notable record of success to its credit. That is limited in time and limited in the area of its effectiveness. Within those limits it has been a great success.

Except for these two policy areas we have fallen far behind our opponents in fighting for the world's peace and prosperity on the battlefield which our opponents have chosen—the hearts and minds of men. It is no wonder that they have decided to move into the field of armed conflict seeing how definitely we have fumbled the psychological and spiritual job.

I am not going to detail all the various suggestions I have made on this floor in the past few months. They are to be found in the RECORD. I do wish, however, to refer to one of them; namely, the proposal for the calling of a special session of the Assembly of the United Nations before whom can be laid the problem of the conflict between the western powers and the Politburo. This latest action, which can only have been undertaken by the initiative of the Russian Government, gives a broader basis and greater urgency to those relations and, in fact, shapes it up more definitely to a fundamental; namely, the relations between the Russian Government and the United Nations.

As we all know, the United Nations organization was born in the hope and firm expectation that its members, and particularly the four great powers, had the desire and the determination to maintain peaceful relations with each other and among the nations of the world. What should happen when that hope seems proved to be lost? Should we gloss it over? Should we conceal it like a skeleton behind layers of hoop skirts in the closet? The time has come, Mr. President, when the problem must be faced.

On this floor, on June 8, I made the earnest suggestion that such an Assembly be called. The occasion which made that seem necessary at that time was that Russia was winning the war of propaganda. Our concentration on arms, armament, and armed alliances was furnishing the viscous gum by means of which the label "warmongers" was staying stuck. It was my suggestion at that time that it would not be wise for us to take the position of standing up and accusing the Politburo, for they were likewise in a position to accuse us, owing to our fatuous obsession with military means. I suggested that we make a statement of the world as we saw it, explain the necessity for our actions and policies as we saw them, and ask the judgment of the world.

Now we have a more specific crisis. We have an armed invasion for which Russia alone can be held responsible. That one of her immediate purposes is to blackmail us into the recognition of Communist China is, after all, only incidental. The real assault is being made against the purposes and integrity of the United Nations. The time has passed for glossing it over. The time has passed for hushing it up. The necessity has come for the nations of the world together to talk frankly, seriously, earnestly, and without that heat of passion which beclouds good judgment.

The League of Nations arrived at the point where vital matters were glossed over and hushed up. Too much depends on the United Nations to permit it to die of asphyxiation in the skeleton's closet.

Mr. President, it comes down to this: Since we are still on the defensive, Russia still calls the tune and we still dance to her playing. Everywhere she makes her crisis and we scurry to meet it. It is our good fortune that we can meet this one with full moral as well as military strength. But when are we going to make the crisis? That is the question I am raising, Mr. President, and I am suggesting that the immediate initiative that we should take is in arranging for an assembly of the United Nations to discuss its own fate, in view of the determination to scuttle it, evidenced by one of its founding powers.

## TEMPORARY APPROPRIATIONS, 1951

Mr. McKELLAR. Mr. President, from the Committee on Appropriations, I report favorably, with an amendment, the joint resolution (H. J. Res. 492) making temporary appropriations for the fiscal year 1951, and for other purposes, and I submit a report (No. 1922) thereon. I ask unanimous consent for the immediate consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Appropriations, with an amendment, on page 2, after line 20, to insert "Mutual Defense Assistance."

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution (H. J. Res. 492) was read the third time and passed.

## EXTENSION OF SELECTIVE SERVICE ACT OF 1948—CONFERENCE REPORT

Mr. CHAPMAN. Mr. President, as a member of the conference committee that reported the pending bill, I have not asked for time to speak on this subject. I do, however, ask unanimous consent to have printed in the RECORD at a suitable place preceding the vote on the conference report a speech delivered by me May 19, 1950, over radio station WHAS, Louisville, Ky., advocating extension of the Selective Service Act.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Scores of times since Armistice Day, 1918, I have expressed the conviction that there ought to be inscribed on the wall of every schoolroom, emblazoned on the facade of every public building, and engraved on the desk of every Member of both Houses of the American Congress, the sage counsel of George Washington, who adjured the citizens of the Republic of which he was the father to maintain themselves in a "respectably defensive posture," and in the first annual address to the First Congress on the State of the Union, forcefully declared: "To be prepared for war is one of the most effectual means of preserving peace. A free people ought not only to be armed, but disciplined; to which end a uniform and well-digested plan is requisite." That doctrine, true then, is truer now, and, reluctant though we are to profit by lessons learned in the rugged school of experience, I have faith that, after two devastating World Wars in the life of one generation of Americans, we will have the wisdom and the courage to maintain not only adequate but ample national defense as the surest bulwark against another global holocaust that might destroy organized society throughout the world.

If Kaiser Wilhelm and the unspeakable Hitler had known that the United States both could and would move into a war for the preservation of civilization with all of this country's might, neither of them would have begun the march of aggression. If we are prepared, no enemy will strike. If he does strike, we will be ready.

Methods of warfare are becoming progressively more destructive every day. With supersonic speeds, guided missiles, atomic weapons, improved proximity fuzes, and long-range submarines, if another war ever comes, there will be no intrepid French Army to fight with its back to the sea while we get ready; there will be no Russia to hold at bay the enemy until we can prepare to destroy that enemy. Another war would come like a flash of lightning and a blast of thunder in an azure sky.

Almost as dangerous as the pacifist, who would afflict this red-blooded Republic with the pernicious anemia of pacifism, is the optimist who thinks we could protect our country by waging push-button war without millions of well-trained, well-equipped, well-armed men. In World War I no American-made airplane ever flew over a German trench and less than 400 American-made field guns ever reached a line of battle, while little Switzerland, than which there is no freer country, placed in the field in 4 days, 300,000 well-trained, well-equipped citizen soldiers, and preserved inviolate her neutrality through 4 years of blood and fire. Switzerland's system of universal civilian military training is a model for all free people to heed.

I can never forget the drama and near tragedy of that day in the autumn of 1941, when, almost in the shadow of Pearl Harbor, the House of Representatives, by a majority of only one vote, extended selective service. Out of experience, knowledge, wisdom, and patriotism, comes the voice of one of the greatest soldiers in the martial annals of America, Gen. Omar Bradley, Chairman of the Joint Chiefs of Staff, who says, in favor of extending selective service:

"It is not enough that we plan only to win wars after they start—we must prevent them before they begin if the results of our plans are to be more than palliatives for a disease already contracted." General Bradley continued: "May I point out again that the international situation has not improved in the last 8 months. We have an opportunity here to buy ourselves from 4 to 6 months of essential time. This security bargain is only offered for sale once. Let's not pass it up." I am sure that the Congress and the American people will not ignore the wise counsel of General Bradley, as former generations ignored the wise counsel of George Washington. That 4 to 6 months' period might mean the difference between the preservation and the destruction of our country and its freedom. The cost of this extension of selective service, the maintenance of the necessary machinery for quick mobilization of America's indomitable manpower, would be less than one-tenth of 1 percent of our expenditures for national defense, but the extension is a vital and essential factor in the readiness and effectiveness of our pre-

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paredness, which is our best insurance against war and our sole means of emerging victorious if war is forced upon us.

Mr. TYDINGS. Mr. President, if there are no other speakers, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Anderson | Hill | Millikin |
| Benton | Hoey | Morse |
| Bricker | Holland | Mundt |
| Bridges | Humphrey | Murray |
| Butler | Hunt | Neely |
| Byrd | Ives | O'Mahoney |
| Cain | Jenner | Robertson |
| Capehart | Johnson, Tex. | Russell |
| Chapman | Kefauver | Saltonstall |
| Connally | Kem | Schoeppel |
| Cordon | Knowland | Smith, Maine |
| Darby | Langer | Smith, N. J. |
| Donnell | Leahy | Sparkman |
| Douglas | Lehman | Stennis |
| Ecton | Lodge | Taft |
| Ellender | Lucas | Thomas, Utah |
| Ferguson | McCarran | Thye |
| Flanders | McCarthy | Tobey |
| Frear | McClellan | Tydings |
| Fulbright | McFarland | Watkins |
| Gillette | McKellar | Wherry |
| Green | McMahon | Wiley |
| Gurney | Magnuson | Williams |
| Hayden | Malone | Withers |
| Hendrickson | Martin | |
| Hickenlooper | Maybank | |

The VICE PRESIDENT. A quorum is present. The hour of 2 o'clock having arrived, under the unanimous-consent agreement entered into, the question is on agreeing to the conference report.

Mr. LUCAS and Mr. LODGE requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. HOEY (when Mr. GRAHAM's name was called). My colleague, the junior Senator from North Carolina [Mr. GRAHAM] is unavoidably absent. If present he would vote "yea."

Mr. MAYBANK (when Mr. JOHNSTON's named was called). My colleague, the junior Senator from South Carolina [Mr. JOHNSTON] is absent by leave of the Senate. If present, he would vote "yea."

Mr. NEELY (when Mr. KILGORE's name was called). The senior Senator from West Virginia [Mr. KILGORE] is absent because of illness. If he were present, he would vote "yea."

Mr. ELLENDER (when Mr. LONG's name was called). My colleague, the junior Senator from Louisiana [Mr. LONG] is absent by leave of the Senate. If present, he would vote "yea."

Mr. TYDINGS (when Mr. O'CONOR's name was called). My colleague, the junior Senator from Maryland [Mr. O'CONOR] is out of the country on official business for the Government. If he were present he would vote "yea."

Mr. HOLLAND (when Mr. PEPPER's name was called). My colleague, the senior Senator from Florida [Mr. PEPPER] is absent because of the critical illness of his close friend, Judge Curtis L. Waller. If he were present, he would vote "yea."

The roll call was concluded.

Mr. ANDERSON. Mr. President, I desire to announce that my colleague, the senior Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained by illness. If present, he would vote "yea." The senior Senator from Idaho [Mr. TAYLOR] is absent by leave of the Senate. If present, he would vote "yea."

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY], who is absent because of illness, would vote "yea," if present.

The Senator from Colorado [Mr. JOHNSON] is absent by leave of the Senate, and if present would vote "yea."

The Senators from Oklahoma [Mr. KERR and Mr. THOMAS], who are absent by leave of the Senate, would vote "yea," if present.

The Senator from Pennsylvania [Mr. MYERS], who is absent because of illness in his family, would vote "yea," if present.

Mr. STENNIS. My colleague, the senior Senator from Mississippi [Mr. EASTLAND] is absent on public business. If present, he would vote "yea."

Mr. RUSSELL. My colleague, the senior Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate. If present, he would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate. If present the Senator from Vermont would vote "yea."

The Senator from Maine [Mr. BREWSTER] is necessarily absent, and if present would vote "yea."

The Senator from Idaho [Mr. DWORSHAK] is absent by leave of the Senate on official business, and if present would vote "yea."

The result was announced—yeas 76, nays 0, as follows:

YEAS—76

| | | |
|---|---|---|
| Anderson | Hill | Millikin |
| Benton | Hoey | Morse |
| Bricker | Holland | Mundt |
| Bridges | Humphrey | Murray |
| Butler | Hunt | Neely |
| Byrd | Ives | O'Mahoney |
| Cain | Jenner | Robertson |
| Capehart | Johnson, Tex. | Russell |
| Chapman | Kefauver | Saltonstall |
| Connally | Kem | Schoeppel |
| Cordon | Knowland | Smith, Maine |
| Darby | Langer | Smith, N. J. |
| Donnell | Leahy | Sparkman |
| Douglas | Lehman | Stennis |
| Ecton | Lodge | Taft |
| Ellender | Lucas | Thomas, Utah |
| Ferguson | McCarran | Thye |
| Flanders | McCarthy | Tobey |
| Frear | McClellan | Tydings |
| Fulbright | McFarland | Watkins |
| Gillette | McKellar | Wherry |
| Green | McMahon | Wiley |
| Gurney | Magnuson | Williams |
| Hayden | Malone | Withers |
| Hendrickson | Martin | |
| Hickenlooper | Maybank | |

NAYS—0

NOT VOTING—20

| | | |
|---|---|---|
| Aiken | Graham | O'Conor |
| Brewster | Johnson, Colo. | Pepper |
| Chavez | Johnston, S. C. | Taylor |
| Downey | Kerr | Thomas, Okla. |
| Dworshak | Kilgore | Vandenberg |
| Eastland | Long | Young |
| George | Myers | |

So the report was agreed to.

## MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1672. An act for the relief of Efrosini Abad; and

H. R. 6826. An act to extend the Selective Service Act of 1948, as amended, for a period of 1 year, and for other purposes.

## EXTENSION OF RENT CONTROL IN THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

Mr. KEFAUVER. I submit a conference report on the bill (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended, and I ask unanimous consent for its immediate consideration.

Mr. WHERRY. Mr. President, may we have order? We can scarcely hear what the Senator is requesting.

The VICE PRESIDENT. The Senator is submitting the conference report on the District of Columbia rent bill. The conference report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 1 (b) of the District of Columbia Emergency Rent Act, as amended (D. C. Code, 1940 edition, sec. 45-1601 (b)), is hereby amended by striking out 'June 30, 1950' and inserting in lieu thereof 'January 31, 1951, unless the Congress shall by joint resolution insert a later date'.

"SEC. 2. Section 2 of such Act is hereby amended by adding at the end thereof the following new subsection:

"'(5) (a) After June 30, 1950, the provisions of this Act shall not apply to, and no maximum rent ceiling or minimum service standards shall be prescribed for, any furnished nonhousekeeping housing accommodations which are rented as rooms without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms), and when and for such period as any of the housing accommodations in any building used as a rooming house are decontrolled under this paragraph (a) the provisions of this Act shall not apply to, and no maximum rent ceilings or minimum service standards shall be prescribed for, such building.

"'(b) After June 30, 1950, self-contained family units (as defined by regulations issued by the Administrator) located in hotels shall continue to be housing accommodations subject to maximum rent ceilings and minimum service standards unless the Administrator issues an order decontrolling them, or any of them, which he shall issue if he finds that such hotel is primarily engaged in furnishing accommodations for transients.'

"SEC. 3. Subsection (b) of section 4 of such Act is hereby amended by inserting before the period at the end thereof a colon and the following: '*Provided further*, That the Administrator may by order adjust the maximum rent ceiling or minimum service standard hereunder although the landlord fails to produce evidence of facts occurring

in the period from January 1, 1941, to December 31, 1945, if the landlord proves circumstances which in the opinion of the Administrator excuse the failure to produce evidence of such facts'."

And the House agree to the same.

ESTES KEFAUVER,
EDWARD L. LEAHY,
MARGARET CHASE SMITH,
*Managers on the Part of the Senate.*

JOHN L. MCMILLAN,
T. G. ABERNETHY,
JOS. P. O'HARA,
*Managers on the Part of the House.*

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The VICE PRESIDENT. The question is on agreeing to the conference report. Without objection, the report is agreed to.

Mr. TAFT obtained the floor.

Mr. CAIN. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. CAIN. I believe it was the understanding of the Senator from Tennessee and most other Senators that there would be some discussion concerning the conference report on the District of Columbia rent-control bill. It was my understanding and agreement with the Senator from Tennessee, reached informally a few minutes ago, that he would present the conference report on the District rent-control question, and that the Senator from Washington, and presumably and possibly other Senators, would speak to that question. So the Senator from Washington was not conscious of the fact that action was being taken on the question of agreeing to the conference report on the District of Columbia rent-control bill, and he would ask that the vote be reconsidered in order that the Senator from Tennessee may proceed to tell us what the report does and does not include.

The VICE PRESIDENT. The conference report was a privileged matter. The Chair asked if there was any objection to the consideration of the report, and the Chair heard none. Then the Chair announced, as usual, that, without objection, the conference report was agreed to. No Senator rose and addressed the Chair, therefore the Chair put the question.

The Senator from Washington asks unanimous consent that vote by which the conference report was agreed to be reconsidered. Is there objection?

Mr. CAIN. The Senator from Washington makes that request.

Mr. TAFT. Mr. President, if I have the floor, I ask unanimous consent that I do not lose the floor, and that I may have the floor again at the end of the consideration of this measure. Otherwise I shall object.

Mr. NEELY. A parliamentary inquiry. What is the question?

The VICE PRESIDENT. The question is, Is there objection to the request of the Senator from Washington that the vote be reconsidered?

Mr. NEELY. I object.

Mr. WHERRY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. WHERRY. Mr. President, there was some confusion in the Chamber, and I tried to get order. I asked what the question was, as it was difficult even to hear the Senator from Tennessee. I agree that the distinguished occupant of the chair asked if there was any objection, and no Senator rose. I am quite satisfied that the present occupant of the chair is within his rights, and did as a presiding officer should have done. But it is unusual, when a Senator rises and asks to present an argument on a conference report, especially when there was so much confusion, that he be denied the right at least to make a few observations. I hope there will be no objection, and that we will reconsider the vote, so that the distinguished Senator from Washington can tell us of the informal agreement he had with the Senator from Tennessee, and make the observations he desired to make prior to the time the conference report was agreed to. That is only fair.

Mr. KEFAUVER. Will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Tennessee.

Mr. KEFAUVER. I do think that under the circumstances the request of the Senator from Washington should be agreed to.

SEVERAL SENATORS. Louder!

The VICE PRESIDENT. Will the Senator from Tennessee raise his voice so that he can be heard?

Mr. KEFAUVER. I do think that under the circumstances the request of the Senator from Washington should be agreed to. The question was asked as to whether there was objection to the adoption of the conference report. Of course I had no objection. I stated to the Senator from Washington that it would take me about 3 minutes to make an explanation of it, and he said he wanted to make some observations in connection with the report. So I think that under the circumstances he should have that opportunity, and I hope the Senator from West Virginia will withdraw his objection.

Mr. NEELY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. NEELY. I will not withdraw my objection without some assurance that the Senator from Washington will not filibuster more than an hour against the adoption of the conference report.

Mr. CAIN. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I yield.

The VICE PRESIDENT. The Chair would like to observe that the Chair has no knowledge of any informal agreements made among Senators on the floor, which are not communicated to him, about any Senator wishing to discuss a conference report or anything else.

Mr. TAFT. Mr. President, I ask unanimous consent that I may be allowed to yield the floor for 10 minutes for statements on the subject being discussed, and resume the floor at the end of 10 minutes.

The VICE PRESIDENT. The Chair will recognize the Senator.

Mr. TAFT. That may have the effect of a limitation on the time.

The VICE PRESIDENT. Is there objection to the request of the Senator from Ohio? The Chair hears none.

Does the Senator from West Virginia object to reconsideration of the vote by which the conference report was agreed to?

Mr. NEELY. Mr. President, will the Chair please repeat the question?

The VICE PRESIDENT. The Senator from Ohio asked that he might yield 10 minutes while the Senator from Tennessee and the Senator from Washington discussed the conference report.

Mr. NEELY. Does that mean that the Senator from Washington will consume only 10 minutes in opposing the adoption of the conference report?

The VICE PRESIDENT. The Chair, of course, would feel that if the request were agreed to, the Senator from Ohio would be entitled to the floor at the end of 10 minutes. Is there objection?

Mr. NEELY. I object, unless I have some assurance on the point I have raised.

The VICE PRESIDENT. The Chair will recognize the Senator from Ohio at the end of 10 minutes, no matter what happens. Is there objection? The Chair hears none.

Mr. KEFAUVER. Mr. President, there were two principal points in dispute in the conference between the Senate and the House. One was that the House adopted an amendment, the so-called Westchester amendment, which provided that, as to an apartment where the rent was above $85, the owners did not have to secure consent of 65 percent of the occupants of the apartment in order to turn it into a cooperative. The Senate conferees opposed the amendment, and the House receded.

The Senate bill provided for a continuation of rent control, as provided in the bill, until December 31, 1950, and that thereafter it might be continued for 6 months upon the adoption of a resolution by the Board of Commissioners of the District of Columbia. The House bill provided for continuation of rent control until January 31, 1951, and for the continuation of rent control after that time for 5 months upon the passage of a joint resolution by the Congress.

The Senate conferees agreed to the House provision in that respect. The reasons were that the conferees felt that, after all, the Congress of the United States acts as city council for the District of Columbia, and that it was Congress rather than the Board of Commissioners which should extend rent control. Moreover, if it were extended by the Commissioners, or if provision were made for it to be extended by the Commissioners, the Rent Control Administrator for the District, Mr. Cogswell, would be faced with a lawsuit as to his authority or jurisdiction to act. Furthermore, it was felt that the appropriation would probably provide money for rent control operations only up to December 31, and that if it were extended by order of the Board of Commissioners

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there would likely be no money for the Rent Administrator to operate and carry on his functions. The reason, of course, that it has to be on a 7-months basis if Congress is going to have the option of extending rent control for another 5 months, is that that gives us during the month of January to decide whether a joint resolution should be passed.

Those were the two principal matters in dispute, and the conference was unanimous in the conclusion it reached.

Mr. CAIN. Mr. President, the Senator from Washington some several days ago served notice on the floor of the Senate that he would request the yeas and nays if and when a District of Columbia rent control conference report was returned to the floor of the Senate. The Senator from Washington has reason to believe that the Senator from West Virginia, who has had available to him the CONGRESSIONAL RECORD, has availed himself of an opportunity to read the English language.

Mr. President, the Senator from Washington feels that every Senator on both sides of the aisle believes in and understands fair play and simple justice. If the attitude taken several minutes ago by the Senator from West Virginia prevails, it will mean that a good many thousands of citizens living in this disenfranchised place called the Capital City of America, and in fact the capital of the world, will have no one to speak for them.

The Senator from Washington is a citizen living within the confines of what he thinks is one of the great cities on the face of the earth, and what he had expected and expects to say in opposition to the conference report he will say not alone because he believes in what he intends to say, but because he wishes to present the views of thousands of Americans who have no single opportunity to speak for themselves.

Mr. President, in view of that position, the Senator from Washington wants to find out what Senators think about fair play and simple justice, and he moves, sir, that the action by which the Senate recently, several minutes ago, adopted the conference report be reconsidered.

Mr. NEELY. Mr. President, I move to lay that motion on the table.

The VICE PRESIDENT. After the Chair had asked if there was objection to the reconsideration of the vote by which the conference report was adopted, subject to the limitation fixed by the Senator from Ohio in yielding, the Chair announced that there was no objection. Therefore, the vote by which the conference report was agreed to was reconsidered.

Mr. CAIN. If the Senator from Washington understands correctly, the business then presently pending before the Senate is the conference report.

The VICE PRESIDENT. That is correct. But at the end of the 10 minutes yielded by the Senator from Ohio [Mr. TAFT] the Chair will have to recognize the Senator from Ohio.

Mr. CAIN. Indeed, sir. But if at the end of those 10 minutes the question has not been determined, then, after the Senator from Ohio has finished, or at some later time, either this afternoon or tomorrow or some other time, action will be taken on the conference report?

The VICE PRESIDENT. The action of the Senate will have to be taken over again in order to adopt the conference report.

Mr. CAIN. Yes.

Mr. KEFAUVER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. KEFAUVER. Will it not be possible to vote on the adoption of the conference report at the end of 10 minutes, or whatever the time limitation is, if the Senator from Ohio agrees that that may be done?

The VICE PRESIDENT. Of course, this whole thing is a little unusual. While the conference report is a privileged matter, no Senator has a right to take a Senator from the floor who has the floor to consider it. The Senator from Ohio had the floor and he yielded 10 minutes for the purpose of considering the conference report.

Mr. CAIN. May I say, sir, I am slightly surprised by the observation just offered by my friend, the Senator from Tennessee, because it was a little while before the last quorum call that he inquired of me how long the Senator from Washington intended to speak on this subject? The Senator from Washington, as the Senator from Tennessee knows——

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. CAIN. Yes, I yield to the Senator from Tennessee.

Mr. KEFAUVER. I want to say to the Senator from Washington that I want him to have all reasonable time he may desire to discuss the matter. I want him to have a yea-and-nay vote on the adoption of the conference report. I should have spoken up before the Vice President asked if there was objection to the adoption of the conference report. Of course, the Senator from Washington, for that matter, should also have made some move to be recognized.

Mr. CAIN. We both should have done so.

Mr. KEFAUVER. The report was acted upon before we got around to look into the matter and asked for recognition. So I want to do anything that is within my power to see to it that the Senator from Washington can secure reasonable time in which to discuss the conference report, and that then, at the conclusion of the Senator's presentation, we have a yea-and-nay vote, if that is what the Senator from Washington wants, on the question of the adoption of the conference report.

Mr. CAIN. Because the conference report has not had final action taken upon it, the Senator from Washington would only like to say that as rapidly as he can gain the floor, after the Senator from Ohio has concluded his remarks, he will speak to the question for not to exceed a reasonable length of time, and thereafter, if it be the wish of the Senate, a vote may be taken on the report.

Mr. KEFAUVER. I wonder if the Senator from Washington would not find it agreeable to have the vote taken after he finishes speaking at this time, if that is possible under the ruling by the Chair.

The VICE PRESIDENT. The time of 10 minutes during which the Senator from Ohio yielded the floor, has expired.

Mr. NEELY. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. TAFT. I yield to the Senator from West Virginia for that purpose.

Mr. NEELY. Has the motion of the Senator from Washington to reconsider the vote by which the conference report was agreed to been acted upon?

The VICE PRESIDENT. The Chair held that the motion was unnecessary because when the Chair asked, prior thereto, whether there was any objection to the reconsideration of the vote, subject to the limitation of the Senator from Ohio yielding, the Chair heard none, and it was so announced; so the vote was reconsidered. The conference report is now before the Senate.

## THE KOREAN WAR SITUATION

Mr. TAFT. Mr. President, I desire to speak with reference to the Korean crisis, and at a later time to ask permission to put into the RECORD a number of documents which deal with the basic consideration of that crisis.

Early on Sunday morning, June 25, the Communist-dominated Republic of North Korea launched an unprovoked aggressive military attack on the Republic of Korea, recognized as an independent nation by the United Nations. On the same day the Security Council of the United Nations adopted a resolution noting with grave concern the armed attack upon the Republic of Korea from forces from North Korea, and determining that this action constituted a breach of the peace. The resolution called for the immediate cessation of hostilities, for the withdrawal of the armed forces of North Korea to the thirty-eighth parallel, and for the United Nations Commission on Korea to make informational reports; and called "upon all members to render every assistance to the United Nations in the execution of this resolution and to refrain from giving assistance to the North Korean authorities." This resolution was adopted by a vote of nine members, Russia being absent, and Yugoslavia abstaining.

The attack did not cease, and on Tuesday, June 27, the President issued a statement announcing that he had "ordered United States air and sea forces to give the Korean Government troops cover and support." He also announced that he had ordered the Seventh Fleet to prevent any attack on Formosa, and that he had directed that United States forces in the Philippines be strengthened, and that military assistance to the Philippine Government and the forces of France and the associated states in Indochina be accelerated.

On the same day, last night, the United Nations adopted another resolution definitely recommending "that the members of the United Nations furnish such assistance to the Republic of Korea as

may be necessary to repel the armed attack and restore international peace and security in the area." This vote was adopted by seven members of the Security Council; I am informed, I am not absolutely certain, Yugoslavia voting "no," and India and Egypt refraining from voting, Russia still being absent. American air and sea forces have moved into Korea and are partaking in the war against the northern Korea Communists.

No one can deny that a serious crisis exists. The attack was as much a surprise to the public as the attack at Pearl Harbor, although, apparently, the possibility was foreseen by all our intelligence forces, and should have been foreseen by the administration. We are now actually engaged in a de facto war with the northern Korean Communists. That in itself is serious, but nothing compared to the possibility that it might lead to war with Soviet Russia. It is entirely possible that Soviet Russia might move in to help the North Koreans and that the present limited field of conflict might cover the entire civilized world. Without question, the attack of the North Koreans is an outrageous act of aggression against a friendly independent nation, recognized by the United Nations, and which we were instrumental in setting up. The attack in all probability was instigated by Soviet Russia. We can only hope that the leaders of that country have sufficient judgment to know that a world war will result in their own destruction, and will therefore refrain from such acts as might bring about such a tragic conflict.

Mr. President, Korea itself is not vitally important to the United States. It is hard to defend. We have another instance of communism picking out a soft spot where the Communists feel that they can make a substantial advance and can obtain a moral victory without risking war. From the past philosophy and declarations of our leaders, it was not unreasonable for the North Koreans to suppose that they could get away with it and that we would do nothing about it.

The President's statement of policy represents a complete change in the programs and policies heretofore proclaimed by the administration. I have heretofore urged a much more determined attitude against communism in the Far East, and the President's new policy moves in that direction. It seems to me that the time had to come, sooner or later, when we would give definite notice to the Communists that a move beyond a declared line would result in war. That has been the policy which we have adopted in Europe. Whether the President has chosen the right time or the right place to declare this policy may be open to question. He has information which I do not have.

It seems to me that the new policy is adopted at an unfortunate time, and involves the attempt to defend Korea, which is a very difficult military operation indeed. I sincerely hope that our Armed Forces may be successful in Korea. I sincerely hope that the policy thus adopted will not lead to war with Russia. In any event, I believe the general principle of the policy is right, and I see no choice except to back up wholeheartedly and with every available resource the men in our Armed Forces who have been moved into Korea.

If we are going to defend Korea, it seems to me that we should have retained our Armed Forces there and should have given, a year ago, the notice which the President has given today. With such a policy, there never would have been such an attack by the North Koreans. In short, this entirely unfortunate crisis has been produced first, by the outrageous, aggressive attitude of Soviet Russia, and second, by the bungling and inconsistent foreign policy of the administration.

I think it is important to point out, Mr. President, that there has been no pretense of any bipartisan foreign policy about this action. The leaders of the Republican Party in Congress have never been consulted on the Chinese policy or Formosa or Korea or Indochina. Republican members of the Foreign Relations Committee and of the Armed Forces Committee were called to the White House at 10:30 a. m. on June 27, and were informed with regard to the President's statement, but, of course, they had no opportunity to change it or to consult Republican policy committees in either the House of Representatives or the Senate.

I hope at a later time to put into the RECORD a historical statement of the position of various Republican leaders on the general question of China policy, showing that it is very different, indeed, from what the President has heretofore advocated, and that, in general, it is more in accord with what he is now proposing.

Furthermore, it should be noted that there has been no pretense of consulting the Congress. No resolution has ever been introduced asking for the approval of Congress for the use of American forces in Korea. I shall discuss later the question of whether the President is usurping his powers as Commander in Chief. My own opinion is that he is doing so; that there is no legal authority for what he has done. But I may say that if a joint resolution were introduced asking for approval of the use of our Armed Forces already sent to Korea and full support of them in their present venture, I would vote in favor of it.

I have said that the present crisis is produced by the bungling and inconsistent policies of the administration.

First, at Yalta and at Potsdam we agreed to the division of Korea along the thirty-eighth parallel, giving the Russians the northern half of the country, with most of the power and a good deal of the industry, and leaving a southern half which could not support itself, except on an agricultural basis. This was in line with a very foolish policy which paid for Russian assistance against Japan, which we did not need, by presenting Russia with the Kurile Islands, half of Sakhalin Island, the control of Manchuria, and the control of northern Korea. Apparently someone at Yalta saw the thirty-eighth parallel drawn on the map and did not take the trouble to suggest a more sensible line, if Korea had to be divided at all. The agreement was a part of the sympathetic acceptance of communism as a peace-loving philosophy, which has made Russia a threat to the very existence of the world.

Second, the Chinese policy of the administration give basic encouragement to the North Korean aggression. If the United States was not prepared to use its troops and give military assistance to Nationalist China against Chinese Communists, why should it use its troops to defend Nationalist Korea against Korean Communists? That certainly must have seemed a fairly logical conclusion to those who have inaugurated this aggression. The Communists undoubtedly considered that Korea was very much less important than China to the United States, and that they could get away with their grab of Korea, as the Chinese Communists got away with theirs in China. The general policy of doing nothing in China was reaffirmed by Secretary Acheson in a speech before the National Press Club as recently as January 12 of this year.

I shall read now from the New York Herald Tribune's account of that speech:

> Secretary of State Dean Acheson accused the Soviet Union today of planning dismemberment of China. He said the United States could exploit the eventual resentment of Asian peoples over this aggression only by avoiding foolish adventures such as intervention on Formosa.

I might suggest that intervention in Korea from a military standpoint is a good deal more foolish an adventure than intervention on Formosa.

According to the New York Herald Tribune account, Secretary Acheson also said:

> Soviet Russia, using new methods, new skills, and new concepts to cloak imperialist aggression, already had swallowed Outer Mongolia and has nearly completed the absorption of Manchuria, Secretary Acheson said. He charged Moscow with similar designs on the areas of Inner Mongolia and Sinkiang.
>
> In a major policy speech before the National Press Club, Secretary Acheson said the United States was helpless to prevent this dismemberment. He made it clear that the State Department's future plans for checking the spread of Soviet influence through Asia would depend mainly on the righteous wrath and anger of Chinese and other Asiatics over Russian encroachments.

No doubt the North Korean Communists were quite prepared to take a chance on that "righteous wrath and anger" of the Chinese and perhaps of other Koreans, which might perhaps develop some 10 years from today.

According to the account in the New York Herald Tribune, Secretary Acheson also said:

> For its own security the United States must and shall maintain armed forces in Japan, the Ryukyu Islands (Okinawa) and the Philippines. But no such line of containment could be drawn in southern and southeast Asia, where the United States had no direct responsibilities and only limited opportunities for action.
>
> He said we would fight if Japan, Okinawa, or the Philippines were attacked.
>
> But we could give no such guaranty to southern and southeast Asia.

In other places he made it equally clear that neither Formosa nor Korea

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was included behind the line upon which the United States would stand.

Just for my own satisfaction, I read:

He jabbed sarcastically at Senator ROBERT A. TAFT, Republican, of Ohio, who charged in the Senate yesterday that President Truman and Secretary Acheson had forsaken the policy of containing communism by their refusal to save Formosa.

This is quoting Secretary Acheson.

To say that the main motive of American foreign policy was to halt the spread of communism was putting the cart before the horse. The United States was interested in stopping communism chiefly because it had become a subtle instrument of Soviet imperialism.

There is nothing, apparently, against communism.

American intervention on Formosa would obscure the issue * * *. At his White House press conference, President Truman also took a slap at Senator TAFT. Observing that Senator TAFT was entitled to his opinion, President Truman added: "I didn't know he was a military expert, though."

Secretary Acheson made about the same statement to the Foreign Relations Committee at about the same time. To the Foreign Relations Committee he said the United States would have an impregnable defense line in the Far East, without Formosa.

Secretary Acheson was quoted as making the suggestion to the Senate Committee on Foreign Relations yesterday. According to the Senator from Texas [Mr. CONNALLY], the Secretary said Japan, Okinawa, and the Philippines were the American line of security in the western Pacific, and that with bases on this line the position would be impregnable. He said he would not speak for the Joint Chiefs of Staff, although he gave the impression that he knew something of their views. He strongly reaffirmed President Truman's stand against sending military forces or military advice to the Chinese Nationalists on Formosa, and he said that he alone was responsible for the State Department's confidential guidance message of December 23, telling its officials abroad to prepare for the loss of Formosa to the Communists.

Acheson said that several important problems had come to a head since Congress adjourned 3 months ago. One of them was possible American recognition of Communist China. On this point he reminded Senators that the Communists now control all of China except a few isolated areas, which the Administration saw no need for haste in recognizing. He said American recognition would depend on future events, including assurances that Chinese Communists would protect the safety of American citizens and obey international law. He distinctly stated that beyond the line laid down the United States could not assure the rest of the Far East against attack.

With such a reaffirmation of our Far Eastern policy, is it any wonder that the Korean Communists took us at the word given by the Secretary of State? If we were contemplating the recognition of Communist China, as the Secretary clearly indicated, then certainly they could well think that if they could once occupy Korea, they could look forward to recognition by the United States of a Communist Korea.

Mr. President, our action in Korea itself invited attack. Under the third policy, the policy with regard to Korea, we withdrew our troops from Korea, because it was said that it was impossible to defend Korea on a military basis. We did, however, declare that we would give armed assistance to Korea. The Mutual Defense Assistance Act of 1949 authorized the President "to furnish military assistance to the Republic of Korea," and, in the second supplemental appropriation act passed October 28, 1949, $10,500,000 was set aside to carry out the provisions of the authorization.

Assistant Secretary Webb testified specifically, both before the House and Senate, that the appropriation was sought for the purpose of helping Koreans to deter external aggression.

As a matter of fact, however, apparently no part of this appropriation, other than $200, has ever been spent to give military assistance to the Republic of Korea. I talked today with an American Army officer who has been in an important position in Korea for 3 years. He told me that we had never kept our promises to the Koreans, either as to economic assistance or as to military assistance, and that, as a matter of fact, except for the arms left behind, we have sent no military assistance to the Koreans.

Furthermore, the policy has been adopted——

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Michigan?

Mr. TAFT. I yield.

Mr. FERGUSON. I noticed that the Senator from Ohio has said that $10,500,000 was allotted for this specific purpose. Is it not true also that the entire $27,600,000 that was allotted to the Philippines, Iran, and Korea could all have been used, together with the $73,000,000 which had been allotted to territory in the vicinity of China; so that all that sum could have been used for this specific purpose?

Mr. TAFT. That is true. There was practically an unlimited amount of money available, and no direct aid for that purpose has been given.

Furthermore, that has been the policy of the administration, contrary to the grounds on which they sought the money, through Secretary Webb's testimony and the request for appropriation. They have actually adopted the policy of only giving aid for internal security. The President's own statement makes that clear. The President's statement says, as will be noted:

In Korea the Government forces, which were armed to prevent border raids and to preserve internal security—

He did not follow the policy which was authorized by Congress. He did not use the money which was given him for the purpose of opposing external aggression.

The policy has been—and it was so testified yesterday before one of the Senate committees by the generals in charge—simply to give them the money to maintain internal security.

Certainly the fact of our policy toward the arming of South Korea was well known to the North Koreans, and certainly it was a policy which invited the attack which has occurred.

Furthermore, our general position about Korea I think was reasonably expressed by the distinguished Senator from Texas in an interview appearing in the May 5 report of the United States News. The Senator was asked:

Question. Do you think the suggestion that we abandon South Korea is going to be seriously considered?

Answer. I am afraid it is going to be seriously considered because I'm afraid it's going to happen, whether we want it or not. I'm for Korea. We're trying to help her—we're appropriating money now to help her. But South Korea is cut right across by this line—north of it are the Communists, with access to the mainland—and Russia is over there on the mainland. So that whenever she takes a notion she can overrun Korea just like she probably will overrun Formosa when she gets ready to do it. I hope not, of course.

Question. But isn't Korea an essential part of the defense strategy?

Answer. No. Of course, any position like that is of some strategic importance. But I don't think it is very greatly important. It has been testified before us that Japan, Okinawa, and the Philippines make the chain of defense which is absolutely necessary. And, of course, any additional territory along in that area would be that much more, but it's not absolutely essential.

So we have the chairman of the Foreign Relations Committee of the Senate of the United States announcing to North Koreans that we are not going to bother with South Korea, they can go ahead, and that we have no policy which in any way involves an effort to prevent their occupation of South Korea.

Mr. President, the attitude of the administration with regard to the defense of Formosa emphasized clearly the policy of nonintervention in Asia beyond the line laid by Secretary Acheson.

The President made that clear in the statement which he isued on January 5. We would do nothing whatever about Formosa. He said:

Similarly, the United States Government will not provide military aid or advice even to Chinese forces on Formosa.

And Secretary Acheson made that doubly clear when he appeared before the committee. I have referred to the fact that he left Formosa outside the line which was defined, with the Philippines, Okinawa, and Japan. Acheson took responsibility for a State Department directive sent to its representatives in the Far East, which directive contained interesting statements of policy. The documents said that false impressions of the island's military value should be countered. This was an instruction to our representatives in the Far East. It says that "Formosa has no special military significance," that it is strictly a Chinese affair. I read:

In areas of insistent demand for United States action, particularly in the United States itself, we (the members of the State Department) should occasionally make clear that seeking United States bases on Formosa,

sending troops, supplying arms, dispatching naval units or taking any similar action would (A) Accomplish no material good for China or its Nationalist regime; (B) involve the United States in a long-term venture, producing at best a new area of bristling and stalemate and at worst possible involvement in open warfare.

Loss of the island is widely anticipated and the manner in which civil and military conditions there have deteriorated under the Nationalists adds weight to the expectation.

Mr. Acheson indicated, further, that America might recognize Communist China, but that American recognition would depend on future events, including assurances that the Chinese Communists would protect the safety of American citizens and obey international law. If the administration was contemplating recognition of Communist China after they had seized China, why not hope for recognition of Korean Communists after they had seized Korea?

In his Press Club speech he attacked those of us who suggested that the United States at least ought to prevent Communist attacks on Formosa. I read from the Cleveland Plain Dealer of January 12:

To say that the main motive of American foreign policy was to halt the spread of communism was putting the cart before the horse. The United States was interested in stopping communism chiefly because it had become a subtle instrument of Soviet imperialism.

It is fairly obvious that it is far easier to defend Formosa without becoming involved in war than it is to defend Korea or Indochina without becoming involved in war.

The distinguished chairman of the Foreign Relations Committee [Mr. CONNALLY] also violently attacked my suggestion that we defend Formosa, on the ground that it might result in war, and I think his words on January 9 are well worth reading. He said this:

The Senator from New Jersey did not say a word about defending Korea in his statement in the press. He sided with the Senator from Ohio and former President Mr. Hoover, in wanting to send the Navy. For what purpose? Our Navy has guns, it has airplanes, it has all the armament that goes to make up a great battle machine. Why does the Senator want to send it over there? Is it to play ping-pong? No; he wants to send it over there to fight somebody, he wants to send it over there to kill somebody, he wants to send the Navy over there to fight Communists, and thereby run the risk of plunging this Nation into world war III—world war III, with all its horrors, with all its misery, and all the wreck and ruin which would come to our people if they were provoked in any way to plunge the United States again into a world war.

Certainly the Korean Communists could well think that if that be the attitude of the Chairman of the Foreign Relations Committee of this body, we would not go to war in Korea, which is a far more difficult job and requires a much more strenuous and dangerous operation than would the defense of Formosa.

The distinguished Senator from Texas went on to say:

No, Mr. President, I shall not favor sending a single American boy with a gun in his hand to Formosa to settle a civil war six or seven thousand miles away from his home, in order to appease the political ambitions and the oratorical frothings of Senators in the United States Senate. I am not going to favor that, and I know the American people do not want us to do it.

Certainly, Mr. President, the Senator from Texas has changed his mind, because what we are now doing in Korea, which he approves thoroughly, apparently, is far more dangerous to American lives than would be the mere protection of Formosa by the United States Navy.

I read further:

Mr. President, it is my belief that if we did what certain Senators propose, if we should go into Formosa and occupy it, we would have a liability on our hands instead of an asset. * * *

Mr. President, I want the Senators who are so violent in their views, who are so prolific in their statements, who are so verbose in their oratory about Formosa, to tell us what they would do, what they ask the United States Government to do, what they ask the people to do. I want them to tell us what American boys they want to send to Formosa. I want them to tell the parents of those boys how many American boys they would sent to Formosa to bleed and to die and to be buried in the jungle soil 7,000 miles away.

Mr. President, those were, indeed, eloquent words, but the Senator aparently is now prepared to send American boys in any number to Korea, where we have a far more difficult task than we would have in Formosa.

The Senator from Texas went on to say:

Mr. President, I am not for sending them. I shall fight such a proposal, and I know that the American people will fight it. Therefore I shall propound to every Senator who speaks on this question hereafter the question whether he favors that sort of a policy or whether he does not.

The Senator from Texas has a hard time following the vagaries of the present administration's foreign policies, but he is always faithful to the administration and continues to support any action which the Secretary of State suggests to the President, whatever that action may be.

Mr. President, in my opinion, we should long ago have declared a definite policy. In certain areas we may have to undertake an actual defense with American troops. In other areas we can perhaps undertake only to furnish arms without any agreement on our part to go to war. Everyone agrees that our ultimate aim is the peace of the world. The most dangerous threat to that peace is the kind of wavering foreign policy which this country has maintained.

I welcome the indication of a more definite policy, and I strongly hope that having adopted it the President may maintain it intact.

In the President's statement there is a direct repudiation of the policies of Secretary Acheson declared in January of this year. The use of United States air and sea forces in Korea overrules the policy of American withdrawal and the defense of the Okinawa-Japanese line. The statement that "the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and the United States forces performing their lawful and necessary functions in that area," is directly contrary to the statement of Secretary Acheson that Formosa has no military value and that "we are not going to get involved militarily in any way on the Island of Formosa."

The President now says that the determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations. This is a direct overruling of Secretary Acheson's position on January 5 to the effect that it was wholly unnecessary to wait for a treaty with Japan because Formosa's position had been definitely settled by the Cairo and Potsdam agreements.

The furnishing of military assistance to Indochina contradicts Secretary Acheson's statement that all the United States could do in Southeast Asia was to provide advice and assistance when asked, and that the responsibility was not ours.

Mr. President, since I approve of the changes now made in our foreign policy, I approve of the general policies outlined in the President's statement. I feel that we must back up our troops, where they have been sent by the President, with unstinted support. Whether the President chose the right time for his new policy, or the right place, can be discussed in the future. I suggest, however, that any Secretary of State who has been so reversed by his superiors and whose policies have precipitated the danger of war, had better resign and let someone else administer the program to which he was, and perhaps still is, so violently opposed.

[Applause on the floor and in the galleries.]

The PRESIDING OFFICER (Mr. GILLETTE in the chair). The rules of the Senate forbid any demonstration of approval or of disapproval.

Mr. LUCAS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Mr. President, the sad part of it is the fact that it was Senators who were violating the rule.

Mr. TAFT. Mr. President, I have only a few words to say on the legal right of the President's act.

Although I should be willing to vote to approve the President's new policy as a policy, and give support to our forces in Korea, I think it is proper and essential that we discuss at this time the right and power of the President to do what he has done. I hope others will discuss it, because I have not thoroughly investigated the question of the right and the power of the President to do what he has done.

His action unquestionably has brought about a de facto war with the Government of northern Korea. He has brought that war about without consulting Congress and without congressional approval. We have a situation in which in a far distant part of the world one nation has attacked another, and if the President can intervene in Korea without congressional approval, he can go to war in Malaya or Indonesia or Iran

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or South America. Presidents have at times intervened with American forces to protect American lives or interests, but I do not think it has been claimed that, apart from the United Nations Charter or other treaty obligations, the President has any right to precipitate any open warfare.

It is claimed that the Korean situation is changed by the obligations into which we have entered under the Charter of the United Nations. I think this is true, but I do not think it justifies the President's present action without approval by Congress. I stated when we were discussing the bill to implement the United Nations Charter that I felt that once the American representative on the Security Council voted in favor of using armed forces then the President was entitled to go ahead and use those forces without further action by Congress. I objected to the bill because it gave the President unlimited power to tell our representative on the Security Council how he must vote so that he could commit the country to the use of armed forces without congressional authority. I felt that giving the President the right to tell our representative on the Security Council how he should or should not vote, in effect gave him the right to put the United States into war, provided the other sections of the bill were complied with.

Section 6, however, dealt particularly with the time in which armed forces may be used to support the United Nations. What it says is this:

> The President is authorized to negotiate a special agreement or agreements with the Security Council which shall be subject to the approval of the Congress by appropriate act or joint resolution, providing for the numbers and types of armed forces, their degree of readiness and general location, and the nature of facilities and assistance, including rights of passage, to be made available to the Security Council on its call for the purpose of maintaining international peace and security in accordance with article 43 of said Charter. The President shall not be deemed to require the authorization of the Congress to make available to the Security Council on its call in order to take action under article 42 of said Charter and pursuant to such special agreement or agreements the armed forces, facilities, or assistance provided for therein: *Provided*, That nothing herein contained shall be construed as an authorization to the President by the Congress to make available to the Security Council for such purpose armed forces, facilities, or assistance in addition to the forces, facilities, and assistance provided for in such special agreement or agreements.

So, we have enacted the circumstances under which the President may use armed forces in support of a resolution of the Security Council of the United Nations. The first requisite is that we negotiate an agreement to determine what forces shall be used, and in what quantity, and that the agreement be approved by Congress. No agreement has ever been negotiated, of course, and no agreement has ever been presented to Congress. So far as I can see, and so far as I have studied the matter, I would say that there is no authority to use armed forces in support of the United Nations in the absence of some previous action by Congress dealing with the subject and outlining the general circumstances and the amount of the forces that can be used.

Other questions arise out of the United Nations Charter which I think should be explored. At least, they should be debated by this body.

Article 27 provides that decisions of the Security Council on all matters shall be made by an affirmative vote of seven members, including the concurring votes of the permanent members. The word "veto" was never used in the United Nations Charter. It simply provides that there must be the concurring votes of the five permanent members. In this case Soviet Russia has not voted. They never even appeared at the meeting. It is suggested, I understand, that gradually, under the practice adopted, a veto must be expressed by a negative vote; even though that seems directly contrary to the language of article 27. I am not a student of that subject. I merely suggest that the question, and the fact that Korea is not a member of the United Nations, ought to be explored and debated very fully by the Senate. I do not think there is any immediate rush about it. I merely do not like to have this action go by with the approval of the Senate, if it is what it seems to me, namely, a complete usurpation by the President of authority to use the Armed Forces of this country. If the incident is permitted to go by without protest, at least from this body, we would have finally terminated for all time the right of Congress to declare war, which is granted to Congress alone by the Constitution of the United States.

Mr. President, I now ask unanimous consent that I may have printed in the RECORD at this point the statement the President made yesterday; the statement of the President with regard to Formosa made on January 5, 1950; the statement of the Secretary of State regarding Formosa, released on January 5, 1950; an article from the New York Herald Tribune describing the Secretary of State's speech before the National Press Club; an article from the Washington Post setting out the Secretary of State's opinions expressed before the Foreign Relations Committee as reported by the chairman of the committee; a statement which I made on the subject of Formosa, and one or two other articles.

There being no objection, the statements and articles were ordered to be printed in the RECORD, as follows:

STATEMENT BY THE PRESIDENT, JUNE 27, 1950

In Korea the Government forces, which were armed to prevent border raids and to preserve internal security, were attacked by invading forces from north Korea. The Security Council of the United Nations called upon the invading troops to cease hostilities and to withdraw to the thirty-eighth parallel. This they have not done, but on the contrary have pressed the attack. The Security Council called upon all members of the United Nations to render every assistance to the United Nations in the execution of this resolution. In these circumstances I have ordered United States air and sea forces to give the Korean Government troops cover and support.

The attack upon Korea makes it plain beyond all doubt that communism has passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war. It has defied the orders of the Security Council of the United Nations issued to preserve international peace and security. In these circumstances the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to United States forces performing their lawful and necessary functions in that area.

Accordingly I have ordered the Seventh Fleet to prevent any attack on Formosa. As a corollary of this action I am calling upon the Chinese Government on Formosa to cease all air and sea operations against the mainland. The Seventh Fleet will see that this is done. The determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations.

I have also directed that United States forces in the Philippines be strengthened and that military assistance to the Philippine Government be accelerated.

I have similarly directed acceleration in the furnishing of military assistance to the forces of France and the associated states in Indochina and the dispatch of a military mission to provide close working relations with those forces.

I know that all members of the United Nations will consider carefully the consequences of this latest aggression in Korea in defiance of the Charter of the United Nations. A return to the rule of force in international affairs would have far-reaching effects. The United States will continue to uphold the rule of law.

I have instructed Ambassador Austin, as the representative of the United States to the Security Council, to report these steps to the Council.

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STATEMENT BY THE PRESIDENT, JANUARY 5, 1950

The United States Government has always stood for good faith in international relations. Traditional United States policy toward China, as exemplified in the open-door policy, called for international respect for the territorial integrity of China. This principle was recently reaffirmed in the UN General Assembly resolution of December 8, 1949, which, in part, calls on all states—

"To refrain from (a) seeking to acquire spheres of influence or to create foreign controlled regimes within the territory of China; (b) seeking to obtain special rights or privileges within the territory of China."

A specific application of the foregoing principles is seen in the present situation with respect to Formosa. In the Joint Declaration at Cairo on December 1, 1943, the President of the United States, the British Prime Minister and the President of China stated that it was their purpose that territories Japan had stolen from China, such as Formosa, should be restored to the Republic of China. The United States was a signatory to the Potsdam Declaration of July 26, 1945, which declared that the terms of the Cairo Declaration should be carried out. The provisions of this declaration were accepted by Japan at the time of its surrender. In keeping with these declarations, Formosa was surrendered to Generalissimo Chiang Kai-shek and for the past 4 years the United States and other Allied Powers have accepted the exercise of Chinese authority over the island.

The United States has no predatory designs on Formosa or on any other Chinese territory. The United States has no desire to obtain special rights or privileges or to establish military bases on Formosa at this time. Nor does it have any intention of utilizing its Armed Forces to interfere in the present situation. The United States Government will not pursue a course which will lead to involvement in the civil conflict in China.

Similarly, the United States Government will not provide military aid or advice to Chinese forces on Formosa. In the view of the United States Government, the resources on Formosa are adequate to enable them to obtain the items which they might consider necessary for the defense of the island. The United States Government proposes to continue under existing legislative authority the present ECA program of economic assistance.

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DEPARTMENT OF STATE, JANUARY 5, 1950, UNITED STATES POLICY WITH RESPECT TO FORMOSA

(At his press conference today, the Honorable Dean Acheson, Secretary of State, made the following extemporaneous remarks regarding the statement of the President concerning United States policy with respect to Formosa:)

I am having this conference this afternoon at the request and at the direction of the President for the purpose of going into the background of the statement which he made this morning on the subject of Formosa.

I should like to make a few remarks on this subject for the purpose of trying to put it in its setting for you and then we will get down into such details as you want to get into.

Why was the statement made at this particular time? That is a question that arises in all of your minds and I want to recall to you that I have said very often in these meetings that the foreign policy of the United States is determined not merely by what the State Department says, or not even by what the President says and not even by what the Congress says but reflects the sum total of the activities, thoughts and speech of the American people. For the past week or 10 days, this subject of Formosa has become one of the foremost subjects of discussion throughout the country.

The ordinary processes of life in this town of Washington have made their contribution. We have had leak and counterleak, gossip and countergossip. We have had the contributions of distinguished statesmen in the debate. We have had a great deal of talk in the press and on the radio. Much of that is good and much of that is desirable and all of it has to go on to make the United States the democracy that it is. But we slide very easily from discussion to the statement of fact. I have here a distinguished foreign newspaper dated February last (December 30) which announces as a fact that President Truman has decided, et cetera, and et cetera, giving something which President Truman had not decided and had not intended to decide. Therefore, what has occurred is that we have gotten a great deal of confusion in the minds of our own people. We have gotten a great deal of confusion in the minds of foreign people. We have stirred up a good deal of speculation, all of which, if allowed to continue, would be highly prejudicial to the interests of the United States of America. And therefore, it was the President's desire to clarify the situation. He was not primarily concerned in stating anything new and you will find very little which is new in the statement. What he was interested in doing was bringing clarity out of confusion.

That, I think, gives you the background as to why it was necessary to make the statement at the present time. It would have been desirable from our point of view if the whole question of the Far East, and all of the parts of the Far East and of Formosa, which after all is a small part of the great question of the Far East, could have been discussed very fully with members of both parties on the Hill before any statement was made. But one has to choose in this life and it was more important to clarify thinking than it was to go on and have the most desirable of all possible things which is consultation.

Now, getting down to this statement, let's be clear about one or two things. There has been a great deal of amateur military strategy indulged in in regard to this matter of Formosa. The underlying factors in the decision are not in that area. They have to do with the fundamental integrity of the United States and with maintaining in the world the belief that when the United States takes a position it sticks to that position and does not change it by reason of transitory expediency or advantage on its part. If we are going to maintain the free nations of the world as a great unit opposed to the encroachment of communism and other sorts of totalitarian aggression, the world must believe that we stand for principle and that we are honorable and decent people and that we do not put forward words, as propagandists do in other countries, to serve their advantage only to throw them overboard when some change in events makes the position difficult for us.

We believe in integrity in our foreign relations. We believe also in respect of the integrity of other countries. That is a view not held by some other countries. That is a view not held by some other countries with respect to China.

It is important that our position in regard to China should never be subject to the slightest doubt or the slightest question.

Now, what has that position been? In the middle of the war, the President of the United States, the Prime Minister of Great Britain, and the President of China agreed at Cairo that among the areas stolen from China by Japan was Formosa and Formosa should go back to China.

As the President pointed out this morning that statement was incorporated in the Declaration at Potsdam and that Declaration at Potsdam was conveyed to the Japanese as one of the terms of their surrender and was accepted by them and the surrender was made on that basis.

Shortly after that the island of Formosa was turned over to the Chinese in accordance with the declarations made and with the conditions of the surrender.

The Chinese have administered Formosa for 4 years. Neither the United States nor any other ally ever questioned the authority and that occupation. When Formosa was made a province of China nobody raised any lawyers' doubts about that. That was regarded as in accordance with the commitments.

Now, in the opinion of some, the situation is changed. They believe that the forces now in control of the mainland of China, the forces which undoubtedly will soon be recognized by some other countries, are not friendly to us, and, therefore, they want to say, "Well, we have to wait for a treaty." We did not wait for a treaty on Korea. We did not wait for a treaty on the Kuriles. We did not wait for a treaty on the islands over which we have trusteeship.

Whatever may be the legal situation, the United States of America, Mr. Truman said this morning, is not going to quibble on any lawyers' words about the integrity of its position. That is where we stand.

Therefore, the President says, we are not going to use our forces in connection with the present situation in Formosa. We are not going to attempt to seize the island. We are not going to get involved militarily in any way on the island of Formosa. So far as I know, no responsible person in the Government, no military man, has ever believed that we should involve our forces in the island.

I do not believe that is new policy. It would be new policy if we decided to do that. The President is affirming what so far as I know has been the view of his administration and the unquestioned view ever since I have known about it.

The President goes on to say that we do not intend to give military assistance or advice—that is, matériel and military people—to the forces on Formosa, and he says why. He says that there are resources on that island which are adequate to enable those on the island to obtain whatever necessary military supplies they believe they have to have. That is against a background of very considerable gifts on our part at a time when the Government on Formosa was recognized by everybody as the Government of China and was in control of a very large part of China. We gave vast amounts of military equipment to that Government after the war up until 1948. In 1948 another act of Congress was passed, and $125,000,000 of military equipment was turned over.

That is not where the difficulty lies in maintaining the island by the forces on it. It is not that they lack rifles or ammunition or that, if they do have any deficiencies in any of those, they cannot purchase what they need. That is not the trouble. The trouble lies elsewhere, and it is not the function of the United States nor will it or can it attempt to furnish a will to resist and a purpose for resistance to those who must provide for themselves.

That is the background of this statement. The President goes on to say that in regard to economic assistance which we have been furnishing, we will furnish it for as long as the legislation that Congress has passed permits us to. Whether that legislation will be extended or not, I don't wish to prejudice this afternoon. That is a matter for discussion with the leaders and for action by the Congress.

We have been, through the ECA, conducting programs one of which has resulted in all the fertilizer necessary for the spring crop on the island of Formosa. Others have been the purchase of necessary oil for refining on the island and for running the power plants and other things on the island. Other programs have had to do with keeping their power plants and other factories in repair and in operation. Those are going forward.

Now those are the main statements of background which I wish to make. I am informed by Mr. McDermott that some of you wish me to say what, if any, significance is to be attached to the sentence in the next-to-last paragraph of the statement, which says: "The United States has no desire to obtain special rights or privileges or to establish military bases on Formosa at this time." The question is, what does that phrase "at this time" mean. That phrase does not qualify or modify or weaken the fundamental policies stated in this declaration by the President in any respect. It is a recognition of the fact that in the unlikely and unhappy event that our forces might be attacked in the Far East the United States must be completely free to take whatever action in whatever area is necessary for its own security.

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[From the New York Herald Tribune of January 13, 1950]

BARS ANY FORMOSA VENTURE AS "FOOLISH"—SAYS UNITED STATES WOULD FIGHT TO DEFEND PHILIPPINES OR JAPAN—RETORTS TO TAFT

(By Homer Bigart)

WASHINGTON, January 12.—Secretary of State Dean Acheson accused the Soviet Union today of planning dismemberment of China. He said the United States could exploit the eventual resentment of Asian peoples over this aggression only by avoiding "foolish adventures" such as intervention on Formosa.

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Soviet Russia, using new methods, new skills and new concepts to cloak imperialist aggression, already has swallowed Outer Mongolia and has nearly completed the absorption of Manchuria, Secretary Acheson said. He charged Moscow with similar designs on the areas of Inner Mongolia and Sinkiang.

In a major policy speech before the National Press Club Secretary Acheson said the United States was helpless to prevent this dismemberment. He made it clear that the State Department's future plans for checking the spread of Soviet influence through Asia would depend mainly on "the righteous wrath and anger" of Chinese and other Asiatics over Russian encroachments.

MUST DEFEND JAPAN

For its own security the United States must and shall maintain armed forces in Japan, the Ryukyu Islands (Okinawa) and the Philippines, he emphasized. But no such line of containment could be drawn in southern and southeast Asia, where, he said, the United States had no direct responsibilities and only limited opportunities for action.

He said we would fight if Japan, Okinawa, or the Philippines were attacked.

But we could give no such guaranty to southern and southeast Asia, he insisted. There were limits to effective United States assistance and a military guaranty to those areas was "hardly sensible or necessary." Those areas, he said, would have to rely on the United Nations Charter for protection against aggression.

EXPLAINS MOTIVES

The peoples of southern and southeast Asia "are on their own," he said. The United States could not provide these peoples with the will to fight communism nor give them a sense of loyalty toward their present governments; the United States could provide only "the missing components"—economic aid and advice—where such help was requested and where it appeared to have a fighting chance of success, he said.

He gave a Wilsonian explanation of the high moral motives which he said activated American policy and made impossible our intervention in Formosa. He declared: "We must keep our purposes perfectly straight, perfectly pure, and perfectly aboveboard."

He jabbed sarcastically at Senator ROBERT A. TAFT, Republican, of Ohio, who charged in the Senate yesterday that President Truman and Secretary Acheson had forsaken the policy of containing communism by their refusal to save Formosa.

To say that the main motive of American foreign policy was to halt the spread of communism was putting the cart before the horse, Secretary Acheson said. The United States was interested in stopping communism chiefly because it had become a subtle instrument of Soviet imperialism. American intervention on Formosa would obscure the issue and deprive this Nation of a valuable propaganda springboard, he said.

He ridiculed Senator TAFT's assertion that he had "not the slightest doubt that the proper kind of sincere aid to the Nationalist government could have stopped communism in China." He said he had been in the foreign-relations business too long to believe anyone could be so sure of results.

At his White House press conference, President Truman also took a slap at Senator TAFT. Observing that Senator TAFT was entitled to his opinion, President Truman added: "I didn't know he was a military expert, though."

TAFT DECLINES COMMENT

Senator TAFT declined to comment. "I've made my statement and I don't see why I should say any more," he said.

[From the Washington Post of January 11, 1950]

PACIFIC DEFENSE SAFE, ACHESON SAYS—LINE CALLED IMPREGNABLE, FORMOSA NOT NEEDED—SECRETARY DETAILS WORLD POLICIES AT CLOSED SESSION WITH SENATE COMMITTEE

(By Ferdinand Kuhn)

The United States will have an impregnable defense line in the Far East without Formosa, Secretary of State Acheson was quoted as having told the Senate Foreign Relations Committee yesterday.

The Secretary spent more than 4 hours with the committee, vigorously defending administration foreign policy and reviewing current problems in Europe and Asia.

The morning and afternoon meetings took place behind closed doors, but afterward Chairman TOM CONNALLY (Democrat, Texas) gave reporters a point-by-point account of what the Secretary had said, including the confident remark about Pacific defenses.

SILENT ON JOINT CHIEFS' VIEW

According to CONNALLY, the Secretary said Japan, Okinawa, and the Philippines were the American line of security in the western Pacific, and that with bases on this line the position would be impregnable.

But the Secretary firmly resisted every attempt to get him to say what the Joint Chiefs of Staff or Gen. Douglas MacArthur thought of Pacific defenses in general or of Formosa in particular.

He said he would not speak for the Joint Chiefs, although he gave the impression that he knew something of their views. He strongly reaffirmed President Truman's stand against sending military forces or military advice to the Chinese Nationalists on Formosa.

And he said he alone was responsible for the State Department's confidential guidance message of December 23 telling its officials abroad to prepare for the loss of Formosa to the Communists.

KNOWLAND NOT SATISFIED

Five Republicans not on the committee—FERGUSON (Michigan), KNOWLAND (California), SALTONSTALL (Massachusetts), THYE (Minnesota), and TOBEY (New Hampshire)—were present as guest observers without the right to question Acheson or to speak. TOBEY said afterward that the meeting had given him "the most interesting day since I came to Washington."

KNOWLAND, the most persistent critic of the President's policy toward Formosa, said he was still not satisfied, and announced that he would try to have the Joint Chiefs called to testify before the Armed Services Committee, of which he is a member.

But Chairman MILLARD E. TYDINGS (Democrat, Maryland) promptly told reporters he would not call the Joint Chiefs, and if anyone did it, it would have to be the Foreign Relations Committee.

Judging from CONNALLY and other Senators who heard him, Acheson said little that was new, although he did sound the committee for the first time on several important problems that had come to a head since the Congress adjourned 3 months ago.

One of them was possible American recognition of Communist China. On this he reminded the Senators that the Communists now controlled all of China except a few isolated areas, but that the administration saw no need for haste in recognizing them.

DEPENDS ON FUTURE EVENTS

He said American recognition would depend on future events, including assurances that the Chinese Communists would protect the safety of American citizens and obey international law.

STATEMENT BY SENATOR TAFT ON FORMOSA

(Speech in the Senate of the United States, January 11, 1950)

Mr. TAFT. Mr. President, shortly before the first of the year, I expressed the opinion in an interview in Ohio that we should hang on to Formosa and prevent Communist occupation of Formosa, even though it involved the use of our Navy. I did not suggest the occupation of Formosa, nor the sending of any army, or even the sending of any Navy. Our Navy is there already, with bases within a short distance, and its ships are between Formosa and China, as anyone knows who read this morning's newspapers. Formosa is a hundred miles from the mainland and there can be no crossing if our Navy makes it clear that ships carrying troops will not be allowed to cross. In fact, probably there would be no such attempt at all if the State Department made it perfectly clear that we do not intend to permit Communist occupation of Formosa.

The basis of our foreign policy in the last 3 or 4 years, if there has been any consistent foreign policy, is to contain communism where it is and prevent any single step of advance, because success in any such step is certain, considering the character of communism, to lead to another step. We, therefore, sent our military aid and our officers into Greece, although it might easily have involved us in war. We have given military aid to Turkey and to Iran. We have stood firm against Communist advance in Korea and provided the Koreans with large amounts of military aid and American advice. In undertaking the airlift in Germany, we certainly risked war with Russia in order to maintain unimpaired our position in Berlin. We are asked to appropriate billions of dollars to arm western Europe, although there is no evidence that at the present time the Russians contemplate any military attack in that area. We have given notice to Russia, by the adoption of the Atlantic Pact, that if its troops advance across the boundaries of Italy or the American or British zones of Austria or Germany or Denmark or Norway, it will find itself at war with us. In our policy of laying down the law, "this far you shall go and no further" we have not hesitated to risk war. There is not the slightest evidence that Russia will go to war with us because we interfere with a crossing to Formosa. It is hardly possible to see how the Chinese Communists by themselves can begin a war against the United States, or why they should do so.

In China for some reason, the State Department has pursued a different policy from that followed throughout the rest of the world. There is not the slightest doubt in my mind that the proper kind of sincere aid to the Nationalist Government a few years ago could have stopped communism in China. But the State Department has been guided by a left-wing group who obviously have wanted to get rid of Chiang, and were willing at least to turn China over to the Communists for that purpose. They have, in effect, defied the general policy in China laid down by Congress. In recent months it has, of course, been very doubtful whether aid to the Nationalist Government could be effective, and no one desires to waste American efforts. But Formosa is a place where a small amount of aid and at very small cost, can prevent the further spread of communism. Such action does not commit us to backing that Nationalist Government in any prolonged war against the Chinese Communists. We can determine later whether we ever wish to recognize the Chinese Communists and what the ultimate disposition of Formosa shall be.

As I understand, the people of Formosa if permitted to vote would probably vote to set up an independent republic of Formosa.

The status of Formosa, therefore, should certainly be kept free for determination until the peace treaty has been written with Japan. Formosa must be legally a part of Japan, for it is difficult to see how the mere declaration of the President at Cairo or Potsdam can change that status without a treaty. One thing is certain, if the Communists take over Formosa, we will have just as much chance of setting up an independent republic of Formosa as we have of returning the western German provinces from Poland to Germany. We know that the Communists will give up nothing which they have occupied. Certainly, we do not desire or intend to undertake an aggressive war to recover land the Communists have occupied. On the other hand if, at the peace conference, it is decided that Formosa should be set up as an independent republic, we certainly have the means to force the Nationalist's surrender of Formosa.

The President's statement on January 5 follows the usual course of setting up a straw man and then proceeding to knock him over. He said:

"The United States has no predatory designs on Formosa or on any other Chinese territory."

No one has suggested that it has.

"The United States has no desire to obtain special rights or privileges or to establish military bases on Formosa at this time."

No one has suggested that it has such a desire.

"The United States Government will not pursue a course which will lead to involvement in the civil conflict in China."

The course suggested will not lead to any such involvement, although, of course, we have involved ourselves in the civil conflict in Greece, in Korea, and elsewhere. When the President, however, says, "Similarly, the United States Government will not provide military aid or advice to Chinese forces on Formosa," he is departing from the policy pursued by us in every other part of the world where the question is whether communism shall be checked. While he states that we will continue the present ECA program of economic assistance, it is quite clear from the past course of the State Department that they have not the slightest intention of giving such assistance in any effective way in such a manner as to assist the occupants of Formosa and defeating a Communist attack.

Those who argue against any action in Formosa are curiously inconsistent. The distinguished Senator from Texas shudders at the possibility of war, although the chance we are taking is 1 in 10 compared to that we are taking in Europe today.

One columnist fears that any action in Formosa different from exactly the action of the State Department would antagonize the leaders of India and Indonesia. His theory seems to be that the way to stop communism in India is to permit it to move into Formosa. That is an exact reproduction of the argument used in support of the policy of Munich. Strange to say, the same columnist is all for extending aid to Burma and Indochina against Communist attack, although it is infinitely less practical and more expensive and difficult than the maintenance of an independent Formosa.

Another columnist argues that if we do not immediately extinguish the Nationalist Government, Red China will not be able to demobilize to carry out economic reconstruction. Therefore, he argues, we should recognize the Communist Government. Whatever may be the arguments for such recognition, it is quite certain that it will in no way tend to reduce the armies of the Chinese Communists. Russia has continued to maintain a huge army, although it is faced with no threat of invasion whatever. I think it is safe to predict that it will be many years before the Chinese Communists reduce their armies by one soldier, because only by those armies can they possibly hope to control China.

The question of the containment of communism is largely a practical one. The only only reason so much heat has been engendered about the Formosan situation is the bitter resentment of the State Department and its pro-Communist allies against any interference with its policy of liquidating the Nationalist Government.

No two men are more familiar with the Far East than General MacArthur and former President Hoover, and both of them are able to see the obvious military and political facts of the situation. Here is a small area of the world where, with no difficulty or expense, we could prevent the spread of communism to an island which might be of great strategic value and whose people desire to be independent.

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[From the New York Times of January 11, 1950]

FALL OF FORMOSA EXPECTED, SAYS UNITED STATES—STATE DEPARTMENT DIRECTIVE CAUTIONS AGAINST FALSE IMPRESSIONS OF ISLAND

TOKYO, Wednesday, January 4.—The United States Department has issued a directive saying that the fall of Formosa is widely anticipated, it was learned today.

The document said false impressions of the island's military value should be countered.

The directive was prepared by the State Department's public affairs policy advisory staff. It was dated December 23.

Addressed to State Department personnel and made available also to officials of some other Government departments, the directive said:

"1. There are pro-Chinese Nationalists, chiefly in the United States, who consider Formosa a redoubt in which the Chinese Nationalist Government could survive, and who tend to create an impression that the United States is delinquent if it fails to save Formosa. This is due largely to a mistaken popular conception of its strategic importance to United States defense in the Pacific.

"2. There has been an insistent demand from a few sources for military action by the United States but it has not assumed significant proportions.

"3. The loss of Formosa would threaten loss of United States prestige to the extent to which we have become committed in the public mind to hold it. The loss also would threaten to damage the morale of other countries which fear the further advance of communism.

"4. Formosa has no special military significance. It is a strictly Chinese affair.

"5. In areas of insistent demand for United States action, particularly in the United States itself, we should occasionally make clear that seeking United States bases on Formosa, sending troops, supplying arms, dispatching naval units or taking any similar action would (A) Accomplish no material good for China or its Nationalist regime; (B) Involve the United States in a long-term venture, producing at best a new area of bristling stalemate and at worst possible involvement in open warfare."

TALK OF UNITED STATES-JAPAN PACT

This document reached here at a time when it had become known that Gen. Douglas MacArthur believed that Formosa should be held and at a moment when he was speeding up the job of making Okinawa, northeast of Formosa, a real United States defense bastion.

It came at a time, too, when there was increasing talk of a Japanese-United States alliance under which the United States would pledge to defend these islands against attack.

"Loss of the island is widely anticipated and the manner in which civil and military conditions there have deteriorated under the Nationalists adds weight to the expectation," the State Department document said.

Formosa is politically, geographically and strategically part of China, the document says, adding that the final status of the island has not been settled but it has been earmarked for China.

COUNTER FALSE IMPRESSIONS

All available material should be used, the document continues, to counter false impressions that retention of the island would save the Nationalist Government and that its loss would seriously damage the interests of either the United States or of other countries opposing communism.

"Formosa has no special military significance," the document says, adding that it is only about 100 miles off the China coast, that other potential objects of Communist aggression are closer, and that "China has never been a sea power and the island is of no special strategic advantage to the Chinese Communist armed forces."

Those receiving the document were cautioned to avoid speculation that would show undue concern with whether the Nationalists can hold the island, references which would indicate important strategic significance or that the island is a political entity and statements that Formosa's final status is still to be determined by the Japanese peace treaty.

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[From the New York Herald Tribune of June 28, 1950]

UNITED STATES FAR EAST POLICY REVERSED BY TRUMAN'S ORDER FOR ACTION—STAND OF HERBERT HOOVER, MACARTHUR, TAFT, AND OTHER REPUBLICAN SENATORS SEEN AS UPHELD

(By Bert Andrews)

WASHINGTON, June 27.—President Truman's strong stand regarding Korea and Formosa marks an almost complete reversal of the position he and Secretary of State Dean Acheson held on these Far Eastern matters just 6 months ago.

It almost amounts to vindication of the attitude taken at that time by General of the Army Douglas MacArthur, former President Herbert Hoover and four Republican Senators, Robert A. Taft, of Ohio, H. Alexander Smith, of New Jersey; Homer Ferguson, of Michigan; and William F. Knowland, of California.

There was complete acceptance by Republicans today that the Communist-backed aggression against the Republic of Korea by the forces of northern Korea has forced the change in strategy and so there was no tendency to raise cries of, "We told you so."

Nevertheless, the record is there in official statements from the President, Secretary Acheson, Mr. Hoover and the Senators; in comments unquestionably inspired by General MacArthur, and in newspaper accounts.

SEE MACARTHUR PREVAILING

It is a record which shows that Secretary Acheson, who believed then that the holding of Formosa by Nationalist China was not vital to the defense of the United States, prevailed upon the President to accept his views over those who held to the contrary.

It is a record—and it is supplemented by quite recent developments—which shows that the opinions of the most contrary man of all, General MacArthur, have finally prevailed.

A capsule illustration of how great the reversal is—an illustration which will be followed by chronological details—is supplied by:

President Truman, on January 5, when Republicans were shouting for more help for Generalissimo Chiang Kai-shek and Formosa: "The United States Government will not provide military aid or advice to Chinese forces on Formosa. The resources on Formosa are adequate to enable them—the Chinese forces—to obtain the items which they might consider necessary for the defense of the island."

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Secretary Acheson, on January 5: "We are not going to get involved militarily in any way on the island of Formosa. So far as I know, no responsible person in the Government, no military man has ever believed that we should involve our forces in the island."

President Truman, in his statement today: "The occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to the United States forces performing their lawful and necessary functions in that area. Accordingly I have ordered the Seventh Fleet to prevent any attack on Formosa."

THE CHRONOLOGY

The complete chronology, bringing Messrs. Truman, Hoover, MacArthur, Acheson, Taft, Ferguson, Smith, and Knowland, follows:

December 1, 1949.—Senator Smith returned from a trip to the Orient. He had talked in Tokyo with General MacArthur. It's an open secret that the things he said after he came back were based on that talk. He said it was "unthinkable" that Formosa should be lost to the Chinese Communists. He said Communist drives made possible by a Formosa base might eventually push America's defense back to the Marianas, the Hawaiian Islands—and the Pacific coast.

December 1, 1949.—On the very same day, after reading Senator SMITH's views, "authoritative sources"—in this case State Department officials—told reporters the Department's view was that Formosa was of no strategic value to the United States and that the Department was prepared to see the island fall to the Communists.

December 1, 1949.—Secretary of Defense Louis Johnson sent two men out to see General MacArthur. They were Tracy S. Voorhees, Under Secretary of the Army, and Lt. Gen. Alfred M. Gruenther, Army Deputy Chief of Staff for Operations. They talked with General MacArthur and got an earful.

JOINT CHIEFS HEAR REPORTS

December 22, 1949.—An all-day meeting of the Joint Chiefs of Staff was held to hear the Voorhees-Gruenther information and other reports. They decided to send a military mission to Formosa.

December 23, 1949.—The State Department, although told of the Joint Chiefs' decision, notified its attachés that Formosa wasn't considered important strategically and that the attachés ought to begin to publicize that view so the United States wouldn't lose prestige if Formosa fell. (Secret notification.)

December 23, 1949.—On that very same day Chinese Ambassador V. K. Wellington Koo called at the State Department to make a formal request for military, political, and economic advisers for Formosa. (Kept secret, too.)

December 28, 1949.—President Truman and his top advisers began to worry lest Senator SMITH and other critics accuse them in the Congress about to reconvene of having "no policy" on Asia. So the National Security Council was ordered to meet so a positive policy could be prepared for presentation to Congress. The best information this reporter could get was that Secretary Johnson had heard that Secretary Acheson had already sold President Truman on his arguments and saw no reason to be present. Anyway, Secretary Johnson wasn't present. President Truman decided in favor of Secretary Acheson's views.

January 2.—Mr. Hoover, Senator Knowland and Senator Taft said the United States should use its Navy if necessary to protect Formosa and "raise a wall against communism in the Pacific."

TELLS "HANDS-OFF" POLICY

January 5.—President Truman announced the "hands-off" policy on Formosa, Secretary Acheson gave the details.

January 6.—Senator FERGUSON said, "The President and Mr. Acheson have kicked bipartisan foreign policy out the window."

January 11.—Senator TAFT repeated, in the Senate, his argument that the Navy ought to be sent to protect Formosa.

January 12.—President Truman said, "Senator TAFT is entitled to his opinion but I didn't know he was a military expert."

The Communist-backed invasion of the Republic of Korea has made a difference.

And Messrs. MacArthur, Hoover, Taft, Knowland, Ferguson, and Smith can have that we-told-you-so expression, even though they don't use the words.

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AUSTIN'S SPEECH, RESOLUTION

That resolution is as follows:

The Security Council—

"Having determined that the armed attack upon the Republic of Korea by forces from North Korea constitutes a breach of the peace,

"Having called for an immediate cessation of hostilities, and

"Having called upon the authorities of North Korea to withdraw forthwith their armed forces to the thirty-eighth parallel, and

"Having noted from the report of the United Nations Commission for Korea that the authorities in North Korea have neither ceased hostilities nor withdrawn their armed forces to the thirty-eighth parallel, and that urgent military measures are requested to restore international peace and security, and

"Having noted the appeal from the Republic of Korea to the United Nations for immediate and effective steps to secure peace and security,

"Recommends that the members of the United Nations furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and restore international peace and security in the area."

This is the logical consequence of the resolution concerning the complaint of aggression upon the Republic of Korea adopted at the 473d meeting of the Security Council on June 25, 1950, and the subsequent events recited in the preamble of this resolution. That resolution of June 25 called upon all members to render every assistance to the United Nations in the execution of this resolution, and to refrain from giving assistance to the North Korean authorities. This new resolution is the logical next step. Its significance is affected by the violation of the former resolution, the continuation of aggression, and the urgent military measures required.

I wish now to read a statement which the President of the United States made today on this critical situation.

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LAKE SUCCESS, June 25.—Following is the text of the resolution adopted today by the United Nations Security Council:

"THE SECURITY COUNCIL

"Recalling the finding of the General Assembly in its resolution of October 21, 1949, that the Government of the Republic of Korea is a lawfully established government 'having effective control and jurisdiction over that part of Korea where the United Nations Temporary Commission on Korea was able to observe and consult and in which the great majority of the people of Korea reside; and that this Government is based on elections which were a valid expression of the free will of the electorate of that part of Korea and which were observed by the Temporary Commission; and that this is the only such Government in Korea';

"Mindful of the concern expressed by the General Assembly in its resolutions of December 12, 1948, and October 21, 1949 of the consequences which might follow unless member states refrained from acts derogatory to the results sought to be achieved by the United Nations in bringing about the complete independence and unity of Korea; and the concern expressed that the situation described by the United Nations Commission on Korea in its report menaces the safety and well-being of the Republic of Korea and of the people of Korea and might lead to open military conflict there;

"Noting with grave concern the armed attack upon the Republic of Korea by forces from North Korea,

"Determines that this action constitutes a breach of the peace,

"1. Calls for the immediate cessation of hostilities and

"Calls upon the authorities of North Korea to withdraw forthwith their armed forces to the thirty-eighth parallel.

"2. Requests the United Nations Commission on Korea (a) to communicate its fully considered recommendations on the situation with the least possible delay; (b) to observe the withdrawal of the North Korean forces to the thirty-eighth parallel; and (c) to keep the Security Council informed on the execution of this resolution.

"3. Calls upon all members to render every assistance to the United Nations in the execution of this resolution and to refrain from giving assistance to the North Korean authorities."

Mr. LUCAS. Mr. President, I had not expected to speak on this matter today. However, in view of the remarks made by the able Senator from Ohio, I am constrained to speak briefly in reply to some of the points made by the Senator.

Mr. President, the Senator from Ohio lays all of the responsibility for what is going on in Korea at the present time on the President of the United States. I am sure that the people of Russia will be very happy to learn of that fact when the Senator's statement is broadcast throughout Russia. The Senator from Ohio contends definitely that the President of the United States has no authority whatever for doing what he has done in connection with sending the Air Force and the Navy as a cover for the Korean troops in South Korea, or for sending the fleet to Formosa to protect our security and sovereignity in that section of the world.

Mr. President, some people really believe in the United Nations as an instrument of peace, as an instrumentality for the creation of peace in this world. There are other people who do not believe in the United Nations, and never have. I desire to repeat a part of the statement by the President of the United States which was read into the RECORD yesterday:

In Korea the Government forces, which were armed to prevent border raids and to preserve internal security, were attacked by invading forces from North Korea. The Security Council of the United Nations called upon the invading troops to cease hostilities and to withdraw to the thirty-eighth parallel. This they have not done, but on the contrary have pressed the attack. The Security Council called upon all members of the United Nations to render every assistance to the United Nations in the execution of this resolution.

I repeat what the Security Council said at Lake Success:

The Security Council called upon all members of the United Nations to render every assistance to the United Nations in the execution of this resolution.

Mr. President, apparently the members of the Security Council, meeting at Lake Success, who have a fair understanding, I take it, as to what the United Nations Charter means, believed that at least they had the power to pass a resolution calling upon the members of the United Nations to render every assistance to the United Nations in the execution of this resolution.

What does that mean? "The execution of this resolution" means to see to it that the troops which are now representing the Government of northern Korea be driven back to the thirty-eighth parallel, as is set forth in the statement of the President, and as was agreed upon when Korea was partitioned some time ago.

Mr. President, under the resolution and under the statement made by the members of the Security Council, in my humble opinion the President had the right to do what he has done. Such a resolution cannot be enforced unless some military action is taken.

Not only that, but even assuming that the President does not have any jurisdiction under the United Nations Charter to do what he did, as is contended by the Senator from Ohio, I should like to call the attention of the Senate and of the country to what our Nation has done in the past. Able and sincere Senators have argued, over the course of history, about how far the President of the United States can go as Commander in Chief of the military forces of this country. I call attention to the fact that those who discuss that matter, and those who follow the argument made by the Senator from Ohio today, apparently have forgotten the course this country pursued.

I read now from remarks I made in the Senate on November 4, 1941:

> Those who make that argument apparently have forgotten the course this country has pursued when international pirates have destroyed American lives and property in the past. The Barbary wars yield an interesting instance in this respect. The ruler of Tripoli, having declared war against the United States on March 14, 1801, started attacking American vesels. A naval force dispatched to the Mediterranean in anticipation of the event had received orders to blockade Tripoli and destroy her shipping. There was no declaration of war on our part when that was done. This the Navy proceeded to do. The interesting feature in that case is that the nature of the fleet's task was limited by the belief of President Jefferson that in the absence of congressional authorization "measures of defense" only were in order. These measures of defense, to be undertaken without congressional authority and laid down by Jefferson at that time, went rather far. The instructions regarding them included the following—

This is what Thomas Jefferson as Commander in Chief of the Army and Navy, advised the Navy to do at that time—

> You will then distribute your forces in such a manner as your judgment shall direct, so as to best protect our commerce and chastise their insolence by sinking, burning, or destroying their ships and vessels wherever you shall find them.

Mr. President, that was the order given by President Thomas Jefferson to our fleet in 1801, when Congress had not declared war. I read further:

> That was the order given by Jefferson to the fleet which sailed across the ocean a long, long time ago to subdue the pirates around Tripoli. The expedition against Tripoli was only the first of many incidents in which United States forces were used, not only to protect American lives and citizens on the high seas, but also on foreign soil and in foreign territorial waters.

Mr. President, I undertake to say that with world conditions as they exist at this very moment, with communism creeping into every nook and corner where it can possibly go, with the unusual situation as it exists today, if the President of the United States believes, as I do, and as I think every other Senator believes, that the safety, the security, and the honor of this country are involved as a result of what is going on in the Orient, he had a right to move as he did with the powers he had under the Constitution as Commander in Chief of the military forces. I read further from my former remarks:

> These steps were taken under the legal axiom that whoever ill-treats a citizen indirectly injures the state which must protect that citizen. In other words, the law of self-preservation applies to nations as well as to men, and that rule has been carried out on more than 100 occasions during the last 115 years. From the Aegean Islands to Manchuria, and from Mexico to the Falklands, our American forces have been sent to and landed on foreign soil for the protection of the lives and preservation of property of the American citizens. And while actually or potentially involving hostilities, these were not considered acts of war, were not authorized by Congress, and were undertaken by Executive authority alone. One of the most interesting examples of how far that Executive authority has gone in the past has to do with the Boxer rising in 1900.
>
> The Chinese had a society known as the Righteous Harmonious Fists, commonly called the Boxers. After a series of their flagrant and lawless acts against foreign residents, covering a period of years, this Nation, along with others, sent soldiers to China.
>
> The President at that time called out, altogether, 15,000 American troops, upon his own initiative, without any authorization of Congress at the time, and out of the 15,000 troops who were called out to be sent to China to subdue those who were attacking us and our property there, some 5,000 soldiers reached China, 2,500 of them participated in the Battle of Peking, several were killed, and many were wounded. That was in 1900, under a Republican President of the United States.

Notwithstanding this outstanding example of the Commander in Chief using his constitutional powers to protect American rights, we find those who have the audacity to seriously contend that President Truman is devoid of such powers.

It is bluntly declared here on the floor of the Senate that the President of the United States has no right to send troops to Korea if the security and safety of this country are threatened as a result of the illegal Communist thrust in that section of the world.

I read further:

> After this Nation has for a hundred years upheld the actions of the Commander in Chief of the Army and Navy in sending troops to protect Americans and their properties upon the high seas, or in these foreign lands, who can say that in this hour of peril we are not warranted, both from the standpoint of tradition and the facts before us, in enacting legislation that will protect the honor and dignity of this Republic?

Mr. President, I have been quoting from a speech the senior Senator from Illinois made on November 4, 1941, when the question of the modification of the Neutrality Act was before the Senate.

Every Senator who knows anything about history, every Senator who knows anything about the past, must realize, if he is honest with himself, that the act performed by the President of the United States was within his right, and within the traditions and precedents which have been established more than a hundred times in the history of this Republic.

For the Senator from Ohio to charge that the President of the United States is responsible for a de facto war does not reflect that sense of justice and fairness to which I have always thought the Senator was entitled.

Mr. President, the Senator from Ohio continually talks about the foreign policy of this country, and what should have been done. I agree with one thing the President of the United States did say, which the Senator from Ohio read a moment ago, namely, that the Senator from Ohio is no military expert. I emphatically agree with him about that.

Mr. President, notwithstanding the seriousness of the hour, irrespective of the crisis before us, we hear the Senator from Ohio tell the country and the world that the President of the United States is responsible for the start of this de facto war. What a travesty upon justice. Mr. President, the Senator from Ohio grudgingly goes along with the general policy at the present time, but proceeds to charge bungling and inconsistency in the foreign policy, as though he had the remedy and panacea for everything. I am certain the country is sorely grieved because the Senator from Ohio has not been the chief architect of our foreign policy.

Oh, it is wonderful to have hindsight. It is wonderful to observe and comment on mistakes which have been made. I presume no one will deny that some mistakes have been made, as mistakes are made in every walk of life. No man is infallible. There is no Senator here who does not make mistakes occasionally. There is no government which does not make mistakes. But the Senator at this hour tells the country what has been wrong for the past few years as much as to say, "If you had just given me the opportunity, had I been in that spot, I would have done it differently." I would have produced the right answer. No one would have ever objected to my theory of foreign policy.

Senators continue to talk about Yalta. Senators continue to talk about Potsdam. Mr. President, they can talk about Yalta all they want to. Sometime they ought to ask the military authorities about Yalta. They ought to ask who was really responsible for the Yalta agreement, and why. Everyone knows that when we made the agreement at Yalta Russia agreed to enter the war

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against Japan. The agreement was made with the knowledge that our military advisers had said, "If we can get Russia into this Japanese war we will save 100,000 lives of American boys." That is what they said. That is the answer to those who constantly condemn the Yalta agreement. Yet, Mr. President, the Senator from Ohio would have the country believe that it was all wrong to do what we did. But military leaders—and I know whereof I speak—recommended the agreement in order to preserve and save the lives of American boys.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. LUCAS. I will yield in a moment. I have not quite finished yet.

Mr. President, the Senator from Ohio complains about our withdrawal of troops from Korea. He said it was a great mistake to have withdrawn our troops at the time they were withdrawn; that if we had left them in Korea we would not have the situation which exists today. Another excellent statement of hindsight.

Mr. President, I refer to Senate document No. 123, under the caption "A Decade of American Foreign Policy." At page 678 I read paragraph 118, as follows:

United States position on withdrawal of occupation forces from Korea, September 20, 1948:

It has been the consistent view of this Government that the best interests of the Korean people would be served by the withdrawal of all occupying forces from Korea at the earliest practicable date. This same view was embodied in the United Nations General Assembly resolution of November 14, 1947, in which provision was made for such withdrawal as soon as practicable after the establishment of the Korean Government which it was the intention of that resolution to bring into being. Had the Soviet Union cooperated in carrying out the provisions of the resolution of November 14, 1947, the question of troop withdrawal from Korea would doubtless have been already resolved.

The United States Government regards the question of the withdrawal of occupying forces as but one facet of the entire question of the unity and independence of Korea. The General Assembly of the United Nations has taken cognizance of this larger question as evidenced by the resolution referred to above, and it may be expected to give further consideration to the matter at its forthcoming meeting.

In other words, the United Nations organization sincerely believed that it was in the interest of peace to do exactly what we did there. It was under the resolution which was adopted by UN that we gave the Korean people freedom and independence, and saw to it that free elections were held in the southern part of Korea.

Mr. President, this is a fateful hour in the history of the American Republic. Men may dig up all the presumed and supposed mistakes they want to dig up if they so desire. They can continue to do so at a time when there should be unity in this country, instead of attempt being made to divide the people of America. At this very moment, Mr. President, when our fleet is on its way to Formosa, when our troops are at this very time in Korea—at least the air and some of the ships near by are there—it seems to me that we ought to close ranks, and forget what happened at Potsdam and Yalta, because digging up those old sores will get nowhere so far as giving the American people the kind of unity they ought to have. The only thing such action does is to help Mr. Stalin. Obviously, it will lift the morale of troops in Northern Korea. Every time a speech of this kind is made under such extraordinary circumstances, Mr. President, I undertake to say that we are playing directly into the hands of the Communists, the very people we ought to be fighting tooth and nail, instead of fighting among ourselves.

Mr. President, I yield the floor.

Mr. LUCAS subsequently said: Mr. President, I ask unanimous consent to place at the close of my remarks earlier today the following statement:

NEW YORK.—Former President Hoover said today the United States must have "unity of purpose and action" in the Korean situation.

"When the United States draws the sword, there is only one course for our people," he said. "Like others, I have opposed many of our foreign policies, but now is not the time to argue origins, mistakes, responsibilities, or consequences. There is only one way out of such situations as this: That is to win. To win, we must have unity of purpose and action."

Mr. SMITH of New Jersey obtained the floor.

Mr. FLANDERS. Mr. President, will the Senator from New Jersey yield to me for a question?

Mr. SMITH of New Jersey. I yield to the Senator from Vermont.

Mr. FLANDERS. When I came in, Mr. President, if I understood the Senator from Illinois correctly, he was making the plea that the President had a right to intervene with our armed forces in the situation in Korea, on the basis that the lives of Americans were involved. Is that the point the Senator made?

Mr. LUCAS. I made two points. I said the President had a right to intervene under the resolutions adopted by the Security Council of the United Nations, and I also said he had a right to intervene if he honestly believed that the spread of communism as the result of what was done in Northern Korea affected in any way the safety and the security of the United States or any of its possessions as well as the Philippines, which we are in duty bound to protect.

Mr. FLANDERS. That goes rather beyond what I had understood the Senator was saying. My lack of comprehension was due to the fact that I came into the Senate Chamber in the middle of his speech.

About 2 hours ago on this floor I expressed the conviction that the President was within his rights in intervening in Korea, but that he would not be within his rights in pursuing the Korean forces or attacking Korean positions in any way north of the thirty-eighth parallel, which for some reason or other divides Korea.

Mr. LUCAS. I agree with the Senator from Vermont. I wholeheartedly agree with him on that point. I undertake to say that in no circumstances can the United States of America be charged with being the aggressor so long as we stay within the boundaries the Senator from Vermont has just outlined.

Mr. FLANDERS. I am glad to have the Senator from Illinois say that. I agree with him completely.

Mr. CONNALLY addressed the Chair.

Mr. TAFT. Mr. President, will the Senator yield? Does the Senator really contend——

The PRESIDING OFFICER. The Senator from New Jersey [Mr. SMITH] has the floor.

Mr. CONNALLY. Mr. President, will the Senator from New Jersey yield for a question?

Mr. SMITH of New Jersey. I yield.

Mr. CONNALLY. I wish to quote from the resolution adopted by the Security Council yesterday, in addition to the one it adopted on Sunday. It is only a very brief paragraph:

The Security Council recommends that the members of the United Nations furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area.

Of course, that is South Korea.

Mr. SMITH of New Jersey. Mr. President, I want to address myself to the unfinished business——

Mr. MAGNUSON. Mr. President, will the Senator yield for a one-half-minute observation?

Mr. SMITH of New Jersey. Mr. President, I might say that I have been asked by a number of Senators to yield for various purposes, and I have been trying to secure the floor. I hesitate to show any preference. I would feel that other Senators who have asked me to yield should be yielded to, if I now yield for an observation. I shall be glad to yield for a question, but I shall not yield beyond that.

Mr. MAGNUSON. Then I will put it in the form of a question, although, perhaps, the Senator from New Jersey cannot answer it.

A great deal has been said here today about hindsight. I wonder whether the Senator recalls that prior to World War II, many of those who now are criticizing the administration's policy, at that time, when some of us were trying to fortify Guam and many other places in the Pacific, believed that the Japanese were our friends, and did not at all anticipate any attack at Pearl Harbor. Does the Senator recall that? Many of them are still in the Senate or in the House of Representatives.

Mr. SMITH of New Jersey. Of course, I was not here at that time; but I have been told that there was considerable difference of opinion about Guam.

Mr. MAGNUSON. I wonder whether the Senator thinks that hindsight may depend upon the year in which events happened.

Mr. SMITH of New Jersey. I suppose that is a generalization which may be true.

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AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT OF 1949

The Senate resumed the consideration of the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949.

Mr. SMITH of New Jersey. Mr. President, I address myself to the unfinished business, Senate bill 3809, to amend the Mutual Defense Assistance Act of 1949.

I may say that before the Korean crisis arose, it was my intention to address myself to the subject of the military assistance pact and program, relating that program to our over-all foreign policy and its impact on the various parts of the world.

Since the Korean crisis has arisen, it has seemed to me more appropriate to relate the military assistance program to that crisis and to show the vital necessity of our passing promptly this important measure.

Mr. President, I may say that my position with regard to foreign policy in the Far East has been well known. It is well known that I have been in sharp disagreement with the administration's policy there. Therefore, there is no necessity for that subject to be reviewed. All I wish to say in that connection is that I welcome from the bottom of my heart the decision by the President and the State Department which the President announced yesterday, because it seems to me that it is in line with the thoughts entertained by many of us who had been to the Far East and who felt that decisive action was necessary. That is all I shall say at this moment in regard to that particular matter, because I wish to relate, if I can, the military assistance pact to the necessities in Korea.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. CONNALLY. Regardless of what has happened in the past and the Senator's divergence of views, let me ask the Senator whether he regards it as now being of the highest importance that the country stand behind the President in the position he has taken in the last few days.

Mr. SMITH of New Jersey. Unquestionably my answer is "Yes."

Mr. CONNALLY. Does not the country want to know who is against the President and who is with the President—not the President personally, but as President of the United States?

Mr. SMITH of New Jersey. The position the President stated yesterday has my wholehearted support. I only hope and pray that the administration will follow through on the principles therein enunciated. I shall express myself further on that as I proceed.

Mr. CONNALLY. Does the Senator regard it as helpful to the country to have critics and carpists say that the President is wrong about this and about that and about the other thing, but then in a half-hearted way to say, "I am in favor of what the President has decided to do?"

Mr. SMITH of New Jersey. Let me say to the distinguished Senator that I do not propose to be put in the position of criticizing my distinguished colleague, the Senator from Ohio [Mr. TAFT] for his speech, because many of the things the Senator from Ohio has said are sound.

But I say thank God the administration has changed its policy and has reached an aggressive policy regarding the Far East. That is my position, and I propose to show how that policy is related to the military-assistance bill.

Mr. CONNALLY. Very well.

Mr. WHERRY. Mr. President, will the Senator yield to me before he proceeds further with his remarks?

Mr. SMITH of New Jersey. I am glad to do so.

Mr. WHERRY. I should like to ask whether it is true that the Korean question and the entire Pacific question are one thing, whereas the pending bill—the MAP bill, which is a long-range military-assistance-program bill, primarily for Europe—is quite another thing.

Mr. SMITH of New Jersey. I reply to the Senator that the entire world situation is so closely related that we have to deal with it as a whole; and we cannot have one policy in one corner of the world and another policy in another corner of the world. That is why I welcome having the President bring our entire policy into line by announcing his far-eastern policy in his statement of yesterday.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. SMITH of New Jersey. I yield.

Mr. WHERRY. The new policy of the President, which the Senator welcomes, is a complete repudiation, is it not, of the policy of the State Department in the Pacific?

Mr. SMITH of New Jersey. As I said a while ago, my position regarding the policy in the Pacific is well known. But I am glad to have the administration now adopt the policy I have advocated for several months.

Mr. WHERRY. Is not that policy entirely different from the policy of the State Department during the past several months? Is not that true?

Mr. SMITH of New Jersey. Yes; I have understood that the State Department's policy has been entirely different from mine in that respect.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. SMITH of New Jersey. Yes, although perhaps I shall answer the questions in the course of my remarks.

Mr. WHERRY. I do not think so, because I have not been able to obtain an answer up to now, either from the State Department or from various discussions, including discussion this morning. I should like to ask this question about the European policy—going now from the Pacific to the Atlantic: Does not the Senator from New Jersey feel that it is absolutely necessary for the protection of the European countries and for our own defense that military assistance be granted to Germany and to Spain?

Mr. SMITH of New Jersey. I say to the distinguished Senator that under the language of the pending bill, in case an emergency arises, certainly it might be possible to give military aid to Spain. The question of giving military aid to Germany would depend somewhat on the attitude of our allies in Europe and on whether the Germans can be brought into the western European group of nations. I think military aid could be given, and I think Germany could be incorporated into that group in case there were a crisis there. I have felt that way right along; I have always favored that.

Mr. WHERRY. I should like to obtain, if I can, the opinion of the senior Senator from New Jersey about this matter. He is the next to the ranking Republican member of the Foreign Relations Committee, and he has been around the world and has the information. I submit to him that the one place to stop communism, if we are to stop the extension of communism, certainly is in the Ruhr, and certainly involves the German people.

Inasmuch as at long last the policy in the Pacific has been reversed, I ask the Senator whether it is time for us to reverse our policy with European nations and provide assistance to the German people and to the country of Spain.

I should like to obtain any reasonable answer to that question, because I feel that MAP, which is a military-assistance program, should provide the military assistance that we need to provide without any delay to Spain.

Mr. SMITH of New Jersey. It seems to me that under the language of the pending measure, in the case of a crisis developing in any place, the President could use the funds provided by this measure for that purpose. That was the purpose of section 408, and its language is broad.

Mr. WHERRY. I thank the Senator.

Mr. SMITH of New Jersey. It does not mean that we have a policy of aiding those countries, but it means that they may be eligible.

Mr. President, a few days ago—last Friday, I believe—the distinguished Senator from Texas [Mr. CONNALLY] presented in detail the measure which is now before the Senate, and which we are supporting. He made a very fine presentation. Coupled with the committee report, it brings out very clearly the issues in this situation and what we are asking for by means of this measure.

Therefore, I wish to show that what we have in this measure is what we need in the event of a crisis, such as the one in Korea, or a crisis in any other spot in the world where a similar incident might occur. We need to bolster, in this case, the Korean defenses, their own defenses; and this bill provides for it. We need to strengthen defenses elsewhere—not only in Europe, but in other areas in the Far East, where other possible surprise attacks might be made; and this bill provides for it.

We need to pursue steadily, and with calmness, our long-range, strategic plans. We feel that this bill provides for that.

Let me indicate quickly and briefly the coverage of the bill. It is divided, as is well known, into titles, in which are treated the different areas of the world.

In the first place, there is title I, dealing with the North Atlantic Treaty countries.

Title II deals with the Middle East, with Greece, Turkey, and Iran.

Title III deals with the Far East, and provides funds for the Republic of Korea

and the Republic of the Philippines, and in addition, a $75,000,000 flexible fund to take care of other countries in the area of China and in the Far East, which could include aid for Korea, Formosa, Indo-China, and Malaya, if we want to extend aid there, and also the Philippines. So we have here an over-all bill, and if we add to the specific areas that are defined in the bill, the wider provisions on section 408, which has some new amendments, we can cover European countries, to which the Senator from Nebraska has referred, where a crisis might arise and where we might find that our security or the security of the North Atlantic group of countries was in jeopardy.

Then, further, in the next section, we provide for selling arms on a cash-and-credit basis to other countries of the world. Under this section we can deal with any of the countries covered by the bill, countries in regional arrangements such as the Rio Pact; and, furthermore, other countries in other parts of the world where munitions might be sold for self-defense; but in no case for aggression.

So I feel, generally speaking, that the bill provides an over-all authority to take care of crises which might arise. To illustrate what I mean more specifically by that, I desire to refer to the Korean incident, to see whether, for example, in a case such as that, where a special crisis has arisen, this bill provides for it. As soon as the Korean incident arose, I raised the question whether the bill we are now supporting and whether past legislation provided sufficient authorizations for funds to meet this particular situation.

Last year, in the act which covered the fiscal year 1950, title III authorized an amount not to exceed $27,000,000-plus for Korea, Iran, and the Philippines. Of this amount it is estimated that some $20,000,000 will be obligated as of June 30 of this year, and the pending bill provides for carry-overs for those funds which were not spent under the authorizations of last year. So there is an amount roughly in the neighborhood of $7,000,000-plus still available for the Korean and Philippine areas.

But, in addition to that, title III of the pending bill, whose support I am now advocating, provides a special authorization for $16,000,000 for Korea and the Philippines. If we were to get into a very tight place and needed funds suddenly to help the Korean people, the $16,000,000 might be applied—all, if necessary—even though it might temporarily embarrass our Philippine position.

Beyond that, title III of the bill provides an authorization of $75,000,000 for a flexible fund to be used in the general area of China. While it was intended by the framers of the bill that this flexible fund should be used in China itself—that is, Formosa, which is left to China, and in other areas in southeast Asia—unquestionably under the language of the bill, the general area of China could be made to include Korea in case special funds not otherwise provided for were needed for that area. So it seems to me that from that standpoint we have access to those funds, and also to the funds which have not actually been expended for the year 1950.

In the next place, by section 408, to which I referred a while ago, the President is given leeway to transfer not to exceed 10 percent of the funds available under any of these titles, in case of emergencies, where there are not adequate funds available, to any other areas; and as the funds, all told, in this bill amount to some $1,250,000,000, we have at least a theoretical 10 percent of that amount which could be used if necessary in the Korean area.

But I want to point out that from my study of this matter, as to the needs of Korea, it is not a question now of the use of dollars, because the dollars are obviously available. Of course, there are certain practical limitations upon the amount of aid we could successfully use there at the present time. All I want to do is to assure my colleagues so far as I can, and the public, and for the record, that so far as our authorizations are concerned, if this measure is passed, and passed promptly, and the Appropriations Committee acts on the authorizations allowed by this bill, the financial need of Korea will be taken care of.

Mr. President, I desire to commend briefly—I have already done so—the President's action with regard to the Far East and Korea. Was the action required? It seems to me that it was very definitely required from the standpoint of the United States, because in a very special way we are committed, it seems to me, at least morally, to the welfare of this particular country. I wanted very much to satisfy myself that we had some moral obligation in this area entirely aside from the great interest we have in the free peoples all over the world, and I have therefore requested the Legislative Reference Service of the Library of Congress to give me a memorandum which could be used in the RECORD indicating what the background is that calls upon us to take a special interest in this area. This is entirely apart, at the moment, from the United Nations action, which I shall come to presently.

In the first place, our responsibility to Korea began—of course, we have had it for a great many years past, but I mean in the recent years—under the so-called agreement made at Cairo, or the understanding reached at Cairo between the United Kingdom, China, and ourselves, in which it was stated definitely that "in due course, Korea shall become free and independent." We committed ourselves to that moral obligation. I read it again:

> In due course, Korea shall become free and independent.

Then, later, when Japan surrendered and we got into difficulties with Russia in giving Korea her independence at that time and making her free, we occupied the lower two-thirds, up to the thirty-eighth parallel, because we took the surrender of the Japanese forces there, while the Russians took the northern part, above the thirty-eighth parallel, which they occupied. We made all sorts of attempts to bring about an adjustment of this difficulty and to give Korea her independence, in order to carry out the Cairo declaration.

Even in the Moscow agreement of December 27, 1945, the United States, the United Kingdom, the U. S. S. R., and, later, China agreed to form a trusteeship over Korea and establish an all-Korean provisional government. That gave us a further responsibility to try to work out a plan which would give the Koreans their independence. A wartime military administration, having in view the most expeditious means of achieving Japanese surrender, provided that the Japanese forces in Korea north of the 38th parallel should surrender to the Soviet Union, and the Japanese troops south of the 38th parallel should surrender to the United States forces. That is the decision I have just mentioned, whereby this unfortunate country was divided.

Mr. McCARTHY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Wisconsin?

Mr. SMITH of New Jersey. I am glad to yield to the Senator.

Mr. McCARTHY. I understand that the Senator from Illinois, on the floor of the Senate, a short time ago, made the statement that we should find out who was responsible for the Yalta agreement. I wonder whether the Senator from New Jersey is aware of the fact that the actual drafting of the Yalta agreement was done by three men: First, Gromyko; second, Hiss; and third, an Englishman whose name I do not recall; that at that time Stettinius normally would have taken part in the drafting, but, he was new in his job and had not been indoctrinated with State Department policy.

President Roosevelt at that time was in very bad health. So, in answer to the question raised by the Senator from Illinois, I think the RECORD should show at this time that the agreement was drafted by Alger Hiss, who was named 6 years earlier as a Soviet agent. The Senator will recall that at that time—in 1939 when Hiss' espionage activities were first made known to Acheson, Acheson said to Berle, "Do not investigate him; I will vouch completely for him." The second who assisted Hiss in drafting the Yalta agreement was Gromyko, and the third was an Englishman whose name I do not recall at the moment.

I wonder if the Senator is aware of the fact that after the agreement was made available to the balance of the State Department, Mr. Arthur Bliss Lane, who was our Ambassador to Poland at that time, said, in commenting on the agreement:

> Upon reading the agreement I could hardly believe my eyes. Every line bespoke a complete surrender to Stalin.

Mr. SMITH of New Jersey. In answer to the Senator's question, I heard statements made that the agreement was drafted by the persons mentioned, and my own position is well known as to criticism of the Yalta agreement. I thing it was a most tragic mistake.

Mr. President, I want to continue with the Korean situation in which we find ourselves.

All efforts to establish either joint control or an over-all Korean Government failed because of the recalcitrance of the Soviet authorities. The United States carried the question to the United Nations General Assembly in September 1947.

As a result of an investigation by the United Nations Temporary Commission on Korea—a Commission which was established to study the whole question—and the resolution of February 26, 1948, by the United Nations Interim Committee, it was decided that if elections could not be held for all of Korea—and, of course, Russia was objecting to any elections in the area controlled by her—they should be held for as much of Korea as possible.

Thus, on May 10, 1948, under a proclamation of Lt. Gen. John R. Hodge, the United States commander in Korea, an election took place in South Korea under the observation of the United Nations. Under this election—and here is where the United Nations began to come into the picture, which has a bearing on the subject which we are discussing—under this election a new free government was established for South Korea and formal transfer of governmental authority from United States military authorities to the Korean civilian government began on August 16, 1948. On August 24, 1948, President Rhee of Korea and General Hodge signed an interim agreement providing for the transfer of jurisdiction over the security forces, the police, constabulary, coast guard, and so forth. Under this agreement the United States was to assist the new government in training and equipping the security forces of South Korea.

On August 26, 1948, President Truman announced that the Economic Cooperation Administration would take over the relief and rehabilitation responsibilities previously assumed by the Department of the Army. Aid agreements were negotiated and Korea became a major recipient of United States economic assistance. To date, between $450,000,000 and $500,000,000 of aid has been made available for South Korea.

The United States Army disclosed on July 1, 1949, that the withdrawal of American occupation forces was completed, leaving only a small contingent of some 500 officers and men for training Korean forces. Korea was included among the nations eligible to receive military aid under the Mutual Defense Assistance Act of 1949.

Mr. President, I should like to say that last summer, when I took my trip to the Far East, among other places I visited at the strong recommendation of General MacArthur was Korea. I realized the progress which that little republic had made, but I felt concerned about her military situation, because she was at the end of a peninsula, in danger of attack from a great force from the north. It seemed to me that the South Koreans had a well-trained army and could make a successful defense against North Korea, but if South Korea were attacked by Moscow she could not possibly hold out. In that respect I think we are open to criticism for not giving South Korea more equipment with which to defend herself.

Our responsibilities in South Korea, of which we have been the chief sponsor, helper, and protector, devolve rather naturally from our efforts to strengthen the democratic world against Communist encroachment. We are rather heavily committed in this respect in Korea because of the pledge of independence to that country at Cairo and the promises and material aid which we have already given to the Koreans.

As recently as June 19, 1950, Mr. John Foster Dulles, special adviser to the Secretary of State, in a speech to the national assembly at Seoul, assured members of the assembly, "You will never be alone."

So, Mr. President, I feel that before we consider what the United Nations has done we can well consider that we had taken these steps. There had been established a republic in Korea, and we had prepared to go ahead and do all we could to keep that country free.

But it seems to me that beyond this moral responsibility of ours we have a profound interest in the actions of the United Nations. When the first reports came of the attack by North Korea, representatives of the State Department were good enough to confer with some members of the Foreign Relations Committee. The first step was to report the matter to the United Nations and see if prompt action could not be taken.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. SMITH of New Jersey. I yield.

Mr. DONNELL. I understand the Senator is referring to the conference between the President and the Members of the Senate on yesterday morning——

Mr. SMITH of New Jersey. No; I was referring, if I may say so to the Senator from Missouri, to a conference on Sunday, when the Senator from Utah [Mr. THOMAS] and I were in conference with a member of the State Department representing the Far Eastern Division, with regard to the policy of taking the question up with the United Nations. We were advised that the United Nations was going to meet that day. I shall presently refer to the resolution adopted on Sunday. On Tuesday another resolution was adopted which laid the setting, from the standpoint of the United Nations, of our participation along the line of the President's statement of yesterday.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. SMITH of New Jersey. I shall be very happy to yield.

Mr. DONNELL. I thank the Senator for correcting my understanding of the conference to which he referred. May I ask him, however, with regard to the conference on yesterday? There was a conference on yesterday morning between the President and certain Members of Congress, was there not?

Mr. SMITH of New Jersey. I do not know whether it could be called a conference. A number of members of the Foreign Relations Committee of the Senate, of the Foreign Affairs Committee of the House, of the Armed Services Committee, and, I think, of the Appropriations Committee, were called to the White House, where the Chiefs of Staff were present, and the statement which was issued yesterday was read to us before it was released to the press.

Mr. DONNELL. Am I correct in understanding that the President had made his decision before he presented the statement to you gentlemen?

Mr. SMITH of New Jersey. Unquestionably.

Mr. DONNELL. And the statement was then read as being the statement which the President was going to give out; is that correct?

Mr. SMITH of New Jersey. I am glad the Senator has raised that point. Not in any carping or critical spirit, I want to say that what happened was not, in my judgment, a bipartisan participation in policy. It was a bipartisan meeting, in the sense that members of both parties were present. When I arrived, I found that the decision was made. There might have been opportunity for criticism, but there was no criticism. The press was already waiting to have the release issued.

The Senator is right in his implication that that was a meeting simply to inform us that the administration had come to its conclusion as to the steps to be taken.

Mr. DONNELL. And the President advised those who were present that the conclusion was arrived at and that it was going to be given to the press?

Mr. SMITH of New Jersey. That is correct.

Mr. President, the Senator has brought out one thing as to which I criticized the administration in dealing with the bipartisan approach. The Secretary of State simply seems to feel that if he comes to us and says, "I have decided thus and so," we are in on it and have taken part in the decision. There have been a number of times when I disagreed with the Secretary of State as to the decision he made, but the decision was made just the same. But if I had been asked yesterday, "Have you any criticism to make? Do you vote 'yes' or 'no'?" I would have voted "yes" enthusiastically, because it seemed to me that it was a fine, statesmanlike exposition of our position, and that at last we were taking a strong position in the Far East. I do not think there was anyone present at the meeting who did not feel that he was enthusiastically behind everything that was presented, although our advice had not been asked on what was presented to us. Nevertheless, it was something that we were all wholeheartedly in favor of. I only hope and pray that the administration will follow through on the principles enunciated in that statement.

Mr. DONNELL. What I was getting at was whether or not the decision had been arrived at before the Senator and the other persons who were present at the conference were called in.

Mr. SMITH of New Jersey. That is correct. The decision had been arrived at previously.

Mr. DONNELL. The Senator and the others present at the conference were simply told what the decision was, and that it was going to be given to the press.

Mr. SMITH of New Jersey. That is correct. I did not know what the decision was. However, I was very much

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elated when I was advised that we were going to take a strong attitude on Korea, which I felt was an implementation of the United Nations' position, as set forth in its resolution, and that it was the responsibility of every member of the United Nations to back up the decisions and recommendations of the Security Council. I felt it was within our power to go ahead.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. AIKEN. Without in any way intending to criticize the President for exhibiting firmness, which I believe he should have shown a long time ago, I am wondering whether the Senator from New Jersey feels that the country is now being kept fully and accurately informed as to developments in the Korean situation.

Mr. SMITH of New Jersey. I will say to the Senator from Vermont that I feel that if all of us are not informed, at least those of us on the Committee on Foreign Relations certainly should be called to account, because we have been given a telephone number which we can call at the State Department where all the bulletins will be available, and I suppose they would be made available also to every Member of the Senate. I do not think we have received very much beyond what has already been carried in the press.

Mr. AIKEN. I wonder if the Senator is able to clear up some confusion which I have on the matter by explaining how it came about that yesterday's reports from Korea were optimistic. They stated that the invading North Korean Army had been thrown back from the South Korean capital. Listening to the radio at 5 o'clock yesterday, I was amazed to hear that the North Koreans had taken the capital city of Seoul and evidently had progressed some distance beyond the capital.

Mr. SMITH of New Jersey. I do not think they had progressed beyond the capital.

Mr. AIKEN. At any rate, we got optimistic reports, and only a few hours later we had reports of the fall of Seoul, which was first reported by the North Koreans and later confirmed by our own agency.

Mr. SMITH of New Jersey. I do not know how the difference can be explained.

Mr. AIKEN. Certainly, there was a difference in the reports within just a few hours.

Mr. SMITH of New Jersey. Yesterday I received a United Press report, and in transmitting it to me they said:

> We have good news for you. It looks as though the South Koreans had organized and pushed the North Koreans back.

Later reports showed that the North Koreans had taken the north half of the city of Seoul. Of course, that was before the President's order had gone into effect and before we went into action. I do not know what the reports show now. I do not know whether we have stopped that move, or whether we have been able to demolish any of the tanks in the attacking forces.

Mr. AIKEN. I do not know of anyone who does not desire to back up the President to the fullest in the stand which he has taken. However, it seems to me that in return we should have full and accurate reports made available to us as to all developments.

Mr. SMITH of New Jersey. I am assured that nothing will be kept from us.

Mr. AIKEN. Certainly, there was conflict in the reports which came over within only a few hours of each other.

Mr. SMITH of New Jersey. I do not know whether they were official reports. There was a long period of time during which we could not make any contact, even with the Korean Ambassador. I think our best reports will come from General MacArthur's headquarters. I think that will be our best source of information.

Mr. CAIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from New Jersey yield to the Senator from Washington?

Mr. SMITH of New Jersey. I yield.

Mr. CAIN. While the distinguished Senator from New Jersey was offering his interesting statement I was translating some of his observations to the map of Europe and the Middle East which hangs on the wall immediately behind the Senator from New Jersey. If—I mention this by way of argument, and for no other reason—war were to break out anywhere in western Europe, I wonder if the Senator from New Jersey could advise us what arrangements have been made with the Spanish Government which would permit the passage of Portuguese troops through Spain, because in the absence of such willingness on the part of the Spanish Government such Portuguese troops would find it extremely awkward and difficult to enter the fray.

Mr. SMITH of New Jersey. I am unable to answer the question of the Senator from Washington. I do not know what arrangements, if any, have been made.

Mr. CAIN. I thank the Senator.

Mr. SMITH of New Jersey. Probably I should say that a good many arrangements should be made in a great many areas which have not been made. This may be of interest to the Senator. At the present time the 12 North Atlantic countries are Britain, France, Holland, Belgium, Luxemburg, Portugal, Canada, Iceland, Denmark, Norway, Italy, and the United States. This year we have enlarged the program because we realize that there are other danger spots in Europe which require attention, such as Spain, for instance, which may need some aid. So we have given a 10-percent leeway for other countries to take advantage of. Those countries would be Sweden, Spain, Switzerland, Austria, Yugoslavia—if we were prepared to help her—and Finland, perhaps. Certainly none of the satellites would be included. Of course, we have already covered Greece and Turkey by existing legislation.

Mr. CAIN. May I inquire of the Senator whether he means that the available 10 percent could be spent in its entirety on any single one of the countries which the Senator has mentioned, or would it be shared among all those countries?

Mr. SMITH of New Jersey. The discretion in that respect is left with the President. Where an emergency arose, the concentration could be made.

Mr. CAIN. I would appreciate the Senator's answering one more question. I ask the question by referring again to the map, which I know most Senators are studying very seriously these days. What is the military status or establishment of Iceland today, if the Senator knows?

Mr. SMITH of New Jersey. I do not know. I do not think Iceland has any army at all. It has no army, my aide tells me. Iceland has not asked for any aid. Of course, it is an important link in the chain, from our experience in the last war.

Mr. CAIN. Iceland, which is a member of the Atlantic Pact, has in these critical days—and presumably it is for good cause—no army, navy, or air corps. Yet if Iceland were occupied by an enemy nation, if my understanding of the Atlantic Pact is correct, 11 other nations would presumably go to war to relieve her of the aggressor.

Mr. SMITH of New Jersey. We would consider an attack on Iceland an attack on all, under the language of the Atlantic Pact.

Mr. CAIN. I thank the Senator.

Mr. SMITH of New Jersey. I desire to emphasize at this point in my remarks one very important fact, and that is that the Security Council of the United Nations having acted—and many people seem to be confused on this point—in my judgment there was a very definite responsibility on the members of the United Nations to back up the Security Council in its recommendation. If we had not acted after that resolution had been adopted telling the North Koreans to stop firing and to move back to the thirty-eighth parallel, then, in my humble judgment, the United Nations would have been through. We had to face the issue of whether we were going to see through this action for the security of the world against an aggressor. Otherwise we had to face the possibility of the United Nations going to pieces.

Mr. President, at this stage in my remarks, I think it is important for the RECORD to show two things. I ask unanimous consent that there be inserted in the RECORD at this point the Security Council's resolution of Sunday, June 25, 1950. I should like to have the resolution printed in full, and then I should like to make some comments on it.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SECURITY COUNCIL RESOLUTION, SUNDAY, JUNE 25, 1950

The Security Council—

Recalling the finding of the General Assembly in its resolution of October 21, 1949, that the Government of the Republic of Korea is a lawfully established government "having effective control and jurisdiction over that part of Korea where the United Nations Temporary Commission on Korea was able to observe and consult and in which

the great majority of the people of Korea reside; and that this Government is based on elections which were a valid expression of the free will of the electorate of that part of Korea and which were observed by the temporary commission; and that this is the only such government in Korea";

Mindful of the concern expressed by the General Assembly in its resolutions of December 12, 1948, and October 21, 1949, of the consequences which might follow unless member states refrained from acts derogatory to the results sought to be achieved by the United Nations in bringing about the complete independence and unity of Korea; and the concern expressed that the situation described by the United Nations Commission on Korea in its report menaces the safety and well-being of the Republic of Korea and of the people of Korea and might lead to open military conflict there;

Noting with grave concern the armed invasion of the Republic of Korea by armed forces from North Korea,

Determines that this action constitutes a breach of the peace;

1. Calls for the immediate cessation of hostilities and calls upon the authorities in North Korea to withdraw forthwith their armed forces to the thirty-eighth parallel.

2. Requests the United Nations Commission on Korea (a) to communicate its fully considered recommendations on the situation with the least possible delay; (b) to observe the withdrawal of the North Korean forces to the thirty-eighth parallel; and (c) to keep the Security Council informed on the execution of this resolution.

3. Calls upon all members to render every assistance to the United Nations in the execution of this resolution and to refrain from giving assistance to the North Korean authorities.

Mr. SMITH of New Jersey. The resolution—

1. Calls for the immediate cessation of hostilities; and calls upon the authorities in North Korea to withdraw forthwith their armed forces to the thirty-eighth parallel.

2. Requests the United Nations Commission on Korea (a) to communicate its fully considered recommendations on the situation with the least possible delay; (b) to observe the withdrawal of the North Korean forces to the thirty-eighth parallel; and (c) to keep the Security Council informed on the execution of this resolution.

3. Calls upon all members to render every assistance of the United Nations in the execution of this resolution and to refrain from giving assistance to the North Korean authorities.

Mr. President, it is important to note that that does not say anything about repelling any armed attack. That resolution, adopted last Sunday, was the first one, and it was absolutely ignored, as we know, by the North Koreans. Then it became necessary for the next action to be taken.

On Tuesday, yesterday, not quite simultaneously with the President's statement, but almost simultaneously—and I think after contact with our representative, Ambassador Austin, we had pretty good information as to what action would be taken by the United Nations—they adopted the next resolution, which I also ask to have inserted in the RECORD in full at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SECURITY COUNCIL RESOLUTION, TUESDAY, JUNE 27, 1950

The Security Council—

Having determined that the armed attack upon the Republic of Korea by forces from North Korea constitutes a breach of the peace,

Having called for an immediate cessation of hostilities, and

Having called upon the authorities of North Korea to withdraw forthwith their armed forces to the thirty-eighth parallel, and

Having noted from the report of the United Nations Commission for Korea that the authorities in North Korea have neither ceased hostilities nor withdrawn their armed forces to the thirty-eighth parallel, and that urgent military measures are required to restore international peace and security, and

Having noted the appeal from the Republic of Korea to the United Nations for immediate and effective steps to secure peace and security,

Recommends that the members of the United Nations furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area.

Mr. SMITH of New Jersey. Mr. President, at the end there appears a recommendation on which, it seems to me, hangs our whole philosophy in acting to implement the United Nations recommendation. I quote:

Recommends that the members of the United Nations furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area.

The question has arisen, of course—the Senator from Ohio [Mr. TAFT] raised it today, and it was discussed by the Senator from Illinois [Mr. LUCAS]—whether the President had authority to direct General MacArthur, who is in charge of our country's interests in the area in question, to use our armed forces actually to repel the attack.

The point was brought out very ably by the Senator from Vermont [Mr. FLANDERS] in my opinion, that the President's action did not mean we should carry on a war with North Korea and go over the border, but that we should tell the North Koreans to get out of South Korea and go north of the thirty-eighth parallel. We were acting under the authority of the United Nations, and the order of the President to see that the resolution was carried out and that they were pushed out. The minute they got back of the thirty-eighth parallel we would not have any authority, so far as the United Nations was concerned, in trying to restore peace in the area. I think that when that is understood, there will be less tendency to say that we are declaring war on a country with which we have been at peace.

Mr. President, the question of participation by other countries has been raised, and I have been asked by a number of persons who have called me, and by members of the press who have interviewed me, as to whether we are going to act alone. Of course, we all know that the ultimate ability to make the order of the Security Council really effective rests largely with us, but the call was made to all the members of the United Nations, and at the present time, I am advised, there has been a very substantial response, on the part of Great Britain, France, and some other countries. I have not all the names before me.

The point I desire to make, which is important, is that this is not unilateral action by the United States. The United States, as one of many members of the United Nations, is accepting its responsibility to see that the recommendation, the order, practically, of the Security Council, is carried out. If we are not prepared to do that, if we are not prepared to take any initiative to get these countries, so far as they will, even if only as a token, to help us in this matter, the authority of the United Nations will be done for. It is a challenge as to whether we are going to keep the United Nations effective in the world.

Mr. President, as I have said, the action taken is not unilateral action by the United States. But we have to face the fact that we are the most powerful Nation in the world today, able to accept the responsibility and the challenge thrown at us by the terrible crisis which has been presented. I repeat my enthusiastic support of the prompt action, the decisive action, taken by the President in his statement of yesterday.

Mr. President, we have, therefore, two matters for consideration, first, stopping the aggressor, and second, preventing the conflict from spreading more widely, and it seems to me we have acted with speed, firmness, and wisdom. When I am asked if this means war, I reply, "This is the only step I can see which could possibly have averted world war III." If we had permitted Korea to fall, Formosa would inevitably have been next, because we would not have made a stand there if we had not made it in Korea; Indochina would have been next; the Philippines would have been threatened, and we would have been forced to withdraw entirely from the Pacific area, or be involved in a third world war, under conditions much less favorable than the conditions today, when, in my judgment, the firm action we have taken will prevent world war III. While there is always danger that a world war may break out, the firmness of the action just taken is what the world needed to answer the question whether the United States was going to follow through in its oft-repeated statement that it was profoundly interested in the small nations of the world, nations which are trying to find freedom and release from despotic control.

Here was a clear-cut case of a country, which, as I have tried to show, is in a way a ward of ours, under our trusteeship, as it were, which we had brought into the United Nations, being suddenly and ruthlessly attacked. When the United Nations was willing to act, and we were called upon to follow through, we did follow through, and I rejoice that we did.

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In Congress we have a great responsibility. We have a long-range responsibility, not only in the military field, about which we are speaking today, but in the economic and moral fields, for a foreign policy worthy of our heritage as free men. We are dealing today with one very serious part, but only one part, of the whole picture.

I for one am not content merely with the fact that we have announced we are going to take military measures. I will not be happy until we think through a larger, over-all reach of the various contacts in the world that we need, and the various interpretations we need to make to the world in order to show our leadership, which is so sorely needed, especially by oppressed peoples.

Mr. President, it is my purpose later to speak on that subject. I expected to bring it up today in dealing with the pending bill, but it is a much larger subject. The crisis present in Korea seems to me to be a way to emphasize the great importance of this program for military assistance which is designed to implement the military security of the United States and the free world. That is why I hope we can dispose of the pending bill. Those of us on the committee will be prepared to answer all questions asked us in regard to it. I hope the Senate will pass the bill by an overwhelming vote.

Mr. LEHMAN. Mr. President, I support wholeheartedly the military-aid program bill. I feel strongly that the Senate must not delay the approval of this vital measure.

In Asia we are hearing today the echoes of military conflict. From the land of Korea the clash of arms echoes throughout the civilized world. That clash of arms should serve as warning to us here that we must proceed immediately to approve this legislation and to implement it.

Mr. CAIN. Mr. President, will the Senator from New York yield to me for a question?

Mr. LEHMAN. Of course.

Mr. CAIN. The Senator has just made an observation which is of prime importance to all of us. Will the Senator tell us what there is in the MAP bill which, if the bill were passed, by way of argument, this afternoon, would immediately be of assistance to Korea?

Mr. LEHMAN. I think I will develop that as I go along, if the Senator will be patient.

Mr. CAIN. I thank the Senator.

Mr. LEHMAN. Unless we act, and act swiftly, Europe may be the next theater for such operations as we witness today in Korea. One way—one means of preventing this from happening—is to speed arms to our friends in Europe and to strengthen the physical sinews which bind the Atlantic Pact nations together.

On June 2, only 3 weeks ago, President Truman, in a message to the Congress urging the mutual defense assistance program, said:

> The United States and other free nations must be strong if they are to remain free. Communist imperialism has shown itself ready to exploit weakness and to seize nations which do not have the strength to resist.

Those are prophetic words, Mr. President. They forecast the pattern of the present invasion of Korea. Let us be sure that they do not forecast a pattern for Europe or for any other country to whose aid we are pledged.

I do not feel that the military-aid program is the sole answer to the question of peace or war in Europe and in the world. But it is a part of the answer and a vital part of the answer under today's conditions.

The bill before us is a very brief bill. It expands, amplifies, and implements the Mutual Defense Assistance Act of 1949. It gives the President certain additional authority and it restricts his authority in some respects. An aggregate of a billion and a quarter dollars of new funds is authorized to be appropriated. This would be a cheap investment in peace. Neither this amount nor any comparable amount will secure the peace if we do not succeed in making these people not only secure, but determined to defend their liberties and their way of life.

I hope and pray that none of our friends and allies in Europe shall be the next Korea. To further that hope, this bill must be immediately approved.

Mr. President, on Monday last I spoke in this Chamber and made an appeal for nonpartisanship, an appeal to avoid all political thinking, all political considerations. I renew that appeal today. I want to quote briefly a few paragraphs from the remarks which I made last Monday as follows:

> Mr. President, there are times for greatness. This is such a time.
>
> I do not refer to individuals. I refer to all of us, collectively. I refer to all our people. I refer to our country. I refer to all countries.
>
> The news of the past 48 hours has shocked us. We cannot doubt that the occurrence in Korea, the armed attack by prepared forces, is part of a pattern. It is a move, whose motive we can only guess. We cannot doubt that it was planned, or at least acquiesced in by the Kremlin.
>
> I shall not discuss the strategic dangers to which we would be exposed if Korea fell to the Communists. This is not a time for amateur strategists. Our trust, today, must rest in those officials charged with the calculation of strategic factors.
>
> Nor shall I look backward and speculate on where the fault lies, that today's happenings should have occurred. It is easy to simplify history and to rewrite it according to one's political tastes or prejudices. That is not called for today.
>
> What we in the Senate are called upon to do today is to show the world our attitude and our reaction to the terrible events rushing upon us. Are we to be stricken by panic and confused by recrimination? Are we to think of what advantage this political party or that political party may take of the current situation?
>
> No; this is not the course for the United States Senate. The role of the Senate today is to reflect for the people of the world what the American people are thinking of today. Our function is to be deliberative and to take counsel on what our general purposes are, and what principles this Nation shall be guided by in the hard days ahead.

I concluded my statement with these words:

> We must show strength, firmness, and courage. But let us, in this hour of danger, show that greatness to which destiny has called us. Let us avoid partisanship as evil itself. In this hour, and on this question, let all Americans stand firm for justice but strive with all our hearts and all our souls to save mankind from the catastrophe of another world war.

Mr. President, the paramount duty of this body is to support and advance all measures needed to assure the security of this Nation and of the world.

I listened to the debate earlier today, and without reference to the distinguished and able speaker who has just preceded me, I want to take this opportunity of warning again, Mr. President, that we of the Senate will fail in the stern duty which is imposed upon us—our paramount duty—if we permit ourselves to play politics in this tense and critical situation.

Mr. MALONE obtained the floor.

Mr. CAIN. Mr. President, will the Senator from Nevada yield so I may ask one question of the Senator from New York?

Mr. MALONE. I am happy to yield to the Senator from Washington for that purpose.

Mr. CAIN. I listened with interest to the remarks of the distinguished Senator from New York. During his observation he urged prompt passage by the Senate of the United States of the MAP proposal, and stated that it was his judgment that immediate passage of the bill would be of material assistance to Korea, that is, to southern Korea, in its hour of need. Would the Senator please satisfy my quest for information by telling me what there is in the pending bill which, if passed this afternoon, would be of any material assistance to southern Korea.

Mr. LEHMAN. I will very gladly answer the question. I do not believe that I confined my plea for the immediate passage of the military-aid bill to the situation in Korea.

Mr. CAIN. By no means.

Mr. LEHMAN. I pointed out that the prompt passage of the bill would very definitely assist in supporting the peace and security of the world. I believe the peace and security of the world depend on this country and on our friends and allies in western Europe, and those friends whom we have left in Asia.

Mr. President, I spoke yesterday on this floor in support of the prompt passage of the selective-service bill. I felt it was dangerous to delay the passage of that bill by even so much as 1 hour. I have just as much respect for proper parliamentary procedure as anyone in this Chamber, but in these critical times I do not think a point of order, unless it addresses itself to something of the utmost importance, is seemly. I pointed out that we of the Senate had told the world yesterday that we had confidence in the President, that we pledged our support to his present course of action. Nothing we could have done would have been so clear a sign and a promise to the people of the world and of this country that we meant what we said, as the prompt and immediate passage of the draft law.

I say the same thing about the bill now before us. I think we must show

the people of the world that we mean what we say, that we are deeply interested in the preservation of the democracy, the freedom and the liberties of people who want freedom and liberties today. I think anything that delays action weakens us in the eyes of the world, and weakens our own security.

Mr. CAIN. Mr. President, the Senator from Washington raised this question only because he, like every other Senator, is looking for a tangible way in which to be of assistance to southern Korea. I want to say to my friend from New York, because it is a fact, that there is nothing in the pending bill which would provide any material assistance of any kind, character, or description to Korea for weeks and weeks and weeks after the bill is passed.

There is another reason I have for raising the question, and I should like to draw it to the attention of the distinguished Senator from New York. The pending bill came up on the floor of the Senate last Friday. War broke out in Korea the next day. There is no more similarity between the Korean situation this afternoon and that of last Friday afternoon than there is between day and night. Yet those who presented the pending bill last Friday are still talking only of passing it in the United States Senate, and no one has yet, to my knowledge, said "Circumstances have changed, and we need to make changes in the bill." I think logic will tell anyone that what was proper last Friday to be done no longer is proper to do in any way which was recommended last Friday in view of the outbreak of war which has taken place since that time.

Mr. LEHMAN. I may point out to the distinguished Senator from Washington, whom I thank for his remarks, for they gave me the opportunity to say some things I wanted to say on the floor of the Senate, that I again wish to emphasize as I did a few moments ago, that there might be other Koreas, not only in Asia, but in other parts of the world. Such other Koreas might prove much more perilous to our immediate security than the distant peninsula in Asia; of course, I want to help protect the Korean people and at the same time to protect the security of our country and of the world.

Mr. CAIN. Both the Senators now in colloquy certainly have the same single ambition to help their country and the world. I feel strongly, and I believe that no one will deny it to be a fact, that we are where we have come to be today largely because of mistakes we have made in the past. In reference to the pending measure or any other matter concerning the welfare and health of the world in the future, we ought to make up our minds conclusively as to what we are doing, before we do it.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. MALONE. I am glad to yield.

Mr. WILEY. Mr. President, for some time I have sought to obtain recognition by the Presiding Officer; but having failed to do so, and also having a meeting at 4:30 of the crime investigation subcommittee of the Judiciary Committee, and inasmuch as it is now past 4:30, I ask unanimous consent to place in the RECORD a statement, of which I shall read simply the headlines, although I had intended to read the entire statement into the RECORD.

The headlines are as follows:

1. Senator WILEY suggests peace propaganda counteroffensive against Russia.
2. Basic peace outlook still bright.
3. Strong action is less of a risk than appeasement.
4. We must be wary of diversionary tactics.
5. Russia would have blitzed us had she intended war.
6. We are incredibly unprepared.

Mr. President, on the last point, I ask the indulgence of the Senator who has yielded to me, in order that I may read one paragraph of my statement, as follows:

Speaking of alertness, I ask the Navy if it is on guard against a Pearl Harbor-like attack in which Russian snorkel submarines could hit our concentrated far-eastern fleet. I ask the Department of the Army if it is prepared in the Near East to prevent a sudden push by Russia for the oil wells. I ask if it is ready for a sudden push by the Russians to take over Berlin and western Germany.

Mr. President, alertness in 1950 cannot consist merely of 1945-like alertness—that is to say, being vigilant for the dangers existing as of the end of the Second World War. On the contrary, we must be alert to the dangers existing as of the present atomic age, with all its challenge.

Mr. President, I ask unanimous consent that my entire statement may be printed at this point in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

SENATOR WILEY SUGGESTS PEACE PROPAGANDA COUNTEROFFENSIVE AGAINST RUSSIA

America must launch a peace propaganda counteroffensive against Russia. It is essential that we accompany our Korean military counteroffensive with a peace blitz that will acquaint the Russian people with the real reasons for the actions by United States forces. The uniformed people of Russia have been told no doubt that it is imperialist America which is attacking northern Korea and which is supposedly planning to attack the Soviet Union itself. We must "hit 'em where they ain't," hit the Russian people with facts to end their ignorance of Soviet aggression.

We should put the Voice of America program therefore on a semiwar footing by bombarding the Russian airwaves with the actual facts of the situation. We should set agents to work throughout the iron curtain to spread the truth. The State Department moreover should exercise twentieth century imagination in immediately considering every other possible device by which we can reach the Russian and satellite peoples, whether it be leaflet-carrying balloons or any other new technique of psychological warfare.

The man in the street in Russia fears and hates war as much as does the man in the street in America. It is up to us to point out conclusively to the average Ivan that America does not want war, that the United States has taken strong steps in Korea so as to prevent all-out war, and that it is the Kremlins' leaders who have deliberately brought about the present critical situation. If 10,000,000 Russians knew the real facts about the Red-inspired civil war, Stalin and company would be that much more deterred from making a fatal blunder leading to war.

Of course in our over-all actions we must be careful to take no steps which would leave the Kremlin no other alternative but all-out war. On the contrary, we must leave an out for them so that they can withdraw from their limb without precipitating a third global conflict.

BASIC PEACE OUTLOOK STILL BRIGHT

I have every faith that this crisis in Korea will not degenerate into a third world war.

I believe and pray Russia will back down.

I believe and pray the United Nations will have been strengthened rather than weakened by its vigorous action against aggression.

STRONG ACTION IS LESS OF A RISK THAN APPEASEMENT

There is no turning back. We are gambling; we are taking a calculated risk. But appeasement and retreat is a far worse gamble. Appeasement has failed every time. Strength may and I believe will succeed this time.

WE MUST BE WARY OF DIVERSIONARY TACTICS

It should not be forgotten that the entire Korean crisis may be a demonstration of Russian diversionary tactics—a strategy which the Politburo has used repeatedly and successfully in the past. Therefore, while we must concentrate on meeting the Korean problem we must not forget that the Russians are playing chess with the entire world and that the Kremlin is undoubtedly hoping we will turn our backs to other critical danger spots elsewhere in the globe.

RUSSIA WOULD HAVE BLITZED US HAD SHE INTENDED WAR

As for Korea itself, I believe basically that it is a testing ground. It was not designed by Russia as a Sarajevo for world war III, paralelling the assassination of the Austria-Hungarian duke which was used as a pretext for the first world conflict.

Had Russia intended a real show-down, the first notice we would have received would not have been the crossing of the Korean border, but the blackening of America's own skies with Russian bombers and guided missiles bringing destruction to our own cities. Russia recognizes that the greatest single weapon she would have to win a war with us is the element of surprise. If she is denied that element and if America is alerted as she is now, then the two adversaries are on more even terms.

I know that every American mother and father feels a deep sense of concern lest this situation develop into war. The Russians are, however, the most cold-blooded and realistic chess players in the world and a good chess player always anticipates not only his next move, but his and his adversary's distant moves many steps ahead. The Russians have no doubt anticipated actions we would take, and it appears unlikely that they would bring about a general war in such an indirect fashion, completely losing the advantage of a blitz attack.

WE ARE INCREDIBLY UNPREPARED

One thing we have learned and that is in a crisis such as the present, we find ourselves incredibly weak from the standpoint of having our civil defenses adequately prepared, let alone our military defenses. The plans for governmental decentralization which I have so long urged and which have never gotten out of the drafting blueprint stage, should long ago have been implemented by orderly, systematic dispersal starting with priority Federal agencies.

I ask the National Security Resources Board: "Has it the complete mobilization plans which it has been hinting about and predicting for so long?"

And speaking of alertnes—I ask the Navy if it is on guard against a Pearl Harbor-like attack in which Russian snorkel submarines could hit our concentrated Far Eastern fleet. I ask the Department of the Army if it is

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prepared in the Near East to prevent a sudden push by Russia for the oil wells? I ask if it is ready for a sudden push by the Russians to take over Berlin and western Germany?

Alertness in 1950 cannot consist merely of 1945-like alertness, that is being vigilant for dangers as of the end of the Second World War. On the contrary we must be alert to dangers existing as of the present atomic age.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. HENDRICKSON. Mr. President, in the present crisis, it seems to me it is very important that we use whatever means or methods are available to us to clarify our thinking. To that end, I offer as a contribution, for the RECORD, an article from today's New York Herald-Tribune. The article is by David Lawrence, and is entitled "Truman's Stand on Korea Reverses United States Policy to Write Off Reds' Far East Conquest."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TRUMAN'S STAND ON KOREA REVERSES UNITED STATES POLICY TO WRITE OFF REDS' FAR EAST CONQUEST

(By David Lawrence)

WASHINGTON, June 27.—The world has just witnessed an episode that may help to prevent world war III. It is an episode reminiscent of something that was not done in November, 1936, when Hitler marched into the Rhineland, the British and French Governments procrastinated and did nothing, and the League of Nations—without America as a member—failed to halt the aggression.

Today the United States, acting in behalf of the United Nations, takes its stand firmly, orders its military forces into action and is prepared to take the consequences in an effort to halt an aggressor in his tracks.

The United States, though regarding the outbreak as technically between two groups of Koreans, has sent a note to Moscow making it unmistakably clear that America understands the motivation of the North Korean action to be Russian.

What all this may lead to in world affairs is too early to appraise, but there is such a sign of relief throughout Washington today that it's like a breath of fresh air in a stuffy room. The Republicans and the Democrats are once again united on an unpartisan foreign policy. There is no more partisan politics now, as both parties get behind the President in a remarkable demonstration of unity before all the world.

REVERSAL OF POLICY

The new policy in the Far East is, to be sure, a reversal. For months it had been decided to write off the Far East-Communist conquests in China were just too bad, Formosa couldn't be defended, Korea might have to be abandoned. But the recent trip of Secretary of Defense Johnson and General Bradley to confer with General MacArthur and the visit of John Foster Dulles to Korea all seemed to synchronize with American sentiment, namely, that a manifestation of weakness in the Far East would be a blow to America's prestige throughout Asia as well as in Europe. If America were indifferent to the fate of Korea, then no small nation could expect help from either the United States or the United Nations. A stand had to be taken in the Far East to show that America was ready to fight to defend freedom anywhere. It was an opportunity for a military demonstration—so often made as a means of preventing a big war.

Also the main defect in the Truman-Acheson policy which has led to such severe attacks from Senators KNOWLAND, of California, and ALEXANDER SMITH of New Jersey, and Representative JUDD of Minnesota—all Republicans—has been corrected at last. It was this trio which wanted Formosa saved somehow, but to this the Administration had cried out that they were flirting with war.

Fortunately for everybody concerned, the Russians blundered in time. They suddenly gave the administration a way out of the whole dilemma. For President Truman promptly pointed to Communist aggression in Korea as a justification for protecting Formosa against Communist attack. True enough, the administration doesn't necessarily get behind Chiang Kai-shek and the Nationalists now but keeps the Communists out of Formosa just the same. The Chinese people may interpret the action as they please—and the Communists in China will get small comfort out of it.

As for the shooting, it will be brief. The Russians are not likely to provoke a war, though their capacity for harassment should by no means be underestimated as they might bring in Communist troops from China to help the North Koreans and start a chapter in history not unlike that which developed in the Spanish civil war as prelude to World War II.

KREMLIN MAY BACK DOWN

It could happen, of course, that the Russian people may grow restive and begin to ask if the Kremlin is involving them in war. It could happen that the Moscow government will back track and, while disavowing any responsibility for the behavior of the North Korean forces, nevertheless keep the latter from continuing their aggression.

Most important of all considerations in reversing American policy was the possible effect on the Japanese people of the reported abandonment of Korea and Formosa. If that had happened, Communist infiltration in Japan would have become bolder and more effective. The new policy, like the "drawing of a line in Greece and Turkey, has awakened real support on every side as a logical development of America's global leadership.

Russia tried to test out America and found a firm, hard, unrelenting policy in Asia as in Europe. That's the biggest single development thus far of the postwar period and could conceivably prevent any attempts at aggression by the Communists in Europe or elsewhere.

Mr. HENDRICKSON. Mr. President, I also ask consent to have printed at this point in the RECORD an article entitled "United States Far East Policy Reversed by Truman's Order for Action," by Bert Andrews, also published in the New York Herald Tribune.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES FAR EAST POLICY REVERSED BY TRUMAN'S ORDER FOR ACTION—STAND OF HERBERT HOOVER, MACARTHUR, TAFT, AND OTHER REPUBLICAN SENATORS SEEN AS UPHELD

(By Bert Andrews)

WASHINGTON, June 27.—President Truman's strong stand regarding Korea and Formosa marks an almost complete reversal of the position he and Secretary of State Dean Acheson held on these far eastern matters just 6 months ago.

It almost amounts to vindication of the attitude taken at that time by General of the Army Douglas MacArthur, former President Herbert Hoover, and four Republican Senators, Robert A. Taft, of Ohio; H. Alexander Smith, of New Jersey; Homer Ferguson, of Michigan; and William F. Knowland, of California.

There was complete acceptance by Republicans today that the Communist-backed aggression against the Republic of Korea by the forces of Northern Korea has forced the change in strategy and so there was no tendency to raise cries of "We told you so."

Nevertheless, the record is there in official statements from the President, Secretary Acheson, Mr. Hoover, and the Senators; in comments unquestionably inspired by General MacArthur, and in newspaper accounts.

SEES MACARTHUR PREVAILING

It is a record which shows that Secretary Acheson, who believed then that the holding of Formosa by Nationalist China was not vital to the defense of the United States, prevailed upon the President to accept his views over those who held to the contrary.

It is a record—and it is supplemented by quite recent developments—which shows that the opinions of the most contrary man of all, General MacArthur, have finally prevailed.

A capsule illustration of how great the reversal is—an illustration which will be followed by chronological details—is supplied by:

President Truman, on January 5, when Republicans were shouting for more help for Generalissimo Chiang Kai-shek and Formosa: "The United States Government will not provide military aid or advice to Chinese forces on Formosa. The resources on Formosa are adequate to enable them (the Chinese forces) to obtain the items which they might consider necessary for the defense of the island."

Secretary Acheson, on January 5: "We are not going to get involved militarily in any way on the island of Formosa. So far as I know, no responsible person in the Government, no military man has ever believed that we should involve our forces in the island."

President Truman, in his statement today: "The occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to the United States forces performing their lawful and necessary functions in that area. Accordingly, I have ordered the Seventh Fleet to prevent any attack on Formosa."

THE CHRONOLOGY

The complete chronology, bringing Messrs. Truman, Hoover, MacArthur, Acheson, Taft, Ferguson, Smith, and Knowland, follows:

December 1, 1949: Senator SMITH returned from a trip to the Orient. He had talked in Tokyo with General MacArthur. It's an open secret that the things he said after he came back were based on that talk. He said it was unthinkable that Formosa should be lost to the Chinese Communists. He said Communist drives made possible by a Formosa base might eventually push America's defense back to the Marianas, the Hawaiian Islands, and the Pacific coast.

December 1, 1949: On the very same day, after reading Senator SMITH'S views, "authoritative sources"—in this case, State Department officials—told reporters the Department's view was that Formosa was of no strategic value to the United States and that the Department was prepared to see the island fall to the Communists.

December 1, 1949: Secretary of Defense Louis Johnson sent two men out to see General MacArthur. They were Tracy S. Voorhees, Under Secretary of the Army, and Lt. Gen. Alfred M. Gruenther, Army Deputy Chief of Staff for Operations. They talked with General MacArthur and got an earful.

JOINT CHIEFS HEAR REPORTS

December 22, 1949: An all-day meeting of the Joint Chiefs of Staff was held to hear the Voorhees-Gruenther information and other reports. They decided to send a military mission to Formosa.

December 23, 1949: The State Department, although told of the Joint Chiefs' decision, notified its attachés that Formosa wasn't considered important strategically and that

the attachés ought to begin to publicize that view so the United States wouldn't lose prestige if Formosa fell (secret notification).

December 23, 1949: On that very same day Chinese Ambassador V. K. Wellington Koo called at the State Department to make a formal request for military, political, and economic advisers for Formosa. (Kept secret, too.)

December 28, 1949: President Truman and his top advisers began to worry lest Senator SMITH and other critics accuse them in the Congress about to reconvene of having "no policy" on Asia. So the National Security Council was ordered to meet so a "positive" policy could be prepared for presentation to Congress. The best information this reporter could get was that Secretary Johnson had heard that Secretary Acheson had already sold President Truman on his arguments and saw no reason to be present. Anyway, Secretary Johnson wasn't present. President Truman decided in favor of Secretary Acheson's views.

January 2, 1950: Mr. Hoover, Senator Knowland, and Senator Taft said the United States should use its Navy if necessary to protect Formosa and "raise a wall against communism in the Pacific."

TELLS HANDS-OFF POLICY

January 5, 1950: President Truman announced the hands-off policy on Formosa. Secretary Acheson gave the details.

January 6: Senator FERGUSON said: "The President and Mr. Acheson have kicked bipartisan foreign policy out the window."

January 11: Senator Taft repeated, in the Senate, his argument that the Navy ought to be sent to protect Formosa.

January 12: President Truman said—Senator TAFT is entitled to his opinion but I didn't know he was a military expert.

The Communist-backed invasion of the Republic of Korea has made a difference.

And Messrs. MacArthur, Hoover, Taft, Knowland, Ferguson, and Smith can have that we-told-you-so expression, even though they don't use the words.

Mr. HENDRICKSON. Mr. President, I also ask consent to have printed in the RECORD an article entitled "New Spirit Felt in Capital in Wake of United States Decision." The article is by James Reston, and appears in the New York Times for today.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW SPIRIT FELT IN CAPITAL IN WAKE OF UNITED STATES DECISION—DIFFERENCES VANISH IN FEELING THAT PERILS OF INACTION OUTWEIGH THOSE OF ACTION

(By James Reston)

WASHINGTON, June 27.—The decision to meet the Communist challenge in Korea has produced a transformation in the spirit of the United States Government.

There have been some differences in the last 72 hours here over how to react to the Communist invasion, but in the night and day discussions since Sunday these differences have apparently been swept away by the general conviction that the dangers of inaction were greater than the dangers of the bold action taken by the President.

Some of the differences between the State and Defense Departments over United States policy in Japan and Formosa had already been minimized as a result of the recent visits of Secretary of Defense Louis Johnson, Gen. Omar Bradley and John Foster Dulles to Japan.

Before they visited Gen. Douglas MacArthur, the United States commander in Japan had been quoted as having various contradictory views about what should be done about Japan and Formosa. However, General MacArthur stated in writing that it was a vital interest of the United States that both Formosa and Japan should be denied to the Communists.

ISSUE OF FORMOSA POLICY

This paper was brought back here by Secretary Johnson, and the whole issue of reversing United States policy in Formosa would have been raised with the President again even if the Communists had not attacked South Korea.

That attack, however, convinced Secretary of State Dean Acheson, who had opposed United States military or naval action in defense of Formosa, that the Formosan policy should be reversed, and he so stated in the Blair House meeting Sunday night.

Thus, one major source of difficulty between the two major departments concerned with the conduct of foreign policy has been removed, and this decision has simultaneously regained the support of influential Senators such as Senators H. ALEXANDER SMITH, of New Jersey, and WILLIAM F. KNOWLAND, of California, who had broken with the bipartisan foreign policy over Formosa.

Secretaries Johnson and Acheson, long reported at odds with each other on various matters, have come closer together in the crisis of the last 72 hours than at any time since they have served in the Cabinet together.

GREATER COOPERATION EVIDENT

Mr. Acheson, from the moment of the attack on South Korea, argued that the whole moral basis of American foreign policy, and the confidence of the world in the United States, in the United Nations, and in the whole collective security system was at stake. Some of the soldiers naturally hesitated to disperse United States forces too much. General Bradley, in particular, has been warning that we must keep our eye on the central target, which, in his judgment, still lies in Europe.

In the end, however, the international political considerations, mainly the preservation of faith in the United States and the United Nations prevailed, and there is in Washington tonight a spirit of far greater cooperation than at any time in the last few years.

Moreover, the somber spectacle of American planes engaged against a Communist aggressor 7,000 miles away from home, long before the United States is ready for a major war, has finally overwhelmed the atmosphere of McCarthyism that has pervaded this city for months.

Tonight Capitol Hill seemed willing at last to lift its sights a little higher and turn its attention to the battle overseas.

ACTION HELD ESSENTIAL

In short, as one official who has been in on the Blair House talks this week put it: "The President's decision has untied a thousand knots." Nobody contends that the administration has chosen a prudent policy, or that it has at its command the forces to wage a protracted major war if the Russians choose to advance south of the thirty-eighth parallel.

In the end, however, there was general agreement here that the only real deterrent to aggression was the willingness of law-abiding nations to take action against the aggressor, even if they were not ready for a major war.

Mr. Truman in effect based his decision on the words used by former Secretary of State Henry L. Stimson after what he called "the tragedy of timidity" in the far eastern crisis of the early thirties.

"I broke out and said," wrote Mr. Stimson, "that I was living in a world where all my troubles came from the same thing • • • where we are constantly shut in by the timidity of governments. • • • I said that the time had come when somebody has got to show some guts."

Mr. HENDRICKSON. Mr. President, last but not least, I ask consent to have printed at this point in the RECORD an editorial entitled "A Calculated Risk for Peace," published in today's New York Herald Tribune.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A CALCULATED RISK FOR PEACE

By his bold and prompt action in ordering the United States air and sea forces "to give cover and support of the Republic of Korea forces," President Truman has taken aggressive action to preserve this world's uneasy peace. The move made by the American Government carries heavy risks, including this risk of a new world war. This risk, however, was first taken by the North Korean Communists last Sunday when they launched their attack on the Republic of Korea.

Backed and guided by Moscow, the North Koreans, and the men in the Kremlin who gave the orders, decided to risk the igniting of a world war by defying the United Nations and opening Korea's civil war. To have remained silent, or, indeed, to have been merely vocal while withholding effective aid, would, once more, have indicated to the world that the democracies are impotent to act, that ruthless brute force, cannily used, can nibble away safely at the free territories of the world.

The risk of war in the action taken by the American Government yesterday may perhaps be compared to the risk that the British and French would have run had they stood together in 1936 in opposition to Adolf Hitler's occupation of the Rhineland. We believe the greater risk was incurred in letting Hitler successfully carry off his occupation of the Rhineland.

The western world does not want war. We are reluctant to believe that the Russians want war, at least today. Under the existing circumstances, the action taken by President Truman seems to us definitely a move aimed in the long run to preserve the peace. In calling upon the Chinese Nationalist Government in Formosa to cease all sea and air operations against the mainland held by the Chinese Communists, the President indicates the eagerness of the American Government to work out a formula for an orderly and peaceful settlement of the problems of the Far East. But the President's ordering of the Seventh Fleet to prevent any attack on Formosa and the expedition of military assistance to the Philippines and Indochina indicate equally that the American Government, at last, has drawn a line against continued Communist expansion in the Far East. This should be heartening and electrifying news to free nations around the world and sobering news to Moscow.

Mr. HENDRICKSON. Mr. President, I am very happy to note that my distinguished senior colleague the Senator from New Jersey [Mr. SMITH], and the other Senators who spoke on yesterday have been notably mentioned.

COLONIAL SLAVERY

Mr. MALONE. Mr. President, the United States has sunk to the filthy business of bolstering colonial slavery in various parts of the world.

Our taxpayers' money is being used by the ECA for the vile purpose of strengthening the yoke of bondage and slavery and perpetuating misery among the primitive peoples ruled and worked by imperial overlords.

The United Nations seems to have repudiated the promises of freedom to the

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smaller nations of the world, given at San Francisco in connection with the organization of the United Nations in 1945, and now sanctions the control of the smaller of these countries by the empire-minded nations. It apparently has now become the accepted policy of the United Nations and of our own President and Secretary of State to hold the smaller nations in bondage through the colonial empire system.

Mr. President, Mr. Paul G. Hoffman, European Cooperation Administrator, has called for European Marshall-plan countries to intensify activities in the field of colonial development. In speaking before 500 industrial executives at the conference on marketing of the American Management Association, at the Statler Hotel, in Washington, D. C., Mr. Hoffman said that the ECA is charged with the responsibility of helping in the colonial development task.

In line with this, the ECA has earmarked some millions of dollars to help pay the costs of getting various territorial development projects under way. In addition, the administration is looking forward to a series of projects to go into effect after the promised end of the Marshall plan.

Mr. President, we condemn Russia for her slave camps, while at the same time our Government helps Britain, France, and the Netherlands maintain theirs. In times past, we Americans prided ourselves upon being protectors of downtrodden people and champions of independence. But we no longer can make that claim. The United States has fallen from its high pedestal by financing the consolidation of a repulsive slavery system. Especially is this true with relation to the Negro tribes and nations in Africa and the people of the Far East—the Malayan States and Indochina.

THE ECA DEVELOPMENT OF COLONIES

Mr. President, the ECA development of colonies for the empires falls into three classifications:

First, roads, railroads, schools, hospitals, and agricultural stations.

Second, business enterprises which require public assistance.

Third, strictly private business.

We are guaranteeing to maintain the colonial status quo in Asia, in Europe, and in Africa—a status quo which is much to the advantage of certain empire-minded nations, which realized a century before we did, Mr. President, that the countries of the Far East, of Asia, of the South Seas, and of Africa form an almost perfect complement to the production of the United States. The manganese, chrome, tungsten, copra, spices, hemp, and the 35 to 40 other products which we either do not produce at all or in only small quantities, and which are very important to our everyday, peacetime existence and are vitally necessary in war, are produced in those countries. We are natural traders and could not be prevented from trading with those areas, of course, but we are forced to pay anywhere from 10 percent to 60 percent tithings to the empire-minded nations for the privilege. Many years ago import-minded nations realized this fact, and they now hold certain nations in virtual slavery, and act as brokers for those countries, holding down the wages paid in those countries and, through the subterfuge of devaluation of currency, further lowering the wages, and then further raising the prices of the materials we need, when these materials are sold to us.

Mr. President, this Nation should demand equal access to the markets of areas we defend, subject only to the specific action of each particular nation, but not controlled and directed by the empire-minded nations. I do not say that we should demand that the colonies be abandoned by the empire-minded nations; I do not say that we should demand that they release these colonies. We do not make such a demand, and I do not suggest that we make it. However, certainly we should not levy further taxes on the taxpayers of the United States, to be used to hold these colonial possessions in bondage. We are simply making enemies of the far eastern and the African peoples, and they will join any nation promising them relief from the yoke.

Mr. President, the North Atlantic Pact simply guarantees the integrity of the colonial systems throughout Asia and Africa.

DO EMPIRE-MINDED NATIONS HELP THE PEOPLE OF THEIR POSSESSIONS?

Empire-minded nations have farmed their colonies for the sole benefit of the mother country in each case. They have established empire preferential rates and other restrictions. Apparently, it has never occurred to the officials of empire-minded nations to help the people of their possessions.

Thirty-five years ago, we did not at that time consider their treatment of these possessions in the light of affecting our welfare, and particularly our peace and safety. Then World War I came along, and we entered that conflict because our leaders decided that our ultimate peace and safety were actually threatened. So we sent our boys to Europe to drive back the invader, and out into the Pacific to reestablish these nations in their colonial possessions. The same thing happened again in 1941, when we entered World War II, for the same reason. Twice in our lifetime we have left bloody tracks all over the western rim of the Pacific and in Europe in order to reclaim colonial possessions for empire-minded nations. There is no doubt in anyone's mind about who it is that can protect the colonial possessions. If there were any doubt, it must have been dispelled when Singapore, the Indies, and the Malayan States fell during World War II.

Mr. President, that is decided by the President of the United States and the Secretary of State, for the executive department of this Government, which is charged with the responsibility under the Constitution of the United States to fix our foreign policy. If all these areas must be defended for our own ultimate safety, then they must be defended; but, Mr. President, it is unnecessary for us to make it possible, and to use our influence and power to put these little nations back under the yoke and hold them through financial dependence on us, and to hold them under the power of empire-minded nations, when these empire-minded nations simply act as brokers in selling these materials to the United States of America at a highly inflated price. Right at this moment, Mr. President, rubber and tin are sold out of the Malayan States to Russia in the same manner that it is being sold to the United States of America, and at an increased price above the price at which we were securing it immediately following World War II, and, at the same time, devaluating the currency in order to lower the wages of the Malayan people, not raising their wages.

As I have said before, and now I reiterate, we are doing the financing and doing most of the fighting in connection with the reclamation of the backward areas of colonies of empire-minded nations.

If the possessions which Great Britain still retains in Africa, Burma, and even in Australia, should come under attack, under agreement made by our State Department, we could be called in.

As I have pointed out previously, it would be an easy matter for nations which are about to lose their colonies to do something to provoke an attacker and to get us directly involved in a war.

BRITAIN NEEDS AMERICAN MONEY TO DEVELOP HER COLONIES

A high British Government official has said quite frankly that the British needed American money, not for England, but to develop her colonies—later to be more profitably despoiled.

The junior Senator from Nevada talked with this British official. He said they did not need our money for development in England; what they needed it for was to develop their colonies, in Africa and elsewhere, and to establish new industries; not to rehabilitate old industries, but to build new ones, and to start new farming areas. I asked him, "Do you mean to say that you want our Government to give your Government money so that you can expend it in the construction of new industries which your nation will own and operate?" He said that was correct. He said that they wanted the money not for recovery, but for the building up of industries in their colonies, notably in Africa, where they are brokers, where they own industries, once they are built with our money; and then, through devaluation and other subterfuges, the wages are not raised, they are lowered.

Britain's colonies cover 2,000,000 square miles. They consist of 36 separately governed areas with a total population of 60,000,000, most of whom are uneducated and unskilled. Millions are primitive peoples still living in the tribal state. The bulk of the territory they inhabit is untouched by civilization. These are the downtrodden people our Government is helping Britain to keep under the yoke for her selfish gain.

Some people point to the trend toward independence in India and elsewhere. There is a question whether any such trend heralds a deflection from the imperialist system or merely a temporary

modification of colonial relationships, in which near-independent areas are juggling for an improved status in an attempt to benefit by posthostilities confusion before prewar imperial controls can be reasserted.

In condoning the French misuse of ECA moneys in north Africa, the United States turns its back on morality. Far from achieving any of its proclaimed objectives, the European recovery plan has served there only to consolidate French economic and political domination in Tunisia, Algeria, and Morocco. The French are operating a police state in north Africa, and the ECA, in permitting the misuse of its funds, has shown disinterest in the problems of the indigenous populations and disregard of treaties. This does not jibe with the anticolonial policy which our representatives here voiced loudly and piously in the United Nations.

President Roosevelt at Casablanca pledged American support for the independence of Morocco. That pledge has not been kept. We turned our back on these people, despite the fact that north African forces in the late war numbered 275,000, some 65,000 of whom died on the Allies' battlegrounds.

At San Francisco, at the organization of the United Nations, we pledged our support to the principle of independence for the peoples. In five short years we have reversed our position; we have given up our high ideals and are now supporting the enslavement of the little peoples of the world.

We should demand that further American financing be withheld, whenever it serves to consolidate an ideological and economic system which has always been distasteful to the American people.

Mr. President, I shall now quote briefly from an article entitled "French Accused of Using ERP to Boost African Rule," written by Homer Metz, Chief of the United Nations News Bureau of the Christian Science Monitor. The article appeared in the Christian Science Monitor on March 1, 1950. In part, it reads as follows:

Serious and well-documented charges that American Marshall plan funds are being used to bolster French colonialism in north Africa and suppress legitimate independence movements in that area have been filed with the Senate Foreign Relations Committee.

Quoting further:

The letter was made public at United Nations headquarters by El Abed Bouhafa, personal representative of Abd El Krim.

The Committee for the Freedom of north Africa asserts that in condoning French "misuse" of Marshall plan moneys in north Africa, the United States has violated the sacred principles of international law" and placed short-sighted expediency above morality.

Reading further from this dispatch:

"Far from achieving any of its proclaimed objectives," the committee's letter states, "The European recovery plan has during the last 2 years served only to consolidate French economic and political domination in Tunisia, Algeria, and Morocco.

"American financial aid has been diverted to French North Africa for the promotion of the economic revival of, and free institutions in that area," the letter adds.

"However, in practice, American dollars, exclusively distributed to French settlers and businessmen, were used to further the dislocation of the national economy of Tunisia, Algeria, and Morocco for the benefit of their French masters, French trusts, and monopolies."

Mr. President, I do not want to give the impression that I am opposed to France, the Netherlands, Belgium, and other empire-minded nations. I am simply saying that today the American taxpayer should not be taxed to keep those people in bondage. Years ago, before we were so interested in world-wide affairs, when the people of those nations were kept in virtual slavery, we used to read of an uprising in Singapore, or in Malaya, and there was a little note that a British warship had thrown some grapeshot over into the jungle and quelled the riot. Then the boys went back to work. It was all very well when we knew very little about it, but we are now supposed to understand that the objective of these peoples is freedom, and we are supposed to understand that if we intend to get the cooperation of the people in authority in Asia and Africa we must not finance the slavery which has been going on, because we are the only nation which can hold those nations in bondage.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the complete article from the Christian Science Monitor from which I was reading.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FRENCH ACCUSED OF USING ERP TO BOOST AFRICAN RULE

(By Homer Metz)

LAKE SUCCESS.—Serious and well-documented charges that American Marshall-plan funds are being used to bolster French colonialism in north Africa and suppress legitimate independence movements in that area have been filed with the Senate Foreign Relations Committee.

The charges take the form of a letter to Senator TOM CONNALLY, Democrat, of Texas, chairman of the Foreign Relations Committee, from the Committee for the Freedom of North Africa, of which the Emir Abd el Krim, Moroccan nationalist leader, is president.

LETTER MADE PUBLIC

The letter was made public at United Nations headquarters by El Abed Bouhafa, personal representative of Abd el Krim.

The Committee for the Freedom of North Africa asserts that in condoning French misuse of Marshall-plan moneys in north Africa, the United States has violated the sacred principle of international law and placed short-sighted expediency above morality.

The Emir's committee declares that while it enthusiastically supported the Marshall plan at first, it reluctantly has been compelled to withdraw backing for a plan which has in this particular case developed into an insidious instrument for colonial economic aggression.

The letter charges that American policy in north Africa contradicts the basic ideals of of the Truman doctrine.

DOMINATION SEEN

"Far from achieving any of its proclaimed objectives," the committee's letter states, "the European recovery plan has during the last 2 years served only to consolidate French economic and political domination in Tunisia, Algeria, and Morocco.

"American financial aid has been diverted to French north Africa for the promotion of the economic revival of, and free institutions in, that area," the letter adds.

"However, in practice, American dollars, exclusively distributed to French settlers and businessmen, were used to further the dislocation of the national economy of Tunisia, Algeria, and Morocco for the benefit of their French masters, French trusts, and monopolies."

As an example, the Committee for the Freedom of North Africa declares, French officials are seizing 50 percent of the sugar cargoes sent to the above countries and selling them to French sugar cartels.

In spite of existing treaties that fix duties at 12 percent, it is alleged, the average Tunisian or Moroccan is compelled to pay 12 cents for a pound of sugar which should cost only 8 cents.

After quoting various authorities in support of the contention that the French are really operating a police state in north Africa, the committee declares that the ECA, in condoning the misuse of its funds, has shown disinterest in the problems of the indigenous populations and disregard of treaties.

For generations, it is pointed out, the State Department punctiliously differentiated between the French Government in north Africa and the government of the Sultan of Morocco, who under existing treaties has sovereign status.

But now the ECA appears to have nonchalantly lumped the two together in its European recovery plan, since no special provision has been made for Morocco under the ERP.

The effect of this, the committee asserts in quoting a recent article in a national magazine, "is that ECA's official recognition of French authority * * * is actively helping the French to consolidate their control."

POLICY QUESTIONED

If this is true, observes here note, it can be asked with cogency how this action on the part of the ERP jibes with the anticolonial policy which the United States has voiced in the UN.

"The current argument in favor of the procolonial policy of the Economic Cooperation Administration and its violations of sacred principles of international law is that everything has to be done to hasten France's recovery," the committee's letter declares.

"It is not the purpose of this statement to demonstrate that the welfare and the freedom of the north African peoples are as much necessary to world peace and justice as those of the western European nations.

"It is more proper to put on record that:

"(A) The north African peoples and their leaders never applied for American financial assistance.

"(B) It was the Sultan of Morocco and not the French who assisted the American forces' landing in Morocco and mobilized Morocco's physical and material forces to fight on the side of the Allies (in exchange for which, incidentally, numerous unfilled promises were made by American authorities during the war).

"(C) President Roosevelt pledged American support for the independence of Morocco in his interview with the Sultan in Casablanca.

"(D) Finally, there were only 7,800 Frenchmen fighting in the so-called Free French forces, while north Africans numbered 275,000, some 65,000 of whom died on the Allies' battlefields."

VIOLATION NOTED

The Committee for the Freedom of North Africa charges further that when the State Department agreed on December 31, 1949, to waive for an indefinite period treaty rights

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which the United States acquired as a result of a pact of friendship and commerce with the Sultan of Morocco in 1836, it violated both the juridical status of Morocco and the sovereign rights of the Sultan.

Mr. MALONE. Mr. President, I should like to read briefly from the Washington Post of December 16, 1949:

EUROPE PLANS TO SPEND $2,500,000,000 IN NEXT 2 YEARS TO DEVELOP ITS COLONIES

Billion-dollar plans are being drafted by five western European countries for vast development of their colonies during the next 2 years.

A top-ranking Government official said total cost of these projects would reach $2,500,000,000.

The program, part of which is being financed with American dollars under the Marshall plan, is designed to pave the way for still further development as part of President Truman's point 4 plan for global development of backward areas.

Why are they backward, Mr. President? For 100 to 300 years the colonial-minded nations have held these peoples in the Far East, in Africa, and other colonial areas, in bondage to the extent that they were forced to send their raw materials to the mother country to be processed and manufactured into goods, and they have bought back the goods, paying the mother country, so that it became a manufacturing center. They were not allowed to establish any manufacturing and processing plants in those areas. They will be backward for another 100 years if this situation is permitted to continue.

I continue reading from the dispatch:

These details and other points of the program now getting in motion were disclosed by a high Government official who asked that he not be identified by name.

He said that the plans involve development and expansion of overseas territories in key areas of Africa, the Far East, and the Carribbean. The colonies affected are those of Great Britain, France, Holland, Belgium, and Portugal.

The Economic Cooperation Administration (ECA), it was said, has earmarked $23,500,000 to help pay costs of getting various territorial development projects under way.

The total extent of United States dollar aid for colonial development has not been disclosed. The major portion of such expenditures will be met, high sources said, by local currencies from the countries involved and from funds deposited by the Europeans to match Marshal plan aid grants.

REPORT OF NEW UNITED STATES AID TO MIDDLE EAST DENIED

British Embassy sources discounted a news report from London yesterday, declaring that talks were progressing here on a British proposal for a giant new (United States) aid program for the Middle East and southeast Asia.

The story, quoting a responsible British source, said that Sir Leslie Rowan, British economic expert in Washington, was participating in top-level, secret discussions with United States and Canadian representatives here.

These discussions were said to look toward a series of projects to go into effect in 1952, after the end of the Marshall plan, to take over the economic support that Britain is now giving to such nations.

Mr. President, the junior Senator from Nevada stated on the Senate floor, when the point 4 program came before the Senate, that the objective of the point 4 was to take over after 1952, after the Marshall plan has ceased operations, at least, theoretically. Mr. President, the only way we can handle this situation, if we have any influence, is for the Senate, the House, the Secretary of State, and the President of the United States to bend every effort to reestablish integrity throughout the world, the integrity of the nations. They are the ones who guarantee the integrity of investments, not the people who make the investments because if we continue to foster this sort of thing, if we are behind it and it is known that private investors will be reimbursed by the Government of the United States, it will prove to be another siphon into the United States Treasury. If, in South America, Asia, and old Europe, we foster the principles of integrity of private investments, Government capital will be necessary in those areas, because there is more private money available to them in the United States of America for investment than there is anywhere else in the world, that is, if businessmen want to take a business risk. They, of course, would not take the risk of confiscation, nationalization, and socialization of capital which is fostered by the Socialist governments of Europe.

## THE RAILROAD STRIKE

Mr. DONNELL. Mr. President, I desire to address myself briefly this afternoon with regard to the pendency of the railway strike by the switchmen's union.

Mr. President, on yesterday attention was called to the fact that the switchmen's strike which involves five railroads operating in the Midwest and West had continued through its second 24 hours, on the night of June 26, with no indication that it would soon be settled. It was pointed out in the course of the excerpts from which I quoted yesterday that, as a result of this walk-out by the switchmen, operations of four of the struck carriers were at a standstill. Those four are the Chicago, Rock Island & Pacific Railroad Co., the Chicago Great Western Railway Co., the Denver & Rio Grande Western Railroad Co., and the Western Pacific Railroad Co.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. DONNELL. I yield.

Mr. MORSE. In view of the attendance of Democratic Members on the floor, does the Senator have in mind any bill which he would like to have passed?

Mr. DONNELL. I would suggest Senate bill 3463.

The PRESIDING OFFICER. Does the Senator wish to have it considered now?

Mr. DONNELL. I do not, Mr. President. It is pending before the Committee on Labor and Public Welfare, and I would not call it up at this moment.

The PRESIDING OFFICER. The Chair misunderstood the Senator.

Mr. DONNELL. But, in my opinion, it is highly important, nevertheless, that the bill be promptly passed by the Senate. I may say to the Senate, or at least to those Senators who are present this afternoon, including the distinguished occupant of the Chair, that the bill, S. 3463, as was indicated, is before the Committee on Labor and Public Welfare, and that further testimony is to be taken on the bill tomorrow morning.

Mr. President, as I was about to indicate, in the RECORD of yesterday it will be observed that I called attention to a sentence in a New York Times article, reading as follows:

Reports from the Twin Cities, Minnesota, indicated that the Great Northern Railway Co., the fifth road involved in the strike, has maintained near-normal passenger service, although its freight operations have been crippled.

As indicated a moment ago, the four carriers which I first mentioned were at a standstill and the freight operations of the Great Northern had been crippled, although the passenger service had been maintained near normal. In this afternoon's ticker dispatch, which came over the ticker in the adjacent room, there is the following dispatch as of 1:33 o'clock:

CHICAGO.—Freight service of the Great Northern Railroad, one of the Nation's largest iron-ore carriers, was curtailed today in a strike of A. F. of L. switchmen against five western railroads. A spokesman for the Great Northern estimated that only 5,000 of the road's 28,000 employees could continue to cross picket lines if the strike lasted through Friday. He said nearly half of the 1,500 communities served by the 6,000-mile system were without trains, and 31 train runs were canceled today.

Mr. President, before discussing the Great Northern, I should like to say that the reader of the page upon which appears this discussion might not realize the pleasantry in which the Senator from Oregon [Mr. MORSE] was indulging a few moments ago. I would not want anything in this RECORD to indicate a willingness on my part—and I am sure he would not either—that there shall be any undue delay with respect to the passage by this Senate of S. 3463.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DONNELL. I shall be happy to yield in a moment. I want to state most earnestly that in my judgment this bill is one that should be passed very promptly by the Senate. I earnestly extend to the Senate the expression of opinion that the bill is one which the best interests of our Nation in this critical time in which we now are engaged—yes; in normal times likewise—demand the enactment of legislation such as is embraced in Senate bill 3463. I now yield to my distinguished friend, the Senator from Oregon.

The PRESIDING OFFICER. If the Senator from Missouri will yield for a short statement by the present occupant of the chair, he should like to say for the RECORD that the Chair understood that the pleasantries between the Senator from Missouri and the Senator from Oregon, which was participated in by the occupant of the chair, had to do with the fact that at the moment there was not a member of the Democratic majority on the floor of the Senate.

Mr. DONNELL. May I interrupt the Presiding Officer to ask whether any member of the majority party is present now, except the occupant of the chair?

The PRESIDING OFFICER. There is at least one member of the Democratic Party present in the Chamber.

Mr. DONNELL. That is the one in the chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MORSE. I should not want the facetious remark which I made in any way to garble the RECORD, and if the Senator from Missouri should like me to do so, I shall ask unanimous consent to have my remark stricken. It has now been exactly 12 minutes since a Democratic Member of the Senate, outside of the present occupant of the chair, has been on the floor of the Senate.

Mr. DONNELL. I should not like to have the Senator's remark stricken. I know that my good friend had no intention in any way of injuring the RECORD with respect to this or any other bill. Both my friend who occupies the chair, the distinguished Senator from Florida [Mr. HOLLAND], and my good friend from Oregon [Mr. MORSE] are constantly distinguished by their courtesy and fairness, and I appreciate this striking evidence of that fact. I should like to have the RECORD note that there are now arriving in the Senate Chamber two Members of the Democratic side, the distinguished majority leader and the distinguished Senator from Louisiana [Mr. ELLENDER]. I welcome them into our midst.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. LUCAS. I just learned that the Senator from Missouri was speaking to an empty Chamber so far as the Democrats were concerned. As soon as I learned of that situation, which I thought was very serious, indeed, I immediately came to the floor with some speed, because I desire to listen to the Senator from Missouri.

Mr. DONNELL. I very much appreciate the Senator's statement, and I thank him for it. I should like to say that he has now been joined by a third member of the Democratic Party, the distinguished Senator from Texas [Mr. CONNALLY].

Mr. CONNALLY. Will the Senator yield?

Mr. LUCAS. We can provide some more Members if the Senator thinks he needs a better audience.

Mr. DONNELL. The quality of the audience is excellent, although I should be delighted to have more Members present. We have a fairly good attendance, certainly in quality, although perhaps not so large in quantity, upon the Republican side. I think about 6 or 7 Senators on the Republican side are present on the floor of the Senate.

Mr. LUCAS. I should like to observe that the Senators on this side of the aisle are paying attention to the Senator from Missouri, while on the other side of the aisle the Senators are apparently engaged in conversation.

Mr. DONNELL. The remark which the Senator from Illinois has just made applies only, I think, to two of the Members of the Senate on this side of the aisle who are engaged in conversation at the present time. I shall be glad to yield to the Senator from Texas or to the Senator from Illinois.

Mr. LUCAS. Whatever the Senators on the other side of the aisle are engaged in is not half so important as what the Senator from Missouri is about to say.

Mr. DONNELL. I thank the distinguished majority leader. It is very kind of him to express himself so frankly.

Mr. CONNALLY. While I was out of the Chamber an intellectual air wave hit me, saying that the Senator from Missouri was speaking. So I immediately came into the Chamber, and I am here now listening to whatever he has to deliver.

Mr. DONNELL. I am very happy that an air wave struck the Senator from Texas. Previously today he was similarly struck once or twice, and I am sure that being struck by this wave will not increase his injury.

Mr. President, I was referring to the fact that the Great Northern Railroad Co. has experienced by this time very serious curtailment of its service because of the pending switchmen's strike. I desire to read an article appearing in the Washington Post of this morning entitled "Great Northern Railroad Service Curtailed." In the course of the article appears this statement:

> A strike by 4,000 switchmen tightened its grip on five western and midwestern railroads while Federal mediators sought to prevent another walk-out that could tie up the Nation's entire rail system.

Mr. President, I emphasize the words "the Nation's entire rail system." I am sure that the Senator from Illinois will join with me in feeling that this dispatch from Chicago, in his own State of Illinois, signifies an intensely important and critical situation in the Nation at this time. The article continues:

> The switchmen's strike, which began Sunday, forced the Great Northern today to cancel all service on 12 branch lines.
>
> Great Northern spokesmen said pickets and the reluctance of nonstrikers to cross their lines made it difficult to maintain even limited service, although main-line passenger trains and some freights still were operating.
>
> Supervisory employees took over the job of loading ore boats at the Great Northern's huge docks at Superior, Wis., but the movement of iron ore from Minnesota's Mesabi range was running far behind schedule.

Mr. President, I ask unanimous consent that at this point in my remarks the entire article from which I have quoted may be incorporated.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GREAT NORTHERN RAILROAD SERVICE CURTAILED

CHICAGO, June 27.—A strike by 4,000 switchmen tightened its grip on five western and midwestern railroads today while Federal mediators sought to prevent another walk-out that could tie up the Nation's entire rail system.

The switchmen's strike, which began Sunday, forced the Great Northern today to cancel all service on 12 branch lines.

Great Northern spokesmen said pickets and the reluctance of nonstrikers to cross their lines made it difficult to maintain even limited service, although main-line passenger trains and some freights still were operating.

SUPERVISORS LOAD ORE

Supervisory employees took over the job of loading ore boats at the Great Northern's huge docks at Superior, Wis., but the movement of iron ore from Minnesota's Mesabi range was running far behind schedule.

The Great Northern was the only one of the five roads attempting to operate. The Rock Island, Western Pacific, Chicago Great Western, and Denver & Rio Grande Western shut down completely.

Chairman Francis O'Neill of the National Railway Mediation Board called representatives into conference after talking yesterday with representatives of the Brotherhood of Railroad Trainmen and Order of Railway Conductors.

The two unions, representing 250,000 rail workers, demand a 40-hour work week with no pay cut. The demand was the same that led to the switchmen's strike.

Under cooling off provisions of the National Railway Labor Act, conductors and trainmen will be free to strike after July 15.

O'Neill said he plans to confer also with M. G. Schoch, president of the A. F. of L. Railroad Yardmasters, who also threaten to strike after July 15 on the 40-hour-week issue.

In another dispute, 300 trainmen walked off the job in a working-rule dispute with the 43-mile Lake Terminal Road and threw 6,000 employees of the National Tube Co. into idleness at Lorain, Ohio.

Mr. DONNELL. Mr. President, the Philadelphia Bulletin of June 27 in an article entitled "United States Tries to Bar New Rail Strike—Trainmen, Conductors, May Walk Out July 15," says, among other things:

> Suspension of freight service on the Great Northern slowed the loading of iron ore at the big Superior Wis., docks. Supervisory employees sought to load freighters, but said they were far behind schedule.
>
> The Great Northern is the largest shipper of ore from the giant Mesabi Range, and operates the largest dock on the Great Lakes at Superior.
>
> The Great Northern announced that it will close shops in five cities and lay off about 2,260 shop workers by Thursday. In addition, 3,500 seasonal employees were ordered laid off. The layoffs will bring to almost 38,000 the number of nonstriking—

I emphasize the word "nonstriking"—workers idled by the switchmen's strike.

Mr. President, I ask unanimous consent that the entire article from which I have read be incorporated in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES TRIES TO BAR NEW RAIL STRIKE—TRAINMEN, CONDUCTORS MAY WALK OUT JULY 15

CHICAGO, June 27.—Mediators began talks today to head off a threatened walk-out of 250,000 railroad trainmen and conductors as a strike of 4,000 switchmen against 5 western roads slowed iron-ore shipments on the Great Lakes.

The Brotherhood of Railroad Trainmen and the Order of Railway Conductors, which threatened to strike against the Nation's railroads July 15 for a shorter workweek, sent representatives to meet with Francis O'Neill, Chairman of the National Railway Mediation Board.

"LITTLE REASON FOR OPTIMISM"

But W. P. Kennedy, president of the BRT, said there was "little reason for optimism at this late hour for a peaceful settlement."

The trainmen and conductors, who now work from 28 to 56 hours a week, demand a

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40-hour week without reduction in pay. They rejected a Presidential fact-finding board's recommendation which refused the demand.

O'Neill held separate talks with the A. F. of L. Switchmen's Union and representatives of the struck Rock Island, Western Pacific, Great Northern, Chicago Great Western, and Denver & Rio Grande Western railroads.

The switchmen walked out Sunday to enforce demands for a 40-hour week without reduction in pay. All of the roads except the Great Northern shut down immediately, and last night that railroad slapped an embargo on livestock and perishable freight. The road said the embargo did not apply to other types of freight.

SLOWS LOADING OF IRON ORE

Suspension of freight service on the Great Northern slowed the loading of iron ore at the big Superior, Wis., docks. Supervisory employees sought to load freighters, but said they were far behind schedule.

The Great Northern is the largest shipper of ore from the giant Mesabi Range and operates the largest dock on the Great Lakes at Superior.

The Great Northern announced that it will close shops in 5 cities and lay off about 2,260 shop workers by Thursday. In addition, 3,500 seasonal employees were ordered laid off. The lay-offs will bring to almost 38,000 the number of nonstriking workers idled by the switchmen's strike.

Mr. DONNELL. Mr. President, the New York News of today editorially has this to say:

The switchmen's strike on five western railroads threatens to produce an iron-ore shortage.

I digress, Mr. President, at this point to mention, not with fear of war, but because of the pending critical situation, the fact that the production and distribution of iron ore is of intensely great importance to the people of our Nation and to the people of the world. We are told here that the switchmen's strike threatens to produce an iron-ore shortage.

Continuing, the editorial says:

One of the lines affected, the Great Northern, normally carries about one-third of the iron ore hauled from Minnesota's Mesabi Range. Because of the A. F. of L. switchmen's walkout, the Great Northern is unable to go on with this vitally important work.

Then, Mr. President, I call to the attention of the Senate this further significant paragraph:

Meanwhile, three other big rail unions have consented to further mediation aimed at heading off a Nation-wide strike which they are legally free to call on or after July 15.

I pause to state that these two organizations announced on February 17, 1950, that a strike had been called for February 27, 1950, and that on February 24, 1950, the President of the United States issued an Executive order creating an emergency board to investigate the dispute.

Mr. President, in a press statement released on June 22, 1950, these organizations, the Order of Railway Conductors and the Brotherhood of Railroad Trainmen, of class I railroads generally throughout the United States, stated that they had rejected the emergency board's report, while it happens that on that date, I believe it was, the carriers formally accepted the report.

I am not arguing this matter from the standpoint of either the carriers or the employees, but I desire to point out that this country is faced at this minute with strikes which may be called by these two organizations, the Order of Railway Conductors and the Brotherhood of Railroad Trainmen, which can tie up the entire class I railroad system of the United States.

Under the existing Railroad Labor Act, these organizations are not free to strike until July 15, 1950. I note with pleasure the fact that they have consented to further mediation. But the fact that they have consented to further mediation is no assurance whatsoever to the effect that this strike may not occur on July 15, 1950, or any day thereafter, at the instance of these great important organizations of railroad employees.

Continuing, the editorial in the New York News of today states, referring to the three big rail unions to which reference has been made, which the article says are legally free to call the strike on or after July 15:

These organizations are the Brotherhood of Railroad Trainmen, Order of Railway Conductors, and Railroad Yardmasters of America. Their total membership is about 325,000.

In view of the tense world situation, the three big unions have clearly done the patriotic and prudent thing in consenting to further mediation. It's almost impossible to believe that these men would tie up their country in knots at a time like this, whatever their grievances against the railroads might be.

How about the striking switchmen? They know their own business, of course, and what they are doing. But—

I emphasize this as strongly as I can by my voice—

But an iron-ore shortage is about the most dangerous single threat to a country which conceivably could soon find itself in another war.

I am quoting from the New York News of today. Continuing, the editorial says:

Wouldn't the switchmen be both patriotic and smart to call this strike off promptly, and agree to go back to work pending mediation of the differences between themselves and the railroads? This is a time for everybody in every vital industry to think of the Nation's interests first.

Mr. President, I call attention to the fact, first, as this editorial writer so clearly and graphically points out, these three organizations are legally free to call strikes on or after July 15, and that regardless of what may happen in the instant case because of patriotic motives, the fact remains that the law of our Nation should not permit at any time the exercise of such a vast power as is referred to here, to tie up in knots the transportation system of our country.

Mr. President, I have in my hand an excerpt from the Washington Times-Herald of today. I read a one-sentence dispatch which appears on the front page of that newspaper:

ST. PAUL, June 27.—The Great Northern Railroad canceled all service on 12 branch lines today due to increased picketing by striking A. F. of L. switchmen and increased reluctance of nonstriking employees to cross picket lines.

I have in my hand a clipping from the Baltimore Sun of today, and I should like to read that clipping into the RECORD:

RAILROAD STRIKE SHOWS NO BREAK—COAL MINERS, INDUSTRIAL WORKERS FORCED INTO IDLENESS

CHICAGO, June 27.—The spreading—

And I call attention to the word "spreading"—

The spreading railroad strike continued without sign of a break today and thousands of coal miners and industrial workers were forced into idleness.

I pause in my reading, Mr. President, to say that it is not the coal miners, it is not the industrial workers, who are striking. It is a comparatively small number of men who are engaged in this strike. But coal miners and industrial workers are nevertheless forced into idleness.

I continue reading from the Baltimore Sun of today:

John D. Farrington, Chicago, president of the strike-bound 8,000-mile Rock Island system, urged President Truman to intervene to end the strike of 4,000 A. F. of L. switchmen on five midwestern and western railroads.

"The President should back up the findings of his fact-finding board," Farrington said.

THINGS LOOK DIM

The switchmen are striking in protest against a June 15 recommendation of a Presidential fact-finding board. The board denied the request of 79,000 yard workers for a 40-hour workweek at 48 hours' pay. It granted the 40-hour week but with an hourly pay boost of only 18 cents.

The report also has brought strike threats from the Order of Railway Conductors and the A. F. of L. Yardmasters of North America.

Leverett Edwards, a member of the National (Railway) Mediation Board, said after a conference with railroad executives:

"Things look dim. There is no indication of quick settlement."

DEVELOPMENTS LISTED

These were the developments:

1. The railroad strike spread to the National Tube Co. at Lorain, Ohio, which closed down, making 12,000 employees idle. The shutdown followed a wildcat walkout last night by 300 plant railroad workers represented by the Brotherhood of Railroad Trainmen. The trainmen are protesting the same Government fact-finding board report that led to the switchmen's strike.

2. The Great Northern Railway, the only one of the five struck railroads attempting to operate, announced it is closing down 12 branch lines and locomotive and car repair shops in five cities.

3. Utah mines which used the strikebound Denver and Rio Grande Western laid off 5,000 coal miners.

These 5,000 coal miners, these 12,000 employees of the National Tube Co. are forced out of work and deprived of the opportunity to obtain wages, because of the strike on these five western and midwestern railways.

I have emphasized the effect of the strike on the Great Northern, the road which was thought, because of the small number of men in the switchmen's union which were employed upon it, would be able to withstand the strike. It now develops that there is a serious interference with the transportation of ore from the Mesabi Range, that great range of which we all know. Is there a Member of the Senate or of the House

of Representatives or of the public who, particularly in this very hour in which we have had such historic and dramatic recitals of the existence of conditions in which our country is concerned can doubt the urgent importance of maintaining intact the production and transportation of iron ore?

The Great Northern Railway Co. has only 1,225 employees who are represented by the switchmen's union. The Great Northern Railway Co. serves 10 States: Wisconsin, Minnesota, North Dakota, South Dakota, Iowa, Montana, Idaho, Washington, Oregon, and California. It operates 8,317 miles of road. The total number of its employees is 27,596. As I have indicated, those who are in the switchmen's union, namely, 1,225, are but a fraction, less than 5 percent, I believe, of the total number of employees.

The Great Northern Railway Co. serves St. Paul-Minneapolis, Duluth, Superior, Sioux City, Iowa, running west through the northern part of North Dakota and Montana to Spokane, Seattle, and Tacoma.

The tonnage handled by the Great Northern in 1949 was as follows: Products of agriculture, 9,152,060 tons. Animals and products, 485,811 tons. Products of mines—and I call particular attention to this item—31,546,319 tons. Products of forests, 3,849,148 tons. Manufactures and miscellaneous, 7,305,319 tons. Forwarder traffic, 76,224 tons. L. c. l., 295,376 tons. A total tonnage handled by the Great Northern Railway Co. for 1949 of 52,710,257 tons.

With this vast quantity of more than 31½ million tons of ore, who is there to say, Mr. President, that the interests of the public, yes, perhaps even the stability of our Nation in time, would be involved in a cessation of transportation of a vast tonnage of ore such as this?

I have referred to the other four railroads that are involved in this strike, the operations of which, as was pointed out in the New York Times of yesterday, had come to a standstill.

The Chicago Great Western Railway serves six States: Illinois, Iowa, Minnesota, Kansas, Missouri, and Nebraska. There are only 256 employees represented by the switchmen's union out of a total of 3,631 employees on the railroad. Yet, this approximately 7 or 8 percent of the total number of employees have caused the railroad to close down.

The number of miles of road operated is 1,480. The line runs from Chicago to Omaha, and from Kansas City to Minneapolis and St. Paul.

Mr. President, during 1949 the Chicago Great Western Railway Co. handled the following tonnages:

| | |
|---|---|
| Products of agriculture | 1,785,458 |
| Animals and products | 594,646 |
| Products of mines | 1,428,646 |
| Products of forests | 540,031 |
| Manufactures and miscellaneous | 3,658,096 |
| Forwarder traffic | 3,965 |
| Less than carload lots | 57,653 |
| Total | 8,068,495 |

The Chicago, Rock Island & Pacific Railroad Co. serves 13 States: Illinois, Iowa, Missouri, Minnesota, South Dakota, Kansas, Nebraska, Colorado, New Mexico, Oklahoma, Arkansas, Louisiana, and Texas.

In addition to the number of States which are served by it, its importance as a carrier, both initially and connecting, is particularly evidenced by the cities which it serves, namely, Chicago, Minneapolis-St. Paul, Omaha, Denver, St. Louis, Kansas City, Galveston, Memphis, Oklahoma City, and Tucumcari, N. Mex.

The number of employees represented by the switchmen's union is 1,366.

The total number of employees on the railroad is 22,179.

The miles of road operated are 7,619.

During 1949, this railroad company, the Chicago, Rock Island & Pacific, handled the following tonnages:

| | |
|---|---|
| Products of agriculture | 9,999,187 |
| Animals and products | 1,016,387 |
| Products of mines | 12,770,603 |
| Products of forests | 2,352,259 |
| Manufactures and miscellaneous | 11,985,033 |
| Forwarder traffic | 38,166 |
| Less than carload lots | 346,325 |
| Total | 38,507,960 |

The Denver & Rio Grande Western Railroad Co. has a total of 332 employees represented by the switchemen's union—only 332 out of a total number of 8,386 employees on the railroad. Yet that railroad, the Denver & Rio Grande Western, is one of the four which were reported in the New York Times of yesterday to be closed down at a standstill.

The number of States served by that railroad is three, namely, Colorado, New Mexico, and Utah.

The railroad line runs from Denver to Salt Lake City and Oklahoma City. It also serves many points in southern Colorado. It operates 2,413 miles of road.

The following tonnages were handled by the Denver & Rio Grande Western Railroad during 1949:

| | |
|---|---|
| Products of agriculture | 1,489,882 |
| Animals and products | 342,994 |
| Products of mines | 8,922,706 |
| Products of forests | 1,928,350 |
| Manufactures | 3,899,114 |
| Forwarder traffic | 83,405 |
| Less than carload lots | 49,973 |
| Total | 16,716,424 |

Mr. President, the Western Pacific Railroad Co., the remaining one of the five railroads involved in the present switchmen's strike, serves three States, namely, California, Nevada, and Utah.

The number of employees represented by the switchmen's union, the union which is striking, is only 188, out of a total of 5,108 employees of the railroad. Yet those 188 employees have brought to a standstill the operations of that entire railroad company.

The number of miles operated by the Western Pacific Railroad Co. is 1,195.

The line runs from Salt Lake City to San Francisco.

If I am not mistaken, it is the same railroad company which was interfered with in the recent firemen's strike, only about a month ago, although the strike itself initially was not called upon that particular railroad company.

During 1949 the following tonnages were handled by the Western Pacific Railroad Co.:

| | |
|---|---|
| Products of agriculture | 893,682 |
| Animals and products | 141,927 |
| Products of mines | 1,462,041 |
| Products of forests | 779,738 |
| Manufactures and miscellaneous | 3,115,793 |
| Forwarder traffic | 141,060 |
| Less than carload lots | 24,439 |
| Total | 6,548,680 |

Mr. President, this is a statistical survey indicating something of the seriousness of the pending, actual, existing switchmen's strike now in progress. I dare say that what I have given does not scratch the surface of the actual effect upon the millions of people along the lines of the railroads to which I have referred.

I hold in my hand a few telegrams. I shall not burden the Senate by reading very many of them. One is from the Burlington Terminal Elevator Division of the Russell Miller Milling Co., A. H. Anders, manager, at St. Joseph, Mo., received in Washington on June 23, 1950, addressed to myself. It reads as follows:

Urge you take whatever action necessary to forestall scheduled rail strike which greatly endangers wheat harvest and economy of Nation.

Mr. President, in a few moments, I shall refer a little more fully to the wheat harvest.

Then I have a telegraphic message from the Ralston Purina Co., by T. R. Atchison, of St. Louis, Mo., one of the very large industries for which our city, for I happen to come from the county of St. Louis, is justly proud. The telegram is addressed to me, and was received in Washington on June 23. It reads as follows:

Any interruption in service of Chicago, Rock Island & Pacific, Chicago Great Western, Denver & Rio Grande, Great Northern, or Western Pacific will cause great damage to hundreds of feeders of poultry and livestock located locally on one or the other of those lines with corresponding loss to our company and others similarly located. We respectfully urge that whatever governmental action necessary be taken to prevent strike of Switchmen's Union of North America, Sunday, June 25.

Then, Mr. President, I have here a telegraphic message from Alton Brick Co., St. Louis, Mo., received in Washington on June 24, addressed to myself, reading as follows:

Rock Island Railway has advised us of impending strike. Inasmuch as we have a plant located on the Rock Island track at Maryland Heights, Mo., any railroad strike would seriously affect our operations so vitally needed at this time in the housing-development operation now under way in St. Louis. Any efforts on your behalf to rectify this condition will be appreciated.

Housing development, Mr. President, should not be interfered with.

Then, a message which reached Washington on June 23, from the Beyers Lumber Co., 9020 Olive Street Road, St. Louis County, Mo., addressed to myself:

Contemplated strike by employees Rock Island Railroad Lines here will cause untold losses and hardship on our company as well

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as seriously delaying numerous housing projects now being supplied by us. Urge immediate enactment necessary legislation to avoid this condition.

Then, Mr. President, a telegraphic message which reached Washington on June 23, from L. C. Chase, president of the Merchants Exchange, of St. Louis, one of the great organizations of the Middle West, of its type, addressed to me, reading:

If contemplated switching strike set for 6 a. m., June 25, becomes a reality it will seriously handicap movement of new grain crop and greatly affect transportation facilities to the detriment of the public welfare and will create an emergency. This strike should be averted by appropriate legislation enacted promptly to deal with the situation.

Mr. President, I have in my hand a telegraphic message received in Washington today from Joseph C. Williams, president of the Commerce Trust Co., Kansas City, Mo., one of the great financial enterprises of the Midwest of the United States, addressed to me, and reading:

It is regrettable that the switchmen's union has completely ignored the recommendations of the emergency board created by Executive order of the President of the United States and called a strike against several of our Midwest and Western railroads. The strike will greatly handicap and affect the operations of many companies and individuals throughout the areas served by these railroads, and it is particularly unfortunate that the strike comes just as the new wheat crop is being harvested.

Mr. President, in order that any reader of the CONGRESSIONAL RECORD may not inadvertently pass over this portion of the message, I am interrupting the reading of it to point out the particular unfortunate fact emphasized by Mr. Williams is that the strike "comes just as the new wheat crop is being harvested."

We greatly appreciate your interest in preventing strikes of this nature and we urge that everything possible be done to settle the controversy on an equitable basis as quickly as possible.

Then, Mr. President, I have in my hand a telegraphic message from Mr. F. V. Heinkel, president of the Missouri Farmers' Association, one of the great farm organizations of the State from which I have the honor to come, received in Washington on June 23, addressed to me, and reading:

The strike on the Rock Island and four other western railroads, called by the switchmen's union for 6 a. m. June 25, will be a devastating blow—

Mr. President, I emphasize by my voice the words "a devastating blow." I continue the reading:

to Missouri farmers because of new wheat harvest—

And I emphasize by my voice the words "new wheat harvest"—

which will begin next week. M. F. A.

That is an abbreviation for the Missouri Farmers Association.

M. F. A. Exchanges and grain elevators located on the Rock Island at Union, Beaufort, Gerald, Owensville, Bland, Freeburg, Argyle, Meta, Henley, Eugene, Eldon, Versailles, Stover, Ionia, Windsor, and Chilhowee will be unable to market the new wheat crop for farmers in their communities. Many other independent grain elevators at other points on the Rock Island will be unable to market wheat for farmers in their communities. The strike will create a national emergency which will not only cost Missouri farmers thousands and thousands of dollars but will affect our entire national economy. If it takes legislation to do so, we ask that such be promptly enacted to avert the impending threat to our economy.

Then, Mr. President, I have in my hand a telegraphic message from Washington, although signed by Irving F. Lyons, president of the National Industrial Traffic League, 101 California Street, San Francisco, Calif., received at Washington, June 26, addressed to me, and reading:

Strike of Switchmen's Union North America which represents but 5 percent total number of switchmen employed by railroads already threatens serious interference with movement Nation's commerce. This strike on five western roads effective yesterday was called despite that the Fact Finding Board had made its recommendations behalf demands of remaining 95 percent of switchmen. Believe every effort should be made to have strike group at least call off its action for the 30-day cooling period until July 15 which the other unions will be required to respect—

Mr. President, I pause to call attention to the fact that the other unions are the Order of Railway Conductors and the Brotherhood of Railroad Trainmen, as earlier indicated. I return to the reading of the message from Mr. Lyons:

In hope that negotiations in interim may result in settlement thus making this strike absolutely unnecessary. Your good offices to that end respectfully urged thus preventing serious injury American business. Present international situation is no time for work stoppage.

Mr. President, there is a vast amount of good hard common sense in that and in the other messages I have read. The statement, "present international situation is no time for work stoppage" certainly strikes home to every member of the Senate, and I believe to the people of the country.

The last message I shall read is from the Skelly Oil Co., A. F. Winn, Traffic Manager, Kansas City, Mo., received in Washington June 24, 1950, addressed to me, and reading:

With the threat of switchmen's strike on five big rail lines extending Chicago to Pacific coast and its disastrous consequences to the citizenship and the economy earnestly urge that this move be smashed through passage of S. 3463 and House companion bill or any other emergeny legislation calculated to overcome this menacing situation which has come practically on the heels of another strike both growing out of railroad unions' refusal to accept findings of Presidential boards. Now is high tide grain movements in West and impairment would be tremendously disastrous to say nothing of other considerations. Congress being people's last line of defense appealing to you accordingly.

Mr. President, I have in my hand an editorial from the Philadelphia Bulletin of yesterday, which reads as follows:

ANOTHER RAIL STRIKE

AFL switchmen's strike against five major western railroads points again to the shortcomings of our National Railway Labor Act. These railroad workers have complied with all the provisions of that law with reference to mediation and a cooling-off period. The same was true of the Railroad Brotherhoods that struck last month for another fireman on Diesel locomotives.

I pause, Mr. President, to remind the Senate that the strike of last month continued for 6 days on behalf of the firemen. I continue reading from the editorial from the Philadelphia Bulletin:

On July 15 the Brotherhood of Railroad Trainmen and the Order of Railway Conductors will be entitled under the law to strike if they are unwilling to accept the recommendations of the Presidential Board.

The Railway Labor Act does not forbid strikes, but it sets up machinery of arbitration and mediation that for years preserved peace along the rails. Congress recognized by that act the national importance of preventing a breakdown or stoppage of service on the railroads.

Mr. President, I emphasize as strongly as I can, the last sentence that "Congress recognized by that act that national importance of preventing a breakdown or stoppage of service on the railroads."

The editorial continues:

That objective is now seriously threatened.

Railway workers think they are entitled to as high a wage as those, for example, given in the automobile industry. The trouble is the railroads are not making the profits earned by the auto manufacturers. On the contrary, the roads are making the fight of their lives against stiff competition from other means of transport. Government ownership or subsidies from Government to private owners may not be what the railroad unions want, but it may be the outcome of their tactics.

Mr. President, I have in my hand an editorial from the Washington Evening Star of yesterday, entitled "Totally Unjustifiable," which reads as follows:

The strike by 4,000 A. F. of L. switchmen against five western and midwestern railroads is one more nail in the coffin of the Railway Labor Act.

This statute does not forbid strikes.

I pause, Mr. President, to say that the bill which I advocate, Senate bill 3463, the one which was mentioned in one of the telegrams which I read a few minutes ago, does forbid strikes, and lockouts by carriers as well, in disputes which arise out of or in connection with a dispute falling within the purview of the Railway Labor Act.

The editorial from the Washington Evening Star continues:

It was intended to prevent rail strikes, however, by setting up under Government auspices procedures for the settlement of disputes which would be fair to both parties and which would protect the public against loss of an essential service.

I pause to point out that Senate bill 3463 leaves intact, and, as I see it, with even greater safeguards, the provisions in the Railway Labor Act for the settlement of disputes under means set forth in the existing act, but, nevertheless, it provides also that the settlement which shall be made by the various boards shall be final and binding upon the parties, and

that a strike shall be unlawful in the instances cited.

The editorial continues:

For a while the law worked fairly well. Then the unions discovered that they could have their cake and eat it, too—that they could get everything recommended by the Presidential boards set up under the law and then strike for, and get, still more. The result is that the Railway Labor Act is breaking down and its usefulness is virtually at an end.

The switchmen's strike is no exception. The union wants, and has obtained, a 40-hour week instead of a 48-hour week. All that remains is the question of what the men should be paid for the shorter workweek. The union wants the same pay—the equivalent of an increase of 31 cents an hour. A Presidential board has compromised that issue by recommending an 18-cent hourly increase. This was accepted by the railroads, but the union rejected it and called the strike.

Dr. Gordon S. Watkins, a member of the board which made the settlement recommendation, says that the strike is "totally unjustifiable." But the rail unions do not have to justify their strikes. The cards are stacked in their favor and they know it.

Mr. President, in view of the statements made in that editorial, I again want to point out that I am not here as an advocate of either the railroads or the unions. My interest is the broad interest of the public, which, of course, includes the railroads and the employees as part of the members of the public, but it includes, likewise, a vast number of other persons who are neither railroad owners nor employees.

Mr. President, I ask unanimous consent that there may be set forth in my remarks at this point an editorial appearing in the Baltimore Sun of June 26, 1950, entitled "Another Rail Strike."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ANOTHER RAIL STRIKE

For the third time since the end of the war the United States is face to face with a strike in important elements of its railroad transportation system. With 4,000 switchmen off the job on five Midwestern and Western railroads, operations on four of the lines have come to a complete halt. The East is not likely to feel the effects of the walkout, at least for some time, but the problem involved is one which affects the whole country.

As in the case of the strike of locomotive firemen last month, the switchmen's walkout involves only a segment of the country's rail network. Perhaps the switchmen have deliberately adopted the piecemeal approach to avoid the possibility of Government seizure. But whatever the reason for limiting the action, the fact remains that the men are off the job, operations have ceased, and we are compelled to realize that the Railway Labor Act is not working as it was designed to do and indeed as it did work for many years.

So far as the law is concerned, the switchmen are within their rights in walking off the job. They have met the conditions which the law imposes. But the exercise of that right cuts across a larger public right. In our vast country the great lines of transport are vital to the functioning of the whole economy. A strike on the railroads directly and immediately affects the national welfare and is of eventual direct concern to every citizen.

For years the machinery of the Railway Labor Act appeared adequate to protect the broad public interest. Increasingly, now, it appears that this is no longer the case. Whatever the merits of the strikers' position in the current dispute, it is becoming evident that our way of handling labor disputes in the vital area of rail transportation should be opened to review.

Mr. DONNELL. Mr. President, I ask unanimous consent that at this point in my remarks there be printed an editorial from the Christian Science Monitor of June 27, 1950, entitled "Not Merit Enough."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NOT MERIT ENOUGH

The Switchmen's Union (an A. F. of L. affiliate) thus far has stayed within the terms of the National Railway Labor Act in its dispute with the railroads. Its current strike against four western roads also remains in line with the letter of the law. But we doubt that the union leaders who so earnestly worked for the passage of this measure ever intended that it be used as it has been in the last few years.

Judge T. Alan Goldsborough, at a pertinent point in a court hearing a couple of years ago, recalled that he was in Congress when the bill for the rail law was debated. The chiefs of the rail unions, said he, gave Congressmen strong assurance that were the proposed system of waiting periods, mediation, and fact-finding put in effect, a strike would rarely if ever occur.

The switchmen have now followed the firemen, within a space of less than 2 months, in pretty well repudiating that assurance. And the American public is sure to ask the question: What is their justification?

The switchmen have been demanding a 40-hour week for 48 hours' pay—a 31-cent-an-hour increase. A Presidential fact-finding board considered this demand along with similar demands of other unions of yard employees, and recommended a 40-hour week with an 18-cent increase.

The roads accepted the finding. The switchmen rejected it. The union's statement that it is striking for a 40-hour week such as the rest of industry enjoys is therefore not borne out by the facts. The merit of the union's case, then, must rest on its contention that it had not been heard separately by the fact-finding board and upon the obvious fact that its members want more money.

But has it merit enough to excuse a strike in a public utility—enough to justify carrying still further a course of action which can only break down the very law which was designed to bring fair treatment to the railroad worker and uninterrupted service to the public? We doubt that the American people will think so.

Mr. DONNELL. Mr. President, I have spoken this afternoon not in an endeavor to give a comprehensive or all-inclusive statement of the effects upon the national economy of a strike such as the one which is now in progress. It has been the thought of some members of the labor union, as the testimony before the Committee on Labor and Public Welfare indicates and demonstrates, that they could perhaps evade, or avoid, if I may use that term, the operation of the Presidential emergency action by calling a strike only upon a part of the railroads of the country, thus not making it possible for the President, in their opinion, perhaps, to go before a court and secure an injunction on the ground of the existence of a grave national public emergency.

Regardless of whether this device be followed—and it has been followed; it was followed in the case of the firemen's strike a few weeks ago; it is being followed this very minute in the strike to which I have been referring, in the West and the Midwest; it may be followed in connection with the Order of Railway Conductors and the Railroad Trainmen—but the fact remains that, piece by piece, section by section, community by community, these great interferences with the transportation systems are vitally and disastrously affecting the people of the Nation. So, Mr. President, this afternoon I most earnestly again emphasize, as I have on a number of previous occasions, the utmost importance of the enactment, and, I would say, the prompt enactment, into law of Senate bill 3463 because of the great public interest involved. The bill makes unlawful, as I have indicated, any strike or any lock-out arising out of or in connection with a dispute falling within the purview of the Railway Labor Act.

It is not a bill which undertakes to extend to industry generally the provisions of compulsory arbitration. Personally, I am opposed to any such extension. It recognizes the pecular situation in the transportation industry, the vital importance of the maintenance of transportation, and the fact that in this particular industry there exists a condition which cannot and does not prevail in any other industry of the country. The bill proposes to apply a remedy which is effective, proper, and logical.

So, Mr. President, I urge the Senate to give full consideration to this bill. I urge upon the Senate that it act and act without delay in connection with it.

THE KOREAN WAR SITUATION

Mr. KNOWLAND. Mr. President, the capital city of Seoul has fallen, and the Communist forces are now approximately 20 miles south of that city. That development underscores the importance of the prompt action by the United Nations and its members.

Yesterday the vote of the Security Council was 7 to 1. There was one absentee, the Soviet Union. Yugoslavia voted in opposition. Two nations abstained. They were India and Egypt. They abstained because of difficulties in getting in touch with their governments. The seven votes were furnished by Great Britain, France, the United States of America, China, Cuba, Ecuador, and Norway, Under the United Nations Charter seven votes were required to adopt a resolution. The action underscores, I believe, the importance of the fact that the Republic of China remained as a member of the Security Council, rather than being unseated, as some persons in high places in the United Nations had previously advocated, because without the vote of the Republic of China there would not have been the necessary majority required under the United Nations Charter.

Mr. President, I have been concerned by some discussion on the floor of the Senate today and some statements issued by the executive branch yesterday, with particular reference to the proposal that our support of the Republic of Korea

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should be limited to the area south of the thirty-eighth parallel.

From a military point of view, the main bases and depots of the aggressive Communist forces in North Korea are military objectives of the first priority. The interdicting of reinforcements before they reach the area south of the thirty-eighth parallel is essential. The entire drive of the Communist forces is being supplied and resupplied from ports, bases, and depots north of the thirty-eighth parallel.

The action this Government is taking is a police action against a violator of the law of nations and the Charter of the United Nations. It seems to me to be absurd to suggest that all air bombardment should be in the territory of the victim of this overt aggression. The criminal aggressor should not feel secure in his lair, for it permits him to continue his build-up in an area he does not have to bother to defend. It is utterly unrealistic that the aggressive Communists should be allowed to feel so secure.

EXTENSION OF RENT CONTROL IN THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

Mr. CAIN. Mr. President, the Senator from Washington would like to address an inquiry to the majority leader, the distinguished senior Senator from Illinois. Would it be agreeable to the Senator from Illinois to have the vote on the District of Columbia rent control conference report taken at an early hour during the session tomorrow?

Mr. LUCAS. It would be very agreeable to the Senator from Illinois to vote at a quarter to 12, 11:30, or at any time which is agreeable to the Senator from Washington.

Mr. CAIN. Does the Senator suggest that the Senate convene at 11 o'clock tomorrow?

Mr. LUCAS. Yes.

Mr. CAIN. The Senator from Washington has conferred with the Senator from Tennessee [Mr. KEFAUVER], who is presenting the supporting data for the conference report, and the Senator from Tennessee is agreeable to voting at 11:30 in the morning following a quorum call.

Mr. LUCAS. That would be acceptable to me, Mr. President. I ask unanimous consent that the Senate on tomorrow, following the quorum call after convening at 11 o'clock, proceed to vote on the conference report on the District of Columbia rent-control bill.

The VICE PRESIDENT. Is there objection?

Mr. CAIN. Reserving the right to object, I wonder if it would be acceptable if immediately after the quorum call, assuming that the Senate convenes at 11 o'clock, 15 minutes be made available for debate, to be shared equally by the Senator from Tennessee [Mr. KEFAUVER] and the Senator from Washington, only for the purpose of restating the position which they take.

Mr. LUCAS. I modify my request to that extent.

The VICE PRESIDENT. Without objection, the unanimous-consent request, as modified, is agreed to.

The unanimous-consent agreement as entered into was subsequently reduced to writing, as follows:

*Ordered*, That on the calendar day of Thursday, June 29, 1950, immediately following a quorum call upon the convening of the Senate, the consideration of the conference report on the bill (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended, shall be resumed; and that after 15 minutes debate thereon, to be equally divided between Mr. KEFAUVER and Mr. CAIN, the Senate shall proceed, without further debate, to vote upon the question of agreeing to the said report.

Mr. CAIN. Mr. President, the junior Senator from Washington has no desire to impose at length on the time of the Senate. However, he does not believe that a vote should be taken on the District of Columbia rent control conference report until every Senator is fully aware of the issues involved, and until there is some likelihood that most Senators will be present to vote on the question. The agreement which has just been arrived at is evidence of the fact that a vote will be taken tomorrow morning, beginning approximately at 11:30 o'clock. In the next few minutes the junior Senator from Washington will attempt to establish the reasons why he thinks it would be wise for the Senate to reject the conference report.

In the opinion of the junior Senator from Washington the conference report should be rejected for the following several reasons: The first is that when the Senate recently took action on the District of Columbia rent control extension bill, every Senator, with one exception, namely, the junior Senator from Washington, agreed that a 6 months' congressional extension with authority delegated to the Commissioners to extend the rent act in whole or in part for an additional 6 months was completely adequate to satisfy conditions prevailing in the District of Columbia. This position was advanced in the nature of an amendment offered by the Senator from Washington, and was accepted by the Senate Committee on the District of Columbia and also by the Senate of the United States as a whole. By its acceptance of that amendment the Senate made it very clear that District of Columbia rent controls as initiated by the Congress were to die on the last day of December 1950.

Mr. President, I would draw to the attention of the Senate the fact that on June 12th, the Senate voted 36 to 28 to continue Federal rent controls throughout the United States of America for a 6 months' period beginning on the first day of July, 1950. We should not, therefore, forget that what the Senate of the United States thought was proper for the rest of the Nation it will think improper for the District of Columbia should the Senate tomorrow morning agree to accept the conference report.

Federal rent controls will die throughout America on the last day of this year, December 31, 1950. Should the District of Columbia rent control conference report be accepted by the Senate, Federal rent controls will not die in the District of Columbia, I think every Senator on both sides of the aisle will agree, until 30 days later, that is, on January 31, 1951.

Another reason for opposing the conference report, in my judgment, is that if the conference report is accepted District rent controls will not be terminated until January 31, 1951, and at a time when the Congress is in session. This would leave with Congress the authority to continue controls beyond January 31, 1951. In its Federal rent control extension law the Congress decided to leave the determination of whether controls should be continued in communities throughout the land for a period of 6 months after the end of 1950 up to municipalities, not up to the Congress. The Senate District rent control extension law provided for a similar determination to be vested in the Commissioners of the District of Columbia. The conference report ought to be rejected because a large majority in the House of Representatives and in the Senate have previously decided that federally initiated rent controls should expire on December 31, 1950.

A third and important reason for resisting and rejecting the conference report, in my opinion, is that in the Senate bill a real effort was made to provide the Commissioners of the District of Columbia with authority to determine the future rent-control needs of their community. For one of the very few times during which the Senator from Washington has been a Member of the Senate, the Senate sought to treat the District of Columbia, not as a stepchild, not as a forgotten child, not as an unimportant person but as an American community, and as the Senate and the House of Representatives had previously agreed to treat every other American city.

If we in the Senate accept the conference report it can truly and properly be maintained that the Congress has once more treated Washington, D. C., our Nation's Capital, and the greatest capital city in all the world, as a second-rate community, undeserving of the degree of confidence and respect which has been granted to every other American city.

Fourth, Mr. President, the Senator from Washington and others of like mind will seek to have the conference report rejected because if we believe in the principle of home rule for the District of Columbia, we shall reject the Conference report. If we stand firm in support of the Senate's original intention to provide the Commissioners of the District of Columbia the authority to determine whether rent controls shall be continued in whole or in part within the District for 6 months in 1951, we shall have offered real evidence that we seek to provide the District of Columbia with home rule characteristics whenever that is possible. By such action we shall allow the District Commissioners to act as every self-respecting city council in America is permitted and enabled and required to act. By such action we shall grant to the citizens of the District of Columbia an opportunity to petition their Commissioners, as every other American citizen can do, in offering his

views to his city council. To fail to reject the Conference report is for us to publicly state that when we talk about the need for and virtue of providing the District with home rule characteristics, we either do not understand what we are talking about or we do not mean what we say.

Mr. President, the Senator from Washton and others who share his views will seek to have the conference report rejected for another reason. Before I mention that reason, I ought to express my surprise at the attitude and the position taken by the distinguished Senators who were members of the conference which decided to recede from the Senate's position to do for Washington, D. C., what the Senate decided to do for the rest of the Nation, in an effort to provide a special favor for the District of Columbia which Members of this body, out of their own considered wisdom, thought was not right or proper or fair for the rest of the Nation.

The conferees were headed by the very distinguished Senator from Tennessee [Mr. KEFAUVER], who is known I think as the prophet of all those who desire home rule within the District of Columbia. The other two members of the conference were the distinguished Senator from Rhode Island [Mr. LEAHY] and the distinguished Senator from Maine [Mrs. SMITH]. It should be stated, and I do so without any criticism of any kind, that so far as I know, each of those three Sentaors has on a good many occasions spoken of the glories that will come when home rule in some effective fashion is provided for the citizens of the District of Columbia.

Yet, Mr. President, in this particular instance, when an opportunity was provided through which the Commissioners of the District of Columbia would have an opportunity to decide a purely local problem, the members of the conference, representing both the Senate and the House, for reasons of their own, thought it wise to recommend to this body that we accept a report which would deny to the Commissioners of the District of Columbia the same right to exercise some responsibility which not 3 weeks ago the Senate and the Congress and the President imposed upon every other municipality in the United States.

Mr. President, the fifth reason why the Senator from Washington will seek to reject the conference report I shall now state. In this instance the Senator from Washington can speak only for himself, for he wishes to say that he will vote to reject the conference report because of his own individual self-respect. The Senator from Washington will not tolerate a conference report recommendation which would provide rent control protection to him as a resident and as a tenant of the District of Columbia, which is greater in amount of coverage than is the rent control protection provided for millions of other American citizens and tenants who live beyond the confines of the District of Columbia. It will never be said of the junior Senator from Washington that he sought protection which he was not willing to provide for others.

In the considered judgment of the Senator from Washington it would be far better for the District of Columbia to have no rent controls at all than to have rent controls which constitute a special and unwarranted privilege. It seems to me, Mr. President, that any Senator who either voted for or against an extension of Federal rent controls must vote to reject the District of Columbia rent control conference report on the fundamental premise of principle which the Senator from Washington has just offered.

Mr. President, on June 22 the Senate accepted an amendment offered by the Senator from Washington to the District of Columbia rent control bill which would parallel the rent-control laws for the rest of the Nation. In order that Senators who may have an opportunity to read the RECORD in the morning before the vote is taken may know exactly what that amendment was and what the Senate sought to accomplish by adopting that amendment, I now wish to read it.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. CAIN. Certainly.

Mr. THYE. Could the District Commissioners adopt any kind of rent-control measure in the absence of action by Congress?

Mr. CAIN. When the Senator from Washington first became aware of the intention of the House of Representatives to provide for a 7-month extension of rent controls within the District while recommending a 6-month extension for the rest of the country, the Senator from Washington did what his friend the Senator from Minnesota would have done under comparable circumstances; he sought information on the question. The Senator from Washington asked the question which the Senator from Minnesota has just addressed to me, to Mr. Vernon West, the corporation counsel of the District of Columbia. Mr. West replied that if the standards within the bill were adequate, the District of Columbia could be given, as a delegated right, the authority by the Congress to extend rent controls for a 6-month period or for any other period. The Senator from Washington wanted to be very certain that he was not misguiding the Senate of the United States, so the amendment which the Senator from Washington now wishes to read for the record was prepared, as it ought to have been prepared, by a competent legal authority, the corporation counsel of the District of Columbia. It is his opinion, though a test in court might prove him wrong, that the intention of the amendment, to offer the right to the District Commissioners to extend or not to extend rent control within the District for a 6-month period, is completely legal and proper.

Mr. THYE. Mr. President, will the Senator yield for another question?

Mr. CAIN. I yield.

Mr. THYE. Then it is the Senator's opinion that if the rent control for the District is extended until December 31, the Commissioners who govern the District, in the absence of action by Congress, would then be able to institute some type of rent control that could be extended for 6 months or any additional time that they would deem advisable?

Mr. CAIN. The Commissioners would not be able under the circumstances related by the Senator from Minnesota to extend rent controls of any kind. The type and character of rent controls which they could extend are either defined specifically in the amendment which the Senator from Washington now wishes to read into the RECORD or in the basic District rent-control law which was first written in 1940.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. CAIN. I am pleased to yield.

Mr. THYE. The question I want to make certain to have answered is simply this, that the Senator does not involve the District Commissioners in an extension of rent control that they cannot either impose or administer in the absence of action by Congress. That is the only question with which I am concerned.

Mr. CAIN. And a thoroughly legitimate question.

Mr. THYE. Because December 31 will come during the recess period of Congress. Congress will not reconvene until next January. Therefore we should be positive that the act provides that the Commissioners may extend the rent control if they deem it advisable, or that we have given them the legal right to do so.

Mr. CAIN. The Senator from Minnesota was recently I think among those Senators who voted for a Federal extension of rent controls from June 30, 1950, to December 31, 1950, while at the same time providing any authorized city or county body within this country could extend rent controls within their area of jurisdiction for an additional 6 months. The Senator from Washington, through the amendment to which he has referred, wished to do for the District of Columbia no more and no less than what the Senate thought was proper to be done for the rest of the country.

I would suggest to my colleague from Minnesota that he need have no concern of any kind unless he assumes that Mr. Vernon West, the Corporation Counsel of the District of Columbia, and the one legal authority to whom the Commissioners turn for advice and counsel, does not know his business. The Senator from Washington takes it to be a basic fact that Mr. Vernon West, in having been the Corporation Counsel of this community for a good many years, is thoroughly and competently qualified to make a decision concerning the legality of the amendment which the Senate only several weeks ago thought so proper that they accepted it without a dissenting vote; except that on a voice vote there was a single "nay" by the Senator from Washington.

I should like to add, however, that on that occasion there were few Senators present, and it seemed to me that had there been more Senators present a good many of them would have voted "nay" as did the Senator from Washington.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. CAIN. I yield.

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Mr. THYE. I am quite certain that the majority of the Senators knew what was to be discussed and what was to be voted on, and how the vote would go. Had they had strong convictions and had they desired to record dissenting votes they would have been present.

Mr. CAIN. Perhaps the Senator is correct. If he is, that is a fundamentally important thing. The Senator from Minnesota has said in substance that rent control can be very important, so far as the rest of the Nation is concerned to the Senate of the United States, but when the Senate begins to consider a need or a lack of need of rent controls in the District of Columbia a majority of our colleagues are not sufficiently interested in it to register their opinion one way or the other. With all due respect, I beg to differ from that point of view, because I think most Senators have a great fondness for the District of Columbia and a respect for it, though because of their busy schedules they do not always give it the attention which they admit it deserves.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. THYE. Mr. President, in order that the RECORD may be clear on this question, the Senator from Minnesota will say that he was not casting any reflection upon the importance of extension of rent control in the District of Columbia. I am certain that the Senator from Washington would not wish the RECORD to appear as if I were attempting to minimize the importance of extension of rent control in the District of Columbia, because I believe that the persons who are seeking places to live in the District of Columbia are confronted with just as grave a problem as are the persons seeking a place in which to live in any of the other cities of the Nation outside the District. My purpose in referring to the fact that the question was voted upon by a voice vote was to show that the question had been debated and discussed at such length that the majority of the Members of the Senate knew exactly how the vote would go. The measure was permitted to pass by a voice vote. Irrespective of whether there had been a quorum call or not, the question rested before the Senate at the time in such a manner that if any Senators had been fearful that the measure would not have passed, they would have been present on the floor and would have voted. I am sure Senators knew the measure would be passed on a voice vote; otherwise the yeas and nays would have been called for.

Mr. CAIN. No; I merely think that on that occasion the Senator from Minnesota was absent, and does not happen to be aware of the facts surrounding the case.

Mr. THYE. Mr. President, will the Senator permit me to make a further observation?

Mr. CAIN. Certainly.

Mr. THYE. I have been here on the floor of the Senate during all the discussions of rent control, and I am sure a great many other Senators have likewise been present and have wondered, also, why there was so much debate.

Mr. CAIN. I ask the Senator from Minnesota to take the time to refer, at his convenience, to the CONGRESSIONAL RECORD of June 22, which was the one only day during which discussion of rent controls for the District of Columbia occurred in the Senate. If the Senator will read the colloquy which took place——

Mr. THYE. I was present then.

Mr. CAIN. And if he then will tell me that it took more than 30 minutes——

Mr. THYE. As I have just stated, I was present at that time.

Mr. CAIN. I am sure the Senator will not be able to say that more than 30 minutes was devoted to debate on a great property question which is equally as important to the citizens of the District of Columbia as it is to the citizens throughout the United States. That is one reason why tomorrow at 11: 30 a. m. every Senator will be given an opportunity to vote as he thinks best on the question of whether rent controls shall be continued within the District of Columbia. Tomorrrow every Senator will be given the opportunity to vote either to provide the District of Columbia with a privilege which the Senate did not provide to the rest of the Nation, or to vote the intention of the Senate to see to it that the committee on conference recommends that we do for the District of Columbia only what we do for Philadelphia, Charleston, Tacoma, Seattle, San Francisco, Los Angeles, Phoenix, Houston, and all other municipalities.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. MAYBANK. I should like to inform the Senator that in Charleston rents have been decontrolled.

Mr. CAIN. I am very much aware of that fact, and I am happy about it.

Mr. LANGER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Washington yield to the Senator from North Dakota?

Mr. CAIN. I yield.

Mr. LANGER. Is the Senator aware of the discussion had on that subject, particularly in reference to what was said by the senior Senator from Georgia?

Mr. CAIN. Yes.

Mr. LANGER. In reference to what the senior Senator from Georgia said, under the proposed amendment would the Commissioners for the District of Columbia be able to extend the period of rent controls in the District of Columbia for more than 6 months after December 31?

Mr. CAIN. The answer is "No." The amendment provides the Commissioners with authority to extend rent controls for an additional 6 months, beginning on the expiration of the Federal law on December 31, 1950.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. CAIN. Certainly.

Mr. LANGER. If the amendment offered by the Senator from Washington should not become a part of the law, then would the Commissioners have authority to extend rent control in the District of Columbia for more than 6 months additional?

Mr CAIN. Let me say to the Senator from North Dakota that on June 22 the Senate passed its version of the District of Columbia rent-control-extension law. That version provided for a 6 months' extension, as a congressionally initiated project, and provided authority to the Commissioners of the District of Columbia to extend rent controls in the District of Columbia for an additional 6 months.

On the other hand, the House of Representatives provided that rent controls should be extended in the District of Columbia from June 30, 1950—Friday of this week—for 7 months, to expire on January 31, 1951.

The House version and the Senate version of the bill being different, the two versions of the bill were sent to conference. The conference report now before the Senate contains the House version of the bill. If the Senate accepts the House version of the bill, that will mean that if rent controls are to be extended in the District of Columbia beyond January 31, 1951, that determination must be made entirely, not by the District of Columbia Commissioners, but by the Congress of the United States.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. CAIN. I am glad to yield.

Mr. LANGER. At that time, of course, if the Senate wishes to do so, the Senate could extend rent controls in the District of Columbia for more than 6 months; at that time the Senate will have authority, if the House of Representatives concurs, to extend rent controls in the District of Columbia for longer than 6 months, will it not?

Mr. CAIN. That is quite correct. I should like to be extraordinarily frank in this matter, however, Mr. President. The Congress and the President have determined, with reference to the rest of the Nation, that the next session of the Congress of the United States shall not be given an opportunity to consider extending rent controls throughout America. However, if we adopt the House version of the bill, thus providing for a 7 months' extension of rent controls in the District of Columbia, that will put the Congress in the position of being able to extend rent controls in the area in which the Members of Congress live, although they have precluded that possibility for the 150,000,000 Americans who live outside the District of Columbia.

Mr. LANGER. Mr. President, will the Senator yield at this point?

Mr. CAIN. I yield.

Mr. LANGER. That is exactly the point the senior Senator from Georgia made, is it not?

Mr. CAIN. The senior Senator from Georgia was indicting the Federal rent-control bill the Congress passed; he was indicting it as being unconstitutional. As I recall, he went on and said that in his opinion it would be perfectly proper for the Congress to extend rent controls within a community, as it saw fit to do.

The amendment of the Senator from Washington, which was accepted on June 22, by a large majority of the Members of the Senate, continued Federal rent controls within the District of Columbia for 6 months, and then provided an opportunity for a further extension of rent controls in the District for an additional 6 months by action of the Commissioners of the District of Columbia.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. CAIN. I yield.

Mr. LANGER. Perhaps I can refresh the memory of the Senator from Washington. It is my recollection that the senior Senator from Georgia specifically said he was opposed to a continuation of rent controls outside the District of Columbia.

Mr. CAIN. That is quite correct.

Mr. LANGER. But, as I recall, the senior Senator from Georgia said he was differentiating entirely in his mind between the District of Columbia and the rest of the country.

Mr. CAIN. The senior Senator from Georgia said, as I recall, that although he was vehemently in opposition to a continuation of the rent-control law, nevertheless, he was prepared, because he thought rent controls were yet needed in the District of Columbia, to vote for an extension of rent controls within the District of Columbia.

Mr. LANGER. Mr. President, will the Senator yield for a further question?

Mr. CAIN. Certainly; I shall appreciate any question the Senator asks.

Mr. LANGER. I have not read the Senator's amendment; but does it propose anything which would prevent a continuation of rent controls in the District of Columbia after June 30, 1951?

Mr. CAIN. Yes. Let me say again that the amendment, which was accepted a few days ago by the Senate, provides that the Commissioners of the District of Columbia shall have authority to extend rent control up to, but not beyond, June 30, 1951.

Mr. LANGER. Then just what will be the effect, so far as that is concerned, if we adopt the amendment of the Senator from Washington?

Mr. CAIN. There is no doubt about that, I hope, in the mind of anyone. The effect is that when June 30, 1951, arrives, there will no longer be any rent controls in the District of Columbia. If my amendment is adopted—or, to put the matter in another way, if the conference report is rejected, and if the conferees later recommend an extension of 6 months and then 6 months more—the Commissioners of the District of Columbia might very well decide, upon examination, that there was no need to extend rent controls in the District of Columbia beyond December 31 of this year.

Again for the information of Senators, Mr. President—and I am proceeding with my remarks as rapidly as I possibly can—I should like to read the amendment as it was recently approved by the Senate:

That section 1 (b) of the District of Columbia Emergency Rent Act, as amended (D. C. Code, 1940 ed., sec. 45–1601 (b)), is hereby amended (a) by striking out "June 30, 1950" and inserting in lieu thereof "December 31, 1950, unless the Commissioners of the District of Columbia, prior to December 31, 1950, shall declare by resolution that a shortage continues in one or more classes of housing accommodations which requires the continuance of the provisions of this act with respect to such class or classes of housing accommodations, in which event the provisions of this act and all regulations, orders, and requirements thereunder shall continue in force and effect with respect to such class or classes of housing accommodations until—

Parenthetically, I may say, "but not beyond"—

June 30, 1951, and (b)—

I should like to call the second part of the amendment to the attention of all Senators, because I think it deserving of their consideration:

and (b) by adding at the end thereof, the following sentence: "The term 'classes of housing accommodations' as used in this section shall be deemed to be without limitation and may include categories of housing accommodations by location or geographical area, by monetary rental, or by types."

I know that my friend, the Senator from North Dakota, will permit me to say that if the conference report is rejected, and if we provide for the District of Columbia, through this amendment, substantially the same rights as those which have been provided under the Federal law throughout the land, we shall carry out a great wish. The amendment which I have just read carries out the intention of the Congress, which has been often repeated during the 4 years I have been in the Senate. In our declaration of purpose concerning rent-control laws, it is obvious that the intention is to decontrol rents wherever practical and whenever possible. This amendment is so written that it would provide the Commissioners of the District of Columbia, through advice coming to the Commissioners from the administrator of rent controls in the District, with authority to decontrol rents whenever in their joint opinion rents could safely be decontrolled, either as to price or as to location or as to character. With perhaps one or two exceptions, I have never heard a Senator maintain that rent controls ought to become a permanent part of America's social and economic structure; indeed, the foremost proponents of rent controls in this body in recent years have been the first to say: "We dislike rent controls; we want to do away with them, but we do not think the time for doing so has arrived." The way in which this amendment has been prepared, not by the Senator from Washington but by the corporation counsel of the District of Columbia, would provide machinery through which decontrol could become effective at the earliest possible moment.

Mr. President, there are, it seems to me, but one or two other things which should be suggested, as all of us overnight will consider what our wishes are with respect to the rent-control conference report. If the conference report is accepted, it will mean, unless the Congress deems it otherwise proper, that rent controls in the District of Columbia will expire on January 31, 1951.

The Senator from Washington is not an authority on the mechanics of the Senate, but he has always found it to be a fact that very little, if any, major legislation, and indeed very little minor legislation, is ever enacted in the month of January. As a very strong opponent of rent controls for several years, the Senator from Washington could more conveniently to his own point of view favor a conference report which practically guaranteed the termination of rent controls within the District of Columbia on the last day of January 1951.

But what seems important to the Senator from Washington is not the question of who is right in regard to this problem, but the question of what is right; and on the assumption that we have done a proper thing as a Congress for the rest of our great country, I seek through my opposition only to make as certain as I can that the Senate of the United States will provide no more and no less opportunity for either eliminating rent controls or continuing them in the District of Columbia than we have done on the basis of our considered judgments and votes for each of the 48 States which make up the Nation.

Mr. President, I trust that Senators will give consideration to these views, and that a large number of them will be inclined to, and will, vote against a conference report which does not present to us the position so recently taken in the Senate of the United States.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had insisted upon its amendment to the bill (S. 3571) to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HART, Mr. BONNER, and Mr. WEICHEL were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 492) making temporary appropriations for the fiscal year 1951, and for other purposes.

## ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 492) making temporary appropriations for the fiscal year 1951, and for other purposes.

## AUTHORITY TO SIGN JOINT RESOLUTION DURING RECESS

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent that the President of the Senate be authorized to sign the enrolled joint resolution (H. J. Res. 492) making temporary appropriations for the fiscal year 1951, and for other purposes, during the recess of the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator

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from Utah? The Chair hears none and it is so ordered.

RECESS

Mr. THOMAS of Utah. I move that the Senate stand in recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 47 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 29, 1950, at 11 o'clock a. m.

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NOMINATIONS

Executive nominations received by the Senate June 28 (legislative day of June 7), 1950:

MISSISSIPPI RIVER COMMISSION

E. F. Salisbury, of Missouri, to be a member of the Mississippi River Commission, vice Edward Flad, retired.

IN THE NAVY

The following-named officers of the Navy for appointment in the grade and corps indicated:

For temporary appointment as a commander in the Supply Corps:

Charles A. Baldwin

For temporary appointment as lieutenant commander in the Supply Corps:

Robert E. Whelan

For permanent appointment as ensign in the Civil Engineer Corps:

Benjamin E. Weeks

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# HOUSE OF REPRESENTATIVES

## WEDNESDAY, JUNE 28, 1950

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal God, our Father, humbly and reverently we would approach Thy throne of grace, offering unto Thee our prayer of adoration, thanksgiving, supplication, and intercession.

Grant that in these days of strife and confusion, of storm and tumult, when many are tempted to yield to despair and defeatism, we may carry on in the glad assurance that the Lord of hosts is with us, and the God of righteousness is our refuge and strength.

Unite us with all who are faithfully and heroically striving to safeguard our heritage of liberty. May we understand more clearly that freedom can only be the sure and abiding possession of those who have the courage to defend it.

Illumine our minds and hearts with a vision of that blessed day when righteousness shall be gloriously triumphant. May the spirit of the Prince of Peace in whose name we pray be the strength of our souls, His truth our light, His presence our joy. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5002. An act to incorporate Reserve Officers Association of the United States.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1672. An act for the relief of Efrosini Abad

SUBCOMMITTEE ON PANAMA CANAL AFFAIRS

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Panama Canal Affairs may have permission to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PEACETIME DRAFT

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I was stunned on yesterday to have to vote for draft in peacetime. Mr. Truman used his powers in going into Korea to force us to an issue giving him the power to call forces of arms together, our boys to arms, war if necessary. They scarce us to vote power to the President. He gives up none but wants more. I voted for it, notwithstanding I thought it wrong in principle, because I want a united front to help the United Nations to act as a unit to defend weak countries the world over to stop one strong power from swallowing up the small, weaker nations. I wanted to help the United Nations to be strong and work together. This is the test for them. If they do not work together, act together, stick together, and do it now, then henceforth I do not propose that they let us do all to protect these small nations of Europe, Asia, and Africa.

On yesterday the Military Affairs Committee did just what they promised on Monday they would not do—that was give such power to the President to draft in peacetime. They said they would demand that Congress be called together to act on such a grave problem. The Korean situation changed this in such a short time.

I am for a strong America to take care of America and the American people.

I am not for wrecking America to save any country or any people in the whole world.

If that be tyranny, make the best of it.

THE UN HISTORIC DECISION ON KOREA

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, by approving the historic resolution offered by the United States calling for military action by its cooperating members necessary to halt aggression, the Security Council has taken a path which leads to success for a world organization seeking to maintain peace and security rather than the failure which met the League of Nations.

The difference between the United Nations and the League is the United States—the difference is between Korea and Ethiopia—all the world should understand that. We are determined that the United Nations shall have the power necessary to maintain peace and also that we, the most powerful Nation on earth, shall submit ourselves to its discipline. The nations on the Security Council who hesitated, India and Egypt, and the one that voted against, Yugoslavia, should today, in the clear light of the morning after, understand that peoples and civilizations can be destroyed by just such hesitation; they should give especial thanks for the democratic process of the United Nations which caused them to be overruled and for the decision of the United States to act. The hopes of the free peoples, whose only hope is a world of justice, should be high today.

TOWNSEND OLD-AGE SECURITY ON THE MARCH

(Mr. ANGELL asked and was given permission to extend his remarks at this point in the RECORD and include a brief excerpt from a magazine.)

Mr. ANGELL. Mr. Speaker, while H. R. 6000, now in conference, is a step forward in old-age security, it is still a long way from the goal of a sound old-age security program based on universal coverage and pay-as-you-go. It is interesting to note from the current issue of United States News and World Report in its Newsgram column the following reference to the Townsend program. As the author of H. R. 2136, one of the bills embracing the Townsend old-age security program, I am particularly interested in this forward-looking comment in this outstanding magazine:

Pension checks for retired persons will be raised by October.

Checks for retired man and wife often will exceed $100 a month. Checks to single retired persons will reach up to $75 and above for some.

Retired persons will be allowed to earn $50 a month on the side.

Retirement will be made a little more attractive. Idea of "ham and eggs," or "$30 every Thursday," promoted in the 1930's, will be about realized. Townsend plan of $100 a month for every person aged 65 will come into sight. This plan, regarded as crackpot 15 years ago, doesn't seem so remote now.

Trend of old-age insurance, in fact, is toward the flat-pension idea. It is toward a rather uniform benefit for all reaching a fixed age, with cost to be supported in important part out of general taxation on a pay-as-you-go basis.

Millions not covered by old-age pensions will be covered in months ahead.

Little-business men are to come in. Cost, up to $81 a year for a pension that someday might return $121 a month. Lawyers, doctors, dentists, and engineers definitely are left out. They wanted it that way for the time being.

Housemaids come in. Cost, 1.5 percent of income up to $3,600 a year, to be payable

both by maid and her employer, but housewife probably will get the bill. Actual cost, $36 a year on an income of $1,200 a year. There's this other point: Many housewives now do not report income of maids for purpose of income tax. Maids may prefer income-tax escape to a future pension, but the housewife can't take a chance on that and will be wise to report all income.

As suggested in this statement, we are gradually approaching the Townsend plan, and the committee proposal in the Senate amendment to H. R. 6000 to study this whole subject of old-age security with particular reference to the Townsend plan should bring to the forefront sound old-age-security legislation based on universal coverage on a pay-as-you-go basis, as advocated in the Townsend proposal.

EXTENSION OF REMARKS

Mr. THOMAS asked and was given permission to extend his remarks and include a plan by the President's Council of Economic Advisers to make a detailed study of the economic situation in the Southwest.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. ARENDS asked and was given permission to extend his remarks in the Appendix of the RECORD.

REDUCTION IN EXCISE TAXES

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H. R. 8920, with Mr. DELANEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from North Carolina [Mr. DOUGHTON] had consumed 36 minutes; and the gentleman from New York [Mr. REED] had consumed 52 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Chairman, the pending bill, H. R. 8920, was favorably reported by the Committee on Ways and Means by a vote of 17 to 8 after some 5 months of very thorough and careful consideration.

The bill provides for substantial reductions in wartime excise taxes amounting to approximately $1,000,000,000, and contains provisions which will make up the loss of the revenue resulting from the excise-tax reductions. It is well recognized that there is now a deficit in our Federal Treasury. A short time ago that deficit was estimated to be about $5,000,000,000. The most recent estimate that I have seen is that it will probably run about $3,500,000,000. Your committee felt that such revenue as might be lost by the reduction or repeal of excise taxes should be made up from other sources so that the effect of this bill would not be further to increase the deficit in the Federal Treasury, and we have a very clear indication from the President of the United States that he would not see fit to approve legislation which further increased the Federal deficit at this time.

The need for excise-tax relief, however, was called to the attention of the Congress by a message from the President of the United States on January 23, 1950.

The pending bill provides for reduction in excise taxes on transportation of property, transportation of persons, telephone and telegraph communications, retail taxes on jewelry, toilet preparations, luggage and furs, and many of the manufacturers' excise taxes. It also includes certain provisions to adjust other excise taxes to correct certain inequities that have developed under the excise-tax program.

The adjustments in the excise taxes are not restricted to 1943, because these taxes were also increased by the acts of 1941 and 1942.

Your committee attempted to recover the loss of revenue by reason of the reduction of excise taxes by the closing of loopholes, and secured as large a part of the revenue from that source as possible. The loophole-closing provisions contained in this bill will replace more than half of the revenue lost by the excise-tax reduction. The balance is accounted for by an adjustment in the corporation income-tax rates. As a result, there will be no permanent loss of revenue under this bill.

For the next 5 years there will be a substantial increase in the net revenue collections as the result of the provision included in the bill reducing the time for corporations to pay their income taxes on the previous year of tax liability. It is estimated that in a full year of operation the offsetting revenue provided under the bill will approximately balance the $1,000,000,000 of loss in excise taxes.

It is thought that the repeal of these excise taxes will stimulate and encourage business to the extent that something like $100,000,000 of additional revenue will be received from individual and corporation income-tax payers.

The major items accounting for the additional revenue with respect to the closing of the loopholes are the withholding on dividends from corporations, the changes in tax treatment of charitable and educational institutions, the revision of taxes on life-insurance companies, the change in the treatment of loss by the sale of busines assets, the reduction in the interest rate on tax refunds and the increase in the corporate rate. The effect for a full year's operation of the loophole closing provisions contained in this bill will amount to about $465,000,000, and it is estimated that the full year effect of the change in the corporate rate will amount to about $433,000,000.

It is the conviction of your committee that the corporation income tax is about the fairest source to which we could turn for the additional revenue that is so very badly needed. It will be remembered that in the Revenue Act of 1945 corporation taxes were reduced and the excess-profits tax was entirely repealed.

We know that in the Revenue Act of 1945 there was also a reduction in the income taxes for individuals, and something like 12,000,000 individuals were removed from the tax rolls. In the Revenue Act of 1948 there was a further reduction of individual income taxes. The result is that of the additional taxes imposed to help finance the recent war, all of them have received some relief except these excise taxes. That is the only field of taxation embraced among the increases that were made that has not received some relief up to this time.

It might be of interest to refer to page 3 of the committee report. Table 1 appearing there, summarizes the estimates of the revenue effect of the committee bill. It will be observed that the excise-tax reduction on a full year's basis will amount to a loss of revenue of about $1,000,000,000, and for the fiscal year 1951 a loss of about $690,000,000. The increase in income taxes resulting from the excise-tax reduction on a full-year basis will amount to an increase of $100,000,000 and for the fiscal year 1951 an increase of $20,000,000, so that the effect of the excise-tax reduction on a full-year basis will mean a net loss of revenue of about $910,000,000, and for the fiscal year 1951 a net loss of about $670,000,000. Offsetting additional revenue from the withholding tax on dividends on a full-year basis will increase the revenue about $170,000,000, and for the fiscal year 1951 an increase of about $70,000,000. The provisions relating to charitable trusts, family foundations, educational institutions, and so forth, on a full-year basis will yield an increase of revenue of about $100,000,000. Miscellaneous loophole provisions on a full year of operation will produce about $115,000,000 of additional revenue. The life-insurance company provision will produce on a full-year basis about $70,000,000 additional revenue, and for the fiscal year 1951 an additional amount of about $166,000,000.

The reduction of the rate of interest on refunds of Federal taxes will result on a full year basis in about $45,000,000 increase in revenue, and the corporate rate changes will produce on a full-year basis about $433,000,000 additional revenue, so that the total offsetting additional revenue will be an increase of about $898,000,000 on a full-year basis, and for the fiscal year 1951 about $1,214,000,000.

Attention is invited to table 2 appearing on page 20 of the committee report which shows the excise tax reductions in detail, and table 3 appearing on page 23 of the committee report, which compares the excise-tax revenue under the present law and the pending bill. One of the principal sources of additional revenue is the revision of the corporation rate structure. The bill makes a substantial change and simplification in the corporation tax rate structure. Under the present law, for corporations with taxable net income of $50,000 and over, there is a 24 percent normal tax rate and a 14 percent surtax rate, or a total rate of 38 percent. However, in order to give encouragement to small business, there has been, for many years, a lower rate

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for corporations with not to exceed $25,000 of net income. For corporations with income of not to exceed $25,000 we have three brackets under the present law. The first is for corporate income not to exceed $5,000. The normal tax rate there is 15 percent, the surtax rate 6 percent, or a total tax rate of 21 percent.

For the next $15,000, the normal tax rate is 17 percent, the surtax rate 6 percent, or a total rate of 23 percent.

For the next $5,000, the normal tax rate is 19 percent, the surtax rate is 6 percent, or a total rate of 25 percent.

The effective rates on income in this area of $25,000 and under range from 21 percent for corporations with incomes of $5,000 or less to 23 percent for corporations with incomes of $25,000.

As the 38 percent rate applied to corporations with taxable income of $50,000 and over is applicable to the entire taxable income of the corporation under present law, there is provided what is termed a "notch" for corporations with income between $25,000 and $50,000. In other words, if we did not have this so-called notch provision the corporation making $25,001 would catch the higher rate of 38 percent. For a number of years this notch provision has been included to provide for the tapering-off of the 23 percent rate of tax for corporations with taxable income of $25,000 until the 38 percent rate of tax at $50,000 of corporate income is reached.

I think it is a real contribution that the committee has made under this bill in removing this notch with the complications that result from it.

The rates under the pending bill I think are much simpler in application than the present complicated system with a notch, which provides one set of rates for corporations with income of not more than $50,000 and another set of rates for corporations with income over $50,000.

The bill provides for the following corporate tax rate:

There is a $25,000 surtax exemption. Then there is a flat 21 percent normal tax rate and a flat 20 percent surtax rate. This means that a corporation with an income of less than $25,000 will pay a flat 21 percent normal tax and no more. A corporation with income in excess of $25,000 will pay a normal tax of 21 percent on its entire taxable income plus a surtax of 20 percent on that part of its income in excess of $25,000.

Tables 3 and 4 appearing on pages 24 and 25 of the committee report compare corporate income tax liabilities and the effective rate under the committee bill with those under existing law.

Table 5 shows the increase or decrease resulting from the pending bill.

Under this bill the tax liability for corporations with incomes of $5,000 or less will remain the same as under the present law. For incomes between $5,000 and approximately $167,000 the bill provides for decreases in the tax liability. This reduction would be for about 170,000 corporations. Only about 20,000 of the large corporations of the country would pay any additional tax.

For incomes above approximately $167,000 the bill increases the tax liability, but the increases never quite reach the effective rate that would be produced by a simple increase of 3 percentage points in the corporate rate. The top normal and surtax rate never reaches the 41 percent, because all corporations are exempt from the surtax on the first $25,000 of taxable income.

The rate changes provided in the bill will apply to the taxable years beginning after December 31, 1949. It is estimated that the tax rate revision made by the pending bill will increase net corporate tax collections in a full year of operation by $433,000,000.

This bill eliminates the notch rate by providing a flat $25,000 surtax exemption which applies to all corporations.

There are some interesting tables appearing in the committee report on page 25 which show the effect of the application of this new corporation tax-rate structure. By examining that table and other tables appearing in the committee report, it will be seen that for all corporations with taxable net incomes of not more than $5,000 there will be no change from the present law with respect to the tax liability. For the corporations between $5,000 and approximately $167,000 there will be a slight reduction.

For corporations with taxable net income above $167,000 there will be a small increase. By looking at the table to which your attention has been invited, it will be seen that a corporation with $10,000,000 of taxable net income will pay an additional tax of about $295,000.

Mr. Chairman, considerable time was taken from the committee yesterday for the consideration of this bill, and I shall not ask your indulgence much longer.

But, Mr. Chairman, I would like to take just a moment more to reply further to the question asked yesterday by the distinguished Delegate from Hawaii with respect to the provision included in this bill in connection with the exemption from tax of transportation to Puerto Rico and the Virgin Islands. The question was asked as to why Hawaii and Alaska were not included. I would like to call attention to the fact that the Constitution requires that duties, imposts, and excises must be uniform throughout the United States. The term "uniformity" has been construed by the Supreme Court to mean geographical uniformity, the Court stating that "a tax is uniform when it operates with the same force and effect in every place where the subject of it is found"—*Head Money cases* (112 U. S. Repts., p. 580). That is, a tax cannot be levied at one rate in one locality and at another rate in another locality upon the same object or business, nor may Congress exempt from taxation taxpayers of a certain class located in one part of the country and not taxpayers of the same class living in another part of the country.

The term "United States" has been construed, for purposes of the uniformity clause, to include Alaska and Hawaii, which have been incorporated into the United States. Therefore, it would appear unconstitutional to levy a Federal tax on a ticket purchased in one part of the United States and exempt a ticket purchased in another part of the United States, or to exempt a ticket purchased for transportation to one part of the United States and tax a ticket purchased for transportation to another part of the United States. On the other hand, Puerto Rico and the Virgin Islands are not a part of the United States, having not been incorporated into the United States, and are, therefore, not subject to the uniformity clause—*Downs* v. *Bidwell* (182 U. S. 244); *Neuss, Hesslein and Co.* v. *Edwards* (24 F. (2d) 989); see also *Binns* v. *United States* (194 U. S. 486).

Moreover, if the committee had exempted travel to Alaska and Hawaii from the transportation tax, there is a strong probability that the entire transportation tax on persons would be held invalid, thus causing a loss in revenue of almost $200,000,000. The committee was unwilling to assume this risk.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. STEFAN. The transportation tax from Alaska and Hawaii is still in force, under this bill?

Mr. COOPER. The gentleman is correct.

Mr. STEFAN. How about the transportation tax from Puerto Rico and the Virgin Islands?

Mr. COOPER. That is exempted, under the provisions of this bill.

Mr. STEFAN. Then would that not make it possible for people in the United States who want to evade the transportation tax to mail a letter to Puerto Rico or the Virgin Islands and buy a round-trip ticket without paying the transportation tax?

Mr. COOPER. Of course there might be some opportunity for evasion. However, the committee has been assured by the Bureau of Internal Revenue that every administrative precaution possible will be taken to prevent that. We have a situation now under which there has been some complaint of evasion of transportation tax by people writing to Canada, or one of the adjacent countries, enclosing money for the purchase of tickets.

Mr. STEFAN. I was going to bring that up.

Mr. COOPER. But we have been assured by the Bureau of Internal Revenue that they have been taking steps to correct that situation, and we are encouraged to believe from information received that it is being reasonably well taken care of.

Mr. STEFAN. My information as of today is to the effect that the transportation people are encouraging travelers to evade the transportation tax by purchasing their tickets outside the borders of the United States. Some airlines have set up offices in Canada and other places in order to sell these tax-free tickets, with the result that the United States Government is losing millions of dollars through the evasion of this transportation tax.

Mr. COOPER. The committee has received some information to that effect and has made an investigation of it; and,

as I stated a moment ago, from the information we have received we are encouraged to believe that the situation is being corrected.

Mr. STEFAN. The Internal Revenue Bureau issued an order as of last September discouraging this evasion of transportation taxes, but in spite of that, they are still evading them.

Mr. COOPER. I regret I cannot yield to the gentleman further. We have looked into the situation and are trying to correct it.

Mr. FARRINGTON. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the distinguished Delegate from Hawaii.

Mr. FARRINGTON. I very much appreciate the clear explanation that has been made of the committee's position on this issue, as the representations in behalf of exempting the outlying areas from this tax came originally from the Territory of Hawaii, as a result of an amendment to the bill extending the excise taxes that exempted travel to foreign countries from this tax. I understand that it is the committee's point of view that the constitutional objection alone is what has caused them to deny this exemption to Alaska and Hawaii.

Mr. COOPER. As I endeavored to point out, the committee felt that the constitutional question involved was quite serious.

Mr. FARRINGTON. If that were overcome, the committee would be perfectly willing to extend this exemption to the Territories?

Mr. COOPER. I am unable to pass on that now, but I am unable to see how the Territory is going to overcome it, because Alaska and Hawaii are Territories of the United States, and there is some indication that they will be States. If they become States they certainly cannot expect preferential treatment, because you cannot levy one tax for Maine and another for California and another for Michigan and another for Texas; there has to be uniformity throughout the United States. If Alaska and Hawaii become States, then, of course, they take the same relative position as all other States in the Union.

Mr. FARRINGTON. I thank the gentleman for his compelling argument.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. JENKINS. It is a fact, is it not, that the committee gave this its most sympathetic consideration?

Mr. COOPER. The gentleman is correct.

Mr. JENKINS. There is absolutely no way to grant this exemption, because to make it uniform would mean the setting up and establishing of zones. Then, too, a person living in Massachusetts would be just as close to California as one who lived in Hawaii. It would, therefore, be simply impossible under the present circumstances.

Mr. COOPER. The committee feels that under the Constitution it cannot be done.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. SCUDDER. I am very much interested in the discriminatory effect on long distance hauls particularly from the West and as applied to Hawaii. It seems to me that the committee could provide some system whereby there would be a more uniform tax. I believe that has been covered very well in the coal tax; the tax on coal is a specified amount per carload or per ton. That principle should apply, it seems to me, on long distance hauls; because, coming across the entire continent, it does not seem right that the tax rate should be based on the freight bill. To ship a carload of beef or a carload of fruit from California to New York entails a rather burdensome tax, whereas the same type of product shipped a shorter distance pays a lesser tax.

We have felt that the tax, regardless of how it is paid, should be on a sliding scale, maybe starting off with a certain tax of 3 percent and then have it reduced to a 1 percent tax which would give greater benefit to the long haul people. We do not feel that it is right to tax a freight bill or a passenger ticket.

Mr. COOPER. I appreciate the observation made by the gentleman from California.

### DEMOCRATS GRANT EXCISE-TAX RELIEF THE REPUBLICANS PROMISED

Mr. DINGELL. Mr. Chairman, as everyone knows and as my record clearly shows, I was against the imposition of wartime excise taxes and increases in excise tax rates, and have been fighting for their repeal since the end of the war. These taxes have absolutely no relationship to ability to pay—the fundamental test of any sound tax. Failing to prevent the imposition and increase in these taxes, it was on my motion that a provision was inserted in the Revenue Act of 1943 providing for the termination of these taxes 6 months after the close of hostilities of World War II. It was at my insistence that the report on this bill stated that these taxes "were justified only in view of the wartime emergency." Under the provisions of that act, these taxes would have terminated on July 1, 1947.

When the Committee on Ways and Means was considering the Revenue Act of 1945, it was again on my motion that a provision was inserted terminating these excise taxes on June 30, 1946—1 year before they would have been terminated by the provision of the Revenue Act of 1943. This provision was struck out in conference.

In the Eightieth Congress, I introduced H. R. 4708 which would have repealed wartime excise taxes and wartime excise tax rates. Again, on the day the Eighty-first Congress convened I introduced H. R. 43 providing for their repeal.

Although H. R. 8920 does not go nearly as far as I would like to see it go, there is some measure of relief provided for industries and services which are hardest hit by these burdensome and regressive taxes. It is still my position that all these "super-duper" sales taxes should be repealed.

I would like to make it clear, however, that I would not like to see this done by increasing the expected deficit of the Government at a time when the country is enjoying an unparalleled prosperity and national income. Big corporations, in particular, are reaping the highest profits in their history.

For a moment, I would like to comment on the charges that H. R. 8920 is a phony tax bill. If it can be said that granting tax relief to millions of low-and-middle-income groups who are still paying wartime excise taxes 5 years after the end of World War II, without any reference whatever to their ability to pay; that granting excise tax relief to the many industries that have suffered greatly from the continuation of these wartime taxes; that a constructive effort to relieve unemployment in affected industries; that granting relief to new and small corporations; and that transferring part of the tax burden from industries hardest hit by wartime excise taxes to a few of the most prosperous corporations—amounts to a phony tax bill, then this is a phony one.

The only thing phony about this bill is that, in contrast to the rich man's tax bill which was passed over the President's veto in the Eightieth Congress, we are granting relief not only to the small corporations, furriers, jewelers, and small businesses in general but, most important of all, to the consumer.

If we really want a good illustration of phonyness, let us take a look at the Republicans' record, particularly as to their sincerity in granting excise-tax relief. In the Eightieth Congress, contrary to their campaign promise to cut or eliminate excise taxes, they made them permanent in the first important tax bill they passed. Why? The answer, we all know, was so they could pass the rich man's income and estate tax relief bill. If ever there was a case where actions speak louder than words, this is one. To say the least, their sudden concern over excise-tax relief comes with poor grace.

Of course, we are told, we should reduce excise taxes by reducing Government spending. Apparently, there are people who are still living in the horse-and-buggy days before the two World Wars when we were going our way and letting the rest of the world go hang. It is interesting to note that social-security extension and military training have been listed by the Republicans as being among the items where "there should be a drastic reduction in Federal expenditures."

The easiest path for any group responsible for taxes is to reduce them. It takes moral courage to increase them.

Now, let us see what the revisions increasing taxes are which are causing so much concern. First, the bill grants tax relief to all corporations with incomes between $5,000 and $167,000. One of the major and most desirable revisions is relief from the present unduly high rate of 53 percent on corporate incomes between $25,000 and $50,000. When the corporation's income reaches $167,000,

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there would be an increase in taxes, but this increase averages less than 2 percent for all corporations affected due to the fact that the notch rate is eliminated.

The hue and cry is no more than one would expect from the protectors of big business. It is interesting to note that of around 350,000 corporations only around 15,000 of the very largest and most profitable would have their taxes increased by H. R. 8920. As a matter of fact, many of the industries' spokesmen have stated that they would be willing to pay higher corporation taxes to get excise-tax relief.

In any event, no one can doubt the sincerity of this Congress in wanting to grant some measure of excise-tax relief. Unlike the Republican Eightieth Congress, the Democratic Eighty-first is fulfilling the promise of reduction of the wartime excise taxes made when these taxes were imposed.

Even though H. R. 8920 is a step in the right direction, it leaves many of the wartime excise taxes untouched and provides too small a reduction for many others. I will not be satisfied until all of them are repealed in their entirety.

Mr. REED of New York. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I have no prepared speech and shall speak extemporaneously. I wish to pay a compliment to the very able staff that cooperates with the Committee on Ways and Means in its arduous duties. I think I can say to the membership today that this report which this staff has put out for us is one of the finest documents of its kind that could possibly be prepared. The reason I say that is because I know that all of you keep files on these important matters of legislation so that you may have available the important material about every important bill. If you follow my advice with reference to this matter and keep a copy I think you will be glad this report also contains the minority report which you will also find to be a lucid and convincing document.

Another thing I want to say about this staff—and I can say it most impartially because the staff is selected primarily by the party in power, which would be the Democratic party—we have a staff assisting the Committee on Ways and Means some members of which are outstanding tax authorities of the Nation. There is no question about it. I know that they could command much higher salaries than they receive if they should engage in that kind of private employment. Here is the reason I make this statement. There come to my desk very often inquiries in regard to taxes which inquiries I feel I cannot answer adequately. Having been a member of the Committee on Ways and Means for 17 years I naturally would be expected to know something about taxes. But I frequently get questions that I cannot answer. I am sure all of the Members of the House and of the committee get tax questions they cannot answer. I do not want to add to the burdens of this staff, but if you will take your problems to them or through a member of the committee ask their assistance in respect to your problems you will get an answer very gladly and you will get the right answer every time.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Illinois.

Mr. MASON. I have been a student of taxation for over 30 years. There are many inquiries come to my desk about the technical provisions of the tax bill that I cannot answer. I refer those inquiries to the staff and they do give me the answers.

Mr. JENKINS. Yes, I am sure that the experience of the gentleman from Illinois is the experience of the membership generally. Many of you will remember Mr. Beaman who was chief of those who draft legislation. I thought that he was an outstanding man from the standpoint of mental ability. He had an incisive determining mind that was very hard to surpass When he left I thought we would not get anybody to take his place, but, you know, there are young men coming along who are men of promise. We have them on this staff and they have done a fine job on this bill. In addition to the members of the committee who complain that they worked long and arduously on this legislation, these unsung heroes who sit in the back seats are deserving of a fine compliment. And Mr. Chairman, I must not fail to mention Mr. Davis, the clerk of the committee, and his fine assistants who render fine service day after day.

Now, Mr. Chairman, briefly I want to discuss this bill. I appreciate most Members have made up their minds as to how they are going to vote. Argument will not convince them. But tax bills are tremendously important and should be considered carefully.

Let me call attention to the title on the first page of the bill. This title is as follows: "To reduce excise taxes and for other purposes." I want to speak to the Republicans for a minute about that first phrase, "To reduce excise taxes." That part of the title belongs to the Republicans. We are responsible for that part of the program. We have been calling for this reduction for months. This other part "and for other purposes" belongs over on the Democrats and New Dealers side. We will give it to them most happily and let them do whatever they please with it, because it will be a real job for them to justify it. However, to be serious, the reduction of excise taxes does belong to the Republicans. We have been the pioneers in this matter; we have been in the forefront and I know I can say most emphatically that if we had had our way we would have had excise-tax reductions long before this. We could have had excise-tax reduction in 3 weeks after the Congress convened in 1949 if it had been agreeable to the majority in power. If this had been done many of the business concerns in the country would have been greatly pleased.

There is a reason why we did not get excess tax reductions earlier. My good friends on the other side of the aisle have never shown any inclination to reduce these taxes because the President had indicated that he could not get along without this money. They shout to high Heaven that at one time most of us Republicans voted to extend the time of these excise taxes—when we voted it was at the request of the President and practically every Democrat voted as we did. Why do they refer to the Eightieth Congress so complainingly? I have repeatedly asked all these Democrats and New Dealers why, if the tax bill passed by the Eightieth Congress did not suit them, why have they never at any time sought to repeal that tax law or at least some portion of it? Why has not the gentleman from Massachusetts [Mr. McCORMACK] or some other prominent Democrat made an effort to remove what they complain about? Why? Because they have got to have the money. I will tell you, it is a fact, and a sad fact, this man Harry Hopkins pronounced a great truth when he said, "We tax and tax and tax so that we can spend and spend and spend and elect and elect." That is the truth. It is the sad truth about this whole program, and that is the reason for the last part of this title "and for other purposes."

Let me say to you that we have reduced the excise taxes by a billion dollars, which is a great thing to contemplate in these modern times when nobody but Republicans in Congress want to cut down extravagances and effectuate any other kind of economies. I will leave it to anybody who wants to criticize me on this proposition. If it had not been for us Republicans these excise taxes would not have been reduced more than half that amount. Why? The Democrats were always confronted with the proposition of what will we do to balance what you take from us? It never occurred to them to stop spending. The word "economy" never occurred to them. I have said on this floor and say it again that I have never heard and I have never read where Mr. Roosevelt ever used the word "economy." I have never seen that word in any of his writings or in any of his speeches after he was elected the first time. He talked about economy constantly before he was elected but never after he was elected. If you can show me where he used this word "economy," I will stand corrected.

While we are talking about economy, I have never heard Mr. Truman use that word either, and neither have I seen it in any of his writings. I would like for somebody to point out to me any time that he recommended economy. That is the trouble that confronts you of the Democratic side. You have got to raise the money; you have got to raise the money "for other purposes," and you have got to do it all the time, and you cannot do what you want to do or what you know you ought to do. Why? Because the President says he will veto the bill. The threat of a veto should not terrify you into inaction. Now, then, my friends, that is a very serious proposition. I dislike very much to see the President's threat scare you. But it has been done in this case. The Ways and Means Committee has surrendered its sworn duty under the Constitution to

levy taxes and to introduce bills for raising revenue. The President was exceeding his authority when he sent up his message and sent out the word "I will veto the bill." My dear friends, when will we get around to resenting an intrusion of the Executive into the exclusive jurisdiction of the Congress? Are we ever going to stand up and do our constitutional duty even if we must, in effect, tell the President to mind his own business? This is a serious matter and I demand that the chairman and the Democratic members of the Ways and Means Committee assert their rights. Let us talk about this business of veto a little more. The right of the President to veto is a very important provision of democracy. That was put into the Constitution for a very definite purpose. That was not put there for the President to exercise it capriciously as he pleased. It never was the intention of those who wrote the Constitution that he should have the right to veto a bill just because he did not like it. In fact, he should recognize the fact that the Constitution has specially provided that all tax matters should be initiated in the House of Representatives. And that all legislative matters are within the jurisdiction of the Congress. So long as Congress stays within its constitutional jurisdiction the President should have nothing to say. Likewise the Congress should stay out of matters specifically within the jurisdiction of the President. The intention of the framers of the Constitution was that he should veto only when the Congress was glaringly wrong. The veto is a hallowed power given to the President, not a power that he can blatantly brag about and boast about. Since the Democrats on the committee have yielded to his threats, he will blatantly say "I scared them out." And he can prove it. My colleagues on the Democratic side, you got scared of the President's veto and you went to work on this bill and you crept around and you taxed everybody you could tax. You taxed the poor widow, for instance, who has an insurance policy, and you taxed everybody that you could grab a nickel off of in order to meet the President's threat. Now, if you do not think that is true, you can answer me in your time. It makes me feel bad to think that we are surrendering the power to legislate, surrendering it to the threat of the President. When a President tells us what we have got to do, I do not like it, and I hope, if I am here when we elect a Republican President—I do not know when that will be, but from all indications soon—this spend and spend and elect and elect will be done away with forever. Spend, spend, elect, elect has been a magic program with you gentlemen. You have always been able to spend yourselves into office and perpetuate yourselves, but there is one outstanding fact in this orgy of spending from the day the Democrats took over in 1930 down to this time, that the country has never been in balance but 2 years. Yes; you can say that that was the terrible Eightieth Congress. That was the majestic Eightieth Congress, the masterful Eightieth Congress—yes; the Congress that had the courage to cut taxes and reduce expenses and save the Government money and balance the budget, the only time it has ever been done in the last 20 years.

Mr. LYNCH. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. Let me say to my distinguished friend from New York, I should not yield to anybody at this time when we are getting along so well, but he is such a fine, irresistible character that I have just got to yield to him.

Mr. LYNCH. Was it not the Eightieth Congress that made the excise taxes permanent?

Mr. JENKINS. Well, no, no. That is a proposition that I have not time to go into now. The answer is "No." The gentleman is absolutely wrong. No Congress can pass a law that another Congress cannot repeal. There is no such thing as permanent law. I can answer any criticism of the very splendid tax bill passed in the Eightieth Congress by saying that the Democrats have been in power now for two years and neither the President nor any Democrat in Congress has tried to repeal one word or line of that tax law.

While I am talking about the gentleman, let me say something that you probably do not know, but he probably will be the next nominee for Governor of New York, on the Democratic ticket and if the Governor is to be a Democrat, I hope it will be my distinguished friend the gentleman from New York [Mr. LYNCH].

Now let me go on just a little further. I want to call your attention to another very serious situation, and I want you Democrats to listen to me. If we carry out Mr. Truman's program, it is going to cost us $65,000,000,000 a year. I would like some of you, when you get up on this floor, to answer this question. Can our country, with our economy, pay $65,000,000,000 a year in taxes?

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Rhode Island.

Mr. FORAND. If the gentleman and his party will not vote for the appropriations, the President cannot spend it.

Mr. JENKINS. That is just a little, cheap, political answer. Answer the big question. Answer it as an economist. Answer it as a financier. Can the gentleman do that?

Mr. FORAND. Is the gentleman talking as an economist or financier? He is talking as a politician.

Mr. JENKINS. No, I am not. I am just a country boy who learned young that you can't spend money that you have not got.

Mr. FORAND. The gentleman's primaries are over, at that.

Mr. JENKINS. I will not yield any more. I want an answer to my question. Let us get back to the serious proposition here. I say there is not an impartial economist or financier in the country that will say our economy can stand a $65,000,000,000 tax. It just will not do it. I tell you, the time is going to come that you are going to have to quit taxing in order to spend and spend and elect and elect. Maybe when that time comes the country will be restored to its normalcy and things will be different. I hope so. It has always been the lot of the Republican Party to be elected to power in time to save the country. God speed the time when we will realize our danger.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. REED of New York. The other side seems to be somewhat excited about the excise taxes and their continuation. When the Eightieth Republican Congress convened in January 1947 a buyers' strike was developing on all items which were covered by the 1943 excise-tax provisions with its termination date as of June 30, 1947. This buyers' strike was working great injury on business and creating unemployment.

The President, in his message to Congress in January 1947 said: "I have recommended that the war excise-tax rates due to expire July 1, 1947, be continued. When the time comes for excise-tax revision the Congress should review the entire group of excise-tax revision rather than concentrate attention on those that were imposed or increased during the war."

In accordance with the President's request, and to avoid the growing buyers' strike, the Eightieth Congress extended the 1943 excise taxes without a termination date. This was done in order to put the excise taxes of the 1943 act on the same footing as those in the 1941 and 1942 Revenue Acts, and thereby allow Congress to consider all excise taxes together.

A bill, H. R. 1030, to achieve this result, was unanimously reported by the Ways and Means Committee which, without delay, passed the House by a vote of 373 to 35 on January 29, 1947. It passed the Senate without a record vote. So it is evident that the Democrats supported it wholeheartedly. They have no complaint to make.

Mr. JENKINS. I thank the gentleman for his clear and convincing statement. Still, the outstanding accomplishment from a tax standpoint for the last 20 years is that in the Eightieth Congress we took six or seven million people, the low-income people, off the tax rolls entirely, as you know. We increased the exemptions and we did a lot of other things that I am not going to repeat, because you have been told about them time and again. However, if you look at the record you will see that the only time the country's finances have ever been in balance in the past 20 years were in 1947 and 1948 when the Republican Eightieth Congress was in power.

At this point and to illustrate how extravagant the Truman administration has been I wish to insert as a part of my speech a table of figures as they are set forth in a page of the Reader's Digest:

Here are two columns of figures. One gives the amount spent by each of our 32 Presidents from George Washington to the end of Franklin Roosevelt's second administration. The other gives the amount spent by President Truman since his inauguration up to September 30, 1949:

| Spent by 32 Presidents from Washington to Roosevelt (through second term): | |
|---|---|
| Washington | $34,088,486 |
| Adams | 34,262,668 |
| Jefferson | 72,424,289 |

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Spent by 32 Presidents from Washington to Roosevelt (through second term)—Con.

| | |
|---|---|
| Madison | $176,473,964 |
| Monroe | 147,237,899 |
| Adams | 65,427,017 |
| Jackson | 152,969,968 |
| Van Buren | 122,325,242 |
| Harrison and Tyler | 108,904,678 |
| Polk | 173,477,220 |
| Taylor and Fillmore | 179,631,529 |
| Pierce | 255,154,244 |
| Buchanan | 272,933,490 |
| Lincoln | 3,252,380,410 |
| Johnson | 1,578,557,645 |
| Grant | 2,253,386,743 |
| Hayes | 1,032,268,037 |
| Garfield and Arthur | 1,027,742,757 |
| Cleveland | 1,077,629,089 |
| Harrison | 1,412,315,899 |
| Cleveland | 1,441,674,174 |
| McKinley | 2,093,918,514 |
| T. Roosevelt | 4,655,450,505 |
| Taft | 2,799,211,854 |
| Wilson | 46,938,260,143 |
| Harding | 6,667,235,429 |
| Coolidge | 18,585,549,115 |
| Hoover | 15,490,476,636 |
| Roosevelt (8 years) | 67,518,746,001 |
| Total | 179,620,113,645 |

Spent by President Truman from fiscal year 1946 to Sept. 30, 1949:

| | |
|---|---|
| Truman | 191,081,394,191 |

Think this over:

Thirty-two Presidents in 156 years spent $179,620,113,645.

One President in less than 5 years has spent $191,081,394,191.

(The extraordinary expenditures of the war years from 1941 to 1945 have been excluded.)

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Will the gentleman tell us why it is necessary to have a withholding tax on stocks that somebody owns, when he may not even owe the Government a cent? It will take a year or 2 or 3 years for such a man to get his money back, when he does not even owe the Government anything. Will the gentleman tell me why a committee would put that in the bill?

Mr. JENKINS. The gentleman from New York [Mr. REED] discussed that very exhaustively yesterday, and so did the gentleman from North Carolina [Mr. DOUGHTON]. I personally am emphatically opposed to applying the withholding tax on dividends. The main argument in favor of it, they say, is that withholding dividends will work the same as withholding wages. That is not true, and let me show you how and why it is not true.

Let us take, for example, a man who works for a factory. When he first goes to work he fills out an application blank. They take his name and his family connections and how many children he has, and so forth, and their ages, and they probably have his picture and give him a thorough physical examination. They know how many exemptions he is entitled to—that is, they know whether he has a wife and minor children and so forth. He works in the plant every day. He is in with them every day, in and out. They can withhold very nicely from him because he is there and they know all about him. He knows what his wages are. They withhold the tax from his wages and he gets a take-home wage. That is how much he can spend. If the company makes a mistake in the amount they withhold he, of course, will stop in at the office at once and have it corrected. Withholding on stocks cannot be done without a lot of trouble because, just as the gentleman says, the stocks may be owned by somebody in a foreign country. They may be owned by someone who has put them up for collateral and does not have possession of them. The stocks may be owned by somebody's estate that is being administered. A widow may be administering an estate, for instance. She may have three or four little children. She and the children may own the stocks jointly. You lawyers know that when an estate is in the courts that widow has to make an accounting between herself and the children. I can give you a large number of illustrations that will show how unfair, unjust, and unreasonable this withholding of dividends will be, especially to the small-stock holders who are not equipped to handle these complicated matters. The big corporation might be able to do this job and the big trust companies may be able to handle them. I have had considerable experience with these matters as a lawyer and I know it will not work well.

It is absolutely a tough job. It is not necessary. At the present time the Federal law provides that every corporation must make a report to the Government for all dividends over $100 paid to an individual or company. If this must be done, why not require corporations to report all dividends to the taxing authorities. This can be done. In Ohio we have an intangible tax law that requires all Ohio corporations to report to the State taxing authorities all dividends paid and to whom paid. A lot of people do not report their taxes on a lot of different things. This plan set out in this bill will not be satisfactory. Why experiment with these women and children and these people who live all over the country and these trusts, and people like that, with complicated bookkeeping matters. It is not wise. My recollection is that the Treasury was not for this plan. A lot of people are not for it. But this is a grab for money, as I said before. They need the finances to elect and elect.

Now, Mr. Chairman, let me go on to another matter which I want to discuss, and which we hear so much about—these loopholes. Let me give you a little of the history of loopholes and the way the thing runs. These experts known as the committee staff which I told you about have for years been collaborating with the Treasury experts and have found a lot of inconsistencies and inequities and a lot of loopholes in the tax laws. They found about 120 of them 2 or 3 years ago. About one-half of them were advanced by the Treasury and the other half by the staff. They were given an opportunity by the committee to assemble them and to make an effort to agree on as many as possible. They agreed on about 50 which they embodied in a bill which was introduced in the Eightieth Congress by Mr. Knutson, the then chairman of the Ways and Means Committee. That bill was approved by the Ways and Means Committee without any opposition and was passed by the House in the last few days of the last session of the Eightieth Congress. Of course it did not receive the attention of the Senate. These suggestions are embodied in a bill, H. R. 990, which I introduced in this session of Congress, but which has not been called up for consideration.

There is no question that something should be done about stopping these loopholes and I compliment the committee for having taken action to stop some of this loophole invasion. The principle loophole invasion, I think, comes from what we call unrelated properties. Where somebody dies, for instance, and leaves a hardware store to a college and that college goes ahead and runs the hardware store in competition to another hardware store. In that case they ought to pay taxes on that hardware store. They ought to pay their fair share of taxes. That is what this bill does in that respect, and it does a good job, I think.

Let me proceed to one thing else. We have heard some talk in the discussions on this bill about cooperatives. A very unfortunate circumstance happened to the members of the committee with reference to the matter of taxing cooperatives, and I would like to discuss that for just a moment. The report has gone out to those people who were in favor of taxing cooperatives that the committee decided not to tax cooperatives. Now the committee did not decide anything like that. The committee did not take definite action on whether it would tax cooperatives, but it did take definite action as to whether we should tax them now under this bill. A big majority of the members of the Ways and Means Committee voted not to take the matter up in this bill. Here we are—we have been 5 months on this bill trying to get excise taxes reduced. Taxing cooperatives is a big job. We who come from the country look upon cooperatives simply as agricultural cooperatives. But there are a great many different kinds of cooperatives. There are all kinds of cooperatives—there are financial cooperatives, labor cooperatives, business cooperatives, and so forth. You may find one cooperative perhaps which will have a controlling interest of 10 or 15 other cooperatives. How are you going to tax that money if it all goes into one treasury or if it does not go into one treasury. You cannot write a law to cover these complex situations in a day. You cannot do it in a week. It is one of the most complex matters that I have met up with in my time on the Ways and Means Committee. It would take an expert draftsman a long time. It is a difficult drafting job, and a difficult job in many ways. I think the great majority of the committee stands as I do with reference to the matter of cooperatives. I am not afraid to tell you how I stand on these cooperatives. I think cooperatives ought to be taxed on business which is directly in competition with private industry and private business. Business

that is not related to any other business and is directly in competition to a similar business privately managed and privately owned should pay a tax.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JENKINS. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, as I have indicated it is sometimes a difficult thing to separate and segregate co-op property. It is difficult to write a law and do it right. There is no use to do it wrong. The time will come when that will be done. Out of respect and out of fairness to some of the big cooperatives, I want to say they indicated at the public hearings that they are agreeable to taxing some of the activities of the co-ops. But they and we and all parties interested have to have time to write out a program which will do the job. To send out a report over the country that the committee refused to tax cooperatives is not exactly the truth. I hope that impression will be corrected.

There is one further thing I want to discuss before I conclude, and that is the matter of depletion allowances. That is a matter which the Treasury has been opposed to from the beginning. They are against it now.

We have made a great number of changes in the pending bill with reference to depletion allowances. We did what we ought to have done, I think. The majority of the committee acted in every case, and the depletion business has been pretty well handled. I think I can go to the country, and so can you, and defend ourselves, and substantiate our program and do it earnestly.

No abuse was allowed, no undue advantage was given to anybody. Everything was supposed to work out fairly and properly. We did not reduce any depletion allowance as provided in the present law. We increased the allowance on a few commodities; we added a few commodities. I shall not take the time now to set out these additions in full. Let me enumerate a few. We added high-grade limestone; we added refractory clays, and a number of other commodities.

Now, most of you will remember that we passed an insurance bill in this House about 3 or 4 months ago—a bill taxing all the insurance companies of the country, and the tax that would have been paid in to the treasury would have been about $90,000,000. We went back over several years to tax them. We did not have any right to do it. The law under which they had been taxed had expired. There was no law to tax them. They did not owe any tax. The insurance companies came in and said, "Well, we will pay some taxes." I was the only individual on the committee who was opposed to handling the matter in that manner. I did not think our great country should allow anyone to come in and say, "We recognize that the law has expired but we will just pay some money, and you may take it and we hope you will be satisfied with this amount." I do not think that our great country should be a mendicant. I did not think that was the proper way to legislate. The bill passed the House, but when it got over to the Senate, Senator GEORGE and Senator TAFT and other distinguished tax experts agreed with my position, and they offered some amendments to this bill to which I am referring. The bill has passed the Senate with amendments supporting the view that I had taken. Now that bill passed by this House once, and passed the Senate with amendments, has been inserted into the bill that we are presently considering. This is a very strange proceeding. Why did we not wait until the conferees had an opportunity to act on the bill that had passed both Houses? They have not acted. They have met once. I have never seen a proceeding like this before. There may have been proceedings like this, but I never saw a bill that was on its way to passage between the two Houses being incorporated into another bill.

For fear there may be somebody here who does not know how I am going to vote, let me say this, I am going to vote for this bill, because it reduces excise taxes, which should have been reduced a long time ago, by a billion dollars. I shall vote for it in spite of its many faults which I do not have the power to remove.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. JONAS. I am one of the 50 Members who would like to have the excise taxes reduced. I have not heard any complete explanation about the withholding tax on dividends. Do I understand the distinguished gentleman to say that if they withhold 10 percent that the party who is entitled to that can take it off of his income tax?

Mr. JENKINS. It is being withheld for that purpose.

Mr. JONAS. Then you get into a category where a party does not have to pay any tax? How will he get his money back?

Mr. JENKINS. He will have to get it by way of refund. I do not want to take the time to go into that now. I have already exceeded my time. I have already discussed this subject. Other members of the committee will explain that. But I am definitely opposed to it.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Chairman, I am a little surprised at my good friend from Ohio [Mr. JENKINS], but I think I will have to agree with the first statement that he made about the bill. He pointed out, according to his own thinking, that the Republicans were responsible for the first part of the title of the bill: "Reduction in excise taxes," and that the Democrats were responsible for the remainder of the title "and for other purposes."

I think I am going to have to agree with him in that statement, and I will tell you why. As pointed out by one of our colleagues on the Democratic side, these are wartime excise taxes, a part of which are being reduced in this bill, and they would have expired during the year 1947 if the gentleman from Ohio [Mr. JENKINS] and his colleagues in the House, supported by some of us Democrats, as Mr. REED said, had not made the excise taxes permanent.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. MILLS. In just a minute. The record should be clear as far as the President is concerned that he asked for an extension of the wartime excise taxes for 1 year. What did he get from the Eightieth Congress? He got a law making these wartime excise taxes permanent, so in that respect you Republicans are entitled to the credit for the excise-tax reductions contained in this bill; it was absolutely necessary for us to have this bill in view of the action taken by the Eightieth Congress.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Ohio.

Mr. JENKINS. Why, certainly; and the record shows that the Democrats, including the gentleman on the committee and in the House, unanimously approved that program.

Mr. MILLS. The gentleman from Arkansas voted for the bill; there is no question about that. I do not remember how all my colleagues voted, but it is interesting to point out, on the other hand, that perhaps you Republicans are not entitled to all of the credit for the excise-tax reductions contained in this bill, for I remember that the gentleman from New York [Mr. REED], the ranking minority member of the committee, introduced a bill providing for some excise-tax reductions. The amazing thing about the committee tax bill, the one before you today, is that it reduces excise taxes by over a billion dollars, whereas the bill of the gentleman from New York proposed a reduction in excise taxes of some $500,000,000 or $600,000,000.

Mr. REED of New York. And if the gentleman had followed my suggestion that the way to recoup the loss that might be sustained by the elimination of those taxes was to reduce the expenditures of Government by 1 percent, it would have taken care of it.

Mr. MILLS. The gentleman knows that our committee is not responsible for the appropriations bills. The gentleman knows also that he and I joined in voting for all of the reductions proposed to the appropriation bill when it was on the floor of the House recently; but in doing so the gentleman and I were not misled into believing that had those reductions been approved finally by the entire Congress we would have reduced the expenditures of Government to the point that we could reduce excise taxes without further increasing the deficit in Government expenditures for the fiscal year 1951.

Mr. REED of New York. I disagree with the gentleman.

Mr. MILLS. I will yield to the gentleman in a moment. If we follow the gentleman's suggestion the net result will be a further increase in deficit spending in the fiscal year 1951 regardless of why or how; that will be the net result.

Mr. REED of New York. Let me tell the gentleman that had he voted for the

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reduction of Federal expenditures that I have we would have had a balanced budget long ago.

Mr. MILLS. I have not been here as long as the gentleman from New York; I have not had the opportunity of voting for as many reductions as he.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. FORAND. I think it is very appropriate in view of the discussion concerning the vote on making excise taxes permanent to look at the Republican promises. I want to read what the gentleman from Ohio [Mr. JENKINS], had to say speaking on the bill, H. R. 1030, on January 29, 1947. He said:

> I have no right to promise for my party what we will do, but I daresay I can promise for my party and your party both that before the end of this year we will enact some legislation that will change these excise taxes and change them very materially. But we cannot do it in a hurry; we have to do it scientifically.

You know the science that was involved: Passing the Knutson bill cutting income taxes by $5,000,000,000, which resulted in the budget's being out of balance.

Mr. MILLS. The fact remains that those people who would vote today for an excise-tax reduction without revenue to offset that loss are voting to increase the deficit in the fiscal year 1951; no one can deny that fact. If there is anyone who wants to deny it, I will yield to him at this time.

Mr. JENKINS. Mr. Chairman, will the gentleman yield, having mentioned my name?

Mr. MILLS. I yield to the gentleman. Does the gentleman deny my statement?

Mr. JENKINS. No; really, I did not concentrate on the gentleman's statement.

Mr. MILLS. I am sorry the gentleman did not, because he lost the benefit of a very wise observation.

Mr. JENKINS. I was thinking about what the gentleman from Rhode Island said.

Mr. MILLS. I can understand the gentleman's concern with that statement.

Mr. JENKINS. I am glad the gentleman read that because it expresses exactly my viewpoint today. Furthermore, in the committee in all these hearings I have been ready and willing, and I was ready at all times, to reduce these excise taxes. I would be willing to do like the President said he would be willing to do and that is do away with some of them entirely.

Mr. MILLS. I know the gentleman would.

Mr. JENKINS. I stand on that same principle today. These excise taxes we have not reduced enough.

Mr. MILLS. I know the gentleman would, but the gentleman is sound enough in his thinking, and I have great respect for him, so that he would not do those things without providing offsetting revenue to avoid an increase in deficit spending. I know the gentleman abhors deficit spending as much as I do and I know he would not vote for it.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Rhode Island.

Mr. FORAND. The statement I read also proves the Republicans' failure to carry out promises.

Mr. MILLS. Well, the gentleman from Ohio should be defended to the extent that he is not speaking for all Republicans in that statement. He did not speak for all of them today. He has already said he is going to vote for this bill on final passage.

Mr. JENKINS. I stand exactly on what the gentleman read and I am glad he read it.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from New York.

Mr. REED of New York. I would like to have the gentleman put in the RECORD the vote on this question that he has been debating here in regard to the question of making permanent, as he says, excise taxes. Of course, you cannot make taxes permanent. I want the RECORD vote on that bill. I think you will find it enlightening.

Mr. MILLS. May I ask the gentleman from New York a question? In making them permanent, an action in which I joined during the Eightieth Congress, did not that result in requiring subsequent repeal or reduction by the Congress to eliminate the war tax rates?

Mr. REED of New York. Your President never asked for it. He usually asks the Congress for what he wants.

Mr. MILLS. Will the gentleman answer the question?

Mr. REED of New York. He sent a message down here in which he said that there was a buyer's strike on, he wanted to stop it and he wanted the cooperation of the Ways and Means Committee. We at least were generous and statesmanlike enough to comply with his request. All but 35 of you people on that side voted to carry those excise taxes along.

Mr. MILLS. Now, Mr. Chairman, I want to return to the bill for just a moment. This morning I read in the CONGRESSIONAL RECORD the speech which my distinguished friend the gentleman from New York [Mr. REED] made on yesterday, setting forth the basis for his objection to the bill. He referred to the bill as a dishonest bill. Another distinguished member of his party a few days ago was quoted in the newspapers as describing it as a "phony" bill. The gentleman took considerable time in his statement to point out those things about the bill with which he finds fault. I presume that the inclusion of those features by the Ways and Means Committee makes the bill dishonest. Strange as it may seem, the things to which the gentleman from New York addresses his criticism primarily are matters that were not suggested by the Treasury nor by the President of the United States. The gentleman from New York criticized the action of the committee in increasing the rate of taxes on corporations. The gentleman knows that the committee bill did not follow the recommendations of the Treasury in the method of applying that tax. If the gentleman's theory is correct that the corporate tax is passed on to the consumer, I do not see how he can complain about double taxation of dividends. How is the stockholder doubly taxed if the corporate tax is not borne by the shareholder, but is passed on by the consumer? I do not agree with this theory. If there is competition in an industry it is not possible to pass the tax on to the consumer. This could only be done where there is little competition, or where a monopoly exists. The gentleman criticized the withholding tax on dividends paid by corporations to stockholders.

The gentleman from New York knows that that was not one of the suggestions of the Secretary of the Treasury carrying out the President's message. The gentleman criticizes the acceleration of corporate tax payments. The gentleman realizes also that that was not one of the suggestions made by the President of the United States or the Secretary of the Treasury for offsetting revenue.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. REED of New York. The gentleman is the author of that, nobody disputes that.

Mr. MILLS. The gentleman was criticizing the President for something that he now says I did.

Mr. REED of New York. As a matter of fact, the gentleman would not dare have gone along unless, the President agreed to it.

Mr. MILLS. Well, there is no record of the President having agreed to it. The President has never done so in any conversation with me. I do not want to see the President bear the responsibility for something the gentleman says is unwise on my part.

The gentleman is concerned about withholding taxes on dividends. That is understandable in a way, but when we had up legislation imposing a withholding tax on those receiving salaries and wages, the gentleman from New York was in the forefront of those advocating that legislation. The gentleman remembers that during the discussion of the matter on the floor, the gentleman from North Carolina, the distinguished chairman of the Committee on Ways and Means, along with many others of us on the Democratic side, opposed the legislation. The gentleman from New York and members of the committee on his side, joined by two or three Democrats on our side, led the fight, and they defeated the chairman of the committee, myself, and others, and applied a withholding tax on salaries and wages. Why? I do not know, but there was talk at the time that if we permitted wage earners and salary earners the opportunity of retaining their entire income over a year, and called upon them to pay on the 15th of March of the following year, they would not have the money to pay the tax. It was urged that, if the Government was to get the tax that these people owed, it would be necessary for us to withhold it from them before they ever received it and to require their employers turn that

over to the Government. That was the rule laid down for wage earners and salaried people.

Now we propose that we shall lay down a comparable rule for those individuals who receive dividends from corporations—true dividends, not interest, but actual dividends paid upon investments in stock. He says that the inclusion of that type of a measure in this bill makes the bill dishonest. Why?

The gentleman from New York says that we will take money from widows, we will take money from hospitals, we will take money from educational and charitable institutions that never owe a tax. But, I never once heard the gentleman from New York object to withholding on salaries and wages on the ground that we might take something from some of those individuals who, at the end of the year, would owe no tax.

Mr. REED of New York. Mr. Chairman will the gentleman yield?

Mr. MILLS. I yield.

Mr. REED of New York. The gentleman is making a very fine apology for voting against something that he would not vote against now.

Mr. MILLS. On withholding taxes on salaries?

Mr. REED of New York. Yes.

Mr. MILLS. I would vote for it now; the gentleman is eminently correct. In 1944 I was wrong. Today I think I am right in applying the same rule to those who receive dividends, and the gentleman is wrong. The truth of the matter is that the gentleman realizes that in both the case of withholding taxes on wages and in the case of withholding taxes on dividends, the individual against whom the tax is applied, if there is no liability, will receive back the amount of money withheld from the Treasury of the United States immediately upon the filing of a return setting forth the lack of tax liability.

Mr. REED of New York. And the next year you take out the same amount; in other words, you confiscate the money when they do not owe any taxes, and that is dishonest.

Mr. MILLS. The gentleman made that statement in his speech, but it would be equally applicable in the case of wage and salary earners. But, he never raised that complaint at the time. It should be pointed out that after the first year for which the tax is withheld, the taxpayer will be in the same position as he was prior to withholding. In the second year, the individual will receive the refund of the tax withheld for the first year. This will offset the amount withheld in the second year. In a similar fashion, there is no hardship in subsequent years since withholding in each year will be offset by the refund of the amount withheld in the prior year.

The gentleman knows that, for purposes of administration of this withholding tax, it must be applied to all dividends paid, otherwise as to the corporations paying those dividends and the Internal Revenue Bureau there would be an intolerable administrative situation.

It is true that under this bill there will be people against whom this withholding tax will apply who do not owe a tax. There will be institutions against whom this tax is applied that do not owe a tax. But let us see what the figures are. On page 33 of the committee report—House Report 2319—in the first full paragraph on that page, the gentleman from New York will find very significant figures in regard to this point. In 1947, the last year for which there are adequate records that can now be divulged to the public, some $6,500,000,000 of dividends were paid out by corporations; individual and fiduciaries, on the other hand, reported in income-tax returns approximately five and three-tenths billions.

It is estimated, not by the Treasury, but by this very splendid staff of experts to which the gentleman from Ohio [Mr. JENKINS] referred just a little while ago, that only about $300,000,000 of that difference between 5.3 billion and 6.5 billion was paid out to individuals and institutions having no tax liability. That is a tremendous amount of money which is escaping tax liability.

Is it fair for recipients of dividends from corporations to be permitted to have the advantage of this loophole, and to advocate, as the gentleman did in 1944, the closing of such a loophole with respect to wage earners and salary earners? Certainly there should be no loopholes through which anyone can evade taxes. I am certain the gentleman from New York will agree with that observation. We feel that there is involved some $170,000,000 in unreported tax liability. To advocate any system that will not permit the Federal Government to collect what the Congress has levied in the way of taxes is to approve and condone the failure to report taxes.

What does the gentleman suggest as a substitute? The gentleman from New York suggests, and in the minority report it is suggested, that all you have to do is extend the application of Form 1099 to require corporations to report the payment of dividends down to the last dollar paid to individuals and others. What does that mean? It means the most expensive, minute system of accounting that one could have. Does the gentleman from New York or anyone else on the committee think that the present personnel of the Bureau of Internal Revenue is sufficiently large to undertake the minute accounting system of checking the information returns of every corporation paying dividends against the returns of every dividend recipient?

My friends who tussle with us about the creation of a bureaucracy and who castigate us about a spending program certainly do not want to place themselves in a position, in all fairness, of further creating more bureaucracy. How many additional employees would be necessary, may I ask the gentleman from New York, to carry out the proposal he suggests?

Mr. REED of New York. I have already answered that. It is in the law now.

Mr. MILLS. It is in the law but the Commissioner requires reports for dividends of $100 or more, but not below.

Mr. REED of New York. Certainly.

Mr. MILLS. But the gentleman knows that in Kansas City where this checking job would have to be done, we were told it is utterly impossible on the basis of the present $100 requirement for reporting by the corporation to make a detailed check of every individual involved.

Mr. REED of New York. Did the withholding scheme start in Kansas City, Mo.?

Mr. MILLS. The withholding scheme started in Kansas City at the same time it did in the gentleman's district and mine. It applies to everybody equally.

Mr. COMBS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. COMBS. I want to ask a question or two for the purpose of clarification. It is true, is it not, that in providing for withholding 10 percent on corporate dividends, we do not levy and do not propose in the bill to levy one additional penny of tax on the recipient?

Mr. MILLS. We are merely endeavoring to collect the amount of money now due on those dividends. We are not levying any additional tax on dividends.

Mr. COMBS. It has been found in practice that withholding on salaries and wages is greatly to the benefit of the wage earner and salaried worker because the money is taken over a period of a year and thus it is easier to make the payment. That is true, is it not?

Mr. MILLS. That is true.

Mr. COMBS. Now, will that not also be the case so far as withholding on these corporate dividends for those who owe taxes?

Mr. MILLS. That was certainly my thought.

Mr. COMBS. Finally, with reference to the talk we hear about the penalty of withholding where the tax is not due, is it not true that in thousands and thousands of cases where wage earners and salaried workers have their wages or salaries withheld on they get a refund?

Mr. MILLS. They get a refund as soon as that refund can be made, if there is no tax liability.

Mr. COMBS. And the same identical thing will be done in the matter of withholding corporate dividends where there is no tax liability?

Mr. MILLS. That is true. The gentleman from Pennsylvania [Mr. EBERHARTER] called the attention of the members of the committee to the rapidity with which those refunds had been made after March 15 in the Pittsburgh district. I presume the same degree of rapidity prevails throughout the country.

Mr. COMBS. Does not the gentleman agree with me then that there certainly is nothing sacrosanct about the dividends of corporations and they are certainly not entitled to any better treatment than the pay of wage earners and salaried men?

Mr. MILLS. I do not see the fairness of saying that the inclusion of such a provision in a bill makes the entire bill dishonest.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. CURTIS. As a matter of fact, the bill contains provisions which will require every corporation to report all dividends, even down to the last dollar to every individual; is that not true?

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Mr. MILLS. Not in the bill. It was the understanding as set forth in the report, that the Internal Revenue Bureau would require that by regulation.

Mr. CURTIS. That is right. In other words, the question you raise as to the costly procedure, that the gentleman from New York [Mr. REED] suggested, is already in your proposal.

Mr. MILLS. No, not to the extent that it would have to be carried out administratively under Mr. Reed's proposal. It would not, under the committee proposal, require anything like the number of people to check returns as would be necessary under his proposal.

Mr. CURTIS. How can you make refunds without checking the returns?

Mr. MILLS. The refunds, of course, are going to be checked on the basis that they are now being checked, with respect to wages and salaries, but I am talking about cross checking. The gentleman understands exactly what I am talking about.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. McDONOUGH. With reference to the 10-percent withholding on dividends, is that the total amount the individual has to pay in the way of taxes?

Mr. MILLS. No, that is not the total amount. The gentleman from California will recall that if an individual owes any tax at all, the net first bracket rate is 16.6 percent.

Mr. McDONOUGH. That is right.

Mr. MILLS. So that if the dividends come into the first bracket of individual income tax, there will still be 6.6 percent of the tax due in addition to the 10 percent. Then, too, this makes no provision, as the gentleman from New York [Mr. REED] pointed out, for the exemption of dependents or any expenditures that may be deductible. This is a flat rate on gross dividends.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. BROWN of Ohio. I have asked the gentleman to yield in order that I may point out to him that in Ohio we have an intangible tax of 5 percent on dividends, earnings, interest payments, and so forth. Under our Ohio State law, every corporation is required to report the name and address and amount of dividends paid to any citizen of Ohio. That has worked with entire satisfaction.

The difficulty I encounter in approving the provision in this bill with reference to the withholding of dividend payments to the extent of 10 percent is that there are a great many stockholders who receive only a small amount of dividends and who are not subject to any tax at all. We hear a great deal of talk about the poor and the workingman.

The very individuals who need every bit of their income, old men and old women who live off of their investments, have a portion of that income held up until they get a refund. I presume they would have to apply for that refund. If they fail to do so, as I understand the internal revenue law, they do not get it. But in the meantime, if they have $300 income, they have $30 withheld until the bureaucracy gets around to distributing that money. It seems to me if you would look at the Ohio law and see how it works there, there might be an answer found in that system, which gives the Government complete information and a complete record but does not at the same time hold up the funds.

Mr. MILLS. I appreciate the gentleman calling that to my attention. We did not have it before us when we were considering this. It may be that there are other ways of doing this job and doing it satisfactorily, but the gentleman will agree with me that it was time for the committee to concern itself about the payment of tax liabilities on dividends if information was available to the committee that there were tremendous amounts of dividends on which there were no taxes paid.

Mr. BROWN of Ohio. I agree fully with the gentleman part way. I agree, of course, that we should enforce the internal revenue laws fully and adequately against all. I have been concerned with the fact that somehow we seemingly have not done so. But the present law requires corporations to report the names and addresses of all stockholders who receive more than $100 a year in dividends. It seems to me that a simple amendment cutting that down to sending in a report of stockholders would give you a check, and catch any tax dodger, without all this difficulty.

Mr. MILLS. I appreciate the gentleman's observations.

Mr. BROWN of Ohio. Well, I would like to have your comment on that, as to why you go through all this expensive process and still do not get the taxes.

Mr. MILLS. It was the opinion of the gentleman speaking that it was less expensive to the Government this way; that it would not require additional personnel this way, whereas it would if some of the other procedures had been adopted by the committee.

Mr. BROWN of Ohio. Does the gentleman predicate that on fact?

Mr. MILLS. Well, it was so suggested to the gentleman, yes.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. BYRNES of Wisconsin. In the gentleman's colloquy with the gentleman from Texas [Mr. COMBS] the attempt was made to give the impression that the situation with regard to dividends and wages was completely analogous. The gentleman will admit, however, I believe, that in the case of wages we do not withhold from all wage earners. In other words, we take into consideration his potential tax liability by giving him credit for personal exemptions, and so forth; whereas, in the case of dividends you are giving no consideration whatever to the potential tax liability of the dividend recipient.

Mr. MILLS. But the gentleman will admit that if an individual is employed at a weekly wage which would justify, on an annual basis, the payment of a tax, regardless of his marital situation, you withhold on that individual's pay for that week, even though he may never work again during that taxable year.

Mr. BYRNES of Wisconsin. Oh, certainly.

Mr. MILLS. So in many respects the two situations are comparable. They are not entirely analogous, of course.

Mr. BYRNES of Wisconsin. But you make no attempt whatever to determine, in the case of the dividend withholding, the potential tax liability of the dividend recipient, whereas you do make an attempt, as best you can, in the case of the wage earner.

Mr. MILLS. That is true.

Mr. BYRNES of Wisconsin. That is a very sizable distinction.

Mr. MILLS. The gentleman will admit that if we applied that same rule to the withholding tax on dividends, we would create a situation that would be completely unmanageable, as far as corporations are concerned.

I had intended to discuss the details of the plan for acceleration of tax payments of corporations, but time does not permit. I do, however, want it clearly understood that this plan was proposed as a reform, and not because of the temporary increase in tax receipts that will be provided over the next few years.

For some time I have been concerned about the sharp contrast in the present law between the time given for payment of taxes by corporations and the time provided for unincorporated businesses. While corporations may pay in four quarterly installments over the year following that in which the tax liability was incurred, partnerships and individual proprietorships must pay the bulk of their tax during the year in which the income arises. This is an unnecessary discrimination under the tax laws that should be eliminated.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. MILLS] has again expired.

Mr. REED of New York. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I will take just a moment to mention something about this withholding tax on dividends. The fact is that around $8,000,000,000 are paid in dividends today from which the taxpayers make substantial income-tax payments. They are making that payment without any withholding of dividends. On the other hand, the Treasury believes that there are about $2,000,000,000 paid in dividends which for one reason or another are not reported on tax returns. Presumably a part of that represents people who deliberately fail to make a return; another part is represented by those who through carelessness fail to make a return, and still a third part is represented by those people who do not owe any income tax, and do not file a return.

What this bill will do under the withholding provisions is to impose an obligation upon every corporation which pays any dividend whatever, to file with every dividend recipient a record of the payment, for the taxpayers' use in the tax return in order to get after that small group represented by the $2,000,000,000 which is not now reported. A part of this

should not be reported. This bill compels every corporation to make this withholding return. It will entail a great cost. The cost could be borne by the Government whose duty it is to collect the tax; the cost could be borne by the corporations who pay the dividends, who are in effect made the tax collector; but the cost will probably run around $25,000,000 to $30,000,000 in order to collect at the outside $150,000,000 more than we are now getting as taxes on dividends.

It has been decided by the committee to impose that cost upon all of the corporations of the country, and not to place that burden on the Government. It is just another increase of cost to be borne by the consumer, the consumer who must pay all of the cost of production represented in our country so largely by the corporations.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. BYRNES of Wisconsin. I wonder if the gentleman would comment briefly on this system as it relates to refunds to the individuals. How is the Government going to check on whether the individual is or is not entitled to a refund?

Mr. SIMPSON of Pennsylvania. I shall be very happy to.

In the first place, every penny the Government gets its hands on, it will hang onto unless the individual claims a refund. There are many people who receive dividends who do not have to file income-tax returns. In the case of many the amount they receive as dividends would be so small that they will not take the trouble to file a return, and on those the Government will be in the position of taking money to which it has no right under existing law. The Government will not know what to refund; when the individual claims a refund, the Government will be placed in the position of having to determine in one manner or another whether that individual who claims relief is entitled to it, in order to have proper book accounting. How they will do it I do not know.

Mr. BYRNES of Wisconsin. In view of the fact that it is not contemplated that there will be a form similar to the W–1 and W–2 that are presently issued by the employers in connection with the wage withholding which certificate has to be filed with a tax return requesting a refund, how is the Government going to reconcile its bookkeeping and its accounts to determine whether or not a refund is actually due? Or are they just going to take the taxpayers' word for it in each instance?

Mr. SIMPSON of Pennsylvania. I know of no mechanical way by which they can check it, and certainly it will not be accurate. Presumably they will look over the returns and if the request looks all right they will authorize payment. Knowing the interest of the Treasury Department in proper administration, I cannot conceive of their doing that; consequently I conclude there will be many millions of dollars each year paid in through withholding on dividends to which the Government is not entitled, but which the Government cannot prove are due the taxpayers.

Mr. BYRNES of Wisconsin. Either they are going to trust the word of the taxpayer as to whether or not he is entitled to a refund or they are going to have to go into this very involved process of checking, which is going to delay considerably the payment of refunds. So that I think the analogy that is made as to the speed with which these refunds can be made compared with what is done in connection with the withholding of wages is not comparable.

Mr. JENKINS. I think the gentleman is going to discuss the difference between withholding on wages and withholding on dividends with reference to the procedure by which that is done. I would like to make the observation that the wage earner is at the plant every day. When he gets his monthly or weekly wages showing the withholding he knows then what is withheld. If it is not right he can go into the office and correct it at that time.

Mr. SIMPSON of Pennsylvania. Yes, and the Government knows he will owe some income tax. With respect to some of the persons from whom withholdings of dividends are made, the Government cannot know that the individual owes any tax; therefore it is wrong to withhold.

Mr. Chairman, I want to talk a bit about excise taxes and the committee's action thereon. While I am very happy to have the Republican Party get credit for reduction in excise taxes, I must point out that the American public is not going to be completely happy with the bill which the committee has presented to them. In the first place, as it was pointed out earlier in the day, we now have the need for removing excise taxes because they are permanently in the law. The bill imposing them permanently was supported substantially by both sides of the House. It was signed by a Democratic President. The bill has never been repealed, yet the Democratic Party has been in power ever since that bill was passed. Now is their chance to do so and they fail.

The gentlemen who have spoken earlier criticizing the fact that excise taxes are now paid on various things will be the last ones to rise here and introduce a bill for the repeal of the excise taxes; indeed, they are the ones who would not support many of the proposals for excise tax reductions which were made in the committee.

The excise cuts which are now before you will not satisfy all of the American people. Presumably those who will be satisfied are those who want to buy items upon which the tax has been entirely removed. There are a number of those—ladies' handbags, the cheaper watches and clocks, baby oils, rebuilt automobile parts, children's toys, cooking stoves, water heaters and certain electric devices. On those, many of which are once-in-a-lifetime purchases, people will be pleased because they will have no excise tax to pay. But the people who ask for the elimination of the tax on transportation will not be pleased. There will be $340,000,000 to pay in excise taxes for the transportation of persons and property remaining after this bill is passed. Those using the telephone and the telegraph will have to pay $463,000,000 in excise taxes; on manufacturer's excise taxes $356,000,000 will have to be paid each year. On admissions $233,000,000, and on the retail excise tax $183,000,000 remains to be paid each year after this so-called tax reduction bill is passed.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Illinois.

Mr. VURSELL. I have not had a chance to study the bill thoroughly. Will the gentleman now speaking tell me how much reduction has been made percentagewise on transportation and telephones?

Mr. SIMPSON of Pennsylvania. On transportation for persons the tax has been reduced from 15 to 10 percent. On transportation of coal from 4 cents per short ton to 2 cents per short ton, and on others from 3 to 1½ percent. On communciations there are a number of cuts, and I would refer the gentleman to the hearings.

Mr. VURSELL. In other words, the cuts were not substantial.

Mr. SIMPSON of Pennsylvania. The cut on communications, telephones, is from 25 percent to 20 percent. The telephone, which is necessary and which goes into most homes of the Nation, bears one of the smallest percentage-wise cuts. My point is that even after this bill becomes law, those who asked substantial relief in excise taxes will not have it. The committee, in considering where to place cuts on articles covered by excise taxes, could have adopted a policy of a straight-across-the-board cut; that might have been rather fair. On the other hand, it could have picked out certain items in which individuals of the committee or of the Congress were interested. Perhaps it did that to some degree. Perhaps a fairer and a better way to have done it would have been to have picked out the items where there was a real hardship either in the purchasing public's mind or in the industry which was manufacturing the article on which the tax is now applied.

As you look through the bill you will find generally that all those methods were used, though there are some mystifying omissions of certain articles, where the industries are being adversely affected and where no relief whatever is being given.

Then there is one other great group in which this Congress should be interested when it comes to the cutting of excise taxes or of giving any relief. That applies to those industries where in recent years, the Department of Justice as a division of the Government, has seen fit to take proceedings against the larger manufacturers in those businesses. This is to provide more competition, to break up monopolies, to encourage private enterprise to get into those particular fields of business, with a view to broadening competition, and to permit free enterprise to develop in those particular areas.

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There are in this bill two great omissions of certain articles of very wide consumption in the United States used by the little individual. In these fields the Government is taking steps right now against the industries concerned because of alleged monopolistic practices, but the committee has failed to give relief to the small competitors who appeared before the committee and, in effect, stated that unless given relief they would not be able to continue operations and would, in all likelihood, be removed. Each of those items was written into the bill by the committee after due consideration. They were written in, and they remained in the committee bill for a long time, and each of them was finally taken from the bill. The items concerned are, number one, electric light bulbs and tubes and, number two, an item called the economy cigarette, which simply is a cigarette that sells for a lesser price than does the so-called standard brand of cigarette.

With respect to electric-light bulbs, the committee voted to remove them from the bill regardless of the fact that perhaps 90 percent of the families in the United States buy this item every year. It is a household expense. Relief should be given to the American people upon that item, but under this bill there is no relief.

At this very moment the Department of Justice is in the process of determining whether the larger manufacturers of electric light bulbs are in effect a monopoly, are in fact by their practices hurting the small manufacturers. Within the very recent past they have issued orders which would tend to help the smaller manufacturers.

Honesty compels me to admit that the large manufacturers did not, as far as I can tell, fight this bill in any way. On the contrary, I have reason to believe that as the tax would be reduced for both the larger and smaller manufacturers, they want the tax reduced. This makes it all the more mystifying why a committee of this kind would remove from the bill one of the two items wherein monopoly has been charged, and where the Government is undertaking to break down an alleged monopoly today. That item has been taken from the bill. It involved a relatively small amount of revenue. It should be included in the bill, and I hope the other body will, because of the millions and millions of our citizens who buy light bulbs give one bit of tax relief where virtually every family will benefit.

Item after item is given tax relief where the relief does not apply to any greater number of our citizens. Higher priced jewelry? No. Fur coats? No. Communications, where we get a 5-percent reduction? Yes, to a vast number of our people, but the percentage is small. Admissions to theaters, and so on? That is cut in half, but if you or I think the young person who has occasion to go to a movie theater and has to pay only half the amount of tax will be pleased, you are wrong. If you think cutting the tax in half will cause the motion-picture-theater operator within your congressional district to be happy because attendance will greatly increase, you are wrong. No, what we need in this bill is something, and I suggest electric-light bulbs as one of the items, which will give every American citizen some benefit as the result of this reduction.

The other item, namely, the tax now proposed on economy-brand cigarettes manufactured, as they are, by very small companies, comes within the same category of an item which was in the bill and was taken out at the very last moment, and it involves another alleged monopoly. The several companies that manufacture the so-called standard-brand cigarettes, which sell for roughly 17 cents a package, spend millions of dollars annually for advertising by newspapers, mail, radio, and television. So far as I know, these companies did not in person fight this proposal. The proposal was taken from the bill, although the proposal would simply have taxed cigarettes on the basis of the price at which they were sold by the manufacturer, just the same as every other item in our country is taxed with the exception of gasoline, gasoline being taxed at the same rate upon any and every gallon. But cigarettes, regardless of the price at which they sell, are taxed exactly the same amount. The proposal was to tax cigarettes selling for 12 cents a package at the same percentage rate as cigarettes selling for 17 cents a package.

This was an effort to correct the present unequitable flat tax which was driving small business from the field.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. DOUGHTON. The gentleman knows very well that the reason they do not sell over 1 percent of the cigarettes is because of the low grade, poor cigarettes which the consumer will not buy. The gentleman knows furthermore that the application with reference to this differential did not come from the consumer, it came from just a few manufacturers.

Mr. SIMPSON of Pennsylvania. It came from small business.

Mr. DOUGHTON. In all of our testimony, there is not one word of testimony of a single consumer in the United States who pays the taxes asking for this. The gentleman knows further that this would cause the loss of revenue of about $90,000,000. He forgets, or omits, to state that.

Mr. SIMPSON of Pennsylvania. Permit me to answer the three statements which my distinguished chairman has made. No. 1: The gentleman says the American public does not want to buy the cigarettes and consequently there is no need to reduce the tax rate. Then in the same breath he says there will be a $90,000,000 tax loss which he knows is based upon the estimate of 25 percent of the American people wanting to buy the cigarettes. I say that if 25 percent of the American people want to use any cigarette, the Congress should not, by its taxing system, deny them the right to buy that cigarette.

Mr. DOUGHTON. Why did not some of that 25 percent appear and testify in behalf of the differential? Not one appeared, as the gentleman knows. Not even 1 percent, let alone 25 percent.

Mr. SIMPSON of Pennsylvania. If I may proceed with my remarks, the gentleman has a great deal of time, and I know he can answer in his own time. I know he is interested in this particular subject. I simply want to make the point that in order to provide competition in an industry controlled now by three, four, or five mammoth companies, all I ask is that the little industry, the little factory in Pennsylvania, which for years has provided jobs for, let us say, a thousand men and now is being forced to shut down, all I ask is that that industry have a right to give the American public what the American public wants.

I say that when the committee knocked this provision out of the bill, which provision, I might add, was knocked out after long and careful discussion and consideration, I want to make the point that by doing so the committee once again said to the American public: "A monopoly in the cigarette industry seems to be all right." The committee is saying, "We do not want any more competition in this field.

Mr. DOUGHTON. Is not the place to fight a monopoly in the Department of Justice, and not in the Congress? If there is a monopoly, why does not the gentleman take his case to the Department of Justice. That is the proper place to take his case.

Mr. SIMPSON of Pennsylvania. Where the Department of Justice recognizes there is a monopoly, as is evidenced by the cases they have brought to court, and where the Congress, as a result of its tax legislation, makes it impossible for the Department of Justice to perform what it is trying to do to break up a monopoly, then it is time for the Congress to act and change the law to strengthen the hands of the Department of Justice.

Mr. DOUGHTON. The gentleman is familiar with the fact that this whole question of differential on the cigarette tax was gone into at length by a subcommittee that spent months investigating it, a subcommittee headed by the distinguished gentleman who is now Chief Justice of the United States.

Mr. SIMPSON of Pennsylvania. In what year was that, sir?

Mr. DOUGHTON. They reported adversely against the differential.

Mr. SIMPSON of Pennsylvania. In what year was that, sir?

Mr. DOUGHTON. It is no matter what year it was, the principle is the same. The gentleman knows the principle is the same.

Mr. SIMPSON of Pennsylvania. It does make a great deal of difference what year it was. That was 15 years ago.

Mr. DOUGHTON. The principle is exactly the same. The principle has not changed one iota.

Mr. SIMPSON of Pennsylvania. The principle is not at all the same. The bill considered 15 years ago called for an entirely different basis of taxation, as the gentleman will see if he reads the subcommittee report.

Mr. Chairman, let us look at this $90,000,000 loss estimate by the Treasury. For this to be true, 25 percent of the people in this country who smoke standard-priced cigarettes would have to change to economy cigarettes. Dr. Harley Lutz, of Princeton University, and Dr. Lewis H. Kimmel, of Brookings Institution, say this is pipe-dream forecasting. Dr. Kimmel says the most these little manufacturers can hope for is perhaps 5 percent of the total business—which might cost the Treasury $2,000,000 to $6,000,000. It seems to me that this Congress should concern itself more with fairness to small business and to the consuming public than with this trifling loss.

Mr. Chairman, for 16 long years the small manufacturers—little business, if you please, about which this administration talks so much but does so little—have been seeking relief at our hands. They came before our committee with a case of extreme hardship, a threat of extinction, and we turned them down.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. Although I would like to yield to my distinguished chairman, as long as he wants me to, I must yield to the gentleman from Pennsylvania.

Mr. FULTON. In Pennsylvania, as the gentleman knows, there are many fraternal clubs and beneficial organizations or nonprofit associations which are many times incorporated for the best interests of their members and the community. Could you inform the House just what effect this bill will have upon those clubs or beneficial associations?

Mr. SIMPSON of Pennsylvania. Having finished with tobacco, I now turn to this question of charitable institutions.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. JENKINS. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. SIMPSON of Pennsylvania. We all know there have been gross breaches of the law under which charitable and educational trusts and foundations have been given tax exemptions under certain circumstances. Those breaches generally resulted in a situation where the unit concerned would, in effect, sell its tax exemption, and would go into some business unrelated entirely with the purpose of the trust, and make money in competition with private industry. The committee has quite properly made changes in this law which will have the effect of taxing those exempted organizations under certain sections of the Internal Revenue Code on those unrelated businesses which they operate.

Specifically, having in mind what you asked me, a fraternal organization would not be subject to tax under the changes made by the pending bill.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. EBERHARTER. There has been some fear among beneficial and fraternal organizations in the State of Pennsylvania that they would be taxed. I think that fear arose by reason of some press reports which just carried the statement that charitable and fraternal organizations would be taxed. I think I am correct in stating that no fraternal organization in Pennsylvania need fear taxation, because the committee report on page 36 states expressly that fraternal beneficiary societies are not affected.

Mr. SIMPSON of Pennsylvania. I am sure the gentleman has stated the committee wishes correctly. For example, if one of the organizations to which you or I belong should engaged in something entirely outside of that for which it was planned, you and I would anticipate being taxed, and should be taxed.

Mr. FULTON. Mr. Chairman, will the gentleman yield further?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. FULTON. Would the operation of a beneficial fund by a fraternal organization be taxed in any way under this bill?

Mr. SIMPSON of Pennsylvania. It is not.

Mr. FULTON. Under the insurance provisions or the ill-health provisions, they would not be taxed?

Mr. SIMPSON of Pennsylvania. No.

Mr. FULTON. Suppose there are entertainment facilities within a club, such as a bar or pool tables or bowling alleys. What happens under this bill? Does this bill allow taxation?

Mr. SIMPSON of Pennsylvania. My understanding is that they are not taxed.

Mr. FULTON. The alcohol tax. But this bill does not increase the tax, for example, on a bar or an entertainment in a bar of a Pennsylvania club, does it?

Mr. SIMPSON of Pennsylvania. It has nothing to do with that. No.

Mr. EBERHARTER. If the gentleman will yield further?

The charters of these various organizations state their purposes—social, educational, fraternal, mutual benefit, payment of certain sick benefits, and so forth. Anything that the organization operates in accordance with the purposes set forth in their charter, their taxes are not affected in any way whatsoever by this measure.

Mr. FULTON. One more question, if the gentleman please: But if they were renting a storeroom not in conjunction with the club, what then?

Mr. SIMPSON of Pennsylvania. If they were running a separately incorporated grocery store, a haberdashery, or similar business they would be taxed on that as an unrelated business; and I think they should be.

There is one other subject about which I want to talk. There are what I consider excellent provisions in the bill which should eliminate the wrongful use of tax exemption granted to educational and charitable organizations. The abuses by some of these organizations result from their engaging in businesses which are unrelated to the purpose for which the tax exemption was granted by the Congress. In some extreme cases charitable trusts and foundations have been created for the purpose of conducting tax-exempt businesses and no provisions whatever were made requiring payment of any part of the earnings to education or charity. The bill, by providing that income from these unrelated sources be taxed at the prevailing corporation rate and by denying the right to unlimited accumulation of reserves, should wipe out this loophole which permits tax avoidance.

However, in plugging this loophole, I believe the committee bill goes too far when it denies a deduction to a donor for bequests or gifts made to a trust or foundation by members of a family-owned business to a family-controlled trust or foundation.

Under the bill the tax exemption would no longer be available for creation of foundations such as that established by Ford, or Rockefeller and hundreds of others. Under this type of foundation, the family which has made the business a success is now able to retain control of the business and the dividends paid annually to the foundation are distributed to charity or education, as the case may be.

The mere fact that members of a family control the distribution of funds of the foundation does not make the creation of a foundation objectionable. Rather it insures proper distribution in accordance with the purposes of the trust. It should be noted that tax exemption would be available to the donor if he made a gift to some foundation controlled by strangers. Therefore it is fair to conclude that the real purpose of the Treasury, which offered this section of the bill, is to eliminate family-owned corporations. I believe this is not a desirable purpose and regret that the bill contains a provision which would have this practical effect. I hope the other body will examine the matter with care and agree with me that this provision which seeks to bring to pass a New Deal social policy has no place in a tax bill and should be removed from the bill.

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Chairman, this is a good tax bill and, in my judgment, merits the overwhelming support of the House. I wish to congratulate our great chairman, the gentleman from North Carolina [Mr. DOUGHTON] for his skill in piloting this bill through the many months of public hearings and executive sessions. He has done yeoman work for his country and merits the appreciation of every right-thinking citizen for the tremendous task he has accomplished. In that task he has had the splendid cooperation of his colleagues on the committee, both Democrats and Republicans alike, and while, of course, we of the majority shall take credit for the passage of the bill, our Republican colleagues may likewise take some credit for many of the valuable suggestions which have been written into the bill and for their fair-minded approach to the problem.

I think I should state that no small credit for this bill is due to the tact and diplomacy of Speaker RAYBURN and Majority Leader MCCORMACK, who in the last few days gave us the lift that was necessary to get the bill into final shape.

I understand from the newspaper reports that before we vote upon a bill

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which the President will sign, we will have to vote upon a proposed amendment which, if it were to pass, we all know the President would not sign. When that issue has been determined, I am quite confident that the majority of the Republicans will vote in favor of this tax bill. When that is done on Thursday the Ways and Means Committee will, I believe, feel at liberty to take a rest, except the gentleman from North Carolina [Mr. DOUGHTON], who will be at his office at 6 o'clock Friday morning ready for any new or unfinished business.

This bill is particularly appealing to me for the reason that coming from New York City, I have been greatly concerned with the falling off in business and the consequent unemployment that has developed in certain of our industries. I feel that the 50-percent reduction in the excise taxes on jewelry, leather goods, and furs will stimulate activity in these lines of business, with the result that many of our presently unemployed will be called back to work. It is my belief that the 50-percent reduction in the admissions tax will likewise stimulate attendance at the moving-picture theaters and at other places of entertainment. Certainly, we have been assured by the businessmen that they needed a reduction in their excise taxes and that if such reduction were granted it would immeasurably aid their business and consequently aid employment. I shall not dwell further upon the excise taxes as that point has already been well covered by previous speakers.

I shall dwell rather on the closing of loopholes in our present tax law by which some $100,000,000 will be recouped by taxing income derived by charitable trusts and nonprofit institutions, such as colleges and universities, from the operation of businesses wholly unrelated to the purposes for which the charitable trusts were established and for which the colleges and universities and similar organizations were chartered. Under this legislation it is not intended to in any way disturb the traditional tax-exempt status of our religious or educational institutions. We believe, in fact, that by taking the course which this bill provides, the tax-exempt institutions and charitable trusts will be safeguarded and protected by nipping in the bud the abuse which threatens the continuance of their tax exemption. There is no possible connection between some of these operations and the normal activities of these institutions. I am informed that one of these institutions by the operation of various unrelated businesses—in competition with tax-paying businesses—has had an income in 1 year equivalent to the income received by Harvard University over the same period from its endowments which have accumulated over the years.

It is my considered opinion that the profits derived by charitable trusts and educational institutions and other similar organizations from the direct operation of businesses not related to the purposes for which the trusts or institutions were founded should be taxed in the same manner as similar businesses in the competitive field.

The bill before you succeeds, in my opinion, in steering the sensible middle course of exempting the bona fide charitable and educational activities from taxation on their income from related activities and, at the same time, correcting the abuses which have received so much unfavorable comment and righteous denunciation. The committee has striven hard for a reasonable solution and I believe has found one.

One of the most important reforms contained in the committee bill is the revision of the income-tax treatment of the charitable, educational, and other organizations now exempt from income tax. Organizations of these types have been exempt throughout the history of our income tax and the reasons for their exemption are so strong as to require no explanation here. Above all, it is desirable that the activities carried on by these institutions remain in private, philanthropic hands and their private financing be encouraged in every reasonable manner by the Federal Government. However, evidence has been found that some of these organizations are abusing their tax-exempt privilege. If this is allowed to continue unchecked, it is likely to result eventually in the loss of the tax privileges to all of the legitimate organizations. The provisions in this bill eliminate this possibility.

Your committee has made a detailed investigation of the problems involved and has reached the conclusion to impose taxes in certain conditions only after being certain that no harm would be done legitimate operations. The staff of the committee, together with the Treasury Department, has been working on these problems for several years. Hearings have been held by your committee on this subject not only this year, but also in 1947 and 1948. In addition, a subcommittee of the Senate Committee on Banking and Currency has printed a report on the intricate financial manipulations which have enabled Royal S. Little and some of his associates to build up a $40,000,000 textile business in the last 10 years. This report has been useful to your committee in its investigation.

It is extremely doubtful whether Mr. Little could have carried through this ambitious scheme without the repeated use of the charitable foundations which he created and used to buy textile mills which were resold to interests in which he was involved. It, in any case, appears clear that the foundations furnished an important part of the funds for the expansion of firms in which Mr. Little was interested. Through the use of these trusts, Mr. Little was able to create a tremendous financial reservoir which apparently was on tap whenever his financial ventures were temporarily in need of funds. All of this was done in the name of charity, although the record to date shows only negligible payments out of these rich trusts to their charitable and educational beneficiaries.

Another area of abuse has grown up through deals in which tax-exempt universities cooperate with private businesses by purchasing the real estate of these businesses and then immediately leasing it back to the original owners under leases for long periods. Often the tax-exempt institutions borrow all the money to finance the purchases and then agree to apply all or practically all of the rents they receive toward repayment of the indebtedness. Since the rents are received tax-free, the mortgages can be paid off at a rate which would be impossible in the case of any private investor.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. Has the committee given consideration to cases in which some of these colleges have gone in and invested some of their moneys in properties which are payable out of the revenue and which now, when the exemption is taken away from them, it will be impossible for them to pay out, and thereby a great loss will be sustained by them?

Mr. LYNCH. The committee bill does not affect the taxability of the unrelated business activities of these institutions for the years prior to 1951. The tax status of institutions for years prior to 1951 is not affected by this bill but is left to interpretation of existing law. In the case of rents derived from leased property the committee under this bill has no intention of in any way affecting the moneys or investments of these universities where they use their own money, but where these colleges or universities use their tax-exempt status for the purpose of loaning or selling to some business institutions that may derive benefit from it, those are the cases that we have in mind and which we intend to see are taxed. The mere investment of regular funds of the universities in the purchase of real estate is not considered one of those parts of the so-called tax-avoidance racket.

Mr. FERNANDEZ. I had in mind cases where an institution donated money and they used that money to purchase rental property, for example, which they can purchase and pay out because of the fact they are exempt from the income tax, but if, under this bill, as I understand it, it puts them into the nonexemption category, they are going to have a hard time paying out for those properties which they bought in reliance on the fact that the income from them would be free.

Mr. LYNCH. The income on such investments would be free of tax where they have used their own money; that is, where the funds to buy the property were not borrowed either from some bank, either wholly or largely, or borrowed on the property itself.

Mr. FERNANDEZ. They would still continue to be exempt.

Mr. LYNCH. That is right.

Mr. FERNANDEZ. I thank the gentleman.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield to the gentleman from Utah.

Mr. GRANGER. Would the same explanation given to the gentleman from New Mexico apply to charitable organizations?

Mr. LYNCH. Yes.

Mr. GRANGER. Is there a definition in this bill of what is a charitable organization?

Mr. LYNCH. No; there is no specific definition in this particular bill of a charitable organization.

Mr. MILLS. If the gentleman will yield, there can be no possibility, however, I think the gentleman from New York will advise the gentleman from Utah, of any misunderstanding on the part of the Internal Revenue Bureau as to the charitable organizations which are included within this section of the bill.

Mr. LYNCH. There can be no misunderstanding about that whatsoever.

Mr. MILLS. They are clearly set forth in regulations and other laws.

Mr. GRANGER. It does not disturb that at all?

Mr. LYNCH. It does not disturb it.

In some cases the businesses which rent the real estate from the universities even have options to repurchase at the end of the rental period. As a result, huge rental payments are taken out of the scope of the income tax in lease-back deals which are so favorable to the private businesses involved that no private investor could hope to offer the same terms. Since all the tax-exempt institutions need supply in one of these transactions is its tax-exempt privileges, it is apparent that these are examples of tax-exempt organizations going into the business world and selling their tax exemption to the highest bidder. These deals have mushroomed in the last few years. Many of the best names in the college world and in business are involved. The committee feels that the tax-avoidance racket involved in the sale or lease back of the tax-exempt status of these institutions must stop.

Possibly a more flagrant example of the use of tax exemption privileges for purposes never contemplated by Congress are those cases where tax exempt organizations enter directly into active business in competition with taxable private businessmen. There are instances where universities or their tax exempt subsidiaries have engaged in active business enterprises which are totally unrelated to the educational functions for which their exemption was orginally provided. For example, subsidiaries of one educational institution, which has received consideration publicity, are today operating a macaroni company, a piston ring manufacturing company, a leather company and a chinaware company. I can assure you that there is nothing in the charter of that university, nor is there anything in its curriculum that is even remotely connected with the manufacture of spaghetti or the other commodities that are produced by the businesses it owns and operates. These colleges have a tremendous advantage over their tax paying competitors since 100 percent of their profits are available for business expansion and since they may charge lower prices and still have a higher net rate of return on their investment than private businessmen can have after payment of taxes. I can see no reason in justice to permit an educational institution to operate a spaghetti factory, a department store or any other business under the cloak of tax exemption, while competitors in the same business field are presently subject to a 38 percent tax and will under this bill be subject to a 41 percent tax on their income.

Personal tax saving considerations have also invaded the field of charity in connection with the income, estate and gift tax deductions from charitable contributions. Many individuals have discovered that under the liberal terms of the tax laws it is possible to take deductions for contributions to charity merely by placing some of their assets in private trusts or foundations which they control. In some cases, after the tax deduction has been taken, the so-called charitable contributions are still available to the donor of the members of his family to almost as great an extent as if the gift had never been made. If the so-called gift consists of stock in a family business, the business may still remain under the complete control of the family. Property may be bought from the private trust or foundation or sold to the private trust or foundation with little or no public scrutiny of the terms of these transactions, convenient salaries may be paid to relatives the donor would otherwise be required to support, and funds are available for loans in case the donor's business needs financial assistance.

The provisions of this bill relating to exempt organizations are designed to limit the tax exemption of the charitable and educational organizations to their original purposes; and to make sure that private donors will not receive the tax advantages of being philanthropists without actually giving their money away.

The first provision provides that where a charitable or educational organization goes into the business world and engages in active competition with private business, it is to be taxed at the ordinary income-tax rates on the income from that business. Their tax-exempt status as far as their other activities are concerned is not touched. This provision also applies to the labor, agricultural, and horticultural organizations and to the trade associations and business leagues.

The tax does not apply where an exempt organization engages in a business which is substantially related to the charitable or other functions for which the organization is exempt. Nor does it apply if the work in carrying on the business is performed without compensation as where an institution holds a bazaar without paying anyone for the work done. In the case of the charitable and educational organizations, income from an active business will also be exempt if the business is carried on primarily for the convenience of its members or students. This, for example, would exempt from tax a student restaurant run by a school.

The receipt of interest, dividends, and royalties does not constitute carrying on an active business. In general, the receipt of rent is also considered a proper activity for these organizations and is not taxed. Historically, the colleges and other exempt organizations have often invested their endowments in rental property—and the bill does not tax this.

Mr. COMBS. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield to my distinguished colleague, the gentleman from Texas.

Mr. COMBS. In two places in the bill there is an exemption of rents and royalties and things of that nature from the restrictions which would class them as unrelated income.

Mr. LYNCH. That is interest, dividends, and royalties.

Mr. COMBS. That is of tremendous importance to colleges and charities in my State, as well as in every other State in the Union.

It is frequently the best investment that these schools can make to invest in oil royalties. In some instances, the Treasury has seen fit to make a distinction between a royalty and an overriding royalty, although in our concept there is no material difference. Neither participates in the management, of course, of the producing concern.

I ask the gentleman if it is not true as stated in the report on page 110 and page 117 that it is the unanimous thought of our committee that royalty is royalty and that includes overriding royalty?

Mr. LYNCH. There is no question about that. It was the intention of the committee to include the overriding royalties in the general classification of royalties, as we have set forth in the report on page 110, and as you have indicated, also on page 117 where it says royalties include overriding royalties.

Mr. COMBS. In other words it will include overriding royalties carved out of the working interest, is that correct?

Mr. LYNCH. That is correct.

Mr. COMBS. I believe the Treasury also has something to say on it.

Mr. LYNCH. I have a copy of a letter which the Treasury Department sent to the chairman of the committee under date of June 27, 1950. It reads as follows:

MY DEAR MR. CHAIRMAN: The Department has been asked whether in the course of the administration of H. R. 8920 in its present form overriding royalties would be included within the term "royalties" in the determination of amounts to be excluded from unrelated business income and in the computation of accumulated investment income with respect to certain charitable, etc., organizations under title III of the bill. Based upon the bill in its present form and the pertinent interpretations thereof on pages 110 and 117 of the accompanying report of the committee (H. Rept. No. 2319), it is the view of the Department that overriding royalties would be included within the term "royalties" for such purposes.

Sincerely yours,

THOMAS J. LYNCH,
*Acting Secretary of the Treasury.*

Does that answer the gentleman's question?

Mr. COMBS. I thank the gentleman.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield.

Mr. ALBERT. I have an inquiry from a foundation which does work on handicapped children, particularly with refer-

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ence to cleft lips and cleft palates. May I read just a sentence from the letter:

Our institution is maintained principally by investments, although occasionally we have a contribution of a pretty good size. We are anxious to continue working.

Would this bill in any way affect the profits for the purpose indicated here?

Mr. LYNCH. As I understand the question, the income of this organization is derived from investments and from work in which those people are engaged and is directly connected with the exempt purposes of the organization. That is, to supply outfits of some kind for the physically handicapped.

Mr. ALBERT. That is right.

Mr. LYNCH. Under those circumstances, definitely this bill would not in anywise affect them.

However, in order to correct abuse where some of the universities have purchased real estate with borrowed funds and leased it back the bill requires the educational or charitable organizations to include in with their taxable business income, which I previously described, the rents they received on these leases to the extent of the indebtedness outstanding against the rental properties. In other words, this bill does not affect a university which receives rents as a result of investing its endowment funds in rental property. However, it does tax a university which borrows on its exemption to buy property in an attempt to receive tax-free rents.

The fact that charitable organizations are presumed to be using their tax exempt income for desirable purposes represents the basic reason for granting them income-tax exemptions. If an organization fails to use its income and simply accumulates it instead, there is no social reason why the Federal Government should provide an income-tax exemption. There are a tremendous number of private trusts and foundations, however, which claim exemption and which fail to distribute their income for any of the useful purposes for which their exemptions are provided.

Therefore, the bill provides for a tax on the investment income of these organizations to the extent that it is accumulated. This provision does not apply to publicly supported charitable institutions, to schools and colleges, or to churches and other religious organizations. It does apply, however, to private foundations and to all trusts. The tax is limited to these latter types of organizations because the committee believed that the publicly supported charitable organizations, the colleges and schools, and the religious organizations are spending their income for exempt purpose on a fairly current basis.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield.

Mr. CRAWFORD. May I ask the gentleman this question: Suppose the University of Michigan has a lease on a commercial airport at Ypsilanti, Mich., which airport is used by all commercial carriers, freight, express, and human beings; and from that lease and concessions granted it derives a substantial profit, would the University of Michigan be taxable on that income?

Mr. LYNCH. Is this a lease—where the university just leases the airport?

Mr. CRAWFORD. It is where the university leases the airport.

Mr. LYNCH. And derives income from the operation of the leased property?

Mr. CRAWFORD. Derives income from the lease.

Mr. LYNCH. I should say that it would not be included in the provisions of this act. State institutions, being regarded as political subdivisions of a State are not covered by the bill.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield.

Mr. MILLS. Would it not depend entirely upon whether there was an indebtedness owed by the university on the airfield which it leased?

Mr. CRAWFORD. The university leases the airport.

Mr. MILLS. And there is no indebtedness owed by the university on the property?

Mr. CRAWFORD. No. The university does not purchase the airport. It leases the airport and in turn makes arrangement with commercial planes to bring their craft in there, to land, and to give service to the people, freight, express, passenger, and so forth, and grants concessions or sells concessions and draws income. If there is a net profit in the whole proposition, is the university subject to tax?

Mr. MILLS. The university does the entire operation itself, through concessions?

Mr. CRAWFORD. Yes.

Mr. MILLS. Well, since it is a State institution, it is not covered by the bill.

Mr. CRAWFORD. That is what I am getting at.

Now, another question. Suppose Society Aid, which is a society which promotes good music and entertainment, and has a symphony orchestra, and collects funds over a period of years, and buys a piece of business real estate on the main street of a town and leases those business buildings, for instance to Sears, Roebuck or Montgomery Ward, on a 5, 10, 20, or 50-year lease, from which it draws a very substantial net income after paying its taxes, would that income be subject to taxation?

Mr. LYNCH. Did the society invest its own money?

Mr. CRAWFORD. The society invested its own money in the ownership this time, not leasing.

Mr. LYNCH. Where it invests its own money, and did not borrow money for that purpose, it would not come under the provisions of this bill.

Mr. CRAWFORD. In other words, the income would not be taxable.

Mr. LYNCH. That is right.

Mr. CRAWFORD. Suppose the University of Michigan, a State institution, we will say, buys a building, equips it with machinery and machine tools and manufactures and sells automobiles, radios, clothing, cultivators, tractors, and so forth, and earns a profit thereon; is that income taxable under this bill?

Mr. LYNCH. As a part of the State, as has been indicated before, it would not be taxed, because State institutions are not taxed as such under the bill; but it seems to me that the University of Michigan would not engage in the business of manufacturing automobiles.

Mr. CRAWFORD. I am not saying they will do it.

Mr. COMBS. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield.

Mr. COMBS. I will ask my colleague from New York if this is not true: That if this activity to which the gentleman from Michigan referred is carried on as a part of the instruction given by the institution, whether it be private or otherwise, such, for instance, as training technicians, and that is only an incident——

Mr. LYNCH. That is not the question the gentleman from Michigan put.

Mr. CRAWFORD. May I say that I understand that the University of Michigan does have a school of aerodynamics that is located in a building on the airport.

Mr. LYNCH. That would be clearly connected with its educational facilities and would not under any circumstances be taxed. But this bill will impose no tax on the University of Michigan as it is a State university.

Mr. COMBS. In other words, it would not be an unrelated activity.

Mr. LYNCH. That is right.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield.

Mr. MILLS. The gentleman from New York, I am sure, has already pointed out in his fine statement that this unrelated business income about which we are talking applies only in cases of institutions exempt from tax under sections 101 (1), (6), (7), and (14) of the Internal Revenue Code, and organizations exempt under section 162 (a).

Mr. LYNCH. In general tax-exempt educational and charitable institutions.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield.

Mr. OHNSON. I would like to ask this question about semiprivate schools: Christian Brothers, a Catholic order, has a winery and vineyard and a lot of other agricultural operations out in my district, and they sell their products throughout the United States; do they come under this provision, or are they tax-exempt?

Mr. LYNCH. This bill does not apply to churches. It does apply to charitable and educational institutions organized under church auspices that engage in unrelated business activities. I do not know whether the Christian Brothers to whom the gentleman refers maintain a college in that area or not.

Mr. JOHNSON. They have a college.

Mr. LYNCH. I would assume that if they maintained a college and taught the liberal arts and went into the business of manufacturing wine—I can see no connection between the two—and entered into competition with other wineries, they would be taxed.

Mr. JOHNSON. Let me ask the gentleman another question: They do own

St. Mary's College where they teach liberal arts, engineering, and many other subjects, but they also have a farm in Napa County, a school to train the brothers. In connection with that they have all these agricultural operations, including a winery.

Mr. LYNCH. If it is in connection with the school that has to do with the development of agriculture, under those circumstances I would say that it was not taxable. If, on the other hand, there was a school there for the purpose of training the Christian Brothers and they engaged in this outside work of wine production, having no relation to the school, it seems to me under those circumstances they would rightly be taxed.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield to the gentleman from Michigan.

Mr. RABAUT. If wine is produced for the purpose of religious services, use in the mass, for instance, would it be taxable?

Mr. LYNCH. Under those circumstances I do not believe it would be taxed, but that is a point of administration really for the Internal Revenue Department to determine, whether the wine is being produced for religious purposes or, as I see the advertisements in the cars and hear them over the radio about this Christian Brothers wine, it seems to me they are in the competitive wine business.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I may say in answer to the gentleman from Michigan [Mr. RABAUT] that this bill in no way affects the present taxation on fermented liquors or anything of that sort; so the present law with respect to religious wines remains the same. It would have no effect on that.

Mr. LYNCH. I understood the question was as to whether the profit derived from manufacture might be taxed.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield to the gentleman from New York.

Mr. REED of New York. In connection with the discussion of the competition of the Christian Brothers so far as wine is concerned, they are getting competition from other sources. For instance, the ECA has spent several hundred thousand dollars to develop a quality of wine that will be pleasing to customers in this country, which is affecting the wine people up in northern New York.

Mr. LYNCH. I know the gentleman from northern New York is well able to protect the people in his district who raise the grapes that make the wine.

Mr. EBERHARTER. May I say, in answer to the gentleman from New York, that perhaps that is an unrelated subject, and I refer to the ECA.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield to the gentleman from Michigan.

Mr. DONDERO. With reference to the gentleman's comment that the Bureau of Internal Revenue will determine the question, will not the Bureau of Internal Revenue look to the intent of Congress as to what we intended to tax or not to tax? Perhaps it ought to be clarified in the bill because of the question the gentleman from California has raised.

Mr. LYNCH. It is not possible to define in the bill exactly every case that is going to be covered. We have drawn it so that there is a certain amount of discretion for the determination of questions of fact as to whether or not a certain matter comes within the purview of the bill.

Mr. MILLS. Mr. Chairman, will the gentleman yield.

Mr. LYNCH. I yield to the gentleman from Arkansas.

Mr. MILLS. It might be interesting to those who raise the question with regard to this section to say that there is a full discussion in the report on pages 36 and 37 and in the section of the report on the analysis of the bill beginning on page 109. It might further be of interest to the committee if the RECORD would show that the majority members of the committee asked the gentleman from New York to discuss this particular phase of the bill because of the deep understanding of the gentleman from New York in these problems. The RECORD should also show that what the gentleman from New York has said reflects the intention of the majority members of the committee with regard to this section of the bill.

Mr. LYNCH. The purpose of the provision which I referred to before the questions were asked is quite simple.

It is to make sure that the trusts and the private foundations actually do spend their tax-exempt income for exempt purposes within a reasonable period of time after the income is received. If they do this, no tax is imposed. If they do not, the foundations are subject to the ordinary corporate income tax on so much of their current income as they accumulate. In the case of trusts, the provision is the same except that they are subject to the individual income tax on the income that they accumulate.

Your committee has devoted a great deal of attention to making sure that this tax on accumulated investment income will work no hardship on the charitable organizations. For this reason the bill provides that each of these organizations may accumulate tax-free an amount equal to 1 year's investment income. This is what might be called a contingency fund. The committee has also taken account of the fact that some of these organizations may find it desirable to accumulate their income over a short period of time to accomplish a project which cannot be financed from 1 year's income. For this reason the bill provides that no tax shall apply to income of one of these organizations which is placed in a special, independent trust, if the assets of the trust are required to be used on a specific project within 5 years.

Furthermore, your committee felt that a person might legitimately provide by will that his property be left in trust to accumulate income over a reasonable period to accomplish some charitable or similar purpose. Consequently the tax on accumulated investment income does not apply in the first 25 years to income accumulated in trust on property left by a decedent. Also, in order to avoid hardship in the case of existing trusts, the bill provides that where the terms of a trust already in existence require income to be accumulated, no tax shall apply to the accumulated investment income.

A special abuse of the tax-exemption privilege has been permitted under some court decisions which hold that an organization is entitled to income-tax exemption even though it does not actually engage in any of the activities for which exemption is provided, if the organization's income is paid over to another exempt organization. These court decisions have resulted in particular business organizations obtaining income-tax exemption simply because their profits go to exempt organizations. This result was not anticipated when the section 101 exemptions were originally provided. An exemption to this type of organization is specifically denied by a provision in this bill which states that an organization engaged primarily in business for profit shall not be exempt merely because it is a so-called feeder organization, whose income goes to an actual exempt organization. This provision of the bill is not intended to have any implications with respect to the tax status of these feeder organizations in past years.

There are also a number of trusts with charitable, educational, and religious beneficiaries who, although not specifically exempt, in effect receive an income-tax exemption through the operation of a deduction for charitable, and so forth, contributions which is provided for in the sections of the Internal Revenue Code relating to trusts generally. Virtually all of the abuses which have been found among the exempt organizations have also been found among these trusts. The bill, therefore, provides substantially the same treatment for these trusts as it provides for the exempt trusts and private foundations. They will no longer be permitted a deduction for charitable contributions unless they actually make contributions; they will be taxed on their active business income, including their rental income from lease-back deals; and their charitable contribution deduction will be limited to 15 percent of their income if they engage in financial dealings with their donors or trustees.

Evidence has been found that in certain cases trusts or foundations have been used to permit donors or trustees to borrow funds from the exempt organizations and pay abnormally low interest rates considering the risk involved to the exempt organization. There is also evidence that trusts and foundations are paying excessive salaries to those who have set up the foundations or trusts or to their families. There are still other cases where services performed by the trust or foundation are given on a preferential basis to those establishing the trust.

To check these abuses this bill denies income, estate and gift-tax deductions

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for contributions to trusts or private foundations unless the charter or trust instrument of the organization to whom the funds are given stipulates that; first, no part of the organization's assets may be loaned to those setting up the organization or members of their families; second, only reasonable compensation for services actually rendered may be paid to such persons; third, the services performed by the organization may not be made available to the founders and members of their families on any special basis; fourth, the assets of the organization may not be used to purchase securities from the founders or members of their families; and fifth, no substantial part of the property of the organization may be sold to the founders or members of their families. Also trusts and foundations which actually engage in any transactions of this type in the future will be denied income-tax exemption.

It is recognized that time will be required for the organizations involved to amend their charters or trust instruments to include these stipulations. Therefore, the provision denying deductions to donors in certain cases is not made effective until June 30, 1951. The question has also been raised as to how a trust already in existence can meet these requirements. The answer is quite simple. Anyone desiring to make a contribution to a trust already in existence would make his contribution to a new trust containing these stipulations, but having the same trustees and the same beneficiaries as the old trust.

The last provision of the bill relating to trusts and foundations deals with the loophole which now allows a wealthy family owning a family business to obtain a charitable deduction by giving part of the stock in a family business to a foundation which the family controls. Under present law this meets the test of a charitable contribution for income, and more particularly, for estate and gift tax purposes. Nevertheless, it is quite obvious that the family in such cases has not really parted with control over the so-called gift. The family still retains the right to vote the stock held by the foundation and continues control of the family business in much the same way as before the foundation was established.

Because the donors have not actually parted with the property they are supposed to have given away in these cases, this bill provides that for income, estate, and gift tax purposes no charitable deduction shall be allowed where both of the following conditions exist:

First. The contributor or members of his family control the trust or foundation to which the contribution is made, and

Second. The contribution consists of stock in a family corporation which the contributor and his family control.

This provision is more lenient than it might at first be supposed. A deduction will still be granted with respect to a gift of stock in a family business given to a trust or foundation which the family does not control. Moreover, a deduction would be granted even where the family does control the trust or foundation if the stock in a family business is sold and the cash is turned over to the foundation.

I have noticed in the minority report that exception is taken to the closing of this loophole. I recognize, of course, that our top estate tax rates are high and that, as a result, some families may lose control of a family business upon the death of the principal owner. As long as the existing estate tax rates continue, however, I do not see why those who are in a position to establish foundations or trusts should receive more favorable estate or gift tax treatment than others not in such a position.

Nor do I see any reason why some should be allowed to avoid estate or gift taxes on a part of their family business by making contributions to a foundation they control and yet control the stock turned over to the foundation as effectively as if it were still in the family name.

The committee in working out the provisions of this bill relating to educational and charitable organizations has done so with full appreciation of the splendid work they have done and are doing in their respective fields. We desire that they should continue their great contribution to the public good and feel that this can best be accomplished by enacting the provisions in this bill. We frankly fear that if nothing is done at this time to correct palpable abuse and definite misuse of the exemption, the invasion by a few of those tax-exempt educational and charitable institutions into competitive business fields in these days of high income taxes will result in stronger counterattacks by already heavily tax-burdened business against exemption for any of the now exempt institutions.

Mr. REED of New York. Mr. Chairman, I yield 30 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, by no stretch of the imagination can this bill be called tax relief. It is merely a tax-shifting bill. The only hope of getting real tax relief is economy in Government and a real desire by President Truman and the Congress to eliminate extravagance and waste.

There are some good things in this bill and there are some bad things. What we who have the responsibility of voting must decide is—does the good outweigh the bad, or vice versa.

Certain excise taxes are reduced or repealed—some of which have been very burdensome and some of which are certainly unfair.

The Democratic majority should never have put a tax on baby oil, and surely they have waited a long time to remove the tax on women's handbags, and on such cost of living items as cooking stoves, the tax on which was imposed in 1941 to conserve scarce material needed for the war effort.

The bill plugs up certain loopholes, some of which I have been calling to the attention of the Treasury for several years. I am pleased that at long last the Democratic majority have seen fit to do something about them.

I believe I was the first in the Congress to introduce legislation to deal with some of the phoney charitable trusts.

I also called attention several years ago to the methods used by certain speculators who, through short selling, were changing what really were short-term profits into long-term profits and thus avoiding their fair share of taxes.

The bill also plugs up a loophole which some municipal bond dealers have taken advantage of since last October by which, as dealers, they were able to write off against their earnings large premiums through placing a high coupon rate on near maturities of issues which they bought.

It also plugs up a loophole which was opened up a few weeks ago by a Supreme Court decision which granted to holders of convertible bonds the right to write off the premium to the call price.

By the change in the notch provision for small corporations, it certainly makes more understandable and fairer the taxes on corporations with net income between $25,000 and $50,000, and the bill reduces the taxes on corporations whose net income is between $5,000 and $166,000.

Those corporations with a net income of $50,000 get a real benefit—their taxes being lowered from $16,350 to $13,450; for those with incomes over one hundred thousand the benefit is comparatively small. But for those corporations which provide 70 percent of the goods sold, there is approximately an 8-percent increase in the tax—amounting to $708,000,000.

The rate on these corporations goes to 41 percent, which is a higher rate than Congress saw fit to impose during the war when every segment of our economy was rightly asked to make heavy sacrifices.

Of course, large corporations have few friends and this is perhaps an easy way for the political-minded to increase the revenue. But everyone knows that in the long run it is the consumer who will pay most of this added burden in higher costs of the goods which he purchases, for taxes are as much a part of the cost of manufacturing an article as is the price of labor and materials that must be purchased.

Prices are set to make an over-all profit for the stockholders after all costs have been considered when competitive conditions allow.

It is particularly easy to understand this in the case of a public utility. I think in all States these companies are regulated by commissions and the utilities are allowed rates which will give their investors a fair return on their prudent investment in the business. Usually this is a figure which is calculated to be enough to make possible additional investment in the company if expansion is needed. The rate differs among various States. Here on the east coast it is usually now about 5½ percent.

The lowered net income resulting from this tax will be one of the factors which these utility companies may use in requesting higher rates, and ultimately increased rates will be granted and passed on to the user of gas for cooking and heating, and the user of the electricity.

The revenue of all the utilities in this country is $1,500,000,000. So that the impact of this tax will be felt by the consumer, who, in the long run, will pay

$45,000,000 more annually for these essential services.

The direct impact of the tax is not so clear on companies not subject to regulations, but they will inevitably pass most of it on to the consumer.

A large proportion of the meat and groceries purchased by the average man now are sold by the chain stores. These will bear the increased tax, and it will ultimately be added to their prices. Even the corner grocer buys most of his supplies from large corporations, which must add to the price of these articles.

As I said before, it has been estimated that more than 70 percent of the entire business in this country is done by these corporations whose Federal taxes will be increased by this bill.

So let us see what we are really doing here:

By lowering many of these excise taxes we are taking some of the cost off nonessential items which the general public may want to buy, and at the same time we are placing this tax on the cost of living items which they must buy.

There certainly are some areas in the excise-tax field which need a reduction at the present time, but to reduce the taxes for one who chooses to buy a diamond necklace or a mink coat or a ticket to South Pacific, and replace this with a tax on such cost-of-living items as groceries purchased from the A. & P., milk from the Borden Co., or gas for cooking from the neighborhood utility company does not seem to me to be helping those who need help most.

Of course it may be good politics to substitute a hidden tax which the general public will not know they are paying for a retail excise tax which people know they are paying and object to, but it certainly is not helping those in the lower income group.

Today it is those people who are suffering most from the high cost of living.

If the President's policy of large deficits continues, it is inevitable that the cost of living will go higher and higher, and this bill will give it an added push.

Some have argued that this tax will be taken out of the dividends which these larger corporations will pay. Of course this is not true in the long run, but it might be true the first year or so.

Say that it is true. It is a well-known fact that the larger the corporation, the more small stockholders it has. The Ford Co. may be said to be the exception that proves the rule.

The small corporation which will benefit from this bill usually has not more than a half dozen stockholders, but the large corporations which will bear the additional tax often have hundreds of thousands. For instance, I am told that over half the stockholders of the American Telephone & Telegraph Co.—in fact, 350,000—hold five shares or less. So that if the impact of this increased tax results in lower dividends most of those who will suffer will be the small stockholder: the little man you Democrats claim you are trying to help, but actually rarely do by the legislation which you pass.

A representative of the Treasury when asked in committee where this money was coming from said it would come out of the reserves of these corporations. This, of course, is nonsense and showed a complete lack of experience by these people in ever meeting a payroll or running a business, for no business keeps at any time on hand any more reserves than are absolutely necessary. They, like all of us, want to put any money which is available to work as promptly as possible.

So this additional $708,000,000 tax will definitely be paid by the consumers when they purchase the products of these corporations.

We must remember that it is usually the sizable corporation which through its methods of mass production and efficiency is able to produce goods attractive to the average pocketbook.

I quote from an editorial in the Newark Evening News, a leading newspaper in New Jersey:

> The marvels of American mass production and the American spirit of initiative find spectacular expression in large corporate operations. Those are the aspects of the American system that are being penalized in the Ways and Means Committee's superpolitical tax recommendations.

There are other portions of the bill that may well be questioned. Under the amendment to section 117 (j), which gives capital treatment to both gains and losses of business property, a businessman when times are bad may never be able to take a loss on property on which he may have a heavy loss, as capital losses can only be taken against capital gains. This is manifestly unfair.

Another bad feature is that which provides that deficiencies will bear a 6 percent rate of interest, while refunds bear only 3 percent. Certainly if an individual deliberately understates his tax liability he should be charged 6 percent, but there is already a 5 percent penalty for negligence and most arguments between a taxpayer and the Treasury are a result of an honest difference of opinion of interpretation of the very complicated tax laws. Often the agent is seeking to get money to which the Government is in no way entitled.

Before a case is finally settled several years may elapse. A credit of only 3 percent interest if the Government has been entirely wrong in its interpretation of the law, and a charge of 6 percent interest if the taxpayer has misinterpreted the law, is decidedly unfair.

Then we have the so-called Mills plan. This was originally conceived as a scheme to lull the people by making the Federal deficit seem smaller. Now it is proposed as a reform.

There are plausible arguments to back it as a reform, for why should corporations have the use of the money which they owe the Federal Government when an individual must pay his taxes currently.

This plan might well be included in some future tax revision bill, but that the reason why it appears in this bill is still phoney may be shown by the fact that the Democratic majority still allow corporations to pay taxes in two installments—on March 15 and June 15—and that both these dates come within the last part of the fiscal year. If there are to be two installments—and why should there be—why not have them April 15 and July 15, or March 15 and September 15?

It is very evident that the purpose of placing this change in the bill is not reform but a desire to fool the people as to the size of the Government's deficit in the next few fiscal years.

While owing to President's Truman's extravagances, we are spending $5,000,000,000 more than we are taking in, I doubt the wisdom of reducing excise taxes on nonessentials by such a figure as $1,000,000,000.

If we are to go nearly all across the board, why would it not be fairer to make an equal percentage decrease in all excise taxes which were increased owing to the impact of war, while removing entirely those which were imposed not to bring revenue but to conserve scarce material?

We have just been informed that the cost of living for the past month has had a sharp rise, the sharpest in 22 months. I am very much opposed to increasing the cost of living by adding $708,000,000 of additional taxes to those businesses which provide 70 percent of the goods which the average man has to purchase to live. This will be a heavy burden on the consumers in my district.

It seems to me that the bad things in this bill exceed the good ones. Therefore, I expect to vote against it on final passage.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I am glad to yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. The gentleman mentioned that the tax rate set in this bill for corporations making more than $167,000 a year profit was higher than the tax rate during the war. The gentleman does not fail to mention that we had an excess-profits tax during the war.

Mr. KEAN. Certainly we did, and I am very glad we did.

Mr. EBERHARTER. In addition to that we also had the Renegotiation Act so that these tremendous profits were siphoned back into the Treasury. Right now we are having a very successful business activity among certain corporations. This bill will just siphon a little of that excess profit into the Treasury which so badly needs it.

Mr. KEAN. This is a high tax; this is a higher tax on the corporation which does not make excess profits than the tax which applied during the war. There are lots of corporations that did not have to pay any excess-profits tax. There were lots of corporations that did not have the fine technique of getting Government business; maybe they did not have friends on the gentleman's side of the aisle.

Mr. EBERHARTER. I would say that most of the revenue coming by reason of this 41-percent rate would be classified under the War Act as excess profits.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield.

Mr. BYRNES of Wisconsin. I wonder if the gentleman would comment on this matter of bigness as it relates to corporations as a test of ability to pay. It seems

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to me that although we do use the size of income as far as individuals are concerned as a test of ability to pay, there is a distinction and a difference between individuals and corporations which certainly does not take into consideration any of the factors of investment or earnings on investment or even the size of the income of the individual; nor, as the gentleman pointed out in his description of the number of stockholders and the distribution of money as between so-called big corporations and small corporations.

Mr. KEAN. The gentleman is entirely right. The graduated income tax as far as the individual is concerned I think is perfectly justified on the ability to pay principle; but, as I said, the larger the corporation, the more little stockholders it has; and the penalty in putting a graduated tax on the size of the corporation is on the little fellow. It does not penalize, except perhaps in rare instances like the case of the Ford Corp., the very wealthy stockholder.

Mr. BYRNES of Wisconsin. If this rate is going to be based upon ability to pay, as far as corporations are concerned, it would seem to me you would have to take into consideration the question of the investment in the company.

Mr. KEAN. Surely.

Mr. BYRNES of Wisconsin. Not the plain item of income.

Mr. TOWE. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield to the gentleman from New Jersey.

Mr. TOWE. Mr. Chairman, the gentleman from New Jersey [Mr. KEAN] has made a very accurate analysis of this bill. It shows that it really is not in the interest of the great majority of the people of this country. I would like to compliment him and to say that I am in complete accord with his viewpoint.

Mr. KEAN. I thank the gentleman.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. On this matter of investment and the reserves of corporations, said reserves coming in through the setting up of corporation employees' pension funds, I think the gentleman quoted somebody to the effect that these new taxes are to be paid out of corporation reserves.

Mr. KEAN. That is what the Treasury Department thinks.

Mr. CRAWFORD. All right. What, then, would happen to an industrial pension program that is being set up under these collective-bargaining agreements if those reserves are used for the purpose of paying corporation taxes?

Mr. KEAN. These people in the Treasury who have had no experience in business in any way think a surplus is cash and that all reserves of corporations are just sitting around doing nothing. They do not realize, as I said, that no corporation or no individual ever lets any money sit idly by if he can help it. The gentleman would not have ten or fifteen thousand dollars sitting in a bank doing nothing. He would want to invest that money. He would want a return on it. So do these corporations. You might have an extraordinary case right at the moment when some corporation has a high earning period like General Motors when it might have excess reserves, but normally the reason that company balances are kept in the bank and the reason they are kept in cash is that the company may want to borrow from that bank some day and by keeping its deposits up and the good will of that bank they will be able to borrow money.

Mr. CRAWFORD. There is another reserve showing up on corporation balance sheets and that is where the corporation carries its own insurance and sets up the same amount of insurance reserve that it had previously paid to insurance companies. Many corporations are doing that. Although that reserve might or might not be taxable as taxable income, the corporation not having spent it, and being permitted to deduct only that portion which is actually paid out for loss, to dissipate that reserve through the payment of taxes is to completely demolish the insurance scheme of the corporation; is that not true?

Mr. KEAN. Neither of the things which the gentleman from Michigan has mentioned is available to pay taxes to the Treasury.

Mr. CRAWFORD. May I ask another question? Under the collective-bargaining agreements now being made, which provide for industrial pensions we will call them, are those reserves thus created deductible in arriving at taxable income, whether tied in to the collective-bargaining agreement as a part of the wage consideration paid to the employee or not?

Mr. KEAN. Frankly, I do not know.

Mr. CRAWFORD. I wonder if the chairman of the Committee on Ways and Means or the gentleman from Tennessee [Mr. COOPER], could answer that question?

Mr. KEAN. I think that would be subject to an interpretation by the Treasury.

Mr. CRAWFORD. The question is this: Where an industrial corporation makes a collective-bargaining agreement with organized labor, and that agreement provides for an employee pension fund and becomes a part of the wage schedule, are those deductions made by the corporation and put into the reserve to meet obligations hereafter deductible in arriving at the taxable income of the corporation?

Mr. COOPER. If they can qualify and establish an employees' pension plan under the Internal Revenue Code that would be true.

Mr. KEAN. I think they have to go to the Bureau of Internal Revenue and get clearance on the type of fund, and if it is set up in a certain way, I think they allow a deduction.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Washington.

Mr. HOLMES. I think you will find that they will have to get an administrative ruling in relation to the character of the fund.

Mr. CRAWFORD. To that extent it goes into the collective-bargaining agreement and is not cleared. That reserve then, which is a liability to the employees under the collective-bargaining agreement, might also become a liability for the payment of corporation income taxes.

Mr. COOPER. I think it is section 165 of the Internal Revenue Code which provides the basis upon which they must qualify.

Mr. CRAWFORD. As these pension funds provided for in the collective-bargaining agreement get clearance from the Bureau of Internal Revenue, they will begin to grow, and within a few years they will involve literally billions of dollars. I have been discussing this with a great many corporation officials during the last 3 weeks, and they are now wondering in what they will invest those funds, and then later on, how far they must go. Now, there might be such a thing where these funds some day will be invested in FHA mortgages, for instance. So, we are now starting on a movement, good, bad, or indifferent—I am not discussing that, but it gets into this question of our reserves where, through these agreements, we will build up enormous funds which will be invested somewhere for the protection of the employees.

Mr. KEAN. That is correct.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Chairman, the delay by the Democratic majority in providing excise-tax relief has been unconscionable. The relief provided in this bill is pitifully inadequate, and the deceit on the public by shifting some of the excise taxes to a higher corporate levy makes this bill a travesty on sound tax legislation.

For months the Democratic majority has delayed in reporting excise relief legislation to the House. Now it may be too late. In any event, it is too little.

Three times the Republican minority on the Ways and Means Committee tried to force the Democratic majority to report excise-tax-relief legislation to the House. Each time we were defeated on a straight party vote. Typical of the resolutions offered by the Republican minority to force immediate action is the following resolution which I offered on behalf of the Republican minority on February 3 and again on March 13, 1950:

Whereas public hearings have revealed many areas in which certain excise taxes are causing serious hardship by reason of consumer resistance, production cut-backs, and unemployment; and

Whereas public hearings have further revealed that it is essential to relieve this condition at once, I move that the committee immediately prepare excise-relief legislation providing for the reduction and/or elimination of excise taxes to relieve this condition and report such legislation to the House forthwith prior to consideration of other revisions of the Internal Revenue Code.

As a peacetime measure the excise-tax relief provided in this bill is wholly inadequate. Only a few of the wartime

excise taxes imposed or increased under the Revenue Acts of 1941, 1942, and 1943 have been reduced or eliminated by this bill. Even the excise taxes imposed or increased in the Revenue Act of 1943 have not all been eliminated. You will perhaps recall the Democratic charge that the Republicans kept these taxes on after the war; that the Democrats were in favor of removing them. In view of this, would you not think that the majority would now do what they promised and repeal the taxes imposed or increased by the 1943 act? You might think so, but now that they have their chance, the Democrats have refused to fulfill their promise. To cite just a few examples, I call your attention to the fact that the 20-percent tax on electric-light bulbs imposed by the 1943 act has not been reduced at all in this bill; the 20-percent tax on dues and admissions has not been reduced; the 8-percent tax on wire equipment service has not been reduced.

The revenue raised by excise taxes has increased from approximately $500,000,000 in 1932 to $7,500,000,000 today.

All of the existing excise taxes have been imposed or increased under Democratic Congresses.

Among the unfortunate omissions in H. R. 8920 is the failure to provide for a lower tax on cigarettes manufactured to retail at not more than 12 cents per package. I have introduced a bill to achieve this by reducing the present $3.50 tax per 1,000 on cigarettes to $2.45 per 1,000 on cigarettes manufactured to retail at not more than 12 cents per package. This tax reduction for economy-brand cigarettes would be passed on to the consumer.

As the result of the noncompetitive prices in the cigarette industry, persons in the lower income groups have nevertheless to pay the same amount of tax on their cigarettes as the more prosperous segment of our population pay for their high-priced cigarettes. This is most unjust. However, an ad valorem tax on cigarettes, for which there is ample precedent in the tobacco industry, would give an opportunity for smaller cigarette manufacturers to continue in business and for new manufacturers to enter the cigarette production field.

Year after year all the executive departments of the Government have consistently favored the principle of a graduated tax on cigarettes, and the failure by the democratic majority to provide for this in this bill is an indication of the democratic affection for the big cigarette monopoly interests of the country. Party contributions have obviously been put ahead of cheaper cigarettes for the people.

Instead of raising corporate taxes and thus in effect providing only token excise tax relief, Federal expenditures for domestic programs must be immediately reduced before it is too late and the tragedy of inflation has been unleashed. It may already be too late. If this had been done, as the Republicans urged, the people of the country could have real tax relief. But, instead, at the end of today and every day the Truman administration will have sunk the country $15,000,000 deeper into debt as the result of siphoning from the people approximately $104,000,000 per day and spending at the exorbitant rate of $119,000,000 per day.

In 1945, when we were fighting the war and had over 11,000,000 men under arms—Federal, State, and local governments collected $52,500,000,000 in taxes from the people of this country, and yet this year these three taxing powers are collecting $55,000,000,000, or about 25 percent of the national income and more than the entire national income in 1932, 1933, or 1934.

Just 20 years ago the total budget was only $3,000,000,000. For the new fiscal year the President asked for over $42,000,000,000 and the sudden turn of world events may call for much more.

Just 20 years ago the Government had less than 600,000 civilian employees. Today there are more than 2,000,000.

Even worse than the appalling and shocking increase in Federal expenditures, which has amounted to almost $10,000,000,000 per year since only 1948, has been President Truman's demand for increased spending for domestic programs which, instead of strengthening the solvency of the Nation during peacetime, would force us into bankruptcy.

President Truman has asked the Congress for, and is urging, domestic programs unrelated to national defense which will increase Federal expenditures by $7,000,000,000 in the next year, and $25,000,000,000 per year within the next 4 or 5 years.

We must immediately return to fiscal sanity and sound tax legislation. Unfortunately President Truman has ill-equipped this Nation for emergency and his fiscal and tax policies since the end of World War II have already brought us to the bring of a financial crisis.

We cannot spend ourselves into prosperity. Prices are rising and the dollar is shrinking. Already the real value of savings, pensions, annuities, and insurance has been cut almost in half. A 10-cent dollar is fast approaching. Taxes are eating at the foundation of our free-enterprise system; are stifling the incentive and ambition to produce; and are enslaving the American people by depriving them through excessive taxation of their right to spend their own money. Instead of strengthening the economy, President Truman's extensive spending and taxation have weakened our capacity to meet the demands on our productive capacity which we may be called upon to meet.

### RAISING THE CORPORATE RATE

In 1945 the President endorsed the $3,000,000,000 reduction in corporate excess-profits taxes, although there was a deficit for that year of $20,000,000,000. Then, on January 7, 1948, he recommended the reimposition of this tax, and in 1949 he proposed to increase corporate taxes by $4,000,000,000, or $800,000,000 more than he proposed in 1948. In the summer of 1948, however, he withdrew this proposal. But a few months later he intimated that he was in favor of increasing them. In his special tax message of January 23, 1950, to the Congress he proposed to increase corporate taxes by a billion dollars despite the fact that the combined net income of all reported companies in 1949, after taxes and after deducting deficits, amounted to $10,400,000,000 as compared with $11,800,000,000 in 1948.

That the President and his tax advisers do not understand the true nature of the corporation tax is clear from the above brief account of their hit-and-miss tax recommendations. What apparently they do not understand is that a corporation is only a legal fiction and that corporations do not pay taxes—they only act as collecting agents for the Treasury, their stockholders and their management, and the public. In the end it is the people who always pay.

Economists may disagree as to the proportion of corporate taxes which are borne by stockholders or passed to the general public, but there is no disagreement that higher corporate taxes mean a combination of higher prices, reduced purchasing power, and curtailed business expansion.

Aside from the fact that this bill only shifts taxes and does not provide any real tax relief, raising the top corporate rate from 38 percent to 41 percent is unwise tax legislation—particularly in this period of sudden national crisis, when every effort should be made to maintain the delicate balance between the forces of inflation and bust and a stable expanding economy capable of increased production. It is imperative for the Congress to stop, look, and listen. Any other step will only increase the financial upheaval which has hit the stock market in the last 2 days, resulting in the precipitous drop and fluctuation of the securities and commodities market.

The people of America are alarmed. It is our duty to assure them that the Congress will not place partisan politics above the best interest of our Nation. Any new tax legislation should be framed in the light of the change in world events and not in the light of the November elections.

### WITHHOLDING ON DIVIDENDS AND PATRONAGE REFUNDS

There is absolutely no need to impose a new withholding tax on the American people. This bill already contains two provisions which will meet the problem of leakage of dividends and patronage refunds from the income tax. These two provisions are:

First. That all corporations and cooperative organizations be required to file information return Form 1099 on or before February 28 showing the aggregate amount of dividends or patronage refunds paid to any individual, trust, or estate, and the date of such payment.

Second. That all taxpayers be required to itemize the amount of each dividend and patronage refunds received, together with the name of the payor corporation.

Under existing law, corporations are now required to file a 1099 information return showing the name of the taxpayer and the amount of dividends paid, only in those cases where the amount of the dividends paid is $100 or more. By requiring corporations and cooperatives to file this form on all dividends and

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patronage refunds, irrespective of the amount, the Bureau will be advised of the name of every recipient, and not just those who received $100 or more from any one company, together with the amount received.

The second provision requiring every taxpayer to furnish an itemization of each dividend and patronage refund received will eliminate errors of computation and omission which account for most of the leakage of the items from the income tax. Under existing law, dividend and patronage-refund recipients report these distributions only as a gross amount in their annual income tax returns.

Taken together, these two proposals will furnish all the information needed by the Bureau and will just as effectively achieve the desired result.

The Democratic majority will undoubtedly claim that by not adopting the complex inequitable withholding, the Government will not obtain the additional $170,000,000 which they allege will be collected under the withholding scheme. This, of course, is pure politics.

In addition to the fact that the initiation of a flat 10 percent withholding system is entirely unnecessary, it will—

(a) Impose a hardship and inequity on millions of taxpayers by arbitrarily depriving them of 10 percent of their investment income, however small, and by withholding a tax against thousands of persons who owe no taxes whatever.

(b) Impose an expensive and difficult administrative burden on all corporations and cooperatives, particularly those which cannot afford the expense necessary in order to make the detailed computations.

(c) Be confusing to the ordinary taxpayer and difficult to apply equitably.

In the case of withholding on wages and salaries, established in the Current Tax Payment Act of 1943, the amount withheld from an employee is related to the number of the taxpayer's dependents and consequently an attempt is always made and an opportunity available to adjust the amount withheld to the taxpayer's actual tax liability.

The new flat arbitrary 10 percent withholding on all dividends and patronage refund payments will be made, however, without regard to the number of the recipient's dependents or his tax liability, if any, and as the result claims for refunds will have to be filed in literally hundreds of thousands of cases.

Some large companies will, of course, be able to afford the expensive equipment needed to comply with the complex withholding provisions. This will not be the case with small companies and cooperatives, however, and a substantial amount of paper work and red tape will have to be set up and met through additional personnel. In addition to complying with the law, it can be expected that stockholders of all companies will constantly be demanding additional or supplemental information for purposes of computing their tax credit and meeting their own requirements imposed by the new withholding.

In an attempt to apply the new withholding tax equitably, a complicated series of credit devices has been devised. This is necessary not only for the ordinary taxpayer, but because substantial proportion of stock is registered in names other than those of the actual owners. For example, stocks are frequently registered in "street" name, in the name of a "nominee" or in the name of business organizations operating as a partnership. Also, of course, stocks are held by various estates, trusts, guardian, custodian, and deposit accounts and the actual owners of which are scattered all over the world. Many of the actual owners may already be subject to various amounts of withholding. These problems are typical of the new complexities which the majority would impose upon the long-suffering public.

ACCELERATION OF CORPORATE PAYMENTS

To accelerate the time of corporate tax payments under normal conditions would be unwise—to do so now might be calamitous. By adopting this provision in the bill the Congress would be removing the last remaining cushion against subsequent sharp decline of revenue, and rather than stabilizing and equalizing the amount of receipts, the effect would be to widen inflationary and deflationary movements. Nothing could be more unwise at this time when the whole balance of our economy may hang in the balance.

REDUCTION OF INTEREST RATE ON REFUNDS

Section 602 of the bill reduces the interest rate on refunds to the taxpayer from 6 percent to 3 percent, thereby establishing a differential of 3 percent between the interest rate on refunds and deficiencies.

A differential between the interest rate on refunds and deficiencies is basically inequitable, and particularly a differential of 3 percent. There is no reason why the Treasury should extract 6 percent interest on the amount of a deficiency assessed against the taxpayer and at the same time pay only 3 percent in overpayments erroneously collected by the Treasury and withheld from the taxpayer. In both instances the mistake is generally the result of an honest difference of opinion between the Treasury and the taxpayer resulting from the complexity of our tax laws. A differential was attempted once before, but was repealed retroactively by the succeeding Congress as the result of the patent inequities which it produced. Take, as an example of the unfairness of the majority proposal, the case of a family partnership where the existence of a valid partnership for tax purposes is assumed by the members of the partnership. Several years later the partnership is held invalid for Federal tax purposes by the Bureau and as a result one member of the partnership will have a sizable additional assessment on which he must pay 6 percent interest, while the other members of the partnership will be entitled to refunds on which their interest will be only 3 percent. This is palpably unfair.

In effect the present high rate of interest is a penalty on both the Government and the taxpayer, and there is no justice in reducing the Government's penalty and continuing it against the taxpayer, against whom there is already a civil penalty of 5 percent for failure to file the return and a 5-percent penalty for negligence.

It does not take any familiarity with tax practice and procedure to recognize this proposal for what it is—a desperate effort to grab a little additional revenue, regardless of the inequity involved.

PROVISIONS AFFECTING SMALL AND NEW BUSINESSES

I have long recommended and urged that the 53 percent marginal rate on corporate income between $25,000 and $50,000 be adjusted. This has been done in this bill by substituting a flat 21 percent normal tax and a flat 20 percent surtax rate with a $25,000 surtax exemption. Although the effective rate on income under $50,000 is always less than 38 percent, the marginal rate of 53 percent in the area between $25,000 and $50,000 discourages the earning of additional income above $25,000.

The bill also amends existing law by providing for a 1-year carry-back and a 5-year carry-forward, thereby extending the period over which business income may be averaged from 5 to 7 years. This is a desirable change which I have long recommended, but in addition the majority should have redefined the definition of statutory net income for carry-over purposes in order to eliminate the existing discriminations against businesses with fluctuating incomes imposed by the 1942 act.

As a result of the technical limitations imposed by the 1942 act on the definition of the net operating loss for carry-over purposes, many taxpayers are unfairly deprived of carry-forward or backward of their actual losses. I believe that the statutory concepts of statutory net income used to determine the tax liability of a single year should also be used for carry-over and carry-back purposes. For example, under existing law a taxpayer in computing income subject to a tax in a given year includes only 15 percent of intercorporate dividends received, is allowed percentage depletion where applicable, and excludes tax-free interest. Section 122 of the code, however, permits none of these allowances in determining a net operating loss for carry-over and carry-back purposes, and the result is in effect to deny in part the benefits of tax exemption, percentage depletion, capital gains and loss provisions, and the credit for intercorporate dividends.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, this tax bill is not altogether pleasing to me for it goes too far in some instances while in other cases the relief is inadequate. However, under the circumstances and despite the proposal's lackings, I feel the committee's bill should be approved. I intend to vote for H. R. 8290 on final passage but it is also my intention to support the motion to recommit providing, of course, such a motion contains the provisions heretofore released to the members of the minority.

This legislation undoubtedly will not be entirely satisfactory to many citizens

in Kent and Ottawa Counties. By the time this bill becomes law, if it does, the tax relief may be "too little and too late" to save many enterprising small-business men who have been combating price resistance in the retail business for many months. It is regrettable that the administration leadership has stalled off until this late hour excise tax relief when it was perfectly obvious that various manufacturing concerns and their workers were suffering because our citizens throughout the Nation could not afford to pay the cost plus the prohibitive Federal excise taxes on the affected merchandise and services wanted and needed. The wartime-imposed excise taxes should have been reduced or repealed early in 1949 during the first session of the Eighty-first Congress. The Republican members of the House Committee on Ways and Means on at least two occasions attempted to force such legislative action but on each occasion were rebuffed on a straight party vote with the Democratic Party members on record against immediate excise tax relief. As a consequence of the majority party action, or lack of action, irreparable harm has resulted to our economy. Workers have lost jobs, businesses, both retail and manufacturing concerns, have gone out of existence or have suffered tremendous losses because of the continuation of these excessively high consumer taxes. In addition, consumers have foregone purchases because they just could not pay the prices with these prohibitive taxes included. The blame for this delay falls squarely on the shoulders of the majority party leadership.

One of the tragedies of this tax-revision bill is the failure of the committee to include a provision similar to a bill introduced by me in January 1950, namely, H. R. 6815. Under our existing Federal tax laws, home owners are severely penalized if and when a residence is sold. In other words, today if a home owner sells at a price above his cost, he must pay a tax on the gain; but if the same home owner sells his residence for a loss, he gets no credit for this loss on his income-tax return. There is no justification whatsoever for the continuation of this unfair and inequitable treatment of such transactions.

This provision in our tax code has actually contributed to the housing shortage throughout the Nation. The following excerpt from a letter received by me sets forth what has happened because of the existing law in this regard:

> Here is our problem: We bought our present home in 1919 for $4,200. It is an eight-room house, much too large for us, since our children have left. We are in urgent need of a smaller home, as an aged sister has come to live with us who is suffering from an incurable disease.
>
> We could sell our home for around $9,000, and it will cost us all of that to buy another. But the Government says the difference between what was paid and what it sells for today is profit, and takes a huge slice as a capital gain.
>
> I am sure that there are many folks of our age—we are both 65—who are having the same problem and would be glad to let folks with growing families have their too-large homes to bring up their families in.

In addition, many other citizens are penalized through no fault of their own when they are forced to move from one city to another for business reasons. For example, if a man lives in Chicago where he owns a home for which he paid $10,000 and he is transferred by his company to Grand Rapids, he must sell the Chicago residence. Assume that he sells for $12,000. Under the present tax laws he is liable for a capital gain on this transaction. When he comes to Grand Rapids to establish a home for his family he must again buy a residence. If he pays $12,000 for his new residence, he is inequitably penalized taxwise, even though, in reality, he is simply exchanging one home for another. This obvious injustice is compounded and made far worse when you realize that if he eventually is forced to sell for a loss no deduction is allowed in his subsequent tax returns.

H. R. 6815 or a similar provision will someday be a part of our Federal tax legislation. Its merit is such that it cannot be ignored for long. H. R. 6815 provides that if a taxpayer uses funds derived from the sale of his home for the purchase of another residence, no gain shall be recognized for tax purposes providing all money derived from the sale is used for the purchase of the new home. Any profit not used for the purchase of a new home, under the bill, would be taxable as before. It is difficult to see why such a provision was not acceptable to the committee.

In conclusion, I wish to go on record as favoring excise-tax repeal without any additional taxes of any sort. This procedure could have been followed if the President and his party leaders had made a sincere effort to reduce Federal expenditures. However, under the circumstances, where there is no alternative because of the gag-rule procedure, I shall support the pending legislative proposal inasmuch as the desirable good provisions far outweigh the bill's bad features.

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Chairman, the question of excise tax reduction is of vital importance to the Nation. Over the past decade, we have come to rely more and more heavily on excise taxes for our Federal revenue. Excise tax collections for the fiscal year 1950 are expected to approach $8,000,000,000. This is more than has ever before been collected from this source. It is over four times as large as the $1,700,000,000 collected from the excises in 1940.

This vast increase in the use of excise taxation has not come about because we prefer excises and find inherent virtue in them. It has not come about because the excises are more equitable than other taxes in their impact on consumers and businessmen. Rather, it has come about because of the pressing needs of war finance. During the war the huge and unprecedented demands for revenue made it imperative to tap all available sources of tax revenue. The excise taxes were therefore summoned to bear their portion of the increased burden, together with the income taxes on individuals and corporations.

The shooting war has now been over for more than 5 years. When the wartime excise taxes were imposed, we wrote into the law a termination date for these war excises. They were to terminate 6 months after the President proclaimed the cessation of hostilities. Had no action been taken on the matter, they automatically would have terminated on June 30, 1947. But because of the financial needs resulting from the shooting war, the President asked the Eightieth Congress to extend the wartime excises for one more year. Instead of complying with the President's request, the Republican-controlled Eightieth Congress realizing that they could not permit the wartime excise law to expire and at the same time redeem their campaign pledges of reducing the income taxes, particularly those in the high brackets, passed a resolution repealing the termination date and thus made the wartime excise taxes permanent law.

It comes with poor grace on the part of the Republicans now to pretend to be champions of excise tax repeal when in fact they are responsible for making them permanent.

To call this tax bill a phony, as was done a few days ago by the leader of the Republican Farty in this House, is, to my mind, a sham, and an attempt to mislead the public.

If ever there was a phony tax bill, it was the income tax reduction bill passed by the Republicans in the Eightieth Congress. That bill reduced income taxes by some $5,000,000,000. It gave 36.9 percent of the relief to 4 percent of the taxpayers; all of them with incomes of over $5,000 a year, and distributed the remaining 63 percent of the benefits in dribs and drabs to the remaining 96 percent of the taxpayers. I repeat if ever there was a phony tax bill, that was it.

Naturally, we cannot afford to eliminate all the excise taxes at this time, in view of the budget deficit, but it is imperative that we make a start in this direction, within the limits of our fiscal ability. The bill before us, H. R. 8920, makes such a start. It cuts excises by more than $1,000,000,000, on a full-year basis, but practically offsets this decline in revenue by closing tax loopholes and by increasing the income-tax rates for large corporations.

The bill distributes the more than $1,000,000,000 of excise-tax reduction where it will do the most good. This can readily be seen by touching on some of its high lights. In terms of revenue loss, the largest relief, $240,000,000, would go to the transportation taxes. The tax on the transportation of persons would be reduced from 15 to 10 percent; the tax on the transportation of property would be cut from 3 to 1½ percent; and the tax on the transportation of coal would be reduced from 4 cents to 2 cents a short ton. It is not hard to visualize the benefits which would flow from such tax reduction. The present taxes on transportation increase the cost of production and hence the price of practically every commodity sold in this country. The reduction of these

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taxes would therefore accord substantial relief to business firms throughout the Nation.

The second largest portion of the tax reduction, or $236,000,000, would be spread over the retail excises on jewelry, fur, luggage, and toilet preparations. The rates of tax on these items would be reduced from 20 percent to 10 percent.

The retail excises have a strong claim to share in the tax reduction. The present 20-percent tax rates are higher than most excise tax rates, especially since they are based on the retail price which includes the mark-ups of retailers and wholesalers, as well as the manufacturer's price. It is also common knowledge that the jewelry, fur, and luggage industries have in recent years suffered great declines in sales. Thousands of workers in these industries have been unemployed for months. The reductions in the retail excises provided by the bill would help wage earners and businessmen in these industries, and would provide substantial relief for consumers.

Special mention must also be made of the complete elimination of the tax on the retail sales of ladies' handbags and baby oil. These provisions would benefit millions of women and families in low-income groups.

Reductions in the admission and cabaret taxes would account for $200,000,000 of the tax decrease. By far the larger part of this relief would be expended on reducing the tax on entertainments like movies and baseball games from 20 percent to 10 percent. The reduction of this tax will help the low-income group who patronizes these forms of entertainment. It will also provide considerable assistance to the movie industry, whose box-office receipts have fallen off greatly in recent years, partly as the result of the competition of television.

The bill also makes adjustments in a large number of manufacturers' excises, which altogether will reduce revenue by about $195,000,000. Beneficial reductions are made in the rates of several excises which will materially aid consumers who in the final analysis bear most of the burden of these taxes. These reductions cover a wide range of items—tires and tubes, automobile parts and accessories, musical instruments, refrigerators, business and store machines, photographic apparatus and film and matches.

Several articles which are especially necessary for consumers like electric, gas and oil stoves, water heaters, and flatirons would be completely exempt from the manufacturers' tax. Photographic apparatus and film of the types used for commercial purposes would be completely exempt instead of being taxed at the present high rate of 25 percent. Sporting goods, like baseballs and footballs, which are used predominantly by schools or by children, would also be exempt from the 10-percent tax on sporting goods. This would eliminate the administrative and clerical difficulties placed on the sporting-goods industry by present law, which exempts sales of sporting goods to public schools, on condition that exemption certificates are filed. It would also encourage the purchase of athletic goods for children and so encourage them to engage in wholesome and healthful activities.

Finally, the taxes on communications would be decreased by $117,000,000. The tax on local residential telephone service would be reduced from 15 percent to 10 percent, thus aiding the millions of families for whom the telephone has become a necessity. The tax on telephone toll messages costing more than 24 cents would be decreased from 25 to 20 percent, and the tax on domestic telegraph messages cut from 25 percent to 10 percent. Here too, it is not difficult to see the benefits that would accrue to large numbers of business concerns which use long-distance telephone and telegraph services in the regular course of their business. Moreover, the reduction in the tax on domestic telegrams would give substantial relief to Western Union which has been in acute financial distress in recent years.

As I review the impressive list of benefits flowing from the proposed excise-tax reduction, it becomes increasingly clear to me that we must approve this bill. Millions of consumers and hundreds of thousands of business firms are depending on us to give them the excise-tax relief contained in the bill. We must not fail them.

Mr. Chairman, I regret to note that our Republican friends are so devoid of argument that they have had to resort to preaching the doctrine of fear and also that apparently they have determined to fight the battle of big corporations rather than to look after the welfare of the country as all of us think should be done now. I say that they are preaching the doctrine of fear because of the statements made by my good friend, the gentleman from New York [Mr. REED], yesterday, when he opened his remarks here on the floor which you will find in the CONGRESSIONAL RECORD which came to us this morning.

If you will turn to page 9283 of the RECORD you will notice that in beginning to discuss the tax bill we now have under consideration, my good friend from New York said:

> Today we in the House of Representatives are considering, and I fear on the verge of passing—

A little further down in the next paragraph he said—

> The bill before us today is one of the most dangerous measures ever to come before the House.

And so on throughout his discussion. I say they are fighting the battle of big business because of their condemnation of the majority of the committee for having a provision in this bill to increase the corporate tax rate. They dwell upon the fact that what we should do is eliminate the excise taxes, but ignore completely the necessity of picking up money to offset that which we would lose. Of course, that is not a bit surprising. It is the old political expediency idea. It is the idea of voting for all appropriations and against all taxes, ignoring the effect of such action upon the Federal budget and upon the revenue sources of this country.

Oh, they shout loud the claim that to the Republicans belongs the credit for any action taken by way of repealing or reducing excise taxes. I do not know of anybody that deserves more credit than the Democrats for attempting to accomplish this job.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Massachusetts, the majority leader.

Mr. McCORMACK. As a matter of fact, many of the excise taxes that are now being reduced were made permanent by the Eightieth Republican Congress, contrary to their promise. We fought it. Then, even after making them permanent, they promised to repeal them before the Eightieth Congress was over. Of course, that is another forgotten promise.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. REED of New York. May I say to the distinguished leader of the majority that I have the CONGRESSIONAL RECORD here, and of course he voted for that bill with great enthusiasm.

Mr. McCORMACK. Yes, the gentleman from Massachusetts voted for it because the President had recommended that they be extended for a year.

Mr. FORAND. One year, that's right.

Mr. McCORMACK. We had nothing else to do. Nothing else could be done. Otherwise they would have automatically terminated. The revenue had to be obtained. We could not offer an amendment. I have no criticism about that. They brought in a closed rule, which is all right. I have no criticism of that because that applies to both parties. But we were in a position where there was nothing else we could do. But they did make them permanent.

Mr. FORAND. The gentleman is absolutely right. The reason they did that, and the record will show it, was because in the previous election campaign the Republicans had gone up and down the country preaching to the public generally that they were going to reduce the individual income taxes; and they did. But they realized also that they could not do both. So, taking advantage of the fact that the President had recommended a 1-year extension, they brought in a simple resolution, and I do not believe 10 percent of the membership of the House knew what that resolution meant, just striking out the termination date.

Then what did they do? They brought in that iniquitous tax-reduction bill, sponsored by our former colleague, Congressman Knutson, reducing the income taxes by $5,000,000,000, pretending that they were going to be very liberal and give everybody a break. What happened? Thirty-six and nine-tenths percent of the tax relief in that bill went to 4 percent of the taxpayers, the taxpayers in the higher brackets. Then the remaining 63 percent was passed out in dribs and drabs to the rest of the taxpayers, 96 percent of them.

Mr. REED of New York. You have been in full power. If that is such an iniquitous law, so damaging, especially to the people that need relief, why do you not repeal it?

I have not heard an audible sound out of you on that score.

Mr. FORAND. The gentleman realizes we are trying to do a good job. What I am criticizing is the method of distribution of tax relief which was in the bill, where only 4 percent of the taxpayers receive 36 percent of the relief. That is my criticism. And I go still further and call your attention to the fact that it was because of this repeal of the income tax to the tune of $5,000,000,000 that today the budget is out of balance.

Mr. REED of New York. I disagree with the gentleman because the President recommended the expenditure of $5,000,000,000 in excess of the $10,000,000,000 that you are talking about.

Mr. FORAND. The gentleman has a perfect right to disagree with me, but he does not change my mind one iota.

Mr. REED of New York. I did not expect to, sir.

Mr. FORAND. The record tells the story and not my words or the words of the gentleman from New York.

Mr. REED of New York. I notice the majority leader says that there was nothing else you could do because the President had requested it.

Mr. FORAND. That is on the excise tax.

Mr. REED of New York. You are still being a rubber stamp.

Mr. FORAND. That was on the excise tax. Talk about being a rubber stamp, just take the report on this bill. Talk about your rubber stamping—two of your members in the committee voted with the majority to report out the bill and then turned around and signed the minority views, thus presenting a united Republican front, criticizing the majority.

Talk about rubber stamping. Why, you are out—I am sorry, I cannot yield further.

Mr. REED of New York. Still you voted for that.

Mr. FORAND. I am sorry I cannot yield any further to the gentleman. I think I have answered his question.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. McCORMACK. Furthermore, they do not want to take into consideration the small businesses of the country. Most of them are opposed to any increase in the corporate taxes which, at the same time, takes care of more than 170,000 corporations, enabling them to meet this intense competition imposed upon them by big business.

Mr. FORAND. The gentleman from Massachusetts is absolutely right, and the newspapers all over the country have published the fact that our good old Republican friends have been squirming for 3 days trying to write up a motion to recommit, and now the report is that their motion to recommit is going to be to strike out that part relating to corporate taxes and just simply scuttle the excise tax, and let the thing hang.

Mr. McCORMACK. If such a motion to recommit is made, I hope for the record, so that those who come within the category of small business will know, that that motion will be an attack against their best interests, and against their business strength and business stability.

Mr. FORAND. The interesting part of this is that in this country there are 376,000 corporations with taxable income and out of that total only 25,000 will find their income taxes increased. The balance of them, with incomes of not to exceed $167,000, will either find they have to pay a little less tax or no more tax than they are paying at the present time.

In other words, it is real relief for 90 percent of the corporations in this country, the little corporations, and our Republican friends are fighting the battle of the big corporations regardless of the effect their actions may have on the little corporations.

It is interesting to note, and these are not my words, but I offer as documentary proof here the monthly letter for May 1950 issued by the National City Bank showing the total net income after taxes, by corporations reporting for the fiscal year 1949, to be a net total of $1,045,000,000. Those are not my words. These are the words of the National City Bank. In their March letter they say "2,127 companies whose reports are now available for 1949 show a combined net income after taxes and after deducting deficits of approximately $6,300,000,000." Bear in mind that is only 2,127 companies out of 376,000.

Then take the Economic Indicator for May 1950, issued by the Joint Committee on the Economic Report by the Council of Economic Advisers. This shows corporate profits, after taxes, for the year 1949, $17,200,000,000. On the basis of the first quarter of 1950, it is estimated that for this year, the profit will be $18,300,000,000. Yet, the Republicans say, "Don't touch the corporations."

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. McCORMACK. On November 7, 1946, in an exclusive interview appearing in the Chicago Tribune, our former colleague, Mr. Knutson, who later was chairman of the Ways and Means Committee, said, "The committee will reduce and in some cases eliminate excise taxes on a long list of items that include jewelry, furs, cosmetics, and liquors. The reduction will be effective next July 1." That was 1947. That appears also in the CONGRESSIONAL RECORD of January 29, 1947. Where is that promise?

Mr. FORAND. It is in the same basket as all the other Republican promises that we have been getting for years.

Mr. REED of New York. Your President came in with tears in his eyes and said he wanted the excise taxes extended.

Mr. FORAND. For 1 year.

Mr. REED of New York. And he got cooperation, and you people voted for it. Do not forget that. You have never made a move to repeal the law or make any changes since.

Mr. FORAND. The gentleman is in error in that statement. I have had bills pending for the last 3 or 4 years. I had them pending when you were in control of the Congress.

Mr. REED of New York. Do you mean to say that they will not listen to you, a member of the Ways and Means Committee?

Mr. FORAND. They listen to me about as much as they listen to you, but the good and the welfare of the country is considered first, and if you gentlemen had not used such delaying tactics every time we had the matter up for consideration in committee, your taxes would now be reduced.

Mr. REED of New York. You know that is not true, and I will refer you to your chairman.

Mr. FORAND. I do not care whom you refer to. I have the floor. I do not yield any further, Mr. Chairman.

I am going to tell you gentlemen that I stated publicly in the committee more than 2 months ago that I was about ready to name those who were interfering with the progress of the bill.

Mr. REED of New York. You cannot name one on our side that interfered in any way or wasted a minute's time of the Ways and Means Committee.

Mr. FORAND. I can name them. I said I was about to name them.

Mr. REED of New York. Go ahead and name them.

Mr. FORAND. Fortunately, they squelched a little, and we were told that we could get out the bill, but the tactics used by men on your side were responsible for the delay.

Mr. REED of New York. I leave it to your chairman. We did not delay it one single minute. Just stick to the facts.

Mr. FORAND. I do not yield further, Mr. Chairman.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. McCORMACK. The fact remains that despite the hypocrisy on this bill, engaged in by the Republican Eightieth Congress, and the Republican leadership, the bill is here today reducing excise taxes, and from a Democratic-controlled committee?

Mr. FORAND. And let us emphasize the word "despite." I want to emphasize that word.

The CHAIRMAN. The time of the gentleman from Rhode Island has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. FORAND. Yes; I yield.

Mr. KEAN. Has the gentleman introduced any resolution, or has any Democrat introduced any resolution to repeal the Knutson tax bill?

Mr. FORAND. We have introduced several bills.

Mr. KEAN. I do not think any bill has been introduced.

Mr. FORAND. Oh, I voted against the Knutson bill.

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Mr. KEAN. The gentleman may have voted against it, but we do not see him or any Democrat——

Mr. FORAND. That is only an alibi, I may say to the gentleman from New Jersey, and I just do not fall for it. The gentleman is trying to take me off the track right now. With all respect, I ask that he permit me to continue.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. Is it or is it not a fact that we first considered reduction of excise taxes, and the minority members mainly, if not all, went along as far and as fast as the majority members in reducing excise taxes which amounted to about $1,010,000,000? Is not that correct?

Mr. FORAND. The gentleman is correct.

Mr. DOUGHTON. But when it came to closing loopholes to offset the loss incurred as a result of the reduction in excise taxes they did not go any further or faster than the majority members in closing loopholes or making up for the reduction in excise taxes; in fact, they began dropping behind when we were still half a billion dollars short of meeting the need.

Mr. FORAND. That is correct.

Mr. DOUGHTON. If the minority members had their way they would increase the deficit by half a billion.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. NICHOLSON. Does the gentleman from Rhode Island tell us that these excise taxes ought to be continued?

Mr. FORAND. No; they should not be continued. As soon as we can eliminate them completely they should be eliminated, because in my book they are sales taxes, and I am opposed to sales taxes. That is the reason we took the best we could get out of it, a 50-percent reduction.

Mr. NICHOLSON. May I ask a further question?

Mr. FORAND. Certainly.

Mr. NICHOLSON. When does the gentleman expect that we are going to do away with this sales tax that was put on us in wartime?

Mr. FORAND. As soon as more Members on the gentleman's side of the aisle decide to vote with us in cutting down some of these pork-barrel bills, especially appropriation bills.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield further?

Mr. FORAND. I yield.

Mr. NICHOLSON. Then why does not the Committee on Ways and Means bring in a bill that would take care of it? In other words, assess us in a different way for the taxes and do away entirely with these nefarious bills that you put upon us some few years ago?

Mr. FORAND. What does the gentleman refer to as a nefarious bill? Will he identify that phrase?

Mr. NICHOLSON. Yes; I will identify it as being this so-called sales tax that the gentleman is talking about.

Mr. FORAND. When did you have a Federal sales tax bill?

Mr. NICHOLSON. I did not have any.

Mr. FORAND. You do not have one now either.

Mr. NICHOLSON. What is it, if it is not a sales tax?

Mr. FORAND. You have an excise tax which is in effect a sales tax.

Mr. NICHOLSON. Shakespeare once said that a goat would smell the same no matter by what name you called him.

Mr. FORAND. The gentleman is a scholar and understands that; I am not a scholar.

Mr. REED of New York. Mr. Chairman, I yield myself sufficient time to ask the chairman of the committee a question.

Mr. DOUGHTON. I shall be delighted to answer the gentleman.

Mr. REED of New York. Mr. Chairman, I desire to ask the chairman of the Committee on Ways and Means this question.

Mr. DOUGHTON. Go ahead and ask it, then.

Mr. REED of New York. Is there one instance that the gentleman can recall where I have personally, or the minority side has, sought to delay this tax bill at all?

Mr. DOUGHTON. No; and I do not think the gentleman will claim that the majority, or the minority either, during the 5 months we were working on this bill endeavoring to make a report, were fiddling, or trying to kill time.

I give the gentleman credit for cooperating, for being on hand, beforehand, remaining late, and discharging his duty. The gentleman was faithful, and as far as I know, conscientious.

Mr. REED of New York. You are an honest man.

Mr. DOUGHTON. I thank you.

Mr. REED of New York. Mr. Chairman, the Democrats have sought to blame the Republicans for extending excise taxes during the Eightieth Congress, which was done at the urgent request of President Truman. I call attention of the committee and the country to the fact that the extension was adopted by a vote of 373 yeas, nays 35. I insert at this point the names of the Members who voted for the extension. Among those supporting the extension of excise taxes in 1947 at the request of President Truman were practically the entire Democratic membership of the House as follows:

Yeas, 373: Albert; Allen, Calif.; Allen, Ill.; Allen, La.; Almond; Andersen, H. Carl; Anderson, Calif.; Andresen, August H.; Andrews, Ala.; Andrews, N. Y.; Angell; Arends; Arnold; Auchincloss; Bakewell; Banta; Barden; Barrett; Bates, Ky.; Bates, Mass.; Battle; Beall; Beckworth; Bell; Bender; Bennett, Mich.; Bennett, Mo.; Bishop; Blackney; Blatnick; Boggs, Del.; Bolton; Bonner; Boykin; Bradley, Calif.; Bradley, Mich.; Brooks; Brophy; Brown, Ga.; Bryson; Buchanan; Buck; Buffett; Bulwinkle; Burke; Burleson; Busbey; Butler; Byrnes, Wis.; Camp; Canfield; Cannon; Carroll; Case, N. J.; Case, S. Dak.; Chadwick; Chapman; Chelf; Chenoweth; Chiperfield; Church; Clark; Clason; Clements; Clevenger; Clippinger; Coffin; Cole, N. Y.; Colmer; Combs; Cooley; Corbett; Cotton; Coudert; Courtney; Cox; Cravens; Crawford; Crosser; Crow; Cunningham; Curtis; Dague; D'Alesandro; Davis, Ga.; Davis, Tenn.; Deane; Devitt; D'Ewart; Dingell; Dolliver; Dondero; Donohue; Dorn; Doughton; Drewry; Durham; Eaton; Eberharter; Elliott; Ellis; Ellsworth; Elsaesser; Elston; Engel, Mich.; Engle, Calif.; Evins; Fallon; Feighan; Fellows; Fenton; Fisher; Flannagan; Fletcher; Fogarty; Folger; Foote; Forand; Fuller; Fulton; Gallagher; Gamble; Gary; Gathings; Gavin; Gearhart; Gerlach; Gifford; Gillette; Gillie; Goff; Goodwin; Gore; Gorski; Gossett; Graham; Granger; Grant, Ala.; Grant, Ind.; Gregory; Griffiths; Gross; Gwinn, N. Y.; Gwynne, Iowa; Hale; Hall, Edwin Arthur; Hall, Leonard W.; Halleck; Hardy; Harless, Ariz.; Harness, Ind.; Harris; Harrison; Hart; Hartley; Havenner; Hays; Hedrick; Hendricks; Herter; Heselton; Hess; Hill; Hinshaw; Hobbs; Hoeven; Hoffman; Holifield; Holmes; Hope; Horan; Howell; Hull; Jackson, Calif.; Jackson, Wash.; Jarman; Javits; Jenison; Jenkins, Ohio; Jenkins, Pa.; Jennings; Jensen; Johnson, Calif.; Johnson, Ill.; Johnson, Ind.; Johnson, Okla.; Johnson, Tex.; Jones, N. C.; Jones, Ohio; Jones, Wash.; Jonkman; Judd; Karsten, Mo.; Kean; Kearney; Kearnes; Keating; Kee; Keefe; Kefauver; Kennedy; Kerr; Kersten, Wis.; Kilburn; Kilday; King; Knutson; Kunkel; Landis; Lane; Lanham; Latham; Lea; LeCompte; LeFevre; Lemke; Lesinski; Lewis; Lodge; Love; Lucas; Lusk; Lyle; Lynch; McConnell; McCormack; McDonough; McDowell; McGarvey; McMahon; McMillan, S. C.; MacKinnon; Mahon; Maloney; Manasco; Mansfield, Mont.; Mansfield, Tex.; Martin, Iowa; Mason; Mathews; Meade, Ky.; Meade, Md.; Merrow; Meyer; Michener; Miller, Calif.; Miller, Conn.; Miller, Md.; Miller, Nebr.; Mills; Mitchell; Monroney; Morgan; Morris; Morton; Muhlenberg; Mundt; Murdock; Murray, Tenn.; Murray, Wis.; Nixon; Nodar; Norblad; Norman; Norton; O'Hara; O'Konski; Owens; Pace; Passman; Patman; Patterson; Peden; Peterson; Philbin; Phillips, Calif.; Phillips, Tenn.; Pickett; Ploeser; Plumley; Poage; Potts; Poulson; Preston; Price, Fla.; Price, Ill.; Priest; Rabin; Rains; Ramey; Rankin; Rayburn; Redden; Reed, Ill.; Reed, N. Y.; Reeves; Rich; Richards; Riehlman; Riley; Rivers; Rizley; Robertson; Robsion; Rockwell; Rogers, Fla.; Rogers, Mass.; Rohrbough; Ross; Russell; Sadlak; St. George; Sanborn; Sarbacher; Sasscer; Schwabe, Mo.; Schwabe, Okla.; Scoblik; Scott, Hardie; Scrivner; Seely-Brown; Shafer; Sheppard; Short; Sikes; Simpson, Ill.; Simpson, Pa.; Smathers; Smith, Kans.; Smith, Maine; Smith, Va.; Smith, Wis.; Snyder; Spence; Springer; Stanley; Stefan; Stevenson; Stigler; Stockman; Sundstrom; Taber; Talle; Teague; Thomas, N. J.; Thomas, Tex.; Thomason; Tibbott; Tollefson; Trimble; Twyman; Vail; Van Zandt; Vinson; Vorys; Vursell; Wadsworth; Walter; Weichel; Welch; Whittington; Wigglesworth; Williams; Wilson, Ind.; Wilson, Tex.; Winstead; Wolcott; Wolverton; Wood; Woodruff; Worley; Youngblood; Zimmerman.

Nays, 35: Abernethy; Bloom; Brehm; Celler; Dawson, Ill.; Dawson, Utah; Domengeaux; Gordon; Hand; Hébert; Heffernan; Huber; Kelley; Keogh; Kirwan; Klein; Larcade; McCowen; McGregor; Madden; Marcantonio; Morrison; O'Brien; O'Toole; Pfeifer; Powell; Rayfiel; Rooney; Sadowski; Smith, Ohio; Somers; Stratton; Towe; Wheeler; Whitten.

Not voting, 23: Bland; Boggs, La.; Bramblett; Brown, Ohio; Buckley; Byrne, N. Y.; Carson; Cole, Kans.; Cole, Mo.; Cooper; Delaney; Dirksen; Douglas; Fernandez; Hagen; McMillen, Ill.; Macy; Norrell; Rees; Sabath; Scott, Hugh D., Jr.; Taylor; West.

Mr. Chairman, I yield 20 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, I have carefully weighed the points included in this bill pro and con, and I have reached the conclusion that the need for the reduction of excise taxes together with the need for eliminating the "notch" provision that taxes small corporations 53 percent on their income between $25,000 and $50,000 are factors of such great importance that I voted to approve the bill in committee, and I plan also to vote for the bill on final passage.

There are many points in this bill that I approve, and there are many points also that I vigorously disapprove. If I had the final decision to make on all points the bill would have been quite different than the one we have before us today, but I have learned long since that in tax legislation in particular no individual Member of Congress can expect to have a bill completely to his liking.

Congressional action on H. R. 8920, the Revenue Act of 1950, marks a real milepost in the fiscal affairs of the United States. The policy established in this bill purports to be one of balancing the budget but in reality it is only a very feeble move with no hope for balancing the budget and getting the Government out of the red.

I shall discuss H. R. 8920 on four general points, namely, first, excise taxes; second, unwise social policy of discouraging installment payments of life insurance; third, corporation taxes; and fourth, surrender to deficit financing.

I. EXCISE TAXES

The Committee on Ways and Means could have enacted legislation reducing excise taxes quickly and with the vigorous approval of a very large majority of the Members of the House of Representatives if the committee had brought out a bill calling for the reduction of excise taxes and not including any other matter. The Republican members of the committee unanimously supported such a policy in resolutions submitted to the committee February 3, March 13, and May 4. The Republican members of the committee saw clearly the devastating effect of delay in the reduction of excise taxes and we are still confronted with some far-reaching adverse results because of the delay already incurred. One example is the buyers' strike on merchandise on which the public has expected excise-tax reduction. Another example is the bitter disappointment of the agricultural fairs in the postponement of the effective date until September 1 at the earliest of this legislation when and if it is enacted into law. Bear in mind that most of the agricultural fairs of my State, Iowa, for 1950 will be over by September 1 whereas most of them would have been directly benefited if the effective date had been made July 1. That is a heavy penalty vested upon our agricultural fairs because of the delay in excise-tax reduction to include the other points taken up in this bill.

Another point of criticism regarding excise tax action in this bill is the inadequacy of the reduction provided. Total excise tax collections are now $7,540,000,000 under present law. Under this bill the excise taxes will be reduced only to $6,530,000,000. In other words, we have a long way to go before we can consider the reduction of excise taxes as adequate to meet the needs of our economy.

To show you how much the people of my district desire reduction of excise taxes I need only to remind you that the replies to the questionnaire which I sent to every fifth householder in my district in February and March brought 2,959 votes for the reduction of excise taxes and only 943 against such reduction.

Another question the people of the First District of Iowa are asking is, why is a 7-percent tax imposed upon quick-freeze units for the first time and no tax is provided for television sets. Quick-freeze units are a household necessity of every farm home today, if we are to take full advantage of preserving fruits, vegetables, and meats that can be saved much better now that we have electric service on most of our farms.

Another inequity in this bill is the refusal of the committee to grant floor stock refunds of the manufacturers' tax. Many of our merchants in rural areas and in other areas far removed from the point of manufacture carry on hand relatively large stocks of merchandise. The manufacturers' tax is paid by them at the time of the purchase by dealers of items so taxed. Those merchants who have carried large stocks of such merchandise now find themselves faced with unfair competition of dealers just entering business and dealers who handle merchandise on a consignment basis and with manufacturers who maintain their own retail outlets, all of whom have no tax-paid inventory to dispose of before benefiting by any excise-tax reduction. The staff of the Joint Committee on Taxation informs me that the total cost of providing floor-stock refunds would be $48,000,000 and that is a small price to pay to eliminate this serious inequity.

II. TAXING THE INTEREST ELEMENT IN INSTALLMENT PAYMENTS OF LIFE INSURANCE

The present tax law does not levy a tax on any part of installment payments of life insurance and this has been a wise social policy to discourage lump-sum settlements of such insurance in favor of installment payments. The bill now before us gives up that policy and provides for the taxation of the interest on installment payments. The additional revenue to the Government is only $5,000,000.

I should relate my own observation of the need for encouraging rather than discouraging installment payments of life insurance. Soon after World War I, I was employed as a sales analyst for a large industrial organization. One of my associates in this organization had a sister whose husband had been killed in action. His widowed sister had collected $10,000 Government life insurance in a lump sum. When our organization sold common stock in the summer of 1920 at $130 a share she invested every cent of her life-insurance money in that stock. Within 9 months' time the stock was listed at $3.50 per share and I will never forget the tragedy and the hardship imposed upon that famfly. When an experience of that kind comes directly to your attention you can never forget the potential disaster that can grow from widows and children or other dependents having suddenly thrust upon them the problem to which they are not accustomed, that of investing the lump-sum proceeds of such insurance. It is true that the holders of insurance policies can still provide for installment payments but $5,000,000 of Federal revenue is very small gain for our Federal Government in exchange for removing one of the great incentives for preserving installment payments of life insurance to inexperienced beneficiaries.

III. CORPORATE TAXES

Eliminating the "notch" provision of the corporate-tax program is most important to the corporations of my district and of the State of Iowa. The Republican Members of the Committee on Ways and Means have advocated for many years the elimination of the "notch" provision. It has been most inequitable because every corporation earning $50,000 per year has been confronted by a tax of 53 percent on all their earnings in excess of $25,000. This has been a frightful handicap to the small corporations of Iowa. The bill here under consideration provides for the elimination of of the notch provision and I commend the committee for its action.

In 1947, the last year for which complete data are available, Iowa had 5,362 corporations that made Federal income-tax returns. The staff of the Joint Committee on Taxation has estimated that between 300 and 400 of these corporations had incomes over $167,000 per year and about 5,000 of the Iowa corporations had earnings less than $167,000. That information is important because the removal of the "notch" provision gives a tax reduction to every corporation earning less than $167,000 annually. The elimination of the "notch" provision also extends the maximum tax reduction to corporations having $50,000 annual income. The average corporate income for the State of Iowa in 1947 was $48,000, so you can see clearly that the elimination of the "notch" provision is of far-reaching importance to the corporations of my State.

There is no logical reason, however, why the elimination of the "notch" provision should carry with it an increase in the tax rate on other corporations and I opposed that increase. I am not convinced that the imposition of additional tax on other corporations is solely for the purpose of balancing the budget. I will not be so convinced until the Democrats show some determination to reduce spending enough to enable the proposed tax increase to bring our Federal budget into balance. Without any reduction in spending we face a stark and hopeless situation taxwise.

There is only one safe way out of our present fiscal dilemma and that is through drastically reduced Federal spending.

I call your attention to another criticism of this bill in the corporate-tax field. The provision is made for changing the carry-forward and carry-back of corporate losses from 2 years forward

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and 2 years back to 5 years forward and 1 year back. In event of any abrupt decline in corporate earnings 1 year carryback is not adequate protection and I sincerely hope that the Senate will recognize the need for this insurance to our corporations by leaving the carry-back at 2 years as it stands in the present law.

I call your attention to one additional criticism of this bill in the corporation tax field. Provision is made for withholding 10 percent on all dividends and patronage-refund payments, however meager, without regard to the situation confronting the recipient or the number of his dependents or his tax liability, if any. While claims can be filed for refunds, many inequitable situations will arise because of red tape and delay on the part of the Government and because of the lack of familiarity of small stockholders with the required procedure and even their lack of knowledge of their entitlement to the refunds.

It seems to me that it would be far more equitable and equally effective to strike out the provision for withholding of dividends and patronage refunds and to rely upon the provisions in the bill requiring all corporations and cooperative organizations to file information returns showing the aggregate amount of dividends or patronage refunds paid to any individual and the date of such payment, and the requirement that all taxpayers itemize the amount of each dividend and patronage refunds received together with the name of the payer corporation.

I am vigorously opposed to the withholding of 10 percent of the dividends and patronage refunds because of the inequity and losses imposed upon small stockholders and because of the increased governmental red tape caused by such withholding.

IV. DEFICIT FINANCING

One striking factor has been manifest throughout the entire consideration of the proposed Revenue Act of 1950. No suggestion has been made at any time that adequately reduced Federal spending might be had. The Federal spending for the fiscal year 1950 stands at $42,000,000,000 with a prospective deficit of about $5,000,000,000. This makes a $10,000,000,000 increase in Federal spending since 1948. Some effort has been made to excuse the increased Federal spending because of national defense but the stark fact confronts us that $6,000,000,000 of the increased spending has no connection with past wars or with national defense. Furthermore, President Truman's recommendations and proposals for still further additional Federal spending will add an additional $25,187,000,000 to the $42,000,000,000 spending budget.

The question immediately arises as to what hope, if any, do we have of balancing the Federal budget in the face of our spending record and the prospects for additional spending in the years ahead. Some idea of the futility of our tax effort can be had from the fact that if all individual incomes above $10,000 per year were completely confiscated and the full Federal tax levied against all the income up to the $10,000 ceiling we would add only $4,260,000,000 to our Federal revenues. Furthermore, if 50 percent of all corporate income were taxed it would add only $3,000,000,000 to our Federal revenues.

The Democratic majority here in Congress must face these grim facts and they must answer to the American people just how they propose to meet the ever-mounting Federal spending program for which they have full responsibility. The people of my district have given their answer most emphatically. In the questionnaire I sent to every fifth householder I asked them the question, "Do you favor cutting down Federal spending?" and their reply was 4,015 "yes," and only 72 "no."

CONCLUSION

This bill has come before the House of Representatives under a closed rule, which means, of course, that no amendments can be made to the bill by the House of Representatives. I have criticized the weak points in the bill that I think are of greatest importance to Iowa and to my district in the hope that the Senate Committee on Finance may eliminate or modify some of these points.

As I stated at the outset, I have carefully weighed the points included in this bill and I have reached the conclusion that the need for the reduction of excise taxes together with the need for eliminating the notch provision that taxes small corporations 53 percent on their income between $25,000 and $50,000 are factors of such great importance to Iowa and to my district that the bill as it stands is entitled to my support and I plan to vote for the bill when it comes up for final passage.

What I have said here regarding deficit financing will not and cannot be corrected by the action taken on this bill.

In addition to my hope that the Senate strengthens and improves this bill, I again express my vigorous disapproval of the continued wasteful and extravagant and ever-increasing spending program that is the established policy of the present national administration.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. JOHNSON. I wish to compliment the gentleman on his very constructive and analytical speech. With reference to deficit financing, in your opinion, is that not partly the cause of the inflationary trends we have seen in this country since the war?

Mr. MARTIN of Iowa. Yes, indeed; I charge it directly to that. I realize the inflationary trend may lead us to the $4,000-per-year income which is the objective announced by the President, but let me give you this warning. You and I were in Shanghai together in 1946. I have not forgotten that I paid $8,500 in Chinese national currency for my breakfast in Shanghai. I have not forgotten also that that same breakfast 2 years later would have cost me $20,000.

Mr. JOHNSON. If you look at the United States war bonds situation you will find, taking the index or the purchasing power of the dollar between 1940 and 1945 as being 100, when most of the bonds were bought, that the purchasing power of the dollar invested in those bonds has been reduced 30 percent or a little more than that. In other words, the American bond-buying public, if it reduces its war bonds to dollars today, has lost $80,000,000,000 worth of buying power. In other words, the war-bond debt is over $250,000,000,000. If these bonds are exchanged for dollars, they would today only buy between 65 and 70 percent of what the dollars would have bought when they were spent for the bonds.

Mr. MARTIN of Iowa. I agree with the gentleman; that is exactly so.

Mr. JOHNSON. I merely mention that because, as you pointed out, other countries have shown us, by example, what can happen when you keep tinkering with the money or doing things which depreciate the value of the currency. In 1918 in France we were paid, as the gentleman may remember, on the ratio of 6.7 to 6.9 francs for each dollar. The Frenchman of that day, if he had saved his money, would have found himself with francs worth almost absolutely nothing today, in the short space of 30 years since the close of that war. Unstable government fiscal policy has a bad effect on the stability of the purchasing power of the currency of the country.

Therefore, I agree with the statement of the gentleman. I want to vote for this bill, but it is too bad in a way that it cuts down Federal income so much, you might say, that we do not close the gap to a greater extent between what we are spending and what we are taking in taxes.

I agree with the chairman of this committee that almost the most important thing is to find a way to stop going in debt. It is a serious and dangerous procedure, and history tells us that it has been the ruination of some countries.

Mr. MARTIN of Iowa. I agree with the gentleman very strongly. I will add this comment from my own experience with my own life-insurance program:

I thought that my life-insurance program was adequate some 20 years ago. Today I am faced with the charge of that being inadequate for no other reason than inflation. I am rapidly getting too old now to add large blocks of insurance to my program at the rate of premium that I would have to pay today. I am caught in the middle in that respect and I imagine a great many other Americans are facing that very real experience because of the inflation we have already experienced.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. KEAN. I believe what the gentleman has said is of tremendous importance to the people of this country, to the workers of this country. They have a vested right in pensions which not only come from the Government and social security, but pensions from their own company. That is what they are going to live on. What they pay in current income tax is not so important. The important thing is that their dollar must be worth the same later on when they retire. I think the President's program and expenditures would cause those things to lose value, and what you say is

of the utmost importance. However, there is hope because the gentleman from Rhode Island [Mr. FORAND] said he was going to vote in the future against all pork-barrel legislation.

Mr. MARTIN of Iowa. Yes. I believe that is one of the real benefits derived from this discussion today. I agree with the gentleman very strongly in his comment regarding the inadequacy of benefit payments under social security. We recognized that point a few months ago in the Ways and Means Committee in our action on social security when we upped the benefits in order to keep pace with the increased cost of living, which is the inevitable effect of this extravagant and wasteful spending program that is apparently the established policy of the administration.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. NICHOLSON. If we increase the tax on corporations, 3 percent, will the corporations not pass it along to us and add about 5 or 6 percent and make some money on the people of this country?

Mr. MARTIN of Iowa. I did not include that in my discussion. There has been considerable discussion of that point in the debate. In my opinion, a very large portion of that increased tax on corporations will be passed on to the consumer, but not necessarily all of it. It will result in a trend toward higher prices for consumer goods.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. TACKETT. The gentleman has expressed considerable concern about the possibility of inflation on insurance, and so forth. I wonder if the gentleman is concerned over the fact that corn was worth 12 cents a bushel in 1932 and now it is worth $1.45 a bushel.

Mr. MARTIN of Iowa. I have a very real concern about that and I could discuss that with you at great length.

Mr. TACKETT. I would be glad if the gentleman talked about those things.

Mr. MARTIN of Iowa. You probably do not remember it but I do remember that in 1896, the last year of the administration of Grover Cleveland, which was a Democratic administration, we had 10-cent corn. I do not know whether you want to go back to that or not. I certainly do not. I voted constantly for farm programs to protect our farmers and agriculture in general against disaster.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. REED of New York. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. Yes. I am glad to yield to a real farmer.

Mr. MURRAY of Wisconsin. Would the gentleman like to explain who controlled the Congress at the time we had those low farm prices? Was it the Republican Party that had control of this House?

Mr. MARTIN of Iowa. As I recall my history, the Democratic Party went into control of both the House and the Senate in 1930; and the low prices the gentleman from Arkansas [Mr. TACKETT] was talking about came in after that.

Mr. MURRAY of Wisconsin. In 1939, which was after 7 years of the more abundant life, did we not have agricultural prices a great deal the same as we had them in 1932?

Mr. MARTIN of Iowa. I can give you the price of hogs. A prominent Democratic politician came into my district in 1948 campaigning about $3 Republican hogs and $26 Democratic hogs. I made this point, that on March 7, 1933, the top price of hogs in Chicago was $4.40, and on June 20, 1940, after 7 years of the more abundant life and the shooting of the pigs, the top on hogs in Chicago was $5.20. This top price of $5.20, however, was in devalued dollars because the Democrats by the enactment of the Gold Reserve Act of 1934 reduced the value of our dollar to 59 cents.

Twenty-one dollars of the 1948 price of hogs came as a direct result of the war and not from New Deal administration policies.

I then gave the Democratic politician the recipe for a sure-fire $50 hog price if that is what he wanted above everything else. I repeat it here for the benefit of the gentleman from Arkansas [Mr. TACKETT]. All you have to do is not shoot the little pigs but just take 200,000 more of our American boys out and shoot them in battle and you will have $50 hogs and every farmer in America knows that.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. EBERHARTER. Mr. Chairman, the discussion seems to have gotten pretty far afield in the last 10 minutes, what with talking about appropriations, talking about spending, talking about pigs, and the price of corn, and everything except the tax measure. So I think it would not be bad to bring ourselves back to the subject.

Mr. Chairman, I believe that only two alternative conclusions can be drawn from reading the minority report on the pending tax bill and from listening to the speeches of the minority Members in opposition to the bill. Either the Republican Party, as I have long suspected, is actually opposed to reduction in the wartime excise taxes, or their interest in excise tax reduction is outweighed by their concern for the big corporations with which they have long been so prominently associated in the minds of the American people.

I repeat. There are two alternative conclusions.

It is quite possible, judging from the record of the Republican Party on excise-tax reduction, to conclude that their sole interest in the subject is whatever political capital they might be able to make of it. For example, on October 21, 1946, 2 weeks before the election of the Eightieth Congress, 27 House Republican Members, including all Republican members of the Committee on Ways and Means, promised downward adjustment in Federal excise taxes, if a Republican Congress were elected. Even after the election had been won, the new Republican Congress of the Committee on Ways and Means promised that the committee "will reduce, and in some cases eliminate, excises on a long list of items that includes jewelry, furs, cosmetics, and liquors. The reductions are to be effective next July 1." This was in the nature of an exclusive statement to the Chicago Daily Tribune reported in that great newspaper on November 7, 1946.

And then what happened? The first important bill passed by the Republican Eightieth Congress was a bill to make permanent the temporary wartime excise taxes which President Truman had asked to have extended merely for 1 year. The President asked that this action be taken to enable Congress to review the entire group of excises in connection with excise-tax revision.

Then after firmly locking the chains of excise taxes about the necks of the American consumer, the Eightieth Congress proceeded to reduce income and estate and gift taxes by over $5,000,000,000 a year. Imagine continuing excise taxes, in order to reduce estate and gift taxes which only affect about 12,000 of the Nation's wealthiest families.

But this was done deliberately. In hearings before the Commitee on Ways and Means on May 28, 1947, Chairman Knutson announced, in direct contradiction of his earlier promise to reduce excise taxes that—

> It is the hope of the committee to be able to shift much of the burden that is now being carried by the income-tax group, which includes almost everyone, over to the excises, at least in part.

And he added:

> Obviously, if we are going to extend the excise field—

Mark the fact that he actually planned to expand the excise taxes, not reduce them—

> if we are going to extend the excise field, we will have to include a great many items that are not now included.

So, one rich-relief tax bill, two rich-relief tax bills, and finally, a third rich-relief tax bill, was passed by the Republican Eightieth Congress. And, although the Democratic Members unanimously urged in their minority report that some consideration be given to excise tax relief, not a penny was allocated for this purpose.

So, Mr. Chairman, when the present minority sheds so many crocodile tears about the delay in excise tax reduction, and accuses the Democratic majority of fiddling while the people wait, it may be a fair question to ask why they did nothing to demonstrate their sincerity by reducing excise taxes during the 2 years in which they were in control of the Congress.

H. R. 8920, therefore, provides a fair test for those who profess to favor relief from the most onerous wartime excises. Every one of the wartime excise taxes was reviewed by the Committee on Ways and Means, and the most burdensome of the excise taxes have been reduced by a total of approximately a billion dollars annually.

I believe that a good case has been made for reduction of every excise tax that has been reduced. But I also agree,

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and I believe that most people will concur, with President Truman in the view that "sound fiscal policy will not permit a weakening of our tax system at this time." The President recommended that excise taxes be reduced only to the extent that offsetting revenue could be obtained from closing loopholes. Since the Committee on Ways and Means was able to raise only $465,000,000 a year from closing loopholes, it was necessary to impose additional taxes, in order to have a balanced tax bill.

I might say that the committee did not go as far in closing loopholes as I should have liked. In fact, there are two provisions in the bill which appear to me to open wider loopholes than are now provided by existing law. I shall take but a moment to point out these two provisions:

First. Contemplation of death: The bill provides that all gifts made more than 3 years before death shall be conclusively deemed not to have been made in contemplation of death. Yet, on the other hand, gifts within 3 years of death would still not be presumed conclusively to have been made in contemplation of death. From the very beginning, the estate-tax law has taxed gifts made in contemplation of death. Without exception, State inheritance laws contain a similar provision. As Chief Justice Hughes pointed out several years ago:

> The dominant purpose is to reach substitutes for testamentary dispositions and thus to prevent the evasion of the estate tax.

The justification for the amendment is that it would eliminate fruitless litigation. I fear the truth is that the amendment will open up additional holes in the estate tax which already looks like a sieve as a result of the amendments made by the Eightieth Congress.

Second. Distributions of corporate earnings to pay estate taxes: Another loophole included in the bill which I think should be called to the attention of the membership is the amendment made by section 208, relating to redemption of stock to pay death taxes. Like the contemplation of death amendment, this change would affect only single people with assets of $250,000 and married persons with an estate of $500,000. In effect, the bill forgives income taxes on dividends paid out of the accumulated earnings and profits of corporations which are used for the payment of Federal estate and State inheritance taxes.

On the whole, however, Mr. Chairman, I believe that the pending bill is the best tax bill upon which the House has had an opportunity to vote since the end of the war.

Since corporations have had greater proportionate tax relief since the cessation of hostilities than have other taxpayers, it is only fair and just, in my opinion, that we look to the corporations to make up the revenue lost from excise taxes which is not offset by closing loopholes. In fact, I should have gone further than the modest increase on corporations above $167,000. I favored, and offered in the committee, a bill to restore a modified version of the wartime excess profits tax. I did this because my proposal was carefully designed to affect only those corporations now sharing most generously in the current peak prosperity. This bill, H. R. 8920, would increase the taxes of only about 20,000 of the largest and most profitable corporations, while my excess profits tax plan would have affected approximately 22,000 corporations, and would have yielded more than half a billion dollars a year more than the pending bill. In reducing the taxes of 170,000 corporations under $167,000 of income annually, the committee bill would have the advantage of stimulating small business. I, therefore, am very glad to support the corporate tax provisions of the bill, even though they do not raise as much revenue from this source as I favored.

Now it is clear to me, when corporate profits after taxes are nearly double the wartime boom levels, that the large corporations and their stockholders can absorb this slight increase without endangering either continued business expansion or the standard of living of the stockholders. And when the minority Members loudly, and I trust vainly, oppose this effort to provide a balanced tax bill, it suggests again, in language that one can understand, that the Republican Party still is the party of big business. And it underscores the fact that even to provide a moderate measure of excise tax relief for the overburdened American consumer, the spokesmen for big business are unwilling to give up even a few pennies of profits.

Mr. Chairman, I began by saying that either the minority are not honestly and sincerely interested in excise tax reduction, or that their desire for excise tax reduction is outweighed by their concern for the big corporations. I believe I was mistaken in that observation. I am now convinced that the Republican Party has never really been interested in excise tax reduction. And I also believe that concern for the big corporations outweighs any other legislative interest it may have.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I shall be pleased to.

Mr. NICHOLSON. I merely wish to ask whether these big corporations about which the gentleman talks will not pass along that tax we put on them to all the people in the United States.

Mr. EBERHARTER. That, of course, is an old, hackneyed argument that has been used for the last hundred years: Do not tax anybody in business because the consumer will ultimately pay the tax. That is an argument that has been discarded by every practical economist in this country as well as every economist in the world. That is an old hackneyed argument raised whenever any suggestion is made about taxing the people most able to pay: It will only be passed on to the consumer.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield further?

Mr. EBERHARTER. For one more question, for I have some other things to speak about.

Mr. NICHOLSON. Will the gentleman from Pennsylvania answer the question I asked him: If they will not pass this along to everybody in the United States?

Mr. EBERHARTER. The gentleman just asked that question of the gentleman from Iowa, a member of his own party, and the gentleman from Iowa said they may attempt to pass on a portion of it, but very seldom do they pass on all of it, very rarely.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Nebraska.

Mr. CURTIS. Did the gentleman vote for the excise tax bill in the early part of the Eightieth Congress?

Mr. EBERHARTER. Not only did I not for it—I voted against it—and I spoke on the floor of the House against it and gave releases to the newspapers. I voted against the Knutson bill, which is the bill I am referring to.

Mr. CURTIS. The gentleman will recall that came out of the Ways and Means Committee with a unanimous report.

Mr. EBERHARTER. It certainly did not come out of the Committee on Ways and Means with a unanimous report.

Mr. CURTIS. If the gentleman will consult the RECORD he will find that it did come out of the Ways and Means Committee with a unanimous report and it is so stated in the RECORD. On roll call, January 29, 1947, found on page 692 of the CONGRESSIONAL RECORD, among the yeas is listed the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. That is the so-called Knutson bill?

Mr. CURTIS. That is the excise tax bill, the one I inquired about.

Mr. EBERHARTER. I am talking about the income tax reduction bill, the Knutson bill, to which I objected, and which I voted against. I refer to the income tax reduction bill.

Mr. CURTIS. I know that the gentleman opposed the bill that increased the personal exemption from $500 to $600. I was talking about the excise tax bill.

Mr. EBERHARTER. I am talking about what the Eightieth Congress did with reference in the income tax bill, when it reduced the income taxes by $5,000,000,000, thereby making impossible any reduction in excise taxes. I hope the gentleman does not expect me to go into the terms of that income tax bill.

Mr. CURTIS. I do not expect the gentleman to discuss the terms.

Mr. EBERHARTER. The gentleman started to do that.

Mr. CURTIS. I would not expect the gentleman to talk about its terms, or the terms of a bill that did so much for the poor people of the country.

Mr. EBERHARTER. The gentleman said he does not expect to discuss it, then he starts discussing it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman from Pennsylvania knows of my high personal regard for him, but let me just say on this occasion as I have on other occasions that some of you folks on that side of the aisle have complained about the tax reduction bill passed by the Eightieth

Congress. The President has complained about it. Again I want to dare and challenge you in this Eighty-first Democratic-controlled Congress to bring in a bill to repeal that law. You have not done it, you would not do it, and there would not be a handful of votes over there now to repeal it. You would not do it because you would not want to decrease the exemption $100, you would not want to avoid the application of the split income principle all over the country, and because, in the final analysis, you know it was a good, fair, and equitable bill.

Mr. EBERHARTER. The gentleman is debating that bill. We are not debating that particular measure at this time. There was plenty of debate on it at the time. We went before the country largely on the issue of that tax bill and it was the result of the country becoming aware of what the Republican Eightieth Congress did with respect to that income-tax bill that happily we now have a Democratic Majority in the House of Representatives and in the Senate. But I do not want to debate that bill.

We have heard that challenge right along, why do you not bring in a bill repealing it? The Democratic Party believes in balancing the budget as far as possible. Nobody expected that billions of dollars had to be necessarily spent in order to attempt to preserve the peace of the world and to prevent it from becoming communistic. So when you talk about reducing expenditures, which has been talked about plenty this afternoon, you fail to take into account that 71 percent of the expenditures of the Federal Government every year goes to matters that cannot be reduced unless we quit helping Europe, unless we default on our committed obligation; so the reductions would only come in about 29 percent of the Federal budget, which makes it almost impossible to reduce. The Republican Party used to have the reputation of wanting a sound dollar. But when its Republican Members stand up here yesterday, and today, and advocate further deficit financing by not attempting to pass a balanced revenue bill, I think they can forever give up the claim that they are in favor of a sound dollar.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from New York.

Mr. MARCANTONIO. I think we know what the Republican position is. We were told in the last election that the Republican tax bill was inequitable. It is not a question of raising revenue; it is a question of correcting those inequities. What has the Democratic party done to correct that inequitable tax bill?

Mr. EBERHARTER. The Democratic Party has been in a position that it was unable to do anything, because we could not reduce the income necessary in order to operate toward a balanced budget. It is just one of those situations that could not be corrected, and the gentleman well knows that. And, of course, I know the gentleman is just as happy at shooting barbs at the Democratic Party as he is at the Republican Party.

Mr. MARCANTONIO. But I do not like to see promises broken. The question is not one of income. The Republican bill was vetoed on the basis of inequities. I agreed with the veto. I voted to sustain the veto. We were told during the election that these inequities would be wiped out. Why have they not been wiped out?

Mr. EBERHARTER. They have not been wiped out because it has been impossible to do so under the situation of the Federal Budget because unexpectedly heavy expenditures were necessary in order to keep the world peaceful and in balance in the terrific fight against communism.

Mr. YOUNG. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Ohio.

Mr. YOUNG. One reason is that, because of the threat of aggression from the Soviet Union, we have had to maintain the largest armed force in our history, to-wit, 1,500,000 men under arms, and we have had to maintain that Army and we now have to maintain that Army in an effort to maintain peace in this war-torn world.

Mr. EBERHARTER. The gentleman is absolutely correct. Our defense budget is around $13,500,000,000. If the cry for reduction in expenditures pertains to the Defense Establishment, why do not the persons who are crying for economy say, "Well, we will cut one or two billion dollars off of the Defense Establishment." Since it is always a general declaration that we cut expenditures, it seems to me that it is done just for political purposes.

Mr. MARCANTONIO. Mr. Chairman, if the gentleman will yield for just this last observation, then I will leave the gentleman alone.

Mr. EBERHARTER. I yield.

Mr. MARCANTONIO. I think we are dodging the question, because we were told that the Republican bill was a rich man's tax bill. And, I agree. The question is not one of income; the question is from whom you are going to get this income. You said you were going to take it off the poor and add it where it properly belongs, on those who could afford to pay. Why have you not done it? That has nothing to do with these expenditures that are necessary. Why have you not done it? For the same reason that you have not repealed the Taft-Hartley Act, and the same reason that you have not enacted civil-rights legislation.

Mr. EBERHARTER. The gentleman is in his element. He certainly can find fault with both the majority and the minority parties.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Illinois.

Mr. YATES. Is that not exactly what the new tax bill proposes, removing the excise tax, which is in the nature of a sales tax, and thereby partially relieving those people least able to pay? Furthermore, the corporation income tax increase has been put on those corporations most able to pay in order that they shall pay a greater amount of taxes.

Mr. EBERHARTER. The gentleman has stated something that is absolutely true in all respects. The Democratic Party has always taken the position that it does not favor a sales tax, and excise taxes are in the nature of sales taxes. There is some relief here from a violation of this principle which was contained in the wartime tax bill, and in the Eightieth Congress' rich relief income tax bill, in that we took away some of these sales taxes; also we are giving encouragement to small business, that is, to nearly all corporations which are making less than $167,000 a year net income. So, we are giving some relief and we are trying to do the best we can.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I would like to ask the gentleman from Pennsylvania what this income tax bill for the benefit of the rich in the Eightieth Congress was. As I remember, we took about 20,000 to 25,000 people off that altogether. I imagine they were poor people. Will the gentleman tell me why it was a rich man's bill?

Mr. EBERHARTER. As the gentleman from Rhode Island explained in some detail this afternoon, 36 percent of the loss in revenue or the relief in that bill went to 4 percent of the taxpayers. Thirty-six percent went to 4 percent, who were the richest in the country. The other 64 percent relief was scattered among the 96 percent of the population, of course, which is the ordinary-income group.

I do not want to go into a discussion of that bill. That bill is over the dam, as I told the assistant to the minority leader. It is water over the dam.

Mr. NICHOLSON. This bill we passed in the Eightieth Congress is water over the dam when anybody asks any questions about it. When it comes down to figures, then you cannot answer questions, and you say it is water over the dam.

Mr. EBERHARTER. In the time allotted to me I will not be able to finish some of the prepared remarks I had intended to make, but some reference has been made this afternoon and some complaint has been made by Republican Members of the Committee on Ways and Means with respect to the provision in the bill pertaining to the acceleration of tax payments by corporations.

As everybody knows, several years ago we passed a bill which provided that wage earners should "pay as you go." A portion of their pay, 15 percent, was deducted every pay day. Whether it was weekly pay, semi-monthly pay, monthly pay, or yearly pay, a portion of their pay was deducted so that they were paying as they went along.

Now we say to the corporations, "You make your profit in 1950. We want you to start paying up a little sooner than practically at the end of 1951 what you owe. We are not going to compel you to pay as you go, as we do for private

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individuals, wages earners. We want you to pay half of your tax bill in March and half of your tax bill in June."

But this is the main thing. If you are a partnership, you have to pay your taxes as you go. If you individually own a drug store or a hardware store or an electric appliance shop, if you are in business privately, you pay your taxes as you go because you have to make an estimate and have to pay on that estimate every 3 months, during the year you are earning your profits. But corporations all this time have been able to hold some of the taxes they owe the Government for over a year, or for practically a year. Now we want to bring the corporations more on a level with partnerships and private individuals who run businesses, and we have this great complaint that this move is a phony. There is nothing phony about it. For all these years corporations have had the advantage of using money that they owe the Government for their own purposes, but partnerships and individuals in business did not have this advantage. I do not see anything phony about that.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from New Jersey.

Mr. KEAN. I think that what the gentleman says to the effect that corporations should be treated as far as possible the same as individuals and should not have this money to play with is correct. If that is so, why do you give them two installments? Why do you not have them pay all in March or in April?

Mr. EBERHARTER. Of course, this is quite an important change from what the practice has been ever since we passed the pay-as-you-go bill for partnerships and private individuals and wage-earners. So we are taking it on a gradual scale. I think that is the main reason for that.

Mr. KEAN. Your idea is, then, after the end of 5 years to change the payment date to March? Then why is it that in this bill the months that the corporations have to pay happen to be in the same fiscal year so that it will have the special advantage of fooling the people, with reference to the amount of the Government income, instead of making it—let us say—April and October or April and July in separate fiscal years?

Mr. EBERHARTER. I see what the gentleman means. But do you not think it gives a clearer picture and gives the Treasury the money that is really owed it? If the corporation makes its profits in 1950, it ought to pay its taxes in full before the commencement of the fiscal year following. In other words, they can pay their taxes within 6 months. Why throw the tax that is due from that company over into a later fiscal year? I do not see any point to the gentleman's argument.

Mr. KEAN. I think it ought to be as soon as possible. There is some advantage—if you go down into a slump period in having a little leveling-off period. If you have a payment to make in July of the next fiscal year it would level off a little of the loss in income which would come on the individual income tax. In time of depression it levels it off a little to have it go over two fiscal years. I think the payment should be as soon as possible, of course.

Mr. EBERHARTER. Of course you always have to keep in mind, may I say to the gentleman from New Jersey, they only pay a certain percentage of their profits. If there is a period when they do not make very high profits, the taxes are much reduced.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. MILLS. The gentleman from New Jersey is correct in his thought that the extension of the payment on corporation taxes over the following years is the best cushion in the first year of a recession on the reduced income received from individuals. That is true. But the important item or factor so far as I am concerned in the acceleration of corporation tax payments is the elimination of half of what I term a discrimination between the corporate form of business and proprietorships and partnerships. If you keep your eye and your thinking on the basis of the reform involved in it, I do not think it makes a great deal of difference whether those two payments fall in the first 6 months or in the first 7 months. If you make them extend over a 7-month period you are just removing a little bit less of the discrimination that exists in the collection of these tax payments.

Mr. KEAN. Why have two payments?

Mr. MILLS. Perhaps the gentleman will join with me later on after this has gone on for 3 or 5 or 6 years in suggesting one payment.

Mr. KEAN. It would seem to me that one payment, say on April 15, would be all right, or perhaps a different date. We do not want to disturb the monetary situation in the country by having too much money come into the Treasury and leaving the banks at the same time. It seems to me if April 15 was the day, it would be satisfactory.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. REED of New York. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I have taken this time primarily to discuss the situation of my alma mater, New York University. Before I do that, however, I would like to make a few limited observations about this bill in which I have been much interested for a considerable time.

First, there has been some question as to whether we ought to act now on a tax reduction bill and also have tax increases in other brackets in view of the international situation and the new action on which the United States has taken a great decision in foreign policy with respect to Korea which so many of us have heartily approved as I did here on the floor yesterday.

I think, Mr. Chairman, we should proceed with this bill. We should act on it on this theory: The American people are ready to respond, as they showed by their reaction to the President's announcement, not only to whatever action is required by the Army, Navy, and Air Force, as well as in the diplomatic field, but whatever is required fiscally as well. Certainly the commitments we have undertaken so far in respect of Korea and in the Far East has necessitated no major reform of the fiscal picture. Hence, I believe we should go right ahead and act on this bill as we would otherwise ordinarily in the absence of the Korean situation.

There is no doubt but that the American people will support more ample revenue income and such other fiscal measures as must be taken if the international situation requires.

On the question of reducing the excise taxes, I have been for that for a long time, for two reasons: First, because of how it bears on the cost of living of low- and moderate-income families; and, second, because it has been a deterrent to business in New York.

I see my colleague the gentleman from New York [Mr. LYNCH] sitting there. He knows very well, because he has studied it so carefully, the retrogression that has taken place in business after business, important in the life of our city, which has suffered very seriously as well as in the economy of the country. I refer particularly to one commodity, furs, where just two figures will show the picture. We had a loss in revenue from this excise tax between 1948 and 1949 of $18,000,000, and a total reduction in revenue from reduction in taxes which is called for by this bill, will be $22,000,000. So that we lost in 1 year, just by recession of business, about as much as we will reduce this year by a reduction of taxes, with every assurance that business will more than make up for this reduction in a material way. The same is true with jewelry, cosmetics, and baby oil. The impact of this loss of business upon employment is manifest. Employment in the fur, jewelry, luggage and similar business has been very materially affected by the continuance of these high wartime excise taxes.

Every Member has felt the justice of the claims of millions of Americans who felt themselves unduly punished when they had to pay a 20-percent tax for movie-picture admissions, which is considered no longer as a luxury for the American people, but which we consider only the normal basic need for recreation to enable Americans to better turn out production, which gives us the ability to make our standard of living what it is.

Also in the matter of excise taxes on furs there was a serious question of discrimination because under a Treasury ruling in 1947 practically all fur-trimmed coats were tax exempt. Hence, we had the spectacle of department stores offering for sale $289 mink-lined coats which were tax free compared to $199 fur coats upon which the 20-percent tax was imposed. Certainly any fur coat selling for under $350—and that accounts for 80 percent of the fur business—should not be considered a luxury.

So I think there is eminent justice in this reduction. I wish the reductions

could have been more. I wish the committee could have seen fit to eliminate the excise taxes entirely in a number of brackets, but I think we must rely on the composite judgment of the committee that under the existing situation they are doing all they can.

Now, Mr. Chairman, as to the situation of New York University, which I referred to a minute ago.

I am an alumnus of the New York University School of Law and much concerned with the position of the university in respect of title III, part 1, of the bill. John Gerdes, Esq., testified on behalf of the university before the Ways and Means Committee on December 12, 1947 and there outlined the university's situation in connection with the acquisition of four business concerns by it under a foundation form of organization which provided that all dividends and the proceeds of any liquidation would go directly to the university.

The questions which present themselves are the position of the university in acquiring these businesses and their continued retention for the benefit of the university on a tax-free earnings status. The committee has already decided and the bill provides that earnings from such business corporations shall be taxable as unrelated business income unless it arises from rents and royalties and with certain other exceptions. In order to understand the situation of New York University properly and its place in the community, I quote from a letter of Chancelor Harry Woodburn Chase to the chairman of the Ways and Means Committee which was submitted at the committee's hearings. Since that time the student body has expanded to about 67,000 of whom more than 25,000 are veterans of World War II. New York University is the largest educational institution in the world. Chancelor Chase wrote as follows:

> New York University is a private institution. It receives no help from either the City or the State of New York but is dependent on student fees, on gifts, and bequests. Of its total income over 90 percent comes directly from student fees, which are thus the primary and major source of support for the university. Its student population is one of the largest in the world. The university's enrollment, both full and part time, for the current year will be well over 50,000, representing not only the New York community but almost every State in the Union and a large number of foreign countries. It is an enrollment from every race and creed and walk of life. The great majority of our students are here as the result of great sacrifices on the part of their families and themselves. Many of them are at work during the day in order to be able to undertake courses at night, and the whole spirit and temper of our student body is one of earnest determination and ambition.
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> Over the more than 100 years of its existence New York University has rendered and is rendering enormous services to the community and to the Nation. As a result of its existence countless thousands of youths who would never otherwise have obtained an education have gone out into the business and professional life of New York City and of the whole country to the great profit of the public affairs and institutions of the city and the country. The university prides itself on its record of service, on the caliber and character of its student body and on the effective standards of work which it has attempted over the years to maintain. Founded at the start by a group under the leadership of Albert Gallatin, a member of Jefferson's Cabinet, it has been dedicated since its beginnings to widening the opportunities of those who are as a rule not too heavily endowed with this world's goods. Many a poor boy has owed the beginning of his career to the fact that he was able to come here for his education.

NEW YORK UNIVERSITY RENDERS SERVICE THE COMMUNITY REQUIRES

In the metropolitan area of New York it is New York University, far more than any other, which renders the service the President desires. It offers full-time and part-time work at undergraduate, graduate, and professional levels. It is located in the transportation center of the world's largest metropolis and is within commuting range of the homes of thousands of students. It meet the needs of such students at low cost. New York University was founded in the Jacksonian era and has always kept faith with the democratic ideals of its founders. It has never discriminated against students because of race or religion. It is one of the few schools which has never had quotas. It has always been available to the children of families of moderate or low income. The academic standards of the school have always been of the highest. If the real story of New York University were generally known it would receive the encouragement of all who believe in democratic education.

New York University is especially proud of its service to veterans. More than 55,000 veterans of the Second World War have been enrolled in the various schools and colleges of the university. Many veterans have preferred New York University to the ivy colleges because they have enjoyed the keen competition of students with strong professional motivation.

New York University receives no financial support from the city or from the State. It has a wholly inadequate endowment and is deficient in physical facilities, especially at the Washington Square center. Although it has the largest enrollment of any university in the United States, it ranks thirty-fourth among colleges and universities in the size of its endowment. The income from its endowment represents less than 2 percent of its total income. Although the annual operating budget of the university is approximately $20,000,000, it has a total endowment of less than $12,000,000. To meet the rising costs it has been necessary to increase student fees until, in the judgment of the administration, it is not possible to increase fees further. The financial difficulties of New York University are aggravated by the fact that it operates in an area in which real property values are extremely high.

In recent years the university has been engaged in campaigns for funds for the medical center and for the law center. Some $22,000,000 have so far been raised for the medical center and over $2,000,000 for the law center. While these profesisonal schools are of great importance to the community and to the Nation, they will increase rather than reduce the financial load of the university. If New York University is to serve the 67,000 men and women who are enrolled in its classes, it must have new sources of revenue.

WHY "FEEDER" CORPORATIONS WERE ACQUIRED

At the end of the Second World War, when it became apparent to the graduates and other friends of the university that improved facilities were required for the university, various plans were considered to obtain additional income over the years. It was not at that time possible to buy rental properties because prices were high and rents were frozen. It happened, however, that going businesses could be bought at a discount. It was very difficult for sellers of small businesses to dispose of their properties because it was not practicable to offer stock to the public. These small businesses could be sold only to larger competitors or to institutional investors. Alumni of the School of Medicine and of the School of Law acquired the first feeder corporation in 1946 for the benefit of their two schools. At the time that the first business was acquired, an exemption letter was received from the Treasury. Although the Treasury later reversed its stand, the other companies were acquired by graduates and friends of the school in the belief that under existing law no Federal income taxes are payable so long as all of the income from the operation of the businesses should be devoted to educational purposes.

The amount involved in the tax exemption for the four businesses acquired under the foundation plan by members of the alumni of the university is estimated at $1,500,000 per year. Professor Gerdes estimated in his testimony that this amount alone would be insufficient to make up the university's loss on the more than 25,000 veterans in the student body for whose education the Federal Government paid more than $9,000,000 in 1 year.

Under the expectation of substantial benefits from these foundations, the university has bought valuable parcels of land on the East River for the medical center and on Washington Square for the law center and the proposed university library.

EFFECT OF PRESENT BILL ON NEW YORK UNIVERSITY

The present bill is unnecessarily harsh in its impact on New York University. New York University has substantial building projects now under way. It has planned on the income from these foundations just as other universities have planned on income from rental properties and from oil royalties and royalties from patents. This bill does not deprive the wealthy universities of their traditional sources of income, to wit, rents, royalties, and dividends, but singles out universities like New York University which have not been large universities for a long period of time and have not built up substantial holdings in rental properties or in other endowments.

The impact of the bill would not be so severe if a reasonable period were allowed for the university to adapt its plans to the new law. This bill in its final form should grant a reasonable moratorium or should provide that the

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tax should be imposed on a graduated basis over a period of years.

I cannot close without a personal reference. Coming from a poor family, born in the slums of New York, I could never have been a lawyer or had the opportunity the country has given to me were it not for its location in New York City and the liberal policies of New York University. Perhaps in my own life, is an example of that of many others, and is living proof of the value of New York University to our community and to a validation of the opportunities, unparalleled in any country in the world, which are the heritage of all Americans.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. CURTIS. I would like to make this observation in connection with these educational institutions and other institutions that have been compelled to go into some commercial enterprise to enhance their income and their funds: It is true that there are two sides to the argument, and certain other groups are justified in raising the tax question, but I think we should keep in mind that it was the policies of the United States Government that have been pursued over recent years that have depreciated the value of the income-earning power of the endowments of these fine institutions. The Government has to assume a responsibility for the Government policies that made these endowments worth less and made the income they produced less. We cannot escape that responsibility. Government policies and tax philosophies have also cut down the available gifts to these fine institutions.

Mr. JAVITS. May I say that the endowment of New York University is so small that really nothing would have helped compared to the education problem they faced; nothing, really, would have helped them short of some such drastic move as I have described.

Mr. LYNCH. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. LYNCH. I think that the gentleman should know that all the members of the Committee on Ways and Means recognize the fact that the situation with respect to New York University's acquisition of these manufacturing concerns was permissible under the law at least until the decision of the tax court recently in the Miller case, and there was no thought at any time, as far as I know, on the part of any member of the committee, that New York University was deliberately trying to evade the tax laws.

As an evidence of that we considered very carefully whether or not some extension of time could not be granted in order to give these institutions an opportunity to work out the situation in which they found themselves; as a matter of fact, under the bill, if I remember correctly, it does not affect these institutions until after December 31, 1950.

Mr. JAVITS. I will make this one statement in conclusion. It was the hope of many of us who are alumni of New York University and perhaps other colleges and universities similarly situated, that before this bill finally became law some way would be found for staggering the imposition of this tax, or perhaps giving a moratorium for as much as 5 years, so that those who depend on NYU, who made commitments in the form of a medical college and an enlarged law school, may not, because of a change in policy on the part of a Congress, find themselves unable to complete these building programs highly essential to the interests of the country and to our educational system.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New Jersey.

Mr. KEAN. As far as the Piston Ring Co. is concerned, it is my understanding that the officials of New York University went to the Treasury about the case and it was cleared before they ever bought the company.

Mr. JAVITS. Yes; that is absolutely true and they relied on that. Incidentally, may I say to my colleague, the gentleman from New York [Mr. LYNCH] I am so glad he said what he did about the view of the committee, not that either I or any other alumnus of NYU had any doubt about that, but it is good for the press and the country to understand clearly that the committee, having seen the case, having heard the witnesses, including Professor Gerdes, who incidentally taught me contract law at NYU, and having seen and witnessed this, came to the conclusion everything had been done in the best good faith in a desire to help this great educational institution in a proper way.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. REED of New York. Is it not true that these universities that have gone into these extra activities were doing it legally up to a recent decision of the Court?

Mr. JAVITS. Yes.

Mr. REED of New York. Is it not also a fact that they were almost forced to do what they have done because of their great difficulty in getting funds or endowments with which to operate?

Mr. JAVITS. That is perfectly true.

Mr. REED of New York. And it being legal for them to do it, they just went out and made investments where they could get some return on their investment; is that not true?

Mr. JAVITS. That is exactly so.

Mr. REED of New York. So that they have been forced by inflation, and they still face that problem all over this country; literally thousands of colleges and institutions in this country are facing the proposition of a constant lowering of the purchase power of the dollar.

Mr. JAVITS. I may say to the gentleman from New York that there is a grave problem for us in this whole proposition, because I think all of us, regardless of political complexion, feel very strongly about the fact that we want to keep as many privately endowed and privately supported universities and colleges as humanly possible alive and functioning. This is very essential to our democracy. Therefore, I reiterate the hope that some way will yet be found in connection with this bill to give universities like New York University a transition period.

May I say to my colleague from New York that there was a million and a half dollars in income involved in this problem of tax exemption. The university lost more than that million and a half dollars on the 25,000 veterans whom they are educating and for whom the Government pay is insufficient by more than that one and a half million dollars. That is a little gage of their problem.

Mr. REED of New York. As a matter of fact, we do not want a program to develop in Government legislation that is going to force all of these fine colleges, especially when there is such a great demand on the part of the young people of this country for a college education, in many cases almost essential, to come to the Government for funds because with that will go controls that are not too good for our form of government.

Mr. JAVITS. The gentleman is correct.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the minority leader, the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, it is almost unbelievable that a serious group of taxation experts could produce a bill like the one which has emerged from the Ways and Means Committee.

This tax bill is here because the American people are demanding the repeal of the wartime nuisance or excise taxes. It is here because there is a popular clamor for tax reduction. It is here because the Democratic Party dares not enter the congressional elections this fall without at least a pretense of meeting the overwhelming demand of the American people.

Now the facts are that this bill does not give the people tax relief; ultimately it will increase the tax burdens. It is true there is a decrease in some excise taxes—a decrease badly needed and long delayed—but not enough of a decrease to meet the existing needs. Some of the reductions are so small as to be little more than a gesture or a sop, apparently in the hope of quieting the clamor for real relief. The proposal does not meet the test of equal justice which all segments of our national economy have a right to expect from their government.

There are crises in some of our industries which through manufacturing and retail selling outlets give employment to several millions of people. Eighteen months ago a partial reduction would have been a life-saver. That aid was not given; and these industries, like jewelry and furs, suffered. Today the relief being given will not meet their present needs.

In many instances complete repeal is needed now, and all these taxes should be removed as soon as possible. The loss of revenue, if any, would be insignificant, but it would mean the prosperity of large groups of our people.

After an unpardonable and harmful delay of 18 long months, the Democratic majority has finally permitted to come

before this House a tax reduction bill which I say is not really a tax relief bill at all. This bill simply takes the taxpayer's money out of his left-hand pocket instead of his right-hand pocket as in the past. It merely represents a change in the method of collection. The suffering taxpayer, as usual, pays.

The proposal we have before us repeats once again the old familiar tune of the happy-go-lucky spenders—"Tax and tax, spend and spend." It is one more positive affirmation of the reckless philosophy of the spendthrift that he can meet all our national problems simply by more Government spending and by taxing away a bigger slice of the worker's earnings. There is no thought of the sounder way out of our dilemma—reducing our Government spending.

I will not take the time to enumerate all of the inequities in this measure. But let us look at a few examples of discrimination. Why is it that no relief whatever is given to the purchaser of that very essential item—the electric light bulb? The 20-percent tax on this item is unchanged.

Then take the situation on radio sets. In our American civilization a radio set can hardly be called a luxury. Yet the bill makes no provision for a reduction in the tax of 10 percent on the manufacturer; and, of course, this is passed along in the retail cost of the product. It makes radios cost 10 percent more. Incidentally, there is no tax on television sets, a competitor.

A crumb is given to the householder in the form of a reduction from 15 to 10 percent on his local telephone service. But the little-business man must continue to pay the full 15-percent tax on his local phone service, thus adding to the cost of doing business. Such relief is a joke.

In one respect the bill fails to grant as much relief as the President would have given. Even Mr. Truman proposed elimination of the 3-percent excise tax on transportation of property. This tax, of course, adds to the cost of virtually every manufactured item the consumer buys. However, the committee has seen fit not to grant complete relief from this burden, but only to reduce it by half.

Additional examples of inadequate relief could be cited. In the bill which I introduced 18 months ago, I proposed that in addition to the 10 percent cut in the tax on jewelry, we should exempt entirely those items purchased by the middle- and low-income people, which sell at retail for less than $25. I am sorry the committee did not agree to this proposal at least if it would not grant total repeal as is now needed. I am convinced it would have been a real stimulant to the jewelry trade.

I have long advocated a revision of the excise-tax structure. I introduced a bill to bring about such a revision in February 1949, believing it a preliminary move leading to complete repeal. That bill has been kept in a pigeon-hole; and in the meantime 60 percent of our fur workers have been jobless; 2,000 have been unemployed in jewelry and silverware industries in Rhode Island alone; 5,000 have been unemployed in the clock industry in Connecticut alone; and 5,000 have been out of jobs in the handbag industry—to cite just a few examples. The figures I have given are not my figures; they are just a sample of the figures submitted by union leaders and employers to the House Ways and Means Committee in the past 6 months. They have made the case for repeal—repeal without any additional tax burden on the people.

The worst feature of the pending measure is that the Nation at large does not get any real relief from the total tax burden on the national economy. This is already greater than a sound and progressive prosperity can maintain indefinitely. The increased corporation levies will place another depressive cloud over business and employment, while giving prices of manufactured goods another shot in the arm. Any graduate economist can tell us, of course, that corporations compute profits after taxes, and not before, and their price scales are adjusted accordingly.

In urging this measure, the Eighty-first Congress is in marked contrast to the much abused Eightieth Congress. Instead of increasing taxes, the Eightieth Congress passed a bill to cut income taxes by nearly $4,800,000,000.

It took three tries to do it—because this administration does not really want to give the people tax relief. They frustrated our efforts upon every attempt, but on the third try we succeeded.

May I remind my colleagues that this Republican tax-reduction bill gave 71 percent of the savings to people with incomes under $5,000 and relieved 7,400,000 people in the lowest income brackets from paying any Federal income tax at all. That was real tax relief. It was honest tax relief. It is the only relief that the suffering American taxpayer has had in a generation. In addition, we balanced the budget and made a payment on the national debt.

Is it not time for this Congress to be guided by the historic Democratic slogan of 1932 that "Taxes are paid in the sweat of every man who labors, because they are a burden on production and can be paid only by production." I commend this doctrine to my colleagues. It was true in 1932; it is true today.

Canada, our good neighbor to the north, has passed three tax-reduction bills since the war and is now operating with a comfortable surplus which is being applied to her war debt. But the United States is operating at the rate of at least $5,000,000,000 a year in the "red" because we have a Government which will not cut spending.

I do not subscribe to the premise inherent in this kind of legislation that excise-tax reduction would entail a corresponding loss in revenues. The history of oppressive taxes in this country is that when they are eliminated the stimulus given to commerce by lower taxes makes up much, if not all, of the revenue theoretically lost.

The basic principle of this legislation is wrong. The idea that we must never reduce one form of tax without increasing another is not the American way. As long as the Nation is governed by this principle the people of America can never expect true prosperity and real tax relief. The time has come to "ditch" the New Deal "hitchhikers" who want a free ride on every tax bill that comes before Congress. The increases proposed in this bill would retard business expansion. They would result in more unemployment instead of less.

The clear demand of this hour is for venture capital to open new fields of private enterprise and to absorb the constantly growing labor force. Moreover, business should be permitted to accumulate some reserves in order to weather any recession that may come. This bill, as it now stands, would dry up both risk capital and reserves.

If a real job is done on lowering excise taxes, which were levied in the first place to curtail production of so-called nonessential civilian items in wartime, the increase in the volume of business due to lower prices will not only stimulate business generally, but will restore thousands of people to jobs they never should have lost, in the first place.

There is a limit to the tax load a nation can safely bear. Go beyond that limit, and we run up against the law of diminishing returns.

The road to a real and sound prosperity—the road to more jobs and better living for our people—is the road of reasonable taxation. Let us enact a tax bill which will build, rather than injure, our country. Let us reduce the excise taxes but let us not impose other burdensome taxes which will defeat our real purpose—prosperity, more jobs, and a greater revenue based on the solid foundation of expanding business.

We should divide the proposals in this tax bill. Excise-tax relief is an immediate and pressing need. Its consideration should not be complicated or imperiled by other tax proposals which are controversial and will cause delay.

Tax increases or other controversial modifications of the tax laws should not be aimed like a gun at the head of Congress in the concluding weeks of a session. Such proposals are loaded with terrific importance to the future of the Nation, and they should be deferred to a time when more thorough study can be given to all the serious consequences which they might bring about.

Mr. Chairman, I shall vote for the recommittal of this legislation, and I hope that prevails so that we can take the two proposals up separately. But failing that, and I hope we will not fail, I, of course, must vote for the legislation, because I hope then it will go to another branch of this Congress where we can secure a proper tax law.

Mr. DOUGHTON. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, the bill reported out by a majority of the Committee on Ways and Means is a very well-considered bill. While it does not provide the extra or additional $1,000,000,000 recommended by President Truman, under the circumstances it is a satisfactory bill; and in connection with

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the benefits which will come to the country it is an excellent bill.

It is a bill which, upon passage by this body, will go to the other branch after having received months of consideration by the able and intelligent members of the Committee on Ways and Means, both individually and collectively as a committee.

It is a bill which should receive early consideration in the Senate and in my opinion unless there is some disturbing complications as a result of the conditions that have arisen in the last several days throughout the world, there is no reason why this bill should interfere with the early adjournment of the Congress.

Mr. Chairman, we have heard a great deal about excise taxes and we have seen many peculiar positions taken by our Republican friends. But the record on excise taxes is very clear and very distinct and no matter how one may talk on one side or the other, the record speaks for itself. The record appears to me to be a very clear one. It points out clearly that the responsibility for the wartime excise taxes being made permanent rest definitely upon the shoulders of the Republican-controlled Eightieth Congress.

THE RECORD ON EXCISE-TAX REDUCTION

First. When the war tax rates were added, the report of the Committee on Ways and Means on the revenue bill of 1943 stated:

As your committee felt that the rates of excise taxes contained in this bill were justified only in view of the wartime emergency, it was provided that the increases imposed shall terminate 6 months after the close of hostilities in the present war.

Under this provision, the war tax rates would have ended on July 1, 1947, 6 months after President Truman declared hostilities at an end—House Report 871, Seventy-eighth Congress, first session, page 26.

Second. In 1946, Republican Members of Congress formed a House Republican Postwar Tax Study Committee and campaigned for the election of a Republican-controlled Congress on the promise of "downward adjustments in Federal excise taxes." This committee included all Republican members of the Committee on Ways and Means and 17 other Members of the House. According to the Christian Science Monitor of October 21, 1946, income taxes would be reduced by about $3,500,000,000 and excise taxes by $1,250,000,000—CONGRESSIONAL RECORD, January 29, 1947, pages 686 and 687.

Third. After the Republicans had gained control of Congress, the new chairman of the Committee on Ways and Means, the former Representative from the Sixth District in Minnesota, in an exclusive interview reported in the Chicago Tribune of November 7, 1946, reaffirmed the promise of excise-tax-reduction. According to the Chicago Tribune:

The committee will reduce, and in some cases eliminate, excises on a long list of items that includes jewelry, furs, cosmetics, and liquors. The reductions are to be effective next July 1 (i. e. July 1, 1947). (CONGRESSIONAL RECORD, January 29, 1947, p. 686.)

Fourth. The first important bill passed by the Republican Eightieth Congress was H. R. 1030 which made permanent the wartime excise taxes, even though President Truman, in his budget message, had recommended that they be extended only for another year to enable the Congress to "review the entire group of excise taxes"—budget message for the fiscal year 1948, page M11.

Fifth. During the debate on H. R. 1030 in the House, I charged that the so-called indefinite extension of the wartime excise taxes actually made these excise taxes permanent—CONGRESSIONAL RECORD, January 29, 1947, page 668; page 671. I said then that "any legislation passed by the Congress without termination date is what we call permanent legislation," and that "the Republicans had got themselves into a trap and are trying to alibi themselves out of the trap by saying that 'indefinite' means something other than 'permanent' from a legislative angle"—CONGRESSIONAL RECORD, January 29, 1947, pages 671–672. The reply given me by the then chairman of the Committee on Ways and Means was as follows:

I repeat, it does not give us any satisfaction to ask for the extension of these excise taxes, but I say again to my good friend from Massachusetts that "indefinite" does not mean "permanent." We will go over the whole excise-tax list before long and see if we cannot give relief where needed.

Sixth. Later in the debate on H. R. 1030 I made the following remarks:

Mr. MCCORMACK. I also call attention to the news item in the press of the country the other day and which also appeared in the Washington Post purporting to be a quotation of a statement made by the gentleman from Minnesota, Mr. Knutson. If it is not a true statement, the gentleman from Minnesota ought to deny it for his own sake. It is purported to be a quotation of his statement that the reason that they reported out this extension of the excise taxes and in making them permanent or indefinite—as they say, although there is no difference because they are permanent—as I say, the reason was to make it easy to put through their windfall tax for the big taxpayers. (CONGRESSIONAL RECORD, January 29, 1947, p. 685.)

Seventh. Also during the debate on H. R. 1030, the distinguished gentleman from New York [Mr. LYNCH] made a very prophetic observation. He said:

What kind of a tax program is the majority party going to give to the people of this country if when they were not in power they introduced bills which would eliminate war excise taxes and when they are in power, they not only refuse to introduce those bills, but they go even further—they fasten the tax as a permanent levy. The people of the United States must recognize that under this bill, war excise taxes are made permanent levies. * * * The bill before us today provides no set time of termination, but, as a matter of fact, continues on and on and on, and will in all likelihood continue on and on until the Democrats get back into power in this House. (CONGRESSIONAL RECORD, January 29, 1947, p. 673.)

Eighth. The distinguished member from Ohio [Mr. JENKINS], a Republican member from the Committee on Ways and Means, stated during the debate on this question:

I have no right to promise for my party what we will do, but I dare say that I can promise for my party and your party both that before the end of this year we will enact some legislation that will change these excise taxes and change them very materially. But we cannot do it in a hurry. (CONGRESSIONAL RECORD, January 29, 1947, p. 678.)

This is what happened. The prophecy of the distinguished gentleman from New York [Mr. LYNCH] is being carried out today, and by the vote tomorrow will be carried into effect. The Republican-controlled Eightieth Congress made the wartime excise taxes permanent. The gentleman from New York [Mr. LYNCH] predicted that they would be reduced when the Democrats came into power, and this bill reduces the excise taxes substantially, undoing to a great extent the harm done by the Republican-controlled Eightieth Congress.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. MCCORMACK. Yes; I yield.

Mr. CURTIS. Just what is the meaning of the word "permanent"?

Mr. MCCORMACK. What is your idea of it?

Mr. CURTIS. Something that cannot be changed.

Mr. MCCORMACK. From a legislative angle?

Mr. CURTIS. Yes.

Mr. MCCORMACK. From a legislative angle permanent legislation is any bill that is put through without a time limit imposed, without a time limit provided for in the bill.

Mr. CURTIS. "Permanent" is something that continues on without change.

Mr. MCCORMACK. The gentleman is not correct from a legislative angle.

Mr. CURTIS. No; I just read it in the dictionary; look it up.

Mr. MCCORMACK. What does "permanent legislation" mean in the gentleman's opinion?

Mr. CURTIS. The gentleman did not say "permanent legislation"; he said, "Those taxes were permanent."

Mr. MCCORMACK. They were made permanent by the Republican Eightieth Congress by eliminating an expiration date.

Mr. CURTIS. The gentleman is not correct; the taxes imposed in 1941 and 1942, the excise taxes that we are dealing with here today, did not have a termination date.

Mr. MCCORMACK. Were not the wartime excise taxes——

Mr. CURTIS. They can be changed.

Mr. MCCORMACK. From 1943 on put upon the statute books without termination date by the Republican Congress? Yes or no? Were they put on without any time expiration?

Mr. CURTIS. That is correct.

Mr. MCCORMACK. All right; if that is correct, from a legislative angle that is permanent legislation, because it remains on the statute books unless Congress acts affirmatively to remove them. That is what we call permanent legislation.

Mr. CURTIS. Why did the gentleman vote for them?

Mr. MCCORMACK. They remain on the statute books until Congress takes further affirmative action to remove them.

Mr. CURTIS. Mr. Chairman, will the gentleman yield for a question?

Mr. McCORMACK. I yield for a question.

Mr. CURTIS. I will ask the gentleman why he voted for them.

Mr. McCORMACK. That is very easily answered. I answered the gentleman from New York [Mr. REED], today. I voted for them because the Republican-controlled Ways and Means Committee reported an extension without time limit; they got a closed rule; the taxes had to be extended; the revenue had to come in in the interest of the country. We did not have an opportunity of voting on the question of whether or not they should be extended for 1 year. The Republican-controlled Eightieth Congress made them permanent. There was only one thing that any logical-minded legislator could do, as I see it, in the light of the fact that we needed the revenue, and that was to extend them in the hope that a future Congress would either reduce or repeal them; and that is what is happening now under the Democratic-controlled Eighty-first Congress; we are reducing all along the line, not the excise taxes imposed from 1943 on, but going back to those imposed from 1940 on, reducing them substantially in the interest of the businesses affected and for the benefit of the consuming public.

Mr. CURTIS. Mr. Chairman, will the gentleman yield further?

Mr. McCORMACK. I yield for one question, but one question only because I have a record here to put in about the party of the distinguished gentleman who was one of the leaders in foisting upon the American people the permanent legislation in relation to the wartime excise taxes.

Mr. CURTIS. Is it not true that the Democratic members of the Ways and Means Committee joined in the unanimous report on that bill? And is it not true that the Democratic members of the Rules Committee were unanimous in sending it to the floor? And is it not true that the Democratic Party, then the minority party, did not resort to any motion to recommit to put a time limit on this bill? And is it not true that the gentleman supported all of these moves?

Mr. McCORMACK. The fact is that President Truman recommended an extension of 1 year. The fact is that a Republican-controlled Ways and Means Committee reported out permanent legislation without time limit. The fact is that the revenue was necessary for the interest of the country. The fact is that the responsibility for the excise taxes being made permanent rests upon the Republican majority of the Eightieth Congress; and the further fact is that as the gentleman from New York [Mr. LYNCH], said in 1947, the people would have to wait until there is another Democratic-controlled Congress before there will be excise tax relief. That is taking place today, and I hope and am confident it will be consummated tomorrow.

Now, let me refer to the record. The distinguished gentleman from Ohio [Mr. JENKINS], a Republican member of the Committee on Ways and Means stated during the debate on this question:

> I have no right to promise for my party what we will do, but I daresay that I can promise for my party and your party both that before the end of this year—

This is 1947. I am quoting the gentleman—

> before the end of this year we will enact some legislation that will change these excise taxes and change them very materially, but we cannot do it in a hurry. (CONGRESSIONAL RECORD, January 29, 1947, p. 678.)

I note the gentleman from Ohio wants me to yield. I will ask the gentleman before I yield to him, Did I quote the gentleman correctly?

Mr. JENKINS. Yes. I am proud that the gentleman has quoted me because I told the truth then and I tell the truth now. The gentleman and his President have gone all over the United States talking about the action of the Eightieth Congress.

Mr. McCORMACK. We are right. It was a reactionary Congress.

Mr. JENKINS. Wait until I ask the question.

Mr. McCORMACK. I want to exclude a small group of progressive-minded Republicans who fought hard. I want the RECORD to show that. But as far as the Republican leadership were concerned and the great Republican majority of the Eightieth Congress, not only the Eightieth but Eighty-first, they are reactionary. There is no issue there involved.

Mr. JENKINS. I will make an issue.

Mr. McCORMACK. The American people decided that.

Mr. JENKINS. I will make an issue with the gentleman on that if he will stand still long enough.

Mr. McCORMACK. The gentleman gives to himself greater credit than I think I would be inclined to give to him.

Mr. JENKINS. I will raise an issue with the gentleman. Why has not he and the President offered to repeal one single line of the law passed in the Eightieth Congress? You have not done it. You holler and shout but you do not do anything.

Mr. McCORMACK. Is that not a very fine observation? We put through low-cost housing and public housing, have we not?

Mr. JENKINS. But you have spent more than all other Congresses put together.

Mr. McCORMACK. We put through the 75-cent minimum wage. Your party promised a 60-cent minimum wage in the Eightieth Congress. You did not keep that promise. We have been undoing in great respect the harm imposed upon the people by the great majority, not all but the great majority, of the Republican Members of the Eightieth Congress.

Mr. JENKINS. Why will not the gentleman answer me? Why did he not repeal the tax law? Not one bill has been offered to repeal it.

Mr. McCORMACK. The gentleman said we have not done anything. We have done plenty in this Congress. We have taken care of reclamation. You did not take care of reclamation. We have taken care of flood control that the great majority of the Republicans tried to stifle. We have taken care of rural electrification. We are providing for pipelines from the source of power to the consumer. We have done a lot in this Congress. We have undone a lot that the Republican Eightieth Congress did and the people confirmed that in the election of 1948.

Mr. JENKINS. The gentleman has never answered my question. That is what I want him to do.

Mr. McCORMACK. There is no answer any Democrat could give that would satisfy my friend from Ohio.

Mr. JENKINS. All those things the gentleman has mentioned I voted for, but he does not answer why he did not offer a repeal tax bill of which he complains? He never has, he never will, because your party has to have the money to elect and spend.

Mr. McCORMACK. Is that a question or speech? One thing is certain, we are undoing a lot of harm that the Republican Eightieth Congress did.

Mr. KING. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from California.

Mr. KING. I am reminded by the persistence of the gentleman from Ohio [Mr. JENKINS], in having the gentleman from Massachusetts [Mr. McCORMACK] answer, and using the name of our respected colleague the gentleman from Michigan [Mr. DINGELL], when he said: "You cannot repeal a sin." You can only ask forgiveness and promise not to do it any more.

Mr. JENKINS. The trouble with that is you have not done anything yet.

Mr. McCORMACK. Let me proceed because, of course, the gentleman from Ohio is caught in a trap and there is nothing he can do about it. They trapped themselves and they cannot get out of the trap.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. The gentleman should not overlook the fact, while he is stating what we have done, that the Democratic Party has returned to the Commodity Credit Corporation the right to buy and build warehouse storage for grain, and we have taken care of the farm-support program, and we have doubled what the Eightieth Congress gave us for the ACP program. We took care of the farmers, and I do not want that to be forgotten.

Mr. McCORMACK. Do not worry; we will never let them forget that. This is so interesting, and I know so embarrassing to most of my Republican friends, and, naturally, having trapped themselves, I must present the record, and it affords me, as a Democrat, pleasure to expose the trap that our Republican friends set for themselves in order that they might take care of those with large individual incomes.

Ninth. Only a few months later in hearings of the Committee on Ways and Means on May 28, 1947, Chairman Knutson made it clear that it was the purpose

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of the Republicans to increase excise taxes, not reduce them. He said:

It is the hope of the committee to be able to shift much of the burden that is now being carried by the income-tax group, * * * over to the excises, at least in part.

And he added:

Obviously, if we are going to extend the excise field, we will have to include a great many items that are not now included. (Hearings before Committee on Ways and Means, Revenue Revisions, 1947–48, p. 193.)

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. O'TOOLE. On January 6, 1947, I introduced a bill to reduce the excise taxes to their prewar level, and for 2 years Mr. Knutson refused me a hearing.

Mr. McCORMACK. Tenth. Still another high-ranking Republican member of the Committee on Ways and Means, Mr. GEARHART, of California, offered a bill for a 10 percent manufacturers' sales tax—H. R. 4352, Eightieth Congress.

Eleventh. Chairman Knutson, meanwhile, appointed a special tax study committee of prominent industrialists, bankers, and tax lawyers which recommended in a report filed November 4, 1947 that—

A case can certainly be made for strengthening the excise-tax structure. (Hearings before Committee on Ways and Means, revenue revisions, 1947–48, p. 3616.)

Twelfth. Republicans then demonstrated their lack of interest in excise-tax reduction by passing a bill restricting tax relief solely to income and estate and gift taxes. Moreover, the nearly 50,000,000 income-tax payers under $5,000 received an average tax cut of only $1.15 a week, while the take-home pay of the $50,000-a-year man was increased by $150 a week under the Republican rich-relief tax bill. A generous $250,000,000 annual reduction in estate and gift taxes was provided for 12,000 of the Nation's wealthiest families. This amounted to a 30-percent decrease in estate and gift taxes on the average—speech by me, CONGRESSIONAL RECORD, volume 94, part 7, page 9307.

Thirteenth. At the time of passage of the Republican rich-relief income- and estate-tax-cut bill, Democratic members of the Committee on Ways and Means in their minority report unanimously recommended that consideration be given to adjustments in the wartime excise-tax structure—House Report No. 180, Eightieth Congress, first session, page 34.

Despite their failure to reduce excise taxes during the 2 years in which they controlled the Eightieth Congress, Republicans now profess an interest in excise-tax reduction. Their insincerity, however, is presently made very clear by the motion to recommit which would separate excise-tax reduction from the provisions raising offsetting revenue, would make impossible, impracticable, and ridiculous the reduction of excise taxes at this time. Furthermore, the untenable position of the minority is clearly shown by the most unusual motion to recommit which merely splits up the provisions of the bill under consideration. It indicates more than anything else that the Republicans are only obstructionists in the field of excise-tax reduction and have nothing constructive to contribute in this field.

Finally, Mr. Chairman, in today's hour of crisis, our fiscal strength must be carefully husbanded as a foundation for our military strength, and anyone who would weaken either would do a great disservice to this country.

The action taken by a majority of the members of the Committee on Ways and Means by this bill will have a healthy effect upon the business of America and the whole economy of America. The increased corporate rate is a fair one and a reasonable one. Corporations last year had a total income of $18,000,000,000 after payment of all taxes. Only a few years ago $11,500,000,000 was the highest income the corporations had ever had after payment of taxes, in any one year.

The type of corporations that are receiving this 3 percent increase in order that there be no loss of revenue through cutting the excise taxes can well afford to bear the burden. At the same time, we are taking care of the 90 percent of small corporations in America. One of the great problems confronting America in our intense economic system is to enable small business to compete with big business. I am for big business but I am against abuses by any business. I believe there is a great problem confronting our country to see that small businesses can compete in this intense economic system that is ours and prevent themselves from being either absorbed or destroyed.

The 3 percent differential in the corporation tax of those corporations earning less than $167,000 net will be of material advantage to them in building up their reserves and in expanding their business. It will be of valuable assistance to our national economy. It will increase employment. It will strengthen small business. It will strengthen our entire economic life.

The majority of the Committee on Ways and Means have been very fair in this 3 percent increase, and at the same time they make a powerful contribution to the strength and stability of the small business corporations of our country.

The Democratic Party has always been the party of the people, it has always been the party to preserve and strengthen the family life. The Democratic Party is the party also to prevent monopoly and to preserve and strengthen small business in America. This bill will make a greater contribution toward the preservation and the strengthening of small business in America than anything that has been done by Congress, in my opinion, during the last 20 years.

Mr. REED of New York. Mr. Chairman, I yield 25 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, the distinguished gentleman who just left the floor is one of the ablest lawyers I have ever known. He is able to argue just as eloquently when he is wrong as to the facts as when he is right. I congratulate him on his great ability.

The committee worked long and hard on this bill, and I want to pay tribute to my colleagues on that committee, who were in session day after day since about February 3. I particularly want to commend those two great Americans—the gentleman from North Carolina, Chairman DOUGHTON, and the minority ranking member, the gentleman from New York [Mr. REED]. They are men of integrity, men who want to preserve the solvency of this country and men who are concerned about the future welfare of our great Republic.

I followed President Truman on a tax matter in the Eightieth Congress. I find it was one of the biggest mistakes I have ever made. In fact it was a mistake for the Eightieth Congress to adhere to the request of President Truman to extend the wartime excise taxes. I believe now it would have been better to turn a deaf ear on the request of President Truman to extend the wartime excise taxes.

Fortunately we did not go as far as the President requested. The President wanted excise taxes extended to a day certain. Well, anyone who analyzes the situation will realize that does two things. It shuts off the Government's revenue and it paralyzes business. If any of you people here knew that on a day certain you could buy, for instance, a set of silverware without an excise tax, you would not buy it until that day. In the meantime sales fall off, factories may close, men are laid off, and no taxes are collected. That was the sort of program that President Truman came before the Eightieth Congress with and said to extend these wartime taxes for 1 year. The Eightieth Congress said, "No, we will not do that. If you insist on it, we will extend them, but extend them until they can be considered again."

I believe it was a mistake to even extend them at all. There is one thing I found out in studying the finances of this country. That is, that you cannot follow the program of President Truman and maintain the solvency of this country. You cannot stand on Mr. Truman's program of taxation and spending and expect this country to survive. The new legislation requested by him would cost according to the Committee on Expenditures in the Executive Department of the other body an additional $25,000,000,000 a year. How can you raise $65,000,000,000? The most money we have ever been able to raise in wartime was $45,000,000,000 when we had taxes intended to shut down industry and when it was a time of crisis.

How are you going to raise $65,000,000,000? If you take all the income of every citizen making more than $10,000 a year, you would collect $4,000,000,000. If you raised the corporate rates up to 50 percent you would collect $3,000,000,000 more. If you repealed the tax reduction of the Eightieth Congress and raised the exemption from $500 a person up to $600 which took 7,000,000 of the low-income people off the income-tax rolls, and which gave added benefits to the blind and to the aged, if you turned your back on that humanitarian bill you would raise probably another $5,000,000,000. But you would still fall short by billions and billions of dollars of paying for the Truman program. Let this be clear up and down this country that

we cannot follow the Truman program of taxing and spending and have any hope that this Nation will survive. It is a matter of arithmetic.

I do not want this country to forget that under the New Deal-Fair Deal administration not one single bond has ever been paid off by surplus financing.

Now, a little bit about this bill. I voted against it in committee because in committee there was still opportunity to change and correct the bill. I am going to vote for it on the floor because it does deal with some much-needed excise-tax reductions, and I want the other body to consider it. It is very much needed. In many ways it does not go far enough.

I would like to say something about the transportation tax. It is 3 percent of the freight bill. It is most inequitable. It is sectional legislation. It is unfair to that great interior of the country, those places far removed from the markets. It means that the producer who must ship his product, whether it be a manufactured product or a carload of wheat or a carload of livestock, a thousand miles pays a much greater freight rate than the man who ships it 50 miles, and the tax is likewise greater, because it is 3 percent of the transportation cost.

I fought as hard as I could in committee to get the transportation tax repealed, not only because it is unfair to the small industry and to the farmers and producers of the great area where I come from, but because it is essentially wrong. It is most inflationary. When you go into a store to buy an article, just how many transportation taxes do you pay? When these raw products are produced they are transported and there is a tax paid on that. When those products are processed another transportation charge and more taxes. When that material is sent to the manufacturer, more transportation and more taxes. When the manufacturer sends his product to the wholesaler, and the wholesaler to the retailer, more transportation and more taxes.

Those transportation charges, including the taxes, are figured in the mark-up. It is common practice for business to determine how much an article costs. Then they figure their mark-up, whether it is 3 percent, 5 percent, 10 percent, 20 percent, 50 percent, or 100 percent. They figure the mark-up on all costs including the transportation cost, plus the tax. So the people of America, in buying their necessities, pay probably 10 or 15 transportation taxes on every article, and it raises the price and makes it inflationary and they get less for their money. If I am any judge of the temper of the American people, they are alarmed. Oh, yes; there is an element of prosperity going on, but they well know it is blood prosperity, that it was purchased at the price of a great war. They also know that the life-insurance program which they have amounts to nothing. They know that even though they work and toil and live frugally, their money does not go very far. Inflation is the most cruel kind of taxation. One of the greatest causes of inflation is this transportation tax. That tax should have been repealed. I am sorry that more of the majority Members did not go along in the effort I made to repeal that tax.

Now, a word about the communication taxes. Almost the poorest person in the land has to have a telephone. The individual, in order to get a day's work here and there, has to be where his potential employers can call him and say, "Can you work for me tomorrow?" The lady who sews all day and far into the night has to be reached by telephone. The tax on the telephone bills should have been taken off. It was reduced 5 percent, but that is not enough.

Oh, yes. They quarreled a long time about who made the taxes permanent. In the first place, no tax is permanent; one Congress cannot bind another Congress. We made those taxes without a definite termination date in order to save businesses from collapse, because there would have been no purchases until that date arrived. But I want to ask this question: Who made the war situation permanent? Whose responsibility is it that we have a war situation permanent?

There are some good things in this bill in regard to excise taxes; there will be some businesses helped. They waited a long time. I am glad they are going to get it. I supported it, and I will support it in this bill. I think the removal of the notch in the corporation tax was a good thing. I wanted it done; I voted in committee to have it done without an increase in rates. Frankly, I think that is the only way we could do it and really help the small corporation to the utmost. Why do I say that? The corporations in my territory are those small businesses suffering under the notch. They are entitled to relief, but when they get that what is going to happen to the price of the steel that they must buy? If it goes up and cuts down their margin what have they gained? If you put a tax on the steel industry or any other great industry it is going to be passed along. I cannot for the life of me understand why members of the majority Party day after day and in speech after speech defend the purity of the great corporations. That is what you do when you say they will not pass these taxes on. Who is it in America that is so altruistic that he does not think in terms of take-home pay?

Mr. COMBS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. In just a little, when I have finished my statement.

Everyone thinks in terms of take-home pay, even Congressmen; most people want to know what they will have left when the tax gatherer gets through with his taking, yet you people on the majority side defend the great sprawling corporations and say, "No; they would not do that."

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. In just a minute.

Mr. EBERHARTER. Everybody yielded to the gentleman.

Mr. CURTIS. And I shall yield, but I wish to finish my statement regarding this matter.

Corporation officers are going to keep up or increase the earnings for their shareholders if it is possible to do so. At the present time in order to make a dollar profit for their shareholders they have to charge $1.61. Why is that? Take $1.61 and charge it with a 38 percent tax and you get a dollar profit. How much will they have to charge the people of the country to get a dollar profit now? $1.77. Figure it out; take $1.77 and reduce it by 41 percent and you get a dollar profit.

You do not kid anybody; when the great utilities and great communications systems and railroads have their taxes added to and added to they are going to collect it from the poor and humble people that you and I serve; and this idea of the Democratic majority defending these large corporations and saying, "No, they will not do that," when all over this country people think in terms of take-home pay and profit for themselves——

Mr. COMBS. Mr. Chairman, if the gentleman will yield, of course it has been argued from time immemorial that a tax placed on business and industry is passed on to the people. Now, then, if that is true, the 38 percent we now have is passed on to the people, is it not?

Mr. CURTIS. I think they are doing that. I think that is what makes prices so high.

Mr. COMBS. Does the gentleman advocate taking that off?

Mr. CURTIS. Not necessarily, no. It cannot be done.

Mr. COMBS. Where are we going to stop the list, up or down?

Mr. CURTIS. Big Government and high taxes increase prices and make for inflation and thus make it hard for the rank and file of our people.

Mr. COMBS. Will the gentleman answer this question: If the big corporation can pass that on, or the little one, to the people, does that mean there is no competition?

Mr. CURTIS. Not necessarily. I think everyone in America today is thinking in terms of take-home pay.

Mr. COMBS. What does it mean when United States Steel, General Motors, and other large corporations published here in the spring enormous profits which they had left after the payment of taxes, hundreds of millions of dollars. Does the gentleman think they cannot pay taxes out of that?

Mr. CURTIS. I am not worrying about them. I am talking about the people from whom they are going to extract that money.

Mr. COMBS. Whom are they going to extract it from? Can they not pay it out of the profits before passing it on?

Mr. CURTIS. I think they can, but I do not think they will. I do not think that these big corporations are as pure as your party contends they are.

Mr. COMBS. If they are what the gentleman says they are, if you took it all off, they would keep the balance.

Mr. CURTIS. I have not advocated any such thing. I have pointed out that big government and high taxes make for inflation and thus make it hard for the rank and file of the people. I stand on that, and the gentleman knows it.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

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Mr. CURTIS. I yield to the gentleman from Arkansas.

Mr. MILLS. If the gentleman from Nebraska is correct, and I am not disputing the fact he may be, does not the gentleman's argument completely eliminate the argument that is made that we need to do something about double taxation on dividends? If this corporate tax is passed on to the consumer, then, actually, the dividends are not being taxed twice. Is that the conclusion I am to reach from what the gentleman says?

Mr. CURTIS. No. I think any place that you put this tax the owners are going to insist that management make enough money to get some profit for them. If they do not get it, they will hire new management.

I do not want to talk about the corporation tax any more. I wish I could have the sublime faith that the majority party has that these corporations will not take it out of the hides of the people.

I want to say something about taxing the interest element of life insurance. The gentleman from Iowa pointed out so well the great social advantage of having a situation that is conducive of the payment of death benefits in installment payments.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. REED of New York. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. CURTIS. Mr. Chairman, it so often happens that when death comes and the aggrieved people receive a sizable amount of insurance, or a small amount, it comes at a time when they are worried, when they are harassed, when they are faced with many problems, and oftentimes that money, with the best of intentions, slips away. So that the great army of insurance agents throughout the country have told the heads of families and others: Fix this insurance so that it is paid not in a lump sum but in installments over a period of years.

They have said that when insurance is paid in installments you get a little more that way because they give you an interest increment and that interest increment is not taxed. Now, in order to get $5,000,000 more for this great bureaucracy to spend, which will only pay for 5 days' travel of the bureaucrats, they are going to tax the interest element of life insurance death benefits made in installments. That is a bad trend. There are things in this bill which point in the opposite direction that this country ought to go: More taxes, more hidden taxes, fewer jobs, and less enterprise.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Colorado.

Mr. CARROLL. I have been following very closely the argument presented by the gentleman with reference to life insurance companies. Is it not true that as to a lump sum payment after death, if it is invested, the income from that investment is taxable?

Mr. CURTIS. Yes.

Mr. CARROLL. And is it not true that if as an investment a lump sum payable is left with the insurance company, that the interest on that lump sum payment is taxable?

Mr. CURTIS. Yes; but the social result of what you are doing in this bill is bad.

Mr. CARROLL. It seems to me that it boils down to the argument that where a death takes place and the money is paid on the installment plan, the question is really whether or not we will give equitable treatment for taxing interest or income as the result of installment payment, and I am unable to get any distinction.

Mr. CURTIS. Well, there is a big distinction because under what the committee has recommended here many people will have to pay taxes on a return of their principal and will have to pay a tax before they have received the face amount of their insurance.

Let me illustrate. Suppose a man buys an insurance policy and he provides that the amount paid upon his death shall be paid to his widow at so many dollars a month for as long as she lives. Under this bill you start taxing a part of that return the very first month If she dies in 2 months or 2 years, long before she has received any great part of what was paid in, she will be paying taxes on a return of the insured's money, and you cannot escape that.

Mr. CARROLL. Of course, there would be the identical situation if there was a lump sum payment, whether it was investment income or interest earning, and there is no reason, I think, as I read what the experts have to say, for this distinction, even though it comes on the installment plan.

Mr. CURTIS. The gentleman misses the point. The reason for the distinction is that we want to encourage the installment payment of death benefits because it protects the widows and orphans and everybody involved. Lump-sum payments slip away and depreciate, and with the best intentions they are gone. What I am arguing for is a little incentive to encourage installment payments.

Mr. CARROLL. Will not the gentleman admit that this installment payment, where you talk about tax on the principal and where you talk about tax on the interest, that it is a very small amount? In the normal case, in the normal American family, it would be very small. It might be substantial in extremely large estates.

Mr. CURTIS. For a very small amount of revenue you are taking away the argument that the individual can buy life insurance and have it paid in installments and that it is not subject to the Federal income tax.

Mr. CARROLL. Is it not true that evidence was submitted to us that this was being used as a loophole, and it involves about $20,000,000, and it involves most of the very substantial estates?

Mr. CURTIS. It is my understanding that it involved about $5,000,000 of revenue. The life-insurance agents know from their experience in settling these claims and dealing with people that this has been a good thing for people.

Mr. CARROLL. I think it would be a mistake to have the RECORD show that we are striking at the small home or the small American family. Of course, we want to encourage installment paying. But really, as I remember the testimony of the experts on this, this was a substantial loophole and involved $20,000,000 in revenue.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Michigan.

Mr. MICHENER. I have in mind a case where a man died leaving three or four children. He had $30,000 or $40,000 of life insurance. He could elect under the policy whether or not the full amount was to be paid or whether it was to be paid to his family over a period of years, like an annuity. He elected the annuity. The question is, will the tax on that annuity be changed or affected by this bill?

Mr. CURTIS. It was a death settlement?

Mr. MICHENER. Yes.

Mr. CURTIS. At the present time when a death benefit is paid in installments the interest element is not subject to the Federal income tax. This bill makes it subject to the Federal income tax.

Mr. MICHENER. At what rate?

Mr. CURTIS. It is on an average rate. They take what the average life expectancy of the beneficiary would be and how much he would receive, and subtract from that the face of the policy, and the difference is interest. Consequently, in the case of an insurance contract to pay a sum certain to a widow as long as she lived, if she lived only a year she would be paying the tax right from the beginning and never even get a return of the premiums.

Mr. MILLS. If the gentleman will yield, permit me to call to the attention of the gentleman from Michigan that on pages 46 and 47 there are some examples that set forth the matter about which the gentleman from Nebraska was talking.

Mr. MICHENER. I thank the gentleman.

Mr. CARROLL. Mr. Chairman, will the gentleman yield further?

Mr. CURTIS. I yield.

Mr. CARROLL. The statement I made about $20,000,000 was in error insofar as the installment payments of insurance were concerned. What I had reference to was the minority recommendation to extend that same theory to annuities. It would result in a total loss of $20,000,000.

Mr. CURTIS. Yes. There is an argument that if we are going to apply this Canadian rule to death installments it should be applied to annuities.

Mr. Chairman, it has long been the position of the Republican minority that the maximum amount of excise tax relief that can be given be enacted into law with dispatch and thus end the uncertainty and confusion that is now slowing up sales and production and creating unemployment.

When the committee undertook the consideration of this matter, the minority then moved for the immediate consideration of excise tax reduction as a separate bill, in order that the matter could be settled and industry could go

ahead, men could go to work, and they could start paying taxes and pay their other bills. In this the minority of the Committee on Ways and Means have been supported by the entire minority of the House.

In order that the question of excise taxes can be settled in regard to all commodities and all industries without further delay, there will be offered a motion to recommit to separate this bill. This will enable both the House and the other body to speedily act upon excise taxes and send the matter to the President.

So long as there is public discussion concerning any particular excise tax potential buyers of those articles are withholding their purchases. Retailers and wholesalers likewise delay their orders. This means that factories slow up or close down and men are out of work. These unemployed men are not contributing through the withholding tax and many of them will be compelled to seek unemployment compensation. The need for settling the issue of excise taxes is most urgent, whether that be by granting the relief that is desired or denying it, the country ought to know.

There are other basic reasons why the provisions of this bill should be separated into two bills. We, of the minority, feel that there are questionable provisions in this bill that ought to be considered on their merits alone. For instance, under the provisions of this bill for the withholding of a flat 10-percent tax upon dividends, we will in many instances be depriving people of low income of their own money when they do not owe any taxes at all. This is particularly true of an aged couple who have a few hundred dollars of dividend income but whose total income is less than the exemptions which they are allowed.

Likewise, you might take the case of a hospital endowment fund that has $20,000 dividend income. Under the provisions of this bill the Government would withhold $2,000 of their income year after year even though they owed no tax.

Furthermore, this bill imposes upon the American people hundreds and hundreds of millions of dollars of additional taxes. It is the view of many of us that in the long run all taxes are borne by the consumers. If these new and added taxes contained in this bill are for the best interests of the consumers of the country or in other words, for the rank and file of our citizens, let those new taxes be brought in here as a separate bill and be considered on their merits.

Mr. Chairman, this is the situation we find ourselves in. If these added taxes, the taxes on life insurance proceeds and the speed up of payments of certain business taxes and these other very controversial matters go over to the other body, tied to the excise taxes, this uncertainty will run on and on. In view of the headlines of the past few days, who knows when this tax bill will be approved? Maybe September, maybe October, maybe never. In the meantime the potential purchaser of something upon which there is an excise tax will wait and see. Let us settle the issue of excise taxes and do it now. The only vote you can cast for excise-tax relief is to support the motion to recommit because these other matters are controversial.

It will take the other body a long time to consider them. No one knows when the Congress will adjourn or when the conference report will be accepted.

Mr. COOPER. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, I take this time in order to inquire of the majority leader as to the program following the consideration of the tax bill tomorrow.

Mr. McCORMACK. There are two or three conference reports. There is a District rent control bill, and the District nurseries bill. There is one from the Committee on Merchant Marine and Fisheries. I think they all have time limits. That is, they must be acted upon before July 1.

Mr. MARTIN of Massachusetts. I understand we expect to proceed today on the tax bill through the engrossment and third reading of the bill and the previous question.

Mr. McCORMACK. Exactly.

Mr. MARTIN of Massachusetts. And the motion to recommit, and the vote on the final passage will come up tomorrow.

Mr. McCORMACK. Exactly. Final action on the tax bill will be the first order of business tomorrow.

Then following that there are some conference reports which I have mentioned.

Then, S. 3527, to amend section 14 (b) of the Federal Reserve Act. There is a time limit of June 30 on that. There is a rule out today. I understand there is not any opposition to that, so that it should not take very much time.

Then, S. 3550. I understand a rule has been reported on that. That is another one of those bills relating to the import of certain oils and fats, and the time expires in a few days, so action must be taken before June 30.

Then, there is House Joint Resolution 453, offered by the gentleman from Illinois [Mr. SABATH], authorizing the President to invite the States of the Union and free-foreign countries to participate in the First International Trade Fair to be held at Chicago August 7 through August 20. I do not imagine there will be any opposition to that.

Then, there is S. 3336, to provide for the organization of the constitutional government by the people of Puerto Rico. It is hoped that we can pass this bill, because there is a big celebration going on in Puerto Rico on July 4. The Governor of Puerto Rico, who, as we know, is a very responsible man and a fine public official, has cabled, expressing hope that his bill could be passed by that time, and it would be utilized very effectively because the people are keenly interested in it.

Then, there is H. R. 7349, to protect the national security of the United States by permitting summary suspension of employment of various civilian employees in agencies of the Government. I think all the Members perhaps know that, making it general. I know of no opposition to it, but it is a bill of importance.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. RANKIN. The gentleman is speaking of tomorrow's program?

Mr. McCORMACK. Yes.

Mr. RANKIN. I am filing a conference report on the bill S. 2596.

Mr. McCORMACK. That is an amendment to the GI bill, the so-called Teague bill?

Mr. RANKIN. Yes.

Mr. McCORMACK. Of course, conference reports will be in order. I am glad the gentleman advised the House, so that will be a matter of record for the information of the Members.

Mr. MARTIN of Massachusetts. Did the gentleman include a bill from the Committee on Banking and Currency, a bill that Mr. SPENCE will call up?

Mr. McCORMACK. Yes. That is S. 3527.

Mr. MARTIN of Massachusetts. Could the gentleman tell us about the program for next week?

Mr. McCORMACK. With the disposition of these bills I have no legislative program for next week. The gentleman will recall that the Consent and Private Calendars next week were dispensed with and will be in order on the following Monday. There will be no legislative business next week. May I say that includes no other business?

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. MARTIN] has expired.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

### UNITED STATES COULD STAND A $65,000,000,000 BUDGET

Mr. PATMAN. Mr. Chairman, I heard the distinguished gentleman from Ohio [Mr. JENKINS] make a statement today that indicated that he believed it would be impossible for our Government to provide for a $65,000,000,000 annual budget. Although I am not advocating an increase in the budget, and certainly not advocating anything like $65,000,000,000, I do believe that the Government properly conducted as it is now could stand a budget much higher than $65,000,000,000 if used for proper purposes and supported by adequate and equitable tax laws.

### UNFAIR COMPARISON

I do not think it is a fair comparison to compare the amount of the national budget with the national income. I do not think it is comparable at all. A lot of people I know will not agree with me. If we take out $40,000,000,000 in taxes for our annual budget from our national income of, say, $200,000,000,000 that is 20 percent. Our national income is over $200,000,000,000, so it is about 20 percent or less. If we were to siphon that money off in taxes and bury it in the ground, or send it to Fort Knox and bury it there,

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that would be devastating to our country, and I would agree with the people who make the statement that no nation can survive if we do that. But that is not what happens. We draw the money in in the form of taxes, but we immediately pay it out and it keeps going. Money has velocity. It travels not only 10 times, but 20 times or 30 times or 40 times a year for each dollar, so when you make the right comparison you should say that the $40,000,000,000 should be compared to our total transactions, because the Government's part is only one transaction.

TWO TRILLION DOLLARS A YEAR

In this country last year the 330 largest banks cleared checks aggregating one trillion two hundred and fifty billion dollars ($1,250,000,000,000). There are other transactions besides that. The $29,000,000,000 that we have in the pockets and tills of the people in actual cash will travel much more rapidly than the bank transactions. So when you consider the velocity of the money and the total transactions aggregating about $2,000,000,000,000 a year—two thousand billion dollars a year—the right comparison is to compare that $40,000,000,000 budget with the $2,000,000,000,000 of transactions a year. If you do that, you have 2 percent of the total transactions it costs the National Government, which is not terribly large, after all. The following table is revealing:

*Federal debt, national income, and national wealth*

| Year | Total Federal debt (end of fiscal year) [1] | Total national income (calendar year) [2] | Total national wealth (end of calendar year) [2] |
|---|---|---|---|
| 1931 | $16,801,281,492 | $58,873,000,000 | $318,800,000,000 |
| 1932 | 19,487,002,444 | 41,690,000,000 | 238,800,000,000 |
| 1933 | 22,538,672,560 | 39,584,000,000 | |
| 1948 | 252,292,246,513 | 226,204,000,000 | 684,245,000,000 |
| 1949 | 252,770,359,860 | 221,500,000,000 | [4] |

[1] Treasury Department.
[2] Department of Commerce.
[3] Figures for 1931 and 1932, estimated by Robert R. Doane, The Measurement of American Wealth. Figures for 1948 based on estimate by former Secretary of Treasury Vinson for 1945, to which were added Commerce Department estimates of net capital formation.
[4] Not available.

Our national income is about $225,000,000,000 a year now, and about that much during the years 1948 and 1949, as compared to a national income of $41,000,000,000 in 1932 and $39,000,000,000 in 1933. As high as the national debt seems, it can be paid with less inconvenience and less trouble today than a debt one-tenth its size could have been paid in 1932 or 1933.

UNITED STATES IN GOOD CONDITION—BUDGET, NATIONAL DEBT COMPARED

I want to say something about the budget. In view of the fact that 76 cents out of every dollar is chargeable to the cost of past wars and providing for an adequate national defense, we only have 24 cents out of every dollar to consider when we talk about reducing the budget.

TAXES HIGH, BUT NOT DANGEROUSLY HIGH

Our budget is about $40,000,000,000, and I know that is a large amount of money. I can hardly conceive of the size of the national budget. We often hear the statement made that no nation can survive if it draws in, in the form of taxes, as much as 20 or 25 percent of its national income. That is the part I want to talk about. We are approaching 20 to 25 percent now, but our country is not "broke"; it is not nearly "broke." It is not even in bad shape, although we owe a large national debt. I wish the debt was much smaller, and I would be willing to vote for taxes to make it smaller. I regret exceedingly that we are operating on a deficit. I voted against the tax-reduction bills in the Eightieth Congress because I knew any tax reduction would throw us into deficit financing. I would be willing to vote taxes for the purpose of balancing the budget in order not to have any deficit if we are unable to reduce our national expenditures to balance the budget.

We often hear people say we owe about as much as our national wealth. That statement is not nearly true, either. Our national wealth, as estimated by the Department of Commerce, is about $634,000,000,000. Our national debt is about 40 percent of that amount. When we add to the national debt the debts of the States, counties, parishes, and political subdivisions, it will probably run up to more than 50 percent. But even with that we are not in such bad condition.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Chairman, when the Speaker was in the chair I asked unanimous consent at that time to insert extraneous matter in the RECORD in my remarks during the debate on this bill. I now ask that at that point in the RECORD of today's debate where this matter of the vote on H. R. 1030, over which there has been so much controversy occurred, that the roll call on that bill may be inserted.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, no tax bill which the Congress ever has passed is satisfactory to everyone that is affected by it. The question of equity and fairness is always raised against some provision of every tax bill.

In the case of the bill H. R. 8920 which is before us for consideration there are many good points about it, such as the relief to the average taxpayer by the partial repeal of excise taxes which will be welcomed by everyone because of the reduction of cost in the purchase of many every-day necessities and services.

Many of us would like to amend this bill to reduce the excise taxes still further than this bill provides, but that is not possible because of the closed rule which was adopted without opposition making it impossible to amend it and giving us no other choice than to vote for it or against it.

If this gag rule had not been adopted I would have amended the provision in section 601 by striking out the language which requires the withholding at the source, 10 percent of the dividends payable to a stockholder. I think it is unfair and inequitable to impose this tax on a recipient of dividends especially where in many cases the receiver of these dividends does not receive enough income to be obligated to pay any income tax and therefore must file a claim for a refund for the amount withheld. This will be the case in many instances where the receiver is elderly and depends upon these dividends for a living. Fortunately the refund must be returned during the taxable year, so they will not have to wait too long for the amount withheld.

It seems unfair to me that dividends are taxed at all, because the corporation is taxed for its profits and then the stockholder is taxed for receiving a dividend from those profits. The whole theory of double taxation in my opinion is wrong, and it is my hope, since we here in the House cannot strike out this unfair section of this bill, because of the closed rule we are under, that the Senate will give this part of the bill thorough consideration with a view of correcting this inequity. These are not only my views but also the views of my colleague, Mr. HINSHAW, and other Members of the California delegation. We want to support a bill which will give the taxpayer some relief in excise taxes which this bill will do, but we feel that the 10 percent withholding of dividends is unfair and inequitable. We hope that the Senate will correct this bad feature of this bill when they consider it.

Instead of withholding 10 percent of dividends by the corporation it seems to me to be much more fair to require corporations to report to the Treasury Department the names of all those receiving dividends and the amounts, which would make those who are obligated to pay income taxes to include these dividends in their income-tax returns and would not work a hardship on those who do not have to pay income taxes by withholding 10 percent at the source.

We have all heard from many of our folks back home about this double taxation and I think now is the time to correct this unfair feature of this bill.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, it was my understanding that the Ways and Means Committee, during its 5 months' study of the tax problem, would bring before the House a real tax revision bill and would submit legislation that would adjust taxes fair and equitable to all parties concerned as near as could be done, after exploration of all sources of taxation.

It appears now that what the committee has done is to submit a bill to reduce excise taxes in some degree and has then attempted, in order to satisfy the administration's request, to increase taxes in other categories in sufficient amount to make up for loss of revenue by reason of reduction in excise taxes. In my judgment the two subject matters are unrelated except only because of public demand for removal of excise taxes, and the further demand on the part of the administration for funds to carry on its program.

I would not be misunderstood. I realize that in these uncertain times and conditions a tremendous amount of funds is required to carry on the expenses of our Government, and I know that in view of unsettled conditions as they exist today, it is likely that more funds may be needed for our defense program. I do feel, however, that there should be a reduction in excise taxes, and to offset such reduction, there could be a further reduction in our expenditures.

As I have said on other occasions, expenditures of our Government should be in consideration of the things we really need and not on the basis of a good many things that people feel they want but are not needed in view of the condition of our fiscal situation.

A considerable amount of money could be saved, for example, just in the management of our affairs of Government. If our agencies were managed efficiently and economically, hundreds of millions of dollars could be saved. The Hoover Commission has offered recommendations in this respect.

Furthermore, Mr. Chairman, authorizations made by this Congress for the expenditure of Government projects amounting to more than $3,000,000,000 could be cut without injury to anyone. It is my contention that we should not authorize or start new projects except where absolutely necessary until those under way are completed.

We could cut down, if we would, a considerable amount of expenditure to foreign countries by spending the funds judiciously and where absolutely needed. For example, I see no justification for furnishing several million dollars' worth of oil-drilling equipment that has recently been sent to Europe that will be used for producing oil in competition with our own production. Neither do I think several thousand dollars that was spent recently to rehabilitate Monte Carlo is for the best interests of our country. Neither do I think the taxpayers of America would approve the outright giving of funds to foreign countries for building reservoirs and providing electric energy in foreign nations. This would not be so bad if funds were being loaned for that purpose, but the outright allocation of such funds seems a little liberal on the part of our Government.

Furthermore, Mr. Chairman, we might save some money in not being quite so reckless in speculative loans. I am informed we have just lost something more than $30,000,000 to a company in Ohio that was going to build homes by wholesale. The proponents invested a few thousand dollars and the Government invested $36,000,000. These are a few of the suggestions, Mr. Chairman, whereby we could make up for part of the reduction in excise taxes without the necessity of imposing additional taxes against our people.

Mr. Chairman, I again offer my protest for the manner in which this bill was brought to the floor of the House under a gag rule. No one is permitted to offer any amendments so we are required to either vote the bill up or down. We can take our choice.

Mr. Chairman, the bill should be separated in two parts and the House given a chance to vote on the excise-tax proposal and other reduction features of the bill, separate and apart from increases proposed in the bill, without being compelled to at the same time vote for the increased taxes proposed therein. I shall expect to support a motion to vote on these proposals separately if given a chance to do so. If this vote fails, then I shall vote for the bill for the reason that it does contain some features that furnish a considerable amount of relief. However, I shall make an effort before doing so to send the bill back to the committee with a demand that the excise features and other reduction features be separated from the provisions that require increased taxes in other categories.

I realize the preparation and submission of a tax bill is a tough job, and I do want to commend the members of the Ways and Means for the effort put forth in dealing with this problem. I want, especially, to further commend the Membership for the manner in which the measure has been explained and the way in which divergent views have been expressed.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. VAN ZANDT] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. VAN ZANDT. Mr. Chairman, taxation is rapidly becoming America's major domestic problem, and in my opinion the application of a gag rule, which prohibits amendments except those coming from members of the House Ways and Means Committee, is by no means the proper approach in handling the tax problem.

The bill as drafted in the House Ways and Means Committee provides no actual tax relief to the American people. In a few words, it slashes excise taxes and to make up for the revenue lost it provides higher taxes elsewhere which in the long run will be paid by the average American citizen through increased commodity prices.

Under the gag rule we have no alternative. It is a case of voting for or against the tax bill. We have no other choice or no opportunity to improve the measure.

Since we have to take the tax bill as it is drafted or vote against it I can see no reason to take up the time of the Committee in discussing the legislation.

On February 21, 1950, I appeared before the House Ways and Means Committee and at that time expressed the wishes of the majority of my constituents who are in favor of some good old-fashioned reduction in Government spending and taxes.

My statement before the House Ways and Means Committee follows:

Mr. Chairman, I represent approximately 300,000 people in the Twenty-second Congressional District of Pennsylvania comprised of the counties of Blair, Centre, and Clearfield. My purpose of appearing before you is to convey the wishes of the majority of my constituents that wartime excise taxes should be drastically reduced or repealed. My constituents are aware of the fact that the excise taxes were levied as a wartime measure and were supposed to be temporary.

For several years wide publicity has been given to the possibilities that Congress would repeal excise taxes. With the beginning of each session of Congress the story is renewed with the result that buyers' resistance resembles a buyers' strike.

In my congressional district, and I know it is the same in all other congressional districts, many firms are operating at a loss, while others have had to reduce operations and lay off employees. Without fear of contradiction I can assure you that some business firms in my congressional district have suffered a decline in business from 30 to 40 percent because of the retention of wartime excise taxes.

The losses to which I refer have by no means been confined to the so-called luxury items. Dealers in more essential products are also concerned over unfair and punitive excise taxes. For an illustration—taxes on transportation and communication were assessed solely to discourage wartime travel so that such systems would be readily available for war purposes rather than for the purpose of producing revenue.

The ordinary electric-light bulb is in no sense a luxury, yet it is taxed 15 percent. On one hand we pride ourselves on the widespread use of electricity in American homes and industry. We have authorized the creation of the Rural Electrification Administration to further the use of electricity and make it available to rural Americans. Then we come along and tax the electric-light bulb which is an indispensable item in the use of electricity. This unfair and discriminatory excise tax on light bulbs is only one of many of these punitive taxes which should be repealed.

Another unfair and discriminatory tax is the 20-percent excise tax on the fur industry.

Since 1943 the excise tax on furs has produced revenues from $44,000,000 in 1943 to $97,000,000 in 1947. The fur industry, and especially the small furrier, has found it impossible to complete with other firms manufacturing wearing apparel that is sold tax free.

It is realized that the Federal Government needs tax revenue, but it is unfair to obtain such revenue by not only discriminating against an industry but threatening its very existence.

Let us consider the average American housewife who needs a warm winter coat and who, by thrift and sacrifice, has saved $300 to buy a fur coat, and which she is certain to wear for at least 5 years.

When she visits her local store and selects her fur coat she finds that, instead of $300, the coat because of the excise tax, will cost her $360, or $60 more than she has to spend. Not having the extra $60 in her budget, she realizes she can purchase from another store a very fine fur trimmed cloth coat without paying any excise tax. This punitive tax drives this customer from the furrier to the store selling fur-trimmed cloth coats.

This situation is a serious one, not only for the fur industry, but especially for the small furrier.

In my congressional district furriers inform me that they have faced a buyers' strike for many months. As a result they have had to reduce the number of employees 50 percent with the indication of a further reduction if the 20-percent excise tax on furs is not repealed.

Not only is the fur industry facing bankruptcy as a result of the buyers' strike resulting from the 20-percent excise tax but the importation of Russian furs is dealing a death blow to the industry.

Furriers in my congressional district employ on an average of 250 people, and you all know what such employment means to the

average community. I want you to know that the situation in the fur industry is desperate because of the 20-percent excise tax, and I sincerely hope you intend to do something about it.

Another discriminatory tax that has lingered on since the close of World War II is the Federal amusement tax of 20 percent.

Like every congressional district, we have many small movie theaters that provide the only form of recreation in many small industrial communities. We all know that a good movie furnishes needed relaxation during these trying days. Your physician will often tell you to relax and forget your troubles. If you seek relaxation for your family by going to a neighborhood movie, you are penalized 20 percent because the wartime excise tax is still in effect.

The excise taxes on freight, passenger travel, telegrams, telephone messages, jewelry, theater tickets, luggage, furs, baby oil, and hundreds of other items too numerous to mention are hurting my constituents by destroying business, reducing employment, and penalizing the American consumer when buying many of the necessities of life.

As I said in the beginning, I am appearing before your committee on behalf of my constituents in the Twenty-second Congressional District of Pennsylvania. I join them in their vigorous protest over retention of wartime excise taxes and earnestly beseech you to take positive action by drastically reducing them or repealing them in their entirety.

You will observe, Mr. Chairman, that the above statement refers principally to excise taxes.

At this point I should like to comment on that portion of the bill providing for new taxes on corporations whose annual earnings are in excess of $167,000. To me this portion of the bill is not satisfactory for two reasons: First, it penalizes one segment of the tax-paying public; and, in the second place, it imposes heavier tax burdens on industry, thus discouraging expansion, increased production, and the ploughing back of profits, not to mention the adverse effect it will have on employment in the years ahead.

Mr. Chairman, let us not kid the American people. This bill further muddies the heavy tax burden that now rests on the American people. After all, Government funds come from only one source—the people who pay taxes on their incomes and their purchases.

This is not a tax-reduction bill. It is the old shell game of "robbing Peter to pay Paul."

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. KING].

Mr. KING. Mr. Chairman, the tax problem of any government is always a most difficult problem; it has undone and brought about irreparable harm to many otherwise stable governments throughout history. There have been times when it seriously threatened our own country. I had thought, before entering a political life, that there would be times when exigencies and the seriousness of the problem would be such that partisan political operation or conduct would be set aside; but I find that when the spirit of the two-party system, or the three- or four-party system, becomes sufficiently worked up that the common welfare is unfortunately submerged in a maze of twisted statements, and half-truths. I am not laying this primarily at the foot of either party's throne, but it is upsetting.

Today I have been present every hour of this debate, and I am astonished that there has been a tendency to completely becloud an issue as important as the one now before the House. A committee of this House has sat for the better part of this entire session attempting to work out a most involved and complicated measure, a measure that can spell the solvency or insolvency of our Nation at a time when we all know that to be on the road to solvency is at least the best that can be expected of it. I have heard one or two speeches of the minority Members from this floor lay the blame for the failure of certain proposals to be incorporated in the bill to the leadership of this House when the fact actually is that such proposals are not a part of this bill solely because of the concerted action of the minority party in the committee. Now, that is plain unadulterated deceit. It is not conducive to an understanding that is certainly necessary at this time throughout our country.

Mr. Chairman, the events of the past several days which overshadow our painfully slow progress toward a peaceful world should, I think, give us reason to pause and reflect.

With the match already lighted over the powder keg, it appears that the primary concern of some of us is to claim the maximum political advantage from whatever legislation happens to be up for consideration.

Whether the issue happens to be tax reduction, or avoidance of higher taxes, or additional benefits for veterans, or something else—the inclination seems always to be in favor of whatever costs money and against whatever method to raise it may be proposed.

I have a little pamphlet here, entitled, "The Federal Budget in Brief," with which some Members may be familiar. Sometimes I think we may be too familiar with some of these problems to appreciate their full impact.

Do you suppose anyone living in the month of June 1941 would have predicted that in the fiscal year 1951 the cost of past wars and of preserving national security would account for 71 percent of Federal expenditures?

And how many Americans even now know that the direct budget costs of World War II amounted to nearly $350,000,000,000, and that about 60 percent of this cost was financed by borrowing?

How many Members of Congress stop to think before they vote to add still further to this staggering sum? For example, only Monday the House voted to override the veto of the President of a bill giving to veterans of World War II working in the Post Office Department additional benefits. Now I was one of those who voted to override the veto of the President, and I can justify in good conscience the vote that I cast. But the point I want to make is that it would be foolish and reckless and ridiculous for us to weaken the tax structure of the Government at this time.

Nearly everyone seems to agree that the time for granting relief from the wartime excise taxes is long overdue. In my opinion, a billion dollars of excise tax relief is, if anything, too small. I can understand that nearly everyone can agree that excise taxes should be substantially reduced. But, Mr. Chairman, when I read in the minority report the statement that, "As a natural corollary to reduction of excises, there would be a drastic reduction in Federal expenditures," it got a little bit under my skin. Moreover, the minority report reminds us:

> The appalling fact facing the people of this country is that annual Federal expenditures have increased by $10,000,000,000 in the last 2 years.

Now, Mr. Chairman, there is an old maxim of equity that "He who seeks relief in a court of equity must come in with clean hands"; that is, he must be free from reproach in his own conduct. Accordingly it might be appropriate to inquire how many of the minority Members of the House can state that they have not voted for many of these increased Federal expenditures? The minority report charges the President with recommending legislation to increase expenditures by many billions of dollars. I might merely observe that not one dollar can be raised or spent by the executive branch of the Government unless it is first voted by the Congress.

I am glad that the time for excise tax reduction has finally arrived. The businesses and the consumers which have been selected to bear this special burden have just cause to claim that a part of the load should be borne by all corporations. The bill would increase the tax only upon corporations above $167,000, but would apply regardless of the type of business in which the corporation might be engaged.

It would have been more pleasant had we been able to reduce excise taxes without picking up the revenue elsewhere. In fact, 2 years ago that might have been done, and it was urged that some consideration be given to excise taxes when the income tax reduction bill was passed by the Eightieth Congress. Since that was not then done and we are now confronted with financial obligations of Government that may not soon grow lighter, the only course is for us to maintain the tax structure of the Government at present levels.

I think the President was right when he warned the Congress on January 23, 1950:

> I want to make it very clear that I could not approve excise tax reductions unless they were accompanied by provision for replacement of the revenue lost, because I am convinced that sound fiscal policy will not permit a weakening of our tax system at this time.

I think this statement is even more applicable today. In fact, under present circumstances it might be the wisest course to enact now only the provisions of the bill which would close loopholes and adjust corporation taxes. Then, if we find that the threatened emergency subsides, we can pass an excise tax bill at our leisure.

In any event, we should not reduce excise taxes now without fully offsetting the revenue lost.

Mr. COOPER. Mr. Chairman. I yield 10 minutes to the gentleman from Texas [Mr. COMBS].

THE TREATMENT OF SMALL BUSINESS UNDER THE TAX BILL

Mr. COMBS. Mr. Chairman, the backbone of our free competitive private enterprise system is small business. Our country has thrived largely because vigorous and imaginative individuals have risked their small savings and developed new markets and new products from modest beginnings. The health of our economy depends to a large extent on whether we continue to protect the small-business man and encourage his growth.

This tax bill, for the first time since the end of the war, is a positive step in the direction of correcting many of the critical shortcomings in our tax laws from the point of view of small business. These reforms have been postponed on the ground that our needs for revenue have been great and that we could not afford to weaken the strength of our tax system prematurely. The bill which is before the House today, however, provides the most essential tax reforms necessary for the stimulation of small business and at the same time increases total revenues.

I should like to review briefly the provisions of the bill which provide these important reforms.

First, the bill eliminates the notorious notch rate of 53 percent on corporate incomes between $25,000 and $50,000. This notch rate was first adopted to limit the benefits of the low, preferential corporate tax rates to corporations with incomes in the lower tax brackets. Instead of accomplishing this objective, however, the rates are actually higher for a portion of the income of intermediate-size corporations than on the incomes of the very large corporations. The corporation income tax rates are now 21 percent on the first $5,000 of corporate net income, 23 percent on incomes between $5,000 and $20,000 and 25 percent between $20,000 and $25,000. The rate then jumps to 53 percent in the notch between $25,000 and $50,000 of net income. Above $50,000 the rate is a flat 38 percent.

This method of graduation is defective because it discriminates grossly against corporations with profits in the notch area. A corporation with income between $25,000 and $50,000 retains after tax only 47 cents out of every dollar of profits above $25,000. By contrast, corporations with profits above $50,000 have 62 cents left after tax out of every dollar of profits and those below $25,000 have from 75 cents to 79 cents left after tax out of every dollar of profits.

The high tax on profits between $25,000 and $50,000 discourages expansion of small business. A corporation which already has a $25,000 net income may decide to refrain from risking the cost of expanding its facilities because the additional income it received would be taxed at 53 percent. Such obstacles to expansion are particularly undesirable at the present time when there is need to keep investment at high levels and to prevent the disappearance of small business.

The bill eliminates the excessive notch rate in a very simple manner. It provides a normal tax rate of 21 percent on all corporate profits, and a surtax rate of 20 percent on all profits above an exemption of $25,000. In combination, the normal tax and surtax would amount to 21 percent on corporate profits of less than $25,000 and 41 percent on the amount of profits above $25,000.

The effect of these changes in the tax rates is to reduce the taxes of all corporations with incomes between $5,000 and $167,000. It would increase the taxes of corporations with incomes of more than $167,000.

These changes would reduce the taxes of about 170,000 of our small and intermediate-size corporations, or almost half of all the corporations with taxable incomes. It would increase the taxes of fewer than 19,000 large corporations constituting only 5 percent of all taxable corporations. We are in effect redistributing the most burdensome part of the corporate tax from a large number of relatively small corporations to the large corporations with swollen profits and with resources far in excess of those in the lower tax brackets.

A second provision in the tax bill that is favorable to small business is the provision which improves the opportunity of business to offset their losses against profits in later years before being subject to tax. Present law permits taxpayers to offset their losses in any given year against profits in the two prior years and to carry forward any remaining loss to be offset against income in the two succeeding years. This tax bill would increase the carry-forward from 2 years to 5 years and would reduce the carry-back to 1 year. It would thus provide a total period of 7 years in which losses might be offset against profits as compared with the present 5-year period.

Small-business men are especially handicapped by inadequate provisions for losses. They generally encounter great difficulties in withstanding the financial strain of hard times and the denial of loss offsets would be especially harmful to them. Large businesses have more access to outside sources of credit and financing and can more readily overcome the effects of a depression.

Large firms have a greater opportunity to offset losses against profits because they are more likely to have diversified products and markets. If they sustain a loss from one activity, they can often offset that loss in the same year against profits from another actiivty. Small firms on the other hand are less diversified and sell to more restricted markets. They have less flexibility in planning their investment program and less opportunity to cover losses from some sources by gains from others.

The choice of a 5-year carry-forward and a 1-year carry-back is particularly desirable because it is helpful not only to small business but to new business. New concerns often have losses or irregular earnings in their early history because the manufacture and sale of a new product involves large initial costs which cannot be recovered immediately. Under present law, old firms have an opportunity to recover the losses by carrying them back 2 years and then forward 2 years if necessary. New firms, however, do not have any prior profits and do not benefit from the 2-year carryback. Such firms need the long carryforward to assure them of the same treatment as firms that have prior profits. Since new businesses often start as small businesses, the longer period for carrying forward losses which is allowed under this bill would be of greatest benefit to the enterprising individual who invests in and operates a new, small concern.

A third provision in the tax bill which helps small businesses is the reduction in excise taxes. We have been deluged by businessmen all over the country in the past few years with complaints that some of the excises have been especially harmful to small businesses. The excises most harmful to small business are those levied on retail sale of furs, luggage, jewelry, and toilet preparations. Studies of the effects of retail excises have shown that they have cut heavily into the sales of retail stores and have reduced their profits. In addition, cities in which these articles are manufactured have been operating under depressed conditions which will be relieved by the elimination of these taxes. By enacting the excise tax reductions recommended by the Committee on Ways and Means, we would be going a long way toward alleviating the hardships which they create in the small-business area.

Finally, the method of accelerating the corporation income-tax collections is designed in large measure to help small business to adjust itself to the new schedule of tax payments. It is inequitable to require individuals to pay taxes currently as they earn their income and to allow corporations to wait almost a full year after their profits are made before they discharge their liabilities to the Government. Correction of this inequity has been difficult because many small businesses do not have the resources to shift to an accelerated schedule of payments. The speed-up of corporation tax payments under the bill would be spread gradually over a period of 5 years and would thus be helpful to those small concerns who could not make the transition overnight.

In conclusion, I should like to repeat that this tax bill is needed because it would be of great assistance to small business. It would eliminate the high-notch rate and reduce taxes for the small and intermediate corporations. It would increase the length of time over which losses can be offset against profits. This increased carry-over period is needed mostly by small business. The tax bill would also cut in half the retailer's excise taxes which have reduced the profits of the thousands of small retailers who sell furs, luggage, jewelry, and toilet preparations. And, finally, it would extend the period of transition to the accelerated corporate payment system over a period of 5 years to assist small business to make the transition.

I urge upon the Members of the House that this bill be adopted. Small business

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needs the assistance and encouragement that this bill would provide.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. May I ask if these big corporations will not pass along these taxes to us, plus a little bit more, as has happened in connection with the raises we have given the automobile workers and everybody else, so that instead of saving us money they not only get the taxes but add a little bit to them?

Mr. COMBS. That question has been up here repeatedly during these debates. I know there is a theory that if you increase the tax of a corporation it all is passed right on to the people and, therefore, you ought not to tax them. Where are you going to draw the limit? Does the gentleman figure that 38 percent across the board is just exactly the right spot where they will not pass any of it on? Just what is the gentleman's idea on that?

Mr. NICHOLSON. My argument is that we have reached the saturation point in taxation. If we go any further, then we get into a socialistic state where the Government takes enough of our money so that we become the slaves of the state.

Mr. COMBS. So taxing corporations makes us slaves of the state?

Mr. NICHOLSON. I will not say it does. I say when it gets to a certain point it does.

Mr. COMBS. Where is that point?

Mr. NICHOLSON. I should say that when we get beyond paying a third of our income on taxes we become slaves of the state.

Mr. COMBS. You want to reduce corporate taxes from 38 percent down to 31 percent; is that it?

Mr. NICHOLSON. No; I do not want to do that. What I want to do is to see that everybody pays a proportional share of the cost of running the Government. Under this proposition you give to the big corporations the right to charge anything they want for whatever they are producing. You can go up from 38 to 41 percent as this bill does, but they will get more than the 3 percent you are giving them.

Mr. COMBS. May I say to my friend that he and I do not agree on that. I think they are taking all they can get and keeping all they can keep right now. We have a principle of competition in business in this country. Consider the automobile industry. Certainly some of those concerns were luckier than others and made bigger profits than others did. They are going to be competing in the market and certainly when we get a stronger buyers' market they are going to have to come down to reasonable prices on their automobiles. Look at their own published statements. General Motors, for example, published a statement in the spring showing enormous profits of hundreds of millions of dollars after the payment of taxes. I am not going to assume that because we take a small part of that, in addition to the payment of taxes, that they are going to pass that on to the public. I do not think that is true. If the principle of taxation that you are speaking of is sound, then we would not tax them at all.

Mr. NICHOLSON. I dislike to ask the distinguished gentleman from Texas, for whom I have a great deal of admiration, the question that I am about to propound, but the gentleman mentioned automobiles. The gentleman from Texas knows, or must know, that in 1939 and 1940, just before the war you could buy a Ford or Chevrolet, or an ordinary poor-man's car for about $850. Now we are paying well over $1,500. What I want to ask the gentleman is if the people who were working in those automobile factories received that money, or who did receive it, because the gentleman has stated they paid enormous dividends in the last few years, with which statement I agree. But why would they not do that under this bill if they have done it through the last 8 or 10 years?

Mr. COMBS. I do not have time to go into a monetary or economic discussion, but the question you have raised is a matter of the purchasing power of the dollar, the relation of wages and income to cost of living, and all that type of thing. It is all right to have a cheap dollar, if you want to put it that way, a 52-cent dollar, if all things, the cost of living, wages and services, and all the costs that we have to bear adjust themselves to the dollar of that price. So what we have been going through in recent years is a process, interrupted by the way, by the conditions of war, of adjusting all of those things, one to the other, so that there is a fair distribution of the wealth that is produced among the people who produce it and the consumer goods of the factories and farms. Of course, that is an involved thing, as my friend knows, but just because we could buy things cheaper in 1939 does not mean that we could buy them cheaper now, of course, because wages and salaries of 1939 and the farm income of 1939 and the factory income of 1939 were not what they are now. So it is a question merely of adjusting those things.

The CHAIRMAN. The time of the gentleman from Texas [Mr. COMBS] has expired.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS of Louisiana. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the gentleman from Louisiana?

There was no objection.

Mr. BOGGS of Louisiana. Mr. Chairman, I have read with interest the report of the Republican minority on the tax bill now under consideration. I am struck by the fact that more than anything else the views of the minority demonstrate financial irresponsibility.

The minority favors immediate excise tax reductions, but it does not wish to take steps to offset the revenue loss involved. Obviously such action would, in the absence of a reduction in expenditures, increase the Federal deficit substantially during a period of business boom, and during a period of international crisis.

To the obvious comment that such behavior would be completely irresponsible, the minority's only answer is to recommend the reduction of expenditures sufficiently to offset the excise reduction; and this proposal is made in very general terms. We are all in favor of reducing expenditures wherever possible, but most of us know how very difficult it is to make such a policy effective when particular appropriation measures are before the House. It is easy enough to say in general terms that expenditures can be cut by a billion dollars, but it is a different thing entirely to build up a list of specific reductions which will achieve a reduction of that size.

The Republican minority states in its report that expenditures have increased by $10,000,000,000 in the last 2 years, and that $6,000,000,000 of the increase has no connection with past wars or national defense. This statement leads me to believe that it is the increases in the nonmilitary items which occurred during the past 2 years which the Republican minority would have us cut. In view of the serious international crisis now upon us in the Far East, it would be difficult indeed to find anyone who seriously believes that our military expenditures should be reduced at this time. The real question now is whether the appropriations which we have authorized for national defense are adequate.

Let us analyze the alleged $10,000,000,000 increase in expenditures which is supposed to have occurred between 1948 and 1950. First of all, had the Republican minority used the most recent data which are freely available to them, they would have found that the increase was actually $8,200,000,000, not $10,000,000,000. I am referring to the revised estimates prepared by the Bureau of the Budget on April 19 of this year and placed in the CONGRESSIONAL RECORD by Representative CLARENCE CANNON, chairman of the Committee on Appropriations. These figures show that $2,500,000,000 of the increase since 1948 is attributable to national defense, veterans, and interest on the public debt. An additional $900,000,000 is due to our international aid commitments. The minority appears to have no objection to the $2,500,000,000 increase in the first three items I mentioned, and it seems clear to me that on a similar basis they cannot object to the $900,000,000 increase in international aid commitments unless, of course, they have strong isolationist sentiments.

Most of the remainder is accounted for by aids to private housing, reclamation, atomic energy, highway aid, and the postal deficit. What I should like to know is which of these items our friends of the minority propose to decrease by more than a billion dollars. Would they reduce aid for agriculture? Would they cut expenditures for atomic energy? Or do they have in mind a reduction of the post-office deficit?

Until the minority party indicates specifically which of these programs they would curtail, I do not believe that we should take seriously their proposal

to offset the excise cuts by expenditure reductions. I can only conclude that under present conditions, their willingness to cut excises without raising other revenues is evidence of a dangerous sense of irresponsibility. They seem more concerned with the results next November than with the solvency of the Federal Government or the stability of the American economy. They have tried to hide their true position. They are really advocating an increase in the deficit and a larger public debt.

Now let us examine some of the more specific objections that the minority raises against the tax bill now under consideration. Their report specifically endorses the excise-tax reductions and the elimination of the notch in the corporate rate structure. I find myself in agreement with them on these two points. However, in line with their general lack of financial responsibility they complain that the two other provisions in the bill do not go far enough. They want to provide still more liberal treatment in the case of net operating losses and floor stock refunds for the excise taxes which are reduced. In the case of the latter, however, they are quite careful not to indicate the cases in which they believe floor stock refunds should be paid. Naturally, both of the proposed changes would result in a substantial additional revenue loss.

On the other hand, the provisions of the bill to which the minority raises specific objection are all substantial revenue-raising measures. Let us examine these proposals and observe the revenue consequences of omitting them from this bill.

The first objection is to the corporate rate increase which, on a full year basis, accounts for $433,000,000 of additional revenue.

The second objection is to withholding on dividends, which is estimated to yield $170,000,000.

The third objection is to cutting down the delay in the payment of corporate income taxes. Although the change made in the bill will not increase revenues in the long run, it will increase revenues in the fiscal year 1951 by about $750,000,000, not the mere $100,000,000 mentioned in the minority report, and raise collections in each of the succeeding 4 years by $800,000,000. The total additional collections resulting from this measure during the next six fiscal years will be about $4,000,000,000. Moreover, this represents a permanently retained gain.

The next objection is to reducing the interest rate on refunds of overpayments of taxes. The omission of this provision would reduce collections under the bill by $45,000,000 annually.

The minority also objects to closing two of the loopholes your committee has found in its study of trusts and foundations. While I do not have a breakdown of the revenue consequences of the deletion of these two provisions, I think it is fair to say that their omission will reduce by about 25 percent the estimated $100,000,000 which is anticipated annually from the provisions of the bill dealing with charitable trusts, family foundations, educational institutions, and similar organizations.

In other words, out of a total revenue of about $900,000,000 which this bill will pick up in a year of full operation, the minority has specifically raised objections to measures accounting for about $750,000,000, and to the best of my knowledge the minority report does not specifically approve of the proposals which would bring in the remaining $150,000,000.

The proposals to which the minority has objected account for $975,000,000 out of a total of $1,214,000,000 in additional collections which are anticipated in the fiscal year 1951 under the bill as reported out by your committee.

Let me now turn to some of the minority's objections to specific provisions in the bill. In the case of the corporate rate, their report states:

> This bill raises the top corporate rate from 38 percent to 41 percent—the highest rate ever imposed even in wartime.

This, of course, is unfair. The statement ignores the fact that during the war corporations paid much heavier burdens than they would under the bill. The minority report simply ignores the excess-profits tax. Moreover, as the minority members of the Ways and Means Committee very well know, the reason why the corporate rate has been increased above the 40-percent wartime rate is because of the elimination of the notch in the corporate rate for incomes between $25,000 and $50,000, to which the minority report lends full approval. As was very carefully explained in the report of your committee, the increase in the corporate taxes provided in this bill averages less than 2 percent of corporate net income. In other words, the average burden will actually be less than it would be if the corporate rate were raised to 40 percent and nothing were done about the notch.

In their discussion of the corporate rate increase the minority attempts to ride two horses at once. Their report states that—

> Corporations will pass the increased tax to the consumer in the form of higher prices—

But then goes on to say—

> to the extent that corporations do not pass the tax on in the form of higher prices, stockholders' dividends will be reduced.

Clearly one of these statements must be in error. Either the increased tax as suggested by the first statement is not passed on in its entirety to the consumer, or stockholders' dividends will not be reduced.

There is still another error in the second statement which I have quoted. Even if the corporations do not pass most of the tax on to the consumer, and I do not believe they will, there is no assurance that stockholders' dividends will be reduced. In fact the staff has informed me that in estimating the effect of the bill they have assumed that 60 percent of the additional corporate tax would be absorbed by corporate retained earnings. An examination of what corporations actually did in 1949 indicates that this assumption may, in fact, be too conservative. With the immediate postwar adjustment years over, corporations are increasing their dividend payments and decreasing their undistributed profits. It seems reasonable to assume that this trend will be continued despite the moderate corporate rate increase contained in this bill.

The minority report also argues at some length that the need for venture capital is a major reason for not increasing corporate rates. In this connection the report drags in a long discussion of the Republican's individual income tax reduction bill of 1948. The minority must be very self conscious about that particular bill or they would not continue to attempt to justify it on every possible occasion.

The alleged shortage of venture capital at the present time is by no means as great as our friends of the minority would have us believe. The people who manage the corporations of this country realize this whether the minority does or not. The principal basis for the expansion of corporate business during recent years has been undistributed profits, yet in 1949 corporations retained only $8,200,000,000 in undistributed profits as contrasted with $11,400,000,000 in 1947, and $12,500,000,000 in 1948. This is clear evidence that the corporations of the country are not lacking in funds for expansion today. If any more proof is needed, you only need to examine the bullish condition of the stock market in recent months, prior, of course, to the influence of the Korean crisis.

In connection with its objection to withholding on corporate dividends, the minority report piously states that everyone should pay his taxes and urges that every "reasonable" step be taken by Congress to make sure that this is done. Yet in the same breath the minority objects to withholding on dividends. Their "out" in this case is that the argument that informational returns filed with the Bureau of Internal Revenue by corporations on their dividend payments, and itemization by taxpayers on their return forms of the dividends received by them, would bring in as much money as withholding on dividends. While provisions of this type are included in the bill, they alone will not stop the evasion and avoidance which is known to exist. The practical use of the informational return on dividend payments filed by corporations is severely limited as an instrument for discovering a failure to declare dividends received. Many taxpayers do not hold the stock in their own name or hold it in a name that differs slightly from that used on their tax return. Wives, for example, quite commonly hold stock in their maiden name, yet the tax return which they file with their husband may show only the husband's name and the wife's initials. Others have their ownership of stock registered under their surname and initials and file their tax return using their full name. Even if intentional discrepancies are ignored, these variations between the names appearing on the stock and names on the tax returns are so great that they place a real limitation upon the usefulness of the informational return.

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The itemization on the taxpayer's return form is, of course, very helpful in determining whether any of the dividend payments on the stocks mentioned have been omitted and a comparison between returns filed in successive years should be more revealing if the dividends are itemized than if they are not. However, itemization is of no use whatsoever if the taxpayer consistently omits all of the dividend he receives on a particular stock.

The minority report stresses the so-called hardship which may arise under withholding on dividends, utterly ignoring the fact that similar hardships, if they be hardships, are already faced by the much larger number of taxpayers receiving wages and salaries. The minority alleges that millions of taxpayers will be deprived of 10 percent of their investment income by withholding on dividends, ignoring entirely the fact that most of them will owe taxes and that in all of these cases the 10 percent withholding simply represents a convenient method of payment.

The minority report suggests that those who are eligible for refunds of this 10-percent withholding tax will be fortunate if they receive the refund by the middle of May. This is a gross misstatement. This last year the Bureau paid out practically all of the refunds which did not involve questions concerning tax liability within a month after the returns were filed. One of the collection districts actually completed the payment of refunds within a 2-week period. Moreover, if a taxpayer is eligible for a tax refund, there is no reason why he should not file his return at the first of January. If he does so, he can expect his refund within a 2- or 3-week period, or about 4 months earlier than the minority report would lead you to believe.

The minority alleges that dividend withholding will impose a difficult administrative burden on all corporations and cooperatives. The committee very carefully considered this problem and drafted its plan in such a fashion that the administrative burden on the withholding agents would be minimized. Corporations were purposely given the opportunity of informing the stockholder of the amount withheld in any fashion they see fit. The notice may consist of a mere notation on a stub or slip accompanying the dividend payment. Moreover, the 10 percent withholding rate was selected so as to make the mathematical computations as simple as possible.

The minority report's discussion of the plan to reduce the delay in the payment of corporation taxes is very brief. At one point the report almost admits that perhaps the provision contained in the bill is not too bad, since it spreads the adjustment over a 5-year period. Nevertheless, at another point this provision is referred to as political and as a sleight-of-hand trick. It seems to me quite obvious that any politics involved is on the part of the minority. They appear to be unhappy that we have found a way to cut down the delay in the payment of corporate taxes by some 6 months. It should be emphasized that even after the plan contained in the bill is fully effective, corporations still will receive considerably more time to pay their taxes than is true in the case of individuals. Individuals must make the final payment on their taxes 2½ months after the end of the year in which they incur the liability. Corporations will still have 5½ months to complete their payments when the proposal is fully effective. Moreover, through withholding on wages and salaries, individuals pay a substantial portion of their tax during the year in which the income is earned, but corporations will not be required to start paying their taxes until 2½ months after the end of the year in which the income is earned.

The minority report also states that reducing in the delay in collecting the corporation taxes will produce no additional revenue. While it is true that this provision will not increase any corporation's tax liability, it will result in about $4,000,000,000 of additional collections during the next 5 years, a period when due to the cold war now getting warmer, it is to be expected that added revenue will be badly needed. Moreover, this $4,000,000,000 represents a permanent gain, which will not be lost in subsequent years.

The minority objects to the correction of what has been called a one-way street for the taxpayer under section 117 (j) of the Internal Revenue Code. In the case of the sale of business property, existing law treats a gain as a capital gain and a loss as an ordinary loss. Thus, the taxpayer has the best possible break. If he has a gain, it is taxed at not more than 25 percent. If he has a loss, it is offset in full against the top rates at which the individual or corporation taxes are applied. The minority would have us continue to tax gains as capital gains, as is done in the bill, but they complain that the capital-loss treatment provided under the bill is not liberal enough. While it may be desirable to reconsider the treatment accorded all capital losses at some future date, I can see no reason for singling out losses on sales of business property and giving them more favorable treatment than is received by ordinary capital assets.

The minority report raises no objection to reducing the interest rate on refunds of overpayments of tax, but insists that the interest rate should also be lowered for the taxpayer where he has underpaid his tax. The minority report contends that to reduce the interest rate for refunds and not for deficiencies is inequitable. It seems to me that the minority's position is confused. A low interest rate on refunds is appropriate, since the Government can borrow at relatively low interest rates, while the ordinary individual cannot usually invest his funds for short periods of time at any very high interest rate. On the other hand, where an individual borrows money, he must pay a relatively high rate of interest, since the risk involved to the lender is relatively great. Hence it appears appropriate to require the Government to pay only 3 percent interest on moneys that it, in effect, has borrowed from the taxpayer, since the risk involved to the taxpayer in this case is practically nonexistent. On the other hand, it appears appropriate to charge 6 percent on what amounts to a loan to the taxpayer since here the risk involved to the Government may be relatively great.

The last provisions in this bill to which the minority raises objections are those relating to trusts and foundations. Objection is raised to requiring a trust or foundation to spend for a charitable or similar purpose the funds it has collected for such a purpose, and to require the owner of stock in a family business to actually part with ownership and control of such property in order to receive a charitable deduction. On one hand the minority indicates the abuses in this area should quickly be eliminated, but on the other hand, they recommend that action on these provisions should await more thorough study. Hedging of this type is typical of the minority report. The minority knows full well that these provisions were carefully investigated before being placed in this bill. Objection on the part of the Republicans to these two provisions seems particularly curious, since both were placed in the bill on the motion of one of the signers of the minority report. Moreover, as the minority should know, of all the provisions relating to charitable trusts and foundations, the two provisions to which they raise objections are the most hedged about with safeguards.

One other point has particularly struck me in examining the minority views. At no place does the report actually state that the present bill should not be enacted into law. I must give the minority credit for having raised a considerable cloud of dust in the statement of its views, but the very fact that no specific statement is made that the minority opposed the bill is enlightening. It indicates the high quality of the proposed legislation. It indicates that even the minority could see that too strong a statement would look bad on their record. I fully anticipate that when this bill comes up for final passage many of the minority members of the Committee on Ways and Means will themselves vote for the bill.

Mr. REED of New York. Mr. Chairman, I yield 1 minute to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, may I call to your attention that the proposed amendment to section 1700 (e) (1) of the Internal Revenue Code embodied in H. R. 8920 is rather far-reaching.

Its effect could nullify the provision in the present section 1700 (e) (1) which classifies "any room in any hotel, restaurant, hall, or other public place where music and dancing privileges or any other entertainment, except instrumental or mechanical music alone, are afforded the patrons" as a cabaret.

Under the new definition, if this amendment is passed, it will become extremely difficult to prove that the selling of food, and especially of liquor, are not "merely incidental" to the dancing, although in practice in practically all of

these places, the dancing is merely intended to attract patrons for the sale of liquor.

The argument will doubtless be used that some of the places now using juke box music will be encouraged to hire orchestras if this provision goes through. I think the absurdity of this will be self-evident. The juke box places have already adjusted themselves and will not be courting any higher expenses. Since instrumental music is now permitted without classifying a place as a cabaret, aside from the addition of a singer or two, there is not likely to be any widespread increase in employment because of it.

I would like to have the assurance from this committee that there is no intent to liberalize our present law with respect to definitions of what is meant by cabarets.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. COOPER. Mr. Chairman, I yield 15 minutes to the gentleman from Colorado [Mr. CARROLL].

Mr. CARROLL. Mr. Chairman, I have been privileged to sit as a member with this important committee. At the outset I want to commend the Republican members and the Democratic members for writing a good bill. It would not be fair to say that many of the minority members did not make a substantial contribution to the formation of this bill. With great regret I note that the Republican leadership cannot go along with us. I am confident that if the corporation tax were not in this bill we might have come out of the Ways and Means Committee with perhaps unanimous agreement.

Arguments have been made pro and con as to why they did not want to go along with the corporation tax. It is not my intention now to belabor the point. The record makes crystal clear the position of the Republican leadership on this issue—I think it is obvious in this critical period, in view of the President's statement, in view of existing economic conditions, we should not further accentuate the deficit; and, of course, we had to recoup and recapture revenue to offset the reductions contained in this bill. The corporation tax increase is reasonably moderate. Certainly no corporation will greatly suffer as a result of this tax increase.

The gentleman from Massachusetts [Mr. KENNEDY] asked a question about the oil depletion allowance. Of course, the President did recommend that the depletion allowance be reduced from 27½ percent to 15 percent. For the purpose of the record it ought to be shown that some of us feel that there are many imperfections in this tax bill. This is not the best sort of tax bill that could be presented to this body in the opinion of some members of the committee. I can only speak for myself, but I may say to the gentleman from Massachusetts that we waged a spirited fight in committee, and we were out voted.

This bill is a compromise. We waged our fight on this issue on two occasions, and it was a close vote both times, but we were unsuccessful in our opposition. I should like to add—I see the gentleman from Massachusetts rising to ask me a question—I should like to add that the record will show—I am not speaking about the present record, but it is within the record of the committee, that the staff of the committee recommended that the reduction of depletion allowance on oil and gas from 27½ percent to 15 percent would equate the depletion allowance for oil and gas with that allowed to metal minerals.

I should like to make this further point. Having waged and lost the fight to "equate the difference" existing in present law between oil and gas and metal minerals, I then led the fight in our Committee pressing for equal treatment of metal minerals with that of oil and gas. That is to say, we asked to increase the depletion allowance for metal minerals to 27½ percent. We lost that fight, too. However, I am happy to report that it was only by a small margin, for there is a growing realization of the need for assistance to the metal-mining industry of this Nation. Clearly, if the oil and gas industry, which already is swollen with heavy profit, is to be permitted to continue to receive this special treatment, there is no justification longer to disregard the unfortunate condition in which the mining industry finds itself.

In this connection, there soon will come on the floor of the House a mining bill which is of vital importance to the defense of this Nation and concerns the future welfare of the mining industry. Although a similar bill was rejected by this body a short time ago, I am hopeful that the provisions of this new mining bill will be acted upon favorably by this House.

There is some disagreement, but it is generally conceded that the oil depletion allowance constitutes a loss to the Treasury of somewhere between $160,000,000 and $200,000,000. Out of fairness I must say that the independent oil men, the wildcatters, and other people of the industry came before our committee and offered strong evidence that a reduction to 15 percent would cause great harm to the industry if present law is changed, nevertheless, despite the recommendation of the experts, as I have indicated, a majority of the committee agreed to that allowance. In my opinion that is one of the glaring inequalities of this bill.

I now yield to the gentleman from Massachusetts.

Mr. KENNEDY. I note that the gentleman, as he said, agrees, while we are dealing with tax foundations and other things, that the oil industry which has been, as the gentleman said, swollen with profits, should bear their corresponding proportion of the burden of taxation.

Mr. CARROLL. Yes; and I might say to the gentleman from Massachusetts and the other Members here that the record ought to show that not only did we not reduce the depletion allowances in this bill; we have increased some to the tune of about $35,000,000 for certain other commodities. In my opinion that is another one of those glaring inequalities in the bill. But in order to pass this legislation these compromises were made.

I now yield to the gentleman from Minnesota.

Mr. MARSHALL. I have been receiving quite a number of inquiries lately from people in regard to the withholding tax. The withholding tax on patronage dividends creates a burden of expense, apparently, for concerns in keeping their records. As far as I know, that is something new, and I wonder if the gentleman from Colorado, who I know has been making a study of that, will give me some information concerning it.

Mr. CARROLL. I will be happy to respond to the gentleman from Minnesota. To the best of my recollection the argument was presented when this matter was in the committee that we now are withholding the taxes of wage earners. The idea was presented that we ought to withhold dividends on the part of corporations, in the form of a 10-percent withholding in order to capture about $100,000,000 now being lost to the Treasury. Then there came under consideration what to do about co-ops. The committee gave considerable time to the question of what should be done about co-ops.

There has been a drive in the Nation for some years to tax co-ops. There has been great weal of propaganda by a certain tax league in reference to co-ops. If you will look at the contributors to this so-called tax league you will find it is supported by the big private utilities of the Nation and others. They have been trying to impose a corporation rate tax upon the co-ops. All of the evidence before the committee was that co-ops are not corporations. They are the same as individual proprietors, they are the same as partnerships. The fight as to whether or not a corporation tax would be levied upon co-ops was beaten down, with the support of a very few Republican Members. That was beaten down because we recognize the unfairness of the great propaganda drive of this so-called Tax Equality League.

Then, having imposed the withholding tax upon the wage earner, having imposed a 10-percent tax upon corporation dividends, the question came up, Should we not extend the same principle to the patronage dividends of co-ops? As the argument unfolded in our committee, it seemed that that should be done. Then I read to the committee two letters I had received from co-ops, one a farmers' elevator co-op, another an oil co-op in Colorado, stating that the money they paid out to their patronage holders, dividend holders, was small, in a great percentage of the cases involving a dollar or $5 only. I presented the argument to the committee that it would put an administrative burden on the co-ops and involve a great bookkeeping problem, but nonetheless it was argued that it would have created a great administrative problem for both the Treasury, corporations, and co-ops, if small dividends were exempted from the withholding tax.

Mr. MARSHALL. In no way does this imply there would be double taxation on the same sum of money as far as a patronage dividend is concerned? The farmer can get credit or the cooperator can get credit for that in his income-tax return?

Mr. CARROLL. That is exactly so

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Mr. MARSHALL. It does not force upon a cooperator a principle of double taxation in any way whatsoever. It means simply that the cooperative organization will need to put into effect a separate bookkeeping system which in some instances may be of value to the cooperator in that he can then get a statement from them as to how much taxes have been withheld from his dividend?

Mr. CARROLL. That is my understanding. May I say to the gentleman from Minnesota there was extended discussion and we had the advice of our experts, for it is a very complex subject, that in the consumer co-ops the saving that a consumer receives is not taxable income, and, therefore, there is no dividend from which to withhold. Why? Because his saving is not taxable as income.

Now, when the patronage dividend is received resulting from trade or business activity then, of course, it is taxable as income. If it is taxable income the majority of the committee felt there ought to be a withholding of 10 percent of patronage dividends. But I assure the gentleman from Minnesota if he had known of the pressures against the co-ops to place them in the same tax category as corporations, he would have been much alarmed. So I think we made a substantial contribution in that respect.

Mr. MARSHALL. May I say to the gentleman from Colorado that I am aware of those pressures. I am also aware of the great work the gentleman from Colorado has done in behalf of the co-ops and I would like to compliment him for that work.

Mr. CARROLL. I thank the gentleman from Minnesota. I was merely one of those who made a contribution in the committee.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Illinois.

Mr. YATES. I should like to ask the gentleman from Colorado whether this new tax bill contains a provision which has appeared in previous tax bills, namely, one that would permit corporations a period of grace within which time to dissolve into partnerships or into proprietorships in view of the fact that they are incurring new obligations under the tax law? I understand there is precedent for such a provision in previous tax bills.

Mr. CARROLL. I regret that I cannot answer that question for the gentleman from Illinois.

Mr. MILLS. Mr. Chairman, if the gentleman will yield, there is nothing in this bill with respect to that.

Mr. YATES. In other words, then, the same provision for the dissolution of corporations as applies under the present bill will pertain to the new tax law as well.

Mr. MILLS. The existing law will prevail.

Mr. CARROLL. After months of continuous effort, months of consideration by 15 Democrats and 10 Republicans, we reported out, by a vote of 17 to 8 a fair bill; not the best bill, perhaps, but as some of the experts who have studied this for many years have said this is one of the most equitable tax bills ever to come out of the Committee on Ways and Means since the end of the war.

It might be well to keep in mind what brought about the consideration of this bill. Why was it necessary to consider an excise tax reduction bill? Because of a demand from the people. I cannot agree with my friend from Nebraska when he says that the Republicans gave fair treatment to excise tax reduction in the Eightieth Congress. I remember standing in the well of this House in the Eightieth Congress, when we had a seven or eight billion dollar surplus and asking why excise taxes could not be reduced. That is the time Congress should have removed all wartime excise taxes. $2,500,000,000 worth of excise taxes. should have been taken off at that time. Instead of that, the Enghtieth Congress gave the relief principally to the upper brackets on personal income taxes and, of course, had we not taken this positive action this time, as the majority leader has said, we would have cemented these excise taxes into our statutes, if not permanently at least for years. Why? Because the excise tax is spread largely among the little people, and it is only when there is a strong sentiment among the people that the Congress acts. That revolution is growing. That is why you will fine here basically, when the Republicans cannot split this bill, they dare not vote against the bill.

That is the real political reason why they are going to support this bill. Politically they are afraid not to support it.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Kansas.

Mr. REES. The gentleman just stated that there would be a big revolution if we do not repeal the excise taxes.

Mr. CARROLL. The gentleman misunderstands me. Please do not put words in my mouth. I said that the revolution, the hue and cry, came from the people asking for relief.

Mr. REES. I agree with the gentleman, but your relief is just part way, is it not?

Mr. CARROLL. Certainly, it is part way.

Mr. REES. So we still do have the cementing of the rest of it?

Mr. CARROLL. I am hopeful that we do not. Actually we should have gone ahead and taken off two and four-tenths billion, but since we are running a deficit that is impossible. The gentleman from California [Mr. WHITE] explained the situation extremely well. The talk about a $10,000,000,000 deficit is pure tommyrot. There is no such deficit as that. As the gentleman from California said, all you have to do is look at the record; look at the record and see how the Democrats and Republicans have voted and then you will see who was responsible for the deficit.

Mr. REES. But you have not made any move to repeal the act that reduced taxes on individuals.

Mr. CARROLL. I want to say to the gentleman from Kansas that I have heard that question asked repeatedly in debate: Why does not the Democratic Party increase income taxes? Why do they not repeal what the Eightieth Congress has done? I recommend to the Members of this body the report of the Economic Advisers to the President, transmitted to the Congress in January 1950, and specifically contained therein on page 106, the Council of Economic Advisers stated:

> We also feel that it was unfortunate that tax rates were reduced in 1948, and that if the higher rates had remained in effect they would not be such a burden that business recovery would not continue. But the tax rates were reduced, countless personal and business relationships are now based upon the lower rates, and, if taxes were now raised sufficiently to attain an immediate budget balance, the process itself would involve disturbing maladjustments. The real question is this: To what extent may there be some tax increases at this stage of business recovery without impeding business progress enough to defeat the purpose of the tax program?

In my opinion that is a complete answer to those who repeatedly put the question of why you do not change what we have done. A most serious mistake was made in the Eightieth Congress. As is the usual custom with the Republican leadership, they gave great relief to the upper brackets of the taxpayers of this Nation. I voted against it then, and voted to sustain the President's veto.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I am sure the gentleman from Kansas is as much interested in the reduction of these excise taxes as anybody else, and favors it.

Mr. REES. I do.

Mr. EBERHARTER. I am certain the gentleman will also be happy to know that the committee did not recommend any reduction whatsoever in excise taxes on liquor, beer, or wine.

Mr. CARROLL. Does the gentleman from Kansas want to comment on that situation?

Mr. REES. Yes. I appreciate the gentleman's statement, and I want to thank the committee for retaining the taxes on liquor as much as it has. I think those taxes could be increased without any injury. But while the gentleman is on this subject matter, may I ask him, because he is so familiar with this legislation, about page 18, where you have taxes on cabarets, roof gardens, and so forth. I notice that you have dance halls under section (b) rather than under the section relating to cabarets. I want to be sure that you do not liberalize that provision.

Mr. CARROLL. I assure the gentleman from Kansas that there is nothing in this cabaret-tax provision that will substantially interfere with any operation in the State of Kansas.

Mr. REES. No; I mean throughout the country.

Mr. CARROLL. Yes; throughout the country. The reduction in the cabaret tax was approved by the committee for the reason that there was growing unemployment in the entertainment industry. Basically, when we started the consideration of this bill, we really began

to consider what we call hardship-industry problems.

Mr. REES. That was a hardship industry?

Mr. CARROLL. That was one of the hardship industries. That may not coincide with the philosophy of the gentleman from Kansas, but in New York and Chicago and some of the other big cities there was growing unemployment in this industry. They thought that this tax was contributing to this situation. We felt that in all equity, because we gave the same consideration to furs, jewelry, and many of the other hardship industries, we should give consideration to this industry.

Mr. EBERHARTER. If the gentleman from Kansas will refer to page 8 of the report, the last paragraph on that page, he will find an explanation of the matter about which he has asked three or four members of the committee. As I recall, some of the courts have construed cases so that if a dance hall sells coca-cola or peanuts and candy, those are considered to be refreshments, and, therefore, the dance hall could be considered a cabaret. We do not want those constructions to stand.

Mr. CARROLL. All in all, Mr. Chairman, I have tried to point out that there are some inequities in this bill. As I have indicated to you, this is the result of democratic treatment. It is a compromise. It is unfortunate that we could not have had a better bill, but I think this is the best bill we could have under the circumstances. If you had been sitting with the members of the committee as long as I have, you would know that it is extremely fortunate that we have any bill at all. I trust that every reasonable person, Democrat or Republican, will support this bill, for I believe the people, the consumer, the wage earner, and the small-business man, are entitled to the relief offered by the passage of this bill.

Not long ago I had occasion to inform the people of Colorado of my stand on this important legislation in a public statement which I think is worthy of restatement here. I stated to the people whom I represent:

This bill will remove or reduce approximately $1,000,000,000 in excise taxes on a number of articles and services. There is no doubt that these excise taxes have been depressing certain lines of business, and their removal or reduction should provide a real stimulus for manufacturers and retailers throughout the Nation. Increased sales should help check the creeping unemployment which has been menacing some of these industries.

The bill is good news for the consumer because the industries involved have promised to pass the tax savings on to the consumer, rather than to reflect them in higher profits. The consumer will have more money for other items, and business generally will be aided.

To balance the revenue loss resulting from the reduction of excise taxes, the bill provides for the raising of about $1,000,000,000 through the closing of a number of tax loopholes and through a 3-percent increase on the tax paid by large corporations. In addition, a new formula speeding up the payment of taxes by corporations will bring revenue in to the Treasury earlier, although it will not increase the tax liability of corporations in the slightest.

The new corporation tax schedule will decrease the taxes of corporations showing profits ranging between $5,000 and $166,666 a year. Taxes of corporations earning more than $166,666 a year in profits will be increased approximately 3 percent, and taxes of the smallest corporations will be unchanged.

Of the 380,000 corporations in the Nation, only 20,000 earn more than $166,666 annually. As a result, we are giving tax relief to considerably more corporations than the number which will pay a higher tax. The bill will decrease the taxes of corporations earning between $5,000 and $166,666 a year by an estimated $275,000,000 a year. This tax relief should enable these businesses to use more money for business expansion.

The tax increase will not be unduly burdensome upon the larger corporations. A corporation earning $500,000 profits a year pay only $10,000 in additional taxes; a corporation making $1,000,000 profits will pay an increase of $25,000, and a corporation netting $10,000,000 annually will pay $295,000 in increased taxes.

Corporation profits are running at one of the highest rates in history. During the first quarter of 1950, corporate profits after taxes were at an annual rate of $18,300,000,000.

Many large corporations actually will make more through increased business resulting from reduction of excise taxes than will stand to lose through the increase in the corporation tax.

Another provision in the bill, allowing businesses to carry losses forward for 5 instead of 2 years, is designed especially to help new and small businesses.

"The provision in the bill which will speed up payment of corporation taxes will aid in equalizing the tax treatment of corporations and other individuals and businesses," CARROLL said. Farmers, wage earners, and unincorporated businessmen now pay taxes substantially on a pay-as-you-go basis.

The small grocer, for example, has to estimate his income at the beginning of the year and make payments during the year. The chain grocery which is in direct competition with him, however, makes no tax payments at all during the year in which the liability occurs, and has the entire succeeding year to complete tax payments.

The bill requires the corporation to pay its taxes for 1 year during the first 6 months of the next year. The change-over will be accomplished gradually over a period of 5 years. During this period, the Government will gain more than $4,000,000,000 in additional money, although the tax liability of corporations will not be increased.

Only partisan politics or subserviency to the big corporate interests of this Nation can prevent the passage of this bill in its present form.

Mr. REED of New York. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. VORYS].

VOTE ON EXTENSION OF DRAFT ACT

Mr. VORYS. Mr. Chairman, I was unavoidably detained from the Chamber yesterday when the vote was taken on the extension of the Draft Act. Had I been present, I would have voted for it.

Mr. COOPER. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. YOUNG].

Mr. DAVENPORT. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Pennsylvania.

Mr. DAVENPORT. Mr. Chairman, yesterday when the vote was taken on the extension of the Draft Act I was unavoidably absent. Had I been present, I would have voted for it.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Massachusetts.

Mr. KENNEDY. Mr. Chairman, when the vote was taken yesterday on the extension of the Draft Act, I was unavoidably absent. Had I been present, I would have voted for the extension of the act.

Mr. YOUNG. Mr. Chairman, I am a newcomer on the Committee on Ways and Means, having served on this committee only since last year. I yield my deference and my devotion to the gentleman from North Carolina [Mr. DOUGHTON], the great chairman of the Committee on Ways and Means. He is indeed a distinguished committee chairman. It is a rich experience for any Member to serve under his leadership on the Committee on Ways and Means. I feel I would be negligent and remiss in a duty and obligation which I owe if I did not in his presence say that the gentleman from North Carolina [Mr. DOUGHTON] is one of the truly great Americans of this generation.

Mr. Chairman, to the question, "Should higher corporation taxes make up for excise cuts," my answer is "Yes." Higher corporate taxes should offset the revenue lost from excise-tax reduction. The Committee on Ways and Means carefully analyzed all wartime excise taxes added by the Revenue Acts of 1941, 1942, and 1943, and concluded that retail excise taxes on women's handbags, luggage, cosmetics, baby oil, baby powder, jewelry, furs, cook stoves, and heaters, photographic apparatus, matches, automobile tires and tubes, parts and accessories, movie tickets, telephone and telegraph messages, and passenger fares and freight bills should be cut by more than a billion dollars a year.

The committee worked hard to obtain offsetting revenue by closing loopholes, but after several months study was able to produce only approximately half a billion dollars from this source. The question was whether to impose additional taxes to make up the remaining half billion dollars, or to send to the President a bill that would further add to the prospective deficit of $3,500,000,000. The President's position has been crystal clear and is sound. In his tax message to Congress in January 1950 he said, "I wish to make it very clear that I could not approve excise-tax reductions unless they are accompanied by a provision for replacement of the revenue loss because I am convinced that sound fiscal policy will not permit a weakening of our tax system at this time."

The unwillingness of some Republicans in Congress to support this very slight adjustment in the corporate income tax is really a test of the sincerity of Republican support for excise-tax reduction. For 2 years they were in control of the Eightieth Congress. Before the election of 1946 Republican members of the Committee on Ways and Means unanimously promised excise tax relief if a Republican Congress were elected. But what did they do? Their first act was to make permanent the temporary wartime excise taxes, despite the fact President Truman requested extension

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of these taxes for 1 year only. The next act was to pass a bill reducing income taxes and estate and gift taxes for the benefit of wealthy individuals and big business. Although Democratic members of the Committee on Ways and Means unanimously urged that excise tax reductions be included in their bill, Republican members answered, "That can wait."

I say flatly that no one believing in sound fiscal policy can support an excise tax cut bill that will add to the deficit at this time. The corporate income tax is the proper source for necessary offsetting revenue.

According to the Federal Reserve Bulletin for June, corporation profits, after taxes, are for the first quarter of 1950 at an annual rate of $18,300,000,000, or nearly double profits during the peak war years. You will recall that General Motors' profits for 1949 exceeded $600,000,000 and profits for this year are running even higher.

Furthermore, this is a tax reduction bill for approximately 300,000 small corporations, while only approximately 20,000 most profitable corporations with earnings above $167,000 a year will pay higher taxes than under existing law. The facts clearly show that business is good, and getting better. The larger corporations can absorb this slight tax increase without seriously affecting dividends to stockholders and certainly without any excuse for trying to pass on the tax to customers.

During the 1948 Presidential campaign we heard a lot about unity from the Republican candidates. The hostility of the Republican Members of Congress toward slight corporate-tax increase once again demonstrates the unity of the Republican Party with big business and the hypocrisy of their 1946 campaign promises of excise-tax reduction. Those who are honestly and sincerely interested in excise-tax reduction must realize that the only way this can be accomplished at the present time is through a small increase in the corporate-tax rate.

I read and embody as a part of my remarks editorial comment from the Financial World, June 28 issue. The editorial of this magazine of big business is as follows:

> The proposal by the House Ways and Means Committee that the tax rate on large corporations be lifted from the present 38- to the 41-percent level has had little market effect. Prospects for its eventual enactment still are uncertain, of course, and at least a partially offsetting factor would be reductions on a long list of excises. But even more important is the fact that with earnings running at such high current levels the additional levy would be easily absorbed.
>
> An increase of three percentage points would apparently mean about 50 cents per share for Bethlehem Steel, which reported earnings of $9.68 per share of common stock last year. It would mean about 20 cents a share for du Pont, which last year earned $4.52 a share, 10 cents a share for Standard Oil of New Jersey, and 35 cents a share for United States Steel.

If, as the opposition claims, some of this tax will be passed on to the consumer, it is a fact that the mother who buys baby oil and baby powder will not pay it. And if the man who buys a Cadillac pays $10 more for his car, we should not lose any sleep.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield.

Mr. SABATH. The figures that the gentleman cites of the great profits made by the corporations show they were made under a Democratic administration, which the Republicans claim is opposed to private business and private industry. So their charges that are being made from time to time are incorrect and not based on facts. As you stated, business is prospering, and more money is being made by private industry than ever before in the history of our country. I want to congratulate the gentleman upon bringing these facts to the attention of the House and the country.

Mr. YOUNG. That is true, as the gentleman says. Those of us, like the gentleman from Illinois [Mr. SABATH], who are honestly and sincerely interested in excise-tax reduction, do realize that the only way this can be accomplished at the present time is through a small increase in the corporate tax rate against corporations with annual earnings in excess of $167,000.

General Motors stock, quoted on the New York Stock Exchange, has risen so high that the directors are proposing to split the stock 2 to 1 to present holders. It has skyrocketed from its low of a few dollars a share in 1932 and 1933 before the recovery program of President Roosevelt, to a high of around $100 per share.

Talk about our country going to rack and ruin because of the revenue policies of this administration. Last year General Motors Corp. net profits exceeded $600,000,000 and for the first quarter of 1950 the net profits of this corporation exceeded $200,000,000 or at a rate of $800,000,000 for the current year.

General Motors, in April 1950, voted bonus awards of $6,000,000 dollars, plus 24,000 shares of stock to officers and directors. This was for services for 1949. Charles E. Wilson, president, received $586,000 salary and bonus awards. Three executive vice presidents received salary and bonus awards totalling $1,503,000.

In addition to the salaries and bonuses, General Motors directors voted Charles E. Wilson and the three executive vice presidents $25,000 each per year retirement pensions effective when they decide to retire.

If American industry—big business—can afford to pay huge pensions to retired officials who do not need them is it state socialism when the people's representatives impose a tax on industry and on employees to pay retirement pensions, or social-security payments, to those who do need them?

And furthermore, are the representatives of the people to be condemned in providing a slightly higher income tax on the huge earnings of this company and other prosperous corporations of America?

Taxes should be levied according to ability to pay and this Revenue Act of 1950, which we majority members of the Committee on Ways and Means of the House of Representatives have drafted and do recommend, recognizes and adheres to this sound principle.

To those who claim that this is a phony tax-reduction bill and who contend that increasing taxes somewhat against corporations with large earnings will simply cause them to increase prices of their products, I simply say, do not be misled by such nonsense.

We provide real tax relief for the people of our country. Who is there who will seriously assert that saving our citizens $1,000,000,000 plus in taxes they pay out on handbags, baby oil, and so forth, and for recreation is not a real and substantial saving. The Financial World states editorially that corporate earnings are running at such high current levels the additional levy of 3 percent will be easily absorbed.

It is the policy of this administration to help small business and this revenue bill gives a total reduction of $275,000,000 per year to firms earning from $5,000 to $167,000 per year.

There are approximately 300,000 corporations in our country with earnings of from $5,000 to $167,000 per year who will receive these benefits. It is true that approximately 20,000 corporations with earnings from $167,000 per year to $800,000,000 per year will pay $700,000,000 more in taxes next year on those earnings than under the present law.

Mr. Chairman, I repudiate any claim that budget-wise housewives are being made victims of a congressional shell game and that the tax bill gives away something at one end and takes it back at the other end and the consumer is none the better off. Excise taxes or sales taxes are the reverse of income taxes. They bear heaviest upon persons least able to pay. They burden most those who have least.

Women have good reason to feel aggravated over the taxes levied on cosmetics and handbags. Businessmen have reason to complain about taxes on telegraph messages, railway travel, and telephone calls. Parents and children should surely not be compelled to pay any tax whatever when they attend school plays, basketball games, county fairs and similar entertainments.

Excise taxes, or sales taxes, fall hardest upon the poor. They increase in their burden with the number of children in the family. They reduce the family purchasing power. Imposing a tax burden at the same rate on poor and rich alike is unjust. Poor people spend a major portion of their income on the necessities of life. The more children there are in a family the more likely it is that the total income will go for bare necessities. Persons on relief, the unemployed, young veterans, newly married or about to be married, retired employees, all are especially burdened by a sales, or excise tax. Instead of exempting amounts considered necessary for subsistence, as the income tax does, the retail-sales tax exempts amounts saved and taxes what is spent for subsistence. It is in effect a tax with no exemptions, except for the rich who are exempt on what they save.

The movies, automobiles, electricity, radios, electric-light bulbs, clocks, telegrams, long-distance telephone calls, and so forth, have long since passed out of the luxury class. Whatever has become standard and of universal consumption by the bulk of the population is no longer a luxury.

I denounce the war-imposed 20-percent tax on movie admissions. This tax bears heavily on amusement and recreation of our people. It is responsible for a decline in attendance of movies and for huge losses in a heretofore profitable business. It is responsible for the dismissal of employees in moving-picture theaters.

This particular tax is not only restrictive of business, but it is an indefensible tax on the poor man's entertainment and the pleasure of children. Attending movies is the principal form of relaxation and recreation in many of our communities, I cannot believe the financial solvency of the United States will be impaired by cutting this 20-percent tax paid on admissions to 10 percent. We provide for the elimination of the 20-percent tax on baby oil and baby powder. Is having a baby a luxury?

We are determined to put an end to wartime luxury taxes, so-called, which the last Congress extended and made permanent. As we reduce taxes, we are also equally determined to cut Government spending to the bone. You and I believe in economy in Government. This like economy in an individual means going without some of the things we would like to have but do not absolutely need.

During World War II excise taxes were imposed upon 40 products. They were imposed upon transportation to bring in revenue and to discourage travel, upon communications to discourage long distance telephoning and sending of telegrams which might delay necessary wartime communications. In addition, excise taxes were imposed upon baby oil, powder, movie admission tickets, leather goods, photographic supplies, furs, jewelry, and so forth. These taxes, now that the war is over, are unfair and discriminatory. They are restrictive of business and have been the cause of considerable unemployment, notably in the fur and motion-picture industries.

There are those who defend the 20-percent tax on jewelry, stating that jewelry is clearly a luxury. Examination of this tax shows in a large measure that tax became one on wedding gifts, graduation presents, and so forth. Are clocks jewelry? They are taxed as such yet are they not in fact in the category of household furniture? If oriental rugs and expensive bric-a-brac are tax-free, how can one justify singling out clocks for taxation? To apply the tax, as the Bureau of Internal Revenue does, to ornamental buttons on women's dresses has gone far beyond the intent of Congress. Excise taxes burden most those who have least.

In 1947 President Truman recommended to the Congress that it continue wartime excise taxes for the period of 1 year only. The Republican Eightieth Congress denied his request. Instead it voted up legislation continuing permanently the wartime excise taxes which have proved so oppressive to our people. My predecessor as Ohio Congressman-at-large, who incidentally is a candidate seeking to defeat me this November, voted in favor of making these obnoxious and atrocious Federal wartime excise taxes permanent. I condemn him for voting for the permanent extension of these indefensible taxes on the necessities of life.

These unrealistic levies slow down trade. Shrinking demand from retail outlets, reaching back to the factories, curtails production and causes unemployment that is wholly unnecessary.

As an example, let us look at the fur and leather goods industries because of seasonal factors affecting them, and because their products are an important item in the average woman's budget.

At the present time there is a 20-percent wartime excise tax on fur and on leather-luggage products.

Summer is usually the busy season in the fur industry, and if any relief is to be provided, it should be done without further delay.

In the summer of 1949, one-third of the workers in the fur industries were unemployed, one-third were working part-time and only one-third had steady jobs.

The unfair competition in the present tax law is dramatically revealed by the fact that a $300 cloth coat with fur trimming is tax-free, but a fur coat costing $100 has $20 added to the price to pay for the Federal tax.

In the northern half of the United States where extra warm coats are a necessity, an office girl or mill worker, in order to buy a relatively cheap fur coat costing, say two to three hundred dollars would have to work an extra week or so just to pay the tax. This is a mighty high tariff to impose on our own working people.

The luggage industry is also stricken by the excise taxes which discourage buying. Winter and summer, the American women must have a durable leather handbag. In it she carries and protects a wonderful assortment of articles necessary to her morale, from assorted keys to beauty aids to charge cards and checkbooks. Without it an American woman would be lost, and so would retail business which puts so much merchandise into that handbag and takes so much money out of it.

But when it comes to classifying as luxuries oils, creams, and powders that are necessary for a baby's health and comfort with a 20-percent tax added, we cannot find words to express our exasperation. The taxation without representation against which our forefathers rebelled was nothing compared with this all-time low.

The Revenue Act of 1950 carries forward the sound principle that taxes should be levied according to ability to pay. Much of the billion dollars in revenue per year which is removed by our repeal of the most discriminatory and indefensible excise taxes and cutting in half of others will be made up by accelerated business. Tax reduction of sales taxes stimulates business activities. It enables manufacturers, merchants, and operators of service establishments to offer the public lower prices. This encourages people to buy. The volume of economic activity rises and the financial stability of our Government will not be threatened, even to the slightest extent.

My view is that this revenue bill, eliminating altogether the most obnoxious and discriminatory wartime excise taxes and cutting in half others, must be enacted into law so that the housewife can buy, so her husband may have satisfactory employment, so business can prosper, so the United States, which means all of us, can enjoy the incentives which make for general progress.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield.

Mr. DOUGHTON. The gentleman from Ohio has worked very diligently and helpfully in connection with the preparation of this bill. His services on the committee are greatly appreciated by the members of the committee.

Mr. YOUNG. I thank the chairman and my colleagues on the committee. I want to say again that it is a rich experience in the science of Government and public service to have an opportunity to serve on the Committee on Ways and Means under such a distinguished chairman as the gentleman from North Carolina [Mr. DOUGHTON].

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield.

Mr. COOPER. I simply want to concur in the statement made by our distinguished chairman, and to say that because of the very active interest always taken in the welfare of his constituents by the distinguished gentleman from Ohio, he has made an outstanding contribution to the consideration and preparation of this bill.

His services on the committee have been most valuable to the efforts exerted by those of us who have had several years of experience there; and we recognize the gentleman as one of the most valuable members that we have on the committee.

Mr. YOUNG. From the bottom of my heart I thank the distinguished gentleman from Tennessee, the ranking majority member of the Committee on Ways and Means, for his statement.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield.

Mr. McCORMACK. I concur in everything that the distinguished gentleman from Tennessee [Mr. COOPER] has said about my friend from Ohio [Mr. YOUNG]. As majority leader I can say that he has always been cooperative with the leadership of the House, with Speaker RAYBURN and myself. When he served here under the late President Franklin D. Roosevelt, he enjoyed the confidence of President Roosevelt and was always loyal to him. He is loyal to President Truman and enjoys the confidence and respect and friendship of President Truman.

I want the record to show that the gentleman from Ohio has made an enviable record as one of the outstanding Members of the House. Speaker RAYBURN and I hold him in the highest admiration for his service to his constituents and to the Nation.

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Mr. YOUNG. I thank the majority leader. I thank our Speaker.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield.

Mr. EBERHARTER. Mr. Chairman, I take advantage of this opportunity to say a word or two. First, I want to agree in what the gentleman from Ohio said about our great chairman of the Committee on Ways and Means and what a wonderful experience it is to have served with him.

I agree with the sentiments expressed by the chairman of the committee, by the majority leader, and by the gentleman from Tennessee [Mr. COOPER] regarding the great service that has been rendered by the gentleman from Ohio.

I may add that several of the most important decisions made by the committee in executive session were made at his instigation and after the presentation of his point of view to the committee. For that he deserves the thanks of the country and of the Congress.

Mr. YOUNG. I thank my distinguished colleage from Pennsylvania, and now I retire in embarrassment.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Nevada [Mr. BARING].

Mr. BARING. Mr. Chairman, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. BARING. Mr. Chairman, without any preliminaries, I am going to say that something occurred on the floor of the House of Representatives yesterday which was nothing less than sabotage, and a "sneak attack" upon the West. I do not mind saying that my western blood is boiling. I am referring to the unfair tactics used yesterday when unanimous consent was requested for the suspension of the tariff on copper.

This out-and-out case of railroading occurred late yesterday afternoon, at approximately 10 minutes after 5 o'clock, following the weighty discussions which were held on the floor in regard to the extension of the draft. Following our vote on that momentous issue, as you know, the majority of the Members left the floor, with the general opinion that the legislative schedule for the day was more or less finished. Taking advantage of the fact that there were only 15 or 20 Members remaining on the floor, the "enemy" of the West, in the persons of those certain eastern Congressmen who represent the moneyed interests, the United States fabricators of copper products and the owners of foreign copper mines, got busy. In the few minutes which elapsed between the time that several of us left and returned to the floor, House Joint Resolution 494 had been rushed through by unanimous consent.

Mrs. BOSONE. Mr. Chairman, will the gentleman yield?

Mr. BARING. I yield to the gentlewoman from Utah.

Mrs. BOSONE. I want to say that I was on the floor of the House all yesterday afternoon. I believe that it was about a week ago that I was alerted that the tariff on copper would be discussed in a hearing on July 10, and I was to prepare for that hearing.

I know that the gentleman from Nevada was on the floor of the House yesterday afternoon, and I also know that other members of our committee, the gentleman from Arizona [Mr. MURDOCK], the gentleman from Arizona [Mr. PATTEN], my own colleague the gentleman from Utah [Mr. GRANGER], were on the floor of the House.

In the practice of law we call this type of thing sharp practice, and I think that was what was pulled on us yesterday, because I understand the bill was introduced yesterday and then after a big vote on a big important measure, when everyone understood it was the last business of the day, this measure was called up against, I would say, the western Congressmen. I do not think that type of thing is fair. I want to protest it at this time.

Mr. BARING. I thank the gentlewoman from Utah for her statement.

I believe the substitute measure was introduced yesterday. It never went through the Committee on Ways and Means.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. BARING. I yield to the gentleman from Arizona.

Mr. MURDOCK. I know exactly how the gentleman feels. I have been getting some telegrams, one of which I would like to read:

Where were you yesterday when the House voted to extend the copper tariff suspension?

I want to make it clear for the RECORD that the gentleman from Nevada now addressing the House has been alerted weeks ago to this situation. He together with my colleagues from Utah, New Mexico, and other Western States requested the Ways and Means Committee for hearings on the Patterson bill and made arrangements with the chairman of the Ways and Means Committee last week to have a hearing on the Patterson bill on July 10. In fact, the committee had named July 3 and with kindly consideration changed to July 10. We had arranged among ourselves and we have asked witnesses to come here with the extra time to consider the bill. We thought that was the proper and regular way to do it. Now, if, after hearings, we are voted down, that is one thing, but if it goes out to the press of the country and to our constituents that this thing was done by unanimous consent while we sat here silent, it would be entirely unfair. We from the copper-producing States have been trying to protect our mining industry. The gentleman from Nevada has been constantly working in the interest of mining.

Mr. BARING. I want it made clear that the copper resolution which was passed by unanimous consent yesterday was a subterfuge measure, accomplished by a substitution of bills. This was not H. R. 7151. It was House Joint Resolution 494 introduced yesterday and put through last night.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. BARING. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. The gentleman from Arizona [Mr. MURDOCK] mentioned certain arrangements with the chairman of the Committee on Ways and Means for a hearing on the measure about which the gentleman is talking. On behalf of the Committee on Ways and Means I want to say that we have had no hearings on the measure that was passed. The measure that was passed had not been referred to the Committee on Ways and Means and no blame whatever should attach to that committee for whatever happened yesterday.

Mr. BARING. I believe that is correct. We are not trying to put the blame on the committee because I have been informed that that committee was not alerted.

The CHAIRMAN. The time of the gentleman from Nevada has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman five additional minutes. I was surprised at the copper resolution being passed by unanimous consent late yesterday afternoon after the House had concluded its discussion on the tax bill. I understand the resolution that passed was only introduced yesterday afternoon or some time yesterday. Our committee that is supposed to have jurisdiction over this matter was not consulted at all. It was the most extraordinary procedure I have ever known.

Our committee has had this matter under consideration for some time. It was brought to our attention through a lot of correspondence. We had set apart Monday, July 10, in order that we might have time to consider this. As chairman, I invited the interested parties on both sides to be present and notified them that we would have to expedite the matter in order to have time to give consideration to the bill after completion of our work on the pending tax bill; therefore, we set Monday, July the 10th, as the date for hearings on continuing the suspension of the import tax on copper. I have not been so surprised at anything that has taken place in this House since I have been chairman of the Committee on Ways and Means.

Mr. BARING. I thank the gentleman.

I think that my colleagues from the West will back me up when I say that yesterday's action was taken at a disadvantageous and unsuspecting moment, and also, that we are getting pretty tired of being treated as though the West were no part of the United States. We fully realize that it is difficult enough to get any western legislation passed, owing to the fact that we are greatly outnumbered in representation, but it seems extremely unjust when we are not even allowed the benefit of presenting our views. We were specifically granted a hearing on copper by Chairman DOUGHTON of the Ways and Means Committee, which hearing was scheduled for July 10, 1950. I have been in the process of preparing material to be presented at that time, so I believe that you can appreciate my feelings in being denied even the privilege of having such a hearing, as well as in view of the unfair maneuver which took place on the floor of the House.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. BARING. I yield to the gentleman from Nebraska.

Mr. CURTIS. While my State is not a copper-producing State I am very much interested in all these problems of the West. I want taxes that do not discriminate against the West. As one member of the Committee on Ways and Means I regret that our committee did not have a chance to hear the gentleman and to pass on this thing in a way that everybody could be heard. I am just wondering, has the gentleman inquired of the majority leadership as to the procedure involved, and how this all happened?

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. BARING. I yield to the gentleman from Illinois.

Mr. SABATH. Who introduced that resolution late last night?

Mr. BARING. I will stand corrected, but I believe the resolution was introduced by the gentleman from Connecticut [Mr. PATTERSON]. I believe he was the author of the bill.

Mr. SABATH. And it was not referred to any committee?

Mr. BARING. It was not referred to a committee.

Mr. SABATH. Well, we ought to recall the resolution.

Mr. BARING. I have introduced a rescinding resolution today, No. 673, and if it is possible, I wish the House would get behind me on this. I think the Administration as well as both sides of the House should get behind me on this. The procedure on yesterday's resolution was extremely irregular. The expiration of the copper law would have ended June 30, at which time the tax would automatically have been put back on and the tax imposition would have saved the mines of the West. We are already working under extremely difficult conditions. The mines are closing and filling with water. A sneak attack such as occurred yesterday was both untimely and entirely unjustified.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. BARING. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I am quite sure that the gentleman from Connecticut did not introduce that resolution to hurt the State of Nevada.

Mr. BARING. I think that the gentleman is probably correct, but regardless of his intent, the effect upon the State of Navada would be disastrous. I would not say that the gentleman from Connecticut is trying to hurt anyone in particular, but I would say that he is attempting to favor and further either his own interests or the interests that he represents.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. BARING. I yield to the gentleman from Washington.

Mr. HORAN. I think it might be pointed out that this action occurred right after a vote on the extension of the selective-service machinery.

Mr. BARING. That is correct.

Mr. HORAN. And, of course, if we are going to have action on the battlefields, we probably need copper, and we should have our own.

Mr. BARING. That is a fine point. In case of war, what will we do if our sea lanes are closed? We must develop our western mines. We are giving away too much money to other regions of the world and not enough to our own country, as far as the development of the copper industry is concerned.

Mr. NICHOLSON. Mr. Chairman, if the gentleman will yield further, is there not some way by which the gentleman could revive this proposition? Could not the Senators from Nevada take care of it, or could we do something about it?

Mr. BARING. I believe the Senators from Nevada, Arizona, and all the Western States have been alerted. However, I think action by this body should take place to rescind that bill. The action in the House was entirely irregular.

I have repeatedly affirmed my determination to kill any legislation designed to suspend the excise tax on copper. The Patterson bill, H. R. 7151, which called for the continued suspension of the tax for a 2-year period, after its present expiration on June 30, 1950, has long been my target of attack. With the expiration of the present suspension, a tax would have been automatically reimposed whereby domestic copper producers could have been able to compete in the world market today. Yesterday's unexpected action—taken only 3 days before the present suspension would expire—when House Joint Resolution 494 was cleverly substituted for H. R. 7151, dealt what is almost a death blow to an already agonized mining industry, and marks the forerunner of what is yet to come.

It is time for the Federal Government to demonstrate concern over the dollar earnings of the American miners, rather than to place the welfare of foreign countries ahead of this country. There is also a question of national security involved, which should be of vital concern to every one of us today. The continued suspension of the copper excise tax, and the gradual moving of the copper industry to foreign countries, is going to place this Nation in serious jeopardy in case of another war. No program of stockpiling can replace a going and healthy domestic mining industry, in the event of war, and there is nothing more important to warfare than copper and other strategic metals.

Much United States capital has moved to Chile for the development of copper mines, because of low wages and other low costs in foreign countries. There is no reason why we should destroy an essential domestic industry, for the purpose of providing greater profits for those who migrate their investment funds.

The individuals who oppose restoration of the much-needed copper import duty, evade the truth when they state that copper shortages can only be made up from imports. Their opposition is based upon a false premise, or personal interests. The fact of the matter is that if the duty were restored, the small copper producers would be enabled to operate and produce the metal, because undoubtedly the metal would improve to the extent of the import duty. Furthermore, if the duty were restored, the copper production of this country would be substantially increased, which would enable us to compete with foreign production.

Yesterday's blow to the western mining industry has added insult to injury, and has alerted every Member of the western delegation to the necessity of fighting for our domestic interests. I have introduced today a House Resolution 673 to repeal H. J. Res. 494, the "sneak" bill which threatens to do so much harm to our western mining interests. It is only fair that the administration should get behind my resolution, in order that the other nine-tenths of the Members, who were absent, will have the chance to vote on the original measure.

The CHAIRMAN. The time of the gentleman from Nevada has expired.

Mr. COOPER. Mr. Chairman, we have no further requests for time.

Mr. REED of New York. We have no further requests for time, Mr. Chairman.

The CHAIRMAN. Under the rule, under which this bill is being considered, at the conclusion of general debate the bill is considered as read and amendments may be offered only at the direction of the Committee on Ways and Means.

Are there any committee amendments?

Mr. COOPER. There are no committee amendments, Mr. Chairman.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8920) to reduce excise taxes, and for other purposes, pursuant to House Resolution 666, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of the tax bill be postponed until tomorrow, to be the first order of business.

The SPEAKER. It will be the pending business.

Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the tax bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate disagrees to the amendment of the House to the bill (S. 3258) entitled "An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia;"

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requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HUNT, Mr. KEFAUVER, and Mrs. SMITH of Maine to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3571) entitled "An act to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes;" requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. MCFARLAND, and Mr. WILLIAMS to be the conferees on the part of the Senate.

SECRETARY OF COMMERCE

Mr. HART. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3571) to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. HART, WEICHEL, and BONNER.

PUERTO RICO

Mr. DELANEY, from the Committee on Rules, reported the following privileged resolution (H. Res. 678, Rept. No. 2365), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of a bill (S. 3336) to provide for the organization of a constitutional government by the people of Puerto Rico. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

TIDELANDS

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 679, Rept. No. 2366), which was referred to the House Calendar and order to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8137) to confirm and establish the titles of the States to lands beneath navigable waters within State boundaries and to the natural resources within such lands and waters, to provide for the use and control of said lands and resources, and to provide for the use, control, exploration, development, and conservation of certain resources of the Continental Shelf lying outside of State boundaries. That after general debate which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

IMPORT CONTROLS WITH RESPECT TO FATS AND OILS

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 680, Rept. No. 2367), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3550) to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

FIRST UNITED STATES INTERNATIONAL TRADE FAIR

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 681, Rept. No. 2368), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 453) authorizing the President to invite the States of the Union and foreign countries to participate in the First United States International Trade Fair, to be held at Chicago, Ill., August 7 through 20, 1950. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

RESERVE COMPONENTS OF THE ARMED FORCES

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 682, Rept. No. 2369), which was referred to the House Calendar and ordered to be printed:

*Resolved*, that immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8594, to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Commitee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CIVILIAN GOVERNMENT EMPLOYEES

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 683, Rept. No. 2370), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7439) to protect the national security of the United States by permitting the summary suspension of employment of civilian officers and employees of various departments and agencies of the Government, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDING FEDERAL RESERVE ACT

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 684, Rept. No. 2371), which were referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3527) to amend section 14 (b) of the Federal Reserve Act, as amended. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered

as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ASSISTANCE FOR LOCAL EDUCATIONAL AGENCIES

Mr. McSWEENEY, from the Committee on Rules, reported the following privileged resolution (H. Res. 685, Rept. No. 2372), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7940) to provide financial assistance for local educational agencies in areas affected by Federal activities, and for other purposes, and all points of order against said bill are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute committee amendment recommended by the Committee on Education and Labor now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and any Member may demand a separate vote in the House on any amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final pasage without intervening motion except one motion to recommit.

EDUCATION OR TRAINING OF VETERANS

Mr. RANKIN submitted a conference report and statement on the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944).

CONTINUING DAY NURSERIES IN THE DISTRICT OF COLUMBIA

Mr. PRIEST (on behalf of Mr. McMILLAN of South Carolina) submitted a conference report and statement on the bill (S. 3258) to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia.

THE TWO-LEGGED GECKOS

Mr. O'SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. O'SULLIVAN. Mr. Speaker, in a recent issue of the Lincoln Star of Lincoln, Nebr., under the column Strange as It Seems, by Elsie Hix, was a picture of a small, slimy, four-footed, five-toed long-tailed lizard called a gecko.

Specifically excluding all past and present Members of the Congress from what I am now about to say, it is my considered thought that the significant thing about this whole thumbnail study-sketch in zoology is the information that the gecko has no bone between his ears—he is all meat there—and his head is translucent when held up to the light.

Somehow that rather graphic head description fits the bungly, fumbly, smeary, caputs of the extreme right-wingers, the Fascisties—and the extreme left-wingers, the Commies who are still, though somewhat in disguise, belly-crawling and slithering their nasty way about our land in this enlightened yet troubled year of 1950.

I want to say to the Congress again that it behooves us, I believe, to direct our fire at all of these two-legged geckos now, and also during the coming critical day ahead, and not draw a gun bead upon the Commies alone.

IMPORT TAXES ON COPPER

Mr. BARING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. BARING. Mr. Speaker, two wrongs do not make a right. I am serving notice that on tomorrow I will ask unanimous consent for the consideration of the resolution (H. Res. 673) rescinding the action of the House in passing House Joint Resolution 494.

My resolution is as follows:

House Resolution 673

Joint Resolution rescinding the action of the House in passing House Joint Resolution 494

*Resolved*, That the action of the House in passing on June 27, 1950, the joint resolution entitled "Joint Resolution to extend for 2 months the existing suspension of certain import taxes on copper" is hereby vacated and the Clerk of the House is hereby directed to request the Senate to return such joint resolution to the House.

(Mr. BARING asked and was given permission to revise and extend his remarks and include a copy of the resolution.)

STILL FURTHER MESSAGE FROM THE SENATE

A still further message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 492. Joint resolution making temporary appropriations for the fiscal year 1951, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6826) entitled "An act to provide for the common defense through the registration and classification of certain male persons, and for other purposes."

TEMPORARY APPROPRIATIONS, 1951

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H. J. Res. 492) making temporary appropriations for the fiscal year 1951, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendment as follows:

On page 2, after line 20 insert "Mutual defense assistance."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. HOFFMAN of Michigan (at the request of Mr. REED of New York) was given permission to extend his remarks.

Mr. SHELLEY (at the request of Mr. PRIEST) was given permission to extend his remarks.

Mr. THOMPSON (at the request of Mr. PRIEST) was given permission to extend his remarks and include an address.

Mr. BUCHANAN (at the request of Mr. EBERHARTER) was given permission to extend his remarks and include a radio address made by Mr. BUCHANAN on Friday, June 23, 1950.

Mr. LANE asked and was given permission to extend his remarks in two instances, in one to include an address and in the other to include extraneous matter.

Mr. O'SULLIVAN asked and was given permission to extend his remarks and include extraneous matter.

Mr. COLE of New York (at the request of Mr. CURTIS) was given permission to extend his remarks.

Mr. CURTIS asked and was given permission to extend his remarks and include a magazine article, notwithstanding the fact that it is estimated by the Public Printer to cost $191.34.

Mr. McGRATH (at the request of Mr. CLEMENTE) was given permission to extend his remarks and include a speech by Hon. WALTER A. LYNCH.

Mr. TAURIELLO asked and was given permission to extend his remarks in two instances, in one to include a resolution and in the other an article by Hon. JOHN A. BLATNIK, of Minnesota.

Mr. BURNSIDE asked and was given permission to extend his remarks in the RECORD.

Mr. PATMAN asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. JONAS asked and was given permission to extend his remarks and include a radio address by Col. Robert R. McCormick under date of May 25, 1950.

Mr. HORAN asked and was given permission to extend his remarks and include a statement by the Spokane Chamber of Commerce to the President's Temporary Water Resources Policy Commission, notwithstanding the fact that the additional cost will amount to $225.50.

Mr. GWINN asked and was given permission to extend his remarks.

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Mr. REES asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. CANFIELD asked and was given permission to extend his remarks in two instances, in each to include editorials from the Passaic (N. J.) Herald-News.

PERSONAL ANNOUNCEMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. O'NEILL. Mr. Speaker, on Monday, June 26, 1950, I was absent from the session due to a death in my immediate family, my sister's husband, the father of her children.

Had I been present during the vote upon the passage of H. R. 87 over the veto of the President, I would have voted "aye" for its passage.

On Tuesday, June 27, 1950, the day of the funeral indicated above, had I been present during the vote upon the question of the extension of the selective service law, I would have voted "aye," and for such extension of that law.

PERSONAL EXPLANATION

Mr. YATES. Mr. Speaker, I should like the RECORD to show that at the time of the roll call on the Draft Act yesterday I was before a governmental agency taking care of a request of a constituent. Had I been present I would have voted in the affirmative on the passage of the bill.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 5 minutes.

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include certain excerpts.)

FEDERAL TRADE COMMISSION INVESTIGATION BY SELECT COMMITTEE ON SMALL BUSINESS—HEARINGS, THIRD DAY

Mr. PATMAN. Mr. Speaker, this has been the third day of the hearing being conducted by the Select Committee on Small Business, of which I have the honor to be chairman, for the purpose, as I have stated previously, of ascertaining whether the Federal Trade Commission is performing adequately the function of protecting small business and free enterprise and of curbing monopoly. This marks the close of the first preliminary phase of the hearings.

I realize that the foreign news engages the full attention of the Members of this House, and properly so. Nevertheless, I regard these hearings, which go to the very heart of our American system of free enterprise, as being doubly important at a time when we are striving for the preservation of our way of life against the onslaught of completely contrary ideologies.

In this first preliminary phase of our hearings on the Federal Trade Commission we have had our witnesses members of the Small Business-Antimonopoly Conference. This conference of national organizations, representing small business, labor, farmers, and cooperatives, was called together by me just about a year ago. Members of the conference recommended that the Select Committee on Small Business conduct the present investigation of the Federal Trade Commission. You will be interested in a current list of the organizations represented on this conference, which I now set forth:

National Food Brokers Association.
Cooperative League of the United States.
National Farmers Union.
Congress of Industrial Organizations.
American Federation of Labor.
Credit Union National Association, Inc.
National Association of Retail Druggists.
National Council of Farmers Cooperatives.
National Federation of Independent Business, Inc.
National Rural Electric Co-op Association.
United States Wholesale Grocers' Association.
American Farm Bureau Federation.
International Association of Machinists.
National Congress of Petroleum Retailers.
National Grange.
Railway Labor Executives Association.
National Candy Wholesalers Association, Inc.
National Association of Independent Tire Dealers.

Our witnesses today were as follows, and, with the permission of the Members of the House, I am including the full text of their formal statements as part of my extended remarks:

First. Our first witness was Col. R. H. Rowe, vice president and secretary of the United States Wholesale Grocers' Association. He was introduced by Mr. Harold O. Smith, Jr., executive vice president of that association. I know Mr. Rowe and his association very well for they played a tremendous part in the enactment of the Robinson-Patman Act, which has been hailed as the bastion protection of small business, and which is largely under the enforcement of the Federal Trade Commission. It is interesting to note that Mr. Rowe does not ask for any changes in our antitrust laws, but only for better enforcement of those laws, including the Robinson-Patman Act.

Second. Our next witness was Mr. David R. Lehman, vice president, National Association of Independent Tire Dealers. Mr. Lehman devoted a good portion of his testimony to the thesis that the Federal Trade Commission should impose a quantity limit on discounts allowed in the sale of automobile tires. He also attacked preferential price treatment accorded to large purchasers using their own private brands on tires, instead of the manufacturer's brand. Mr. Lehman concluded by stating:

> The association wants to see the Federal Trade Commission strengthened and revitalized.

Third. Our third witness was Mr. John Casani, president of the National Candy Wholesalers Association, who was accompanied by Mr. C. M. McMillan, counsel for the association. Mr. Casani made pointed reference to the length of time required by the Federal Trade Commission to decide the Automatic Canteen Co. case, which finally came down a week or so ago. It took 7 years to obtain a decision in this case from the Federal Trade Commission, after formal complaint was filed. Meanwhile the respondent had been earning millions of dollars by reason of preferential prices accorded to it by the supplier. Said Mr. Casani to our committee:

> You can readily see that it is to the advantage of firms receiving such price discriminations to use all the strategy possible to prolong the discriminations. With such price advantages they can well afford to pay the cost of resisting and delaying enforcement action in various ways.

Mr. Casani also had many interesting comments on FTC trade practice rules.

Fourth. Our final witness at today's hearings was Mr. Rankin Peck, president of the National Congress of Petroleum Retailers. I shall not burden you by references to the contents of his statement, as I hope you will find time to look at the text, as made part of my extended remarks. I am sure that you will find his statement very enlightening, as well as the statements of the other three witnesses. Mr. Peck extends his observations to include both the Department of Justice and the Federal Trade Commission, in regard to the enforcement of the antitrust laws. Apparently he is far from satisfied with the Antitrust Division of the Department of Justice in a number of particulars.

I wish to assure the Members of the House that our present investigation will be extended to include the Department of Justice, particularly in its relationship to the Federal Trade Commission and the enforcement of the antitrust laws generally.

The committee was presided over today by the distinguished gentleman from Tennessee, a member of the Committee on Small Business of the House, the Honorable JOE L. EVINS.

STATEMENT OF ANTITRUST LAW ENFORCEMENT BEFORE HOUSE SMALL BUSINESS COMMITTEE, JUNE 28, 1950, BY R. H. ROWE, VICE PRESIDENT AND SECRETARY, UNITED STATES WHOLESALE GROCERS' ASSOCIATION, INC.

My name is R. H. Rowe. I am vice president and secretary of the United States Wholesale Grocers' Association, a national organization of independent wholesale food and grocery distributors.

Our association stands for the rigid enforcement of all the antitrust laws and especially enforcement of the Robinson-Patman Act, which protects small business from price and other discriminations operating to their detriment but to the advantage of the chains and other big mass-buying organizations.

We are very sensitive to anything relating to the Robinson-Patman Act because our association made the original proposals which afterward became the Robinson-Patman bill and later the Robinson-Patman Act, credit for which was generously accorded by the chairman of this committee in his address in the House on June 19, 1950, the fourteenth anniversary of the signing of the

Robinson-Patman Act by President Franklin D. Roosevelt.

The Robinson-Patman Act has been well enforced by the Commission so far as the complaints issued by it are concerned. The courts have sustained the Commission and its interpretation of the act in all major cases involving the act.

Enforcement of the act in this respect has been excellent, but it can and should be improved. There is too great a time lag between the issuance of a formal complaint and the conclusion and determination of the proceedings, and too great a time lag between the filing of a request to the Commission by individuals or concerns for a preliminary investigation to see if the act is being violated in particular instances and the completion of the investigation; in other words, the lag between the time of such request and the time the matter reaches the stage of decision or not, for formal complaint.

INSTANCE OF TOO GREAT DELAY

As an example of the delay between the issuance of a formal complaint and final action, there is the case of the Federal Trade Commission against the Independent Grocers Alliance and its directors and seller respondents charging the receipt or granting of illegal brokerage.

This complaint was issued on April 18, 1946. The trial examiner on March 25, 1948 made his recommendation, to the effect that a complaint should issue. Thus more than 4 years have passed since the complaint was issued and no decision has been reached to date. In fact the case has now been tentatively set for reargument on October 26, 1950.

If this concern and the other distributor respondents have been receiving illegal brokerage for the 10-year period 1937 to 1946, inclusive, at the rate of $500,000 annually as found by the trial examiner, and if such receipts have continued up to the present, then competitors of the respondents who have not had the benefit of such concessions have been operating at a terrific disadvantage.

During the war period of controlled prices, concessions to the big buyer were not much of a factor in the grocery trade, but now that we have entered a period of fierce competition, any illegal concessions may represent a lethal competitive advantage.

It is in such period as this that concessions to large buying power organizations can work the greatest injury to competition and coercive and evasive tactics are most likely to abound, which if not promptly stopped will have the capacity and likelihood of putting many concerns out of business or seriously curtailing their operations and employment ability.

Therefore we deem it highly important that the Federal Trade Commission now enter on an aggressive campaign to eliminate unfair trade practices in the grocery and other trades.

If the Commission is hampered by the time lags mentioned, because of lack of sufficient funds and personnel, this lack should be supplied by congressional action. Any law, especially an antitrust law, becomes a nullity if it is not enforced, and enforced promptly. Nonenforcement invites violations and the growth of violations.

VIOLATIONS OF CEASE-AND-DESIST ORDERS

Also after a cease-and-desist order has been issued the greatest possible degree of vigilance should be exercised by both the Commission and other enforcement agencies to see that the order is strictly obeyed.

In this connection it seems desirable that there should be a clearer definition of the duties and responsibilities in antitrust-law enforcement, as between the Federal Trade Commission and the Department of Justice, with the Commission given greater freedom of action in seeing that its cease-and-desist orders receive full compliance.

In enforcing the Robinson-Patman Act, the Commission issues a cease-and-desist order. If this order is being violated, the Commission must apply for a court order which, if granted, supersedes the Commission's order. If the court order is being violated, the Commission must apply to the court for the institution of contempt proceedings.

We agree with the Commission in its answer to the six questions propounded by this committee that this provision that an offender may violate the law, without punishment, not only once but twice appears to be excessive.

Really there must be a finding of violations three times before any penalties can be assessed.

The first is when the Commission finds law violations on which its cease-and-desist order is based. The second is when the Commission finds that its cease-and-desist order is being disobeyed. It must establish that fact to the satisfaction of the court to which it applies for a court order, affirming the Commission's order. Then if the court's order is disobeyed, the Commission must establish that fact in order to obtain contempt proceedings, for the purpose of having the offender fined.

We can't imagine any more cumbersome, long-drawn-out proceeding to finally get to the punishment of a law violator.

Surely there should be some tightening up here, some shortening of this absurb procedure.

Something must be done to assure more speedy punishment of violators of the Robinson-Patman Act than is now the case, and the path should be cleared for attaining that result.

There is, however, one trouble about amending the antitrust laws no matter how desirable that may be and that is: proponents are likely to be met with an amendment or amendments from the floor or otherwise that will prove very detrimental and they may find themselves in worse position than before they started anything.

MORE COOPERATION BETWEEN COMMISSION AND JUSTICE DEPARTMENT

The Commission in its answer to the propounded questions points out that the Federal Trade Commission Act directs the Commission to investigate the manner in which an antitrust decree has been or is being carried out and gives the Commission power to investigate and make recommendations for the readjustment of the business of any corporation alleged to be violating the antitrust acts.

The Commission says these provisions are inoperative because the Attorney General must first apply to the Commission for such action and that the Attorney General does not so apply. Some reference is made in the Commission's reply to liaison with the Department but we believe that there should be more real cooperation between the Department of Justice and the Federal Trade Commission in antitrust activities.

There was the most regrettable split between the Department and the Commission in the Indiana Standard Oil case. The Department declined to support the Commission's view in that case when it reached the Supreme Court, leaving to a Commission's attorney the work of presenting the brief and arguing the case before the Court.

Also, in 1947 the Commission issued a cease-and-desist order (F. T. C. Docket 4496) against the Tag Manufacturers Institute charging price fixing. This case was appealed to the first circuit court of appeals, where the Commission's order was set aside by a 2-to-1 decision of the judges. The Department of Justice declined to take the appeals court decision against the Commission's order up to the Supreme Court for review. Thus this case ended favorably to the institute and unfavorably to the Commission's findings and order.

We have the impression that the Department of Justice because it is the older organization and has more specific power than the Commission, regards the Commission as a sort of irritating rival in antitrust proceedings.

We do not charge that the Department of Justice is jealous of the activities of the Commission because we cannot prove it, but we do know that there is an area between the Department and the Commission where jealousy can operate and our belief is that it is operating. This situation is deplorable if it exists and if it does not exist care should be taken that it does not arise.

SUGGESTION WITH REFERENCE TO INFORMAL COMPLAINTS

With further reference to the informal complaints to the Commission from individuals which constitute the starting point for many of the Commission's proceedings, we would like to suggest that a unit or person or persons be designated within the Commission to confer with those who make such complaints on the progress of any investigations that are being made concerning the complaints.

A complaint to the Commission that a concern is using an unfair trade practice is received and acknowledged by the Commission, then it seems to fall into a vacuum—little that is specific can be learned as to how the investigation is progressing or what additional evidence, developments may show, is needed.

When an alleged unfair practice is reported to the Commission, rarely if ever can it be based on sufficient evidence at the time to sustain a formal complaint by the Commission. Sometimes it is only hearsay. Persons or concerns that are discriminated against rarely know in terms of fact, figures, amounts, and dates what the discriminations are. Only the Commission can find out with certainty.

It seems that there should be fuller and freer discussion of such complaints by those who make them and someone in the Commission. The complaints are already on a confidential basis and may therefore be considered freely by the confidants.

We get letters saying a certain manufacturer is using a certain trade practice. The writers of the letters want to know if the practice is against the Robinson-Patman Act. We don't know on the meager facts offered and the Commission doesn't know until it has ascertained all the facts. Hence it would be helpful if some designated person or persons in the Commission could discuss such letters and shed some light on the problems involved, based on the Commission's experience in similar or closely related matters.

We may say that those on the Commission staff whom we have approached along these lines have been most cordial and helpful as far as they could go but they seem to be under limitations that prevent them from going very far.

IN CONCLUSION

We would like to see more zeal and loyalty for the Robinson-Patman Act on the part of some elements in Congress, in the Justice Department and the Federal Trade Commission. These elements seem to have gone off the reservation to follow the will-o'-the-wisp of something termed "hard competition" as contrasted with so-called "soft competition" and the alleged conflicting theories and content of the Sherman Act and the Clayton Act as amended by the Robinson-Patman Act and the necessity of reconciling these conflicts and differences.

All this talk leaves us cold. Hard competition in this connection means to us uncontrolled price and other discriminations, and soft competition, only another name for soft, watered-down antitrust laws.

Reconciliation of the differing aspects of the Sherman Act and the Clayton Act into a nice logical entity would mean worse than

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nothing to us if the outcome left us defenseless against predatory discriminations. If hard competition means the elimination of this protection, we want none of it.

We, too, believe in competition. It is and always has been the life of trade, but competition carried to extremes and by the use of unfair and coercive methods can mean the death of the small trader. We think that the competitive race should begin on an even basis; that the small horses should not be compelled to go from the starting post while the big horses get the gun from advanced positions.

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STATEMENT OF DAVID H. LEHMAN, FIRST VICE PRESIDENT, NATIONAL ASSOCIATION OF INDEPENDENT TIRE DEALERS, INC., BEFORE THE SELECT COMMITTEE ON SMALL BUSINESS, HOUSE OF REPRESENTATIVES

The National Association of Independent Tire Dealers represents an important segment of American small business. All in all, there are about 25,000 independent tire dealers in this country. Some of these are very small, purchasing $10,000 to $12,000 of tires and tubes annually for resale. More than half the dealers buy less than $50,000 of tires a year, and more than 80 percent buy under $100,000. Very few buy as much as half a million a year. Whether we consider the volume of tire purchases, the volume of sales, capital invested, or employment, the independent tire dealer fits into the category of small business.

The tire dealer is subject to all the troubles which confront small business in this big business economy as well as some which are peculiar to the chaotic tire distribution field.

When the independent tire dealer buys his tires from the manufacturers, he usually buys from one of the big four, who together produce from two-thirds to three-quarters of the replacement tires this country uses. Small business faces big business in this transaction and too often to enumerate the small firm gets pushed around. Actions taken by the Antitrust Division of the Department of Justice and by the Federal Trade Commission testify to this.

When the independent tire dealer sells his tires he is pestered no end by big business at the retail level—by the giant mail-order houses, retail chains, and the large, powerful oil companies. These are his chief competitors in the replacement tire market. Their size has earned them the trade name "mass merchandisers." The term is appropriate. Few in number—perhaps 30 or 40—the larger mass merchandisers buy up to $50,000,000 of tires and tubes a year. Their size is coupled with special buying price advantages which the manufacturers give them but do not give to independent dealers. This price discrimination was brought out by the Federal Trade Commission in its recent proceeding in support of a quantity limit rule. These price concessions granted by manufacturers to mass merchandisers enable the big fellows to sell at retail prices ruinous to small business.

The independent tire dealer figuratively finds himself in a jungle created by big business. He gets caught in the middle of price wars fought by mass merchandisers such as Sears and Ward; he must compete with mass merchandisers who wring special price concessions from manufacturers; he buys from big business whose record of concerted action more than once has attracted the attention of the law. In this business jungle, the independent has steadily lost ground for a quarter of a century. Big business, encouraged by price discrimination, is taking over this field from small business.

These preliminary comments are offered at this point to establish our reason for coming before this committee. If small business is to survive in the tire trade, a clean-up job is needed. Our argument is not against mere bigness in business. It is against the discrimination which characterizes the practices of big business in this field.

THE INDEPENDENT DEALER

We speak for the independent tire dealer. The independent dealer must be distinguished from many other tire merchants. He is independent in the sense that he operates with his own capital and buys directly and on his own from a supplier. He is not part of a chain organization. He runs his own business. Handling tires is usually the bulk of his business operations. Many of the independents do some wholesaling of tires; their wholesale customers are other small dealers and some service stations. However, most service stations get their tires through arrangements made by the oil company supplying the station. Therefore, these service stations are not independent dealers. The mail-order houses, like Sears and Montgomery Ward, and retail chains, like Western Auto, are, of course, not classed as independent tire dealers.

DECLINE OF THE DEALER

The independent tire dealer has lost ground in the replacement-tire business. In 1926, dealers sold 32,000,000 of the 39,000,000 tires sold in the replacement market. They had 80 percent of the business. In 1950, dealers will sell about 25,000,000 of the estimated 50,000,000 tires which will be sold this year. Independent dealers therefore will sell no more than 50 percent of the tires this year.

What are the reasons for the decline in the market share of the independent dealer? There are two main reasons:

1. Over the years there has been a normal diversification in retail business. Many retail outlets have added tires to their other normal lines of business. Dealers do not object to this diversification as long as it is not promoted by pressure and price discrimination. Dealers themselves have branched out into other lines of merchandise, largely to offset the decline in their tire business.

2. The second and most important cause of the decline of the independent dealer is price discrimination in favor of the big business mass merchandisers of tires. These big mass merchandisers buy their tires at prices ranging from 10 to 30 percent below the cost to the dealer. We believe this is sheer, unadorned discrimination. It gives the big mass merchandiser a competitive advantage over the independent dealer. This advantage largely explains the growth of big business in the tire retail field at the expense of the dealer.

THE BACKGROUND

I would like to review for this committee the main facts in the history of tire distribution. Such a review will bring out the growth of price discrimination in favor of the mass merchandiser and the decline of the independent dealer.

The growth of the automobile industry early in this century created the market for replacement tires. At the outset, this market was supplied almost entirely by independent tire dealers, selling the tires of several hundred manufacturers.

In 1926, 80 percent of the retail business was handled this way. The big break occurred in 1926. In that year, Sears, Roebuck and Co., entered into a contract with Goodyear for the production of Sears All State tire. In the trade, this is a private brand tire—one that does not bear the manufacturer's name; it carries only the name of the mass merchandiser. The details of this contract and the litter of unfair business practices which issued from it are a matter of public record. The published hearings of the Federal Trade Commission give the story.

In brief, this is what happened: Sears obtained its private brand tires at prices ranging from 30 to 50 percent below the prices of Goodyear tires charged by Goodyear to its own dealers. With this price advantage, Sears broke into the tire business in a big way. By 1930 it had taken over 10 percent of the entire retail tire business in this country. It did so by ruinous retail price cutting.

Victims of this price cutting were Goodyear's own dealers and dealers of other tire manufacturers. Some manufacturers opened up company stores to check the competitive onslaught of Sears. These stores, in combating Sears, undercut prices of their own dealers. Other chains and mail-order houses sought and obtained price concessions from manufacturers in order to keep up with Sears. Montgomery Ward brought out a new private-brand tire to compete with Sears—and to harass further the independent dealer. The floodgates were opened. Competition among the retail giants was intensified by the depression of the 1930's. The combination forced thousands of tire dealers to the wall.

The Sears-Goodyear contract was finally terminated as a result of FTC action against Goodyear. But in 7½ years—from 1926 to 1933—Sears did well. In this period their purchase-price advantage came to $41,000,000; that is, for the same number of tires bought by Sears and by independent dealers Sears paid $41,000,000 less than did dealers.

The growth of mail-order houses, chains, and company stores made life difficult enough for the independent tire dealer, and still does. But still another competitive element entered the picture in an important way during the 1930's—the oil companies. Oil companies handle tires in two main ways: (1) They merchandise private-brand tires, such as Standard's Atlas tire, manufactured by United States Rubber; and (2) they make arrangements with manufacturers for the distribution of manufacturer-brand tires, such as Goodyear, United States, Lee, and others.

When the oil companies handle private-brand tires, such as the Gulf and Atlas tires, the dealer is hurt in two ways: First, manufacturers sell these tires to the oil companies on what is termed a cost-plus basis at prices well below the figure the dealer must pay. We think there is price discrimination involved in these deals. Second, the oil companies usually attempt to tie up their stations, requiring them to handle the oil-company private-brand tire. Many of these stations would normally buy tires from independent tire dealers, many of whom act as wholesalers of manufacturer-brand tires. Oil-company pressure on their stations, therefore, directs wholesale business away from the independent.

As I said, oil companies also have arrangements to distribute manufacturer brands. These arrangements fall into two groups.

1. Oil companies may actually take the tire of a manufacturer and distribute these tires directly to their stations in the same way they distribute petroleum products. Small manufacturers—the few remaining—sometimes make these arrangements with oil companies rather than set up their own distribution systems. When this arrangement is free of price discrimination, pressure, and unfair competition, the dealers have no objection to it.

2. The second arrangement between tire manufacturers and oil companies is the over-ride system. The over-ride is represented as sales commission. It works this way: A tire manufacturer agrees to pay all over-ride—a percentage commission—to an oil company on all tires purchased by the company's service stations. Presumably, the oil company persuades its stations to buy the brand of tire in question. Notice this point: The oil company does not distribute the tires itself; it does not handle the tires; it does not even see them before they get to the service station. The service station may buy the tires direct from the manufacturer, or from a large independent dealer. In this

case, the dealer performs the wholesaling and selling job, but the oil company gets the over-ride. Undoubtedly, it is a nice deal for the oil company—something for practically nothing.

The over-ride often involves pressure on service stations by oil companies. An independent dealer may have been selling as wholesaler to a service station for years only to lose the account when the station is forced by its supplier to shift to a different brand of tire.

With the oil companies getting into the tire field, more and more of the business has shifted away from the independent dealer. At the present time, oil company distribution is the largest single part of the mass merchandising operations in the replacement tire business.

The NAITD is convinced that the over-ride is a specious commission. It has encouraged undue pressure on small business by big business. We believe the practice should be thoroughly investigated. The Federal Trade Commission should be asked, perhaps by this committee, to make a searching examination of this big business practice.

EFFECTS ON INDEPENDENT DEALERS

The net effect of the price policies of manufacturers and the merchandising practices of the mass distributors of tires has been to squeeze the independent out of much of his market.

As I mentioned already, the independent dealers, as a small business group, sold 80 percent of the replacement tires in 1926. By 1930 this was down to 74 percent. Ten years later, in 1940, independent dealers had only 48 percent of the sales in the replacement market. The various mass merchandisers, largely because of their purchase price advantage, increased their share from 20 percent in 1926 to 52 percent in 1940.

The independent dealer, percentage-wise, made a come-back during the war. By 1946 he had recovered part of his market; he sold 52 percent of the replacement tires in that year.

The manufacturers have made much of the dealers' wartime percentage gain. The four percentage point rise from 1940 to 1946 was hailed as proof that dealers were not damaged by price differentials favoring mass merchandisers. A new trend was found by experts for the manufacturers. The market was said to be stabilized and dealers had nothing to fear in the future.

The association interprets the facts differently. The improvement in the dealer share of the market may be traced to temporary war and postwar conditions. During the war, tire servicing had top billing as a policy of Government. The independent dealer was better equipped than any other type of tire outlet to give the service necessary to keep America rolling. This service brought him customers for new tires—the few that were being sold in those days.

With the end of the war, tires became available in increased numbers and the tire dealer held his war-won share—through 1946. In 1947, he began to slip a little and we estimate his share now at no more than 50 percent. Mail-order houses have been most aggressive and are selling tires at prices the dealer cannot match and stay in business. The oil companies have pushed their tire merchandising campaigns more vigorously than ever before. They ought to—the over-ride brings them many unearned millions a year.

This competition has brought about the bankruptcy of many dealers, a sizeable number of whom were members of this association. They were forced out of small business by big business.

While I am on this point let me emphasize the effects this way:

In 1926, independent dealers sold some 82,000,000 tires—out of 89,000,000 total sales.

In 1950, we estimate dealers will sell 25,000,000 tires—out of more than 50,000,000 total sales.

In 24 years, actual dealer sales are down 7,000,000 tires; in the same period, mass merchandisers tire sales are up 17,000,000 tires.

CONCENTRATION IN MANUFACTURING

There is another angle to this matter. The cut-throat competition encouraged by bargain-rate sales to mass merchandisers, such as Sears, has hurt the small tire manufacturer as well as the independent dealer.

In 1926 there were 104 tire manufacturers. Today there are 17. The 87 vanished companies either closed up business, shifted out of tire production, or were swallowed up by the big ones. The depression, of course, accounted for some of these failures. But a major factor was private brand price competition. For example, Sears sold its All State tire at a price about 25 percent under the list price on manufacturer brand tires. Dealer sales dropped heavily. Dealers supplied by small manufacturers were hit harder than others, because their tires were not so widely advertised. Declining sales drove small manufacturers to the wall, as the Federal Trade Commission found (Goodyear case, p. 314).

Concentration in tire manufacturing means that the independent dealer more and more faces a big manufacturer when he buys tires. The dealers' alternative sources of supply are narrowed down to a few big manufacturers. And these few manufacturers behave alike—their prices, dealer discount schedules, and terms of business are just about identical in all respects. This is not entirely a coincidence, as the Department of Justice has found out.

The business policies—and first and foremost the discriminatory price policy over the last two decades in this industry have (*a*) fostered big business at the expense of small business in tire distribution; and (*b*) fostered concentration in manufacturing at the expense of scores of small manufacturing establishments. Both trends have hurt the independent tire dealer as a group.

EVIDENCE ON PRICE DISCRIMINATION

In this discussion, I have charged the industry with price discrimination favoring a relatively small number of big buyers. I cited the example of the old Sears contract with Goodyear. There were others in the pre-war period, too, as evidence before governmental agencies will show.

Now I would like to review the evidence on price discrimination since the war. In September 1949 the Federal Trade Commission issued notice that it would conduct a rule-making proceeding on a proposed quantity limit rule. With its notice, it published a table showing prices paid for tires by some 48,198 buyers for resale in 1947, and the amounts bought by these purchasers from manufacturers.

The figures show that 93 percent of the buyers purchased less than $100,000 annually. In fact, the average annual purchase of this group was only $9,200. Most of the independent tire dealers are in this under-$100,000 group. The FTC then distinguished another group who bought from $100,000 to $600,000 of tires in 1947. There were 888 of these buyers, most of whom are the larger independent tire dealers. Their average annual purchase was $175,000.

A third group, or annual purchase bracket, was shown as buying from $600,000 to $5,000,000 annually, with the average nearly $1,400,000. There were only 52 buyers in this bracket.

The fourth group bought from $5,000,000 to $25,000,000 in 1947. There were only nine buyers in this group with average purchases of $9,300,000 for the year. These are big league buyers. But in the first division of the big leagues are found two more buyers, buying from $25,000,000 to $50,000,000 of tires in 1947. The average annual volume in this fifth bracket was over $43,000,000 per buyer in 1947. The table reads as follows:

| Annual volume bracket | Number of purchasers | Average annual purchases |
|---|---|---|
| 1. Under $100,000 | 47,247 | $9,221 |
| 2. $100,000 to $600,000 | 888 | 175,104 |
| 3. $600,000 to $5,000,000 | 52 | 1,361,961 |
| 4. $5,000,000 to $25,000,000 | 9 | 9,309,944 |
| 5. $25,000,000 to $50,000,000 | 2 | 43,104,000 |

Looking at the figures, we see on one end large numbers of small business buying small amounts of tires. On the other end, a few giant firms buying enormous amounts of tires.

I would now like to connect up these facts with the prices paid by these different groups of buyers.

The FTC investigation showed that small buyers paid the highest prices and that prices paid by purchasers from the manufacturers declined as annual purchases increased.

The FTC took the smallest buyers in the less than $100,000 group and computed an average buying price for them. This price was converted into an index of 100 in order to get the percentage price differentials between this group of small buyers and all other buyers.

The buyers in the $100,000–$600,000 group bought their tires at a price 18.5 percent below the smallest buyers. This differential represents the spread going to larger dealers who resell tires as wholesalers to many small dealers. Nearly half of the business of the big dealer is wholesale. This price differential, therefore, represents payment for a distribution function. The big price differential is between the mass merchandisers and the dealer. The two biggest buyers in 1947 ($43,000,000 average volume) paid 30.5 percent less for passenger tires and 38.5 percent less for truck tires than the small dealer. The tabulation is as follows:

| Number of buyers | Average size of purchase | Purchase-price index | |
|---|---|---|---|
| | | Passenger | Truck |
| 47,243 | $9,221 | 100.0 | 100.0 |
| | | 84.0 | 79.5 |
| 888 | 175,104 | 81.5 | 77.0 |
| 52 | 1,361,961 | 74.0 | 68.0 |
| 9 | 9,309,944 | 71.5 | 60.0 |
| 2 | 43,104,000 | 69.5 | 61.5 |

The purchase price index tells the story. Right here we find the real trouble spot in this industry. Here we see special advantage doled out to the big buyer as against the small buyers. The smallest dealer price index is 100, the largest buyers' index is 69.5. For truck tires the comparison is 100 and 61.5.

These comparisons are between the smallest buyers and the largest buyers. The spread narrows a little if the large independent dealers are compared with the big mass merchandisers. But even here, on the basis of the FTC figures, the largest mass merchandiser pays 15 percent less for his passenger tires and 20 percent less for his truck tires than do the largest independent dealers.

These figures come from the Federal Trade Commission. The association has been interested in this price discrimination for a long time and our estimates of the extent of price discrimination show a greater spread—possibly in the neighborhood of 25 to 30 percent below the big dealer.

These are the bare facts of the matter. Here is the evidence on price discrimination in favor of the mass merchandisers. This is the reason why small business has been squeezed out of a large part of the tire market. Big business has grown in this market not because of its efficiency in market-

ing tires. It has grown under the protective umbrella of price discrimination.

The rubber tire manufacturing companies do not deny the fact of price differentiation. They did not complain about the figures presented by the FTC on this point. We suspect the companies were relieved to see the Commission report so small a price differential. Certainly, if the Commission had over-stated the difference the companies would have screamed to high heaven. The mass merchandisers do not deny the fact of a price difference in their favor. In fact, one chain organization claimed it needed its price advantage, otherwise it would not be able to compete against the independent dealer selling manufacturer brands. This chain organization laid bare the whole secret—it had to undercut small business to get sales; to undercut small business, it had to get price concessions from the manufacturer. This sums up a good part of the 25-year story behind the growth of mass merchandisers in the tire distribution business.

DIFFERENCES IN PRICING TIRES

All this comes about because dealers and mass distributors do not buy their tires from manufacturers in the same way.

Dealer purchase prices are determined by taking a series of discounts from the list price put out by the manufacturers. From the list price is deducted a trade discount; from this figure then is deducted dealer discounts, promotional discounts, carload and cash discounts. Then an annual volume discount is applied, the rate of the discount or bonus increasing with the size of annual purchases. When all these discounts are put together we get a combined discount. The maximum dealer discount is reached at a $250,000 annual volume figure. Beyond this there are no deeper discounts. Under this system the combined discount becomes gradually larger as annual volume increases up to $250,000. Different discounts among dealers are related to function and volume.

The details of this discount and pricing system are complex—probably more complex than any other commodity price arrangement in the country.

In any case, a dealer's purchase price is set when his annual volume is known. All dealers in the same volume bracket are subject to the same discounts as shown in the published discount schedules.

Mass merchandisers do not buy in accordance with this complicated discount formula. Their deal is entirely different. The details are trade secrets, but we know in outline what is done.

In the first place, the price they pay is on a cost-plus basis. The plus—the profit—is understood in the trade to be 6 percent. This is calculated on the cost of manufacture.

The basis of the calculation, the cost of the tire against which the profit rate is computed, raises a problem. Usually the cost is a matter of bargaining by both sides. The buyers have their accountants review the cost estimates of the manufacturers. In the old days Sears slashed the Goodyear cost estimate to the bone, in fact it looked as though they cut away some of the bone. This means that the mass buyers have the opportunity of shifting certain legitimate costs away from them, which then must be allocated to the tires bought by dealers.

As you see, the mass merchandiser has a hand in determining the price he pays and in the rate of profit earned on these tires. The dealer has no such opportunity; his purchase price is on a "take it or leave it" basis.

It is readily evident that this contrast in pricing is open to abuse. The large buyer helps determine the price he pays. His interest is to get the lowest possible price. He pays a lower profit to the manufacturer than the manufacturer earns on his sales to his dealers. And the cost of manufacture is shaved down by the bargaining power of the mass distributor. He has a double advantage: his costs are less and he allows the manufacturer a lower profit.

This association would like to see an end to these differences in price determination. The difference is an obvious invitation to price discrimination. Tires do not have to be sold by manufacturers in different ways. All buyers could be on a list-less-discount basis, or all on a cost-plus-profit basis. The present arrangement makes possible the discriminatory prices favoring the few, large buyers. This leads toward monopoly. The Federal Trade Commission should investigate these cost-plus deals and get the whole thing aired.

RETAIL PRICE CUTTING

Let us turn now to the effects of this discrimination on the retail market and the small-business man.

The association has asked its members to send in the newspaper ads of their chain-store competitors advertising tire bargains. In many cases, the association could not compare the advertised retail price with its members' buying prices, simply because the ads were even too deceptive for this purpose. In many cases, however, chain-store prices could be compared with the dealer purchase price. Sometimes the chain retail prices was below the wholesale price paid by the small and medium-sized independent dealers.

The larger independent dealers could not sell their tires at the chain price and cover their normal operating costs on the business.

In short, to meet this competition entirely on a price basis would ruin every tire dealer in the business. You might wonder why there are any tire dealers left. There are several reasons.

Tire dealers have gone into many other lines of business to keep afloat. Furthermore, many people won't buy from Sears or Western Auto and other chain outfits, even at a lower price because they prefer the manufacturer brands to private brands. Often it is too inconvenient to go to the cut-rate chain outlet. More important, however, is the fact that the tire dealer gives more service and better service than do most chain outlets. A tire is an awkward commodity unmounted, and many chain stores sell tires but give little or no service with the sale. The tire dealer also has been aggressive and resourceful, these traits have helped keep him in the market.

These are some of the reasons why independent dealers have not vanished altogether. But these reasons are not sufficient to keep him from losing heavily to the mass merchandisers.

The mail-order houses and chain stores combine their low prices with misleading, and we believe, false advertising. In 1940 the FTC issued an order against false and misleading advertising on the part of mass merchandisers. The Association believes this order is being violated flagrantly. The association has asked the Commission to investigate and to crack down. As yet, nothing has been done. We think the Commission is unduly remiss on this matter. It has the authority; it has an order of 10 years' standing and it has the facts which we have placed before it. This sort of problem requires more than the issuance of an order; it requires active, vigorous enforcement all the time.

REASONS FOR PRICE DISCRIMINATION

The picture this industry presents hardly makes sense. The big manufacturers spend millions a year advertising their products. They build up big sales organizations blanketing the country to sell these advertised tires to dealers and through company stores. They maintain a big staff which goes around to the dealer organization, holding it together and, if possible, expanding it.

Yet at the same time, they produce private brand tires and sell them at special prices to mass merchandisers. This enables the mass merchandiser to undersell the manufacturers' dealers. These private brands compete with the manufacturers' own brands, they weaken the manufacturers' dealer organization, they undermine the manufacturers' expensive advertising program.

The spectacle of a company competing against itself is, to say the least, unusual, and not altogether sensible. Why do they do it? Tire dealers throughout the country have asked this question time and time again. A dealer will have a manufacturer's nationally advertised brand, to be sold at a list price established by the manufacturer. Across the street a chain-store outfit has its brand on a tire produced by the dealer's own manufacturer. The chain sells the tire for two, three, or four dollars below the manufacturer's brand.

It does so because the manufacturer sells the private-brand tire to the chain organization all the way from 15 to 30 percent below the price paid by the dealer. What does the manufacturer get out of this competition with himself?

The answer I think goes back to conditions in the industry during the 1920's. The tire industry was overbuilt; it is still overbuilt. It can produce more than 100,000,000 tires a year, but in its best year, the industry produces about eighty to eighty-five million tires.

Each manufacturer then has excess capacity. Each one could produce and sell more if he could get buyers.

This situation makes each manufacturer an easy victim for the big buyers. If a chain offered to buy five, ten, or twenty million dollars of tires a year, most manufacturers would jump at the deal. The chain, however, is in a position to play one manufacturer off against another. No one supplier wants to pass up the business because a competing supplier would take it. But to get the business, a supplier must agree to the big buyer's terms.

These terms include a cost-plus minimum profit, with the costs shaved down by the buyer accountants. The mass merchandiser accordingly gets his tires well below the price paid by the independent dealer.

When this practice began, Sears was the only big mass buyer. Goodyear agreed to its deal. Goodyear undoubtedly knew that its own dealers would be hurt and its sales of its own brand would drop. But it would more than make up this loss by its sale to Sears. Sears meanwhile cut into the sales of Firestone, Goodrich, and other brands of tires. Goodyear competed with itself, but through Sears, it was competing vigorously and successfully with the other manufacturers.

To this extent, the deal made sense to Goodyear, and of course to Sears. The consequences, however, did not make sense for the industry as a whole.

For one thing, other chains wanted some of the business Sears was getting. At the same time, other manufacturers wanted more sales. The connection was a natural. Manufacturers began selling private brands to the other mass merchandisers.

Once the suppliers were jockeyed into this cut-throat competition with their own dealers and with each other, there was no getting out. No one manufacturer could quit the game without losing heavily to those who remained in. The only way they themselves could halt this senseless arrangement would be through collusive action to present a united front against the hard-bargaining mass merchandisers. Although collusion is not unknown in the industry, it presents two dangers: (1) the Department of Justice might catch them, and (2) no manufacturer, with good reason, could trust his co-conspirators to honor the agreement.

The mass merchandisers, of course, profit from the game. In this kind of market situation (called bilateral oligopoly by the economists), the big buyer has the advantage over the seller, even when the seller is as big as any of the big four in this industry. The mass merchandiser can always threaten any supplier with a switch to a competing supplier. Since all suppliers have excess capacity and want more business, this is no empty threat.

There is no apparent way for the resulting price discrimination to be eliminated, short of comprehensive, legally enforcible ground rules to be established for this industry. This is not regimentation. We all abide by rules. The Federal Trade Commission could do just this sort of thing in various ways, for example, by issuing a so-called quantity limit rule under section 2 (a) of the Clayton Antitrust Act.

Big business in this instance has opposed such rules of sensible business conduct. The mass merchandisers opposition is understandable—they don't want to lose their present profitable advantages. The opposition from the big manufacturers, however, seems beyond the frontier of reason. The association is convinced that such a rule would bring order into this industry to the benefit of the manufacturers and the dealers. It would not injure the general public. Only the mass merchandisers stand to lose by any policy which outlawed the price discrimination which they wring from the manufacturers by their pecuniary power.

FALLACY OF BIG BUSINESS ARGUMENTS

I would now like to review some of the arguments raised by big business in defense of the widespread price discrimination favoring mass merchandisers of tires.

It is sometimes argued that the enormous volume of tires purchased by mass distributors enables manufacturers to produce tires at reduced cost. This is said to be based on the economies of large-scale production.

Superficially, this sounds plausible. It seems to conform to the general pattern of American manufacturing experience.

In this case, however, the cost-saving argument is fallacious. To show its fallacy, we have to consider some of the characteristics of this industry and of the demand for tires.

In the first place, the sale of tires to the public at large is not materially influenced by a few dollars, one way or the other, in the price of tires. People buy tires when they need them—when their tires are worn down, or damaged, or blown out. When they need a tire they will buy it whether the cost is $12 or $15. This difference in price is negligible when compared with the average car owner's income and the other costs of operating a car. People will not buy a tire when they don't need one, even if its price is down a couple of dollars. Extra tires around the place are in the way. Tires are not like shoes or shirts; usually we can always use another pair of shoes, or another shirt. But not another tire until one of our tires is ready for discard. And when that tire is ready for discard, the price of a replacement is not much of an incentive or deterrent to the purchase.

The economists describe this situation by saying that the demand for tires is highly inelastic in terms of price.

If lower tire prices will not induce the public in general to buy more than they otherwise need, it follows that price advantages to mass merchandisers will not increase the total consumption of tires or, therefore, the production of tires by the industry as a whole.

Each manufacturer, however, argues that if he can sell more, the manufacturing costs of his tires will fall. He spreads his fixed costs over more tires. So far, he is right. But if Goodyear sells more by granting a price advantage to mass distributors, other manufacturers produce and sell less. The production cost advantage to Goodyear is offset by production-cost increases to the other manufacturers who now produce less. This conclusion follows from the inelasticity of demand for tires.

Therefore, there are no appreciable manufacturing-cost reductions for the industry as a whole from the sale of tires at bargain rates to mass distributors.

Another cost-saving argument is advanced by the participants in this price-discrimination game. It is said that the chains and oil companies can merchandise tires more cheaply than can the manufacturer-dealer set-up. This argument is dubious. When tires leave the manufacturer's factory door for delivery to a chain organization, they usually go to the chain's central warehouses, then to district warehouses, then by truck to the chain outlet. There are no more steps involved when the dealer buys from his manufacturer. Large dealers buy much of their merchandise in carload orders from the factory; no chain store can improve on this. Actually there is no essential difference in the way tires get to a chain outlet and to an independent dealer handling the same volume.

Manufacturers advertise heavily and have large sales organizations—probably excessively large and often bothersome sales organization. But chains advertise tires in a big way. The cost of their blatant and often misleading advertising is no small penny. They too have large tire sales organizations as part of their business establishments.

It is true, of course, that purchasing in carloads involves less in the way of selling and handling costs than do small orders. But chain outlets do not get their tires entirely in carload lots. Our investigations indicate that chain outlets get their tires in the same kinds of shipments as do dealers of comparable size. Very large dealers buy from half to three-quarters of their tires in carload lots; large chain outlets do about the same. Small chain outlets get theirs on a pick-up basis about as frequently as do small dealers.

We say, then, that the alleged savings in distribution costs are so far purely speculative. The association would like to see a thoroughgoing cost analysis on this point. This part of the mythology of big business needs to be taken apart and examined. Until that improbable investigation occurs, our position is that there are no significant economies of scale in the distribution of tires.

Our position, therefore, is this: The ruinous retail prices of mass distributors are not justified by manufacturing cost savings and they are not justified by distribution cost savings. These retail prices of the chains are possible because of price discriminations favoring the mass distributor.

This discrimination is especially damaging to the independent tire dealer because of a fact mentioned above: the demand for tires is highly inelastic. The low chain price does not increase appreciably the total sales of tires. But it does increase the chain store tire sales. A lot of people will buy the cheaper tire, who would, in the absence of the cheap tire, pay a higher price for a tire. Price discrimination shifts customers away from small business to big business—it does not increase the number of customers or their purchases of tires.

This brings me to another point. Would the elimination of present price preferences to mass distributors increase the average retail price to consumers? The opponents of the quantity rule proposal have argued that it would damage the consumer interest.

The association denies this allegation. The elimination of price discrimination would force up the chain store tire price. But it would lead to a lowering of price on the manufacturer brand tires sold through dealers. Here is the reason for this view. If manufacturers raised the price to the mass merchandisers in line with the price paid by large dealers, manufacturing profits would rise. Each manufacturer wants to increase his production and sales, because each has unused production capacity. With large profits, manufacturers could cut their regular prices in the hope of getting the jump on the others. This would lead to price reductions on regular brands.

The elimination of price discrimination would have the following effects: (1) The present retail price differences between regular brand and private brand tires would be smoothed out—regular brand prices would fall, private brand prices would rise, and (2) the average retail price would remain about as it would be under the present discriminatory arrangement.

We conclude, therefore, that consumers would not be saddled with a higher average price through the elimination of discriminatory pricing practices.

CONCLUSION

The association in advocating the correction of the price-discrimination abuse has had its position misrepresented by its opponents. We have been charged with seeking a monopoly of the replacement-tire business. This charge is absurd. Those who make it know better; their connections with monopolistic conditions are sufficiently intimate to enable them to distinguish monopoly and competition.

The association does not ask for special favors for this segment of small business. It asks merely for a fair break—for fair and free competition in this business. We do not ask for the elimination of mass merchandisers. We ask only that the special price advantages favoring and promoting big business be wiped out.

Our opponents sometimes say that we want to place the chains on a par with the smallest pick-up dealer. That is not our position. There is room for price differentials which compensate for functions performed and for honest differences in cost. We simply want to eliminate the price differences which arise merely from the mass merchandisers' advantage of size.

There is a place for the chains, and perhaps even the oil companies, in the distribution of tires. But we ask that this place be determined by fair and free competition, not by special deals consummated by big business to the destruction of small business.

We do not ask for special favors or public benefits. The tire dealer, by and large, is a tough and able businessman. He can take care of himself if he enjoys equality of advantage in the purchase of tires from the suppliers. We want our big-business competitors to share this equality of advantage, but not to get the special unequal advantages which have been theirs for 25 years. The mass distributor is subsidized by the manufacturer and the subsidy comes out of the hide of the dealer and his customers. We want this to stop. That is all we ask.

The abuses in this industry have been investigated time and again by Government. The tire companies have been cited by the Department of Justice from time to time. The Federal Trade Commission has attempted to stop unfair practices in the industry. In spite of these sporadic, piecemeal, and often half-hearted attempts to correct the abuses of the industry, the situation is as bad as it ever has been.

We think a real job needs to be done on this industry. Some additional and comprehensive ground rules have to be laid down—not only for the good of small business but for the good of the private-enterprise system as a whole. Big business is noisy in its protestations in favor of this system. But its discriminatory policies and monopolistic practices discredit and weaken the enterprise system.

The association wants to see the Federal Trade Commission strengthened and revital-

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ized. It has a big job to do, not only in the rubber-tire industry, but throughout much of industry. That job is needed in order to assure fair and free competition, and to justify this country's faith in the private-enterprise system.

My time has been limited; the committee has other work to do. There are other aspects of the tire-distribution business which ought to come before this committee. If the committee could schedule another appearance later, I would be glad to present additional material. In any event I would like the opportunity to submit additional material at a later date for inclusion in the record. Thank you.

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STATEMENT BY JOHN CASANI, PHILADELPHIA, PA., BEFORE THE HOUSE SELECT COMMITTEE ON SMALL BUSINESS, JUNE 28, 1950, ON BEHALF OF THE NATIONAL CANDY WHOLESALERS ASSOCIATION, INC.

Mr. Chairman and members of the committee, my name is John Casani. I am a wholesaler of confectionery, located in Philadelphia, Pa. I am chairman of the board of directors of the National Candy Wholesalers Association, an organization of 1600 wholesalers of candy, gum and other confectionery products, located throughout the United States and Hawaii. Our membership includes all types of wholesalers of candy, including those who also handle tobacco products, groceries, drug products, paper products, school supplies and food specialties. Because of the diversity of types of wholesalers who handle candy and related confectionery products, there are approximately 8500 wholesalers of candy in the country, but many of these handle the product only as a side line. This fact has made it necessary for us to lean heavily upon the Federal Trade Commission for help in eliminating the unfair trade practices of our industry, and it is primarily on the subject of the trade practice rules that I would like to comment at this time.

However, before going into this subject, I would like to say that it has been the privilege of our Association to work closely with the Federal Trade Commission for the past 3 years in the enforcement of the Robinson-Patman Act. Our association, 3 years ago, asked for and was granted leave to intervene on behalf of the Federal Trade Commission complaint in the Automatic Canteen Co. case, decision on which has just been announced by the Commission. This was the case in which the respondent was charged with soliciting and receiving illegal discriminatory prices from candy and gum manufacturers.

The reasons we asked for leave to intervene in this case were (a) the extent to which the discriminatory prices were injuring our members, and (b) the delays which were occurring in the proceedings leading to a Federal Trade Commission decision, as well as (c) our desire in the interest of effective enforcement of the Act, to argue the important question of what constitutes a prima facie case against a buyer. We mention our interest in this case to illustrate the importance of working out some way to speed up the enforcement of the antitrust laws.

May we quote from the findings in the Automatic Canteen Co. case, Docket No. 4933, dated June 6, 1950? From paragraph 9 (e) on page 10 of the findings, which reads as follows:

"The respondent's gross profits on candy, nuts, gum, and other confectionery products were composed almost entirely of preferential discounts which it exacted from its suppliers. For example, the William Wrigley, Jr., Co. sold the respondent $8,823,728.83 worth of gum from 1937 to 1945, inclusive, at 38 cents per hundred sticks. Respondent sold this gum to its distributors at 56 cents per hundred, which resulted in a markup of approximately 46 percent above the purchase price and permitted the respondent a gross profit of approximately $4,091,386.58. Other customers competing with respondent or its distributors paid the Wrigley Co. 55 cents per hundred sticks, or approximately $12,771,240 for the same quantity of gum of the same grade and quality, which amounts to $3,947,471.57, or approximately 44 percent, more than the respondent paid for the same gum. Of the $4,091,386.58 gross profit resulting from the sale of Wrigley's gum alone in the years 1937 to 1945, inclusive, $3,947,471.57, or approximately 96 percent, consisted of the difference between what others paid and the lower or preferential price which was granted to the respondent by the Wrigley Co. during those years."

You can readily see that it is to the advantage of firms receiving such price discriminations to use all the strategy possible to prolong the discriminations. With such price advantages they can well afford to pay the cost of resisting and delaying enforcement action in various ways.

We believe that the House Small Business Committee could well afford to examine carefully the entire history of the Canteen case from the time the complaint was issued until the decision was rendered on June 6, 1950. It may well be that the inquiry would reveal delays which should and can be avoided if enforcement of the Robinson-Patman Act is to be effected, and suggest improvements in future procedure.

When the National Candy Wholesalers Association sought to intervene in the case in September, 1947, the complaint had already been pending more than 4 years. The original complaint was filed by the Federal Trade Commission against the respondent on March 19, 1943. On February 18, 1949, 6 years later, a stipulation was entered into with the respondent and the case was finally rested on July 15, 1949, with other delaying procedures in the interval. It was approximately 10 months after that date when the Commission gave its decision.

While I do not know enough about law to suggest any changes in procedures, we are sure you can agree that if it took 7 years to put a stop to illegal discriminatory prices in this case, after the complaint was filed, many a small-business concern was no doubt put out of business, or could be put out of business, by such discriminatory prices before he is able to gain relief under the Robinson-Patman Act. You can see how this has a definite bearing on the comments we intend to make regarding the trade practice rules when we come to that point. We ask you to keep in mind that this 7 years intervened after the complaint was filed by the Federal Trade Commission. There is no way to know how many years lapsed between the report of the violation and the issuance of the complaint.

It is not our purpose to criticize the Federal Trade Commission or the respondent. We are convinced, however, that there is something wrong in a system which requires such a length of time for an administrative body to bring a case to a close and issue an order.

It was our privilege, also, to ask for and receive leave to intervene in the Curtiss Candy Co. case, Docket Nos. 4556 and 4673 (consolidated) in which the respondent had received an order to cease and desist from giving of illegal discriminatory prices to large buyers, which prices were not accorded to our wholesalers. If the committee cares to look into this case I think they will find that more than 6 years intervened between the date of the complaint against the Curtiss Candy Co. and the date of the cease and desist order. There was what appeared to us to be an unnecessarily long delay between the closing of the records in this case and the rendering of the decision. We suggest that the Committee investigate the reasons for such delays.

Our intervention in this case came 2 years after the cease-and-desist order was issued, and we sought leave to intervene because it appeared that the respondent was going to try to get the order set aside, or emasculated, in view of action of the Commission in dismissing cases against 33 other manufacturers, those 33 complaints having been dismissed completely, despite the fact that the Commission found them defective only in part and the fact that 14 of the manufacturers had already agreed to stipulations.

Since the motion for reopening and modification of the order in the Curtiss case still is pending before the Commission I am not discussing that phase of the case, but we should like to ask the committee to investigate the extent to which the cease-and-desist order against the Curtiss Candy Co. was enforced after it was issued. So far as we know, there has been no effort on the part of the Commission in the 2 years since the order in the Curtiss Candy Co. case to enforce it upon the respondent.

This brings us to the subject of the trade practice conference procedures which was the reason for our first contacts with the Federal Trade Commission. We applied for a trade practice conference on May 6, 1947, and following hearings, our trade practice rules for the wholesale confectionery industry were promulgated and issued on April 2, 1948. The rules we were able to work out with the Commission covered most of the unfair practices existing in our industry, but we found that the limitations of the laws on which the rules were based prevented us from getting a satisfactory rule on the question of sales below cost and the use of our product as a loss leader. When you recall our statement in the earlier portion of our testimony that there are a great many units in the wholesaling of candy who sell candy and other confectionery as a side line, you will see how important are the following two rules:

"Rule 10. Use of loss leaders: The practice of selling any brand of confectionery, candy bar, chewing gum, or other confectionery product below the seller's cost as a loss leader to induce the purchase of other merchandise, the sale of the latter being used to recoup the loss sustained on the loss leader product so sold, with the capacity and tendency or effect of misleading or deceiving purchasers, prospect purchasers, or the consuming public is an unfair trade practice.

"Rule 17. Selling below cost: The practice of selling industry products below the seller's cost with the intent and with the effect of injuring a competitor and where the effect may be substantially to lessen competition or tend to create a monopoly or unreasonably restrain trade is an unfair trade practice. The costs, however, which are referred to in the rule, are actual costs of the respective seller, determined in accordance with good accounting practice, and not some other figure or average costs in the industry determined by an industry cost survey or otherwise."

You can readily see how these rules are inadequate due to the fact that it is not sufficient in alleging violation to prove that a firm is selling below cost, but it must also be proven that it is doing so with both the intent and the effect of injuring a competitor and that it may be lessening competition, tending to monopoly or unreasonably restraining trade through its sales below cost. These are very difficult points to prove, particularly with respect to an item which does not constitute the major portion of a wholesaler's volume. It can readily be seen how a tobacco or grocery wholesaler might sell all of its confectionery at a loss, using it as a wedge to build its tobacco or grocery business. This is exactly what is happening in States which have unfair sales acts on cigarettes which set minimum mark-ups on this

product. In many cases the tobacco wholesalers are selling their confectionery products at the price they paid for them or below, making no allowance for their cost of operation.

The importance of this can only be realized when you consider that the candy industry represents, according to 1948 census figures, over $2,000,000,000 at the consumer level, of which more than half is handled by the small independent wholesaler and independent retailer. The wholesaler's place in the distribution of confectionery is largely one of selling, warehousing, and delivering of the products of some 600 candy manufacturers to 1,000,000 independent retail outlets and assisting them in their merchandising of the products. You can readily see that if one or two industries were permitted to handle candy strictly as a loss leader, those firms who go to the expense of selling would be gradually eliminated and the entire $2,000,000,000 candy industry would suffer irreparable damage. In fact, it is easy to see that ultimately the manufacturing of candy would be confined in the hands of a few large factories, who would build up their consumer demand by advertising. A parallel to this is what has happened in the tobacco industry in which a few large cigarette manufacturers control almost all of the cigarette business.

With this in mind, we would certainly like for the committee to suggest to Congress the amendment of its laws to provide for the law to prohibit prices below the seller's cost without the necessity of proving that injury to a competitor has already occurred, and certainly without need for proving the seller's thoughts. Such a rule would prohibit the use of any product as a loss leader for promoting the sale of other products and would have a wholesome effect, not only on the candy industry, but upon all other industries. This is the only suggestion we have to offer with regard to improvement of the trade practice rules. We realize that this is a task for Congress and not for the Federal Trade Commission.

However, we believe the Federal Trade Commission also could help the situation by pursuing some cases under the sales-below-cost rule as written, and letting the courts decide the many questions which exist now relative to the effect of below-cost selling on competition. It was my distinct impression that the Federal Trade Commission rule-making staff was definitely reluctant to encourage inclusion in the trade practice rules the ones on sales below cost and loss leaders. We were cautioned time and again that the rule did not prohibit sales below cost per se, but only if the sales below cost were with the intent and the effect of injuring a competitor, lessening competition, tending to monopoly or unreasonably restraining trade. So far as we know there has been no case made by the Federal Trade Commission against a violator in our industry of the rules of selling below cost or using the products of an industry as a loss leader. We believe that such a test case would be very valuable to our industry and to others, and we believe that the committee may want to inquire of the Federal Trade Commission's Enforcement Division as to its attitude on preparation of such a case. We would certainly cooperate with them to the fullest in preparation of a case under these rules, as this is one which most vitally affects our industry, as pointed out before.

What about the total effect of the trade practice rules on our industry? We have been asked this question a number of times, and we have asked ourselves the question. And I believe that we can honestly say that the psychological effect is about the only favorable effect that the promulgation of the rules has had on our industry. The interpretation of the law in terms of the language of the industry probably had a wholesome educational effect. But whether or not this has had any effect on reducing the number of violations of the law in our industry is doubtful. Possibly when our rules were first promulgated, there was some restraining effect on members of the industry who normally engage in such practices. But this restraining effect has long since passed, and I believe that the feeling in our industry now is that the trade practice rules have little, if any, value. Our conversations with other industries with similar rules would indicate that that is true in their industries also.

However, we are convinced that this need not be the case in the future. We are convinced that the principal thing that is needed to make these rules effective in the industry is a set of compliance machinery which operates in that area preceding the issuance of a formal complaint by the Federal Trade Commission. We would certainly like to see the committee request from the Federal Trade Commission a complete outline of its procedure in securing voluntary compliance without the necessity of issuing formal complaints. And if it is found that no such compliance machinery exists, we feel that the committee should emphasize the importance of setting it up.

In contemplating compliance machinery of this kind it must be assumed that the majority of businessmen want to comply with the law and want to observe the trade practice rules of their industry. And the fact that some violate them is due to ignorance of what the rule is, or meeting competition of those who ignore the rules. So, if it could be provided for a branch of the Federal Trade Commission to take the reports of violation which come in immediately to the alleged violator, giving him, first, a copy of the rules and, second, an opportunity to admit or deny his violation and his intention of future compliance without the necessity for issuance of a cease-and-desist order, it would have a salutary effect on competition, which would cover 999 cases out of a thousand of infractions of the rules. Just the very fact of receiving a letter from the Federal Trade Commission, inquiring into an alleged violation, would have the effect of deterring the majority of the businessmen from repeating the violation. And the fact that some of those written might not be guilty of the violation with which they are charged would not have a harmful effect, but instead a wholesome effect, as more or less of a warning that they should not violate these rules and information as to just what the rules are. We were under the impression when we asked for rules that this was going to be the major portion of the Federal Trade Commission's procedure in enforcing our rules. But we have heard of only one case in which any compliance effort has been made without the issuance of a complaint leading to a stipulation or a cease-and-desist order.

We have no way of knowing how many reports the Federal Trade Commission has received of violations of the rules of our industry. We do know, however, that many members of the industry have considered it a waste of time to report what they feel are violations in view of the fact that the impression has gone out that only the submission of sufficient facts to justify the formal complaint would insure any sort of action by the Commission's staff. And when the industry looks at the length of time it has taken in the Automatic Canteen case and the Curtiss Candy Co. case to bring about a cease-and-desist order after the formal complaint is filed, they give it up as a hopeless undertaking. There certainly should be some means of negotiating with alleged violators for compliance if these trade practice rules are to be worth while.

With this in mind we asked the Commission to permit us to create a Trade Practice Committee of our industry to assist in securing this compliance. We have been negotiating with the Commission's staff on the proper method of setting up such a committee and defining the scope of such a committee's operations. Our preliminary conferences have indicated that there isn't much that can be done, or safely done, by such a committee other than purely informational activities in publicizing the rules among the members of the industry. We shall ask the Federal Trade Commission's staff to set down in numerical order an outline of the types of evidence it needs from the industry in support of a complaint of violating each of the rules for our industry. We believe that such a list of items will enable our industry to assist the Federal Trade Commission in bringing a violation to the complaint stage. However, this will not shorten the time involved in the hearings, leading to the issuance of an order.

Again we say that if the rules are to be effective there must be considerable activity in the area preceding the filing of a complaint, and we would certainly like for the committee to check with the Commission's staff on the exact number of reports of violations they have received from our industry, and what they have done about them, either in securing voluntary compliance, or the filing of formal complaint. Then we would like to explore with the committee and the Federal Trade Commission's staff further ways and means of extending and strengthening this voluntary compliance.

In conclusion, we would like to state that our industry is vitally concerned with the enforcement of the antitrust laws, and particularly in the preservation and enforcement of the Robinson-Patman Act. We believe that the continuance of the American system of free enterprise is dependent upon some type of regulation of trade practices. We are convinced that destructive price cutting is just as much a tendency toward creation of monopoly as the giving or receiving of illegal discriminatory prices to large buyers. We believe that the consumer does not ultimately benefit from such reduced prices, but the price cutter uses such tactics simply to eliminate competition, after which he takes advantage of the elimination of competition to raise his prices to the consumer.

We would like to say, too, that the preservation of the independent businessmen, whether manufacturer, wholesaler, or retailer, is just as important to the economy of our country as the protection of the consumer in receiving the lowest possible prices. We believe that the Federal Government has the machinery in the Federal Trade Commission and the Department of Justice to bring about fair competition and we believe that it is just a matter of making some improvement in the procedures and some small changes in the law, such as the prohibition of sales below cost, to make for a successful future for small-business men in the American economy. I thank you.

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STATEMENT OF RANKIN PECK, JUNE 28, 1950

Mr. Chairman and members of the committee, my name is Rankin Peck. I am president of the National Congress of Petroleum Retailers. Our association represents affiliated associations of retail gasoline dealers, from coast to coast and from the Gulf of Mexico to the Canadian border, whose territory comprises more than 260,000 retail gasoline dealers.

In our opinion, it is highly important for Government to encourage and promote small business. The burden of providing competition rests largely upon small business. It will always rest on small business because, after all, the small-business man is the pioneer who must and will cut the roads ahead.

In the petroleum field, the field in which we are especially interested, the records show that the major oil companies have moved constantly in the direction of price control, of monopoly, and of the destruction of small

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independent business. Our members are also interested, of course, in the welfare of the consumer. The small-business man, the retail gasoline dealer, is intimately associated day in and day out with the consumer. He lives with the consumer. He rubs elbows with the consumer. He knows the consumer as a person. He becomes a part of the consumer's life. He knows that his welfare is dependent upon the welfare of the consumer.

By way of preface I would like briefly to call the attention of the committee to the Standard Oil of Indiana case in which we are vitally interested. The issue at stake in that case is whether or not "good faith" will be regarded as a complete defense against charges of price discrimination. If it is so regarded, the Robinson-Patman Act will in effect be repealed. The small-business men have won that case in the circuit court. It is still before the United States Supreme Court. But as of this day our Government through our courts has declared that geographic price discrimination may not be practiced to injure and destroy competition. We are very hopeful that our United States Supreme Court will agree. We suspect that Standard Oil of Indiana and all of the other monopoly groups fear the highest court will agree and that their fear was the real reason for their unending effort to force through this Congress the bill known as S. 1008, the bill which they admitted, by making good faith a complete defense would save them from an adverse court decision.

If price discrimination is exercised by a major oil company, or in fact by any other major or monopoly supplying company—if it is exercised to undercut and injure or destroy competition, the circuit court has declared that such practice is unlawful. And this rule must become the law of our land if small and independent business is to survive. If this does not continue to be the law, then the major or monopoly companies whose production, refining, transportation, wholesaling and retailing operations are integrated can sell below cost in the retailing brand and recoup their losses at other levels of their integrated operations and/or operate over large areas can use the profits they demand from one area to make up for the losses they suffer through price cutting in another area.

The small-business man cannot engage in this practice. He cannot engage in this kind of warfare. He is independent and self-reliant.

Very often the major oil companies have changed their tactics. They have not engaged in the cold war of long delay and constant sweating and starving of their neighbors, and I mean the war of price discrimination. They have been somewhat merciful, perhaps. They have decided, very often, to wipe out their independent competitors by just buying his business. In that way they get quick results, just as did the old blitzkrieg.

But all in all, whether the policy is one of slow and cautious price discrimination to destroy the small-business man or the policy of blitzkrieg, the final effect of these practices is a monopoly, the policy and the philosophy of all tyranny and all dictators in business and in every phase of life. It is the complete antithesis to everything that we hold dear in these United States. It is a policy in complete reverse with everything that is expressed by the words "democracy" and "freedom" and "competition." We cannot submit to it and declare ourselves to be, at the same time, Americans.

The antitrust laws and their enforcement agencies of Government were created to (1) preserve the conditions of fair competition and (2) to prevent monopoly. How effective have they been? In general, it must be concluded that the enforcement of our antitrust laws has been exceedingly weak and ineffective. Why has this been so? The small-business man, our retail gasoline dealers, for example, ask why this has been so. And our members are not different from all the other thousands of small-business men who are far removed from Washington and who do not have the means to employ permanent agents or lobbyists here to answer this question. You know a small business has been defined as a concern which does not have enough money to support its own lobbyists in Washington. Small business must depend upon their officials of Government and we think they have a right to depend upon them.

We were very happy, in fact very much encouraged by the announcement of the committee that it would investigate the Federal Trade Commission and the Antitrust Division of the Department of Justice. We hope this committee will get the answers the small-business man wants. And I may be presumptuous in suggesting some of the questions which I know run through the minds of the small-business men, of our members at least, but still I wish to ask them.

Is the weak enforcement of the antitrust laws caused by a Congress which has not the will or desire to enforce the laws? Well, let us look at the record to justify that question. Consider, for example, (a) the failure of the Senate to act on the Kefauver bill to amend section 7 of the Clayton Act; (b) the rapidity with which S. 1008 was enacted by the Congress; and (c) the many exemptions which Congress has granted to the antitrust laws—such as the Reed-Bulwinkle bill.

Is the growth of monopoly power encouraged by the very meager appropriations which the antitrust agencies of Government get? Your committee will get the answers to this question, I am sure. The small-business man wants the answers.

Is the weak enforcement of the antitrust laws due to the appointment of men to high positions in the antitrust agencies when those men do not have great enthusiasm for the antitrust laws and any zealous interest in their enforcement or in a policy of fair competition? The small-business man is going to demand the answers and I am sure this committee will continue this investigation until it gets the answers. But let us look at some recent records and let those records answer the questions the small-business man asks.

Why was the Department of Justice so reluctant and, in fact, unwilling to argue the Standard Oil of Indiana case in the Supreme Court? How can this be explained?

Why is there so much delay in the handling of cases by the Federal Trade Commission? How can this be explained?

Why was there so much timidity and vacillation in our antitrust agencies when they were asked for opinions as to S. 1008? How can this be explained?

Why has the Department of Justice refused to use the criminal provisions of the Robinson-Patman Act? How can this be explained?

Mr. Chairman, we have heard a lot about "soft competition" and "hard competition" in recent months. We have heard it said that the ending of the basing-point system would bring about "soft competition." We have heard it said that the Robinson-Patman Act results in "soft competition." What a travesty. It is the basing-point and zone delivered-price systems which provide "soft competition." Such geographical price systems divide up the markets for the conspirators who want to engage in reciprocal price matching. Such systems take the edge off of price competition. It is price discrimination which, by eliminating small business, results in "soft competition." It makes competition so soft that the monopolies do not even need to masticate the small-business man when they decide to swallow him. That is soft competition—soft for the monopolist but hard on the small-business man and hard on democracy and freedom and on the spirit of man.

Hard competition is good, old-fashioned competition in which a seller reduces his mill or shop prices, uniformally, to all buyers in order to find a selling outlet. This is real competition. It is good and honest competition. Of course, it is hard to take if you are interested in maintaining monopoly prices at a high level and picking off your competitors one by one through unfair discrimination.

I am in favor of hard competition which is open, aboveboard, and nondiscriminatory. I am opposed to the soft competition of basing-point selling. I am also opposed to the predatory competition which involves the use of geographic price discrimination. I am opposed to all types of price discrimination which decreases competition.

An additional and important factor accounting for the weak enforcement of our antitrust laws has been the lack of a unified antitrust policy.

The Government's antitrust policy is expressed in three major statutes enforced by two separate agencies. The Sherman Act is enforced by the Department of Justice, although the Federal Trade Commission may investigate the manner in which decrees issued under the act are being carried out. Incidentally, the Federal Trade Commission has never had the money to do so. Enforcement of the Federal Trade Commission Act is the responsibility of the Commission, but the defense of the Commission's order in the Supreme Court, as well as the collection of penalties for violating these orders, rests with the Attorney General.

Under the Clayton Act and the Robinson-Patman Act the two agencies have generally concurrent jurisdiction, although I think it is generally understood that the Department of Justice has indicated no interest in, and displayed no enthusiasm for enforcement of these two acts and has developed no expert skill to enforce them. The Department of Justice has the authority to bring all criminal actions, but in fact no such suits are brought, and the enforcement of these acts has thus become the exclusive responsibility of the Federal Trade Commission.

Now, I come to another part of the story. I have been told that the Department of Justice and the Federal Trade Commission have established a liaison between their antitrust divisions and presumably for the purpose of preventing duplication of work. We are opposed to duplication of effort, of course. But very often this liaison work can be used to thwart any enforcement of our antitrust laws according to our fears and according to some information we have. The zealous public official is interested, of course, in developing his field of work. But all to often he may be building his own bureau or his own prestige and at the expense of the common good. We hope this committee will make a thorough study of liaison work of these two agencies. We are impressed, to say the least, that there is no common policy as to the enforcement of our antitrust laws. And all we want are the facts.

Let me tell you, very generally, of our experience in trying to stop the destructive price-cutting competition in the Detroit area. There were several major companies involved in unjustified price discrimination among their competing retailer customers, but one case was started. We made our complaints to the Department of Justice and after some time decided that we would have to turn to the Federal Trade Commission. In fact, it seems the Commission was the place to which we should have complained in the first place. I do not want to tell you how long we were required to labor before we could get the case cleared for action. Just why that was true we do not know, but we would like for this committee to tell us.

We have been impressed that the Federal Trade Commission has brought very few cases in the petroleum industry. We have heard rumors that the Department of Justice has assumed almost complete control over that field of jurisdiction. If that is true, let us have the facts and the reasons for any such policy.

Nevertheless, despite the delay the Federal Trade Commission did get action in the Standard of Indiana Detroit case, just as it got action in the Cement and Steel Basing-Point cases. Perhaps that may be the reason why all these attacks have been launched at the Federal Trade Commission by the monopoly interests and why we had a Senate bill 1008, and why the word is whispered that the Commission must be restrained and even destroyed. Those facts are all to the credit of the Commission and to the laws the Commission enforces. Maybe there is substance to another rumor that within the next few months another effort, spearheaded by the American Bar Association, will be made to weaken and even destroy the antitrust work of the Commission and to turn it all over to the Department of Justice. We do not have the facts, we confess, but we hope this committee will get the facts and place the responsibility where it belongs.

It appears that whichever agency gets the complaint first assumes control of the field. Whether a violator of our antitrust laws is prosecuted by the Antitrust Division of the Department of Justice or the Federal Trade Commission seems to be largely a matter of chance. And there is no common policy, no agreed-upon course of action.

If the Department of Justice acts, the violator may be subject to criminal prosecution with penalties of fines and imprisonment, but there is no jail sentence for the violators of these laws. Someone has said, very aptly, that "you can't put a million dollars in jail." If the Federal Trade Commission acts, then the violator may get a cease-and-desist order and he is not punished until he violates the order. We ask why not make these orders more effective? Why not provide for immediate and adequate punishment?

We who are interested in these problems have noticed some instances where the conflict of jurisdiction has not resulted in action in the public interest. I might refer to the Cement cases. There the Federal Trade Commission had acted and eventually its action became most effective. Why was it that the Department of Justice brought a suit against the cement companies while the Commission's action was pending in the courts? We ask why? We refer you to the Pure Carbonic case in which the Commission issued cease and desist orders and these were immediately followed by a divestiture suit brought by the Department of Justice. We refer to the stories about the Alkali case, involving an export association operating under the supervision of the Commission. The Department of Justice prosecuted the association under the Sherman Act and the defendants immediately produced in evidence a letter from an official of the Commission in justification of the actions of the association. The chairman of the Appropriations Committee of the House, Representative Cannon, introduced a resolution authorizing the Federal Trade Commission to make an investigation of monopoly in the petroleum industry—a resolution (H. R. 423) in which we are greatly interested. The Department of Justice, so we understand, has recently sent a letter to the House Interstate and Foreign Commerce Committee recommending against the resolution.

These incidents indicate the lack of and need for a common antitrust policy. In my opinion the effectivenes of both agencies could be enhanced by the devolpment of such a policy. A unified policy and a concerted attack would appear of prime importance to the task of seeing that free enterprise prevailed—or indeed, survived. But we insist that it be an antimonopoly program, involving only the antimonopoly agencies and not those agencies which are "promonopoly."

The other phase of the story is the relation between the Commission and the Attorney General in the defense and enforcement of the former's orders. Perhaps the Solicitor General's Office has not always been sympathetic with new issues of law and economic theories of antitrust enforcement. In respect to the Federal Trade Commission and Clayton Acts, legal and economic innovation is a necessity. New practices and new issues are continually arising which require imaginative and forceful presentation to the courts. Its purpose, according to the Congress setting it up, is "to arrest the creators of trust conspirators and monopolies in their infancy and before consummation." It would seem that the Commission should have more opportunity to present, or at least assist in the presentation of such issues to the Supreme Court. I suggest, again, that the committee look into these matters.

I would like to refer to the economic investigations made by the Federal Trade Commission, or, better, to the economic investigations the Commission should make. The small-business man does not have the apparently limitless resources had by the monopolists. The monopoly industries can organize their tremendous research organizations and finance them through making the consumer pay for them in monopoly prices and monopoly profits. The small-business man who is competing cannot get those resources. If our Government is really interested in preserving a genuine and wholesome competition in industry, then we think our Government has the obligation of giving to the small-business man the economic facts he should have. Obviously that was the intention of those who wrote the Federal Trade Commission Act.

I think that the small-business men quite generally, thought the Commission had the authority and the responsibility and the financial resources to make these investigations. I think we were inclined to criticize the Commission. But in the last few years, as the small-business men have become organized, they have learned that the Commission had the authority and the responsibility but that the Congress denied the Commission the funds with which to make the investigations. We hope this Committee will get the facts so that we can know where the responsibility lies for this hamstringing of the Commission's important work of conducting economic investigations.

For example, let me refer again to the so-called Cannon resolution which proposes that the Commission should make a thorough fact-finding study of the entire petroleum industry. We are strongly in favor of that resolution. Such information as we can get indicates that over the years at least 10 investigations have been made of the same subject by the various committees of the Congress. But we cannot discover any results from those investigations which are, or would be, beneficial to the small-business man. They have not provided the array of carefully organized facts which an independent investigatory body can develop and which are necessary to lay the groundwork for any legislation. Hence, there is at least the suspicion that some congressional investigations are launched only to halt a real investigation by the Commission.

We know that the Federal Trade Commission has had very fine investigations, as for example, the meat-packing industry investigation, the chain store investigation, the electric utilities investigation, the cement and steel investigations, and so on. The Commission has the nucleus of experts to make such investigations. It has had the experience. It has the power. It was created by the Congress to do such work. And yet, we wonder just why the Commission has been prevented from making these investigations. We ask your Committee to give us the facts.

In conclusion, I should like to suggest certain steps which I think the committee should consider and explore in a program of promoting competition and of helping small business.

First, the appropriations for the antitrust agencies and, in particular, the Federal Trade Commission, must be substantially increased. One point which I should like to have investigated is why the Bureau of the Budget has consistently cut the budget requests made by the Federal Trade Commission.

Second, the executive branch of Government must exercise extreme care in appointing persons to the antitrust agencies. It must be sure that the persons appointed have a sincere desire to enforce the antitrust laws. If they do not have this desire, they should not be in the antitrust agencies. This committee should make known its views on appointments to the Antitrust Division and to the Federal Trade Commission.

Third, the economic studies of the Federal Trade Commission must be greatly expanded. The field of monopolistic practices is still largely an unexplored jungle. Small business knows that it has great difficulty in surviving and growing upon the basis of productive efficiency. It knows further that too great a premium in business success is put upon financial power, unfair practices, the power to keep supplies from independents, and deceptive advertising. What we need is a formal record on such unfair and monopolistic practices to serve as a basis for corrective action.

Fourth, the Clayton Act, as amended by the Robinson-Patman Act, needs to be strengthened (1) to provide for prohibiting the acquisition of assets as well as capital stock, whenever the effect may be to lessen competition; (2) to provide that cease-and-desist orders issued under the Clayton Act shall, like those under the Federal Trade Commission Act, become final and subject to penalty for violation after 60 days, unless an appeal is carried to a court of appeals; (3) to enact Mr. PATMAN's bill to require sellers to make information as to discounts and allowances available to all customers—primary and secondary; and (4) to reconsider the policy of allowing dominant companies controlling basic supplies to select their own customers, perhaps providing that in proper circumstances such companies may be required by the Commission to sell to all customers offering cash payment.

On this last point, I doubt that there are many persons ever in Government who realize how potent a weapon big business has in its so-called right to select its own customers. That is a basic right of the private trade, of course. He has the basic right to select his own customers and he should have that right as long as, but only as long as, he respects the basic rights of others. A right carries with it, in any society, an obligation and without obligations there can be no rights. This basic right to select your customer can become the right and power to boycott and to exercise the most extreme form of discrimination against independent businessmen and, therefore, against everything that makes up what we know as American. It can be used—and I am sure the very existence of our antitrust laws and of the Clayton Act and the Robinson-Patman Act and actions taken under them are evidences that it has been used and I fear is being used—to discriminate against the independent businessman whenever he shows any desire and determination to be independent or to be self-reliant. But unless the small-business man has the right to buy basic commodities on an honest competitive basis and

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without fear of intimidation, our free enterprise economy will not and cannot work effectively.

Mr. Chairman and members of the committee, I greatly appreciate the opportunity of appearing before you and presenting a few suggestions designed to improve the functioning of the antitrust laws. As I have indicated, small business needs new legislation which will close the present loopholes in the law and provide better protection to the free, independent enterpriser against the attacks and inroads of monopoly.

But, small business also needs better enforcement and more vigorous use of the laws which are already on the statute books. In the Federal Trade Commission Act and the Clayton Act there are to be found a surprising number of provisions of law which have never been enforced. Perhaps the Commission has never had the resources. But whatever the cause, the fact is that they have not been enforced. The existence of such a situation is outrageous. Someone has aptly referred to the Federal Trade Commission as "the slumbering giant of the Government." With the Cement and Steel cases, and with the Standard Oil of Indiana case this giant is beginning to show signs of awakening. This committee would be performing an invaluable service to small business, and to the public generally, if it would hasten this process of awakening.

### HON. EDITH NOURSE ROGERS

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HOFFMAN of Illinois. Mr. Speaker, I should like to pay tribute today to one of the outstanding Members of the Eighty-first Congress, whose important services to the House Committee on Veterans Affairs has been recognized this week by the presentation of her portrait, done in oils by Howard Chandler Christy, to that committee.

This deserved honor that has come to Mrs. EDITH NOURSE ROGERS, who served as chairman of the Committee on Veterans' Affairs during the Eightieth Congress, is one that carries with it the good wishes of thousands of friends and admirers in her home State and throughout the Union. As the senior ranking member of the committee, Mrs. ROGERS has served with this body since 1925. Only the present chairman outranks her in point of continuous service.

It has been my privilege to know Mrs. ROGERS during my own brief service on the Committee on Veterans' Affairs. I can testify whole-heartedly, from my own experience, to her lasting interest in the welfare of our veterans of all America's wars. She has been single-minded in her devotion to their needs and in her uncompromising insistence that their cause receive just and considerate attention at all times and in all places. The veterans of America have no greater friend anywhere than this able and warm-hearted woman.

The presentation of this portrait, which is the gift of the Department of Massachusetts of the American Legion and its ladies' auxiliary, symbolizes the mark that Mrs. ROGERS has made as a member of this important committee. I want to add my praise to that of all her other friends and well-wishers.

### THE COUNTRY, THE TAXPAYER, AND THE FARMER ARE ENTITLED TO A SOUND NATIONAL FARM POLICY

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, since coming to Congress in 1939 I have developed a greater appreciation of the vital place the American farmer occupies in the economy of our Nation. We all know of the wonderful contribution the American farmer made in the winning of World War II, and the long hours he labored in helping this Nation to achieve victory.

My congressional district, while it is comprised of many family sized farms, is not wholly an agricultural district. For an illustration, in the three-county area in Pennsylvania, composed of Blair, Centre, and Clearfield Counties, we have 7,242 farms with a total acreage of 592,000 acres.

The average size of a farm in Blair, Centre, and Clearfield Counties is about 85 acres. From these well-kept farms we have an annual production of millions of dollars in grain, forage crops, fruits, livestock, and dairy products.

The farmers in my congressional district are not corporation farmers. They are family farmers who rely on their own initiative and independence and have been doing so for generations. Their farms in many instances have been in cultivation for over a century and they are more fertile today than at any time in their history.

Today in my congressional district you will find that our farm families are not only substantial citizens but their sons and daughters are progressive and are in many business enterprises and in professional life.

The farmers in Blair, Centre, and Clearfield Counties in Pennsylvania believe as I do that a sound farm program is necessary to our national economy. That is the reason why they view with skepticism the efforts that have been made to formulate farm programs.

They view with alarm the proposed Brannan plan and in discussing it with me have said:

> The Brannan plan will result in the Government pushing a program of cheap food, a vast increase in Government personnel passing out checks, checking on acreages, levying fines for excessive sales, directing farmers in their conservation practices, and farm-management procedures. We fear the implications of the power given over the farmers in planning their incomes and their very lives.

Here is what one farm spokesman told me in my congressional district: "Our farmers don't like the idea of a subsidized agriculture dependent perennially upon huge congressional appropriations. We feel we will accomplish more over a long period of time if we continue to stress more efficient production, more efficient marketing, increased uses of agricultural products in industry, an improved national nutrition program, which will result in larger consumption of the animal products, and an expanding farm export market."

Another of the farm leaders in my district expressed his opinion as follows:

> Our farmers believe in a program that would emphasize efficient production, better marketing, cooperative activity, expanding markets, new uses for farm products, better diets, and subsidized diets such as school lunches and food stamp plans for those who cannot afford to buy—but not for everybody.

Another farmer in my district has this to say about the Brannan plan:

> We farmers are afraid it tries to do too much and puts entirely too much control in the hands of the Secretary of Agriculture and the Federal, State, and local production marketing administration committees.

In addition to talking to representative farmers in my congressional district, I recall a general poll I took among residents of Blair, Centre, and Clearfield Counties in Pennsylvania last January. One of the questions asked was, Do you favor the so-called Brannan plan? When the results of the poll were tabulated it revealed that out of 1,876 questionnaires returned 326 persons favored the Brannan plan and 1,026 were opposed to it. The remaining 524 persons were either against all forms of farm price-support programs or they were not informed enough on the Brannan plan to take a position.

With the Nation-wide controversy raging over the evils or merits of certain farm programs, and mindful of the fact that an intelligent legislator makes a sincere effort to bring order out of chaos, I have made a careful study of the farm problem. I hasten to explain that I am not posing as a farm expert but my experience in my congressional career has enabled me to view the farm problem with a greater appreciation of its vital effect on the economy of our Nation. Realizing that it is a poor excuse to be continually opposing a program and have nothing constructive to offer in its place, I have arrived at the following conclusions regarding the need for a sound national agricultural policy.

It is my considered judgment that a national agricultural policy should be self-financing and not dependent upon the Federal Treasury for its existence. It should be operated and controlled from the grass-roots level and not from Washington, D. C.

Such a policy should assure the farmer a maximum of freedom of activity and should not be infested with controls and penalties. It should operate within the framework of our free enterprise system and should not be socialistic in scope. It should not be compulsory and should be discretionary with the farmer. It should relieve the taxpayers of billions of dollars in annual taxes. It should provide for an orderly disposal of farm surpluses thus eliminating waste. It should assist materially in balancing the budget and thus end deficit spending. It should encourage better farming and not

stifle the initiative of the individual farmer. It should stabilize farm income and thus prevent a decrease in farm prices which would affect our entire economy. And last but not least, it should protect the family sized farmer.

With these views of national agricultural policy in mind and conscious of the fact that farmers in my congressional district hold the same opinions, I conferred with farm leaders in Congress and discussed the subject with them.

In this connection, I worked arm in arm with my colleague and good friend, Congressman HAROLD LOVRE, of South Dakota. For months he had conducted grass-roots conferences with better than 3,500 farmers and consumers in the Middle West. We agreed to sponsor jointly a farm bill that would incorporate the views of the family sized farmer in the United States. As a result we introduced identical bills in Congress to provide a national agricultural policy to be carried out on a self-sustaining basis and to promote conservation and development of the Nation's soil resources.

Briefly the bill provides that farmers would choose their own organizations with elected county, State, and national committees directing the program from the farm level. The committees would work with the Secretary of Agriculture who would determine the normal production needs ahead of planting time. This total would be divided among the farmers producing the particular product. They would receive 100 percent of parity for the produce marketed under these quotas.

If a farmer produced more than his quota and wanted to sell it, he could buy additional marketing quotas, paying enough for them to finance the disposal of the surplus through food stamps, exports and new uses of the product. If the surplus did not cost the entire sum the balance would be returned through the local farm committees. Those who created the surpluses would thus stand the expense of disposing of them.

Mr. Speaker, I want to have it understood that it is not my opinion that the Lovre-Van Zandt bill is the only answer to the complex farm problem. It has been introduced with the thought that it points the way and provides the pattern for a sound long-range farm program. The bill is worthy of consideration because it represents a lot of thought on the part of many of us who are interested in assisting the country, the taxpayer, and the farmer.

### CIVILIAN DEFENSE

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, W. Stuart Symington, who was confirmed on April 26 last as the new permanent Chairman of the National Security Resources Board, charged with jurisdiction over civilian defense and industrial mobilization, after that Board had been without a permanent Chairman for approximately 16 months, made some very pointed remarks in a speech in Detroit Monday night of this week. I read an Associated Press dispatch dated Detroit, June 27, and captioned "Need for civilian defense pointed up by Symington":

Civilian defense might be the "crucial difference" between saving or losing America, says W. Stuart Symington.

Mr. Symington, Chairman of the National Security Resources Board, told the American Red Cross Convention last night that a surprise atomic attack might deal the Nation a blow from which it could not recover. Effective civilian defense, the former Air Force Secretary said, could cut atomic-bomb casualties by 50 percent in a typical American city.

But one bomb on one large city, he said, "would require hundreds of thousands of pints of blood and blood derivatives a week."

The reduction in casualties from the availability of such resources, he said, "might be the crucial difference between a serious and a fatal attack."

The House knows that for the last year I have been expressing concern over the lack of a federally coordinated program for civilian defense of American cities and towns against atomic-bomb or poison-gas attack and I was the first to rise on this floor to hail the appointment of Mr. Symington to head the National Security Resources Board, which had been leaderless so long.

Yesterday I asked 20 of my House colleagues this question: "What would you do in the event of an atomic-bomb attack on the Capital?" Invariably the answer was, "I would rush for the subway." But everyone questioned admitted he did not know whether that was the right thing to do. Nor do I know the answer.

If war should come, it is conceded that many things could happen right here in our own America and I am one who hopes that our State and local civilian-defense organizations have been properly alerted as to possible dangers and it will not be long before the public as a whole knows the A B C's or the first things to do in the event of atomic attack.

### ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 6826. An act to extend the Selective Service Act of 1948, as amended, for a period of 1 year, and for other purposes;

H. R. 7058. An act to amend laws relating to the United States Military Academy and the United States Naval Academy, and for other purposes; and

H. J. Res. 492. Joint resolution making temporary appropriations for the fiscal year 1951, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1672. An act for the relief of Efrosini Abad.

### BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 4295. An act to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948;

H. R. 6826. An act to extend the Selective Service Act of 1948, as amended, for a period of 1 year, and for other purposes; and

H. R. 7058. An act to amend laws relating to the United States Military Academy and the United States Naval Academy, and for other purposes.

### ADJOURNMENT

Mr. YOUNG. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 33 minutes p. m.) the House adjourned until tomorrow, Thursday, June 29, 1950, at 12 o'clock noon.

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### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HART: Committee on Merchant Marine and Fisheries. S. 2507. An act to authorize the United States Maritime Commission to grant to the East Bay Municipal Utility District, an agency of the State of California, an easement for the construction and operation of an interceptor sewer pipe line in and under certain Government-owned lands comprising a part of the Maritime Alameda Shipyard, Alameda, Calif.; with amendment (Rept. No. 2355). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRIEST: Committee on Interstate and Foreign Commerce. S. 868. An act to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes; with amendment (Rept. No. 2356). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. H. R. 7667. A bill directing the transfer to the Department of the Interior by the General Services Administration of certain property in Boise Barracks, Boise, Idaho; without amendment (Rept. No. 2357). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. S. 2658. An act to establish rearing ponds and a fish hatchery in the State of Kentucky; without amendment (Rept. No. 2358). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. S. 3527. An act to amend section 14 (b) of the Federal Reserve Act, as amended; without amendment (Rept. No. 2359). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. H. R. 8766. A bill to establish rearing ponds and a fish hatchery in the State of Kentucky; without amendment (Rept. No. 2360). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. H. R. 7043. A bill to provide for the granting of an easement for a public road or public toll road through the wildlife refuge located in Princess Anne County, Va.; with amendment (Rept. No. 2361). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRIEST: Committee on Interstate and Foreign Commerce. S. 2160. An act to amend the Public Health Service Act to au-

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thorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes; with amendment (Rept. No. 2362). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 6242. A bill to prevent the entry of certain giant snails into the United States; without amendment (Rept. No. 2363). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 7257. A bill to provide for the acquisition of land and the construction thereon of buildings and appurtenances essential for forest fire control operations of the Forest Service, United States Department of Agriculture, at or near Missoula, Mont., and for other purposes; with amendment (Rept. No. 2364). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELANEY: Committee on Rules. House Resolution 678. Resolution for consideration of S. 3336, an act to provide for the organization of a constitutional government by the people of Puerto Rico; without amendment (Rept. No. 2365). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 679. Resolution for consideration of H. R. 8137, a bill to confirm and establish the titles of the States to lands beneath navigable waters within State boundaries and to the natural resources within such lands and waters, to provide for the use and control of said lands and resources, and to provide for the use, control, exploration, development, and conservation of certain resources of the continental shelf lying outside of State boundaries; without amendment (Rept. No. 2366). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 680. Resolution for consideration of S. 3550, an act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products; without amendment (Rept. No. 2367). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 681. Resolution for consideration of House Joint Resolution 453, joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the First United States International Trade Fair, to be held at Chicago, Ill., August 7 through 20, 1950; without amendment (Rept. No. 2368). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 682. Resolution for consideration of H. R. 8594, a bill to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes; without amendment (Rept. No. 2369). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 683. Resolution for consideration of H. R. 7439, a bill to protect the national security of the United States by permitting the summary suspension of employment of civilian officers and employees of various departments and agencies of the Government, and for other purposes; without amendment (Rept. No. 2370). Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 684. Resolution for the consideration of S. 3527, an act to amend section 14 (b) of the Federal Reserve Act, as amended; without amendment (Rept. No. 2371). Referred to the House Calendar.

Mr. McSWEENEY: Committee on Rules. House Resolution 685. Resolution for consideration of H. R. 7940, a bill to provide financial assistance for local educational agencies in areas affected by Federal activities, and for other purposes; without amendment (Rept. No. 2372). Referred to the House Calendar.

Mr. RANKIN: Committee of conference. S. 2596. An act relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944) (Rept. No. 2373). Ordered to be printed.

Mr. McMILLAN of South Carolina: Committee of conference. S. 3258. An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia (Rept. No. 2374). Ordered to be printed.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H. R. 8974. A bill to provide that final decisions of the Court of Claims shall be appealable to the United States Court of Appeals; to the Committee on the Judiciary.

By Mr. PETERSON:

H. R. 8975. A bill to amend the Synthetic Liquid Fuels Act, as amended, to the Committee on Public Lands.

By Mr. TAYLOR:

H. R. 8976. A bill to provide for the issuance of a postage stamp in commemoration of the diamond jubilee of the American Chemical Society; to the Committee on Post Office and Civil Service.

By Mr. DINGELL:

H. R. 8977. A bill to provide for the issuance of a special postage stamp in commemoration of the two hundred and fiftieth anniversary of Detroit, Mich.; to the Committee on Post Office and Civil Service.

By Mr. FULTON:

H. R. 8978. A bill to provide for the payment of sums in lieu of real-property taxes on Government properties transferred to the national industrial reserve; to the Committee on Armed Services.

By Mr. SIKES:

H. R. 8979. A bill to provide for the transfer or quitclaim of title to certain lands in Florida; to the Committee on Public Lands.

By Mr. GRANGER:

H. R. 8980. A bill to authorize the construction, operation, and maintenance of the Colorado River storage project and of certain other reclamation projects, and for other purposes; to the Committee on Public Lands.

By Mr. ABBITT:

H. R. 8981. A bill to amend the peanut-marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. ALBERT:

H. R. 8982. A bill to amend the Classification Act of 1949 so as to provide a quota for grades 16, 17, and 18 in the legislative branch, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. ROGERS of Massachusetts:

H. R. 8983. A bill to authorize payments by the Administrator of Veterans' Affairs for the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PATTEN:

H. R. 8984. A bill to promote the rehabilitation of the Papago Tribe of Indians and a better utilization of the resources of the Papago Tribe, and for other purposes; to the Committee on Public Lands.

By Mr. O'BRIEN of Michigan:

H. R. 8985. A bill to provide for the issuance of a special postage stamp in commemoration of the two hundred and fiftieth anniversary of Detroit, Mich.; to the Committee on Post Office and Civil Service.

By Mr. WHITE of Idaho:

H. Con. Res. 227. Concurrent resolution to support and strengthen the United Nations by adopting an International Charter; to the Committee on Foreign Affairs.

By Mr. PATTEN:

H. Res. 671. Resolution rescinding the action of the House in passing House Joint Resolution 494; to the Committee on Rules.

By Mr. GRANGER:

H. Res. 672. Resolution rescinding the action of the House in passing House Joint Resolution 494; to the Committee on Rules.

By Mr. BARING:

H. Res. 673. Resolution rescinding the action of the House in passing House Joint Resolution 494; to the Committee on Rules.

By Mr. BENNETT of Michigan:

H. Res. 674. Resolution rescinding the action of the House in passing House Joint Resolution 494; to the Committee on Rules.

By Mr. HILL:

H. Res. 675. Resolution rescinding the action of the House in passing House Joint Resolution 494; to the Committee on Rules.

By Mrs. BOSONE:

H. Res. 676. Resolution rescinding the action of the House in passing House Joint Resolution 494; to the Committee on Rules.

By Mr. O'TOOLE:

H. Res. 677. Resolution to create a special committee to provide for operation of the House of Representatives in the event that that body is unable by reason of the hostile action of a foreign power to perform the duties prescribed by the Constitution of the United States; to the Committee on Rules.

## MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, relative to the importance of stockpiling worsted fabrics instead of raw wool; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Massachusetts, relative to including in the rivers and harbors bill the necessary funds to dredge Wellfleet Harbor; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Massachusetts, opposing further tariff reductions on imports of shoe and textile goods; to the Committee on Ways and Means.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FULTON:

H. R. 8986. A bill for the relief of Natale Joseph John Ratti; to the Committee on the Judiciary.

By Mr. GOLDEN:

H. R. 8987. A bill for the relief of Setsuko Kato; to the Committee on the Judiciary.

By Mr. KEATING (by request):

H. R. 8988. A bill to provide for the extension of patent No. 1,917,161, issued July 4, 1933, to Charles L. Smith, relating to a nonskid chain; to the Committee on the Judiciary.

By Mr. MEYER (by request):

H. R. 8989. A bill to provide for relief of Prof. Bernat Rubin; to the Committee on the District of Columbia.

By Mr. MORTON:

H. R. 8990. A bill for the relief of Yoshiko Hisada McClarty; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 8991. A bill to provide for the issuance of commissions in the United States

Coast Guard Reserve as temporary members to members of the St. Andrews Bay Pilots Association and the Port St. Joe Pilot's Association; to the Committee on Merchant Marine and Fisheries.

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PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2219. By Mr. GOODWIN: Resolutions of the Massachusetts Legislature, memorializing the President of the United States and Members of Congress to oppose further tariff reductions on imports of shoe and textile goods; to the Committee on Ways and Means.

2220. By Mr. HESELTON: Resolutions of the General Court of Massachusetts, memorializing Congress relative to the importance of stockpiling worsted fabrics instead of raw wool; to the Committee on Armed Services.

2221. Also, resolutions of the General Court of Massachusetts, memorializing Congress to include in the rivers-and-harbors bill the necessary funds to dredge Wellfleet Harbor; to the Committee on Public Works.

2222. Also, resolutions of the General Court of Massachusetts, memorializing the President of the United States and Members of Congress to oppose further tariff reductions on imports of shoe and textile goods; to the Committee on Ways and Means.

2223. By Mr. LANE: Memorial of the General Court of Massachusetts, memorializing Congress to include in the rivers and harbors bill the necessary funds to dredge Wellfleet Harbor; to the Committee on Public Works.

2224. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging the stockpiling of worsted fabrics instead of raw wool; to the Committee on Armed Services.

2225. Also, memorial of the General Court of Massachusetts, opposing further tariff reductions on imports of shoes and textile goods; to the Committee on Ways and Means.

2226. By Mr. RICH: Resolution of Olkosky-Jessop, Unit, No. 194, American Legion Auxiliary, Emporium, Pa., in opposition to any form of socialized medicine; to the Committee on Interstate and Foreign Commerce.

2227. By Mrs. ROGERS of Massachusetts: Memorial of the General Court of Massachusetts, relative to the importance of stockpiling worsted fabrics instead of raw wool; to the Committee on Armed Services.

2228. Also, memorial of the General Court of Massachusetts, to include in the rivers and harbors bill the necessary funds to dredge Wellfleet Harbor; to the Committee on Public Works.

2229. Also, memorial of the General Court of Massachusetts, to oppose further tariff reductions on imports of shoe and textile goods; to the Committee on Ways and Means.

2230. By Mr. WIGGLESWORTH: Petition of the American citizens of Lithuanian descent residing in Norwood, Mass., urging the United States Government to use all its available means to stop the further extermination of the Lithuanian people, to use all its persuasive powers to force the Russian Government to withdraw its armed forces of occupation and to restore a free and independent democratic Lithuania, to speed up the ratification of the Genocide Convention, and to urge the United Nations to use its powers to stop the utter destruction of that small nation; to the Committee on Foreign Affairs.

2231. By the SPEAKER: Petition of Joseph S. Lawrence, M. D., director, American Medical Association, Washington, D. C., relative to why the American Medical Association urges adoption of House Resolution 647, opposing Reorganization Plan No. 27; to the Committee on Expenditures in the Executive Departments.

# SENATE

## THURSDAY, JUNE 29, 1950

*(Legislative day of Wednesday, June 7, 1950)*

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, amid the tensions of these terrific days we seek in Thy presence a saving experience of inner quiet and certainty. Unto our keeping Thou hast committed a national heritage luminous with freedom's glorious light. For all the glory which is America, we bless Thy name. For borders without guns, for frontiers which are swinging gates, for unity in diversity, for peace which spans a continent, and for equality which beckons all to the summit.

Strengthen in us the steadfast faith that these healing trees of human good, grown in this land of the free, may take root and blossom under all skies around this war-worn earth. Facing decisions of destiny, unite our hearts and minds, we beseech Thee, in a mighty purpose that we fail not man nor Thee. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KEFAUVER, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 28, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On June 28, 1950:

S. 2397. An act authorizing the Secretary of the Interior to convey certain lands in the State of Minnesota to Signa M. Lodoen and Nels R. Lodoen.

On June 29, 1950:

S. 1484. An act for the relief of Augustino Marlia; and

S. 3639. An act providing for an extension of the time during which annual assessment work on mining claims held by location in the United States, including Alaska, may be made, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 3258. An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia;

S. 3527. An act to amend section 14 (b) of the Federal Reserve Act, as amended;

S. 3776. An act to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended; and

H. R. 5002. An act to incorporate the Reserve Officers Association of the United States.

ENROLLED JOINT RESOLUTION SIGNED DURING RECESS

Under authority of the order of the Senate of June 28, 1950,

The VICE PRESIDENT announced that on today, June 29, 1950, he signed the enrolled joint resolution (H. J. Res. 492) making temporary appropriations for the fiscal year 1951, and for other purposes, which had previously been signed by the Speaker of the House of Representatives.

LEAVES OF ABSENCE

By unanimous consent, and on his own request, Mr. MCCARRAN was excused from attendance on the sessions of the Senate until July 12.

On request of Mr. MCFARLAND, and by unanimous consent, Mr. HILL and Mr. SPARKMAN were excused from attendance on the sessions of the Senate tomorrow and Monday of next week.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, the Committee on Expenditures in the Executive Departments, the Committee on Public Works, and a subcommittee of the Committee on Post Office and Civil Service were authorized to sit during the session of the Senate today.

CALL OF THE ROLL

Mr. KEFAUVER. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
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| Byrd | Hendrickson | Smith, N. J. |
| Cain | Hill | Taft |
| Darby | Kefauver | Thomas, Utah |
| Donnell | Langer | Williams |
| Flanders | McFarland | Withers |
| Gillette | Murray | |

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from North Carolina [Mr. GRAHAM] are absent on public business.

The Senator from Georgia [Mr. GEORGE], the Senator from Colorado [Mr. JOHNSON], the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senators from Oklahoma [Mr. KERR and Mr. THOMAS], the Senator from Louisiana [Mr. LONG], and the Senator from Idaho [Mr. TAYLOR] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. MYERS] is absent because of illness in his family.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

The Senator from Florida [Mr. PEPPER] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Michigan [Mr.

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VANDENBERG], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Idaho [Mr. DWORSHAK] is absent on official business.

The Senator from Indiana [Mr. JENNER] is absent by leave of the Senate attending the Indiana Republican State Convention.

The Senator from Wisconsin [Mr. MCCARTHY] and the Senator from Utah [Mr. WATKINS] are detained on official business.

The Senator from Kansas [Mr. SCHOEPPEL] is detained on official business attending a meeting of the Committee on Expenditures in the Executive Departments.

The Senator from New Hampshire [Mr. TOBEY] is detained on official business attending a meeting of the Committee on Banking and Currency.

The VICE PRESIDENT. A quorum is not present. The Secretary will call the names of the absent Senators.

The names of the absent Senators were called and Mr. AIKEN, Mr. BRICKER, Mr. HICKENLOOPER, Mr. HOEY, Mr. HUMPHREY, Mr. IVES, Mr. JOHNSON of Texas, Mr. KEM, Mr. KNOWLAND, Mr. LEHMAN, Mr. MILLIKIN, Mr. MUNDT, Mr. NEELY, Mrs. SMITH of Maine, and Mr. WHERRY answered to their names when called.

The VICE PRESIDENT. A quorum is not present.

Mr. CAIN. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. LUCAS, Mr. STENNIS, Mr. MORSE, Mr. ANDERSON, Mr. THYE, Mr. WILEY, Mr. HUNT, Mr. TYDINGS, Mr. HOLLAND, Mr. SPARKMAN, Mr. LEAHY, Mr. MAGNUSON, Mr. CORDON, Mr. BRIDGES, Mr. ELLENDER, Mr. MCCARRAN, Mr. FERGUSON, and Mr. RUSSELL entered the Chamber and answered to their names.

Mr. BENTON, Mr. BUTLER, Mr. CHAPMAN, Mr. CONNALLY, Mr. DOUGLAS, Mr. ECTON, Mr. FREAR, Mr. GREEN, Mr. GURNEY, Mr. HAYDEN, Mr. LODGE, Mr. MALONE, Mr. MARTIN, Mr. MCKELLAR, Mr. MCMAHON, Mr. O'MAHONEY, Mr. ROBERTSON, and Mr. SALTONSTALL also entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is present.

## EXTENSION OF RENT CONTROL IN THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended.

The VICE PRESIDENT. Under the unanimous-consent agreement, there is to be 15 minutes of debate on the conference report on the District of Columbia rent-control bill, to be divided equally between the Senator from Washington [Mr. CAIN] and the Senator from Tennessee [Mr. KEFAUVER].

The Chair recognizes the Senator from Washington.

Mr. CAIN. Mr. President, I request the yeas and nays on the question of agreeing to the conference report.

The yeas and nays were ordered.

Mr. CAIN. Mr. President, if the junior Senator from Washington believed in special privilege, he would vote this morning in favor of the District of Columbia rent control conference report.

If the Senator from Washington believed in providing himself, as a tenant in the District of Columbia, with protection which he was not willing to provide for millions of Americans residing outside of the District of Columbia, he would support the conference report.

If the Senator from Washington were in favor of keeping the District of Columbia, its Commissioners, and its citizens from having any opportunity to exercise judgment and action on local problems, he would favor the conference report.

If the Senator from Washington wanted to make certain that he would be given a future opportunity as a Member of the Congress to vote on whether or not rent controls should be continued beyond January 1951, in the District of Columbia, he would be in support of the conference report.

In a word, the conference report says that federally initiated rent controls shall continue in the District of Columbia for an extended period of 7 months, while comparable controls will continue throughout the Nation for only 6 months. The conference report makes certain that the Congress will be in session when the 7 months' period is scheduled to expire. The Congress, however, does not intend to be in session when the Federal rent-control law expires on the last day of this year. The conference report makes clear that the Commissioners of the District of Columbia will be given no right or authority or chance to consider the rent control needs of Washington, D. C., in the future, although every other American community has been granted this opportunity by the Congress of the United States. The conference report would have us believe that what is right and proper for the 48 States of our Union is wrong and improper for Washington, D. C., our Nation's Capital.

The Senator from Washington believes that the conference report ought to be rejected because he believes in providing the District of Columbia with an opportunity to judge and take action on a local question; because he believes that the rights of the citizens of Washington, D. C., are comparable to the rights possessed by other American citizens; because he disbelieves in providing Members of the Congress with rent-control protection which the Congress has thought it unnecessary to give to citizens living outside of the District of Columbia; because he believes there is simply no justification of any kind for extending federally initiated rent controls beyond the end of 1950 in the District of Columbia or anywhere else.

If the Senate really understands the issue at stake, if it believes in fair play to all, if it believes in living under the rules which it imposed upon America, the Senate will reject a conference report which recommends special privilege for a very limited segment of our society.

Mr. KEFAUVER. Mr. President, the entire argument of the opposition yesterday and today is over the Senate agreeing to the House version of the bill as to the extension of rent control in the District of Columbia after December 31. The reason why the conference unanimously agreed to the House version of the bill is, of course, that if rent control expired on December 31, as it does in the rest of the Nation, Congress would not be in session at that time to appropriate money for the carrying on of rent control in the event the Commissioners of the District of Columbia decided it should be extended for 6 months. Furthermore, in this respect Congress sits as the governing body, the city council, and it is Congress, not the District Commissioners, which should extend rent control if it is to be extended.

I should like to call attention to the fact, Mr. President, that in all the Rent Control Acts which have been passed for the Nation and for the District of Columbia, rent control in the District of Columbia has always extended 1 month longer than the time set for the Nation generally, for the simple reason that Congress had to be in session for at least a month in order to provide appropriations and to grant extension.

Mr. President, the action which is proposed by the conference report is not in conflict with the general Federal law. The local governing bodies of cities have a right to extend rent control for 1 month after December 31. What the governing body of the District of Columbia is doing through this conference report is deciding that for at least a period of 1 month rent control should be extended beyond December 31 in the District of Columbia. If rent control were extended for only 6 months and the District of Columbia Commissioners failed to extend it for six more months, Congress would not be in session, so that there would be a hiatus during which the rent-control organization of the District would not be able to function.

Furthermore, Mr. President, the rent administrator for the District of Columbia, Mr. Cogswell, feels that the delegation of authority in this respect to the District of Columbia Commissioners would provide the basis for a lawsuit. A lawsuit has been threatened. He cites the case of Neild against District of Columbia as the basis for possible litigation. Frankness compels me to state that I do not think there is any basis for a successful lawsuit, because if standards are established with this delegation of authority I think it would meet the constitutional test. But that question has been raised.

The agreement which has been worked out with the House conferees is the best that we could do. If the conference report is not accepted, there will be no further chance, I am afraid, of securing an extension of the rent-control law for the District, and one is badly needed. All the evidence shows that at least for a period of 6 months or 7 months further rent control is needed for the District of Columbia.

There are certain construction projects now nearing completion which we hope will change the situation; and Mr. Cogswell hopes that at the end of 7 months we shall not need a further extension. But I feel it is a matter which must be passed on eventually by Congress, because unless an appropriation is granted, even if the power were left with the Commissioners, there could be no effective rent control. So I should think the junior Senator from Washington [Mr. CAIN] would be glad of the decision of the conferees to leave the full determination to the governing body of the District of Columbia, which is the Congress of the United States.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KEFAUVER. Mr. President, how much time do I have remaining?

The VICE PRESIDENT. The Chair cannot recognize any Senator in his own right.

Mr. FERGUSON. Mr. President, will the Senator yield 2 minutes?

The VICE PRESIDENT. The Senator from Tennessee has 2½ minutes.

Mr. KEFAUVER. I yield the Senator from Michigan 1½ minutes.

Mr. FERGUSON. Mr. President, I shall be compelled to vote against rent-control extension as provided in the conference report. I went along with rent control when the country was at war and needed such regulation, but I am of the opinion that it has become purely a political matter which involves votes, and therefore it is a matter of the confiscation of property, not only in the District of Columbia, but in other places. I voted against the extension of rent control for other cities and other States, and I am compelled to vote against it for the District of Columbia because, as I have said, I believe it has become purely a political matter. For that reason I am compelled to vote against the conference report.

The VICE PRESIDENT. The Senator from Tennessee has 1 minute remaining.

Mr. KEFAUVER. I have received no further requests for time.

The VICE PRESIDENT. Does the Senator from Washington wish to use any more of his time? He has 3 minutes.

Mr. CAIN. There is but one thing I should like to add, Mr. President. The Senator from Tennessee stated that Mr. Cogswell, the District of Columbia Rent Control Administrator, suggested the likelihood of a lawsuit resulting from the adoption by the Senate of the proposal to delegate authority to the Commissioners of the District of Columbia.

I have been advised by, I think, proper authority that the delegation of authority to the Commissioners is perfectly legal. That authority is and has been the Corporation Counsel of the District of Columbia for a period of some years. He is Vernon E. West. He has said, in substance, that if the Congress of the United States wishes to provide the same kind of machinery for the District of Columbia which it has provided for every other American municipality, he knows of no reason why such action would be illegal.

The VICE PRESIDENT. All time for debate has expired. The question is on agreeing to the conference report. The yeas and nays having been ordered, the Secretary will call the roll. Those who favor the conference report will vote "yea," those who oppose it will vote "nay."

The legislative clerk called the roll.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from North Carolina [Mr. GRAHAM] are absent on public business.

The Senator from Arkansas [Mr. FULBRIGHT] is detained on official committee business.

The Senator from Georgia [Mr. GEORGE], the Senator from Colorado [Mr. JOHNSON], the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senators from Oklahoma [Mr. KERR and Mr. THOMAS], the Senator from Louisiana [Mr. LONG], and the Senator from Idaho [Mr. TAYLOR] are absent by leave of the Senate.

The Senator from Arkansas [Mr. MCCLELLAN] is detained on official committee business, conducting hearings on Reorganization Plan No. 22.

The Senator from Pennsylvania [Mr. MYERS] is absent because of illness in his family.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

The Senator from Florida [Mr. PEPPER] is necessarily absent.

The Senator from Arkansas [Mr. MCCLELLAN] is paired on this vote with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from Arkansas would vote "yea," and the Senator from Kansas would vote "nay."

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. GRAHAM], the Senator from Georgia [Mr. GEORGE], the Senator from West Virginia [Mr. KILGORE], the Senator from South Carolina [Mr. MAYBANK], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Florida [Mr. PEPPER] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Idaho [Mr. DWORSHAK] is absent on official business.

The Senator from Indiana [Mr. JENNER] is absent by leave of the Senate attending the Indiana Republican State Convention.

The Senator from Wisconsin [Mr. MCCARTHY] and the Senator from Utah [Mr. WATKINS] are detained on official business.

The Senator from Kansas [Mr. SCHOEPPEL] is detained on official business attending a meeting of the Committee on Expenditures in the Executive Departments, and is paired with the Senator from Arkansas [Mr. MCCLELLAN]. If present and voting, the Senator from Kansas would vote "nay," and the Senator from Arkansas would vote "yea."

The Senator from New Hampshire [Mr. TOBEY] is detained on official business attending a meeting of the Committee on Banking and Currency.

The result was announced—yeas 45, nays 23, as follows:

YEAS—45

| | | |
|---|---|---|
| Aiken | Hoey | Magnuson |
| Anderson | Holland | Murray |
| Benton | Humphrey | Neely |
| Chapman | Hunt | O'Mahoney |
| Connally | Ives | Russell |
| Darby | Johnson, Tex. | Saltonstall |
| Donnell | Kefauver | Smith, Maine |
| Douglas | Leahy | Smith, N. J. |
| Ellender | Lehman | Sparkman |
| Flanders | Lodge | Stennis |
| Gillette | Lucas | Thomas, Utah |
| Green | McCarran | Thye |
| Hayden | McFarland | Tydings |
| Hendrickson | McKellar | Wiley |
| Hill | McMahon | Withers |

NAYS—23

| | | |
|---|---|---|
| Bricker | Frear | Millikin |
| Bridges | Gurney | Morse |
| Butler | Hickenlooper | Mundt |
| Byrd | Kem | Robertson |
| Cain | Knowland | Taft |
| Cordon | Langer | Wherry |
| Ecton | Malone | Williams |
| Ferguson | Martin | |

NOT VOTING—28

| | | |
|---|---|---|
| Brewster | Johnson, Colo. | Pepper |
| Capehart | Johnston, S. C. | Schoeppel |
| Chavez | Kerr | Taylor |
| Downey | Kilgore | Thomas, Okla. |
| Dworshak | Long | Tobey |
| Eastland | McCarthy | Vandenberg |
| Fulbright | McClellan | Watkins |
| George | Maybank | Young |
| Graham | Myers | |
| Jenner | O'Conor | |

So the report was agreed to.

Mr. NEELY. Mr. President, I move to reconsider the vote by which the report was agreed to.

Mr. KEFAUVER. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

## TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

### EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letter, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, MILITARY ASSISTANCE TO FOREIGN NATIONS (S. Doc. No. 194)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1951, involving an increase of $1,178,023,729, to provide military assistance to foreign nations, in the form of an amendment to the budget (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

LAWS ENACTED BY MUNICIPAL COUNCILS OF ST. THOMAS AND ST. JOHN AND ST. CROIX, V. I.

A letter from the Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Municipal Councils of St. Thomas and St. John and St. Croix, V. I. (with accompanying papers); to the Committee on Interior and Insular Affairs.

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## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Appropriations:

"Resolutions memorializing Congress to include in the river and harbor bill the necessary funds to dredge Wellfleet Harbor

"Whereas the gradual filling in of Wellfleet Harbor has been and is detrimental to the town of Wellfleet and particularly to the fishermen of said town; and

"Whereas the dredging of Wellfleet Harbor would greatly benefit the fishermen and bring additional revenue to the merchants of the town from sports fishermen and visiting yachts; and

"Whereas the dredging of the harbor would increase the returns of the fishing industry, which is important to the economy of the Commonwealth; and

"Whereas Wellfleet Harbor is a natural harbor of refuge for vessels in distress in the surrounding waters; and

"Whereas a dredging project of said harbor was approved by the Army engineers in 1939 and by the General Court of Massachusetts in 1941; and

"Whereas the town of Wellfleet has appropriated and set aside its share of the necessary funds; and

"Whereas with each year that passes the cost of said project has increased because of the continual filling in of the harbor and consequent increase in dredging cost; and

"Whereas the town of Wellfleet relies mainly upon the fishing industry and summer trade for its existence; and

"Whereas the river and harbor bill is now under consideration by Congress: Now, therefore, be it

"*Resolved*, That the General Court of Massachusetts urges the Congress of the United States to forthwith appropriate the funds necessary for the dredging of a channel and mooring basin in the harbor of Wellfleet; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith to the President of the United States, to the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth.

"In house of representatives, adopted, June 15, 1950.

"LAWRENCE R. GROVE,
"*Clerk.*

"In senate, adopted, in concurrence, June 20, 1950.

"IRVING N. HAYDEN,
"*Clerk.*"

Resolutions of the General Court of the Commonwealth of Massachusetts, relating to the stockpiling of worsted fabrics instead of raw wool; to the Committee on Finance.

(See text of resolutions printed in full when presented by Mr. LODGE (for himself and Mr. SALTONSTALL) on June 28, 1950, p. 9307, CONGRESSIONAL RECORD.)

Resolutions of the General Court of the Commonwealth of Massachusetts, relating to tariff reductions on imports of shoe and textile goods; to the Committee on Finance.

(See resolutions printed in full when presented by Mr. LODGE (for himself and Mr. SALTONSTALL) on June 28, 1950, p. 9307, CONGRESSIONAL RECORD.)

A resolution adopted by the Fifth Congressional District Townsend Clubs, at St. Cloud, Fla., favoring the enactment of the so-called Townsend plan, providing old-age assistance; to the Committee on Finance.

A petition signed by Dr. Aram A. Krajian Sc. D., and sundry other members of the International Armenian Welfare Commission, of Fresno, Calif., relating to certain claims of Armenian-Americans against the Turkish Government; to the Committee on Foreign Relations.

A radiogram in the nature of a petition from the Korean Nationalist Party, Honolulu, T. H., signed by Youngkee Kim, president, expressing gratitude for the prompt military aid to save democracy in Korea; to the Committee on Foreign Relations.

A telegram in the nature of a petition from the Veterans of Foreign Wars, Department of California, Santa Monica, Calif., signed by William J. Harry, commander, relating to military assistance to South Korea, and so forth; to the Committee on Foreign Relations.

The petition of Oda B. Thompson, of Collingdale, Pa., relating to her claim against the United States for damages; to the Committee on the Judiciary.

A resolution adopted by the Campbell Parent-Teacher Association of Ironton, Ohio, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

The memorial of Rafael Perez-Marchand and Rafael Arjona-Siaca, of San Juan, P. R., remonstrating against the enactment of Senate bill 3336, to provide for the organization of a constitutional government by the people of Puerto Rico; to the Committee on Interior and Insular Affairs.

A telegram in the nature of a petition from the National Association of Waste Material Dealers, Inc., New York, N. Y., signed by Clinton M. White, managing director, praying for the continuation of the suspension of the import tax of 2 cents per pound on copper; ordered to lie on the table.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

S. Res. 276. Resolution expressing praise of the services of the late Ambassador to Canada, Hon. Laurence A. Steinhardt; without amendment (Rept. No. 1926).

By Mr. FREAR, from the Committee on the District of Columbia:

H. R. 2887. A bill to amend the Architects' Registration Act for the District of Columbia in order to safeguard life, health, and property, and to promote the public welfare; with amendments (Rept. No. 1927).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 49. A bill to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States; with amendments (Rept. No. 1928); and

H. R. 331. A bill to provide for the admission of Alaska into the Union; with amendments (Rept. No. 1929).

## PRINTING OF ADDITIONAL COPIES OF HEARINGS ON S. 1832, TO AMEND IMMIGRATION ACT

Mr. HAYDEN. Mr. President, there are several measures which I have been instructed to report favorably from the Committee on Rules and Administration, and I should like to ask unanimous consent to have them considered and disposed of at this time.

The VICE PRESIDENT. If the Senator will send the resolutions to the desk, they may be stated.

Mr. HAYDEN. First, Mr. President, I report favorably from the Committee on Rules and Administration Senate Concurrent Resolution 96, submitted by the Senator from Nevada [Mr. MCCARRAN] on June 13, 1950, and I ask for its present consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the concurrent resolution (S. Con. Res. 96) was read, considered, and agreed to, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That there be printed 5,000 additional copies of the hearings conducted before a subcommittee of the Senate Committee on the Judiciary on S. 1832, Eighty-first Congress, first session, to amend the Immigration Act of October 16, 1918, as amended. Such additional copies shall be for the use of the Senate Committee on the Judiciary.

## INVESTIGATION OF DISLOYALTY IN STATE DEPARTMENT—INCREASE IN LIMITATION OF EXPENDITURES

Mr. HAYDEN. Mr. President, I report favorably from the Committee on Rules and Administration, Senate Resolution 303, submitted by the Senator from Maryland [Mr. TYDINGS] on June 27, 1950, and I ask for its present consideration.

There being no objection, the resolution (S. Res. 303) was read, considered and agreed to, as follows:

*Resolved*, That the limit of expenditure contained in Senate Resolution 237, agreed to March 15, 1950 (relating to a study and investigation by the Committee on Foreign Relations as to whether persons who are disloyal to the United States are or have been employed by the Department of State), hereby is increased from $25,000 to $35,000.

## INCREASED EXPENDITURES BY COMMITTEE ON APPROPRIATIONS

Mr. HAYDEN. Mr. President, I report favorably from the Committee on Rules and Administration Senate Resolution 293, reported by the Senator from Tennessee [Mr. MCKELLAR] from the Committee on Appropriations on June 8, 1950, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the resolution (S. Res. 293) was read, considered, and agreed to, as follows:

*Resolved*, That the Committee on Appropriations hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-first Congress, $10,000 in addition to the amounts, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946, Senate Resolution No. 126, agreed to June 22, 1949, and Senate Resolution No. 185, agreed to October 13, 1949.

## EXPENDITURES BY JOINT COMMITTEE ON FOREIGN ECONOMIC COOPERATION

Mr. HAYDEN. Mr. President, I report favorably from the Committee on Rules and Administration, Senate Resolution 298, reported from the Committee on Appropriations by the Senator from Nevada [Mr. MCCARRAN] on June 15, 1950, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection?

Mr. LUCAS. Mr. President, is the money the resolution seeks to have appropriated out of the contingent fund of the Senate for the work of the so-called "watchdog committee"?

Mr. HAYDEN. It is.

Mr. LUCAS. Is that a joint committee of the House and the Senate?

Mr. HAYDEN. It was so created by the act extending the European recovery program for another year, which included provision for a joint committee.

Mr. LUCAS. What right have we to appropriate money out of the contingent fund of the Senate for action by a joint committee of the House and the Senate?

Mr. HAYDEN. We did it once before, when the "watchdog committee" was originally created. It was then included in the appropriation for the European recovery program, but last year in conference the House would not agree to an extension for more than 1 year. Therefore, if the work is to be carried on, it must be taken care of out of the contingent fund of the Senate.

Mr. LUCAS. Mr. President, it does seem to me that where there is a joint commitee of the House and the Senate, and we furnish all the money on the Senate side, there is something radically wrong about a committee of that kind. I do not understand why the House does not join in and pay its share of the expenses of the committee.

Mr. HAYDEN. That they have declined to do, and what is proposed is the only way to accomplish the results desired if the committee is to be continued as authorized by law.

Mr. LUCAS. Mr. President, I am not going to object, but I think it is very poor business if the Senate of the United States has to take out of its contingent fund money to pay the expenses of a joint committee composed of Members of the House and the Senate. It seems to me that the committee in charge of this matter is going a long way when it reports a resolution such as this unanimously, without at least considering the money that is in the contingent fund, which is supposed to be appropriated for Senate purposes. If we are to continue to do things of this kind, to pay all the expenses of a joint committee out of the contingent fund of the Senate, what is the limit to be?

Mr. HAYDEN. The way to have avoided this would have been not to provide in the original legislation reported by the Committee on Foreign Relations and passed by the Senate, authorizing the extension of the European recovery program for another year, the authority for this joint committee. If the House does not want it and the Senate does, the Senate has to pay the bill.

Mr. LUCAS. Do I correctly understand that the Members of the House are participating in this joint committee so far as the work is concerned?

Mr. HAYDEN. They have a perfect right to. How much they participate, or do not, I do not know; I am not a member of the committee. The chairman of the Commitee on Foreign Relations informs me, aside, that they have been participating.

Mr. LUCAS. Very well, but I think the Senate is making a very bad mistake in proceeding along this line, from a business standpoint, and having consideration of the contingent fund of the Senate. The Contingent Fund is provided to take care of expenditures having to do with Senate work, and not expenditures of the House of Representatives. Yet now the Committee on Rules and Administration reports unanimously a resolution providing for $130,000, to be taken out of the Contingent Fund for the purpose of having the House of Representatives help make an investigation with respect to what is going on in Europe. To me it seems ridiculous.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 298) was considered and agreed to, as follows:

*Resolved*, That the Joint Committee on Foreign Economic Cooperation is authorized to expend from the contingent fund of the Senate, during the fiscal year ending June 30, 1951, $130,000 for the purposes specified in section 124 of Public Law 472, Eightieth Congress, as amended.

## REPORT OF PERSONNEL AND FUNDS BY COMMITTEE ON ARMED SERVICES

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following report was received by the Secretary of the Senate:

JUNE 30, 1950.

REPORT OF COMMITTEE ON ARMED SERVICES

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 2, 1950, to June 30, 1950, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| J. Nelson Tribby, chief clerk | $10,846.00 | $5,423.00 |
| Justice M. Chambers, staff adviser | 10,846.00 | 5,423.00 |
| Mark H. Galusha, staff adviser | 10,846.00 | 5,423.00 |
| Verne D. Mudge, staff adviser | 10,846.00 | 5,423.00 |
| Herbert S. Atkinson, assistant chief clerk | 7,109.06 | 3,554.53 |
| Georgia P. Earle, clerical assistant | 4,154.38 | 2,077.19 |
| Irene P. Gray, clerical assistant | 4,154.38 | 2,077.19 |
| Roberta Van Beek, clerical assistant | 4,154.38 | 2,077.19 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure: 81st Cong | $10,000.00 |
| Amount expended, Jan. 1, 1949, to June 30, 1949 | 8,290.20 |
| Balance unexpended, July 1, 1949 | 1,709.80 |
| Funds authorized by S. Res. 149, Aug. 11, 1949 | 10,000.00 |
| Total | 11,709.80 |
| Amount expended, July 1 to Dec. 31, 1949 | 5,406.43 |
| Balance unexpended, Dec. 31, 1949 | 6,303.37 |
| Amount expended Jan. 1 to June 30, 1950 | 2,180.33 |
| Balance unexpended July 1, 1950 | 4,123.04 |

MILLARD E. TYDINGS,
*Chairman.*

## ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 29, 1950, he presented to the President of the United States the following enrolled bills:

S. 3258. An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia;

S. 3527. An act to amend section 14 (b) of the Federal Reserve Act, as amended; and

S. 3776. An act to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCARRAN:

S. 3844. A bill to amend the act of March 12, 1914, to authorize the construction and operation of a cement plant in the Territory of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TYDINGS:

S. 3845. A bill to provide that personnel of the Reserve components of the Army of the United States and the Air Force of the United States shall have common Federal appointments or enlistments as Reserves in their respective services, to equalize disability benefits applicable to such personnel, and for other purposes; and

S. 3846. A bill to provide for a Reserve Officers' Training Corps, and for other purposes; to the Committee on Armed Services.

By Mr. BENTON:

S. 3847. A bill for the relief of Olindo Balboni, his wife and son; to the Committee on the Judiciary.

By Mr. BUTLER:

S. 3848. A bill to authorize the sale of inherited interests in the allotment of James Buchanan, deceased Winnebago allottee; to the Committee on Interior and Insular Affairs.

By Mr. HOLLAND:

S. 3849. A bill to provide for the transfer or quitclaim of title to certain lands in Florida; to the Committee on Interior and Insular Affairs.

By Mr. McCLELLAN (for himself, Mr. EASTLAND, Mr. HOEY, Mr. O'CONOR, Mr. HUMPHREY, Mr. LEAHY, Mr. BENTON, Mr. IVES, Mr. MUNDT, Mrs. SMITH of Maine, and Mr. SCHOEPPEL):

S. 3850. A bill to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. SCHOEPPEL:

S. 3851. A bill for the relief of Karl and Ada Chimani; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 3852. A bill to amend section 503 (b) of the Federal Food, Drug, and Cosmetic Act; to the Committee on Labor and Public Welfare.

## REDUCTION OF EXCISE TAXES—AMENDMENTS

Mr. McCARRAN submitted amendments intended to be proposed by him to the bill (H. R. 8920) to reduce excise taxes, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

## AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT—AMENDMENT

Mr. ELLENDER. Mr. President, I submit an amendment intended to be proposed by me to the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949, at the end of the bill, to add a new section, as follows:

SEC. 13. Section 405 of such act is amended by adding at the end thereof a new subsection as follows:

"(e) The President shall also terminate the assistance authorized to be furnished to any country under this act whenever he determines that the rate of expenditures by such country from its own funds for defense and military purposes is less than the rate at which such expenditures were made by such country during that one of the fiscal

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years 1948, 1949, and 1950 in which such expenditures by such country were at the highest rate."

The purpose of the amendment, Mr. President, is to make certain that each country we propose to assist will spend as much for defense and military purposes in the future as the highest amount spent in either of the fiscal years 1948, 1949, and 1950.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 494) to extend for 2 months the existing suspension of certain import taxes on copper, was read twice by its title and referred to the Committee on Finance.

INVESTIGATION OF CAUSE OF INCREASING UNEMPLOYMENT IN CERTAIN INDUSTRIES—EXTENSION OF TIME TO MAKE REPORT

Mr. NEELY. Mr. President, I ask unanimous consent that the time granted the Committee on Labor and Public Welfare to report the results of its investigation under Senate Resolution 274, to investigate the cause of increasing unemployment in certain industries, be extended from July 5 to July 15. This request is made in behalf of both the Senator from Utah [Mr. THOMAS] and the Senator from Ohio [Mr. TAFT], the other two members of the subcommittee.

The VICE PRESIDENT. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

MESSAGE OF GREETING FROM THE PRESIDENT TO SIXTH ANNUAL DINNER MEETING OF THE LIBERAL PARTY OF NEW YORK

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a message of greeting to the Sixth Annual Dinner meeting of the Liberal Party of New York, held on June 14, 1950, which appears in the Appendix.]

"BUZZ-SAW BILL" BENTON, IDEA MAN—ARTICLE FROM WATERBURY SUNDAY REPUBLICAN

[Mr. McMAHON asked and obtained leave to have printed in the RECORD a sketch of the career of Senator BENTON contained in an article entitled "'Buzz-Saw Bill' BENTON, Idea Man," published in the Waterbury (Conn.) Sunday Republican of June 25, 1950, which appears in the Appendix.]

SOLICITOR GENERAL PHILIP B. PERLMAN—STATEMENT BY THE ATTORNEY GENERAL AND ARTICLE FROM THE BALTIMORE SUN

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD a statement by the Attorney General on the record of Solicitor General Philip H. Perlman before the United States Supreme Court and an article on the same subject published in the Baltimore Sun of Monday, June 26, 1950, which appear in the Appendix]

UNITED WE STAND—EDITORIAL FROM THE WASHINGTON DAILY NEWS

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an article entitled "United We Stand," published in the Washington Daily News of June 28, 1950, which appears in the Appendix.]

AN APPEAL FOR ACTION ON THE ST. LAWRENCE SEAWAY PROPOSAL

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement prepared by him on the subject of the current international crisis and the necessity for the construction of the St. Lawrence seaway, together with statements of communications from a number of farm organizations, which appear in the Appendix.]

MIDWEST DAIRY SQUEEZE—ARTICLE BY ALFRED D. STEDMAN

[Mr. THYE asked and obtained leave to have printed in the RECORD an article entitled "United States Report Confirms Midwest Dairy Squeeze," written by Alfred D. Stedman and published in the St. Paul (Minn.) Pioneer Press of June 27, 1950, which appears in the Appendix.]

SOKOL DAY—PROCLAMATION OF MAYOR WILLIAM O'DWYER

Mr. LEHMAN. Mr. President, Mayor William O'Dwyer, of the city of New York, has proclaimed the day of July 2 Sokol Day in honor of the Sokol organization and its twelfth convocation to be held in New York on that date. The Sokol organization comprises Americans of Czechoslovak descent. It is a fine organization of high and patriotic purpose. I am glad to be able to request the unanimous consent of the Senate to insert the text of the proclamation of Mayor O'Dwyer in the body of the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

CITY OF NEW YORK,
OFFICE OF THE MAYOR,
*New York, N. Y.*

PROCLAMATION

Whereas among the many races and nations that have contributed to the prosperity and glory of the United States are those who have come to our shores from Czechoslovakia; and

Whereas the character of these people and their love of liberty were molded largely by the Sokol organization, which has played so large a part in their lives; and

Whereas the Sokols in Czechoslovakia struggled against Nazi tyranny and when World War II was over again set forth to rebuild democracy in their land, only to be stopped by the Communist coup which overtook their nation; and

Whereas many Sokol members in Czechoslovakia have been killed or imprisoned because of their love for America and democracy:

Now, therefore, I, William O'Dwyer, Mayor of the City of New York, do hereby proclaim July 2, 1950, as Sokol Day in New York City, and call the attention of all our citizens to the great sacrifices in the name of human freedom and dignity that have been made by members of this fine organization both here and in their native land.

In witness whereof I have hereunto set my hand and caused the seal of the city of New York to be affixed this 13th day of June 1950.

WILLIAM O'DWYER, *Mayor.*
By WILLIAM J. DONAGHUE,
*Executive Secretary to the Mayor.*

NURSERIES AND NURSERY SCHOOLS IN THE DISTRICT—CONFERENCE REPORT

Mr. HUNT. Mr. President, I submit a conference report on the bill (S. 3258) to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3258) to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 2 of the Act entitled 'An Act to authorize and direct the Board of Public Welfare of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes', approved July 16, 1946, as amended, is amended by striking out 'until June 30, 1950, and no longer' and inserting in lieu thereof 'until June 30, 1953, and no longer'.

"SEC. 2. Section 3 of such Act is amended to read as follows:

"'SEC. 3. The Board is authorized to make and enforce rules and regulations governing admission to and use and enjoyment of said nurseries and nursery schools, including the fixing of fees to be charged parents for care and maintenance therein of their children; which fees shall, as near as practicable, equal the expenditures of the District of Columbia for personal services, labor, food, and supplies in the operation and maintenance of such nurseries and nursery schools or to enter into contracts with any private or public agency or agencies for such care and maintenance: *Provided*, That the Board may, in cases where parents are unable to pay for such care waive all or part of such fees. All fees collected under the provisions of this Act shall be paid to the Collector of Taxes of the District of Columbia and deposited into the Treasury of the United States to the credit of an account to be known as "Miscellaneous trust-fund deposits, District of Columbia—Day Care Nurseries," said fund to be available, in addition to appropriations made pursuant to section 4 of this Act, for expenditure for the purposes of this Act: *Provided further*, That such fund shall be audited and disbursed in the same manner as other trust funds are audited and disbursed by the District of Columbia: *And provided further*, That any balance remaining in such trust-fund account after June 30, 1953, shall be covered into the Treasury to the credit of miscellaneous receipts of the District of Columbia.'

"SEC. 3. Section 4 of such Act is amended to read as follows:

"'SEC. 4. There is authorized to be appropriated for the fiscal year ending June 30, 1951, and for each of the two succeeding fiscal years, out of any moneys in the Treasury of the United States to the credit of the District of Columbia not otherwise appropriated, not exceeding $100,000 to carry out the purposes of this Act.'

"SEC. 4. Section 2 of this Act shall take effect upon enactment."

And the House agree to the same.

LESTER C. HUNT,
ESTES KEFAUVER,
MARGARET CHASE SMITH,
*Managers on the Part of the Senate.*

JOHN L. McMILLAN,
W. K. GRANGER,
*Managers on the Part of the House.*

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. WHERRY. Mr. President, so that all rights may be protected, will the Senator from Wyoming say what this report is all about? There is much confusion in the Senate Chamber.

The VICE PRESIDENT. The Senate will be in order. Does the Senator from Nebraska reserve the right to object?

Mr. WHERRY. No; but I have not heard what the request was, and I did not want the report to be agreed to without a statement from the distinguished Senator from Wyoming telling us what it provides.

The VICE PRESIDENT. The conference report on Senate bill 3258 is before the Senate. The Senator from Wyoming is recognized.

Mr. HUNT. Mr. President, on the 30th of June the present law with reference to children's day nurseries in the District of Columbia will expire. The conference committee report is unanimous. The two Houses were is disagreement on only one feature. The Senate bill provided for a permanent day-nursery program, the House bill provided for a 1-year nursery program. The compromise was for a 3-year program.

Mr. WHERRY. Mr. President, I appreciate the distinguished Senator's statement. There is no objection, and I ask for a vote.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

## AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT OF 1949

The Senate resumed the consideration of the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949.

The VICE PRESIDENT. The pending question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

Mr. LUCAS. Mr. President, I move that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration, in executive session, of the nomination of Hon. Willis W. Ritter, of Utah, to be United States district judge for the district of Utah.

Mr. WHERRY. Mr. President——

The VICE PRESIDENT. Does not the Senator from Illinois desire to move that the Senate proceed to the consideration of executive business?

Mr. LUCAS. Yes.

The VICE PRESIDENT. The Senator from Illinois does not have to move to lay aside the unfinished business.

Mr. TAFT. Mr. President, I wonder if the Senator would withhold his motion. I have an amendment, which is pending, to Senate bill 3809, and I desire to propose a substitute for it which I think is satisfactory to the chairman of the committee. We might have that acted on.

Mr. LUCAS. I withhold that motion.

Mr. TAFT. I withdraw the amendment which was offered, and I offer the other amendment as a substitute for it.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 10, line 1, after the period it is proposed to insert the following new sentence:

The fair value shall not be less for the various categories of equipment or materials than the "value" as defined in subsection (c) of section 403: *Provided*, That with respect to excess equipment or materials the fair value may not be determined to be less than the value specified in paragraph 1 of that subsection plus (a) 10 percent of the original gross cost of such equipment or materials; (b) the scrap value; or (c) the market value, if ascertainable, whichever is the greater.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

The amendment was agreed to.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 3527) to amend section 14 (b) of the Federal Reserve Act, as amended.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (E. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944).

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3258) to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 5002) to incorporate the Reserve Officers Association of the United States.

## EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I renew the motion I made a moment ago, that the Senate proceed to the consideration of executive business for the consideration of the nomination of Hon. Willis W. Ritter, of Utah, to be United States district judge for the district of Utah.

The VICE PRESIDENT. The question in on agreeing to the motion of the Senator from Illinois.

Mr. WHERRY. Mr. President, that motion is debatable; is it not?

The VICE PRESIDENT. It is.

Mr. WHERRY. I wish to advise the distinguished majority leader that the only Senator I know who is interested in the nomination is the Senator from Utah [Mr. WATKINS]. He is now at the Pentagon Building attempting to secure some information on a military matter. We shall do our best to get the Senator here. In order to protect him I believe it will be necessary to have a quorum call. I wonder if the Senator from Illinois is willing to withhold the motion for a few minutes until the Senator from Utah returns to the floor. I do not have any explanation to make or any defense to offer so far as the Senator from Utah is concerned, because the majority leader did say he would take up the nomination in question some time this afternoon. I imagine, however, the distinguished Senator from Utah felt the nomination would be taken up later in the afternoon, at the hour when an executive session is generally held. I do not object to making the nomination the pending business, but I should like very much to have the Senator from Utah present when the nomination is considered, so he may present his case in respect to it.

The VICE PRESIDENT. The motion to go into executive session is not debatable. The Chair was mistaken when, a moment ago, he said it is debatable.

Mr. WHERRY. So long as the majority leader has moved that the Senate proceed to consider executive business I wonder if he has any objection to taking up the treaties on the calendar. If that were done it would give us a little more time to get the Senator from Utah here.

I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hickenlooper | Millikin |
| Anderson | Hill | Morse |
| Benton | Hoey | Mundt |
| Bricker | Holland | Murray |
| Bridges | Humphrey | Neely |
| Butler | Hunt | O'Mahoney |
| Byrd | Ives | Robertson |
| Cain | Johnson, Tex. | Russell |
| Chapman | Kefauver | Saltonstall |
| Connally | Kem | Schoeppel |
| Cordon | Knowland | Smith, Maine |
| Darby | Langer | Smith, N. J. |
| Donnell | Leahy | Sparkman |
| Douglas | Lehman | Stennis |
| Ecton | Lodge | Taft |
| Ellender | Lucas | Thomas, Utah |
| Ferguson | McCarran | Thye |
| Flanders | McCarthy | Tobey |
| Frear | McClellan | Tydings |
| Fulbright | McFarland | Watkins |
| Gillette | McKellar | Wherry |
| Green | McMahon | Wiley |
| Gurney | Magnuson | Williams |
| Hayden | Malone | Withers |
| Hendrickson | Martin | |

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the motion of the Senator from Illinois that the Senate proceed to consider executive business.

That motion is not debatable.

Mr. DONNELL and Mr. HUMPHREY addressed the Chair.

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. DONNELL. Mr. President, is debate precluded?

The VICE PRESIDENT. Debate is precluded on the motion to proceed to the consideration of executive business.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. DONNELL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DONNELL. May I request unanimous consent to present certain matters with reference to the railroad strike and the importance of the early enactment of Senate bill 3463?

Mr. LUCAS. Mr. President, after the motion to proceed to the consideration of executive business is agreed to, other matters are debatable, and then the Senator may proceed with his remarks.

The VICE PRESIDENT. However, the motion to proceed to consider executive business is not debatable. After the Senate proceeds to the consideration of executive business, motions may be made and are debatable.

The question is on agreeing to the motion of the Senator from Illinois that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

THE RAILROAD STRIKE

Mr. DONNELL. Mr. President——

The VICE PRESIDENT. The Senator from Missouri.

Mr. DONNELL. Mr. President, on yesterday I called the attention of the Senate to the importance of early enactment of the bill (S. 3463). This bill it will be recalled, makes unlawful any strike or any lock-out arising out of or in connection with a dispute falling within the purview of the Railway Labor Act.

I called attention particularly yesterday in a portion of my remarks to the very critical situation arising at this particular moment in our Nation's history by reason of the fact that iron ore shipments are being impeded because of the fact that the Great Northern Railway is among the lines of railroads which are being struck in the presently existing strike.

In the Washington Post of yesterday there was printed an article which was inserted in the RECORD, the headline of which is "Great Northern Railroad Service Curtailed," and in the course of that article appeared these sentences:

The switchmen's strike, which began Sunday, forced the Great Northern today to cancel all service on 12 branch lines.

Great Northern spokesmen said pickets and the reluctance of nonstrikers to cross their lines made it difficult to maintain even limited service, although main-line passenger trains and some freights still were operating.

SUPERVISORS LOAD ORE

Supervisory employees took over the job of loading ore boats at the Great Northern's huge docks at Superior, Wis., but the movement of iron ore from Minnesota's Mesabi range was running far behind schedule.

Mr. President, this morning's Baltimore Sun contains an article from the Associated Press, being a dispatch from Chicago under date of June 28, which gives us no hope, so far as I see, with respect to an early solution of the strike difficulties, involving, among other things, the critical situation with respect to iron ore. The article reads:

RAIL STRIKE TALKS FAIL—MAKES 47,100 WORKERS IDLE, INCLUDING 5,000 MINERS

CHICAGO, June 28.—Government mediators held another round of conferences today but reported no progress toward ending the railroad strike.

"We're still passing the ball around the infield," remarked Leverett Edwards, a member of the National Railway Mediation Board.

Some 4,000 A. F. of L. switchmen struck Sunday against five western and midwestern lines. Three other rail unions have threatened a Nation-wide rail strike after July 15.

The four unions are protesting a Presidential fact-finding board recommendation turning down the demands of 79,000 ground workers for a 40-hour workweek at 48 hours' pay. The Board, in its June 15 ruling, granted a 40-hour week, but at a pay increase of only 18 cents an hour.

The rail strike has made at least 47,100 workers idle, including 41,000 railroad employees, 5,000 Utah coal miners and 1,100 Utah smelter workers.

The Chicago, Rock Island & Pacific has laid off 21,000; the Denver & Rio Grande Western, 8,500; the Western Pacific, 4,500; the Chicago Great Western, 3,500; and the Great Northern, 3,500.

The Great Northern is the only one of the five strike-bound railroads to continue operations. It has laid off 3,500 seasonal track workers and plans to lay off 2,260 shop workers tomorrow. It said that if the strike continues to Friday—

Mr. President, that is tomorrow—

if the strike continues to Friday, it will have laid off 23,000 of its 28,000 employees.

Mr. President, this morning an important hearing has been in progress before a subcommittee of the Committee on Labor and Public Welfare of the Senate with respect to the bill, S. 3463. In the course of the testimony adduced today was a statement by Mr. D. P. Loomis, who occupies an important official position with respect to the western railways, and who is probably as well informed upon the subject as any other man connected with the railway industry, at least from the standpoint of the carriers. He informed the subcommittee this morning that in his judgment, on the five struck railways there are, he thinks, as many as 60,000, and in his opinion the number may be nearer 80,000, railroad cars out of service, idle at this time when the Nation needs transportation service and the cars of our great railroad facilities.

Mr. President, I emphasize at this time the fact that in these great industrial conflicts in the railroad industry the parties in interest are not solely the employees who are striking. Indeed, the evidence submitted for the RECORD yesterday shows that a comparatively small proportion of the employees of the railroads themselves are striking. It was disclosed, for illustration, that in the case of the Chicago Great Western Railway Co., which serves 6 States, only 256 employees are represented by the switchmen's union out of a total of 3,631 employees of the railroad, and yet this approximately 7 percent of the total number of employees has caused that railroad to close down.

In the case of the Great Northern Railway Co., only 1,225 employees out of 27,596 are represented by the switchmen's union. Yet, as I have indicated, in this critical hour when, certainly if any item of commodity should be transported freely and without restriction it is the iron ore produced in our country, a great part of which comes from the Mesabi Range, serviced by the Great Northern Railway Co., that railway company is seriously curtailed in its operations and, as previously indicated this morning, the movement of iron ore from Minnesota's Mesabi Range was, according to the report in the Washington Post of yesterday, far behind schedule.

This is not the only industry, however, that is affected. I come from the central part of the country, from the State of Missouri. In that State and the other States which are engaged in great farming operations, the grain movement is at the present moment in progress, but it is being badly impeded by the action of the railroad employees in striking.

I quote, Mr. President, from an article appearing in the Baltimore Sun of yesterday, June 28, 1950, as follows:

A Rock Island spokesman said that if the strike continues for any length of time it "may pose a serious threat" in the Nation's Wheat Belt.

In Washington, Representative HOPE, Republican, of Kansas, voiced a similar apprehension, saying that the walk-out has created "a most serious situation" in the wheat States.

"The Rock Island Railroad, which traverses some of the most important wheat areas in this country, has been forced to close down just as harvest is getting under way," he said.

"This means no outlet for millions of bushels of grain already in storage in elevators along the Rock Island and which must be moved out before the new crop can be received."

Mr. President, I ask unanimous consent that the entire article from which I have just read, published in the Baltimore Sun of June 28, 1950, be inserted in the body of the RECORD, at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAIL SWITCHMEN STRIKE ENTERS FOURTH DAY

CHICAGO, June 28.—A switchmen's strike against five midwestern and western railroads entered its fourth day today.

Thousands of nonrail workers were being forced into idleness, and there was no immediate sign of a break.

Four of the five roads struck have shut down. The fifth has reduced operations.

The A. F. of L. Switchmen's Union of North America walked off the job on the Chicago, Rock Island & Pacific, the Great Northern, the Denver & Rio Grande Western, the Western Pacific, and the Chicago Great Western Sunday morning.

They are protesting a June 15 recommendation by a Presidential fact-finding board.

EIGHTEEN-CENT BOOST

The board suggested granting a request for a 40-hour workweek but denied pay for 48 hours. The fact finders suggested an 18-cent-an-hour wage boost with the 40-hour week instead.

Leverett Edwards, National (railway) Mediation Board member, said yesterday after talks with railroad executives:

"Things look dim. There is no indication of a quick settlement."

As the strike went on, its effects were felt:

The rail strike spread to the National Tube Co., at Lorain, Ohio, where 12,000 men were idled. The 1-day walk-out ended last night.

Company officials conferred today on whether to reopen in the face of a planned 2-week annual holiday starting Sunday.

WILDCAT STRIKE

The shutdown followed a wildcat strike by 300 BRT members. They were protesting the same board report that led to the switchmen's strike.

The Great Northern Railway halted operations on 15 branch lines, shut down repair shops in 5 cities, and announced last night system-wide reductions in personnel in all departments. The G. N. was the one struck road which was trying to keep rolling.

Five thousand coal miners were laid off in Utah mines using the D. & R. G. W. lines.

Mediation Board officials held talks yesterday not only with the rail executives but with chieftains from four unions as well. Other rail unions besides the switchmen may walk off the job July 15.

TWENTY-ONE THOUSAND MILES SERVED

The five struck railroads serve a total of more than 21,000 miles of territory in the Midwest, Southwest, and Far West.

Of the total, the Great Northern has 8,333 miles of tracks; the Rock Island, 8,000; the Chicago Great Western, 1,500; Western Pacific, 1,195; and the Denver & Rio Grande Western, 2,413.

In Chicago, headquarters for the Rock Island and the Chicago Great Western, spokesmen said all freight had been delivered before the strike became effective. No further freight is being accepted by either road until the strike ends.

FREIGHT TRUCKED

Both roads said all cities of importance served by either of the struck lines are served by at least one other operating railroad.

They said that in small towns served exclusively by either of the two carriers freight is being trucked to points where other rail transportation is available.

The Rock Island said daily through-passenger trains out of Chicago idled by the strike total 23. Most seriously affected by the strike in the Chicago area are between 30,000 and 35,000 commuters who use the Rock Island's 108 suburban trains between Chicago's Loop and their homes.

In addition, more than 50 freight trains that move over the Rock Island system daily have been halted by the walk-out.

The number of Chicago Great Western trains idled by the strike was not available.

WHEAT CROP THREATENED

A Rock Island spokesman said that if the strike continues for any length of time it "may pose a serious threat" in the Nation's Wheat Belt.

In Washington, Representative HOPE, Republican, of Kansas, voiced a similar apprehension, saying that the walk-out has created "a most serious situation" in the wheat States.

"The Rock Island Railroad, which traverses some of the most important wheat-growing areas in this country, has been forced to close down just as harvest is getting under way," he said.

"This means no outlet for millions of bushels of grain already in storage in elevators along the Rock Island and which must be moved out before the new crop can be received."

Mr. DONNELL. Mr. President, earlier in the course of the same article reference is made to the Great Northern Railway in this language:

The Great Northern Railway halted operations on 15 branch lines—

It will be noted, incidentally, that that is two more than were reported to the Senate yesterday on which operations had been halted. Continuing, the article says, referring to the Great Northern Railway—

shut down repair shops in five cities, and announced last night system-wide reductions in personnel in all departments. The Great Northern was one struck road which was trying to keep rolling.

I see on the floor of the Senate the distinguished chairman of the Committee on Labor and Public Welfare and the chairman of the subcommittee which has this morning been in session, the senior Senator from Utah [Mr. THOMAS]. He will be interested, of course, in the fact, as are we all, to quote further from the Baltimore Sun of yesterday:

Five thousand coal miners were paid off in Utah mines using the D. & R. G. W. lines.

Mr. President, these railway strikes are a public menace. They are injurious to our people, to our national economy, and could readily be injurious to the national safety.

In the Washington News of June 27, 1950, there appeared an article entitled "New Rail Strike Is Threatened. 250,000 Trainmen Involved."

I pause, Mr. President, before further comment on this article, to say that, while I am interested in the trainmen, while I am interested in the owners of securities of railroad companies—and I have no doubt that many a widow, many a man of modest means, and many an estate hold the securities of the railway systems—while I am interested in all those people, of course, as members of our great economy and as members of our citizenry, my interest in the bill which was introduced on April 21 of this year and on which hearings have been in progress and will again be in progress on Monday of next week, is not primarily because of the employees of the railroads, not primarily because of the interests of those who are striking, not primarily because of the interests of those who own the railroads. In all those elements I am interested, of course, in the employer and employee alike, but I am interested primarily in the 140,000,000 or perhaps 150,000,000 of our population who have a direct interest in all sorts and types of ways of keeping the transportation facilities of the Nation open.

Mr. President, many and many a situation may develop, and doubtless is now developing, because of which industries apparently far remote from the railway industry will be adversely, dangerously, and seriously affected by the fact that this great railway strike is in progress.

The article from which I was about to read, which appeared in the Washington News, comes from Chicago under date of June 27, and says:

Mediators began talks today to head off a threatened walk-out of 250,000 railroad trainmen and conductors as a strike of 4,000 switchmen against five Western roads slowed—

I invite attention to this and I emphasize it by my voice—

slowed iron-ore shipments on the Great Lakes. The Brotherhood of Railroad Trainmen and the Order of Railway Conductors, which threaten to strike against the Nation's railroads July 15 for a shorter workweek, sent representatives to meet with Chairman Francis O'Neill of the National Railway Mediation Board.

W. P. Kennedy, BRT president—

BRT means the Brotherhood of Railroad Trainmen—

said there was little reason for optimism at this late hour for a peaceful settlement.

Little reason for optimism at this late hour for a peaceful settlement, Mr. President. Does it occur to any of the Members of the Senate why there should be a different rule pertaining to us as citizens in regard to the settlement of our controversies which are all peacefully settled? Certainly any settlement which is not made peacefully is made in defiance of law. Is there any reason why there should be applied to railroad disputes a different rule than that under which you, Mr. President, and I operate when we go to court, rather than resort to some type of force one against the other?

Why should the rule applicable to us be different from the rule applicable in the case of the great railway industry of the country? Yet in the case of the railway industry economic force, which is but an euphemistic term in describing a strike, is used.

So, Mr. President, when we are told by Mr. Kennedy, the president of the Brotherhood of Railroad Trainmen, that at this late hour there is little reason for optimism for a peaceful settlement, what is the reason? The railway industry is impressed with a great public interest—not the general industries of the country, not the manufacturing industries, but the great railway interests, the closing of which means paralysis of our Nation. Why should they not settle their disputes under some binding, final decision of a governmental board, just as a court decides controversies between citizens?

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MORSE. Although the Senator from Missouri and the Senator from Oregon do not agree on the so-called Donnell railway bill——

Mr. DONNELL. Senate bill 3463.

Mr. MORSE. Senate bill 3463—the Senator from Oregon will take advantage of this opportunity to assure the Senator from Missouri that he agrees with the Senator from Missouri that the existing railway strike should come to to an end immediately, and that the threatened railway strike on July 15 should not become effective.

If the Senator will permit me to do so, unless there are objections, I should like to reinforce the position of the Senator from Missouri in regard to bringing to an end the existing strike. I shall make my remarks very brief.

Mr. DONNELL. Mr. President, will the Senator permit an interruption at that point?

Mr. MORSE. Certainly.

Mr. DONNELL. I have no objection to the Senator making his remarks, but I desire to make it clear at this point that, while I think the industrial welfare of our country demands that we should not be subject to railway strikes, to my mind, in the first place, our committee is not

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the body which should settle a strike. It is not a body which is equipped to do so, but we should follow the plan set forth in the bill of having a governmental board established with authority finally to decide, as provided within the terms of the bill, that no strike, and no lockout by a carrier, arising out of a dispute within the purview of the Railway Labor Act, shall be legal.

I yield to the Senator with pleasure, provided that I shall not lose my position upon the floor.

Mr. MORSE. I desire to say on the floor of the Senate what I said in committee this morning. In substance, I think the railway brotherhoods find themselves in the position of having had their day in court. They have had a hearing before an emergency board. A decision has been rendered. They do not agree with the decision. Under the Railway Labor Act as it is now written they have a right to disagree with the decision. They have 30 days within which to try to work out some settlement of the dispute over and above the decision rendered by the emergency board. That clearly is the spirit and intent of the Railway Labor Act of 1926.

I want to be perfectly fair to the brotherhoods. I am well aware of the fact that even to make the suggestion that the existing strike should come to an immediate end, and any threat of a strike on July 15 should cease, will subject me to a certain amount of criticism in certain quarters. Nevertheless, I want to say now to the brotherhoods that, in view of the critical situation which faces America in the world today, they are in an indefensible position to be even talking about a strike. I think the duty rests upon the railroad brotherhoods who are involved to make perfectly clear that there will be no economic action on their part even though they do not like the decision which was rendered by the emergency board.

However, Mr. President, as I said this morning to Mr. Carter Fort, general counsel of the carriers, I think the carriers, too, need to keep in mind that over the week end they should make a good faith attempt to mediate their differences with the brotherhoods. It is not for me to suggest what the terms of the mediation should be, but I am satisfied that the carriers apparently are not giving full consideration to the intent of the original act insofar as the 30-day cooling-off period following an emergency board decision is concerned.

I have made an intensive study over the years of the history of the Railway Labor Act. It was not intended that an Emergency Board's decision should be final and binding automatically upon the parties, but that either side should be perfectly free to reject a decision of the Emergency Board, have a 30-day period within which to try to reach a mediated settlement with the opposing party, and, failing in that, to resort to economic action. However, the point I wish to stress is that the situation in America today is quite different from the situation on the day the Emergency Board in the instant case handed down its report. Today, as the chairman of the committee said this morning, America is in peril. When America is in peril no labor organization and no group of employers can justify any economic action one against the other that disrupts our economy as seriously as a railroad strike is bound to disrupt it. I am satisfied, Mr. President, that the carriers and brotherhoods, if they would proceed in good faith, could reach a mediated settlement of their differences in a matter of a very few hours.

I thank the Senator from Missouri for the courtesy he has extended to me, and I wish to take advantage of this opportunity of agreeing with him, if I understood his remarks correctly, that this is no time for economic action on the part of either the carriers or brotherhoods. I should like to add, that it is the hour for both of these parties to face the realities of the situation. The brotherhoods have rejected an Emergency Board report, which they had a perfectly legal right to do under the existing law. However, conditions are different from what they were when the Emergency Board report was handed down. I think the American people have the right to call upon both parties to get themselves behind the doors of some hotel room in Washington, D. C., this week end and work out a conscionable compromise settling the differences between them, and announce to the American people and to the world that the existing strike is ended and that any talk of a strike on July 15 is also ended.

As I said to the brotherhoods in committee this morning, the people of America will not stand for any tie-up of America's railroads in this time of peril, and they should not. I desire also to say that I think the brotherhoods had better realize the fact that they stand in a position in which litigants frequently stand when a court hands down a decision against them. That is why I said to the brotherhoods in committee this morning, "If I were your lawyer I would have to tell you that the case is lost so far as some of your demands are concerned." However, they did make some gains. It seems to me that they should recognize that in future cases they may be able to make further gains on the merits of their arguments and evidence. But let them not forget that there may not be an opportunity in the future for peaceful settlements of American labor disputes if America does not keep itself strong to face and meet the international peril that now confronts it.

Therefore, I want to say to my many friends in the railway brotherhoods, and I want to say to the carriers—and I believe most carriers are my friends—"You do not stand in the same position today that you stood in when the emergency board report was handed down. You have a greater responsibility to the American people than you had then." I can understand how the carriers on the day the emergency board report was handed down would be inclined to say, "We have got to stand by that report. We are not going to yield a point over and above what the Emergency Board report provides." I can understand such a position, and there was quite a bit of merit in their saying "We will not agree to any changes in the Emergency Board report." I can understand how on that day the brotherhoods might have said, "This report is not satisfactory to us. Therefore we are going to use the 30-day cooling off period provided by the present act for mediation and use our right to resort to economic action if we do not reach a satisfactory agreement with the carriers." I can understand those points of view. I cannot understand their being applied today in light of present conditions.

I close, with my thanks to the Senator from Missouri and by again appealing to both parties: "Get yourselves in a hotel room today and reach a conscionable compromise on your differences, and present to the American people a united economic front as to running the railroads of the country in this hour of national peril."

Mr. DONNELL. Mr. President, I am sure that the Senate is very much pleased to have the views of the distinguished Senator from Oregon. He and I disagree on certain fundamental principles with respect to railway legislation. Reverting for a moment to his proposal that employer and employee meet in a hotel room and work out a settlement, I take it, of course, that every person within the sound of my voice would be happy to see this strike over, and happy to see no further railway strikes impeding the progress of the Nation. However, I do not feel it is my function—nor is it my intention—to advise either side in this conflict, either the railway employer or the railway employee, what should be done. To my mind, Mr. President, the Railway Labor Act has left it open for either party to refuse to follow a finding of the Presidential Emergency Board. Upon the evidence that comes before us, which obviously would be insufficient, and would come before us without proper facilities for us to undertake to decide the question, it is not for me to say to the railroads, "You will make further concessions," or to say to the employees, "You will make further concessions." It may be that the Presidential Emergency Board has laid down the correct and final rule that should be followed. I shall not undertake to urge at this time that the railroads, if they believe their position is sound, should change it. On the other hand, if the employees think that their position is final, it is not for me to say that they should change their position. My point—and I think it is sound—is that the Railway Labor Act is itself at fault because it fails to provide what the courts provide with respect to disputes between individual citizens. If I go into a court in the State of Missouri or in the District of Columbia and assert a claim against my neighbor, or my friend—or my eneny, if there be such—the court renders a final decision, and that decision can be enforced by the processes of the law.

There, Mr. President, is indicated the defect in this act, the defect of leaving it as it is, as the distinguished Senator from Oregon, my close personal friend and seat mate, observed. I do not mean to say that he says the Railway Labor Act is defective in this respect, but I do say that he stated very correctly, as I understood him, that it was not intended by

the Railway Labor Act that the findings of the Emergency Board should be final.

Mr. President, that is the defect in the Railway Labor Act as it exists today. If one bargaining party thinks he can get himself into a certain position if he consents, on the basis of the finding of the Emergency Board, that it is all right, and he will accept the finding, but if he loses he will then refuse to abide by the decision of the Board, obviously such a situation is unsound and decidedly opposed to the general welfare of the people of the Nation.

So, Mr. President, the bill which I have presented, and upon which the hearings have been in progress, is a bill which has for its purpose the amendment of the Railway Labor Act, without setting aside the processes of mediation or any of the processes of informal or voluntary agreement.

The point I make, and I want to drive it home as best I can, is that the Railway Labor Act, by leaving it open after the emergency boards have acted as to whether either party shall accept, simply encourages the losing party to say, "We will not accept, we will not do what the Presidential Emergency Board says is proper and we should do, because"—says the one who is thus objecting to the finding of the Board—"there is no provision making that finding obligatory and binding upon us."

Mr. President, I most earnestly urge the enactment of this bill, which leaves available all the provisions for voluntary processes, and simply provides clearly and definitely for making final and binding the decisions of the various boards, thus making it impossible for either party legally to refuse to accept the findings.

Mr. President, I shall not this afternoon enter into a detailed discussion of the bill. We shall discuss it at length on the floor of the Senate, of course, when it comes from the committee, if it does comes from the committee—and I hope it will. I shall not take up in detail the arguments with respect to the bill, but I wish to point out further, if I may, the facts which today exist in the switchmen's strike now in progress and which emphasize the urgent importance, yes, almost the dire necessity, of having it obligatory upon the railways and upon the railway employees to accept the findings of an impartial board created by the President of the United States.

Mr. President, I hold in my hand a clipping from the Des Moines Register of June 26, beginning, in its headlines, in ominous black type, "Not a Train is Moving on Four Railroads; Board's Final Appeal Unheeded by Union."

Then I read this:

> Four thousand A. F. of L. switchmen went on strike Sunday against five midwestern railroads.
>
> The walkouts stopped trains on four of the lines. The fifth railroad, the Great Northern, reported normal passenger operations over its 8,000-mile system but some curtailment of freight movement.

Let not the Senate forget what I emphasize again, what we found yesterday in the press, and what I put into the RECORD yesterday, that in this critical hour the movement of iron ore from Minnesota's Mesabi Range is running far behind schedule.

If it had been unlawful to strike upon the railways, I believe the patriotism, the sound common sense, and the sense of the importance of abiding by the law on the part of the railway employees would have caused them to comply with the provisions of the act as so amended, making obligatory the findings, and we would not have had a situation such as we now face.

The writer of this Associated Press article in the Des Moines Register proceeds to tell us what the other lines are:

> Eight-thousand-mile Rock Island system, the 2,413-mile Denver, Rio Grande and Western, the 1,500-mile Great Western, and the 1,195-mile Western Pacific.

Mr. President, as I recall, the distance around the world at the equator is only about 25,000 miles. Yet here we find 21,024 miles of railroad involved in this strike against the five railroads, or, if one prefers to disregard the Great Northern, with 8,317 miles, upon which there is some partial service, 12,707 miles of road are involved in the strike, because of the fact that the switchmen's union refuses to abide by the decision of the board set up by the Railway Labor Act, or, to quote the language of the headline to which I have referred, "Board's Final Appeal Unheeded by Union." Perhaps that headline may refer to mediation, I am not certain, but certainly the switchmen declined to follow the finding of the board created by the Railway Labor Act.

The article in the Des Moines Register contains various subheads, including, among others, these:

> Lines Idled.
> Railways' Position.
> Trains Canceled.
> Final Peace Plea.
> Rock Island Station Deserted Here.
> Waiting List.
> Busses Doubled.
> "Hiawatha" Loaded.
> Northwestern.
> No Pickets Seen.

Mr. President, I ask unanimous consent that the article in its entirety be set forth in my remarks at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NOT A TRAIN IS MOVING ON FOUR RAILROADS—BOARD'S FINAL APPEAL UNHEEDED BY UNION

CHICAGO, ILL.—Four thousand A. F. of L. switchmen went on strike Sunday against five large western and midwestern railroads.

The walk-out stopped trains on four of the lines. The fifth railroad, the Great Northern, reported normal passenger operations over its 8,000-mile system but some curtailment of freight movement.

The railroad said only 60 Great Northern switchmen are members of the striking Switchmen's Union of North America. The majority are members of the Brotherhood of Railroad Trainmen.

LINES IDLED

The other lines struck are the 8,000-mile Rock Island system, the 2,413-mile Denver, Rio Grande & Western, the 1,500-mile Great Western, and the 1,195-mile Western Pacific.

Arthur J. Glover, president of the union, said in announcing "our strike is on," that the major issue is the 40-hour week and that many switchmen now work 48 and 56 hours a week without overtime pay.

RAILWAYS' POSITION

A spokesman for the railroads said the real issue is compensation for the 40-hour week. He said Glover turned down a Presidential fact-finding board's recommendation of 40-hour week and an 18-cent hourly wage increase.

He said the few switchmen who work 56 hours a week do so because they want pay for an extra 8 hours weekly.

The union is asking 48 hours pay for a 40-hour week, equivalent to an hourly increase of 31 cents.

TRAINS CANCELED

The strike at 6 a. m., local standard time, found the four roads most affected virtually idle. All trains scheduled to depart after the deadline and most of those that could not reach destinations before strike time were canceled.

However, the Rock Island reported some freight trains were on its main line. Members of the striking union had instructions from their strike committee to remain on the job until these trains reached their destinations.

The strike began peacefully. In Chicago, the police department reported that only one officer was assigned to strike duty at the Rock Island yards. Acting as an observer, he took a station in a switch tower and reported all quiet.

The men on strike are, for the most part, yard employees who operate manual switches.

FINAL PEACE PLEA

Efforts of the National (Railway) Mediation Board to avert the strike continued until a few hours before the walk-out. Francis J. O'Neill, Jr., Board chairman, wired union president Glover a request that the strike be postponed until Tuesday, when he has scheduled a meeting with two other unions to discuss the Presidential Board's 40-hour week and 18-cent-raise proposal.

Glover replied immediately that he did not agree to any postponement.

The walk-out is the Nation's second big railroad strike in 40 days.

The May 10–15 strike of the locomotive firemen and enginemen against five key rail systems was called off when both sides agreed to submit unsettled issues to binding arbitration.

ROCK ISLAND STATION DESERTED HERE

The Rock Island Railroad station here had all the atmosphere of a ghost-town depot Sunday.

The same general paralysis affected the Great Western's operations in Iowa.

Meanwhile, ticket agents at other operating railroad lines, bus stations, and airlines were being driven to distraction by telephoned inquiries from frantic would-be travelers.

Bus lines, other railroads, and airlines all were adding extra equipment to handle a sudden flurry of business.

United and Mid-Continent Airlines each adedd an extra airplane to Sunday evening flights. United added a 5:30 p. m. eastbound DC–4, seating 44 extra passengers, with the intention of continuing it daily until the strike is settled.

WAITING LIST

Mid-Continent added a 21-passenger DC–3 to its 7:15 p. m. flight to Kansas City, Mo. The extra section will be continued if needed, the airline reported. It had a waiting list Sunday.

In no case, however, was the increase in passenger volume anywhere near the number of telephone inquiries received.

By midafternoon Sunday, ticket agents had received hundreds of calls from persons who weren't familiar with schedules and couldn't make up their minds.

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Most affected was the Jefferson bus line, with routes closely paralleling Rock Island Railroad lines to the north and south.

BUSSES DOUBLED

The number of Jefferson busses was doubled on all lines, tripled on many. The rush started at midnight Saturday when persons en route to Kansas City or Minneapolis, Minn., were caught by the strike.

About 20 extra drivers also were put to work by the Overland Greyhound Bus Line, which operates east to Chicago, Ill., west to the coast, and covers much of central, eastern, western, and northern Iowa.

HIAWATHA LOADED

Extra cars were added Sunday to the Milwaukee Railroad's Hiawatha and Arrow, with east-west connections at Madrid.

At Des Moines, about 160 extra passengers were diverted from the Rock Island to the Milwaukee line, according to Harry W. Warren, division freight and passenger agent for the Milwaukee line.

"Our freight yards are full of cars diverted from Rock Island, too," he added. "It's going to be a heavy task to do our own job and also handle Rock Island's work.

"But for the duration of the strike, we will add enough extra cars to accommodate passenger and freight travel."

NORTH WESTERN

The North Western Railroad, operating east and west through Iowa, added all the extra cars it can spare, said Fred Way, the line's passenger agent here.

The Minneapolis & St. Louis line, which operates a train from Des Moines to Minneapolis, was expecting to receive a lot of passenger traffic that might otherwise patronize the Rock Island. Addition of extra cars were expected.

The line also will have to handle freight for Hawkeye and Penn Dixie cement plants here without the normal help of the two struck lines.

The Wabash line, operating passenger service from Des Moines to St. Louis, Mo., was not using extra equipment Sunday but was contemplating the possibility of adding equipment if the strike is prolonged.

All railroad, bus, and airline spokesmen expressed confidence that increased freight and passenger traffic will be handled without too much delay.

Ticket agents at the strike-bound Rock Island Railroad station said arrangements are being made to transfer all passengers and freight to other railroad or bus lines.

Present plans call for an agent to be on duty 24 hours per day to handle arrangements and to answer inquiries. Telephone service will be limited to the hours between 8 a. m. and 4 p. m., the agents said.

NO PICKETS SEEN

There was no evidence Sunday of picketing either at the Rock Island station or at the union station, where the Great Western's offices are located. The magazine stand and lunch counter at the Rock Island station were planning to close today.

The policy of both strike-bound railroads was stated in a sign placed in front of the Rock Island ticket office. It read:

"Account strike all trains annulled."

Mr. DONNELL. Mr. President, I note in this article in black-face type this significant sentence:

The walk-out is the Nation's second big railroad strike in 40 days.

We have heard it said that the Railway Labor Act was insurance against railway strikes. I myself desire to pay tribute to that act and to its authors, because it has contributed much of benefit to the Nation. Yet it will be recalled, so clearly that no Member of the Senate can forget it, that in one of the official publications of the Mediation Board only a very few years ago, from which I have previously quoted in the Senate, it is pointed out that the record of the Railway Labor Act, notwithstanding the peaceful settlements, does not bode well for the future. Those are not my words, those are the words of the National Mediation Board created by the Railway Labor Act.

This morning the New York Times brings this tragic history down to date. I read the headline over an article appearing in the New York Times, a great newspaper, which circulates on weekdays among over 500,000 persons—I am not sure whether they are all subscribers—and on Sundays among over a million. This great newspaper contains this headline:

Rail strike held jamming defense. Carriers' aide says iron ore waits. Early peace is declared unlikely.

Let me read just a little from this article:

Daniel P. Loomis—

Who was one of the witnesses this morning before the subcommittee of the Committee on Labor and Public Welfare of the Senate—

Daniel P. Loomis, chairman of the Western Carriers Conference Committee, indicated today—

That is, yesterday—

that the strike of 4,000 switchmen on five western and midwestern roads had affected important defense and other projects.

At this hour important defense and other projects have been affected, so Mr. Loomis tells us, by this strike.

At a press luncheon arranged by the Association of American Railroads, Mr. Loomis said that iron-ore shipments from the Mesabi Range, already late because of other factors, was being further delayed by the strike.

The peak of wheat shipments was already under way when the strike began, and this has been held up, he declared.

Mr. Loomis said the Rock Island Railroad alone served exclusively 1,184 grain elevators. These are isolated by the strike.

A rough estimate, he said, indicated that between 12 and 15 percent of all shipments carried by all western roads had been delayed because of the strike, which began 4 days ago.

Mr. President, it is not merely the five railroads that are involved. He is talking about all western railroads. He says from 12 to 15 percent of all shipments on all of them have been delayed because of the strike.

Then I quote from what Mr. Loomis says about the Senate bill. I am going to read it notwithstanding my name is in it. I read as follows:

FAVORS ARBITRATION BILL

Mr. Loomis, leading spokesman for the carriers, said the only solution to recurring strikes and threats of strikes by rail workers lay in the bill offered by Senator FORREST C. DONNELL, Republican, of Missouri, providing compulsory arbitration of these disputes.

According to Mr. Loomis, the carriers have accepted every recommendation of the National (Railway) Mediation Board since 1941 while the railroad workers have rejected all but two of such recommendations.

Mr. MORSE. Mr. President, will the Senator yield at that point?

Mr. DONNELL. I yield.

Mr. MORSE. Does the Senator know whether or not it is true that in the present controversy at one time the National Mediation Board made a recommendation for settlement of this dispute, which the brotherhoods accepted, but which the carriers rejected, and that it was following that, that events led to the appointment of an emergency board?

Mr. DONNELL. Mr. President, I am unable to answer that question. It may have been testified about. I do not know. But the point I am making is this: I am not here advocating the side of either the carriers on the one hand or the employees on the other. It makes no difference to me which one is right or which one is wrong. I think there should be compulsory arbitration because of the fact that every person, every man, woman, and child, old person, young person, every person, without regard to his color, race, or creed in our country, is directly affected by the railway industry. Regardless of whether the railroads are right or whether they are wrong in this controversy, I say that what we should have upon the law books of the Nation at this time and what we should soon have enacted is a law which makes it unlawful for a strike or a lock-out—a strike by the employees, a lock-out by the carriers—to be carried on with respect to any dispute under the purview of the Railway Labor Act.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MORSE. Knowing the Senator's devotion to accuracy, for which I have the greatest of admiration, I raised the point I did because of the quotation he just read from Mr. Loomis. The junior Senator from Oregon may be mistaken about it, but it is his understanding that at one stage of the present dispute the carriers did turn down the recommendation of the Mediation Board, and that resulted in the appointment of the emergency board.

Mr. DONNELL. Mr. President, I certainly defer to the knowledge and the memory of my good friend the Senator from Oregon. I may be entirely wrong. I am not certain which side in any of these disputes has been right. But we have had emergency boards created by the President which have made findings, just as did the War Labor Board, upon which my distinguished friend the Senator from Oregon sat with such great honor to himself and credit to the Nation. One side has refused to accept the findings. The testimony seems to indicate to me that in the main and perhaps entirely, though I am not sure of it, it has been the employees who have refused to accept. But I care not one whit whether it is the employees or the employers who have refused to accept the findings of these boards. I say, Mr. President, we should pass a law which compels both of them, employers and employees, to abide by the decisions of these boards, and not put the public to the inconvenience and the suffering

and the possible danger of national disaster arising because of the fact that controversies exist and cannot be settled between them.

Mr. President, I ask unanimous consent that at this point in my remarks there be set forth in full the article from which I quoted from the New York Times entitled "Rail Strike Held Jamming Defense," and also the further article immediately thereunder entitled "Early Peace Unlikely."

There being no objection, the articles referred to were ordered to be printed in the RECORD, as follows:

RAIL STRIKE HELD JAMMING DEFENSE—CARRIERS' AIDE SAYS IRON ORE WAITS—EARLY PEACE IS DECLARED UNLIKELY

WASHINGTON, June 28.—Daniel P. Loomis, chairman of the Western Carriers Conference Committee, indicated today that the strike of 4,000 switchmen on five western and midwestern roads had affected important defense and other projects.

At a press luncheon arranged by the Association of American Railroads Mr. Loomis said that iron-ore shipments from the Mesabi Range, already late because of other factors, was being further delayed by the strike.

The peak of wheat shipments was already under way when the strike began, and this has been held up, he declared.

Mr. Loomis said the Rock Island Railroad alone served exclusively 1,184 grain elevators. These are isolated by the strike.

A rough estimate, he said, indicated that between 12 and 15 percent of all shipments carried by all western roads had been delayed because of the strike, which began 4 days ago.

FAVORS ARBITRATION BILL

Mr. Loomis, leading spokesman for the carriers, said the only solution to recurring strikes and threats of strikes by rail workers lay in the bill offered by Senator FORREST C. DONNELL, Republican, of Missouri, providing compulsory arbitration of these disputes.

According to Mr. Loomis, the carriers have accepted every recommendation of the National (Railway) Mediation Board since 1941, while the railroad workers have rejected all but two such recommendations.

Compulsory arbitration is the only solution short of capitulating to the unions, he declared. His diagnosis of the labor-management difficulties was that the unions no longer accepted emergency board recommendations but use them as a basis from which to bargain for more concessions.

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EARLY PEACE UNLIKELY

CHICAGO, June 28.—Prospects for early settlement of the switchmen's strike appeared dim tonight.

Francis A. O'Neill, Jr., Chairman of the National (Railway) Mediation Board, and Leverett Edwards, a board member, said tonight they had been in touch by telephone with the parties to the dispute, looking for a break that might warrant bringing them together in joint session.

The striking rail employees are members of the Switchmen's Union of North America, an affiliate of the American Federation of Labor. They struck Sunday against the Chicago & Great Western, the Chicago, Rock Island & Pacific, the Denver & Rio Grande Western, the Western Pacific, and the Great Northern. The issue is their demand for maintenance of 48 hours a week take-home pay for a 40-hour week. A Presidential fact-finding board has awarded them the shorter workweek with an 18-cents-an-hour pay raise.

All the struck roads except the Great Northern suspended operations when the strike began. The Great Northern today continued its passenger service, but said it had halted operations on 15 branch lines, shut down its repair shops in five cities, and begun cutting personnel in all departments.

In Chicago 29,000 commuters who normally use the Rock Island suburban service continued to seek alternate transportation. Lloyd M. Johnson, commissioner of streets and electricity, said garbage collections had been interfered with because gondola cars to haul the refuse to dumps could no longer travel over the Pullman railroad of the struck Rock Island.

Mediators also were seeking to arrange sessions to avert a threatened strike of trainmen, yardmasters, and conductors, which may take place legally any time after July 15.

Mr. DONNELL. Mr. President, I have in my hand a short clipping from the Chicago Journal of Commerce dated June 22, 1950, 2 days ago, reading as follows:

RAIL WORKERS IDLE

About 32,000—

Then the next word is in blackface type, and I emphasize it as best I can by my voice—nonstriking—

About 32,000 nonstriking rail workers already have felt the effect of the strike of switchmen that has tied up five western railroads. The jobs of an additional 280,000 nonstrikers are in jeopardy. Prolonged for several weeks, the switchmen's walkout would hurt 23 States.

We were told here the other day by one witness, as I recall, something to the effect that it is inconceivable that we can have any long, extended strike in the railway industry. Because of the fact that the President of the United States under existing law relative to the war may have power to go into court and procure an injunction restraining such strikes, it may be that it would be impossible to prolong a Nation-wide strike over a period of weeks. But I call to the attention of the Senate the fact that in my State only last year there was a strike on the Wabash Railroad Co. which continued for a number of days, and there was a strike on the Missouri Pacific Railroad Co., one of the largest of the central western carriers, which lasted for, as I recall, 6 weeks and 3 days. For 45 days that great transportation system of ten or eleven thousand miles of railroad was tied up, as was described in another connection yesterday—tied up in knots because of the fact that there was a dispute that could not be settled and was not settled.

Referring again to the Chicago Journal of Commerce article from which I was quoting, the writer says:

And in the background is the July 15 ending of the cooling-off period which has held up a—

And then the next two words appear in blackface type—

Nation-wide strike—

Ending the blackface—

of conductors and trainmen.

Mr. President, I spoke about the Great Northern. The Great Northern is not at all confined in its operations to iron ore or to any other kind of ore. I pointed out yesterday in the RECORD that during the year 1949 the Great Northern handled products of agriculture to the extent of more than 9,000,000 tons, of animals and products thereof to the extent of four-hundred-and-eighty-five-thousand-some-odd tons, of products of mines 31,546,319 tons, of products of forests 3,849,000 tons. I am giving the round figures. Manufacturers and miscellaneous 7,305,000 tons. Forwarder traffic 76,000 tons. L. C. L. 295,000 tons. A total tonnage handled by the Great Northern Railroad Co. for 1949 of 52,710,257 tons.

Mr. President, in that respect I call attention to the fact that the Minneapolis Tribune of June 27 comes out with an article which is headed:

GREAT NORTHERN PUTS EMBARGO ON LIVESTOCK

Great Northern Railway—

Says the article—

ordered an immediate embargo late Monday on all livestock and perishable freight and prepared to shut down repair shops in five cities after 2 days of switchmen's strike—

And so forth and so on. In the course of this article, I note the following:

At Superior, Wis., suspension of Great Northern freight service slowed operation at the big ore loading docks. The railroad is the largest shipper of iron ore from the Mesabi range and also operates the largest dock.

Mr. President, I ask unanimous consent that the entire article from the Minneapolis Tribune of June 27, 1950, be inserted at this point in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GREAT NORTHERN PUTS EMBARGO ON LIVESTOCK

Great Northern Railway ordered an immediate embargo late Monday on all livestock and perishable freight and prepared to shut down repair shops in five cities after 2 days of the switchmen's strike.

Two other railroads in this area, the Rock Island and the Chicago Great Western, already had suspended all operations, as had the Western Pacific and Denver & Rio Grande Western.

Great Northern's president, F. J. Gavin, said in St. Paul however, that its passenger trains were operating at close to normal and some freight trains were moving.

Freight service was proving more difficult to maintain in face of the walkout by the A. F. of L. Switchmen's Union of North America, he added.

Commenting on the lay-off of close to 7,000 shop workers and seasonal employees because of the strike, Gavin said that "fewer employees are required to handle diminished traffic and keep the system running."

Engine and car repair shops will be closed Thursday and about 2,260 workers laid off. Involved are the following shops:

St. Paul, Dale Street locomotive shop and Jackson Street car shop and repair track, 830 men; Superior, Wis., locomotive and car shops and repair track, 450 men; St. Cloud, Minn., car shops, 425 men; Great Falls, Mont., locomotive and car repair shops, 195 men; Hillyard (Spokane), Wash., locomotive and car shops, 360 men.

Skeleton forces will be maintained at the shops to protect properties and do minimum repair work, Great Northern said.

Lay-off of seasonal workers is effective immediately and involves about 3,500 men employed throughout the 8,000-mile system in ballasting, rail re-laying, and bank widening projects.

Regular section crews will continue in service to keep the lines in safe operating condition, the railroad said.

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The freight embargo, also effective immediately, was announced a few minutes after the lay-offs.

Great Northern headquarters in St. Paul said it applied to all livestock and perishable freight shipments from all points on its line or received by connecting lines.

Freight service in some areas already had been seriously curtailed or suspended entirely. Train crews in South Dakota had refused to cross switchmen picket lines at Sioux Falls, to take out a freight train to Carretson, and passenger and freight runs to Yankton and a passenger train to Watertown were cancelled.

At Superior, Wis., suspension of Great Northern freight service slowed operation at the big ore loading docks. The railroad is the largest shipper of iron ore from the Mesabi range and also operates the largest dock.

Supervisory employees managed to load eight 12,000-ton freighters Sunday but admitted they were far behind schedule.

In Minneapolis, the Minneapolis and St. Louis railway announced that its passenger trains will arrive at and depart from the Milwaukee road station for the duration of the strike. The road regularly uses the Great Northern station.

The switchmen are seeking a 40-hour week at the same pay they now get for 48 hours. The railroads claim that would be equal to a wage boost of 31 cents an hour.

A Presidential fact-finding board recommended the union get a 40-hour week and an increase of 18 cents.

The union now has a contract with the Lackawanna Railroad on terms demanded of other lines. The agreement raised pay of switch foremen or yard conductors from $13.06 a day to $15.67; helpers or yard brakemen from $12.21 to $14.65, and switch tenders from $10.71 to $12.86.

Arthur J. Glover, switchmen's union president, said in Chicago again yesterday that he is "ready to sit down with anybody, anywhere, if they are ready to bargain in good faith."

Glover said he was willing to meet with the National (Railway) Mediation Board whenever it has something to offer. The Board was in Chicago yesterday, and apparently was making little progress in efforts to settle the strike.

Mr. DONNELL. Finally, Mr. President, one of the clippings to which I refer is from today's New York News, and is entitled "Great Northern Starts Lay-offs in Rail Strike." I take it that in substance the article emphasizes some of the facts I have already mentioned with respect to that railroad. I ask unanimous consent that this article from the New York News may be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GREAT NORTHERN STARTS LAY-OFFS IN RAIL STRIKE

CHICAGO, June 28.—A substantial number of Great Northern Railroad workers were laid off today as a strike of 4,000 A. F. of L. switchmen cut further into the operations of five western railroads.

A Great Northern spokesman said that by Friday a very large proportion of the road's 28,000 employees would be out of work because of the strike.

The railroad suspended operations yesterday on 15 branches and almost stopped operations in the Minnesota iron ore range. Freight service was considerably restricted, the road said, but most principal passenger trains were running. Four other roads did not attempt to operate after the switchmen walked out Sunday.

The switchmen struck against Great Northern, Rock Island, Western Pacific, Chicago Great Western, and Denver & Rio Grande to support demands for a 40-hour week with no pay cut from the present rate for 48 hours' work. A Presidential board found against the union's demands.

Meanwhile, Chairman Francis O'Neill of the National Railway Mediation Board met representatives of railroads and unions in an effort to avert another strike of trainmen, conductors, and yardmasters scheduled for July 15.

Mr. DONNELL. Mr. President, again I call to the attention of the Senate the compelling importance of having the Congress of the United States enact legislation which will leave available all the processes for the voluntary settlement of disputes, will provide for adequate governmental boards in the event voluntary plans fail, but will make final and binding upon railroad employers and railroad employees alike the findings and decisions of these boards, subject only to the provisions for review by the courts, as set forth in Senate bill 3463.

Mr. President, today most earnestly, and with the utmost vigor within my power, I emphasize the fact that the interests of the public—not primarily the interests of the railroads or the interests of the railroad employees, although the interests of both the railroad companies and their employees are involved—but, primarily, the interests of the people of our country, young or old, rich or poor, black or white, are the interests which are to be safeguarded by the enactment of Senate bill 3463.

## EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. LEHMAN in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Maj. Gen. Thomas E. Watson, United States Marine Corps, to be lieutenant general on the retired list in the Marine Corps, which was referred to the Committee on Armed Services.

## EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. LEAHY, from the Committee on Post Office and Civil Service:

Sundry postmasters.

By Mr. McMAHON, from the members on the part of the Senate of the Joint Committee on Atomic Energy:

Sumner T. Pike, of Maine, to be a member of the Atomic Energy Commission for a term of 4 years expiring June 30, 1954; adversely.

The PRESIDING OFFICER. If there are no further reports of the committees, the Clerk will proceed to state the nominations on the calendar.

## NOMINATION OF WILLIS W. RITTER TO BE UNITED STATES DISTRICT JUDGE, DISTRICT OF UTAH

The legislative clerk read the nomination of Honorable Willis W. Ritter, of Utah, to be United States District Judge for the District of Utah.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hickenlooper | Millikin |
| Anderson | Hill | Morse |
| Benton | Hoey | Mundt |
| Bricker | Holland | Murray |
| Bridges | Humphrey | Neely |
| Butler | Hunt | O'Mahoney |
| Byrd | Ives | Robertson |
| Cain | Johnson, Tex. | Russell |
| Chapman | Kefauver | Saltonstall |
| Connally | Kem | Schoeppel |
| Cordon | Knowland | Smith, Maine |
| Darby | Langer | Smith, N. J. |
| Donnell | Leahy | Sparkman |
| Douglas | Lehman | Stennis |
| Ecton | Lodge | Taft |
| Ellender | Lucas | Thomas, Utah |
| Ferguson | McCarran | Thye |
| Flanders | McCarthy | Tobey |
| Frear | McClellan | Tydings |
| Fulbright | McFarland | Watkins |
| Gillette | McKellar | Wherry |
| Green | McMahon | Wiley |
| Gurney | Magnuson | Williams |
| Hayden | Malone | Withers |
| Hendrickson | Martin | |

The PRESIDING OFFICER (Mr. ANDERSON in the chair). A quorum is present.

The question is, Will the Senate advise and consent to this nomination?

Mr. WATKINS. Mr. President, I rise today to discuss a very important matter which has received some attention by the Senate. I do it very reluctantly, because I have never been one to enjoy the questioning of the appointment of any man to public office. My general nature would lead me, ordinarily, without question, to want to confirm the nomination of any good man for office. This matter involves a Federal judgeship in the State of Utah. I have profound respect for the judiciary of the United States when it conducts itself properly, and, for the most part, it has conducted itself properly. I have served as a member of the Bar Commission of my State of Utah, where we have what is known as the integrated bar. That is, the bar of the State acts as its own control and as its own disciplinary agency. In that capacity, and as a member of the bar, and as a member of the judiciary at one time in the State courts in my State, I very early came to the conclusion that some time or other in our State, as well as in most of the other States, we should arrive at a decision which would make our courts nonpartisan.

I have served on committees time and again in my State to help to bring that condition about, but for some reason or other we have never been able to accomplish that result. I think the State adopted a constitutional amendment at one time to make it possible to bring about a nonpartisan judiciary in the State courts. I, with many other lawyers, I am sure, have been very much alarmed about the tendency to make Federal appointments nearly 100 percent political. There was a time when there was at least an attempt to have somewhat of a balance between the two political parties. I regret to say that in recent times, at least, within the past 15 years, that has not been the situation. We too often feel that positions should come as a reward for political service. I have no objection to rewarding those who are willing to work in

politics and to serve their country, because they can perform a great service there. But that should not be one of the principal qualifications of a judge. On the contrary, the other requirements for this high office should have precedence over all else.

So, today, Mr. President, in discussing this question, I do it very reluctantly because I have come to some conclusions which I wish could be otherwise in this particular matter.

Mr. President, the citizens of Utah are no doubt wondering why there has been so much said about the confirmation of the nomination of Willis W. Ritter to be Federal judge for the district of Utah. I have been asked many times why I oppose the nomination of Judge Ritter, in spite of everything I could do to make it clear that I was not opposing the nomination of Judge Ritter, but was merely asking an investigation because of certain charges which had been made against him by a former Federal official who had served with him, a prominent Democrat, and other citizens of Utah, and because of questions which have been raised with respect to his integrity. Press statements have been issued to the effect that I have been opposing his nomination. They have been published with regularity.

The question, then, naturally arises, "Why have there been investigations and hearings on Mr. Ritter's qualifications if you in the past have not been opposed to him?"

I think I can best give the reasons and tell the story of the investigation of Mr. Ritter's nomination by presenting the substance of letters which I wrote to the Senate Judiciary Committee in September and October of 1949, and at sundry other times.

I shall read, first, a letter to the acting chairman of the Senate Judiciary Committee, the Senator from West Virginia [Mr. KILGORE], dated September 20, 1949:

SEPTEMBER 20, 1949.

Senator HARLEY M. KILGORE,
*Acting Chairman, Senate Judiciary Committee, Senate Office Building, Washington, D. C.*

DEAR SENATOR KILGORE: Pursuant to our conversation of a few days ago with reference to the nomination of Mr. Willis Ritter, of Salt Lake City, Utah, for the position of District Judge of the Federal Court of the State of Utah, I suggest that a hearing be held on this nomination to permit residents of the State of Utah to state their objections to the confirmation of Mr. Ritter.

As I told you in our conversation, I am not making any personal objection. I am not acquainted with Mr. Ritter and only know him by reports made to me by people who are interested in securing his confirmation and those who are opposed.

A number of reputable Utah citizens have told me they desired to present matters to the Judiciary Committee of the Senate which they felt should be considered by this committee before it makes up its mind whether or not to recommend the approval of Mr. Ritter. In their behalf, I am urging that these witnesses either be subpenaed to come to Washington or that arrangements be made to take their testimony at Salt Lake City. I understand that one of them—Mr. Knox Patterson—has already communicated with your committee. Another, Mr. H. Grant Ivins, of Salt Lake City, a former associate of Mr. Ritter in the Rent Control Administration for Utah, also desires to be heard. There are still others who are willing to testify if given the opportunity.

On the other hand, I am sure there will be some who will wish to offer testimony in favor of Mr. Ritter.

To keep the record clear, may I state again as I did on the floor of the Senate in the matter of the confirmation of Abe Murdock, of Utah, as a member of the National Labor Relations Board, that I don't believe it is the duty of any one Senator to fight the confirmation of appointees to Federal posts, but that the committees to which the nominations are referred should make their own independent investigations in behalf of the Senate. No situation should be permitted to arise in which a Senator must appear in the role of a prosecutor and the nominee in the role of defendant.

I still believe that is the way the Senate should operate and I hope your committee will see fit to hear these witnesses from Utah either in Washington or in Salt Lake City. I am not informed as to how soon these witnesses could testify, but I believe with a week's notice they would be willing to come to Washington or appear before a representative of the committee in Salt Lake City. They are not men of means and it will therefore be necessary to allow them their expenses to make the trip to Washington in the event the hearing is not held in Salt Lake City.

Sincerely yours,

ARTHUR V. WATKINS.

That letter is signed by me.

Following that first letter, a subcommittee of the Judiciary Committee of the Senate, with the Senator from Washington [Mr. MAGNUSON] as chairman, was appointed to consider the Ritter nomination. I addressed the following letter to the subcommittee on October 5, 1949:

OCTOBER 5, 1949.

Senator WARREN G. MAGNUSON,
*Chairman, the Subcommittee of the Committee on the Judiciary, United States Senate, Washington, D. C.*

GENTLEMEN: I have today received at 1:10 p. m. a notice that your subcommittee will hold further hearings next Monday, October 10, at 10 a. m. on the nomination of Willis W. Ritter, of Utah, for the United States district judge for the district of Utah.

In a letter dated September 20, 1949, directed to your committee, I suggested that a hearing be held on this nomination to permit residents of the State of Utah to state their objections to the appointment of Mr. Ritter. I informed you I was not making a personal objection. I also stated my idea of the duty of the committees of the Senate in matters of this kind. I have not changed my views on this matter.

However, I was invited to attend a meeting of the full Judiciary Committee on September 3. While at that meeting, an excerpt was read by a member of the committee from a report which was in the possession of the committee. That excerpt raised serious questions as to the integrity and morality of the nominee. I was surprised at the statements made in that report. The full report is not available to me. I understood from reference to it in the committee that it comprised more than 30 pages.

As a Senator from Utah, charged with the duty of representing and protecting the people of my State, I sincerely feel that I should have been given the opportunity to examine this report. However, the committee decided otherwise.

I may say that at that committee meeting, as I recall, I specifically asked permission to examine the report, which had been called to my attention at the hearing by a Senator's reading from it and offering some comments on it.

I resume reading the letter:

The statements from the report which I did hear have raised serious questions in my mind as to what my duty is in the premises. Frankly, I don't know whether the statements made are true or not true. They do put me, as well as members of the committee, on notice. The senior Senator from Utah was also present, and he likewise was put on notice.

I have considered this matter very seriously since that hearing as to what, if anything, I should do in the matter, since this has been called to my attention. The office of Federal district judge is one of the most important offices in my State. It affects the lives, liberty, and rights of every citizen in that State. It can be a blessing in the hands of an able and fair-minded judge and a man of integrity. On the other hand, it has powers that could detrimentally affect the citizens of the State if those powers were abused.

As a result of my consideration of this matter, I have come to the following conclusion: first, that since the senior Senator is the sponsor of the nominee for district judge, I believe it is his duty to carefully consider the official report referred to and make a very thorough investigation of any charges or questions raised by that report. He owes it not only to the people of the State, but to the committee and the Senate, and to himself to make that investigation.

Second, it seems to be my duty to also investigate carefully the matters that have been raised. I can't help but believe that I have some duty to all the people of the State, including the nominee, Mr. Ritter, to go into this matter carefully. At the moment I have no means of knowing whether the statements are true or false. This is a very different situation than a trial in court where a man is charged with offenses. In the present situation the nominee has no right to the particular office. The appointment to the office is a privilege and not a right. Under the circumstances, where serious questions are raised, it seems to me it is the duty of those charged with the responsibility to go very carefully into this matter to protect the people as well as the person whose integrity has been questioned.

You will realize that I am seriously handicapped in making any investigation. I haven't the staff, money for expenses necessarily involved, and the time, personally, to do justice to this problem. I am serving on committees—three, in fact—plus subcommittees in which I seek to do my share of the work of the Senate. You gentlemen are charged with the responsibility of making an investigation of the fitness of the nominees who are referred to your committee. You have the authority to subpena, and the full power of investigation and also are entitled to funds to pay any investigation expenses involved. All of these helps you have; I do not have any of them.

I have already advised you that certain witnesses in Salt Lake City should be interrogated. I suggested in my letter that they should be subpenaed. At that time I made it only as a suggestion. I now make it as a request that H. Grant Ivins, Salt Lake City, Utah, and Quentin Cannon of the same city, be subpenaed to attend the hearing next Monday or at such other time as will be convenient to the committee and to these gentlemen.

I also request that those persons named in the report to which I have referred elsewhere in this letter who apparently have some information with respect to the nom-

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inee which information may give light on his character and his integrity and his fitness to hold the position, be also subpenaed. Their names are not available to me, but they are to you.

In support of this last request, may I suggest that unless a report of this kind is going to be made use of, that it is idle to have made the investigation on which it is based; and of course, if there are statements damaging to the character of the nominee, then for his sake and that of the public, they should be cleared up.

I am also informed that prior to my appearance in the committee meeting of last September 3, a statement was made by my colleague that this whole matter was brought about because I am fighting the senior Senator. I didn't get a clear statement of this charge, but may I say that such a statement, either in words or in substance, is absolutely false.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. WATKINS. Yes.

Mr. THOMAS of Utah. That statement was made in committee, and I asked the distinguished Senator from Utah if anyone had heard it said that I had made a statement of that kind, and at that time the junior Senator from Utah said he would withdraw the statement. No such statement was made by me.

Mr. WATKINS. Mr. President, the Senator will note that I am reading a letter which I had addressed to the committee. I cannot very well leave out of the letter what I said to the committee and at the same time give a full report. If the Senator says to me that he never made any such statement, I shall certainly withdraw that statement.

Mr. THOMAS of Utah. It was withdrawn by the junior Senator from Utah when the letter was read in committee.

Mr. WATKINS. I shall withdraw it again. My memory is not too clear. This letter was written on October 5, 1949.

I shall continue reading from the letter:

My action in calling this matter to the attention of the committee has been prompted only by my desire to see that the people of my State are protected and that the Senate is fully informed so that it can intelligently advise, and consent with respect to this nomination. I have not now, and never have had, any personal quarrel with my colleague. As far as I know, we have been on good terms even though we were elected by different political parties and have opposing views on public questions. Since the election, I represent all the people of the State. That, of course, is the position of my colleague. Our duties, generally speaking, are similar and our responsibilities to the people of Utah and to the United States are identical. This is in no way a personal question. It is entirely a matter of doing what should be done in the public interest.

Sincerely yours,

ARTHUR V. WATKINS.

P. S.—It is suggested that if witnesses are to be subpenaed, the matter should be attended to at once, otherwise the witnesses will not have sufficient time to get here by next Monday.

Prior to my letter to the subcommittee, to wit on September 29, the subcommittee had held a partial hearing on the nomination of Mr. Ritter, and in answer to my letter a further hearing was held on October 11.

In the meantime, in response to suggestions contained in my letter, a telegram had been dispatched to Mr. H. Grant Ivins of Salt Lake City and to Attorney Quentin Cannon of the same place, asking them if they desired to make a statement to the committee.

Mr. Cannon answered that he did not desire to make a statement and under date of October 8 Mr. Ivins sent the committee a letter of protest.

I now read the letter of protest sent to the committee by Mr. Grant Ivins, of Salt Lake City, under date of October 8, 1949, in response to a telegram sent to him by the Senator from Washington [Mr. MAGNUSON]. The letter read as follows:

Replying to a telegram received last evening from J. G. Sourwine, counsel for the Senate Judiciary Committee, I desire to submit the following statement regarding Mr. Willis W. Ritter, whose nomination to the United States District Judge for Utah is now being considered by the subcommittee of which you are chairman.

From August 1942 until the abolishment of the Office of Price Administration I served as district director of that agency for the State of Utah. During part of that time Mr. Ritter was employed by OPA as Utah rent director, then as regional rent director, with offices in Denver, Colo. During the period that Mr. Ritter was in the employ of OPA, I had ample opportunity to observe his method of dealing with the public and with the administrative problems of the Rent Division.

As the result of these observations, I am firmly convinced that Mr. Ritter is not a fit candidate for the position to which the President has nominated him. In all his dealing with the landlords of Utah he treated these property owners like criminals and lawbreakers, refusing to recognize their right honestly to differ with him in regard to regulations set up for the control of their rental property. He opposed every effort to cultivate the friendship and cooperation of these property owners. He was arbitrary, tyrannical, arrogant, and abusive in his treatment of those who sought conference with him, so much so that it required many months of careful work to overcome the bitterness which was engendered by his methods.

Correspondence in the files of the OPA would substantiate all these accusations.

There would be found letters addressed to Mr. Ritter's subordinates and some to me in which he says in most forceful terms that we must not try to make friends with members of the Apartment House Association and similar organizations, but should be aware of the fact that they are only trying to find ways of violating OPA regulations. I am certain that, were members of your committee to see this correspondence, they would agree with me that no person who would give such instructions to those under his supervision is fit to sit as a Federal judge.

When Mr. Ritter was appointed regional rent director, he selected, with my approval, Glen D. Reese to act as rent director for Utah. Mr. Reese conducted his office in a manner quite different from that employed by Mr. Ritter, seeking the friendship and cooperation of all those with whom he dealt. His attitude soon became the cause of friction between him and Mr. Ritter, who, from his office in Denver, began planning for the dismissal of Mr. Reese. Knowing that I approved of Mr. Reese's administration, Mr. Ritter, in order to accomplish his purpose, informed me that he did not have enough money in his budget to make it possible for him to maintain both a rent director and a rent attorney in Utah. He informed me that it was, therefore, necessary for him to abolish the position of rent director and appoint a director-attorney for the Utah area. As Mr. Reese was not an attorney, it would be necessary for him to resign to make way for a person who could fulfill the requirements of the new position.

I objected to the change proposed by Mr. Ritter, first because I was well satisfied with the work of Mr. Reese, and, secondly, because I could not agree with Mr. Ritter in his choice of a director-attorney. I finally carried the matter to Clem Collins, regional OPA director. I learned, to my amazement, that Mr. Ritter had told Mr. Collins that Mr. Reese was doing a very poor job in Utah and should be removed from office. Mr. Collins, of course, knew that there was no need to abolish the position of Utah rent director because of a lack of funds. The disagreement on this matter finally reached such a point that I was ordered, on 6 hours' notice, to fly to Denver to meet Mr. Ritter and settle our differences. Mr. Collins informed me that Mr. Ritter expected to leave the following morning for a meeting of all regional rent directors to be held in Chicago. Mr. Collins said he did not wish Mr. Ritter to attend that meeting until he and I had settled our dispute one way or another.

I was unable to obtain air passage to Denver as requested by Mr. Collins, and so informed him by wire. Next day Mr. Ritter announced his resignation. I have no further information as to what had transpired in the Denver office.

In this entire matter Mr. Ritter was maliciously dishonest in his dealing with me and with Mr. Reese. I do not consider a man who could stoop to such deceitful methods to accomplish his purpose fit to occupy the position to which Mr. Ritter has been nominated. His prejudices are so violent, his respect for others so lacking, his integrity so questionable as to make him unfit for calm objectivity and absolute honesty.

I am astonished at the statement of Congressman WALTER GRANGER, as reported in the Salt Lake Tribune, that members of the legal profession in Utah favor the appointment of Mr. Ritter. I have talked to many prominent lawyers about this matter, and I have yet to find one who does not say that such an appointment would be little short of a calamity. Every one, however, has added that he would not say a word against the appointment, adding that having done so, he would never dare appear in Federal court before Mr. Ritter. All seem to take it for granted that the appointment will be confirmed by the Senate.

In fairness, may I add that I know nothing which would cause one to question Mr. Ritter's loyalty to the Constitution or to the Government of the United State. Nor do I question his ability as an attorney. I admire his ability, but at the same time consider him entirely unfit to occupy the position of Federal judge. I can assure you that I speak for many of the leading citizens of Utah in submitting this information.

Sincerely yours,

H. GRANT IVINS.

Mr. Ivins is not merely an ordinary citizen of Utah. He comes from one of our leading families. He has been active in politics for many years. He is one of the leading Democrats. He has been an ardent supporter, and I understand still is, of the senior Senator from Utah. He was not in any sense speaking from the standpoint of politics. He appealed to me, he told me, only because he could not get a satisfactory answer or any answer from the senior Senator from Utah, to whom he had conveyed some of the complaints which he placed in this letter. That, of course, was told me outside of anything in his letter.

Mr. Ivins, as I have said, was a coworker with Mr. Ritter in the Federal service. He was a man who finished his career with honor. He remained in office, I think, the entire time the OPA was in operation in the State of Utah, during the war period.

Mr. President, I call attention to that fact so that the Senate and the people of Utah can understand why I did pay attention to Mr. Ivins. I had known him for a number of years. While he and I were as far apart as the poles in the matter of politics, I did have high regard for his integrity and truthfulness. I sincerely thought that he believed what he was saying to me when he conveyed to me in substance what he subsequently put into this letter to the committee.

I felt that he was at least in this letter calling the attention of the Senate and the people of Utah to his position. That was one of the principal reasons why I asked for the investigation, not because I had any personal objection to Mr. Ritter, as I have stated. I previously have said that I had not known him personally. I think I met him in my office just before one of the hearings when he came to call on me in Washington.

I did have a personal and sentimental reason why I would ordinarily want to support his appointment. My son, now deceased, had been a student in his law class at the university, and he had high regard for him. I had heard that from my own boy, and because of that I had a personal reason of a sentimental nature to go along with his appointment.

Mr. President, the letter I have just read from Mr. Ivins was made a part of the public record of the hearing on October 11 by the chairman of the subcommittee of the Committee on the Judiciary, the senior Senator from Washington [Mr. MAGNUSON]. It was later published, with other information, in a printed statement of the public hearings which were held.

In commenting upon the matters which were before the committee at that time, the Senator from Washington made a statement to which I wish to call attention. I bring this to the attention of the Senate because I think it has been overlooked by many persons that this communication of Mr. Ivins was made public property, was made a part of the record, and actually was printed, and that copies were available at the Committee on the Judiciary. This is what the Senator from Washington said:

> All of those communications are fully open to the public; they are right here, and, as I say, they contain two letters, two communications against him—

I interpolate to say that he means against Mr. Ritter—

> and I do not know how many—I have not counted them—which are just the opposite.

There was one other letter which had been sent to the committee by another leading Democrat of Utah of the old Jeffersonian school. I believe he does not claim to be a New Dealer or a Fair Dealer, but he is like some of my colleagues of the Senate of the Democratic persuasion, who probably would be very much at home with him. He claims to be an old-fashioned Democrat who believes in the private enterprise system, does not believe in too much tinkering with it, and believes strongly in individual rights, as they were set forth by Andrew Jackson and Thomas Jefferson. He sent a letter to the committee. I have not placed the letter in the RECORD, and I am not reading it here today, for the reason that later he recanted some of the things he said in the letter. I think he later addressed another letter to the chairman of the Committee on the Judiciary, and also had one published in one of the newspapers in Utah. I am not making anything of that, except that later on in the record reference was made to a letter from Knox Patterson, of Salt Lake City, Utah.

I read my letter addressed to the committee on October 5, 1949, as a part of the public record in the public hearings held by the subcommittee on October 11, 1949, and all I said in it is a part of the printed record.

The subcommittee on a 2-to-1 vote reported to the full Senate Committee on the Judiciary a recommendation that Mr. Ritter's nomination be approved.

I am quite sure that some Members of the Senate are probably wondering why it is that the nomination is now before the Senate, having been made about a year ago. As I recall, it came to the Senate some time during the latter part of August. Some public hearings, at least two, were held by the subcommittee, and, although there was a favorable report of 2 to 1 by the subcommittee to the full committee that Mr. Ritter's nomination be confirmed, the entire committee did not take action. It was along in October when the report of the subcommittee was made, and the full committee postponed action, as I recall, indefinitely, which killed the nomination, because it had not been confirmed during the period the Senate was in session.

It should be remembered that the subcommittee refused my request to subpena Mr. Ivins, Mr. Cannon, and the other witnesses mentioned in the Government report which was before the Senate Judiciary Committee. This report had been referred to and quoted from by a member of the committee at a meeting of the committee and in my presence and in the presence of the senior Senator from Utah.

The full committee postponed indefinitely further consideration of the nomination. The first session of the Eighty-first Congress then adjourned in mid-October, thus refusing in effect to approve the first nomination made by the President of Mr. Ritter.

The matter could have been settled, in my opinion, in the first session of the Eighty-first Congress had the subcommittee granted my request to subpena Mr. Ivins and the other witnesses suggested.

When this was not done, the whole committee refused to act on the nomination.

I am confident in my own mind that the subcommittee made a mistake when it did not subpena these witnesses. There were only two or three of them at that particular time, who could have come here and explained their position, and the whole matter probably could have been cleared up at that point. But it was not done. The result was that the nomination then failed, but it came up again.

Following the adjournment of Congress, the President made an interim appointment of Mr. Ritter, which authorized him to serve as judge until Congress should meet again.

Upon the convening of Congress in January 1950, the President again sent the name of Mr. Ritter to the Senate for confirmation for Federal judge for Utah. That is, after Congress had reconvened in January.

Based on the protest of Mr. Ivins which had already been filed with the committee and statements of other Utah citizens, who for the most part were Democrats, and on the letters which I had previously filed with the committee, and on the statements which I had heard read from the report to which I have already referred in one of my letters, I again requested the committee to investigate the qualifications of Mr. Ritter to hold this high office.

The committee then ordered that hearings in executive session be held at Salt Lake City, Utah, and at Denver, Colo. Some other matters happened in the interim which I do not think are important to my present discussion.

The hearings were ordered to be executive even though I urged they be held in public since the committee had decided that Mr. Ritter could appear in person and be represented by attorneys for the purpose of examining witnesses who would appear. I also was given the privilege of appearing to cross-examine witnesses and of suggesting the names of witnesses to be called. It will be remembered in the original letters sent to the committee in September and October 1949, I had insisted that it was a committee investigation to which I was not a party. I did not want to be in any way made responsible for the conduct of the investigation. I was willing to help, but I did not feel that it was proper for any Senator to be made the prosecutor or attorney for any group which might be protesting.

I may say that I attempted to continue that stand all the way through, but finally at various times I was almost forced, if the investigation was to go forward at all, to assume the position more or less of a prosecutor, much to my resentment, because I do not believe it to be proper, even though it has been somewhat the practice in the Senate.

That is the position I have taken all along through this rather lengthy case.

Sometime before March 13, I was notified by the distinguished Senator from Nevada, the distinguished chairman of the Committee on the Judiciary [Mr. MCCARRAN] that my request for an investigation of the qualifications of Mr. Ritter for Federal judge had been granted and that the hearing would be held in executive session.

On March 13, I wrote a letter to the chairman of the committee, in which I stated:

> You told me verbally that my request for an investigation of the qualifications of Willis Ritter to be Federal District Judge of the District of Utah had been granted,

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but that the hearings would be held in executive session. Of course I haven't the right to prescribe the method of holding the hearing, but I do want to make it clear that my own opinion is that under the circumstances, the hearings should be public. But since the committee has decided otherwise, I shall have to abide by that decision.

In the same letter, I also said:

In connection with the entire investigation, may I suggest that in a previous letter I called attention to the fact that Mr. H. Grant Ivins, who will be one of the witnesses, had informed the committee that the files and records of the Rent Control Division of the OPA contained written evidence of the unfitness of Mr. Ritter to hold this position. I hope the committee is having a trained investigator examine these files to discover if there is any such evidence. I am sure Mr. Ivins will be glad to cooperate with him in the location of the evidence. In the event the committee needs assistance in this matter, I shall be glad to designate a member of my staff to aid in the investigation.

On April 20, I received another letter from the chairman of the committee which contained the following paragraph:

In view of the fact that you are opposing Judge Ritter's nomination and that the witnesses whom you named are being subpenaed, I respectfully urge you to be in Salt Lake City on May 1, to participate in the hearings which will convene in the Federal Building there beginning at 9:30 a. m. on that date; and that you also be present in Denver on May 5 for the hearings which will convene in the Federal Building in Denver at 2 p. m. May 5. You will be given the privilege of presenting your witnesses—

I emphasize the word "your"—

your witnesses in such order as you may determine, and you will have the right to question or cross-examine any witnesses who appear. The nominee will be granted the same right, in person or by counsel.

This paragraph indicates clearly that at least the chairman of the committee considered the investigation in fact a trial. He places me in the position of attorney opposing Judge Ritter's nomination and he speaks of the privilege which is given me of presenting my witnesses in such order as I might determine.

To that letter I replied:

APRIL 24, 1950.

Hon. PAT MCCARRAN,
*Chairman, and Members of the Committee on the Judiciary,*
*Senate Office Building,*
*Washington, D. C.*

GENTLEMEN: On April 21 I received a letter from the chairman of your committee which contained the following paragraph:

"In view of the fact that you are opposing Judge Ritter's nomination and that the witnesses whom you named are being subpenaed, I respectfully urge you to be in Salt Lake City on May 1, to participate in the hearings which will convene in the Federal Building there begining at 9:30 a. m. on that date; and that you also be present in Denver on May 5 of the hearings which will convene in the Federal Building in Denver at 2 p. m. May 5. You will be given the privilege of presenting your witnesses in such order as you may determine, and you will have the right to question or cross-examine any witnesses who appear. The nominee will be granted the same right, in person or by counsel."

Then I proceed with my letter:

May I most respectfully state that there are two statements in that paragraph to which I take exception. There is also a policy announced which I sincerely believe is not proper under the circumstances of this investigation.

May I repeat again with all the emphasis at my command I am not opposing the nomination of Judge Ritter. I have tried to make that crystal clear in previous letters to your committee. (Attached are marked copies of letters.)

As I recall, I attached to the letter copies of those earlier letters.

I read further from my letter:

The witnesses I have suggested be called are not my witnesses, but the witnesses of this committee. As an aid to the committee, I have suggested their names. I believe they have knowledge of facts which should throw light on the qualifications of the nominee.

I haven't filed any charges against this nominee. I am not a complaining witness. I am not the plaintiff, neither am I the attorney for any person or group who may or may not be against or for Judge Ritter.

My entire interest in this matter is that of a Member of the United States Senate representing the people in the State of Utah.

I want to have a careful, thorough, and fair investigation made of all the qualifications of the nominee for the high and very important office of Federal judge for Utah.

I requested that this investigation or hearing be conducted because a number of Utah people, members of the Democrat Party for the most part, laid before me certain alleged facts which they honestly believed to be true, which in their opinion disqualified the nominee.

These people are reputable people and I am convinced believe what they have told me to be true.

Their position is largely, but not wholly, stated in a letter filed by this committee by H. Grant Ivins of Salt Lake City with which this committee is, or should be, familiar.

That is the letter from Mr. Ivins which I have already read.

I continue to read my letter:

In addition, I heard read and discussed briefly at a meeting of this committee certain matters from an executive department report which raised serious questions as to the integrity and morality of the nominee.

I have no means of knowing whether questions raised by these citizens of Utah or the questions raised by the report are true or false. I have had neither the time, the staff, nor the money to investigate these matters. But they were serious enough in character to warrant, in my judgment, a thorough investigation by this committee—a committee which has been charged with the responsibility and given the necessary staff and money to do the job.

May I most respectfully urge that this is not a trial—it is an investigation to see whether or not the Senate will approve this nominee named by the President.

Too often matters of this kind have been conducted as trials; and when this has been done, the reputation of the Senate has in several notorious instances suffered as a result.

Mr. President, I can name them. I think the Senate and the country now have in mind a current investigation which in my opinion is not bringing any honor or respect to this great deliberative body. I expect to mention it later in my speech.

I read further from my letter:

The hearings on the Lilienthal and Clapp appointments are outstanding examples.

In the paragraph I quoted at the beginning of my statement it was stated: "You will be given the privilege of presenting your witnesses in such order as you may determine, and you will have the right to question or cross-question any witnesses who may appear. The nominee will be granted the same right, in person or by counsel" and to this I add the last sentence of the letter, "As you have been previously advised, the hearings * * * will be in executive session."

If I understand the language, it means that this hearing is to be a trial—a trial held in executive session—in secret, and the evidence also is to be kept secret as I have been previously informed by the chairman.

This is completely contrary to the idea of an investigation conducted to see whether or not we want to approve the hiring of Judge Ritter as a life-time Federal judge.

It is contrary to the traditions of the Senate to permit the nominee or his counsel to cross examine witnesses at such executive hearings. It is contrary to the practice of the executive department when it conducts investigations of persons under consideration for appointment by the President.

The Justice Department investigates entirely in secret. No appointee or counsel is present when the FBI makes inquiry of various citizens about nominees.

Mr. President, in that respect let me say that it would seem to me to be utterly ridiculous, in the case of any office for which the Senate is to advise and consult in regard to the confirmation of a nominee for a position of such great responsibility, to adopt a policy by which the person being investigated to see whether he should be confirmed to such a position and should be given such great responsibility, should be permitted to attend, together with his attorney, such hearings, and should be permitted to cross-examine every person who would submit information. I can readily understand that under such circumstances the committee would not get any information, because no person wishes to go on record as criticizing another human being under such circumstances. After all is said and done, the reason the FBI makes its investigations is not because there is a want of political endorsements by prominent persons who live in the State from which the nominee comes. Anyone knows that a large record can be filled with endorsements from persons who know the general reputation of this appointee. That situation applies in the case of practically every appointee, I do not care who he may be; it is almost always easy to secure plenty of endorsement. I have in my office bulging files, not only in the case of the nominations of judges, but in the case of the nominations of persons for other positions, for the benefit of whom many persons have written letters of endorsement, addressing them both to the Senators from their State and to the committee concerned.

Mr. President, I continue to read my letter:

No appointee has the right to an office in government. It is a privilege only which may or may not be granted by the appointing and confirming power. This has been held in a long line of cases. Only recently it was reaffirmed in the case of *Bailey* v. *Richardson* by the District of Columbia Court of Appeals. Miss Bailey was in office, but was discharged without having the opportunity to face her alleged accusers.

Let me interpolate that she had gone even further; she was then holding the job, and at that stage she seemed to have some kind of right to the job; at least,

she felt that she did. So she was in a considerably better position than someone who is merely seeking an appointment.

I continue to read my letter:

The circumstances of the Bailey case were much stronger in favor of an actual trial where the accused would be present and have all the rights of a defendant charged with an offense—but the Court said "No" to her argument. The President could discharge without any hearing or without giving any reasons. (Attached to this statement are quotes from the Bailey case decision.)

Lets look at the present investigation from a practical point of view. The committee and the Senate want the truth about the qualifications of the nominee. The office is not elective—the people of Utah will have no opportunity to approve or disapprove the nominee. That is why the Senate investigation is so important.

Mr. Ivins, a former associate of Mr. Ritter in the rent control, says Judge Ritter is vindictive and that he is maliciously dishonest.

Aside from Mr. Ivins, what witnesses are likely to be willing to testify against the nominee if he is present when they know that he may be the judge to pass on their rights—their liberties?

Mr. President, let me say at this point that I have profound respect for the courage of H. Grant Ivins, who even went against one of his good friends, the senior Senator from Utah [Mr. THOMAS], and other members of his party in Utah, who took a different point of view after the nomination had been made. Mr. Ivins had nothing to gain politically or otherwise by taking this stand. Regardless of whether he was or was not mistaken, regardless of whether he got his facts twisted or whether he misunderstood the situation, he certainly had courage to do what he did. I think the senior Senator from Utah will agree with me that Mr. Ivins is one of the best men in the State of Utah, that he is an honorable man, that he is a truthful man.

Mr. President, I resume reading my letter:

What lawyer who earns his living partly by practicing in the Federal court in Utah should be required to tell what he knows about the nominee's qualifications before the nominee and then subject himself to cross-examination by the nominee or the nominee's attorney? Is the committee likely to get the truth under such circumstances?

Remember that I am addressing this letter to the chairman of the Committee on the Judiciary, which had notified me that it was to be an executive session—a secret session—and that the nominee and his attorney would be there to cross-examine witnesses, and I have said in my comments that that is in the nature of a trial. I repeat:

Is the committee likely to get the truth under such circumstances?

The letter continues:

Is such a procedure fair to the lay witness and lawyers?

I think every member of this committee has been requested many times by employers in and out of Government for confidential statements on personnel being considered for appointment to responsible positions. I think I am safe in saying that most of us might refuse or at least be very reluctant to give advance evidence or opinions if our responses were not to be kept in confidence.

In this connection I have talked with many lawyers in Utah who are not in favor of Mr. Ritter as judge. Some of them have information which I think the committee should hear, but these same lawyers have pleaded with me not to have them called. They claim that it would ruin their practice in the Federal court if they were called and testified to anything that would be adverse to the nominee—that is, of course, assuming he will be finally confirmed as judge. Incidentally, they have the belief that he will be confirmed because of the political situation in the Senate.

One other matter which is wholly in keeping with the idea of a trial is that statement contained in several letters signed by your chairman to the effect that the committee will issue subpenas duces tecum on any books, papers, or documents which I may desire to have brought in. I am directed to describe them with reasonable particularity and to tell the committee where they are and in whose custody. Obviously, this is on the theory that I am one of the parties to the investigation and that it is my duty to find the evidence and then have the subpenas duces tecum issued.

I have been a judge long enough and a lawyer long enough to know that when that direction is sent to anyone it means that he is responsible for getting the evidence, he is responsible for bringing it in. He may only be calling the committee's attention to something for the purpose of aiding and assisting it in getting information the Senate should have, certain information that it needs, immediately, as has been done here previously. The burden is imposed on him, if he even makes the charges. It should, in my opinion, fall on the committee. I continue with the letter:

Let me say again that I have had neither the time, the staff, nor the means to make an investigation of the records of the OPA. It was Mr. Grant Ivins, a former associate of Judge Ritter in the OPA, who told the committee in his letter that there was documentary evidence in the files to substantiate his statements about Judge Ritter. I have offered to help locate these documents. I have offered a member of my staff to aid the committee staff in search for them. My office has spent considerable time trying to locate these files, but it should be clear to the committee that I am not in a position to get these files opened up for my investigation; only the committee has that power.

It should also be kept in mind, I may interpolate, that the OPA files for any State, even though it may be no larger than the State of Utah, are very voluminous. They would make many truckloads. But, with the help of Mr. Ivins, the trained investigator, having in mind the dates that were controversial, would be in a position to get the facts. Mr. Ivins claims in his letter that these things happened, and that in the files would be found documents to substantiate what he said. I think that the committee's staff could have found that information.

I want to say now that only a few days before the hearings actually began, a member of the committee staff was assigned to work with me and at my direction, and that was the time to which I referred. Finally I was put in a position, over my objection, of having to dig for the evidence, a task which I felt, and still feel, should have been undertaken by the committee and its staff. To give it the lead, Mr. Ivins could call it to the attention of the committee and state where it could be found. But the task apparently was placed on me and the one staff member who was assigned to me.

I continue:

My office has spent considerable time trying to locate these files, but it should be clear to the Committee that I am not in a position to get these files opened up for my investigation—only the committee has that power.

We tried, but we could not get into those files. It finally had to be done by a member of the committee's staff. But it was not done in time really to be of any special service or to throw any particular light on the matter. At least, there was not the full investigation which Mr. Ivins had suggested and which I desired. That is one of the criticisms I have had of this particular investigation, that it was not complete, not merely in respect to Mr. Ivins' allegations, but with respect to certain other matters to which I shall later call the Senate's attention.

I continue:

In conclusion, may I say, gentlemen, that I am not writing this letter in any spirit of personal criticism. I know that there have been many hearings here which have made regular court trials out of investigations. Ever since I came to the Senate I have been against such procedure. I have said so publicly on the floor of the Senate and I have said so in letters to this committee, and, since I feel that I am right in this position, I do not believe I should change even to accommodate myself to the present investigation.

I am willing to do everything I can to aid and assist the committee. I want to know the truth about the qualifications of Judge Ritter. I haven't made up my mind as yet as to whether or not he should be confirmed. My final position will be largely determined by this investigation.

May I also add that since the scene of the hearing has been shifted to Salt Lake City and Denver that I shall be put to considerable personal expense—transportation, hotel bills, and otherwise—which I do not feel under the circumstances should be my personal responsibility. I should like to take a member of my staff along to aid in the investigation. I think his expenses ought to be paid by the committee. He is a lawyer from Utah and is well acquainted with the situation in Utah so that he can be of real help.

I earnestly urge that you give the matters I have discussed in this letter serious consideration.

The letter is signed by me.

I think this letter is very significant. In it I maintain the position I took in the very beginning of these proceedings, but apparently the Chairman, at least, has been following the old custom in the Senate of casting a Senator who asks for an investigation in the role of prosecutor and the nominee in the role of defendant. The investigation becomes a trial. The committee sits as jurors or judges.

In my letter, I think I pointed out the reasons why such a policy and such a method of making investigations are not compatible with the obligations of senatorial committees, which are the agencies of the Senate itself, constituted and endowed with investigatorial powers, in my opinion, to act as investigating agencies for the Senate. It is too

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big a job for the Senate to undertake for itself, at least to gather the facts—not to try people to determine whether they are guilty or innocent of charges, but to determine, as the President determines, if you please, whether we should consent to the hiring or the appointment of nominees.

I am so much concerned with this matter of procedure of committees, that I have discussed it, not merely in this particular instance, but previously. I have been considering legislation which would set up for the Senate a nonpartisan staff of experts who could be called upon by any of the committees to aid in investigations. The staffs we now have include some members who are trained to investigate, and some who are not. They have many duties to perform. But when they are called upon to make investigations which take considerable time and trouble, and which are rather difficult, it is almost impossible for them to get away from their other work. I can readily understand how committees are situated. But we now have a helter-skelter method of investigating these matters. The Committee on the Interior must consider the appointments to such positions as those of the Secretary of the Interior, the governors of the various Territories, and numerous other positions.

In the Committee on Public Works, consideration must be given to the appointment of the Chairman of the Board of TVA and of those having to do with the public works of the United States. Each committee has its job to do. But it is manifest to me, and I think it should be to everyone, that each committee cannot have a trained staff of investigators. I am today going to some length to discuss this matter, because I believe it is a question which we should seriously consider, to see whether we cannot work out a reform, and bring about the creation of a staff, nonpartisan in nature, to do an objective job of getting the facts, of ascertaining the truth in cases in connection with which questions have been raised about personnel, or in other investigations where we need to get the truth and the whole truth.

In the matter of the confirmation of the nomination of the Honorable Abe Murdock to be a member of the National Labor Relations Board, which came up in 1947, the first year I came to the Senate, I stated my objections to this manner of committee procedure. What I then said is applicable in the present case. I used the hearings in the Lilienthal and Gordon Clapp cases to illustrate my criticism. Among other things I said—and the reason I took those cases to illustrate my point of view is because the Joint Committee on Atomic Energy and the Committee on Public Works were criticized by the press of the country very bitterly for consuming so much time and permitting a member of this body, who was objecting to the confirmation of the nominations, to take so much time of the committee to cross-examine and to present the cases.

I shall quote what I said at that time in a speech which I made to the Senate. I am very serious about this matter, and I hope that at some time we can bring about some reform. I said at that time:

> Apparently the committee considered its function to be that of a jury—

I am referring, now, to the committee which held the Lilienthal hearings—

> which was to hear the evidence presented by the prosecutor and by the defendant, and from this determine the qualifications of the nominee. Under this theory, the senior Senator from Tennessee was the prosecutor, and Lilienthal, the defendant.
>
> That my conclusions are correct is borne out by the following quotation from a very effective speech which the senior Senator from Michigan [Mr. VANDENBERG] made in behalf of Mr. Lillienthal. Said the Senator:
>
> "Since it is impossible for all Senators to know the record developed in 7 weeks of utterly exhaustive hearings, I respectfully suggest that fair-minded men cannot wholly ignore the impact of the cold hard fact that eight out of nine of the Senate's own jury"—

I hope the Senate appreciates that point—

> "of the Senate's own jury, commissioned by the Senate to pass on the facts"—

Let me emphasize the words "pass on the facts"—

> "report, regardless of party lines, in favor of confirmation."
>
> That illustration was carried out to a great extent in subsequent language in the speech to which I have referred.
>
> It will be noted that the Senator said to "pass upon the facts." Had the committee made its own investigations, the prosecutor in this case would have been relegated to a very minor role indeed.
>
> May I respectfully suggest that if there is to be any jury role played at all it should be by the entire Senate, and not by one of its committees.
>
> As it was the senior Senator from Tennessee carried the burden of the investigation apparently because no one else was willing to do so. He was permitted to set the pace and the direction of the hearings, although it should be said in fairness that he and his witnesses used no more time than did the friends of the nominee. But what he did had a big influence on the time used by the so-called defendant in the case.
>
> Then there was the Gordon Clapp case. It will be recalled that Mr. Clapp was nominated for the position of Chairman of the Board of Directors of the Tennessee Valley Authority.
>
> This case largely paralleled that of Lilienthal—the same witnesses, the same methods, the same result.
>
> I sat as a member of the Public Works Committee, and I know that the members of the committee were trying to do a good job, but it seemed that we were following the custom which had been established in the Senate of letting someone else bring in the evidence, and letting the man who was under charges meet the evidence. We did very little on our own initiative. I say that without any desire to criticize the chairman or the members of that committee, or the other committee for that matter.
>
> Over the years there have been other cases. The issues were different, but the methods of considering the nomination were the same.
>
> Mr. President, I think that before I conclude this statement, I should at least suggest how I believe committees can greatly improve the procedure in considering Presidential appointments.
>
> In making such a suggestion I do so in humility becoming a freshman Senator, and I respectfully submit it in that spirit. The suggestion is this:
>
> All investigations should in actual fact as well as in theory, be made by and through the committee on its own initiative rather than a trial between two or more opposing factions, and a professional staff of investigators should be used to obtain proper information for committees on any appointments that might be questioned.

Mr. President, I have been thinking, as I went over the statement I made at that time, how much trouble might have been averted in the recent investigation of loyaly risks authorized by the Senate; how many reputations might have been saved; how much truth might have been arrived at and determined—and that is what we are after—if we had had a trained nonpartisan staff to make the preliminary investigation and to report to the committee, rather than for the committee to demand of a Senator who called to its attention alleged facts which he though needed investigating to furnish the evidence and to do the job which the committee itself was authorized to do. It seems to me we could have avoided much unpleasantness, much time of an important committee, if such staff had the job of a thorough investigation turned over to it.

I may say, Mr. President, that I am not in sympathy with any proposal to take away from the Congress its power to investigate and to place it in a so-called commission outside the Congress. Especially am I opposed to having the Executive or anyone else name any of the members of such an investigating group. That is the function of the Congress which should never be delegated to anyone outside Congress. While we may not have discharged that duty any too well in many instances, I think the remedy is not in trying to get someone else to do the job, but to reform our procedure and finally do what we should do in the way in which it should be done, so that the procedure will be fair to everyone and we will be effective in getting the truth—the facts.

In presenting a review of the Ritter case today, I am seriously handicapped because I am not permitted to quote the transcripts of the hearings held in Salt Lake and Denver. It should be remembered the hearings were held in secret. The chairman of the Judiciary Committee, in a letter to me, dated March 30, 1950, said, in response to a letter which I had sent to him:

> I believe you are in error in stating you discussed with me the question of using, on the floor of the Senate, the record of hearings held before the committee in closed executive session. I do not recall discussing this point with you. You speak of this as a right which is traditional. On the contrary, the precedents appear to support the view that hearings held in closed executive session may not be made public, nor discussed in the Senate in open session. Proceedings before the committee are proceedings of the Senate; the right of the committee to order executive sessions is preserved by the Legislative Reorganization Act, and with respect to such executive sessions, it appears that provisions of Senate rule 38 would be applicable. Certainly, when members of the committee bind themselves by directing that a particular proceeding be in executive session, any Senator not a

member of the committee, who is by courtesy granted the right to be present is equally bound. The provisions of subsection 202 (d) of the Legislative Reorganization Act, making committee records available to Members of Congress, is unquestionably a privilege personal to each Member and for his own information alone and carries no inference of the right to disclose any information so obtained.

In what may have been my blissful ignorance of the precedents of the Senate, I thought that ruling of the chairman of the committee was in error. It was difficult for me to believe that public business of this kind should be carried on in secret. Apparently it is impossible for me to use any of the voluminous record made in the secret hearings held in Salt Lake City and Denver.

I have seen those records, and I was present when they were made. As I recall, the records involved something more than 1,200 pages of typewritten transcript. I have examined the record of the Senate to find out what kind of report was made to the Senate on this nomination. It was the usual printed form in which merely the statement was made that the committee reported the nomination with a recommendation favorable to the nominee, or words to that effect. No printed copies of the record of the hearings have been made available, or have ever been sent to Senators. There is nothing in the report of the committee except that the recommendation is favorable and that it is reported to the Senate. It would be difficult for me or for anyone else, particularly for anyone who has not gone into the matter to understand what was done by the committee and what the facts are with respect to the Ritter nomination. It was done in accordance with the rules of the Senate. I am pointing out that it seems to me to be a rather absurd and ridiculous situation for the Senate to be placed in. Even if my memory were sufficiently accurate to enable me to quote evidence which I heard at the hearings I would not be permitted to do so, under the chairman's interpretation of the rule.

Except for the use of one small volume of testimony, I have been required to review the record in the committee rooms, and at the convenience of the committee staff. The committee staff has been very courteous to me. They have stayed at night on two or three occasions, so I could, after hours when I was not engaged in committee work, go there and try to read some of that voluminous record. No review of the record is contained in the brief committee report. That would not be permissible. So all that the Senate has before it is the bare recommendation of the committee that Judge Ritter's nomination be confirmed and what I may say about it, what members of the committee may say about it, and what my distinguished colleague from Utah may say on the subject. The hearing record, as I understand, is available only to committee members and at the committee headquarters. They did make the record available, as I indicated, because I was a Senator from the State which was involved. If there was nothing to conceal why should there be so much secrecy?

The situation being what it is, I am compelled to present the matter to the Senate, to justify my conclusions, my reasons for what I have done, and what I am saying now, as well as my entire conduct in this matter, as best I can and still keep within the rules.

In reviewing this matter, let me remind the Senate that it has been held repeatedly by our courts that no citizen is entitled to public office as a right. Holding public office is a privilege granted by the people in accordance with procedures that have been established by law. Any candidate for an elective or an appointive office voluntarily places his whole life's record before the people for scrutiny. The people have a right to know about his activities, both public and private. If anyone does not think the people do not take advantage of that right, let him run for public office in an election, and he will find out that that is the case. The public does a pretty good job of illuminating the past record of a candidate, even to his secret thoughts. If a citizen does not want to undergo that kind of examination he should never become a candidate in the first place. If he does not want to hold up to the limelight his reputation, or hang it out on the clothesline, so to speak, he should never become a candidate. And office is never forced upon him.

The qualifications required of a Federal judge are of the highest order. He not only must be trained in the law with the ability to apply the law to the facts of each matter that comes before him, fairly and equitably, but he should also be a man of the highest integrity and morality. He should be exemplary in every respect. He should bring respect to the office and should not be handicapped in any way by a previous record inconsistent with the laws and principles he will be called upon to enforce.

He should be loyal to his country and its institutions and to the Constitution of the United States which he will swear to uphold and defend.

He should not be vindictive or dictatorial. Every litigant, every citizen should be treated fairly and justly.

It is not only necessary that he have a record of law observance, that is, of keeping within the law, but he should be in all matters of morals and integrity above reproach and suspicion.

Those are high standards but may I say with justifiable pride that there are many lawyers in the State of Utah in both political parties, who in my opinion can meet the test.

In Utah we have not come to the point where only one man is competent and qualified to be a Federal judge. I believe that is true in every State. In every State of the Union many lawyers could be found who would be qualified to hold such a position. In my State probably several hundred lawyers, out of more than a thousand, could qualify to do a good job as a Federal judge.

In such a situation it is not necessary, in order to get a judge, to appoint anyone whose conduct is justly open to question and reproach. It is not necessary, in determining the qualifications, to find that a person has not been guilty of crime beyond a reasonable doubt. As I have already pointed out, a person should be above reproach and above suspicion. It should not be necessary to appoint merely anyone, unless, of course, there cannot be found a qualified person who is beyond reproach or suspicion. I want to keep that in mind in connection with the position I have had to take in this matter, and the reason I have asked for this investigation, as well as the result to which I have come to with respect to it.

I now proceed to view rather briefly my position in this matter. I do so for the simple reason that this nomination was to come up at 4 or 5 o'clock this evening, as most executive matters come up at the end of the day, and I have not had an opportunity to finish putting into precise language what I wanted to say on this particular point. Therefore what I have to say will be more or less sketchy, but I shall do the best I can under the handicaps which are imposed upon me, particularly because I am unable to use the record, for the record is secret.

I wish now to discuss the qualifications of Mr. Ritter and the charges which have been made against him by Mr. Ivins, and other incidental matters connected with the question of the fitness of Mr. Ritter to be a Federal judge. In doing so, I realize that I must take a different approach from that of referring to the record, because the record is not available to me for this discussion. Neither is it available to other Members of the Senate, as I understand, outside of members of the committee and my distinguished colleague from Utah, who also would be permitted to see it, as I have been permitted to see it.

In his statement, which I have heretofore read in full, Mr. Ivins is very definite and specific in his protest against Mr. Ritter. He is firmly convinced that Mr. Ritter is not a fit candidate for the position. I think he makes that abundantly clear. He charged that in all Mr. Ritter's dealings with landlords in Utah while he, Ritter, was the OPA rent director he treated property owners like criminals and lawbreakers, refusing to recognize their right honestly to differ with him in regard to regulations promulgated for the control of their rental property and opposed every effort to cultivate the friendship and cooperation of the property owners.

Mr. Ivins in his letter of protest to the committee said:

> He was arbitrary, tyrannical, arrogant, and abusive in his treatment of those who sought conference with him, so much so that it required many months of careful work to overcome the bitterness which was engendered by his methods.

Mr. Ivins further charges that Mr. Ritter used deceitful and dishonest methods in attempting to secure the discharge of Glen D. Reese, who was then the rent director for Utah. Mr. Ritter at this time was regional rent director for Utah, Idaho, New Mexico, and other States. Mr. Ivins claims that Mr. Ritter told him he would have to consolidate the office of Utah rent director with that

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of rent attorney because the funds in his budget would not make it possible for him to maintain both offices. Since Mr. Reese was not an attorney, he would have to release him and appoint an attorney in his place.

Mr. Ivins claims that he took the matter up with Clem Collins, regional OPA director, who was over both Ritter and Ivins, and found from Mr. Collins that Mr. Ritter had told Mr. Collins that Mr. Reese was doing a very poor job in Utah and should be removed from office. Mr. Ivins charges that—

> In this entire matter Mr. Ritter was maliciously dishonest in his dealing with me and Mr. Reese. I do not consider a man who could stoop to such deceitful methods to accomplish his purpose fit to occupy the position to which Mr. Ritter has been nominated. His prejudices are so violent, his respect for others so lacking, his integrity so questionable as to make him unfit for calm objectivity and absolute honesty.

On the other hand, Mr. Ivins also said:

> In fairness, may I add that I know nothing which would cause me to question Mr. Ritter's loyalty to the Constitution or to the Government of the United States. Nor do I question his ability as an attorney.

The papers have carried the stories that Mr. Ivins was a witness at the Salt Lake hearing. Under the rules, I cannot state what Mr. Ivins testified to, but I can say that before going on the witness stand, he affirmed to me that he stood back of everyone of the charges he made in his letter of October 8, 1949, and that he was not backing down in any respect.

Since whatever defense Mr. Ritter would have to Mr. Ivins' statement would be involved in the secret proceedings, I cannot, unfortunately, disclose it. I may say, however, without violating any of the rules, that as far as my own judgment is concerned, I feel the matter has been cleared up to some extent. I may be wrong, but I have tried to investigate the matter carefully, so that I could keep within the rules, and I say that in my judgment there are still some important questions on Mr. Ritter's integrity unanswered with respect to the charges made by Mr. Ivins.

There have been questions asked regarding Judge Ritter's views on the Constitution. One prominent Salt Lake lawyer advised me before the hearing that in a conversation he had with Mr. Ritter, Mr. Ritter said, in substance:

> Don't you know that the Constitution is outmoded and that it does not now work? It was all right perhaps 150 years ago to affect a small population on the Atlantic seaboard, but it is not adaptable at all to the complexities of our present civilization and the Government has got to function. The Constitution won't work—that is the best modern thought today.

This same lawyer testified at the Salt Lake hearing, and that fact was carried in the press of Salt Lake City.

I am not permitted to comment on any defense offered to this statement for reasons that I have already mentioned, and I think no one else is, because the same rule should be binding upon the other Members of the Senate that are binding upon me. If it should be true that Mr. Ritter made the statement, and I am inclined to believe that he did, then it is my judgment that his views on the Constitution are not such as should be required of one who is to uphold the Constitution and interpret its meaning.

In my investigations in Salt Lake City prior to the hearing, I was advised by a prominent Salt Lake attorney that he had had an experience in Judge Ritter's court which could be construed as revealing vindictiveness on the part of the judge.

Mind you, Mr. President, Judge Ritter is now sitting as an interim judge. He is more or less on trial, on his good behavior, because his nomination has not been confirmed, but he has been acting in the meantime under an interim appointment.

I shall not take the time this evening to detail that attorney's statement. It was made by a man who held positions of great responsibility in the State. I believe him to be an honest and a fair man. When he appeared before the judge to represent one of his clients he felt that the judge discriminated against him and showed some hostility toward him because he, the attorney, had not consented to sign the petition endorsing Judge Ritter. The fact that his name had not appeared on the newspaper list of those who endorsed the judge had, in his opinion, some effect upon what the judge did on the particular day in question.

I can realize that probably the judge is human, and he may not have liked what this attorney did, and he may have shown his feeling. At least, the attorney seemed to feel that he did. He told me about this before the hearing, and he later testified. What I am giving is what he said to me in the preliminary investigation. This client felt the attorney was in a position where he was considered unfriendly by the judge, and decided he had better get an attorney who was not in the bad graces of the court. So he discharged his attorney and went to another, and to my recollection the record in the newspaper shows that the second attorney was one of those who did endorse the judge, and the next day the second lawyer got, in substance, the relief for the client which the first lawyer could not get. Whether or not that is evidence of vindictiveness the Senate itself will have to judge. To me it did raise some questions which were not satisfactorily answered.

I can readily understand, because I have been a judge, that people disagree frequently with what judges do, and they may have imaginations which would lead them to believe that a judge was unfriendly to them if he did not speak to them as they thought he should speak, or if he was short in his answers, and all that sort of thing, but under the peculiar circumstances of the situation, as related to me by this attorney, I feel there are some questions on the judge's conduct unanswered, and that is one of the reasons which bring me to the conclusion I am reaching, and am compelled to reach on this particular matter. Again, the rules of the Senate make it impossible for me to comment upon any explanation that may or may not have been made in the secret hearings in Salt Lake City.

Mr. President, there are a number of other matters which I have not been able to state with the precision with which I would have liked to state them, and I must speak extemporaneously on some other phases of the matter.

Because of the attitude I have taken in asking for an investigation I have been seriously criticized by some who do not know the circumstances, and some who do not care what the circumstances are. I have already referred to circumstances which were called to the attention of the committee when I was present, which I believe involved questions of the integrity and the morals of the nominee, things which are alleged to have happened at Albuquerque, N. Mex., while the nominee was regional rent director for the intermountain area, which included the State of New Mexico.

I did as much as I could personally, in the limited time and with the limited means I had, and through the committee staff member who had been assigned to me, to investigate a mass of rumors and a mass of conflicting statements which had come to my attention. I believe I may honestly and fairly say that that general investigation made by us independently, as the facts were related to me, and as some were related to the investigator, showed substantially the following situation:

Statements were made that during the time when Judge Ritter was rent director, he had made more or less frequent visits to the city of Albuquerque to investigate and check up on the enforcement of the OPA rent regulations in the State of New Mexico; that there he met a young lady in the employ of the area rent director, Mr. Taylor; that on several occasions she drove him to the area rent director's home, some 7 to 10 miles out in the country to attend dinners and parties at the area rent director's home; that a more than ordinary friendship developed between them; that he sent her flowers and other gifts; that he was her escort to at least one dance; that he had been to her home rather frequently, had met her parents, and had continued whatever friendship existed until some time not many months before the name of the nominee was sent to the Senate by the President. It was further stated that he had more or less frequently telephoned her after she left the service and went to San Francisco; that they corresponded by letter and by postal card.

From statements made to me or my investigator it was also revealed, without an attempt being made by me to pass any judgment on that particular situation as between Mr. Ritter and this young lady, that there was a lot of gossip in Albuquerque, and particularly among members of the OPA administration in that area over the attentions Mr. Ritter was paying to the young lady; and that Mr. Taylor, an attorney, who was the head of the area rent-control division there, heard of it, and thought it of sufficient importance that he made an investigation. We were told that he went to the young lady in question and warned

her against conduct which would bring criticism on the rent administration. As I recall, he told us that he said to the young lady, "I don't care what you do, but I want you to be careful about it." He said that reports had come to him that an affair was happening there.

Other statements were made about the gossip that was going on. I am not going into detail on these matters, but I will say that these rumors, this gossiping, had apparently reached the State of Utah and the ears of Mr. Ritter's wife even before the President had sent the name of the nominee to the Senate for confirmation.

In my judgment what I have said here with respect to the events in New Mexico cannot be successfully denied by Mr. Ritter.

I will say, even though I had heard many rumors which were of a much stronger nature than what I have said here, that in all fairness that not enough evidence to convince anyone of an offense was brought to my attention. Apparently the gossip started because Mr. Ritter, a married man, with a wife and four children, developed a friendship which attracted attention.

I would say that with respect to this matter the investigation was not complete. It was not possible for the committee to get the testimony of the young lady involved. She was in the State of California, and the report came to the committee that she was ill in a hospital. That information was not a part of the secret proceedings, but it had been reported in the newspapers. It appeared that her doctors would not let her come to Salt Lake City in answer to a subpena. I know that the investigator assigned to me tried to see her in the hospital, and, although her temperature was not too high—she had been reported ill with a chronic illness—still he was not permitted to talk to her at all. Since the hearings were concluded it has been reported to me that she left the hospital and is somewhere in southern California in a sanatorium.

So that phase of this investigation is not complete, and still leaves some questions undetermined.

I had hoped we might clear this matter up completely. There were other questions with reference to the sobriety of the nominee which were settled in his favor. I regret very much that we were not able to make a clean job of this particular investigation. I feel that had the committee adopted the policy that it was their duty to investigate, and to use their investigators to run down these matters and check them, since there had been serious objection raised to the confirmation of this nominee, we would have been able to resolve questions—all the questions which were left unanswered.

In connection with this matter I may say that prior to the hearings in Salt Lake City and Denver there were filed with the committee many endorsements, glowing endorsements, of Judge Ritter, and testimonials as to his character and his integrity. Many witnesses were subpenaed, whose names appeared in the newspapers at Salt Lake City, and who testified. But again the rules forbid any comment or discussion of what actually took place in that committee hearing. So I cannot with propriety discuss that. But I should like to say that many of the leading citizens of the State of Utah prior to this hearing did endorse the nominee. So far as they knew he had a very excellent reputation.

From what investigation I have made my own opinion is that the nominee is an able lawyer. He is an able student of the law. He has not had too much experience as a trial lawyer, but he has taught law for many years in the University of Utah. So far as I could find out I do not think anyone can question his ability to understand and interpret the law.

There are questions still in my mind as to whether or not he can be actually fair, whether or not he has a vindictive attitude, whether he is not somewhat arbitrary. But on the question of his competence as a lawyer I think there is not any doubt whatsoever.

The American Bar Association usually makes an investigation, through one of its committees, of nominees to the judiciary, and makes a report. I call attention to a copy of a letter of February 7, 1950, addressed to the Honorable PAT MCCARRAN, Committee on Federal Judiciary, 424 Senate Office Building, Washington 25, D. C., as follows:

Re nomination of Willis W. Ritter, of Iowa, to be United States District Judge for the District of Utah—vice Hon. Tillman D. Johnson, retired.

I am sure the clerk who wrote the letter made a mistake. He should have put in "Utah" instead of "Iowa." At any rate, I read the letter as it is:

DEAR SENATOR MCCARRAN: Receipt is acknowledged of your telegram requesting that any opinion or recommendation that the American Bar Association wishes to express in respect of the nomination of Willis W. Ritter to be United States District Judge for the District of Utah, vice Hon. Tillman D. Johnson, retired, be submitted to your committee.

The Standing Committee on Federal Judiciary of the American Bar Association authorized to act on behalf of that association does not recommend the confirmation of Mr. Ritter to be United States district judge.

Yours sincerely.

Signed "Chairman," but I do not know his name.

I am reading from a copy of the letter.

I may say, Mr. President, in fairness to Mr. Ritter, that the members of the Bar Commission of the State of Utah in their personal capacity, and not as a commission, and in no way speaking in an official manner, personally endorsed Mr. Ritter, as have the many members of bar associations of Weber County, Utah County, Salt Lake County, and other sections of the State.

I pointed out in the beginning of my remarks that if we were to rest the case and the investigations upon endorsements of a general nature which could be obtained, there would be no necessity to maintain the services of the FBI to aid the President in determining whom he should nominate and whom he should not nominate, and investigations would be unnecessary, because usually it is possible to obtain bales of general endorsements, particularly if the position is at all powerful, because in such cases many persons rush in to give general endorsements in order to "get in on the ground floor" with the new official.

Mr. President, I have not pointed out all the things which have come to my attention or all the investigations I have made. Time will not permit.

However, in view of the questions which have been raised and not answered to my satisfaction, and in view of the standards which I think every nominee for a position of this kind should meet, I cannot conscientiously vote for confirmation of the nomination of Judge Ritter. I have arrived at this conclusion after considering all the matters which have been developed in this case.

Judge Ritter is not personally obnoxious to me; I am not asking or urging any Member of the Senate to vote against the nomination on the ground that Judge Ritter is personally obnoxious to me. I say that notwithstanding the fact that it has been suggested to me by several Members of the Senate that if I will take the position that this nominee is personally obnoxious to me, they can obtain many votes in the Senate against confirmation.

Mr. President, I am not asking any Senator to vote against the nominee by reason of his politics, because I do not think politics should be involved in any way in such matters. I have already stated that I have had a lifelong devotion to the principles of obtaining a nonpartisan judiciary. I have worked laboriously in my State to help bring that condition about. So I would resent any suggestion that politics be permitted to enter in any way into the consideration of this matter.

I say again that I am not asking any other Member of the Senate to vote against confirmation of the nominee because of any objection I have made in my personal capacity. In my opinion, every candidate for a public office of any kind or description, and particularly every candidate for an office in the judiciary, should have his qualifications for the particular office to which he is nominated considered on their merits, not on the basis of politics or on the basis of personal likes or dislikes.

Mr. President, I do not have in my heart any feelings against any man. I can not hate people; that would be contrary to all I have been taught and all that I believe in.

Some of my friends in Utah have and some of my friends in Congress—and some who are not my friends have said to me, "If you take this stand against appointments and continue to do what you are doing, it will mean your defeat in the future."

Mr. President, that makes no difference to me. If taking what I believe to be a conscientious stand means my defeat, then I would prefer to be at home in Utah, rather than in Washington in the Senate.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Mr. MCCARRAN. I suggest the absence of a quorum.

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The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators aswered to their names:

| | | |
|---|---|---|
| Aiken | Hickenlooper | Millikin |
| Anderson | Hill | Morse |
| Benton | Hoey | Mundt |
| Bricker | Holland | Murray |
| Bridges | Humphrey | Neely |
| Butler | Hunt | O'Mahoney |
| Byrd | Ives | Robertson |
| Cain | Johnson, Tex. | Russell |
| Chapman | Kefauver | Saltonstall |
| Connally | Kem | Schoeppel |
| Cordon | Knowland | Smith, Maine |
| Darby | Langer | Smith, N. J. |
| Donnell | Leahy | Sparkman |
| Douglas | Lehman | Stennis |
| Ecton | Lodge | Taft |
| Ellender | Lucas | Thomas, Utah |
| Ferguson | McCarran | Thye |
| Flanders | McCarthy | Tobey |
| Frear | McClellan | Tydings |
| Fulbright | McFarland | Watkins |
| Gillette | McKellar | Wherry |
| Green | McMahon | Wiley |
| Gurney | Magnuson | Williams |
| Hayden | Malone | Withers |
| Hendrickson | Martin | |

The VICE PRESIDENT. A quorum is present.

The question is, Will the Senate advise and consent to the nomination of Willis W. Ritter to be a United States district judge for the district of Utah?

Mr. WATKINS. Mr. President, I have stated the reasons why, personally, I cannot vote for the confirmation of the nominee. Many Senators now in the Chamber were not present when I was speaking. I am not asking any Senator to vote against Judge Ritter because he may be personally obnoxious to me. He is not personally obnoxious to me, and the nominee should be considered on his merits. I realize that there are sufficient party votes to confirm his nomination, and I do not want to speak on the matter any further. I do not want to consume the time of the Senate with a useless roll call, so I shall not ask for the yeas and nays. I have made the record and I am willing to submit it without any further statement.

Mr. FERGUSON. Mr. President, I feel, as the Senator from Utah feels, that I am compelled, under the circumstances, to vote against the confirmation of the nomination of Judge Ritter.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Mr. DONNELL. Mr. President, I desire to state that I too shall vote against confirmation of the nomination of Judge Ritter.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

### THE EXPORT-IMPORT BANK OF WASHINGTON

The legislative clerk proceeded to read the nominations of members of the board of directors of the Export-Import Bank of Washington.

Mr. WHERRY. Mr. President, I do not like to delay any longer the work of the Senate. However, in behalf of the junior Senator from Oregon, I should like to ask that the nominations in the Export-Import Bank be passed over for today, in order that we may see what can be done about them on tomorrow.

The VICE PRESIDENT. The nominations will be passed over.

### THE UNITED STATES COAST GUARD

The legislative clerk read the nomination of James G. Norman, to be lieutenant, junior grade, in the Coast Guard.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

### COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

The VICE PRESIDENT. Without objection, the nominations in the Coast and Geodetic Survey are confirmed en bloc.

### POSTMASTERS

The Chief Clerk proceeded to read sundry nominations in the Post Office Department.

The VICE PRESIDENT. Without objection, the nominations in the Post Office Department are confirmed en bloc.

That completes the nominations on the calendar.

### LEGISLATIVE SESSION

The Senate resumed the consideration of legislative business.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolutions of the Senate:

S. 2348. An act to increase the annual authorization for the appropriation of funds for collecting, editing, and publishing of official papers relating to the Territories of the United States;

S. 3550. An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products;

S. J. Res. 170. Joint resolution to provide for the transfer of the paintings "The Grand Canyon of the Yellowstone" and "The Chasm of the Colorado" from the United States Capitol to the Department of the Interior; and

S. J. Res. 171. Joint resolution transferring the plaster cast of the Statue of George Washington from the United States Capitol to the Smithsonian Institution.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3571) to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 88) to print additional copies of the report of the Committee on the Judiciary on the immigration and naturalization systems of the United States.

### AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT OF 1949

The Senate resumed the consideration of the bill (S. 3309) to amend the Mutual Defense Assistance Act of 1949.

Mr. LUCAS. Mr. President, I do not know how many more speeches will be made on the unfinished business. It is the sincere hope of the Senator from Illinois, and I think it is the hope of the people of the country, that we act on the pending bill as fast as we possibly can. I understand that the Senator from Iowa intends to address the Senate, and perhaps the Senator from Washington.

Mr. WHERRY. Perhaps two or three other Senators.

Mr. LUCAS. Perhaps two or three other Senators. I should like to conclude the consideration of the unfinished business this evening. I do not think we can do so. Therefore I shall not make a unanimous-consent request. I wanted to see whether we could complete consideration of the bill by 7 o'clock. Apparently we cannot do so.

Mr. WHERRY. I wonder if the distinguished majority leader would propose a unanimous-consent agreement that we vote tomorrow at 3 o'clock, with the time between 12 and 3 o'clock to be divided equally between the opponents and the proponents.

I believe all speeches can be made within that time. If so, it would settle once and for all the time at which we would vote on the pending measure. I believe it would be very helpful to do so, if the distinguished majority leader feels so inclined. So far as I know, no amendments have been submitted. Therefore, we would have simply the vote on the bill. If there is objection to a vote at 3 o'clock, I should be willing to advance the time so that we may have an earlier vote, if it is agreeable to everyone on this side of the aisle, as I believe it would be.

Mr. LUCAS. I should like to make it 2 o'clock, if we are to enter into a unanimous-consent agreement.

Mr. WHERRY. I have no objection to the majority leader's making that request. I have no objection to taking the vote at 2 o'clock.

Mr. LUCAS. Very well.

The VICE PRESIDENT. The Senator from Illinois requests that at 2 o'clock on tomorrow the Senate proceed, without further debate, to vote on the pending bill, S. 3809. Is there objection?

Mr. LUCAS. And on any and all amendments offered thereto.

The VICE PRESIDENT. And on any and all amendments. Also that all amendments to be offered shall be germane.

Mr. MUNDT. Reserving the right to object, I wonder whether the Senator from Illinois would put into the unanimous-consent request the same provision that I asked for on the last occasion, namely, permitting 5 minutes' debate for each side on each amendment. In other words, we should have an explanation of an amendment that is offered to the bill.

Mr. LUCAS. I do not object to the modification. Of course there are no amendments pending at the present time, as I understand.

The VICE PRESIDENT. The Senator from Illinois asks unanimous consent that at 2 o'clock p. m. tomorrow the Senate shall vote on the bill, S. 3809, and all

amendments thereto; that all amendments shall be germane to the issue; and that on all amendments pending at 2 o'clock there shall be 5 minutes' debate on each side, the time to be equally divided and to be controlled by the Senator from Texas [Mr. CONNALLY] and the Senator from Wisconsin [Mr. WILEY]. The Chair understands that the time from 12 to 2 o'clock is also to be equally divided.

Mr. WHERRY. That is correct.

Mr. LUCAS. The Vice President is correct. I should like to include in the request any amendment or motion.

The VICE PRESIDENT. Would the request include reference to amendments offered after the hour of 2 o'clock arrives?

Mr. LUCAS. No amendment could be offered after 2 o'clock.

The VICE PRESIDENT. They could be offered but not debated, unless there was an agreement to that effect.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HOLLAND. I should like to ask the majority leader if it is his intention to hold a session on Monday.

Mr. LUCAS. It is the intention of the Senator from Illinois to hold a session on Monday. I do not know at this time what we shall take up on Monday. I am not able to tell the Senate today, but I may be able to do so tomorrow. We have one or two bills which we can dispose of tomorrow. The primary purpose of holding a session on Monday would be to try to move along with the business of the Senate. We should try to move along as rapidly as possible. It is my hope that committees will continue to function over the week end. I am especially referring to the Committee on Appropriations. If we could get the appropriation bill on the floor of the Senate we might be able to adjourn by July 31, assuming that world conditions permit. It is my understanding that the Senator from Georgia [Mr. GEORGE] intends to hold hearings on Monday and Tuesday on the tax bill if the bill comes over to us from the House. So that we are laboring to wind up the business of the Senate as fast as we can.

Mr. HOLLAND. The Senator from Florida is trying to cooperate in that respect. He has been conducting hearings all day. My purpose in asking the question was to see whether we could have the vote on the mutual defense bill after the first quorum call on Monday.

Mr. LUCAS. I cannot wait that long. We have been debating this bill a long time. A world crisis exists. This is an important measure from the standpoint of the psychological effect its passage would have on our friends and also on the aggressors.

The VICE PRESIDENT. The Senator from Illinois asks unanimous consent that at 2 o'clock p. m. on tomorrow the Senate proceed to vote upon the pending bill and all amendments thereto, that the time between 12 o'clock and 2 o'clock be equally divided, to be controlled by the Senator from Texas [Mr. CONNALLY], and the Senator from Wisconsin [Mr. WILEY].

Mr. WHERRY. I do not object to that.

The VICE PRESIDENT. That all amendments shall be germane to the bill.

Mr. WILEY. The Vice President left out motions.

The VICE PRESIDENT. I will put them in.

Mr. LUCAS. I shall read the unanimous-consent agreement which I propose, so that there will be no question about it:

*Ordered*, That on the calendar day of Friday, June 30, 1950, at the hour of 2 o'clock p. m., the Senate proceed to vote, except as hereinafter provided, on any amendment or motion that may be pending or that may be offered to the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949, and upon the final passage of the said bill: *Provided*, (1) That no vote on any amendment or motion shall be had prior to said hour of 2 o'clock p. m.; (2) that no amendment that is not germane to the subject matter of the said bill shall be in order; and (3) that after said hour of 2 o'clock p. m. debate on any amendment or motion shall be limited to not exceeding 10 minutes, to be equally divided between the mover thereof and the chairman of the Committee on Foreign Relations.

*Ordered further*, That the time between 12 o'clock noon and 2 o'clock p. m. on said day be equally divided between those favoring and those opposing the bill and controlled, respectively, by the Senator from Texas [Mr. CONNALLY] and the Senator from Wisconsin [Mr. WILEY].

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

## TRANSFER OF CERTAIN REAL PROPERTY BY DEPARTMENTS OF ARMY, NAVY, AND AIR FORCE—CONFERENCE REPORT

Mr. CHAPMAN. Mr. President, I submit a conference report on the bill (H. R. 5368) to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interest therein, and for other purposes, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5368) to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interest therein, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 6 and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 305. The Secretary of the Navy is hereby authorized to convey to the Carolina-Virginia Coastal Highway Corporation, a municipal corporation created under the laws of the State of North Carolina, or to the State of North Carolina, a perpetual easement one hundred feet wide, in, over, and across a tract of land comprising one hundred and seventy-four acres, which includes all land lying between the Atlantic Ocean and Currituck Sound for a distance of approximately three thousand three hundred feet north and south along the coast, referred to and known as target site number twelve and located approximately one mile north of Duck, North Carolina, and to accept in exchange therefor from Ray T. Adams, the conveyance of a leasehold interest in one hundred seventy-four acres of land which is a part of a larger parcel of land located at Corolla, North Carolina, and owned by the said Ray T. Adams, at such location upon said larger parcel of land and under such terms and conditions as may be determined and agreed upon by the Secretary of the Navy and the said Ray T. Adams: *Provided*, That the said Ray T. Adams shall erect, or shall have erected, at the option of the Secretary of the Navy, adequate substitute facilities without cost to the United States on such leasehold site as may be determined and approved by the Secretary of the Navy."

And the Senate agree to the same.

HARRY F. BYRD,
RICHARD B. RUSSELL,
VIRGIL M. CHAPMAN,
LEVERETT SALTONSTALL,
*Managers on the Part of the Senate.*

CARL VINSON,
PAUL J. KILDAY,
DEWEY SHORT,
LESLIE ARENDS,
*Managers on the Part of the House.*

The VICE PRESIDENT. Is there objection to the consideration of the conference report? The Chair hears none, and the question is on agreeing to the report.

Mr. WHERRY. Mr. President, in the confusion I was not able to hear what the request was. Will the Senator please state what is involved in the report?

Mr. CHAPMAN. Mr. President, House bill 5368 passed the House during the last session of the Congress. It provides for the conveyance by the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, of certain interests in land. It is really an omnibus easement bill. Inasmuch as it came to the Senate committee during the closing days of the session, we postponed consideration of it until this session of Congress, in order that we might hold thorough and careful hearings on all the conveyances. There were certain amendments agreed to. One difference between the two Houses especially we have agreed on, and the conference report has the unanimous recommendation of the conferees.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

## COMPOSITION OF ARMY AND AIR FORCE—CONFERENCE REPORT

Mr. CHAPMAN. Mr. President, I submit a conference report on the bill (H. R. 1437) to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the

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amendments of the Senate to the bill (H. R. 1437) to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 8, 10, 12, 16, 21, 22, and 24.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 6, 7, 9, 11, 13, 14, 17, 19, 20, 26, 27, 28, 29, 30, 31, 32, and 33 and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "Army (exclusive of the numbers authorized by law for the Army Nurse Corps, the Women's Medical Specialist Corps, professors of the United States Military Academy, and any numbers authorized by special provisions of law providing for officers in designated categories as additional numbers)"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert the following:

"(b) Effective on the date of enactment of this Act, and subject to the limitations imposed by sections 202 and 203 of this Act, the Air Force of the United States shall have an authorized strength of not to exceed seventy United States Air Force groups and such separate United States Air Force squadrons, reserve groups, and supporting and auxiliary United States Air Force and reserve units as may be required."

And the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "twenty-seven thousand five hundred, exclusive of any numbers authorized by special provision of law providing for officers in designated categories as additional numbers"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert the following: "(1)"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "guided missiles, and (3)"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"APPROPRIATIONS

"SEC. 303. (a) There are hereby authorized to be appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act.

"(b) Moneys appropriated to the Departments of the Army, Navy, or Air Force for procurement of technical military equipment and supplies, the construction of public works, and for research and development, including moneys appropriated to the Department of the Navy for the procurement, construction, and research and development of guided missiles, which are hereby authorized for the Department of the Navy, shall remain available until expended unless otherwise provided in the appropriation Act concerned."

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"LIMITATION OF AUTHORITY

"SEC. 304. Nothing contained in this Act shall be construed to authorize the Department of Defense to expend any money appropriated pursuant to authority conferred by this act for the design or development of any prototype aircraft intended primarily for commercial use."

And the Senate agree to the same.

VIRGIL M. CHAPMAN,
HARRY FLOOD BYRD,
LYNDON B. JOHNSON,
CHAN GURNEY,
LEVERETT SALTONSTALL,
*Managers on the Part of the Senate.*

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
LESLIE C. ARENDS,
*Managers on the Part of the House.*

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky?

Mr. DONNELL. Mr. President, will the Senator be kind enough to state what are the points which have been resolved in the conference?

Mr. CHAPMAN. Mr. President, on behalf of the Senate conferees I desire to make a statement on this conference report in order that the Senate may have a clear expression of the views of the conferees.

H. R. 1437 is a bill to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes. This bill has the official title of "The Army and Air Force Authorization Act of 1949," but it is popularly referred to as the "70 air group" bill.

With the final adoption of this conference report and its approval by the President, the Air Force will have, for the first time, its own statutory authorization as to its size and composition, and also for its procurement program. It is important that these matters be settled definitely by the enactment of a law instead of leaving the Air Force, as is now the case, to operate by virtue of the residue of authority transferred to it from the Army under the provisions of the Unification Act.

For the most part, the Senate amendments were accepted by the conferees of the House of Representatives, and the Senate conferees are satisfied that the Senate's position has been in large measure reasonably and satisfactorily maintained.

There is one important section, however, in which the Senate conferees agreed to a modification of the original position of the Senate. This I shall attempt to explain. The House bill provided for an authorization of 70 air groups, 22 air squadrons, and 61 Air Reserve groups. The Senate eliminated from its original bill that specific authorization. We took the position that there was no definition of "group" in the House bill, and that the language had no definite meaning. We contended that "group" is a variable term and that, in view of authority conferred upon the Secretary of the Air Force by another section of the bill, the House language, authorizing 70 air groups, 22 air squadrons, and 61 Air Reserve groups, would constitute a limitation on the future development and administration of the Air Force. It was indisputable that "air group" is an elastic term, susceptible of changes from time to time. For example, a group might consist of 18 B–36 long-range bombers today, and next week it might contain 30 such bombers. When the Senate passed its bill last year, the report stated, in substance, that this body believed it desirable to establish a planning base of 70 groups for the Air Force. The Senate bill authorized plans, personnel, and airframe tons on the basis of a 70-air-group plan, but did not write into the bill the definite language, "70 air groups."

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield.

Mr. DONNELL. Could the Senator define for us what is an air group, so that we may know what the term "70 air groups" means?

Mr. CHAPMAN. That is what the Senator from Kentucky is attempting to do now.

Mr. DONNELL. I thank the Senator.

Mr. CHAPMAN. In stating the position of the Senate conferees that we did not accept the House language, because it contained no definition, and it was impossible to know exactly what an "air group" meant, "air group" being a variable term which may change from time to time, I expressed the view of the Senate conferees that th original House bill provided what might be called a rubber yardstick for measuring the size of an air group. The conference report fixes a definite ceiling on Air Force strength.

We attempted to make it clear that what was proposed was intended for planning purposes only, and that such groups could not be organized unless sufficient funds were appropriated for that purpose.

The Senate conferees, in bringing in this report, agreed to the use of the expression "70 air groups" in the law. It was used as a definite ceiling on the size of the Air Force. The House version of the bill had been drafted to authorize 70 air groups. The conferees agreed to and wrote into this report a provision that the Air Force is authorized to maintain not in excess of 70 air groups, and that that authority shall be subject to the limitations on personnel and tonnage contained in other sections of the bill.

It is the desire of the conferees to make it clear to the Senate that in agreeing to the language in the conference report, we regard this figure of 70 air groups solely as a planning base for the

Air Force, and that it is not contemplated that an Air Force of that size will be developed unless the world situation changes drastically or our economic situation becomes such as to justify us in appropriating sufficient funds for such an Air Force without jeopardizing our national economy. The authorization contained in this bill for Air Force personnel for serviceable aircraft and for airframe tons constitutes a ceiling on future Air Force expansion that cannot be exceeded except by an authorization enacted by the Congress.

A further safeguard is the amount of funds the Congress appropriates for that purpose.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield to the Senator from Missouri.

Mr. DONNELL. The Senator was undertaking to give us the definition of an air group. I note in the statement of the managers on the part of the House on page 5 certain language. After telling what the House bill authorized and what the Senate amendment did, namely, to delete certain provisions of the House bill, the statement of the managers is:

> The conference agreement provides that the Air Force of the United States shall have an authorized strength of not to exceed 70 Regular Air Force groups and such separate Regular and Reserve squadrons and units and Reserve groups as may be required.

The question I should like to address to the Senator, and do so address, is this: Although this sentence in the statement of the managers is quite clear, to the effect that the authorized strength shall not exceed 70 Regular Air Force groups, I fail to find, in the statement of the managers, at any rate, any definition of what a Regular Air Force group is, so, although I know that the maximum number that is authorized by the conference agreement is 70, I thus far am unable to tell—70 what? That is to say, in other words, what is a Regular Air Force group and where is it defined?

Mr. CHAPMAN. Mr. President, because of the variableness of a group, which means a group of planes that can be commanded by one officer; because of the fact that a group might consist of, as I said before, 18 B–36 long-range bombers today, and next week or next month the size of that group in the organization of the Air Force might change to 30 of the same type of bombers, the House placed in its bill only one limitation. That was "70 Regular Air Force groups, 22 Air Force squadrons, and 61 Air Force Reserve groups." The conferees wrote a more definite and rigid ceiling in this report, authorizing an Air Force not to exceed 70 air groups. Recognizing that that "group" is an uncertain, variable term, we placed in the bill the definite limitation of the authorized personnel and the authorized serviceable aircraft or the airframe tons.

The total regular personnel authorized is 502,000. That figure was not in conference. Of that number, 27,500 may be Regular officers and 4,800 warrant officers.

As to the aircraft ceiling, we limited it to 24,000 serviceable aircraft, or 225,000 airframe tons. That leaves it to those in control of the organization of the Air Force to strive for this goal of 70 air groups, but they will be bound by that limitation as to the number of men and the serviceable aircraft or the airframe tons.

We wish to make our position clear. As I have already stated on behalf of the conferees, this is merely a basis for planning, and we are not expecting immediate appropriations for the full number of groups, aircraft, or men authorized by the conference report. Your conferees are unanimous in recommending that this conference report be adopted. The enactment of this bill into law will record another important forward step in America's preparedness program for the preservation of peace.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield to the Senator from Maryland.

Mr. TYDINGS. I should like first to thank and congratulate my able friend on the Armed Services Committee, the Senator from Kentucky [Mr. CHAPMAN] for the splendid manner in which he has handled this bill, both as a member of the subcommittee of the Armed Services Committee, and later as the chief Senate conferee on the part of the Senate conferees in negotiating and working out differences with the House conferees to reconcile the two viewpoints. I think the Senator from Kentucky has maintained admirably the integrity of the Senate's position. In doing so I know he has followed the general policy which applies to the Navy, in which we have destroyers, submarines, cruisers, and battleships, as we have fighters, medium bombers, and big bombers in the Air Force. We have been able to limit the Navy only by limiting the tonnage of the Navy in the over-all composition bill. We have always had a limitation on the seamen in the Navy and the officers in the Navy too.

So that with those two things in the hands of Congress, to wit, the amount of tonnage and the number of personnel, there has quite often been a certain degree of latitude, of flexibility given as to whether the tonnage shall go into destroyers or cruisers or battleships.

I say that the Senator from Kentucky has admirably adopted that same policy, so that with tonnage fixed for the 70 air groups, they can have 50 with all the tonnage, or they can have 70 with all the tonnage, but they cannot have more than the tonnage fixed by the Senate or the House version. They can have 50 groups with so many officers and men. They can have 70 groups with the same number of officers and men. But they cannot go above the two ceilings.

I am indebted to the Senator from Kentucky, and I think we are all indebted to him, for the splendid management he has given to this measure from its very inception down to the present time, and I warmly congratulate him, while acceding to certain House positions on the bill, for not surrendering the integrity of the Senate version all the way along the line, which was severely attacked in the conference. I think it is a real achievement. I believe that what we have is due to the stick-to-itiveness on the part of the Senator from Kentucky in maintaining the position of the Senate.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

## NOMINATIONS TO BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK

Mr. MORSE. Mr. President, will the Senator from Iowa yield to me for a brief comment?

Mr. GILLETTE. I am glad to yield to the Senator from Oregon.

Mr. MORSE. Mr. President, so that there may be no misunderstanding about the situation, I desire to say that it is my understanding that while I stepped out this afternoon when nominations on the Executive Calendar were before the Senate, the majority leader called up the names of the nominees to the Export-Import Bank. I assume I did not make clear to the majority leader yesterday, as I thought I had made clear, that I was objecting to any action on those nominees in the immediate future, until the Banking and Currency Committee could hold some hearings in regard to certain objections which I presently have and which will become permanent objections unless the nominees can clear up the objections.

I want the RECORD to show that I have talked to certain members of the Senate Banking and Currency Committee, including the chairman of that committee. The facts are that the committee never even had a committee meeting on these nominees. The nominations were reported to the Senate by way of a so-called informal poll because, as the chairman of the committee said, he was not aware that any question was being raised in regard to any of them. He said, "If I had known that any question was being raised we would not have sent the names to the floor of the Senate."

I wish to advise the Senator, without using his name, because he will have to speak for himself, that a member of the Banking and Currency Committee, after discussing with me certain matters connected with the Export-Import Bank, told me that he would advise the committee to withdraw his approval of reporting the nominations to the Senate. I am informed that he has so advised the committee.

I have talked to other Members of the Senate, who assure me that in their opinion the allegations which have been presented to me should be considered by the committee before action is taken on these nominations.

As I said in my speech the other day, I wish to be exceedingly fair to the nominees themselves. I happen to believe that the floor of the Senate in this particular instance is not the first forum, at least, in which this matter should be discussed. I should prefer, in order to lean over backward in making certain that complete fairness and impartiality are applied, to discuss this matter in executive session of the committee. The chairman of the committee assured me that

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upon his return from South Carolina, so far as he was concerned, he would be very glad to go into this matter with me. Other members of the committee—I do not speak for the committee, but at least I speak for four or five members of the committee whom I have consulted—have told me that they think this matter should be gone into. In my opinion it should be gone into in executive session.

So, Mr. President, I hope that request will not be made tomorrow to consider these nominations, because if we have to pass on these nominations at that time on the floor of the Senate, I shall not hesitate to discuss them, and I shall have to do so at some length.

The VICE PRESIDENT. The Chair will state that no request was made by a Senator to have the nominations considered. The Senate was in executive session today, primarily for the purpose of considering the nomination of Judge Ritter. During executive session, the nominations to which the Senator from Oregon has referred, were called; but they went over.

Mr. MORSE. Then I apologize for assuming that the nominations were called at the request of some Senator.

Mr. President, under the circumstances I shall close my remarks by saying that I hope the Senator from Illinois will understand my reason for making this statement. I have made it for the reason that, having been advised that the nominations were called up, I wish to work out a gentlemen's understanding that the nominations to the Board of Directors of the Export-Import Bank will not be called up until I have a chance to appear before the Banking and Currency Committee to discuss—in executive session, I hope—some matters which I think should be discussed before the nominations are brought up on the floor of the Senate.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield, although I hope other Senators will not ask me to yield, because I am anxious to proceed with my remarks.

Mr. LUCAS. I shall be very brief.

Mr. President, I wish to express my thanks to the Vice President for the statement he has made.

When these nominations were called during the executive session, I think I was in conversation with some other Senator at the time.

I remember distinctly the conversation I had with the Senator from Oregon. He can rest assured that these nominations will not come up until he wishes them to come up.

Furthermore, Mr. President, I have been informed that the distinguished chairman of the Banking and Currency Committee is perfectly willing to hold hearings upon these nominations. I am sure that when he returns, the two Senators can get together, and probably can have the nominations returned to the committee, where hearings can be held.

Certainly I do not wish to push through any nomination during the call of the Executive Calendar, unless consideration of the nomination is agreeable to all Senators.

Let me add that when I give my word to any Senator, I think he can depend upon it.

Mr. MORSE. Mr. President, it was not a question of depending on the Senator's word. I simply felt that I had not made my position clear. I was informed that the nominations came up during the executive session today; that is why I made the statement I have just made.

## AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT OF 1949

Mr. GILLETTE. Mr. President, it is my desire to discuss—somewhat briefly, I hope—the unfinished business, Senate bill 3809.

Mr. MALONE. Mr. President, will the Senator yield, to permit me to make a statement for about 2 minutes and to make insertions in the RECORD?

Mr. GILLETTE. Mr. President, I dislike very much to yield for a statement. However, I am willing to yield for an insertion in the RECORD.

Mr. MALONE. I should like to make insertions in the RECORD, and also a very short explanation.

Mr. GILLETTE. Very well; I yield.

## THE FREE-TRADE PROGRAM—COPPER

Mr. MALONE. Mr. President, free trade is the announced general program of the administration.

House Joint Resolution 494 has been referred to the Senate Finance Committee and it is extremely important that opportunity be had for the complete story to be put before the committee before they act on this important matter.

I intend to not only oppose the extension before the committee and present supporting data—but if it does reach the floor the junior Senator from Nevada intends to debate the subject thoroughly and at length.

The general procedure of the State Department is to use one group against another in reaching its objective of averaging the living standards of the nations of the world, including our own.

### EVERY AGREEMENT USED

The pressure to extend the free trade on copper, Mr. President, is tremendous and coming from strange places. The friendship of the South American countries is agreed to be at stake. Mr. President, we have protected them for 127 years under the Monroe Doctrine—and only an economically strong America can do the job.

The plan as advanced at Annecy, France—and it is planned to further the program at Torquay, England, in September of this year—is to include in the further free-trade program approximately 2,500 or 3,000 products of this country. The present Free Trade Act extension on copper is a definite part of the free-trade program.

### COPPER A PART OF THE PROGRAM

Mr. President, that particular extension is simply a part of the program. The American products directly affected include textiles, petroleum, lumber, and wood products, minerals, precision instruments, clocks and watches, bicycles, gloves, shoes and other leather goods, chemical products, and hundreds of additional products making up the employment and taxable structure and involving the national safety of this country. It happens that the current House Joint Resolution No. 494 would extend the free trade on copper, which is only one of the thousands of products affected by the program of the administration.

### KEPT IN BUSINESS BY TARIFF

The argument is made that we do not produce enough copper for our own use, and that therefore there must be no tariff or import fee on importations of copper.

Mr. President, the fact that we are producing only a part of the total amount of the thousands of products making up the economic structure of this country comes about by reason of the long-standing policy in regard to tariff or import-fee protection of such products. In the case of only a few of these products do we produce all we need.

Any such reduction of tariffs or import fees below the differential of production costs due to the difference between the wage standard of this Nation and the wage standards of competitive nations, is dangerous to the economic structure of the United States.

### VENTURE CAPITAL DISCOURAGED

Venture capital cannot be secured for investment in industries which are threatened with a reduction of such protection.

The result is that the administration is continually pressing for a reorganization of the RFC in order to permit the RFC to furnish Government funds to replace the venture capital and the investments which are scared out by the threatened free trade.

Mr. President, I ask unanimous consent to have a copy of my testimony before the Senate Finance Committee on August 5, 1949, inserted at this point in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

### IMPORT DUTY ON VIRGIN COPPER AND METAL SCRAP

(Statement of Hon. GEORGE W. MALONE, United States Senator from the State of Nevada)

Senator MALONE. Mr. Chairman, in my previous statement before your committee on February 24, 1949, I said at that time that whenever the world price of copper dropped below the cost of domestic production—that the independent copper mines in our country would close—and production would generally be curtailed causing unemployment and loss of taxable property.

The amendment to the scrap-metal bill would restore the copper tariff that was repealed or the time of such repeal extended on March 18, 1949. Of course, the State Department has reduced the 4-cent-per-pound tariff or import fee to 2 cents per pound under the authority granted them under the 1934 Trade Agreements Act—so it would only be a token protection now.

### GENERAL PROBLEMS

First, the problem is general. It is unfortunate that copper has been singled out because practically all the strategic and critical minerals produced in this country, including practically all other products—I mention briefly livestock, sugar, lumber, textiles, precision instruments, and many other industries—and the workers in those industries are affected in exactly the same manner.

The wage-standard of living in these industries has been raised above the world average through protection, and as a result the standard of living in such industries and the standard of living of the workingmen of America are far above the standard enjoyed in any other country.

Therefore, there are only a very few industries, and those only temporary, in my opinion, in which the workingmen of America can compete with the lower wage-living standard countries of Asia, Europe, Africa, and South America in production.

First, it was generally considered that with our know-how and our up-to-date machinery, we could still compete with foreign cheap labor; that, however, is no longer true, because our machinery and assembly line methods, together with our trained superintendents and foremen are all available to their countries.

Money is fluid. It can and does go anywhere. Capital investment follows wherever the economic adjustment places the industry. When a tariff is removed or adjusted or in some manner the economics of the industry is changed and made more economically feasible in another country than it is here, it immediately locates there. That is simply business. No one is to blame but ourselves.

When we continually tinker with the tariff or import fee, which establishes the floor under wages for the workingmen of America, it is simply to give notice to the public that capital investment is no longer safe in that field, therefore, experience shows that no further capital investment will be attracted to that industry; simply because of the fear that when the investment had been made that Congress or the State Department would again remove the differential in cost of production which is represented by the tariff or import fee.

I am not discussing a high tariff or low tariff. I am referring to that differential in cost of production between producing an article in this country and in the low-wage foreign country, due mostly to the wages paid and the standard of living enjoyed by the workingmen of the competitive countries, as against the standard enjoyed in this country.

Mr. Chairman, the flexible import fee which I introduced in 1948 and again in 1949—and which I intend to offer this year as a substitute for the 1934 Trade Agreements Act when that act comes before the Senate for the 3-year proposed extension, simply is based on "fair and reasonable" competition. The "fair and reasonable" competition can easily be determined from the declared customs value and from the offered sale price.

It will take into account the manipulation of currency by the foreign nation for trade advantage—and also the block buying and selling that some foreign nations now are practicing—where they undersell in this country for dollars and then sell the dollars at a higher price in another country which in many cases makes up for more than the loss in the first instance. All of the foreign nations manipulations are rather complicated, but the flexible import fee would automatically take all of such intrigue into account. I will go into it at the proper time on the Senate floor.

My second point is that it is practically impossible to get new capital investment into any industry where the labor needs such protection when Congress is continually fiddling with the amount of such protection, on no principle whatever except whatever influence and whatever immediate shotgun opinion can be brought before the committee.

Capital is invested only where it has a reasonable chance for success and where there is no reasonable protection against the low-cost foreign labor—then little new capital investments will be found.

Mr. Chairman, those are my two main points in this particular instance.

I understand that since the Congress removed the tariff on copper early in 1947 for 2 years, and extended it again for 1 year in 1949, that the State Department has reduced the tariff to 2 cents through a trade agreement with Chile. The 4-cent of production—the differential of cost, import fee or tariff or excise tax, whatever you choose to call it, has been reduced to 2 cents through the exercise of the 1934 Trade Agreements Act provisions.

The 2 cents of course is no protection at all. The floor under wages has been lowered so there is no recourse but the resulting unemployment and loss of taxable property.

It is a parallel case of the tungsten import fee—we had a 50 cents a pound tariff on contained tungsten for many years. Just prior to the war we were producing about 45 percent of the tungsten used in this country. Such import fee does not stop imports. What it does is bring them in on our level of costs and keeps our own people working on their standard of living.

So we were importing the required 55 percent. When they hit Pearl Harbor and cut off the Burma and China (the world supply) shipments—we raised the domestic price slightly and within about 6 months we were practically self-sufficient in the production of that metal.

I was special consultant to the Senate Military Affairs Committee during the war—and very familiar with the operation—I was not in the Senate. The State Department lowered the tariff from 50 cents to 38 cents per pound of contained tungsten and almost immediately shut down every tungsten mine in America except three. Two of the remaining mines closed down very soon. There is one running now and it will probably be closed in a very short time. They are running on developed ore and will quit when it has been worked out.

I mention this as an illustration of interfering with that differential of cost due to the difference in the wage standard of living, without proper information. A State Department official with whom I was discussing it informally said, "We didn't lower it very much. We only lowered it to 38 cents, lowered it 12 cents."

I said, "Yes, but you can take a blow torch and cut 2 feet off the Potomac River bridge. You wouldn't cut much off it but you wouldn't have a bridge left either—and you couldn't swim the river because it would block the channel."

That is what we have done to tungsten, and that is what you are doing to copper. All the independent copper mines are now closing because of removal of the 4-cent tariff, and the big operations are curtailing their work.

Inexperienced people juggling the tariff or import fees is just like a blacksmith working on a Swiss watch. This flexible import-fee legislation which I shall again propose would turn the Tariff Commission into a foreign trade authority and give them the same latitude in that field that we give the Interstate Commerce Commission in fixing the freight rates.

Mr. Chairman, if I might be allowed to round out this testimony with any facts I think might be helpful to the committee, I think that completes my statement. If there are any questions, I would be very glad to answer them.

The CHAIRMAN. You may round out the statement if you wish to submit additional facts.

Senator MALONE. Mr. Chairman, I am including a table showing the world production, domestic production, the United States percent of world production, imports into the United States, United States exports, and the domestic consumption.

*Amounts in short tons*

| | World production | Domestic mine production | United States percent of world production | Imports | Exports | Consumption |
|---|---|---|---|---|---|---|
| 1940 | 3,000,000 | 878,086 | 30 | 491,342 | 427,650 | 1,008,785 |
| 1941 | 3,000,000 | 958,149 | 32 | 735,545 | 158,893 | 1,641,550 |
| 1942 | 3,100,000 | 1,080,061 | 35 | 764,393 | 210,518 | 1,678,091 |
| 1943 | 3,038,000 | 1,090,818 | 36 | 716,596 | 294,459 | 1,502,000 |
| 1944 | 2,843,000 | 972,549 | 34 | 785,211 | 237,515 | 1,504,000 |
| 1945 | 2,425,000 | 772,824 | 32 | 853,196 | 132,555 | 1,415,000 |
| 1946 | 2,023,000 | 608,737 | 30 | 393,275 | 97,475 | 1,391,000 |
| 1947 estimate | 2,458,000 | 846,400 | 35 | 413,890 | 196,999 | 1,290,000 |
| 1948 estimate | 2,400,000 | 834,813 | 35 | 466,112 | 146,000 | 1,202,000 |
| 1949 | | [1] 385,655 | | [1] 303,898 | [1] 72,665 | [2] 316,661 |

[1] 6 months.
[2] First quarter.

It will be noted that imports were not restricted or in any way retarded through the 4 cents per pound tariff which prevailed up to and including the year 1947—until removed by congressional act—but the 4-cent tariff representing the "floor under wages"—the differential of the cost of production in this country and where the competition is located, due mostly to the difference in the wage-living standards.

WAGE COMPARISONS

The following wage comparisons for skilled and semiskilled labor prevailing in several of the foreign nations and in the United States are self-explanatory.

| Country | Group | Rate | Date |
|---|---|---|---|
| Sweden | All industrial groups—men | 68.5 cents per hour | November 1948. |
| Canada | Manufacturing | 95.9 cents per hour | December 1948. |
| Great Britain | Including Scotland. Average of 16 major industries—men. | 59 cents per hour | October 1948. |
| Australia | All industrial groups except shipping and agriculture. | 56 cents per hour | March 1948. |
| New Zealand | Skilled labor | 72 cents per hour | September 1948. |
| Chile | Average industries | 30 cents per hour | December 1948. |
| China (Shanghai) | Textiles, printing, machine making | 5.26 cents per hour | August 1948. |
| India | General engineering | 13 cents per hour | 1946. |
| Iran (Tehran) | Plumber. Wage rates vary greatly less than a dollar for unskilled workers up to $5 a day for highly skilled workers. Hours of work not available. | $1.50–$2 per day | September 1948. |

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| Country | Group | Rate | Date |
|---|---|---|---|
| Spain | Skilled single men | 23 cents per hour | 1947. |
| | Skilled married men with 3 children | 40–45 cents per hour | |
| Burma | Information not available | | |
| Iraq | do | | |
| United States | Copper mines | $1.40 per hour | 1947–48. |

PREVAILING TARIFFS ON COPPER AND BRASS PRODUCTS

There is a tariff on brass sheets, strips, rods, and plates of 4 cents per pound.

The tariff on the lipsticks which are often made of brass is 20 percent ad valorem.

COPPER ORE AND FABRICATED GOODS TARIFFS

Copper acetate and subacetate (verdigris): Free plus 4 cents a pound on copper content (Internal Revenue Code).

Copper concentrates—for smelting or refining and export: Free.

Copper concentrates—product of Cuba: Free.

Copper concentrates (taxable): Free plus 4 cents a pound on copper content (Internal Revenue Code).

Copper: Cuprous oxide: 35 percent ad valorem 3 cents per pound (Internal Revenue Code).

Copper in rolls, sheets, or rods: 2½ cents per pound plus 4 cents per pound on copper content (Internal Revenue Code).

Copper ore and concentrates—product of Philippine Islands: Free.

Copper ore—for smelting, or refining and export: Free.

Copper ore (taxable): 4 cents per pound on copper content.

Copper ore—product of Cuba: Free.

Copper, other than ore and concentrates—product of Philippine Islands: Free.

Copper oxides, not elsewhere specified: 25 percent ad valorem plus 3 cents per pound (Internal Revenue Code).

Copper, refined, in ingots, plates, or bars—for smelting or refining and exports: Free.

Copper, refined in ingots, plates, or bars (taxable): Free plus 4 cents per pound (Internal Revenue Code).

Copper sulfate (blue vitriol): Free plus 4 cents per pound on copper content (Internal Revenue Code).

Copper tubes, brazed: 11 cents per pound plus 4 cents per pound (Internal Revenue Code).

Copper tubes and tubing, seamless: 7 cents per pound plus 4 cents per pound on copper content (Internal Revenue Code).

Copper: unrefined black, blister, and converter, in pigs, or converter bars—for smelting or refining and export—free.

Copper: unrefined black, blister, and converter, in pigs, or converter bars, free for United States Government—free.

Copper; unrefined black, blister, and converter, in pigs, or converter bars (taxable), free plus 4 cents per pound on copper content (Internal Revenue Code).

Copper wire, not specially provided for: 25 percent plus 4 cents per pound on copper content (Internal Revenue Code).

Mr. Chairman, it will be noted that the brass manufacturers, the manufacturers of the fabricated articles made from the raw brass and copper are all supported by a substantial tariff or import fee. (The copper content of brass averages approximately 70 percent.)

The raw material—the copper which is the basic material used in the manufacture of such fabricated articles and products is on the free list—there is no floor under wages—so the workingmen in the industry must meet the foreign wages plus the freight to keep their jobs.

Mr. Chairman, copper is high on the list of strategic minerals and materials necessary in an emergency; it is high on the list for stockpiling purposes. National security is the paramount consideration, and it is well known and recognized that it is necessary to have a healthy going concern copper-mining industry in addition to a substantial stockpile to meet a real emergency.

The employment and taxable property furnished by this important industry is important to our national economy.

The CHAIRMAN. Are there any questions for Senator MALONE?

Senator MILLIKIN. I might invite the Senator's attention to the fact that it it is our trade agreement with Chile that rules the copper tariff, the 2-cent tariff, to which the Senator referred. The trade agreement with Chile was made at the conference in Geneva in 1947. That agreement, happily, contains an escape clause. If the President is of a mind to do so, if we should restore the tariff to 2 cents, the President would have it within his power to retore it to 4 cents.

Senator MALONE. I might say to the Senator from Colorado I appreciate the question, but there is no matter of record that I can find where the President has used the escape clause to restore anything that looks reasonable.

Senator MILLIKIN. I was not putting that out as an assurance, Senator. I was putting it out as a possibility.

Senator MALONE. I would take the entire matter of adjusting tariffs and import fees out of the President's hands, out of the State Department's field—and away from Congress—put it under the Tariff Commission—turned into a foreign trade authority—to be adjusted under the flexible import fee principle laid down by Congress—just as freight rates are adjusted under the jurisdiction of the Interstate Commerce Commission.

We have transferred the copper jobs from the independent copper mines of America to Chile, South America, and Africa. We all know with $2 and $2.50 labor in Chile, they can produce copper much cheaper than we can here. They can add the freight to it and still the wages must be substantially lowered in this country to meet the low-wage living standard foreign competition.

I say again, if we could put the emphasis where it belongs, which I shall do on the floor of the Senate when the 1934 trade agreements come before us for the 3-year extension, we will understand that what we are doing is lowering the floor under wages—and destroying an important source of employment and taxable property.

What we do when we remove the import fee on copper or any other mineral, when we lower it on textiles, or precision instruments or any other industry, is to say to the workingmen of America that we are lowering the floor under wages.

When we lower the floor under wages, the workingmen must meet the labor in Chile, on copper for example, at $2.50 per day with the freight to America added and our people must work for the resulting wage or become unemployed. Take precision instruments: Competing countries are paying 8 to 10 or 12 cents an hour. We pay $1.80 to $2.40 here. They are transferring those other jobs to Chile, the precision-instrument jobs to Japan and Germany. If it were examined in that perspective, I do not think the people would let it be done.

It means that the people have their choice. They can come down to the $3.50 or $4 a day, or they can have mass unemployment. If they come to the $4, when they have been getting $11.17 a day in the copper mines, they cannot keep the kids in school or pay their taxes, and they cannot buy radios or keep carpets on the floors or live on any standard that befits the American workingman, so naturally we are going to have mass unemployment, and then the Congress will be passing bills appropriating money to relieve the unemployment.

Mr. Chairman, that completes my statement.

The CHAIRMAN. Thank you very much. We are glad to have your statement.

Senator MALONE. Thank you very kindly.

Mr. MALONE. Mr. President, I also ask unanimous consent to have inserted at this point in the RECORD, as a part of my remarks, a copy of Representative DOUGHTON'S statement made yesterday in the House of Representatives.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman five additional minutes. I was surprised at the copper resolution being passed by unanimous consent late yesterday afternoon after the House had concluded its discussion on the tax bill. I understand the resolution that passed was only introduced yesterday afternoon or some time yesterday. Our committee that is supposed to have jurisdiction over this matter was not consulted at all. It was the most extraordinary procedure I have ever known.

Our committee has had this matter under consideration for some time. It was brought to our attention through a lot of correspondence. We had set apart Monday, July 10, in order that we might have time to consider this. As chairman, I invited the interested parties on both sides to be present and notified them that we would have to expedite the matter in order to have time to give consideration to the bill after completion of our work on the pending tax bill; therefore, we set Monday, July the 10th, as the date for hearings on continuing the suspension of the import tax on copper. I have not been so surprised at anything that has taken place in this House since I have been chairman of the Committee on Ways and Means.

Mr. MALONE. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a dispatch appearing in the Wall Street Journal of today, showing that House Joint Resolution No. 494 was "sneaked" through the House.

There being no objection. the article was ordered to be printed in the RECORD, as follows:

HOUSE EXPECTED TODAY TO REVERSE ITS ACTION ON COPPER IMPORT DUTY—WESTERN CONGRESSMEN CHARGE BILL CONTINUING DUTY SUSPENSION WAS SNEAKED THROUGH

WASHINGTON.—House leaders were preparing the way for the House to reverse today its Tuesday action continuing the suspension of the copper import duty for another 60 days.

Western Congressmen charged that the 60-day suspension of the 2-cents-a-pound duty was sneaked through the House Tuesday and that the action should be changed. Representative BARING, Democrat, Nevada, served notice he would call up in the House today a resolution to rescind Tuesday's action and bring the bill back to the House.

Top Democratic leaders indicated the Baring resolution would be approved. Mr. BARING will first ask unanimous consent for passing of his rescinding resolution, but if this unanimous-request is blocked by Representative PATTERSON, Republican, Connecticut, author of the duty-suspension bill, or any other Representative from copper-consuming districts, the House Rules Committee is prepared to report out a special rule which

would permit the House to call the bill back from the Senate by a majority vote.

House leaders indicated they had no doubt that the majority vote could be obtained if not unanimous consent. "It's not going to get anywhere in the Senate, anyhow," one Democrat observed, "so why should we put our western Members on the spot?"

If the House does rescind its action of Tuesday, the duty will almost certainly go into effect, at least temporarily, starting July 1. The House will not take up any legislative business after today until July 1. That's the day, incidentally, that the House Ways and Means Committee is scheduled to open hearings on another bill of Representative PATTERSON's which would continue duty-free importation of copper until June 30, 1951.

Apparently Mr. PATTERSON's 60-day extension bill got through the House Tuesday by unanimous consent as a result of misunderstanding among the House leaders. Each thought the other had cleared the bill and let it slide through. Moreover, Mr. PATTERSON requested action on the bill late in the day, when most of the Members had left the floor thinking the legislative business of the day was over.

Mr. MALONE. Mr. President, there is more to this free trade on copper than meets the eye. The Senate of the United States would do well to inspect and analyze closely the power behind the rush to adopt an extension of an act that will permanently kill the independent copper producers of America.

I thank the Senator from Iowa for yielding to me.

## AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT OF 1949

The Senate resumed the consideration of the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949.

Mr. GILLETTE. Mr. President, before I speak briefly on Senate bill 3809, I wish to refer to the tripartite foreign ministers' conference held in London last month. Before that meeting was held, several Senators joined with me in writing to Secretary of State Acheson, a letter, making some suggestions which we thought would be helpful in outlining our viewpoint and position in connection with the pending conference. The letter was addressed to the Secretary of State, and was signed by the two able Senators from New York [Mr. IVES and Mr. LEHMAN], the able Senator from New Jersey who now occupies the chair [Mr. HENDRICKSON], the able Senator from West Virginia [Mr. KILGORE], and myself.

A few days ago I received an answer from the Secretary of State, addressed to that group of Senators. In his answer, the Secretary of State discusses rather fully the questions we had raised and the suggestions we had made. With the letter the Secretary of State sent copies of correspondence, including a letter from Commissioner McCloy to Dr. Adenauer. I ask unanimous consent that this file of correspondence be printed at this point in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

MAY 9, 1950.

The Honorable DEAN ACHESON,
*Secretary of State,*
*In care of American Embassy,*
*London, England.*

MY DEAR MR. SECRETARY: On the occasion of the Foreign Ministers Conference in London, at which it is expected that decisions of profound importance regarding Germany will be reached, we wish to submit to you this expression of our views on certain aspects of the crucial German problems.

It is understood that the conference will make strenuous efforts to bind the Federal Republic of Germany more securely to the west. From the standpoint of the security of the nations of the Atlantic community this would appear, under proper conditions, to be a desirable achievement. Yet we are troubled lest some of the efforts in this direction may have the unfortunate practical effects of weakening present western unity and also of affording advantages to the rulers of the Soviet Union in their attempts to absorb all of Germany within the eastern bloc of nations.

In this regard, we are particularly mindful of the reports emanating from western Germany that proposals will be made at London to increase German steel production from the present limit of 11,200,000 tons annually to a level of 12,500,000 tons or more this year and to 14,500,000 tons or more by 1952. Such proposals, at a time when steel production in western Europe is in excess of requirements, are especially disturbing, since there has been evidence that steel produced in the Ruhr is already being sold, legally or illegally, to countries within the Soviet sphere.

There are several considerations, other than the desire to win the favor of spokesmen of west German parties, which must compel our concern. We urge the American delegation to give the fullest weight to these considerations:

1. Our efforts to unify the countries of western Europe, which only 5 years ago were liberated from German domination, will fail if once again their people begin to fear the resurgence of German industrial and military might.

2. Given the already existing surplus of steel above market requirements this year in western Europe, no increase in the present level of German steel production can be justified. Any increase in German steel production might well have the following undesirable effects:

(a) Faced with overproduction and lack of markets in the west, German steel interests will seek cartel arrangements with the other western steel producers, leading as in the past to German domination over the western European economy.

(b) Having established price-fixing mechanisms, allocated markets and set production quotas by cartel agreements covering western Europe and western Germany, German industry will seek outlets for steel production in the Soviet sphere, including Communist China.

(c) Diplomatic and military rapprochement between Germany and Russia will follow resumption of large-scale shipments from the Ruhr to the Soviet sphere, and may even be the sine qua non demanded by the Russians.

(d) Finally, in the event of Russian invasion, greater German steel production will merely add to the industrial and military strength of the Soviet Union.

3. Prior to granting any further independence to the Federal Republic of Germany, the Western Allies should demand performance in the following key economic sectors:

(a) Land reform: Completion of the land reform program in western Germany in order to open for cultivation the estimated 1,900,000 hectares (3,750,000 acres) of unused land, provide farms for a possible 2,000,000 persons among the expellees and refugees from the east, increase food production benefiting the entire population, and decrease dependence on outside food sources.

(b) Consumers' goods: Development of German light industry, as opposed to present emphasis on heavy industry, to provide consumers' goods marketable in western Germany and other western countries, to absorb the unemployed, to help pay for needed imports and to reduce the necessity for continued outside aid.

(c) Housing: Development of an extensive housing program to provide dwellings for the increased population, rebuild damaged residential area and absorb excess steel production from the Ruhr that is now being sold to the Soviet sphere or being dumped abroad in countries which themselves have steel in excess.

(d) Competition: Drastic action to destroy cartels and to decentralize ownership and control of existing heavy industry, particularly iron, steel, coal, coke, and chemicals, in order to encourage free competitive enterprise and weaken the power of those whose control over heavy industry now permits them to dominate the Federal Republic's Government and afford them opportunity to prepare the way for a new German-Soviet alliance.

(e) Purchasing power: Immediate efforts to raise the purchasing power of the German people through higher wages, lower prices, tax reforms, consumer credit, and other measures designed to provide the large domestic market needed to absorb German production and reduce the need for exports of goods not now able to be purchased by German consumers.

To the extent necessary, the Economic Cooperation Administration should be encouraged to provide counterpart funds for the financing of certain of the above activities.

Mr. Secretary, we believe that if the United States delegation will insist on the position outlined above, as prelude to all discussion of increased independence of action by the Government of the Federal Republic of Germany, the rest of western Europe will show less hesitancy about accepting Germany as a partner in the Atlantic community, that the danger of a Russo-German alliance will be materially reduced, that the effects of Communist agitation among the poorer classes will be largly nullified, that the German people themselves will respond to the measures proposed in their behalf, and that the conference will, in respect to the German question, achieve a notable success.

With sincere wishes for the success of your mission, and with assurances of our highest respect and good will,

Sincerely,

GUY M. GILLETTE,
ROBERT C. HENDRICKSON,
IRVING M. IVES,
HARLEY M. KILGORE,
HERBERT H. LEHMAN,
*United States Senators.*

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DEPARTMENT OF STATE,
*Washington, D. C., June 16, 1950.*

The Honorable GUY M. GILLETTE,
*United States Senate.*

MY DEAR SENATOR GILLETTE: While at the recent tripartite meetings in London I received the letter of May 9 sent by you and Senators HENDRICKSON, IVES, KILGORE, and LEHMAN, concerning the German problem. I regret that the pressure of work at that time prevented my prompt reply.

The Department of State is fully in accord with your view that it must be our objective to bring the German Federal Republic into more secure association with the west under proper conditions, that is, in a manner which will not give cause for concern to the other nations of western Europe. The Department is also in agreement with many of the views expressed in your letter as to means of accomplishing this objective.

There was no decision, nor any proposal, at the recent meeting of the Foreign Ministers in London to raise the permitted level of steel production in the western zones at the present time. Any decision to raise the level would have to be by agreement of the British, French, and United States Governments since the present level was set by governmental agreement. The policy of the United States Government is that it should

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be raised only when a need for peacetime use by western Germany has been clearly demonstrated.

The Department agrees that integration of the countries of western Europe will not be encouraged if the western European peoples begin to fear the resurgence of German military power and war potential. The United States Government is continuing, as it has for the past 5 years, the policy of disarmament of Germany.

The land reform program, it must be admitted, has not been carried out to the extent that was originally contemplated or to the extent that would be desirable, although the extent of the problem which exists in the western zones has been exaggerated. It is expected that final results will be more favorable, but we cannot candidly anticipate all that might be desired. We did not in the Occupation Statute reserve control in respect to land reform and we, therefore, must seek to exert our influence in this field through persuasion. The land reform program is being given continuing attention by the Office of the United States High Commissioner in Germany.

The increase of western German food production as well as the construction of adequate housing, developing of industry along economic lines, and other objectives which will help to make the German economy less dependent on foreign aid are being pursued with the assistance of counterpart funds. The investment plan for western Germany (including Berlin) for the ERP year 1949–1950, as submitted by the German Government to the ECA Mission in Germany, included DM 647 million for food and agriculture development programs, including DM 312 million of counterpart funds, and DM 2,200 million for housing, including DM 232 million of counterpart funds. It is anticipated that the counterpart funds going into housing, though proportionately small, will make possible the larger sums contemplated from other German public funds and private capital.

There are enclosed herewith copies of three letters to the German Government which may be of interest to you in this connection (from R. M. Hanes to Dr. Wilhelm Niklas, dated December 1, 1949, and to Dr. Franz Bluecher, dated December 22, 1949; and from John J. McCloy to Dr. Konrad Adenauer, dated February 20, 1950).

The first two of these letters strongly urge the development of efficient agriculture and support of agriculture commensurate with the need to increase food production. The third includes, as an enclosure, the outlines of the German investment plan for 1949–1950, and sets forth the basic information concerning this program desired by the ECA Mission.

There are certain apparently insurmountable difficulties to exclusive emphasis on the development of German light industry as opposed to heavy industry. Primarily, sufficient markets for the products of light industry are lacking, both in Germany and in other western countries. This is due in part to competition for export markets from the other countries of western Europe and elsewhere. In any case the development of light industries to date has not been too successful. In the textile industry, to take one example, Germany is unable to find extensive foreign markets because all of the major countries of western Europe and even many of the world's relatively unindustrialized areas have developed their own industries to take care of their textile requirements.

The necessity to seek export markets, however, does not arise primarily by reason of inability of German consumers to purchase goods. Rather the primary need in this field at the present time is to raise the level of exports to that of German import requirements. Wage-price relationships, although not yet a matter of concern with regard to absorption of surplus production, have been a problem from the point of view of general economic recovery. From recent information, it appears that there has been some degree of improvement in wage-price relationships. Prices have shown a general tendency to decline, although the declines have not been widespread. Hourly wage rates and gross weekly earnings have shown significant improvement since the latter part of 1948. These improvements, while not as great as might be wished, indicate a general trend in the direction of improved purchasing power.

It is the policy of the Department to eliminate German cartels, and to decentralize ownership and control of heavy industry to the extent necessary to eliminate monopolies and excessive concentrations of economic power in order to place German industry on a sound, competitive footing. The United States High Commissioner has been vigorously pursuing these objectives under the powers reserved over deconcentration and decartelization by paragraph 2 (a) of the occupation statute.

Allied High Commission Law No. 27, reorganization of German coal and iron and steel companies, published on May 17, 1950, provides for the achievement of these objectives with respect to enterprises in four of the fields which you specifically mention in your letter—iron, steel, coke, and coal. In brief the law provides for the liquidation and reorganization "with a view to the elimination of excessive concentrations of economic power which constitute a threat to international peace or to the maintenance of democratic government in Germany or which unreasonably restrain trade" of 13 steel and coal combines. In addition, provision is made that liquidation proceedings involving 10 more companies which are currently in progress shall be continued. An examination is to be made by the High Commission of three additional combines and if any is found to be an excessive concentration of economic power it will be liquidated and reorganized also. Provision is also made for inclusion of 42 other companies or some or all of the assets of such companies in the reorganization plans on certain specified conditions among which are that the assets concerned are presently being operated by certain operating companies which from part of the combines being dissolved or that such assets have heretofore been forfeited as Nazi-owned under other provisions of law.

The Department will push strenuously for early completion of the reorganizations contemplated under law No. 27. Completion of these reorganizations should establish the German iron and steel and coal industries upon the basis suggested in your letter.

In the chemical field, action is continuing to provide for the final liquidation of I. G. Farben and its reorganization into individual units. The economic committee of the Allied High Commission has approved, with certain minor exceptions, the principles upon which the operation should be carried out and has referred the matter to the law committee which is drafting the necessary legislation. A tripartite team of experts is presently conducting a survey of the Farben project. The reports of this survey, which should be completed within 60 days, will then serve as the basis for the dispersal plans.

The reorganization of I. G. Farben into self-contained, self-sustaining, and competitive units will achieve in the chemicals field the same results as may be expected in iron and steel and coal under law No. 27. The Department has no intention of agreeing to any diminution of the powers reserved under the occupation statute to accomplish these reorganizations until they are computed.

The Department welcomes your continuing interest in the German problem.

I would appreciate it if you would be good enough to communicate this reply to the other Senators who signed the letter.

Sincerely yours,

DEAN ACHESON.

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ECONOMIC COOPERATION ADMINISTRATION, OFFICE OF THE SPECIAL MISSION TO GERMANY,
*December 1, 1949.*

Subject: Improvement of agricultural production in western Germany.

To: Dr. Wilhelm Niklas, Federal Minister for Food, Agriculture, and Forestry, Frankfort, Germany.

1. Mr. McCloy, as senior ECA representative to Germany, is addressing a letter to the Chancellor of the Federal Republic of Germany stressing the need for immediate German action in certain economic fields if the objective of freeing Germany from the need for extraordinary outside assistance is to be attained. Particular stress is being laid in this letter on the essentiality of specific action to increase agricultural production.

2. The largest part of present United States dollar aid for western Germany is for food and feed imports amounting to about $500,000,000 in 1949–50. The ECA mission is especially concerned about the continuing magnitude of this deficit. It is the announced intention of the United States Government to reduce ECA appropriations sharply and progressively, and to terminate such extraordinary aid by 1952. OEEC has adopted the general principle of not allocating ECA aid to support higher levels of food consumption than can be maintained after the cessation of ERP aid in 1952. The ECA mission to Germany concurs in this principle. It is clear, therefore, that evidence that the proposed food levels can continue to be maintained by Germany without extraordinary United States dollar aid after 1952 is required in order to justify this mission's support of German food import requirements over the remaining ERP period.

3. This future food level depends in large part upon the level of agricultural production; and in our view this level of agricultural production can be raised considerably. There are a number of critical problem areas in the food and agricultural sector that demand immediate consideration and corrective action if improved agricultural productivity is to reach the necessary level by 1952–53. Of these, the areas which seem most important for the German officials to emphasize in developing efficient agriculture include the following:

(A) PRICE RELATIONSHIPS

Existing agricultural prices neither encourage the production in Germany of dollar-imported foods and feeds nor discourage their excessive use. Thus the principal dollar import is grain; yet domestic grain prices are approximately 30 percent lower than imported grain and 25 percent lower than producer prices in other important OEEC countries. These low grain prices tend to encourage the consumption of imported cereals rather than domestically produced potatoes and fodder roots. Animal products and alcohol prices are relatively higher than grain, and therefore result in excessive diversion of grains to livestock and alcohol production at the expense of direct human consumption of food. In general the whole structure of German farm prices and its relation to the cost of farm requisites fails to provide proper income incentives to the German farmer.

(B) AGRICULTURAL PRODUCTION CREDIT

The OEEC Agricultural Production Plans and Programs Committee has stated that "lack of capital has been a major factor in retarding the development of agriculture" and also that "no major expansion can be expected unless capital is more freely available, whether from public or private sources." Available German commercial credit for

agricultural production usually carries an interest burden of around 7 percent in contrast to a rate in the Netherlands of about 3½ percent. Such agricultural credit aid as can be provided should place much greater relative emphasis on the needs of the individual farmer and small farm groups rather than alloting limited resources too largely to food processing and other commercial enterprises. Present lack of farm credit restricts fertilizer consumption, rate of mechanization, livestock improvement, improvement of land resources (particularly meadows and pastures) and construction of proper farm buildings and storage facilities.

(C) AGRICULTURAL EDUCATION, RESEARCH, AND EXTENSION

The ECA mission agrees with OEEC statements that the first condition necessary to induce farmers to embark on a policy of major agricultural expansion is "a rapid strengthening of the agricultural extension services for the provision of technical information and advice to farmers." Very substantial technical advances for increasing world food production have been made within the last few years in other countries through organized research and extension programs. It has been estimated that only 20 percent of German farmers are contacted by the present agricultural extension service advisers, while in other countries group methods reach over 80 percent.

As a further example of the need for farm advisory services 70 percent of the farm land in western Germany is devoted to production of animal feeds. The greatest single potential for increasing food availability is to produce more animal products from this area and replace dollar-imported feeds. This could be done by the application of modern, efficient agricultural techniques of production and conservation of feeds, improved breeding, feeding and management practices.

(D) LAND CONSOLIDATION, RECLAMATION, AND DRAINAGE

It is considered that the importance of land resources warrants the establishment of aggressive action programs to cover each of these three aspects of land improvement. Important progress has been made in other countries in improving the productivity of meadows and pastures by proper seeding and fertilization, plus benefit payments and the use of cooperative power equipment as farmer incentives.

(E) FARM MECHANIZATIONS

The replacement of animal power by tractors economizes feed for the production of additional livestock products and increases the efficiency of cultivation. Favorable farm-price relationships, adequacy of credit, and land consolidation would greatly facilitate a rapid extension of mechanization. About 70 percent of the arable land in Germany is in farms under 20 hectares, and the possibility for capital accumulation on such small units preclude large-scale programs for mechanization. In France and Holland the most practical solution to this problem has been found in the development of machinery cooperatives partially financed with state assistance.

4. The obstacles to agricultural production increases must be attacked initially on a national basis at the highest level. Mr. McCloy's letter to the Federal Chancellor indicates the importance which we lay on the matter. Basic decisions must be made on controversial issues involving prices, credit, and benefit payments, which are fundamental elements of a national agricultural policy. The ECA mission is anxious to assist you by all means within our power. Our common objectives are to take advantage of all means of increasing agricultural efficiency and productivity—but to avoid establishment of high-cost farm production requiring continuing protection and placing obstacles in the way of expanding world trade.

5. May I ask, therefore, that you carefully reappraise the agricultural possibilities in western Germany with a view to determining additional measures which can be taken to expand an efficient German agriculture. The ECA mission urgently needs your program as to specific measures which the German authorities intend to take in these matters. We would expect to see such plans reflected in the general memorandum accompanying the 1950–51 and 1951–52 programs due December 15 with supplementary details to the mission. Your preparation of such a revised action program should carefully appraise and include the financial requirements for maximizing food production, within the limits of the German national investment program.

R. M. HANES,
*Chief, ECA Mission to Germany.*

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TEXT OF LETTER FROM MR. R. M. HANES, CHIEF OF ECA SPECIAL MISSION TO GERMANY, TO DR. FRANZ BLUECHER, ERP MINISTER OF FEDERAL REPUBLIC OF GERMANY, REGARDING AGRICULTURAL INVESTMENTS AND POLICY, DATED DECEMBER 22, 1949

In my letter to you of December 16, 1949, approving the investment program from counterpart funds for the first half of the fiscal year 1949–50 amounting to DM 1,036,000,000, I stated that this mission expected by January 1, 1950, a comprehensive investment program for the economic year June 30, 1950.

I should like to emphasize the need for increasing the national investment for agriculture in future programs. Over 70 percent of the dollar aid to Germany this year is designated for food and feed imports, yet to date less than 9 percent of counterpart investments have been designated for agriculture. As sharp reductions in dollar aid materialize, the food sector of the economy is likely to become most critical since Germany's basic deficiency is in food. It is in the interest of the German welfare to maximize its own food production. However, with the recent approval of DM 1,036,000,000 which brought the total program for counterpart fund utilization, including GARIOA and ECA, to DM 1,583,800,000 only DM 128,000,000 was designated for agriculture. Only about one-half of this is for purposes designated to directly increase food production.

Future investment programs should include a support of agriculture commensurate with the immediate need for increasing food production. Funds are urgently needed for increasing use of fertilizer, machinery and high-quality seed, for improvement of livestock and greenland, for land drainage and consolidation, for construction of silos and feed drying equipment and for agricultural research, education, and advisory services.

Some of these activities cannot be financed by credit. In the case of research, advisory services, and support of public agricultural institutions, there is no basis for repayment. Support of these activities must necessarily be in the form of grants-in-aid (verlorene Zuschuesse). A small beginning on this latter type of project has recently come to our attention in a DM 75,000,000 draft program developed by the Ministry of Agriculture. This mission interposes no objection to the use of counterpart funds as grants-in-aid for projects of merit to increase food production provided such projects are administered in a manner that will avoid misuse.

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FEBRUARY 20, 1950.

HIS EXCELLENCY,
*The Chancelor of the Federal Republic of Germany, Palais Schaumburg, 141 Koblenzerstrasse, Bonn.*

DEAR MR. ADENAUER: I refer to the discussion which the High Commission had with you and members of your cabinet and the president of the Bank Deutscher Laender on February 16, 1950, in which we reviewed together the investment plans of the Government with particular reference to the emergency measures which are under consideration for the purpose, among other things, of relieving unemployment. The object of this letter is to outline the types of information which we consider necessary for an adequate appraisal of the plans and to assist you in preparing the information which you volunteered last Thursday.

We have in our possession the investment program for the 1949–50 ERP year which was submitted in the letter of February 3, 1950, from Vice Chancellor Bluecher to Mr. Hanes as well as the emergency program which you announced to the Bundestag on February 9 and which served as the subject of the discussions on the 16th. Our understanding of the magnitude and nature of these two programs is summarized in the enclosure to this letter.

These discussions have also made it clear that the Government's investment goals depend in some measure on counterpart funds. As you know the ECA Mission to Western Germany as well as the ECA organization in Washington and Paris are anxious to see that best use is made of these funds within the framework of bringing economic recovery to western Germany. In my capacity as ECA representative for Germany, I am obliged to meet certain statutory requirements in the review of the German investment plans and the role which counterpart is intended to play in such plans before ECA can consent to releasing the funds.

I share with you a recognition of the immediate urgency of the investment program because of its relation to unemployment and basic recovery goals and for my part I wish to facilitate in every possible way the appropriate use of ERP counterpart in such a program.

The basic information we desire is a composite investment program for an agreed time period. This program should include the following data:

1. Your appraisal of the effects which the over-all investment plans will have on employment.

2. Your views as to the effects which the intended investment of counterpart funds will have on production—particularly production for export—and on production costs and on sales prices. This information is needed both for the program as a whole and for the various sectors of the program.

3. In the light of our deep interest in the problems of Berlin and of refugees, statements from you as to the aid which is planned through counterpart or other resources for each of these purposes, with some description also of the mechanism by which the refugees are expected to benefit from the funds.

4. A detailed breakdown of the sources of financing this investment program, with as precise an indication as possible of the amounts to accrue from current revenues, from other public sectors of the economy, from public borrowing and the financing techniques you propose to use in connection with the latter. We would like this data as to financing segregated as between short, medium, and long term. Such information should cover self-financing by way of depreciation, reserves, and undistributed profits.

5. Information as to the disposal of the investment funds within each of the major branches of the economy and within each of the principal sectors of industry. This information should provide estimates as to the total amounts which each area is expected to obtain from private as well as public sources, as outlined in 4 above. Here, too, a distinction should also be made between long-term capital needs and others.

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We shall undoubtedly have further comments to make on the programs as the work on them proceeds. However, I should like to give you my preliminary views now with respect to two aspects of the foregoing. The first is related to the prefinancing of investments for which your Government expects to use ERP counterpart funds and to which you have attributed some importance both in written statements and in our discussions. You will, of course, appreciate that the ECA cannot give advance assurance of its approval of the release of counterpart funds.

The second, which I share with my British and French colleagues, is the concern expressed at our meeting on February 16 with the need for adopting fiscal policies which will contribute to the achievement of the economic recovery of Germany. It is in this area which particular attention should be focused on effecting the most desirable use of available resources. For clarity I might add that this latter observation is directed toward the entire question of consumer versus capital goods.

I can well appreciate that it may prove difficult for you to furnish all the data requested herein and that in its preparation you may well desire further guidance from my staff. I need hardly add that my experts are at your disposal if you desire to avail yourself of their services in this regard.

I await with interest your reply at your earliest convenience.

Accept, sir, the assurances of my highest esteem.

Sincerely yours,

JOHN J. MCCLOY,
*ECA Representative for Germany.*

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OUTLINES OF THE INVESTMENT PLAN FOR THE 1949–50 ERP YEAR AND OF THE EMERGENCY INVESTMENT PLAN ANNOUNCED BY THE CHANCELOR ON FEBRUARY 9

A. The investment plan for the 1949–50 ERP year as transmitted to Mr. Hanes by Mr. Bluecher on February 3 may be summarized as follows:

*Investment plan, western Germany (including Berlin)*

[Million DM]

| Major expenditure class | Public funds and capital market | Counterpart funds | Total |
|---|---|---|---|
| Industry, including coal and steel | 840 | 975 | 1,815 |
| Public utilities | 215 | 466 | 681 |
| Food and agriculture | 335 | 312 | 647 |
| Transport and postal services | 444 | 243 | 687 |
| Housing | 1,968 | 232 | 2,200 |
| Public services | 660 | ---------- | 660 |
| Other | 38 | 52 | 90 |
| Total known investment | 4,500 | 2,280 | 6,780 |
| Unknown portion: Short-term loans and self-financing (from depreciation, reserves and profits) | ---------- | ---------- | [1] 10,000 |
| Total investment | ---------- | ---------- | [2] 17,000 |

[1] Over.
[2] At least.

Figures of a similar kind had previously been supplied the ECA Mission in connection with the last ERP program documents. The scale of investment was expected to continue at about the same level into 1950–51.

B. The emergency investment measures referred to in the announcements to the Bundestag on February 9 and in the discussions with the High Commission on February 16 were understood to amount in the calendar year 1950 to a total of DM 3.4 billion. This figure has been itemized as follows:

| | *Million DM* |
|---|---|
| Housing | 2,500 |
| Bundesbahn | 200 |
| Post | 50 |
| Medium and long-term export orders | 300 |
| Industry | 300 |
| Small business | 50 |
| Total | 3,400 |

It is not clear what relation the second program bears to the first.

Mr. GILLETTE. Mr. President, during the last few days when we have been discussing the matter, the question has been raised several times as to whether the President exceeded his authority under the Constitution as Commander in Chief of the Army and Navy in the steps taken by him with reference to Korea. I am free to say that I was somewhat disturbed when the President's statement was made to the press and was sent to the Senate. Since that time, however, I have studied the statement carefully. I have studied it in connection with the machinery set up in the United Nations Charter, and I am thoroughly convinced that the President did not go outside his constitutional responsibility and authority. In fact, I was somewhat surprised after I read the statement a little more carefully to note how assiduously and meticulously he had followed the machinery and the instructions of the United Nations Charter.

I shall speak of three or four sentences in the statement of the President having reference to the United Nations Charter. In the second sentence of his statement, the President said:

The Security Council of the United Nations called upon the invading troops to cease hostilities and to withdraw to the thirty-eighth parallel. This they have not done.

I call attention to article 39 of the Charter:

The Security Council shall determine the existence of any threat to the peace, breach of the peace, or act of aggression and shall make recommendations, or decide what measures shall be taken in accordance with articles 41 and 42, to maintain or restore international peace and security.

Article 40 reads as follows:

In order to prevent an aggravation of the situation, the Security Council may, before making the recommendations or deciding upon the measures provided for in article 39, call upon the parties concerned to comply with such provisional measures as it deems necessary or desirable.

This they definitely did, and this the President reported, with the failure to comply. The President's statement further says:

The Security Council called upon all members of the United Nations to render every assistance to the United Nations in the execution of this resolution. In these circumstances I have ordered United States air and sea forces to give the Korean Government troops cover and support.

I call attention to articles 41 and 42 of the Charter:

ARTICLE 41

The Security Council may decide what measures not involving the use of armed force are to be employed to give effect to its decisions, and it may call upon members of the United Nations to apply such measures. * * *

ARTICLE 42

Should the Security Council consider that measures provided for in article 41 would be inadequate, or have proved to be inadequate, it may take such action by air, sea, or land forces as may be necessary to maintain or restore international peace and security. * * *

The President again called attention to this, in the second paragraph of his statement, which reads:

In these circumstances the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to the United States forces performing their lawful and necessary functions in that area.

The President was undoubtedly acting under the authority of article 51, which reads as follows:

Nothing in the present Charter shall impair the inherent right of individual or collective self-defense, if an armed attack occurs against a member of the organization, until the Security Council has taken the measures necessary to maintain international peace and security. Measures taken by members in the exercise of this right of self-defense shall be immediately reported to the Security Council.

In the concluding paragraph of his statement, the President says:

I have instructed Ambassador Austin, as the representative of the United States to the Security Council, to report these steps to the Council.

It was evident to me, after I had made the comparison and the study, that the President was acting not only within the interpreted authority of the Constitution of the United States, but was acting fully within the articles and provisions of the United Nations Charter, and as agent thereof.

Mr. President, in addressing myself to the pending measure to extend the military assistance program another year, I wish only to make a few remarks of a general nature.

As I speak today, the shadow of the Korea incident hangs over us darkly, and the atmosphere seems poorly suited to calm appraisal or reasoned debate. As with earlier diversionary maneuvers by the Communists, such as the Berlin crisis that attracted the world's attention away from the sweeping successes of the Chinest Communists, so in this instance we may reasonably assume that the instigators of the Korea incident have other ends in mind than just the military conquest of the South Korean peninsula. We can safely assume that those responsible for this latest outbreak have not overlooked the powerful psychological and political effect which their aggressive actions will have upon the minds of men in all countries, especially in countries all around the Soviet perimeter, from Korea through southeast Asia to the Middle East, the Mediterranean and western Europe. To the extent possible, we must strive to understand all the implications of the Korea incident and to grasp the essential Communist purpose behind this shocking turn to armed violence in the

Far East. We may fail in our search for understanding, but we must try. We have the responsibility of preventing ourselves and our Nation from reacting blindly to the tactics of psychological terrorism as it is being practiced by the Communist rulers. We must not fall into another totalitarian trap. We must not be thrown off balance. Much more is at stake than South Korea.

I wish, therefore, to consider the present bill in its proper perspective within the over-all frame of the world picture.

Mr. President, during the debate on this program last autumn, I ventured a number of predictions, a forecast of what I believed would be some of the probable results of passage of a measure to ship American arms to various countries overseas. A significant number of these predictions has already come true, I regret to state, although, fortunately, not all the eventualities I foresaw have yet fully come to pass.

I must confess, however, that there has been one outcome of the adoption of the military aid act which I did not foresee at all, although I did make note of the fact that the will to fight and the reason for fighting against a possible Russian attack were not things that we could put into crates and boxes, as we put arms and munitions, and ship to foreign armies. It seemed to me then that the purely military emphasis which this bill gave to our foreign policy, the transfer of guns, tanks, planes, and so forth, and the accompanying talk of strategic plans and military staff conferences, would be insufficient to our purpose, and, if undertaken without other kinds of action, might have most deleterious consequences.

I did not foresee how deleterious those consequences might be. I did not foresee clearly at the time that the military assistance program of the United States, all the goings and comings of military men, all the conferences among general staffs, and all the publicity surrounding this program, were going to stimulate a wave of neutralism in Europe. Now, however, it is perfectly obvious that the increasing emphasis on military preparation to contain communism, as symbolized by this bill, is being accompanied by an increasing effort among large sections of the western European populations to resign from the cold war and to create a neutral third force Europe. This, I imagine, has been an unforeseen consequence for most of us.

Neutralism is the concept of western Europe as a neutral zone between Russia and the United States, the idea that the peoples of Europe can and will retire from the cold war, reject all war of any kind, and let the giants who start it, as they say, fight it out between themselves.

However unrealistic we may regard this desire and this effort, it is a very real factor. It is a most serious development, Mr. President, as any intelligent European commentator will affirm. Ever since the military aid program got under way, "neutralism"—call it European isolationism, if you prefer—has been gaining ground throughout western Europe. After the recent meetings of the North Atlantic Council in London, where grand strategy for the military defense of western Europe was stressed to the practical exclusion of all other questions, political or otherwise, reliable observers on the continent reported a veritable upsurge of neutralist feeling.

I do not need to call the attention of the Senate to the existence of the "neutralist" spirit in such Asiatic countries as India, Pakistan, and Indonesia. It is a problem that I am sure keeps some of our leaders awake nights.

The Communists do not appear to have originally created this neutralist sentiment. Indeed, I am informed that up until February of this year Communist propaganda in western Europe was actively opposing European neutralism with a view to winning positive adherence of the people to the Communist cause. Since February, however, Communist propaganda has abandoned the earlier line to a considerable extent and has seized upon and is exploiting the spontaneous neutralist sentiment of the peoples of Europe to the full.

The Soviet Union today is conducting, through its fifth columns in western Europe, a gigantic, all-out peace offensive. This offensive is of a very special kind. It is not directly seeking to attract supporters to the Communits doctrine or to the Soviet bloc. It is rather seeking to turn the peoples of Europe against the United States by playing upon the deep abhorrence of war among European peoples. This campaign is directed straight at people whose homes have been bombed and shelled, whose families have been decimated and crippled, whose factories have been smashed, and whose cities have been blasted to rubble, who have lived on starvation rations for 10 years during and since the war, who know, as we in America have never known, the meaning of total war, and who would prefer almost anything to the outbreak of atomic war.

I call attention to the tremendous losses in property alone as depicted in the figures given the Senate on Wednesday by the chairman of the Armed Services Committee [Mr. TYDINGS].

Since some 3 months ago, when the Communist Parties of western Europe organized their World Peace Congress in Stockholm and had their front men proclaim a manifesto entitled the "Stockholm Peace Appeal," a vast army of agents has been swarming through western Europe under the guise of partisans of peace. They are gathering signatures by the hundreds of thousands on petitions against war, against atomic weapons, against atomic warfare. It is reported that in France, for example, where there is a large, well-organized Communist movement, these partisans of peace have formed committees in every village, town, and city. The committees go from house to house asking people: "Are you in favor of peace? Are you against the atomic bomb? Then sign up for peace on this petition." It is reported that nearly 4,000,000 signatures have been obtained already in France and that the total in Europe may surpass 20,000,000. Granted that many of the signatures may be forgeries, it is nonetheless a most serious development, particularly from the point of view of those who seek true peace through strengthening free societies. A great many anti-Communists, too, have been drawn into this campaign, so great is the appeal of the idea of peace.

Every shipment of arms from America arriving in continental ports is grist for the Communist propaganda mill. Every boatload is met by an outbreak of Communist-sponsored protests, often by Communist-led strikes. Every speech made by an American official about impending war, which the Europeans see as a war to be fought in their homelands, produces another spurt toward a neutral Europe, a Europe that is neither pro-Russian nor pro-American, but that is profoundly antiwar.

Serious French writers, such as the editors of impeccably conservative newspapers like Le Monde, for example, suggest that France must have the right to remain neutral in case of Russo-American conflict.

Chancelor Adenauer of the West German Republic warmly supports the Schuman plan for a heavy-industry consortium as a means of creating a third and neutral bloc of nations between the two quarreling world powers, as he calls them.

Among Europeans generally, I am informed, the term cold war is now the label they attach to the whole international effort of the United States.

We are being cloaked, despite ourselves, with the warrior's mantle. Europe is slowly absorbing a picture of the cold war in which the United States alone is portrayed as seeking to lead an unwilling western bloc into a shooting war with the Soviet Union.

While we in the United States know very well what we are really seeking to do, it is not so certain that others understand us as well. As the London Economist recently put it, there are two kinds of peace: "Peace through strength on the western model, or peace through appeasement and capitulation which is the only peace the Soviet Union seeks and understands." It is far from certain that other peoples generally understand and accept these distinctions. It appears more likely, after their recent experiences, that all they want is peace of any kind—they would prefer to let the Russians and the Americans have their war somewhere else, in Korea, anywhere, but not in Europe.

What troubles me profoundly, Mr. President, is how passage of this arms bill will affect the Communist neutralist campaign. I fear that if we pass it by itself, without some other mitigating action, we may do more harm than good to our cause. For this reason I am going to ask that passage of this bill be accompanied by a political and moral act in the United States Senate, on the highest plane, which will attract the people of western Europe away from their neutralist fixation and shake them out of the hypnotic trance induced by the Communist peace offensive.

How many more Europeans, already worried sick about the dangers inherent in the Korea incident, are going to read the headlines in a day or so and see:

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"United States to ship Europe billion more in arms"—only to throw up their hands in despair and go out in search of the nearest partisan of peace to sign his petition against war? We dare not ignore the pervading spirit of the men and women of Europe who have just lived through the second great war of this century. While we give the impression of concentrating all our energy and all our thought and all our propaganda on waging the cold war as if it were purely a military operation, we allow the enemies of peace to capture the banner of peace as cover for their political penetration this side of the iron curtain.

Mr. FERGUSON. Mr. President, will the Senator yield? Does he mind being interrupted?

Mr. GILLETTE. I am happy to yield to the Senator from Michigan.

Mr. FERGUSON. Does the Senator by his remarks wish to indicate that he believes the participating European nations are accepting arms and planning with us for a common defense, with the absolute understanding that they are going to fight, if necessary, to the last, to prevent their nations and their people from adopting communism?

Mr. GILLETTE. While I would not reach that conclusion in those words, I am convinced that the situation is such that the aid which we have been rendering, with the emphasis on military aid alone, is operating against the very thing we seek.

Mr. FERGUSON. That is the substance of what I had in mind, that the Senator does not believe the people of western Europe are willing to accept our military aid and thereby come to the conclusion that, if necessary, they must fight politically, economically, and in a hot war to prevent their people from becoming Communists.

Mr. GILLETTE. The fact, as I stated a few moments ago, is that 4,000,000 persons in France alone have signed the petitions to which I referred within the past few weeks. An estimated 20,000,000 persons in Europe have signed them, and that is certainly proof of the attitude of the people and their abhorrence of war and the prospect of war as we abhor it.

Mr. FERGUSON. Does not the Senator believe that the implementation of the Atlantic Charter by this MAP program is understood by the people to be a peace move and a move to prevent war? Does he think that those people are of the opinion that what we are doing will not prevent war?

Mr. GILLETTE. We are trying to impress upon them that it will.

Mr. FERGUSON. What are they thinking of?

Mr. GILLETTE. That is what I am trying to discuss.

Mr. FERGUSON. Does the Senator believe they are thinking otherwise and therefore are signing these petitions?

Mr. GILLETTE. We have indisputable evidence that they are reaching other conclusions. We are allowing the Soviet Union to carry the banner of peace instead of our carrying the banner of peace.

Mr. FERGUSON. Is it not a fact that the Soviet Union's attempt to carry the banner of peace is one of the great frauds?

Mr. GILLETTE. Unquestionably.

Mr. FERGUSON. It is one of those promises which cannot possibly be fulfilled because of the imperialistic attitude of Communist Russia which seeks to dominate the whole world and to spread the idea that peace can come only if the European group of nations become communistic. That is the fraud which is being perpetrated upon the people of the world under the banner of so-called peace.

Mr. GILLETTE. Undoubtedly it is as fraudulent as anything can be. It is for that reason, because I believe it to be a fraud, that I want our gestures in the way of military assistance to be accompanied by other actions, in order to convince the people of the world that we are the ones who are raising aloft the banner of peace and will lead the world in the direction of peace.

We hear it said over and over again that the cold war is a war of ideas, a struggle for the allegiance of the minds of men. What contribution to that struggle does a bill of this kind make? What contribution is made by a bill which gives greater scope for military influence than the bill of last year?

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. GILLETTE. I yield.

Mr. DONNELL. I may not have heard the last few words of the Senator, because I was interrupted. However, I wonder whether it is his intention a little later in his address to state what additional actions he believes should be taken, in addition to the passage of this bill.

Mr. GILLETTE. The junior Senator from Iowa has the temerity to make three or four suggestions.

Mr. DONNELL. I am very much interested, and I shall be very much interested to hear the suggestions the Senator has to make.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. LUCAS. The Senator has been discussing the so-called Partisan for Peace movement in France. He refers to the Partisans for Peace obtaining signatures from the citizens of France on the theory that Communists are the only ones in the world who can give the people of France peace. I presume that that movement is Communist-inspired.

Mr. GILLETTE. I believe there is no doubt about it.

Mr. LUCAS. In other words, the Communists in France are the ones who are primarily responsible for the circulation of these petitions among the citizens of France.

Mr. GILLETTE. I think they are assiduously doing it.

Mr. LUCAS. I presume the Senator knows that there are something like 4,000,000 so-called Communists in France at the present time.

Mr. GILLETTE. I do not know the exact number. I am told that substantially one-third of the population is Communist.

Mr. LUCAS. I understand that approximately 4,000,000 Communists voted in the recent elections. I have one further question which I should like to ask the Senator. I should like to ask if in his study of this particular question he has found whether the government of France, those who are in charge of the French Government, are doing anything to offset this communistic propaganda which is being circulated through these petitions?

Mr. GILLETTE. I am unable to answer the question of the Senator from Illinois.

Mr. LUCAS. The Senator knows that France is a Republic, and that the government officials are elected, just as they are elected in this country. It seems to me that the Government of France itself should be taking steps to offset the movement which is being started by the partisans for peace, so far as the circulation of the so-called petitions for peace is concerned. The Senator and I know that the people who are conducting the Government of France, and who believe as we do in democratic processes, are just as anxious to obtain peace with honor as we are in this country. It seems to me that if the French Government is not doing anything toward offsetting the propaganda, their attention should be called to it by the proper authorities of this country.

Mr. GILLETTE. I thank the Senator from Illinois. His remarks are very pertinent and very proper in connection with this subject matter. I am afraid that this bill standing alone makes little contribution to the kind of struggle we are trying to win

Mr. LUCAS. Will the Senator yield further?

Mr. GILLETTE. Certainly.

Mr. LUCAS. The last remark I made should not be understood that I am attempting in any way, by the suggestion I made, to interfere with the sovereign rights of the Government of France. However, so long as we are furnishing arms under the military assistance program, it seems to me that we should have a right at least to discuss this question thoroughly with the French Government without in any wise interfering with or jeopardizing their governmental right.

Mr. GILLETTE. I think the Senator from Illinois is absolutely right.

The bill's chief immediate effect, I imagine, would be to create more millions of neutralists abroad, some of whom may well say in effect, "All right, if the Americans want to arm us to help them fight their war against the Russians, let's take the arms and then let's use them to build strength for our neutral bloc. If the Americans and the Russians are going to have their war, let them fight it out in the Middle East, or in the Pacific Ocean, or, best of all, on the Arctic ice floes. We neutral Europeans want none of it in Europe."

Unless, as I say, we accompany passage of this bill with some nonmilitary political act, we may only add impetus to the movement that is losing us the allegiance of men's minds in Europe and

elsewhere. This loss, at present is not to communism, but to neutralism, to the doctrine of withdrawal and isolation, of "plague on both your houses."

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. GILLETTE. I am very happy to yield.

Mr. CONNALLY. Is it not true that the Partisans for Peace have been a Communist organization all the time? We had them here in the United States. This man Rogge ran around the country making speeches for the Partisans for Peace. The next thing we hear, he is over in Moscow conferring with the Russians. So I think the Senator would fall into error if he identified the Partisans for Peace as being in favor of neutrality or neutralism. They are not really for peace. They are for Russia. They are for communism. They are for totalitarianism. They are using the Partisan for Peace label merely as a front. The Senator from Iowa would fall into error if he would construe their activity as a movement for neutrality or for peace. It is just a flanking movement. They are not for peace at all.

I do not know what action the Senator proposes we take besides passing the bill. According to all the information we have been able to get from the Secretary of State and others who attended the conferences with regard to the program in Europe, including the Secretary of Defense and General Bradley, the participating European nations are now doing more than they have ever done, and they are showing signs of doing all that they can possibly do, to support the program by which we are aiding them. Is that not true?

Mr. GILLETTE. I think that is definitely true, and the able chairman of the Committee on Foreign Relations has stated much more forcefully than I could that this is not a new movement, but is one which is being used and shaped to the end that the Communist groups are claiming to be the leaders for peace, or trying to convince the people that they are the leaders in carrying the banner of peace. Again I say that we want to carry the banner of peace. But unless, as I say, we accompany passage of this bill with some nonmilitary, political act, we may only add impetus to the movement that is losing us the allegiance of men's minds in Europe and elsewhere.

As I said at the outset, it is particularly unfortunate that the Korean incident should come at this time. It would be unfortunate at any time, but is particularly unfortunate at this time. I repeat that I am convinced that the President of the United States took the only action that he could take, and that his action was in strict accordance with his powers and responsibilities, not only under the Constitution but under our adherence to the Charter of the United Nations.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Does the Senator from Iowa yield to the Senator from Texas?

Mr. GILLETTE. I yield.

Mr. CONNALLY. The Senator says that accompanying the action of passing this bill we should do something which would be nonpolitical, and so on and so forth.

We are taking such action. We have an ECA bill in the Commitee on Appropriations now, and the committee is working on it. It has no politics in it; it has no arms in it. It is a bill for the rehabilitation, economically and culturally, of the people of western Europe. If the people of western Europe are so dumb that they cannot understand why we are doing that, if the people of the world cannot understand it, it is unfortunate; but that is being done. That should be the most eloquent pronouncement we could possibly make.

We cannot chase down the Communists and expose their every trick. The Partisans for Peace movement is an absolute fraud on its face. We cannot chase the Communists down and grab them and convince them and talk them into coming along with us. That is an impossibility. They have made up their minds to play hell if they can get a chance. The Partisans for Peace movement is somewhat like a circus sideshow, where barkers tell about what wonderful things are going on inside. They just want to get people on the inside, but when they go inside they soon see that the show is a fraud and does not amount to anything. Those who run the show have the money, and that is all they want.

I think it would be a mistake for us to play up the Partisans for Peace to the neutral people of western Europe. We are getting along all right with the people of western Europe now. They are improving their economic condition. There is more production in western Europe now than there was before the war, and that is the foundation of military strength, as well as political and economic strength.

Let the Partisans for Peace go along, but show them up, denounce them, demonstrate that they are frauds, and the people of France will not follow them, the people of western Europe will not follow them, when we are handing them help from ECA and at the same time are passing this arms bill in order to help put into their hands the weapons for protecting their lives, the integrity of their soil, and the institutions which they themselves have sanctioned at the ballot box, as was so well suggested by the Senator from Illinois.

Mr. GILLETTE. Mr. President, I thank the Senator from Texas once more. I may remark at that point that he cannot expect the people of Europe, who have gone through the hell they have suffered, to think so keenly, so carefully, and so clearly as the Senator does, and reach the sound conclusions he reaches.

As I have said, unless we accompany the passage of this bill with some nonmilitary political act, we may only add impetus to the movement that is losing us the allegiance of men's minds in Europe and elsewhere. This loss, at present, is not to communism, but to neutralism, to the doctrines of withdrawal and isolation, to the sentiment "a plague on both your houses."

If we continue as we are going, by offering no way out but war—so far as the Europeans can see—we shall create a neutral Europe. No attitude, I submit, would serve the Kremlin to better advantage in its political subversion of the world.

Mr. President, I have no private knowledge of the real purpose behind the present Communist attack in Korea. It seems highly unlikely, however, that they are risking a general world conflagration for the sake merely of occupying that small territory, whatever its strategic value may be. We have not yet had answered the question: Why Korea and why at this time?

I take this Communist offensive to be aimed at something far more important than the capture of South Korea, part of a far greater design. I think it may be designed to carry terror into the hearts of every man, woman, and child living along the vast perimeter of the Communist world, from the Pacific to the Atlantic: Terror of Communist occupation, yes, but, even more, terror of war itself, of the horrible war which the scaremongers have been describing in recent years. It may be that the Communists intend that all the peoples living in those lands along their border shall feel that any expression of American interest, any shipment of assistance, any provision for arming them, is equivalent to a "kiss of death." In that sense, though this may seem a paradox, the Korea incident, while itself an act of war, is part of the "peace" offensive—an offensive, remember, which seeks no adherents to the Communist cause, and which certainly seeks no peace, but which seeks a condition of will-lessness and neutrality in all the nations bordering the Soviet Union. By their assault on Korea, the Communists are in effect telling all the peoples along their frontier: "You see how close war can come. It may burst out at any moment. See what may happen to you if you play the American game. You don't want war, do you? You don't want this to happen to you, do you? Then go neutral, become isolationist, reject the Americans as carriers of war."

I realize, Mr. President, that this may seem complex and paradoxical. But we are not dealing with a troop of simpletons. We are dealing with men who have mastered the waging of international civil war and who know how to manipulate the passions and fears and hopes of mankind. They appear to be acting on the theory that if the peoples of the world fear that war is close, the desire to avoid war will become unmanageable by the governments opposing communism, particularly in areas close to the Soviet Union. This is a softening-up process for political conquest.

At one and the same time, then, the Communist Partisans for Peace can obtain signatures on antiwar, really anti-American, petitions in Europe, while the Communist North Koreans carry out warring actions in Asia; and both are aimed at the same effect, namely, to paralyze the will to resist where there is a will to resist, to nullify American aid where it has been sent, and to strike the terror of atomic destruction

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into the souls of every person in the lands around the Soviet frontier.

Mr. President, in an effort to meet this problem squarely, I direct an appeal to all Senators, those who may favor the bill before us and those who may oppose it.

Would it not be wonderful if, on the same day that passage of this measure is voted, as I assume it will be voted, we simultaneously performed a nonmilitary, propeace action of a character that would tend both to check the Communist perversion of the stated purpose in sending these arms, and to remind the world, in the most dramatic fashion possible, that it is we, the United States, who are the true bearers of peace. Let us in the Senate strike these two blows together. Let us reestablish the balance between our physical and spiritual commitments between the military and the moral.

I offer a number of concrete suggestions, Mr. President, and I beg the careful attention of my fellow Senators to them. Let us decide to take at least one of the following political actions:

First. Let us have Senate Concurrent Resolution 94 reported from the Foreign Relations Committee at once, so that we may vote to recommend an immediate special session of the United Nations General Assembly for the single purpose of stopping the armaments race. Let us, in other words, take a dramatic leap beyond the sterile concept of the cold war which the Communists have forced upon us, and demonstrate to the wavering peoples in Europe, in Asia, and all over the world, that the United States is the true believer in real peace.

Second. Let us go even beyond Senate Concurrent Resolution 94, and urge our Government immediately to introduce a resolution into the United Nations Little Assembly calling for establishment of an international police force, under an international peace authority within the United Nations, to bring order not only in Korea but in all other threatened areas, and to provide the force with which to disarm all nations down to their rifles. If those who cry peace mean peace, they will support this move. If they do not support it, we and the world well know once and for all their true objectives: World conquest by military force. Let us seize the opportunity afforded by this foul attack on South Korea to transform the United Nations into an effective peace-enforcement body. There is no veto, I would remind the Senate, in either the Little Assembly or the General Assembly. I can find no prohibition in the Charter against doing what I suggest.

Third. Let us have Senate Concurrent Resolution 57 reported from the Foreign Relations Committee at once, so that we may vote to call on the President to convoke a constitutional convention of the Atlantic democracies as provided for in that resolution. Let us, in other words, take a dramatic step toward transforming the purely military alliance that we have established under the North Atlantic Treaty into a federal union of all the free peoples of the Atlantic area, a union so strong that no European member of it will be tempted to resign himself to the fraudulent attractions of "neutralism," a union so strong that no number of Communist agents will be able to dismember it, a union of peoples, and not just of armies, so strong that no nation will dare attack it by force and that every nation will give up hope of conquering it by deceit.

Mr. KEFAUVER. Mr. President, will the Senator yield for an observation and a question?

The PRESIDING OFFICER (Mr. KEM in the chair). Does the Senator from Iowa yield to the Senator from Tennessee?

Mr. GILLETTE. I yield.

Mr. KEFAUVER. I am delighted to hear the statement of the distinguished Senator from Iowa that in connection with the Korean experience we should not only give immediate aid and back up the position of the President, but that we should learn something from that experience as a lesson in history, and that we should adopt a resolution asking the President to call a meeting of the representatives of the democracies who sponsored the North Atlantic Pact so that we could have at least the possibility of union by law in order that the men of the Kremlin might know in advance what they are going to be up against if they should repeat such a performance as they have carried on in Korea.

I certainly want to join with the distinguished Senator in hoping that the Foreign Relations Committee of the Senate, which has had this matter in its bosom for more than a year, will decide that it is time to do more than simply patch the dam when some leak occurs, and, that we should build a real structure which will give the free people of the world some strength in the face of communistic aggression which we may expect time and time again unless we take action to prevent it.

Mr. GILLETTE. I thank the Senator from Tennessee.

Fourth, let us resolve to call upon the executive department and upon our Foreign Relations Committee to undertake immediate preliminary studies for a Pacific Union, paralleling and similar to the proposed Atlantic Union, so that we may offer to the peoples of Korea, Japan, Formosa, the Philippines, Indochina, Indonesia, Australia, New Zealand, as well as to Canada, Mexico, and ourselves, a federal union of democracies in the Pacific Ocean, which, like its Atlantic counterpart, would be so strong that none of its people would seek to turn neutral or give up hope and submit to Soviet threats—a Pacific Union so strong that neither the Soviet Union nor its Chinese Communist ally could attack any part of it without attacking the whole of it, without, that is, attacking North America as part of that Pacific Union.

These, Mr. President, are four concrete political steps which this body can take today or tomorrow, if it so desires. Any one of them would achieve part of what we most need: a nonmilitary, political, and moral action to electrify world opinion and thus to set the arms-aid bill in its proper perspective as what it is: merely one more desperate effort by the United States to carry out its physically impossible plan to contain communism by military force.

While we are debating here how to contain communism by military force—and the Communists are encouraging us to do so by their significantly timed attack in South Korea—in Europe the Communist partisans of peace are conquering people this side of the iron curtain by political force, by psychological warfare, by the strategy of terror, by a fraudulent peace offensive that plays upon the tragic fear of the war-shocked populations of the Continent. It is worth considering the possibility, Mr. President, that the Communists, experts in international civil war that they are, would like nothing more than for America to concentrate upon the purely military approach to the struggle, while leaving the political, psychological field open to Communist capture.

As I have said, my own fear is that if we adopt the pending measure alone, without taking any other positive political action simultaneously, we will in effect be giving aid and comfort to the enemies of democracy. Since this bill is certain to pass, then let us also adopt one or another of the resolutions to which I have alluded. I do not limit my thought merely to the four proposals I have mentioned—disarmament conference, international police force, Atlantic federal union and Pacific federal union. If any Senator or any group of Senators comes forth with better proposals, I shall be more than glad to see them. All I am concerned about, Mr. President, is that the United States shall recapture its rightful place in world opinion as the preserver and upholder and advocate of a peaceful world of free nations, and not allow that position to be occupied, through fraud and deceit or through our own ineptitude, by the worst enemies of peace and freedom who have stomped over the world since Adolf Hitler.

In conclusion, then, Mr. President, I urge with all the sincerity and prayerful persuasion that I can muster, that when this bill is passed, the Senate turn without loss of a moment to approval of one of the peace proposals of which I have just spoken or of any other, better peace proposal which may be submitted by any Member of this body.

We Americans know what our country's true intentions are. We dare not assume that peoples in other lands know the same thing as well as we do. Words alone cannot convince them. Appeals to their intelligence will not suffice, for they are stricken with nameless dread. Only action will reach the hearts and minds of frightened men—action to sweep aside fear and to supplant it with confidence and stern resolve.

The action of the President of the United States in carrying out the decision of the Security Council with regard to the Korean incident is, in its way, that kind of action—peace-enforcement action—and I wholeheartedly support it for what it is. But it is not action enough—and, again, it is action wholly in the military sphere. It is the fear of war that is losing us our friends. It will be by our action to make war recede into the background and to make peace a reality through inner strength and

union, that we shall abolish fear, neutralize neutralism and build a community of free men strong in their freedom and strong in their resolve to stand together against all threats and all enticements. Until we have taken this kind of action, Mr. President, we will remain defenseless against the Soviet political offensive and find ourselves ever more incapable of stamping out the international civil war which Soviet Russia is waging against us and against all free peoples of the world.

INVESTIGATION OF BENEFIT OF ATLANTIC FEDERATION—ACTION BY CANADIAN PARLIAMENT

Mr. CAIN obtained the floor.

Mr. KEFAUVER. Mr. President, will the Senator from Washington yield to me, for the purpose of making an observation which will take about 5 minutes, with the understanding that he does not lose the floor?

Mr. CAIN. Mr. President, if I may have unanimous consent to yield to the Senator from Tennessee without losing the floor, I shall be glad to do so.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the Senator from Washington may yield to me without losing the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KEFAUVER. Mr. President, I have just received news from Canada which I hope will be a guide for all the free people of the world in the present critical situation. Particularly do I hope that the Senate of the United States will give pause to consider this development.

Just a few moments ago the Canadian Senate took action which I venture to predict will dwarf in history the aggression of the Communist puppets in Korea. The Canadian Senate, with only one lone dissenting vote, adopted a resolution calling for an exploratory federal convention to investigate the great benefits of Atlantic federation. The resolution was introduced by Senator Euler, and support came from Senator Robertson, the Senate leader for the Canadian Government.

Here is the text of the resolution passed by the Canadian Senate:

> That the Senate of Canada do approve of the calling of a convention of delegates from the democracies which sponsored the North Atlantic Treaty and representing the principal political parties of such democracies, for the purpose of exploring how far their peoples and the peoples of such other democracies as the convention may invite to send delegates, can apply among them, within the framework of the United Nations, the principles of federal union.

The adoption by the Canadian Senate of this resolution calling for an exploratory convention marks a new and significant milestone in the history of freedom. It is the first time any legislative body has acted officially toward the creation of a great federation of the Atlantic democracies: a union which could prevent war, assure increasing prosperity, and expand progressively the frontiers of freedom.

It is particularly fitting that this initial step should be taken by Canada. Our trusted neighbor to the north is today the keystone of the Atlantic community. She, like we, has had sufficient practical experience to be able to lead the way in solving our common problems on a regional basis, just as she, like we, has solved her own domestic problems by federal union. Politically and geographically, Canada occupies a central position in the North Atlantic area, possessing close ties not only with the United States, but with Great Britain and France, as well. Because of these ties, the views of Canada have extensive representation of thought on both sides of the Atlantic.

The United States Senate should respond to the gallant action from the north by taking like action. Our Committee on Foreign Relations has had this proposal in its bosom for more than a year. Extensive hearings have been held. Support for this proposal is pyramiding throughout the Nation. However, sadly, official action is yet to come. We have dallied, while Canada has seized the initiative and has acted.

Mr. President, this is a time for action. To meet Communist aggression in Korea, we have shown that we can act when we see the need. Britain has answered the challenge by running her navy alongside ours in the defense of freedom in the Pacific. Now that Canada has lighted the way, we need also to recognize the need for an investigation of the application of the principles of American federation to the critical world situation. Thereby, notice would be served on the Kremlin that we would not fear any further Communist aggression. This is the over-all and enduring answer to the threat of the Communists, not only in Korea, but in other areas of Europe and Asia where the blow might have fallen just as logically. We are being foolhardy indeed not to begin now to explore in convention the great advantages of federated unity which once before has proved to be the solution to our problem.

Mr. President, I wish to congratulate the members of the Canadian Senate for their farseeing, affirmative step. It is my conviction that this act of high statesmanship will be written in the history of mankind in letters larger than most of us can now visualize.

If our own Nation will be prompt in following the lead, we may find the door open to the permanent peace and prosperity for which mankind has yearned throughout the ages.

Mr. President, I thank the Senator from Washington for yielding to me.

Mr. CAIN. The Senator from Tennessee is very welcome.

AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT OF 1949

The Senate resumed the consideration of the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949.

Mr. McMAHON. Mr. President, I previously have asked the Senator from Washington whether he could see fit to yield to me, to permit me to make a few remarks; and the Senator from Washington has courteously agreed to do so, in order that at this time I may make a brief statement regarding the unfinished business.

Therefore, I now ask the Senator if he will be so kind as to yield to me.

Mr. CAIN. I am very pleased to do so.

Mr. McMAHON. Mr. President, I wish to discuss the unfinished business, the bill amending the Mutual Defense Assistance Act of 1949. I wish to see the bill passed as quickly as it is possible for the Senate to do so. I regret that it has not already been passed and embodied in the statute books.

I am among the majority of the American people who believe that in the Korean situation the President did the only possible thing he could do under the circumstances. For him to do anything else would certainly have been to invite the picking off of countries one by one, the process we witnessed in the thirties, at the hands of Hitler.

Mr. CONNALLY. Mr. President, will the Senator yield to permit a question in connection with this matter?

Mr. McMAHON. I yield.

Mr. CONNALLY. Let me say that the sentiments just expressed by the Senator from Connecticut were also voiced yesterday by former President Hoover, approving the action taken by President Truman, and saying that it was all that could be done.

The President's action was also approved, not by reference, but in fact, by General Eisenhower, the Supreme Commander in the recent war. General Eisenhower said the President's course was correct, and that the President could not do anything else—notwithstanding the oratorical flamboyance on the floor of the Senate by certain Senators who disagreed with those views.

Mr. McMAHON. I thank the Senator.

Mr. President, there are several suggestions which I should like to make.

First I should like to remind the men in North Korea who started this affair of the trials which were held in Nuremberg and in Tokyo. I should like to remind them that the precedent there established has now become woven into the fabric of international law; and it seems to me that it would be well for this Government to communicate to the United Nations the names of the men whom it holds directly responsible for having precipitated this conflict. I further suggest that the United Nations be notified that the precedent of Nuremberg and the precedent of Tokyo, will be adhered to by this Government.

Mr. President, the second suggestion I should like to make is that it seems to me that the announcement by our Government that we are going to stand south of the thirty-eighth parallel must and should be revised. The objective is to end this conflict just as quickly as possible; and the way to end it quickly is to destroy the supply lines of those who are the aggressors and who are carrying on this crime against mankind.

The third observation I should like to make is—although I may be entirely in error—that I do not believe the present situation is going to result in a general world conflict. I believe it is a Soviet scheme to add further to the tensions in the world, to add further to the military budgets of our own and other free peoples, and that perhaps in 2 or 3 weeks this adventure will be brought to an end.

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I pray that it will. I likewise realize that in saying so I am venturing a prophecy which may be shown to be not possible of fulfillment almost as soon as the words are spoken. Nevertheless, that is the way the situation presents itself to me now.

However, Mr. President, when the Korean affair is finished, if it is finished in a short time, as I have suggested, it will be but 6 or 9 months before the same kind of operation will be commenced somewhere else in the world. The objective is to exhaust the economy and to exhaust the people of America, who are the keystone and the foundation of freedom in the world today.

So I wish to commend the Senator from Iowa [Mr. GILLETTE] for what he said about the necessity of having the United States of America seize the leadership for peace. Perhaps we cannot place as much emphasis on this particular point today as we would like to place on it; but as soon as the Korean conflict is over, the subject I am now discussing must be examined into and, in my opinion, the proposal must be pushed.

It has been pointed out that our military forces are holding the line. However, Mr. President, the Communists seem to be moving with the peoples; they seem to have the peoples moving. That has occurred because they have captured the minds of millions of people in the most amazing deceit ever perpetrated in the history of the world. They have managed to sell slavery, if you please; but they have put it into a cellophane package which has caused it to be bought by millions and millions of the poor people of the world.

You and I, Mr. President, and all other Members of the Senate know, and the American people know, that what we want is peace, because God knows that we have more to lose when peace is lost than have any other people on the face of the earth. If a general world war comes, away will go the standard of living which the American people enjoy today; that is as inevitable as the rising of the sun.

Furthermore, Mr. President, we are not war-minded. We know that our freedoms and our Bill of Rights can thrive only in an era of peace, and we know what past wars have cost us.

We also know that we do not desire to rule over any other people or to seize any other people's territory or material possessions. We also know that the way to avoid a general conflict is to develop areas of strength. I join in a phrase which has been used by the Secretary of State. We differ somewhat as to what we can be defined as an area of strength. An area of strength cannot be built merely with an army and by economic aid and assistance. Underlying those two things there must be a passionate conviction in the minds and hearts of men that they are devoted to the truth, the objective truth; that they are devoted to righteousness, that they are devoted to the things that make life worth while in the sight of God. That is why when the present crisis is over, it seems to me we must inaugurate the most tremendous drive the world has ever seen to convince the people of the world that what we want is peace. If we succeed in conveying that message to a sufficient number of people this side of the iron curtain, then, by the use of the ingenuity which we have, we shall be able to get it to people on the other side of the iron curtain. Once we break down the curtain and get that idea to the people of the world, so that they will understand what we want, then they will be unwilling to fight. That is the only way it will be possible to avoid world war III.

Wars will continue—Korea, now; perhaps Iran in 9 months or a year from now, or some other country. But the wheels of atomic factories are operating behind the iron curtain; and, after our budgets have been expanded continually, while our liberties are being diminished—and the two go together—and when our adversaries have accumulated a sufficient stockpile of the things that count the most in the way of weapons, then the day will come when we will not be here to discuss such matters. That is why it is to our interest to enact this bill, to grant arms aid, and develop that area of strength which is necessary.

Then we must destroy the so-called Partisans for Peace. I agree with the Senator from Texas they are as phony as a $3 bill. But we have got to prove that to the peoples of the world. I have made certain suggestions as to how we should go about proving it, and as to how we should go about winning the good opinion of the world, which we deserve, but which, in many millions of minds we do not have, and which, if we do get, will stop world war III.

Mr. CAIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Washington?

Mr. McMAHON. I want to thank the Senator from Washington for having so graciously yielded to me this time.

Mr. CAIN. The Senator from Connecticut is more than welcome. If the Senator from Connecticut will permit, the Senator from Washington would like to associate himself with the two observations or suggestions which the Senator from Connecticut has made in the course of his remarks; the first being that the Senator from Washington is very hopeful that at an early date those primarily responsible for the outbreak of war in the Korean Peninsula may be tried by an international tribunal as war criminals; and, second, if I correctly understood the Senator from Connecticut, he was hopeful that we might be able to say to the world that our only determination in respect to Korea is to repel the invader and force him back to a position north of the thirty-eighth parallel. If that is the understanding, I should like to be associated with a declaration of purpose of that kind.

Mr. McMAHON. I may say to the Senator that what I want to do is to end the Korean outrage as quickly as possible. That was the objective the Senator from Connecticut had in mind in suggesting that, after suitable notice, we take measures to destroy the nests from which these——

Mr. CONNALLY. Vipers.

Mr. McMAHON. I thank the Senator for the suggestion—vipers are coming, to engage in an unconscionable, an unjustified, and a bloody attack.

Mr. CAIN. And to repeal or destroy the invader. But our American intention is to protect South Korea, without any ambition to take over the territory in the northern part of the peninsula.

Mr. McMAHON. That is correct.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CAIN. The Senator from Washington is pleased to yield to the Senator from Minnesota, who, he thinks, desires to make a request.

Mr. HUMPHREY. I should like to request of the Senator from Washington an opportunity to make a few remarks, not to be extended over a considerable period of time. I shall try to confine them to a brief statement.

Mr. CAIN. For the purpose of planning, I may ask whether the Senator from Minnesota will venture an approximation of the time he will require. The Senator from Washington would like to meet the requirement.

Mr. HUMPHREY. I should say not more than 10 minutes.

Mr. CAIN. The Senator from Washington is pleased to yield.

Mr. HUMPHREY. Mr. President, first of all, I wish not only to associate myself with the splendid address of the Senator from Connecticut [Mr. McMAHON] but to tell him that it is refreshing and very inspiring to witness his leadership and his vision. I am proud to be associated with him. Surely he has analyzed for us in the few moments that he addressed the Senate, the most distressing and complex problems which face us on the international scene. I know the Senator feels as I do, that the Korean crisis has not terrorized the American people. The American people have accepted this as one of the inevitable consequences of the Communist menace that faces us in this world. It is most reassuring that our people are not panic-stricken. They are not crying out for war. There is no jingoism. There seems to be a sense of solemn responsibility for acting in the cause of world peace.

The vast majority of Americans support the President and his action in the Korean crisis. I was particularly pleased to hear the Senator from Connecticut point out that we may be faced with similar incidents or similar crises in other areas of the world. It is my considered judgment that we shall have a plague of these crises, a plague that will be directed and master-minded by the evil men in the Kremlin and the Politburo. We must be prepared to meet these challenges—prepared in armed strength, in moral courage, and clear-cut understandable policy. Therefore, I think it particularly important that the debate of yesterday, centering around the powers of the President, should be given the fullest exploration and the fullest documentation.

I was pleased to read in the Washington Star today a feature article by David Lawrence, entitled "Precedents

Are Cited for Action Taken by President on Korea." At this point I should like to have this article printed in the body of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRECEDENTS ARE CITED FOR ACTION TAKEN BY PRESIDENT ON KOREA—CONGRESS SHOULD RATIFY MOVES AT ONCE FOR TECHNICAL REASONS

(By David Lawrence)

President Truman acted entirely within his constitutional right in ordering American armed forces to go to the assistance of invaded Korea.

There are plenty of precedents for instantaneous action by the President of the United States without the formal consent of Congress when an emergency arises threatening the security of American citizens.

The closest parallel occurred on April 21, 1914, when, in the midst of a civil war in Mexico, President Wilson ordered American naval forces to capture the port of Vera Cruz, Mexico, in order to prevent the landing of arms which might be used against American lives and property. The fighting took place all of that day. The next day—April 22, 1914—the Congress passed a resolution ratifying the action of the Chief Executive in ordering combat operations outside of the territory of the United States.

It is true that the President had asked for the power on April 20, before the seizure of Vera Cruz occurred, but Congress did not act until after the warfare had begun.

DOZENS OF INSTANCES

Again and again in dozens of instances in the Caribbean area and also in Peking, China, in the Boxer Rebellion in 1900, Presidents have ordered American armed forces to engage in shooting in order to protect American citizens and their property, and this has long been recognized in international lawbooks as executive prerogative without the need of congressional approval.

The Constitution of the United States, by plain implication, approves emergency action by the President without the consent of Congress. Article I says in part:

"No State shall, without the consent of Congress * * * engage in war, unless actually invaded, or in such imminent danger as will not admit of delay."

Clearly the Constitution by inference would permit the same authority to be exercised in behalf of all 48 States of the Union which it so explicitly delegates to a single State. The American armed forces in Japan, for example, are carrying out a specific task with the full authority of Congress. This has been affirmed several times by Congress in appropriation laws since VJ-day as a postwar occupation duty of the highest importance.

To say that the President of the United States, as Commander in Chief of the armed forces, may not take instant action to protect such forces by thwarting a possible aggressor who might attack them is to live in the nineteenth century instead of in the atomic age. The best expression of the doctrine was given by the late President Roosevelt in an address to a joint session of Congress on May 16, 1940, just 6 days after Hitler invaded Belgium and the Netherlands and started his march which led to the conquering of France.

WHAT ROOSEVELT SAID

Mr. Roosevelt said to Congress: "Surely, the developments of the past few weeks have made it clear to all of our citizens that the possibility of an attack on vital American zones ought to make it essential that we have the physical, the ready ability to meet those attacks and to prevent them from reaching their objectives. * * *

"An effective defense by its very nature requires the equipment to attack the aggressor on his route before he can establish strong bases within the territory of American vital interests."

President Truman in his Tuesday statement to the world, reciting that he had ordered American armed forces into Korea, took care of the constitutional point thus:

"The attack upon Korea makes it plain beyond all doubt that communism has passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war. It has defied the orders of the Security Council of the United Nations issued to preserve international peace and security. In these circumstances the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to United States forces performing their lawful and necessary functions in that area."

Obviously the conquest of Korea by the Communists would be even a greater threat against the security of United States forces in Japan.

There are many technical reasons, having to do with pensions, legal claims, and other matters affecting the status of those American troops now engaged in defense of Korea, which would make it seem desirable for President Truman immediately to ask Congress to pass a resolution ratifying what has been done. Such a resolution could also authorize the continued use of the Armed Forces to bring to a state of security the Pacific area affected by the aggression from Communists in North Korea. Congress this week surely would pass such a resolution by overwhelming vote.

Mr. HUMPHREY. I commend this article, because it is crystal clear by now that we should not delay action on the part of the executive branch of the Government by debate as to whether the President can act to protect the security of this Nation or to protect the security of American lives. The precedent of executive powers has been cited in the debate by the majority leader and the distinguished chairman of the Foreign Relations Committee and others.

I was also interested in an editorial which appeared in the Washington Post for today, entitled "Company They Keep." This editorial pertains to two editorials, one to be found in the mouthpiece of the Communist Party, Pravda, the other, in the Chicago Tribune. The editorial in the Post is concluded with the following words:

Yet it would be both sad and unjust if (applying the principle of guilt by association) people should now begin to refer to the Tribune as the prairie edition of Pravda.

This editorial goes on to point out what all understanding and intelligent people have known, that if one merely stands still long enough, the comrades will join up with you somewhere along the line. The Communist Party line shifts so often, makes so many twists and turns, that soon it finds itself mouthing the same observations being made by self-styled anti-Communists—strange as it may seem, the reactionary Communist left, joins hands with the bitter and blind forces of the reactionary right.

The Washington Post editorial gives to us the criticism which Pravda made of the President, namely, the President acted without authority. I noticed that there was considerable comment on the Senate floor in connection with the statement that the President acted without constitutional authority.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CONNALLY. As I recall, the Senator from Ohio [Mr. TAFT] made that statement on the Senate floor.

Mr. HUMPHREY. I am pleased to receive the observation of the Senator from Texas, because there was considerable debate on the issue of the President's authority to act. The President acted, according to Pravda, without legal authority and in violation of the Charter of the UN. The President's authority to act was likewise criticized by the Chicago Tribune and on the floor of the Senate. Students of government, those who are students of constitutional law and the constitutional history of the Nation, recognize that the President not only had authority to act, but he would have been derelict in his duty and responsibility to uphold and defend the Constitution and to protect the general welfare had he not acted. To condemn the President's action is to play into the hands of the enemy and to lend credence to the enemies' false charges.

So, Mr. President, I ask that this editorial entitled "Company They Keep," be printed at this point in the RECORD as part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COMPANY THEY KEEP

One of the more interesting corollaries of this Korean crisis has been a general exchange of bedfellows all over the place. To put it bluntly, the Communists have found themselves a brand new set of fellow travelers.

The party line on President Truman's announcement of a new policy in the Far East has been set forth in an editorial in the Communist Party mouthpiece, Pravda. Pravda's main point is that the President in ordering American planes and warships to support the resistance in South Korea has usurped an authority he does not rightfully possess.

"Who authorized the American Government (i. e., Mr. Truman) to take this step? In putting its armed forces into action did the United States Government reach an agreement with the United Nations on its policy about their loyalty, to which Truman and Acheson make such a display? It was not the United Nations, nor any other international body, that authorized the Government of the United States to take these actions with regard to Korea and China that Truman announced yesterday."

Interestingly enough, this very same point of illegality has been raised by the Chicago Tribune and its Washington outlet. Where Pravda feels that Mr. Truman had no right to take any action about the Korean war without an explicit mandate from the Security Council (of which Russia, of course, is a member), the Tribune feels that only the Congress had the right to decide what should be done about Korea. Therefore, says the Tribune, the President's statement "is an illegal declaration of war. * * * It is beside the point to say that Congress may or will back Mr. Truman. The fact is that Congress has not been consulted."

It almost seemed as if the Tribune's words were taken out of the mouth of Representa-

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tive VITO MARCANTONIO, or vice versa. The President, asserted Mr. MARCANTONIO, has "usurped the powers of Congress by declaring war without its consent."

There is yet another point on which Colonel McCormick's boys in the Tribune Tower, Chicago, and Comrade Stalin's boys in the Daily Worker on East Thirteenth Street, New York, appear to agree. Both believe that Mr. Truman has been impelled by other motives than a benevolent interest in the well-being of the world. The Tribune thinks Mr. Truman is rushing us into war in a desperate effort to ward off political defeat.

"Mr. Truman's thinking, if that is the word for it, is * * * confused by his own political troubles. A month ago his man, Senator PEPPER, was licked in Florida, and on Saturday his man, Senator GRAHAM, was licked in North Carolina. The Democratic Governor of Ohio said only a few days ago that he was half inclined to vote for Mr. Truman's leading Republican opponent, Senator TAFT. Mr. Truman's political fortunes are ebbing. He could use a war."

The official pronouncement by the national secretariat of the Communist Party in America, has, to be sure, a slightly different version of the President's motives. He is, say the comrades, simply obeying the will of his masters in Wall Street.

"These war moves of armed intervention are only in the interest of the powerful bankers who mint their profits from the lives of the plain people here and throughout the world."

But whether Mr. Truman's motive is political panic or economic cupidity, the Tribune and the Daily Worker draw precisely the same moral. "Not one American in a thousand," says the Tribune, "believes that the defense of Korea is worth the life of a husband, a son, or a brother." "The interest, the will of the American people," says the Worker, "is for peace * * *. Our country, our sons, our daughters are in grave danger."

Oh, well, it all goes to prove that no matter what position you take, if you stay there long enough you'll suddenly find the comrades by your side. Nor is this the first time they have found themselves places on the bench beside the Tribune. There was also, you remember, the little interlude of the Hitler-Molotov pact. Yet it would be both sad and unjust if (applying the principle of guilt by association) people should now begin to refer to the Tribune as the prairie edition of Pravada.

Mr. MAGNUSON. Mr. President, I wonder if the Senator from Minnesota would yield for a very urgent matter.

Mr. HUMPHREY. I shall be glad to yield in a moment, but the junior Senator from Washington was kind enough to yield to me, and I have but a few moments.

Mr. President, I ask that at this point in the RECORD an editorial entitled "More 'Too Late' Thinking," published in the Washington Evening Star of today, be printed in the RECORD along with another editorial from the Evening Star of today, entitled "Formosa and Our Asiatic Line."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

MORE "TOO LATE" THINKING

Senator TAFT, if he wishes to do so, can say with some justification that he was right earlier this year when he urged that the Navy be used to defend Formosa, and that the administration was wrong when it rejected, and even ridiculed, that proposal. But there is no justification for the Senator's criticism of the President for going to the aid of South Korea without obtaining prior congressional approval.

There is no clear and comprehensive definition of the powers of the President in a situation of this kind. As Commander in Chief, he certainly has some authority to use the Armed Forces, without consulting Congress, to protect our national interests in an emergency. It has been done dozens of times by other Presidents. What the precise limits of this authority may be is a debatable question. Constitutional lawyers could, and probably would, argue themselves blue in the face about it.

When the North Koreans attacked, however, the President was confronted with a fact, not a constitutional theory. It was clear then, and it is even clearer now, that time was of the essence. If anything effective was to be done in Korea, it had to be done at once. A delay of as much as a few hours might well have been fatal, and the latest reports from the battle front raise a question as to whether American aid, even with the President's prompt action, may not have come too late.

Senator TAFT says the President should have obtained congressional approval before acting, although he approves in general of what the President did. But the strong probability is that, if the President had sought congressional approval, the South Koreans defense would have collapsed while the Senators were debating the issue. Approval undoubtedly would have been forthcoming in the end, but by that time it would have been too late. The fight would have been over and there would have been no South Korean Government or army for us to assist.

Herbert Hoover sounded the proper note when he said that "now is not the time to argue origins, mistakes, responsibilities, or consequences." If the President was right in going to the aid of Korea—and there seems to be no dissent on that score—he was also right in acting with all possible speed. It would have been utterly senseless to have waited until it was too late to act at all.

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FORMOSA AND OUR ASIATIC LINE

Although overshadowed by his orders for direct American military intervention to save Southern Korea, the President's move regarding Formosa, the Philippines and Indochina are not less significant, in their own way, than the armed action now being taken to stop the Kremlin's puppet Korean invaders and drive them back to the thirty-eighth parallel.

In effect, these moves—considered either in conjunction with or apart from the action in Korea—serve notice on the Soviet Union that the United States has drawn a definite line in continental Asia and among the islands of the far Pacific against any new aggression by the Russians or their satellites. In its essence, the development—which has been welcomed by the entire free world—represents the formation of a kind of "cordon sanitaire" to prevent the further aggressive spread of Kremlin-controlled communism in that part of the globe.

As far as the continent is concerned, President Truman has made clear that the line—wholly apart from Korea—has been drawn between Red China and Indochina. In the latter country, France and the Associated States of Viet Nam, Laos, and Cambodia are to receive accelerated armaments aid from us, and a special American military mission is to be assigned to work closely with them to stop the Communist forces of Ho Chi Minh. What this amounts to, in substance, is a warning to the men of the Kremlin that the United States is throwing its weight behind the effort to prevent them from seizing control, through Ho and the Chinese Reds, of the gateway to southeast Asia.

As for the islands of the far Pacific, protective measures against Communist aggression have been set in motion by the President's orders on the Philippines and Formosa. The Philippines action involves two important moves: (1) A stepping up of our military aid to the Quirino government and (2) a strengthening of our forces at the bases we are maintaining there in keeping with a special treaty. Equally important—and much more dramatic in that it involves a direct commitment of our naval power to a possible battle in the near future with the Chinese Reds—is the directive to the Seventh Fleet, under the over-all command of General MacArthur, "to prevent any attack on Formosa," which is now held by the remnants of Generalissimo Chiang's regime.

Of all these Asiatic moves beyond Korea, the Formosa decision is certainly the most spectacular. It represents a reversal of policy. Not many months ago, the President and Secretary Acheson turned thumbs down on suggestions that we should send naval forces, if necessary, to prevent the Chinese Communists from taking the island. In reversing that policy, however, the President has not committed himself to the idea of trying to restore the shattered Nationalist rule of Chiang Kai-shek. On the contrary, in connection with directing the Seventh Fleet to protect Formosa, he has called upon the generalissimo, who has assented, to end air and sea operations against the Chinese mainland and thus deactivate his forces for the time being at least. As for the island's future, and implicitly the political future of Chiang, that is something, according to Mr. Truman, that depends on events yet to come, including such things as a Japanese treaty and action by the United Nations.

Meanwhile, regardless of what may or may not happen to Generalissimo Chiang, Formosa will be one of the key points in the Asiatic defensive line of the United States and the free world as a whole. If they try to breach that line with the criminal tactics they are employing in Korea, the Kremlin and its puppets will find themselves up against forces determined to stand firm even at the risk of war. At any rate, that is the sum of our American position: Even at the risk of war—right now.

RATES FOR RAILROAD MAIL

Mr. HUMPHREY. Mr. President, may I shift the scene for a moment. I realize that my time is just about to expire.

Mr. President, I read with great interest in yesterday's press reports the fact that the Joint Committee on the Reduction of Nonessential Expenditures is now holding hearings on the Post Office Department and the postal deficit. In connection with those hearings, testimony is now being received with regard to the question of the railroad mail pay rates. In one sense, I, of course, welcome any public attention given to the problem of the postal deficit, and I have a particular interest in the postal deficit which results from the present archaic, inefficient and unfair method of determining rates for railroad mail. In a more profound sense, the news of the joint committee's activities demonstrates again the fact that the joint committee is a duplicating function of the Congress. The evidence in connection with the problem of railroad mail pay rates is proof of this duplication.

Mr. President, I happen to be the chairman of a subcomittee of the Committee on Post Office and Civil Service which held extensive hearings and investigated in great detail the question of rates for railroad mail. Those hearings were held in the first session of the Eighty-first Congress, in April and May

1949. Other members of our subcommittee are the junior Senator from Delaware [Mr. FREAR], the junior Senator from North Carolina [Mr. GRAHAM], the junior Senator from Montana [Mr. ECTON], and the junior Senator from New Jersey [Mr. HENDRICKSON].

As a result of those hearings, Senate bill 1596 was reported to the full committee and from the full committee reached the floor of the Senate on August 19, 1949, and is now on the calendar.

At this point I ask that an analysis of that bill which I have prepared be included in the RECORD, stating its four provisions.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

The bill as originally introduced fell into four general divisions.

1. It provided for switching services.

2. It allowed the Post Office Department to obtain necessary information from the railroads as to the cost of carrying the mails.

3. It repealed the so-called "round trip" provisions of the Railroad Mail Pay Act of 1916.

4. It provided for judicial review of orders of the Interstate Commerce Commission.

Mr. HUMPHREY. Mr. President, in order to conserve time, I ask that the further remarks which I had prepared pertaining to the railway mail pay matter be incorporated in the RECORD at this point in my remarks.

There being no objection, the remainder of the remarks were ordered to be printed in the RECORD, as follows:

The second and third points are those which most directly affect the question of economy in the Post Office Department.

The railroads today, according to the Postmaster General, are asking an increase in mail pay in the pending railroad mail pay case of approximately $144,000,000 per year. In addition, the carriers are asking about $533,000,000 in retroactive pay. On the basis of an analysis made by the Post Office Department, it is fair to estimate that the increase sought by the railroads in the pending pay case involves about $3,500,000,000.

In the face of these facts and of the tremendous financial burden which may result from the railroad mail pay case and in the face of the further fact that the expense to the United States Government for transporting the mail by railroad is a major item in the postal deficit, it is clear that the Postmaster General must have power to determine the cost of mail transportation and the proper compensation to be paid for that transportation. At the present time it is also clear that the Postmaster General does not have that power.

The railroad companies engaged in transporting United States mail must have a duty to furnish relevant and pertinent details and information so that the Postmaster General can fairly and accurately determine whether the costs upon the Post Office Department are fair or unfair. S. 1596 would give the Postmaster General the authority which he needs.

The hearings before our subcommittee, Mr. President, produced other facts with regard to the so-called round-trip provisions of the Railroad Mail Pay Act. The committee finally decided that provision should be deleted from the bill submitted to the floor of the Senate and that it should come before the Senate the second session of this Congress for further study. A report was therefore requested from the Post Office Department, the Interstate Commerce Commission, the General Services Administration, and the Comptroller General. To date, reports have been received from the Interstate Commerce Commission, the Comptroller General, and from the Postmaster General.

I now feel, on the basis of these reports, that the round-trip provisions should be repealed. I therefore intend to submit an amendment to S. 1596 to repeal the round-trip provisions. For the past 20 years the charge for empty return of mail cars has cost the Government of the United States more than $400,000,000. This is a matter which merits immediate action by the Congress.

Mr. HUMPHREY. Mr. President, I conclude with the following observation: I bring this question to the attention of the Senate now to show that it is a matter which has been thoroughly studied by the Post Office and Civil Service Committee.

As a matter of fact, Mr. President, there are 277 pages of hearings and testimony. What is more, Mr. President, according to Senate bill 1596, which is on the calendar, the Senate Committee on Post Office and Civil Service has requested reports of the Interstate Commerce Commission, the General Accounting Office, the Post Office Department, and the General Services Agency, and it is my intention, as chairman of the subcommittee, under the rules of the Senate, after studying the matter of railway pay, to present an amendment to abolish the round-trip provision, requiring the Post Office Department to pay for empty cars as well as for full cars.

There can be no defense, in my judgment, for duplicating the activities of the Post Office and Civil Service Committee and its staff.

I have on many occasions alleged the Joint Committee on Reduction of Nonessential Expenditures serves no function not otherwise performed by other agencies of Government and other committees of the Congress. If the Senate of the United States wants Post Office matters to be analyzed by the Joint Committee on Reduction of Nonessential Expenditures, then we had better know it and had better have the Committee on Post Office and Civil Service cease its activities.

I want to know whether the job which has been assigned to me as chairman of an important subcommittee handling a bill which deals with the sum of $2,000,000,000 shall go on, or whether it will be stopped because of the intrusion of the Joint Committee on Reduction of Nonessential Expenditures. The Congress has no business paying two highly trained staffs to do the same job and requiring two committees to do the same work and submit duplicating reports. The Joint Committee on Reduction of Nonessential Expenditures is living on a program of duplication, and it is about time that the Congress of the United States acted upon the proposal which the junior Senator from Minnesota presented to it—namely, to abolish that committee. The Committee on Nonessential Expenditures is going along investigating things which have already been investigated, gathering in reports which other agencies have already prepared, and asking questions which have already been asked.

I bring this matter to the attention of the Senate because it involves a jurisdictional problem. As one of the members of the Committee on Post Office and Civil Service, and assigned as chairman of a subcommittee to investigate the railway mail pay, and the subcommittee having done its job and having published its report, I consider it an insult to the ability and intelligence of every member of the subcommittee for the Joint Committee on Reduction of Nonessential Expenditures to continue spending the people's money, gathering reports already in, asking witnesses to come to Washington who have already been here, asking agencies of the Government to republish reports which are already published, and asking officials to testify a second time on the same issue when they have already been under cross-examination. If ever there was a clear-cut example of duplication of work, of nonessential expenditure of public funds, the present activities of the Byrd committee are a cardinal example.

Mr. McFARLAND. Mr. President, will the Senator from Washington yield?

Mr. CAIN. I yield.

Mr. McFARLAND. I should like to ask the Senator if he would be willing to postpone his speech until tomorrow upon the condition that he shall have the floor when the Senate reconvenes at 11 o'clock and will be willing to speak without a quorum call at that time.

Mr. CAIN. The Senator from Arizona and the Senator from Washington have been discussing the situation during recent minutes, and I think the request of the Senator from Arizona is a very fair one, partly because it accommodates the wishes of a great many other Senators, and certainly I should be pleased to yield the floor on the conditions stated by the Senator from Arizona.

Mr. McFARLAND. I think it would probably meet with the approval of the staff. I do not believe those who wait on us will have any objection.

Mr. CAIN. In these very long and difficult days we are all trying to accommodate the wishes of others as best we can. I personally was beginning to become a trifle curious as to when I might be able to quit accommodating the wishes of others, but having had no intention of not trying to accommodate others, I am exceedingly pleased by the request which has been made by the Senator from Arizona.

Mr. McFARLAND. I am pleased that the Senator is accommodating and that he has the welfare of others in mind.

Mr. CAIN. I thank the Senator.

Mr. McFARLAND. Mr. President, I ask unanimous consent that tomorrow, when the Senate reconvenes at 11 o'clock, the junior Senator from Washington may have the floor to speak, without a quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered.

## EXTENSIONS OF AUTHORITY OF THE SECRETARY OF COMMERCE UNDER MERCHANT SHIP SALES ACT OF 1946—CONFERENCE REPORT

Mr. MAGNUSON. Mr. President, I submit a conference report on Senate bill 3571 to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes, and I ask unanimous consent for its immediate consideration.

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The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read.

(For conference report, see p. 9499, House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. CAIN. Reserving the right to object, I wonder if my colleague, the senior Senator from Washington will explain the nature of the conference report and the reason for his bringing it up at this hour.

Mr. MAGNUSON. If my colleague will yield until the conference report is before the Senate for consideration, I shall be glad to explain it.

Mr. CAIN. Mr. President, again reserving the right to object, I should like to ask my colleague a question.

Mr. MAGNUSON. I shall be glad to explain the report. It is on a bill which extends the ship sales and charter provisions of the Maritime Act for another 6 months, approximately, sales being extended to January 15, 1951, and charters being extended for approximately 4 months. The ship sales and charter provisions of the Maritime Act expire on June 30, which is tomorrow, at midnight. I understand that the President of the United States is leaving the city at 11 o'clock tomorrow morning, and it is very important that the bill go to the White House for its signature before that time.

We have been for a long time shutting off sales of excess ships and the chartering of our reserve fleet, on the very solid ground that if we continue on and on ship operators or those who want to engage in the maritime business will not attempt to build any new ships, or keep our merchant marine at an adequate level. The bill was passed unanimously by the House of Representatives, and the Senate passed it unanimously on a call of the calendar. The conferees agreed unanimously to the provisions of the conference report. It is very important that the bill go to the White House tonight so that it may be signed tomorrow morning.

Mr. CAIN. Mr. President, again reserving the right to object, it so happens that the junior Senator from Washington understands the conference report and hopes action can be taken on it now. However, because he is presently acting in the place of the minority leader, the Senator from Nebraska [Mr. WHERRY] he feels impelled to ask this one question: Can the acting majority leader or my colleague, the Senator from Washington, provide assurances that it is agreeable to the minority leader and to all other Senators that the report be considered and acted on at this time?

Mr. McFARLAND. So far as I am concerned, I cannot provide that assurance. Perhaps the Senator's colleague can provide it. However, the report was signed by the Senator from Delaware [Mr. WILLIAMS]. The bill was unanimously reported by the Committee on Interstate and Foreign Commerce. No objection has been made to it.

Mr. CAIN. The junior Senator from Washington has been advised that the Senators who previously had questions with respect to the bill are now completely satisfied, and there is no objection to considering the conference report at this time.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report? The Chair hears none. Without objection, the report is agreed to.

## RECESS

Mr. McFARLAND. I move that the Senate stand in recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Friday, June 30, 1950, at 11 o'clock a. m.

## NOMINATION

Executive nomination received by the Senate June 29 (legislative day of June 7), 1950:

### IN THE MARINE CORPS

Maj. Gen. Thomas E. Watson, United States Marine Corps, to have the grade of lieutenant general on the retired list in the Marine Corps effective from the date of his retirement.

## CONFIRMATIONS

Executive nominations confirmed by the Senate June 29 (legislative day of June 7), 1950:

### UNITED STATES DISTRICT JUDGE

Hon. Willis W. Ritter to be United States district judge for the district of Utah.

### UNITED STATES COAST GUARD

James G. Norman to be a lieutenant (junior grade).

### COAST AND GEODETIC SURVEY

The following-named officers of the Coast and Geodetic Survey for permanent appointment to the grades indicated, subject to qualification therefor as provided by law:

*To be captains*

Henry E. Finnegan
Charles M. Thomas
Charles Pierce

*To be commanders*

Ross A. Gilmore
Gilbert C. Mast
Fred A. Riddell
Ira R. Rubottom
Maurice E. Wennermark
Fred Natella
Jeremiah S. Morton
Robert A. Marshall

*To be lieutenant commander*

Don A. Jones

*To be lieutenants*

Robert C. Darling
Miller J. Tonkel
William E. Randall

*To be lieutenants (junior grade)*

John R. Plaggmier
Leonard S. Baker
Eugene W. Richards
Samuel D. Parkinson

### POSTMASTERS

#### ALABAMA

William T. Boyd, Gadsden.
Lester A. Tucker, Sumiton.

#### ARIZONA

Blanch T. Kelley, Thatcher.

#### ARKANSAS

Carroll T. Gambill, Eudora.
Clifford C. Fry, Gravette.

#### COLORADO

Raymond G. Miller, Brighton.
Reese E. Wilkinson, Greeley.

#### DELAWARE

George J. Tugend, Delaware City.

#### GEORGIA

Eva L. Hunter, Kensington.
Willis H. James, Homerville.
Allen W. Holder, Whitesburg.

#### IDAHO

Mabel L. Beck, Bellevue.
Homer P. Golding, Rathdrum.

#### ILLINOIS

Virgil F. Reither, Beardstown.
Lester V. McCandless, Brookport.
Evert L. Giesler, Cisco.
Richard E. Ellison, Decatur.
Chester L. Kampert, Fox River Grove.
Robert E. Dufner, Girard.
Oscar R. Poorman, Humboldt.
Paul J. Giblin, Ivesdale.
Frederick Joseph Lowrey, Sr., Manhattan.
Robert J. Horn, Mount Pulaski.
Claude Wilbur Frank, Piano.
Mary C. Morrissey, Utica.

#### INDIANA

Joseph Cline Huey, Bryant.
Joseph Elmer Porter, Carthage.
Arthur L. Clerget, Chalmers.
Robert K. Auxier, Edinburg.
Francis Xavier Newman, Mitchell.
John F. Limp, Orleans.
Jesse R. Hall, Pekin.
Raymond L. Fowler, Pendleton.
John H. Harding, Roby.
Leslie A. Byram, Vevay.
William F. Stembel, Wheatfield.

#### IOWA

Joseph P. Carr, Anthon.
Frank L. Arensberg, Garrison.
Earl W. Knudson, Irwin.
Burdette O. Baldwin, Nashua.
Leo P. Mimbach, Renwick.
Norman R. Stickney, Smithland.
Howard E. Smith, Stockport.
Edward D. Johns, Tracy.

#### KANSAS

Joseph F. Coyle, Kansas City.

#### KENTUCKY

Earl H. Haynes, Calhoun.
James W. VanOver, Closplint.
Russell R. Davison, Fordsville.
Bryant E. Gilliam, Milburn.
Hanson B. Chandler, Jr., Mount Olivet.
Joseph E. Gregory, Pembroke.
Lucille W. Eakins, Robards.
Homer C. Hamilton, Virgie.

#### LOUISIANA

Wilbert G. C. Rhodes, Gretna.

#### MARYLAND

Samuel T. Eaton, Jr., Edgewater.

#### MINNESOTA

Alfred W. Gesterlin, Browns Valley
Verona B. Bicedow, Clements.
Maud R. Olson, Lake Crystal.
Henry J. Cress, Rose Creek.
Kenneth J. Erding, Wykoff.

#### MISSOURI

Lindall L. Arndt, Clever.

#### NEBRASKA

Dale M. Larsen, Hardy.

#### NEW JERSEY

Clifford H. Smock, Bedminster.
Frederick G. McKeon, Butler.
Peter F. McGlade, Gloucester City.
Edna V. Sharp, Island Heights.
Joseph Murray, New Milford.
John P. Reilly, West Milford.
Emma Walls, Zarephath.

#### NEW YORK

Maurice J. Dexter, Cortland.
George F. Byrne, Fulton.
James V. Corrigan, Gardenville.
Margaret M. Humes, Great Bend.
Roger B. Griffiths, Keuka Park.
Harland Smith, Springfield Center.
Claude Willett Mount, Three Mile Bay.

NORTH CAROLINA

Lloyd H. Taylor, Archdale.
Stella H. Bowers, Newland.
Harold W. Grant, Seven Springs.

OREGON

Clinton E. Atherton, Canyonville.
Eldene F. Frenger, Central Point.

PENNSYLVANIA

Minnie Mae Gray, Boston.
Daniel J. Cullinan, Cambridge Springs.
Rosemary F. Schettig, Ebensburg.
Donald J. Watts, Millville.
Arthur E. Stanfield, Renfrew.
Ralph M. Henry, Rochester Mills.
Carrie M. Ketner, Strausstown.
Sarah E. Vensel, West Alexander.
Jerry J. Kasprisin, Yukon.

RHODE ISLAND

Rudolph Z. Choquette, Hamilton.
Ambrose G. Bliss, Little Compton.

SOUTH CAROLINA

Kenneth M. Kennedy, Blackstock
Benton Sheorn, Camden.
Isabella P. Frick, Chapin.
Willie H. Nims, Fort Mill.

SOUTH DAKOTA

Marvin H. Westin, Alcester.
Leo C. Huss, Faulkton.
William Klein, Howard.
Mary E. Becking, Marty.
Sylvester K. Krokaugger, Pickstown.
Edward P. Ryan, Weaver.

TENNESSEE

James J. Patton, Lexington.

TEXAS

William Virgil Samples, Blue Ridge.
Horace L. Turns, Bowie.
Gladys R. Kenner, Hemphill.
Henry W. Haynie, Kemp.
Walter P. Freytag, La Grange.
Willard Grigsby, Nocona.
John L. Biggerstaff, Whitewright.

UTAH

Joseph R. Mills, Pleasant Grove.

VERMONT

Joseph M. Durick, Fair Haven.
Louis F. Martin, Jr., Manchester Center.
Ernest R. McDonald, Jr., Plainfield.
John T. Pickett, Proctorsville.

VIRGINIA

Robert M. Waters, Chilhowie.
Dorothy Cox Moore, Chuckatuck.
Charles C. Anderson, Clintwood.
Robert S. Griffith, Jr., Dante.
Jefferson W. Newman, Pennington Gap.
Mount Vernon Damron, St. Paul.

WEST VIRGINIA

James C. Gum, Durbin.
Barnes E. Hall, Masontown.
Owen E. McKay, Jr., Paden City.
Ronald C. Bell, Smithers.
Evelyn A. McBrayer, Thorpe.
Wallace J. Varney, Williamson.

WYOMING

Clifford L. Hanson, Kaycee.

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# HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 29, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, by whose mercies we are spared and by whose power we are sustained, may we daily meet life's duties, difficulties, and dangers with faith and courage, confident that as our days so also shall be our strength.

Thou alone knowest the answer to the many questions which are haunting and perplexing us. May we realize that the supreme question is not whether Thou art on our side but whether we are on Thy side.

We pray that as we plan and think about mobilizing our material resources to meet humanity's desperate needs we may not fail to lay hold of our spiritual resources. May we understand more clearly that Thou art not with the many and the strong unless the many and the strong are with Thee.

Grant that each to the extent of his ability and all with equal fidelity may help to bring in that day when the kingdom of righteousness and peace shall be established everywhere.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the House to bills of the Senate of the following titles:

S. 3258. An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia; and

S. 3776. An act to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended.

## SPECIAL ORDERS GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative program and any special orders heretofore entered.

Mr. BIEMILLER asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders heretofore entered.

## PRESIDENT TRUMAN'S ACTION IN THE KOREAN SITUATION

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker, President Truman's prompt action in the Korean situation has received the praise it deserves. Of all the Nation's newspapers only the Chicago Tribune and the Daily Worker—along with their satellites—have raised their voices in opposition. It looks like the same old alliance of the extremists.

The record is now in on the reaction in most of the free world and the record is singularly satisfying.

For that reason, I want to single out the State Department for special praise today. Its careful and effective diplomatic handling of the Korean crisis in the United Nations has made our cause in Asia the cause of the free world. It has stripped Soviet aggression of its peaceful pretensions. And through Secretary of State Dean Acheson, it has forcefully stated the case for intervention by members of the United Nations.

Acheson and the State Department have recently been the victims of one of the most vicious, stupid, backhanded assaults in the history of this country. Penny-ante politicians from my own State have attempted to play with the high stakes of American foreign policy through these assaults.

They must now recognize their mistake or discard all pretensions to interest in the Nation's welfare. Their alternatives now are complete retreat or abject silence.

Meanwhile, Acheson and his colleagues deserve our plaudits for their share in the drawing of the line in Asia.

## REPORT OF THE BOARD OF VISITORS OF THE UNITED STATES MERCHANT MARINE ACADEMY

Mr. KEOGH. Mr. Speaker, I submit the report of the Board of Visitors of the United States Merchant Marine Academy and ask unanimous consent that the report of the board and of the Superintendent be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The reports referred to follow:

REPORT OF THE BOARD OF VISITORS TO THE UNITED STATES MERCHANT MARINE ACADEMY, 1950, KINGS POINT, LONG ISLAND, N. Y., APRIL 21–22, 1950

The PRESIDENT of the SENATE.

The SPEAKER of the HOUSE OF REPRESENTATIVES.

GENTLEMEN: Pursuant to Public Law 301, Seventy-eighth Congress, approved May 11, 1944, the following Senators and Members of the House of Representatives were designated to constitute the 1950 Board of Visitors to the United States Merchant Marine Academy:

SENATORS

By the President of the Senate: Senator ERNEST MCFARLAND, Arizona, Democrat.

By the Committee on Interstate and Foreign Commerce: Senator EDWIN C. JOHNSON, Colorado, Democrat (ex officio); Senator HERBERT R. O'CONOR, Maryland, Democrat; Senator HOMER E. CAPEHART, Indiana, Republican.

MEMBERS OF THE HOUSE OF REPRESENTATIVES

By the Speaker of the House: Congressman EUGENE J. KEOGH, New York, Democrat; Congressman HARRY L. TOWE, New Jersey, Republican.

By the Merchant Marine and Fisheries Committee: Congressman EDWARD J. HART, New Jersey, Democrat (ex officio); Congressman DONALD L. O'TOOLE, New York, Democrat; Congressman HERBERT C. BONNER, North Carolina, Democrat; Congressman ALVIN F. WEICHEL, Ohio, Republican.

Congressman EDWARD A. GARMATZ, Maryland, Democrat, was subsequently appointed by the chairman of the Merchant Marine and Fisheries Committee to replace Congressman HERBERT C. BONNER, who was unable to be present.

The meetings of the Seventh Congressional Board of Visitors to the United States Merchant Marine Academy took place on the 21st and 22d of April 1950.

Congressman DONALD L. O'TOOLE, of New York, was accompanied from Washington, D. C., to Kings Point by Rear Adm. Telfar Knight, United States Maritime Service, Chief, Bureau of Maritime Services of the United States Maritime Commission, and

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Commandant of the United States Maritime Service; Capt. J. T. Everett, United States Maritime Service, Assistant Chief, Division of Cadet Corps Training, and Deputy Supervisor, United States Merchant Marine Cadet Corps; and by Commander Calvin R. Shorter, United States Maritime Service, Chief Liaison Officer, Bureau of Maritime Services of the United States Maritime Commission. Congressman EUGENE J. KEOGH, New York, and Congressman EDWARD A. GARMATZ, Maryland, subsequently arrived at Kings Point. The remaining members of the Board were prevented from attending because of the press of affairs in Washington.

TOUR OF THE GROUNDS

Individual tours of the grounds and Academy facilities were conducted for the members of the Board of Visitors by their officer escorts. This tour included visits to cadet-midshipman living quarters and Cleveland Hall, the several academic departments including the television classrooms of the Department of Naval Science where joint experiments on the effectiveness of instruction through the medium of television are being conducted by the United States Merchant Marine Academy, the Naval Special Devices Station at Sands Point, N. Y., and Fordham University. Inspection was also made of the new planetarium built by Academy personnel for use in implementing the course in navigation taught by the Department of Nautical Science. An inspection of the new installation of a ship's steering engine in the Department of Engineering was included in the tour of the engineering facilities.

Upon the conclusion of the tour the cadet-midshipman regimental commander was presented to the members of the board to extend them an invitation to lunch with the regiment in Delano Hall.

MEETING WITH THE REGIMENT OF CADET-MIDSHIPMEN

After lunching with the regiment the members of the board met in the cadet-midshipmen's lounge in private conference with cadet-midshipmen from their home States, from 1245 to 1400.

FIRST MEETING OF THE BOARD

The board assembled at Wiley Hall, Kings Point at 1400, Friday, April 21, 1950.

The following members of the board were present: Congressman EUGENE J. KEOGH, Democrat, New York; Congressman DONALD L. O'TOOLE, Democrat, New York; Congressman EDWARD A. GARMATZ, Democrat, Maryland.

The members of the board convened in the conference room in Wiley Hall for purposes of organization under the temporary chairmanship of Congressman EUGENE J. KEOGH at 1400 Friday, April 21, 1950.

The board elected Congressman KEOGH to serve as permanent chairman and confirmed the appointments of Commander Clifford W. Sandberg and Lt. Maurice W. Price, United States Maritime Service, as secretary and assistant secretary respectively.

The secretary outlined the proposed plan of the day to the chairman and the members of the board. The chairman then directed the secretary to invite the Chief of the Bureau of Maritime Services and the Superintendent of the United States Merchant Marine Academy and their respective staffs to join the board in conference.

At the request of the chairman, the Superintent read his annual report to the board.

Upon the conclusion of the reading of the Superintendent's report to the board the chairman and the members of the board discussed the needs of the academy at considerable length with the Chief of the Bureau of Maritime Services and the Superintendent and their respective staffs. The matters discussed are contained in this report under the sections devoted to general comments and specific recommendations.

GENERAL COMMENTS

The board desires to express its high admiration of the splendid esprit de corps that exists in the regiment, and among the officers, and personnel of the academy. Of equal note is the excellent condition of the physical facilities.

The board is impressed with the obvious contribution made by the United States Merchant Marine Academy to the national defense structure. This is clearly evidenced by the great interest manifested by the Navy in the Kings Point program.

Of particular gratification to the board is the progress the Academy administration has made in those matters specifically recommended by the academic advisory board as a result of their meetings on March 9, 10, and 11, 1949, at Kings Point. This unquestionably is largely responsible for the accreditation of the Academy's curriculum extended by the Middle States Association of Colleges and Secondary Schools on November 26, 1949. It is felt that the efforts of all concerned who have made this recognition possible are to be greatly commended.

The board was pleased to observe that a general policy of keeping operating expenses at a minimum has been rigidly followed and many noticeable economies have been effected.

With respect to the reductions in personnel and operations at Kings Point recently effected by the Marine Commission in conference with the Budget Bureau's formula, the board notes with considerable concern the additional arbitrary 10-percent reduction of the Federal maritime training budget for the fiscal year 1951 recommended by the House Committee on Appropriations. This additional reduction would cause, insofar as Kings Point is concerned, a further release of 36 in personnel by June 30, 1950, in addition to the 46 already released or awaiting release during 1950. It is evident to the board that the efficiency of operations at Kings Point would be most seriously impaired by this additional release of staff members. The board is fully cognizant of the very important position Kings Point has assumed in developing superior Naval Reserve officers and is of the opinion that any additional curtailment of this program would not be in the national interest.

The board notes that discussions are now under way concerning retirement and tenure for the officers and personnel of Kings Point. The board concurs with the specific recommendation on this matter made by the Board of Visitors in 1949 who suggested that an adequate retirement and tenure policy be effected consistent with the practice of the United States Government to provide such benefits for all personnel in Government service.

In part V of the Superintendent's report to the board the attention of the board has been invited to H. R. 1251, Eighty-first Congress, first session, now pending before Congress. This is a bill to revise, codify, and enact into law, title 46 of the United States Code, entitled "Shipping." Briefly, section 545 of chapter 25 of this bill clarifies the status of the United States Merchant Marine Cadet Corps, and the United States Merchant Marine Academy at Kings Point. The board believes that enabling legislation in form similar to section 545 as revised by H. R. 1251 should be enacted.

The campaign inaugurated to raise funds for the construction of a chapel at Kings Point to serve as a national shrine memorializing the men of the merchant marine is deserving of special comment. The board commends those responsible for the administration of this splendid project, believing that recognition of the valor and heroism of the men of the merchant marine is long overdue.

The need for a suitable library is self-evident in view of the present inadequate facilities. The board is of the considered opinion that a request by the Maritime Commission to the Bureau of the Budget to present to the Congress an estimate for an appropriation to complete the construction of the chapel and library should receive the favorable attention of the Congress.

The suggestion of the academic advisory board relative to the publicizing in certain geographical locations of the merchant marine and the United States Merchant Marine Cadet Corps is deserving of serious consideration. The board feels that a comparatively small expenditure which an adequate program will entail would contribute in a material way to the national interest.

SPECIFIC RECOMMENDATIONS

The board specifically recommends that the discussions now under way concerning retirement and tenure for officers and personnel at Kings Point be continued with the object in mind of establishing adequate retirement and tenure privileges, consistent with the civil service nature of their duties.

The board specifically recommends that early action be taken to obtain passage of enabling legislation in form similar but broader than that contained in H. R. 1251, title 46, chapter 25, section 545 (a result of the Report of the Committee on Revision of Laws, House of Representatives, under the Chairmanship of Congressman EUGENE J. KEOGH, New York) now pending before Congress with the object of establishing the United States Merchant Marine Academy at Kings Point, New York as a permanent institution. This legislation should be broadened to specify the complement and pay of cadet-midshipmen.

The board specifically recommends that the Bureau of the Budget and the Congress give favorable consideration to a request from the Maritime Commission for such appropriation as may be necessary to complete the construction of the Memorial Chapel and the Library.

The board specifically recommends that a definite allotment of funds be provided for the publicizing of the merchant marine and the advantages offered to American youth by the United States Merchant Marine Cadet Corps program.

CONCLUSION

The board wishes to again enter upon the records its appreciation of the Maritime Commission, Bureau of Maritime Services, Division of Cadet Corps Training, the regiment of cadet-midshipmen and the officers and personnel of the United States Merchant Marine Academy for the effective contribution they are making to the United States merchant marine and to the national defense structure of the Nation.

The board wishes to thank Rear Adm. Telfair Knight, Chief of the Bureau of Maritime Services and Rear Adm. Gordon McLintock, the Superintendent of the United States Merchant Marine Academy, cadet-midshipmen and officers and personnel of Kings Point for the valuable information and hospitality extended to the members of the board.

The chairman and members of the board wish to express their appreciation for the able assistance given by Commander C. W. Sandberg, secretary of the board and Lt. M. W. Price, assistant secretary of the board.

EUGENE J. KEOGH.
DONALD L. O'TOOLE.
EDWARD A. GARMATZ.

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UNITED STATES MARITIME COMMISSION,
BUREAU OF MARITIME SERVICES,
U. S. MERCHANT MARINE ACADEMY,
*Kings Point, N. Y.*

SUPERINTENDENT'S REPORT TO THE SEVENTH CONGRESSIONAL BOARD OF VISITORS, APRIL 21, 22, 1950

GENTLEMEN: We are most happy to welcome the Seventh Congressional Board of

Visitors to Kings Point. In these times, when all phases of our national security are under close scrutiny by the Congress, the status and problems of the merchant marine, as a vital element in our security planning, are deserving of the best attention. Since we realize that the effectiveness of our merchant fleet can be no stronger than the efficiency of the personnel manning our vessels, our concern at Kings Point is with the development of thoroughly educated and competent officers who will reflect credit upon our Nation. In the furtherance of this obligation, we will be grateful for the advice and counsel of your Board and for a continuance of the necessary support and guidance which, for the past several years, has stemmed from these annual visits. We want your visit to be both informative and enjoyable and to that end we hope you will call upon us freely to be of service to you.

In these opening remarks, we believe it fitting to pay our respects to the memory of your long-time colleague, and the academy's proven friend, the late Honorable Schuyler Otis Bland. The "Judge," as he was affectionately known, was chairman of our First Congressional Board of Visitors and a member of all succeeding boards up to the present. The same untiring efforts and devotion he displayed over the years to the upbuilding and maintenance of a strong American Merchant Marine characterized his interest in the Merchant Marine Cadet Corps and its academy from its early beginnings and we feel that, in his passing, Kings Point has suffered the loss of one of its stanchest advocates and truest friends.

PART I

*Introduction*

For the benefit of those members of your board who have not previously visited Kings Point, we feel that, perhaps, an effective means of introduction is to set forth the mission of the United States Merchant Marine Cadet Corps and its Academy:

To attract a high type of young American with a definite ambition to become an officer in the United States merchant marine;

To impart to him the necessary academic background and the fundamentals of a practical nautical education essential to a successful career at sea;

To develop in him high sense of honor, uprightness, and loyalty;

To instill in him a pride in his profession, and a determination to uphold the traditions of the merchant marine; and

By effective teaching, training, and guidance, to send him forth to his calling with a deep respect and affection for the United States Merchant Marine Cadet Corps and its Academy.

To effectuate this mission, a course of 4-years' duration was promulgated in 1938, providing a curriculum finely balanced between subjects in the areas of general education and the professional-technical fields for the effective training of deck and engineering officers. As was the case with the other Federal academies and with many colleges and universities, the necessities of the recent war compelled the abridgement of this curriculum. To fulfill the increasing demands for officers to man our rapidly growing merchant fleet and to serve as commissioned officers in the Navy, our courses, during the war years, were reduced to 18 and 24 months. With the cessation of hostilities, these were gradually extended to meet the requirements of the several groups in various stages of transition until, on 1 July, 1946, the full 4-year curriculum was resumed and the first of the classes pursuing the reinstituted full course will be graduated in June of this year.

Up to this time, approximately 9,100 officers have graduated from the cadet corps with merchant marine licenses as third mates or third assistant engineers. These men were also commissioned as ensigns in the United States Naval Reserve. Of this number, about 6,600 were graduated while the war was in progress and, of these, more than 2,100 were selected for active duty in the Navy, many of them remaining to accept permanent commissions in that service.

Since its early beginnings, the Academy's relationships with the Navy have been extremely close. The Navy has been most cooperative in making available surplus equipment for instruction purposes and has manifested its interest in Kings Point in countless other ways. Our records are replete with commendatory expressions from high-ranking Naval officers on the performance of Kings Point graduates, and this fine spirit of recognition has been a source of real strength and genuine satisfaction. Because of its national defense implications, it is believed that the Academy's contribution to the development of Naval Reserve officers is deserving of the particular notice of your Board. At Kings Point, besides courses in naval science and tactics the cadet-midshipmen devote their entire 4 years to a nautical education, including 1 year of practical application at sea, and, throughout, are subjected to the rigid discipline of barracks life and the routines of military procedures designed to develop effective leaders.

PART II

*Operation*

The physical plant of the United States Merchant Marine Academy, including land and equipment, as it now exists, represents a capital investment by the Government of approximately $12,000,000—less than the cost of one modern submarine, the merchant vessel's most dreaded enemy. Certain foreign powers are spending untold millions to build up their submarine fleets and our Navy is allocating multimillions in the development of antisubmarine weapons. This academy, at a cost of less than 2/100 of 1 percent of our total national defense budget, can play a vital role in that program since every Kings Point graduate, as a highly trained and skilled merchant marine and Naval Reserve officer, becomes a potentially effective antisubmarine weapon.

During the past year, every effort has been made to conduct the affairs of the academy at a high standard of efficiency, despite considerably curtailed budget allowances. The expenditure of Government funds for new equipment and apparatus has been comparatively small, that being acquired having come to us through the medium of transfer of surplus materials from the Navy and Maritime Commission and by direct presentations by manufacturers. Unfortunately, the availability of surplus materials from Government agency sources is lessening rapidly and the benefits we have enjoyed up to now in this respect will, before long, be denied to us. The maintenance of grounds, buildings, and equipment has had our best attention with a limited staff, which will be even further reduced in the approaching fiscal year. The maintenance problem becomes one of growing importance as our buildings and plant become older and the costs of materials increase.

The present complement of cadet-midshipmen at the academy is 1,019, inclusive of 69 Filipinos in training on behalf of the Philippine Government. These are divided:

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|---|---|
| First class (upper) | 220 |
| First class (lower) | 145 |
| Second class (upper) | 179 |
| Second class (lower) | 141 |
| Fourth class (upper) | 194 |
| Fourth class (lower) | 140 |
| Total | 1,019 |

This total, comprised of young men from practically every State in the Union, is somewhat higher than would normally be the case at this time and is explained by the transfer last month of 91 cadet-midshipmen (Fourth class, upper) from the cadet school at Pass Christian, Miss., which had been closed because of an anticipated radical reduction in the appropriation for cadet corps training in fiscal 1951.

The third class cadet-midshipmen, now at sea, total 445, including 20 Filipinos. Of this number, approximately 290 are in the upper half and the remainder in the lower half. All of these men are serving as cadets on merchant ships in regular operation and are paid (at the rate of $82.50 per month) by the companies operating the vessels.

In conformance with the policy outlined by the Bureau of the Budget and approved by the President, our total cadet-midshipmen complement for fiscal 1951 will be materially reduced. This complement, ashore and afloat, during the current fiscal year, will average 1,280. The budget proposed for fiscal 1951 will cause this to be reduced to 1,116 and, because of the necessity for further limiting the number of young men admitted each half-year, the over-all complement will, shortly, be reduced to approximately 800.

The cadet corps system of education has its critics and, while on the subject of cadet-midshipman complement, it seems appropriate to comment upon certain statements which have been made by these opponents at various House and Senate committee hearings and on the floors of Congress. The principal burden of these criticisms is: (1) that because of the postwar unemployment situation prevailing in the merchant marine, the training of additional officers for an overcrowded field should be discontinued; and (2) that, having been trained at Government expense, a large proportion of the academy's graduates have made no attempt to follow the sea, or, after sailing for a short time, have undertaken extended educational programs elsewhere or have entered other than maritime fields of employment.

With respect to the first, the unemployment situation is recognized, but this is typical of the merchant marine. From time immemorial, there have been varying numbers of mariners "on the beach," but, in the present instance, the ranks are swelled by the many less competent who readily found berths when shipping was at its height during and in the years immediately following the war, but who lack the qualifications to justify their employment in these more competitive times. There has been a constant decline in the number of vessels in operation since the war, accelerated somewhat in recent months by the approaching deadline (June 30, 1950) terminating the bareboat charter of Government-owned ships. It is anticipated that this decline will continue in a slight measure for the next year, when the active fleet will reach a total of approximately 1,200 ocean-going vessels, employing, roughly, 12,000 licensed officers. This does not take into consideration a large number of other vessels staffed by merchant marine officers such as the Military Sea Transportation Service, Army engineers, inland waterways, and the Great Lakes fleet which, at the height of its seasonal operation, comprises some 450 American-flag vessels. As the result of many years of study, it has been determined that the approximate attrition or turn-over in officer requirements is about 10 percent per annum. On this basis, our national needs, for ocean-going vessels alone, would be about 1,200 officers per year. Under our present plan, Kings Point will admit 200 applicants per year and, with a normal attrition of about 25 percent, will graduate about 150 officers per year—12½ percent of these anticipated requirements. With the four State academies combined graduating about the same number, this leaves 75 percent of the vacancies to be filled by men in unlicensed positions qualifying to become officers. Obviously, the governing consideration in this matter should not be one of

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quantity but, rather, the technical and professional competence of the officers to whom the operation of our fleet is to be entrusted. The great technological strides that have been made in recent years in ship design, high-pressure propulsion plants, intricate auxiliaries and electronic aids to navigation, demand technically trained and educated men. Kings Point is producing such men, and in only such numbers as to provide the nucleus necessary to uphold the standards of a merchant marine as envisioned in the national policy declared in the Merchant Marine Act of 1936—the same act under which the United States Merchant Marine Cadet Corps was created.

The second criticism is evidently founded upon a comparison of the number of Kings Point graduates now following the sea, with the total number graduated by the cadet corps since its inception. Such a comparison is neither fair nor valid. From 1941 to 1945, when the war was at its full tempo, our country was seeking men and yet more men to officer our increasing merchant fleet. Of the numbers of young men who responded to the call and entered the United States Merchant Marine Cadet Corps during that period, many of them, perhaps the majority, selected this service not because they had any idea or intention of following the sea as a career, but as their contribution to the war effort. Like the many thousands who entered the Army, Navy, and Air Corps to make this contribution, a large proportion had predetermined careers in diversified fields and, when entering the cadet corps, interrupted educational programs projected toward those ends. Again, like their counterparts in the other services, they resumed those programs upon their release. Lacking the benefit of Government assistance for their tuition, such as other veterans enjoy, many of our wartime graduates undertook service on their licenses for a time to accumulate sufficient funds to see them through. Of those who may not have determined upon other careers prior to entering the cadet corps, a number were undoubtedly influenced by the enactment of the so-called GI bill of rights providing, among other things, college education for veterans. The benefits of this bill were denied the men of the merchant marine. It became apparent to our young men, who entered the cadet corps from the motivations of war service that they were destined to meet degree-equipped contemporaries at any time they sought to establish themselves ashore, and, accordingly, many decided to similarly equip themselves. At that time, our Academy had not been accredited and we were not awarding degrees. In the light of this background, the fact that only a comparatively modest percentage of the total number of our graduates is now following the profession of the sea will be more readily understandable.

For the past 2 years or more, a number of the Great Lakes operators have been evincing increasing interest in the Kings Point program. In January of this year, Mr. John L. Horton, marine superintendent of the Cleveland-Cliffs Iron Co., visited the Academy to address the regimental assembly on the topic, A Career on the Great Lakes, which was particularly well received by the cadet-midshipmen. This company together with three others, is accepting cadet-midshipmen for their third-class year service and, to provide for the essential differences between fresh-water and deep-sea routines, we have prepared special assignments for study by these cadet-midshipmen while on the Great Lakes. A number of our graduates are already employed in licensed capacities on Great Lakes vessels, while many now at the Academy look forward to making their futures on those waters.

PART III

*Academics*

Under this heading, we are extremely happy to report a most significant event—the accreditation of the Academy on November 19, 1949, by the Middle States Association of Colleges and Secondary Schools. This action followed a careful examination of the prescribed courses of study, the qualifications of personnel, and an exhaustive investigation of every detail of the operation of the Academy by the association's inspection committee from the commission on higher education. Understandably, we have been greatly pleased and encouraged with the result of their findings which we consider marks a most important milestone in the Academy's development and progress. Pursuant to authorization contained in Public Law 247, Eighty-first Congress, introduced by your fellow Board member, the Honorable EUGENE J. KEOGH, and approved August 18, 1949, we are now empowered to confer the bachelor of science degree upon our graduates. The first to receive the degree will be the members of the class to graduate on June 21, next, and studies are now in progress for the formulation of regulations setting forth the requirements to be met by previous graduates to qualify for the degree.

On March 2, 3, and 4, 1950, we had the pleasure of welcoming our Academic Advisory Board on its third annual visit. This Board, appointed by the United States Maritime Commission in accordance with Public Law 214, Eightieth Congress, for the purpose of advising the Superintendent concerning the curriculum is composed of seven of the Nation's outstanding educators, of whom all but one were in attendance. The Board was most thorough in its review of our academic program and activities, particularly with respect to the action taken on the specific recommendations it had made on previous visits. The general satisfaction expressed by them with respect to our academic progress was, naturally, most gratifying to us.

The Academic Advisory Board made a strong recommendation regarding the publicizing of the merchant marine and the advantages of the Academy in certain geographical areas of the United States. Although the benefits of a program of this kind are fully appreciated, our activities in such fields are woefully restricted because of inadequate funds. As a consequence, in many sections of the interior of our country, numbers of young men are unaware of the promising careers that might be theirs. From our standpoint, the greater selectivity of applicants resulting from an increased number of applications is much to be desired and it is hoped your Board will give consideration to ways and means by which the Academic Advisory Board's suggestion may be implemented.

PART IV

*Current problems and planning*

Public Law 485, Eightieth Congress, approved April 17, 1948, authorized the United States Maritime Commission "to construct a suitable chapel for religious worship by any denomination, sect, or religion, and a library, at the United States Merchant Marine Academy at Kings Point, N. Y." The Maritime Commission was further "authorized to accept private contributions to assist in defraying the cost of construction of the chapel and library provided for" herein.

After a careful survey made by an Academy committee, it was determined that the solicitation at this time of private subscriptions for the construction of a library would probably have little public appeal. Concerning the chapel, it was decided that, rather than to present this as a strictly Academy or Cadet Corps project, popular interest would be encouraged by constructing the chapel as a perpetual national memorial to all of the heroic officers and men of the American merchant marine who have given their lives in the service of our country. Accordingly, prominent persons from banking, insurance, industry, the clergy of all denominations, and the professions, were invited to serve on an honorary national committee and as members of working regional committees comprising the Atlantic coast and Great Lakes region, the Pacific coast region, and Gulf coast region. The national campaign was inaugurated on January 1 of this year under the director of the supervisor, Rear Adm. Richard R. McNulty, who has been designated national secretary of the committee, and is to continue until October 31, 1950, with the goal set at $500,000, each region being allocated a fixed quota. The Academy personnel is, of course, very active in the campaign and we anticipate no difficulty in raising and exceeding our quota of $7,500. The reports of the general public response have, up to now, not been too encouraging. To a large extent, the campaign has been retarded by newspaper accounts and other reports of appropriation reductions affecting Cadet Corps training. The obvious handicaps created by such impression, not only with respect to the chapel fund but in many other ways, serve to emphasize the Academy's dependence upon an adequate and stable budget structure which can be resolved only by constructive and understanding congressional support.

Although the procurement of funds through private subscription for the construction of a library has not been deemed feasible, our need for such a structure is nonetheless very real. As an institution of learning accredited to rank with our other Federal academies and leading colleges, Kings Point deserves a properly housed library of adequate size and facilities for the efficient conduct of instructional and research activities.

In the area of planning, such matters as teaching methods, examination procedures, grading practices, and similar academic problems, common to all educational institutions, are under constant review. We do not permit our curriculum to remain static, and, after appropriate study, such changes as may be required to keep our courses in line with the latest technical developments, the shipping industry's needs, and current trends in the fields of general education, are adopted. The maximum educational needs of the cadet-midshipmen are our first consideration and, with due recognition of the limitations of the learning process, our courses are designed to fulfill those needs.

PART V

*Matters submitted for consideration*

(A) Sufficiency and Stability of Annual Appropriation

The budget estimate for the fiscal year 1951 submitted to the Congress by the President provides the sum of $1,984,267 for the operation of the United States Merchant Marine Academy at Kings Point, as against $2,404,483 appropriated for the current fiscal year of 1950, or a reduction of $420,216. This is exclusive of the cost of training 89 Filipino cadets, funds for which are provided by the State Department. In this budget estimate for fiscal year 1951 the President has also directed a change in the method of covering expense allowances for cadet-midshipmen after July 1, 1950. Heretofore they have been allowed $65 per month, from which they have purchased their uniforms, textbooks, and other required equipment, and have paid other incidental expenses, including laundry, dry cleaning, haircuts, and cost of Academy activities. Begining with July 1, 1950, the expense allowances will be eliminated and they will be supplied with required uniforms and textbooks not to exceed a cost of $200 per cadet-midshipman per year and institutional (not personal) laundry at Government expense.

The budget estimate for the fiscal year 1951 includes a limitation on staff salaries which will provide funds for a staff of 363 persons as against 409 for the fiscal year 1950. The House Committee on Appropriations has recommended a further reduction of $257,340 from the over-all budget estimate of $3,600,000 for all phases of Federal maritime

training of which the allowance for Kings Point is a part. Should this further reduction be approved by the Congress, it will result in the necessary release by June 30, 1950, of 36 additional members of our staff, since the proposed reduction is applied to the limitation for salaries and is a flat additional 10 percent of that limitation (less $9,640 for other staff expense). The over-all staff to conduct the training program has already been reduced by 15 percent in the budget estimate. The Maritime Commission is asking that this budget cut be restored. It will be impossible for us to operate the Academy efficiently with this further proposed staff reduction.

It is hoped that future appropriations for the Academy can be stabilized now that the number of cadet-midshipmen to be trained has been reduced to conform to peacetime conditions. It is most difficult to plan ahead for an educational institution with a 4-year course of training unless appropriations can be depended upon with some degree of certainty. The Bureau of the Budget has indicated its agreement with this policy.

(B) Retirement and Tenure for Staff Personnel

The Sixth Congressional Board of Visitors in May 1949 recommended that the attention of the Maritime Commission be drawn to the need for adequate tenure and retirement for officers and personnel of the Merchant Marine Academy, consistent with the practice of the United States Government to provide those benefits for all personnel in Government service. The Maritime Commission has taken cognizance of this recommendation and is engaged at the present time in discussions with the Bureau of the Budget on the subject. The Bureau of the Budget is on record as approving the principles of retirement and is now making a study of the best method of bringing it about.

(C) Clarifying Legislation for the United States Merchant Marine Academy and the United States Merchant Marine Cadet Corps

The attention of the Board is respectfully invited to H. R. 1251, Eighty-first Congress, first session, now pending before Congress, which is a bill to revise, codify and enact into law, title 46 of the United States Code, entitled "Shipping." Section 545 of Chapter 25 of this bill (maritime training) clarifies the status of the United States Merchant Marine Cadet Corps and the United States Merchant Marine Academy at Kings Point and reads as follows:

"Legislative authority for the education of officers for the American merchant marine stems from powers granted to the United States Maritime Commission under the Merchant Marine Act of 1936, as amended, which specifically authorizes the training of American citizens in the status of cadets and cadet officers to become officers of American vessels. Supplementing this general power are a few public laws on specific matters such as the degree-granting power, the appointment annually of a congressional board of visitors, the creation of an academic advisory board, the appointment of cadet-midshipmen from the Latin-American Republics and from the Philippines, H. R. 1251, Eighty-first Congress, first session—is a bill to revise, codify, and enact into law title 46 of the United States Code, entitled "Shipping." Section 545 of chapter 25 of this bill (maritime training) clarifies the status of the United States Merchant Marine Cadet Corps and the United States Merchant Marine Academy at Kings Point, and reads as follows:

"'The Maritime Commission may train American citizens to become licensed officers of the merchant marine of the United States in a status of cadets and cadet officers at shore-based units, including the United States Merchant Marine Academy at Kings Point, N. Y., on training vessels of the United States Merchant Marine Cadet Corps, on Government-owned or subsidized vessels, in cooperation with other governmental and private agencies, or other vessels, and for instructional purposes only, in shipyards, plants, and industrial and educational organizations.

"'Such training shall be upon terms arranged by the Commission. Expenditures incident to such training are authorized.'

"The attention of the Board is respectfully invited to this pending legislation."

(D) Chapel and Library

As previously reported herein a campaign has been inaugurated to raise funds for the construction of a memorial chapel at Kings Point in accordance with provisions of Public Law 485, Eightieth Congress, approved April 17, 1948, which authorizes the United States Maritime Commission "To construct a suitable chapel for religious worship by any denomination, sect or religion and a library, at the United States Merchant Marine Academy at Kings Point, N. Y., and to accept private contributions to assist in defraying the cost of construction of the chapel and library provided for" therein.

This campaign is scheduled for conclusion on October 1, 1950, after which we will request the Bureau of the Budget to present to the Congress an estimate for such appropriation as may be necessary to complete the two buildings.

GORDON MCLINTOCK,
*Rear Admiral, United States Maritime Service, Superintendent.*

## REDUCTION IN EXCISE TAXES

The SPEAKER. The unfinished business is the question on the passage of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Mr. HOFFMAN of Michigan. Mr. Speaker, the Members of the House realize how futile it is to attempt to obtain an over-all reduction of our taxes.

Long after the fighting of World War II has ceased, while we are in the most prosperous years of our existence, this wasteful administration, hoping to attract votes, is each year spending more than it receives—going ever deeper and deeper into debt.

The efforts of the Republicans and those on the other side who believe that the only way to prevent inflation, bankruptcy, and a grievous depression is to reduce needless spending, rather than to increase taxation, find themselves faced with a situation which makes it impossible for the Congress, if needful Government activities are to continue, to put through a tax bill which would reduce the total take obtained by taxation.

President Truman, who was never conspicuous, so far as we know, as an individual who achieved financial success or who engaged in any activities other than governmental which returned him a livelihood through his own efforts, has issued a decree that any tax bill which does not net his administration spending money approximately equal in amount to that which he is now wasting will be vetoed.

Unfortunately for the citizen, for the good of the Republic, he forces us into a situation where, if the Government is to continue to operate at all, in order to get a reduction in excise taxes we must vote for additional taxes on corporations. His argument is easily understandable.

It is that there are more people who pay excise taxes than there are who realize that they contribute to the payment of taxes levied upon corporations, hence, it is politically expedient to reduce excise taxes but increase corporate taxes, for, says the President—at least, by his action—the poor dumb citizen will think he is getting a reduction in the tax he pays on many an article he purchases over the counter but will not realize that the taxes on corporations are, by the corporations, passed on to him. Excise taxes—war taxes—should be repealed—not just reduced—expenditures should be reduced instead of taxes increased.

My vote shall be cast for the motion to recommit the bill and, if that fails, I will then be forced by the President's action to vote against the bill itself.

It is my hope—yes, and it is my prayer—that before it is too late we will get for President an American who has sound economic ideas, who believes in America first, and that his first duty is to the taxpayer and the citizen of this country, rather than to a political machine.

Mr. EVINS. Mr. Speaker, the providing of relief from wartime excise taxes is long overdue and I am supporting the measure which the committee, after lengthy study and work, has brought before the House at this time. This measure will bring about a substantial reduction of the excise taxes which were imposed during the war and which were necessary as a wartime measure. The public has been long-suffering and patient in the payment of such wartime taxes for more than 5 years after the cessation of hostilities.

As you know, these wartime taxes would have expired automatically during 1947. However, they were continued by action of the Eightieth Congress as permanent legislation and it is, therefore, necessary to pass this measure here today in order to repeal this permanent wartime tax legislation and to effect an excise tax reduction.

It is hoped and believed that this measure will be approved by President Truman. He has indicated that no excise tax reduction bill would be favorably considered by him—in fact, the same would be vetoed—unless there were coupled with the reduction feature of the bill provision for needed revenue—which would thus be lost—from other sources. And this bill does just that. It provides for excise tax relief and, at the same time, provides for necessary revenue by levying an additional tax on corporate enterprises with earnings in excess of approximately $167,000. This bill will provide for both consumers and small business much needed relief and encouragement.

This bill affords both relief for consumers and for additional taxes for the Government from those best able to pay. I am supporting this measure and, by reason of the fact that it is long overdue, I urge that it be passed.

Mr. ROOSEVELT. Mr. Speaker, the tax bill which is before us is an admirable measure and I rise to urge its adoption. It seems to me that the Democratic majority on the Ways and Means Committee has done an outstanding job of balancing the needs of those taxpayers who most need tax relief, and the needs of

the Federal Government in meeting the great costs of making America strong and secure. In some respects, the bill does not go as far in readjusting the tax burden as I might like but by and large it is an excellent measure.

What it does, in brief, is—

First. To reduce substantially inequitable excise taxes on a number of consumer goods.

Second. To plug a number of tax loopholes so that part of the revenue lost by the excise tax reduction will be made up.

Third. To increase the tax rate for a small group of high-income corporations, while reducing the tax load on many small businesses.

I have urged the reduction or elimination of wartime excise taxes on the floor of the House and to the Ways and Means Committee in the past. Because of the large number of small, consumer goods business firms in my district in New York, I have had a great deal of information about these taxes, particularly as they affect furs, jewelry, luggage, cosmetics, photographic equipment, and electrical appliances. In addition, when the movie industry asked for a cut in the tax on admissions, I obtained a pledge from the theater industry's leaders so that all of the benefit of tax reduction would be passed along to movie-goers in the form of lower prices. The committee estimates that the excise tax reductions or eliminations in this bill will total $1,010,000,000. Perhaps $100,000,000 will come back to the Federal Government from these industries, since their volume of business will almost surely go up as a result of this cut.

Part of this net loss of $910,000,000 will be made up by plugging loopholes in our present tax laws. For example, salaries and wages paid to most Americans are now subject to taxes which are withheld. But taxes on corporate and patronage dividends are not now collected by the withholding technique. This bill plugs that loophole, and it is estimated that the Government will gain $170,000,000 that way. Another $100,000,000 will be made up by taxing the business ventures of various trusts and foundations, and $70,000,000 more will come in from stop-gap taxes on insurance companies.

Almost half of the revenue loss from the excise-tax cut will be made up by plugging these loopholes. The final major change in the tax structure is the readjustment of the corporate-tax structure.

Under this bill, some 20,000 corporations whose net income after taxes is $167,000 will pay a slightly higher tax rate. At the same time, some 170,000 smaller corporations whose net income is under $167,000 will pay at a lower rate than they did this year. For those opponents of this bill whose greatest concern is with the welfare of big business, I should like to present several excerpts from the recent study of the joint committee of the House and the Senate on the economic report—Joint Economic Report; Report No. 1843, Eighty-first Congress, second session.

First, on the question of what has happened to corporate and personal income taxes in the last few years—pages 76–77:

In the last 10 years marked changes have taken place in the distribution of the burden of taxation on individuals. In 1939 individual income taxes took up 15 percent of the total tax burden. In 1949, the figure is estimated at 37 percent, representing an increase of more than twofold while that collected by taxes on corporations increased less than one-half. The reduction in the percentage obtained from customs duties and from estate and gift taxes is likewise striking. Between 1945 and 1949 the percentage collected by excise taxes increased 6 points from 12 percent to a figure of 18 percent, while the tax burden borne directly by corporations went down 5 points from 32 percent to a figure of 27 percent. * * *

The second notable change in the individual income-tax structure has been the large increase in the percentage of the total that is paid by those with incomes less than $10,000. * * * In 1947, the last year for which the Bureau of Internal Revenue has published detailed data, those earning less than $10,000 paid 62 percent of all income taxes. The smaller group in 1939, paid 18 percent of the total. Contrariwise, those in 1939 whose taxable net income was $25,000 or over, paid roughly 65 percent of the total, in 1947 about 23 percent.

Second, the joint economic report is very illuminating on the relative ability of big and small businesses to pay increased corporate taxes—pages 54–55:

There is evidence that small business has not fully shared in profit bonanza since 1947. * * * All manufacturing corporations are classified into five groups according to the size of their total assets. * * * Thus at the end of the second quarter of 1949 the five classes had sorted themselves out so that the level of their profits was a direct reflection of their relative size. The biggest corporation had the largest rate of profit, the smallest corporations had the smallest rate of profit. The three middle groups fell in between in the order of size. In the second half of 1949, the profit rates of the two groups with the highest volume of assets * * * rose while the profit rates of the three smallest groups fell.

In the postwar boom, when most goods were scarce, there was an unlimited market for everyone's goods. For the time being, the small businesses of this country did well. Their profit rates rose to levels as high or higher than those of the business giants. When this exceptional period of scarcity came to an end, big business was scarcely affected. The earnings rates of little concerns started downhill.

It is these economic facts that prove the wisdom of lightening the burden of taxation on small business, while increasing it on big business. Many thousands of small businesses will also benefit from the reduction of excise taxes. Whether it is considered from the standpoint of the stability of the economy, or the justice or relative tax loads, this bill deserves to be passed immediately.

Mr. DONOHUE. Mr. Speaker, it is well known that I have long been urging congressional action to substantially reduce, and in some instances to repeal entirely, the war-emergency excise taxes. I note with real satisfaction the proposal before us now incorporates a great many of the provisions included in the bill—H. R. 8765—which I personally introduced. I am, therefore, very glad to speak in support of this measure and urge my colleagues to join with me in voting in favor of it.

We have today the opportunity to answer the American taxpayers' demands for relief from excessive taxes assessed against certain goods as wartime emergency measures to aid the war effort. These excise taxes have proved to be an unbearable handicap on the bowed shoulders of our already heavily overburdened taxpayers. They constitute a definite drag on legitimate business expansion and full employment.

Although they were supposed to be levied on luxuries only, I submit such a concept is obviously a hoax. Excise taxes are an unjust burden on every housewife, every family man, every career girl, every wage earner, every businessman, and almost every manufacturer.

Who will say that transportation is a luxury, that telephone and telegraph messages are luxuries, that baby toilet articles are luxuries, that women's cosmetics are a luxury, along with many other numerous items and services which carry the penalty of taxes for ordinary usages?

The war-emergency taxes have been patiently borne by our people for a period of 9 years, 5 of which are after the end of hostilities with both Germany and Japan. In the Revenue Act of 1945 reductions were made in corporation income taxes, the corporate excess-profits tax was repealed, and individual income taxes were somewhat reduced. Further reductions were made in the individual income taxes in the Revenue Act of 1948. However, the war-emergency excise taxes are still in effect at their wartime levels. Today you and I have the chance to correct this injustice being visited mainly on the ordinary man and woman in this country. I earnestly hope you will all take advantage of it.

I make this plea to you with full realization that we are faced with, and will perhaps face for a long time to come, an extraordinarily large and oppressive budget. This is due principally because of the cold war, lately becoming hotter, in which we are forced to engage. The United States is a competitor with a great foreign power that is bending all its resources to overtake us in technology and production and military effectiveness.

It is, therefore, vitally necessary for us to realistically confront the fact of gigantic expenditures for national security in self-defense. It is only at the peril of slavery that we can afford to fall behind in the race for world leadership with our competitor. Although the outlook is a grim one, I earnestly believe we can maintain our obligations, at home and abroad, and still, by this excise-tax-repeal action, extend a measure of tax relief to the American citizens. For the sake of a high American morale, in these threatening times, we must demonstrate to our own American people that we are not forgetting them.

I further believe we can accomplish this long-sought objective without endangering the national security or increasing the existing budget deficit. The

bill we are presently considering contains provisions for plugging up definite tax loopholes which will make up, in good amount, for the loss of revenue resulting from excise-tax reductions. Of course, as a natural corollary to reduction of excise taxes there should be, and there must be, a real reduction in Federal expenditures. The elimination of waste and extravagance in Government spending along with curtailment of nonessential Federal functions can and must be developed into reality in order to maintain the integrity of this country. As a member of the House Committee on Expenditures in the Executive Departments, which considered the Hoover Commission recommendations, I have supported, and will continue to support, every Hoover proposal to sensibly save the American taxpayers' money and to see to it that he gets a dollar value service for the dollar he contributes. We have already enacted into law several of the Hoover suggestions, and I hope we will adopt a good many more of them before this Congress adjourns.

Of course, these deliberations this afternoon serve, as I stated many times before, to emphasize the absolute need of completely overhauling the tax system structure, and I earnestly hope effective action toward this objective will soon be initiated.

If we follow these tenets of a sound fiscal policy, we can forestall the Soviet strategy of sabotaging the American economy and, at the same time, demonstrate to the American taxpayers that the United States Congress exists primarily to promote the welfare of Americans first.

Mr. REED of New York. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. REED of New York. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. REED of New York moves to recommit the bill H. R. 8920 to the Committee on Ways and Means with instructions to report it back forthwith as two separate bills, the first bill containing those provisions relating to excise taxes and the second bill containing the remaining provisions of H. R. 8920.

Mr. COOPER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. REED of New York. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 147, nays 239, answered "present" 1, not voting 43, as follows:

[Roll No. 188]

YEAS—147

| | | |
|---|---|---|
| Allen, Calif. | Bishop | Clevenger |
| Allen, Ill. | Blackney | Cole, Kans. |
| Anderson, Calif. | Boggs, Del. | Cole, N. Y. |
| Andresen, August H. | Bolton, Ohio | Corbett |
| Angell | Bramblett | Cotton |
| Arends | Brehm | Coudert |
| Auchincloss | Brown, Ohio | Crawford |
| Barrett, Wyo. | Byrnes, Wis. | Cunningham |
| Bates, Mass. | Canfield | Curtis |
| Beall | Case, N. J. | Dague |
| Bennett, Mich. | Case, S. Dak. | Davis, Wis. |
| Bishop | Chiperfield | D'Ewart |
| Blackney | Clevenger | Dolliver |
| Boggs, Del. | Cole, Kans. | Dondero |
| Bolton, Ohio | Cole, N. Y. | Eaton |
| Bramblett | Corbett | Ellsworth |
| Brehm | Cotton | Elston |
| Brown, Ohio | Coudert | Fenton |
| Byrnes, Wis. | Crawford | Ford |
| Canfield | Cunningham | Fulton |
| Case, N. J. | Curtis | Gamble |
| Case, S. Dak. | Dague | Gavin |
| Chiperfield | Davis, Wis. | Golden |
| Clevenger | D'Ewart | Goodwin |
| Cole, Kans. | Dolliver | Graham |
| Cole, N. Y. | Dondero | Gwinn |
| Corbett | Eaton | Hale |
| Cotton | Ellsworth | Hall, Leonard W. |
| Coudert | Elston | Halleck |
| Crawford | Fenton | Hand |
| Cunningham | Ford | Harden |
| Curtis | Fulton | Harvey |
| Dague | Gamble | Herter |
| Davis, Wis. | Gavin | Heselton |
| D'Ewart | Golden | Hill |
| Dolliver | Goodwin | Hoeven |
| Dondero | Graham | Hoffman, Mich. |
| Eaton | Gwinn | Holmes |
| Ellsworth | Hale | Hope |
| Elston | Hall, Leonard W. | Horan |
| Fenton | Halleck | James |
| Ford | Hand | Jenison |
| Fulton | Harden | Jenkins |
| Gamble | Harvey | Jennings |
| Gavin | Herter | Jensen |
| Golden | Heselton | Judd |
| Goodwin | Hill | Kean |
| Graham | Hoeven | Kearney |
| Gwinn | Hoffman, Mich. | Kearns |
| Hale | Holmes | Keating |
| Hall, Leonard W. | Hope | Kennedy |
| Halleck | Horan | Kilburn |
| Hand | James | Kunkel |
| Harden | Jenison | Latham |
| Harvey | Jenkins | LeCompte |
| Herter | Jennings | LeFevre |
| Heselton | Jensen | Lichtenwalter |
| Hill | Judd | Lodge |
| Hoeven | Kean | Lovre |
| Hoffman, Mich. | Kearney | McConnell |
| Holmes | Kearns | McCulloch |
| Hope | Keating | McDonough |
| Horan | Kennedy | McMillen, Ill. |
| James | Kilburn | Mack, Wash. |
| Jenison | Kunkel | Macy |
| Jenkins | Latham | Marshall |
| Jennings | LeCompte | Martin, Iowa |
| Jensen | LeFevre | Martin, Mass. |
| Judd | Lichtenwalter | Mason |
| Kean | Lodge | Merrow |
| Kearney | Lovre | Meyer |
| Kearns | McConnell | Michener |
| Keating | McCulloch | Miller, Md. |
| Kennedy | McDonough | Miller, Nebr. |
| Kilburn | McMillen, Ill. | Murray, Wis. |
| Kunkel | Mack, Wash. | Nelson |
| Latham | Macy | Nicholson |
| LeCompte | Marshall | Nixon |
| LeFevre | Martin, Iowa | Norblad |
| Lichtenwalter | Martin, Mass. | O'Hara, Minn. |
| Lodge | Mason | O'Konski |
| Lovre | Merrow | Patterson |
| McConnell | Meyer | Pfeiffer, William L. |
| McCulloch | Michener | Phillips, Calif. |
| McDonough | Miller, Md. | Potter |
| McMillen, Ill. | Miller, Nebr. | Poulson |
| Mack, Wash. | Murray, Wis. | Reed, Ill. |
| Macy | Nelson | Reed, N. Y. |
| Marshall | Nicholson | Rees |
| Martin, Iowa | Nixon | Rich |
| Martin, Mass. | Norblad | Riehlman |
| Mason | O'Hara, Minn. | Rogers, Mass. |
| Merrow | O'Konski | Sadlak |
| Meyer | Patterson | St. George |
| Michener | Pfeiffer, William L. | Saylor |
| Miller, Md. | Phillips, Calif. | Scott, Hugh D., Jr. |
| Miller, Nebr. | Potter | Scrivner |
| Murray, Wis. | Poulson | Scudder |
| Nelson | Reed, Ill. | Shafer |
| Nicholson | Reed, N. Y. | Sheppard |
| Nixon | Rees | Short |
| Norblad | Rich | Simpson, Ill. |
| O'Hara, Minn. | Riehlman | Simpson, Pa. |
| O'Konski | Rogers, Mass. | Smith, Kans. |
| Patterson | Sadlak | Smith, Wis. |
| Pfeiffer, William L. | St. George | Stefan |
| Phillips, Calif. | Saylor | Stockman |
| Potter | Scott, Hugh D., Jr. | Taber |
| Poulson | Scrivner | Talle |
| Reed, Ill. | Scudder | Taylor |
| Reed, N. Y. | Shafer | Tollefson |
| Rees | Sheppard | Towe |
| Rich | Short | Van Zandt |
| Riehlman | Simpson, Ill. | Velde |
| Rogers, Mass. | Simpson, Pa. | Vorys |
| Sadlak | Smith, Kans. | Vursell |
| St. George | Smith, Wis. | Wadsworth |
| Saylor | Stefan | Weichel |
| Scott, Hugh D., Jr. | Stockman | Widnall |
| Scrivner | Taber | Wigglesworth |
| Scudder | Talle | Wilson, Ind. |
| Shafer | Taylor | Wolcott |
| Sheppard | Tollefson | Wolverton |
| Short | Towe | Woodruff |
| Simpson, Ill. | Van Zandt | |
| Simpson, Pa. | Velde | |
| Smith, Kans. | Vorys | |
| Smith, Wis. | Vursell | |
| Stefan | Wadsworth | |
| Stockman | Weichel | |
| Taber | Widnall | |
| Talle | Wigglesworth | |
| Taylor | Wilson, Ind. | |
| Tollefson | Wolcott | |
| Towe | Wolverton | |
| Van Zandt | Woodruff | |
| Velde | | |
| Vorys | | |
| Vursell | | |
| Wadsworth | | |
| Weichel | | |
| Widnall | | |
| Wigglesworth | | |
| Wilson, Ind. | | |
| Wolcott | | |
| Wolverton | | |
| Woodruff | | |

NAYS—239

| | | |
|---|---|---|
| Abbitt | Doughton | Kruse |
| Abernethy | Douglas | Lane |
| Addonizio | Doyle | Lanham |
| Albert | Durham | Larcade |
| Allen, La. | Eberharter | Lind |
| Andrews | Elliott | Linehan |
| Aspinall | Engle, Calif. | Lucas |
| Bailey | Fallon | Lyle |
| Baring | Feighan | Lynch |
| Barrett, Pa. | Fernandez | McCarthy |
| Battle | Fisher | McCormack |
| Beckworth | Flood | McGrath |
| Bennett, Fla. | Forand | McGuire |
| Bentsen | Frazier | McKinnon |
| Biemiller | Fugate | McMillan, S. C. |
| Blatnik | Furcolo | McSweeney |
| Boggs, La. | Garmatz | Mack, Ill. |
| Boiling | Gary | Madden |
| Bolton, Md. | Gathings | Magee |
| Bonner | Gordon | Mahon |
| Bosone | Gore | Mansfield |
| Boykin | Gorski | Marcantonio |
| Brooks | Granahan | Marsalis |
| Brown, Ga. | Granger | Miles |
| Bryson | Grant | Mills |
| Buchanan | Green | Monroney |
| Buckley, Ill. | Gregory | Morgan |
| Buckley, N. Y. | Gross | Morrison |
| Burke | Guill | Morton |
| Burleson | Hagen | Moulder |
| Burnside | Hardy | Multer |
| Burton | Hare | Murdock |
| Byrne, N. Y. | Harris | Murphy |
| Camp | Harrison | Murray, Tenn. |
| Cannon | Hart | Noland |
| Carlyle | Havenner | Norrell |
| Carnahan | Hays, Ark. | Norton |
| Carroll | Hays, Ohio | O'Brien, Ill. |
| Cavalcante | Hébert | O'Brien, Mich. |
| Celler | Hedrick | O'Hara, Ill. |
| Chatham | Heffernan | O'Neill |
| Chelf | Heller | O'Sullivan |
| Chesney | Herlong | O'Toole |
| Christopher | Hoffman, Ill. | Pace |
| Chudoff | Holifield | Passman |
| Clemente | Howell | Patman |
| Colmer | Huber | Patten |
| Combs | Hull | Perkins |
| Cooley | Jackson, Wash. | Peterson |
| Cooper | Jacobs | Pfeifer, Joseph L. |
| Cox | Javits | Philbin |
| Crook | Jonas | Pickett |
| Crosser | Jones, Ala. | Poage |
| Davenport | Jones, Mo. | Polk |
| Davies, N. Y. | Jones, N. C. | Powell |
| Davis, Ga. | Karst | Preston |
| Davis, Tenn. | Karsten | Price |
| Dawson | Kee | Priest |
| Deane | Kelly, N. Y. | Rabaut |
| DeGraffenried | Keogh | Rains |
| Delaney | Kilday | Ramsay |
| Denton | King | Rankin |
| Dollinger | Kirwan | Redden |
| Donohue | Klein | Regan |
| Doughton | Kruse | Rhodes |
| Douglas | Lane | Ribicoff |
| Doyle | Lanham | Richards |
| Durham | Larcade | Robeson |
| Eberharter | Lind | Rodino |
| Elliott | Linehan | Rogers, Fla. |
| Engle, Calif. | Lucas | Rooney |
| Fallon | Lyle | Roosevelt |
| Feighan | Lynch | Sabath |
| Fernandez | McCarthy | Sadowski |
| Fisher | McCormack | Secrest |
| Flood | McGrath | Smathers |
| Forand | McGuire | Smith, Va. |
| Frazier | McKinnon | Spence |
| Fugate | McMillan, S. C. | Staggers |
| Furcolo | McSweeney | Stanley |
| Garmatz | Mack, Ill. | Steed |
| Gary | Madden | Sullivan |
| Gathings | Magee | Sutton |
| Gordon | Mahon | Tackett |
| Gore | Mansfield | Tauriello |
| Gorski | Marcantonio | Teague |
| Granahan | Marsalis | Thomas |
| Granger | Miles | Thompson |
| Grant | Mills | Trimble |
| Green | Monroney | Underwood |
| Gregory | Morgan | Vinson |
| Gross | Morrison | Wagner |
| Guill | Morton | Walsh |
| Hagen | Moulder | Walter |
| Hardy | Multer | Welch |
| Hare | Murdock | Whitaker |
| Harris | Murphy | White, Calif. |
| Harrison | Murray, Tenn. | White, Idaho |
| Hart | Noland | Whitten |
| Havenner | Norrell | Whittington |
| Hays, Ark. | Norton | Wickersham |
| Hays, Ohio | O'Brien, Ill. | Wier |
| Hébert | O'Brien, Mich. | Williams |
| Hedrick | O'Hara, Ill. | Willis |
| Heffernan | O'Neill | Wilson, Tex. |
| Heller | O'Sullivan | Winstead |
| Herlong | O'Toole | Withrow |
| Hoffman, Ill. | Pace | Woodhouse |
| Holifield | Passman | Yates |
| Howell | Patman | Young |
| Huber | Patten | Zablocki |
| Hull | Perkins | |
| Jackson, Wash. | Peterson | |
| Jacobs | Pfeifer, Joseph L. | |
| Javits | Philbin | |
| Jonas | Pickett | |
| Jones, Ala. | Poage | |
| Jones, Mo. | Polk | |
| Jones, N. C. | Powell | |
| Karst | Preston | |
| Karsten | Price | |
| Kee | Priest | |
| Kelly, N. Y. | Rabaut | |
| Keogh | Rains | |
| Kilday | Ramsay | |
| King | Rankin | |
| Kirwan | Redden | |
| Klein | Regan | |

ANSWERED "PRESENT"—1

Miller, Calif.

NOT VOTING—43

| | | |
|---|---|---|
| Andersen, H. Carl | Hall, Edwin Arthur | Quinn |
| Barden | Hinshaw | Rivers |
| Bates, Ky. | Hobbs | Sanborn |
| Breen | Irving | Sasscer |
| Bulwinkle | Jackson, Calif. | Scott, Hardie |
| Burdick | Johnson | Shelley |
| Dingell | Keefe | Sikes |
| Engel, Mich. | Kelley, Pa. | Sims |
| Evins | Kerr | Smith, Ohio |
| Fellows | McGregor | Stigler |
| Fogarty | Mitchell | Thornberry |
| Gillette | Morris | Werdel |
| Gilmer | Phillips, Tenn. | Wheeler |
| Gossett | Plumley | Wilson, Okla. |
| Hall, Edwin Arthur | Quinn | Wood |
| Hinshaw | Rivers | |
| Hobbs | Sanborn | |
| Irving | Sasscer | |
| Jackson, Calif. | Scott, Hardie | |
| Johnson | Shelley | |
| Keefe | Sikes | |
| Kelley, Pa. | Sims | |
| Kerr | Smith, Ohio | |
| McGregor | Stigler | |
| Mitchell | Thornberry | |
| Morris | Werdel | |
| Phillips, Tenn. | Wheeler | |
| Plumley | Wilson, Okla. | |

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. McGregor for, with Mr. Bates of Kentucky against.

Mr. Smith of Ohio for, with Mr. Wilson of Oklahoma against.

Mr. Engel of Michigan for, with Mr. Sasscer against.

Mr. Fellows for, with Mr. Barden against.

Mr. Hinshaw for, with Mr. Kerr against.

Mr. Hardie Scott for, with Mr. H. Carl Andersen against.

Mr. Gillette for, with Mr. Dingell against.

Mr. Jackson of California for, with Mr. Miller of California against.

Mr. Edwin Arthur Hall for, with Mr. Gilmer against.

Mr. Sanborn for, with Mr. Sims against.

Mr. Johnson for, with Mr. Sikes against.

Mr. Plumley for, with Mr. Kelley of Pennsylvania against.

Until further notice:

Mr. Hobbs with Mr. Keefe.

Mr. Mitchell with Mr. Burdick.

Mr. Rivers with Mr. Werdel.

Mr. Breen with Mr. Phillips of Tennessee.

Mr. WITHROW changed his vote from "yea" to "nay."

Mr. MILLER of California. Mr. Speaker, I have a live pair with the gentleman from California, Mr. JACKSON. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. DOUGHTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 375, nays 14, not voting 41, as follows:

[Roll No. 189]

YEAS—375

| | | |
|---|---|---|
| Abbitt | Allen, Ill. | Andrews |
| Abernethy | Allen, La. | Angell |
| Addonizio | Anderson, Calif. | Arends |
| Albert | Andresen, August H. | Aspinall |
| Allen, Calif. | | Auchincloss |

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|---|---|---|
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| Barrett, Pa. | Fugate | McMillan, S. C. |
| Barrett, Wyo. | Fulton | McMillen, Ill. |
| Bates, Mass. | Furcolo | McSweeney |
| Battle | Gamble | Mack, Ill. |
| Beall | Garmatz | Mack, Wash. |
| Beckworth | Gary | Madden |
| Bennett, Fla. | Gathings | Magee |
| Bennett, Mich. | Gavin | Mahon |
| Bentsen | Golden | Mansfield |
| Biemiller | Goodwin | Marcantonio |
| Bishop | Gordon | Marsalis |
| Blackney | Gore | Martin, Iowa |
| Blatnik | Gorski | Martin, Mass. |
| Boggs, Del. | Graham | Merrow |
| Boggs, La. | Granahan | Meyer |
| Bolling | Granger | Michener |
| Bolton, Md. | Grant | Miles |
| Bolton, Ohio | Green | Miller, Calif. |
| Bonner | Gregory | Miller, Md. |
| Bosone | Gross | Miller, Nebr. |
| Boykin | Guill | Mills |
| Bramblett | Hagen | Monroney |
| Brehm | Hale | Morgan |
| Brooks | Hall, | Morrison |
| Brown, Ga. | Leonard W. | Moulder |
| Brown, Ohio | Halleck | Multer |
| Bryson | Hand | Murdock |
| Buchanan | Harden | Murphy |
| Buckley, Ill. | Hardy | Murray, Tenn. |
| Buckley, N. Y. | Hare | Murray, Wis. |
| Burke | Harris | Nelson |
| Burleson | Harrison | Nicholson |
| Burnside | Hart | Nixon |
| Burton | Harvey | Noland |
| Byrne, N. Y. | Havenner | Norblad |
| Byrnes, Wis. | Hays, Ark. | Norrell |
| Camp | Hays, Ohio | Norton |
| Canfield | Hébert | O'Brien, Ill. |
| Cannon | Hedrick | O'Brien, Mich. |
| Carlyle | Heffernan | O'Hara, Ill. |
| Carnahan | Heller | O'Konski |
| Carroll | Herlong | O'Neill |
| Case, N. J. | Herter | O'Sullivan |
| Case, S. Dak. | Heselton | O'Toole |
| Cavalcante | Hill | Pace |
| Celler | Hoeven | Passman |
| Chatham | Hoffman, Ill. | Patman |
| Chelf | Holifield | Patten |
| Chesney | Holmes | Patterson |
| Chiperfield | Hope | Perkins |
| Christopher | Horan | Pfeifer, |
| Chudoff | Howell | Joseph L. |
| Clemente | Huber | Pfeiffer, |
| Clevenger | Hull | William L. |
| Cole, Kans. | Jackson, Wash. | Philbin |
| Cole, N. Y. | Jacobs | Phillips, Calif. |
| Colmer | James | Pickett |
| Combs | Javits | Posge |
| Cooley | Jenison | Polk |
| Cooper | Jenkins | Potter |
| Corbett | Jennings | Poulson |
| Cotton | Jensen | Powell |
| Coudert | Johnson | Preston |
| Cox | Jonas | Price |
| Crawford | Jones, Ala. | Priest |
| Crook | Jones, Mo. | Rabaut |
| Crosser | Jones, N. C. | Rains |
| Cunningham | Judd | Ramsay |
| Curtis | Karst | Rankin |
| Dague | Karsten | Redden |
| Davenport | Kearney | Reed, Ill. |
| Davies, N. Y. | Kearns | Rees |
| Davis, Ga | Keating | Regan |
| Davis, Tenn. | Kee | Rhodes |
| Davis, Wis. | Kelly, N. Y. | Ribicoff |
| Dawson | Kennedy | Richards |
| Deane | Keogh | Riehlman |
| DeGraffenried | Kilburn | Robeson |
| Delaney | Kilday | Rodino |
| Denton | King | Rogers, Fla. |
| D'Ewart | Kirwan | Rogers, Mass. |
| Dollinger | Klein | Rooney |
| Dolliver | Kruse | Roosevelt |
| Dondero | Kunkel | Sabath |
| Donohue | Lane | Sadlak |
| Doughton | Lanham | Sadowski |
| Douglas | Larcade | St. George |
| Doyle | Latham | Saylor |
| Durham | LeCompte | Scott, |
| Eaton | LeFevre | Hugh D., Jr. |
| Eberharter | Lichtenwalter | Scrivner |
| Elliott | Lind | Scudder |
| Ellsworth | Linehan | Secrest |
| Elston | Lodge | Shelley |
| Engle, Calif. | Lovre | Sheppard |
| Evins | Lucas | Short |
| Fallon | Lyle | Simpson, Ill. |
| Feighan | Lynch | Smathers |
| Fellows | McCarthy | Smith, Kans. |
| Fenton | McConnell | Smith, Va. |
| Fernandez | McCormack | Smith, Wis. |
| Fisher | McCulloch | Spence |
| Flood | McDonough | Staggers |
| Forand | McGrath | Stanley |
| Stefan | Velde | Wier |
| Stockman | Vinson | Wigglesworth |
| Sullivan | Vorys | Williams |
| Sutton | Vursell | Willis |
| Tackett | Wagner | Wilson, Ind. |
| Talle | Walsh | Wilson, Tex. |
| Tauriello | Walter | Winstead |
| Taylor | Weichel | Withrow |
| Teague | Welch | Wolcott |
| Thomas | Whitaker | Wolverton |
| Thompson | White, Calif. | Woodhouse |
| Thornberry | White, Idaho | Woodruff |
| Tollefson | Whitten | Yates |
| Trimble | Whittington | Young |
| Underwood | Wickersham | Zablocki |
| Van Zandt | Widnall | |

NAYS—14

| | | |
|---|---|---|
| Gwinn | Morton | Simpson, Pa. |
| Hoffman, Mich. | O'Hara, Minn. | Taber |
| Kean | Reed, N. Y. | Towe |
| Marshall | Rich | Wadsworth |
| Mason | Shafer | |

NOT VOTING—41

| | | |
|---|---|---|
| Andersen, H. Carl | Hinshaw | Rivers |
| Barden | Hobbs | Sanborn |
| Bates, Ky. | Irving | Sasscer |
| Breen | Jackson, Calif. | Scott, Hardie |
| Bulwinkle | Keefe | Sikes |
| Burdick | Kelley, Pa. | Sims |
| Dingell | Kerr | Smith, Ohio |
| Engel, Mich. | McGregor | Steed |
| Fogarty | Macy | Stigler |
| Gillette | Mitchell | Werdel |
| Gilmer | Morris | Wheeler |
| Gossett | Peterson | Wilson, Okla. |
| Hall, Edwin Arthur | Phillips, Tenn. | Wood |
| | Plumley | |
| | Quinn | |

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Engel of Michigan for, with Mr. Smith of Ohio against.

Until further notice:

Mr. Bates of Kentucky with Mr. Hardie Scott.
Mr. Wilson of Oklahoma with Mr. Gillette.
Mr. Barden with Mr. Hinshaw.
Mr. Sasscer with Mr. Jackson of California.
Mr. Dingell with Mr. Edwin Arthur Hall.
Mr. Kerr with Mr. Burdick.
Mr. Fogarty with Mr. McGregor.
Mr. Sims with Mr. Plumley.
Mr. Mitchell with Mr. Sanborn.
Mr. Sikes with Mr. Phillips of Tennessee.
Mr. Hobbs with Mr. Keefe.
Mr. Rivers with Mr. Werdel.
Mr. Breen with Mr. H. Carl Andersen.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## RESCINDING THE PASSAGE OF HOUSE JOINT RESOLUTION 494

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 673, Rept. No. 2397), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That the action of the House in passing on June 27, 1950, the joint resolution entitled "Joint resolution to extend for 2 months the existing suspension of certain import taxes on copper" is hereby vacated and the Clerk of the House is hereby directed to request the Senate to return such joint resolution to the House.

## INVESTIGATION OF EXPLOSION AT SOUTH AMBOY, N. J.

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 643, Rept. No. 2398), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That the Committee on Merchant Marine and Fisheries, acting as a whole or by subcommittee, is authorized and directed (1) to conduct a full and complete investigation to determine the cause or causes of the disastrous explosion which occurred at South Amboy, N. J., on May 19, 1950, and to determine whether negligence was involved on the part of the United States Coast Guard, and (2) on the basis of such investigation, to make such recommendations as it deems advisable for promoting greater safety in the transportation and shipment of high explosives and for preventing similar disasters in the future.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation, together with it recommendations.

For the purpose of carrying out this resolution the committee or subcommittee is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

## SPECIAL ORDER GRANTED

Mr. FURCOLO asked and was given permission to address the House for 20 minutes today, following the legislative program and any special orders heretofore entered.

## RESCINDING PASSAGE OF HOUSE JOINT RESOLUTION 494 RELATING TO SUSPENSION OF CERTAIN IMPORT TAXES ON COPPER

Mr. BARING. Mr. Speaker, I offer a resolution (H. Res. 673) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That the action of the House in passing on June 27, 1950, the joint resolution entitled "Joint resolution to extend for 2 months the existing suspension of certain import taxes on copper" is hereby vacated and the Clerk of the House is hereby directed to request the Senate to return such joint resolution to the House.

The SPEAKER. Is there objection to the request of the gentleman from Nevada?

Mr. KEATING. I object, Mr. Speaker.

Mr. MANSFIELD. Mr. Speaker, I regret exceedingly the action just taken by the gentleman from New York [Mr. KEATING]. The gentleman from Nevada [Mr. BARING] had just offered his bill to vacate the consent request granted in the House 2 days ago to extend for 2 months the suspension of the excise tax of 2 cents a pound on imported copper.

This 60-day suspension was passed under very irregular circumstances because the bill was not referred to the Ways and Means Committee and the chairman, the gentleman from North Carolina [Mr. DOUGHTON], was not even consulted. Furthermore, the gentleman from North Carolina had announced that hearings would be held by his committee to consider an extension of this suspension on July 10.

Mr. Speaker, I am opposed to a permanent lifting of the excise tax on copper. I am opposed to the unprincipled method by means of which the 60-day suspension bill was passed. The procedure was certainly undemocratic and unnecesary and to the best of my knowledge this is the first time a bill has been passed through the House in this manner.

Mr. Speaker, I only ask that the proper procedure of this House be upheld in the consideration of legislation. I deplore the methods which have been used and I hope the House will reconsider its action so that hearings can be held, the true picture of the copper situation presented, and the will of the House expressed in an open and aboveboard manner.

The present situation may well make it necessary to allow a limited extension of the suspension. However, let us have all the facts presented and then use our own best judgment in arriving at a decision. Let us make absolutely sure that if an extension is granted that such an extension will not become permanent. This is a tremendously important question and the facts should be made known to the American people and their representatives.

Mr. Speaker, I want the House to know that my main reason for making these remarks at this time is because I object to the undemocratic, unprincipled, and unfair way in which this 60-day suspension was passed.

Mr. BENNETT of Michigan. Mr. Speaker, I want to join my colleagues who are interested in the future of copper mining in the United States in protesting the action that was taken by the House on Wednesday, June 28, 1950, on House Joint Resolution 494. It is significant that the action was taken on this resolution near the end of a long day when all of the announced business of the House had been disposed of.

There is hardly a single Member of this body, including the author of the resolution referred to, who is not aware of the fact that any further suspension of the import tax on copper is a highly controversial subject.

The fact that the resolution was not even referred to a House Committee and acted upon almost immediately after it was introduced, without notice, and with only a handful of Members in attendance, is indeed regrettable. If legislation of vital concern to large segments of this country is to be handled under procedure that even a police court lawyer would shy away from, it is time that the country knew about it.

Bills to provide for further suspension of the copper tariff have been pending before the Ways and Means Committee for months. Hearings on these bills have been set by the committee for July 10. Everyone concerned with this problem was to have an opportunity to be heard. But the sponsors of legislaiton to further suspend the copper import tax could not wait for the opposition to be heard. They thought they would beat the gun by using this cute strategy in the hope of gaining some momentary advantage.

I have introduced a resolution similar to that sponsored by the gentleman from Nevada [Mr. BARING] which was objected to a few minutes ago by the gentleman from New York [Mr. KEATING].

I hope the Ways and Means Committee will act immediately to correct the injustice which has been done by this precipitous and unusual action. I am convinced that when the House has had an opportunity to hear both sides of this question, it will act in the interest of protecting the American copper miner and the critical metal which he produces.

## EDUCATION AND TRAINING OF VETERANS

Mr. RANKIN. Mr. Speaker, I call up the conference report on the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944), and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

### CONFERENCE REPORT (H. REPT. NO. 2373)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, Seventy-eighth Congress, June 22, 1944), having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That paragraph 9 of part VIII of Veterans Regulation Numbered 1 (a), as amended, is amended by adding at the end thereof the following: '*Provided*, That, except as provided in this amendment, no regulation or other purported construction of title II of the Servicemen's Readjustment Act of 1944, as amended, shall be deemed consistent therewith which denies or is designed to deny to any eligible person, or limit any eligible person in, his right to select such course or courses as he may desire, during the full period of his entitlement or any remaining part thereof, in any approved educational or training institution or institutions, whether such courses are full time, part time, or correspondence courses: *Provided further*—

"'A. That the Administrator shall disapprove a course in any institution which has been in operation for a period of less than one year immediately prior to the date of enrollment in such course unless such enrollment was prior to August 24, 1949, but this shall not require or permit the disapproval of (a) any course in a public school or other tax-supported school, (b) any course in an institution which has been in operation for a period of more than one year which does not completely depart from the whole character of the instruction previously given by such institution, or (c) any course in an institution which has been in operation for a period of more than one year, by reason of a change in the location of such institution from one point to another within the same general locality: *Provided*, That upon the certification of any State approval agency, that a new or existing institution is essential to meet the requirements of veterans in such State, the Administrator in his discretion may approve such an institution notwithstanding the provisions of this paragraph;

"'B. That in accordance with the provisions of paragraph 3 (a) of this part, the Administrator may, for reasons satisfactory to him, disapprove a change of course of instruction, and may discontinue any course of education or training if he finds that according to the regularly prescribed standards of the institution the conduct or progress of such person is unsatisfactory;

"'C. That if any eligible veteran, who has completed or discontinued (for any reason other than unsatisfactory conduct or progress) a course of education or training, applies for an additional course in the same or any other field of education or training, the Administrator may deny initiation of such course only if he finds (1) that it is precluded by the first proviso, paragraph 1 of this part VIII, as amended, or (2) that it is not in the same general field as his original educational or occupational objective, and that such veteran has already made one change from one general field to another, or (3) that it is precluded by limitation of paragraph D below: *Provided*, That, in any case in which the veteran has already made one change from one general field to another, the Administrator may require advisement and guidance before approving another such change, but where the Administrator requires such advisement and guidance and the veteran is not notified of the decision of the Administrator within forty-five days following the date of application for such change, such change shall be deemed to have been approved;

"'D. That the Administrator shall refuse approval to any course elected or commenced by a veteran on or subsequent to July 1, 1948, which is avocational or recreational in character. The following courses shall be presumed to be avocational or recreational in character: Dancing courses; photography courses; glider courses; bartending courses; personality-development courses; entertainment courses; music courses—instrumental and vocal; public-speaking courses; and courses in sports and athletics such as horseback riding, swimming, fishing, skiing, golf, baseball, tennis, bowling, and sports officiating (except applied music, physical education, or public-speaking courses which are offered by institutions of higher learning for credit as an integral part of a course leading to an educational objective); but no such course shall be considered to be avocational or recreational in character if the veteran submits complete justification that such course will contribute to bona fide use in the veteran's present or contemplated business or occupation; and the Administrator may find any other course to be avocational or recreational in character, but no such other course shall be considered avocational or recreational in character when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood. Notwithstanding the foregoing provisions of this paragraph, education or training for the purpose of teaching a veteran to fly or related aviation courses in connection with his present or contemplated business or occupation shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreational when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons, has been furnished by a physically qualified veteran stating that

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such education or training will be useful to him in connection with earning a livelihood.'

"SEC. 2. Paragraph 11 of part VIII of Veterans Regulation Numbered 1 (a), as amended, is amended by adding at the end thereof a new subparagraph (d) as follows:

"'(d) As used in this part, the term "customary cost of tuition" or "customary charges" or "customary tuition charges" shall mean that charge which an educational or training institution requires a nonveteran enrollee similarly circumstanced to pay as and for tuition for a course, except that the institution (other than a nonprofit institution of higher learning) is not regarded as having a "customary cost of tuition" for the course or courses in question in the following circumstances:

"'(A) Where the majority of the enrollment of the educational and training institution in the course in question consists of veterans in training under Public Laws 16 and 346, Seventy-eighth Congress, as amended; and

"'(B) One of the following conditions prevails:

"'1. The institution has been established subsequent to June 22, 1944.

"'2. The institution, although established prior to June 22, 1944, has not been in continuous operation since that date.

"'3. The institution, although established prior to June 22, 1944, has subsequently increased its total tuition charges for the course to all students more than 25 per centum.

"'4. The course (or a course of substantially the same length and character) was not provided for nonveteran students by the institution prior to June 22, 1944.

"'For any course of education or training for which the educational or training institution involved has no customary cost of tuition, a fair and reasonable rate of payment for tuition, fees, or other charges for such course shall be determined by the Administrator. In any case in which one or more contracts providing a rate or rates of tuition have been entered into in two successive years, the rate established by the most recent contract shall be considered to be the customary cost of tuition notwithstanding the definition of "customary cost of tuition" as hereinbefore set forth. For the purpose of the preceding sentence "contract" shall include contracts under Public Law 16 (Seventy-eighth Congress, March 24, 1943), Public Law 346 (Seventy-eighth Congress, June 22, 1944), or any other agreement in writing on the basis of which tuition payments have been made from the Treasury of the United States. If the Administrator finds that any institution has no customary cost of tuition he shall forthwith fix and pay or cause to be paid a fair and reasonable rate of payment for tuition, fees, and other charges for the courses offered by such institution. Any educational or training institution which is dissatisfied with a determination of a rate of payment for tuition, fees, or other charges under the foregoing provisions of this paragraph, or with any other action of the Administrator under the amendments made by Veterans' Education and Training Amendments of 1950, shall be entitled, upon application therefor, to a review of such determination or action (including the determination with respect to whether there is a customary cost of tuition) by a board to be known as the "Veterans' Education Appeals Board" consisting of three members, appointed by the President. Members of the Board shall receive, out of appropriations available for administrative expenses of the Veterans' Administration, compensation at the rate of $50 for each day actually spent by them in the work of the Board, together with necessary travel and subsistence expenses. The Administrator of Veterans' Affairs shall provide for the Board such stenographic, clerical, and other assistance and such facilities and services as may be necessary for the discharge of its functions. Such Board shall be subject, in respect to hearings, appeals, and all other actions and qualifications, to the provisions of sections 5 to 11, inclusive, of the Administrative Procedure Act, approved June 11, 1946, as amended. The decision of such Board with respect to all matters shall constitute the final administrative determination. In no event shall the Board fix a rate of payment in excess of the maximum amount allowable under the Servicemen's Readjustment Act of 1944, as amended. Nothing contained in these amendments shall in any way affect the provisions of the first proviso in paragraph 1 of this part VIII, as amended.

"'Any institution having a "customary cost of tuition" established under this part may revise and improve an existing course (or establish a new related course) of substantially the same length and character subject to the same customary cost of tuition: *Provided*, That nothing in the foregoing amendments shall be construed to affect adversely any legal rights which have accrued prior to the date of enactment of the Veterans' Education and Training Amendments of 1950, or to affect payments to educational or training institutions under contracts in effect on such date: *Provided further*, That during negotiations for a contract, and during the pendency of any appeal which a school may make, the Veterans' Administration shall continue to make further payments to the school in such amount as the Administrator considers to be "fair and reasonable", but not less than 75 per centum of the most recent rate paid to the school.

"'Any educational or training institution which has a contract covering any period subsequent to August 24, 1949, shall be entitled to a review by the Veterans' Education Appeals Board of the rate of tuition, fees and other charges established in such contract. Application for such review must be made within sixty days following the date of enactment of the Veterans' Education and Training Amendments of 1950.'

"SEC. 3. Paragraph 5 of part VII of Veterans Regulation Numbered 1 (a), as amended, is further amended by inserting before the period at the end thereof a colon and the following: '*And provided further*, That for the purpose of applying the governing statutes and applicable regulations of the Veterans' Administration respecting the payment of tuition and other charges, in the case of nonprofit institutions, any institution shall be regarded as a nonprofit institution if it is exempt from taxation under paragraph (6), section 101, of the Internal Revenue Code, whether it was certified as such by the Bureau of Internal Revenue before or subsequent to June 22, 1944: *And provided further*, That for the purpose of applying the governing statutes and applicable regulations of the Veterans' Administration respecting the payment of tuition and other charges, any professional or graduate school which has been continuously affiliated with an educational institution since June 22, 1944, may elect to be subject to the nonresident tuition rates established for such educational institution, with respect to payments made for tuition during any school year beginning on or after August 1, 1949, even though the administrative function of such school is separate and distinct from that of the institution with which it is affiliated.'

"SEC. 4. The third sentence of section 3 of Public Law Numbered 16, Seventy-eighth Congress, as amended, is hereby amended by adding before the period at the end thereof a comma and the following: 'or (4) rendering necessary services in ascertaining the qualifications of proprietary institutions for furnishing education and training under the provisions of part VIII of such Regulation and in the supervision of such institutions.'

"SEC. 5. That paragraph 11 of part VIII, Veterans Regulation Numbered 1 (a), as amended, is hereby amended by adding at the end thereof the following new subparagraph:

"'(e) 1. In order to secure or retain approval to train veterans, any school operated for profit which, during any period, has fewer than twenty-five students, or one-fourth of the students enrolled (whichever is larger), paying their own tuition, in addition to meeting all requirements of existing law, will be required to submit to the appropriate State approving agency a written application, in form and contents prescribed by the State approving agency, setting forth the course or courses of training. The written application covering each course must include the following:

"'a. Title of the course and specific description of the objective for which given.

"'b. Length of course.

"'c. A detailed curriculum showing subjects taught, type of work or skills to be learned, and approximate length of time to be spent on each.

"'d. A showing of educational and experience qualifications of the instructors.

"'e. A description of space, facilities, and equipment used for the course.

"'f. A statement of the maximum number of students proposed to be trained in the course at one time.

"'g. A statement of the educational prerequisite for such a course.

"'2. The appropriate approving agency of the State or the Administrator may approve the application of such school when the school is found upon investigation to have met the following criteria:

"'a. The curriculum and instruction are consistent in quality, content, and length with similar courses in the public schools or other private schools with recognized and accepted standards.

"'b. There is in the school adequate space, equipment, instructional material, and instructor personnel to provide satisfactory training. When approval is given, it shall state the maximum number authorized to be trained in each course.

"'c. Educational and experience qualifications of the instructor are adequate as determined by the State approval agency.

"'d. Adequate records are kept to show attendance, progress, and conduct, with periodic report to be provided to the Veterans' Administration; and there are clearly stated and enforced standards of attendance, progress, and conduct.

"'e. Appropriate credit is given for previous training or experience, with training period shortened proportionately. No course of training will be considered bona fide as to a veteran who is already qualified by training and experience for the course objective.

"'f. A copy of curriculum as approved is provided to the veteran and the Veterans' Administration by the school.

"'g. Upon completion of the training, the veteran is given a certificate by the school indicating the approved course, title, and length, and that the training was completed satisfactorily.

"'h. Such additional criteria established by the State approving agency as it may deem necessary for approval of schools training veterans under this part.

"'3. No new course, or additions to the capacity of an existing course, in any school operated for profit, shall be approved if the State approving agency shall determine that the occupation for which the course is intended to provide training is crowded in the State where the training is to be given and that existing training facilities are adequate.

"'4. The Veterans' Administration is not authorized to award benefits under this part if it is found by the appropriate State approving agency that the course offered by a school operated for profit fails to meet the

applicable requirements of this subparagraph (e); but the findings of the State approving agency on such requirements shall be final.'

"SEC. 6. Paragraph 6 of part VIII of Veterans Regulation Numbered 1 (a), as amended, is hereby amended by inserting '(a)' immediately after '6.', and adding the following new subparagraph:

"'(b) For the purpose of this part, a trade or technical course, offered on a clock-hour basis below the college level, involving shop practice as an integral part thereof, shall be considered a full-time course when a minimum of thirty hours per week of attendance is required with not more than thirty minutes of rest period per day allowed. A course offered on a clock-hour basis below the college level in which theoretical or classroom instruction predominates shall be considered a full-time course when a minimum of twenty-five hours per week net of instruction is required. The provisions of the first sentence of this subparagraph shall not be applicable prior to July 1, 1951, in the case of any school or institution in which, for a period of one year immediately preceding the date of enactment of the Veterans' Education and Training Amendments of 1950, a minimum of twenty-five hours per week of attendance was required for any course in compliance with regulations of the Veterans' Administration.'

"SEC. 7. Paragraph 5 of part VIII, Veterans Regulation Numbered 1 (a), as amended, is hereby amended by inserting '(a)' immediately after '5.', and adding a new subparagraph (b) as follows:

"'(b) In any case where it is found that an overpayment to a veteran of subsistence allowance (which overpayment has not been recovered or waived) is proved in a hearing before the Committee on Waivers of the appropriate Veterans' Administration regional office to be the result of willful or negligent failure of the school to report, as required by applicable regulation or contract, to the Veterans' Administration unauthorized or excessive absences from a course, or discontinuance or interruption of a course by the veteran, the amount of such overpayment shall, at the discretion of the Administrator, constitute a liability of the school for such failure to report, and may be recovered by an off-set from amounts otherwise due the school or in other appropriate action: *Provided*, That any amount so collected shall be reimbursed if the overpayment is received from the veteran. This amendment shall be construed as applying only to matters arising after the effective date of this amendment, and shall not preclude the imposition of any civil or criminal action under any other statute.'

"SEC. 8. This Act shall become effective on the date of its enactment except that sections 5 and 6 shall become effective the first day of the third calendar month following the date of enactment of this Act.

"SEC. 9. The matter beginning with the first proviso in the item 'Readjustment benefits' under the caption 'Veterans' Administration' in the Independent Offices Appropriation Act, 1950, approved August 24, 1949, is hereby repealed.

"SEC. 10. This Act may be cited as the 'Veterans' Education and Training Amendments of 1950'."

And the House agree to the same.

JOHN E. RANKIN,
A. LEONARD ALLEN,
OLIN E. TEAGUE,
BERNARD W. KEARNEY,
GLENN R. DAVIS,
*Managers on the Part of the House.*

CLAUDE PEPPER,
LISTER HILL,
PAUL H. DOUGLAS,
ROBERT A. TAFT,
WAYNE MORSE,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House, at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944), submit the following statement in explanation of the action agreed upon and recommended in the accompanying conference report as to such amendment, namely:

SECTION 1

Section 1 of the bill has been amended to generally conform to the version as approved by the House. Language was agreed upon which provides that nothing in this section or in this act shall be construed in any manner so as to change the cut-off date of July 25, 1951, now provided in the law. While it was not the intention of the Senate in originally passing the bill to affect this date, nor in the House committee in reporting the measure, the language contained in the conference report leaves no doubt on this subject.

The provision contained in Public Law 266 requiring the disapproval of any course in an institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment, unless such enrollment was prior to August 24, 1949, was not in conflict between the two Houses and thus is unchanged. Certain exceptions are made, however, to provide that this ban shall not apply or permit the disapproval of any course in a public school or any tax-supported school or in any course in an institution which has been in operation for more than 1 year which course does not depart completely from the whole character of instruction previously given by such institution. Exception is also made for any course in an institution which has been in operation for more than 1 year but which has changed its location from one point to another within the same general locality. These changes were agreed upon by the conferees since they are clearly within the intent and meaning of the law and since it has been found that many institutions have moved from one place to another in the same general locality and by reason of such move have been denied approval.

The Senate conferees have agreed to the technical changes made in the language permitting the Administrator of Veterans' Affairs, at his discretion, to approve schools which have been in existence for less than 1 year, upon approval and certification by State approval agencies that a new or existing institution is essential to meet the requirements for training veterans in a State. This authority is completely discretionary. It is not mandatory. The Administrator is not required to approve such a school even though it has been recommended and approved by a State approval agency. In other words, the findings of the need for a new or existing institution must be concurred in by the Administrator of Veterans' Affairs in order for this provision to be operative.

In the opinion of the managers, the training of veterans and the taking of future courses by veterans has been considerably tightened over the version originally passed by the Senate. The language in the conference report provides that the Administrator may deny initiation of any course only if he finds (1) that the veteran is not eligible by reason of the July 25, 1951, cut-off date, or (2) that it is not in the same general field as his original educational or occupational objective and that such veteran has already made one change from one general field to another, or (3) that it is precluded by reason of the fact that it has been found to be avocational or recreational in character.

Thus under this paragraph, a veteran who entered training at any time since the enactment of the original law, June 22, 1944, who is receiving education or training under the act and has had one change of course from one general field to another and who applies for a change of course which is not in the same general field as his original educational or occupational objective, cannot make the second change without the approval of the Administrator. For example, if a veteran has been preparing for a medical career and decides to drop his studies in this field and begin the study of law, assuming he has not had a previous change, he could begin the study of law. But should he at some future date decide to study for the ministry and drop his law preparation, he would be precluded without the approval of the Administrator from taking any such course under the Servicemen's Readjustment Act.

On April 1, 1950, the Administrator issued a regulation providing that a veteran must have commenced and actually be pursuing his course of training on July 25, 1951, and remain continuously in this training except for periods of vacation or for other reasons beyond his control. In other words, if the veteran is not in training on that date, he is precluded from taking any training or additional training under the act.

The Administrator has subsequently made two exceptions to this general rule: One applies in the case of teachers who take work during summer-school sessions in order to obtain graduate degrees. In such cases the Administrator has ruled that a teacher, as long as he is engaged in graduate level work and remains in the teaching profession, may continue to take consecutive summer-school work after July 25, 1951, to the extent of his entitlement. The second exception relates to applicants for medical and dental schools who are not admitted due to failure of an approved medical or dental school to accept the veteran's application for enrollment. In such cases, where the veteran continues to apply for admission and is accepted subsequent to July 25, 1951, he will be permitted to continue his training as long as his entitlement continues.

The conference agreement is not intended in any way to change the Veterans' Administration regulation issued on April 1, 1950, as described above governing training on and after July 25, 1951.

The conference committee also has inserted language providing that, where a veteran has already made one change from one general field to another, the Administrator may require advisement and guidance before approving such change but where advisement and guidance is required and the veteran is not notified of the decision of the Administrator within 45 days following the date of application for such change, the change shall be deemed to have been approved.

This provision is not intended, however, to permit the veteran, after advisement and guidance has been ordered, to defeat its purpose by failing to appear at the time required for advisement and guidance or otherwise failing to cooperate in receiving this service. This amendment is intended solely to provide that advisement and guidance be given promptly where required and that a decision as to whether or not the change may be rendered within 45 days from the date of the application for the change. Evidence has been presented to the effect that the procedure for advisement and guidance has resulted in much delay. It is the opinion of the conference that 45 days is an adequate time within which to process an application for a change of course.

Subsection D of section 1 was not in conflict between the two Houses. This section lists the courses which are presumed to be avocational and recreational in character but provides that such courses shall not be so construed if the veteran submits complete justification that such course will contrib-

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ute to the bona fide use in his present or contemplated business or occupation. This section conforms to Public Law 266 of the Eighty-first Congress. The enactment is not intended to require or permit the discontinuance of any school now in existence and operating in this field which meets present Veterans' Administration and State approval agency requirements and standards for approval and operation.

Subsection D of section 1 gives the Administrator authority to declare "other courses" to be avocational or recreational in character. The authority conferred by this subsection should be interpreted and applied in context: It is intended that this authority be used to classify as avocational or recreational only those courses similar to, or of the same general character as, those courses specifically listed in the subsection. It is not intended that the classification avocational or recreational shall be applied to all courses regardless of their nature.

SECTION 2

Section 2 relates to the customary cost of tuition and to other charges required by educational institutions for the training of veterans under this act. Much of the language contained in this section will replace that contained in Public Law 266, Independent Offices Appropriation Act of 1950. This law provides that in any case in which one or more contracts providing for a rate of tuition have been executed for two successive years, the rate established by the most recent contract will be considered the customary cost of tuition. The conferees amended this language to provide that where one or more contracts have been "entered into in" two successive years, in order to remove any ambiguity which might have existed. This would have the effect of freezing the tuition rates as prescribed by the most recent contract as the customary cost of tuition.

The provisions of section 2 apply to all courses which were covered by contract or other agreement, without respect to the calendar duration established or the weekly hours of attendance required for such courses. It is also intended that where a contract includes tuition, fees, or other charges for a course, such contract shall be considered as an entity in determining the rate or rates to be paid to the institution for such course.

Under the terms of Public Law 266, a Veterans' Tuition Appeals Board, consisting of three members appointed by the Administrator of Veterans' Affairs, was created to hear the complaint of any school which was dissatisfied with the determination of the rate of payment for tuition fees and other charges. This section creates a Veterans' Education Appeals Board which replaces the present Veterans' Tuition Appeals Board. The information of the conference is that the present Board, while in receipt of numerous appeals, has delayed action pending final consideration of this legislation. Cases pending before the present Board would be transferred and decided by the new Board.

The conferees agreed to give the new Board authority to review any contract entered into by any education or training institution which covered a period subsequent to August 24, 1949, the effective date of Public Law 266 of the 81st Congress. Thus, if a school had entered into a contract on January 1, 1949, which expired October 30, 1949, and was dissatisfied with its provisions, a review and appeal of the contract could be had before the Veterans' Education Appeals Board. On the other hand, any contract which expired prior to August 24, 1949, would not be covered by this provision. Application for such review must be made within 60 days of the enactment of this act.

The new Board is to consist of three members appointed by the President and is to be an independent board. Board members are to be paid from administrative expenses of the Veterans' Administration, and the Administrator is directed to provide such stenographic and clerical assistance and facilities as may be necessary for the discharge of the functions of the Board. It is provided that the decision of the Board with respect to all matters coming within its jurisdiction shall be the final administrative determination. It would not of course have jurisdiction over the determination as to whether a veteran was eligible in the first place for training under this act, or other matters primarily affecting the veteran. An appeal of this sort would be processed through the existing Board of Veterans' Appeals. It is not intended that the jurisdiction of the Veterans' Education Appeals Board created by this act shall in any way conflict with or infringe upon the jurisdiction of the Board of Veterans' Appeals.

The Veterans' Education Appeals Board shall in its independent judgment promulgate rules and regulations governing its own operations and determine all disputes between the schools and the Veterans' Administration which this act authorizes the Board to review. In the proper exercise of its review function, and on the basis of the administrative record of the hearing, the Board shall take cognizance of, but shall not be bound by, such regulations as the Administrator of Veterans' Affairs may have issued or issue for implementing the Servicemen's Readjustment Act. For example, regulations which prescribe the method of computing fair and reasonable payments to schools. However, the Board shall have the authority to determine which of these regulations are applicable to the facts in the given case and whether the application of such regulations would result in fixing a rate of payment which, in fact, was not fair and reasonable in the opinion of the Board. The Board in rendering its decision shall give careful consideration to long-established policies and decisions of the Administrator but shall not be bound with respect to any regulation or decision of the Administrator or other official of the Veterans' Administration construing the provisions of any statute, since this would result in curtailing the jurisdiction of the Board in rendering independent decisions as contemplated under this act.

A provision was included that nothing contained in this section creating the Board shall in any way affect the provisions that provide that training under this act must be initiated on or before July 25, 1951.

One of the House amendments provided that the Veterans' Administration should continue to make payments to a school while the school and the Veterans' Administration were negotiating a new contract. The House provision provided originally that the payments should be such an amount as found by the Administrator to be fair and reasonable. The conferees have accepted this language, and have included a provision that in no event shall less than 75 percent of the most recent rate paid the school constitute a fair and reasonable minimum. This is the figure now paid to institutions of higher learning during the conduct of negotiations, and it is believed fair to extend this same rate to all schools concerned.

In carrying out the provisions of this section, it is intended that the Veterans Administration shall make these payments to the institutions in prompt and regular installments. When a contract is finally negotiated, the contract rate agreed upon shall apply and be paid for the whole of the contract period, and not just for that portion of the contract period remaining on the date on which the contract is agreed to.

SECTION 3

Section 3 provides a method for determining whether or not a school shall be regarded as a nonprofit institution. It was provided in both versions of this act that any institution shall be regarded as a nonprofit institution if it is exempt from taxation under the provisions of the Internal Revenue Code. The Senate conferees agreed to accept a House provision providing that any professional or graduate school which has been continuously affiliated with an educational institution since the enactment of the Servicemen's Readjustment Act may be subject to non-resident-tuition rates established for the parent educational institution, even though the administrative function of the affiliated school is separate and distinct from the parent institution.

SECTION 4

Section 4 authorizes payments to the States for rendering necessary services in ascertaining the qualifications of proprietary institutions for furnishing education and training under the provisions of the Servicemen's Readjustment Act. This section is contained in both the House and Senate bills and only a technical amendment was added. It conforms to the practice under the Vocational Rehabilitation Act of 1943 which governs the education and training of service-connected disabled veterans.

SECTION 5

Section 5 generally conforms to recommendation 7 which accompanied the message of the President of February 13, 1950 (H. Doc. 466), calling for the enactment of legislation prescribing minimum standards for profit schools. The Senate version contained no such standards and the House amendment has been accepted with modifications. Amendments were agreed upon in the conference which provide that schools making application to train or to continue to train veterans in submitting their written application should file such application in the form and contents prescribed by the State approving agency. Authority is also granted the State approving agency to provide such additional criteria as may be deemed necessary for approval of schools training veterans under the Servicemen's Readjustment Act.

The conferees agreed on elimination of one of the standards originally suggested which would have required that the salaries of teachers and administrative personnel be comparable to the prevailing salary rates of teachers and administrative personnel in similar schools located in the same area. This standard was deleted since it was believed that adequate control of this factor is being achieved under present policies and procedures.

Language was also added which provides that the State approving agency rather than the Veterans' Administration shall make final decision as to whether or not the private school meets the requirements set forth in the standards.

One of the suggested standards contained in the President's message to the Congress provided that no new course or additions to the capacity of existing courses should be approved, if the State approving agency acting in consultation with the State employment service determines that the occupation for which the course is intended to provide training is crowded nationally and in the State and locality where training is to be given, or that existing training facilities are more than adequate to meet the demand. The bill as passed by the House did not contain the requirement for the occupation to be crowded nationally but restricted it to States and localities. The conferees further restricted it to the State in which the veteran is training.

SECTION 6

Recommendation 6 made by the Administrator of Veterans' Affairs and the Director of the Bureau of the Budget to accompany the President's message, mentioned above, urged the enactment of legislation requiring

a minimum of 36 hours of attendance in those courses which are customarily learned through apprenticeship. The Veterans' Administration regulation in effect today requires 25 hours. The bill as passed by the House included a requirement of 30 hours while the Senate version was silent on this subject. The conferees have agreed to accept the House version with an amendment that the requirement for 30 hours per week of attendance shall not apply until after July 1, 1951, to any school which has been operating on the 25-hour schedule in accordance with the regulation for a period of at least 1 year immediately preceding the date of enactment of the act. In other words, schools which have been operating at a required attendance level of 25 hours per week in accordance with regulations of the Veterans' Administration and which have been in existence for 1 year prior to the enactment of this law may continue to operate at such 25-hour level until July 1, 1951, when 30 hours will be required. This would be applicable both to courses in existence at the time of enactment of this act as well as any new courses instituted by such schools.

SECTION 7

This section contained only in the House bill further carries out recommendation 5 accompanying the President's message to assure that schools will make prompt reports to the Veterans' Administration when enrolled veterans discontinue, interrupt, or fail to report their courses, with suitable penalties for failure to comply. This is expected to greatly reduce the volume of overpayments of subsistence to individual veterans and the Senate conferees agreed to accept this section without change. A hearing is provided before the Committee on Waivers of the Veterans' Administration.

At the hearing before the Committee on Waivers provided for by this section, the school or schools involved shall be given opportunity to appear and present evidence bearing upon the question as to whether or not the overpayment resulted from the willful or negligent failure of the school to submit the reports required by this section.

In the case of any overpayment to a veteran, the Veterans' Administration shall continue to make every reasonable effort to recover the amount of such overpayment from the veteran, and to reimburse the schools wherever possible.

SECTION 8

This section provides for sections 5 and 6 to become effective the first day of the third calendar month following the date of enactment. The remainder of the sections shall be effective from the date of enactment.

SECTION 9

The provisions in Public Law 266, which now govern many of the subjects contemplated by this act, are repealed effective the date of enactment of this act. Previously the provision had been in both bills that it would be repealed August 24, 1949.

JOHN E. RANKIN,
A. LEONARD ALLEN,
OLIN E. TEAGUE,
BERNARD W. KEARNEY,
GLENN R. DAVIS,
*Managers on the Part of the House.*

Mr. RANKIN (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent that the further reading of the statement of the managers on the part of the House instead of the report be dispensed with.

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, is the gentleman going to take some time to explain some of the provisions of the conference report?

Mr. RANKIN. It is a unanimous report.

Mr. CASE of South Dakota. Well, it may be, but it does deal with subjects which came up in connection with appropriations for the Independent Offices Appropriation bill, and I think there should be a matter of record as to some of the things this does before consent is given. I have no objection to dispensing with the further reading of the statement, but I would like to have the chairman answer a couple of questions as to what the report does.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. CASE of South Dakota. Mr. Speaker, there will be objection unless the chairman answers some questions.

Mr. RANKIN. I will yield to the gentleman from Texas [Mr. TEAGUE], to answer the questions of the gentleman from South Dakota.

Mr. CASE. What does the conference report do with respect to the absentee problem which was so flagrant that it appeared in the testimony given before the Committee on Appropriations, that the Government would be called upon to pay a great deal of subsistence and tuition for enrollees who actually did not appear in school, and even when they did make a first appearance they subsequently were seldom to be found in the class rooms or in attendance.

Mr. TEAGUE. The Senate accepted the House amendment that schools be held responsible for such payment as the gentleman has mentioned. I will quote from the bill:

(b) In any case where it is found that an overpayment to a veteran of subsistence allowance (which overpayment has not been recovered or waived) is proved in a hearing before the Committee on Waivers of the appropriate Veterans' Administration regional office to be the result of willful or negligent failure of the school to report, as required by applicable regulation or contract, to the Veterans' Administration unauthorized or excessive absences from a course, or discontinuance or interruption of a course by the veteran, the amount of such overpayment shall, at the discretion of the Administrator, constitute a liability of the school for such failure to report, and may be recovered by an off-set from amounts otherwise due the school or in other appropriate action: *Provided*, That any amount so collected shall be reimbursed if the overpayment is received from the veteran. This amendment shall be construed as applying only to matters arising after the effective date of this amendment, and shall not preclude the imposition of any civil or criminal action under any other statute.

It is in almost exactly the same form the President recommended. We did give a school the right of appeal to the committee on waivers of the appropriate Veterans' Administration regional office.

Mr. CASE of South Dakota. But it does require the schools to report attendance?

Mr. TEAGUE. It does.

Mr. CASE of South Dakota. And it permits the Government to deduct where the schooling was not actually given?

Mr. TEAGUE. Yes; provided the committee on waivers of the Veterans' Administration regional office approves.

Mr. CASE of South Dakota. The gentleman is aware, of course, that in some instances absenteeism ran to 30 percent of the alleged enrollees?

Mr. TEAGUE. I am aware of that. I am also aware of the fact that if the student drops out of school on the second day of the month the Veterans' Administration does pay him in some cases for the full month, regardless of when it is reported.

Mr. CASE of South Dakota. Does the conference report then protect the Government?

Mr. TEAGUE. I think the report protects the Government amply.

Mr. CASE of South Dakota. What does the report do with reference to the recognizing of schools as to standards? Does it have any protection for the Government there? Does the State agency or the Veterans' Administration in any way check the qualifications?

Mr. TEAGUE. The State agency must approve the standards of the school before the school is recognized to accept GI students.

Mr. CASE of South Dakota. I withdraw my reservation of objection, Mr. Speaker.

Mrs. ROGERS of Massachusetts. Reserving the right to object, Mr. Speaker, is the gentleman perfectly satisfied with the conference report?

Mr. TEAGUE. It is almost the same as it passed the House.

Mrs. ROGERS of Massachusetts. I am delighted. I voted for it when it was before the House.

Mr. TEAGUE. I know you did, and I sincerely appreciate the help you gave all the way through.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

## EXTENSION OF DISTRICT OF COLUMBIA EMERGENCY RENT ACT

Mr. McMILLAN of South Carolina. Mr. Speaker, I call up the conference report on the bill (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2354)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent

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Act, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 1 (b) of the District of Columbia Emergency Rent Act, as amended (D. C. Code, 1940 edition, sec. 45-1601 (b)), is hereby amended by striking out 'June 30, 1950' and inserting in lieu thereof 'January 31, 1951, unless the Congress shall by joint resolution insert a later date'.

"SEC. 2. Section 2 of such Act is hereby amended by adding at the end thereof the following new subsection:

"'(5) (a) After June 30, 1950, the provisions of this Act shall not apply to, and no maximum rent ceiling or minimum service standards shall be prescribed for, any furnished nonhousekeeping housing accommodations which are rented as rooms without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms), and when and for such period as any of the housing accommodations in any building used as a rooming house are decontrolled under this paragraph (a) the provisions of this Act shall not apply to, and no maximum rent ceilings or minimum service standards shall be prescribed for, such building.

"'(b) After June 30, 1950, self-contained family units (as defined by regulations issued by the Administrator) located in hotels shall continue to be housing accommodations subject to maximum rent ceilings and minimum service standards unless the Administrator issues an order decontrolling them, or any of them, which he shall issue if he finds that such hotel is primarily engaged in furnishing accommodations for transients.'

"SEC. 3. Subsection (b) of section 4 of such Act is hereby amended by inserting before the period at the end thereof a colon and the following: '*Provided further*, That the Administrator may by order adjust the maximum rent ceiling or minimum service standard hereunder although the landlord fails to produce evidence of facts occurring in the period from January 1, 1941, to December 31, 1945, if the landlord proves circumstances which in the opinion of the Administrator excuse the failure to produce evidence of such facts'."

And the House agree to the same.

JOHN L. MCMILLAN,
T. G. ABERNETHY,
JOS. P. O'HARA,
*Managers on the Part of the House.*

ESTES KEFAUVER,
EDWARD L. LEAHY,
MARGARET CHASE SMITH,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3776) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the Senate bill and the House amendment. Except for clerical changes, the following statement explains the differences between the House amendment and the substitute agreed to in conference.

The Senate bill added a new subsection (5) (a) to section 2 of the District of Columbia Emergency Rent Act, decontrolling furnished nonhousekeeping housing accommodations which are rented as rooms without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms), and decontrolling any building in which all of the housing accommodations consist of rooms so decontrolled. The House amendment contained a similar provision and also provided that where rooms or accommodations are decontrolled under the new subsection (5) (a), the building in which the rooms or accommodations are located should also be decontrolled. The conference substitute adopts the provisions of the House amendment in principle, rewriting the provisions relating to decontrol of buildings under subsection (5) (a) to make it clear that where any housing accommodations in a building used as a rooming house are decontrolled under subsection (5) (a) the building should also be decontrolled.

The House amendment amended the provision of section 5 (b) (2) of the District of Columbia Emergency Rent Act which places certain limitations on evictions by cooperatives, so as to remove those limitations in the case of housing accommodations renting for more than $85 per month. No similar provision was contained in the Senate bill. The conference substitute omits this provision.

The provision of the House amendment terminating rent control at the close of January 31, 1951, unless Congress by joint resolution fixes a later date, was retained in the conference substitute.

JOHN L. MCMILLAN,
T. G. ABERNETHY,
JOS. P. O'HARA,
*Managers on the Part of the House.*

Mr. WADSWORTH. Mr. Speaker, will the gentleman explain what difference there may be between the provisions of the conference report and the bill as passed by the House?

Mr. McMILLAN of South Carolina. The only difference is that the House, as the gentleman will remember, passed the bill terminating rent control on January 31, 1951, and the other body terminated rent control on the same date as the national bill, namely December 31; also with the provision that the individual States might continue rent control for 6 months longer; in the discretion of the governor. The House made it necessary for the Congress itself to continue rent control in the District of Columbia after January 31. If in its discretion it feels that rent control is necessary.

Mr. WADSWORTH. Does the power of the Congress as provided in the House bill, to extend or to allow it to terminate in the District of Columbia remain in the Congress?

Mr. McMILLAN of South Carolina. Yes.

Mr. WADSWORTH. It is clear that the Congress is the governing body in the District of Columbia?

Mr. McMILLAN of South Carolina. That is correct.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

## KOREA

Mr. BURNSIDE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BURNSIDE. Mr. Speaker, President Truman's firm stand on Korea has been almost unanimously applauded in Congress. The use of American planes and ships in support of a United Nations resolution was a bold step that will hearten the small non-Communist nations of the world and will weaken Russia's prestige, even among her own satellites.

It is my opinion that Russia would not dare risk war now. It is clear that Russia encouraged the northern Koreans to make the attack. They have been arming them and supplying them just for such an attack. But the Russians did not want to provoke a war, they just wanted to find out how far they could go without stirring up firm resistance.

Now they know. They know that the United States will resist any direct act of aggression made by a Communist state against its neighbors.

Russia will be forced to back down, just as she backed down in Berlin, in Greece, in Turkey and in Iran.

All in all, the northern Korean attack on southern Korea may turn out to be a set-back for the Communists and a victory for us.

For one thing, it may unify the people of America in support of our foreign policy. It is amazing now to remember that a few short months ago a bill for aid to Korea was defeated in the House of Representatives, and was finally passed only after a strong fight by those who saw the danger in abandoning our friends to the tender mercies of the Communists.

I was one of those who fought for aid to Korea on the floor of the House both times it was up for consideration. I believe that what I said then is as true today as when I said it. Let me repeat a couple of paragraphs:

> The issue of Korea is not a distant issue. Korea may be thousands of miles away, but it is close to the interests of every American. It is close to our interests because it is one of the many complicated situations which affect the peace of the world, and whether we are to have peace in our time, or war in our time, is a question that no American can treat with indifference.
>
> The question is not one of altruism and idealism; it is a question of vital concern to every one of us. Our own interests are at stake, for it is in our interest to see that free, peace-loving nations can maintain their independence in the face of internal Communist terrorism and external Communist threats. If such nations can remain free, our position in the world will be much more secure and the chances for peace will be much brighter.

That is what I said February 7 on the floor of the House of Representatives, and I still believe that it is true.

I said a while ago that Russia probably would not go to war now, and that the Korean attack might turn out to be a set-back for the Communists. I believe these statements are true, but at the same time let us not overlook a few other facts that are not so pleasant.

Let us bear in mind that Russia has 147 divisions under arms. That is over two and a half million men—many, many times the strength of our own Army. And that figure does not include her air force and her vastly expanded navy.

Russia has opened 10 new naval bases in the Baltic area, 10 in Poland, and several in the Far East.

If Russia would enter the war now she would have an immediate advantage in Europe and Asia. What Russia lacks is the industrial capacity to sustain a long war. I do not believe she will risk war until she builds up her production to a safe point. But I do not rule out the possibility that she might decide to gamble on a quick victory.

Even if Russia does not openly enter the war on the side of North Korea, our task still will not be easy.

We will continue to have several other parts of the world to worry about.

Indochina is one of the worst spots. There Ho Chi Minh, Communist leader, is disputing the authority of the independent native government recently recognized by the French and American Governments. He is fighting both the French and Bao Dai, the leader of the government we recognized.

I was one of the five Congressmen from the United States who first met with Bao Dai's cabinet to talk over arrangements for settling the conflict in that war-torn country. We were interested in backing a true independence movement that would force communism out of Indochina. The Communist newspapers called us the five tentacles of imperialism that were stretching into Asia.

The Communists threw two hand grenades into a building across the street from us when we were standing on the sidewalk. They wounded some Frenchmen. Here in Indochina is where quite a bit of the money has been going that we gave to France.

Reliable reports say that Bao Dai's opponent—Ho Chi Minh—is receiving aid from Communist China, just across the border.

If Ho Chi Minh should receive enough aid to take over all of Indochina, the Communists would be in possession of one of the key areas of southeast Asia, and would be in a position to threaten the nearby Philippines, Malaya, Indonesia, Burma, and India.

Eight hundred million people would be close to their grasp.

If we can stabilize these two areas—Indochina and Korea—we would be rid of two of the most disturbing situations threatening world peace.

As I said before, the President's decision on Korea has been almost universally applauded. But mixed with that applause were a few questions. For one thing, some people wondered why we did not use the same tactics in Greece—where we finally won—or in China—where we finally lost.

I think you can see the answer to that one without much difficulty. The situation in Korea is entirely different from the others we were faced with.

The northern Korean attack on South Korea was a clear case of external aggression—the armed forces of one state invaded the territory of another state. It was clearly an illegal act calling for action under the United Nations Charter, and no amount of Russian interpretating could make it anything else. As a matter of fact when the question came up in the Security Council Russia was not around, which made it much more convenient for us. If Russia had not gone away mad a few months ago, she would have vetoed any action the Council tried to take against Communist North Korea.

But the affair was so obviously a case of aggression that, even if Russia had been around to use her veto, our military action would have been perfectly legal and proper.

In the case of Greece and China, the Communists were revolutionists within the nations concerned, even though they received aid and encouragement from Russia. We could send supplies and other aid—as the Russians were doing—but we could not give direct military aid to the governments we backed without interfering in the internal affairs of another country—something that is illegal and would be setting a dangerous precedent. If we did such a thing, it would give Russia a legal right to give direct aid to Red insurgents in any of her neighbors. We did work through the United Nations in Greece, however.

Many of the superficial critics of our foreign policy completely overlook that factor. It is not a factor to be ignored.

In China, we had an additional complication. The Nationalists' government was simply too corrupt and too weak to use the aid we gave them. We made repeated efforts to persuade the Nationalist leaders to institute reforms, but they would not be reformed. They continued to enhance their personal fortunes at the expense of American military and economic aid, while the Communists continued to advance against their poorly equipped and demoralized troops.

There was nothing the United States could do. Nationalist China was dying from internal decay. We had to concentrate our efforts elsewhere, in areas where there was some hope of success.

China has been lost, with the exception of Formosa. But now a definite line has been drawn. The Communists have been warned: this far, and no farther. In no other region of the world—with the possible exception of Indochina—can the Communists acquire more territory and pretend that they are doing so because of internal unrest. From now on, any Communist expansion will be considered an act of aggression, and will be treated as such by the United States.

Other nations have adopted the same attitude. Britain, France, and Australia have followed the American example and have committed themselves to use force against Communist aggression. They have already dispatched some of their forces to the trouble spots.

If the same attitude had been taken against the Axis powers in the 1930's, World War II might have been avoided.

The situation is grave. It is full of danger. But I am confident that we are doing what is necessary to increase our chances of peace.

If you are in the path of a forest fire you might be safer—temporarily—if you would curl up in a hollow log and go to sleep. But in the long run you would run a good risk of being barbecued. In the long run, you would be far better off if you would get to work and build a firebreak.

Our foreign policy has a similar objective. We want to build a firebreak against Communist aggression.

I think we are going about it in the right way, and I think President Truman is to be congratulated on his firm and courageous stand.

## DISTRICT OF COLUMBIA DAY NURSERIES

Mr. McMILLAN of South Carolina. Mr. Speaker, I call up the conference report on the bill (S. 3258) to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2374)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3258) to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That section 2 of the Act entitled 'An Act to authorize and direct the Board of Public Welfare of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes', approved July 16, 1946, as amended, is amended by striking out 'until June 30, 1950, and no longer' and inserting in lieu thereof 'until June 30, 1953, and no longer'.

"SEC. 2. Section 3 of such Act is amended to read as follows:

" 'SEC. 3. The Board is authorized to make and enforce rules and regulations governing admission to and use and enjoyment of said nurseries and nursery schools, including the fixing of fees to be charged parents for care and maintenance therein of their children; which fees shall, as near as practicable, equal the expenditures of the District of Columbia for personal services, labor, food, and supplies in the operation and maintenance of such nurseries and nursery schools or to enter into contracts with any private or public agency or agencies for such care and maintenance: *Provided*, That the Board may, in cases where parents are unable to pay for such care waive all or part of such fees. All fees collected under the provisions of this Act shall be paid to the Collector of Taxes of the District of Columbia and deposited into the Treasury of the United States to

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the credit of an account to be known as "Miscellaneous trust-fund deposits, District of Columbia—Day Care Nurseries", said fund to be available, in addition to appropriations made pursuant to section 4 of this Act, for expenditure for the purposes of this Act: *Provided further,* That such fund shall be audited and disbursed in the same manner as other trust funds are audited and disbursed by the District of Columbia: *And provided further,* That any balance remaining in such trust-fund account after June 30, 1953, shall be covered into the Treasury to the credit of miscellaneous receipts of the District of Columbia.'

"SEC. 3. Section 4 of such Act is amended to read as follows:

"'SEC. 4. There is authorized to be appropriated for the fiscal year ending June 30, 1951, and for each of the two succeeding fiscal years, out of any moneys in the Treasury of the United States to the credit of the District of Columbia not otherwise appropriated, not exceeding $100,000 to carry out the purposes of this Act.'

"SEC. 4. Section 2 of this Act shall take effect upon enactment."

And the House agree to the same.

JOHN L. MCMILLAN,
W. K. GRANGER,
*Managers on the Part of the House.*

LESTER C. HUNT,
ESTES KEFAUVER,
MARGARET CHASE SMITH,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3258) to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the Senate bill and the House amendment. Except for clerical changes, the following statement explains the differences between the House amendment and the substitute agreed to in conference.

The Senate bill would have continued the present system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia on a permanent basis. The House amendment would have continued such system until June 30, 1951, and no longer. The substitute agreed upon in conference continues such system until June 30, 1953.

JOHN L. MCMILLAN,
W. K. GRANGER,
*Managers on the Part of the House.*

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield?

Mr. MCMILLAN of South Carolina. I yield.

Mr. WADSWORTH. As I understand it, this program is still on a temporary basis and is to run for 3 years.

Mr. MCMILLAN of South Carolina. That is correct, with the understanding that the Commissioners will place this program on a self-sustaining basis within the next 3 years.

Mr. WADSWORTH. Of course, the gentleman will remember that this was a wartime measure originally.

Mr. MCMILLAN of South Carolina. That is correct.

Mr. WADSWORTH. And it was not expected to last beyond the duration of the war.

Mr. MCMILLAN of South Carolina. That is correct.

Mr. WADSWORTH. And here we are, 5 years after the war, extending it for another 3 years. I doubt the wisdom of that extension. I had hoped the extension would be for only one more year.

Mr. MCMILLAN of South Carolina. We held out as long as we could for a 1-year extension, but we had to compromise somewhere, so we compromised on 3 years.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

## RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. WILSON of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 5002, an act to incorporate the Reserve Officers Association of the United States, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 4, line 8, strike out "assist in" and insert "promote."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

## TO AMEND SECTION 14 (B) OF THE FEDERAL RESERVE ACT, AS AMENDED

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3527) to amend section 14 (b) of the Federal Reserve Act, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Mr. Speaker, reserving the right, may I ask the gentleman from Kentucky to briefly explain this bill?

Mr. SPENCE. Mr. Speaker, this bill continues in effect a power now possessed by the Federal Reserve to purchase directly from the Treasury obligations of the Government. It will prevent the Treasury from maintaining large balances, and will afford an available source of funds for emergent needs.

This power has been very sparingly used. The last time this power was continued it was continued for 3 years. This bill continues it for an additional 2 years. I think it was used only once this year. It was used twice last year, and for 3 or 4 years before that it was not used at all. It is only used to make up deficiencies in the Treasury before tax time, and the securities which they purchase are often for 1 day or 2 days—short-time securities that it would be very advantageous to have a market for. Otherwise, there would have to be a flotation of securities in the market.

Mr. MCCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. MCCORMACK. The present law expires when, unless this is extended?

Mr. SPENCE. It expires June 30.

Mr. MCCORMACK. At least in a few days.

Mr. SPENCE. Yes. It expires tomorrow, and it would then be exhausted.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. RABAUT. Does this come from the committee with a unanimous report?

Mr. SPENCE. This is the unanimous report from the committee.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted,* etc., That section 14 (b) of the Federal Reserve Act, as amended (U. S. C., 1946 edition, title 12, sec. 355), is amended by striking out "July 1, 1950" and inserting in lieu thereof "July 1, 1952" and by striking out "June 30, 1950" and inserting in lieu thereof "June 30, 1952."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was land on the table.

House Resolution 684 was laid on the table.

## EXTENSION OF REMARKS

Mr. JENSEN asked and was given permission to extend his remarks and include a newspaper article.

Mr. MILLER of Maryland asked and was given permission to extend his remarks.

Mr. PATTERSON asked and was given permission to extend his remarks and include an address by Samuel F. Pryor, vice president of Pan-American Airways.

Mr. VELDE asked and was given permission to extend his remarks.

Mr. AUCHINCLOSS asked and was given permission to extend his remarks in two instances, in one to include an address by Mrs. ST. GEORGE.

Mr. TOLLEFSON asked and was given permission to extend his remarks and to include extraneous matter.

Mr. RICH asked and was given permission to extend his remarks and include a quotation by famous Americans on liberty.

Mr. O'SULLIVAN asked and was given permission to extend his remarks and include extraneous matter.

Mr. ENGLE of California asked and was given permission to extend his remarks and include a letter.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks.

Mr. O'TOOLE asked and was given permission to extend his remarks and include a letter addressed to the Speaker of the House of Representatives.

Mr. GREEN asked and was given permission to extend his remarks and include extraneous matter.

Mr. DAVENPORT asked and was given permission to extend his remarks.

Mr. CHUDOFF asked and was given permission to extend his remarks.

Mr. FLOOD asked and was given permission to extend his remarks and include a resolution.

Mr. RABAUT asked and was given permission to extend his remarks and include extraneous matter.

Mr. MORRISON asked and was given permission to extend his remarks and include a letter.

Mr. BIEMILLER asked and was given permission to extend his remarks in two instances, in one to include an address by the President of the United States.

Mr. HOWELL asked and was given permission to extend his remarks and include an editorial.

Mr. WALSH asked and was given permission to extend his remarks in two instances, in one to include a speech.

Mr. MADDEN asked and was given permission to extend his remarks and include an editorial.

Mr. THORNBERRY asked and was given permission to extend his remarks and include extraneous matter.

Mr. PRICE asked and was given permission to extend his remarks and include an address by Secretary of Defense Johnson.

Mr. GORSKI asked and was given permission to extend his remarks in two instances, in one to include a speech by James A. Farley.

Mr. CLEMENTE asked and was given permission to extend his remarks and include a newspaper article.

Mr. DONOHUE asked and was given permission to extend his remarks and include an editorial.

Mr. TEAGUE asked and was given permission to extend his remarks in three instances and include extraneous material.

Mr. BATES of Massachusetts asked and was given permission to extend his remarks and include a letter.

Mr. SIMPSON of Pennsylvania asked and was given permission to extend his remarks and include excerpts from an address by the Canadian Minister of Finance.

Mr. WOLVERTON asked and was given permission to extend his remarks.

Mr. CANNON asked and was given permission to extend his remarks and include a statement.

Mr. RICHARDS asked and was given permission to extend his remarks and include a resolution from the American Cotton Shippers' Association.

Mr. WHITE of Idaho asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. VURSELL asked and was given permission to extend his own remarks in the RECORD.

Mr. LANE asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. KLEIN asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. DOYLE asked and was given permission to extend his remarks in three instances and include appropriate material

Mr. WOODRUFF asked and was given permission to extend his remarks.

Mr. LEFEVRE asked and was given permission to extend his remarks and include an editorial from the Herald-Tribune.

Mr. ANDERSON of California asked and was given permission to extend his remarks and include an address, notwithstanding the fact that it is estimated by the Public Printer to cost $205.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks and include an article.

Mr. SHORT asked and was given permission to extend his remarks and to include an address by Hon. FRANK FELLOWS.

Mr. JUDD asked and was given permission to extend his remarks and include a speech he made on the Town Meeting of the Air program on Tuesday night.

Mr. HART asked and was given permission to extend his remarks and include several short addresses.

Mr. ROONEY asked and was given permission to extend his remarks and include an article by Harry H. Schlacht.

Mr. WICKERSHAM asked and was given permission to extend his remarks.

## PARTICIPATION OF FOREIGN NATIONS IN FIRST UNITED STATES INTERNATIONAL TRADE FAIR AT CHICAGO

Mr. SABATH. Mr. Speaker, I call up House Resolution 681 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved,* That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 453) authorizing the President to invite the States of the Union and foreign countries to participate in the First United States International Trade Fair, to be held at Chicago, Ill., August 7 through 20, 1950. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, House Resolution 681 makes in order House Joint Resolution 453 authorizing the President to invite the States of the Union and foreign countries to participate in the First United States International Trade Fair to be held in the city of Chicago, Ill., August 7 through August 20, 1950.

Last Saturday the great Chicago fair of 1950 was opened. It will continue during the months of July, August, and September. In August another great fair will open its doors—the First United States International Trade Fair. It will be the first of its kind ever held in the United States. Although this is a trade fair for the nations of the world, the United States will have more participating business firms than any other one nation. For these 2 weeks Chicago becomes the world's market place, as 40 nations will be displaying their wares and competing for sales. While this international trade fair is designed primarily as a trade show for commercial purposes, its exhibits will be of interest to all. The city of Chicago, as the market, transportation, commercial, geographical, and cultural center of the United States gives to you an opportunity you cannot afford to miss.

In behalf of the mayor of Chicago, Hon. Martin H. Kennelly—yes, in behalf of all the people of Chicago—I extend an invitation to all of you and to the people of our country to be with us during the summer to witness these two great fairs. I hope that you will accept and that you will attend. You are assured of hospitality that will surpass even the famed southern brand of which we have heard so much.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. AUGUST H. ANDRESEN. I want to thank the gentleman from Illinois for the invitation. I expect to attend the fair. I want to congratulate the business people of Chicago for financing this fair without any aid from the Federal Government.

Mr. SABATH. I thank the gentleman for his remarks. Chicago never asks any contribution.

The official invitation will reach you shortly and I hope that all of you will avail yourselves of same and visit our wonderful city during the summer. When you come, do not limit yourselves to a few days or a week, because I know such a short visit will not allow you sufficient time to see all of the extraordinary exhibits and the many things of interest which will be on display for your enjoyment and edification and to see the real Chicago.

Mr. Speaker, we have a great city on the delightful shores of Lake Michigan, composed as it is of people from every nation in the world—people who believe in progress—people who through their understanding and foresight, their industry, thrift, and ability have made Chicago the great metropolis that it is.

Mr. FELLOWS. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. FELLOWS. Is Chicago known as the Windy City?

Mr. SABATH. I may say to the gentleman from Maine, yes; not because of the vagaries of the weather but because from the founding of the city our leaders have called attention to the opportunities Chicago offered. Because of the slightly jealous nature of some New Yorkers in those days, they started to use the phrase "the Windy City" in referring to its budding rival of the West. But we have always said about Chicago has been true.

The motto of Chicago—which is "I will"—typifies the spirit of its citizens and leaders. Chicago, the great airport, lake port, river port and above all, railroad terminal, is surrounded by the richest area of nature's bounty and man's unbelievable handiwork. It is the capital of an incalculable empire—the great

Midwest. It is the trading, industrial, manufacturing, and financial center for millions of our inhabitants. To its trade marts, stockyards, rolling mills, and manufacturing plants come the raw products of the land, and from the ingenuity, industry, and activity of its people the finished products go forth to all the reaches of the globe.

In addition to the interesting exhibits at the fair, I know you will be thrilled with our great skyline along Lake Michigan's shores, with its imposing business structures, our wonderful boulevards and outer drive, our park system unsurpassed for its beauty.

One hundred years ago Chicago numbered about 9,000 people. It grew steadily with the expanding West when it was almost wiped out by the great fire of 1871. Undaunted by this catastrophe, its citizens set about immediately to build a new and greater Chicago, and each succeeding generation carried on this pioneer spirit, determined to make this central western community one of the truly great cities of our growing Nation until today it is the second largest city in these United States and the fourth largest in the world. We have a population in the city alone of 3,670,000. In addition we have adjoining cities and towns, such as Evanston, Oak Park, Austin, Berwyn, Cicero, Riverside, to mention only a few, which are actually a part and parcel of Chicago. If we were to do as New York or Los Angeles does, by including them in our population, we would have about 5,000,000 people.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. While I am at a loss to understand why Chicago is such a great city, and Chicago is a great city, why is it necessary to promote this fair or to otherwise advertise the city of Chicago? I have asked for this time, however, to say that I do not believe there is any disagreement between the gentleman from Illinois and myself as to the fact that Chicago does have representing it in the Congress of the United States one of the greatest and most illustrious legislators this Nation has ever had, the dean of the House, the gentleman who is now addressing us.

Mr. SABATH. I am indeed grateful to the gentleman from Ohio, with whom I frequently disagree, but today I cannot disagree with him. I must concede everything he said to be true and I hope I will be able to agree with him on many other things.

We in Chicago are proud of our major institutions of learning, the University of Chicago, Northwestern University, Loyola University and the rapidly-expanding Roosevelt College. From these halls of knowledge have come many of the great leaders in our political, governmental, social and economic life throughout the years. These halls of learning have become world famous.

Our $300,000,000 medical center surpasses any in the world. Many of the outstanding new developments in the medical field are the result of years of labor therein.

Chicago also boasts of the greatest art institute in the world. The Adler Planetarium on the lake front has attracted visitors from all points of the compass. A visit to Chicago is not complete without passing through this marvelous structure.

In the Merchandise Mart we have the largest commercial building ever built. It is a city almost in itself. The Chicago Board of Trade is the largest grain mart in the world.

Our great outdoor stadium, Soldier Field, holds more people than any other similar structure. Within its walls have been held many of the great spectacles of all time. Our indoor Chicago Stadium, seating some 30,000, has served as the meeting place for many large conventions and gatherings of national and international origin, as well as serving the community in its many sports, civic, and business activities.

A very interesting sight is our Navy Pier, extending three-quarters of a mile out into Lake Michigan, greater even than the well-known Atlantic City Pier. In normal times this pier is dedicated to amusement, with pleasure craft of all sizes and descriptions utilizing its facilities. In wartime it has been a tower of strength to our Armed Forces in the training of naval personnel and in the transportation of vital war matériel.

Without fear of successful contradiction I believe we have the finest bathing beaches of any city. Extending for miles along our lake shore, from one end of the city to the other, the cooling waters of Lake Michigan are teeming with bathers and pleasure seekers on the warm days of our pleasant summers.

We even have the great Chicago stockyards which in years gone by we always looked upon with pride. It includes the massive stockyards pavilion where the largest stock shows are held each year. Within its enclosure each year we honor the farming youth of America, lending encouragement and spirit to the development of our future farmers by giving prizes tc those who excel in the raising of fine livestock, and for outstanding accomplishment in other necessary detail of farm life.

We have within our borders some of the largest manufacturing plants in the country, such as the International Harvester Co., Stewart Warner, and Hart Schaffner & Marx, and a great many others. In fact, to you in doubt, Chicago is the greatest manufacturing city in the world. Its products reach every port and nation on the globe. You name the manufactured product you need and Chicago will furnish it. Yes, when we talk about the great progress Chicago made following the disastrous fire of 1871, through the unbounded energy and zeal of such men as Marshall Field, the Potter Palmers, Pullmans, Leiters, Swifts, Armours, and others, we are really proud of our accomplishment.

In the early days when the West was rapidly expanding, Chicago became the railroad center of the Nation, and it still retains that position. Twenty-two of the outstanding trunk-line railroads radiate from our city. In addition it is served by 17 belt-line railroads. It is the hub of rail, air, water, and bus transportation as I mentioned earlier. Yes, Chicago built at its own expense a canal connecting the Great Lakes with the Mississippi and the Gulf, at a cost of over $250,000,000.

Being in the heart of the finest agricultural section of our country, known as the bread basket of the world, coupled with our huge manufacturing output, our varied transportation facilities expedite the shipment of all products to their far-flung destinations. I presume that is the reason my good friend and colleague from Minnesota [Mr. AUGUST H. ANDRESEN] expresses his interest in visiting our city and fair—because he and other leaders in the productive surrounding areas appreciate the facility with which their bounteous farm products are transported to the waiting markets by these efficient transportation arteries. Our vast fruit and vegetable markets, receiving hundreds upon hundreds of carloads of fruits and vegetables daily, adds to the tremendous volume of business transacted daily in this bustling city.

Then too, Mr. Speaker, our post office handles a greater volume of mail than any other city. It was in our progressive city that the system of delivering mail by helicopter to substations was inaugurated. This has served to speed up mail deliveries considerably. Because of all the up-to-date facilities made available, Chicago became the great mail order center of the Nation, with these giant institutions serving people from every State in our Union as well as in foreign lands. Our stores along State Street are looked upon with bewilderment by visitors to our fair city. Our retail stores have no equal—establishments such as Marshall Fields, Carson Pirie Scotts, Mendel Bros., Goldblatt's, The Fair, and many others.

Our newspapers have long been leaders in the field of news dissemination.

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. Is it not true that Chicago has the greatest newspaper in the world?

Mr. SABATH. Yes; Chicago has great newspapers. It is true I have disagreed with some of them but unfortunately, they have not always concurred in my beliefs; but aside from this they have been a powerful influence in the continued progress of this gateway to the West.

Our local government has been extremely active and alert in improving our roadways, boulevards, and parkways. We have broadened many of our main streets. Under construction at the present time is the great Congress Street superhighway, in addition to our passenger and freight subway and the extension of our elevated railways. Our boulevards extend from the Indiana State line to the Wisconsin State line, connecting with the Lincoln, Jefferson, Washington, Jackson, Garfield, Columbus, McKinley, Douglas, Humboldt Parks and Parkways, and many others. All these I hope you will see and visit.

I almost forgot to mention that our Chicago women have been recognized and are known to be the most beautiful and charming to be found anywhere.

Yes, Mr. Speaker, Chicago did suffer as a result of the great fire of 1871, and again for 8 years during the Republican administration of Mayor Bill Thompson, during which time we received some unpleasant publicity.

Mr. REDDEN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from North Carolina.

Mr. REDDEN. The gentleman has dwelt on the great accomplishments of the city of Chicago, and I heartily agree with him. Surely the gentleman will concede that a greater portion of these accomplishments were under Democratic rule. The gentleman omitted saying that.

Mr. SABATH. Well, I have not concluded. Since then, under succeeding Democratic administrations, I am proud to say, the record shows it is the healthiest and most law-abiding city in our land—its women and men liberty-loving and progressive. Chicago is a great place to visit and I am pleased that all of the Members realize this fact.

So I hope you will all avail yourselves of the invitation to enjoy with us these two great fairs during the pleasant summer days ahead with the refreshing Lake Michigan breezes to add to your comfort and pleasure even on the warmest of days.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Naturally, after the great compliment paid me by the distinguished Member from Ohio earlier in my remarks, I cannot help but yield to the gentleman.

Mr. BROWN of Ohio. Of course, I do not desire to involve the gentleman from Illinois in any possible violation of the Anti-Lobbying Act or to have him appear before our committee. But would the gentleman state on the floor of the House whether or not, if this resolution should be enacted, the Members of the House who may have an opportunity to visit Chicago and attend this fair, can look forward to being guests of the gentleman now addressing the House for at least one evening of their visit?

Mr. SABATH. I assure my colleague that it will give me a great deal of pleasure to be the guest—I mean to act as host, to any Member; if you will make it known to me when you arrive I will endeavor to the best of my ability to see that you are properly received and properly treated.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Massachusetts, who also comes from a large city.

Mr. McCORMACK. We all recognize that the gentleman is making a great speech for the passage of this resolution. Before the gentleman took the floor the resolution would have had extreme difficulty in being adopted, but I am satisfied now that our distinguished friend from Chicago, Ill., has dissipated all opposition. I am confident that as a result of his logic and eloquence the resolution will now be adopted by unanimous consent.

The gentleman has spoken of some of the fine things Chicago has. It is a great city. One of its finest possessions is one of the most lovable characters any one of us has ever met, the gentleman from Chicago [Mr. SABATH].

Mr. SABATH. I thank my friend for that extraordinary compliment, but I accept it, naturally.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The last part of the gentleman's remarks was rather of a political character.

Mr. SABATH. No; I do not think so.

Mr. AUGUST H. ANDRESEN. Is this to be a nonpolitical fair or just a Democratic fair?

Mr. SABATH. No; this will be a fair for all the people.

Mr. AUGUST H. ANDRESEN. Republicans, too?

Mr. SABATH. Yes. They have contributed their share in many ways in years gone by, and I extend due credit to them, as I mentioned before. Such men as Marshall Field, Mr. Leiter, Mr. Potter Palmer, Mr. Swift, Mr. Armour, Mr. Higginbotham, and others were not Democrats. They, too, helped build Chicago. I am not trying to deprive the Republicans of any credit which is due them. However, in view of the fact that someone asked whether this was a Democratic or Republican fair, I had to answer the question. I always try to answer any questions that are asked me whenever I am able to do so. Sometimes I cannot.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. REED of New York. The Republicans will not be taxed for going to the fair, will they?

Mr. SABATH. I assure the gentleman that they will not be taxed any more than others that come to our city day in and day out, by the thousands. Prices will be reasonable, the treatment will be right, and no one will regret visiting Chicago to participate in these two great fairs.

Mr. REED of New York. The gentleman will remember that the Republicans helped to get this legislation.

Mr. SABATH. I appreciate that. I always appreciate whatever good Republicans do. There is no question about that. I hesitate to say more, because I do not want to start an argument.

In conclusion, Mr. Speaker, I can assure one and all that adequate accommodations will be available, as we have some of the most spacious and finest hotels ever built right on the lake front. Our restaurants are noted for their good foods the world over and will satisfy the most particular epicure, and at moderate prices. And for amusement we offer you the finest of golf courses, horse racing, baseball, and every other summer sport. And speaking of baseball, our White Sox and Cubs are doing very nicely. I am sure your visit to Chicago will be more interesting, pleasant, and satisfying than any trip you can possibly plan for this summer to any other section of our country or to foreign lands. In Chicago you can see everything that is to be seen.

You will be welcomed with open arms. Chicago's hospitality will be yours.

Mr. Speaker, I now yield to the gentleman from Ohio [Mr. BROWN] the former lieutenant governor of the State of Ohio and one of the most active Republicans in the House.

Mr. BROWN of Ohio. Mr. Speaker, after consultation with and at the suggestion of the distinguished ranking minority member of the Committee on Rules, the gentleman from Illinois [Mr. ALLEN], who somehow or other also seems to be just a bit prejudiced in favor of the State of Illinois and the great city of Chicago, in view of the nonpartisan approach that has been made to this great problem in the address delivered by the gentleman from Illinois [Mr. SABATH], and as a tribute to the great city of Chicago and to the gentleman from Illinois, who is the dean of the House and a great legislator, as well as a great wit and a great Democrat, the minority yields back the balance of its time. I do so in the hope this resolution will be adopted unanimously so we may all soon repair to Chicago to become the guests of the distinguished gentleman from Illinois [Mr. SABATH].

PAUL LEACH

Mr. SABATH. Mr. Speaker, I yield myself 3 minutes and ask unanimous consent that I may proceed out of order.

The SPEAKER. Is there any objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, having served as a Member of this body for more consecutive years than any other Member in the history of the House, 44 years, to be exact, I feel it fitting and proper to call attention to the fact that another Chicagoan has established a similar record in the Fourth Estate, namely, our good friend Paul Leach, chief of the Washington bureau of the Chicago Daily News. Paul Leach this month is celebrating his fortieth anniversary with the Chicago Daily News, coming to Washington only 4 years after me.

Although the Chicago Daily News has changed hands several times during this twoscore years, Paul Leach has been retained by each new owner because of his personal ability, foresight, and faithful service to the traditions and ethics of the reporting service.

When I was just beginning to know my way around as a Member of the Sixty-first Congress, Paul Leach was a young fellow back in Chicago, starting out on his first job as a cub reporter for the real-honest-to-goodness-factual Chicago News, belonging to Victor Lawson. Since the Harding and Cox conventions in 1920 he has covered every national convention of both major political parties, and since 1934, a period of 16 years, he has worked with us in Washington, representing the Chicago Daily News. Yes, Mr. Speaker, for twoscore years, four decades, Paul Leach has gained the respect and love of everyone in this body, and, indeed, all of official Washington.

It is a privilege and a pleasure to congratulate him, and the Chicago Daily News as well, on the occasion of his fortieth year with the same newspaper. Paul Leach is an honor to his profession and to the city of Chicago.

I know that all of you who know Paul Leach must agree with me that he is a gentleman of high ability and fair-mindedness, and that, further, you will concur in all that I have, with deference, said about him.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. BROWN of Ohio. Mr. Speaker, as a newspaper publisher and as a lifelong friend of Paul Leach, I am happy to join in the tribute being paid him by the gentleman from Illinois [Mr. SABATH]. Paul Leach is an exceptionally able newspaperman and a great American.

Mr. ARENDS. Mr. Speaker, whenever I have occasion to refer to the occupants of the Press Gallery, a certain stanza of verse invariably comes to my mind, the author of which I do not presently recall:

Some day I'll pass by the Great Gates of Gold,
And see a man pass through unquestioned and bold.
"A Saint?" I'll ask, and old Peter'll reply:
"No, he carries a pass—he's a newspaper guy."

Paul Leach, who is celebrating this month his fortieth year with the Chicago Daily News, is one of the ablest, finest and best "newspaper guys" it has been my privilege to know. Knowing him as I do, he does not need a pass to get him anywhere he may wish. I have never known him to take an unfair advantage of anyone or any situation. As a newspaper correspondent, Paul has always reported the news accurately and objectively.

In the fullest sense, Paul Leach has upheld the highest traditions of the fourth estate. The mere fact that he began with the Chicago Daily News 40 years ago as a sports reporter and has continued with that same great newspaper to be today its chief correspondent speaks more eloquently than any words of mine the merit of the man.

In his newspaper career, Paul has filed copy from every State in the Union. Since 1920 he has covered every national election as correspondent for the Chicago Daily News.

With this broad experience and inexhaustible knowledge of governmental affairs, Paul writes a weekly news analysis column for the four Knight newspapers—the Detroit Free Press, the Chicago Daily News, the Akron Beacon Journal and the Miami Herald.

And I think Paul has another accomplishment that ought to be mentioned. Shortly after he began his newspaper career he acquired a helpmate, who has been a constant source of inspiration to him. Their son and daughter have brought four grandchildren to the family circle. The boy served with distinction as an infantry captain in the Pacific during the last war, and the daughter's husband was a Navy officer in the submarine service.

In more ways than one, the Paul Leach family has made a real contribution to this great country of ours. I pay my respects to all of them. I congratulate the Chicago Daily News. To Paul, I would say, as Emerson at one time said: "The reward of a thing well done, is to have done it." And Paul has accomplished what is accomplished by few men. I am proud to claim him as a personal friend.

Mr. GORDON. Mr. Speaker, I welcome the opportunity to address the House in support of House Joint Resolution 453. As a Chicagoan I, of course, take considerable pride in the initiative Chicago is taking in organizing the First United States International Trade Fair. But as an American who is vitally interested in seeing every possible step taken to encourage a sound foreign trade, I feel that every possible encouragement should be given to the First United States International Trade Fair.

It was my honor and pleasure to sponsor this resolution in the Committee on Foreign Affairs. A special subcommittee consisting of myself as chairman, my colleagues, Mr. MANSFIELD, of Montana, and Mr. JAVITS, of New York, considered this resolution and unanimously recommended that the resolution be reported favorably. The full committee concurred in the subcommittee's recommendation and also reported the resolution unanimously.

The House should understand fully the scope of this resolution. A fair like the one in Chicago usually requires legal authorization to permit exhibitors to bring in their exhibits and dispose of them by proper procedures outside the customary operations of the customs laws. This authority was given by the Congress on May 18, 1950, in Public Law 517.

The resolution now before the House authorizes the President to invite foreign nations and States of the Union to participate. It involves no financial obligation to the Government. What the resolution proposes is to lend the prestige of the United States to the fair by authorizing the President to issue invitations.

Although the purpose of the resolution is simple, the principle involved is of great importance. The expressed aim of the fair is to bring buyers and sellers together so as to encourage commercial relationships, the sale of goods, and the business contacts so necessary to good trade relations.

The passage of this resolution would give the President an opportunity to apprise the world of the importance of the fair and its part in those actions for which this Government stands. Good trade relationships are the lifeblood of commerce, and the encouragement of a healthy foreign trade is essential to this country and the nations of the world.

The trade fair emphasizes this point in encouraging buyers and sellers primarily, and governments as well.

It should be noted that the fair in Chicago is the "First United States International Trade Fair." Others will be held in years to come. It is most important, therefore, that the first one have the full support of the Government and people of the United States. The passage of this resolution will give that necessary support. I urge its adoption.

Mr. SABATH. Mr. Speaker, I move the previous question.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. AUGUST H. ANDRESEN) there were—ayes 389, noes 0.

So the resolution was unanimously agreed to.

Mr. KEE. Mr. Speaker, since it seems there is no opposition to the joint resolution, and since no money is involved, I call up the joint resolution (H. J. Res. 453) authorizing the President to invite the States of the Union and foreign countries to participate in the First United States International Trade Fair, to be held at Chicago, Ill., August 7 through 20, 1950, and ask unanimous consent that the joint resolution be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the joint resolution, as follows:

*Resolved, etc.*, That the President of the United States is authorized to invite by proclamation or otherwise, or in such manner as he may deem proper, the States of the Union and all foreign countries to participate in the First United States International Trade Fair, to be held at Chicago, Ill., from August 7 to 20, 1950, inclusive, for the purpose of exhibiting industrial products; machinery, equipment, supplies, and engineering; and the exhibiting of the newest developments in metals, plastics, chemicals, oils, textiles, and other manufactured products; and bringing together buyers and sellers for promotion of foreign and domestic trade and commerce in such products.

With the following committee amendment:

Page 1, line 5, strike out "all foreign countries" and insert "foreign nations."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## IMPORT CONTROLS ON FATS AND OILS AND RICE AND RICE PRODUCTS

Mr. SABATH. Mr. Speaker, I call up House Resolution 680 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3550) to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and

Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this resolution makes in order the bill S. 3550, and it has been agreed by the Committee on Banking and Currency that S. 3550 will be offered as a substitute for H. R. 8737, so that the same could be passed without any delay. The Committee on Banking and Currency has agreed to that so that the bill will not have to go to conference. The only question that has arisen was the question of coconut-oil and coconut exemptions.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. SPENCE. I do not think we agreed to the provisions of the bill. We agreed that it would be advisable to adopt the rule in order that the matter might be considered by the House.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. BROWN of Ohio. This is not a substitute or anything of that sort. We simply gave a rule permitting the Senate bill to be brought up at this time rather than the House bill. The difference between the House bill and the Senate bill is that the Senate bill excludes from the provisions certain coconut oil, which the House bill included. The agreement was made to go ahead with the Senate bill.

Mr. SPENCE. That is correct.

Mr. BROWN of Ohio. So this is an original resolution.

Mr. SPENCE. It is an open rule and the bill is subject to amendment.

Mr. BROWN of Ohio. But it is to expedite action that you are taking up the Senate bill because the dead line is tomorrow night at midnight.

Mr. SPENCE. That is right.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3550) to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils—including butter—and rice and rice products.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 3550, with Mr. GRANGER in the chair,

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Kentucky [Mr. SPENCE] is recognized for 30 minutes, and the gentleman from Michigan [Mr. WOLCOTT] is recognized for 30 minutes.

Mr. SPENCE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the Committee on Banking and Currency reported out the bill H. R. 8737 and went before the Rules Committee to obtain a rule and made our argument in behalf of the rule on that bill. The Rules Committee, however, with peculiar generosity, gave us a rule on a Senate bill. The question that then presented itself was whether or not we would accept the rule. We have accepted the rule because it is absolutely essential if these controls on fats and oils are to continue that some affirmative action be taken before tomorrow night.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. MURRAY of Wisconsin. Under what stretch of the imagination does rice come under fats and oils?

Mr. SPENCE. It comes under the bill; whether it comes under a strict definition of "fats and oils" is immaterial. Rice is expressly mentioned in the bill, and the question as to whether it is a fat or an oil or neither would not make much difference. The only difference between these bills is that the Senate excluded coconut oil from the quantitative controls which the President may exercise; the House bill included it.

This power is given to stabilize our economy, balance our international trade, and to protect these agricultural commodities, and incidentally to protect the stocks of these commodities which have been obtained by the Commodity Credit Corporation in order to support their prices. I think it is very essential that these controls continue. The last time we continued them for 3 years. This bill continues the controls by the President for one additional year.

The question is whether you want coconut oil controlled or decontrolled. I will admit that there are some advantages in accepting the Senate bill, because if there is a delay and this matter goes to conference and no decision is rendered by tomorrow night, which would be impossible, all of these controls are lifted. It is a matter of a good deal of importance to those sections that produce cottonseed oil, soybean oil, and peanut oil. When I gamble I like to gamble with my own property—not the other fellow's. I do feel I should not gamble with his interest in this legislation, and I am willing to be guided largely by the opinion of my colleagues who represent the producers of these products. I think there is a real peril if you do not pass the Senate bill because there will necessarily be a conference and there may be a delay; and the President cannot control the importation of these commodities if there is a delay, for the power to control them will expire tomorrow night.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. BROWN of Georgia. The Senate bill just extends the present law?

Mr. SPENCE. Yes.

Mr. BROWN of Georgia. The only difference is with regard to the one item, coconut oil, one commodity.

Mr. SPENCE. That is true.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. CHRISTOPHER. Is coconut oil controlled or decontrolled at the present time?

Mr. SPENCE. I understand that no controls have been exercised over coconut oil for the last 3 years.

Mr. CHRISTOPHER. What was the reason for the elimination of coconut oil in the Senate bill, allowing its importation, allowing it to stay decontrolled?

Mr. SPENCE. That is a question that must be answered by the President.

Mr. CHRISTOPHER. It has been delayed up to this time so that we are now in the position of either having to swallow the fly or get no soup.

Mr. SPENCE. We are between the devil and the deep blue sea right now, and the question is whether you want to take a chance on having all controls lifted by prolonging the discussion, or whether you will accept the Senate bill which will continue these controls; and you may be assured that they will continue for 2 years.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. GROSS. What assurance does the gentleman have that if we pass the bill the Senate will take action on it before tomorrow night?

Mr. SPENCE. This is a Senate bill and if passed will go to the President for his approval.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I understood the gentleman to say that the Senate bill provided for an extension of the present law for 2 years.

Mr. SPENCE. Yes.

Mr. AUGUST H. ANDRESEN. As I read this bill, it runs to July 1, 1951.

Mr. SPENCE. I made a mistake. It is 1 year. I confused this with the last bill we passed here today.

Mr. AUGUST H. ANDRESEN. I introduced a bill to extend it for 2 years and I had hoped that is what it would be; but under the circumstances I do not see how we can do anything about it.

Mr. SPENCE. This is an extension for 1 year. I would like to correct that.

Mr. Chairman, the Members are familiar with the operation of these controls and what they have done. The matter is submitted to the House.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. In case anything should happen to this bill, under section 22 of the AAA Act the President has the same powers that he has under this act?

Mr. SPENCE. I am not too familiar with that, but he has some powers of control. How far they go I do not know.

Mr. MURRAY of Wisconsin. Under section 22 he would have to do it by is-

suing an executive order, which would be public information to everybody, but under these provisions it is done through the back door and other countries and other peoples do not know about it.

Mr. SPENCE. I think probably he has some powers of that kind, but how far they go I do not know.

Mr. AUGUST H. ANDRESEN. As I understand it the existing law which we are continuing by this bill gives the President discretionary authority and is not a mandatory proposition?

Mr. SPENCE. I do not think the Congress ever issues any mandate to the President. He is head of a coordinate branch of the Government and the powers we grant him are always discretionary.

Mr. AUGUST H. ANDRESEN. But the gentleman and I have seen much legislation here that requires the doing of certain things; instead of saying "may do certain things" it is provided that "he shall do certain things," but this bill gives the President discretion?

Mr. SPENCE. It gives the President discretionary authority, yes.

Mr. AUGUST H. ANDRESEN. He can put on an embargo?

Mr. SPENCE. It is quantitative control. It can be done by embargo or by any method he wants to pursue as long as it is quantitative control.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, this bill is just one of the regular merry-go-rounds that takes place between the State Department, the Department of Agriculture, the Banking and Currency Committee and so forth and so forth.

In the first place, under section 22 of the AAA Act the President has this power now. In the second place, it does not make much sense to pass this bill yet turn around and let coconut oil come in, because that is the biggest import. It looks to me as if in presenting this bill all we are trying to do is to deceive ourselves or deceive somebody else because without the coconut oil provision in there there is not much use passing this bill. Coconut oil, it so happens, is recognized as the best vegetable oil there is so far as oleomargarine is concerned and so far as these other edible foods are concerned. In this bill provision is made that it is exempted.

Having been here as many years as I have and having watched the peanut oil people and the cotton people always looking after their own interests as they have been all these years, I cannot understand their submitting to a piece of legislation like this that allows coconut oil to be exempted. Coconut is the origin of the coconut cow. The dairy industry is already faced with catastrophe.

We are faced with another problem and that is the matter of the coconut cow. They can skim milk and coconut oil and sell it in competition with evaporated natural milk. As near as I can find out there was at least 10 times as much of that made last year as was made 10 years ago. It is just one more step downward for the dairy industry. I figure that the Eighty-first Congress has done enough to the dairy industry of this country for one session without being a party to ruining the evaporated milk industry of this Nation, which is a very important part of the dairy industry in many parts of our country.

Still, regardless of whether it is going to take a day or two longer, as far as I am concerned, I do not want to vote for this bill and give special privileges, if you please, to the coconut oil people, and I am sorry to see the soy bean people and the cottonseed people take the position that they want to have these coconut oil interests have the advantage over them because this kind of legislation is not based on fairness or equity or justice. I am not going to spend any time on the rice business at all; it has nothing to do with fats and oils. Rice has a tariff, it has good protection, and it could come under section 22. I am personally getting tired of having people come on the floor and telling about the wonderful features of reciprocal trade treaties, and every chance they get come in and ask for special privilege legislation which they ask for in connection with rice and other special privilege crops. I represent a district that tries to farm their farms and not the United States Treasury. In all the years I have been here, I have never asked for one thing for the farmers of my district that I did not want every other farmer in the United States to have, and it gets rather discouraging to see this double talk and this hypocrisy, of people going around and talking for reciprocal trade treaties and what a wonderful thing it is, and then talk about gadgets or legislation that sets it up for the few at the expense of the many. This rice gadget is another one of them.

So, the first thing we should do is to take out that provision for coconut oil. I am willing to pass up the rice, because it is an insignificant crop anyway. I realize that under this program, sure, we will stop the importation of butter, but you are not stopping the importation of butterfat. Millions and millions of pounds of batterfat are coming in here in other forms, in the form of cheese, which is a good deal more important than the rice industry of this country. We brought in 32,000,000 pounds of butterfat last year, and it caused just as much trouble as far as disturbing our domestic economy is concerned as if it came in in the form of a pound of butter.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Minnesota.

Mr. ANGUST H. ANDRESEN. I was going to mention the cheese proposition. If this bill should be amended at all, it should be amended to include cheese, and exclude cheese from coming in.

Mr. MURRAY of Wisconsin. It should have cheese included. As far as that is concerned, under section 22, how do you think we got the embargo on cotton coming into this country? By executive order. How about the embargo on wheat? That was done by executive order. There is no reason why this whole situation cannot be handled the same way if and when they want to do it.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MCKINNON].

Mr. MCKINNON. Mr. Chairman, I do not intend to oppose this bill, although there are certain things about the inequity of the situation that I think should be borne in mind. I think all of us subscribe academically to the principle of free trade, but we all realize from a realistic standpoint that it cannot be flung open and operated completely without undermining our own economy. A number of us from the West sit here and watch certain commodities that are politically strong come in and get exemptions on certain articles they are interested in. I have no particular quarrel with that. It is only natural that we represent our commodities to the best of our ability, but I think this should be borne in mind, too, that complete free trade can hurt the little commodities just as much as it can hurt the big commodities. When you start making exceptions on the big powerful commodities, even though you do have the political strength to do it, we must realize that if we are going to have free trade we should not ask the little commodities to bear the complete brunt of a free-trade policy.

Out in our section of the country we have such items as lemons that are suffering pretty heavily now from imports from Italy. Our producers of canned fish are suffering from imports from South America. They are particularly threatened in the future by imports from Japan. The imports of Japanese canned tuna practically ruined our industry on the west coast in the thirties.

We have almonds and walnuts and fruits, and they are greatly damaged by the completely free-trade policy. Yet we do not have the political strength to protect ourselves. In passing this sort of a bill we are going to give an exception to certain items. I simply ask the other Members of the House to give consideration also to the little commodities that are likewise being hurt by this sort of policy. If it is right to make an exception on certain of the more politically powerful commodities, then I think we should also take into consideration some of the smaller commodities that are being damaged by a free-trade policy.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. MCKINNON. I yield to the gentleman from California.

Mr. JOHNSON. I concur in the gentleman's argument, and mention one or two products that affect my people very vitally in this reciprocal-trade program. One is the almond industry. A large part of it is in my home county. They are all individual, rather small farmers, and they are in continual jeopardy because of this agitation to modify the schedules. Another is wine. We have hundreds of wineries out in my area. Whenever you hurt the wine industry it percolates right down to the grape crop, and many of these producers have very small ranches, as the gentleman knows.

It seems to me when we go before these reciprocal trade committees we do not get any comfort whatever in presenting our arguments. They are just cold to our appeal. Once you wreck the wine industry you have wrecked the whole grape industry of California. We raise 3,000,000 tons of grapes a year, and it goes into thousands and thousands of families.

I want to compliment the gentleman on the argument he is making.

Mr. McKINNON. I thank the gentleman. I might also point out that when it comes to the almond grower, the walnut grower, and the citrus grower, these men are in the position that it takes several years to bring an orchard into bearing. If in one or two particular years the crop does not bear out they take the loss. They cannot transfer over into another crop. They are stuck with their groves. The same thing applies all through the West, and I think it applies to the citrus industry in Florida. We cannot make a quick transfer. Those things should be borne in mind as we write these reciprocal trade treaties. They should protect the little man, the little farmer who invests. It means everything to him, although his investment may be small compared to the national economy.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. HAYS of Arkansas. The gentleman is making an excellent statement. I think it is a good thing to have attention focused on the problem of the special commodities he has mentioned. At the same time, I am pleased that he is not going to oppose the bill; that is, the plight of some commodities should not restrain the Congress in its effort to protect those that apparently this legislation is logically designed to protect.

With reference to some of the basic crops, I might add that the purpose of this bill is not limited to protection of American producers. I am thinking of rice, for example. I am not an expert in this field, but my district is close enough to the rice area that I think I can speak authentically on this point. Without these controls there might be a movement of rice to some local markets away from countries that need it. It is in consideration to some extent of the dietary and other standards rather than price considerations that the controls on rice should be extended.

I am glad that the gentleman developed the points on trade problems. He knows that many of us on the Committee on Banking and Currency are concerned on this score. I agree with him that we have not reached a solution. Free trade is an ideal that must be pursued, but it must be pursued with consideration for the little producers.

Mr. McKINNON. I am glad to have the gentleman's statement. Since he is a good Baptist deacon, naturally I would expect him to agree with the principle of the Golden Rule.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman, unless this bill is amended by striking out "and coconuts" on page 1 and on page 2, as well, as "and coconut products," I shall feel constrained to vote against it regardless of the consequences. This House cannot be held responsible for this unwarranted situation.

There is no more dangerous element introduced into our economy than this matter of foreign oils in competition with the oils produced in our own country and in great competition with our dairy industry. The bill, if it is passed in its present form, will remove all import controls over coconut oils. It will allow large volumes, possibly millions of tons, to be imported into this country.

We know that because of the recent war there have not been so many new coconut plantations brought to bearing. But they will be, and there will be millions of tons of this coconut oil brought to this country to displace the cottonseed oil, peanut oil, soybean oil, and other oils produced in this country. I have a copy of a letter from the American Soybean Association addressed to the chairman of the House Banking and Currency Committee, which reads as follows:

HUDSON, IOWA, *June 10, 1950.*

Hon. BRENT SPENCE,
*Chairman, Banking and Currency Committee, House of Representatives, House Office Building, Washington, D. C.*

DEAR CONGRESSMAN SPENCE: It is our understanding that your committee will start consideration of a bill adopted by the Senate last week, basic purpose of which was to extend the import controls on fats and oils for an additional period of time. We also understand that this bill includes an amendment adopted in the Senate specifically exempting coconut oil from these controls.

The American Soybean Asssociation favors the continuation of import controls on fats and oils, but we violently oppose the Senate bill, which specifically exempts coconut oil. With this exemption the bill becomes meaningless. The exemption defeats the very purpose for which the bill was written. It gives advantage to the major oil import, discriminating against all others. It is our contention that this exemption should be removed from the bill, and that it should then be passed and become law. Representing the major source of edible vegetable oil in the United States, soybean growers have more at stake than any one other group of producers. We would prefer nonpassage of import controls to passage of a bill containing special-privilege controls, legislation of the type sent to your committee by the Senate after adoption of the Bricker amendment.

We urge your committee to take immediate action to remove from the bill this exceedingly preferential and damaging provision. We further urge you to give immediate impetus to passage of the bill after removal of this exemption for coconut oil, thus continuing authority for import controls on all fats and oils on their present basis.

We further ask that this letter be presented to your committee and that it be placed in the record of testimony on this subject.

Respectfully yours,
AMERICAN SOYBEAN ASSOCIATION,
By GEO. M. STRAYER,
*Secretary-Treasurer.*

Mr. Chairman, that, in brief, is the sentiment of the farmers engaged in the business of raising soybeans in the Northwest and millions of other farmers as well. Many of you will remember that in the last few years and throughout the recent war the Government has paid subsidies to get the farmers to raise soybeans. That was done during the war and the acreage was increased in certain States, including Illinois, Indiana, Iowa, Wisconsin, to some extent Minnesota, and in some other States. The soybean acreage was increased accordingly.

Now we are in competition with other vegetable oil interests. At this time a large part of the coconut oils imported into our country is made into soap. The soap monopoly which controls about 80 to 85 percent of all the soaps made and sold in this country is in control of the coconut oil trade of the world, one of those European cartels that we hear so much about. It is one of those corporations that apparently reaches out farther and farther as time goes on in order to compete with the American vegetable oil products.

Very recently, in the past year or so, $600,000,000 of American money has gone to Britain and Africa to develop many millions of acres of plantations which will produce vegetable oils and be in competition with soybean and cottonseed oils and all the other oils of our country. Of course, the idea is to extend the power of the cartel which manufactures such a large part of the products from vegetable oils, including probably two-thirds the oleomargarine made in our own country.

I shall offer an amendment at the proper time to strike out "and coconuts," in line 10 on page 1, and "coconut products," in line 1, page 2, from this bill.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. HULL] has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman, in fairness to the Committee on Banking and Currency and its chairman, I am obliged to state that they did appear before the Committee on Rules and did desire a rule on their bill H. R. 8737 before the law expires tomorrow. We felt that if we should grant a rule on the House bill it would be a different bill than the bill which the Senate already passed. The Senate passed a bill excluding coconuts and coconut products and petroleum and petroleum products. In the hope that we would eliminate the appointment of conferees and perhaps delay the consideration of this legislation, the majority of the Committee on Rules felt a rule should be granted on the Senate bill in lieu of the House bill.

I do not wish you to understand that originally Chairman SPENCE of the Committee on Banking and Currency was willing to agree to it, but he was in this position, namely, that he must take the Senate bill or no bill at all, because, if we had granted a rule on the House bill, the chances are there would have been no legislation because of serious disagreement and the law would have expired. So the Committee on Rules felt that the only thing to do was to grant a rule and let the Banking and Currency Committee agree to take the Senate bill instead of no bill at all.

As to the complaints that have been made by my neighbors and friends from Wisconsin, I want to say this: You gen-

tlemen have not been injured or hurt, as you maintain. Of course, I appreciate your efforts in behalf of the people of your district and the great State of Wisconsin, but Wisconsin, the farmers, and the dairy people of that State have been more prosperous, notwithstanding the legislation you complain of, than ever before in the history of our country. I hope they will continue to be prosperous, but I hope too that they will reduce their high prices on milk, cheese, and cream which we the public are obliged to pay.

Now, the gentleman from Wisconsin [Mr. HULL] complains about soya beans. May I call attention to the fact that in Illinois we grow large quantities of soya beans, more than the farmers in the State of Wisconsin. In the western section and the northern section of Illinois we have the finest farms and the finest dairies, and raise a great deal of soya beans; I have not heard a single soya-bean grower complain, because soya beans today are selling at $3 and as high as $3.15. Consequently, they cannot complain that they are suffering due to legislation when they can get $3, $3.10, or $3.15 for soya beans, as I said before. I realize the farmers themselves do not get it all. I know that this high price that has been brought about by speculation will not inure to the benefit of the farmers, but still they will have their portion of the high price, and that they are entitled to.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I think it is for the best interest of our country that this law be extended; and the only way it can be extended, because we are going to adjourn today, is to adopt the bill as passed by the Senate. I know there are men in the Senate who are interested in our country and in the farmer; not perhaps to the extent that the gentleman from Wisconsin is, but there are some men over there who at times are interested in the farmers of the Nation.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield.

Mr. MURRAY of Wisconsin. If 85 percent of the vegetable oil which came into the United States this last year was coconut oil, would the gentleman still be in favor of this legislation or not?

Mr. SABATH. I do not know the percentage of coconut oil that comes into this country.

Mr. MURRAY of Wisconsin. Of the total oil, I mean.

Mr. SABATH. But I understand that the bakers and the candy makers are very much interested in obtaining some of these coconuts and coconut oil at a price which will permit them to remain in business. Because of the protests from these two industries that came to the Committee on Rules and to the members of that committee we felt that we would safeguard their future and also bring about legislation that would extend this law which is about to expire tomorrow.

Mr. COLE of Kansas. Mr. Chairman, yield 5 minutes to the gentleman from Iowa [Mr. TALLE].

Mr. TALLE. Mr. Chairman, I want to express keen regret at the fact that the Committee on Rules did not see fit to grant a rule on the House bill, because in the House bill there are no words that would have aroused the controversy we are spending our time on now. I think it was a mistake, and I shall point out why.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. TALLE. Yes; briefly. My time is very short.

Mr. GROSS. Would the world come to an end if we failed to pass this bill today and the law expired for a few days, a week or so?

Mr. TALLE. I will deal with that in a moment. I thank the gentleman.

What may occur in the event that we leave the gates wide open as far as coconuts and coconut oil are concerned? Let me call attention to the statement of a distinguished scientist, Dr. John L. Coulter, in connection with the hearings on the House bill the 12th of June. He pointed out the following:

> The fact is that imports during the past 3 years, 1947 to 1949, have averaged more than during any other 3-year period in our history.

So you see the imports are increasing. In 1947 the imports amounted to 877,000,000 pounds.

I inquired about the conditions of production and I found that they are much improved in the areas where coconuts and coconut products are produced. War damages have been repaired, and revolutionary forces are not so active as formerly. Production is going ahead at a rate higher than prewar.

The next question is: Who are the users? Some of the testimony given to the Banking and Currency Committee was sweetened because it came from the confectionery industry, but if you will examine the hearings you will discover that as of 1947, 70 percent of the coconuts and coconut oil imported into the United States was used not by the candy people, not by the bakery people, but by the soap industry. The controversial words in this bill—S. 3550—relate principally to the interest of the soap industry in a foreign product which competes with products produced by our own people. American producers should have first claim on the home market.

What is the difficult position we are in? We are on a spot? Here is the situation: Suppose we pass the Senate bill and the gates are opened wide. Oil will flow in to compete with our domestic producers. Suppose we amend the bill. Then there must be a conference of the two Chambers, and, as you know, the parliamentary situation in the two bodies is such that a conference cannot be held prior to midnight tomorrow.

As has been pointed out, existing safeguards relating to fats and oils will die tomorrow at midnight. Suppose we kill the bill? Then the safeguards will die, too.

In the last two situations, what difference does it make? Suppose we let the current law expire tomorrow and take our time about further legislation. This is what will happen: The big users, and they are the soap people, suspecting that controls might be put on imports would immediately proceed to make large contracts for supplies. All right. After those contracts were made, whatever law we might pass on the 12th of July or the 15th or 30th of July would be nullified because the contracts had already been made. So in order to protect ourselves in this awkward situation I suspect we will be better off if we pass the bill.

Finally, Mr. Chairman, my distinguished colleague from Wisconsin [Mr. MURRAY] has pointed out that the President and the Secretary of Agriculture were granted certain powers relating to imports under the Commodity Credit Corporation Act which became law just a few days ago. The gentleman referred to section 22. It is my opinion, and I believe it is the gentleman's opinion, that if the provisions of that section are properly administered, whenever imports endanger the price of lard, butter, and so forth, or fats and oils generally, the President and the Secretary of Agriculture can stop further importation.

As I stated at the outset, I regret this sort of legislation, but I am not going to take the responsibility of removing all safeguards on the ground that the Senate bill contains a provision with which I disagree.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. COLE of Kansas. Mr. Chairman, I yield the gentleman one additional minute.

Mr. TALLE. Mr. Chairman, I repeat that I believe we will be better off if we pass this bill. There is not sufficient time for a conference with Members of the less numerous branch of the Congress.

Inasmuch as the administration leadership is responsible for this awkward and unfortunate situation I feel that the administration should take a look at section 22 in the Commodity Credit Corporation Act, and then resolve to bolster up the weakness that is very apparent in the pending bill.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. Did Dr. Coulter's figures show the percentage of coconut oil being imported? Nearly all of the imports are coconut oil percentagewise?

Mr. TALLE. That may be true. Dr. Coulter testified in behalf of seven national organizations. His complete statement is in the hearings on the House bill.

Mr. MURRAY of Wisconsin. Therefore, if the bill is not passed it is not going to do much harm because there is not much cottonseed oil, peanut oil, or any other vegetable oil coming into the United States, is there?

Mr. TALLE. Up-to-date figures are not available to me but production, and importation are increasing. I want to protect our domestic producers of fats and oils.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Chairman, I want to address my remarks particularly to the comment made by the two gentlemen from Wisconsin. In my opinion, their point is well taken. There is a defect in this legislation in the exemption provided for coconut oil. However, under the circumstances that confront us, I sincerely hope we will pass this legislation as it is and without amendment; otherwise we will wake up tomorrow night and we will not have any controls over these oil-bearing crops. The situation, as I understand it, is that if we do not extend this authority by passing this legislation today on July 1 we will have foreign-produced peanuts—perhaps foreign-produced soybeans—moving freely into competition with our domestic production.

On yesterday I had a telephone call from one of my constituents who is in the peanut business. He said, "I would like to know what is going to happen to this extension of the authority to control these imports. There are now in Mexico oriental peanuts which I can buy for delivery on July 1. There are also in certain foreign-trade zones, in storage, peanuts ready for immediate movement." He said he was further informed that there were orientally produced soybeans ready for immediate unloading in west coast ports. I was also informed that there are large quantities of flaxseed in Soviet-controlled ports ready for immediate shipment to this country.

Now we are faced with a problem. Unless we pass this legislation as it is, we are going to have no controls and we are going to immediately feel the effect of the elimination of these controls, and we will feel it on the following day. I think we should eliminate or find some way to eliminate this coconut-oil proposition, and I would suggest that the Committee on Banking and Currency give consideration toward further legislation which will be more equitable and might even take into account some other commodities that are involved.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. Just to keep the record straight, the facts are that pretty nearly all the imports are coconut oil at the present time.

Mr. HARDY. I understand that that is true, but the imports of peanuts would show up immediately. There was an intensive effort made only a few months back to have this restriction lifted on peanuts, and peanuts are now waiting to come in.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. GAMBLE. Mr. Chairman, I yield 8 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, this type of legislation really has the Members over a barrel. We are really forced to take it, and if we do not, then our country will be flooded with imports of foreign fats and oils and the competitive products covered by this bill. Now, it is apparent that Congress during the past, and even the Eighty-first Congress, has delegated authority to the President to say what should happen on imports and exports; in fact, we learned here only this week that the President possesses the power to declare war, or get the country into a state of war, or send our troops into war and bypassing Congress. This legislation is about on a par with that. We do not know today, if we pass this bill, whether the President will continue embargoes and quotas which have been in effect or will be in effect up until tomorrow night. He may or he may not; it is in accordance with his discretion. We will find ourselves in the situation which we are in where we are really forced to take this bill or take nothing and then trust to the President that he will try to protect the American producers of this country.

Now, what has happened in the case of butter? Well, the President under discretionary authority given him by Congress—I did not vote for it—reduced the duty on butter from 14 cents a pound to 7 cents a pound. He did that in January of this year under agreements made over in France when they had a trade conference. So the duty on butter has been cut in half.

Last year in August and September the President urged all these countries like France and Denmark and other countries who are getting our grants and gifts to devalue their currencies, and most of them did, by 30 percent. It really knocked out the 7-cent duty we have on butter, and the other tariff duties that have been cut by the President under his discretionary authority. Butter today can be laid down in New York from any country in the world, duty and transportation paid, at less than 50 cents a pound, and here we have a support price of 60 cents a pound, with the Government buying a great deal of the butter produced in the surplus-producing areas of the country, like the States of Iowa and Minnesota.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Iowa.

Mr. JENSEN. The fact is that butter is coming into this country by the millions of pounds.

Mr. AUGUST H. ANDRESEN. It is not coming in yet, because we still have this law that is in effect and will remain in effect until 12 o'clock tomorrow night. When the President cut the duty on butter he fixed a quota on imports of 60,000,000 pounds a year that can come in under the 7-cent duty, which is about two times as much butter as we have imported at any time in the history of our country during the past 25 years.

Mr. JENSEN. That is what I said; it is coming in.

Mr. AUGUST H. ANDRESEN. Yes; it will come in, unless we pass this bill and continue the law for another year. I am satisfied that the President will not exercise the authority he has under section 22. He did not do so on potatoes. Our market will be flooded with butter. This means that the Commodity Credit Corporation will have to step into the market and buy more and more American butter, that will go into storage in this country, to provide a market for the butter that is shipped here from foreign countries. So we are facing a reality here when we deal with this legislation.

Mr. JENSEN. In addition to the smack that we took on the oleo bill.

Mr. AUGUST H. ANDRESEN. That is true.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. MURRAY of Wisconsin. Granting at least that the gentleman is right on his approach to butter, and all that they want to control is the butterfat that is in the butter, would the gentleman be agreeable to an amendment that would include cheese, because cheese has pretty nearly half as much butterfat in it as butter does?

Mr. AUGUST H. ANDRESEN. I recognize that. I will say to the gentleman we should also include all kinds of cheese. We should also include potatoes. We should include eggs that are shipped in here from Communist China, and we should include hams that are shipped in here from behind the iron curtain. There are many other items that should be included in this legislation because of the authority that has been conferred by this and other Congresses on the President to use his discretionary power. So that this legislation really does not solve anything. It temporarily tries to correct an evil. I hope the day is not far distant when we can have a Congress here that will try to protect the American market for the American producers in all lines of agriculture and industry.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. Is it not possible to have some kind of peril clause here such as we tried to have in the reciprocal trade agreements bill?

Mr. AUGUST H. ANDRESEN. I am for the peril clause. We had that in law passed by the Eightieth Congress, but that was knocked out when they passed the Reciprocal Treaty Act last year. The peril clause would have given protection to American producers.

But I would go further than that, because when you have a peril point in tariff legislation, immediately you are up against the political situation where there is a discretionary power lodged in the President or the Commission which is to pass on it, and if the policy is continued on a free-trade basis, as we have been doing since 1934, it will not do much good. What we must have here is mandatory legislation enacted by the Congress under the power provided in the Constitution, and then the Administration will know just exactly what should be done without any question whatsoever.

I do not like to see coconuts in this bill. What are we going to do? I feel like the gentleman from Iowa [Mr. TALLE]. We are just behind the eight-ball. Unless we pass this legislation we probably will not have any legislation whatsoever, and then these imports will

be coming into this country, 60,000,000 pounds of butter, which will knock the bottom out of the dairy market. The Government has 150,000,000 pounds of butter now and they probably will have two hundred and twenty-five or two hundred and fifty million pounds of butter. They do not know what to do with it now. In fact, they are not doing anything to find a place for that butter, but probably with the war on, and our forces being engaged in hostilities in the Pacific, perhaps they may find some use for these surplus foods, like butter, cheese, and other products which have been accumulated under the support-price program.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. HARDY. Then the gentleman has arrived at the same conclusion I have, that the only thing we can do is to pass this bill in its present form, otherwise we will have no controls?

Mr. AUGUST H. ANDRESEN. That is right. I am glad to hear the gentleman mention that. Several Members have spoken today who voted for the reciprocal-trade program, and now they are pleading for protection. I feel, however, that we should keep the record straight and therefore I have given certain pertinent facts in regard to the reciprocal-trade program and the manner in which the Truman administration is administering the law.

Mr. SPENCE. Mr. Chairman, I yield such time as he may require to the gentleman from Louisiana [Mr. LARCADE]

Mr. LARCADE. Mr. Chairman, I realize that this legislation should have been presented to the House before this time, however, the fact remains that a rule was only obtained on June 16, and while the House bill would protect some of the industries that obtain in my district, as explained by the chairman of the Banking and Currency Committee, the gentleman from Kentucky [Mr. SPENCE], since the existing law expires on tomorrow, June 30, it was found advisable to present the Senate bill S. 3550 rather than consider the House bill, for if any amendments were made to the House bill the bill would have to be referred to a conference between the House and Senate which would have required probably some time, and in the meantime, the existing controls on the items covered would lapse, and as a result there would be great harm to some of the commodities and industries covered under the existing law.

Mr. Chairman, the Senate bill covers all of the commodities included in the House bill. However, the Senate has added a provision to make the same applicable to coconuts and coconut products, and while some of the Members have the opinion that this item should not have been included, and others that additional commodities should also be included, and have announced that they will offer such amendments, while I am sympathetic to some of the amendments, I join the chairman of our committee in asking that the bill, in order to be effective at the expiration of the present law, that is, June 30, be passed so that there will be no interim in the protection to those commodities covered in the bill. I am greatly interested in the protection provided in the bill under consideration as my district produces cottonseed oil, fats, and rice. I represent one of the largest rice-producing districts in the United States, and as an example of what may happen in the event that we do not pass the bill under consideration, and if the controls on rice should expire tomorrow—I am informed that Siam is ready to start shipping 200,000,000 pounds of rice to the United States at a price 2 cents per pound below the prevailing price of American rice. The United States consumption of rice is about 50 percent of the amount of rice produced in the United States, and since the rice to be shipped by Siam is of the lower grade, used principally by breweries, the American producers would be deprived of this market for nearly one-fourth of the American crop at one swoop.

Mr. Chairman, my good friend the gentleman from Wisconsin [Mr. MURRAY] referred lightly to the rice industry in the United States as not being of much importance. While it is true that only four States in the United States produce rice, this is one of the most important industries in my State and the other States named, and I wish to say to my friend that I consider the rice industry most important, and unless we continue these import restrictions on rice, as well as the other commodities included under the bill, my district and State and the other States will be very adversely affected from an economic standpoint. I trust the Members of the House will approve this emergent legislation.

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, as it has already been pointed out, because of the parliamentary situation, and the fact that the control powers now existing on the importation of fats and oils will expire tomorrow, it is necessary that some action be taken today. I can understand that the bill does not meet the approval of all of the Membership. Possibly it does not cover some commodities which should be covered. Again, from my own point of view, it does not go far enough. I would like to see some affirmative or mandatory instructions to the administrative authorities provided in the bill, and not leave the matter entirely discretionary. The trouble is that the discretionary powers provided are not exercised often enough.

With your permission I would like to illustrate briefly what I have in mind: There is an infant industry in this country, largely in my particular area, the tung oil industry. Tung oil is primarily a Chinese product; but, due to the fact that it is a strategic war material, the industry was begun in this country following World War I. Tung oil is now one of the commodities, the importation of which can be controlled under existing law; but the fact remains that those in charge of the administration thereof have not seen fit to do anything toward stopping the importation of this cheap, inferior grade of tung oil on the domestic market in competition with the oil produced in this country.

We have, as I pointed out the other day on the commodity credit bill, an unusual situation, in fact, an almost unbelievable one. This Congress last year passed legislation making it mandatory upon the Secretary of Agriculture to support domestically produced tung oil at approximately 24 cents per pound. That support price is in effect today, and yet, we are permitting the shipment of more than 50 percent of the tung oil used in this country largely from Communist-dominated China, free of duty. It is unthinkable that we should permit these oil brokers to bring this Communist oil from China into this country at opportune moments so as to run the market down below the support price that Congress provided for domestic oil. It simply does not make sense that one agency of the Government should reach into the taxpayer's pocket to pay the support price on domestically produced oil and at the same time another agency of the Government should permit this foreign oil, produced by Communist-dominated coolie labor, to be imported and dumped upon the market so as to run the price of the domestic oil down.

Mr. Chairman, I hope that those in charge of the administration of this law will understand from the action of the Congress today and from this debate thereon that this action is a mandate to them to do something about this intolerable and nonsensical situation.

Mrs. BOSONE. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to the distinguished lady.

Mrs. BOSONE. I wonder if the gentleman from Mississippi, along with the tung oil and soybeans and peanuts, would mix up a little lead and zinc and copper. We from the West would appreciate that because it would help us a great deal.

Mr. COLMER. I am sure I get the full import of the lady's remarks. Unfortunately, in 3 minutes I had to confine myself to one commodity. What I am trying to say is that I hope the Administration will use the authority that is granted it to protect this and other similarly situated industries and commodities, and thus save the taxpayers some money.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. COLMER] has expired.

Mr. GAMBLE. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Chairman, it has been very refreshing this afternoon to hear my friends on the Democratic side of the aisle argue for some good old-fashioned American doctrine, namely, some protection for American agriculture and American business. This is sound Republican doctrine also.

I am going to offer an amendment to the bill to add cheese. When we are considering the question of placing an embargo on the control of imports on fats and oils, we must not forget cheese which contains 30 percent fat or oils

covered by this bill. My farmers are entitled to this protection. The only protection as the bill is written is for the soybean farmers, the peanut farmers and the big business firms that are importing coconut oils.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. NICHOLSON. Do we get cheese from coconut oil?

Mr. SMITH of Wisconsin. Not yet.

Mr. NICHOLSON. Well, that is all there is in this bill—coconut oil.

Mr. SMITH of Wisconsin. The gentleman has apparently not read this bill. There is plenty of oil in cheese, and it ought to be included in this bill. I call attention to the fact that at the present time the Commodity Credit Corporation has on hand 63,000,000 pounds of cheese. I talked to a man in the Department, and he said, "We do not know what to do with it." In 1949 we imported 32,000,000 pounds of cheese, and in May of this year one of the large cheese distributing firms in this country imported from Australia 5,000,000 pounds of Cheddar cheese at 21 cents a pound. The Commodity Credit Corporation is paying a support price of 31 cents. Now, how long are we going to continue with that situation? Our farmers must have more protection than they are getting and I intend to fight for their interests, Mr. Chairman.

So at the proper time, Mr. Chairman, I will offer an amendment to insert the word "cheese" on line 9, after the word "butter."

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. SMITH] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the balance of the time, 3 minutes, to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, America produces annually in the neighborhood of 10,000,000,000 pounds of fats and oils, yet in the past few years fats and oils have been coming into this country by the hundreds of millions of pounds.

It is noteworthy that up until about a year ago this Government had an embargo against the exportation of fats and oils, both edible and inedible. Fats and oils were piling up in this country no end, bringing the price of all of our fats and oils away down to about 50 percent of their actual value. Lard was brought down to a point of about 15 cents below the price at which it should actually sell. Hence, it was necessary for the packer to charge more for the pork chops in order to make up the great loss which he sustained on lard. About a year ago a number of Congressmen, including myself, took this matter up with the Commerce Department; and I am happy to say that a short time afterward inedible fats were decontrolled; that is, the administration permitted the exportation of inedible fats, and a short time after that edible fats were placed on the exportable list.

Now, Mr. Chairman; I have been told that the Secretary of Commerce, Mr. Sawyer, is married into the Procter and Gamble soap family. If that be the case, it is, of course, mighty nice and profitable to have very cheap fats and oils, for his folks, but mighty tough on our producers of fats and oils. If Mr. Sawyer and his family are profiting in this manner, then I think Mr. Sawyer should be investigated.

It is necessary to have coconut oil to make fine candies? The answer is "No," because many of the finest candies are made of good pure hog lard; and coconut oil is a substitute for good pure hog lard; lard is not a substitute for coconut oil. A short time ago our dairymen took a terrific jolt from the oleo combine, now our hog raisers are about to take a like jolt, from foreign producers. I ask; what next?

Mr. SPENCE. Mr. Chairman, I yield back the balance of my time.

The Clerk read as follows:

*Be it enacted, etc.,* That, notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, as amended, and the amendments to existing law made by such title shall continue in effect until July 1, 1951, for the purpose of authorizing and exercising, administering, and enforcing of import controls with respect to fats and oils (including oil-bearing materials, fatty acids, butter, soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products) and rice and rice products, upon a determination by the President that such controls are (a) essential to the acquisition or distribution of products in world short supply or (b) essential to the orderly liquidation of temporary surpluses of stocks owned or controlled by the Government: *Provided, however,* That such controls shall be removed as soon as the conditions giving rise to them have ceased.

Mr. SMITH of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Wisconsin: On page 1, line 9, after the word "butter", insert the word "cheese."

Mr. SMITH of Wisconsin. Mr. Chairman, this is a very simple amendment, and I do not believe it ought to be objected to by the committee. Neither should it cause the calling of a conference, for it merely includes an item which should be included when we are considering the question of import controls on fats and oils. Cheese should be in this bill. I am offering the amendment in the hope that the committee will not object.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, without going into the merits of this amendment, the amendment will simply send the bill to conference which will take time, and inasmuch as the controls expire tomorrow night, delay will destroy the very purpose for which we have accepted the Senate bill. Should you vote for this amendment you are taking a chance of having all the controls that are in the bill lifted.

I am sorry that this condition exists, but it does exist, and we must take that fact into consideration when the amendments are offered.

Mr. Chairman, I ask that this amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Wisconsin) there were—ayes 31, noes 49.

So the amendment was rejected.

Mr. HULL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HULL: On page 1, line 10, and on page 2, line 1, after the word "products", strike out "and coconuts and coconut products."

Mr. HULL. Mr. Chairman, I well realize that what the Chairman says as to the situation is probably correct, but I do not think the House of Representatives should take the responsibility of passing a bad bill because the Senate has forwarded this measure over here at this time in the shape it is in. It does seem to me that it is rather wicked to ruin the marketing facilities for products of millions of farmers in their surplus period with the idea of catering to the demand of some big corporation lobbyist who may be back of this whole proposition. I realize if we vote for the amendment we may not cure the situation, but it is our responsibility, and I shall vote for it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. HULL].

The question was taken; and on a division (demanded by Mr. HULL) there were—ayes 36, noes 54.

So the amendment was rejected.

Mr. GUILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GUILL: On page 1, line 10, strike out "petroleum and petroleum products and."

Mr. GUILL. Mr. Chairman, I do not know why line 10, excluding petroleum and petroleum products, was placed in this bill unless it was so that we could continue importing oil from Saudi Arabia, South America, or any other foreign country. But I would like to make this statement that, notwithstanding what pictures appear in Life magazine and other publications, everyone in Texas is not a millionaire, and all the oil and gas wells in Texas do not produce and spray oil all over the countryside. We have many little wells down in Texas producing four and five barrels a day or less. We have thousands of people working in the oil industry, and some of them are being laid off today because of the fact that we are importing so much oil from foreign lands. We do not mind letting them import some oil, but let them import only as much as we export. We are not only being hurt in Texas, but you are being hurt in Pennsylvania, West Virginia, and many other States. I think it is time we gave these small, independent oil people some protection. I do not mean the big boys; I am not worrying about them. They can look after themselves. They operate over a period of many years, but the little man who operates today pays his stuff out in 5, 6, 7, or 8 years.

As I said, I am not certain of the reason behind the specific omission in line 10, but I suggest we consider striking it out. I respectfully ask this House to give this amendment some thought.

I personally think our own small producers deserve more consideration from this House than producers in distant places beyond the seven seas.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, petroleum and petroleum products have been excluded from controls for the last 3 years, and we left the law as we found it in that respect.

Mr. TACKETT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to use this time just to ask the chairman or some member of the committee some questions. I asked some of them a while ago on the floor and off the floor about whether or not petroleum and petroleum products were excluded from import controls, and I was assured that this bill did not have anything in the world to do with petroleum and petroleum products, even though this language in line 10 is there. It does seem that it has got something to do with it; is that right?

Mr. SPENCE. Mr. Chairman, if the gentleman will yield, that is right. It is excluded from controls now.

Mr. TACKETT. And this bill just keeps it excluded?

Mr. SPENCE. It is excluded from controls now. The law remains as it now exists.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. If it is excluded now, why is it in here? Why is it necessary to write it into this legislation?

Mr. TACKETT. I understood that the President was authorized to make agreements with various nations and countries concerning the importation of oil and gasoline, but under this bill he has no authority to deal with anyone, and I think the President of the United States ought to have some authority to deal with these countries that are exporting gasoline and oil into the United States and putting these small oil people out of business.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield to my colleague from Arkansas.

Mr. HAYS of Arkansas. I believe the gentleman understands the situation. If he wishes to support the gentleman from Texas, of course, that is his privilege, but as the chairman has indicated, for 3 years Presidential controls under the War Powers Act have been nonexistent, and this bill is to continue the controls over the other commodities. It does not affect petroleum or petroleum products. It neither takes from or adds to existing powers. These agreements that the gentleman refers to are being made, as I understand, under other executive powers. I hope the committee will not disturb this legislation because no testimony was offered along the line suggested by the gentleman from Texas, and it would certainly complicate our situation. It would undo all of the accomplishments of the committee so far in the consideration of the basic idea.

Mr. TACKETT. I may say to my colleague from Arkansas that the House bill did not have this provision in it, and for that reason no one came before his committee to testify. This is something the gentleman's committee did not know anything about this morning. If it is in the House bill, I cannot find it.

Mr. HAYS of Arkansas. If the gentleman will look in that portion of the report, on page 3, that complies with the Ramseyer rule he will find the answer. I want to answer the gentleman's question as intelligently as I can. I am simply trying to emphasize the fact that this is an extension of existing law.

Mr. TACKETT. I think the gentleman is right. I do not doubt that, but I do not want any provision going in here that will preclude the President under some other authority from dealing and making agreements with other countries.

Mr. HAYS of Arkansas. The gentleman is right, and he can have every assurance on that point, that this will not impair other laws with reference to the importation of petroleum. I assure the gentleman of that.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield so that I may ask a question of the gentleman from Arkansas?

Mr. TACKETT. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Assuming the amendment offered by the gentleman from Texas was adopted, what would be the effect of it?

Mr. HAYS of Arkansas. I am not sure. I want to be very careful here. I do not know that it would affect the President's powers. The point I wish to make is this, that since we are forced in view of the fact these controls end tomorrow to adopt legislation in the form adopted by the Senate then of course we can make no predictions at all regarding the continuation of these controls if amendments are added.

Mr. TACKETT. What I would like to find out is this. Petroleum is not under control now.

Mr. HAYS of Arkansas. The gentleman is correct.

Mr. TACKETT. If this is adopted will it bring it back under control?

Mr. HAYS of Arkansas. No. I believe I answered the question when I said that it leaves it to the President's discretion. The effect of the amendment offered by the gentleman from Texas would be to leave it to the President's discretion. I do not intend to enter into a discussion of the merits of the controls over petroleum or the wisdom of any executive orders and policies with reference to it. I have simply pointed out that if we are to accomplish what we desire to do here with reference to the other commodities that were considered by the committee we will simply have to avoid a conference with the Senate, by rejecting the gentleman's amendment, whatever its merits, independently considered.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. TACKETT. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. TACKETT. I want to be sure that petroleum would be regulated. That is the main thing I am after. Knowing that this bill is so important, is there any reason why we waited until the day before the law is to go out of existence, and then have to rush in here and pass this bill, and then say we have to take this or take nothing? Is there any particular reason for that?

Mr. HAYS of Arkansas. I could say with reference to that, if the gentleman implies that the Committee on Banking has been derelict, that this report was filed on June 16, and we did not get a rule until yesterday.

Mr. TACKETT. Did the candy companies and the soap companies have anything to do with his coming in here with this Senate bill rather than the House bill?

Mr. HAYS of Arkansas. I think, of course, the answer to that would have to be given by members of the Committee on Rules, but, in all fairness, of course, it is a matter of public information that the confectioners are favorable to the Senate action.

Mr. TACKETT. To the Senate bill; that is right.

Mr. HAYS of Arkansas. I do not see anything to be gained by entering into a discussion on that point. But the users of coconut oil, of course, are largely the confectioners and the candy manufacturers and the baking interests. They have presented their case vigorously. I am not questioning that.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. Those of us who are concerned over the importation of these tremendous quantities of oil, amounting to some 821,000 barrels a day, feel that if we could strike out the word "excluding" in line 10, and insert the words "including petroleum and petroleum products", we would be giving protection to the independent producer and the small operator against this tremendous influx of foreign oil.

Mr. TACKETT. I agree with the gentleman except for one thing. They say if we do not pass the bill today it will not do any good if it is passed tomorrow. I want to ask just one more question with reference to that. If the bill is passed today with some amendments and it is necessary to go to conference, would it hurt anything if the bill became law 2 or 3 days later?

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. GAVIN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. HAYS of Arkansas. I come from an oil-producing State and that I am certainly not indifferent to the interests of the oil producers. I know of course that the gentleman's district is

an oil-producing district. But the question cannot be resolved on the basis of the merits or demerits of any Presidential controls over the imports of petroleum or petroleum products as far as this legislation is concerned. I give the gentleman that assurance.

With reference to the specific question the gentleman asked me, and speaking as one member of the committee—if any amendments are added to this legislation, I could not make any predictions regarding the action of the other body. It is obvious, in view of the history of this legislation that if any amendments are added a conference is inevitable and the future of this legislation is entirely unpredictable. It would be impossible for us to give the House any assurance that the controls which the vast majority of us understand are necessary in the case of these other oil products, would be continued. Since this legislation does expire tomorrow, it seems to me on that basis we are justified in voting down these amendments. That was my only purpose in making that point.

Mr. GUILL. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. GUILL. I would like to ask the gentleman one question along the line of the question asked by my friend, the gentleman from Pennsylvania, whether striking out the word "excluding" and inserting the word "including" would give protection to the independent producers and the small operators in the oil industry.

Mr. HAYS of Arkansas. No, in my opinion it would not. And may I point out to the gentleman that insofar as the prevention of importation of petroleum products is concerned, and the prevention of the disruption of the American market, in which the gentleman is interested, the powers of the President are exercised under other laws which are not involved here.

I believe, if I may say so, and I know the gentleman from Texas is seeking to protect the interests of his people, that his recourse would be with executive agencies and with other committees now investigating the oil import situation not the Committee on Banking and Currency and not by typing his proposal onto this bill.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. NICHOLSON. May I point out to the gentleman from Arkansas that there is nothing in this bill which has anything to do with petroleum products. All this bill concerns is fats and oils, and that is vegetable oils and fats. It has nothing to do with petroleum. I agree with the gentleman from Texas as well as the gentleman from Pennsylvania. I am an old Yankee protectionist. I do not believe in free trade or anything. But there is nothing about that in this bill. All that this bill involves is vegetable oils. They have never used that discretion which they had to set up a quota on coconut oil imports. We do not have any in this country. We do not raise any and we are not in competition with them. But it came from the Senate that way. As has been pointed out by the chairman of the committee and the gentleman from Arkansas [Mr. HAYS] nothing is going to be hurt if we put this through, because it has never been used anyway. If we have to go to conference, it will never be passed.

Mr. GUILL. We have been told that these things are not going to be used, time and again; that this had to be crammed down our throats by the veto of the Kerr bill. I think it is time we had some laws where we knew what was going to happen, instead of saying, "We will never use it."

Mr. NICHOLSON. In reply to the gentleman, because it has never been done we think it never will be, has not anything to do with the bill before us. We are asked to vote for a Senate bill that has been sent in by the Rules Committee, and that is all we can vote for.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. NICHOLSON] has expired.

Mr. REES. Mr. Chairman, I move to strike out the last two words in order that I may get the floor in support of the amendment so ably presented by the distinguished gentleman from Texas [Mr. GUILL].

I want to commend the distinguished gentleman from Texas for bringing this important matter to the attention of the Membership of this House, this question of importation of oil and oil products.

The gentleman from Texas [Mr. GUILL] has made every effort he could during the short period he has been in Congress in an attempt to secure legislation that would help curb this ever increasing importation of oil.

I have had considerable experience also in trying to secure legislation on this subject matter, but up to this time, I regret to say, have met with little success. Why the administration should oppose the curbing of importation of oil and oil products to the detriment of the independent oil producer, is difficult to understand. I believe if his amendment were adopted some effort would be made on the part of administrative officials to curb the ever increasing importation of oil and oil products. This House ought to give attention to the problem that has been so well portrayed by the gentleman from Texas. This is a problem that not only concerns the State of Texas, a great producer of oil, but it also affects other States in the Union who have a similar problem.

I say to you that unless action is taken with regard to this matter, a good many independent oil producers will go out of business and many workers will go on the unemployed list, all because this country has allowed an over importation of oil and oil products into the United States, from foreign countries.

I trust the membership of this Committee will give its support to the amendment that has been so ably presented by the distinguished Member from Texas [Mr. GUILL].

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman who has manifested great interest in this problem.

Mr. GAVIN. I cannot see any reason why this would not be proper in this bill. Here is an opportunity for the Representatives of the oil States who have been suffering from these tremendous imports of foreign oils to control the imports.

Mr. REES. And the gentleman knows the little attention we have received from the committees in this Congress where we have appeared requesting legislation on this subject matter.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from California.

Mr. POULSON. Does not the gentleman from Pennsylvania realize that this is the way the administration gets over all their program? They wait until the last minute and then come in and use the stock answer, "We have got to put it over or it will expire."

Mr. REES. That is indeed, very unfortunate, because undoubtedly those in charge must have known that this act was going to expire. Surely, they should have brought it here in sufficient time so that it could have the proper consideration to which it is entitled.

The production of crude oil is not only one of the basic industries in the State of Kansas and Texas but it is one of the important and basic industries of this country. I feel that this Congress should provide legislation that would protect the domestic oil producing industry against the ever increasing imports of crude petroleum presently playing havoc with the oil producing industry in this country.

While the market at home is shrinking, imports of crude petroleum are increasing every month and every year. I call your attention to some facts that I think are of extreme importance to this committee and to this Congress.

During the period from 1936 to 1940, the average importation of crude oil and refined products was 153,000 barrels per day. During the war the average imports amounted to approximately 200,000 barrels daily. In 1946 imports were 370,000 barrels. In 1947, 437,000 barrels. In 1948 513,000 barrels per day, and at the end of 1949 importations reached the high of 580,000 barrels. I do not know what the imports are for 1950, but I understand they are now running at the rate of 750,000 barrels per day.

Now let me call your attention to the manner in which these importations have affected the production of oil in the State of Kansas. It is estimated by those engaged in the production of crude oil that in the year 1949 there was a decline in the State's daily production of approximately 25 percent. The decline was from 300,000 barrels of oil daily to a low of 245,000 barrels, or a loss of 65,000 barrels of oil per day of the market demand for Kansas produced oil.

The situation is similar to that of Texas and other oil-producing States. It is estimated that the loss to the economy of the State of Kansas alone amounted to approximately $30,000,000 last year. Think what it amounts to in the great State of Texas. I would remind you that this loss is not sustained by big oil companies, because 70 percent

of the oil produced in the State of Kansas is by independent producers, and the loss is distributed not only among the producers themselves but among land owners, where oil is produced, and especially among employees who produced the oil.

It is estimated that the reduction in the sale of oil in the State of Kansas alone represents the employment of approximately 5,000 people engaged in various phases of oil production.

I would like to call your further attention to the fact that although 2,500 new oil wells were completed in Kansas in 1949, the output is less than it was in 1948. I think you understand that our oil production is held down on a pro rata basis. In other words, under proration agreement all oil production is given a chance for the market on an allocated basis so that the oil production in our State, as well as in other States, is extremely small compared with the potential production of these wells.

Mr. Chairman, this is an economic problem. The hundreds of thousands of persons who earn their living by drilling and operating oil wells, who operate pipelines and refineries, have a direct and vital interest in the production of crude oil. It affects the farmers who share in the proceeds of the sale of oil. It affects the merchants in the hundreds of oil-producing communities throughout the country.

It does not make sense that the economic benefits of the domestic oil industry of the State and Nation should be transferred to foreign lands and foreign dictators and to a small group of powerful companies, which, though domiciled in the United States, give the appearance of willingness to sacrifice domestic welfare and increase their foreign position. It cannot be right that our own independent producers should be required to further cut their allocations or go out of businesswhile our Government sanctions increases in imports of oil from foreign countries.

We should have legislation that will curb the importation of crude oil and its products. These importations should be on a quantitative restriction basis, and should be limited to not more than the amount needed to supplement domestic production.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. GUILL].

The amendment was rejected.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Page 2, line 1, after "rice products", insert "potatoes, cheese, hams."

Mr. AUGUST H. ANDRESEN. Mr. Chairman——

Mr. HARDY. Mr. Chairman, will the gentleman yield before he starts?

Mr. AUGUST H. ANDRESEN. I yield briefly.

Mr. HARDY. I just wanted to call attention to the gentleman's consistency. He admitted a while ago that an amendment would kill the bill and that the bill ought to be passed.

Mr. NICHOLSON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. NICHOLSON. Mr. Chairman, I make the point of order that the amendment is not germane to the bill.

The CHAIRMAN. Does the gentleman from Minnesota desire to be heard on the point of order?

Mr. AUGUST H. ANDRESEN. Yes, if the Chair please.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I desire to be heard on the point of order because I think the amendment is germane. Furthermore, I want to keep some of these products out. That ought to make it germane. I call the Chair's particular attention to the fact that on page 2, line 1, rice and rice products are included. All that I am doing is to add additional products. Certainly rice and rice products are food; and the commodities I mentioned, potatoes, cheese, Polish hams, eggs from Communist China, are all food products and are in line with rice and rice products. Even butter is mentioned in the bill. I think the chairman should find that the amendment is germane.

The CHAIRMAN (Mr. GRANGER). The Chair is prepared to rule.

The body of the bill as well as the title enumerates commodities in addition to fats and oils. Rice is mentioned. It would be in order to add other commodities.

The Chair overrules the point of order.

The gentleman from Minnesota is recognized.

Mr. AUGUST H. ANDRESEN. I thank the Chair for that wise ruling.

Mr. Chairman, the reason I have offered this amendment is to have the RECORD show that large imports of potatoes, cheese, eggs, and hams are coming into this country. Approximately 32,000,000 pounds of cheese have been imported into the United States at a time when we have a support price program for cheese in this country. The Commodity Credit Corporation now owns 63,000,000 pounds of cheese. We imported 32,000,000 pounds in the last year. For every pound of cheese that comes into this country as long as we have the support price program you will find that the Commodity Credit Corporation has to buy 2 pounds of American cheese.

We have heard a great deal about potatoes during the past 2 years and particularly now, since April 7, 1949, when the famous utopian Brannan plan was presented to the Congress. During the past year approximately 10,000,000 to 12,000,000 bushels of potatoes have come in here from Canada. Canadian growers of potatoes have been encouraged to increase their production by 30 percent so they could ship potatoes into the United States while we have a support price on potatoes in this country. Nothing has been done either under this law or under section 22 to stop these imports. The consequence is that the Government has had to buy 2 bushels of American potatoes for every bushel of potatoes imported into this country to carry out the support program.

Then we have had hundreds and hundreds of thousands of pounds of eggs which have come into this country from Communist China that are flooding this market at a time when we have a support price program for eggs. In fact, we are encouraging the Communists in China to produce more eggs to ship into the United States in competition with the eggs produced by American producers.

Oh, yes; they all come from behind the iron curtain. They send Polish hams into this country, sell them for dollars, take the dollars out of the United States, which go into the coffers of Russia with which to buy implements of war to be used against us. They may be using them against us even now over in Korea this very minute, as the gentleman from Iowa suggests.

I think something ought to be done about this matter, especially at a time when we have a support-price program. There certainly is no reason in the world why we should permit the importation of eggs, hams, and other commodities from behind the iron curtain in order to furnish Russia with a market in this country, using the money that we give them for their products sold in competition with American-produced products to buy war materials to be used against our soldiers and our sailors over in the Far East or in any other part of the world.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Nebraska.

Mr. CURTIS. If the gentleman's amendment is agreed to will it lessen the support-price program to the taxpayers of the country?

Mr. AUGUST H. ANDRESEN. Oh, yes. I think it would materially cut the cost of our support programs. The farmers throughout Iowa, Wisconsin, and Minnesota are getting from 20 to 26 cents a dozen for their eggs. Of course, we are paying from 50 to 60 cents a dozen for them in Washington. If we are going to have a support program why, then, we should be consistent about it in supporting prices only in this country. They are not doing that now. They are supporting the price of eggs and potatoes for the entire world. So it goes.

I do not suppose this amendment will pass.

Mr. CURTIS. Oh, yes; it will.

Mr. AUGUST H. ANDRESEN. Will it? I am glad to hear the gentleman say he will support it because we ought to protect our American producers in the United States as well as the Treasury.

I hope the gentleman from Maine will support my amendment because he represents one of the biggest and finest potato-growing areas in this country next to Minnesota, and he knows what it is to have this kind of competition coming at a time when we need this protection. In the 1948 crop his State sold millions of bushels of potatoes to the Government, at the same time the Canadians were shipping them in here and taking the market away from American producers.

I am offering this amendment to keep the record straight and ask for a vote.

Mr. FELLOWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Maine potato gets the publicity, and cotton, corn, and peanuts get the cash. I am very glad to say a word on behalf of Maine potatoes. We do raise some sixty to seventy-five million bushels, and, strange as it may sound, the Canadians are permitted each year to import some eleven to fifteen thousand carloads into the United States. They want to give us the Brannan plan; a scheme by which the producer gets the top price, the consumer pays the bottom price, and they make up the difference to each other in taxes. That is the New Deal scheme. So I am going to support this amendment because if we are going to have support prices and at the same time destroy the support program by bringing in some 15,000,000 bushels of foreign potatoes, we will in the end destroy ourselves.

I think it would be a very good thing to put this amending language in here so that we can read it, and it will not be left to some agency to use its own judgment. The amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is an excellent thought, and I hope it will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The question was taken; and on a division (demanded by Mr. FELLOWS and Mr. GAVIN) there were—ayes 32, noes 51.

So the amendment was rejected.

Mr. GAVIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GAVIN: Page 1, line 9, strike out "but", and in line 10 strike out the word "excluding" and insert the word "including."

Mr. NICHOLSON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. NICHOLSON. I make the point of order that the amendmenent offered by the gentleman from Pennsylvania is not germane.

The CHAIRMAN. The Chair is prepared to rule. It is the same proposition on which the Chair ruled previously. The Chair overrules the point of order.

Mr. SPENCE. Mr. Chairman, a further point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SPENCE. I make the point of order that the question has been decided. An identical amendment has been voted down.

The CHAIRMAN. I will say to the gentleman from Kentucky that this is a different amendment entirely. It has not been determined by the House.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. GROSS. Mr. Chairman, reserving the right to object, will the Chair state how many amendments are at the desk?

The CHAIRMAN. For the information of the gentleman, this is the only amendment on the desk.

Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. GAVIN. Mr. Chairman, this is a very simple amendment. We have heard a great deal lately about the tremendous imports of foreign oils which have now reached the gigantic figure of 821,000 barrels a day. This has had a terrific impact on the small independent producer of oil who is making the very fight of his life for his existence against this tremendous flood of imported oil. This amendment just simply changes the word "excluding" to "including", so that it will read: "for the purpose of authorizing and exercising, administering, and enforcing the import controls with respect to fats and oils (including oil-bearing materials), fatty acids, butter, soap and soap powder, including petroleum and petroleum products."

So now those who have been clamoring for the administration to effect some curb on imports of petroleum or some tariff medium to protect the small independent producer, here is an opportunity to express their thinking and their opinion so as to give that protection which is so necessary and essential to the small producers throughout the Nation, if he is to stay in business. If we fail to curb these oil imports, and dampen the ambition of these men who are seeking oil to build up our reserves, and we suddenly find ourselves catapulted into a war, with these imports from Saudi Arabia, Asiatic countries, and the South American countries cut off, and we have not built up our reserves in this country to meet the needs and demands of fighting a war, we will find ourselves in a very critical position. The Pennsylvania crude oil industry, in my opinion, will have a difficult time if these heavy imports of crude are permitted to come into this country. It is a stripper field and the average production is less than one-half barrel a day and is unable to compete with cheap South American or Saudi-Arabian crude.

The Pennsylvania grade crude industry has existed since 1859 and has contributed greatly to the economic growth and prosperity of the Nation. However, with steadily mounting imports, it is a question how long it can survive against this severe competition. And this goes for all the small independent producers all over the United States. Legislation must be enacted to curb importation of foreign oil.

Nobody would object to a reasonable amount of crude being imported, but if the big operators can get away with 800,000 barrels a day, in 2 or 3 years I presume they will be up to 2 or 3 million barrels a day which would wreck the oil industry of this Nation, and the coal industry as well.

This is a splendid opportunity to enact legislation to enforce controls on the importation of oil. The representatives from the oil States certainly ought to be pleased to vote for this amendment. My amendment is simple, it is understandable, it is clear and concise. It is an excellent opportunity for those representatives to express their thinking on this matter.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. GAVIN) there were—ayes 22, noes 51.

So the amendment was rejected.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a recent publication, issued by the Federal Reserve Bank of Boston, entitled "New England, Its Economic Importance and Prospects," that has just come to my attention, carries a message that sustains the conviction I hold in common with many other New Englanders, that this great industrial and commercial area of the country is looking forward to a very bright future.

The part that New England has played as the pioneer industrial area of the United States is well-known to every American and recognized all over the world. What is not generally appreciated, is that New England today has a remarkable record of outstanding leadership in a great variety of important types of manufacture and there is little evidence that we are losing our dominant position in any number of these well-known products.

There is conclusive proof that New England's economic importance is increasing, not declining, and the census proves that it is growing in population and labor force. Personal income and bank deposits of New England citizens are sharply increasing and this is reflected in a substantial advance in the volume of retail sales, particularly in the last 10 years.

The predominance of industrial New England is indicated by the following facts, recently published by the Federal Reserve Bank. Of the total volume of the United States, New England manufactures 85 percent of wool scouring and combing; 80 percent of packaged fish; 62 percent of silverware; 61 percent of woolen and worsted fabrics; 61 percent of thread; 59 percent of newsprint paper; 57 percent of textile machinery; 56 percent of footwear cut stock; 52 percent of felt hat bodies; 50 percent of wrapper and binder cigar tobacco; 49 percent of nails and spikes; 45 percent of cutlery; 45 percent of typewriters; 44 percent of cardboard; 42 percent of hand saws and blades; 41 percent of maple sirup and sugar; 38 percent of narrow fabrics; 37 percent of ophthalmic goods; 37 percent of needles, pins, and fasterners; 37 percent of ball and roller bearings; 37 percent of jewelry; 34 percent of copper rolling and drawing; 33 percent of footwear; 32 percent of leather tanning and finishing; 30 percent of glue and gelatine; 30 percent of abrasive products; 30 percent of insulated wire and cable; 28 percent of children's vehicles; 27 percent of fine papers; 27 percent of machine tools; 26 percent of rayon and nylon broad woven fabrics; 25 percent of cut stone products.

While agriculture in New England is naturally limited by the relatively small area of the region, nevertheless, 62 percent of the cranberries and 48 percent of the blueberries raised in the United States, come from New England; and I am sure that everyone is familiar with our potato and apple crops, which have such a world-wide market.

Here are a few more pertinent facts from the same source that throws further light on New England's position at the present time. With 2.1 percent of the Nation's land area and only 6.3 percent of the Nation's population, we have 3,189,000 persons steadily employed in nonagricultural jobs, and of this number 1,337,000 workers are engaged in manufacturing, and 1,852,000 in service establishments or similar occupations.

May I also point out that the average annual income of New England citizens is $1,500 as compared with a national average of $1,180. The thrift of the New England people is shown by the fact that the average liquid savings for the entire area is $1,780 per person, compared with a national average of $1,180.

We are very proud of the good labor-management relations that have prevailed in New England for many years. We have 7.3 percent of the Nation's nonagricultural workers and yet the time lost through strikes by these workers is only 4.2 percent of the national total.

New England is growing and let these facts from official sources prove the case. According to the Bureau of the Census and other Federal agencies, in 1930 our population was 8,166,000; in 1949 it was 9,298,000; in 1930 our labor force was 3,431,000; in 1950 it is 4,239,000. This is typical of New England's growth through the years, a steady, constant growth. Lacking the spectacular percentage increases of newer sections of the country, this has largely escaped the attention of the American people, in the light of more startling increases elsewhere.

New England's industrial economy is in a state of transition, in common with other nearby industrial States, stimulated by new revolutionary technological and scientific advancements, developed since the war, and a host of new and improved products that are rapidly reaching the markets.

Old New England industries, for which we are famous all over the world, are rapidly changing their processes of production and readjusting themselves to the new order. Many new factories are being established to make new products, and while during these vital changes we are suffering a considerable volume of temporary industrial unemployment, there is every good reason to expect an unprecedented increase in production and wealth in the near future.

There is plenty of vitality in New England's industrial life and while we do not often shout our own praises from the rooftops, we do adjust ourselves to the ever-changing conditions of modern life quietly and after due deliberation and study. If economic changes reduce production and employment in any given field, this decline is almost always quickly absorbed by industrial growth in other directions, thus we react to the immutable laws of growth. A large, well-known company moves its headquarters from Boston to California. Immediately there is raised a hue and cry claiming New England is slipping. Magazine and newspaper articles spread the tidings all over the country, but while this company was moving part of its plant away from New England, another much larger company moved into the same area, creating several times the number of jobs that were lost, with no publicity.

This is change, the symbol of growth, and we of New England and for that matter all of the great industrial areas of the eastern seaboard expect it, and eventually profit by it.

New England fights against the handicap of not being a great raw material producing area, but this disadvantage is more than overcome by the skill, stability, and intelligence of our working people, the efficiency of the servicing establishments that surround our industrial life, and the great advantage, that our cities and towns have grown up as industrial centers.

New England is attacking the problems of scarcity that restrict our growth, vigorously, whole-heartedly, and intelligently. The governments of the six New England States, aided by the New England congressional delegations, representative of both parties, are all working in the same direction to formulate plans that will take full advantage of the new sources of iron ore from Labrador. Plans are under way to bring natural gas to New England within the next year and surveys are to be undertaken at once to make full use of our water power for hydroelectric development.

When we have iron ore coming to our ports, natural gas providing inexpensive heat, and hydroelectric power stations providing us with low-cost power, and all of these advantages should be available in New England in the next few years, watch New England rapidly expand in production and wealth through its 350 research laboratories and its more than 20,000 industrial plants.

Massachusetts, which has more than half of these industrial plants, and is the most widely diversified manufacturing State in the country, is already leading the way in this movement to a greater usefulness and prosperity.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GRANGER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 3550) to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils—including butter—and rice and rice products, pursuant to House Resolution 680, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time and was read the third time.

Mr. MURRAY of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MURRAY of Wisconsin. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MURRAY of Wisconsin moves to recommit the bill S. 3550 to the Committee on Banking and Currency with instructions to report the same back forthwith with the recommendation that in line 10, page 1, and line 1, page 2, the words "coconuts and coconut products" be stricken out; and in line 9, page 1, after the word "butter", insert the word "cheese."

Mr. SPENCE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the "noes" appeared to have it.

Mr. WITHROW. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] A quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 72, nays 264, not voting 94, as follows:

[Roll No. 190]

YEAS—72

| | | |
|---|---|---|
| Andresen, August H. | Gross | O'Hara, Minn. |
| Barrett, Wyo. | Guill | O'Konski |
| Beall | Hagen | Potter |
| Bennett, Mich. | Hale | Poulson |
| Biemiller | Hill | Reed, Ill. |
| Bishop | Hoeven | Reed, N. Y. |
| Brown, Ohio | Hoffman, Mich. | Rees |
| Byrnes, Wis. | Hope | Rich |
| Cannon | Horan | St. George |
| Case, S. Dak. | Hull | Scrivner |
| Chiperfield | Jackson, Wash. | Scudder |
| Clevenger | James | Short |
| Cotton | Jennings | Simpson, Ill. |
| Crawford | Jensen | Smith, Kans. |
| Curtis | Kearns | Smith, Wis. |
| Dague | Lovre | Stefan |
| Davis, Wis. | Lyle | Stockman |
| Fenton | Martin, Iowa | Taber |
| Fisher | Merrow | Velde |
| Ford | Meyer | Vursell |
| Gavin | Miller, Md. | Weichel |
| Goodwin | Miller, Nebr. | Withrow |
| Graham | Moulder | Woodruff |
| Granger | Murray, Wis. | |
| | Norblad | |

NAYS—264

| | | |
|---|---|---|
| Abbitt | Battle | Brehm |
| Abernethy | Beckworth | Brooks |
| Addonizio | Bennett, Fla. | Brown, Ga. |
| Albert | Bentsen | Buchanan |
| Allen, Calif. | Blackney | Buckley, Ill. |
| Allen, Ill. | Boggs, Del. | Burke |
| Anderson, Calif. | Boggs, La. | Burleson |
| Andrews | Bolling | Burnside |
| Angell | Bolton, Md. | Burton |
| Aspinall | Bolton, Ohio | Camp |
| Auchincloss | Bonner | Canfield |
| Baring | Bosone | Carlyle |
| Barrett, Pa. | Boykin | Carnahan |
| Bates, Mass. | Bramblett | Carroll |

| | | |
|---|---|---|
| Case, N. J. | Jonas | Pfeiffer, |
| Celler | Jones, Ala. | William L. |
| Chatham | Jones, Mo. | Philbin |
| Chelf | Jones, N. C. | Phillips, Calif. |
| Christopher | Karst | Pickett |
| Chudoff | Karsten | Poage |
| Clemente | Keating | Polk |
| Cole, Kans. | Kee | Powell |
| Colmer | Kelly, N. Y. | Preston |
| Combs | Kilburn | Price |
| Cooley | Kilday | Priest |
| Cooper | King | Rabaut |
| Coudert | Kirwan | Rains |
| Crook | Klein | Rankin |
| Crosser | Kruse | Redden |
| Cunningham | Kunkel | Regan |
| Davenport | Lane | Rhodes |
| Davies, N. Y. | Lanham | Ribicoff |
| Davis, Ga. | Larcade | Richards |
| Davis, Tenn. | Latham | Robeson |
| Dawson | LeCompte | Rodino |
| Deane | LeFevre | Rogers, Fla. |
| DeGraffenried | Lichtenwalter | Rogers, Mass. |
| Delaney | Lind | Rooney |
| Denton | Linehan | Sabath |
| D'Ewart | Lodge | Sadlak |
| Dollinger | Lucas | Saylor |
| Dolliver | Lynch | Scott, |
| Donohue | McConnell | Hugh D., Jr. |
| Douglas | McCormack | Secrest |
| Doyle | McCulloch | Shafer |
| Durham | McDonough | Shelley |
| Eaton | McGuire | Smathers |
| Eberharter | McKinnon | Smith, Va. |
| Elliott | McMillan, S. C. | Spence |
| Elston | McSweeney | Staggers |
| Engle, Calif. | Mack, Ill. | Stanley |
| Evins | Mack, Wash. | Sullivan |
| Feighan | Madden | Sutton |
| Fellows | Magee | Tackett |
| Fernandez | Mahon | Talle |
| Flood | Mansfield | Tauriello |
| Forand | Marcantonio | Taylor |
| Frazier | Marsalis | Teague |
| Furcolo | Marshall | Thomas |
| Gamble | Martin, Mass. | Thompson |
| Gary | Michener | Thornberry |
| Gathings | Miles | Tollefson |
| Golden | Miller, Calif. | Towe |
| Gordon | Mills | Trimble |
| Gore | Monroney | Underwood |
| Gorski | Morgan | Van Zandt |
| Granahan | Morrison | Vorys |
| Grant | Morton | Wadsworth |
| Gregory | Murdock | Wagner |
| Gwinn | Murray, Tenn. | Walsh |
| Hand | Nelson | Walter |
| Hardy | Nicholson | White, Calif. |
| Hare | Nixon | White, Idaho |
| Hart | Noland | Whitten |
| Havenner | Norrell | Whittington |
| Hays, Ark. | Norton | Wickersham |
| Hays, Ohio | O'Brien, Ill. | Widnall |
| Hedrick | O'Brien, Mich. | Wier |
| Herlong | O'Hara, Ill. | Wigglesworth |
| Herter | O'Neill | Williams |
| Heselton | O'Sullivan | Willis |
| Hoffman, Ill. | Pace | Wilson, Tex. |
| Holifield | Passman | Winstead |
| Holmes | Patman | Wolcott |
| Howell | Patten | Wolverton |
| Huber | Perkins | Woodhouse |
| Jacobs | Peterson | Yates |
| Javits | Pfeifer, | Young |
| Johnson | Joseph L. | Zablocki |

NOT VOTING—94

| | | |
|---|---|---|
| Allen, La. | Fugate | Kean |
| Andersen, | Fulton | Kearney |
| H. Carl | Garmatz | Keefe |
| Arends | Gillette | Kelley, Pa. |
| Bailey | Gilmer | Kennedy |
| Barden | Gossett | Keogh |
| Bates, Ky. | Green | Kerr |
| Blatnik | Hall, | McCarthy |
| Breen | Edwin Arthur | McGrath |
| Bryson | Hall, | McGregor |
| Buckley, N. Y. | Leonard W. | McMillen, Ill. |
| Bulwinkle | Halleck | Macy |
| Burdick | Harden | Mason |
| Byrne, N. Y. | Harris | Mitchell |
| Cavalcante | Harrison | Morris |
| Chesney | Harvey | Multer |
| Cole, N. Y. | Hébert | Murphy |
| Corbett | Heffernan | O'Toole |
| Cox | Heller | Patterson |
| Dingell | Hinshaw | Phillips, Tenn. |
| Dondero | Hobbs | Plumley |
| Doughton | Irving | Quinn |
| Ellsworth | Jackson, Calif. | Ramsay |
| Engel, Mich. | Jenison | Riehlman |
| Fallon | Jenkins | Rivers |
| Fogarty | Judd | Roosevelt |
| Sadowski | Sims | Wheeler |
| Sanborn | Smith, Ohio | Whitaker |
| Sasscer | Steed | Wilson, Ind. |
| Scott, Hardie | Stigler | Wilson, Okla. |
| Sheppard | Vinson | Wood |
| Sikes | Welch | |
| Simpson, Pa. | Werdel | |

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Garmatz for, with Mr. Macy against.

Until further notice:

Mr. Mitchell with Mr. Corbett.

Mr. Hobbs with Mr. Simpson of Pennsylvania.

Mr. Rivers with Mr. Arends.

Mr. Roosevelt with Mr. Patterson.

Mr. Heller with Mr. H. Carl Andersen.

Mr. Heffernan with Mr. Dondero.

Mr. Irving with Mr. Edwin Arthur Hall.

Mr. Sasscer with Mr. Hardie Scott.

Mr. Hébert with Mr. Cole of New York.

Mr. Cavalcante with Mr. Ellsworth.

Mr. Sikes with Mr. Riehlman.

Mr. Harris with Mr. Sanborn.

Mr. Bates of Kentucky with Mr. Gillette.

Mr. Sims with Mr. Engel of Michigan.

Mr. Barden with Mr. McGregor.

Mr. Harrison with Mr. Mason.

Mr. Allen of Louisiana with Mr. Fulton.

Mr. Gilmer with Mr. Hinshaw.

Mr. Stigler with Mr. Leonard W. Hall.

Mr. Whitaker with Mr. Halleck.

Mr. Murphy with Mr. Harvey.

Mr. Kelley of Pennsylvania with Mr. Jackson of California.

Mr. Breen with Mr. Jenkins.

Mr. Welch with Mr. Judd.

Mr. Dingell with Mr. Kean.

Mr. Fallon with Mr. Kearney.

Mr. Multer with Mr. Keefe.

Mr. Keogh with Mrs. Harden.

Mr. Fogarty with Mr. Jenison.

Mr. McGrath with Mr. Wilson of Indiana.

Mr. Kerr with Mr. Phillips of Tennessee.

Mr. Wilson of Oklahoma with Mr. Plumley.

Mr. O'Toole with Mr. Smith of Ohio.

Mr. Kennedy with Mr. Werdel.

Mr. Fugate with Mr. Burdick.

Messrs. MOULDER, CANNON, GRANGER, GUILL, AUGUST H. ANDRESEN, HOFFMAN of Michigan, BENNETT of Michigan, COTTON, STEFAN, HILL, and WOODRUFF changed their votes from "nay" to "yea".

Mr. JONAS changed his vote from "yea" to "nay".

The result of vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

Mr. COLE of Kansas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and the bill was passed.

A motion to reconsider was laid on the table.

The bill H. R. 8737 was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PROGRAM FOR THE BALANCE OF THE WEEK

Mr. McCORMACK. Mr. Speaker, I desire to make a brief announcement for the benefit of the Members.

It was hoped that we might be able to dispose of the program today, but it now appears that we will not be able to do so. Therefore, we will have to meet tomorrow.

There is a conference report to be taken up next; then the Puerto Rican bill. Then there is Reorganization Plan No. 24, which expires next week. Of course that is a matter of high preference. Following the Puerto Rican bill, that will be taken up. Then, following that, the security bill.

There will be some opposition to the Puerto Rican bill, and it looks as though we might not be able to dispose of this program today, so I wanted to announce that we will be in session tomorrow.

For next week, as I announced heretofore, there will be no program. Unless something of an emergency should happen, which is not expected, the Members can govern themselves with the knowledge that as of now there is no legislative program for next week.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BROWN of Ohio. Is it the plan of the majority leadership to finish the Puerto Rican bill today?

Mr. McCORMACK. No, not necessarily. If we can, we would like to do so; but if not, it will go over until tomorrow.

Mr. BROWN of Ohio. You are going to take up the conference report first?

Mr. McCORMACK. Yes.

Mr. HOFFMAN of Michigan. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HOFFMAN of Michigan. The gentleman spoke about Reorganization Plan No. 24. Would it not be possible to bring that up before the Puerto Rican bill? It would not take more than 20 minutes.

Mr. McCORMACK. Well, I assumed we had made an arrangement. I thought I had suggested to the gentleman from Michigan that plan No. 24 would be called up after the Puerto Rican bill was out of the way, and I assumed that we had a meeting of the minds.

Mr. HOFFMAN of Michigan. It is immaterial to me. I thought possibly you could take that up and get through with it this afternoon.

Mr. McCORMACK. If the gentleman has no objection, we will take up the Puerto Rican bill first.

Mr. COOLEY. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. COOLEY. To be sure you finish the program tomorrow, has the gentleman considered meeting at 11 o'clock?

Mr. McCORMACK. No. That will not be necessary. I think we will meet at 12 o'clock.

MERCHANT SHIP SALES ACT OF 1946

Mr. HART submitted the following conference report and statement on the bill (S. 3571) to continue the authority of

the Secretary of Commerce under the Merchant Ships Sales Act of 1946, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 2434)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3571) to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

*"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 14 of the Merchant Ship Sales Act of 1946, as amended, is amended to read as follows:

"'SEC. 14. No contract of sale shall be made under this Act after January 15, 1951, and no contract of charter shall be made under this act after June 30, 1950, except as provided for charter under subsections (e) and (f) of section 5 hereof, as amended.'

"SEC. 2. The fourth sentence of section 11 (a) of such Act, as amended, is amended to read as follows: 'A vessel placed in such reserve shall in no case be used for any purpose whatsoever except that any such vessel may be used for account of any agency or department of the United States during any period in which vessels may be requisitioned under section 902 of the Merchant Marine Act, 1936, as amended, and that any such vessel may be used under a bareboat charter entered into pursuant to authority vested in the Secretary of Commerce on July 1, 1950, or granted to the Secretary of Commerce after such date.'

"SEC. 3. Section 5 of such Act, as amended, is amended by adding at the end thereof subsections to read as follows:

"'(e) (1) Notwithstanding the provisions of sections 11 and 14 of this Act, as amended, war-built dry-cargo vessels owned by the United States on or after June 30, 1950, may be chartered pursuant to this act for bareboat use in any service which, in the opinion of the Federal Maritime Board, is required in the public interest and is not adequately served, and for which privately owned American-flag vessels are not available for charter by private operators on reasonable conditions and at reasonable rates for use in such service. No charters shall be made by the Secretary of Commerce under authority of this subsection until the Federal Maritime Board shall have given due notice to all interested parties and shall have afforded such parties an opportunity for a public hearing on such charters and shall have certified its findings to the Secretary of Commerce. The Secretary of Commerce is authorized to include in such charters such restrictions and conditions as the Federal Maritime Board determines to be necessary or appropriate to protect the public interest in respect of such charters and to protect privately owned vessels against competition from vessels chartered under this section: *Provided, however,* That all such charters shall contain a provision that they will be reviewed annually by the Federal Maritime Board, with recommendations to the Secretary of Commerce, for the purpose of determining whether conditions exist justifying continuance of the charters under the provisions of this subsection.

"'(2) A charter existing on June 30, 1950, with respect to a war-built dry-cargo vessel may be extended to October 31, 1950, if application is made within ten days after the enactment hereof for the charter of such vessel under subsection (e) of this section and if the Secretary of Commerce deems such extension is justified in accordance with the provisions of section 5 (e) (1): *Provided, however,* That a new voyage under such extended charter shall not be begun after October 31, 1950, unless it has been determined prior to such date, in accordance with the procedure set forth in this subsection, that the continued use of the vessel in the service is required. The Federal Maritime Board shall conduct all hearings on applications made under this paragraph immediately upon receipt thereof and shall promptly certify its findings to the Secretary of Commerce, provided that all such certifications shall be made not later than October 31, 1950.

"'(f) (1) Notwithstanding the provisions of sections 11 and 14 of this Act, as amended, the Secretary of Commerce may charter any passenger vessel, whether or not war-built, owned by the United States on or after June 30, 1950, pursuant to title VII of the Merchant Marine Act, 1936, as amended.

"'(2) Charters existing on June 30, 1950, with respect to passenger vessels may be continued until December 31, 1951, or until expiration thereof by the terms of their provisions.'

"SEC. 4. Section 2 of the joint resolution entitled 'Joint resolution authorizing the Commandant of the United States Coast Guard to waive compliance with the navigation and vessel-inspection laws administered by the Coast Guard,' approved March 31, 1947 (Public Law 27, Eightieth Congress), as amended, is amended to read as follows:

"'SEC. 2. The authority granted by this resolution shall remain in force only until January 15, 1951: *Provided,* That nothing herein shall be construed to authorize the Commandant of the United States Coast Guard to grant a waiver permitting a vessel to sail with less than its specified complement on board.'

"SEC. 5. Notwithstanding the provisions of section 27 of the Act of June 5, 1920 (41 Stat. 999), as amended by Act of April 11, 1935 (49 Stat. 154), and by Act of July 2, 1935 (49 Stat. 442), or the provisions of any other Act or regulation, vessels of Canadian registry shall be permitted to transport iron ore between United States ports on the Great Lakes during the period from the date of enactment of this Act to December 31, 1950, or until such earlier time as the President by order may designate, and such vessels shall be permitted during the period from the date of enactment of this Act to December 31, 1950, to transport coal to Ogdensburg, New York, from other points in the United States on the Great Lakes, or their connecting or tributary waters."

And the House agree to the same.

EDWARD J. HART,
HERBERT C. BONNER,
ALVIN F. WEICHEL,
*Managers on the Part of the House.*

WARREN G. MAGNUSON,
ERNEST W. MCFARLAND,
JOHN J. WILLIAMS,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3571) to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment to the bill strikes out all of the Senate bill after the enacting clause. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment, and that the House agree to the same.

The conferees agreed to the bill as amended by the House with the following amendments:

In section 2 the conferees agreed that in lieu of the date "January 31, 1951," the date "January 15, 1951", should be inserted. Thus while sale authority will expire after the end of this Congress there will be some time during which the Congress may give further consideration to extension of the authority if circumstances warrant same after the convening of the Eighty-second Congress.

Section 3 of the bill was further amended by changing the date in paragraph 2 of section 5 (e) to read "October 31, 1950", in lieu of "September 30, 1950", in each case in which said date appeared in the House bill. This change is to provide additional time for hearings by the new Federal Maritime Board which is still in process of reorganization.

Section 4 of the bill regarding authority of the Commandant of the Coast Guard to waive compliance with navigation and vessel inspection laws was further amended to conform with said section as passed by the Senate with the exception that the authority will expire on January 15, 1951, in lieu of December 31, 1950, and with the exception that authority to grant a waiver for the employment of alien seamen will continue until said date. The change in date will give the new Congress an opportunity to consider further extension of authority if such extension should at that time be warranted. Moreover, as agreed by the conferees, the Commandant will not be authorized to grant a waiver permitting a vessel to sail with less than its specified complement aboard.

HERBERT C. BONNER,
EDWARD J. HART,
ALVIN F. WEICHEL,
*Managers on the Part of the House.*

Mr. HART. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (S. 3571) to continue the authority of the Secretary of Commerce under the Merchant Ships Sales Act of 1946.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HART. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

(The Clerk read the statement of the managers.)

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman briefly explain the report?

Mr. HART. There were only three changes in the House bill, and they are minor. For instance, with respect to the continuation of the authority to sell vessels the change is from January 31, 1951, to January 15, 1951.

Mr. BROWN of Ohio. And I understand from the ranking minority member of the conference committee that it was a unanimous report.

Mr. HART. It was the unanimous report of the managers on the part of both Houses.

Mr. BROWN of Ohio. Mr. Speaker, there is no objection on this side.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZATION TO PRINT ADDITIONAL COPIES OF THE REPORT OF THE COMMITTEE ON THE JUDICIARY ON THE IMMIGRATION AND NATURALIZATION SYSTEMS OF THE UNITED STATES

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 88 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That there be printed 10,000 additional copies of Senate Report No. 1515 of the Eighty-first Congress, second session, which is a report of the Senate Committee on the Judiciary, pursuant to Senate Resolution 137, Eightieth Congress, first session, as amended, on the immigration and naturalization systems of the United States. Such additional copies shall be for the use of the Senate Committee on the Judiciary.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SECRETARY TO THE SERGEANT AT ARMS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration I call up the following House Resolution 494 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That, effective March 1, 1950, there shall be paid out of the contingent fund of the House, until otherwise provided by law, compensation for the employment of a secretary to the Sergeant at Arms at the basic rate of $3,800 per annum.

Mr. LECOMPTE. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. LECOMPTE. This resolution, as I understand, increases the salary of the secretary in the office of the Sergeant at Arms.

Mrs. NORTON. Yes.

Mr. LECOMPTE. The only objection to that resolution appears to be that it increases the salary of one employee. It was stated before the committee that there are a good many others asking for an increase at this time and that this bill will very probably create a very difficult situation. I merely submit that information for the benefit of the House, and I ask the gentlewoman from New Jersey if that is not correct.

Mrs. NORTON. Yes; the gentleman is quite correct. But I thought we had made an agreement that the others would be considered at a future time.

Mr. LECOMPTE. I am not sure but what that is right.

Mrs. NORTON. This is rather important at this time.

Mr. LECOMPTE. I withdraw my objection.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON ARMED SERVICES

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration I call up House Resolution 624 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That the expenses of conducting the studies and investigations authorized by House Resolution 617, Eighty-first Congress, incurred by the Committee on Armed Services, not to exceed $10,000, including expenditures for the employment of clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee and signed by the chairman of the committee and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON THE JUDICIARY

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration I call up House Resolution 637 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That the expenses of further conducting the studies and investigations authorized by House Resolution 137, Eighty-first Congress, incurred by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed an additional $45,000, including expenditures for the employment of such experts, clerical, stenographic, special counsel, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee, signed by the chairman thereof, and approved by the Committee on House Administration.

With the following committee amendment:

Page 1, line 5, strike out "$45,000" and insert "$25,000."

Mr. HOFFMAN of Michigan. Mr. Speaker, I have tried to get a copy of the resolution and I would like to know what it is all about.

The SPEAKER. The gentlewoman from New Jersey can probably explain the resolution. The committee amendment is to reduce the amount to $25,000.

Mr. HOFFMAN of Michigan. Reduce it? It started out too high. Will the gentlewoman from New Jersey yield?

Mrs. NORTON. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Is there any way that the Members can learn how much is involved in these various resolutions and how many there are of them? I recall a time when there was put through a pension for Congressmen and we were criticized because we did not object. I do not like to see something go through that I do not know anything about and be criticized later on.

Mrs. NORTON. This matter has been fully considered by a subcommittee of the Committee on House Administration.

Mr. HOFFMAN of Michigan. Are there any Republicans on that committee?

Mrs. NORTON. Oh, yes. The gentleman from Iowa [Mr. LECOMPTE] will explain it to the gentleman.

Mr. HOFFMAN of Michigan. I would like to know one thing. I was not here the other day. Someone said there was a resolution here to increase the compensation of Congressmen. Is that here, too?

Mrs. NORTON. No; that is not here. I am sorry to say it is not here at present.

Mr. HOFFMAN of Michigan. I am very happy it is not here.

Mrs. NORTON. I do not think the gentleman's view is shared by very many Members.

Mr. LECOMPTE. Mr. Speaker, this is a resolution, I think, providing money for the investigation of monopolies by the Committee on the Judiicary, is it not? A previous resolution by the House provides for such investigation.

Mrs. NORTON. That is correct.

Mr. LECOMPTE. It has been reduced $20,000 by the committee?

Mrs. NORTON. Yes.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE PAINTINGS, THE GRAND CANYON OF THE YELLOWSTONE AND THE CHASM OF THE COLORADO

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 170.

The Clerk read the Senate joint resolution, as follows:

*Resolved, etc.*, That the painting, The Grand Canyon of the Yellowstone and the painting, The Chasm of the Colorado, by Thomas Moran, now located in the United States Capitol Building, be, and the same are hereby transferred to the permanent custody of the United States Department of the Interior for display in the Department of the Interior Building, and the Architect of the Capitol is authorized and directed to effect the actual transfer of such painting from the United States Capitol to the Department of the Interior.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PLASTER CAST OF THE STATUE OF GEORGE WASHINGTON

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 171.

The Clerk read the Senate joint resolution, as follows:

*Resolved, etc.*, That the plaster cast of the statue of George Washington, now located in the rotunda of the United States Capitol, executed by William J. Hubard from the original statue in marble by Jean Antoine Houdon, be, and the same is hereby, transferred to the custody of the Smithsonian Institution, and the Architect of the Capitol is authorized and directed to effect the actual transfer of such statue from the United States Capitol to the Smithsonian Institution.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPLICAS OF STATE SEALS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8112) to provide for the transfer to the States of the replicas of the State seals removed from the Chamber of the House of Representatives of the United States.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Architect of the Caiptol is authorized to transfer to each State the replica of the seal of such State which was removed from the Chamber of the House of Representatives of the United States during the renovation of such Chamber in 1949. Upon application of an agent of a State, the Architect of the Capitol shall prepare the seal of such State for shipment and, at the expense of such State or its agent, shall ship such seal in accordance with such application.

SEC. 2. For the purposes of this act—

(1) the term "State" includes, in addition to a State of the Union, the Territory of Alaska, the Territory of Hawaii, and the Virgin Islands;

(2) the term "seal" includes, in addition to the seal of a State, a seal of a former Territory which has been admitted into the Union as a State and a former seal of a State; and

(3) the term "agent" means (A) the official who, under the law of a State, is charged with the care, custody, and control of the official seal of such State and furnishes the Architect of the Capitol with satisfactory evidence that he is so charged, or (B) in the event that there is no such official, the governor of the State.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ABRAHAM LINCOLN DOCUMENTS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 484.

There being no objection, the Clerk read the resolution, as follows:

*Resolved*, That the Clerk of the House of Representatives be, and he is hereby, authorized to transmit to the Abraham Lincoln Association at Springfield, Ill., photostatic copies of certain Abraham Lincoln documents as described in a four-page list deposited with the Clerk, the cost of such photostatic copies to be paid by the Abraham Lincoln Association.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LIBRARY OF CONGRESS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8958) relating to the policing of the buildings and grounds of the Library of Congress.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, the title does not give us any information. May we know something about its contents? What is the purpose of the bill is what we are trying to ascertain.

Mr. ALBERT. Mr. Speaker, if the gentleman will yield, this is a bill designed to give to the guards of the Library of Congress certain police authority that they do not now have and which they need, similar to that given to the Supreme Court guards recently.

Mr. BROWN of Ohio. I withdraw my reservation of objection, Mr. Speaker.

Mr. LECOMPTE. And without extra cost to the Government.

Mr. ALBERT. That is right.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Librarian of Congress may designate employees of the Library of Congress as special policemen, without additional compensation, for duty in connection with the policing of the Library of Congress buildings and grounds and adjacent streets.

SEC. 2. Public travel in and occupancy of the Library of Congress grounds is hereby restricted to the sidewalks and other paved surfaces.

SEC. 3. It shall be unlawful to offer or expose any article for sale in the Library of Congress buildings or grounds; to display any sign, placard, or other form of advertisement therein; or to solicit fares, alms, subscriptions, or contributions therein.

SEC. 4. It shall be unlawful to step or climb upon, remove, or in any way injure any statue, seat, wall fountain, or other erection or architectural feature, or any tree, shrub, plant, or turf in the Library of Congress buildings or grounds.

SEC. 5. It shall be unlawful to discharge any firearm, firework, or explosive, set fire to any combustible, make any harangue or oration, or utter loud, threatening, or abusive language in the Library of Congress buildings or grounds.

SEC. 6. It shall be unlawful to parade, stand, or move in processions or assemblages in the Library of Congress buildings or grounds, or to display therein any flag, banner, or device designed or adapted to bring into public notice any party, organization, or movement.

SEC. 7. (a) In addition to the restrictions and requirements specified in sections 2 to 6, inclusive, of this act, the Librarian of Congress may prescribe such regulations as may be deemed necessary for the adequate protection of the Library of Congress buildings and grounds and of persons and property therein, and for the maintenance of suitable order and decorum within the Library of Congress buildings and grounds.

(b) All regulations promulgated under the authority of this section shall be printed in one or more of the daily newspapers published in the District of Columbia, and shall not become effective until the expiration of 10 days after the date of such publication.

SEC. 8. Whoever violates any provision of sections 2 to 6, inclusive, of this act, or of any regulation prescribed under section 7 of this act, shall be fined not more than $100 or imprisoned not more than 60 days, or both, prosecution for such offenses to be had in the municipal court for the District of Columbia, upon information by the United States attorney or any of his assistants: *Provided*, That in any case where, in the commission of any such offense, public property is damaged in an amount exceeding $100, the period of imprisonment for the offense may be not more than 5 years.

SEC. 9. The special police provided for in section 1 of this act shall have the power, within the Library of Congress buildings and grounds and adjacent streets, to enforce and make arrests for violations of any provision of sections 2 to 6, inclusive, of this act, of any regulation prescribed under section 7 of this act, or of any law of the United States or of any State or any regulation promulgated pursuant thereto: *Provided*, That the Metropolitan Police force of the District of Columbia are hereby authorized to make arrests within the Library of Congress buildings and grounds for any violations of any such laws or regulations, but such authority shall not be construed as authorizing the Metropolitan Police force, except with the consent or upon the request of the Librarian of Congress or his assistants, to enter the Library of Congress buildings to make arrests in response to complaints or to serve warrants or to patrol the Library of Congress buildings or grounds.

SEC. 10. In order to permit the observance of authorized ceremonies within the Library of Congress buildings and grounds, the Librarian of Congress may suspend for such occasions so much of the prohibitions contained in sections 2 to 6, inclusive, of this act as may be necessary for the occasion, but only if responsible officers shall have been appointed, and arrangements determined which are adequate, in the judgment of the Librarian, for the maintenance of suitable order and decorum in the proceedings, and for the protection of the Library buildings and grounds and of persons and property therein.

SEC. 11. For the purposes of this act the Library of Congress grounds shall be held to extend to the line of the face of the east curb of First Street Southeast, between B Street Southeast and East Capitol Street; to the line of the face of the south curb of East Capitol Street, between First Street Southeast and Second Street Southeast; to the line of the face of the west curb of Second Street Southeast, between East Capitol Street and B Street Southeast; to the line of the face of the north curb of B Street Southeast, between First Street Southeast and Second Street Southeast; and to the line of the face of the east curb of Second Street Southeast, between Pennsylvania Avenue Southeast and the north side of the alley separating the Library Annex Building and the Folger Shakespeare Library; to the line of the north side of the same alley, between Second Street Southeast and Third Street Southeast; to the line of the face of the west curb of Third Street Southeast, between the north side of the same alley and B Street Southeast; to the line of the face of the north curb of B Street Southeast, between Third Street Southeast and Pennsylvania Avenue Southeast; to the line of the face of the northeast curb of Pennsylvania Avenue Southeast, between B Street Southeast and Second Street Southeast.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OFFICIAL PAPERS RELATING TO THE TERRITORIES OF THE UNITED STATES

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2348) to increase the annual authorization for the appropriation of funds for collecting, editing, and publishing of official papers relating to the Territories of the United States.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, will the gentlewoman explain the bill?

Mrs. NORTON. I will yield to the gentleman from Arkansas [Mr. TRIMBLE] to explain it.

Mr. TRIMBLE. This is a bill increasing the appropriation for the publication of historical documents and is an extension of the program since 1925, when it was first instituted. It was unanimously reported by the committee and recbmmended by the Secretary of State and various Territorial and State officials. It is in accord with the Bureau of the Budget.

Mr. BROWN of Ohio. I understand that this calls for an additional appropriation of something better than $1,000,000.

Mr. TRIMBLE. The appropriation is for $50,000.

Mr. LECOMPTE. Mr. Speaker, if the gentleman will yield, this is a Senate bill. The printing of this material is a regular annual affair, and it increases the authorization from $30,000 to $50,000.

It is not $50,000 additional, it is an increase in the authorization from $30,000 to $50,000, I believe.

Mr. TRIMBLE. That is correct.

Mr. LECOMPTE. Would not an appropriation have to be made later by the Committee on Appropriations?

Mr. TRIMBLE. That is right.

Mr. LECOMPTE. This $50,000 was provided for on the belief that additional copies of the histories of the Territories are to be printed, and the cost of printing is somewhat higher than it was 20 years ago when the law was enacted.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the act of July 31, 1945 (59 Stat. 510; 5 U. S. C. 168d), is hereby amended by deleting the amount of "$30,000" contained therein and inserting in lieu thereof "$50,000."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JEFFERSON NATIONAL EXPANSION MEMORIAL, ST. LOUIS, MO.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 8591) to provide for the construction of the Jefferson National Expansion Memorial at the site of old St. Louis, Mo., in general accordance with the plan approved by the United States Territorial Expansion Memorial Commission, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

Mr. LECOMPTE. Reserving the right to object, Mr. Speaker, this bill, it occurs to me, ought to have a little bit of attention. I think it might be said the bill involves a good many million dollars.

A memorial at St. Louis has been proposed for 15 years. The city of St. Louis has deeded to the Federal Government land that is estimated to be worth approximately $30,000,000. The bill before the House provides for the erection of a Jefferson Memorial, or a memorial to the Louisiana Purchase, and the Lewis and Clark expedition to be completed by 1953, which will be the sesquicentennial of the Louisiana Purchase by President Jefferson, at a cost of about $8,000,000, of which the Government is to furnish $3 to each dollar furnished by the city of St. Louis.

There is considerable to be said, however, in favor of this bill. The land for the memorial has been deeded to the Federal Government by the city of St. Louis. For some years the Federal Government has spent at the rate of $10,000 a year for employing a guard or guards to police the ground, which is now vacant and not well taken care of.

There are a good many phases to the memorial proposition, but it occurs to me that in the interest of economy, and due to the fact that the cost of construction is at an all-time peak, this is a measure which could well go over to a later date.

I think the gentleman from Texas [Mr. REGAN] knows more about this bill, perhaps, than anyone else in the House. I imagine he can straighten out some points that may be in doubt in the minds of some of the Members.

Mr. REGAN. I thank the gentleman.

Mr. Speaker, about 1933 our Government authorized the establishment of the Jefferson Memorial on the banks of the Mississippi River in the heart of old St. Louis. This calls for $3 of Federal money to $1 of St. Louis money. St. Louis estimated the cost would be $30,000,000 for the improvement of the property. They have prepared a bond issue of $7,500,000, to be supplemented by $22,500,000 of Federal money. On that program about $8,000,000 has been spent.

They have cleared off all the buildings, residences, and business properties, and so on, on some 42 blocks of St. Louis property in the heart of town, consisting of more than 80 acres of land. In addition, the city of St. Louis deeded to the Federal Government two more blocks in the shape of a "T" there, on which the old courthouse at St. Louis is located.

They have improved the old courthouse in some respects by creating a museum park there, with some pioneer work depicting the St. Louis River and the old Mark Twain days on the Mississippi. The property has been there now for 15 years deeded to the Federal Government. It is worth more than $30,000,000. St Louis gets no taxes on that. Not even an automobile can be parked on the property. The Government has maintained a man at the courthouse there to look after the property and the courthouse at quite an expense for these 15 years. The entire delegation of officials from the city of St. Louis was here recently. The gentleman from Missouri [Mr. SULLIVAN] introduced the bill. They were here to ask us to do something about it. A few years ago they spent something like $250,000 in a competition for various artists throughout the country to devise some means of appropriately establishing this memorial. A man by the name of Saarinen, won the award. Among his recommendations was a huge stainless steel arch a few feet higher than the Washington Monument. The idea was that they would have an elevator there. But they have not been able to get the mechanical end of the elevator to work.

We have spent about $8,000,000. The property is deeded to the Government. They wanted about $15,000,000 more to complete the program and we were assured that that would complete this stainless steel arch. The property abuts the St. Louis River and right between the property and St. Louis itself is the St. Louis terminal which has three sets of tracks and two elevated tracks which have to be removed or depressed in order to make the property reasonably attractive. The property is rough, a sort of a dump yard with weeds and so on. It would cost about $2,500,000 to depress the railroad tracks and get them out of the way; a million dollars to level it off to make it presentable; and about $600,000 for landscaping and another $1,250,000—or something like that—for the restoration of the old courthouse.

Our committee asked the Park Service to give us an itemized statement of the requirements which totaled about $15,000,000 and they gave them in the order of their importance.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. REGAN. If the gentleman will permit me to finish my presentation, I will be glad to take the bridle off.

The requirements for this park are contained in 10 items. The first five are things which seem necessary, and which would not quite cost $5,000,000 of Federal money. That is the bill before us. It provides for an expenditure not to exceed $5,000,000. But the authorization calls for $4,905,000, and we believe the estimates are more than liberal.

Mr. Speaker, the Government owns this property. St. Louis is collecting no taxes from it. We have owned it for 15 years. During the war we could do nothing about it. They plan to have a sesquicentennial celebration there in 1953 celebrating the Louisiana Purchase. Nowhere in or near the immediate vicinity of St. Louis is there any national memorial of any sort, a park or otherwise. I think it is up to the Congress either to do something with the property or return it to the city of St. Louis. I believe this program is well justified and that this money should be author-

ized regardless of how soon they may get it. This is merely an authorization bill to be sent to the Committee on Appropriations.

Mr. NICHOLSON. Mr. Speaker, I do not know what the gentleman from Texas meant when he spoke about taking off the bridle. There is no bridle on me and I do not know if he meant that he had a bridle on him. But if the gentleman from Texas says that this is a good thing, coming from Texas and knowing more about Missouri because there are so many Missourians who represent their State well, I do not find any fault with the bill; and I think, as I said before, you have a good proposition and I am going along with you.

Mr. CASE of South Dakota. Mr. Speaker, in view of the fact it is the customary rule when we are dealing with bills on the Consent Calendar that bills which involve a cost exceeding $1,000,000 should be objected to, I object to the present consideration of this bill.

The SPEAKER. Objection is heard.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 1437. An act to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes; and

H. R. 5368. An act to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes.

ORGANIZATION OF A CONSTITUTIONAL GOVERNMENT BY THE PEOPLE OF PUERTO RICO

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 678, and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3336) to provide for the organization of a constitutional government by the people of Puerto Rico. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MARCANTONIO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and sixteen Members are present; a quorum.

The gentleman from New York [Mr. DELANEY] is recognized for 1 hour.

Mr. DELANEY. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. HERTER] 30 minutes. I now yield myself 5 minutes.

Mr. Speaker, this resolution makes in order S. 3336. This bill would authorize the people of Puerto Rico to adopt their own constitution and to organize a local government which, under the terms of S. 3336, would be required to be republican in form and contain the fundamental civil guaranties of a bill of rights. Specific provision is made for an island-wide referendum in which the people of Puerto Rico will be given the opportunity to accept or reject this legislative proposal.

A provision also is made in the bill for submission to, and ratification by Congress, of any proposed constitution before it becomes effective, and the bill specifically provides that it shall not become effective until it is approved by a majority of the voters participating in an island-wide referendum.

In 1917 the Congress established the framework of Puerto Rico's government by enacting the Organic Act of Puerto Rico. This act created a popularly elected legislature with broad powers in local legislative matters, and provides for an executive branch and judicial branch of the government.

The people of Puerto Rico were authorized to elect a Resident Commissioner, accredited to the Department of State and to be recognized as such Commissioner by all departments of the United States Government. Besides, he has been extended the privileges of membership in the House of Representatives, with power to serve on committees, to introduce legislation, and to be heard on the floor of the House.

The people of Puerto Rico and their representatives have expressed their overwhelming support in favor of legislation which would permit them to adopt a constitution. In the recent election in Puerto Rico the Popular Democratic Party which specifically campaigned in favor of such legislation received approximately 62 percent of the Puerto Rican votes cast in the election, thereby decisively defeating the opposition, including the party running on a platform for the independence of Puerto Rico, and the coalition running on a platform for statehood for Puerto Rico.

This bill has been passed by the Senate and was unanimously reported by House Committee on Public Lands. The Rules Committee has granted an open rule providing for 1 hour's general debate.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield.

Mr. ROONEY. Did the Resident Commissioner appear before the Rules Committee in favor of the bill?

Mr. DELANEY. He did.

Mr. ROONEY. What position did he take with regard to this legislation?

Mr. DELANEY. He said that in his opinion there was an overwhelming majority of the people of Puerto Rico in favor of this bill.

Mr. KLEIN. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield.

Mr. KLEIN. Did I understand the gentleman to say that even though we pass this legislation it would still be up to the people of Puerto Rico to decide whether they want it or not?

Mr. DELANEY. That is right.

Mr. KLEIN. So that what we are doing here today is simply to give them an opportunity of deciding this matter for themselves.

Mr. DELANEY. That is what we are doing, giving them this right.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield.

Mr. JAVITS. What government departments and agencies appeared and testified for it?

Mr. DELANEY. Of course, before the Rules Committee we heard only the Resident Commissioner and the Chairman of the Committee on Public Lands, Mr. Peterson. If the gentleman wants an answer to his question I will yield to the gentleman from Florida [Mr. PETERSON] for that purpose.

Mr. PETERSON. The Department of the Interior was heartily in favor of this. The Governor of Puerto Rico appeared before the committee and testified strongly in favor of it. The Resident Commissioner of Puerto Rico was in favor of it, and 76 of the 77 mayors in Puerto Rico were in favor of it.

Mr. JAVITS. Was there any opposition?

Mr. PETERSON. There is some opposition to the bill. The opposition comes from those who want independence and some who want statehood. I may say that many safeguards have been thrown around the bill. Before this bill—not before the constitution, but before this bill—takes effect it must be voted upon in an island-wide referendum, and in that island-wide referendum a majority of those participating must approve the bill; in other words, there is a referendum on the bill ahead of the constitution.

Mr. JAVITS. It is a fact, is it not, that under this bill only the constitution of a possession of the United States can be voted on; it cannot be a constitution for statehood or for independence, or for anything else.

Mr. PETERSON. No; it cannot be a constitution for statehood.

There is a provision in the bill that the constitution shall provide a republican form of government and shall include a bill of rights. Then it is submitted to the President, and if he finds that it conforms to our Constitution he submits it to the Congress and the Congress must aprove it. The Congress gets another bite at this too.

Mr. JAVITS. As I recall, there is a provision which says that it can be approved either by laying on the table or directly by Congress; and that is one feature of the bill I must say I think should be corrected.

Mr. PETERSON. The bill provides:

The said constitution shall provide a republican form of government and shall include a bill of rights.

SEC. 3. Upon adoption of the constitution by the people of Puerto Rico, the President of the United States is authorized to transmit such constitution to the Congress of the United States if he finds that such constitution conforms with the applicable provisions of this act and of the Constitution of the United States.

Mr. JAVITS. There is no provision for having it lie on the table or approved as in the original draft?

Mr. PETERSON. No. It must be approved by the Congress.

CALL OF THE HOUSE

Mr. MARCANTONIO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and fifty-eight Members are present, not a quorum.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 191]

| | | |
|---|---|---|
| Allen, La. | Granahan | Morris |
| Anderson, Calif. | Green | Multer |
| Andresen, | Gregory | Murphy |
| August H. | Hagen | Noland |
| Angell | Hall, | Norblad |
| Arends | Edwin Arthur | O'Neill |
| Barden | Hall, | O'Toole |
| Barrett, Pa. | Leonard W. | Pace |
| Bates, Ky. | Halleck | Patman |
| Blatnik | Harden | Patterson |
| Bolling | Harris | Phillips, Tenn. |
| Bolton, Ohio | Harrison | Plumley |
| Breen | Harvey | Quinn |
| Brooks | Hays, Ohio | Ramsay |
| Bryson | Hébert | Rich |
| Buckley, N. Y. | Heffernan | Riehlman |
| Bulwinkle | Heller | Rivers |
| Burdick | Hinshaw | Roosevelt |
| Byrne, N. Y. | Hobbs | Sadowski |
| Carroll | Hoeven | Sanborn |
| Cavalcante | Hoffman, Ill. | Sasscer |
| Celler | Irving | Scott, Hardie |
| Chesney | Jackson, Calif. | Scudder |
| Chiperfield | Jenison | Shafer |
| Christopher | Jenkins | Sheppard |
| Chudoff | Jonas | Sikes |
| Clevenger | Judd | Simpson, Pa. |
| Cole, N. Y. | Kean | Sims |
| Corbett | Kearney | Smathers |
| Coudert | Keefe | Smith, Ohio |
| Crosser | Kelley, Pa. | Spence |
| Dingell | Kennedy | Steed |
| Dondero | Keogh | Stigler |
| Doughton | Kerr | Thompson |
| Eaton | Linehan | Tollefson |
| Engel, Mich. | McCarthy | Vinson |
| Engle, Calif. | McConnell | Walsh |
| Fallon | McGrath | Welch |
| Fogarty | McGregor | Wheeler |
| Frazier | McMillen, Ill. | Whitaker |
| Fugate | Macy | Wier |
| Fulton | Magee | Wilson, Ind. |
| Garmatz | Martin, Mass. | Wilson, Okla. |
| Gillette | Mason | Wolcott |
| Gilmer | Mitchell | Wood |
| Gossett | Morgan | |

The SPEAKER. On this roll call 296 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

ORGANIZATION OF A CONSTITUTIONAL GOVERNMENT BY THE PEOPLE OF PUERTO RICO

The SPEAKER. The gentleman from New York [Mr. DELANEY] is recognized.

Mr. DELANEY. Mr. Speaker, I reserve the remainder of my time.

Mr. HERTER. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

(Mr. MARCANTONIO asked and was given permission to revise and extend his remarks and include a statement he made before the committee which had this bill under consideration.)

Mr. MARCANTONIO. Mr. Speaker, this bill has been rushed through from the very beginning. The people of Puerto Rico have been deprived of an opportunity to express themselves on this question. The indecent speed with which this bill has been rushed is evidence that the administration and the ruling clique in Puerto Rico seek to deny the people of Puerto Rico a hearing on this bill. Many have requested to be heard and have not been granted a hearing. The committee has refused the request of representative Puerto Ricans to be heard. Unfortunately, the whole Puerto Rican picture, as a result of restricted hearings, is not being presented here, nor has it been presented to the committee that had this bill under consideration.

This bill is being heralded up and down the island of Puerto Rico by its Governor and in New York City by Democratic Party politicians as a bill that would give to the people of Puerto Rico a constitution. They convey the impression that the people of Puerto Rico are given the right to legislate for themselves. That is a fake. It is a snare. It is a delusion. All efforts to convey that impression, that we are giving home rule to the people of Puerto Rico, is part of a gigantic fraud that is being perpetrated upon 2,500,000 people of Puerto Rico. The people of Puerto Rico are getting a bad enough deal as it is. The least we can do is to be honest with them.

Let us analyze what is being proposed here. We are told that the people are given the right to legislate for themselves; that they are going to have a constitution. This is a grotesque distortion of the truth.

The gentleman from New York [Mr. DELANEY] who read his statement here obviously has forgotten that the Constitution of the United States provides that Congress legislates for the Territories and that Congress cannot delegate that power to anyone. That alone unmasks this bill as a political fake.

Mr. DELANEY. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. Not at this time. The gentleman promised me 5 minutes and then refused to keep his promise. I cannot yield.

Mr. DELANEY. By causing the roll call for the purpose of delay——

Mr. MARCANTONIO. Mr. Speaker, I decline to yield.

Mr. Speaker, I have a perfect right to make a point of no quorum when you call up this bill at this late hour when so little attention is given to something which is so important to 2,200,000 people. Since we are going to meet tomorrow, the leadership and the gentleman could have called it up tomorrow; he did not have to call it up at this late hour. This demonstrates the contempt in which the House leadership holds the people of Puerto Rico. Since when does the leadership bring up any important bill at this late hour? It does so because we are dealing with Puerto Rico. I had a perfect right to make the point of order that a quorum was not present in order that the bill might have gone over to tomorrow to obtain for it proper attention from the membership. But I submit that the gentleman did not have a right to deny me the 5 minutes that he promised to me. I do not want to be discourteous to the gentleman, even though he refused to yield me 5 minutes. If he wants me to yield, I will yield. If the gentleman wants to ask me a question, I will yield to him now.

Mr. DELANEY. The gentleman caused this House to be inconvenienced to the extent of 40 minutes by calling the roll. We have this legislation to be considered. I have been waiting here since 12 o'clock to call this matter up. It is late now. It is obvious that the gentleman from New York has no intention, absolutely no intention of giving the Members of the House an opportunity to vote on this question. His tactics are dilatory. Therefore, I have a right to see that this legislation is presented to the Members so that they can exercise their right to vote on it.

Mr. MARCANTONIO. I do not think my tactics are dilatory; I am merely making an endeavor to have this bill called up at a time when the Membership of this House can give it the attention it merits. I think I was entirely within my rights, and I was acting in the interest of the Puerto Rican people and of orderly procedure in endeavoring to have this bill put over until tomorrow. By what reasoning do you insist on bringing this bill up now? I say that the leadership of this House wants this bill rushed through. This is wrong and not in the best interests of the people of Puerto Rico who are entitled to serious and careful consideration of their problem and not the indecent and hasty treatment they are being accorded here. On that basis I made the point of no quorum. The gentleman should have kept his word and should have given me the 5 minutes he promised me.

Now, as to the bill itself; as I was saying, the Constitution provides that Congress shall legislate for the Territories. How can you delegate that power to anybody else? No matter what kind of constitution you pretend you are giving to the people of Puerto Rico, can you delegate the power to legislate for the Territories to any other body? There are only two ways you can do it—one is by statehood, the other is by independence.

Mr. FERNANDEZ. I think the gentleman is a little confused, after all.

Mr. MARCANTONIO. The record will show who is confused.

What you are doing today is to amend the organic act, and that is something else. It is an empty gesture. This bill should be entitled "A bill to amend the organic act." Stop calling it a bill to set up a constitutional government. This is dishonest. You cannot by this bill give to the people of Puerto Rico any sovereignty over their own affairs. That is what should be stated to the people of Puerto Rico, not that you are projecting a constitution for the people of Puerto Rico. Stop trying to fool them. The word "constitution" in this bill is a mis-

nomer; it means nothing under this bill, for you cannot delegate to the people of Puerto Rico the right to legislate for themselves under our Constitution except by statehood or independence.

Further, its very proponents have admitted that this bill is neither a step toward statehood nor a step toward independence. It is a device by which the ruling clique in Puerto Rico escapes its responsibility of solving the colonial question and perpetuates the colonial status in Puerto Rico.

Pursuant to permission granted me, I include a statement presented by me before the House Committee on Public Lands in opposition to H. R. 7674, June 8, 1950:

Mr. Chairman and colleagues, I appear here in opposition to H. R. 7674. I hereby ask that the speech I delivered on the floor of the House on March 16, 1950, in which I discussed the historical background of the Puerto Rican situation and the political motives behind H. R. 7674, be included in the records of these hearings as part of my testimony. Here is a copy of the said speech.

At the outset I strongly urge that hearings be held in Puerto Rico by this committee on this bill. There are many distinguished Puerto Ricans who hold a contrary view to the bill to the one expressed here by the official authors and supporters of the measure, but who cannot appear here because they cannot afford the expenses of coming to Washington. Only the bureaucrats are financially able to appear before this committee, here in Washington, in support of the measure. In a matter so vital to the well-being of 2,200,000 people, subjected since 1898 to a colonial status by us, a people which since then has been clamoring for their liberation, I cannot see how this committee can make any well advised recommendation to the Congress without holding hearings in Puerto Rico, where all the people, rich and poor, can participate.

This legislation affects primarily the people of Puerto Rico. The purpose of H. R. 7674, as expressed by the Secretary of State in a letter addressed on April 24, 1950, to the distinguished chairman of this committee, is to obtain "formal consent of the Puerto Ricans to their present relationship to the United States." If that is the case, the Puerto Rican masses should have an opportunity to express themselves, personally, on such an important matter. Furthermore, the Secretary of State said in his letter to the chairman of this committee that the approval of bill H. R. 7674 "would be in keeping with our obligations under the Charter of the United Nations to take due account of the political aspirations of the people in our Territories." How can we ascertain if this bill is in line with the political aspirations of the people of Puerto Rico if we hold hearings in a place 1,600 miles away from Puerto Rico and without giving opportunity to the impoverished Puerto Rican people to appear before you and communicate to you their hopes and their demands?

I am afraid that our State Department and our Interior Department are too anxious to have this bill passed hastily, without due consideration and without giving all Puerto Ricans, without distinction, an opportunity to express themselves on the propriety of this measure. Why is that? Isn't this bill for the Puerto Ricans? Isn't it intended to discharge in part our responsibility as a colonial power? If that is so, how can we discharge such responsibility without affording the Puerto Rican people an opportunity to be heard.

We certainly would not give serious consideration in the Congress to any bill affecting so profoundly any of our States without holding hearings in our constituencies, in addition to the hearings held here in Washington. Why give Puerto Rico this discriminatory treatment?

If this committee does not hold hearings in Puerto Rico on this measure, we will be in fact denying the people of Puerto Rico their right to express their views to the Congress on a matter so important to their lives and destiny. If we do not hold hearings in Puerto Rico on this measure, we will be proclaiming to the world that we intend to continue treating Puerto Rico as a colony and that we intend to continue ignoring the wishes of the Puerto Ricans.

Serious consideration cannot be given to the measure without consulting the people of Puerto Rico. This committee must remember that we have held hearings in Puerto Rico on matters of less importance, the last of which I can remember were held last November, hearings held by a subcommittee of the House Labor Committee.

The argument has been made that this bill was approved by the Puerto Rican people in the 1948 elections. That is a gross misrepresentation. Here are the facts on that election.

In the 1948 elections 640,714 persons voted out of a total of 873,085 registered voters; that is, 73 percent of the registered voters participated in the elections and 27 percent, or 232,371 persons did not participate, some of them because they deliberately abstained from the polls and others for other reasons. This was 9 percent lower than in 1944, where 82 percent of the registered voters participated in the elections, or 591,978 voters out of 719,759. This decline in the number of voters took place even though in 1948 the Puerto Ricans were electing a governor for the first time.

In the 1948 elections the Popular Party cast 392,386 votes, which amounts to 44 percent of the total registered vote and 61 percent of those voting. The opposition parties cast 39 percent of those voting, amounting to 248,328 votes. In spite of this big vote carried by the opposition parties, and due to electoral gerrymandering and electoral tricks, there is a one-party government in Puerto Rico, the opposition having been allowed to elect only two Senators and one Representative and to carry only one municipality. This municipality was won by the old Liberal Party, called in 1948 the Reformista Party, which cast only 29,140 votes and did not qualify as an official party. After the elections the Reformista Party was dissolved.

The vote counted in Puerto Rico to give official status to the parties is that cast for the Resident Commissioner, which was as follows: Popular Democratic Party, 392,033; Statehood Party, 88,189; Independence Party, 66,141; the Socialist Party, 64,121; and the Reformist Party, 28,203. The figures I previously mentioned were for the election of the governor. It is well to point out that the Independence Party is a new party, organized on May 14, 1948 as an official party, 6 months before elections and 4 months after general registration time, when they had no representation in the registration polls. Since the last elections, the Independence Party has been very active.

In the 1944 elections the Popular Party cast 53 percent of the total registered votes, or 383,280 votes out of 719,759 registered voters, which was an absolute majority. In 1948 the proportion was 9 percent lower for the Popular Party. In 1944 the Popular Party cast 65 percent of those voting, or 383,280 out of 591,978, 4 percent more than in 1948. Besides, the opposition parties in 1944 had only 208,516 votes, or about 40,000 votes less than in 1948, distributed in the following way: Republican Party, 101,799; Socialist Party, 68,107; and Liberal Party, 38,630. In addition to that the Popular Party claimed in the 1944 elections 93 percent of 86,000 votes which were stricken out from the registration lists for technical reasons and were not allowed to vote, in spite of the strenuous protest of the Popular Party, which took the case to the courts and lost. At that time the Popular Party was in control only of four districts out of seven in the island, and the Coalicion (coalition of the Republicans, Socialists, and Liberals) had three districts and the Resident Commissioner, Mr. Bolivar Pagan, president of the Socialist Party. The Popular Party cast 214,857 votes in the 1940 elections, and the Coalicion 222,423.

The above picture shows that the Popular Party is on the decline. And if we consider that the Popular Party made its campaign on the basis that the ultimate political status of Puerto Rico was not an issue on the elections and that this must be decided in a plebiscite to be held on a special election; and if we consider that the Popular Party was born as a result of the expulsion of the radical independence leaders of the old Liberal Party (those leaders headed by Gov. Luis Muñoz Marín, with the avowed promise that it—the Popular Party—was going to see to it that the colonial status of Puerto Rico be ended, then we must conclude that the people in charge of the government of Puerto Rico violate the pledges they made the Puerto Ricans when they come here and try to give the impression that the independence issue and the statehood issue are not fighting issues of the people of Puerto Rico. By the way, at the time of the expulsion of the actual leaders of the Popular Party from the Liberal Party, Resident Commissioner FERNÓS-ISERN was un independentista radical (a radical pro independence man). He waged a campaign in El Mundo, one of the leading Puerto Rican newspapers, in 1936 and afterward, and in La Democracia, at that time a pro independence paper, in favor of independence. In 1940 he was nominated as candidate for Resident Commissioner by the Popular Party, backed by the independentistas. At that time, his speeches in favor of independence were very similar to the one I made in the House last March 16, and which I offered as part of this testimony. I have in my files clippings of many of those articles written by Commissioner FERNÓS. At that time, Senator Victor Gutierrez Fanqui, who has announced in the Puerto Rican press that he will answer my testimony today, was also an ardent independentista. He, Attorney Ernesto Ramos Antonini, the speaker of the House of Representatives of Puerto Rico, were the attorneys for the members of the Nationalist Party of Puerto Rico who were indicted on charges of murder as a result of the Ponce massacre. They were innocent and were acquitted by the jury. He and Ramos Antonini used their participation in the Ponce massacre and their attacks on ex-Governor Blanton Winship, as well as their attacks on the colonial regime to win votes for the Popular Party in the 1940 campaign. Now, after they are in power, they have changed. I think they were right then, and wrong now.

Let me add that before the expulsion of his group from the Liberal Party, Muñoz Marín founded the Accion Social Independentista (Social Independence Action) which was substituted in 1938 by the Popular Democratic Party, with an independence platform. In 1939 Muñoz changed his approach, saying that the status would not be an issue in the elections, but he, in the name of the Popular Party, made the promise to hold a plebiscite on independence and statehood in a special election called for that purpose. The Popular Party in the general convention held in the Sixto Escobar Park in 1940 in the month of August officially approved a political plank where it said that the colonial regime of Puerto Rico had to be liquidated, that independence and statehood were the alternatives to end the colonial status, and that the Popular Party thought that independence was the best solution to the status of Puerto Rico, although the status question was not going to be an issue in the 1940

elections, but this was to be decided in a special election. Muñoz Marín wrote a Catecismo del Pueblo (People's Catechism) and published a newspaper, El Batey (The Front Yard)—the meeting place of the jibaros or peasants in the country—where he made a bitter attack on the colonial status and held correctly that the economic problems of Puerto Rico could not be solved under the colonial regime. He took the position that the status question should not be an issue in the elections, because they were primarily concerned with the organization of the colonial government, and that special elections should be held to allow the people to express their preference on independence and statehood. I think he was wrong, as the Philippine experience shows. His strategy allowed him to fool into his camp both the upholders of statehood and independence, so that later he could better betray them both, as he did.

In the 1944 elections the 1940 plank was ratified and the promise was made to the people, that in the event of victory, the Popular Party would hold a plebiscite not later than the time when the world peace would be negotiated on the question of independence and statehood. The people gave Muñoz an overwhelming majority, but he did not keep his promise to the people.

In 1948, scared by the advent to the political battlefront of the Independence Party, Muñoz reiterated his promise that he was going to see to it that the colonial status be ended in Puerto Rico and that those in favor of independence or statehood would have an opportunity to vote on the status question in due time.

I reiterate that neither Governor Muñoz nor Commissioner FERNÓS have any mandate from the people of Puerto Rico to back measures of colonial reforms.

The official position of the Government of Puerto Rico in this matter was expressed in a concurrent resolution passed by a unanimous vote by the Legislature of Puerto Rico in its ordinary session of 1943 condemning the colonial regime and demanding that the people of Puerto Rico be granted the right of self-determination. This policy was ratified by another concurrent resolution passed on February 20, 1945 by the Legislature of Puerto Rico. A permanent Commission to carry on the official policy of the legislature was set on 1943 and $80,000 was appropriated, so that this Commission could come to Washington to ask for the final determination of the ultimate political status of Puerto Rico. But Muñoz sabotaged the work of that Commission.

Puerto Rico has never consented to its present colonial status. On the contrary, from 1898 to this date, the people of Puerto Rico have been consistently asking for the ending of the colonial regime and the recognition of the right of self-determination.

It is not true that Puerto Rico is in a voluntary association with the United States, as the Secretary of State states in his letter and Muñoz Marín and his men say now. The present regime was imposed on Puerto Rico by force of arms as a result of the Spanish-American War, of which Puerto Rico was no part, and has been maintained without consulting with the people of Puerto Rico. Even American citizenship was imposed on the Puerto Rican people, in spite of the protest of the House of Delegates of Puerto Rico and Resident Commissioner Luis Muñoz Rivera, father of Governor Muñoz Marín, who asked the Congress in a speech made in the House in 1916, his last speech in the House—he died shortly afterward—not to impose American citizenship on the Puerto Rican people. He asked the Congress to allow Puerto Ricans to retain the Puerto Rican citizenship allowed to them by the Foraker Act, and make of Puerto Rico later a free and independent nation, as he said, in a prophetic mood, "You will have to make later of the Philippines."

That is the true history of Puerto Rico, as expressed by the Populares themselves to this Congress from 1943 to 1946. The attorney general of Puerto Rico, then floor leader of the senate, Attorney Vicente Geigel Polance, appeared before the Bell committee, the Chavez committee, and the Committee on Insular Affairs of the Senate, when it was presided over by Senator MILLARD E. TYDINGS, and there he expressed in the most vigorous terms everything I have said so far against the colonial system in Puerto Rico, against the imposition of the American citizenship on the Puerto Ricans and the imposition of the present system of government and in favor of the right of Puerto Rico to its independence.

Most of the members of the House and the Senate of Puerto Rico, and most of the mayors of Puerto Rico and most of the members of the municipal assemblies of the island were members of the Congreso Pro Independencia (Puerto Rico Congress for Independence) from 1943 to 1946 and sent, as you can see by an examination of the records of the hearings on the Tydings independence bill, cables and letters of support of the independence bill and of condemnation of the colonial regime. Senator Gutierrez Franqui was not at that time a member of the legislature.

All of them sent messages expressing their vigorous opposition to the so-called dominion status, autonomy or any other form of colonial reform.

Will anyone dare to deny the above?

The new colonial position of Muñoz Marín has been officially and openly adopted since his inauguration as colonial Governor of Puerto Rico in January 1949. Since then he has been saying that Puerto Rico is not a colony, but "a new kind of State," in open violation of the program, history and tradition of his own party, the Popular Democratic Party, whose members he has betrayed, and in open violation of the commitments he made before the 1948 elections.

What are the commitments made by Muñoz Marín in the 1948 elections? In this respect, the Secretary of State says in his letter to the Chairman of this committe that "in the elections held last November for the elected Governor of Puerto Rico, in which 73 percent of the registered voters participated, 63 percent elected the candidate who proposed that Puerto Rico defer at this time determination of its ultimate political status and seek a relationship with the United States which would permit of a constitution for Puerto Rico."

This is definitely a most grotesque distortion of the truth. The elected candidate, Muñoz Marín, promised the people, after a vigorous condemnation of the colonial status, to work for the approval of a law allowing Puerto Rico to draft a constitution of its own with complete self-government, the prohibition limiting the amount of sugar that Puerto Rico can refine having been eliminated by the Congress, and he promised also to ask Congress to include in the same law authorizing Puerto Rico to draft a constitution a provision authorizing the Legislature of Puerto Rico to submit to a vote, at any time the Legislature of Puerto Rico would think it feasible from the economic viewpoint, the alternatives of statehood of independence to solve the political status of Puerto Rico, on the promise on the part of the Congress, that it would approve the alternative selected by the people of Puerto Rico. This was the proposition submitted by Muñoz Marín to the people of Puerto Rico, on the basis of which he won the 1948 elections, aided, of course, with fraud and the use of huge amounts of money.

Let us see if I am right. The first time that Muñoz Marín mentioned the word "constitution" in his political campaign, in fact the occasion when he made the commitment to the people was on July 4, 1948, when he delivered the Fourth of July address. He said at this time:

"All of us, absolutely all of us, wish that this obsolete system which we call colonial system be ended. * * * The form of political relationship in which the United States holds Puerto Rico is not just. Neither is it intelligent. It is unjust and unintelligent (torpe).

"I want to be able to say so, in the name of all of you, to the good confused friends of that government and that people. As it is unjust it must be corrected from their point of view and our point of view. And because it is unintelligent (torpe), it must be corrected from their point of view. The colonial system is obsolete and should disappear from Puerto Rico and from the whole world."

And then he made the following pledge:

"In order to achieve this end I think that the people of Puerto Rico should authorize with their votes the following commission (gestion) before the Congress of the United States: That the Congress of the United States approves a law completing self-government in Puerto Rico to the point this may be possible, without being a State, in the constitutional structure of the United States. In other words, that the Congress authorize the people of Puerto Rico to draft its own constitution, in the same way as new States are authorized to do so; that the economic relations between Puerto Rico and the United States should continue basically in the same way as they are now, correcting the only grave error now existing, which is the prohibition which does not allow Puerto Rico to produce all the sugar it produces.

"In addition to that, in the same law Congress should authorize the Legislature of Puerto Rico to submit to the vote of the people in a plebiscite, in any moment that the legislature would decide that the economic development of Puerto Rico permits it, the consultation (consulta) on the following alternative: If the people want the establishment of independence without any special economic condition, with the pledge on the part of the Congress of effectuating the will of the people. Independence and statehood are the two principal solutions that historically have been endorsed in Puerto Rico.

"If that law is passed by the Congress, Puerto Rico itself would be the sole judge of the time when it thought that by its own effort the economic conditions to make feasible either statehood or independence had been established. It would judge that, first, through its legislature, and immediately afterward, through a plebiscite. That would place the responsibility and the authority directly on the shoulders of the people of Puerto Rico, which is the place where they should be."

And he ended his speech with the following:

"I am going to ask the people of Puerto Rico to authorize with their votes to work in this manner with their difficult problem of political status and of life, with their hard problem of political status and of complete liberty. I am going to ask the people of the United States, if the Puerto Ricans allow to do it with their votes, to establish this high precedent to finish in the world the liquidation of the colonial system which began to be liquidated the 4th of July of 1776."

Thus spoke Muñoz Marín. That is the commitment he made with the people of Puerto Rico. That is the proposition he submitted to a vote of the people. That is the pledge he made to 392,386 voters who, out of 873,085 registered voters, voted for him.

Let us analyze H. R. 7674 in the light of this commitment. Where is the provision allowing Puerto Rico to refine all the sugar it produces? The answer is: Nowhere.

Where is the provision allowing the legislature of Puerto Rico to call a plebiscite on independence or statehood any time it would deem that the economic conditions justify doing so and giving in advance the approval of the Congress to the preference expressed by the people of Puerto Rico at the time that any such plebiscite would be held? The answer is: Nowhere.

Then it is clear that H. R. 7674 is not in line with the promise made to the people of Puerto Rico.

Then it is clear that neither Commissioner FERNÓS nor Governor Muñoz have any mandate to push forward H. R. 7674.

Then it is clear that both those gentlemen are acting in violation of what they promised the people.

Then it is clear that H. R. 7674 is a fraud and a sham.

Then it is difinitely not true, as stated by the Secretary of State, that the people of Puerto Rico elected a candidate who proposed that Puerto Rico defer at this time determination of its political status.

But both Commissioner FERNÓS and Governor Muñoz have been holding that, in spite of the above, they are authorized to push forward H. R. 7674 as the program of the Popular Party approved in its general assembly on August 15, 1948.

Let us see if that is so. The platform of the Popular Party adopted the 15th of August 1948, says to that respect:

"The Popular Democratic Party, with the authorization of the majority votes of the people of Puerto Rico, would submit to the Congress of the United States the proposition that the political problem of Puerto Rico be solved according to legislation which provides as follows:

"1. That preserving the economic and fiscal relationship existing at the present time between Puerto Rico and the United States, the peop'e of Puerto Rico, through action of the legislature, or through action of a constitutional convention called by the said legislature, be authorized to make its own constitution in accordance with the structure which it may judge more in consonance with the democratic administration of the public interests.

"2. That the Legislature of Puerto Rico be authorized to call the qualified voters of Puerto Rico, at any time that they deem to be in existence the necessary conditions, to a plebiscite, so that they may decide with their votes:

"(a) If they would like Puerto Rico to establish itself as an independent republic under the most favored conditions that the United States now extends to independent countries; or

"(b) If they want that Puerto Rico be admitted as a State of the American Union under the same conditions now covering the other States of the Union; or

"(c) If they are in disagreement with the legislature on the point that the existing conditions make it feasible for Puerto Rico to establish itself as an independent republic or to be admitted as a State of the American Union.

"3. That the Congress expresses its agreement to act in accord with the preference shown by the people of Puerto Rico in the aforesaid plebiscite."

Commissioner FERNÓS holds that the above program is to be effectuated in two stages:

(1) In the first stage, he says, the people of Puerto Rico ask the Congress to allow it to draft its own constitution; and

(2) In the second stage, he adds, the people of Puerto Rico ask the Congress to authorize its legislature to put to the vote of the people of Puerto Rico in a plebiscite, whenever they deem it proper, the question of whether Puerto Rico wants to establish itself as an independent republic or be admitted as a State of the Union.

I think that interpretation is absurd. The text of the platform is in line with the speech delivered by Muñoz on the Fourth of July. It is clear that the program envisions the approval of a law to solve "the political problems of Puerto Rico," as it states in the preamble, at the same time.

The political promises of a party are to be made good during the time of the incumbency of its elected officials; in this case, during the period 1948–52. If Commissioner FERNÓS is right, when is he supposed to fulfill the second part of the above-quoted program? What reasons, if any, do exist, to divide the fulfillment of the program in two different stages?

It is evident that the position taken by Governor Muñoz and Commissioner FERNÓS is the result of an afterthought. Because the trut' is—the historic truth is—that Muñoz himself proposed the political platform of his party, in the general assembly of August 15, 1948, in line with his speech of the Fourth of July, more than that, in order to fulfill his promise made in that speech.

The said speech had been distributed house by house, in every county, village, barrio, town, and city of Puerto Rico, thousands of copies; it had been recorded, and thousands of records had been handed free to the people and played on the radio and in thousands of stores and through the streets.

Muñoz said at the time of proposing the plank that the political problem of Puerto Rico would be solved through the adoption by the Congress of the law referred to.

At no time during the political campaign did their Muñoz or any of his coworkers speak of two different tempos, two different stages to fulfill their promises. They spoke of one single law where the whole political problem would be considered and solved.

H. R. 7674 as it stands now is a colonial measure; means nothing to the Puerto Rican people; leaves without solution the Puerto Rican problem and is a violation of the mandate asked directly to the people of Puerto Rico by Muñoz Marín in the 1948 elections.

As Muñoz realizes that, he has dodged public discussion of H. R. 7674. So has Commissioner Fernós. So has every leader of the Popular Party in the Muñoz group. As a matter of fact the social science circle of the University of Puerto Rico organized a forum to discuss H. R. 7674. The forum could not be held because, notwithstanding the fact that representatives of the Statehood Party and the Independence Party agreed to participate in such forum, not a single man in the Popular Party dared to participate in the discussion. Attorney Jose Trias Monge, legal adviser to Muñoz Marín and coauthor of the bill, refused to participate. So did refuse Attorney General Geigel Polanco. And a public invitation to participate addressed to to Muñóz Marín and Commissioner Fernós went without answer.

Also the Political Science Section of the Ateneo Puertorriqueno, an organization devoted to the promotion of culture, has invited in vain a representative of the Popular Party to appear in their forum in defense of H. R. 7674. Dr. Juan B. Soto, leader of the Statehood Party delivered a lecture in opposition to the bill and the leaders of the Independence Party announced that they are ready to deliver another lecture in opposition to said bill, but the "populares" dodge public discussion of the measure. They simply refuse to discuss the bill.

The people of Puerto Rico are against H. R. 7674. The Statehood Party and the Independence Party are militantly against the bill. Attorney Bolivar Pagan, president of the Socialist Party made a bitter attack on the measure on the floor of the Senate. After denouncing the bill as a fraud, he voted for it because he felt that if approved it amounted to the approval of two amendments to the Organic Act which he approved—the extension of power to the Governor of Puerto Rico to appoint the judges of the supreme court and the auditor. Yet he pleaded for the approval of an amendment to allow the Puerto Ricans to hold a plebiscite on the status question, which was defeated.

El Mundo and El Imparcial, the leading Puerto Rican newspapers, edited in San Juan, and El Dia, another important newspaper edited in Ponce, have written several important editorials condemning in the most vigorous and uncompromising terms, H. R. 7674.

On March 16, 1950, El Mundo wrote a brilliant editorial entitled "The Next Generation," in which it commented and condemned the testimony offered by Gov. Muñoz Marín before this committee where he said that the problem of statehood is a problem for the next generation of Puerto Ricans and ignored completely the question of independence.

El Mundo said that H. R. 7674 amounted merely to an amendment to the Jones Act and was no constitution; that it solves nothing and does not change an iota the fundamental situation of the relations of Puerto Rico with the United States and of the personality of Puerto Rico among the free countries of the world. El Mundo said Gov. Muñoz Marín left that problem "to the future generation."

El Mundo said:

"In the meanwhile, the Governor should make no reference to any previous election because at no time the status problem has been submitted openly to the people. It is confusion to try to interpret the last elections as if all those who voted for Mr. Muñoz Marín voted at the same time 'to postpone until the next generation' the case of the political status. The other considerations involved in the election—economic program, personal sympathies, disintegration of the old parties, were factors considered by the people to give their votes. It is a fact that the electorate did not divide itself on party lines, between defenders of statehood, defenders of independence and upholders of the status quo."

El Mundo ended saying:

"It is time to end the juggling and double play with the future of this country. If we want the Congress to treat us in a level of equality and to respect our dignity, let us talk to it like a mature country who knows what it wants and not as a vacillating kid who wants to eat his cake and have it."

The State Department concurs in the same confusionist attitude condemned by El Mundo, when it affirms without any basis whatsoever in its letter to the Chairman of this committee, that the people of Puerto Rico voted in the last election to "defer at this time determination of its ultimate political status."

When Senator Bolivar Pagán asked the Senate to insert in its records the quoted editorial of El Mundo, Senator Gutierrez Franqui, characterized it as "a monstrosity," and opposed its insertion in the record on the unjust basis that "the minutes of the Senate should not be tainted with such editorials." The Senate refused to allow the editorial to go into the record.

In answer to that exabrupto of Senator Gutierrez Franqui, El Mundo wrote another editorial the 18th of March entitled: Such finesse, Senator. This is a clear, vigorous and brilliant editorial where El Mundo says that what constitutes a blot is to go on passing the buck in the status question from generation to generation. El Mundo adds that

for 52 years the Puerto Ricans have been living under the same uncertainties, postponing the fundamental issues for unimportant things of the moment.

On March 28, 1950, El Mundo wrote another editorial entitled "Clear Words" where it said:

"Clear words were those uttered by Secretary Oscar L. Chapman, Department of the Interior, in an interview broadcast recently.

"In his statement, Mr. Chapman has reaffirmed truths which we had pointed out in an editorial; truth which had not pleased those who love to play with words when dealing with one of the most serious things pertaining to a people: their political future.

"Chapman has reaffirmed that Alaska and Hawaii know they want statehood, and they have shown they want statehood.

"Chapman has reaffirmed that Puerto Rico does not know what it wants, since the Puerto Ricans have not even had a referendum on such a vital question.

"In Puerto Rico no referendum has been held on the polititical status. No election in the past can be taken as the vote of the people for independence, for statehood or the status quo.

"Yet there are people who insist on affirming that Puerto Rico has already decided herself for the status quo, at least until the coming generation.

"There is another statement made by Mr. Chapman which is of the utmost importance for the Puerto Ricans.

"The Secretary of the Interior says that the Puerto Ricans can have a referendum whenever they wish it themselves.

"Puerto Rico does not need an authorization from Congress to determine which is the path she wishes to follow.

"Puerto Rico has not decided to walk the path of Statehood, but she could so decide were the matter submitted to her in an independent election.

"Puerto Rico has not decided to walk the path of independence, but likewise she could so decide in an election made to solve such a vital issue.

"If the Island decided herself for statehood or for independence the administration and Congress would understand clearly which are the insular aspirations.

"To wish for statehood, the Island does not need to be in an optimal situation, nor is it necessary that Congress have previously decided to grant her statehood.

"Hawaii and Alaska know that their aspirations have to meet objections and in part of the American people. But this has not stopped their public figures and representatives from hammering on the idea. Sooner or later, Hawaii and Alaska will see themselves admitted as States of the Union.

"To wish for independence, Puerto Rico does not need to be in a situation which will allow her to assume her independence immediately. The Philippine Islands knew they wanted independence, and at last they had it, after a 20-year readjustment period fixed by Congress. And later, during the initial years of life as a republic, the Philippines have had the help and the advice of the American people.

"Once Puerto Rico knows, without speculation, which way she is going, then a period of preparation and readjustment can be very beneficial. But we cannot grow and advance toward a goal, until we have fixed that goal.

"This is light which Puerto Rico needs.

"We cannot walk toward statehood and toward independence at the same time within the limbo of the status quo.

"Puerto Rico will not know which way she is going as long as the politicians (yesterday's, today's, tomorrow's) continue to fish for advantages in the troubled waters of the uncertainties of the status quo.

"According to Muñoz' words in Washington, the Fernós bill does not lead to statehood. According to Fernós words at Fordham, the bill does not lead to independence. It is a pact, a consent of the Puerto Ricans to their union with the United States. It is a consecration of the status quo.

"It is about this we want more light.

"Upon supporting FERNÓS' bill before Congress, is the island pledging herself to continue the present relations with the United States? Is she pledging to continue to postpone ad infinitum the referendum about her future?

"If the people of Puerto Rico, under the provisions of the Fernós bill converted into law, should adopt what some have insisted in calling a constitution, would the final political aspirations of the Pureto Rican people be determined in this constitution?

"If the status issue were evaded, the Fernós bill will not be anything else but an amendment to the organic act, as we have maintained, and the so-called constitution, a political convenience, but not a political solution.

"And Puerto Rico will remain not knowing what she is or what she wants to be.

"Why not take advantage of the clear words of Secretary Chapman and accompany them with other clear words and clear deeds as well?"

El Mundo wrote several other editorials, among them one written on March 31, 1950, entitled "Muñoz Speaks More Clearly," where it says:

"Mr. Muñoz Marín said that for the time being we do not have to think either of statehood or of independence.

"He stated further that he imagines that the Puerto Rican people will tend towards a permanent union with the United States. He gave as an example the fact that our economy is completely integrated with that of the Union and that this relationship is mutually beneficial.

"In this way he discards independence.

"Later he adds that statehood is too expensive, pointing out that the island will have to pay Federal taxes in an amount almost as high as the present insular budget.

"These statements coincide in their orientation with former words of the Governor, but this time his position is more clearly stated.

"Now he does not speek of statehood for the coming generation.

"Now he says plainly that we must not think of statehood or independence. He states that Puerto Rico is right now practically a new kind of State, and that to put this fact into a law would be profitable for both Puerto Rico and the United States.

"This would solve the issue of the political status," the Governor says, "which now does not allow us to dedicate our energy to the very difficult and more essential task of solving our economic problems.

"In other words, the consecration of the status quo, or the new State, is the Governor's formula for the solution of the political status problem.

"And when the voters of Puerto Rico vote for the constitution that Muñoz Marín proposes to the people, they will be accepting and confirming that Puerto Rico is content to maintain the present relations as an adequate political status.

"Independence and statehood are not postponed for the coming generations. They are postponed for eternity.

"It has been useless for the island to have been preoccupied all these years regarding the problem of her political status, when the problem had the simple solution of consecrating the status quo, a solution that is so evident and clear to Mr. Muñoz Marín and to Dr. FERNÓS.

"Is it equally so to all the Puerto Ricans?

"Is it equally so to the whole world?"

El Imparcial in its editorial of March 2, 1950, entitled "We do not want intermediate solutions," said in part:

"Since Gov. Muñoz Marín has so great an influence in the United States, why does he not try to liquidate the system of colonial government which prevails?

"The constitution which Muñoz upholds is no constitution at all, since the so-called constitution is no different from the Campbell bill and the free associated state bill, which caused so much political noise in Puerto Rico in the past.

"The constitution is only a new colonial modality.

"The people do not want a little more liberty. They want full liberty. They want the problem to be solved in its essence, either with complete independence or with statehood.

"They do not want colonialism in disguise, wearing the mask of a constitution."

In an editorial dated March 17, 1950, entitled "With a Different Collar," El Imparcial said:

"ANTONIO FERNÓS-ISERN and Luis Muñoz Marín have needed 2 years to write the 541 words of the bill which they have presented before Congress, and through which they confirm, consolidate, and consecrate in the uttermost expression of servitude, or colonial state.

"Does this bill presented to Congress fulfill the political pledge Muñoz and his party made to the voters? No. The bill ridiculously called constitution bill, does not do anything except allow the legislature to subscribe as hers, as if of her own making, the very same provisions of the present organic act, and for that we would have to go through the humiliating farce of a constitutional assembly that will not constitute anything, and which will only ratify the antidemocratic basis of our political relations with the United States, which will continue to be fundamentally the same as they are now.

"The so-called constitution only shows that Muñoz Marín has placed himself against the will of the people; he has deserted the independence ranks; he does not waste an opportunity to discredit statehood: the two great aspirations of political dignity shared by the Puerto Rican masses.

"His political mission seems to be that of assuring a penalty of 50 more years of colonialism for Puerto Rico.

"It is the same dog with a different collar."

El Dia has written many brilliant editorials against H. R. 7674 in the same vein as those written by El Mundo and El Imparcial and which I have quoted.

On the occasion of the refusal of the leaders of the Popular Party to discuss at the university, H. R. 7674, El Dia said in an editorial the following:

"A MAN IS NEEDED

"Our colleague El Mundo reported yesterday that the Fernós constitution bill may not be discussed in an open forum at the university since a man was needed to undertake the defense of the constitution bill before Dr. Juan B. Soto, who would defend statehood, and before Prof. Rafael Soltero Peralta, who would defend independence.

"The Circule of Social Studies of the University of Puerto Rico, presided over by university student Sergio Pena, Jr., an organization which sponsors the said open forum, has endeavored to see the bill discussed before a university audience by three repre-

sentatives of the three named political aspirations with followers in this country:

"(1) Statehood; (2) independence; (3) semicolony with additional franchises, as proposed by the constitution bill of Resident Commissioner Fernós-Isern.

"Dr. Juan Bautista Soto and Dr. Rafael Soltero Peralta, both professors at the University of Puerto Rico, the first one affiliated to the Statehood Party, and the second affiliated to the Independence Party of Puerto Rico, accepted with pleasure the invitation to appear at the proposed forum to defend their respective political ideals.

"The third speaker was missing. The principal speaker, since without him there could be no public discussion of the Constitution. The Circle of Social Studies 'turned to a number of university teachers who are members of the Popular Party, hoping that one of them would accept to discuss the bill from the point of view of the Populares, but no one accepted,' so El Mundo informs.

"The university then turned to the attorney general, Vicente Geigel Polanco, one of the outstanding leaders of the Popular Party, and to attorney Jose Trias Monge, known to be one of the coauthors of the constitution bill, but neither the former nor the latter accepted the invitation.

"So it is that 'a man is needed.' One who will defend the semicolony of Dr. FERNÓS' constitution bill. One who will say as did Senator Samuel R. Quinones: 'Why keep on talking about independence or about statehood?'

"An intellectual is needed that face-to-face with the intellectuals Juan B. Soto and Rafael Soltero Peralta, repeat to the people—as Mr. Muñoz Marín and Dr. Fernós-Isern are saying that Betances and de Hostos, Barbosa and de Diego, Iglesias and Martinez Nadal were sadly mistaken in their pleas for the solution of the sovereignty issue: some asking for independence with international separation, others pleading for independence within the Federal Union.

"The professor members of the Popular Party do not wish to accept such a request.

"Neither does Attorney General Geigel Polanco.

"Nor coauthor of the constitution bill Trias Monge.

" 'A man is needed.'

"But the university students are not discouraged. El Mundo also informed that they will possibly turn to Governor Muños Marín 'asking him to choose someone to accept the proposition and defend the point of view of the upholders of the bill.'

" 'A man is needed.'

"Who will accept the task?

"Mr. Muñoz Marín and Dr. FERNÓS-ISERN will surely be very grateful to the spirited 'popular' who undertakes to face two free men to defend the semi-colony, to defend a little more political power for whichever fellow countryman be at the head of the government of Puerto Rico.

"Professors Soto and Soltero Peralta will will surely show Christian understanding toward anyone having the courage to appear before the students at the University of Puerto Rico to maintain that there is no need of struggling for liberty and dignity; that the urgent thing is to get a safe hold on a dish of lentils.

" 'A man is needed.'

"The man needed will be sure to get any place of honor or a well paid position in the present Puerto Rican government if he does not have it already, because that man will be entitled to the deep gratitude of the regime for answering yes where popular-democratic professors Geigel Polanco and Trias Monge said 'no' with upset spirits."

The political writers of the most important magazines of the Island have also expressed themselves against H. R. 7674.

So have the students of Puerto Rico.

So have the General Confederation of Workers (Authentic), (Confederacion General de Trabajadores (Autentica), presided over by the respected labor leader, Attorney Francisco Colon Gordiany.

So has the General Union of Workers (UGT) presided over by Mr. Juan Saez Corales, cofounder with Mr. Colon Gordiany and others of the government-controlled General Confederation of Workers. The General Confederation of Workers had a split in 1945 and gave growth to two labor organizations, the one headed by Mr. Colon Gordiany and the government-controlled group. The leader of this group is Speaker Ernesto Ramos Antonini, at one time law partner of Senator Gutierrez Franqui.

Any observer of the political situation in Puerto Rico will come readily to the conclution that the opposition in the island to H. R. 7674 is profound and widespread, extending from San Juan (in the north) to Ponce (in the south), and from Luquillo (in the east) to Mayaguez (in the west).

In New York, where so many Puerto Ricans live, the sentiment is overwhelmingly against H. R. 7674. There have been public demonstrations organized against the bill. Various groups have requested permission to testify in opposition to this bill.

The Spanish press in New York has published the protests in the island and in the city against the bill, and the daily Spanish newspaper, Diario de Nueva York, has written several well-reasoned and documented editorials against H. R. 7674.

I do not think that the Congress of the United States should allow itself to be made part of the perpetuation of a fraud. H. R. 7674 is a fraud. I address myself to the lawyers in this committee, and ask them, Does H. R. 7674 authorize in fact the people of Puerto Rico to frame a constitution of their own?

What is a constitution? A constitution is the supreme law of the land. Who drafts a constitution? The people. On what authority? On the authority derived from its power of sovereignty. And what is sovereignty? Sovereignty is the supreme authority or ultimate power. The sovereignty comes from the Latin summa potestas, which means supreme power.

The power of sovereignty is in our modern world the power of the people to draft its own constitution. This means that the people cannot draft a constitution if they do not have sovereignty.

Is the Congress relinquishing its sovereignty over Puerto Rico in favor of the island if it approves H. R. 7674? The answer is no. Therefore, Congress is not giving ultimate power to Puerto Rico over its local affairs.

If H. R. 7674 does not give Puerto Rico the right to draft a constitution which cannot be revoked, amended, or suspended by the Congress of the United States or by any other power, then it is not giving the island the power to draft what is called a constitution in international law and in our constitutional law.

I think we all agree, gentlemen, in the proposition that if H. R. 7674 is passed, the Congress of the United States can exercise at any time the power to revoke, amend, or suspend the so-called constitution drafted by the people of Puerto Rico.

Any student of constitutional law will affirm that there are only two ways through which the Congress can recognize sovereignty to the people of Puerto Rico, to wit, either by admitting the island as a State of the Union or by recognizing their independence. Only through these two methods can the Congress authorize the people of Puerto Rico to draft a real constitution, one that cannot be revoked by the Congress of the United States nor by any other power.

Under our constitutional system the Congress has power, inherent power, to legislate for the Territories and to revoke, amend, or suspend any law passed by the said Territory. Usually the Congress inserts a reserve clause in the organic laws approved for the Territories. But our Supreme Court has held that the clause referred to is unnecessary as the Congress has the inherent power to do that.

If H. R. 7674 is passed, does the Congress relinquish its right of annulling, amending, or suspending any law approved by the Legislature of Puerto Rico? Certainly not.

And that is so because of the inherent power of the Congress over the Territories. Because of that inherent power, even though H. P. 7674 is passed, the Congress of the United States will retain the power to annul all legislation approved by the Legislature of Puerto Rico, even though H. R. 7674 in its section 5 (2) provides for the repeal of section 34 of the Jones Act, which reads as follows:

"All laws enacted by the Legislature of Puerto Rico shall be reported to the Congress of the United States, as provided in section 23 of this act, which hereby reserves the power and authority to annul the same."

Even though the above is the case, H. R. 7674 was drafted by a smart attorney to perpetrate a fraud.

Why do I say that? In the first place I say that because of the elimination from the Jones Act of the reserve clause contained in section 34 to give the impression to the people that the Congress is relinquishing the said power.

In the second place, I say that because section 2 of H. R. 7674 says that the law, if passed, will be in the nature of a compact between the Government and people of the United States and the government and people of Puerto Rico.

What is the meaning of that phrase, "in the nature of a compact"? Compacts are bilateral agreements which obligate both parties. Does the above phrase in the bill mean that once the law is passed, Congress will not have power to annul the laws approved by the legislature of Puerto Rico? Does it mean that once the bill is passed, the Congress will not be able to legislate for Puerto Rico except as agreed by both parties in the compact?

Of course, as an attorney, I know that the phrase "in the nature of a compact" in the bill means nothing, that it constitutes surplus language and imposes no additional obligation upon the Congress of the United States nor takes away any power it now has, but it is used to deceive the people of Puerto Rico.

The use of the word "constitution" is also deliberately employed to cheat the people of Puerto Rico. In international and constitutional law words have a precise meaning. That is why the smart authors of the bill used the word "constitution," inserted the word "compact," and repealed section 34 of the present organic act.

H. R. 7674 is a deliberate attempt to deceive the people of Puerto Rico.

In the debate which took place in the Puerto Rican senate on H. R. 7674 the president of the senate, Attorney Samuel R. Quinones said that once the bill is passed, the Congress would not have the power to annul the constitution because of the meaning of the word "compact," which imposes bilateral obligations on the parties involved.

Yet it is well known that this Congress has no power to make irrevocable any law approved by it, because of the well-known principle that no Congress can limit or abridge the power of another Congress to discharge its responsibilities.

If this Congress should approve H. R. 7674, a point which I do not concede, it would do it in the exercise of the power given it by article 3 of the fourth amendment of our Constitution, and in the exercise of that same

power a future Congress could annul, amend, or suspend the same, as well as any so-called constitution drafted on the basis of the power granted by the approval of H. R. 7674.

H. R. 7674 has no other effect, if passed, than to amend the Organic Act of Puerto Rico to allow the Governor of Puerto Rico to appoint the judges of the supreme court and the auditor of the island. If that is the case, why not call things by their right name and not use a misnomer? Why try to give the impression that we are relinquishing our sovereignty in favor of the people of Puerto Rico? Why try to confuse the people and deceive them? Why make the people of Puerto Rico undergo the electoral process leading to a constitutional convention and make them meet in such a convention for such an innocuous purpose as the one contained in H. R. 7674?

Under H. R. 7674 Puerto Rico would continue to be a Territory of the United States. All the provisions of the present Organic Act which represent an exercise of sovereignty in any sense whatsoever are preserved in the statute as a so-called law of Federal relations of Puerto Rico. The Congress of the United States would retain its power to legislate for Puerto Rico and the Constitution of the United States would be paramount, the same as it is now, and would continue to be the supreme law of the land in Puerto Rico, not only in Federal matters but also in local affairs. The so-called constitution, once approved by the Congress, would be only a law enacted by Congress and subject to the will of this Congress and every future Congress. It is clear, as I said before, that H. R. 7674 does not give the people of Puerto Rico the power to draft a constitution in a real sense, nor does it give Puerto Rico any power of sovereignty.

The position of Commissioner FERNÓS is based on extravagant speculations which have no basis in our constitutional law, in our history, or our mores and traditions, and is against the best interests of the people of Puerto Rico.

Not a single economic power is given Puerto Rico by H. R. 7674.

No additional jurisdiction is given Puerto Rico in the organization of its judicial system.

No extension of the jurisdiction of the people of Puerto Rico over its territory, its air and waters, and the life and liberty of its people is given by the bill.

No representation is given the Puerto Ricans in the Congress.

In short, the colonial system remains intact in Puerto Rico.

It is a fact, as I demonstrated in my speech delivered before the House on March 16, 1950, and made a part of my testimony, that Puerto Rico is a colony of the United States.

In an article written in the March 1948 issue of the Newsletter of the Institute of Ethnic Affairs, Inc., published at 500 Otis Building, 810 Eighteenth Street NW., Washington, D. C., Attorney Felix S. Cohen, former associate solicitor of the Department of the Interior, now in private law practice in Washington, and working as visiting lecturer at Yale Law School and at the College of the City of New York, shows that the colonial status is at the root of all the problems of Puerto Rico. Mr. Cohen entitles his excellent article, "Puerto Rico's Problem-Colonialism."

In the said article, Mr. Cohen says: "The problem of colonialism will continue so long as Puerto Rican workers are prohibited by the act of a Congress in which they have no vote, from refining the sugar they grow. The problem of colonialism would continue even if Puerto Ricans should cease to love their wives, their children, and their country as passionately as they now do, and thus bring into being a stationary or even a declining population figure. * * * The wealth of Holland, like the wealth of Massachusetts and Rhode Island, sprang from its people, from their love of freedom, political, economic and spiritual, and from their willingness to make every sacrifice to achieve that freedom. These resources of Holland are also the resources of Puerto Rico."

The government of Puerto Rico took that same position in the case against the continental sugar refineries. In the brief filed as intervenor in the United States Court of Appeals, District of Columbia, No. 9769, against the Secretary of Agriculture and Porto Rican American Sugar Refinery, Inc., and the American Sugar Refining Co., on May 19, 1949, the government of Puerto Rico said:

"The question presented here is simple and clean-cut. Has the Congress the power to convert Puerto Rico into a plantation, to limit its industry to the production of raw materials, to exclude it from all processing and manufacture for mainland consumption? Has the Congress the power to abridge the rights and liberties of the citizens of the United States living and doing business in Puerto Rico in order that it may confer special privileges upon a favored group of citizens of the United States who live and do business on the mainland? Has the Congress the power to impose upon Puerto Rico, its economy and its citizens, the iron fetters of the old colonial system?

"Section 207 (b) of the Sugar Act of 1948 should be declared null and void as abridging the liberty of persons without due process of law, as running contrary to the intent and spirit of the Constitution, and as seeking to impose upon a group of citizens of the United States a permanent colonial status."

In the final plea before the conclusion, the government of Puerto Rico said, page 93 of the brief:

"The issue before this court is a matter of life and death to Puerto Rico. Its economy, its chance at industrial development, its capacity for advancing the standard of life of its people, hang on the decision presently to be made. The Government of Puerto Rico can say in all sincerity that here is as serious a matter as could come before a court of justice. For the issues reach far beyond the immediate question presented by the accused section of the act. They involve alike the political status of Puerto Rico, the position of that Territory in our Federal system, and the relation of the insular to our national economy. For, if it should be held by this court that the Congress has the power to fix a maximum for the number of tons of direct-consumption sugar which refiners in Puerto Rico may market in the continental United States, it follows as of course that the Congress has the power completely to exclude sugar refined in Puerto Rico from the mainland market. If such an unrestricted power belongs to it, the Congress has adequate authority to decree the amounts of rum, plywood, textiles, chinaware, glass bottles, furniture, and soap of island fabrication which can be marketed upon the mainland. And if the Congress may fix maxima in respect to each of these and all other fabricated or processed goods, it possesses the power, at its pleasure, to exclude any or even all articles of merchandise produced in Puerto Rico from the mainland market. The rights and liberties at stake are not limited to the Puerto Rican refiners and their employees. The Government of Puerto Rico is under an obligation by encouraging manufacturers, to afford opportunities for employment to masses of its citizens. The capacity of its agricultural resources to care for its population has been fully exploited. Its only chance at salvation lies in the fabrication of goods for mainland markets. The threat of the new Colonial system hangs over it more heavily than the pressures of the old Colonial system upon the people of the North American Colonies. For in 1776 the frontier beckoned, and a wide open continent was there to relieve the pressures of British policy. Its population density allows to the people of Puerto Rico no escape save through the development of processing industries. To find the power of the Congress in question to be lawful is to deliver the liberties of the people, their industrial opportunities and the economy of Puerto Rico into the political control of the Congress.

"The peril is the more ominous, because there is no political avenue for the redress of grievances. Although its citizens are citizens of the United States, only local suffrage has been extended to Puerto Rico. Its people, their governor, their officials, the members of the two houses of their legislature. But the acts of its legislature are subject to Presidential veto and to the revision or the annulment of the Congress. The island is represented in the Congress by a single Resident Commissioner, who sits in the House of Representatives, participates in discussion, but has no vote. * * * Against the doom of consignment to a colonial status, the people of Puerto Rico have no defense except to ask judicial protection of the rights and liberties guaranteed to them by the Constitution. If this court fails them, there is no other way to salvation."

And the court failed them. Not only the district court of appeals but the Supreme Court as well. On February 1950, the Supreme Court recognized the right of the Congress to limit the amount of Puerto Rico's own sugar she can refine for sale in interstate commerce.

Commenting on the decision, the bulletin of the Office of Puerto Rico, Puerto Rico, published every month at 1026 Seventeenth Street NW., here in Washington, official publication of the Government of Puerto Rico, said:

"Denying the insular government's appeal that such limitations be declared unconstitutional, the Supreme Court upheld the 1948 Sugar Act. Justice Felix Frankfurter, who read the decision, said in effect that Congress has the right to adjust insular sugar production, refining, and marketing to suit the national and local interest.

"The Court's decision means that Congress can continue to tell Puerto Rico that she can only refine 126,033 tons of the 910,000 tons of the raw sugar the Sugar Act allows her to sell on the mainland. This means an annual loss to the island of an estimated 4,000 jobs and $20,000,000 in income."

The Puerto Rico Public Service Commission estimated the loss at $30,000,000 and some economists estimate the loss at $40,000,000.

In view of what I have said, I submit the following amendments to H. R. 7674:

Section 7: Section 207 (b) of the Sugar Act of 1948 is hereby declared null and void. (This is in keeping with Muñoz Marín's promise to the people to see to it that the restriction limiting the refinement of Puerto Rican sugar be eliminated.)

Section 1: It should be rephrased in order to strike out the clause "in the nature of a compact."

Section 8: The Legislature of Puerto Rico is hereby authorized to call the people of Puerto Rico to a plebiscite at any time that the said legislature would deem it convenient, so that they may decide with their votes:

(a) If they would like Puerto Rico to establish herself as an Independent Republic under the most favored conditions that the United States now extends to independent countries; or

(b) If they want Puerto Rico to be admitted as a State of the United States under the same conditions now covering the other States of the Union; or

(c) If they are in disagreement with the legislature on the point that the existing conditions make it feasible for Puerto Rico to establish itself as an Independent Republic or to be admitted as a State of the United States of America.

The Congress of the United States hereby agrees to act in accord with the preference shown by the people of Puerto Rico in the aforesaid plebiscite.

Section 9: Section 7 to be renumbered section 9.

Further, there must be written guaranties against the use of public funds to influence any plebiscite or referendum.

Mr. Chairman, I feel most strongly that the enactment of this bill will be a direct disservice to the people of Puerto Rico. I have come here today to urge that H. R. 7674 be voted down in committee as legislation which can only hinder and not help the Puerto Rican people as they try to work out their economic and political problems in a democratic manner.

I will present to this committee what I know to be some of these problems and what I—and thousands of working men and women of Puerto Rico—believe to be the only realistic solution to them.

I want to make clear at the outset that this is no simple bill merely permitting local self-government or a local constitution in Puerto Rico. It is in fact much more—and the sponsors of the legislation have made this clear in their statements. It is these deeper implications of this legislation which I urge this committee to recognize and to reject as inimical to the best interests of the people of Puerto Rico.

Both the Resident Commissioner and the Governor, as I have heretofore stated, have had occasion to describe this bill simply as a legislative recognition of the existing political and economic ties between Puerto Rico and the United States mainland.

It is that.

In fact, the Resident Commissioner stated quite explicitly, while discussing H. R. 7674: "We in Puerto Rico may be mindful of our basic economic and political relationships (with the mainland). We do not want to dissolve them; we do not want to disturb them," etc.

I would put it more explicitly and positively. This bill not only recognizes but it accepts and acclaims the present economic and political ties; and if enacted, this bill would further solidify these relationships which are essentially disastrous and humiliating to the Puerto Rican people.

This is my basis for opposition.

In this bill we can see an attempt to get the people of Puerto Rico to register their consent and agreement to the past 50 years of economic exploitation by mainland interests—and do this under the guise of enacting a local constitutional government.

Gentlemen, it is most edifying to read the statements supporting H. R. 7674 that have been made by the Resident Commissioner and the Governor. For both these gentlemen have been most anxious to state what the bill is not—what it does not aim to accomplish.

It is not a first step toward statehood; it is not a step in the direction of independence. It is something new altogether. In fact, to quote the sponsor of this legislation:

"We are developing a new pattern of federation, applicable to our circumstances, which do not permit us at the present, nor in the foreseeable future, to develop along the classical lines and the uniform pattern followed by former and present Territories in their ascent to statehood."

Under this so-called new pattern of federation, H. R. 7674 would permit the adoption of a local constitution, while leaving undisturbed the entire network of economic control that has spelled unspeakable poverty for the Puerto Rican people over the past 50 years. This is the crux of the problem.

I cannot emphasize too strongly that legislation which only formalizes the local self-government that now exists in Puerto Rico under the organic law—that in fact formalizes the facade of political democracy—while recognizing and leaving undisturbed the whole economic structure of this one-crop economy which is sucked dry by mainland financial and business interests is bad legislation. It is undesirable legislation.

It is undesirable from the point of view of the aspirations and needs of the people of Puerto Rico. It is undesirable from the point of view of the democratic tradition of the United States.

For the past 52 years, since United States troops landed in Puerto Rico, that country has been under the political and economic control of the United States.

In this brief span a complete revolution has taken place in the economic and political life of the island. What was once a fairly thriving, diversified, agricultural economy has become a sick-one-crop economy which brought uncounted millions to the absentee American owners of the sugar crops and privation, misery, and poverty to the Puerto Rican people. What was once a community taking its first bold steps in the direction of self-government and independence has become a colonial appendage of the United States.

This committee should have these facts in mind when it measures this bill in the balance of what has been and what is in Puerto Rico.

Puerto Rico was not discovered when General Miles landed in Ponce in 1898.

For almost 450 years these people have been living in Puerto Rico, with a culture, a language, and a tradition completely their own. Under the Spanish Empire Puerto Rico was for many years a province with representation in the Parliament in Madrid. And in 1897, because the people of Puerto Rico were themselves on the move and reaching out for the kind of freedom and liberty they could see on the United States mainland, Spain was forced to concede dominion status and to permit the creation of a self-government constitution.

In 1897 Puerto Rico was on the verge of achieving complete independence from Spain.

But by 1899 after the treaty of Paris had been ratified, Puerto Rico was placed under military government. It was an American military governor who suspended the self-government constitution, and the United States War Department was the dominant voice in the affairs of Puerto Rico up to 1934. Since then the Interior Department has taken over.

I believe that an examination will show that the first organic act of 1900, the more liberalized act of 1917, and the subsequent amendments, even to including the right to election of the governor (passed in 1947) have not yet restored to the Puerto Rican people the level of independence they had already reached in 1897.

This may appear like ancient history to this committee—but it is not to the people of Puerto Rico.

Essentially a most profitable economic exploitation of the people and the resources of Puerto Rico has developed in the past 50 years. Profitable, but not for the people themselves. It is an economic exploitation which could only have taken where political freedom and political expression were circumscribed. Today vague gestures are being made in the direction of political democracy and political freedom. But the essence of the control, the economic domination of Puerto Rico by the United States, continues undisturbed.

And what is most shocking, the proponents of this legislation come here and try to curry support for their bill by proving that they have no intentions of disturbing the economic shackles that tie Puerto Rico. What a farce.

Sugar has spelled economic tragedy for Puerto Rico.

A steadily growing population, a bare subsistence standard of living, maldistribution of wealth, concentration of land holdings in the hands of a few, these are some of the most pressing problems of Puerto Rico. And these problems are linked with the structure and operation of the sugar industry.

The sugar industry is the largest single employer of labor, it does more business each year than all the other industries of the island combined, it dominates the external trade of the island.

Puerto Rico is sugar. And Puerto Rico is a sick island.

I will not burden the record of this committee with the statistics of the wealth and influence of the sugar industry. I think that no one would disagree with the statement that today the economic structure of the island is the sugar industry, and little more.

Nor will I repeat in detail the poverty and misery which is the lot of the common man and his family in Puerto Rico today. These facts have been repeatedly recorded by congressional committee after congressional committee. Yet in all their detail and in all their statistical dryness and accuracy, they give no inkling of the bitterness and emptiness—the hopelessness—of the lives of these people.

It was from this horror of unemployment and insecurity that 10,000 workers and their families are fleeing in unsafe, overloaded planes to work on farms on the mainland. The plane crash on Monday, June 5, with the loss of 28 lives, is not the first of such incidents. It happened because these unhappy, exploited people have no alternative but to accept seasonal work on the mainland. There is little prospect for them in Puerto Rico. And they are packed into planes and sent into the harvesting areas with a callousness that is hard to imagine.

In the past 50 years, Puerto Rico has been changed into a sugar island. To the thousands of workers who earn their living in the sugar fields or in the sugar mills, the industry furnishes only spasmodic employment. From the height of the cutting period to the period of mill shut-down, thousands upon thousands move from intense hard labor to complete idleness. And this cycle, year in and year out, is reflected in every other part of the Puerto Rican economy.

Concentrating on the production of sugar, the island of course must import practically every major item of consumption and living.

Rice, beans, and dried codfish. A few clothes. A shack. This is the life of the Puerto Rican worker. And it all comes from the mainland, with every article priced far above the mainland prices.

It does not take much thought to conclude that only through industrialization and through diversification of agriculture, with higher wages all around, can the Puerto Rican people hope to raise their standard of life.

But I am convinced that a healthy industrialization and diversification of production and a real economic growth can never come about until after the present economic shackles and domination by the mainland are both destroyed.

So long as the sugar economy produces profits for a few selfish and greedy mainland interests, so long will the status of the island continue as it is—for these feed on each other—and a program for industrialization and diversification in the interest of the people will never come to life. Only industrialization which exploits these people as the sugar industry always has in the past will grow in Puerto Rico under these circumstances.

And the so-called operation bootstrap, the widely heralded program of industrialization, holds out about as much economic hope for the Puerto Rican people as H. R. 7674 holds out political hope.

Both are self-defeating because they accept the present economic and political status of Puerto Rico as fixed and healthy rather than as they truly are—the center of the whole cancerous problem.

This identication of operation bootstrap with H. R. 7674 is not mine alone. The sponsor of this bill has himself described H. R. 7674 as "an expression of the same program of advancement which is embodied in operation bootstrap."

Let us look at this for a moment.

A subcommittee of the House Labor Committee recently held hearings in Puerto Rico on minimum wages and education in the Island. Runing over a week's time during the latter part of November, 1949, these hearings made clear how complete a failure this operation bootstrap has been.

"Operation Bootstrap" hopes to attract industrial operations by offering cheap, unskilled labor and substantial tax savings to mainland businessmen.

The concern whose movement to Puerto Rico recently received most press notice has been, of course, the textile corporation known as Textron. Senate hearings were held on Textron's decision to shut down their Nashua, New Hampshire operation, and open up in Puerto Rico, and these, of course, are available to the committee. They should be read carefully.

With the rate of pay approximately 60 percent of what workers on the mainland obtain for the same work, it is not surprising that a few American firms are beginning to move factories to Puerto Rico. But the net result to date of these attempts to picture Puerto Rico as the businessman's paradise have so far been slim.

In the House Labor Committee hearings to which I have already referred, Mr. Teodoro Moscoso, Jr., president and general manager of the Puerto Rico Industrial Development Co. summed up the history of the operation.

The Industrial Development Co. was established by the Puerto Rican Legislature late in 1942. Up to June 30, 1949, $22,000,000 had been appropriated for the use of this company in industrializing Puerto Rico.

During the 6 years of operation a total of 7,233 jobs were created by plants operated by businessmen attracted from the mainland by "Operation Bootstrap." And of this number 3,440 or almost half were home-work jobs.

That is some record in a country where each year for the past 3 years the labor force has increased by 22,000 men and women.

That is some record in an area in which out of a population of 2,200,000 over 300,000 are unemployed.

The problem of the worker in Puerto Rico is not to find a well-paying job, but to find any job whatsoever.

To read the statements of these gentlemen who are guiding the industrialization program is to be convinced of its ultimate failure. They, of course, put the blame for the failure upon the Puerto Rican people who, to believe these gentlemen, are slow, stupid, not mechanically minded and all the rest.

Mr. Moscoso, to whom I have already referred, made clear how low his sights are set, when he told Congressman KELLEY:

"Well, in Puerto Rico proper we believe that a lot of jobs, from which people shy away in the States, might eventually come down here, and of course, it is not a too hopeful picture to think that these kinds of jobs are the ones that will eventually get here, but we have to start somewhere."

This from the director of "Operation Bootstrap." Puerto Rico is to become the source of labor for the jobs which employers cannot convince mainland workers to fill; the lowest paid, the drudgery jobs, these are to be for the Puerto Ricans.

I see no need to say more about "Operation Bootstrap." It should be clear to this committee that this is no program to industrialize Puerto Rico, to raise the standard of living and make fuller and happier lives for the Puerto Rican people. It is instead a program to peddle the Puerto Ricans to the highest bidder from the mainland.

It has not worked and it will not work.

Puerto Rico has arable land, it has some mineral resources, it has many people. With all these resources directed in a program clearly in their own interests, these people can begin to solve their own problems.

And these economic problems, like these political problems, can only be solved if the people of Puerto Rico can exercise their own sovereignty as an independent State.

I am not so naive as to think that independence would overnight end all the problems of the Puerto Rican people. But I know that independence would release the energy and the creativeness of these fine people to meet their problems and to solve them by their own efforts.

Without independence I see no solution. And since H. R. 7674 represents another obstacle in the road to independence, I oppose it completely and urge upon you that it be voted down in committee.

CONCLUSION

Our country is a signatory to the Charter of the United Nations.

The President in his most recent report on the United Nations to Congress, dated May 22, 1950, described the Charter as "express(ing) our fundamental aims in the modern world."

Chapter XI of the Charter states that member nations recognize that the interests of non-self-governing territories are paramount and that the member nations pledge "to develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive development of their free political institutions, etc."

I submit that it is time some of this high-sounding language be brought down to earth around home and a taste of the real meaning of these pledges given to the people of Puerto Rico.

Mr. HERTER. Mr. Speaker, I yield myself such time as I may require.

The gentleman from New York [Mr. MARCANTONIO] is, as far as I know, the only Member of the House who is opposing this rule or the bill.

The bill is brought before you through the unanimous report of the Committee on Public Lands, and the unanimous report of the Committee of Rules.

From all the testimony that was given to the committee, the great majority of the people of Puerto Rico favor the bill, the only dissidents being the splinter parties who want either statehood or independence.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield at that point?

Mr. HERTER. I shall be pleased to.

Mr. MARCANTONIO. For the sake of correcting an impression which has been evident here, there are two leading newspapers in Puerto Rico, and they are conservative newspapers; nobody can charge them with being radical in any sense of the word. I refer to the newspapers El Imparcial and El Mundo. In my remarks that I make before the committee and which you will see in tomorrow morning's CONGRESSIONAL RECORD you will find that both of these leading newspapers are protesting almost daily editorially against the enactment of this bill and have given their reasons, reasons which I shall advance during general debate; so that it is not true there is no opposition to this bill. The leading public opinion as expressed by the press of Puerto Rico is against this measure.

Mr. HERTER. Mr. Speaker, I still maintain that the testimony that came before the Rules Committee contradicts the evidence that the gentleman has just put before the House.

Mr. Speaker, I yield back the balance of my time.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. BIEMILLER] is recognized for 15 minutes.

THE AMERICAN MEDICAL ASSOCIATION

Mr. BIEMILLER. Mr. Speaker, the American Medical Association is now holding its annual meeting in San Francisco. The AMA is the country's largest scientific organization. By its very nature, the AMA must play a major role in the advancement of the national health. The delegates to its convention carry a tremendous responsibility to the welfare not only of this country, but the world. Those delegates represent the finest health facilities and the greatest fund of technical knowledge in medical history.

It is only natural that a good many Americans should have looked to San Francisco this week for guidance in many matters. If they heard the inaugural address of Dr. Elmer Henderson, incoming president of the AMA, they must now be looking elsewhere.

Just this Tuesday, with the United States in the midst of crisis, facing the possibility of a major war, Dr. Henderson ignored the urgent need to shore up our national health defenses in the shortest possible time. Instead he delivered a cliche-packed, reactionary tirade against the elected Representatives of our Government.

He attempted to ally the doctors of America, many of whom oppose Dr. Henderson's personal political beliefs, with the most extreme elements of right-wing conservatism.

Standing directly under Sir Luke Fildes' famous picture of a physician and patient with the AMA motto "Keep politics out of this picture," Dr. Henderson not only put politics into the picture, but did it with an unseemly violence and a resort to political mudslinging unmatched in the ordinarily dignified behavior of medical meetings.

Dr. Henderson's address rang with the patent insincerity of the huckster slogans and phrases of the publicity team which now speaks for America's doctors in the name of the AMA. He attacked our Government as "sick with intellectual dishonesty, moral laxity, and with reckless excesses," and charged the administration with a campaign to gain control over all fields of human endeavor to make this a socialistic state. These wild charges and political mudslinging ill become the head of an organization whose objective should be scientific progress.

The rest of Dr. Henderson's talk bears out the fact that scientific truth is not the goal of the present leadership of organized medicine. An analysis of his remarks will show that he used the same misrepresentations and distortions that many doctors and other thoughtful Americans have unhappily come to associate with the AMA. Here are a few examples:

First. In attacking national health insurance as socialized medicine, Dr. Henderson is merely repeating the same scare phrase that was used to characterize old-age and unemployment insurance, and other measures passed by the administration with the enthusiastic support of the American people. The American people know that national health insurance is in fact the best protection against state medicine.

Second. In extolling American health records as the best in the world—which they are—Dr. Henderson proudly cited declining death rates resulting from tuberculosis, diphtheria, and small-pox as an achievement of American medicine. He neglected to add that the AMA fought against reporting communicable diseases, compulsory vaccinations for smallpox, and public provision for immunization against diphtheria—measures that made the campaign against these diseases possible. The AMA also called these measures socialistic. The decline in infant mortality also cited is largely due, as Dr. Henderson ought to know, to local and State public health departments and to the Children's Bureau of the Federal Security Agency.

Third. Dr. Henderson denies that there is a doctor shortage. Politicians, he says, are attempting to "create a crisis over an alleged shortage in this country; the ratio of doctors to population is higher than anywhere else in the world except Israel." But the AMA's own propaganda admits that there is a serious doctor shortage in many areas. Right now to bring every State up to the present standards of the 12 best equipped States, we need 20 percent more doctors—and that is just the basic minimum. The deans of the leading medical schools support Federal aid to enable their schools to enlarge their student bodies. And our Armed Forces have never been able to get the necessary numbers of doctors to meet a real crisis.

Fourth. Dr. Henderson points to our growing hospital system, stating that there are 1,500,000 hospital beds in this country now serving 16,000,000 patients. Is it a mere oversight that he did not also say that over two-thirds of these beds are operated by Government—local, State, and Federal agencies—because private hospitals have never met our needs.

But what is even more important, certain areas of this country are woefully lacking in hospital facilities. Dr. Henderson must know that only 14 counties in every 100 meet the minimum accepted standard of 4½ general hospital beds per 1,000 population. Four out of 10 counties where 15,000,000 Americans live have no acceptable general hospital.

Fifth. Dr. Henderson states that voluntary health insurance is the way to take the economic shock out of illness. He predicts that in a few years the problem will be largely resolved. What problems? Why the problem whose existence he spends so much time denying, the problem of adequate medical care for all. Dr. Henderson did not mention that Blue Shield plans with their limited coverage protect only 9 percent of the population and provide little other than protection for some types of surgery. He failed also to point out that only 2 percent of the American people have complete insurance protection such as they would get under national health insurance—because only 2 percent can afford such protection at the high rates charged by existing voluntary and commercial insurance plans.

Millions of Americans know from bitter experience that high-priced voluntary plans automatically exclude those who need protection most, the aged, those with chronic diseases, and those who simply cannot afford the high cost and the low benefits which the voluntary plans offer.

Dr. Henderson did not mention the AMA's own shabby record of opposing any voluntary plans which it cannot control—consumer, farm and labor cooperatives. In 1943, the Supreme Court convicted the AMA of monopoly practices in fighting one health cooperative and two more cases are before the courts right now for the same reason. The AMA's real attitude toward voluntary health insurance was summed up when the voluntaries first began, when they were described in an editorial in the AMA Journal as socialism, communism, inciting to revolution. For 20 years, the AMA took this official stand despite pressure from its own members to change. The change took place only when the AMA officialdom saw they must offer some substitute for a good comprehensive national health plan.

The charges levelled by Dr. Henderson this week might carry more weight if organized medicine had shown any inclination to work out a sound, constructive program for solving our health problems. So long as organized medicine turns its energies away from scientific advancement and toward irresponsible political attacks on our elected Government, so long will the AMA have to be regarded as a reactionary, self-seeking interest.

The oath of office which Dr. Henderson took Tuesday night over a Nationwide hook-up adjured him to "promote public health and welfare, to improve health standards of the American people, and to devote himself to the task of bringing improved medical care within the reach of the American people." How can Dr. Henderson live up to that solemn oath when he refuses even to admit that public health and welfare is a genuine concern, that health standards need improving, or that adequate health care is now beyond the reach and the pocketbooks of millions of Americans?

Dr. Henderson might well read carefully the address of one of his fellow speakers at the AMA convention, that of Brig. Gen. James Stevens Simmons, dean of the Harvard School of Public Health.

In his talk as reported in the New York Times, General Simmons pointed out that in the present uncertain international situation "all problems of health assume a dominant role."

In addition to the general problems of public health, he warned, we must be prepared to meet the entirely new threat of unannounced atomic and biologic warfare.

General Simmons might have added that we badly need more doctors and more nurses to meet these new conditions. Yet, the AMA continues its stubborn opposition to legislation to help failing medical schools meet their growing obligations.

As the general concluded, and I quote:

> I am also sure that the American physician now has his greatest opportunity to serve the Nation by giving his complete support not only to good medical care, but to preventive medicine and public health. The future security of the country will reflect the manner in which he fulfills this responsibility.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. FURCOLO] is recognized for 15 minutes.

(Mr. FURCOLO asked and was given permission to revise and extend his remarks and include a chart of figures from appropriation bills.)

### GOVERNMENT EXPENDITURES

Mr. FURCOLO. Mr. Speaker, I am proceeding on the assumption that everyone in the Nation is interested in trying to economize wherever possible. I am basing my remarks on the assumption that, in our present financial condition, money should be spent on only the most essential items.

Assuming that every expenditure is for a good purpose—a highly debatable assumption but nevertheless assuming it for the sake of argument—at least one other qualification should also be met before there be any expenditure: namely, Is it also absolutely essential at this time? In other words, every expenditure should be not only for a good purpose but should also be so necessary at this time that men of good judgment and reason would not want to postpone it in preference to deficit spending.

WHO IS SPENDING THE MONEY?

Having in mind that people seeking economy usually impose those two qualifications for any expenditure—first, Is it for a good purpose? second, Is it essential right now?—I have made a study of all money appropriations voted by the Congress over the past 10 years. I think the figures are illuminating and should be brought to the attention of the people of the Nation, because the actual figures show very clearly that the people of the Nation have overlooked perhaps the most important point of all, namely, Who is spending the money?

If there be any lack of sound economy in appropriations, the people naturally want to exert their omnipotent influence against it. Before they can do so, they must know where to direct their efforts.

The figures I have studied do not reveal whether the expenditures that have been made were wise or unwise. They do not indicate whether too much or not enough has been spent for the benefit of the people of the Nation. They do not in themselves show whether the governmental servants of the people have practiced economy or extravagance. They show none of those things because figures and statistics are notoriously ineffective to prove anything. It is a truism that figures and statistics can be interpreted to reach opposite conclusions.

THE FIGURES SHOW

However, the figures and statistics do establish something beyond any peradventure of doubt. They show who is spending the money—and that result is not inconclusive or subject to different interpretations. It is a cold, proven fact on which every person in this country can agree. Which is the reason for my talk today.

It is not my purpose to analyze the reasons for the figures or to determine whether the figures have been based on sound or unsound practices. My aim is merely to let the people of the Nation know who is spending the money. Then the people can praise or condemn those responsible for such expenditures.

I have one further purpose for the consideration of those who believe expenditures are too high and I shall outline it in a few minutes. First I want to give the actual figures which will then speak for themselves.

I am listing them year by year for the past 10 years. The left-hand column, under each year, shows the purpose for which the expenditure was made. The column under "Passed House" shows the amount of money voted by the House of Representatives for such purpose. The column under "Passed Senate" shows the amount of money voted by the Senate for such purpose. The column under "Law" shows the final amount agreed to by both bodies of Congress, often after conference. Regular appropriations are given first, followed by deficiency and supplemental appropriations. Every expenditure that has been made is included in these first charts for the convenience of those who may wish to see the actual figures for each item. A little later I am inserting a very short over-all chart from 1940 to 1950 that merely gives the total amount expended each year.

The charts detailing all expenditures for every year are as follows:

| 1939–40 | Passed House | Passed Senate | Law 1939–40 |
|---|---|---|---|
| 1. Department of Agriculture, Farm Credit Administration | $835,118,613.00 | $1,218,666,572.00 | $1,194,498,633.00 |
| 2. District of Columbia | 46,915,207.00 | 49,524,985.00 | 48,002,347.00 |
| 3. Independent Offices | 1,651,087,340.00 | 1,668,218,340.00 | 1,668,218,340.00 |
| 4. Interior | 159,538,815.23 | 174,975,288.33 | 172,679,765.23 |
| 5. Labor | 30,535,770.00 | 30,747,780.00 | 30,536,170.00 |
| 6. Legislative | 21,636,278.00 | 21,985,779.00 | 21,851,779.00 |
| 7. Navy | 773,420,241.00 | 773,049,151.00 | 773,049,151.00 |
| 8. State, Justice, and Commerce | 121,399,120.00 | 122,624,410.00 | 122,177,220.00 |
| 9. Treasury and Post Office | 1,700,591,354.00 | 1,701,189,114.00 | 1,700,615,054.00 |
| 10. War Department: | | | |
| (a) Military | 499,857,936.00 | 513,188,882.00 | 508,789,834.00 |
| (b) Civil functions | 305,188,514.00 | 305,267,984.00 | 305,188,514.00 |
| Total | 6,145,289,188.23 | 6,579,438,285.23 | 6,545,606,797.23 |
| DEFICIENCY AND SUPPLEMENTAL ACTS | | | |
| 1. Emergency Relief, 1939 (fiscal year 1940) | $1,735,600,000.00 | $1,808,900,000.00 | $1,755,600,000.00 |
| 2. Emergency Relief, 1939 | 725,000,000.00 | 725,000,000.00 | 725,000,000.00 |
| 3. Emergency Relief, 1939 | 100,000,000.00 | 100,000,000.00 | 100,000,000.00 |
| Total deficiency and supplemental | 2,989,549,508.51 | 3,239,892,897.16 | 3,173,651,669.98 |
| Grand total | 9,134,838,696.74 | 9,819,331,182.39 | 9,719,258,467.21 |

| 1940–41 | Passed House | Passed Senate | Law 1940–41 |
|---|---|---|---|
| 1. Department of Agriculture Farm Credit Administration | $713,896,084.00 | $922,911,213.00 | $918,603,918.00 |
| 2. District of Columbia | 48,291,717.00 | 49,697,890.00 | 48,765,080.00 |
| 3. Independent Offices | 1,100,187,267.00 | 1,139,783,528.00 | 1,120,243,528.00 |
| 4. Interior | 118,578,187.05 | 137,256,834.05 | 135,383,330.05 |
| 5. Labor and Federal Security | 1,021,639,700.00 | 1,025,054,670.00 | 1,023,282,690.00 |
| 6. Legislative | 23,907,744.00 | 25,707,720.00 | 23,671,220.00 |
| 7. Navy | 965,779,438.00 | 1,302,014,058.00 | 1,308,171,138.00 |
| 8. State, Justice, and Commerce | 107,225,660.00 | 107,079,000.00 | 107,149,000.00 |
| 9. Treasury and Post Office | 1,032,154,612.00 | 1,032,784,115.00 | 1,032,801,095.00 |
| 10. War Department: | | | |
| (a) Military | 784,999,094.00 | 1,500,324,988.00 | 1,499,323,322.00 |
| (b) Civil functions | 203,472,567.00 | 223,636,517.00 | 222,718,717.00 |
| Total | 6,120,152,070.05 | 7,464,250,713.05 | 7,440,113,038.05 |
| DEFICIENCY AND SUPPLEMENTAL ACTS | | | |
| 1. Emergency Supplemental 1940 | $264,611,252.00 | $251,822,588.00 | $252,340,776.00 |
| 2. Urgent Deficiency 1940 | 58,502,600.00 | 57,541,300.00 | 57,541,300.00 |
| 3. First Deficiency 1940 | 90,069,139.11 | 92,777,021.52 | 92,035,408.52 |
| 4. Emergency Relief 1941 | 1,111,754,916.00 | 1,224,791,357.00 | 1,157,711,357.00 |
| 5. First Supplemental National Defense 1941 | 1,381,917,147.00 | 1,488,353,027.00 | 1,479,777,147.00 |
| 6. Second Deficiency 1940 | 57,909,600.00 | 95,176,257.23 | 85,891,777.23 |
| 7. Second Supplemental National Defense 1941 | 2,234,191,957.00 | 2,374,158,277.00 | 2,497,016,392.00 |
| 8. First Supplemental Civil Function 1941 | 207,475,727.02 | 189,178,663.35 | 228,132,013.35 |
| 9. Third Supplemental National Defense 1941 | 1,311,493,636.00 | 1,324,193,636.00 | 1,324,193,636.00 |
| Total deficiency and supplemental | 6,717,925,974.52 | 7,097,992,127.10 | 7,174,639,807.10 |
| Grand total | 12,838,058,044.57 | 14,562,242,640.15 | 14,614,752,845.15 |

| 1941–42 | Passed House | Passed Senate | Law 1941–42 |
|---|---|---|---|
| 1. Department of Agriculture | $890,824,037.00 | $1,340,622,744.00 | $1,060,500,063.00 |
| 2. District of Columbia | 52,547,081.00 | 54,785,686.00 | 54,183,106.00 |
| 3. Independent Offices | 1,404,576,838.00 | 1,415,991,838.00 | 1,414,626,838.00 |
| 4. Interior | 177,027,078.00 | 185,119,813.00 | 189,325,923.00 |
| 5. Labor and Federal Security | 1,191,776,000.00 | 1,200,511,100.00 | 1,195,861,940.00 |
| 6. Legislative | 24,846,047.00 | 25,087,486.00 | 25,002,256.00 |
| 7. Navy | 3,415,457,250.00 | 3,415,521,750.00 | 3,415,521,750.00 |
| 8. State, Justice, Commerce, and Judiciary | 212,087,200.00 | 279,416,547.00 | 279,142,477.00 |
| 9. Treasury and Post Office | 1,146,394,496.00 | 1,151,156,632.00 | 1,147,624,384.00 |
| 10. War Department: | | | |
| (a) Military | 9,826,509,492.00 | 10,384,821,624.00 | 10,384,821,624.00 |
| (b) Civil functions | 221,272,228.00 | 234,805,863.00 | 228,601,828.00 |
| Total | 18,563,317,747.00 | 19,087,841,082.00 | 19,394,212,189.00 |
| DEFICIENCY AND SUPPLEMENTAL ACTS | | | |
| 1. Urgent Deficiency 1946 | $3,524,000.00 | $1,933,800.00 | $3,347,200.00 |
| 2. Second Urgent Deficiency 1946 | 128,550,000.00 | 364,114,807.00 | 364,114,807.00 |
| 3. Second Deficiency 1946 | 233,157,293.37 | 63,285,930.02 | 61,601,337.02 |
| 4. Coast Guard 1947 | 114,216,000.00 | 118,236,000.00 | 116,226,000.00 |
| 5. Third Urgent Deficiency 1946 | 661,520,810.89 | 661,847,988.89 | 661,847,988.89 |
| 6. Government Corps 1947 | 45,546,287.00 | 67,292,287.00 | 60,086,287.00 |
| 7. Third Deficiency 1946 | 724,571,909.33 | 2,784,485,270.68 | 2,652,860,866.98 |
| 8. First Supplemental 1947 | 2,479,663,210.45 | 2,796,612,917.45 | 2,636,489,417.45 |
| Total deficiency and supplemental acts | 4,390,749,511.04 | 6,857,809,001.04 | 6,556,573,904.32 |
| Grand total | 25,485,403,752.70 | 28,300,573,043.20 | 27,524,535,703.48 |

| 1942–43 | Passed House | Passed Senate | Law 1942–43 |
|---|---|---|---|
| 1. Department of Agriculture | $648,170,517.00 | $680,395,695.00 | $665,742,646.00 |
| 2. District of Columbia | 56,129,351.00 | 56,329,161.00 | 56,306,031.00 |
| 3. Independent Offices | 2,096,048,875.00 | 2,126,042,890.66 | 2,090,885,128.00 |
| 4. Interior | 162,157,965.00 | 186,924,998.00 | 178,099,712.00 |
| 5. Labor and Federal Security | 1,058,951,660.00 | 1,157,598,426.00 | 1,071,574,318.00 |
| 6. Legislative | 27,463,866.00 | 27,884,588.00 | 27,570,708.00 |
| 7. Military | 42,820,003,067.00 | 42,820,003,067.00 | 42,820,003,067.00 |
| 8. Navy | 17,722,565,474.00 | 23,738,865,474.00 | 23,738,865,474.00 |
| 9. State, Justice, Commerce, and Judiciary | 221,078,100.00 | 425,703,235.00 | 426,281,885.00 |
| 10. Treasury and Post Office | 1,112,926,899.00 | 1,113,321,439.00 | 1,113,321,439.00 |
| 11. War Department, civil functions | 333,950,826.00 | 367,039,826.00 | 343,938,826.00 |
| Total | 66,259,446,000.00 | 72,700,108,799.66 | 72,532,589,234.00 |

| 1942–43 | Passed House | Passed Senate | Law 1942–43 |
|---|---|---|---|
| DEFICIENCY AND SUPPLEMENTAL ACTS | | | |
| 1. Fourth Supplemental National Defense, 1942 | $12,556,672,474.00 | $12,556,672,474.00 | $12,556,672,474.00 |
| 2. First Deficiency, 1942 | 160,412,611.43 | 163,806,854.77 | 163,780,819.77 |
| 3. Fifth Supplemental National Defense, 1942 | 29,720,901,900.00 | 30,412,737,900.00 | 30,412,737,900.00 |
| 4. Sixth Supplemental National Defense, 1942 | 18,156,961,345.00 | 19,062,373,260.18 | 19,001,197,010.18 |
| 5. Seventh Supplemental National Defense, 1942 | 654,999,740.00 | 655,074,740.00 | 655,074,740.00 |
| 6. Emergency Relief, 1943 | 282,584,000.00 | 282,584,000.00 | 282,584,000.00 |
| 7. Second Deficiency, 1942 | 53,513,099.84 | 53,721,999.74 | 53,721,999.74 |
| 8. First Supplemental National Defense, 1943 | 1,808,669,615.47 | 1,863,961,710.90 | 1,858,939,210.90 |
| 9. Second Supplemental National Defense, 1943 | 6,236,956,621.00 | 6,341,196,887.66 | 6,351,184,137.66 |
| Total Deficiency and Supplemental | 69,631,671,406.74 | 71,403,167,077.25 | 71,335,892,282.25 |
| Grand total | 135,891,118,000.74 | 144,103,275,876.91 | 143,868,481,526.91 |

| 1943–44 | Passed House | Passed Senate | Law 1943–44 |
|---|---|---|---|
| 1. Department of Agriculture | $715,099,662.00 | $875,680,709.00 | $848,295,883.00 |
| 2. District of Columbia | 54,789,434.00 | 55,568,210.00 | 55,466,565.00 |
| 3. Independent offices | 2,620,824,379.00 | 2,621,539,379.00 | 2,621,366,879.00 |
| 4. Interior | 72,861,316.00 | 127,989,991.00 | 104,608,921.00 |
| 5. Labor | 1,086,059,499.00 | 1,186,367,512.00 | 1,137,167,010.00 |
| 6. Legislative and Judiciary | 40,659,273.00 | 40,943,778.00 | 40,894,478.00 |
| 7. Military | 59,034,839,673.00 | 59,034,839,673.00 | 59,034,839,673.00 |
| 8. Navy | 27,463,687,198.00 | 24,850,427,198.00 | 27,637,226,198.00 |
| 9. State, Justice, and Commerce | 189,629,400.00 | 226,105,758.00 | 221,405,400.00 |
| 10. Treasury and Post Office | 1,098,840,960.00 | 1,102,381,425.00 | 1,100,691,275.00 |
| 11. War Department, civil functions | 63,032,683.00 | 63,657,098.00 | 63,657,098.00 |
| Total | 92,440,323,477.00 | 90,185,500,731.00 | 92,865,619,380.00 |

| 1943–44 | Passed House | Passed Senate | Law 1943–44 |
|---|---|---|---|
| DEFICIENCY AND SUPPLEMENTAL ACTS | | | |
| 1. Urgent Deficiency, 1943 | $22,410,000.00 | $22,410,676.17 | $22,410,676.17 |
| 2. First Deficiency, 1943 | 4,102,569,890.87 | 4,108,485,949.96 | 4,106,261,194.96 |
| 3. Naval Supplemental, 1943 | 3,816,206,583.00 | 3,851,176,119.00 | 3,836,176,119.00 |
| 4. Farm Labor Supply, 1943–44 | 26,100,000.00 | 40,000,000.00 | 26,100,000.00 |
| 5. Urgent Deficiency, 1943 | 2,911,700.00 | 7,246,700.00 | 7,246,700.00 |
| 6. Urgent Deficiency, 1943 | 134,096,279.86 | 143,630,591.56 | 143,430,591.56 |
| 7. Defense Aid Supplemental | 6,273,629,000.00 | 6,273,629,000.00 | 6,273,629,000.00 |
| 8. National War Agencies | 2,880,941,504.00 | 2,931,215,033.00 | 2,911,697,224.00 |
| 9. Second Deficiency | 36,158,760.60 | 363,059,927.23 | 188,833,720.23 |
| 10. First Supplemental National Defense | 166,754,124.32 | 308,340,019.23 | 188,833,720.23 |
| 11. Farm Labor Supply, 1944–45 | 27,000,000.00 | [1] | [1] |
| Total Deficiency and Supplemental | 17,488,777,842.65 | 18,049,194,016.64 | 17,769,041,405.64 |
| Grand total | 109,929,010,319.65 | 108,234,694,747.64 | 110,634,660,785.64 |

[1] Consideration not completed during first session; carried over to second session.

| 1944–45 | Passed House | Passed Senate | Law 1944–45 |
|---|---|---|---|
| 1. Department of Agriculture | $535,244,192.00 | $524,806,718.00 | $562,145,918.00 |
| 2. District of Columbia | 68,585,607.00 | 69,159,948.00 | 69,111,569.00 |
| 3. Independent Offices | 8,500,590,352.00 | 8,561,391,764.00 | 8,485,099,785.00 |
| 4. Interior | 87,652,580.00 | 123,629,345.36 | 103,239,796.36 |
| 5. Labor | 1,104,972,514.00 | 1,114,920,609.00 | 1,112,644,464.00 |
| 6. Legislative and Judiciary | 59,606,975.00 | 60,232,283.66 | 59,701,018.66 |
| 7. Military | 15,436,031,795.00 | 15,434,814,795.00 | 15,434,814,795.00 |
| 8. Navy | 27,572,202,936.00 | 27,569,798,301.00 | 27,569,798,301.00 |
| 9. State, Justice, and Commerce | 231,304,700.00 | 242,766,700.00 | 241,937,700.00 |
| 10. Treasury and Post Office | 1,318,321,980.00 | 1,332,376,669.00 | 1,330,846,169.00 |
| 11. War Department, civil functions | 86,911,440.00 | 95,190,680.00 | 92,455,440.00 |
| Total | 55,001,425,071.00 | 55,129,087,813.02 | 55,061,794,956.02 |

| 1944–45 | Passed House | Passed Senate | Law 1944–45 |
|---|---|---|---|
| DEFICIENCY AND SUPPLEMENTAL ACTS | | | |
| 1. Farm Labor Supply | [2] | $36,359,200.00 | $31,359,200.00 |
| 2. First Deficiency 1944 | $500,103,748.38 | 530,773,754.97 | 489,762,870.04 |
| 3. National War Agencies 1945 | 1,030,858,367.00 | 1,031,100,367.00 | 1,030,937,242.00 |
| 4. Defense Aid and UNRRA | 3,920,070,000.00 | 3,920,510,000.00 | 3,920,320,000.00 |
| 5. Second Deficiency 1944 | 232,385,058.92 | 245,630,992.58 | 241,270,992.58 |
| Total Deficiency and Supplement | 5,683,417,174.30 | 5,764,434,314.55 | 5,713,650,304.62 |
| Grand total | 60,684,842,245.30 | 60,893,522,127.57 | 60,775,445,260.64 |

[2] Passed House, 78th Cong., 1st sess.

| 1945–46 | Passed House | Passed Senate | Law 1945–46 |
|---|---|---|---|
| 1. Agriculture | $576,432,700.00 | $594,724,527.00 | $589,931,520.00 |
| 2. District of Columbia | 64,988,080.00 | 65,703,280.00 | 65,635,660.00 |
| 3. Independent Offices | 3,218,876,477.00 | 3,145,658,626.00 | 3,121,900,230.00 |
| 4. Interior | 101,242,628.00 | 140,392,432.00 | 111,690,258.00 |
| 5. Labor and FSA | 1,086,210,337.00 | 1,132,093,241.00 | 1,115,617,256.00 |
| 6. Legislative | 50,742,447.66 | 50,994,481.66 | 50,994,481.66 |
| 7. Military | 21,376,283,400.00 | 21,496,902,030.00 | 21,496,902,030.00 |
| 8. Navy | 23,400,502,133.00 | 23,603,775,868.00 | 23,601,136,064.00 |
| 9. State, Justice, Commerce, Judiciary, and Federal Loan Agency | 255,853,700.00 | 270,180,838.00 | 265,521,700.00 |
| 10. Treasury and Post Office | 1,342,813,090.00 | 1,343,094,670.00 | 1,342,958,105.00 |
| 11. War Department, civil functions | 99,165,940.00 | 112,450,940.00 | 112,450,940.00 |
| Total | 51,573,110,932.66 | 51,955,970,933.66 | 51,874,738,244.66 |

| 1945–46 | Passed House | Passed Senate | Law 1945–46 |
|---|---|---|---|
| DEFICIENCY AND SUPPLEMENTAL ACTS | | | |
| 1. First Deficiency, 1945 | $2,338,877,125.62 | $2,375,332,528.31 | $2,373,837,128.31 |
| 2. National War Agencies, 1946 | 752,764,850.00 | 774,005,765.00 | 769,364,850.00 |
| 3. Second Supplemental, 1945 | | | |
| 4. Second Deficiency, 1945 | 3,634,044,238.78 | 3,675,508,776.79 | 3,636,203,476.79 |
| 5. National War Agencies, 1946 | | | |
| Total Deficiency and Supplemental Acts | 6,725,686,212.40 | 6,824,847,070.10 | 6,779,405,455.10 |
| Grand total | 58,298,797,000.00 | 58,780,818,003.76 | 58,654,143,699.76 |

| 1946–47 | Passed House | Passed Senate | Law 1946–47 |
|---|---|---|---|
| 1. Agriculture | $573,601,949.00 | $598,737,735.00 | $581,240,121.00 |
| 2. District of Columbia | 72,585,009.00 | 79,478,262.00 | 76,755,009.00 |
| 3. Independent Offices | 5,593,262,626.00 | 5,095,365,177.00 | 5,094,976,677.00 |
| 4. Interior | 179,426,847.00 | 341,890,768.00 | 247,167,036.00 |
| 5. Labor and FSA | 1,136,500,238.00 | 1,157,155,365.00 | 1,155,015,670.00 |
| 6. Legislative | 52,801,676.66 | 53,947,946.16 | 53,809,736.16 |
| 7. Military | 7,091,034,700.00 | 7,595,449,868.00 | 7,263,542,400.00 |
| 8. Navy | 4,139,718,000.00 | 4,100,009,100.00 | 4,119,659,300.00 |
| 9. State, Justice, Commerce, Judiciary, and Federal Loan Agency | 365,178,758.00 | 453,042,983.00 | 437,703,212.00 |
| 10. Treasury and Post Office | 1,604,556,940.00 | 1,616,067,840.00 | 1,604,862,140.00 |
| 11. War Department, civil functions | 285,987,498.00 | 361,618,998.00 | 333,230,498.00 |
| Total | 21,094,654,241.66 | 21,442,764,042.16 | 20,967,961,799.16 |

| 1946–47 | Passed House | Passed Senate | Law 1946–47 |
|---|---|---|---|
| DEFICIENCY AND SUPPLEMENTAL ACTS | | | |
| 1. Urgent Deficiency, 1941 | $388,140,000.00 | $395,357,775.00 | $393,687,775.00 |
| 2. Fourth Supplemental National Defense, 1941 | 1,376,277,202.00 | 1,376,464,602.00 | 1,376,464,602.00 |
| 3. First Deficiency, 1941 | 188,863,693.68 | 191,803,544.88 | 191,478,544.88 |
| 4. Defense Aid Supplemental, 1941 | 7,000,000,000.00 | 7,000,000,000.00 | 7,000,000,000.00 |
| 5. Fifth Supplemental National Defense, 1941 | 1,980,356,820.00 | 2,295,967,920.00 | 2,299,767,920.00 |
| 6. Additional Urgent Deficiency, 1941 | 173,749,630.00 | 174,409,630.00 | 174,409,630.00 |
| 7. Emergency Relief, 1942 | 885,905,000.00 | 936,395,000.00 | 910,905,000.00 |
| 8. Second Deficiency, 1941 | 879,321,270.80 | 1,042,565,565.03 | 1,041,444,529.75 |
| 9. First Supplemental National Defense, 1942 | 7,063,238,478.00 | 5,838,436,948.00 | 6,586,896,948.00 |
| 10. Second Supplemental National Defense, 1942 | 6,159,522,799.39 | 6,161,615,969.39 | 6,161,467,229.39 |
| 11. Third Supplemental National Defense, 1942 | 7,650,001,531.00 | 9,478,310,750.00 | 9,283,037,005.00 |
| 12. Additional appropriation, National Defense, 1942 | 512,000,000.00 | 512,000,000.00 | 512,000,000.00 |
| Total deficiency and supplemental | 34,257,406,424.87 | 35,403,327,659.30 | 35,931,559,184.02 |
| Grand total | 52,820,724,171.87 | 55,091,168,742.30 | 55,325,771,373.02 |

| 1947–48 | Passed House | Passed Senate | Law 1947–48 |
|---|---|---|---|
| 1. Agriculture | $569,391,266.00 | $662,205,426.00 | $613,046,826.00 |
| 2. District of Columbia | 95,930,310.00 | 94,947,504.00 | 95,504,737.00 |
| 3. Government Corps | 36,097,580.00 | 31,746,918.00 | 35,040,000.00 |
| 4. Independent Offices | 8,167,809,027.00 | 8,307,978,247.00 | 8,188,822,927.00 |
| 5. Interior | 161,413,513.00 | 215,530,353.00 | 194,567,859.00 |
| 6. Labor and FSA | 1,684,586,780.00 | 1,676,198,080.00 | 1,674,158,631.00 |
| 7. Legislative | 54,895,005.00 | 55,631,908.00 | 55,294,435.00 |
| 8. Military | 5,280,982,423.00 | 5,616,618,793.00 | 5,482,529,633.00 |
| 9. Navy | 3,135,481,100.00 | 3,312,044,300.00 | 3,268,766,100.00 |
| 10. State, Justice, Commerce, and Judiciary | 538,976,492.00 | 553,595,932.00 | 551,175,932.00 |
| 11. Treasury and Post Office | 3,202,050,750.00 | 3,243,045,173.00 | 3,216,500,450.00 |
| 12. War Department, civil functions | 339,186,869.00 | 539,927,449.00 | 502,123,912.00 |
| Total | 23,266,861,115.00 | 24,309,470,089.00 | 23,877,560,442.00 |

| 1947–48 | Passed House | Passed Senate | Law 1947–48 |
|---|---|---|---|
| DEFICIENCY AND SUPPLEMENTAL ACTS | | | |
| 1. Urgent | $139,360,000.00 | $181,486,231.40 | $179,645,668.40 |
| 2. Foot and mouth | 9,000,000.00 | 9,000,000.00 | 9,000,000.00 |
| 3. Increase pay costs | 243,255,607.00 | 243,255,607.00 | 243,255,607.00 |
| 4. First Deficiency, 1947 | 2,827,526,186.35 | 2,835,199,009.32 | 2,835,161,509.32 |
| 5. Second Deficiency, 1948 | 170,478,658.70 | 210,418,858.70 | 192,438,858.70 |
| 6. Second Urgent Deficiency, 1947 | 70,856,257.87 | 72,236,257.87 | 72,236,257.87 |
| 7. Emergency Appropriation, 1948 | 6,180,000.00 | | 6,180,000.00 |
| 8. First Supplemental | 1,603,199,094.47 | 1,680,793,697.22 | 1,658,802,197.22 |
| 9. Supplemental Government Corps | 35,500,000.00 | 35,500,000.00 | 35,000,000.00 |
| 10. Second Supplemental | 100,059,200.00 | 112,334,200.00 | 106,695,100.00 |
| Total deficiency and supplemental acts | 5,205,415,004.39 | 5,380,223,861.51 | 5,338,915,198.51 |
| Grand total | 28,472,276,119.39 | 29,689,693,950.51 | 29,216,475,640.51 |

| 1948–49 | Passed House | Passed Senate | Law 1948–49 |
|---|---|---|---|
| 1. Agriculture | $545,533,453.00 | $580,400,278.99 | $577,546,953.00 |
| 2. District of Columbia | 101,164,983.00 | 99,567,983.00 | 99,729,483.00 |
| 3. Government Corporations | 37,979,061.00 | 43,422,061.00 | 38,479,061.00 |
| 4. Independent Offices | 991,518,551.00 | 967,705,551.00 | 967,442,551.00 |
| 5. Supplemental Independent Offices | 5,795,048,931.00 | 5,855,308,851.00 | 5,819,659,851.00 |
| 6. Interior | 375,692,591.00 | 422,179,098.00 | 407,836,974.00 |
| 7. Labor and Federal Security | 905,405,250.00 | 890,751,440.00 | 890,139,000.00 |
| 8. Supplemental Federal Security | 969,050,000.00 | 983,227,319.00 | 975,914,700.00 |
| 9. Legislative | 55,859,690.00 | 56,362,726.00 | 56,140,401.00 |
| 10. National Military Establishment: | | | |
| (a) Military Functions | 6,447,689,000.00 | 6,853,426,052.00 | 6,705,418,163.00 |
| (b) Civil Functions, Department of Army | 606,558,766.00 | 708,586,666.00 | 641,575,666.00 |
| (c) Department of Navy | 3,686,733,250.00 | 3,812,170,250.00 | 3,749,059,250.00 |
| 11. State, Justice, Commerce, and Judiciary | 503,590,263.00 | 516,029,937.00 | 511,129,662.00 |
| 12. Treasury and Post Office | 1,981,722,350.00 | 2,010,601,200.00 | 1,996,313,425.00 |
| 13. Treasury and Post Office, supplemental | 248,414,255.00 | 248,414,255.00 | 248,414,255.00 |
| Total | 23,251,960,394.00 | 24,048,153,667.00 | 23,684,799,395.00 |

| 1948–49 | Passed House | Passed Senate | Law 1948–49 |
|---|---|---|---|
| DEFICIENCY AND SUPPLEMENTAL ACTS | | | |
| 1. Urgent Deficiency | $131,015,365.67 | $137,489,385.67 | $136,368,385.67 |
| 2. Foreign Aid, Welfare of Indians, and tax refunds | 555,125,000.00 | 555,125,000.00 | 555,125,000.00 |
| 3. First Deficiency | 339,160,952.33 | 780,962,279.84 | 778,768,845.84 |
| 4. Supplemental National Defense | 923,100,000.00 | 958,200,000.00 | 949,000,000.00 |
| 5. Foreign Aid | 5,980,710,228.00 | 6,125,710,228.00 | 6,030,710,228.00 |
| 6. Second Deficiency | 485,204,240.42 | 605,792,130.36 | 549,774,876.36 |
| 7. Supplemental | 15,000,000.00 | 15,300,000.00 | 15,300,000.00 |
| Total, deficiency and supplemental acts | 8,429,315,806.42 | 9,178,579,023.87 | 9,015,047,335.87 |
| Grand total | 31,681,276,200.42 | 33,226,732,690.87 | 32,699,846,730.87 |

| 1949–50 | Passed House | Passed Senate | Law 1949–50 (1st sess.) |
|---|---|---|---|
| 1. Agriculture | $701,122,079.00 | $723,083,249.00 | $715,601,607.00 |
| 2. District of Columbia | 98,923,621.00 | 103,142,153.00 | 102,754,447.00 |
| 3. Independent offices | 7,103,506,553.00 | 7,663,429,323.00 | 7,617,739,361.00 |
| 4. Interior | 536,461,908.00 | 595,262,257.00 | 584,098,797.00 |
| 5. Labor and Federal Security | 2,210,694,085.00 | 2,409,408,765.00 | 2,387,381,385.00 |
| 6. Legislative | 62,200,705.00 | 62,262,110.00 | 62,262,110.00 |
| 7. National Military Establishment | 13,272,815,800.00 | 13,165,803,089.00 | 12,949,562,498.00 |
| 8. National Security Council and National Security Resources Board | 3,700,000.00 | 3,700,000.00 | 3,700,000.00 |
| (a) Secretary of Defense | 189,000,000.00 | 202,230,000.00 | 191,450,000.00 |
| (b) Department of Army | 4,481,834,200.00 | 4,570,907,089.00 | 4,380,644,298.00 |
| (c) Department of Navy | 4,375,327,600.00 | 4,388,079,000.00 | 4,285,382,200.00 |
| (d) Department of Air Force | 4,222,954,000.00 | 4,000,887,000.00 | 4,088,386,000.00 |
| 9. Civil functions, Department of Army | 593,292,270.00 | 751,440,690.00 | 664,178,190.00 |
| 10. State, Justice, Commerce, and Judiciary | 684,616,102.00 | 671,782,281.00 | 677,972,102.00 |
| 11. Treasury and Post Office Departments | 3,072,817,903.93 | 3,113,068,503.93 | 3,090,528,903.93 |
| Total | 28,336,451,026.93 | 28,824,713,809.93 | 28,852,079,400.93 |
| DEFICIENCY AND SUPPLEMENTAL ACTS | | | |
| 1. Disaster Relief | $500,000.00 | $500,000.00 | $500,000.00 |
| 2. Disaster Relief | 500,000.00 | 500,000.00 | 500,000.00 |
| 3. First Deficiency | 471,895,177.52 | 542,303,473.59 | 524,649,473.59 |
| 4. Second Deficiency | 671,069,672.84 | 862,563,510.27 | 854,338,710.27 |
| 5. Veterans' Administration | 595,890,000.00 | 595,890,000.00 | 595,890,000.00 |
| 6. Foreign Aid Appropriation | 5,617,470,000.00 | 5,647,724,000.00 | 5,659,990,000.00 |
| 7. Third Deficiency | 127,032,243.75 | 193,078,469.02 | 177,740,619.02 |
| 8. Grasshopper Control | 1,500,000.00 | 3,500,000.00 | 1,750,000.00 |
| 9. First Supplemental | 72,790,521.87 | 104,172,589.95 | 78,005,129.95 |
| 10. Second Supplemental | 1,038,506,380.41 | 1,083,161,658.73 | 1,079,082,880.41 |
| Total deficiency and supplemental | 8,597,153,996.39 | 9,033,393,701.56 | 8,972,946,813.34 |
| Grand total | 36,933,605,023.32 | 37,858,107,511.49 | 37,825,026,214.17 |

Mr. Speaker, to find out who is spending the money, the people of the Nation should compare the column "Passed House" with the column "Passed Senate."

SENATE SPENT OVER $18,000,000,000 MORE THAN HOUSE FROM 1940 TO 1950

The figures show that from 1940 to 1950, the Senate voted to spend approximately $18,390,210,943 more than the amount of money the House of Representatives was willing to vote. It is not my purpose in this talk to analyze the reasons why the action of the Senate in seeking to spend more money may have been wise or unwise, sound or unsound, economical or uneconomical. That is a matter of interpretation that may be subject to opposite conclusions being reached by different people. The cold fact that the Senate voted to spend over $18,000,000,000 more than the House is not subject to different interpretations. It is simply an established fact.

THE FIGURES CANNOT BE DENIED

Beginning with the year 1940, here are the figures that show the amount of money voted by the Senate over and above the amount voted by the House for the same purpose and the same year:

1940: $684,492,486 more than the House.
1941: $1,724,184,596 more than the House.
1942: $2,270,444,571 more than the House.
*1943: $8,212,157,870 more than the House.
*1944: $1,694,315,573 less than the House.
1945: $208,679,882 more than the House.
1946: $482,021,000 more than the House.
1947: $2,815,169,291 more than the House.
1948: $1,217,417,830 more than the House.
1949: $1,545,456,490 more than the House.
1950: $924,502,500 more than the House.

Total: Senate voted about $18,390,210,943 more than the House.

I have starred the years 1943 and 1944 because the figures for the military establishment for those years apparently caused a great part of the difference between the two bodies of Congress. It is probable that rapidly accruing events abroad caused the discrepancy, since the appropriations were considered at different times of the same year by the two bodies.

In the 11-year period of 1940 to 1950, the Senate voted well over $18,000,000,000 more than the House.

Not counting the 2 years, 1943 and 1944, the Senate voted over $12,000,000,000 more than the House in the 9-year period.

Counting every year except the one of 1944, the only year that the House voted more money than the Senate, the figures show that the Senate voted to spend over $20,000,000,000 more than the House in the 10-year period.

SENATE CONSISTENTLY SPENDS MORE THAN HOUSE

No matter how it be analyzed, the fact is that the Senate has consistently voted to spend more money than the House has been willing to spend. On an average, the Senate exceeds the expenditures wanted by the House by anything from $1,250,000,000 a year to a little over $2,000,000,000 a year.

SENATE HIGHER 170 TIMES OUT OF 196 APPROPRIATIONS

There were 212 appropriations voted upon by both bodies of Congress. Sixteen times the two bodies agreed upon the amount. Twenty-six times the House voted to appropriate more money than the Senate. One hundred and seventy times the Senate voted more money than the House. Or, to put it another way, the two bodies differed in the amounts to be appropriated 196 times. The Senate voted for more money than the House 170 times out of the 196 times on which the two bodies differed.

To answer the question, "Who is spending the money?" The admitted figures lead to one inescapable conclusion: The Senate is spending the money.

As I stated above, it is not my purpose in this talk to analyze the reasons for the expenditures. I want to prove not why the money is being spent, but merely who is responsible for the expenditures.

BRING SENATE EXPENDITURES DOWN FIRST

I also want to emphasize that I am not trying to make a point that the House of Representatives is not spending too much money simply because the figures show the Senate is spending more. It may well be that, even though the House wants a great deal less money spent, even the House figures may be too high. I merely want to point out to the people of the Nation that, if they want to cut down on expenditures, the first task is to begin with the Senate. In other words, if the people believe too much money is being expended, they should first try to bring Senate expenditures down to the House level and then take the next step after that.

"PORK BARREL"

Now I would like to spend just a few minutes discussing the appropriations for two specific functions—Interior and civil functions. When people speak of "pork barrel" and "logrolling" expenditures, the items criticized—whether justly or unjustly—are usually found under the headings of Interior and civil functions in appropriation bills.

There are many expenditures under those headings that the general public often criticizes as being unnecessary, uneconomical, and unsound. It is not my purpose today to arrive at any conclusion as to whether the general public is right or wrong in its opinions about extravagance in items under civil functions. I merely want to let the admitted figures prove who is spending the money for civil functions and Interior items.

Listing only the expenditures made under the headings "Civil functions" and "Interior"—the two headings that, among other things, include money expended by the Army engineers and other agencies for dams, rivers, harbors, and so forth—the following figures show that the Senate voted more money for such

purposes than the House felt was necessary in every single year in the period from 1940 to 1950. The following chart illustrates it by showing under "Civil functions" the amount voted by the Senate each year over and above the amount voted by the House. Under "Interior," the chart is similar:

CIVIL FUNCTIONS

1941: Senate voted $20,000,000 more than the House.
1942: Senate voted $13,500,000 more than the House.
1943: Senate voted $33,000,000 more than the House.
1944: Senate voted $1,000,000 more than the House.
1945: Senate voted $10,000,000 more than the House.
1946: Senate voted $13,000,000 more than the House.
1947: Senate voted $76,000,000 more than the House.
1948: Senate voted $200,000,000 more than the House.
1949: Senate voted $102,000,000 more than the House.
1950: Senate voted $158,000,000 more than the House.

Total: Senate voted about $636,000,000 more than the House for civil functions from 1940 to 1950:

INTERIOR

1941: Senate voted $19,000,000 more than the House.
1942: Senate voted $8,000,000 more than the House.
1943: Senate voted $24,000,000 more than the House.
1944: Senate voted $55,000,000 more than the House.
1945: Senate voted $36,000,000 more than the House.
1946: Senate voted $39,000,000 more than the House.
1947: Senate voted $163,000,000 more than the House.
1948: Senate voted $54,000,000 more than the House.
1949: Senate voted $46,000,000 more than the House.
1950: Senate voted $58,000,000 more than the House.

Total: Senate voted about $502,000,000 more than the House for Interior from 1940 to 1950.

Grand total: Senate voted about $1,138,000,000 more than the House for civil functions and Interior from 1940 to 1950.

The figures for both civil functions and Interior show that it is the Senate expending the money.

For civil functions and Interior the grand total establishes the fact that the Senate voted to spend about $1,138,000,000 more money than the House believed should be spent for such projects. On a yearly basis, the figures prove that the Senate has consistently tried to spend over 100 million dollars a year over and above the amount the House felt was necessary.

Again let me emphasize that it is not my purpose in this talk to analyze the reasons for the expenditures or to determine whether the public is right or wrong in the descriptive terms it applies to such projects. Whatever the reasons be, whatever the projects are, the cold fact still remains that the money for such purposes is being spent by the Senate.

I do not know whether the public is familiar with the figures I have given but they are a matter of public record. I do not know whether the public is aware of who is spending the money, but that also is a matter of public record.

WHAT TO DO ABOUT IT?

I now want to discuss for a few minutes the following proposition: Assuming the people of this Nation want to cut down on expenditures, do I have any constructive suggestion as to what action they may take?

Of course, we are all familiar with the obvious measures the people already have been taking of making general protests to members of both the House and Senate, of sending articles to newspapers, and so on. But is there anything else that may help? I offer the following suggestion because, as far as I have been able to determine, it is new in the sense that it has not been used to try to cut down Federal expenditures.

"GRASS ROOTS" ECONOMY

I propose that the local governing bodies of towns, cities, and States become a part of a united effort to achieve Federal economy. I also propose that citizens' committees be set up to function as "watchdogs of the Federal Treasury." I am proposing what amounts to a "grass roots economy movement," in which the people of the Nation will join to achieve every sound and possible saving.

Let me apply the suggested solution to the two most criticized items, civil functions and Interior projects. Let me also use the Senate as an example because the figures make it readily apparent that more money can be cut from Senate appropriations than from House appropriations, assuming any cuts at all are possible.

THE SYSTEM NOW

Before I discuss my proposal, let me first try to give an analysis of the system as it now works. The average Senator does his best to obtain whatever dams, flood control walls, river and harbor improvements, highways, post offices, and other Federally financed projects that he believes are beneficial and necessary for the people of the Nation and the people of his State. Of course he scrutinizes such projects with an economy eye focused on real necessity and not with a political eye focused on the thought that an inpour of Federal money into a State means an outpour of votes for the person responsible.

As far as the Senator's own State is concerned, most Senators naturally try to represent the wishes and best judgment of their constituents when such opinion is not in conflict with the Senator's own conviction. Experience has shown that, as concerns work on highways, dams, rivers, post offices, harbors, and so on, usually a Senator's opinion is that the people of his State want Federal money spent on such projects in their own State. A Senator who seeks to obtain Federal money for such projects in his own State usually feels that, in addition to the fact that he himself is sincerely convinced of the necessity, the people of his own State want him to take such action, too.

A NEW SYSTEM

Under the proposal I am making, the Senator would not guess at the thoughts of the people he represents—he would know.

If he knew his people wanted the projects, he would fight for them as hard as he does now, because his own courage and opinion would be bolstered by political fortitude. The valor of any elected official is always enhanced by knowledge that his efforts meet with the approval of those who have the power to continue or discontinue him in office.

On the other hand, if the people he represents do not want worth-while projects at this time—if they prefer to postpone them because they want to balance the Federal budget or reduce taxes or practice austerity economy—that may make a difference to the Senator. Of course he may disregard their wishes. We all know that a Senator will not be swayed by political considerations and, in that situation, a Senator who still wanted to vote for projects his people did not want would undoubtedly vote according to his convictions, even though he knew it meant political suicide. But if we take the case of a Senator who was in doubt whether to vote for or against a project in his own State, then the opinion of the people of his State would be very helpful. In such a case, the Senator would undoubtedly be influenced by the wishes of his constituents. Let us help that Senator by the suggestion I now offer.

MEMORIALIZE THE CONGRESS

I propose that, at the beginning of each annual session of Congress, every Senator notifies his State legislature of the projects under civil functions and the Interior Department that he proposes to sponsor or support. Then let the State legislature memorialize the Congress in favor of or against that particular project.

GET TO THE PEOPLE

The Senator represents all the people of that State. So does the State legislature. The Senator tries to learn the wishes of the people of his State. So does the State legislature. The Senator tries to keep close to the people of his State. The State legislators are even closer to the people because they live and hold office throughout the year right in the districts they represent and they are in constant daily touch with the people. Most Members of Congress are away from home at least 6 months of the year. In addition, a Senator who takes a stand on a project may not come up for reelection until 5 or 6 years later—a long time for political memories. The members of the State legislature come up for reelection within a matter of months for the most part—a short time for those who disregard the wishes of their constituents.

MIGHT HELP ECONOMY

If the State legislature memorializes the Congress against a certain project in the State that will cost Federal money, the Senator has been put on notice that in all probability the people in his State prefer economy to the project. That

might result in an economy vote by the Senator.

Of course, the State legislature might memorialize in favor of the project. Will that hurt economy? I believe an analysis of the votes in the Senate will show that it will not make any difference. Perusal of the CONGRESSIONAL RECORD reveals very few votes against any project in any State that any Senator represents. In other words, those who advocate economy have everything to gain and nothing to lose if the plan I suggest to memorialize the Congress be put into effect.

THE HOUSE OF REPRESENTATIVES

As far as the other body of Congress is concerned—the House of Representatives—a similar system could be inaugurated. Instead of working through the State legislature—because most Representatives in Congress do not represent an entire State but merely a district within it—the Representative of a district would merely notify the local governing bodies of the towns and cities in his district of any project under civil functions and Interior that he intended to sponsor or support. The city council or board of aldermen, for example, would then pass a resolution stating their stand on it.

ONE VOTE COUNTS IN THE SENATE

Of course, I think the figures I have given show beyond question that the money is being spent by the Senate. I also believe that the Senate is the body where the expressed opinion of the people may have great weight if any senatorial vote is influenced by it. That is where a single vote counts much more than in the House of Representatives. The result of balloting in the Senate would often be completely reversed if two or three Senators changed their votes. That is not true of the House where usually it would be necessary to turn over at least 20 or 30 votes to reverse the result of the balloting.

If the people of the State prefer economy so much that their State legislators ask a Senator to vote against a project that will bring Federal money into the State, I am inclined to think the Senators from that State will be greatly impressed. A Senator who votes against the expressed wish of the people who elected him will certainly have a great deal of explaining to do.

NO EXTRA WORK INVOLVED

The proposal I make does not involve any extra work on the part of anyone. Senators and Representatives in Congress know, or should know, about projects in the civil functions and the interior affecting their districts. They merely write one or more letters to the State governing bodies and outline what the projects are and ask them for an opinion.

QUESTION

There is one other point that bears investigation and I believe my suggestion will highlight it. That is: Do the people really want economy where they themselves will be affected by it? We all know they want economy for the other fellow. We all know they want "economy, but—." Maybe they really want economy when it affects them, too. Let us find out. It will make our task easier if we know.

LET'S FIND OUT

If the people are willing to pay for better conditions, if they will prefer to have worth-while projects right now rather than to postpone them in order to reduce the national debt or to cut taxes, let us know about it. On the other hand, if they would choose to do without some of the things they describe as pork-barrel legislation—not projects for someone else but for themselves—let us know that.

HOW?

The best way to find out, in my opinion, is by the people themselves. Only one in a thousand will write to us and we are often in the dark. The closer you get to the people, the more you know their feelings. State legislators, aldermen, councilmen, and selectmen are much closer to the people than anyone in Washington. In addition to what we ourselves may know or guess as to the opinion of the people on any project under civil functions or Interior, let us also have the opinion of their local representatives and governing bodies. Let us not only put ourselves on the spot—let us also put the people themselves there. Let us see who really wants economy—not "economy, but"—just plain old economy, period.

LET'S GET SPECIFIC

I had better add this: I realize there may be many other places where economy can be put into effect. However, I have found a tendency in people not to be specific about those other places. It is usually, "Well, you cannot cut down on this but there are other places to economize." They never can find those other places. Let us get specific and begin with civil functions and Interior items for a start. Those are the items usually described as a major part of the wasteful pork barrel. Maybe we can find out whether or not the people want pork barrel, logrolling, and back scratching. The best, quickest, and simplest way I know is by the memorializing plan I have suggested.

PRECEDENTS

As we all know, there is nothing involved or complicated about any State legislature memorializing Congress. They do it on countless occasions and on a variety of subjects, indicating not only the simplicity of the procedure but also the fact that there is no lack of precedent for my opinion that the people often express their views to the national governing body through the medium of their State governing body. The practice is recognized as an effective method of influencing legislation. Let us extend the practice to also include the people's opinion on economy measures that will affect themselves directly.

ONE OBVIOUS CRITICISM

There is one obvious criticism of my plan. It will be said that, even if the people of the State want economy enough to so memorialize their Senators on matters affecting their own State, they will hesitate in the thought: "If the Federal Government's going to spend money, why shouldn't we get our share, too?" That is a natural thought and, whether we agree with its logic or not, we must be practical enough to recognize its actuality.

ANSWERS

I believe there are two answers to that:

First. The Senator of a State is not compelled to blindly follow the advice of the State legislature in its memorializing petition. He can see whether or not other States are trying to take advantage of his own State, and then act accordingly.

Second. A system might be easily worked out in the Senate where, before any vote, Senators might rise and state that their State legislators had memorialized thus and so, and they intend to follow the dictates of the memorialization, provided other Senators were doing the same. There are many gentlemen's agreements and this could easily be another. Then, if a Senator saw that other Senators either intended to disregard the advice of their constituents or that the constituents of the other Senators wanted the Federal money for themselves, rather than economy, the Senator could act accordingly.

SUMMARY

To summarize, I believe I am correct when I state:

First. The facts show that the Senate is spending the money. The merits of the Senate's action may be subject to debate but the fact itself is not.

Second. It is probable that the Senate may reduce expenditures if the Senators believe the people who elect them prefer economy to projects for their own States.

Third. Memorializing by the legislative body of the Senator's State is a fairly strong indication to him of the wishes of the people of the State.

Fourth. The plan I have suggested will put it right up to the people themselves to take a clear-cut, honest stand either for real economy or for "economy, but—."

Fifth. The plan I have suggested may help and certainly cannot hurt efforts to achieve real economy.

"GRASS ROOTS" FOR ECONOMY

I mentioned earlier that the people themselves could act as "watchdogs of the Treasury" for forming "grass-roots-for-economy committees" for the items I have mentioned, at least for a beginning. It would be easy to establish such committees but I believe they are already functioning and it would only be necessary to advise them of and request them to take over this additional duty. I refer to the various committees already functioning in every State and community advocating the Hoover Report. Those committees could be kept informed of the Federal projects I have discussed and, in addition to exerting their influence on Federal Congressmen and Senators, they could also exert their influence upon their State governing bodies to memorialize Congress properly.

FIRST THINGS FIRST

Let me again emphasize in conclusion that I am not saying expenditures made by the House are sound and proper. I do not want anyone to draw that conclusion simply because I have directed my remarks to the fact that Senate expenditures exceed House expenditures. My point is merely this: If too much money is being spent let us focus attention first on the body that is spending the most money, the Senate. If Senate expenditures can be reduced to the House level, then it may be possible to make still further reductions in the expenditures of both bodies.

WHY NOT TRY IT?

Perhaps the final argument in favor of the plan I have suggested is this: It will not cost one penny and it may save millions or billions of dollars. Why not try it and see?

FORWARD TO PEACE

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. TRIMBLE. Mr. Speaker, America is in one of the most critical periods of her history, perhaps the most critical period in her history, as a result of Russia's refusal to cooperate for peace. We find ourselves, therefore, confronted with a financial burden almost as great as that imposed by war as we inch forward in our efforts for peace.

Two things are necessary in these critical hours: First, America must be strong spiritually; second, she must be strong materially. If we lack either of these sustaining factors, the hopes for world peace are dim indeed.

Not long ago, I saw again a picture in my fifth grade history which I studied as a child. It showed a Pilgrim father with his musket on his shoulder, his Bible under his arm, with his wife on one side and his children on the other, wading through the snow of a New England village toward a small log church to worship. To me, that typified the spiritual awareness which our forefathers knew and exemplified the necessity for Divine guidance which they felt. If we in this day have lost that eagerness for guidance and that spiritual awareness, America has lost her strong right arm. If we have lost it, it is imperative that we regain it.

In the second place, and complementing spiritual awareness, is the strength of our own economy. It is necessary that we work and strive to prevent another depression. To do this will require the combined courage, cooperation, and common sense of all Americans.

In the great district which I am honored to represent northwest Arkansas, I believe we are laying out a pattern for the days that lie ahead. Our farmers have developed a fine diversified farm program centering around small grain, dairying, poultry, livestock, and the canning industry. Our farmers in the past 15 years have seen the benefits of electricity come to almost every farmstead through the efforts of the Rural Electrification Administration, and they are happy about it. They have embraced the soil-conservation program and are rebuilding the soil of their farms systematically and carefully.

We are a district of small businesses—a fine, upstanding, independent group who always look forward and are behind all the movements to develop our communities and surrounding farms. The people in our district—farmers, businessmen, laborers, and those in the professions alike—are patriotic, industrious, and God-fearing.

One of the greatest movements in our section, in particular, is the building of great flood control and hydro-electric dams. The White River and its tributaries traverse our district. Already Norfork Dam in Baxter County has been completed, and when all the generating units are ultimately installed, this great project will generate 328,000,000 kilowatt-hours of electric energy annually. A few miles from this project, the great Bull Shoals Dam is under construction and practically 65 percent completed. When this dam shall have been completed and the generators installed, it will generate 1,528,000,000 kilowatt hours of electric energy annually. Table Rock Dam, just across the Arkansas line in Missouri, has been authorized by the Congress, and an initial appropriation is now pending in the Congress, looking toward the programing of it for early construction. When this dam is completed and its generating unit installed, it will generate 788,000,000 kilowatt-hours of electric energy annually. The construction of this dam is assured.

There are four other dams in our Congressional district which are under consideration. Lone Rock in Searcy County has been authorized by the Congress for flood control, but it is being reconsidered by the Engineers for power also. I understand it will be favorably recommended to the Congress as both a flood-control and power project. When it is completed and all generators are installed, it will generate 144,000,000 kilowatt-hours annually. Also in Searcy County, Gilbert Dam is now under consideration and has been favorably reported by the Corps of Engineers as a flood-control and power project. When it is completed, it will generate 156,000,000 kilowatt-hours of electric energy annually. In adjoining Van Buren County, I have asked the Corps of Engineers to restudy the Archey Fork project near Clinton with the hope that it, too, can be reported favorably to the Congress for construction as a flood-control and power project. If this is done, I am informed it will generate in the neighborhood of 75,000,000 kilowatt-hours of electric energy annually. On the other side of our district in Benton County is the Beaver project, which has been approved by the district engineer and will be favorably reported to the Congress for approval as a flood-control and power project. When this dam is completed, it will generate 129,000,000 kilowatt-hours of power annually.

I shall do everything I possibly can to get Lone Rock approved as a power project and to secure the authorization for the Gilbert Dam, for the Beaver Dam, and for the Archey Fork Dam. When all these dams shall have been completed, it is easy to see the amount of electric energy we will have for disposal to the towns, cities, and farms of our district, and to the small industry which we hope to attract. In addition, the beautiful clear-water lakes which will be formed, as we know from our experience with Norfork, will make our section one of the garden spots of the whole country.

In addition to the construction of flood control and power projects, our district is in the forefront of the road-building program, which will insure better communication facilities between our rural communities. Without good roads, we cannot develop our rural sections properly. We are making great progress.

Another thing that we are doing in Arkansas, and especially in our district in northwest Arkansas, is to improve our school facilities. We are trying to see to it that every child in our district has an opportunity to attend a good school from the first grade through college.

Working together, we can achieve these things: A deeper sense of our spiritual responsibility; better education; all the electricity that is needed at prices that can be afforded; good roads. We are not going to fail in our quest for a strong economy at home, nor will we fail in our quest for a just and lasting peace throughout the world.

DEVELOPMENTS IN KOREA

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, developments in Korea, which unfortunately were not entirely foreseen by our Intelligence, constitute a real threat to world peace. The United Nation's resolution urging the combatants to cease and desist can apparently be implemented only by the United States. Whether we will have widespread moral support from other nations remains to be seen. Clearly, we will have to enforce our own decision to stop this unwarranted aggression.

Undoubtedly, southern Korea has been powerfully infiltrated by communism and that may account for the half-hearted, ineffective resistance of the defenders up to this time. Inadequate arms and equipment is another factor. There is some evidence that Russia has rendered substantial aid to the invaders.

We can supply the arms necessary to permit the Koreans to repel invasion but without the will to fight for and defend their country, these arms will have little effect. Perhaps the deadly Marxist fifth column has done its jobs so well that the will of the southern Korean people to resist has been overcome by propaganda. There is also a possibility that this attack is the forerunner of similar attacks elsewhere but I hope such fears are groundless.

Our Nation was left with no alternative but to oppose this sudden and unconscionable aggression. Thus the chain

of appeasement which reaches back to the immediate postwar period is broken, and our country declares to the world that we are prepared to defend our free way of life against communism wherever the security of the Nation is threatened, wherever democratic rights are trampled.

It is the time, I think, for Americans to remain calm and free of hysteria. Let us have hope that the United Nations and all individual nations outside the iron curtain will stand with us. Above all, let us have faith in ourselves and be determined to stand by the decisions which have been made to check the further spread of the consuming fires of communism which are burning fiercely in so many parts of the world.

We must at this grave hour be prepared for any eventuality. While we hope and pray for peace, we must so gird our armed strength that it can be ready for instantaneous action, if needed, against the enemies of America and human decency.

Perhaps this episode will serve as a springboard for additional efforts to settle the fundamental problems relating to peace and war, infiltration, conspiracy, and subversion upon which our lasting world peace must ultimately rest. It is indeed later than we think.

### LOBBYING AND PROPAGANDA

Mr. O'SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. O'SULLIVAN. Mr. Speaker, I have introduced today in the House of Representatives a bill to prohibit Members of both branches of the Congress of the United States and employees and relatives of Members, during their tenure of office or employment, and for 2 years after their offices or positions terminate, from accepting more than actual traveling and hotel expenses for delivering personally or through another or by transcription, any of their speeches or other writings; from directly or indirectly accepting campaign aid from lobbying and propaganda agencies; prohibiting other persons, firms, or corporations from violating or conspiring to violate or aid, abet, or assist in the violation of this act; from permitting the franking privileges of Members of Congress to be used gratuitously or for pay by lobbyists and lobby and propaganda agencies; defining lobbying for the purposes of this act; and providing that any person violating any of the provisions of this act shall upon conviction thereof be punished by a fine of $10,000 and 10 years imprisonment, and shall also forthwith forfeit his right to his office or position, if he still retains same at the time of his conviction.

A fine of $10,000 and 10 years in prison was inspired by recent news items which disclosed that $10,000 was the all-time high figure ever paid to any Member of Congress for his claimed literary efforts.

The recent disclosures brought forth by the committee investigating lobbying activities locally and nationally shows the urgent necessity of such legislation. It is high time, I believe, for all Members of Congress and their employees to give all of their time and effort to their only real employer, the United States Government, instead of using their office and position to scab on the newspaper fraternity and other writers, and giving the reading public sometimes a very inferior brand of reading matter, and unwittingly, in their effort to make money, become the brazen and misguided tools of lobbyists and propaganda agencies.

I will discuss this matter more at length in the Appendix of today's CONGRESSIONAL RECORD.

### AUTOMOBILES FOR AMPUTEES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I rise to remind the House that the time expires for the leg amputees to apply for their automobiles on the 30th of June. The boys, therefore, who cannot receive those automobiles, will be the leg amputees who have been hospitalized the longest; the men who have been hospitalized since the time they were wounded during the war. I know that the House will be very glad to extend the time for another year. There are now, I think, some hundred and fifty veteran amputees who cannot secure their cars under the present authorization, because the appropriation, unfortunately, ran out. I am sure the House will not adjourn permanently without passing the necessary legislation to extend the time for appropriation of cars. At the most, only 500 in all, from the present date to June 1951, will come under the provisions of the legislation. This Congress has never in my recollection refused a matter of simple justice like this.

I enclose a copy of a letter and resolution sent to certain members of the Appropriations Committee:

THE AMERICAN LEGION,
NATIONAL LEGISLATIVE COMMISSION,
*Washington, D. C., June 16, 1950.*

Hon. EDITH NOURSE ROGERS,
*House of Representatives,*
*House Office Building,*
*Washington, D. C.*

DEAR MRS. ROGERS: Referring to our telephone conversation today in reference to House Joint Resolution 473, I enclose copies of my letters to Congressmen ALBERT THOMAS, ALBERT GORE, GEORGE W. ANDREWS, FRANCIS CASE, and JOHN PHILLIPS.

Sincerely yours,

MILES D. KENNEDY,
*Director.*

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THE AMERICAN LEGION,
*Washington, D. C., June 16, 1950.*

Hon. ALBERT THOMAS,
*Chairman, Subcommittee on Independent Offices Appropriations, House Appropriations Committee, Washington, D. C.*

DEAR MR. CHAIRMAN: There now is pending before your subcommittee of the Committee on Appropriations, House Joint Resolution 473, introduced by Mrs. ROGERS of Massachusetts, the purpose of which is to authorize the Administrator of Veterans' Affairs to continue providing automobiles and other conveyances for certain disabled veterans and to provide funds therefor.

For your ready reference, I enclose copy of Resolution 85, adopted at the Miami, 1948, national convention of the American Legion, which is self-explanatory.

As I understand the situation, under legislation now in effect, these benefits were to expire on June 30, 1950, but unfortunately the funds allocated thereto were exhausted on or about April 30, 1950. As you know, there still are hundreds of disabled veterans in hospitals, as result of their wartime service, and in addition thereto, there are also hundreds of cases of veterans whose claims have not as yet been adjudicated in order to determine their entitlement to an automobile or other conveyance of the type in question. Actually, there are numerous cases in which the veteran's entitlement has been established but unfortunately, due to the lack of funds, they have been unable to avail themselves of the benefits intended by this legislation.

Hundreds of these men will not be discharged from their respective hospitals until after July 1, 1950, and as you can well appreciate, until they shall have been discharged and their claims adjudicated, they are not in position to apply, through channels, for these automobiles, etc.

In other words, we respectfully submit that a veteran should not be denied the opportunity to obtain an automobile or other conveyance due to the fact that he was not fortunate enough to be discharged or have his entitlement established prior to either June 30, 1950 (the date of expiration of the current legislation), or prior to April 30, 1950 (the date which we understand the fund became exhausted).

In view of the foregoing, and on behalf of the national organization of the American Legion, may I respectfully request your favorable consideration of House Joint Resolution 473.

Thanking you for your courtesy and cooperation in this matter, I am

Sincerely yours,

MILES D. KENNEDY,
*Director.*

(Copy to EDITH NOURSE ROGERS, Member of Congress.)

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MIAMI, FLA., *October 18–21, 1948.*

Resolution 85

Resolution to extend time to apply for purchase of automobiles under Public Law 663

Whereas inasmuch as the time limit in which amputees may apply for the purchase of automobiles under Public Law 663 of the Seventy-ninth Congress has expired, and many of our veterans entitled to this benefit have been unable to apply therefor because they have not been granted a discharge from the service on account of being confined in hospitals; Now, therefore, be it

*Resolved by the American Legion in national convention assembled at Miami, Fla., October 18–21, 1948,* That the Congress of the United States be requested to so amend the present law as to make these benefits available to any veteran otherwise entitled thereto at any time within 1 year from the date of his discharge, or from the date of the contingency upon which entitlement is based, whichever is the later.

### EXTENSION OF REMARKS

Mr. BIEMILLER asked and was given permission to extend his remarks.

Mr. DOLLIVER asked and was given permission to extend his remarks and include a speech he recently made.

Mr. WHITE of Idaho asked and was given permission to extend his remarks

and include an article on inflation, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $273.46.

Mr. DONDERO (at the request of Mr. KEATING) was given permission to extend his remarks and include an editorial.

Mr. LODGE asked and was given permission to extend his remarks in two instances and include extraneous material.

Mr. JAVITS asked and was given permission to extend his remarks in two instances and include certain extraneous matter.

Mr. McCULLOCH asked and was given permission to extend his remarks and include an editorial from the Cleveland Plain Dealer.

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks in two instances and include excerpts from newspapers and letters.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5002. An act to incorporate the Reserve Officers Association of the United States.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 3258. An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia;

S. 3527. An act to amend section 14 (b) of the Federal Reserve Act, as amended; and

S. 3776. An act to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill and joint resolution of the House of the following titles:

H. R. 5002. An act to incorporate the Reserve Officers Association of the United States; and

H. J. Res. 492. Joint resolution making temporary appropriations for the fiscal year 1951, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 42 minutes p. m.) the House adjourned until tomorrow, Friday, June 30, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1524. A letter from the Secretary of Defense, transmitting a draft of a proposed bill entitled "A bill to provide for a Reserve Officers' Training Corps, and for other purposes"; to the Committee on Armed Services.

1525. A letter from the Secretary of Defense, transmitting a draft of a proposed bill entitled "A bill to provide that personnel of the Reserve components of the Army of the United States and the Air Force of the United States shall have common Federal appointments or enlistments as reserves in their respective services, to equalize disability benefits applicable to such personnel, and for other purposes"; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SABATH: Committee on Rules. House Resolution 673. Resolution rescinding the action of the House in passing House Joint Resolution 494; without amendment (Rept. No. 2397). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 643. Resolution to authorize the Committee on Merchant Marine and Fisheries to investigate the recent explosion at South Amboy, N. J.; without amendment (Rept. No. 2398). Referred to the House Calendar.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. H. R. 7689. A bill to amend certain acts relating to the retired status of the Director of the Coast and Geodetic Survey; with amendment (Rept. No. 2399). Referred to the Committee of the Whole House on the State of the Union.

Mrs. NORTON: Committee on House Administration. Senate Concurrent Resolution 88. Concurrent resolution to print additional copies of the report of the Committee on the Judiciary on the immigration and naturalization systems of the United States; without amendment (Rept. No. 2423). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 494. Resolution providing for the employment of a secretary to the Sergeant at Arms; without amendment (Rept. No. 2424). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 624. Resolution to provide funds for the expenses of the investigations and studies authorized by House Resolution 617; without amendment (Rept. No. 2425). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 637. Resolution to provide funds for the Committee on the Judiciary; with amendment (Rept. No. 2426). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. Senate Joint Resolution 170. Joint resolution to provide for the transfer of the paintings The Grand Canyon of the Yellowstone and The Chasm of the Colorado from the United States Capitol to the Department of the Interior; without amendment (Rept. No. 2427). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. Senate Joint Resolution 171. Joint resolution transferring the plaster cast of the statue of George Washington from the United States Capitol to the Smithsonian Institution; without amendment (Rept. No. 2428). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. H. R. 8112. A bill to provide for the transfer to the States of the replicas of the State seals removed from the Chamber of the House of Representatives of the United States; without amendment (Rept. No. 2429). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 484. Resolution authorizing the Clerk of the House of Representatives to transmit to the Abraham Lincoln Association at Springfield, Ill., copies of certain Abraham Lincoln documents; without amendment (Rept. No. 2430). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. H. R. 8958. A bill relating to the policing of the buildings and grounds of the Library of Congress; without amendment (Rept. No. 2431). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. S. 2348. An act to increase the annual authorization for the appropriation of funds for collecting, editing, and publishing of official papers relating to the Territories of the United States; without amendment (Rept. No. 2432). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. H. R. 8591. A bill to provide for the construction of the Jefferson National Expansion Memorial at the site of old St. Louis, Mo., in general accordance with the plan approved by the United States Territorial Expansion Memorial Commission, and for other purposes; without amendment (Rept. No. 2433). Referred to the Committee of the Whole House on the State of the Union.

Mr. HART: Committee of conference. S. 3571. An act to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes (Rept. No. 2434). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BYRNE of New York: Committee on the Judiciary. S. 557. An act for the relief of the McCormick Engineering Co., and John E. Price, an individual doing business as the Okeechobee Construction Co.; without amendment (Rept. No. 2375). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. S. 1086. An act for the relief of the Dixie Margarine Co., a Tennessee corporation, of Memphis, Tenn.; without amendment (Rept. No. 2376). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 2079. An act for the relief of Mrs. Lydia L. Smith; without amendment (Rept. No. 2377). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 661. A bill for the relief of Thomas A. Trulove, postmaster, and Nolen J. Salyards, assistant postmaster, at Inglewood, Calif.; without amendment (Rept. No. 2378). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1130. A bill for the relief of Hanna Mussbach; without amendment (Rept. No. 2379). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1611. A bill for the relief of Walter E. Miller; without amendment (Rept. No. 2380). Referred to the Committee of the Whole House

Mr. JENNINGS: Committee on the Judiciary. H. R. 1616. A bill for the relief of S. L. Ayres & Co., Inc.; without amendment (Rept. No. 2381). Referred to the Committee of the Whole House

Mr. JENNINGS: Committee on the Judiciary. H. R. 1618. A bill for the relief of Kenneth J. MacKenzie; with amendment (Rept. No. 2382). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 1988. A bill for the relief of

Leslie A. Fry; with amendment (Rept. No. 2383). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 2350. A bill for the relief of Mrs. Marion M. Martin; with amendment (Rept. No. 2384). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 3664. A bill for the relief of Bruce M. Stern; without amendment (Rept. No 2385). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judicary. H. R. 3919. A bill for the relief of John S. Steber; with amendment (Rept. No. 2386). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 4045. A bill for the relief of Katherine L. Anderson, a civil-service employee, permanently injured through negligent treatment at the Army Advisory Group Station Hospital in Nanking, China; with amendment (Rept. No. 2387). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 4142. A bill for the relief of Ralph D. Kinney; with amendment (Rept. No. 2388). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 4221. A bill to provide for the adjudication of a certain tort claim of Patricia Joyce Dunn, a minor, against the United States; with amendment (Rept. No. 2389). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4832. A bill for the relief of Graphic Arts Corp. of Ohio; without amendment (Rept. No. 2390). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4989. A bill to provide for the payment of just compensation to John Ii Estate Ltd., a Hawaiian corporation, for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, T. H.; with amendment (Rept. No. 2391). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 6020. A bill for the relief of Richard H. Sears; without amendment (Rept. No. 2392). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 6052. A bill for the relief of John M. Vick; with amendment (Rept. No. 2393). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 6885. A bill for the relief of E. Elmer Mynatt; with amendment (Rept. No. 2394). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 7202. A bill for the relief of Alexander Newman; without amendment (Rept. No. 2395). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 7810. A bill for the relief of M. S. Davis; without amendment (Rept. No. 2396). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1503. A bill for the relief of George Washington; with amendment (Rept. No. 2400). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 1585. A bill for the relief of Leilah begum Alaoui Mullin; with amendment (Rept. No. 2401). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 3921. A bill for the relief of Nicholas G. Hadjipateras, Pipitsa N. Hadjipateras, and Costas N. Hadjipateras; with amendment (Rept. No. 2402). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 4014. A bill for the relief of Maria Hoffman; with amendment (Rept. No. 2403). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 4601. A bill for the relief of Jeannette Passayanni-Capodistria; with amendment (Rept. No. 2404). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 6578. A bill for the relief of Mrs. Gunnborg Janzon Hamilton; with amendment (Rept. No. 2405). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 6657. A bill for the relief of Georges Jules Louis Sauvage; with amendment (Rept. No. 2406). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 6707. A bill for the relief of Sirius Proestopoulos; with amendment (Rept. No. 2407). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 7613. A bill for the relief of Miyako Horikoshi and her minor daughter; with amendment (Rept. No. 2408). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 8061. A bill for the relief of Yuki Sugimoto and her minor son; with amendment (Rept. No. 2409). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 8069. A bill for the relief of Michiko Kohga; with amendment (Rept. No. 2410). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 8073. A bill for the relief of Kimiko Iso and her minor daughter, Midori; with amendment (Rept. No. 2411). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 8134. A bill for the relief of Elona Schwietza; with amendment (Rept. No. 2412). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 8153. A bill for the relief of Chiyoko Akashi; without amendment (Rept. No. 2413). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 8284. A bill for the relief of Nicolae G. Caranfil and his family; without amendment (Rept. No. 2414). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 8450. A bill for the relief of Raief Neahem, Inef Neahem, and Ihsen Neahem; with amendment (Rept. No. 2415). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 8584. A bill for the relief of Mrs. Tokie Sato Keating, Terry Yoichi Keating, and Betty Jean Keating; with amendment (Rept. No. 2416). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 8759. A bill for the relief of Rev. Andrew Chai Kyung Whang; with amendment (Rept. No. 2417). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 8741. A bill for the relief of Mrs. Nobuko Yonashiro Martin and Gerald Philip Martin; without amendment (Rept. No. 2418). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 8751. A bill for the relief of Mrs. Yoshiko Ogiso Peterson; without amendment (Rept. No. 2419). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 8794. A bill for the relief of Mrs. Eiko Yoshizawa Lendrum and Charles Robert Lendrum, Jr.; without amendment (Rept. No. 2420). Referred to the Committee of the Whole House.

Mr. WALTER: Committtee on the Judiciary. H. R. 8824. A bill for the relief of Tokuko Murayama; without amendment (Rept. No. 2421). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 8956. A bill for the relief of Mrs. Claude Morita and Rodney Morita; without amendment (Rept. No. 2422). Referred to the Committee of the Whole House.

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## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOUGHTON:

H. R. 8992. A bill to eliminate the additional internal revenue taxes on coconut oil coming from the trust territory of the Pacific islands, and for other purposes; to the Committee on Ways and Means.

By Mr. GREEN:

H. R. 8993. A bill relating to the classification of registration officers in the Veterans' Administration; to the Committee on Post Office and Civil Service.

By Mr. McGUIRE:

H. R. 8994. A bill relating to the classification of registration officers in the Veterans' Administration; to the Committee on Post Office and Civil Service.

By Mr. MACK of Washington:

H. R. 8995. A bill to amend the Fair Labor Standards Act of 1938, as amended, by providing that employees engaged in forestry or lumbering operations shall not be exempt from the wage and hour provisions of such act; to the Committee on Education and Labor.

By Mr. MORTON:

H. R. 8996. A bill to amend the National Labor Relations Act to eliminate union-shop elections required by such act; to the Committee on Education and Labor.

By Mr. YOUNG:

H. R. 8997. A bill to amend section 22 (b) of the Internal Revenue Code to exclude from the gross income of employees the value of meals and living quarters furnished to them for the convenience of the employer; to the Committee on Ways and Means.

By Mr. KEOGH:

H. R. 8998. A bill amending section 34 of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. STOCKMAN:

H. R. 8999. A bill to designate the lake created in the States of Oregon and Washington by the McNary lock and dam as Lake Umatilla; to the Committee on Public Works.

By Mr. WHITE of Idaho:

H. R. 9000. A bill to assist and promote the development of the mineral resources located within the national forests of the United States, authorizing the construction of roads by the Secretary of Agriculture for the use of the owners or operators of mining properties, and for other purposes; to the Committee on Public Lands.

By Mr. O'SULLIVAN:

H. R. 9001. A bill to prohibit Members of both branches of the Congress of the United States and employees and relatives of Members, during their tenure of office or employment, and for 2 years after their offices or positions terminate, from accepting more than actual traveling and hotel expenses for delivering personally or through another, or by transcription, any of their speeches or other writings; from directly or indirectly accepting campaign aid from lobbying and propaganda agencies; prohibiting other persons, firms, or corporations from violating or conspiring to violate or aid, abet, or assist in

the violation of this act; from permitting the franking privileges of Members of Congress to be used gratuitously or for pay by lobbyists and lobby and propaganda agencies; defining lobbying for the purposes of this act; and providing for penalties for the violation thereof; to the Committee on the Judiciary.

By Mr. RICHARDS:

H. R. 9002. A bill to make certain increases in the annuities of annuitants under the Foreign Service retirement and disability system in view of the increased cost of living; to the Committee on Foreign Affairs.

By Mr. TEAGUE:

H. R. 9003. A bill to extend the provisions of the Servicemen's Readjustment Act of 1944 to those members of the military and naval forces who are actively engaged in combat with the Communist elements of the Korean Government and who are not entitled to the benefits of the afore-mentioned act; to the Committee on Veterans' Affairs.

By Mr. WICKERSHAM:

H. J. Res. 495. Joint resolution authorizing the President of the United States of America to proclaim April 12 of each year Franklin Delano Roosevelt Memorial Day for the observance and commemoration of the death of Franklin Delano Roosevelt, the thirty-first President on the United States; to the Committee on the Judiciary.

By Mr. SABATH:

H. J. Res. 496. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Food Exposition, Inc., Chicago, Ill., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

By Mr. DOUGHTON:

H. J. Res. 497. Joint resolution excluding from gross estate of a nonresident alien works of art on loan to the Trustees of the National Gallery of Art; to the Committee on Ways and Means.

By Mr. DAVENPORT:

H. J. Res. 498. Joint resolution designating the third Suhday in September of each year as National Family Day; to the Committee on the Judiciary.

By Mr. SADOWSKI:

H. J. Res. 499. Joint resolution to authorize the issuance of a stamp to commemorate the two hundred and fiftieth anniversary of the founding of Detroit, Mich.; to the Committee on Post Office and Civil Service.

By Mr. CLEMENTE:

H. Con. Res. 228. Concurrent resolution providing for the return to the United States of ships delivered to Russia under the Lend Lease Act; to the Committee on Foreign Affairs.

By Mr. GORSKI:

H. Con. Res. 229. Concurrent resolution relating to admission of certain representatives of the press to the Senate and House press galleries and to White House and departmental press conferences; to the Committee on Rules.

By Mr. FULTON:

H. Con. Res. 230. Concurrent resolution to establish the means for obtaining a valid expression of the will of the people of China and Formosa; to the Committee on Foreign Affairs.

By Mr. JAVITS:

H. Con. Res. 231. Concurrent resolution to establish the means for obtaining a valid expression of the will of the people of China and Formosa; to the Committee on Foreign Affairs.

By Mr. CORBETT:

H. Con. Res. 232. Concurrent resolution to establish the means for obtaining a valid expression of the will of the people of China and Formosa; to the Committee on Foreign Affairs.

By Mr. MILES:

H. Res. 685. Resolution rescinding the action of the House in passing House Joint Resolution 494; to the Committee on Rules.

By Mr. HAYS of Ohio:

H. Res. 687. Resolution authorizing an increase of $300 in the stationery allowance for each Representative, Delegate, and the Resident Commissioner from Puerto Rico for the second session of the Eighty-first Congress; to the Committee on House Administration.

By Mr. PETERSON:

H. Res. 688. Resolution providing for the consideration of H. R. 8221, a bill to encourage the conservation and development of the mineral resources of the United States, and for other purposes; to the Committee on Rules.

By Mr. REED of New York:

H. Res. 689. Resolution to make a study and investigation of social-security programs; to the Committee on Rules.

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PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GOODWIN:

H. R. 9004. A bill for the relief of Chester A. Macomber; to the Committee on the Judiciary.

By Mr. HAGEN:

H. R. 9005. A bill for the relief of Ella Henriette Nielsine Bonnerup; to the Committee on the Judiciary.

By Mr. HOPE:

H. R. 9006. A bill for the relief of Karl Chimani and Ada Chimani; to the Committee on the Judiciary.

By Mr. KENNEDY:

H. R. 9007. A bill for the relief of Eugene M. Doran; to the Committee on the Judiciary.

By Mr. KENNEDY (by request):

H. R. 9008. A bill to admit Luigi Morelli to the United States for permanent residence; to the Committee on the Judiciary.

By Mr. LYNCH:

H. R. 9009. A bill for the relief of Aba Abysz Warszawczyk; to the Committee on the Judiciary.

By Mr. MILLER of Nebraska:

H. R. 9010. A bill for the relief of Mrs. Jessie B. Fradeneck, Cynthia Blair Fradeneck, and Donna Jean Fradeneck; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 9011. A bill for the relief of Mrs. Emi Yasuda and her minor son, Keichiro Yasuda; to the Committee on the Judiciary.

By Mr. SHEPPARD:

H. R. 9012. A bill for the relief of Masako Sato; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. R. 9013. A bill for the relief of Anna Leonard, an American citizen, covering damages by American troops to her property located in Salzburg, Austria; to the Committee on the Judiciary.

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PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2232. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, relative to the importance of stockpiling worsted fabrics instead of raw wool; to the Committee on Armed Services.

2233. Also, memorial of the Massachusetts Legislature, relative to including in the rivers and harbors bill the necessary funds to dredge Wellfleet Harbor; to the Committee on Public Works.

2234. By Mr. HESELTON: Resolution of the General Court of Massachusetts, memorializing Congress to take immediate action to prevent the complete liquidation of the shipbuilding industry in Massachusetts; to the Committee on Merchant Marine and Fisheries.

2235. By the SPEAKER: Petition of Serge Sarkis Besoyan, chairman, American-Armenian Reparations Commission, Washington, D. C., requesting that action be taken to have the Government of Turkey recognize the doctrine of the right of expatriation; to the Committee on Foreign Affairs.

2236. Also, petition of Rafael Arjona-Siaca, San Juan, P. R., relative to Senate bill 3336, a bill to provide for the organization of a constitutional government by the people of Puerto Rico; to the Committee on Public Lands.

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# SENATE

## FRIDAY, JUNE 30, 1950

*(Legislative day of Wednesday, June 7, 1950)*

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, bowing for a hallowed moment at this shrine of Thy grace, we acknowledge before Thee that our lives are so often as restless pools; we are disturbed by the social turmoil of our times, burdened by many anxieties, tempted to cynicism by human cruelty and perversity, often disheartened by human folly which seems to profit so little by bitter reaping. We would lay our problems and tasks before Thee, not to escape them but praying for Thy empowering; so that with strength and courage we may carry them with a new gallantry. In a divided and violent world, may we be among those whom the generations to come shall call blessed, because our record, even when rampant evil compels us to unsheath a clean sword, shall write our names among today's peacemakers. We ask it in the dear Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
*Washington, D. C., June 30, 1950.*

*To the Senate:*

Being temporarily absent from the Senate, I appoint Hon. CARL HAYDEN, a Senator from the State of Arizona, to perform the duties of the Chair during my absence.

KENNETH MCKELLAR,
*President pro tempore.*

Thereupon, Mr. HAYDEN took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 29, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one

of his secretaries, and he announced that on June 29, 1950, the President had approved and signed the following acts:

S. 1637. An act for the relief of Marie Henriette de Bruyn;

S. 2510. An act to authorize and direct the Secretary of the Interior to issue to Anson Harold Pease, a Crow allottee, a patent in fee to certain lands;

S. 2511. An act for the relief of Dr. John R. Portaria;

S. 2551. An act to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.;

S. 2552. An act to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.;

S. 2714. An act for the relief of Thomas Pfeiffer;

S. 3029. An act authorizing the Secretary of the Interior to issue a patent in fee to Wilbur J. Scott;

S. 3128. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.;

S. 3130. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.; and

S. 3771. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 8112. An act to provide for the transfer to the States of the replicas of the State seals removed from the Chamber of the House of Representatives of the United States;

H. R. 8920. An act to reduce excise taxes, and for other purposes;

H. R. 8958. An act relating to the policing of the buildings and grounds of the Library of Congress; and

H. J. Res. 453. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the First United States International Trade Fair, to be held at Chicago, Ill., August 7 through 20, 1950.

## AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT OF 1949

The Senate resumed the consideration of the bill (S. 3809) to amend the National Defense Assistance Act of 1949.

The ACTING PRESIDENT pro tempore. Under the unanimous-consent agreement entered into yesterday, the junior Senator from Washington is recognized.

Mr. CAIN. Mr. President, the junior Senator from Washington in speaking this morning on Senate bill 3809 will use as his text:

> Now, Mr. President, we must be realistic.

This provocative phrase is to be found on page 9119 of the CONGRESSIONAL RECORD of June 23, 1950, where it was employed by the senior Senator from Texas [Mr. CONNALLY] on the day, a week ago, when S. 3809 became the unfinished business of the Senate.

Mr. President, during the last 3 months of 1944 the junior Senator from Washington was assigned, as a soldier, to the Allied Control Commission with headquarters at Brindisi, Italy, on the shores of the Adriatic Sea. These months were cold, cheerless, and miserably dreary, but they were filled with conversations which predicted, in remarkably accurate fashion, the pattern of things to come.

A Russian mission, consisting of eight officers under the command of Vishinsky, was attached to that Allied Control Commission. These were the men who told us of what the Soviet had in mind for the years ahead.

I am now reminded, Mr. President, as I have been previously on innumerable occasions, of what these Russians said their Government intended to do. In answer to our questions concerning the likelihood of Russia taking part in the war in the Pacific we were told that after Russia had established itself in Europe Russia did not intend to be foreclosed from establishing itself in the Pacific. The Russians used to tell us that nobody, including the United States of America, could keep Russia from participating in the Pacific war, and from establishing her influence in that area when the war was over.

Nineteen forty-four, Mr. President, was a period during which our political leaders were leaning over backwards through UNRRA and every other device, to prevail upon Russia to agree to a course of action which Russia was going to follow whether the United States gave her anything, or promised her anything, or not. I knew of no soldier in the war—and most of them like myself had come from civilian ranks—who believed that Russia's might would be required to reach a decision in the Pacific. I knew of few in political life who were not of the opinion that Russia must be prevailed upon to enter the conflict in the Pacific. We who knew the Russians in a military way understood what Russia intended to do. Those in our country who had dealings with Russia in a political way either did not comprehend Russia's intentions, or history may well prove to us that they supported those intentions.

The past speaks plainly for itself, Mr. President, and there is no need presently to belabor the monumental mistakes which have been made in recent years. Our concern now is to think of the present and of the future. We are faced today with the continuing presence and influence of Russia in the Pacific and in Europe. We are confronted with an actual threat of war in the Pacific, where our defenses are extraordinarily limited, and with a threat of possible war in Europe where our defenses, while inadequate, are being established and strengthened. The pending bill, S. 3809, has been designed to create more rapidly a western European defense system which can retard and perhaps contain any act of aggression which might come from the east.

While many or perhaps most of us are preoccupied with news from Korea, my thinking is largely devoted to the North Atlantic area and to the Middle East. Though I do not pose as a military authority, nor am I prepared to believe that a world conflagration is about to break out, I think it to be a distinct possibility that the outbreak of actual warfare in Korea is a logical feint which could logically be followed some uncertain time from now by a major attack in western Europe or the Middle East. It is on this premise that I wish to expose the pending bill to criticism, not because of what it proposes but because of what it, and partly of necessity, leaves undone.

Every Senator, Mr. President, has the right to raise questions about Senate bill 3809, which would extend the mutual assistance defense program, which was first undertaken last year, and every Senator ought to exercise that right. Those who studied the question initially, the Senate Foreign Relations Committee and the Senate Committee on Armed Services, have offered their best recommendations to the Senate, but I know of no member of either committee who assumes that he and he alone is qualified to know what ought to be undertaken and done. There ought to be a willingness on the part of all of us to admit that there is tragically little we know about what is really going on in the world these days. On last Friday the chairman of the Senate Foreign Relations Committee, the Senator from Texas [Mr. CONNALLY], explained S. 3809 to the Senate and urged the Senate promptly to approve its proposals. I thought the Senator's presentation was a competent one in what it said, but it left many things unsaid and it said at least one thing which was utterly meaningless within the hours of the time it was offered. On page 9121 of the CONGRESSIONAL RECORD of June 23d, the Senator from Texas made this observation:

> One final word about South Korea. There we have a relatively new democratic state flanked on the north by the Soviet-dominated country of North Korea. The people of Asia are watching this situation very carefully to see whether the new Republic can stay alive and maintain its free government. Last July our occupation forces withdrew and the people of South Korea must now be able to protect themselves. Under this bill, the bill which is now the pending business, the President can extend Korea the kind of military aid it needs to preserve internal security and to deter possible aggression from the north.

The Senator from Texas made this sincere and well-intentioned observation last Friday. On Saturday, the next day, war broke out in Korea. How this came about in such a totally unexpected fashion I do not know, but I think we of this Congress, and everybody in America, ought to know, and I think the senior Senator from Texas and every other Senator close to the administration ought to tell us in minute detail just as soon as they can.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CAIN. Because of a limitation of time, the Senator from Washington would prefer to finish his statement.

The ACTING PRESIDENT pro tempore. The Senator declines to yield.

Mr. CAIN. Mr. President, I have before me two copies of the magazine called Time. The first is its issue of June 5, from which I wish to read only

several paragraphs under the section entitled "Foreign News." I read:

Most observers now rate the 100,000-man South Korean Army as the best of its size in Asia. Its fast-moving columns have mopped up all but a few of the Communist guerrilla bands. And no one now believes that the Russian-trained North Korean Army could pull off a quick, successful invasion of the south without heavy reinforcements. Said a Korean private manning a foxhole along the thirty-eighth parallel last week—

Parenthetically, a private in a foxhole telling us of things to come which apparently this country was not prepared to know—

"We expect war to come. But we aren't afraid. For every round they send over, we'll send two back."

Only lack of air power might tip the scales against the South. The Communists' North Korean air force has been estimated to have anywhere from 50 to 200 planes. The smaller figure is probably more nearly correct. The planes include Russian Yak fighters and light bombers. South Korea has only 10 T-6 trainers and some Cub liaison planes; the United States has shown no interest in furnishing planes for the seventy-odd South Korean pilots who are ready for fast fighter training.

Out of the issue of Time of July 3, which date has not yet been reached, I read the following paragraph:

Both the United States and Russia withdrew their troops—

Parenthetically, this refers to some months ago—

Both the United States and Russia withdrew their troops from Korea. Both proceeded to train local armies. The Communist Army in the north was known to be at least 95,000 strong, to be equipped with heavy artillery tanks, and planes. The United States-trained army in the South, numerically about equal to the Northern force, had lately begun to look good to its United States advisers (Time, June 5). But it had virtually no military planes or tanks. Presumably somebody had thought that none would be needed.

Mr. President, during the several days of our debate Senators have pled with other Senators that we raise no questions concerning mistakes of the past. They have said this is a time for action and not for recriminations. This is a time, they say, to do but not to question.

If these Senators are talking about the wrong decisions which were made at Yalta and Potsdam and in other strange places throughout the world in recent years, the Senator from Washington is willing to agree that there is no time at the moment for discussing these mistakes and for establishing where the guilt ought to lie. But I hope no Senator will rise to suggest that we ought not to critically examine each step which resulted in an outbreak of war in Korea, which as far as the Senate and the Congress are concerned, was expected by no one.

Parenthetically, back in the early part of June an ordinary private in a foxhole in southern Korea said, "Sure, war is just around the corner, and we, the Koreans, are ready for it." But no one in the Senate was ready for it.

Mr. President and Members of the Senate, and men, women, and children of the United States of America, let me say this, though I have no pride of authorship in it, that if war can break out in Korea on an astonished America it can break out anywhere. If our intelligence cannot anticipate the actions of enemy forces in a narrow corridor like Korea, we can never be expected to be ready and prepared to resist aggression which might break out in larger areas of the world, without our knowing anything about it. If we expect to live in the future, we had better begin now to understand what is going on in the world, with particular reference to a tiny, isolated outpost like Korea.

Were I to assume, Mr. President, that our military intelligence did not know that the northern Koreans were mounting an attack, I would be forced to state to the Nation that we do not possess an intelligence service worthy of the name. If I truly believed that we possessed no intelligence service, I would be forced to believe that we would continue to be at the mercy of an enemy who would always be free to launch his attacks against us when and where he pleased.

I should like any Senator, be he a devotee or advocate of the administration or not, to stand up and, if he can do so, tell the Senator from Washington that his premise is incorrect.

Mr. President, to my mind the American people are not stupid. In my opinion, they are intelligent. I think they can always learn. They know, beyond question, that somebody or some people have recently betrayed their trust. How else could this feeling be expressed? A logical mind will say that if we have the might and the ability to repel an invader from northern Korea, we ought to have been prepared to stop that invader before he crossed the thirty-eighth parallel.

Of course, Mr. President, I can fully understand the desire on the part of some to put this bill, S. 3809, through the Senate in a hurry, in order that rational and needed and simple American questions shall not be raised.

I can only guess, Mr. President, but the information at our disposal justifies this guess. I take for granted that our intelligence service did know that the northern Koreans had been mounting an attack for weeks. I further assume that this knowledge was made available to people in high places here in Washington, D. C. These persons ought to be held accountable by the Congress and by the Nation for what they did not prepare our Nation to do in keeping the northern invader from crossing the thirty-eighth parallel.

The minority leader, the distinguished Senator from Nebraska [Mr. WHERRY] saw me not very many minutes before the Senate convened this morning, and said, "Senator, will you speak from my desk, because I have been invited to the White House, presumably to talk about the Korean situation." My response was, "Senator WHERRY, you are to be congratulated. All of us in the Senate are happy to know that you are going to a place from which conceivably you may get some information which the Senate needs and wants, but Senator WHERRY, do not become puffed up about it at the minute. Look at your calendar. You are being invited to the White House, as the minority leader of the Senate, on Friday, June 30, when war broke out on Saturday June 24. It is better to get information late than never. Get what you can and bring it back to the floor of the Senate, but do not lose sight of the fact that you, as the minority leader, along with the majority leader and other important Senators, because of their positions on the Armed Services Committee and the Foreign Relations Committee of the Senate, ought to have been invited last Saturday to stay, if necessary, to live in the White House, until you and they were prepared to come back to the floor of the Senate and advise your colleagues what reasonable, rational, legitimate steps should be taken in an effort to win this completely surprising war, which broke out a week ago in Korea."

Mr. President, the time is here when, if all of us wish to live in the future—and even if some of us, as Senators, do not care to live—we had better not forget we are representing 150,000,000 Americans, and if in their name we wish to live in the future, we had better begin to ask some questions now. One of the reasons why the Senator from Washington voted "present" rather than "yea" when the Senate committee reported S. 3809 to the Senate, was that he might ask some reasonable questions as a free agent. To my mind the greatest weakness America has had in recent years is that questions of a proper character have all too often been resisted and resented by the proponents of foreign-aid programs, military or economic. In light of my own four brief years in this Senate, it has seemed to me that the chief ambition of many a chairman, including some on my own side of the aisle, has been to secure a unanimous-committee vote which in itself would tend to restrict and curtail questions which arise in the minds of other Senators who were and are or ought to be worried and concerned.

The Senator from Washington is going to raise one of several questions, and do it now. On Wednesday the Senate administration leaders pressed for an agreement to vote on S. 3809. They said its immediate passage was important to the requirements of the hour. Today is Friday. Those Senators were saying on Wednesday: "It is no longer the time to talk. We want action. Let us pass this bill." They said its immediate passage was important to the requirements of the hour. They spoke as though the pending legislation would promptly end the war in Korea if only it were passed.

Let me say to those who made such statements, and to every other American, that S. 3809 deals with action to come, and not with results today. If, for example, we are to be seriously engaged in Korea—and I do not know, as one Senator, how seriously we are engaged, because up to date, after a week of debate, we have available to us only what we read in the newspapers—if we are to be seriously engaged in Korea, the passage of S. 3809, as the bill is related to Korea, is as meaningless and futile an instrument as the Senator from Washington has ever seen.

On last Friday the Senator from Texas [Mr. CONNALLY] said:

> Under this bill the President can extend Korea the kind of military aid it needs to preserve internal security and to deter possible aggression from the north.

I ask any man who thinks if he has ever heard a better definition of futility than this sentence? How can S. 3809 deter the aggression from the north when that aggression has already gushed itself all over a startled world?

Senate bill 3809 provides $16,000,000 for South Korea and the Philippines. This meager sum was recommended in an effort to deter a possible evil which is before us today as a living evil and fact. Has any Senator, in the light of a situation which became totally different on Saturday from what it was the day before when the Senator from Texas urged approval of the bill, offered an amendment to provide adequate means to the southern Koreans to repel the invader? As yet no single Senator, to my mind, has even discussed the question. All we have been urged to do is to pass a bill to meet conditions which are completely dissimilar from what they were when it was brought up for consideration several short days ago.

Mr. President and Members of the Senate, if the appropriate committees of the Senate have even gathered to explore the need and reasons for extending additional aid to southern Korea the Senator from Washington has not been so advised, and in his own right he is a member of the Senate Armed Services Committee. For the better part of a week the Senator from Washington, because he is the "low man," to use an American slang expression, "on the totem pole" of the Senate Armed Services Committee, has been sitting quietly in hope and in anticipation that his elders would rise to discuss the problem of Korea against the facts which have developed since last Saturday. The Senator from Washington, in the absence of having had an opportunity to listen to such a discussion or to consider an amendment which some Senator might have offered but did not, will probably this afternoon offer a simple amendment. It will read like this:

> Delete from S. 3809 all of the benefits intended for Korea, with instructions to return those recommendations to the appropriate standing committees of the Senate in order that those committees might immediately call into session, executive or otherwise, those best qualified in our military and diplomatic and executive offices, to gain from them factual information to cover what we ought to do in the Senate really to help southern Korea.

When I have mentioned it quietly to some of my colleagues, they have been very frank in their response, one or two of them, and have said, "Senator, the submission of such an amendment might be misunderstood by the American people. They might conceive it to be a desire on the part of an individual Senator not to be of material assistance to Korea." Again my response to such observations would be, to use slang, "Don't be crazy and don't be silly." The American people can read and understand just as well as can the junior Senator from Washington. Ninety-nine and nine-tenths percent of the American people will be far ahead of some of us in understanding that if $16,000,000 for Korea and the Philippines was an adequate or reasonable sum before war broke out, it is a totally inadequate and meaningless sum the day after war broke out. Expressing only my own feeling, I say that if such an amendment is offered and accepted, the appropriate committees of the Senate will have returned an authorization recommendation to the Senate, and an appropriation, in adequate size, will have been secured before the Appropriations Committe will ever have returned their recommendations against S. 3809 to the floor of the Senate.

If we want to help Korea, if we are really in a jackpot in that part of the world, if we are serious in what we constantly say as to the necessity of our helping the Koreans, then, to use again the words of the distinguished Senator from Texas, "Let us be realistic," and let us not approve and pass an authorization for the benefit of Korea which has no substance and no meaning, and when all it includes are things which are misleading. At least this is a day in which I think a Senator ought to speak as strongly as he can, because I have something else to say about Korea and the military-aid program.

Last October $27,640,000 was made available for assistance to Korea, Iran, and the Philippines. Korea's share of this sum was a little more than $10,000,000. This sum was appropriated early in October of 1949. Can any Senator tell us what portion of the $10,000,000 has actually been employed in Korea in recent months? During the days of the last week when I have listened as patiently as I could to the debate, I heard the Senator from Ohio [Mr. TAFT] venture a guess. His guess was that based on the information he had received, only $200 out of the actual amount of $10,300,000 actually appropriated to Korea had been translated into action.

The situation is even worse than that, Mr. President, from my point of view. I have had no success in trying to ascertain accurately what we have been doing for Korea. I have tried to find out. The State Department has related to me that the amount of money that went to Korea was top-drawer secret information. They told me also that the amount of material contracted for Korea was top secret. They went on to state that the amount of matériel actually shipped to Korea since the appropriation was made available last October was top secret. In fact, the State Department has told me within the last several days that everything about anything which has thus far been done in South Korea is top secret.

Sometimes, Mr. President, on the basis of such information as this I am constrained to say, for I resent it deeply as a Member of this body and as an American, that the Senate of the United States is on occasion the least well-informed body on the face of the earth. We are more often asked to do what we do not understand, we are more often asked to take action when the facts are not before us, than was any association I have ever been a part of in my life.

Let any Senator stand up and tell me that I am wrong about that. However, no Senator can rise and make such a statement until he can tell all Senators how much has been done, and in what direction, for Korea, where war broke out unexpectedly last Saturday, although Time magazine went on to relate the story of a little guy in a foxhole who said—according to the June 5 issue of Time magazine: "We know that war is coming, we people who will fight it."

Mr. President, the best information I have been able to unearth is that very little defense material has been shipped to Korea. A fair guess—this is my guess, and it is far different from the guess made the other day by the Senator from Ohio; but, although there is a difference between our guesses, I think both of us are doing the best we can with the material available, which is very meager—a fair guess is that the value of the defense material which has actually been received by South Korea up to this time is about 10 cents on the dollar, in the case of the $10,300,000 appropriated and earmarked for Korea. Certainly it must be that more than 10 percent has been ordered or contracted for, but probably it has not yet been shipped. Is it not a reasonable question to ask, Mr. President, and to ask it of every Senator on both sides of the aisle: Why has so little been sent so late to South Korea, when the intention of the Congress months ago was to help Korea, and to do it then?

Mr. President, in October, when we approved an appropriation of $10,300,000 for South Korea, the Senate of the United States said to the world in effect, "The action, which we have just taken, is taken on our assumption that it will be translated into fact." Our assumption was that the money would have been used months ago to do what the senior Senator from Texas [Mr. CONNALLY] said on last Friday the pending bill is intended to do—namely, to deter aggression.

If we have not complied with the promises made to South Korea, months ago, how can anyone maintain that the immediate passage of Senate bill 3809 will be of constructive and immediate benefit and assistance to South Korea? If we have spent approximately $1,000,000 of the $10,300,000 made available last October to Korea, then we had more than $9,000,000 available for use yesterday and the day before and will have tomorrow for Korea. If I am not mistaken, because of a joint resolution which was passed yesterday by this body, nonexpended funds of all kinds can be employed by the Government through July 31; or, at least, the joint resolution gives that authority. Korea is included under that joint resolution. That joint resolution by inference includes $50,000,000 which could be used for economic restoration in Korea. What have we been doing in recent months, Mr. President, when we have not used the economic aid made available by the Congress for the benefit of Korea? We used pitifully

few dollars to try to prevent the outbreak of war which burst forth like a skyrocket last Saturday.

Mr. President, who is responsible for the neglect of the recent past? I do not know. I wish I might have been among those invited to the White House this morning or yesterday or the day before, so that I could say to the President of the United States, with all respect, in this particular instance: "Mr. President, tell us how we missed the boat, in order that we can advise the American people why we missed the boat. Let us admit our mistakes, in order to bring about the unity which you and your majority leader, the distinguished senior Senator from Illinois, and half a dozen Senators on this side of the aisle, and other Senators on both sides of the aisle have said in recent days we must have. They have said, 'Let us arise in support of the President.'"

Mr. President, if I had been there, I would have said to the President of the United States, "Of course we want to help you. This is our country, as well as yours; it belongs to all of us jointly. But in heaven's name, start telling the American people the truth. They can stand it. If any heads need to roll, if those who cannot anticipate the requirements of today and tomorrow and thereafter are in positions of high authority, tell us who they are, and get rid of them. Then the American people will support you, Mr. President, and my political party will begin to have some respect for you."

As war broke out last Saturday in Korea, some of those in authority must have known for months that such a war was likely. We would better serve the best interests of ourselves and of Korea and of humanity by understanding the reasons for this neglect, before providing for additional aid. It was not necessary to manufacture last year the equipment and the materials which were intended for Korea under the military assistance program of last year. Let any Senator who will, rise and say that it was necessary to make those materials then. On the contrary, we did not have to tool up new factories or hire new personnel and train them. Instead, all we had to do was to use what was already available. It was not necessary to have new equipment and materials manufactured or produced, because at least the Congress understood that such materials and equipment were to come out of surplus. Let anyone who has any doubt of that read the hearings. If what I have just said was not the fact, let someone in authority stand up and tell us what the fact was. If that was the fact, let someone in authority stand up and explain the incredible neglect and delay.

Mr. President, let me say parenthetically that despite that situation, today we are being asked to vote this afternoon at 2 o'clock on the arms-program bill. Why are we to vote at 2 o'clock on Friday? The bill is to be voted on today only because some Senators have opposed the persistent urgings of other Senators that the vote be taken on Monday or on Tuesday. In fact, some of us, Mr. President, some of us who are not satisfied this afternoon, did the best we could to stall off a vote as long as possible. Certainly it should be put off a great deal longer than 2 o'clock this afternoon, even though we are parties to the agreement to have the Senate take action at that time on a measure we do not understand, because if we in this body take our time and demand the answers to questions such as those I am raising this afternoon, at least the vast majority of the American people will have an opportunity to understand whether they may be faced with death in perhaps a remarkably short time.

Because of what someone did not do, because of a failure to forward equipment, materials, and supplies to southern Koreans, today the world stands on the brink of a possible catastrophe for all mankind. The President of the United States is having a meeting at this time, I suppose, in the White House. Certainly we compliment him and all those in attendance at that meeting for gathering to talk about the situation; but what are they talking about? One of the possibilities is that the conflict in southern Korea cannot be stopped. It is likely to start to spread. Because we did not stop what we had an opportunity to stop, before the outbreak of war last Saturday, perhaps now, as a result of what we did not do, we have started mankind moving down a road which quickly will lead back to the Dark Ages—where humanity will go without question, in my judgment, should war, whatever the reasons for it, ever come to this great land of ours and to the world.

Yet, Mr. President, we have been urged not to ask questions. Cannot we now begin to understand that if some of us had asked these sensible questions some months ago, probably there would be no war in southern Korea today? To my mind, the matter is just about as simple as that. If we had known, some months ago, and if we had required that what we had agreed should be a policy was carried out, no one can persuade me that war would have broken out in South Korea last Saturday. Mr. President, a great many people think this is a time for flag waving and for beating the drums and for martial music. However, I think this is a time for thought which will lead to action which is intelligent and premeditated and planned for, and about which all of us can understand what is going to be undertaken.

Before I ever vote again, Mr. President, for any military-aid appropriation to provide assistance to anyone, anywhere, I am first going to determine when that assistance will be made available.

In criticizing those in this body who resent questions being raised, the Senator from Washington is criticizing himself—and most deeply—for having failed to raise questions, not today, but in the past. The Senator from Washington is as guilty of this neglect as is every other Member of this body. Even from hindsight we ought to shudder from shame.

Mr. President, I wish now to address myself to the over-all problem and the procedures which are defined and recommended in Senate bill 3809. My overriding criticism of the bill is that its proponents are inclined to oversell their product. To my mind the bill offers a degree of hope and protection to us in America and to our friends around the world, particularly in the North Atlantic area, which simply does not presently exist. I think there are many fine proposals included within Senate bill 3809 but those proposals are completely inadequate to the assignment which faces America if we are attempting—I do not know exactly what we are attempting to do—but I shall stand on the assumption that we are attempting so to solidify and coordinate the strength of the free world so as to win a war against the forces of communism, should we be required to resort to a conflict of arms. If this is our intention—and certainly I believe it is—we ought to acknowledge, indeed, we must acknowledge, our shortcomings and seek more and better ways through which to prepare ourselves for the future.

The Senator from Washington, in support of his criticism, will call as his witnesses the maps of Europe and of the Middle East, which every Senator can view as they now hang in the Senate Chamber. I ought to say, without criticism implied or direct of anyone, that a few days ago the Senator from Washington requested that such maps be hung on the wall, where they could be read and understood and meditated upon by Senators, by members of the staffs, by members of the press, and by members of the public. He thought those maps should be thus displayed, because of his conviction that four out of five of us have not taken the time to think of the weaknesses which are obviously inherent in the Senate bill 3809. In recent days and months, in fact, I have had similar maps in my office, through which I try to understand the world in which I live, in the hope that I shall have a chance to live, if there is a world of tomorrow.

The other witnesses of the junior Senator from Washington are the committee report which accompanied House bill 5895, in the first session of the Eighty-first Congress, the report which accompanies Senate bill 3809, the statement offered by the chairman of the Senate Foreign Relations Committee on Friday, June 23, and certain comments by and about Nicholas Lenin, which point out, to my mind, the nature of the problem which confronts the world.

The Senator from Washington believes that today the masters of the Kremlin are simply acting as the disciples and followers of Nicholas Lenin, whose life was dedicated to launching a world revolution. As Nicholas Lenin, realistic opportunist that he was, and alert strategist—I doubt whether the world has ever known a better—recognized in World War I and its attendant confusion an opportunity, unparalleled as it was unexpected, to launch a world revolution, so the present leaders of the Soviet Union seek to take advantage of and to capitalize on the confusion and destruction and suffering which resulted from World War II. Where Lenin was unsuccessful—he died too soon—in achieving his evil ambition, Stalin hopes to be successful; and he may live long enough to be more successful than was his predecessor. The characteristics of the present Russian rulers are no different and no less deter-

mined than were those possessed by Nicholas Lenin and his kind only a few years ago. Before Lenin there was Karl Marx, Engles, and Bebel, the doctrinaires. Lenin followed them to apply their doctrine with fire and sword, first to Russia, and then in Spain, and in the entire world. As Marx directed against capitalism the weapon of criticism, Lenin employed the criticism of destructive weapons. Lenin had the same genius for making history that Marx had for explaining history. Stalin and his kind today are the followers, not of Marx, but of Lenin.

History tells me that Nicholas Lenin was the first to make communism a religion. Karl Marx was its divinity, Das Kapital and the Communist Manifesto, its inspired writings—its bible; and he, Nicholas Lenin, was its master missionary. "We are rock-ribbed Marxists," was his unvarying credo. On this human trilogy a faith was founded and propagated which, in its psychological reactions, supplied an earth-born substitute for that natural instinct and need which humanity feels for a divine revelation.

In the Times-Herald of this morning I read that the distinguished majority leader, the senior Senator from Illinois, was quoted as saying "We are going to pass the bill at 2 o'clock this afternoon, because of its psychological benefits." Let me suggest to the senior Senator from Illinois and to every other Senator that, if they want to know something about psychology, they will not find it at this time within the confines of Senate bill 3809. I ask them to go back and read what Nicholas Lenin did to make mankind understand psychology.

Years and years ago Nicholas Lenin became a personification of will power devoid of the control of conscience and consecrated to world revolution. His mind became a sealed book, except for three thoughts: Russia, revolution, the world on fire. "Unmoral" best describes his ethics, as human acts to him were only good or bad in the relation they bore to the inevitable class struggle, not to any objective norm of morality, which Lenin despised. "For Lenin," writes one who knew him well, "moral principles do not exist, just as there is no music for a deaf person. Morality or humanity did not exist in Lenin's vocabulary except in such phrases as 'capitalist morality,' or 'slobbering humanity.'"

Mr. President, if we believe that Stalin is a modern-day replica of Nicholas Lenin—and I so believe—we must gear our thinking, our conduct, and our defense preparations to the ever present and continuing desire of the Soviet to initiate a world revolution. If we agree that present-day Russian rulers live only to destroy freedom, wherever it may exist, we must overlook no single opportunity to utilize the resources and strength and join hands with those anywhere and everywhere who are willing and anxious to oppose and crush, if required, the evil of communism and its more evil ambitions.

Not many months ago the Atlantic pact was ratified by the United States and by 11 other nations. These nations joined hands in an effort to secure themselves against aggression and to preserve freedom for posterity. These nations pledged themselves that an armed attack against any one of the members was to be an attack against all the members. This pledge, in the words used recently by the Senator from Texas, has put any potential aggressor on notice that the combined power of the North Atlantic community will be available to defend our freedom and our civilization.

In my view the recent act of aggression in Korea requires that we recognize that the Atlantic pact, as it is now constituted, does not represent the combined power of the North Atlantic community. To maintain that it does is to be totally unrealistic and to lead the uninformed to believe in the prowess of a security instrument which will not be available should a world-wide crisis arise.

The member nations of the Atlantic pact are: The United States, Canada, the United Kingdom, France, Belgium, Luxemburg, The Netherlands, Italy, Portugal, Norway, Denmark, and Iceland. Perhaps, if someone be interested, he might begin to wonder about the map from this point on. If any person cares to maintain that these nations represent the potential combined power of the North Atlantic community he ought to have his head examined and be made to understand that he lives in a world of make-believe.

On page 26 of the report on S. 3809 there appears this sentence about the menace of communism—and I agree with every word of it:

> No nation can be neutral in the face of this threat, nor could any nation hope to remain neutral if a conflict were to break out.

That is what the committee report writes in order that every American shall be encouraged to read it. All it says is that if and when the forces of free peoples comes in conflict with the forces of communism, no nation on the face of the earth can remain neutral or stand on the sidelines.

This sentence, Mr. President, speaks the truth. It states only what we ought to recognize and seek to accomplish through enlarging the membership of the Atlantic Pact or through establishing other pacts to which other free nations may belong.

The Senator from Washington is not abusing the North Atlantic Pact. He voted for it, and he thinks it should be enlarged and that the question concerning that possibility ought to be raised on the floor of the Senate.

Mr. President, a very thoughtful man, the Senator from Missouri [Mr. DONNELL], has just handed me——

Mr. DONNELL. Mr. President, if the Senator will permit me, it was brought to my attention by the administrative assistant of the Senator from Washington.

Mr. CAIN. I appreciate the fact that the Senator from Missouri has given me a small bit of the ticker tape. I had not seen it before. It must have something to do with what is going on at the White House. It says:

> The following is the text of the White House announcement authorizing the use of ground troops in Korea—

Why should I read any further, Mr. President? Why should any man read any further? It only means that what we did not anticipate one short week ago has come to pass. How seriously we are presently involved I do not know. A little later, when the Senator from Illinois [Mr. LUCAS] and the Senator from Nebraska [Mr. WHERRY] shall have returned from their visit to the White House, perhaps they can tell us something more about it. But whether we successfully get out of that in which we are presently embroiled in Korea, the fact remains that we must anticipate, on the assumption that we are not too seriously overboard in Korea now, outbreaks somewhere else at some other time in the future, and perhaps coming upon us more rapidly than we know. That is why the Senator from Washington thinks it proper to raise questions about enlarging the membership of the present Atlantic Pact.

On last Friday the Senator from Texas said, in passing:

> We have cooperated fully with other countries in repairing the terrible damages brought by the war and in returning the world to some degree of economic stability. The Marshall plan and the technical assistance program stand as eloquent evidence of our good faith in this regard.

Mr. President, I feel that much of what we have done in this connection has been good, but I likewise feel that what we have not yet done, and what we now give no evidence of doing soon, is likely to result in tragic consequences.

On last Friday the Senator from Texas had this to say:

> At the recent London meeting of the Council it was agreed that the 12 treaty members should concentrate upon the development of balanced, collective forces in building up the defensive power of the area.
>
> Viewed historically, this decision is nothing short of amazing. In the past the countries of Europe have insisted upon maintaining a complete defense establishment with a separate army, navy, and air force. This has resulted in great duplication of effort, waste, inefficiency, and relative weakness.
>
> Now these piecemeal efforts have been abandoned, and there will be a practical division of labor. Each nation will make the contribution with respect to the kinds of weapons and forces which it is best equipped to make and which will fit into the common defense effort. In this way we shall have a much stronger combined common defense force at a smaller cost than we could possibly produce with each nation proudly pursuing its own independent objectives with its own independent forces.

Here again, Mr. President, we recognize the good which is being achieved. My main criticism is that we are stopping far short of what must be undertaken and accomplished if the so-called free world is going to reach and win an ultimate and healthy decision over the forces of communism.

One further reference, Mr. President, to the able presentation made last Friday by the Senator from Texas:

> The states we are helping today are those which faced and staved off totalitarian aggression from 1913 to 1917, from 1939 to 1941. They gave the United States time to gird itself for the war against totalitarianism which we knew was coming. These people valued freedom even more than their homes

and their lives. They fought on when their lands were overrun. They are more familiar than we are with the darkness that would forever enshroud western Europe if Communist imperialism should envelop them.

Those words are brief, and they are promising and very good to read, but the observation in its entirety, Mr. President, undeniably overstates the case.

The Senator from Texas was referring accurately to some of the nations we are presently helping, but not to all of the nations we are presently helping. I think it a fine thing that Italy, for example, has now alined itself with the forces of freedom. It was not always thus. When the Senator from Washington and thousands of other Americans landed on the beach at Salerno it was at a time when Italy was changing from the status of an enemy to the role of a cobelligerent. The point here involved is that if we can become full-scale partners with a nation which very recently was an enemy of ours we ought to look for ways in which to become partners with other nations with whom we have had arguments or whom we have not always liked for any of a variety of reasons. I am about to suggest why, in my view, Spain could become a partner of ours and a member of the Atlantic Pact with resulting good to the North Atlantic community and to the world.

During the debate, questions concerning Spain, Germany, Turkey, and other areas of the world where we have relationships of one kind or another have been raised. I shall reflect on only Turkey and Spain, because my primary interest is with them and the study I have given to each perhaps qualifies me to make several observations.

Everyone understands that it requires a unanimous vote by each of the 12 members of the Atlantic Pact to take a new nation into membership. Neither the Senate of the United States nor the Congress can demand or require that a new nation is voted into membership. Members of the Congress, however, might be of some assistance in encouraging Atlantic Pact nations to consider the advisability of broadening as well as strengthening its membership.

Many a Member of this body, Mr. President, hesitates to talk too often or too long; many persons do not like it. During the course of this debate, hoewever, there has been no presentation of the capacities, capabilities, and resources of Spain and Turkey. The Senator from Washington wants to bring them to the attention of the Senate. He wishes he might have more time available for the purpose. If we think that the Atlantic Treaty nations are not considering the advisability of enlarging the membership or if we think that these nations for selfish and self-centered reasons do not anticipate enlarging the membership we ought to say so and ask why.

In the recent hearings, which the appropriate committees held on Senate bill 3809, the Senator from Washington tried to determine from administration witnesses if the treaty nations were discussing or giving consideration to the possibility of enlarging its membership. I was told by Mr. Harriman, for example, who is undoubtedly one of the best-qualified witnesses in America, that no consideration had or was being given to the question. Every other Government witness of whom I inquired either said the same thing or that he did not know. Here is another reason why I think, indeed, I am convinced, we are overselling the mutual defense assistance program, which is going to pass at 2 o'clock this afternoon, not alone to ourselves, but to the rest of the world.

The PRESIDING OFFICER (Mr. MURRAY in the chair). The hour of 12 o'clock having arrived, under the unanimous consent agreement entered into yesterday, the time between now and 2 o'clock this afternoon is subject to division, to be controlled respectively by the Senator from Texas [Mr. CONNALLY] and the Senator from Wisconsin [Mr. WILEY].

Mr. CAIN. Mr. President, I have been authorized to say that until the Senator from Wisconsin [Mr. WILEY] returns to the floor, I am to have control of his time. Therefore until his return, sir, with the permission of the Chair, I shall continue.

Mr. STENNIS. Mr. President, acting for the Senator from Texas [Mr. CONNALLY], who is momentarily detained, it would be entirely proper for the Senator from Washington to proceed under that arrangement.

Mr. CAIN. I thank the Senator from Mississippi.

Mr. President, we are leading people all over the world to believe that we are fully utilizing the defense potential and resources of the North Atlantic area, when this is actually not the case. What we are doing is a pretty good job with some of those resources. That we are completely ignoring and failing to use other resources is an obvious understatement.

Mr. President, the Senator from Washington can only outline why he thinks the resources of Spain ought to be available for the mutual defense preparations of the North Atlantic area. I am not talking now about the North Atlantic Pact. I am talking about the map. I am talking about the phrases used by so many and so often: "The North Atlantic area," "the North Atlantic community." Spain resides geographically within those areas.

A decision as to what may be done with the resources and manpower and capacity of Spain must be left to the nations of the Atlantic Pact Treaty, to which the United States is a party. I bother to make these suggestions merely because should a world war break out again the North Atlantic Treaty nations would desire to use everything Spain has to offer whether Spain is a member or not. I wonder if anyone thinks that if we became involved in a world war we would not take from Spain what she had to offer, if we could. Again I go back to the report which said that if war broke out against the Communist nations no nation could remain neutral. I believe that. Every nation must be either on one side or the other. If this conviction is recognized as being reasonable, we would be foolhardy indeed and plain foolish if we did not seek now and in the near future to coordinate and integrate the capacity of Spain with that of other nations in the North Atlantic community.

Mr. President, let us look at the map and consider the characteristics of Spain and Portugal. Portugal is a member of the Atlantic Pact. Spain is not. Look at it. Portugal is that little area on the map marked in yellow. Spain is not a member of the pact. Are Senators of the opinion that these two countries are dissimilar in characteristics and in resources? Would Portugal have more to offer in time of crisis than Spain? I cannot understand how it could. Had any of us to choose between joining forces with one or another of these two nations, which one would he select to fight with? Which would it be, Spain on the one hand, or Portugal on the other? It is difficult to dissassociate them even on the map. Which one would we choose to fight with? Which one? I do not know about any other Senator, but as for me I would take Spain. The point involved is and logic says that we had better have both.

If Portugal is deserving of membership in the Atlantic Pact—and we agree that she ought to be a member of the pact, though a great many Americans would not be able to tell us that Portugal is a member of the pact—what is there about Spain which ought to continue to preclude her from membership? The two nations of Spain and Portugal go up to make the Iberian Peninsula. Those two countries are inhabited by people of similar characteristics and have shared a common civilization. Spain's 28,000,000 inhabitants have long been known as a Christian and civilized people who have fought time and again against tyranny, and more recently against communism, which they expelled from the country during the civil war. One reason that I made a not uncomplimentary reference to Italy was that it would be easier to silence prejudice for the moment and raise a legitimate question about Spain. If we have forgiven Italy her grievous sins of less than a decade ago, I would take exception to any Senator's suggesting that Spain is guilty of sins which could not be overlooked. As Italy seeks now to pursue freedom Spain seeks the same objective.

If America is to spend billions of dollars for the common defense against communism—and we are doing it every day, and more of it at 2 o'clock this afternoon—and if it plans to equip foreign armies, as we are going to do, it seems out of place to ignore Spain and its strategic position. Spain controls the door to the Mediterraneon, namely, the Straits of Gibraltar. To control the Mediterranean is to hold the key to the Suez Canal. Should that vital region fall into the hands of an enemy, the North Atlantic Pact nations, except Canada and the United States, would be at its mercy. We have had debate on this question, for a week, and no Senator to my knowledge has risen to offer a layman's concept of things strategic. I trust that generally most Senators will not think it improper even at this late hour to talk about the obvious.

The morale of the inhabitants of the Iberian Peninsula must not be forgotten. Had Spain no army and were she not a country willing to fight for her liberty and freedom, if the people were not inspired by the common democratic ideals of the west, even then the land itself could not be overlooked. But the morale of these 28,000,000 people is strong and is an important factor in the North Atlantic community.

To my mind, it is impossible to separate Spain from a study of the North Atlantic Pact. Those responsible in our Army for strategic planning do not hide the fact that they believe that Spain is essential to the reliability and effectiveness of the North Atlantic Pact.

Spain links southwestern Europe with Africa. Washed by the Mediterranean on the east and the Atlantic on the west and north, it dominates the Straits of Gibraltar and can control all the sea traffic passing from the Atlantic to the Mediterranean and vice versa.

To all intents and purposes Spain is a huge airfield of 195,000 square miles surrounded by water. Its sea coast has many ports and natural first-class naval bases. In the strategic mid-Atlantic, Spain has the Canary Islands which are ideal for dealing with any submarine menace in that area.

The Pyrenees on the northern border with France is a strong barrier for both defensive and offensive actions. Someone ought to place this sort of material, which is accurate and deserving of consideration, in the RECORD, in the hope that some day it will be considered before the next war breaks out, because if we are not prepared to use the Pyrenees as a result of preplanning, we shall have to use them without being properly prepared so to do.

This barrier, narrow enough, only 250 miles wide, and with both flanks leaning on the sea, is the best bulwark in Europe for modern warfare. It seems to me that we are giving more consideration to things political than we are to things military by our continuing disposition to ignore obvious assets.

Numerous chains of mountains cross the peninsula and offer good antiaircraft defenses. Spanish climate and meteorological conditions make aerial navigation easy, I am told, although I have never been there, for Spain is never completely covered by bad weather at one time.

In order to get some of this material together I have had to go back to school. I was glad to have that opportunity. I had to study geography. I had to examine facts and statistics. There may be certain elements which I may have mentioned which are not accurate, and if so, I should like to have someone call the inaccuracies to my attention. I wish only to leave the truth in the RECORD.

The high central plateaus of Spain are excellent sites for large air bases; some of these are already constructed. Spain has organized airfields in the Balearic Islands, Canary Islands, in Spanish Morocco, in Spanish West Africa—Ifni and Cabo Jubi. These fields are in good condition and can be enlarged.

The Spanish Army today is organized in 8 army corps and 21 divisions, and its total effectives are 400,000 trained soldiers, with an officer corps of trained and experienced men.

At least our competent military authorities tell me, the officer corps of the Spanish Army is a first-class military instrument.

A few days ago 76 Senators, the Senator from Washington among them, approved an extension of the Draft Act, because we are expecting the time when we may have to utilize our manpower. Spain can call up on short notice a million men and if necessary three million through a draft, grouped in 15 or 16 army corps. This army's immediate requirements are better rail and road communications, up-to-date armored and signal corps and electronic material. Spain needs many things she does not possess. Spain's importance in military matters justifies assistance, for not only is its army of interest to the North Atlantic Pact as one which can be helped, but as one which is prepared and capable of defending its positions on its own.

The country can offer excellent potential naval bases at El Ferrol, Cadiz, Cartagena, Mahon, Las Palmas, Soller, and Tarifa. Compared to American standards the Spanish Navy is not large; however, its building program has stressed small destroyers and other fast units appropriate for antisubmarine work. There are 22,000 trained men in the navy today.

The Spanish Air Force has 5 light bomber groups, 3 fighter groups, 2 tactical cooperation groups, 4 all-purpose groups, totalling 350 aircraft. However, it must be realized that Spain has 2,000 trained combat pilots and can enlarge its air force quickly. The United States of America is rushing aircraft and material as fast as it can to Europe, but is bypassing a place where there is need for such materiel now.

Spanish plans have been made to equip 7 fighter groups with 500 aircraft, 3 assault groups with 220, a special fighter group with 66, 3 light bomber groups with 150, and 1 reconnaissance group with 48 planes. At the moment there are 36 equipped air bases, of which 6 have runways for the most modern and powerful aircraft. At Barajas, in Madrid, San Pablo, in Seville, and at Muntadas in Barcelona, Spain has the largest civilian airfields of Europe, which are constantly being used by international commercial airlines, and which could be improved to satisfy military aircraft requirements.

The strategic importance of Spain in the Atlantic Ocean area arises primarily from its geographical position. In its location at the southwestern extremity of the European land mass Spain is in a flank position astride the sea and air routes between the other European nations and North America, South America, and west Africa. She is astride the sea and air routes between the United States and southern Europe, northern Africa, and the Middle East. Spain shares with the British Isles the position of strategic dominance along the western approaches to Europe. Allied sea and air efforts from Spanish bases in protection and support of these lines of communication could improve the effectiveness and economy of these operations. With these bases under enemy control, the attempt to maintain these lines of communication, particularly through the Straits of Gibraltar and in the western Mediterranean, might prove disastrous until efforts to neutralize these bases succeeded.

Moreover, the terrain of Spain is peculiarly well suited for defense. The line of the Pyrenees Mountains runs east and west along the French-Spanish border. There are few north-south access routes through this mountain barrier, and these are suitable for relatively easy measures of interdiction.

Not very long ago I was privileged to have a conversation with General Omar Bradley, the chairman of the Joint Chiefs of Staff. We were looking at and talking about a map. Without endeavoring to involve General Bradley, one of America's very great Americans, in any controversy of any kind, I believe I can safely tell what he said to me, that I was talking about political considerations. He said, "Senator, our job in the Military Establishment is to plan on the basis of what you in the Congress and those in the White House and those in authority in other high political offices in the United States and around the world give us to work with." General Bradley—and I say this in my own right—would by no means deny a solitary thing I have said in support of Spain thus far.

The strategic importance of Spain, however, is potential rather than actual. There are few airfields with runways sufficiently long and of sufficient strength to operate even present-day medium bombers I am told. The road network, although extensive, is not in good repair, and consequently is not suitable for rapid movement of heavy equipment. Rail communications are not good. The harbors require developing before they would be suitable for sustained naval operations.

But all of this indicates, Mr. President, that Spain possesses resources and capabilities which, when improved, will serve her purpose and ours as well. If most of what I have related about Spain is true, and I believe it to be true, we could accomplish a very great deal for the common good of everybody by spending and utilizing reasonable sums of money in Spain at this time. Spain has something to work with. All of us must agree to that. Some of the nations we are presently helping have nothing by comparison to offer. We all agree to that. Spain wants help, needs help, and is deserving of help. I wonder when we and the other Atlantic Pact nations will become realistic, and provide the assistance which is required.

Now, Mr. President, I wish to relate a very strange story which will take only half a minute. I am told that in the very recent past our State Department refused to give Spain a license which would have permitted her to buy 212 Rolls Royce engines in this country. These engines were manufactured in the early part of the war, and are now both surplus and obsolete to our American needs. There must be some reason why the license request was denied.

I wonder what the reason leading to that denial was. I hear it in the cloakroom rumors. The Senator from Washington is not going to repeat the rumors, but the Senator from Washington is going to say that he has reason to believe that rather than help Spain in any way, as we admit we are not doing, if the United States has recently denied Spain an opportunity to secure for itself, with cash on the barrel head, a small number of aircraft engines, obsolete to our own needs, we are hurting Spain, and that is pushing things a little far.

Mr. President, I know that time is very precious, because we seek to get this matter over with. We will vote at 2 o'clock, and I ask unanimous consent to have certain portions of what I wanted to say placed in the RECORD at the proper point, while taking several minutes, I say to the Senator from Massachusetts, to make some observations about Turkey which I had in mind; and I am trying to cooperate with the Senator, and I shall finish very rapidly.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington? The Chair hears none, and it is so ordered.

The matters, portions of Senator CAIN'S statement, are as follows:

Mr. President, every Senator wonders whether the present conflict in Korea may be the beginning of world war III. Every American citizen wonders about and is troubled over this possibility. Should a world war begin in the near future America would be required again to send green troops into action to die needlessly because of their lack of preparation and experience. The Senator from Washington has suggested that Spain has 400,000 troops under arms today who could be made available if a common effort had to be undertaken. Yet our leaders have told us that up to this time no consideration has been given to coordinate the Spanish capacity and potential with the resources of other nations.

I had a Senator suggest to me the other day that if Spain were taken into the Atlantic Pact it would frighten other members of the pact because they would assume that it was our intention to retreat behind the Pyrenees. My only reflection on the observation is that it would be good to have the Pyrenees to hide behind should that ever become necessary.

For as long as other nations in the Atlantic Community refuse to use and integrate the resources of Spain with their own we ought, in the name of accuracy and truth, quit talking about the balanced collective security force we are establishing in the North Atlantic area because we are attempting no such thing.

In one of the committee reports I find this interesting comment: "The committee believes it would generally be unwise for us to encourage any greater expenditures by the European nations for military purposes than those that have been planned, since to do so would, in the opinion of the United States and European experts tend to jeopardize economic recovery which is essential to military strength."

In my opinion this statement means that an integrated defense among our allies will result in each nation making the most effective use of every dollar spent for defense preparation. The integrated concept maintains that each nation will contribute those things which it is best qualified to develop and maintain. In consequence the United States, so far as I know, will be the only member of the Atlantic Pact to maintain a balanced security force within its own borders. All of the other nations will be specialists so to speak in one or more fields of security preparation. Not only is this concept defensible from a military point of view but it helps to reduce the burden of military expenditures in all of the countries involved. Let us examine this concept briefly as it relates to Turkey.

Mr. CAIN. Mr. President, Turkey raises another question in the consideration of which I would again refer Senators to the map.

Turkey is not a member of the Atlantic Pact, Mr. President, but Turkey benefits from the mutual defense assistance program through title II. The committee report states that—

Turkey must be given additional help to permit her to continue the combat effectiveness of her armed forces. American aid is enabling the Turkish people to improve their national defenses while concurrently taking measures which will ultimately strengthen our economy. It is clear that Turkey occupies a vital position in the security structure of the middle East.

Because Turkey is not a member of the Atlantic Pact, and even though she benefits from our military arms program, Turkey is required, so far as I know, to maintain a complete military establishment of her own. The result of this situation, as I see it, is that Turkish military expenditures are out of line with the national income and the general budgetary revenue.

If that assumption is carried to its logical conclusion, and if existing conditions long continue, it may follow that Turkey would either have to turn itself into a positive military dictatorship, or would be destroyed economically, leaving her without the power to fire a single rifle in a time of need.

Turkey is presently spending more than 35 percent of her total budget on expenses of a military nature, and few if any Atlantic Pact nations are laboring under such a heavy burden. I wonder—and I am raising questions—how far this percentage could be reduced if Turkey became a member of the Atlantic Pact, and shared her defense preparation problem with the other nations of the pact. One hazards a guess that if Turkey were a member her military expenditures could be reduced, and her domestic economic health would be improved. I wonder if any of those in political authority are thinking about this possibility.

If Turkey were to be attacked, Mr. President, who would go to her rescue? The nations of the Atlantic Pact say that an attack on one member is an attack on all members. If there is a commitment on the part of any Atlantic Pact nation, outside of the United States, to help Turkey in the event of trouble, I do not know what it is. I do not know that the United States has a written commitment to assist Turkey in the event of need, but the aid we extend to her signifies our intention to become involved if any serious trouble arises in Turkey. As an American citizen, Mr. President, I would feel better if I knew that an attack against Turkey would be considered as an attack against all of the nations of the Atlantic Pact.

There are those who say that everybody would become involved if Turkey were embroiled in war and I suppose that is true. The trouble with this result is that the Atlantic Pact nations, with the exception of the United States, would probably not have planned their defenses with a Turkish war in prospect. Here again we would have no integrated, balanced security force if war broke out.

All of us have complimented Turkey for the amazing progress it has made in recent years, but I think we ought to do more than this. We ought to look for ways through which to make Turkey a full partner with every other nation which is opposed to communistic aggression. For as long as Turkey is permitted to carry a major portion of her defense preparation and planning by herself she will be considered by many nations in the Atlantic Pact to be a second-rate nation. I think the Atlantic Pact nations are overlooking a great bet if they do not soon welcome Turkey at their common council table. As we have found it convenient and practical to restore fully equality to Italy, we can help to reassure ourselves about the future by promptly treating Turkey as an equal. Were it my task to sit with others in the Atlantic Pact to plan and prepare for the future, I would feel inadequate to that undertaking were I not able to turn for help and advice to Turkey. A casual glance at the map causes one to want to know more about the strategic role which Turkey will fill in any future major aggression. This is my thumbnail sketch of what the Senator from Washington thinks he knows about Turkey.

Turkey is in a vital position from a geographical viewpoint. Her location makes it possible from Turkish bases to control, to a great extent, all shipping in the eastern Mediterranean and the Aegean Sea, and to exert considerable pressure against any shipping entering or departing from the Suez Canal. Additionally, and of extreme importance, is the fact that Turkey controls absolutely the Dardenelles Straits—the only exits from the Black Sea into the Mediterranean. Thus from the strategic point of view Turkey could bottle up any naval forces in the Black Sea, including submarines, as long as she could resist outside attack.

Her geographical position is of equal importance with respect to other vital elements. Turkey either contains or flanks all rail and road communications from the USSR to the Middle East area. This area of itself is of great importance to us for a number of reasons, and, conversely, its importance to Soviet Russia is equally great. Here in the Middle East area are the great oil resources, without which the wheels of modern war machines cannot turn. Here also is a vital link in the sea lines of communications between east and west, the Suez Canal. Turkey could well be the key to this area—he who holds Turkey has a tremendous advantage in the battle for the Middle East.

Turkey's importance as a potential offensive base for operations against the U. S. S. R. in the event of war is unmistakable. For our navies there are good ports. For our armies a base for advances into southern U. S. S. R. is available. Such bases would be of equal value

as a threat to Soviet operations in the Middle East area. As a potential airbase area, Turkey offers tremendous advantages to the west. It is very close to Russian oil-bearing areas and to a number of her greater industrial centers. As a base for escorting fighters, it would extend their coverage of western bombers to a considerable degree. As a way station for refueling or for emergency stops, Turkish air bases would be very valuable.

Turkey, however, is not merely a vital geographical factor in relation to the containment of communism. Turkey has proclaimed her intentions to resist communism publicly. She has resisted successfully Communist pressure in the east and in the west. She has refused Soviet efforts to gain control of the Dardanelles. Turkey has maintained armed forces independently of the United States to protect her borders. Her spirited stand against communism is sharp and distinct.

Turkey is fortunate in her defensibility. In addition to the straits in the west, back-up defenses in the mountains would make attack difficult. In the east the U. S. S. R. also faces difficult mountainous terrain with few rugged passes. A major offensive would be required for the Soviet to overrun this mountainous country.

Turkey is in need of American aid further to revitalize her armed forces to enable her to resist successfully in case of aggression. United States military assistance has gone far to build her armed forces into an effective modern fighting arm. However, much still remains to be done in this regard. For that reason the 1951 mutual defense assistance program includes funds to continue modernizing the Turkish armed forces through the provision of United States equipment and training.

Again, Mr. President, I can compliment what we have done for Turkey while criticizing what we apparently and presently have no intention of doing at any time in the immediate future.

I want now for just a moment to return almost to the beginning when I quoted from the conclusion of the committee report on S. 3809:

> No nation can be neutral in the face of this (Communist) threat, nor could any nation hope to remain neutral if a conflict were to break out.

I have been thinking this afternoon, Mr. President, of what will happen should bad things and war happen in the future. I have only tried to say that if we are really serious in the military assistance program which we began last year and in the mutual defense assistance program which is now before us we must recognize that we have just reached the end of the beginning—not the beginning of the end, but the end of the beginning—in our effort to secure from among the freedom-loving nations a balanced and integrated security unity and force. The so-called free nations of the world are not yet prepared to have a showdown with the Communist forces of aggression. We are still thinking more of ourselves as individual nations than we are of the collective needs and requirements of all free nations and the millions and millions of human beings whom these nations speak for and represent. We must not nor can we afford to be satisfied with what we have done. The only possible justification for basing much of our hope on things military is so to integrate and coordinate the military capacity and resources of all free nations that no aggressor who has ever lived or will ever live would risk a clash of arms. That none of us want to fight is obvious. At least the Senator from Washington says he has no desire to fight. But if fight we must—and the Senator from Washington would be perfectly willing to fight if that were required—it is even more obvious that we want to win the contest swiftly and completely. Our own best hope lies not in our ability to win a war but to prevent war. This I think can best come about by doing for and with all free nations what we have begun to do with and for the nations who are presently members of the Atlantic Pact.

Mr. CONNALLY. Mr. President, I yield 10 minutes to the Senator from Massachusetts [Mr. LODGE].

Mr. LODGE. Mr. President, I should like to have the RECORD show my conviction that the amount which we are authorizing in this bill to assist in the defense of the nations who are members of the Atlantic Pact is now not large enough and that we must raise our sights. Before the aggression of Communist imperialism in Korea a few days ago I felt that the rate at which we were building up a strong front in Europe was too leisurely. Since the crisis has occurred in Korea my convictions on this subject have become even stronger.

And now, a few minutes ago, we have news of the decision of the President to send the Army into Korea, and that makes the conviction even more intense. In that decision, of course, the President is entitled to the support of all Americans.

In the issue of June 28 the Evening Gazette of Worcester, Mass., published an editorial entitled "For a New Scrutiny of Europe's Defense." The editorial is short, and I will read it out loud.

> Events of the past few days in the Far East will compel the United States to a severe reexamination of the defense situation in Europe. For the problem is not solely that of the thirty-eighth parallel in Korea. It is, so to speak, also that of the eighth to twelfth meridians, inclusive, between the channel and the curtain.
>
> We had a program of arms aid to South Korea. It obviously was not enough; what aid we did provide was of a token nature.
>
> We have a program of arms aid to the Atlantic Pact nations of Europe. It is larger than anything given Korea. Moreover, it moves as part of a treaty commitment. If an Atlantic Pact nation—Norway, for example—were attacked by Russia, we would immediately enter war.
>
> But the Korean experience has shown the acute danger of token assistance. We have therefore to ask immediately whether the Atlantic Pact aid program is enough. The answer may be that it is; but the question certainly must be asked, and bluntly.
>
> We and our allies in Europe face also the difficult question of defending Germany. The picture in Germany is not precisely that of Korea. We still have troops occupying both Germany and Austria, and Soviet invasion of western zones either country would bring instant war.
>
> Do we, however, have enough power in Europe to make a stand against a Russian drive in Germany, Austria, or elsewhere?
>
> A token defense is only enough for a token stand.

The editorial very rightly states that our experience in Korea has already shown the acute danger of token assistance. It speaks truly when it says that a token defense is only enough for a token stand. Let me repeat what I said here on Tuesday—that the free nations must rapidly develop enough military strength so that Communist imperialism will no longer be able to take the initiative at will anywhere it wants to on the vast world-wide periphery of the Soviet Empire. Only when we regain the influence which we lost with the utter disintegration of our armed forces in 1945 can the world go forward to lasting peace.

One of our most urgent tasks, therefore, is, as this editorial rightly says, a new scrutiny of Europe's defense. Of course, this argues for the immediate and unanimous passage of the bill which is now before the Senate. But it also means that there should be undertaken at once a new scrutiny of the situation in Europe by the proper officials in the executive branch and by the appropriate Members of the Senate. We must not forget, Mr. President, that Korea is closely related to Europe.

Mr. CONNALLY. Mr. President, I yield 2 minutes to the Senator from Virginia [Mr. BYRD].

Mr. BYRD. Mr. President, the President will have my full and unqualified support in all measures that are necessary to drive the northern Koreans out of South Korea. The clear-cut action of the United Nations was, in my judgment, the only course to pursue under the conditions existing.

The invasion of South Korea was a ruthless and cruel act and could only be met by the forthright action that has been taken.

It is my hope that other member nations of the United Nations will immediately join our forces in military action, so that a united front will be presented to those who would use aggression to increase the forces of communism.

The action of the United Nations, even though its legality is challenged by Russia, to my mind offers the only hope I have been able to see that the United Nations may, and I earnestly hope will, become a strong agency to promote the peace of the world. This is the first instance under the United Nations of the use of armed force to preserve the peace. It must not and cannot fail; and, I repeat, the more nations that take part in this police action, the greater impress it will make upon the world and the more the deterrent will be to similar movements elsewhere.

If out of this should come a strong and virile United Nations, millions of people throughout the world would feel a security for the future, which is absent now.

Mr. President, this is a time for unity, for we must win. I have grave objections to certain sections of the pending proposed legislation; but inasmuch as it

embraces aid to Korea, I shall cast my vote in favor of the bill.

Mr. WILEY. Mr. President, let me inquire how much time is available to my side?

The PRESIDING OFFICER. The Senator has approximately 47 minutes.

Mr. WILEY. I understood that the time was to be equally divided. I also understand that while certain of us were at the White House, the Senator from Washington took the floor and addressed the Senate, and that, as a result, 26 minutes was to be charged to the time, to be apportioned equally to both sides. I wish to ascertain the amount of time now available, because if there is any Senator who desires to have me yield time to him, I shall be glad to do so.

I desire to take perhaps 20 minutes to address the Senate, if I can determine exactly how much time is available to my side on this question.

The PRESIDING OFFICER. The Senator now has 45 minutes available.

Mr. CONNALLY. I should like to determine how much time I have.

Mr. WILEY. I assume that the Senator from Texas probably also has approximately 45 minutes; in short, both of us must conclude by 2 o'clock.

Mr. President, a little less than a year ago—to be exact, on July 21, 1949—the Senate of the United States by an historic vote of 82 to 13 overwhelmingly advised and consented to the ratification of the North Atlantic Treaty. At that time there was hope that probably, by means of the utilization of that treaty, and especially following its ratification by the United States, the consciousness of the Russian leaders would be so affected that they would realize that there was firmness in the hearts and minds of the nations who became parties to that pact, in their hope and desire for peace and that they wanted peace—but not at the price of surrendering their liberties.

However, Mr. President, since the open attack upon South Korea—and that is what it is—it is very evident that the Russians have regarded the Atlantic Pact as a mere gesture. So we have the Korean situation on our hands.

Mr. President, some of us were in conference with the President this morning. After the conference, the President issued to the press a statement which is of great importance; and I ask that it may be incorporated at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

At a meeting with congressional leaders at the White House this morning, the President, together with the Secretary of Defense, the Secretary of State, and the Joint Chiefs of Staff, reviewed with them the latest developments of the situation in Korea. The congressional leaders were given a full review of the intensified military activities.

In keeping with the United Nations Security Council's request for support to the Republic of Korea in repelling the North Korean invaders and restoring peace in Korea, the President announced that he had authorized the United States Air Force to conduct missions on specific military targets in northern Korea wherever militarily necessary, and had ordered a naval blockade of the entire Korean coast. General MacArthur has been authorized to use certain supporting ground units.

Mr. WILEY. Among other things, Mr. President, the President has authorized the United States air forces to conduct missions on specific military targets in northern Korea, and has ordered a naval blockade of the entire Korean coast, and General MacArthur has been authorized to use supporting ground units.

So, Mr. President, on this little globe scenes are changing very quickly. Yesterday we were confined to the particular line which divides North Korea and South Korea; today our naval forces are to the north of that line, and perhaps our airplanes are bombing airfields in northern Korea.

Mr. President, it is obvious that we are sitting on a powder keg. The question is, Will it become ignited, with the result that we shall be exploded into world war III? We pray God that it will not.

However, Mr. President, there seems to be nothing, other than force, which the Russians understand. When I say "Russians," I do not mean the great mass of the people of Russia, but I mean the leaders of the Communist Party. The only thing they understand is the rule of force.

Therefore, I am supporting the military-assistance program, and I am supporting the President's statement. I am particularly happy that a great man, one of the greatest America has ever produced, Gen. Douglas MacArthur, is on the job in Korea. With his background, which is more than military, thank God, he understands the Asiatic mind. He has lived among the people of Asia; he knows how to deal with them. It is very fortunate for America and for the United Nations that Gen. Douglas MacArthur heads the armed forces for the United Nations.

Mr. President, it was a momentous step for the North Atlantic area and for the world when we ratified the North Atlantic Pact. In the light of its background, the North Atlantic Pact was no mere paper instrument, to be torn up and disregarded at will. The signatory powers were convinced that no less than their peace and security depended on that pact; and it was implicit in their minds, as well as in ours, that in order to be given effect it had to be implemented with arms.

When the United Nations took the action which was taken yesterday, it called for implementation with arms. I do not think there are many persons in this world who would welcome war. It seems to me that no one wants war. I do not think even the Russians want war. However, when we are handling powder, it is likely to explode. History demonstrates that wherever the powder kegs have been in Europe through the generations a lighted match may start a general conflict. We might as well recognize that we are in such a position now, Mr. President.

Therefore it is necessary that we implement the allied forces in Korea and that we implement the allied forces on the continent.

I repeat that the only thing the Russian leaders understand is physical force.

It is the judgment of many persons who are "in the know," if anyone is in that position, that if a sufficient demonstration of force is made, the Russians will understand it, and will not send their forces openly into the Korean conflict. If that is the case, then ere long the danger of a war conflict should be over.

The risk we are taking is a calculated risk, but one which we cannot refuse to take.

Mr. President, it is in connection with the implementation of arms that I wish to present briefly to the Senate my views on some important legal aspects of the military assistance program, which now is under consideration by the Senate. As is evident, I am addressing myself to the pending measure.

Let us first consider the obligations into which we entered under article 5 of the North Atlantic Treaty. Mr. President, when America enters into a treaty, America does not consider it a scrap of paper. I think one of the great things America has done for the people of the world in this particular instance is again to back up the moral force of humanity with a positive demonstration that a written undertaking means something, and that when we in America give a promise in a written agreement, we mean to keep it.

Article 5 of the North Atlantic Pact states that an armed attack on one of the signatory powers in the North Atlantic community shall be considered to be an attack against all the signatory powers. It further provides that in such a contingency each signatory party, in the exercise of the right of individual and collective self-defense recognized by article 51 of the United Nations Charter, shall forthwith and in concert with the other parties to the treaty take "such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area."

Words could not more clearly set forth the fact that armed force in the last instance must be depended upon to assure security in the North Atlantic area in the face of a Communist threat. We can say that armed force anywhere must meet the Communist threat now. As has been said so aptly on the floor of the Senate many times, the line is drawn, and we want the Communists to know that the line is drawn, and that we are not ready for another Munich. This is no Munich, Mr. President. This is sober business and Russia should know it, and when we today pass this implementation bill we are again telling the leaders of Russia that we mean that we have retreated far enough. In fact, in my humble opinion, we have in many instances retreated too far. We have at least averted war for 5 years. But now it is Armageddon. America stands firm and, thank God, the other nations—particularly the smaller nations—have now felt a thrill and a sense of renewed strength

and vigor in their very bones, knowing that we are standing firm and not simply uttering words. No; nor need we rely on words alone for our interpretation of the article and the obligation which I have just quoted. On April 8—4 days after the signing of the North Atlantic Treaty—the signatory powers requested military assistance of the United States for use with their own military contributions to carry out their responsibilities under the treaty. Thus, the words and actions of the parties to the North Atlantic Treaty leave no doubt about our obligation to maintain and carry through our share of the MDAP.

One more thought with regard to article 5 it seems to me is of importance. The new obligations which we assumed under that article were: First, in the event of an attack upon any party to the treaty to come to that party's assistance; second, to consult with the other parties whenever the territorial integrity, political independence, and security of any of the parties is in danger; third, to consider an armed attack against one of the parties to be an attack against all of the parties; and, fourth, to maintain and develop, separately and jointly and by means of continuous and effective self-help and mutual aid, the individual and collective capacity of the parties to resist armed attack. In the light of these obligations the United States has agreed to a military-assistance program which it must carry through. I repeat, an agreement with this Government is a valid obligation, and the nations of the earth must know it. We are telling it to them again, and we are telling it to Russia in particular. How else can states maintain and develop their capacity to resist attack? Need I say more in the face of the current aggression in Korea?

Let us next turn to article 3 of the treaty, for here lies the heart of both the treaty and the military-assistance program. It reads:

> In order more effectively to achieve the objectives of this Treaty, the parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

Even to the naive, armed attack can only be resisted with arms. And the words "maintain and develop" clearly indicate that a program of rehabilitation of the military power of the signatory states was in contemplation. For in that rehabilitation rests the increased ability of the parties to develop their individual and collective capacity to resist armed aggression. In this connection I recall the words of the eminent senior Senator from Texas, when he spoke of article 3, in urging the ratification of the North Atlantic Treaty:

> My own view is that we proceed forthwith to ratify the treaty and implement it by approving the military assistance program during the present session of the Congress. Time is highly important in this great enterprise, and we must let our partners know, as soon as we can, that not only words but deeds are a part of our policy.

I repeat the words embodied in the concluding sentence of the distinguished Senator from Texas—"not only words but deeds are a part of our policy." It is a matter of words followed by action—living promises which find fulfillment. That is what we are now engaged in, and that is what we are telling the world. Our action in itself is begetting renewed courage and renewed confidence, and, what is more, a great sense of the unification of the free nations of earth than probably anything else that has happened for a long time.

As you know, Mr. President, we can look at the dark side of things. But every cloud has its silver lining. I think that, until the United Nations took action a few days ago in its two swift moves, in the hearts of humanity there was beginning to be felt a sense of doubt, a sense of fear, that this organization was nothing but a paper one. Somehow or other, when the United Nations threw down the gauntlet and challenged the action of the North Koreans—which was provoked undoubtedly by Stalin—there came a great feeling of confidence which began to permeate the hearts and minds of the people of the earth they began to sense that once again the very spirit which renews strength and selfless devotion to principle was again being reborn in the hearts and minds of humanity.

So, Mr. President, when, pursuant to the action of the United Nations, America went into action, when we put MacArthur on the firing line, when we sent our Navy and our planes and when we have now ordered the Navy into action north of the thirty-eighth parallel and told MacArthur to send his planes to bomb the planes of the North Koreans on the field of North Korea—because that is where the nests are—again there was renewed strength, vitality, and unity among peoples who sense that, after all, liberty is worth fighting for, and that eternal vigilance is the price of liberty.

The words of the Senator from Texas did credit not only to the Committee on Foreign Relations, but they reflected how closely related, in the thinking of many Members of this body, were the treaty and the arms-assistance program. As Members will recall, the Mutual Defense Assistance Act of 1949 was passed in October and became law on the 28th of that month last year.

It is not necessary to go further to show how closely interwoven are the North Atlantic Treaty and the mutual defense-assistance program. Together they constitute a single integrated defense system which rests upon the solemn pledge of the parties to work together to build up a solid defense system for the maintenance of their own security and the preservation of their freedoms and liberties. Surely there is nobody in this body who for a moment has questioned that the major burden of providing the materials and equipment, as well as much of the training, would fall upon the United States. Every act of the Congress and the overwhelming preponderance of the sentiments and views expressed on this floor can leave no doubt on that score.

What does the bill before us, Senate bill 3809, do? In the first place, it carries on the program of military assistance for another year. It will be recalled that at the time we discussed the Military Assistance Act of 1949, we agreed that it was impossible to accomplish the objectives of the North Atlantic Treaty in a year, and that the program would go on for sometime to come, no one knew how long, and we were frank to say so.

Why was it, Mr. President, that no one knew how long it would be? Because of Stalin and his crew we could not get any agreement or understanding, as his acts in the past have clearly demonstrated. Agreements were but scraps of paper. Consequently, we are now engaged in paying a premium on an insurance policy, which is the best insurance we have for the maintenance of peace.

We also recognized that even the most propitious progress during the first year or so would not make it possible for our friends and allies to achieve a position of armed strength sufficient to withstand Soviet aggression if it came. Every word uttered on this floor, every deliberation of the Congress, every statement by the President and the executive branches of the Government, made it clear that there would be a second year, a third year, and perhaps even more years of assistance before the defensive strength of western Europe would be an effective counterweight to the Russian threat.

In this sense, then, Senate bill 3809 not only keeps faith with our partners and is consistent with our own security interests, but it is also consistent with our expectations of the needs this year.

As the committee report shows, Senate bill 3809 authorizes the appropriation of $1,222,500,000 for aid to the North Atlantic countries, Greece, Turkey, the Philippines, Korea, and the general area of China. It also broadens certain types of assistance, which we are to provide, making it possible for our European partners to produce more of the arms and the equipment they need. Thus, under the terms of this bill, it will be possible to supply our partners with production machinery which we have been unable to supply under the 1949 act. In another respect the bill broadens the act of 1949 by giving the President greater freedom in determining which countries are to be assisted and which countries are important to the security of the United States. I think the vicious, unexpected aggression in Korea demonstrated that the Chief Executive of the United States needs this discretion.

I do not wish to take up your time with a review of the changes this bill makes in the 1949 act. They are set forth in the committee report in considerable detail. In addition to the two I have already referred to, for the most part they are devoted to the transfer of Iran from title III to title II of the act of 1949, the authorizing of additional grants of excess equipment for aid, the authorizing of the extension of unobligated balances of 1950 funds, amending the President's authority to delegate certain functions, and broadening the President's powers to transfer funds from one title to another.

The price of freedom and peace is always high in the face of aggression, but they are worth any price. "Give me

liberty or give me death" is still a statement of the fundamental belief of the American people. The mutual Defense assistance program is a part of the price we pay for freedom. It is a small price indeed. Two world wars have taught us that aggression in the North Atlantic area, or in any part of the world, is a matter of immediate concern to the United States. Today in Korea we are experiencing that fact. When aggression rears its ugly head anywhere, this country is affected. We cannot escape that fact by appeasement or soft words. Only one guaranty is left to us and all the free peoples of the world. We are thrown back on the words of the builders of this Nation. The price of liberty is eternal vigilance. We must keep our powder dry and be ready to use it to defend ourselves against those who would enslave us.

In closing, let me point out that the mutual defense assistance program is but a link in the chain which supports our freedom and security in the world, and that it has a long and historic background.

When the United Nations Charter was being forged, article 51 was worked into its framework. That article recognized the inherent right of individual and collective self-defense if a state is subjected to an armed attack. Please note that the Charter recognized the right as inherent. When the North Atlantic Treaty was drawn up, it was made to rest squarely on the Charter and within the framework of the United Nations. The military assistance program was agreed to. It rested squarely upon the North Atlantic Treaty. Furthermore, the aid to Greece and Turkey were provided in such manner that there could at no time be any conflict between our obligations under the Charter and our aid to those countries. Aid to Korea grew out of our historic position in that country as a result of the Second World War and out of the position the United Nations took toward Korea.

It is perfectly clear to me that Senate bill 3809 is not only consistent with the security interests of the United States, but it provides for the discharge of obligations, which we have deliberately and openly entered into. It is the most recent step in the struggle of the United States for peace, security, and freedom for ourselves and for the world.

Mr. WILEY subsequently said: Mr. President, I ask unanimous consent that at the conclusion of the remarks which I made half an hour ago there be printed what I think is a very interesting and a very well balanced article by William C. Bullitt, entitled "Can We Still Save America?" He says, among other things:

Stalin won't stop; he must be stopped.

In that article he makes a very clear analysis of the effect of propaganda between the years 1942 and 1947, the effect it had on our Government officials, and particularly those who represented us in foreign countries. I think that portion of his remarks should be "must" reading by every Senator. In fact, the entire article is of that character, and I again suggest that Members of the Senate read it.

There being no objection, the article was ordered to be printed in the record, as follows:

CAN WE STILL SAVE AMERICA?

(By William C. Bullitt, former United States Ambassador to the Soviet Union)

In 1939 Stalin controlled about 170,000,000 people. Today he directs about eight hundred million. This is an extraordinary advance toward his ultimate goal—the control of the entire human race. It is clear now that, short of this goal, the Communists will never stop. They can only be stopped.

Stalin sits in the Kremlin with the members of the Politburo who compose his planning staff for the conquest of the world. He prepares his advances on a world scale as carefully as the commander in chief of an army prepares plans for his attacks. He decides when and where to strike, and what forces will be needed to seize his objective. He is a careful and crafty leader who never takes great chances. He always remembers that the physical strength of the Soviet Union is the most important factor in the spread of communism, and he does not risk destruction of that primary source of strength. His tactics are many and varied. They deserve the attention of everyone who is a citizen of a free country and intends to remain so. Chief among the weapons which the Communists have used to achieve their present power are these:

1. Easy war: In 1939, 17 days after Hitler had disrupted the Polish armies, Stalin attacked Poland and seized eastern Poland. Similarly, in the Far East, after we had pulverized the military resistance of Japan, Stalin declared war on Japan, only 4 days before her surrender, and seized Manchuria.

2. Occupation by the Red army and gradual imposition of absolute Soviet rule: This was the method employed from 1945 onward in Poland, Rumania, Hungary and, with slight variations, in Czechoslovakia. Its effectiveness is demonstrated by the simple fact that Stalin has now been able to install a marshal of the Soviet Union as commander in chief of the Polish Army.

3. Alternate menace and blandishment: In 1939, under threats of war and promises of peace, Stalin persuaded the Governments of Estonia, Latvia, and Lithuania to accept the presence of Soviet garrisons at certain strategic points. The Soviet soldiers behaved themselves well, and many Balts believed their prospects for survival were good. However, when Stalin considered that the moment had come to close his hand on those countries, he closed it. He murdered or deported to slave labor his political opponents. He finally reduced his victims to a terrorized mass of despairing individuals whom he then compelled to go to booths and vote for Soviet-chosen candidates under penalty of losing their bread cards, which were nothing more nor less than permits to live.

4. Use of local Communist movements in areas where Communists have been strong enough to organize armed resistance to existing governments: The foremost example of the success of this method is China. By turning over to the Chinese Communists all the arms captured from the Japanese Army in Manchuria; by sending a few generals who were masters of strategy and tactics to plan the attacks of the Chinese Communists, Stalin succeeded in bringing the whole of continental China under Communist control.

5. Communist control of nationalist independence movements in colonial countries: At the present moment, Stalin is advancing by this method in the Vietnam area of Indochina and at other points in southeast Asia. The war in Vietnam is one of the saddest that has ever been fought. Three-fourths of the troops of Ho Chi Minh, the Moscow-trained leader of the Annamites, who are fighting the French and the forces of the Emperor Bao Dai, are not Communists but simple patriots who believe that they can achieve complete independence only by throwing the French and Bao Dai into the sea. Yet, in truth, the only result of such a victory would be that the Annamites would exchange the yoke of France—which has now become relatively light—for the terrible yoke of Stalin. If Indochina falls, Burma, Siam, and British Malaya—with its vast production of rubber and tin—will also fall. Then it will be India's turn.

6. The pledged word of the Soviet Union—given and broken: Stalin lulls his prospective victims to sleep by entering into all sorts of pacts and agreements with them, and breaks the agreements as soon as it becomes convenient for him to do so. Stalin's violations of the most solemn international agreements have exceeded in number similar violations by Hitler.

7. Propaganda: From 1942 until 1947 our Department of State was duped into treating the Soviet Union as a peace-loving democracy. Quite aside from Soviet agents in our Government departments and atomic-energy organization, we had in Washington and throughout the world a number of bamboozled Government officials who were not Soviet agents but served the Soviet Government as effectively as if they had been. Thus, officials of our Department of State were persuaded by Soviet propaganda to believe that the Chinese Communists were "mere agrarian reformers who had no connection with Moscow."

The Yalta agreements, including the secret one by which we promised Stalin control of the great Manchurian ports of Dairen and Port Arthur and the Chinese Eastern Railroad, were signed during the period when our Government considered the Soviet Union a peace-loving democracy. These were among the greatest triumphs of Soviet double-dealing. Had we acted in accord with the national interests of the United States and of our faithful ally, China, we would have done everything in our power to prevent the Soviet Union from entering the war against Japan. But our leaders had been beguiled into believing that the Soviet Union would work with us cordially to produce a world of liberty and peace, and in addition had been fooled into believing that we would need Soviet help to defeat Japan. So we secretly sponsored Soviet domination of Manchuria and enabled Stalin to arm the Chinese Communists.

8. Infiltration of respected organizations: One of Stalin's most effective weapons is the penetration of educational institutions, scientific societies, governmental bureaus, and trade unions by Soviet agents. In France, the government is far weaker than any French Government before the Second World War, and its entire governmental apparatus is riddled with Communists. Stalin used this weapon so effectively in both France and Italy that leadership of their great trade-unions was seized by the Communists and for a time it seemed that both countries might be paralyzed by Communist-led strikes. At the present moment, the non-Communist members of the trade-unions in France and Italy have set up their own organizations; but the Communist-led unions are still able to organize strikes of huge dimensions for purely political purposes. Fortunately for our own country, our unions have either purged their ranks of Communists or are in the process of purging them.

9. The final weapon employed by Stalin to disintegrate opposition to Communist advance is fear. The whole of western Europe is without defense, and everyone in western Europe knows it. Its cities cannot be pro-

tected against Soviet atomic bombs except by our Air Force, which today is not strong enough for the task. To oppose the 125 Soviet divisions, the French have in Europe six, the British one, the Belgians one. Now that Stalin has atomic bombs and plenty of bombers to deliver them to any spot in Europe, Asia, or North America; now that he has China as an ally and is increasing his military power much faster than we are increasing ours, his propaganda has taken a new line—the line of warning his opponents in Europe and in Asia that power is on his side and that time is on his side, and that unless they desire to meet the fate which he accords to defeated opponents they had better leave the camp of the United States and join the Soviet side.

By the relentless use of these and other related techniques, the Soviet dictator moves toward his goal of conquest of the world for communism. The world balance of power is swinging rapidly in favor of the Soviet Union. Asia is slipping into Stalin's hands. The Near East is threatened. Europe is defenseless.

The areas in which Stalin is now pressing his advance strongly are the following:

Iran, whose huge oil production plays such a large part in British economic life, is again threatened by Soviet-directed revolutionaries of the Tudah party. They have a fertile field in which to work. The poverty among the peasants of Iran is so grinding that they are close to revolt. Unless the United States moves rapidly to alleviate their suffering, Stalin may soon add Iran to his long list of satellites.

In Italy more than 20 percent of the workmen are unemployed; and the Communists, who gathered one-third of the votes at the last elections, are gaining in strength.

Western Germany, also under the pressure of unemployment, is beginning to listen to the Soviet propaganda which says: Side with the United States and you will have unemployment, underfeeding, shortage of raw materials, a divided country and, finally, Soviet atomic bombs on your cities. Side with the Soviet Union and you will have all the wheat and raw materials you want, no unemployment, and a united Germany.

Meanwhile, what is the real state of our own defenses against Soviet expansionism? Our military strength is falling behind the growing military strength of Stalin. The Soviet atomic-bomb threat to our homes is increasing each day. We have no radar warning net to detect the approach of enemy planes. We have only a fraction of the number of pursuit planes needed to make effective use of a warning net. The authoritative Finletter Commission in 1948 recommended as a minimum for national security 70 air groups. We have 44. Stalin has 350 long-range bombers capable of reaching any spot in the United States. His total air force outnumbers ours by three to one. His annual production of war planes is about three to our one. He has 125 army divisions to our 10—among them 30 armored divisions to our three. In addition, he has approximately 270 submarines—about 30 of the latest type against which we have not yet produced effective counterweapons.

Furthermore, thanks to his agent Fuchs, who transmitted to him all our secrets for production of both A-bombs and hydrogen bombs, Stalin may be ahead of us in production of H-bombs. The Communists are advancing, we are retreating. They are on the offensive, we are on the defensive. And no war, hot or cold, was ever won by forces which remained on the defensive.

Time is running against us and it will continue to run against us until we realize that Stalin will never stop, but can only be stopped. We must conceive and implement now an over-all plan for the defense not only of our own country but of all those countries which still remain outside Stalin's domain. Such a plan will call for sacrifices, and we must be prepared to make them. Today we should be living hard, as our forefathers lived hard in the days of Valley Forge. We are living soft. Our President has staked his political future on a program of handouts for crop support, housing, education, and other projects which appeal to groups of voters. To get more tax money for the handout program which produces votes, he has cut down the defense program which might produce survival.

An entirely patriotic American, he has not yet found within himself the intelligence and the spirit to take the offensive effectively against Soviet expansionism. Unless he will take the offensive, unless we—the American people—will let him know that we do not want to hear from him what we can get from our country, but do want to hear from him what we can give to our country, we shall suffer the fate that France suffered in 1940.

We restored the independence of France. There is no nation standing behind us to restore our independence.

Is it too much to hope that we will find in ourselves the courage and the will to save our Christian civilization? It is not too much. It is late—very late. It is not too late. We can begin today to take the offensive. We can increase vastly our expenditures for national defense and cut our expenditures for hand-outs. We can help the Annamites and the French throw the Communists completely out of Indochina—as we helped the Greeks throw them out of Greece. We can help achieve the federation of western Europe and make that federation a strong ally. We can give effective economic aid to Iran. We can help the Albanian exiles to rescue Albania from the Communists and thus give new spirit to all the enslaved peoples behind the iron curtain. We can give far greater aid than we have been giving to the resistance forces in all the Soviet satellite countries.

Those Americans who are still befuddled by Soviet psychological warfare will argue that such a course of action would produce an unbridgeable chasm between the free world and the Communist world. That chasm already exists. It was dug by the Communists. There is no bridge and there will be no bridge.

We face today not a struggle for security but a struggle for survival. We can stop Stalin only by keeping him constantly confronted by superior force, and by daring to use that force whenever and wherever he commits direct or indirect aggression. Today we are the last strong power on the side of liberty and Christian civilization. We have to find within ourselves the same courage and will that our forefathers found at Lexington and Concord. We have to be ready once more to give all that we have and all that we are to save the greatest adventure in human freedom that this earth has known—our America.

Mr. WILEY. Mr. President, how much time have I left?

The PRESIDING OFFICER (Mr. ANDERSON in the chair). The Senator from Wisconsin has 23 minutes left.

Mr. WILEY. I yield 20 minutes to the Senator from Nebraska [Mr. WHERRY].

Mr. TAFT. Mr. President, I wonder if the Senator from Nebraska would yield me 1 minute?

Mr. WHERRY. I shall be glad to yield 1 minute to the Senator from Ohio.

Mr. TAFT. Mr. President, I shall vote in favor of Senate bill 3809, providing additional authorization for military assistance to various nations. I still disapprove the general policy of arming all the nations which are parties to the Atlantic Pact and the expenditure of billions of dollars for that purpose. However, the policy has been established by Congress, and under present conditions I do not believe it can be brought to an end at this time without more danger than its continuance will create. Furthermore, the bill contains authorizations for Greece, Turkey, Iran, and Korea, which I consider necessary at this time.

Mr. WHERRY. Mr. President, a sigh of relief has swept across the country that, at last, at long last, the President has accepted the suggestion of some of us that he draw a line, that he stop his vacillation in the Pacific.

The President's action is belated, and therefore it will be more difficult to protect countries threatened by the tide of communism.

The administration let China slip into the hands of Moscow-directed Communists, with one excuse or another. How many hundreds of thousands of lives were lost, as a result of this appeasement of Soviet Russia is anyone's guess.

These terrible, ghastly failures by the administration cannot now be swallowed up with a show of flag-waving and cries of emergency, hurry up, and do not question this or that.

It was high time that the President acted, because the breath of the Communist dragon has begun to breathe upon the Philippines, and the entire Pacific was and still is in jeopardy.

President Truman has acted to draw a line. At last, at long last, he says to the Communist hordes, "thus far and no further." But there is a long row to hoe, and much more to be done, very much more. This action by the President is only a beginning.

The American people long ago had lost confidence in Secretary Acheson. His resignation is now definitely in order. His appeasement policies now stand repudiated by the President.

The President having indicated his purpose to take a stand against the Red tide, certainly it would be inconsistent to put the implementation of that new policy in the hands of a man who has swallowed the Owen Lattimore propaganda, hook, line, and sinker.

At the same time, if the "new look" in our Far East policy is to take tangible form, all the remnants of what former Assistant Secretary of State Adolf Berle described as the Acheson-Hiss clique must be removed from the State Department.

Since sons of America are, at this very moment, engaged in combat in Korea, the wisdom of the Senate in directing the Committee on Foreign Relations to comb the Department of State, and other Government agencies, of subversives is indelibly portrayed.

The course that the President now has elected to take is the only honorable course that could be taken.

The courageous thing—and I say this with emphasis—that the President has done is to repudiate the Acheson appeasement policy in the Far East, and place in the hands of General MacArthur and the National Defense Department the responsibility for protecting the security of the United States.

Because of the repudiation of the Acheson policy in the Pacific—and because

it should be repudiated in Europe—the time has come for Mr. Acheson, in all decency and fairness to the American people, to step out.

But the President has yet to repudiate Mr. Acheson's misguided policies in western Europe, policies based upon revenge, prejudice, and political partisanship.

In the face of the tremendous developments in the last few days, the utter futility and lack of wisdom shown in Secretary Acheson's attitude toward recognition of the Chinese Communist delegation by the United Nations, is made so clear that it should be obvious to everyone.

Think of it. The Secretary of State, who is supposed to be taking the leadership in winning the cold war, which may conceivably lead to a hot war, has taken a neutral position on seating the Chinese Communists and welcoming these usurpers of control over China into the family of nations.

The President and the State Department should take the leadership in resisting the seating of these delegates by the United Nations, and the United States should never recognize officially the Communist regime in China.

To do either would greatly enhance the prestige of Soviet Russia, and be utterly inconsistent with all of our efforts to resist possible attack with material means.

Recognition of the Moscow-directed Communist government of China would give to the Communists incalculable prestige, and all of our preaching of democracy, fairness, and representative republican way of doing things would be tremendously impaired.

The next step is for the President to call the Congress into a joint session, give the facts and a complete review of what has taken place, and give Congress his recommendations.

The junior Senator from Nebraska voted for the United Nations Charter when it was before the Senate for ratification. The junior Senator from Nebraska was assured on the Senate floor that the constitutional power of Congress to declare war was in no way modified by the Charter. Others have contended on the floor of the Senate that regardless of the provisions of the United Nations Charter the President had full authority to act in the emergency in Korea, and order our troops into action.

This point was argued by the majority leader, who gave precedents for the President's action. But I want to point out that in these precedents all the actions taken were for the protection of American lives and property. This was a very different situation than was brought about by the President's ordering air power and warships to southern Korea.

It seems to the junior Senator from Nebraska in all fairness the President should not have acted under the resolution passed by the United Nations without congressional authorization. Perhaps there was an immediate emergency. Perhaps time did not permit. I am not questioning the President's sincerity at all. However, Congress was in session, and this was a possibility. I refer to it only as a way in which I think it should have been done if it could possibly have been done that way.

But the practical side of this is whether the President acted within the constitutional processes, or whether he acted under the resolution adopted by the United Nations.

One thing he did not do, and that was to call the Congress of the United States, which is now in session, into a joint session, and there reveal to us the facts that he knew and make his recommendations at that time, so that the Congress, the legislative branch, could determine and assume the responsibilities, which the Congress should assume and thereby bring about the unity which must be had all along the line among not only Members of Congress but the American people. No doubt full authority and funds would have been voted by the Congress to prepare for the protection of American interests. At least I would have been one who would have given the President that assurance.

While it is too late now, and nothing would be accomplished by trying to amend what has been done, the junior Senator from Nebraska, calls attention to this as a notice for future conduct, in the event that this present situation develops into something much more serious than it is now.

While the President has made his decision without advising with and without obtaining the consent of Congress, it seems to the junior Senator from Nebraska that even now it behooves the President to call the Congress into joint session and give us and the country his views on the situation as it now exists, and his further recommendations. The Congress then should act on those recommendations within the constitutional processes. Certainly there is no partisanship in this situation, and I am absolutely sincere in stating that I do not want such an interpretation to be made. There was no partisanship in the appeals made again and again over the past years on the Republican side of the aisle for an end to the administration's vacillation in the Pacific, and the adoption of a forthright policy, drawing a line against the Communist aggressors.

The junior Senator from Nebraska is in favor of giving the President all the power and all the money he needs to combat Communist aggression against independent freedom-loving nations vital to the security of the United States. I am opposed to abdication by the Congress of its responsibilities and duties.

When we vote to give the President power to draft young men for the armed services and power to call the National Guard to regular duty, taking these men from their homes, their loved ones, and their jobs, we are granting very, very great powers. Certainly we should have more facts before us on the President's intentions than have been presented to us, because our whole foreign policy is involved.

Of the total appropriation allocated to Korea—$10,300,000 last year—none of it was actually spent.

That has been the Acheson-Lattimore policy in Korea up to this time. Their policy was to write off Korea, just as their policy has been to write off all of China.

Under the guise that the military assistance program is for the rescue of Southern Korea, we are told this bill must pass immediately. If that were its whole purpose the junior Senator from Nebraska would be as quick as anyone to rush it through. Out of the $1,122,000,000 in this bill, only $16,000,000 are for Southern Korea.

As I said before, Secretary Acheson should resign and the President should appoint as the Secretary of State one who is wholeheartedly for the new policy in Asia that he has just announced.

In Mr. Acheson, he will have very weak hands to help put the new policy into effect.

The junior Senator from Nebraska voted against the military assistance appropriation for nations in the North Atlantic Pact last year because the junior Senator from Nebraska believes that spending billions of dollars for ground forces alone is a waste of money.

Only $68,000,000 were included in appropriations for 1950 for air power, and an army without air power is like a soldier without eyes.

I also voted against it for the reason that the appropriation last year did not carry one dime to establish a military defense in Germany or in Spain. Some of the highest military authorities advise that the defense of western Europe hinges upon the defenses we have in Germany, and especially in Spain.

In Germany, there is a 700-mile corridor completely exposed. It is thinly held by our own American forces. It is an open invitation to Russia to walk right through the gate.

This bill is like putting a roof over your house to protect you against the rain, and the storms, and leaving a great big hole in the middle of it.

Why has not Spain been included in a military assistance program by the United States, either in this program or some other?

Oh, I know that in the bill 10 percent is allocated to be used by the President, if he deems an emergency exists, upon consultation with member nations, to spend it where he pleases. I think that provision should be in law, and it should be made mandatory. It should be part of the policy of this administration that Spain receive military assistance. In all candor and in all sincerity, Mr. President, I say that we are dealing not alone with western Europe under the North Atlantic Pact, but we are dealing with the security of the United States both in the Pacific and in the Atlantic. In the final analysis all our military appropriations must be guided by that fact.

Again I ask the question, Why has not Spain been given assistance?

Every Member of this body knows, and the people generally know, that the reason why Spain has not been included, is because of an appeasement policy toward the Communists, and the left-wingers, and the pinkoes at home and abroad.

And why has not Germany been included in the defense program of Eu-

rope which is so vital to our own security ultimately?

Every Member of this body knows—and let us speak very frankly on these matters now—that the policy of Mr. Acheson has been to cripple Germany, to dismantle her plants, to destroy her ability to earn her living and get on her feet.

Let me remind those who say that we should not go into the past that we are now dealing with the future.

High-ranking military men of this country advise that Germany be placed in a position to defend herself. This can be done, and must be done under supervision and direction by our allied command to see that the assistance is properly used.

If these constructive suggestions were adopted the junior Senator from Nebraska believes that action would strengthen our entire military position.

The junior Senator from Nebraska believes that the billion dollars in the pending bill to implement the Atlantic Pact could be spent more wisely by strengthening our Air Force at home, in Alaska, at Okinawa, in the Philippines, in Japan, in north Africa, in the Middle East, in Spain, in Great Britain, and in other strategic places.

Mr. President, the resources of the United States, great as they are, are simply not sufficient to arm and support half the world. The United States cannot build and maintain ground forces, navies, and air cover for every freedom-loving country on earth. We must not spread our defense dollars so thinly around the world that our defenses will not be adequate anywhere. We should tailor our defenses to fit our resources.

If we attempt to finance the building of land armies equal to the hundreds of divisions maintained by Soviet Russia, we shall go bankrupt in the effort. That is why the junior Senator from Nebraska puts so much faith in long-range bombing, planes strategically situated around the world, poised and ready to drop atomic bombs and other bombs upon the munitions plants and communications of Soviet Russia, if the despots of that country are so reckless as to start a war.

It is the opinion of the junior Senator from Nebraska that it is our Air Force, and the air forces of our allies, chiefly Great Britain, that are today the chief guardians of peace. But they need strengthening.

The President should forthwith release the $615,000,000 which Congress has appropriated to provide a 70-group air force. I have been for an adequate Air Force all the time, and now is the time to show strength in that direction.

Admittedly, it will take years to build western Europe defenses adequate for even a holding operation against the potential enemy. But in view of the action of the President in repudiating Mr. Acheson's misguided policies in the Far East, which should be soon followed by appointment of a Secretary whose chief interest is security of western Europe by including Spain and Germany in the defense network, the junior Senator from Nebraska feels justified in hoping that the pressure of events will see the imperfections of the military-assistance plan corrected.

The junior Senator from Nebraska opposed the military-assistance program for Europe last year on the ground that if war came it would involve World War I methods of mass ground combat against the vast Red army. This would be to Russia's advantage, and result in a terrific loss of American lives.

I am convinced there is a more effective and less costly way to fight Russia. The creation of an Air Force which would give us mastery of the air over Russia is better peace insurance and better insurance for victory than the administration's present military-aid program to Europe. If they were free to speak, the junior Senator from Nebraska believes our military leaders would agree with this stand.

The junior Senator from Nebraska is convinced that our own air defenses are sadly inadequate today, when war with Russia might happen at a moment's notice. We are not spending enough on our own air defenses. The President, himself, in order to make money available for the military-assistance program for Europe, has cut our air strength from 70 to 48 groups. I am opposed to letting the military-assistance program in Europe imperil our own security.

War in Korea, however, has altered the situation. The President must have our unanimous support. Refusal to give it to him would be interpreted in the eyes of our enemy as reflecting lack of unity in this country. And there must be no disunity in the face of a threat so imminent as that of today.

The junior Senator from Nebraska is going to vote for the pending military-assistance bill because it includes aid to Korea, the Philippines, and others in the Orient.

The junior Senator from Nebraska is voting for this measure in the hope that the war in Korea will awaken the administration to the total impotency of our present strategy against Russia; that it will lead to a new dynamic strategy, based primarily on American air supremacy as the best war deterrent, and the only way we can win if war comes.

The VICE PRESIDENT. The time of the Senator from Nebraska has expired.

Mr. WHERRY. May I have 30 seconds more? Mr. President, I ask that the remainder of my remarks be included in the RECORD at this point.

The VICE PRESIDENT. Is there objection?

There being no objection, the remainder of Mr. WHERRY's remarks were ordered to be printed in the RECORD, as follows:

The junior Senator from Nebraska votes for this measure in the hope that it will give a new Secretary of State the compelling prestige which can stem only from superior military might. With this prestige, we all hope that the new Secretary may lead this country to an honorable and durable peace.

The junior Senator from Nebraska casts his vote with the hope that the administration will clean every vestige of un-American thought from the Government branches; and with the hope that it will call immediately for the resignation of Secretary Acheson, whose foreign policies have completely failed, and who opposed consistently the action the President has now taken in Korea and Formosa.

Mr. President, it is with these hopes, and holding these views, that the junior Senator from Nebraska will vote for the pending bill, at the same time continuing his efforts to assure a dollar of defense for every dollar of the taxpayers' money that is spent for that purpose.

Mr. WHERRY. Mr. President, the junior Senator from Ohio [Mr. BRICKER], who is necessarily absent, desires to associate himself with the remarks which I have made, and on the basis thereof he asks me to state that on the final passage of the bill, if he were present he would vote "yea."

Mr. CONNALLY. Mr. President, I yield the Senator 30 minutes out of my own personal time.

Mr. WHERRY. I thank the distinguished Senator. I asked for only 30 seconds, not 30 minutes.

Mr. KNOWLAND. Mr. President, will the Senator from Texas yield 5 minutes to me?

Mr. CONNALLY. I yield 5 minutes to the Senator from California.

The VICE PRESIDENT. The Senator from California is recognized for 5 minutes.

Mr. KNOWLAND. Mr. President, I shall support the arms implementation bill, Senate bill 3809, because I believe it is necessary to the defense of this country, and to the ultimate peace of the world. The menace of aggressive communism is global in character. It is no less destructive of human liberty in Korea or China than in the eastern European satellite nations.

It seems to me that at this critical hour in our Nation's history we need, more than at almost any other time, a united American public opinion and a united Congress upholding the hands of the President of the United States. By that I do not mean that at the proper time and place there will not be room for constructive analysis of some of the measures which have been taken or have not been taken, but, as one Member of the Senate on this side of the aisle, and as a member of the Committee on Armed Services, it seems to me that during the next 10-day period 13 men in the Kremlin are going to be making a decision fateful for themselves and for the world. I cannot help believing that in part their decision may be based on whether or not they believe the President of the United States has overwhelming support in the Congress and in the country for the necessary action he has taken.

Mr. President, certainly there are few who disagree that at some time a line had to be drawn in Asia, as one has been drawn in Europe. Certainly there are few who will disagree that had Korea been permitted to go down the drain, as Ethiopia was in an earlier year, as Manchuria was when the Japanese war lords invaded her, as Austria and Czechoslovakia were allowed to go, that would not have been the road of peace. As has been pointed out on the floor of the Senate many times before, the world should have learned then, as it should now, that appeasement is but surrender on the installment plan.

Mr. President, I am not one of those who dispute the powers of the President of the United States to take the necessary police action. I believe that he has been authorized to do it under the terms of our obligations to the United Nations Charter. I believe he has the authority to do it under his constitutional power as Commander in Chief of the Armed Forces of the United States.

Certainly the action which has been taken to date is not one which would have required, or one in which I believe it was desirable to have, a declaration of war, as such, by the Congress of the United States. What is being done is more in the nature of police action.

It is a well-known fact that when there are widespread disorders it is of great importance to bring them under control immediately, and to use sufficient force to bring them under control at the earliest possible moment. It is a fact well known by fire departments in this land that if a fire department can get to a fire in the first 5 or 10 minutes of a blaze it has a much better chance of saving the neighborhood than it has if it gets there half an hour late.

I wish to say that I was a little concerned by one statement of my distinguished friend, the junior Senator from Nebraska. I perhaps may have misunderstood him—I wrote it down—when he said, "Perhaps there was an immediate emergency." I do not think that there is any "perhaps" to the situation. The invasion of South Korea was a well-organized move. The invaders moved in a surprise Pearl Harbor type of attack. They were making rapid progress with armored forces down through the broad valley that leads to the city of Seoul, the capital of the Republic of Korea.

We must always keep in mind that in this age of the atom and the airplane minutes and hours count in a situation of this kind. I believe, Mr. President, that had not the President of the United States acted forthwith as he did after bringing the matter quite properly to the attention of the United Nations, which adopted its first resolution, the entire resistance in South Korea might have collapsed, and then, if we were to save the United Nations, we would still ultimately have had to take the action which the President of the United States took, but it might have meant an amphibious landing on a hostile shore. Any American who had any experience or who observed the difficulties of an amphibious operation either in the Pacific or on the Normandy shores, should know that that would have been very costly in American lives and in the lives of the men of other member states of the United Nations. So I think the President of the United States quite properly moved in to preserve so much of South Korea, to whom we had great obligations, that when the announcement was made today that additional American forces would go there, they would be able to land on friendly shores and not on hostile shores.

The VICE PRESIDENT. The time of the Senator from California has expired.

Mr. KNOWLAND. Mr. President, will the Senator from Texas allow me one more minute?

Mr. CONNALLY. I yield the Senator a half a minute.

The VICE PRESIDENT. The Senator from California is recognized for 30 more seconds.

Mr. KNOWLAND. Mr. President, the only additional statement I wish to add is that it is not quite correct to say that there is only $16,000,000 for Korea. As a matter of fact, Korea will be eligible for assistance from the $75,000,000 for the general area of China, and from the $250,000,000 of excess equipment. I am frank to say that I believe we have perhaps underemphasized the importance of the Far East, but certainly now is the time to pass this essential legislation.

Mr. FLANDERS. Mr. President——

Mr. CONNALLY. Mr. President, I yield 5 minutes to the Senator from Mississippi [Mr. STENNIS], and then I shall be glad to yield to the Senator from Vermont.

The VICE PRESIDENT. The Senator from Mississippi is recognized for 5 minutes.

Mr. STENNIS. Mr. President, I hope that the pending bill, on a yea-and-nay vote, will receive the unanimous approval of the United States Senate. It seems to me that this is the time for unity and for solidarity in support of the action the Government of the United States has taken with reference to the Korean situation. I understand that the ticker tape in the last few minutes has announced that ground troops are being sent or will be sent into Korea. That decision has been made.

Mr. President, it seems to me that the action taken by our Government and other governments of the world which are allied together against aggression, is the single most encouraging development in world affairs since World War I, contrasted with the lack of decision and lack of action that preceded World War II. In my opinion, a new decisiveness has been manifested which we ought to support. We have a new ability to act, a new ability to be heard, and a new ability to be felt. I am proud of the fact that we as a nation are taking the lead in this new development.

As I see the situation, 13 men in the Kremlin are going to make a decision within the next few days as to whether the Korean affair shall result in war or whether it shall be considered as a mere incident. As one who has the honor in part to represent the people of Mississippi, I want to say for them that they send a message to the 13 men in the Kremlin. I claim that Mississippi is a State which has fewer Communists and fewer communistic influences in it than any other State, although none of them are overrun by such influences. The people of Mississippi send to the men in the Kremlin the message that they are not going to stand by and see Russian aggression stamp out freedom in all the other countries of the world and create conditions in which freedom cannot continue to live in the United States. Speaking for the people of Mississippi I call for unity of action and solidarity of support for the cause upon which we have been obliged to launch.

I am very proud, Mr. President, that we are operating at this time through the United Nations. I believe we are creating precedents which will constitute new rules of international law; that we are providing a new method of meeting world emergencies and a new method of preventing war. In the situation which we now confront the precedents have been created and the incidents have occurred which are going to establish those new rules. The members of the United Nations should respond with men and with material.

Mr. CONNALLY. Mr. President, I now yield 10 minutes to the Senator from Vermont.

The VICE PRESIDENT. The Senator from Vermont is recognized for 10 minutes.

ENDING THE COLD WAR—III

Mr. FLANDERS. Mr. President, in the CONGRESSIONAL RECORD of June 28, page 9329, will be found a colloquy between myself and the distinguished Democratic floor leader, Mr. LUCAS, which reads as follows:

Mr. FLANDERS. About 2 hours ago on this floor I expressed the conviction that the President was within his rights in intervening in Korea, but that he would not be within his rights in pursuing the Korean forces or attacking Korean positions in any way north of the thirty-eighth parallel, which for some reason or other divides Korea.

Mr. LUCAS. I agree with the Senator from Vermont. I wholeheartedly agree with him on that point. I undertake to say that in no circumstances can the United States of America be charged with being the aggressor so long as we stay within the boundaries the Senator from Vermont has just outlined.

Mr. FLANDERS. I am glad to have the Senator from Illinois say that. I agree with him completely.

I wish at this time to say that I am now doubtful as to the wisdom of the question which I asked or of the reply to it which was given by the distinguished Senator from Illinois. I do not want the RECORD to leave him committed to the answer which he gave.

Further thought has convinced me that we have the right and probably the necessity for action north of the thirty-eighth parallel which can be sharply distinguished from operations in the nature of a counterinvasion to which we must not commit ourselves.

The first situation which may arise is that of following the enemy in hot pursuit, so-called. I sincerely hope that there will be hot pursuit, and should it chance that some of it takes place north of the thirty-eighth parallel, it will be entirely excusable to continue it so long as the purpose or the result is not that of invasion.

The second and most important and immediate contingency requiring action north of the thirty-eighth parallel is that of air attack on concentrations of troops and armament and stores of arms. That also would be a necessary type of action for achieving victory and is clear of the objectionable procedure of invasion.

There is still a third possibility which should be considered, and that is the destruction of war production potential north of the boundary. Since this is an operation undertaken in behalf and under the authority of the United Nations, it would seem to me that this

additional step could properly be taken up with the Security Council in the form of a statement of purpose so that our action may be questioned and approval withheld should the Council so decide. We would very greatly hope that such a decision would not be handed down.

It is, to my mind, Mr. President, very important that we consider this whole action as one taken in behalf of the United Nations which itself lacks the police force to carry out its mandates. I do not at all agree with the suggestions that have been made by editors and commentators, as well as by leading Members on this floor, that the President has under any ordinary circumstances the authority to initiate military action as Commander in Chief and Executive of our foreign policy. It is true that that power has been tacitly recognized for generations and that it has been exercised more than once. But the times we live in are far more delicate and dangerous than those in which this right or privilege has been exercised in the past. Two or three generations ago we could land marines on a Central American beach without setting the world afire. The world we live in is not of that sort. It is inflammable; it is explosive; and our Chief Executive cannot safely take upon himself the responsibility for applying a match to it anywhere.

If the action of our President in this matter was on his own judgment, it gets its justification from the preservation of the usefulness and very existence of the United Nations. A quick review of the history of the last quarter century will convince anyone of that fact.

When the North Korean Army invaded South Korea on Saturday evening, our time, a new date in history was established. It was a new date for an old act, for history is found repeating herself again so far as the aggressive act is concerned.

On September 18, 1931, Japan took over Manchuria. Feeble protests were raised by the League of Nations, an investigating body was appointed, and an ineffective report was made. The report was ineffective largely because Japan was at that time an ally of Great Britain, and Sir John Simon of the investigating committee was unwilling to come out against the invasion.

Made bold by the success of Japan, the second totalitarian power, Mussolini's Italy, invaded and defeated Ethiopia. Again the League of Nations half-heartedly imposed economic sanctions, so-called, to restrain Italy in her career of conquest. But these were so devised as to bear more heavily on the Italian people than on the Government's conduct of the war.

A third totalitarian power, Hitler's Germany, having marched into the Rhineland unopposed, and into Austria unopposed—for by this time the League of Nations was dead as a door mat—marched into Czechoslovakia on October 1, 1938. This likewise was unopposed, since the policy of appeasement by Chamberlain, England's Prime Minister, removed all bars, barriers, and objections to this outrageous invasion. A year later Germany marched into Poland. But by this time it had become clear—and that, too late—that appeasement led only to military defeat and the destruction of human freedom.

Now history has repeated itself so far as the act is concerned. North Korea—armed, trained, and completely controlled by Soviet Russia—has crossed the thirty-eighth parallel which divides Russian territory from a free Korea. The capital of free Korea, Seoul, has been captured, the Government has fled to the south, our planes are engaged in attacking enemy air and ground forces, and a war is on, in which we are an active participant.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield briefly.

Mr. MILLIKIN. I do not wish to be captious. However, I would suggest that it is a police operation. If it is a war, prior congressional consent must be obtained.

Mr. FLANDERS. I accept the suggestion; this is a police operation, not a war.

Mr. President, what concerns us is the nature of our responsibilities in Korea and to the United Nations and the responsibilities of the United Nations itself in this serious crisis. We can talk about those questions without reference to the day-by-day changes in the military action going on in far-away eastern Asia.

Let us begin with the responsibilities of the United Nations. I have just given a rapid review of the decline and fall of the League of Nations, brought about by its unwillingness or inability to face the crises of the Japanese invasion of Manchuria and the Italian invasion of Ethiopia. If the United Nations is to survive, it must be prompt, forceful, and definite in meeting a situation of that sort. The invasion of Korea by the Red army is such a situation. Most fortunately it has been met by the United Nations promptly, forcefully, and definitely. Its Council was called together on Sunday morning. It made a demand that the invading armies should cease firing and retire to their own territory. That demand made by the Council, was authorized because Russia has been absenting herself from the Council over the Chinese question, and thus was unable to cast a vote in her own favor. This was a fortunate circumstance.

The next action of the United Nations was taken on Tuesday, when—in response to resolutions introduced by our Ambassador, Warren R. Austin—the Council went a step further, and requested the members of the United Nations to assist the Government of South Korea in every way possible in repelling the Red invasion.

It is at this point that history ceases to repeat itself. We have the invasion of the totalitarian power, according to the old pattern; but the United Nations is not following the pusillanimous policy of the League of Nations. It has acted. It could not fail to act if it were to preserve any useful possibility for protecting and maintaining the peace of the world in the future. Not to have acted would have been to commit suicide, as did the League of Nations.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. LUCAS. I should have asked the Senator to yield when he mentioned my name in the earlier part of his remarks. I think that in theory the Senator and I are absolutely correct, so far as concerns having the American forces or any other forces drive the North Koreans back to the line of the thirty-eighth parallel. However, in practical operation, and in view of what we have seen happen in recent days, such a plan simply will not work. Certainly the South Koreans or anyone who comes to their aid should have the right to go above the thirty-eighth parallel for the purpose of bombing or destroying ammunition dumps, airplane fields, and other strategic spots which the North Koreans are using for the purpose of supplying to their troops in the South Korean section.

Mr. MILLIKIN. Mr. President, will the Senator yield before he takes his seat?

Mr. FLANDERS. I yield, although I have only a very limited time.

Mr. MILLIKIN. I wish to express my satisfaction with the remarks the Senator from Vermont has been making today, and also with the remarks just made by the distinguished majority leader. I think we would be unduly clipping our wings if we were to establish any particular geographical parallel or line as the boundary of our action. The Constitution of the United States does not limit the President's powers—whatever they may be; and, of course, there is some debate as to just what they are—to any particular place in the world. His powers to protect American citizens and American property and American military installations are the same, any place in the world. Certainly we should not limit ourselves to any parallel or line, and I thought the Senator was a little frugal in his remarks the other day as to the proper limits of our action.

I am glad that now he has expanded our permissible field of action.

Mr. FLANDERS. Mr. President, I say to the Senator from Colorado that a spirit of liberality has infused me since my remarks 2 days ago on the floor of the Senate.

The President's statement on Tuesday was the first completely statesmanlike document which has come out of this administration since I have been in Washington. For the first time, our endeavors to maintain freedom against Russian tyranny were put in the form of direct support of the United Nations, and were devised within the course of procedure which the Charter prescribes. We are back again as a member of the United Nations, instead of acting on our own responsibility, with only vague and fragile ties between ourselves and that organization.

A second point of importance is that the President took occasion at long last to make clear our relations with Formosa, which is all of China that remains to the Chinese Nationalist Government, so far as effective control is concerned. He states that we would prevent any attack

by the Red army and navy upon Formosa, but in the same breath he stated that we would also prevent any attack from Formosa upon the mainland. Formosa and the Nationalist Government will be maintained in status quo until that position has become determined, whether by peace treaties or by United Nations action. For the first time the air is clear.

He also stated that increased help was to be given to Indochina to prevent the Red army from overrunning that region.

Finally, neither in the President's statement nor in subsequent interviews by the Secretary of State is there anything which makes it difficult for Russia to withdraw. Theoretically she is not engaged in this action, though all the world knows that it is Russia, not North Korea, which is on the move. Neither the President nor the Secretary of State has mentioned Russia by name. Therefore, she is free, should she choose, to disavow the whole undertaking and to insist on the recall of the Red forces to their own territory north of the thirty-eighth parallel.

Mr. President, I have been making a series of observations on this floor on the subject of ending the cold war. I suppose that this talk is one of the series. One way to end a cold war is in a hot one. That is the danger of the present situation. I think, however, that all of us may be hopeful that prompt, vigorous, and effective action will allow us to avoid that kind of an end to the cold war, and will leave us free to continue more constructive efforts.

It has been heartening to see the extent to which the President's statement has met with the approval of the press, the public in general and, on the whole, of the membership of the House and the Senate. That support for the policies enunciated must be continued. The life of the United Nations is at stake. The hope for international cooperation for peace and prosperity is at stake. We must not, we will not, falter.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The VICE PRESIDENT. The time of the Senator from Vermont has expired.

Mr. FLANDERS. Mr. President, I yield to the Senator from Colorado whatever time remains to me.

The VICE PRESIDENT. The time of the Senator from Vermont has expired; he has no time remaining.

Mr. LUCAS. Mr. President——

Mr. CONNALLY. I yield 5 minutes to the Senator from Illinois.

The VICE PRESIDENT. The Senator from Illinois is recognized for 5 minutes.

Mr. LUCAS. Mr. President, I am rather amazed and shocked by the continued attack upon the Secretary of State, Dean Acheson, in the crisis which the United States and the world are now facing.

Dean Acheson is not going to resign as Secretary of State, regardless of how many Members of the Senate may make such a request.

The truth of the matter is that the attack of the northern Koreans on the southern Koreans changed completely the policy of this country and of the administration. I undertake to say that if the attack had not been made, probably we would have continued the same policy we had in the past.

Mr. President, the arm-chair military strategy which sometimes is evidenced in the Senate of the United States amazes me. Those who engage in it are reminiscent of the Monday-morning quarterbacks, who are so free with their advice on Monday morning, following the football game on Saturday; when the home team has lost, they can always tell where the mistakes were made and what they would have done if they had been in charge of the team.

Mr. President, I am satisfied that neither General Bradley nor General Collins nor any of the other military men high in the Army or the Navy needs the advice, which has been given so generously on the floor of the Senate today by the Senator from Nebraska, in regard to what should be done throughout the world. It amazes me, Mr. President, that the Senator from Nebraska has constantly been opposed to the bipartisan foreign policy the United States has had in regard to Europe, but is entirely in favor of intervention and of a policy which will stop the Communists in Asia.

Mr. President, I desire to speak constructively, if I can, in the few moments allotted to me, so that the American people may understand that the United States, under MacArthur, and through the orders of the President, is acting directly under the resolution adopted by the Security Council of the United Nations Organization, a fact that cannot be stressed too much.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point the membership list of the General Assembly of the United Nations.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

THE GENERAL ASSEMBLY

The General Assembly consists of representatives of all states members of the United Nations. As of December 31, 1949, the following 59 states were members: Afghanistan, Argentina, Australia, Belgium, Bolivia, Brazil, Burma, Byelorussian Soviet Socialist Republic, Canada, Chile, China, Colombia, Costa Rica, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, France, Greece, Guatemala, Haiti, Honduras Iceland, India, Iran, Iraq, Israel, Lebanon, Liberia, Luxemburg, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Saudi Arabia, Siam, Sweden, Syria, Turkey, Ukranian Soviet Socialist Republic, Union of South Africa, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Yemen, Yugoslavia.

Mr. LUCAS. I also ask unanimous consent that the membership list of the Security Council, at this particular time, be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD as follows:

THE SECURITY COUNCIL

PERMANENT MEMBERS

China, France, United Kingdom of Great Britain and Northern Ireland, Union of Soviet Socialist Republics, United States of America.

NONPERMANENT MEMBERS

Term expires December 31, 1951: Ecuador, India, Yugoslavia.

Term expires December 31, 1950: Cuba, Egypt, Norway.

Mr. LUCAS. Mr. President, the President of the United States, at a meeting at the White House this morning with congressional leaders and members of the Army, the Navy, and the Air Force, and Cabinet officers, issued this release to the press and to the group attending the meeting:

At a meeting with congressional leaders at the White House this morning, the President, together with the Secretary of Defense, the Secretary of State, and the Joint Chiefs of Staff, reviewed with them the latest developments of the situation in Korea. The congressional leaders were given a full review of the intensified military activities.

In keeping with the United Nations Security Council's request for support to the Republic of Korea in repelling the North Korean invaders and restoring peace in Korea, the President announced that he had authorized the United States Air Force to conduct missions on specific military targets in Northern Korea wherever militarily necessary, and had ordered a naval blockade of the entire Korean coast. General MacArthur has been authorized to use certain supporting ground units.

The VICE PRESIDENT. The time of the Senator from Illinois has expired.

Mr. LUCAS. The entire five minutes, Mr. President?

The VICE PRESIDENT. It certainly has expired.

Mr. CONNALLY. I yield one additional minute to the Senator from Illinois.

Mr. LUCAS. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point in my remarks an article which appeared in today's Washington Post. The article is entitled "McArthur To Use Ships and Planes of Three Other Lands," referring to Great Britain, Australia, and Holland. Holland has some mine sweepers in Indonesia at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MACARTHUR TO USE SHIPS AND PLANES OF THREE OTHER LANDS

TOKYO (Friday), June 30.—General MacArthur's key officers said today he has accepted the offer of Great Britain and Australia to use their naval units, including aircraft carriers.

He also is studying the use of land-based Australian planes from Japan.

Ten British warships including the 13,000-ton aircraft carrier *Triumph* are in Japanese waters now.

Two Australian destroyers are due here tomorrow.

New Zealand has contributed the modern 6-inch gun cruiser *Bellona* and six frigates

now exercising around the Fiji Islands. Australia put in the destroyer Bataan and the frigate *Shoalhaven*, now in Japanese waters, and promised support of other Aussie navy units farther away.

Holland has some destroyers, corvettes, and minesweepers in Indonesia for use as needed farther North.

Most of the available Australian, New Zealand, and Dutch warships, particularly the frigates, are designed for in-fighting in narrow waters and escort duty. A frigate is smaller than a destroyer.

British Royal Navy warships, including a small carrier, were placed under American command Wednesday. These were said to equal the United States surface forces immediately available in the Korea area.

Mr. LUCAS. Mr. President, this is but carrying out the purposes of the United Nations Security Council's request for support of the Republic of Korea. In line with what the Senator from Virginia [Mr. BYRD] said, it is also the hope of the Senator from Illinois that all members of the United Nations will show their good faith in at least making a token gesture of their readiness and willingness to send troops if necessary to help in the present situation in the Far East.

In conclusion, I desire to join with the Senator from California [Mr. KNOWLAND] in his statement. I hope that Members of the United States Senate will be in unison from here on in this crisis. We cannot under any circumstances afford to continue to condemn and criticise and create disunity in our country, in view of the world crisis which faces us at this particular time. I plead with Senators to forget the past and to close up ranks, because, as was said on a famous occasion, if we do not hang together, we may eventually hang separately.

Mr. CONNALLY. Mr. President, I yield 1 minute to the Senator from Massachusetts.

The VICE PRESIDENT. The Senator from Massachusetts is recognized for 1 minute.

Mr. SALTONSTALL. Mr. President, I voted for the mutual defense assistance bill last year, and I intend to vote for this bill today. I have supported it in the committee, because I believe it is essential for the security of our country. I believe that in these days, in this very much smaller world, we cannot expect to protect our own security without friends in other parts of the world. If we have friends, we must do our part in making it possible for them to maintain their own security and, by maintaining it, assist us in maintaining our security.

We want peace in the world. The events which have taken place in Korea are evidence that peace is today a very uncertain thing. We are in Korea because under the United Nations Charter, as the majority leader has just said, we are attempting to keep peace, and to keep peace in order to maintain our own security. For these reasons, very briefly expressed, I shall vote for the pending bill.

The VICE PRESIDENT. The Senator's time has expired.

Mr. CONNALLY. Mr. President, I yield 5 minutes to the Senator from Virginia.

The VICE PRESIDENT. The Senator from Virginia is recognized for 5 minutes.

Mr. ROBERTSON. Mr. President, next Tuesday is the anniversary of the death of our greatest political philosopher, Thomas Jefferson. By a singular coincidence, it is likewise the anniversary of his greatest contribution to the cause of personal freedom, the adoption of his immortal declaration of independence.

The bill now pending before the Senate may appear to some to present a new issue. As a matter of fact, we get an echo of this problem from events which occurred 127 years ago, just 3 years before the death of Thomas Jefferson. A situation arose at that time over the struggle which Greece was making for liberty from the cruel domination of the Turks.

In his message to the Congress, Jefferson's friend, President Monroe indicated strong American sympathy for the Greek cause and said there was reason to hope it would be successful. Acting on that suggestion, Daniel Webster introduced in the House of Representatives a resolution to provide for the appointment of an agent or commissioner to Greece.

Greece then, as now, concerned us not merely as an individual nation but as a pawn in the game of power politics being played by the great nations of Europe. Much of the debate centered around the policies of the so-called Holy Alliance which had been formed by the emperors of Russia and Austria and the King of Prussia, and the relations of England to this alliance.

Webster argued we should act as a matter of principle to bolster the cause of democracy and, in response to arguments as to the possible effect on our commerce, Henry Clay asked what it would profit a nation to save its commerce and lose its liberties.

In submitting his resolution, Webster said it was far from being his wish to commit the House on this or any of the political contests in Europe. But, he said, since the President in his message to Congress had expressed the belief that the Greek nation, in its struggle with its oppressors, had the good wishes of the whole civilized world and, since the President also advanced the opinion that Turkish dominion over Greece was lost forever, Webster thought it was important for Congress to act.

He said the United States had diverse interests in the Mediterranean which might be seriously affected by the course of events in that quarter and we ought not to be restrained from a free expression of our views in relation to the Greek cause, so far as it might be done without committing ourselves in the contest.

In concluding, Webster said:

> With suffering Greece, now in the crisis of her fate—her great, it may be, her last struggle. Sir, while we sit here deliberating, her destiny may be decided. The Greeks, contending with ruthless oppressors, turn their eyes to us, and invoke us by their ancestors, by their slaughtered wives and children, by their own blood, poured out like water, by the hecatombs of dead they have heaped up as it were to heaven, they invoke, they implore of us some cheering sound, some look of sympathy, some token of passionate regard.
>
> They look to us as the great Republic of the earth—and they ask us by our common faith, whether we can forget that they are struggling, as we once struggled, for what we now so happily enjoy? I cannot say, sir, that they will succeed: that rests with heaven. But for myself, sir, if I should hear that they have failed—that their last phalanx had sunk beneath the Turkish scimitar, that the flames of their last city had sunk in its ashes, and that naught remained but the wide melancholy waste where Greece once was, I should still reflect, with the most heartfelt satisfaction, that I have asked you, in the name of seven millions of freemen, that you would give them at least the cheering of one friendly voice

Greece got the cheering note of Daniel Webster's voice and the good wishes of President Monroe, together with some other kind expressions, but that was all she got.

We now face a greater threat to democracy in the Mediterranean and in the Orient than in 1823.

No one can say dogmatically what is the sure road to peace, but, if nations learn by experience—and Edmund Burke said they did not—we know that appeasement of dictators is not the road to peace.

The VICE PRESIDENT. The Senator's time has expired.

Mr. ROBERTSON. May I have one more minute?

Mr. CONNALLY. I yield the Senator one more minute.

Mr. ROBERTSON. We know that appeasement did not pay when Japan went into Manchuria, when Mussolini went into Ethiopia, when Hitler went into Czechoslovakia.

I share the views expressed by the acting minority leader, the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Wisconsin [Mr. WILEY], who preceded me, that we face a situation in which it is necessary to stand a stand. Within the near future we shall know whether the action in Korea is a border incident which the Politburo will ignore as a cause for war. Unity on our part in this crisis will no doubt influence that decision. It is time for all Americans to stand together on this issue, and on the pending military assistance bill.

The VICE PRESIDENT. The time of the Senator from Virginia has again expired.

Mr. CONNALLY. Mr. President, how much time do I have?

The VICE PRESIDENT. The Senator has 6 minutes, and the Senator from Wisconsin has 3 minutes.

Mr. CONNALLY. My figures show that I have 9 minutes. Will the Senator from Wisconsin yield me a few minutes?

Mr. WILEY. I have only 3 minutes, and I have already assigned two of them to the Senator from Missouri [Mr. KEM].

Mr. CONNALLY. Let him speak first, then.

Mr. KEM. Mr. President, I should prefer that the question of appropriations for the support of General MacArthur and our troops in Korea not be combined in this bill with further gifts to nations in other areas of the world. I feel that in view of our own possible military requirements we should consider very carefully the advisability of making other commitments at this time.

I intend to support our military operations in the Far East in every way. Since the Senate committee has seen fit to combine all these grants in one package, I shall vote for the pending bill.

Mr. WILEY. Mr. President, as I have already intimated, I shall vote for the bill because I think it embodies a must step. It is something we must do in order to tell to the peoples of the earth that we have stopped retreating and are no longer in favor of any Munich policies.

Mr. CONNALLY. Mr. President, will the Senator yield me the remainder of his time?

Mr. WILEY. Yes.

The VICE PRESIDENT. The Senator has half a minute.

Mr. CONNALLY. Mr. President, not alone the United States, but every nation which is a member of the United Nations, today faces a crisis involving the question whether the dream of creating the United Nations, with the tremendous power it was hoped it would exert in the interest of peace and security, is to be realized, or whether it is to be dissipated and overwhelmed by the iron heel of conquest and aggression.

It is not necessary for me to repeat what happened in Korea. Southern Korea was a peaceful, law-abiding nation created by the nations of the world after World War II. Its safety, integrity, and independence were guaranteed. We now know they have already been ruthlessly violated by the sword in the hands of totalitarianism. We know that liberties of the Republic of Korea have been trampled upon, its peoples driven out, and its civilization attacked and forced into hiding, as it were.

Mr. President, the United States is a member of the United Nations. As a member of that organization there rest on us obligations which amount to more than making 4th-of-July speeches with regard to it. There are serious obligations resting upon us as a nation, because of our plighted faith to support the United Nations, its covenants, and agreements contained in the Charter.

I read article 25 from the United Nations Charter:

> The members of the United Nations agree to accept and carry out the decisions of the Security Council in accordance with the present Charter.

Mr. President, the Security Council has already, in two decisions and resolutions, outlined its condemnation of North Korea in sending troops into South Korea. It has already called upon other members of the United Nations to give help and support in driving from southern Korea the forces of northern Korea and resisting the armed advances of northern Korea. There is an obligation resting upon us there.

I quote briefly from article 39 of the Charter:

> The Security Council shall determine the existence of any threat to the peace, breach of the peace, or act of aggression, and shall make recommendations or decide what measures shall be taken in accordance with Articles 41 and 42, to maintain or restore international peace and security.

There, Mr. President, is the authority for using force if force is required to restore peace, to maintain peace, and to resist aggression against another nation.

Mr. President, today the country will mark well the attitude of the Senate. The country will know whether the United States Senate is a merely political club for the vaporings of those who want to make politics out of every action taken. It will know whether the Senate is a great governmental body or a mere political device to exploit the ambitions of those who seek power and authority.

Mr. President, the country must stand behind the President of the United States. Personally, I stand by his side. I applaud what he has done in the name of the people of the United States. Let us have unity. Let us support the President. Let the world know that the American people are behind the President of the United States.

The VICE PRESIDENT. The time of the Senator from Texas has expired. All time for debate has expired. The bill, S. 3809, is open to amendment.

Mr. LUCAS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hendrickson | Morse |
| Anderson | Hickenlooper | Mundt |
| Butler | Hoey | Murray |
| Byrd | Holland | Myers |
| Cain | Humphrey | O'Mahoney |
| Chapman | Hunt | Robertson |
| Chavez | Ives | Russell |
| Connally | Johnson, Tex. | Saltonstall |
| Cordon | Kem | Schoeppel |
| Darby | Kilgore | Smith, Maine |
| Donnell | Knowland | Smith, N. J. |
| Douglas | Lehman | Stennis |
| Ecton | Lodge | Taft |
| Ellender | Lucas | Thomas, Utah |
| Ferguson | McCarthy | Thye |
| Flanders | McClellan | Tobey |
| Frear | McFarland | Tydings |
| Fulbright | McKellar | Watkins |
| Gillette | McMahon | Wherry |
| Green | Magnuson | Wiley |
| Gurney | Martin | Williams |
| Hayden | Millikin | Withers |

The VICE PRESIDENT. A quorum is present.

The bill is open to amendment.

Mr. CAIN. Mr. President, I should like to call up an amendment, which I sent to the desk several minutes ago.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, it is proposed to strike out lines 23 and 24, and insert in lieu thereof the following: "by striking out Iran, the Republic of Korea, and." On page 5, line 9, it is proposed to strike out "$16,000,000" and insert in lieu thereof "$ ."

The VICE PRESIDENT. The Senator from Washington is recognized for 5 minutes.

Mr. CAIN. Mr. President, if this amendment should be adopted it would simply mean that the Committee on Appropriations would be authorized to recommend in any appropriations bill a sum which, in my hope, and in their considered judgment, after they had had a chance to get the facts of the present situation, they think is adequate to meet the needs of Korea. I urge that the amendment be seriously considered.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. KNOWLAND. I do not have a copy of the amendment on my desk. I understood the Senator to say that he was striking out Korea from the authorized legislation. On what theory does the Senator feel the Committee on Appropriations would have unlimited authority to appropriate money for Korea?

Mr. CAIN. The words of the amendment have been written by the legislative counsel, who tells me that such words are required. The important part of the answer to the Senator's question is that on page 5, line 9, "$16,000,000" is stricken out, and in lieu thereof there is left an open dollar figure.

The VICE PRESIDENT. Has the Senator from Washington concluded his remarks?

Mr. CAIN. I should like to make just one other observation.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. TYDINGS. Do I understand that this amendment would not change the allocation for Korea, but would simply provide that the Committee on Appropriations could go further than the present allocations.

Mr. CAIN. The Senator's understanding is absolutely correct. On Friday a week ago the distinguished senior Senator from Texas [Mr. CONNALLY] said $16,000,000 appears to be sufficient to help Korea deter possible aggression. Since that time aggression has occurred. I believe that few Senators know—and certainly I do not know—what the present facts are. This amendment would permit the Committee on Appropriations to take action which otherwise it could not take.

Mr. TYDINGS. What other countries are associated with Korea in this amendment? Turkey and Iran?

Mr. CAIN. Iran, Korea, and the Philippines. My understanding is that the $16,000,000 in the bill is for the use in those three countries.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Washington yield?

Mr. CAIN. I yield.

Mr. SMITH of New Jersey. I think the Senator is mistaken. We have taken Iran out of title III, and the $16,000,000 applies to the Philippines and Korea. That is the first correction.

The second is that the $75,000,000 flexible fund in section (b), which covers the area of China, we would consider as being available in case of emergency.

The third point is that the 10 percent provision of section 408 makes it possible to shift from one of the titles to another in an emergency.

So, as I said in my remarks yesterday, I figure there will be available upwards of $100,000,000 for Korea.

Mr. CAIN. Mr. President, I am perfectly willing to grant that sums are available from sources other than what have been prescribed for Korea in the bill. I believe the American people would like to know what sums actually are to be employed for the benefit of Korea, and that can best be brought about by permitting the Committee on Appropriations to act as a free agent.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CAIN. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I think it will be plain, from looking at the amendment, that it has been drafted for the wrong bill. The Senator's amendment would strike out Iran and the Republic of Korea on line 23. It reads:

By striking out "Iran, the Republic of Korea, and."

So I assume the Senator would want to change his amendment, if he desires to accomplish what he is trying to do.

Mr. CAIN. Mr. President, I deeply appreciate the comment made by the Senator from Massachusetts, for the desire of the Senator from Washington is only to make available more aid for Korea, if required.

The VICE PRESIDENT. The Senator's time has expired.

Mr. CONNALLY. Mr. President, what is the time arrangement?

The VICE PRESIDENT. Five minutes on each amendment.

Mr. CONNALLY. That will be all?

The VICE PRESIDENT. That is all.

Mr. CONNALLY. Mr. President, I very much hope the Senate will not approve the amendment offered by the Senator from Washington. He seems excited about the amount of money available. Under the bill there is not only the $16,000,000 available for Korea, but under the provision with regard to $75,000,000 for the general area of China the President of the United States could allocate every cent of that sum to Korea.

Furthermore, there is a provision in the bill which provides that in case of emergency 10 percent of the amount in any title may be transferred to another title. Under that provision the President could transfer a hundred million dollars, if necessary.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from California.

Mr. KNOWLAND. I support the position taken by the chairman of the Committee on Foreign Relations in this matter. In addition to what he has said, which is correct, Korea is also eligible, both under the existing law and under the bill we are now considering, for excess equipment, up to the value of $250,000,000, in the proposed new law, and I think it was $450,000,000 in the old law. So that until other legislation can be presented, I believe there are sufficient tools with which Korea could work.

Mr. CONNALLY. I thank the Senator from California. The $250,000,000 in equipment is in addition to the money provisions, which would give adequate funds.

Let me say to the Senator from Maryland—though he probably knows about this better than I do—that the operations which are now going on I presume are being taken care of out of the regular Army and Navy appropriations. They are not tagged up against the geographic location of battleships or airplanes. They are provided for out of military appropriations and will not be charged to the Korea matter, as I understand.

Mr. TYDINGS. That is correct.

Mr. CONNALLY. If they are charged to Korea, the pending bill contains provision for plenty of funds, at least, until we find a greater necessity than is present at the moment.

Mr. President, for these reasons I hope the amendment will be rejected. Furthermore, the Senator's amendment would open the door; it would be up to the Committee on Appropriations to appropriate any sum it wanted to, any amount. That is not the custom of the Senate; it is not the custom of the Congress, even in the case of military appropriations. We have some control, we have some rein over them, and we do not want to give the Committee on Appropriations such broad authority.

Mr. President, the bill contains sufficient funds to carry out the purposes of the measure, and I want to see the bill promptly enacted. I hope the Senate will vote down the amendment, and others of a like character.

The VICE PRESIDENT. All time for debate on the amendment has expired. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. CAIN].

The amendment was rejected.

Mr. ELLENDER. Mr. President, I call up the amendment I have at the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to add at the end of the bill the following new section:

SEC. 13. Section 405 of such act is amended by adding at the end thereof a new subsection as follows:

"(e) The President shall also terminate the assistance authorized to be furnished to any country under this act whenever he determines that the rate of expenditures by such country from its own funds for defense and military purposes is less than the rate at which such expenditures were made by such country during that one of the fiscal years 1948, 1949, and 1950 in which such expenditures by such country were at the highest rate."

Mr. ELLENDER. Mr. President——

The VICE PRESIDENT. The Senator is recognized for 5 minutes.

Mr. ELLENDER. Mr. President, the purpose of the amendment just stated is to make certain that each country we will assist is going to spend as much for defense and military purposes in the future as the highest amount it spent in either of the fiscal years 1948, 1949, or 1950. We should not carry the whole load and every effort should be made to the end that all countries do proportionally as well as we do.

Since I offered the amendment, on yesterday for printing, I have had a discussion of the matter with the distinguished Senator from Texas, and we have agreed on a modification of my amendment. I realize the danger of probably establishing a floor on what our friends may spend, by saying that not less than a certain amount should be spent. In view of that danger I send the modified form to the desk and ask for its immediate consideration. I understand that the distinguished Senator from Texas is willing to accept it. From the modified form of my amendment it will be seen that the President is directed to refuse aid to any country that is not making its full contribution through self-help and mutual assistance in all forms to the common defense of all concerned.

The VICE PRESIDENT. The modification will be stated.

The LEGISLATIVE CLERK. In lieu of the amendment proposed by the Senator from Louisiana [Mr. ELLENDER] he proposed to insert a new section 13, amending section 405 of the Mutual Defense Assistance Act of 1949, as follows:

On page 10, after line 14, to insert a new section, as follows:

SEC. 13. The present section 405 (d) is renumbered as section 405 (e) and a new subsection 405 (d) is added to read as follows:

"(d) If, in the case of any nation, which is a party to the North Atlantic Treaty, the President determines after consultation with the North Atlantic Treaty Council that such nation is not making its full contribution through self-help and mutual assistance in all practicable forms to the common defense of the North Atlantic area; and in the case of any other nation, if the President determines that such nation is not making its full contribution to its own defense or to the defense of the area of which it is a part."

Mr. CONNALLY. Mr. President, I agree to take the amendment to conference.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER].

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement showing, percentagewise, the amount furnished by each nation during the past 4 years.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

*North Atlantic Pact countries: National defense expenditures (percent of total Government expenditures)*

| | Fiscal year ending— | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 |
|---|---|---|---|---|---|---|---|
| Belgium | Dec. 31 | 10.5 | 7.9 | 7.0 | 8.3 | {**12.0 | **12.0 |
| Denmark | Mar. 31 | ---------- | 9.3 | 11.4 | 11.9 | 13.5 | {**13.0 |
| France | Dec. 31 | 19.8 | 20.0 | 17.6 | 15.5 | {*17.4 | **21.0 |
| Iceland | do | (1) | ---------- | ---------- | ---------- | ---------- | ---------- |
| Italy | June 30 | ---------- | 23.8 | 13.0 | 15.3 | {18.1 **25.0 | **19.0 |
| Luxemburg | Dec. 31 | (1) | 1.5 | 1.3 | 2.1 | {*5.0 **3.0 | **8.0 |
| Netherlands | do | 15.0 | 13.4 | 19.1 | 17.3 | {*19.5 **23.0 | **27.0 |
| Norway | June 30 | ---------- | 12.5 | 8.7 | 11.7 | {12.3 **17.0 | **14.0 |
| Portugal | Dec. 31 | 27.6 | 25.0 | 22.6 | 20.8 | {**21.0 | **30.0 |
| United Kingdom | Mar. 31 | ---------- | 31.4 | 22.7 | 21.1 | 20.4 | {**20.0 |
| Canada | do | ---------- | 11.2 | 9.2 | 10.6 | {17.1 **11.0 | **22.0 |
| United States: | | | | | | | |
| National defense | June 30 | ---------- | 36.4 | 32.4 | 29.7 | 30.4 | ***31.9 |
| Foreign economic and military aid | ---------- | ---------- | ***16.3 | ***13.7 | ***15.7 | ***13.2 | ***10.5 |
| Total | ---------- | ---------- | 52.7 | 46.1 | 45.4 | 43.6 | 42.4 |

[1] Not available.
*ECA Special Report: Central Government Finances, April 1950.
**Reports of the Senate Committees on Foreign Relations and Armed Services on H. R. 5895 (1949 Mutual Defense Assistance Act) and S. 3809 (Amendment to Mutual Defense Assistance Act).
***Budget Bureau: 1951 Budget.

Source: All figures not marked with asterisk are obtained from report prepared by State Department for Legislative Reference Service of Library of Congress under date of June 29, 1950. Title: Total Expenditures and Defense Expenditures of the Central Governments of the North Atlantic Pact Countries.
Where State Department figures are at variance with data obtained from other sources, or where State Department report did not show figures for a particular year, the data from other sources has been inserted in the foregoing chart, and marked by asterisk, as follows:

The VICE PRESIDENT. The bill is still open to amendment. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The VICE PRESIDENT. The question now is, Shall the bill pass?

Mr. TYDINGS. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. HOEY (when Mr. GRAHAM'S name was called.) My colleague, the junior Senator from North Carolina [Mr. GRAHAM], is unavoidably absent. If present, he would vote "yea."

The roll call was concluded.

Mr. CONNALLY. I announce that the Senator from Florida [Mr. PEPPER] is detained in Florida because of the very serious illness of a close personal friend. He regrets very much that he is not present to vote for the bill. He was active in the committee in favor of the bill. He voted for the original bill, and he wants his views known to the Senate and to the country. If the Senator from Florida were present, he would vote "yea" on the final passage of the bill.

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Rhode Island [Mr. LEAHY] are absent on public business.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Georgia [Mr. GEORGE], the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senator from Colorado [Mr. JOHNSON], the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senators from Oklahoma [Mr. KERR and Mr. THOMAS], the Senator from Louisiana [Mr. LONG], the Senator from Nevada [Mr. MCCARRAN], and the Senator from IDAHO [Mr. TAYLOR] are absent by leave of the Senate.

The Senator from West Virginia [Mr. NEELY] and the Senator from Florida [Mr. PEPPER] are necessarily absent.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

I announce further that if present and voting, the Senator from Connecticut [Mr. BENTON], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Georgia [Mr. GEORGE], the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senator from Colorado [Mr. JOHNSON], the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senator from Tennessee [Mr. KEFAUVER], the Senators from Oklahoma [Mr. KERR and Mr. THOMAS], the Senator from Rhode Island [Mr. LEAHY], the Senator from Louisiana [Mr. LONG], the Senator from Nevada [Mr. MCCARRAN], the Senator from West Virginia [Mr. NEELY], the Senator from Maryland [Mr. O'CONOR], and the Senator from Idaho [Mr. TAYLOR] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate. If present and voting, the Senator from Michigan [Mr. VANDENBERG] would vote "yea."

The Senator from Maine [Mr. BREWSTER] and the Senator from Ohio [Mr. BRICKER] are necessarily absent. If present and voting, the Senator from Maine [Mr. BREWSTER] and the Senator from Ohio [Mr. BRICKER] would each vote "yea."

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Nevada [Mr. MALONE], and the Senator from Idaho [Mr. DWORSHAK] are absent on official business. If present and voting, the Senator from New Hampshire [Mr. BRIDGES] would vote "yea."

The Senator from Indiana [Mr. JENNER] is absent by leave of the Senate attending the Indiana Republican State Convention.

The Senator from North Dakota [Mr. LANGER] is detained on official business.

The result was announced—yeas 66, nays 0, as follows:

YEAS—66

| | | |
|---|---|---|
| Aiken | Hendrickson | Morse |
| Anderson | Hickenlooper | Mundt |
| Butler | Hoey | Murray |
| Byrd | Holland | Myers |
| Cain | Humphrey | O'Mahoney |
| Chapman | Hunt | Robertson |
| Chavez | Ives | Russell |
| Connally | Johnson, Tex. | Saltonstall |
| Cordon | Kem | Schoeppel |
| Darby | Kilgore | Smith, Maine |
| Donnell | Knowland | Smith, N. J. |
| Douglas | Lehman | Stennis |
| Ecton | Lodge | Taft |
| Ellender | Lucas | Thomas, Utah |
| Ferguson | McCarthy | Thye |
| Flanders | McClellan | Tobey |
| Frear | McFarland | Tydings |
| Fulbright | McKellar | Watkins |
| Gillette | McMahon | Wherry |
| Green | Magnuson | Wiley |
| Gurney | Martin | Williams |
| Hayden | Millikin | Withers |

NOT VOTING—30

| | | |
|---|---|---|
| Benton | Hill | Malone |
| Brewster | Jenner | Maybank |
| Bricker | Johnson, Colo. | Neely |
| Bridges | Johnston, S. C. | O'Conor |
| Capehart | Kefauver | Pepper |
| Downey | Kerr | Sparkman |
| Dworshak | Langer | Taylor |
| Eastland | Leahy | Thomas, Okla. |
| George | Long | Vandenberg |
| Graham | McCarran | Young |

So the bill (S. 3809) was passed.

REORGANIZATION PLAN NO. 24 OF 1950—RELATING TO TRANSFER OF RFC TO COMMERCE DEPARTMENT

Mr. FULBRIGHT. Mr. President, in a moment I expect to propound a unanimous-consent request for a vote with regard to Senate Resolution 290. I wish to say a few words in explanation of the resolution, which disapproves the Reorganization Plan No. 24, of 1950, transferring the Reconstruction Finance Corporation to the Department of Commerce. As the Senate knows, the sub-

committee on the RFC, of the Committee on Banking and Currency has been authorized to and is presently engaged in studying the operations of the RFC. The subcommittee has been holding hearings on the subject often and long. Hearings have been held every day this week, and in fact for several weeks. We are nearing the completion of the hearings. We will not, of course, have the report ready in time for the vote on the resolution, which I expect to ask be had on the 6th of July.

Mr. President, I am opposed to the reorganization plan because primarily I think it is premature, and would have the effect, to a great extent of nullifying the whole purpose of the study now being made by the Committee on Banking and Currency. It is also in direct opposition to the recommendation of the Hoover Commission. The Hoover Commission recommended a review and study and curtailment of the operations of the RFC. But in the meantime, bills have been introduced which are designed to liberalize the lending policies of the Government, not all of them by the RFC as such, but they also contemplate the creation of new lending agencies. Those bills are under consideration by the Small-Business Committee. So I think it would be highly improper for us at this moment, in the midst of the various studies which are going on, to transfer the RFC to a department under a reorganization plan which in effect gives to the Secretary of Commerce the power to determine the policy of this greatest of all lending agencies.

Mr. President, I hope the Senate will give some attention to the matter. I think very few Senators have actually taken the time to study the real extent of the powers of the Reconstruction Finance Corporation. It has power of lending which, to a very great extent, is an irresponsible power. It is not responsible in the sense that expenditures through the regular departments are responsible to the committees of the Congress and subject to the action of these bodies themselves.

I hope that between now and July 6 the Members of the Senate will take occasion to read the material which was issued by the Committee on Expenditures in the Executive Departments, in regard to this reorganization plan. The committee has prepared a very thorough and fine statement about the testimony which was taken. The hearings of that testimony have been printed. In case Senators are not able to read all of it in the short time available, let me say there is a very good digest of the hearings, which can be read in a very short time.

So, Mr. President, I ask unanimous consent that on the calendar day of Thursday, July 6, 1950, at the hour of 4 o'clock, p. m., the Senate proceed to vote on Senate Resolution 290, a resolution disapproving Reorganization Plan No. 24 of 1950; that the time between 12 o'clock noon and 4 p. m. on said day be equally divided between those favoring and those opposing said resolution, to be controlled, respectively, by myself, for one side, and by a Senator yet to be named for the other side.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, let me inquire about this matter. It relates to Reorganization Plan No. 24, does it not?

Mr. FULBRIGHT. That is correct.

Mr. WHERRY. I have already discussed the matter with the distinguished Senator from Arkansas. The only point left undecided was the amount of time the Senator felt would be needed for debate.

Although it is agreeable to Senators on this side to have 4 hours allowed for debate, yet since it is desired to conserve time, perhaps 3 hours would be sufficient.

Mr. FULBRIGHT. Of course, I wish to conserve time, too; and perhaps not more than 3 hours will be required.

Mr. WHERRY. Mr. President, I have no objection.

The VICE PRESIDENT. Is there objection to the unanimous-consent request of the Senator from Arkansas?

ANNOUNCEMENT OF HEARINGS TO BE HELD ON REORGANIZATION PLAN NO. 27 OF 1950

Mr. McCLELLAN. Mr. President, reserving the right to object—although I shall not object—I wish to take this occasion to announce to the Senate, and for the information of others who may be interested, that on July 6 the Committee on Expenditures in the Executive Departments will begin to hold hearings on Reorganization Plan No. 27.

Mr. WHERRY. Let me inquire whether that is the plan relating to the social-security system.

Mr. McCLELLAN. It is the plan to create a Department of Health, Security, and Education.

Mr. President, I may say that it is the hope of the committee that we can conclude the hearings the following day; in other words, we shall hold hearings on the 6th and on the 7th of July, and shall hope to conclude them on the 7th, so that the committee can act soon and can report on the resolution of disapproval.

The VICE PRESIDENT. Is there objection to the unanimous-consent request of the Senator from Arkansas?

Mr. HOLLAND. Mr. President, reserving the right to object, let me say that I have no objection at all to what is contemplated by the Senator from Arkansas, but I have a question about the parliamentary situation. As I recall the provisions of the controlling act, it provides that when such a measure is taken up, a certain number of hours shall elapse between the time when the measure is taken up and the time when the vote on it is taken.

Perhaps I did not hear, when the request was made, a statement in regard to waiving the time requirement. However, I believe that in the law there is a specific time requirement in that respect.

The VICE PRESIDENT. The request is that the vote be taken at 4 p. m. on July 6, and that the Senate debate the question prior to that time, namely, between the hours of 12 noon and 4 p. m., with the time to be equally divided between the proponents and the opponents. Thus, there will be 4 hours in which to debate that question; 4 hours will be the limit.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HOLLAND. At what time would the measure be taken up in pursuance of the provisions of the controlling law?

The VICE PRESIDENT. At noon on July 6, under the unanimous-consent agreement which is proposed.

Mr. HOLLAND. Very well; I did not hear that part of the request.

The VICE PRESIDENT. Is there objection to the unanimous-consent request propounded by the Senator from Arkansas? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

*Ordered*, That on the calendar day of Thursday, July 6, 1950, at the hour of 12 o'clock noon, the Senate proceed to the consideration of the resolution (S. Res. 290) disapproving Reorganization Plan No. 24 of 1950, and that at the hour of 4 o'clock p. m. on said day, the Senate proceed to vote, without further debate, on the question of agreeing to the said resolution.

*Ordered further*, That the time between 12 o'clock noon and 4 o'clock p. m. on said day be equally divided between those favoring and those opposing the resolution and controlled, respectively, by Mr. FULBRIGHT and Mr. ————.

INTERSTATE TRADE BARRIERS AGAINST MOVEMENT OF DAIRY PRODUCTS

Mr. WILEY. Mr. President, yesterday morning it was my pleasure to testify before the distinguished subcommittee of the Senate Agriculture Committee headed by the able junior Senator from Iowa [Mr. GILLETTE]. I commented on the imperative need of breaking down interstate trade barriers against the freest possible movement of dairy products. My specific reference was to the totally obnoxious and phony health regulations which have been imposed here in the District of Columbia against so-called foreign milk.

I indicated that my colleagues and I in the Midwest have no objection to legitimate health protection for the consumer, but we do object to and we do intend to take decisive action to prevent the maintenance of little Chinese walls here in the District against midwestern milk. As I stated yesterday, we are having enough trouble with the Red iron curtain without there being a District of Columbia iron curtain.

We want to be fair to the milk-consuming population in the District. The only way to do so is to break down the phony health barriers. In my testimony, I pointed out the ridiculous contradiction between our attempts to break down trade barriers in Europe, while we tolerate the erection of trade barriers right here at home.

In the course of my testimony there were several colloquies with my good friend the Senator from Iowa [Mr. GILLETTE] and the very capable senior Senator from Vermont [Mr. AIKEN]. In the extemporaneous comments which I thereafter presented, I touched upon many interrelated problems. I do not

feel that we should forget that very few, if any, problems exist in isolation. This matter of barriers against dairy products must be viewed in terms of the total midwestern dairy picture, as well as in terms of the related problems.

While I would have hoped that there would have been opportunity to present the testimony in a more systematic way, I do feel that the extemporaneous exchanges bespeak the depths of the various Senators' feelings on this issue.

I ask unanimous consent that the text of my statement may be printed in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. ALEXANDER WILEY, UNITED STATES SENATOR FROM THE STATE OF WISCONSIN

Senator WILEY. Thank you, Mr. Chairman.

First, let me say that the present Korean crisis notwithstanding, one of the aims of the United States State Department is to encourage the European countries to break down the tariff walls between them—walls which have been set up for hundreds of years and which have impeded the free flow of goods back and forth across boundaries. European nations, prior to the present crisis, have been groping toward a customs union, so to speak.

However, while our officials have been encouraging international trade in Europe and elsewhere, we find that a completely opposite movement is under way here in our own country. This movement particularly affects dairy products and has special reference to bottled fluid milk.

More and more, we note that individual States and municipalities are setting up restrictions against importation of so-called foreign milk, by which is meant milk produced outside the local milkshed. These barriers are set up for alleged health reasons, and yet it only takes a casual observer to note that the health reasons are merely being used as a cloak and a subterfuge to cover up the desire of local producers to have a completely protected market.

Here in the District of Columbia, we see one of the worst such instances of barring so-called foreign milk. You can import into the District practically anything produced elsewhere in our Nation, including the products of distilleries of Kentucky and various beers, of which my State produces the best quality, of course; but you cannot import good bottled fluid milk from Wisconsin—milk which could come in in refrigerated tank cars, and which would be every bit as nutritious and vitamin-rich as milk produced by Maryland and Virginia farmers. Wisconsin, I might mention, is one of the 32 States governed by provisions of the code of the United States Public Health Service.

There are, of course, more phases to this question than simply the phony health regulations. There is the whole problem of Federal milk-marketing orders. Without, however, attempting to present a final solution to that phase, I say that this Congress should, before it quits, take action along lines which I believe will be recommended by this Senate Agriculture Subcommittee whose net effect will, I presume, be to encourage the freest possible movement of dairy products between States. Moreover, areas like the District should also take parallel action.

We of the Middle West have been tremendously hard hit by the decline in dairying income. Within a few days, on July 1, the vicious oleomargarine yellow-color law takes effect, and the dairy industry will have suffered another staggering blow. The Midwest is the dairying heart of the Nation, and I appeal to the rest of our country to take cognizance of the Midwest's need.

I have used the analogy that the Midwest is the dairying heart of the Nation; another analogy which has been used is that it is the backbone of the country, and God knows it is.

My State is 50 percent agricultural and 50 percent industrial. As you know, the farmer has been the best buyer in the world. He is the fellow who really created the market for the industries in the cities and now, with the tremendous decline in milk prices and with conditions as they are at present, when we are creating barriers such as we are criticizing in Europe, creating them here in this country, the effect will be that you will demoralize your purchasing market in the Midwest; and you cannot cut off one arm very easily without injuring the rest of the body.

Senator GILLETTE. Senator, may I interrupt you there and ask you if you have figures to show the percentage of your farm income that is represented by sale of dairy products.

Senator WILEY. Well, I have them in my office, but not with me.

However, I can say, as far as Wisconsin is concerned, of course, that is practically our entire income, especially if you consider, on top of it, the income that comes from the sale of the dairy cows.

As I recall the figures, the dairy cows and the calves produce about 39 percent of the income. You take that, plus the milk and the farmers' income from those two items, the sale of the cows and the sale of the milk, probably represents about 95 percent of our income in our State.

Now, the income in our State is down 25 percent, which affects these small farmers. They are mostly small farmers. We do not have very many big farmers in Wisconsin, and the small farmer is getting in the same shape that he was in the thirties.

I have some personal experience, having been an operator of a farm since 1916, and I know what I am talking about.

I know that when you attempt to reach out and sell your milk, as they are doing today, for a little over 5 cents a quart, and the same milk, when it is delivered to you in the afternoon, costs 19 cents a quart, I know, and it is very apparent that the farmer is not getting the 19 cents. A phony bill of goods about alleged farm profits has been sold all over the country and it has created friction between the city folks and farm folks—friction and prejudice.

Now, we know that in this area the farmer gets something like 12 cents a quart for his milk, and God bless them for that, but I think that you pay in the store 22 cents for that milk.

Again, I think that the public should be made aware that the farmer is not getting the 22 cents, he is getting the 12 cents.

The point I am making, Senator, is that the farmer in the Midwest cannot produce his milk for 5 cents or 6 cents a quart, considering the high price of labor and the high price of machinery and increased taxes, and everything else.

As a consequence, the situation cannot be localized. We cannot simply say, "Well, too bad about you fellows out there; too bad, we are sorry for you," and then stop there. The situation is more serious than that because what it means is that you are going to have your milk cows sold off and you are going to find also that the Government has considerably less taxes; and you are going to find again an exodus from the farms. You are going to have farms for sale and it will be the beginning of a Nation-wide economic tailspin that we do not want to happen.

Now, I will go back to my statement.

From what I have said heretofore on this, one might get the idea that I was speaking simply for the producers of milk. I am also speaking, however, for consumers. Milk is the finest food and the cheapest food, and it is needed by all categories from the baby to the elderly man or woman.

Now, here is a strange thing. You can go down to the store and you can pay $1.49 for a quart of concentrated orange juice which will make, mixed with 3 quarts of water, pretty good orange juice; you can get that for $1.49.

But, because of an evil influence, and I do not know what it is—maybe it is competition for the thirst market of America—you have all of these other soft drinks and other things competing, and you find people buying them, when our children ought to be drinking, particularly the generation that has got to provide the brawn and brain of tomorrow, these youngsters coming up, they ought to be drinking what has been recognized throughout the ages as the best food in the world and the cheapest food in the world.

There is not any question in my mind that it is because of this competition that people will turn to a colored product, looking yellow, looking red, or a cola or some kind of a soft drink. The result will be that the child, instead of having nutriment for his teeth and bones and his organs, will get that which will deteriorate him, and the result will be more pressure for socialized medicine, whereas you can give him a good milk product and that pressure will be taken off.

Senator GILLETTE. You may know, Senator, that Senator AIKEN of this committee developed by questioning that the sale of alcoholic beverages in the District of Columbia was heavier, per person, than the sale of milk.

Senator WILEY. Well, I want to say this, that he may have developed that but from my observation throughout the years, I do not think that you can lay that entirely or even in large part to the citizens of the District of Columbia.

I think that the Capital of our country is the refreshment center for tourists that come down here and who imbibe a large proportion of it. That has been my observation.

I have made that statement so many times and I am ready to make it in public again, that when I go out on Sundays and see the thousands of people that go to church, the local people, I will say that this consumption of liquors that Senator AIKEN speaks of here, must be attributed only in minor part to the citizens of this district.

I think that it is just a natural consequence of people coming to Washington and they have got that habit from years ago, when they came down here and could not interview a Government official without having their heads taken off. I had some of them in my own office, and they go back to the hotel and they say, "By Joe, I better forget that."

That is just one instance, and it makes a sort of an oasis in the desert of the Capital of the Nation.

Senator GILLETTE. They try to drown their sorrows.

Senator WILEY. Well, not only do they try to drown their sorrows, but they also come here, at times, to renew their youth.

Senator AIKEN. Well, Senator, when the Republicans come in, they drown their sorrows and when the successful Democrats come back, then they have to celebrate their victory; either way you have the drinking.

Senator WILEY. Well, I will say this, that while there may be something to it, I know of no group, and I have said that time and time again to some of the preachers, that I know of no group, and I challenge the preachers, where you can find a bigger percentage of teetotalers in the country than in the United States Senate.

I make none of these statements to reflect upon this legislative body, because there is very little evidence in the Senate or out of the Senate that there is anywhere that indulgence in intoxicating liquor as elsewhere. Percentage-wise, there is a bigger group of those who totally abstain in the

Senate than there is around this table now or in any other group that I know of.

So, my statement, Senator—you precipitated this philippic on my part by implying that we are great drinkers in Washington, D. C.

Now, I say that the drinkers ought to turn to milk. You agree with that, do you not?

Senator AIKEN. I do agree.

Senator WILEY. All right, then, we have got that settled.

Senator AIKEN. The thought that I was getting at is, in the first place, that people drink too little milk and too much alcoholic beverages.

Senator WILEY. And milk, as I said, is the finest food and the cheapest food. I say again it is the cheapest food. It is tremendous, what you can get the finest milk in the world for.

I want to make this point, and I want to make it clear so that if the press get hold of it and will get it out, that where milk is selling for 22 cents a quart in this area, the farmer does not get more than 12 cents for that milk. So, you have got the poor farmer, who has to provide all of the capital, all of the work, all of the labor and the hauling, undoubtedly, or pay for the hauling of the milk; and within the course of a few hours the price has gone up practically 100 percent.

Now, out in my State, it has gone up as much as 200 percent on the same day. Now, there is something wrong in that picture; so that the average citizen should not get the idea that the milk farmer is getting what the consumer pays for that milk. That should be clearly stated so that the people will understand the situation and so that prejudice would not be created.

I have even heard bankers who had the wrong impression about this situation. I could go into a recent conversation that I had even with a good citizen of my own State, which showed how little he understood about it, even though he was living in the milk area.

I was talking with a gentleman from Racine last week, where the farmers are getting 6 cents a quart for milk and the fellow that distributed it, the fellow who goes around with the milk placing it at the doorsteps, he gets around $1,000 a month, and in Chicago they make as much as $1,500 a month for distributing that same milk, which sells for 21 cents in that area, after the farmer has gotten his 6 cents.

What I am saying is that I want to get the facts before the consumer so that he does not get a false impression.

Senator AIKEN. The average price for milk in the New England and New York milk shed was $3.55 a hundred for the month of May. That is approximately 7 cents a quart.

Mr. HADLICK. That is the blend price.

Senator AIKEN. That is the blend price. Of course, they get about 9 cents for the percentage of it that is delivered on the consumer's doorstep. Then, they get less than 7 cents for that which is used for other purposes. The average was $3.55 a hundred for the month of May.

It will go up 44 cents a hundred beginning July 1 when the dry season begins.

You started this, Senator WILEY, when you mentioned 12 cents. I know that the producers in this area right around Washington get 12 cents a quart approximately for that part of the milk which is used for direct consumer use; and I presume there is a larger percentage of it used for direct consumer use right around here than in other areas of the country.

Senator GILLETTE. There are two price levels, Senator.

Senator AIKEN. But right here in Washington they get around $3.50 a hundred, or around 7 cents a quart for that which they buy and sell in the jails and hospitals.

Senator GILLETTE. Institutions.

Senator AIKEN. Institutions, yes, so I presume the average in the District would be 9 cents a quart to the farmer, and then you have transportation and other costs which come out of that, which are charged up against receipts.

That is the top figure anywhere in the country, I think. So, while the farmer gets 12 cents for part of his milk, in Washington the consumers pay 21 and 22 cents for it.

In other parts of the country you can figure on 6 cents or 7 cents as more nearly accurate, as the farmers' prices of milk.

Senator WILEY. The second point I was going to make is the depreciated income to the farmer not only hits him but hits every other segment, so that it may precipitate a Nation-wide tailspin that is always caused by a recession starting in the farm areas.

Now, I bring that to the fore because a lot of people think we are talking only for the farmer. Well, we are talking for the consumer as well. We think there may be a question about the distribution costs, when the man that just takes it around from door to door makes $1,000 a month and when the farmer loses in the production, there is something wrong in Denmark.

Then, there is the question of the Government's return in the form of taxes. If the farmer's income has gone down 25 percent, why, of course, the Government will get less taxes. Under the crisis which we are now facing, the Government is going to lose much-needed income.

Our Federal Government is now faced with tremendous new military expenses in the Korean crisis. By breaking down health barriers, you can keep the Midwest healthy economically so as to pay the income taxes which the Government needs. Furthermore, if you can give us the market that we're entitled to, we can save the Commodity Credit Corporation hundreds of millions of dollars that will otherwise be used to support milk.

Everyone recognizes the police power of the respective States to protect their own health, but such power has its limits. Phony milk regulations or orders which have no basis in common sense cannot be designated as the valid exercise of police power. Rather, they comprise in effect arbitrary interstate barriers which the Constitution itself prohibits. They create "iron curtains" that curb the natural flow of commerce. We are having enough trouble with Red iron curtains now without erecting District of Columbia iron curtains.

Now, Congress on February 27, 1925, enacted into law bill known as Public, No. 496, Sixty-ninth Congress (S. 2803). This law authorized the Health Officer, under the direction and with the approval of the Commissioners, to make and enforce all reasonable regulations consistent with the act of Congress.

The Commissioners have from time to time promulgated regulations. However, there has been no comprehensive study of these regulations for many years. They have been amended in minor details from time to time.

During the past 25 years the United States Public Health Service has enacted and amended its code for the inspection of dairy farms producing milk for use in various parts of the country. The code was revised in 1947. At that time there was a comprehensive study made by the United States Public Health Service resulting in the latest edition published in 1947. Thirty-two States have adopted and are governed by the provisions of the code of the United States Public Health Service relating to dairy farms. Some of these States include Virginia, Maryland, Pennsylvania, New York, Wisconsin, Ohio, Michigan, and many other.

There can be no question that the provisions of this code adequately protect the public in securing an ample supply of pure, wholesome milk.

On July 1, 1950, the Commissioners of the District of Columbia intend to prevent the importation of milk from dairy farms unless the said dairy farms comply with the regulations of the Commissioners relative to the importation of milk into the District of Columbia. These regulations are most restrictive and are not in the public interest in that they prohibit the shipment of milk into the District of Columbia from dairy farms which are qualified and approved under the regulations of the United States Public Health Service.

A simple and expeditious remedy could be effected merely by the District of Columbia Commissioners passing a regulation immediately which would direct the health officer of the District of Columbia to inspect dairy farms which have been approved by the United States Public Health Service or one of the States having rules and regulations comparable to those provided in the Code of the United States Public Health Service, and the health officer would then be directed to issue a permit to such dairy farmer authorizing him to ship his milk and cream into the District of Columbia.

Legislation is not needed to effect the above. A regulation of the Commissioners is sufficient. This regulation can be enacted immediately.

Since 1942 farms which were approved by certificate from the United States Public Health Service or from the health officer of the local State have been permitted to ship their milk into the District of Columbia. The Commissioners have ordered this terminated as of June 30.

There is no question that this milk, so inspected as described above, is pure and wholesome. The District of Columbia is entitled to have an ample supply of milk, and it would have a strong tendency to reduce the cost of milk, cream, and dairy products to the housewife.

Now, I am back where I started. And, talking about iron curtains, on the floor of the Senate, you will hear great speeches—or are they great?—when some of the Senators get up and tell about England not willing to cooperate and other countries not ready to get in and cooperate in relation to cutting down their tariff walls, their barriers in Europe. Well, they have lived there for thousands of years with those walls.

We, in this country, do not have those barriers between the States, those walls; but under the guidance of folks who have selfish interests to protect, I assume, we have permitted under the guise of police regulations and health provisions, and so forth, the erection of these barriers. It is easy enough for the human mind to do these things if there is not in the mind respect for the law of the land.

Now, I appeal directly to the Commissioners here; and if there is no action, then I will ask that this subcommittee go down and consider the over-all picture. I refer to the right of producers, the right of consumers, the right of the Government (i. e., the tax collector), and the effect of creating and permitting to be created by any lax action on the part of those who should operate, the Commissioners, to wit—permitting to continue this fungus growth that might well turn into something that would be really detrimental to the political and economic life of this country.

You can ship in all the drugs; you can ship all of the alcoholic liquors and malt; but you are not going to be permitted to ship in that which the law of the land says is O. K. and which other States have inspected and said is O. K. and which is the best and cheapest food in the world. It does not make sense, Mr. Chairman.

Senator GILLETTE. Thank you, Senator WILEY.

Do you have any questions, Senator AIKEN?

Senator AIKEN. No.

Senator GILLETTE. Does counsel have questions?

Mr. HADLICK. No.

Senator GILLETTE. We appreciate very much your coming here this morning with your excellent statement, Senator.

## MAINTENANCE OF A DOMESTIC TIN-SMELTING INDUSTRY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1867, Senate bill 3666, relating to the domestic tin-smelting industry. The bill has been reported without amendment—or, at least, without amendment of any consequence.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3666) to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry, reported from the Committee on Armed Services, with an amendment.

Mr. WHERRY. Mr. President, I inquire if the Senator from Texas requested unanimous consent for the immediate consideration of the bill?

The PRESIDING OFFICER. He did.

Mr. WHERRY. Mr. President, reserving the right to object, let me say that I understood the Senator to say there was no amendment to the bill. However, the clerk has stated that there is an amendment. Does the amendment change the bill in any way?

Mr. JOHNSON of Texas. Mr. President, this measure merely extends for 5 years the act passed during the Eightieth Congress.

Mr. WHERRY. What is the amendment?

Mr. JOHNSON of Texas. There is no amendment——

Mr. WHERRY. I understood the clerk to state that the bill is reported with an amendment.

The PRESIDING OFFICER. The Chair understood the clerk to state that the bill has been reported with an amendment. The amendment will be stated.

Mr. JOHNSON of Texas. The amendment is simply a technical one.

The LEGISLATIVE CLERK. On page 1——

Mr. WHERRY. Mr. President, inasmuch as the Senator has stated that the amendment is only technical in nature, I have no objection to the request for the present consideration of the bill.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the bill? The Chair hears none.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services, with an amendment on page 1, in line 7, after the word "amended", to strike out "by Public Law 824, Eightieth Congress", so as to make the bill read:

*Be it enacted, etc.*, That section 2 of the joint resolution entitled "Joint resolution to strengthen the common defense and to meet industrial needs for tin by providing for the maintenance of a domestic tin-smelting industry," approved June 28, 1947, as amended, is amended by striking out "June 30, 1951," and inserting in lieu thereof "June 30, 1956."

The amendment was agreed to.

The PRESIDING OFFICER. If there is no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill (S. 3666) was ordered to be engrossed for a third reading, read the third time, and passed.

## ORDER OF BUSINESS

Mr. DONNELL. Mr. President, yesterday I presented to the Senate certain information in regard to the then condition of the switchmen's strike against five western and midwestern railroad companies.

At this time I desire to present certain additional information, bringing the situation as nearly up to the present moment as it is within my power to do.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. LUCAS. Certain Senators have matters to submit for the RECORD, I am sure. Will the Senator yield for that purpose?

Mr. DONNELL. I am glad to do so.

## MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 2348. An act to increase the annual authorization for the appropriation of funds for collecting, editing, and publishing of official papers relating to the Territories of the United States;

S. 3550. An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter) and rice and rice products;

S. 3571. An act to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes;

S. J. Res. 170. Joint resolution to provide for the transfer of the paintings The Grand Canyon of the Yellowstone and The Chasm of the Colorado from the United States Capitol to the Department of the Interior; and

S. J. Res. 171. Joint resolution transferring the plaster cast of the statue of George Washington from the United States Capitol to the Smithsonian Institution.

## TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

## EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred, as indicated:

### REPORT OF HOUSING AND HOME FINANCE AGENCY

A letter from the Acting Administrator, Housing and Home Finance Agency, Washington, D. C., transmitting, pursuant to law, the annual report of the agency for the calendar year 1949 (with an accompanying report); to the Committee on Banking and Currency.

### DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

Petitions of sundry citizens of the United States, praying for the strengthening of the United Nations into a world court; to the Committee on Foreign Relations.

The memorial of Alice Kamokila Campbell, of Ewa, Oahu, Hawaii, remonstrating against the enactment of legislation providing statehood for Hawaii (with accompanying papers); to the Committee on Interior and Insular Affairs.

A resolution adopted by Club 100, One Hundredth Infantry Battalion, Hilo, Hawaii, favoring the appointment of Tom T. Okino to be a judge of the Third Circuit in Hawaii; to the Committee on the Judiciary.

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolutions of the General Court of the Commonwealth of Massachusetts, relating to the inclusion in the rivers and harbors bill the necessary funds to dredge Wellfleet Harbor, Mass.; to the Committee on Appropriations.

(See resolutions printed in full when laid before the Senate by the Vice President on June 29, 1950, p. 9425, CONGRESSIONAL RECORD.)

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee no Interstate and Foreign Commerce:

"Resolutions memorializing Congress to take immediate action to prevent the complete liquidation of the shipbuilding industry in Massachusetts

"Whereas the maintenance of a strong and substantial merchant marine fleet is vitally essential for the economic welfare and strength of all sections of the United States of America; and

"Whereas in the present uncertain, volatile world conditions, the continuance of an effective fleet of naval ships of all types is essential for national safety, inasmuch as the maintenance of such a fleet may be the most important factor in averting another devastating war; and

"Whereas in peacetime a powerful merchant-marine fleet adds substantially to the economic strength of the United States, it also serves to train competent personnel, which in time of war becomes a strong and effective auxiliary to our fleet of fighting ships; and

"Whereas the construction and maintenance of a lusty merchant marine and naval fleet is entirely dependent on the availability of skilled engineers, mechanics, and artisans; and

"Whereas the Commonwealth of Massachusetts includes within its present population a substantial number of men experienced in the various trades and crafts required in building, repairing, and refitting ships of all types; and

"Whereas due to the present limited amount of ship construction, repairing, and refitting work currently available to the shipyards of Massachusetts, innumerable skilled shipyard workers, many over 40 years of age, are now unemployed, and numerous others are threatened with unemployment; and

"Whereas the enforced discharges of more skilled shipyard workers may result in their taking employment in other industries, or migrating to other sections of the country; and

"Whereas the unavailability of skilled shipbuilders in or near communities where suitable yards are located may present a problem of major national proportions in the event of war or serious threats of war; and

"Whereas the safety of our Nation requires an effective Navy and powerful merchant marine to be maintained at a level equal to that of any potential foe who seemingly has added at least three sizable battleships to a growing fleet; and

"Whereas such fleets are possible only with an adequate supply of shipbuilders: Therefore be it

"*Resolved*, That the general court of Massachusetts memorializes the Congress of the United States to take immediate action to prevent the complete liquidation of the shipbuilding industry in Massachusetts; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"In house of representatives, adopted, June 21, 1950.

"LAWRENCE R. GROVE,
"*Clerk.*

In senate, adopted, in concurrence, June 23, 1950.

"IRVING N. HAYDEN,
"*Clerk.*"

The VICE PRESIDENT laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts, identical with the foregoing, which were referred to the Committee on Interstate and Foreign Commerce.

## GENOCIDE CONVENTION—RESOLUTION OF ARMENIAN YOUTH FEDERATION, WASHINGTON, D. C.

Mr. LEHMAN. Mr. President, the Armenian Youth Federation, which met in annual convention in Washington this week, adopted a resolution asking the United States Senate to approve the genocide convention. I, myself, am very much in favor of this convention, and I hope the Senate Foreign Relations Committee will consider this resolution along with other expressions of sentiment. I ask unanimous consent to insert the resolution in the RECORD, and that it be appropriately referred.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY THE SEVENTEENTH ANNUAL CONVENTION OF THE ARMENIAN YOUTH FEDERATION IN WASHINGTON, JUNE 27, 1950

Whereas—

1. The tragedy of the Armenian people who fell victim of genocide during the First World War never vanished from our hearts and shall never disappear from the conscience of the free peoples of the world;

2. Armenian leaders, intellectuals, and clergy in Soviet Russia are undergoing the process of systematic persecution;

3. The fate of the American people is shared by the peoples of Lithuania, Estonia, Latvia, by the Poles, Ukranians, Bulgarians, and others today, and by the Jews and Greeks yesterday;

4. There is a community in the sufferings of victims of Russian persecution, but there must also be solidarity in defense against this unspeakable horror and barbarism conceived by the evil minds of the politiburo;

5. We remember with dismay that the Turkish perpetrators of genocide on 1,100,000 Armenians were never punished because of the lack of international law and that the punishment of the Nazis was criticized because of a similar inadequacy of law. We cannot allow it to happen again;

6. The genocide convention now under consideration for ratification by the parliaments of the world and by the United States Senate is a moral, legal, and political necessity for our times and is a source of hope to the numerous survivors of genocide that this ruthless crime will be abolished forever from the face of the earth: Now, therefore, be it

*Resolved*—

A. That the Armenian Youth Federation urges the Senate of the United States to ratify immediately the genocide convention.

B. To ask the delegation of the federation to present copies of this resolution to President Truman and Members of the United States Senate concerned and to the United Nations.

## RESOLUTIONS OF WISCONSIN BANKERS' ASSOCIATION

Mr. WILEY. Mr. President, I have in my hand a series of resolutions in the form of declaration of policy adopted at the Fifty-fourth Annual Convention of the Wisconsin Bankers' Association. This declaration was forwarded to me today by the distinguished secretary of the association, my good friend, Wall Coapman. I think that my colleagues will be tremendously interested in these statements on the vital need for Federal economy, the need for ending the Government deficit, for relieving taxes on American businesses, and so on.

I ask unanimous consent that the text of resolutions be printed at this point in the body of the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

DECLARATION OF POLICY ADOPTED AT THE FIFTY-FOURTH ANNUAL CONVENTION, WISCONSIN BANKERS ASSOCIATION

*Be it resolved by the bankers of Wisconsin in convention assembled at Milwaukee, June 19, 20, and 21, 1950*, That the following declaration of policy be adopted and the officers of the association and members be so informed; further, that wide distribution of this statement be made by member banks to their respective local newspapers for publication, and for discussion with public officials that represent them in various divisions of government. The secretary of the Wisconsin Bankers Association is also directed to send copies of this declaration of policy to all State associations and to the officers, divisions, and sections of the American Bankers Association.

### FEDERAL EXPENDITURES

Bankers of Wisconsin recognize that it is necessary for the Federal Government to expend large sums of money to build up our defenses and to help other democratic nations recover their economic and military strength. They believe further that these huge expenditures together with other sizable public disbursements by the Federal Government are placing a severe strain on the resources of the country; they, therefore, urge the Federal Government to make all possible efforts to reduce expenditures wherever possible and to defer all new welfare programs until it is possible to balance the national budget.

### DEFICIT FINANCING

The policy of the Federal Government to spend more than it receives in taxes at a time of high national income is extremely dangerous to the country's welfare. Governments, like business enterprises and individuals, cannot spend beyond their incomes indefinitely and remain solvent. The increase of the public debt which results from this policy serves only to postpone the day of reckoning, as well as to create money with diminishing purchasing power. The bankers of Wisconsin have the duty to remind Federal administrative officers and Members of Congress of the danger of this policy and to demand that they put an end to deficit financing at the earliest possible moment.

### LOANS TO SMALL BUSINESS

The banks of the country have sufficient loanable funds to meet all meritorious requests for business loans, large and small. Therefore, they do not believe there is any necessity for government to create new credit agencies.

### DISCRIMINATION AGAINST SMALLER CORPORATIONS

As an encouragement to smaller business, bankers of Wisconsin favor an adjustment downward in the Federal income tax of 53 percent presently imposed on smaller corporations.

### RESERVE REQUIREMENTS

Bankers of Wisconsin hereby go on record as opposed to any Federal legislation that would vest in the Federal Reserve Board the authority or power to regulate the reserve requirements of any banks that are not members of the Federal Reserve System.

### REVISION IN UNITED STATES TREASURY REGULATIONS PERMITTING TEMPORARY BORROWING AGAINST PLEDGE OF UNITED STATES SAVINGS BONDS

Bankers of Wisconsin are cooperating with the United States Treasury Department in promoting the sale of savings bonds and are cognizant of the fact that the liberal purchase and retention of such bonds by our citizenry is a major factor in counteracting inflationary tendencies, as well as in retaining a stake in the economic welfare of our country.

Bankers of Wisconsin believe, however, that it is as necessary on the part of the United States Treasury to devise ways to allow holders to continue ownership of their bonds through temporary borrowing on the security thereof as it is to spend millions of dollars promoting the sale of new savings bonds; therefore, the bankers of Wisconsin recommend the promulgation by the Treasury of a regulation permitting owners of United States savings bonds to pledge them as collateral to any State or national bank or trust company, thereby not only assuring continued ownership but by such provision encouraging further purchases.

### ABA URGED TO SPONSOR EDUCATIONAL PROGRAMS

Bankers throughout the Nation for many years have performed important financial services to their Government and the citizenry. These services include the sale and redemption of United States savings bonds, sale of marketable United States securities and the collection from employers of withholding and social-security taxes. Through their daily contacts with a substantially large section of the citizenry they maintain an influential position in the economy of the

United States; therefore, bankers of Wisconsin urge the American Bankers Association to sponsor a national educational program to better inform the public of the part banks play in promoting a sound economy of the country.

CONSERVATION OF NATURAL RESOURCES

The hard fact that land and other natural resources are exhaustible becomes more evident every day. It is therefore urged that more Wisconsin bankers interest themselves in this problem and take an active part in sponsoring programs in their respective localities to better inform farmers of the part they must take in conserving our natural resources if they want this country to remain strong and prosperous.

YOUTH

The future of our country and its business enterprises is dependent on a healthy, alert, and properly informed younger generation. The bankers of Wisconsin call upon the association membership to subscribe to and participate in programs of encouraging youth activities in 4–H Clubs, Future Farmers of America, Future Homemakers of America, Boys' Clubs and other worthy youth organizations, and to sponsor programs of better education in banking and financial transactions at the high-school level.

BANK PERSONNEL

The character building of bank employees is a very important obligation of bank management. Honesty, devotion to the interest of the bank, accuracy, strict attention to duties, courtesy, and other attributes so necessary to advancement should be inculcated in the minds of all personnel. Opportunities for education in banking should be made available to them and, most important, bank employees should be given the same working advantages and conveniences available to the employees in other trades and industries in their communities.

The bankers of Wisconsin are hereby urged to develop within their institutions personnel programs of education in the field of banking through courses offered by the American Institute of Banking, and graduate schools of banking.

As in the past, bankers of Wisconsin shall ask nothing of government that is not to the best interest and welfare of the public at large.

Respectfully submitted.

Resolutions Committee: O. K. Johnson, Chairman, Executive Vice President, Whitefish Bay State Bank; K. K. DuVall, President, First National Bank, Appleton; A. E. Francke, President, Northern Bank, Milwaukee; W. S. Hobbins, President, American Exchange Bank, Madison; F. J. Manning, Cashier, Security State Bank, Ladysmith; Rex Reeder, Executive Vice President, Marine National Exchange Bank, Milwaukee; E. A. Schipper, Executive Vice President and Cashier, State Bank of Viroqua; Carl Taylor, president, Waukesha State Bank; W. J. Tesch, President, Lincoln County Bank, Merrill.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McFARLAND (for Mr. JOHNSON of Colorado), from the Committee on Interstate and Foreign Commerce:

S. 1281. A bill to amend the Federal Airport Act so as to make the United States share of costs for land acquisitions the same as for other project costs; without amendment (Rept. No. 1930).

By Mr. HOLLAND, from the Committee on Public Works:

H. R. 7219. A bill to authorize acquisition by the Administrator of General Services of certain land and the improvements thereon in the District of Columbia; without amendment (Rept. No. 1931).

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. 3653. A bill to provide for financing the operations of the Bureau of Engraving and Printing, Treasury Department, and for other purposes; without amendment (Rept. No. 1932).

By Mr. SCHOEPPEL, from the Committee on Expenditures in the Executive Departments:

S. 3652. A bill to facilitate the settlement of the accounts of certain deceased civilian officers and employees of the Government; without amendment (Rept. No. 1933).

## PRINTING OF PAPER ENTITLED "A REPORT AS TO BOULDER CITY, NEV."

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report an original resolution authorizing the printing of a comprehensive report by Henry Reining, Jr., on problems affecting Boulder City, Nev., and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The resolution (S. Res. 305) was read as follows:

*Resolved*, That there be printed, with illustrations, as a Senate document, a paper entitled "A Report as to Boulder City, Nev.," by Henry Reining, Jr., professor of public administration and political science, University of Southern California, Los Angeles, Calif.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

## ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, June 30, 1950, he presented to the President of the United States the following enrolled bills and joint resolutions:

S. 2348. An act to increase the annual authorization for the appropriation of funds for collecting, editing, and publishing of official papers relating to the Territories of the United States;

S. 3550. An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products;

S. 3571. An act to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes;

S. J. Res. 170. Joint resolution to provide for the transfer of the paintings The Grand Canyon of the Yellowstone and The Chasm of the Colorado from the United States Capitol to the Department of the Interior; and

S. J. Res. 171. Joint resolution transferring the plaster cast of the statue of George Washington from the United States Capitol to the Smithsonian Institution.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. IVES:

S. 3853. A bill for the relief of Dr. Ercole Barattucci; to the Committee on the Judiciary.

By Mr. KILGORE (for himself and Mr. BRIDGES):

S. 3854. A bill to provide for the establishment of summer training installations to offer basic military training for certain civilian volunteers, and for other purposes; to the Committee on Armed Services.

By Mr. MYERS:

S. 3855. A bill for the relief of Alexandros Peter Colyvas; to the Committee on the Judiciary.

By Mr. LEHMAN:

S. 3856. A bill for the relief of Andrew Halasz; to the Committee on the Judiciary.

By Mr. MYERS:

S. 3857. A bill for the relief of Joseph K. Landa; to the Committee on the Judiciary.

By Mr. CHAPMAN:

S. 3858. A bill for the relief of Teofilo Nutini; to the Committee on the Judiciary.

(Mr. MAGNUSON introduced Senate bill 3859, to authorize the President to control the anchorage and movement of foreign-flag vessels in waters of the United States when the national security of the United States is endangered, and for other purposes, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

By Mr. MORSE:

S. 3860. A bill for the relief of Mrs. Okuni Kobayashi; to the Committee on the Judiciary.

## SUSPENSION OF CERTAIN IMPORT TAXES ON COPPER—AMENDMENT

Mr. McMAHON (for himself, Mr. LUCAS, and Mr. BENTON) submitted an amendment intended to be proposed by them, jointly, to the joint resolution (H. J. Res. 494) to extend for 2 months the existing suspension of certain import taxes on copper, which was referred to the Committee on Finance, and ordered to be printed.

## ESTABLISHMENT OF WYOMING JACKSON HOLE NATIONAL PARK—AMENDMENTS

Mr. O'MAHONEY (for himself and Mr. HUNT) submitted amendments in the nature of a substitute, intended to be proposed by them, jointly, to the bill (S. 3409) to establish the Wyoming Jackson Hole National Park in the State of Wyoming, and for other purposes, which were referred to the Committee on Interior and Insular Affairs, and ordered to be printed.

## TRANSFER OF CERTAIN LAND AND OTHER PROPERTY TRANSACTIONS BY MILITARY DEPARTMENTS—AMENDMENT

Mr. JOHNSON of Texas submitted an amendment intended to be proposed by him to the bill (S. 2856) to authorize certain land and other property transactions by the military departments, and for other purposes, which was referred to the Committee on Armed Services and ordered to be printed.

## STATEHOOD FOR HAWAII—AMENDMENT

Mr. BUTLER submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (H. R. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States, which was ordered to lie on the table and to be printed.

## STATEHOOD FOR ALASKA—AMENDMENT

Mr. BUTLER submitted an amendment in the nature of a substitute in-

tended to be proposed by him to the bill (H. R. 331) to provide for the admission of Alaska into the Union, which was ordered to lie on the table and to be printed.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles, and referred, as indicated:

H. R. 8112. An act to provide for the transfer to the States of the replicas of the State seals removed from the Chamber of the House of Representatives of the United States; and

H. R. 8958. An act relating to the policing of the buildings and grounds of the Library of Congress; to the Committee on Rules and Administration.

H. R. 8920. An act to reduce excise taxes, and for other purposes; to the Committee on Finance.

H. J. Res. 453. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the First United States International Trade Fair, to be held at Chicago, Ill., August 7 through 20, 1950; to the Committee on Foreign Relations.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. THOMAS of Utah, from the Committee on Labor and Public Welfare:

Horace W. Harper, of Texas, to be a member of the Railroad Retirement Board for the term expiring August 29, 1954;

Travis P. Burroughs, and sundry other candidates for appointment in the Regular Corps of the Public Health Service; and

Solomon J. Axelrod, and sundry other candidates for appointment and promotion in the Regular Corps of the Public Health Service.

CONVENTIONS WITH CANADA RELATING TO DOUBLE TAXATION—REMOVAL OF INJUNCTION OF SECRECY

The VICE PRESIDENT. As in executive session, the Chair lays before the Senate Executive R, Eighty-first Congress, second session, a convention between the United States of America and Canada, signed at Ottawa on June 12, 1950, modifying and supplementing in certain respects the convention and accompanying protocol for the avoidance of double taxation and the prevention of fiscal evasion in the case of income taxes signed at Washington on March 4, 1942.

Mr. CONNALLY. I move that the injunction of secrecy be removed from the convention, and that the convention, together with the President's message be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Without objection, the injunction of secrecy is removed from the convention, and the convention, together with the President's message will be referred to the Committee on Foreign Relations, and the President's message will be printed in the RECORD. The Chair hears no objection.

The message from the President is as follows:

*To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the convention between the United States of America and Canada, signed at Ottawa on June 12, 1950, modifying and supplementing in certain respects the convention and accompanying protocol for the avoidance of double taxation and the prevention of fiscal evasion in the case of income taxes signed at Washington on March 4, 1942.

I also transmit for the information of the Senate the report by the Secretary of State with respect to the supplementary convention.

The supplementary convention has the approval of the Department of State and the Treasury Department.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 30, 1950.*

(Enclosures: (1) Report of the Secretary of State; (2) supplementary convention with Canada relating to taxes on income.)

The VICE PRESIDENT. As in executive session, the Chair lays before the Senate Executive S, Eighty-first Congress, second session, a convention between the United States of America and Canada, signed at Ottawa on June 12, 1950, modifying and supplementing in certain respects the convention for the avoidance of double taxation and the prevention of fiscal evasion in the case of estate taxes and succession duties signed at Ottawa on June 8, 1944.

Mr. CONNALLY. I move that the injunction of secrecy be removed from the convention, and that the convention, together with the President's message, be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Without objection, the injunction of secrecy is removed from the convention, and the convention, together with the President's message will be referred to the Committee on Foreign Relations, and the President's message will be printed in the RECORD. The Chair hears no objection.

The message from the President is as follows:

*To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the convention between the United States of America and Canada, signed at Ottawa on June 12, 1950, modifying and supplementing in certain respects the convention for the avoidance of double taxation and the prevention of fiscal evasion in the case of income taxes signed at Washington on March 4, 1942.

I also transmit for the information of the Senate the report by the Secretary of State with respect to the supplementary convention.

The supplementary convention has the approval of the Department of State and the Treasury Department.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 30, 1950.*

(Enclosures: (1) Report of the Secretary of State; (2) supplementary convention with Canada relating to estate taxes and succession duties.)

ADDRESS BY SENATOR MYERS AT MEETING OF PENNSYLVANIA STATE COMMITTEE

[Mr. MYERS asked and obtained leave to have printed in the RECORD the address delivered by him at the meeting of the Pennsylvania State Committee at Harrisburg, Pa., on June 14, 1950, which appears in the Appendix.]

NO. 29 IN BIWEEKLY SERIES BROADCAST BY SENATOR MYERS TO PEOPLE OF PENNSYLVANIA

[Mr. MYERS asked and obtained leave to have printed in the RECORD No. 29 in the biweekly series of radio broadcasts to the people of Pennsylvania made by him on June 25, 1950, which appears in the Appendix.]

SENATOR MYERS' WASHINGTON NEWS-LETTER

[Mr. MYERS asked and obtained leave to have printed in the RECORD the Washington News-Letter prepared by him, a personal report to the people of Pennsylvania, dated June 22, 1950, which appears in the Appendix.]

UNBALANCED FUEL ECONOMY

[Mr. MYERS asked and obtained leave to have printed in the RECORD a statement made by him on March 25, 1950, in connection with Senate Resolution 239, submitted by him, authorizing an investigation and study of the available fuel reserves of the United States, and an article entitled "Unbalanced Fuel Economy," written by Harlan Trott and published in the Christian Science Monitor of June 23, 1950, which appear in the Appendix.]

THE HISS HERRING

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an editorial entitled "The Hiss Herring," published recently in the Daily Plainsman, of Huron, S. Dak., which appears in the Appendix.]

OUR ANTI-ANTI-COMMUNISTS—ARTICLE BY WILLIAM HENRY CHAMBERLIN

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an article entitled "Our Anti-Anti-Communists," written by William Henry Chamberlin and published in a recent issue of the Wall Street Journal, which appears in the Appendix.]

STALIN OR GOD—ADDRESS BY GEORGE E. STRINGFELLOW

[Mr. MORSE asked and obtained leave to have printed in the RECORD an address entitled "Stalin or God," delivered by George E. Stringfellow, vice president, Thomas A. Edison Industries, at the George E. Stringfellow ceremonial of Kalurah Temple, A. A. O. N. M. S., at Binghamton, N. Y., on May 27, 1950, which appears in the Appendix.]

WHEAT PRODUCTION OF KANSAS

Mr. DARBY. Mr. President, that "Kansas is the greatest wheat-producing State in the Union" is a universally known fact. At this time, in the light of international developments, we are concerned about the picture of our Nation's food situation, and an ample supply of wheat. This spring there was widespread gloom when crop forecasters predicted a short 1950 June production. Now harvest is in full swing in Kansas, and the June forecast is 166,000,000 bushels, which will add $24,000,000 to our farmers' income.

. This year, as always, Kansas has delivered, so we do not need to worry about the wheat situation in connection with our international developments, when we know that the wheat-production problem is in the hands of Kansas farmers.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial by J. C. Mohler, which appeared in the Topeka (Kans.) State Journal of Friday, June 23. "Jake" Mohler, a great and distinguished man in agriculture, having attained national prominence in his service to Kansas and our Nation, is known and loved by everyone in Kansas. Before retiring last year he had been secretary of the Kansas State board of agriculture for 35 years. His appropriate editorial, "Wheat Miracle? That's Kansas," is typical of the fine spirit of the Kansas wheat farmers, and emphasizes what they produce on Kansas farms, not only this year, but always.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHEAT MIRACLE? THAT'S KANSAS

(By J. C. Mohler)

Three items of much significance appeared simultaneously in the news the other day—that the first car of this year's Kansas wheat crop had reached the Kansas City market, that its quality was fine, and that the improved weather conditions in the past month were expected to add $24,000,000 to the income of the State's wheat farmers for 1950.

The public, one might well say the world, has been anxiously awaiting word about the Kansas wheat at this critical stage of development. This is not unusual; in fact, it is quite customary, but there is always decided relief to know that the harvest is under way, what the quality of the grain is like, and particularly to be assured that the crop is turning out better than anticipated. Now the ticker and tape boys who have been running chills and fever can relax somewhat, along with the rest of us, and Kansas can take a bow in the comeback of the crop as its special contribution to the favorable trend of business generally the country over.

Even though the crop is making a garrison finish, there are some folks who seem to feel a bit apologetic for the State's total yield of wheat this year because the June forecast was but 166,000,000 bushels. Ordinarily when a crop shows exceptional improvement just before maturity its final production will exceed previous estimates. I suspect this may happen this year. But 166,000,000 bushels is nothing to induce pessimism. Indeed it is something to cheer about.

Up from the earth and out of the air and light, it is new wealth, something of value to society that did not exist before. It will stimulate business far and wide. It will give producers strong purchasing power and they are good spenders. It will gainfully employ elevators, mills, transportation systems and a host of others in the marketing and processing fields, in addition to fulfilling its chief and primary purpose in supplying food for mankind, and in which, after all, is found its truest expression of real wealth.

We have had larger wheat crops than that of this year but not many. In fact only in 11 years have greater wheat crops been raised. In value, however, the 1950 production may step up some. In my new freedom I'm certainly not at this late date going to engage in price predictions, but on the basis of present market quotations the year's crop could figure as worth in the neighborhood of $332,000,000. If realized, this amount would be exceeded only by the 3 years of 1946, 1947, and 1948.

While it may seem like straying a bit, the mere mention or memory of 1948 recalls a most remarkable year in the entire history of Kansas wheat growing. In that year the wheat in a most sensational manner proved its right to be known as the miracle crop, and of which we have also seen some evidence on a minor scale this season. Nearly 14,500,000 acres were seeded in the preceding fall for the crop of 1948. Because of dry weather the planting continued from normal seeding time until even winter days. The December 1947 forecast was for a crop of 159,000,000 bushels. The April forecast of 1948 indicated the same amount, and the May estimate was for 148,000,000.

From normal seeding date this would indicate a period of at least 7 months of as gloomy a picture as the State ever saw.

But look what happened: a June forecast of 160,000,000 bushels; a July estimate of 196,000,000 and in August 216,000,000. The statisticians followed this crop diligently but they couldn't keep up with it, and the final yield of 231,000,000 bushels reported made it the third largest crop of record.

This is indeed striking testimony of the remarkable recuperative ability of wheat and the rejuvenation powers of Kansas soils, which were given a chance to exhibit these qualities under a change in weather conditions that came just in the nick of time.

Well, that's Kansas, and the show goes on all the time, with a varied program.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. IVES was excused from attendance on the session of the Senate on Monday next.

On his own request, and by unanimous consent, Mr. LEHMAN was excused from attendance on the session of the Senate on Monday next.

On request of Mr. LUCAS, and by unanimous consent, Mr. WITHERS was excused from attendance upon the sessions of the Senate for an indefinite period.

EDUCATION OR TRAINING OF VETERANS—CONFERENCE REPORT

Mr. DOUGLAS. Mr. President, I submit a conference report on the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944), and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read.

(For conference report, see House proceedings of June 28, 1950, pp. 9474–9478.)

Mr. DOUGLAS. Mr. President, I am submitting the report in the absence of the senior Senator from Florida [Mr. PEPPER], chairman of the Subcommittee on Veterans Affairs of the Senate Committee on Labor and Public Welfare.

Senator PEPPER wanted very much to call this matter up personally, since he has worked most diligently on the measure, but unfortunately he is detained in Florida due to the grave illness of his former law partner, Judge Waller.

The conference report represents the culmination of an effort of almost 2 years' duration to regularize and clarify the education and training program authorized by the GI bill of rights.

S. 2596 was unanimously approved by the Senate last year, and the conference report was unanimously approved by the House yesterday.

Mr. President, I ask that the conference report be adopted.

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

ORDER OF BUSINESS

Mr. MAGNUSON. Mr. President, I was going to ask the Senator from Missouri to yield to me, to permit me to make remarks for approximately 15 or 20 minutes in connection with the introduction of a bill. I should like to do so when the Senator concludes his remarks.

Mr. DONNELL. Mr. President, although my remarks probably will not take more than 15 or 20 minutes, nevertheless I am glad to yield to the Senator from Washington for the purpose he has indicated, if I may do so without losing the floor. I ask unanimous consent for that purpose.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, before the Senator from Washington proceeds, if I may have his permission and that of the Senator from Illinois, I should like to make certain announcements at this time regarding the program. As soon as the Senator from Washington and the Senator from Wisconsin conclude their addresses, or any other Senators, I may say, who wish to be heard on the floor of the Senate this afternoon, I propose to move that the Senate recess until Monday next.

It is my understanding that a number of Senators will be out of town on Monday and Tuesday, and that it will be impossible probably to transact any business by reason of their absence. Therefore, I have agreed with the Senator from Missouri to have considered the bill (H. R. 2365) which is for the relief of the city of Chester, Ill., a bill which is now on the calendar—Calendar No. 1181—and, if there is any objection to voting on it Monday, we will postpone that until the following Wednesday, when all Senators will have returned.

Mr. DONNELL. Mr. President, if the Senator will permit, I may say that I should like very much to have the vote on Wednesday, rather than on Monday.

Mr. LUCAS. The Senator's request will be granted.

Mr. President, on Wednesday, following the 4th of July, it is the intention of the majority leader to move to consider the nomination of Sumner T. Pike, of Maine, to be a member of the Atomic Energy Commission. His term expires tonight, and the sooner we can ascertain what the Senate desires to do in regard to this nomination, the better it will be I think for the country, the Senate, and the executive branch of the Government.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I desire to ask the distinguished majority leader whether it is contemplated that there will be a quorum call on Monday.

Mr. LUCAS. No; I do not believe there will be a quorum call on Monday, I may say to the Senator from Nebraska.

Mr. WHERRY. I thank the Senator.

Mr. LUCAS. Mr. President, I should like also to make this further announcement. The Senator from Arkansas has served notice that on July 6 Reorganization Plan 24 will be considered. There is a bill that probably can be reported by the Public Works Committee of the Senate, dealing with the extension of the Federal aid highway program. I hope that that bill will be reported, so we can take it up and dispose of it sometime next week. I also hope that the Senate Committee on Agriculture and Forestry will report Senate bill 2636, to amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended.

I have merely mentioned those bills, Mr. President, as bills which we should take up next week.

There are also two other bills which have been reported by the Committee on Interior and Insular Affairs, dealing with statehood for Alaska and statehood for Hawaii. I want to make this statement now with respect to those bills. I may say frankly that whether they will be considered will depend upon how long the Congress remains in session. In the event the Appropriations Committee reports the general appropriation bill next week, as I understand it may, and we begin consideration of the appropriation bill, to be followed by consideration of a tax bill, it will take us at least until July 31 to dispose of those two measures and other measures which I have discussed. I am very much in favor of statehood for Hawaii and statehood for Alaska, but I am not in favor of remaining here all summer, in order to put certain measures through. So it will all depend upon the time element.

I am still driving for adjournment of the Senate around July 31. We may not achieve that goal, but I believe we can. Of course, world conditions will have something to do with it, particularly the developments which may take place in connection with the Korean situation, which I hope will prove favorable, to the end that we may adjourn at that time. If they are not favorable, other developments may take place which will require our remaining in session longer than that. We are hoping for the best.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question

Mr. WHERRY. Mr. President, may I ask the Senator one more question?

Mr. LUCAS. I yield first to the minority leader.

Mr. WHERRY. I thank the majority leader for having announced the program. I wish to assure him that Senators on this side of the aisle will do everything possible to cooperate in carrying it out.

A bill was mentioned yesterday which I feel should be taken up, in view of the fact that the Senator has announced the program. It is Calendar No. 1365, the bill (S. 2311) to protect the United States against certain un-American and subversive activities, and for other purposes, reported from the Judiciary Committee on March 21. Does the Senator feel that in the list of bills he has announced there might be a possibility of including the consideration of that bill? That is the only one I have to suggest to the Senator, which most of the Members of the Senate on this side are very much interested in.

Mr. LUCAS. Mr. President, some time ago, as the Senator will recall, I gave him a list of bills which the Democratic policy committee thought we might be able to have considered. That bill was not included at that time. As I recall, the Senator from Nebraska suggested only two additional bills, one being the so-called peril-point measure, and the other the bill relating to excise taxes which the House has passed.

Mr. WHERRY. That is correct.

Mr. LUCAS. I presumed that was the decision of the policy committee at that time. So I gave no consideration to Senate bill 2311.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. That is correct, I may say. First, I may say that I feel the majority leader has properly stated the possible legislation that might be considered between now and July 31. But certainly the majority leader does not feel that all this proposed legislation, including the statehood bills, the appropriation bill and the tax bill can be completed by July 31. I am uncertain whether, in the event the time schedule runs beyond August 1, Senate bill 2311 might have the consideration of the majority leader, in revising the list he is proposing today.

Mr. LUCAS. I may say to the Senator from Nebraska that this is the first time that anyone has discussed Senate bill 2311 with the Senator from Illinois. Obviously, I should like to take it up at the proper time with the Democratic policy committee, because it is something new.

Mr. WHERRY. Very well.

Mr. LUCAS. I know that a number of Senators are interested in this bill, and I should like to take it up at the proper time with the Democratic policy committee. In the event we find it necessary to remain in session for any length of time, I may say there are many bills which can be considered.

Mr. WHERRY. I thank the majority leader.

Mr. MAGNUSON. Mr. President, will the Senator yield? I should like to ask the majority leader a question on two matters.

Mr. DONNELL. Mr. President, I yielded on the theory that the Senator from Washington wished to speak approximately 20 minutes, and I was happy to yield to him for that purpose. I trust his speech will not be longer than that, but, of course, I do not want to insist on any limitation.

Mr. LUCAS. Mr. President, this is a very important announcement; or, at least, I think it is important. I shall not be here very long. I want to go to lunch pretty soon.

Mr. MAGNUSON. Mr. President, I do not want to insist on this question, but there are on the calendar approximately 10 bills relating to the merchant marine, one of which involves a very important problem, the revival of shipping on the Great Lakes. Some of the bills may be passed when the Unanimous Consent Calendar is called, but I was hoping that the majority leader would keep in mind the fact that if we have a portion of a day for most of the maritime bills, many of which have already been passed by the House and have been subject to lengthy hearings, and as to which a great deal of work has been done by the subcommittee, there should be no difficulty in passing them. I think the world situation makes our merchant marine as important as is the military today.

Mr. LUCAS. May I inquire of the Senator how long he thinks it will take to dispose of the 10 bills which are on the calendar?

Mr. MAGNUSON. I think we could take them up in one afternoon, and those which appeared to be too controversial we could abandon, but I am sure we can convince the Senate that at least 8 of the 10 bills are vitally necessary.

Mr. THYE. Mr. President, will the Senator yield for a brief comment in connection with what the Senator from Washington stated regarding the Great Lakes shipping facilities?

Mr. LUCAS. I yield to the Senator from Minnesota.

Mr. THYE. Calendar No. 1837, Senate bill 3109, is a bill to allow the sale of certain surplus ships to individuals or corporations desiring to convert the ships into package-freight carriers on the Great Lakes. There is a great need for them. I would say, without any hesitation whatever, that the bill should have been passed earlier in the session. There are favorable reports from all departments which are interested in the subject.

Mr. LUCAS. Let me make this suggestion: Let us wait until the calendar is called, and see how many of the bills can be passed on the call of the Unanimous Consent Calendar. Then we shall be in a position to ascertain the length of time it may take for the remainder of the bills. If it is at all possible, I shall be glad to accommodate the Senator from Washington.

Mr. MAGNUSON. I appreciate that statement. That is the suggestion I made to the Senator from Minnesota. I think the bill will probably pass if an explanation is given. It is meritorious, and I do not think there will be any difficulty in passing it.

There are several other bills in the agenda of 10 which I mentioned, which will probably pass. I think the suggestion of the minority leader is a good one.

Mr. THYE. When does the Senator expect to call the calendar again?

Mr. LUCAS. We may be able to do that the latter part of next week.

Mr. MAGNUSON. Mr. President, I wanted to ask the Senator from Illinois one more question. He mentioned the bill providing statehood for Alaska. I hope we reach the consideration of that

bill at this session. The situation now not only involves the basic problem of whether Alaska should become a State, but its ramifications have gone far beyond that. In my opinion, the psychological effect of tying Alaska to this country as a State would be a great deterrent to the Russian attitude toward Alaska and the great Northwest. I invite attention to the fact that the Russian thinking as to territories is usually that a territory is some sort of a pawn that can be used in power politics or used for any purpose, depending upon the whim of the so-called mother country. As long as it remains in status of a territory, this thinking in respect to our attitude toward it, might invite attack. Whereas, its becoming an integral part of the United States serves notice that we mean to not only protect it but further consider her soil as inviolate as any part of the Nation. This the Russians will understand.

Mr. LUCAS. Will the Senator please keep his speech to the minimum.

Mr. MAGNUSON. Yes.

Mr. LUCAS. I know all the arguments, I may say to my friend.

Mr. MAGNUSON. I hope, because of conditions in the Far East, the bill will be passed, for, in my opinion, Alaskan statehood is almost a war measure.

The PRESIDING OFFICER. The Senator from Missouri has the floor and has been granted unanimous consent to yield to the Senator from Washington for a period of time, estimated to be 15 or 20 minutes, to complete a statement. After that, the Senator from Missouri will be again recognized.

Mr. LUCAS. Mr. President, where did I come in?

The PRESIDING OFFICER. By the grace of the Senator from Missouri and the Presiding Officer.

Mr. LUCAS. I wanted to get the parliamentary situation correct.

Mr. HUMPHREY. Mr. President——

Mr. DONNELL. Mr. President, may I inquire for what purpose the Senator from Minnesota rises?

Mr. HUMPHREY. I should like to ask the majority leader with reference to a bill on the calendar.

Mr. DONNELL. I yield for that purpose.

Mr. HUMPHREY. I should like to ask whether it would be possible to give attention and consideration to Calendar No. 951, Senate bill 1596, to authorize the Postmaster General to enter into special agreements for certain switching service by railway common carriers, and for other purposes.

I may say to the majority leader that the reason I ask about that bill is because there is a case before the Interstate Commerce Commission which involves a considerable amount of money, in the matter of railroad mail pay, and the Government's position in the case cannot be properly represented until the information which this bill would make available can be obtained.

Mr. LUCAS. Mr. President, has the Senator discussed it with me previously?

Mr. HUMPHREY. I do not recall that I have.

Mr. LUCAS. Will the Senator be so kind as to give me a memorandum in order that I may take it up with the Democratic Policy Committee on Wednesday of next week?

Mr. HUMPHREY. I shall be more than happy to do so.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 3336) to provide for the organization of a constitutional government by the people of Puerto Rico.

## SECURITY OF UNITED STATES HARBORS

Mr. MAGNUSON. Mr. President, I desire at this time to introduce a bill which I think is of an emergency nature and is very important to the whole country. Before I introduce the bill, I should like to preface its introduction by a very few remarks regarding its intent and purpose.

The President has been devoting a great deal of study to this and other issues involving the internal security of the Nation. On this particular score, however, existing legislation is neither clear nor sufficently exact, in my opinion. It is my purpose to make it both clear and exact.

We have laws such as the Espionage Act of 1917 which provides the authority for the President to proclaim a national emergency and to issue directives concerning movement of vessels, search and seizure.

Even though we are still technically in a state war today, the Congress in a joint resolution under date of July 25, 1947, declared that the state of war and the national emergency were ended as of that date for the purposes of that statute. Consequently, it would be necessary for the President again to proclaim a national emergency to exercise the power to regulate movement of foreign vessels under the Espionage Act. At present, therefore, there is no clear authority giving the President the right to protect our ports against foreign-flag vessels bent upon missions of sabotage.

A foreign-flag vessel carrying an atomic weapon, or biological or bacteriological materials of warfare, presumably could enter our ports without inspection other than routine customs search. There is not sufficient authority to divert the movement of a possibly unfriendly or suspect vessel.

In other words, customs officers could go aboard a foreign-flag ship, and the captain of the ship could say to them, "I have 10,000 tons of wheat in the hold." That is as far as the customs inspection would go. Anything could be in the hold. Any cargo at all could be stored in the hold of that ship.

Little imagination is required to conceive what destruction could be wrought by an enemy nation which assigned a half-dozen vessels bearing atomic bombs to an equal number of our major ports in a modern day Pearl Harbor effort.

I propose to do this by amending the Espionage Act of 1917 by adding this or similar language to section 191. The language is suggested by those of us who have studied the matter from a legal standpoint. The language which is suggested is as follows:

Whenever the President finds that the security of the United States is endangered by reason of actual or threatened war, or invasion, or of disturbances or threatened disturbances of the international relations of the United States, the President is authorized to institute such measures and issue such rules and regulations—

(a) to govern the anchorage and movement of any foreign-flag vessels in the territorial waters of the United States, to inspect such vessels at any time, to place guards thereon, and, if necessary in his opinion in order to secure such vessels from damage or injury, or to prevent damage or injury to any harbor or waters of the United States, or to secure the observance of rights and obligations to the United States, may take for such purposes full possession and control of such vessels and remove therefrom the officers and crew thereof, and all other persons not especially authorized by him to go or remain on board thereof.

(b) to safeguard against destruction, loss or injury from sabotage or other subversive acts, accidents, or other causes of similar nature, vessels, harbors, ports, and waterfront facilities in the United States and in Alaska, the Territory of Hawaii, Puerto Rico, and the Virgin Islands.

Any appropriation available for the national defense shall be available to carry out the provisions of this paragraph.

The authority granted under this proposed language is the same authority which was given to the President of the United States prior to World War II for the protection of our harbors.

Let me emphasize that this does not apply to domestic vessels, insofar as directing their movement is concerned. It gives the President authority only to direct the movement of foreign-flag vessels.

The second section is designed to protect our ports, harbors, and water-front facilities against acts of sabotage. Under this section, if the President believes it advisable, he can, without declaring a national emergency, promulgate rules and regulations to restrict or prohibit entry of persons into harbor areas who might engage in acts of sabotage.

This latter authority was exercised during the war, under the War Powers Act which has expired.

In my view, in this day of undeclared wars and propaganda wars it is not always wise to be forced to declare a national emergency before being able to act. The very fact of declaration of a national emergency has the utmost propaganda value that has been and can be used against us.

The importance of taking proper legislative steps could hardly be overemphasized in this present period of international tensions. We must remember our previous experiences and take lessons from them. It should not be forgotten that there were many positive actions that could not be taken in preparation for our security prior to the passage of the War Powers Act.

The time to provide for the protection of our ports and harbors is now. We must take the legislative steps necessary to give the President this power to deal

with foreign-flag vessels and to safeguard the water front areas of the United States without having to declare in advance that a national emergency exists.

The language of law which was sufficient in 1917 may no longer be adequate in an atomic age. It may be necessary to divert a foreign-flag vessel from its destination and to require that it go to anchorage elsewhere. At such an anchorage, away from our congested and industrially important port cities, inspection of the ship could take place without harm.

We have a technical advantage in the nuclear field, and must make the most of that advantage in this period of world stress.

Radioactivity or the presence of radioactive materials aboard a ship can be detected by technicians armed with Geiger counters, I believe, unless such a tremendous amount of shielding were used as to effectively conceal the radiation. That much shielding might be easily detected. It is my understanding that an atomic bomb, however, is not radioactive and does not become so until the explosion. Thus the search for an atomic bomb aboard a ship is not a simple matter of detection with a Geiger counter.

We cannot afford to take risks that an aggressor nation might make in an all-out effort to wreck our ports, our port cities, and our maritime strength through such action.

If for reasons of insufficient manpower or insufficient funds such risks exist, they must be eliminated. The security of our ports could be the determining element in a future conflict—if it comes.

Mr. President, I merely add that we in this country have taken great precautions for our national security. We have spent literally billions of dollars to prevent the United States from being attacked by an enemy, and to build up not only our attacking force but our defending force as well.

We know when an airplane comes across Alaska, for example, what the airplane is carrying, its probable speed, and the general direction in which it is flying. Accordingly we can alert ourselves. However, no law exists which gives protection to our harbors. A foreign-flag ship could steam into the harbor of New York, or it could steam into San Francisco, Seattle, Baltimore, or New Orleans, and could have in its hold dangerous and terrifying weapons. Under our present system of security regulations it could probably blow up not only our harbor facilities, but wreck an entire city as effectively as if an airplane had dropped a bomb. It seems to me that we have left uncovered, as it were, despite all our efforts, money, time, and study, this part of our national security. Under this bill the President need not inconvenience foreign-flag vessels coming to our shores. He could say, for example, "Let the English ships come in." He could say the same thing with respect to other foreign-flag carriers which belong to our allies. Our ports could be open to the ships of all nations, including the ships of Russia. However, I think it is high time that we did pay attention to the possibility I have mentioned.

I visualize, Mr. President, a great harbor such as the harbor of New York, in which there are many ship movements throughout the course of a day. Foreign-flag ships enter the harbor. They come from the Middle East with oil. They come from the Far East, too. Ships come to New York Harbor from newly established countries, which may not have regulations such as have been adopted by other countries, like the United States. Many of the ships are manned by crews composed of men of many nations and of many ideas and ideologies. Such ships could hold dangerous weapons. An atomic explosion in the city of New York under such circumstances could be far more damaging than the explosion of an atomic bomb dropped from an airplane.

I merely suggest this legislation so as to give the President the power it proposes to give him. It may be that he may not need it, or that he may not need to use it. However, the enactment of the kind of legislation I suggest certainly would coincide with what we have done with respect to other aspects of our national security. I hope the President will never have to use the authority which this bill would grant him. However, Congress may not be in session. We do not know what will happen. Were I on the other side and wanted to do something damaging to a great city in the United States, the quickest way I could do it would be to send a destructive weapon in the hold of a foreign-flag ship and have that ship dock right in the heart of one of our great cities. In that way I could cause great destruction.

Mr. President, I send the bill to the desk for appropriate reference. I presume it will be referred to the Committee on Interstate and Foreign Commerce because it deals primarily with the Coast Guard, the agency which was responsible for harbor security during the war, and it deals also with the merchant marine. If it should be referred to the Committee on Interstate and Foreign Commerce, I hope we shall have prompt hearings on it so that it may be promptly reported and passed by Congress.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3859) to authorize the President to control the anchorage and movement of foreign-flag vessels in waters of the United States when the national security of the United States is endangered, and for other purposes, introduced by Mr. MAGNUSON, was read twice by its title and referred to the Committee on Interstate and Foreign Commerce.

## EMPLOYMENT OF ATTORNEYS BY SUBCOMMITTEE ON LABOR-MANAGEMENT RELATIONS OF THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. DONNELL. Mr. President——

Mr. THOMAS of Utah. Mr. President, will the Senator from Missouri yield?

Mr. DONNELL. I yield, on condition that I do not lose the floor.

Mr. THOMAS of Utah. Mr. President, I ask for the immediate consideration of Senate Joint Resolution 180, Calendar No. 1912. I would not make the request at this time except that in a sense there is an emergency. The joint resolution would permit the employment of an attorney by the Subcommittee on Labor-Management Relations of the Senate Committee on Labor and Public Welfare. It merely waives the requirement that the attorney be excused from the provision of law which prohibits his practicing in court.

The PRESIDING OFFICER. The clerk will state the joint resolution by title.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 180) to suspend until December 31, 1950, the application of certain Federal laws with respect to attorneys employed by the Subcommittee on Labor-Management Relations of the Senate Committee on Labor and Public Welfare in connection with the study and investigation ordered by Senate Resolution 140, Eighty-first Congress.

Mr. DONNELL. Mr. President, may I inquire whether or not the amendment adopted by the Judiciary Committee is shown in the resolution?

Mr. THOMAS of Utah. The amendment appears in the joint resolution.

The PRESIDING OFFICER. Is there objection to the consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 3, after the word "of", to strike out "any" and insert "one", so as to make the joint resolution read:

*Resolved, etc.*, That service or employment of one person as an attorney on a temporary basis prior to December 31, 1950, to assist the Senate Committee on Labor and Public Welfare or its duly authorized Subcommittee on Labor-Management Relations in the investigation ordered by Senate Resolution 140, agreed to August 15, 1949, and Senate Resolution 217, agreed to February 1, 1950, shall not be considered as service or employment bringing such person within the provisions of sections 281, 283, or 284, of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of service, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. THOMAS of Utah. I thank the Senator from Missouri.

Mr. DONNELL. Mr. President, I am pleased to cooperate with the Senator, as this is a matter in which he and I, as members of the Committee on Labor and Public Welfare, are both interested.

Mr. THOMAS of Utah. That is true.

## STRIKES ON RAILROADS

Mr. DONNELL. Mr. President, I desire to emphasize again the urgent advisability and profound importance of early action by the Senate on Senate bill 3463, a bill which makes unlawful any

strike or any lockout by a carrier arising out of or in connection with a dispute falling within the purview of the Railway Labor Act.

I anticipate that hearings which have been in progress on S. 3463 before a subcommittee of the Senate Committee on Labor and Public Welfare will probably be completed on Monday, July 3. It is my intention as a member of the Senate committee to which reference has been made to move soon thereafter that the committee report S. 3463 favorably to the Senate.

Mr. President, there came to me today an editorial from the Kansas City Times of June 27, 1950, entitled "Second Big Railroad Strike." I ask unanimous consent that the entire editorial be set forth in the body of the RECORD at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SECOND BIG RAILROAD STRIKE

Again silence has settled over the freight yards along thousands of miles of American railroads. A second major strike within a few weeks tells its story. That model of American labor legislation, the Railway Labor Act, works only so long as both parties want it to work.

The public is helpless. The only possible protection today is the President, and he doesn't claim the authority to act in such an emergency.

Not in almost a quarter of a century has the union challenge appeared as determined as it is this year. The firemen struck in defiance of recommendations by two presidential fact-finding boards. Now the switchmen's union has struck immediately after another fact-finding board handed down its recommendations.

The public plight is especially apparent and critical in this part of the country. The movement of the Kansas wheat crop is paralyzed along the Rock Island system. A wheat crop must move or pile up on the ground.

In the background are the negotiations between the railroads and two big brotherhoods, the trainmen and conductors. These powerful brotherhoods will be free to strike July 15.

In both these major strikes the original position of the unions has been clear cut—meet our terms or else. After a few days the firemen backed away from their ultimatum and the strike was settled along the general line taken by the fact-finding boards. But strikes and threats of strikes continue to dominate the railroad scene in this year 1950.

The switchmen have appeared quite ready to slap the issue in the face of Congress. This is a case where there is clearly no law to control and no will to peaceful settlements. The American public can look only to Congress for ultimate protection.

Senator DONNELL's compulsory arbitration bill is still in Senate committee where it has aroused no enthusiasm. Most people dislike the principle of compulsory arbitration, but the Donnell bill is the only current proposal to meet such a challenge as we are seeing this year.

In the past the railroads have opposed compulsory arbitration as forcefully as the unions. They dislike the idea of trusting the final settlement of their labor disputes to persons appointed by a President. The danger of a political slant is obvious.

But the thinking of railroad management has undergone a change. The railroads have found themselves in a position where they have to accept the recommendations of presidential fact-finding boards. For them the perils of defiance are too great to risk. They feel bound as securely as if they had compulsory arbitration without the advantage of being able to get the issues settled. The unions are still free to refuse the official recommendations and free to strike.

Right now the question seems to be just how far the various railroad workers are prepared to go and how much Congress is willing to take. The situation could come to a head this year.

Mr. DONNELL. Mr. President, I call attention to certain particularly salient and important observations made in the editorial which has just been authorized to be incorporated in the body of the RECORD. The editorial says:

Not in almost a quarter of a century has the union challenge appeared as determined as it is this year. The firemen struck in defiance of recommendations by two Presidential fact-finding boards. Now the switchmen's union has struck immediately after another fact-finding board handed down its recommendation.

The editorial proceeds:

The public plight is especially apparent and critical in this part of the country.

Reference of course is had to the central part of the United States, in which Kansas City is located. The editorial continues:

The movement of the Kansas wheat crop is paralyzed along the Rock Island System. A wheat crop must move or pile up on the ground.

Earlier in the editorial the writer had said:

The public is helpless. The only possible protection today is the President, and he doesn't claim the authority to act in such an emergency.

Earlier in the editorial it was stated:

Again silence has settled over the freight yards along thousands of miles of American railroads. A second major strike within a few weeks tells its story. That model of American labor legislation, the Railway Labor Act, works only so long as both parties want it to work.

Mr. President, the editorial has this further to say:

In the background are the negotiations between the railroads and two big brotherhoods, the trainmen and conductors. These powerful brotherhoods will be free to strike July 15.

From this observation, it will be seen that the strike which is now in progress is a strike independent, so far as the identity of the unions is concerned, of the one or ones which the brotherhoods will be free to call only 15 days from the date on which we are here this afternoon.

The editorial writer says:

In both these major strikes the original position of the unions has been clear-cut.

The writer is referring, of course, to the Diesel engine strike of a few weeks ago, and the switchmen's strike now in progress.

In both these major strikes the original position of the unions has been clear cut—meet our terms or else. After a few days the firemen backed away from their ultimatum and the strike was settled along the general line taken by the fact-finding boards. But strikes and threats of strikes continue to dominate the railroad scene in this year 1950.

The switchmen have appeared quite ready to slap the issue in the face of Congress.

Mr. President, earlier in this editorial, as I have read, the writer refers to what has been considered in the past, as the quoted language would indicate, a "model" of American labor legislation. Reference is made to the Railway Labor Act, which has indeed possessed much of meritorious content, and has deserved very justly much of the commendation which it has received. But the present occupant of the chair, I am sure, will recall, the fact that, as has been mentioned on the floor of this body, the Railway Mediation Board, itself created by the Railway Labor Act, speaking officially, in an official report to Congress but 2 or 3 years ago, pointed out that notwithstanding the record of settlement of strikes, the record of non-settlement of strikes under the Railway Labor Act does not bode well for the future of that act. The report spoke with the tongue of prophecy, for in this year of 1950 the scene is dominated by railroad strikes, one of which has been ended, another of which is now in progress, and there is the prospect of strikes on July 15 of this year which could tie up and paralyze the railroad transportation systems of the Nation.

Mr. President, it is difficult for us, as Members of the Senate, to sit here in comfort and without the pandemonium of outside affairs with relation to railroads 1,500 or 2,000 miles away, stretching from their initial point on west to the Pacific coast—it is difficult, I say, for us, engrossed as we are in our duties here, to realize the conditions which today exist over that great network of railroads, involving some 21,000 miles of railroad track, 21,000 miles of transportation facilities. I dare say there is many a merchant, many a manufacturer, many a stock raiser, many a wheat grower, many an individual engaged in other avenues of his or her livelihood, who realizes far more clearly and far more definitely the dangers, as well as the inconveniences which today are confronting the Nation by reason of the present situation in the railway industry and by reason of the threats of further strikes in the near future.

Mr. President, the writer of this editorial says, as I have indicated:

This is a case where there is clearly no law to control and no will to peaceful settlements. The American public—

Says the editorial writer—

can look only to Congress for ultimate protection.

Then the writer says this:

Senator DONNELL's compulsory arbitration bill is still in Senate committee where it has aroused no enthusiasm. Most people dislike the principle of compulsory arbitration, but—

And I emphasize at this point as strongly as I can this language of the writer—

but the Donnell bill is the only current proposal to meet such a challenge as we are seeing this year.

The newspaper from which I read, the Kansas City Times, is not an institution which is given to wild vagaries or fantastic utterances. The Kansas City Times, is one of the great powerful newspapers of the Central West, whose opinion is entitled to thorough and careful consideration, and to respectful hearing by the people of this great Nation. Let me read what the writer continues to say:

In the past the railroads have opposed compulsory arbitration as forcefully as the unions.

I pause to say that in the hearings which we have had before the Senate Committee on Labor and Public Welfare the reluctance of the railroads themselves to advocate compulsory arbitration has been frankly and fully stated by presidents of outstanding and leading railroads. The president of the Pennsylvania Railroad System, the president of the New York Central, the president of the Santa Fe, and one of the chief, if not the chief, operating officers of the Southern Railway System, have all expressed themselves, nevertheless, as today of the opinion that the remedy to introduce and to pass at the hands of Congress is the remedy of compulsory arbitration.

Says the writer in the editorial:

They—

That is to say, the railroads—

dislike the idea of trusting the final settlement of their labor disputes to persons appointed by a President. The danger of a political slant is obvious.

But the thinking of railroad management has undergone a change. The railroads have found themselves in a position where they have to accept the recommendations of presidential fact-finding boards. For them the perils of defiance are too great to risk. They feel bound as securely as if they had compulsory arbitration without the advantage of being able to get the issues settled. The unions are still free to refuse the official recommendations and free to strike.

Right now—

Says the writer of this editorial—

the question seems to be just how far the various railroad workers are prepared to go and how much Congress is willing to take. The situation could come to a head this year.

So, Mr. President, this editorial from this great newspaper of the Central West so clearly sets forth the situation, so forcefully presents the remedy which is now before Congress that I am unable to supplement it by any statement that would approach it in powerful presentation to the public of the facts involved.

In this editorial the movement of the Kansas wheat crop is referred to as being paralyzed along the Rock Island system, and the fact that a wheat crop must move or pile up on the ground is mentioned.

Let me place in the RECORD at this point, if I may have leave, a telegraphic message from Kansas City, Mo., received—it is a little obscured by an ink mark—received at my office, at any rate, apparently on today June 30, 1950, and, I judge, probably received in Washington today. It comes from Mr. C. J. Kaney, president, Kansas City Livestock Exchange, and Jay B. Dillingham, president, Kansas City Stockyards Co.

I may say that Kansas City is one of the great livestock centers of the United States, and these gentlemen are entitled to respectful consideration by this body of legislators of their Nation. This telegraphic message is addressed to me and reads:

On behalf of the thousands of farmers and ranchers in Missouri, Kansas, Oklahoma, Texas, New Mexico, and Colorado, who depend upon the terminal markets to convert their livestock into cash, we urge you to do everything possible to bring a quick end to the work stoppage on some of our principal western railroads, particularly the Rock Island line. Continuation of the work stoppage on this railroad is seriously affecting the distribution of livestock from this market because they are one of the largest outbound carriers. Cattle from the Flint Hills and Osage country will start moving right after the Fourth of July and stockmen must have national distribution if market price levels are to be maintained. We urge you to exert every effort to restore normal transportation service.

Mr. President, I have here a few telegraphic messages, all of them originating, I believe, in Kansas City, Mo. The explanation of their origin in that city is that Missouri is experiencing obviously and clearly the effect of the strike, particularly as it applies to the Rock Island Railroad system. The Rock Island Railroad system, as has been indicated in earlier statements before the Senate, operates thousands of miles of railroads and serves exclusively 1,184 grain elevators.

Mr. President, by way of illustration, I have before me a telegraphic message, received in Washington yesterday, from A. F. McElhenie, vice president of the Pittsburgh & Midway Coal Mining Co. This telegram comes from Kansas City, Mo., is addressed to me, and reads as follows:

Urge administration take action to bring about immediate settlement of switchmen's strike. Suspension of operations by the Rock Island and Chicago Great Western Railroads seriously affecting movement of coal and other basic commodities and very detrimental to the economy of your constituents.

A. F. MCELHENIE,
*Vice President, Pittsburgh & Midway Coal Mining Co.*

Mr. President, here is a telegraphic message which reached Washington yesterday from the Petroleum Products, Inc., of Kansas City, Mo. The telegram is addressed to me, and reads as follows:

Urge you do all possible to cause early termination switchmen's strike which is causing serious delays in movement industrial fuel and Diesel fuel for utilities and municipalities.

PETROLEUM PRODUCTS, INC.

Mr. President, yesterday I referred to the fact that this railway strike is interfering with the housing development, and I pointed out messages along that line which I had received. That point is quite interesting; were it not so tragic, it might give room for some academic analysis by way of consideration of the effects of the present situation, both piecemeal and in total. However, we cannot take the time for such an academic study, for this great body has the duty of protecting the interests of the Nation.

So, on the one hand, when we find the livestock movements impeded or about to be impeded; and when we find, on the other hand, the wheat-crop movement being impeded; and when we find the other situations which I discussed in the RECORD yesterday—and in few moments I shall refer briefly to one of them, namely, the movement of iron ore—we realize that not only does the situation require a careful, accurate analysis, such as we are endeavoring to make, but it also demands action at the hands of the Congress of the United States.

So, Mr. President, the Petroleum Products Co., Inc., adds—in addition to the evidence we already have had before the Senate in regard to the ramifications of the strike—the fact that serious delays in the movement of industrial fuel and Diesel fuel for utilities and municipalities are being occasioned by the switchmen's strike.

Then I have a very succinct message from a very well-known company in Kansas City, the Battenfeld Grease and Oil Corp. Their telegram, which reached Washington yesterday, is addressed to me and reads as follows:

Rush passage of bill S. 3463 urgent.

BATTENFELD GREASE & OIL CORP.

Mr. President, the bill mentioned in that telegram is the bill to which I have referred, the bill which now is before the Senate Committee on Labor and Public Welfare, and has been receiving careful and appropriate consideration by way of hearings by that committee or by a subcommittee thereof.

Then I have a message from one of the old-established companies, one of the well-known, high-standing companies in Kansas City, Mo. Incidentally, let me say that I come from the other side of the city; and, of course, there may be room for some slight competition between the section in which I live—St. Louis County—and Kansas City, Kans.; but I wish to say that Kansas City is a great, powerful industrial center, and a great, enterprising city, and its people and its industries are deserving of consideration, as are the people and the industries of all other portions of our Nation.

Mr. President, this message reached me yesterday. It comes from William Volker & Co., by Mr. R. M. Nielson; and it reads as follows:

Switchmen's strike seriously affecting our operation at Kansas City and other points served by C. G. W.—

In other words, the Chicago & Great Western—

C. R. I. P.—

In other words, the Chicago, Rock Island & Pacific—

D. R. G. W.—

In other words, the Denver, Rio Grande & Western—

W. P.—

In other words, the Western Pacific—

and G. N.—

In short, the Great Northern—

Suggest immediate passage legislation to prohibit strikes of this kind where ruling of

arbitration committee is not abided by or other action that will restore service without delay.

Then, Mr. President, a telegraph message, which reached Washington at 11:52 a. m., this morning, from St. Joseph, Mo., from the Schreiber Mills, Inc. The telegram is addressed to me, and reads as follows:

Continuation of Brotherhoods strike against C. G. W. and C. R. I. P. railroads is seriously impeding our business. We need your further assistance to bring about proper arbitration.

SCHREIBER MILLS, INC.

Then, Mr. President, I have before me a message, which reached Washington at 12:05 p. m. today, from the Burd & Fletcher Co., a printers' company, of Kansas City. The telegram is addressed to me and reads as follows:

Urge administration take action to bring about immediate settlement switchmen's strike. Suspension of operations seriously affecting movement of basic commodities and use of equipment.

BURD & FLETCHER CO.

Mr. President, then I have a message, which reached Washington this morning, from A. H. Evans, president of the W. B. Young Supply Co., a plumbing-supply house in Kansas City. The telegram is addressed to me and reads as follows:

It is imperative the switchmen's strike be stopped immediately. Your cooperation is requested.

W. B. YOUNG SUPPLY CO.,
A. H. EVANS, *President*.

Mr. President, then I have a message, which reached Washington yesterday, from E. L. Bride Co., of Kansas City. The telegram is addressed to me and reads as follows:

Will appreciate your efforts toward stopping present rail strike which is seriously curtailing business this area.

E. L. BRIDE CO.

Then, Mr. President, I have a telegraphic message, which reached Washington yesterday, from the Rutherford Food Corp., by Mr. George Van Voorst, of Kansas City, Mo. The telegram is addressed to me and reads as follows:

Would appreciate your best efforts in obtaining settlement of switchmen's strike, as it is seriously affecting the economy of your constituents.

RUTHERFORD FOOD CORP.
GEORGE VAN VOORST.

Then, Mr. President, finally, I have a telegram from the English Bros. Machinery Co.—a machinery-supply house—which reached Washington yesterday. The telegram is addressed to me by Mr. J. J. Moran and reads as follows:

Please see what can be done to settle strike on Chicago Great Western Railroad.

ENGLISH BROS. MACHINERY CO.,
J. J. MORAN.

Mr. President, those telegrams constitute very graphic and very powerful illustrations of the effect this strike is having, as we sit here in far-off Washington, D. C., without being on the scene and without being able to observe with our eyes what is transpiring.

However, we have some great newspapers in this part of the country, newspapers which gather together the information in regard to what is occurring.

For instance, I hold in my hand an article from today's New York Times. The article is entitled "Idle Total 50,000 in Railway Strike."

Perchance it will be remembered that yesterday the figure, as I recall, was approximately 41,000. Now we see that, most unfortunately and most sadly, the figure is mounting. I prophesy that it will mount with increasing and almost geometric proportions, if the strike continues for any length of time, as did the 1946 railroad strike in my own part of the country—a strike which lasted 45 days, 6 weeks and 3 days.

Let me read the article to which I have just referred:

IDLE TOTAL 50,000 IN RAILWAY STRIKE—COAL MINERS, SMELTER WORKERS AFFECTED—UNITED STATES CONCILIATORS REPORT "NO PROGRESS"

CHICAGO, June 29.—As Federal mediators reported again today "no progress" in their efforts to settle the 5-day-old strike of 4,000 members of the Switchmen's Union of North America, AFL, against five major Midwestern and western railroads lay-offs ascribed to the walkout rose to nearly 50,000 on the struck carriers.

Mr. President, the writer is not talking about lay-offs in collateral industries, but simply on the struck carriers. Let me read further from this article:

The union called the strike Sunday morning to enforce its demand for a reduction in the workweek from 6 days totaling 48 hours to a 5-day week of 40 hours with no decrease in pay.

Railroad companies affected by the strike are the Chicago, Rock Island & Pacific, the Chicago & Great Western, the Denver & Rio Grande Western; the Western Pacific, and the Great Northern.

The Great Northern, only one of the five struck which has kept in partial operation, announced it would lay off four-fifths of its 28,000 employees if the strike continues tomorrow. The road today canceled its Oriental Limited to Seattle, leaving the Empire Builder the only train on that run. Freight service on the Great Northern's 8,000-mile system is at a virtual standstill.

What does that mean, Mr. President? Perhaps the distinguished occupant of the chair will recall the fact that it was pointed out in the RECORD yesterday that, from the Washington Post, we learned:

At Superior, Wis., suspension of Great Northern freight service slowed operation at the big ore-loading docks. The railroad is the largest shipper of iron ore from the Mesabi range and also operates the largest dock.

We have heard much within the last few days of the critical conditions in the Korean situation. We have heard the announcement by the President today of the fact that he has authorized, or perhaps directed—I am uncertain which—the use of ground troops in addition to the previous announcement made by him. Yet we find that on the Great Northern Railway system, which is the largest carrier of iron ore from the Mesabi range, and which operates the largest dock, "the freight service," as the New York Times of this morning tells us, "on the Great Northern's 8,000-mile system is at a virtual standstill."

Mr. President, a joint resolution, presented by the Senator from Utah [Mr. THOMAS] was passed by the Senate only a few moments ago. Attention is called to the fact that in his State—and I quote now from today's issue of the New York times:

The strike has also made idle 5,000 Utah coal miners and 1,000 Utah smelter workers.

Mr. President, these are not strikers, they are not men involved in the switchmen's strike. These are men who are deprived of work by the economic force which has resulted from the action of the few men who are striking. Today 6,000 persons in Utah are idle. Yesterday the number was only 5,000, when the matter was called to the attention of the Senate, and particularly of the Senator from Utah, the chairman of the Committee on Labor and Public Welfare. Today 6,000 men have been made idle by this strike, men who are not at all employees of railroads.

I quote further from the New York Times of this morning:

In Washington, Daniel P. Loomis, chairman of the Association of Western Railroads, asserted that the strike threatens the annual movement of iron ore and wheat.

I conclude the article from the New York Times with these two sentences:

Meanwhile, Federal conciliators held only telephone conferences with three other rail unions threatening strikes early next month to enforce demands similar to the switchmen's. The unions are the Brotherhood of Railroad Trainmen, the Order of Railway Conductors, and the Yardmasters of America, AFL.

The distinguished senior Senator from Washington who now occupies the seat of the majority leader in the absence of the latter, may be interested to know, and I am sure he will be, of this dispatch which appears in this morning's New York Times. It is a United Press dispatch from his own home State, and is as follows:

FIREMAN MAULED ON COAST

SEATTLE, June 29.—A locomotive fireman was mauled and rocks were thrown today as striking switchmen attempted to prevent Great Northern Railway roundhouse workers from reporting to work.

The roundhouse workers, representing nine crafts, are members of System Federation 101, railway employees department of the American Federation of Labor.

Fifteen pickets blocked the road leading to the roundhouse and attempted to stop the early shift from going to work.

I pause to inquire, What right does any one citizen have, or what right do any 15 citizens have to prevent other people from going to work? What right do they possess? Is there any inherent right in you or me, Mr. President, to stand in the way of any other man or woman, to prevent him or her from going to work if he or she wants to? Yet here is what is going on in the Far West from which our distinguished friend from the State of Washington hails. The dispatch continues:

The first workers stopped at a road block and waited until there were sufficient fellow workers, and then went through in automobiles.

Rocks were thrown but missed all cars. Later a fireman who attempted to report for duty at the roundhouse yard was physically restrained by pickets, company officials said.

Mr. President, I have in my hand two dispatches to the Wall Street Journal. They appeared in yesterday's issue of that publication. The article is entitled, over and above the two dispatches, in medium black type:

Rail Spokesman Declares United States Seizure Won't Solve Roads' Labor Strife; Backs Compulsory Arbitration.

There appears upon this page a map which extends from the Pacific coast as far east, and somewhat east, of Chicago. It shows the great network of railroads which is involved in this strike, which we realize nothing about when we pick up our morning newspapers in Washington. This line leads from Vancouver eastward, passing south of Winnipeg. The line then leads to Winnipeg. Another line comes from south of Seattle, up to Seattle, and on to Vancouver, and then east, over the Great Northern, clear to Duluth. Then, a number of branches run to the north, from the Great Northern, and two or three—more than that, in fact—lead to the south. There is a network leading down to St. Paul, and into Minneapolis; then on through Iowa; then to Omaha; then to Chicago; and then to Kansas City; then to St. Louis; then through Oklahoma and through Texas, into New Mexico, as I judge it to be; then a line leading to the south, to Fort Worth and Dallas; then a line crossing from Oklahoma City to Memphis, Tenn.; then a line south from the line from Oklahoma City to Memphis, a line running south, going to a point which is not denominated on the map. Then the line leads west from Kansas City, by way of Denver, with certain branches leading off to the south and three leading off to the north, going to Salt Lake City, passing through Reno, and on to San Francisco.

Mr. President, can anyone doubt that this is a great strike in which the Nation is concerned, not simply some one locality? Even if it were only one locality, to my mind, the people of that locality are entitled to the protection of law to see that force shall not be the means through which this industrial conflict shall be settled.

Mr. President, I ask leave to have printed at this point in my remarks the two dispatches to which I have referred, one from Washington to the Wall Street Journal, and the other from Chicago to the Wall Street Journal, both of which appeared under the heading which I have read in the issue of June 29, 1950.

There being no objection, the dispatches were ordered to be printed in the RECORD, as follows:

RAIL SPOKESMAN DECLARES UNITED STATES SEIZURE WON'T SOLVE ROADS' LABOR STRIFE; BACKS COMPULSORY ARBITRATION

WASHINGTON.—Daniel P. Loomis, Chicago, chairman of the Association of Western Railways, said that Government seizure is not the answer to settlements of pending rail labor problems.

Mr. Loomis said that compulsory arbitration is the only answer we can see, short of giving the unions everything they want. However, he said the railroads are supporting compulsory arbitration with a great deal of reluctance.

Mr. Loomis will testify before a House group today in favor of the Donnell bill, which would outlaw strikes by requiring compulsory arbitration, with the settlement to be binding on all parties.

Five western and midwestern railroads are crippled at present by the walkout last Sunday of members of the AFL Switchmen's Union of North America. They are the Rock Island, Denver & Rio Grande Western, Western Pacific, Chicago Great Western, and the Great Northern.

Asked about the possible effect of this rail tie-up on the national emergency, Mr. Loomis said service is affected in about 23 States and 2 Canadian Provinces. Of particular significance, he said, is the fact that the Great Northern moves about one-third of the Nation's iron ore supply from the Mesabi Range and also serves the west coast ports of Tacoma, Seattle, Portland, and Vancouver. The Rock Island is affected at a time approaching the peak harvest of the Grain Belt and all five of the railroads serve vital defense areas, he continued.

Mr. Loomis estimated that between 12 and 15 percent of the total freight volume moved in the western territory is held up by the strike.

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NO STRIKE SETTLEMENT NEAR

CHICAGO.—Federal mediators reported slight progress in their attempts to end the 4-day-old switchmen's strike against five western and midwestern railroads and in efforts to avert another strike July 15 against more than 200 other roads by trainmen and conductors seeking the same wage boosts.

"We're getting a little bit beyond the exploratory stage," Leverett Edwards, member of the National Railway Mediation Board, said. He added that he and Francis A. O'Neill, board chairman, would meet with the railroads and representatives of the unions in separate meetings today. He said no joint meetings were likely to be held today.

The struck roads have laid off over 40,000 employees as a result of the strike. Only one of the roads is still operating any trains, the Great Northern. However, F. J. Gavin, president, announced that if a settlement were not reached by Friday, the road would have to lay off a substantial number of its 28,000 employees. It is understood that number would amount to at least two-thirds of the road's workers and that the road's freight services already largely curtailed, then would be almost at a standstill. So far the road has laid off about 5,800 people and closed all operations on 15 branch lines in five States and British Columbia.

MESABI RANGE SERVICE HIT

A Great Northern spokesman said nearly half of the 1,500 communities served by the 8,000-mile system were without trains, and 37 train runs were canceled yesterday.

Freight service in the Mesabi Iron Range in Minnesota, except for trains manned by supervisory personnel, was reduced to a minimum because of picketing in the Superior-Duluth area.

The strike also hit another important segment of the copper industry, this time at the copper smelter of the American Smelting & Refining Co. at Garfield, Utah. It has halted the movement of copper concentrate into this plant and the outflow of blister copper to the firm's copper refineries at Baltimore, Md., and Perth Amboy, N. J., for processing into refined metal.

Mr. DONNELL. Mr. President, I should like to comment upon some portions of these dispatches. One of them says this:

Five western and midwestern railroads are crippled at present by the walk-out last Sunday of members of the A. F. of L. Switchmen's Union of North America. There are the Rock Island, Denver & Rio Grande Western, Western Pacific, Chicago Great Western, and the Great Northern.

Asked about the possible effect of this rail tie-up on the national emergency, Mr. Loomis—

That is to say, Mr. President, the chairman of the Association of Western Railways—

said service is affected in about 23 States and two Canadian provinces. Of particular significance, he said, is the fact that the Great Northern moves about one-third of the Nation's iron-ore supply from the Mesabi Range and also serves the west-coast ports of Tacoma, Seattle, Portland, and Vancouver.

I pause, Mr. President, to emphasize that one-third of the Nation's iron-ore supply is moved by the Great Northern, which, we are told in the other dispatch I have read, is at a virtual standstill.

Continuing with the article:

The Rock Island is affected at a time approaching the peak harvest of the Grain Belt, and all five of the railroads serve vital defense areas, he continued.

Mr. Loomis estimated that between 12 percent and 15 percent of the total freight volume moved in the western territory is held up by the strike.

In the second article which I have had introduced into the RECORD, the second one being entitled "No Strike Settlement Near," we find these statements:

Federal mediators reported slight progress in their attempts to end the 4-day-old switchmen's strike against five western and midwestern railroads and in efforts to avert another strike July 15 against—

Against what, Mr. President?—

against more than 200 other roads by trainmen and conductors seeking the same wage boosts.

Think what it means to have a strike threatened against more than 200 railroads in our Nation on July 15. I continue reading:

"We're getting a little bit beyond the exploratory stage," Leverett Edwards, member of the National (Railway) Mediation Board, said. He added that he and Francis A. O'Neill, Board Chairman, would meet with the railroads and representatives of the unions in separate meetings today. He said no joint meetings were likely to be held today.

Further down on the page of the article this statement appears under the heading "Mesabi Range Service Hit":

A Great Northern spokesman said nearly half of the 1,500 communities served by the 8,000-mile system were without trains and—

It appears to be "31"; it is somewhat obscure—

31 train runs were canceled yesterday.

Freight service in the Mesabi Iron Range in Minnesota, except for trains manned by supervisory personnel, was reduced to a minimum because of picketing in the Superior-Duluth area.

As this strike goes on it extends further and further. Let me read the next two or three sentences, the concluding ones, of this article:

The strike also hit another important segment of the copper industry—this time at the copper smelter of the American Smelting & Refining Co. at Garfield, Utah. It has

halted the movement of copper concentrate into this plant and the outflow of blister copper to the firm copper refineries at Baltimore, Md., and Perth Amboy, N. J., for processing into refined metal.

Mr. President, speaking of the State of Washington—and I appreciate the attention which the Senator from Washington [Mr. MAGNUSON] is so kindly giving to these remarks—in the Seattle Post-Intelligencer of June 29, 1950, I find this statement:

STRIKE HALTS LIMITED'S RUN—SCARCITY OF OPERATING WORKERS CAUSES MOVE

Great Northern Railroad's westbound Oriental Limited passenger train from Chicago was canceled Wednesday in the face of the switchmen's strike and the eastbound trains from Seattle will not operate Thursday. This was announced late Wednesday as the line began to "run out" of supervisory employees capable of replacing striking employees and locomotive engineers, firemen, brakemen and others who refused to pass the strikers' picket lines.

Washington State safety regulations prescribe rest periods for all railroad employees. The railroad had been attempting to operate by using supervisory personnel in place of the strikers and their supporters.

The railroad said its Wednesday 10:15 p. m. departure from Seattle to Chicago would be the last eastbound operation of the limited until the strike is settled.

However, a spokesman said the road planned to continue operation of its two other principal passenger operations, the Empire Builder and the Fast Mail.

Locomotive engineers, firemen, and other organized union members have refused to pass the switchmen's picket lines.

Then, in black-faced type, appears the following:

The railroad said if the strike continues until Friday—

That is today, I believe—

it will have laid off 23,000 of its 28,000 employees. More than half of the 1,500 communities normally served by the railroad are now without service, a railroad spokesman said.

Mr. President, in Tampa, Fla., it is realized that a strike has been going on. I have in my hand an editorial from the Tampa Tribune of June 23, being 2 days before the switchmen's strike began, but they knew it was going to happen; and here is what the editorial writer says:

NEW RAIL STRIKE THREAT

Another strike call bobs up to plague the Nation and the railroad industry.

I pause, to say that this writer appreciates the point which I have imperfectly endeavored to make, and that is the fact that it is the Nation, not merely the employees, not merely the railroads, but the Nation, which is plagued by these conflicts between employees and employers in the railroad industry. I read it again:

Another strike call bobs up to plague the Nation and the railroad industry. This time it is the A. F. of L. Switchmen's Union of North America which has threatened to walk out early Sunday morning in an effort to enforce demands against five big western and midwestern lines.

The issue in this dispute is primarily one of wages and hours. The A. F. of L. union, which is said to represent only 5 percent of the Nation's switchmen, is demanding a 40-hour week at 48 hours' pay. A Presidential fact-finding board has recommended a 40-hour week and 18 cents hourly pay increase. The union rejected this recommendation and is prepared to strike.

This threat again makes it clear that fact-finding under the Railway Labor Act isn't all it is cracked up to be. Fact-finding may turn up the fact. However, if the recommendations of the boards do not satisfy the rail union bosses, no matter how fair and impartial those findings may be, the unions all too frequently decide to use force in attempts to win their original demands.

Obviously the Railway Labor Act can work only if the parties display a willingness to abide by the facts. It is too soon to say whether the A. F. of L. switchmen will carry out their threat.

Mr. President, we found they did. Continuing, the editorial says:

What we do know is that a shut-down in a public utility as vital as a railroad can be justified—if at all—only by some grave and otherwise unresolvable issue. We are not persuaded that there is one in this case.

I call attention now to a reference in the editorial to the bill now pending before the Senate, S. 3463. I quote further from the editorial:

Moreover, this strike threat by a minor rail union should concern all rail brotherhoods and unions. They should not forget that there is a bill now before the Senate Labor Committee, introduced by Senator DONNELL, which would outlaw strikes on railroads and provide that labor difficulties be settled by compulsory arbitration. If the unions continue to call strikes to enforce demands for changes in working rules, wage increases, and other concessions—issues that ultimately have to be settled at the conference table—transportation tie-ups will recur at frequent intervals, and the American public will before long become convinced that either compulsory arbitration of dispute or nationalization of the railways is the only feasible method of insuring uninterrupted service or at least minimizing the danger of rail strikes that paralyze trade and industry over wide areas.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MORSE. I have not heard the Senator say in this very able discussion whether he has made up his mind that the principle of his bill should be extended to other public utilities.

Mr. DONNELL. I am very glad the Senator asked that question. It is a proper one and one which must be decided ultimately. I think there is much of sound argument to sustain such a position. However, I have not yet determined that it is advisable to carry the principle of compulsory arbitration beyond the industries within the purview of the Railway Labor Act. To my mind there is a pretty clear distinction between railways and such industries as waterworks or electric-light plants, because the railway industries can tie up and paralyze completely, or substantially so, the entire industrial life of the country, whereas the operation of the other utilities is more limited. If I may be permitted, I should like to say that there has come to my hand a copy of a transcript of a radio-television program in which it was the privilege of the speaker to participate in advocacy of and with respect to S. 3463, and in which the distinguished Senator from Florida [Mr. PEPPER] participated. The program occurred on June 17, 1950. A question along that same line was presented by a Member of the House of Representatives from Florida [Mr. ROGERS]. I have not read the transcript to see if it is a correct representation of what happened on the program, but I have no doubt it is. I read from the transcript as follows:

Chairman GRANIK. I see that Congressman ROGERS, of Florida, is here. Go ahead, Mr. ROGERS.

Representative ROGERS (Florida). I will address this question to Senator DONNELL. Senator, don't you believe that if we adopt the principle of compulsory arbitration, that that should apply also to public utilities in which the public interest and the public welfare and the public health of people are concerned, or work out some means of adjustment whereby we can take care of the public and prevent strikes and lock-outs?

Senator DONNELL. I think there is very much to be said in favor of your proposition, Congressman ROGERS. However, my bill does not go that far, and I would not go that far without further hearings, without extensive consideration. I would like to say, however, that I have a telegram here from the governor of your own State and the governor of the State of our distinguished friend, Senator PEPPER. It refers to the public-utility law which is in effect in Florida, and which, as I understand, it provides for compulsory arbitration, and it says this:

"Re your telegram requesting information regarding Florida's statute, Laws of Florida, 1947, Chapter 23,911, authorizing handling disputes in public utilities, please be advised that it is our view that such statute has proved to be of benefit and value to the disputants and the people of Florida. We have had occasion to act pursuant to authority of such statute in several instances, with all-around satisfactory results.

"FULLER WARREN,
"*Governor.*"

In fairness to the Senator from Florida [Mr. PEPPER], I think I should read his comment, if the Senator from Oregon will permit me to do so.

Mr. MORSE. I wonder if the Senator from Missouri would permit me to ask unanimous consent to have the entire discussion inserted in the RECORD?

Mr. DONNELL. That is very kind of the Senator. I should be happy to have him do so. I am very much pleased that he should make the request.

I read further:

Senator PEPPER. Now, Senator, doesn't that pretty well illustrate how far along this path we would be pretty likely to go once we started with your bill? The able Congressman from Florida has already brought up the subject here, and you have already quoted the Governor of Florida rather favorably toward this legislation, and cannot you see pretty clearly that once we start down that path, first with your bill having compulsory arbitration with respect to railroad disputes and then probably reaching over next to disputes between management and labor in the trucking industry, and I see no reason why it shouldn't similarly apply in the aviation industry, because that is important. I think it would be very logical to extend it to the telephone industry, because everybody has admitted that if we tied up the telephone system of the country that would practically paralyze the country. Then you would have to carry it to Western Union and those facilities. Congressman ROGERS has suggested the public utilities, and it would be only a little while as has happened in Australia and New Zealand, where they have compulsory arbitration, until the Government would be fixing wages and salaries and therefore prices on practically everything.

Senator DONNELL. Mr. Chairman, may I say that in Australia and New Zealand as I understand it, there has been compulsory arbitration for some 40 years or thereabouts. I want to say, however, in regard to Senator PEPPER'S suggestion that my bill is but one step along a longer road illustrated by Congressman ROGERS' question, to my mind it does not follow at all, that because this bill is passed that the extension suggested by Congressman ROGERS is at all necessary or would occur. I did say and I repeat it, that in my judgment there is much to be said in commendation of his view, but I for one would not join in that view unless I were persuaded considerably more than I am at this time.

Mr. MORSE. With the permission of the Senator from Missouri, I ask unanimous consent to have the entire radio debate, from which the Senator from Missouri has read, inserted in the RECORD at the conclusion of his remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DONNELL. I thank the Senator for causing this debate to be introduced in the RECORD.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. DONNELL. Yes.

Mr. MORSE. Is the Senator from Oregon correct in assuming, from the comments which the Senator from Missouri has read from this radio debate, that the Senator from Missouri recognizes that the passage of his bill would have considerable precedential force in connection with at least attempts to have the same principle applied to other great public utilities, such as, for example, the merchant marine?

Mr. DONNELL. I think undoubtedly there are those who would think that my Railway Labor Act bill, if enacted, would have some force of precedent along the line indicated by both the Senator from Oregon and the Member of the House of Representatives from Florida. I can well see how in a given community, in which, for example, the waterworks were closed down, or the electric-light plant was closed down, or, as in the familiar case of Munn against Illinois, the mills were closed down, the community might well feel that the same principle should be put into effect. I think we will have to decide, just as we do in so much of our legislation, where to draw the line. It is not always easy to draw it. There may be twilight zones, there may be illustrations which would impress themselves with great force upon the Members of Congress.

I digress at this point to say that the senior Senator from Florida [Mr. PEPPER] referred to the aviation industry. I should like to have it in the record that the aviation industry is already included, so far as it is a carrier, in the Railway Labor Act.

I can well see how there is a clear line of distinction between the industries under the Railway Labor Act, and particularly the railways themselves, and utilities of other types. As to other utilities, such as those already covered along with railroads, as I understand, in Florida there may be strong reason to believe, as did the Legislature of Florida, that they should be under a compulsory arbitration law, and it might be that Congress in its judgment would take the same view.

Personally, I have not yet come to that conclusion, and I think there is such a clear line between an industry which could tie up the whole Nation, as can the transportation industry, and others, that I would not be willing at all, at this time, certainly, to extend to any other industry except those within the purview of the Railway Labor Act the operation of a bill providing for compulsory arbitration.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. DONNELL. I yield.

Mr. MORSE. Does the Senator believe that if we had a law in operation such as his bill the decisions of the compulsory arbitration boards in respect to wages, hours, and conditions of employment would have great precedential effect and influence upon wages, hours, and conditions-of-employment settlements in other industries not covered by the law?

Mr. DONNELL. I think they might well do so; yes. Just as the wages in one industry have effect on others, I believe it would also be true that wages fixed in the railway industry would have some effect, and it might be a very material effect, on wages in other industries.

Mr. MORSE. Is it not possible, then, that taking away the right to strike and lock-out on the part of parties to railroad disputes would really limit in a very real sense, so far as results obtained in the disputes over wages, hours, and conditions of employment are concerned, the effectiveness of economic action in nonpublic utility fields?

Mr. DONNELL. Mr. President, it seems to me that does not follow. I believe that, although wages in one industry necessarily have an influence on wages in another, it is not true that because wages should be fixed at a particular figure in the railway industry, members of an industry of some other type, as, for instance, the automobile industry, or the coal industry, would be necessarily, or in the least, precluded from asserting, actually or in law, their rights, by collective bargaining, and, if necessary, by strike.

Mr. MORSE. Let us take a hypothetical. Let us take a dispute in the steel industry, assuming the Senator's bill has become law, involving machinists in a great steel plant. They have a strike, and we all know that the strike is certain to end on some basis in a peaceful settlement. Frequently the parties get together on a voluntary arbitration basis. Does not the Senator think that evidence as to the wages which are paid the machinists in the railway industry would be relevant and material in a case involving the steel industry?

Mr. DONNELL. I certainly do. I think it would be relevant and material, but I do not think it would be at all decisive of the outcome of a strike in the steel industry. If the steel employees could show that because of conditions of work, because of their particular duties, because of the economic position in which they are, their wages should be different, should be greater, perhaps, than wages in the railroad industry, I think that by the power of striking in the steel industry they could assert their right, and it would not be in any sense interfered with by the fact that in the railway industry compulsory arbitration figures should have been fixed at levels different from what the steel employees demanded.

Mr. MORSE. Would the Senator agree, however, that wages paid for so-called comparable work are a criterion which has become rather well accepted in American arbitration law in determining the wage structure?

Mr. DONNELL. I think it is certainly true that wages paid in one industry are one of the criteria to be taken into consideration in fixing wages in another, but I do not think that the fact that wages in industry A have been fixed at a particular level means that wages in industry B must be brought up to the wages paid in industry A. Nor do I believe it follows that employees in industry B will be able to get their wages up to the industry A level.

I believe that industry is influenced, as is every other economic entity, by the economic facts prevailing throughout the Union. But I do not believe labor or management in other industries would be at all precluded from the fixing, in a contest between themselves, an entirely different figure from what is paid in the railway industry.

Mr. MORSE. Not precluded. I hope the Senator will not object to another question.

Mr. DONNELL. Certainly not.

Mr. MORSE. I am only seeking to bring out what I think are some differences between the Senator from Missouri and the Senator from Oregon.

Mr. DONNELL. I should like to say, if the Senator from Oregon will permit, that in discussing this matter with him this afternoon, I am having the privilege of engaging in a discussion with one of the foremost authorities in the Nation upon labor matters, and his great experience in the War Labor Board, particularly, certainly gives his opinions very great importance.

Mr. MORSE. Along in November I shall be happy to hear the Senator say that in my State, but for this afternoon, I thank the Senator for the compliment. The benefit of this discussion is accruing to the Senator from Oregon, and not to the Senator from Missouri. I feel I am the beneficiary.

Let us take our hypothetical, a dispute in the railway industry, in contrast with a dispute in the steel industry. In one industry the workers are free to strike, and in the other industry they are not free to strike, assuming the enactment of the Senator's bill.

We will assume an arbitration has been held in the railway industry affecting the wages for machinists in the railway shops, and a dispute arises in the steel industry over the wages which should be paid machinists in steel plants. Does the Senator feel that the lack of the right to use economic force in the railway industry, in contrast to the existence of the right in the steel industry, might exercise some influence in the

determination of the wage rates in the two cases? In other words, does the factor of the economic power of the parties in a case bear any weight at all in determining wages?

Mr. DONNELL. I am not sure that I precisely understand the Senator's question, but I shall endeavor to answer it as I do understand it.

Take a situation in which compulsory arbitration has occurred in the railway field. I understood that to be the Senator's hypothesis. Certain figures are arrived at with respect to wages, then a dispute occurs in the steel industry. The point in the Senator's mind, as I understand, is whether the absence of the power to strike on the part of employees of the railway industry would in any sense affect their ability to secure just wages. Is that the Senator's point?

Mr. MORSE. The ability to secure a higher wage than they would be able to secure with the loss of that power to strike.

Mr. DONNELL. I will say that it is entirely possible that the wage that would be secured by a strike might be different than the one that is procured through the Presidential board which my bill would prescribe. But to my mind there is nothing unfair and nothing economically unsound in leaving the question as to what is a proper wage, to a board appointed by the President of the United States. I have faith in the competency of a board that would be appointed by such a high official. I see nothing that would put the employees at an illegitimate disadvantage. Just as it is possible for a man to use the force of his fist or the force of a weapon to extract some unfair bargain from the distinguished Senator from Oregon, I can see how the power to use economic force, in other words, to strike, might bring about, through the force of circumstances and the exercise of that economic force, a result that is not proper and not just. But I do not think the fact that the employees and the railroads themselves would be remitted to the judgment of a Presidential board, impartial in its nature, would put either of the two parties, either labor or management, at any unfair disadvantage.

Mr. MORSE. The Senator's bill would take away from the railroad workers the right to strike, would it not?

Mr. DONNELL. It would.

Mr. MORSE. I think this is a very interesting use of words. By the words men use one gets a pretty good idea of differences in their thinking, and I think that the words the Senator and I are using in the discussion of these two hypothetical situations are very interesting, because the Senator from Missouri talks about force connected with the use of the strike, and the Senator from Oregon talks about the right to strike.

Mr. DONNELL. If I may interrupt the Senator at that point, he refers to the right to strike. The Senator inquired whether my bill would deprive the individual railway worker of the right to strike. I answered "It would." I want to make it clear, however, that I do not in any sense take the view that there is an inherent right to strike. I think that today, under the law as it now stands, there is nothing in the Railway Labor Act that would prevent an employee from striking and under the present law they have the right, the legal right, to strike. But I think there is no inherent right that they have so that Congress would not legitimately have the right to say, "You cannot strike." In other words, in a public industry, such as the railway industry, I think that any alleged right or any existing right at the present moment of employees to strike must yield and does legally yield to the right of Congress to prohibit the exercise of the power to strike.

Mr. MORSE. I do not agree with the Senator from Missouri on that point. Does the Senator from Missouri take the position that a right would have to be an absolute or an inherent right to be a valuable right?

Mr. DONNELL. Oh, a man may have a valuable right under the law as it exists and still it may be a right which is subject at all times to regulation or prohibition by the Congress.

Mr. MORSE. I have always taken the position that labor does not have the absolute right to strike under any and all circumstances.

Mr. DONNELL. Of course, that has been well settled in the judicial decisions of our country.

Mr. MORSE. There is no question about it.

Mr. DONNELL. And particularly with respect to the question that the fourteenth amendment gives the individual an inherent right. In the case of *Dorchy* v. *Kansas* (272 U. S., 306, loc. cit. 311), I think it is stated very clearly to the contrary.

Mr. MORSE. I do not want to digress very far, but in the cloakroom some time I am sure I would enjoy a discussion with the Senator of a little theory of mine, that I think he will look in vain for any absolute legal rights separate and distinct from any and all circumstances that might be imagined to come into being at some time modifying such rights. But I suppose it is simply a question of legal philosophy, and that is not what I seek to discuss here this afternoon.

If we start on the premise that the right to strike—not the absolute right to strike—but that the right to strike is a valuable asset to labor, as demonstrated by what it can produce for labor when exercised in contest with an employer, then assuming that the Senator from Missouri is sitting on two boards of arbitration, one hearing a railway case under his bill, assuming it has become law, and the other involving the machinists in the steel industry, where the right to strike has not been taken away, would it be the position of the Senator from Missouri that evidence as to the economic effects of the exercise of that valuable right "owned" by labor, we will say in quotation marks, "owned" by labor in that particular situation, would not be evidence that would be subject to admission, and material to the case for the determination of the board to evaluate?

Mr. DONNELL. I think, Mr. President, that evidence of the amounts of wages that have been procured through the exercise of the power or right, as the case may be, to strike, would certainly be admissible before both of those boards.

Mr. MORSE. And evidence as to the losses of both wages and profits which the parties would suffer in case a strike were to ensue would be admissible.

Mr. DONNELL. I think evidence as to the entire economic situation with respect to employers and employees in each industry would be admissible in any proceeding involving the other industry. But I do not think that the fact that a Presidential board shall have fixed a specific scale of wages in the railway industry would at all preclude strikers in the steel industry from the right to ask and possibly from the power to procure a different scale of wages.

I may say to the Senator that if such happened, I can very readily appreciate that it might be true that in the railway industry it would not be long until the employees would again be asking for a revision of their wages, and I think the Presidential board then appointed, if the parties could not get together, would have the right to consider the wages existing in the steel industry.

Mr. MORSE. They might.

Mr. DONNELL. But it would not be precluded by reason thereof from exercising their best judgment as to what would be appropriate in the railway industry.

Mr. MORSE. The point I mean to bring out—and I shall conclude shortly——

Mr. DONNELL. I hope the Senator will continue as long as he wishes.

Mr. MORSE. The only point I mean to bring out is that the Senator's bill would take away from railway labor something of great economic value to them.

Mr. DONNELL. Mr. President, I think that is true. I do not pretend to be an expert upon economics, and I do not know whether all writers upon economics would agree, but I think labor certainly believes that the right to strike is of economic value. I have no doubt that when, for illustration, in the coal mining cases, the power to strike has been exercised, particularly by Mr. Lewis, it has doubtless resulted in increases in wages that would not have been procured had not the strike occurred.

Mr. MORSE. Of course, it is also true that in many of these cases one never can be sure what the economic advantages or disadvantages are, and, of course, we need to recognize also that a right or an economic freedom exercised by labor, if we preserve the right to strike, must necessarily be costly to the public at times.

Mr. DONNELL. Yes.

Mr. MORSE. We cannot have these rights and not pay for them, and it is very inconvenient sometimes.

Mr. DONNELL. I should like to call the attention of the Senator to a thought which, of course, has occurred to him much more quickly than to me. On the other side of the ledger, as to the question whether or not the right to strike is a valuable right, is the fact that an improper exercise of that so-called right or power may be highly injurious to labor by reason of its exercise.

Mr. MORSE. It often is. I am afraid it is in the instant case.

Mr. DONNELL. Yes, I think so. I think in the Diesel engine case labor lost a very great position which it had previously held, by reason of the action taken by labor in the Diesel engine strike of only a few weeks ago.

Mr. MORSE. I was going to say that, philosophically speaking, however, I do not think we would want to have the existence our our rights determined by whether or not we use them wisely.

Again we come to the question the Senator has been discussing, namely, the degree to which the public interest has been involved. When that situation develops, when the interest of the public far outweighs the advantage claimed by those who feel that a right accrues to them, I would point out that, after all, rights are relative.

However, I do not think the Congress should set itself up to determine whether a right for any group in America should be perpetuated or whether its continued existence should be predicated upon the basis of any criterion as to whether or not from time to time the group has used that right wisely.

Mr. DONNELL. Mr. President, in answer, let me say that I think the fact that there is not only a tendency but an actual use from time to time of that right unwisely—and by the use of the word "right," I am not conceding that there is an inherent, absolute right——

Mr. MORSE. Of course.

Mr. DONNELL. But I say that the fact that it is used unwisely may constitute a perfectly proper argument for the restriction of the use of that right.

For instance, even though in the railroad industry the employees have today at least to a certain extent a right to strike—and I appreciate that if a national emergency results, the President may have the right, or a court may have the right, at the instance of an appropriate government official, to suspend the strike; for instance, when the war powers are in existence—when we find that time after time labor uses its power unwisely—perhaps unwisely to itself; certainly injuriously to the Nation—then, even if it is conceded, for the sake of argument, that labor has that right, certainly Congress has the right to use its own best judgment in determining whether or not the employees' right should be restricted.

To illustrate that point, let me say that in 1946 there occurred a paralyzing shut-down of the Nation's railroads. Practically the entire railroad system was shut down, and that shut-down continued for some 48 hours. The distinguished Senator from Oregon remembers, I am sure—because I know of his concern and great interest in the matter—the fear and almost helplessness which seemed to grip the Nation as a result of that action.

Of course, the employees had a legal right to strike; at least, they had a legal right up to a certain point. I am not certain whether they went beyond that point; but at least they had a legal right to strike.

In 1948, again in connection with the exercise of the right to strike, we found the welfare of the Nation threatened by a railroad strike. Although the President took over possession of the railroads—which action, as I recall, was also taken in the case of the 1948 strike—yet we found that the employees insisted upon the so-called right to strike, even against the Government of the United States. I do not know that they had the latter right.

At any rate, the Federal Court in the District of Columbia issued an injunction. It was not until that time that the particular labor unions involved desisted from the strike which had been called.

Then we recall the time when, in Missouri and in the territory somewhat east of Missouri, the territory through which the Wabash Railroad Co. runs, with approximately 2,700 miles of line, that railroad was completely immobilized for 7 or 8 days, as I recall.

Then, some 6 or 7 months later, the Missouri Pacific Railroad, operating 10,000 or 11,000 miles of railroad, was completely tied up and closed down, as tightly as it was possible for any railroad to be closed, for 6 weeks and 3 days, or 45 days, regardless of whether there was a right to strike or, to put the matter another way, regardless of whether there was no law to prevent the employees from striking.

Certainly the Congress of the United States has a right to say, under circumstances such as these—where the employees have shown by experience that in the exercise of their then-existing right they will go to the point of injury, indeed, almost, if not exactly, irreparable injury to the Nation—that, in view of the situation and in view of such exercise of the so-called right, we will restrict that right in that industry. That is the theory on which my bill is based.

Mr. MORSE. Mr. President, I do not disagree with the theory on which the Senator has based his bill; but I disagree with the particular application of the theory, because I think it is not only the right of Congress to impose restrictions when any group—I care not what the group is; whether it be the banking fraternity, the brotherhood of railroad workers, or any other group—follows a course of behavior which jeopardizes the public interest.

I would make this point because I want to be sure that I understand the difference between the Senator's position and my position. I would take the position that my difference with the Senator from Missouri in this particular matter is on the question of whether or not the facts show that railway labor over the years has abused its right or has gone to excesses or to such a point in connection with its right that we should have a blanket, permanent, fixed restriction on that right, or whether we should look to some alternative procedures to see whether we can accomplish what the Senator seeks to accomplish—namely, the operation of the railways in the public interest—which I, too, seek to accomplish—without having the Congress enact a measure so extreme as the one the Senator from Missouri proposes.

The best evidence I can give the Senator of my insistence that excesses and abuses on the part of labor be curtailed and restricted is, of course, the Ives-Morse bill of 1947. I still stand on the Ives-Morse bill of 1947, and I would that it were the law today, instead of the Taft-Hartley law. However, I cite it merely as an illustration of my attitude toward restricting clear abuses on the part of either employers or labor.

Let me ask the Senator this question——

Mr. DONNELL. Mr. President, I wonder whether the Senator from Oregon would hold his question in abeyance for a moment?

Mr. MORSE. Certainly.

Mr. DONNELL. My memory may not be so good as is that of the Senator from Oregon, and I do not wish to overlook a point he mentioned a few minutes ago. He said that the question in his mind is whether labor in the railway industry has gone to such an excess as to make it necessary to use what he regards as an extreme remedy. I believe that is the Senator's point.

To my mind, that is a very frank statement, and it is one on which I am willing to rest this case.

Mr. President, I am not here to criticize labor or to advocate in behalf of management, but to my mind the historical facts show, as they are demonstrated this very day in the strike on the five western railroads, that labor has conducted itself in a way which has not been to the public interest; that labor in many instances has accepted rulings by the Presidential board when those rulings were in its favor, but when the rulings of the Presidential board were not in favor of labor or were not as much in favor of labor as labor thought they should be, labor has refused to accept the findings of the Presidential board.

Mr. MORSE. Labor did not have to accept those findings; the law did not require labor to accept them.

Mr. DONNELL. The Senator is exactly correct in that respect, of course. That is the defect of the law, and that is what this Senate bill 3463 will remove.

Mr. President, to my mind the lamp of experience, about which Patrick Henry used to speak, demonstrates the absolute necessity, as is pointed out by some of the editorials which from day to day I have submitted for the RECORD, for the enactment of some such legislation as that which I have proposed; it shows that because of the fact that labor has not acted in a way which inures to the public interest.

Now, if the Senator has his other question in mind, I should be pleased to have him ask it.

Mr. MORSE. Before asking the question, if the Senator will permit, I should like to make a brief comment.

Mr. DONNELL. Certainly.

Mr. MORSE. The Senator has referred once or twice to the 1946 strike.

Mr. DONNELL. That is correct.

Mr. MORSE. I think it was a very bad strike, an unreasonable strike, and an unnecessary strike.

Mr. DONNELL. And it was a Nation-wide strike, was it not?

Mr. MORSE. It was a Nation-wide strike. But I submit that it was a strike which was greatly misunderstood by the

American people, because I do not think they ever did understand all the facts. It never needed to reach the proportions it did.

Mr. DONNELL. But it did reach them, did it not?

Mr. MORSE. In my opinion——

Mr. DONNELL. I say, it did reach those proportions, did it not?

Mr. MORSE. Yes, it reached those proportions; because certain forces outside both the carriers and the brotherhoods muffed the ball. It was a strike which in my opinion could have been and should have been settled long before it reached serious proportions. I know a little bit about the subject I am discussing.

Mr. DONNELL. I am sure the Senator does.

Mr. MORSE. Because the surrender terms in that strike were written in my office.

Mr. DONNELL. Yes, I know the Senator is quite familiar with it.

Mr. MORSE. I wrote most of them, and, had certain people followed my advice, which I gave the first itme the matter was ever presented to me, that strike would never have occurred in the first instance; and the surrender terms would have been submitted identically as they finally were submitted within the first hour after the inauguration of the strike. I am merely telling the Senator that when disputes such as that occur, there are many circumstances and facts which too frequently are kept from the public.

I think we can work out some procedure short of compulsory arbitration. That is a term which frightens me. When I think of the Federal Government undertaking to run the railway economy of the country, I become scared, because I am afraid of the precedential effect I mentioned earlier in my remarks, and where it is going to lead. The Senator from Missouri would not want that. But I do not think, when the precedent is once established it can be easily stopped. I am afraid it will lead at least to the serious danger of the nationalization of certain basic industries.

So I ask the Senator from Missouri, if we could work out some procedure short of compulsory arbitration, some such procedure as I suggested yesterday morning in the Labor Committee in regard to the Railway Labor Act, would it not be possible to make the appointment of an emergency board automatic, and permit the passing of discretionary judgment on the question: Have the parties mediated in good faith? That might be the first step to take. It could be tried at least, before we go so far as the Senator from Missouri suggests in his compulsory arbitration bill. I know he does not like to frighten the junior Senator from Oregon, but the Senator has me scared almost to death by this proposal.

Mr. DONNELL. Mr. President, knowing the courage of the Senator from Oregon I am appalled at the result I have occasioned in that respect. But I may say that to my mind the bill, as I have introduced it, does precisely what the Senator has in mind, namely, it leaves all the processes, all the opportunities for the voluntary settlement of disputes, in full force and effect.

In addition to that, it leaves the provision for the adjustment board, for the activities of its divisions, unaffected. Then, Mr. President, it permits the mediation board to consider the matter. There is nothing in my amendment which would prevent that in the slightest. All the provisions of the Railway Labor Act would remain in effect so far as adjustment, mediation, and voluntary processes are concerned. My bill only applies in this respect insofar as matters other than disputes within the jurisdiction of the adjustment board are concerned. I pause at that point so that the RECORD may show what I mean. Of course, the Senator realizes much better than most of us that in the Railway Labor Act there are two divisions of disputes: One, those that are considered before the adjustment board, which, generally speaking, relate to existing contracts and their interpretation; and then disputes which relate to contracts to be negotiated for the future; and, as to the latter, I term them in my bill disputes "other than a dispute within the jurisdiction of the adjustment board."

In the first place, the bill leaves the present provision as to the binding effect of certain awards by the adjustment board unimpaired. There is one situation, as the Senator will realize and will recall, in the Railway Labor Board, as to the binding effect of an order of the adjustment board. That is the case of a money award. Then in the cases which the Senator I think probably has in mind, let us consider what my bill says. It says:

The act is amended to read as follows:

That is, the Railway Labor Act. In the first place, the bill leaves the act as it is except as it is amended. The bill does not tear down any of it except certain portions which are stricken out, and my amendments are substituted. But the Railway Labor Act in its outline remains as it is, subject only to these amendments. And here is this amendment:

Section 10 of the Railway Labor Act, as amended, is amended to read as follows:

First, section 10—

If a dispute between a carrier and its employees, other than a dispute within the jurisdiction of the adjustment board, shall not have been adjusted or arbitration agreed to within 15 days after the Mediation Board shall have requested the parties to submit such dispute to arbitration, the Mediation Board shall immediately so notify the President.

I pause at that point. Obviously this bill contemplates that, the voluntary processes must be exhausted. In addition to that, the Mediation Board, if it shall have requested the parties to submit themselves to arbitration and the parties shall have failed to submit themselves to such arbitration, then, and only then, shall the Mediation Board notify the President; and thereafter the President is required to create a Presidential board.

Mr. MORSE. That is in essence the same procedure as that of the existing act.

Mr. DONNELL. As I recall, under the existing act it is not mandatory on the President. I think he has the authority, the power to create a mediation board. I do not have the Railway Labor Act at my fingertips, on the desk.

Mr. MORSE. In other words, it would improve it. Under the present law, does not the Emergency Board act?

Mr. DONNELL. Yes.

Mr. MORSE. I think there have been very few cases.

Mr. DONNELL. This makes it mandatory upon the President, if the facts exist, as I have indicated.

Mr. MORSE. Then, does not the Senator, by including the mandatory provision, strengthen even more than does the existing act the hand of the party who wants to conduct himself as I now describe his conduct, namely, the party, be it a brotherhood or a carrier, who has in a way merely figured out that he will be better off if he lets a particular dispute run the course of the provisions of the new Railway Labor Act which the Senator's bill would provide, and end up with compulsory arbitration, thus affording no inducement for good-faith collective bargaining, good-faith mediation, or agreeing to good-faith voluntary arbitration? He could merely sit and look out the window and say, "All right, we disagree, we disagree, we disagree," because what he is after is the appointment of the emergency board and compulsory arbitration; whereas what I suggested yesterday in committee was that we give consideration to a revision of the Railway Labor Act, which would keep the parties in doubt as to what would happen to them if they do not bargain in good faith, giving them no assurance that they are going to be able to sit there and look out the window and go through to compulsory arbitration. There could be a refusal to take jurisdiction, if it were found that they have been acting in bad faith. Of course, it is helpful, as the Senator knows, to have a little economic club which one of the parties can use on the other. If a board finds that the other party has been acting in bad faith, the publicity which would follow from such a finding would have a tremendous effect on public opinion, and directly upon the parties themselves.

I should like to try some of the psychological-warfare weapons in the field of labor disputes before I come to the kind of strong ammunition which the Senator from Missouri would shoot at them.

Mr. DONNELL. In regard to the suggestion the Senator has made very forcefully in the committee, and possibly elsewhere, to the effect that it is of importance that both parties be left in doubt as to what is going to happen, I cannot see anything in my bill which removes any doubt. That is to say, if the parties sit and look out the window, as the Senator has supposed, the sitter at the window is running a risk as to what the presidential board is going to do. It may very well be that the presidential board may say, "Gentlemen, here is our decision." It may be very materially less than the party might have been able to secure by negotiation instead of by looking out the window.

Mr. President, the Senator from Oregon has referred to the strong ammunition which he considers my bill contains. I believe there is strength in the bill and that is what I want in it. I think we must have something which will make unlawful great industrial disturbances and disputes arising out of the Railway Labor Act. Inasmuch as we have tried for all these years, under the Railway Labor Act, not to go to the extent of having compulsory arbitration, I am in favor of putting into the act an ingredient which it now lacks. To my mind, it is a wholesome and a necessary one.

Mr. MORSE. Mr. President, if I may I should like to close my colloquy with the Senator by making this very brief comment: The Senator heard me, yesterday, in committee, raise a question as to the operation of mediation processes under the Railway Labor Act. I have not yet completed my study, but I have been working on it. I was advised today that the doubt I expressed as to the efficacy of mediation under the existing act was a well-stated doubt. Mediation under the act has not been successful in settling a single major railway dispute, although some possible help was given through mediation in perhaps two cases. But it cannot be said they were finally settled through mediation. That is one of the great weaknesses of the act, because I think that after good-faith collective bargaining most cases should be settled. I do not believe we should go into the field of voluntary arbitration, for if that becomes the common procedure for settling disputes, it destroys itself because it comes to substitute in industry a third party to run the industry rather than having it run by the employers and the workers themselves.

I am sure I was reliably informed today that even in the instant dispute the Railway Mediation Board has made recommendations for the settlement of the strike which the workers have indicated would be acceptable to them, or at least, they would like to sit down and talk about the proposals. They have indicated that there is merit in them, whereas the carriers, again, as they did before the Emergency Board was appointed, refused to give consideration to the recommendations of the Mediation Board.

I desire to get more facts with reference to it. I repeat what I said yesterday, that America does not happen to be in the same position in which she was when the report was handed down. We are actually in peril today, and I want to repeat my warning to both the carriers and the brotherhoods that if they want to talk about rights, I do not think either or both of them have any right to take an adamant, stubborn, uncompromising position and say they will not seek in good faith to settle the matter through mediation. In my opinion the people of the country have a right, over this week end, to have the carriers and the brotherhoods sit down and get the case settled. We can then consider any procedure as to future cases which the Senator from Missouri wants to propose in connection with his bill. But we are confronted now with a great emergency. I do not believe I am unfair when I ask the brotherhoods and the carriers, in the public interest and in the interest of the security of the Nation, to get this case settled over the week end by way of good-faith mediation. I think it can be settled in 5 hours.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. SCHOEPPEL. I should like to say to the distinguished Senator from Missouri that I have listened with much interest to the discussion. It has been most enlightening. I am wondering if the Senator from Missouri would be interested in knowing the experience which the Senator from Kansas has had with reference to inquiries which have been made of him in communications of various and sundry types he has received in relation to the bill which the Senator from Missouri and the Senator from Oregon have been discussing?

Mr. DONNELL. I shall be much pleased to have the Senator give that information for the benefit of the Senate, the entire Congress, and the public.

Mr. SCHOEPPEL. I might say that within the past several days the senior Senator from Kansas has been literally swamped with telegrams, letters, and numerous telephone calls from the State of Kansas. The Senator from Missouri knows, of course, that the Rock Island Railroad system, one of the great railroad systems tied up in the strike, runs through the entire length of the State of Kansas. Probably some of the complaints which have come in have been aggravated because of the harvesting situation, but I have received hundreds of telegrams and hundreds of letters showing a very definite interest, almost going to the point of commanding me to use every means at my command to see if something may not be done to expedite, if at all possible, the hearings or the consideration on the part of the Senate and the enactment of Senate bill 3463.

I am sure I state it fairly when I say to the distinguished Senator from Missouri, the author of the bill which I have just mentioned, that those who have communicated with me are not unmindful of the fact that rights are involved, but they cannot understand why during such an emergency as the distinguished Senator from Oregon mentioned a few moments ago the settlement of the strike should be delayed. The people who are writing to me cannot understand why, in these times, it is impossible for the parties to understand that the public interest is involved.

I commend the Senator from Missouri for his discussion, and I want to say to him quite positively, and I want to say most kindly to the labor groups involved in the entire picture, that the general public, not only in my State and severally in the great Midwest, but, I know, in other sections of the country, are becoming very tired of these strikes, and that labor loses prestige, public faith, and public confidence when they permit such strikes to occur, and we apparently do not have the machinery at our command, after we have had an opportunity to consider all sides, to cope with this kind of an unreasonable dispute whereby the public suffers. I think it is a matter for very serious consideration in the light of the situation throughout the world in which we have a very important stake.

Mr. President, I asked the indulgence of the Senator from Missouri because I thought he might be interested in my viewpoint and to know of the communications which I have received.

Mr. DONNELL. Mr. President, will the Senator permit me to address a question to him?

Mr. SCHOEPPEL. I shall be glad to.

Mr. DONNELL. The Senator has been not only the Governor of Kansas and is a Member of the United States Senate, but he has served as head of one of the important boards of his State. Will the Senator state what that board was?

Mr. SCHOEPPEL. I had the honor of serving as Chairman of the Corporation Commission of the State of Kansas, which is comparable to the Public Utilities Commissions of the respective States. The Senator from Kansas had the honor to serve in that capacity for approximately 3½ years.

Mr. DONNELL. Did he come in contact and have experience with the operation of railroads, among other public utilities?

Mr. SCHOEPPEL. I may say to the distinguished Senator from Missouri that in the capacity in which the senior Senator from Kansas indicated he served, one of the functions of the commission on which he served as chairman was the performance of duties in connection with matters incident to railroads and other public utilities.

Mr. DONNELL. I thank the Senator very much, indeed, for his fine contribution to this discussion. I wish to state one thing which I do not recall having stated for the record on the floor of the Senate, although I have stated it for the record in hearings before the committee, and I want the Senate to be just as fully advised as the committee. The Senator from Kansas referred to me as the author of the bill. I want to tell the facts with respect to the authorship of the bill as nearly as I can recall them. The fact is, Mr. President, that during my membership upon the Committee on Labor and Public Welfare of the Senate—and I have been a member of that committee and of its predecessor committee, the former Committee on Education and Labor since the time I came to the Senate in 1945—I became very much interested particularly in the testimony of experiences under the Railway Labor Act. I found the remark to which I have referred this afternoon in the official report to Congress from the National Mediation Board, pointing out the successes of the Railway Labor Act, pointing out the omissions and failures of the act, and pointing out that the experience with respect to these strikes does not bode well for the future of the act. Last year, in 1949, at or about the time of the Missouri Pacific strike, which, as I recall, began in September and lasted, as indicated, for 45 days, there was an increased emphasis in my mind on the importance of legislation which would be designed to prevent the occurrence of such strikes as that. I gave

it some consideration. I was not an expert, and I am not today an expert. I make no pretense of being an expert on this type of law or legislation. However, I have tried to study it and learn something about it.

In view of my interest in the subject, I talked with Mr. Thomas E. Shroyer, who is a member of the staff, or was at that time, and holds a somewhat similar position today in connection with the Committee on Labor and Public Welfare, or I believe he was then a member of the staff of the committee, and today I believe he is a member of a staff of a Senate subcommittee. He had had great experience in the matter of legislation touching labor. I talked to him with regard to the subject matter I had in mind, and he told me that there was one man he thought I could confer with who would be able to give me information of value, and that man was Mr. Carter Fort, the general counsel, I think, of the American Association of Railroads. Mr. Fort, at my request through Mr. Shroyer, was asked to come down to the Capitol, which he did. I conferred with him and Mr. Shroyer in the rear room of the Committee on Labor and Public Welfare on this very floor of the Capitol. It seemed to me that Mr. Fort had himself already either prepared or caused to be prepared a tentative draft of legislation somewhat, although not precisely, along the lines I had in mind. I may say that I had not myself formulated in any detail the specific provision of what I had in mind.

Mr. Fort brought with him this particular paper. It was a document of quite a number of pages, and he permitted me to take it with me. I did so. The Senate adjourned on October 19, I think it was, last year. I remained in Washington until the early part of November and then went home to my State. I did not come back to Washington until the beginning or near the beginning of the present session. When the Diesel engine strike was about to be projected, my interest was again attracted by the menace of that strike, and I requested Mr. Fort—I think it was again through Mr. Shroyer—to come to my office, which he did. There Mr. Fort, Mr. Shroyer, and I conferred. I told Mr. Fort that what I wanted was a bill to make it unlawful to strike in the railway industry, and to make the findings of a board final and binding, subject only, I think I may have said—I am not certain whether I did say so or not—subject only as it ultimately developed, to certain court review of a limited nature, which is set forth in this bill.

Mr. Fort, at my suggestion, request, and approval, undertook to be of some assistance in formulating the thought which I had suggested. He himself was not certain by any means whether his clients, the American Association of Railroads, would favor the plan which I had. He assisted and brought down a redraft of the proposed bill.

I am going into some detail, Mr. President, because there has been considerable charge by railway labor newspapers in America of participation of the railroads in this matter, and of the alleged charge that I am a mere tool or agent of the railroads. I want the facts clear in the RECORD in that respect. I want it to be clear that it was I and not the railroads that initiated the thought of the presentation of legislation of this type on the floor of the Senate.

Mr. Fort, Mr. Randall, a Mr. Pinion, of the office of the legislative counsel of the Senate, the general counsel, I think he was, of the Santa Fe Railroad—the name escapes me now—and a gentleman from the Southern Railway Co.—I believe he was one of the officers of that company who was in the city at the time—came to my office. I am not certain how many conferences Mr. Fort and I had. Perhaps it was one or two additional conferences. At any rate, these gentlemen came down one night and we worked and prepared a redraft of this bill. Mr. Pinion made suggestions, and the other gentlemen made suggestions, and we had considerable discussions on the subject in my office. Finally a draft was agreed upon by myself as being what I wanted.

Mr. President, I indicated at the time that I would desire to state on the floor of the Senate the participation that these gentlemen from the railroads had had in regard to this matter. Because of the fact that Mr. Fort had no authorization whatever to speak for his association—and I think it was likewise true with respect to the other gentlemen that they had no authority to speak for their railroads—as to whether or not they were favorable to the principle involved, it was suggested that I should not make any statement with respect to that effect upon the floor of the Senate in presenting this bill. A few days later the Association of Railroads held a meeting in the city of Washington. I introduced the bill on April 21, before the railroad meeting was held. The railroad meeting was held. I have never seen a transcript of the proceedings, and I do not know whether one was made. I do not know whether any final action was taken on the bill. I do know that following the meeting of the presidents of various railroads I was informed that Mr. Franklin of the Pennsylvania Railroad and if I am not mistaken I believe that previously I had heard that he was in favor of some such measure, although I am not entirely certain of that—the president of the New York Central Railroad, the president of the Santa Fe, and one of the high officers of the Southern Railway Co. were in favor of the bill, and were willing to testify at hearings on the subject.

At the first hearing, as I recall, Mr. Fort was the first witness. He was called at my instance, I asked him questions, and from the record of that hearing it will be disclosed that Mr. Fort stated quite fully and frankly, as I found him to express himself always to me, substantially what I have given here this afternoon.

Mr. President, I want clear on the record of the Senate the assistance that was given to me in connection with the formulation of this bill. I want that particularly in view of the fact that the Senator from Kansas referred to me as the author of the bill. I want it full and clear, and if there is any question by any Member of the Senate, at this time or any other time, as to the participation of the railways, I want such Member or Members to feel entirely free to ask me for a fuller or more complete statement, if I have inadvertently omitted any portion of the facts.

Mr. President, I shall not trespass much longer on the time of the Senate. Senators have been very patient with me this afternoon, and again I desire to thank the Senator from Oregon [Mr. MORSE] and the Senator from Kansas [Mr. SCHOEPPEL] for their participation in the discussion. After all, I realize that it is only after study, it is only after conference, it is only after the interplay of different views, that we finally come to a conclusion. That is the way, my brief experience in the Senate has indicated, that legislation is prepared. So I welcome comments not merely favorable to the bill, but comments such as those by the Senator from Oregon, which indicate questions which have arisen in his mind. I appreciate also the factual statement made by the Senator from Kansas as to the communications he has been receiving from his own State and the difficulty of the people there to understand why it is that the members of this industry cannot come together.

Mr. President, I desire to put into the RECORD a few more utterances by the press. The Philadelphia Inquirer of today carries an article entitled in somewhat heavy black type, "Embargo Put on Wheat In Western Rail Strike." This is a dispatch from Washington under date of June 29, United Press. It reads:

> The Association of American Railroads today issued an embargo which will permit movement of wheat in the Midwest only where storage is available or the wheat is for sale. The order was issued because of the 5-day-old strike by 4,000 A. F. of L. switchmen.
>
> The embargo, effective July 1, covers Kansas, Nebraska, Colorado, and Missouri, and Council Bluffs, Iowa, and East St. Louis, Ill. It is designed to prevent congestion and long delays of box cars at grain storage points.
>
> The embargo does not apply to wheat shipped by farmers which is intended for sale.

Mr. President, I ask that the entire article be placed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EMBARGO PUT ON WHEAT IN WESTERN RAIL STRIKE

WASHINGTON, June 29 (UP).—The Association of American Railroads today issued an embargo which will permit movement of wheat in the Midwest only where storage space is available or the wheat is for sale. The order was issued because of the 5-day-old strike by 4,000 A. F. of L. switchmen.

The embargo, effective July 1, covers Kansas, Nebraska, Colorado, and Missouri, and Council Bluffs, Iowa, and East St. Louis, Ill. It is designed to prevent congestion and long delays of boxcars at grain storage points.

The embargo does not apply to wheat shipped by farmers which is intended for sale.

BOARD MAPS FORMULA

The first violence in the strike flared meanwhile as the Railway Mediation Board drew up a formula which it hopes will halt the switchmen's walkout as well as forestall a strike by more than 250,000 conductors, trainmen, and yardmasters.

Officials of the Great Northern Railroad, the only one of five affected roads to continue operations, reported nonstrikers were stoned at Seattle, Wash., and St. Paul, Minn.

RECURRENCE DISCUSSED

The heads of many of the country's major railroads conferred privately at Washington on the problem of recurring strikes in the industry.

In the Senate, Senator WAYNE MORSE (Democrat, Oregon) said the American people would not "stand for any tie-up of American railroads at this time of peril, and shouldn't."

FORTY-HOUR WEEK IS ISSUE

The switchmen struck against five Western railroads after a Presidential fact-finding board rejected their demand for a 40-hour week with no loss of pay.

The Great Northern has been offering a "restricted service" along its main lines. A spokesman said today, however, that 22,000 of its 23,000 employees would be made idle by tomorrow if the strike continued. The Great Northern has been forced to halt 46 round trip and 39 branch line trains.

The other four railroads, the Rock Island, the Chicago Great Western, the Western Pacific, and the Denver & Rio Grande Western, were paralyzed.

Mr. DONNELL. Mr. President, so that the Senator from Oregon may know of the particular contents of this article, I should like to read one sentence from the article which refers to him. It says:

In the Senate, Senator WAYNE MORSE—

Inadvertently it says "(Democrat, Oregon)." I know the Senator is a Republican, and there is an error.

Mr. MORSE. In some quarters there seems to be some doubt.

Mr. DONNELL. I am sure of the Senator's fine contribution to the Republican Party. He and I sit together on the same side of the aisle, and are seat mates.

In the Senate, Senator WAYNE MORSE (Democrat, Oregon)—

It should be Republican—

said the American people would not stand for any tie-up of American railroads at this time of peril, and shouldn't.

A little further down in the article it is said:

The Great Northern has been offering a restricted service along its main lines. A spokesman said today, however, that 22,000 of its 23,000 employees would be made idle by tomorrow if the strike continued. The Great Northern has been forced to halt 46 round trip and 39 branch-line trains.

The other four railroads—the Rock Island, the Chicago Great Western, the Western Pacific, and the Denver & Rio Grande Western—were paralyzed.

That is from today's Philadelphia Inquirer.

Mr. President, day before yesterday the Chicago Tribune had this to say, referring to a matter that was mentioned on the floor of the Senate yesterday:

THREE HUNDRED TRAINMEN STRIKE—ELEVEN THOUSAND IN PLANT IDLED

LORAIN, Ohio, June 27.—A strike of 300 plant railroad workers shut down the National Tube Co. plant here today, throwing 11,000 employees out of work.

National Tube, United States Steel's largest subsidiary, makes seamless pipe and billets. The 4-mile Lake Terminal Railroad, also owned by United States Steel, connects with other railroads in Lorain.

Earl B. Wecome, deputy president of the Brotherhood of Railroad Trainmen, said the strike was a protest against recent recommendations by a Presidential fact finding board. The board recommended a 40-hour week with an 18-cent hourly pay boost. The union sought a 40-hour week with 48 hours pay. In Cleveland, William P. Kennedy, BRT president, said the strike was unauthorized. Under terms of the Railway Labor Act, the BRT cannot legally strike until July 15.

Finally, Mr. President, I desire to read into the RECORD another article appearing in yesterday's Philadelphia Inquirer entitled "Rail Strike Called Peril to United States Defense Plans." The dispatch comes from Washington:

WASHINGTON, June 28.—Daniel Loomis, chairman of the Carriers Conference Committee, today warned that the AFL switchmen's 3-day-old strike against five western railroads was endangering the defense program of the country.

Loomis pointed out that one of the struck railroads, the Great Northern, hauls one-third of the iron ore from the Mesabi range, chief source of iron ore for the steel industry, now operating at capacity.

I hope the Senate will bear in mind particularly this sentence:

Also affected, he said, are uranium processing plants located on the route of the Denver and Rio Grande. Uranium is essential in the production of atom bombs and other types of weapons.

Loomis emphasized that the switchmen's strike might take on added importance in view of President Truman's decision to halt Communist aggression in Korea and contain it elsewhere in Asia.

Loomis said four major west coast ports, Portland, Seattle, Tacoma, and Vancouver, all gateways to Pearl Harbor and other points essential to the President's containment policy, have been hit by the rail strike.

The rail tie-up also has hit United States Steel's Geneva plant, one of the principal sources of steel for the west coast.

I do not know where the Geneva plant is. Perhaps the Senator from Oregon can tell us.

Mr. MORSE. It is in Utah.

Mr. DONNELL. I thank the Senator. The article continues:

Loomis was asked if the carriers were ready to assume wartime responsibilities in the event that Mr. Truman's policy generated another world conflict. He said that the Nation's railroads had been on an emergency basis for years and, except for a possible early shortage of freight cars, were ready to move with the defense program.

I called attention to the shortage in freight cars caused by this strike, which is idling many thousands of freight cars on the roads' lines. The article continues:

In addition to the Great Northern and the Denver, the other carriers affected by the strike are the Chicago Great Western, the Western Pacific and the Chicago, Rock Island & Pacific. These five carriers serve 23 Western States.

Federal mediators and union and railroad representatives have had no success in trying to settle the 3-day dispute of the switchmen, who are seeking a 40-hour week with 48 hours pay, which would amount to a pay increase of 31 cents an hour. The roads are willing to grant only the 18 cents recommended by a Presidential fact-finding board.

So the 3-day strike is now a 5-day strike.

I desire to emphasize, in concluding my remarks of today, that the interest which I have in presenting this matter is the public interest, not the railroads' interest, not the employees' interests, save only as the railroads and the employees are a part of the industry and the public of the United States. I plead, Mr. President, with the Senate, for the people of the United States who find themselves in a condition in which legally today sections of the railroads over the country, through the device of having strikes only in partial sections of the country, may be wholly curtailed and paralyzed in their industrial operations. I plead for the people of the country, the men and the women and the children who, if great industrial conflicts in the railway industry shall continue to be inflicted upon them, will be subject not only to inconvenience but in many instances doubtless suffering and perhaps disaster. I plead for the industry of the small-business man as well as for the large-business man, for manufacturer, for the farmer, for the miner, for all occupations and employers and professions, because we are all interested in the public welfare, and we are all a part of the public.

Senate bill 3463 does not deny any carrier or any employee or any union the right to voluntary processes. It does not deny the Mediation Board's right of participation. It merely says that the Government here provides a method of settling these disputes, just like a lawsuit is settled by a court, by such a court as that over which the distinguished present occupant of the Chair, the junior Senator from Mississippi [Mr. STENNIS] presided with distinction. Just as is true in the case of settlement of disputes by the courts, rather than to have them settled by force and violence, so when great public interest is involved the Congress, as I see it, should say that we are going to have tribunals which are created by Congress settle railway disputes and make such settlements final and binding.

The bill goes further, as I have indicated, and makes it clear that not only are the settlements final and binding, but that no strike on the one hand by employees, and no lockout on the other hand by carriers, shall be lawful when they shall arise out of or in connection with a dispute falling within the purview of the Railway Labor Act.

I thank the Senate for its very kind consideration.

EXHIBIT 1

[From the American Forum of the Air, June 17, 1950]

THE RAILWAY LABOR CRISIS

(Senator FORREST C. DONNELL, Republican, of Missouri; Senator CLAUDE PEPPER, Democrat, of Florida; Theodore Granik, founder and moderator of the American Forum of the Air)

ANNOUNCER. The National Broadcasting Co. presents the American Forum of the

Air, founded 22 years ago by Theodore Granik and dedicated to the full and public discussion of all sides of all issues, coming to you from the NBC theater in Washington, D. C.

Now, here is your moderator, Theodore Granik.

Chairman GRANIK. The United States Senate Labor Committee has been holding hearings on a bill which would prohibit railroad strikes and require compulsory arbitration of all railway labor disputes.

Testifying in opposition to the measure, William Green, president of the American Federation of Labor, declared, and I quote, "It is an attempt to establish a phase of Russian philosophy in American life." But the bill's sponsor, Senator FORREST C. DONNELL, Republican of Missouri, said it was based on a premise that the public interest was predominant to that of either labor or management in a dispute that threatened a national emergency.

In view of the bill's vital effect on our national economy, the American Forum of the Air has invited Senator DONNELL and Senator CLAUDE PEPPER, Democrat of Florida, both of whom are members of the Senate Labor Committee, to discuss the issues involved.

Now, Senator DONNELL, opponents of your measure contend that it is a long step toward Government ownership of the railroads. How do you feel about it?

Senator DONNELL. Mr. Granik, I do not agree with that view. There is nothing in my bill which tends toward Government ownership. Although I do not contemplate that Government ownership of American railways is likely under even present law, nevertheless there is under the existing law a greater probability of public insistence arising for Government ownership than would ever arise under my bill. This is true because unless some method of preventing railroad strikes shall be put into effect, the people may demand that through some form of governmental interposition, perhaps even Government ownership, such strikes shall be prevented.

Mr. Granik, you have correctly understood that the keynote of my bill is the fact that in railway labor disputes the parties at interest are not solely the companies and their employees, but include in addition, and foremost, the public.

Chairman GRANIK. Senator PEPPER?

Senator PEPPER. Senator DONNELL, I think you take far too pessimistic an outlook upon this problem. I think that you fail to realize how well we have been getting along. As a matter of fact, in the last 15 years since this amended labor disputes act for railway employees and management became effective, we have had 108 work stoppages, and only, I believe—well, let us see. Over the 15-year period from 1935 to 1949, inclusive, there have been 102 work stoppages in the industry. Then if you add the six that have occurred this year, the total is 108. Only two of these work stoppages which were of any significance involved more than one railroad. One was the strike of the engineers and trainmen in 1946, which lasted 2 days, and the other was a recent firemen's strike, which lasted 1 week.

Now, one other thing, Senator, if I may. It is not suggested that your bill by its own terms would provide for Government ownership, but what you do in your bill is to deny to railroad labor the right to strike. You make it a punishable offense if they should strike, no matter what the cause of the strike might be. And the last is, you provide that when a Presidential emergency board is appointed and makes its recommendations, that is binding upon both of the parties and may be enforced in a court.

Now, that means that three men—because you do not fix the size of your board in your bill—three men appointed by the President might fix any wages, any terms or working conditions, which might be ruinous, either to the railroads, the management, or to the employees, and you might force public ownership in order to carry out the terms that your board might require.

Senator DONNELL. Mr. Granik, I was interested in Senator PEPPER's comment to the effect that he thinks that I am too pessimistic as to conditions. May I call to the attention of the Senator, and to all others interested, that the National Mediation Board, which was created by the Railway Labor Act, in its official report to the Houses of Congress for the fiscal year ended June 30, 1948, after referring to 172 peaceful settlements effected through mediation or arbitration, said, and I quote the Board:

"The peaceful settlements do not, however, make up for the instances in which stoppages occurred. It is not a good record, and it does not bode well for the future effectiveness of the Railway Labor Act."

Now, Mr. Chairman, the recollection of railway strikes and threatened strikes is fresh in our memory.

Senator PEPPER, you referred to the fact that we have had six of them this very year. You referred also to the strike in May of 1946 that was a Nation-wide strike of locomotive engineers, trainmen, and yardmen. The 1946 annual report of the National Mediation Board said of it, and I quote:

"By far the most disruptive tie-up in the history of American railroads occurred at 4 p. m., on May 23, 1946, when locomotive engineers, trainmen, and yardmen left their jobs and operation of our giant network of railways came to a halt."

The Board said:

"The effect was immediate, paralyzing, and Nation-wide."

Chairman GRANIK. Could I interrupt?

Senator PEPPER. It did only last 2 days, however, did it not?

Senator DONNELL. That is right; and even in those 2 days, the effect was "immediate, paralyzing, and Nation-wide."

Suppose, Senator, that instead of lasting 2 days this strike of 1946, which affected virtually all of the railroads, had gone through the experience of the Wabash Railway strike, which lasted for 8 days, or of the Missouri-Pacific Railroad Co. strike, when more than 100,000 miles of railroads serving 11 States were tied up by a strike for nearly 6½ weeks.

Senator PEPPER. Senator, may I interrupt you to make another comparison? Public utilities are also of vital interest to the public, and they are necessary also to the public welfare. In every year since the war, up to and including the present year, except one, and that was in 1949, I believe, the record of the number of work stoppages in relation to the number of hours worked was more favorable in the railroad industry than even in the case of public utilities, and in every year the record in the railroad industry of hours worked in relation to the hours not worked by work stoppages, was more favorable than in private industry. So when you see that record, that you have only had the small number of strikes that you have had, and the relative lack of detriment to the public interest, and when you compare the good record in the railroad industry to the record of public utilities and all industry generally, then when you consider the drastic method that you proposed, of giving the number of men the President might appoint the absolute, arbitrary, unreviewable power—because in your bill there is no right to review any decision that this Presidential board might make—giving them the unreviewable power to do anything that might affect management or labor——

Chairman GRANIK. May I quote from one of the witnesses before your committee? I believe this was the testimony of Mr. Franklin, the president of the Pennsylvania Railroad:

"I believe that our experience with the present Railway Labor Act shows that we have gone as far as we can go with voluntary machinery for disposing of railway labor disputes, and found it simply does not work because the labor organizations are unwilling to accept any less concessions than they think that they can enforce by threat to strike."

Would you care to comment on that?

Senator PEPPER. I recall that testimony by Mr. Franklin, the president of the Pennsylvania Railroad, I believe; but he said that he reluctantly, also, came to the conclusion of recommending compulsory arbitration. I wonder if management would not later come to regret giving the power to the Government, the power to the President by the selection of a Board, to fix any wages, to fix any terms of work that management might have to meet. In other words, I think that they may now be harassed and have difficulty, but I wonder if they want to fly to ills that they know not of.

Senator DONNELL. Mr. Granik, may I make some comment on that?

In connection with Mr. Franklin's testimony, to my mind the very fact that he did reluctantly come to this conclusion adds persuasiveness and force to his testimony. It was not a case in which Mr. Franklin was seeking to interpose some drastic remedy. It was a situation in which he found that it was the only remedy that was practicable, and he came forward, as he very frankly said, and as I think in substance the other railroad presidents—the president of the Santa Fe, the president of the New York Central, the president or operating manager or vice president, I believe it was, of the Southern Railway—came forward without any great desire to advocate that this thing be forced upon the public, but they reluctantly came to the conclusion that it was the only possible, practicable remedy.

Senator PEPPER. Now, my distinguished colleague raises a matter of practicability. That leads us to examine the experience that others have had in the use of compulsory arbitration. Our great State of Kansas tried that in 1920, I believe it was, with the Kansas compulsory arbitration law, Industrial Disputes Act. It was in effect for about 3 years before the United States Supreme Court held it unconstitutional. But the writers who have examined its history said that it did not stop strikes. They said that compulsory arbitration has not succeeded in New Zealand and Australia, and that England, which had a criminal statute forbidding strikes during the war, still had a larger percentage of strikes, in relation to the workers employed, than we had in the United States when we did not have such a law.

Chairman GRANIK. I would like to quote from another statement, that of Mr. Robinson——

Senator DONNELL. Could I answer some of these statements by Senator PEPPER—but go ahead.

Chairman GRANIK. Another one of your witnesses, Mr. E. B. Robinson, president of the Brotherhood of Railway Firemen and Enginemen, said that "this would be only a step in the direction of a compulsory arbitration in all industry, because you cannot have it in the railroad industry without spreading it all over the country."

He went on, I think, later on, to say, "If you take the first step, you will never see the end until you get nationalization of all industry."

Senator DONNELL. May I say this with respect to the comments made by Senator PEPPER?

In the first place, as to the point that the action of the Presidential Board is not subject to review, I disagree with the Senator in that respect, although I want to state very frankly that the provision for review in the bill itself is very limited, but if the Senator would refer to pages 6 and 7 of the bill, he will note that there is a review provided by way of a petition for impeachment of the re-

port, on several grounds, among which is that the report does not conform to the issues in the controversy submitted to the Board.

Senator PEPPER. That is all technical, and, as you say, all limited. If they were to find that management should double the wages of the workers of the country, there would be no way that management could do anything about it.

Senator DONNELL. I think that you are precisely right in that regard.

With respect to the Kansas Industrial Court, may I call attention to two or three things. In the first place, the Kansas Industrial Court was not a court which was confined to railways—and I am not certain whether railways were included, perhaps they were—but it was a general industrial court, which referred to disputes in all lines of general industry. And the case in which the law was held unconstitutional was one which came up from the packing-house industry.

Now I am not in favor, Mr. Chairman, of compulsory arbitration in general industry. I am opposed to it. But when we find a situation in which great, giant networks of our railroads can be tied up, and in the course, as Senator PEPPER indicated, of only 2 days' time can have a paralyzing, immediate, and Nation-wide effect upon our industry and our people, I think that there is sound reason for putting into effect a different law than would apply to general industry.

Now, I want——

Chairman GRANIK. Would you like to comment on that, Senator PEPPER?

Senator PEPPER. Do you not believe, Senator, that leaving aside the wisdom or lack of wisdom of applying that new principle in respect to the railroad industry, that immediately somebody would come forward and say that we should apply the same thing to the utilities, the public utilities; and then the next step would obviously be to the coal industry; and then someone might well add the gasoline industry. And all of those things are essential to the continuity of our American way of life. Where will it lead you? Once you take away from men the right to stop working for an employer for private profit, and give the Government the power, unreviewable authority, to fix wages and working conditions and things that are essential to the continuity of that industry, you have practically turned the whole thing over to the Government.

Senator DONNELL. I may say in answer to that that it is, of course, entirely possible that if a railway labor compulsory arbitration act be put into effect, that there may arise proponents of extending that arbitration to all types of industry. But just as the Supreme Court of the United States in the case declaring unconstitutional the Kansas Industrial Court, distinguished between the situation in which general industry is concerned, and which had to do likewise with food which certainly is of importance, I would say that just as the Supreme Court distinguished between that case, and as it has later on referred to public utilities, likewise to my mind there is a perfectly logical answer that would be put forth in Congress, and in my judgment successfully so, to any extension of compulsory arbitration from a field in which it is obviously needed to a field in which it would be improper for it to proceed.

Senator PEPPER. Senator, let us suppose a case where this board and the number of the board is not fixed, and it might be three men appointed by the President, might proceed. Leaving aside the question that if you had a President who was friendly to labor he might appoint a board friendly to labor, and a President who was friendly to management might appoint that kind of a board; leaving that aside, suppose that that board should require management to pay more wages than they can pay out of their current revenues. Then you have got no right of appeal. There is no way that public opinion can make itself felt upon the wisdom of it, no way that the President can intervene even, and they have got to carry out the terms of that order. Now, then, does that mean that the Interstate Commerce Commission would perforce have to give a rate increase automatically in order to carry out a Government order? What would you do in a case like that?

Senator DONNELL. It is perfectly clear what should be done under those circumstances. The fact is that if the railroads are ordered by the presidential board to increase wages, it is just the same as if grease or oil or any other equipment or material used by railroads shall go up. It would mean necessarily an increase in the rates which the railroads would charge.

How would it be put into effect? Well, under present law, as I understand it, the railroad, if it found that it could not make its earnings on the income derived from existing rates, would fix a rate and then the Interstate Commerce Commission, to which the Senator refers, would determine whether or not the rate was reasonable. If it should hold it was unreasonable, it would order it reduced; and if it held that the rate was unreasonable or unreasonably low and the railroads still found that they couldn't make money, the courts would step in and protect the investors in the railroads.

Senator PEPPER. Wouldn't that lead you logically to the conclusion that the board, being given the power to fix wages and working conditions, would practically have the power to effect all of these things that are incident thereto, so they would also have the power to fix rates?

Chairman GRANIK. May I interrupt you and take a question from the audience?

Question. I am a resident in Washington and this question is addressed to Senator PEPPER. Sir, do you favor the fantastic wage agreements which have been forced upon the railroads by the unions with the advice and consent of Government-appointed boards? Typical case of this is the pay of engineers in the Washington-New York run, where for a round trip he gets 6 days pay for 1 day's work of 8 hours? That amounts to about $65.

Chairman GRANIK. Go ahead, Senator PEPPER.

Senator PEPPER. I don't know the details of the agreements to which you referred, but I wouldn't hesitate to make the general observation that taking into account the character of their labor, and the manner in which they perform it, that railroad labor including engineers is not overpaid.

Question. Do you think that stockholders are entitled to any return on their investment?

Senator PEPPER. I do not know what return the stockholders of the railroads are getting at the present time.

Question. They have not had a dividend on their common stock in 20 years.

Chairman GRANIK. Do you have any comment on that question, Senator?

Senator DONNELL. I have no comment. I think that the gentleman who has presented the question has commented on it and I am quite ready to leave it at that point.

Question. I am from Danville, Va., representing the Metropolitan Life Insurance Co. Senator DONNELL, do you believe that the railroad problem could be solved in any measure by the adoption of further Federal controls on the fast-growing trucking industry?

Senator DONNELL. Of course, I would say this, that the trucking industry undoubtedly has a close relationship with and effect upon the railroad industry, but I don't think that any regulation of the trucking industry would even remotely affect the question that is presented and considered by this bill. We have here a situation in which great Nation-wide strikes are had and are threatened. We have had strikes as in the case of the Missouri-Pacific covering 10 States, or a strike as I was about to mention a little while ago in May of 1948, which was threatened and was stopped only by an order granted by a Federal court of which the President himself said, "A strike on our railroads would be a Nation-wide tragedy with world-wide repercussions."

I would answer your question by saying that while of course there is a relationship between all types of transportation, I do not think any regulation of trucking could even remotely solve this problem.

Senator PEPPER. May I just add the observation that many of us know the importance to the national economy of the trucking industry also, and I would think my learned friend, if he were going to be consistent and protect the public interest, would also apply his principle of compulsory arbitration to disputes between trucking management and labor.

Chairman GRANIK. I may add the observation that next week we are going to discuss all phases of transportation. So we will probably cover your question in full next week.

Senator PEPPER. And the airlines, the same principle should apply to them.

Chairman GRANIK. We will cover the airlines and the truckers.

Senator DONNELL. Will you also take up your boat that you have down on the Potomac, when you take that up, Mr. Granik?

Chairman GRANIK. We will. All right, the next question.

Question. My name is Harold Bigler, and I would like to ask Senator PEPPER if he would prefer to have the Railroad Labor Act amended to incorporate the protective provisions similar to those in the Taft-Hartley law, rather than the proposal submitted here tonight.

Senator PEPPER. The Taft-Hartley Act is not only of doubtful protection but doubtful in entirety. Would you care to tell me what provision you mean?

Question. I had in mind the provisions principally that would do away with, for example, featherbedding, and that would protect the public.

Senator PEPPER. I think probably I should tell you that my attitude is that the Taft-Hartley Act should be reduced, and we should not stop until we get down to zero.

Chairman GRANIK. Would you care to comment on that?

Senator DONNELL. I take quite precisely the contrary view. I think the Taft-Hartley Act is one of the finest pieces of legislation that Congress has enacted in recent years. I do not at all, Mr. Chairman, take the view that the Taft-Hartley Act is perfect, and I happen to be one of the three Senators who proposed a bill last year which was passed by the Senate, which to my mind cured a number of the defects which had been pointed out in large part by the Labor-Management Committee, which had been created under the Taft-Hartley Act for the purpose of investigating whether or not changes should be made.

Senator PEPPER. It will no doubt stand considerable further improvement.

Chairman GRANIK. I see that Congressman ROGERS of Florida is here. Go ahead, Mr. ROGERS.

Representative ROGERS (Florida). I will address this question to Senator DONNELL Senator, don't you believe that if we adopt the principle of compulsory arbitration, that that should apply also to public utilities in which the public interest and the public welfare and the public health of people are concerned, or work out some means of adjustment whereby we can take care of the public and prevent strikes and lock-outs?

Senator DONNELL. I think there is very much to be said in favor of your proposition, Congressman ROGERS. However, my bill does not go that far, and I would not go that far

without further hearings, without extensive consideration. I would like to say, however, that I have a telegram here from the Governor of your own State and the Governor of the State of our distinguished friend, Senator PEPPER. It refers to the public-utility law which is in effect in Florida, and which as I understand it provides for compulsory arbitration, and it says this:

"Re your telegram requesting information regarding Florida's statute, Laws of Florida, 1947, chapter 23,911, authorizing handling disputes in public utilities, please be advised that it is our view that such statute has proved to be of benefit and value to the disputants and the people of Florida. We have had occasion to act pursuant to authority of such statute in several instances, with all-around satisfactory results." Signed, Fuller Warren, Governor.

Senator PEPPER. Now, Senator, doesn't that pretty well illustrate how far along this path we would be pretty likely to go once we started with your bill? The able Congressman from Florida has already brought up the subject here, and you have already quoted the Governor of Florida rather favorably toward this legislation, and cannot you see pretty clearly that once we start down that path, first with your bill having compulsory arbitration with respect to railroad disputes and then probably reaching over next to disputes between management and labor in the trucking industry, and I see no reason why it shouldn't similarly apply in the aviation industry, because that is important. I think it would be very logical to extend it to the telephone industry, because everybody has admitted that if we tied up the telephone system of the country that would practically paralyze the country. Then you would have to carry it to Western Union and those facilities. Congressman ROGERS has suggested the public utilities, and it would be only a little while, as has happened in Australia and New Zealand where they have compulsory arbitration, until the Government would be fixing wages and salaries and therefore prices on practically everything.

Senator DONNELL. Mr. Chairman, may I say that in Australia and New Zealand, as I understand it, there has been compulsory arbitration for some 40 years or thereabouts. I want to say, however, in regard to Senator PEPPER's suggestion that my bill is but one step along a longer road illustrated by Congressman ROGER's question, to my mind it does not follow at all, because this bill is passed that the extension suggested by Congressman ROGERS is at all necessary or would occur. I did say and I repeat it, that in my judgment there is much to be said in commendation of his view, but I for one would not join in that view unless I were persuaded considerably more than I am at this time.

Chairman GRANIK. Could we have one more question?

Question. I am Al Stover of the Dartmouth College Young Republican Club. Senator PEPPER, do you object to a forced cooling off period before a railroad strike, regardless of the fact that railroads cannot suspend operations without the approval of the Interstate Commerce Commission?

Senator PEPPER. Well, there is I think what you might call a forced cooling off period under the present law. When there is an emergency board recommendation, then it is the duty of both management and labor not to make any changes in the situation for 30 days after the report is filed with the President. That is in the existing law and I don't know of any violation of that. So we have practically got a cooling off period, but my distinguished friend, Senator DONNELL'S bill, has no limit at all. It is a continual injunction against work stoppage.

Chairman GRANIK. Will you continue with your summary, Senator?

Senator PEPPER. Experience that we have had under the present railroad act has been on the whole satisfactory. We have not had serious and protracted work stoppages, and we have maintained the democratic principle of collective bargaining. The provisions of Senator DONNELL'S bill would inevitably in my humble opinion lead to the Government ownership of railroads or at least to the Government fixing wages and salaries and working conditions which would determine eventually rates and all of that sort of thing. I think it would be far better if I might paraphrase a little bit the words of Hamlet, "It were far better that we bear the democratic ideals we have rather than flee to the totalitarian ideals which we know not of."

Chairman GRANIK. Now, Senator DONNELL.

Senator DONNELL. Referring to Hamlet, I should like to refer also to his soliloquy, "To be, or not to be," and it would seem to me, Mr. Chairman, that a situation under which the railroads of our country can strike either in 10 States or 8 States or 48 States, and where there is no provision whatsoever of existing law which makes such a strike unlawful, is a dangerous one which, as the President himself said in the case of the strike of our railroads, would be a Nation-wide tragedy with world-wide reprecussions.

Senator PEPPER is of the opinion that the Railway Labor Act has worked well. To my mind it has produced many excellent results, and yet I take it that he overlooks the fact the National Mediation Board itself created by the Railway Labor Act, in the report from which I have quoted, spoke of the record of that Board in this language: "It is not a good record and it does not bode well for the future effectiveness of the Railway Labor Act."

In conclusion, Mr. Chairman, this bill of mine is not a bill based on advocacy of the railroads or advocacy of or oppostion to either the railroads or labor. This bill is based on the theory that the interest which is predominant and paramount and must be protected is the interest of the public.

## THE PRESIDENT'S VETO OF HOUSE BILL 1243, TO AMEND THE HATCH ACT

Mr. HUMPHREY. Mr. President, it has just been brought to my attention that the President of the United States has vetoed House bill 1243, the bill to amend the Hatch Act. I know the Presiding Officer is very much interested in this measure. We had considerable debate in the Senate over the conference report on the bill to amend the Hatch Act.

I noted in the Presidential message, which has been read in the House of Representatives, and has now been made available for release, that the President of the United States took note of two particular objections. One was that the bill limited the participation of Federal employees in a particular jurisdictional area, where there was a predominance of Federal employees in a population area.

The second point the President noted in his veto message was the statutory right given congressional committees to obtain records containing testimony or other evidence relative to charges or allegations of violations under the Hatch Act.

Mr. President, these were the very two points the Senator from Minnesota outlined in his address on the floor of the Senate as being objectionable in the conference report on the amendments to the Hatch Act. However, on the date that we voted on the measure the Senator from Minnesota had been informed that the objections to the use of the files on the part of the Civil Service Commission had been removed; in other words, that the Civil Service Commission felt that it could handle that particular feature of the bill. I must say, however, that on later inquiry the Senator from Minnesota found out that the Civil Service Commission was not of that mind. I applaud the President's veto of this measure.

I had definitely intended to vote against this measure, and within the hour of the vote, by telephone, I was informed that the major objection I had raised was one the Civil Service Commission felt it could properly handle by administrative rules and regulations, and rather than to impede the progress of the bill, because I did not feel other objections were too important, I changed my position and cast a vote in behalf of the bill.

I say now that if this measure comes up before the Senate on the question of overriding the veto of the President, I am going to support the President, because the evidence is quite clear that the President's position is sound. It is equally clear that the argument of the junior Senator from Minnesota was sound. I intend at the time the veto message comes before the Senate to support the President.

Mr. President, I now desire to speak on another subject.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

## POLITICAL EXPENDITURES FROM PRODUCTION AND MARKETING ADMINISTRATION FUNDS

Mr. HUMPHREY. Mr. President, I wish to bring up one other matter for the RECORD. On the date of June 20 the distinguished Senator from Vermont [Mr. AIKEN] and my distinguished colleague from Minnesota [Mr. THYE] made reference to the Secretary of Agriculture's reply to the General Accounting Office respecting a recent meeting in the State of Minnesota pertaining to the Production and Marketing Administration, its county committeemen and its community committeemen. I was present on the floor of the Senate during part of those remarks.

The next day I read those remarks in full. I was somewhat disturbed, and, may I say, surely interested. I immediately sent a copy of the remarks to the Secretary of Agriculture, the Production and Marketing Administrator and also to the State administrator of the Production and Marketing Administration in the State of Minnesota. Also on the date of June 21 I addressed a letter to the Minnesota PMA chairman, United States Department of Agriculture, St. Paul, Minn. The chairman's name is Mr. Charles Stickney. I know Mr. Stickney very well. Most of the members of the Minnesota delegation consider him not only to be an able public servant, one who has performed his tasks well and has performed his duties well, but we also consider him as a

friend. So I addressed the letter to him in a very friendly tone, as follows:

DEAR CHARLIE: On the date of Tuesday, June 20, Senator AIKEN and Senator THYE made reference to the State Production Marketing Administration meeting held on April 3 and 4 at St. Paul, Minn. I am taking the liberty of sending you a copy of their remarks and ask for your analysis of their criticism.

I am particularly interested as to whether or not as stated by Senator AIKEN "over one-third of these community committeemen and posibly as high as 40 percent did not submit any claim for salary and travel expense." Is it true that of the total number of community committeemen who attended the PMA meeting that approximately one-third to 40 percent did not ask for salary and travel expense?

The next question I would like to have you answer is have you had a large number of complaints from community and county committeemen about this meeting?

Also, is it true that you or your office put undue pressure upon community and county committeemen to be present at the meeting?

I do hope that you will reply immediately to this letter. I want the United States Senate to know the facts. I ask your immediate consideration and reply.

Sincerely yours,

HUBERT H. HUMPHREY.

Under date of June 26, I received a reply, Mr. President, in reference to the questions which I asked in my letter of June 21. I am sure the reply is worthy of the attention of the Senate, because I have known of no meeting held in my beloved State of Minnesota that has caused more commotion, more comment, more criticism, and more misinformation and misinterpretation than this particular meeting. I read with interest editorials in the Washington newspapers about this meeting, in which the writers spoke as if they had been present, had enjoyed the privilege of the wonderful climate, and the fine hospitality of the good people of the State of Minnesota. I wrote to the editor of one of the newspapers and in so many words asked, "Were you there, Charlie?" Surely the editor spoke with all the authority of one who had sat on the platform and had absorbed every word that had been expressed.

This is the letter I received in reply to my letter of June 21:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND
MARKETING ADMINISTRATION,
*St. Paul, Minn., June 26, 1950.*

Hon. HUBERT H. HUMPHREY,
*United States Senate,*
*Senate Office Building,*
*Washington, D. C.*

DEAR HUBERT: We are including in this letter our answer to several of the statements made about our State PMA meeting held on April 4 which are found in the CONGRESSIONAL RECORD for Tuesday, June 20. To substantiate several of these statements we are forwarding a copy of the tabulation this office made from the claims submitted by county and community committeemen for attendance at the meeting on the prescribed expense account forms used by county offices. This tabulation may not be identical with that made by the General Accounting Office representatives but very closely includes the same totals which they submitted in their report. They used our tabulation in preparing their report and may have, in several instances, included an additional day or two for community committeemen where we had information which indicated that committeemen did not actually attend the meeting but were employed for field work in the country. We would like to particularly direct your attention to the columnar headings showing the number of community committeemen in each county and the number who attended the meeting on April 4. You will note that a high percentage of the community committeemen in southern Minnesota or counties adjacent to the Twin Cities attended the meeting but in the northern part of the State very few community committeemen were present. This fact is explained by the weather and road conditions which existed in northern Minnesota on April 4. Many of the trunk highways from northern Minnesota were blocked.

Let me say that we had a blizzard on the second of April; in fact, there was not a thaw until May. So the committeemen were prevented by the weather conditions from traveling.

The letter goes on to say:

In the following paragraphs we have included excerpts from statements made by Senator AIKEN and Senator THYE and our response to what we consider discrepancies in the printed record—

Mr. President, those statements are the ones I sent to the Production and Marketing Administration's office in St. Paul. These are the statements as printed in the CONGRESSIONAL RECORD on June 20. I asked the State Production and Marketing Administration chairman to give me his answer in regard to the statements and his attitude regarding their accuracy.

In the letter, the Senator from Vermont then is quoted, as follows:

AIKEN. There were evidently between 3,300 and 4,000 community committeemen in attendance; but after learning of the irregularities engaged in by the State chairman of the PMA for Minnesota and the United States Department of Agriculture, over one-third of these community committeemen, and possibly as high as 40 percent, did not submit any claim for salary and travel expenses.

This is the information I have been able to obtain:

The Minnesota PMA Committee advises that to the best of their knowledge every county and community committeeman who attended the State meeting on either April 3 or 4 has been paid for attendance at the meeting.

Mr. President, at this point I wish to introduce into the RECORD a full tabulation for the annual State meeting on April 3 and April 4, giving the total number of county and community committeemen for each county, and the total number of county committeemen and community committeemen who attended the meeting and who were paid. I wish to ask unanimous consent that this tabulation be incorporated at this point of the RECORD as a part of my remarks; and I also note that the total county committee expense was $8,106.21 and the total community committee expense was $33,952.64.

So I ask unanimous consent that the tabulation be printed at this point in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

*Annual State meeting—Apr. 3 and 4, 1950*

| County | County committeemen | | | | | | | Community committeemen | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | April | | Wages ($8 per day) | Mileage (5 cents per mile) | Common carrier | | Per diem ($5 per day) | Number | April | | Wages ($8 per day) | Mileage (5 cents per mile) | Common carrier | | |
| | 3 | 4 | | | Number | Amount | | | 3 | 4 | | | Number | Amount | |
| Aitkin | 2 | 2 | $32.00 | $7.20 | 2 | $8.45 | $22.50 | 30 | 10 | 11 | $168.00 | $48.15 | 2 | $7.60 | $293.90 |
| Anoka | 3 | 3 | 48.00 | 12.60 | | | | 21 | | 15 | 120.00 | 27.20 | | | 207.80 |
| Becker | 3 | 3 | 48.00 | 23.40 | | | 30.00 | 33 | 7 | 9 | 128.00 | 94.40 | 2 | 13.46 | 337.26 |
| Beltrami | 3 | 3 | 48.00 | 29.65 | | | 50.00 | 21 | 9 | 10 | 152.00 | 108.20 | 3 | 53.64 | 441.49 |
| Benton | 3 | 3 | 48.00 | 10.00 | | | 37.50 | 36 | | 20 | 160.00 | 57.15 | | | 312.65 |
| Big Stone | 2 | 2 | 32.00 | 20.15 | | | 22.50 | 42 | 15 | 19 | 288.00 | 170.25 | 1 | 5.15 | 538.05 |
| Blue Earth | 3 | 3 | 48.00 | 9.50 | | | 33.75 | 69 | | 44 | 344.00 | 81.85 | 20 | 57.03 | 574.13 |
| Brown | 3 | 2 | 40.00 | 7.05 | 1 | 2.13 | 28.75 | 48 | | 30 | 240.00 | 172.40 | | | 490.33 |
| Carlton | 2 | 2 | 32.00 | | 1 | 0.52 | 22.50 | 36 | 18 | 18 | 288.00 | 72.15 | 4 | 16.79 | 431.96 |
| Carver | 2 | 2 | 32.00 | 10.85 | | | | 33 | | 25 | 200.00 | 31.50 | | | 274.35 |
| Cass | 3 | 3 | 48.00 | 40.80 | 1 | 7.30 | 35.00 | 21 | 5 | 15 | 232.00 | 55.40 | 2 | 17.15 | 435.65 |
| Chippewa | 2 | 2 | 32.00 | 14.80 | 1 | 2.88 | 15.00 | 48 | 8 | 24 | 238.00 | 91.65 | 2 | 13.02 | 407.35 |
| Chisago | 3 | 3 | 48.00 | 5.60 | | | 22.50 | 18 | | 17 | 136.00 | 36.40 | | | 248.50 |
| Clay | 3 | 3 | 48.00 | 30.35 | | | 36.25 | 90 | 2 | 2 | 32.00 | 27.20 | | | 173.80 |
| Clearwater | 3 | 3 | 48.00 | 29.25 | 1 | 4.43 | 48.75 | 39 | 9 | 9 | 144.00 | 112.00 | 2 | 13.44 | 399.87 |
| Cook | | | | | | | | | | | | | | | |
| Cottonwood | 3 | 3 | 48.00 | 15.60 | 1 | 4.16 | 33.75 | 54 | 33 | 33 | 528.00 | 211.95 | 1 | 5.30 | 846.76 |
| Crow Wing | 2 | 2 | 32.00 | | 2 | 10.00 | 27.50 | 33 | | 13 | 104.00 | 16.05 | | | 189.55 |
| Dakota | 2 | 2 | 32.00 | 6.80 | | | | 48 | | 27 | 216.00 | 41.10 | | | 295.90 |
| Dodge | 3 | 3 | 48.00 | 10.25 | | | 22.50 | 36 | | 16 | 128.00 | 45.30 | | | 254.05 |
| Douglas | 3 | 3 | 48.00 | 31.50 | | | 30.00 | 60 | 16¼ | 31 | 442.00 | 199.40 | 13 | 72.08 | 822.98 |
| Faribault | 3 | 3 | 48.00 | 14.70 | | | 27.00 | 60 | | 39 | 312.00 | 130.25 | | | 531.95 |

*Annual State meeting—Apr. 3 and 4, 1950*—Continued

| County | County committeemen | | | | | | | Community committeemen | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | April | | Wages ($8 per day) | Mileage (5 cents per mile) | Common carrier | | Per diem ($5 per day) | Number | April | | Wages ($8 per day) | Mileage (5 cents per mile) | Common carrier | | |
| | 3 | 4 | | | Number | Amount | | | 3 | 4 | | | Number | Amount | |
| Fillmore | 3 | 3 | $48.00 | $36.20 | | | $22.50 | 72 | | 36 | $288.00 | $168.90 | | | $563.60 |
| Freeborn | 3 | 3 | 48.00 | 10.50 | | | 30.00 | 60 | | 34 | 272.00 | 144.10 | 4 | $17.01 | 521.61 |
| Goodhue | 2 | 2 | 32.00 | 5.95 | | | | 63 | | 44 | 352.00 | 112.75 | | | 502.70 |
| Grant | 3 | 3 | 48.00 | 17.95 | 1 | $9.69 | 27.50 | 48 | 23 | 27 | 400.00 | 123.85 | 11 | 62.05 | 689.04 |
| Hennepin | 3 | 2 | 40.00 | 14.00 | | | | 39 | | 26 | 208.00 | 30.40 | | | 292.40 |
| Houston | 3 | 3 | 48.00 | 16.00 | 1 | 3.83 | 25.00 | 51 | | 22 | 176.00 | 120.85 | | | 389.68 |
| Hubbard | 2 | 3 | 40.00 | | 3 | 33.88 | 32.50 | 21 | | 4 | 64.00 | 24.50 | 1 | 19.67 | 214.55 |
| Isanti | 3 | 3 | 48.00 | 6.00 | | | 22.50 | 39 | | 23 | 184.00 | 49.05 | | | 309.55 |
| Itasca | 3 | 3 | 48.00 | | 3 | 23.09 | 57.50 | 33 | 9 | 12 | 176.00 | 95.45 | 1 | 13.46 | 413.50 |
| Jackson | 3 | 3 | 48.00 | 1.10 | 3 | 14.74 | 40.00 | 60 | 19 | 27 | 368.00 | 243.60 | | | 715.44 |
| Kanabec | 3 | 3 | 48.00 | 9.00 | | | 30.00 | 21 | | 15 | 120.00 | 39.75 | | | 246.75 |
| Kandiyohi | 3 | 3 | 48.00 | | 3 | 6.79 | 35.00 | 72 | | 33 | 264.00 | 62.60 | 17 | 47.58 | 463.97 |
| Kittson | 3 | 3 | 48.00 | 40.00 | 2 | 71.10 | 43.75 | 78 | 28 | 30 | 464.00 | 274.00 | 11 | 172.99 | 1,113.84 |
| Koochiching | 3 | 3 | 48.00 | 28.75 | | | 40.00 | 27 | 3 | 5 | 64.00 | | 1 | 15.32 | 196.07 |
| Lac qui Parle | 3 | 3 | 48.00 | | 2 | 10.72 | 32.50 | 66 | 6½ | 35 | 418.00 | 209.10 | 5 | 29.63 | 747.95 |
| Lake | | | | | | | | 15 | | 1 | 8.00 | 18.50 | | | 26.50 |
| Lake of Woods | 2 | 2 | 32.00 | 36.00 | | | 35.00 | 15 | | | | | | | 103.00 |
| Le Sueur | 2 | 3 | 40.00 | 5.40 | | | 18.75 | 42 | | 16 | 128.00 | 50.90 | | | 243.05 |
| Lincoln | 2 | 2 | 32.00 | 23.00 | 1 | 7.25 | 23.75 | 45 | 14½ | 13 | 240.00 | 118.15 | 1 | 7.25 | 451.40 |
| Lyon | 3 | 3 | 48.00 | 18.80 | | | 30.00 | 60 | 10 | 27 | 432.00 | 153.60 | | | 682.40 |
| McLeod | 2 | 3 | 40.00 | 11.50 | | | 15.00 | 42 | | 28 | 224.00 | 99.40 | | | 389.90 |
| Mahnomen | 3 | 3 | 48.00 | | | | 50.00 | 15 | 5 | 7 | 96.00 | 25.50 | 1 | 11.90 | 231.40 |
| Marshall | 3 | 3 | 48.00 | 36.05 | | | 52.50 | 117 | 43 | 43 | 688.00 | 397.35 | 32 | 491.08 | 1,712.98 |
| Martin | 3 | 3 | 48.00 | 36.60 | | | 45.00 | 60 | | 48 | 384.00 | 257.00 | | | 770.60 |
| Meeker | 3 | 3 | 48.00 | 9.25 | | | 22.50 | 51 | | 35 | 280.00 | 106.20 | 3 | 7.37 | 473.32 |
| Mille Lacs | 3 | 3 | 48.00 | 7.10 | | | 22.50 | 30 | | 24 | 192.00 | 67.00 | | | 336.60 |
| Morrison | 3 | 3 | 48.00 | | 3 | 13.80 | 37.50 | 39 | | 18 | 144.00 | 71.00 | 1 | 5.58 | 319.88 |
| Mower | 3 | 3 | 48.00 | 11.90 | | | 22.50 | 60 | | 41 | 328.00 | 199.25 | 2 | 8.05 | 617.70 |
| Murray | 3 | 3 | 48.00 | | 2 | 13.80 | 33.75 | 60 | | 30 | 360.00 | 235.15 | | | 690.70 |
| Nicollet | 3 | 3 | 48.00 | 7.50 | 2 | 5.24 | 22.50 | 39 | | 22 | 176.00 | 78.75 | | | 337.99 |
| Nobles | 3 | 3 | 48.00 | 20.40 | 2 | 18.06 | 45.00 | 60 | | 2 | 16.00 | | | | 147.46 |
| Norman | 3 | 3 | 48.00 | | 3 | 42.92 | 42.50 | 60 | 35 | 37 | 376.00 | 252.40 | 18 | 220.60 | 1,191.42 |
| Olmsted | 3 | 3 | 48.00 | 8.40 | | | 22.50 | 54 | | 24 | 192.00 | 88.45 | 2 | 7.93 | 367.28 |
| West Otter Tail | 3 | 3 | 48.00 | 22.00 | 1 | 5.76 | 30.00 | 93 | 20 | 25 | 392.00 | 117.65 | 6 | 31.51 | 646.92 |
| East Otter Tail | 3 | 3 | 48.00 | 20.00 | | | 42.50 | 93 | 11½ | 63 | 656.00 | 341.80 | 7 | 39.02 | 1,147.32 |
| Pennington | 3 | 3 | 48.00 | 32.50 | | | 55.00 | 42 | 14 | 14 | 224.00 | 225.05 | 1 | 8.19 | 592.74 |
| Pine | 3 | 3 | 48.00 | 7.20 | | | 30.00 | 39 | | 16 | 128.00 | 58.25 | | | 271.45 |
| Pipestone | 3 | 3 | 48.00 | 20.10 | | | 37.50 | 36 | 12 | 12 | 192.00 | 129.60 | | | 427.20 |
| West Polk | 3 | 3 | 48.00 | 32.80 | | | 48.75 | 102 | 15 | 23 | 372.00 | 234.90 | 16 | 246.30 | 982.75 |
| East Polk | 3 | 3 | 48.00 | 28.60 | 1 | 13.34 | 48.75 | 60 | 27 | 27 | 432.00 | 293.75 | 7 | 77.30 | 941.74 |
| Pope | 2 | 2 | 32.00 | 26.40 | | | 18.75 | 60 | 19 | 27 | 368.00 | 148.95 | 2 | 13.80 | 607.90 |
| Ramsey | 3 | 3 | 48.00 | 5.50 | | | | 12 | | 7 | 56.00 | | | | 109.50 |
| Red Lake | 3 | 3 | 48.00 | 31.00 | 1 | 10.00 | 37.50 | 30 | 8 | 8 | 128.00 | 92.50 | 1 | 19.49 | 366.49 |
| Redwood | 2 | 2 | 32.00 | 7.90 | | | 22.50 | 75 | | 16 | 128.00 | 53.25 | | | 243.65 |
| Renville | 3 | 3 | 48.00 | 5.80 | | | 22.50 | 81 | | 62 | 496.00 | 275.35 | | | 847.65 |
| Rice | 3 | 3 | 48.00 | 8.50 | | | 22.50 | 42 | | 24 | 192.00 | 49.50 | | | 320.50 |
| Rock | 3 | 3 | 48.00 | 23.70 | | | 22.50 | 36 | 8 | 14 | 176.00 | 100.65 | | | 370.85 |
| Roseau | 3 | 3 | 48.00 | 42.00 | | | 55.00 | 24 | 6 | 6 | 96.00 | 79.00 | | | 320.00 |
| South St. Louis | 2 | 2 | 32.00 | 21.00 | | | 23.75 | 39 | 19 | 21 | 320.00 | 166.15 | 6 | 36.85 | 599.75 |
| North St. Louis | 2 | 2 | 32.00 | 2.00 | 2 | 25.54 | 30.00 | 45 | 2 | 2 | 32.00 | 50.60 | | | 172.14 |
| Scott | 3 | 3 | 48.00 | 9.85 | | | 15.00 | 33 | | 19 | 152.00 | 32.90 | | | 257.75 |
| Sherburne | 3 | 3 | 48.00 | 11.30 | | | 30.00 | 21 | | 18 | 144.00 | 52.60 | 1 | 2.47 | 288.37 |
| Sibley | 3 | 3 | 48.00 | 7.55 | | | 24.00 | 51 | | 32 | 256.00 | 101.05 | | | 436.60 |
| Stearns | 3 | 3 | 48.00 | 10.75 | | | 22.50 | 111 | | 56 | 448.00 | | 55 | 110.00 | 639.25 |
| Steele | 3 | 3 | 48.00 | 8.00 | | | 22.50 | 36 | | 23 | 184.00 | 97.00 | | | 350.50 |
| Stevens | 3 | 3 | 48.00 | 17.80 | | | 26.25 | 48 | 10 | 30 | 334.00 | 188.85 | 2 | 8.56 | 623.46 |
| Swift | 3 | 3 | 48.00 | 16.00 | | | 33.75 | 63 | 17½ | 40 | 460.00 | 212.25 | 4 | 16.67 | 786.67 |
| Todd | 3 | 3 | 48.00 | 16.75 | | | 33.75 | 42 | 2 | 18 | 160.00 | 74.75 | 3 | 15.54 | 348.79 |
| Traverse | 3 | 3 | 48.00 | 21.20 | 1 | 5.52 | 20.00 | 45 | 11 | 12 | 192.00 | 123.95 | 1 | 6.32 | 416.99 |
| Wabasha | 3 | 3 | 48.00 | | 3 | 10.63 | 30.00 | 51 | | 36 | 288.00 | 125.05 | 1 | 2.01 | 503.69 |
| Wadena | 2 | 2 | 32.00 | | 1 | 3.19 | 28.75 | 21 | 5 | 11 | 128.00 | 58.45 | 2 | 13.41 | 263.80 |
| Waseca | 2 | 2 | 32.00 | 9.00 | 1 | 4.43 | 17.50 | 36 | | 22 | 176.00 | 96.95 | | | 335.88 |
| Washington | 3 | 3 | 48.00 | 3.85 | | | | 36 | | 31 | 248.00 | 21.50 | | | 321.35 |
| Watonwan | 3 | 3 | 48.00 | 12.50 | | | 30.00 | 36 | | 13 | 104.00 | 77.30 | | | 271.80 |
| Wilkin | 3 | 3 | 48.00 | | 3 | 27.71 | 22.50 | 57 | 27 | 27 | 432.00 | 179.90 | 8 | 76.17 | 786.28 |
| Winona | 2 | 2 | 32.00 | | 2 | 5.96 | 30.00 | 51 | | 37 | 296.00 | 37.25 | 26 | 71.50 | 472.71 |
| Wright | 2 | 3 | 40.00 | 14.35 | | | 21.25 | 60 | | 40 | 320.00 | 98.80 | | | 494.40 |
| Yellow Medicine | 3 | 3 | 48.00 | 17.30 | | | 33.75 | 63 | 8½ | 29 | 300.00 | 101.45 | | | 500.50 |
| Total | | 245 | 3,904.00 | 1,260.60 | | 426.86 | 2,514.75 | 4,254 | | 2,077 | 21,892.00 | 9,844.40 | | 2,216.24 | 42,058.85 |

Total county committee expense, $8,106.21; total community committee expense, $33,952.64.

Mr. HUMPHREY. Mr. President, I continue to read the report:

They—

Meaning the Minnesota PMA Committee—

have received no reports or letters indicating that any community committeemen did not intend to claim the salary and travel expenses which were authorized. County committeemen would know definitely if community committeemen had attended and did not receive compensation. County committeemen have assured the State PMA committee that this situation did not exist.

To further establish this fact, the father of Roy Schultz—

That is the name which was brought into the CONGRESSIONAL RECORD some weeks ago—

the former community committeeman who received a letter of invitation by mistake and turned in that letter which was used in the CONGRESSIONAL RECORD when Senator AIKEN made his original attack on the meeting, attended the meeting and received the same compensation as did other community committeemen from his county. His name is Fred Schultz, and he is a community committeeman in Decoria Township in Blue Earth County. We consider that this family might be considered to be critical if any committeemen were critical because of the son's attitude.

Since the complaint against the meeting was originated in Blue Earth County you might note that out of 69 committeemen from that county, 44 attended and all received pay.

Mr. President, my colleague, the Senator from Minnesota [Mr. THYE], had made the following comment at that time:

Some of the PMA county committeemen have written to me stating that they have not submitted their expense accounts, that their consciences would not permit them to submit expense accounts in connection with attending that meeting.

That is the end of the quotation as it appears in the CONGRESSIONAL RECORD for June 20.

Mr. President, I would have the Senate note the next statement in the letter, as follows:

The State PMA Committee informs us that 245 of the 267 county committeemen in the State, or all of the county committeemen who attended the meeting, have submitted claims for their salary and travel expenses.

All of them, everyone who was there.

I read further:

The 22 county committeemen who did not submit claims were not registered as attending the conference and it has been determined by the State committee that they were

unable to be present because of illness or other personal reasons which did not permit them to be in St. Paul for the meeting.

I now quote from the remarks of the Senator from Vermont [Mr. AIKEN] as they are set forth in the letter:

AIKEN. As a matter of fact, one county chairman protested the action of the State chairman, and only under extreme pressure and at the last moment advised his community committeemen to attend.

In response to that statement, Mr. President, I think we should note the following information which is supplied in the letter:

In response to your question, the Minnesota PMA office advises that no protest either prior to the meeting or subsequent to it was ever received by them from any county committeeman.

Mr. President, I wish it clearly understood that as I speak on this subject, I am submitting excerpts from a letter, and at the same time I am interpolating comments of my own, am examining the excerpts, and am making further comments.

I read further:

They state that no county committeeman was ever asked to advise community committeemen to attend the meeting—that invitations to attend were sent from the State office to the community committeemen.

In other words, the State PMA office sent out all the letters of invitation.

Reading further:

The only suggestion of any contact between county and community committeemen was a suggestion that in case community committeemen planned to stay overnight in St. Paul that county committeemen would assist in making reservations. It was also pointed out by the State committee that prior to the meeting in St. Paul the State committee had consulted county committeemen at a series of district meetings being held as to the advisability of holding a State-wide meeting with community committeemen. County committeemen throughout the State were unanimous in requesting the State committee to invite the community committeemen to attend the State meeting for the second day.

Mr. President, I shall read what the distinguished Senator from Vermont [Mr. AIKEN] said. By the way, Mr. President, I have said repeatedly that I hold him in the highest regard, and I know that his interest in this matter is one of making sure that the Department of Agriculture is not engaged in any activities in which it should not be engaged; and I believe that his investigation and his comments have been of help, in the sense of holding the Department of Agriculture and other agencies within the bounds of the law.

The Senator from Vermont made this statement:

There were about 2,322 Production and Marketing Administration committeemen at the meeting. Of this number, 245 were county committeemen and 2,077 were community committeemen.

This statement of the Secretary is in sharp contrast to the press reports, which estimated the attendance at the meeting as high as 8,000.

As a matter of fact, the attendance at the meeting did approximate between five and six thousand.

In other words, the Senator from Vermont notes a discrepancy, which is quite obvious by the figures, of 2,322, as compared to 8,000. But I think that this discrepancy in figures of attendance is quite understandable if one would take a moment to understand it. This meeting was held at the St. Paul Auditorium, in St. Paul. The auditorium had been made available by the city of St. Paul for the PMA meeting at no cost. Minnesota is an agricultural State whose inhabitants are interested in farm problems.

There is no discrepancy in the figures on attendance. The St. Paul Auditorium arena had been made available for this PMA meeting at no charge. Minnesota is an agricultural State whose inhabitants are interested in farm problems. After the radio and press had carried notices of the meeting and the speakers, the State PMA office received inquiries from people throughout the State and even from Wisconsin asking if it might be possible for them to attend. An address by the Secretary of Agriculture creates great interest in the agricultural Midwest. Those people were told that the auditorium seating capacity would accommodate them.

That is, they were told that the auditorium's seating capacity would accommodate them.

This was no secret meeting behind closed doors. People who were interested in coming to this meeting to hear the speeches were not turned away—and thousands of them did come.

Actually, there were about 8,000 people attending of whom 2,077 were community committeemen, and 245 county committeemen. Several hundred veterans enrolled in on-the-farm veterans training were also given credit for attendance at the meeting. A great many from the Farmers Home Administration, the Extension Service, the Farm Credit Administration, the Farm Bureau, the Farmers Union, the Grange, the Farmers Union Grain Terminal Association, the Minnesota Editorial Association, the various cooperative organizations in the State and a large number whose sole interest was as consumers attended to get first-hand information pertaining to the Brannan plan which has been denied them in the press.

Some were plain visitors.

So I think it is quite obvious that the figures which were reported in the press were not erroneous. However, it should be noted that the only persons who were paid to attend the meeting were those persons who were either county committeemen or community committeemen.

The Senator from Vermont [Mr. AIKEN] had this further remark to make—and I quote from the RECORD of June 20:

The fact is the community committeemen were not invited to attend the first day's session, when speeches relating to the work of PMA programs were made. They were directed to be on hand the second day to hear the Secretary of Agriculture.

This is the reply that I have received, in reference to this comment:

Actually, the State PMA committee had invited the Administrator of the Production and Marketing Administration to speak on the same day that the Secretary spoke, and had hoped that he would fulfill the engagement.

By the way, Mr. President, if the Members of the Senate will check the printed program which the junior Senator from Minnesota placed in the RECORD, it will be readily noticed that the National Administrator of the Production Marketing Administration was to speak on the same day as the Secretary of Agriculture.

When it became impossible for him to do so, he sent the Deputy Administrator to deliver the address for him. The Deputy Administrator took up the entire forenoon with discussion of details concerning administrative problems of PMA. The State PMA chairman discussed the advisability of staying within acreage allotments and the need for shifting land into conservation crops to better carry out a permanent conservation program.

A speech was also made by Dr. Dewey Anderson on the President's point-four program and foreign relations and their effect on the economic conditions of American Agriculture.

Of course we need not furnish any justification for the Secretary's speech, or the Senator's speech.

Mr. President, on June 20, my colleague made the following statement:

They came away from the meeting regretting that such speeches had been made.

I am not going to say how the people felt about the speech that the junior Senator from Minnesota gave, because that would be inappropriate. I can only say this, that the editorial writers of the Minneapolis newspapers, while they disagreed with the content of the speech, thought it was a pretty good speech. One of them said it "mesmerized" the audience. That is a good word. I think it is an over exaggeration.

Mr. THYE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the junior Senator from Minnesota yield to his colleague?

Mr. HUMPHREY. I yield.

Mr. THYE. Mr. President, I cannot, of course, help but make comments so long as the junior Senator from Minnesota refers to his colleague here on the floor and refers to the remarks which I made concerning the remarks of the Senator at the PMA gathering in St. Paul. I heard so much about that meeting, if the Senator, my colleague, will permit me 1 or 2 minutes to comment—as I am sure he will——

Mr. HUMPHREY. Certainly.

Mr. THYE. I should like to comment on what I heard. I may say that I was invited by the State PMA chairman to attend the meeting and to speak at the meeting. I regretted my inability to accept the invitation to attend the PMA meeting, because personally I was one of the producers of the State who was present when the PMA was organized, and put into operation in Minnesota and in the United States generally.

My colleague was very much of a boy, if I may say that in the Senate, at the time the farm program was first conceived in order to relieve the farmers of the devastatingly low prices, which were forcing farmer after farmer to the wall in foreclosure. While I am speaking on the subject, I may say that the program which was printed and circulated at that PMA meeting contained on the back page and I am sorry I do not have a copy of it with me, for I should like to present it in the Senate, a list of commodity prices as they were in the early '30's and they were then very low as my colleague well knows. Then the

statement was printed in bold type, "It can happen again." Anyone who has understanding and knowledge of the farm program which is today on the statute books, written year after year into public law—and it is on the statute books today as it was written in the Eightieth Congress, when it carried the name of the Hope-Aiken Act, later amended by the Democratically-controlled Eighty-first Congress by the legislation which now carries the Anderson name—I say anyone who is familiar with farm legislation, if he is willing to be honest with the law that is on the statute books, knows that no such drastically low prices as prevailed in the early '30's, could occur again when we have six basics with 90 percent parity written into the mandatory law; dairy products, under a mandatory law of from 75 to 90 percent; and the Secretary of Agriculture given the discretionary authorization in the Act to support, and the Commodity Credit Corporation furnished with the money, commodities at the Secretary's discretion.

Anyone who would print a program stating that such ruinously low prices as occurred in the early thirties could occur again, is only making a representation designed to have a devastating effect on men's minds, yet that was the type of program which was circulated that day in the meeting at St. Paul to which the Senator has reference.

But I started to say that I was invited to attend the meeting and to speak. I regretted sincerely that I was unable to attend, because the educational and instructional meetings conducted in the State by PMA officials for the purpose of acquainting the administrators on the county and township levels with their program is a splendid type of conference which I have attended in years past, not only as a producer but as an official, in the capacity of Deputy Commissioner of Agriculture and as Governor of my State.

But if, when such a meeting is called and it is necessary to have people in attendance, and an effort is then made to tear to pieces acts which have been placed on the statute books during one legislative session, and amended at another legislative session, leaving some type of inference, that this act was—I shall not undertake to quote the remarks which my colleague made, because I am sure they slipped from his lips in the enthusiasm of a big rally, and for that reason I shall not refer to them here.

But the fact of the matter is that the purpose of the meeting was laudable. It was an assembly of county and township officials, and they should not be criticized. But the speeches were political in every aspect, and the men who had been invited to come as county men, and to be allowed their per diem and expenses to listen to the speeches, were not given any facts about existing laws providing mandatory price supports, but they and the audience were led to believe there was a possibility that low prices could recur. That was the general trend of the speeches, and many of those who attended the meeting regretted that it had taken place.

So, Mr. President, I again say to my colleague that he and I, as public officials, must always properly interpret the laws on the statute books and what the Federal agencies can do under those laws, what they will do for a group or for a citizen or for any individual in the Nation. We overstep our proper boundaries, I think, when we excite people with reference to what could happen as compared with the actual situation.

My colleague was speaking with reference to a certain law which was written in the Eightieth Congress by two honorable Members and concurred in by a majority of the legislative body. That law is an absolutely sound piece of legislation. The Democratic Party, which is in the majority, thought it so good that it was retained with only a slight amendment.

If there is any reflection cast upon the act known as the Hope-Aiken Act, enacted by the Eightieth Congress, I think my colleague, who happens to be on the majority side of the Chamber, must assume as much responsibility for the present provisions of that act as any other Member of Congress, because it was amended by the democratically-controlled Eighty-first Congress. It is a sound piece of legislation. I have defended it at all times and I defend it now. It gives assurance of price support to the diversified type of farm operator. That is the only type of farming which builds soil, through the use of legumes, dairying, poultry raising, hog raising, and beef raising. It is soil building. It is not a row-crop operation; it is not depleting. For the first time in history the act gives consideration to the diversified farm manager and protects him.

The distress today is in the diversified farming field. It is not in the so-called field of basics, such as corn, wheat, cotton, rice, tobacco, and peanuts, because with respect to those products the act is rigid and the mandatory price supports are at a rigid 90 percent, but with respect to poultry and eggs, the price is at rock bottom. In dairying the price is slipping every month. The oleomargarine law enacted by the present Congress, which removed the tax on oleomargarine, permitting the product to sell in competition with butter, is going to destroy, to a great extent, the butter markets in the United States. If we destroy the dairy farmer we shall have destroyed the basic diversified type of farming in the United States.

So, Mr. President, I would say to my colleague that I have not only read the speech by the Secretary, but I have heard it on a recording machine, word by word. I heard the speech made by my colleague, which was the best rousing political speech I have ever heard my colleague make. In 4 years in the Governor's office I heard my colleague speak at lunches, dinners, men's clubs, Kiwanis Clubs, and every type of gathering held in the State——

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. THYE. In just a moment.

My colleague was always present and made good political speeches even before he was elected mayor.

The PRESIDING OFFICER. The junior Senator from Minnesota can yield only for a question.

Mr. THYE. Mr. President, I can finish in a second. I am not very often inclined to trespass or to take the time of the Senate with lengthly speeches. I realize that the Chair is correct in calling my attention to the fact that my colleague can yield only for a question. I appreciate the fact that my colleague has yielded to me to permit me to refer to the speeches made before the PMA gathering at St. Paul.

As I have stated, I heard the recording of the speech, and it was the best political speech I ever heard my colleague make. The speech he made at that meeting was a dandy; it was a rouser. In fact, I listened to it and thought to myself how that young man was blessed with the ability to make a speech.

But my colleague either did not know of the law enacted giving mandatory price supports to agricultural commodities, or he had completely forgotten that the act had been amended by a Democratically controlled Congress and that it now carries the Anderson name.

I thank my colleague for yielding.

Mr. HUMPHREY. I want to thank my colleague, and I want to say that he has made a good speech.

Mr. THYE. If my colleague will yield just a moment longer, I should like to say that I hold in my hand a copy of the program of the Annual Conference of the Minnesota Production and Marketing Administration, County and Township Farmers and Committeemen, St. Paul, Minn., April 3 and 4, 1950.

I just read what there is on the front page, Mr. President. On the back page it says, "Lest we forget."

Please understand that this was a PMA meeting, called for the purpose of bringing county and township committeemen in to study the farm program for the coming year. The commodity prices are given, going back to December 1932, in Minneapolis, Minn. It refers to dark northern, meaning spring wheat. It gives the prices, the protein, and so forth. It also gives the prices on flax, shelled corn, and the like. Then at the bottom it states the prices on December 21, 1932. Then in bold letters it says: "It Could Happen Again."

Mr. President, it could not happen with the mandatory support we have on the statute books for the six commodities. Wheat is one of the commodities. Corn is one of the commodities. Those prices could not occur again, because we have given the Secretary of Agriculture a mandatory right and discretionary authorization to support prices at any level at which he wishes to support them up to 90 percent of priority. We have given him money. We have increased the borrowing authority of the Commodity Credit Corporation by $2,000,000,000 only within the last few days. The low prices referred to in the program could not happen again. Whoever was responsible for printing that type of program either did not know of the public law which is on the statute books, or, if he did know it, he did not intend that the public should be properly informed. It was misrepresentation, Mr. President, and it

was a misuse of public funds to print that type of program. That is my contention.

Mr. DOUGLAS. I ask unanimous consent that the junior Senator from Minnesota may yield to me so that I may make a brief observation.

Mr. HUMPHREY. In view of the fact that I have yielded once, I feel that I should yield again.

The PRESIDING OFFICER. The Chair wishes to state that he was addressed by the Senator from South Dakota [Mr. MUNDT] and the Senator from Minnesota at about the same time only a few minutes ago.

Mr. HUMPHREY. The Senator from Minnesota has the floor, I believe.

The PRESIDING OFFICER. Yes. The Chair recognized the junior Senator from Minnesota. That is why the Chair felt he should intervene and not let the debate go on indefinitely without giving the Senator from South Dakota another opportunity to ask to be recognized. Does the Senator from Illinois address the Chair?

Mr. DOUGLAS. I should like to inquire whether the Senator from Minnesota [Mr. HUMPHREY] will yield to me so that I may make a brief statement?

Mr. HUMPHREY. I ask unanimous consent that I may do so without losing the floor.

The PRESIDING OFFICER. What is the Senator's interpretation of the word "brief"? The Chair is a Member of this body, too.

Mr. DOUGLAS. Not more than 4 minutes.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Illinois? The Chair hears none, and the Senator from Illinois is recognized for 4 minutes.

Mr. DOUGLAS. I suppose it is not a mark of caution to inject one's self into a discussion between two such valiant Senators as the senior Senator from Minnesota and the junior Senator from Minnesota, for both of whom I have very deep respect and a very real feeling of affection. They are both splendid Senators. I suppose a person who injects himself into that sort of situation inevitably gets into trouble with both parties.

Of course, I was not present at the famous meeting at St. Paul. I have not read the speeches which were delivered. Therefore, I do not pose as an expert on the St. Paul meeting. I have observed, however, that whenever the junior Senator from Minnesota takes the floor there is quite a common predisposition on the part of other Senators immediately to proceed to question his statements. Although I believe the junior Senator needs no defense, but because I think his case should be stated by others, as well as by himself, I should like to point out some facts, if I may.

It is quite true that the Hope-Aiken bill of the Eightieth Congress, one of whose authors was our highly respected good friend the Senator from Vermont [Mr. AIKEN] had many fine features in it; it is likewise true that some of those features are carried over into the present law. It is also true, that it was possible for the ratio of farm prices, as compared with the general price level, to fall as low as 60 percent.

Mr. THYE. Mr. President, if I may, in order to prevent a misunderstanding——

The PRESIDING OFFICER. The Senator from Illinois is recognized for 4 minutes. Does the Senator yield?

Mr. THYE. Mr. President, the Senator made a statement to the effect that prices dropped as low as 60 percent.

The PRESIDING OFFICER. The Senate will be in order. Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. HUMPHREY. I have yielded to the Senator from Illinois.

Mr. DOUGLAS. I shall be glad to yield to the Senator from Minnesota [Mr. THYE].

The PRESIDING OFFICER. Does the junior Senator from Minnesota yield to the senior Senator from Minnesota?

Mr. HUMPHREY. I yield.

Mr. THYE. The Senator from Illinois stated that prices could fall as low as 60 percent. That was true under the act passed in the Eightieth Congress——

Mr. DOUGLAS. That is all I said.

Mr. THYE. Only if the producers refused to either vote marketing agreements or acreage quotas. Only at that time and in that manner could the price go to 60 percent. However, the Eighty-first Congress removed supports entirely on potatoes.

Mr. DOUGLAS. I am speaking of the basic commodities.

Mr. THYE. Therefore, there is a misunderstanding if we say prices could go as low as 60 percent. They can go as low as 60 percent only if the producers refuse to vote either acreage quotas or marketing agreements.

Mr. DOUGLAS. I take it that the emendation does not change the substantial accuracy of what the junior Senator from Illinois was saying, namely, that it was possible under the Hope-Aiken bill, with its many fine features, for the level of agricultural prices to fall to 60 percent of parity. I was about to say when the Senator from Minnesota raised this issue that if we take the past record of farm prices we will find that the lowest level to which agricultural prices fell was when they fell to 59.9 percent of parity. Therefore, the minimum price parity guaranteed under the Hope-Aiken bill was substantially the same as the lowest ratio of farm prices which had previously been provided.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUMPHREY. May I say that just as the junior Senator from Minnesota was getting some help the hands of the clock seemed to move rapidly. Mr. President, it was not the purpose of the junior Senator from Minnesota to precipitate any debate this afternoon. I notice, however, that I am able to and generally do draw some fire and coment. My purpose was to cite what I considered to be a report from the Production and Marketing Administration on the comments which the distinguished Senator had made on the floor of the Senate on June 20.

I want my distinguished colleague to know that at the time he arrived I was not making my own personal comment. I was reading the comment which I had in a letter from the Production and Marketing Administration. I also want my colleague to know that I have at all times on the floor of the Senate, in the presence of his friends, and publicly, paid tribute to his knowledge of agriculture, his sincerity, his integrity, and his ability. I want him to know that we do have honest differences of opinion. While he has paid glowing tributes to my speaking abilities, he has demonstrated his powers of persuasion and his powers of speech on more than one occasion. It was not the purpose of the junior Senator from Minnesota in any way to be critical of his colleague. That is something that I shall not do as a Member of this body. On the floor of the Senate our arguments will be on the basis of issue. Our arguments will be on the public platform. We shall work as a team as much as it is humanly possible to do so for the good of our country and State.

I do want it quite clear, however, that the participation in the production marketing meeting at St. Paul apparently was not criticized until the junior Senator from Minnesota got there. The program which has been presented, by the way, has already been printed in the RECORD, because I brought the program back with me and presented it for the CONGRESSIONAL RECORD the day following the meeting. That program will show that 90 percent of the activities on the program were directed specifically to such matters as soil conservation, acreage allotments, the farm price-support program, and other farm legislation, that if there were any two parts of the meeting which could be criticized they were late in the afternoon, after 2:30 on the second day.

At 2:30 o'clock p. m., I believe the program will show, the Secretary of Agriculture was to speak, and what the Secretary of Agriculture said he can defend. All I can say is that when the Secretary of Agriculture was through—and I know, because I was there—8,000 people to a man rose and applauded. When the Secretary sat down they rose on their own, without any coaching, to ask him to speak longer. I know that, because I was intending to catch a 4 o'clock plane to return to Washington. I had just traveled out there in the morning, arriving at 2 o'clock, and I was thinking, "Was this trip really necessary?" It appeared that the junior Senator from Minnesota would not even get a chance to be introduced, because the Secretary of Agriculture was asked to continue his speech. On two occasions the people of that splendid audience urged, that the Secretary of Agriculture continue his remarks. When the Secretary was through with his remarks, the State Director of the PMA asked the audience, "Do you want to have meetings like this again?" The audience rose up and a tremendous chorus of "Yes" was heard.

The Secretary of Agriculture is not known as the Demosthenes of the Democratic Party. He is a good, constructive, able speaker, and a very able, honest, capable administrator. There had been no rousing, no hallelujah tricks indulged in at all. This was merely a speech of

the Secretary of Agriculture, and the farmer representatives of the State of Minnesota, plus about four thousand or five thousand other people who had come to the hall, on their own, applauded and cheered.

There is no speaker in America who can hold a Minnesota farmer in an audience if he does not want to listen. The doors were wide open, there were no cops at the doors to hold the people, the exits had big red lights on them so that they could not be missed. There were no tally clerks, which was particularly true when the junior Senator from Minnesota spoke. The audience was under no obligation to hear me speak.

Mr. DOUGLAS. Mr. President, is it not a fact that during the time the junior Senator from Minnesota spoke virtually no one left the hall?

Mr. HUMPHREY. I appreciate the commendation of the Senator from Illinois. My colleague has referred to the phonetics, to the noise that was involved. The junior Senator from Minnesota thought he gave a speech that had some substance to it, and it was not a new experience for me.

It is strange to note that the junior Senator from Minnesota, while he was mayor of a neighboring city, addressed the PMA meeting twice, and gave a real political speech, where he talked about Democrats and Republicans, yet he never had any criticism leveled at him, not once. I do not recall even a line in a newspaper, much less criticism. Then the junior Senator from Minnesota goes, as an elected representative of the people, elected in the farm areas as well as in the city areas, and without ever once in his speech mentioning the word "Democrat" or the word "Republican," and without ever once paying any grand tribute to any member of the administration, the Senator from Minnesota made his address, and during that address pointed out what he considered to be the weaknesses of the present farm law, as well as the law of the Eightieth Congress.

I made a similar speech in the old Senate Chamber, the Supreme Court room where the Senate held its sessions last year. The junior Senator from Minnesota worked for a 90 percent of parity program, and the junior Senator from Minnesota wanted mandatory price supports not only upon the basic commodities, but upon the perishable commodities. The junior Senator from Minnesota feels exactly the same, on this 30th day of June, as he did last year.

Mr. THYE. Mr. President——

Mr. HUMPHREY. I do not yield at this time. I have yielded a considerable period of time.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. HUMPHREY. The junior Senator from Minnesota has pointed out repeatedly that the present program as regards to perishable commodities is not satisfactory. There has been no more brilliant testimony to that than the comments of my distinguished colleague this afternoon. He has well pointed out the fact that the program we have at the present time has its weaknesses, as it applies to diversified farming and perishable commodities in particular.

When it comes to the basic commodities, which are protected, which are 90 percent protected, not 75 percent, not 60 percent or 80 percent, but 90 percent this year, we both seem to be pleased. Why did this PMA meeting precipitate this kind of a heated discussion? Why the uproar over this meeting? I think that what brought forth the discussion was that the farmers of our State, and the farmers of other States of America who are engaged in diversified farming, who are raising chickens, hogs, ducks, who are raising butterfat products, are somewhat disturbed about present farm price support legislation. They want some changes. The junior Senator from Minnesota did not tell them that the Brannan plan was what they ought to have.

What did he say? He said that he hoped they would not take anyone's plan just because it was offered under some eminent name. He hoped they would, as farmers, work out their own plan, and constructively criticize the other plans that were offered. The junior Senator noted that the distressing thing in American agriculture today is the lack of unity amongst the farm organizations—the Farmers Union and the Farm Bureau Federation are at cross-purposes, and the Grange with another program, all great organizations, representing the finest people. I said, every time I had a chance to speak on agriculture, that it was imperative that the farm groups not weaken themselves by working at cross-purposes, that they should unite and take the program coming from their own people, rather than having it handed down from on high.

I have a feeling, however, as to why there has been so much criticism. It is because the people liked that speech—it made sense, it analyzed their problems.

Mr. THYE. Mr. President——

Mr. HUMPHREY. They like the speech.

The PRESIDING OFFICER. Does the Senator from Minnesota yield to his colleague?

Mr. HUMPHREY. I will yield only for a question.

Mr. THYE. I should like to make this statement——

Mr. HUMPHREY. I yield for a question.

Mr. THYE. It is not going to take more than a moment. I do not believe that any criticism was directed toward the Senator. The criticism was directed, first, to the fact that the meeting was called, and to the type of program printed.

Mr. President, I have not yet asked unanimous consent, but I shall, before we adjourn or recess this evening, to put the back page of this program into the RECORD.

I will say to my colleague that the criticism was not directed at him. Had I been at the meeting and spoken politically, I might have been criticized, but I would not have been in violation of my trust or my public oath, because I am in the political field. But an administrator, the Secretary of Agriculture, has a duty and a responsibility, and that duty and responsibility are to keep himself entirely in an unbiased position as an administrator. He must not cast any reflection upon public laws passed, except in explanation of the public laws, and if he is a party to having such a program printed, or if he permits anyone within his department to print such a program, he is, in my humble opinion, in violation of his responsibility.

Mr. HUMPHREY. I do appreciate the comments of my colleague. As I said, I do not think there is any argument between my colleague and myself, so far as my participation or the participation of the senior Senator is concerned. As a matter of fact, I am very regretful that the senior Senator did not go to the meeting. It had not been my plan to go, but at the last moment I decided to go. However, as to the propriety of the remarks of the Secretary of Agriculture, that is a matter of judgment. The Secretary of Agriculture is not merely an administrator, such as the Administrator of PMA, or the Administrator of the Pure Food and Drugs Division.

The Secretary of Agriculture is a representative of the President, appointed by the President as one of the Presidential advisers, as a member of his Cabinet, as a member of the team of the President. The Secretary of Agriculture has a farm program. That farm program is known as the Brannan plan. Believe me, that plan has provoked a great deal of comment. I doubt whether there are many who are willing to accept the plan in toto, but many want it tried on selected commodities. I think the principle of the plan advanced by the Senator from Vermont [Mr. AIKEN], the compensatory payment principle, can be applied on certain commodities. I think it has merit. I am not prepared to take the whole plan and swallow it in one lump. I feel it has something, however, that deserves a trial. At least a portion of it deserves a trial.

To say that the Secretary of Agriculture has no right to state his program would not fit my idea of what I think the job or the responsibilities of the Secretary are. Frankly, I believe the Secretary of Agriculture does have the right to press for his program, just as I believe, for example, the Attorney General of the United States has the right to seek stronger antitrust laws or legislation on civil rights. The Secretary of the Army makes speeches on what we ought to do in connection with national defense. I heard the Secretary of Air make a speech relating to what we ought to do about air power, far beyond what the Congress has done.

Mr. President, we expect guidance and direction from our leaders. We can repudiate their program, and that we have often done. We can turn it aside. But we ought not to condemn the principle of stating the desired objectives. The Secretary of Agriculture is something more than a bookkeeper. He is something more than the keeper of the records. The Secretary of Agriculture is not only supposed to administer a law which is on the statute books, but if he is any kind of a Secretary he will be thinking about how he can improve it, and if he has a

plan to improve it, I think he ought to state that plan. That is quite different, Mr. President, from what the situation would be if the Secretary were out stumping for political candidates at a PMA meeting. Had the Secretary of Agriculture gone to Minnesota and said, "I think we ought to defeat this man, or that man, or the other man running for Congress," had he done so at a meeting of the county committeemen or community committeemen, not only should he be censored, but he would stand guilty of gross malfeasance of office. But to say that the Secretary of Agriculture cannot go to a meeting and say that he believes the principle of parity ought to be changed, or to say that he believes there ought to be a little more money spent for soil conservation, or say that he disagrees with the comments made about certain legislation, is to put the handcuffs on him, and make him into a sort of shipping clerk, or junior-grade civil-service assistant. We want the Secretary to have some initiative. We want a Secretary with vision, with ideas. We need Government department heads who have a program and are willing to fight for it.

The major issue involved is whether or not these community committeemen, these county committeemen, were brought together for the purpose of holding a political meeting. The record is clear. The record is that they were not brought in for that purpose. The record is they sought their payment for the meeting and that they have received payment for attending the meeting. The record is equally clear that they came on their own volition. Some came and some did not. The record is equally clear that the majority of the audience was not made up of paid county or community committeemen. I directed a letter some weeks ago to Mr. Ralph Trigg, Administrator of the Production and Marketing Administration. Rather than read the letter I ask that it be incorporated in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
*Washington, D. C., June 20, 1950.*

Hon. HUBERT H. HUMPHREY,
*United States Senate.*

DEAR SENATOR HUMPHREY: This is in reply to your letter concerning the recent criticism and distorted newspaper article on our PMA meeting in St. Paul on April 3 and 4. We are entirely in accord with your views that there is no good basis for such criticism. Apparently, a determined effort has been made to make political capital out of this meeting without regard to how unfair or unjust the charges are so far as the farmer committeemen and speakers who participated in the meeting were concerned.

For your information I'm sending you a copy of the Secretary's report to the Comptroller General on this meeting. While it provides most of the information you requested, the answers to your specific questions are as follows:

1. The amount paid to county and community committeemen each year by the Federal Government varies with the amounts appropriated by the Congress for this purpose, and the amount of work performed. During the current fiscal year the average county committeeman will receive $304.29 for 44.1 days' work and the average community committeeman will receive $58.50 for 6.5 days' work.

2. The farmers in each community participating or cooperating in PMA programs elect the members of the community committee and a delegate to a county convention. The delegates to the county convention elected by the farmers select the members of the county committee. This procedure is in accordance with section 8 (b) of the Soil Conservation and Domestic Allotment Act.

3. All States hold meetings of county and community committeemen. Sometimes these meetings are countywide or districtwide, but nearly all States hold one Statewide meeting during the year if the administrative funds available will permit. These meetings are for the purpose of discussing over-all operating policies and program plans and to get farmers' reaction to PMA programs and policies.

4. It is standard practice to pay per diem and travel to county and community committeemen to attend meetings at which official PMA business is discussed. There have been instances, however, where committeemen have attended such meetings at their own expense because of fund limitations.

5. It is customary, particularly in Statewide meetings, to invite one, or more, Congressman, Senator, or Governor to speak to the committeemen on subjects appropriate to the general subject matter of the meeting.

6. The Department of Agriculture does not undertake to censor, review, or revise in any way the speeches which a Congressman, Senator, or Governor desires to make to PMA committeemen.

7. It is our belief that we could not, if we desired, require PMA committeemen to listen to a speech by anyone they did not care to hear. Our experience has been that these farmer committeemen are about as independent a group as you will find anywhere in this great country of ours.

We sincerely appreciate your interest in PMA, its programs and its farmer committee system. You have been most generous in accepting speaking engagements before our committeemen and in devoting a considerable amount of your time and effort to defending and supporting PMA programs.

Sincerely yours,

RALPH S. TRIGG,
*Administrator.*

Mr. HUMPHREY. Mr. President, the point of the letter is that it is a standard policy to pay the county and community committeemen for the work they perform each year.

The policy is that the farmers in each community participating in the PMA program select members of the community committee as delegates to county conventions, and the delegates select their own officials.

It is also a standard policy that all States hold meetings of county and community committeemen.

It is also quite standard that the State meetings are addressed by a Representative in Congress or a Senator.

Mr. President, I have been around in politics a little bit. I know that the best political speeches are nonpolitical. The best political speeches are those made when the speaker is loving everyone. The best political speeches are made when the speaker does not get into an argument with anybody.

The dangerous political speeches are those made when the speakers draw the issue. Such speeches may lose the speakers votes. In such speeches the speakers stick their necks out. I want to say right now for the record that if any Representative or any Senator should be invited to any PMA meeting he can be sure that addressing such a meeting is a political asset to him. Any Representative or Senator who wants to be honest about the matter is willing to admit that addressing such a meeting is a political asset. It is just as much of a political asset as it is to stand in the grandstand and say hello to the folks at a county fair. Anyone who has been in politics knows that. Any elected official who can stand up before as large an audience as that at St. Paul on the occasion in question and addresses the audience knows that it is a political asset to him. That is why it is so often said that it is difficult to beat the incumbent because the incumbent can be here and there by reason of the nature of his office.

The junior Senator from Minnesota is not trying to fool anyone. To be sure, I went to St. Paul to talk about what I believe to be a proper program in respect to agriculture. Somebody asked me to come. I accepted the invitation. I think it is political, to be sure. But no one talked partisan politics. Everyone talked about agriculture, the present program, the past programs, the needs of the future.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at this moment. I want to conclude, and then I will yield to my colleague.

The PRESIDING OFFICER. The junior Senator from Minnesota declines to yield.

Mr. HUMPHREY. I merely want to say that insofar as the meeting in question is concerned it has been dramatized far out of all proper proportion. Similar meetings have been held all over the United States. The junior Senator from Minnesota was present at a meeting when the distinguished Senator from New Mexico was Secretary of Agriculture, and I delivered a better speech then, Mr. President, than I did at the meeting in St. Paul. The former speech was better than the latter, because on the latter occasion I had to fly to St. Paul in an airplane, get off the plane, and dash to the meeting hall. Then I did not know whether I was going to have the opportunity of speaking. My former speech was really well prepared, in good shape. Neither the former Secretary of Agriculture nor I were criticized for the speeches we made at that former meeting.

Why was what occurred at the recent meeting criticized? It was because the Secretary of Agriculture is fighting for a program. It is because he is in some disagreement with some of the existing legislation. So are some Senators in disagreement with some of the existing legislation. I believe most of the Secretary's program is good. My office is flooded with letters, and I am sure the same is true of my colleague's office, from people in Minnesota who are unhappy about what is going on in respect to price supports or lack of supports—from people

who are really unhappy about potatoes, eggs, and other commodities.

Mr. President, what the Secretary of Agriculture was talking about, and what the junior Senator from Minnesota was talking about was whether or not there was any kind of a program that could improve existing legislation. I think the only real mistake I made was that I did not pay tribute in my remarks, first of all, to the Senator from Vermont [Mr. AIKEN]. I feel that that was an error. It was an error that came about because the address was not prepared, and because of the shortness of time and the confusion which resulted from a quick, tight, schedule of catching a plane in and out. I paid a public tribute to the Senator from Vermont on my return, because I really admire him and I trust him and have faith in him. I may disagree on occasion with his point of view. I know that the Senator from Vermont had the courage to introduce the compensatory-price program. I paid tribute to him for that. It is the principle of compensatory payments that is at the heart of the so-called Brannan plan. I support that principle. I want to see it tried on selected commodities.

The other part of that mistake is that I did not pay appropriate tribute to my colleague the senior Senator from Minnesota [Mr. THYE]. I say in all honesty that he is an able, conscientious, well-looked, well-respected United States Senator. He has done honor to our State. His work on the Committee on Agriculture and Forestry has earned him the respect of all of his colleagues on that committee. That does not mean that all his colleagues necessarily agree with everything he stands for or that he agrees with everything his colleagues stand for. The fact is that a conscientious effort is being made by all of them. As the junior Senator from Minnesota, I should have paid greater tribute to my senior colleague for his work in connection with agriculture. The politics in connection with whether one is for 90 percent or 75 percent of parity, the economic differences that may result in connection therewith, are things we argue out in committee and on the floor of the Senate. Those differences are clear-cut on the issue of price supports. This was demonstrated in the first session of the Eighty-first Congress.

Now that everybody has had his say respecting the PMA meeting in St. Paul, the record is full and complete. I hope it will be a matter of record that we ought never to use a meeting such as this for a paid administrative official to talk about party politics, but we should expect from our officials at these meetings that they not only tell us of the past and present but that they project their plans into the future. We ought to expect leadership and guidance. We ought not to criticize a Secretary of any department for explaining his program. The people are interested and they should hear the message.

Mr. THYE. Mr. President, does the Senator yield to me, or does he yield the floor?

Mr. HUMPHREY. I yield the floor.

Mr. THYE. Mr. President, my comments will not be directed to my colleague. He attended the meeting, and if he spoke politically and politicalwise at the meeeting, that was his prerogative. As a United States Senator, he could refer to any legislative act in any manner he desired. He could minimize, he could leave out, he could ridicule; that was his business.

Mr. President, I also wish to say that I recognize the outstanding ability of my colleague the junior Senator from Minnesota; and as a speaker he is very persuasive. I have always said that. I enjoy his pleasantness. I assume that he would be one of the very finest of companions on a long automobile trip or at a dinner. I have often sat beside him at dinners and luncheons, and he has always shown himself to be a most congenial luncheon or dinner companion. Therefore, Mr. President, my remarks are not directed in any manner at my colleague.

Both of us are here to do a job. If we differ on a particular legislative proposal, we do so because we do not view it in the same light. We have often taken the same attitude on legislative proposals, and I am indeed glad that is so, because in such case we do not cancel out each other's efforts, but we are doing something for our State and for the country.

I hope that the two of us, who represent Minnesota, may work as a unit, and that we do not very often cancel out one another's efforts in regard to important legislative proposals.

Mr. President, my criticism is directed, first, at those who were responsible for calling this meeting.

At this point I wish to quote from a letter which was issued on March 16, over the signature of the PMA chairman in Minnesota, Charles W. Stickney:

A travel allowance is being authorized for community committeemen who attend this meeting. We are asking that you contact other committeemen and try to make arrangements to pool rides. If you drive your own car, and are accompanied by one or more passengers, you may make a claim for 5 cents a mile. It will be necessary for you to keep an accurate record of the mileage in this event.

If you come either by bus or train, buy your ticket, and get a receipt for it. You must submit this receipt to the county office in order to be reimbursed for your fare.

You will receive a regular day's pay for attending the meeting. For community commiteemen who live some distance from the Twin Cities and require traveling time which would exceed the 1 day, up to 2 day's salary will be authorized.

We feel this is an opportunity which you, as committeemen, cannot afford to miss. We strongly urge you to attend this meeting.

Sincerely yours,

CHAS. W. STICKNEY,
*Chairman, Minnesota PMA Committee.*

Mr. President, that is the notice which was issued.

Now let me refer to the printed program which was made available to every person attending that meeting. I have read this before, but let me point out again that on the back of the program, the following appears at the top of the page:

Lest we forget.

That appears there for the purpose of exciting and creating fear.

At the bottom of that page appear these words:

It could happen again.

Anyone who read those statements would have a cold, cold fear that there might be a recurrence of the ruinously low prices which occurred in the early 1930's, when no farm program legislation had been put on the statute books, when there was no mandatory 90 percent of parity support for the basic commodities, when there was no authorization for the Secretary of Agriculture to support all other commodities up to 90 percent of parity, and when Congress had made available all the funds the Secretary needed to maintain such prices. Yet such statements were printed on the program.

Mr. President, I ask unanimous consent that the back page of this program may be printed at this point in the RECORD, so that it will show how those who were administering the affairs of the Department of Agriculture and those who were administering the affairs as PMA officers in the State of Minnesota had in mind to excite, when they printed such statements on the back of the official program which was distributed to the audience at that gathering.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

*Lest we forget*

Minneapolis, Minn., Dec 24, 1932

| DARK NOR. | | N. SP. | | | Winter White | | |
|---|---|---|---|---|---|---|---|
| 1B&1D | 60# | 29 | | | | | |
| 1 | 58# | 28 | 27 | 1 | 60# | 27 | 27 |
| 2 | 57# | 27 | 26 | 2 | 58# | 25 | 25 |
| 3 | 55# | 25 | 24 | 3 | 56# | 23 | 23 |
| 4 | 53# | 23 | 22 | 4 | 54# | 21 | 21 |
| 5 | 50# | 17 | 16 | 5 | 51# | 15 | 15 |

Protein Premiums

| | | | | | |
|---|---|---|---|---|---|
| 12.0% | 0¢ | 13.5% | 0¢ | 15.0% | 3¢ |
| 13.0% | 0¢ | 14.0% | 1¢ | | |

| | | AMBER | DURUM | MIXED | RED |
|---|---|---|---|---|---|
| 1 | 60# | 25 | 23 | 21 | 20 |
| 2 | 58# | 24 | 22 | 20 | 19 |
| 3 | 56# | 22 | 20 | 18 | 17 |
| 4 | 54# | 20 | 18 | 16 | 15 |
| 5 | 51# | 17 | 15 | 13 | 12 |

CHOICE to FANCY DURUM, 4-7¢ more

| FLAX | | OATS | |
|---|---|---|---|
| No. 1 | 88 | No. 3 W 28#- | 05 |
| No. 2 | 85 | No. 4 W 23#- | 04 |
| Sample | 80 | Sample 22#- | 03 |
| | | No. 2 1¢ over 3# | |

| SHELL CORN YELLOW | | BARLEY | |
|---|---|---|---|
| No. 2 | 06 | No. 2 46#- | 12 |
| No. 3 | 05 | No. 3 43#- | 10 |
| No. 4 | 04 | No. 4 40#- | 08 |
| No. 5 | 02 | 1 Feed 35#- | 06 |
| Ear Corn 2¢ less. | | Ch. Mlt 3-5¢ more. | |
| Mix & Wht. Corn less than Yel. | 3¢ | | |
| | | RYE | |
| Speltz Cwt | 15 | No. 2 54#- | 15 |
| Buckwheat Cwt | 55 | No. 3 52#- | 13 |
| #114 Nor | 36 | No. 4 49#- | 11 |

—Grain Bulletin Card on Prices, Dec. 24, 1932.

It could happen again.

Mr. THYE. Mr. President, I have said before that the PMA chairman in Minnesota, Charles Stickney, is an able administrator. I have known him for years. I worked with him in farm program activities before either one of us had the responsibility of public office.

Most of the men who administer the PMA program in Minnesota, I have either known from youth or I have associated with them as men in farm organization activities, not only during the years of the depression but in the years of the inflationary war prices. All of them are able men, good men, men who would not

for a moment violate the law if they knew the law was being violated.

However, unwittingly and unconsciously the men who conceived this program violated at least the spirit of Federal law, and in my humble opinion, were guilty of unethical conduct. I use the words "unethical conduct" because they were exciting other people, when they printed such material, despite the fact that they knew that what then existed on the statute books, in the form of public laws, would not permit a recurrence of such low prices.

I wish to defend those PMA men, who perform the commendable job of administering the farm program in my State. I have never had cause to complain of them either politically or administratively or as individuals. I have had nothing but the highest commendation and respect for them.

I think they unwittingly permitted themselves to become involved enthusiastically, in order to get a big rally there for the Secretary of Agriculture; and the Secretary of Agriculture became overly enthusiastic and spoke very fervently for the Brannan plan, and possibly somewhat in a tone of discouragement so far as the laws on the statute books were concerned. Then, with statements such as those I have just read, appearing on the back page of the program issued at that meeting, it would be easy for a farmer to believe that the prices could go to ruinously low points, overnight, if Secretary Brannan's program was not enacted.

This is the question which is before us—namely, whether efforts of that sort were made to excite the farmers there in attendance. The PMA county committeemen and the PMA township or community committeemen were brought to that meeting by being offered mileage; and they were excited by such statements appearing on the back of the program, and then there was the enthusiastic speech in behalf of the Brannan plan.

Mr. President, I think we cannot permit that to be done without criticizing it, because if it happens in the field of agriculture, it could happen in the case of the Interior Department or in the case of one of the military departments; and then, the first thing we know, the people of the United States could be excited to the point of being willing to take steps which they would never be willing to take unless they had been induced to take them under the influence of such great excitement.

I think those of us who have raised our voices in regard to this matter have done so only in a sincere effort to correct what we thought was a misuse of Federal funds, and because we do not want our farm program discredited or kicked around in the political arena.

I take that position for the reason that the minute we become partisan in regard to the farm program, we shall lose the confidence of the public, which has supported the farm program. The present farm program has been possible not only because of the public support, but also because of the united effort on the part of both Democrats and Republicans, both the deep South and the North, both the Grange and the Farmers' Union and the Farm Bureau and other farm organizations of lesser degrees of importance, other of our national farmers' groups which I could name, who acted together during the early 30's, when the farmers were on their knees and when the local banks were closing their doors or were having their doors closed in every county across the Nation.

Mr. President, I was one of the producers in that day, and I delivered hogs at south St. Paul. They did not net me $5, yet they were prime, the choice type of product. A hog weighing more than 200 pounds did not bring me $5 net as a producer.

I have seen the farmers, up and down the highways, standing in bewilderment and confusion, wondering what was going to happen to them next, when they saw the sheriff's sale across the field, in their neighbor's yard, and when they saw on the trees a notice of another sheriff's sale within the next 24 hours.

Mr. President, as a young farmer coming out of World War I, I assumed the responsibility of farming on my own, in 1922, and I went through the depression years and experienced the low prices then prevailing, with a heavy financial obligation resting upon me and my wife. In those early thirties and those years of depression prices, I appraised for the Federal Land Bank for 2 years. I listened to men and women tell me their tale of woe, how they had raised their families, paid for their farms, and, in the evening of life, b use of ruinous low prices, saw such an accumulation of bills, taxes, interest, a few doctor bills, and a few repair bills for work on their buildings that they were compelled finally to seek a real-estate mortgage. At that time real-estate mortgages were being foreclosed, and they only had the Federal Land Bank to which to turn.

The Federal Land Bank in those early years of the 1930's could not assist or help them all. Then Congress enacted what was known as the Commissioner's law. The Commissioner's fund was made available as a second mortgage to help bail the farmers out of their tremendous debts. The farm population of the United States fed the people of the Nation, we might say, from their own resources. They depleted their land. They deteriorated their buildings, because they were not getting back the cost of production.

Mr. President, the Congress did a most commendable thing when it enacted the Commissioner's loan fund, which was used as a second mortgage to bolster the Federal Land Bank loans, in order that loans could be made. The banker, the elevator man, the hardware dealer, the implement dealer, the doctor, the lawyer, and everyone else benefited from it. When a loan was made to the farmer in a community, all the creditors received their money. Some accounts, of course, had to be scaled down. Certain percentages of the indebtedness to the credit were paid. But nevertheless everyone benefited when the Commissioner's act was passed.

Mr. President, in conclusion, I may say I hope this is the last time that the question of the St. Paul meeting will be discussed. I believe that no man intentionally was attempting to violate the law, but unwittingly certain individuals got themselves involved in a meeting which smacked of politics in every sense, and it roiled and aroused a large number of citizens, many of whom thought it was a misuse of Federal funds. I hope that this will close the chapter.

### PROTECTION AGAINST UN-AMERICAN AND SUBVERSIVE ACTIVITIES

Mr. MUNDT. Mr. President, I have been waiting now for a little over 2 hours for the privilege of presenting a matter to the Senate. I happen to have been caught in a sort of forensic version of the Minnesota shift, to which I have listened, I may say, with considerable interest and satisfaction, and I have consequently become well advised concerning a certain farm meeting in the great neighboring State of Minnesota.

I think, next Tuesday being what it is—the Fourth of July—and the Senate of the United States having acted as it has this week twice by unanimous vote to take a firm and definite stand against the forces of communism and tyranny abroad, that it is appropriate for me to address myself to the current situation at this time. I shall be brief, because we have all been here I think a bit longer than we had expected, certainly longer than I expected when I asked for the floor, first, about 4:30 this afternoon.

I think it cannot but be recognized by the citizens of America generally that, just prior to this great birthday of our independence, this great day dedicated to freedom, once by unanimous vote, the Senate of the United States has voted to draft its young men, if necessary, to put them into the armed forces of the country, and, at another time, by unanimous vote, we have voted to provide additional hundreds of millions of dollars of our wealth and sustenance for our military-aid program abroad; that we have done both of these things merely because there is loose in the world today a Godless, aggressive force called communism, which has pretty well upset the plans and the hopes and the prayers of people around the globe.

I was one of the Senators who voted for both those measures, because it seemed to me that in the kind of world in which we live and the kind of time in which we operate, it was essential that we take what action we could, as we could, when we could, and through whatever opportunity is provided to us to do something to strike back against that godless force and that dangerous conspiracy. It is to that subject and to that theme and to that proposition that I now address myself, because we have left something undone, Mr. President, while we have been busy in the process of drafting young men and in the process of shipping millions of dollars overseas in military aid, in our war against communism, important and necessary though those steps may well have been. We have as yet done nothing as a Congress to tighten our home defenses against communism. No such legislation has even been scheduled for action, and now we hear talk of adjournment in another 30 days.

We have listened here on the floor of this body for long hours at this session of the Congress to charges and countercharges, explanations, and alibis concerning what has been done in this country at home by this same godless force of communism endeavoring to work its agents into our Government—the same conspiracy which has caused us to take these highly unusual and unprecedented steps this week to meet it abroad. We have heard much, but we have taken no action. We have had a special investigating committee grappling with the problem of what to do with the Communists who are alleged to have wormed their way into positions of high importance, and it simply does not seem to me that here, on the eve of Independence Day, here, on the eve of the birthday of this country, dedicated to the proposition that men should be free, we should leave undone things which might well be done to finish the job of measuring up to the challege flung at our feet by the Communists abroad and their conspiracy at home. The dangers to our security are perhaps greater due to our nonchalance at home than are those growing out of Communist conspiracy abroad. We need to take the same firm courageous action at home that we have been compelled as a Nation to undertake abroad. This is a job for Congress to do.

So, Mr. President, while it may be that we do not now have the time to act, today, and we well may not find the time before the Fourth, still recognizing as I do that there is now nothing more important before the country than to meet the challenge of communism fully, at home as well as abroad, that there is nothing more important for any Senator on this floor to do than to square his conscience with the fact that, while drafting young men to die overseas and while sending millions of dollars of our wealth abroad, we have as yet done literally and completely nothing to meet the challenge of the same menace here at home. I think we should give consideration to these obligations. We should at least set the stage and prepare to act in tightening our home-front defenses against communism.

I think it is fitting, therefore, on this unhappy eve of Independence Day, when American boys are dying in Korea tonight in fighting communism, as we meet here, that we do what we can, as we can, and when we can to meet the challenge of communism. We cannot vote today but we can set the stage for early and effective action.

Therefore, Mr. President, since there is no business pending before the Senate at this time, I move that the Senate proceed to the consideration of the bill (S. 2311) to protect the United States against certain un-American and subversive activities, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Dakota.

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. LUCAS. Mr. President, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 3 minutes p. m.) the Senate adjourned until tomorrow, Saturday, July 1, 1950, at 12 o'clock meridian.

WITHDRAWAL

Executive nomination withdrawn from the Senate June 30 (legislative day of June 7), 1950:

POSTMASTER

PENNSYLVANIA

James S. Newton, Ellwood City, Pa.

# HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 30, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the supreme ruler of the universe and the guiding intelligence in the life of all mankind, we have entered upon a new day ladened with difficult tasks and grave responsibilities.

We humbly confess that we are not sure of what we should think or say or do in order to bear effective witness that we are men of vision and worthy of our high vocation as statesmen and spiritual leaders.

Grant that we may yield ourselves to the interpreting and guiding light of Thy spirit, assured that the secret of our blessedness is to be found in obeying Thy will and following Thy leading.

Fill us with longings and hopes for that blessed day of prediction when the nations of the earth shall be united in the bonds of brotherhood, seeking together the blessings of freedom and peace which none can ever find or enjoy alone.

Hear us in the name of the Christ, our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 96. Concurrent resolution to print additional copies of hearings on S. 1832, an immigration bill.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the House to bills of the Senate of the following titles:

S. 2596. An act relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944); and

S. 3571. An act to continue the authority of the Maritime Commission under the Merchant Ship Sales Act of 1946, and for other purposes.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On June 23, 1950:

H. R. 697. An act for the relief of Samuel W. Poorvu;

H. R. 2224. An act for the relief of the Winona Machine & Foundry Co., a corporation of Winona, Minn.;

H. R. 4747. An act for the relief of Louise Ahting;

H. R. 4781. An act for the relief of Veronica Jolly;

H. R. 6163. An act for the relief of Dr. Wei Tcheng Liang;

H. R. 7057. An act to amend Veterans Regulation No. 1 (a) with respect to the computation of estimated costs of teaching personnel and supplies for instruction in the case of colleges of agriculture and the mechanic arts and other nonprofit educational institutions;

H. R. 4960. An act for the relief of Mrs. Elizabeth H. Whitney;

H. R. 7440. An act to amend Veterans Regulations to establish for persons who served in the Armed Forces during World War II a further presumption of service-connection for active pulmonary tuberculosis;

H. R. 4100. An act for the relief of Calvin E. Cranford; and

H. R. 4163. An act for the relief of Mr. and Mrs. C. S. Walker.

On June 24, 1950:

H. R. 7579. An act to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes.

On June 26, 1950:

H. R. 2705. An act for the relief of Martin Kenneth Ikeda;

H. R. 2803. An act for the relief of Albert J. Peterson;

H. R. 3009. An act for the relief of Dr. Ali Reza Bassir;

H. R. 3018. An act for the relief of Camilla Fabris;

H. R. 4371. An act for the relief of Shiro Takemura;

H. R. 5541. An act for the relief of William Lawrence Tan;

H. R. 6589. An act for the relief of Mitsue Miyamoto;

H. R. 6747. An act for the relief of Helga Holleb;

H. R. 7096. An act for the relief of Mrs. Maria Salome Holland;

H. R. 7315. An act for the relief of Daijiro Yoshida; and

H. R. 7363. An act for the relief of Suzuko Yagi and Anne Yagi.

On June 27, 1950:

H. R. 1609. An act for the relief of Arne Gordon Westly;

H. R. 6743. An act to amend the Federal Loan Bank Act, as amended, and title IV of the National Housing Act, as amended, and for other purposes;

H. R. 6756. An act for the relief of Arthur Chen Shu Jee;

H. R. 6787. An act for the relief of Mrs. Kyoko Nakamura Kornhauser;

H. R. 6880. An act for the relief of Mrs. Kiyo Narumi Murakami and Keiko Narumi;

H. R. 6894. An act for the relief of Mrs. Nobuko Eto Heard;

H. R. 7035. An act for the relief of Hisako Sakata Ikezawa;

H. R. 7047. An act for the relief of Mrs. Tomo Nonque Rosevear;

H. R. 7050. An act for the relief of Louie Gam Yean;

H. R. 7292. An act for the relief of Erio Louis Tomita and Fumiko Tomita;

H. R. 8270. An act relating to the renewal of contracts for the carrying of mail on star routes; and

H. J. Res. 480. Joint resolution extending the time for the release, free of estate and gift tax, of certain powers.

On June 28, 1950:

H. R. 714. An act for the relief of Pieter Cornelis ten Wolde and family;

H. R. 1038. An act for the relief of William Richard Geoffrey Malpas;

H. R. 1082. An act conferring jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon a claim of the Bunker Hill Development Corp.;

H. R. 2226. An act for the relief of Victor C. Kaminski (also known as Victor Kaminski);

H. R. 3254. An act for the relief of Iva Gavin;

H. R. 4532. An act for the relief of Dr. Ta Fu Wu;

H. R. 4903. An act for the relief of Krikor G. Guiragossian;

H. R. 6567. An act to increase the borrowing power of Commodity Credit Corporation;

H. R. 6652. An act for the relief of Mrs. Fujiko Chichie Imbert, wife, and Robert Imbert, Jr., son of an American soldier;

H. R. 6691. An act for the relief of Paul D. Banning, chief disbursing officer, Treasury Department, and for other purposes;

H. R. 7065. An act for the relief of Kazuko Miyama Akana and Chang King Akana;

H. R. 7066. An act for the relief of Setsuko Amano;

H. R. 7073. An act for the relief of Koto Kogami Kitsu and Jeannette Akemi Kitsu;

H. R. 7199. An act for the relief of Nobuko Maeda;

H. R. 7254. An act for the relief of Mrs. Bernard Smith;

H. R. 7362. An act for the relief of Mrs. Willard Thulin (formerly Jutta Kono);

H. R. 7416. An act for the relief of Suzuko Takanashi;

H. R. 7656. An act for the relief of David George Callaway;

H. R. 7658. A act for the relief of Mitsuko Ito;

H. R. 7682. An act for the relief of Mrs. Akiko Osada Gustafson;

H. R. 7889. An act to postpone the application of the Classification Act of 1949 to certain employees of the selective-service system; and

H. R. 8198. An act to provide for the organization of the Army and the Department of the Army, and for other purposes.

On June 29, 1950:

H. R. 5682. An act for the relief of William T. Orton;

H. R. 5979. An act for the relief of John Tweit;

H. R. 6692. An act for the relief of Sgt. Blaine W. Hughes;

H. R. 8567. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes; and

H. J. Res. 492. Joint resolution making temporary appropriations for the fiscal year 1951, and for other purposes.

On June 30, 1950:

H. R. 5355. An act for the relief of Mindel Malek.

## HON. EDITH NOURSE ROGERS

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, this is a significant day in more ways than one. At the end of a week which has witnessed a great and heroic decision by our Government, it is fitting that we honor a Member of the legislative branch of that Government who has served it long, faithfully, and with distinction.

In this shining hour, which marks the twenty-fifth anniversary of her stewardship in behalf of the people of the Fifth Massachusetts District and the Nation, it is my privilege to extend the sincere and affectionate congratulations of the United States House of Representatives to our friend and colleague, Congresswoman EDITH NOURSE ROGERS.

Because her home city, which is close to mine, is also a textile community, we have shared many problems. In discussing these, I have been increasingly impressed with her resources of practical knowledge, her devotion to duty, and her generous understanding. Other names may flash like meteors across the sky, but in terms of both volume and quality of service that is very close to the people, I believe that EDITH NOURSE ROGERS has earned the title of "First Lady of the Republican Party."

Up our way she is known as the veteran's friend by Democrats, of whom I am one, as well as Republicans. With unfailing consistency since she was first elected to the Congress on June 30, 1925, she has taken their problems to her heart. The records show the long list of laws which she successfully championed for them. But more important than these are the many recollections I have of sick and friendless veterans who spoke to me of "Mrs. ROGERS," with an almost childlike trust and confidence which cannot be surpassed in its sincerity. The humble and spontaneous tribute is best of all. Being unstudied, it gives you a key to the human qualities of a person which linger long after the dry record of dates and events is forgotten.

In yesterday afternoon's issue of my home city paper, the Lawrence Tribune, there appeared in the Things Talked About column the following paragraph. I am sure that the writer had no idea that a certain silver anniversary was so near at hand.

He reported, and I quote:

Congresswoman EDITH NOURSE ROGERS, who represents Andover among other cities and towns, is a charming woman as well as an able Representative of the Federal House of Representatives. It was the privilege of the TTA man to meet Mrs. ROGERS as she boarded a train for Washington not long ago. The hour was late and the lady lawmaker was tired, but she fairly burst with graciousness and enthusiasm.

But this is not the end of a real-life story. We pause to appreciate the remarkable career of our colleague and to hope that EDITH NOURSE ROGERS will continue her splendid service to the people for many, many years to come.

## POSTAL SERVICE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, April 18, 1950, was a dark day to the postal employees and the citizens of our country, when the Postmaster General issued a curtailment order to the postmasters of the United States.

A serious mistake has been made in curtailing postal service, which is exactly that—service. If it is going to be a business deal then it should be turned over to business and run as a business, but if it is a service to our citizens then it should be just that. Of course, we want it run as efficiently and economically as possible, but if the people of this Nation are willing to foot the bill to get this service then I feel they should have it.

Communication and transportation have been the two fundamentals that have made this Nation grow and become a great country. Instead of curtailing we should be thinking of expanding in order to continue its growth.

Floods of letters have come to me from the residents of my district, and I know other Members of Congress have received a similar deluge of protest mail. Our citizens have come to expect good service from the Post Office Department and we cannot permit this drastic move of reduction in the postal system, which has been a vital link in the attainment of world leadership by this Nation.

Postmasters in my district inform me that the volume of business in their respective offices has greatly increased during and since the war years. This, as we all know, is a fact that cannot be overloooked. This curtailment order will disrupt all efforts of improvement since the war and will nullify effective gains made over the past years in giving a necessary and important communication system to our country.

## PERSONAL ANNOUNCEMENT

Mr. DENTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. DENTON. Mr. Speaker, on Monday, June 26, 1950, I was absent from the session due to my attendance at the Democratic State Convention at Indianapolis, June 26 and 27.

Had I been present during the vote upon the passage of H. R. 87 over the veto of the President, I would have voted "aye" for its passage.

On Tuesday, June 27, 1950, had I been present during the vote upon the question of the extension of the selective service law, I would have voted "aye" and for such extension of that law.

## PEACE OR WAR

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, the important news for Americans this morning is that India, which refrained from voting on Tuesday's decision to invoke military sanctions, announces this morning that she has accepted the Security Council's recommendations. The people of the United States are deeply concerned about whether the issue in Korea is to be resolved by peace or war. It is my firm conviction that those who express this concern have overlooked one fundamental fact—that the United States is acting by direction of the Security Council and has subjected itself to the discipline of the United Nations.

India was the power thought to be neutral between the east and west, but India has responded—in company with France, Great Britain, Norway, Ecuador, and Colombia, the members of the Security Council other than China and the United States—and it is India which is the great subcontinent, a country which has gained her independence by peaceful revolution, and the great counterpoise in Asia to Communist China. India recognizes, as do all free peoples, that the mortal threat in Korea was to small nations everywhere and to people without great military forces of their own everywhere. India, just like this House on Tuesday, did not permit dust to be thrown into her eyes about civil war in Korea by patriotic elements seeking to unify the country but saw naked aggression for what it was.

It is in this rallying of the nations like India that the American people have their best assurance that we have taken the road to peace and have left behind the road of uncertainty as to the power and determination of the United Nations and the free peoples to defend themselves—which is the road to war.

PERMISSION TO ADDRESS THE HOUSE

Mr. COLE of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

[Mr. COLE of Kansas addressed the House. His remarks appear in the Appendix.]

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a report of the subcommittee of the Committee on Un-American Activities.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

CALL OF THE HOUSE

Mr. MARCANTONIO. Mr. Speaker, we are about to consider an important bill. I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 192]

| | | |
|---|---|---|
| Abbitt | Harrison | Perkins |
| Abernethy | Harvey | Pfeifer, |
| Allen, La. | Hays, Ark. | Joseph L. |
| Andersen, | Hays, Ohio | Pfeiffer, |
| H. Carl | Hébert | William L. |
| Angell | Heffernan | Phillips, Calif. |
| Arends | Heller | Phillips, Tenn. |
| Auchincloss | Hinshaw | Pickett |
| Bailey | Hobbs | Plumley |
| Barden | Hoeven | Poage |
| Barrett, Pa. | Hoffman, Ill. | Powell |
| Barrett, Wyo. | Irving | Preston |
| Bates, Ky. | Jackson, Calif. | Price |
| Battle | Jackson, Wash. | Quinn |
| Bolling | James | Redden |
| Bolton, Ohio | Jenison | Rich |
| Bramblett | Jenkins | Riehlman |
| Breen | Johnson | Rivers |
| Bryson | Jonas | Roosevelt |
| Buckley, N. Y. | Jones, Ala. | Sadlak |
| Bulwinkle | Jones, Mo. | Sadowski |
| Burdick | Kean | Sanborn |
| Burleson | Kearney | Sasscer |
| Burton | Keefe | Scott, Hardie |
| Byrne, N. Y. | Kelley, Pa. | Shelley |
| Carroll | Kennedy | Sikes |
| Cavalcante | Keogh | Sims |
| Chesney | Kerr | Smathers |
| Christopher | Kilburn | Smith, Ohio |
| Chudoff | King | Spence |
| Clemente | Klein | Stanley |
| Clevenger | Latham | Steed |
| Cole, N. Y. | LeFevre | Stigler |
| Corbett | Lichtenwalter | Sutton |
| Coudert | Linehan | Taber |
| Davies, N. Y. | Lyle | Tackett |
| Dingell | McCarthy | Taylor |
| Dondero | McGrath | Teague |
| Doughton | McGregor | Thompson |
| Engel, Mich. | Macy | Towe |
| Evins | Magee | Underwood |
| Fallon | Martin, Mass. | Velde |
| Fogarty | Mason | Vinson |
| Frazier | Miles | Vursell |
| Fugate | Mitchell | Wagner |
| Gillette | Monroney | Walsh |
| Gilmer | Morgan | Welch |
| Golden | Morris | Werdel |
| Gossett | Morton | Wheeler |
| Granahan | Multer | Wickersham |
| Granger | Nicholson | Wier |
| Green | Noland | Willis |
| Hall, | Norblad | Wilson, Ind. |
| Edwin Arthur | Norton | Wilson, Okla. |
| Hall, | O'Toole | Wilson, Tex. |
| Leonard W. | Pace | Withrow |
| Halleck | Passman | Wolcott |
| Harden | Patman | Wood |
| Harris | Patterson | |

The SPEAKER. On this roll call 259 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in three instances; in one to include a letter from a constituent, in another a resolution.

Mr. SUTTON (at the request of Mr. PRIEST) was given permission to extend his remarks.

Mr. LARCADE asked and was given permission to extend his remarks in three instances, in each to include extraneous matter.

Mr. RAINS (at the request of Mr. THOMAS) was given permission to extend his remarks on slum clearance and include certain extraneous matter.

Mr. THORNBERRY asked and was given permission to extend his remarks and include some extraneous matter.

Mr. RODINO asked and was given permission to extend his remarks and include an editorial.

Mr. BENNETT of Michigan asked and was given permission to extend his remarks and include a resolution.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in two instances; in each to include extraneous matter.

Mr. REED of New York asked and was given permission to extend his remarks in two instances, in each to include extraneous matter.

Mr. FARRINGTON asked and was given permission to extend his remarks and include an editorial.

Mr. WHITE of Idaho asked and was given permission to extend his remarks in three instances and to include certain printed matter.

Mr. BIEMILLER asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. PATTERSON (at the request of Mr. KEATING) was given permission to extend his remarks in two instances and include a resolution and an editorial.

Mr. WEICHEL asked and was given permission to extend his remarks and include a news article.

Mr. LECOMPTE asked and was given permission to extend his remarks and include an address delivered by the new department commander of the Spanish-American War Veterans of Iowa, Hon. Lloyd Thurston, who served many years in the House of Representatives.

Mr. RHODES asked and was given permission to extend his remarks and include an article.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. WHITE of Idaho. Mr. Speaker, I have just introduced a concurrent resolution to establish a world court. I ask that that may be included in the RECORD with my remarks.

The SPEAKER. Is there objection?

There was no objection.

SPECIAL ORDER GRANTED

Mrs. DOUGLAS asked and was given permission to address the House today for 30 minutes, following the legislative business of the day and any other special orders heretofore entered.

ORGANIZATION OF A CONSTITUTIONAL GOVERNMENT BY THE PEOPLE OF PUERTO RICO

Mr. ASPINALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3336) to provide for the organization of a constitutional government by the people of Puerto Rico.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 3336, with Mr. BONNER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Colorado is recognized for 30 minutes and the gentleman

from Michigan [Mr. CRAWFORD] is recognized for 30 minutes.

Mr. ASPINALL. Mr. Chairman, I yield 12 minutes to the gentleman from Puerto Rico [Mr. FERNÓS-ISERN].

Mr. FERNÓS-ISERN. Mr. Chairman, the people of Puerto Rico, 2,200,000 American citizens, are organized, as a body politic, in accordance with a law of Congress. S. 3336 would make it possible for them to organize themselves in accordance with a Constitution of their own adoption, while the present exercise of United States authority, all matters of a Federal nature, would continue undisturbed. Such a step is in line with the fundamental tenents of the American way of life.

According to S. 3336 the present provisions of the Organic Act of Puerto Rico, concerning the operation of Federal authority, the application of Federal laws to Puerto Rico, the operation of the United States district court and the conduct of Federal services, would be continued as heretofore. Insofar as local government is concerned, insofar as power of government which Congress has heretofore considered to be local in nature, it would be based on a constitution adopted by the people of Puerto Rico instead of on provisions of congressional law.

In order for this to take place S. 3336 establishes certain conditions and requirements. The Constitution of Puerto Rico shall be republican in form. It shall contain a bill of rights. It shall not be inconsistent with the Constitution of the United States. It shall not be inconsistent with such provisions of the present organic act as would continue in effect. It shall be submitted for final approval, to the Congress. It must be approved by the Congress before it becomes effective.

These conditions must be accepted by the people of Puerto Rico, in a referendum, before the bill, if enacted, goes into effect. The people of Puerto Rico will decide by themselves in a free vote if they want or do not want to enjoy self-government on this basis.

On the other hand, upon the conditions and requirements established by S. 3336 being fulfilled by the people of Puerto Rico and upon the Congress so finding, and approving the Constitution of Puerto Rico, such Constitution shall become operative, and such provisions of the present organic act as refer to local government shall stand repealed. This will create government by consent in Puerto Rico both at the Federal and at the local level, a government to which all concerned will have agreed to.

This is not statehood. Puerto Rico will continue to be represented in Congress by its Resident Commissioner. This is not independence. Puerto Ricans will continue proudly to be American citizens, in a common loyalty to our common institutions.

Mr. Chairman, I confidently say that the present political aspirations of the people of Puerto Rico are embodied in this bill.

At the last elections, I ran on a platform calling for this form of self-government. I explained my views on this subject and advocated such self-government. I had two opponents. One ran on an independence platform. Another, on a statehood platform. The independence candidate polled about 66,000 votes. The statehood candidate polled about 180,000 votes. I polled about 392,000 votes.

Since this bill has been introduced, the Governor of Puerto Rico, elected on the same party ticket as I was, has appeared both before Senate and House committees to uphold the bill. The Legislature of Puerto Rico, by unanimous vote, has endorsed the bill. All members of the insular senate, except one who abstained, voted for the bill. All members of the insular house of representatives, except one, who abstained, voted for the bill. The five justices of our Supreme Court of Puerto Rico have endorsed the bill. Seventy-six mayors, out of seventy-seven—there are 77 municipalities in the island—endorsed the bill. The American Federation of Labor in Puerto Rico and the CIO in Puerto Rico, have endorsed the bill. The Chamber of Commerce of Puerto Rico has endorsed the bill.

In spite of the unmistakable fact that I, who was elected on such platform, represent the people of Puerto Rico in Congress; in spite of the evident support I have had in sponsoring this measure, I wish again to call attention to the fact, that in accordance with its terms, this act would not become effective until approved by a majority of voters in a referendum on this bill, to be held in Puerto Rico.

The bill will not be imposed upon the people of Puerto Rico by the Congress. The people may approve and accept it or disapprove and reject it.

The bill will be an answer to those who would accuse the United States of maintaining Puerto Rico in a colonial status. It will be another instance where facts show that we not only believe in, but practice, democracy. Under S. 3336 and in accordance with its terms, Puerto Rico with its own constitution and with a type of relationship with the United States to which it would have freely agreed to, would be taking, within this great Federal system, the station of a free people, united with the great people of the mainland for the common good, in the interest of peace, prosperity, and security, in common loyalty to the great institution of this federation. Our union with the United States is expressed and symbolized by our common citizenship.

I think it would be of great significance that this bill be passed here today on the last session to be held before the Fourth of July. The Fourth of July signifies in the history of the new world the affirmation of the principle that just government derives its authority from the consent of the governed. This bill establishes in Puerto Rico government by the consent of the governed. The 21st of May last marked the fiftieth anniversary of civil government in Puerto Rico under the authority of the United States. Since the year 1900 we have been celebrating the Fourth of July in Puerto Rico under civil government and under the United States flag. This coming Fourth of July will be therefore the fiftieth Fourth of July which we celebrate under such auspices. We celebrate it because we consider it to be our holiday, the holiday of all American citizens no matter where they are.

Mr. Chairman, I shall speak to the people of Puerto Rico on the coming Fourth of July. I will certainly feel deeply honored in carrying with this bill the message from this Congress to the people of Puerto Rico which this bill implies. That is, the Fourth of July means government by the people, of the people, and for the people wherever it is celebrated under the American flag. It means government by the consent of the governed in the United States including Puerto Rico.

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, this is a very serious issue for us in the United States, especially today, because this is a possession of the United States. The charge has been made by the gentleman from New York [Mr. MARCANTONIO], who introduced a great amount of material in the CONGRESSIONAL RECORD which I read, and I hope other Members will read, in great detail, saying that we were by our conduct and in respect to this bill using our power with respect to Puerto Rico in a way that we should not. I reiterate, at a time when we are fighting for the rights of free people with the lives of Americans in Korea, and when we are trying to hold up the hand of the United Nations which is seeking to have a new rule of justice in all relationships between administering powers and their possessions or colonies, this is an extremely important issue.

I have tried to analyze this issue in deference to my own conscience and in deference to the 10,000 or more of our citizens of Puerto Rican extraction who live in my district and in respect to the best interests of the country, and I have come to some conclusions with which I would like to acquaint the House.

This bill does restrict, and let us have that very clear, the people of Puerto Rico to a constitution which is within the limitations of the Organic Act for Puerto Rico. Their fundamental status is unchanged.

They undoubtedly will get more powers by a constitution under this act and they get them by their own designation, but their fundamental status is unchanged. The fundamental difference which has occurred between this bill and the drafts which were available before the Senate acted, is twofold: First, the people of Puerto Rico are given two votes under this act, and instead of its being left in uncertain language as to whatever laws Puerto Rico might have about voting, it is now said specifically, and I refer to section 2, "This act shall be submitted to the qualified voters of Puerto Rico for acceptance or rejection through an island-wide referendum". Also at least one more vote by the people is provided for in section 3 "upon adoption of the constitution by the people of Puerto Rico."

Now, let us see where that leaves us. I believe that if the people of Puerto Rico are ready to make a constitution, then they are ready to decide their own fate whether they wish to be independent, whether they wish to have statehood, or

to continue within this organic act which the United States has given to them. If they are ready for one, I think they are ready for either of the others. But, the question is, Does this act cut them off? Does this act foreclose them, and there, I think, is very grave ground for doubt, for I believe the act inhibits the Puerto Rican people by giving Congress' consent in advance to only the one alternative, that of the present status within the organic act only with a constitution, of course.

The constitutional convention duly called by the people for Puerto Rico could be a run-away convention. In 1787 we had a run-away constitutional convention. Our run-away constitutional convention was called for the purpose of confirming the Articles of Confederation, and instead of that they came up with a new Constitution, for a new Government which, for the first time, made a country that was successful, and there is no reason under this particular law why, if the people of Puerto Rico will it, they cannot have a run-away constitutional convention which will give them statehood or independence.

How does the Congress inhibit them in this particular statute? It says that the only thing we agree to now is that you shall have a constitution within the organic act. If you have a run-away constitutional convention, you have not accepted that in advance; there is nothing which can prevent this Congress, when it gets this constitution back, from accepting it, because the Congress controls the organic act whether it passes this bill or not, and it will control it when that constitution is returned to it.

There is another change, and that is that the bill now does not just provide that the constitution shall lay on the table for 90 days, which the original draft provided, but it says that the Congress shall approve affirmatively. We can approve, we can also eliminate or amend the organic act if we are satisfied to approve a constitution which gives statehood or independence.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. Does the gentleman have any fear that this constitutional convention, if called, would try to separate its ties with the United States Government?

Mr. JAVITS. I do not see that that is a proper fear and I do not have any fear on that subject; I believe only that it would be better to give the people of Puerto Rico an uninhibited right to adopt a constitution of their choice.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CRAWFORD. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I wish to state to the House that I will vote for this bill. I believe this legislation is progress for Puerto Rico. I should like to see these possessions of ours come of age and look forward to the time when they can join us by standing shoulder to shoulder as a State.

I am rising this morning to urge a united front with respect to Korea. We have to have a United States policy, and at this time we should back the President's statement. I am sorry that some people have seen fit to make political issues of it, because we cannot have a political foray in Korea; it must be action on a bipartisan policy under United Nations authority.

At this critical time, we should forget these past recriminations among each other, and the unfortunate events that have occurred through our previous policy in the Far East which many of us opposed, and unite on a constructive forward policy. I am one of the members of the Committee on Foreign Affairs who as a member of the opposition at times has criticized the State Department. I have criticized various of Dean Acheson's actions as Secretary of State to obtain the best bipartisan policy. But I must say that I have confidence in Dean Acheson's loyalty and competence in doing his duties, and I feel he should be continued as Secretary of State instead of asking for his resignation. We must remember that the President is the one under the Constitution designated to handle our foreign policy. The Secretary of State and the Department of State are merely the arms of the President to carry out those policies, so that when Senator TAFT spoke of a policy as possibly being Acheson's policy——

Mr. MURRAY of Wisconsin. Mr. Chairman, the gentleman is out of order and I move that his words be taken down. He has no authority to use the name of Senator TAFT. He has been a Member of the House long enough to know the rules.

Mr. FULTON. I will be glad to withdraw the name of Senator TAFT as it was only a casual reference. So that when we speak of a policy as being Acheson's policy, we really mean a policy of the President's which Mr. Acheson and the Department of State are implementing and administering.

When it is said that Secretary Acheson should resign, we are then getting into the position that the foreign governments use when somebody makes a mistake; we immediately call for their political scalps. This makes for unstable governments and many shifts in policy personnel. In our system, we hope by constructive criticism in Congress and in the country to have the Government officials change their minds and adopt the policies we others suggest. It is a happy occasion for those who have struggled for an affirmative bipartisan policy in the Pacific as well as the Atlantic, that this change of policy has now been made. We United States citizens should rejoice that we are now able to go forward on a united bipartisan American foreign policy both in the Pacific and the Atlantic, and there is now the high duty to reach a fair and just policy. In our country, however, we still maintain the right to be wrong, to criticize our policies, and to unite behind our officials to carry out the decisions, once the issues have been resolved.

We should have introduced a bipartisan resolution by which Congress ratifies the actions of the President as to Korea and Formosa to date, and which then states the policy and limits for further action under the United Nations Charter and Security Council.

Mr. ASPINALL. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, at the very outset I should like to refer to the statement of the distinguished gentleman from New York [Mr. JAVITS]. He seeks to justify, if I understand him correctly, the passage of this bill with an apology.

Mr. JAVITS. Unfortunately, I was unable to finish my remarks, so the gentleman cannot assume what I would have said if I had finished.

Mr. MARCANTONIO. May I ask the gentleman whether his argument is made for the purpose of supporting the bill?

Mr. JAVITS. If the gentleman desires my views on this matter, first, I believe this——

Mr. MARCANTONIO. No; I am asking the gentleman, is he for the bill or against the bill?

Mr. JAVITS. I will answer the question. I believe the bill should be recommitted to the committee but for the purpose of striking out sections 4 and 5 which may have the effect of inhibiting the freedom of choice of the Puerto Rican people.

Mr. MARCANTONIO. All right. The gentleman has stated that he will vote for recommittal. I note he has not qualified his assurance that he will vote for recommittal and I trust he will do so, so that the RECORD will remain with his unqualified statement to vote to recommit.

I, too, believe that this bill should be recommitted. As I stated yesterday, this bill is merely a snare and a delusion and a fraud perpetrated on the people of Puerto Rico to make them believe we are giving them something. We are giving them nothing. This bill is a scheme to deprive the people of Puerto Rico to pass on their own future status.

We cannot abdicate our powers to legislate on the Territories or possessions. That power is vested in Congress. We cannot turn it over to anybody else. So when we say to the people of Puerto Rico, "We are with this bill, going to let you legislate for yourselves," we are not telling them the truth. We are misleading them, and we are aiding the present ruling clique of Puerto Rico to dodge the responsibility they assumed at the time they won their election to bring about an end to the colonial status.

Despite the statement made by the Resident Commissioner of Puerto Rico, I think the election literature of 1948 will demonstrate conclusively that the Resident Commissioner himself and his party and his Governor advocated the following:

First, they would seek from Congress the complete elimination of any restriction on the refining of sugar that is produced in Puerto Rico.

Second, it was said by the Governor and by the platform of that party that when the Legislature of Puerto Rico felt it was wise it would request of the

Congress the right to conduct a referendum on three questions—colonial status, statehood, and independence—and would request Congress to agree in advance to abide by the decision of the people of Puerto Rico.

That was the platform and those are the speeches which were made by the Governor of Puerto Rico as well as the Resident Commissioner of Puerto Rico. It is significant here that the Resident Commissioner of Puerto Rico until just a few years ago, and our colleague is here present, and I am sure will not deny this statement, was an ardent advocate of independence. In fact he was one of the most eloquent advocates of independence. You see, you advocate certain things when you are out, and then when you are in, a change takes place. A change took place in both the Resident Commissioner and the leader of his party, Mr. Muñoz Marín, who originally split up the Liberal Party of Puerto Rico because he felt the leaders of the Liberal Party in Puerto Rico were not advocating independence. He established the present political party on the idea of independence.

So far as the statement that 38 mayors support this bill let us bear in mind that the mayors in Puerto Rico are not elected. They are appointed, or at least in many of the cities they are, and naturally being appointed by the Governor they are going to sustain the Governor's position on any question.

This bill is proposed by the Governor, and it is proposed by his representative the Resident Commissioner. It is contrary to public opinion in Puerto Rico. I say that because I maintain not only the other political parties, not only the statehood people and not only the independence people are opposed to this bill, but the leading newspapers of Puerto Rico are opposed to this bill. El Mundo and El Imparcial are opposed to this bill.

The labor groups are split, that is the leadership is split wide open on this question, but the rank and file has in telegrams and messages time and time again demonstrated its opposition to this bill. It is significant that many, many representative Puerto Ricans who have requested to be heard were told to submit statements, but were not given an opportunity to be heard in opposition to the bill.

There is something fundamental involved here, much more fundamental than these fringe arguments as to what side who takes. In Puerto Rico we witnessed another tragedy just a couple of weeks ago when a plane fell into the ocean and 28 Puerto Ricans on that plane were killed. We might say, "Well, that is just an ordinary disaster, an airplane disaster." But that is a symptom of the fundamental evils which this bill perpetuates in Puerto Rico. This bill perpetuates the colonial system in Puerto Rico. Those workers who died in that plane crash were victims of the colonial system this bill would perpetuate.

Let me give you some figures which I placed in the RECORD, but which I want to repeat because they are so vitally important. In Puerto Rico they have what is called the Puerto Rican Industrial Development Company, which is supposed to produce jobs and is supposed to bring industries to Puerto Rico. In 6 years all that has been produced is a total of 7,233 jobs. Of this number 3,440 are homework jobs. There is an additional labor force for the past 3 years of 22,000. Out of 2,200,000 population in Puerto Rico you have an average of 300,000 unemployed.

There must be some reason for it, and the reason is that Puerto Rico is a colony and has no sovereignty. Because of its lack of sovereignty it cannot control that economic relationship which is necessary to its own well-being. It cannot develop its own industries because it cannot protect those industries from competition from the States. It is choked within the circle of our own tariff laws. It is subject to our coastwise shipping monopoly. Absentee ownership is turning Puerto Rico into a diabetic economy. Its agriculture is mainly sugar. The result is that the people of Puerto Rico are faced with the most dire poverty. This operation of bootstrap, about which we hear so much, and which the present Governor of Puerto Rico has been advertising so much, particularly in the New York Herald-Tribune, giving it terrific sums of money, and that explains one of the reasons why the Herald-Tribune is supporting this bill, advertising this operation bootstrap, it has nothing for the people of Puerto Rico except big salaries for the politicians. Only the politicians are living well while doing nothing for the people of Puerto Rico.

Puerto Rico's problem can only be solved in one manner, and that is to give it sovereignty. This bill does not give Puerto Rico any sovereignty. It restricts Puerto Rico's existence within the framework of the colonial status. And that is why the leading newspapers El Mundo and El Imparcial have written editorials, which I placed in the RECORD yesterday, which are in complete opposition to this program. Oh, it is said, we give the people a chance to pass on whether they want this or not. This implies great faith in the judgment of the people of Puerto Rico. It is just the opposite. It shows a lack of faith. The fact that the present Governor of Puerto Rico deprived the people of Puerto Rico of what he has promised them, an opportunity to choose independence, statehood, or a continuance of the present status. I submit that this bill is not in the interest of the people of Puerto Rico and it is in violation of our own Constitution. It betrays the people of Puerto Rico to the interests of colonialism.

I include here a speech I made on this subject last March:

PUERTO RICAN INDEPENDENCE

(A speech by Congressman VITO MARCANTONIO)

PUERTO RICAN INDEPENDENCE VERSUS THE NERO OF FORTALEZA—HIS SATURNALIA OF CORRUPTION AND HIS OPERATION BOOBY TRAP

Mr. MARCANTONIO. Mr. Speaker, the Resident Commissioner of Puerto Rico, the Honorable FERNÓS-ISERN, introduced the other day H. R. 7674. The bill is described as a bill to provide for the organization of a constitutional government by the people of Puerto Rico.

The mere fact that this bill was introduced is a confession on the part of the present rulers of Puerto Rico that the Puerto Rican people are restive under the present colonial status, and that they no longer want any part of it.

The question of colonialism in Puerto Rico, however, will not be solved by H. R. 7674. This bill is an evasion of the real question. It dodges the issue and is a form of escapism, an attempt to put to sleep the aspirations of the Puerto Rican people for democracy and independence. It is a snare and a delusion and is intended to perpetuate the present system of imperialism imposed on the Puerto Rican people by selfish interests in these United States.

What this bill actually is can be found in the words of Mr. FERNÓS-ISERN in a statement he inserted in the CONGRESSIONAL RECORD on Tuesday, March 14, 1950:

"The Congress of the United States since 1900 has provided for the operation of Federal laws in Puerto Rico. It has determined the economic relationships to exist between Puerto Rico and the mainland. It has determined that the people of Puerto Rico are United States citizens. Such legal and economic provisions of our organic act the people of Puerto Rico are not aiming to disturb. Rather, they wish to reaffirm them and expressly register their consent to their application."

This is an admission on the part of the author of the bill that its purpose is to perpetuate the present system of colonialism under which the people of Puerto Rico are now suffering.

Then, again, in the same statement inserted in the RECORD, Tuesday, March 14, 1950, the gentleman from Puerto Rico [Mr. FERNÓS-ISERN] again says:

"The Federal provisions of the present organic act would be reaffirmed under my bill. They are needful regulations for the establishment and maintenance of proper relations between the island and the mainland by the Federal Government."

In the light of this language of the author, and in the light of the language of the bill, the conclusion is inescapable that the bill is a meaningless gesture submitted for the sole purpose of negating the desire of the people of Puerto Rico for democracy and independence; it seeks to divert the attention of the people from the issue of independence. Here is a bill that does not even ask for statehood. It is a supine reaffirmation of the status quo in Puerto Rico under the guise of a meaningless self-government.

This proposal of the Muñoz Marín administration cannot be accepted as having been offered in good faith. Mr. Muñoz Marín knows better than to expect the establishment of a commonwealth which cannot be established under the provisions of our Constitution.

*Operation desperation*

This last proposal of Muñoz Marín can be described as operation desperation on the part of those who in the past have lead the people to believe that they supported independence, when they were out of power, and now when confronted with responsibility of office employ this artifice to renege on past promises and declarations for independence.

As against this empty gesture, I today have reintroduced my independence bill.

Mr. Speaker, in order to pass honest judgment on this last empty proposal of the Muñoz Marín administration, in contrast with my proposal for genuine independence, I submit that it is of utmost importance that we must first examine our relations with Puerto Rico, that we examine its present government, and that we seek a solution of its most pressing problems.

Puerto Rico was taken over by us by force of arms. This action was subsequently ratified by the Treaty of Paris in 1898. As a

result Puerto Rico is a colony of the United States.

When we took over this country, which was discovered by Columbus in 1492, and which was under the jurisdiction of Spain until 1898, the Puerto Rican people had won over from Spain, through centuries of struggle, an autonomous charter which guaranteed the people substantial sovereignty. Under that charter the people of Puerto Rico had complete home rule, and, besides, had the power of making their own tariff laws and of entering into commercial trade agreements with other countries. The autonomous charter could not be revoked or amended but on the petition of the Puerto Rican Parliament.

We substituted for the autonomous government which the Puerto Ricans had won over from Spain, a colonial form of government. Under our present relationship, which the Fernós-Isern bill would not change, Puerto Rico, according to our Supreme Court, "belongs to but does not form part of the United States." The government of Puerto Rico is organized under an organic act passed by this Congress, the Jones Act, which can be amended or annulled by us without consulting the people of Puerto Rico. The laws passed by the Legislature of Puerto Rico can be amended, suspended, or revoked by Congress. Every law approved by the legislature must be sent to this Congress which can exercise its veto power over them. The Supreme Court of the United States can declare unconstitutional the laws passed by the Legislature of Puerto Rico. The President of the United States holds a veto power over the Puerto Rico Legislature. The President of the United States appoints the judges of the supreme court, the auditor for Puerto Rico, and all Federal officials in the island, including the judge of the Federal court. Appeals are taken from the Supreme Court of Puerto Rico to the circuit court of appeals for the first circuit in Boston. We have exclusive jurisdiction in such vital matters as bankruptcy, navigation, air law, radio, immigration, conscription—in time of peace and of war—and other matters. The structure within which the Puerto Rican government operates cannot be altered, annulled, or in any way modified by the people of Puerto Rico.

We have encircled Puerto Rico within our tariff walls. We have imposed upon that country the coastwise shipping laws. We bind the Puerto Ricans with the treaties we negotiated without their participation in such negotiations. We can force Puerto Rico, as we have done twice through the past 50 years, into a war without consulting them in advance, and we can take over their territory, as we have done on numerous occasions in spite of the great need that they have for land, for air, naval, military, and submarine needs of ours.

All this the Muñoz Marín empty proposal for alleged self-government would perpetuate. All this the Muñoz Marín government accepts. All this would be continued, this status quo would be made permanent under H. R. 7674. Not one iota of this colonialism that I have described would be changed by the recent Fernós-Isern-Muñoz Marín proposal.

Let me remind you that the Puerto Rican people have no representation in this Congress. The Puerto Rican people are allowed only to send here a Resident Commissioner who has a voice in matters affecting Puerto Rico, but who has no vote.

This, too, would be perpetuated under Mr. FERNÓS-ISERN'S bill. It is shameful and tragic that Mr. Muñoz Marín has tried to lead people here in Washington to believe that the Puerto Ricans give their blessing to this system of colonialism which I am describing, and that they want this system continued through the enactment of H. R. 7674.

Under the Spanish regime at the time we took over Puerto Rico from Spain the people of Puerto Rico had representation in the Spanish Cortes or Parliament. They had representation in the senate and 16 representatives in the Spanish house at Madrid.

We can tax the Puerto Rican people besides having the power to send them to war. Thus we do not only impose upon the Puerto Ricans taxation without representation, but we also impose upon them a tax on the blood of their people.

This, too, Muñoz Marín would perpetuate through the enactment of H. R. 7674.

During the 51 years that Puerto Rico has been under our jurisdiction we have used that island and its people to our advantage. We have established, as I have said before, air, naval, military, and submarine bases in Puerto Rican territory. We have conscripted Puerto Ricans in two wars and have sent them to fight for us in two wars. In the last war over 500,000 Puerto Ricans were drafted, and 80,000 were actually under arms. Many of them were in action and many died for the cause of democracy. As a result of the workings of the tariff laws, and the imposition upon the Puerto Ricans of the coastwise shipping laws, and the denial to them of power to negotiate for reciprocal trade agreements, we have excluded them from world markets. They buy 98 percent of their imports in the United States. In 1948 Puerto Rico bought $337,000,000 in goods from the United States and sold us $199,000,000 worth of goods. The balance of trade thus favors us by $138,000,000. The shipping companies which hold a monopoly in Puerto Rico have made huge profits in the island during the last half century. This can be said also of our banks which are doing business in the island, of the insurance companies, of the Wall Street financial interests, and of several other big American concerns. We have found in Puerto Rico an outlet for our rice, our beans, our codfish, our shoes, clothes, manufactured products, and many other items which number over 1,000.

Again, all this is not changed one iota by the Muñoz Marín proposal. In fact, H. R. 7674 accepts this form of exploitation.

*Facts about sugar*

Besides, Congress does not allow Puerto Rico to refine but 15 percent of its total production of sugar. The other 85 percent is refined in the United States by our refiners at a loss to Puerto Rico of over $30,000,000. This is an outright discrimination excercised by this Congress against the Puerto Rican people, which exemplifies the colonial status of the island.

Here again the last Muñoz Marín empty gesture, H. R. 7674, does not attempt to remedy this situation, nor provide any means for remedying it.

Furthermore, under the Sugar Act passed by this Congress, the Federal Department of Agriculture has fixed for Puerto Rico an annual export quota of 910,000 tons of sugar, and an annual domestic quota of 100,000 tons. Puerto Rico produced 1,277,482 tons in 1949. Ninety-six thousand tons of excess are in the hands of Puerto Rican producers today. It is estimated that at the end of 1950 there will be an excess of 250,000 tons in the hands of Puerto Rican producers. Even though the annual consumption of sugar in the United States has gone up to 7,800,000 tons, the basic quota of Puerto Rico has not been increased substantially. This has been so because the Sugar Act passed by this Congress provides that the normal Puerto Rican quota of 910,000 tons a year can be reduced if the normal consumption, as fixed by the United States Department of Agriculture, is less than 7,000,000 tons, while no provision is made for an increase when the annual consumption goes over 7,000,000 tons a year.

Here again let me remind the people of Puerto Rico that with the adoption of H. R. 7674 this situation with respect to sugar will not be changed, and that the Puerto Rican sugar quota will continue to be dependent on the will of the Congress of the United States.

Under our rule the people of Puerto Rico have seen the destruction of their coffee trade. That has been so because we offer no tariff protection to coffee. We do that because we produce no coffee in the United States. Our tariff is drafted to protect our crops. If we protect sugar which is a Puerto Rican product, it is because we produce 2,000,000 tons of sugar right here in the United States. If we buy Puerto Rican sugar it is because we have a normal consumption of 7,000,000 tons a year. Coffee was one of the most important cash products to Puerto Rico in 1898 when Puerto Rico had a market for its well-known product in 17 nations. Today Puerto Rico not only is not a coffee-exporting country, but it imports coffee from the United States, which is not a coffee-producing nation. We buy coffee from Brazil and other countries and sell it to the people of Puerto Rico. Today, when the price of coffee has gone up, the Puerto Rican people have been unable to take advantage of the world situation because the coffee growers are ruined. It is important to point out that over 15 percent of the Puerto Rican people live on the production of the coffee-producing region.

Furthermore we afford no real protection to the Puerto Rican tobacco. We fix the price of the articles we sell the Puerto Ricans and of the articles which they sell us. In short, we have a strangle hold upon the Puerto Rican economy and have reduced that country to a state of misery and abysmal poverty.

Neither Puerto Rican coffee nor Puerto Rican tobacco can be protected with the enactment of H. R. 7674. These products will remain the victims of our strangle hold upon the economy of Puerto Rico. So that H. R. 7674 is definitely an empty gesture. It fails to deal with the fundamental problems of Puerto Rico. It fails to protect Puerto Rican economy. It fails to relieve Puerto Rico from the yoke of imperialism and colonial exploitation under which it is suffering. It fails to establish democracy for Puerto Rico, and therefore fails to give Puerto Rico self-government in the real sense of the word.

Again I repeat the Muñoz Marín proposal perpetuates one of the worst forms of colonial exploitation.

Under the colonial system of exploitation which I have just described, we have now in Puerto Rico over 300,000 unemployed out of a total population of 2,200,000 inhabitants. That would amount, more or less, to 21,000,000 unemployed in the United States.

One of the vicious results of this system of exploitation is that we have right now in Puerto Rico 309,000 children of school age without school facilities out of a school population of 688,000 children. The rest do not receive adequate education. They just go to school for half a day. From 6 to 7 persons out of 100 graduate from high school under the half-a-day training program in force. The average person in the rural areas receives the equivalent of 2 years' schooling in the United States, for the average person in Puerto Rico goes to school for 4 years on a half-day basis. The people of Puerto Rico do not have the educational facilities offered to the citizens of the poorest State in the United States.

The conclusions stated above are not my own. They are the conclusions arrived at recently by a committee of experts of Columbia University hired by the government of Puerto Rico to make a survey of the educational facilities of the people of the island.

We have in Puerto Rico the worst slums of the Western Hemisphere. The tourist going to the islands is greeted by the slum called La Perla—the Pearl. When he departs he is bade farewell by El Fangrito—Little Mud.

La Perla and El Fangrito are two of the typical slums of the island. Last December saw destruction and misery in some of the slums of the island when an unusually high tide of the Atlantic wiped away many of the houses in La Perla, San Juan, Palo Seco in Toa Baja and Palmarito and other places in the city of Arecibo.

There exists a municipal hospital system in Puerto Rico which has been characterized by the health commissioner of the island, Dr. Juan A. Pons, as one which offers the people a service worse than the one given its dogs in a hospital for animals.

About three-quarters of the total population of Puerto Rico is at present ill-clothed and ill-housed.

To help the people of Puerto Rico this Congress has made no appropriation for educational facilities. We have not extended to the island the total benefits of the Social Security Act. We have done nothing to correct the transportation conditions in the island. We have limited, as I said before, the production and refining of sugar. We have done nothing to protect coffee and tobacco production, while we have directed obstacles in the path of the development of the needletrade industry, which is undergoing right now a crisis.

*Program*

To take care of the immediate needs of the Puerto Rican people it is imperative that we enact a program which will help these people to face the impending crisis. Among the immediate measures which should be adopted are the following:

First. Allow Puerto Rico to refine its sugar production.

Second. Increase the Puerto Rican sugar quota to absorb present and estimated excess. This requires an amendment to the Sugar Act which would provide "that in the event that the sugar consumption of the United States is considered by the United States Department of Agriculture to be in excess of 7,000,000 tons a year, the basic quota of Puerto Rico of 910,000 tons be raised accordingly."

Another solution would be to permit the Puerto Rican producers to sell their excess in the world market at 1 cent less than the price and have Congress appropriate $6,000,000 to compensate the Puerto Rican producers for their loss.

Third. Extend to Puerto Rico all the benefits of the Social Security Act.

Fourth. Extend to Puerto Rico Federal aid to an amount not less than $10,000,000 to extend its educational facilities.

Fifth. Legislate to help in a program of coffee and tobacco rehabilitation.

Sixth. Take measures to end discrimination against Puerto Rican workers in the United States. Enact a genuine FEPC bill.

Seventh. Give back to the people of Vieques the land which has been taken away from them by the United States Navy. This land is not used at the present time by the Navy, and the people of Vieques have been displaced en masse from their homes and they are undergoing a terrible plight. During last Christmas the mayor of Vieques sent a message to the Governor of Puerto Rico telling him that the people of Vieques were so desperate that they were asking only for a Christmas dinner.

Eighth. Appropriate money for the establishment of a Federal Public Works program on a large scale to relieve the unemployed.

To solve the problem of Puerto Rico on a permanent basis it is imperative that colonialism be ended in the island, and that the people of Puerto Rico be allowed to draft their own constitution as a free an independent nation, and not as a colony as provided in H. R. 7674. Provisons should be taken at the adoption of my independence bill to insure the transformation of the colonial economy which we have developed in Puerto Rico since 1898 into the economy of a free and independent nation.

The trend in our time is toward the liquidation of colonialism everywhere and the granting of recognition to new and independent nations, to work together under the framework of the United Nations. The trend is also toward international cooperation and toward the offering of help to small nations, so that they can better develop their economies, and so that they can better help in the building of a better world.

The Muñoz Marín-Fernós-Isern proposal runs counter to this trend, and it is therefore reactionary and imbedded in the decayed structure of colonialism.

The people of Puerto Rico can only solve their economic problem through industrialization. In order to develop a wide program of industrialization they must have power to make their own tariff laws, to negotiate reciprocal trade agreements, to make their own coastwise shipping laws, and to have complete jurisdiction over their territory and land, their waters, their air, and their people. They cannot have these powers under colonialism. They cannot have these powers under H. R. 7674. They cannot have these powers under statehood. They can only have these powers under their own sovereignty in a free and independent nation, a nation able to enter into negotiation with other countries on a basis of equality and of justice.

What Puerto Rico needs to solve its problems is sovereignty—full sovereignty. The Muñoz Marín proposal denies even limited sovereignty to the people of Puerto Rico.

The people and Government of the United States are bound to help the people of Puerto Rico. It is our responsibility because we have exploited them for over half a century. It is our responsibility because we have cut them off from world markets. It is our responsibility because we have made them dependent on our own economy. It is our responsibility because they have helped fight two of our wars. It is our responsibility because they are a hard-working and progressive people, with a noble tradition of solidarity in the Western Hemisphere, and with a noble cultural heritage.

The people and Government of the United States cannot and will not deny help to a free Republic of Puerto Rico. I am confident that Americans will assist the people of Puerto Rico in their struggle for independence when they are given a true picture of our relations with Puerto Rico.

We have a false picture in Congress and in the United States of what has been going on in Puerto Rico, because the colonial government there is headed by a governor who is working hand in hand with imperialistic interests, and whose job it is to give the impression to the people of the United States and to the world that Puerto Rico is not a colony, but a country of free and contented people to whom we have extended a fair deal.

The name of that man is Luis Muñoz Marín. Under his government we have seen floundering the most extravagant, luxurious, pompous, and irresponsible bureaucratic government that anyone can imagine.

This character Muñoz Marín may be accurately described as the Nero of La Fortaleza—the Governor's palace. While his people starve, and at their expense, he has built for himself a false reputation here in the United States as a champion of the jibaros—peasants—of Puerto Rico, when as a matter of fact, like Nero, he ignores their suffering and lives well at their expense.

This man came to power as a champion of independence, as a champion of the under dog, as a champion of simple, austere life in public service. And now he is a renegade of independence, he is working hand in hand with the Wall Street crowd, and he has established in the island an era of the most extravagant and expensive government that the people of Puerto Rico have ever seen. He has used public money for his own personal propaganda. He pays the publicity agent, Hamilton Wright, $140,000 a year. Incidentally, some of the newspapers in the United States are beneficiaries of this propaganda slush fund. One of the chief apologists for Muñoz Marín is the New York Herald Tribune. An examination of the advertising in the New York Herald Tribune will expose it as one of the chief beneficiaries of this huge propaganda fund which is squeezed out of the bloodless veins of the people of Puerto Rico. Of course the propaganda slush fund is clothed under the guise of propaganda for Puerto Rican products, but it is actually personal propaganda for Luis Muñoz Marín, and for the colonial system. Most of the propaganda from Puerto Rico which we read centers around Muñoz Marín to promote him personally, and to alibi the present system of colonial exploitation. Besides the money paid as a retainer, thousands and thousands of dollars are spent in publicity in American magazines and periodicals to promote Muñoz Marín personally, and to cover up indecent exploitation of the Puerto Rican people under the present colonial status.

This man uses public money for his personal propaganda without accounting to the people of Puerto Rico. His inauguration last year was the most grandiose, Roman circus, carnival-like festivity which anyone has ever seen. Four hundred people from all over Latin America and the United States were invited to the ceremonies, and all the expenses were paid by the people of Puerto Rico, from air transportation, hotel accommodations, taxis, and for all kinds of extra entertainment. Up to this time nobody knows exactly the amount of money which was expended during this inauguration, but it is known that an enormous amount of money was expended and that the fees far exceeded the appropriation for the expenses of the inauguration for the President of the United States. The legislature did not make any appropriation in advance for these ceremonies. After they had taken place bills of deficiency were sent to the legislature without any specific accounting being given, and they were approved by the legislature without discussion of the specific items and amounts, and in the midst of a standing applause of the stooges of Muñoz Marín in the legislature.

With this inauguration there was inaugurated in Puerto Rico one of the worst saturnalias of corruption in the history of governments.

Mr. Speaker, I wish to state right here, however, that neither Mr. Muñoz Marín nor his administration are the product of Puerto Rico. They are the product of colonial exploitation. They are the minions of our colonial status imposed on the people of Puerto Rico. Their actions do not reflect on either the integrity or the honor of the people of Puerto Rico. They merely prove again that puppets of imperialism never serve the best interests of their people.

Here is some more on Mr. Muñoz Marín.

Every week different persons from various places are invited to stay with Muñoz Marín at the Governor's palace known as La Fortaleza. There again the sole purpose is that of obtaining personal publicity and to cover up for colonialism. No account for the parties nor for the expenses is given to the people. The entertainment is most extravagant. Members of the House who have been entertained at La Fortaleza will bear me out. However, I doubt if the visiting Congressmen knew that the entertainment came out of the pockets of the suffering people of Puerto Rico. This type of entertainment is shocking because Puerto Rico is poor and its people are poor. All this despite the preelection

promises of Muñoz Marín to institute a program of austerity and simplicity in the public life of that country.

*Nero of Fortaleza*

This Nero of Fortaleza has at at his disposal large numbers of automobiles. His personal bodyguard is unprecedented in size. The number of attendants and retainers at Fortaleza have been abnormally increased, and so has the number of political parasites on the governmental structure rapidly multiplied.

Again, Mr. Speaker, I say that all this is a byproduct of our colonial status and not the product of the people of Puerto Rico.

Let me call the attention of the Members of this House who are so critical of large Government expenditures here to the following salaries paid to the favorites of this colonial emperor of ours in Puerto Rico. Here is a list of salaries which would make even our local grafters gasp:

| | |
|---|---|
| Antonio Luchetti, head of the Water Resources Authority | $30,000 |
| (This man also gets expenses, automobile, chauffeur, and a residence which is a palace.) | |
| Rafael Buscaglia, president, Development Bank | 30,000 |
| Esteban Bird, vice president, Development Bank | 28,000 |
| E. R. Bonniwell, finance director, Development Bank (plus expenses) | 22,000 |
| J. R. Hanson, manager, Glass Factory of the Puerto Rico Industrial Development Co | 20,000 |
| Teodoro Moscoso, president, Puerto Rico Development Co | 18,000 |
| Sergio Cuevas Bustamante, director, Puerto Rico Aqueduct Service | 15,000 |
| Thomas A. Fennell, manager, Agricultural Co. of Puerto Rico (plus expenses) | 12,000 |
| (Mr. Fennell was dropped as manager after terrific public protest, but was retained as an absentee expert at a salary, according to my information, of $5,000.) | |
| Jose Acosta Velarde, director, Land Authority | 12,000 |
| Moriano Ramirez, vice president, Development Co | 12,000 |
| David Ramirez, vice president, Development Co. (this officer was dropped later on) | 12,000 |
| Rafael Fernandez Garcia, vice president, Development Co | 12,000 |
| Homer J. Miller, manager, Paper Factory of Development Co. (this factory closed because of huge deficit and lack of market) | 12,000 |

The information that I am herewith revealing was dug up by an economist, Eliezer Curet Cuevas, while working for a Puerto Rican newspaper, El Mundo, and the information was published in that paper on January 23, 1949. He pointed out that 17 executives of the Puerto Rican government and the various government corporations and authorities are receiving salaries amounting to approximately $300,000 a year.

On the other hand, Mr. Cuevas pointed out that the salaries received by the small government employees had been reduced from 1940 to 1948. That is so because the cost of living in Puerto Rico has increased in the island so much faster than the salaries of the small employees.

There are other salaries, the exact amounts of which I do not have. I understand that many of the salaries I have recited, as well as others, have been raised since Mr. Cuevas published his article on January 23, 1949.

Accompanying this extravaganza of fancy salaries, let us see what the Muñoz Marín government has done with respect to government finances.

Under the leadership of Muñoz Marín, the government has embarked on a loan program from Wall Street. It has issued bonds which were sold in Wall Street for $50,000,000 at a very high interest rate. It is negotiating an additional loan for this agency, the Water Resources Authority. To guarantee these bonds they pledge the property of the Water Resources Authority. It also issued bonds which it sold in Wall Street in the amount of $22,700,000, also at a high interest rate for the Aqueduct and Sewage Service of Puerto Rico. It negotiated this loan for $22,700,000 even though they are expending the money at the rate of about $4,000,000 a year—the balance is deposited in private banks and draws no interest, while the people of Puerto Rico are paying an interest rate on the total amount of the bonds.

It should be pointed out that Mr. Bonniwell, the financial adviser of the Government of Puerto Rico, was related to the bond firm of Wall Street, B. J. Van Ingen & Co. That firm negotiated the first $20,000,000 bonds for the Water Resources Authority when Mr. Bonniwell was connected with the firm. After that he went to work with the government of Puerto Rico and that firm participated in the negotiation of the $22,700,000 in bonds negotiated by the Aqueduct and Sewage Service. The commission which negotiated the bonds is fixed by the government bank of which Mr. Bonniwell is financial adviser.

While the people's finance is being squandered and the people's financial ability is being exploited, let us see how the local government itself operates, and again here I repeat, this is not the product of the people of Puerto Rico but the product of colonialism in its worst form.

Mr. Muñoz Marín has tried to centralize in his own hands all the government of Puerto Rico. Now he is planning to eliminate the municipal assemblies and usurp the powers of the municipal officers—to be controlled by the Governor.

The most important decisions of the legislature are made at dinners which are given at La Fortaleza to the legislators by Mr. Muñoz Marín. The legislators will not pass bills which have not the previous approval of Muñoz. Actually every bill is written completely at La Fortaleza.

Now, as to the fundamental economy of Puerto Rico itself, let us examine the following:

Because of the special war conditions, huge amounts of moneys entered the government of Puerto Rico. According to a report which was filed by the governor of Puerto Rico before the United Nations, from June 30, 1940 to June 30, 1949, $713,000,000 went to the treasury of Puerto Rico. From this $144,000,000 were appropriated for the insular agencies and authorities. Besides, these agencies received $72,000,000 from the sale of bonds. In spite of these bonds, Muñoz Marín has done nothing to promote in a fundamental way the Puerto Rican economy. This has been partly so because of the inner inequities of the colonial structure and partly so because of the incompetence of Muñoz Marín, and because of this extravagant and expensive government, and his extravagant and expensive way of living.

Out of the money received, he appropriated $15,000,000 for the Agriculture Development Co. which was a flop. The money, under the direction of Mr. Thomas Fennell, a totally incompetent person, was squandered.

Eleven million dollars were appropriated for five government plants—cement, paper, glass, shoe, and ceramics. All of these plants except the cement plant have operated at a deficit. The glass plant ceased its operation last August because of lack of market. The other 4 employ only 820 workers.

This is the story of the industrialization program of Muñoz Marín which has proven to be a complete failure.

Another agency of the government, the transportation authority, which is a government monopoly of transportation within the metropolitan zone—that is, San Juan and surroundings, including Rio Piedras—gives nothing but inefficient service and it has been operating at a deficit of over $1,000,000.

Fundamentally, all these agencies and especially the land authority are used for political purposes. Of course, I am in favor of the principle involved in the establishing and functioning of all these authorities. I have defended the land authority. I have defended also the land policies of the government of Puerto Rico, up to and including the establishment of the land authority. I have favored the proportional benefit fund. I have also favored the water resources authority and others. But I am against the use of the land authority as a political agency, and I am against the mortgage of the properties of the water resources authority and of the aqueducts to the Wall Street crowd. The water resources were formerly in the hands of the Puerto Rican Railway Light & Power Co. Now they are in the hands of the bondholders of Wall Street. The same can be said of the aqueducts of Puerto Rico. As a result of that the water rates and the electric light rates have gone up to the extent that protest demonstrations have been organized by consumers in Puerto Rico.

Muñoz Marín has changed the whole philosophy under which the authorities were created, and has used them to his political advantage. To do this he has allied himself with Wall Street vested interests and he is today their stooge and servant. He has mortgaged these authorities to Wall Street interests.

*Operation booby trap*

We have heard through the fancy, high-paid advertising, a great deal about Operation Boot Strap, but to the people of Puerto Rico the Muñoz Marín administration can be called Operation Booby Trap. The following story of the Caribe Hilton Hotel demonstrates what I mean when I say the Muñoz Marín administration is Operation Booby Trap for the people of Puerto Rico.

The story on the Caribe Hilton Hotel is an example of the Government's policies to attract industries. The Government of Puerto Rico built the hotel at a cost of $7,000,000. The hotel has 300 rooms. Then, after it was built, the Government leased the hotel to the Hilton Hotel Corp. on a 20-year lease.

Muñoz Marín has not even revealed the amount for which the hotel was leased, even though the people have asked for this information. This is part of the policy of secrecy in the government—the people are never given information about the way the money is expended. Everything that was used, including furniture, was flown from the United States. Even the sugar came from the United States to Puerto Rico, and also most of the employees were taken from the United States to Puerto Rico. The expenses for propaganda, as announced by the management, went over $150,000, and the Government of Puerto Rico pays half of that amount. Up to this time they have paid $75,000.

The government policy to attract industries to Puerto Rico is based on the principle of constructing the plans for the firms to go into Puerto Rico and to equip them. Then the firms are tax-exempt for a period of 12 years. These firms, like Textron, want a guaranty that the minimum salary will not be raised, so that these firms expect to do business on the basis of paying starvation wages to the workers of Puerto Rico. Textron recently said that if the minimum wage is increased from the 25 cents an hour which they are paying now they will move from Puerto Rico.

The Caribe Hilton Hotel was also exempted from paying taxes.

All these industries which may go to Puerto Rico can leave the island whenever they choose and leave the Puerto Ricans with all the expenses already incurred. So we can see that all this industrialization program of Muñoz Marin is just hooey. It is, I repeat, not Operation Boot Strap, but Operation Booby Trap for the people of Puerto Rico.

While Muñoz Marín is engaged in Operation Booby Trap for the people of Puerto Rico, let us see what is happening to the people themselves.

The cost of living in Puerto Rico has gone up about 300 percent since 1940, while salaries and wages have had only a slight increase and now are going down. The huge amounts of money which entered the Puerto Rican treasury were because of the revenue on rum and the high taxes collected from the people of Puerto Rico. I would like to here note that in Congress I protected the income from rum for the treasury of Puerto Rico.

There was in general an artificial atmosphere of prosperity because 80,000 Puerto Ricans were under arms and their relatives were receiving benefits; war construction was going on and there were war Government jobs. Muñoz Marín squandered the huge amounts of money received. No permanent works were built by him. No substantial reserve was established. Muñoz Marín received from 1940 to 1948 in his government more money than the total amount of money received by the successive governments of the island from Juan Ponce de Leon, the first governor under Spain, to 1940.

During the war the price of sugar was frozen to prewar prices, 1939. On the other hand no control was put on the items imported from the United States. The result was that while the price of sugar was kept low the price of rice, beans, codfish, lard, meat, butter, bacon, machinery, and so forth, went up to a fantastic level. It has been figured out by economists of great prestige in the island, that because of this the people of Puerto Rico lost an average of $80,000,000 a year since 1940, or about $540,000,000 during the war years.

And again let me repeat, the number of unemployed in Puerto Rico totals 300,000 out of a population of 2,200,000 inhabitants.

Yes, the Muñoz Marín rule is indeed Operation Booby Trap for the people of Puerto Rico.

While the government of Puerto Rico has been so diligent in its extravagant and expensive propaganda, it has taken no measures to insure the safety of the people of Puerto Rico. Last year—1949—we saw the worst disaster in the history of Puerto Rico. There was an air crash in Puntas Arenas where over 50 persons were killed. The lack of supervision at the airport was responsible and we must blame the government of Puerto Rico for this.

There was a fire in San Juan last March—1949—where eight people were burned to death. They were unable to escape because there are no fire escapes in any of the buildings in San Juan and because the entrance halls were blocked by the wares and boxes of small merchants who rent space in these halls.

Last June there was a typical extravagant fiesta which was organized by Felisa Rincon, the appointed city administrator. Because of the big crowd in a structure which was built for dancing, the structure collapsed and two persons were killed and others injured. This accident was due to the negligence of the authorities. It occurred at night. The morning after the accident the whole structure had disappeared, so that the people have never been able to determine what really happened and who was responsible for the accident.

There have been several explosions in Government works belonging to the water-resources authority and workers have lost their lives because of the lack of safety measures and the complete negligence of the Government.

Mr. Speaker, I could go on and recount many more incidents of the neglect of the people of Puerto Rico by its present rulers. I could go on and recite many more phases of the exploitation of the people of Puerto Rico. I shall from time to time recite more chapters from the story of the sordid saturnalia of corruption and graft which now exists under our "Nero of Fortaleza," the puppet of our colonialism.

My purpose in this speech, however, is to establish, which I believe I have done:

First. That H. R. 7674 is an empty gesture and a device to cover up, and to perpetuate the colonialism and exploitation imposed on the people of Puerto Rico by selfish interests in the United States.

Second. That the graft and corruption by the present rulers of Puerto Rico is not the product of the people of Puerto Rico, but the byproduct of the system of colonialism and exploitation under which the people of Puerto Rico are suffering.

Third. That the suggestions which I have made for immediate solution of Puerto Rico's immediate problems are of immediate character and must be enacted immediately to save the Puerto Rican people from further suffering.

Fourth. That the only real solution for Puerto Rico and its problems is to grant to the people of Puerto Rico full sovereignty; the only guaranty which the people of Puerto Rico can have to solve their problems—yes, the full sovereignty of a free and independent nation, and this, I submit, can be achieved by the enactment of my bill.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. EBERHARTER. I, together with some other Members of the House, was down in Puerto Rico a couple of months ago. None of the members of our subcommittee agree at all with the statements made by the gentleman from New York. There was an election in Puerto Rico and the present party got over 60 percent of the votes.

Mr. MARCANTONIO. Of course, the gentleman spent his time at Fortaleza, the Governor's palace, where he was extravagantly entertained and grossly misled by Muñoz Marín.

Mr. EBERHARTER. I want to say that we went through the country.

Mr. MARCANTONIO. Just a moment. Whatever traveling he did in Puerto Rico was done under the Governor's auspices. I doubt if the gentleman was permitted to see much of the havoc caused by colonialism in Puerto Rico. I also doubt whether the gentleman knew that that entertainment was paid for out of the empty pockets of the people of Puerto Rico. These entertainments at Fortaleza by the present Governor of Puerto Rico are very fine. They afford the Members a good time, but at the same time the entertainment helps cover up the real picture of what exists in Puerto Rico. The gentleman from Pennsylvania referred to the election of 1948. I shall discuss even that in another speech soon. However, that is neither here nor there. I challenge the gentleman to refute the facts that I have mentioned in my speech. These facts are uncontrovertible and no amount of hocus-pocus and good times extended by Muñoz Marín to House Members will explain these facts away.

The CHAIRMAN. The time of the gentleman from New York [Mr. MARCANTONIO] has expired.

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KEARNS].

Mr. KEARNS. Mr. Chairman, I am very happy to stand in the well of the House this morning and speak favorably for this legislation. I am not going to try to discuss the technical phases of this proposed constitution for the island, but I would like to give the Members my own personal opinions, derived from my visit to Puerto Rico.

I think that the strides that have been made under Governor Marin and under the worthy representation in this House by Dr. FERNÓS-ISERN has certainly told its worth throughout the populace there. I feel that the people of Puerto Rico need some kind of a charter, in this constitution, to enable them to arrive at better government in the island. I think it would help their senate and their house. It would integrate their problems of government on the island. At the present time I think probably both houses flounder, and are not sure what approaches should be made in certain types of legislation. In any event, this does not take away the authority of the United States Congress over what dispositions shall be made for the island, but simply sets them up in a position whereby they can better approach matters in behalf of the island in a better way.

I did not merely go to certain places that I was supposed to while visiting there. I went up the highways and byways. I talked to men in the shops, to men in the streets, to men in the stores, to legislators, and to doctors and school teachers. I visited the schools. I can see a very, very strong trend toward individualism there that is most worth while.

I feel that the present system of government under the leadership of Governor Muñoz Marín is making wonderful strides, and I am greatly pleased with the results of the industry committee there, because that committee, composed of management and labor, work over their problems and they have unity of thought. Once those meetings are over—and that board consists of laymen, labor, and management—I am surprised at how well they are able to arrive at a solution of their problems. We here in the United States frequently have prolonged strikes before results and agreements can be reached. Let me say at this time that I feel that every Member of this House when he votes for this charter of government for this island is doing a very good turn for a people who are trying in every way possible to do the best they can for their own island.

I also would like to report that I feel there is no effort being made in any way for statehood; that the people of Puerto Rico are not interested in statehood; they are loyal Americans and want to be always an integral part of the mainland and are in no way planning to set up any movement for statehood.

Let me also say that the development company in Puerto Rico has built industries and supplied jobs. It has done a wonderful piece of work. I have talked with all of the members of that company. They take their money, build plants, train employees, then turn it over to private management, take that capital and reinvest it in some other industry. The average Puerto Rican is industrious, and I believe this Congress would make a very, very good beginning

in helping those people feel that they are important and that they are making a great contribution to the United States of America.

Mr. CRAWFORD. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, I am wholeheartedly in favor of the bill, S. 3336.

I wish categorically to deny the statement that has been made to the effect that this bill is a snare, a delusion, and a fraud. I wish to say to the gentleman from New York [Mr. MARCANTONIO] that that is not true; and he is sufficiently intelligent to know that he cannot make that statement stand up before the public of this country.

We are not offering the people of Puerto Rico anything except the right to vote on a constitution to be submitted to the President of the United States who, in turn, is to submit it to the Congress of the United States for approval.

We have lived with these Puerto Ricans for approximately 50 years. They are acquainted with our customs; they have lived for several decades under an organic act which Congress approved and sent down to them; they know what a constitutional representative form of government is; they are citizens of the United States, and they have sufficient sense and intelligence, and loyalty, and patriotism to design a constitution and return it to us which will square with the Constitution of the United States. If they are not able to do that at the present time, after 50 years under the American flag, the good Lord certainly knows that it is time for us to find out, first, what kind of guardians we are and, second, what kind of people we have under the American flag. I am, therefore, in favor of giving them a chance further to demonstrate, as they have heretofore demonstrated, that they are still good American citizens, and that they are still willing to do the right and square thing for themselves and the other people there. This bill will give them another chance to so demonstrate.

What was said in the 1948 election and what appeared in the 1948 election literature I would assume was about what appeared in the Democratic and Republican literature and campaign promises here in the States. But this is not a bill to settle that argument. Let those who run for office down there promise what they please and then answer to the electorate.

Puerto Rico at the present time is primarily an agricultural community. Tremendous progress is being made toward industrializing Puerto Rico. I do not want Puerto Rico to become exclusively an industrial shop because somebody is going to have to produce the food if all of these industrial workers are going to eat. That applies also throughout the world, in countries like India, Pakistan, and all of these other countries that seem to have the idea everybody can work in a factory and everyone leave the farm. You are not going to get away without the production of foodstuff. Somebody will have to do it. So some food will have to be produced in Puerto Rico along with industrial activity.

In the past 15 to 18 months new industries like chinaware, shoes, clothing, radios, gloves, men's low-priced sweaters and short jackets, men's clothing, textiles, men's high-priced dress shirts that sell for $8 to $10 a shirt in these very classy stores, such as Garfinckel, Woodward & Lothrop, Macy of San Francisco and Fifth Avenue stores in New York: They are selling the products of the brain and the handiwork of young Puerto Rican men and women who have come into these new industries in these recent months and many of whom never before saw a production line. They are today demonstrating what they can do under our supervision. I have visited many of these shops and manufacturing plants I am talking about in Puerto Rico. I have seen the labels being put on the goods. I have seen the labels being put on the packages shipped to these stores I am talking about. Their learners and apprentices down there are as active, as keen, and as adept as they are in the United States, and I do not know but what they are going to show up much better than some of ours here at the present time because the young Puerto Ricans are not yet fully indoctrinated with some of the slow-down operations that we have here in the United States.

Puerto Rico has no substantial natural resources, such as metals, oil, forest products, and so on down the line. They do have a lot of resources in the form of good intelligent labor. It so happens that we have a Fair Labor Standards Act in the United States which extends to Puerto Rico; it so happens that Puerto Rico has a good labor department of its own; it so happens that the wisdom of the House and Senate put in the Fair Labor Standards Act provisions which call for flexibility so that the people of Puerto Rico can build up these industries and supervise wages, thus protecting the people against the exploitation that has been referred to. Those labor laws are in operation and they are working out fairly well.

Only a few weeks ago when I addressed a joint session of the Puerto Rican Legislature, which was attended by Members of the Senate and House, the Supreme Court, the mayor of San Juan, and the Governor's staff, I said this to them and almost in these exact words: "If the Labor Department of the United States with the Congress and the Labor Department of Puerto Rico with the administration in power will let these new industries of Puerto Rico get their roots firmly established in the economic soil of Puerto Rico, there will be lots of progress and lots of production and good wages and a much higher standard of living for the people in that area."

Then I proceeded to point out that if some very foolish action were taken in the way, for instance, of first killing the china industry of Puerto Rico by giving a 100-percent increase in wages to apprentices before the factory even got into full production, all of this expansion of industry program that is under way could be killed on just one decision involving one operation in one industry.

Now, that is what they can do. Here it is several months since we passed the Fair Labor Standards Act, and that bad thing has not happened yet, and I hope it will not happen.

Reference was made to the terrible accident that happened in the Atlantic off of Florida the other day where a plane went down and the lives of several Puerto Ricans were lost. Here is my complete file on that situation. And, I do not mind saying to the House and stating the fact that up in my district I have been charged with being responsible for that accident. I am not proud of the charge, but I think you should have the facts on it. Why, a lot of people up there have been told that I am one of those people who advocate the feeding of sharks with human flesh, if you can imagine anything more asinine than that. For more than 15 years I have been attempting to get the people of the United States and the people of Puerto Rico to let Puerto Ricans, citizens of the United States, come to this country and enjoy some of our good jobs and good wages. During this last spring the good farm people of Michigan and Ohio made a contract with the Department of Labor of Puerto Rico, which was approved by the Governor of Puerto Rico, to move about 5,000 agricultural workers into the United States during the idle agricultural season in Puerto Rico so that they could work here and return to their cane fields this coming November. A contract was made with one of the airplane charter companies, not scheduled fliers, to move those people. The firm who moved those people has been moving people from Puerto Rico by chartered service for some years. They have moved thousands of them into the truck-farming areas of the Atlantic seaboard, New Jersey, and Maryland; thousands of them. The officials of that company, Westair Transport, were in my office the other day and I inquired categorically, "Did you ever before have an accident of this nature?" The reply was "No." There was another accident off San Juan Harbor, but not to this company. So, the farmers out in Michigan and Ohio made a contract with this charter company to move these people into the Tri-cities Airport, which serves my home town, and Bay City, Mich., the home of the Honorable ROY WOODRUFF, and Midland, the home of Dow Chemical Co.; one of the finest airports in the country. This charter company made several trips in there, and the accident occurred, and the Governor of Puerto Rico issued an order that no more contract labor move by nonscheduled airplanes. So, when the Governor issued that order, I sent a cablegram to him, a copy of which I have here. It is not confidential information; it has been released to the press. That was June 8. Here is the cablegram. I told him what the situation was and I said, "Let us see if we cannot fix it so that these 4,200 Puerto Ricans can come up here and work." He immediately contacted Pan American Service and the Eastern Air Lines, Eddie Rickenbacker's company,

and Pan American and Eastern produced nine super de luxe four-motor planes that gave good, fine service, and moved those 4,200 people in there, and, as I understand from official sources, it was the greatest air lift of human cargo in peacetime in all history. Thousands and thousands of people came to that airport and witnessed Pan American's and Eastern's magnificent handling of this movement. No accident; no trouble. But, while that was going on, Northwest Air Lines had an accident out in Lake Michigan. Fifty-eight lives were lost. There were a few pieces of debris from the plane, one or two blankets out of the plane, and a few pieces of human bodies.

Who was the cause of that accident? Perhaps within 3 or 4 days I may be charged with having blown up that plane. God only knows what the CIO is going to charge me with in the campaign that is going on up in Michigan. So some very unusual and strange things evolve. I think, perhaps, the gentleman from New York [Mr. MARCANTONIO] at one time thought I might have been responsible for the accident off in the Atlantic a few days ago.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CRAWFORD. Mr. Chairman, I yield myself the balance of the time.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman on that point, not to make a speech.

Mr. MARCANTONIO. Yes, on the question of the accident. I made no charge against the gentleman, and the gentleman knows that.

Mr. CRAWFORD. The gentleman got awfully close to it up before the Rules Committee the other day, and I corrected him on it.

Mr. MARCANTONIO. I said then and I say now that the investigation reveals, and this is official——

Mr. CRAWFORD. Submit the official report and we will stand on the report.

Mr. MARCANTONIO. I will give it to the gentleman now.

Mr. CRAWFORD. No; the gentleman will submit the official report.

Mr. MARCANTONIO. The plane was overloaded by 2,335 pounds.

Mr. CRAWFORD. We will get the report from the CAB. They are the ones who regulate these planes.

Mr. MARCANTONIO. The plane was overloaded by 2,335 pounds. Those responsible for that, in my opinion, are guilty of murder.

Mr. CRAWFORD. The CAB issues the rules and regulations under which airplanes fly, and the CAA issues rules and regulations. The only protection you and I have as passengers on an airplane is the rules and regulations of the CAA, the CAB, and the common sense of the operating crew of the company. That is all the protection we have. You have your protection on the trains under the ICC, and on the busses under the ICC and the State utilities commissions, and so forth. So we have to rely on the supervisory authorities.

Going back to this bill, if we have any faith whatsoever in what we have been preaching to the world in World War I and World War II we ought to be willing to let the people under the American flag determine something about the form of government under which they live. This bill is not for statehood, this is not for independence. At no time have I ever come to a conclusion where I thought Puerto Rico could ever support statehood. Certainly Puerto Rico cannot support any type of independence. She would have to be a puppet of some other country. But Puerto Rico can be a colonial possession and have a great deal to say about her own government, under which the Puerto Ricans live.

Two years ago under Republican control of the House and the other body we gave Puerto Rico a chance to elect its own Governor. Prior to that Puerto Rican Governors had been supplied mostly on the basis of political debt payments. They elected a good Governor. He is doing a fine job. He is a Puerto Rican. He is doing just as good a job for his area as the governors of our States are doing for their areas.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER Something has been said here with respect to the 300,000 unemployed in Puerto Rico. I think it has been said that those people are unemployed because Puerto Rico is a colony.

Mr. CRAWFORD. I get the gentleman's point. The way to remove unemployment in Puerto Rico is to let those citizens come to the United States and fill some of our shortages up here. That is exactly the program I have been describing. I hope that next year we can induce the farmers of the United States and the Government of Puerto Rico to move a minimum of 20,000 Puerto Rican agricultural workers into the United States, and move them by super-deluxe planes. These 5,000 up here at the present time will have to be moved back in October or November. We should make the preparations, and we should have the CAB, who issues the certifications for these planes to travel, establish a rate and create some competition between San Juan and New York City, so that these people can move at reasonable costs of travel instead of paying the high prices they have had to pay heretofore.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. AUGUST H. ANDRESEN. What the gentleman said about the need to have these people from Puerto Rico for agricultural labor is accurate, but the difficulty is that we tried to get some of them to work out in the Midwest in the canning industry. But you cannot keep them there. They all want to go to New York.

Mr. CRAWFORD. Yes; and we have too many of them up there now.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. EBERHARTER. It is my personal opinion, from my observation, that if Puerto Rico was independent and had its sovereignty, there would be many times more unemployment than they have at present.

Mr. CRAWFORD. Why, there would be ten times as much. We would have a situation like we have in the Philippines. We gave the Filipinos their independence 50 years too soon. I never agreed to it; I always opposed it. They are just a puppet of the United States; as a result of the development of the war. We have to underwrite the Filipinos. Of course, I support that 100 percent. I would go in there with every kind of protection, as I said the other day, and I am willing to be taxed for it and all that goes with it, because I do not propose to surrender the Philippine Government to the Russians.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. ENGLE of California. The newly elected president of Puerto Rico is for this bill, is he not?

Mr. CRAWFORD. Does the gentleman mean the Governor?

Mr. ENGLE of California. Yes.

Mr. CRAWFORD. He certainly is.

Mr. ENGLE of California. And he has advocated it before the committee?

Mr. CRAWFORD. That is correct.

Mr. ENGLE of California. And if he is doing something that the people do not like, why they can beat him, can they not?

Mr. CRAWFORD. They certainly can.

Mr. ENGLE of California. And that is what they can do with the Commissioner sitting here?

Mr. CRAWFORD. Yes.

Mr. ENGLE of California. So that we are doing just exactly what they want us to do, is that not correct?

Mr. CRAWFORD. Yes.

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the distinguished chairman of the Committee on Public Lands, who has this bill in charge.

Mr. PETERSON. Mr. Chairman, I think the purport of this bill is rather clear. But I do want to emphasize a few salient points here. In the first place, the commitee has tried very carefully to safeguard everybody's rights and to see that this was handled in a democratic way. As has already been pointed out to you, the elected Governor of Puerto Rico appeared before the committee and urged the passage of this bill. The distinguished Commissioner from Puerto Rico who sits with us, and who has the high regard of every Member of the House of Representatives, has himself told you, in a very fine address, that he is urging the passage of this bill.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. PETERSON. I yield.

Mr. ENGLE of California. Not only is that true, not only are we following the recommendation made by the elected representatives of the people down there, but in addition this bill provides, does it not, that the people will vote on the question of whether or not they want to accept the bill and go into a constitutional convention before it becomes law.

Mr. PETERSON. The gentleman is correct. That was the next point I was going to develop very clearly. It is not upon the constitution itself—that is not the first step in which the people have a right to vote. This bill provides that the people have a right to vote whether this act shall take effect.

There is to be a referendum. Those of you who serve in this legislative body know that that is one of the fairest ways to express democratic approval of legislation. I will give you the exact wording of the bill:

> Upon the approval of this act by a majority of the voters participating in such referendum, the legislature of Puerto Rico is authorized to call a constitutional convention to draw the constitution for the said island of Puerto Rico.

They do not have a constitutional convention until the people of Puerto Rico have spoken affirmatively in an island-wide referendum approving this act.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. PETERSON. I yield for a question.

Mr. MARCANTONIO. Just for the sake of the record showing the history of this legislation, originally when this bill was introduced, that provision was not in the bill; is that correct?

Mr. PETERSON. But it is in the bill now and it is in the bill reported by the committee.

Mr. MARCANTONIO. I am not asking that. It was not in the original bill; was it?

Mr. PETERSON. It is in the bill which the House considered. We are considering the Senate bill. By reason of that, it is in the bill. We felt it was the fair and democratic way. What was considered in the other body, or what was originally in the other body, is not before us.

Mr. MARCANTONIO. But as a matter of record, it was not in the original bill.

Mr. PETERSON. The record will speak for itself. This did gain us strength because we felt it is a fair method.

Mr. FERNÓS-ISERN. Mr. Chairman, will the gentleman yield?

Mr. PETERSON. I yield to the distinguished Commissioner.

Mr. FERNÓS-ISERN. It is a matter of record that the bill which I introduced in the House and the bill as originally introduced in the other body carried language with reference to the acceptance of this act by the people of Puerto Rico. The change has been to make it clear and plain that that means a referendum. Therefore, the only change has been as to the phraseology.

Mr. PETERSON. Yes, the distinguished Delegate is correct the referendum is provided because we feel it is the fair and proper way.

Now, when they have a constitutional convention and the constitution comes back, it has to provide a republican form of government and a bill of rights. When it comes back here it goes to the President of the United States, and he is authorized to transmit such constitution to the Congress, if he finds that that constitution complies with the applicable provisions of this act and the Constitution of the United States. He does not have to send it unless he so finds. Then it comes here and the Congress itself has to speak again:

> Upon approval by the Congress, the constitution shall become effective in accordance with its terms.

There are groups down there in Puerto Rico who want independence, who want statehood. There are groups who want to proceed in an orderly way. They elect their governor, they send their commissioner here. They can enlarge their responsibility and self-government by adopting their own constitution. That is what a great majority of the Puerto Ricans seem to want to do. It was represented to us that 76 of the 77 mayors were in favor of this; but, regardless of that, this does not preclude ultimate statehood, nor does it hold out any hopes of ultimate statehood. It is a progressive step until destiny finally determines what the people, they themselves, shall determine what they want to do and the Congress approves. It does not preclude independence.

So, I hope that you may pass this in its present form, without any amendment.

The CHAIRMAN. The time of the gentleman from Florida [Mr. PETERSON] has expired.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Chairman, I am thoroughly in favor of this bill. I believe that the people of Puerto Rico should be granted the authority to organize a constitutional government of their own choosing and of their own making, within the certain, well-defined boundaries and limitations specified by Congress. Although Puerto Rico has been under the American flag for over 50 years, we have been extremely slow in fulfilling our treaty obligations to decide the political status of Puerto Rico.

In 1900 Congress created a temporary civil government for Puerto Rico under what is known as the Foraker Act, and 17 years later a permanent civil government was established under the Jones Act. Under this latter act most of the provisions of law granted under the Foraker Act were retained and new provisions were included. It was not, however, until the past few years that we have made any substantial addition to the form of government of Puerto Rico, and during these last few years we have granted to the people of Puerto Rico the right to elect their own Governor and name most of their own public officials.

Last November I visited Puerto Rico as a member of the subcommittee of the House Committee on Ways and Means for the purpose of ascertaining the impact of the extension of social security on the economy of the island. We held hearings and we went out and studied the living conditions of the people of Puerto Rico. We learned what the Government of Puerto Rico is doing in its endeavor to advance the best interests of its people.

I came away confident that the people of Puerto Rico under the American flag had learned the principles of self-government and were indeed able to accept the responsibilities that go with citizenship in the United States. I believe that the overwhelming majority of the people of Puerto Rico desire to remain as American citizens and desire to be a part of our great Union, whether in the capacity of a State or as a federated commonwealth. Puerto Rico has made and is making great strides in its endeavor to solve its economic problems. Every effort is being made to industrialize the island, and it is the common belief that only through such industrialization will sufficient employment be had for the 2,200,000 people of Puerto Rico.

I found the people of Puerto Rico intensely loyal Americans, proud of their citizenship and equally proud in their belief that they were worthy of that citizenship. I believe that we can best show our faith in them by passing this bill and granting to them a constitution of their own making. I shall vote for the bill.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. ENGLE].

Mr. ENGLE of California. Mr. Chairman, the proposition presented by this bill is very simple. Two years ago the Congress authorized Puerto Rico to elect a President. Puerto Rico elected its own President, who took office last year. As the elected President of the people of Puerto Rico he has asked for this bill granting a constitutional form of government to the people of Puerto Rico. This request is also concurred in by the Commissioner from Puerto Rico, Dr. Fernós, who is the elected representative of the people of Puerto Rico under their Organic Act in the House of Representatives. There are certain elements in Puerto Rico which oppose this bill and advocate instead statehood or independence. The question is whether or not the Congress is going to be influenced by those factions or accept the judgment and recommendation of the elected representatives of the people. It is plain to me that we should do the latter, and that it would not be in harmony with our democratic principles to do otherwise than to follow the recommendations of the people elected to represent the people of Puerto Rico. We have provided an additional safeguard. This bill has to be submitted to a referendum of the people of Puerto Rico before a constitutional convention can be called. In short, we have taken the recommendation of the President and of the Commissioner and provided that the people can exercise a veto on it if they want to. The bill is satisfactory to the President and the interested agencies of our Government. It should be favorably acted on by the House.

Mr. ASPINALL. Mr. Chairman, I ask unanimous consent that the delegate from Alaska [Mr. BARTLETT] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. BARTLETT. Mr. Chairman, as a citizen of the northernmost Territory

under the Stars and Stripes, and as one who has spent a lifetime living under Territorial government, I hope I may be permitted to express the opinion that completion of congressional action on S. 3336 by this House and signing by the President of the act into law would be a distinct contribution to the process of self-government in the Territory of Puerto Rico.

No one need have any apprehensions about a grant of undue powers under this act to the people of Puerto Rico. Congress retains all essential powers set forth under our constitutional system, and it will be Congress and Congress alone which ultimately will determine the changes, if any, in the political status of the island.

The concept embraced in this act is as praiseworthy as it is new. The proposition that the people of any area ought to be allowed to do things governmentally for themselves instead of having things done for them finds ideal expression in S. 3336. American citizens do not like forever to be governed from afar with no voice whatsoever in the making of those laws which apply to them. I know that from long and personal experience as an Alaskan. Although I have made only one brief trip to Puerto Rico, I was struck then by the devotion of Puerto Ricans to our American form of government. The additional grant of power contained in this measure is timely; it acknowledges the political growth of the people of Puerto Rico.

Nothing is imposed upon them by S. 3336. The act specifically provides that a referendum shall be held and that all qualified electors shall have opportunity to approve or reject S. 3336. Further provision is made that if the decision is to accept the act that Puerto Ricans will again have an opportunity to pass judgment upon the constitution to be drawn up.

In these dangerous times when totalitarian philosophies are being exploited to the utmost, nothing could be more heartening to the uncertain hundreds of millions of people in the world than to have the United States extend democratic government everywhere within its borders and to the fullest possible degree. Dr. A. FERNÓS-ISERN, our very able colleague, is to be congratulated upon his highly effective work in connection with this measure. The reputation he has made for himself as Resident Commissioner of Puerto Rico, a reputation based upon ability, integrity, and devotion, has found its reward in the quick response of the other body to his plea that the people who he represents be given the added grant of democratic power provided for in S. 3336. I am sure affirmative action here will be equally swift. And I am sure that there was not a single member of the House Committee on Public Lands who had any substantial doubts remaining after the convincing testimony presented by Gov. Luis Muñoz Marín.

When this act shall have become law and when statehood has been granted to Alaska and Hawaii, this Government will have moved effectively and far in living up to its promises to the people living in the three Territories.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, I am in favor of this measure and hope it will pass as reported by the committee.

It is difficult for me to understand why any Member of this legislative body should oppose the measure now before us. It can in no respect whatsoever do any harm to any individual either in the United States or in the Island of Puerto Rico.

I know that the people of Puerto Rico have enough intelligence to pass judgment upon what they believe is in their own best interests, and this measure would allow them to pass judgment on that question.

I also am positive that the people of Puerto Rico are patriotic in the utmost degree, and in saying this I mean not only that they are patriotic as citizens of the United States, but they love their island and their homeland. They are a moral people. They are industrious, and if a constitution of their own making will be of benefit to them, it would not be right for this Congress to fail to give them the opportunity to so decide.

The philosophy of the democratic way of life which is espoused in our own Constitution should sway each and every Member of this House to vote affirmatively on this measure.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I am in favor of this bill. I want to compliment the chairman of the Committee on Public Lands in bringing out this bill. It is a step in the right direction. I heartily support its passage in the form in which it was reported by the committee.

Mr. ASPINALL. Mr. Chairman, I yield myself such time as I may desire, simply to express myself in favor of this bill, feeling that it is another step in line with the intelligent, enlightened, and magnanimous policy that the United States of America has followed in taking care of the territories which have come under its jurisdiction, either by purchase or conquest.

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

*Be it enacted, etc.*, That, fully recognizing the principle of government by consent, this act is now adopted in the nature of a compact so that the people of Puerto Rico may organize a government pursuant to a constitution of their own adoption.

Mr. MARCANTONIO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time because I cannot permit some of the remarks made by the gentleman from Michigan [Mr. CRAWFORD] to go unchallenged.

First of all, I deeply resent, and I am sure all Representatives from the city of New York will agree with me that we all deeply resent the remark that he made in stating that there are altogether too many Puerto Ricans in New York. I want him to know, as I stated to him when we both appeared before the Committee on Rules, that the Puerto Rican citizens in New York are good citizens. They are no different than anybody else. Their contribution to the welfare of the community is something that is deeply appreciated by all the people of New York City.

So that that snide remark, which is a part of the smear that is being conducted by "wise-alecky" magazines and other dishonest writers in this country, is not in keeping with the dignity of the House of Representatives.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I am not going to yield at this time; I am sorry. I want to make a statement in regard to the airplane crash of the other week.

The gentleman from Michigan tries to convey the impression that the crash was just another one of those things. I think the House should know the facts: Fixty-six people were packed in that plane. An airplane of that sort has what is supposed to be a placard weight; the weight it can safely carry is marked on a placard somewhere on that plane. The investigation which was held only the other day in Puerto Rico revealed that the plane was overweighted to the extent of 2,335 pounds—a 2,335-pound overweight. That airline was an airline against which there existed complaints at the time the contract was entered into with this airline to transport these workers. The Governor of Puerto Rico now hypocritically asks for an investigation to find out who made this contract. Whom is he trying to fool? The culpability rests with the Governor and the government of Puerto Rico as well as with the CAB. You do not permit any airline, chartered or unchartered, to squeeze 56 people into an airplane and thereby cause the plane to be 2,335 pounds over the weight limit. The government of Puerto Rico was remiss and criminally negligent in permitting a contract to transport Puerto Rican workers to be entered into with this particular airline when its Governor knew that there were charges pending against this airline, charges pending as to unsafe conditions; yet the government of Puerto Rico, the agents of the Governor's own administration permitted that contract to be entered into with that airline. Further, if it had been on the job, it would have inspected the loading of this plane as it should have; it owed a duty to these men who were being sent out of Puerto Rico, a duty to protect them against the overloading of that plane.

This reveals the attitude that has developed toward these men who are sent out like cattle loaded on these planes—yes, to be exploited—no protection against exploitation after they are brought into the various places of employment. The representative of the Puerto Rican government in New York City, Mr. Cabrares does not lift a finger to protect these workers. He has never done so. So, when we deal with this air tragedy, as I said in my earlier statement, we must view it as a symptom,

a symptom of the colonial system which causes 300,000 unemployed. If you did not have this colonial system which this bill perpetuates, Puerto Rico could develop an agriculture of its own, not an agriculture which is economically diabetic, a total-sugar agriculture. It could develop an industry of its own and protect that industry if it had sovereignty. This bill gives it no sovereignty. Because of the lack of sovereignty it cannot develop those industries, cannot develop a real agriculture of its own, and because of that lack of sovereignty you have lack of employment and you have a system which subjects them to the exploitation and the neglect of their safety they are now subjected to.

This bill is a device to deprive Puerto Ricans of the right to obtain for themselves the sovereignty they need to protect themselves against these conditions.

Mr. DOLLINGER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise at this point to take exception likewise to the remarks of the gentleman from Michigan [Mr. CRAWFORD] relative to the Puerto Ricans in New York. I represent quite many Puerto Ricans in the city of New York. I have found them to be upstanding American citizens for whom we have the highest regard.

In my district recently we had a poll with regard to independence or statehood for Puerto Rico. I wish to announce at this time that the indications were overwhelmingly in favor of statehood. I think the gentleman from Michigan was wrong when he said that they are not ready for statehood. If we had a statehood bill before us I would be happy to vote for it.

Mr. Chairman, I should like to make an observation regarding the statement made by the gentleman from New York [Mr. MARCANTONIO] when he stated that there are certain abuses in Puerto Rico with respect to labor conditions and living conditions and for those reasons as well as others opposes the bill. He might be correct as to the abuses, but I do not think those statements are germane to the issue before us today. We are to ascertain whether we are to vote upon a bill before us to give Puerto Rico a constitution. I think in democratic fashion and in the democratic processes that we have to follow, the bill adequately protects those people. It gives them all of the safeguards necessary to determine for themselves whether they want a constitution and the kind of constitution. Before we go into the issue any further we should ascertain whether they want a constitution. If they vote it down they can come before us and put the question; do they want independence or statehood, and we will then determine the issue, but for the time being I am satisfied to go along with the bill because it is a step in the right direction. For that reason I will vote for the bill and allow the people of Puerto Rico, not we in America, to decide whether they want a constitution.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. DOLLINGER. I yield to the gentleman from New York.

Mr. JAVITS. I, too, am in the gentleman's position with respect to residents in my district. Will the gentleman join me in expressing the view, and I hope the gentleman will join me, that this is not a snare and delusion. There is no bad faith here. We have a right to differ. Some of us may think one thing and some of us may think another. But I would not want to be put in the position of subscribing to the idea that this bill is a snare and a delusion so far as the people of Puerto Rico are concerned.

Mr. DOLLINGER. The gentleman is correct. I do not agree with that statement at all.

Mr. ASPINALL. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that it be printed in the RECORD at this point and open for amendment at any place in the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The balance of the bill follows:

SEC. 2. This act shall be submitted to the qualified voters of Puerto Rico for acceptance or rejection through an island-wide referendum to be held in accordance with the laws of Puerto Rico. Upon the approval of this act, by a majority of the voters participating in such referendum, the Legislature of Puerto Rico is authorized to call a constitutional convention to draft a constitution for the said island of Puerto Rico. The said constitution shall provide a republican form of government and shall include a bill of rights.

SEC. 3. Upon adoption of the constitution by the people of Puerto Rico, the President of the United States is authorized to transmit such constitution to the Congress of the United States if he finds that such constitution conforms with the applicable provisions of this act and of the Constitution of the United States.

Upon approval by the Congress the constitution shall become effective in accordance with its terms.

SEC. 4. Except as provided in section 5 of this act, the act entitled "An act to provide a civil government for Porto Rico, and for other purposes," approved March 2, 1917, as amended, is hereby continued in force and effect and may hereafter be cited as the "Puerto Rican Federal Relations Act."

SEC. 5. At such time as the constitution of Puerto Rico becomes effective, the following provisions of such act of March 2, 1917, as amended, shall be deemed repealed:

(1) Section 2, except the paragraph added thereto by Public Law 362, Eightieth Congress, first session, approved August 5, 1947.

(2) Sections 4, 12, 12a, 13, 14, 15, 16, 17, 18, 18a, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 39, 40, 49, 49b, 50, 51, 52, 53, 56, and 57.

(3) The last paragraph in section 37.

(4) Section 38, except the second paragraph thereof which begins with the words "The Interstate Commerce Act" and ends with the words "shall not apply in Puerto Rico."

SEC. 6. All laws or parts of laws inconsistent with this act are hereby repealed.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of this bill, S. 3336, because I believe it is a step in the right direction. As has been said in this House, there are people in Puerto Rico and people in this country who have decided ideas as to whether Puerto Rico should be a State, whether it should remain as a possession or whether it should be an independent country on its feet. I happen to have decided opinions along that line myself.

I do not believe that Puerto Rico is ready for independence. I would like to see all of the so-called colonial possessions of the world stand on their own feet. I voted for the independence of the Philippines, but I wonder if I did not make a mistake because after that vote I visited the Philippines and I saw the people in action over there and I have watched them very closely since then. I saw by the declaration of the President just the other day that we are going to have to go into the Philippines and take over power which is an independent nation they should be able to take care of themselves if they were able to do the job with independence. To be part of a democratic form of government and to participate and maintain a democratic form of government is, in my opinion, one of the hardest jobs in the world. It requires participation of a high order in the practice of government. Some people are just simply not trained to do it. You can declare them independent, you can give them their independence, but after they have it they cannot handle their independence. Then some nation has to go in and handle it for them. We are having to do that very thing in the Philippine Islands today.

You can blame that on many different things. I say that the people of Puerto Rico as a whole, regardless of their aspirations, are not yet to the point where they can sustain themselves as an independent state. However, they have exercised a form of self-government. We can say for the credit of the United States that we have fostered in Puerto Rico a form of self-government and as that form of self-government develops to the point of complete and adequate responsibility, they will learn to function as an independent nation, if they so desire by plebiscite. I say at that time the United States will not stand in the way of Puerto Rican independence any more than we did so far as the Philippine people were concerned when they clamored and finally obtained their independence.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to my colleague from California.

Mr. ENGLE of California. As a matter of fact, even though there are people down there who advocate independence, they have not elected anybody yet, have they?

Mr. HOLIFIELD. That is right.

Mr. ENGLE of California. And the governor, who is elected by the people, and the Commissioner, who is elected by the people, are asking for this bill; is that not correct?

Mr. HOLIFIELD. That is correct.

Mr. ENGLE of California. And then we turn around and give them a plebiscite on it afterward.

Mr. HOLIFIELD. That is right.

The people who advocate independence for Puerto Rico, as you can see by the figures put in the RECORD by the gentleman from New York, are a very small amount of the total vote. I had occasion

to speak to Representative Ramos Antonini, speaker of the house of representatives, and Senator Guitierez-Franquie, the majority leader in the senate for the administration of Governor Muñoz Marín. I talked over many of these problems with them and I came to the conclusion from my observation there, and also in the Philippines and other places, that these people are taking a step which they can take at this time. And, as far as us having the constitutional authority to grant them this privilege, I say that we do have. Puerto Rico at the present time, under the Treaty of Paris signed in 1898, is a possession of the United States. This status was established in the treaty between the Spanish Government and the United States. Congress is the final governing body. We have amended the Organic Act several times, and only in 1947 we gave them the right to elect their own governor, and now we are saying to the people of Puerto Rico that as far as the Congress of the United States is concerned, it is all right for their legislature to convene and to vote on whether you shall have a constitutional conventionl or not—and if they do not want it they can vote it down, but if a constitutional convention is called, we ask the Puerto Rican people to form your constitution along the lines of our own Constitution—not exactly the same, but in such a manner so that it will not be in conflict with the Constitution of the United States. Once that constitution is formed by these freely elected delegates in Puerto Rico, that constitution comes to the President of the United States and the President submits it to the Congress, and there we exercise our ultimate authority of approval or disapproval of this constitution, so we are still operating under the constitutional power of the United States which does have control of these possessions. I believe that rather than give them something that is unattainable, and which in my opinion the people are not yet quite ready for in Puerto Rico, that we should reach for the attainable goal and give these people that next step which rests between territory and statehood. As far as self-government is concerned, let them have a little more experience, a little broader element of self-government, and then later on these other steps in due time can be taken.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New York.

Mr. MARCANTONIO. I simply want to point out that the people of Puerto Rico have had just as much experience at self-government as we have. As a matter of fact, when we took over that island by military force they had practically been given self-government by the Spanish Government. They certainly can govern themselves, and I do not think it is fair to say that they lack experience, because they have had just as much experience as we have.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ASPINALL. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 15 minutes.

Mr. JAVITS. Mr. Chairman, reserving the right to object, may I explain that there are a number of Members standing who do not have amendments and who desire time, so that we get into the usual jam. May I suggest a half hour?

Mr. ASPINALL. May I say to the gentleman from New York that I have spoken to the gentleman, who has an amendment, and he has requested 5 minutes.

Mr. JAVITS. But here is a gentleman who has no amendment. I point out that there are other Members who do not have amendments.

Mr. ASPINALL. Make it 20.

Mr. CRAWFORD. I hope my good friend from Colorado will not insist on this. This is not the only question we have on Puerto Rico. The House is learning something about Puerto Rico today and its problems. I do not think it is going to wreck the Nation if we spend 25 or 30 minutes on this, if the Members want to talk on it. I hope my friend from Colorado will modify his request.

Mr. ASPINALL. Mr. Chairman, I modify my request and ask that debate close in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 2, line 14, strike out the period and insert "and expresses the will of the people of Puerto Rico."

Mr. JAVITS. Mr. Chairman, during my time in general debate I did not finish my argument, and I should like to finish it now. I said that I favored recommittal of the bill to the committee but for the purpose of reconsidering and striking out section 4 and 5 which I fear may have a tendency to inhibit the people of Puerto Rico in the free choice of a constitution and form of government. I also said that I do not believe the bill is a snare and a delusion, or that there is any bad faith involved in it. My reasons tie into the amendment I have offered.

Where the bill should have stopped is at section 3. There is no reason why the Congress in advance should have inhibited the people of Puerto Rico with respect to what we would or would not accept, when we are saying that they are mature and adult enough to bring in a constitution. If they are mature and adult enough to bring in a constitution then, reserving to ourselves, which the bill would do in section 3, the right to reject or accept it, we should have inhibited them no further, whereas the bill may inhibit them because it says we will accept only a constitution which fits in with the Organic Act.

I said before that though we state that in this bill we can always draw it back. If there is a runaway constitutional convention, we may still decide that we want to give the people of Puerto Rico statehood or, indeed, independence if they want it. Nevertheless, there is an element of inhibition in this bill, and that I do not like.

As to my amendment, you will note that there are two tests that the President must make before he submits the constitution which the people of Puerto Rico vote out, and these tests appear in section 3. The tests are, first, that the applicable provisions of this particular bill have been met, and second, that the constitution submitted by the people of Puerto Rico is consonant with the Constitution of the United States.

In view of the charges aired here that elections down there are influenced and that mayors are appointed and that there has not been full testimony before this committee, and those charges have been made, I write in by my amendment the additional test—that is all it is—that the President shall find not only that the act has been complied with and that consonance with the United States Constitution has been complied with but that the will of the people of Puerto Rico has been complied with. That enables the President to pass on corrupt practices, on buying elections, on unfair influence, or on anything that he finds might invalidate the action which is submitted to him, and anything which he feels interfers with the free expression of the will of the people of Puerto Rico.

I sympathize with Dr. FERNÓS-ISERN's desire to get this act passed by July 1, but I know he will be the first to agree that if any of us feel in deep conscience that something should be done to correct the bill we certainly have a right to propose it. I hope he will understand that when I push this amendment I do it out of a sincere conviction that this additional test as to the will of the people of Puerto Rico should be added to this bill.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. ENGLE of California. Does the gentleman believe the President of the United States would send up to this Congress a constitution which was brought about by corrupt practices?

Mr. JAVITS. I do not believe that at all, but we are legislating, we are giving the President a mandate; hence I believe we must tell the President what we want. Also, and most important, we must assure the people of Puerto Rico that that is the way we feel. The only way they can get that assurance before they vote on a constitution in advance is by this bill. We say in this bill that we wish them to express their will. That is an assurance which the people of Puerto Rico in my view will treasure and treasure very much.

I emphasize what I said before. There is no charge or question of snare or delusion involved. As far as I am concerned, I am honestly trying to get this bill amended to recognize that the self-respect of the people of Puerto Rico requires that they freely express their will in respect to a constitution.

Mr. ASPINALL. Mr. Chairman, I ask unanimous consent that I may proceed for 1 minute, to be taken out of the time allotted to me, in opposition to the amendment offered by the gentleman from New York [Mr. JAVITS].

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Chairman, the committee is in opposition to this amendment because the powers which the gentleman from New York speaks of are inherent in the Office of the Chief Executive at the present time. The Chief Executive exercises the same powers over Puerto Rico as over all of the country which we call the United States of America.

Mr. JAVITS. Mr. Chairman, will the gentleman yield for a question?

Mr. ASPINALL. Certainly.

Mr. JAVITS. Will the gentleman tell the committee that it is the intention of the committee in proposing this bill, as he reads this bill, that it is the intention of the committee and the intention of the House if it passes the bill, that that is what we want to say, even if my amendment is not agreed to?

Mr. ASPINALL. Certainly.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was rejected.

Mr. MARCANTONIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARCANTONIO: On page 2, line 3, after the period insert "*Provided*, That such island-wide referendum shall be held in accordance with the provisions of the Federal Corrupt Practices Act of 1925, as amended."

Mr. MARCANTONIO. Mr. Chairman, this amendment is very simple and I do not see why there should be any opposition to it at all.

All it provides is that the referendum be held in a manner which is in keeping with our own form of government here and in order to see that an honest election and an honest referendum is held there should be no corruption or intimidation in connection with the referendum. I cannot see how anybody could have any objection to that.

Of course I know what is going on here. The leadership wants to get this bill through without any amendments, and we are told the reason they want this bill is because they need it for the Fourth of July celebration. It seems to me that they have had Fourth of July celebrations down in Puerto Rico for many, many years without this bill, and they can have another one without this bill. This is part of the scheme to rush the bill through here for fear that Congress might learn the truth with respect to Puerto Rico. If the Congress is going to vote a referendum, then certainly we should guarantee the referendum be held pursuant to the provisions of our Corrupt Practices Act. I will tell you why. It is not just an academic proposition; it is a serious matter. Puerto Rico today is just rife with graft and corruption. It is a saturnalia of corruption. I want to read to you some of the salaries being handed out down there to some of the favorites. For instance, the head of the Water Resources Authority gets $30,000 a year, and he gets a chauffeur and an automobile and a residence. The president of the Development Bank gets $30,000 a year and the vice president of the Development Bank gets $28,000 a year. I have a list here which I included in the RECORD in a speech I delivered here last March.

Let me show you what is going on in San Juan itself and how they are playing around with the money that belongs to the poor people. The mayor of the city of San Juan, Felisa Rincon, who the other day increased her salary from $6,000 to $10,000. She also increased her sister's salary from $4,500 to $6,000. I am now reading from Il Diario of New York, the leading Spanish paper in New York, which incidentally is also opposed to this bill, said in last Sunday's issue:

THE LADY MAYOR OF SAN JUAN AND AN AUDITOR ARE ORDERED TO RETURN PUBLIC MONEY TAKEN IN VIOLATION OF EXISTING LAW

The mayor of the city of San Juan, Felisa Rincon, and the municipal auditor, Luis Munoz Rivera, were ordered to return to the city treasury over $1,000 spent in violation of article No. 20 of the organic act. The insular auditor, Dr. Rafael J. Cordero, has issued a statement as a result of the investigation of the irregularities of the governing body of the municipality of San Juan. Among the several irregularities we have the payment of $1,000 to Johnny Rodriguez without specifying the activity for which the money was paid; an entry of $6,000 as a donation to Club Civico de Damas; the payment of $19,874.60 as relief to the poor without indicating the persons who received the money in question.

As indicated in the report there is an entry characterized as "unexpected" and under such entry money was paid out to people and to commercial firms for flowers, banquets, etc. These expenses as stated by Dr. Cordero are prohibited by Circular No. 11 of January 16, 1937, as issued by the office of the insular auditor. The total sum of this unauthorized expense which is $932.70 must be replaced in the city treasury as ordered by Dr. Cordero.

The insular auditor stated that the expenses in question were extravagant and excessive, and he also ordered the return of $76.05 paid to a firm known as "Clarima." This establishment belongs to the wife of the president of the senate, Counselor Samuel R. Quinonez, and the said lady is also receiving a $500 monthly salary as an employee of the San Juan City Hall.

This shows you how rotten matters are in Puerto Rico under the present administration. So that government money will definitely be used to promote this scheme of the governor and to influence this referendum. Graft and corruption is the order of the day. The people's money is being squandered. The money intended for the poor is being stolen. All I ask is that the Congress of the United States simply declare this referendum be held pursuant to our Corrupt Practices Act. Is that asking too much, in light of the politically immoral situation that exists in Puerto Rico today under its governor and his administration in Puerto Rico?

The CHAIRMAN. The time of the gentleman from New York [Mr. MARCANTONIO] has expired.

Mr. ASPINALL. Mr. Chairman, I rise in opposition to the amendment.

In the first place, Mr. Chairman, may I state that there are election laws in Puerto Rico that secure satisfactory and legal elections. The amendment proposed by the gentleman from New York is not necessary.

In the second place, no member of the committee who has heard the hearings relative to this matter has had any indication of corruption or malfeasance taking place in Puerto Rico in regard to the enforcement of the laws, let alone the election laws.

Therefore, I believe the amendment is unnecessary, and the committee opposes the amendment.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the amendment.

As I stated a while ago, I have great faith in the Puerto Rican people. They have done a good job up to date. In my opinion, this is a slap in their face, saying that we have no confidence in their election procedure, and that we would have the Federal Government reach out and say to them how they shall run their elections after we provide the organic act for them. To me, this is really slapping the Puerto Rican people. I am, therefore, against the amendment, and I hope it will be voted down.

If I employ a person on a job I let him go ahead and work on the job until he has proved that he is incapable of handling it.

Why would I be guilty of praising the Puerto Rican people and seeking their company and their employment in my State, not by me personally but by the good citizens of the State of Michigan, and at the same time speak as though the Puerto Ricans were bad people and had no character, and so forth. Of course, the gentleman from Michigan is not guilty of any such thing. When I said there were too many Puerto Ricans in New York City, I meant exactly what I said. By that I meant to say that we should not concentrate our off-shore citizens in small areas in the big cities. We should diffuse them out through the States of the Nation, where they can thoroughly comprehend our customs and learn our language and where our people can understand them and learn to love them. That is what I meant when I said there were too many Puerto Ricans in New York City. Of course, I do not blame Members of the House for standing up here and defending the people who vote for them. We expect that, but the two gentleman from New York can not stand up here and tell me that I am condemning the Puerto Ricans in New York City. I do no such thing, and I will stand on the record exactly as the reporter has reported it.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. HUBER. I am interested in what the gentleman said about learning our language and customs. I understand they have recently made Spanish the official language that will be taught. I wonder if that is not some disadvantage to those Puerto Ricans who do come to the United States, in that they are unable to be assimilated as readily as if they could speak English.

Mr. CRAWFORD. That question has been under debate in Puerto Rico for many years. The University of Puerto Rico, which has officials that I have violently disagreed with, substantially write the ticket with respect to educational

procedure in the island. That is a long, technical question which we cannot settle here. Personally, I would like to see the English language as the basic language in Puerto Rico, but that is a matter that is beyond our control, unless the Congress wants to override legislation passed by the Legislature of Puerto Rico.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The question is on the amendment offered by the gentleman from New York [Mr. MARCANTONIO].

The amendment was rejected.

The CHAIRMAN. The gentleman from Wisconsin [Mr. MURRAY] is recognized.

Mr. MURRAY of Wisconsin. Mr. Chairman, so far as this legislation is concerned I am surely willing to follow the leadership of this distinguished committee for whose members I have the highest regard. Its chairman, the gentleman from Florida [Mr. PETERSON] has a long record as a constructive legislator. I cannot, however, let this discussion on Puerto Rico pass without calling attention to two facts. One of them I have worked on for several months and have not accomplished very much as yet. Either the Fair Deal is wrong in the approach or I am.

We have a minimum wage law that applies to everyone except agriculture. The only agricultural minimum wage law we have is under the Sugar Act. Under the Sugar Act the minimum wage in Puerto Rico is 29 cents an hour; it is 25 cents in the Virgin Islands. If anyone is interested they can look in the RECORD of last Monday in which I published all the correspondence I have had with the Department of Agriculture in relation to it. A member of the President's Cabinet, the Secretary of Agriculture, has the power and the authority to fix this minimum wage. Would you believe that the Fair Deal would fix a 25-cent minimum wage after all their talk about their interest in labor? This minimum wage was not so much out of line when we had a 40-cent national minimum wage, but since we have a 75-cent national minimum wage we are way out of line to have a 29-cent minimum wage so far as Puerto Rico is concerned. I think that our relationship with people like Puerto Ricans—and I base my observations purely upon my contact with the Indian people in my district—is that we should make progress gradually and go along with them instead of holding them back year after year. Now, to me, if we have dominated, if we have had control of that country for 50 years I do not know any reason why there should be any person in that country unable to speak English. If the contrary is the case then we have fallen down on the job badly, at least in the case of those who are under 40 years of age. That is No. 1. An adequate minimum wage does not need legislation. All that is needed is a desire to act in justice and fairness to this agricultural labor.

I repeat that it does not require any legislation, either. The Secretary of Agriculture can change that minimum if he wants to. I do not want you Fair Dealers shedding any crocodile tears to me about slave labor or any legislation of the Eightieth Congress or any other black Republican legislation when you fix a 25-cent and a 29-cent wage for sugar labor. You keep your own doorstep swept and correct this injustice and I will keep mine swept.

Then there is this one other situation. I cannot rule for the Supreme Court, but I would just like to know by what stretch of the imagination anyone can say that the people of Puerto Rico have to let a certain percentage of their sugar come into this country raw and a certain percentage refined. The first thing I know you Fair Dealers will be up there in Wisconsin telling us we can ship only a certain part of our milk out of the State in the form of raw milk and a certain other part in the form of cheese or butter. You tell the people of Puerto Rico that they can ship only so many tons of their sugar refined. Let us not make progress backwards; let us go forward. Let us not continue to discriminate against the Puerto Rico sugar economy and discriminate against Puerto Rico labor industry.

Mr. PETERSON. Mr. Chairman, will the gentleman from Wisconsin yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. PETERSON. The gentleman does not take the position, however, that our committee has jurisdiction of that feature, does he? The Sugar Act was under the jurisdiction of the Committee on Agriculture. Wages is now under the jurisdiction of the Committee on Labor.

Mr. MURRAY of Wisconsin. I realize the facts incident to the Sugar Act. The fact still remains that the Fair Deal administration fixed the minimum wage at 25 cents per hour when they have the power and authority to do it. The fact remains that the Fair Deal discriminates against labor—Puerto Rico labor—by insisting that a certain percentage of their exports must be in the form of raw sugar. If and when you Fair Dealers wish to be fair you will correct these injustices, and I am sure that the Puerto Ricans will appreciate your efforts as will all Americans that are interested in fairness, equity, and justice.

The CHAIRMAN. The gentleman from New Mexico [Mr. FERNANDEZ] is recognized.

Mr. FERNANDEZ. Mr. Chairman, on yesterday when the gentleman from New York [Mr. MARCANTONIO] was speaking, I thought he was somewhat confused about a statement he was making, and I asked him to yield. I had not said half a dozen words when he rudely interrupted me and refused to yield further. Unable to help him then, I shall try to help him now.

The gentleman from New York says in the first place that this bill is just a farce and gives nothing to the Puerto Ricans; then he turns right around and admits that this bill is designed to give them a larger share of legislative power; then he says that that is unconstitutional because under the Constitution the Congress alone has the exclusive right to legislate for the Territories, and that we cannot delegate any of it to Puerto Rico.

In the first place he is entirely mistaken about the law. Congress does have the right to delegate legislative power to the Territories and has done so time and time again.

In the second place, Puerto Rico is not a Territory and never has been. So there is nothing to that argument.

But the gentleman from New York does admit this bill does something. It gives them partial sovereignty.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from New York.

Mr. MARCANTONIO. I think the gentleman has distorted my position, and I thank him for yielding. My position is that you are holding out to the Puerto Ricans a false idea that you are giving them sovereignty when you cannot give it to them by virtue of this bill.

Mr. FERNANDEZ. It is not a false idea. They understand exactly what we are offering them, and that is partial sovereignty. We are not giving them full sovereignty. In fact, the Puerto Ricans do not wish full sovereignty all at once. They are not asking for it, and they know it is not attainable all at once. There is a lot of responsibility to full sovereignty. There are financial burdens and economic burdens that they themselves understand they cannot undertake all at once at the present time. But they are willing to go along and get sovereignty a little at a time, and we are willing to give them that sovereignty a little at a time.

Mr. MARCANTONIO. Does the gentleman disagree with the statement of the proponents of this bill that the bill is neither a step in the direction of independence nor a step in the direction of statehood?

Mr. FERNANDEZ. I wish the gentleman would not put words in my mouth.

Mr. MARCANTONIO. I said the proponents.

Mr. FERNANDEZ. I said this bill gives them partial sovereignty, which the gentleman admits.

Mr. MARCANTONIO. I have not made any such admission.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that this bill merely recognizes the fact which everybody knows in his daily experience, namely, that you cannot expect to take a child in the third or sixth grade and move him up to the twelfth grade or into college or into a postgraduate school without going through the various grades between?

Mr. FERNANDEZ. Yes.

Mr. JUDD. Do not the Puerto Ricans realize they have to do it step by step, in their own interests?

Mr. FERNANDEZ. The thinking people of Puerto Rico, particularly the young people, understand and realize that. They want to go a step at a time. We have been liberal. In the first place, we have permitted them to elect their officials, their own Governor and they have a good governor. They have done the job with what has so far been granted to them.

Mr. JUDD. Has not America demonstrated beyond question these last few

years that wherever she has been a trustee in charge of peoples who were just emerging into self-government, she has moved ahead steadily, in an orderly way and as fast as it was possible to move, and given them a greater and greater share in the control of their own destinies?

Mr. FERNANDEZ. Yes. This is another step in that direction.

Mr. JUDD. Precisely. It is to our advantage not to depart from that orderly process of development through which they have gone from the time we took over a half century ago.

Mr. FERNANDEZ. The gentleman is correct.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Iowa.

Mr. MARTIN of Iowa. I would like to add my opinion at this point. I had the pleasure of visiting Puerto Rico last November at considerable length. My observation of the work of the Governor of Puerto Rico, Governor Luis Muñoz Marín and the responsible officials of the island government and of the Puerto Rican Resident Commissioner, Dr. ANTONIO FERNÓS-ISERN, is that they have tremendous determination, ability, and capacity to build a system of government for Puerto Rico that will be very successful, provided we give them the opportunity and provided we cooperate with them fully and fairly.

Mr. FERNANDEZ. I have had the same impression when I have been in Puerto Rico.

Mr. MARTIN of Iowa. I commend the Committee on Public Lands on its good work in bringing so promptly this bill S. 3336 before the House of Representatives for action thereon.

I support and will vote for the passage of the bill and I extend my best wishes to the people of Puerto Rico for every success.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. ASPINALL].

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Chairman, the bill now before the House which will pass very shortly as it should, is a very important one. It comes at a time in the world's history when it conveys more probably than words could the fact that our great country has no imperialistic designs. It is not seeking territory. We seek to build, not to destroy; we seek to preserve liberty, not to make men and women slaves. We stand for a principle that will enable the people of other lands also to establish within themselves a government of law and not of men.

Mr. Chairman, I want to insert in the CONGRESSIONAL RECORD a telegram I received a few days ago, which I shall read, showing the importance attached to the passage of this legislation at this particular time and the reason why as leader of the House after the rule was reported out on Wednesday I assigned this bill for consideration of the House yesterday.

The telegram is from San Juan, addressed to me.

Hon. JOHN W. McCORMACK,
*Majority Leader, House of Representatives:*

Would be deeply grateful for your aid to the effect that bill granting Puerto Rico the right to make its own constitution be considered by House before July 4 so that Puerto Ricans can add that significance to national celebration.

That shows that they are Americans in mind and that they love America, and they want to remain within the sphere of the American Government and the American Constitution.

Continuing, the cablegram says:

Bill was aproved unanimously by Senate and reported unanimously by House committee and the petition for rule is now pending before Rules Committee. Greetings.

That cablegram was sent to me by Luis Muñoz Marín, Governor of Puerto Rico, This cablegram shows clearly the importance of this bill insofar as the Governor and the people of Puerto Rico are concerned, and how longingly they are looking to the Congress of the United States to pass this bill and have it become law, and they urgently request, through the Governor, that, if possible, we do it by July 4.

Mr. ASPINALL. Mr. Chairman, I move that the Committee do now rise.

Mr. MARCANTONIO. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. MARCANTONIO moves that the Committee do now rise and report the bill, S. 3336, back to the House with the recommendation that the bill be stricken.

Mr. PRIEST. Mr. Chairman, I make the point of order against the motion on the ground that it is not preferential.

The CHAIRMAN. The Chair sustains the point of order.

Mr. MARCANTONIO. Mr. Chairman, I now offer the same motion that the enacting clause be stricken.

The Clerk read as follows:

Mr. MARCANTONIO moves that the Committee do now rise and report the bill, S. 3336, back to the House with the recommendation that the enacting clause be stricken.

Mr. MARCANTONIO. Does the gentleman from Tennessee desire to make a point of order against the motion now?

Mr. PRIEST. The gentleman from Tennessee recognizes that the present motion is in order.

Mr. MARCANTONIO. I thank the gentleman.

Mr. Chairman, I had not intended to take the floor again except that the words of the majority leader, in my mind, should not remain unchallenged. As usual we have had high sounding words from him to cover up what, in my opinion, is a betrayal of the interest of the Puerto Rican people and a denial of campaign pledges made to them by their leaders. You are pretending to give them something when you are giving them nothing and by giving them nothing you are depriving them of any opportunity to obtain real sovereignty. You are pretending to give them self-government over their own affairs when you yourself admit that this bill does no such thing. This bill merely amends the organic act and it grants them no sovereignty and nobody can honestly make any contention to the contrary. The authors of this bill, in order to have the committee report it out and get the Congress to subscribe to it, have said time and time again that this is neither a first step in the direction of independence nor is it a first step in the direction of statehood. It is a device to dodge a real resolution of the colonial states. So, the majority leader, as usual, comes to us with high-sounding words—and I use the term "high-sounding" advisedly—to cover up a betrayal of election promises. As far as this Congress is concerned, what is happening with respect to this bill, in the light of what was promised to the Puerto Ricans in the campaign of 1948 that the people of Puerto Rico would be given a right to choose—not a restricted choice such as you are giving them now, for they either take this or nothing else, but you promised them the right to choose between independence and statehood and the colonial states—this Congress again is going back on its election oratory and doing so with the high-sounding language of the gentleman from Massachusetts [Mr. McCORMACK]. No promise is being kept. I say that this broken promise is in line with the other broken promises, the broken promise on peace, on civil rights, and the broken promise on repeal of Taft-Hartley.

Now, let the gentleman talk all he wants about freedom, but this record of today is one against the freedom of Puerto Rico.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, the gentleman from New York has seen fit to refer to the gentleman from Massachusetts who is now addressing the Committee of the Whole as "using high-sounding words." Coming from the gentleman from New York, I consider that a distinct compliment, although not intended as such. Sometimes the intention is one way and the result is another. Unconsciously and unintentionally the gentleman from New York, as far as results are concerned, has paid me a most unusual compliment. I repeat, he did not intend to do so.

May I say to the gentleman from New York that I am just a human being. I have my weaknesses and I try to have my strengths. I try as hard as I can to overcome my weaknesses or to control them, and to retain and increase the strengths I possess.

There is one thing I have fundamentally in mind. I want my freedom and I want other persons to have their freedom. If I have ever made any high-sounding expressions, I have lived up to what I have said. I have had the courage to vote as I speak. I can remember being in the well of this chamber 3 months before Pearl Harbor fighting for the passage of the extension of the Selective Service Act, when my friend from New York [Mr. MARCANTONIO] was vigorously opposing it. I had the courage then to take my position, and to take my position

on all matters of that kind in those days, as I am taking my position now.

I am not questioning at all the patriotism or the motives of anyone of my colleagues, but I can seriously disagree with their judgment on matters concerning the national defense of America and the future of a decent world. I seriously question the judgment of the gentleman from New York, in no way impugning his motives. His votes and my votes are directly opposite to one another. I think the high-sounding and deceptive thoughts have been expressed by the gentleman from New York [Mr. MARCANTONIO] and not by the gentleman from Massachusetts [Mr. MCCORMACK].

You talk about sovereignty. No State of the Union is completely sovereign. There are two attributes of sovereignty. In order to talk about sovereignty you must remember that there are two attributes, the external attribute of sovereignty and the internal attribute. Both of those attributes make up complete sovereignty.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. MARCANTONIO. That is just the point. You are not giving Puerto Rico a choice, such as was promised to them, of getting the attribute of State sovereignty such as is given to a State, or the attribute of complete sovereignty such as is given to an independent nation. Either case is the only way by which, under our Constitution, we can confer any form of sovereignty on either a possession or Territory of the United States. This bill grants not even the slightest show of sovereignty to Puerto Rico.

Mr. McCORMACK. This bill is a decided step in the right direction. The great majority of the people of Puerto Rico want the passage of this bill.

It is only a few weeks ago that we passed through this body two bills which are now in the other body, to admit to statehood in our Union Hawaii and Alaska. Both of these Territories have been Territorial possessions of our Government for many, many years. They have had to go through the journey that is necessary before statehood could be considered for them.

I am not saying when statehood might be considered for Puerto Rico. But certainly for anyone to think that this bill is not a decided step in the direction of statehood for Puerto Rico sometime in the future is to take a position and make an expression which is contrary to logic and to common sense.

This bill enables the people of Puerto Rico to have a form of government of their own within the framework of the American Government. It gives them the widest latitude at this time, which they want, and which they could reasonably expect and which the great majority of the people of Puerto Rico do expect. Some day in the future their case will be developed to the point of Hawaii and Alaska, as evidenced this year by the passage through the House of Representatives and the reporting out of both bills the other day by the appropriate committee of the other body of the bills granting statehood to Hawaii and Alaska. It is only a matter of time when both Territories will become States, if they are not admitted officially and formally into the Union of the United States during this session of the Congress.

This bill is a decided step forward toward human liberty and the possession of human liberty and the right of a people to develop within themselves that responsibility which means freedom under the law and not slavery under vicious, contemptible dictatorship.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from New York [Mr. MARCANTONIO].

The motion was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BONNER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 3336) to provide for the organization of a constitutional government by the people of Puerto Rico, pursuant to House Resolution 678 he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MARCANTONIO. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MARCANTONIO. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MARCANTONIO moves to recommit S. 3336 to the Committee on Public Lands, with instructions to report the bill back forthwith with the following amendment: Page 2, line 3, after the period insert "*Provided*, That such islandwide referendum shall be held in accordance with the provisions of the Federal Corrupt Practices Act of 1925, as amended."

Mr. ASPINALL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken and the Speaker announced that the noes appeared to have it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 1, nays 260, not voting 169, as follows:

[Roll No. 193]

YEAS—1

Marcantonio

NAYS—260

| | | |
|---|---|---|
| Addonizio | Ford | Morrison |
| Albert | Fulton | Moulder |
| Allen, Calif. | Furcolo | Murdock |
| Allen, Ill. | Garmatz | Murphy |
| Anderson, Calif. | Gary | Murray, Tenn. |
| Andresen, August H. | Gathings | Murray, Wis. |
| | Gavin | Nelson |
| Andrews | Goodwin | Nixon |
| Aspinall | Gordon | Norblad |
| Barden | Gore | Norrell |
| Baring | Gorski | O'Brien, Ill. |
| Bates, Mass. | Graham | O'Brien, Mich. |
| Battle | Granger | O'Hara, Ill. |
| Beall | Grant | O'Hara, Minn. |
| Beckworth | Gregory | O'Konski |
| Bennett, Fla. | Gross | O'Neill |
| Bennett, Mich. | Guill | O'Sullivan |
| Bentsen | Gwinn | Patten |
| Biemiller | Hagen | Peterson |
| Bishop | Hale | Pfeifer, |
| Blackney | Hand | Joseph L. |
| Blatnik | Hardy | Philbin |
| Boggs, Del. | Hare | Phillips, Calif. |
| Boggs, La. | Hart | Polk |
| Bolton, Md. | Havenner | Potter |
| Bonner | Hays, Ark. | Priest |
| Bosone | Hedrick | Rabaut |
| Boykin | Herlong | Ramsay |
| Brehm | Herter | Rankin |
| Brown, Ga. | Heselton | Reed, Ill. |
| Brown, Ohio | Hill | Reed, N. Y. |
| Buchanan | Hoffman, Mich. | Rees |
| Buckley, Ill. | Holifield | Rhodes |
| Burleson | Holmes | Ribicoff |
| Burnside | Hope | Richards |
| Byrnes, Wis. | Horan | Robeson |
| Camp | Howell | Rodino |
| Canfield | Huber | Rogers, Fla. |
| Cannon | Hull | Rogers, Mass. |
| Carlyle | Jacobs | Rooney |
| Carnahan | Javits | Sabath |
| Case, N. J. | Jennings | Saylor |
| Case, S. Dak. | Jensen | Scott, |
| Celler | Johnson | Hugh D., Jr. |
| Chelf | Jones, N. C. | Scrivner |
| Chiperfield | Judd | Scudder |
| Cole, Kans. | Karst | Secrest |
| Colmer | Karsten | Shafer |
| Combs | Kearns | Shelley |
| Cooper | Keating | Short |
| Cotton | Kee | Simpson, Ill. |
| Cox | Kelly, N. Y. | Smith, Kans. |
| Crawford | Kilday | Smith, Va. |
| Crook | King | Smith, Wis. |
| Crosser | Kruse | Staggers |
| Cunningham | Kunkel | Stefan |
| Curtis | Lane | Stockman |
| Dague | Lanham | Sullivan |
| Davenport | Larcade | Talle |
| Davies, N. Y. | LeCompte | Tauriello |
| Davis, Ga. | Lind | Teague |
| Davis, Tenn. | Lodge | Thomas |
| Davis, Wis. | Lovre | Thornberry |
| Dawson | Lucas | Tollefson |
| Deane | Lynch | Trimble |
| DeGraffenried | McConnell | Van Zandt |
| Delaney | McCormack | Vorys |
| Denton | McCulloch | Wadsworth |
| D'Ewart | McDonough | Walter |
| Dollinger | McGuire | Weichel |
| Dolliver | McKinnon | Welch |
| Donohue | McMillan, S. C. | Whitaker |
| Douglas | McSweeney | White, Calif. |
| Doyle | Mack, Ill. | White, Idaho |
| Durham | Mack, Wash. | Whitten |
| Eaton | Madden | Whittington |
| Eberharter | Mahon | Widnall |
| Elliott | Mansfield | Wigglesworth |
| Ellsworth | Marsalis | Wilson, Tex. |
| Elston | Marshall | Winstead |
| Engle, Calif. | Martin, Iowa | Withrow |
| Feighan | Merrow | Wolverton |
| Fellows | Meyer | Woodhouse |
| Fenton | Michener | Woodruff |
| Fernandez | Miller, Calif. | Yates |
| Fisher | Miller, Md. | Young |
| Flood | Miller, Nebr. | Zablocki |
| Forand | Mills | |

NOT VOTING—169

| | | |
|---|---|---|
| Abbitt | Harris | Perkins |
| Abernethy | Harrison | Pfeiffer, William L. |
| Allen, La. | Harvey | Phillips, Tenn. |
| Andersen, H. Carl | Hays, Ohio | Pickett |
| Angell | Hébert | Plumley |
| Arends | Heffernan | Poage |
| Auchincloss | Heller | Poulson |
| Bailey | Hinshaw | Powell |
| Barrett, Pa. | Hobbs | Preston |
| Barrett, Wyo. | Hoeven | Price |
| Bates, Ky. | Hoffman, Ill. | Quinn |
| Bolling | Irving | Rains |
| Bolton, Ohio | Jackson, Calif. | Redden |
| Bramblett | Jackson, Wash. | Regan |
| Breen | James | Rich |
| Brooks | Jenison | Riehlman |
| Bryson | Jenkins | Rivers |
| Buckley, N. Y. | Jonas | Roosevelt |
| Bulwinkle | Jones, Ala. | Sadlak |
| Burdick | Jones, Mo. | Sadowski |
| Burke | Kean | St. George |
| Burton | Kearney | Sanborn |
| Byrne, N. Y. | Keefe | Sasscer |
| Carroll | Kelley, Pa. | Scott, Hardie |
| Cavalcante | Kennedy | Sheppard |
| Chatham | Keogh | Sikes |
| Chesney | Kerr | Simpson, Pa. |
| Christopher | Kilburn | Sims |
| Chudoff | Kirwan | Smathers |
| Clemente | Klein | Smith, Ohio |
| Clevenger | Latham | Spence |
| Cole, N. Y. | LeFevre | Stanley |
| Cooley | Lichtenwalter | Steed |
| Corbett | Linehan | Stigler |
| Coudert | Lyle | Sutton |
| Dingell | McCarthy | Taber |
| Dondero | McGrath | Tackett |
| Doughton | McGregor | Taylor |
| Engel, Mich. | McMillen, Ill. | Thompson |
| Evins | Macy | Towe |
| Fallon | Magee | Underwood |
| Fogarty | Martin, Mass. | Velde |
| Frazier | Mason | Vinson |
| Fugate | Miles | Vursell |
| Gamble | Mitchell | Wagner |
| Gillette | Monroney | Walsh |
| Gilmer | Morgan | Werdel |
| Golden | Morris | Wheeler |
| Gossett | Morton | Wickersham |
| Granahan | Multer | Wier |
| Green | Nicholson | Williams |
| Hall, Edwin Arthur | Noland | Willis |
| Hall, Leonard W. | Norton | Wilson, Ind. |
| Halleck | O'Toole | Wilson, Okla. |
| Harden | Pace | Wolcott |
| | Passman | Wood |
| | Patman | |
| | Patterson | |

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Irving with Mr. Arends.
Mr. Christopher with Mr. Nicholson.
Mr. Hébert with Mr. Clevenger.
Mr. Willis with Mr. William L. Pfeiffer.
Mr. Passman with Mr. Dondero.
Mr. Sikes with Mr. Riehlman.
Mr. Stigler with Mr. Gillette.
Mr. Wilson of Oklahoma with Mr. Simpson of Pennsylvania.
Mr. Barrett of Pennsylvania with Mr. Edwin Arthur Hall.
Mr. Cavalcante with Mr. Smith of Ohio.
Mr. Granahan with Mr. Gamble.
Mr. Linehan with Mr. Macy.
Mr. Chesney with Mr. Leonard W. Hall.
Mr. Roosevelt with Mr. Auchincloss.
Mr. Breen with Mr. Sadlak.
Mr. Carroll with Mr. Plumley.
Mr. Harris with Mr. Engel of Michigan.
Mr. Harrison with Mr. Angell.
Mr. Stanley with Mr. Lichtenwalter.
Mr. Hobbs with Mr. Latham.
Mr. Rains with Mrs. Bolton of Ohio.
Mr. Gilmer with Mr. Coudert.
Mr. Mitchell with Mr. Jackson of California.
Mr. Williams with Mr. Corbett.
Mr. Wickersham with Mr. Hoeven.
Mr. Rivers with Mrs. St. George.
Mr. Fugate with Mr. Towe.
Mr. Preston with Mr. Hoffman of Illinois.
Mr. Fogarty with Mr. Jenkins.
Mr. Price with Mr. Kean.
Mr. Frazier with Mr. Kearney.
Mr. Evins with Mr. Hardie Scott.
Mr. Perkins with Mr. Poulson.
Mr. Fallon with Mr. Sanborn.
Mr. Dingell with Mr. Kilburn.
Mr. Abbitt with Mr. McGregor.
Mr. Abernethy with Mr. Harvey.
Mr. Bates of Kentucky with Mr. Werdel.
Mr. Bolling with Mr. Wilson of Indiana.
Mr. Burke with Mr. Mason.
Mr. Walsh with Mr. Martin of Massachusetts.
Mr. Sims with Mr. Wolcott.
Mr. Wagner with Mr. LeFevre.
Mr. Sasscer with Mr. Taber.
Mr. Sheppard with Mr. Taylor.
Mr. Tackett with Mr. Velde.
Mr. Hays of Ohio with Mr. Morton.
Mr. McGrath with Mr. Cole of New York.
Mr. Magee with Mrs. Harden.
Mr. Noland with Mr. Golden.
Mr. Bailey with Mr. Barrett of Wyoming.
Mr. Jackson of Washington with Mr. Bramblett.
Mr. Klein with Mr. Burdick.
Mr. Keogh with Mr. Patterson.
Mr. Heffernan with Mr. Keefe.
Mr. O'Toole with Mr. Hinshaw.
Mr. Heller with Mr. Jenison.
Mr. Clemente with Mr. Jonas.
Mr. Thompson with Mr. Vursell.
Mr. Redden with Mr. McMillen of Illinois.
Mr. Regan with Mr. Phillips of Tennessee.
Mr. Sutton with Mr. Rich.
Mr. Multer with Mr. James.

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that all Members have five legislative days within which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

## COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

The SPEAKER. Pursuant to the provisions of House Resolution 635, Eighty-first Congress, the Chair appoints as members of the Special Committee To Investigate Campaign Expenditures of the various candidates for the House of Representatives, and for other purposes, Mr. MANSFIELD, Mr. CHELF, Mr. DEANE, Mr. FELLOWS, and Mr. JENNINGS.

## AMENDMENT OF WAR CONTRACTORS RELIEF ACT—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 629)

The SPEAKER laid before the House the following veto message from the President of the United States:

*To the House of Representatives:*

I return herewith, without my approval, H. R. 3436, an act "to amend the War Contractors Relief Act, as amended."

In taking this action, I wish to make it clear to the Congress that I am not opposed to legislation which would insure an equitable settlement of the claims filed under the original War Contractors Relief Act. If the Congress will take prompt action on such a measure, I shall be glad to approve it.

The First War Powers Act authorized the Government to provide relief on war contracts when "such action would facilitate the prosecution of the war." Its purpose was not to relieve contractors because of losses, or to insure them against losses. Its purpose was to obtain needed war production.

When hostilities ended on August 14, 1945, a number of Government agencies felt, quite logically, that they could no longer make contract adjustments on the ground that relief so provided "would facilitate prosecution of the war." Accordingly, pending requests for relief were denied even though the facts in particular cases would have justified favorable action if they had been disposed of prior to surrender of the Japanese Government.

I cannot accept the contention that the purpose of the War Contractors Relief Act, which H. R. 3436 would amend, was other than to provide a basis for relief to those contractors whose cases would have been handled under the First War Powers Act if war had not ended. Had I believed there was a broader purpose, I would not have issued the kind of regulations which were promulgated in Executive Order 9786. These regulations were a faithful attempt to interpret the language of the act as affording nothing more than a statutory basis for the continued processing of written applications for relief under the First War Powers Act which were pending and undisposed of on August 14, 1945. In accordance with the terms of the act, claims relating to these applications were permitted to be filed until February 7, 1947.

H. R. 3436, and the reports recommending its enactment, would radically change the basic purpose of the original War Contractors Relief Act. I believe that in spite of any administrative interpretation which might be made to limit the effects of the bill, its provisions not only require reconsideration of all claims originally filed, but might also be construed to permit reopening of an unknown number of cases settled under the First War Powers Act and the Contract Settlement Act. This belief is based upon the fact that the bill greatly relaxes the requirements for filing notice, and upon the further fact that the bill permits two new elements of cost which were not authorized under the 1946 act to be allowed as costs of performance of the contracts and subcontracts. To quote the bill, these elements are "(1) all, or the properly allocable portion, of the sum paid or allowable by the claimant as reasonable compensation for services, during the period of performance of the contracts and subcontracts, to its working partners or working sole proprietor, and (2) interest at reasonable rates paid by the claimant to the date of determination of the claim on sums borrowed by him or if for the purpose of providing necessary working capital for the performance of the contracts and subcontracts."

I do not object to the language which clarifies the intent of the Congress with respect to sums paid as a reasonable compensation for services, but I do find objectionable the inclusion of interest on working capital as a basis for allowing relief. In the first place, it would discriminate unjustly against those con-

tractors who financed their own operations. Secondly, I find nothing in the legislative history to indicate that it was ever intended to authorize the inclusion of such interest as a basis for computing losses and making claims for relief as a result of such losses. In fact, it was certainly upon this point which led to the exclusion in Executive Order 9786 of interest on invested capital as an item of cost upon which losses might be computed.

When this element of interest, relaxation of requirements for filing notice, liberalization of relief beyond that afforded by the First War Powers Act, and the specific exclusion of finalty of settlement under the First War Powers Act and the Contract Settlement Act are all added together, I believe that the net effect of this bill for all practicable purposes, would be to write into law the principle of Government insurance against all wartime net losses incurred by contractors providing goods and services to the Government.

In my veto message on H. R. 834, Eighty-first Congress, a bill "To amend the Contract Settlement Act of 1944," I stated that the implications of acceptance of such a principle "are profound, both with respect to our finances and with respect to our free-enterprise system." I stated further, "In my opinion, it would be a serious error to introduce at this time a new principle—insurance against war-caused losses. This would involve reopening the entire program of financing the war, with incalculable effects upon our finances." These quotations are equally applicable in the case of this bill. If this principle should ever be accepted for those who had contracts with the Government, I would see no basis for withholding its extension to thousands upon thousands of other persons who suffered in producing for the war effort without contracts.

In addition to this major objection to H. R. 3436, I should like to elaborate another point to which I have already referred. There can be no doubt that the bill relaxes the requirement of the original War Contractors Relief Act that requests for relief must be in writing. The last sentence of section (b) of the bill states, "The form of the request for relief hereunder shall be immaterial, provided it inform the Government or the dominant contractor that a loss was being suffered, was anticipated, or had been suffered by the contractor, subcontractor, or subcontractor in connection with the work in question." To authorize the founding of a claim upon any kind of notice and regardless of whether the notice was filed with the Government, would in itself place the Government in a most unfavorable position to protect itself against favoritism and collusion or fraud.

When taken together with the provisions of section 1 of the original act which authorizes settlement for losses incurred "without fault or negligence," it would place upon the Government the requirement of having to prove fault or negligence in order to deny claims for work which may have been performed as long ago as the fall of 1940. Such a requirement would be wholly indefensible.

It is unfortunate, and I deeply regret that there has been uncertainty and, in the opinion of the supporters of this measure, controversy between the Congress and executive agencies as to the intent of the War Contractors Relief Act. It is likewise a matter of deep concern to me that I find myself unable to agree with the committees' reports upon H. R. 3436. The language of the bill standing alone, or when read in the light of the committees' statements, does not provide an acceptable clarification of the original act. Therefore, I see no way to approve the act and depend upon its legislative history to provide an enforceable statement of its limitations.

In spite of my objections to the scope of H. R. 3436 and the principles which I believe it would write into law, I am convinced that agreement can be reached upon what the Government has a clear-cut obligation to do. To that end, I wish to repeat that I shall be glad to approve a bill which limits its amendment and interpretation of the War Contractors Relief Act as suggested in this message.

I believe that a bill incorporating the following seven provisions would be fair and would permit equitable settlement of those claims, unsettled at the end of the war, which the Congress feels have been rejected on the basis of "flimsy technicalities."

1. Authorize reconsideration of the claims filed in accordance with the provisions of the original War Contractors Relief Act.

2. Remove the basis for technical rejection by permitting either a request in writing for relief under the First War Powers Act, or a written demand for payment of losses, or a written notice of sustained or impending loss, if timely filed, to be accepted as a basis for claim.

3. Authorize consideration and settlement of the claims of subcontractors on the same basis as the prime contractors if the same kind of written request, demand, or notice was filed with a Government agency, a prime contractor, or another subcontractor prior to August 14, 1945.

4. Permit reasonable compensation with respect to partners and proprietors, thus affording them the same treatment accorded corporations.

5. Preserve jurisdiction of the courts over suits now pending and not require any claimant to start over again in the presentation of his claim.

6. Permit a reasonable time, perhaps 60 days, for amendment or revival of any claim.

7. Include the clarifying definitions of section 7 of H. R. 3436.

Prompt enactment of such legislation will make it possible for the executive agencies and the courts to discharge the responsibilities which I am convinced they cannot equitably discharge under the measure that I am returning without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 30, 1950.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the bill and message be referred to the Committee on the Judiciary and ordered to be printed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING HATCH ACT—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 630)

The SPEAKER laid before the House the following veto message from the President of the United States:

*To the House of Representatives:*

I return herewith, without my approval, H. R. 1243, a bill "to amend the Hatch Act."

This bill would make two major revisions in the act which imposes restrictions on the political activities of Federal employees. First, the bill gives the Civil Service Commission a limited amount of discretion to provide a lesser penalty than removal from office for those employees found to violate the political activities restrictions of the Hatch Act. Second, the bill requires that, in those political subdivisions where Federal employees are allowed to take part in nonpartisan election activities restricted to a local or community level, they shall also be allowed to take part in such activities on a partisan basis.

The bill makes other changes in the Hatch Act. One of these would require that every year the Civil Service Commission shall send to the President for transmittal to the Congress a report listing all persons against whom action has been taken by the Commission, along with a statement of the facts of each case and the penalty imposed. Another change would confer a statutory right upon committees of the Congress to obtain records containing testimony or other evidence relevant to charges and allegations of violation of the political activity restrictions of the Hatch Act. A final change would impose a criminal penalty for the failure to disclose parties sponsoring political literature transported in interstate commerce.

I have no objection to three provisions of this bill: that giving a limited discretion to the Civil Service Commission in the imposition of penalties for violations of the Hatch Act; that requiring annual reports to the Congress of cases involving violations by Federal personnel of the political restrictions of the Hatch Act; and that with respect to distribution of political literature. Particularly, I am wholeheartedly in accord with the desirability of vesting in the Civil Service Commission the authority to impose lesser penalties than removal from the Federal service for violations of the political activities provisions of the Hatch Act. Under present law, this stern penalty must be imposed even in cases involving a minor or inadvertent violation. Clearly there is a need to temper this drastic provision in order to assure full and effective enforcement of the law. I feel that the new section 9 (b) provided in section 1 of this bill would adequately meet this need.

Unfortunately, there are two other provisions of the bill to which I cannot subscribe.

One of these provisions extends additional privileges to Federal workers in certain areas by enabling their participation in partisan political activity restricted to a local or community level. If, as the measure intends, the political privileges of the Federal employees are now to be extended to the field of local partisan politics, there is no valid reason to confine the extension to geographic locations or to areas where the number of Government employees is predominant. If Federal employees are to be allowed to participate completely and actively in the selection of local officials, a move which I endorse, their participation should be permitted on a Nationwide basis.

I feel the obligation to point out that this particular provision, as now worded, might not accomplish what it purports to do. In certain States or localities having so-called party plans, the provision would not represent any extension of rights now held. Where a party plan is in force, a Federal worker could not seek local office on a partisan ticket without supporting all other party candidates, whether for local, State, or national office. If he did support them actively, he would automatically be in violation of the Hatch Act. If he failed to give active support, he could be penalized by removal from the ballot. Thus, it would appear that in such a case the Federal worker gets nothing more than the rights which he already has. To protect the Federal worker in such circumstances against undue pressures to indulge in partisan activities, the Civil Service Commission should be authorized to deny the right to participate in local partisan politics wherever the party plan exists.

The other objectionable provision in this bill relates to the statutory right given congressional committees to obtain records containing testimony or other evidence relevant to charges and allegations of violations of the Hatch Act. This provision represents an encroachment upon the long-recognized prerogative of the Chief Executive to maintain in confidence those papers and documents which, in the public interest, he feels should be so maintained. It has been the position of every President that it is for the Executive to determine what documents and papers in the executive branch should be held confidential. This is entirely consistent with the separation of powers provided by our Constitution. I cannot accept or give my approval to any act of the Congress which would threaten or diminish so preeminently necessary a right of the Chief Executive.

In view of the foregoing considerations, I have felt obliged to withhold my approval of this enactment in its present form. I shall be quite willing to approve a bill which does not contain these two objectionable features, and I urge that the Congress take such action before the close of the present session.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 30, 1950.*

The SPEAKER. The objections of the President will be spread at large upon the Journal, and without objection the bill and message will be referred to the Committee on House Administration and ordered to be printed.

There was no objection.

REORGANIZATION PLAN NO. 24 OF 1950

Mr. DAWSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 648) disapproving Reorganization Plan No. 24 of 1950; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Michigan [Mr. HOFFMAN] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, I understand and hope that the 2 hours will not be used?

Mr. DAWSON. I was hoping the same thing. There has been an agreement on that.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution H. Res. 648, with Mr. CHELF in the chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

Mr. DAWSON. Mr. Chairman, I yield myself 17 minutes.

Mr. Chairman, the Committee on Expenditures in the Executive Departments, to whom was referred the resolution (H. Res. 648) disapproving Reorganization Plan No. 24 of 1950, having considered the same, report unfavorably thereon, without amendment, and recommend that the resolution do not pass.

Reorganization Plan No. 24 is very short. I will read it:

RECONSTRUCTION FINANCE CORPORATION

The Reconstruction Finance Corporation, together with all of its functions, agencies, property, assets, funds, contracts, loans, liabilities, commitments, authorizations, allocations, personnel, and records, is hereby transferred to the Department of Commerce, and shall be administered, subject to the supervision, coordination, and policy guidance of the Secretary of Commerce, by the Board of Directors and officers of the Corporation: *Provided,* That the agency, personnel, property, functions, and all other matters and affairs transferred by, and all reorganizations effected by, Reorganization Plan No. 22 of 1950 and by Reorganization Plan No. 23 of 1950 are excluded from the scope and effect of this Reorganization Plan No. 24 of 1950 upon the taking effect, respectively, of such Reorganization Plans Nos. 22 and 23.

Plans Nos. 22 and 23 had to do with the Reconstruction Finance Corporation. It took certain loaning powers from the Reconstruction Finance Corporation and transferred them to the Housing and Home Finance Agency. This had to do with loans for housing and with loans for building and constructing prefabricated housing. Those functions of the Reconstruction Finance Corporation have already been transferred. No disapproving resolutions have been filed to them and they will become the law as far as this body is concerned. That leaves in the Reconstruction Finance Corporation its lending powers for industry, particularly for small business, together with some minor functions. This plan No. 24 transfers the lending powers of the Reconstruction Finance Corporation to the Department of Commerce. That is where the argument comes in.

To state it simply, should we transfer it to the Department of the Treasury or should we transfer it to the Department of Commerce? The Hoover Commission, by a majority report, recommended that it be transferred to the Department of the Treasury. There was a split vote on that. Of the 12 members of the Hoover Commission, 4 or 5 believed it should be sent to the Department of Commerce. The other seven believed it should have gone to the Treasury Department. The President of the United States, in considering the different recommendations, and in looking at the situation as it now exists, upon the advice of those who counseled him upon this matter, came to the conclusion that the welfare of this Nation could be best served by putting the remains of the Reconstruction Finance Corporation that now exists into the Department of Commerce. The majority of our committee agreed with that transfer.

The Reconstruction Finance Corporation was organized in 1932, when Mr. Hoover was President of the United States. At that time the Congress in its judgment and the then President believed that it should be in the Department of Commerce. When originally formed with all of its various lending agencies then attached to it they believed that it should be put in the Department of Commerce and they put it there. How did it get out of the Department of Commerce? You remember the incident: We had a prospective Secretary of Commerce at that time; I think his name was Mr. Wallace; we had a head of the Reconstruction Finance Corporation; I think his name was Mr. Jones, of Texas. They differed on some important details. Mr. Jones won, and the Reconstruction Finance Corporation was taken out of the Department of Commerce and has been out of it ever since.

On one thing the Hoover Commission was in accord, that this corporation should no longer be left as a separate agency but that it should be in one of the major departments of the executive branch, and the President has taken steps to carry out that recommendation. As I said, he has taken the lending features relative to housing away from Reconstruction Finance Corporation and put them into the Housing Administra-

tion in order that that agency that handled major housing details should take care of that function of government that deals with housing. The ability to make loans there was put into the Home and Housing Agency where it should be. Some of the other corporations under the control of the Reconstruction Finance Corporation were put in the Department of Agriculture because those loans came within the general purpose of the Department of Agriculture; and so it is that the remaining part that has to do with business and industry should be placed in that department of the Nation charged with the responsibility of encouraging and promoting business—that is their major purpose—and we take the remaining features of the Reconstruction Finance Corporation that have to do with lending to business, encouraging business, and put them in the department whose major objective is to deal with business. That carries out the same program that was set up in plans and was adopted by this House.

There was some difference of opinion with regard to placing it in the Treasury or the Department of Commerce, and such differences of opinion are an entirely normal thing, but it must be remembered that the Treasury does not lend money to business or to individuals; the Treasury does not lend money to private corporations. This would be a new feature set up in a department none of whose major purposes constituted the purpose for which the Reconstruction Finance Corporation exists. So the logical thing to do is to put it in the Department of Commerce and that is what this plan does; it puts it in the Department of Commerce instead of in the Treasury Department.

That is the only question involved, and I submit that good legislative practice would put it into that department whose main objectives are to carry out the functions that now remain in the Reconstruction Finance Corporation. The issues are clear.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield to my distinguished friend from Illinois.

Mr. SABATH. I wish to say that the statement of my colleague and the chairman of that great committee is correct, because when I first introduced the Reconstruction Finance Corporation bill creating that organization it was the intention that it should go to the Department of Commerce because the aim was to help small business that suffered so much during the crash of 1929, and the years that followed, 1930, 1931, and 1932; consequently, the resolution and the recommendation of the committee is in the right direction; it belongs to the Department of Commerce.

Mr. DAWSON. I thank the gentleman.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from Massachusetts.

Mr. HERTER. As a matter of historic record, I think the gentleman from Illinois is incorrect in regard to the original legislation dealing with the Reconstruction Finance Corporation. It is my recollection that was created under President Hoover's administration and that the first directors were appointed by President Hoover. If the gentleman initiated the legislation on behalf of a Republican President he should be congratulated.

Mr. SABATH. I introduced the first resolution in 1931 creating a lending agency to aid business that was in despair. The House passed the bill, but unfortunately President Hoover vetoed it because he desired an amendment to be inserted whereby the municipalities could not obtain loans unless they were for self-sustaining projects. The bill originally was presented by me and urged by me early in 1931. I had the matter up with Mr. Mellon and Mr. Mills and finally it was passed in 1932 when Hoover was President. But had the bill been passed in 1931 the crash would not have been as great as it finally was.

Mr. HERTER. The gentleman is talking about an amendment to the Reconstruction Finance Corporation Act but the RFC was already in existence prior to that time.

Mr. SABATH. The gentleman is mistaken. The first one was when I introduced my bill. There was no Reconstruction Finance Corporation. But I will say this, I did not call it the Reconstruction Finance Corporation. I called it in my bill the Federal Finance Relief Corporation because I did not want to leave any insinuation as to the reconstruction that the Republicans might indulge in and that there would be any reconstruction, so I called it the Federal Finance Relief Corporation Act.

Mr. DAWSON. Upon this we are agreed, that it was passed in 1932.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from Nebraska.

Mr. STEFAN. I would like to ask two questions. First, will the change result in some economy? Second, has this been recommended by the Hoover Commission?

Mr. DAWSON. It has been recommended by the Hoover Commission.

Mr. STEFAN. It has been?

Mr. DAWSON. Will the gentleman permit me to finish?

Mr. STEFAN. Yes.

Mr. DAWSON. It was recommended by the Hoover Commission that the Reconstruction Finance Corporation be placed in some department of the Government. The President placed certain activities of the Reconstruction Finance Corporation in those departments and agencies, the chief business of which was to carry out the purposes embodied in portions of the Reconstruction Finance Corporation Act. It also recommended that the remainder be put in the Treasury Department. I tried to explain that. That was by a division vote. Five members of that 12-man commission believed it ought to go into the Department of Commerce, but the majority believed it should go to the Treasury Department. In sending his plan down here and in studying both the majority and minority views, the President of the United States believed in light of present circumstances that it ought to be put into the Department of Commerce and that the minority views should be sustained. That is what we in our judgment will have to decide today, whether the remaining functions should go in the Treasury Department or in the Department of Commerce.

Mr. STEFAN. Will the gentleman answer my question on economy? Will it result in economy?

Mr. DAWSON. Efficiency means economy. When a function is efficiently administered it cannot be less economical than a function inefficiently administered. It is the opinion of the Hoover Commission that the functions of the Reconstruction Finance Corporation at present existing in Government is both inefficient and not economical. We believe economy will result.

Mr. HUGH D. SCOTT, JR. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. Certainly.

Mr. HUGH D. SCOTT, JR. I would like to say that I have great respect for the work done by the gentleman's committee and by the gentleman himself, but I would like to ask the gentleman whether he would agree that if a farmer, for example, were to direct me to put the turkeys in the hen house and I put them in the pig pen, would that be a compliance with the directive?

Mr. DAWSON. I would like to suggest this answer. I think if you were the President of the United States that you, when any problem or recommendation came to you, would deal with that recommendation in the light of existing circumstances, and particularly so when there was such a close division as to whether it go one place or not. Then, if in your judgment you believe that it should go where the minority said, you would to that extent follow the recommendation of the Commission at that time and you would deal with it, whether it would be better to put in the hen house or the turkey house, in the light of existing circumstances.

Mr. HUGH D. SCOTT, JR. Would the gentleman be correct, however, in saying it is in compliance with the directive of the Hoover Commission, if the Hoover Commission recommended it go to the Department of the Treasury and the gentleman's committee recommending it go to the Commerce Department?

Mr. DAWSON. I will say this, that the former President of the United States would not expect the present President of the United States to follow every recommendation, dot every "i" and cross every "t." He would expect for him to assume the responsibility that had been on his shoulders to do the thing now that will be for the best interest of the country.

Mr. HUGH D. SCOTT, JR. I thank the gentleman; he answered my question. The recommendation of the Hoover Commission has not been complied with, but an alternative recommendation has been offered.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield.

Mr. KUNKEL. There is one question I would like to ask. The gentleman has been talking about the transference of the remaining functions of the Reconstruction Finance Corporation. Do these functions go to the Department of Commerce, or is the Reconstruction Finance Corporation kept intact and the Corporation transferred over into the control of the Department of Commerce?

Mr. DAWSON. The functions are kept under the Board of Directors, sir, but they work under the guidance of the Secretary of Commerce, in dealing with business. Since it is his duty to promote business it is essential to have it within his Department where he can confer with them, and it seems to me it is much better than putting it into a department which does not have those functions.

Mr. KUNKEL. I agree that it should go to the Department of Commerce, but the corporation is kept intact?

Mr. DAWSON. That is right.

Mr. KUNKEL. What really happens is that it goes back to the same system that existed prior to the change, except that certain functions in Reorganization Plans 22 and 23 have been transferred to the home and housing agency.

Mr. DAWSON. That is right.

Mr. KUNKEL. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the situation which confronts the House today demonstrates the unsoundness of the original reorganization act. Here we have a plan, No. 24, which changes the existing law sent down to the Congress. It becomes the law of the land unless within 60 days one House or the other, by a constitutional majority, rejects the plan. Probably there are now not more than 150 Members of the House in the city of Washington. It would require 218 to reject this plan. You see the situation? Anything that the President wants to send down, and the leadership wants to keep from coming up for a vote until it just happens that many of the Members are out of the city, may become a law because a lack of attendance prevents a veto by the House. The reorganization act changes our whole legislative system. But there is no use talking about that because that is the law today.

Then there is another little thing that illustrates how we can be led astray. There is no question but that the country see the need for efficiency and economy in the operations of the Federal Government. The Hoover Commission made its report, and the country is sold on those two ideas that by the adoption of its recommendations we will get efficiency and economy. The President, clever politician that he is, has taken advantage of the situation, and he is just pinning the Hoover label on every nice little political scheme he has in mind and is sending them down here. I think we have had 27 of them, some of them in accord with the Hoover Commission's recommendations and some, like this one, out of step with those recommendations.

The gentleman can talk all he wants to about the minority on the Hoover Commission. There were minority views. I doubt if there is any one question that ever came before that Commission, unless perhaps it was the issue of increasing the salaries of Federal officials and employees, upon which there was not a dissenting opinion of some kind, and there was on this.

The Hoover Commission recommended that if there was to be a change in the housing of the RFC the functions of the Reconstruction Finance Corporation should be transferred to the Department of the Treasury. That is what they recommended. You cannot get away from the record. That was the recommendation. All you need to do is read the recommendations and the report of the task force.

But the Hoover Commission was primarily concerned with delaying any change until the Congress should determine the future of the Reconstruction Finance Corporation. We will assume the Reconstruction Finance Corporation was all right when it came into existence but, like every other Federal agency, it has grown and expanded. Instead of being a sort of throw out a life line organization it has developed into a lending organization. It is now proposed by the President to liberalize the lending program.

Those who have studied governmental operations will reach the conclusion, I believe, that lending is to be construed so that after a while a loan will mean a gift, somewhat similar to our foreign policy. We lent, but after a time we just dropped the term "loan"—for the money we advanced turned out to be a gift.

This is one thing the committee had to say, and we quote from our report:

A subcommittee of the Senate Committee on Banking and Currency, headed by Senator FULBRIGHT—

A Democrat—

already is engaged in a review of the policies and operations of the Reconstruction Finance Corporation as recommended by the Hoover Commission.

The Commission recommended a study of the Reconstruction Finance Corporation and a determination by the Congress of what policy that organization should follow.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. MILLER of Nebraska. May I ask if there was any testimony before the committee relative to the citizens' committee that followed the Hoover Commission, as to their recommendations upon the transfer of this agency either to the Department of Commerce of the Treasury Department? I am referring to the citizens committee that is set up, I think, in all the States now, that is making recommendations to Members of Congress relative to this plan.

Mr. HOFFMAN of Michigan. Yes; the citizens committee sent up a witness, Mr. McCormick, and his testimony followed very closely the recommendations of the Hoover Commission. We quote from that report. Both the Hoover Commission and the citizens committee for the Hoover Report have given greater emphasis to the Commission's recommendations for a review by Congress of the operations and policies of the Reconstruction Finance Corporation than to the question of its location.

The minority of the committee and the Member of the other body wants the Congress first, before it places this organization any place except where it is now to make a study of what the RFC is doing and to determine the future policy of the RFC.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. KUNKEL. There was the bill which drastically curtailed the powers of the RFC which was passed by the Eightieth Congress. Does this plan, which the House passed then, and which was reported out by the Committee on Banking and Currency, which we thought did a pretty good job in cutting the RFC back, change that bill?

Mr. HOFFMAN of Michigan. It certainly does. I will read to you from the report on page 16:

The Reconstruction Finance Corporation, at least until a recent period, has maintained, in general, a reputation for conservatism. Excessive liberalization—

I think this answers the gentleman's question—

of its policies would tend to weaken the financial foundation upon which rests not only the Government but the whole economy as well.

Here at least in my judgment is what they are trying to do. First, they are trying to take advantage of the Hoover Commission's recommendation but ignore the recommendation that a study should first be made. But they want to take advantage of the recommendations that if a change is made it should go to the Treasury Department, but they instead want to switch it over to the Commerce Department. Why? Well, you do not need to be a prophet nor the son of a prophet to understand that. The RFC has had and it undoubtedly will have control of billions of dollars. The RFC has placed some restrictions upon the loaning of that money. We all know the RFC has been fairly liberal with Lustron and with Kaiser and some more borrowers. They have lost some money. In one case they lost $37,000,000 in one chunk. They made some loans which, to say the least, are peculiar. It occurs to me it might be well to have a little more conservatism in the operations of that organization when it is dealing with the taxpayers' dollars, especially if we are to get into a war and we are to have to finance the war.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. HUBER. Did I hear the gentleman say Gabrielson?

Mr. HOFFMAN of Michigan. No, I was not aware until it came up in committee that any Republican—I do not

know how many Republicans there are—can you tell me how many voted in the last election?—there were not quite enough—has borrowed any large sum of RFC.

Mr. HUBER. No, not quite enough.

Mr. HOFFMAN of Michigan. I do not know. But there were not quite enough—not quite. I hear some applause—from the left again. I acknowledge it. I am thankful for it. I appreciate the fact that apparently you approve of something I said because I can only assume you are honest and sincere in applauding and encouraging my remarks.

What they propose to do, Mr. Chairman, is this: The RFC has shown a little independence. If they can just move over that lending agency and liberalize it, and lend the money—and I do not assume they will lend very much of it to Republicans—but lend the money to individuals or corporations which will support the so-called Fair Deal, that will be a wonderful, fine thing for the party in power. If you can just get the control of the Department headed by a gentleman—and I am not talking about the present holder of that position—but if you can just get control of the lending of these billions of dollars and get that into the political channel—you see what it means? In addition to all the special favors granted to labor and to others—first to this group and then to that—now, if you can get the businessman and make them dependent for their existence upon the administration, because the holder of a mortgage always has quite a little control over the borrower—you have almost insured, have almost made certain the return of a Democratic Congress. I would not mention Members of the other body who may be able to go to the source and apply for and advise as to loans to be made to influential people who take an interest in politics in their own districts.

Mr. SABATH. Will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. SABATH. The gentleman stated that only loans will be made to Democrats. Does not the gentleman know the biggest loan was made to a Republican, former Vice President of the United States, Mr. Dawes, amounting to $90,000,000, and I at that time, as one, approved the loan because I thought it might save many of the banks.

Mr. HOFFMAN of Michigan. That loan did save many banks. And the gentleman showed good judgment, because, as I understand, every dollar was paid back and paid back with interest. What is the matter with that? Did not Dawes change his political opinion? Are you quarreling with him about that? Do you think he did not deserve the loan because he did not change his political views? What are you squawking about?

Mr. SABATH. I take exception to the statement that the gentleman said that loans were made only to Democrats. The greatest loans were made to Republicans and the record will bear me out, and the largest one was to Dawes, $90,000,000, and it took 14 years before it was paid back.

Mr. HOFFMAN of Michigan. Well, they showed good sense, because they got all their money back and with interest. In the Lustron loan you lost something like $37,000,000. Does anyone contend for a moment that you have not used every power within your control to force people into accepting your political philosophy? Attempted recently to silence Congressmen who were critical of the administration? Oh, I know you were educated in the Chicago school of politics.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. HOFFMAN of Michigan. I yield myself two additional minutes until I tell him about Chicago, and how they operate over there. They operate on a cash basis. I know some precinct committeemen that you got over by favors. That is all right with me, but what I object to your doing now is taking this money of the taxpayers and, under the guise of helping businessmen, shall I say seduce them into going along in support of your party? What you are trying to do here is what you have done in other instances, purchase votes by the distribution of taxpayers' money. If you want to get political on it, I call your attention to the report of a committee of the other body, where they reported that in Texas Federal money appropriated for relief was used to purchase votes, and that the same thing occurred in Kentucky. Now that is the record, if you want it. I realize that we do not have enough here to put this through, but I do not propose to let the plan become law without voicing protest against using again Federal funds to assure a continuance of your party in power.

But now back to plan 24, permit me to read the report of the minority. It is signed by all Republican members of the committee:

Reorganization Plan No. 24 of 1950, transferring the now independent Reconstruction Finance Corporation to the Department of Commerce, is in conflict with a recommendation of the Commission on Organization of the Executive Branch of the Government, which proposed to place it in the Treasury Department.

The plan raises issues broader than those relating to efficient organization. It is part of the administration program for what may prove to be a dangerous relaxation of credit policies.

Decision on the proper location of the RFC in the Government structure should be deferred until there is opportunity for more complete consideration of pending legislative measures before other committees. Time also should be given for a comprehensive review by the Congress of policies and operations of this Corporation, which was the major recommendation of the Hoover Commission with respect to it.

The plan should be rejected by approval by the House of Representatives of House Resolution 648.

TERMS OF PLAN

Reorganization Plan No. 24 consists of a single paragraph, the implications of which are far reaching.

It provides that the Reconstruction Finance Corporation, together with all of its functions, agencies, property, assets, funds, contracts, loans, liabilities, commitments, authorizations, allocations, personnel, and records, shall be transferred to the Department of Commerce.

The Corporation would continue to be administered by its Board of Directors but—"subject to the supervision, coordination, and policy guidance of the Secretary of Commerce."

Excluded from the scope and effect of the plan are functions relating to housing which are to be transferred to the Housing and Home Finance Agency under Reorganization Plans Nos. 22 and 23, also pending.

ATTITUDE OF HOOVER CITIZENS COMMITTEE

Mr. Robert L. L. McCormick, research director for the Citizens Committee for the Hoover Report, testified that his group could not support Reorganization Plan No. 24 because of its divergence from the recommendations of the Hoover Commission.

The attitude of this group, which is widely representative of a very strong public sentiment favoring adoption of the reorganization program of the Hoover Commission, is that plan No. 24 should not be allowed to become effective until there is a complete congressional review of the policies and operations of the Corporation.

RECOMMENDATIONS OF THE HOOVER COMMISSION

The Hoover Commission in its report, General Management of the Executive Branch, held that there are an excessive number of departments, administrations, agencies, boards, and commissions engaged in executive work which report directly to the President, if they report to anyone. In its recommendation No. 17 in this report, the Commission proposed that 65 present departments and agencies be consolidated into about one-third that number.

Recommendation No. 12 in the same report was that "the numerous agencies of the executive branch must be grouped into departments as nearly as possible by major purposes in order to give a coherent mission to each department." The Commission added that "by placing functions cheek-by-jowl the overlaps can be eliminated, and, of even greater importance, coordinated policies can be developed."

The Hoover Commission in its report on the Treasury Department pointed out that the Reconstruction Finance Corporation, the Export-Import Bank, and the Federal Deposit Insurance Corporation are independent agencies reporting directly to the President, that the President cannot give the time necessary for their supervision, and that, practically, they are accountable to nobody.

The Commission in its recommendation No. 3 in that report proposed that supervision of the operations of these agencies be vested in the Secretary of the Treasury.

With respect to the Reconstruction Finance Corporation, the Commission expressed its belief that "the operations of this Corporation, on which we make recommendations in our report on Federal business enterprises, should be placed in the Treasury Department with general responsibility for its supervision vested in the Secretary."

The major recommendations of the Commission with respect to the RFC appear in the report on Federal business enterprises.

Recommendation No. 18 of that report was that the Congress review the Reconstruction Finance Corporation in accord with recommendation No. 8 in the same report relating to lending policies of all corporations.

Recommendation No. 8 was as follows:

"We recommend (*a*) that the Congress review the power to make loans * * * taking into account the problems of economy, efficiency, and integrity; (*b*) that in nonemergency periods the Congress place restrictions on direct loans in order to insure that the normal channels of credit are utilized to the maximum extent possible or, alternatively, provide for the guaranty of

loans made by private or other established agencies."

DIRECT LOAN ISSUE

The Hoover Commission in recommending that the Reconstruction Finance Corporation be placed in the Treasury Department appears to have been influenced by its belief that further direct lending by the Government should be curtailed rather than expanded as proposed in the administration's present program.

The Commission had this to say on direct lending:

"Direct lending by the Government to persons or enterprises opens up dangerous possibilities of waste and favoritism to individuals or enterprises. It invites political and private pressure, or even corruption. Emergencies may arise in depression, war, national defense, or disaster which must be met in this way. But direct lending should be absolutely avoided except for emergencies."

The Commission held that no guaranties of loans should be made on terms more liberal than those made on direct loans and that the Government should not engage in direct lending where loans can be obtained from private sources on reasonable terms.

The Commission did not go as far as its task force on lending agencies, which recommended the liquidation of the RFC.

The Commission expressed its own view on this Corporation as follows:

"The Reconstruction Finance Corporation performed a useful and necessary function in the days of the depression and the war. Its life was extended by the Congress on May 25, 1948. The manifest major purpose of that extension was to maintain it as a stand-by agency in case of emergencies. But it still has 31 branch offices and over 3,000 employees.

"This agency is engaged in making direct loans to persons and enterprises, frequently without the participation of private agencies in its risks.

"Our task force strongly recommends the liquidation of this Corporation and the substitution of guaranties by the Government, operating through the Federal Reserve banks, of loans to be made by commercial banks.

"The Commission believes it preferable that the Corporation be reorganized to guarantee loans by commercial banks.

"There may arise cases of needed loans which are not available from private institutions. However, this unavailability, except in the case of emergency or where the national defense is involved, arises from the fact that more than normal risk usually is involved. It may be in the public interest to provide such credit.

"However, the credit of the Government should not be used to obtain lower rates of interest and easier terms than those which private institutions can properly provide."

COORDINATION OF CREDIT AGENCIES

Under the Hoover Commission program, the policies of domestic credit agencies would be coordinated by a National Monetary and Credit Council to be appointed by the President. The Council would be located in the Treasury Department and its chairman would be the Secretary of the Treasury. The various credit and related agencies would be represented on the Council. Its functions in the domestic field would correspond to those of the National Advisory Council on International Monetary and Financial Problems in the foreign field.

By means of the coordinating activities of the proposed National Monetary and Credit Council, the Commission proposed to bring policies of housing credit agencies, which were to be grouped under the Housing and Home Finance Agency, and those of farm credit agencies, which were to remain in the Farm Credit Administration within the Department of Agriculture, into line with those of the Reconstruction Finance Corporation and the Export-Import Bank in the Treasury Department.

The Reconstruction Finance Corporation, the Export-Import Bank, and the Federal Deposit Insurance Corporation were assigned to the Treasury Department under a listing of that Department's responsibilities which include the maintenance of the public credit, advice in the conduct of credit institutions, and supervision of certain others; and the periodic inspection of lending and other agencies in process of liquidation.

PURPOSE OF REORGANIZATION PLAN NO. 24

The President, in his message accompanying Reorganization Plan No. 24, asserted that the activities of the Reconstruction Finance Corporation are designed primarily to aid business, which is the basic mission of the Department of Commerce. He pointed out that a minority of the Hoover Commission favored assignment of the Reconstruction Finance Corporation to the Department of Commerce, the statutory function of which is "to foster, promote, and develop the foreign and domestic commerce."

The President referred to his special message of May 5 on the subject of coordination of Government aids to small and independent business.

The real significance of the reorganization plan becomes apparent upon study of the President's message of May 5 and legislation introduced to effectuate the recommendations of that message.

It is important that the Congress should understand fully the implications of that message in acting upon Reorganization Plan No. 24.

The President in his May 5 message recommended a five point program including, first, insurance of bank loans up to $25,000; second, the chartering of national investment companies; third, broadening of lending powers of the Reconstruction Finance Corporation; fourth, strengthening and improvement of the technical and managerial aids now provided by the Department of Commerce; and, fifth, placing of responsibility for these new programs in the Secretary of Commerce, including transfer of the RFC to his supervision.

With respect to the broadening of the lending powers of the RFC, the President said:

"The Corporation should be permitted to relax its collateral requirements on loans to small businesses, if management abilities and potential earnings of the borrower afford reasonable expectation of repayment. This amendment will merely give the Corporation the same discretion which many bankers already successfully exercise. The Corporation should also be authorized to increase its participation with private banks on such loans. In addition, I again recommend that the present 10-year maximum maturity on all types of business loans be increased to at least 15 years."

PENDING LEGISLATION

The President's recommendations are before the Congress in S. 3625, which is in the hands of the Senate Committee on Banking and Currency, and H. R. 8565 and H. R. 8566, in the House Committee on Banking and Currency. The bill is designated as the Small Business Act of 1950.

Title III of this measure relates to amendments to the Reconstruction Finance Corporation Act.

One of the principal proposed amendments would insert the following among present statutory lending powers of the Reconstruction Finance Corporation:

"To make loans to any small-business enterprise (as determined pursuant to section 603 of the Small Business Act of 1950, and the classifications established thereunder) which is a worthy credit risk but does not have adequate collateral, either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations, or otherwise, for the purpose of meeting the credit requirements of such business enterprise: *Provided*, That management abilities, potential earnings, and other factors deemed pertinent by the Corporation afford a reasonable expectation that the loan will be repaid."

Section 603, referred to in the proposed amendment, authorizes the Secretary of Commerce to establish such classifications of business enterprises as he deems appropriate. The criteria to be considered in establishing such classifications include the relative size and importance of businesses in an industry, the competitive circumstances and degree of independence, and such other factors as may be appropriate.

The proposed legislation is very broad and raises many highly controversial issues. Members of Congress should realize that approval of Reorganization Plan No. 24 is intended as a part of a movement for liberalization of the credit policies of the Reconstruction Finance Corporation in a manner contrary to its traditions.

If the entire legislative program is approved, we may expect scandals in RFC lending which would cause the cases which have been subjects of recent public discussion to pale into insignificance.

Liberalization of RFC credit policies would mean a reversal of the policies laid down by the Congress in the acts of 1947 and 1948 which provided for reorganization of the wartime Corporation on a peacetime basis. In both of those laws the Congress declared its purpose to curtail rather than expand the activities of the Corporation.

DIVERGENT VIEWS IN JOINT COMMITTEE ON ECONOMIC REPORT

While a subcommittee on investment of the Joint Committee on the Economic Report issued a report in March recommending Government action to provide capital loans and equity capital to small enterprise, a minority of that committee challenged both its statement of facts and conclusions.

The minority was skeptical of proposals for a liberalization of credit and held that the majority had placed too little emphasis on adverse effects of heavy taxation upon all kinds of business.

The minority report, signed by Senator TAFT and Representative HERTER, said:

"In addition to the shortage of equity capital, the small companies have difficulty in borrowing money on any long-term basis. The testimony is conflicting as to whether money is available on a short-time basis from the banks. We are inclined to think that it is available to the extent that the loans are sound, and we question the desirability of the Government stimulating short-term loans which are not sound."

These minority party members held that the principal causes of the disinclination of private investors to invest in common stocks and other forms of equity capital are high tax rates on middle and higher incomes, discrimination against investors in common stocks because of double taxation, and tax difficulties confronted by all business enterprises.

INVESTIGATION BY FULBRIGHT SUBCOMMITTEE

A subcommittee of the Senate Committee on Banking and Currency, headed by Senator FULBRIGHT, already is engaged in a review of the policies and operations of the Reconstruction Finance Corporation as recommended by the Hoover Commission.

Senator FULBRIGHT in testimony before the Senate Committee on Expenditures in the Executive Departments on Reorganization Plan No. 24 asked for its rejection. He stated that his subcommittee could not complete

its work before the effective date of the reorganization plan.

It was Senator FULBRIGHT'S opinion that a decision by the Congress on the future policies of the RFC should precede any action as to its place in the Government structure.

Disclosures before the Fulbright subcommittee have been of such a disturbing character as to provide a warning against further liberalization of lending policies of the Reconstruction Finance Corporation as proposed to accompany its transfer to the Department of Commerce.

INTEGRITY OF GOVERNMENT CREDIT

Maintenance of the integrity of the Government's credit is of fundamental importance to the entire American economy.

It is essential that the lending agencies of the Government should maintain standards on a par with those of private banking. Loose methods could lead to Government bankruptcy in the same way that lax financial policies undermine private banking and business.

Heretofore, agencies with very liberal policies to meet depression or other emergencies have been kept apart from those which have kept their practices on a sound basis.

The Reconstruction Finance Corporation, at least until a recent period, has maintained in general, a reputation for conservatism.

Excessive liberalization of its policies would tend to weaken the financial foundation upon which rests not only the Government but the whole economy as well.

CONCLUSION

The issues which are in the background of Reorganization Plan No. 24 are clearly of such a nature as to call for caution.

It is neither necessary nor desirable to take snap action on this plan without full consideration of related legislative questions. Other committees than those on Expenditures in the Executive Departments in the two Houses of Congress are concerned with these related matters. The status of pending legislation and investigations is such as to preclude any possibility of action on related issues prior to the effective date of Reorganization Plan No. 24.

The Hoover Commission and the Citizens Committee for the Hoover Report have made a convincing showing for the transfer of the Reconstruction Finance Corporation to the Treasury Department rather than to the Department of Commerce, assuming a decision of Congress to chart the Corporation's course along sound lines.

Both the Hoover Commission and the Citizens Committee for the Hoover Report have given greater emphasis to the Commission's recommendation for a review by Congress of operations and policies of the Reconstruction Finance Corporation than to the question of its location.

Such a review should clarify the issues in a manner to facilitate a decision as to whether the Corporation should be placed in the Department of Commerce or the Treasury Department.

Reorganization Plan No. 24 should be rejected by approval by the House of Representatives of House Resolution 648. Nothing will be lost by such rejection. The question can be reopened at a later date after questions of legislative policy have been decided.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DAWSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN. Mr. Chairman, I rise in support of the President's Reorganization Plan No. 24. I believe we should adopt this plan now.

The statement has been made in some quarters that this plan might conceivably be deferred in its taking effect and operation until present congressional inquiries have been completed. It would be well to point out that this plan goes to the structural and programming activities of this Corporation, and the findings of any congressional group now or later can be carried out as well with the Corporation within the framework of the Department of Commerce as under its present circumstances. Such scrutiny by the Congress from time to time is highly productive and performs a most valuable service, but any examination of the feasibility of continuing corporate lending powers or appraisals of judgment in regard to specific loans is not at issue here. These matters will appertain during the authorized lifetime of any governmental corporation. Each of these inquiries by the Congress has produced one abiding conclusion: This Corporation is left singularly to operate too much on its own.

The Hoover Commission, while acknowledging that the President has over-all direction of the executive branch, realized immediately that his attention and control cannot be of the intensive interest necessary; therefore, they conclude that "practically the RFC is accountable to nobody."

The result of Reorganization Plan No. 24 would be to make the RFC responsible to somebody and would, in effect, seek to place its functions under a major department related by goal, aims, and purpose.

Today we have the opportunity to set in motion the legislation which will accomplish this laudable purpose, by rejecting House Resolution 648, and thereby support Reorganization Plan No. 24 of 1950.

Mr. DAWSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. DAVENPORT].

Mr. DAVENPORT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DAVENPORT. Mr. Chairman, in testimonial to the greatness of the American family, I have introduced a resolution calling for the establishment of National Family Day to be honored on the third Sunday in September each year. We set aside a day each year to pay our respects to the mothers of America and another day to honor our fathers. To complete the circle of endearment, I have introduced this resolution so that we may take time each year to consider the importance and the wonders of family life. In the years ahead, the third Sunday in September will take its place in American life as one of our most treasured days.

At a time when the forces of communism test our very national existence, it is the family to which we must turn to preserve the sanctity of our way of life and to show the beleaguered outside world that in the end evil will be vanquished.

No nation can be greater than its families. A nation with weak family ties is a weak nation; a nation with poor families, families with little hope, or disintegrated family life is easy prey to the false promises of communism. The best bulwark against communism is a nation with strong and healthy family ties. American family life must be kept stable and healthy. We must accent our economic and political activities in this direction. National Family Day will serve each family as a yardstick each year to measure the degree of kinship and joy in such relationships.

If everything is right with the American family, we need have little concern with the future welfare of this great Nation. The family is the social cell; the family is the teacher; the family produces the citizen. Virtue is the basis of good citizenship and where is virtue developed? Only in a good home.

None of us is a creature of the State. The State is our servant. We are born into a family and we spend our formative years in its bosom. The child's entire world is his family and even when he is moving through adolescence, he returns to the family as the fulcrum of his existence. Who would question that the family is most responsible in molding the youth as he stands on the threshold of maturity? Who would question that he is essentially a product of his family. All his tastes, attitudes, temperaments and personalities are shaped by family life. The better the family life, the loftier the individual mind, the more exalted the nation, the better our future.

We honor our mothers on a special day, as we should. Yet it is family life which gives her the basic peace, dignity and security which are her characteristic lot throughout our land. On another special day we honor our fathers. Yet it is their family ties which ennoble and provide a steadying influence upon our men. For both mother and father, family life establishes and develops a deep sense of responsibility and promotes their growth in selflessness, sacrifice, and patience.

We struggle within the most complex economic market place ever known to mankind to provide our families with the essentials of life. And we are happiest when our families are content, secure, and healthy. It is therefore my purpose in introducing this resolution establishing National Family Day that we take time out each year to appreciate this wonderful institution and to think of ways to make it even more extraordinary.

Mr. DAWSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. HUBER].

Mr. HUBER. Mr. Chairman, it might be well for the better understanding of the circumstances surrounding this legislation to restate briefly the nature and purpose of the agency most affected. January 22, 1932, saw the establishment of the Reconstruction Finance Corporation. It performed a great service during a severe and dark depression era, and World War II, of recent memory. From time to time its basic legislation

has been altered within the orginal act and upon occasion separate statutes have emphasized some phase or other of the Reconstruction Finance Corporation program. This Corporation has proved to be a valuable contribution to the stabilization of our national economy. It has provided the vehicle for the safeguarding of our Nation's banking, insurance, and industrial enterprises.

Generally, the present Reconstruction Finance Corporation is permitted to make loans on adequate security to business enterprises including railroads and other carriers, to banking and financial institutions and public agencies engaged in financing or developing public works or projects, where in such cases credit elsewhere cannot be obtained on reasonable terms. The total Reconstruction Finance Corporation authorization now aggregates $3,880,000,000—with $825,000,000 to be employed for business loans; $200,000,000 for public agency loans; $40,000,000 for catastrophe loans; $15,000,000 for insurance loans; the greater share of the total, $2,750,000,000 goes to the Federal National Mortgage Association, and there is $50,000,000 for prefabricated-housing loans. These two latter functions and funds are transferred out of Reconstruction Finance Corporation by Reorganization Plans No. 22 and 23 of 1950, respectively.

An evaluation of the mission of this organization gives the membership an opportunity to bring new policy guidance program and direction to the Reconstruction Finance Corporation. Reorganization Plan No. 24 is a sincere legislative vehicle which will result in proving in its field a most effective element in our business life.

Mr. DAWSON. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. TAURIELLO].

Mr. TAURIELLO. Mr. Chairman, as a former examiner with the RFC in the Buffalo district, I rise to support this reorganization plan.

Mr. Chairman, one of the basic recommendations of the Hoover Commission in their examination of the executive branch of our Government took the form that the total of our executive agencies should be reduced to approximately one-third of their present number. In order to effectively carry this out, it becomes necessary to consider the grouping and fusion of related agencies, and the various missions which have been created for the major departments. Reorganization Plan No. 24 is an important step in this direction. It seeks to place a function important in our economy, that is, the lending function or power to loan money to our business world when funds from private credit sources are not available at reasonable terms. Commerce Department concerns itself with our business life; the Reconstruction Finance Corporation concerns itself with lending for the fostering and development of our business life. The purpose of both these organizations are inextricably interwoven. Lending is a concomitant of our business life; it is the blood of our business veins. Successful adoption of this plan will be a recognition of the joint role played by these two important forces.

If we are to succeed in reducing the size of our executive structure for the promotion of simpler government, a plan of this nature for these functions and many more like them throughout the length and breadth of the executive branch must be evolved, presented to the House and successfully enacted.

Mr. DAWSON. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Chairman, I rise in support of this reorganization plan.

Mr. Chairman, this transfer, which proposes to place the Reconstruction Finance Corporation in the Department of Commerce, would result in the Secretary of Commerce having a realm of interest in its supervision, coordination, and policy guidance. It would be interesting for the membership to know the testimony of the Honorable Charles Sawyer, Secretary of Commerce, in this regard. In his unequivocal endorsement of this transfer he had this to say:

> You may wish me to indicate for you how I, as Secretary of Commerce, would approach my new responsibility of guiding the Reconstruction Finance Corporation in matters of policy.
>
> The Reconstruction Finance Corporation Act of 1948 authorizes the Corporation to make loans and purchase obligations in order "to aid in financing agriculture, commerce, and industry, to encourage small business, to help in maintaining the economic stability of the country, and to assist in promoting maximum employment and production." The intent of this language seems clear to me. For it to be translated into practical policy, however, requires that the Corporation's board know the facts concerning a very wide range of business and economic activity. It must know where its aid in financing commerce and industry is most needed. It must know what is to be regarded as small business. It must know in what areas or industries small business is in need of aid. It must have some solid basis for judging how loans can be made most effective in promoting maximum production and employment.

Secretary Sawyer added:

> I am convinced * * * that such guidance is most appropriately furnished by the official who is charged with precisely this general area of public policy in all its aspects, nonfinancial as well as financial, and statistical and analytical as well as operating.

In these words we have the proposition presented that the interchange of information and coordination of programing can lend better direction, improved service, and economy.

Mr. DAWSON. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I may not need to use the 15 minutes, and I want to approach this question entirely frankly without indulging in partisanship, Democrats versus Republicans. I am not criticizing anything that happened before; I just want to make a few remarks about the President's plan.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HOFFMAN of Michigan. In reply to what the gentleman said about not getting politics into it, if the gentleman will recall, I never mentioned politics until the chairman mentioned Mr. Gabrielson.

Mr. HOLIFIELD. I am sure the gentleman had no intention of referring to politics.

In the consideration of the Hoover Commission recommendations we just cannot pick out one recommendation and eliminate or ignore the other recommendations. There is bound to be a diversity of opinion as to just how closely any piece of legislation, whether it be substantive legislation or a Presidential plan, conforms to the all-over Hoover recommendations when you consider them together.

Let me say at the outset that this plan 24 does not conform 100 percent to the Hoover Commission recommendation, because one of the recommendations of the Hoover Commission was that the RFC should go into the Treasury. I want to show, however, where it does conform to other recommendations of the Hoover Commission which are more important than the final location of the RFC itself. In the first place, one of the major purposes of the Hoover Commission was to eliminate as many independent bureaus and agencies as possible, and there were about 67 of them, which reported directly to the President, and consolidate them in the executive departments, give them departmental status, put them where they should be in relation to the functions of the particular executive department. So in the placing of this particular independent corporation, the RFC, the President and his advisers had to consider that; and they also had to consider the placing of the Corporation in a department according to major purpose.

Plan 22 of the President's plans transferred 75 percent of the RFC functions, in terms of statutory authorization, over to the Housing and Home Finance Agency. About $2,750,000,000 of the $3,880,000,000 was transferred to the Housing and Home Finance Agency. For what purpose? For the major purpose of implementing the housing program. The Reconstruction Finance Corporation, therefore, was not looked upon as a major purpose; it was looked upon as an enabling corporation to enable other major departments and major projects to function better in the Government. So the part that had to do with implementation of the housing program was sent over to the Housing and Home Finance Agency.

Plan No. 23 sent over the prefabrication financing also to the Housing and Home Finance Agency, because it had to be there to do the job of housing. This left approximately 25 percent of the original Reconstruction Finance Corporation, and in that category was embraced about $800,000,000 of loans to business. That was the second large piece of the RFC.

Where should that go? Should it go to Treasury just because dollars are involved? No, it should not go to Treasury; it should go to the place where it could be used for the major purpose for which it has already been used, which is loans to business.

Where is the executive department whose major function is the promotion of business? We know that is the Department of Commerce. Therefore, this second large piece of the RFC was transferred to Commerce, and there it is to perform part of the major function which is to promote and cause business to prosper.

A few other items, such as authorization of $75,000,000, loans to insurance companies, were also put there, as well as about $40,000,000 in so-called catastrophe loans to different areas where flood damage and other great damage had occurred. Those also went to Commerce. That was the tail end, you might say, of RFC.

So in the sending of the $800,000,000 part of the RFC and the $75,000,000 and the $40,000,000 you were sending it to the place where it should be sent according to the major purpose of the Hoover Commission, because you had to make the decision as to whether lending is a major purpose of Government or whether financing is a tool for the departments of Government to use to accomplish their major purpose. That in a nutshell is the reason why Commerce was chosen in place of Treasury.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New Jersey.

Mr. HAND. Would the gentleman inform the committee who the members of the Hoover Commission were who voted on this subject?

Mr. HOLIFIELD. Seven members of the Hoover Commission, a majority, voted to send it to Treasury.

Mr. HAND. The gentleman from Illinois told us that. I mean the personnel.

Mr. HOLIFIELD. I do not think I have that, but I will place it in the RECORD with my remarks.

I want to point out something which is very important, and that is that the gentleman from Michigan [Mr. HOFFMAN] is opposed to all of these plans. He undoubtedly would have been opposed to this plan had it been given to Treasury because he is against the Reorganization Act.

Another thing I want to point out is that the function of RFC is not changed. RFC still is to be administered by the board of the RFC and not by the Secretary of Commerce. It still has to be administered according to the policies set forth by the Congress during the Eightieth Congress because that was the last time the RFC Act was amended. So that is not changed. The Eightieth Congress made certain limitations on the RFC and extended its life to 1954 so far as lending purposes were concerned. Had the Congress at that time wanted to do away with RFC it would have done away with RFC; but it recognized that RFC had a legitimate function to perform. So the Congress extended the life of that agency.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Nebraska.

Mr. CURTIS. How much money will be saved by this proposal?

Mr. HOLIFIELD. That is a question which it is impossible to determine. The same answer is applicable to every piece of legislation which we passed in relation to the Hoover Commission recommendations, whether it be in the form of substantive legislation or in the form of a Presidential plan. The President is required by the Reorganization Act to say that it will save money, but he is not required to say how much. I do not think the President or any of us can judge until it is put into effect how much it will save. But this plan is following the grouping according to major purpose, it is eliminating the small, independent corporations and putting them into executive departments. It is placing the Reconstruction Finance Corporation in an executive department, although it is put in a different department. I hope the gentleman remembers that conditions have changed since the original Hoover Commission made its recommendation. Conditions have changed, and 75 percent of the RFC is being transferred to the Housing and Home Finance Agency by plans 22 and 23, so what is left is being transferred to the place where it will do its duty as an enabling tool to the Department of Commerce, whose purpose is to foster and promote business.

Mr. CURTIS. Was there any evidence offered on the subject as to how much it might save?

Mr. HOLIFIELD. In terms of actual dollars, no; there has been no definite testimony offered on any of the bills. There have been rough estimates, but I assure you they are rough, because in the administration of legislation and plans based on the Hoover Commission recommendation, the administration itself will have to develop those savings. We have been given a rough estimate that there will be approximately $3,000,000,000 saved, and I am talking about all the recommendations.

Mr. CURTIS. How much have they saved to date?

Mr. HOLIFIELD. Well, we have not had a fiscal year as yet under even part of the plan.

Mr. CURTIS. How many employees have been let out by reason of what has been adopted?

Mr. HOLIFIELD. I cannot answer that.

Mr. CURTIS. Any?

Mr. HOLIFIELD. I have no knowledge.

Mr. CURTIS. Have any?

Mr. HOLIFIELD. I think some have been let out and some have been hired.

Mr. CURTIS. Well, do we have more or less?

Mr. HOLIFIELD. I could not give the gentleman that answer.

Mr. CURTIS. Well, do we have any more agencies now?

Mr. HOLIFIELD. We have many less. Let me put it this way: We have grouped the agencies together according to major purposes, and there are less independent agencies reporting to the President.

Mr. CURTIS. The agencies are still there?

Mr. HOLIFIELD. The agencies are still there, and the Hoover Commission did not recommend that the agencies be abolished.

Mr. CURTIS. Have you created any new agencies?

Mr. HOLIFIELD. No.

Mr. CURTIS. The general service agency was not a new one?

Mr. HOLIFIELD. No. It was a consolidation of existing agencies. Let me be very fair. My friend, the gentleman from Michigan, says that it is a new agency. If he considers putting seven or eight agencies together into one group and calling it a new agency, that is a new agency.

Mr. CURTIS. What happened to the personnel in that move? Do you have more or less than when you started?

Mr. HOLIFIELD. I cannot answer that question. Being very frank, I think we have more at the present time in the General Services Administration than we had before, because the Hoover Commission put upon the General Services Administration additional duties.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. While I was out of the Chamber answering a telephone call I was advised that the gentleman from California made the statement that I was opposed to the original reorganization bill giving the President authority to send down plans. The gentleman is correct in that; I was opposed, because I did not want to make it possible for the President to get legislation through unless one House or the other exercised its veto power. I also understand the gentleman made the statement that I had opposed the Hoover Commission recommendations. I am sure the gentleman does not mean that because he must know, sitting on the committee, that I do not oppose all those.

Mr. HOLIFIELD. I said that as far as I knew, the gentleman had opposed all of the Presidential plans.

Mr. HOFFMAN of Michigan. Oh, no.

Mr. HOLIFIELD. If am wrong, will the gentleman tell me which plan he supported?

Mr. HOFFMAN of Michigan. All those that have gone through without objection. I did not oppose those. How many have gone through? A dozen or more.

Mr. HOLIFIELD. The gentleman spoke against every one of them.

Mr. HOFFMAN of Michigan. No. We have not even had a vote on some of them.

Mr. HOLIFIELD. Any Presidential plan that has been brought to the floor of this House I say that the gentleman from Michigan has spoken against, and I believe the RECORD will bear me out.

Mr. HOFFMAN of Michigan. That might be, but the gentleman says nothing about the plans that I am not opposed to. The gentleman only has a half truth in there.

Mr. HOLIFIELD. I apologize if I said "half truth," because I believe the gentleman is sincere and I do not want to put him in the wrong light.

Mr. HOFFMAN of Michigan. There are several of these plans, and maybe

what I should have done is to have introduced a resolution, which I did not do. I am sure the gentleman knows me well enough to know that, being here practically all the time and seldom missing a roll call, as the gentleman is fully aware, I would have introduced a resolution to disapprove of the plan if I had been against it.

Mr. HOLIFIELD. The gentleman's logic is unanswerable and his service to his people in their opinion no doubt is unparalleled.

So, Mr. Chairman, I believe the argument as to where this agency should go has been determined by the change of events and by the logic of dividing up this facility and placing it where it will accomplish the major purposes of the different departments where it is being sent.

As to the policy of the Reconstruction Finance Corporation, as to whether it makes loans to Democratic or Republicans or whether it makes loans on prefabricated housing or loans to insurance companies, or makes catastrophe loans or housing loans, that has not been changed and will not be changed by the transfer that is contemplated here. If that has to be changed, it will be the job of the Congress to change it. The functions of the Reconstruction Finance Corporation still remain under its Board of Directors and will continue as the law which is now written requires.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Nebraska.

Mr. STEFAN. The gentleman says it will be under the Board of Governors. Will they be responsible to the Secretary of Commerce?

Mr. HOLIFIELD. They will be responsible to the Secretary of Commerce as far as guidance and as far as reports are concerned, but as far as carrying out the basic function of the Reconstruction Act is concerned they will not. For instance, the Congress in the last amendment, I believe it was the 1948 amendment, put in a clause which said that the Reconstruction Finance Corporation should foster loans to small business. It would be, in my opinion, within the category of the power of the Secretary of Commerce to advise the acting Board that he wanted small-business loans, he wanted that particular expressed will of Congress carried out if the Reconstruction Finance Corporation Board was not carrying it out, but he would not say to the Board, "You shall loan to A, B, C, or D."

Mr. STEFAN. Would the Secretary have veto power over any decision of the Board of Governors?

Mr. HOLIFIELD. No, in my opinion he would not have any veto power. The basic Reconstruction Finance Corporation law gives that to its Board of Directors.

Mr. STEFAN. It would be really another division in the Department of Commerce, would it not?

Mr. HOLIFIELD. Yes, in effect it would be one of the subdepartments of the Department of Commerce.

Mr. STEFAN. Would the relationship of the Secretary of Commerce be similar to his present relationship to the Patent Office, the Bureau of Standards, the Weather Bureau, the Bureau of the Census, and so on?

Mr. HOLIFIELD. It would not be identical, because the plan itself provides that the Secretary of Commerce shall have guidance, and that the Board of Directors shall execute the policy expressed by Congress in the Reconstruction Finance Corporation Act.

Mr. DAWSON. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Illinois.

Mr. DAWSON. I think the words of the Secretary will answer the gentleman's question. He testified before our committee:

> You may wish me to indicate for you how I, as Secretary of Commerce, would approach my new responsibility of guiding the Reconstruction Finance Corporation in matters of policy.
>
> The Reconstruction Finance Corporation Act of 1948 authorizes the Corporation to make loans and purchase obligations in order "to aid in financing agriculture, commerce, and industry, to encourage small business, to help in maintaining the economic stability of the country, and to assist in promoting maximum employment and production." The intent of this language seems clear to me. For it to be translated into practical policy, however, requires that the Corporation's Board know the facts concerning a very wide range of business and economic activity. It must know where its aids in financing commerce and industry is most needed. It must know what is to be regarded as small business. It must know in what areas or industries small business is in need of aid. It must have some solid basis for judging how loans can be made most effective in promoting maximum production and employment.

Secretary Sawyer added:

> I am convinced * * * that such guidance is most appropriately furnished by the official who is charged with precisely this general area of public policy in all its aspects, nonfinancial as well as financial, and statistical and analytical as well as operating.

Mr. STEFAN. Does that statement by Mr. Sawyer mean putting the RFC in the Department of Commerce as a division of that Department and that it will integrate the RFC with the operations of foreign and domestic commerce and the Department of Commerce field offices and other divisions of the Department?

Mr. HOLIFIELD. If I may answer the gentleman, it will be grouping together the aids to business. One of the aids is financing. Other aids are advice and statistics which the Department of Commerce gives to business. Those would be grouped together into one major executive department.

Mr. STEFAN. Will it then result in some reorganization of the various divisions of the Department of Commerce?

Mr. DAWSON. No.

Mr. HOLIFIELD. I would not think so. I think it would merely place the tool which they need to function that much closer in a closer interrelationship.

Mr. STEFAN. Should there be some duplication on the part of the RFC concerning research in small business, which they get through the field offices of the Department of Commerce and through the Census, and other divisions, would it be possible for them to secure some of the employees in their division and eliminate the duplications in the RFC?

Mr. HOLIFIELD. Certainly the major purpose of the Hoover Commission's recommendations is to place these functions together so that one man will be responsible for seeing where they overlap and duplicate and he is required to eliminate that duplication and overlapping of function.

Mr. STEFAN. Is that not the answer to the possibility of efficiency and economy in order to eliminate that duplication? So there would be some separation from the payrolls of employees who are operating in duplication activities?

Mr. HOLIFIELD. Yes, sir; I think the President brought out in his message that would be one of the fields where savings could be made. However, he was unable to say how much.

Mr. STEFAN. Yes, but the Secretary has no control under a veto power of the action of the Governors in making loans.

Mr. HOLIFIELD. No, sir; absolutely none, and he so testified.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. BROWN of Georgia. We have an agency known as Fannie May, which is part of the Reconstruction Finance Corporation, which is officered by people who work with the RFC. What becomes of the jurisdiction of Fannie May to buy and sell GI securities?

Fannie May is organized for the purpose of creating a secondary market for the GI loans. What becomes of Fannie May?

Mr. HOLIFIELD. I am glad the gentleman asked that question, because I know how interested he is in secondary mortgages financing questions in the Committee on Banking and Currency of which he is a distinguished member. Under plan No. 22, $2,750,000,000 of authorizations which is in the Federal National Mortgage Association at this time, goes over to the Housing and Home Finance Agency. That was the point I made, that 75 percent of RFC has been transferred to the agency by plan No. 22, but the functions of FNMA are not changed and will be changed only by action of the gentleman's committee.

Mr. BROWN of Georgia. But you are undertaking to make a banking institution of the Housing Administration when it is not supposed to be a bank. The purpose of Fannie May is to buy and sell securities.

Mr. HOLIFIELD. That is true.

Mr. BROWN of Georgia. For that reason it ought to be in the RFC, because that is a financial institution working with the banks. Therefore, it ought not to be separated. One agency builds homes, and all they do is to market the loans. They do not make the loans. You are transferring the banking activities of the RFC over into General Housing.

Mr. HOLIFIELD. But we are not now discussing that particular plan.

Mr. BROWN of Georgia. I understand that.

Mr. HOLIFIELD. That plan would have to rest on its own merits. Probably that plan will come before the Congress. However, I will give the gentle-

man the reasoning on that transfer, without taking any position on it myself. The reasoning was that the major purpose of housing was to be located in the Housing and Home Finance Agency.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. DAWSON. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. HOLIFIELD. And that the financing of these houses was not the major purpose of government, but was an incidental purpose to the accomplishment of building the houses. Therefore, it was put in the agency which the Congress said had the major purpose of creating housing. That is the reasoning.

Mr. BROWN of Georgia. I know that is the reasoning, but at the same time you have transferred a financial institution over to an agency that is supposed to know nothing about financing or banking. You are putting them in the banking business.

Mr. HOLIFIELD. It will still function according to the FNMA Act.

This resolution before the House is a resolution of disapproval. Therefore, if you want Plan No. 24 you must vote "No" on the resolution of disapproval. In other words, a "no" vote on the resolution to disapprove is a "yes" vote for plan No. 24. I urge you to vote "No."

REORGANIZATION PLAN NO. 24 OF 1950

Reorganization Plan No. 24 of 1950 proposes to transfer the Reconstruction Finance Corporation to the Department of Commerce. This is a simple transfer plan. The change merely places the RFC under the supervision, coordination, and policy guidance of the Secretary of Commerce. The administration of the Corporation's affairs, as such, is not affected. The corporate entity of the RFC is preserved intact. The plan states that the RFC "shall be administered, subject to the supervision, coordination, and policy guidance of the Secretary of Commerce, by the Board of Directors and officers of the Corporation."

I emphasize the words "shall be administered by the Board of Directors and officers of the Corporation." Opponents of this plan have contended—and contended wrongly—that the Secretary of Commerce might assign RFC functions to other officers or units in the Department of Commerce and break up the corporate structure of the RFC. These opponents cite Reorganization Plan No. 5 of 1950 which, as you will recall, centered authority and responsibility in the Secretary of Commerce to organize and administer the affairs of his Department. The legal relationship between the earlier plan—No. 5—and the present plan—No. 24—should be clearly understood. The later plan qualifies and limits the earlier one.

The functions of RFC and its officers are being transferred not to the Secretary but to the Department of Commerce. The Corporation is being transferred as an entity, and the functions remain within it. Its status within the Department under Reorganization Plan No. 24 will be generally analogous to that of 35 other wholly owned Government corporations now within departments or agencies or subject to the supervision of department heads.

The Attorney General has rendered a legal opinion to the effect that plan No. 24, as a later enactment, cannot be altered by prior authority of plan 5.

The justification for Reorganization Plan No. 24 lies in the fact that the primary purpose of the RFC, as defined by Congress, is to engage in lending activities in aid of business. This is part of the larger purpose conferred upon the Department of Commerce by its organic law. Consequently, in line with the Hoover Commission's basic recommendation for grouping similar activities under unified and responsible administrative leadership, the RFC should be placed within the Department of Commerce.

I emphasize again that Reorganization Plan No. 24 would not authorize the Secretary of Commerce to transfer the functions of RFC to other officers and agencies of the Department, nor will the Secretary have a legal right to administer the Corporation or to compel the RFC Board to take a specific action. The function of the Secretary of Commerce will be to supervise, coordinate, and give policy guidance. The Secretary would prescribe, for example, a policy that loans must be made to small business, but he would not and could not direct that particular firm A, B, C, or D should get the loans.

The supervision which the Secretary would exercise over RFC through this plan would mean the right to have something to say about general procedures, their legality, and so forth. Internal management of the RFC would stay with its Board and officers.

The Hoover Commission recommended that the RFC be brought within the structure of the executive departments. There was a difference of opinion among the Commission members as to what Department was most appropriate to contain the RFC. A majority preferred the Treasury; a minority preferred Commerce. The President has taken the position, after careful study, that the purpose of the RFC is clearly to aid domestic business and therefore should be placed within the Department of Commerce. The Treasury does not engage in lending operations to private individuals or corporations. Nor is lending, in the financial sense, a major purpose of government. Loans to business are made for the broader purpose of promoting the development and stability of business. The Department of Commerce now extends various technical and managerial aids to business. Lending should be coordinated with these other services under the supervision of the Secretary of Commerce.

Analogous relationships are to be found in the Department of Agriculture where we have combined financial and nonfinancial activities to serve the broader purposes of agricultural development. Similarly we have brought together financial and nonfinancial activities in the Housing and Home Finance Agency to promote the building of homes. In fact, by several other pending reorganization plans, we will transfer RFC activities in the housing field to the Housing and Home Finance Agency. Thus, the Federal National Mortgage Association, an RFC subsidiary which provides additional sources of credit by maintaining a secondary market for home mortgages through its authority to purchase mortgages on homes and rental housing projects insured by FHA or guaranteed by VA, is to be transferred to the Housing and Home Finance Agency by Reorganization Plan No. 22 of 1950.

Also, the authority of the RFC under the Housing Act of 1948 to make loans or to purchase the obligations of business enterprises engaged in the prefabricated housing industry and in large-scale modernized site construction, is to be transferred to the Housing and Home Finance Agency by Reorganization Plan No. 23 of 1950.

It may be noted that by far the greater part of the RFC's statutory authorizations relate to the Federal National Mortgage Association, which is to be shifted to the central housing agency. RFC authorizations now total $3,880,000,000 of which $2,750,000,000 or about 70 percent are assigned by law to the FNMA.

In considering the appropriateness of the proposed transfer of the RFC to the Department of Commerce, the members may recall that the RFC was once before in the Department of Commerce as a part of the Federal Loan Agency. It was taken out of that Department later for reasons completely unrelated to matters of organization.

Opponents of this plan have tried to rest their case on the Hoover Commission recommendation that the direct lending operations of the RFC be reviewed by the Congress. They want this plan held up or shelved until Congress decides what to do with RFC. To this I say that transfer of the RFC to the Department of Commerce by plan No. 24 does not preclude any subsequent decision of the Congress as to its location and proper scope of duties. Practically every Congress investigates the RFC, and if we wait for a final expression of congressional policy, we will never be able to effect any reorganization in this field. The Eightieth Congress made a comprehensive investigation of RFC and passed laws in 1947 and 1948 regarding its basic functions. The 1948 law, after extensive investigation by the Senate Banking and Currency Committee pursuant to Senate Resolutions 132 and 208 of the Eightieth Congress, extended the Corporation for 8 years, so presumably the future of RFC is determined to that extent at least.

It is plainly evident, from a reading of the Hoover Commission reports, that the majority of the Commission was opposed to direct lending as a Government policy. Whatever the grounds of their opposition, these Commission members were taking a stand on policy matters not within their proper sphere of jurisdiction. Whether direct lending is good or bad policy, it has nothing to do with matters of organization. Mr. Robert McCormick, executive secretary of the Citizen's Committee for the Hoover report, acknowledged as much in his testimony on plan No. 24 before the Senate Committee on Expenditures.

In any event, I call to your attention the fact that the Congress has many times reviewed the lending and other activities of the RFC. The committee of the Eightieth Congress which reported out the bill to renew and extend the life of RFC said that "there are sound reasons which justify the continuation of RFC on a permanent basis"—Eightieth Congress, second session, Senate Report No. 974, page 5. The committee also declared:

> The committee believes that the public interest will be served by the presence of a Government lending agency to which an applicant who has been declined credit among private sources of credit may go for a reconsideration of his proposal (ibid., p. 7).

And furthermore, that committee of the Eightieth Congress, in reporting out the RFC legislation, emphasized that RFC lending powers should not be hedged in with statutory qualifications and conditions.

The Congress, in 1948, added small business to the lending objectives of RFC and extended the life of that agency until 1956. At any time the Congress can decide to shorten or lengthen that period of RFC life. It can decide to liberalize or to curtail RFC lending operations. Bills are now pending to expand its lending powers. But whatever the Congress may decide to do about RFC's duration or lending policies is not affected in any way by this reorganization plan.

The only matter—an organization matter—which we are asked to settle by this plan is a coordination of financial aids to business with other aids to business rendered by the Department of Commerce.

I urge the Members to reject this disapproving resolution and to support Reorganization Plan No. 24 as a sensible step in the grouping of major Government activities relating to business within the Department of Commerce.

Mr. LOVRE. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Chairman, I realize the hour is late and that the Members are perhaps tired of having this matter discussed. However, I do want to say a few words in regard to this disapproval resolution, which I favor, and I hope the Members will vote "yes" when it comes to a vote.

The purpose of any reorganization is either to save money or to shift responsibility to an agency or a person where the responsibility properly belongs. This reorganization plan can, under no circumstances, be said to save money. There was a colloquy a few moments ago which indicated that possibly under the Secretary of Commerce it would be possible to save some money in the RFC. That seems to me absolutely absurd. The very function of the RFC, as the gentleman from Georgia [Mr. BROWN] has just brought out, is essentially a banking function. There is nothing in the Department of Commerce today that has anything to do with banking or credit or the determination of credit facilities. That is an entirely new function and responsibility put into the Department of Commerce, and, obviously, the old existing personnel will have to be kept on. I see no possibility for any saving of money.

The second question involved is whether or not the transfer of responsibility to a new chief is a desired thing. The Hoover Commission report made it clear that there were too many independent agencies, all of which had to report to the President of the United States, thereby overburdening him with too many responsibilities, and that those independent agencies ought to be grouped logically and in accordance with their functions, under a Cabinet officer, whenever possible, or under new agency heads. In this particular case the regrouping that is performed is entirely contrary to the Hoover Commission report. The Hoover Commission reported that three independent agencies of Government—the RFC, the Export-Import Bank, and the Federal Deposit Insurance Corporation—should all three be put under the Secretary of the Treasury. Here we have one taken out of the three and put under the Secretary of Commerce. In other words, the two primary reasons for any reorganization bill are, first, the saving of money, and, second, better organization. It seems to me there is still another reason why we should not act at this time, that this reorganization plan is entirely premature. The Reconstruction Finance Corporation was created as an emergency organization. It served, in my opinion, an extremely useful function in emergencies, during the depression period and then during the war period. It took unto itself a lot of subsidiary corporations, a lot of subsidiary banking and lending operations that were extremely valuable in time of stress. What is intended now, though, is that the Reconstruction Finance Corporation should become a permanent body, as a money-lending agency to private industry in the hands of the Department of Commerce. It seems to me that it is premature to make any such decision as that today.

I happen to be a member of the Committee on the Economic Report that has been studying the question of small businesses' need for capital today. There has not been a suggestion before that committee that the Reconstruction Finance Corporation is the agency to help small business. There have been such suggestions, but all of them have been predicated on what to my mind is a great misapprehension as to the proper way to help small business.

There is no sense in talking partisan politics here, but there is no greater temptation in the world to the playing of partisan politics than to allow the government to make small direct loans to business concerns. That I think has been shown over and over again in the experience of other countries. It is clearly something that in peacetime we should be getting away from in this country. If small business needs aid it is infinitely better that it be given by guaranteeing a part of the loan which has already been made by a private institution than it is to make the loan from the Government direct. I do not think there is a single economist who disagrees with that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 10 additional minutes to the gentleman from Massachusetts.

Mr. HERTER. Mr. Chairman, I shall not take all of that time, but I do want to recapitulate. There is absolutely no hurry insofar as this matter is concerned. Let us be frank about it. This is a measure that we have here before us that has got to be examined by both bodies. The other body under the Reorganization Act has before it a disapproving resolution on which it must act within a 60-day period which expires next week.

Mr. HOLIFIELD. Mr. Chairman, will the gentle yield?

Mr. HERTER. I yield.

Mr. HOLIFIELD. In the Eightieth Congress, in Public Law 548 the following language was added to the function of the RFC: "To encourage small business."

Mr. HERTER. I am familiar with that.

Mr. HOLIFIELD. That was placed in the RFC Act at the insistence of the Eightieth Congress. I heartily approved it. As to the policy involved, that is not changed by the plan, as the gentleman knows.

Mr. HERTER. Not a bit.

Mr. HOLIFIELD. As to the merit of the policy, that was something that was decided in the Eightieth Congress and has not been changed.

Mr. HERTER. I know that is true; nevertheless, I disagree with it, whether it was done by the Eightieth Congress or any preceding Congress.

Mr. HOLIFIELD. It is not at issue here and I agree with the gentleman that in the making of loans whether it be to small business or to large business, there is always danger of loss, and particularly in connection with RFC operations, because they only lend after the regular private lending institutions have refused to lend because possibly of the long time needed to amortize the loan, or the rate of interest is too high, or for some other reason that makes it unprofitable for a private bank to lend. That has been accepted as one of the necessities for RFC operation.

Mr. HERTER. With the RFC operation, taking into consideration times of serious depression or times of emergency such as we have been through, I fully approve of its being used as a means of financing certain operations.

Mr. HOLIFIELD. Did the gentleman approve of it in the Eightieth Congress which was not a time of depression?

Mr. HERTER. I cannot recall voting for it at that time. If I did, I am sorry I did insofar as that is the only thing which concerns, I think, all of us who have a natural sympathy and who want to help small business. I think we are likely to do very foolish things because of trying to satisfy that particular desire, though. It is a matter, however, that should be thought through much more carefully. Certainly the implications in this bill, whether the law is changed or not, are that the minute you put it in the Department of Commerce

that is the place to go to if you are in business in order to get a hand-out or a loan without any cooperation with private concerns.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from New Jersey.

Mr. HAND. I have been trying to find out how the Hoover Commission voted on this question of whether or not RFC should go to Commerce or to Treasury. The chairman of the committee, the gentleman from Illinois, said it was a very close vote and he thought 7 out of the 12 members of the Commission voted for Commerce.

Mr. HERTER. No. It is the other way around.

Mr. HAND. Voted for Treasury. The gentleman from California was not able to enlighten me on that particular point.

The committee report on page 4 states with reference to the subject of transfer to the Commerce Department that Commissioners Aiken, Pollock, and Rowe voted for that transfer; that is, transfer to Commerce. Can anyone inform us or can the chairman advise us how the Hoover Commission voted on this subject?

Mr. DAWSON. My best information is 5 out of 12 voted for Commerce. The majority was for Treasury.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. If my memory serves me correctly, as a member of the Commission, there were only 10 or 11 present that day. There were 10 present. The vote was 7 to 3, if I remember correctly, 3 for transfer to Department of Commerce and 7 were opposed. That is if my memory is right.

Mr. HOLIFIELD. I wish to add another fact to that. There was one commissioner, Acheson, while agreeing on the need of placing RFC within the executive department did not specify whether it should go to either Commerce or Treasury. The dissenting members were Commissioners Aiken, Pollock, and Rowe.

Mr. HERTER. The colloquy that has just taken place raises a point that I think ought to be stressed. The American people have great faith in the Hoover Commission recommendations. The American people have been led to believe that all of these reorganization plans that have been brought in by the committee or sent in by the President are Hoover Commission recommendations. There is a complete misapprehension on that score throughout the country. Every effort is made whenever one of these matters comes up on the floor of the House to try to show how close it comes to the Hoover Commission recommendation in order to get approval of the Hoover Commission. This to my mind is absolutely unjustified, and in this particular case I cannot see that the plan has any relevancy to any report of the Hoover Commission except to take one out of three agencies and put it under somebody else rather than to leave it independent.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. It is my understanding that the RFC has made a lot of money. Is that true?

Mr. HERTER. Under certain forms of bookkeeping I think it has.

Mr. BROWN of Georgia I have been reliably informed of that fact. In this day and time when we have an agency that makes some money I think we better not disturb it by shifting it around to some place else.

Mr. HERTER. I think so, too.

Mr. BROWN of Georgia. We have a grand RFC building that was paid for out of the funds they made. What is going to become of these people in the RFC Building? Are they going to be taken down to the Commerce Building?

Mr. HERTER. I do not think the gentleman is going to see anything happen under this bill. This is a paper operation and nothing but a paper operation.

Mr. BROWN of Georgia. I take the position that the RFC has served the people well, it has made money, and I am against disturbing the RFC at this time. I want to go on record to that effect.

Mr. HERTER. I am glad to hear the gentleman say that. It seems to me this particular reorganization accomplishes exactly nothing and if it were to go through, what it might accomplish is in the reverse direction of what has been recommended by the Hoover Commission.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Am I not correct in the assumption that the Hoover Commission did recommend that we go slow until after a study had been made of the RFC by the Congress?

Mr. HERTER. There is no question about that. They went over its functions very carefully. They examined not only that, but they recommended that there be created a coordinating agency as we have in the international field today to coordinate all of our activities instead of having them scattered all over the lot under independent direction.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Michigan.

Mr. MICHENER. Does the Citizens Committee advancing the Hoover Commission report favor this reorganization plan?

Mr. HERTER. They testified against it.

Mr. MICHENER. Does the Junior Chamber of Commerce which, throughout the Nation, has adopted the Hoover Commission report as one of its projects this year, support this reorganization plan?

Mr. HERTER. I think not. I hope, as I said at the very outset, that this disapproval resolution will have a large aye vote.

Mr. DAWSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman, in view of the statement of the gentleman from Michigan [Mr. HOFFMAN] that the RFC has made loans only to Democrats, I rise to take exception to and correct his remarks, because, as one who introduced the first bill creating the Reconstruction Finance Corporation I have been vitally interested in its operations, and I must state that the largest loans that have been made have gone to Republicans—not Democrats. I call your attention to the loan made to ex-Vice President Dawes, who was president of the Central Trust Co. of Chicago, and the first Chairman of the Reconstruction Finance Corporation. Conditions were so serious at that time that when I was called relative to this application, I consented, but with the understanding that the smaller banks as well would be aided—to enable them to weather the storm. But unfortunately after the Dawes loan was made, the assurances and promises to take care of the smaller banks were forgotten, with the result that in Chicago alone some forty outlying small banks were forced to close their doors.

Not only that—most of the loans made at that time were made to the large banks, railroads, and insurance companies which were controlled by Republicans, and most of them were actually insolvent.

My aim and purpose in introducing legislation early in 1931 was to help small business; big business could take care of itself. I followed the act that we passed during the First World War—the Federal Finance Corporation Act—which actually aided small business, but during the Hoover administration, as a result of the members he appointed to the RFC, such was not the case.

However, in 1933, when President Roosevelt became President, it was realized that my original aims to help small business should be carried out, and we passed an act amending the original law to take care of small business. If my memory serves me correctly it was in 1933 or 1934 that the Federal Reserve Act was amended permitting the Federal Reserve to make loans. That was under a Democratic administration. Therefore, the statement of the gentleman from Massachusetts is erroneous and not borne out by the facts. As I stated before, if Secretary of the Treasury Mellon and Under Secretary Mills had cooperated with me in 1931 instead of waiting until 1932, a presidential year, the crash would not have been as serious and everything would not have been lost.

Furthermore, nearly all of the big loans—or about 90 percent of them—made in the first few years were made to Republicans. I regret that even in 1935 and 1936 the Reconstruction Finance Corporation failed to carry out the intent and purpose of the act. Small business was not aided by the Corporation as I originally intended. It was indeed unfortunate that President Roosevelt did not change the membership of the RFC more readily, when they were failing to carry out the desire of the administration to aid small business. We had heard many complaints, and it was for that reason we passed an act creating the Small War Plants Corporation. However, I feel the present chairman and the members are more liberal in trying to aid small business, and I hope they will continue to so interpret the law.

What effect putting the RFC under the Department of Commerce will make, I am not in position to state, but I know its functions would not be affected and the Secretary would have no jurisdiction in passing on loans. This authority would still be vested in the Corporation. It has been explained that the RFC formerly was under the Department of Commerce, but at that time the all-powerful Chairman, Mr. Jesse Jones, did not like the then Secretary of Commerce, Mr. Henry Wallace, and had it taken out of the Department. All this resolution aims to do is to put it back where it originally was and where it properly belongs.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I simply wish to say that in my opinion this resolution is in accord with the Hoover Commission recommendations and that I shall vote for this resolution of disapproval of this proposed plan to shift the Reconstruction Finance Corporation to the Department of Commerce where it should not be. The proposal is contrary to the letter and spirit of the Hoover Commission's recommendations.

Mr. DAWSON. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, this plan of reorganization of the executive department is one that the entire American public is interested in. We have hundreds of agencies that have to report to the President, and the Hoover Commission endeavored to make recommendations so as to limit the number of independent agencies and place them under some responsible head, like the head of a department. The Reconstruction Finance Corporation as it originally existed stood there by itself, responsible almost to no one. It has already been structurally divided; that is a fact. Certain of its lending agencies are now under the Housing Agency; others have gone to Agriculture, and all that remains now is the smallest one of its features. What shall we do with that feature about lending to small business? The Reconstruction Finance Corporation under its law can only lend to business when loans cannot be had at banks, because sometimes applicants are not able to pay within the limit of time that the banks may require. If we are going to help small business in this country, then we have got to do it through what remains of the RFC, which was created for this purpose.

I would like to answer the gentleman from Massachusetts [Mr. HERTER] in regard to one thing he said about the Hoover Commission recommendation as far as housing is concerned, that is, that the Hoover Commission recommended that Fannie May be placed in the Housing Agency. It was a specific recommendation showing that they meant to group kindred agencies under one suitable head. That is Recommendation No. 9.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from Massachusetts.

Mr. HERTER. If the gentleman will read the minority report favoring the disapproving resolution he will see in there a quotation from the task force.

Mr. DAWSON. I am reading from the Hoover Commission recommendation.

Mr. HERTER. But if the gentleman will read elsewhere, he will find that the Hoover Commission very definitely recommended a complete study of all the functions of that agency.

Mr. DAWSON. That has nothing to do with the matter before us. Congress can still study it. Congress is now investigating it. No action that we take here today can stop any investigation or can keep Congress from studying it or doing anything about it. But we should place it under some responsible head with a direct channel to the President. We have done it in other instances and we ought to do it now.

Mr. HERTER. Will the gentleman tell me why the committee refused to take the three independent agencies that were recommended be taken in bloc and put under the Treasury Department, and merely singled out one and put that under Commerce?

Mr. DAWSON. I do not know what the gentleman refers to by taking three agencies and placing them there, but if that was the recommendation the President could still do it by plan. There is no plan the President can submit at one time that can embrace all the recommendations of the Hoover Commission. He must do it step by step, and this is one of the steps.

I read now into the record the Hoover Commission recommendation:

> We do, however, recommend that all housing activities be placed in one agency under a single administrator who should be given the type of authority which we have recommended for the heads of all agencies.
>
> We propose that the following functions also be included: Federal National Mortgage Association.

The gentleman will find that on page 25.

The CHAIRMAN. There being no further requests for time, the Clerk will read the resolution.

The Clerk read as follows:

*Resolved*, That the House of Representatives does not favor the Reorganization Plan No. 24 transmitted to Congress by the President on May 9, 1950.

Mr. DAWSON. Mr. Chairman, I move that the Committee do now rise and report House Resolution 648, disapproving Plan No. 24, back to the House with the recommendation that it not be agreed to. That means that a vote for the plan is "no." A vote for the plan is a vote against the resolution.

Mr. JUDD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JUDD. Is this just a motion for the Committee to rise?

The CHAIRMAN. Yes.

Mr. HERTER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HERTER. The Chair has just stated that the motion is merely a motion to rise. As I understood, the motion was to rise and recommend that the disapproving resolution be not concurred in. In other words, the vote is actually on the merits of this resolution, not the question of whether we rise.

The CHAIRMAN. It is on the Committee's rising and reporting the matter to the House.

Mr. HERTER. Reporting the matter, but disapproving.

The CHAIRMAN. That is correct.

Mr. HERTER. Disapproving a disapproving resolution?

Mr. McCORMACK. Exactly. It is a double negative.

The CHAIRMAN. Reporting the resolution back to the House with the recommendation that it be not agreed to.

Mr. HERTER. That the disapproving resolution be not agreed to?

The CHAIRMAN. That is right.

Mr. SHORT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SHORT. What is the motion?

The CHAIRMAN. The motion of the gentleman from Illinois is that the Committee do now rise and report the resolution back to the House with the recommendation that it be not agreed to.

The question is on the motion.

The question was taken; and on a division (demanded by Mr. HERTER) there were—ayes 46, noes 22.

So the motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. MILLS, having assumed the chair, Mr. CHELF, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. Res. 648) disapproving Reorganization Plan No. 24, had directed him to report the resolution back to the House with the recommendation that it be not agreed to.

### CALL OF THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Eighty-six Members are present, not a quorum.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. RANKIN. Mr. Speaker, if the House were to adjourn now this would be the first order of business the next day we meet, would it not?

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

Mr. RANKIN. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion to adjourn.

The motion was rejected.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 194]

| | | |
|---|---|---|
| Abbitt | Andresen, August H. | Barrett, Wyo. |
| Abernethy | Angell | Bates, Ky. |
| Allen, La. | Arends | Bennett, Mich. |
| Andersen, H. Carl. | Auchincloss | Blatnik |
| Anderson, Calif. | Barden | Bolling |
| | Barrett, Pa. | Bolton, Ohio |
| | | Brambiett |

| | | |
|---|---|---|
| Breen | Javits | Plumley |
| Bryson | Jenison | Poage |
| Buchanan | Jenkins | Poulson |
| Bulwinkle | Johnson | Powell |
| Burdick | Jonas | Preston |
| Byrne, N. Y. | Jones, Ala. | Price |
| Canfield | Jones, Mo. | Quinn |
| Carroll | Kean | Rains |
| Cavalcante | Kearney | Ramsay |
| Celler | Kearns | Redden |
| Chesney | Keefe | Regan |
| Christopher | Kelley, Pa. | Rich |
| Chudoff | Kelly, N. Y. | Riehlman |
| Clemente | Kennedy | Rivers |
| Clevenger | Keogh | Roosevelt |
| Cole, N. Y. | Kerr | Sadlak |
| Corbett | Kilburn | Sadowski |
| Coudert | Kirwan | St. George |
| Davenport | Klein | Sanborn |
| Delaney | Latham | Sasscer |
| Dingell | LeFevre | Scott, Hardie |
| Dollinger | Lichtenwalter | Scrivner |
| Dondero | Linehan | Sheppard |
| Doughton | Lodge | Sikes |
| Durham | Lyle | Simpson, Pa. |
| Eaton | Lynch | Sims |
| Engel, Mich. | McCarthy | Smathers |
| Evins | McConnell | Smith, Ohio |
| Fallon | McGrath | Spence |
| Fogarty | McGregor | Stanley |
| Frazier | McGuire | Steed |
| Fugate | McKinnon | Stigler |
| Furcolo | McMillen, Ill. | Sutton |
| Gamble | Macy | Taber |
| Gillette | Magee | Tackett |
| Gilmer | Marshall | Taylor |
| Golden | Martin, Mass. | Thompson |
| Gossett | Mason | Thornberry |
| Granahan | Miles | Towe |
| Green | Mitchell | Underwood |
| Gwinn | Monroney | Velde |
| Hall, | Morgan | Vinson |
| Edwin Arthur | Morris | Vursell |
| Hall, | Morton | Wadsworth |
| Leonard W. | Multer | Wagner |
| Halleck | Murphy | Walsh |
| Harden | Nicholson | Werdel |
| Harris | Noland | Wheeler |
| Harrison | Norton | Whitaker |
| Harvey | O'Neill | White, Idaho |
| Hays, Ohio | O'Toole | Wickersham |
| Hébert | Pace | Widnall |
| Hedrick | Passman | Wier |
| Heffernan | Patman | Willis |
| Heller | Patterson | Wilson, Ind. |
| Hobbs | Perkins | Wilson, Okla. |
| Hoeven | Pfeifer, | Wolcott |
| Hoffman, Ill. | Joseph L. | Wood |
| Irving | Pfeiffer, | Woodhouse |
| Jackson, Calif. | William L. | Young |
| Jackson, Wash. | Phillips, Tenn. | |
| James | Pickett | |

The SPEAKER pro tempore (Mr. MILLS). On this roll call 232 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REORGANIZATION PLAN 24 OF 1950

The SPEAKER pro tempore. Without objection, the clerk will report the resolution.

There was no objection.

The Clerk read the resolution, as follows:

*Resolved*, That the House of Representatives does not favor the Reorganization Plan No. 24 transmitted to Congress by the President on May 9, 1950.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, the resolution, not having received the affirmative vote of a majority of the authorized membership of the House, is not agreed to.

SIGNING OF ENROLLED BILL

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House until Monday next, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROGRAM FOR NEXT WEEK

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I ask the majority leader, the gentleman from Massachusetts [Mr. McCORMACK] as to the program for next week and for as much of the following week as he can give it.

Mr. McCORMACK. I will be very glad to. As previously announced, there will be no legislative business next week. There will be nothing unless something arises which will call us back.

Mr. BROWN of Ohio. I understand arrangements have been made that proper notice will be given the Members, should the occasion arise.

Mr. McCORMACK. The Members will receive notice. Of course, if there is any necessity, the newspapers will probably carry it. But, every effort on the part of the leadership will be made to notify the Members. I have no expectation of any business, as I am talking now, and I want the Members to know so that they can govern themselves accordingly. But one never can tell what emergency might arise, and the House is always ready. We have caught up with our legislation. There are only a few rules remaining which can wait until the week of July 10. The House has been very cooperative and has dispatched its business with rapidity. As a matter of fact, only the other day we got several rules out of the Committee on Rules, and we have disposed of two or three of them already. Other than that we are completely caught up. So, there is no business on the program for next week.

Mr. BROWN of Ohio. How about Monday, July 10?

Mr. McCORMACK. Monday, July 10, the Consent and Private Calendars will be called; also, District Day. Reorganization Plan No. 27 will come up on that day also.

Mr. BROWN of Ohio. Are there any suspensions for Monday, the 10th?

Mr. McCORMACK. No. I have conferred with the Speaker and there are no suspensions and none proposed. I make that statement now that none are proposed for July 10.

Mr. BROWN of Ohio. That is the Reorganization Plan for the Department of Welfare that will come up?

Mr. McCORMACK. Yes. Then on Tuesday the bill pertaining to point 4 that came out of the Committee on Banking and Currency will come up and after that I am in hopes that we will be able to quickly adopt the rule on the security bill. I understand that the adoption of the rule today has been agreed to. Then the consideration of the bill itself will go over until Tuesday, July 11. In any event, following the point 4 bill from the Committee on Banking and Currency, the next order of business will be H. R. 7439, the so-called security bill.

I have nothing further to announce now as to the program for that week, but in the early part of that week I shall announce the program for the remainder of the week.

Mr. BROWN of Ohio. Then is my understanding correct that for this coming week there will be no legislative program, unless the Members are notified in case of an emergency?

Mr. McCORMACK. Unless an emergency situation arises, there is no legislative program for next week.

Mr. BROWN of Ohio. Beginning with Monday, July 10, there will be a rather important, steady legislative program for that week, beginning with the vote on Reorganization Plan No. 27?

Mr. McCORMACK. From my angle, the point 4 bill is of course very important.

Mr. BROWN of Ohio. That will come up on Monday also.

Mr. McCORMACK. The resolution on plan 27, from my angle, is not very important. The President's recommendation should be approved.

Mr. BROWN of Ohio. The Reorganization Act provides that the resolution must be voted on within the 60-day limit?

Mr. McCORMACK. Exactly.

Mr. BROWN of Ohio. Of course, that is the last day. It comes up the 10th.

Mr. McCORMACK. I am unable to state when the last day is on this matter.

GENERAL LEAVE TO EXTEND

Mr. DAWSON. Mr. Speaker, I ask unanimous consent that all Members have five legislative days in which to extend their remarks on House Resolution 648.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SUMMARY SUSPENSION OF CIVILIAN GOVERNMENT EMPLOYEES

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 683 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7439) to protect the national security of the United States by permitting the summary suspension of employment of civilian officers and employees of various departments and agencies of the Government, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the

chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, this resolution provides for the consideration of the so-called security bill, just mentioned by the majority leader. It provides for 1 hour of general debate. I have no request for time, and I do not think the minority desires any time, but I yield such time as he may require to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, the report on the rule was a unanimous report of the Committee on Rules. It is my understanding that the bill itself will not be taken up this evening. The measure has been cleared with the leadership on this side of the aisle.

I yield such time as he may require to the gentleman from Kansas [Mr. REES], the ranking member of the Committee on Post Office and Civil Service.

Mr. REES. Mr. Speaker, the bill, H. R. 7439, provides that the Secretaries of State, Defense, Army, Navy, Air Force, and Treasury—in the case of the Coast Guard—and the heads of the Atomic Energy Commission, National Security Resources Board, and the National Advisory Committee for Aeronautics, may suspend without pay any civilian officer or employee when such action is deemed necessary in the interest of national security.

The bill makes permanent present temporary legislative authority under which the Secretaries of State, Defense, Army, Navy, and Air Force may suspend or remove civilian employees whenever such action is necessary or advisable in the interest of national security. The bill also grants similar permanent authority to the Atomic Energy Commission, the Secretary of the Treasury—for the Coast Guard—the National Security Resources Board, and the National Advisory Committee for Aeronautics.

The Secretaries of the Army, Navy, and Air Force today are empowered to suspend or remove security risks under Public Law 808, Seventy-seventh Congress, which is temporary legislation. The Secretary of State is empowered to remove security risks under section 104 of the State, Justice, Commerce Appropriation Act for fiscal year 1950, which expires tomorrow. The Secretary of Defense has similar authority provided him under section 630 of the Appropriation Act of 1950 for the Military Establishment, which also expires tomorrow.

In view of the fact that the large majority of the agencies covered by the bill have only temporary authority to deal with these security matters, I believe it is appropriate for the Congress to approve this legislation.

During the hearings on this legislation certain witnesses stated that the legislation should contain provisions providing for an adequate appeal to make certain that no civilian employee is dismissed arbitrarily without sufficient evidence that such employee is a security risk.

These views were taken into consideration, and the bill provides the following rights for employees who are suspended as security risks, but before their termination:

First. A written statement of the charges against the employee shall be stated as specifically as security considerations permit;

Second. A reasonable opportunity to answer such charges and to submit affidavits;

Third. A hearing at the employee's request by a duly constituted department or agency authority;

Fourth. A review of the case by the agency head or some official designated by him before a decision adverse to the employee is rendered; and

Fifth. A written statement of the final decision to the employee by the department or agency head.

Similar legislation was approved by the House Post Office and Civil Service Committee during the Eightieth Congress, and in my judgment, this legislation is as necessary today as it was in the judgment of our committee 2 years ago.

It is my understanding that the bill has the unqualified endorsement of all of the departments and agencies, including the Bureau of the Budget.

One of the most important provisions of the legislation allows employees separated as security risks from the agencies covered by the bill to be employed in nonsensitive Government agencies upon the approval of the Civil Service Commission.

I believe the Congress should be careful in the enactment of legislation of this type, but in view of the testimony presented the committee as to the number of security risks that have been separated from the departments and agencies involved since this temporary authority that was granted such agencies by the Congress, I believe that such authority has been exercised with some degree of care. For example, there have been only 375 employees removed from the Military Establishment as security risks since December 17, 1942, which was the date of the approval of Public Law 808. Only three such summary removals have been made by the Secretary of State during the 4-year period the appropriations acts for that Department have contained this authority. Since 1946 the Atomic Energy Commission has discharged only two employees on security grounds.

The Federal Government has a loyalty program which is administered under Executive Order 9835 of March 21, 1947. In my judgment, this loyalty program of the President should have the sanction of Congress in legislation as well as congressional approval for the authority to dismiss security risks.

I have urged the enactment of the legislation which would legalize and make more secure the President's loyalty program, but I am pleased to observe that the administration sees fit to request the Congress to enact legislation of this nature involving security-risk cases.

While this subject is under consideration, I wish to make the observation that the loyalty program of the President has failed largely because of the fact that it does not have the sanction legislatively of the Congress. I have seen newspaper accounts to the fact that the President is considering the appointment of a board to review the operation of the loyalty program to determine how it can be improved. From time to time during the past 4 years on the floor of this House I have pointed out the failures of the President's loyalty program and why it is completely inadequate to meet the needs of our people.

In my judgment, if the executive branch would submit to the Congress proposed legislation, or take some action on the legislation which I introduced several years ago, with respect to the handling of loyalty cases in the Government, many of the problems and shortcomings of the present loyalty program would disappear.

With respect to the rule on the legislation under consideration, I feel that it is proper for the Congress to consider it and provide the policy under which these security matters may be handled. I approve the provisions of H. R. 7439 and trust the Members will support the rule.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## POST OFFICE DEPARTMENT FINANCIAL CONTROL ACT OF 1950

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8923) to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, I want to point out that this has been cleared with the minority members of the gentleman's committee and by the leadership on both sides. I want the record to show that.

Mr. BROWN of Ohio. That is correct.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That this act may be cited as the "Post Office Department Financial Control Act of 1950."

SEC. 2. (a) There are hereby transferred to the Postmaster General functions performed by the General Accounting Office for the Post Office Department and the postal field service (hereinafter referred to as the "Department") with respect to the maintenance of administrative appropriation and fund accounts, accounts receivable and payable, and allotment controls; the preparation of financial and statistical reports; the preaudit of expenses; and related administrative, ac-

counting, and reporting functions. The Postmaster General shall provide for such preaudit of expenses as he deems necessary.

(b) The Postmaster General shall establish and maintain adequate and efficient systems of accounting and of internal control which shall provide for—

(1) adequate accounting and internal control over and accountability for all funds, property, and other assets for which the Department is responsible, including appropriate provisions for internal audit;

(2) assembling of financial information needed for management purposes;

(3) full disclosure of the financial results of the operations of the Department.

Such accounting system shall conform to accounting principles and standards prescribed by the Comptroller General of the United States.

(c) The Comptroller General shall cooperate with the Postmaster General in the establishment of the accounting system provided for under subsection (b) and shall approve such system when he deems it to be in conformity with the accounting principles and standards prescribed by him under such subsection.

(d) The Postmaster General shall collect debts due the Department and collect and remit fines, penalties, and forfeitures arising out of matters affecting the Department. Any such debt which is uncollectible through administrative action may be referred to the General Accounting Office for collection. This subsection shall not apply where judicial proceedings have been instituted; and shall not affect the operation of section 409 of the Revised Statutes, as amended (5 U. S. C., sec. 383), with respect to disabilities and liabilities under any law relating to officers, employees, operations, or business of the postal service.

SEC. 3. (a) There is hereby established with the Treasurer of the United States a revolving fund to be known as the Post Office Department Fund. There shall be deposited in such fund, subject to withdrawal by check by the Postmaster General—

(1) amounts requisitioned by the Postmaster General against appropriations available to the Department out of the General Fund of the Treasury; and

(2) such amounts as the Postmaster General may, in his discretion, pay into the fund from receipts of the Department.

(b) The Postmaster General may, within limits of appropriations and subject to provisions of appropriation or other laws limiting expenditures or authorizing appropriations, use the funds of the Department, from whatever source derived, in the exercise of any power or function vested in him.

SEC. 4. The Postmaster General is authorized to designate the place or places, at the seat of government or elsewhere, at which the administrative examination of accounts will be performed. With the concurrence of the Comptroller General, the Postmaster General may waive the administrative examination, in whole or in part, when it is determined that the accounting and audit procedures of the Department otherwise adequately protect the interests of the United States.

SEC. 5. The financial transactions of the Department shall be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General. To the fullest extent practicable, as determined by the Comptroller General, all accounts of accountable officers, contracts, vouchers, or other documents which are required under existing law to be submitted to the General Accounting Office shall be retained in the Department and the audit shall be conducted at the place or places where the accounts of the Department are normally kept in accordance with the determinations of the Postmaster General. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Department and necessary to facilitate the audit, and shall have full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians. In the determination of the auditing procedures to be followed and the extent of the examination of vouchers and other documents, the Comptroller General shall give due regard to the adequacy of the system of accounts and internal and control maintained by the Department and to generally accepted principles of auditing.

SEC. 6. The amounts required to be certified annually by the Postmaster General to the Secretary of the Treasury and the Comptroller General by the act of June 9, 1930 (39 U. S. C., sec. 793), shall be separately set out in appropriate reports of the Department.

SEC. 7. (a) There shall be transferred to the Department from the General Accounting Office such records, property, personnel, appropriations, and other funds of the General Accounting Office as the Postmaster General, the Comptroller General, and the Director of the Bureau of the Budget shall jointly determine in connection with the transfer of functions to the Postmaster General under section 2 (a) of this act. Transfer of personnel under this subsection shall be subject to section 12 of the Veterans' Preference Act of 1944, as amended (5 U. S. C., sec. 861).

(b) All policies, procedures, and directives which are related to any function transferred to the Postmaster General by section 2 (a) of this act, and not inconsistent with this act, shall remain in full force and effect until rescinded, modified, or superseded by or under authority of this act.

SEC. 8. In the performance of, and with respect to, the functions, powers, and duties vested in him, the Postmaster General may—

(1) enter into such leases of real property as may be necessary in the conduct of the affairs of the Department on such terms as he may deem appropriate without regard to the provisions of any law, except those provisions of law specifically applicable to the Department;

(2) accept gifts and donations of services, and of property (whether real, personal, or mixed, and whether tangible or intangible), in aid of any of the activities of the Department;

(3) offer and pay rewards in connection with violations of the postal laws.

SEC. 9. (a) The President may, by Executive order, postpone the application of any or all of the provisions of this act (except this section) for a period of not to exceed 2 years from the effective date provided in subsection (c) if he determines that such postponement is in the public interest and necessary to assure the implementation of this act in an orderly and efficient manner.

(b) This section shall take effect on the date of enactment of this act.

(c) The other sections of this act shall take effect on the ninetieth day following the day on which this act is enacted.

SEC. 10. (a) There are hereby repealed—

(1) sections 405, 406, 407, and 408 of the Revised Statutes, as amended (5 U. S. C., secs. 378, 379, 380, and 381);

(2) sections 277, 292, 293, 294, and 3674 of the Revised Statutes, as amended (31 U. S. C., secs. 73, 109, 111, 112, and 632);

(3) section 4 of the act of March 3, 1875 (18 Stat. 343), as amended (31 U. S. C., sec. 113);

(4) section 4 of the act of July 12, 1876 (19 Stat. 80), as amended (31 U. S. C., sec. 114);

(5) section 4055 of the Revised Statutes as amended (39 U. S. C., sec. 787).

(b) All laws or parts of laws inconsistent with this act are repealed to the extent of such inconsistency.

Mr. MURRAY of Tennessee. Mr. Speaker, I am pleased to present for the consideration of this House H. R. 8923, a bill to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes.

This bill is the product of painstaking work on the part of the committee, its staff, and representatives of the Post Office Department, the Bureau of the Budget, and the General Accounting Office. It is a development of recommendations made from a number of viewpoints for the improvement of accounting, financial reporting, and audit of the postal service. It establishes the basic framework for a modern accounting system and for the improvement of the financial operation and control of the Post Office Department. At the same time the bill retains the essential controls of Congress over the operation of this vast Government enterprise.

One of the objectives of the bill is to carry out the recommendations of the Commission on Organization of the Executive Branch of the Government with respect to accounting and auditing of the Post Office Department.

With respect to the recommendations concerning budgeting, accounting and audit of the postal service, the Hoover Commission stated:

> We do not recommend that the Post Office should be incorporated under that law (Government Corporation Control Act of 1945) as we consider that to be unnecessary.
>
> We do recommend that the provisions of that law in respect to business management, budgeting, accounting, and audit be applied to the Post Office.
>
> Such a provision will bring the Department into step with modern business methods and will not lessen executive or congressional controls. At the same time it will provide flexibility in management, simplification of budgeting, accounting, and audit which will result in large economies.

The report further stated:

> We wish to emphasize our recommendations elsewhere that the Department should keep its own accounts and make its own disbursements subject to audit by the Comptroller General and in accordance with procedures determined by the Accountant General, these procedures to be approved by the Comptroller General.

The budget procedures of the Hoover Commission recommendations for the Post Office Department have already been implemented in the 1951 Appropriations Act which has passed the House, and authorizing legislation is not required on this subject.

The proposed legislation will modernize and improve the accounting and auditing of the Post Office Department and implement the Department's new budget procedure. The bill will transfer to the Post Office Department the administrative accounting and reporting functions now performed for the Department by the General Accounting Office so as to place the Department in a position of all other Government departments and agencies. It will provide for an up-to-date system of accounting to be developed by the Post Office Department with the cooperation and subject to the approval of the Comptroller General under principles and standards prescribed by him.

The bill also provides for a system of internal control as determined by the Department and suited to its needs.

The bill provides a revolving fund for simplified accounting and gives the Postmaster General the authority to spend any funds of the Department for its lawful operations within limits established by appropriation acts or other laws.

Under the bill the audit of the financial transactions of the Department will be made by the General Accounting Office. Under the terms of this section the foundation is laid for a progressive decentralization and refining of General Accounting Office audits. The audits will be more comprehensive in scope but will be made on a selective basis as to individual transactions depending upon the development of an adequate and efficient system of accounting and internal control in the Department. Related provisions will enable the decentralization and appropriate waiving of the administrative examinations of accounts after payment.

The bill grants needed flexibility to the Post Office Department in the case of leases of real property and provides specific authority for collection of debts due the Department and for the collection and remission of fines, penalties, and forfeitures.

One important feature of the bill is to provide for the separately setting out in appropriate reports of the Post Office Department the amounts represented by certain services such as penalty mail, franked mail, and the estimated excess during the year of the cost of aircraft service over the postage revenue derived from air mail. It is the purpose of this section to inform the public of the amount of these items which are often referred to as representing the entire amount of the postal deficit. Such statements are, of course, unfounded in fact. For example, these items in 1949 amounted to $120,000,000 when compared with the total deficit of $550,000,000.

This bill will take effect 90 days after enactment unless postponed in whole or part by the President but such postponement may not exceed 2 years.

I should like to say that throughout our studies on this far-reaching measure, we had the fullest cooperation of the Postmaster General, the Comptroller General, the Bureau of the Budget and the Department of the Treasury. This measure is a step forward in the improvement of the operations of our postal service. I hope it will receive the unanimous support of the Members of the House.

For the information of the Members of the House, I would like to include here in my remarks a section-by-section analysis of the bill:

SECTION-BY-SECTION ANALYSIS

SECTION 1. SHORT TITLE

The bill commences by providing that it may be cited as the "Post Office Department Financial Control Act of 1950."

SECTION 2. ADMINISTRATIVE ACCOUNTING AND REPORTING

(a) This subsection transfers to the Department all administrative accounting and reporting functions being performed by the General Accounting Office for the Department as required by existing law. Since it is not practicable to enumerate all of the many functions involved, the provisions of this subsection specify without limitation the maintenance of administrative appropriation and fund accounts, accounts receivable and payable, and allotment controls; the preparation of financial and statistical reports; and the preaudit of expenses. All of these functions are now being performed by the General Accounting Office under provisions of law proposed to be repealed by other sections of this legislation. While this subsection contemplates that the Post Office Department will make payment currently covering expenses incurred in its operation, it does not affect the settlement by the Comptroller General of claims arising under the Department. Under the uniform policy of the General Accounting Office administrative reports on such claims would be obtained before settlement was made. Such settlements when made by the General Accounting Office are by law final and conclusive upon the executive branch. The Postmaster General is to provide such preaudit or audit of expenses prior to payment, as he deems necessary.

The function of settlement of accounts of accountable officers is not transferred but will remain with the Comptroller General as it is under present law. With respect to this phase of financial control, the task force of the Commission on Organization of the Executive Branch of the Government, upon which the Commission based its report, stated in recommendation X:

"Redefine the responsibilities of the Post Office Department and the General Accounting Office for auditing the financial transactions of the Postal Establishment by:

"1. Transferring from the General Accounting Office to the Post Office Department the responsibility for preaudit and preliminary settlement of postmasters' accounts and transactions of other accountable individuals.

"2. Providing for the conduct of an annual commercial-type audit and the final settlement of accounts of the Post Office Department by the General Accounting Office."

In the opinion of the committee, this section is in conformance with the above recommendation by transforming preaudit of expenses to the Postmaster General and retaining final settlement with the Comptroller General.

(b) This subsection provides that the Postmaster General shall establish and maintain adequate and efficient systems of accounting and internal control and establishes the following requirements for the systems:

(1) Adequate accounting and internal control over and accountability for all funds, property, and other assets for which the Department is responsible, including appropriate provisions for internal audit;

(2) Assembling of financial information needed for management purposes;

(3) Full disclosure of the financial results of the operations of the Department.

The accounting system set up pursuant to these requirements shall conform to the principles and standards prescribed by the Comptroller General of the United States.

(c) This subsection provides that the Comptroller General shall cooperate with the Postmaster General in the establishment of the accounting system provided for under subsection (b) and shall approve such system when he deems it to be in conformity with the accounting principles and standards prescribed by him under such subsection. Nothing in this section is intended to affect the relations established under section 205 (b) of the Federal Property and Administrative Services Act of 1949.

(d) This subsection authorizes the Postmaster General to collect debts due the Department and to collect and remit administrative fines, penalties, forfeitures, etc., arising out of matters affecting the Department. Under previously existing laws these activities have in many instances been subject to approval by the General Accounting Office or performed entirely by such Office for the Department. The Postmaster General is authorized to use the facilities of the General Accounting Office for collection of those debts uncollectible administratively. This subsection does not apply where judicial proceedings have been instituted.

This section does not change the operation of section 409 of the Revised Statutes (5 U. S. C., sec. 383) with respect to disabilities and liabilities under any law relating to officers, employees, operations, or business of the postal service. It is the desire of the committee that the procedures in effect under the afore-mentioned act will be reviewed having in mind the simplification of procedures and the expediting of actions and that legislation will be recommended if necessary.

SECTION 3. REVOLVING FUND AND USE OF FUNDS

(a) This subsection establishes with the Treasurer of the United States a revolving fund (in the nature of checking accounts) for the deposit of sums requisitioned by the Postmaster General against appropriations made from the general fund of the Treasury which are available to the Post Office Department and for the deposit of such receipts of that Department as the Postmaster General may decide to place in the fund. All withdrawals from the revolving fund will be made by the Postmaster General by checks drawn on the Treasurer of the United States chargeable to the fund. Existing procedure will be followed in requisitioning and advancing funds under the afore-mentioned appropriations and the use by the Post Office Department of the facilities of the Treasurer of the United States for the custody of these and other funds which the Postmaster General desires to maintain on deposit in such accounts as may be necessary for the purposes of his Department. The aggregate of the balances in such deposit accounts maintained with the Treasurer of the United States would constitute the revolving fund. The bill does not contemplate that the Post Office Department should maintain on deposit with the Treasurer of the United States such of its funds as are needed elsewhere for current operating purposes.

(b) This subsection gives the Postmaster General a general authority to use funds of the Department from whatever source derived. This subsection restates the fact that such expenditures must necessarily be in accordance with limitations in appropriations or other laws limiting expenditures.

SECTION 4. ADMINISTRATIVE EXAMINATION OF ACCOUNTS

This section authorizes the Postmaster General to designate the places where the Department will conduct the administrative examinations of its accounts after payment. The section further provides that with the concurrence of the Comptroller General the examination may be waived by the Postmaster General either in whole or in part when it is determined that the accounting and audit procedures of the Department otherwise adequately protect the interest of the United States.

SECTION 5. AUDIT

This section provides for the audit and settlement of the accounts of the Department and of its accountable officers. To the fullest extent practicably vouchers and other documents will not be submitted to the General Accounting Office but will be retained in the Department for audit by that Office. Provision is made for access by representatives of the General Accounting Office to all records or things necessary to facilitate the audit. The Comptroller General is directed to give due regard to the adequacy of

the accounting system and internal controls maintained by the Department, as well as to generally accepted principles of auditing in the determination of the extent of the audit. This leaves to the discretion of the Comptroller General the extent of his audit in order to determine that there has been compliance with the applicable laws.

This section will enable decentralization of present General Accounting Office audits as well as a much more comprehensive examination of the Department's financial transactions. The full development of independent audit techniques will depend substantially upon the internal accounting organization and procedures. This subsection further provides that the settlement and adjustment and adjustment of accounts of accountable officers of the Department shall be based upon the audit made thereunder.

It is the view of the committee that through cooperation between the Comptroller General and the Postmaster General and the establishment of an efficient and adequate system of accounting together with a strong system of internal controls, much of the detailed post-audit of individual transactions can be eliminated.

SECTION 6. REPORTS OF PENALTY AND FRANKED MAIL, ETC.

It is the purpose of this section to include in the Post Office Department reports potential revenues which would have been received as distinguished from revenues actually received for certain types of mail matter. In the case of air mail, the estimated excess of cost of aircraft service over postage revenues will be shown. For this purpose the Postmaster General will set out in appropriate reports the following:

(1) The estimated amount which would have been collected at regular rates of postage on matter mailed during the year by officers of the Government (other than those of the Post Office Department) under the penalty privilege, including registry fees;

(2) The estimated amount which would have been collected at regular rates of postage on matter mailed during the year by Members of Congress and others under the franking privilege;

(3) The estimated amount which would have been collected during the year at regular rates of postage on publications going free in the county;

(4) The estimated amount which would have been collected at regular rates of postage on matter mailed free to the blind during the year:

(5) The estimated difference between the postage revenues collected during the year on mailings of newspapers and periodicals published by and in the interest of religious, educational, scientific, philanthropic, agricultural, labor, and fraternal organizations, and that which would have been collected at zone rates of postage; and

(6) The estimated excess during the year of the cost of aircraft service over the postage revenues derived from air mail.

SECTION 7. TRANSFERS AND CONTINUATION OF POLICIES

(a) This subsection transfers to the Post Office Department from the General Accounting Office such records, property, personnel, appropriations, and other funds of the General Accounting Office as the Postmaster General, the Comptroller General, and the Director of the Bureau of the Budget shall jointly determine in connection with the transfer of functions to the Postmaster General under section 2 (a) of this bill. Transfer of personnel under this subsection is subject to section 12 of the Veterans' Preference Act which provides that in the case of veterans they will be offered an opportunity for employment with the agency to which the function is transferred before new personnel may be employed by that agency.

(b) This subsection provides that all policies, procedures, and directives which are related to any function transferred to the Postmaster General by section 2 (a) of this bill, and not inconsistent with this bill, shall remain in full force and effect until rescinded, modified, or superseded by or under authority of this bill.

SECTION 8. LEASES, DONATIONS, AND REWARDS

This section gives the Postmaster General additional authority and freedom of action with respect to the leases of real property. It gives basic legislative authority for the acceptance of gifts and donations of services or property as well as to offer and pay rewards in connection with violations of postal laws. The Postmaster General has had this latter authority for many years under successive appropriation acts.

With respect to the authority in this section concerning leases, the Postmaster General is authorized to enter into leases of real property necessary in the conduct of the Department's affairs, without regard to the provisions of laws other than those specifically applicable to the Department. General provisions of law regulating the rent payable under Government leases, general provisions requiring advertising, etc., will not apply to such transactions. It is recognized that post offices must be located to meet the needs of the public, the handling of the mail matter, and to permit economical operations of the Department, and that the statutes waived give rise to frequent difficulties in this respect.

SECTION 9. EFFECTIVE DATE

This section provides that the act shall take effect on the ninetieth day following the day on which enacted. However, in view of the extensive changes and transfers of functions that this legislation will entail, additional time may be extended for all or part of the provisions of the act by the President through an executive order, such postponement may not exceed 2 years.

SECTION 10. REPEAL PROVISIONS

(a) This subsection repeals the following specific statutes or sections of statutes:

(1) Section 405, Revised Statutes (5 U. S. C. 378), requiring orders and regulations of the Postmaster General which may originate a claim or affect the accounts of the postal service to be certified to the General Accounting Office.

(2) Section 406, Revised Statutes (5 U. S. C. 379), relating to the issuance of warrants by the Postmaster General upon the quarterly statement by the General Accounting Office of payments by postmasters.

(3) Section 407, Revised Statutes (5 U. S. C. 380), relative to payment of postal revenues and debts due the Post Office Department into the Treasury of the United States.

(4) Section 408, Revised Statutes (5 U. S. C. 381), requiring deposits on account of the postal service to be brought into the Treasury by warrants of the Postmaster General countersigned by the Comptroller General of the United States.

(5) Section 277, Revised Statutes (31 U. S. C. 73), requiring the General Accounting Office to keep and preserve all accounts arising in the Post Office Department and vouchers after settlement, and to close the account of the Department quarterly and furnish various reports to the Secretary of the Treasury and the Postmaster General. This section also requires the Comptroller General to countersign all lawful warrants upon the Treasury for receipts or payments issued by the Postmaster General.

(6) Section 292, Revised Statutes (31 U. S. C. 109), requiring the General Accounting Office to superintend the collection of all debts, penalties, and forfeitures due the Post Office Department.

(7) Section 293, Revised Statutes (31 U. S. C. 111), requiring the Bureau of Accounts of the Post Office Department to keep the accounts of the money-order business separately and by offices.

(8) Section 294, Revised Statutes (31 U. S. C. 112), relative to quarterly statements by the Bureau of Accounts of the Post Office Department to the Postmaster General of the money paid by postmasters out of the receipts of their offices and pursuant to appropriations.

(9) Section 3674 of the Revised Statutes as amended (31 U. S. C. 632), requiring payments of money out of the Treasury on account of the postal service shall be in pursuance of appropriations made by law, by warrants of the Postmaster General, registered and countersigned in the General Accounting Office, and expressing on their face the appropriation to which they should be charged.

(10) Section 4 of the act of March 3, 1875 (31 U. S. C. 113), requiring the Bureau of Accounts of the Post Office Department to keep the accounts relating to the Post Office Department so as to show the expenditures under each item of appropriation.

(11) Section 4 of the act of July 12, 1876 (31 U. S. C. 114), requiring annual reports of the Bureau of Accounts of the Post Office Department to be incorporated in the Postmaster General's annual report to show the financial condition of the Post Office Department. (This function, and the functions referred to in (7), (8), and (10), while codified as duties of the Bureau of Accounts in the Post Office Department, have necessarily been performed under existing law by the General Accounting Office.)

(12) Section 4055, Revised Statutes (39 U. S. C. 787), requiring all payments on account of the postal service to be made to the persons to whom certified to be due by the General Accounting Office, except that certain advances may be made by the Postmaster General to post office inspectors to be charged to them by the General Accounting Office and accounted for in the settlement of their accounts.

(b) All other laws or parts of laws inconsistent with this act are repealed to the extent of such inconsistency.

Mr. REES. Mr. Speaker, I am pleased to support H. R. 8923 and to urge my colleagues to approve this legislation. I introduced an identical bill, H. R. 8926, and also, earlier in the session, I introduced a bill dealing with this subject, H. R. 6395.

This bill deals with a very complex problem related to the accounting and auditing of one of our biggest Government departments and has been the subject of detailed study. In my judgment, the adoption of this bill will bring about much needed reform in the accounting and auditing processes of our postal service. When compared with the bill which I originally introduced, this present legislation has eliminated the budget provisions since the House has already approved a performance budget for the Post Office Department and cut down the number of appropriations from 58 to 4.

I might add in this regard that in the Eightieth Congress a study made by the Post Office and Civil Service Committee of the House pointed out weaknesses of the budget system. In House Report No. 1242 of the Eighteith Congress, we pointed out that each bureau had its own budget and, in many instances, economies in the service were not effected because the expenditures would have to be made from one bureau's budget while the savings would accrue to the budget of another bureau. The new budget procedure permits a flexibility and freedom of action which will eliminate the restrictions pointed out in our findings.

I might state with respect to the Hoover Commission recommendations that the Post Office and Civil Service Committee in the Eightieth Congress, in its study, made many recommendations which later also appeared in the Hoover Commission report and its task force report. Many of these recommendations have been placed into effect and economies are being made in the postal service as a result of them.

The administration's bill, H. R. 5775, which was sent to the Congress on this same subject, is a good example of what has occurred in many legislative proposals purporting to carry out the Hoover Commission report. The bill was weighed down with many provisions which were not related to the financial control of the postal service. For example, under the administration proposal, there would have been an unlimited authority for the Postmaster General to appoint specialists without regard to the Classification Act or to any other governmental ceilings and without any restrictions on the number that might be appointed. The Postmaster General would have had practically unlimited authority with regard to contracts, leases, and other agreements in connection with operating the postal service. Such provisions would have voided, for example, the laws governing the letting of contracts of star routes and many other laws which specifically apply to the conduct of the postal service.

Directly contrary to the recommendations of the Hoover Commission, the function of settlement of accounts, which is a financial control of Congress exercised by the Comptroller General, would have been eliminated. Because of the many controversial elements contained in the administration bill, together with direct conflicts with the Hoover Commission recommendations, it has taken a long time to work out the bill presently before the House which has reconciled the divergent views of the departments concerned. This legislation, H. R. 8923, now receives the enthusastic support of these departments and agencies as well as the Citizens Committee for the Hoover Report.

The chairman has outlined the provisions of the bill. However, briefly, this is what the bill will accomplish:

First. Transfers the administrative accounting and reporting functions presently performed by the Comptroller General for the Post Office Department to the Postmaster General;

Second. Transfers the preaudit of expenses of the Post Office Department by the General Accounting Office to the Postmaster General;

Third. Establishes the requirements of the accounting system to be set up by the Post Office Department and provides that the Comptroller General will prescribe the principles and standards for such system;

Fourth. Authorizes the Postmaster General to collect debts due the Department and collect and remit fines, penalties, and forfeitures arising out of matters affecting the Department;

Fifth. Provides a revolving fund for the Post Office Department;

Sixth. Authorizes the Postmaster General to designate the places where administrative examination of accounts will be made;

Seventh. Authorizes and directs the Comptroller General to audit the financial transactions of the Post Office Department;

Eighth. Provides for separately setting out in appropriate reports of the Post Office Department amounts representing certain services which the Department performs free or at special rates;

Ninth. Transfers to the Post Office Department such records, property, personnel, appropriations, and so forth, primarily connected with functions transferred under the bill;

Tenth. Removes certain restrictions with regard to leases of real property; and

Eleventh. Repeals certain laws relating to financial control of the Post Office Department which are no longer necessary if this bill is enacted.

The bill will take effect 90 days after enactment unless postponed in whole or in part by the President, but such postponement may not exceed 2 years.

This bill, which represents a vast step forward in eliminating outmoded and ineffective auditing and financial procedures of the postal service and replaces them with a fundamental basis for modern and streamlined accounting and auditing procedures, deserves the unanimous support of this House.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### MRS. MARION T. SCHWARTZ

Mr. LANE. Mr. Speaker, I call up the conference report on the bill (H. R. 1169) for the relief of Mrs. Marion T. Schwartz, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2286)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1169) for the relief of Mrs. Marion T. Schwartz, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses, as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the sum inserted by the Senate amendment insert "$3,000"; and the Senate agree to the same.

WILLIAM T. BYRNE,
WINFIELD K. DENTON,
JOHN JENNINGS, Jr.,
*Managers on the Part of the House.*

PAT MCCARRAN,
HERBERT R. O'CONOR,
ALEXANDER WILEY,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1169) for the relief of Mrs. Marion T. Schwartz, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The bill as passed the House appropriated the sum of $4,000 to Mrs. Marion T. Schwartz for damages on account of the personal injuries sustained by her late husband, Leo Schwartz, as the result of an accident involving an Army vehicle at the Oakland Army Base, Oakland, Calif., on September 1, 1944.

The Senate reduced the sum to $1,671 and at the conference a compromise of $3,000 was agreed upon.

WILLIAM T. BYRNE,
WINFIELD K. DENTON,
JOHN JENNINGS, Jr.,
*Managers on the Part of the House.*

The conference report was agreed to.

A motion to reconsider was laid on the table.

### PERSONNEL AND COMPOSITION OF THE ARMY AND AIR FORCE

Mr. KILDAY. Mr. Speaker, I call up the conference report on the bill (H. R. 1437) to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, I understand this has been cleared by the minority members of the committee, as well as with the leadership?

Mr. KILDAY. That is true. The gentleman from Missouri [Mr. SHORT] who is present can so advise the gentleman. This is the bill providing for the 70-group air force.

Mr. SHORT. That is correct.

Mr. BROWN of Ohio. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2322)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1437) to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 8, 10, 12, 16, 21, 22, and 24.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 6, 7, 9, 11, 13, 14, 17, 19, 20, 26, 27, 28, 29, 30, 31, 32, and 33 and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5 and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "Army (exclusive of the numbers authorized by law for the Army Nurse Corps, the Women's Medical Specialist Corps, professors of the United States Military Academy, and any numbers authorized by special provisions of law providing for officers in designated categories as additional numbers)"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert the following:

"(b) Effective on the date of enactment of this Act, and subject to the limitations imposed by sections 202 and 203 of this Act, the Air Force of the United States shall have an authorized strength of not to exceed seventy United States Air Force groups and such separate United States Air Force squadrons, reserve groups, and supporting and auxiliary United States Air Force and reserve units as may be required."

And the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "twenty-seven thousand five hundred, exclusive of any numbers authorized by special provision of law providing for officers in designated categories as additional numbers,"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the matter proposed to be striken out by the Senate amendment insert the following: "(1)"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "guided missiles, and (3)"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"APPROPRIATIONS

"SEC. 303. (a) There are hereby authorized to be appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act.

"(b) Moneys appropriated to the Departments of the Army, Navy, or Air Force for procurement of technical military equipment and supplies, the construction of public works, and for research and development, including moneys appropriated to the Department of the Navy for the procurement, construction, and research and development of guided missiles, which are hereby authorized for the Department of the Navy, shall remain available until expended unless otherwise provided in the appropriation Act concerned."

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"LIMITATION OF AUTHORITY

"SEC. 304. Nothing contained in this Act shall be construed to authorize the Department of Defense to expend any money appropriated pursuant to authority conferred by this Act for the design or development of any prototype aircraft intended primarily for commercial use."

And the Senate agree to the same.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
LESLIE C. ARENDS,
*Managers on the Part of the House.*

VIRGIL M. CHAPMAN,
HARRY FLOOD BYRD,
LYNDON B. JOHNSON,
CHAN GURNEY,
LEVERETT SALTONSTALL,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1437) to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes, submit the following statement in explanation of the action agreed upon by the conferees and recommended in the accompanying conference report:

LEGISLATION IN CONFERENCE

On March 22, 1949, the House passed H. R. 1437, which was designed to create a statutory charter for Army and Air Force size and composition. The purpose of the legislation was to create a legal framework for these two armed services as regards their military strengths, the composition of the military forces, their procurement authority, their research and development authority, and their appropriation authority. On August 27, 1949, the Senate passed H. R. 1437 but with numerous amendments which, together with the action of the conferees in respect thereto, are explained below.

SHORT TITLE

The House bill prescribed a short title for the legislation, as follows: "Army and Air Force Act of 1949." The Senate amendment modified the short title to read "Army and Air Force Authorization Act of 1949." The conference agreement accepts the Senate amendment.

AUTHORIZED ACTIVE DUTY PERSONNEL STRENGTH OF THE ARMY

The House bill authorized an active duty personnel strength of 837,000 officers, warrant officers, and enlisted persons for the Army of the United States. This total figure was exclusive of (1) 1-year enlistees, (2) officer candidates, (3) personnel of the Reserve components on active duty for training purposes only, (4) persons paid under the appropriations for the National Guard and Organized Reserve Corps, and (5) personnel and units of the Reserve components ordered to active duty in an emergency hereafter declared. The Senate amendment deleted exclusion (4) above, and also deleted the words "and units" in exclusion (5) above. The conference agreement restores exclusion (4) above, which had been deleted by the Senate, and accepts the deletion of the words "and units" in exclusion (5) above.

AUTHORIZED REGULAR ARMY OFFICER STRENGTH

The House bill authorized 33,500 active-list commissioned officers in the Regular Army, from which total figure there were excluded numbers authorized by law for (1) the Army Nurse Corps and (2) the Women's Medical Specialist Corps. The Senate amendment reduced the authorization from 33,500 to 30,600. The Senate amendment also specifically included in the Regular officer strength commissioned officers of the Women's Army Corps and added to the exclusions proposed in the House bill (1) professors of the United States Military Academy, and (2) any numbers authorized by special provisions of law providing for officers in designated categories as additional numbers. The conference agreement authorizes 30,600 active-list commissioned officers in the Regular Army, deletes the Senate reference to the Women's Army Corps, and accepts the additional Senate exclusions of professors of the United States Military Academy and additional numbers officers.

NATIONAL GUARD AUTHORIZED PERSONNEL STRENGTH

The House bill authorized a personnel strength of 750,000 for the National Guard and National Guard of the United States. The Senate amendment reduced the House figure to 600,000. The conference agreement accepts the Senate amendment.

ORGANIZED RESERVE CORPS AUTHORIZED PERSONNEL STRENGTH

The House bill authorized a personnel strength of 980,000 for the Army Organized Reserve Corps. The Senate amendment authorized such personnel strength as is necessary to form the basis for complete and immediate mobilization for the national defense in the event of a national emergency and removed the House numerical limit. The conference agreement accepts the House language.

ARMY MATERIALS AND PROCUREMENT AUTHORIZATION

The House bill specifically authorized the Army to procure guided missiles. The Senate amendment deleted the House reference to guided missiles. The conference agreement accepts the House language.

AUTHORIZED COMPOSITION OF THE AIR FORCE

The House bill authorized an Air Force strength of 70 Regular Air Force groups, 22 separate Regular Air Force squadrons, and 61 Air Force Reserve groups, together with supporting auxiliary Regular Air Force and Reserve units. The Senate amendment deleted these provisions of the House bill. The conference agreement provides that the Air Force of the United States shall have an authorized strength of not to exceed 70 Regular Air Force groups and such separate Regular and Reserve squadrons and units and Reserve groups as may be required.

AUTHORIZED ACTIVE DUTY PERSONNEL STRENGTH OF THE AIR FORCE

The House bill authorized an active duty strength of 502,000 officers, warrant officers, and enlisted persons in the Air Force. This was exclusive of (1) 1-year enlistees, (2) officer candidates, (3) aviation cadets, (4) personnel of the Reserve components on active duty for training purposes only, (5) persons paid under the appropriations for the Air National Guard and the United States Air Force Reserve, and (6) personnel and units of the Reserve components ordered to active duty in an emergency. The Senate amendment deleted exclusion (5) above and also the words "and units" in exclusion (6) above. The conference agreement accepts the deletion of the words "and units" but retains the House exclusion (5) above.

AUTHORIZED AIR FORCE REGULAR OFFICER STRENGTH

The House bill authorized an Air Force Regular officer strength of 27,500. The Senate amendment reduced the House figure to 22,400 and excluded from that figure (1) numbers authorized for the Air Force Nurse Corps, (2) numbers authorized for the Air Force Women's Medical Specialist Corps, and (3) any numbers authorized by special provisions of law providing for officers in designated categories as additional numbers. The conference agreement accepts the House

Regular officer figure of 27,500 and deletes exclusions (1) and (2) above.

AIR NATIONAL GUARD AUTHORIZED PERSONNEL STRENGTH

The House bill authorized a personnel strength of 100,000 for the Air National Guard and the Air National Guard of the United States. The Senate amendment increased the House figure to 150,000. The conference agreement accepts the Senate amendment.

UNITED STATES AIR FORCE RESERVE AUTHORIZED PERSONNEL STRENGTH

The House bill authorized a personnel strength of 500,000 for the United States Air Force Reserve. The Senate amendment deleted the House numerical limit and authorized the United States Air Force Reserve to have such personnel strength as is necessary to form the basis for complete mobilization for the national defense in the event of a national emergency. The conference agreement accepts the provisions of the House bill.

AIR FORCE PROCUREMENT AUTHORIZATION

The House bill authorized the Air Force to procure 5,200 aircraft or 42,500 airframe tons annually, whichever amount the Secretary of the Air Force may determine is more appropriate, to provide 24,000 serviceable aircraft or 225,000 airframe tons aggregate of serviceable aircraft. The House bill further authorized the Air Force to procure guided missiles. The Senate amendment (1) deleted language of the House bill authorizing the procurement of 5,200 aircraft or 42,500 airframe tons annually and (2) deleted the House provision relating to guided missiles. The conference agreement accepts the provisions of the House bill as regards (2) above and the Senate amendment as regards (1) above.

APPROPRIATIONS

The House bill provided (1) that any moneys appropriated to the Army for the procurement of materials and facilities, including guided missiles, shall remain available for obligation during the fiscal year which appropriated and for the succeeding fiscal year, and shall remain available for expenditure for a total of 5 years; (2) that any moneys appropriated to the Army for research and development shall remain available until expended; and (3) that moneys appropriated to the Air Force for procurement of aircraft and guided missiles, and for research and development, shall remain available until expended. The Senate amendment deleted the provisions of the House bill pertaining separately to the Army and the Air Force and inserted a new section containing appropriation authority for the Army, Navy, and Air Force. The Senate amendment provided that moneys appropriated to the Departments of the Army, Navy, or Air Force for procurement of military equipment and supplies, the construction of public works, and for research and development shall remain available until expended unless otherwise provided in the appropriation acts concerned. The conference agreement accepts the Senate amendment with an amendment granting the Department of the Navy legislative and appropriation authorization for the procurement, construction, and research and development of guided missiles.

LIMITATION OF AUTHORITY

The Senate added a new section to the bill providing that nothing contained in the proposed act shall be construed to authorize the Department of Defense to expend any money appropriated pursuant to the proposed act for the design, development, testing, tooling, modification, construction, or procurement of any transport or cargo aircraft intended primarily for commercial use, whether or not such aircraft may be adaptable for auxiliary military service. The House bill contained no comparable provision. The conference agreement substitutes for the Senate amendment language providing that nothing contained in the proposed act shall be construed to authorize the Department of Defense to expend money appropriated pursuant to the proposed act for the design or development of any prototype transport or cargo aircraft intended primarily for commercial use.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
LESLIE C. ARENDS,
*Managers on the Part of the House.*

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

## NATIONAL MILITARY ESTABLISHMENT LANDS ACT OF 1949

Mr. KILDAY. Mr. Speaker, I call up the conference report on the bill (H. R. 5368) to authorize the Department of the Army, Navy, and Air Force to participate in the transfer of certain real property or interest therein, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

Mr. BROWN of Ohio. Reserving the right to object, Mr. Speaker, I understand this measure has been approved by the minority members of the Armed Services Committee and also the minority leadership.

Mr. KILDAY. That is correct.

Mr. BROWN of Ohio. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows :

CONFERENCE REPORT (H. REPT. No 2348)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5368) to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interest therein, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 6 and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 305. The Secretary of the Navy is hereby authorized to convey to the Carolina-Virginia Coastal Highway Corporation, a municipal corporation created under the laws of the State of North Carolina, or to the State of North Carolina, a perpetual easement one hundred feet wide, in, over, and across a tract of land comprising one hundred seventy-four acres, which includes all land lying between the Atlantic Ocean and Currituck Sound for a distance of approximately three thousand three hundred feet north and south along the coast, referred to and known as target site number twelve and located approximately one mile north of Duck, North Carolina, and to accept in exchange therefor from Ray T. Adams, the conveyance of a leasehold interest in one hundred seventy-four acres of land which is a part of a larger parcel of land located at Corolla, North Carolina, and owned by the said Ray T. Adams, at such location upon said larger parcel of land and under such terms and conditions as may be determined and agreed upon by the Secretary of the Navy and the said Ray T. Adams: *Provided*, That the said Ray T. Adams shall erect, or shall have erected, at the option of the Secretary of the Navy, adequate substitute facilities without cost to the United States on such leasehold site as may be determined and approved by the Secretary of the Navy."

And the Senate agree to the same.

CARL VINSON,
PAUL J. KILDAY,
DEWEY SHORT,
LESLIE ARENDS,
*Managers on the Part of the House.*

HARRY F. BYRD,
RICHARD B. RUSSELL,
VIRGIL M. CHAPMAN,
LEVERETT SALTONSTALL,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5368) to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interest therein, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

LEGISLATION IN CONFERENCE

The House passed H. R. 5368 on October 3, 1949. The Senate passed H. R. 5368, with seven amendments, on June 8, 1950.

Senate amendments Nos. 1 to 6, inclusive, were merely corrective amendments which did not alter any substantive provisions of the bill. In each instance the House recedes and concurs in same.

Senate amendment No. 7 substituted a new section 305. Section 305 of the bill, as passed by the House, contained authorization for the conveyance of an easement to the State of Kentucky by the Secretary of the Army. This particular authorization was subsequently introduced as separate legislation and passed by both the House and the Senate. The Senate committee then amended the bill by deleting section 305 and substituting a new section 305, which authorized the Secretary of the Navy to convey to Ray T. Adams, of Corolla, N. C., all right, title, and interest of the United States in a Navy aerial gunnery range, consisting of approximately 174 acres, located approximately 1 mile north of Duck, N. C., and to accept in exchange therefor a conveyance by the said Ray T. Adams to the Secretary of the Navy of a substitute site or sites of equivalent value, suitable in all respects, together with adequate substitute facilities erected thereon, all without cost to the United States.

The purpose of this transfer was to expedite the construction of a toll road, approximately 53 miles long, along the Virginia and North Carolina coast, from a point south of Virginia Beach, Va., to Nags Head, N. C. Approximately 95 percent of the rights-of-way have already been obtained by the Carolina-Virginia Coastal Highway Corporation, a municipal corporation created under the laws of the State of North Carolina, and a similar authority created under the laws of the Commonwealth of Virginia. However, it was impossible to construct the toll road

without either obtaining an easement across the Navy gunnery range or making a suitable transfer of lands with the Navy. The Navy could not grant an easement without destroying the use of the property as an aerial gunnery range. Hence the transfer was agreed to by the Navy and the said Ray T. Adams, who is one of three commissioners of the North Carolina corporation. This proposed transfer would have given the Navy fee simple title to another plot of 174 acres of land of equal value and equally desirable to the Navy for an aerial gunnery range, and would have given Ray T. Adams fee simple title to the present gunnery range of the Navy, thereby enabling the said Ray T. Adams to convey a 100-foot right-of-way across the property and making it possible to construct a toll road.

The House committee is aware of the fact that the area to be traversed by the proposed toll road is presently isolated, very sparsely settled, and of little value in its present condition. The committee is further aware of the fact that the development of this area for tourists and recreational purposes, the revenue from which source constitutes 95 percent of the business realized in Dare County, N. C., in which the greater portion of this road is to be located, will be highly beneficial to both the State of North Carolina and the Commonwealth of Virginia. The committee wishes to expedite the development of this area; however, the committee likewise feels that it is mandatory that in doing so it adequately protect the interests of the Government. In this connection, it is a foregone conclusion that the 174 acres of land which comprise the present aerial gunnery range will be greatly enhanced in value as a result of the construction of the toll road by the two State authorities. It is the intent of the committee that any increase in value of this property now owned by the Government be recovered to the Government.

With the foregoing premises in mind and acting under instructions of the House Committee on Armed Services, the House conferees offered substitute language for that presently contained in section 305. The new language would authorize the Secretary of the Navy to convey a perpetual easement 100 feet wide across the present Navy aerial gunnery range, retaining the fee in the United States. This conveyance will necessarily make the land unusable as a Navy aerial gunnery range. Therefore, the authorization further provides that Ray T. Adams shall lease to the Navy, under such conditions as he and the Secretary of the Navy shall agree to, a tract of 174 acres approximately 6 miles north of the present gunnery range, which tract can be used equally well by the Navy as its aerial gunnery range. In addition, the said Ray T. Adams agrees to erect adequate substitute facilities, on the leasehold site to be selected, without cost to the United States. The Senate agrees to same.

CARL VINSON,
PAUL J. KILDAY,
DEWEY SHORT,
LESLIE ARENDS,
*Managers on the Part of the House.*

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from California [Mrs. DOUGLAS] is recognized for 30 minutes.

## KOREA AND WORLD PEACE

Mrs. DOUGLAS. Mr. Speaker, at this critical juncture when so much affecting the present and the future of all mankind is at issue, every one of us should take special care to avoid saying those things which might add to the difficulties in world conditions.

The national situation, as well as the world situation, calls for maturity of judgment and a temperate tone. The entire Nation—except only a small collection at the extreme left and the far right—has responded with overwhelming support to the President's wise and courageous action in stopping aggression in Korea. This demonstrates, as nothing else could, the underlying vigor and sound sense of direction of our people. It must come as a rude surprise to those at home and abroad who have counted upon a schism within the American nation to further their own advantages. The importance of this situation in Korea rises over all partisan considerations—as it should.

It is timely for us to look back and to look ahead to find the essential truths of the developments in Korea and their relation to our national policy.

The first thing I want to emphasize, is that we got into Korea purely by the accident of wartime circumstances. In the past few days I have read statements and have heard comments attempting to link our position in Korea with some alleged design conceived in the wartime conferences between ourselves and our wartime allies. No facts support these allegations. The story was laid before the Committee on Foreign Affairs a year ago in its hearing on the Korean aid bill and has been published in a committee report on that legislation.

Let us review the essential facts.

Korea had been a protectorate of Japan in 1905. It became a puppet of Japan in 1907. It was formally annexed by Japan in 1910. It was one of the conquered areas of the Japanese Empire awaiting liberation in World War II. Korea's independence was pledged at the Cairo Conference on December 1, 1943. China, Great Britain, and the United States were parties to the pledge. The pledge was later underwritten by Russia at the Potsdam Conference on July 26, 1945.

Immediately after the Japanese ended hostilities, Korea was occupied by forces of the United States and of the Soviet Union. That occupation was understood to be solely for the purpose of receiving and administering the capitulation of Japanese forces.

To meet the immediate problem of coordinating the acceptance of the Japanese surrender in Korea, military authorities had agreed on August 11, 1945, on the thirty-eighth parallel as the administrative line between the two forces. It approximately divided the country. It was a clear line on the map. That is the simple explanation for the line drawn along the thirty-eighth parallel.

The Russians entered first. That was on August 12, 1945. They were already just over the border in eastern Siberia. Our nearest forces were in Okinawa. American troops had to be brought from that point and from the farther distant Philippines. They got to Korea on September 8, almost 4 weeks after the Russians.

You may ask, Why the delay? Remember, the end of the war came with unexpected suddenness. The limited available shipping had to be used for rushing troops into Japan as an item of first priority. The move into Korea was accomplished only after a vast effort of preparing and equipping troops to move from the tropics into a rugged climate. The wonder is not that it took so long but that it was done so quickly.

What was not then foreseen, and no one here did foresee it, was that the Russians who entered Korea to accept a Japanese surrender would stay on as overlords. The military administrative limit became a boundary of totalitarianism. The iron curtain was rung down across Korea.

The second point I want to make is that the United States' stay in Korea was prolonged because of a principle. We had pledged that country's independence. Russia obduracy could not be made the excuse for defaulting on that pledge. Had we abandoned the South Koreans to Communist conquest from the north, every people everywhere would have been made aware that the United States would not honor its word. Our potential allies throughout the world would have been alienated and discouraged. In that indirect way our security was involved in Korea. So, notwithstanding that Korea was to us a military liability, we were obliged to remain there to carry out our responsibilities.

When arrangements between the local commanders proved futile as a means of getting the Russians out of North Korea in keeping with their pledge, we sought the same end through diplomatic action. Starting in December, 1945, we sought vainly for two years to bring about agreement between Washington and Moscow to redeem the pledges made at Cairo and reaffirmed at Potsdam.

Finally, on September 17, 1947, the United States laid the problem before the General Assembly of the United Nations. Actually, under article 107 of the Charter, the matter might have been kept as an issue of contention between the two major victor powers. Such a thing was completely beyond the intention of this Government. We sought instead the interposition of the United Nations because, in Secretary Marshall's phrase—

> We do not wish to have the inability of two powers to reach agreement delay any further the urgent and rightful claims of the Korean people to independence.

That development brings me to the third point I wish to emphasize. For 3 years the United States has acted in Korea as the servant of the United Nations.

In November, 1947, the United Nations General Assembly called for a free election in Korea under observance of a United Nations Commission. This election was to choose a constituent assembly to draft a constitution and establish a national government.

The Soviet government turned its back on this undertaking. It refused the commission access to its zone. It withheld cooperation in the electoral

procedures. Only Koreans in the American zone were allowed a voice in this effort to bring about a new state and a new government under the principles of freedom expressed in the UN Charter.

This new government, exercising authority in the southern portion, was established formally on August 15, 1948.

This did not bring an end to our responsibilities. This new government had to be given a chance for economic survival as well as juridical independence.

Under our military government and, after January 1, 1949, under the Economic Cooperation Administration, we planned in concert with the government of the young republic to bring about a replenishment of its economy, developing new sources of materials at home and new markets abroad, and restoring and modernizing its productive resources.

Gradually, as talent was developed among the Koreans and as their own governmental agencies were set up, our authorities transferred functions to them.

Finally, a year ago, the last of our military units were withdrawn. The occupation was over. The Republic of Korea stood on its own legs—still depending, however, on the United States for assistance in making its way for its first few years of independence.

There have been many false analogies between the Russian position in Korea and our own up to this point. Soviet forces were formally withdrawn from Northern Korea before ours were withdrawn from the Republic of Korea. However, we should permit no one to lead us to false conclusions on this point, for the Northern Korean regime remained in every sense a satellite of Russia.

It is pointless to attempt to equate the actions of the two great powers, one striving to establish freedom and the other trying to blot out freedom in Korea.

At the same time that the withdrawal of our forces was being completed, the Congress faced the task of legislating a basis for our policy to make a going nation out of the Republic of Korea. Up to that time policy making in Korea had been exclusively in executive hands. The Congress' sole part had been to appropriate the necessary funds. The Congress had not sought to influence the pattern of policy by statute.

The legislation, developed last year in the Committee on Foreign Affairs, of which I am a member, was delayed in the House until January 19, 1950. It was defeated on the floor of the House by a margin of only one vote. It is difficult to analyze the causes behind that vote. It is equally difficult to analyze its effects. Certainly in some quarters abroad it must have presented convincing evidence that the United States was a fickle guardian of freedom.

At the insistence of the Committee on Foreign Affairs, the House reconsidered the issue 3 weeks later. This time the House demonstrated its better judgment.

The Korean aid program for the fiscal year 1950 was enacted.

What would have happened if the House had not reversed its earlier refusal? The result would have been to give the Communists of North Korea the prize they are seeking in their present invasion. Our position in the Far East, our reputation in the whole world, would have been undermined.

Besides economic aid, the Congress had enacted legislation for limited military assistance to the Republic of Korea. Though our forces were withdrawn, a small staff of advisers and instructors had remained there to help the small native defense force in developing its skill at arms. The Mutual Defense Assistance Act passed last fall authorized a small amount of weapons for defense.

The policies worked. Though beset by inflationary pressures last year and the earlier part of this year, the economy of the Republic began to respond satisfactorily to the assistance program. The small Korean force, designed and equipped only for limited defense, showed increasingly good morale.

That measure of success achieved by the Republic may have been a large factor in the decision to launch the invasion from the North.

We had helped set up the Korean Republic in pursuance of a policy sponsored by the United Nations. We had nurtured that republic from our own resources as part of our obligation to underwrite its independence in keeping with the principles of the Charter.

From the moment of the invasion, however, another facet of the Charter became involved. Not simply the right to freedom and independence as a passive thing, but the security of a people against wanton aggression was now at issue.

The situation was laid immediately before the United Nations. The Security Council immediately called upon the parties concerned to cease fire. When this call was disregarded, the Security Council then called for appropriate action by the member nations which were in a position to give assistance.

That meant us. But it did not mean us exclusively. The British and the Dutch, also having forces in that general area, joined with the United States in carrying out the principles of the Charter. Offers of assistance were also made by Australia, Belgium, and New Zealand.

We must emphasize here that in every respect our present action in Korea is in pursuance of the United Nations Security Councils' resolutions of June 25 and 27. Our action there is solely for the purpose of restoring the Republic of Korea to its status prior to the invasion from the north and of reestablishing the peace broken by that aggression.

This juncture is like the invasion of Manchuria by imperialist Japan in 1931. This juncture is like that of Ethiopia invaded by the Fascists in 1935. It is like the Nazi penetration of the Rhineland in 1936. But essentially it is unlike any of those previous examples of aggression. History is not repeating itself. This time the free world has responded to the challenge. This time prudent action is being taken. This time aggression is being met at its inception.

If the Security Council had not acted in support of the Korean Republic's independence—if the United States had not given effect to the decision of the Security Council—every small nation in the Far East and in Europe, and perhaps some large ones too, would today be sending notes of appeasement to the Russian Government.

If the President had not taken the needed action in Korea, the United Nations would have become a thing of the past and any hope of outlawing aggression and maintaining peace in the world would have vanished with it.

But the President has acted. The power of this Nation and of the entire United Nations, with the overwhelming support of free people everywhere, has been placed behind the right of one small nation to live independently and without fear.

Freedom and security must be based on strength. But they must be the right not only of the strong. They must be the right of the weakest as well. Without that, there can be no real peace and freedom in the world. It is the same in the world as within our own Nation, where the rights of the weakest are as sacred as the rights of the strongest. The rule of law can tolerate no other basis.

Finally, let us take note of an old American habit of linking the words "peace" and "freedom." I trust that Americans will always insist on thinking of them as inseparable and speaking of them in the same breath.

The contention between the totalitarian forces and the forces on our side is not over the issue of peace alone.

The Communists, too, want peace—but for them it must be peace according to Communist specifications, with communism in the saddle and freedom put to rout. In that respect they are precisely like the Nazis and Fascists, who also wanted peace in their fashion.

By its very nature, communism denies freedom to the individual human being and to the human spirit. Freedom is what we can offer and the Communists can never offer.

We must conceive of freedom not as a negative thing—not as simply an absence of restraint. In Matthew Arnold's phrase—"freedom is a goode horse, but a horse to ride somewhere."

For us and for our allies, freedom must be both an end and a means.

As an end it is infinitely worth saving by the pledge of our national strength in support of the principles of the United Nations.

As a means freedom must be regarded as an opportunity to bring about a better basis of life among the world's peoples.

We have not the wealth to guarantee them that from our own bounty.

But our great resources of technical knowledge are indispensable to the aspirations of other peoples to find their way along the upward road. Only with our help can the people of the underdeveloped areas learn to earn more bread. It is up to us to show them the way to a fuller and more secure life. That, in turn, is the only way to establish a firmer foundation for freedom. The relation between freedom and progress is reciprocal. They are facets of the same thing. That is the underlying principle of the point 4 program.

At the critical moment of the Korean affair, our moral position among the great number of underdeveloped nations of the world must certainly be strengthened by the fact that we—this Congress and this administration—have given an earnest demonstration not only of a will to buttress the world against aggression, but also of the desire to help other nations along the road to a better life.

A nation, like an individual, has a character. It has the power to choose what kind of a character it shall be. Do we want to be a nation whose word is trusted and respected? I think so. Do we want to be a nation that lives for itself alone, or a nation that lives for purposes beyond itself? I believe our highest destiny as a nation is to meet fully our opportunity to serve the aspiration of men everywhere to find the means to a better life. No other nation has ever had so vast an opportunity. No other nation has had comparable means for fulfillment. As we meet our opportunity we shall fulfill ourselves.

The rest of the world must know of our will to help toward a goal that communism promises but cannot reach—the goal of improvement in the lot and life of the world's people. It must know also of our will to nurture and defend freedom, a value that is the very opposite of communism.

Our President has seen the issues steadily and whole. It was he who projected the point 4 program. It was he who spoke and acted for the Nation in challenging aggression in Korea. The policy in one instance leads to a firmer basis for freedom. The action taken in the other instance has given new assurance to the world.

### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. THOMPSON, for 1 day, on account of official business.

To Mr. JONES of Missouri (at the request of Mr. WALTER), indefinitely, on account of official business.

To Mr. PRESTON, for Friday, June 30, on account of official business.

To Mr. TACKETT, for June 30, on account of official business.

To Mr. MCGREGOR (at the request of Mr. BREHM), for an indefinite period, beginning Wednesday, June 28, on account of illness.

To Mr. HÉBERT (at the request of Mr. LARCADE), for 1 day, on account of official business.

To Mr. PASSMAN (at the request of Mr. LARCADE), for 1 day, on account of official business.

To Mr. WILLIS (at the request of Mr. LARCADE), for 1 day, on account of official business.

To Mr. WAGNER, for 1 day, on account of serious illness in family.

### AID TO KOREA

Mr. O'KONSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. O'KONSKI. Mr. Speaker, I heartily endorse the action by President Truman and his advisers in the protection of the free people of southern Korea. I am one of those who have felt that that action has been long overdue. I remember distinctly in January of this year when the Korean-aid bill came before this House many of us in the minority wanted at that time a clear line of distinction as to just what the action of the United States of America was going to be to protect the free people in the Pacific. We distinctly wanted to know what was going to happen to our relationship as far as the protection of Formosa and Korea was concerned. The bill that was before the House at that time dealt exclusively with economic aid to the free people of Korea. Those of us who wanted action on the part of Formosa also feel that we have been vindicated in our demand in that now, some 6 months later, the leadership of the United States of America has taken the action which the minority of this House wanted taken in January of 1950.

### EXTENSION OF REMARKS

Mr. CASE of South Dakota asked and was given permission to extend his remarks on the subject of the presentation of the portrait of Hon. EDITH NOURSE ROGERS to the Committee on Veterans' Affairs.

Mr. WOODRUFF asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. HAGEN asked and was given permission to extend his remarks in two instances and include excerpts from newspapers and magazines.

Mr. NELSON asked and was given permission to extend his remarks in the RECORD.

Mr. HAND asked and was given permission to extend his remarks and include an editorial.

Mr. DONOHUE asked and was given permission to extend his remarks in two instances.

Mr. YATES asked and was given permission to extend his remarks and include a letter and an article appearing in the Chicago Daily News.

Mr. BOYKIN asked and was given permission to extend his remarks and include two editorials.

Mr. BUCHANAN (at the request of Mr. PRIEST) was given permission to extend his remarks in two instances, in each to include extraneous matter.

Mr. HAVENNER asked and was given permission to extend his remarks and include a telegram.

Mr. ELLIOTT asked and was given permission to extend his remarks in two instances and include certain extraneous matter.

Mr. MCCORMACK asked and was given permission to extend his remarks and include an article appearing in the Washington Star of June 29 by Dorothy Thompson.

Mr. REES asked and was given permission to extend his remarks and include a newspaper article.

Mr. WHITE of Idaho asked and was given permission to extend his remarks and include certain printed matter.

### SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 96. Concurrent resolution to print additional copies of hearings on S. 1832, on immigration bill, to the Committee on House Administration

### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 2348. An act to increase the annual authorization for the appropriation of funds for collecting, editing, and publishing of official papers relating to the Territories of the United States;

S. 3550. An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products;

S. 3571. An act to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes;

S. J. Res. 170. Joint resolution to provide for the transfer of the paintings The Grand Canyon of the Yellowstone and The Chasm of the Colorado from the United States Capitol to the Department of the Interior; and

S. J. Res. 171. Joint resolution transferring the plaster cast of the statue of George Washington from the United States Capitol to the Smithsonian Institution.

### ADJOURNMENT

Mr. MCCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 1 minute p. m.) under its previous order, the House adjourned until Monday, July 3, 1950, at 12 o'clock noon.

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### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1526. A letter from the Acting Secretary of the Treasury, transmitting the Annual Report of the Federal Bureau of Narcotics, prepared by the Commissioner of Narcotics, for the calendar year ended December 31, 1949, pursuant to section 1 of the act of June 14, 1930; to the Committee on Ways and Means.

1527. A letter from the Acting Administrator, Housing and Home Finance Agency, transmitting the Third Annual Report of the Housing and Home Finance Agency, covering the housing activities of the Federal Government for the calendar year 1949; to the Committee on Banking and Currency.

1528. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies, pursuant to the act approved July 7, 1943 (57 Stat. 380), as amended by the act approved July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

1529. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Institute of Inter-American Affairs for the 2 years ended June 30, 1949, together with Precinradio, Inc., and Institute of Inter-American Transportation for the periods from July 1, 1947, to the dates of final liquidation—May 10 and August 20,

1949—pursuant to the requirements of the Government Corporation Control Act (31 U. S. C. 841) (H. Doc. No. 631); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1530. A letter from the Comptroller General of the United States, transmitting volume 2 of the report of the audit of Commodity Credit Corporation and its affiliate, War Hemp Industries, Inc., for the fiscal years ended June 30, 1946 and 1947, pursuant to the requirements of section 5 of the act of February 24, 1945 (59 Stat. 6), and the Government Corporation Control Act (31 U. S. C. 841), respectively (H. Doc. No. 632); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KARST: Committee on Post Office and Civil Service. Report pursuant to House Resolution 114, Eighty-first Congress. Resolution authorizing and directing the Committee on Post Office and Civil Service to conduct thorough studies and investigations relating to matters coming within the jurisdiction of such committee under rule XI (1) (e) of the rules of the House of Representatives; without amendment (Rept. No. 2456). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIAMS: Committee on Post Office and Civil Service. Report pursuant to House Resolution 114, Eighty-first Congress. Resolution authorizing and directing the Committee on Post Office and Civil Service to conduct thorough studies and investigations relating to matters coming within the jurisdiction of such committee under rule XI (1) (e) of the rules of the House of Representatives; without amendment (Rept. No. 2457). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE of California: Committee on Public Lands. H. R. 7059. A bill to create a National Cemetery Commission for the consolidation of national cemetery activities within one civilian commission, and for other purposes; with amendment (Rept. No. 2458). Referred to the Committee of the Whole House on the State of the Union.

Mr. HART: Committee on Merchant Marine and Fisheries. H. R. 7954. A bill to authorize the commercial operation of certain vessels on the Great Lakes; with amendment (Rept. No. 2459). Referred to the Committee of the Whole House on the State of the Union.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 6606. A bill to provide that the district judge for the eastern, middle, and western districts of Pennsylvania shall become a district judge for the middle district of Pennsylvania alone when the first vacancy occurs in that district; without amendment (Rept. No. 2466). Referred to the Committee of the Whole House on the State of the Union.

Mr. CELLER: Committee on the Judiciary. H. R. 8763. A bill to amend the Clayton Act with respect to the recovery of triple damages under the antitrust laws, and for other purposes; with amendment (Rept. No. 2467). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee on the District of Columbia. H. R. 7670. A bill to regulate the height, exterior design, and construction of private and semipublic buildings in the Georgetown area of the National Capital; with amendment (Rept. No. 2468). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. H. R. 8909. A bill to authorize the District of Columbia government to establish an Office of Civil Defense, and for other purposes; without amendment (Rept. No. 2469). Referred to the Committee of the Whole House on the State of the Union.

## REPORT OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 381. An act for the relief of Low Way Hong; without amendment (Rept. No. 2435). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 587. An act for the relief of Sister Stefania Cuprys; without amendment (Rept. No. 2436) Referred to the Committee of the Whole House

Mr. WALTER: Committee on the Judiciary. S. 848. An act for the relief of Lorenzo Buira Sarrate; without amendment (Rept. No. 2437). Referred to the Committee of the Whole House

Mr. WALTER: Committee on the Judiciary. S. 1049. An act for the relief of Amy Alexandrovna Taylor and Myrna Taylor; with amendment (Rept. No. 2438). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary: S. 1347. An act for the relief of Jose Da Silva; without amendment (Rept. No. 2439). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1792. An act for the relief of Thomas Nicholas Epiphaniades and Wanda Julia Epiphaniades; with amendment (Rept. No. 2440). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1869. An act for the relief of Marcantonio Doria d'Angri and his wife, Sonia Stampa Doria d'Angri; without amendment (Rept. No. 2441). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2231. An act for the relief of Marco Murolo, and his wife, Romana Pellis Murolo; without amendment (Rept. No. 2442). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2243. An act for the relief of Tevfik Kamil Kutay; with amendment (Rept. No. 2443). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2349. An act for the relief of Ho Paak-Sui; without amendment (Rept. No. 2444). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2462. An act for the relief of Ruzina Skalova; without amendment (Rept. No. 2445). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2575. An act for the relief of Yayoko Kobayashi and June Kobayashi, and for other purposes; without amendment (Rept. No. 2446). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2662. An act for the relief of Evzen Syrovatka and his wife; without amendment (Rept. No. 2447). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2682. An act for the relief of Naum Ionescu and his wife; without amendment (Rept. No. 2448). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2735. An act for the relief of Mrs. Vernon B. Rasmussen; without amendment (Rept. No. 2449). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2745. An act for the relief of Marie De Champourcin; without amendment (Rept. No. 2450). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2795. An act for the relief of Fortunato Giulio Torre; without amendment (Rept. No. 2451). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3007. An act for the relief of Stefanie Pfister and Hildegarde Weber; without amendment (Rept. No. 2452). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 91. Concurrent resolution favoring the suspension of deportation of certain aliens; with amendment (Rept. No. 2453). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 6463. A bill for the relief of Mrs. Shikaju Nakashima; with amendment (Rept. No. 2454). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 8423. A bill for the relief of Yuriko Mizumoto; without amendment (Rept. No. 2455). Referred to the Committee of the Whole House.

Mr. KEATING: Committee on the Judiciary. H. R. 649. A bill for the relief of Mrs. Alice N. Kozma; with amendment (Rept. No. 2460). Referred to the Committee of the Whole House

Mr. FRAZIER: Committee on the Judiciary. H. R. 1638. A bill to pay Warren P. Hoover for services rendered the Army of the United States; with amendment (Rept. No. 2461). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 5981. A bill for the relief of Clayborne V. Wagley; without amendment (Rept. No. 2462). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 6095. A bill for the relief of Universal Corp., James Stewart Corp., and James Stewart & Co., Inc.; with amendment (Rept. No. 2463). Referred to the Committee of the Whole House.

Mr. KEATING: Committee on the Judiciary. H. R. 7921. A bill for the relief of Eva T. Ross; without amendment (Rept. No. 2464). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 8929. A bill for the relief of Vincent F. Leslie; with amendment (Rept. No. 2465). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. BOSONE:

H. R. 9014. A bill to authorize the construction, operation, and maintenance of the Colorado River storage project and of certain other reclamation projects, and for other purposes; to the Committee on Public Lands.

By Mr. COMBS:

H. R. 9015. A bill granting the consent of the Congress to the negotiation of a compact relating to the waters of the Sabine River by the States of _____, Texas, and Louisiana; to the Committee on Public Lands.

By Mr. DENTON:

H. R. 9016. A bill to provide for the elimination of the erosion of the banks of the Ohio River in the vicinity of Mount Vernon, Ind.; to the Committee on Public Works.

By Mr. HAGEN:

H. R. 9017. A bill to promote the rehabilitation of the bands of Chippewa Indians in the State of Minnesota, located on the Red Lake, White Earth, Greater Leech Lake, Bois Fort or Nett Lake, Mille Lac, Fon du Lac,

Grand Portage, and Vermillion Lake Indian Reservations, and for other purposes; to the Committee on Public Lands.

By Mr. VINSON:

H. R. 9018. A bill to provide that personnel of the Reserve components of the Army of the United States and the Air Force of the United States shall have common Federal appointments or enlistments as reserves in their respective services, to equalize disability benefits applicable to such personnel, and for other purposes; to the Committee on Armed Services.

H. R. 9019. A bill to provide for a Reserve Officers' Training Corps, and for other purposes; to the Committee on Armed Services.

By Mr. BIEMILLER:

H. R. 9020. A bill to amend the Hatch Act; to the Committee on House Administration.

By Mr. CELLER:

H. R. 9021. A bill to provide for the appointment and compensation of an Assistant Solicitor General and two assistants to the Solicitor General; to the Committee on the Judiciary.

By Mr. JOHNSON:

H. R. 9022. A bill to provide for the establishment of summer training installations to offer basic military training for certain civilian volunteers, and for other purposes; to the Committee on Armed Services.

By Mr. McCORMACK:

H. R. 9023. A bill to amend the Hatch Act; to the Committee on House Administration.

By Mrs. WOODHOUSE:

H. R. 9024. A bill to amend the Hatch Act; to the Committee on House Administration.

By Mr. KILDAY:

H. R. 9025. A bill to provide for the establishment of summer training installations to offer basic military training for certain civilian volunteers, and for other purposes; to the Committee on Armed Services.

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MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, requesting immediate action to prevent the complete liquidation of the shipbuilding industry in Massachusetts; to the Committee on Merchant Marine and Fisheries.

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PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE:

H. R. 9026. A bill for the relief of Rashid Cassis; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 9027. A bill for the relief of Riyoko Iwamoto and Hiroto Iwamoto; to the Committee on the Judiciary.

By Mr. HERLONG:

H. R. 9028. A bill for the relief of Louis E. Gabel; to the Committee on the Judiciary.

By Mr. JENNINGS:

H. R. 9029. A bill for the relief of Demetrios Kapitanopoulos; to the Committee on the Judiciary.

By Mr. KILBURN:

H. R. 9030. A bill for the relief of Wesley Amell; to the Committee on the Judiciary.

By Mr. KUNKEL:

H. R. 9031. A bill for the relief of Suzuko Yoshimura and Sachiko Yoshimura; to the Committee on the Judiciary.

By Mr. MITCHELL.

H. R. 9032. A bill for the relief of Mrs. Hanaco Tatsumi; to the Committee on the Judiciary.

By Mr. O'BRIEN of Michigan:

H. R. 9033. A bill for the relief of Sumi Marguriete Hamada; to the Committee on the Judiciary.

By Mr. O'KONSKI:

H. R. 9034. A bill for the relief of Ryma Adele Zilinskaite; to the Committee on the Judiciary.

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PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2237. By Mr. GOODWIN: Resolutions memorializing Congress to take immediate action to prevent the complete liquidation of the shipbuilding industry in Massachusetts; to the Committee on Merchant Marine and Fisheries.

2238. By Mr. MILLER of Maryland: Resolution of Dorchester Unit, No. 91, American Legion Auxiliary, Cambridge, Md., opposing any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

2239. By Mr. RICH: Resolution of Lycoming County Medical Society, Williamsport, Pa., in opposition to Reorganization Plan No. 27 of 1950; to the Committee on Expenditures in the Executive Departments.

2240. By the SPEAKER: Petition of Carlton Skinner, Governor, Guam, Marianas Islands, transmitting Guam Congress Resolution 5, relative to expressing its deep grief and sorrow at the untimely death of Representative William Lemke; to the Committee on House Administration.

2241. By Mr. SMITH of Wisconsin: Resolutions in the form of a declaration of policy by the Wisconsin Bankers Association; to the Committee on Ways and Means.

2242. By Mrs. ROGERS of Massachusetts: Memorial of the General Court of Massachusetts, to take immediate action to prevent the complete liquidation of the shipbuilding industry in Massachusetts; to the Committee on Merchant Marine and Fisheries.

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# SENATE

## SATURDAY, JULY 1, 1950

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, in this time of tumult, in this hour of danger, in this night of anxiety, give us, we beseech Thee, calmness of mind, consecration to duty, and a stern determination to finish the work which Thou hast given us to do.

As again there comes a supreme test of America's faith, when ruthless foes deny, defy, and would defile the very conceptions and aspirations which to us nurtured in liberty make life precious and sacred, may our Nation under God have a new birth of freedom.

May the crusaders in freedom's holy cause now marching and flying to do battle for a righteous peace be inspired by the assurance that—

"Who fights for freedom goes with joyful tread.
To meet the fires of hell against him hurled,
And has for captain Him whose thorn-wreathed head,
Smiles from the Cross upon a conquered world,"

Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
*Washington, D. C., July 1, 1950.*

*To the Senate:*

I appoint Hon. CARL HAYDEN, a Senator from the State of Arizona, to perform the duties of the Chair.

KENNETH MCKELLAR,
*President pro tempore.*

Thereupon Mr. HAYDEN took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 30, 1950, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1169) for the relief of Mrs. Marion T. Schwartz.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1437) to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5368) to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

S. 2596. An act relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944);

S. 3336. An act to provide for the organization of a constitutional government by the people of Puerto Rico;

H. R. 1169. An act for the relief of Mrs. Marion T. Schwartz;

H. R. 1437. An act to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes; and

H. R. 5368. An act to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 1, 1950, he presented

to the President of the United States the following enrolled bills:

S 2596. An act relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944); and

S. 3336. An act to provide for the organization of a constitutional government by the people of Puerto Rico.

ORDER OF BUSINESS

Mr. LUCAS. I move that the Senate stand in recess until Wednesday next at 12 o'clock noon.

Mr. WHERRY. Mr. President, will the Senator withhold the motion in order that I may make an inquiry? Would it be possible to make some insertions in the RECORD?

Mr. LUCAS. If nothing more than that is to be done, I withhold the motion; but I am not going to yield to any long speeches this afternoon.

Mr. WHERRY. Mr. President, I hope the Senator will not pour out his wrath on me. I am merely making a modest request to place two insertions in the RECORD, which I failed to present on Friday. If I may be permitted to do that, I should like to do it.

Mr. LUCAS. I yield for such routine matters.

RESOLUTIONS OF GRAND LODGE SONS OF HERMANN IN NEBRASKA

Mr. WHERRY. Mr. President, I ask unanimous consent to include in the CONGRESSIONAL RECORD as a part of my remarks, resolutions unanimously adopted at the recent convention of the Grand Lodge Sons of Hermann in Nebraska.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

GRAND LODGE SONS OF HERMANN IN NEBRASKA,
*Columbus, Nebr., June 22, 1950.*

Hon. KENNETH WHERRY,
*United States Senator,*
*Senate of the United States of America,*
*Washington, D. C.*

DEAR SENATOR: At the recent convention of the Grand Lodge Sons of Hermann the following resolutions were unanimously adopted:

"RESOLUTIONS

"Whereas there is great national concern with the affairs of the Government deficit spending and lack of apparent interest in curtailment thereof; and

"Whereas it is the opinion of the convention assembled that the national budget must be balanced: Therefore be it

"*Resolved*, That a request be made to our Senators and our Representatives in the Congress of the United States to do all in their power to bring about the establishment of a sound financial policy, by invoking the report of the Hoover task force, and that we are opposed to the proposed Missouri Valley Authority, which will lend itself to a socialistic tendency and developments. We strongly recommend and favor a soil and conservation program, and a democratic and sound waterways program, which will give to the future of the United States of America a heritage to posterity to be economically sound.

"Whereas there is great world disturbance, and the peace of the world is presently endangered: Therefore be it

"*Resolved*, That we strongly urge the Congress of the United States to be alert and watchful of the tendencies that may lead us to war, and that they use every means at their disposal and command to bring about amicable settlement of disputes by the nations of the world; be it further

"*Resolved*, That a copy of the foregoing resolutions be sent to our Nebraska Representative in the Congress of the United States."

Sincerely,

WILLIAM D. EGGERT,
*Grand Secretary.*

SPEECH BY AMBASSADOR J. M. ELIZALDE BEFORE MIDCONTINENT WORLD TRADE COUNCIL CONVENTION

[Mr. WHERRY asked and obtained leave to have printed in the RECORD a speech delivered by Ambassador J. M. Elizalde, of the Philippine Islands, before the Midcontinent World Trade Council Convention at Omaha, Nebr., on June 2, 1950, which appears in the Appendix.]

WHAT HAS HAPPENED TO YOU?—ARTICLE BY JOHN T. FLYNN

[Mr. WATKINS asked and obtained leave to have printed in the RECORD an article entitled "What Has Happened to You?" written by John T. Flynn and published in a recent issue of the Reader's Digest, which appears in the Appendix.]

THE HEART OF THE AMERASIA CASE—ARTICLE BY GEORGE SOKOLSKY

[Mr. WATKINS asked and obtained leave to have printed in the RECORD an article entitled "The Heart of the Amerasia Case," written by George Sokolsky and published in the Washington Times-Herald of June 21, 1950, which appears in the Appendix.]

ADDRESS BY SENATOR MURRAY AND PROCLAMATION BY HAROLD TURK, MAYOR OF MIAMI BEACH, FLA.

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an address delivered by him at the Roosevelt Memorial Service held at Miami Beach, Fla., on April 12, 1950, and a proclamation issued by the Honorable Harold Turk, mayor of Miami Beach, Fla., on the same occasion, which appear in the Appendix.]

THE RAILROAD STRIKE

[Mr. SCHOEPPEL asked and obtained leave to have printed in the RECORD an editorial entitled "Could Be Simple," published in the Pretty Prairie (Kans.) Times of June 29, 1950, which appears in the Appendix.]

THE RAILWAY STRIKE

Mr. DONNELL. Mr. President, in view of the importance of the early enactment of Senate bill 3463, I ask unanimous consent that there be inserted in the body of the RECORD at this point an article entitled "Rail Tie-up in Sixth Day With Peace Hope Dim," published in the New York Times today.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAIL TIE-UP IN SIXTH DAY WITH PEACE HOPE DIM

CHICAGO, June 30.—Revenue and wage losses were counted in the millions of dollars today in the 6-day-old strike of the Switchmen's Union of North America, AFL., against five railroads of the Midwest and West.

Prospects of a settlement over the week end appeared dim tonight.

Francis A. O'Neill, Jr., Chairman of the National (Railway) Mediation Board, reported following meetings with union and railroad officials that there was no progress to talk about.

Mr. O'Neill and Leverett Edwards, a member of the Board, also reported no progress in talks with the Brotherhood of Railroad Trainmen, the Order of Railroad Conductors, and the Railroad Yardmasters of North America. These three unions are threatening strikes on or after July 15.

Like the switchmen, the three organizations are demanding a reduction in the workweek from 6 days of 48 hours to a 5-day week of 40 hours with no loss in pay.

Heavy losers among the struck carriers are two companies with headquarters here: The Chicago, Rock Island & Pacific Railroad Co. and the Chicago Great Western Railway Co. Both of them are shut down completely.

Based on last year's figures, the Rock Island has lost on an average of $500,000 a day in gross operating revenues. The Chicago Great Western's losses have been estimated at an average of $85,000 a day. The two road's idle employees are 21,000 and 3,500, respectively.

Losses were not disclosed by the other three struck lines: the Great Northern Railway Co., the Western Pacific Railroad Co., and the Denver & Rio Grande Western Railroad Co.

If it is continued another 3 or 4 days, the tie-up on the Great Northern will seriously curtail iron-ore shipments, according to shipping sources. The walk-out has stopped all iron ore moving from the mines to the Great Northern's docks at Superior, Wis. These terminals handle almost a third of the ore shipped from the Lake Superior mining region to steel plants.

With mills at capacity and above, the loss of this supply is pictured as a serious threat to the steel industry. Because of the late opening of the navigation season on the Great Lakes, ore shipments already are behind schedule.

STATEHOOD FOR HAWAII AND ALASKA—MINORITY VIEWS

Mr. BUTLER. Mr. President, I ask unanimous consent to be permitted to file within the next few days minority views on the bill (H. R. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States, and also on the bill (H. R. 331) to provide for the admission of Alaska into the Union.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PARLIAMENTARY INQUIRIES

Mr. CAIN. Mr. President——

Mr. LUCAS. Mr. President, I have the floor, but I yield to the Senator from Washington.

Mr. CAIN. Mr. President, I inquire if the motion made by the majority leader is debatable.

The ACTING PRESIDENT pro tempore. No, it is not.

Mr. CAIN. I thank the Chair.

Mr. FERGUSON. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. LUCAS. I yield to the Senator from Michigan for the purpose of making a parliamentary inquiry.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. FERGUSON. What is the pending question before the Senate?

The ACTING PRESIDENT pro tempore. The pending question is the motion of the Senator from Illinois that the Senate stand in recess until Wednesday next.

Mr. KNOWLAND. Mr. President, will the Senator from Illinois yield so that I may make a statement not to exceed 2 minutes.

Mr. LUCAS. I yield for that purpose.

REPRESENTATION OF CHINA IN THE UNITED NATIONS

Mr. KNOWLAND. Mr. President, active and undercover allies of the Soviet Union in and out of the United Nations are spreading rumors to the effect that it is possible to work out a "deal" whereby the Government of the Republic of China will be unseated and the Communist regime become their replacement in the United Nations.

I have been assured by what I believe to be responsible sources that this Government has no such intention.

To the contrary there are now indications in the British press that the Government of that country may reconsider its earlier decision to press for Chinese Communist membership in the United Nations. I hope that the unofficial reports are confirmed by an official statement of His Majesty's Government.

In view of the events of the past week it is important that this Government make known in clear and unmistakable language that not only our vote but also our influence and, if necessary, our veto will be used against the seating of the Communist regime or the unseating of the representatives of the Republic of China, our wartime ally and long-time friend. Such a declaration should not contain any clever or unclear language which might indicate that we intended to oppose the seating of the Communist regime in such a forthright manner, but that we would be willing to sacrifice the seat of the Republic of China pending later decision on new representation.

The island of Formosa is an integral part of the Republic of China. Our honor as a Nation is so pledged and must not be again tarnished as it was at Yalta.

The Government of the Republic of China, which is temporarily located on Formosa, is reported to have offered several divisions of their best-trained troops to serve under the command of Gen. Douglas MacArthur. With the exception of our own forces in Japan they are the only substantial body of troops who can reach Korea in the next few critical days.

This morning the Washington Post, apparently speaking for a faction in the State Department who are more interested in carrying on their private feuds with the Government of the Republic of China than they are in facing up to the realities of the menace of this new outcropping of overt Communist aggression in Korea, indicates that this Government should turn down such an offer.

The decision on the need of accepting the offer of troops from the Republic of China should be left to the decision of our commander in the Far East and not to those who wrote a memo last Decemberber 23 to the effect that Formosa had no strategic value.

BILL FOR RELIEF OF CITY OF CHESTER, ILL.

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry?

Mr. LUCAS. I yield.

Mr. DONNELL. I have in mind the bill to which the distinguished Senator from Illinois referred yesterday, H. R. 2365, for the relief of the city of Chester, Ill. I understood the distinguished majority leader to say that it would be taken up on Monday. I assume now, in view of the motion of the Senator from Illinois, that consideration of the bill will go over until Wednesday.

Mr. LUCAS. The Senator is correct. Last night I inadvertently moved that the Senate adjourn until today, instead of until Monday. Today I shall ask that the Senate stand in recess until Wednesday, since that seems to be everyone's desire. Yesterday I agreed with the minority leader that nothing would be taken up on Monday but the bridge bill, in which the Senator from Missouri and I are interested.

Mr. DONNELL. In order that I may govern myself accordingly, may I understand that it is the intention of the Senator from Illinois to take up the bridge bill, H. R. 2365, on Wednesday?

Mr. LUCAS. I doubt that very much, because I have already served notice on the Senate that we would take up the nomination of Mr. Pike, who has been appointed by the President to be a member of the Atomic Energy Commission. I shall arrange with the Senator from Missouri to take up the bridge bill on a later date.

Mr. DONNELL. I thank the Senator.

RECESS

Mr. LUCAS. I renew my motion.

The ACTING PRESIDENT pro tempore. The question is on the motion of the Senator from Illinois that the Senate stand in recess until 12 o'clock noon on Wednesday next.

The motion was agreed to; and (at 12 o'clock and 10 minutes p. m.) the Senate took a recess until Wednesday, July 5, 1950, at 12 o'clock meridian.

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# HOUSE OF REPRESENTATIVES

## MONDAY, JULY 3, 1950

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. WHITTINGTON.

The SPEAKER pro tempore laid before the House the following communication:

THE SPEAKER'S ROOMS,
*Washington, D. C., July 3, 1950.*

I hereby designate Hon. WILLIAM M. WHITTINGTON to act as Speaker pro tempore today.

SAM RAYBURN.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou God of majesty and mercy, may we now be lifted by the mighty tides of Thy grace into the glad assurance that Thou art willing and able to help us meet all our challenging tasks and responsibilities.

We penitently confess that frequently we are far more conscious of our problems and perplexities, our trials and tribulations, than we are of Thy gracious providence and those inexhaustible resources of power which Thou hast placed at our disposal and which we are privileged to appropriate by faith.

Our finite minds do not know how to rightly read and interpret the signs of the times but may we believe that it is our highest wisdom to trust Thee and not be afraid.

Grant that our beloved country, conceived in sacrifice and dedicated to liberty, may be inspired and strengthened in its glorious mission of helping to release the hidden splendor of humanity and lead all mankind into the radiant light of a new day.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Friday, June 30, 1950, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on June 30, 1950, the President approved and signed bills of the House of the following titles:

H. R. 7058. An act to amend laws relating to the United States Military Academy and the United States Naval Academy, and for other purposes;

H. R. 2230. An act for the relief of Arthur S. Horner, Leah B. Horner, and Maude Brewer, doing business as the A. S. Horner Construction Co.;

H. R. 3783. An act authorizing the transfer of part of Camp Joseph T. Robinson to the State of Arkansas;

H. R. 4895. An act to permit the prospecting, development, mining, removal, and utilization of the mineral resources within the national forests in Minnesota, and for other purposes;

H. R. 5002. An act to incorporate the Reserve Officers Association of the United States;

H. R. 5846. An act for the relief of Mrs. Lillian Coolidge;

H. R. 5943. An act to provide for the erection of a bronze and stone monument at the grave of Constantino Brumidi;

H. R. 6934. An act for the relief of E. H. Corrigan;

H. R. 6826. An act to extend the Selective Service Act of 1948, as amended, for a period of 1 year, and for other purposes; and

H. R. 4692. An act to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed bills and a joint resolution of the following titles in which the concurrence of the House is requested:

S. 3666. An act to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry;

S. 3809. An act to amend the Mutual Defense Assistance Act of 1949; and

S. J. Res. 180. Joint resolution to suspend until December 31, 1950, the application of certain Federal laws with respect to attorneys employed by the Subcommittee on Labor-Management Relations of the Senate Committee on Labor and Public Welfare in connection with the study and investigation ordered by Senate Resolution 140, Eighty-first Congress.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 50–27.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had on June 29, 1950, examined and found truly enrolled bills of the House of the following titles:

H. R. 1169. An act for the relief of Mrs. Marion T. Schwartz;

H. R. 1437. An act to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes; and

H. R. 5368. An act to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes.

The SPEAKER pro tempore. The Chair desires to announce that the Speaker, pursuant to the authority granted him on June 30, 1950, did on that date sign the following enrolled bills:

H. R. 1169. An act for the relief of Mrs. Marion T. Schwartz;

H. R. 1437. An act to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes;

H. R. 5368. An act to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes;

S. 2596. An act relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944); and

S. 3336. An act to provide for the organization of a constitutional government by the people of Puerto Rico.

ADJOURNMENT UNTIL WEDNESDAY

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

GLUCKIN CORP.—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 633)

The SPEAKER pro tempore laid before the House the following veto message from the President of the United States which was read by the Clerk:

*To the House of Representatives:*

I return herewith, without my approval, the enrolled bill (H. R. 3498) for the relief of the Gluckin Corp.

The bill provides for payment of the sum of $11,540.90 to the Gluckin Corp., in full and final settlement of all claims growing out of certain War Department contracts for the furnishing of mattress covers and sandfly bars.

It appears that on August 6, 1942, claimant entered into a contract with the United States for the manufacture of 24,000 sandfly bars at a cost of $19,197.60, the material to be furnished by the Government. The contract was subsequently modified and the number of bars to be manufactured was reduced to 12,189 at a cost of $9,749.98. In the performance of the contract claimant manufactured and delivered 379 extra bars for which it claimed the sum of $303.16. This claim was denied on the ground that there was no provision in the contract for payment on the surplus number of bars. Upon appeal, the claim was examined by the War Department Board of Contract Appeals and was denied.

It further appears that on July 28, 1942, claimant entered into a contract with the Government for the manufacture of 240,000 mattress covers at a cost of $82,560, the material to be furnished by the Government. The contract provided for liquidated damages at the rate of one-fifth of 1 percent of the price of each article for each day's delay. Claimant encountered difficulty in the performance of the contract due to a shortage of labor and the preference of non-Government work, and the contract was terminated by the contracting officer on November 24, 1942, because of claimant's failure to meet delivery requirements. The sum of $6,300 was deducted as liquidated damages for failure to meet the delivery schedule of the contract and the sum of $2,848.30 was assessed to cover the excess cost to the United States for purchases made elsewhere to complete the contract which had been terminated, in accordance with the provisions of the contract.

The third contract entered into by claimant with the Government was for the furnishing of 165,000 cotton mattress covers. As a consequence of claimant's delay in delivery the contracting officer terminated claimant's right to deliver 135,246 covers and advised claimant that purchase of this quantity would be made and any excess cost occasioned the Government would be charged to claimant's account. The Government succeeded in obtaining the mattress covers elsewhere at a saving and no costs were therefore assessed against the claimant. Under the liquidated damage provision of the contract, the same as in the second contract, however, the sum of $2,089.44 was assessed.

The instant bill provides for reimbursement to claimant not only for liquidated damages for delay but also for excess costs incurred by the Government in reletting a contract which claimant failed to perform, as assessed against it, and for the disallowance on excess deliveries under the first contract.

Every contract entered into represents a risk voluntarily assumed by the contractor, presumably, for the purpose of profit. To attempt to eliminate all of the risks associated with such an undertaking and to secure each contractor against any untoward financial conditions arising out of the performance of the contract would be to obviate the very need for the system of competitive bidding and contract award which now prevails. It is not unusual for Government contracts to contain provisions with respect to assessment of liquidated damages and excess costs like those contained in the contracts executed by the claimant, and the courts have held that such provisions are to be enforced in accordance with their terms. The need for timely delivery and the difficulty of measuring the cost of delay in wartime would seem further to justify provisions for liquidated damages.

The contracts involved were freely entered into by the claimant, and the liquidated damages and excess costs were withheld in accordance with the agreement of the parties. Undoubtedly, many persons entering into contracts with the Government during the war period experienced difficulties in performance which were not anticipated at the time the contract was assumed. Most of these, however, completed their contracts despite such difficulties. It would be, indeed, inequitable for the Government to reward those who failed to perform their contractual obligations, through reimbursement by way of private legislation, at the expense of those who have faithfully carried out their responsibilities even in many cases at a loss.

Were the instant bill to be amended so as to provide for payment to this company of the sum of $303.16, representing the value of extra material actually delivered to the Government, I would approve it. In its present form, however, I am constrained to withhold my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 3, 1950.*

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal, and the message and bill referred to the Committee on the Judiciary and ordered printed.

ANNOUNCEMENT

The SPEAKER pro tempore. The Chair wishes to announce that under the agreement between the Speaker and majority leader there will be no debate or 1-minute addresses, but the Chair will recognize Members for a request to extend their own remarks.

EXTENSION OF REMARKS

Mr. HUBER asked and was given permission to extend his remarks and include a speech by the commander of the VFW.

Mr. DOYLE asked and was given permission to extend his remarks in two instances and include appropriate material in each instance.

Mr. BARTLETT asked and was given permission to extend his remarks and include an editorial.

Mr. O'SULLIVAN asked and was given permission to extend his remarks in four instances and include extraneous matter.

Mr. JENKINS asked and was given permission to extend his remarks and include an editorial.

Mr. WOODRUFF (at the request of Mr. BLACKNEY) was given permission to extend his remarks in three instances and include extraneous matter.

Mr. JUDD asked and was given permission to extend his remarks and include extraneous material.

LT. DARRELL SAYRE

Mr. JENKINS. Mr. Speaker, Mr. and Mrs. H. B. Sayre, residents of my county, have received the sad information that their son, Lieutenant Sayre, is reported missing in action in the war-like territory in Asia. I ask unanimous consent to extend my remarks at this point in the RECORD and include some editorial comment.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, Mr. and Mrs. H. B. Sayre, highly respected residents of the district which I have the honor to represent, were notified on June 30 that their son, First Lt. Darrell Sayre had been reported missing since June 28. Lieutenant Sayre was pilot of an F-82 fast fighter plane. He was participating in the Korean campaign. While his friends and his parents are praying for his safe return, it is feared that he will be the first casualty from our congressional district.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point and to print therewith an article from the Pomeroy Sentinel, a newspaper of wide circulation in our district:

The United States seventh war hit home today in Meigs County when it was learned that a Meigs County air officer is missing in the Korean action.

He is First Lt. Darrell Sayre, 27, who has been stationed at Yokota air base in Japan for the past 2 years.

Mr. and Mrs. H. B. Sayre, parents of the missing officer, received the distressing telegram delivered by special messenger yesterday afternoon at their home in Racine R D.

They said it read:

"Missing in flight since June 28 as a result of participating in the Korean operation. Letter following."

Lieutenant Sayre was flying an F-82, a fast fighter plane, at the time of his disappearance.

He was a graduate of Racine High School and entered the service soon after graduation. He served as an instructor during World War II in western United States. He was discharged at the end of hostilities and reenlisted in 1946.

Sayre married the former Doris Hayman, daughter of George Hayman, Apple Grove, and Mrs. Hayman joined him in Japan in January 1949, and a son was born to the couple in November of last year.

Lieutenant Sayre's tour of overseas duty was to have expired this October at which time he and his family had planned to return to the United States.

EXTENSION OF REMARKS

Mr. O'HARA of Illinois (at the request of Mr. PRIEST) was given permission to extend his remarks and to include extraneous matter.

STRENGTHENING THE ARM OF FREEDOM

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr HOEVEN. Mr. Speaker, a historic gathering is taking place at Valley Forge, Pa., at the present time. Some 47,000 Boy Scouts and their leaders are camped on the hallowed grounds where George Washington and his 11,000 ragged Continentals spent the dreadful winter of 1777–78.

The gathering of the Boy Scouts from every State in the Union and several foreign countries is known as a jamboree. What is probably the largest tent city ever erected anywhere is spread over 600 acres of Valley Forge Park, maintained by the State of Pennsylvania. The entire enterprise will be self-liquidating.

This jamboree is a wonderful adventure and one that will long be remembered by the boys who are privileged to attend. It is a thoroughly American gathering of a cross section of American youth—the citizens of tomorrow. Boys from all sections of the country will meet together. New friendships will be made and a better understanding will arise to help knit our great Nation together.

Only a free people could develop such a thrilling adventure for our American boys. It is a triumph for free enterprise and our American way of doing things. Scouting is wholly dedicated to preserving for America those things which have made us strong and great as a Nation. More power to the Boy Scouts of America who are strengthening the arm of freedom throughout the world.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3809. An act to amend the Mutual Defense Assistance Act of 1949; to the Committee on Foreign Affairs.

S. J. Res. 180. Joint resolution to suspend until December 31, 1950, the application of certain Federal laws with respect to attorneys employed by the Subcommittee on Labor-Management Relations of the Senate Committee on Labor and Public Welfare in connection with the study and investigation ordered by S. Res. 140, Eighty-first Congress; to the Committee on the Judiciary.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on July 1, 1950, present to the President, for his approval, bills of the House of the following titles:

H. R. 1169. An act for the relief of Mrs. Marion T. Schwartz;

H. R. 1437. An act to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes; and

H. R. 5368. An act to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 12 minutes p. m.), under its previous order, the House adjourned until Wednesday, July 5, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1531. A letter from the Director, Division of Territories and Island Possessions, Department of the Interior, transmitting a copy of the laws passed by the Legislature of the Territory of Hawaii, regular session of 1949, pursuant to section 69 of an act of Congress entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900; to the Committee on Public Lands.

1532. A letter from the Assistant Secretary, Department of Agriculture, transmitting a printed copy of the report on the agricultural experiment stations, 1949; to the Committee on Agriculture.

1533. A letter from the Acting Deputy Attorney General, transmitting a draft of a proposed bill entitled "A bill to amend sections 3052 and 3107 of title 18, United States Code, relating to the powers of the Federal Bureau of Investigation"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PRIEST: Committee on Interstate and Foreign Commerce. H. R. 5865. A bill to amend the Public Health Service Act to authorize assistance to States and political subdivisions in the development and maintenance of local public health units, and for other purposes; with amendment (Rept. No. 2480). Referred to the Committee of the Whole House on the State of the Union.

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. H. R. 8417. A bill to amend part II of the Interstate Commerce Act, with respect to the regulation of motor carriers engaged in commerce to and from the Territories and possessions of the United States; with amendment (Rept. No. 2481). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRAHAM: Committee on the Judiciary. H. R. 3132. A bill for the relief of Sergio and Mara Lamberti; with amendment (Rept. No. 2470). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 6442. A bill for the relief of Mrs. Martha Reid; with amendment (Rept. No. 2471). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 6586. A bill for the relief of Stamatie Amersonis; with amendment (Rept. No. 2472). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 6750. A bill for the relief of Achileus Maroulis; with amendment (Rept. No. 2473). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 6804. A bill for the relief of certain Italian aliens; with amendment (Rept. No. 2474). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 7012. A bill for the relief of Anna Ellero and Clara Ellero; with amendment (Rept. No. 2475). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7282. A bill for the relief of Cornelius VerSluis; with amendment (Rept. No. 2476). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 7297. A bill for the relief of Ignas Malcius; without amendment (Rept. No. 2477). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7364. A bill for the relief of Jenny Irene Benson; with amendment (Rept. No. 2478). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 7814. A bill for the relief of Stella Matutina Kazuko Yamazaki; with amendment (Rept. No. 2479). Referred to the Committee of the Whole House.

### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII,

Mr. DEANE introduced a resolution (H. Res. 690) authorizing funds to defray expenses incurred by the special committee created by House Resolution 635, which was referred to the Committee on House Administration.

### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SADOWSKI:

H. R. 9035. A bill for the relief of Fumiko Ito; to the Committee on the Judiciary.

H. R. 9036. A bill for the relief of Thomas Jacob and Alice Jacob; to the Committee on the Judiciary.

H. R. 9037. A bill for the relief of Kimiko Shibata; to the Committee on the Judiciary.

### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2243. By the SPEAKER: Petition of the Hawaii Economic Study Club, Honolulu, T. H., petitioning consideration of their resolution with reference to rejecting and opposing communism, fascism, and all forms of totalitarianism; to the Committee on the Judiciary.

2244. Also, petition of the Grand Lodge of the States of Washington, Oregon, and Idaho of the Sons of Italy in America, petitioning consideration of their resolution with reference to opposition to communism and to any other form of subversion; to the Committee on the Judiciary.

2245. Also, petition of the Grand Lodge of the States of Washington, Oregon, and Idaho of the Sons of Italy in America, petitioning consideration of their resolution with reference to the enactment of legislation making Columbus Day a national holiday throughout the United States; to the Committee on the Judiciary.

2246. Also, petition of the Southwestern Peanut Shellers Association, Durant, Okla., petitioning consideration of their resolution with reference to the proceedings instituted and prosecuted by the Department of Justice of the United States against the Atlantic & Pacific Tea Co., and the Atlantic Commission Co., under the Federal antitrust laws; to the Committee on the Judiciary.

2247. Also, petition of the chairmen of the Estonian and Latvian National Foundations and the chairman of the Lithuanian Association in Sweden, petitioning consideration of their resolution with reference to a protest meeting in Stockholm on June 19, on the tenth anniversary of the occupation of the Republics of Estonia, Latvia, and Lithuania by the Soviet Union; to the Committee on Foreign Affairs.

2248. Also, petition of the mayor, city of Bryan, Tex., petitioning consideration of his resolution with reference to the Brazos River conservation and reclamation district; to the Committee on Interstate and Foreign Commerce.

2249. Also, petition of J. W. Edgar, commissioner of education, Texas Education Agency, Austin, Tex., petitioning consideration of their resolution with reference to the ownership of the tidelands in the State of Texas along its own coast line; to the Committee on the Judiciary.

## SENATE

### WEDNESDAY, JULY 5, 1950

*(Legislative day of Saturday, July 1, 1950)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, with our burdened lives tense and strained in a violent world we seek that peace which is the gift of Thy grace to all those who yield their will to Thy will, their minds to Thy truth, their hearts to Thy obedience. In these troubled days, confronted with anxiety, tragedy, and death, all a part of the crimson cost of freedom, our hearts cry out for a meaning that is larger than the things we seek. Lest our feet slip we must be upheld by something that has an eternal faith behind it. Arising above the dividing prejudices of our embittered days, may we be hearers and doers of Thy Word and of Thy will, as "we lift our living Nation a single sword to Thee." Amen.

### THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, July 1, 1950, was dispensed with.

### MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On June 30, 1950:

S. 118. An act for the relief of Clemente Sabin Dopico;

S. 330. An act for the relief of George Gabriel Herrmann, Greta (Marketa) Herrmann (wife), and Alice Hermann (daughter), known also as George Gabriel Herman, Greta Herman, and Alice Herman;

S. 1165. An act to provide relief for the sheep-raising industry by making special quota immigration visas available to certain alien sheepherders;

S. 1452. An act for the relief of Dr. Juan A. Queralt Balleste;

S. 2107. An act for the relief of Georges Gregory Alpiar;

S. 2265. An act for the relief of Marina George Papadopoulos;

S. 2269. An act to provide for the enlistment of aliens in the Regular Army;

S. 2556. An act for the relief of Mrs. Billy J. Knight and Dorothea Knight;

S. 2629. An act for the relief of Marianne Bruchner;

S. 3258. An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia;

S. 3527. An act to amend section 14 (b) of the Federal Reserve Act, as amended;

S. 3550. An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products;

S. 3571. An act to continue the authority of the Secretary of Commerce under the Merchant Ship Sales Act of 1946, and for other purposes; and

S. 3776. An act to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended.

On July 3, 1950:

S. 2309. An act for the relief of Oscar (Oszkar) Nemenyi, Marianna Nemenyi (wife), and Thomas John Nemenyi (son); and

S. 3336. An act to provide for the organization of a constitutional government by the people of Puerto Rico.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the bill (H. R. 8923) to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes, in which it requested the concurrence of the Senate.

### LEAVE OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. TOBEY was excused from attendance on the sessions of the Senate for the remainder of this week and Monday of next week.

On his own request, and by unanimous consent, Mr. MAGNUSON was excused from attendance on the sessions of the Senate until Wednesday of next week.

### COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, a subcommittee of the Committee on Foreign Relations and the Committee on Finance were authorized to sit during the session of the Senate today.

On request of Mr. HILL, and by unanimous consent, a subcommittee of the Committee on Public Works was authorized to meet this afternoon during the session of the Senate.

### CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

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|---|---|---|
| Aiken | Ecton | Hoey |
| Anderson | Ellender | Holland |
| Benton | Ferguson | Humphrey |
| Brewster | Flanders | Hunt |
| Bricker | Frear | Ives |
| Bridges | Fulbright | Jenner |
| Butler | George | Johnson, Tex. |
| Cain | Gillette | Kefauver |
| Connally | Graham | Kem |
| Cordon | Green | Kerr |
| Darby | Gurney | Kilgore |
| Donnell | Hayden | Knowland |
| Douglas | Hendrickson | Langer |
| Dworshak | Hickenlooper | Leahy |
| Eastland | Hill | Lehman |

| | | |
|---|---|---|
| Lodge | Mundt | Stennis |
| Lucas | Murray | Taft |
| McCarthy | Myers | Thomas, Utah |
| McClellan | O'Mahoney | Thye |
| McFarland | Robertson | Tydings |
| McKellar | Russell | Watkins |
| McMahon | Saltonstall | Wherry |
| Magnuson | Schoeppel | Williams |
| Martin | Smith, Maine | Young |
| Millikin | Smith, N. J. | |
| Morse | Sparkman | |

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of serious illness in his family.

The Senator from Kentucky [Mr. CHAPMAN] and the Senator from New Mexico [Mr. CHAVEZ] are absent on public business.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Colorado [Mr. JOHNSON], the Senator from Louisiana [Mr. LONG], the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], the Senator from Idaho [Mr. TAYLOR], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from West Virginia [Mr. NEELY] and the Senator from Florida [Mr. PEPPER] are necessarily absent.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Nevada [Mr. MALONE] and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The PRESIDENT pro tempore. A quorum is present.

## TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, before the Senate proceeds to the consideration of other business, I ask unanimous consent that Senators be permitted to introduce bills and joint resolutions, present petitions and memorials, and place routine matters in the RECORD and in the Appendix, without long speeches or long debate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred, as indicated:

### TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report of the Federal Bureau of Narcotics, United States Treasury Department, entitled "Traffic in Opium and Other Dangerous Drugs," for the year ended December 31, 1949 (with an accompanying report); to the Committee on Finance.

### REPORT ON AGRICULTURAL EXPERIMENT STATIONS

A letter from the Assistant Secretary of Agriculture, transmitting a printed copy of a report on agricultural experiment stations, for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on Agriculture and Forestry.

### AUDIT REPORT ON COMMODITY CREDIT CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Commodity Credit Corporation, for the fiscal years ended June 30, 1946 and 1947 (vol. 2, individual sections relative to specific commodity programs) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

### AUDIT REPORT OF THE INSTITUTE OF INTER-AMERICAN AFFAIRS CORPORATIONS, ETC.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Institute of Inter-American Affairs Corporations, for the 2 years ended June 30, 1949, together with Prencinradio, Inc., and Institute of Inter-American Transportation for the periods from July 1, 1947, to the dates of final liquidation, May 10 and August 20, 1949 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

### LAWS ENACTED BY LEGISLATURE OF HAWAII

A letter from the Secretary of Hawaii, transmitting, pursuant to law, a copy of laws passed by the Legislature of the Territory of Hawaii, regular session of 1949 (with an accompanying volume); to the Committee on Interior and Insular Affairs.

## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the PRESIDENT pro tempore:

Resolutions adopted by the Fifth Mississippi Valley World Trade Conference, sponsored by the Export Managers' Club, of New Orleans, La., relating to the continuance of the reciprocal trade-agreements program, and so forth; to the Committee on Finance.

The petition of Raymond di Donne, and sundry other citizens of New York, praying for the enactment of House bill 4617, to liberalize the requirement for payment of pension in certain cases to veterans and their widows and children; to the Committee on Finance.

Resolutions adopted by the Associated Townsend Clubs of Dade County, and the Miami Townsend Club No. 1, of Miami, both in the State of Florida, praying for the enactment of the so-called Townsend plan, providing old-age assistance; to the Committee on Finance.

Resolutions adopted by the Brandeis Chapter, American Jewish Congress, Women's Division, and representatives of Detroit Community Organizations on Democratization of Germany, Detroit, Mich., favoring the adoption of Senate Resolution 260, to provide for the appointment of a bipartisan civilian commission of inquiry to look into the operation of the occupational program in Germany, and the denazification of Germany; to the Committee on Foreign Relations.

A resolution adopted by the Hawaii Economic Study Club, Honolulu, T. H., relating to communism; to the Committee on the Judiciary.

Resolutions adopted by the Grand Lodge of the Sons of Italy in America, at Spokane, Wash., relating to communism and the designation of Columbus Day as a legal holiday; to the Committee on the Judiciary.

Resolutions adopted by the Willard Hospital Auxiliary, Willard, Ohio, and the Luzerne County (Pa.) Pharmaceutical Association, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

## RESOLUTIONS OF NORTH DAKOTA WILDLIFE FEDERATION

Mr. LANGER. Mr. President, I present for appropriate reference three resolutions adopted by the North Dakota Wildlife Federation in convention assembled at Valley City, N. Dak., June 1, 2, 3, and 4, 1950, relating to Federal aid to State games fisheries program, the Baldhill Dam located on the Cheyenne River near Valley City, N. Dak., and the building of dams to impound much new water on North Dakota land, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED BY THE NORTH DAKOTA WILDLIFE FEDERATION IN CONVENTION ASSEMBLED AT VALLEY CITY, N. DAK., JUNE 1, 2, 3, AND 4, 1950

1. Whereas the North Dakota Wildlife Federation convening in the city of Valley City for the fifteenth annual convention this 1st, 2d, 3d, and 4th days of June 1950, wish to thank the people of Valley City and vicinity, and the Barnes County Wildlife Federation, for the hospitality extended us during this convention and, whereas, the officers and committees in charge of this convention have done an excellent job, therefore, we extend our sincere thanks and appreciation.

2. Whereas the North Dakota State Game and Fish Department, the United States Fish and Wildlife Service, and the National Wildlife Federation have contributed greatly to the success of this convention, be it resolved that we extend our deep appreciation for their contributions.

3. Whereas there is pending in the Congress of these United States, a bill, known as the Dingell bill, which will provide Federal aid to State game-fisheries programs: Therefore, be it

*Resolved*, That the North Dakota Wildlife Federation respectfully urge that our Representatives and Senators in Congress continue to support and direct their best efforts toward the passage of this bill; be it further

*Resolved*, That the secretary be instructed to forward a copy of these resolutions to the Honorable Mayor of Valley City, N. Dak., the Barnes County Wildlife Federation, Valley City, N. Dak., the North Dakota Game and Fish Department, Bismarck, N. Dak., the United States Fish and Wildlife Service, Washington, D. C., and to each Member of North Dakota's congressional delegation.

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Resolution 7

Whereas the Army engineers constructed Baldhill Dam, located upon the Cheyenne River near the city of Valley City, N. Dak.; and

Whereas this structure is important from a standpoint of flood control and has a potential for good game fishing; and

Whereas this dam is of value not only to the city of Valley City, but also to all of the communities situated below Valley City on the Cheyenne River: Now, therefore, be it

*Resolved by this North Dakota Wildlife Federation meeting in its fifteenth annual convention in the city of Valley City on June 4, 1950*, That the engineers be complimented upon the construction of this dam; be it further

*Resolved*, That this dam be made a multiple-use project, attaching all possible values to the program including those of wildlife, and that the engineers be encouraged to turn over the land, with the exception of that needed to manage the impounded water, to the State as a wildlife management area, that

they fence this area; providing for public access by establishing gates, cattle passes, etc., that they furnish planting stock to provide habitat which will take the place of that lost through inundation, that they prepare the land upon which this stock is to be planted, that they bear the cost of such planting and that they further bear the cost of replacements and cultivation until these plantings have become established; be it further

*Resolved*, That the secretary of this organization, whose chapters are located in each of the 53 counties and whose membership exceeds 10,000 members, be instructed to send copies of this resolution to each of the congressional delegation, Col. L. G. Yoder, Corps of Engineers, district engineer, St. Paul district; D. H. Janzen, regional director of the United States Fish and Wildlife Service, 501 Metropolitan Building, Minneapolis, Minn.; and to the North Dakota State Game and Fish Department, Bismarck, N. Dak.

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Resolution 9

Whereas Federal Agencies are currently in the process of building dams which will impound much new water on North Dakota lands which prior to the building of these dams were not inundated; and

Whereas environment for wildlife existed upon much of this land now being and to be inundated; and

Whereas this valuable wildlife enviroment will be lost to wildlife for all time once it is inundated; and

Whereas the wildlife thus lost has a recognized economic and esthetic value to the State and its people; and

Whereas the Congress, having been conscious of this value, did in its wisdom provide through Public Law 732 that the agent responsible for sponsoring the water management program which results in loss of wildlife environment shall consider wildlife values along with other multiple use values accruing from the program; and

Whereas, through Public Law 732, the sponsoring agent is instructed by the Congress that moneys necessary to implement a study of the wildlife values where they are to be influenced by such a program and other moneys which may be spent for the purpose of habitat reestablishment, to the end that such program will not decrease wildlife values in the program area, shall become an integral part of the sponsor's request to the Congress for project funds; Now, therefore, be it

*Resolved by the fifteenth annual convention of the North Dakota Wildlife Federation in meeting at Valley City on this 4th day of June, 1950*, That this body composed of delegates from its several chapters which are located in all of the 53 counties of North Dakota, petition the Congress and the various sponsoring agents of the water development program to carry out the provisions of Public Law 732 and to in all ways practically possible provide that wildlife values be given the consideration which their value to the present and the future merits; be it further

*Resolved*, That the planning for such wildlife consideration shall be done by trained experts working in the field of wildlife management, and that the results of such planning shall take the form of reports which shall be prepared by the Basin Studies group now employed as a branch of the Fish and Wildlife Service after being accepted by the State Agency responsible for the wildlife within the State; such reports to be made a part of the agent's report to the Congress and the moneys necessary for implementing the program of wildlife outlined in such report to be a part of the agent's request for the funds necessary to carry out the program for wildlife, this request to be an integral part of its request for project funds to the Congress; be it further

*Resolved*, That the lands purchased by the sponsor for developing the project shall be great enough in area to include adequate development for wildlife and that all such lands, save those which are necessary for managing the water which is being developed, shall be turned over to the Agency of the State and/or Federal Government responsible for managing the wildlife of the area, as a wildlife management area. Farm lands which are to be leased to individual farmers shall be included in this transfer and revenue accruing from the management of such lands shall be used by the wildlife agency responsible for the management of such lands to offset the expense of management, operation, and maintenance of the area. The term "wildlife" as used in this resolution shall include fish and other wildlife resources; be it further

*Resolved*, That the Secretary be instructed to forward copies of this resolution to each member of its congressional delegation from North Dakota, the Secretary of the Interior, the Chief of the Army Engineers, the Director of the Fish and Wildlife Service, the Billings office of the Basin Studies Group and the North Dakota Game and Fish Department.

## INVESTIGATION OF THE AMERASIA CASE—PETITION

Mr. McCARTHY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD, a petition signed by Roland Felix, president, and Richard Elver, secretary, of the Viroqua (Wis.) Kiwanis Club, praying for a full and open investigation of all aspects of the Amerasia case.

There being no objection, the petition was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

JUNE 26, 1950.

Senator McCARTHY,
*Washington, D. C.:*

We, the members of the Viroqua Kiwanis Club, desire to see a full and open investigation of all aspects of the infamous Amerasia case. Regardless of political affiliation, all those who were connected with the theft of Government documents, and the consequent endangering of our security, all those who showed neglect in fulfilling their duties in prosecuting the case, all those who influenced or obstructed justice in this case must be exposed and brought to justice. We must have action and we must have it now.

ROLAND FELIX,
*President.*
RICHARD C. ELVER,
*Secretary.*

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 3284. A bill to authorize grantees of recreational demonstration project lands to make land exchanges relating to such properties, and for other purposes; without amendment (Rept. No. 1934); and

H. R. 8230. A bill to amend the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the De Soto National Memorial, in the State of Florida; with an amendment (Rept. No. 1935).

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. Res. 299. Resolution disapproving Reorganization Plan No. 22 of 1950; without recommendation (Rept. No. 1936).

## REPORT ON PERSONNEL AND FUNDS BY COMMITTEE ON PUBLIC WORKS

Pursuant to Senate Resolution 123, Eighteth Congress, first session, the following report was received by the Secretary of the Senate:

JUNE 30, 1950.

REPORT OF COMMITTEE ON PUBLIC WORKS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1950, to June 30, 1950, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Adair, Margaret, clerical | $5,197.21 | $2,598.60 |
| Bassett, E. W., professional staff | 10,846.00 | 5,423.00 |
| Burnett, Frank, chief clerk | 10,846.00 | 5,423.00 |
| Miller, Margaret, clerical | 4,415.10 | 2,207.55 |
| Ortiz, Frances, professional staff | 7,941.22 | 3,970.60 |
| Porter, Eloise, clerical | 6,326.94 | 3,163.47 |
| Sneed, Theo W., professional staff | 10,346.83 | 5,173.41 |
| Stovall, Frances A., clerical | 5,197.21 | 2,598.60 |
| Walker, Emily N., clerical | 4,762.70 | 2,305.28 |
| Wilson, Thomas L., professional staff | 10,846.00 | 5,423.00 |
| Funds authorized or appropriated for committee expenditure, additional authorization | $50,000.00 | $5,344.96 |
| Amount expended | 7,577.69 | 1,419.69 |
| Balance unexpended | 42,422.31 | 3,925.27 |

DENNIS CHAVEZ,
*Chairman.*

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HUNT:

S. 3861. A bill to authorize the District of Columbia government to establish an Office of Civil Defense, and for other purposes; to the Committee on the District of Columbia.

By Mr. IVES (for himself and Mr. LEHMAN):

S. 3862. A bill authorizing the Ogdensburg Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge across the St. Lawrence River at or near the city of Ogdensburg, N. Y.; to the Committee on Foreign Relations.

By Mr. BUTLER:

S. 3863. A bill to authorize the sale of inherited interests in the allotment of Samuel Wolf, deceased Santee Sioux allottee; and

S. 3864. A bill to authorize the sale of inherited interests in the allotment of Charles St. Clair, deceased Santee Sioux allottee; to the Committee on Interior and Insular Affairs.

By Mr. CAIN:

S. 3865. A bill for the relief of Tokiko Nakayama and her minor daughter, Bonnie Powers; to the Committee on the Judiciary.

By Mr. BENTON:

S. 3866. A bill for the relief of Ludek Stransky; to the Committee on the Judiciary.

## REDUCTION OF EXCISE TAXES—AMENDMENT

Mr. WILLIAMS submitted an amendment intended to be proposed by him to the bill (H. R. 8920) to reduce excise taxes, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

HOUSE BILL REFERRED

The bill (H. R. 8923) to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes, was read twice by its title, and referred to the Committee on Post Office and Civil Service.

GROUP LIFE INSURANCE IN DISTRICT OF COLUMBIA—WITHDRAWAL OF MOTION TO RECONSIDER

Mr. LANGER. Mr. President, I ask leave to withdraw the motion I made to reconsider the vote by which House bill 4394, an act to amend sections 10, 11, and 12 of chapter V of the act of June 19, 1934, as amended, was passed.

The PRESIDENT pro tempore. Without objection, the motion is withdrawn.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. With the withdrawal of the motion of the Senator from North Dakota to reconsider the vote by which the bill was passed, does the bill automatically go to the House of Representatives?

The PRESIDENT pro tempore. The bill will now be transmitted to the House; yes.

INDEPENDENCE DAY ADDRESS BY SENATOR KNOWLAND

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an Independence Day address delivered by Senator KNOWLAND at Fredericksburg, Pa., which appears in the Appendix.]

ADDRESS BY SENATOR McMAHON AT GRADUATION EXERCISES AT FBI NATIONAL ACADEMY

[Mr. STENNIS asked and obtained leave to have printed in the RECORD an address delivered by Senator MCMAHON before the graduation exercises of the FBI National Academy, on June 30, 1950, together with introductory remarks by J. Edgar Hoover, which appear in the Appendix.]

ADDRESS BY THE SECRETARY OF DEFENSE BEFORE RESERVE OFFICERS' ASSOCIATION

[Mr. STENNIS asked and obtained leave to have printed in the RECORD an address delivered by Secretary of Defense, Hon. Louis Johnson, before the Reserve Officers' Association, which appears in the Appendix.]

BROADCASTING AND LAW ENFORCEMENT—ADDRESS BY NILES TRAMMELL

[Mr. MCMAHON asked and obtained leave to have printed in the RECORD an address entitled "Broadcasting and Law Enforcement," by Niles Trammell, chairman of the board, National Broadcasting Co., and introductory remarks by J. Edgar Hoover, delivered before the FBI National Academy at Washington, D. C., on June 30, 1950, which appear in the Appendix.]

HAWAII NEEDS ITS YOUTH—ADDRESS BY SAMUEL WILDER KING

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an address entitled "Hawaii Needs Its Youth," delivered by Samuel Wilder King, former Delegate from Hawaii, at the commencement-day exercises of the University of Hawaii, June 14, 1950, which appears in the Appendix.]

NONE BUT AMERICANS—EDITORIAL FROM THE OMAHA EVENING WORLD-HERALD

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an editorial entitled, "None But Americans," published in the Omaha Evening World-Herald of July 3, 1950, which appears in the Appendix.]

THE SURPRISE ATTACK ON KOREA—ARTICLE BY SAMUEL SHAFFER

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an article entitled "Data for a Pearl Harbor Echo: Did We Muff It in Korea?" written by Samuel Shaffer, and published in Newsweek of July 10, 1950, which appears in the Appendix.]

SOIL FERTILITY AND THE NATION'S FUTURE—ESSAY BY GEORGE F. DUNBAR

[Mr. AIKEN asked and obtained leave to have printed in the RECORD the first-place essay entitled "Soil Fertility and the Nation's Future," written by George F. Dunbar, of East Craftsbury, Vt., in the 1950 essay contest jointly sponsored by the National Grange and the American Plant Food Council, Inc., which appears in the Appendix.]

SOIL FERTILITY AND THE NATION'S FUTURE—ESSAY BY ALBERT B. HARVEY

[Mr. FREAR asked and obtained leave to have printed in the RECORD an essay entitled "Soil Fertility and the Nation's Future," by Albert B. Harvey, of Hockessin, Del., which appears in the Appendix.]

ST. LAWRENCE SEAWAY—STATEMENT BY ELMER W. CART

[Mr. LANGER asked and obtained leave to have printed in the RECORD the statement made by Elmer W. Cart, member of the North Dakota Public Service Commission, before the House Committee on Public Works in support of proposed legislation providing for the construction of the St. Lawrence seaway, which appears in the Appendix.]

TEN COMMANDMENTS OF GOOD CITIZENSHIP—BY MILTON F. NAPIER

[Mr. KEM asked and obtained leave to have printed in the RECORD a paper entitled "The Ten Commandments of Good Citizenship," written by Milton F. Napier, of St. Louis, Mo., which appears in the Appendix.]

AID TO SMALL BUSINESS—ARTICLE FROM THE WICHITA BEACON

[Mr. SCHOEPPEL asked and obtained leave to have printed in the RECORD an article entitled "Small Business Is Against Aid Program, Survey Shows," published in the Wichita (Kans.) Beacon, which appears in the Appendix.]

THE GENOCIDE CONVENTION—LETTER FROM ADOLF A. BERLE

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a letter from Adolf A. Berle, Jr., addressed to the editor and published under the headline "Outlawing genocide," in the New York Times of July 2, 1950, which appears in the Appendix.]

THE POST OFFICE DEFICIT

[Mr. CORDON asked and obtained leave to have printed in the RECORD a letter received by him from Spencer W. Yates, of Roseburg, Oreg., which appears in the Appendix.]

THE RAILROAD STRIKE

Mr. DONNELL. Mr. President, as bearing on the urgent importance of early action by the Senate on Senate bill 3463, a bill which makes unlawful any strike or any lockout by a carrier arising out of or in connection with a dispute falling within the purview of the Railway Labor Act, I ask unanimous consent that there be inserted, not in the Appendix, but in the body of the RECORD certain articles which I shall list as I offer them.

First I offer an article appearing in the New York Times of Sunday, July 2, 1950, headed "Rail 'aristocrats' want to remain so," the concluding two sentences of which read:

If disputes and strikes continue to increase at the present rate, the chances are Congress will consider even more seriously the pending bill with compulsory arbitration. Threat of compulsory arbitration may spur the parties to agree upon different procedures or upon modifications of the present law.

The PRESIDENT pro tempore. Without objection, the article will be printed in the RECORD.

The article is as follows:

RAIL "ARISTOCRATS" WANT TO REMAIN SO—OPERATING UNIONS COMPLAIN POSITION HAS CHANGED IN RELATION TO OTHERS

(By Louis Stark)

WASHINGTON, July 1.—Strike and threatened strikes among railroad workers have focused national attention on the causes of unrest among these key employees who have usually been considered the most conservative in American industry.

The engineers, conductors, firemen, and brakemen, long regarded as the aristocrats of labor, are fighting to retain the wage supremacy they enjoyed before the war over other groups, in and out of the railway industry.

This is a losing battle. The million or so nonoperating members of railway unions (machinists, boilermakers, and the like) have been slowly narrowing the gap between their wages and those of the train crews. So have other workers.

The yard service employees who are threatening to strike on July 15 because an emergency board refused to grant them 48 hours' pay for 40 hours' work, complain that they have fallen from third place in the rank of hourly earnings during the 1920's to eighteenth place among 25 industries in 1949.

DURABLE GOODS GAP

These employees are not satisfied that the emergency board recommended the 40-hour week and 18 cents an hour increase to make up in part the loss of pay in lopping off the sixth day.

How the gap between pay of yard train servicemen and nonoperating employees has shrunk is evident in these estimates: Average hourly earnings of yard employees in 1946 was $1.29 compared with $1.03 for nonoperating employees. This 26 cents an hour difference had narrowed to 7 cents in 1949 when yardmen received $1.57 and nonoperating employees $1.50 an hour.

Engineers and firemen also feel that during and since the war their standing relative to the 1,000,000 nonoperating rail employees has dropped because of the way in which the adjustments have been made.

Rivalry among the railway brotherhoods cannot be minimized as a cause of the current unrest. Twenty years ago engineers, firemen, conductors, and trainmen worked together. Today they are divided. The switchmen's union used to join in with the four others but now it is out on its own.

The present strike of switchmen against the five western and midwestern roads is attributed to the desire of this small group to obtain an emergency board's report on its dispute before the board decided on the major case affecting similar demands for the 40-hour week by conductors and trainmen in yard service.

The method of pay on the railroads also leads to unrest. Engineers and firemen on

passenger trains earn a day's pay according to three standards—hours of work, miles run, and the weight of the engine.

They earn a day's pay for running 100 miles in 5 hours or less. They are paid under a graduated scale also as the weight of the locomotive increases. An engineer on a 200,000-pound locomotive earns more than one on a 100,000-pound locomotive.

OVERTIME BEGINS LATER

But conductors and brakemen on the same train must be on duty 7½ hours and produce 150 miles of transportation for a basic day's pay. Naturally, their overtime begins later than that of engineers and firemen.

The brotherhoods have increasingly sought changes in operating rules that stem back to the days of Federal control in World War I. Such changes cost money and so the railroads have resisted them.

The roads in turn have proposed changes of their own. In time these demands and counterdemands have come to the emergency boards. The employees believe that in the emergency boards' settlement proposals the carriers have got the better of it.

If disputes and strikes continue to increase at the present rate, the chances are Congress will consider even more seriously the pending bill for compulsory arbitration. Threat of compulsory arbitration may spur the parties to agree upon different procedures or upon modifications of the present law.

Mr. DONNELL. Mr. President, I ask that in the body of the RECORD there be incorporated at this point in my remarks an article which appeared in the New York Times of Sunday, July 2, 1950, entitled "Government Calls for Rail Strike End as Help in Crisis."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOVERNMENT CALLS FOR RAIL STRIKE END AS HELP IN CRISIS—MEDIATION BOARD MESSAGE DOES NOT MENTION KOREA, BUT ITS MEANING IS CLEAR—COMPLIANCE IS EXPECTED—PATRIOTISM OF UNIONISTS IS CITED IN NOTE ON "SERIOUSNESS OF NATIONAL SITUATION"

(By Joseph A. Loftus)

WASHINGTON, July 1.—The National Mediation Board appealed to the Switchmen's Union, A. F. of L., on a patriotic basis today to call off its strike against five western railroads. It was reported that union leaders expected the appeal and probably would comply.

"Current critical developments unmistakably reveal the urgent necessity for prompt restoration of full service," the board chairmain, John Thad Scott Jr., said in a telegram to union officials.

Mr. Scott sent the appeal to A. J. Glover, president of the switchmen, at Fort Atkinson, Wis., and C. E. McDaniels, chairman of the union's 4-week committee in Chicago.

The Government agency's message also said:

"It is unnecessary to impress you with the seriousness of the national situation at this time. We are confident of the patriotism of the good citizens in your ranks and anxiously await your prompt and favorable response."

KOREA NOT MENTIONED

The message did not mention specifically the Korean fighting and its potentialities, but that was what was meant. One of the struck railroads is a vital link between steel mills and the Mesabi iron ore range in Minnesota. Another is important to the transport of a great part of the western wheat crop. Others are important in the movement of munitions and supplies to west coast ports.

The railroads involved in the strike that began a week ago are the Rock Island, Denver & Rio Grande, Western Pacific, Chicago Great Western, and the Great Northern. The switchmen struck for a reduction in the workweek from 48 to 40 hours without a pay cut.

This was Mr. Scott's first day as chairman of the mediation board, a post that is rotated among the three members. The other two members, Francis A. O'Neill Jr., and Leverett Edwards, were standing by in Chicago.

The chairman noted in his message that other railroad unions, the trainmen and the conductors, were making similar demands and said that the disputes could not be settled on an individual basis. The trainmen and the conductors will be free to strike on July 15 but a walkout then has not definitely been set.

The trainmen and conductors rejected an emergency board recommendation to raise wages 18 cents an hour when the 40-hour week is put into effect. The unions object that it would mean a cut in take-home pay.

The switchmen, making the same demand, moved ahead to enforce it.

Some inter-union rivalry is involved in this. Particularly between the switchmen and the trainmen. About 4,000 switchmen left their jobs on the five railroads and about 50,000 railroad employees were thrown out of work.

Mr. Scott told the switchmen that, with a restoration of full service, the board would immediately call a resumption of negotiations with all the unions and the carriers to try to effect a settlement.

The text of his telegram:

"Current critical developments unmistakably reveal the urgent necessity for prompt restoration of full service on the five western railroads against which your organization is now on strike. Accordingly, in the national interest, this board urgently requests that the strike be called off immediately and that full service be promptly restored.

"Disputes similar to yours are now pending with other organizations and you can readily understand that the entire matter cannot be settled on an individual basis. When the strike is called off the National Mediation Board will immediately resume further negotiations in Chicago with all interested parties, concurrently or jointly as the parties may prefer, in an effort to settle all disputes now threatening uninterrupted railroad service.

"It is unnecessary to impress you with the seriousness of the national situation at this time. We are confident of the patriotism of the good American citizens in your ranks and anxiously await your prompt and favorable response."

Mr. DONNELL. Mr. President, I ask that at this point in my remarks there be incorporated in the body of the RECORD an article published in the New York Times of Monday, July 3, 1950, entitled "Switchmen Turn Down Plea of United States Board to End Strike."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SWITCHMEN TURN DOWN PLEA OF UNITED STATES BOARD TO END STRIKE—UNION HEAD IN REPLY SAYS PATRIOTISM APPEAL BORDERS ON INSULT, BUT HE OFFERS MEN TO MOVE VITAL MATERIAL

CHICAGO, July 2.—Arthur J. Glover, president of the striking Switchmen's Union of North America, flatly rejected today the request of John Thad Scott, Jr., chairman of the National (Railway) Mediation Board, that the union call off its strike against five western railroads.

Mr. Scott, in Washington, made his appeal yesterday on the basis of patriotism in view of current critical developments, but Mr. Glover asserted that Mr. Scott had failed to specify these developments. And the union leader declared that the reference to patriotism borders on insult.

Mr. Glover, however, said in his reply:

"We offer to send enough men on railroad divisions back to work to move any material deemed essential by the Government.

"But the switchmen's union does not believe at this time that it can restore complete rail service for nothing, especially when small effort has been made by both the railroads and the board to bring about a settlement of the current disputes."

A somewhat sanguine report was made to night, however, on another aspect of the current rail picture, that involving the Brotherhood of Railroad Trainmen and the Order of Railway Conductors, which have indicated they might strike on or after July 15, making demands similar to the switchmen's.

Francis O. O'Neill, Jr., a member of the National Railway Board who has been working with the disputants here in Chicago, reported tonight that for the first time there's a little bit of progress.

"That is not to be construed as saying we're near a settlement," he cautioned.

Mr. O'Neill explained that the parties to the dispute had moved under the same roof and he and Leverett Adwards of the Board had carried proposals and counterproposals between the negotiators, who were in separate quarters. Previously, the parties had been separately in different parts of the Loop.

The principal issue in all three disputes, which the Mediation Board seeks to consider together, is the union's demand for a 40-hour week with 48 hours' pay for those of their members who are yard service employees. A Presidential fact-finding board on June 15 recommended reduction of the work week of yard service employees in the three unions, as well as in the Railroad Yardmasters of America, from 48 to 40 hours, and an 18-cents-an-hour increase.

The railroads accepted the recommendation, but the unions rejected it on the ground that a 31-cents-an-hour pay increase would be required to maintain take-home pay.

The switchmen's union, affiliated with the American Federation of Labor, which was legally free to strike on and after May 19, called out about 4,000 employees at 6 a. m., June 25, against these railroads: the Chicago, Rock Island & Pacific; Chicago Great Western; Denver & Rio Grande Western; Western Pacific, and Great Northern.

All the roads except the Great Northern suspended all service. The Great Northern has continued a reduced passenger service. About 50,000 railroad employees thrown out of work altogether.

UNION BLAMES MEDIATION BOARD

Mr. Glover's reply to Mr. Scott, handed to the press by Larry Gonder, union public relations director, laid the responsibility for any emergency that might exist to the Mediation Board itself. It said, in part:

"We regard your telegram a most unusual document. You say the strike should be terminated because of certain current critical developments. You fail to specify these developments. You imply that an emergency situation exists. You fail to specify that emergency.

"The daily press contends that you have reference to the Korean situation. To the switchmen's union this seems unlikely inasmuch as President Truman's personal press secretary only yesterday told newsmen there is no atmosphere of emergency. According to the President's press secretary, not only is there no emergency, there is no atmosphere of emergency.

"And, the President himself said only last week that the United States Government is not at war * * *.

"In your telegram, to the switchmen's union, you make reference to switchmen's patriotism. This, sir, borders on insult. The patriotism of switchmen never has been the subject of even the slightest doubt * * *.

"The union's switchmen worked 48 and 56 hours a week without overtime during the war years. They are still working under these same conditions. The railroads, on the other hand, piled up enormous profits during the war years. Their profits continue high at present. * * *

"Patriotism has been a costly virtue with switchmen but that virtue has never been found lacking. * * *

"Our demands are legitmate. Our strike is a legal one. * * *

"Railroad management apparently once again is merely waiting for the Government to crack down on a union and pull the carriers off the hook."

Mr. Glover, after placing "a large part of the responsibility" for any existing emergency "on the doorstep of your own Mediation Board" went on to say that the Board had received offers from the union to move material deemed essential by the Government, and that other offers to the Board to move wheat in the wheat belt and ore from the Mesabi Range in Minnesota had been rejected.

He said also that the railroads had not offered to meet with the union since the beginning of the strike, and had not made any offers through the Board, whereas the union had made a number of compromise offers and suggestions.

The trainmen's and conductors' unions total about 250,000 members, of whom about 75,000 are in yard service. The yardmasters, also an American Federation of Labor union, have about 4,000 employees working for 66 railroads with whom they are in dispute.

Mr. DONNELL. Mr. President, I ask that at this point in my remarks there may be incorporated in the body of the RECORD an editorial which appeared in the Washington Post of Monday, July 3, 1950, entitled "Appeal to Deaf Ears." The second sentence of the editorial reads:

The Korean War, however, merely high lights the necessity of putting an end to strikes that tie up rail transportation and do incalculable damage to the economy in either peacetime or war.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

APPEAL TO DEAF EARS

The Switchmen's Union has rejected the appeal of the National Mediation Board for an end to the strike against five western roads that has delayed iron ore and munitions shipments needed on the Korean fighting front; but the union has agreed to provide enough men to keep strategic materials moving. The Korean war, however, merely high lights the necessity of putting an end to strikes that tie up rail transportation and do incalculable damage to the economy in either peacetime or war. In recent years the railway unions have been increasingly disposed to exercise their legal right to strike in disregard of the recommendations of emergency boards set up under the Railway Labor Act after attempts at mediation of disputes have failed. Often they have succeeded in obtaining additional concessions. Moreover, an increasing number of disputes over technical issues that would formerly have been settled by the National Adjustment Board have had to be handled by emergency boards.

Further appeals to patriotism may or may not avert the threatened strike of the trainmen and conductors. But the United States cannot rely on wars to provide a solution of the problem of strikes that endanger the national welfare under any conditions. Nor can it afford to encourage strikes against the railroads by failing to back up the recommendations of the impartial boards appointed by the President to investigate disputes and propose terms of settlement after collective bargaining negotiations have broken down. Yet, there is more than a hint that the Government would have been willing, had the switchmen gone back to work, to continue this shortsighted policy by upsetting the findings of the emergency board that has been handling the disputes involving the switchmen, trainmen, and conductors. For the union was assured that the National Mediation Board would resume negotiations at once with the parties to the switchmen's dispute, if the strike were called off.

Since the companies have agreed to accept the compromise recommendations of the emergency board, we fail to see why the Government should make another attempt at mediation unless the mediators are prepared to put pressure on railway managements to make further concessions. If the switchmen were rewarded, the trainmen and conductors would expect to receive comparable rewards. The result would be further to discredit the efficacy of the Railway Labor Act as a means of peaceful settlement of disputes and to encourage the unions to rely increasingly on strikes as weapons of coercion when the present crisis has passed.

Mr. DONNELL. Next, Mr. President, I ask unanimous consent that there be printed in the body of the RECORD at this point in my remarks an article which appeared in the New York Times of July 4, 1950, entitled "Rail Strike Talks Fail to Reach Pact. But Mediation Continues in Hope of Averting New Walk-out by Trainmen."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAIL STRIKE TALKS FAIL TO REACH PACT—BUT MEDIATION CONTINUES IN HOPE OF AVERTING NEW WALK-OUT BY TRAINMEN

CHICAGO, July 3.—The situation in the 9-day switchmen's strike against five midwestern and western railroads remained stalemated today, but mediation continued in the attempt to avert the possibility of a strike by trainmen and conductors before July 15.

In Washington, two Senators called for an end to the switchmen's tie-up, WAYNE MORSE, of Oregon, and FORREST C. DONNELL, of Missouri, both Republicans.

The Switchmen's Union of North America, an affiliate of the American Federation of Labor, struck June 25 for a 40-hour week at 48 hours' pay, calling out about 4,000 members against the Chicago Great Western, Chicago, Rock Island and Pacific, Denver & Rio Grande Western, Western Pacific and Great Northern. About 60,000 persons have been made idle.

Senator MORSE recommended prompt Presidential action to end the strike.

At a Senate Labor Subcommittee hearing on the bill to outlaw rail strikes and require arbitration of disputes in the industry, the Oregon Senator said there was no justification for continuance of the strike because we are at war.

The union yesterday turned down an appeal by John Thad Scott, Jr., chairman of the National (Railway) Mediation Board, to end the strike in view of current critical developments.

Francis A. O'Neill, Jr., a board member, reported here tonight that the railroads and the Brotherhood of Railroad Trainmen and the Order of Railway Conductors had been holding separate meetings with the Board all day.

Mr. DONNELL. Mr. President, I ask unanimous consent that there may be set forth in the body of the RECORD at this point an article which appeared in the Baltimore Sun of July 5, entitled "Rail Strike Talks Begin."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAIL-STRIKE TALKS BEGIN—REPRESENTATIVES OF ROADS AND SWITCHMEN JOIN IN PARLEY

CHICAGO, July 4.—Government mediators got representatives of the railroads and the striking AFL switchmen's union together for joint peace talks today.

The conferences—one in the morning and another in the afternoon—marked the first time the disputants have met since 4,000 switchmen walked out on five western and midwestern lines June 25.

Francis O'Neill, Jr., member of the National (Railway) Mediation Board, reported no progress in the peace talks. He said tonight after the talks ended: "The situation is about the same."

Negotiations are expected to resume tomorrow.

PARLEYS "EXPLORATORY"

One source close to the negotiations said the conferences merely are exploratory. However, another source said there was a ray of hope for some break with the parties back in direct negotiations.

The conferences were arranged by the mediation board.

This board has been trying without success to find some compromise that would end the walkout and prevent a possible Nationwide strike by three other rail unions after July 15.

The unions are protesting a ruling of a Presidential fact-finding board. The board rejected their demand for a 40-hour workweek at 48 hours' pay. The board agreed to the shorter workweek, but at a pay boost of only 18 cents an hour.

The other unions are the Brotherhood of Railroad Trainmen, the Order of Railway Conductors, and the AFL Yardmasters of North America.

The strike is against the Rock Island, Great Northern, Chicago Great Western, Denver & Rio Grande Western, and the Western Pacific railroads. Only the Great Northern has attempted to operate.

Mr. DONNELL. Mr. President, I ask unanimous consent that at this point in my remarks there may be set forth an article in today's New York Times headed "Railroads, unions meet in two sessions."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAILROADS, UNIONS MEET IN TWO SESSIONS—REPRESENTATIVES OF FIVE WESTERN LINES AND SWITCHMEN DISCUSS ISSUES IN 10-DAY STRIKE

CHICAGO, July 4.—Two mediation sessions were in progress today in disputes between railroads and three unions pressing demands on behalf of yard service employees. The 10-day strike of the Switchmen's Union of North America, an affiliate of the American Federation of Labor, against five midwestern and western railroads, continued without immediate prospect of settlement.

The joint sessions were attended by Francis A. O'Neill, Jr., and Leverett Edwards of the National (Railway) Mediation Board. One included Arthur J. Glover, president of the striking switchmen, and railroad representatives. The second included representatives of the Brotherhood of Railroad Trainmen and the Order of Railway Conductors and railroad spokesmen.

It was the first time the railroads and the switchmen had got together in joint session since the strike began. No official report on the results of the session have been issued, but a source close to the negotiations said the talk was largely exploratory and did not mean that a peace-making step was under way.

The struck railroads are the Rock Island, Chicago Great Western, Great Northern, Denver & Rio Grande Western, and the Western Pacific. Some 60,000 persons have been thrown out of work.

Mr. DONNELL. Mr. President, I ask unanimous consent that at this point in my remarks there may be set forth an article published in the Richmond (Va.) Times-Dispatch of today entitled "Mediators Get Rail Officials, Striking Switchmen Together."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEDIATORS GET RAIL OFFICIALS, STRIKING SWITCHMEN TOGETHER

CHICAGO, July 4.—Government mediators got representatives of the railroads and the striking AFL switchmen's union together for joint peace talks today.

The conferences—one in the morning and another in the afternoon—marked the first time the disputants have met since 4,000 switchmen walked out on five western and midwestern lines June 25.

Members of the National (Railway) Mediation Board gave no hint on how the peace talks were going.

One source close to the negotiations said the conferences merely are exploratory. However, another source said there was a ray of hope for some break with the parties back in direct negotiations.

The conferences were arranged by the mediation board. This board has been trying without success to find some compromise that would end this walkout and prevent a possible Nation-wide strike by three other rail unions after July 15.

These unions are protesting a ruling of a Presidential fact-finding board. The board rejected their demand for a 40-hour workweek at 48 hours' pay. The board agreed to the shorter workweek, but at a pay boost of only 18 cents an hour.

The other unions are the Brotherhood of Railroad Trainmen, the Order of Railway Conductors, and the AFL Yardmasters of North America.

The strike is against the Rock Island, Great Northern, Chicago Great Western, Denver and Rio Grande Western, and the Western Pacific Railroads. Only the Great Northern has attempted to operate. It has cut its service on several divisions.

Mr. DONNELL. Mr. President, at this point in the body of the RECORD I ask unanimous consent that an editorial in the Baltimore Sun of July 2, 1950, entitled "Another Railway Strike in Another Military Emergency," may be set forth.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ANOTHER RAILWAY STRIKE IN ANOTHER MILITARY EMERGENCY

In the excitement over the Korean crisis it has generally been overlooked that the country has a major railway strike on its hands. Promptly as scheduled last Sunday morning the AFL switchmen's union quit work on five major western and midwestern lines.

Four of the struck lines shut up shop at once and let the rails cool. The fourth, the Great Northern, many of whose switchmen belong to a nonstriking union, continued passenger operations but curtailed everything else very sharply.

The result of the shut-down was reported Wednesday by a spokesman for the western carriers conference committee. He said that the strike came at the peak of wheat shipments to Great Lakes ports. Iron shipments from the Mesabi Range were also being interrupted. From 12 to 15 percent of all freight carried by western roads had been delayed, this spokesman said.

And what are the details of the labor controversy at the bottom of this paralysis? Why, the switchmen have been asking for a 40-hour week in place of their old-fashioned 48 hours. This was reasonable enough, as was the rail union's lack of enthusiasm for a cut in wages exactly proportionate to that in hours. So far the carriers agreed. They accepted the 40-hour week with a wage rate increase.

The wage rate increase did not satisfy the union, however. Its people demanded a full 48 hours pay for the new 40 hours work. This the rail managements refused. The controversy went through all the procedures of the Railway Labor Act, including a study and recommendations by a Presidential emergency board. The board held for the managements on the wage issue.

But as has happened many times since 1941, when the Railway Labor Act first began to slip, the union rejected this fact-finding report. The strike followed. Now Government mediators say there is no peace in sight. In the meantime the country simply suffers a stoppage in one of its arterial channels.

The date cited above for the time when the Railway Labor Act began to come apart is 1941. Since the present strike continues under a great military crisis, it is appropriate to recall that the 1941 rail episode so ruinous to the Railway Labor Act broke just before the Pearl Harbor attack.

What happened in November of 1941 was that the President forced a settlement more favorable to the rail unions than that recommended by his own fact-finding board. One of his motives may have been his wish to assure full rail service in the mounting crisis of November and early December 1941.

But clearly it cannot become routine practice for the Government to give in to the unions to secure labor peace in the face of national military emergencies. This issue ought to be considered carefully in the emergency control legislation now being framed by the National Security Resources Board. Or, in default of that, maybe the Congress ought at least to debate Senator DONNELL'S suggestion for a peacetime law imposing compulsory aribtration on the roads.

Mr. DONNELL. Mr. President, I ask also that an editorial entitled "The Usual Victim," which appeared in the Grand Junction (Colo.) Sentinel for June 27, 1950, may be set forth in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE USUAL VICTIM

Who will be the victor in the current dispute between five midwestern and western railroads and A. F. of L. Switchmen's Union we cannot predict. But it takes no seer to tell who is the chief victim of the situation that leaves a vast sector of our Nation without rail service. As in all such conflicts, the greatest loser is that collective personage known as Mr. John Q. Public. Not only are his personal plans upset by this particular work stoppage but his business suffers not inconsiderably, as his opportunities to send and receive goods and mail are drastically curtailed.

Apparently the public welfare is given little consideration by either management or labor when the holding out of one against the other becomes the issue in their disputes.

The residents of the regions affected by today's rail tie-up justifiably wonder why this particular dispute is confined only to western and midwestern roads. The inference is that others have found a formula acceptable to both sides. Why can it not be applied in this situation?

Fortunately the public is no longer as dependent on the railroads as in eras past. We have bus lines and airlines that can come to the rescue to a great degree, and it is to be hoped that the Post Office Department, especially, will avail itself of these transportation mediums to keep the mails moving in and out of the affected communities with as little disruption as possible.

Mr. DONNELL. Mr. President, I ask unanimous consent that an editorial entitled "What Kind of Country?" which appeared in the Youngstown (Ohio) Vindicator for June 27, 1950, may be set forth in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT KIND OF COUNTRY?

Four thousand striking switchmen, members of an A. F. of L. union, deal a blow at millions of people by stopping four big western railroads and crippling a fifth. The Brotherhood of Railroad Trainmen and the Order of Railway Conductors threaten a national strike July 15. Members of all these unions should ask themselves what kind of country they want to live in, for their strikes may give the answer.

The railroads are public utilities. For this reason they cannot shut down as a factory can. They cannot lock out employees as part of a labor dispute. They cannot abandon an unprofitable line without first getting public consent, through the Government.

The railroad workers are under no such restraints. There is a law which requires them to use Government mediation facilities, and if these fail to wait for a fact-finding board to determine the merits of their case. But if they refuse to abide by the result and insist on striking, there is no law to forbid them.

Yet the railroad employees constitute a vital part of the public utility for which they work. They have as much responsibility as do the companies for continuing service to the public. If they ignore this responsibility, sooner or later an aroused public will put legal hobbles on them as binding as those which control the companies.

In particular there will be a demand for passage of the bill now pending in Congress, to require compulsory arbitration of railroad labor disputes. This and other compulsory measures would be distasteful, but they will be passed if the rail workers continue to disregard their responsibility. If such laws must be put on the books, to this extent America would cease to be a democracy. What kind of country do the rail workers want to live in?

Mr. WHERRY. Mr. President, will the Senator from Missouri yield?

Mr. DONNELL. I yield to the Senator from Nebraska.

Mr. WHERRY. What progress is being made in getting out of the committee the bill to which the Senator has made reference?

Mr. DONNELL. Mr. President, the hearings on the bill have been completed; they were completed at the session of the committee on Monday. I am to file certain papers, exhibits, and one thing and another, which I hope to get to the subcommittee this afternoon. I may say to the Senate that it is my expectation and

intention to urge the subcommittee to take prompt action in reporting the bill favorably to the Senate Committee on Labor and Public Welfare.

Mr. WHERRY. I thank the Senator for the information.

INTELLIGENCE REPORTS ARE FUTILE UNLESS THEY LEAD TO DECISIONS—ARTICLE BY RAMOND P. BRANDT

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, an article entitled "Intelligence Reports Are Futile Unless They Lead to Decisions," by Raymond P. Brandt, which appeared in the Washington Star of July 2, 1950. I think this is an article which should be of interest to all Members of the Senate. As one member of the Appropriations Committee, I am convinced that the Central Intelligence Agency was doing its part of the job.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INTELLIGENCE REPORTS ARE FUTILE UNLESS THEY LEAD TO DECISIONS

(By Raymond P. Brandt)

The tactical surprises by the norther Korean Communists demonstrated that the best national security intelligence is without value unless it is made the basis of policy decisions and actions.

Failure of the Defense Establishment and the State Department to act on the increasingly ominous reports of the Central Intelligence Agency during the past 12 months that the Communists had the capabilities to overrun South Korea indicated there are still fundamental flaws in the American intelligence organization and personnel.

Speaking at the graduation exercises at the National War Colleges this week, Gen. Omar Bradley, chairman of the Joint Chiefs of Staff, said that "the collection of intelligence was the front line in peace as well as war." He continued:

"The eternal struggle of intelligence—finding out what the enemy can do and what he intends to do—is now more exacting because it includes the difficult search for technical information in many new fields.

"In the United States, where the art of economic, political and military intelligence has not been developed over the centuries, we are building an over-all intelligence agency which combines the efforts of the several gatherers of information. Success in this field will require great and generous men, both civilian and military, who are willing to devote their lives to the important job of gathering information for security."

General Bradley's words clearly implied that success had not yet been attained. In speaking about the front line of defense he was using a thought first publicized by the Hoover Commission's task force committee on national security organization, which said:

"Intelligence is the first line of defense in the atomic age. Recognition of its preeminent role in defense planning was given in the National Security Act by creation of the Central Intelligence Agency directly under the National Security Council to coordinate intelligence activities of the Government and to collect, correlate, and evaluate intelligence. The relationships of this agency to some of the other intelligence agencies of Government—notably to G–2 of the Army, the Federal Bureau of Investigation, the Atomic Energy Commission, and the State Department have been and still are unsatisfactory. But even more important, the committee is convinced that too many disparate intelligence estimates have been made by the individual departmental intelligence services; that these separate estimates have often been subjective and biased, that the capabilities of potential enemies have frequently been interpreted as their intentions, and that a more comprehensive collective system, better coordination, and more mature and experienced evaluation are imperative.

"The Central Intelligence Agency is sound in principle, but improvement is needed in practice. It is not now properly organized. A serious deficiency is the lack of an adequate top-level evaluation board or section whose duties are confined solely to the evaluation of intelligence, with no responsibilities for general policy or administrative matters."

LACK OF COOPERATION

"Coequal improvement in G–2, FBI, ONI, State Department, and other Government intelligence services is also essential. Above all, a spirit of teamwork must govern interagency intelligence relationships. The Central Intelligence Agency deserves and must have a greater degree of acceptance and support from old-line intelligence services than it has had in the past."

The buck-passing and evasion by military and state officials early this week as to who was responsible for the tactical surprise evidenced the present lack of cooperation between the departments and the CIA, which now is attached to the White House.

Rear Adm. Roscoe H. Hillenkoetter, CIA chief, gave a convincing account of the CIA intelligence on Korea to the Senate Appropriations Committee and changed critics into advocates. Senators reporting on Admiral Hillenkoetter's testimony apparently misquoted him when they had him saying that his agency did not evaluate intelligence gathered and collated by his agency.

Admiral Hillenkoetter told the committee that his group did evaluate information but did not recommend policy or action. Decisions on policy and action, he said, were the responsibility of the receiving agencies; if this were not so, the CIA would be making policy, which is not its statutory function. He said CIA might unconsciously misevaluate its information, if given this function. Republican Senator SALTONSTALL, of Massachusetts, complimented Admiral Hillenkoetter on his attitude and observed that the CIA should not have policy-making powers.

The lack of cooperation given the CIA by the departmental intelligence groups is difficult to understand. Some of it is a holdover from the days when Army, Navy, Air Force, and State Department had their own autonomous intelligence services and jealously guarded their information so each could claim credit for what it collected and evaluated. That feeling undoubtedly prevails today, and it goes up as high as one or two civilian secretaries who like to boast that they have given the President information that was not available to the CIA.

Admiral Hillenkoetter, a Navy career officer since his graduation from Annapolis, has had some success in establishing greater cooperation. He has said that 80 to 85 percent of the information going through his establishment comes from other governmental departments and agencies and that the remainder is obtained by his own people, many of whom are engaged in clandestine or covert activities.

Both kinds of reports are necessary and they supplement each other, giving new leads here, verifying information there.

Admiral Hillenkoetter has been in his job for 3 years and President Truman at a recent press conference gave support to reports that he would soon be replaced, perhaps by Lt. Gen. Walter Bedell Smith, now commander of the First Army and former Ambassador to Moscow. There is a serious question whether General Smith's health will permit him to take over the CIA. If it does not, the uncertainty about Admiral Hillenkoetter's tenure will continue.

This uncertainty has already impaired the morale of the CIA, as it would in any organization when there are substantial reports that the boss is on his way to another job. The uncertainty did not affect the Korean reports but it has affected the general, long-run efficiency of the organization.

The CIA's reports on the Korean situation satisfied the critical Senate Appropriations Committee. In the long run, however, this vital agency will need the services of great and generous men, both civilian and military, who are willing to devote their lives to the important job of gathering information for security.

ROLE OF THE UNITED NATIONS IN THE KOREAN SITUATION

Mr. LEHMAN. Mr. President, the New York Times issue of July 3 carried what I considered a very excellent editorial on the role of the United Nations in the present Korean situation. Because of its widespread interest I ask unanimous consent of the Senate that this editorial be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNDER THE FLAG OF THE UN

Giving expression to the gathering wrath of the civilized world against the Soviet-sponsored breach of international peace and security in Korea, 39 members of the United Nations and 1 prospective member, Italy, have now lined up in support of the Security Council's decision to use armed force against the invaders. These nations represent every continent and every race and include, in particular, such Asiatic nations as India and Pakistan, Nationalist China, Thailand, and the Philippines. They all pledge themselves to do everything within their power to back up the Council's precedent-breaking policy. The list is growing steadily toward and beyond the two-thirds majority that will assure support of this policy by the General Assembly as well.

This rallying around the United Nations banner is a welcome and impressive display of international solidarity in the face of new aggression. It is also the most effective refutation of the Soviet propaganda charges that the Korean War was started by the Republic of Korea at the instigation of "American imperialism." But one thing remains to be done to translate this solidarity into action, and that is to coordinate and organize the various kinds of aid offered into a composite whole. Thus we would not only make the best possible use of the resources of the supporting nations but also demonstrate beyond any chance of misrepresentation that the military support now being extended to South Korea by the United States and other nations is, indeed, a United Nations action undertaken solely in defense of the principles of the Charter, and not for any selfish gain.

This obviously calls for a special United Nations body to organize and direct the whole United Nations war effort in Korea—a body to which all the supporting nations can submit their specific offers of aid and which, in particular, can mobilize representative forces from the Asiatic nations to nip in the bud not only Communist propaganda but also any remaining Asiatic suspicions regarding "white" imperialism. Under the Charter, this directing body should be the Military Staff Committee, consisting of the Chiefs of Staff of the permanent members of the Security Council and representatives of other nations participating in its work. That committee is charged with advising and assisting the Security Council on all questions relating to its military requirements and the employment and command of forces placed

at its disposal. But due to Soviet obstruction the committee broke down completely 2 years ago, and it would be obviously absurd to permit a Soviet representative to participate in the United Nations war effort at this time.

For that reason the Security Council is expected to consider this week the appointment of a United Nations Coordinating Committee, or War Council, to direct both the military and economic efforts necessary to cope with the present emergency. Such a committee could and undoubtedly would then appoint General MacArthur, who is already directing the military operations in Korea, as commander of the combined United Nations forces and channel to him whatever additional aid is available. No doubt, each national contingent would still want to fight under its own flag, but side by side with the national banners would then also fly the blue and white banner of the United Nations to demonstrate that the United Nations has at last come of age, and is meeting the responsibilities imposed on it. It is to be hoped that the Security Council will take whatever action is necessary to achieve that end.

## DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. HILL. Mr. President, I move that the Senate proceed to the consideration of House bill 8565, making appropriations for the government of the District of Columbia for the fiscal year ending June 30, 1951, and for other purposes.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 8568) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1951, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. HILL. Mr. President, this bill, the regular appropriation bill for the government of the District of Columbia, provides a total appropriation of $119,019,562, for the fiscal year 1951 to meet the expenses of the government of the District of Columbia.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. HILL. I yield.

Mr. WHERRY. As the Senator well knows, I am also associated with the distinguished Senator from Alabama on the subcommittee of the Appropriations Committee handling this bill.

In the report, on page 6, relative to the Metropolitan Police, the following appears:

METROPOLITAN POLICE

The committee recommends the appropriation of $7,433,600, or an increase of $30,000 over the House allowance, for salaries and expenses of Metropolitan Police in the fiscal year 1951. The Commissioners requested the restoration of $57,500 of the $96,400 reduced by the House. However, the committee believes the $30,000 additional will adequately serve the needs of the Police Department to insure the purchase of radio equipment needed under the frequency modulation conversion program.

I am particularly interested in the next paragraph of the report, reading as follows:

The bill also provides funds for 30 additional uniformed police to compensate for the 30 policemen now on license duty. The committee directs the Commissioners to assign a sufficient number of these additional policemen to augment the force now engaged on vice-squad work.

Does that mean that the 30 policemen will be full time policemen under the call and supervision and direction of the vice squad?

Mr. HILL. It means that the 30 additional policemen will be regular, full time policemen, and that the vice squad will have—I think the best way to express it would be—priority for them. In other words, such number of the additional 30 policemen as the vice squad will need will be assigned to the vice squad.

Mr. WHERRY. Who will have authority to make the decision as to where those policemen shall go?

Mr. HILL. I should say the Superintendent of Police, under the authority of the Board of District of Columbia Commissioners.

Mr. WHERRY. In other words, the chief of police?

Mr. HILL. Yes. In the District of Columbia he is called the Superintendent of Police. He would have that authority, under the authority of the Commissioners of the District of Columbia.

Mr. WHERRY. Let me say, by way of clarification, that my point is that although the 30 additional policemen will be available, if the bill including that particular provision is passed, yet the assignment of those policemen still will be left up to the chief of police. Even though a particular division might want more men, the assignment of additional policemen to it would be subject to the will and the desires of the chief of police.

Mr. HILL. Yes; that is true under existing law. To change that, it would be necessary to change the existing law.

Mr. WHERRY. That is my next point. I understand that is why the appropriation was proposed in this particular way. However, is it not true that it is the intention of the committee that the vice squad shall have a priority on these policemen, if the vice squad needs them?

Mr. HILL. That is correct. The Senator from Nebraska is a member of the Subcommittee on District of Columbia Appropriations, and he expresses the view of the subcommittee. We wish the vice squad to have its needs met.

Mr. WHERRY. Since, otherwise, it would be necessary to change the legislative authority, and because this is an appropriation bill in which legislation cannot be written, we are making the provision in this way. Does the Senator agree?

Mr. HILL. We are doing it this way in order to avoid including legislation in an appropriation bill.

Mr. WHERRY. It was my firm conviction that the head of the vice squad should be an inspector—as the ratings go—in the District of Columbia police. In this bill, of course, a provision to that effect would also be legislation.

Mr. HILL. To put such a provision in the bill would mean writing legislation on an appropriation bill, which, as the Senator knows, is contrary to the rules of the Senate.

Mr. WHERRY. And it would be necessary, in order to get that particular provision in, to change the legislative authority; which, of course, could be done by the legislative committee on the District of Columbia, or by a bill introduced by any Senator; is that correct?

Mr. HILL. The Senator is correct.

Mr. WHERRY. How does the chairman of the subcommittee feel, though, relative to the importance of including the head of the vice squad on a level with inspectors of the Metropolitan Police Department?

Mr. HILL. The Senator from Alabama feels that that is an important division or bureau within the police department, and that the head of the squad should have equal recognition with the heads of other important divisions or bureaus of the police department.

Mr. WHERRY. I thank the distinguished Senator for his observations, because I realize that on an appropriation bill, in the drafting of legislation which is needed to carry on the work which the distinguished chairman of the subcommittee, and the other members of the subcommittee including the junior Senator from Nebraska, attempted to accomplish, relative to law violations, it is very necessary that not only these additional policemen be added to the force to take care adequately of the situation in the District, but also it seems to me that as soon as possible the vice squad should be elevated to a position equal to that of other divisions or bureaus of the Metropolitan Police Department. I hope if the chief of police can do that without legislative authority it will be done; but if not, I am satisfied the Senator from Alabama at least will join the junior Senator from Nebraska in the observation that the vice squad is an important agency of the police department, and that the subject should be given immediate consideration by the Senate, if it is not taken care of otherwise.

Mr. HILL. I may say to my distinguished friend from Nebraska that I think it can be done by the chief or superintendent of police under the authority he has under the Board of District Commissioners.

Mr. WHERRY. I thank the Senator.

Mr. HILL. I thank the Senator from Nebraska.

Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will proceed to state the committee amendments.

The first amendment of the Committee on Appropriations was, under the heading "General administration," on page 3, line 15, after the word "investigations", to strike out "$281,350" and insert "$290,450."

The amendment was agreed to.

The next amendment was, on page 4, line 3, after the word "Columbia", to strike out "$299,100" and insert "$336,100."

The amendment was agreed to.

The next amendment was, under the heading "Fiscal service," on page 5, line 1, before the word "Provided", to strike out "$406,850" and insert "$415,700."

The amendment was agreed to.

The next amendment was, on page 5, line 4, after the word "office," to strike out "$492,300" and insert "$527,800."

The amendment was agreed to.

The next amendment was, on page 5, line 5, after "Purchasing Division", to strike out "$115,900" and insert "$119,775."

The amendment was agreed to.

The next amendment was, under the heading "Regulatory agencies," on page 6, line 24, after the word "only", to strike out "$163,775" and insert "$219,275."

The amendment was agreed to.

The next amendment was, on page 7, line 7, after "License Bureau", to strike out "$67,750" and insert "$71,400."

The amendment was agreed to.

The next amendment was, on page 7, line 11, after the word "purposes", to strike out "$231,300" and insert "$236,300."

The amendment was agreed to.

The next amendment was, on page 8, line 3, after "Zoning Commission", to strike out "$35,800" and insert "$36,000."

The amendment was agreed to.

The next amendment was, under the heading "Public schools—Operating expenses," on page 8, line 8, after the word "Columbia", to strike out "$683,200" and insert "$709,850."

The amendment was agreed to.

The next amendment was, on page 8, line 16, after the word "textbooks", to strike out "and athletic apparel and accessories"; and in line 22, after the word "individuals", to strike out "$16,034,900" and insert "$16,006,900."

The amendment was agreed to.

The next amendment was, on page 9, line 8, after the word "vehicles", to strike out "$3,335,000" and insert "$3,368,480."

The amendment was agreed to.

The next amendment was, on page 9, line 13, after the word "grounds", to strike out "$1,239,500" and insert, $1,269,000."

The amendment was agreed to.

The next amendment was, on page 9, line 24, after "(58 Stat. 811)", to strike out "$117,800" and insert "distribution of surplus commodities and relief milk to public and charitable institutions, and for the carrying out, under regulations to be prescribed by the Board of Education, of a 'penny milk' program for the school children of the District, including the purchase and distribution of milk under agreement with the United States Department of Agriculture, $250,847: *Provided*, That collections from the milk program shall be paid to the Collector of Taxes, District of Columbia, for deposit in the Treasury of the United States to the credit of the District."

The amendment was agreed to.

The next amendment was, under the subhead "Capital outlay," on page 11, line 20, after the word "exceed", to strike out "$552,500" and insert "$617,500."

The amendment was agreed to.

The next amendment was, on page 12, after line 2, to insert:

For improvements and alterations at Cardozo (formerly Central) Senior High School, $70,000.

The amendment was agreed to.

The next amendment was, on page 12, line 10, after the word "exceed", to strike out "$366,000" and insert "$418,000."

The amendment was agreed to.

The next amendment was, on page 12, line 17, after the word "exceed", to strike out "$501,500" and insert "$560,500."

The amendment was agreed to.

The next amendment was, on page 13, line 1, after the word "Northeast", to strike out "$287,000" and insert "$307,000."

The amendment was agreed to.

The next amendment was, on page 13, line 8, after the word "Northwest", to strike out "$10,000" and insert "$20,000."

The amendment was agreed to.

The next amendment was, on page 13, line 16, after the word "exceed", to strike out "$323,000"" and insert "$361,000."

The amendment was agreed to.

The next amendment was, on page 14, line 4, after the word "exceed", to strike out "$1,589,500" and insert "$1,776,500."

The amendment was agreed to.

The next amendment was, on page 14, line 18, after the word "exceed", to strike out "$1,589,500" and insert "$1,776,500."

The amendment was agreed to.

The next amendment was, on page 14, after line 23, to strike out:

For completion of plans and specifications for a new senior high school building to replace the present Armstrong Senior High School building, including recreation facilities and treatment of grounds, to be constructed on a site owned by the District of Columbia in Brentwood Park, $75,000, which amount may be credited to the appropriation account "Office of Municipal Architect, construction services";

The amendment was agreed to.

The next amendment was, on page 16, line 8, after the word "specifications", to strike out "$3,712,000" and insert "$3,737,000."

The amendment was agreed to.

The next amendment was, under the subhead "Purchase of sites," on page 17, after line 4, to insert:

At the Anacostia Senior High School, to provide additional land for school-playground purposes.

The amendment was agreed to.

The next amendment was, on page 18, line 4, after the word "sites", to strike out "$320,000" and insert "$360,000."

The amendment was agreed to.

The next amendment was, under the heading "Public Library," on page 18, line 23, after the numerals "1945", to strike out "$1,385,700" and insert "$1,410,700."

The amendment was agreed to.

The next amendment was, on page 19, line 8, after the word "Building", to strike out "$15,000" and insert "$30,000."

The amendment was agreed to.

The next amendment was, on page 19, after line 8, to insert:

Capital outlay: For preliminary design studies and surveys for the construction of extensions to the central building of the Public Library of the District of Columbia, to encompass and include the existing central building located in Mount Vernon Square, United States Reservation No. 8, to be expended only with the approval of the Commissioners on report from the Office of the Municipal Architect, not to exceed $7,500.

The amendment was agreed to.

The next amendment was, under the heading "Recreation Department," on page 19, line 20, after the word "Columbia", to strike out "$1,372,900" and insert "$1,387,900."

Mr. WHERRY. Mr. President, may we have an explanation of the increase? I do not seem to remember it.

Mr. HILL. That is an increase of $15,000, I may say to the distinguished Senator from Nebraska, for the purpose, largely, of permitting part-time employment of school custodians. We have some new schools, as the Senator knows, which are coming into being.

Mr. WHERRY. Very well.

The PRESIDENT pro tempore. The question is on the committee amendment.

The amendment was agreed to.

The next amendment was, on page 20, line 3, after "(58 Stat. 791)", to strike out "$180,000" and insert "$260,000."

The amendment was agreed to.

The next amendment was, under the heading "Metropolitan Police," on page 22, line 7, after the word "otherwise", to strike out "$7,403,600" and insert "$7,433,600."

The amendment was agreed to.

The next amendment was, on page 23, after line 16, to insert:

REDEVELOPMENT LAND AGENCY

For necessary administrative expenses for the District of Columbia Redevelopment Land Agency, $15,800.

The amendment was agreed to.

The next amendment was, on page 23, after line 19, to insert:

MIDCENTURY WHITE HOUSE CONFERENCE ON CHILDREN AND YOUTH

For expenses necessary for carrying out the proposed plans for the Midcentury White House Conference on Children and Youth in December 1950, $5,000.

The amendment was agreed to.

The next amendment was, under the heading "Courts," on page 24, line 7, after the word "court", to strike out "$314,500" and insert "$319,900."

The amendment was agreed to.

The next amendment was, on page 24, line 19, after the word "judges", to strike out "$661,800" and insert "$684,514."

The amendment was agreed to.

The next amendment was, on page 25, line 3, after the word "appeals", to strike out "$92,000" and insert "$94,750."

The amendment was agreed to.

The next amendment was, under the heading "Health Department," on page 27, line 2, after the word "automobile", to strike out "$2,467,300" and insert "$2,496,330."

The amendment was agreed to.

The next amendment was, on page 27, line 17, after the word "grounds", to strike out "$2,225,300" and insert $2,243,540."

The amendment was agreed to.

The next amendment was, on page 28, line 5, after the word "grounds", to strike out $4,770,100" and insert $4,782,025."

The amendment was agreed to.

The next amendment was, on page 29, line 3, after the word "all", to strike out "$500,000" and insert "$745,000."

The amendment was agreed to.

The next amendment was, under the heading "Public welfare," on page 31, line 21, after the word "services", to strike out "$108,350" and insert "$109,100."

The amendment was agreed to.

The next amendment was, on page 32, line 10, after the word "homes", to strike out "distribution of surplus commodities and relief milk to public and charitable institutions; $133,047 for the carrying out, under regulations to be prescribed by the Commissioners of a 'penny milk' program for the school children of the District, including the purchase and distribution of milk under agreement with the United States Department of Agriculture;" on page 33, line 16, after the word "building", to strike out "$4,184,600" and insert "$4,139,639"; and in the same line, after the word "Provided", to strike out "That collections from the milk program shall be paid to the collector of taxes, District of Columbia, for deposit in the Treasury of the United States to the credit of the District: *Provided further.*"

The amendment was agreed to.

The next amendment was, on page 35, line 10, after the word "vehicles", to strike out "$2,730,150" and insert "$2,792,797."

The amendment was agreed to.

The next amendment was, on page 35, line 19, after the word "exceed", to strike out "$2,550,000" and insert "$2,-850,000"; and on page 36, line 1, after the word "exceed", to strike out "$1,054,000" and insert "$1,178,000."

The amendment was agreed to.

The next amendment was, on page 36, line 13, after the word "law", to strike out "$7,855,000" and insert "$8,105,000."

The amendment was agreed to.

The next amendment was, under the heading "Public works," on page 37, line 5, after the word "Incorporated", to strike out "$68,325" and insert "$68,925."

The amendment was agreed to.

The next amendment was, on page 38, line 10, after the word "operators", to strike out "$1,125,600" and insert "$1,-149,850."

The amendment was agreed to.

The next amendment was, on page 38, line 17, after the word "office", to strike out "$155,225" and insert "$156,300."

The amendment was agreed to.

The next amendment was, on page 39, line 8, after the word "each", to strike out "$754,850" and insert "$764,850."

The amendment was agreed to.

The next amendment was, on page 39, line 23, after the word "thereto", to strike out "$1,329,000" and insert "$1,-342,275."

The amendment was agreed to.

The next amendment was, on page 40, line 9, after the word "kinds", to strike out "$190,900" and insert "$215,900."

The amendment was agreed to.

The next amendment was, on page 41, line 15, after the word "work", to strike out "$2,191,600" and insert "$2,216,600."

The amendment was agreed to.

The next amendment was, on page 42, line 25, after the word "Commissioners", to strike out "$2,704,200" and insert $5,000,000"; and on page 46, line 17, after the word "inspectors", to strike out "$1,095,800" and insert "$1,105,350."

The amendment was agreed to.

The next amendment was, on page 49, line 6, after the word "dumps", to strike out "$3,757,600" and insert "$3,837,600."

The amendment was agreed to.

The next amendment was, on page 50, line 18, after the word "all", to strike out "$2,443,000" and insert "$2,943,000."

The amendment was agreed to.

The next amendment was, under the heading "Washington Aqueduct," on page 52, line 21, after the word "pipelines", to insert a semicolon and "construction of a thirty-million-gallon clear water basin and connecting conduits and control chamber; new chemical building and operating center at McMillan"; on page 53, line 1, after the word "exceed", to strike out "$1,300,000" and insert "$7,213,000"; in line 17, after the words "per diem", to strike out "$1,050,000" and insert "$2,978,000"; and in line 18, after the word "expended", to insert "of which $1,405,000 is appropriated from any moneys in the Treasury not otherwise appropriated, to be advanced by the Secretary of the Treasury pursuant to the provisions of the act of June 2, 1950 (Public Law 533, 81st Cong.)."

The amendment was agreed to.

The next amendment was, under the heading "National Guard," on page 54, line 5, after the word "including", to insert "compensation to the Adjutant General at the rate of $7,353 per annum"; in line 22, after the word "purposes", to insert "purchase of one passenger motor vehicle"; and in line 23, after the amendment just above stated, to strike out "$93,750" and insert "$124,300."

The amendment was agreed to.

The next amendment was, under the heading "National Capital Parks," on page 56, line 3, after the word "wagons", to strike out "$1,742,200" and insert "$1,752,200."

The amendment was agreed to.

The next amendment was, under the heading "National Capital Park and Planning Commission," on page 57, line 1, before the word "Provided", to strike out "$84,200" and insert "$95,675."

The amendment was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Alabama whether the revenue to support this bill is based on a contribution by the Federal Government, and if so, how much.

Mr. HILL. The amount of Federal revenue which will go to the District of Columbia to meet the expenses of the District of Columbia government is yet to be determined, because that amount is item I in the general appropriation bill. The budget recommended that the provisions of the statute passed in 1947 be carried out, which would mean a Federal contribution of $11,000,000 to the general fund and $1,000,000 to the water fund. The House of Representatives appropriated the $1,000,000 for the water fund, but reduced the appropriation for the general fund from $11,000,000 to $9,800,000.

I will say to the Senator that whether the Senate, in its wisdom, and the Congress, in its final wisdom, decide to make the contribution $11,000,000 or $9,800,-000, there will still be sufficient funds to meet the appropriations as carried in the pending bill.

Mr. SALTONSTALL. With a contribution of $9,800,000 and the other revenues from taxation, how much of an estimated surplus will there be over and above the appropriations contained in the bill?

Mr. HILL. Approximately $5,000,000.

Mr. SALTONSTALL. The appropriatons just agreed to by the Senate include, do they not, all the pay raises and all the amounts authorized because of the 40-hour week, and so forth?

Mr. HILL. They do, with one exception, and that is the 5-day week for the police department, because that provision has not yet become law. But it does include such capital outlay as the Congress has authorized, such as the East Capitol Street Bridge, and the aqueduct which is necessary to assure an adequate water supply for the District of Columbia. The 40-hour week for the police department would cost approximately a million dollars.

Mr. SALTONSTALL. So that there will be an estimated surplus of approximately $4,000,000 over and above all known estimates of expenditure; is that correct?

Mr. HILL. The Senator is correct. The Senator realizes, of course, that most of these funds are raised by taxes in the District of Columbia from the people of the District of Columbia.

Mr. SALTONSTALL. I understand that. So that if there is any question about the amount of the Federal contribution, it will come up in the general appropriation bill, and it is not in question in this appropriation bill.

Mr. HILL. The Senator is correct.

Mr. SALTONSTALL. The Senator from Alabama has gone into the matter with a great deal of care, and he estimates that over and above all expenditures, estimated increases, and everything else, including the appropriations added by the Senate which were not provided for by the House, there will be an estimated surplus of somewhere between $4,000,000 and $5,000,000. Is that correct?

Mr. HILL. The Senator from Alabama would say a minimum of $5,000,-000, not including the additional cost of $1,000,000 which it is expected will be incurred because of the 5-day week for the policemen.

Mr. SALTONSTALL. I should like to ask the Senator from Alabama one more question. Would he object to a further decrease in the Federal contribution? I ask that question because the District of Columbia budget will show a surplus, and the Federal budget will probably show a deficit. So, under the conditions of war, if we can this year save all the money we can for the Federal Government, we should do so.

Mr. HILL. I will say to my distinguished friend, that I think we should save all the money we can for the Federal Government, but I seriously doubt that the Senate Appropriations Committee should attempt to reduce the Federal contribution as fixed by statute in 1947.

Mr. SALTONSTALL. I should like to ask one more question, if the Senator will permit.

Mr. HILL. Certainly.

Mr. SALTONSTALL. Of course, the revenues of the District of Columbia are based in part on the sales tax, which has not been in operation for a full year.

Mr. HILL. The sales tax went into operation on the 1st of last August. It has been in operation a little over 11 months.

Mr. SALTONSTALL. So that the calculation of receipts from the sales tax should be reasonably accurate.

Mr. HILL. I would say they should be.

Mr. SALTONSTALL. There should be some surplus in prospect.

Mr. HILL. We would not be wise, in my opinion, if we did not provide for some surplus. We never know when some emergency might arise, in which event we might have to make some supplemental or deficiency appropriations.

Mr. SALTONSTALL. But when the Federal Government is in the condition in which it now is, the Senator would agree that if we can save money for the Federal Government, we should do so.

Mr. HILL. I agree that we should save all the money that in good conscience and fairness we can save for the Federal Government.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HILL. I yield to the distinguished Senator from Michigan.

Mr. FERGUSON. I should like to have the Senator state for the RECORD the amount to be paid to the District by way of contribution, and whether he claims it is mandatory legislation rather than merely an authorization?

Mr. HILL. The amount of the Federal contribution was fixed by statute. Congress fixed the amount by legislative enactment at the same time it levied the sales tax. The specific sum of $11,000,000 was fixed as the Federal contribution to the general fund for the District of Columbia, and a million dollars as the Federal contribution to the water fund.

Mr. FERGUSON. What is the amount of the appropriation for the District for the current fiscal year over and above that of last year?

Mr. HILL. Does the Senator mean how much is this year's appropriation over and above the appropriation for 1950?

Mr. FERGUSON. Yes.

Mr. HILL. Approximately $15,000,000. A large part of that is for capital outlay, which I will say we foresaw last year and which we had in mind when we enacted the sales tax.

Mr. FERGUSON. How much more is the operating budget than last year, considering the capital expenditures?

Mr. HILL. The $15,000,000, of course, includes both operating expenses and capital outlay. I do not have the figures broken down in that way at this moment, but will furnish them to him shortly.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from Nebraska.

Mr. WHERRY. This bill, of course, is a separate appropriation bill from the omnibus appropriation bill which is soon to be brought before the Senate.

Mr. HILL. That is correct.

Mr. WHERRY. Is there anything in the omnibus bill which might affect this bill, if there is a general cut made in the omnibus bill?

Mr. HILL. Item No. 1 in the general appropriation bill is the Federal contribution to the Government of the District of Columbia. The House, as I said to the Senator from Michigan, allowed a $1,000,000 contribution for the water fund as fixed by statute. At the same time it reduced the $11,000,000 contribution to the general fund to $9,800,000. Even if $9,800,000 should be the sum finally agreed to by concurrence of the Senate in the House action, there would still be a surplus of approximately $5,000,000.

Mr. WHERRY. Will the Senator yield for another question?

Mr. HILL. I yield.

Mr. WHERRY. What the Senator has said does not fully answer the question I asked; but I appreciate his observation. Let us take a hypothetical case. Let us assume that a cut of 10 percent is made in the general provisions of the omnibus appropriations bill, and that the cut would apply to the provisions of the pending District of Columbia bill. In a situation like that would any conflict arise if we passed this measure now?

Mr. HILL. No; there would be no conflict.

Mr. WHERRY. Therefore whatever might be done with respect to the omnibus appropriations bill would carry over to the District of Columbia appropriations bill regardless of what action is presently taken in the pending bill.

Mr. HILL. The Senator is correct.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. HUNT. In view of the fact that in 1922 the Federal Goverment was paying approximately 40 percent of the total expenditures of the District, and in the intervening years between 1922 and 1951 the contribution by the Federal Government has been constantly decreased, while the tax on the citizens of the District has been constantly increased, I should like to ask the distinguished chairman of the subcommittee on District of Columbia appropriations if he thinks it is quite fair to the citizens of the District to reduce the Federal contribution further, even though there is a surplus of nearly $5,000,000 in the general fund?

Mr. HILL. The Congress, having fixed the contribution by legislative enactment, at the same time that it levied the sales taxes on the inhabitants of the District of Columbia, and the Federal Government's contribution being, as the Senator indicated, at the minimum in relation to the contributions that have been made during the last 28 or 30 years, I do not think there ought to be a further reduction. That question is not before us now, as the Senator knows.

Mr. HUNT. No; but I should like to get it into the RECORD, if I may.

Mr. HILL. Yes.

Mr. HUNT. Since the Federal Government occupies, with buildings and otherwise approximately 42 percent of the land area of the District, does the Senator from Alabama feel that we should contribute only slightly over 10 percent of the taxes?

Mr. HILL. I think the figures which were arrived at in 1947, under which the Federal Government agreed to make an over-all contribution of $12,000,000—$1,000,000 to the water fund, and $11,000,000 to the general fund—were fair by way of payment in lieu of taxes. I do not think the contribution should be reduced at this time.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a further question?

Mr. HILL. Yes.

Mr. SALTONSTALL. With reference to what the Senator from Wyoming [Mr. HUNT] has said, to the effect that the Federal contributions have constantly decreased and the taxes of the residents of the District have constantly increased, I think he meant to make that observation in terms of percentages, rather than amounts.

Mr. HUNT. I meant both, I may say to the distinguished Senator from Massachusetts. The dollars in volume contributed by the citizens of the District have increased. The contribution percentagewise has likewise increased.

Mr. HILL. The dollars have greatly increased, I would say to the Senator from Massachusetts. Take the year 1922. That is the first year for which I have the figures before me. The District of Columbia's share of the appropriation was $13,784,647.70. This year, 1951, the District's share will be $92,146,675. The District's share in 1922 was 60 percent of the over-all appropriations made. That was fixed at that time by law. If we allow the full amount allowed by the statute of 1947, this year the over-all figure for the District's share will be about 89.13 percent.

Mr. SALTONSTALL. What was the Federal contribution in 1922, and what is it now?

Mr. HILL. In 1922 it was $9,192,763.37, in terms of general funds. The Federal contribution today as fixed by statute, will be $11,000,000.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. FERGUSON. Apparently the Members of the House considered the matter and they were of the opinion that they could cut the Federal contribution.

Mr. HILL. The House did cut it. As I said, the House cut the appropriation for the general fund from $11,000,000 to $9,800,000. I will say, however, that the amendment cutting the appropriation did not come from the House Committee on Appropriations. It came from the floor, where, I think an examination of the record will show, there was not the opportunity for consideration of the matter that obtained in the House committee.

Mr. SALTONSTALL. I wanted to bring out—and I think the figures are clear—that in dollars the Federal contribution is larger today than it was in 1922.

Mr. HILL. The Federal contribution today is larger, but only a wee bit larger, if I may say so, whereas the contribution of the people living in the District of Columbia is overwhelmingly larger.

Mr. HUNT. I may say to the distinguished Senator from Massachusetts that while the contribution at this time may be slightly larger in dollars than it was in 1922, yet the percentage of land area on which Government buildings now stand is a very great deal larger than it was then.

The PRESIDENT pro tempore. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. HILL. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. HILL, Mr. O'MAHONEY, Mr. MCCLELLAN, Mr. HUNT, Mr. FERGUSON, Mr. WHERRY, and Mr. YOUNG conferees on the part of the Senate.

## ORDER OF BUSINESS

Mr. LUCAS obtained the floor.

Mr. O'MAHONEY. Mr. President, will the Senator yield for an inquiry?

Mr. LUCAS. Yes.

Mr. O'MAHONEY. Mr. President, on the calendar of the Senate appears a very important bill. It is Calendar No. 1757, H. R. 940, to authorize construction of the Eklutna project, hydroelectric generating plant and transmission facilities, and so forth. I should like to move, if it is agreeable to the majority leader, to proceed at an appropriate time to the consideration of this measure.

Mr. LUCAS. In reply to the distinguished Senator from Wyoming I should like to advise him that last week I gave notice to the Senate that we would proceed to the consideration of executive business and take up the nomination of Sumner T. Pike, to be a member of the Atomic Energy Commission, which was reported adversely. We have more or less a tentative understanding that immediately after we take up the nomination a unanimous-consent agreement will be entered into to vote on it on Monday next. I am sure that following that, the Senate can proceed to the consideration of the bill, laying aside temporarily the unfinished business.

Mr. O'MAHONEY. I understand the suggestion of the Senator from Illinois to be that he will now move that the Senate proceed to the consideration of executive business.

Mr. LUCAS. That is correct.

Mr. O'MAHONEY. And after a unanimous-consent agreement to vote on the Pike nomination has been reached, he will then have no objection to my making a motion to proceed to the consideration of the bill I have mentioned.

Mr. LUCAS. The Senator is correct.

Mr. O'MAHONEY. Very well.

## EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

## EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Foreign Relations.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. Reports of committees are in order. If there be no reports, the clerk will proceed to state the nominations on the executive calendar.

## ATOMIC ENERGY COMMISSION

The legislative clerk read the nomination of Sumner T. Pike, of Maine, to be a member of the Atomic Energy Commission, which had been reported adversely.

Mr. LUCAS. Mr. President, after conferring with the distinguished minority leader, and the minority member of the Joint Committee on Atomic Energy, the Senator from Iowa [Mr. HICKENLOOPER], and Senators on this side of the aisle, we have reached a tentative agreement to vote upon the nomination on Monday next at 3 o'clock. In the meantime, any Senator who desires to debate the nomination will have the privilege of doing so, or he can wait until Monday and debate it at that time. However, the time on Monday might be short for a full debate on the nomination, and I therefore ask any Member of the Senate who really cares to discuss the pending nomination, which has been reported adversely by the committee, to do so between now and Monday.

Mr. President, with that preliminary statement, I now ask unanimous consent that on Monday next at 1 o'clock, p. m., the Senate proceed to consider the nomination of Sumner T. Pike, of Maine, to be a member of the Atomic Energy Commission for a term of 4 years expiring June 30, 1954, that the vote on the nomination be taken at 3 o'clock, p. m., on that day, and that the time between 1 o'clock and 3 o'clock in the afternoon be equally divided between those favoring the nomination and those opposed, to be controlled, respectively, by the Senator from Connecticut [Mr. MCMAHON] and the Senator from Iowa [Mr. HICKENLOOPER].

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Illinois?

Mr. HICKENLOOPER. Mr. President, in discussing the matter with the the Senator from Illinois and the Senator from Connecticut, my understanding was that we tentatively agreed to recommend a 3-hour period, to be evenly divided. Therefore I wonder if the Senator from Illinois would make the hour of voting 4 o'clock, if the debate is to begin at 1 o'clock.

Mr. LUCAS. I shall be delighted to modify my unanimous-consent request. My reason for suggesting the period between 1 and 3 is that probably routine business will be transacted in the first hour.

Mr. HICKENLOOPER. I can understand the Senator not desiring to have the debate start at 12 o'clock. I would have no objection if the time between 1 and 4 o'clock were evenly divided, and the hour for voting made 4 o'clock.

Mr. LUCAS. I modify my request to meet the suggestion made by the Senator from Iowa.

The PRESIDENT pro tempore. Is there objection of the request of the Senator from Illinois, as modified?

Mr. HICKENLOOPER. Mr. President, I merely wish to say for the RECORD that I have discussed the matter of the unanimous consent with those particularly interested in the nomination pro and con on this side of the aisle, and there is no objection, so far as I know.

Mr. WHERRY. Mr. President, reserving the right to object—and I do not intend to object—I wish to say that I was consulted about this matter only a short time ago, and I am wondering if the distinguished Senator from Iowa wants to take the responsibility of entering into this unanimous-consent agreement without all Senators on this side of the aisle being advised of the request. So far as I am concerned, it is perfectly agreeable, but usually a quorum is called. Some Senators are present who would like to take part in the debate, and some might not be able to be present Monday. It is perfectly agreeable with the minority leader to take the nomination on Monday, as the majority leader has outlined. The Senator from Iowa is a member of the committee, where he represents the minority, and if there is no objection on his part, it is perfectly agreeable to me to proceed with the debate Monday, which will be the case, because after such unanimous-consent agreements are entered into usually the debate occurs on the day fixed. If it is the wish of the distinguished Senator from Iowa to proceed without a quorum call, it is perfectly agreeable to me.

Mr. HICKENLOOPER. I can say to the Senator from Nebraska that I have

talked with the Senator from Colorado [Mr. MILLIKIN], who is a member of the committee, and I have talked with the Senator from California [Mr. KNOWLAND], who is also a member of the committee and who is present. I have been unable to reach the Senator from Ohio [Mr. BRICKER], another member of the committee, but I feel that this consent agreement would be satisfactory to him. Of course I cannot commit him, since I have not discussed the matter with him, but I feel it would be all right with him. I have talked the matter over with the two Senators from Maine, and they have expressed no objection. In fact, they affirmatively said that such an agreement would be satisfactory, so far as they were concerned.

There is one other matter. So far as the RECORD is concerned, there was a quorum call a very few minutes ago, and there was an announcement the latter part of last week that this nomination would be brought up today, so that the entire Senate is on notice that it would be discussed today. If there should be any Senator who would object, I certainly would not want to proceed, but I know of no Senator objecting.

Mr. LUCAS. Of course, Mr. President, there is no certainty that we would vote on the nomination today, even though we might debate it.

Mr. HICKENLOOPER. That is correct.

Mr. LUCAS. How long the debate would take, no one could tell. Senators on this side of the aisle, of course, are agreeable to the unanimous-consent request.

There is another reason why I should like to have it entered into. The Senator from Colorado [Mr. JOHNSON] cannot be present today, and I do not know when he will return. I cannot say whether he is opposed to Mr. Pike. I am trying to check his position on the nomination. I understand the Senator from Ohio [Mr. BRICKER] cannot be present today. So, if we voted today, those two Senators would have to be absent on the vote.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Nebraska.

Mr. WHERRY. As I have already stated, there is no objection on the part of the minority leader. I merely desired to be sure that the rights of Senators on this side were protected. If the Senator from Iowa has made the thorough canvass his remarks have indicated, and it is perfectly agreeable to the Senators from Maine, and most of the Senators on the committee, it certainly is agreeable to me. This day was set aside for debating the nomination. It is true, as the majority leader has said, that we might not vote today. On the other hand, this day was set aside for the debate. I felt that possibly it should be drawn to the attention of the Senator from Iowa that it might be that Senators should know of the unanimous-consent request.

I shall not object, and I trust the unanimous-consent agreement will be entered into.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Illinois, as modified? The Chair hears none, and the unanimous-consent agreement is entered into.

The agreement, as subsequently reduced to writing, is as follows:

*Ordered*, That on the calendar day of Monday, July 10, 1950, at the hour of 1 o'clock p. m., the Senate, in executive session, proceed to consider the nomination of Sumner T. Pike, of Maine, to be a member of the Atomic Energy Commission for a term of 4 years, expiring June 30, 1954, and, at the hour of 4 o'clock p. m., proceed to vote, without further debate, on the question of advising and consenting to the said nomination.

*Ordered further*, That the time between 1 o'clock and 4 o'clock be equally divided between those favoring and those opposing the nomination and controlled, respectively, by Mr. MCMAHON and Mr. HICKENLOOPER.

Mr. LUCAS. Mr. President, the Senator from Wyoming was here a moment ago, and he desired to get the floor. I suggest that the clerk proceed with the call of the Executive Calendar.

The PRESIDENT pro tempore. The Clerk will continue the call of the calendar.

## POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDENT pro tempore. Without objection, the postmaster nominations are confirmed en bloc.

## RAILROAD RETIREMENT BOARD

The legislative clerk read the nomination of Horace W. Harper to be a member of the Railroad Retirement Board.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

## PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

The PRESIDENT pro tempore. Without objection, the nominations in the Public Health Service are confirmed en bloc. That completes the call of the Executive Calendar.

## LEGISLATIVE SESSION

The Senate resumed the consideration of legislative business.

## THE CONSTITUTIONAL AND LEGAL BASIS FOR THE PRESIDENT'S ACTION IN USING ARMED FORCES TO REPEL THE INVASION OF SOUTH KOREA

Mr. DOUGLAS. Mr. President, I should like to ask the indulgence of the Senate to speak for a few minutes on what I believe to be the constitutional and legal basis for the action of the President in authorizing the use of our Armed Forces to repel the invasion of southern Korea.

While the action of the President in sending our Armed Forces to the aid of southern Korea has been overwhelmingly approved by the people of this country, there have been voices of criticism raised from divergent quarters. The most common charge has been that the President's action was unconstitutional. It is alleged that since the Constitution in article I, section 8, gives solely to the Congress the power to declare war, the use of armed force by the President without congressional assent is consequently an abrogation of these powers and therefore a violation of the Constitution. At the root of this argument is, therefore, the contention that for us to use armed force against the persons or forces of other countries is in effect a declaration of war and hence should only be authorized by act of Congress.

This issue has been repeatedly debated throughout our history and in all likelihood it will continue to be discussed for a long time to come. If we can judge the future by the past, it will probably be raised in the future about President Truman's present action. In order to produce greater clarity of thought in the present and to decrease possible future bitter controversy, I believe it may be worth while to analyze this contention in a dispassionate manner.

### I. THE LEGISLATIVE INTENT OF THE CONSTITUTIONAL CONVENTION OF 1787 AS REGARDS THE USE OF ARMED FORCES

The true meaning of the provision will be made much clearer if we trace the legislative history inside the Constitutional Convention of 1787 of the phrase, "to declare war," and arrive at the legislative intent behind that phrase. We can do this from the very full and accurate notes of the debates which were taken by the leading figure in the convention, James Madison, and which were published after his death in, I believe, 1840.

If we turn to this chronicle, we find that when the drafting committee, or the committee on detail, as it was called, submitted its draft on August 6, 1787, it gave to Congress not the right to declare war, but instead the broader right to make war—James Madison, the Journal of the Debates in the Convention Which Framed the Constitution of the United States, May–September, 1787, edited by Gaillard Hunt, volume II, page 82; see also Max Farrand, Records of the Federal Convention of 1787, volume II, page 168.

It was not until August 17 that this clause was debated. Mr. Pinkney of South Carolina opened the discussion by saying that he opposed "vesting this power in the legislature." "Its proceedings," he declared, "were too slow." After further discussion by Mr. Butler of South Carolina, James Madison, and Elbridge Gerry, of Massachusetts, both moved to strike out the verb "make" and to substitute the verb "declare." I should like to call the attention of the Senate to the fact that this was for the purpose, as Madison wrote in his notes, of "leaving to the Executive the power to repel sudden attacks."

This amendment was shortly thereafter accepted on this same date of August 17, 1787, by a vote of 7 States to 2, with one State, Massachusetts, being recorded as absent, although one of its delegates, Mr. Gerry, had previously moved the amendment, and three States being absent entirely from the convention. Rhode Island, as we know, did not attend the convention. The two New York delegates, Yates and Alexander Hamilton, were not in attendance, and New Jersey was also absent

on that day. The vote was therefore 7 to 2 to substitute the verb "to declare" for the verb "to make." The States voting for the substitution of "declare" for "make" were Pennsylvania, Delaware, Maryland, Virginia, North Carolina, South Carolina, and Georgia. New Hampshire and Connecticut voted in the negative with the latter State afterward switching its vote. A majority of the Massachusetts delegation was absent and that State was not recorded, although Gerry was, as stated above, in favor of the amendment. Rhode Island was not participating in the convention and New York and New Jersey did not participate in the vote.

From this discussion and vote it is clear that the convention did not want to tie our country's hands by requiring congressional assent for all employment of armed force. It is obvious, instead, that, as Madison said, they wanted to leave to the President the power to use force "to repel sudden attacks," even though not authorized to do so by Congress. This, as the founding fathers were careful to distinguish, was not equivalent to a declaration of war.

II. THE SPEED OF MODERN WAR REQUIRES QUICK EXECUTIVE ACTION

I know it will be objected that this use of legislative intent to justify present action is faulty. It will be argued that it was the difficulty and slowness in stagecoach days of assembling Congress which caused the constitutional fathers to give to the President the interim powers of using force to repel attacks. It will be contended that the need for this has passed in these days of the airplane when Congress can be called into session on a day's notice.

But this tremendous increase in the speed of assembling Congress has been accompanied by an equal and, indeed, even greater increase in the rapidity of delivering deadly attacks. War in the days of the founding fathers was even more leisurely an institution than the stage coach itself. It was speeded up in the nineteenth century by the tactics of Napoleon and the German general staff. But now with tanks, airplanes, and the atom bomb, war can become instantaneous and disaster can occur while Congress is assembling and debating. For death and destruction can now come to whole cities and possibly to nations in a matter of seconds. For these reasons, therefore, it would be unwise to insist that the President cannot use armed force in advance of formal congressional approval.

But there is one further point which should be faced. Congress was already in session when President Truman on June 26 ordered our naval and air forces to repulse the Communist attacks on South Korea. Why, then, it may be asked, should not the issue in the present instance have been submitted to Congress, which was then in session?

The answer is, I think, a double one. In the first place, in all such military operations success or failure may depend on a matter of hours and even the slightest delay may prove fatal. Secondly, our own congressional procedures are themselves subject to some delay. As events have shown, Congress has overwhelmingly approved of this action once it was taken. This is shown by the unanimous votes in favor of both the extension of the draft and of military aid. But there might well have been some minority opposition to the Korean policy had it been submitted to Congress in advance. In the House, it is true, debate could have been restricted within reasonable limits by action of the Rules Committee, but formal approval could still have been withheld if insisted upon by one Member until the actual engrossing of the bill a day later. This parliamentary device has been used in the past in the House to delay action and without mentioning any one person, it is very probable that it would have been used in the present case.

In the Senate, the right of unlimited debate might well have permitted one or two Senators to slow us up. It should be remembered, moreover, that when cloture is proposed, it cannot be voted upon for 2 days after the petition asking for it has been signed and submitted and that, thereafter each dissenter will be permitted to speak for an hour. In short, even though the recommendation of the Executive were later to be supported by an overwhelming vote of both Houses, so much valuable time might be lost in the interval that the military action authorized might come much too late to be effective.

III. SOME LEADING INSTANCES OF PRESIDENTIAL USE OF ARMED FORCE WITHOUT CONGRESSIONAL DECLARATION OF WAR AND THE REASONS THEREFOR

My colleague, the senior Senator from Illinois [Mr. LUCAS] has already mentioned the fact that our Armed Forces have been used by Executive direction—and I include in that the decisions of the military as well as at the direction of the President—against the forces and persons of other countries in over a hundred instances without any declaration of war. I shall merely mention a few of these incidents. (For a more complete list see Right To Protect Citizens in Foreign Countries by Landing Forces, State Department, 1933, 130 pages.)

First. Naval hostilities with France, 1798.

Second. Jefferson's expedition against the Barbary pirates, 1804.

Third. The Seminole War, 1817.

Fourth. Polk's occupation of disputed Texas-Mexican border territory 1846.

Fifth. Intervention in Samoa, 1840–41, 1888, 1899.

Sixth. Use of naval forces in Chile, 1891.

Seventh. Boxer Rebellion in China, 1900.

Eighth. Theodore Roosevelt's Intervention in Panama, 1903.

Ninth. Santo Domingo, 1904.

Tenth. Nicaragua, 1895, 1910, 1912, 1926.

Eleventh. Haiti, 1914.

Twelfth. Wilson's intervention at Vera Cruz, 1914.

Thirteenth. Santo Domingo, 1916.

Fourteenth. The Pursuit of Pancho Villa, 1916.

Fifteenth. Intervention in Russia—Archangel and Siberia, 1919.

These and a host of other instances indicate that Presidents have frequently used their power to use the Armed Forces of the United States against other countries without a prior declaration of war by Congress. In a few cases, the exercise of this power was probably unwise. In most cases, however, it was distinctly wise, benefiting both this country and the world as a whole.

There is indeed a good reason, besides the need for speed, why the President should have been permitted to use force in these cases without a formal declaration of war by Congress. That is because international situations frequently call for the retail use of force in localized situations which are not sufficiently serious to justify the wholesale and widespread use of force which a formal declaration of war would require.

In other words, it may be desirable to create a situation which is half-way between complete peace, or the absence of all force, and outright war marked by the exercise of tremendous force on a wholesale scale. This is most notably the case when big powers deal with small countries, and in situations where only a relatively temporary application of force is needed to restore order and to remove the threat of aggression. It would be below the dignity of the United States to declare war on a pigmy state, but it might be necessary to apply force in such a case in order to prevent attacks on American lives and property.

Such an intermediate method is also particularly useful when dealing with satellite or puppet states of another big power. Force can be used against a satellite without necessarily stirring up the opposing big power, as would almost certainly occur were war formally to be declared. It is made easier, therefore, for the other big power lurking in the background to save its face by pretending not to notice what is happening to its satellite, and therefore in effect to disavow it.

This is peculiarly appropriate to the present situation, since northern Korea is really under the direction of Communist Russia. This need for the use of force without the launching of war has been recognized in international law by the peculiar status given to the employment of naval forces, for the use of naval force is not regarded as an act of war in itself. It is this fact which accounts in part—and, of course, only in part—for the maintenance and use of the Marine Corps in times past in so-called minor incidents. As part of the Navy, they were in a sense State Department troops.

IV. WAS OUR SECURITY THREATENED?

But there is one step more which is required to make the argument conclusive. Up to the invasion of Korea, the use of armed force had been almost invariably ordered by our Presidents as a protection against immediate and direct attacks or threats to American lives and property. The vast majority of these cases could, therefore, be regarded as direct acts of defense to repulse direct attacks or as retaliatory measures for such aggression.

Our present intervention to check the provocatory invasion of South Korea by the North Korean Communists under

almost certain Russian direction is of a somewhat different kind. The damage to American mission schools and churches and American business houses, while real, was not in any sense the primary reason for our intervention. That should be recognized.

The basic reason for our intervention was the recognition by the President, and, I believe, by the Nation, of the fact that, if the Communists were successful in taking over southern Korea without our imposing any effective opposition, they could be depended upon to make similar invasions of other areas. This would notably be true of Burma, Indochina, Persia, Jugoslavia, Greece, Berlin, and west Germany. Let us make no mistake about it; our own ultimate safety would then have been threatened, for both the will to conquer of the Russian police state would have been whetted and many of our actual and potential allies, seeing others abandoned, would have begun to make terms with the Communists.

The disastrous experience of the 1930's in the efforts by the western democracies to appease Hitler by allowing him to take over, by aggression, country after country, and the bad record made by the Russians, particularly since 1945, are convincing proof that if we permit an aggressor to take over another country by force, we do not avert danger for ourselves, but, instead, bring it even closer. It means, instead, that if we adopt such a course, ultimately we must either yield our liberties or, if we defend them—as I hope and believe we would—that we would have to do so on terms far more disadvantageous to us than would originally have been the case. Peace is indivisible—as Mr. Litvinov once remarked, and as the Russians are now trying to forget.

The ultimate security of the United States depends upon convincing the Communist aggressors that we will resist aggression and will check it in its earliest stages. Vigorous and effective action when aggression begins prevents it from coming closer and rallies potential friends to one's cause. The best time to put out a fire is immediately after it starts, and before it can gain headway.

The decision of the President to aid South Korea was, therefore, both in the best interests of the United States and in no sense violated constitutional theory or practice. It was, instead, a sound measure to guard against an ultimate and indirect threat to the security of the United States, building upon the precedents previously established for dealing with immediate and direct threats.

V. USE OF OUR ARMED FORCES ALSO A POLICE ACTION UNDER THE UNITED NATIONS

Let us also realize that once the United Nations called upon its members to lend military aid, first to the United Nations—as in its proclamation of June 24—and then to Korea itself, in its resolution of June 26, in forcing the invaders back to the boundary line at the thirty-eighth parallel, any use of armed force by us was not an act of war, but, instead, merely the exercise of police power under international sanction. For war is the anarchic use of force by one nation against another for the purpose of imposing its own will, and in the absence of an international authorization. What we are really doing in Korea is to serve as a police force to carry out the decision of the United Nations that its member nations should help to repel the invasion of South Korea. We are, therefore, serving as agents of an international authority designed to protect the peace of the world, and not as anarchic or self-appointed users of force.

This is, indeed, probably the only manner in which an international police force could as a practical matter be created. An international police force would not be born in a vacuum. We can only hope that when the present emergency has been ended the free nations will learn this lesson and will establish a permanent international police force which can be used in just such situations as that which has arisen without throwing the main burden upon any one country.

Our actions are therefore as much in harmony with international law as were the President's in harmony with our own internal constitutional law.

VI. DANGERS OF FUTURE PRESIDENTIAL ACTION AND POSSIBLE RESTRAINTS

There are, of course, grave dangers which are created in thus giving to the President in his role as Commander in Chief discretionary powers to use our Armed Forces in advance of a declaration of war by Congress. A reckless and a militaristic President—which President Truman is not—could commit us to a program of aggression. Once embarked upon such a course of action, it would admittedly be difficult for Congress to order a withdrawal, since not only national pride and prestige would be involved, but also actual national safety as well.

What protection is there against such possible future abuses? As I see it, there are two: first, the sobering and terrible responsibilities of the office of President itself; and second, the fact that if such an act were to be grossly at variance with the national interest and against the public will, the President would render himself liable to impeachment at the hands of Congress. This is certainly something of a deterring influence.

I submit, moreover, that we of the Congress could make it easier for the President to consult us in the event of such a national emergency, and to share any attendant responsibility, by so revising our rules that congressional action in such matters can be speeded up. The House, for example, might waive for this range of subjects the formal engrossing of a bill, and the Senate could for such issues permit the vote on cloture to come more quickly after the submission of the petition. These are reforms which in my judgment we should effect, if in the future we are legitimately to claim more joint powers in such matters.

VII. SUMMARY

Summing up, Mr. President, I hope that this brief review of the issues will be convincing proof that the acts of the President in helping to protect southern Korea from Communist aggression were in thorough harmony with the legislative intent of the framers of the Constitution, in line with sound historical precedent, in conformity with international law and the rules of the United Nations, and in the best interests of our own ultimate security and the peace of the world.

Mr. LEHMAN. I suggest the absence of a quorum.

The clerk called the roll, and the following Senators answered to their names:

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| Aiken | Hayden | Magnuson |
| Anderson | Hendrickson | Martin |
| Benton | Hickenlooper | Millikin |
| Brewster | Hill | Morse |
| Bricker | Hoey | Mundt |
| Bridges | Holland | Murray |
| Butler | Humphrey | Myers |
| Cain | Hunt | O'Mahoney |
| Connally | Ives | Robertson |
| Cordon | Jenner | Russell |
| Darby | Johnson, Tex. | Saltonstall |
| Donnell | Kefauver | Schoeppel |
| Douglas | Kem | Smith, Maine |
| Dworshak | Kerr | Smith, N. J. |
| Eastland | Kilgore | Sparkman |
| Ecton | Knowland | Stennis |
| Ellender | Langer | Taft |
| Ferguson | Leahy | Thomas, Utah |
| Flanders | Lehman | Thye |
| Frear | Lodge | Tydings |
| Fulbright | Lucas | Watkins |
| George | McCarthy | Wherry |
| Gillette | McClellan | Williams |
| Graham | McFarland | Young |
| Green | McKellar | |
| Gurney | McMahon | |

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). A quorum is present.

CONSTRUCTION OF EKLUTNA PROJECT, ALASKA

Mr. O'MAHONEY. Mr. President, earlier in the session today, when the majority leader was outlining the program for the day, I asked him if it would be agreeable to move to the consideration of Calendar 1757, House bill 940, which proposes to authorize the construction of an electric-power project approximately 36 miles north of Anchorage, Alaska. I have discussed the matter with the leadership on both sides of the aisle, and it has been agreed that there would be no objection following the executive session to my making a motion to consider this measure, which has been reported by the Committee on Interior and Insular Affairs.

Mr. SALTONSTALL. Mr. President, may I inquire whether the bill has been reported unanimously by the committee?

Mr. O'MAHONEY. It has been reported unanimously by the committee, with the exception that the Senator from Oregon [Mr. CORDON], who was a member of the subcommittee which drafted the bill, afterward said he desired to offer an amendment. I have the amendment before me, and I shall be glad to offer it.

The PRESIDING OFFICER. The Chair will state that the Senate is now in legislative session.

Mr. O'MAHONEY. Then, Mr. President, I move that the Senate proceed to the consideration of Calendar 1757, House bill 940.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 940) to authorize construction of the Eklutna project, hydroelectric-generating plant and transmission facilities in connection therewith, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Wyoming that the Senate proceed to the consideration of the bill.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 940) which had been reported from the Committee on Interior and Insudar Affairs, with an amendment to strike out all after the enacting clause, and insert:

That in order to encourage and promote the economic development of the Territory of Alaska, to foster the establishment of essential industries in said Territory, and to further the self-sufficiency of national defense installations located therein, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to construct, operate, and maintain the Eklutna project in the vicinity of Anchorage, Alaska, consisting of a low dam at Lake Eklutna, a diversion tunnel and penstock, a power plant with an installed capacity of 30,000 kilowatts, transmission lines to Anchorage and other load centers, and related works (except recreational facilities) substantially in accordance with the plans and recommendations in the report adopted by the Secretary of the Interior on January 18, 1949, on file with the Committee on Public Lands of the House of Representatives and the Committee on Interior and Insular Affairs of the Senate at an estimated cost of $20,365,400. The capital investment properly allocable to each unit of said project, as determined by the Secretary, shall be amortized over a period of not to exceed 50 years from the time such unit is first put into service, and interest shall be charged on the unamortized balance of such capital investment during the same period at a rate of 2½ percent per annum and shall be covered into the Treasury of the United States to the credit of miscellaneous receipts. All minerals discovered in the course of constructing the Eklutna project are hereby reserved to the United States and may be sold or otherwise disposed of in such manner as may be prescribed by the Secretary, if he finds and so reports to the Congress in writing that the only economically practicable method of recovering the ore so reserved is to provide for the salvage of any minerals that may be contained in the excavated materials removed from the tunnel during the normal process of construction. The net proceeds from any such sale or other disposition shall be covered into the Treasury of the United States to the credit of miscellaneous receipts. The waters of Eklutna Lake and its tributaries which are required for the operation of the Eklutna project are hereby reserved for that purpose.

SEC. 2. Electric power and energy generated at the Eklutna project, except that portion required in the operation of such project, shall be disposed of in such a manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles and the maintenance of adequate electric service, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Such rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the project) of the cost of producing and transmitting the power and energy, including the amortization of the capital investment as provided in section 1 hereof. Preference in the sale of such power and energy shall be given to all public bodies and cooperatives on the same terms, and to Federal agencies. It shall be a condition of every contract made under this act for the sale of power and energy that the purchaser, if it be a purchaser for resale, will deliver power and energy to Federal agencies or facilities thereof within its transmission area at a reasonable charge for the use of its transmission facilities. All receipts from the transmission and sale of electric power and energy generated at said project shall be covered into the Treasury of the United States to the credit of miscellaneous receipts, save and except that the Treasury shall set up and maintain from the receipts for said project a continuing fund of $200,000 to the credit of the Secretary and subject to expenditure by him, to defray emergency expenses and to insure continuous operation.

SEC. 3. The Secretary is authorized to perform any and all acts and enter into such agreements as may be appropriate for the purpose of carrying the provisions of this act into full force and effect, including the acquisition of rights and property, and the Secretary, when an appropriation shall have been made for the commencement of construction or for operation and maintenance of said project, may, in connection with the construction or operation and maintenance of such project, enter into contracts for miscellaneous services for materials and supplies, as well as for construction, which may cover such periods of time as the Secretary may consider necessary but in which the liability of the United States shall be contingent upon appropriations being made therefor.

SEC. 4. Upon completion of amortization of the capital investment allocated to power, the Secretary is authorized and directed to report to the Congress upon the feasibility and desirability of transferring the Eklutna project to public ownership and control in Alaska.

SEC. 5. Wherever in this act authority is vested in, or functions are to be performed by, the Secretary, such authority may be exercised, and functions performed, through such agencies of the Department of the Interior as he may designate.

SEC. 6. There are authorized to be appropriated the sum of $20,365,400 for the construction of the Eklutna project and, in addition, such sums as may be necessary for the operation and maintenance of such project.

Mr. O'MAHONEY. Mr. President, I should like briefly to explain this measure. During the Eightieth Congress when the appropriation bill for the Department of the Interior was under consideration the Committee on Appropriations, recognizirig the great importance of development in the Territory of Alaska, provided an appropriation of $150,000 to enable the Bureau of Reclamation to make a study of electric-power development in the Territory. As a result of that appropriation, and an additional appropriation which was made in the first session of the Eighty-first Congress, the Bureau of Reclamation filed a report for the so-called Eklutna project, which is located about 37 miles north of the city of Anchorage, which is now the largest city in Alaska. In 1939 its population was about 3,500 or 3,600. According to the last report the population exceeds 36,000.

The city is now being served by a makeshift electrical-producing plant. A merchant vessel which went on the rocks has been salvaged and the engine section of the vessel is now producing what little electric power and electric energy which this growing community has available to it. The pending bill would authorize the construction of a 30,000-watt plant. It would take a year and a half or two years to build it. The authorization is for the expenditure of less than $20,500,000. The bill was thoroughly analyzed in the Committee on Interior and Insular Affairs, and a subcommittee on which the senior Senator from Oregon [Mr. CORDON] and the present speaker served drafted the bill. The bill came from the House with very much broader provisions in it than it now contains.

The House bill would have authorized broad studies and broad development, but the Senate committee has amended the bill to provide solely for the construction of this single project. The Senator from Oregon, after the bill had been reported to the Senate, suggested to me that he would like to propose a special amendment. I am entirely willing to accept the amendment, and on behalf of the Senator from Oregon I offer to the committee amendment the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. In the committee amendment on page 7, line 18, after the figures "$20,365,400", it is proposed to strike out "The capital investment properly allocable to each unit of said project, as determined by the Secretary, shall be amortized over a period of not to exceed 50 years from the time such unit is first put into service, and interest shall be charged on the unamortized balance of such capital investment during the same period at a rate of 2½ percent per annum and shall be covered into the Treasury of the United States to the credit of miscellaneous receipts." and insert "The capital investment properly allocable to each unit of said project, as determined by the Federal Power Commission, shall be amortized over a reasonable period of years, and interest shall be charged on the unamortized balance of the full capital investment in said project at a rate of 2½ percent per annum and shall be covered into the Treasury of the United States to the credit of miscellaneous receipts."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment.

Mr. TAFT. Mr. President, I understand that the project would be self-supporting on that basis.

Mr. O'MAHONEY. Yes.

Mr. TAFT. The money would be repaid to the Federal Government, will it not?

Mr. O'MAHONEY. It will be completely repaid. There is no nonreimbursable item in the measure.

Mr. SALTONSTALL. Was there any discussion at any time with reference to a private enterprise going to Alaska and building this hydroelectric plant?

Mr. O'MAHONEY. The subject may have been discussed, but there is no possibility of any such development. There is at Anchorage, a municipal plant, which is completely inadequate. This

bill provides that once the construction of the plant is completed, provision shall be made to turn it over to some form of local public ownership.

Mr. SALTONSTALL. As I understand, no private public utility enterprise ever offered to undertake this project.

Mr. O'MAHONEY. No. Without this authorization there will be no additional power there.

Mr. BUTLER. Mr. President, I was going to ask the senior Senator from Wyoming to invite the attention of the Members of the Senate to the particular clause in section 5 in which provision is made for eventual local public ownership. That was one of the phases of the bill in which I was particularly interested.

Mr. O'MAHONEY. The Senator referred to section 5. I believe it is section 4 of the bill which contains the provision to which he has reference. I should also point out, Mr. President, that this project will develop, as I stated, 30,000 kilowatts of power. There is a market for every single kilowatt that can be produced. The power will be used not only for municipality purposes, but for three rural electric cooperatives, for the Alaska Railroad, for the Elmendorf Air Field, and for Fort Richardson.

Mr. President, I trust that the bill may be passed.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 940) was read the third time and passed.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that there may be printed in the RECORD at this point the entire text of the committee report, together with the letters approving the proposed legislation from the Department of the Interior and from the then Director of the Budget.

There being no objection, the report and letters were ordered to be printed in the RECORD, as follows:

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 940) to authorize construction of the Eklutna project, hydroelectic generating plant and transmission facilities in connection therewith, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is to strike all after the enacting clause and insert in lieu thereof the following:

"That in order to encourage and promote the economic development of the Territory of Alaska, to foster the establishment of essential industries in said Territory, and to further the self-sufficiency of national defense installations located therein, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to construct, operate, and maintain the Eklutna project in the vicinity of Anchorage, Alaska, consisting of a low dam at Lake Eklutna, a diversion tunnel and penstock, a power plant with an installed capacity of 30,000 kilowatts, transmission lines to Anchorage and other load centers, and related works (except recreational facilities) substantially in accordance with the plans and recommendations in the report adopted by the Secretary of the Interior on January 18, 1949, on file with the Committee on Public Lands of the House of Representatives and the Committee on Interior and Insular Affairs of the Senate at an estimated cost of $20,365,400. The capital investment properly allocable to each unit of said project, as determined by the Secretary, shall be amortized over a period of not to exceed 50 years from the time such unit is first put into service, and interest shall be charged on the unamortized balance of such capital investment during the same period at a rate of 2½ percent per annum and shall be covered into the Treasury of the United States to the credit of miscellaneous receipts. All minerals discovered in the course of constructing the Eklutna project are hereby reserved to the United States and may be sold or otherwise disposed of in such manner as may be prescribed by the Secretary, if he finds and so reports to the Congress in writing that the only economically practicable method of recovering the ore so reserved is to provide for the salvage of any minerals that may be contained in the excavated materials removed from the tunnel during the normal process of construction. The net proceeds from any such sale or other disposition shall be covered into the Treasury of the United States to the credit of miscellaneous receipts. The waters of Eklutna Lake and its tributaries which are required for the operation of the Eklutna project are hereby reserved for that purpose.

"SEC. 2. Electric power and energy generated at the Eklutna project, except that portion required in the operation of such project, shall be disposed of in such a manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles and the maintenance of adequate electric service, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Such rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the project) of the cost of producing and transmitting the power and energy, including the amortization of the capital investment as provided in section 1 hereof. Preference in the sale of such power and energy shall be given to all public bodies and cooperatives on the same terms, and to Federal agencies. It shall be a condition of every contract made under this act for the sale of power and energy that the purchaser, if it be a purchaser for resale, will deliver power and energy to Federal agencies or facilities thereof within its transmission area at a reasonable charge for the use of its transmission facilities. All receipts from the transmission and sale of electric power and energy generated at said project shall be covered into the Treasury of the United States to the credit of miscellaneous receipts, save and except that the Treasury shall set up and maintain from the receipts for said project a continuing fund of $200,000 to the credit of the Secretary and subject to expenditure by him, to defray emergency expenses and to insure continuous operation.

"SEC. 3. The Secretary is authorized to perform any and all acts and enter into such agreements as may be appropriate for the purpose of carrying the provisions of this act into full force and effect, including the acquisition of rights and property, and the Secretary, when an appropriation shall have been made for the commencement of construction or for operation and maintenance of said project, may, in connection with the construction or operation and maintenance of such project, enter into contracts for miscellaneous services, for materials and supplies, as fell as for construction, which may cover such periods of time as the Secretary may consider necessary but in which the liability of the United States shall be contingent upon appropriations being made therefor.

"SEC. 4. Upon completion of amortization of the capital investment allocated to power, the Secretary is authorized and directed to report to the Congress upon the feasibility and desirability of transferring the Eklutna project to public ownership and control in Alaska.

"SEC. 5. Wherever in this act authority is vested in, or functions are to be performed by, the Secretary, such authority may be exercised, and functions performed, through such agencies of the Department of the Interior as he may designate.

"SEC. 6. There are authorized to be appropriated the sum of $20,365,400 for the construction of the Eklutna project, and, in addition, such sums as may be necessary for the operation and maintenance of such project."

EXPLANATION OF THE BILL

The purpose of this bill as amended is to authorize the construction of the Eklutna project near Anchorage, Alaska, substantially in accordance with the plans and recommendations in the project report adopted by the Secretary of the Interior.

As it passed the House of Representatives on July 13, 1949, H. R. 940 was broader in scope than the substitute bill recommended herewith by the Committee on Interior and Insular Affairs. In addition to specific authorization for the Eklutna project, the House bill provided basic authority for the Secretary of the Interior to undertake broad-scale hydroelectric development in Alaska. The Secretary was authorized to make findings of economic and engineering feasibility with respect to proposed hydroelectric projects and to submit a report of such findings to the President and the Congress. If the Congress approved such report, the project would be deemed authorized substantially in accordance with the plans and recommendations contained in the report. The original House bill also provided for investigations by the Secretary of the Interior relating to the development of natural resources in Alaska and set up a system for reporting the results of such investigations to the President, the Congress, and interested governmental agencies. For reasons discussed hereafter in this report, the authority for widespread hydroelectric development in Alaska and the provision for investigations in Alaska have been eliminated in the substitute bill offered by the Committee on Interior and Insular Affairs. With the exception of certain changes recommended by the Director of the Budget in his letters to the Secretary of the Interior (included hereafter as a part of this report), the substitute bill is substantially similar to those portions of the original bill that related wholly to the construction, operation, and maintenance of the Eklutna project.

In the course of hearings on this bill before the Committee on Interior and Insular Affairs, much evidence was received from witnesses and in communications indicating the real need for large-scale hydroelectric development in the Territory of Alaska. The committee recognizes that the security of Alaska is essential to the security of the United States, and that the development of its economy is necessary to the strengthening of the national economy. In order to fulfill a role in keeping with its potentialities in natural resources, Alaska must have more people, more railroads, more roads, more power, and more industries. Cheap and

abundant power will do much to bring about the kind of development Alaska needs. In addition to improving the economy of Alaska, power will directly further the self-sufficiency of the Territory's defense installations.

The committee desires to emphasize that its action in eliminating from the House bill the authority for the Secretary of the Interior to undertake broad-scale hydroelectric development in Alaska should not be interpreted to mean that the committee is not convinced of the importance of hydroelectric development in Alaska. Evidence in support of the need for such development has been substantial and impressive. The committee favors such development but is of the opinion that the need for immediate action on a broad front is not so compelling as to require the adoption and assignment at this time of a definite program before certain policy questions have been more fully considered. It is recognized that both the Department of the Interior through the Bureau of Reclamation and the Department of the Army through the Corps of Engineers have been authorized by the Congress to conduct investigations of natural resources and their development in Alaska. The Department of the Interior, as the executive department responsible for the administration of Territories, has a legitimate interest in the development of Alaska. Since the development of hydroelectric power and the strengthening of the local economy will contribute to the security of Alaska, the Department of the Army also has special interest in the program contemplated in this bill. The Department of the Interior has submitted specific plans and justification for a specific project, the Eklutna project, and the proposal has been submitted and considered with the understanding that it is not a reclamation project and that it will not have the effect of extending reclamation laws to Alaska. In the view of the committee the immediacy of the need for the Eklutna project near Anchorage is such as to warrant immediate approval for the construction of that particular project by the Secretary of the Interior. The approval of this project, to the exclusion of the program for more extensive hydroelectric development, is not intended to be prejudicial to the valid case for further development but arises from the feeling of the committee that the general authorization of such development should await the determination of problems of policy with respect to resource development and executive-agency reorganization now under active study. It was the feeling of the committee, however, that the construction of Eklutna should not be delayed.

Similarly, the elimination of the program of investigations relating to the development of natural resources in Alaska as authorized in the measure as it passed the House does not represent a decision by the committee on the policy questions involved. The committee has narrowed the scope of H. R. 940 to the single purpose of providing for the construction of the Eklutna project solely for the purpose of expediting action on a most essential development.

The situation existing in Anchorage area appears to be one of the best examples of the pressing need for improvements in Alaska. Anchorage is the largest city in Alaska with a population that has grown from 3,500 in 1939 to about 26,000 at the present time. A principal base of the Department of Defense is located there; the best-known agricultural area in Alaska is in this vicinity; the headquarters of the railroad serving the Fairbanks area is located there; and it is the sea and rail shipping center for the Kenai Peninsula and the Fairbanks area. The rapid growth of Anchorage seems likely to continue but the city must have relief for its municipally owned electric system. To a considerable extent the city must now depend on power generated from the salvaged engine section of a disabled merchant vessel tied up in the Anchorage Harbor. The city owns a small hydroelectric plant below Lake Eklutna having a capacity of 2,000 kilowatts, but the plant cannot be depended on to give continuous service.

The plans of the Department of the Interior to alleviate this condition call for the development of a 30,000-kilowatt hydroelectric plant at Eklutna Lake, 36 miles north of Anchorage, to supply electric service to the Matanuska Valley, three rural electric cooperatives the Alaska Railroad, Elmendorf Airfield, Fort Richardson, the city of Anchorage, and the town of Palmer, all of which are in critical need of additional power supply. Local agencies have unanimously agreed that this project is badly needed.

The committee draws particular attention to a new section (sec. 5) it has added to the bill to provide the possibility of eventual local public ownership and control of the project in Alaska after the capital investment has been amortized.

The Committee on Interior and Insular Affairs held hearings on this bill and received testimony from Gov. Ernest Gruening, of Alaska, and Delegate E. L. Bartlett. Representatives from the Department of the Interior also appeared and recommended passage of H. R. 940. There was received also a large number of communications urging favorable action on the bill.

### ANALYSIS OF THE BILL

Section 1 of H. R. 940, as amended by the Committee on Interior and Insular Affairs, confers upon the Secretary of the Interior the specific authority to construct, operate, and maintain the Eklutna project in the vicinity of Anchorage, Alaska. This project will consist of a low dam at Lake Eklutna, a diversion tunnel and penstock, a power plant with installed capacity of 30,000 kilowatts, transmission lines to Anchorage and other load centers, and related works. The capital investment allocable to each unit of the Eklutna project is to be amortized over a period of not to exceed 50 years from the time such unit is first put into service. Interest on the unamortized balance will be charged during the same period at the rate of 2½ percent. This section further provides for reservation to the United States of all minerals discovered in the course of constructing the project. Provision is made for the sale or disposal of such minerals by the Secretary of the Interior under stated circumstances. The waters of Eklutna Lake or its tributaries required for the operation of the project are also reserved to the United States.

The provisions of section 2 governing rates and the disposition of power and energy are substantially similar to the provisions of section 5 of the Flood Control Act of 1944.

Section 2 provides that rate schedules for the project shall be drawn with regard to the recovery of the cost of producing and transmitting the power and energy, including the amortization of the capital investment allocated to power. Such rates are subject to the approval of the Federal Power Commission. Federal agencies, public bodies, and cooperatives are given preference in the sale of power and energy from the project. This section of H. R. 940 requires that rates must be maintained at levels that insure efficient operation of the power system in addition to amortizing the capital investment and paying the interest charge. This results in the imposition of a more rigorous standard of solvency than is customarily followed by private utility financing, inasmuch as such financing usually contemplates that the capital investment will be retained in the business indefinitely instead of being amortized over a fixed period of years. Again following the pattern of section 5 of the Flood Control Act of 1944, all receipts from the transmission and sale of power and energy will be covered into the United States Treasury to the credit of miscellaneous receipts. However, the Treasury is authorized to set up and maintain from such receipts a continuing fund of $200,000 to defray emergency expenses.

Section 3 confers upon the Secretary of the Interior the general authority to perform such acts, enter into such agreements and acquire such property as may be appropriate. This section is the usual statutory provision common to this type of legislation.

Section 4 requires that upon completion of amortization of capital investment allocated to power, the Secretary will report to the Congress upon the feasibility and desirability of transferring the Eklutna project to public ownership and control in Alaska.

Section 5 contains the usual provision for the Secretary to delegate his authority and functions under the act.

Section 6 authorizes the appropriation of $20,365,400 for the construction of the Eklutna project and also such sums as may be necessary for operation and maintenance.

### PERTINENT COMMUNICATIONS

The following communications from the Secretary of the Interior and from the Director of the Budget are made a part of this report in order to furnish full and detailed information on the bill. It will be noted that some of the recommendations and discussion are no longer pertinent to the bill in view of the committee amendments.

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DEPARTMENT OF THE INTERIOR,
*Washington, D. C., August 11, 1949.*

Hon. JOSEPH C. O'MAHONEY,
*Chairman, Committee on Interior and Insular Affairs, United States Senate.*

MY DEAR SENATOR O'MAHONEY: This is in response to your request for a report on H. R. 940, a bill to authorize construction of the Eklutna project, hydroelectric generating plant and transmission facilities in connection therewith, and for other purposes, and to your request for a report on S. 1966, a bill to authorize public improvements in Alaska, and for other purposes.

We strongly favor the enactment of legislation to accomplish the purposes of H. R. 940 and S. 1966. We believe that these purposes could be best accomplished through legislation substantially along the lines of the proposed substitute amendment accompanying this report. The provisions of this amendment incorporate a number of perfecting changes recommended by the Bureau of the Budget or other interested parties. The substance of the amendment follows closely the provisions of H. R. 940, in the form in which the measure was passed by the House of Representatives on July 13. The text of sections 1, 4, 7, and 8 is identical with that of the corresponding sections of H. R. 940, while the text of sections 2, 3, 5, 6, and 9 has been revised in the particulars described in this report.

The principal difference between H. R. 940 and the accompanying proposed substitute amendment is that the former prescribes, in section 3, a 50-year amortization period and a 2½-percent interest rate for all power projects in Alaska, whereas the latter prescribes, in section 6, such a period and rate for the Eklutna project alone. It is our understanding that the Committee on Public Lands of the House of Representatitves included the 50-year amortization period and the 2½-percent interest rate in H. R. 940 in order to overcome proposals for a 52-year period and a 3-percent rate in the report on the Eklutna project which would be approved by H. R. 940, and that by inadvertence these provisions were inserted in a way that would make them applicable to all power projects which might subsequently be authorized for construction under H. R. 940. In view of the wide diversity of conditions that exist in Alaska, it would seem premature to establish at this time definite amortization pe-

riods and interest rates for all power projects to be undertaken there, particularly since the economics of these projects, other than the Eklutna project, have not yet been investigated in detail. Under the terms of H. R. 940, and also of the proposed substitute amendment, authorization of these future projects would require affirmative action by the Congress.

The other differences between H. R. 940 and the proposed substitute amendment consist of clarifications in the investigation and reporting procedures established by section 2 and 5, in the emergency fund provision of section 3, in some of the details of section 6, and in the appropriation authorization of section 9. Clerical errors in sections 2, 3, and 6 have also been corrected.

There is definite economic need for the enactment of legislation which would provide a framework for the investigation, and, where justified, the undertaking of hydroelectric power projects in Alaska. There is also a particularly urgent need for the immediate authorization of the Eklutna project, designed to serve the Anchorage area, on which a project report has been prepared by this Department and cleared by the Bureau of the Budget. Adoption of legislation providing such a framework and authorizing prompt construction of the Eklutna project would be an essential step in the development of Alaska's natural resources.

At the present time, Alaska has three basic industries based upon natural resources. They are: Fishing, mining, and the taking of furs. Another resource is timber, which has not been developed, but which if developed, may surpass the three existing industries. Large pulp and paper plants would be assured of a plentiful supply of raw materials, but they can be established only if there is also a plentiful supply of pure, fresh water and large quantities of cheap electric power. If these timber resources in Alaska are to be utilized, the construction of power projects is a necessary requirement.

The establishment of one industry carries with it the development of other industries which may be stimulated by the availability of power. Furthermore, the pulp and paper industry can economically utilize the secondary and dump power. The primary energy should be made available for the industries and the communities of the region in a manner consistent with the development and needs of the area. For example, the power may be utilized for the reduction of ores in bulk, thus diminishing the demands on scarce and expensive transportation facilities. For this reason also the power developments should be undertaken by the Government, assuring a widespread use, rather than by private persons, to meet their own needs.

Much exploratory and estimating work on worth-while hydro projects has been done in the past half century, but very little development has been achieved. Prior to 1900 the combined power installation in Alaska had a capacity of only 4,500 kilowatts, and at the present time the installed capacity is less than 40,000 kilowatts.

In those parts of Alaska where improvements are urgent there are now six publicly operated and five privately operated sources of power. In the construction of these power facilities provision was made to take care of immediate power needs without planning for future demands. As a result the power available is not sufficient to maintain adequate service at the present time.

For example: Anchorage is the largest city in Alaska. It has grown from a population of 3,500 in 1939 to approximately 26,000 at the present time. A principal base of the National Military Establishment is located there. The best known agricultural area in Alaska is in the vicinity. The headquarters of the Alaska Railroad is located at Anchorage; and it is the transportation and industrial center for the Kenai Peninsula and central Alaska. Its growth will continue unless it encounters too much frustration in the process of development. Thus far the city has been unable to secure sufficient funds to provide power facilities commensurate with its growth. During the past 4 years Anchorage has appealed, and is now appealing, to the Department of the Interior for relief for its municipally operated electric system. Its present power service has been made possible through the use of an engine section of a disabled merchant vessel. This section was salvaged and tied up in the Anchorage Harbor, and is now connected to the city's electric system. Anchorage now owns a hydroelectric plant below Lake Eklutna with a capacity of 2,000 kilowatts, but it cannot be depended upon to give continuous service. This project can be developed to an installed capacity of 30,000 kilowatts, capable of producing annually in excess of 140,000,000 kilowatt-hours. However, the city is unable to proceed with this development. Anchorage should have power in sufficient quantities to aid industry and permit the production of building materials and other products for use in Alaska.

This is but one illustration. Similar observations may be made about the other areas in Alaska, all leading to the conclusion that low-cost power is essential to meet the public needs and to enable industries to get power in order to develop the natural resources and to manufacture goods needed in Alaska. Without ample low-cost power, industrial development is under a handicap that will continue to slow down the development of Alaska. On the other hand, if power is made available, then most of the resources can be processed in Alaska, and gainful employment can be provided for the present and future population of this region.

The enactment of legislation along the lines of H. R. 940 or S. 1966 would provide a means for meeting the hydroelectric power needs of Alaska, and for undertaking related resource investigations. It should be emphasized, however, that neither the present text of these measures nor the proposed substitute amendment would extend the Federal reclamation laws to Alaska. The projects covered by these proposals would be projects for the provision of hydroelectric power, and not projects for the reclamation of lands. They would be constructed, maintained, and operated solely in accordance with the provisions of H. R. 940 or S. 1966, and not under the reclamation laws. They would be financed by appropriation from the general fund of the Treasury, and not through the reclamation fund. In short, the legislation here recommended would be entirely independent of the reclamation laws.

Attention is also invited to the fact that the National Military Establishment, now the Department of Defense, has recommended that consideration be given to the use of the Corps of Engineers to investigate and construct projects in Alaska for the development of hydroelectric power and related facilities, in view of the functions of that agency with respect to water resource investigations. The program of power investigations in Alaska now being conducted by this Department under prior statutory authorizations is already being coordinated with the work that the Corps of Engineers plans to undertake through the office established by it in Alaska on July 1, 1949, for water resource investigations. The proposed substitute amendment recommended in this report, moreover, would require that the plans for any project investigated under the contemplated legislation be submitted to the Department of Defense for review, prior to the transmittal of these plans to the Congress for its consideration. It is our belief that this requirement, in conjunction with the existing administrative procedures, would fully meet the point raised by the National Military Establishment.

In view of the considerations outlined in this report, we recommend the enactment at an early date of legislation embodying the principles of H. R. 940 and S. 1966, preferably in the form of the proposed substitute amendment submitted herewith.

The Bureau of the Budget has advised that there is no objection to the submission of such report on the foregoing matters as this Department may deem appropriate. Detailed comments on these matters appear in letters from the Bureau of the Budget dated June 30, July 1, and July 27, respectively. At the request of Director Pace, copies of these letters are enclosed for your consideration.

Sincerely yours,

J. A. KRUG,
*Secretary of the Interior.*

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LETTERS DATED JUNE 30, JULY 1 AND 27, 1949, FROM THE DIRECTOR OF THE BUDGET TO THE SECRETARY OF THE INTERIOR

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
*Washington, D. C., June 30, 1949.*

The honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: Receipt is acknowledged of your letter dated March 15, 1949, submitting your report on the Eklutna project, near Anchorage, Alaska, prepared under the authorization contained in the Interior Department Appropriation Act, 1949. You recommend approval of the project as described in the report, prepared under the supervision of the Commissioner of the Bureau of Reclamation, which provides for the construction of a hydroelectric power plant of 30,000 kilowatts installed capacity to meet urgent demands for power for domestic, municipal, and military uses at an estimated cost of $20,365,400, to be reimbursable, and for development of recreational facilities in connection with the project at an estimated cost of $1,215,500, to be nonreimbursable.

In support of these recommendations, the report and substantiating materials conclude that civilian and military requirements would absorb the full capacity and output of the proposed Eklutna power plant by 1954, that the project is highly desirable, urgently needed, has engineering and economic feasibility, and that a protected type power plant would be installed if required for military security. With respect to the recommendation that recreational facilities be developed at Eklutna Lake in connection with the project, it is noted that the usefulness of the existing lake for recreational purposes would not be increased by reason of construction and operation of the proposed dam and that no allocation of power costs to recreation benefits is proposed. The report anticipates the use of nonfirm power for irrigation pumping at the farms but proposes no allocation of power costs to such benefits until investigations of irrigation potentialities now in progress disclose the amount of energy required. It is also noted that there would be no physical connection of the project with the farms since water from Eklutna Lake would not be diverted for this use due to its colloidal content and distance from farm areas.

The comments of the Governor of Alaska, the commander in chief, Alaskan Command, the Department of Commerce and the Federal Power Commission are favorable to the report. The Federal Power Commission states that staff studies and other information available to the Commission indicate there will be a market for the power developed and that the project would be desirable to assist in meeting the power needs. The Department of the Army points to the Corps of Engineers responsibility for investigations and surveys of water development projects in Alaska and recommends that if the project is authorized for construction, it be built by the Corps of Engineers to avoid duplication of engineering and construction facilities now available through the corps in the Alaska area. While the Department of

Agriculture emphasizes the need for abundant, low-cost power for efficient agricultural production and to encourage settlement, it takes exception to the stress placed upon the potentialities of irrigation and expresses the belief that certain generalizations made or implied are not warranted by available evidence either in Alaska or in countries of similar conditions elsewhere. In objecting to a statement of the Bureau of Land Management of the Department of the Interior which appears on page 7 of the appendix, the Department of Agriculture points out that investigations of the physical and economic feasibility of potential supplemental irrigation are a function of, and are being conducted by, that Department through the Alaska Agricultural Experiment Station.

In response to my request for comments on the report, the Secretary of Defense advises that he must support all projects, the cumulative effect of which will tend to develop the civilian economy in Alaska to a point of self-sufficiency. He informs me that if the Eklutna project is undertaken it will probably provide a satisfactory source of standby power for requirements of the National Military Establishment in the Anchorage area and thus will operate to reduce the ultimate construction of generating plant to carry future loads, but not the current program. He concurs with the Secretary of the Army in recommending authorization for construction by the Corps of Engineers, if the project is approved.

It would appear that the power features of the proposed Eklutna project can be justified and that there would be a market for the power produced. However, there is serious doubt at this time that an irrigation program of the type envisioned in the reclamation laws is adaptable to the Alaskan situation. While there might be a place for irrigation on some farms, it will probably not be extensive, and will be of the individual farm well and pump type. This will, of course, require the use of power for pumping. Since no physical water connection would exist between Eklutna Lake and the farms and since direct service to irrigation would be only through the supply of power, construction of the project need not be delayed pending completion of current investigations of irrigation potentialities as a basis for development of a policy for improvement of agriculture in Alaska. Inasmuch as the usefulness of the existing lake for recreational purposes is not increased by construction of the dam, the proposed development of recreation facilities at Eklutna Lake does not appear to be essential to authorization of construction of the power project. It seems desirable, therefore, to postpone consideration of the proposed recreational development at Eklutna Lake, pending a broader study which would determine the recreation needs of the entire Anchorage area and the order of their relative urgency.

In view of the foregoing, and of the present status of development of Alaska, I believe the proposed Eklutna project should be considered as a power project without regard to irrigation or recreation potentialities, and that authorization of construction of the project under Federal reclamation laws, and development of recreational facilities in connection with the project would not be justified at this time.

Therefore, in accordance with Executive Order 9384, approved October 4, 1943, and the President's letter to you, dated July 2, 1946, you are advised that, while there would be no objection to the submission of the Eklutna report to Congress, or to authorization of construction of the hydroelectric project by the Department of the Interior, its authorization as an extension of the Federal reclamation laws and authorization of the development of recreational facilities at the project, would not be in accord with the program of the President at this time. It is requested that a copy of this letter accompany your submission of the report to Congress.

Sincerely yours,

FRANK PACE, Jr.,
*Director.*

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EXECUTIVE OFFICE OF THE
PRESIDENT,
BUREAU OF THE BUDGET,
*Washington, D. C., July 1, 1949.*

The honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: Reference is made to Assistant Secretary Warne's letter dated January 14, 1949, submitting a draft of a bill to authorize the construction by the Secretary of the Interior, through the Bureau of Reclamation, of the Eklutna project, Alaska. The proposed project near Anchorage would consist of a low dam at Eklutna Lake, a tunnel and penstock, a power plant with an installed capacity of 30,000 kilowatts, and transmission facilities. The proposed legislation would authorize the Secretary of the Interior to construct (through the Bureau of Reclamation) and to operate and maintain the Eklutna project and to develop recreational facilities in connection therewith.

The comments and views contained in my letter to you dated June 30, 1949 (copy attached), with respect to the Report on the Eklutna project, submitted by you on March 15, 1949, apply also to the proposed legislation. In addition, the Federal Power Commission and the National Military Establishment have made recommendations which seem to have particular merit and should be considered in connection with the proposed legislation. The Federal Power Commission recommends that the bill provide for rate review and cost allocation by the Federal Power Commission similar to the requirements under sections 5 (a), 6, and 7 of the Bonneville Project Act, sections 5 and 6 of the Fort Peck Act, and section 5 of the Flood Control Act of 1944. The National Military Establishment recommends that section 3 be amended specifically to include Federal agencies among those to receive preference in sale of power and that consideration be given to insertion of a provision requiring any purchaser of power for resale to agree to transmit energy to any Government installation in its transmission area for a reasonable transmission charge. It would not object to limiting such service to installations which have a maximum demand of 500 kilowatts or more.

Section 2 of the bill would reserve to the United States all minerals and veins or lodes thereof discovered in the course of investigating, constructing, and maintaining the the project, and would authorize the Secretary of Interior to sell or dispose of the same, the net proceeds to be credited to certain project costs. It is our understanding that under this provision any ores of commercial value would be mined by private operators under leases granted by the Government. We further understand that only to the extent made necessary by construction of the project, is it contemplated that such ores would be removed by the Department of Interior or its construction contractors, in which case the ore would be stockpiled for appropriate disposition. However, to apply the net proceeds from sale or disposition of the minerals to certain project costs, as proposed in the bill, would appear not only to present problems of administration but in the long run to add unnecessarily to the difficulties of developing a balanced economy in Alaska. The public interest would be better served if all such proceeds were credited to miscellaneous receipts in the Treasury of the United States rather than applying any part of them to project costs. Section 2 should be amended accordingly.

Under section 4 all receipts from transmission and sale of power and energy generated at the project would be covered into the Treasury of the United States to the credit of miscellaneous receipts except that the Treasury would be required to set up and maintain from such receipts a continuing fund of $250,000 to the credit of the Secretary of Interior. Such fund would be subject to expenditure by the Secretary to defray the operating expenses of generation and transmission of such power and energy, to defray emergency expenses, including expenses for such installations and connections as may be required to deliver power and energy from the transmission system, and to insure continuous operation. This provision is contrary to the existing Federal practice of defraying such operating expenses from funds appropriated by the Congress. Section 4 should be amended to limit the use of the continuing fund to emergency expenses required to insure continuous operation of the system generally as presently employed by the Bonneville Power Administration.

It is noted in the letter which it is proposed to use in transmitting the bill to the Congress, that the estimated cost of $20,365,400 for the power features of the project, with interest at 3 percent, is expected to be returned to the Government in 52 years. It is considered that the language in section 2 of the bill regarding the establishment of rate schedules should be so drawn as to require amortization of the capital investment, with interest, in a period not exceeding 50 years.

As explained in my letter of June 30, 1949, it appears desirable to postpone authorization for development of recreational facilities at Eklutna Lake. While there is no objection, in the preparation of reports on specific projects, to the consideration of recreational uses of reservoirs, and the facilities which would be appropriate for such uses, it would seem to me as a general policy that the provision of recreational facilities should be deferred until actual need is determined after a thorough study of recreational requirements in a given area. Such studies would reveal whether or not such facilities could be provided and managed by private enterprise under appropriate Federal supervision, or whether they should be provided at Federal expense and managed by the Government or through some other arrangement.

My attention has been directed to your letter of May 4, 1949, to the chairman of the Public Lands Committee, House of Representatives, published in the report of that committee dated June 20 (H. Rept. No. 956) on H. R. 940, to authorize public improvements in Alaska and for other purposes. The letter states that the proposed Eklutna project is strictly for the generation of power, is typical of projects to be covered by H. R. 940, and that H. R. 940 is entirely independent of the reclamation laws and would not extend the reclamation laws to Alaska. I agree with this view and believe that section 7 of the proposed legislation to authorize construction of the Eklutna project should be revised accordingly. Furthermore, the title and section 1 of the proposed bill should be amended to authorize construction by the Secretary without reference to the Bureau of Reclamation in accordance with the position taken in my letter of June 30 and since section 8 authorizes the Secretary to designate agencies of the Department to carry out the authority and functions under the bill.

You are accordingly advised that, if revised as outlined above, there would be no objection to the submission of the proposed legislation for the consideration of the Congress.

Sincerely yours,

FRANK PACE, Jr., *Director.*

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
*Washington, D. C., July 27, 1949.*

The honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This will acknowledge receipt of your letter of March 24, 1949, submitting your proposed report on H. R. 940, a bill to authorize public improvements in Alaska, and for other purposes. I note that your proposed report has already been made available to the House Committee on Public Lands and is reproduced in the committee's favorable report on the bill dated June 20, 1949 (H. Rept. No. 856).

There have been incorporated in H. R. 940, as it passed the House, all of the amendments proposed in your report. In addition, the bill now requires an affirmative authorization of projects by the Congress and an appropriation for construction of any project before expenditures for such construction may be made; gives preference in the sale of power and energy to all public bodies, including Federal agencies and cooperatives, on the same terms; requires resale power purchasers to transmit power and energy over their facilities to Federal agencies for a reasonable charge; and specifically authorizes construction of the proposed Eklutna project near Anchorage and an appropriation therefor. Subject to modifications which will be described later in this letter there would be no objection to enactment of H. R. 940 as it passed the House.

Because of the inclusion in the bill of the Eklutna project, the recommendations outlined in my letter of July 1 concerning your proposed Eklutna project bill should now be applied to the present form of H. R. 940. In this connection may I suggest that a copy of the July 1 letter be forwarded to the Senate Committee on Interior and Insular Affairs, together with this letter and the report which you transmit on H. R. 940.

There are a number of amendments to H. R. 940, in addition to those included by the House and those pertaining to Eklutna referred to in my July 1 letter, which should receive serious consideration by the Senate. They are as follows:

1. Section 2 of H. R. 940 should provide that, before reports and findings are submitted to the President and the Congress, a determination shall be made by the Secretary of Interior that construction or financing of the proposed project, by the Territory or by the public body or bodies which would be affected by the project, would not be feasible either with such Federal aid as at that time might be available for or in connection with a project of such nature, or in any other way. The Federal Works Administrator recommends this amendment to remove an area of possible conflict with H. R. 224, a bill to authorize a program of useful public works for the development of the Territory of Alaska.

2. Provision should be made for rate review and cost allocations by the Federal Power Commission as is now required by section 5 of the Flood Control Act of 1944 and the statutes pertaining to the Bonneville and Fort Peck projects. This suggestion also was made with respect to the Eklutna project bill in my July 1 letter.

3. In section 3, page 3, line 2, after the words "over a period of", insert the words "not to exceed."

4. In section 3, page 3, lines 14 and 15, strike out the words "compatible with the maintenance of adequate electric service" and substitute therefor the words "consistent with sound business principles." This change is necessary to make the bill conform directly with the language of the corresponding provision of section 5 of the Flood Control Act of 1944.

5. In section 3, page 4, lines 2 to 4, use of the proposed $200,000 continuing fund should be limited to emergency expenses required to insure continuous operation of the system generally, as presently employed by the Bonneville Power Administration.

6. Section 5, beginning at the top of page 5, should be reworded to make it clear that reports under section 2, as well as under section 5 shall be transmitted to all Federal departments or agencies interested in the development of the Territory of Alaska and that the Secretary, when transmitting reports under both sections 2 and 5, to the President and the Congress, shall include the views and recommendations of each interested Federal department or agency. Under such procedure there would be greater assurance of coordination of investigations and plans of Federal agencies for the development of Alaska, to meet both civil and military needs, and assistance would be rendered the President and the Congress in evaluation of each project proposal. The Secretary of Agriculture has suggested that the bill be further amended to provide for public hearings in the areas affected by the proposed project as an element of good procedure in connection with projects of the size and nature contemplated by the bill.

7. Section 6 should be amended to provide that all receipts from the sale of minerals discovered in connection with the project be credited to miscellaneous receipts in the Treasury, rather than applying any part of them to project costs as descibed in my July 1 letter relating to the Eklutna project bill.

In addition to the foregoing may I also ask you to call to the attention of the committee two other matters:

1. Enactment of H. R. 940, as noted in your letter of May 4, 1949, to the Chairman of the House Committee on Public Lands, is entirely independent of the reclamation laws and will not have the effect of extending those laws to Alaska. This conforms with the views expressed in my June 30 and July 1 letters on the Eklutna project.

2. The National Military Establishment recommends that consideration be given to the fact that establishment of the Department of the Interior as the agency to investigate and construct projects in Alaska for development of hydroelectric power and for development of related facilities would appear to be a duplication of the existing Corps of Engineers organization in Alaska engaged in investigation and construction of both military and civil projects.

Subject to your consideration of the points made in this letter and transmittal of a copy of it to the Senate committee, you are advised that there would be no objection to submission of such report to the committee as you deem appropriate.

Sincerely yours,

FRANK PACE, JR.,
*Director.*

## THE JOHNSTON INTERNATIONAL AND THE POINT 4 PROGRAM

Mr. KNOWLAND. Mr. President, there is a matter which I believe needs to be brought to the attention of the Senate, in the public interest. It was discussed in the Committee on Appropriations during the hearings on the foreign-aid appropriation bill. The discussion will be found on page 498 of the hearings, but I believe the case needs further documentation. This morning the committee allowed an amount for the point 4 program which was considerably reduced from what had been originally recommended. I believe this documentation may partly, at least, explain why that was done.

Mr. President, here is an example of an American enterprise, willing to do some practical point 4 work, which found all types of obstacles put in its way by various agencies of the Government. Perhaps the story should begin at the beginning, and I wish to read at this time a letter on the stationery of the Department of State, dated March 8, 1950, addressed to Mr. Harry Edell, vice president of Johnston International, which is a pipe and pump company of California. This is the letter:

DEPARTMENT OF STATE,
*Washington, March 8, 1950.*

Mr. HARRY EDELL,
*Vice President of Johnston International, Los Angeles, Calif.*

MY DEAR MR. EDELL: I have been asked to reply to your letter of February 8 addressed to the Secretary of State with enclosure covering the signing of a contract between Johnston International and the Taiwan Sugar Corp. to develop 125 water wells in Taiwan.

This is a gratifying example of private implementation of the President's plan to share American experience as a contribution to the economic development of other countries.

I am bringing your letter and enclosure to the attention of other officers in the Department of State who are directly concerned with the point 4 program, as well as to Mr. Thomas Hibben, Office of International Trade, Department of Commerce, and Mr. Arthur Goldschmidt, special assistant to the Secretary of the Interior. I can assure you that your courtesy and interest in making this information available are appreciated.

Sincerely yours,

S. P. DORSEY,
*Technical Cooperation Projects Staff.*

Mr. President, the next letter was written on June 15, addressed to me, by the Johnston Pump Co., which in the meantime had received considerable favorable discussion by the Department of State and other agencies. The letter reads as follows:

JOHNSTON PUMP CO.,
*Los Angeles, Calif., June 15, 1950.*

Mr. WILLIAM F. KNOWLAND,
*Senator of California,*
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR KNOWLAND: Early this month we approached the Bureau of Reclamation requesting that one of their geologists, Mr. William I. Gardner, be loaned to Johnston International for a period of 2 months, on leave without pay to assist us on a project which we have undertaken for the Chinese Nationalist Government on the island of Formosa.

Our purpose in requesting Mr. Gardner was because the Bureau of Reclamation had previously made available this same geologist to us for the months of October and November 1949. He made the original geological survey of this underground water development program and his assistance to us at this time would expedite our entire project.

Because of the existing situation in the Far East area, Bureau of Reclamation informed us that our request must be made to the Department of State. This was done through Messrs. Barnett and Magill, and later, after being turned down by them, we approached Mr. Livingston Merchant who likewise rejected our request.

Desiring to keep this matter within the channels at State, further discussed our request with Dean Rusk who commented that as far as State was concerned they would have no objections to Mr. Gardner being assigned to us, providing he was not considered a Government employee. State then

advised Reclamation of their decision in the matter, and in a further conversation which I had with Mr. T. W. Mermel I was informed that Reclamation could not release Mr. Gardner unless State so requested.

You will be interested to know that the following telegram, which we quote, was sent to the Bureau of Reclamation in Washington, D. C., on May 19 by the Sacramento region of Bureau of Reclamation:

"Johnston International, a subsidiary of the Ralph M. Parsons Co. and Johnston Pump Co. desires services of Gardner as consultant on ground water development to irrigate rice and sugar in Formosa. He made the original geological survey in October and November of last year. Services required for about 2 months starting June 15. Leave without pay satisfactory here.

"ACTING REGIONAL DIRECTOR LINDLEY."

We have now en route by ship to Formosa over a million dollars worth of equipment. The first group of a 32-man team of engineers has already left, and the remainder will leave by air on June 19. It is our desire to have Gardner leave at this time.

This underground water-development program will do much to prevent the entire economy of the island from collapsing. If this irrigation project is not under way by July 1, the farmers will refuse to plant in October and a 60 percent or more curtailment in sugar production will follow. This would not only be disastrous to the economy of the island, but would also affect the source of supply which General MacArthur sorely needs.

We would greatly appreciate having this matter brought to the attention of the proper people, and have the Department of State requested to secure a leave of absence from the Bureau of Reclamation for Mr. William I Gardner. We believe that this project is in the best interest to not only the Chinese Nationalist government, but the United States Government as well.

Very truly yours,

JOHNSTON INTERNATIONAL,
HILTON C. SMITH.

I also ask at this time to have printed as part of my remarks, immediately following the prior letter, a letter addressed to the Honorable Dean Rusk, Assistant Secretary of State, signed by Mr. Smith, which, generally, outlines the same story as that set forth in the letter to me.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 15, 1950.

Hon. DEAN RUSK,
*Assistant Secretary of State, Department of State, New State Building, Washington, D. C.*

DEAR MR. RUSK: As you know, we have been discussing informally with members of your staff the leave of absence of a geologist from the Bureau of Reclamation, Mr. William I. Gardner.

As a result of these discussions, the only alternative thus far reached is a decision of the State Department that they propose no objection to Mr. Gardner going to Formosa at this time providing he does so as a private citizen. After this information was conveyed to the Bureau of Reclamation they arbitrarily placed a rule against our request that they will not release this individual without the request of State. I am certain you can appreciate we are now placed in a complete vacuum.

Since it is the policy of Bureau of Reclamation to make available to industry certain of their personnel, it is difficult for us to understand why our request has been denied, particularly since the individual under discussion was loaned to us in October and November of last year on the preliminary study for this project.

It is believed we have made sufficient investigations ourselves which would assure the safety of not only our own personnel, but that of Mr. Gardner. If Mr. Gardner is granted leave of absence, he would be our responsibility.

We, therefore, in the best interests of both the Chinese Nationalist Government and United States Government hereby request that you ask the Bureau of Reclamation to release William I. Gardner, on leave of absence, for a period of 2 months, without pay, to Johnston International.

As previously explained, this underground water development program can do much to prevent an economic collapse of Formosa. Should this happen, we are arbitrarily permitting the Communists to take the island.

Yours very truly,

JOHNSTON INTERNATIONAL,
HILTON C. SMITH.

Mr. KNOWLAND. Mr. President, as a result of that correspondence, after having some telephone conversations with the Department of State, in which they indicated that the matter met with their approval, I addressed a letter to the Honorable Oscar L. Chapman, Secretary of the Interior, which letter was dated June 16, and reads as follows:

JUNE 16, 1950.

Hon. OSCAR L. CHAPMAN,
*Secretary of the Interior,*
*Washington, D. C.*

DEAR MR. SECRETARY: Attached is copy of a letter addressed to me by Mr. Hilton C. Smith, of Johnston International, with respect to a project they are constructing on the island of Formosa. In view of the present interest in the point 4 program, it seems that the request of Johnston International presents a means whereby this program could be immediately implemented without cost to the Government.

In view of the request by Johnston International for the loan of Mr. William I. Gardner, of the Bureau of Reclamation, I would appreciate your comment on the feasibility of granting Mr. Gardner a leave of absence of 2 months, without pay, so that he might be available to participate as an adviser to Johnston International.

Because of the shortness of time involved, I would appreciate your comments at the earliest practicable date.

Sincerely yours,

WILLIAM F. KNOWLAND.

On June 19 a letter was addressed to Mr. Smith by Mr. Robert W. Barnett, the officer in charge, Economic Office of China Affairs, of the State Department, reading as follows:

JUNE 19, 1950.

Mr. HILTON C. SMITH,
*Washington, D. C.*

DEAR MR. SMITH: We have informed the Bureau of Reclamation of the interest of the Department of State in the successful completion of your well-drilling operation on Formosa and have requested that they consider the release of Mr. William I. Gardner for private employment by you for the operation.

If Mr. Gardner desires to accept such employment, we assume that preliminary briefing and understanding of other arrangements, as worked out between the Department and Mr. Ralph M. Parsons, will be the same for him as for other members of your party.

Sincerely yours,

ROBERT W. BARNETT,
*Officer in Charge, Economic Office of China Affairs.*

Then, Mr. President, Government red tape really begins to operate. On June 22, not having had any favorable response to that letter, or the conversations they had had in a preliminary way, the Johnston Pump Co. addressed a letter to Mr. Michael W. Straus, Commissioner of Bureau of Reclamation, outlining the general situation as I have previously indicated. The letter reads:

JOHNSTON PUMP CO.,
*Los Angeles, Calif., June 22, 1950.*

Mr. MICHAEL W. STRAUS,
*Commissioner, Bureau of Reclamation, Department of Interior, Washington, D. C.*

DEAR MR. STRAUS: The Taiwan Sugar Corp., a subsidiary of the National Resources Commission of China, have engaged us under a contract to perform an underground water development program on the island of Formosa. Last year, in October and November, a Bureau of Reclamation employee, William I. Gardner, assisted us for a period of 2 months on the preliminary work for this project.

The major program is now about to start and over a million dollars worth of equipment is now on route by ship. Thirty-two of our own engineers have already left this country and are expected to arrive in Formosa shortly.

As you probably already know, Formosa depends largely upon its production of sugar for survival. It has already been estimated that unless this irrigation project, which we are just beginning, is under way in early July, 60 percent or more curtailment in sugar production is expected next year. If such a curtailment would come about, Formosa would collapse economically.

In order to expedite this program, we now ask that you release Mr. William I. Gardner on leave of absence for a two month period beginning on or about July 15, so that he may further assist Johnston International on this important undertaking.

With Mr. Gardner's previous experience and knowledge of this work, it is felt that our entire program would be expedited and it is for this reason that we specifically request his services.

This matter has been discussed with the Department of State, and a letter was directed to the Honorable Dean Rusk on June 15. A reply was received from the Department of State on June 19, indicating their interest in the successful completion of this well-drilling operation and further stating that they would inform the Bureau of Reclamation of their interest.

Your cooperation on this matter will be very much appreciated.

Yours very truly,

HILTON C. SMITH.

Mr. President, that was followed by a letter to me under date of June 23, which tells of what happened as a result of that conversation. The letter reads as follows:

This morning I met by appointment with Commissioner Michael W. Straus, Bureau of Reclamation, and formally presented our letter requesting that the Bureau of Reclamation release the above-named employee on leave of absence to assist us.

The Commissioner immediately informed me that he could give us an answer without writing a letter, and their answer was a straight rejection. This somewhat surprised me, since having received the letter from the Department of State, copy attached, it appeared that State Department was anxious to cooperate.

It now looks as though State and Reclamation have created a very convenient situation between them whereby Reclamation will only release Gardner upon official request to do so

from State. Commissioner Straus informed me that with information he now has, Department of State will not make such a request.

It is indeed unfortunate that these two agencies do not recognize the importance of the work ahead of us and are unwilling to cooperate in this request. It has always been a policy of Bureau of Reclamation to loan their engineers to industry upon request.

Any assistance which you may give us in this matter will be indeed appreciated.

Very truly yours,

JOHNSTON INTERNATIONAL,
By HILTON C. SMITH.

That was followed by a letter dated June 23, 1950, from the United States Department of the Interior, Bureau of Reclamation, signed by Commissioner Michael W. Straus, reading as follows:

MY DEAR MR. SMITH: This acknowledges your letter dated June 22 and your call at my office June 23 and our conversation regarding the availability of William I. Gardner for services to the Johnston Pump Co., and confirms that conversation.

With full recognition of the desires of the Johnston Pump Co. and with further recognition of the fact that the Department of State has made no request for the services as a Federal employee of Mr. Gardner for work in Formosa, although it interposes no objection to Mr. Gardner's employment by the Johnston international provided he accepts such employment as a private citizen and not as an official of Government, this letter informs you that Mr. Gardner's services as a Government employee of the United States Bureau of Reclamation either on active duty or on leave of absence are not now available.

On the other hand, it is entirely up to Mr. Gardner, the Johnston Pump Co., and, I presume, the State Department as to whether Mr. Gardner desires to accept your employment as a private citizen.

Sincerely yours,

MICHAEL W. STRAUS,
*Commissioner.*

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. Permit me to complete my present statement, and then I shall be glad to yield.

Mr. President, it seems to me that here is a clear indication of a lack of coordination and cooperation between several departments of the executive branch of the Government of the United States. Let us now review the situation.

The Republic of China is still recognized by the Government of the United States. The President of the United States on several occasions, even at the time he at first denied military aid to the Republic of China, said that it was the policy of the Government of the United States to continue economic aid. As a matter of fact, that economic aid has been continued under the ECA.

We now have a mission on the island of Formosa. Here is a request by an American firm which has been employed by the Government of China to go to Formosa and increase the water supply. For what purpose? So that the Formosans may increase the production of sugar and rice, thereby improve the economy of Formosa and make it possible for the island at least to reach an approximation of self-sufficiency. The surplus rice and the surplus food is not only needed to feed the people on the island, but their export surplus goes to Japan, where it is vitally needed in the economy of Japan to support the work General MacArthur is doing.

Despite the fact that the Department of State has said that in their judgment they believe that Mr. Gardner should be released, despite the fact that it is clearly within the practical confines of the point 4 program, despite all those conditions, the effort to have Mr. Gardner go to Formosa is meeting with all kinds of Government red tape and road blocks.

The story was so amazing when it was first presented to me that I could not believe it. I took the matter up before the Committee on Appropriations when Mr. Dean Rusk appeared. He promised to look into the matter, which he did. The record shows that the Department of State apparently has tried to cooperate in this matter.

Not having had an answer to the letter I wrote to Secretary Chapman I called him on the telephone. Apparently in the very busy office which he operates in the Department of the Interior the letter had not come to his personal attention, though it had been addressed to him by a Member of the Senate of the United States. As a matter of routine I suppose it had been sent to the Bureau of Reclamation. Mr. Secretary Chapman assured me that he would look into the matter. While in the normal pursuits of business they do not like to release their employees, he felt that there were undoubtedly extenuating circumstances in this case, and that he would take the matter up with Mr. Straus at an early date. In the meantime Mr. Straus not only once verbally, but in writing, has turned this matter down again.

This morning I again checked up on the situation, this now being the 5th of July, and time is passing. If Mr. Gardner's presence in Formosa is to be of any value he ought to go there now. With the utmost charity, Mr. President, I may say that there is not a business organization, large or small, in the United States that could not have solved this problem by two 5-cent telephone calls in 10 minutes time on a matter of this urgency and this importance and of this practical advantage. Yet we find that Government red tape, and lack of cooperation, and lack of coordination between two executive branches of the Government is jeopardizing the economy of Formosa, is jeopardizing the job ECA is trying to do on Formosa and is undermining the general development in that area of the world. I say, Mr. President, it is a shocking example of the lack of coordination that exists.

This country is facing serious times. I only hope and pray that if the chips get down we can operate the Federal Government in its executive branch more efficiently than we are operating it in this particular case.

I now yield to the Senator from Michigan.

Mr. FERGUSON. I wish to make an observation and ask a question. It is clear from what happened in this case that the project in question would be one normally considered to be part of the point 4 program; at least as to the survey and the advice with respect to the installation of the water system or wells in Formosa.

Mr. KNOWLAND. That is correct.

Mr. FERGUSON. The Nationalist Government or the Formosan Government has started, as a private project, using the Johnston Pump Co. to furnish personnel and the pumps for these particular wells.

Mr. KNOWLAND. That is correct. The Government of the Republic of Formosa, which is temporarily on the island, has asked that this be done.

Mr. FERGUSON. The United States Government now has in its employ an expert who could go to Formosa and give aid and advice for only a few months?

Mr. KNOWLAND. Two months is all the request covers.

Mr. FERGUSON. Does not this case indicate to the Senator from California that the idea behind the point 4 program is to build up bureaucracy so the Government may do this job alone? Here is one of the first cases we have had under the point 4 program where private enterprise has gone into Formosa and has undertaken to do a job. They find themselves in a position where they could use a Government expert, who could be taken off the Government payroll and employed at the company's own private expense, and used in what would be called a point 4 program project. Now the private company is unable to operate in this way because the Government seems to indicate, at least, that it is not interested in having private enterprise do this job, but is interested in having the Government do it with Government employees.

Mr. KNOWLAND. I would say that the facts, which have been fully documented in this case, would tend to bear out the Senator's theory about what was behind this matter, at least so far as some persons are concerned.

Mr. FERGUSON. This effort started in the early part of June, did it not?

Mr. KNOWLAND. That is correct.

Mr. FERGUSON. The United States placed a police force in Korea on the 27th day of June, and it was announced that we would at least see that there would be no attack on Formosa. Since the 27th of June, up until today, July 5, no change has occurred in regard to sending this man Gardner to Formosa under this private employment. Is that correct?

Mr. KNOWLAND. That is correct.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. SALTONSTALL. The Senator from Michigan really has brought out the point I wished to make. The Senator from California twice used the phrase "lack of coordination." It seems to me that it is a question of lack of coordination between the Government and private industry. The Senator from California voted for point 4, and so did I. I know that I did so with the idea that the bulk of point 4 would be accomplished by private industry, and that the idea was to stimulate private industry. However, in this instance, although there was an opportunity to do so for a very short

period of time, the Government has fallen down.

Mr. KNOWLAND. The Senator is absolutely correct in his statement that it not only demonstrates, as I previously pointed out, a lack of coordination and cooperation between two departments of the Federal Government, but it shows a woeful lack of cooperation and coordination with American private enterprise, which has a great deal to offer in connection with doing the practical work of the point 4 program.

Mr. President, although probably I shall wish to discuss this matter further and shall wish to keep the Senate fully advised in regard to developments, at this time I am not complaining of the action of the Department of State, because this morning I was informed by the Department of State that on Monday it had written another letter to the Department of the Interior, giving its approval of the release of Mr. Gardner.

Today my office has been trying to ascertain from the Department of the Interior what, if anything, it is going to do about this matter.

When I talked with the Secretary of the Interior, I was hopeful that at least at that level in the Department there was an understanding of the problem and its practical applications, and that he would do everything he could to cut the red tape. However, apparently in the Bureau of Reclamation, and particularly with Mr. Michael Straus, the Commissioner, there is not that willingness to cooperate on this program. I do not know for what reason Mr. Straus is turning down this matter; but I can say that certainly its effect is to sabotage a very useful, constructive program which may mean a great deal in the stabilization on the island of Formosa from an economic point of view, and which directly affects the national defense of the United States, because the President himself now has declared that it is not in our national interest to permit the island of Formosa to fall into unfriendly hands.

I hope that as a result of what has been done in the Appropriations Committee and as a result of what has been done in conversations we have had with the responsible persons, they will now cut the red tape and will demonstrate both to the Senate and to the country that the Federal Government is not so inefficient that it cannot funcion when the need arises.

## THE RAILROAD STRIKE

Mr. MORSE. Mr. President, I hold in my hand an editorial entitled "Not a 'War' Issue," appearing in yesterday's New York Times. I wish to read excerpts from the editorial, and then I shall comment thereon and shall ask to have the entire editorial printed as a part of my remarks.

I now read from the editorial:

### NOT A "WAR" ISSUE

Senator MORSE, of Oregon, called upon the President yesterday to take whatever steps may be necessary to end the railway switchmen's strike, because, said he, "We are at war." The union and the railroads, he declared "owe it to the American people to get together and negotiate a settlement."

We agree with Senator MORSE that the President should step into the picture without further delay.

Mr. President, I cannot resist saying that I am both complimented and surprised that the New York Times would ever print in an editorial a statement that it agrees on anything with the junior Senator from Oregon. However, I would not have anyone be misled by that sentence in the editorial in the New York Times, because the editorial goes on to add so many qualifications that its agreement with me soon vanishes into thin air.

I read further from the editorial:

But to invoke the argument that the Nation is at war is, in our opinion, to divert attention from the real issue. And it is merely confusing that issue needlessly to refer to this week-old tie-up of a large segment of the Nation's transportation system as if it were the joint and equal responsibility of the union and the carriers.

Of course, Mr. President, the record will speak for itself. Nowhere in my comments did I so much as imply that in the case of the present tie-up there was equal responsibility between the union and the carriers. I shall have more to say on that point in the course of my remarks.

What I wish to do by way of friendly service to the New York Times is to inform them a little about the Railway Labor Act of 1926, which is mentioned in the editorial, although apparently the editorial writer has never read that act, because had he read it he could not—being an honest journalist, as I am sure he is—have written an editorial quite so misleading as this particular editorial is.

I read further from the editorial:

There is only one issue here, and it does not in any way involve the question of whether the Nation is or is not legally, technically or substantively at war. It is the issue of whether the railroad unions are to be permitted to continue with impunity ignoring the clear-cut intent of the Railway Labor Act. More specifically, it is whether they are to continue to abide by the recommendations of Presidential fact-finding boards only when such recommendations meet with their approval, reserving to themselves the unilateral privilege of resorting to the strike on those occasions when they disapprove.

Let me say to the writer of this editorial in the New York Times that he is quite mistaken in the implications of the paragraph I have just read. There is nothing in the Railway Labor Act which supports the conclusion of this editorial writer that it was the intent of the framers of the act that the recommendations of an emergency board should automatically be accepted by the parties. I simply do not understand why the point of view seems to be so prevalent in the American press, that the Railway Labor Act in effect created a board of compulsory arbitration. It did just the opposite, Mr. President. I do not know why great, powerful newspapers, such as the New York Times, cannot be accurate about such things as these. They owe it to the public to be accurate.

The Railway Labor Act specifically provides that after an emergency board has handed down its recommendations, 30 days shall be allowed, known as a 30-day cooling-off period, for the parties to decide whether they want to accept the recommendations of the emergency board or resort to economic action. The language of the Railway Labor Act of 1926 makes as clear as the English language can make it, the fact that the recommendations of an emergency board are not binding upon the parties to a railway labor dispute, but that, following the recommendations of an emergency board, and after 30 days have elapsed, the parties shall be free, if they so desire, to resort to economic action.

Newspapermen should read the Railway Labor Act of 1926 before they undertake to advise the American public as to what it is all about. The attempt in recent years by a large segment of the American press to give the impression that every time the railway brotherhoods do not automatically accept the recommendations of an emergency board, they are then violating the spirit and intent of the Railway Labor Act, is giving the American people misinformation in regard to that act.

I know a little bit about this matter, Mr. President, because in 1941 I was chairman of an emergency board. It has been said—I do not say it, but it has been said in print by many—that probably at that time there occurred the most serious railway case that has confronted the country in a great many years. The brotherhoods did not accept the recommendations of my board. I said then I thought they were mistaken in not accepting the board's recommendations. But not once during that period of controversy with the brotherhoods—and I had a serious controversy with the brotherhoods—did the junior Senator from Oregon, then chairman of the emergency board, ever so much as intimate that the brotherhoods did not have the legal right to refuse to accept the board's recommendations if they wanted to, because the act clearly gives them that right.

It is not fair to give the American people the impression that in some way, somehow, railroad brotherhoods are acting illegally and wrongfully when they refuse to accept the recommendations of an emergency board. I happen to be a lawyer who believes that the law ought to be applied as it is written, and so long as the Railway Labor Act is phrased as it presently is, brotherhoods have a perfect right, if they desire, to refuse to accept a decision or recommendation of the emergency board.

I shall have something to say in a moment about the question of their wisdom in following the course of action they have been following in respect to emergency board reports, but I first want the record straight, as a matter of accuracy, and to correct what I think is the clear misinformation that is being spread by such editorials as that which appeared in the New York Times of yesterday. Let us go to another paragraph of this editorial:

There is no question here of the union and the railroads "getting together" on a settlement.

Incidentally, Mr. President, it is the only question. It is the only question that now confronts the railways and the brotherhoods, as I shall expand upon in a moment. But let me answer the point stated in the editorial. The question is one of the brotherhood's and the carriers getting together for a settlement. They both have a serious duty which they owe the American people to get together, and to get together quickly, for the reasons I shall shortly set forth.

But to return to the editorial:

This dispute went through the negotiation stage many months ago. It was ultimately carried to the court of last resort under the Railway Labor Act, a Presidential fact-finding body, and that body, after careful study of the issues, made specific recommendations for a settlement. The railroads accepted these recommendations. The unions, resorting to a pattern that has become all too familiar in recent years, denounced them, and resorted to the weapon of the strike.

I think I have made my point already in regard to the language of this editorial, which talks about the court of last resort, under the mistaken notion that an emergency board under the Railway Labor Act of 1926 is a court. It is no such thing at all. It merely happens to be an advisory board. That is all it is. It is merely an advisory board set up by the President to advise—interestingly enough—the President of the United States, the parties, and the public, as to how the board, after it has studied the case by way of fact finding, thinks a dispute should be settled. One cannot read into the Railway Labor Act any intention of compulsion on the part of the framers of the act when they wrote it. To the contrary, the act was so phrased as to eliminate any compulsion. The act was so written as to retain the freedom on the part of the parties to the disputes to resort to economic action if they so decided.

I wish my good friend from Missouri [Mr. DONNELL] were here on the floor. He is not here, because he is where, in a real sense, the junior Senator from Oregon probably should be. The Committee on Labor and Public Welfare is meeting just outside the Senate floor, and I am going there as quickly as I finish the speech I am now making. But I told the chairman that I wanted to make these remarks before I went to the committee meeting. The Senator from Missouri, a member of the committee, is there, and I am sure he will read my remarks and make such comments as he desires. I refer to this bill now because it is pertinent to what I want to say by way of concluding my own remarks. If we wanted the type of bill which apparently the writer of the New York Times editorial yesterday seems to think the 1926 Railway Labor Act is—which it is not—then we would pass the bill which has been introduced by the distinguished Senator from Missouri, which provides for compulsory arbitration and which would make the emergency boards, which are in fact advisory boards, courts of last resort.

I do not intend this afternoon to comment further on the Donnell bill, other than to say that the junior Senator from Oregon will oppose it as vigorously as he has ever opposed a piece of legislation in the Senate of the United States. I refuse to surrender the notion that American employers and American workers can sit down in keeping with the American principle of voluntaryism and settle major disputes around a collective bargaining table, assisted by good-faith mediation and voluntary arbitration. I am not going to support a bill that is going to establish a precedent whereby the Government of the United States, through a compulsory tribunal, may step in and start to take over, on a compulsory basis, the relationships between American employers and American workers. If we ever break down the sort of voluntaryism which should characterize those relationships, then we shall move directly toward an economic state controlled by the Government.

Although I know my good friend from Missouri completely disagrees with my conclusion in that respect, I shall oppose his bill, Mr. President, because I think it establishes a bad precedent of government control of a segment of the national economy, if we should start with the railroads we would move into the electric utilities, into the mines, into the merchant marine, and the junior Senator from Oregon fears that in too short a time the Government of the United States would be exercising compulsory control over those human and economic relationships between employers and workers which I do not want to have my Government exercise, because I cannot see the end of that road, and I fear that around the turn of that road is a state economy.

No Member of the Senate is more strongly opposed to a state economy than is the Senator from Missouri, the author of the Donnell bill; but I refuse to take second place to him in opposition to a state economy. I insist that I am equally opposed to it. I am so opposed to it, Mr. President, that I shall not go along with him on the basis of a compulsory-arbitration bill for the settlement of labor disputes in the railway industry, because, in my opinion, it will be only a precedent for the adoption of the same kind of Government compulsion in the case of a great many principal industries.

Feeling as I do about it, Mr. President, no one should be surprised that last week, before the Committee on Labor and Public Welfare, again on Monday, before the same committee, and twice on the floor of the Senate, the junior Senator from Oregon has tried to focus administration attention on the seriousness of the pending and existing railway strike. We are now confronted with a strike which really has brought to a standstill four railroad systems and has greatly hampered a fifth. We read each day in the newspapers of a threat of a much larger strike on July 15. This is July 5, and time is precious. Once again, as happens so many times in matters of this kind, time is of the essence.

I have read the report of the emergency board on the pending case. As I have said before, I do not agree with the conclusions of the brotherhoods in respect to the merits of that report. I think it is a good report, as reports go. When we take into account the pros and cons of the various demands made by the brotherhoods in that case, I think the emergency board did a good job. It is one thing, Mr. President, to be a party litigant at a counsel table before a Presidential emergency board, but it is quite a different thing to sit on the bench, so-called, as a member of such a board, charged, after all, with one overpowering obligation, namely, to make recommendations fair to the parties, but in the public interest. It is natural that the parties litigant to these great railway cases, because after all, they are moving from the standpoint of a party bias, cannot always see as clearly the public interest as can three or five men sitting upon a Presidential fact-finding board. I think the emergency board which handed down its decision in the pending case demonstrated very clearly, as I read the decision, that it carried out a devotion to high public duty and public interest. I think the Board did a good job in its report, and I regret that the brotherhoods did not accept its recommendations. If conditions were normal, I would not be heard to raise my voice as I am now raising it today and as I raised it last week, saying to the brotherhoods—and I repeat it today—"I do not think you have any right or any justification, in view of new conditions created by the international crisis, to resort to economic action now."

I mean that, Mr. President. I have worked a great many years in the field of labor relations. I know how difficult it is, after the die has been cast and certain action has been taken, to get either employers or unions to reverse that action, unless procedures are established—and I am using the words advisedly—which will make it possible to lead the parties into a reversal or at least a modification of a previously taken position. That is the job which confronts us in this railway emergency.

I, too, sometimes wish that I could press some magical button that would change human nature for at least a few hours, so that we could accomplish certain results which we consider to be desirable. But we cannot change human nature.

So, at this time, Mr. President, as he did last week, the junior Senator from Oregon, in view of the fact that the brotherhoods in the railway case, so far as their legal right is concerned, contrary to the implication of the New York Times editorial of yesterday, are acting within their prerogatives under the Railway Labor Act, suggests that the administration, at the White House level—and I think the situation is sufficiently serious so that the President himself should call upon the parties to sit down and work out a settlement in mediation—take such action as I have suggested. I believe the result could be accomplished within 5 hours.

Yes, Mr. President, I think we are at war. I said that last Monday. I have been subjected to some criticism because I dared to say it; but if we were

with the American troops in Korea this afternoon we would know we were at war. It does not mean much to an American boy who is fighting in Korea this afternoon to be told that it is only a police action or a minor dispute. As I said on Monday, when the American flag goes forward in combat let us be realists and face the fact that we are at war. How serious that war may become, only God himself knows. But I shall continue, Mr. President, to take the position that now is the time for quick action on the part of those of us who are on the home front, far away from where the bullets are flying, to get our economy into shape just as rapidly as we can in order to meet any greater emergency that may develop in the hours, to say nothing of the days, immediately ahead.

Because I know something about the railroad industry, Mr. President, I shall continue to say to the brotherhoods and the carriers: "Neither one of you, neither side to this dispute, can justify sitting on your haunches refusing to get together on a mediation settlement quickly, in a matter of hours, so that the four railroads may resume operations, the fifth railroad, which is practically paralyzed, may resume full operations, and it may be made clear to the farmers and the manufacturers of America that freight is going to move fast and freely from coast to coast in the light of the great emergency which confronts us."

Mr. President, I may say also that neither side is justified in taking the position that they will not even discuss changes in the report of the emergency board. To take such a position is to be anything but realistic with regard to this case. Therefore, once again I say to the President of the United States, as I said last Monday, "I believe a word from you, Mr. President, to the parties to the effect that it is your wish as Commander in Chief of the Armed Forces of the United States that there be removed at once from the American domestic scene this economic disruption, which threatens to do great damage to our efforts in the emergency which confronts us, would cause both parties to meet in a hotel behind closed doors, and to come forth with an agreement settling the issues." Such a course of action would not be in violation of the spirit and intent of the Railway Labor Act of 1926. It would be in complete harmony with the framework of the act of 1926, because not one word in the act is compulsory in nature, so far as the acceptance of a recommendation of an emergency board is concerned.

I have made these statements today in the hope that some word to that effect cause leaders within the carriers and leaders within the brotherhoods to come to their senses and perform what I think is their high patriotic duty to the American people. I have made these remarks because I thought they could be called to the attention of the President of the United States, that the President would agree that at least they contain some horse sense, and that he would call the parties on the telephone, if he did not want to send them a written message, and say to them, "As Commander in Chief, the time has come for you men to reach a settlement, and reach it now." Mr. President, I think it would work.

In closing, I want to say to my good friend from Missouri, who has now come on the floor, that I made some comments during his absence, in which I set forth some of my reasons for being opposed to his bill. I am sure that when he reads those comments he will find that I have not said anything which I had not said previously both in committee and on the floor of the Senate. Of course, I shall always be glad to hear his rebuttal to my comments. I know the Senator from Missouri never lacks for rebuttal. I am sure the record will speak for itself as to the spirit and intent which motivated the junior Senator from Oregon in making the suggestions he has made this afternoon. I have but one motivating desire, and that is to be helpful in seeing that the railway strike comes to an immediate end.

Mr. President, I ask unanimous consent to insert in the RECORD at this point an editorial entitled "Not a 'War' Issue," published in the New York Times on July 4, 1950.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NOT A "WAR" ISSUE

Senator MORSE, of Oregon, called upon the President yesterday to take whatever steps may be necessary to end the railway switchmen's strike, because, said he, "we are at war." The union and the railroads, he declared, "owe it to the American people to get together and negotiate a settlement."

We agree with Senator MORSE that the President should step into the picture without further delay. But to invoke the argument that the Nation is at war is, in our opinion, to divert attention from the real issue. And it is merely confusing that issue needlessly to refer to this week-old tie-up of a large segment of the Nation's transportation system as if it were the joint and equal responsibility of the union and the carriers.

There is only one issue here, and it does not in any way involve the question of whether the Nation is or is not legally, technically, or substantively "at war." It is the issue of whether the railroad unions are to be permitted to continue with impunity ignoring the clear-cut intent of the Railway Labor Act. More specifically, it is whether they are to continue to abide by the recommendations of Presidential fact-finding boards only when such recommendations meet with their approval, reserving to themselves the unilateral privilege of resorting to the strike on those occasions when they disapprove.

There is no question here of the union and the railroads "getting together" on a settlement. This dispute went through the negotiation stage many months ago. It was ultimately carried to the court of last resort under the Railway Labor Act, a Presidential fact-finding body, and that body, after careful study of the issues, made specific recommendations for a settlement. The railroads accepted these recommendations. The unions, resorting to a pattern that has become all too familiar in recent years, denounced them, and resorted to the weapon of the strike.

That this strike should be halted by Presidential action is, needless to say, the more urgent in view of the present international emergency. But such action should not take the form of an appeal to union patriotism, which has nothing to do with the case. The President should act out of a decent respect for his own fact-finding board, and because such action is imperative if we are to preserve the integrity of the Railway Labor Act itself. That law was enacted by Congress for the express purpose of avoiding the very kind of interruption with the Nation's economic life represented by the present strike of the railway switchmen.

Mr. McFARLAND and Mr. DONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McFARLAND. Does the Senator from Missouri wish me to yield for some purpose?

Mr. DONNELL. I desire to secure the floor in my own right in order to make certain remarks.

Mr. McFARLAND. I was going to suggest the absence of a quorum. If the Senator wishes me to yield for a few minutes, I am willing to do so.

Mr. DONNELL. It would be quite agreeable for me to proceed at this time if the Senator is willing that that be done.

Mr. McFARLAND. Very well.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DONNELL. Mr. President, I am very much interested in the portion of the remarks which I heard the Senator from Oregon make, which was the concluding portion, and I shall with much interest, I am sure, read the complete remarks which he has made today. I think it is of very great importance that the attention of the American people should be focused upon the present industrial situation of the railroads. I believe that to be particularly true because of the fact that there is now pending before the Committee on Labor and Public Welfare of the Senate a bill, S. 3463, which, if enacted into law, would make unlawful any strike or any lock-out by a carrier arising out of or in connection with a dispute falling within the purview of the Railway Labor Act.

Mr. President, I placed in the RECORD at an earlier hour today certain observations and items from newspapers of current date. I have subsequently noted other items, which I think should be placed in the RECORD at this time. One of them is an article appearing in the Topeka (Kans.) Capital, which is entitled "Rail Strike, Car Shortage Hurts Harvest—Western Farmers Pile Grain on Ground as Elevators Close."

The first three paragraphs read as follows:

A railroad strike and boxcar shortage, coupled with a diminishing supply of fuel, threatens to make the 1950 Kansas wheat harvest a hard one. Some elevators are already closed down because of lack of transportation to move wheat.

In western Kansas there probably will be a large quantity of wheat piled on the ground. Eastern Kansas farmers may have to leave it in the fields for want of storage space.

The switchmen's strike against the Rock Island Railroad has left some areas critically short of fuel to operate trucks and combines. An emergency office was set up in Hutchinson Monday with headquarters at the C. W. Kelly trucking firm. Kelly was appointed by Gov. Frank Carlson as coordinator to see that wheat harvest machinery fuel is supplied in areas affected by the strike.

I read further:

The Governor said the State corporation commission, Kansas highway patrol, and State commission of revenue and taxation would cooperate in moving fuel as fast as possible.

The article continues:

No hope for cars.

Boxcars are still in demand everywhere where wheat cutting is in progress. Elevator men say that railroad officials have given them no hope of any relief. One elevator man at Russell said about 50 cars a day are needed but "we are lucky if we get 5."

I should like to recall to the attention of the Senate the fact that a few days ago mention was made on the floor of the fact that in the current railway strike against the five railroads referred to in the concluding remarks of the Senator from Oregon there are idle a number of freight cars estimated by Mr. Loomis, of the Western Railroad Association, at a conservative figure in his judgment to be 60,000 cars, and in his opinion approaching more nearly 80,000 cars. That number of cars is idle because of the pendency of the railway strike against the five midwestern and western railroads.

Mr. President, I read a further headline from the Minneapolis Tribune of July 4, 1950. It illustrates the permeations of this strike, the fact that it has all kinds of effects upon the public welfare. It also emphasizes the fact, which needs so much emphasis, that in railway disputes there are not merely two parties at issue, not merely the employees on the one hand and the employers on the other, but that the great mass of the people of the country, somewhere between one hundred and forty and one hundred and fifty million people, are involved in railway strikes, perhaps not all of them in any one immediate strike of a local nature, or even of a sectional nature, but nevertheless the public is the third party in interest, and to my mind is the party whose interest is paramount and predominant.

The article in the Minneapolis Tribune of July 4, 1950, is entitled "Rail Strike Delays Mail Deliveries." I read the article, as follows:

A railroad switchmen's strike is causing inconvenience and in some cases 24-hour delays in mail deliveries, but all mail is moving. Axel F. Palmquist, upper Midwest director of postal transportation for the United States Postal Department, said Monday.

The strike is against five lines, three of which operate in this area, the Rock Island, Great Western, and Great Northern railroads. It began June 25. The Rock Island and Great Western have discontinued all service. The Great Northern has withdrawn some runs.

In Minneapolis mail handlers at the Great Northern depot are employed by the railroads. They are respecting picket lines of striking switchmen and not going to work.

"Consequently," said Palmquist, "the Postal Department is unable to clear any mail through the Great Northern depot, either outgoing or incoming."

As a result any mail for Minneapolis from trains from the West is sent on through the Great Northern depot to St. Paul and then carried back to Minneapolis by a fleet of mail trucks.

Mail from Minneapolis into Great Northern and Northern Pacific trains (Northern Pacific is not being struck but is affected because it uses the Great Northern depot) is trucked to the St. Paul Union Depot.

Mail handlers at the St. Paul Union Depot and the Milwaukee depot in Minneapolis are not railroad employees but are employed by the depot companies.

John R. Coan, Minneapolis postmaster, said the strike seriously interferes with the movement of parcel post. So far, first-class mail is going through O. K.

Palmquist said that in no case did the strike cause a delay of more than 24 hours. The 24-hour delay, he said, was caused in a few cases on lines such as the Northern Pacific from the Twin Cities to International Falls, Minn., where there is only one train a day.

Mr. President, I call attention again to the fact that the Northern Pacific is not on strike, yet the communities along the line of the Northern Pacific are thus directly affected.

I observe also in this newspaper, the Minneapolis Tribune of yesterday, another item, from Bismarck, N. Dak., as follows:

RAIL STRIKE HALTS NORTH DAKOTA HIGHWAY WORK

BISMARCK, N. DAK.—The Great Northern Railway switchmen's strike Monday halted highway construction projects in the northern half of North Dakota.

N. O. Jones, State highway commissioner, said one concrete surfacing job and several black-topping projects already have been or soon will be stopped by the lack of materials. A concrete surfacing job north of Grand Forks was halted last week by lack of cement and gravel.

Stoppage of oil shipments on the railroad has halted, or soon will, black-topping work near Dunseith, Grenora, Alamo, and north of Devils Lake.

Again, Mr. President, we see the ramifications of this strike. We are told it is a strike on merely a few railroads, just 5, and by only a few thousand switchmen, I believe 4,000. Yet the repercussions of the strike are widespread and varied in their content and effect.

The Minneapolis Tribune of July 2 contains a front-page story under the headline "Strike Enters Second Week—Losses Mount." I read from the article:

The strike of AFL switchmen against five western railroads enters its second week today with railroad-revenue and wage losses mounting.

The Switchmen's Union of North America called the strike last Sunday to enforce demands for 48 hours' pay for a 40-hour week.

Pickets continue to march in front of the Minneapolis and St. Paul depots served by the Great Northern, one of the struck lines. But the Switchmen's Union said they had found it not "unnecessary" to continue to picket the Twin Cities ticket offices.

Mr. President, I ask that the entire article from the Minneapolis Tribune, from which I have just been reading, be incorporated in the RECORD at this point.

The PRESIDING OFFICER (Mr. MURRAY in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STRIKE ENTERS SECOND WEEK; LOSSES MOUNT

The strike of AFL switchmen against five western railroads enters its second week today with railroad-revenue and wage losses mounting.

The Switchmen's Union of North America called the strike last Sunday to enforce demands for 48 hours' pay for a 40-hour week.

Pickets continued to march in front of the Minneapolis and St. Paul depots served by the Great Northern, one of the struck lines. But the Switchmen's Union said they had found it "unnecessary" to continue to picket the Twin Cities ticket offices.

Other struck lines include the Chicago Great Western; Rock Island; Denver & Rio Grande; and Western Pacific. All except Great Northern have ceased operations.

A Rock Island official estimated his road has lost more than $3,000,000 in gross operating revenues. A Great Western official said his line has lost more than half a million.

Great Northern and the two remaining lines made no estimates.

The Great Northern has discontinued nearly 100 freight and passenger-freight trains on main and secondary lines, but none in the last 48 hours.

Friday night the company closed operations in its locomotive and repair shops at St. Paul, Superior, Wis., St. Cloud, Minn., Great Falls, Mont., and Spokane, Wash.

The company released about 850 employees in St. Paul, 450 in Superior, 425 in St. Cloud, 200 in Great Falls, and 350 in Spokane.

Of its 28,000 employees all but about 3,500 now have been idled by the strike.

Mr. DONNELL. Mr. President, away out in Nevada, the Winnemucca Humboldt Star contains an interesting article published June 26 showing the widespread effect of the strike. The headline is, "Three Hundred Men Out of Work in Walk-Out Here."

I do not know how large a town Winnemucca is. The circulation of the newspaper is 2,386, yet we find in that community 300 men are out of work. I read from the article:

At least 300 men in road and yard crews have been thrown out of work in Winnemucca by the switchmen's strike which has crippled four of the West's railroads, it was reported here today.

All jobs were canceled on the Western Pacific when the strike began, and will remain canceled as long as the strike goes on.

Mr. President, I ask unanimous consent that this article be set forth in full at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THREE HUNDRED MEN OUT OF WORK IN WALK-OUT HERE

At least 300 men in road and yard crews have been thrown out of work in Winnemucca by the switchmen's strike which has crippled four of the West's railroads, it was reported here today.

All jobs were canceled on the Western Pacific when the strike began, and will remain canceled as long as the strike goes on.

A. W. Taylor, of Portola, trainmaster of the Portola to Elko section of the Western Pacific, said that a 24-hour shift of clerks and the yardmaster here will work until all employees have been laid off, then they themselves will stop work for the duration of the strike.

ALL WORK TO STOP

Nobody will be working here, including all section crews, after today, Taylor said.

The last train to go through Winnemucca was a fruit perishable freight at 1:15 a. m. Sunday.

COMPANIES WELL STOCKED

Most of those Winnemucca companies which receive shipments over Western Pacific normally have switched to truck transport. For example, the Associated, Shell,

and Standard Oil Co.'s said that they either already have or are about to begin receiving shipments by truck. The Winnemucca Propane Co., with plenty of gas on hand, will get a truck shipment of gas sometime next week if the strike lasts.

Most of the city's and county's food is shipped in by truck under normal conditions, so little hardship is expected in that respect.

Mr. DONNELL. Mr. President, I hold in my hand an article from the Davenport, Iowa, Times of June 28. Davenport of course is a sizable city. The circulation of this newspaper is 29,835. The article says:

AUSTIN CRABBS TO SUSPEND, DUE TO RAILROAD STRIKE—BUILDING MATERIALS COMPANY HIT BY SWITCHMEN'S TIE-UP

Closing of Austin Crabbs, Inc., manufacturers of concrete blocks, to take effect tonight, was announced today as the most serious local effect of the switchmen's strike.

The company announced that it did not have enough finished blocks on hand to complete projects already under way, and that inability to get materials forced the shutdown. About 30 employees will be affected. The plant is located at the foot of Farragut Street.

The W. G. Block Co., whose ready-mixed concrete figures in many building operations in this vicinity, reported they had enough supplies on hand to be able to operate on a normal basis for probably 3 weeks.

Meanwhile other industries in the quad-cities were continuing to feel the pinch caused by suspension of operations by Rock Island Lines, especially where firms do not have track access to the Milwaukee or Burlington lines.

Diversion of freight over the latter two roads can be effective only to a limited degree, it is pointed out, with the time when shipments will become increasingly delayed and congested approaching steadily nearer.

Mail service was continuing to operate under handicaps imposed by the strike, with consequent delays, and passenger service was dependent on busses and diversionary routes to points east and west of here.

Mr. President, I have in my hand an article from the Ottumwa (Iowa) Courier of June 28 entitled "Switchmen's Strike Creates Problem Here." I read from the article:

The railway switchmen's strike has created a major merchandise handling problem for a substantial section of Ottumwa's business and industry.

Mr. President, I ask unanimous consent that the article be set forth in full at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SWITCHMEN'S STRIKE CREATES PROBLEM HERE

The railway switchmen's strike has created a major merchandise, handling problem for a substantial section of Ottumwa's business and industry.

Due to the location of the Rock Island rail tracks here, that road, which was idled by the strike, normally handles approximately half the rail freight deliveries made in Ottumwa. And, because of the strike, other railroads in Ottumwa are not permitted to make deliveries on the Rock Island switching facilities.

For that reason double handling and trucking of merchandise to and from freight cars on other roads is necessary. The total amount of that extra trucking and double handling has not been exactly determined, but it will probably average a dozen freight cars a day.

The Iowa Southern Utilities Co., which burns between six and seven cars of coal a day, is one notable example. A part of the ISU coal is purchased from the Haines mines at Eldon and is normally shipped to Ottumwa by Rock Island freight. It is now being brought to Ottumwa by truck.

A number of wholesale and industrial firms are also located along the Rock Island tracks from the Haw Hardware Co. on the east to the Ottumwa Shipping Container Co. on the west.

Jack Raney, manager of the shipping container firm, said his company must haul its output five blocks to a Burlington loading track and truck incoming materials to the plant from the same point. This means double handling and cartage for eight carloads a week.

The Lagomarcino-Grupe Co. receives from one to five carloads of merchandise a day, according to Spencer Smith, who said this merchandise must now be trucked in from the Burlington or Milwaukee railroad tracks, a costly and tedious operation.

Both the Witwer and Western grocery companies and the J. W. Edgerly Co. have the same shipping and receiving problem, as do other merchandise firms and industrial concerns located on the Rock Island switch tracks.

Mr. DONNELL. Mr. President, away out on the West Coast the Tacoma News Tribune, of Tacoma, Wash., under date of June 28, contained an article with the headline "Rail strike delays mail." The article reads:

Uncle Sam is delivering his mail as rapidly as possible in view of the railway labor dispute, Tacoma's Acting Postmaster John P. McMonagle said Wednesday.

Mail from the east is being moved to the Seattle-Tacoma airport by Seattle postoffice truck and relayed from the airport to Tacoma by truck on Tacoma-to-airport runs. This causes some disruption of routine but no inconvenience to postal patrons in this city, McMonagle said.

Mail from the South, however, is a day late as far as home delivery is concerned. Prior to the rail dispute, the mail train arrived here at 5:30 a. m., which enabled the post office to sort the mail for home delivery the same day. At present, however, the train arrival time is 11 a. m., which makes home delivery the same day impossible.

Mr. President, I have an article from the Salt Lake City Telegram dated June 29, under the headline "Railroad strike idles 1,100 at Utah smelter."

Utah Smelter is not being struck so far as I know. The trouble is the result of the A. F. L. Switchmen's Union strike. The opening sentence of the article is as follows:

The A. F. L. switchmen's union strike, now in its fifth day, was being felt more in Utah as 1,100 men in the American Smelting & Refining Plant at Garfield were idled Thursday after the A. F. L. union posted a picket line.

Mr. President, I ask unanimous consent that the entire article may be set forth at length at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAILROAD STRIKE IDLES 1,100 AT UTAH SMELTER—PICKETING SWITCHMEN HALT OPERATION OF GARFIELD PLANT

The AFL switchmen's union strike, now in its fifth day, was being felt more in Utah as 1,100 men in the American Smelting & Refining Plant at Garfield were idled Thursday after the AFL union posted a picket line.

As the strike gets older it continues to have a damaging effect on Utah's economy. Trucks have had to be put into use by the Chicago Bridge & Iron Co., 550 West Seventeenth South, and the Eastern Iron & Metal Co., 634 South Fourth West, to keep materials moving in and out. The switching at these plants is done by the Denver & Rio Grande, one of the railroads in the country affected by the strike.

The two Salt Lake City firms, however, have not had to reduce working forces.

AFFECTS 13,000 RAILMEN

The strike, which also hit the Western Pacific Railroad Co., has idled 4,500 on that line in California, Nevada, and Utah. The Rio Grande has been forced to lay off employees until upward of 8,500 in Utah and Colorado have been idled.

F. K. Macaulay, secretary-treasurer of the AFL switchmen's local, said Thursday that picketing will continue at the Garfield plant as long as the strike continues. The Garfield workers are members of a CIO union and are respecting the picket lines.

"Our men will not picket any places served by the Rio Grande unless the firms attempt to do their own switching," said Mr. Macaulay.

The strike so far has not affected operations at the Kennecott Copper Corp., Utah division. Company officials said ore concentrates are being stockpiled at the Arthur and Magna mills. The company's new refinery has not been affected, either.

COULD TOUCH PLANT

A prolonged strike would eventually affect the Kennecott Copper operations.

Coal mines in Carbon and Emery Counties served by the D. & R. G. W. have closed, throwing more than 3,300 miners out of work. Another 1,000 men have been idled by the closing of the Horse Canyon mine and the Columbia Coal Co., both operated by the Geneva Steel Co.

The steel company's operations, which have not yet been materially affected by the strike, will have to curtail production if the walk-out continues another 2 weeks, officials said.

Mr. DONNELL. Mr. President, the Spokane Spokesman-Review of June 29, 1950, has this very graphic and interesting article:

SWITCHMEN'S STRIKE INJURES COMMUNITY

Step by step, the switchmen's strike against the Great Northern Railroad—

Remember, that is the railroad whose operations have been only partially affected. The other four railroads are closed down completely and have been for days. But the article refers to the railroad which is only partially affected. I continue to read.

Step by step, the switchmen's strike against the Great Northern Railroad is restricting the freight and passenger operations of the line. At present there is no suggestion of an agreement which would allow the resumption of a normal schedule.

This strike is resulting in unnecessary hardship, business losses, and inconvenience in this city. Nonstriking employees are being forced out of work—

I emphasize the words "nonstriking employees." Not men who are striking, but those who are not striking are being forced out of work, this newspaper article says, "by lay-offs." I continue to read.

Nonstriking employees are being forced out of work by lay-offs, freight shipments may be delayed. Business and pleasure travelers are confronted with unpredictable schedules.

Mr. President, anyone going to a depot to take a train, standing and waiting an indeterminate period, can well understand something of the inconvenience of those faced with the situation this sentence brings out.

Fortunately—

Says the article—

Spokane is not a one-railroad town.

I pause to say that many towns are, and those which are one-railroad towns are undoubtedly feeling the effect of the strike much more acutely than those which are served by more than one railroad.

As a result—

Says the article—

her travel and economy will not be brought to a standstill. However, the Great Northern's share of the city's operations is a healthy one. The interests of the local residents deprived of work—

"Deprived of work," Mr. President. We talk about liberty and freedom in Fourth of July speeches. We are all entitled to freedom to work, it seems to me, but people are being deprived of work because of the great strike which is in progress. I continue to read:

The interests of the local residents deprived of work and of the public at large demand that every effort be made to return the city's railroad operations to normal.

I call particular attention to this concluding paragraph of the article:

The entire Northwest is suffering from the deadlock. The gains sought through this strike policy would, if achieved, hardly compensate for the loss of good will and income which will certainly result if the present situation is allowed to continue.

Mr. President, I have in my hand also an editorial from the Troy (N. Y.) Record, of June 27, 1950, entitled "Another Rail Strike." I ask unanimous consent that the editorial may be set forth at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ANOTHER RAIL STRIKE

The strike of 4,000 switchmen on fire railroads is not calculated to arouse Nation-wide alarm. That is not because of the greater concern over foreign developments nor yet because the number of workers involved is small. Rather, the small-scale work stoppage is a careful maneuver to apply pressure on the public without arousing a widespread reaction. Nevertheless there is good reason for worry.

The switchmen's strike runs contrary to the prevailing trend in labor relations. The general unrest of a few months back has been replaced by a healthier condition. The General Motors 5-year contract that ended the auto workers' strike is only one sign of settled management-labor relations. In steel, in coal, and in other industries the tendency is to work out agreements to assure peace on the production front. The latest railroad strike, even though it is confined deliberately to five western and midwestern lines, runs against the current.

There is a reason, of course. Evidently the very machinery that has been held up in the past as a model and an example to the rest of American industry is today proving a hindrance rather than a help. Under the Railway Labor Act overnight stoppages are ruled out. The law provides for hearings and reviews in disputed cases. And there are stipulations that require emergency board hearings and reports by fact-finding boards. Even then a 30-day cooling-off period must elapse before a strike can be called.

At one time the legal machinery was credited with insuring the public against strikes of the type that paralyze the country, such as the John L. Lewis coal strikes. But the system was not foolproof; there were occasional breakdowns even in wartime. Now, however, it would seem that the Railway Labor Act is serving no useful purpose. For the country has experienced two railroad strikes in as many months.

On May 10 railroad traffic in 27 States was disrupted by a strike of firemen and enginemen against four lines. It is useless to argue that this or the current strike do not represent a national emergency. The last strike snarled traffic on roads carrying a third of the Nation's passenger traffic and a quarter of its freight. The switchmen's walkout is a blow to the agriculutural States struck at their busiest season. In both instances a national emergency threatens in the course of time. The important thing about these strikes, however, is the failure of once highly regarded adjustment processes to afford an escape valve to prevent the strike blowoff.

Last month's strike of the firemen sought to put a second fireman on Diesels. This month's strike of the switchmen seeks to win a 40-hour workweek with pay for 48 hours. In both cases the determinations of emergency boards and impartial fact finders is ignored. The impatience of railroad workers with the belated shift to 40 hours, a standard widely adopted long before the railroads last fall got around to the shorter week, is understandable. But the refusal of the switchmen to accept emergency board pay rates, which would give a wage increase of 18 cents an hour, fails to take into account the financial solvency of the lines. The workers cannot profit by pushing railroads into bankruptcy. In the two strikes this year the railroad unions are defying Government regulations and are taking the law into their own hands.

By forcing the issue the strikers are demonstrating that the Railway Labor Act is outmoded. They are proving that the carriers, regulated at every turn, are bound hand and foot by Government controls while the unions are free to follow an irresponsible course. The unions are building a case for revision of the law. The strikers are inviting legislation to outlaw work stoppages halting transportation.

Mr. DONNELL. Mr. President, I have an editorial from the Portland, Oreg., Journal, of the State from which my distinguished and close friend upon my left, the junior Senator from Oregon [Mr. MORSE] hails. It is dated June 23, 1950, and is entitled "Threats of Another Railroad Strike."

There is the threat—

This editorial was published 2 days before the present strike began.

There is the threat of a switchmen's strike on five railroads on June 25. There is the further threat—

Mr. President, this is the most ominous one—

There is the further threat of a strike of conductors and trainmen on July 15.

These are all threats. But the threats are significant.

Yes, Mr. President, they are significant. We had threats of the firemen's strike. It eventuated in a 6-day strike only a month or so ago. We had threats of the strike of the switchmen, and it eventuated in a strike which has already been under way since the 25th of last month; a week and some 3 days I believe it is, today. And, Mr. President, we have before us now the threat of strikes by three great labor organizations in the railway industry, and it is said that a strike will begin on the 15th day of July this year.

The article continues:

These are all threats. But the threats are significant. For years the railway act, with its provisions for fact-finding boards, cooling-off periods, and arbitration, has worked successfully. But during the last year or so, various railroad unions have challenged the act by rejecting the decisions of the fact-finding boards.

Mr. President, I pause to say that I agree with the junior Senator from Oregon in the remarks which I heard him make to the effect that under the Railway Labor Act the employees have the right to refuse to abide by the findings of the fact-finding boards. That is the defect in the act. The bill which I introduced on June 21, S. 3463, is designed to remedy that situation, namely to make it obligatory upon both parties to railway disputes to accept the findings of the Government's fact-finding boards, just as you and I as litigants are obliged to abide by decisions of the courts.

I continue to read from the editorial:

No decisions of any court are worth a tinker's damn unless they are binding and enforceable.

That is what my bill, S. 3463 proposes to do; to provide a decision that is binding and enforceable.

I continue to read the editorial:

If the court or the system is wrong, that can be changed, but there must be a system of settling disputes with justice to all, including—

I call attention to this statement—

including the public. If the railway unions or the railroad management are dissatisfied with the present system, it is their duty to suggest changes in the system—but it is wrong to sabotage it without suggestions for change.

One thing is certain—the Nation cannot stand cuts in vital railway service any more than an individual can stand a cut in vital arteries. There must be—

And I read this with emphasis—

There must be a workable system for settling disputes, and all involved must accept the decisions of boards or courts under that system.

That is what my bill proposes to provide—a workable system for settling the disputes, and all involved must accept the decision of the boards under that system.

Finally, Mr. President, I have in my hand an editorial from the Dallas News, of Dallas, Tex., of yesterday, July 4, 1950. The heading is "This question needs decision." It starts off by saying:

The striking AFL switchmen on five major railroads lend emphasis to a point. It happens to be the most important point in management-labor relations. It goes to the very heart of industrial and business solvency. It is simply this: Management cannot function if labor has the unrestricted power to dictate terms of employment.

Mr. President, I ask unanimous consent that the entire editorial be set forth at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THIS QUESTION NEEDS DECISION

The striking AFL switchmen on five major railroads lend emphasis to a point. It happens to be the most important point in management-labor relations. It goes to the very heart of industrial and business solvency. It is simply this: Management cannot function if labor has the unrestricted power to dictate terms of employment.

It is wearisome repetition to say that the ills of tyrannical management justified the rise of the labor union movement. It is equally wearisome repetition to say that, given similar tyrannical power, the ills of whip-hand unionism justify the imposition of sufficient restraint, now obviously lacking.

The striking switchmen can force a disastrous stoppage in five major rail lines. This is possible because there is no adequate replacement force to take over their jobs and carry on.

In this instance the switchmen reject the findings of a nonpartisan fact-finding board. There is no evidence that the board has been governed by any consideration except the economic facts at issue. The switchmen rest their case on the individual's economy, not on that of the enterprise in which he works. It is submitted that no business or industrial organization can survive unless it can operate economically and at a profit.

Organized labor's contention since, under the political direction of Mr. Roosevelt, our laws were perverted to build up the organized unions by force (not excluding physical violence) has been that the worker has a vested right in his job. But even if you accept that common sense must note that it is not a right paramount to the economic requirements of his employers. Not unless the business has been socialized.

In the case of the striking switchmen, their chief desire is to socialize rail transport under Government ownership, which would mean that union demands would be met at the expense of the taxpayer and economic management abandoned as a requisite.

In the railroad industry, management has long been whipsawed by the provisions of the Transportation Act. It is denied the right to fix the price for the commodity it sells and the rates of its hire for labor. And it might be added that for many years, except under the unusual conditions of war provided capacity business, railroading has been in one heck of an economic predicament.

But it is not railroading alone that is involved in the serious question of how business can be conducted efficiently and economically under our recognized system without being subjected to the crippling effect of periodic strikes. Granted that there must be a check against return to the tyranny of management, there must be an equally effective bar against the tyranny of labor. Sooner or later we are going to have to come to the obvious solution of making nonpartisan decisions binding.

Mr. DONNELL. Mr. President, I close with a reemphasis upon the fact that I am not here as counsel for the railroads, as an advocate for the railroads, or as an opponent of labor. I think we must have a fine, highly developed railway labor; we must have fine railway systems. But we must not forget that the railway systems, which derive their existence from the fact that the public has granted to the railroads the right to operate, and the employees, who subordinate to the right which the public has granted, find their employment in this line of business which is charged with the public interest, are not the sole parties in interest nor those whose interests are paramount and outstanding.

Mr. President, the bill to which I refer and which I trust will be early considered by the Senate Committee on Labor and Public Welfare, namely, Senate bill 3463, would, if enacted, remedy this situation, would continue the peaceful methods and voluntary methods which are prescribed in the Railway Labor Act, but would provide finally for a decision by a board, appointed by duly constituted authority, which would be obligatory and binding. The public, too, would find that its interests would not be overlooked, and that the litigants themselves, the employers and the employees, could not disrupt, as railway strikes are now doing, the vital industries and interests which today are so important to the national economy and welfare.

## LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, I should like to announce to the Senate that, after consultation with members of the Democratic policy committee, we have made the following decision with respect to the program of the Senate.

Mr. President, as all Members of the Senate know, today we entered into a unanimous-consent agreement to vote at 4 o'clock next Monday on the nomination of Mr. Pike as a member of the Atomic Energy Commission.

Heretofore I have given notice that on Monday we shall also move to have the Senate take up the FEPC bill, which has heretofore been debated and voted upon. In view of the fact that the debate upon that subject was rather extensive at the time when the motion to take up that bill was before us earlier in the session, I propose to file a petition of cloture on the same day the motion is made to take up the bill. Consequently, under the rule, we shall vote on Wednesday at 1 o'clock on the petition for cloture.

Mr. President, the Democratic Policy Committee also believes, after talking with the Senator from Arizona [Mr. HAYDEN] and other members of the Appropriations Committee, that it would be in the interest of expediting the business of the Senate if on Friday of this week the Appropriations Committee were given the full time to consider the various measures before it, without interruption upon the part of the Senate.

As everyone knows, tomorrow we shall take up the motion entered by the Senator from Arkansas [Mr. FULBRIGHT] to disapprove Reorganization Plan No. 24, dealing with the Reconstruction Finance Corporation. The vote on that motion is to be at 4 o'clock, with the time between 12 and 4 to be divided equally between the proponents and the opponents.

Mr. President, that is about the program.

If the Appropriations Committee can finish the appropriation bill this week, as the committee believes it can, we shall proceed to the consideration of the appropriation bill on Monday next. Mr. President, I urge the Appropriations Committee to work at night, if necessary, in order to report the appropriation bill to the Senate, because, as everyone knows, the entire governmental structure of the Nation is based upon appropriations, including the appropriations for the military forces, the appropriations for the personnel who conduct the affairs of the Government, and the appropriations for various other activities of the Nation. It is absolutely indispensable that the Senate proceed to the consideration of the appropriations bill as soon as possible, because there may be some differences between the House position and the Senate position, and consequently the conferees may have some trouble and may take some time before they can reach agreement.

However, barring unforeseen conditions in respect to the Korean situation, in the Far East, I am still working to the end that we may leave here around July 31. That is my hope, and I believe we can do it.

Following the appropriations bill, the Finance Committee, which is now considering the tax bill, probably will be in a position to report a bill on that subject within a week's time. So I hope that following the disposition of the appropriations bill, we can consider the tax bill. That will bring us fairly close to the end of the month.

Mr. MORSE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. MCFARLAND in the chair). Does the Senator from Illinois yield to the Senator from Oregon?

Mr. LUCAS. I yield.

Mr. MORSE. I think the Senator's intent is clear in the record, but perhaps I can be helpful to him by asking this question: Did not the Senator specifically state that it is his intention that the Appropriations Committee can meet on Friday, without a floor session; and is it the Senator's intention to move that the Senate take a recess from tomorrow until Monday?

Mr. LUCAS. That is correct.

## THE KOREAN CRISIS AND AMERICAN POLICY IN THE FAR EAST

Mr. SMITH of New Jersey. Mr. President, on Saturday, July 1, Mr. Bert Andrews, chief of the Washington bureau of the New York Herald Tribune, interviewed me, in a broadcast over the American Broadcasting Co. network, concerning the Korean crisis and American policy in the Far East.

In that interview Mr. Andrews asked me, as a Republican who has taken a keen interest in our foreign policies, especially in the Far East, for my views on what had happened, and particularly on the relation between recent events and the recommendations which some of us in the Republican Party have been urging for some time.

I indicated my complete support for the bold action taken by the President, and mentioned the names of a few of the Republicans with whom I had joined in urging similar steps as long ago as last December.

Mr. President, I think we Republicans have a right to be proud of the positive contributions we have been able to make to American foreign policy since the war. Sometimes these contributions have been made within the framework of bipartisanship, which I have always supported as the proper pattern for an all-American foreign policy. This was the case

especially with the United Nations, the ECA, the Atlantic Treaty, and the military-assistance program. At other times, unfortunately, the Republican Party has not been accepted in bipartisan councils; but even in these difficult circumstances we have been able to contribute ideas which finally bore fruit and helped our country maintain its place of leadership in the world.

I should like to pay tribute to those Republicans in Congress who have exercised their leadership over the years for a foreign policy which would represent and defend the interests of the whole American people in this troubled world. Our eminent colleague, the Senator from Michigan [Mr. VANDENBERG], is of course preeminent in this field, and has rendered services of historic importance. Former Senator John Foster Dulles, of New York, must be named for his joint contribution with the Senator from Michigan to the establishment of the United Nations and for his valuable services since that time.

I pay tribute also to my other Republican colleagues on the Foreign Relations Committee, the Senator from Wisconsin [Mr. WILEY], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Massachusetts [Mr. LODGE]. Let me add the names of the Republican Senators on the Armed Services Committee: The Senator from New Hampshire [Mr. BRIDGES], the Senator from South Dakota [Mr. GURNEY], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Oregon [Mr. MORSE], the Senator from California [Mr. KNOWLAND], and the Senator from Washington [Mr. CAIN].

On the House Foreign Affairs Committee, under the distinguished leadership of my good friend from New Jersey, Dr. CHARLES A. EATON, the able Republican Members have likewise made great contributions.

All these are Republicans, Mr. President, but first of all they are Americans. It is as Americans that they have exerted themselves to the end that we may have policies abroad worthy of our people and of our heritage of freedom.

Mr. President, I ask unanimous consent that the text of my interview with Mr. Andrews be printed in the body of the RECORD as a part of my remarks.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

Good evening. This is Bert Andrews, reporting by transcription from Washington.

With me tonight is a man who called the turn just 7 months ago today on many of the things that have happened in relation to the Korean situation in the past week. He is Senator H. ALEXANDER SMITH, Republican, of New Jersey, and he thinks it only fair that the Republicans should get their proper share of credit for the positive actions that have been taken in the far eastern situation by a Democratic administration.

I handled many of the stories concerning the views Senator SMITH voiced 7 months ago—and concerning the current situation. And so I'd like to give a little history before I ask Senator SMITH some questions. Last fall Senator SMITH made a trip to the Orient. He talked to General MacArthur among others. When Senator SMITH came back—on December 1, 1949—he held a press conference. He said it was unthinkable that Formosa should be lost to the Chinese Communists. He said the Nationalist Government should be supported to see that Formosa was not lost to the Communists. He said that if Formosa was taken by the Communists, it would give the Communists—Chinese and probably Russians, eventually—a base which could make things tough for the United States. He pointed out that from such a base the Communists might eventually push America's defense line back to the Marianas and the Hawaiian Islands—and that if the Marianas and the Hawaiian Islands were ever lost, we'd find that our defense line was the Pacific coast.

Well, it didn't take newspapermen long to figure out that Senator SMITH's views were shared by General MacArthur—as other Senators were to share them later. But those views ran counter at that time to the views of the State Department.

The State Department belittled all the fears expressed by Senator SMITH and some other Republican Senators who talked to General MacArthur at the same time. They also belittled the suggestion of former President Hoover and Senator TAFT, of Ohio, that the Navy be sent to protect Formosa from the Communists. The State Department said that Formosa was of no strategic importance to the United States and that the Department was prepared to see Formosa fall to the Communists. But now—with the Communist-backed invasion of South Korea—the picture has changed. The Truman administration has decided not only that South Korea must be saved but also that the American Navy will protect Formosa to see that the Chinese Communists don't get their hands on Formosa.

Suppose we begin with this, Senator SMITH. I'd like to know how you feel about the action President Truman has taken regarding Korea.

Senator SMITH. Of course, Mr. Andrews, in light of the views I expressed in my report to the Foreign Relations Committee and the Senate after my trip to the Far East last fall, I am entirely in accord with the position taken by the President. I think his statement was a memorable one—one that will go down in history.

Mr. ANDREWS. Why do you place that appraisal on it, Senator SMITH?

Senator SMITH. It has been my feeling, ever since I made my own study of the situation, that we needed to take a determined stand in the Far East and say to the Communists: "So far—and no farther." In the difficulties that we are facing as to where we should call a halt to the insidious movement that was covering all of Asia, the Korean incident came as a God-given opportunity to make our stand clear. We did that first by taking the episode to the United Nations and challenging the Security Council to take notice of, and act upon, this obvious aggression.

Mr. ANDREWS. I take it that you are entirely in sympathy with what the United Nations did, and that you believe it was done in complete accord with the Charter.

Senator SMITH. I certainly am in sympathy with their action. You will remember, Mr. Andrews, that from the close of the Japanese war the independence of Korea has been one of the big issues. We have been continuously embarrassed by the division between North Korea and South Korea, and by Russia's unwillingness to take any steps with us or within the United Nations to bring about the unification of the entire country. This was the reason for the setting up of the South Korean Republic and the appointment of a special United Nations Commission.

Mr. ANDREWS. Well, on that point, Senator SMITH, some critics of President Truman's action suggest that the United States is really acting unilaterally. Do you agree with that?

Senator SMITH. I do not agree with that because it seems very clear to me that after the United Nations had acted so promptly it was incumbent on us and the other members of the United Nations to see to it that the orders of the United Nations were carried out. I will remind you that the orders briefly stated were: One, that hostilities should cease immediately; two, that the North Koreans should withdraw to the north of the thirty-eighth parallel; and three, that all members of the UN should give every assistance in carrying out these orders. After this resolution was passed by the Security Council on Sunday, June 25, the United Nations Commission—on the ground in Korea—reported that the North Koreans had paid no attention to it. This presented a clear-cut issue as to whether the members of the United Nations would support with force, if necessary, what amounted to an order from the United Nations in the matter.

Mr. ANDREWS. Then you concur, Senator SMITH, with President Truman's statement that this is a police action under the United Nations—and not war waged by the United States.

Senator SMITH. I do. I think it was our clear duty to take this action promptly with the hope and expectation that other members of the United Nations would join us—if the United Nations itself was to survive. The survival of the United Nations as an effective force for world peace is definitely involved in this crisis. I am gratified to note, from the latest reports, that Great Britain and the Netherlands have indicated their support of our move. So have Australia, New Zealand, and India. I was especially gratified to note that India has joined with us, because at first there seemed to be some hesitation. India, as you know, has tremendous influence in the Far East.

Mr. ANDREWS. As I said in my introduction, Senator SMITH, you were in on the beginning of much of this after your trip to the Far East. You made specific recommendations then. They weren't followed by the Truman administration. But now the administration is doing just about what you recommended. I think some people must be surprised that you haven't come out with some ringing I told you so's.

Senator SMITH. Well, Mr. Andrews, I think I can say that I am not an I-told-you-so person. I went to the Far East last fall from a deep conviction of urgency. I came back with a few clear-cut convictions, which I reported. I have been working earnestly on those convictions ever since with the hope that the developing circumstances and the continuing study by the State Department of all these issues would bring them to see that a change of policy was necessary. Now that that change of policy has been brought about—and I feel that we are headed in the right direction—my feeling is one of eagerness to cooperate and do all that I can to unite the American people behind this brave stand so that together we can see the matter through.

Mr. ANDREWS. But I would like to press on this point. Do you regard this as a decision made entirely by the Democratic administration? Or do you think Republicans deserve some of the credit?

Senator SMITH. Of course, Mr. Andrews, in light of the fact that over 6 months ago many of my Republican colleagues were urging the very kind of action we are now taking, I feel that the Republican Party is certainly entitled to be recognized as having had an active part in this whole development.

Mr. ANDREWS. Whom would you single out for special mention?

Senator SMITH. To begin with, former President Hoover expressed himself very strongly on the far eastern situation. He urged then that the Navy be sent to protect Formosa from possible invasion. Now the Navy has been sent by President Truman.

Mr. ANDREWS. What others would you name?

Senator SMITH. Senator TAFT made the same recommendation that former President Hoover did.

Mr. ANDREWS. And I seem to remember that President Truman brushed Senator TAFT's suggestion aside with the statement that he didn't know the Senator was a military expert. Well, Senator TAFT looks like something of an expert now.

Senator SMITH. And besides Mr. Hoover and Mr. Taft, I think I should mention Congressman Judd of Minnesota in the House and Senator Knowland of California. Congressman JUDD had been a medical missionary in China and all the way through the controversy he has seemed to have a clear conception of the Chinese psychology and the mistakes that we were making. Senator KNOWLAND took the same trip that I did, following me, last fall, and he came back with virtually the same report and the same recommendations with regard to our taking a definite stand against the Communist movement in the Far East. In addition to them, Senator Ferguson also stopped in the Far East on his trip around the world, and he came to the same conclusion. In addition to those who were in the Far East, I'd like to mention Senator BRIDGES of New Hampshire and Senator BREWSTER of Maine. In the House there is Congressman JOHN LODGE, who has just been nominated for Governor of Connecticut.

Mr. ANDREWS. Well, are these Republicans—or the Republican Party—doing anything to make it clear in the public mind that they had such ideas? You know the public mind is a forgetful one, and it may not be remembered what was done or advocated 6 months ago.

Senator SMITH. I think you will find, Mr. Andrews, that the Republican Party will study the record carefully and will present it to the people of the United States. I think the record is one that the Republicans can be proud of.

Mr. ANDREWS. I assume from that, Senator SMITH, that that record will be spread before the voters this November.

Senator SMITH. Of course it will, Mr. Andrews, but I want to emphasize this point. We Republicans to a man—while we have been critical of the Far Eastern policy in the past—are united now with the administration. All of us as loyal Americans want to see the matter through to a successful conclusion. The peace of the world is at stake. And American leadership—I am happy to say—is once more asserting itself to bring that peace about through international action.

Mr. ANDREWS. Going back to your trip to the Far East—and the trip the other Senators took—I take it that you believe this desire for firmness has long been held by General MacArthur, whom you saw.

Senator SMITH. Mr. Andrews, I am very glad you asked me that question. There is no doubt about General MacArthur's convictions on these issues. And I am happy to take this occasion to express my great gratification over the fact that General MacArthur has been put in charge of our operations, including the movement of the seventh fleet to protect Formosa.

Mr. ANDREWS. Thank you very much, Senator SMITH.

## NORWAY SUPPORTS UNITED NATIONS ACTION IN KOREA

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement by Norway's permanent delegate to the United Nations, Ambassador Arne Sunde, in support of UN action in Korea. This statement was made at the meeting of the Security Council of the United Nation on June 22. It demonstrates the basic loyalty of the people of Norway to the United Nations and the concern which Norway has for freedom for all peoples all over the world.

This statement appeared in the July 1, 1950, issue of "News of Norway," published by the Norway Information Service.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NORWAY SUPPORTS UN ACTION IN KOREA

At the meeting of the Security Council of the United Nations on Tuesday, June 27, debating the question of action in Korea, the policy of the Norwegian Government was declared by Norway's permanent delegate to the United Nations, Ambassador Arne Sunde, in the following statement:

"Since the last meeting of the Security Council the Norwegian Delegation has carefully studied all the available reports about the hostilities which have now been in progress in Korea for more than 2 days. We have scrutinized the reports from the United Nations on Korea, and we have conferred with the Norwegian Government in order to get all additional information available to it.

"We have also listened with keen attention to the statements which have been made in this council by the representative of the Republic of Korea and our fellow delegates. In our opinion there can no longer be an iota of doubt in regard to the nature of the hostilities now in progress.

"We are faced at this critical juncture in the life of the United Nations organization with an unprovoked attack by the North Korean forces against the Government of the Republic of Korea, which was brought into being through the action of the United Nations General Assembly. The invasion staged with tanks, artillery and planes is clearly a carefully planned all-out effort aiming at the destruction of the Government of the Republic of Korea and the subjugation of its people.

"It is now also perfectly clear that the perpetrators of this brutal attack are unwilling to pay the slightest heed to the resolution which was passed by this Council 2 days ago. The attack is being pressed with relentless fury and the loss of human lives is mounting by the hour. Under these circumstances it seems to me that we would fail in our most sacred duty under the United Nations Charter if we were to hestitate in authorizing every effort by those members of the United Nations who are in a position to support and succor the brave but materially inferior forces of the Korean Republic.

"At noon today the President of the United States of America made a momentous statement telling us that he had already ordered air and sea forces of the United States to rush to the assistance of the Korean forces. For my part I would like to congratulate and thank the President of the United States and its Government for their prompt action. It shows that there is no doubt and no vacillation in this great repuiblic when the peace and security and justice of the world are put in jeopardy by reckless aggression.

"I would also like to thank the distinguished representative of the United States for his clear and concise résumé of the situation in Korea as his government views it at this moment. In my opinion the American draft resolution is eminently adapted to meet the requirements of the situation which has arisen, and I am instructed by my Government to give it unqualified support."

## INDIA SUPPORTS UNITED NATIONS' ACTION IN KOREA

Mr. HUMPHREY. Mr. President, I should like to have the privilege of making a brief statement in reference to another representative of the United Nations and another nation represented on the Security Council of the United Nations, namely, India. This morning it was my privilege to have an extended conference with Bishop Pickett, of the Methodist Church at Delhi, India, representing approximately 375,000 members of the Methodist Church in that great nation in Asia.

On a previous occasion I have stated here on the floor of the Senate what I consider to be the strategic importance of this great new republic, the Republic of India. For example, I have said that the constitution of that nation follows in clear outline the principles enunciated in our own Constitution. I have mentioned the caliber of leadership, as manifested in the Prime Minister, Mr. Nehru, and his associates. I have mentioned the industrial possibilities and realities of India, citing, for example, that this great Nation possesses the second largest steel-producing plant in the British Empire. I have mentioned the population of the country, some 350,000,000 people; the fact that it possesses an integrated administrative establishment; it has a government which is elected by the people and responsive to the people. I have also mentioned, Mr. President, that this great country, on two occasions, in World War I and World War II, has been an ally of ours, and has demonstrated its ability to protect its own freedom—in fact, to fight for freedom when India itself, did not even possess her freedom.

Mr. President, there is now an issue before the State Department pertaining to India. This great country, in the Security Council, voted to stand with the United States in our action in Korea. The Prime Minister of India has supported the hand of our President. I believe that is about the most significant development in international affairs in the past year. Here is a nation which up until this time has preserved a semblance of neutrality, but which now, at this stage of international crisis, has joined forces with the freedom-loving people of the world against the aggressors of North Korea.

This nation is being besieged by a Communist infiltration as other nations in Asia are being besieged. I have evidence leading me to believe, after some prolonged study of the problems of India, that on the one hand the Communist forces are going to the producers of wheat and rice, telling those producers to withhold their stocks from the market, and to gouge the government through a high price. It is alleged that the price of wheat and rice in India today is double what it is in the United States. On the other hand, the Communist forces in India, working in the metropolitan and industrial areas are telling the workers that in the United States of America, with millions upon millions of bushels of grain, particularly wheat, this great United States of America sees fit to give arms to Turkey, to Greece—yes, and even to send arms to Korea—which all of us support—but on the other hand does not see fit even to venture an agreement with the Indian

Government for the shipment of quantities of food, which is needed.

Mr. President, it is my considered judgment that the policy of this Nation should not be based simply upon armed force, but upon trying to gain allies through the arsenals that we have and the weapons that we have in the way of food. Our Government has been negotiating for 8 months with the Indian Government in an effort to transfer certain surplus stocks of wheat to that country. That wheat is desperately needed.

I say, not with the vision of a prophet but of one who has at least read a few pages of history, that our hope of success in Asia depends upon being able to bind ourselves to a great nation such as India, and that if we "miss the boat" on this one we shall have no one to blame but ourselves. It is a government which is friendly, determined, democratic, and which wants to be a partner. The people of India are suffering from a food shortage. They are literally suffering from famine in many areas. It appears to me it would be good foreign policy, it would be a good neighbor policy, it would be sound and prudent policy on the part of this Government to quit higgling and jiggling about a few technicalities, and to make available to this great country some of the foodstuffs which we have in our storehouses at the present moment. I have directed a message to the Secretary of State along these lines. On previous occasions I have talked to the Assistant Secretary, Mr. McGhee, and I know now that it is the feeling in high places of this Government that we have wasted long and, let me say, precious hours in working toward this agreement. I hope we will not delay any longer, and that every Member of this body who has concerned himself with China, Indochina, Malaya, Siam, and Burma, will recognize that in India we have one of the most powerful forces for freedom that the world has ever known, and that if we pass this opportunity by we shall rue the day. Here is our chance in the subcontinent, in the central part of Asia, to build for ourselves a great group of friends who will stand with us as true and trusted friends in our hour of need and our hour of crisis.

Mr. President, I desire to refer briefly to another subject.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

### AMBASSADOR EUGENIE ANDERSON

Mr. HUMPHREY. Mr. President, I desire also to ask to have inserted in the RECORD a statement pertaining to a diplomat of this Nation who has made a great reputation for herself.

The people of Minnesota are very proud of their fellow citizen, Mrs. Eugenie Anderson, the American Ambassador to Denmark. Members of the Senate will recall that at the time of her confirmation those of us who knew of her abilities and her dedication to democratic principles testified to the fact that she would be a most valuable and trusted emissary of the American people. We who know her in Minnesota were grateful to the President for giving her talents international recognition and were confident that events would prove correct our judgment of her character and energies. It is therefore with much personal satisfaction and pride that I noticed a recent column by our beloved first lady of the world, Eleanor Roosevelt, written from Denmark, which appeared in the Minneapolis Star for June 21, taking note of the fact that the people of Denmark have been captivated by our lady Ambassador and paying tribute to her tact and fine performance.

This was followed by an article which appeared in the Washington Post for June 26 written from Copenhagen for the New York Herald Tribune by Mr. Stephen White, which pays tribute to Mrs. Anderson as "the west's best hope in Denmark." Mr. White says:

Mrs. Anderson, representing the United States, is rapidly becoming one of the best loved persons in Denmark.

The international importance of this recognition can be seen from Mr. White's further observation that the growing friendship between Denmark and the United States has international implications most helpful to the preservation of world peace.

If the Danish people, in spite of their predilections, come out squarely on the side of the west, Mrs. Anderson must be given much of the credit—

Says Mr. White.

I ask unanimous consent that this article be placed in the RECORD, to be incorporated as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GLOBAL VIEW COMES HARD TO DENMARK

(By Stephen White)

COPENHAGEN.—It is a little more than a year since Denmark braced itself for the shock and plunged into the North Atlantic Pact. In western Europe and the United States, it made only a ripple. Denmark is a small country, with nothing significant to offer in the way of striking power. But to Denmark, the decision was a major one and was taken only after much soul searching.

Denmark's tradition, like that of all the Scandinavian countries, is one of neutrality a l'outrance. For nearly a century and a half the Danes, the Norwegians, and the Swedes have chosen to stand aloof from power politics. Invasions have altered their program but not their purposes.

Even faced by a Europe rapidly putting itself in a posture for war, Denmark would have preferred to reconstitute the Scandinavian unity rather than to associate itself with the Atlantic Pact. Through diplomatic channels, the Danes did all they could to gain that end. But the firm determination of Norway, after the events of the last war, to associate itself with a larger and more potent alliance, made the Scandinavian union an impossibility. In the end, each country went its own way: Norway into the pact enthusiastically, Denmark reluctantly, and Sweden alone outside it.

#### BLAME THE UNITED STATES

Today the Danes still look wistfully at an opportunity they think was lost. They have played their part in the Atlantic Pact wholeheartedly, for they are a people who live up to their commitments. But it would be useless to deny that the government feels a little resentment toward the United States.

It was the United States, the government feels, which forced Norway ino the pact, failing to consider that such action meant the loss of Sweden. Had the United States permitted the Scandinavian countries to make their own arrangement, the Danes believe, the entire bloc—whose sympathies beyond a doubt are with the West—might have been able to form a powerful coherent force in northern Europe. Instead, the Swedes have been permitted to go their way in isolation.

The existence of the pact is a major annoyance, politically, to Prime Minister Hans Hedtoft and his Social Democratic Party. Hedtoft administers a minority government, since his party holds only 57 of the 150 seats in Parliament. To control domestic affairs, he needs the 10 votes of the Radical Party, since the other major parties—Conservatives and Liberals—are essentially parties of the right. But the Radicals are violently opposed to the North Atlantic Pact—the only sizable party in Denmark to take so determined a stand.

Hence, the Government finds the rightist parties voting with it on foreign affairs and the Radicals with it on domestic policy. To date, this awkward arrangement has worked, primarily because no one can think of a better one. But it obviously carries within it the raw matter of trouble.

#### HAS POPULAR SUPPORT

As for the voter himself, the average Dane seems to be reconciled to the fact that Denmark cannot stand alone in this troubled world, and that events have made it impossible for it to stand exclusively with its Scandinavian friends. Estimates of popular support of the pact range as high as 90 percent, and it is certainly substantially over 65 percent.

But Danish observers do not believe that the full meaning of the pact is appreciated by the Danes. To date, it has been largely a matter of conferences. Should more specific requests be made of the Danes—the granting of an air base to the western group, for example (and a glance at the map shows how likely such a request might some day be)—it is probable that a storm of protest would be aroused.

Making the Danes like the pact is likely to be a step-by-step process, in which first the concept is sold to them, as it has been, and then the itemized requirements that follow naturally from adherence are sold one by one.

#### A BELOVED ENVOY

In this respect, there is almost unanimous agreement that Mrs. Eugenie Anderson, American Ambassador in Copenhagen, will do the job if it can be done. The Danes have cast off their tendency to look to the Swedes and must now look to the United States. Mrs. Anderson, representing the United States, is rapidly becoming one of the best-loved persons in Denmark—something which could not have been said of many of her predecessors.

If the Danish people, in spite of their predilections, come out squarely on the side of the west, Mrs. Anderson must be given much of the credit. But it will not be an easy thing for the Danes to do.

The memory of the German invasion is fresh, and the Danes are determined it shall never happen again. But the memory of years of peace is a deep one, and it is only reluctantly that the Danes are becoming embroiled in the larger matters of the planet rather than the smaller matters of their islands and their neighbors to the north.

### PROTECTION AGAINST UN-AMERICAN AND SUBVERSIVE ACTIVITIES

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MUNDT. When I came in, the majority leader was discussing the schedule for the remainder of this week, and, I think, suggesting the schedule for the remainder of the session. I was

wondering whether he had included in the information he gave the Senate any statement as to whether he intends to have considered the bill (S. 2311) to protect the United States against certain un-American and subversive activities, and for other purposes.

Mr. LUCAS. I may say in reply to the Senator from South Dakota that the Democratic Policy Committee did not discuss at any great length the bill to which the Senator has just referred. We were busy discussing the omnibus appropriation bill, the tax bill, and other matters, trying to determine in how short a time we could get the appropriation bill to the floor, and how long it would take the Senate to debate it; also how long it would be before the tax bill reached the floor, and how long it would take to debate it.

In other words, what the committee was trying to do was to continue to work for an adjournment of the Congress by the 31st of this month. There are other bills on the calendar which are very important, such as the bill providing statehood for Alaska, a similar bill for Hawaii, and the bill to which the Senator has just referred. All these bills, however, are going to require a considerable amount of time for debate. If we are to adjourn on scheduled time, there are certain bills which we are not going to be able to consider at this session. That is my answer to the Senator, at the present time.

In the event developments in the Far East are such that the Congress will be compelled to stand by, we might then have an opportunity to take up a number of measures which are on the calendar at the present time, but which we shall be unable to consider in the event we try to conclude our session by the first of August.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. FERGUSON. Has the Senator abandoned the idea of obtaining a vote on FEPC?

Mr. LUCAS. No, no. I made a statement regarding that a moment ago in connection with the program we had outlined. Let me put it this way: I may say to the Senator from Michigan that on Monday when the Senate convenes, the petition for cloture on FEPC will be presented. That will automatically bring about a vote on the following Wednesday, July 12. I have made that announcement heretofore. I have advised Members on the Democratic side of the aisle to be here, especially for the vote on July 12. I presume there will be very little debate, because it is a motion to consider the bill, on which we have had about a week or 10 days of debate heretofore. Consequently I anticipate very little talk, if any, on the motion to take up the bill.

Mr. FERGUSON. Mr. President, will the Senator yield further?

Mr. LUCAS. I yield.

Mr. FERGUSON. Does the Senator realize that we might be able to complete the consideration of Senate bill 2311 in about 2 or 3 days?

Mr. LUCAS. That is the Senator's opinion, which I am unable to share with him. I think a bill to which he has referred will be debated at considerable length and that is the judgment of Members on this side of the aisle with whom I have talked about the bill.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MARTIN. Mr. President, I hold in my hand a telegram from George N. Craig which I desire to read. George N. Craig is not only the national commander of the American Legion, but he is also a very able and outstanding American. As the head of the American Legion, which is probably one of the most powerful organizations in the world, he has gone up and down America, into every State, preaching patriotism and the ideals of our country, and condemning those things which are subversive and which might destroy our Nation.

The telegram is addressed to me personally, and it reads as follows:

WASHINGTON, D. C., *July 4, 1950.*

HON. EDWARD MARTIN,
*Senate Office Building,*
*Washington, D. C.:*

Was glad to have had an opportunity to visit with you in Washington the other evening. Had I known at the time that there was a probability of an early vote in the United States Senate on S. 2311, the Mundt-Ferguson-Johnston bill, to identify and control the Communist conspiracy in this country, I would have told you that the American Legion, by unanimous action, has repeatedly gone on record favoring national legislation of this type and has especially endorsed this particular bill. Our 4,000,000 members of the American Legion and auxiliary firmly believe that with our men fighting and dying in Korea, and billions of our dollars being used to stop communism all over the world, common sense and sound national security demands prompt and favorable action on this measure now. Identification and location of fifth columnists now will enable authorities and civil-defense forces to safeguard the home front against dangers of sabotage, propaganda, and treachery. We will be grateful for your vigorous and public support in getting early and favorable action on this urgent legislation.

GEORGE N. CRAIG,
*National Commander, the American Legion.*

Mr. THYE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. THYE. I should like to associate myself with the able Senator from Pennsylvania as one who received a telegram similar to the one which he has read from the commander of the American Legion. I attended the American Legion convention in the State of Minnesota on the 25th of June, and I know, from speaking with members of the Legion at that convention, that a great number of men and women expressed themselves as greatly interested in the bill known as the Mundt-Ferguson-Johnston bill.

I most certainly urge the majority leader that sufficient time be given in the general schedule, before adjournment, to give full consideration to the Mundt-Ferguson-Johnston bill.

Mr. LUCAS. Mr. President, I presume that every Senator received a telegram similar to the ones received by the Senator from Pennsylvania and the Senator from Minnesota. There is a good deal of excitement about this particular bill, all of a sudden. It was not very long ago that I submitted a list of bills which the Members on the Democratic side of the aisle thought might be considered before the adjournment of Congress on or about the first of August. After the Republican policy committee went over those bills it was reported to the majority leader, through the minority leader [Mr. WHERRY], that there were only two additional bills in which the Republican side of the aisle was interested and which it desired to have considered. One was a bill dealing with the peril-point provision, and the other was a bill dealing with a reduction in excise taxes.

Mr. President, suddenly we find this great hue and cry to call up this particular bill. It is easy to understand why these telegrams are coming to various Senators with respect to the measure. How it happened is perfectly understandable. I suppose it will be said that it is because of the Korean crisis. But this bill has been on the calendar since March 21, and last Friday evening was the first occasion when any Senator on the floor has discussed the bill at any great length. At least, no Senator has ever spoken to the Senator from Illinois about it. The Senator from Nebraska [Mr. WHERRY] and the Senator from Ohio [Mr. TAFT] never said a word to the Senator from Illinois about taking up the bill. I was greatly surprised and, I may say, rather shocked, last Friday evening when only three Members were on the floor of the Senate that the Senator from South Dakota [Mr. MUNDT] had the temerity to move to consider the bill at that time. That was not "cricket," Mr. President; it is not done in the United States Senate. At least, it has not been done since I have been a Member of the Senate.

I think we on this side of the aisle are capable of handling the situation, and we are going to handle it as we deem best.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. FERGUSON. Mr. President, one of the most compelling reasons which I have seen for consideration of the bill is the fact that on July 3, this year, the Daily Worker published a statement by the national committee of the Communist Party, signed by William Z. Foster, national chairman; Gus Hall, national secretary; Henry Winston, organizational secretary; and John Williamson, labor secretary; reading as follows:

Telegraph majority leader, Senator SCOTT LUCAS, Senate Office Building, Washington, D. C., immediately urging that he reject the Republican policy committee's demand to schedule the Mundt bill for the floor. Wire your own Senators to the same effect.

I suppose the majority leader has received the telegram referred to. I am positive that it has not influenced the majority leader, but I cite it as an impelling reason why we should consider very seriously taking sufficient time with reference to this important measure, because it is so strongly condemned and opposed by the Daily Worker.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. LUCAS. I shall yield in a moment.

Mr. President, this is the first I have heard of the telegram which the Senator read into the RECORD——

Mr. FERGUSON. It is not a telegram. I said it was a statement issued on the 3d, telling members of the Communist Party to telegraph the Senator from Illinois.

Mr. LUCAS. I thought the Senator from Michigan referred to a telegram. I know something about Mr. Foster. I knew him when I was department commander of the American Legion in Illinois and when I was national judge advocate of the American Legion for 4 years, serving under four different national commanders. No one has denounced Foster and all he stands for throughout the country more than has the Senator from Illinois. I pay no attention to that kind of a statement; it does not influence me one iota. The strange thing is that the Senator from Michigan apparently has had this statement all this time, because it was issued away back in July of last year——

Mr. FERGUSON. No; it was issued last Monday.

Mr. LUCAS. I thought the Senator said it was issued last July. At all events, I know nothing about it, and care nothing about it, and it will have no influence with me. I shall have an opportunity to study the bill carefully one of these days, and I shall make up my mind what to do about it if and when it comes up on the floor of the Senate. It is an important measure, of course, but I shall not be stampeded into having the bill considered hastily, and I shall not permit the playing of politics in connection with it to influence me.

I say it is very strange, it is very unusual, that now, almost at the very close of this session, action is sought on this bill, although it was reported last March, and not one Senator who is interested in the bill has seen fit since then to ask the Republican policy committee or the Democratic policy committee to bring the measure on the floor of the Senate. I say it is strange. I say it is unusual. I now yield to the Senator from South Dakota.

Mr. MUNDT. Since the majority leader has indicated that I had considerable temerity to make a motion on the floor of the Senate, let me say that so long as the junior Senator from South Dakota serves in this body he will consider it perfectly within his right to move at any time to consider a bill in which he is interested. Neither does he agree that only the majority leader may make motions, and that a Senator who is exercising his prerogative on the floor of the Senate is demonstrating temerity.

The majority leader well knows, as does the Senator from Michigan [Mr. FERGUSON] and the Senator from South Dakota, that the unhappy Korean crisis has changed many plans of many men all over the world. When American boys are dying on the sands of Korea in a war against communism, understandably the American Legion and many other patriotic organizations are concerned about the fact that Communists in America are still permitted to creep around under cover, with no disclosure, and with the Senate failing to act on the one bill before it which would require them to register and identify themselves and permit the American people to know who they are.

Let me say to the Senator from Illinois that he may be sure that the very junior Senator from South Dakota will not try to disrupt unnecessarily the plans of the majority leader, and he will not try to engineer the schedule of the Senate. He had no such plan last Friday night. As he said in his speech last Friday, he had no intention of forcing a vote on the bill. He had been trying to get the floor since 4:30 in the afternoon. He simply wanted to bring the situation into focus so that the majority leader would do what he now admits has not been done since the 21st of March with reference to a bill which the Committee on the Judiciary has approved by a vote of 12 to 1—study it carefully—with the hope that support could be gained for this kind of legislation at this crucial time while the war is going on, not simply if we may have a favorable opportunity sometime after the 1st of August. This is an urgent matter of national security.

Mr. LUCAS. I am certain that the Senator from South Dakota will not disrupt the program of the majority in the Senate. I am equally certain that the Senator from South Dakota tried to disrupt the program of the Democratic majority when at 7 o'clock last Friday evening, when only three or four Senators were on the floor, he moved to consider a bill which he had not even discussed theretofore on the Senate floor. It is his pet measure. It is one in which he has been interested all these years. He claims to know more about communism than any other Senator. Now because we have a war on——

Mr. MUNDT. Will the Senator yield? It is a war against communism.

Mr. LUCAS. Because we have a war on he says we must take up this bill at the present time. Where has the Senator been since March 21, when the bill was reported by the Committee on the Judiciary?

Mr. MUNDT. Will the Senator yield?

Mr. LUCAS. Where has he been since March 21? Where has he been with reference to this measure? I ask again where have those who are now so fervently pleading for action against Communists, and using the war in Korea as a part of their argument, where have they been all this time, if they know of this Communist activity, and know more about it than anyone else, particularly the Senator from South Dakota because of the experience he has had in tracking down subversive elements? Oh, Mr. President, at the ninth hour, when they see an opportunity to make some politics out of this particular question, having failed in every other move they have made this year on the Republican side to make political capital, they see their last opportunity here on the so-called Mundt-Ferguson bill to attempt to make political gain out of such legislation. I repeat, Mr. President, the Senator from Illinois and the other members of the Democratic majority will not be stampeded by any move of that kind, regardless of what the Senator from South Dakota has said.

Mr. President, I resent, and I shall always resent the fact that when there were only three or four Members on the floor of the Senate a Member on the other side of the aisle attempted to take advantage of the situation, as the Senator from South Dakota did last Friday night. Again I repeat that it was not fair, it was not right, and it was not in keeping with the integrity and dignity of the United States Senate for anyone to do that. I do not say a Member of the minority party cannot make a motion to consider a bill. It is the way in which the Senator did it that I resent. He waited until the very last minute of the day, when nearly every Member of the Senate had gone home, after I had told every Senator on this side of the aisle that no motions would be made to take up any measure and that no votes would be taken on any measure, and after the same thing had been said on the other side of the aisle by the minority leader. It was then that the Senator from South Dakota moved to take up one of the most controversial bills on the calendar, hoping to slip it by when nobody was around.

Mr. MUNDT. Mr. President, will the Senator yield

Mr. LUCAS. Yes.

Mr. MUNDT. In the first place, if the Senator will read the speech which I made at the time I moved the consideration of the bill, he will read that I specifically said I did not expect to get a vote at that time. I said I did not plan to get a vote, and that I would not call for a vote. The Senator will notice further that the junior Senator from Illinois [Mr. DOUGLAS] asked unanimous consent to rescind the order for the quorum call. I was on the floor at the time, and I permitted him to do so, knowing full well that the bill would thereby be forced from immediate consideration——

Mr. LUCAS. I do not intend to yield for a speech.

Mr. MUNDT. May I answer the Senator's question as to where I have been since March 21 It is a rather long and circuitous answer.

Mr. LUCAS. The Senator can take his own time to go into that, because I am afraid it will take him a long time to tell us where he has been since March 21.

Mr. MUNDT. Insofar as my relation to Senate bill 2311 is concerned, I have been on the radio, I have been before audiences all over the country, I have been before Senatorial committees, I have conversed with Members on both sides of the aisle, urging that the bill be considered, and I have discussed it on radio forums with Republican Members and with Democratic Members. As the Senator knows, one of his distinguished colleagues, the Senator from South Carolina [Mr. JOHNSTON], is a coauthor of the proposed legislation. One of the Senator's distinguished colleagues, the junior Senator from Maryland [Mr. O'CONOR], is chairman of the subcommittee of the Committee on the Judiciary which reported the bill favorably. All the Senator's Democratic colleagues

on the Committee on the Judiciary voted in favor of the bill.

There is no partisanship involved, unless someone is trying to court some left-wing votes. We are not trying by this bill to lure left-wing votes, and I assume that the Senator from Illinois is not trying to lure such votes. It is a matter of trying to tighten the home defenses against communism while American boys are dying overseas fighting communism. It is not because of any impetuosity on the part of the junior Senator from South Dakota that the bill is before us.

Mr. LUCAS. I am not talking about the merits or demerits of the bill. I am discussing the parliamentary processes of the United States Senate. In the 16 years I have served in Congress I do not remember a single instance, certainly not during the 2 years during which the Republicans were in control, when a Member of the minority party sought to move out of order to have a bill considered. That is not done, Mr. President. That is exactly what the Senator from South Dakota did the other night. That is what I am discussing. That is what I am complaining about. If we are to have orderly procedure from a parliamentary standpoint the majority must take control and keep control of measures which are brought up. That has been the policy throughout the history of the Republic.

I do not say that the minority do not have rights. I do not say that they should not present their case at a proper time or when the situation is serious enough that they do not have some rights with respect to bringing up a bill. However, as I have said many times, whenever the minority can move to bring up a bill at any time they want to bring it up, and succeed, we the majority lose control, handing it over to the minority party. That is not done. It cannot be done if orderly procedure is to continue.

Mr. THYE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. THYE. Mr. President, I am sure that the able majority leader did not intend to cast a reflection upon the junior Senator from Pennsylvania [Mr. MARTIN] or upon myself by intimating that we were playing politics when we referred to the telegram received from the national commander of the American Legion. The Senator from Pennsylvania was not playing politics, and I know I was not playing politics when I referred to that telegram. When we hear from the national commander of the American Legion, so important an individual as that, we are not playing politics when we make mention of his telegram on the floor of the Senate.

Mr. LUCAS. Mr. President, I did not mean the Senator from Minnesota was playing politics merely because he received a telegram from the national commander of the American Legion. I am sure the Senator knows what I was talking about, and he is a little excited about nothing. After all, I received the same kind of a telegram, and it could not be said I was playing politics on that account. I know Mr. Craig, and I know the Legion fairly well. I know what it stands for. It is one of our outstanding patriotic organizations. I am not talking about Mr. Craig's telegram, or about the merits or demerits of the proposition. I am merely talking about what happened.

Mr. WHERRY. Mr. President, may I say a word in my own right?

Mr. LUCAS. I am not going to yield the floor. I will yield to the Senator for an interruption.

Mr. WHERRY. I ask unanimous consent that I may have 5 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. WHERRY. Mr. President, I desire to make the position of the minority side indelibly clear, so far as concerns cooperating with the majority in the legislative program, for which they themselves are responsible. They are the ones who bring the program to the floor of the Senate for consideration.

Some time back the distinguished majority leader submitted to me a list, consisting, as I recall, of about three typewritten pages showing the measures he asked us to consider indicating they would be part of the program submitted for consideration by the Senate.

I took the matter up with the Republican steering committee; we looked the list over, and I was instructed by the steering committee to report to the majority leader that it was our opinion that if all the proposals which were submitted on the three pages were to be considered, it probably would keep the Senate in session until November. I believe the majority leader recalls that.

Mr. LUCAS. I remember the statement, but I certainly did not agree with it.

Mr. WHERRY. With all due respect to the judgment of the Senator, I think that if he published the statement, all would agree that we would be in session a long time before we got it through.

I told the Senator from Illinois then that if the majority wanted from that list to suggest a program which would take at least until August 5 to consider—and I think I mentioned seven or eight measures—I would be glad to talk to the majority leader whenever he was ready and try to work out a program of legislation which could be considered by August 5, but that the Republican side of the aisle was not making the program. Up to this time I have not had such a talk with the majority leader.

I recall very vividly what I said on the floor of the Senate last Friday, namely, that it seemed to me that the best we could do by August 5 was to consider the measures I outlined. But it was not our proposal; it came from the majority side. I not only spoke to the majority leader, I spoke to the Secretary of the Senate, and said I would be glad to sit down with them and try to expedite a program.

Last week the Republican steering committee very affirmatively and forcefully asked me to inform the majority leader that it was the wish of the steering committee that the Senate take up the so-called Mundt-Ferguson bill. I told the majority leader that in a private conversation I had with him.

I said the other day on the floor of the Senate that, if we were going to take up such bills as the statehood bills and the like, I wanted the majority leader to know that on this side of the aisle we were very much interested in taking up the Mundt-Ferguson bill.

Mr. President, I was not here the other evening when the distinguished Senator from South Dakota moved to consider the bill, but I wish to say that the Republican side has cooperated and will continue to cooperate to carry out a program so that the Senate can adjourn any time the majority deems it advisable. I think the Korean situation has changed the situation somewhat.

I believe that until more information is gathered and we know what is going to happen it is impossible, probably, to fix a dead line. But I desire to say in all earnestness that, regardless of the fact that we have not yet entered into a program, and while the matter is still open, certainly the action of the steering committee is to the effect that if any legislation is to be considered between now and August 1, or after August 1, in addition to the measures which were mentioned previously by the steering committee, it is the idea of the minority that the Mundt-Ferguson bill should be given priority.

Mr. President, I say that in all sincerity. I know that the Senator from South Dakota and the Senator from Michigan are very anxious to have this bill considered, and while it might not have been included in the program, certainly the Senator from Illinois will agree with me that those Senators have a perfect right to make a motion to consider the bill at any time, as has any other Senator if he feels an emergency exists.

I want the majority leader to know now that if he will confide in the minority leader what his program is, what he wants to do, and what time he wants the Congress to adjourn, the minority will do their level best to cooperate with the majority leader in agreeing on a program.

Mr. LUCAS. Mr. President, in reply to the Senator from Nebraska, of course I know that any Senator on the minority side can move to consider a bill at any time. But I look back to the time when the Senator from Nebraska was the acting majority leader, when the Republicans were in power, during the Eightieth Congress, and knowing how cool and calm my good friend from Nebraska is, it is fascinating to contemplate what would have happened if the Senator from Illinois, along about 7 o'clock some evening, when the acting majority leader was in his office working, and when there were about three Senators on the floor, had moved to take up one of the most controversial bills on the calendar. I can imagine the explosion that would have taken place the following day, in fact, that very night. I am satisfied the Senator from Nebraska would have had a few sharp things to say, and I would not have blamed him for any rejoinder he might have produced.

Mr. WHERRY. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I am very jovial when I say to the Senator that I do not believe I would have left the Senate without having had some unfinished business before the Senate.

Mr. LUCAS. I doubt that the Senator was always around during the time he was acting majority leader, when the session of the Senate closed.

Mr. President, I desire to say something about the list I submitted to the Senator from Nebraska some time ago. I submitted a list to him, and he replied that the only two bills in which the Republican policy committee was interested were the peril-point measure, as I explained before the Senator arrived on the floor, and the measure for the elimination of certain excise taxes. Nothing was said at that time about the so-called Mundt-Ferguson bill, and I presume the Republican policy committee had no particular interest in the bill at that time, because it has been on the calendar since March 21 last.

It may be that the Senator and I did not understand one another with respect to the measures on the list I gave him. I had refused to give the list to the press. They wanted it, but I said, "I cannot give it to you. I am giving the list to the Republican policy committee, and I am going to get back a report, and perhaps if we can agree on something, you might get some information then."

Lo and behold, the newspapers came out with the entire list. I do not say that the Senator from Nebraska gave it to the press. I suppose it was perfectly all right if he did. But I am afraid that if I now gave him another list and we tried to get together on something, the newspapers would settle it for us before we could get around to it.

The only thing I am trying to do now is to get the appropriation bill out of the way and the tax bill out of the way, along with a few other measures which are necessary, and then, we are going to adjourn, if the Korean situation is such that we can possibly do so.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. The distinguished majority leader recalls, does he not, that I told him that we were ready to sit down and work out a program and make an agreement with him whenever he was ready?

Mr. LUCAS. That is true.

Mr. WHERRY. The majority leader has never contacted me since.

Mr. LUCAS. No. That is right. I do not know what kind of a program I can work out with the minority leader that everyone will not know about before we agree to it.

Mr. WHERRY. Mr. President, I should like to say in defense of the minority leader that the majority leader has never given me anything in confidence that I have ever violated. The junior Senator from Nebraska has never violated any confidence the majority leader has reposed in him. I wish to say that if the majority leader will now submit a program to the Senator from Nebraska, then, so far as the Senator from Nebraska is concerned the confidence he will repose in him will not be violated. I shall be glad to consult with the Republican steering committee, and cooperate with the majority leader and do the best I can to carry out the program.

Mr. LUCAS. I submitted one program to the minority leader, and he came back with two bills he proposed to add to it. I doubt that there is any point in submitting a further program.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. DONNELL. I wish to ask the majority leader a question in the interest of having the parliamentary record as clear as possible. I understood the Senator from Illinois a few minutes ago to refer to the presentation of the motion to take up the Mundt-Ferguson bill as having been made out of order.

Mr. LUCAS. I do not believe I made such a statement.

Mr. DONNELL. I think the Senator will find on reading the RECORD tomorrow that he said that. I assume what he said was merely an inadvertence, because I am sure the Senator from Illinois will agree with me that when there is no business pending, any Senator has the right to make a motion for the consideration of a bill on the calendar.

Mr. LUCAS. Precisely so. A Senator can make a motion at any time to displace the pending business.

Mr. DONNELL. That is correct.

### RECESS

Mr. LUCAS. I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 22 minutes p. m.) the Senate took a recess until tomorrow, Thursday, July 6, 1950, at 12 o'clock meridian.

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## NOMINATIONS

Executive nominations received by the Senate July 5 (legislative day of July 1), 1950:

### UNITED NATIONS COMMISSION FOR INDONESIA

Hooker A. Doolittle, of New York, a Foreign Service officer of class 2, to be the representative of the United States of America on the United Nations Commission for Indonesia.

### NORTH ATLANTIC COUNCIL

Charles M. Spofford, of New York, to be the United States deputy representative on the North Atlantic Council, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

## CONFIRMATIONS

Executive nominations confirmed by the Senate July 5 (legislative day of July 1), 1950:

### POSTMASTERS

#### ARKANSAS

Bertie Vos, Almyra.
Frank S. Brummitt, Stuttgart.

#### ILLINOIS

Edward T. O'Shay, Rockford.

#### IOWA

Ralph W. Reed, Peterson.
Woodrow W. Strathman, Westside.

#### MINNESOTA

Frederick A. Nelson, Battle Lake.
Robert A. Collopy, Lake Elmo.

#### NEW YORK

Chauncey A. Campbell, Glen Cove.

### RAILROAD RETIREMENT BOARD

Horace W. Harper, of Texas, to be a member of the Railroad Retirement Board for the term expiring August 29, 1954.

### PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the Public Health Service:

To be senior surgeon (equivalent to the Army rank of lieutenant colonel), effective date of acceptance:

Travis P. Burroughs

To be surgeon (equivalent to the Army rank of major), effective date of acceptance:

Leo P. Krall

To be assistant sanitary engineer (equivalent to the Army rank of first lieutenant), effective date of acceptance:

James B. Coulter

To be pharmacist (equivalent to the Army rank of major), effective date of acceptance:

Carl L. Jones

To be senior assistant scientists (equivalent to the Army rank of captain), effective effective date of acceptance:

Paul P. Weinstein
Roy W. Chamberlain
Herbert F. Schoof
Bernard Brookman

To be senior assistant veterinarian (equivalent to the Army rank of captain), effective date of acceptance:

John H. Scruggs

To be sanitarian (equivalent to the Army rank of major), effective date of acceptance:

Mary Jo Kraft

To be senior assistant sanitarian (equivalent to the Army rank of captain), effective date of acceptance:

Walter L. Newton
Deed C. Thurman, Jr.
Leslie D. Beadle
Kent S. Littig
Robert D. Murrill

To be nurse officers (equivalent to the Army rank of major), effective date of acceptance:

Hariet G. Dexheimer
Ethel A. Todd

The following-named candidates for appointment and promotion in the Regular Corps of the Public Health Service:

To be surgeons (equivalent to the Army rank of major), effective date of acceptance:

Solomon J. Axelrod
Joseph H. Bragdon
George Brecher
Murray C. Brown
Robert P. Grant
Leonard S. Rosenfeld
Edwin B. Thomas
Joseph Zinkin

To be senior assistant surgeon (equivalent to the Army rank of captain) effective date of acceptance:

Kamehameha Kun-Lai Wong

To be scientists (equivalent to the Army rank of major), effective date of acceptance:

F. Earle Lyman
Lewis J. Sargent

To be nurse officer (equivalent to the Army rank of major), effective date of acceptance:

Mildred Struve

To be senior dietitian (equivalent to the Army rank of lieutenant colonel), effective date of acceptance:

Marion D. Floyd

To be medical director (equivalent to the Army rank of colonel):

Robert H. Flinn
Richard C. Arnold
Leslie M. Smith
Donald W. Patrick
Llewellyn L. Ashburn
Oliver C. Williams
Calvin B. Spencer
Victor H. Haas
Clifton K. Himmelsbach
John W. Oliphant
Seymour D. Vestermark
Hollis U. Maness
Leroy E. Burney
Charles R. Mallary
Michael J. Pescor
Hildrus A. Poindexter
Carroll E. Palmer
George H. Hunt

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|---|---|
| Harry Engle | H. Van Zile Hyde |
| Norvin C. Kiefer | Robert H. Felix |
| Myron D. Miller | Walter P. Griffey |

To be dental directors (equivalent to the Army rank of colonel):

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|---|---|
| Fritz R. Jackson | Charles B. Galt |
| John M. Francis | Leland E. Weyer |

To be dental surgeon (equivalent to the Army rank of major):

Richard P. French

To be scientist director (equivalent to the Army rank of colonel):

Samuel W. Simmons

To be nurse director (equivalent to the Army rank of colonel):

Marie E. Wallace

To be nurse officer (equivalent to the Army rank of major):

Dorothe W. Whittington

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# HOUSE OF REPRESENTATIVES

## WEDNESDAY, JULY 5, 1950

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. WHITTINGTON.

The SPEAKER pro tempore laid before the House the following communication:

THE SPEAKER'S ROOMS,
HOUSE OF REPRESENTATIVES,
*Washington, D. C., July 5, 1950.*

I hereby designate the Honorable WILLIAM M. WHITTINGTON to act as Speaker pro tempore today.

SAM RAYBURN.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, source of life and light, of wisdom and power, whose greatness and goodness are ever round about us, grant that nothing may eclipse our faith in Thee, disturb our confidence in Thy love, or cause our ideals to lose their splendor.

We pray that the chosen representatives of our beloved may be men whose manhood can match the mountains of difficulty. May they face the future without fear, seek the more abundant life for all mankind, and walk humbly with the Lord, our God.

May we never be cowardly when we ought be courageous, never confused when we ought to be calm, never faithless when we ought to go forth with fortitude in the high adventure of building a new world of righteousness and peace.

Hasten the coming of the day when men shall beat their swords into plowshares, and their spears into pruning hooks, and nations shall learn war no more.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of Monday, July 3, 1950, was read and approved.

### ADJOURNMENT UNTIL FRIDAY

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Friday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

### EXTENSION OF REMARKS

Mr. PRIEST asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address by Mr. Harry S. Dyer.

Mr. JACKSON of Washington (at the request of Mr. MANSFIELD) was given permission to extend his remarks and include an article.

Mr. BIEMILLER asked and was given permission to extend his remarks and include a speech delivered at a meeting of the American Medical Association, notwithstanding the cost will be $246.

Mr. KARSTEN asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. BREHM (at the request of Mr. JENKINS) was given permission to extend his remarks in two instances.

Mr. AUCHINCLOSS asked and was given permission to extend his remarks and include an article.

Mr. MACK of Washington asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. RANKIN asked and was given permission to extend his remarks and include a speech made by a gentleman from New Hampshire on the power question.

### ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 5 minutes p. m.), pursuant to an order heretofore entered, the House adjourned until Friday, July 7, 1950, at 12 o'clock noon.

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### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1534. A letter from the Acting Secretary of the Interior, transmitting copies of legislation passed by the Municipal Council of St. Thomas and St. John and by the Municipal Council of St. Croix, pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936; to the Committee on Public Lands.

1535. A letter from the Acting Secretary of Commerce, transmitting certifications by the Administrator of Civil Aeronautics of the cost of rehabilitation and repair of damages caused by Federal agencies at certain public airports, in accordance with section 17 (b) of the Federal Airport Act, as amended; to the Committee on Interstate and Foreign Commerce.

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### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRAHAM: Committee on the Judiciary. H. R. 8219. A bill for the relief of Tadeusz Herka; with amendment (Rept. No. 2482). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 8477. A bill for the relief of Marcel Rene de Romanett; without amendment (Rept. No. 2483). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 8772. A bill for the relief of Ah-Kim Wong; without amendment (Rept. No. 2484). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 8795. A bill for the relief of Benjamin Paglinaman; with amendment (Rept. No. 2485). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 8935. A bill for the relief of Mrs. Jaye Kurusu Maddox; without amendment (Rept. No. 2486). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 8009. A bill for the relief of Enrica Gianoli; without amendment (Rept. No. 2487). Referred to the Committee of the Whole House.

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### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KARSTEN:

H. R. 9038. A bill to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. MANSFIELD:

H. R. 9039. A bill to establish a Commission on Cooperative International Relations; to the Committee on Foreign Affairs.

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### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. JOSEPH L. PFEIFER (by request) introduced a bill (H. R. 9040) for the relief of Giovanni Martorella, which was referred to the Committee on the Judiciary.

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# SENATE

## THURSDAY, JULY 6, 1950

*(Legislative day of Saturday, July 1, 1950)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God who art the hope of all the ends of the earth, amid the tragedy of a broken world, in deep humility of spirit, at noonday we ascend the altar stairs of this hallowed temple of our faith and hope. As for this dedicated moment we blot out all but Thee in a world of rising and falling empires, we crave the strengthening vista of Thine eternal kingdom whose sun never sets.

Grant unto us that greatness of spirit which shall match the vast patterns of this creative day. In these testing times, establish Thou our hearts, as in unity with other freedom-loving na-

tions we battle not in enmity against men, but against the evil which degrades and enslaves them. Beyond the strategy of armed strife may we see clearly the depth and scope of this historic drama of the centuries, and may that vision turn its blood and sweat and tears into final glory for all mankind. We ask it in the ever blessed Name. Amen.

### THE JOURNAL

On request of Mr. MYERS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 5, 1950, was dispensed with.

### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

### LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. DARBY was excused from attendance on the sessions of the Senate tomorrow and next week, because of necessary business in Kansas.

### MEETINGS OF COMMITTEES DURING SENATE SESSION

On request of Mr. MYERS, and by unanimous consent, the Committee on Finance was authorized to meet this afternoon during the session of the Senate.

On request of Mr. MYERS, and by unanimous consent, the Committee on Expenditures in the Executive Departments was authorized to meet this afternoon during the session of the Senate.

### CALL OF THE ROLL

Mr. MYERS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

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|---|---|---|
| Aiken | Green | McMahon |
| Anderson | Gurney | Martin |
| Benton | Hayden | Millikin |
| Brewster | Hendrickson | Morse |
| Bricker | Hickenlooper | Mundt |
| Bridges | Hill | Murray |
| Butler | Hoey | Myers |
| Cain | Holland | O'Mahoney |
| Capehart | Humphrey | Pepper |
| Chavez | Hunt | Robertson |
| Connally | Ives | Russell |
| Cordon | Jenner | Saltonstall |
| Darby | Johnson, Tex. | Schoeppel |
| Donnell | Kefauver | Smith, Maine |
| Douglas | Kem | Smith, N. J. |
| Dworshak | Kerr | Sparkman |
| Eastland | Kilgore | Stennis |
| Ecton | Knowland | Taft |
| Ellender | Langer | Thomas, Utah |
| Ferguson | Leahy | Thye |
| Flanders | Lehman | Tydings |
| Frear | Lodge | Watkins |
| Fulbright | McCarthy | Wherry |
| George | McClellan | Wiley |
| Gillette | McFarland | Williams |
| Graham | McKellar | Young |

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of serious illness in his family.

The Senator from Kentucky [Mr. CHAPMAN] and the Senator from Illinois [Mr. LUCAS] are absent on public business.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Colorado [Mr. JOHNSON], the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. MCCARRAN], the Senator from Idaho [Mr. TAYLOR], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from West Virginia [Mr. NEELY] is necessarily absent.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. TOBEY] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The VICE PRESIDENT. A quorum is present.

### REORGANIZATION PLAN NO. 24 OF 1950

In accordance with the unanimous-consent agreement entered into on June 30, 1950, the Senate proceeded to the consideration of Senate Resolution 290, which is as follows:

*Resolved*, That the Senate does not favor the Reorganization Plan No. 24 of 1950 transmitted to Congress by the President on May 9, 1950.

The VICE PRESIDENT. Under the unanimous-consent agreement entered into the time between now and 4 o'clock is to be divided equally between the proponents and the opponents of the resolution (S. Res. 290) disapproving Reorganization Plan No. 24 of 1950, with the time allotted to the proponents to be controlled by the Senator from Arkansas [Mr. FULBRIGHT]. No provision has been made with respect to the control of the time allotted to the opponents of the resolution.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Senator from Pennsylvania [Mr. MYERS] be in control of the time of those who oppose the resolution.

The VICE PRESIDENT. Without objection, it is so ordered.

### ORDER OF BUSINESS

Mr. MYERS. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills and joint resolutions, present petitions and memorials, and place routine matters in the RECORD and in the Appendix, without speeches or long debate, and that the time be equally divided between the proponents and opponents of Senate Resolution 290.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. WHERRY. Mr. President, reserving the right to object, in view of the fact that we have had a quorum call, I wonder if the distinguished acting majority leader would not take up at this time the question of the unanimous-consent agreement as to Senate Resolution 299, relating to Reorganization Plan No. 22.

Mr. MYERS. Mr. President, I withhold for the moment the unanimous-consent request as to routine matters, and I present another unanimous-consent request, that following the disposition of Senate Resolution 290, a resolution to disapprove Reorganization Plan No. 24, the Senate proceed immediately to the consideration of Senate Resolution 299, a resolution to disapprove Reorganization Plan No. 22; that 1 hour of debate be provided, the time to be equally divided between the proponents and opponents of Senate Resolution 299.

The VICE PRESIDENT. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object, I wish to make a brief remark or two with respect to the procedure in handling the calendar of the Senate.

I was very much disturbed yesterday to hear——

The VICE PRESIDENT. In the absence of an agreement, no Senator can speak unless he is yielded to either by the Senator from Arkansas or the Senator from Pennsylvania. The Senator from Pennsylvania is presenting another unanimous-consent request, which presumably will be taken out of his time.

Mr. MYERS. Mr. President, will the Senator withhold his remarks until we dispose of the unanimous-consent agreement to make the resolution affecting Reorganization Plan 22 the order of business immediately after the disposition of the resolution respecting Reorganization Plan 24?

Mr. MORSE. That is exactly what I want to reserve my objection to.

### CONSIDERATIONS OF NATIONAL DEFENSE CALL FOR CONGRESS TO REMAIN IN SESSION

Mr. MYERS. Mr. President, I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I shall be very brief because the general subject matter of my remarks in connection with the reservation of objection is pertinent to working out what I consider to be an appropriate calendar of legislation for the Senate.

Mr. President, I was very much disturbed yesterday to hear the majority leader announce his plans for a calendar for the Senate contemplating adjournment on August 1. I think it is a great mistake for the Senate of the United States to make plans for adjournment on August 1 because, in my opinion, the crisis which confronts America is so serious that the American people should be given assurance that the Senate fully appreciates the gravity of the situation and that the Senate will remain in session continuously until the crisis is over. The Senate should take out whatever few days may be necessary for the campaign in the latter part of October before the election, depending even then upon the condition of international affairs.

I do not think the Senate of the United States should adjourn for the purpose of Members of the Senate playing politics

in the oncoming campaign. Although some of the domestic bills mentioned by the majority leader yesterday are important in normal times, I believe that some of them lose their importance in the face of the Korean crisis. At least I think we should advance ahead of such bills the consideration of some very important issues, action upon which will place the country in a much stronger defense position than it seems to be demonstrated we are in today.

For example, I raised in the Armed Services Committee this morning the question of the state of our defenses in Europe, because certainly nothing reassuring has resulted from the London conference at least as to the present status of our defenses in Europe. Nothing reassuring came out of that conference that the money appropriated by the Congress of the United States last year for military aid to Europe has brought forth any substantial shipment of military equipment to Europe. I believe I am reliably informed when I say to the Senate on this occasion that the leaders of governments in Europe are very much concerned about the slow pace America has kept in regard to actually shipping any equipment to Europe. In my opinion it is also perfectly clear that we do not have very much heavy military equipment in Asia, in view at least of the results to date in the Korean crisis.

Mr. President, I will go along with the majority leader and the majority party in advancing as rapidly as we can a calendar dealing with domestic issues, but I shall insist so far as my one vote in the Senate is concerned that we advance ahead of some of the bills as were mentioned by the majority leader yesterday, consideration of the defenses of the country, because I think they are in a very serious condition.

The nature of the Russian propaganda on the Korean matter shows very clearly, I believe, the need for quick action on the proposal of the Senator from Connecticut [Mr. BENTON] which is now being given some consideration in committee. In my judgment it ought to be reported by the committee to the Senate at once, and the Senate of the United States should appropriate this week the funds necessary to give to America's Voice the funds it needs to meet the Russian propaganda. I believe it is just as important that we meet Russia in this crisis on the informational front as it is that we meet her satellite armies in Korea. We are now doing that in Korea and I fear we will have to meet her satellite armies in Europe also if we do not show very quickly that we are strong enough to handle the Korean situation and handle it very speedily with a minimum loss of American lives.

I repeat, Mr. President, what I said yesterday. I think the American people must be awakened to the fact that we are at war. Call it a police action, call it a minor war, or apply any other descriptive term to it that one may desire; the fact is that the American flag is flying in combat at this very hour, and American boys are dying in Korea.

I think the Senate of the United States would perform a reassuring service to the American people if, instead of announcing that it is planning to adjourn on August 1, it would announce that it is planning to stay in session, ready to back up the hands of the President, by giving him whatever aid he needs as Commander in Chief to bring to the earliest possible end the crisis in Asia, and serve clear notice to Russia that business as usual in America does not happen to be the slogan of the day.

Mr. President, it needs to be pointed out to the American people that they must dispel from their minds the notion that we can continue with a "business as usual" economic program in this crisis. There is a discussion pending in the Senate over a tax bill. I want to see that tax bill, however, discussed in the Congress from the standpoint of strengthening America's defenses, and not from the standpoint of trying to save somebody some dollars in lower taxes. I want to see discussed the tax issue from the standpoint of revising the tax structure so taxes will be fair. That is all the American taxpayer is entitled to in this crisis. He is entitled to have the inequities eliminated from the tax structure and a fair tax program adopted.

Mr. President, I think the time has also come to tell the American taxpayer that if we are to keep America as strong as it must be kept in order to meet the emergency which confronts the Nation, he will have to pay substantial taxes, and probably some people will have to pay higher taxes, because we are not going to meet this Russian threat on a "business as usual" basis.

So, Mr. President, I say what we ought to be devoting our attention to now is a civilian defense program which seeks to mobilize the civilian economy of the country so as to back up the boys who will be called upon to sacrifice their lives before this crisis is over. I think the time has come for the Congress to close ranks itself on the whole question of national defense. We ought to proceed quickly with an effective civilian defense program.

I ask the question: What is that program? Can anyone in the administration tell the American people today what the civilian defense program is? Let me tell the Senate that as an essential part of that program should be an assurance to the people of America that this time we are going to mobilize not only the manpower of America but the economy of America too. We must make clear by whatever legislation is necessary that this time for a certainty we are going to take all unreasonable profits out of any war effort, even though it may be a minor war. We must check inflation before it starts. We must mobilize industry as well as manpower. We must show a united people and a united economy.

I submit we as a Congress have a job to do on this question of mobilizing the civilian economy of the United States. In my judgment we cannot justify any adjournment or recess on August 1. I think for purposes of emphasis as to the seriousness of the crisis, we would do well as a Congress if we made clear to the American people today that there will be no adjournment on August 1st, but that the Congress will remain at its post, as we expect those in the armed services to remain at their posts until we make perfectly clear to the peoples of the world that we are going to protect freedom from the type of aggressive attack upon it of which Russia and her satellities are presently guilty.

### REORGANIZATION PLAN NO. 22 OF 1950—UNANIMOUS-CONSENT AGREEMENT

Mr. MYERS. Mr. President, I understand the time which the Senator from Oregon has just used is to be taken out of my time, which is devoted to those who are opposed to Senate Resolution 290. However, be that as it may, I again submit the unanimous-consent request that after the vote is taken at 4 o'clock on Senate Resolution 290 the Senate proceed to the consideration of Senate Resolution 299, which deals with Reorganization Plan No. 22; that 1 hour of debate be allotted, to be divided evenly between the proponents and the opponents of Senate Resolution 299.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Does the Senator from Pennsylvania desire at this time to designate who shall control the hour's time?

Mr. MYERS. Mr. President, I understand the junior Senator from Washington [Mr. CAIN] will control the time on behalf of the proponents of Senate Resolution 299, and that the senior Senator from Pennsylvania will control the time of the opponents of the resolution. I include that provision in my request.

The VICE PRESIDENT. Without objection, it is so ordered.

### TRANSACTION OF ROUTINE BUSINESS

Mr. MYERS. Mr. President, I ask unanimous consent that Senators now be permitted to introduce bills and joint resolutions, to present petitions and memorials, and to place routine matters in the RECORD, without speeches and without debate, the time for the transaction of such routine business to be evenly divided between the proponents and the opponents of Senate Resolution 290.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

### EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred, as indicated:

SUPPLEMENTAL ESTIMATE, LEGISLATIVE BRANCH (S. DOC. NO. 195)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, in the amount of $18,000, fiscal year 1951, for the legislative branch, in the form of an amendment to the Budget; to the Committee on Appropriations and ordered to be printed.

LAWS ENACTED BY MUNICIPAL COUNCILS OF ST. THOMAS AND ST. JOHN AND ST. CROIX, V. I.

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the municipal councils of St. Thomas and St. John and St. Croix, V. I. (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON CLAIM OF LAKE STATES ENGINEERING CO.

A letter from the Secretary of the Army, transmitting, pursuant to law, a report on the claim of the Lake States Engineering Co., Chicago, Ill. (with an accompanying paper); to the Committee on the Judiciary.

REPORT ON TORT CLAIMS PAID BY CENTRAL INTELLIGENCE AGENCY

A letter from the Director of Central Intelligence, Washington, D. C., reporting, pursuant to law, on tort claims paid by the agency during the fiscal year 1950; to the Committee on the Judiciary.

REPORT ON COST OF REHABILITATION AND REPAIR OF DAMAGES CAUSED BY FEDERAL AGENCIES AT CERTAIN PUBLIC AIRPORTS

A letter from the Acting Secretary of Commerce, transmitting, pursuant to law, certifications by the Administrator of Civil Aeronautics of the cost of rehabilitation and repair of damages caused by Federal agencies at certain public airports (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

AUDIT REPORT ON FEDERAL DEPOSIT INSURANCE CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on Federal Deposit Insurance Corporation, for the year ended June 30, 1949 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

REPLY OF PRESIDENT WEIZMANN, OF ISRAEL, TO SENATE RESOLUTION OF GREETING

A letter from the Assistant Secretary of State, transmitting a copy of President Weizmann's reply to the resolution of greeting to the State of Israel, as contained in Senate Resolution 266, agreed to April 27, 1950; ordered to lie on the table.

## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by Robt. P. McLachlan Unit No. 137, American Legion Auxiliary, Williamstown, Ky., protesting against that portion of the Hoover Commission report which proposes dismemberment of the Veterans' Administration; to the Committee on Expenditures in the Executive Departments.

A telegram in the nature of a petition signed by L. L. Schieffelin, commander, Monroe County Council, Veterans of Foreign Wars, Rochester, N. Y., praying that the President's veto of the bill (H. R. 87) relating to the promotion of veterans of World War II in the field service of the Post Office Department, be overridden; ordered to lie on the table.

A telegram in the nature of a petition signed by Vincent Rotondo, of Cranston, R. I., relating to the inclusion of permanent disability in the Social Security bill, H. R. 6000; ordered to lie on the table.

A letter in the nature of a petition from the Lexington (Ky.) Advisory Committee on National Defense, signed by Rev. Geo. J. O'Bryan, chairman, relating to meetings of subversive groups advocating the overthrow of the American form of government, and so forth; ordered to lie on the table.

RESOLUTION OF CENTRAL LABOR POLITICAL COMMITTEE AND FEDERATED TRADES AND LABOR ASSEMBLY, AFL, DULUTH, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Central Labor Political Committee, affiliated with the American Federation of Labor, at Duluth, Minn., on June 29, 1950, commending President Truman for his action in the Korean situation, and a resolution adopted by the Federated Trades and Labor Assembly, affiliated with the American Federation of Labor, at Duluth, Minn., on June 23, 1950, in support of a proposed veterans hospital at Duluth, Minn.

The VICE PRESIDENT. The resolutions will be received and appropriately referred, and, without objection, printed in the RECORD. The Chair hears no objection.

To the Committee on Foreign Relations:

"RESOLUTION OF CENTRAL LABOR POLITICAL COMMITTEE, DULUTH, MINN.

"*Be it resolved*, That the AFL Central Labor Political Committee (the political arm of the Duluth American Federation of Labor), in regular meeting this 29th day of June 1950, hereby condemn the cowardly and dastardly attack on South Korea by Communist-backed forces, who are jeopardizing world peace with their lust for world domination; and be it further

"*Resolved*, That President Truman be commended for his courageous action in ordering American forces to defend South Korea and world peace at any cost; and be it finally

"*Resolved*, That copies of this resolution be sent to United States President Truman, to the Congressmen and Senators of Minnesota, and that the press and radio stations also be furnished copies of the resolution.

"E. L. SLAUGHTER,
*"Secretary.*

"Approved by the executive board of the CLPC:

"CHAS. BANNISTER,
*"President.*
"HECTOR MCLACHLAN,
*"Vice President.*
"RAY MCDOUGALL,
*"Treasurer.*
"FRANK MCCAULEY,
"KARL UNGER,
"GORDON HOLTMEIER,
*"Board Members.*

"Date: June 29, 1950."

To the Committee on Labor and Public Welfare:

"RESOLUTION OF FEDERATED TRADES AND LABOR ASSEMBLY OF DULUTH, MINN.

"At the meeting of the Federated Trades and Labor Assembly held Friday, June 23, 1950, the following resolution was adopted:

" 'Whereas the Veterans' Administration and the President of the United States in 1949 stated that there were too many veterans' hospital beds and in the interest of economy the veterans' hospital program was to be curtailed. Consequently the Duluth Veterans' Hospital was canceled; and

" 'Whereas such was not the case, as the Veterans' Administration has recently let a contract for a 1,000-bed hospital in Boston; bids have been opened for a 500-bed hospital in Cincinnati and Salt Lake City, and a 500-bed hospital in Jefferson Barracks; contracts have been let for a 400-bed hospital in West Haven, Conn., and 350 in Minneapolis, Minn., with 13 more projects for the remainder of 1950: Be it further

" '*Resolved*, That the Duluth Federated Trades and Labor Assembly go on record requesting the Veterans' Administration and the President to reinstate the Duluth Veterans' Hospital; be it further

" '*Resolved*, That a copy of this resolution be sent to the American Legion, who are assembled in convention in Duluth requesting their concurrence in this action; and be it further

" '*Resolved*, That copies of this resolution be sent to all veterans' organizations in Duluth and the Duluth City Council and Senators and Congressmen of Minnesota.'

"DULUTH FEDERATED TRADES AND LABOR ASSEMBLY,
"By CLARK KENNEDY, *Secretary.*"

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUNT, from the Committee on Armed Services:

S. 3727. A bill to authorize certain construction at Griffiss Air Force Base, and for other purposes; with amendments (Rept. No. 1937).

By Mr. GURNEY, from the Committee on Armed Services:

H. R. 5074. A bill to promote the national defense by authorizing specifically certain functions of the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research, and for other purposes; with an amendment (Rept. No. 1939).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

S. 3409. A bill to establish the Wyoming Jackson Hole National Park in the State of Wyoming, and for other purposes; with amendments (Rept. No. 1938).

## AMENDMENT OF CENTRAL INTELLIGENCE AGENCY ACT—REPORT OF A COMMITTEE

Mr. CAIN. Mr. President, from the Committee on Armed Services, I report an original bill to amend section 9 of the Central Intelligence Agency Act of 1949, and I submit a report (No. 1940) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

The bill (S. 3875) to amend section 9 of the Central Intelligence Agency Act of 1949, reported by Mr. CAIN, was read twice by its title and placed on the calendar.

## AMENDMENT OF INTERSTATE COMMERCE ACT TO CLARIFY THE STATUS OF FREIGHT FORWARDERS — MINORITY VIEWS (PT. 2 OF REPT. NO. 1285)

Mr. BRICKER. Mr. President, on behalf of myself, and the Senator from Delaware [Mr. WILLIAMS], members of the Committee on Interstate and Foreign Commerce, I submit minority views on the bill (S. 2113) to amend the Interstate Commerce Act, as amended, to clarify the status of freight forwarders and their relationship with motor common carriers.

The VICE PRESIDENT. The views will be received and printed.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ANDERSON (for himself, Mr. MARTIN, and Mr. MORSE):

S. 3867. A bill to provide for the construction of the Jefferson National Expansion Memorial at the site of old St. Louis, Mo., in general accordance with the plan approved by the United States Territorial Expansion Memorial Commission, and for other purposes; to the Committee on Rules and Administration.

By Mr. MYERS:

S. 3868. A bill for the relief of Sister Julie Schuler; to the Committee on the Judiciary.

By Mr. WILEY:

S. 3869. A bill for the relief of Sui Ken Fong and Sui Tung Fong; to the Committee on the Judiciary.

By Mr. TYDINGS (by request):

S. 3870. A bill to provide for subsistence in kind for enlisted personnel of the Reserve components of the National Defense Establishment when engaged in inactive duty training; to the Committee on Armed Services.

By Mr. EASTLAND:

S. 3871. A bill for the relief of Spiro Pavlou; to the Committee on the Judiciary.

By Mr. IVES:

S. 3872. A bill for the relief of Henryka Czlenowa; to the Committee on the Judiciary.

By Mr. HAYDEN:

S. 3873. A bill to amend the Hatch Act; to the Committee on Rules and Administration.

By Mr. BRICKER:

S. 3874. A bill for the relief of Harvey T. Gracely to the Committee on the Judiciary.

(Mr. CAIN, from the Committee on Armed Services, reported an original bill (S. 3875) to amend section 9 of the Central Intelligence Agency Act of 1949, which was ordered to be placed on the Calendar, and appears under a separate heading.)

STATEHOOD FOR ALASKA—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (H. R. 331) to provide for the admission of Alaska into the Union, which was ordered to lie on the table and to be printed.

REDUCTION OF EXCISE TAXES—AMENDMENTS

Mr. GILLETTE submitted amendments intended to be proposed by him to the bill (H. R. 8920) to reduce excise taxes, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

Mr. LANGER submitted amendments intended to be proposed by him to House bill 8920, supra, which were referred to the Committee on Finance and ordered to be printed.

Mr. IVES submitted amendments intended to be proposed by him to House bill 8920, supra, which were referred to the Committee on Finance, and ordered to be printed.

KEYNOTE SPEECH BY SENATOR JENNER BEFORE INDIANA REPUBLICAN STATE CONVENTION

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD the keynote speech delivered by Senator JENNER at the biennial Indiana Republican State Convention, in Indianapolis, June 30, 1950, which appears in the Appendix.]

BRITAIN'S HEALTH SERVICE—ARTICLE BY HOWARD NORTON

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an article entitled "Britain's Health Service Reviewed on Second Birthday," written by Howard Norton, and published in the Baltimore Sun, July 5, 1950, which appears in the Appendix.]

SIGNIFICANCE OF THE KOREAN CRISIS—STATEMENT BY SENATOR SMITH OF NEW JERSEY

[Mr. SMITH of New Jersey asked and obtained leave to have printed in the RECORD a statement on the significance of the Korean crisis, prepared by him at the invitation of the Newark Star-Ledger, of Newark, N. J., and printed in that newspaper on July 2, 1950, which appears in the Appendix.]

FORMOSA UNDER THE NATIONALISTS—ARTICLE BY FITZHUGH TURNER

[Mr. SMITH of New Jersey asked and obtained leave to have printed in the RECORD an article entitled "Formosa Under the Nationalists," written by Fitzhugh Turner, published in the New York Herald Tribune of July 1, 1950, which appears in the Appendix.]

SENATOR CONNALLY, OF TEXAS—ARTICLE FROM THE SATURDAY EVENING POST

[Mr. JOHNSON of Texas asked and obtained leave to have printed in the RECORD an article dealing with Senator CONNALLY, of Texas, published in the Saturday Evening Post, of July 1, 1950, which appears in the Appendix.]

THE "IFS" OF PEARL HARBOR—ARTICLE BY REAR ADM. LOGAN RAMSEY

[Mr. STENNIS asked and obtained leave to have printed in the RECORD an article entitled "The 'Ifs' of Pearl Harbor," written by Rear Adm. Logan Ramsey, United States Navy, retired, which appears in the Appendix.]

HOW PROFITS BENEFIT THE PEOPLE—ADDRESS BY JOHN T. KENNEDY

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an address entitled "How Profits Benefit the People," delivered by John T. Kennedy, president of Benjamin Franklin University, which appears in the Appendix.]

SINGLE CATALOG SYSTEM IN THE GOVERNMENT—LETTER BY LT. COL. VERNON J. NELSON

[Mr. DWORSHAK asked and obtained leave to have printed in the RECORD a letter written to the President of the United States by Lt. Col. Vernon J. Nelson, of Wallace, Idaho, on the subject of a single catalog system in the Government, which appears in the Appendix.]

THE MUNDT BILL—EDITORIAL FROM THE WASHINGTON POST

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "Mundt Bill," published in the Washington Post of July 6, 1950, which appears in the Appendix.]

ILLINOIS FEDERATION OF BUSINESS AND PROFESSIONAL WOMEN'S CLUBS ESTABLISHES AN ANNUAL $2,000 FELLOWSHIP TO TRAIN MATURE ILLINOIS WOMEN FOR CAREERS IN GOVERNMENT SERVICE

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD a statement prepared by him regarding the establishment of an annual $2,000 fellowship of the Illinois Federation of Business and Professional Women's Clubs, which appears in the Appendix.]

MORE TVA'S?—THE ISSUES WEIGHED—ARTICLE BY WILLARD R. ESPY

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article entitled "More TVA's?—The Issues Weighed," written by Willard R. Espy and published in the New York Times magazine of May 7, 1950, which appears in the Appendix.]

WE MUST STAND UP TO THE FACTS—EDITORIAL FROM THE WALL STREET JOURNAL

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial entitled "We Must Stand Up to the Facts," published in the Wall Street Journal of July 3, 1950, which appears in the Appendix.]

STATE LEGISLATURES

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "Tyranny in Ohio," published in the Akron Beacon-Journal and republished in the July 1, 1950, issue of the United States Municipal News, which appears in the Appendix.]

SENATOR McCARRAN, OF NEVADA

Mr. EASTLAND. Mr. President, I ask unanimous consent to insert in the body of the RECORD a statement which I have prepared entitled "Why Do Outside Pressure Groups Seek To 'Get' Nevada's Distinguished Senator, PAT MCCARRAN?"

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WHY DO OUTSIDE PRESSURE GROUPS SEEK TO "GET" NEVADA'S DISTINGUISHED SENATOR, PAT MCCARRAN?

(Statement by Senator JAMES O. EASTLAND)

In recent months the press has reported the formation in New York City of a committee which is conducting a Nation-wide solicitation compaign to raise money to defeat PAT MCCARRAN in his bid for reelection as Senator from Nevada.

Why does this committee propose to dump vast sums of money into Nevada to "get" Senator MCCARRAN?

Senator MCCARRAN is chairman of a special Senate subcommittee which has just completed an extensive 2-year investigation of our immigration and naturalization systems. An exhaustive report of the subcommittee (Senate Rept. 1515) exposes the many loopholes in our immigration and naturalization systems through which Communist agents and other subversives have been gaining admission into the United States and thereafter procuring American citizenship in order to more effectively carry on their nefarious work of boring from within.

A study of the voluminous hearings of the McCarran subcommittee compels the conclusion that the Communist conspiracy in the United States is not a home-grown product but is a weed which has been transplanted by Communist agitators who are sent into this country for the purpose of organizing Communist cells, forming Communist-front organizations and engaging in other nefarious activities designed to undermine our democratic institutions.

The Attorney General of the United States testified before the subcommittee that an analysis of figures of 4,984 of the more militant members of the Communist Party in the United States showed that 91.4 percent of the total were of foreign stock or were married to persons of foreign stock.

Mr. J. Edgar Hoover, Chief of the Federal Bureau of Investigation, recently testified with respect to aliens who have been proven to be deportable on the grounds that they advocate the overthrow of the Government of the United States by force and violence but who cannot under our present laws be deported.

As a result of the study and investigation Senator MCCARRAN introduced in the Senate an omnibus bill (S. 3455) which provides for a complete rewrite of the immigration and naturalization laws and is designed to plug all the loopholes in the present laws and to sever the pipeline of subversive penetration. Already the Communist press and Communist-front organizations have let loose a barrage of propaganda against the bill and its sponsor, Senator MCCARRAN. It is expected that the bill will be scheduled for Senate action early in the next session of the Congress in January and therefore these groups are determined to "get" MCCARRAN and thus defeat the passage of this legislation which is urgently needed to protect the security of our country.

Senator MCCARRAN led the fight in the Senate to embody in the displaced-persons legislation amendments designed to screen out subversives and other undesirables who have been gaining admission into the United States under the guise of displaced persons. In this fight Senator MCCARRAN was supported by numerous patriotic organizations, including the American Legion and the Veterans of Foreign Wars, but he was opposed

by various pressure groups which over the years have had as their ultimate objective the destruction of our protective immigration system. Just one pressure group on displaced-persons legislation registered with the Clerk of the House of Representatives lobbying expenditures of over $1,000,000.

The facts which were disclosed by a special subcommittee of the Senate, of which Senator McCARRAN was chairman, revealed that there had been a complete break-down in the administration of the displaced persons law. Typical of the evidence before the subcommittee was the testimony that vast numbers of persons had gained admission into the United States as displaced persons who were of doubtful eligibility. It was also revealed that the Displaced Persons Commission had a calculated-risk policy whereby displaced persons were being brought into the United States without security checks being first obtained. With reference to this situation the Commissioner of Immigration and Naturalization testified that there were under investigation in the United States a number of aliens who had gained admission into the United States as displaced persons on whom adverse security information was available in Europe at the time the aliens embarked for the United States.

Because Senator McCARRAN insisted on amendments to strengthen the administration of the law and to protect the security interests of the United States, these pressure groups are likewise determined to "get" McCARRAN.

The Senate Committee on the Judiciary, of which Senator McCARRAN is chairman, has recently reported favorably to the Senate a bill (S. 595) to strengthen the espionage laws and a bill (S. 2311) which requires Communists and members of Communist-front organizations to register with the Department of Justice. The Communist and Communist-front groups that are opposing these bills are likewise determined to "get" McCARRAN.

The issue presented by the intervention in an election in the State of Nevada by outside pressure groups is more than the question of the reelection or defeat of one of Nevada's representatives in the United States Senate. The issue is a challenge to every patriotic American who is concerned with the security of our country and the protection of our democratic institutions.

## INTERSTATE SHIPMENT OF MILK—STATEMENT BY SENATOR WILEY

Mr. WILEY. Mr. President, I send to the desk a statement which I have prepared on the subject of resolutions adopted by food and drug officials of the United States at their fifty-fourth annual convention, June 11 to June 15, 1950. I ask unanimous consent that this statement and two appended resolutions be printed at this point in the body of the RECORD.

There being no objection, the statement and resolutions were ordered to be printed in the RECORD, as follows:

### STATEMENT BY SENATOR WILEY

#### COMMENTS ON INTERSTATE SHIPMENT OF MILK

Last week I commented on the urgent necessity of breaking down phony so-called health regulations which prevent the free movement of interstate milk. Thirty-two States, including Wisconsin, are now under the regulations of the United States Public Health Service with regard to milk certification. But this is not enough, because in the remainder of the States, there are more and more little Chinese walls—phony barriers—being set up against our pure milk.

Let me point out that of the whole milk produced in Wisconsin, only 15 percent is consumed within the borders in my State, and 85 percent is consumed outside the State. Thus we in Wisconsin have a tremendous dependence on out-of-State markets. When it comes to butter, 30 percent of the product is consumed in our State and 70 percent must find a market outside Wisconsin. Finally, when we come to cheese, 96 percent has an out-of-State destination, while only 4 percent is consumed in Wisconsin. We are great cheese eaters; but because of the mammoth totals we produce, we depend on out-of-State consumption.

The fluid milk situation is, however, the most critical. That is why I was glad to receive from Mr. Bernhard C. Swenson, deputy commissioner of the Minnesota Department of Agriculture, Dairy, and Food, two resolutions which were adopted by food and drug officials of the United States in convention assembled. The first of the resolutions pertains to this very matter of United States Public Health Service milk certification. The second pertains to the substitution of foreign fat for milk fat in ice cream.

Now that the new oleomargarine law has gone into effect, as of July 1, we are aware that there will be an increasing effort to perpetrate fraud and misrepresentation on the American consuming public. We know that the Food and Drug Administration has an almost impossible task before it in trying to police the 525,000 eating places in our country and in trying to make sure that they comply with the identification provisions of the oleo statute. That is why we are determined that there must be adequate funds for pure food and drug enforcement. That is why, too, we must stop the trend toward synthetic substitution in its tracks right now, lest the entire American dairy industry which so crucially is tied up with American health and American soil conservation is ruined.

I congratulate the food and drug officials for the fine action which they took at their fifty-fourth annual convention in Galveston with reference to these two dairy resolutions.

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### EXCERPTS FROM RESOLUTIONS ADOPTED BY THE FOOD AND DRUG OFFICIALS OF THE UNITED STATES AT THE FIFTY-FOURTH ANNUAL CONFERENCE IN GALVESTON, JUNE 11–15, 1950

#### INTERSTATE SHIPMENTS OF MARKET MILK

To promote increased consumption of fluid milk, insure confidence in the supervision, rating and certification of market milk from surplus-producing areas, we recommend that certification be performed by a Federal agency in accordance with provisions of the 1939 issue of the United States Public Health Service Milk Ordinance and Code.

We urge and recommend that the Congress of the United States provide by statute that the Federal agency charged with the responsibility of certifying market milk for interstate shipments shall cooperate with the State agency designated by law in each State as having the responsibility of supervising the production, processing and marketing of milk and other dairy products.

#### SUBSTITUTION OF FOREIGN FAT FOR MILK FAT IN ICE CREAM

Whereas the Federal Food and Drug Administration has declared that the substitution in whole or in part of fats other than milk fat in ice cream, is an adulterated product, and

Whereas many of the States have specific prohibitory provisions in their rules and regulations for regulatory guidance which make it illegal to substitute foreign fats for milk fat: Now, therefore, be it

*Resolved*, That the National Association of Food and Drug Officials in this fifty-fourth convention assembled, go on record as favoring the enactment or incorporation in all standards of specific provision to exclude the abstraction of milk fat and the substitution in its stead of foreign fats as a measure to prevent consumer fraud and deceit.

## THE CAVALRY CHARGES ON—ARTICLE BY HANSON W. BALDWIN

Mr. LODGE. Mr. President, in the New York Times for Sunday, July 2, the distinguished military writer, Hanson W. Baldwin, published an article entitled "The Cavalry Charges On." What Mr. Baldwin says typifies eloquently the qualities which have made fine armies in the past and without which there cannot be fine armies in the future. In a very real sense, it is this spirit which has saved our country in its hour of danger.

For this reason, I ask unanimous consent that the article be published in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### THE CAVALRY CHARGES ON—IT'S DEAD IN FACT AND ACT OF CONGRESS, BUT IT WILL RIDE FOREVER IN FREE HEARTS

(By Hanson W. Baldwin)

Reserve the stirrups, turn out the mounts to pasture; the Cavalry has gone. The crepe is on the pommel, the mourning bow upon the sword hilt; the Cavalry has gone.

No more of the glint of sunlight on the saber, the sweet music of the creak of saddle harness, the champ of bits. The sound of Boots and Saddles sings no more across the Great Plains; the horse has retired from the field of battle. The yellow legs, who won the West with carbine and with Colt; the Garry Owens of the famous Seventh, who died with Custer at the Little Big Horn, ride no longer; for the Cavalry has gone forever.

Even the gallant name. • • •

Today for the first time in a century and a half of progress there is no Cavalry in the United States Army. A signature last week—that of Harry S. Truman—was its requiem. But the President's endorsement of a bill reorganizing the Army, abolishing the Cavalry as an arm, and substituting armor for it represented merely legal recognition of historical fact.

#### THE MAN-MADE HORSE

Nostalgia for the past, melancholy pride in great achievements, and all the panoply of jingling harness and troopers at the charge could not hide the doom of the horse on the field of battle. Inanimate mechanisms made by men were his undoing; the machine gun, the tank, and the plane were the robots which inherited his world.

Not since the Twenty-sixth Cavalry, harried and bloody, tired but gallant, covered the rear guard of the Army from Damortis to Bataan had the yellow legs straddled their mounts. The First Cavalry Division, a fighting outfit, was in the van of combat from Australia to Japan, but it fought dismounted, and improvised horsed commands and mule-pack trains toiled in small units over the bitter mountains of Italy. In World War II the horse in the United States Army had but a small role.

And so the Cavalry, like all things mortal, has died.

But its soul goes marching on.

For the soul of the Cavalry is élan, aggressiveness, the will-to-fight, dash, the debonair, reckless but ordered discipline that took the Four Hundred into the Valley of Death at Balaklava, that rode with Stuart and with Sheridan, with Custer and with Lee. The spirit of the Cavalry is the spirit basic to any army, a spirit not exclusive to this arm alone, but one of which it was peculiarly possessed.

#### A SENSE OF TRADITION

For the Cavalry had a sense of tradition, an awareness of its responsibility to history,

to the men who have gone, to the standards of the past, to those who died that the way of life we want, the things for which we fight, might live.

It has been popular in these times of fatalism and doubt to impugn tradition, to cast aside as worthless the bright heritage of valor and hope the past has given us. No more fatal mistake to Army or Nation is possible, for tradition, sound tradition, both civic and martial, is the inspiration from the past which must light the future.

The history of the Cavalry, gone in name but never in spirit, provides some of the finest of our Army's traditions. The lilt of von Borcke's songs, he who rode with Jeb Stuart, long has been stilled; Pelham's guns thunder no more; Light Horse Harry Lee, and Marion, the swamp fox, are long dead; the dragoon with brass helmets and horsehair plumes who fought with Wayne at Fallen Timbers live only in old prints.

FORGOTTEN, FAR-OFF THINGS

Resaca de la Palma and the wild charge with sabers are but an incident in the history books now, and the Indian Wars, when the yellow legs fought from Red River and the Rio Grande to Montana and the Rockies are but dates and figures. The Cheyenne, the Sioux, and the Apache are mere ghosts from a dim, forgotten past.

The men are dead, the graves grass-covered, the horses gone, even the monuments weather-stained and strange, a bronze or marble charger oddly out of place in this mechanized age.

But the tattered battle streamers and the silver battle rings bear the great names of the past into the future: Bull Run, Chancellorsville, Gettysburg, Comanches, Oklahoma, the Admiralties, Leyte, Luzon, Tokyo. And the great names will not die. From Henry Dodge, the first colonel of the American Cavalry Service, to George Patton, the roll-call of the Cavalry will live on.

The Cavalry is not dead; its spirit, its traditions, its immortal intangibles endure. Its tactics, its esprit are the heritage of armor and of the Army; the yellow legs are gone, but they have left behind them the things that soldiers live by.

## TREES ON THE CAPITOL GROUNDS

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that I may proceed to make a statement for not to exceed 2½ minutes.

The VICE PRESIDENT. Without objection, the Senator may proceed.

Mr. SALTONSTALL. Mr. President, some weeks ago I wrote to the Architect of the Capitol and pointed out to him that I thought it would be extremely interesting if he could have appropriate markers placed upon historical trees that are not now identified on the Capitol Grounds, and also identification markers placed on other trees, so that the many people from all over the country who visit the Capitol each year will know where the tree came from and will have some information about it. I have recently received a reply from Mr. Lynn, the Architect of the Capitol. He writes as follows:

In compliance with your request, I have had prepared and am transmitting herewith (1) a list of the trees in the United States Capitol Grounds, showing their botanical name, common name, and habitat; (2) a list of shrubs in the United States Capitol Grounds, showing their botanical name and common name; (3) a list of memorial and historic trees now in the United States Capitol Grounds; (4) a list of memorial and historic trees formerly in the United States Capitol Grounds which died prior to May 22, 1950, and have been removed.

In response to your suggestion, plaques are being prepared for all memorial and historic trees not now identified by markers, and identification markers are also being prepared and will be placed upon other trees in the Capitol Grounds in the near future. No additional appropriation is required for this purpose. In view of the fact that there are over 2,000 trees in the Capital Grounds and that many of the trees are of identical varieties, it is proposed only to put one or two markers on identical trees, when located in the same immediate area.

Mr. President, I had no idea there were as many as 2,000 trees on the Capitol Grounds. That fact of itself, I think, is extremely interesting. At the close of my remarks, I am going to ask to have inserted in the RECORD a list of the trees on the United States Capitol Grounds, giving their botanical names, their common names, and where they are native. In addition to this, I shall ask to have inserted another list of the memorial and historic trees, by whom they were planted or whom they memorialize, the State represented, the common name of each tree, and its botanical name.

We still have an American elm planted prior to 1800 by George Washington. There is a red oak planted by Senator Henry Cabot Lodge, Sr., of Massachusetts, on May 4, 1912. There is another red oak planted by the late Senator Charles L. McNary, of Oregon, on April 20, 1923. In 1913, Speaker Joseph G. Cannon, of Illinois, also planted a red oak. Vice President Thomas R. Marshall in 1912 planted a hickory tree. Representative Joseph Walsh, of Massachusetts, on April 15, 1920, planted an American birch. There is a tree to honor the mothers of America, a Boy Scout tree, an Arbor Day tree planted on April 10, 1947, by our minority leader, the Senator from Nebraska [Mr. WHERRY]. There is a war memorial tree, and so it goes.

Twenty-two States are represented by twenty-one varieties of trees. It might interest Senators to know that nearly all parts of the world are represented: Europe, Asia, Japan, Canada, Persia, China, for example. There are 9 kinds of maple, 5 kinds of birch, 3 kinds of ash, 10 representatives of the magnolia family, 13 kinds of oak trees, 9 kinds of elms.

Mr. President, I ask unanimous consent to place in the body of the RECORD, following my remarks, the list of trees to which I have referred. I feel confident that the Members of Congress will find it of interest. I hope the markers will shortly be placed, so that the Members, as well as the public, in walking around the Capitol Grounds will have an opportunity to learn the names of the trees which they see and which add such beauty to the surroundings of our Capitol.

There being no objection, the lists were ordered to be printed in the RECORD, as follows:

*List of trees in the U. S. Capitol Grounds (as of June 1950)*

| Botanical name | Common name | Habitat |
|---|---|---|
| Abies pectinata | Silver fir | Europe. |
| Acer campestre | European cork maple | Europe and Asia. |
| Acer palmatum | Japanese maple | Japan. |
| Acer platanoides | Norway maple | Europe. |
| Acer pseudoplatanus | Sycamore maple | Do. |
| Acer pseudoplatanus purpurea. | Purple sycamore maple | (1). |
| Acer rubrum | Red maple | Eastern United States and Canada. |
| Acer saccharinum | Silver maple | United States and Canada. |
| Acer saccharum | Sugar or rock maple | Do. |
| Acer spicatum | Mountain maple | Eastern North America. |
| Aesculus carnea (rubicunda). | Red flowering horsechestnut. | Persia. |
| Aesculus glabra | Ohio buckeye | Central United States. |
| Aesculus hippocastanum | Horsechestnut | (1). |
| Amelanchier canadensis | Shadbush | Eastern United States and Canada. |
| Betula laciniata | American white birch | United States and Canada. |
| Carpinus betulus | European hornbeam | Europe. |
| Carpinus caroliniana | American hornbeam | Eastern United States and Canada. |
| Catalpa (bignonioides) | Catalpa or Indian bean | Southern United States. |
| Catalpa (speciosa) | Western catalpa | Do. |
| Cedrela sinensis | Chinese cedar | China. |
| Celtis crassifolia | Hackberry | Central United States. |
| Cercis canadensis | Judas tree or red bud | United States. |
| Chionanthus virginiea | White fringe | Southern United States. |
| Citrus trifoliata | Trifoliata orange | Japan. |
| Cladrástis tinctoria lutea | Yellow wood | Central United States. |
| Cornus florida | White flowering dogwood | United States and Canada. |
| Cornus florida var., flora rubra. | Red flowering dogwood | (1). |
| Cornus mascula | Cornelian cherry | (1). |
| Crataegus oxycanthus | May thorn (hawthorn) | Europe. |
| Diospyros virginiana | Persimmon | Central and eastern United States. |
| Fagus americana (grandifolia). | American beech | Eastern United States and Canada. |
| Fagus sylvatica | European beech | Europe. |
| Fagus sylvatica asplenifolia incisa. | Cut-leaf beech | (1). |
| Fagus sylvatica comptonifolia. | Beech | (1). |
| Fagus sylvatica purpurea | Purple beech | (1). |
| Fraxinus Americana | White ash | United States and Canada. |
| Fraxinus lanceolata | Green ash | United States. |
| Fraxinus Pennsylvanica | Red ash | Central and eastern United States. |
| Ginkgo biloba (salisburia) | Maiden hair tree | China. |
| Gymnocladus canadensis | Kentucky coffee tree | United States and Canada. |
| Gleditsia triacanthos | Honey locust | Southern United States. |
| Halesia tetraptera | Silver bell | Do. |
| Hicoria (hybrids and seedlings). | Hickory | (1). |
| Hicoria pecan (carya alinaefornus). | Pecan | Southern United States. |
| Ilex opaca | American holly | Do. |
| Juglans cinerea | Butternut | United States. |
| Juglans nigra | Black walnut | Do. |
| Juglans regia | English walnut | (1). |
| Koelreuteria paniculata | Varnish tree | China and Japan. |
| Liquidambar styraciflua | Sweet gum | Central and eastern United States. |
| Liriodendron tulipifera | Tulip tree (poplar) | Eastern United States. |
| Magnolia abouvata purpurea. | Purple magnolia | China and Japan. |

[1] Trees for which no habitat is given are grafted varieties.

*List of trees in the U. S. Capitol Grounds (as of June 1950)*—Continued

| Botanical name | Common name | Habitat | Botanical name | Common name | Habitat |
|---|---|---|---|---|---|
| Magnolia accuminata | Cucumber tree | Central and eastern United States. | Quercus montana | Rock chestnut oak | Eastern United States. |
| | | | Quercus palustris | Pin oak | Atlantic States. |
| Magnolia grandiflora | Bull bay | Southern United States. | Quercus pedunculata (robur) | English oak | Europe and Asia. |
| Magnolia grandiflora exoniensis | | Do. | Quercus phellos | Willow oak | South Atlantic States. |
| | | | Quercus platanoides (bicolor) | Swamp white oak | Atlantic States. |
| Magnolia glauca | Sweet bay | Eastern United States. | | | |
| Magnolia Kobus | | Japan. | Quercus prinus | Chestnut oak | Do. |
| Magnolia lennei | Lennes magnolia | (1). | Quercus rubra | Red oak | Do. |
| Magnolia macrophylla | Great-leaved magnolia | Southern United States. | Quercus stellata | Post oak | Do. |
| Magnolia soulangeana | Chinese saucer magnolia | China and Japan. | Sassafras officinalis | Sassafras | Do. |
| Magnolia stellata | Starry magnolia | Japan. | Sequoia gigantea | Mammoth tree | California. |
| Magnolia tripetala | Umbrella tree | Southern United States. | Sophora japonica | Japanese pagoda tree | China and Japan. |
| Malus atrosanguinlana | Flowering crab-apple | Japan. | Tilia americana | American linden | Atlantic States. |
| Malus floribunda | do | Do. | Tilia europea | European linden | Europe. |
| Malus Scheidecker | do | Do. | Tilia heterophylla | White basswood | Atlantic States. |
| Nyssa sylvatica | Sour gum (tupelo) | Atlantic States. | Tilia platyphyllos | Large-leaf lime | Europe. |
| Ostrya virginiana | Hop hornbeam | Do. | Tilia tomentosa | Silver linden | Do. |
| Paulownia imperialis | Empress tree | China and Japan. | Toxylon pomifernum | Osage orange | Central United States. |
| Picea orientalis | Oriental spruce | Western Europe. | Tsuga canadensis | Canadian hemlock | (1). |
| Pinus strobus | White pine | Central and Northern Atlantic States. | Ulmus alata | Wahoo or winged elm | Central and southern United States. |
| Platanus occidentalis | Sycamore | Atlantic States. | Ulmus americana | American elm | Atlantic States. |
| Platanus orientalis | Oriental plane | Western Europe. | Ulmus campestris | English elm | Europe. |
| Prunus | Flowering cherry | Japan. | Ulmus fulva | Slippery elm | Eastern and central United States. |
| Prunus pendula | Weeping flowering cherry | Do. | | | |
| Pyrus malus | Apple tree | Southeastern Europe and Western Asia. | Ulmus glabra (Montana) | Wych elm, or Dutch elm | (1). |
| | | | Ulmus glabra (Camperdownii) | Weeping elm | (1). |
| Quercus alba | White oak | Atlantic States. | | | |
| Quercus borealis | Red oak | Southern United States. | Ulmus moline | Large-leaf elm | Northern United States. |
| Quercus coccinea | Scarlet oak | Central and Eastern United States. | Ulmus pumila | Chinese elm | Orient. |
| | | | Ulmus serotina | Red elm | Southern Atlantic States. |
| Quercus lyrata | Overcup oak | Do. | Zizyphus vulgaris | Christ's thorn (jujube) | Southern Europe. |
| Quercus macrocarpa | Burr or mossy cup oak | Central United States. | | | |

[1]Trees for which no habitat is given are grafted varieties.

*List of shrubs in the U. S. Capitol Grounds (as of June 1950)*

| Botanical name | Common name | Botanical name | Common name |
|---|---|---|---|
| Abelia grandiflora | Abelia. | Ligustrum lucidum | Evergreen privet. |
| Acuba japonica | Acuba. | Ligustrum ovalifolium | California privet. |
| Aralia quinquefolia | Aralia. | Lonicera tartarica | Bush honeysuckle. |
| Azalea hybrids (Kurume) | Azalea. | Mahonia aquifolia | Oregon holly-grape. |
| Azalea indica | Do. | Osmanthus aquifolia | Osmanthus. |
| Berberis juliana | Evergreen barberry. | Philadelphus coronarius | Mock orange. |
| Berberis thunbergii | Japanese barberry. | Photinia serrulata | |
| Benzoin odoriferum | Spice bush. | Pyracantha coccinea | English firethorn. |
| Buddleia Davidii magnifica | | Rosa rugosa | Chinese rose. |
| Buxus sempervirens | American boxwood. | Spirea Anthony Waterer | Spirea. |
| Buxus sempervirens Hansworthi | Hansworthi boxwood. | Spirea prunifolia | Bridal wreath spirea. |
| Buxus sempervirens var. suspensa | Tree boxwood. | Spirea Reevesiana | Spirea. |
| Calycanthus floridus | Sweet shrub or allspice. | Spirea Van Houttei | Do. |
| Circis chinensis | Chinese redbud. | Symphoricarpus racemosa | Snow-berry or wax-berry. |
| Cornus mas | Cornealian cherry. | Symphoricarpus vulgaris | Indian currant or coral berry. |
| Corylus tupulosa atropurpurea | Red leaf hazel nut. | Syringa vulgaris | Lilac. |
| Crataegus crus-galli | Hawthorne. | Taxus baccata | Yew tree. |
| Crataegus washingtoni | Washington thorn. | Taxus baccata adpressa | Do. |
| Cydonia japonica | Japanese quince. | Taxus baccata repandens | Spreading yew. |
| Deutzia gracilis | Dwarf deutzia. | Taxus baccata aurea, Washingtoni | Washington or golden yew. |
| Deutzia scabra (pride of Rochester) | Duetzia. | Taxus cuspidata | Japanese yew. |
| Euonymus alatus | Cork bark euonymus. | Taxus cuspidata capitata | Upright yew. |
| Euonymus vegetus | | Taxus cuspidata nana | Yew. |
| Ficus carica | Fig tree. | Taxus hibernica | Irish yew. |
| Forsythia viridissima | Golden bell. | Viburnum dentatum | Arrow-wood. |
| Hamamelis virginiana | Witch hazel. | Viburnum lentago | Nanny berry or sheep berry. |
| Hibiscus syriacus | Rose of Sharon. | Viburnum opulus | High bush cranberry. |
| Ilex aquifolium | European holly. | Viburnum plicatum | |
| Ilex cornuta | Chinese holly. | Viburnum tomentosum plicatum | Japanese snowball. |
| Ilex crenata | Japanese holly. | Weigelia rosea | Weigelia. |
| Ilex crenata microphylla | Small-leaf Japanese holly | Yucca filimentosa | Adam's needle. |
| Jasminum nudiflorum | Jasmine. | | |
| Laburnum vulgare | Golden chain. | VINES | |
| Lagerstromia indica | Crepe myrtle. | Ampelopsis veitchii | Boston ivy. |
| Laurocerasus officinalis | Cherry laurel. | Hedera helix | English ivy, evergreen. |
| Ligustrum ibota regalianum | Regal privet. | Hedera helix hibernica | Irish ivy, evergreen. |

*Memorial and historic trees in the U. S. Capitol Grounds (as of May 1950)*

| Date planted | Planted by or memorializing— | State | Common name of tree | Botanical name |
|---|---|---|---|---|
| Prior to 1875 | Senator Simon D. Cameron | Pennsylvania | American elm | Ulmus americana. |
| Apr. 24, 1912 | Senator Augustus O. Bacon | Georgia | Pin oak | Quercus palustris. |
| Do | Representative William J. Browning | New Jersey | Red oak | Quercus borealis. |
| Apr. 30, 1912 | Senator Jacob H. Gallinger | New Hampshire | Overcup oak | Quercus lyrata. |
| May 4, 1912 | Senator Henry C. Lodge, Sr | Massachusetts | Red oak | Quercus borealis. |
| Do | Representative James R. Mann | Illinois | do | Quercus borealis. |
| May 7, 1912 | Speaker Champ Clark | Missouri | Sugar maple | Acer saccharum. |
| May 9, 1912 | Senator Shelby M. Cullom | Illinois | American elm | Ulmus americana. |
| 1913 | Representative Martin E. Olmsted | Pennsylvania | Pin oak | Quercus palustris. |
| 1913 | Speaker Joseph G. Cannon | Illinois | Red oak | Quercus borealis. |
| 1916 or 1917 | Representative Joseph Taggart | Kansas | Pin oak | Quercus palustris. |
| Apr. 8, 1918 | Vice President Thomas R. Marshall | Indiana | Hickory | Hicoria alba. |
| Do | Senator Willard Saulsbury | Delaware | Hickory | Do. |
| 1918 or 1919 | Representative James L. Slayden | Texas | Pecan | Hicoria pecan. |
| Do | do | do | do | Do. |
| 1920 | Representative Charles H. Randall | California | Redwood | Sequoia gigantea. |
| Apr. 15, 1920 | Representative Joseph Walsh | Massachusetts | American beech | Fagus grandifloria. |
| Apr. 20, 1923 | Senator Charles L. McNary | Oregon | Red oak | Quercus borealis. |
| May 9, 1925 | Mothers' Tree (planted to honor Mothers of America) | All States | White birch | Betula laciniata. |
| Nov. 23, 1927 | Representative Martin B. Madden | Illinois | Mossy cup oak | Quercus macrocarpa. |
| Nov. 26, 1927 | Representative David H. Kincheloe | Kentucky | Umbrella tree | Magnolia tripetala. |
| May 4, 1928 | Representative Roy G. Fitzgerald | Ohio | Bull bay tree | Magnolia grandiflora. |
| Apr. 20, 1931 | Boy Scout Tree (from Mount Vernon, Va.) | Virginia | White walnut | Juglans cinerea. |
| Dec. 21, 1931 | Representative Maurice H. Thatcher | Kentucky | American elm | Ulmus americana. |
| Apr. 8, 1936 | Representative Karl Stefan | Nebraska | White pine | Pinus strobus. |
| May 30, 1946 | War Memorial Tree (Representative John E. Rankin) | All States | White oak | Quercus alba. |
| Apr. 10, 1947 | Arbor Day Tree (Senator Kenneth Wherry) | | Burr oak | Quercus macrocarpa. |
| June 26, 1948 | Good Templars Tree (plaque placed on existing tree) | | American elm | Ulmas americana. |
| Apr. 16, 1949 | Memorial to Senator Thomas P. Gore | Oklahoma | Chestnut oak | Quercus prinus. |
| Do | Memorial to Senator Robert L. Owen | do | Sweet gum | Liquidambar styraciflua. |
| Oct. 11, 1949 | Speaker Sam Rayburn | Texas | White oak | Quercus alba. |

*Memorial and historic trees formerly in the U. S. Capitol Grounds which died prior to May 22, 1950, and have been removed*

| Date planted | Planted by or memorializing— | State | Common name of tree | Botanical name |
|---|---|---|---|---|
| Prior to 1800 | George Washington | Virginia | American elm | Ulmus americana. |
| Apr. 18, 1912 | Vice President James S. Sherman | New York | Purple beech | Fagus sylvatica. |
| May 11, 1912 | Senator George Peabody Wetmore | Rhode Island | American beech | Fagus americana. |
| Apr. 21, 1913 | Representative Richard Bartholdt | Missouri | Pin oak | Quercus palustris. |
| 1917 or 1918 | Representative Jeannette Rankin | Montana | Redwood | Sequoia gigantea. |
| Do. | do | do | do | Do. |
| May 1929 | Senator Simeon D. Fess | Ohio | Buckeye | Aesculus glabra. |
| Dec. 21, 1931 | Scion of Washington elm (from State of Washington) | Washington | American elm | Ulmus americana. |
| Nov. 9, 1939 | Sam Houston Centennial Tree (replanted by Fritz G. Lanham) | Texas | Pecan | Hicoria pecan. |

## LEGISLATIVE PROGRAM—FEPC CLOTURE PETITION

Mr. WHERRY. Mr. President, I ask unanimous consent that I may address two questions to the acting majority leader, relative to the program for Monday.

The VICE PRESIDENT. Without objection, the Senator may proceed.

Mr. WHERRY. I wish to ask the distinguished acting majority leader if he knows whether there will be a calendar call on Monday or perhaps on Tuesday of next week.

Mr. MYERS. Mr. President, I understand there is unanimous consent to have the Senate vote on the Sumner Pike nomination at 4 o'clock on Monday, and that the time between 12 noon and 4 p. m. is to be evenly divided between the proponents and the opponents of confirmation of that nomination. So there will be no opportunity on Monday to have a call of the calendar.

Of course, if the Senate were to meet tomorrow, there might be a call of the calendar then. However, there is to be no session tomorrow, in order to give the Appropriations Committee an opportunity to report the appropriations bill as soon as possible.

Mr. WHERRY. I appreciate the information that there will not be a call of the calendar on Monday.

Mr. MYERS. I shall confer with the majority leader as soon as he returns, and shall see if it is possible to have a call of the calendar following Monday, as soon as practicable.

Mr. WHERRY. I should like to ask another question of the distinguished acting majority leader, if he will yield.

Mr. MYERS. I yield.

Mr. WHERRY. Yesterday I asked the majority leader whether he would prepare the cloture petition on the motion to consider the FEPC bill which he expects to file on Monday, and on which the vote would be taken on the following Wednesday. Does the Senator from Pennsylvania know whether the cloture petition has been prepared?

Mr. MYERS. It has been prepared, and has just been delivered to my desk.

Mr. WHERRY. I wish the Senator would announce that, so all Senators who wish to sign the cloture petition may have an opportunity to do so.

Mr. MYERS. Mr. President, the cloture petition has been prepared, and is now on my desk. All Senators who desire to sign the cloture petition may do so.

Mr. WHERRY. I thank the Senator.

## REORGANIZATION PLAN NO. 24 OF 1950

The Senate resumed the consideration of the resolution (S. Res. 290) disapproving Reorganization Plan No. 24 of 1950, providing for the transfer of the Reconstruction Finance Corporation to the Department of Commerce.

Mr. FULBRIGHT. Mr. President——

The VICE PRESIDENT. The Senator from Arkansas is recognized.

Mr. FULBRIGHT. I yield 10 minutes to the junior Senator from Virginia [Mr. ROBERTSON].

The VICE PRESIDENT. The Senator from Virginia is recognized for 10 minutes.

Mr. ROBERTSON. Mr. President, I regret very much that the senior Senator from Virginia [Mr. BYRD] is absent today because of the illness of his wife.

Today I shall take the liberty of speaking for both Senators from Virginia, because both of us are of the opinion that it will be wise for the Senate to adopt Senate Resolution 290, the Fulbright resolution, to disapprove Reorganization Plan No. 24. Before giving my reasons for that position, I wish to take occasion to express my very high regard for the ability, the integrity, and the unselfish devotion to duty of the distinguished Secretary of Commerce, Mr. Sawyer. If my decision were to be based solely on a question of personality, I frankly could not name anyone whom I should prefer over Mr. Sawyer to administer the affairs of the Reconstruction Finance Corporation and to control its general policies. But the junior Senator from Virginia feels that it would be the part of wisdom if we were to delay action on the RFC proposal until the Senate Banking and Currency Committee can conclude its present study of the RFC and can have an opportunity, which we shall embrace at the earliest possible date next year, to submit to the Senate a definite plan.

It is known that the RFC subcommittee of the Banking and Currency Committee, headed by the distinguished Senator from Arkansas [Mr. FULBRIGHT], has spent a good many weeks studying this whole problem. He feels—and I think properly so—that action today in transferring or authorizing the transfer of RFC to the Department of Commerce would nullify the work which has been done by that subcommittee, and would place the Senate and the Congress in such a position next year that it would be difficult, if not impossible, to work out a plan which many think would be better than the pending proposal to transfer RFC to the Department of Commerce.

There are six bills pending before the Banking and Currency Committee, all purportedly designed to aid small business. One of those bills would direct the RFC to make loans to small business on easier credit terms than are now authorized by law. In stating that I have great confidence in Secretary Sawyer, I had in mind his testimony on those bills before our committee, in which he emphatically said that he did not think the Government should make a loan to anyone on inadequate security. He also said he was a firm believer in the American system of competitive enterprise. I know that both his private life and his official action fully confirm that expression on his part.

It will be a physical impossibility for the Senate Banking and Currency Committee to complete action during the present session, on the six bills to which I have referred. One of the bills, as I say, deals directly with RFC. All the others deal more or less with the general credit policies of the Nation. It would be logical, therefore, if we were to defer action at this time on transferring the RFC to the Department of Commerce until we can see what the Senate Banking and Currency Committee ultimately does on the pending credit proposals, and what further facts may be developed by the Fulbright committee, which has not completed its study.

The testimony before the Senate Committee on Expenditures in the Executive Departments concerning the Fulbright resolution shows that the resolution of disapproval was strongly endorsed by the American Bankers Association, the testimony to that effect being given by my good friend, Mr. Francis Cocke, of Roanoke, who is chairman of the Committee on Federal legislation of that great bankers association. Speaking for that national association, Mr. Cocke said they were definitely opposed to the transfer of RFC to the Department of Commerce. I am not sure whether he said that the bankers preferred it to remain an independent agency, but I think he did. As I recall he also said that if it were to be transferred anywhere, they would prefer to see it go to the Treasury Department.

The legal representative of the Association of Reserve City Bankers testified before the committee against the transfer of RFC to the Department of Commerce. The chairman of the citizens committee for the Hoover report testified against the transfer to the Department of Commerce. He wanted the recommendations of the Hoover Commission to transfer RFC to the Treasury Department carried out. A few days ago I read a newspaper story—I assume it was correct—in which it was stated that personally Mr. Hoover favored the transfer of RFC to the Board of Governors of the Federal Reserve System.

The hearings before the Senate Committee on Expenditures in the Executive Departments showed that the task force of the Hoover Commission thought the RFC should be abolished. There are a

good many Members of Congress who share that viewpoint. The RFC was created in a great emergency in 1932 to furnish working capital, when the banks were unable to do so and when such capital was not available elsewhere. I may add, Mr. President, the RFC did a great job. It met a known emergency, and met it well. No agency which handles billions of dollars can be perfect, and I think even the most biased friends of RFC will now admit that the RFC has made some rather serious errors.

The VICE PRESIDENT. The time of the Senator from Virginia has expired.

Mr. ROBERTSON. May I have 10 minutes more?

Mr. FULBRIGHT. I yield 10 minutes more to the Senator from Virginia.

Mr. ROBERTSON. As I say, the RFC has made some rather serious errors. I may mention Lustron, for example. That certainly was not a very well conceived loan. I read in the newspapers that RFC made a loan to a hotel in the great State of Nevada whose earning power was largely, if not solely, dependent upon the successful operation of a gambling concession.

But the over-all operations of the RFC have been well handled. We have within recent years greatly expanded its privilege of loaning money. It now has a lending capacity up to $3,750,000,000. That is a tremendous economic power. Certain witnesses—I do not associate myself with them—testified before the committee that if the lending power of $3,750,000,000 were taken from an independent agency, subject to congressional control and reporting directly to the Congress, and whose files are always open to Congress, and that agency were made a part of a department, there would be a great temptation to use that tremendous lending power for political purposes. I say I do not make that charge. It was made and is contained in the hearings which have been placed on our desks.

There were several other witnesses who, for various reasons, opposed the transfer.

So, Mr. President, because the Fulbright committee investigating the RFC has not completed its work, because the Banking and Currency Committee has not finished work on six bills relating to credit, and because there was no unity in the Hoover Commission as to what should be done, Mr. Hoover favoring the Federal Reserve Board, the task force favoring abolishing the RFC, a majority of the committee favoring transfer to the Treasury Department, and only two or three members of the Hoover Commission favoring transfer to the Department of Commerce, I think it would be the part of wisdom for the Senate to take no action at this time, but to let the matter go over.

Certainly there is no burning issue with regard to easy credit at the present time. The banks are overflowing with money. Three times as much money is now in circulation as was the case before the war. The month of May was reported by the Federal Reserve Board as the month of the greatest production in our history. June has been reported as the month of almost complete employment. All economists are of the opinion that this situation will undoubtedly continue for the remainder of the year. Certainly the war in Korea will not bring on a depression. It may bring on a great deal of new expenses, which I wish to mention before I conclude. But war does not bring on depressions.

So, Mr. President, I do not see how anything will be imperiled by letting this proposed transfer go over until next year and giving the Banking and Currency Committee of the Senate an opportunity to present a bill which will be open to all germane amendments. We can recommend that the RFC be abolished as an independent agency, or we can transfer it wherever the majority says it should be transferred. We are not binding the hands of Congress in any way by letting the matter go over until the whole subject can be more fully explored.

Mr. President, the measures which are coming before us next week and the following week pale into insignificance what we are debating today. On yesterday our distinguished Majority Leader called on the Senate Appropriations Committee to have its bill ready for floor action by next Monday and requested us to work at night if necessary to do so. If the full committee does not undertake to make an item-by-item review of the work of its subcommittees we can have the bill ready for floor action by next Monday. But the total of that bill will surprise some who have not kept in close touch with the new demands for money presented to us since the House passed the bill and who do not understand how impractical it would be to apply arbitrary percentage cuts to such agencies as the defense agencies, the Post Office Department and the FBI. Our committee has been forced to restore a substantial part of the cuts which would have been made by the Taber amendment to add some $300,000,000 on the basis of new supplemental estimates and over $1,000,000 for the military aid bill which the Senate passed by unanimous vote. As the result, the appropriation bill on which the Senate will act will be much in excess of the bill passed by the House.

On yesterday, the Secretary of the Treasury, John Snyder, testifying before the Senate Finance Committee, warned Congress that the Nation might as well grit its teeth and get used to the idea of higher taxes and not lower taxes, because of Korea.

The distinguished Senator from Oregon [Mr. MORSE] has notified us this morning that when that bill comes before the Senate he wants to see it debated on the basis of the national security and general welfare, and not on the basis of what candidates may be helped by the passage of certain provisions of the bill.

Public sentiment has backed the action of President Truman in carrying out the mandate of the Security Council of the United Nations to make a firm stand against the unjustified communistic aggression in South Korea. Public sentiment backs the action of the Congress in continuing ECA aid for western Europe and military aid under the provisions of the Atlantic Pact. But public sentiment expects all of this international program, involving the expenditure of vast sums and the possible loss of life in the Korean conflict to be a definite contribution to world peace.

The results to be accomplished will be a sad and bitter disappointment to the people of America if it should turn out that the nations whom we are endeavoring to help preserve their personal freedom do not love that freedom enough to fight for it. A pertinent discussion of what is involved in the present Korean conflict is carried in an article by Joseph C. Harsch, published on yesterday in the Christian Science Monitor.

Mr. President, I ask unanimous consent to have inserted in the RECORD as a part of my remarks the article to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STATE OF THE NATION

THE IMPORTANT THING

(By Joseph C. Harsch)

WASHINGTON.—During these anxious and swift-moving days we should keep in mind that the important thing is not whether the forces of the West hold Korea, but that a common effort has been mobilized to try to prevent the fall of one country—it could be any country—to naked force.

Korea itself may well be lost. The Korean Army has proved disappointing in the first phase of military operations. There is no evidence yet that the Korean people as a mass are taking an effectively active interest in behalf of their own independence. The burden falls increasingly on the military forces coming in from outside under the aegis of the United Nations.

If the Korean people themselves rally to their own defense, then Korea can in all probability be rescued and revived. But if they fail to rally then eventually the forces now giving them their chance must retire. The United States is not putting its military forces into Korea to gain military bases. American military opinion long since judged Korea to be military untenable. United States Army, Navy, and Air Force thinking is equally opposed to establishing any permanent United States positions on Korea.

From the strictly military point of view, they want nothing to do with Korea, and will get out at the first possible moment. In the long run, Korea can be sustained only by the will of its own people to retain their independence. If they fail to demonstrate that will, then Korea will be lost. It could be lost very soon.

Certainly it would be far better to try in Korea, and succeed, than to try, and fail. Failure would give the Comintern propagandists a useful weapon. They could argue that events in Korea prove a preference among Asiatic peoples for Russian communism over western freedom. The argument would be specious, but it undoubtedly would impress many persons.

But that is not the important thing. The important thing is that the effort was made; that the United States proved that it learned the lessons of nonintervention and appeasement in the thirties; proved that the United States is sincere about all the things it has done of recent years to save the West.

If this effort had not been made, it is almost certain that the great coalition would have fallen apart. What has not been sufficiently realized or admitted publicly over here is that the winter of 1949–50 was a period of declining faith in the cause of the West. Europe particularly began to doubt the sincerity of the Marshall plan and the Atlantic Pact and the United Nations

and everything else involved in the common security of the western world. There was a frightening degeneration in the atmosphere which showed itself in Europe in a rising urge to neutralism, in the startling numbers of persons in all European countries who would sign the Stockholm petition, in an atmosphere of defeatism.

This degeneration of western morale, this creeping lack of faith, was checked for the first time by the Schuman plan and talk of new weapons. But it was not exorcised for all time. The fear that the will of Moscow was a stronger mental quantity than the will of the west was there to be revived in full anguish at the news of the march of an invading army across a frontier.

If the military effort to rescue Korea fails, then Korea is lost, and there is propaganda discomfort to us, and it will be in order to examine the methods which failed so signally to set up an effective government in South Korea. But that is the sum of it.

If the military effort to rescue Korea had not been made, all the labors of five years probably would have come to naught and we would have seen a cringing Europe plodding off one by one to make its peace with Moscow.

We may hope that the Korean cause is not a lost cause. But we should also remember that the bigger cause has been won no matter what the outcome in Korea. The faith of the West has been confirmed and renewed. We and our friends now have the proof we all needed of each other's sincerity.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. ROBERTSON. I yield.

Mr. CAIN. Is it not almost certain that because of the investigation of the Reconstruction Finance Corporation the Senate Banking and Currency Committee will offer a bill dealing with the operation of that corporation?

Mr. ROBERTSON. I so understand. That is one of the main reasons I ask my colleagues in the Senate not to preclude us from making a report in which we think they will be much interested.

Mr. CAIN. The Senator from Washington would like to say that that reason justifies his opposition to Reorganization Plan No. 24, because if we agree at this time to the proposal, we are likely within a few short months of this time to be required to undo, or we may wish to undo what we have done.

Mr. ROBERTSON. I think so. I think we should have another look at it. If we take a look at it, and our look does not agree with the look at the other end of Pennsylvania Avenue, our look will probably be vetoed.

Mr. President, I yield back the remainder of my time.

RECESS

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Senate stand in recess until 2:15 p. m. It appears that there are not many Senators who desire to speak in opposition to this resolution.

The VICE PRESIDENT. The Senator from Arkansas asks unanimous consent that the Senate now take a recess until 2:15 p. m. Is there objection?

Mr. MYERS. I have no objection.

There being no objection, the Senate (at 12 o'clock and 58 minutes p. m.) took a recess until 2:15 o'clock p. m.

On the expiration of the recess, the Senate reassembled and was called to order by the Vice President.

REORGANIZATION PLAN NO. 24 OF 1950

The Senate resumed the consideration of the resolution (S. Res. 290) disapproving Reorganization Plan No. 24 of 1950, providing for the transfer of the Reconstruction Finance Corporation to the Department of Commerce.

Mr. FULBRIGHT. Mr. President, I yield 5 minutes to the senior Senator from Vermont [Mr. AIKEN].

The VICE PRESIDENT. The Senator from Vermont is recognized for 5 minutes.

Mr. AIKEN. Mr. President, when the Hoover Commission made its report on the reorganization of the Treasury Department, the majority of the Commission recommended that the RFC be placed in the Treasury Department. With Commissioners Pollock and Rowe, I dissented from this recommendation, and recommended instead that the RFC be placed in the Commerce Department.

The reason for this minority recommendation was our belief that if the functions of government were to be grouped according to their major purposes, the RFC should be incorporated in the Department of Commerce, because its major purpose is, of course, the stabilization and improvement of industry and commerce, and the lending of money is merely a means of achieving that major purpose of the RFC.

However, at that time conditions with respect to the RFC were considerably different from what they are now. In view of the fact that the subcommittee headed by the Senator from Arkansas [Mr. FULBRIGHT] has been holding hearings, which I understand are not completed, and that some rather unsavory revelations have been made at the hearings, it seems to me best at this time not to place the RFC in any department of government, which might give it a greater air of permanency.

It is apparent already that after the subcommittee has completed its hearings the RFC must be purified in some way, or abolished. In view of the fact that the future of the RFC is so uncertain at this time, I feel that I am on sound ground in voting to disapprove Reorganization Plan No. 24 as submitted by the President.

Mr. President, I take this position without prejudice to incorporating the RFC in one of the departments of government at a later date if it is found advisable to continue its existence. I still believe, as I did as a member of the Hoover Commission, that if the RFC is put in any department the Department of Commerce is more nearly the proper department than the Treasury Department. But under the circumstances I think it best not to put it in any of the departments of government at this time, but to vote to approve the resolution which disapproves Reorganization Plan No. 24.

Mr. FULBRIGHT. I yield 5 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Senator from Pennsylvania is recognized for 5 minutes.

THE BOY SCOUT JAMBOREE AT VALLEY FORGE, PA.—ADDRESS BY THE PRESIDENT

Mr. MARTIN. Mr. President, last Friday afternoon the senior Senator from Pennsylvania [Mr. MYERS] and the junior Senator from Pennsylvania had the honor of accompanying the President of the United States to Valley Forge, where we visited the International Jamboree of the Boy Scouts. We were met at Valley Forge by the Governor of Pennsylvania and some members of his cabinet. We drove over the great field, where more than 47,000 Boy Scouts were encamped. The boys gathered there represented more than four times the number of soldiers Washington had on that celebrated field during the winter of 1776-77.

Mr. President, that was one of the most inspiring sights I have ever witnessed. Each one of those boys did his own cooking. They were carefully supervised by their scoutmasters, and by others who had volunteered for the work. Each State of the Union, each Territory and the District of Columbia, and, in addition 18 foreign countries, were represented. I think probably this gathering has done more to promote peace in the world than anything that has been attempted in a long time.

The President of the United States made a most inspiring address to the young Americans gathered there. In addition to the Boy Scouts and those training them, there were thousands who assembled for that important occasion. They were all sitting on the ground in front of the President. It was probably the largest gathering ever addressed by a President of the United States. The President delivered a prepared address, but he deviated from it on several occasions. He gave to those boys, the future leaders of this country, kind and fatherly advice. I feel that his address is of such importance that I now ask unanimous consent that it may be printed in the body of the RECORD as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

As honorary president of the Boy Scouts of America, I am proud to open this Scout jamboree. I understand that there are nearly 50,000 Scouts in this encampment. I am glad to see such evidence of the strength of the Scout movement. And I think it most appropriate in times likes these that you have chosen to hold your jamboree at this historic shrine of Valley Forge.

When George Washington brought his army to this spot in December 1777, the cause of independence appeared to be lost. His army at that time numbered only 11,000 men—less than one-fourth the number of Scouts attending this jamboree. Washington's men were without adequate food. They were in rags. Some had no shoes. They had to build their own shelter against the bitter weather. The enemy occupied the capital city of Philadelphia. Few men

believed that George Washington's tiny force could survive. Victory seemed out of the question.

But the men of that army stuck it out. They stuck it out because they had a fierce belief in the cause of freedom for which they were fighting. And because of that belief, they won.

I know that we still have, in this country, the same unconquerable belief in freedom.

Many of you know, I am sure, that men from other countries came over here, during our Revolutionary War, to fight with us for freedom. Lafayette, a Frenchman; Von Steuben, a German; Pulaski, a Pole, and many others were here with our army at Valley Forge.

Today, even more than in Washington's time, men in other countries share our belief in freedom and our willingness to make sacrifices for it. These men are just as eager as we are to achieve peace in the world based on freedom and justice. If we are to succeed in our common struggle for peace, we must know and work with these freedom-loving people of other countries. We need to understand their problems and they need to understand ours, so that all of us can work together effectively.

I am very glad that the Boy Scouts are doing so much to further this understanding among people from different countries. You are to be congratulated on sending so many food and clothing packages overseas and on your support of the United Nations appeal for children and the World Friendship Fund.

At this encampment, there are Scouts from every State in the Union, from Alaska, Hawaii, Puerto Rico, and from the Philippines and many other foreign countries. This is a practical demonstration of how to achieve world understanding. When you work and live together, and exchange ideas around the campfire, you get to know what the other fellow is like. That is the first step toward settling world problems in a spirit of give and take, instead of fighting about them.

I wish that more people from foreign countries would visit here and learn about our way of life. When visitors come over here and spend some time with us, they carry back to their home countries a truer picture of what American democracy is really like.

And the same thing is true in the other direction. The more of us from the United States who go abroad, and live for awhile with people in other countries, the better prepared we will be to work with other nations for peace in the world.

I hope that many of you Scouts will have a chance to attend jamborees like this one in other countries. I hope that in the future you will have opportunities to travel and live abroad. Some of you may decide to choose your life work abroad—in business, in religious or educational activities, or in Government.

For those of you who are so inclined, I don't believe you could find more satisfying careers. There is a tremendous amount of pioneering work to be done. In many lands, the people are eager to learn modern methods of making their lives healthier and more secure. Our young citizens can help to teach modern techniques to the people of those areas, and assist them to improve their health and education, increase their production, and raise their standards of living. Bringing better conditions to the people of these countries will be a great contribution to the cause of peace.

The Scout movement is good training for this kind of international work. Scouting is based on the ideal of human brotherhood. Scouts know that the men of other lands are very like ourselves. They have the same desire to work for human advancement.

The great tragedy of our times is that there are movements in the world that deny this fundamental ideal of human brotherhood. These movements have devoted themselves to preaching distrust between the nations. They have made a religion of hate. They have tried to turn the peoples of the earth against one another—to create a gulf between different peoples that fellowship cannot bridge. As part of this effort, they have tried to poison the minds of young people.

Back in the days of Hitler and Mussolini, the young people of Germany and Italy were regimented in organizations dedicated to the ideas of racial hatred and war. They were shut off from the influence of their families and their churches, and sacrificed to the ambition of the tyrants who led them.

Today, the young people of Communist-dominated countries are being mobilized and marched, in the same fashion, under the hammer and sickle. These boys and girls are being given a completely distorted picture of the world and prevented from learning the truth about other countries. They are being taught to place the state above the obligations of family life. They are being brought up to despise religion and to believe that God does not exist. They are being made into tools of power politics, and their masters will not hesitate to sacrifice their lives if that will advance the cause of Communist imperialism.

This is a sad and terrible thing. You Scouts can understand only in part how sad it is. But your parents can understand the sorrow that afflicts the parents of other lands when they see their children taken from them in this way, turned against the ideals they hold dear, and used to serve the purposes of a godless power.

How can we meet this situation? There is only one way. We must not return hate for the hate which these young people are being taught to feel toward us. We must realize that they are the victims of a cynical group of leaders. We must make it clear to them that we believe in the fellowship of human beings, in the possibility of cooperative human action, and in peace based on mutual understanding. We must show them, over and over again, that fellowship is possible between men of different nations, different colors, and different creeds.

We must continue to hold out to them the invitation to work with us for the common good.

We are deeply and sincerely interested in the well-being of the youth of the world—not only American youth, but young people of all countries. We are working, and will continue to work, for a world in which young people are not regimented and exploited, but instead are given the opportunity to develop their capacities and contribute to a better future.

The United States, together with the other free nations, is striving to build a world in which men will live as good neighbors and work for the good of all. Our program for peace is not directed against the people of any land. It is designed to bring to all people the benefits of justice and freedom.

I hope that you young men in the Boy Scout movement, in this country and other countries, will take home from this jamboree a clearer understanding of the meaning of human brotherhood. I hope that you will work for freedom and peace with the same burning faith that inspired the men of George Washington's army here at Valley Forge.

We cannot succeed in building a peaceful world unless we all work as hard as we know how. I am confident that you will all do your best.

## PROSPECTIVE ADJOURNMENT OF CONGRESS

Mr. FULBRIGHT. Mr. President, before I start my remarks about the pending question, I desire to make an observation in regard to the remarks made earlier in the session today by the distinguished, eminent, and successful Senator from Oregon [Mr. MORSE]. Since he is one of several other Senators, including myself, who have been successful in our primaries, I thought perhaps I might be a proper person to observe that I do not think it is quite fitting for those of us whose primaries are over to be too critical of those who still have to face a very difficult race. I congratulate the Senator from Oregon on his success in the Oregon primaries. If I recall correctly, however, he has been absent from the floor 6 or 8 weeks pursuing the matter of renomination in his own State. For him now, after that very successful effort, to say that anyone else from now on who might be interested in doing the same thing would be neglectful of his duty to the country and the Senate I think is being a little hard on our colleagues.

Mr. MORSE. Mr. President, will my good friend from Arkansas yield?

Mr. FULBRIGHT. I yield for a question.

Mr. MORSE. I shall put the question in the form of a statement, in the absence of objection. It will take only 3 or 4 seconds. I wish to point out to the Senate that when I was engaged in my primary race there was no Korean crisis. I will say to the Senator from Arkansas that I expect another tough fight against the Democrats in November as I had against my Republican opposition in the primary. However, I do not think that the Congress should adjourn so that any of us who are up for election can take time to campaign.

Mr. FULBRIGHT. I do not think the race the Senator had against the Republicans was a very difficult one. If I recall correctly, it was a walk-away. I am very happy it was. Nevertheless, I think we have to have some consideration for those who are still looking forward to their primaries and to very difficult election contests.

Mr. MORSE. Mr. President, will the Senator yield again?

Mr. FULBRIGHT. I will yield for a very brief comment.

Mr. MORSE. I am sure the Senator from Arkansas is speaking facetiously, because I know the Senator would not want the Senate to be out of session 1 hour if its presence in session would strengthen the security of the Nation.

Mr. FULBRIGHT. No; I would not. Sometimes, however, I wonder whether our presence here in session makes a tremendous contribution to the security of the country in every instance.

I now wish to address myself to the pending resolution.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

## REORGANIZATION PLAN NO. 24 OF 1950

The Senate resumed the consideration of the resolution (S. Res. 290) disapproving Reorganization Plan No. 24 of 1950, providing for the transfer of the Reconstruction Finance Corporation to the Department of Commerce.

Mr. FULBRIGHT. Mr. President, I particularly want to call to the attention of the Senate the statement made a moment ago by the Senator from Vermont [Mr. AIKEN] and to emphasize the fact that he was a member of the Hoover Commission, and that he was a member of the minority of the Hoover Commission which recommended as a minority group that the RFC be transferred to the Department of Commerce. Now, after he has duly considered the matter and has heard some of the evidence and discussion about the RFC, his statement on the floor of the Senate that he is in favor of the pending resolution I think is extremely persuasive, and ought to be considered by anyone who is now thinking of voting against the resolution.

Mr. President, the question before the Senate is the adoption of Senate Resolution 290, resolving that the Senate does not favor Reorganization Plan No. 24, transmitted to the Congress on May 9, 1950. Unless this resolution is approved, the Reconstruction Finance Corporation will be transferred to the Department of Commerce, where, under the terms of Reorganization Plan No. 24, the RFC shall be "subject to the supervision, coordination and policy guidance of the Secretary of Commerce."

The reorganization plan, having been transmitted to the Congress on May 9, under the terms of the Reorganization Act of 1949, must be acted upon on or before July 8.

In order to put this proposal in what I consider to be its proper perspective, I wish to call to the attention of the Senate certain matters of record.

On February 8, 1950, by the adoption of Senate Resolution 219, the Senate authorized the Banking and Currency Committee "to conduct a thorough study of the operations of the Reconstruction Finance Corporation with special attention given to the recommendations of the Commission on Organization of the Executive Branch of the Government with respect to such corporations."

It will be noted that the resolution made particular reference to the recommendations of the Hoover Commission, directing that they be given special attention. Since the President's message referred to the Hoover Commission, and that point has been raised, I think it is quite proper to give some attention to exactly what the Commission did report.

The Hoover Commission, in its Report on Federal Business Enterprises, Recommendation No. 8, states:

> We recommend (a) that the Congress review the power to make direct loans * * * taking into account the problems of economy, efficiency, and integrity; (b) that in nonemergency periods, the Congress place restrictions on direct loans in order to insure that the normal channels of credit are utilized to the maximum extent possible or, alternatively, provide for the guaranty of loans made by private or other established agencies.

Recommendation No. 18 of this report is as follows:

> We recommend that the Congress review the Reconstruction Finance Corporation in accord with our recommendation No. 8.

In amplification of this recommendation, the Commission expressed itself strongly against direct lending by the Government, as follows:

> Direct lending by the Government to persons or enterprises opens up dangerous possibilities of waste and favoritism to individuals or enterprises. It invites political and private pressure, or even corruption. Emergencies may arise in depression, war, national defense, or disaster which must be met in this way. But direct lending should be absolutely avoided except for emergencies.

Pursuant to the resolution, the standing Subcommittee on the Reconstruction Finance Corporation of the Banking and Currency Committee was authorized and directed to make the study of the operations of the RFC. This subcommittee, composed of myself as chairman, the Senator from South Carolina [Mr. MAYBANK], the Senator from Delaware [Mr. FREAR], the Senator from Illinois [Mr. DOUGLAS], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Indiana [Mr. CAPEHART] has been engaged in extensive hearings since shortly after the adoption of the resolution.

On checking the matter this morning, I found that the subcommittee has taken approximately 3,000 pages of testimony in executive and in open sessions. Approximately 2,000 pages of testimony were taken in open sessions, and 1,000 pages of testimony in executive sessions.

We have examined specific loans made by the RFC as examples of the policies and problems involved in that Corporation's activities, and we have also examined into the question of its cost to the taxpayers. We have scheduled hearings on every possible occasion since our authorization.

I may also say that the Senator from Delaware [Mr. FREAR] made a trip to the West and personally inspected and conferred with the RFC officials in Denver and Salt Lake City, and made a very informative report to the subcommittee upon the activities of the RFC in those localities. The subcommittee has not yet had an opportunity to consider the cases and principles involved in this report.

Under the resolution authorizing this study, the committee is to report to the Senate on July 15. Although we are progressing very rapidly, it is certain that we shall not complete our study and report by that date, and it seems probable that we shall have to ask for an extension of time within which to make our report.

As I have already noted, Reorganization Plan No. 24, unless disapproved on or before July 8, will become effective on the following day, July 9. Thus, it is clear that the above-quoted recommendations of the Hoover Commission with respect to a congressional review of the RFC cannot be effectuated prior to the effective date of the reorganization plan.

As pointed out by the Citizens Committee for the Hoover Report, in its testimony presented to the Expenditures Committee, hearings, page 47:

> The Hoover Commission in its recommendations upon the Reconstruction Finance Corporation placed major emphasis upon a full-dress review of the RFC's operations by the Congress.

Parenthetically, I should like to call to the attention of the Senate the recommendation of the Douglas Subcommittee on Monetary, Credit, and Fiscal Policies of the Joint Committee on the Economic Report, Senate Document 129, that Congress review the programs and policies of the various Federal credit agencies.

That committee, at page 47 of its report, very concisely stated the problems involved, in the following words:

> By lending and guaranteeing loans on liberal terms during depressed periods and by following more restrictive policies in periods of high employment they—

Meaning the Federal credit agencies—

> can be an influence toward general economic stability and can assist flexible monetary and fiscal policies. But by following quite liberal policies at all times they may actually contribute to instability and at least partially defeat appropriate monetary and fiscal policies.

Mr. President, the review which the Hoover Commission recommended goes to the basic question of the future of the RFC and to the coordination of its policies with the economic situation. This is a far more important question to me than whether or not the RFC should be transferred. It should be decided first, and it is properly to be decided by the Congress. It has a direct bearing on the proper location of the organization within the governmental structure. Obviously, it would be foolish to decide upon the location of an organization before it is decided what that organization should do.

In addition to the recommendations I have mentioned, the Hoover Commission in recommendation No. 3 of its report on the Treasury Department said:

> We recommend * * * that the supervision of the operations of the Reconstruction Finance Corporation * * * be vested in the Secretary of the Treasury.

As pointed out by the Citizens Committee on the Hoover Report, in its testimony before the House Expenditures Committee—

> The placing of the Reconstruction Finance Corporation in the Treasury Department fits into a definite pattern of the Hoover Commission for supervision and coordination of lending and guaranteeing agencies of the Government. This program would be under a National Monetary and Credit Council, headed by the Secretary of the Treasury and including representatives of the Federal Reserve Board, the Housing and Home Finance Agency, the Farm Credit Administration, the Reconstruction Finance Corporation, and other related agencies.
>
> In recommending the creation of such a Council in its report on the Treasury Department, the Hoover Commission called attention to inconsistencies and overlapping in credit policies. It proposed that lending agencies other than in the farm-credit and housing-credit fields be placed in the Treasury Department as the department entrusted with the maintenance of the financial integrity of the Government. Thus, under this program, the Treasury Department would be in a position to assure a coordination of credit policies as to domestic business under the RFC and as to foreign business under the Export-Import Bank; also proposed to be shifted to its jurisdiction, and to bring farm and housing credit policies into accord through the National Monetary and Credit Council.

Mr. President, with further reference to the Hoover Commission, I have before me a letter which was addressed to the Chairman of the Committee on Expenditures in the Government Departments by the former chairman of the RFC, and one of its principal creators, Mr. Eugene Meyer. I should like to have all the letter printed at this point in the RECORD, but at this time I wish to read a portion of it. The letter is dated June 23:

MY DEAR SENATOR: Since I appeared before your Committee on Thursday, June 15, I have discussed the matter of the disposition of the Reconstruction Finance Corporation with ex-President Hoover, Chairman of the Commission on Organization of the Executive Branch of the Government.

He informs me that in the discussions within the Commission his personal recommendation was for discontinuance of new business and for transfer of the Corporation to the supervision of the Board of Governors of the Federal Reserve System. The majority of the members of the Commission favored transfer to the Treasury.

Mr. Hoover called my attention especially to the point made in the Task Report, which I quote:

"Except as the temporary response to an emergency, we think, the Federal Government should abandon the concept that direct lending to individuals and business concerns is a Government function."

Mr. President, I now ask unanimous consent that the entire letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WASHINGTON POST,
*Washington, D. C., June 23, 1950.*

Hon. JOHN L. MCCLELLAN,
*Chairman, Committee on Expenditures, Senate Office Building,*
*Washington, D. C.*

MY DEAR SENATOR: Since I appeared before your committee on Thursday, June 15, I have discussed the matter of the disposition of the Reconstruction Finance Corporation with ex-President Hoover, Chairman of the Commission on Organization of the Executive Branch of the Government.

He informs me that in the discussions within the Commission his personal recommendation was for discontinuance of new business and for transfer of the Corporation to the supervision of the Board of Governors of the Federal Reserve System. The majority of the members of the Commission favored transfer to the Treasury.

Mr. Hoover called my attention especially to the point made in the Task Report, which I quote:

"Except as the temporary response to an emergency, we think, the Federal Government should abandon the concept that direct lending to individuals and business concerns is a Government function."

On August 12, 1949, I testified before a Senate subcommittee of the Committee on Banking and Currency, of which Senator FULBRIGHT was chairman. I opposed the extension of resources and expansion of powers and liberalization of terms proposed in legislation then under consideration. I recommended the discontinuance of the activities then being conducted.

As I stated before your Committee, the proposal to transfer the Reconstruction Finance Corporation to the Department of Commerce is unnecessary and inadvisable. If it is to be consolidated with the operation of one of the permanently existing institutions, I consider the view of ex-President Hoover that the Corporation should be transferred to the supervision of the Board of Governors of the Federal Reserve System an excellent one.

Very truly yours,

EUGENE MEYER.

Mr. FULBRIGHT. Obviously, therefore, Mr. President, this reorganization plan is directly in conflict with the recommendations of the Hoover Commission, and judging by the letter from which I have just read, is directly in conflict with the personal views of Mr. Hoover. It is contrary to the recommendations of the Hoover Commission, first, because it would place the RFC in the Commerce Department, rather than in the Treasury Department. It is also contrary to the recommendations of the Hoover Commission, in that it would make the transfer effective before the Congress can effectively comply with the prior recommendation that Congress review the RFC and that the Congress place restrictions on direct loans.

Despite the passage of the Reorganization Act of 1949, the Congress has not abrogated its powers to legislate with respect to the organization of the Government. It has merely delegated some of these powers to the President under the Reorganization Act, retaining its own broad powers.

It should therefore be remembered that a transfer of the RFC to a department or to another agency can be accomplished by legislation as well as by a reorganization plan. There is, in my opinion, need for legislation with respect to the RFC; and I believe that the subcommittee of which I am chairman will recommend such legislation.

The President has also recommended legislation affecting the RFC, in his special message on credit requirements of small business, transmitted to the Congress on May 5. Under the terms of legislation introduced in response to the President's message (S. 3625), the powers of the RFC would be expanded. This proposed legislation will be considered, and as a matter of fact, hearings have already been started by the Banking and Currency Committee. If this proposed legislation is to be enacted, there is no reason why a transfer of the RFC cannot be provided in it.

In other words, the future role of the RFC is in doubt—whether it is to be expanded or restricted. The place of the RFC in the organizational structure of the Government can and should be determined when its role in the national economy is determined.

The proposal to transfer the RFC to the Department of Commerce is a part and parcel of the President's program for business credit. Whether or not that program is to be enacted, should be and is a question before the Congress. The location of the RFC is and should remain a question before the Congress.

This reorganization plan would preclude to a great extent the work of the subcommittee on the RFC. We have been examining the RFC from the standpoint of its operations as an independent agency. This is an entirely different question from its operation as a subservient office or instrumentality of an executive department of the Government.

The RFC is not, of course, a regulatory agency or a quasi-judicial or a quasi-legislative body. It is, however, an organization of great power to dispense public funds. Its legislative charter, Public Law 548 of the Eightieth Congress, gives to the Board of Directors extremely broad, if not absolute, discretion to make any loan it wishes to make within its over-all monetary authorization.

As a practical matter, the limitations upon the powers of the RFC are just about what the Board of Directors wish to make them.

Under the terms of the act, the Board is required to find that financial assistance to the borrower is not otherwise available on reasonable terms. The question of availability, of course, is determined by the Board itself, there being no legislative standards. In practice, this determination has been most perfunctory, in many cases amounting to a notation in the record, such as that a particular bank refused to make the loan. There is no requirement, nor is any effort made by the RFC, to ascertain whether or not stock could have been sold, or whether or not equity capital could have been raised. That particular limitation in the act is almost meaningless because of the way it has been and can be administered.

Likewise, under the act, the financial assistance must be on "reasonable terms," as determined by the RFC. There is no further definition and there is no review of such a determination. If it is felt that a borrower could not find money at 4 percent in a highly speculative venture, RFC can determine that the money is not available on "reasonable terms," although the market value on loans of that character might be 6 percent.

A loan is required to be "of such sound value or so secure as reasonably to reassure retirement or repayment." This question again is one entirely for the RFC's determination, and there is no review of the determination.

The RFC now has a total loan authorization of $3,880,000,000. Of this amount, $2,750,000,000 is allocated by statute or by legislative history to the purchase of mortgages by the Federal National Mortgage Association. The remainder is allocated as follows:

For business loans, $825,000,000.
Public agency loans, $200,000,000.
Catastrophe loans, $40,000,000.
Prefabricated housing loans, $50,000,000.
Insurance company loans, $15,000,000.

These authorizations are in the nature of revolving funds. As collections are made, they are subject to further loans. In other words, the authorization is for the continuing use of that much money without further authorization or appropriation by the Congress.

Mr. President, although I think that Reorganization Plan No. 24 is untimely, my opposition to it is based on more fundamental grounds.

Despite the inclination to call the RFC an "executive agency," it is in reality an independent agency. It has certain responsibilities to the executive branch, of course, in that it makes reports to the

President, and in that its Board of Directors is appointed by the President, subject to the advice and consent of the Senate.

It also has responsibilities to the Congress. The Reconstruction Finance Corporation is a corporation. It is not an agency, bureau, or an administration. It is a corporation operating under a charter devised by the Congress. It reports to the Congress and its obligation to comply with the terms of its charter are to the Congress.

The Corporation cannot be said to be an executive agency in any sense other than that it is not legislative nor judicial. If every organization of the Government must be arbitrarily placed in one of the three classifications—legislative, judicial, or executive—then and then only will the RFC be considered an executive agency and then only in the sense that it executes laws passed by the Congress.

As a matter of fact, the primary consideration for the creation of a corporation as distinguished from a bureau or an administration or agency is to achieve that independence of both Congress and the President which only a corporation may have. An independent corporation is relieved of the obligation of coming to Congress for appropriations and it is relieved of the obligation of justifying its expenditures to the Comptroller General before the money is expended. The only appropriations, I may say, which the Congress makes are purely for administrative expenditures—that is, the pay roll. But in the case of the RFC we do not make appropriations of the money which is used in its principal business, which is the making of loans.

It is inconsistent with the character of the activities for which the RFC is responsible, to place its Board of Directors under the supervision of the head of any department in the executive branch of the Government. Under the RFC Act at the present time and under every act which has governed the RFC since its existence, the management of the Corporation has been vested in its Board of Directors whose members have been appointed by the President with the advice and consent of the Senate. It has never been the intent of Congress that the management be vested in the head of one of the executive departments.

It is true that for a time—as a matter of fact, for exactly 3 years—the RFC Board of Directors functioned under the Secretary of Commerce. For the record, I may say that on February 24, 1942, Executive Order 9070 transferred the Federal Loan Agency to the Department of Commerce. Then on February 24, 1945, exactly 3 years later (59 Stat. 5), the RFC was restored to independent status. But the circumstances inspiring that transfer were unique. The Secretary of Commerce during that period was Mr. Jesse H. Jones, who had been the Chairman of the Board of RFC, and who, at that time of his appointment to the position of Secretary of Commerce, was serving as Federal Loan Administrator. The Executive order which placed the RFC under the Secretary of Commerce reflected simply the intent of Congress that Jesse Jones should continue to be the general manager of the RFC, notwithstanding his accepting also the added responsibilities of the Commerce Department.

Jesse Jones had become the symbol of the RFC's autonomy and political independence. Continuing him in office as Federal Loan Administrator, despite his appointment as Secretary of Commerce, was tantamount to a reaffirmation of the Congress's intent that the RFC should be an independent agency.

But when Mr. Jesse Jones left the office of Secretary of Commerce, the lending agency was, as I have noted, recreated an independent agency in law as well as in fact because Jesse Jones would no longer be its head.

I think it is fair to say it has never been the intent of Congress at any time since the creation of RFC in 1932 that it be other than an independent agency.

The report of the Senate Banking and Currency Committee (Rept. No. 974, 80th Cong.) on the act under which RFC now operates, had this to say with respect to the independence of the Board, reading from page 13:

> It is the opinion of this committee that, in those fields in which RFC has the responsibility for its actions, it should be allowed to exercise its discretion free from interference by other governmental agencies and departments and, for that matter, free from all influence whether from officials in the Government or from Members of Congress. Only under those circumstances can RFC be expected to do its job properly and with full accountability. Attempts to influence the business judgments of RFC by the use of political influence, even though well intended, are a constant menace to sound administration.

These are the words of the committee report—not my words.

> While the general policies of the RFC, like those of other Government agencies, should be reviewed and coordinated by the President, this general review should not extend to particular loans. The business decisions of RFC should be the independent judgments of its Board of Directors.

While I said those words were not mine but the words of the committee, I did not mean in any sense to dissociate myself from them. I endorse them completely, and I think the statement is an excellent one of what should be the proper function and conduct of this agency.

There are two rather technical, but nonetheless significant, points dealing with the financing of the RFC, which I think the Senate should understand.

In the first place, RFC has always been financed with public debt money, through the sale of its obligations to the Treasury. In other words, the RFC, needing money, simply issues its notes to the Treasury, and draws down the funds. The obligations of the RFC, held by the Treasury, have been regarded as assets of the Treasury. In the Treasury's financial statements, RFC obligations have always appeared as though they had the same significance as any other unexpended funds belonging to the Government.

The terms of RFC's financing have always been such as to leave with the Congress and with the people of the United States, generally, the impression that the funds being used by it and by its borrowers were employed on such a basis as would leave them intact, so that they might later be appropriated by the Congress for expenditure in the conduct of the Government's ordinary affairs.

Congress has not yet forfeited its fundamental right to control the unexpended, unappropriated public money in the custody of the Treasury Department.

Congress has, however, delegated to an independent organization—which the RFC now is—the right to draw upon funds for its use without appropriations. In that connection, I think it appropriate to insert at this point recommendation No. 2, page 12, contained in the audit report to the Congress, by the Comptroller General, dated February 10, 1950, in which Mr. Warren makes the very pertinent recommendation that these funds should be appropriated as a revolving fund. I need not read it now. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, Recommendation No. 2 was ordered to be printed in the RECORD, as follows:

RECOMMENDATION NO. 2, PAGE 12, AUDIT REPORT TO THE CONGRESS BY THE COMPTROLLER GENERAL, DATED FEBRUARY 10, 1950

2. The United States Treasury is authorized to supply financing to the Corporation from the proceeds of public-debt transactions. The withdrawal of funds from the Treasury in this manner does not require, and may in fact be utilized to avoid,[1] the appropriation procedures by which the Congress ordinarily makes funds available to Government agencies. We believe that in the interest of financial control by the Congress and simplification of financing methods in the Government, RFC (as well as other wholly owned Government corporations) should be financed solely from revolving funds appropriated for that purpose.

Mr. FULBRIGHT. This reorganization plan would have the effect of delegating from the Congress to the executive branch the control of an important segment of the unappropriated funds of the Government. It is, therefore, to a limited but important degree, an abrogation of the Congress' fundamental constitutional power and duty to control the purse strings of the Government.

Another important technical aspect of this problem is the RFC's use of Government funds without the payment of interest.

Theoretically the RFC has been a self-sustaining Government enterprise. Under its present law, it is still in form a self-sustaining enterprise.

Actually it is not. The RFC has interest-free use of $350,000,000 of Government capital upon which the Treasury itself pays interest.

The Banking and Currency Committee has on two occasions during this session amended the basic acts of Government corporations to require the payment of interest on Government-supplied capital. I may say that the present occupant of the chair, the junior Senator from Illinois [Mr. DOUGLAS], was very instrumental in having this change

[1] See audit report on RFC for fiscal year ended June 30, 1945 (H. Doc. 316, 80th Cong., p. 25).

brought about in those two instances, which were in connection with legislation on the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation. The Comptroller General of the United States has recommended that the same principle be applied to the RFC, as I have just noted in the recommendation which I inserted in the RECORD.

Once before, on June 11, 1947, the Comptroller General made this further observation about the distinction between capital stock and borrowed money:

> The distinction between the capital stock of the Corporation and its capital borrowed from the Treasury be discontinued, since this distinction has ceased to have genuine significance. The full amount should bear interest at the rate at which the Treasury has borrowed the funds in order that the accounts of the Corporation may reflect the full cost to the Government of activities conducted by the Corporation.

This circumstance, that the Corporation has the interest-free use of $350,000,000 of Government money, was sufficient to transform a reported profit of $5,226,000 into a loss of $6,448,000, for the fiscal year 1949.

I desire to make it clear that since the beginning of RFC, and particularly during the 1930's and in the early 1940's, when it was relying upon assets which had been acquired, the fund showed a profit over all, but in the current operations that is not the case.

Thus, the effect of this reorganization plan is not only to give an executive department of the Government authority to use public money without appropriation, but it is also to grant that power, without requiring the payment of interest, on a portion of those funds.

The net effect of these two considerations is that an executive department could and would loan money and suffer losses of public money without the requirement of an appropriation by Congress.

Mr. President, may I ask how much time I have remaining?

The PRESIDING OFFICER. The Senator from Arkansas has 30 minutes.

Mr. FULBRIGHT. Assuming the approval of Reorganization Plans 22 and 23, by this plan we would, in effect, give to the continuing use of an executive department, not less than $1,080,000,000, almost one-third of which would be interest-free.

Assuming a cost-of-money charge of 2 percent, we give to the executive authority to expend annually, and finally, $7,000,000, 2 percent of $350,000,000, without appropriation. We would, I believe, violate the spirit, if not the letter, of the constitutional provision of article I, section 9, clause 7, that:

> No money shall be drawn from the Treasury but in consequence of appropriations made by law.

I have already indicated the extremely broad powers of the Board of Directors of the RFC with respect to the approval of loans—in other words, the disbursement of public funds.

To illustrate further, compare this process with the processes which Congress itself goes through in the appropriation of funds to be spent by the executive departments.

In the Texmass Petroleum Co. loan, two of the five members of the RFC Board authorized the disbursement of $10,100,000. In the Kaiser-Frazer loan, $44,000,000 of public funds were lent to a private enterprise for private profit. As a practical matter, does not this expose the public funds to temptations which are difficult to resist?

Furthermore, remember that this disbursement is final and conclusive. In the Texmass Petroleum Co. case, despite a very serious doubt as to the legality of the loan, the Comptroller General advised the committee that there was nothing he could do about it, except to advise the Congress at some later date that it may have been disbursed without authority of law.

Although the full committee and the subcommittee expressed their disapproval of the loan in very strong terms, they had no authority to prevent it.

Under the terms of Reorganization Plan No. 24, the RFC would be "subject to the supervision, coordination, and policy guidance of the Secretary of Commerce."

This language, of course, is broad, general, and vague. However, I think it is clear that, as a practical matter, it gives to the Secretary whatever authority he wishes to exercise. In effect, the Board of Directors would exercise an administrative function only. As I have already pointed out in reading from the report of the Banking and Currency Committee on the basic RFC Act, this is directly in conflict with the view of the committee and of Congress that the RFC should be independent.

Certainly there is no question but that this reorganization plan destroys the independent status of the RFC. That is the intention of the plan.

The question arises: "If this plan goes into effect, who is responsible for the conduct of the Corporation?"

Under the committee's present examination of the RFC, if we find something wrong, we know that the responsibility lies with the Board of Directors. If this plan goes into effect, I do not believe that Congress could determine where responsibility lies. To say the least, it could easily be passed back and forth between the Board of Directors and the Secretary of Commerce. At any rate, it is safe to say that the plan would have the effect of insulating the Board of Directors from the influence of Congress.

Under the accepted principles of our Government, the Secretary of Commerce is a member of the executive family. He looks primarily to the President for policy and for influence. It is customary whenever a cabinet nomination comes up for confirmation by the Senate that the Senate confirms the nomination as a matter of course. We regard cabinet officials, as members of the President's official family and expect them to look to him for guidance. However, we regard the Board of Directors of the RFC as subject to the will of Congress, in the sense that they exercise only those functions and powers which they derive from a congressional charter of incorporation. Under this plan, they exercise only those powers and functions, which I have described as being very broad, but they exercise them "subject to the supervision, coordination, and policy guidance of the Secretary of Commerce."

The task force report for the Hoover Commission sums up this issue as follows, quoting from page 63 of the task force report on lending agencies:

> Since it is a commercial activity involving the management of considerable economic power, the lending activity never should be placed under the supervision of officials who have the Government's political powers at their disposal. A lending agency, we think, has no place within the organization structure of a regular establishment in the executive branch of the Government. It should be independent to the greatest possible extent consistent with the general organization of our Government into three branches. It should report to the Congress as well as to the President of the United States, and it should be exempted from executive orders issued by the President, while at the same time remaining responsive to the general policies adopted by the Government.

The point has been made that perhaps the Reconstruction Finance Corporation needs supervision; that Secretary Sawyer is a good man and he should be able to restrain the RFC.

I also have a high regard for Secretary Sawyer's ability and integrity. But I think it is unwise to decide an organizational question solely upon the basis of the personalities involved. Secretary Sawyer is not immortal, and no one knows who will be Secretary of Commerce in the future. We do know, however, some who have been Secretary of Commerce in the past; and I think it is entirely logical to assume that we may have similar ones in the future.

This reorganization plan is, fundamentally, a slight, but important, step toward the destruction of our traditional system of checks and balances. It concentrates power in the Executive branch of the Government, at the expense, and in derogation, of the powers of the Congress.

It is perhaps true that a certain amount of confusion will be eliminated. Businessmen will know that whatever they want, they should go to the Secretary of Commerce, for the answer to their problems. To be really efficient, and to avoid all confusion in Government, perhaps there should be no Congress at all. There should be but one all-powerful individual or bureau of Government. Mussolini and Hitler were efficient in that sense, and so is the Politburo today. But they were efficient at the expense of the power of the people to govern themselves, and their efficient government brought disaster to their people.

I believe that some degree of inefficiency is a small price to pay for the division of power, as between the Executive and the legislature, which protects the people of this country from the exercise of arbitrary power by the Government.

I mention that point particularly because that seems to have been the main reliance on the part of the proponents of this plan before the Committee on Expenditures in the Executive Departments.

Mr. President, simply by way of background, I ask unanimous consent to insert in the RECORD at this point two very brief editorials, one from the Washington Post of this morning, July 6, on this subject, entitled "Kill It," and the other from the Washington Daily News of July 5 entitled "Reject Plan No. 24."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post of July 6, 1950]

KILL IT

The Senate votes today on a resolution to kill the plan for transferring the RFC, now an independent agency, to the Department of Commerce. Senator FULBRIGHT, who introduced the resolution, has headed a committee investigating the activities of the RFC that has uncovered some very unsavory instances of political favoritism in extension of loans as well as mistakes of judgment in making loans. When the report of this committee and its recommendations are ready for submission, the Senate will be in a much better position to decide what disposition to make of the RFC.

In the opinion of the Washington Post the time has come to abolish the agency or at least put it on an inactive stand-by basis to be revived only if an emergency arises. In any case the proposal to transfer the RFC to the Department of Commerce is most unwise, since it would then be subjected to increased political pressure. If the RFC is not abolished, it should either retain its independent status or else be transferred to the Treasury Department in accordance with the recommendations of the Hoover Commission.

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[From the Washington Daily News of July 5, 1950]

REJECT PLAN NO. 24

The United States Senate is to vote tomorrow on one of President Truman's Government reorganization plans which deserves to be turned down.

This is the so-called plan No. 24, proposing to move the Reconstruction Finance Corporation (RFC) into the Department of Commerce.

Democratic Senator FULBRIGHT, of Arkansas, who is leading the fight for rejection of plan No. 24, has good reasons for opposing it:

1. It is contrary to the Hoover Commission's recommendation—that the RFC be placed under the Treasury Department.

2. The RFC should remain in its present semi-independent status until a Senate investigating committee, headed by Senator FULBRIGHT, has reported its conclusions as to what role, if any, this big Government lending agency should play in the future.

3. Moving the RFC into the Commerce Department might subject it to greater pressure for the making of unsound and politically motivated loans.

Mr. Truman presented plan No. 24 as part of his program for aiding small business. As other parts of that program, he wants to broaden the RFC's lending powers, relax its collateral requirements and extend the time for repayment of business loans.

But the revelations of Senator FULBRIGHT's committee justify no confidence that broader RFC lending authority, under the Commerce Department or elsewhere, would be used wisely or with adequate regard for the safety of the taxpayers' money.

Most recent of these revelations concerns a $975,000 loan to a Reno, Nev., hotel which derives most of its revenue from a gambling casino. Then there was the $37,500,000 Lustron loan, involving tremendous loss to the Government. And there have been numerous other loans which, in the kindest possible light, must be described as examples of bad judgment.

Senator FULBRIGHT asserts correctly that the President's plan for easier, longer term RFC loans to small business is really a proposal for subsidies and—if it is carried out at all—should be frankly recognized as such.

The House approved plan No. 24 last week, but without a roll-call vote and with almost half of its Members absent.

This newspaper believes that the Senate should reject that plan.

Mr. FULBRIGHT. Mr. President, I believe that completes my remarks.

Mr. MYERS. Mr. President, I yield 2 minutes to the Senator from South Dakota.

## AGREEMENT GIVING SENATOR MUNDT THE FLOOR ON MONDAY FOLLOWING VOTE ON PIKE NOMINATION

Mr. MUNDT. Mr. President, my reason for asking for 2 minutes to address the Senate is to propound a unanimous consent request, and to explain it so that every Senator may know what I have in mind. Late yesterday afternoon the majority leader, the Senator from Illinois [Mr. LUCAS] undertook to lecture the junior Senator from South Dakota concerning some of the precedents of the Senate. During the interim I have had an opportunity to go into the precedents, and to investigate the background of the activities of the Senate in this connection. I had planned to present the result of my findings on this question today. However, inasmuch as the Senator from Illinois is in his home State, I do not wish to do this in his absence, since I shall refer to him in my remarks. So that Senator LUCAS may be here at the time, and be duly notified in advance, I ask unanimous consent therefore that after the vote on the nomination of Commissioner Pike on Monday next, I be permitted to address the Senate.

Mr. MYERS. Reserving the right to object, I understand that the only purpose of the unanimous-consent request is that the Senator from South Dakota may address himself to the precedents of the Senate, and for no other purpose.

Mr. MUNDT. And to have the Senator from Illinois present when I devote myself to commenting on his observations of late yesterday afternoon.

Mr. MYERS. If that is the only purpose of the Senator from South Dakota, of course I have no objection. If his purpose were to move that the Senate proceed to the consideration of any proposed legislation, I would object.

Mr. MUNDT. There is no purpose to make any motions, I assure the Senator. My only purpose is to schedule my remarks so that the Senator from Illinois can be here when I address myself to the question of the precedents of the Senate with regard to the rights of a minority Senator to propose actions to be considered by the Senate.

Mr. MYERS. With that understanding, Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from South Dakota? The Chair hears none, and the unanimous-consent request is granted.

## REORGANIZATION PLAN NO. 24 OF 1950

The Senate resumed the consideration of the resolution (S. Res. 290) disapproving Reorganization Plan No. 24 of 1950, providing for the transfer of the Reconstruction Finance Corporation to the Department of Commerce.

Mr. FULBRIGHT. Mr. President, I yield 10 minutes to the senior Senator from Kansas.

Mr. SCHOEPPEL. Mr. President, I desire to speak for a short time in favor of Senate Resolution No. 290, submitted by my distinguished colleague the Senator from Arkansas [Mr. FULBRIGHT], which expresses disapproval of Reorganization Plan No. 24 of 1950.

My reasons for opposing the transfer of the Reconstruction Finance Corporation to the Department of Commerce are primarily a matter of principle, but, even if I had had no personal convictions in the matter, the hearings on the plan, all of which I attended, would have been thoroughly convincing that the transfer is exactly the sort of thing which should not be permitted to occur.

In the first place, this plan has been submitted to the Congress under the Reorganization Act of 1949, which itself was enacted so as to permit the prompt reaping of benefits from the work of the Hoover Commission. Yet, the plan is in direct violation of the majority recommendation which the Hoover Commission made with respect to RFC. As a matter of fact, the divergence of opinion within the Hoover Commission on this particular subject is amazing. For example, it is a matter of record that former President Hoover himself, Chairman of the Commission, favored transfer of RFC to the Federal Reserve System. A minority of the Commission, consisting of Commissioners Aiken, Pollock, and Rowe, wished to see RFC placed within the Commerce Department. Obviously on a compromise basis, the Commission finally arrived at a majority recommendation for transfer of RFC to the Treasury Department. This plan then, while conforming to the views of a three-man minority, conflicts with the majority recommendation which is itself a compromise recommendation.

This profusion of ideas as to the proper destination of RFC was reflected in the hearings held on June 14 and 15 by the Senate Expenditures Committee, of which I have the honor to be a member. We heard testimony from a total of nine witnesses, of whom seven opposed the plan and only two supported it. The views of the plan's opponents naturally varied in accordance with their particular interests in the case, but there was one point of remarkably general agreement, and that is the deep-rooted fear that the merging of the Reconstruction Finance Corporation with the Department of Commerce would expose the Corporation to irresistible partisan political influence. This point of view was exemplified in the testimony of Mr. Eugene Meyer, a former Chairman of RFC and the author of the original Reconstruction Finance Corporation Act. Mr. Meyer emphasized that, in the draft-

ing of that legislation, no consideration whatsoever was given to constituting RFC as anything but an independent organization. So far as the argument that RFC should be within the Commerce Department because of the Corporation's function of making business loans is concerned, Mr. Meyer directed attention to the inconsistency of arguing for such a transfer while still permitting other agencies engaged in similar activity to remain outside the Department of Commerce.

As Mr. Meyer said, if the argument of putting into the Commerce Department every agency that has to do with business in one form or another is followed, Commerce must eventually encompass such other activities as the Federal Reserve Board, the Interstate Commerce Commission, the Federal Trade Commission, the Tariff Commission, and many other activities, including some in the Department of Agriculture.

Mr. President, in my opinion, the Congress has acted with profound wisdom in creating and continuing RFC as an independent agency. The plain fact is that the wide scope of its lending activities, which reach into every phase of the Nation's economy, logically precludes identification of RFC with any one Federal instrumentality. It makes loans, according to its statutory authority, for the promotion of agriculture, commerce and industry. It also assists in the encouragement of small business, the development of certain types of public projects, and in the alleviation of disasters. In view of that latitude of operation, it is impossible to establish any more affinity with the Department of Commerce than with any other particular Federal agency.

Reorganizational aspects aside, it is my conviction that one of the best reasons for voting in support of Senate Resolution 290, and thus against this reorganization plan, is that I am convinced that merging RFC with the Department of Commerce, or with any other executive department, will lead inevitably to the disintegration of the acknowledged or hoped for impartiality which, by and large, has been an outstanding characteristic of the administration of its programs. I am afraid that, regardless of present intentions, such a transfer would ultimately see the reflection of political policies in RFC policies, and the potential effect of RFC on the Nation's economy is too great to take such a risk.

Mr. President, I am fully aware that those RFC policies just referred to have not always been good or sound policies. In fact, it seems to me that one of the favorite subjects of the press these days is criticism of RFC policies. I may say that criticism is not without justification. Such incidents as the Lustron and Texmass loans and others are painfully well known to everybody. It may be that one of the thoughts behind Reorganization Plan No. 24 is the submerging of RFC in the bureaucracy of an executive department, thereby not only removing it from the present undesirable limelight, but also at the same time providing it with a shelter from future unwelcome scrutiny. I do not know about that, but it has occurred to me that just such a thing may be a factor in the submission of this plan. I think so because it seems a little too obvious that this proposed strategy of consolidating RFC with the Commerce Department is for the primary purpose of aiding and abetting a program of more and more assistance to many businesses and more and more loans of all kinds on an easier and easier basis. Surely, any broader lending program must lead to more instances of the Lustron variety, and it is certainly conceivable that the more remote from close observation the lending agency would be, the happier would be the policy makers.

I think it is most important in this respect that we not forget that there is sound reason to believe that some of the worst instances of apparent bad judgment of the RFC Board of Directors have been the direct result of political pressure brought by the administration in power. It is not hard to conceive that such pressure will be many times increased should the Corporation be made subservient to a Cabinet officer.

In conclusion, Mr. President, I fully endorse the position of the distinguished Senator from Arkansas that, if this plan is permitted to take effect, much, if not all, of the work of his subcommittee now investigating RFC will be nullified. I may say at this point that I think the Fulbright subcommittee has done a magnificent job. I know that many things have been brought out that will reflect a situation which needs on the part of this Congress or future Congresses prompt corrective measures. I say most emphatically that I believe time and effort should be directed to establishing some of the corrective features which Congress will have before it when the committee finally makes its report.

In addition to being fundamentally unsound, Reorganization Plan No. 24 is about as untimely as it could possibly be. That untimeliness is simply another factor adding to the conflicting views regarding RFC. Incidentally, Mr. President, reverting for a moment to those conflicting views, Mr. Jesse Jones, one of the former Chairmen of the Corporation, has recommended, as we all know, the outright abolition of RFC, with the suggestion, as I recall it, that the Corporation be given a decent burial. Not only does this plan disagree completely with the Hoover Commission recommendation in the report on the Treasury Department, but it circumvents the present investigation which is itself being made pursuant to other Hoover Commission recommendations. In its report on Federal business enterprises, the Hoover Commission, in recommendations 8 and 18, recommended that the Congress review the Reconstruction Finance Corporation and prescribed the direction which the investigation should take. Now we have a situation where we are asked to proceed on a corollary recommendation before we can finish acting on the previous ones.

Mr. President, another reason which causes me to oppose Reorganization Plan No. 24 is the fact that the war clouds are becoming darker and darker day by day. During the last war, the Reconstruction Finance Corporation was the organization of the Federal Government that provided the first aid. As a result of its broad authority and independent status, RFC was able to proceed immediately toward production and procurement of strategic materials. The role which RFC played in the national defense can scarcely be overemphasized and I fear that the time may soon arrive when we will be thankful that we have such an agency at hand.

If the Senate permits RFC to become a part of the Department of Commerce, or of any other agency, it will be encumbering the ability of the Corporation to act quickly in an emergency. This is in no sense an intimation that there would be less desire to act quickly on the part of a Cabinet officer or any other supervising official, but the fact is that whenever another layer of authority is added, there is more red tape. It is my fervent hope that this reason for retaining RFC as an independent agency may never materialize, but we would be naive indeed were we to overlook such a contingency.

Considering everything, Mr. President, I regret that I can find nothing favorable about this plan. As we all do, I favor intelligent and timely reorganization in the interest of greater efficiency and greater economy. This plan simply does not measure up to that yardstick. I shall vote for Senate Resolution 290, to defeat this plan, and I sincerely hope that my colleagues in the Senate will do likewise.

Mr. MYERS. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 10 minutes.

Mr. MYERS. Mr. President, before I address myself to Senate Resolution 290, I wish to say that I sincerely trust that the vote on the resolution will not be considered an indication of the view of the Senate as to whether or not RFC should be abolished. We have heard here today that some have advanced the theory that it is about time to liquidate the RFC. Regardless of the outcome of the vote about to be taken, I sincerely trust that it will not be interpreted to mean that the Senate believes the RFC should be liquidated, because I know that in my State of Pennsylvania there are many industries, many businesses, which would not be operating today if it were not for loans granted by the RFC. There are many communities in which there would be serious unemployment if it had not been for the loans granted by the RFC. There have been in my State instances of commercial banks having turned down industries, which later went to the RFC, and after the RFC indicated that they would make the loans, then the commercial banks in the localities granted the loans which theretofore they had refused. So I think this agency plays an important part in the economy not only of my State, but in the

economy of the entire Nation, and it would be bad indeed if the vote on the pending resolution should be interpreted as indicating that it is the will of the Senate that the RFC should be liquidated.

Mr. President, Reorganization Plan No. 24, in my estimation, is an integral part of the President's small-business program, on which the Senate Committee on Banking and Currency is now holding hearings. Transfer of the RFC to the Department of Commerce was recommended by the President in his small-business message to Congress on May 5, 1950. Originally it was intended that this transfer would be accomplished by legislative provisions in the bill to carry out the President's small-business program. However, before the message on small business came to the Capitol, I understand the President consulted with some interested Members of the Senate as to whether they preferred that the transfer be sought by legislation or by a reorganization plan. I understand, too, that they indicated that they perferred the reorganization-plan method, and President Truman followed their advice. I believe it would be a substantial blow to the small-business program if this reorganization plan were not approved.

Mr. President, to my mind the plan would improve the reorganization of the executive branch of the Government.

First. The RFC, whose functions are to aid in financing agriculture, commerce, and industry, to encourage small business, to help in maintaining the economic stability of the country, and to assist in promoting maximum employment and production, would be brought under the Cabinet member whose departmental responsibility is broadly to foster, promote, and develop the industry and commerce of the country.

The RFC, one of the three Government corporations still remaining outside the Cabinet structure, would thereby be brought into the Department whose major purposes it shares if Reorganization Plan No. 24 were approved.

Second. Coordination of the RFC within the broader framework of the Department would permit improvements in policy making, programing, and operations.

The RFC Board of Directors would receive supervision, coordination, and policy guidance from the Secretary, who, because of his departmental responsibilities is the most appropriate adviser on the economic and business factors which under its statute the RFC is to take into consideration in forming its general loan policy, and who, because of his Cabinet position, could integrate RFC policy with the general policy of the President.

I may add, Mr. President, that related programs of RFC and other parts of the Department could be coordinated so as to avoid both duplication and neglect in the meeting of business needs. This would be especially important to small business.

Then, Mr. President, although the Secretary would not have authority to transfer budget or staff from RFC to other parts of the Department, staffs having related duties, both in Washington and in the field, could be brought into suitable operating liaison with resulting improvements in service.

That is my first reason why I believe this plan would improve the reorganization of the executive branch of the Government.

Second, the plan would make the RFC a more responsible instrument of public policy. Why do I say that? I say it because the President's constitutional responsibility toward the RFC as an executive agency would be much better implemented. The power of the Congress to legislate, to investigate, and to control through appropriations would not be affected.

Mr. President, we have heard much today about investigation, and, in passing, I must compliment the very able Senator from Arkansas [Mr. FULBRIGHT] for the fine work which he is now doing in thoroughly invesigating the RFC and the loans which it has made. He is focusing public attention on the mistakes of the RFC, as the Senate, and particularly the Senator from Arkansas, as the chairman of the investigating committee, should properly do. So the Senator from Arkansas is deserving of the high praise of the Senate for his splendid performance, the time he is giving to this problem, the knowledge he has of the problem, and the results which I am sure will finally accrue from his inquiry and investigation. Yet, I repeat that the President's constitutional responsibility toward the RFC as an executive agency could be much better implemented by this reorganization plan, and the power of the Congress, the power of the Senator from Arknsas, and the power of his committee, to investigate, to recommend legislation, and to control through appropriations, would in no wise be affected by the reorganization plan, if it should become effective.

The President, who cannot give the RFC the direct attention required for its proper supervision, would be represented by a Cabinet member having qualifications as I have already stated.

The Congress which today must address its criticisms of RFC policy either to the Board, whose members are personally involved in the policies under criticism, or to the President, could turn instead to a Cabinet member, who would be closer to the program than the President, and yet not so close as to lack perspective.

And then, Mr. President, the plan would strengthen the Government's efforts in behalf of small business. I particularly plead for the approval of the plan because of its effect upon small business.

The small-business man, unlike large corporations, which can keep well informed on Government programs, will benefit especially from having a single principal spot in the Government where its needs can be dealt with in appropriate terms.

Because the small-business man may require technical or managerial counsel as much as financial assistance, it is important that when he turns to a Government agency all the services, nonfinancial as well as financial, that are available to him, be linked together so that they may be drawn upon as the circumstances of the individual case may warrant.

In that connection I ask unanimous consent to have incorporated in the RECORD as a part of my remarks a statement which was made by Mr. W. E. Willett, Director of the Reconstruction Finance Corporation, on Reorganization Plan No. 24, before the House Committee on Expenditures in the Executive Departments.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF W. E. WILLETT, DIRECTOR OF RECONSTRUCTION FINANCE CORPORATION, ON REORGANIZATION PLAN NO. 24 BEFORE THE HOUSE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. Chairman, I am glad to appear before your committee and give my personal views with respect to Reorganization Plan No. 24, which would transfer the Reconstruction Finance Corporation to the Department of Commerce to be administered by the Board of Directors and officers of the Corporation subject to the supervision, coordination, and policy guidance of the Secretary of Commerce. I would like to emphasize that the following comments are my personal views and do not necessarily represent the official views of the Corporation or other members of the Board.

I first became associated with the Reconstruction Finance Corporation in 1934 and my opinions are based upon experience both as an employee and as a director since 1948. We who have been connected with RFC over a period of years have taken a deep pride in the relatively independent position which the Corporation now enjoys in reporting directly to the Chief Executive. However, I must in all honesty admit that this attitude is predicated upon a narrow, personal point of view. I believe you will find that this personal feeling exists with very nearly, if not all, of RFC personnel. It is only human to desire to have direct access to the Chief Executive. However, I fully recognize that one's individual views must be considered in relationship to the broader problem of attaining the most efficient organization of the Government as a whole. I firmly believe that from an organizational point of view, adoption of the proposed plan would not only be to the best interests of RFC but would inure to the benefit of the President, the Congress, and the Nation as a whole, as it is affected by the functions which the Corporation is authorized to perform.

The executive branch of the Government has grown tremendously both in size and complexity since the RFC was established in 1932. I would like to refer specifically to the fact that the Commission on Organization of the Executive Branch of the Government pointed to some of the critical problems resulting from this growth. The Commission stated: "Such rapid growth could not take place without causing serious problems. Organizational methods effective 20 years ago are no longer applicable. The growth of skills and methods of private organizations has long since outmoded many of the methods of the Government. This Commission has found that the United States is paying heavily for a lack of order, a lack of clear lines of authority and responsibility and a lack of effective organization in the executive branch." The Commission's first finding was that "the executive branch is not organized into a workable number of major departments and agencies which the President can effectively direct,

but is cut up into a large number of agencies, which divide responsibility and which are too great in number for effective direction from the top." To remedy this situation, the Commission proposed that: "The numerous agencies of the executive branch must be grouped into departments as nearly as possible by major purposes in order to give a coherent mission to each department." Reorganization Plan No. 24 is clearly consistent with the objective set up by the Hoover Commission.

In my opinion there can be no question that the major purpose of RFC today is to assist in promoting the development of American business and industry by rendering financial assistance in eligible cases and in keeping with the objectives of the Congress. This purpose is shared by many of the nonfinancial services which are now furnished to business by the Department of Commerce. The transfer of the RFC to the Department of Commerce will be conducive to better teamwork and will ultimately redound to the benefit of both the RFC and the Department.

I consider the following to be some of the more important advantages which the RFC will obtain as a result of the proposed reorganization. As a member of the President's official family the Secretary of Commerce necessarily has far more frequent contacts with the President than do the RFC directors and consequently would have a better opportunity to discuss RFC matters directly with the President. Through the Secretary of Commerce the Corporation will have a voice in the President's Cabinet. He will be able to bring up for Cabinet consideration various important matters of direct interest to the Corporation. The RFC organization does not have such a spokesman today. Furthermore the Directors will have the benefit of the guidance of the Secretary of Commerce as to the relationship of the RFC program to the broader economic objectives of the Government. For example, the Secretary's counsel will be of great value to the Directors in determining how the Corporation can most effectively encourage small business, help in maintaining the economic stability of the country, and assist in promoting maximum employment and production, which are the purposes set forth in the basic statute of the Corporation. There undoubtedly will be instances where the Secretary can from his vantage point bring to the attention of the RFC Board sources of pertinent information within the Department of which they are unaware. The availability of the facilities of the Department of Commerce will greatly strengthen the Corporation's ability to perform the functions assigned to it by the Congress.

The grouping of all of the Government's major services to business in one department will be of substantial benefit to business as a whole and particularly to small business. The average small-business concern is not as fully informed with respect to these services as are larger business enterprises and is often bewildered by the complexity of existing Government organization. The President has clearly stated the problem in his special message relating to small business. The President said, "It is most desirable that we group these functions together under common supervision. This would simplify government administration. More important, it would make it easier for the small-business man to take advantage of the various types of financial assistance already available or newly provided."

In my opinion RFC has done a very good job in helping small business. However, a combination of RFC's experience in making loans to small business and the know-how of Commerce in giving small business information and technical assistance should make a team hard to beat in providing essential assistance to small business.

Plan No. 24, of course, does not in any way alter the Corporation's relationship to the Congress or reduce the latter's authority with respect to the Corporation's policies and program. On the contrary, it will enable the Congress to obtain from a single Federal official as well-rounded picture of the Government's total program as it applies to business.

The plan is not an extreme departure from the organizational set-up under the Federal Loan Agency, created in 1939. The relationship of the Board of Directors to the Secretary of Commerce will be almost identical with that which it had to the Federal Loan Administrator from 1939 to 1947. During the period from 1942 to 1945, the functions of the Federal Loan Administrator were exercised by the Secretary of Commerce. The functions of the Federal Loan Administrator were to "supervise the administration, and * * * be responsible for the coordination of the functions and activities" of a number of agencies including the RFC; whereas the present plan proposes that the Corporation be administered by its Board of Directors subject to the supervision, coordination, and policy guidance of the Secretary of Commerce. To my mind, the authority to be given to the Secretary of Commerce is very much the same as that which was exercised by the Federal Loan Administrator and subsequently by the Secretary of Commerce. From my experience during the time the Federal Loan Administrator and the Secretary of Commerce exercised supervision over the Corporation, I can state that this arrangement did not result in divided responsibility or confusion as to the respective roles of the Board and the Loan Administrator and the Secretary.

In the fields of housing and agriculture we have already recognized the advantages of grouping both the financial and nonfinancial activities of the Government and I can see no sound reason for maintaining the present gap between such services in the area of business.

Mr. MYERS. Mr. President, I wish to refer briefly to a few of the statements made by Mr. Willett when he appeared before the House committee. He said:

I firmly believe that from an organizational point of view, adoption of the proposed plan would not only be to the best interests of RFC but would inure to the benefit of the President, the Congress, and the Nation as a whole, as it is affected by the functions which the Corporation is authorized to perform.

Then Mr. Willett went on to discuss the Hoover Commission recommendations, and he had this to say:

The Commission's first finding was that "the executive branch is not organized into a workable number of major departments and agencies which the President can effectively direct, but is cut up into a large number of agencies which divide responsibility and which are too great in number for effective direction from the top." To remedy this situation, the Commission proposed that: "The numerous agencies of the executive branch must be grouped into departments as early as possible by major purposes in order to give a coherent mission to each department." Reorganization Plan No. 24—

Said Mr. Willett—

is clearly consistent with the objective set up by the Hoover Commission.

Mr. President, I understand the Hoover Commission recommended that the RFC be transferred to the Treasury Department. I understand that since then there has been some change of heart, some change of view, and that now the Chairman of the Commission believes the RFC had much better be transferred to the Federal Reserve System. Nevertheless, the Hoover Commission did believe that it should not remain as it is, but that it should be transferred to some other agency of Government. I believe that is the import and the impact of Mr. Willett's statement when he indicates that Reorganization Plan No. 24 is clearly consistent with the objectives set forth by the Hoover Commission.

Then Mr. Willett went on to say:

Through the Secretary of Commerce the Corporation will have a voice in the President's Cabinet.

I think it is very important, Mr. President, that the RFC should have a voice in the Cabinet of the President of the United States. Mr. Willett went on to say:

He—

Namely, the Secretary of Commerce—

will be able to bring up for Cabinet consideration various important matters of direct interest to the Corporation.

Mr. Willett went on to make another point when he said:

The grouping of all of the Government's major services to business in one department will be of substantial benefit to business as a whole and—

I emphasize what I stated before—

particularly to small business.

In my opinion—

Said Mr. Willett—

RFC has done a very good job in helping small business. However, a combination of RFC's experience in making loans to small business and the "know how" of commerce in giving small business information and technical assistance should make a team hard to beat in providing essential assistance to small business.

Mr. Willett continued:

Plan No. 24, of course, does not in any way alter the Corporation's relationship to the Congress or reduce the latter's authority with respect to the Corporation's policies and program. On the contrary, it will enable the Congress to obtain from a single Federal official a well-rounded picture of the Government's total program as it applies to business.

I think the statement made by Mr. Willett should command the attention of every Member of this body. I only wish all Members of the Senate could have read his statement. I wish it were possible for every Member of the Senate to have an opportunity to read the statement before the vote is taken at 4 o'clock. I know that is impossible. Nevertheless, I wish to say that usually we find members of various departments or agencies of Government whose department or agency is involved in a reorganization plan, buttonholing Senators, coming to Members of Congress and asking that their department, their agency, be not touched, that they be left alone, that they be not affected by a proposed reorganization plan. Here we have a member of the RFC, a member of the Board, who frankly said to the committee of the House of Representatives that the plan is good, that it will make for better government, and that it will improve

not only the relationships between the executive and the legislative but will also be of great help and assistance to small business. It is rather unusual to find an employee of the Government, whether he be in a high or a low position, coming to the Congress and making such a recommendation. The contrary is usually true.

I do not believe that the reorganization plan, if put into effect, would in any way interfere with the investigation now being so ably conducted by the Senator from Arkansas. I feel rather sure that that investigation will continue in the same vein that it has been undertaken by the Senator from Arkansas. I feel that if the agency were transferred to the Department of Commerce the investigation, the study, the inquiry being conducted by the Senator would in no wise be affected.

For these reasons, Mr. President, I trust and hope that the Senate will reject Senate Resolution 290, and will allow the reorganization plan to become law.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Chair is advised that the Senator has remaining 31 minutes.

Mr. MYERS. How much time does the Senator from Arkansas [Mr. FULBRIGHT] have remaining?

The PRESIDING OFFICER. He has exhausted the time under his control.

Mr. MYERS. Mr. President, I yield to the Senator from Arkansas as much time as he may desire.

Mr. FULBRIGHT. I thank the Senator from Pennsylvania.

I now yield 5 minutes to the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, in behalf of myself and the junior Senator from New Hampshire [Mr. TOBEY], who is unavoidably absent, I should like to make a brief statement.

Senate Resolution 219, adopted by the Senate February 9, 1950, instructed a subcommittee of which the able junior Senator from New Hampshire and myself are the minority members, in studying the operation of the Reconstruction Finance Corporation to give special attention to the recommendations of the Hoover Commission. In substance the Hoover Commission recommendations were two-fold; namely, that the policy of direct lending by the Corporation in a peacetime prosperous period should be reviewed by the Congress and that the Reconstruction Finance Corporation be transferred not to the Department of Commerce, but to the Department of the Treasury.

It is to be noted, also, that the Hoover recommendation was that this matter be studied in respect to the RFC's lending in a prosperous, peacetime period.

The subcommittee of which the able Senator from Arkansas [Mr. FULBRIGHT] is chairman, is giving earnest consideration to those two recommendations, and has developed a great deal of factual information which should serve to enlighten the Congress in its consideration of these recommendations. However, the study by the subcommittee to date has convinced us that the subject is of such complexity and importance that a thorough exploration will require longer than was originally anticipated.

Mr. President, I may say that I do not quite understand why the President submitted to the Congress a reorganization recommendation in respect to the RFC, when the subcommittee was in the midst of studying the entire problem with an open mind.

In effect, Reorganization Plan No. 24 proposes to achieve one of the objectives stated by the Hoover Commission, namely, the inclusion of the Reconstruction Finance Corporation in a department of the Government, while the subcommitte is in the midst of its study of this subject. However, the Hoover Commission recommended that the RFC be transferred to the Treasury Department, I repeat, not to the Commerce Department. The facts and the reasons for and against this proposal and the recommendations of the subcommittee are not yet available to the Congress. Action at this time, therefore, would of necessity be based upon incomplete and inadequate knowledge. The mandate of the Senate to the subcommittee to study and consider the recommendations of the Hoover Commission would prove meaningless after action had already been taken by the Senate on one of the major items which the subcommittee was instructed to explore, namely, whether or not the RFC should be transferred to an executive department.

Mr. CAIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Indiana yield to the Senator from Washington?

Mr. CAPEHART. I yield.

Mr. CAIN. By way of argument only, I should like to ask this question: If Reorganization Plan No. 24 is adopted this afternoon, and if at a later date, as a result of the investigation by the Fulbright subcommittee, it is recommended to the Senate that the RFC be retransferred from the Department of Commerce to an independent status, would not the Senate then have to set aside a considerable amount of time for debate, only for the purpose of undoing in the future what we would have done at this time?

Mr. CAPEHART. I think there can be absolutely no question that the Senator is correct.

Accordingly, Mr. President, it would seem to the subcommittee that the presentation of Reorganization Plan No. 24 is premature, and we believe that its consideration should be postponed.

Failure of the subcommittee to complete its study and file its report with the Senate prior to this time is not due to a lack of diligence on the part of the subcommittee. The subcommittee has held 14 public hearings, comprising approximately 1,986 pages of record. In addition, the subcommittee has held 10 executive hearings, comprising approximately 1,061 pages of record. In addition, the subcommittee and its staff have done a great deal of preparatory work on matters which are not yet ready for public hearing.

The subcommittee has filed one report, namely, that on the loan to the Texmass Petroleum Co. The report was unanimously approved by the subcommittee and by the full Senate Banking and Currency Committee, and was submitted to the Senate on May 19, 1950.

The subcommittee has proceeded upon the basis that a study of the operations of the Reconstruction Finance Corporation is more meaningful when decisions of the Reconstruction Finance Corporation are examined in the case of specific loans. In other words, in the view of the subcommittee, the lending standards set forth in the Reconstruction Finance Corporation Act are extremely broad and general, and they acquire significance only when they are applied to specific factual situations.

The subcommittee believes firmly in the principle that there should be thorough preparation by the staff of the subcommittee before public hearings are held or reports are filed. In appropriate instances, especially where there is a possibility of reflecting adversely upon individuals, the subcommittee gives preliminary consideration to the subject in executive hearings. The subcommittee believes through this method its public hearings and its reports can be made sounder and more useful to the Senate.

We believe that the Senate desires the subcommittee to do a thorough job, not a superficial one; and we are convinced from our study up to this point that the question of national policy with respect to the Reconstruction Finance Corporation involves basic economic and governmental considerations, and should, therefore, be given the most thoughtful attention by the Congress.

Transfer of the Reconstruction Finance Corporation to the Department of Commerce at this time would, therefore, in our opinion be unwise, since it would constitute a permament and far-reaching disposition of the Reconstruction Finance Corporation before all the facts are in the record and before the agency of the Senate expressly directed to consider this problem has been able to formulate its recommendations.

Mr. FULBRIGHT. Mr. President, I yield 10 minutes to the Senator from Illinois [Mr. DOUGLAS].

The PRESIDING OFFICER. The Senator from Illinois is recognized for 10 minutes.

Mr. DOUGLAS. Mr. President, the issue before the Senate this afternoon is one upon which men of good will and probity may well differ. I recognize the force of the contention that in the interest of more coherent administration, it probably is desirable to reduce the number of independent agencies and to put at least some of them under the direction of the established departments.

It was because of this feeling and because of my desire to make the administrative lines of authority more direct that I have hitherto favored all the reorganization plans which have been submitted to this body.

I regret that I am unable to do so in the present case. It has been my lot to serve on a subcommittee which has been investigating the affairs of the RFC,

under the chairmanship of the junior Senator from Arkansas [Mr. FULBRIGHT], who has conducted the inquiry with thoroughness, integrity, and with scrupulous fair play.

Although it is too early to make final and definitive judgments, we have taken sufficient evidence to convince me that there have been grave abuses in the affairs of the RFC, in the loaning of Government money to private interests. I have only to mention the Texmass loan, of approximately $10,100,000; the Mapes loan, of almost $1,000,000; the Ribonwriter loan, which in my judgment should never have been made; and the Lustron loan. In the case of the Lustron loan, to state the matter mildly, the RFC did not effectively prevent a wasteful dissipation of funds which had been publicly derived. Furthermore, the RFC officials, I am convinced, have exhibited an excessive degree of callousness in permitting their officials who have passed on applications for loans, later to accept well-paid positions in the employ of the very companies to which the loans have been made, and have permitted that practice to continue.

Mr. President, I do not wish to make charges against the character of the men who have been in charge of the RFC's activities. That is a grave matter, in respect to which we would do well to observe a proper degree of restraint. Perhaps some abuses are inevitable in connection with these types of loans. Various businessmen, who are unable for one reason or another to obtain loans from banks, are naturally desirous of obtaining loans from the RFC. Sometimes banks want to be bailed out from bad loans which they have made, and seek to unload them upon the RFC. These gentlemen make their applications to the local RFC agency; and if the amount of the application is large or if they have been turned down by the local agency, they then come to Washington. They are, naturally, anxious to have the loans made. They consult their Senators and their Representatives in Congress, and they ask us to use our influence before the RFC. That puts us in a very difficult position, because, on the one hand, we wish to be of service to our constituents; and, on the other hand, we wish to conserve the public funds and to protect them from being improperly invested.

If we are wise, we confine ourselves to introducing the applicants to the RFC and giving to the RFC a letter stating the facts, but making it clear that the RFC is to use its own discretion and its own judgment in deciding the question as to whether or not the loan should be made. If we are incautious, perhaps we go somewhat further. However, I am sure that upon reflection the Members of the Senate will feel that this is not a proper course for them to follow.

However, the businessmen also approach, and, I am afraid, are approached by, men in Washington who represent themselves as having influence with the RFC—lawyers or expediters, as they are called. These are men who are, as they say, able to influence the making of the loan. Sometimes businessmen seek the expediters, and sometimes the expediters seek the businessmen. But whoever is the pursuer and whoever is the pursued, the two come together after a time. The expediters are paid fees. They are paid fees by the companies which receive the loans. These fees, of course, are derived from the loans which the Government has made and hence they are paid from public moneys. There has grown up around the RFC, I am afraid, this trafficking in political influence, both official and unofficial. I recognize, of course, the difficult position in which the members of the RFC Board and staff are placed. I do not wish to condemn them. I am afraid that it is almost inevitable in a public enterprise of this type. I do not want to say that all Government loans to private business should be discontinued. I think small business suffers real disadvantages in getting credit, and I believe that, in certain lines of industry, investment bankers do not want to finance new firms and permit them to come into the industries. There is a real need to break some of the blockade in banking which now exists. But Government participation in these loans is attended with grave moral and financial risks, and I think the Fulbright subcommittee is beginning to disclose certain of these dangers.

Mr. President, I know it will be contended that if we transfer RFC to the Department of Commerce some of these abuses will be remedied. It is possible that they might be. But what the RFC needs is not so much a transfer of administrative lines of authority as a thorough house cleaning. That is what is needed. What I am afraid would happen if we transferred it to the Department of Commerce is that people would say that the job was done, that the reorganization had been effected, that the eyes of the Secretary of Commerce would be over the affairs of RFC, and that such abuses as exist would be cleaned up. The disease is, however, far more deeply rooted than that. I am afraid, therefore, that this transfer would postpone, if not prevent, the thoroughgoing clean-up which is needed. It would in addition, as several Senators have said, interpose a protective screen between the RFC and the Congress—the screen of a department which would stand between the Corporation and the legislative body and help to protect it from scrutiny.

For all these reasons, therefore, I shall support the resolution offered by the junior Senator from Arkansas and, for the first time, I shall oppose one of the reorganization plans which have been submitted.

Mr. FULBRIGHT. Mr. President, I yield 5 minutes to my colleague the senior Senator from Arkansas, chairman of the Senate Committee on Expenditures in the Executive Departments.

The PRESIDING OFFICER. The senior Senator from Arkansas is recognized for 5 minutes.

Mr. McCLELLAN. Mr. President, I desire to make a brief statement regarding this plan and the pending resolution. As in the case of all reorganization plans, this plan was referred to the Committee on Expenditures in the Executive Departments. It will be noted that the committee reported the plan without recommendation. I felt that the Senate was entitled to know the exact action taken by the committee, and why the committee did not report either favorably or unfavorably on the plan, at the conclusion of the hearings, and when we were able to have an executive session.

As the Presiding Officer knows, and as other Members of this body know, nowadays we experience some difficulty in getting a quorum in order to report bills. On the occasion on which we held the executive session, immediately following the conclusion of hearings, there were present but a bare quorum of seven Members. Two of the Members present expressed the view that they had not yet made up their minds with reference to the plan. One of those present favored the plan. The other four opposed it. But the four who opposed the plan and favored the resolution did not constitute a majority of the committee, and therefore we felt it advisable at that time to report the plan and resolution without recommendation.

At the same time, the committee instructed the chairman to poll the committee and to announce on the floor of the Senate how the committee would vote on it. By that direction, I have had the staff director of the Senate Committee on Expenditures in the Executive Departments poll the committee with reference to this plan. I am advised by him that nine members of the committee favor the resolution and oppose the plan, one member favors the plan, and the other members have made no expression with reference to their positions. Therefore, a majority of about three-fourths of the committe definitely oppose this plan.

Mr. President, I oppose the plan, and I should like to explain briefly why I do so. In the first place, I believe that this lending agency of the Government should be kept independent. I do not believe it should be buried in any department of the Government. The functions of the RFC involve millions of dollars. It involves policies with reference to making loans and with reference to carrying out the functions and purposes of the RFC Act and amendments thereto.

Reorganization Plan No. 24 does not clarify anything. It does not give a line of direct authority, so that it is possible to identify that authority and follow through on it. I call attention to the wording of the plan, which says:

> The Reconstruction Finance Corporation * * * is hereby transferred to the Department of Commerce—

And, Mr. President, listen to this—

> and shall be administered, subject to the supervision, coordination, and policy guidance of the Secretary of Commerce, by the Board of Directors and officers of the Corporation.

When witnesses appeared in favor of this plan, including the Secretary of Commerce and representatives of the Bureau of the Budget, I tried to get them to define what this provision means. What is meant by "policy guidance"? What is mean by "supervision"? Where does the power of the Secretary begin? Where does it end? Where would the responsibility of the Board attach, and where would it stop?

The RFC is presently under investigation by an appropriate subcommittee of the Banking and Currency Committee of the Senate. I compliment my colleague, the able junior Senator from Arkansas, as chairman of that subcommittee, and also the other members of the subcommittee for the very excellent job they appear to be doing, the conscientious job of investigating present policies and practices of the RFC.

I think I can say, without having full knowledge of what has been developed thus far, that very definitely the subcommittee has found and has revealed through its investigation that certain practices and policies are being pursued which need to be corrected. But, Mr. President, we now know whom to hold responsible for whatever is wrong in the RFC. We can identify them, put our fingers on them, call them up on the carpet before the approving committee, as is being done, and inquire into their activities.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCLELLAN. Mr. President, may I have one additional minute?

Mr. FULBRIGHT. I yield one additional minute to the Senator.

Mr. McCLELLAN. Mr. President, if this plan should go into effect, we would transfer this agency behind the protective shield of a departmental secretary, and the efforts and work of the subcommittee would be lost. We would also transfer it into a state of confusion, of divided authority. Such a transfer under this plan would be confounding the difficulties which exist today, rather than clarifying or simplifying them.

Mr. President, I believe the plan should be defeated.

Mr. MYERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant journal clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Green | Martin |
| Anderson | Gurney | Millikin |
| Benton | Hayden | Morse |
| Brewster | Hendrickson | Mundt |
| Bricker | Hickenlooper | Murray |
| Bridges | Hill | Myers |
| Butler | Hoey | O'Mahoney |
| Byrd | Holland | Pepper |
| Cain | Humphrey | Robertson |
| Capehart | Hunt | Russell |
| Chavez | Ives | Saltonstall |
| Connally | Jenner | Schoeppel |
| Cordon | Johnson, Tex. | Smith, Maine |
| Darby | Kefauver | Smith, N. J. |
| Donnell | Kem | Sparkman |
| Douglas | Kerr | Stennis |
| Dworshak | Kilgore | Taft |
| Eastland | Knowland | Thomas, Utah |
| Ecton | Langer | Thye |
| Ellender | Leahy | Tydings |
| Ferguson | Lehman | Watkins |
| Flanders | Lodge | Wherry |
| Frear | McCarthy | Wiley |
| Fulbright | McClellan | Williams |
| George | McFarland | Young |
| Gillette | McKellar | |
| Graham | McMahon | |

The VICE PRESIDENT. A quorum is present. The quorum call discloses the presence of 79 Senators.

The question is on agreeing to Senate Resolution 290.

Mr. MORSE and other Senators asked for the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on agreeing to the resolution. [Putting the question.]

A majority of the authorized membership of the Senate having voted in the affirmative, the resolution is agreed to.

### REORGANIZATION PLAN NO. 22

In accordance with the unanimous-consent agreement entered into earlier today, the Senate proceeded to the consideration of the resolution (S. Res. 299), which is as follows:

*Resolved*, That the Senate does not favor the Reorganization Plan No. 22 transmitted to Congress by the President on May 9, 1950.

The VICE PRESIDENT. The question is on agreeing to the resolution. Under the unanimous-consent agreement entered into, 1 hour of debate is available, if desired, with the time to be equally divided between the proponents and the opponents, and to be controlled, respectively, by the Senator from Washington [Mr. CAIN] and the Senator from Pennsylvania [Mr. MYERS].

Mr. CAIN. Mr. President, I yield 10 minutes to the Senator from Wisconsin [Mr. McCARTHY].

Mr. McCARTHY. Mr. President, in view of the fact that I may not be able to finish my remarks in the 10 minutes available to me, I ask unanimous consent, if I do not complete my remarks, that all my remarks appear together when I obtain the floor later.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. McCARTHY. I do not address myself to the resolution before the Senate. The Senator from Washington [Mr. CAIN] has 10 additional minutes available to him which he kindly allotted to me to discuss a matter of a great deal of importance.

(Mr. McCARTHY proceeded to address the Senate on the question of the necessity for the protection of the Government against Communists and subversive groups.)

The VICE PRESIDENT. The time of the Senator from Wisconsin has expired.

Mr. McCARTHY. Mr. President, I shall continue later.

(Subsequently Mr. McCARTHY resumed and concluded his speech, which appears entire elsewhere in today's RECORD under the appropriate heading.)

Mr. CAIN. Mr. President, Reorganization Plan No. 22, which was submitted by the President to the Congress on May 9, 1950, has for its purpose the transfer of the Federal National Mortgage Association from the Reconstruction Finance Corporation to the Housing and Home Finance Agency. Senate Resolution 299, submitted by the senior Senator from Georgia [Mr. GEORGE] and the junior Senator from Washington, is in opposition to Reorganization Plan No. 22, and was offered because of the following views, shared jointly by the Senators from Georgia and Washington and other Senators.

#### DISSIMILARITY OF PURPOSE

One of the principal purposes of the Reorganization Act of 1949 was to provide for the grouping, coordination, and consolidation of agencies and functions according to major purposes. The President's message to the Congress dated May 9, 1950, states that one of the purposes of plan No. 22 is to assure the necessary coordination of FNMA's operations with other housing programs.

Mr. President, there is little relation between FNMA's activities providing for a secondary market for Government-guaranteed or insured home-loan mortgages, and the administration of the Government's housing program. FNMA is essentially a credit and banking activity and not a housing activity.

Mr. President, the fact that the functions of several agencies of the Government have relation one to the other does not mean that they all serve the same major purpose. Thus the fact that FNMA buys mortgages insured by FHA has little or no bearing on the functions performed by each. Were this fact any criterion, FNMA should more properly be placed under the jurisdiction of the Administrator of Veterans' Affairs, since in recent months at least 90 percent of the new mortgage loans being acquired by FNMA are home loans guaranteed by the Veterans' Administration.

If Reorganization Plan No. 22, which is the pending business, would result in either substantial economies or greater efficiencies, in my opinion the plan ought to be approved by the Senate this afternoon, but plan No. 22, if adopted, will never improve efficiency or achieve any economies.

Permit me to draw attention to a fact which all of us all too often forget. Section 2 (c) of the Reorganization Act of 1945 requires that in any consolidation of existing agencies, there shall be accomplished an over-all reduction of at least 25 percent in the administrative costs of the agency or agencies involved. No single witness appearing before the committee in opposition to Senate Resolution 299, or in favor of Reorganization Plan No. 22, was able, in reply to the specific question addressed to every witness by the committee chairman, the senior Senator from Arkansas, to establish any economy that would result in the proposed transfer. This point is further established by language found in the committee report which accompanies Senate Resolution 299. I should like to read but a portion of one paragraph, to be found on page 5:

> There is admittedly no prospect of more economy in operation nor of any appreciable increase in efficiency. On the contrary, because of the fact that the plan excludes from the transfer the present officers and directors of FNMA, it would involve the possible risk that both more cost and less efficiency might result should the transfer be effected.

I submit that the present HHFA, itself a creation of a reorganization plan back in 1947, never has complied with the intended purpose of the Reorganization Act of 1945. As a matter of fact, the 1951 budget calls for administrative expenses 400 percent greater than in 1947. The figures are: 1947, $1,518,000; 1951, requested in fiscal budget 1951, $6,000,000. The latter figure is only for the office of the Administrator.

Can we conceivably transfer FNMA to an agency which on the record is budg-

eted to cost 400 percent more now to operate than it did in 1947? This budgeted increase in HHFA's administrative costs did not contemplate the transfer of FNMA. The $6,000,000 item would have to be increased if FNMA were transferred to HHFA.

In contrast, let us look budgetwise at the RFC. Employees of RFC, in addition to their present duties, are handling FNMA operations without appreciable increase in personnel. This is reflected in the fact that RFC's administrative budget request for 1951, including its existing program covering tin, rubber, war liquidation, and all of its business lending activities in addition to FNMA, shows but a slight increase over 1949 actual expenditures; 1949 expenditures were $26,774,770; estimated for 1951 is $27,690,000.

Transfer of FNMA would place control of the secondary mortgage market under HHFA, and would seriously impair the veterans' home-construction program.

Mr. President, I believe that sentence in itself will be of real interest to every Member of this body, for the Senator from Washington, together with the Senator from Georgia, is merely saying in the sentence that if we transfer "Fannie May" from where it presently is, in the RFC, to the Housing and Home Finance Agency, we run an unnecessary risk of holding in jeopardy the veterans' housing program, which all of us have tried to do so much to accelerate in recent years.

It is a known fact, established by the figures, that the number of FHA mortgages being handled by "Fannie May" are diminishing at a rapid rate. On the other hand, the number and amount of Veterans' Administration guaranteed mortgages being handled by "Fannie May" have been and are daily increasing by leaps and bounds. It would therefore be extremely unwise, I think, for the policy of the Veterans' Administration relative to the present magnificent home-construction program to be dominated in the future by the Housing and Home Finance Agency.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. MUNDT. In view of the apparent injury the proposed transfer would do with respect to the cost of veterans' housing, I wonder whether the Senator from Washington is able to tell us the attitude of any of the veterans' organizations toward the reorganization plan.

Mr. CAIN. The question is an extremely pertinent and legitimate one, and the answer will be given to it in a moment.

Mr. President, during the 11-month period from July 1949 through May 1950, FNMA made commitments to purchase FHA-insured mortgages to the number of 17,798, and in the amount of $253,604,000. In that same period, FNMA made commitments to purchase 201,192 VA-guaranteed mortgages in the amount of $1,522,842,000. Here we have a dollar ratio, VA to FHA, of 6 to 1. During the same 11-month period, we find that FNMA actually purchased $126,895,000 worth of FHA mortgages and $729,314,000 of VA mortgages, again a ratio, VA to FHA, of 6 to 1. In May 1950 FNMA held, in its portfolio, FHA mortgages totaling $266,865,000, and at the end of the same month held VA mortgages of $774,792,000. Here again we find that the predominant activity of FNMA is in the field of VA mortgages.

These figures, I may say in answer to the question recently submitted by the Senator from South Dakota, vividly portray the compelling reason why four of the veterans' organizations, namely, the Veterans of Foreign Wars, AMVETS, American Legion, and the Disabled American Veterans testified in sturdy opposition to Reorganization Plan No. 22.

The latest release from the Department of Commerce covering new construction activity, dated July 2, 1950, states that—

> Indications are that close to 1,250,000 new dwellings will be placed under construction in 1950, surpassing by far the 1949 record of 1,026,000 and the previous high of 937,000 units in 1925.

This new all-time housing-construction record is evidence of the present smooth operation within the mortgage market. Transfer of FNMA to HHFA, in the opinion of most competent observers in the construction industry, would bring about a decrease in volume and general disruption of the present veterans' housing program.

Mr. President, in conclusion, by way of summary, I should like to state only the obvious. Reorganization Plan No. 22 should be rejected because—

(a) It will cost much more money to administer "Fannie May" if it is transferred to the House and Home Finance Agency than if "Fannie May" remains where it is presently—an agency of the Reconstruction Finance Corporation.

(b) Reorganization Plan No. 22 ought to be rejected because if "Fannie May" is transferred from the RFC to the Housing and Home Finance Agency it will be necessary to select and train an administrative and processing staff. This unnecessary effort will consume weeks and months of precious time.

(c) Lastly, Mr. President, in the view of the senior Senator from Georgia [Mr. GEORGE] and the junior Senator from Washington, Reorganization Plan No. 22 ought to be rejected because if "Fannie May" is taken from the Reconstruction Finance Corporation and taken over by the Housing and Home Finance Agency the booming and healthy veterans' housing program will be disrupted, and injured for at least an uncertain and unknown period of time. Unless this program which has been supported and approved by every Senator on both sides of the aisle can be strengthened and materially assisted by the proposed transfer of "Fannie May" to the Housing and Home Finance Agency common sense dictates that plan No. 22 be rejected.

This plan, sir, could not substantially improve present-day mortgage conditions in America, which are currently both sound and productive, a compliment to everybody, including the RFC and "Fannie May." But the plan, if adopted, could wreck the good things which cover us so beneficially today.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. MUNDT. I wonder if, in addition to the very persuasive and compelling arguments which the junior Senator from Washington has presented so eloquently to the Senate, he would not like to comment on a statement made in the report issued by the Committee on Expenditures in the Executive Departments, in reporting the resolution to the Senate. We point out as follows:

> As a general principle, the committee is somewhat doubtful of the wisdom of disturbing an organization which, by general admission, has in the broad perspective served its purposes well.

In other words, when there are no economies to be effectuated, when there are no efficiencies to be secured, it seems to the committee, and to this speaker personally, to be the height of folly and a reckless experiment merely to be kicking organizations around from one administrative agency to another, thereby causing confusion and increased extravagance.

Mr. CAIN. The Senator from Washington thanks the Senator from South Dakota for the contribution which he has just made to the discussion. Both Senators believe that there should be adopted a reorganization plan only if it improves current conditions and results in a greater efficiency and in the saving of money. Reorganization Plan No. 22 plainly accomplishes neither of these benefits.

Mr. MUNDT. In other words, there is no virtue in the term "reorganization" unless something salutary is accomplished thereby.

Mr. CAIN. The Senator from Washington can only guess, but he thinks that some well-intentioned agents within the executive branch thought that because "Fannie May" had something to do with housing that it ought logically enough to be associated with the Housing and Home Finance Agency. But the Senator from Washington hopes that he made one of his points clear that "Fannie May" is essentially a credit and not a housing activity.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. FERGUSON. As one of those who voted against the transfer of the RFC to the Commerce Department I should like to ask the Senator a question. Does the testimony show that the proposed plan was made on the basis that the President anticipated that the Reconstruction Finance Corporation's activities would be transferred to the Commrce Department and that then "Fannie May" being only a loaning agency of the RFC, should be transferred to some other department and not transferred to the Commerce Department?

Mr. CAIN. I am not qualified to answer the question just asked by the Senator from Michigan; but logic impels me to say that inasmuch as a few minutes ago the Senate decided to leave the RFC where it is until the so-called Fulbright investigating subcommittee has made recommendations to the Banking and

Currency Committee, and eventually to the Senate itself, it follows in sequence that we should leave "Fannie May" where it is; namely, as an agency of the Reconstruction Finance Corporation.

Mr. FERGUSON. Mr. President, will the Senator yield for a further question?

Mr. CAIN. I shall be glad to yield, and to answer the question if time permits.

Mr. FERGUSON. The recommendation of the committee is not either for or against the transfer. Does the Senator care to state to the Senate the number of members of the committee who favored the transfer and the number of members of the committee who opposed the transfer?

Mr. CAIN. I am not a member of the committee; therefore, I do not know how its individual members voted.

However, in a sentence, this is what the committee gave the Senate to ponder over; again I read from page 5:

> The lifting of this going concern—
>
> Namely, "Fannie May"—
>
> from the location which it has occupied since its inception can scarcely be expected to produce administrative economy and efficiency, although it is admitted that its administration might be as effectively conducted by corresponding officials of HHFA.

I should like to say that I think we presently have no right to take an unnecessary risk, when one of our committees says that the best we could look forward to would be that "Fannie May" might be as effectively administered by the Housing and Home Finance Agency in the future as it is presently being managed by the Reconstruction Finance Corporation.

The VICE PRESIDENT. The Senator's time has expired.

## AUTHORIZATION FOR APPROPRIATIONS COMMITTEE TO SUBMIT REPORT DURING RECESS OF THE SENATE

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Appropriations Committee, if it reaches a conclusion of its consideration of the omnibus appropriation bill—H. R. 7786—between now and the time when the Senate reconvenes on Monday, may make its report in the interim period.

The VICE PRESIDENT. Without objection, it is so ordered.

## MARSHALL PLAN OF IDEAS

Mr. BENTON. Mr. President——

Mr. MYERS. Mr. President, I yield 5 minutes to the Senator from Connecticut.

Mr. BENTON. Mr. President, yesterday Ambassador John Foster Dulles, who has just returned from Korea, concluded his testimony before the Thomas subcommittee of the Senate Foreign Relations Committee—which is holding hearings on my resolution, Senate Resolution 243—with the following powerful warning, and this is a direct quotation from the testimony taken at that time:

> On the effectiveness of our propaganda against that of the Russians may hang the question of war or peace in the next few months.

Mr. President, the current hearings before that subcommittee deal with a subject which is of such critical and immediate importance that I ask unanimous consent to have printed in the RECORD my statement of yesterday before the subcommittee. In the statement I explain why we must "recognize that what is going on in the minds and hearts of men everywhere is now a matter of life or death for us."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BENTON BEFORE SUBCOMMITTEE OF THE FOREIGN RELATIONS COMMITTEE

It saddens me to think we meet today to discuss how we can best project democracy in the world at a time when our failure to do so has involved this Nation in what may be the shooting start of another global war. I choose to view the fighting in Korea today as a direct failure of this Nation to project the idea of democracy in the world, and to publicize our determination to stand up for the things we believe in, and the principles we will fight for. Whether we could have succeeded in preventing this outbreak through an adequate program of information and education, no man can say. But we should have made the attempt. If we had succeeded there would have been no need for the sacrifices that may turn Korea into another Sarajevo, another Poland, igniting a still mightier and more tragic world-wide catastrophe.

We have poured millions into Korea to build up its economic life, to give Korea a chance to become a model of democracy patterned after what we believe to be the good way of life in our own country. We encouraged the creation of a police force, to preserve law and order—what else can one call the Korean constabulary without tanks or planes or the equipment necessary to repel attack? We have been prepared to sacrifice our dollars and share our spiritual heritage with tiny Korea so that we could fulfill the promise of freedom and independence we made that unfortunate nation. We have been prepared to give them everything but guns and tanks and planes and these we give them now, together with our own troops—and not too late, I pray. The tragedy is we thought we were so near success we could taste the wine though the grape had not yet been plucked.

The tragedy is that while we were doing all this, Russia, to the north, filled the North Koreans with hate and lies about our contributions to the south. The tragedy is that while we sought to build prosperity on peace, on friendship with the South Koreans, the Russians fed tanks, guns, planes, and fertile multiplying lies to the North Koreans. Russia mocked our virtues day after day with treacherous canards. We gave the South Koreans peace. "Warmonger," cried the Kremlin. Day after day the Soviet propagandists hammered away at North Korea by radio, movies, pamphlets, and diabolical rumors, to distort the peace we hoped to build in Korea into a bloated image of an angry god of war. They also fed this poison wholesale to the South Koreans. We let them get away with it. I tell you we have been criminally negligent. We let them get away with it and did little to counteract their insidious propaganda. The Voice of America is a hoarse whisper, and our literature and propaganda techniques in defense of our great democracy are by comparison schoolboy essays. We can't seem to wait for the bell to ring until we can get out of class and get back to play.

We have given the South Koreans nearly half a billion dollars for relief and economic rehabilitation since 1945—356 million during the period of occupation and 110 million through ECA during the past year. We sought to give them freedom and integrity, economic independence. Russia blasted this as "Yankee imperialism." Russia told so many lies about this, and blackballed us so viciously and with such determination, the North Koreans could do no less than say "there must be truth in what Russia says about America".

And we let them get away with it. While the Communists poured it on by every known method, we appropriated 1.4 million for information and educational work in behalf of the United States in Korea during the past year. That was regarded as a very large sum in Washington—I'm told the largest such State Department appropriation for any one country. The big broadcasting station in Pyongyang, the capital of North Korea, with power estimated above 50,000 watts, blanketed all Korea with Communist propaganda. The South Korean station couldn't generate more than three or four kilowatts. The North Korean station boasted of the hundreds of North Koreans who were being sent to Moscow for study and instruction—sometimes 200 at a time. Our own people had funds to send less than 20 Korean students to the United States. The North Korean radio described the hundreds of Communist cultural centers that had been set up in North Korea. Our people had nine little information centers, only one of which—in Seoul—was manned by Americans. Scores of Communist books were translated into Korean; we managed a few. Our motion-picture program was hampered by old and worn equipment. I have this information from a cultural officer who returned from Seoul only last week.

Gentlemen, we would never think of matching a Willie Pep, good as he is, against a Joe Louis in a ring fight in this country; but that is what we did in our propaganda fight with Russia.

Korea is part of a pattern. The ominous fact is that, wherever in Asia we have seen Communist aggression, Communist uprisings, or Communist guerrilla campaigns, the Communist fighters have been native and local Asiatic fighters—all too often with support from local civilian populations. However deluded they may be, we can assume that most of them believe they are struggling for a good cause. How did they get that way? The prime answer is given, in my judgment, in the preamble to Senate Resolution 243: "The real methods of Communist aggression are incessant and skillful propaganda designed to prepare the way for political infiltration, for sabotage, and for the consolidation of power by suppression and terror." It is a world-wide pattern.

This is the background against which witnesses will testify this week. This is why I'm so grateful for the action taken by the Foreign Relations Committee in scheduling this open hearing so that the Senate can come to grips with what I consider the most vital problem of our time.

The problem is how to shatter Russian propaganda with truth. If the people of the world believe we are right as well as strong, communism will become easy to contain. The fight is for the minds and loyalties of all mankind. It is nothing less than that.

It is to tell the world what we stand for, so it can choose for itself between our freedom and the world's freedom, or Red Russian enslavement where people are numbers, where people are tools, where they are machines and statistics, where people are everything but humans fashioned in the image of the God we believe in.

We've sold the world everything from soap to Senator BYRD's apples. We've sold them our machines and our technology. We've sold them our movies, our music, and our dentistry. We have sold them everything but the most important item of all, our spiritual heritage of freedom and our intense belief in it.

Russia, through its clever propaganda in the past 30 years, has been selling the world

a phony package. The Russians are the world's greatest plagiarists. They have stolen or bastardized the great ideas of the West—peace, democracy, justice, national independence—our phases that exult and sing of our freedom, and corrupted them to the end of tyranny. This has got to stop, and we have got to stop it.

A great campaign of ideas is, I believe, finally the only way in which we can boot Soviet propaganda where it deserves to be booted. We've got to do it now. There is no time tomorrow. Already it is late.

We have made a start. Since 1945, when we began our first peacetime program of international information and educational exchange, I estimate that some 60,000 foreign students have spent a period of study in the United States. I wish it had been a quarter of a million. We have a Voice of America broadcast. The Soviet decision to throw 200 to 250 transmitters into the task of jamming the Russian-language broadcasts of the Voice of America and the BBC is a backhanded tribute to its effectiveness; we are still getting through with some of our broadcasts.

In the resolution which this committee has undertaken to study, these are the immediate steps we can take to smother Russia's lies with cold logic and warm truth:

1. We must apply constant pressure, never letting up, through the United Nations and all available diplomatic channels for freedom of the press, radio, television, and the movies—every channel, source, and communication medium must be allowed to be free to sow truth in the world.

2. We must back UNESCO, the United Nations Educational, Scientific, and Cultural Organization with solid American dollars to promote its great work.

3. We must encourage a vast two-way flow of students from all the countries of this earth, and from America to these free nations.

4. I would expand the Voice of America fivefold.

5. I would employ documentary motion pictures on a scale worthy of the effectiveness of this great medium.

The program outlined in these proposals is not merely a crisis program. It is not psychological warfare. Psychological warfare may become necessary. But it will call for other kinds of activity. These proposals will be helpful in the present crisis. But primarily they are designed to prevent such crises. For generations the United States had no such program. For all practical purposes we were indifferent to foreign opinion. Nations to whom foreign relations were a matter of life and death were not so indifferent. The French as far back as 1870 launched a cultural exchange program, and it can be argued that, with French military and economic power now small relative to other powers, France's cultural reputation in some measure accounts for its continuing influence. Britain's first systematic international information work was started by businessmen. The totalitarian powers were the first to exploit communications to the full. It was Soviet Russia—which was built on propaganda—that has shown the tremendous power, for good or evil, of projecting ideas in international relations. No figures are available but all indications are that the Soviet Union is spending more for international propaganda than all other powers combined.

I hope the distinguished witnesses who appear before this committee will appear in support of the resolution. There may be other ways to work out this psychological offensive of democratic ideas, and we must leave our minds open to accept the best of them. But I beg you, let's get going with this offensive now. Let's recognize that what is going on in the minds and hearts of men everywhere is now a matter of life or death for us.

Mr. BENTON. Mr. President, I also ask unanimous consent to have printed in the body of the RECORD Secretary Acheson's brilliant analysis, in which he explains why "there has never been a time when men everywhere who value freedom had a greater need to know the truth."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SECRETARY OF STATE ACHESON BEFORE A SENATE FOREIGN RELATIONS COMMITTEE SUBCOMMITTEE ON SENATE RESOLUTION 243, WEDNESDAY, JULY 5, 1950

I welcome warmly the action of Senator BENTON and the 12 Senators associated with him in introducing Senate Resolution 243, calling for "a greatly expanded program of information and education among all the peoples of the world to the full extent that they can be reached." The sponsors of this resolution have accurately diagnosed one of the elements not only vital but in fact indispensable to the conduct of American foreign relations today. We must make the truth known to the peoples of the world. This is a task that calls for greatly expanded and intensified efforts.

Truth in the world today is a political force. Nothing makes plainer the power of this force, I think, than the Communist fear of it. Behind the iron curtain, it has been said, "Truth is treason." We are familiar with the immense machinery of the police states for ensuring that the words and acts of their citizens conform slavishly to the doctrines advocated publicly by their masters. That machinery has also, as one of its primary tasks, to exclude the truth, to suppress facts. Some of these facts seem to us curiously harmless, but once you begin to exclude the truth, to found your state on deliberately preserved ignorance and deliberately disseminated falsehood, even very simple facts have a potentially explosive force.

The Communist states have not only shown their fear of truth by elaborate internal controls and policing. They have set up at their borders bars against free communication and free movement of men, books, ideas—against all the carriers of truth and information. They have pursued a policy of deliberate self-isolation. They are afraid to let their citizens look out, and they are afraid to let others look in. The recent demands that the United States close its information services in Rumania and Czechoslovakia are witnesses to the power of truth as a political force. So is the Soviet jamming of our radio broadcasts.

If totalitarian regimes canot flourish where the truth is fully available, free and democratic countries cannot flourish unless their citizens do have access to the truth. The freedom of free nations grows out of the minds of its citizens. Freemen make up their own minds, on the basis of free access to the truth, to the facts.

The growth of an international community of free and democratic nations depends upon the ready and free flow of facts, ideas, and people. Only this free flow of facts, ideas, and people can make clear the common bonds and interests of nations, and allow them to settle their differences peaceably and justly.

International Communist propaganda has been engaged in a great campaign of falsification, distortion, suppression, and deception. We have had recently in Korea an illustration of the cruel deception being practiced by Communist propaganda on the universally felt desire for peace. Just a few weeks before Communist armed forces launched their carefully planned attack across the thirty-eighth parallel, over half of the population of North Korea was reported to have signed Communist-circulated petitions for peace. The cynical aggression of communism in Korea, and the falsehoods that have preceded and accompanied it, make inescapably clear the importance of the objectives in this proposed resolution.

This country has been a special target of the Communist campaign of falsehood and abuse. We have not been selected as a target simply because the Communists don't love us. The Communist effort to misrepresent and discredit the aims and nature of American life, and the aims and nature of Amercan foreign policy, has primarily a great strategic value in the furtherance of Communist world objectives. This Communist campaign therefore jeopardizes the security of the United States, and is a threat to the security of the free world.

One of the strategic objectives of this Communist campaign is to divide the free world, whose unity is essential to its strength, and essential to the elimination of Communist expansion.

Another is to confuse the world about the nature of democratic aspirations and ideals, and to weaken the moral force and attraction of the free world.

Another is to spread deception about the free world's strength and resources, of every kind, and thus to weaken the free world's confidence in itself.

Another is to sow doubts regarding the free world's firmness of purpose, its determination to fulfill the international obligations it has accepted in the cause of freedom, and thus, to produce irresolution, fear, and uncertainty.

So far as Communist efforts to foster falsehood about the United States are successful, they serve these Communist designs. They help to drive wedges between the United States and other countries, to create hesitancy, and to prevent clear, effective, unified resistance against Communist aims.

We must therefore make unmistakable the truth about the United States and the other free nations. In doing this we will make plain the essential bond of common beliefs and common interests that underlie differences in national customs and circumstances. We must make plain the facts of international relationships today, so that every man has an opportunity to make a true judgment on the immense issues and decisions that confront him. We must make plain the difference between Communist pretensions and Communist performances.

The President, in his address before the American Society of Newspaper Editors on April 20, said: "Our task is to present the truth to the millions of people who are uninformed or misinformed or unconvinced. Our task is to reach them in their daily lives, as they work and learn. We must be alert, ingenious, and diligent in reaching peoples of other countries, whatever their educational and cultural backgrounds may be. Our task is to show them that freedom is the way to economic and social advancement, the way to political independence, the way to strength, happiness, and peace. We must pool our efforts with those of the other free peoples in a sustained, intensified program to promote the cause of freedom against the propaganda of slavery. We must make ourselves heard round the world in a great campaign of truth."

The President directed me at that time to plan a strengthened and more effective national effort to use the great power of truth in working for peace. In accordance with that directive, the Department of State has submitted to the President a plan for a broader and stronger program of information and education designed to carry out a great campaign of truth, in the interest of a free and peaceful world. That plan is presently being considered by the President. It is dedicated to the achievement of the principles and purposes so clearly set forth in the proposed resolution.

The task of telling the truth, as the President has emphasized, is not "separate and

distinct from other elements of our foreign policy. It is a necessary part of all we are doing to build a peaceful world." It is essential to the success of our foreign policy that the military, political, and economic measures we are taking be accompanied by an effective information program. The Marshall plan, point 4, military aid must be seen fully and truthfully in the widest context of the United States' hopes and aspirations. The facts about what we do, the facts about why we do it, the facts about the way we do it, are integral parts of what we do in foreign affairs.

We must remember in these efforts that the truth is a hard master.

We must always be on our guard against permitting what we say to outrun what we do. We must recognize that the more fully our principles are understood, the more closely our practice will be inspected. Our performance must not tag behind our principles. We must remember, too, that peoples speaking to peoples involves peoples listening to peoples. We must remember that the truth cannot be monopolized.

In the struggle for men's minds and men's allegiances, the free nations have great advantages. The truth is on their side. In addition, the free nations have developed to a high degree as integral parts of their free institutions, technical resources, and skills for discovering the truth and for telling the truth. The democratic concept has depended on the ability of every man to learn the truth and to act as an individual on the basis of it. Just as totalitarian states by their nature are equipped to suppress the truth, so the free nations are equipped by their nature to discover and disseminate it. These great resources implicit in democratic life must be utilized to the fullest. The emphasis placed in the sixth point of Senate Resolution 243 on the efforts of private American citizens seems to me to recognize this essential principle, and I welcome particularly this emphasis on private participation. Governments can do only a very small part of the task. It is the individual citizens, the private organizations, the independent groups, who make the major contribution to ensuring that the truth is known.

There has never been a time when men everywhere who value freedom had a greater need to know the truth.

Mr. BENTON. Mr. President, today Brig. Gen. David Sarnoff, the great pioneer in the development of American broadcasting, and the distinguished chairman of the Board of Directors of the Radio Corporation of America, came to Washington to testify before the Thomas subcommittee of the Foreign Relations Committee which now is holding hearings on my resolution—Senate Resolution 243—calling for a great, world-wide campaign of ideas. The committee found General Sarnoff's testimony so illuminating and important that I ask unanimous consent to have his prepared statement printed at this point in the RECORD, so that it will be brought at once to the attention of the Congress.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON VOICE OF AMERICA BY BRIG. GEN. DAVID SARNOFF, CHAIRMAN OF THE BOARD, RADIO CORPORATION OF AMERICA, BEFORE COMMITTEE ON FOREIGN RELATIONS, UNITED STATES SENATE, JULY 6, 1950

Mr. Chairman, and members of the committee, I am glad to respond to your invitation to participate in the discussion of the development of a Marshall plan in the field of ideas, and to consider the urgency of a world-wide plan to strengthen the Voice of America so that it will contribute more effectively to the high purposes outlined in Senate Resolution No. 243.

In an effort to be helpful may I first review the important steps in the history of the Voice of America.

For many years, I have been concerned about the need for an effective system of international broadcasting which would serve our national interests and advance the cause of world peace.

As early as 1938—12 years ago, and 3 years before we entered World War II—I discussed this subject with President Roosevelt, to stress its growing importance in a troubled world. At the President's direction I brought the problem to the personal attention of the then Under Secretary of State, Mr. Sumner Welles. In my memorandum to Mr. Welles, dated October 25, 1938, I said:

"The principal nations of the world are now busy strengthening and increasing their physical equipment for national defense, to meet changing world conditions. But it would seem that mental preparedness may prove as vital as physical preparedness. Radio, especially in the international field, is the instrumentality by which this can best be accomplished."

During the war, international broadcasting activities of the United States were placed under the control of the Office of War Information (OWI). The war demonstrated daily the vital importance of this service and its great potentialities in psychological warfare. But no policy looking to the future of international broadcasting was then being developed by our Government, while other governments, such as Great Britain and Russia, were expanding their foreign broadcasting organizations and facilities far beyond anything we were doing or contemplated doing.

In January 1943—a year after Pearl Harbor—I again called President Roosevelt's attention to the problem and emphasized the need for developing a Government policy to meet the postwar situation. The President was sympathetic with my views and directed me to carry on with the then Secretary of State, Mr. Cordell Hull. I called on Secretary Hul and found that the President had personally informed him about our previous talks and had expressed the hope that the State Department would develop and recommend a comprehensive program to meet our national requirements.

In my talk with Secretary Hull, I stressed particularly the importance of developing a Government policy respecting international broadcasting after the war. It was at that time I originated the plan and called it the Voice of America, although I had discussed the concept with President Roosevelt in 1938.

Secretary Hull appeared much interested and asked me to give him a memorandum covering the principal points I had made to him orally. Accordingly, I submitted to the Secretary a memorandum dated January 9, 1943, from which I quote the following paragraphs:

"With the victory of the United Nations, the United States will have to play an increasingly important part in world affairs.

"The likelihood is that the United States will emerge as a more vigorous entity than any other. Our production capacity will be at a new peak, our resources will be greater than those of any other nation, our technology will have produced many synthetic substitutes to add to the sum total.

"Our science will have created new products and new services that the rest of the world will want and need. Our agriculture will be producing food that the rest of the world would require.

"The war doubtless will have been fought but little on our own soil. Therefore, our land and our industry will be stronger than before; whereas those of other leading nations will be weaker.

"Our aviation and communications will be immeasurably expanded, and available for service in the new kind of world that is to follow. Our gold supply and financial standing will be enhanced.

"We shall be called upon, doubtless, to help feed, clothe, and shelter war-torn Europe and Asia. We shall be called upon to assist in reestablishing law and order. Many countries in the world will perhaps be seething with rebellion as a result of the disestablishment of Axis control and the impoverishment and disillusionment of people who have lost all in the war.

"We shall be nearer to all the other parts of the world than ever before, both physically and mentally, due not only to more rapid communications, but because millions of our people will have been abroad. Doubtless, new ideologies will develop, yet there will be a continuing struggle of democracy against totalitarianism. Our aid will be given to some peoples and denied to others, and it will be necessary that we cause all peoples to understand the reasons for our aid as provided or withheld.

"In order to help the peoples of the world understand the reasons for our policies, it will be necessary to utilize a mass means of communications. The means of communication reaching the largest numbers most rapidly is radio broadcasting. This, therefore, means that we shall be necessarily closely linking our foreign broadcasting to our foreign policy.

"The expansion and maintenance of our foreign policy is, of course, traditionally the responsibility of the Department of State. It, therefore, seems not only reasonable, but imperative that the means of expansion (foreign broadcasting) be readily available and closely related to this Department.

"The job of maintenance and expansion of our foreign policy will be no less global in peacetime than it is in wartime. In fact, its global nature may well be intensified, because it will be essential to reach peoples everywhere, including those now residing in enemy and conquered territories.

"More people would be listening to international radio everywhere in times of peace than are listening in time of war, because, with the removal of wartime restrictions, listening will be encouraged. So, we shall have to serve a vastly increased audience. International broadcasting in the postwar world of the future will naturally be incomparably greater in magnitude and scope than that before the present war.

"It is also reasonable to expect that other nations, having learned during the war of the power of international broadcasting as an instrument for the exposition of national policy and for propagandizing, will be unwilling to relinquish or to diminish their activity in those fields. On the contrary, each may be expected to expand these activities in order to justify its own policies and to plead its own case.

"It is inconceivable that the international voice of the United States should be silent or remain weak in the postwar world that will be struggling competitively both in commerce and in ideologies."

That memorandum, gentlemen, was written during the war. It was submitted to Secretary Hull 7 years ago.

Three years later, on April 4, 1946, I outlined a similar program to the United Nations. Recognizing the fact that "Freedom to listen" is absolutely essential to advance the cause of world peace I pointed out to the officials of the United Nations that one vital way to increase the effectiveness of the UN, would be to provide a world-wide system of mass communication that could reach all peoples of the world freely and simultaneously.

At that time, I proposed a 2-point plan along these lines and submitted it to the

President and Secretary General of the United Nations. The plan was as follows:

"I. Establish the principle of 'Freedom to listen' for all peoples of the world. This is as important as 'freedom of speech' and 'freedom of the press.'

"II. Establish an independent international broadcasting system to be known as 'The Voice of UN.' This system should be owned and operated by the UN. It should have a world-wide range and be used for broadcasting the public proceedings of the United Nations, for disseminating its information to listeners everywhere, and for spreading knowledge and understanding among the peoples of the world. 'The Voice of UN' should broadcast in the principal languages employed throughout the world. The UN should continue to afford to other broadcasters and the press the privilege of broadcasting and publishing its proceedings and information."

That plan was referred to the experts at UN and received their study and consideration. Thereafter, they informed me that because of their limited funds they were unable to adopt the complete plan. However, the UN did establish certain facilities and now broadcasts some programs internationally.

After my meeting with Secretary Hull and subsequent to this proposal to the UN, I discussed the same subject and repeated my suggestions to the succeeding Secretaries of State, Mr. James F. Byrnes and Gen. George C. Marshall. My views also were presented to the Federal Communications Commission.

All of these communications are included in a booklet, "The Voice of America, Freedom to Listen and Freedom to Look", which contains a chronological history of the facts I have recited, including the text of the memoranda to which I have referred. Copies of this booklet are available for each member of this Committee.

In March of the present year, I reviewed the problem with President Truman and with the present head of "The Voice of America", Assistant Secretary of State Mr. Edward W. Barrett.

In the meantime, Senator BENTON—the author of Senate Resolution 243, which you are now considering—had been appointed Assistant Secretary of State for Public Affairs on September 19, 1945. He imbued that section of the Department with a vigorous spirit of action. He reviewed the information I had previously supplied to the State Department as well as the facts which he collected on the subject. During his regime considerable progress was made.

Upon his retirement on September 24, 1947, his successor, Mr. George V. Allen, assistant secretary, picked up where Senator BENTON left off and made further progress.

The present Assistant Secretary, Mr. Edward W. Barrett, has shown a full understanding and appreciation of the problem. I understand that he has prepared tentative plans and recommendations for expanding the Voice of America and other related services in the international field.

In August 1946, while I was in Europe, Mr. James F. Byrnes, then Secretary of State, invited me to come to Paris where he was attending a meeting of the United Nations. He was concerned about international broadcasting, and asked for my views on the subject.

After a full discussion of the matter with Secretary Byrnes, and at his request, I addressed a letter to him under date of August 10, 1946. In that letter I outlined the immediate requirements for international broadcasting as I saw them from the standpoint of the interests of the United States, especially in regard to the east and west zones of Germany. I pointed out that as a result of my visit to Germany, from which I had just returned, I had observed that the Russians were reaching more Germans with local broadcasting in the German language than the Americans. The Russians controlled more powerful broadcasting stations in Germany and used them most effectively. I called his attention to the fact that this could not help but prejudice the American point of view and the American interests in Germany.

For this reason I advised that additional technical facilities be provided in the American zone to furnish a service equal or superior to that given the Germans in the Russian zone. I also suggested that the broadcast station in Munich, Germany—under American control—be equipped with short-wave facilities sufficiently powerful to reach Moscow and other important Russian cities. Further, I urged that means be provided at Munich, to receive the programs originating in the United States and to retransmit them by means of the Munich short-wave station to Russia and other iron curtain countries. This has since been done.

I am glad to be here today to participate further in these important discussions. The critical events of the past few weeks indicate the vital necessity for immediate and definite action.

While I am in general agreement with the purposes of Senate Resolution 243, nevertheless, I should like to address myself specifically to four prime purposes which Senator BENTON has listed in his measure. These purposes are:

"PAR. 3. (c) Creation of a world broadcasting network capable of broadcasting on long wave, short wave, or medium wave, with an ultimate goal of reaching virtually every radio set in the world.

"(d) Use of any and all possible means to reach people who are shut off from the free world by censorship and suppression.

"PAR. 4. Promotion of democratic education abroad, notably in the occupied areas of Germany and Japan.

"PAR. 6. *Resolved*, That it is the sense of the Senate that the international propagation of the democratic creed be made an instrument of supreme national policy, by the development of a Marshall plan in the field of ideas."

The principal nations in the world engaged in international broadcasting are Russia, Great Britain, the United States, and France. Of these nations, Russia leads in coverage, hours of operation, and number of languages and dialects broadcast. Russia covers large areas of the world with four times as many hours of broadcasting as we do. The British are next in this field. Their international broadcasting services also cover larger areas; they transmit for longer periods and program in more languages and dialects than we do.

I am informed that Russia and her satellites transmit 832 program-hours a week. Great Britain 635 hours, and France approximately 200 hours.

Compared with these figures, United States transmissions total 192 program-hours a week. Russia holds first place among these nations in international broadcasting, and the United States last.

I am further informed that in the past 2 weeks Russia has stepped up its service to North America to 24 hours a day, 7 days a week. These Russian programs are in English.

It is tragic that the United States is so far behind Russia in the use of this modern method of battling for the minds of men.

The immediate need is to expand our international radio broadcast service as quickly as it is physically and technically possible to do so.

At present the Voice of America is transmitted daily in 25 languages and dialects. It operates 20 short-wave 50-kilowatt transmitters on the east coast of the United States, 7 short-wave 50-kilowatt and 1 short-wave 200-kilowatt transmitter in the Middle West, and 8 short-wave 50-kilowatt and 2 200-kilowatt short-wave transmitters on the west coast. In addition, there are 2 short-wave 100-kilowatt transmitters in Hawaii, 2 short-wave 50-kilowatt transmitters at Tangiers, 5 short-wave 50-kilowatt transmitters at London, and 4 short-wave transmitters at Munich. We also have 2 short-wave 50-kilowatt transmitters and 1 50-kilowatt medium-wave transmitter at Manila.

When these stations are laid out on the map of the world it will be seen that we are short of stations between Tangiers and the Philippines, through the Mediterranean, in Arabia and India effectively to ring the iron-curtain countries.

It is highly desirable also to place both medium-wave and short-wave stations with high power at suitable sites in the following countries: Greece, Arabia, Iran, India, Pakistan, the Philippines, and Japan, and possibly on Okinawa. It is also desirable to place short-wave, high-power stations in the territory of Alaska, to beam into Siberia.

I believe that the people on the other side of the iron curtain who listen to our programs have learned to trust the Voice of America. Their politicians fear its truth and influence.

The Russians are doing everything possible to jam our transmissions, particularly on short waves. Such success as we now have in reaching Russian listeners is due to the transmission of the same messages on many different frequencies with much repetition in various languages. Simultaneous broadcasting on many frequencies is the best method today to combat jamming.

While I favor an increase in the number and power of short-wave stations located in the United States, this alone would not solve the problem because jamming takes place near the receivers. This jamming is usually tailored to fit the strength of the received signals.

In the present state of the radio art it is impractical to deliver satisfactory signals, at all hours of the day and night, to all parts of the world, with transmitters located only in the United States, regardless of their power.

Our immediate objective should be to ring the iron curtain countries with radio broadcasting. To do this, strategic sites must be obtained on American and other free territory upon which both short-wave and medium-wave broadcasting stations can be installed and operated.

I would propose that we build stations wherever there is a free democratic government that will permit us to do so, and that each of these stations be equipped with several high power, short-wave, and medium-wave transmitters, and a proper selection of frequencies.

Further, I would suggest that the major portion of program material be originated in the United States. These programs should be transmitted to the proposed stations on foreign soil, where modern receiving facilities can be provided to enable these stations to receive despite jamming. The additional coverage we would gain through short-wave receivers tuned directly to our United States originating stations, would be so much to the good. This program service could be further supplemented by transcriptions from the United States.

The most practical extension of our service to the listening public in foreign lands, would be through high-power stations operated by the United States in those countries. This we can do today in Germany, Tangier, Japan, and the Philippines.

The State Department should be granted the necessary funds and authority to erect additional stations in territories now under our control, and to add stations wherever they can reach high concentrations of population. Also, the Department should be authorized to negotiate for transmitter sites with nations whose territories fringe upon the iron curtain satellites.

Such a comprehensive world-wide plan would permit the Voice of America not only to render more reliable service, but would also increase the number of hours and the number of languages and dialects which could be covered. We should not only match, but surpass the Russian broadcast service in the international field.

The cost of erecting a world-wide network system such as I have recommended to ring the iron curtain countries would be approximately $200,000,000. This is no more than the price of two modern battleships.

The cost of operating such a network would be approximately $50,000,000 a year.

I believe that our State Department has succeeded in making some arrangements with the British Government whereby the British Broadcasting Corp. is cooperating with us in broadcasting the programs of the Voice of America. I suggest that such arrangements be expanded on a much wider basis. Through the extensive facilities of the BBC, the British Government is in a position to help us and to help itself in increasing the range and scope of the Voice of America.

The State Department, if it has not done so, might also consider the possibility of purchasing time for programs of the Voice of America on local stations in foreign countries. These stations could transmit or relay American programs into many vital territories. Friendly and democratic nations, particularly those to whom we are furnishing economic and military aid, should be urged to cooperate with us in the proposed expanded service. These nations face a common problem with us in fighting communism and preventing the cold war from being converted into a hot one.

We should also take into account the promising possibilities of international television. It is not too early to give serious consideration to ways and means for adding sight to sound, in our efforts to reflect democracy to those abroad who seek freedom from oppression. The voice and vision of America can be a powerful aid in achieving these goals.

I suggest that all existing information pertaining to international broadcasting and television be coordinated and crystallized in the preparation of an over-all comprehensive and definitive plan. For this purpose, I recommend the establishment of a commission to study the subject in all its aspects. It should be able, in 60 days, to prepare such a comprehensive plan, including specific estimates of costs, and to transmit its findings to the President of the United States and to the Congress.

In this connection I would call attention to Senate bill 3780, introduced by Senator Mundt, of South Dakota, on June 15, 1950, providing for the establishment of a Commission on Cooperative International Relations. That bill contains suggestions for the composition of a commission that seem to fit the situation that confronts us.

Mr. BENTON. Mr. President, I also ask unanimous consent to have printed in the RECORD statements made before the Thomas subcommittee of the Senate Foreign Relations Committee by the Senator from New York [Mr. LEHMAN] and the Senator from Vermont [Mr. FLANDERS], 2 of the 13 sponsors of Senate Resolution 243.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN

A few months ago the resolution which I am supporting here today was introduced in the Senate by my colleague, Senator BENTON, in behalf of a number of Senators of whom I had the honor to be one. The text of this resolution was embodied in a speech by Senator BENTON which was prophetically entitled "The Struggle for the Minds and Loyalties of Mankind."

It was, of course, impossible to foresee on that day that a military phase of the world struggle was so soon to involve the United States; that within a few short months our armed forces would be compelled to hasten to a distant corner of the world where the struggle between freedom and tyranny had so unexpectedly burst into open, armed conflict.

Mr. Chairman, it is my deep personal conviction that the six simple proposals set forth in this resolution, if they are approved and carried out, will have a most important bearing on the outcome of the conflict to which Senator BENTON referred 3 months ago, and of which the present operation in Korea is a part.

We are now working against time in all parts of the world. It is impossible to prophesy where the aggressor will strike next as he probes for the soft spots in the non-Soviet world. The contest to win men to ideals of freedom, peace, and justice has reached a stage of crisis. We must strive with the greatest speed and determination to mobilize the moral resources of all nations and all peoples as we prepare for the next phase of the struggle.

I am not pessimistic about the outcome. I am greatly gratified at the steps which have been already taken.

I believe that free nations, on the initiative of the United States, have followed the only possible course.

I have faith that mankind will rally to the side of those who demonstrate a positive faith in human and individual values and in the rights of peoples to work out their destinies in peace and security.

But armed might alone cannot speak for democracy.

We cannot run the risk of having peoples throughout the earth remain in ignorance of our democratic ideals and of our objectives, or be deceived by the devious propaganda of the Soviet Union and its satellites.

I have studied this resolution carefully with a view to determining whether any of its provisions should be eliminated or modified to meet the new conditions which have arisen from the Korean crisis. I have concluded that quite the contrary is true; that the words of the resolution have taken on a much deeper meaning in the light of recent events. The resolution, would, in my opinion, constitute a forceful recommendation by Congress to amplify the voice of democracy so that it may reach those who are shut off from the free world and bring hope and reassurance to those who are joined in struggle to insure the survival of that world.

The basic structure of a Marshall plan of ideas is here in this resolution. It offers six practical ways by which this Nation and other free peoples can, with speed and effectiveness, counter the concerted efforts of the Soviet Union—concealing its imperialistic motives—to win over to its side the allegiance of large sections of mankind.

Mr. Chairman, I respectfully urge immediate approval of this resolution both by this committee and by both Houses of Congress. Furthermore, it is my hope, once Congress resolves that these important steps be taken, that the resolution will be speedily implemented by the necessary appropriations and administrative action.

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STATEMENT BY SENATOR FLANDERS

Mr. Chairman, I wish to speak briefly in support of Senate Resolution 243 which proposes to expand and intesify the "program of information and education among the peoples of the world, with a view to closing the mental gulf that separates the United States from other peoples and blockades the universal hope for freedom and peace."

I would first like to call attention to the fact that Russia has made her most dangerous advances by the subversion of men's minds and loyalties. While it is true that she has had her military strength in the background, the actual work of conquest has been by psychological means. She came painfully close to winning western Europe by this means alone. The conquest of China could not been achieved by arms alone. The subversion of southeastern Asia, aside from Indochina, is undertaken by unaided propaganda. A minor expenditure and a major effort in this field is an essential for achieving peace and world order. This cannot be obtained by arms alone. Russia has known this from the beginning. We are only just now awakening to the facts of life.

This contest of tyranny against freedom extends the world over. It does not involve commitment to armed action the world over and our commitments for such action will be greatly diminished if we place the degree of dependents on spiritual and psychological means which wisdom and experience would suggest.

It will be useful to survey the whole field of action in this war of tyranny against freedom. Such a survey shows that there are approximately 750,000,000 people living in competitive freedom and outside of the major assault on freedom by the Russian Government. This includes western Europe, Africa, North and South America. Of course this area is not entirely free and new spots of trouble are breaking out, particularly in Central and South America. The freedom is relative.

There is a second area of about the same proportion, 750,000,000, which is the active missionary field of the Politburo. Here they are working with propaganda and subversive influences rather than by force of arms and only such action as is called for in this resolution can be of any effect against their continued progress. This area is southern and southeastern Asia.

The third area is that inside the curtain, which again has the population of about 750,000,000. This great area can be subdivided into three groups—the satellites, the Russian people, and the small group of Politburo members and the organization which they head and control.

Of these three great areas of the world this resolution would be properly directed toward the support of freedom in the missionary areas. Russia has been winning here by default. A hundred converts to communism are made in India, Pakistan, and Indonesia to one that is made to the cause of freedom. In India, for instance, there is, practically speaking, no literature on our side available to students of secondary schools, colleges, and universities. The book shelves and reading tables are loaded with Communist literature. Communist speakers are to be found everywhere. Experience with the round-the-world trip of the Town Meeting of the Air indicates that American speakers drawn from among our colored citizens would be highly acceptable and tremendously useful.

Furthermore, it is going to take something more than arms to safeguard Indochina, which is our dike against the southward spread of communism. The contest there must be carried on in such a way that the armies fighting on our side are welcomed by the inhabitants. The Communist armies of China succeeded in making themselves welcomed by the Chinese farmers. We have a very difficult task indeed to accomplish the same result in Indochina. Arms, armament, and warfare are necessary but it has to be said again and again that no military action can do the job if men's hearts and minds in this area are disaffected. One of the immediate possibilities is the furnishing of the simple and ordinary everyday medicines in all the areas to which the French and Viet Nam armies gain access. Means must be found to make the inhabitants glad when these areas are expanded.

This, of course, involves serious consultation between ourselves, the French, and the government of Bao Dai on the subject of the welfare of the Indonesians themselves. Should the French endeavor to reconstitute this country as an easy source of wealth, they will find instead that it is a bottomless pit into which they must pour treasures of money and the lives of their soldiers. They must learn and we must insist that they learn the lessons which have been learned by the English and the Dutch. Should they learn these lessons, there is the opportunity for the old connection between France and Indochina to develop into something more stable, and also to the advantage of both countries. This is a little outside the immediate purpose of this resolution, but nevertheless it is connected with it.

We have finally to relay messages of wisdom and hope to the subject peoples of the satellite states. Wisdom is needed in view of the precarious position in which these patriotic nationals find themselves. Paragraph No. 6 is of especial importance here. This reads:

"Encouragement of the establishment of a nongovernmental agency to help inspire and guide the efforts of the millions of private American citizens who might use their talents and resources and contacts overseas in furtherance of the programs and objectives of this resolution."

As is well known, undertakings of this sort have already been initiated by a private organization known as the National Committee for Free Europe. It deserves public and private support.

Wisdom in broadcasting to satellites does not need to be all deadly dull. There is a dangerously humorous aspect to the Russian contention that we have been raining potato bugs on east Prussia. The humor is obvious to us, but the danger lies in the near parallel between the accusation and the horrors of biological warfare.

Why should not this accusation bring from us an offer to donate free of charge X tons of DDT to potato growers of east Prussia? This chemical not only killed the bugs in Aroostock County, Maine, but it likewise destroyed other parasites and hindered the spread of most diseases the potato plant is afflicted with.

We have nothing but good wishes and good will for the people of east Germany. Why not express it in this lighthearted and practical way. Undertakings of this sort should be part and parcel of the measures to be undertaken under Senate Resolution 243.

Finally, we must have more faith in the results of reaching the Russian people themselves and must be ingenious and effective in the means we use. The Voice of America must have the same intensity of technical study that was given to radar, for instance, during World War II. A spirit of optimism with regard to the difficulties introduced by Russian jamming will surely lead to means for overcoming it. If it does not, then all the history of the successful application of science to a desperate human emergency ends in failure for the first time.

We must never forget that the Russian people do not want war. We must find not only old means but new means for letting them know that the American people do not want war. Day and night, month in and month out, year in and year out, this message must be beamed to them in some way.

Programs of the sort contemplated by Senate Resolution 243 constitute in my mind the bone and sinew of any total diplomacy. Our diplomacy is not total if it watches nation after nation taken over by subtle Communist propaganda without effective counteraction on our part and if that diplomacy only comes into play at a stage when it is too late to be effective and when, perhaps, the only remaining resort is to arms.

Mr. BENTON. Mr. President, if General Marshall, General Eisenhower, and Ambassador Dulles had prepared statements to deliver before the committee, I would also ask unanimous consent to have them printed at this point in the RECORD.

I urge upon the Senate the immediate and continuous consideration of the evidence being presented before the Thomas subcommittee of the Foreign Relations Committee. No hearings could be more timely. Indeed, as these eminent witnesses have pointed out, and as Ambassador Dulles has said, the decisions reached within the next few weeks by the Congress in this area of our foreign policy may determine the fate of our country and of the free world.

## REORGANIZATION PLAN NO. 22 OF 1950

The Senate resumed the consideration of the resolution (S. Res. 299) providing for the transfer of the Federal National Mortgage Association from the Reconstruction Finance Corporation to the Housing and Home Finance Agency.

Mr. MYERS. Mr. President, I yield 5 minutes, or so much time as he may desire, to the Senator from Alabama [Mr. SPARKMAN].

The VICE PRESIDENT. The Senator from Alabama is recognized.

Mr. SPARKMAN. Mr. President, I do not wish to take very much of the time of the Senate in discussing this reorganization plan this afternoon; but I am in favor of the reorganization plan, and I am opposed to the pending resolution of disapproval.

There are several things which I wish to call to the attention of the Senate. The first is the fact that this reorganization plan is completely in conformance with the recommendation of the Hoover Commission and its report.

Second, on two different occasions the Senate itself has passed bills transferring "Fannie May" to the Housing and Home Finance Agency.

Mr. FERGUSON. Mr. President, will the Senator yield at this point for a question?

Mr. SPARKMAN. I yield.

Mr. FERGUSON. Did the Senate also recommend the abolishment of this agency? Will the Senator explain that?

Mr. SPARKMAN. Yes. In the early part of the Eightieth Congress there was a recommendation that "Fannie May" be abolished. However, a little later in the same Congress, when the situation became acute with reference to GI loans, the same Congress renewed "Fannie May," and passed a bill in the nature of an amendment transferring "Fannie May" to the Housing and Home Finance Agency.

Mr. FERGUSON. Mr. President, will the Senator yield for a further question?

Mr. SPARKMAN. I yield.

Mr. FERGUSON. Did the Hoover Commission recommend the abolishment of "Fannie May"?

Mr. SPARKMAN. No; it did not.

Mr. FERGUSON. It seems to me we might think so, judging by the way the task force report reads.

Mr. SPARKMAN. One part of the report of the task force recommended the abolishment of "Fannie May" and the handling of the loans through the Home Loan Bank Board. However, the Hoover Commission itself recommended the transfer of "Fannie May" to the Housing and Home Finance Agency.

Mr. FERGUSON. I thank the Senator.

Mr. SPARKMAN. What I have just stated is correct.

Mr. President, I should like to call the attention of the distinguished senior Senator from Ohio [Mr. TAFT] to the fact that back in, I believe it was, the Seventy-ninth Congress, the so-called Taft subcommittee recommended the transfer.

In the Eightieth Congress, the Joint Committee on Housing recommended the transfer; and on two different occasions the Senate itself passed a bill providing for the transfer. However, that proposal was not agreed to by the other branch of the Congress and was dropped in conference.

Mr. CAIN. Mr. President, will the Senator yield for a brief question?

Mr. SPARKMAN. I yield.

Mr. CAIN. Does not the Senator agree that at the times when it was recommended that "Fannie May" be transferred to the Housing and Home Finance Agency, most of the mortgage commitments of "Fannie May" were FHA, rather than VA?

Mr. SPARKMAN. No; I do not think that is true at all. I do not think that was true in 1948. It may have been true in 1945, in the earlier period.

Mr. CAIN. Yes.

Mr. SPARKMAN. But it was not true in 1948 and it was not true when the Joint Committee on Housing, of which the Senator from Washington was a member, made a unanimous recommendation to the effect that it be transferred to the Housing and Home Finance Agency.

Mr. CAIN. Does the Senator from Alabama agree that today the ratio is about 6 to 1, in FNMA, in favor of VA mortgage payments?

Mr. SPARKMAN. Yes. Its primary purpose is handling——

Mr. CAIN. VA payments?

Mr. SPARKMAN. GI home mortgages; that is true.

Mr. CAIN. Is it not true that the Veterans' Administration in its mortgage operations has no connection of any kind with the Housing and Home Finance Agency?

Mr. SPARKMAN. It has as much connection with it as it has with the Reconstruction Finance Corporation. I do not think there is any difference so far as the connection there is concerned.

Mr. CAIN. That is correct.

Mr. SPARKMAN. I appreciate what the Senator from Washington is apparently arguing—the opposition of certain veterans and veterans' organizations to the transfer, based however, upon the fear that this may be the opening wedge for the transfer of the complete housing program from the Veterans' Administration. But I may say to the Senator from Washington and to the Senate that the subcommittee on housing, of which I am chairman, has definitely reached the conclusion not to recommend under any conditions the transfer of the veterans'

housing program from the Veterans' Administration, and that this plan has no connection with it whatever. I may say that if I felt that this was a forerunner of the other, I would not support it. But I know definitely that it is not, and that it has no connection with it.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAIN. The Senator from Washington does not wish to obstruct the comments being made by the Senator from Alabama, but he knows that everyone is interested in determining what benefits can be expected from the proposed transfer, when the committee which reported the plan to the Senate without recommendation said in its report that nothing more favorable in the future could be expected from the transfer than that which was actually taking place today.

Mr. SPARKMAN. Yes. I am trying to comment very briefly on that, because I do not want to prolong the discussion. But let me say first that when the Federal National Mortgage Association was originally created by an act of Congress, it was provided that it should be set up by the Housing Administrator. The Congress originally placed it in housing. It was the Housing Administrator who asked the RFC to handle this activity for Housing. Under the law as it stands today, the Housing Administrator can terminate FNMA. In other words, everything Congress has ever done about FNMA has shown its intent to tie it up directly with the housing program. Its function is not that of RFC, which is to lend money. Its function is to help the housing program. In order to do that the Congress has authorized FNMA to use $2,750,000,000 for the purpose of purchasing mortgages, as a secondary market.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAIN. I desire to ask the Senator whether the mortgage market has ever been healthier than it is today under FNMA as a part of the Reconstruction Finance Corporation?

Mr. SPARKMAN. Probably not; but I do not believe it was the activity of FNMA that made the market healthier. I am not critical of RFC, and I am not critical of FNMA. There have been some things which I think should have been handled differently from the way they were handled, but I say that as a whole they have done a very good job, and today they are doing a very good job. They are selling the mortgages now at the rate of about $19,000,000 a week. But it is not, today, so closely related to the housing program as it ought to be.

Mr. CAIN. Mr. President, if the Senator will permit, I should like to say that the Senator from Georgia and the Senator from Washington are largely in opposition to the reorganization plan because we cannot see any benefits to be derived from the transfer. Against that observation I should like to ask one last question, and I appreciate the willingness of the Senator to yield. We are told, and it appears to be a fact, that FNMA is now administered by agents of the RFC throughout the country, in the 31 branch offices, the heads of which in a sense wear two hats. They administer effectively their FNMA responsibilities, while doing their important work for the RFC. Does it not therefore follow that if a transfer is approved, an entirely new group of administrators and processors must be collected from somewhere and trained in order to provide, under Housing and Home Finance Agency, the same degree of effectiveness and efficiency we are presently getting under RFC.

Mr. SPARKMAN. Mr. Foley testified before the committee that the Budget Bureau had been working with his organization and with RFC for some time, to prepare a plan whereby that would be taken care of. As a matter of fact, people think of FNMA as being a great big organization. Here in Washington there are but 12 employees of FNMA, and nearly all the work is done by regular employees of RFC, who handle these activities. There is no reason why the same employees in Housing cannot do exactly the same thing, and we have throughout the country just as many housing offices—perhaps more—than we have RFC offices.

Mr. CAIN. But those of us who are opposing this plan understand that no reorganization plan should be adopted unless it provides a promise of a 25-percent increase in efficiency and reduction in administrative costs. Does the Senator from Alabama suggest to us that administrative costs will be reduced if the transfer is effected—not 25 percent, but will they be reduced by one single penny?

Mr. SPARKMAN. I must say the Senator has advanced a new thought to me. I did not know that the rule had been laid down anywhere that there had to be a 25-percent increase in efficiency and a 25-percent reduction in costs. I do know that reorganization is for the purpose of making the Government more efficient and for the purpose of providing for economy. I also know that the Hoover Commission itself pointed out, and Mr. Hoover recently in a speech said, that economies do not come as the result of the individual reorganization plans, they do not come, necessarily, immediately following reorganization. It is the increase in efficiency which brings about the economy; and I think that that is certainly true in the present case.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. ROBERTSON. According to the committee report, the administrative work of FNMA is being done by employees of RFC. Does the Senator from Alabama think that the agency to which it will be transferred will absorb those duties, and that it will necessitate a large increase in personnel in order to handle it?

Mr. SPARKMAN. No; I do not think it will call for new personnel. As I pointed out a few moments ago, here in Washington there are only 12 employees in FNMA. There are a great many other employees throughout the country, employees of RFC, who handle the FNMA duties along with their other duties. I certainly understood that that same kind of arrangement would be worked out so far as the Housing and Home Finance Agency is concerned.

Mr. ROBERTSON. Then does the Senator think it involves new and additional expense?

Mr. SPARKMAN. No, not at all.

Mr. ROBERTSON. Is it a fact that the Hoover Commission was unanimous in making this recommendation?

Mr. SPARKMAN. That is my understanding, that it is in complete conformance with the Hoover Commission recommendation.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. HOLLAND. In connection with the point just made so ably by the Senator, that increased efficiency will result, I should like to ask the Senator whether it is not true that, as now set up, the foreclosure of FNMA mortgages must take place in RFC, through the handling by the RFC staff, but that the physical properties, when taken after foreclosure, must then be reconveyed to another agency in Housing, and either rented or reconditioned or sold; and certainly handled and disposed of as a part of the housing program, thus making it necessary for the actual handling and liquidation of those properties to be under a completely different agency from that which, under the present law, must do the foreclosing and the acquiring of titles to those properties?

Mr. SPARKMAN. According to my understanding, the Senator is exactly correct. The Housing and Home Finance Agency handles the properties in those cases. The RFC or FNMA simply handles the mortgage financing part of it.

Mr. HOLLAND. Mr. President, will the Senator yield for a further question?

Mr. SPARKMAN. I yield.

Mr. HOLLAND. Does not the Senator think that it is much more simple and much more effective to have the foreclosure and the reconditioning and the renting and the resale all in the same agency that does the repossessing under the foreclosure, and that simplification as well as economy, together with the housing of all this activity under one great agency, the Housing Agency, will result from the adoption of this reorganization plan?

Mr. SPARKMAN. I certainly do, and I believe it was that which prompted the Hoover Commission to make its report. As I see it, the thing that we need to keep in mind is that FNMA belongs inherently to Housing in order to help in the development of the housing program, and not to the RFC and its lending functions.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. HOLLAND. Mr. President, will the Senator yield for one more observation on this point?

Mr. SPARKMAN. I yield to the Senator from Florida.

Mr. HOLLAND. As the Senator well knows, under the present program FNMA acquires the mortgages by affording a secondary market for them, and in the case of Alaska loans it makes direct loans and acquires the mortgages from the original builders. In the case of the present operation, foreclosures, there-

fore, have to be by FNMA, which means that it is under the direction of RFC. At the same time, as the Senator knows, the insurance of those loans is through the Federal Housing Administration, so that after foreclosure is completed the title to the retaken houses, whether it arises under original loans made in the case of Alaska, or purchased loans, as in the case of ordinary operations, is taken not in the agency which insures the loan, but in a completely different one. Is not that correct?

Mr. SPARKMAN. That is my understanding.

Mr. HOLLAND. And that after the recapture of title in that way by a governmental agency, is it not true that it will be necessary for that governmental agency to negotiate the transfer of the title to a completely separate agency and through a completely separate process before the agency which is charged with the final liquidation of the loans can conduct and complete its business?

Mr. SPARKMAN. All of which goes to point up the fact that this is primarily a housing function, and it should be kept in one place. That is what the plan proposes to do.

Mr. HOLLAND. If the Senator from Alabama will yield further, is it his position in connection with this specific point that a much simpler arrangement, a much more efficient arrangement, and, in the long run, a much more economical arrangement, will be placed in effect by having the foreclosure in the same agency which has to handle the liquidation and disposal of property?

Mr. SPARKMAN. I think that is correct.

I should like to point out one other thing with reference to economy and efficiency in operation. Last October the Congress voted to FNMA additional authority to the extent of $1,000,000,000. It was our thought that that amount would last a year, but, instead, we were told in March that FNMA was running out of money, and in the month of March, if I recall correctly, there was more than $400,000,000 committed by FNMA. Everyone knows that we simply cannot supply money out of the Treasury of the United States that rapidly. I think that if at that time FNMA had been in the Housing Administration, a much more realistic policy would have been followed. It would have been geared to the housing program and would have been conducted in such a manner as to take care, in an orderly way, of the mortgages which needed a secondary market. Instead, it was converted into a primary market.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. GEORGE. I should like to know how the GI's would have gotten loans to build houses?

Mr. SPARKMAN. I will tell the Senator how they would have gotten them. A person who wanted to build a section 608 apartment house went to FNMA and made a commitment that in the future, 12 or 18 months from that time, when the apartment house was built, he would buy the mortgages. The result was that in a month's time $400,000,000 was used up, and the GI who wanted to build a small individual house in some rural town in Georgia, for instance, where there were no banking facilities and lending agencies available to him, found he could not finance the building of his home. It was the big multi-million-dollar project that was being financed through FNMA as a primary market and not as a secondary market.

Mr. GEORGE. Does not the Senator know that those houses were for GI occupancy?

Mr. SPARKMAN. Yes.

Mr. GEORGE. But it was impossible for the GI to finance his home except through FNMA.

Mr. SPARKMAN. I know that when FNMA was originally established it was intended as a secondary market, and I know that in my own home town, for instance, many GI's came to me in the fall of 1947, when FNMA had run out of money and when it was not operating effectively, and they could not obtain loans. That was the reason why in 1948 we gave new life to FNMA by providing it with more money, so that the GI's could get their loans. But instead of operating it as a secondary market, those in charge made it virtually a primary market, and said to the people who were building great multi-million-dollar projects, "We will give you commitments which will not become effective for from 12 to 18 months." The result was that the small-town GI who was building his own individual home, or the man who wanted to build a dozen individual homes for GI's, was not able to get any help from FNMA because the funds had been committed for a year or 18 months in advance; and today there stand on the books of FNMA more than a billion dollars of outstanding commitments.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAIN. The Senator from Washington considers the Senator from Alabama to be one of the best informed Members of this body on housing, but he has discovered his friend from Alabama in, I think, a serious mistake. The opinion seems to be that FNMA forecloses mortgages. FNMA does no such thing. If a mortgage gets into trouble, it is referred to the RFC or——

Mr. SPARKMAN. I may say that, of course, the Senator from Washington is correct; but I do not see any great variance in what I have said and what the Senator from Florida [Mr. HOLLAND] said. It does not make any difference whether FNMA makes the foreclosure; it makes the determination if foreclosure is necessary. FNMA, of course, should not be holding the mortgage; it should be transferring mortgages and selling them on the open market as rapdily as possible. But we found in the portfolio more than a billion dollars worth of mortgages held. The result is that the Federal Government has $2,750,000,000 tied up in the revolving fund, and there is before us today a request for $250,000,000 additional.

I can tell the Senator how we can save some money in the fiscal year 1951. The Budget asks for $750,000,000 for FNMA. I am not certain that the agency needs that additional amount of money. I am confident that if we gear the operation of this secondary market to the housing program, instead of putting the revolving fund at $3,000,000,000 or $3,250,000,000, if we carry out the full amount budgeted for the present year, we can cut it down to $2,000,000,000, and thereby put back into the General Treasury of the United States a billion dollars now being used for FNMA. I think we can not only cut down the budget by $500,000,000, but we can return perhaps a billion dollars of the revolving fund to the Treasury.

Mr. CAIN. Mr. President, will the Senator permit me one further observation?

Mr. SPARKMAN. Yes.

Mr. CAIN. In 1945 the Congress passed and the President signed the Reorganization Act. Section 2, subsection (c) of that act required—and this is something with which the Senator from Alabama did not appear to be familiar——

Mr. SPARKMAN. I know what the requirement is.

Mr. CAIN. It required that there should be accomplished an over-all reduction of at least 25 percent of the administrative cost of the agency or agencies involved. I merely cite that because it appears to be a fact that the Senator from Alabama has at no time said that this proposed plan will result in the saving of a single penny, let alone 25 percent.

Mr. SPARKMAN. I do not understand that there is any requirement to the effect that the President must show it would save 25 percent, or any specific amount. In every plan which the President submits he makes a statement of his estimate of the budgetary saving. As former President Hoover has pointed out, in the case of many reorganization plans there would be no immediate savings in money, but the savings would come in increased efficiency in Government operation. I think that is largely true in this instance. I feel certain that we can save $500,000,000 on the 1951 budget by gearing this matter to the operation of our housing program, rather than operating it as a lending agency which makes loans for the purpose of earning a profit. I do not believe that is what it is intended to be. I believe it should be geared to the housing program and made to operate in cooperation with that program. I think the proposed transfer would bring that about.

The VICE PRESIDENT. The time of the Senator from Alabama has expired. All time for debate has expired. The question is on agreeing to the resolution.

Mr. MYERS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Cordon | Graham |
| Anderson | Donnell | Green |
| Benton | Douglas | Gurney |
| Bricker | Dworshak | Hayden |
| Bridges | Eastland | Hendrickson |
| Butler | Ecton | Hickenlooper |
| Byrd | Ellender | Hill |
| Cain | Ferguson | Hoey |
| Capehart | Frear | Holland |
| Chavez | Fulbright | Humphrey |
| Connally | George | Hunt |

| | | |
|---|---|---|
| Ives | McFarland | Smith, Maine |
| Jenner | McKellar | Smith, N. J. |
| Johnson, Tex. | McMahon | Sparkman |
| Kefauver | Millikin | Stennis |
| Kem | Morse | Taft |
| Kerr | Mundt | Thomas, Utah |
| Kilgore | Murray | Thye |
| Knowland | Myers | Watkins |
| Langer | O'Mahoney | Wherry |
| Leahy | Pepper | Wiley |
| Lehman | Robertson | Williams |
| Lodge | Russell | Young |
| McCarthy | Saltonstall | |
| McClellan | Schoeppel | |

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to Senate Resolution 299.

Mr. MYERS and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Kentucky [Mr. CHAPMAN] and the Senator from Illinois [Mr. LUCAS] are absent on public business.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Colorado [Mr. JOHNSON], the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. MCCARRAN], the Senator from Idaho [Mr. TAYLOR], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Iowa [Mr. GILLETTE], the Senator from West Virginia [Mr. NEELY], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

The Senator from Nevada [Mr. MCCARRAN] is paired on this vote with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from New Hampshire would vote "nay."

I announce further that if present and voting, the Senator from Iowa [Mr. GILLETTE], the Senator from Illinois [Mr. LUCAS], and the Senator from Washington [Mr. MAGNUSON] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. TOBEY] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from Maine [Mr. BREWSTER], the Senator from Kansas [Mr. DARBY], the Senator from Vermont [Mr. FLANDERS], and the Senator from Pennsylvania [Mr. MARTIN] are detained on official business. If present and voting, the Senator from Vermont [Mr. FLANDERS] and the Senator from Kansas [Mr. DARBY] would each vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is paired with the Senator from Nevada [Mr. MCCARRAN]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Nevada would vote "yea."

The yeas and nays resulted—yeas 30, nays 43, as follows:

YEAS—30

| | | |
|---|---|---|
| Bricker | Eastland | Millikin |
| Bridges | Ecton | Mundt |
| Butler | Ferguson | Pepper |
| Byrd | George | Russell |
| Cain | Gurney | Saltonstall |
| Capehart | Hendrickson | Taft |
| Connally | Hickenlooper | Thye |
| Cordon | Jenner | Wherry |
| Donnell | Kem | Wiley |
| Dworshak | McClellan | Young |

NAYS—43

| | | |
|---|---|---|
| Aiken | Hunt | Morse |
| Anderson | Ives | Murray |
| Benton | Johnson, Tex. | Myers |
| Chavez | Kefauver | O'Mahoney |
| Douglas | Kerr | Robertson |
| Ellender | Kilgore | Schoeppel |
| Frear | Knowland | Smith, Maine |
| Fulbright | Langer | Smith, N. J. |
| Graham | Leahy | Sparkman |
| Green | Lehman | Stennis |
| Hayden | Lodge | Thomas, Utah |
| Hill | McCarthy | Watkins |
| Hoey | McFarland | Williams |
| Holland | McKellar | |
| Humphrey | McMahon | |

NOT VOTING—23

| | | |
|---|---|---|
| Brewster | Long | O'Conor |
| Chapman | Lucas | Taylor |
| Darby | McCarran | Thomas, Okla. |
| Downey | Magnuson | Tobey |
| Flanders | Malone | Tydings |
| Gillette | Martin | Vandenberg |
| Johnson, Colo. | Maybank | Withers |
| Johnston, S. C. | Neely | |

The VICE PRESIDENT. On this vote the yeas are 30, the nays are 43; 49 votes not having been cast in the affirmative, the resolution is rejected.

## EXECUTIVE SESSION

Mr. MYERS. Mr. President, it is my purpose to ask that the Senate proceed to the consideration of executive business, and after the completion of executive business, to return to legislative session in order that several speeches can be made, and there can be some insertions in the RECORD.

Therefore, Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

## EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. KEFAUVER, from the Committee on Armed Services:

Lt. Gen. Clarence Ralph Huebner, deputy commander in chief, United States zone, Germany, and commanding general, United States Army, Europe (major general, United States Army), to be placed on the retired list in the grade of lieutenant general;

Lt. Gen. Manton Sprague Eddy (major general, United States Army) to be commanding general, United States Army, Europe, with the rank of lieutenant general;

Maj. Gen. Stafford LeRoy Irwin, United States Army, to be commanding general, United States Forces, Austria, with the rank of lieutenant general;

Maj. Gen. Joseph May Swing, United States Army, to be commandant, the Army War College, with the rank of lieutenant general;

Maj. Gen. Frank William Milburn, United States Army, to be commanding general, V Corps, with the rank of lieutenant general;

Maj. Gen. James Kirk, and sundry other officers of the Army of the United States, for appointment in the Regular Army of the United States;

Armen Bogosian and sundry other persons for appointment in the Regular Army of the United States;

Capt. Arleigh A. Burke, United States Navy, for temporary appointment to the grade of rear admiral;

Charles A. Baldwin, and several other officers, for appointment in the Navy; and

Maj. Gen. Thomas E. Watson, United States Marine Corps, to have the grade of lieutenant general on the retired list in the Marine Corps effective from the date of his retirement.

## EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Post Office and Civil Service.

(For nominations this day received, see the end of Senate proceedings.)

## PROTOCOL PROLONGING THE INTERNATIONAL AGREEMENT REGARDING THE REGULATION OF PRODUCTION AND MARKETING OF SUGAR

Mr. THOMAS of Utah. Mr. President, there are on the executive calendar several minor treaties which have been reported from the Senate Committee on Foreign Relations. All of them are treaties which are renewals of present methods in which the Government is functioning, or they refer to treaties entered into to which we are a party as a member of the United Nations.

The first one is a treaty which calls for the renewal of the International Sugar Agreement. I ask that it be considered.

The Senate, as in Committee of the Whole, proceeded to consider the protocol (Executive G, 81st Cong., 2d sess)., a protocol prolonging for 1 year after August 31, 1949, the International Agreement Regarding the Regulation of Production and Marketing of Sugar, signed at London on May 6, 1937, which was read the second time, as follows:

PROTOCOL

Whereas an International Agreement regarding the Regulation of the Production and Marketing of Sugar (hereinafter referred to as "the Agreement") was signed in London on 6th May, 1937;

And whereas by a Protocol signed in London on 22nd July, 1942, the Agreement was regarded as having come into force on 1st September, 1937, in respect of the Governments signatory of the Protocol;

And whereas it was provided in the said Protocol that the Agreement should continue in force between the said Governments for a period of two years after 31st August, 1942;

And whereas by further Protocols signed in London on 31st August, 1944, 31st August, 1945, 30th August, 1946, 29th August, 1947, and 31st August, 1948, it was agreed that, subject to the provisions of Article 2 of the said Protocols, the Agreement should continue in force between the Governments signatory thereof for periods of one year terminating on 31st August, 1945, 31st August, 1946, 31st August, 1947, 31st August, 1948, and 31st August, 1949, respectively;

Now, therefore, the Governments signatory of the present Protocol, considering that it is expedient that the Agreement should be prolonged for a further term as between themselves, subject, in view of the present situation, to the conditions stated below, have agreed as follows:—

ARTICLE 1

Subject to the provisions of Article 2 hereof, the Agreement shall continue in force

between the Governments signatory of this Protocol for a period of one year after 31st of August, 1949.

ARTICLE 2

During the period specified in Article 1 above the provisions of Chapters III, IV, and V of the Agreement shall be inoperative.

ARTICLE 3

1. The Governments signatory of the present Protocol recognise that revision of the Agreement is necessary and should be undertaken as soon as the time appears opportune. Discussion of any such revision should take the existing Agreement as the starting point.

2. In the event of an agreement based on such revision coming into force before 31st August, 1950, the present Protocol shall thereupon terminate.

3. For the purposes of such revision due account shall be taken of any general principles of commodity policy embodied in any agreements which may be concluded under the auspices of the United Nations.

ARTICLE 4

Before the conclusion of the period of one year specified in Article 1, the contracting Governments, if the steps contemplated in Article 3 have not been taken, will discuss the question of a further renewal of the agreement.

ARTICLE 5

The present protocol shall bear the date 31st August, 1949, and shall remain open for signature until 30th September, 1949, provided, however, that any signatures appended after 31st August, 1949, shall be deemed to have effect as from that date.

In witness whereof the undersigned, being duly authorized thereto by their respective Governments, have signed the present Protocol.

Done in London on the 31st day of August, 1949, in a single copy which shall be deposited in the archives of the Government of the United Kingdom of Great Britain and Northern Ireland, and of which certified copies shall be furnished to the signatory Governments.

For the Government of the Union of South Africa:

LEIF EGELAND.

For the Government of the Commonwealth of Australia:

NORMAN R. MIGHELL.

For the Government of Belgium:

G. WALRAVENS.

For the Government of Brazil:

MONIZ DE ARAGÃO.

For the Government of Cuba:

ROBERTO DE MENDOZA.

(Subject to a reservation that the Republic of Cuba will have the right to withdraw from the Agreement at any time, giving notice to the Government of the United Kingdom, as depository of the Protocol, of the intention to withdraw ninety days in advance.—R. de M.)

For the Government of Czechoslovakia:

D. RUDOLF BYSTRICKY.

For the Government of the Dominican Republic:

JULIO VEGA BATLLE.

For the Government of the French Republic:

F. ANDRÉ-HESSE.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

WILLIAM STRANG.

For the Government of Hayti:

FRED. DUVIGNEAUD.

For the Government of the Netherlands:

A. BENTINCK.

For the Government of Peru:

RICARDO RIVERA SCHREIBER.

For the Government of the Republic of the Philippines:

JOSÉ F. IMPERIAL.

For the Government of Poland:

JOZEF SAPER.

For the Government of Portugal:

MIGUEL D'ALMEIDA FILE.

For the Government of the United States of America:

J. C. HOLMES.

Subject to ratification.

For the Government of the Federal People's Republic of Yugoslavia:

KOS. ERIH

Certified a true copy.

[SEAL] S. H. GELLATLY

*Deputy Librarian and Keeper of the Papers for the Secretary of State for Foreign Affairs.*

Mr. THOMAS of Utah. Mr. President, the purpose of renewing this treaty is merely to keep it alive. At the present time members of the Sugar Board are meeting in London attempting to bring about additional arrangements so that the treaty may become effective on a postwar status. The treaty was first entered into in 1937. It has been kept alive, although inactive, for the purpose of keeping the Sugar Board alive.

Mr. President, there is no opposition to the treaty and we think that we may have a report coming from the London conference now in session which will be constructive to the sugar industry.

The VICE PRESIDENT. The protocol is open to amendment. If there be no amendment to be proposed, the protocol will be reported to the Senate.

The protocol was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification will be read.

The legislative clerk read as follows:

*Resolved (two-thirds of the Senators present concurring therein),* That the Senate advise and consent to the ratification of Executive G, Eighty-first Congress, second session, the protocol dated in London August 31, 1949, prolonging for 1 year after August 31, 1949, the international agreement regarding the regulation of production and marketing of sugar, signed at London on May 6, 1937.

By unanimous consent, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the protocol is ratified.

PROTOCOL BRINGING UNDER INTERNATIONAL CONTROL DRUGS OUTSIDE THE SCOPE OF THE CONVENTION OF JULY 13, 1931, AS AMENDED

Mr. THOMAS of Utah. Mr. President, I suggest that the Senate now proceed with Executive H.

The Senate, as in Committee of the Whole, proceeded to consider the protocol (Executive H, 81st Cong., 1st sess.), a protocol opened for signature at Paris on November 19, 1948, and signed on behalf of the United States of America on that date, bringing under international control drugs outside the scope of the convention signed at Geneva July 13, 1931, as amended by the protocol signed at Lake Success December 11, 1946, limiting the manufacture and regulating the distribution of narcotic drugs, which was read the second time, as follows:

PROTOCOL BRINGING UNDER INTERNATIONAL CONTROL DRUGS OUTSIDE THE SCOPE OF THE CONVENTION OF 13 JULY 1931 FOR LIMITING THE MANUFACTURE AND REGULATING THE DISTRIBUTION OF NARCOTIC DRUGS, AS AMENDED BY THE PROTOCOL SIGNED AT LAKE SUCCESS ON 11 DECEMBER 1946

*Preamble*

The States Parties to the Present Protocol,

Considering that the progress of modern pharmacology and chemistry has resulted in the discovery of drugs, particularly synthetic drugs, capable of producing addiction, but not covered by the Convention of 13 July 1931 for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs, as amended by the Protocol signed at Lake Success on 11 December 1946,

Desiring to supplement the provisions of that Convention and to place these drugs, including their preparations and compounds containing these drugs, under control in order to limit by international agreement their manufacture to the world's legitimate requirements for medical and scientific purposes and to regulate their distribution,

Realizing the importance of the universal application of this international agreement and of its earliest possible entry into force,

Have resolved to conclude a Protocol for that purpose and have agreed upon the following provisions:

CHAPTER I. CONTROL

*Article 1*

1. Any State Party to the present Protocol which considers that a drug which is or may be used for medical or scientific purposes and to which the Convention of 13 July 1931 does not apply, is liable to the same kind of abuse and productive of the same kind of harmful effects as the drugs specified in article 1, paragraph 2, of the said Convention, shall send a notification to that effect, with all material information in its possession, to the Secretary-General of the United Nations, who shall transmit it immediately to the other States Parties to the present Protocol, to the Commission on Narcotic Drugs of the Economic and Social Council and to the World Health Organization.

2. If the World Health Organization finds that the drug in question is capable of producing addiction or of conversion into a product capable of producing addiction, this Organization shall decide whether the drug shall fall:

(a) Under the regime laid down in the 1931 Convention for the drugs specified in article 1, paragraph 2, group I, of that Convention; or

(b) Under the regime laid down in the 1931 Convention for the drugs specified in article 1, paragraph 2, group II, of that Convention.

3. Any decision or finding in accordance with the preceding paragraphs shall be notified without delay to the Secretary-General of the United Nations, who shall transmit it immediately to all States Members of the United Nations, to non-member States Parties to this Protocol, to the Commission on Narcotic Drugs and the Permanent Central Board.

4. Upon receipt of the communications from the Secretary-General of the United Nations notifying a decision under paragraph 2 (a) or (b) above, the States Parties to this Protocol shall apply to the drug in question the appropriate regime laid down by the 1931 Convention.

*Article 2*

The Commission on Narcotic Drugs, upon receipt of the notification from the Secretary-General of the United Nations in accordance with paragraph 1 of article 1 of this Protocol, shall consider as soon as possible whether the measures applicable to drugs specified in article 1, paragraph 2, group I, of the 1931 Convention should provisionally apply to the drug in question, pending receipt of the decision or finding of the World Health Organization. If the Commission on Narcotic Drugs decides that such measures should provisionally apply, this decision shall be communicated without delay by the Secretary-General of the United Nations to the States Parties to this Protocol, the World Health Organization and the Permanent Central Board. The said measures shall thereupon be applied provisionally to the drug in question.

*Article 3*

Any decision or finding taken under article 1 or article 2 of this Protocol may be revised in the light of further experience, in accordance with the procedure provided in this chapter.

CHAPTER II. GENERAL PROVISIONS

*Article 4*

The present Protocol does not apply to raw opium, medicinal opium, coca leaf or Indian hemp as defined in article 1 of the International Convention relating to Dangerous Drugs signed at Geneva on 19 February 1925, or to prepared opium as defined in chapter II of the International Opium Convention signed at The Hague on 23 January 1912.

*Article 5*

1. The present Protocol, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall be open for signature or acceptance on behalf of any Member of the United Nations and also of any non-member State to which an invitation has been addressed by the Economic and Social Council.

2. Any such State may:

(a) Sign without reservation as to acceptance;

(b) Sign subject to acceptance and subsequently accept; or

(c) Accept.

Acceptance shall be effected by the deposit of a formal instrument with the Secretary-General of the United Nations.

*Article 6*

The present Protocol shall come into force upon the expiration of thirty days following the day on which twenty-five or more States have signed it without reservation, or accepted it in accordance with article 5, provided that such States shall include five of the following: China, Czechoslovakia, France, Netherlands, Poland, Switzerland, Turkey, United Kingdom, Union of Soviet Socialist Republics, United States of America, Yugoslavia.

*Article 7*

A State which has signed without reservation as to acceptance, or accepted pursuant to article 5, shall become a Party to this Protocol upon its entry into force or upon the expiration of thirty days following the date of such signature or acceptance, if executed after its entry into force.

*Article 8*

Any State may, at the time of signature or the deposit of its formal instrument of acceptance or at any time thereafter, declare by notification addressed to the Secretary-General of the United Nations that the present Protocol shall extend to all or any of the territories for which it has international responsibility, and this Protocol shall extend to the territory or territories named in the notification as from the thirtieth day after the date of receipt of this notification by the Secretary-General of the United Nations.

*Article 9*

After the expiration of five years from the date of the coming into force of the present Protocol, any State Party to the present Protocol may, on its own behalf or on behalf of any of the territories for which it has international responsibility, denounce this Protocol by an instrument in writing deposited with the Secretary-General of the United Nations.

The denunciation, if received by the Secretary-General on or before the first day of July in any year, shall take effect on the first day of January in the succeeding year, and, if received after the first day of July, shall take effect as if it had been received on or before the first day of July in the succeeding year.

*Article 10*

The Secretary-General of the United Nations shall notify all Members of the United Nations and non-member States referred to in articles 5 and 6 of all signatures and acceptances received in accordance with these articles, and of all notifications received in accordance with articles 8 and 9.

*Article 11*

In accordance with Article 102 of the Charter of the United Nations, the present Protocol shall be registered by the Secretary-General of the United Nations on the date of its coming into force.

In faith whereof the undersigned, duly authorized, have signed the present Protocol on behalf of their respective Governments.

Done at Paris this nineteenth day of November one thousand nine hundred and forty-eight, in a single copy, which shall remain deposited in the archives of the United Nations, and certified true copies of which shall be delivered to all the Members of the United Nations and to the non-member States referred to in articles 5 and 6.

For Afghanistan:
D. KAHN
19 November 48

For Argentina:
Ad Referendum
ENRIQUE V. COROMINAS
19th November 1948. (Paris)

For Australia:
JOHN A. BEASLEY
19th November 1948

For the Kingdom of Belgium:
Ad Referendum
F. VAN LANGENHOVE
Le 19 November 1948.

For Bolivia:
Ad referendum
A. COSTA DU RELS
19. Nov. 1948

For Brazil:
Ad referendum
AUSTREGESILO DE ATHAYDE
11-19-48

For the Union of Burma:
Subject to acceptance by the Burma Parliament.
MYA SEIN
19th Nov. 1948

For the Byelorussian Soviet Socialist Republic:
K. V. KYSSELEV
November 19, 1948

For Canada:
RALPH MAYBANK
19-11-48.

For Chile:
Ad referendum
H. SANTA CRUZ
19 November 1948

For China:
CHANG PENG CHUN
19 November 1948.

For Colombia:
Ad Referendum
R URDANETA ARBELAEZ
19 Noviembre 1948

For Costa Rica:
Ad referendum
ALBERTO F CANAS
19 Noviembre 1948

For Czechoslovakia:
Ad referendum
ADOLF HOFFMEISTER
19 Novembre 1948

For Denmark:
Ad referendum
J C W KRUSE
19 Novembre

For the Dominican Republic:
Ad referendum
JOAQUIN E. BALAGUER
19 Nov. 1948.

For Ecuador:
Ad referendum
JORGE CARRERA ANDRADE
19 Noviembre 1948

For Egypt:
sous reserve d'acceptation ulterieure
A. M. KHASHABA
le 6 Decembre 1948

For El Salvador:
Ad Referendum
HECTOR DAVID CASTRO
19 Noviembre 1948

For France:
Ad referendum
PIERRE SCHNEITER
19 Novembre 1948

For Greece:
sous reserve de ratification.
C TSALDARIS
7-12-1948

For Guatemala:
Ad referendum
E. MUNOZ MEANY
19 Novembre 1948.

For Honduras:
Ad Referendum
TIBURCIO CARIAS C.
Nov. 19, 1948

For India:
Ad referendum.
MRS. LAKSHMI PANDIT
19th November 1948.

For Lebanon:
CHARLES MALIK
November 19, 1948.

For Liberia:
Ad referendum
HENRY COOPER
19/11/48

For the Grand Duchy of Luxembourg:
sous réserve d'acceptation
ALBERT CALMES
19/11/48.

For Mexico:
L. PADILLA NERVO
19-Nov-1948.

For the Kingdom of the Netherlands:
Ad referendum.
J. H. VAN ROYEN
19 Nov. 1948

For New Zealand:
JAMES THORN
19/11/48

For Nicaragua:
Ad referendum
LUIS MANUEL DEBAYLE
Nov-19-1948
GUILLERMO SEVILLA SACASA

For the Kingdom of Norway:
Subject to ratification.
FINN MOE
19th November 1948

For Pakistan:
Ad referendum
ZAFRULLAH KHAN
Nov. 21, 1948.

For Panama:
ad referendum
R. J. ALFARO
19 November, 1948

For Paraguay:
ad referendum
C ACOSTA
19 Nov. 1948

For Peru:
ad referendum
F BERCKEMEYER
19 Nov. 1948
For Saudi Arabia:
AMIR FAISAL AL SAUD
Nov. 19, 1948
For Turkey:
Sous reserve d'acceptation:
SELIM SARPER
19 Novembre 1948
For the Ukrainian Soviet Socialist Republic:
Sous reserve d'acceptation
DIMITRI MANUILSKY
19 Novembre 1948
For the Union of South Africa:
W. G. PARMINTER
8 Decembre 1948.
For the Union of Soviet Socialist Republics:
A BOGOMOLOV
19/XI 48.
For the United Kingdom of Great Britain and Northern Ireland:
P. C. GORDON-WALKER
19 xi 48.
For the United States of America:
Subject to approval
Including all territories for the foreign relations of which it is responsible
WILLARD L. THORP
19 November 1948
For Uruguay:
ad referendum
ENRIQUE C. ARMAND UGON
November 22 de 1948
For Venezuela:
Ad referendum. Venezuela se acoge a la fórmula preceptuada en el articulo 5, paragrafo 2, letra c, de este Protocolo.
C. E. STOLK
Nov. 19, 1948
For Yugoslavia:
Ad referendum
JOZA VILFAN
le 19 Nov. 1948.
For Albania:
Ad referendum
THEODHOR HEBA
19, Novembre 1948
For Liechtenstein:
signé sous reserve d'acceptation, conformement a l'article 5, chiffre 2, lettre c de present protocole.
M. ZUTTER
19 Novembre 1948.
For Monaco:
M. LOZE
19 Nov. 1948
For San Marino:
ad referendum
A DONATI
19 Nov. 1948
For Switzerland:
signé sous reserve d'acceptation, conformement a l'article 5, chiffre 2, lettre c de present protocole.
M ZUTTER
19 Novembre 1948
For Roumania:
ad referendum
M DRAGOMIRESCU
19 November 1948
Certified true copy

A. H. FELLER
*Acting Assistant Secretary General*

Mr. THOMAS of Utah. This protocol provides for a continuation of a treaty to which we have been a party for years. It also provides that the jurisdiction over the treaty or the registration of the treaty be passed to the United Nations.

There is one additional provision which the Senate should know about. The protocol does add to the habit-forming drugs some of the new drugs which have been invented since the treaty went into force.

The VICE PRESIDENT. The protocol is open to amendment. If there be no amendment to be proposed, the protocol will be reported to the Senate.

The protocol was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification will be read.

The legislative clerk read as follows:

*Resolved (two-thirds of the Senators present concurring therein)*, That the Senate advise and consent to the ratification of Executive H, Eighty-first Congress, first session, the protocol opened for signature at Paris on November 19, 1948, and signed on behalf of the United States of America on that date, bringing under international control drugs outside the scope of the convention signed at Geneva July 13, 1931, as amended by the protocol signed at Lake Success December 11, 1946, limiting the manufacture and regulating the distribution of narcotic drugs.

By unanimous consent, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the protocol is ratified.

## PROTOCOL AMENDING THE AGREEMENT FOR THE SUPPRESSION OF THE CIRCULATION OF OBSCENE PUBLICATIONS

The Senate, as in Committee of the Whole, proceeded to consider the protocol (Executive C, 81st Cong., 2d sess.), a protocol amending the agreement for the suppression of the circulation of obscene publications signed at Paris on May 4, 1910, which was read the second time, as follows:

PROTOCOL AMENDING THE AGREEMENT FOR THE SUPPRESSION OF THE CIRCULATION OF OBSCENE PUBLICATIONS, SIGNED AT PARIS ON 4 MAY 1910

The Parties to the present Protocol, considering that under the Agreement for the Suppression of the Circulation of Obscene Publications, signed at Paris on 4 May 1910, the Government of the French Republic was invested with certain functions; considering that the said Government has offered to transfer to the United Nations the functions exercised by it under the above-mentioned Agreement; and considering that it is expedient that these functions should be assumed henceforh by the United Nations, hereby agree as follows:

ARTICLE 1

The Parties to the present Protocol undertake that as between themselves they will, in accordance with the provisions of the present Protocol, attribute full legal force and effect to, and duly apply, the amendments to this instrument which are set forth in the annex to the present Protocol.

ARTICLE 2

The Secretary-General shall prepare the text of the Agreement of 4 May 1910 for the Suppression of the Circulation of Obscene Publications, as revised in accordance with the present Protocol, and shall send copies for their information to the Governments of every Member of the United Nations and every nonmember State to which this Protocol is open for signature or acceptance. He shall also invite Parties to the aforesaid Agreement to apply the amended text of this instrument as soon as the amendments are in force, even if they have not yet been able to become Parties to the present Protocol.

ARTICLE 3

The present Protocol shall be open for signature or acceptance by any of the Parties to the Agreement of 4 May 1910 for the Supression of the Circulation of Obscene Publications, to which the Secretary-General has communicated for this purpose a copy of the present Protocol.

ARTICLE 4

States may become Parties to the present Protocol by:

(a) Signature without reservation as to acceptance;

(b) Signature with reservation as to acceptance, followed by acceptance;

(c) Acceptance.

Acceptance shall be effected by the deposit of a formal instrument with the Secretary-General of the United Nations.

ARTICLE 5

The present Protocol shall come into force on the date on which two or more States shall have become Parties thereto.

The amendments set forth in the annex to the present Protocol shall come into force in respect of the Agreement of 4 May 1910 for the Suppression of the Circulation of Obscene Publications when thirteen Parties thereto shall have become Parties to the present Protocol, and consequently, any State becoming a Party to the Agreement after the amendments thereto have come into force shall become a Party to the Agreement as so amended.

ARTICLE 6

Upon the entry into force of the amendments set forth in the annex to the present Protocol, the French Government shall deposit with the Secretary-General of the United Nations the original of the Agreement, together with the various documents which were in its custody by virtue of the functions which it exercised.

ARTICLE 7

In accordance with paragraph 1 of Article 102 of the Charter of the United Nations and the regulations pursuant thereto adopted by the General Assembly, the Secretary-General of the United Nations is authorized to effect registration of the present Protocol and the amendments made in the Agreement by the present Protocol on the respective dates of their entry into force, and to publish the Protocol and the amended Agreement as soon as possible after registration.

ARTICLE 8

The present Protocol, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited in the archives of the United Nations Secretariat. The Agreement to be amended in accordance with the annex being in the French language only, the French text of the annex shall be authentic and the Chinese, English, Russian and Spanish texts shall be translations. A certified copy of the Protocol, including the annex, shall be sent by the Secretary-General to each of the Parties to the Agreement of 4 May 1910 for the Suppression of the Circulation of Obscene Publications, as well as to all Members of the United Nations.

In witness whereof the undersigned, being duly authorized thereto by their respective Governments, signed the present Protocol on the date appearing opposite their respective signatures.

Done at Lake Success, New York, this fourth day of May one thousand nine hundred and forty-nine.

(English Translation of French Text)

ANNEX TO THE PROTOCOL AMENDING THE AGREEMENT FOR THE SUPPRESSION OF THE CIRCULATION OF OBSCENE PUBLICATIONS, SIGNED AT PARIS ON MAY 4, 1910.

In Article 1, the final paragraph shall read:

"The Contracting Governments shall mutually make known to one another, through the Secretary-General of the United Nations, the authority established or designated in accordance with the present Article."

Article 4 shall read:

"Nonsignatory States may adhere to the present Agreement. They shall notify their intention to that effect by an instrument which shall be deposited in the archives of the United Nations. The Secretary-General of the United Nations shall send a certified copy thereof to each of the Contracting States and to all Members of the United Nations and at the same time shall inform them of the date of deposit.

"Six months after that date the Agreement will enter into force throughout the territory of the adhering State which will thereby become a Contracting State."

In Article 5, the third paragraph shall read:

"Notice of the denunciation shall be given by an instrument which shall be deposited in the archives of the United Nations. The Secretary-General of the United Nations shall send a certified copy thereof to each of the Contracting States and to all Members of the United Nations and at the same time shall inform them of the date of deposit."

In Article 7,

The first paragraph shall read:

"Should a Contracting State wish the present Agreement to be put into force in one or more of its colonies, possessions or consular court districts, it shall give notice of its intention to that effect by an instrument which shall be deposited in the archives of the United Nations. The Secretary-General of the United Nations shall send a certified copy thereof to each of the Contracting States and to all Members of the United Nations and at the same time shall inform them of the date of deposit."

The third paragraph shall read:

"The denunciation of the Agreement by one of the Contracting States for one or more of its colonies, possessions or consular court districts shall be accomplished in the manner and under the conditions set forth in the first paragraph of the present Article. It shall take effect 12 months after the date of deposit of the instrument of denunciation in the archives of the United Nations."

For Afghanistan:

For Argentina:

For Australia:

For the Kingdom of Belgium:
Subject to approval
F. VAN LANGENHOVE 20 mai 1949

For Bolivia:

For Brazil:
Ad referendum
JOÃO CARLOS MUNIZ 4 de Maio de 1949

For the Union of Burma:

For the Byelorussian Soviet Socialist Republic:

For Canada:
A. G. L. McNAUGHTON 4 May 1949

For Chile:

For China:
CHANG PENG CHUN 4th May 1949

For Colombia:
Subject to approval by the legislature
R. URDANETA ARBELÁEZ June 1, 1949

For Costa Rica:

For Cuba:
Ad referendum
GUSTAVO GUTIÉRREZ May 4, 1949

For Czechoslovakia:
Subject to ratification
Dr. ADOLF HOFFMEISTER May 9th, 1949

For Denmark:

For the Dominican Republic:

For Ecuador:

For Egypt:
Subject to ratification
A. M. KACHABA 9-5-49

For El Salvador:
Ad referendum
M. RAFAEL URQUIA 5 May 1949

For Ethiopia:

For France:
J. CHAUVEL 5 May 1949

For Greece:

For Guatemala:

For Haiti:

For Honduras:

For Iceland:

For India:
Subject to acceptance
M. C. SETALVAD 12.5.49

For Iran:

For Iraq:
Subject to ratification
T. SWAIDY June 1, 1949

For Lebanon:

For Liberia:

For the Grand Duchy of Luxembourg:
Ad referendum
PIERRE PESCATORE 4 May 1949

For Mexico:

For the Kingdom of the Netherlands:
Subject to acceptance
SNOUCK HURGRONJE 2 June 1949

For New Zealand:

For Nicaragua:

For the Kingdom of Norway:
ARNE SUNDE 4th of May 1949

For Pakistan:
Subject to ratification
ZAFRULLA KHAN 5.13.39

For Panama:

For Paraguay:

For Peru:

For the Philippine Republic:

For Poland:

For Saudi Arabia:

For Siam:

For Sweden:

For Syria:

For Turkey:
Subject to acceptance
SELIM SARPER 4 May 1949

For the Ukrainian Soviet Socialist Republic:

For the Union of South Africa:

For the Union of Soviet Socialist Republics:

In signing the present Protocol, the Government of the Union of Soviet Socialist Republics declares that it is not in agreement with article 7 of the annex to the said Protocol. A. Gromyko, 14 May 1949.

A. GROMYKO 14/Y—1949 g.

For the United Kingdom of Great Britain and Northern Ireland:
P. C. GORDON-WALKER May 4th, 1949

For the United States of America:
Subject to acceptance
WARREN R. AUSTIN May 4, 1949

For Uruguay:

For Venezuela:

For Yemen:

For Yugoslavia:
Subject to ratification
V. POPOVIC 4/V/49

Certified true copy.
For the Secretary-General:
IVAN KERNO
*Assistant Secretary-General in Charge of the Legal Department*

Mr. THOMAS of Utah. Mr. President, there is no change made by this protocol at all. It merely passes registration of the treaty to the United Nations, whereas in the past it has been in the League of Nations.

The VICE PRESIDENT. The protocol is open to amendment. If there be no amendment to be proposed, the protocol will be reported to the Senate.

The protocol was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification will be read.

The legislative clerk read as follows:

*Resolved (two-thirds of the Senators present concurring therein)*, That the Senate advise and consent to the ratification of Executive C, Eighty-first Congress, second session, the protocol, amending the Agreement for the Suppression of the Circulation of Obscene Publications signed at Paris on May 4, 1910, which was signed in behalf of the United States at Lake Success, N. Y., on May 4, 1949.

By unanimous consent, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the protocol is ratified.

PROTOCOL AMENDING THE INTERNATIONAL AGREEMENT FOR THE SUPPRESSION OF THE WHITE SLAVE TRAFFIC

The Senate, as in Committee of the Whole, proceeded to consider the protocol (Executive B, 81st Cong., 2d sess.), a protocol amending the International Agreement for the Suppression of the White Slave Traffic signed at Paris on May 18, 1904, and the International Convention for the Suppression of the White Slave Traffic signed at Paris on May 4,

1910, which was read the second time as follows:

PROTOCOL AMENDING THE INTERNATIONAL AGREEMENT FOR THE SUPPRESSION OF THE WHITE SLAVE TRAFFIC, SIGNED AT PARIS ON 18 MAY 1904, AND THE INTERNATIONAL CONVENTION FOR THE SUPPRESSION OF THE WHITE SLAVE TRAFFIC, SIGNED AT PARIS ON 4 MAY 1910

The Parties to the present Protocol, considering that under the International Agreement for the Suppression of the White Slave Traffic, signed at Paris on 18 May 1904, and the International Convention for the Suppression of the White Slave Traffic, signed at Paris on 4 May 1910, the Government of the French Republic was invested with certain functions; considering that the said Government has offered to transfer to the United Nations the functions exercised by it under the above-mentioned agreements; and considering that it is expedient that these functions should be assumed henceforth by the United Nations; hereby agree as follows:

ARTICLE 1

The Parties to the present Protocol undertake that as between themselves they will, each in respect of the instruments to which it is a Party and in accordance with the provisions of the present Protocol, attribute full legal force and effect to, and duly apply, the amendments to those instruments which are set forth in the annex to the present Protocol.

ARTICLE 2

The Secretary-General shall prepare the texts of the International Agreement of 18 May 1904 for the Suppression of the White Slave Traffic and of the International Convention of 4 May 1910 for the Suppression of the White Slave Traffic, as revised in accordance with the present Protocol, and shall send copies for their information to the Governments of every Member of the United Nations and every nonmember State to which this Protocol is open for signature or acceptance. He shall also invite Parties to any of the instruments to be amended by the present Protocol to apply the amended texts of those instruments as soon as the amendments are in force, even if they have not yet been able to become Parties to the present Protocol.

ARTICLE 3

The present Protocol shall be open for signature or acceptance by any of the Parties to the International Agreement of 18 May 1904 for the Suppression of the White Slave Traffic or to the International Convention of 4 May 1910 for the Suppression of the White Slave Traffic, to which the Secretary-General has communicated for this purpose a copy of the present Protocol.

ARTICLE 4

States may become Parties to the present Protocol by:

(a) Signature without reservation as to acceptance;

(b) Signature with reservation as to acceptance, followed by acceptance;

(c) Acceptance.

Acceptance shall be effected by the deposit of a formal instrument with the Secretary-General of the United Nations.

ARTICLE 5

The present Protocol shall come into force on the date on which two or more States shall have become Parties thereto.

The amendments set forth in the annex to the present Protocol shall come into force in respect of the International Agreement of 18 May 1904 for the Suppression of the White Slave Traffic when twenty Parties thereto shall have become Parties to the Present Protocol; and in respect of the International Convention of 4 May 1910 for the Suppression of the White Slave Traffic when twenty Parties thereto shall have become Parties to the present Protocol; and, consequently, any State becoming a Party to the Agreement or to the Convention after the amendments thereto have come into force shall become a Party to the Agreement or to the Convention as so amended.

ARTICLE 6

Upon the entry into force of the amendments set forth in the annex to the present Protocol and concerning either the Agreement or the Convention, the French Government shall deposit with the Secretary-General of the United Nations the original of that of the two agreements to which the aforesaid amendments relate, together with the various documents which were in its custody by virtue of the functions which it exercised.

ARTICLE 7

In accordance with paragraph 1 of Article 102 of the Charter of the United Nations and the regulations pursuant thereto adopted by the General Assembly, the Secretary-General of the United Nations is authorized to effect registration of the present Protocol and the amendments made in the Agreement and Convention by the present Protocol on the respective dates of their entry into force, and to publish the Protocol and the amended Agreement and Convention as soon as possible after registration.

ARTICLE 8

The present Protocol, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited in the archives of the United Nations Secretariat. The Agreement and the Convention to be amended in accordance with the annex being in the French language only, the French text of the annex shall be authentic and the Chinese, English, Russian and Spanish texts shall be translations. A certified copy of the Protocol, including the annex, shall be sent by the Secretary-General to each of the Parties to the International Agreement of 18 May 1904 for the Suppression of the White Slave Traffic or to the International Convention of 4 May 1910 for the Suppression of the White Slave Traffic, as well as to all Members of the United Nations.

In witness whereof the undersigned, being duly authorized thereto by their respective Governments, signed the present Protocol on the date appearing opposite their respective signatures.

Done at Lake Success, New York, this fourth day of May one thousand nine hundred and forty-nine.

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(English Translation of French Text)

ANNEX TO THE PROTOCOL AMENDING THE INTERNATIONAL AGREEMENT FOR THE SUPPRESSION OF THE WHITE SLAVE TRAFFIC, SIGNED AT PARIS ON MAY 18, 1904, AND THE INTERNATIONAL CONVENTION FOR THE SUPPRESSION OF THE WHITE SLAVE TRAFFIC, SIGNED AT PARIS ON MAY 4, 1910.

1. INTERNATIONAL AGREEMENT FOR THE SUPPRESSION OF THE WHITE SLAVE TRAFFIC, SIGNED AT PARIS ON MAY 18, 1904.

Article 7 shall read:

"Nonsignatory States may adhere to the present Agreement. They shall notify their intention to that effect to the Secretary-General of the United Nations, who shall inform all the Contracting States as well as all Members of the United Nations."

2. INTERNATIONAL CONVENTION FOR THE SUPPRESSION OF THE WHITE SLAVE TRAFFIC, SIGNED AT PARIS ON MAY 4, 1910.

Article 4 shall read:

"The Contracting Parties shall communicate to one another, through the Secretary-General of the United Nations, the laws which have already been, or which may be, enacted in their States relating to the subject of the present Convention."

In Article 8, the first paragraph shall read:

"Nonsignatory States may adhere to the present Convention. They shall notify their intention to that effect by an instrument which shall be deposited in the archives of the United Nations. The Secretary-General of the United Nations shall send a certified copy thereof to each of the Contracting States and to all Members of the United Nations and at the same time shall inform them of the date of deposit. In the said instrument of notification there shall also be communicated the laws enacted in the adhering State relating to the subject of the present Convention."

In Article 10, the second paragraph shall read:

"Notice of the denunciation shall be given by an instrument which shall be deposited in the archives of the United Nations. The Secretary-General of the United Nations shall send a certified copy thereof to each of the Contracting States and to all Members of the United Nations and at the same time shall inform them of the date of deposit."

In Article 11,

The first paragraph shall read:

"Should a Contracting State wish the present Convention to be put into force in one or more of its colonies, possessions or consular court districts, it shall give notice of its intention to that effect by an instrument which shall be deposited in the archives of the United Nations. The Secretary-General of the United Nations shall send a certified copy thereof to each of the Contracting States and to all Members of the United Nations and at the same time shall inform them of the date of deposit."

The fifth paragraph shall read:

"The denunciation of the Convention by one of the Contracting States for one or more of its colonies, possessions or consular court districts shall be accomplished in the manner and under the conditions set forth in the first paragraph of the present Article. It shall take effect 12 months after the date of deposit of the instrument of denunciation in the archives of the United Nations."

For Afghanistan:

For Argentina:

For Australia:

For the Kingdom of Belgium:
Subject to approval
F. VAN LANGENHOVE 20 May 1949

For Bolivia:

For Brazil:
Ad referendum
JOÃO CARLOS MUNIZ 4 May 1949

For the Union of Burma:

For the Byelorussian Soviet Socialist Republic:

For Canada:
A. G. L. MCNAUGHTON 4 May 1949

For Chile:
H. SANTA CRUZ Junio 20, 1949

For China:
CHANG PENG CHUN 4th May 1949

For Colombia:

For Costa Rica:

For Cuba:
Ad referendum
GUSTAVO GUTIÉRREZ Mayo 4, 1949

For Czechoslovakia:
Subject to ratification
Dr. ADOLF HOFFMEISTER May 9th, 1949

For Denmark:

For the Dominican Republic:

For Ecuador:

For Egypt:
Subject to ratification
A. M. KACHABA 9-5-49

For El Salvador:

For Ethiopia:

For France:
J. CHAUVEL 5 mai 1949

For Greece:

For Guatemala:

For Haiti:

For Honduras:

For Iceland:

For India:
Subject to acceptance
M. C. SETALVAD 12.5.49

For Iran:

For Iraq:
T. SWAIDY June 1, 1949

For Lebanon:

For Liberia:

For the Grand Duchy of Luxembourg:
Ad referendum
PIERRE PESCATORE 4 mai 1949

For Mexico:

For the Kingdom of the Netherlands:
Subject to acceptance
SNOUCK HURGRONJE le 2 juin 1949

For New Zealand:

For Nicaragua:

For the Kingdom of Norway:
ARNE SUNDE 4th of May 1949

For Pakistan:
Subject to ratification
ZAFRULLA KHAN 5.13.49

For Panama:

For Paraguay:

For Peru:

For the Philippine Republic:

For Poland:

For Saudi Arabia:

For Siam:

For Sweden:

For Syria:

For Turkey:
Subject to acceptance
SELIM SARPER 4 mai 1949

For the Ukrainian Soviet Socialist Republic:

For the Union of South Africa:

For the Union of Soviet Socialist Republics:

For the United Kingdom of Great Britain and Northern Ireland:
P. C. GORDON-WALKER May 4th, 1949

For the United States of America:
Subject to acceptance
WARREN R. AUSTIN May 4, 1949

For Uruguay:

For Venezuela:

For Yemen:

For Yugoslavia:
Subject to ratification
V. POPOVIC 4/V/49

Certified true copy.
For the Secretary-General:
IVAN KERNO,
*Assistant Secretary-General in charge of the Legal Department.*

Mr. THOMAS of Utah. Mr. President, the same can be said with respect to this treaty as was said with respect to the last one. It provides merely for a continuation of a long-standing agreement we have had. Now jurisdiction of the treaty passes to the United Nations.

The VICE PRESIDENT. The protocol is open to amendment. If there be no amendment to be proposed, the protocol will be reported to the Senate.

The protocol was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification will be read.

The legislative clerk read as follows:

*Resolved (two-thirds of the Senators present concurring therein)*, That the Senate advise and consent to the ratification of Executive B, Eighty-first Congress, second session, the protocol amending the International Agreement for the Suppression of the White Slave Traffic signed at Paris on May 18, 1904, and the International Convention for the Suppression of the White Slave Traffic signed at Paris on May 4, 1910. The protocol was signed on behalf of the United States at Lake Success, New York, on May 4, 1949.

By unanimous consent, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the Protocol is ratified.

## TREATY OF FRIENDSHIP, COMMERCE, AND ECONOMIC DEVELOPMENT WITH THE ORIENTAL REPUBLIC OF URUGUAY

The treaty (Executive D, 81st Cong., 2d sess.), a treaty of friendship, commerce, and economic development between the United States of America and the Oriental Republic of Uruguay, together with a protocol, an additional protocol, and an exchange of notes relating thereto, signed at Montevideo on November 23, 1949, was announced as next in order.

Mr. THOMAS of Utah. This treaty merely renews an older treaty and continues a custom we have had for some time in the past with Uruguay. I suggest that the treaty be ratified.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I am glad to yield.

Mr. CORDON. The Senator from Oregon is familiar with the Republic of Uruguay, but not with the Oriental Republic of Uruguay. Will the Senator explain to the Senator from Oregon the reason for the use of the word "Oriental" in connection with the name?

Mr. THOMAS of Utah. I believe the official name of Uruguay is "Oriental Republic of Uruguay." We are thus being educated with respect to that name. I ask the Senator from New Mexico [Mr. CHAVEZ] if that is not true?

Mr. CHAVEZ. Mr. President, it is true. Uruguay was at one time part of the River Plate provinces of the Kingdom of Spain, and in order to differentiate from the mainland around Buenos Aires, or the Province of Buenos Aires, Uruguay was called the Oriental province.

Mr. THOMAS of Utah. It has no reference whatever to what we call the Orient. Uruguay is to the east of Argentina.

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry?

Mr. THOMAS of Utah. I am glad to yield.

Mr. DONNELL. Is there any change whatsoever in the treaty as compared with the previous existing treaty between the United States and Uruguay?

Mr. THOMAS of Utah. The changes are perfunctory, if there are any, and they do not bring about any change which would in any way interfere with our trade relations.

Mr. DONNELL. Mr. President, does the Senator regard it as essential that this treaty be voted on today?

Mr. THOMAS of Utah. Only to the extent that the treaty has been on the calendar for nearly a month, and the committee would like to clear up this business.

Mr. DONNELL. Mr. President, if the Senator will permit one further inquiry, I hold in my hand for the first time a copy of Executive Report No. 5. I have not had the opportunity to read it or, at any rate, I have not taken the opportunity, although this treaty has been on the calendar for doubtless many weeks. I did not know it was coming up today. I should like, unless there is some special reason for objection to the delay, to have at least the opportunity of going through the report. I notice the report involves some seven pages, including a copy of the treaty, as I recall, and I should like, if it is not out of order, to suggest most respectfully that the treaty go over until the next call of the Executive Calendar.

Mr. THOMAS of Utah. Mr. President, I have no objection to the treaty going over.

The VICE PRESIDENT. The treaty will go over.

Mr. DONNELL. I thank the Senator from Utah.

## TREATY OF FRIENDSHIP, COMMERCE, AND NAVIGATION WITH IRELAND, WITH PROTOCOL RELATING THERETO

The Senate, as in Committee of the Whole, proceeded to consider the treaty (Executive H, 81st Cong., 2d sess.), a treaty of friendship, commerce, and navigation with Ireland, together with a protocol relating thereto, signed at Dublin on January 21, 1950, which was read the second time, as follows:

TREATY OF FRIENDSHIP, COMMERCE, AND NAVIGATION BETWEEN THE UNITED STATES OF AMERICA AND IRELAND.

The United States of America and Ireland, desirous of strengthening the bonds of peace and friendship traditionally existing between them and of encouraging closer economic and cultural relations between their peoples, and being cognisant of the

contributions which may be made toward these ends by arrangements establishing mutual rights and privileges and promoting mutually advantageous commercial intercourse, have resolved to conclude a Treaty of Friendship, Commerce and Navigation based in general upon the principles of national and of most-favoured-nation treatment unconditionally accorded, and for that purpose have appointed as their Plenipotentiaries:

The President of the United States of America:

George A. Garrett,

Envoy Extraordinary and Minister Plenipotentiary of the United States of America at Dublin;

and,

The President of Ireland:

Seán MacBride,

Minister for External Affairs;

Who, having communicated to each other their full powers found to be in due form, have agreed upon the following Articles:

ARTICLE I.

1. Nationals of either Party shall be permitted to enter the territories of the other Party: (a) for the purpose of carrying on trade between the territories of the two Parties and for the purpose of engaging in related commercial activities, and to remain therein for such purposes, upon terms no less favourable than those accorded to nationals of any third country who are permitted entry for the purpose of carrying on trade between the territories of such other Party and the territories of such third country and of engaging in related commercial activities; and (b) for other purposes subject to compliance with the relevant laws and regulations applicable to the entry and sojourn of aliens.

2. Nationals of either Party, within the territories of the other Party, shall be permitted: (a) to travel therein freely, and to reside at places of their choice; (b) to enjoy liberty of conscience; (c) to hold both private and public religious services; (d) to bury their dead according to their religious customs in suitable and convenient places; and (e) to gather and to transmit material for dissemination to the public abroad, and otherwise to communicate with other persons inside and outside such territories by mail, telegraph and other means open to general public use.

3. The provisions of the present Article shall be subject to the right of either Party to apply measures that are necessary to maintain public order and necessary to protect the public health, morals and safety.

ARTICLE II.

1. Nationals of either Party within the territories of the other Party shall be free from unlawful molestations of every kind, and shall receive the most constant protection and security, in no case less than that required by international law.

2. If, within the territories of either Party, a national of the other Party is accused of crime and taken into custody, the diplomatic representative or nearest consular representative of his country shall on the demand of such national be immediately notified. Such national shall: (a) receive reasonable and humane treatment; (b) be formally and immediately informed of the accusations against him; (c) be brought to trial as promptly as is consistent with the proper preparation of his defense; and (d) enjoy all means reasonably necessary to his defense.

ARTICLE III.

1. Nationals of either Party shall, except as otherwise provided in paragraph 2 of the present Article, be exempt from compulsory service in the armed forces of the other Party and shall also be exempt from all contributions in money or in kind imposed in lieu thereof.

2. The foregoing paragraph shall not apply when both Parties are, through armed action against the same third country, in connection with which there is general compulsory service, concurrently conducting hostilities or enforcing measures in pursuance of obligations for the maintenance or restoration of international peace and security. However, in this event, nationals of either Party in the territories of the other Party who have not lawfully declared their intention to acquire the nationality of the latter, shall be exempt from service in its armed forces if, within a reasonable period of time, they elect in lieu thereof to serve in the armed forces of the Party of which they are nationls; and the Parties will make the necessary arrangements for that purpose.

ARTICLE IV.

1. Nationals of either Party shall be accorded national treatment in the application of laws and regulations within the territories of the other Party that (a) establish a right of recovery for injury or death, or that (b) establish a pecuniary compensation, or other benefit or service, on account of disease, injury or death arising out of and in the course of employment or due to the nature of employment.

2. In addition to the rights and privileges provided in paragraph 1 of the present Article, nationals of either Party shall, within the territories of the other Party, be accorded national treatment in the application of laws and regulations establishing systems of compulsory insurance, under which benefits are paid without an individual test of financial need: (a) against loss of wages or earnings due to old age, unemployment, sickness or disability, or (b) against loss of financial support due to the death of father, husband or other person on whom such support had depended.

ARTICLE V.

Each Party shall at all times accord equitable treatment to the capital of nationals and companies of the other Party. Neither Party shall take unreasonable or discriminatory measures that would impair the legally acquired rights or interests of nationals and companies of the other Party in the enterprises which they have established or in the capital, skills, arts or technology which they have supplied. Neither Party shall deny appropriate opportunities and facilities for the investment of capital by nationals and companies of the other Party; nor shall either Party unreasonably impede nationals and companies of the other Party from obtaining on equitable terms the capital, skills and technology it needs for its economic development.

ARTICLE VI.

1. Nationals and companies of either Party shall be accorded, within the territories of the other Party, national treatment with respect to:

(a) engaging in commercial, manufacturing, processing and financial activities, subject to paragraph 4 of the present Article, and in publishing, scientific, educational, religious, philanthropic and professional activities, except the practice of law;

(b) obtaining and maintaining patents of invention, and rights in trade marks, trade names, trade labels, and industrial property of all kinds;

(c) having access to the courts of justice and to administrative tribunals and agencies, in all degrees of jurisdiction, both in pursuit and in defense of their rights; and

(d) employing attorneys, interpreters and other agents and employees of their choice.

2. Nationals and companies of either Party shall be accorded within the territories of the other Party the right to organize, control and manage companies for engaging in commercial, manufacturing and processing activities, subject to paragraph 4 of the present Article, and in scientific, educational, religious and philanthropic activities. Companies, controlled by nationals and companies of either Party and created or organized under the applicable laws and regulations within the territories of the other Party for engaging in the afore-mentioned activities, shall be accorded national treatment therein with respect to such activities.

3. Nationals and companies of either Party shall further be accorded, within the territories of the other Party, most-favoured-nation treatment with respect to:

(a) the matters referred to in paragraphs 1 and 2 of the present Article; and

(b) engaging in the practice of law and in fields of economic and cultural activities in addition to those enumerated in subparagraph (a) of paragraph 1 of the present Article.

4. Taking cognizance of existing economic policies which Ireland considers necessary to furthering her essential interests, the Parties agree that Ireland may continue the application of measures that regulate, in a manner that departs from the treatment prescribed in paragraphs 1 (a) and 2 of he present Article, the establishment of manufacturing, processing and insurance enterprises and the acquisition of ownership interests in such enterprises. If after the expiration of four years from the date the present Treaty enters into force the United States of America considers that the application of such measures departs in an unjustifiable manner from the treatment prescribed in such paragraphs, the Parties shall consult with a view to seeking an adjustment. If differences of views are not adjusted by such consultation, the United States of America shall then have the right to terminate the present Treaty by giving 90 days' written notice.

ARTICLE VII.

1. Nationals and companies of either Party shall be accorded national treatment within the territories of the other Party with respect to acquiring all kinds of property by testate or intestate succession or through judicial process. Should they because of their alienage be ineligible to continue to own any such property, they shall be allowed a reasonable period in which to dispose of it, in a normal manner at its market value. In the case of ships and shares therein, however, a specially limited period may be prescribed.

2. Nationals and companies of either Party shall be accorded national treatment within the territories of the other Party with respect to acquiring, by purchase, lease or otherwise, and with respect to owning and disposing of, personal property of all kinds, both tangible and intangible. However, each Party may limit or prohibit, in a manner that does not impair rights and privileges secured by Article VI, paragraph 2, or by other provisions of the present Treaty, alien ownership of particular materials that are dangerous from the standpoint of public safety and alien ownership of interests in enterprises carrying on particular types of activities.

3. Except as provided in paragraph 1 of the present Article, the ownership of real property within the territories of each Party shall be subject to the applicable laws therein. Nationals and companies of either Party shall, however, be permitted to possess and occupy real property within the territories of the other Party, incidental to or necessary for the enjoyment of rights secured by the provisions of the present Treaty.

ARTICLE VIII.

1. The dwellings, offices, warehouses, factories and other premises of nationals and companies of either Party located within the territories of the other Party shall not be subject to unlawful entry or molestation. Official searches and examinations of such

premises and their contents, when necessary, shall be made with careful regard for the convenience of the occupants and the conduct of business.

2. Property of nationals and companies of either Party shall receive the most constant protection and security within the territories of the other Party, in no case less than that required by international law. Such property shall not be taken without the prompt payment of just and effective compensation. Nationals and companies of either Party shall be permitted to withdraw from the territories of the other Party the whole or any portion of such compensation, and to this end shall be permitted to obtain exchange in the currency of their own country freely at a rate of exchange that is just and reasonable.

3. Nationals and companies of either Party shall in no case be accorded, within the territories of the other Party, less than national and most-favoured-nation treatment with respect to the matters set forth in the present Article. Moreover, enterprises in which nationals and companies of either Party have a substantial interest shall be accorded, within the territories of the other Party, not less than national and most-favoured-nation treatment in all matters relating to the taking of privately owned enterprises into public ownership and the placing of such enterprises under public control.

ARTICLE IX.

1. Nationals and companies of either Party shall not be subjected to the payment of internal taxes, fees and charges imposed upon or applied to income, capital, transactions, activities or any other object, or to requirements with respect to the levy and collection thereof, within the territories of the other Party:

(a) more burdensome than those borne by nationals, residents and companies of any third country;

(b) in the case of persons resident or engaged in business within the territories of such other Party and of companies engaged in business therein, more burdensome than those borne by nationals and companies of such other Party, except as to taxes in connection with the acquisition of real property (including estates and interests therein).

2. In the case of companies of either Party engaged in business within the territories of the other Party, and in the case of nationals of either Party engaged in business within the territories of the other Party but not resident therein, such other Party shall not impose or apply any internal tax, fee or charge upon any income, capital or other basis in excess of that reasonably allocable or apportionable to its territories, nor grant deductions and exemptions less than those reasonably allocable or apportionable to its territories.

3. Each Party, however, reserves the right to: (a) extend specific advantages as to taxes, fees and charges to nationals, residents and companies of all foreign countries on the basis of reciprocity; (b) accord to nationals, residents and companies of a third country special advantages by virtue of an agreement with such country for the avoidance of double taxation or the mutual protection of revenue; and (c) accord to its nonresident nationals and to residents of contiguous countries more favourable exemptions of a personal nature than are accorded to other nonresident persons.

ARTICLE X.

Contracts entered into between nationals and companies of either Party and nationals and companies of the other Party, that provide for the settlement by arbitration of controversies, shall not be deemed unenforceable within the territories of such other Party merely on the grounds that the place designated for the arbitration proceedings is outside such territories or that the nationality of one or more of the arbitrators is not that of such other Party. No award duly rendered pursuant to any such contract, and final and enforceable under the laws of the place where rendered, shall be deemed invalid or denied effective means of enforcement within the territories of either Party merely on the grounds that the place where such award was rendered is outside such territories or that the nationality of one or more of the arbitrators is not that of such Party.

ARTICLE XI.

Commercial travellers representing nationals and companies of either Party engaged in business within the territories thereof shall, upon their entry into and departure from the territories of the other Party and during their sojourn therein, be accorded most-favoured-nation treatment in respect of the customs and other matters, including, subject to the exceptions in paragraph 3 of article IX, taxes and charges applicable to them, their samples and the taking of orders.

ARTICLE XII.

1. With respect to customs duties and charges of any kind imposed on or in connection with importation or exportation, with respect to the method of levying such duties and charges, with respect to all rules and formalities in connection with importation and exportation, and with respect to all other matters relating to the customs, each Party shall accord most-favoured-nation treatment to products of the other Party, from whatever place and by whatever type of carrier arriving, and to articles destined for exportation to the territories of such other Party, by whatever route and by whatever type of carrier.

2. Neither Party shall impose any prohibition or restriction on the importation of any product of the other Party, or on the exportation of any article to the territories of the other Party, that:

(a) if imposed on sanitary or other customary grounds of a noncommercial nature or in the interest of preventing deceptive or unfair practices, arbitrarily discriminates in favour of the importation of the like product of, or the exportation of the like article to, any third country;

(b) if imposed on other grounds, does not apply equally to the importation of the like product of, or the exportation of the like article to, any third country; or

(c) if a quantitative regulation involving allotment to any third country with respect to an article in which such other Party has an important interest, fails to afford to the commerce of such other Party a share proportionate to the amount by quantity or value supplied by or to such other Party during a previous representative period, due consideration being given to any special factors affecting the trade in the article.

3. Nationals and companies of either Party shall be accorded national and most-favoured-nation treatment by the other Party with respect to all matters relating to importation and exportation.

4. As used in the present Treaty the term "products of" means "articles the growth, produce or manufacture of". The provisions of the present Article shall not apply to advantages accorded by either Party:

(a) to products of its national fisheries;

(b) to adjacent countries in order to facilitate frontier traffic; or

(c) by virtue of a customs union of which either Party, after consultation with the other Party, may become a member.

ARTICLE XIII.

1. Each Party shall promptly publish laws, regulations and administrative rulings of general application necessary to enable the other Party, as well as traders of both Parties, to become acquainted with provisions in relation to the classification or valuation of articles for customs purposes, to rates of duty, taxes or other charges, and to requirements, restrictions or prohibitions on imports or exports or on the transfer of payments therefor; and shall administer such laws, regulations and rulings in a uniform, impartial and reasonable manner.

2. Each Party shall provide some administrative or judicial procedure under which nationals and companies of the other Party, and importers of products of such other Party, shall be permitted to appeal against fines and penalties imposed upon them by the customs authorities, confiscations by such authorities and rulings of such authorities on questions of customs classification and valuation. Penalties imposed for infractions of the customs and shipping laws and regulations shall be merely nominal in cases resulting from clerical errors or when good faith can be demonstrated.

ARTICLE XIV.

1. Each Party undertakes (a) that enterprises owned or controlled by its Government, and that monopolies or agencies granted exclusive or special privileges within its territories, shall make their purchases and sales involving either imports or exports affecting the commerce of the other Party solely in accordance with commercial considerations, including price, quality, availability, marketability, transportation and other conditions of purchase or sale; and (b) that the nationals, companies and commerce of such other Party shall be afforded adequate opportunity, in accordance with customary business practice, to compete for participation in such purchases and sales.

2. Each Party shall accord to the nationals, companies and commerce of the other Party fair and equitable treatment, as compared with that accorded to the nationals, companies and commerce of any third country, with respect to: (a) the governmental purchase of supplies, (b) the awarding of concessions and other government contracts, and (c) the sale of any service sold by the Government or by any monopoly or agency granted exclusive or special privileges.

ARTICLE XV.

1. The two Parties agree that business practices which restrain competition, limit access to markets or foster monopolistic control, and which are engaged in or made effective by one or more private or public commercial enterprises or by combination, agreement or other arrangement among such enterprises may have harmful effects upon commerce between their respective territories. Accordingly, each Party agrees upon the request of the other Party to consult with respect to any such practices and to take such measures as it deems appropriate with a view to eliminating such harmful effects.

2. Rights and privileges with respect to commercial, manufacturing and processing activities accorded, by the provisions of the present Treaty, to privately owned and controlled enterprises of either Party within the territories of the other Party shall extend to rights and privileges of an economic nature granted to publicly owned or controlled enterprises of such other Party, in situations in which such publicly owned or controlled enterprises operate in fact in competition with privately owned and controlled enterprises. The preceding sentence shall not, however, apply to subsidies granted to publicly owned or controlled enterprises in connection with: (a) manufacturing or processing goods for government use, or supplying goods and services to the government for government use; or (b) supplying, at prices substantially below competitive prices, the needs of particular population groups for essential goods and services not otherwise practically obtainable by such groups.

3. No enterprise of either Party which is publicly owned or controlled shall, if it engages in commercial, manufacturing, processing, shipping or other business activities within the territories of the other Party,

claim or enjoy, either for itself or for its property, immunity therein from taxation, suit, execution of judgment or other liability to which privately owned and controlled enterprises are subject therein.

ARTICLE XVI.

1. Products of either Party shall be accorded, within the territories of the other Party, national and most-favoured-nation treatment in all matters affecting internal taxation and sale, distribution, storage and use.

2. Articles produced by nationals and companies of either Party within the territories of the other Party, or by companies of the latter Party controlled by such nationals and companies, shall be accorded therein treatment no less favourable than that accorded to like Articles of national origin by whatever person or company produced, in all matters affecting exportation, taxation and sale, distribution, storage and use.

ARTICLE XVII.

1. The treatment prescribed in the present Article shall apply to all forms of control of financial transactions, including (a) limitations upon the availability of media necessary to effect such transactions, (b) rates of exchange, and (c) prohibitions, restrictions, delays, taxes, charges and penalties on such transactions; and shall apply whether a transaction takes place directly or through an intermediary in another country. As used in the present Article, the term "financial transactions" means all international payments and transfers of funds effected through the medium of currencies, securities, bank deposits, dealings in foreign exchange or other financial arrangements, regardless of the purpose or nature of such payments and transfers.

2. Financial transactions between the territories of the two Parties shall be accorded by each Party treatment no less favorable than that accorded to like transactions between the territories of that Party and the territories of any third country.

3. Nationals and companies of either Party shall be accorded by the other Party national and most-favoured-nation treatment with respect to financial transactions between the territories of the two Parties or between the territories of such other Party and of any third country.

4. In general, any control imposed by either Party over financial transactions shall be so administered as not to influence disadvantageously the competitive position of the commerce or investment of capital of the other Party in comparison with the commerce or the investment of capital of any third country.

5. If either Party applies exchange restrictions it shall promptly make reasonable provision for the withdrawal of compensation referred to in Article VIII, paragraph 2, of the present Treaty, the withdrawal of earnings, whether in the form of salaries, interest, dividends, commissions, royalties or otherwise, as well as of amounts for amortization of loans, and for capital withdrawals. Either Party applying exchange restrictions shall afford the other Party adequate opportunity at any time for consultation regarding such provision and other matters affecting withdrawals.

ARTICLE XVIII.

1. Between the territories of the two Parties there shall be freedom of commerce and navigation.

2. Vessels under the flag of either Party, and carrying the papers required by its law in proof of nationality, shall be deemed to be vessels of that Party both on the high seas and within the ports, places and waters of the other Party.

3. Vessels of either Party shall have liberty, on equal terms with vessels of the other Party and on equal terms with vessels of any third country, to come with their cargoes to all ports, places and waters of such other Party open to foreign commerce and navigation. Such vessels and cargoes shall in all respects be accorded national and most-favoured-nation treatment within the ports, places and waters of such other Party; but each Party may reserve exclusive rights and privileges to its own vessels with respect to the coasting trade, inland navigation and national fisheries.

4. Vessels of either Party shall be accorded national and most-favoured-nation treatment by the other Party with respect to the right to carry all articles that may be carried by vessel to or from the territories of such other Party; and such Articles shall be accorded treatment no less favourable than that accorded like articles carried in vessels of such other Party, with respect to: (a) duties and charges of all kinds, (b) the administration of the customs, and (c) bounties, drawbacks and other privileges of this nature.

5. Vessels of either Party that are in distress shall be permitted to take refuge in the nearest port or haven of the other Party, and shall receive friendly treatment and assistance.

6. The term "vessels", as used herein means all types of vessels, whether privately owned or operated, or publicly owned or operated; but this term does not, except with reference to paragraph 5 of the present Article, include fishing vessels or vessels of war.

ARTICLE XIX.

There shall be freedom of transit through the territories of each Party by the routes most convenient for international transit:

(a) for nationals of the other Party, together with their baggage;

(b) for other persons, together with their baggage, en route to or from the territories of such other Party; and

(c) for articles en route to or from the territories of such other Party.

Such persons and articles in transit shall be exempt from transit, customs and other duties, and from unreasonable charges and requirements; and shall be free from unnecessary delays and restrictions. They shall, however, be subject to measures referred to in paragraph 3 of Article I, and to non-discriminatory regulations necessary to prevent abuse of the transit privilege.

ARTICLE XX.

1. The present Treaty shall not preclude the application of measures:

(a) regulating the importation and exportation of gold and silver;

(b) relating to fissionable materials, to radio-active by-products of the utilization or processing thereof, and to materials that are the source of fissionable materials;

(c) regulating the production of and traffic in arms, ammunition and implements of war, and traffic in other materials carried on directly or indirectly for the purpose of supplying a military establishment;

(d) necessary to fulfil the obligations of a Party for the maintenance or restoration of international peace and security, or necessary to protect its essential security interests;

(e) necessary to fulfil the obligations of a Party as a neutral in time of war;

(f) denying the advantages of the present Treaty, except with respect to recognition of juridical status and access to the courts, to any company in the ownership or direction of which nationals of any third country or countries have directly or indirectly a controlling interest.

2. The provisions of the present Treaty relating to the treatment of goods shall not preclude action by either Party which is required or specifically permitted by the General Agreement on Tariffs and Trade, dated at Geneva, on 30th October, 1947, or the Havana Charter for an International Trade Organisation during such time as such Party is a contracting party to the General Agreement or is a member of the International Trade Organisation. Similarly, the most-favoured-nation provisions of the present Treaty shall not apply to special advantages accorded by virtue of the aforesaid Agreement or Charter.

3. The most-favoured-nation provisions of the present Treaty relating to the treatment of goods shall not apply to advantages accorded: (a) by the United States of America or its Territories and possessions to one another, to the Republic of Cuba, to the Republic of the Philippines, to the Trust Territory of the Pacific Islands, or to the Panama Canal Zone; or (b) by Ireland to members of the British Commonwealth of Nations and their dependent territories. However, so long as the United States of America may be obligated by the General Agreement on Tariffs and Trade or the Havana Charter for an International Trade Organisation not to increase preferences, the advantages referred to in the present paragraph shall be no greater than those in force on the date of signature of the present Treaty, or provided for in Article 11, paragraph 3, of the trade agreement between Ireland and the United Kingdom signed April 25, 1938.

4. The present Treaty does not accord any rights to engage in political activities.

5. Nationals of either Party admitted into the territories of the other Party for limited purposes shall not enjoy rights to engage in gainful occupations in contravention of limitations expressly imposed, according to law, as a condition of their admittance.

ARTICLE XXI.

1. The term "national treatment" means treatment accorded within the territories of a Party upon terms no less favourable than the treatment accorded therein, in like situations, to nationals, companies, products, vessels or other objects, as the case may be of such Party.

2. The term "most-favoured-nation treatment" means treatment accorded within the territories of a Party upon terms no less favourable than the treatment accorded therein, in like situations, to nationals, companies, products, vessels or other objects, as the case may be, of any third country.

3. As used in the present Treaty, the term "companies" means corporations, partnerships, companies and other associations, whether or not with limited liability and whether or not for pecuniary profit. Companies created or organized under the applicable laws and regulations within the territories of either Party shall be deemed companies thereof and shall have their juridical status recognized within the territories of the other Party.

4. National treatment accorded under the provisions of the present Treaty to companies of Ireland shall, in any State, Territory or possession of the United States of America, be the treatment accorded therein to companies created or organized in other States, Territories and possessions of the United States of America.

ARTICLE XXII.

Except as may be otherwise provided, the territories to which the present Treaty extends shall comprise all areas of land and water under the jurisdiction or authority of either of the Parties, other than the Panama Canal Zone, and other than the Trust Territory of the Pacific Islands except to the extent that the President of the United States of America shall by proclamation extend provisions of the Treaty to such Trust Territory.

ARTICLE XXIII.

Any dispute between the Parties as to the interpretation or application of the present Treaty, not satisfactorily adjusted by diplomacy, shall be submitted to the International Court of Justice, unless the Parties agree to settlement by some other amicable means.

ARTICLE XXIV.

The present Treaty shall replace the following agreements concluded between the United States of America and the United Kingdom of Great Britain and Ireland, insofar as the provisions thereof are in force between the United States of America and Ireland: convention of commerce and navigation, signed at London, July 3, 1815, as continued in force by the convention signed at London, August 6, 1827; declaration affording reciprocal protection to trade-marks signed at London, October 24, 1877; and convention relating to the tenure and disposition of real and personal property, signed at Washington, March 2, 1899, except Article III thereof. Either Party may, by giving one year's written notice to the other Party, terminate the aforesaid Article III as between the two Parties.

ARTICLE XXV.

1. The present Treaty shall be ratified, and the ratifications thereof shall be exchanged at Dublin as soon as possible.

2. The present Treaty shall enter into force on the day of exchange of ratifications and, subject to the provisions of Article VI, paragraph 4, shall remain in force for ten years and thereafter until terminated in accordance with paragraph 3 of the present Article.

3. Either Party may, by giving one year's written notice to the other Party, terminate the present Treaty at the end of the initial ten-year period or at any time thereafter.

In witness whereof the respective Plenipotentiaries have signed the present Treaty and have affixed hereunto their Seals.

Done in duplicate, in the English language, at Dublin this twenty-first day of January, one thousand nine hundred and fifty.

[SEAL] GEORGE A. GARRETT
[SEAL] SÉAN MACBRIDE

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PROTOCOL

At the time of signing the Treaty of Friendship, Commerce and Navigation between the United States of America and Ireland, the undersigned Plenipotentiaries, duly authorised by their respective Governments, have further agreed on the following provisions, which shall be considered integral parts of the aforesaid Treaty:

1. The provisions of paragraph 1 (a) of Article I shall not be construed to affect the policy of Ireland of requiring that aliens intending to be gainfully employed in Ireland may be permitted entry only if the appropriate employment permits have been granted. However, in keeping with the terms of that subparagraph, the alien employment permits and registration systems of Ireland shall be applied in a liberal fashion with respect to persons occupying responsible positions in American undertakings carrying on trade between the two countries or possessing particular skills necessary for the efficient operation of such undertakings.

2. Notwithstanding the provisions of Article I, paragraph 1 (a), either Party may extend to nationals of third countries special advantages, on the basis of reciprocity, as to requirements concerning travel documentation.

3. The exemption from compulsory military service referred to in paragraph 1, Article III, shall not apply to nationals of either Party who are also nationals of the other Party and who for the time being are within the jurisdiction of such other Party.

4. The term "access to the courts" is used in Article VI, paragraph 1 (c), without prejudice to the right of a court of either Party to order a company of the other, suing or applying to it, to give security for costs where such company fails to show that it has substantial available and sufficient assets within the jurisdiction of such court. Moreover, when a company of either Party is plaintiff in a court of the other, it may be required, in its writ of summons, to give its address, which must be that of its domicile or residence, and not merely that of its place of business.

5. It is understood that companies of either Party not engaged in activities within the territories of the other Party shall enjoy access to the courts therein, under Article VI, paragraph 1 (c), without any requirement of registration or domestication.

6. The provisions of Article VI, paragraph 3 (b), shall not apply to mining activities.

7. The provisions of Article VIII, paragraph 2, providing for the payment of compensation shall extend to interests held directly or indirectly by nationals and companies of either Party in property which is taken within the territories of the other Party.

8. Either Party, subject to any obligations it may have as a member of the International Monetary Fund, may deal with a stringency of foreign exchange by adopting all such measures of exchange control as may be necessary from time to time in a manner which departs from the provisions of paragraphs 2 and 4 of article XVII. However, such measures shall depart no more than necessary from the provisions of said paragraphs and shall be conformable with a policy designed to promote the maximum development of non-discriminatory foreign trade and to expedite the attainment both of a balance of payments position and of reserves of foreign exchange which will obviate the necessity of such measures. A Party may also, notwithstanding Article XII, paragraph 2 (b) and 2 (c), apply quantitative restrictions on imports that have effect equivalent to exchange restrictions applied pursuant to the preceding sentences of the present provision. A Party resorting to the present provision shall consult with the other Party at any time, upon request, as to the need for and application of restrictions thereunder, and shall give the other Party as much advance notice as practicable of prospective new or substantially increased resort thereto.

9. The provisions of Article XII, paragraph 2 (b) and 2 (c), shall not obligate either Party with respect to the application of quantitative restrictions on exports necessary to secure, during the post war transition period, the equitable distribution among the several consuming countries of goods in short supply.

10. The provisions of Article XIV, paragraph 2 (b) and 2 (c), and of Article XVIII, paragraph 4, shall not apply to postal services.

11. Notwithstanding any national treatment provision of the Treaty, Ireland may continue to apply: (a) the differential in the annual road tax in favour of automobiles assembled in Ireland, from parts of whatever origin; and (b) the rebate in the tax on leaf tobacco used in plants controlled by resident Irish nationals. Ireland shall afford opportunity to the United States of America to consult with regard to any proposed increase in the presently existing margin of differential in respect of either of the foregoing.

12. Conformable with the principle that treaty commitments are to be construed in the light of international law, the right of refuge of war vessels in time of war (Article XVIII) is subject to the generally recognised rules of neutrality. Moreover, nothing in Article XIX shall operate to confer at any time on the members of the armed forces, on active service or in uniform, of either Party, or on the warlike stores of either Party, rights of entry or transit to or through the territories of the other Party inconsistent with the recognised rules of international comity.

13. The provisions of Article XX, paragraph 3 (a), shall apply in the case of Puerto Rico regardless of any change that may take place in its political status.

In witness whereof the respective Plenipotentiaries have signed this Protocol and have affixed hereunto their Seals.

Done in duplicate, in the English language, at Dublin, this twenty-first day of January, one thousand nine hundred and fifty.

[SEAL] GEORGE A. GARRETT
[SEAL] SÉAN MACBRIDE

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MINUTES OF INTERPRETATION CONCERNING TREATY OF FRIENDSHIP, COMMERCE AND NAVIGATION BETWEEN THE UNITED STATES OF AMERICA AND IRELAND, SIGNED AT DUBLIN, JANUARY 21, 1950.

The following notes record the common understanding of the representatives of the United States of America and Ireland with regard to certain questions of interpretation that arose during the course of negotiating the provisions of the Treaty of Friendship, Commerce and Navigation between the two countries, signed this day:—

Ad Article I, paragraph 2 (e)—

The word "material" is not limited to that intended for printed publication, but includes material for radio, photographic and other uses.

Ad Article I, paragraph 3—

This provision refers, inter alia, to provisions in the immigration laws prescribing grounds for excluding or expelling particular individuals.

Ad Article III, paragraph 1—

Nothing in this paragraph shall be construed to prejudice the right of either Party to bar from acquiring its citizenship persons who avail themselves of the exemption therein provided.

Ad Article VI—

The word "commercial", as used in this Article, does not extend to the fields of navigation, aviation, communications or public utilities. It relates primarily, though not exclusively, to the buying and selling of goods and activities incidental thereto.

Ad Article VI, paragraph 4—

With reference to the first sentence, it is understood that acquisition of ownership interests in manufacturing and processing enterprises will not be restricted to a greater degree than required by the Control of Manufactures Acts 1932 and 1934; and that these Acts will be applied in a liberal spirit.

Ad Article VII—

The provisions of this Article are to be construed without prejudice to those policies followed by the United States Alien Property Custodian in disposing of certain formerly enemy-owned enterprises which are designed to prevent such enterprises from returning to the ultimate control, directly or indirectly, of World War II enemies of the United States.

Ad article VII, paragraph 2—

The materials referred to include such things as firearms, explosives, poisons and habit-forming narcotics.

Ad Article VIII, paragraph 2—

The second sentence is not intended to require indemnification in cases such as confiscation of contraband and distraint for nonpayment of taxes or debt.

Ad Article XII, paragraph 2 (a)—

The word "sanitary" as used here has reference to the protection of human, animal or plant life or health.

Ad Article XIII, paragraph 1—

The term "administrative rulings of general application" has reference to such as are calculated to enable traders to have the information they legitimately need in order that they may plan their business with foresight. The term is not intended to apply to rulings having to do merely with the internal functioning of the public administration.

Ad Article XV, paragraph 3—

Nothing in this Treaty shall be construed to supersede any provision of the reciprocal arrangement between the United States and Ireland for relief from double income tax on shipping profits effected by an exchange of

Notes signed August 24, 1933 and January 9, 1934.

Ad Article XVII, paragraph 3—

This paragraph refers to the treatment granted to nationals and companies of either Party under such exchange restrictions as may be enforced from time to time by the other Party conformable with the other provisions of the present Treaty.

Ad Article XVII, paragraph 5—

It is understood that the term "reasonable provision" allows either Party, during periods of exchange stringency, to apply exchange restrictions necessary to assure the availability of foreign exchange for payments of goods and services essential to the health and welfare of its people, and also allows consideration to be given to special needs for other exchange transactions.

Ad Article XXII—

Territories under the authority of either Party merely by reason of temporary military occupation are not included.

Ad Minutes of Interpretation.

These are designed to clarify mutual intent, and do not constitute commitments altering the terms of the Treaty.

GAG.
SMACB

DUBLIN, *January 21, 1950.*

Mr. THOMAS of Utah. Mr. President, this is a treaty of friendship, commerce, and navigation between the United States and Ireland. The treaty should be ratified.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I am glad to yield.

Mr. DONNELL. I shall not object to the treaty now under consideration. I want to make it perfectly clear, if I can at this time, however, that my request that the previous treaty go over is not intended at all to imply any opposition to it. It is simply to give me an opportunity to examine it. I want that made perfectly clear in the RECORD.

Mr. THOMAS of Utah. The Senator from Utah understands that entirely.

The VICE PRESIDENT. The treaty is open to amendment. If there be no amendment to be proposed, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification will be read.

The legislative clerk read as follows:

*Resolved (two-thirds of the Senators present concurring therein),* That the Senate advise and consent to the ratification of Executive H, Eighty-first Congress, second session, a treaty of friendship, commerce, and navigation between the United States of America and Ireland, together with a protocol relating thereto, signed at Dublin on January 21, 1950.

By unanimous consent, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the treaty is ratified.

The calendar of treaties has been concluded, with the exception of the one with Uruguay, which went over.

Are there any executive nominations to be considered?

Mr. MYERS. The nominations on the calendar have been passed over, Mr. President.

## LEGISLATIVE SESSION

Mr. MYERS. I now move that the Senate return to the consideration of legislative business.

The motion was agreed to, and the Senate proceeded to the consideration of legislative business.

## PROTECTION OF GOVERNMENT AGAINST COMMUNISTS AND SUBVERSIVE GROUPS

Mr. McCARTHY. Mr. President, earlier this afternoon, under a time limitation, I commenced the discussion of our situation in Korea. I was unable to complete that discussion. I ask unanimous consent to have the remarks I made earlier this afternoon appear with the remarks which I am about to make at this time.

The VICE PRESIDENT. Without objection, it is so ordered.

(Mr. McCARTHY's entire speech is as follows:)

Mr. McCARTHY. Mr. President, at this very moment GI's are consecrating the hills and the valleys of Korea with American blood. But all that blood is not staining the Korean hills and valleys. Some of it is deeply and permanently staining the hands of Washington politicians.

Some men of little minds and less morals are today using the Korean war as a profitable political diversion, a vehicle by which to build up battered reputations because of incompetence and worse.

The American people have long condemned war profiteers who promptly crowd the landscape the moment their Nation is at war. Today, Mr. President, war profiteers of a new and infinitely more debased type are cluttering the landscape in Washington. They are political war profiteers. Today they are going all-out in an effort to sell the American people the idea that in order to successfully fight communism abroad, we must give Communists and traitors at home complete unmolested freedom of action. They are hiding behind the word "unity," using it without meaning, but as a mere catch phrase to center the attention of the American people solely on the fighting front. They argue that if we expose Communists, fellow travelers, and traitors in our Government, that somehow this will injure our war effort. Actually, anyone who can add two and two must realize that if our war effort is to be successful, we must redouble our efforts to get rid of those who, either because of incompetence or because of loyalty to the Communist philosophy, have laid the groundwork and paved the way for disaster.

The pattern will become clearer as the casualty lists mount. Anyone who criticizes the murderous incompetence of those who are responsible for this disaster, anyone who places the finger upon dupes and traitors in Washington, because of whose acts young men are already dying, will be guilty of creating disunity.

Already this cry has reached fantastic pinnacles of moronic thinking. Take, for example the local Daily Worker, that is, the Washington Post. The other day this newspaper ran an editorial in effect accusing the University of California of injuring the war effort by discharging 137 teachers and other employees who refused to certify that they were not members of the Communist International conspiracy. This, Mr. President, would be laughable if it came merely from the Communist Party's mouthpiece, the New York Daily Worker, and its mockingbirds like the Washington Post. Unfortunately, a few of the Nation's respectable but misguided writers are being sold this same bill of goods, namely, that to have unity in our military effort the truth about Communists at home must be suppressed.

I should like to call the attention of those misguided individuals to three simple facts:

First. Highly placed Red counselors in the State Department are far more deadly than Red machine-gunners at Suwon. Those Red counselors, by blending treachery into policy, can enslave entire nations, while the Red machine-gunners at the most can kill only hundreds or thousands.

Second. If unity is to be purchased by coddling and protecting saboteurs and Communists, then the cost is far, far too high.

Third. We need not worry about having the American people unified behind any sensible anti-Communist program. The American people were unified against international communism long before the President decided to act against communism on the military front.

Unfortunately, so far his actions against communism are directed only to the military effort. In fact, it was only the unity of purpose of the American people that finally forced the President to disregard the advice of that group of Communists, fellow travelers, and dupes in our State Department—a group who make Benedict Arnold look like a piker.

The American people are unified, not behind the Achesons, Lattimores, and Jessups, who have been selling our allies into communistic slavery, but unified behind the kind of thinking represented by MacArthur.

Republican Members of the Senate, such as the Senator from Ohio [Mr. TAFT], the Senator from Maine [Mr. BREWSTER], the Senator from California [Mr. KNOWLAND], the Senator from Michigan [Mr. FERGUSON], the Senator from South Dakota [Mr. MUNDT], and others have long urged that this Nation take steps to stem the flow of communism which was rolling across Asia and out into the Pacific. Mr. Truman has at a dangerously late date decided to follow the advice those men have been urging upon him for years. We welcome him even at what may be a disastrously late date.

However, we do not welcome the motley crowd that he is bringing with him to put into effect this program, the type

of program against which they have dedicated themselves throughout their careers in the State Department. How can the Congress or the American people trust the shaping of this new program to men who have opposed it and who have either permitted or planned disaster to America in both the east and west?

One inescapable fact is that either Acheson has been wrong up until the Korean war started, or Truman is now wrong. Both cannot have been right. When Acheson sabotaged and vetoed the attempt of the Congress to fortify South Korea and to give aid to Chiang's anti-Communist forces on Formosa, either he was wrong then, or Truman is wrong now in extending the aid which Acheson has long opposed. Both cannot be right. Gentlemen, that follows as the night follows the day.

Either Acheson was wrong when he referred to the suggestion of the Senator from Ohio [Mr. TAFT] that we aid the anti-Communist forces on Formosa as a "silly venture" or, if Acheson was then right, the President is now engaged in a "silly venture."

It is absolutely preposterous that a man who has fought and publicly castigated every anti-Communist group in the Far East should now be placed in a position of considerable power over this program to aid those very groups whom he has so vigorously and viciously opposed. What is more, it is an insult to the intelligence of our military men to ask them now to shape their plans to suit the Acheson crowd who have greatly endangered the success of the present military operations by sabotaging the efforts of the Congress to build up the defense of the anti-Communist forces on Formosa and Korea and to do with weapons and the native anti-Communists the task which because of State Department sabotage now is being done with American blood.

The 152,000,000 American people feel that Truman is right in joining those of us who have opposed the coddling of Communists in the East even though he joins up at a dangerously late date. Therefore, in the eyes of those 152,000,000 American people Acheson has been wrong and has no right to represent and speak for them.

Mr. President, it is time to serve notice upon the Communists, fellow travelers, and dupes that they are not going to be able to hide and protect themselves behind a war which would not have been necessary except for their acts.

The American people realize that we cannot invoke a moratorium on fighting Communists and traitors at home, any more than we can invoke a moratorium on fighting them abroad, without completely disastrous results.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Does the Senator from Wisconsin yield to the Senator from Missouri?

Mr. McCARTHY. I am glad to yield.

Mr. DONNELL. Does the Senator take the view that the common defense, provision for which is one of the purposes set forth in the preamble of the Constitution of the United States, may consist quite appropriately in adequate defense within our borders against subversive influences, as well as in adequate defense against attack against our country from external sources?

Mr. McCARTHY. I think unquestionably that is so.

Frankly, Mr. President, I think the Communists within our borders have been more responsible for the success of communism abroad than Soviet Russia has been responsible for that success. I strongly feel, and I do not think there can be any question about it, that had it not been for the planners in our State Department, who went along 100 percent with Stalin in Poland and who went along 100 percent with him in Asia, the entire face of the world would have a different complexion, as of today.

I agree with the historian who once said:

> If this Nation is ever destroyed, it will not be destroyed by enemies from without, but by enemies from within.

Over the last few years, we have seen how dangerously true those words have been.

Mr. President, let us consider briefly what the Pied Pipers for Disaster have done to this Nation. Let us examine the facts and see if the blood that is being shed in Korea is upon the hands of the men who now shout that we must leave them alone or else we shall not have unity in the war effort.

Over a year ago the United States Congress—Democrats and Republicans alike—realizing the potential danger of the situation in the east, voted $75,000,000 to rearm our few remaining allies in that area. That was not a political matter at that time. There was almost a unanimous vote by every Democrat and Republican in both the Senate and the House of Representatives. That was done in the hope that in this way we could save the lives of American boys who today are dying. The President signed the bill. Apparently it had the wholehearted approval of the President. So, we had almost completely unanimous action on the part of the Nation's highest elected officials—the House, the Senate, and the President. That is where the crew of today's unity seekers suddenly stepped in. Because of them, not one cent of that money went to fortify South Korea; not one ounce of gunpowder, not a single bullet, went to Formosa.

Last year the Congress voted $10,500,000 specifically for the purpose of setting up a defense in South Korea, and a total of $27,600,000 to strengthen the anti-Communist defenses of the Philippines, Iran, and Korea. Again that action was practically unanimous on the part of both Republicans and Democrats. It was a realistic program. The Congress saw the Communists sending the latest type tanks, antitank weapons, airplanes, and artillery into North Korea.

Our intelligence agencies were warning of an invasion of South Korea. The Congress acted. The President agreed, and signed that bill. But again the State Department planners stepped in—and how much of that money was spent in Korea? How many antitank weapons, how many tanks, how many airplanes, how many artillery weapons were sent to Korea? The answer is that none were sent there. The only part of that $27,000,000 spent was $200 in connection with $52,000 worth of wire, which has not yet arrived in Korea.

Mr. President, the men who sabotaged the intent of the Congress are today screaming to high heaven that if they are exposed, if the bright light is diverted toward their acts, then our unity of effort is endangered.

Mr. President, in that connection I should like to call attention to what the great architect of our Far Eastern policy had to say, not 2 years or 5 years ago, but on the 17th day of July 1949, as quoted in Compass—Owen Lattimore, who had been advising the State Department—and this is a direct quotation:

> The problem in Korea is to allow Korea to fall, but not to let it appear that we pushed her.

That is the program that Acheson and his crowd accepted lock, stock, and barrel. That is the program they put into effect, until President Truman made the sudden change of policy 4 or 5 days ago.

If the program of Owen Lattimore—the program of allowing our friends to fall, but not making it appear that we were pushing them—had not been bought and put into effect by the State Department, the blood of American boys would not be consecrating the hills and valleys of Korea today.

Mr. President, today the same columnists who have always headed the smear brigade against those who would expose Communists and traitors at home, have now wrapped themselves in the American flag and are attempting to convince the American people—by some strange, twisted reasoning—that the best way to aid our fighting men is to protect the traitors who are responsible for sending them almost bare-handed against tanks in the mud of the valleys of Korea.

As Samuel Johnson said:

> Patriotism is the last refuge of a scoundrel.

Mr. President, I think it is time for this Congress and for the 152,000,000 normal American people to serve notice that we can successfully fight a war abroad and at the same time can dispose of the traitorous filth and the Red vermin which have accumulated at home.

Mr. President, at this time I ask unanimous consent to have printed in the RECORD an address delivered by our very able colleague, the Senator from New York [Mr. IVES], at the thirty-first annual encampment of the New York State department, Veterans of Foreign Wars, on Monday afternoon, July 3, 1950, at Rochester, N. Y.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR IRVING M. IVES AT THE THIRTY-FIRST ANNUAL ENCAMPMENT OF THE NEW YORK STATE DEPARTMENT, VETERANS OF FOREIGN WARS, JULY 3, 1950, ROCHESTER, N. Y.

Despite the momentous developments in Korea of the past few days, I wish to give assurance right now that I have no intention of inflicting upon you a lengthy and a de-

tailed analysis of the very grave crisis with which we find ourselves confronted as a result of recent events in that part of the world. This I leave to far-eastern experts—if there are any. May they know—at long last—whereof they speak.

As a layman and as a veteran, however, I shall comment briefly on Korea, insofar as that vital topic pertains to and is a part of the over-all subject which I shall discuss with you today.

First of all, I would note that the President of the United States fully deserves the ringing expressions of support which he has received from the majority of American citizens for his courageous act in ordering America's air and sea and land forces to give cover and support to the South Korean armies. Led at last by Mr. Truman, our Nation has finally shown that it has the backbone to take a definite stand in Asia.

And no matter what the cost on our part, no matter what the toil or what the sacrifice, it is imperative that that stand be maintained and reinforced if we are to prevent the Communist aggressors from so effectively isolating our Nation that we shall be powerless to cope with them in a showdown.

United and resolute now, we cannot afford to weaken. Our very existence as a free and independent people hangs in the balance.

The President's statement on Korea last Monday was an historic one. But it was a very belated one.

Crying over spilt milk never recovered it. And past errors cannot solve present problems.

But we can learn from our mistakes of the past. And to survive as a world power we must learn from them. We must learn to hit communism and to hit it hard whenever it raises its ugly head and strikes at free peoples anywhere in the world.

As all of us know, insofar as Europe is concerned, partisan politics have played a negligible part in the conduct of our foreign policy. As a result, that policy has been strikingly successful.

In France and in Italy, the rising tides of international communism, which shortly after the war threatened to engulf these nations, have now receded. The Soviet attempt to oust the occupying powers of the west from Berlin was frustrated completely when the new famous Berlin airlift demonstrated our determination to remain in that city. The Communist threats to the territorial integrity of Greece, Turkey, and Iran were turned back largely as a result of an American policy which had the strong backing of both major political parties. Finally, a bipartisan American foreign policy resulted in the signing of the North Atlantic Treaty and the negotiation of the military assistance agreements which put teeth in that treaty.

These achievements are the genuine products of an absence of partisan politics in foreign affairs.

Turning toward Asia, however, where there has been a notable lack of bipartisanship and where partisan politics have so crippled American policy that in effect there has been no policy, what do we find? China securely locked behind the iron curtain; southern Korea—the last continental foothold of freedom in eastern Asia—in very grave jeopardy; Formosa secure only so long as United States naval vessels protect it; a Communist-inspired civil war in French Indochina; civil war in Burma; Communist-directed unrest and rebellion in Thailand, in Malaya, in Indonesia, and even in the Philippine Islands. In short, in Asia we are in what can only be termed an utter mess.

Partisan politics—rank, shameless, unforgivable partisan politics—have resulted in an American foreign policy with respect to Asia which as been blighted by weakness, indecision, vacillation and—most reprehensible of all—appeasement.

Must we in this country always have to learn the hard way?

We want no little men with umbrellas, and umbrella minds to boot, conducting our foreign affairs. We want no scraps of paper brought back from distant places and waved in our faces as naive assurance that we are secure from aggression.

Appeasement of aggressive totalitarianism is as wrong now as in 1939. Such appeasement can lead to only one of two results: Outright war or abject surrender. Neither is inevitable.

But to avoid war and to avoid surrender we need an Asiatic policy which is permanently strong, permanently definite, and permanently reliable. We need an honest confession of past errors, a frank recognition of present actualities, and a sound formulation of future courses of action.

And before we can have these things, we must have, once and for all, the removal of every shred of political partisanship from this vital area of our affairs.

This same atmosphere of political factionalism which has proved so disastrous to this country's position in Asia threatens to affect equally adversely another aspect of our national security.

And because this is an aspect of security which is often neglected in any consideration of over-all national preparedness, I should like to discuss it in some detail.

In this connection I read the following, which should be familiar to some of you:

"*Resolved*, That we go on record as being totally opposed to the employment or appointment of any individual in any governmental position against whom any justifiable suspicion as to his or her loyalty to the United States may exist; and further

"*Resolved*, That we demand that Congress exert every effort to rid our Government of personnel whose loyalty is questionable."

Those words were taken from a resolution adopted at the Fiftieth National Convention of the Veterans of Foreign Wars at Miami, Fla., last August.

As all of us well know, the Congress has been responding to the demand that it "rid our Government of personnel whose loyalty is questionable." Both the House of Representatives, largely through its Committee on Un-American Activities, and the Senate, acting through special subcommittees, have been and even now are conducting investigations of subversive activity within the Government.

Let me say here and now in this connection that every honest effort to clean up the Amerasia case and to track down every lead regarding subversive activities which has been brought to the attention of the Congress should be supported and continued—without equivocation and without compromise. These tasks must be completed. They must be completed thoroughly; they must be completed effectively; they must be completed to the satisfaction of the American people.

During the course of these investigations, however, the Members of the Congress have found that they have on their hands a real problem besides the one of exposing and rooting out Communists in the various agencies of the Government.

This particular problem concerns the method by which we can combat subversion without at the same time destroying certain traditions of our way of life which we can ill afford to destroy.

One of these traditions involves our Nation's long-established acceptance of the fundamental principle of Anglo-Saxon jurisprudence that a man is innocent until he is proved guilty. Another is that not every end justifies any means. These are concepts which are basic to our American heritage. They must, therefore, continue to flourish in all their vigor.

How, then, can we defend America without sacrificing the finest that is American? How, in other words, can we ambush and exterminate the enemy without being caught in our own cross-fire? It is, you will admit, a very ticklish and a very grave problem. It is also one which we must face and solve, one which we must face and solve now.

Happily we have already been successful in establishing several beachheads in this area. These take the form of proposals recently advanced both from within and without the Congress. All of them are designed to enable us to dislodge disloyal elements from the Government without trespassing on the rights of loyal, patriotic American citizens.

Senator HENRY CABOT LODGE last April introduced in the Senate a bill calling for the establishment of an investigating Commission which would conduct strictly confidential investigations of disloyalty in the Government. This Commission would be composed of 12 members, equally divided between Republicans and Democrats.

Another solution was offered recently by Senator ELBERT D. THOMAS of Utah and myself. Last month Senator THOMAS and I introduced in the Senate a bill which would provide for the creation of special investigating commissions to examine exceptional administrative problems in the executive branch of the Government. Such commissions would be seven-member bodies consisting of two Senators, two Representatives, and three private citizens to be chosen from a bipartisan panel appointed by the President and confirmed by the Senate. No more than four of the seven members would belong to either of the major political parties.

Both of these proposals are aimed to eliminate communism and corruption from our Government without imperiling in any way our democratic way of life.

The two objectives—the removal once and for all of the sinister and insidious threat to our internal security inherent in international communism and corrupt politics, and the preservation of the rights of the individual—long have been paramount goals of the Veterans of Foreign Wars.

This traditional concern of our organization was most eloquently expressed on a recent occasion by Omar B. Ketchum, director of the national legislative service of the VFW.

Testifying last March before the House Committee on Un-American Activities, Mr. Ketchum made the following statement:

"For many years the Veterans of Foreign Wars has concerned itself with the danger to our democratic institutions and our way of life by the constant and continual pressure of the international Communist movement in this country. The Americanism and national security committees of our national conventions for years past have labored over the problem of how to properly defend ourselves from the inroads of this insidious movement and still retain, strong as ever, these fundamental concepts of our bill of rights."

The proposals which I reviewed briefly a moment ago are not, of course, the only ones which have been made in this connection. Others have been advanced—many others. It is reassuring that so much concern is being shown by so many Americans in the solution of this problem.

But the presence of Communists in our governmental agencies is an inevitable consequence of the presence of Communists in our midst.

And no matter how many proposals of how many different kinds are advanced to deal intelligently with this grave threat to our internal security, Communist infiltration into our State and Federal Governments will continue as long as there remains in our

society a sufficiently large number of leftist-oriented people to serve as a source for that infiltration.

This fact puts the responsibility for the removal of this danger squarely up to you and me as individual citizens.

As the resolution adopted by the VFW last year at Miami, Fla., to which I earlier referred, and as the statement of Past Commander Ketchum which I just quoted both indicate, organizationally the Veterans of Foreign Wars long has been at the forefront of the attack on communism in this country.

It is, however, as individuals that we—you and I—can be most effective in choking off at the grass roots the pernicious influences of communism.

We can do this in a number of important ways. As voters we must exercise the greatest possible caution in the selection of our governmental officials. As members of our community we must be equally careful and equally selective in our sponsorship and support of civic organizations and civic undertakings. As citizens we must be diligent and thorough in noting and reporting to the proper authorities any evidence we may discover of subversion in public life.

Our greatest responsibility in this regard, however, is to the young people of our communities.

The evil which is communism breeds best among the young. They—our children and our neighbors' children—are the ones most easily enticed by the false glamor of radicalism in any form.

Our young people can be subverted in a great many apparently innocuous ways: By motion pictures they see; organizations they join; newspapers, periodicals and books they read; summer camps they attend; lectures they hear; company they keep—in ways almost without number. No activity in which our Nation's youth now participates can be considered immune from Communist influence, so persistent and so pervasive is that influence today.

This, then, is our particular obligation as individuals—to protect the youth of our communities. No greater challenge lies before us. No greater insurance of our Nation's freedom can be sought.

The war we are waging against communism is a two-front war—domestic and international. And if, at either front, if in Korea or if in our own neighborhood, we allow ourselves to become disunited or divided, we shall collapse as completely as the Third French Republic collapsed before the German invader in 1940.

The fall of France in 1940 is attributable to a good many causes: poor planning on the part of the French general staff, lack of air support for the French ground troops, the surprising ability of the German armored units to skirt the Maginot line, and others. But no single factor contributed more substantially to the defeat of France than the ceaseless and bitter wrangling and strife which enervated French national life during the prewar years.

In our all-out war against communism loyal Americans everywhere must close ranks and stay so. As we strive to fulfill this vital purpose, let there be among us no politics nor personal ambitions nor any other obstacles to block the way.

Both individually and as an organization, we, the Veterans of Foreign Wars, have a reputation for getting things done.

We now have what is perhaps the biggest job of all before us—the job of helping to lead the American people in a completely united assault on the internal and the external Communist menace to our Nation's existence.

Here, indeed, is an unprecedented opportunity to perform an indispensable task. Here, indeed, we can repeat as civilians the magnificent service which the members of our organization rendered our Nation when they were in uniform.

We have never failed in the past. I am confident we shall not fail now.

Mr. McCARTHY. Mr. President, I should like to read a few portions of that speech, which impresses me very much indeed. I quote briefly the Senator from New York [Mr. IVES] in the speech he made on that occasion:

Turning toward Asia, however, where there has been a notable lack of bipartisanship and where partisan politics have so crippled American policy that in effect there has been no policy, what do we find? China securely locked behind the iron curtain; southern Korea—the last continental foothold of freedom in eastern Asia—in very grave jeopardy; Formosa secure only so long as United States naval vessels protect it; a Communist-inspired civil war in French Indochina; civil war in Burma; Communist-directed unrest and rebellion in Thailand, in Malaya, in Indonesia, and even in the Philippine Islands. In short, in Asia we are in what can only be termed an utter mess.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. McCARTHY. I am glad to yield.

Mr. DONNELL. Does the Senator have in mind that, in connection with the importance of solving the problem of communism domestically, as distinguished from externally, that in event of international conflict in which our country is engaged, if Communists are in the State Department, in the War Department, or elsewhere, in which grave secrets of policy and of plans may exist, there will be a cankerous support within the midst of our country which may involve the disclosure to these people of our plans and thus create not only a national emergency but possibly even national disaster?

Mr. McCARTHY. I heartily agree with the Senator. As I said earlier this afternoon, I feel that the Red planners in the State Department are infinitely more dangerous than Red machine gunners at Suwon. The Red machine gunner can kill hundreds, perhaps thousands; but a Red planner within the State Department can sell out entire nations; and we have seen that done. And to think that we should now keep within the State Department, and put them largely in charge of this new program—and certainly it is a new program, a complete about face in Asia—the new program of now attempting to fight communism over there, this group who have fought that thing, lock, stock, and barrel, to put them in charge of this new program would be almost like unto having the Senator from Missouri in charge of the senatorial campaign of his opponent in Missouri.

As we know, the Acheson-Lattimore-Jessup group took a severe beating when the President made his about face. We know they were temporarily in confusion and consternation. But the forces are being regrouped and, just as certainly as we sit here, their task will now be to sabotage this program, even as they sabotaged—and the record is clear and no one can deny it—even as they sabotaged the program of the Congress when the Congress said, "We will vote $75,000,000," "We will vote $10,000,000," "We will vote $27,000,000 for the defense of Korea." Thinking of course that the money would be used for that purpose. The President signed the bill, and then the State Department got busy so that nothing but a bit of wire went to Korea. As the Senate will recall, when the Senator from Ohio [Mr. TAFT] some time ago pointed out the necessity of giving some aid to the last sizable anti-Communist army in the East, namely, the army of Chiang Kai-shek, Dean Acheson, in his inimitable fashion, publicly labeled that as some sort of "silly venture." So we now have Acheson and his cohorts largely in charge of the planning of what he has several times labeled "a silly venture." If that venture is to succeed, then the President must put someone in charge who does not consider it to be quite so "silly" a venture.

Let me again quote from the speech by the Senator from New York [Mr. IVES] delivered in New York.

He says:

We want no little men with umbrellas, and umbrella minds to boot, conducting our foreign affairs. We want no scraps of paper brought back from distant places and waved in our faces as naive assurance that we are secure from aggression.

Then, going on to another paragraph, he said:

But to avoid war and to avoid surrender we need an Asiatic policy which is permanently strong, permanently definite, and permanently reliable. We need an honest confession of past errors, a frank recognition of present actualities, and a sound formulation of future courses of action.

Then, later on, the Senator from New York [Mr. IVES] said:

In this connection I read the following, which should be familiar to some of you:

"*Resolved*, That we go on record as being totally opposed to the employment or appointment of any individual in any governmental position against whom any justifiable suspicion as to his or her loyalty to the United States may exist; and further be it

"*Resolved*, That we demand that Congress exert every effort to rid our Government of personnel whose loyalty is questionable."

Then, one further paragraph, again quoting the Senator from New York:

Let me say here and now in this connection that every honest effort to clean up the Amerasia case and to track down every lead regarding subversive activities which had been brought to the attention of the Congress should be supported and continued—without equivocation and without compromise. These tasks must be completed. They must be completed thoroughly; they must be completed effectively; they must be completed to the satisfaction of the American people.

I may say, Mr. President, that I heartily agree with the Senator from New York in that statement, and I compliment him for having made that very, very excellent speech.

WHO'S A "FORMOSA-FIRSTER" NOW, FELLOWS?—ARTICLE FROM THE WASHINGTON DAILY NEWS

Mr. BUTLER. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD at this point in my remarks an article appearing in to-

day's Washington News, entitled "Who's a 'Formosa-Firster' Now, Fellows?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHO'S A "FORMOSA-FIRSTER" NOW, FELLOWS?—SENATOR TAFT IS ENJOYING A LAST LAUGH

(By James Daniel)

Six months ago Senator ROBERT A. TAFT was criticized for suggesting that the United States Navy should patrol the straits of Formosa to prevent a Red invasion of that island from the mainland of China.

The United States do-nothing policy toward Chinese communism was a departure from American foreign policy everywhere else in the world, the Ohio Republican said.

After he said his piece, Senator TAFT began collecting clippings of the harsh things that were said against him. On June 27, when President Truman ordered the United States Navy to guard Formosa, incidental to sending aid to South Korea to repel an invasion, Senator TAFT brought out his souvenirs.

HASN'T EXPLAINED

There was the sarcastic comment from Mr. Truman that he didn't know the Ohio Senator was a military expert. And State Secretary Dean Acheson had spoken of "this distinguished statesman" who is "often in error, but never in doubt."

There was the statement by Senator TOM CONNALLY, the chairman of the Foreign Relations Committee, that America had an impregnable line of defense in the Pacific, without Formosa.

Americans for Democratic Action (ADA) called Senator TAFT a "Formosa-firster" and praised Secretary Acheson for his "able enunciation of the administration's realistic Formosa position." ADA said if the "Formosa-firsters believe that propping up a dictatorship on an island outside our main defense line is more important to the United States than nurturing democracy where it has a chance to grow, we demand that they say so publicly." Maybe ADA should now direct the question to Truman instead of TAFT.

UP TO SCHOOLBOYS?

Some Washington newspapers editorially sided with Mr. Acheson against Senator TAFT. For instance:

The Washington Post said Mr. Acheson's reply to Senator TAFT, in a speech to the National Press Club, had "pierced the certitudes which Senator TAFT has imparted into his discussion on far eastern strategy." It said Mr. Acheson was "devastating in his refutation of the thesis that Senator TAFT shares with others that the conduct of our foreign policy should be standardized. A schoolboy, let alone a person of the eminence of Mr. Acheson, could have put up an intelligent case against American adventurism in Formosa." Inasmuch as Mr. Acheson isn't making that case now, perhaps the Post will have to depend on its schoolboys for argument.

The Washington Star called Mr. Acheson's answer to Senator TAFT "brilliant and far-reaching." The Star said it should be "required reading for all Americans who have let their emotions get the better of their heads" over China.

RED AND THE GRAY

To take Senator TAFT's advice on Formosa, the Star said, would be tantamount to what might have been if the British, after the War Between the States, had tried to turn back the tide of history by completely supporting a broken-down, refugee Confederate government in Bermuda.

To the Star's devoted southern readers, this analogy must have been something of a shock. In effect, the Star, which still calls the American Civil War by a euphemism, was asking its readers to accept the view that the China war was just another internal dispute. This time Chiang Kai-shek substituted for the defeated Robert E. Lee and Mao Tse-tung emerged in the role of victorious Abraham Lincoln.

The Communists have been peddling this view of years, with some slight success.

Some columnists were strongly for Mr. Acheson.

Doris Fleeson confided that the Truman doctrine is dead. That, she said, was the true significance of Secretary Acheson's speech.

CATEGORICAL

Miss Fleeson also said it could be "categorically disclosed that (General MacArthur) never considered Formosa as a 'critical' area—which, in military parlance, means one worth the use of force to retain."

Apparently Miss Fleeson failed to categorically disclose it to the general, for he has publicly taken the opposite position.

SPIRITUAL

Without directly alluding to Senator TAFT, columnist Tom Stokes said, "This (the present international contest) is a battle for men's minds and spirits and it can't be won by calling out the Navy and the marines wherever other people are trying to throw off ancient yokes and corrupt regimes."

Having premised his argument on spiritual, as opposed to material grounds, Mr. Stokes quickly disclosed that he is opposed to only one kind of material answer to communism—military force. "For," said he, "the best way to combat communism and Russian imperialism is by raising the economic level" through point 4 and related programs.

Mr. Stokes is a thoroughgoing economic determinist. Had he been alive when the Moors overran Constantinople and stormed the gates of Europe, he probably would have counseled the Pope, the princes, and the people of western Europe to combat Mohammedanism by building TVA's on the Euphrates. And Margaret Truman wouldn't be trying to crash opera today, because she would be in purdah.

MRS. ROOSEVELT, TOO

Mrs. Eleanor Roosevelt joined Mr. Stokes in viewing Senator TAFT's suggestion that the United States Navy not let the Communists take Formosa as a demand that we uphold Generalissimo Chiang Kai-shek's government.

"I cannot quite understand that attitude," said Mrs. Roosevelt. "We have given China both money and goods in the past. We also sent one of our top military advisers in the person of General Marshall to try to persuade the Nationalist Government to follow a policy that would give the people of China a feeling that they were all united in a common effort for reform and improvement.

"It is quite evident that all these questions in Asia are basically economic questions and that the people have to feel that a course is being followed that will raise their standard of living and give them something worthwhile to work for. This was not accomplished by the Chinese Nationalist Government. To draw us into the present civil war seems to me no helpful solution to the Chinese problems."

Mrs. Roosevelt is another economic determinist. Had her counsel prevailed in Europe when Mohammedanism seemed as much the wave of the future as Marxism does now, it is not improbable that the outstanding feminist of this generation would be dispensing her advice to the ladies and eunuchs of a seraglio.

LOGICAL LOWELL

To pass on to another columnist:

Lowell Mellett reached back to pre-World War II to cite Senator TAFT's opposition to President Roosevelt's sending troops to Iceland. Mr. Mellett contrasted Senator TAFT's unwillingness to defend Iceland then and his anxiety to defend Formosa now.

"So much for the logic of the Senator's position," Mr. Mellett wrote. "As for its practical aspects it may be true that 'there is not the slightest evidence that Russia will go to war with us because we interfere with a crossing to Formosa.' Russia could be happy to have us do just that. It would help intensify Chinese hatred of America, and help divert attention from Russia's encroachment on Chinese territory."

So much for the logic of Columnist Mellett's position.

SILLY SYMPHONY

The Chicago Journal of Commerce said Senator TAFT and former President Hoover had added their voices to the let's defend Formosa chorus. "To us," said the publication, "it is a silly symphony. The idea that Formosa is strategically vital has little merit."

The Journal of Commerce said it sought no return to Midwestern isolationism, but it saw no point in "traveling 7,000 miles in search of a quarrel."

Without consulting a table of distances, that is probably the length of the United States-to-Korea supply line, over which United States men and materials are traveling to defend this country, and a good part of the world, in a quarrel which American leaders were perilously slow to admit the existence of.

THEIR VIEW ALL ALONG

How have all the people and papers who damned Senator TAFT 6 months ago reacted since President Truman accepted Senator TAFT's advice?

Generally, by pretending that they were all in on this position from the beginning. Nobody has apologized to poor, dumb, old Bob.

There's been no apology from Harry Truman and no explanation from Dean Acheson. The Washington Post, with the wisdom of hindsight, hailed President Truman as having given the "free world the leadership of which yesterday it stood in desperate need."

"TWO DAYS

"It has almost seemed in the last 2 days as if the American people were crying for leadership to call a halt to the backsliding and to state the American position anew."

The Post editorial apeared June 28. From its language it is apparent that the inhabitants of the Post's ivory tower first became conscious that the American people were impatient of backsliding only 2 days before, i. e., June 26.

The Post utterly failed to mention that only 6 months ago it characterized Senator TAFT's suggestion to draw a line in Asia as "adventurism."

"KEY POINT" NOW

The Washington Star had the grace to admit that the decision to defend Formosa was a reversal of policy for President Truman and Secretary Acheson, but not to recall that the Star also was reversed.

Six months ago the Star said that Formosa had very doubtful strategic value. However, Star readers now are advised that "regardless of what may or may not happen to Generalissimo Chiang, Formosa will be one of the key points in the Asiatic defensive line of the United States and the free world as a whole."

The columnists have been falling in.

CONVENIENT FORGETTERY

Mrs. Roosevelt has avoided explaining her stand on Formosa apparently by conveniently forgetting it. She was "very glad when the United Nations called for joint cooperation against Korea." But she quarreled with two unnamed columnists who had suggested that the State Department was taken by surprise by the Korean invasion.

"My own feeling," said Mrs. Roosevelt from Paris, "is that we must have been aware of the activities which must have been going on in northern Korea. But being hopeful that possibly wiser counsel would prevail upon the influences which controlled them in North Korea, we naturally took no action which would have been called aggression."

Mrs. Roosevelt hoped the Soviets would join the other UN members and protect the freedom of South Korea as the UN Security Counsel has requested. They more than anybody else can bring pressure to bear on the Northern Korean armies.

Even as Mrs. Roosevelt hoped, the Russians flatly rejected a United States request to use their influence to end the Korean conflict.

MORE INSIDE DOPE

Doris Fleeson hurried back with more inside dope. This time, she had General MacArthur and other Americans on the scene warning that the Korean situation was deteriorating so fast it would be all over before the United Nations could act.

Miss Fleeson was even able to give the approximate hour when Truman tired of the picture Russia was creating for the world of an indecisive, outfoxed America. It happened between dinner time and 10 p. m. last Monday. By that hour, Miss Fleeson disclosed, "Russian insolence had dissolved the accepted policy of letting the dust settle in Korea."

Tom Stokes settled his personal problem of how to square himself with the new situation by writing a color piece, hitched to a year-old picture of a group of North Korean officials making a grim, familiar pilgrimage to Moscow.

TOM'S RECOLLECTIONS

The old photograph recalled many things to Mr. Stokes that apparently had not occurred to him before—Kaiser Wilhelm, the madman Adolf Hitler, the theatric Mussolini, the poker-faced Jap warlords and now the "dour Joe Stalin and his somber crowd, who plot their plots and push their dupes around the map, like gnomes of evil in a cave."

But Mr. Stokes also recalled that this century has produced "some of history's great idealists—Woodrow Wilson, Lord Cecil, Aristide Briand, Jan Smuts, Franklin D. Roosevelt" and now Harry Truman, "a leader who has dared to stand up and say 'enough' and to put spine into a United Nations that, until now, has been weak and wobbly."

Mr. Stokes had no realistic appraisal to offer of the national and international political pressures which forced Mr. Truman to act when he did (these had been touched on hastily by Miss Fleeson and at length by Marquis Childs). Nor had he any kind words for others in the country who helped put spine into our foreign policy.

But he praised Mr. Truman for his "great gamble" and said, "he has taken his stand—and so have we, come what may."

MELLETT IS ANGRY

Lowell Mellett held his fire until July 4. Then in an appeal for unity at the water's edge he savagely attacked Senator TAFT for his recent suggestion that Mr. Acheson was not the ideal person to administer the new foreign policy. Mr. Mellett also urged a "moratorium" on TAFT speeches and "muzzling" of those who are unsatisfied by the Tydings committee's handling of the Amerasia case.

The Star, rather unkindly, juxtaposed Mr. Mellett's piece with a column by Dottie Thompson, headed "Intelligentsia Act Like Imbeciles in a Crisis."

Bumptious HUBERT HUMPHREY, of Minnesota, who is the mouthpiece for Americans for Democratic Action in the Senate, rescued that organization from its embarrassing position. Dashing to the forefront of the patriots, Mr. HUMPHREY declared, "The vast majority of Americans support the President and his action in the Korean crisis."

Now a "Korea Firster" of the fustest, Mr. HUMPHREY sagely gave the Senate "my considered judgment that we shall have a plague of these crises, a plague that will be directed and master-minded by the evil men in the Kremlin and in the Politburo."

INFREQUENT CALLING OF THE CALENDAR

Mr. HENDRICKSON. Mr. President, in the light of the world-shaking events which confront us today, what I am about to say, the remarks which I have in mind at the moment, will probably sink into insignificance; but they do affect to a degree the internal functions of the United States Senate. I hope that, because they do, they will not only have the attention of Members of this body who are now present but that they will be carefully considered by Senators who are absent.

These remarks are the result of some considerable time spent on the calendar of the Senate—not too pleasant a duty, to say the least, but a duty which has some real importance in the functions of the legislative processes with respect to what is ordinarily considered minor legislation.

Mr. DONNELL. Mr. President, will the Senator yield, that I may make a statement of but a sentence or two, by way of comment, at this point?

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Missouri?

Mr. HENDRICKSON. I yield gladly to the Senator from Missouri, with the understanding that I do not thereby lose the floor.

Mr. DONNELL. Mr. President, I desire to make but this very brief statement. I am sure some of us have observed—perhaps all of us—with much interest and with real appreciation the fine service that has been rendered by both the Senator from New Jersey [Mr. HENDRICKSON] and the Senator from Kansas [Mr. SCHOEPPEL], who, as I understand, have collaborated in connection with calendar matters, on behalf of the minority in the Senate. I take this opportunity of expressing at this point the appreciation of at least one Senator, in which expression I believe many other Senators will join, of the very fine work which has been done and the very important service which in my opinion has been rendered by these two Members of the Senate.

Mr. HENDRIGKSON. Mr. President, I thank the distinguished Senator from Missouri.

Mr. President, 6 months have now elapsed since the commencement of the second session of the Eighty-first Congress.

During that time there have been only four calls of the Consent Calendar. The last two calendar calls were held in June, namely, on June 8 and June 16. The other two were held respectively, on February 1 and on April 19.

A compilation has been made of calendar calls during this Congress and the Republican Eightieth Congress—that famous Eightieth Congress, about which we hear so much. A comparative analysis of such data, which I shall ask to have inserted at the conclusion of my remarks, discloses that while the Senate has been limited thus far during this session to only four calendar calls, there were a total of eight such calls during the first session of the Eighty-first Congress, through the month of June 1949.

In the Eightieth Congress, first session, there had been 12 calendar calls by the end of June 1947. During the 5½ months of the second session of the Eightieth Congress, which adjourned sine die on June 19, 1948, there were a total of 16 calendar calls.

It is submitted that the figures which are quoted clearly establish the fact that the lack of frequency and the lack of regularity of calendar calls during this session have had no precedent in the postwar period. Moreover, this lack of frequency and of regularity of calendar calls would seem to violate both the spirit and the letter of our Senate rules with respect to that aspect of its legislative activity.

We find in rule VII, clause 3 of the Standing Rules of the Senate the requirement that—

> On Mondays the calendar shall be called under rule VIII.

Rule VIII of the Standing Rules of the Senate is no doubt familiar to all Senators, but in the interest of completeness of this presentation, it is set forth herein, as follows:

> At the conclusion of the morning business for each day, unless upon motion the Senate shall at any time otherwise order, the Senate will proceed to the consideration of the Calendar of Bills and Resolutions, and continue such consideration until 2 o'clock; and bills and resolutions that are not objected to shall be taken up in their order, and each Senator shall be entitled to speak once and for 5 minutes only upon any question; and the objection may be interposed at any stage of the proceedings, but upon motion the Senate may continue such consideration; and this order shall commence immediately after the call for concurrent and other resolutions, and shall take precedence of the unfinished business and other special orders. But if the Senate shall proceed with the consideration of any matter notwithstanding an objection, the foregoing provisions touching debate shall not apply (Jefferson's Manual, sec. XIV).

Mr. President, I ask that there be included in the RECORD at this point Senator Hoar's resolution on this subject presented on August 10, 1888.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

> Mr. Hoar submitted the following resolution; which was considered by unanimous consent and agreed to:
>
> *"Resolved,* That after today, unless otherwise ordered, the morning hour shall terminate at the expiration of 2 hours after the meeting of the Senate" (Senate Journal 1266, 50–1, August 10, 1888).

Mr. HENDRICKSON. Due to the fact that procedure under rule VIII has at times proved somewhat cumbersome, it has become a not unusual practice to have Consent Calendar calls by unanimous-consent agreement rather than under this rule. In this connection, it is interesting to note the comments contained in an article by Robert C. Al-

bright appearing in the Washington Post of Sunday, June 18. These comments high light the fact that nearly all of the major business coming before the Senate is now being done under unanimous-consent agreements fixing the time for voting.

At this point in my remarks, Mr. President, I ask that a copy of that article be included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEIGHT OF UNANIMITY

The Senate, for the first time in modern history, is doing practically all of its business by unanimous consent.

Last week, "the world's most deliberative body" hung up a new record in recent years for the number of such agreements in one session.

Between January 3 and June 18, total consent agreements climbed to 15, and the session isn't over. Last year there were only 13, and 11 the year before, after a prior high of 13 in 1946.

The practice is now so much a part of the Senate procedure that leaders are almost powerless to move important legislation without unanimity in advance on a set time for a vote.

Senate Parliamentarian Charles L. Watkins, who entered the Senate Secretary's office in 1914, said consent agreements were a comparatively rarely used device in those days.

Such agreements usually merely limited debate on amendments. Under that arrangement, Senators found it necessary to stick to the floor pretty closely, seldom knowing when the final vote on the bill would come.

The recent trend, however, is to set a fixed time for finally disposing of legislation, providing plenty of advance notice on when the showdown will be. Once a consent agreement is reached, Senators generally disappear from the floor, attend to committee or office business. They even keep out-of-town engagements until the day and hour set for the vote.

Is that progress or retrogression in government?

"I wouldn't know," said Watkins. "My job is parliamentary law and precedents. This is just one of the trends."

Mr. HENDRICKSON. Mr. President, nevertheless, it appears that calls of the Consent Calendar under rule VIII are by no means archaic. During the Eightieth Congress, there was a total of nine such calls.

During the first session of this Congress, the calendar was called under rule VIII on four occasions. However, calls under the rule have been entirely dispensed with so far during this session.

The point is made that, regardless of whether calendar matters should be disposed of under the rule or by unanimous consent agreement, there can be no legitimate excuse or justification for the condition in which we now find the Consent Calendar of Senate legislative business.

It is true that during June there were two Consent-Calendar calls, but the attention of the Senate is directed to the fact that both of these commenced at the point where the preceding calendar call had ended. Only once during this session has there been a consideration of all measures, from the beginning of the Consent Calendar.

It is believed that there are compelling reasons to justify—indeed, to require—more frequent, more regular, and more complete calls of the calendar, whether under rule VIII or by unanimous-consent procedures.

First. The nonaction or delay of action on measures which are initiated in the Senate results in fewer such measures being enacted into law, to the disadvantage of the Senate in a comparison of its record of legislative activity with that of the House. This follows from the fact that by such delay in the Senate, more House-initiated measures, with respect to which there are Senate companion or similar measures, are finally enacted than would otherwise be the case. We all know, for example, that when a House bill which is the opposite number of a Senate bill reaches our Consent Calendar, it is the usual thing to "postpone indefinitely" the Senate bill and it is the House measure which is passed on to the White House. In such case, it is the bill with the House number, not the bill with the Senate number that becomes law.

Second. A long and cluttered Consent Calendar must inevitably result in inadequate consideration of details that are contained in a great number of important measures which, in a shorter calendar, might be singled out more easily for attention on the part of individual Senators. To indulge the legislative process in such a manner is highly questionable, to say the least.

The importance of this becomes more clearly evident when it is observed that, of a total of 555 measures, not counting simple resolutions, that were passed by the Senate between January 3 and July 3, inclusive, of this year, 492 bills and resolutions, not counting simple resolutions, were passed by unanimous consent during the 4 days that calendar calls were scheduled.

Mr. President, on one of those days the Senate passed more than 200 bills. I submit that it is impossible for a body of this kind properly to consider in 1 day or a part of a day bills in excess of 200 in number.

More regularity and more frequency in Consent Calendar calls would undoubtedly result in greater effectiveness and efficiency in disposing of this workload. It is believed also that there would be an accompanying reduction in the over-all time spent in the handling of these matters.

Third. Probably the most unfortunate result has been that many important and worthy items of legislation now on the calendar—I think this is extremely important—no longer have good prospects of final enactment, or even the chance of House consideration during this Congress, only because they have been reached but once on the calendar and then objected to. Many of such measures had been objected to for further study only. Objection on others can be or has been overcome by agreement to amend in one way or another through agreement reached after the calendar call on which the bill was objected to. It seems highly unfair to penalize such legislation by a procedural procrastination for which there is little, if any, excuse or justification.

Mr. President, in the development of these remarks I have consulted with the other members of the Republican Calendar Committee, the distinguished senior Senator from Oregon [Mr. CORDON] and the distinguished senior Senator from Kansas [Mr. SCHOEPPEL]. They agree wholeheartedly that we should do something about the calendar procedure to the end that it will not serve at times as a bottleneck to the more important legislation of the Senate.

Mr. President, I ask unanimous consent that there be included at this point in my remarks a schedule of calls of the calendar for the Eightieth Congress, both sessions, and for the Eighty-first Congress, both sessions, to July 3, 1950.

There being no objection, the schedule was ordered to be printed in the RECORD, as follows:

CALLS OF CALENDAR

EIGHTIETH CONGRESS, FIRST SESSION

Monday, January 27, 1947, regular call of calendar under rule VIII.
Friday, February 7, 1947, regular call of calendar under rule VIII.
Monday, February 10, 1947, regular call of calendar under rule VIII.
Tuesday, February 11, 1947, regular call of calendar under rule VIII.
Monday, February 17, 1947, regular call of calendar under rule VIII.
Monday, March 3, 1947, call of calendar of unobjected-to bills.
Monday, March 24, 1947, regular call of calendar under rule VIII.
Monday, April 7, 1947, call of calendar of unobjected-to bills.
Monday, April 21, 1947, regular call of calendar under rule VIII.
Tuesday, May 6, 1947, call of calendar of unobjected-to bills.
Thursday, May 22, 1947, call of calendar of unobjected-to bills.
Monday, June 23, 1947, call of calendar of unobjected-to bills.
Thursday, July 3, 1947, call of calendar of unobjected-to bills.
Wednesday, July 16, 1947, call of calendar of unobjected-to bills.
Thursday, July 17, 1947, call of calendar of unobjected-to bills.
Wednesday, July 23, 1947, call of calendar of unobjected-to bills.
Thursday, July 24, 1947, call of calendar of unobjected-to bills.
Friday, July 25, 1947, call of calendar of unobjected-to bills.
Saturday, July 26, 1947, call of calendar of unobjected-to bills.

EIGHTIETH CONGRESS, SECOND SESSION

Monday, January 12, 1948, call of calendar of unobjected-to bills.
Monday, January 26, 1948, call of calendar of unobjected-to bills.
Monday, February 2, 1948, call of calendar of unobjected-to bills.
Monday, February 9, 1948, call of calendar of unobjected-to bills.
Monday, March 8, 1948, call of calendar of unobjected-to bills.
Monday, March 15, 1948, call of calendar of unobjected-to bills.
Monday, March 29, 1948, call of calendar of unobjected-to bills.
Monday, April 12, 1948, call of calendar of unobjected-to bills.
Monday, April 26, 1948, call of calendar of unobjected-to bills.
Monday, May 10, 1948, call of calendar of unobjected-to bills.
Monday, May 24, 1948, call of calendar of unobjected-to bills.

Tuesday, June 1, 1948, call of calendar of unobjected-to bills.
Thursday, June 10, 1948, call of calendar of unobjected to bills.
Tuesday, June 15, 1948, regular call of calendar under rule VIII.
Friday, June 18, 1948, call of calendar of unobjected to bills.
Saturday June 19, 1948, session continued during night of June 18 until adjourned June 19.

EIGHTY-FIRST CONGRESS, FIRST SESSION

Tuesday, February 8, 1949, regular call of calendar under rule VIII.
Monday, February 21, 1949, regular call of calendar under rule VIII.
Friday, March 18, 1949, regular call of calendar under rule VIII.
Monday, April 11, 1949, regular call of calendar under rule VIII.
Friday, May 6, 1949, call of calendar of unobjected to bills.
Monday, May 23, 1949, call of calendar of unobjected to bills.
Thursday, June 2, 1949, call of calendar of unobjected to bills.
Tuesday, June 21, 1949, call of calendar of unobjected to bills.
Wednesday, July 6, 1949, call of calendar of unobjected to bills.
Tuesday, July 26, 1949, call of calendar of unobjected to bills.
Tuesday, August 9, 1949, call of calendar of unobjected to bills.
Saturday, August 27, 1949, call of calendar of unobjected to bills.
Tuesday, September 27, 1949, call of calendar of unobjected to bills.
Monday, October 17, 1949, call of calendar of unobjected to bills.
Tuesday, October 18, 1949, call of calendar of unobjected to bills.
Wednesday, October 19, 1949, call of calendar of unobjected to bills.

EIGHTY-FIRST CONGRESS, SECOND SESSION (TO JULY 3, 1950)

The following are all calls of unobjected to bills:
Wednesday, February 1, 1950.
Wednesday, April 19, 1950.
Thursday, June 8, 1950.
Friday, June 16, 1950.

Mr. SALTONSTALL. Mr. President, I am glad to take this opportunity to say that I agree entirely and wholeheartedly with what the Senator from Missouri [Mr. DONNELL] has said about the work of the Senator from New Jersey [Mr. HENDRICKSON], and the senior Senator from Kansas [Mr. SCHOEPPEL] have done in connection with the calendar of the Senate. We on this side of the aisle have a great deal of confidence in their careful study and presentation of these matters, the business on the calendar. The Senator from New Jersey called attention to the Eightieth Congress. I agree with him that the record of the Eightieth Congress was good.

Mr. HENDRICKSON. And I agree with the Senator from Massachusetts.

Mr. SALTONSTALL. If my memory serves me aright, I think that on the calls of the calendar in the Eightieth Congress we did not go back to a date prior to that on which the calendar was last called. Except for that point, I agree with what the Senator has said. I believe there is some question as to how much value there is in going back more than several times during the year.

Mr. HENDRICKSON. The value lies in the fact, as I said before, that bills are on the calendar which are objected to sometimes merely for the purpose of giving Senators an opportunity for further study. If we do not go back on the calendar, the study which has been made in such instances never comes to light, and the bill dies. Such procedure is not in the interest of good legislation.

Mr. SALTONSTALL. Will the Senator yield for a further question?

Mr. HENDRICKSON. I gladly yield.

Mr. SALTONSTALL. I think what the Senator from New Jersey has said is correct. On the other hand, we build up a body of bills which can be considered only with full debate, and the procedure involving them can be had only by motion of the majority leader.

Mr. HENDRICKSON. It would be easy enough to arrange a unanimous-consent agreement that on a certain day the Senate would take up bills from the beginning of the calendar to a certain date or calendar number. Mr. President, I plead with the leadership in the Senate, both the majority and the minority, to use their very best efforts to the end that the handling of the business of the calendar may be expedited in the future.

CLOTURE PETITION ON FEPC BILL

Mr. MYERS and Mr. DONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. MYERS. I was about to move that the Senate recess, but I shall be very glad to yield to the Senator from Missouri.

Mr. DONNELL. I have some remarks which will probably take 15 or 20 minutes.

Mr. MYERS. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri.

Mr. MORSE. Will the Senator yield for 1 minute?

Mr. DONNELL. I am glad to yield, provided I do not lose the floor.

Mr. MORSE. I wish to make a brief statement of my position on the cloture petition which is being circularized in the Senate with regard to the FEPC bill. I think it is well known that I favor the FEPC bill. I do not favor, Mr. President, signing a cloture petition in advance of a filibuster, because I think it is a misuse of the Senate's cloture rule. I think the cloture rule is on the books of the Senate as a device for stopping a filibuster once it has started. I am fully appreciative of the fact that my refusal to sign the cloture petition may be misunderstood.

However, I am a strict adherent, when it comes to carrying out the spirit and the intent of the rules of the Senate. I believe the time to circularize a cloture petition is after there has been evidence on the floor of the Senate that a filibuster is actually in progress. At the present time we are in the position of being asked to abuse the cloture rule of the Senate by signing a petition to stop debate on a measure in regard to which there is at the moment no filibuster in progress. Therefore, Mr. President, I refused to sign the petition today. I shall sign a cloture petition to get a vote on the FEPC bill if and when a filibuster actually starts on the floor of the Senate. I do not think those who are pressing the cloture petition are in a very sound position to say to me, as they have said to me today, "Well, you can be sure that there will be a filibuster." I shall cross that bridge when I come to it. When a filibuster starts, and only then, shall I sign a cloture petition.

Mr. President, while I am discussing this particular matter I should like to say that it is all an empty gesture anyway. We will not get a vote on the substance of the FEPC so long as the Wherry resolution constitutes the rule of the Senate in regard to the ending of a filibuster by means of cloture. I would much rather see the Senate proceed with the immediate issue and the handling of the filibuster problem by repealing the Wherry resolution and adopting a cloture rule which we know would work. I am not interested in advance of a campaign in making a great, grand political gesture to the minority groups of the country in regard to civil rights by taking up one issue, and perhaps on the basis of some cloture arrangement, go through the manipulations and gesture of coming to a vote on a part of the civil-rights program. I am for the civil-rights program. In my judgment, other Senators who are for the civil-rights program ought to be in favor of the repeal of the Wherry resolution and the adoption of a cloture rule which would really make it possible to apply cloture in the Senate and assure the passage of a civil-rights program.

THE RAILWAY STRIKE

Mr. DONNELL. Mr. President, from day to day I have attempted to emphasize the importance, as I see it, of the passage by the Congress of a bill, S. 3463, which, if enacted into law, would make unlawful any strike or any lock-out by carrier arising out of or in connection with a dispute falling within the purview of the Railway Labor Act.

In the course of my observations, and as illustrative of the importance of the enactment of such a provision of law, I have from day to day reported something of the progress of the strike which is now under way against five of the midwestern and western railroads. At this late hour, Mr. President, I deem the matter of sufficient importance to trespass upon the patience of the Presiding Officer and the Members of the Senate who are theoretically in attendance to place in the RECORD some material showing the existing conditions growing out of the strike.

I hold in my hand an article appearing in this morning's Washington Post entitled "Truman Hope for Rail Strike End Reported."

I read from the article as follows:

CHICAGO, July 5.—President Truman was reported as hopeful of a break in the railroad strike, but it didn't come today.

A spokesman for the striking A. F. of L. Switchmen's Union said, "We met with the National (Railway) Mediation Board, but we made no appreciable progress."

Earlier today, Senator DARBY, Republican of Kansas, after a conference with the President in Washington, said he is hopeful the strike is near the end. He said Mr. Truman told him "everything possible is being done"

and that the President is hopeful of developments which will be good news.

Some 4,000 switchmen walked out June 25 on five western and midwestern railroads, demanding a 40-hour work week at 48 hours pay. A Presidential fact-finding board had recommended a 40-hour week for them and for 75,000 other yard workers but at a wage increase of only 18 cents an hour.

Mr. President, we have the benefit of a ticker news service in the Senate, and I hold in my hand several ticker reports of today which I should like to read into the RECORD, as showing the progress in this matter. The first of these ticker reports is under date of today at 11:01 a. m. It reads as follows:

President Truman said he hopes striking switchmen on five western railroads will go back to work before he has to take drastic action.

The President said at his weekly news conference that the strike is not justified. He said it must be ended in order to move wheat crops and cattle in the midwest.

I digress, Mr. President, to emphasize the correctness of this statement by the President as to the situation with reference to the wheat crops and cattle in the midwest.

The ticker tape statement continues:

The President denied, however, that the strike, which began June 24, is crippling shipment of war goods destined for Korea. It is a domestic matter only, Mr. Truman said.

The President was asked whether he considers the strike serious enough for him to seek seizure of the roads in the courts or to go to Congress with a speech about it.

He replied that the delay to movement of wheat and cattle is reason enough for drastic action. But he declined to predict what course he will take if the strikers do not return to work.

Mr. Truman said the strike was brought about by a very small minority of switchmen and that the men ought to go back to work at once.

While not commenting on the proposal of a 40-hour week and an 18-cent hourly wage increase submitted by his fact-finding board, Mr. Truman did say that the board was a very able one. The union is reported to be asking for the 40-hour week, in contrast to the present 48 hours, and a 31-cent-an-hour wage increase.

The railroads involved are the Denver Rio Grande, Great Northern, Western Pacific, Chicago Great Western, and Rock Island.

The President also was asked whether the switchmen should return to work as a patriotic duty or primarily to carry out the provisions of the Railway Labor Act. Mr. Truman replied that they should return in compliance with the act. He said doing so is their patriotic duty.

Then, Mr. President, the second of the ticker tape articles to which attention is directed is a much shorter one, at 12:56 p. m. today:

President Truman created a three-man emergency board to investigate a dispute between the Pullman Co. and the Order of Railway Conductors.

I digress to call attention to the fact that this is not the dispute in which the switchmen are engaged, but is another dispute, one between the Pullman Co. and the Order of Railway Conductors. I continue reading:

The order said that the dispute, in the judgment of the National Mediation Board, "threatened substantially to interrupt interstate commerce to a degree such as to deprive the country of essential transportation service."

By saying that this is a different dispute, I do not mean to indicate what the points of disagreement are. They may be the same as those involved in the switchmen's strike; I do not know. The importance of this dispatch is that the President himself quotes the Mediation Board to the effect that another dispute, in addition to the one now being contested in the switchmen's strike, "threatened substantially to interrupt interstate commerce to a degree such as to deprive the country of essential transportation service."

Mr. President, to my mind this is a very striking illustration, coming from the lips of the Chief Executive of the Nation, of the importance of early enactment into law of a provision making unlawful a strike arising out of or in connection with a dispute falling within the purview of the Railway Labor Act.

The third of the items appearing upon the ticker tape of today is a little later in the afternoon, at 1:44 p. m., and reads:

Federal mediators, armed with President Truman's threat of drastic action, intensified efforts today to settle the 12-day-old switchmen's strike against five major railroads.

I pause to comment upon the fact that the strike has existed so many days, as is indicated in this ticker-tape dispatch. It was suggested in the course of the testimony before the subcommittee of the Committee on Labor and Public Welfare, by one of the eminent witnesses representing the views of labor, that it is inconceivable that a strike of general extent throughout the country would exist over a period of time which would constitute a grave national emergency. But here we have it, on five railroads, extending over approximately 21,000 miles of railroad, or, if we leave out the Great Northern, as to which the service has not been completely suspended, involving 12,000 miles upon the remaining four railroads. We find that that strike has already lasted since a week ago last Sunday.

Continuing, the dispatch says:

Francis O'Neill, member of the National Railway Mediation Board, said the President's statement in Washington earlier today throws an entirely new light on the situation.

O'Neill hinted he is expecting a telephone call from Washington concerning the settlement efforts. Asked if he expects a break soon, he said:

"You can't tell. Sometimes these things end in a hurry."

He said, however, that he has no immediate plans for a joint conference between union and railroad negotiators. Such a conference presumably would have to be held before any settlement could be reached.

O'Neill said he was trying to arrange separate talks with each side, but had not been able to contact President Arthur Glover of the union.

The final one of the ticker-tape references of today that I have seen—I know of none later—is at 1:45, from Duluth, and is of quite a reassuring nature, in view of what we have previously heard. This is with respect to the shipments of iron ore. I can see the look of interest on the face of the present Presiding Officer, the distinguished junior Senator from Minnesota [Mr. HUMPHREY], as I refer to this ticker tape. It reads:

DULUTH, MINN.—Shipment of Minnesota iron ore has been slowed only slightly by the A. F. of L. switchmen's strike, rail and mining officials report.

They said most of the tonnage usually carried by the Great Northern Railroad from the iron range to ore docks at Duluth and Superior, Wis., was diverted to other carriers.

I trust that we shall find that the views so expressed are borne out as the days go on.

Mr. President, I call attention to the fact that there is at least room for very serious inquiry, as time passes, as to the effect of this strike in regard to iron ore.

I hold in my hand a clipping from the Dallas Wall Street Journal of June 27, 1950, the headline of which reads:

Serious Iron Ore Shortage Threatened by Rail Switchmen's Strike on Western Roads. Mesabi Range Shipments Cut; Four Lines Lay Off About 40,000 Workers.

Mr. President, I ask unanimous consent that this entire article be set forth in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SERIOUS IRON ORE SHORTAGE THREATENED BY RAIL SWITCHMEN'S STRIKE ON WESTERN ROADS—MESABI RANGE SHIPMENTS CUT; FOUR LINES LAY OFF ABOUT 40,000 WORKERS

CHICAGO.—Serious curtailments in iron ore shipments from the Mesabi range have been forced by the 2-day-old strike of 4,000 A. F. of L. switchmen against five western and midwestern railroads.

The Great Northern Railway Co., of St. Paul, which normally hauls about one-third the total tonnage at Lake Superior iron-ore mines, is understood to have been unable to continue freight service in the area. The road normally hauls about 900,000 gross tons of iron ore a week. Relatively little of this can be carried by other roads.

If the Great Northern's operations in Montana are halted by the strike, it also may affect seriously the movement of copper and zinc from Anaconda Copper Mining Co.'s refineries at Great Falls. The Great Northern is one of the principal roads serving these refineries. The copper refinery has an annual capacity of 150,000 tons and the electrolytic zinc plant at Great Falls has a yearly rated output of 165,000 tons, and another zinc plant at Anaconda a capacity of 75,000 tons.

The curtailments come in the face of very serious shortages of iron-ore inventories, according to the Lake Superior Iron Ore Association. The association declares that because of ice conditions, ore shipments on Lake Superior were delayed one month this year. As of June 19, according to the association, shipments were 11,340,000 gross tons behind the like 1949 period, while inventories to June 1 at furnaces on lower lake docks were 7,124,000 tons behind inventories on June 1, 1949.

At St. Paul, a spokesman for the railroad said the Great Northern still was operating some of its freight services in other areas and all its principal passenger services. The Great Northern is the only one of the five struck roads still operating. "We'll continue operating as long as we can," Charles Moore, assistant to the president, declared.

The Great Northern's 1,200 switchmen are represented by the striking Switchmen's Union of North America.

Meanwhile, the four other roads have laid off about 40,000 employees since Sunday.

The Chicago, Rock Island & Pacific Railroad Co., biggest of the struck roads, reported it laid off 21,000 of its 22,500 employees Sunday noon. The road hasn't operated a freight or passenger train on any of its 8,000 miles of road since the Imperial arrived in Chicago from Los Angeles at 4:35 p. m., Sunday.

The Chicago Great Western Railway Co. reported it laid off 3,500 of its 3,800 employees Sunday, when it curtailed all passenger and freight service. The other two roads also, curtailed all service on Sunday. They are the Denver & Rio Grande Western Railroad Co. and the Western Pacific Railroad Co.

Other railroads which expect to gain some of the traffic lost by struck roads include the Burlington, Santa Fe, Gulf, Mobile & Ohio, Illinois Central, Milwaukee, North Western and other western and midwestern carriers.

The striking switchmen are seeking a 40-hour week with 48 hours' pay. In effect, that's a 31-cents-an-hour pay boost. The railroads are willing to grant a 40-hour week, but refuse to boost the switchmen's pay more than the 18 cents an hour recommended by a Presidential fact-finding board.

The striking switchmen represent a minority of switchmen employed on the country's railroads. Most switchmen belong to the Brotherhood of Railroad Trainmen. The brotherhood has been seeking a similar pay boost. So has the Order of Railway Conductors.

Federal Mediator Francis A. O'Neill, chairman of the National Railway Mediation Board, has asked members of all three unions to be available today for discussions. Mr. O'Neill may meet with the unions together or separately, but efforts are expected to be made today to end the old strike, as well as avert a strike for the same demands by the trainmen and conductors.

The five struck roads employ a total of about 64,500 persons. A spokesman for the railroads said the striking switchmen's union represents only 3,100 switchmen on these roads, rather than the 4,000 claimed by the union.

Eastern railroads reported that freight traffic from the West was coming through without difficulty, despite the strike of the five western roads. The freight was being diverted to other western carriers.

So far as passenger movement was concerned, the Pennsylvania and New York Central reported the dropping of the two through cars to the Pacific Coast which they alternately operate every day to Chicago. One of these cars goes to Los Angeles in the Golden State via the Chicago, Rock Island & Pacific and Southern Pacific. The other goes to San Francisco in the California Zephyr via the Chicago, Burlington & Quincy, Denver & Rio Grande Western and Western Pacific.

No shortage of cars due to those being tied up in yards of struck roads is likely, a spokesman for the Rock Island said. He added: "We endeavored to get our cars on to operating lines before the strike. We are in the process of making a count now of the cars in our yards, but I doubt if it will be more than 50 percent of the cars we would normally have on our lines."

Mr. DONNELL. Mr. President, I shall take the liberty of reading just a portion of the article, to make specific comment and to make specific emphasis with reference to it. The article, dated Chicago, in the issue of the Dallas Wall Street Journal of June 27, 1950, reads:

Serious curtailments in iron ore shipments from the Mesabi range have been forced by the 2-day-old strike of 4,000 A. F. of L. switchmen against five western and midwestern railroads.

The Great Northern Railway Co., of St. Paul, which normally hauls about one-third the total tonnage at Lake Superior iron ore mines, is understood to have been unable to continue freight service in the area. The road normally hauls about 900,000 gross tons of iron ore a week. Relatively little of this can be carried by other roads.

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I have in my hand a very interesting editorial from the Evening World Herald of Omaha, Nebr., appearing in the issue of June 30, 1950. It is entitled "A 'Model' No More," and deals with the National Railway Labor Act of 1926 and 1934. I ask unanimous consent that the article may be incorporated at this point of the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A "MODEL" NO MORE

The National Railway Labor Act of 1926 and 1934 used to be held up as a model.

Under this act, the President first has the right to postpone any rail strike. Next, he is authorized to appoint a fact-finding board of three (usually made up of Federal or State judges and economists) to inquire into the dispute.

The theory of the act is that once the facts have been found by an impartial tribunal, and all the factors on both sides weighed, it should not be hard for reasonable men to come to an agreement. For years the theory worked well in practice. Railway labor disputes were generally settled on the basis of the recommendations of fact-finding boards.

Recently, however, this concept of the act has been rudely shattered. In a dispute over a union demand for extra firemen on Diesel engines, a fact-finding board found against the union. So the union simply rejected the findings in toto and went on strike. After 6 days, bowing to public opinion, the union called off that strike.

Now, in precisely the same circumstances, comes the strike of the Switchmen's Union of North America, an A. F. of L. affiliate.

The Switchmen's Union is a relatively small group. It represents only 5 percent of the switchmen employed by American railroads—the Brotherhood of Railway Trainmen represents the remaining 95 percent. Rivalry between the two unions, and the yearning of the switchmen's leaders to show up the bigger BRT, is said to have had a good deal to do with what has been going on.

The Switchmen's Union demanded a cut in the workweek from 6 days to 5. It also demanded 6 days' pay for 5 days' work—a raise equivalent to 31 cents an hour.

The Presidential fact-finding board held that the cut to 5 days' work was justified, but it held that the 31-cent boost was not. Among other things, the board held, such an increase would give the switchmen an unfair pay advantage over other railroad employees. The board recommended an increase of 18 cents an hour.

Emulating the enginemen, the switchmen summarily rejected facts not to their liking, and last Sunday went out on strike. To avoid Government seizure, they did not strike all of the railroads involved but only five—the Rock Island, the Great Western, the Denver & Rio Grande, the Great Northern, and the Western Pacific.

All of the five roads are now shut down except the Great Northern. And on this road, even though only 60 employees belong to the switchmen's union, operations have been curtailed.

Omaha is directly affected. The Rock Island and the Great Western both run here. In the case of the Rock Island, the shut-down is especially serious, since it normally hauls much grain from Kansas to the Omaha market, and the grain run is now beginning. The Burlington is affected by th shut-downs of its western connections, the Denver & Rio Grande and the Western Pacific; some trains have been canceled.

The switchmen may give way to public opinion as the enginemen did, but the prospects for that are dim. A small union, glimpsing glory and new members, it seems inclined to push its luck. Moreover, the whole trend in railway labor relations is toward turmoil. There is talk of strikes by firemen, trainmen, and conductors, by the larger switchmen's group, by yardmasters, by Pullman conductors.

Believing that the Railway Labor Act has broken down, Senator DONNELL, of Missouri, has introduced a bill in Congress calling for compulsory arbitration of railway labor disputes. The unions are opposed to it. The railroads have endorsed it reluctantly.

Reluctant they may well be, for under such a law the railroads, in effect, will have turned over control of their operations to the United States Government.

Still, what else is there to do, when 4,000 switchmen, scattered over the country, can shut down vast transportation systems and cause damage that will run into the millions? Somehow the public must be protected against such irresponsible action.

Mr. DONNELL. Mr. President, I call attention specifically to a portion of the article. One paragraph reads:

The Switchmen's Union is a relatively small group.

I pause, Mr. President, to state again for the RECORD that it is the switchmen's union which is conducting the existing strike on the five railroads to which I have referred. Continuing, the editorial says:

It represents only 5 percent of the switchmen employed by American railroads—the Brotherhood of Railway Trainmen represents the remaining 95 percent.

Mr. President, then I call attention to a most interesting sentence in this editorial:

Rivalry between the two unions and the yearning of the switchmen's leaders to show up the bigger BRT, is said to have had a good deal to do with what has been going on.

The public is not particularly concerned, I would say, as to which union it is which should have precedence over the other. Yet if this editorial writer is correct, the interest of the public seems to be disregarded because of the con-

sideration of precedence one over the other.

Somewhat further on in the editorial are these observations:

Believing that the Railway Labor Act has broken down—

I pause to say that a reference will be made in a moment to the present speaker. I do not say that the Railway Labor Act has broken down. I think the Railway Labor Act has much to commend it, and I think it is still capable of much effectiveness. But I do think there is a defect in the railway labor law which is powerful in its impact on the Nation, and is a defect which can only be remedied, as I see it, by the enactment of legislation of the type of Senate bill 3463.

I repeat from this editorial:

Believing that the Railway Labor Act has broken down, Senator DONNELL, of Missouri, has introduced a bill in Congress calling for compulsory arbitration of railway-labor disputes. The unions are opposed to it. The railroads have endorsed it reluctantly.

Reluctant they may well be, for under such a law the railroads, in effect, will have turned over control of their operations to the United States Government.

Still, what else is there to do, when 4,000 switchmen, scattered over the country, can shut down vast transportation systems and cause damage that will run into the millions? Somehow the public must be protected against such irresponsible action.

I am not undertaking to agree with every observation in this editorial, with respect to my bill or with respect to my views. But I do say that the writer of the editorial in emphasizing the point that the public somehow must be protected against such irresponsible action has put his finger upon the vital point at this time in the railway industry.

Mr. President, I have in my hand also an article from this morning's New York Herald Tribune, which emphasizes the effect of the railway strike on the wheat situation. That comes quite closely home to both Senators from Minnesota, and to Senators particularly from Kansas, Nebraska and the Dakotas, and we even have some wheat in Missouri. The heading of the article is:

Rail strike slashes wheat shipments.

Then a further heading:

No progress reported in talks; Truman hopeful.

CHICAGO, July 5.—A strike of 4,000 A. F. of L. switchmen against five western railroads cut sharply into wheat and beef shipments today as conflicting statements on negotiations to end the strike were reported.

I desire to point out particularly that not only is wheat affected, but shipments of beef are affected, and the Senate will note in a moment a further statement in this article with respect to cattle. I continue to read:

Federal mediators here said "no progress" was made in the negotiations, but it was reported in Washington that President Truman is hopeful of a quick settlement.

Senator HARRY DARBY, Republican, of Kansas, said President Truman is "hopeful for developments soon" in the strike against the five roads. Senator DARBY visited Mr. Truman because Kansas wheat is now being threshed and 400,000 head—

Mark that figure, Mr. President—

400,000 head of cattle are ready for shipment,

Can there be any doubt as to the vital nature of this strike, as to the fact that it is—not using the word with any sense of punning—striking directly at the welfare of great areas of the country, if not the entire Nation?

Continuing, the article says:

Federal mediators met separately with each side in the dispute today after bringing them together with face-to-face bargaining yesterday for the first time since the strike started 11 days ago. Francis O'Neill, of the National (railway) Mediation Board, said there was no "indication of progress."

The union is demanding a 40-hour week with no cut in pay from the rate for 48 hours.

I mentioned on the floor a few days ago something about the Lorain tube mill tie-up in Ohio. I have in my hand an article from the Cleveland Plain Dealer of June 28. I ask unanimous consent that the article may be incorporated at this point in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TRAINMEN END LORAIN TUBE MILL TIE-UP

LORAIN, OHIO, June 27.—Striking members of the Brotherhood of Railway Trainmen of the Lake Terminal Railroad here began returning to work at 6 tonight but operations at the giant National Tube Co. plant here, which had made about 12,000 persons idle, continued to remain at a virtual standstill, company officials announced.

About 100 of the 350 rail unionists who stopped work on the 41-mile railroad late yesterday afternoon, which resulted in the lay-off of the steelworkers in this city's largest industrial plant, returned to work after it was announced that further negotiations on their 40-hour-week issue would be resumed tomorrow.

"The men started returning to work and all will be back on the job by tomorrow, while negotiations continue on the strike issue," said G. B. Weir, Lake Terminal superintendent here.

NOT IN A MOMENT'S NOTICE

Robert Urquhart, general superintendent of the National Tube plant, declared tonight that plant operations and the blast furnaces were down completely and that the coke plant was operating on a reduced schedule.

"A huge plant like this cannot close down and then get back into production in a moment's notice," Urquhart said. "It will take time, just how much I cannot say at present."

The strike came only 5 days before the mill was to have begun a 2-week general shut-down to give workers their annual vacation period.

Urquhart said he was not sure now what the status of the vacation shut-down was.

Tomorrow's meeting is scheduled for 10 a. m. in the Lake Terminal offices between D. T. Hastings, of Pittsburgh, vice president of the Lake Terminal; J. P. Cahill, of Cleveland, an official of the railroad union; J. K. Jones, of this city, the union chairman here, and Weir.

National Tube makes seamless pipe and billets. It is United States Steel's largest subsidiary. The weekly payroll at the plant is about $624,000. Although most of its employees live in Lorain, many are from Elyria and other nearby towns.

Lorain's total population now is 50,810.

The Brotherhood of Railway Trainmen members' strike was in protest to recent recommendations of a Presidential fact-finding board, according to Earl B. Welcome, deputy president of the railroad union.

The Board had recommended an 18-cent-an-hour wage boost on a 40-hour week for yard workers. The unions wanted 48-hours' pay for a 40-hour week.

Mr. DONNELL. The early portion of the article indicates the grave situation which had developed in this town of Lorain, Ohio.

Striking members of the Brotherhood of Railway Trainmen of the Lake Terminal Railroad here began returning to work at 6 tonight but—

I call attention to the word "but"—

but operations at the giant National Tube Co. plant here, which had made about 12,000 persons idle, continued to remain at a virtual standstill, company officials announced.

Of course, the Lake Terminal Railroad is not one of those involved in this particular strike, that is to say it is not one of the five western or midwestern railroads. Then, I call attention to the fact that in the article from the Cleveland Plain Dealer, from which I have read, appears the following:

The B. of R. T. members' strike was in protest to recent recommendations of a Presidential fact-finding board, according to Earl B. Welcome, deputy president of the railroad union.

The board had recommended an 18-cents-an-hour wage boost on a 40-hour week for yard workers. The unions wanted 48 hours' pay for a 40-hour week.

The Presiding Officer will observe that this is the dispute which today prevails between the switchmen and the railroads.

Mr. President, I want to point out a few words here from Mr. Robert Urquhart, general superintendent of the National Tube plant at Lorain, Ohio, as those remarks are set forth in the article. I read from the article, as follows:

Robert Urquhart, general superintendent of the National Tube plant, declared tonight—

That was on June 27—

that plant operations and the blast furnaces were down completely and that the coke plant was operating on a reduced schedule.

Then comes this very interesting and important remark:

"A huge plant like this cannot close down and then get back into production in a moment's notice," Urquhart said. "It will take time; just how much, I cannot say at present."

Further down in the article appears the following:

National Tube makes seamless pipe and billets. It is United States Steel's largest subsidiary. The weekly payroll at the plant is about $624,000.

So, we see, Mr. President, something of the ramifications of this strike which is occurring upon the western and midwestern railroads, and the effect that this particular sympathetic action taken by the B. of R. T. has been having upon this great industry in the town of Lorain, the population of which is 50,810, according to this article.

However, the impact of the strike is not confined alone to the places I have mentioned. I hold in my hand an article that appeared in the Amarillo (Tex.) Times, in its issue of June 27, 1950. The heading of the article is: "Impact of rail strike felt here."

The article tells of the full impact of the switchmen's strike. I read from the article:

Full impact of the switchmen's strike against Rock Island Railroad was being felt in Amarillo Monday as an estimated 200 employees became idle.

Two hundred employees would not seem to be a very great number; but I call attention to this interesting statement, appearing near the conclusion of the article:

Only 12 members of the striking switchmen's union are employed in the Amarillo yards. But the dispute affects at least 600 Amarillo workers and their families.

In other words, only 2 percent of the persons affected in Amarillo are members of the striking switchmen's union, but the other 98 percent are affected, as indicated in the article.

I ask unanimous consent that the entire article from the Amarillo Times be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IMPACT OF RAIL STRIKE FELT HERE

Full impact of the switchmen's strike against Rock Island Railroad was being felt in Amarillo Monday as an estimated 200 employees became idle.

Mechanics worked Monday, putting equipment in mothballs to wait out the strike, and are scheduled for lay off on Tuesday. Engines, and tank, freight and passenger cars were parked at the yards on Northeast Third Street after all operations of the railroad ceased.

The company ordered a shutdown following the strike of switchmen at 6 a. m. Sunday. The unionists are seeking to force a slash of their 48-hour workweek down to 40 hours, at no reduction in pay. The request amounts to demand for an 18-cent per hour wage boost.

Rail officials said Monday they have no knowledge of any picketing around Amarillo properties of the Rock Island, but described the current situation as one of potential picketing.

The shutdown order by Rock Island's president apparently precluded any need for placard bearers.

The 6 a. m. Sunday deadline found a relatively low amount of equipment in Amarillo. During the week prior to the strike, much equipment was moved out to larger terminal points.

A number of cold engines, a pair of Diesel locomotives, and various other items of rolling stock stood around the yards in orderly arrangement, however, waiting the result of negotiations which apparently have yet to begin.

The last train into Amarillo was the crack No. 51 from Memphis, Tenn., which arrived an hour after the strike deadline. Its passengers were sent on along other rail lines and by transfers to bus lines. The transfers and required rerouting were accomplished with little delay.

Most employees worked Sunday to put the equipment away in safe order before leaving their posts.

After Monday, only a few officials are to be on duty in Amarillo, their work concerned chiefly in looking after the lines' properties.

Only 12 members of the striking switchmen's union are employed in the Amarillo yards. But the dispute affects at least 600 Amarillo workers and their families.

Mr. DONNELL. Mr. President, the Chicago Journal of Commerce in its issue of yesterday, July 5, contains an exceedingly important article which has the headline: "United States refocusing attention on new rail strike peril."

I call attention to the word "new" in the headline. The reference there is not to strike now in progress, but to a new strike.

The article reads in part as follows:

Federal mediators yesterday focused attention on the threatened strike after July 15 of 250,000 conductors, trainmen, and yardmasters—

In other words, a quarter of a million persons—

indicating that hope is waning for quick settlement of the switchmen's strike against five western railroads.

No new conferences with representatives of the Switchmen's Union of North America were scheduled.

Some progress was reported in negotiations between carriers and the Brotherhood of Railway Trainmen and the Order of Railway Conductors. Details were not disclosed.

Observers believe intention may be to seek settlement of the major dispute and to use it as a pattern for settling the switchmen's strike. Hope for heading off the July 15 strike is strengthened by the belief trainmen and conductors may be reluctant to create a national emergency at this time through a country-wide strike.

All unions in the disputes are seeking a reduction in the workweek to 40 hours with retention of 48-hour pay.

That is the controversy which is involved in the switchmen's strike, and it is the controversy in which the other great unions are interested, and as to which the prospective labor disturbance is ahead of us.

Mr. President, the Pensacola (Fla.) Journal, in its edition of June 30, 1950, carries an editorial entitled: "Railroad Shutdown."

The opening several sentences of the editorial read as follows:

A great portion of the country is beginning to suffer from another railroad strike which eventually will affect the Nation. Four thousand switchmen have quit, tying up four railroads and hampering another.

The writer of the editorial very aptly says:

The trouble about such strikes is that not only the union men themselves and the railroads suffer losses, but many persons and businesses not involved also suffer. As in the other railroad, steel, and coal strikes, thousands were thrown out of work because of them and many factories had to close. This is a terrible economic loss to the Nation and an unnecessary inconvenience to the public.

Mr. President, I ask unanimous consent that the entire editorial be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RAILROAD SHUTDOWN

A great portion of the country is beginning to suffer from another railroad strike which eventually will affect the Nation. Four thousand switchmen have quit, tying up four railroads and hampering another.

The trouble about such strikes is that not only the union men themselves and the railroads suffer losses, but many persons and businesses not involved also suffer. As in the other railroad, steel, and coal strikes, thousands were thrown out of work because of them and many factories had to close. This is a terrible economic loss to the Nation and an unnecessary inconvenience to the public.

The switchman strike probably will result in little good which could not have been accomplished by negotiation and continued public service. The workers want to cut their work from 48 to 40 hours a week without a cut in their pay of $78.35 a week, which seems a little unreasonable.

An arbitration board favored the 40-hour week with an 18-cent-an-hour raise. The union plan called for a 31-cent-an-hour raise, or from $13.06 to $15.67 a shorter workweek and given them more than half the pay raise they asked, which seemed fair. The strike will probably cost them more than they gain if they gain anything at all over and above the arbitration award.

Mr. DONNELL. Mr. President, finally, I hold in my hand an editorial from the Indianapolis News of June 27. The editorial is entitled "Another Rail Strike." I likewise ask unanimous consent that this editorial be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ANOTHER RAIL STRIKE

When 4,000 switchmen walked out Sunday to tie up four western railroads and throw 35,000 other employees out of work, it became clearer than ever that the Railway Labor Act is failing in its purpose. It no longer assures sound management-labor relations nor protects the public against disastrous stoppages of freight and passenger service.

In the last 4 years labor relations in the industry have steadily deteriorated; there have been three major strikes in that time—the most recent being the critical 6-day tie-up of four major lines by the firemen and enginemen.

As in most disagreements, both sides undoubtedly have had justified grievances. On the union's side, it must be granted that railroad management has never been noted for progressive attitudes or a receptiveness to new ideas.

On the other hand, the unions would have a hard time justifying—in the public's mind at least—their reported make-work demands. The most flagrant example of featherbedding in recent years, of course, was the firemen's insistence, in the face of two fact-finding boards' denials, that an extra man was needed on Diesel engines.

But regardless of who should accept the most blame, the public must be protected against future paralyzing strikes. Besides the present strike of switchmen, there is the uncomfortable prospect that the yardmasters and the conductors and trainmen may walk out next.

In fairness to the public and its dependence on this basic part of our national transportation system, a growing number of citizens believe compulsory arbitration should be adopted in railroad disputes.

The right to strike is a precious one, but is it justified when thousands, perhaps millions, of innocent persons are inconvenienced, when the health and business life of entire communities may be endangered?

A bill in Congress would amend the Railroad Labor Act to provide for compulsory arbitration. Both parties in a dispute would be bound by the recommendations of fact-finding boards, unless set aside by Federal courts.

This may not be the perfect answer to the present upheavals on the railroads, but at least it would protect the public interest. And that, after all, is the paramount issue.

Mr. DONNELL. The concluding two paragraphs of the editorial are, I think, of especial interest, in view of the pendency of Senate bill 3463. They read as follows:

A bill in Congress would amend the Railway Labor Act to provide for compulsory arbitration. Both parties in a dispute would be bound by the recommendations of fact-finding boards, unless set aside by Federal courts.

This may not be the perfect answer to the present upheavals on the railroads, but at least it would protect the public interest. And that, after all, is the paramount issue.

So, Mr. President, with this recital of conditions as nearly up to date as I am able to give the Senate this evening, I conclude these remarks.

Let me say only this, in final observation: All the strikes I have mentioned—the strike now in progress; the strikes which we are informed are likely to occur in the future; the strike which occurred about a month ago; the strike on the Missouri Pacific Railroad, lasting for 45 days—6 weeks and 3 days—the strike on the Wabash Railroad, and the other strikes I have mentioned, which threaten or which have threatened, are illustrations of the fact that, as is recited in the editorial to which I have just referred, the public interest, which is the paramount issue, needs protection.

Mr. President, I submit that Senate bill 3463, the measure now before the Senate Committee on Labor and Public Welfare, would provide adequate protection for the public interest.

RECESS TO MONDAY

Mr. MYERS. Mr. President, I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 35 minutes p. m.) the Senate took a recess until Monday, July 10, 1950, at 12 o'clock noon.

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NOMINATIONS

Executive nominations received by the Senate July 6 (legislative day of July 1), 1950:

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Morris F. Watson, Montevallo, Ala., in place of R. A. Reid, deceased.

Jacob L. Slaughter, Pine Hill, Ala., in place of Oscar Sheffield, retired.

COLORADO

Schuyler C. Parker, Durango, Colo., in place of M. J. Brennan, retired.

Robert E. L. Stotler, Salida, Colo., in place of Lewis Hollenbeck, deceased.

FLORIDA

Lynn H. Thames, Osprey, Fla., in place of J. M. Hamlin, retired.

GEORGIA

Estelle M. Jacques, Baconton, Ga., in place of E. A. McCollum, retired.

ILLINOIS

Bruna R. Gherardini, Bulpitt, Ill., in place of C. A. Rexroad, retired.

INDIANA

Helen M. Cox, Oaklandon, Ind., in place of Cora Riley, retired.

Thomas M. Gray, Otwell, Ind., in place of Andy Dillon, retired.

John E. Brewer, Summitville, Ind., in place of G. T. Van Ness, transferred.

James L. Wall, Winchester, Ind., in place of J. L. Wall, resigned.

IOWA

James Lawrence Klauer, Akron, Iowa, in place of J. C. Kennedy, transferred.

Fernando Gianni, Melcher, Iowa, in place of Floyd Stotts, retired.

KANSAS

Carl N. Couch, Atlanta, Kans., in place of L. G. Moss, resigned.

Yoland L. Paris, Elmdale, Kans., in place of A. S. Morris, resigned.

Charles Dwain Duecy, Galesburg, Kans., in place of H. I. Shaw, retired.

John C. Bowman, Garnett, Kans., in place of Jack Butcher, transferred.

LOUISIANA

Robert W. Gandy, Jr., Tallulah, La., in place of R. M. Almond, deceased.

MAINE

Lloyd W. Tozier, Unity, Maine, in place of G. H. Foster, retired.

MARYLAND

Michael Keehan, Patuxent River, Md. Office established January 16, 1948.

MASSACHUSETTS

Edmund L. Hannaford, Wellfleet, Mass., in place of F. A. Dalmas, resigned.

MINNESOTA

Royce V. Peterson, Aitkin, Minn., in place of C. C. Young, deceased.

George B. Engelmann, Hewitt, Minn., in place of E. J. Larson, resigned.

Hugh J. McCaffery, Lake Hubert, Minn., in place of R. H. Rivett, resigned.

Delbert W. Brekke, Tamarack, Minn., in place of F. B. Clarine, deceased.

William P. Horan, Wells, Minn., in place of E. F. Schroeder, deceased.

MISSOURI

George L. Adams, Blue Springs, Mo., in place of F. J. Smith, resigned.

Floyd E. Fewel, Leeton, Mo., in place of A. V. Neil, retired.

Verne C. Duvall, Lockwood, Mo., in place of W. A. Bickel, transferred.

NEBRASKA

Carl Wells, Saint Edward, Nebr., in place of D. W. Flory, transferred.

NEVADA

James A. Fortune, Mina, Nev., in place of V. B. Eckley, resigned.

NEW JERSEY

Gladys A. Rysinski, Cliffwood Beach, N. J., established May 1, 1948.

NEW YORK

Francis J. Cassidy, Flushing, N. Y., in place of J. A. Doyle, retired.

John E. Conley, Marcellus, N. Y., in place of W. T. Conley, resigned.

Harold W. Albright, Wilson, N. Y., in place of F. M. Campbell, retired.

NORTH DAKOTA

Omar R. Whitaker, Dunn Center, N. Dak., in place of W. F. Moede, retired.

OHIO

Florin D. Treece, Bloomdale, Ohio, in place C. M. Easley, deceased.

Thomas M. Solt, Jr., Carroll, Ohio, in place of E. W. White, transferred.

OKLAHOMA

Seymour Gibson Smith, Duncan, Okla., in place of T. A. Gray, retired.

OREGON

Alexander Moore Hamilton, Medford, Oreg., in place of Frank DeSouza, retired.

PUERTO RICO

Margaret R. Keith, Aguirre, P. R., in place of Jenaro Vazquez, removed.

SOUTH DAKOTA

Knute Tennyson, Quinn, S. Dak., in place of H. A. Krebs, transferred.

Norman E. Gruenzner, Stickney, S. Dak., in place of W. P. Smith, retired.

Norman W. Vernlund, Toronto, S. Dak., in place of A. B. Nelson, transferred.

TENNESSEE

Alma W. Primm, Parsons, Tenn., in place of R. C. Townsend, resigned.

TEXAS

Wayne G. Watson, Denver City, Tex., in place of J. J. Newman, resigned.

Earl M. Cryer, Hamshire, Tex., in place of E. A. Cryer, Jr., resigned.

Harold R. Spain, Haskell, Tex., in place of J. M. Diggs, transferred.

Ray D. White, Kingsbury, Tex., in place of O. J. Halm, retired.

Joseph M. Tosch, Mesquite, Tex., in place of E. M. Berry, resigned.

WASHINGTON

Arnold L. Leliefeld, Clayton, Wash., in place of A. T. Harris, retired.

Albert E. Heric, Walla Walla, Wash., in place of G. B. Day, deceased.

WEST VIRGINIA

Robert Rogers Vanaman, Arthurdale, W. Va., in place of A. M. Ward, retired.

WISCONSIN

Harold G. Olson, Osceola, Wis., in place of J. W. Wilson, declined.

Donald E. Kasparek, Prairie du Chien, Wis., in place of E. D. Feeney, retired.

Agnes C. Gutman, Saint Cloud, Wis., in place of B. A. Bittner, transferred.

WYOMING

Otterbine Marcus Phillips, Upton, Wyo., in place of D. J. Nolan, deceased.

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# HOUSE OF REPRESENTATIVES

## FRIDAY, JULY 7, 1950

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. WHITTINGTON.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

JULY 7, 1950.

I hereby designate the Honorable WILLIAM M. WHITTINGTON to act as Speaker pro tempore today.

SAM RAYBURN.

PRAYER

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal and ever-blessed God, whose greatness is unsearchable and whose amazing goodness crowneth all our days, grant that our minds and hearts may comprehend more fully the revelations of Thy truth and Thy will.

We pray that Thou wilt bless our beloved country and all with whom we are united in the struggle to defend the sacred heritage of freedom and the ways of peace and happiness for all mankind.

Kindle and strengthen within us the spirit of brotherhood that in times of peril we may sustain one another and in suffering and calamity we may minister unto one another's needs.

Inspire our souls with a passionate longing for that glorious day when men and nations shall give their allegiance

to the Prince of Peace who rules not with the rod of iron but with the scepter of justice, righteousness, mercy, and love.

Hear us in His name. Amen.

The Journal of the proceedings of Wednesday, July 5, 1950, was read and approved.

ADJOURNMENT UNTIL MONDAY NEXT

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 4394. An act to amend sections 10, 11, and 12 of chapter V of the act of June 19, 1934, as amended, entitled "An act to regulate the business of life insurance in the District of Columbia."

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8568. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1951, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HILL, Mr. O'MAHONEY, Mr. MCCLELLAN, Mr. HUNT, Mr. FERGUSON, Mr. WHERRY, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 940. An act to authorize construction of the Eklutna project, hydroelectric generating plant and transmission facilities in connection therewith, and for other purposes.

CONSTRUCTION OF HOSPITAL, BIRMINGHAM, ALA.

Mr. BATTLE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BATTLE. Mr. Speaker, in the Ninth District of Alabama, which I represent in Congress, there will be a demonstration on next Tuesday, July 11, of how we do things in the tradition of the South. On that date we will hold a good-will day to raise the funds needed to build in Birmingham a hospital for the exclusive use of Negro patients.

Heading this appeal will be a prominent industrialist who is a leading Methodist layman. His cochairman is a Jewish department-store owner. The hospital will be operated by the Catholic Sisters of Charity of Nazareth. Active coworkers in the fund-raising drive include a number of organized labor leaders of both the CIO and the A. F. of L., heads of practically all local industries, educators, ministers, physicians, public officials, and women civic leaders. Negro groups are also engaged in the fund-raising effort. I am proud to call the attention of the Congress and the entire Nation to this united effort which illustrates what many people outside the South fail to understand; that is, that we are working in a constructive way to take care of our own problems in the South without regard to racial or religious lines.

EXTENSION OF REMARKS

Mr. PRICE asked and was given permission to extend his remarks and include an editorial on statehood for Alaska and Hawaii from the St. Louis Post-Dispatch.

Mr. AUGUST H. ANDRESEN asked and was given permission to extend his remarks and include additional matter.

Mr. HAYS of Arkansas asked and was given permission to extend his remarks and include extraneous matter.

Mr. BREHM and Mr. KRUSE asked and were given permission to extend their remarks.

Mr. HAYS of Ohio asked and was given permission to extend his remarks in two instances and include extraneous material.

Mr. RANKIN. Mr. Speaker, on Wednesday, July 5, I was given permission to extend my remarks and include a speech of Mr. George H. Duncan, president of the New Hampshire Electric Cooperative, Inc. I am informed by the Public Printer that this will exceed two pages of the RECORD and is estimated to cost $205, but I ask that it be printed notwithstanding that fact.

The SPEAKER pro tempore. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. JOHNSON asked and was given permission to extend his remarks and include an article entitled "Statement of C. H. Purcell, Director of Public Works of California," notwithstanding the fact that it exceeds two pages and is estimated by the Public Printer to cost $191.34.

Mr. JOHNSON asked and was given permission to extend his remarks, as follows: To include a statement of Clarence F. Lea, a former Member of Congress, concerning the electoral-college reform; to include a statement regarding the commencement at the FBI Academy; and to extend his remarks in three further instances, in each of which to include extraneous matter.

Mr. POULSON asked and was given permission to extend his remarks and include a newspaper article.

Mr. JENKINS asked and was given permission to extend his remarks and include a short article prepared by a former Member of the House, Hon. Roy Fitzgerald, of Dayton, Ohio.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in five separate instances, in each of which to include extraneous matter.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks and include correspondence with the Department of Agriculture on the subject Too Much Cotton and Too Little Common Sense.

Mr. BROWN of Ohio asked and was given permission to extend his remarks and include an address by M. W. Clement, chairman of the Pennsylvania Railroad, at the Girard College commencement on June 22.

Mr. JUDD asked and was given permission to extend his remarks in four separate instances and in each to include extraneous matter.

Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks and include an editorial.

Mr. KEATING asked and was given permission to extend his remarks in three separate instances, in two of them to include editorials.

Mr. BURNSIDE asked and was given permission to extend his remarks and include a resolution by the American Plate Glass Works.

Mr. MANSFIELD asked and was given permission to extend his remarks and include an article from the Christian Science Monitor.

Mr. MICHENER asked and was given permission to extend his remarks and include extraneous matter.

JOINT SESSION URGED

Mr. GROSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, immediately after President Truman announced that the United Nations would fight in Korea, I issued a statement to the newspapers of the Third Iowa District in which I said:

In the decision that has been made with respect to Korea I am supporting President Truman. But approval of this decision in no way implies acceptance nor does it for a single moment condone the long succession of mistakes and vacillation that must be charged to President Truman and Dean Acheson, his Secretary of State.

I further stated that—

United States intervention in Korea, whether followed by full scale war or eventual cessation of hostilities, will be meaningless if the administration persists in its policy of financing and otherwise supporting governments which deny freedom to their own people.

Mr. Speaker, up to this time, President Truman, although making the decision that has thrown this country into a shooting war, has not seen fit to consult with Congress.

It is high time that the President come before a joint session of the House and Senate—before the elected representatives of the people—and set forth in at least broad outline the future policy of this Government with respect to foreign affairs.

With the great majority of Members of the House of Representatives I voted for the full appropriations requested by

the Truman administration for our land, sea, and air forces. I believed the United States ought to be completely prepared in case of an emergency, and I further believed that maintenance of powerful striking forces would aid in containing the ambitions of Soviet Russia.

Congress did its part.

But what happened? Under the misnamed unification program, the fleet was put in mothballs, the proposed carrier program wrecked, Admiral Denfeld was made to walk the plank for opposing the decimation of the Navy, and not a single effective combat unit of the Marine Corps, specially trained for Pacific warfare, was beyond the continental limits of the United States.

As a result, the Seventh Fleet, belatedly rushed to Korean waters, had only one carrier and the Air Force, in the crucial first hours and days, had to fight alone, back and forth all the way from Japan and through seasonal heavy rain and fog.

Thus, on the day the blow fell in Korea, United States forces were completely impotent to meet even an initially minor act of aggression, much less to serve as a psychological deterrent to the ambitious war lords.

The American people are also entitled to know now, and not later, whether other so-called Allied nations are going to send ground forces into Korea and not just a few planes or naval vessels. And are any of these other nations going to help finance this war, or has the billions of dollars the United States expended on the British, French, Turks, and Italians been poured down assorted rat holes?

Not a single word has come from any source in Washington or elsewhere, to even indicate whether other members of the United Nations propose to send land troops to aid in the dirty end of the fighting.

If this is still a democracy, and the President therefore still accountable to the people, the time is here when the President should take the people into his confidence.

The time for determination is at hand. Have our huge gifts of money and materials amounted only to an "operation rat hole" and fair-weather friends or have we determined nations at our side, steadfast and ready to meet any eventuality?

I insist that President Truman appear before a joint session of Congress, and provide a forthright report to the Nation, not later than next Friday, July 14.

Tell us, Mr. President, who will stand with us to the end of the road.

### THE SWITCHMEN'S STRIKE

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Speaker, the switchmen's strike has ended on four of the five railroads on which it has been in effect. It continues on the Rock Island. The wholly unjustifiable nature of this strike is nowhere more clearly shown than in the statement by Arthur J. Glover, president of the union, that the strike will be continued on the Rock Island:

> To learn whether freemen in a free country can still bargain with their employers * * * without fear that big Government will team up with obstinate employers.

Now what does this mean in common ordinary language? It simply means that the strike is going to be continued just to show the power of the union.

It makes no difference to Mr. Glover that millions of bushels of wheat are being piled on the ground in Kansas and other States; that shipments of livestock have been held up; that business along the Rock Island lines is paralyzed; and that millions of dollars are being lost every day due to the breakdown of transportation. It makes no difference to Mr. Glover that this country is virtually at war and Americans are dying on the battlefields of Korea. To him the strike means just one thing: a chance to throw his weight around. Such an attitude of irresponsibility is a shocking thing and if continued by leaders of railroad labor will make compulsory arbitration and antistrike legislation inevitable if the public is to be protected.

### ADJOURNMENT

Mr. MANSFIELD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 12 o'clock and 10 minutes p. m.) the House, under its previous order, adjourned until Monday, July 10, 1950, at 12 o'clock noon.

### OATH OF OFFICE, MEMBERS AND DELEGATES

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members and Delegates of the House of Representatives, the text of which is carried in section 1757 of title XIX of the Revised Statutes of the United States, and being as follows:

> I, A. B., do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God.

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Members of the Eighty-first Congress, pursuant to Public Law 412 of the Eightieth Congress, entitled "An act to amend section 30 of the Revised Statutes of the United States" (U. S. C., title 2, sec. 25), approved February 18, 1948:

BEN H. GUILL, Eighteenth District, Texas.

EDWARD J. ROBESON, JR., First District, Virginia.

### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1536. A letter from the Director, Central Intelligence Agency, transmitting a report including the name of each claimant, a statement of the amount claimed and the amount awarded, and a brief description of the claim against the Central Intelligence Agency during the fiscal year 1950, pursuant to section 404 of the Federal Tort Claims Act of 1946 (Public Law 601, 79th Cong.); to the Committee on the Judiciary.

1537. A letter from the Secretary of the Army, transmitting a report on the claim of the Lake States Engineering Co., before the War Contract Hardship Claims Board (HCB No. 16), pursuant to section 5, Public Law 657, Seventy-ninth Congress, approved August 7, 1946 (60 Stat. 902, 41 U. S. C. A. 106–n); to the Committee on the Judiciary.

1538. A letter from the Assistant Secretary, Department of Agriculture, transmitting a report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease for the month of May 1950, pursuant to Public Law 8, Eightieth Congress; to the Committee on Agriculture.

1539. A letter from the Comptroller General of the United States, transmitting a report on the audit of Federal Deposit Insurance Corporation for the fiscal year ended June 30, 1949, pursuant to the Government Corporation Control Act (31 U. S. C. 841) (H. Doc. No. 634); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1540. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1951 in the amount of $260,000,000 for the Atomic Energy Commission (H. Doc. No. 635); to the Committee on Appropriations and ordered to be printed.

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### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H. R. 8201. A bill to protect the public with respect to practitioners before administrative agencies; without amendment (Rept. No. 2488.) Referred to the Committee of the Whole House on the State of the Union.

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### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BATTLE:

H. R. 9041. A bill to prescribe the general officer strength of the Air Force, and to authorize additional service credit for promotion purposes to officers of the United States Air Force for active Federal commissioned service performed prior to permanent appointment, and for other purposes; to the Committee on Armed Services.

By Mr. HUBER:

H. R. 9042. A bill to provide that a term of the United States District Court for the Northern District of Ohio shall be held at Akron; to the Committee on the Judiciary.

By Mr. RANKIN (by request):

H. R. 9043. A bill to provide that the Veterans' Administration shall furnish the children of certain deceased veterans medical, hospital, and domiciliary care; to the Committee on Veterans' Affairs.

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### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. O'KONSKI:

H. R. 9044. A bill for the relief of Mrs. Kayoko Suzuki Jensen; to the Committee on the Judiciary.

By Mr. PRIEST:

H. R. 9045. A bill for the relief of Addie Dean Garner Scott; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2250. By the SPEAKER: Petition of Hawaii Korean War Emergency Relief Committee, Honolulu, T. H., relative to expressing their heartfelt thanks for the stand taken against the Communist invasion of the Republic of Korea; to the Committee on Foreign Affairs.

2251. Also petition of Mr. Raul Branes, president, Chamber of Deputies of Chile, transmitting a message relative to the one hundred and seventy-fourth anniversary of the independence of the United States, and extending congratulations on the principles of intercontinental solidarity on which rests the cause of liberty and human dignity; to the Committee on Foreign Affairs.

2252. Also petition of the Fifth Congressional Townsend Clubs, Ormond, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

2253. Also petition of the Miami Townsend Club, No. 1, Miami, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

2254. Also petition of Mrs. Clarice Chambers and others, Orlando, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

# SENATE

## MONDAY, JULY 10, 1950

*(Legislative day of Saturday, July 1, 1950)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all grace, Thou hast taught us that in quietness and in confidence shall be our strength. In bitter and baffling days, when the earth is full of thunder and the seas are dark with wrath, give us a courage that never quails, a faith that never wavers, a hope that never dims. Make us the kind of persons Thou canst trust as the instruments and channels of Thy saving grace.

Help us to heal the open sores of the world which hate and selfishness and misunderstanding have inflicted on the bleeding body of our common humanity. Upon all who in these tragic days administer the stewardship of the Nation's strength and service, we crave the divine guidance. Grant us this day and in all the days of difficult decision to come, light to guide us, courage to support us, love to unite us. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the proceedings of Thursday, July 6, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On July 6, 1950:

S. 1672. An act for the relief of Efrosini Abad.

On July 7, 1950:

S. 2348. An act to increase the annual authorization for the appropriation of funds for collecting, editing, and publishing of official papers relating to the Territories of the United States.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8568) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1951, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BATES of Kentucky, Mr. YATES, Mr. FURCOLO, Mr. CANNON, Mr. STOCKMAN, and Mr. WILSON of Indiana were appointed managers on the part of the House at the conference.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. CAIN was excused from attendance on the sessions of the Senate for 3 weeks, beginning on Wednesday of this week.

REPORT OF COMMITTEE FILED DURING RECESS

Pursuant to the order of the Senate of July 6, 1950,

Mr. MCKELLAR, from the Committee on Appropriations, on July 8, 1950, reported favorably, with amendments, the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, and submitted a report (No. 1941) thereon.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Ferguson | Johnson, Tex. |
| Anderson | Flanders | Kefauver |
| Benton | Frear | Kem |
| Brewster | Fulbright | Kerr |
| Bricker | George | Kilgore |
| Butler | Gillette | Knowland |
| Byrd | Graham | Langer |
| Cain | Green | Leahy |
| Capehart | Gurney | Lehman |
| Chapman | Hayden | Lodge |
| Chavez | Hendrickson | Lucas |
| Connally | Hickenlooper | McClellan |
| Cordon | Hill | McFarland |
| Donnell | Hoey | McKellar |
| Douglas | Holland | McMahon |
| Dworshak | Humphrey | Malone |
| Eastland | Hunt | Martin |
| Ecton | Ives | Millikin |
| Ellender | Johnson, Colo. | Morse |
| Mundt | Schoeppel | Tydings |
| Murray | Smith, Maine | Watkins |
| Myers | Smith, N. J. | Wherry |
| Neely | Sparkman | Wiley |
| O'Mahoney | Stennis | Williams |
| Robertson | Taft | Young |
| Russell | Thomas, Utah | |
| Saltonstall | Thye | |

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is absent because of illness.

The Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. MCCARRAN], the Senator from Idaho [Mr. TAYLOR], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

The Senator from Florida [Mr. PEPPER] is absent because of the critical illness of Judge Curtis Waller, a close personal friend.

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. DARBY], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Wisconsin [Mr. MCCARTHY] are unavoidably detained.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Members of the Senate may introduce bills and joint resolutions, present petitions and memorials, and submit routine matters for the body of the RECORD and the Appendix of the RECORD, without long debate or long speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred, as indicated:

REPORT ON ACTION TAKEN UNDER MERCHANT MARINE ACT

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on action taken by the United States Maritime Commission under the Merchant Marine Act, 1936 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT ON CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE, UNITED STATES AND MEXICO

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease, for the month

of May 1950 (with an accompanying report); to the Committee on Agriculture and Forestry.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Acting Attorney General of the United States, transmitting, pursuant to law, copies of the orders of the Commissioner of the Immigration and Naturalization Service granting the application for permanent residence to certain aliens, together with a statement of the facts and pertinent provisions of law in each case (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

A letter from the Acting Attorney General of the United States, transmitting, pursuant to law, copies of the orders of the Commissioner of the Immigration and Naturalization Service suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law and the reasons for ordering suspension of deportation (with accompanying papers); to the Committee on the Judiciary.

REPORT OF REAL PROPERTY LEASES EXECUTED BY NAVY DEPARTMENT

A letter from the Assistant Secretary of the Navy, transmitting, pursuant to law, a report on real property leases executed by the Department of the Navy, for the period ended June 30, 1950 (with an accompanying report); to the Committee on Armed Services.

AUDIT REPORT ON PUBLIC HOUSING ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Public Housing Administration, for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

TRANSFER BY SECRETARY OF DEFENSE OF CERTAIN LANDS TO FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman of the Federal Communications Commission, transmitting a draft of proposed legislation to direct the Secretary of Defense to transfer and convey certain lands to the Federal Communications Commission in connection with the Federal Communications Commission's radio monitoring program (with an accompanying paper); to the Committee on Expenditures in the Executive Departments.

CONFIDENTIAL REPORT OF NATIONAL MUNITIONS CONTROL BOARD

A letter from the Executive Secretary, National Munitions Control Board, transmitting, pursuant to law, a confidential report of the National Munitions Control Board (with an accompanying report); to the Committee on Foreign Relations.

REPORT OF NATIONAL ACADEMY OF SCIENCES

A letter from the President, National Academy of Sciences, Washington, D. C., transmitting, pursuant to law, a report of the Academy for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on Rules and Administration.

## PETITION AND MEMORIAL

A petition and a memorial were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A telegram in the nature of a petition from the United Electrical, Radio & Machine Workers of America, of New York, signed by Albert J. Fitzgerald, general president, Julius Emspak, general secretary-treasurer, and James J. Matles, director of organization, praying for prompt enactment of legislation providing a Fair Employment Practice Commission; ordered to lie on the table.

A resolution adopted by the Ninth District Dental Society of Tennessee, Memphis, Tenn., protesting against the adoption of Reorganization Plan No. 27 of 1950, providing for the creation of a new Federal Department of Health, Education and Security; to the Committee on Expenditures in the Executive Departments.

## COLUMBIA VALLEY ADMINISTRATION—RESOLUTION OF ETHAN ALLEN POMONA GRANGE, BENNINGTON, VT.

Mr. FLANDERS. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Ethan Allen Pomona Grange, of Bennington, Vt., protesting against the creation of a Columbia Valley Administration.

There being no objection, the resolution was referred to the Committee on Public Works and ordered to be printed in the RECORD, as follows:

BENNINGTON, VT., *June 14, 1950.*

Hon. RALPH E. FLANDERS,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR: The following is a resolution passed by Ethan Allen Pomona Grange and voted to be brought to your attention:

"Whereas a proposal has been made to create a Columbia Valley Administration, the first move to create authorities in nine great river valleys; and

"Whereas if the CVA was to be established, it could lead to creation of a network of nine authorities blanketing the country. It would have all authority of the Federal Government and would be managed by a three-man board of directors from each region, to be appointed by the President and responsible only to him and not to Congress. The administration would be free from any State or local control and even from the jurisdiction of State courts; and

"Whereas the administration would establish the maximum size of farm units within each project for the reclamation of lands, no farm unit would contain more than 160 or less than 10 acres of irrigable land. It would have full power and authority over all navigable streams, land, forests, and other natural resources, if State laws conflicted with Federal control over local waters, the State law need not be complied with; and

"Whereas the extension of the regional idea to the entire country would mean the eventual disregarding of State lines and a new subdividing of the United States on a regional basis: Therefore be it

*"Resolved,* That Ethan Allen Pomona Grange go on record as opposing any regional authority that will interfere with the Federal Government using its regularly established agencies, operating on a national basis, for activities properly belonging to the Federal Government in relation to natural resources, and any issue that in any way interferes or changes our democratic way of living."

Fraternally yours,

RACHEL MASON,
*Secretary, Ethan Allen Pomona Grange.*

## REPEAL OF EXCISE TAXES ON TRANSPORTATION—LETTER FROM PUBLIC SERVICE COMMISSION OF NORTH DAKOTA, BISMARCK, N. DAK.

Mr. LANGER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a letter from the Public Service Commission of North Dakota, signed by the president and all members, favoring the repeal of the excise taxes on transportation.

There being no objection, the letter was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

PUBLIC SERVICE COMMISSION,
STATE OF NORTH DAKOTA,
*Bismarck, July 8, 1950.*

Hon. WILLIAM LANGER,
*United States Senator,*
*Washington, D. C.*

DEAR SENATOR: The House of Representatives has passed tax legislation which revises the excise taxes to a considerable degree but has made only a small reduction in the transportation tax on persons compared to some of the other reductions.

The excise taxes levied on the transportation of persons and property and communication services were wartime taxes designed to prevent the overburdening of these facilities during the war period and are not luxury taxes and should be eliminated before any reduction in luxury taxes is made. The taxes above-mentioned have placed an extra burden on those parts of the United States that are a long distance from centers of population because the tax applies on the ticket or freight bill, as the case may be, or upon the distance a message is transmitted, where the charges are placed against either long-distance telephone or telegraph service.

During the calendar year 1949 the railroads of the United States suffered a deficit of $649,000,000 in their passenger-train operations, which of course includes revenues from express, mail and other items of property carried on passenger trains as well as dining-car operations. One of the principal causes of this huge deficit is the 15 percent tax on passenger tickets.

It seems to us to be rather ridiculous for the United States Government to levy a 15 percent tax on passenger tickets and at the same time maintain an office in Washington, trying to promote passenger travel by common carriers.

It is the hope of the North Dakota Commission that the excise taxes above-mentioned can be completely eliminated.

The passenger deficit incurred by the railroads is now being carried by increased freight rates, and as a result, large organizations like meat packers are purchasing their own motor-carrier equipment because they can eliminate the transportation tax and avoid, to some degree, the high freight rates. With the diversion of high-class freight to private carriers, the tonnage remaining for the railroads is compelled to carry an additional burden and we here in the Northwest are particularly hard hit as we must ship our products long distances to our first primary market and the commodities we consume are likewise shipped in from distant manufacturing points.

In conclusion, we urge that you attempt to secure the outright repeal of taxes on passenger and property transportation, and communication services.

Yours very truly,

C. W. MCDONNELL,
*President.*
ERNEST D. NELSON,
ELMER W. CART,
*Commissioners.*

## RENEWAL OF FRANCHISE OF WISCONSIN CENTRAL AIRLINES—RESOLUTION OF WISCONSIN CHAPTER, ASSOCIATION OF POSTMASTERS

Mr. WILEY. Mr. President, I am always happy to receive resolutions from organizations in my State on important

public affairs. This morning I was glad to hear from the Wisconsin Chapter of the Association of Postmasters. One of the resolutions which had been adopted at the annual chapter convention in La Crosse, held between June 25 and June 27, endorsed the renewal of the franchise of the Wisconsin Central Airlines—a matter now pending before the Civil Aeronautics Board.

I have previously commented in the Senate on the necessity of the CAB supporting this great airline's continuation. Now that America is up to her ears in the Korean crisis, the great State of Wisconsin will be making invaluable contributions once again to United States military strength. It would be unthinkable that the Badger State, which had so magnificent a record of contributions to our armed might in World Wars I and II, should be denied the continuation of this airline with its indispensable services to passengers, mail, and freight.

I believe that the CAB should with the promptest possible dispatch, therefore, renew the franchise as stated in this National Association of Postmasters, Wisconsin Chapter, resolution received this morning from Miss Margaret F. McGonigle, of Sun Prairie, secretary-treasurer of this fine organization. The president of the Wisconsin Chapter is Tilly E. Brennan, of Valders, Wis. Vice presidents are: Earl F. Moldenhauer, of Clintonville, Wis.; Edward E. Donovan, of Phillips; Reinold N. Duren, of Cazenovia; and Stella Blachowiak, of Beaver, Wis.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

1950 POSTMASTERS CONVENTION,
*La Crosse, Wis., June 27, 1950.*

Senator ALEXANDER WILEY,
*Washington, D. C.:*

Resolution 14

Whereas the Wisconsin Central Airlines is providing direct air-mail service to the principal cities in this State; and

Whereas air mail to and from almost all other post offices in the State is advanced as a result of this feeder-line service; and

Whereas the present temporary operating certificate of the Wisconsin Central Airlines is scheduled to expire in October of this year: Now, therefore, be it

*Resolved*, That the Wisconsin Central Airlines be granted a permanent certificate in order that the citizens of this great State may receive the benefits of this improved service on a permanent basis; be it further

*Resolved*, That copies of this resolution be sent to the Civil Aeronautics Board, Washington, D. C., and to the Wisconsin Members of the United States Senate and House of Representatives.

RAY NOVOTNY,
*Oshkosh, Chairman,*
ETHEL MCKNIGHT,
*Oakfield,*
JOSEPH A. PECH,
*Stevens Point,*
HERMAN EBERHARDT,
*Newton,*
ALBERT VANALSTINE,
*Waupaca,*
CARL E. LUNDBERG,
*Prentice,*
JOHN T. MURPHY,
*Delavan.*

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 1922. A bill to amend section 10 of the Reclamation Project Act of 1939; with an amendment (Rept. No. 1942).

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. Res. 302. Resolution disapproving Reorganization Plan No. 27 of 1950; without amendment (Rept. No. 1943).

## CONTINUATION OF AUTHORITY TO STUDY OPERATIONS OF RFC

Mr. FULBRIGHT. Mr. President, from the Committee on Banking and Currency, I report favorably a resolution to continue until February 1, 1951, the authority to study operations of the Reconstruction Finance Corporation. The subcommittee unanimously recommended the resolution, and the members of the full committee who have been available have been polled and have approved.

The VICE PRESIDENT. The resolution will be received, and, under the rule, referred to the Committee on Rules and Administration.

The resolution (S. Res. 307) was referred to the Committee on Rules and Administration, as follows:

*Resolved*, That the authority of the Committee on Banking and Currency, or any duly authorized subcommittee thereof, under Senate Resolution 219, Eighty-first Congress, agreed to on February 8, 1950 (providing for a study of the operations of the Reconstruction Finance Corporation and its subsidiaries), as continued by Senate Resolution 279, Eighty-first Congress, agreed to on May 19, 1950, is hereby continued until February 1, 1951, and the limit of expenditures under such resolution is hereby increased by $35,000.

## REPORTS OF COMMITTEES ON PERSONNEL AND FUNDS

Pursuant to Senate Resolution 123, Eighteenth Congress, first session, the following reports were received by the Secretary of the Senate:

JULY 5, 1950.

COMMITTEE ON AGRICULTURE AND FORESTRY

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eighteenth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1 to June 30, 1950, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Joycette K. Jones, chief clerk | $7,775.31 | $3,887.64 |
| James M. Kendall, assistant clerk | 6,674.55 | 3,337.26 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $10,000.00 |
| Amount expended | 1,526.42 |
| Total | 4,529.00 |
| Amount expended as of Dec. 31, 1949: | |
| Balance unexpended | 3,944.58 |

ELMER THOMAS,
*Chairman.*

JULY 5, 1950.

COMMITTEE ON AGRICULTURE AND FORESTRY

SUBCOMMITTEE ON FOOT-AND-MOUTH DISEASE PURSUANT TO SENATE RESOLUTION 223, EIGHTIETH CONGRESS, AS CONTINUED BY SENATE RESOLUTION 72, EIGHTY-FIRST CONGRESS

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $8,000.00 |
| Amount expended | 2,122.89 |
| Total | 209.83 |
| Amount expended as of Dec. 31, 1949: | |
| Balance unexpended | 5,667.28 |

ELMER THOMAS,
*Chairman.*

JULY 5, 1950.

COMMITTEE ON AGRICULTURE AND FORESTRY

SUBCOMMITTEE TO INVESTIGATE MEANS OF STIMULATING SURPLUS AGRICULTURAL COMMODITY EXPORTS, PURSUANT TO SENATE RESOLUTION 173, EIGHTY-FIRST CONGRESS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eighteenth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1 to June 30, 1950, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| William F. Howe,[1] counsel | $10,846.00 | $2,000.30 |
| Rollis S. Nelson,[2] investigator | 7,858.27 | 3,274.25 |

[1] Service from Feb. 1 to Apr. 10, 1950, inclusive.
[2] Service began Feb. 1, 1950.

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $25,000.00 |
| Amount expended | 5,393.13 |
| Balance unexpended | 19,606.87 |

ELMER THOMAS,
*Chairman.*

JULY 5, 1950.

COMMITTEE ON AGRICULTURE AND FORESTRY

SUBCOMMITTEE ON UTILIZATION OF FARM CROPS, PURSUANT TO SENATE RESOLUTION 36, EIGHTY-FIRST CONGRESS, AS AMENDED

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eighteenth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1 to June 30, 1950, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Paul E. Hadlick,[1] counsel | $10,846.00 | $4,519.15 |
| Albert J. Wolken, investigator | 7,858.27 | 3,929.10 |

[1] Service began Feb. 1, 1950.

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $50,000.00 |
| Amount expended | 9,916.37 |
| Total | 5,209.33 |
| Amount expended as of Dec. 31, 1949: | |
| Balance unexpended | 34,874.30 |

ELMER THOMAS,
*Chairman.*

JUNE 29, 1950.

COMMITTEE ON THE DISTRICT OF COLUMBIA

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1950, to June 30, 1950, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Robert H. Mollohan, chief clerk to Jan. 31, 1950 | $10,846.00 | $903.82 |
| Gerhard P. Van Arkel, professional staff member from Jan. 16, 1950 | 10,846.00 | 4,971.06 |
| J. George Stewart, professional staff member | 10,846.00 | 5,422.98 |
| William P. Gulledge, assistant chief clerk from Jan. 6, 1950 | 7,022.16 | 3,218.49 |
| Margaret Hampton, clerical assistant from Jan. 16, 1950 | 5,197.21 | 2,382.05 |
| Anna H. Monat, clerical assistant | 5,197.21 | 2,331.75 |
| Ruth Wallace, clerical assistant | 4,849.61 | 2,424.78 |
| Vivian Lynn, clerical assistant from Jan. 17, 1950 | 4,415.10 | 2,011.29 |
| A. L. Wheeler, chief clerk to Jan. 15, 1950 | 10,846.00 | 451.91 |
| Thomas S. Henderson, professional staff member to Jan. 15, 1950 | 8,273.03 | 344.70 |
| Edna L. Ward, clerical assistant to Jan. 15, 1950 | 5,197.21 | 216.55 |

Funds authorized or appropriated for committee expenditure during 81st Cong. $10,000.00
Amount expended 3,362.11
Balance unexpended 6,637.89

MATTHEW M. NEELY,
*Chairman.*

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JULY 1, 1950.

SENATE INVESTIGATIONS SUBCOMMITTEE OF THE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS UNDER RESOLUTION 206, AGREED TO FEBRUARY 1, 1950

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1 to June 30, 1950, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Adlerman, Jerome S., assistant counsel | $7,041.22 | $3,970.56 |
| Cousins, Mary G., assistant clerk to Jan. 15 | 160.47 | 4,067.49 |
| Flanagan, Francis D., chief counsel | 10,846.00 | 5,422.74 |
| Hatcher, Howell J., chief assistant counsel | 10,844.54 | 5,104.26 |
| Kenny, Lucille O., assistant clerk from Mar. 20 | 3,372.27 | 946.10 |
| Lee, Lydia, record clerk | 5,631.72 | 2,815.86 |
| McCahill, Myles C., investigator | 6,326.94 | 3,163.44 |
| McElroy, Robert J., investigator | 4,762.70 | 2,381.34 |
| Meacham, Ruth, assistant clerk to May 15 | 4,588.89 | 1,691.84 |
| Montler, Gladys E., assistant clerk | 4,588.89 | 2,250.96 |
| Morris, Constance L., assistant clerk | 3,980.59 | 1,961.30 |
| Rogers, William P., chief counsel to Mar. 1 | 10,846.00 | 1,807.66 |
| Sheridan, James F., investigator | 6,326.94 | 3,163.44 |
| Thomas, James H., assistant counsel | 5,718.63 | 2,850.30 |
| Young, Ruth M., clerk | 4,588.89 | 2,265.44 |
| Bellino, Carmine S., accounting consultant | (1) | 3,434.52 |

[1] $25 per diem.

Funds authorized or appropriated for committee expenditure $109,823.19
Amount expended 45,376.88
Balance unexpended 64,446.31

CLYDE R. HOEY,
*Chairman.*

JULY 10, 1950.

COMMITTEE ON FINANCE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1 to July 1, 1950, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Elizabeth B. Springer, chief clerk | $9,840.11 | $4,400.68 |
| Janice Everly, stenographer | 4,936.51 | 2,309.66 |
| Sam Oglesby, stenographer | 4,588.89 | 2,221.56 |
| Betty Mae Tapy, stenographer | 3,459.17 | 1,153.04 |
| Jesse R. Nichols, document clerk | 3,970.59 | 1,927.10 |
| Hal P. Phillips professional staff | 7,775.31 | 3,764.20 |
| Serge Benson, professional staff | 9,766.16 | 4,728.04 |
| Fedele F. Fauri, special social-security expert | 10,846.00 | 2,711.49 |

Funds authorized or appropriated for committee expenditure $15,000.00
Amount expended Jan. 1, 1949, through Dec. 31, 1949 3,796.71
Amount expended Jan. 1, 1950, through June 30, 1950 5,353.69
Balance unexpended 5,849.60

WALTER F. GEORGE,
*Chairman.*

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JULY 7, 1950.

COMMITTEE ON LABOR AND PUBLIC WELFARE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1 to June 30, 1950, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Earl B. Wixcey, clerk | $10,846.00 | $5,422.98 |
| Philip R. Rodgers, assistant clerk | 10,846.00 | 5,422.98 |
| Vivien Harman, clerical assistant | 5,718.63 | 2,859.30 |
| Crawford C. Heerlein, clerical assistant | 5,284.12 | 2,642.04 |
| Helen King,[1] clerical assistant | 4,502.00 | 1,388.09 |
| Paul Sample, clerical assistant | 5,284.12 | 2,642.04 |
| Marguerite Yost, clerical assistant | 3,719.87 | 1,859.88 |
| Elaine F. Hatch,[2] professional staff member | 7,775.31 | 2,894.13 |
| Herman Lazarus, professional staff member | 10,846.00 | 5,422.98 |
| William G. Reidy, professional staff member | 10,846.00 | 5,422.98 |
| Thomas E. Shroyer, professional staff member | 10,846.00 | 5,422.98 |
| Melvin W. Sneed, professional staff member | 10,846.00 | 5,422.98 |

[1] Appointed Mar. 10, 1950.
[2] Appointed Feb. 17, 1950.

Funds authorized or appropriated for committee expenditure: Jan. 1, 1949, to June 30, 1950 $20,000.00
Amount expended:
Jan. 1, 1949, to June 30, 1949 $7,406.74
July 1, 1949, to Dec. 31, 1949 3,879.67
Jan. 1, 1950 to June 30, 1950 2,384.66
13,671.07
Balance unexpended 6,328.93

ELBERT D. THOMAS,
*Chairman.*

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. TYDINGS introduced Senate bill 3876, to provide free postage for members of the Armed Forces of the United States in specified areas, which was passed, and appears under a separate heading.)

By Mr. WILEY:

S. 3877. A bill for the relief of Mrs. Kayoko Suzuki Jensen; to the Committee on the Judiciary.

By Mr. KILGORE:

S. 3878. A bill for the relief of Valmai Eileen Mackenzie; to the Committee on the Judiciary.

By Mr. LANGER:

S. 3879. A bill for the relief of Gertrude Rena Carlson; to the Committee on the Judiciary.

S. 3880. A bill to provide deferment from training and service under the Selective Service Act of persons engaged in raising agricultural food crops; to the Committee on Armed Services.

By Mr. CAIN:

S. 3881. A bill authorizing the issuance of a patent in fee to Caroline Charles;

S. 3882. A bill authorizing the issuance of a patent in fee to Morris Charles, Sr.; and

S. 3883. A bill authorizing the issuance of a patent in fee to Carrie Charles; to the Committee on Interior and Insular Affairs.

By Mr. LEHMAN:

S. 3884. A bill for the relief of Wilma M. Stiehl; to the Committee on the Judiciary.

By Mr. WATKINS:

S. 3885. A bill to amend the Railroad Retirement Act of 1937 so as to permit voluntary retirement thereunder at age 60 and to require compulsory retirement at age 70 by individuals who have completed 30 years' service; to the Committee on Labor and Public Welfare.

By Mr. KEFAUVER:

S. 3886. A bill for the relief of Mrs. Joseph C. Grant; to the Committee on the Judiciary.

(Mr. THYE introduced Senate bill 3887, to establish a commission to investigate and evaluate programs designed to assure the loyalty of Government employees and protect Government information from improper disclosure, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. JOHNSON of Colorado:

S. 3888. A bill to provide that the United States shall aid the States in fish and restoration and management projects, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHAPMAN:

S. 3889. A bill to increase permanently the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States; to the Committee on Armed Services.

(Mr. CAIN (for himself, Mr. HENDRICKSON, and Mr. BRICKER) introduced Senate bill 3890, to extend to personnel of the Armed Forces engaged in operations against the forces of the Government of North Korea certain benefits provided by law for veterans of World War II, and for other purposes, which was referred to the Committee on Finance, and appears under a separate heading.)

## FREE MAILING PRIVILEGES TO CERTAIN MEMBERS OF ARMED FORCES

Mr. TYDINGS. Mr. President, I ask the attention of the Senate because I am sending to the desk a short bill which I shall ask to have read. It has for its purpose the giving of free mailing privileges to the soldiers in Korea who are now engaged in fighting, the same as we have always done in time of actual combat. I introduce the bill and shall ask for its immediate consideration and passage to final disposition. I ask that the bill be read.

There being no objection, the bill (S. 3876) to provide free postage for members of the Armed Forces of the

United States in specified areas, introduced by Mr. TYDINGS, was received, read the first time by its title, and the second time at length, as follows:

*Be it enacted, etc.*, That any first-class letter mail matter admissible to the mails as ordinary mail matter which is sent by a member of the Armed Forces of the United States while on active duty or in the active service of the Armed Forces of the United States in Korea and such other areas as the President of the United States may hereafter designate as combat zones or theaters of military operations, to any person in the United States, including the Territories and possessions thereof, shall be transmitted in the mails free of postage, subject to such rules and regulations as the Postmater General may prescribe: *Provided*, That when specified by the sender letters weighing not to exceed 1 ounce shall be transmitted to destination by air mail, dependent upon air space availability therefor.

SEC. 2. The free mailing privileges above granted shall become effective upon the date of enactment of this act and shall continue until June 30, 1951, unless terminated at an earlier date by concurrent resolution of the Congress or by direction of the President.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. WHERRY. Mr. President, reserving the right to object, I should like to ask the distinguished Senator from Maryland to give an explanation of the bill. I do not want to jump the gun, but I desire an explanation of the bill.

Mr. TYDINGS. The bill deals primarily with giving free postage rights to the troops in Korea and such other combat zones as the President may hereafter designate. It is the same general privilege which we extended to our armed forces during World War II. Of course, the men who are fighting in Korea and who will fight in Korea have no postage stamps in their pockets. They are always very anxious to communicate with their families and friends and their loved ones. It is not always possible to write letters under peaceful conditions when wearing the uniform. Some time, before the eve of a conflict, a battle, a man has a chance to drop a few lines to his wife or children or parents, knowing it might be the last letter he will ever write. It has always been the humane and democratic custom of our legislative bodies to give to the man who is about to go into action, or who is in the war zone, every chance in the world to write to those who are tied to him by blood or affection.

For the time being the bill applies only to Korea, but should any other zone become a combat zone, of course, the President could include it in that category. It is the same general provision that was made for the troops in World War II.

I hope I have explained the bill to the satisfaction of the Senator from Nebraska.

Mr. WHERRY. Mr. President, I wanted the RECORD to show the purpose of the bill. I reserve the right to object so I could ask the Senator from Maryland to give an explanation of the bill which has just been introduced, and for which request has been made for consideration though the bill has not even gone to committee. I desire to say that I am in complete accord with the provisions of the bill. It would do exactly what was done with respect to soldiers in the combat areas during World War II. At least that is my understanding as gained from the explanation made by the Senator from Maryland.

Mr. TYDINGS. The Senator is correct.

Mr. WHERRY. I am certainly for the bill, and I hope it will be passed.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 3876) was considered, ordered to be engrossed for a third reading, read the third time, and passed.

## SECURITY SURVEY COMMISSION

Mr. THYE. Mr. President, I intend to introduce a bill and ask unanimous consent that I may make a short explanation of it.

The VICE PRESIDENT. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and the Senator may proceed.

Mr. THYE. Mr. President, I introduce for appropriate reference a bill to establish a Commission to investigate and evaluate programs designed to assure the loyalty of Government employees and protect Government information from improper disclosure.

The proposed duties of the Commission, which would be composed of an equal number of members of both major parties and an equal number of private citizens and of officials representing the executive and legislative branches of the Government, are set forth in section 2 of the bill as follows:

The Commission shall make a full and complete study and investigation of the employees loyalty program in the executive branch, and of similar and related operations of the Federal Bureau of Investigation, the Central Intelligence Agency, and other agencies and boards designed to assure the loyalty of Government employees and protect Government information from improper disclosure. The Commission shall evaluate the effectiveness of such program and operations in safeguarding the national interest, and particularly in preventing the infiltration into the Government of subversive elements and disloyal individuals; and shall determine and recommend what steps should be taken to (1) coordinate and increase the effectiveness of such program and operations; (2) encourage superior personnel to enter and continue in Government service; and (3) safeguard the integrity and rights of Government personnel. The Commission shall restrict its work to a study of methods, operations, and needs, and shall not investigate the loyalty or personal conduct of any individual within the Government.

Mr. President, I believe that the American people are entitled to know how the methods and agencies established to provide for security within the Government are functioning and what steps should be taken to make them more effective.

I need not enumerate the convictions that have been secured in courts of law of disloyal persons who have entered Government employment and advanced to responsible positions, nor the evidence of subversive activities that has been brought out in congressional investigations, to indicate that we are confronted with a most serious problem at a time of grave potential danger.

We have passed through a decade of national emergency when these things have occurred. We know they happened in spite of the screening and investigation that were done by agencies charged with that responsibility. In 1947, the new employees loyalty program in the executive branch was set up, and increased appropriations were provided by the Eightieth Congress for this program. We believe it has provided improved procedures. We hope that it has kept undesirables out of the Government. Unfortunately, however, we are not sure that even our improved setup is adequate.

As the danger from those boring from within has grown more apparent, the American people have become greatly concerned and disturbed over the situation. They have not known quite what to believe. In these critical days, it is relatively easy to arouse public fear.

It is our duty to make certain that our program is right. Therefore, let us provide a commission of the best qualified men and women to make a study and report to Congress and the people of this land. Changes, if needed, should be recommended. If there is an adequate safeguard, the public would be happy to have such information.

It is essential that we fairly evaluate the machinery through which we propose to safeguard this vital phase of the national interest. It is imperative that we determine how we can achieve from now on the best possible results in keeping out subversive elements, security risks, and disloyal persons, while at the same time safeguarding the integrity and encouraging the overwhelming majority of fine, loyal, and competent persons in our Government.

I believe that such constructive determination can best be made by an independent, bipartisan commission modeled somewhat after the Hoover Commission on Organization of the Executive Branch.

That is the purpose of this bill. The proposed commission would not take over any congressional investigation. It would not undertake to reach decisions as to policies, past or present, or to assume any administrative responsibility. It would not be created to cast reflections on any individual or any part of our Government or to investigate them, except in the sense of an objective study.

It would be a fact-finding body whose principal duty would be to give us a true picture of a highly important problem and to recommend both administrative and legislative actions to correct whatever mistakes or weaknesses there may be. It would tell us whether we have done what we ought to do to coordinate a necessary security and loyalty program, and, if not, what correction or improvements are desirable and necessary.

The establishment of a Security Survey Commission, as contemplated in this bill, would be reassuring to the American people. Its work would be in our common interest and would strengthen us at a most critical time in our history.

In other words, by this means we would try to make certain that at some future time we shall not be endeavoring to lock the barn door after the horse has been stolen.

The bill (S. 3887) to establish a commission to investigate and evaluate programs designed to assure the loyalty of Government employees and protect Government information from improper disclosure, introduced by Mr. THYE, was read twice by its title, and referred to the Committee on the Judiciary.

### INVESTIGATION OF EXCESSIVE WAR PROFITS

Mr. LANGER. Mr. President, I submit for appropriate reference a resolution to investigate excessive war profits made during World War II, with a view to limiting future war profits.

I think the Senate is familiar with the fact that in World War I, 72,000 new millionaires were created. This resolution provides that the Committee on Finance or any duly authorized subcommittee thereof shall make a full and complete study to see to it that in the present war, or in case it is continued in any other country besides Korea, there shall be no excessive profits, and that the amount of profit shall be limited to not to exceed 10 percent of the capital investment.

The resolution (S. Res. 306), submitted by Mr. LANGER, was referred to the Committee on Finance, as follows:

*Resolved*, That the Committee on Finance, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study with respect to the earnings of war contractors and others making excessive profits during World War II, for the purpose of ascertaining the feasibility and desirability, during any future wars in which the United States may be engaged, of limiting annual profits to amounts not in excess of 10 percent of capital investment. The committee shall report to the Senate at the earliest practicable date the results of its study together with such legislation as it may deem necessary to carry out its recommendations.

### REDUCTION OF EXCISE TAXES—AMENDMENTS

Mr. IVES submitted amendments intended to be proposed by him to the bill (H. R. 8920) to reduce excise taxes, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

Mr. GURNEY and Mr. KEFAUVER each submitted an amendment intended to be proposed by them, respectfully, to House bill 8920, supra, which were referred to the Committee on Finance and ordered to be printed.

### GENERAL APPROPRIATIONS—AMENDMENT

Mr. SALTONSTALL (for himself and Mr. SMITH of New Jersey) submitted an amendment intended to be proposed by them, jointly, to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, which was ordered to lie on the table and to be printed.

### NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO GENERAL APPROPRIATIONS BILL

Mr. YOUNG submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, the following amendment, namely: "On page 366, line 8, after the word 'project', insert the following: ': *Provided further*, That the section entitled "National Military Establishment" in Public Law 343, Eighty-first Congress, first session, providing appropriations for the project at Mandan, N. Dak., is hereby amended to authorize reimbursement to local interests for such work as they may have done in providing interior drainage facilities at Mandan, subsequent to appropriation of funds for construction, as a part of the local flood protection project, insofar as such drainage facilities shall be approved by the Chief of Engineers and found to have been done in accordance with the authorized project: *Provided further*, That such payment shall not exceed the sum of $76,000'."

Mr. YOUNG also submitted an amendment intended to be proposed by him to House bill 7786, making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

### THE HOOVER COMMISSION RECOMMENDATIONS—BROADCAST BY SENATOR SMITH OF MAINE

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD a broadcast by Senator SMITH of Maine on July 9, 1950, regarding the recommendations of the Hoover Commission and other matters, which appears in the Appendix.]

### INVESTIGATION OF ORGANIZED CRIME—ADDRESS BY SENATOR MARTIN

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD a radio address on the subject "Senatorial Investigation of Organized Crime," recently delivered by Senator MARTIN, which appears in the Appendix.]

### TRIBUTE TO SENATOR WILEY—ARTICLE FROM THE NATIONAL REPUBLIC

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an article entitled "A Statesman from Wisconsin," by Paul R. Bish, published in the July 1950, issue of the magazine National Republic, which appears in the appendix.]

### THE MUNDT-NIXON BILL—EDITORIAL FROM THE ST. LOUIS POST-DISPATCH

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "A Totalitarian Bill," published in the St. Louis Post-Dispatch of June 25, 1950, which appears in the Appendix.]

### HYSTERIA IS NO EXCUSE FOR MUNDT-NIXON—EDITORIAL FROM THE DENVER POST

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "Hysteria Is No Excuse for Mundt-Nixon," published in the Denver Post of July 2, 1950, which appears in the Appendix.]

### APPROPRIATIONS FOR THE POINT 4 PROGRAM—EDITORIAL COMMENT

[Mr. SALTONSTALL asked and obtained leave to have printed in the RECORD an editorial entitled "Making It Pointless," published in the Christian Science Monitor of July 7, 1950; and an editorial entitled "A Reversible Blunder," published in the New York Herald Tribune of July 8, 1950, which appear in the Appendix.]

### CROP CONTROLS—EDITORIAL FROM THE COUNTRY GENTLEMAN

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial entitled "The Wrong Way To Apply Crop Controls," published in the Country Gentleman for July 1950, which appears in the Appendix.]

### CAMPAIGN OF TRUTH THROUGHOUT THE WORLD—TESTIMONY OF STANLEY H. RUTTENBERG

[Mr. BENTON asked and obtained leave to have printed in the RECORD testimony regarding the position of the Congress of Industrial Organizations on Senate Resolution No. 243, calling for a campaign of truth throughout the world, given before a subcommittee of the Senate Committee on Foreign Relations on Friday, July 7, 1950, which appears in the Appendix.]

### THE WAR FOR YOUR MIND—SERMON BY REV. EDGAR N. JACKSON

[Mr. BENTON asked and obtained leave to have printed in the RECORD a sermon on the subject The War for Your Mind, delivered by Rev. Edgar N. Jackson, of the Newfield Methodist Church of Bridgeport, Conn., which appears in the Appendix.]

### THE TRUTH BOMB—ARTICLE BY DR. FREDERICK BROWN HARRIS

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an article entitled "The Truth Bomb," written by Dr. Frederick Brown Harris, Chaplain of the Senate, and published in the Washington Sunday Star, which appears in the Appendix.]

### OUR TRANSPORTATION SYSTEM—GOOD OR BAD?—DISCUSSION ON AMERICAN FORUM OF THE AIR

[Mr. McMAHON asked and obtained leave to have printed in the RECORD the American Forum of the Air discussion on the subject, Our Transportation System—Good or Bad? of June 24, 1950, which appears in the Appendix.]

### BROADCAST BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a radio broadcast by him on the week end of July 7–9, 1950, which appears in the Appendix.]

### REPORT TO THE PEOPLE OF PENNSYLVANIA—WASHINGTON NEWS LETTER BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD the Washington News Letter issued by him on July 6, 1950, which appears in the Appendix.]

### UNITED STATES FUEL RESERVES—ADDRESS BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a radio address on the subject of the United States Fuel Reserves, delivered by him on July 10, 1950, which appears in the Appendix.]

### PLEA FOR INCREASED MILITARY AID TO WESTERN EUROPE

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I

issued on July 7 advocating increased military aid to the countries of western Europe.

There being no objection, Mr. LODGE's statement was ordered to be printed in the RECORD, as follows:

On Friday, July 1, when the Senate unanimously passed the military-aid bill, I stated my opinion that the amount was too low, that we should raise our sights higher and that there could be no lasting peace until the free world had rebuilt its military strength to a point which would prevent Communist imperialism from being able to take the initiative at will at any place that it chose on the world-wide edge of the Soviet Empire.

I based this assertion on my belief that there could be no lasting peace until the initiative had been regained by the United States and that, therefore, at this particular moment, the rebuilding of military strength was vital to success along all the other lines of acitivity, whether economic or psychological.

I now renew my plea for increasing the amount of military aid to Europe and I make this added argument:

The most reliable expectation is that within 2 or 3 years the Communist imperialists of the Kremlin will, for the first time, be able to bomb our ports and industrial centers with atomic bombs. The most authoritative information further holds that the rulers of the Kremlin cannot do this now. If the defense of the west in the next 2 or 3 years grows only as fast as the present rate now contemplates, quick reinforcements to Europe would be required to prevent the Communists from overrunning Europe in a few days. The overrunning of Europe would not only be a tragedy for the Europeans; it would also mean that none of the free nations would be able to use Europe as a base from which to strike back after we had been bombed. Yet, if our port cities are hit, we will be unable to send reinforcements to Europe. All our retaliation (with the exception of carrier-based aviation) would then have to be conducted by planes based in the United States, which would greatly lessen the cargo space available for bombs because so much space would have to be used for fuel.

To avoid this dilemma, we should at once accelerate measures to put Europe in such a strong defensive posture that in 2 years it will be proof against aggression. The situation with regard to Europe is potentially a thousand times more portentous and dangerous than the situation in Korea. The point of the Soviet arrow is not aimed at Korea or at Formosa or at Indo-China or at Iran; it is aimed at western Germany. Yet none of the Atlantic Pact countries, including the United States, is at present doing all that it is capable of doing. We should at once appropriate at least $2,000,000,000 more for military assistance; postpone tax reduction; and do whatever else may be necessary.

Such a course is dictated by the requirements of lasting peace. It is also made necessary by the starkest considerations of self-defense, if aggression should, in spite of all our efforts, take place.

## THE KOREAN CRISIS—STATEMENT OF JEWISH WAR VETERANS OF THE UNITED STATES

Mr. LEHMAN. Mr. President, the Jewish War Veterans of the United States recently submitted a statement to the President of the United States describing its membership's attitude toward the current struggle in Korea. I ask unanimous consent to insert this statement in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Jewish War Veterans of the United States of America wholeheartedly endorses and supports President Truman's prompt action in countering the Communist invasion of South Korea.

Communism has passed from hidden conspiracy to naked aggression. It has demonstrated that what it fails to accomplish by propaganda and political infiltration, it is prepared to achieve by force of arms. It has shown its readiness to openly break a peace it has secretly undermined since the cessation of hostilities in World War II. America's refusal to countenance the terror unleashed by communism in South Korea will bolster the structure of the United Nations and give new heart to freedom- and peace-loving people everywhere. The resolute action now being taken by Gen. Douglas MacArthur at the direction of the President will serve to stem the hysteria and confusion on which communism counts in its over-all strategy of conquest.

The world now knows that the United States, and with her the community of free nations, is determined to deny communism a Munich in the Far East.

For the American people the attack on South Korea points in vivid terms to the need for prompt strengthening of America's defenses against any conceivable assault upon our freedom and security, whether by enemies within our borders or would-be conquerors from beyond our shores.

The President's action proffers the surest hope of restoring peace to South Korea on a basis of justice and the right of a small people to determine its own political destiny.

## THE RELATIONSHIP BETWEEN FEPC LEGISLATION AND THE SITUATION IN KOREA

Mr. LEHMAN. Mr. President, this morning Mr. A. Philip Randolph and Mr. Roy Wilkins, spokesmen for organizations advocating FEPC legislation issued a statement describing the vital relationship between that legislation and the situation in Korea. It is a good and sober statement. To my mind it is a very true statement. I ask unanimous consent to insert this statement into the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A. Philip Randolph and Roy Wilkins, spokesmen for organizations supporting FEPC, issued the following statement on Sunday:

"The invasion of Korea by Communist troops has presented the United States with a new set of urgencies. The urgencies are not only military and economic, but political and ideological. While military action is confined to Korea, the bloodless battle for men's minds rages throughout the rest of the world. In that battle the United States loses ground as each month passes without affirmative governmental action to close the gap between our professed ideals and our actual practices. The most glaring inconsistency is between our credo of equality among all men and the actual day-to-day discriminations against human beings because of their color, race, national origin, or religion. Not only is this discrimination humiliating to our own people, but it places America in an unfavorable light with the millions of Asiatics, Indonesians, Africans, and other colored peoples who have not yet had to choose between totalitarianism and democracy.

"There is much talk today of a great world-wide American campaign of truth. This campaign would be much easier, and much more productive, if the American Government—here and now—took a forthright stand against racial and religious discrimination in employment practices. The opportunity is here. The FEPC bill is to be brought up in the Senate for another attempt at passage.

"The Negro troops which were among the first to be thrown into the Korea battle assuredly have equality of opportunity with their white comrades—opportunity to fight for freedom, and opportunity to die. Equality of opportunity at home—opportunity for employment on the basis of ability and opportunity to live as first-class citizens—is not too much to ask for them, nor for any American. We ask Senators to keep this in mind as they vote on the filibuster and the bill which both political parties are committed to support."

## INCREASE IN STRENGTH OF ARMED FORCES—STATEMENT BY SENATOR LEHMAN

Mr. LEHMAN. Mr. President, on July 8, in response to inquiries by members of the Press, I expressed views approving and urging an increase in the strength of our Armed Forces. I said that we must not only increase the size of our armed units, but that we must approve and make available such increased funds as are necessary to supply arms and equipment for our men and also for our allies and friends who, with us, are supporting the cause of democracy and freedom. I ask unanimous consent to insert the brief statement I made on July 8 at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN ON THE PRESIDENT'S ORDER TO INCREASE THE STRENGTH OF THE ARMED FORCES

In the present world situation it seems essential to increase the strength of the Armed Forces both for our own defense and the defense of other nations. However much we may regret that we are compelled to take such a step, I am confident that it was taken only after full consideration and on the advice of the President's military advisors to whose views in these days we must give the most serious weight.

I feel, however, that in addition to increasing the number of our men under arms we must also hasten to provide such funds as are needed to supply arms and other essentials for our own men and for our allies and friends who stand with us in these critical hours.

## JUDGING NORTH KOREAN WAR GUILT—MURDER OF AMERICAN SOLDIERS

Mr. McMAHON. Mr. President, very briefly I should like to call attention to a letter published in the New York Times of this morning, entitled "Judging Korean War Guilt," commenting upon a suggestion which I made in the Senate last week that it was time we notified the North Korean leaders of the Nuremberg precedent. This has special point, I think, today in view of the dispatch which has come from Tokyo, which reads:

Seven American soldiers, their hands bound behind their backs and bullet holes in

their faces, were found in a see-saw Korean battle yesterday after a lost battalion had slugged its way from behind North Korean lines.

Obviously they did not shoot these American soldiers in the heads first in battle and then tie their hands. They were apparently tied up and then shot. I think it is high time that the North Koreans were notified of the Nuremberg precedent in international law.

Mr. President, I ask unanimous consent that the letter from the New York Times may be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUDGING KOREAN WAR GUILT—NUREMBERG PRECEDENT FOR DEFINING CRIMINAL RESPONSIBILITY QUOTED

To the EDITOR OF THE NEW YORK TIMES:

Senator BRIEN MCMAHON'S proposal that the persons responsible for the attack on southern Korea be tried as war criminals under the Nuremberg precedent did not suggest any details of procedure other than that the names of the individuals "directly responsible for precipitating this conflict be sent to the United Nations." A proper procedural application by the United Nations of the principles of international law may yet strengthen the sanctions now being invoked and perhaps furnish a legal and moral deterrent for aggravating this unlawful invasion and aggression.

The crime for initiating the aggression has already been committed and the persons responsible for participating in its planning and preparation are readily identifiable. The more important problem, it seems to me, is to announce the standards of international law which are designed to limit and contain an aggression already launched.

The Nuremberg precedent provided that participating in the waging of aggressive wars and illegal invasions is a separate and distinct crime. Thus persons who did not participate in the planning and preparation to initiate wars of aggression may be held criminally responsible if, knowing that the war was aggressive, they substantially participate in its waging. The Nuremberg tribunal in the Ministries Case stated:

"We are not to be understood as holding that one who knows that a war of aggression has been initiated is to be relieved of criminal responsibility if he thereafter wages it. * * *"

LIMITED APPLICATION

Following World War II, the application of the concept of the waging of aggressive war, as a separate and distinct crime, was difficult, because of the requirement that there be proof of knowledge on the part of the participant that the war was aggressive. Consequently its application was necessarily limited to those who substantially participated in the planning and preparation for the aggressive war.

Today the situation is different. A competent international authority has already determined "that the armed attack upon the Republic of Korea by forces from North Korea constitutes a breach of the peace."

We now have an official declaration by the United Nations that the attack on South Korea was aggressive and criminal. Any person who hereafter substantially participates in the waging of the war and invasion of Southern Korea must be charged with knowledge of the fact that he is participating in the waging of an aggressive war and illegal invasion, regardless of whether he participated in the preparations for its initiation or not.

It would be most appropriate for the United Nations to adopt at this time a resolution to the effect that under existing law all persons holding high position who participate in the waging of aggressive war or unlawful invasions are criminally responsible therefor; that the attack on South Korea constitutes an unlawful invasion and an act of aggression; that all persons holding high position who continue to participate in the unlawful invasion and aggression against South Korea will be held responsible before an international tribunal.

SUPPLEMENTARY SANCTIONS

Such a declaration by the United Nations may perhaps plant a seed of hesitancy in the minds of the North Korean officials and their backers as to the advisability of continuing to wage war in the face of the Unitd Nations declaration. It would certainly supplement the military sanctions with the legal and moral sanctions of international law.

The impact of such a declaration would not be entirely lost on the Soviet legal mind. The published minutes of the International Conference on Military Tribunals disclose that the Soviet delegate attached great importance to the Allied declarations at Crimea and Moscow providing for the trial and punishment of Axis war criminals. In fact, we thought they overstressed the legal effect of those declarations.

MORRIS AMCHAN,
*Former Deputy Chief Counsel for War Crimes, Nuremberg.*
ARLINGTON, VA., *June 30, 1950.*

## THE PRESIDENT'S COURSE IN KOREA—STATEMENT BY SENATOR WILEY

Mr. WILEY. Mr. President, I have tried to get the floor to make a statement today, but instead of that, I ask that the material I have prepared be inserted in the RECORD at this point, together with a release I issued today regarding use of Allied ground troops in Korea.

There being no objection, the statement and release were ordered to be printed in the RECORD, as follows:

SENATOR WILEY RECOMMENDS RESOLUTION OF CONGRESS INDICATING APPROVAL OF PRESIDENT'S ACTIONS IN KOREA

Mr. President, I rise to urge today that the administration submit to both Houses of the Congress a resolution indicating the approval by the Congress of actions taken by the President in drawing a defense line beyond which we will not permit Russian and Red satellite aggression to occur. Although it is 2 weeks since the outbreak of the Korean crisis, I believe that it is essential for the integrity of the Congress—the legislative branch—and for the sake of history, that we go on record indicating our agreement with the President's actions. In the House of Commons, Prime Minister Attlee submitted his actions to a vote of confidence which came almost unanimously.

I should like to make the following points why I feel this resolution is essential:

1. The fact that the President has used troops on an estimated 150 occasions in the past does not necessarily prove that executive action without congressional agreement is advisable in the present situation. As a matter of fact, no single military action taken by the executive branch at any time in American history has as many widespread implications as does the present. Although Korea is the only battlefield, thus far, countless new explosions may occur in Formosa, Indochina, Malaya, Iran, "Titoland," etc., and it is ridiculous that America should embark on so long a series of actions whose end result no man can foretell without our taking action here in the Congress.

2. I believe that by our approval we are not necessarily establishing a precedent for the executive to initiate action, getting congressional agreement later. On the contrary, our approval is entirely specific and is directed only to this one occasion at this one period in history.

3. The American people are seriously concerned about the fact that in recent decades the legislative branch has been giving up more and more of its authority and prerogatives to the executive branch. If we are to sit by silently while the President takes actions which might lead us into a third world war or into wholesale committal of American lives, then the people will wonder whether the legislative branch has continued strength and validity. It would be ridiculous for us to be fighting in Korea for the cause of freedom and popular rule at the same time the Congress gives up its own position as the voice of the people.

4. I do not believe that it is sufficient that the President should merely call in Members of the Senate and House for personal discussions at his office to advise of actions he has already taken. No one would call that true executive-legislative teamwork and cooperation because obviously we had no alternative but to agree to actions that were already being executed by our chiefs in the Far East. This situation should not go uncorrected indefinitely. We approve of those actions but it is up to the entire Congress to state specifically that it does so for the sake of history as I have mentioned and for the sake of the integrity of the legislative branch of government.

5. In view of the provisions of the United Nations Charter, it might be implied that the President has the power in case of aggression without the consent or approval or direction of Congress to put the Armed Forces of the United States into action, to repel aggression (though that is still a question in dispute) nevertheless if we are to proceed unitedly and obtain effective action to stop aggression, it would appear wise that a resolution authorizing the use of Armed Forces of this Government be adopted by the Congress, particularly in those cases where the aggression is outside the North and South American continents.

What I am driving at is this: In a case involving the utilization of Armed Forces where the activity is something more than what might be called a mere police operation, where the President is acting alone under his powers as Commander in Chief under the Constitution, an appropriate resolution should be adopted by the Congress authorizing the use of such force, and likewise, where under the jurisdiction of the United Nations the situation is something more than the mere utilization of police force, in such case I feel the Congress should also authorize the use of the military force of the United States.

Mr. President, I repeat it is definitely not too late for the administration to submit this resolution. Korea may be simply the opening step of a whole series of explosions which will come. I don't want the American people to feel that our men will be dying in Korea or any other place merely at the order of one single man—the Chief Executive. Even if Korea were the only battlefield I would say that this resolution is imperatively necessary. It is not too late to be sure, though it would have been helpful had such a resolution been submitted two Mondays ago, but better late than never. Let us act now to show the world that the Congress takes very seriously its obligations under the United States Constitution, that Congress takes seriously its obligation to serve as a check and balance on the executive branch and that Congress, which is the only voice of the American people, intends

to show the people and the world that it is the people which rule rather than any single individual or group of individuals in elective or appointive office in the executive branch.

Mr. President, as of this morning I issued a release urging the United Nations to get down to cases and mobilize ground troops in support of American boys dying in Korea. I feel it is essential that the United Nations prove that not just American boys will be making the supreme sacrifice in the world-wide effort against aggression. I want to emphasize those phases of the release pointing up the need for vigilance and preparedness in the atomic age. I am not satisfied at all that our Defense Department in the Pentagon has snapped itself out of a Pearl-Harbor-like complacency. I insist that Mr. Johnson prove to the Congress that we are prepared and that we are vigilant against every possible threat.

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RELEASE BY SENATOR ALEXANDER WILEY, MEMBER, SENATE FOREIGN RELATIONS COMMITTEE

WILEY URGES UNITED NATIONS TO REDOUBLE ITS EFFORTS TO GET ALLIED GROUND TROOPS FOR KOREAN CRISIS

I urge the United Nations to redouble its efforts to mobilize allied ground troops to support American forces in Korea. If the present situation continues the American people will get to feel that the United Nations is willing to fight to the last American.

We appreciate the moral help of half a hundred countries. We appreciate the handful of destroyers or cruisers or planes which they have turned over to us. But we are not going to let them think that they have fulfilled their commitments by these half-hearted, half-baked measures.

I believe that our diplomats at Lake Success and throughout the world have fumbled the ball in failing sufficiently to impress upon the UN and the peoples of the earth the need for real unity, real cooperation, and the fact that America cannot and will not carry the military ball all by itself. In fact, our State Department seems to have concentrated so exclusively on western European military defense that if further crises broke out elsewhere in Asia, or in Iran, once again it would be Uncle Sam who alone would be giving lives of his youngsters on the field of battle while the rest of the world sat in the grandstands cheering.

I appreciate the many excuses and alibis that will be offered—the fact that French troops are tied up in Indochina, British troops in Malaya, etc. But surely in this whole wide, free world there is the possibility of getting a non-American expeditionary force. Nationalist China must be considered separately because use of its troops might cause Red China to pour in its masses of infantry which we certainly don't want to happen.

KOREA IS A PEARL-HARBOR-LIKE SERIES OF BLUNDERS

The whole Korean situation thus far has been a series of atrocious failures and a monument (or a tombstone) to ineptness and bungling.

Korea is another grisly Pearl Harbor; only infinitely worse because our boys will be bogged down in muddy fox holes fighting their way back inch by inch for months to come.

I am not trying to cast blame where it does not belong. It is easy enough, of course, for anyone to second-guess and to be a Monday morning quarterback. But the United States expects more of its diplomatic and military chiefs than the ridiculous series of errors which have occurred such as:

1. We didn't have the trained men, the right equipment, or the right planes to handle the Korean situation.

2. Our so-called intelligence service was once more caught flat-footed.

3. Our State Department had been so intent on appeasing Russia that it made us withdraw from Korea and now we are going to have to fight our way back into Korea.

4. We are getting once more the ridiculous series of contradictory announcements of an off-again, on-again nature. On one day we are told that the draft will not be necessary; and on the very next day, selective service is invoked. On one day, we are told that the reservists will not be called; and on the very next day, it is possible reservists may be called.

Once again the lives of hundreds of thousands of parents and American young men are being completely jarred by this series of clumsy, ill-planned announcements which make every American unable to plan his future.

Our civil defense plans are a ghastly joke. Decentralization of industry, population and Government which I have urged so long is still barely out of the blueprint stage in somebody's official safe in Washington.

Once more we are getting optimistic announcements which are successively debunked by news of tragic defeats.

SECRETARY JOHNSON MUST REPORT TO CONGRESS

The American people have a right to demand from Secretary of Defense Louis Johnson a complete report (without breaking military security) as to the actual alertness and vigilance of the United States armed forces.

A. Alertness against attacks on American cities.

B. Alertness against attacks by Russian snorkel submarines or planes on our ships.

C. Alertness against Red satellite pushes or Russian Army pushes elsewhere in the world.

We are simply not going to take the assurance of our military that everything is all right, because we are pretty sure that everything is very definitely not all right.

## STATEHOOD FOR ALASKA AND HAWAII

Mr. O'MAHONEY. Mr. President, the Committee on Interior and Insular Affairs has rendered favorable reports on the statehood bills for Alaska and Hawaii. The views of the minority on statehood for Alaska and Hawaii have not yet been quite completed. The minority views on the bill providing statehood for Hawaii will be available this afternoon. It was our desire to have both the majority report and the minority views printed in one document. The matter is of such great importance, however, Mr. President, and there is so much interest in whether or not these bills will be considered before adjournment that I am going to ask unanimous consent that the majority report with respect to statehood for Alaska, H. R. 331, may be printed at length in the body of the RECORD. I think it was the feeling of the majority of the committee, and that means a very large majority, that there is very little we can do in this international crisis in the Pacific which will be more beneficial than to pass the statehood bills. I am confident that these measures will be taken up by the Senate before adjournment, if there is to be an adjournment, which is by no means certain, in the present state of international affairs.

Statehood for Alaska and Hawaii I regard to be a major aspect of American international policy, for the passage of these two measures will indicate better than almost anything else we can do that the policy of the United States is to foster and establish self-government by peoples everywhere without regard to distinctions of race or color. Accordingly, I shall continue to press for the early consideration of these bills.

Hawaii is the melting pot of the Pacific. What happens in Hawaii will be known immediately throughout the Pacific world. Denial of statehood to Hawaii would be capitalized by communistic propagandists everywhere.

The same is true with respect to Alaska. This Territory is only 3,500 miles from Korea, and only 50 miles from Siberia. It is a reservoir of undeveloped natural resources and in my opinion we should permit nothing to interfere with statehood for this Territory, not only on the ground of international policy for the promotion of self-government but also on the ground of economic development and national defense.

I am satisfied from the character of testimony which was presented by the supporters of statehood for both Alaska and Hawaii that the people of these two Territories will draft State constitutions which will preserve fundamental American principles and prevent the exploitation of minorities either politically or economically.

I therefore ask unanimous consent that the majority report may be printed at length in the RECORD.

There being no objection, the report (No. 1929) was ordered to be printed in the RECORD, as follows:

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 331) to provide for the admission of Alaska into the Union, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

PURPOSE OF THE BILL

The purpose of H. R. 331 is to enable the Territory of Alaska to enter the Union as a State, on a free and equal basis with the present 48 States. The bill provides the machinery for accomplishment of this purpose by—

1. Authorizing the people of the Territory to elect delegates to a constitutional convention which would draft a proposed State constitution and submit it to the people of the Territory for ratification;

2. Setting forth specific provisions which must be a part of the State constitution, such as, for example, that it "shall be republican in form, shall make no distinction in political or civil rights on account of race or color," and shall provide that "no person who advocates or who aids or belongs to any party, organization, or association which advocates the overthrow by force or violence of the government of the State of Alaska or of the United States shall be qualified to hold any public office of trust or profit under the State constitution." It is also provided that in the proposed constitution the new State and its people disclaim all right and title, not only to any lands or other property of the United States which is not conveyed or confirmed to the State or its political subdivisions, but also "to any lands or other property (including fishing rights) the right or title to which may be held by any Indians, Eskimos, or Aleuts (hereinafter called natives), or is held by the United States in trust for said natives";

3. Providing for approval of the proposed State constitution by the Congress;

4. Providing for a generous grant of lands to the new State, to be selected by it, and for transfer to the State of the highly important Alaskan fisheries and wildlife, except those which are subject to international agree-

ment or are included within the reserved native rights;

5. Establishing Alaska as a Federal judicial district, with a United States district court. State courts would be established by the State constitution.

By reason of the provision requiring that the State constitution "shall make no distinction in civil or political rights on account of race or color," and the additional provision requiring a specific clause in the constitution to protect native rights, the bill extends an opportunity to the people of Alaska, through their elected delegates to the constitutional convention, to make clear that the natives are and shall continue to be citizens of the new State of Alaska, as they are now of the United States. Although the native population of Alaska constitutes a minority of the population, there are six such natives now holding office as respected and influential members of the Territorial legislature.

The right of the Federal Government to legislate with respect to natives is not impaired by the bill and cannot be impaired by the State constitution. Provision is made, however, that pending action by the people of Alaska, and the Congress of the United States under the act, no reservations are to be designated in the Territory under existing law, and that no act of Congress applicable to Indians but not now applying to natives of Alaska shall be made applicable to them "except by specific authorization of the Congress."

HISTORY OF THE LEGISLATION

The Constitution of the United States provides in article IV, section 3:

"New States may be admitted by the Congress into this Union."

Since 1787, the Congress has exercised the authority conferred by the quoted section of the Constitution on 30 different occasions by providing for admission of the 35 States which have become a part of the Union since its formation by the Original Thirteen.

As to Alaska specifically, a bill to permit the Territory to become a State was introduced in the Sixty-fourth Congress by Judge James Wickersham, then Alaskan Delegate. Since then proposed legislation for the same purpose has been before the succeeding Congresses intermittently. During the Eightieth Congress, extensive hearings on statehood for Alaska were conducted by the House Public Lands Committee in a number of centers in Alaska and in Washington.

The present bill, introduced by the present Delegate from Alaska, Hon. E. L. BARTLETT, was passed by the House on March 3, 1950, after full debate, by a vote of 186 to 146. The Senate Interior and Insular Affairs Committee, to whom the bill was referred, held extensive hearings in Washington during April of this year, and then met in executive session over a period of more than 2 weeks to discuss specific provisions and work out amendments in accordance with facts brought out at the hearings.

Both opponents and proponents of the proposed legislation appeared in person before the committee and were given unlimited opportunity to present their views. In addition, hundreds of telegrams and letters were received and were carefully considered. The committee is of the opinion that the present bill, as amended, has the support of the great majority of Alaskans of all kinds. The amendments have been carefully considered to meet the objections to specific provisions in the bill as it passed the House and were drawn to deal with existing conditions in Alaska.

PRIMARY REASONS FOR STATEHOOD

The committee believes that statehood for Alaska is in the best interest both for the United States of America as a whole and for the people of the Territory in particular. Some of the primary bases for this conclusion are outlined below.

National defense: Alaska's highly strategic position in world affairs today is too well known to the Members of the Senate to require elaboration in this report. The committee will briefly point out that a mere 54 miles of the Bering Strait separate it from the Soviet territory. The peninsula is the ancient land bridge, anthropologists and archeologists believe, between Asia and the American Continent over which prehistoric man crossed. It is the only part of the American Continent which was invaded and actually occupied by enemy forces in World War II.

The international boundary is virtually on the shores of Big and Little Diomed Islands, the latter of which is a part of Alaska. The shortest, most direct air route between Soviet centers and inland cities of the United States, such as Detroit, Omaha, Denver, is across the narrow Arctic waters which wash Alaska's northern shores.

The strategic importance of Alaska can perhaps be summed up in the succinct words of America's air-power pioneer, Gen. Billy Mitchell: "He who holds Alaska holds the world."

From the point of view of military tactics, strictly speaking, statehood would work no immediate change in the military situation with respect to Alaska. Geography and climate will remain the same, obviously, and our Army, Navy, and Air Force will fight to defend Alaska as well under a Territorial status as under a statehood status. And there is no reason to believe that the loyal, patriotic citizens of Alaska, a very large proportion of whom were born in one of the States, would not fight equally hard and make equally great contributions and sacrifices if their homes were in a Territory rather than a State in the event of another war.

However, it is a military axiom that a populous area with a developed economy and a stable citizenry and political institutions is a bulwark against invasion, military, and psychologically.

The committee's views on the advantages of statehood to national defense are ably expressed in the following extract from the official report to the committee of Defense Secretary Louis Johnson:

"You asked in your letter of March 30 as to whether, from the point of view of national defense, it would be advantageous to extend statehood to Alaska and Hawaii, and you inquired specifically as to whether statehood would give greater strength to our military position in those areas than does the present Territorial type of local government. It is obvious that the more stable a local government can be, the more successful would be the control and defense of the area in case of sudden attack. There can be no question but that in the event of an attack any State would be immensely aided in the initial stages of the emergency by the effective use of the State and local instrumentalities of law and order. By the same token it would seem to me that, as persons in a position to assist the Federal garrisons which might exist in Hawaii or Alaska, the locally elected governors, sheriffs, and the locally selected constabulary and civil defense units all would be of tremendous value in cases of sudden peril. Therefore, my answer to your question is that statehood for Alaska and Hawaii would undoubtedly give a considerable added measure of strength to the overall defense of both areas in event of emergency."

The Defense Secretary's report is set forth in full below.

In reach of the 35 instances in which new States have been added to the Union, a marked expansion in population and economic development has followed forthwith. There is every reason to believe this historic process will be repeated in Alaska. As stated by the Secretary of the Interior in appearing personally before the committee:

"It is understandable that persons will not go to Alaska from the States in great numbers if they thereby relinquish the privilege of participating in national affairs through their representation in Congress and through their participation in Presidential elections, if they thereby remain subject to Federal taxation but lose their voice in making the laws under which the taxes are levied upon them."

Foreign policy: Americans traditionally have had a deep-rooted respect for world opinion. The founding fathers set forth in the Declaration of Independence that "a decent respect to the opinions of mankind requires that they should declare the causes which impel them to separation."

In accordance with this tradition, the committee gave serious consideration to the effect upon world opinion of the passage or failure of the statehood bill. Among others, it heard the Honorable John D. Hickerson, Assistant Secretary of State for United Nations Affairs, representing the Secretary of State. Mr. Hickerson said, in part:

"The Department of State has indicated in a recent letter to the chairman of this committee its general support for the admission of Alaska into the Union. You placed that letter into the record a moment ago, sir. The Department of State considers that the admission of Alaska would be another step in accord with the traditional policy of the United States toward the peoples of Territories under its administration who have not yet become fully self-governing. The admission of Alaska to the Union on a basis of full equality with the States presently in that Union would be an act in fulfillment of obligations assumed by the United States under the Charter of the United Nations.

"If I may, Mr. Chairman, I will refer briefly to the specific provisions of the United Nations Charter which bear upon this point. Chapter XI of the United Nations Charter is a declaration regarding non-self-governing Territories. Under that chapter, the United States, as the Government responsible for the administration of Alaska, accepted the obligation, among others 'to develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive development of their free political institutions * * *.'

"The Department of State considers that favorable action by the Congress on the bill to provide statehood for Alaska would be in fulfillment of this obligation and would accordingly serve to support American foreign policy and to strengthen the position of the United States in international affairs. The Department of State would welcome the opportunity of conveying to the United Nations, on behalf of the Government and people of the United States, the information that the Territorial status of Alaska had terminated with the admission of Alaska into the United States as a State with full and equal rights and participation in the Union with other States."

The Secretary of the Interior also in his appearances before the committee vigorously urging passage of the measure stated:

"The people of Alaska are citizens of the United States. They are asking to become citizens of a State of the Union as well, just as people living in the continental United States are. This aspiration is a legitimate one. The United States as it exists today grew out of just such aspirations. In view of the historical precedents for admission to the Union of incorporated Territories, I would say that we have an obligation to admit Alaska, and that if we are to say 'no' to the request of the people of Alaska, we must have very good reasons to justify our action not only to them and to ourselves, but to the world. I have heard no reasons which have substance. The United States has spoken out loudly and firmly against colonialism in world councils, but surely to

require a people qualified for the ultimate in self-government to continue in a dependent status is to foster colonialism."

In connection with the testimony of the Assistant Secretary of State, the committee wishes to state clearly that it is not contending that statehood for Alaska is a definite obligation of the United States under the United Nations Charter. The committee believes that the people of the United States have nobly and well fulfilled their fundamental obligations to the people of Alaska in promoting the general welfare and in fostering the high degree of economic, social, and political development which the Territory has attained.

However, it does believe, as the representatives of the Department of State set forth, that statehood would be a logical and merited development for Alaska—one of the only two remaining incorporated Territories which have not yet achieved the destiny of all of the other incorporated Territories; namely, statehood.

In development of this idea, the committee wishes to call particular attention to the legal study prepared by the Interior Department attorneys under the direction of the Secretary, and submitted to the committee by the Secretary at the request of the chairman. This memorandum of law is set forth in full as an appendix to this report (appendix 3).

Economic development: In addition to the advantages to national security and the furtherance of America's leadership in world affairs, statehood for Alaska is desirable for America's peacetime development and economic expansion. The region has the greatest reserves of untapped raw materials—minerals, forest and sea products—under the American flag. The attention of the Senate is directed to a series of short monographs on the subject of Alaska's natural wealth and industrial pontentialities prepared at the committee's request by the Department of the Interior, found in the appendix of the hearings, starting at page 504.

Alaska's gold and furs have been glamorized by Jack London, Rudyard Kipling, Robert W. Service, and other writers, but the Territory has far more valuable resources in her iron ore, coal, copper, lead and zinc, and even tin. Tin is, of course, a strategic mineral, imported at great cost in money and manpower during the war. Other strategic minerals found in Alaska are antimony, mercury, and chrome.

As to forest products, a memorandum from the Department of the Interior states:

"One of Alaska's more important industrial potentials is that of wood-dissolving pulp, a high-quality bleached pulp used in the manufacture of rayon, staple fiber, cellophane, plastics, and similar commercial products. The demand for this wood-dissolving pulp has been steadily increasing, and it has been estimated that, by 1955, the world shortage, taking into account planned additions to mill capacity elsewhere, will amount to 375,000 tons annually. Tests have shown that much of the forests of southeastern Alaska are particularly well suited for production of this pulp. The Tongass National Forest alone can sustain, on a perpetual-yield basis, the daily production of 3,000 tons of wood-dissolving pulp. The long-term market price of this product is expected to exceed $150 per ton. The low costs of timber in Alaska would make it possible for the industry there to compete successfully with other producing areas despite higher costs for transportation to established markets. The market for wood-dissolving pulp, it should be noted, is much more stable than that for paper-quality pulps."

Power sites and facilities for development of hydroelectric power, as well as coal reserves, are officially described as "tremendous."

Even the fisheries, the most nearly developed at present of all of Alaska's industries, are susceptible to still further expansion.

All of the foregoing is merely a sketch of some of the high lights of Alaska's industrial and agricultural potentialities. If the historic patterns established in the admission of each of the 35 States is followed in Alaska—and the committee can perceive of no valid reason why it should not be—statehood for Alaska should supply the needed stimulus for enterprise and private capital to make that area of vast riches one of the strongest segments of the American economy of tomorrow.

READINESS FOR STATEHOOD

In order accurately to assess the readiness of Alaska for statehood, a brief historical sketch both of the admission of States in general and of the political development of Alaska in particular is desirable.

The Constitution itself by the provision quoted above provides merely that Congress shall decide when and how new States shall be admitted. The pattern for the creation of new States was set by the First Congress in 1787 with enactment of the Northwest Ordinance, set forth in One Statute at page 51. This history-making act of the First Congress has proved a legislative cornerstone for the expansion and political development of the West. The ordinance incorporated the then remote, sparsely populated, noncontiguous Northwest Territories into the Federal Union, and provide for their government and the eventual statehood which each part of the area attained. In a long series of cases, the Supreme Court of the United States has held that an incorporated Territory is an "inchoate state", the ultimate destiny of which was statehood. (See the appendix 3.) The resources and strength, material and spiritual, of our American democracy today constitute unassailable proof of the wisdom of that policy.

Alaska and Hawaii are the only remaining incorporated Territories under the American flag which have not yet achieved the historic destiny of incorporated Territories, namely statehood. The present measure, and a similar bill for Hawaii, would complete the historic pattern.

Alaska was purchased by the United States from Russia, as is well known, under the terms of treaty of March 30, 1867 (15 Stat. 539), negotiated by Secretary of State William H. Seward. By the act of May 17, 1884 (23 Stat. 24), Alaska was constituted a civil and judicial district and a civil government was established with a Governor and district court system. This act made the general laws of Oregon applicable to the Territory.

The greatest and most important step in the history of civil government for Alaska was the approval of the Organic Act on August 24, 1912 (37 Stat. 512). By it, Congress created the Territory of Alaska and conferred legislative powers upon the legislative assembly for the Territory. Section 3 of the act specifically provided that the Constitution of the United States, and all the laws thereof which are not locally inapplicable, shall have the same force and effect within the said Territory as elsewhere in the United States.

Thus, the legal status of Alaska became that of an organized, incorporated Territory of the United States, as distinguished from the present legal status of Puerto Rico, Guam the Virgin Islands, and the former status of the Philippines before they were granted full and complete independence by the Congress of the United States.

Requirements for statehood: The traditionally accepted requirements for statehood can be stated almost as simply as the constitutional provision. An analysis of the history of the admission of incorporated Territories shows that these requirements appear to be—

1. That the inhabitants of the proposed new State are imbued with and are sympathetic toward the principles of democracy as exemplified in the American form of government and have proved their political maturity by having undergone a period of "tutelage" under incorporated Territorial government status.

2. That a majority of the electorate wish statehood.

3. That the proposed new State has sufficient population and resources to support State government and at the same time carry its share of the cost of the Federal Government.

This has been the historic pattern under which 35 States have been admitted and by which our Nation has grown to greatness.

By each of these historic standards, Alaska is ready and qualified for statehood now.

As to the first, no one has contended, in either the extensive hearings in Alaska nor those in Washington that the overwhelming majority of the inhabitants of the Territory are not loyal Americans in the sturdy frontiersman tradition. Their support of the armed forces under actual invasion conditions, conditions far more stringent than those experienced anywhere in any of the States, is unassailable proof of their loyalty, patriotism, and stability. Attention is directed to the statement of the Honorable Robert P. Patterson, Secretary of War, during the period (hearings, pp. 488–489).

The political maturity of its citizens is ably summed up in the official report of the Secretary of the Interior to the committee urging passage of H. R. 331. The Secretary's report is set forth in full at the end of this report, but the pertinent portion as to the political maturity of the inhabitants of Alaska is as follows:

"In October of 1946, the people of Alaska offered incontrovertible proof of their desire for statehood when a substantial majority voted in favor of that status at a plebiscite. This clear indication of their political aspirations had been readily predicted, for the people of Alaska, who adhere as completely to democratic traditions as their fellow citizens in the continental United States, are not content to remain indefinitely in a status that denies them the responsibilities and privileges of full participation in the political life of the Nation.

"The people of Alaska, however, do not merely desire statehood. They are fully prepared for it.

"Alaska has been a part of the United States for more than three-quarters of a century. Beginning in 1867, when the Territory was purchased, American pioneers moved in from the west to settle in this great Northwest extension of their country. In that early period there was no Territorial government and no Territorial law, and the Americans newly settled there conducted their affairs in accordance with the laws, social customs, and business practices of the continental States or Territories from which they had come. As early as 1872, prior to the gold rush, a number of Sitka citizens appealed for representation in the Congress. They assembled unofficially, and had even elected their Delegate at one time—all this when half of our continental West was still in Territorial status. It is abundantly clear, then, that Alaska was, and is, basically American in thought and tradition.

"Politically, Alaska is mature. It has had a popularly elected legislature since 1912. That its citizens are politically alert and articulate is evidenced by their long experience in the management of Territorial affairs and the sustained efforts they have made to advance their political status. The Territorial legislature has enacted many wise and farsighted laws, testifying not only to a knowledge of democratic processes, but also

to full awareness of how best to utilize them. A full 6 years before the adoption of the nineteenth amendment, suffrage had been extended to the women of Alaska. Alaska was the first to pass 8-hour-day work laws; a regular workmen's compensation act; and social-security measures that took old-age assistance completely out of the undesirable realm of condescending charity. In the absence of specific requirements, if we were to judge a Territory's maturity by the caliber of its citizenry or by its ability to enact and enforce progressive and constructive legislation, the conclusion to be drawn in Alaska's case is obvious."

The Senate committee heard more than 40 witnesses who came from Alaska to support statehood, and has painstakingly studied the voluminous hearing of the House committee hearings conducted in Alaska during the Eightieth Congress. It is convinced that statehood is the wish of the majority of the citizens of Alaska, and that they are ready for it.

ARGUMENTS AGAINST STATEHOOD

The committee gave most careful consideration to the arguments and reasoning of opponents of statehood for Alaska. It was noted that no resident of the Territory appeared in opposition, but that the burden was carried by representatives of the fish-packing industry with headquarters in the States. Most of the opposition, however, was directed to certain specific provisions in H. R. 331 as it passed the House, and conscientious effort has been made to meet those that seemed to be meritorious to the committee. The chief arguments against the principle of statehood in Alaska appear to be:

1. That the Territory's estimated population in 1950 of 135,000 is too small for representation in Congress, or to support State government.

2. That its resources are insufficiently developed to permit it to support the financial burdens of statehood.

3. That it is noncontiguous, that is, that it is separated from the rest of the continental United States and hence remote from the political and economic centers of our national life.

As to the first, the committee is of the opinion that the statement of the Chief Executive of the United States, the President, is in accord with its own findings. The President's letter is as follows:

THE WHITE HOUSE,
*Washington, May 5, 1950.*

Hon. JOSEPH C. O'MAHONEY,
*Chairman, Committee on Interior and Insular Affairs, United States Senate, Washington, D. C.*

MY DEAR SENATOR O'MAHONEY: I am highly gratified by the thorough and objective consideration which your committee is giving to H. R. 331 and H. R. 49, bills which would enable the Territories of Alaska and Hawaii to take their rightful place as members of the Union. As you know, I have long supported the objectives of these important bills which carry out the pledges made to the people of the two Territories. I sincerely hope that the Congress, during its present session, will enact legislation granting statehood to Alaska and Hawaii. The need is more urgent today that ever before. By such action, we will not only promote the welfare and development of the two Territories, but also greatly strengthen the security of our Nation as a whole.

It should not be forgotten that most of our present States achieved statehood at a relatively early period of their development. The stimulus of being admitted as full partners in the Union, and the challenge of managing their own affairs were among the most significant factors contributing to their growth and progress. Very few of our existing States, at the time of their admission to the Union, possessed potential resources, both human and natural, superior to those of Alaska and Hawaii. I am confident that Alaska and Hawaii, like our present States, will grow with statehood and because of statehood.

There is no necessity for me to repeat at this time the arguments for statehood. The many qualified witnesses who have appeared before your committee have, I am sure, presented convincing evidence both as to the need for and the tangible benefits to be derived from statehood. There is, however, one objection made by opponents of H. R. 331 and H. R. 49 which I believe requires further discussion because it goes beyond the question of statehood and raises a fundamental constitutional issue. I am referring to the objection that Alaska and Hawaii as States would be entitled to representation in the Senate of the United States disproportionate to their population.

The argument is not only entirely without merit, but also directly attacks a basic tenet of the constitutional system under which this Nation has grown and prospered. Without the provision of equal representation in the Senate of all States, both great and small, regardless of population, there probably would have been no United States. This was one of the great compromises which the Federalist says was a result "not of theory but of a spirit of amity, and that mutual deference and concession which the peculiarity of our political situation rendered indispensable." There is no justification for denying statehood to Alaska and Hawaii on the basis of an issue which was resolved by the Constitutional Convention in 1787.

America justly takes pride in its record of fulfilling to the letter its obligations to foreign nations. We should be no less scrupulous in carrying out the promises made to our own citizens in Alaska and Hawaii. The case of statehood rests on both legal and moral grounds.

These are troubled times. I know of few better ways in which we can demonstrate to the world our deep faith in democracy and the principle of self-government than by admitting Alaska and Hawaii to the Union as the forty-ninth and fiftieth States.

Sincerely,

HARRY S. TRUMAN.

FINANCIAL BURDENS OF STATEHOOD

Differing points of view as to the ability of the Territory to support State government were presented to the committee. Attention is directed to the testimony of Mrs. Mildred Hermann, secretary to the Alaska Statehood Commission, who went into the subject in great detail at the hearings (hearings, p. 109).

The committee, after giving this matter extended consideration, is satisfied that Alaska can assume all essential additional costs of statehood. There has been a prevalent idea that the Federal Government now bears the greater share of the cost of services which are the responsibility of State governments. This is not the case.

Alaska as a Territory has created and now supports all such services except in areas which are reserved to the Federal Government by limitations set forth in the organic act. The most important functions provided by the Federal Government are the courts and law enforcement system, protection and conservation of the fish and game, care and treatment of the insane, and the major share of the road construction and maintenance program.

The Territorial government has built up departments or boards of health, education, welfare, agriculture, labor, taxation, aviation, development, communications, highways and highway patrol, and includes offices of attorney general, treasurer, auditor, as well as a large number of additional regulatory boards and commissions. The current rate of expenditure for Territorial purposes as provided for by the 1949 legislature is approximately $9,200,000 per annum. This figure covers certain deficiency and nonrecurring expenditures. The current rate of collection of revenues is approximately $10,000,000 per annum.

The revenues of the Territorial government are derived from a series of taxes and excises which were revamped and greatly supplemented by the 1949 legislature. It includes a Territorial income tax amounting to 10 percent of the Federal levy, a general property tax, excise taxes on the production of salmon and other fishery products, miscellaneous business license taxes, and other excise taxes, including taxes on liquor and motor fuel. The income and general property taxes for Territorial purposes are new, the Territorial government having previously been financed entirely by a variety of excise and license taxes.

The committee believes that Alaska's ability to finance necessary or desirable public services is well within its economic ability. Resources and production are the foundations of the tax structure, and Alaska has both great natural resources and a high per capita rate of production. It should also be noted that there is no fixed or arbitrary level of expenditure which must be maintained by State governments. Expenditures should be "tailored to fit the cloth." There is no reason to believe that the people of Alaska through their elected representatives will fail to meet their obligations or be unable to do a businesslike job of making expenditures meet their revenues.

Noncontiguity: The argument that Alaska should be denied statehood because the peninsula happens to be noncontiguous to the rest of the continental United States appears to be almost wholly lacking in merit, either historically or factually. Historically, noncontiguity has never been a requirement nor followed as a precedent. California was admitted in 1850 when some 1,500 miles or more of plains and mountains and wilderness—a wilderness infested by hostile Indians—separated her from the nearest State of the United States. It is interesting to note that some of the very same arguments were used in the Thirty-first Congress in 1850 against the admission of California, and later Oregon, which was contiguous only to California, as are being used against the admission of Alaska.

Factually, in this day of radio, television, telegraph, and the airplane, Alaska is much nearer to Washington, D. C., in travel and communication time than were Boston and New York at the time of the formation of the Union. This fact is so self-evident as to require no elaboration. However, the following historical comparisons are of interest:

The fastest time by the famed Pony Express from the jumping-off place in the then sparsely populated and financially poor Territory of Nebraska to California was 9 days. This service, of course, was only for mail, at $5 a half ounce.

The best stagecoach time from the terminal in St. Joseph, Mo., to San Francisco, was 25 days.

The record for a sailing vessel in 1950 was established by the clipper *Sea Witch* which made the trip from New York around the Horn to San Francisco in 97 days.

Today, Juneau, capital of Alaska, is but 22 hours by air from Washington. Regular ship time between Seattle and Seward and Whittier, the Territory's principal ports is 5 to 7 days.

In addition, throughout the greater part of the year, automobiles and trucks can travel from the Northwestern States to Fairbanks, Alaska, in about 5 days.

PROVISIONS OF THE BILL

A section analysis of the bill, with citation of corresponding provisions found in the enabling acts of other States, is set forth in the appendix. However, the committee

wishes to point out that the bill, as amended, in its opinion would be the most generous enabling act under which any State ever came into the Union.

As to lands, the State of Alaska would be authorized to choose more than 21,000,000 acres of the public domain in the Territory best adapted to development of community centers and the particular needs of Alaska. All the riches of the soil and the subsoil in the selected areas would be transferred to the new State, subject to the valid, existing rights of mining claim locators, homesteaders, use permittees, and holders of any other established interests. The committee is of the opinion that such a grant, with its power of selection, will be of great benefit to the State in meeting the financial obligations of statehood.

The new State would have the same control over the invaluable fisheries and wildlife within its borders as do other States of the Union, subject only to the limitations of international agreements, such as that affecting seals, and to native rights to fish and wildlife.

CONCLUSION

Decision one for Eighty-first Congress: The committee wishes to emphasize that its members, as Senators in the Eighty-first Congress, are keenly aware of the fact that the acts of one Congress do not bind another Congress, and that the hand of the founding fathers and of the 1787 Congress, reaching across 163 years of turbulent history, should not force the hand of the 1950 Congress. Neither do dicta of the judicial branch, even by the highest Court, control the policy decisions of the legislative branch.

The matter of enabling in 1950 the Territory of Alaska to become a State of the United States is within the sound discretion of the Eighty-first Congress.

However, the committee does believe that the past can be used as a useful guide for the present and future. Therefore, it feels justified in calling the attention of the Senate to the historic precedents, and in pointing out that refusal to pass the measure would be breaking the historic mold in which our Nation has expanded and grown great.

After thorough hearings and careful study, the committee has found that our fellow Americans in Alaska merit statehood, that they desire it and that they are ready, willing, and able to support it. The committee believes that statehood would be in the best interests of the United States as a whole and of the people of the Territory. It therefore earnestly recommends that the Senate take affirmative action on this measure which is a major plank in the platforms of both major parties.

EXECUTIVE AND JUDICIAL DEPARTMENT REPORTS

The favorable reports of the Department of the Interior, the Department of Defense, and the Department of State, as well as the recommendations of the Federal Reserve Board and the Judicial Conference Committee of the Chief Justice of the United States are set forth below.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
*Washington, D. C., April 20, 1950.*

Hon. JOSEPH C. O'MAHONEY,
*Chairman, Committee on Interior and Insular Affairs, United States Senate.*

MY DEAR SENATOR O'MAHONEY: Reference is made to H. R. 331, a bill to provide for the admission of Alaska into the Union, which was passed by the House of Representatives on March 3, 1950, and which is now pending before your committee.

I am wholeheartedly in favor of granting of statehood to Alaska and I strongly urge the enactment of H. R. 331, with the amendment hereinafter suggested.

In October of 1946 the people of Alaska offered incontrovertible proof of their desire for statehood when a substantial majority voted in favor of that status at a plebiscite. This clear indication of their political aspirations had been readily predicted, for the people of Alaska, who adhere as completely to democratic traditions as their fellow citizens in the continental United States, are not content to remain indefinitely in a status that denies them the responsibilities and privileges of full participation in the political life of the Nation.

The people of Alaska, however, do not merely desire statehood. They are fully prepared for it.

Alaska has been a part of the United States for more than three-quarters of a century. Beginning in 1867, when the Territory was purchased, American pioneers moved in from the West to settle in this great Northwest extension of their country. In that early period there was no Territorial government and no Territorial law, and the Americans newly settled there conducted their affairs in accordance with the laws, social customs, and business practices of the continental States and Territories from which they had come. As early as 1872, prior to the gold rush, a number of Sitka citizens appealed for representation in the Congress. They assembled unofficially, and had even elected their delegate at one time—all this when half of our continental West was still in Territorial status. It is abundantly clear then that Alaska was, and is, basically American in thought and tradition.

Politically, Alaska is mature. It has had a popularly elected legislature since 1912. That its citizens are politically alert and articulate is evidenced by their long experience in the management of Territorial affairs and the sustained efforts they have made to advance their political status. The Territorial legislature has enacted many wise and far-sighted laws, testifying not only to a knowledge of democratic processes, but also to full awareness of how best to utilize them. A full 6 years before the adoption of the nineteenth amendment, suffrage had been extended to the women of Alaska. Alaska was the first to pass 8-hour day work laws; a regular workmen's compensation act; and social-security measures that took old-age assistance completely out of the undesirable realm of condescending charity. In the absence of specific requirements, if we were to judge a Territory's maturity by the caliber of its citizenry or by its ability to enact and enforce progressive and constructive legislation, the conclusion to be drawn in Alaska's case is obvious.

Alaska's estimated population of 94,000 is larger than that of at least 10 States at the time of their admission into the Union, and it is ample to support a State government. The total has been growing steadily since 1920, with an increase exceeding a thousand for every year since 1920. If Alaska became a State, the expansion of population that has invariably followed the creation of continental States would undoubtedly occur. The resources of Alaska can readily maintain a considerably increased population.

I do not share the feeling that has been sometimes expressed that statehood is economically impracticable for Alaska. It is true that at present the Federal Government bears the cost of many facilities and services which Alaska would have to assume as a State. But statehood would act as an incentive to the broadening of the tax base within Alaska and the tapping of additional sources of revenue. The people of Alaska have demonstrated their readiness to assume the financial burden that statehood will bring by recently enacting a local income-tax law, the first income-tax law in the Territory's history. I can think of no stronger answer to objections to statehood for Alaska based on the inevitability of an increased local financial burden than that its taxpayers have shown that they are prepared to meet the cost.

Alaska's noncontiguity to the continental United States has on occasion been cited as a bar to its admission to the Union. Modern transportation and communication have made the factor of distance an unimportant consideration. It is fair to say that developments in the field of aviation alone have made the establishment of a State government practicable even for so vast and distant an area. It should be added, moreover, that many phases of the government of Alaska which are now conducted long distance from Washington would be conducted within its own boundaries if it were a State.

In the light of all these considerations, I can see no valid reason for the denial of statehood to Alaska, and I urge, therefore, that the Congress speedily approve machinery which would enable the people of that area to form a constitution and be admitted into the Union.

Among other things, H. R. 331 contains provisions for the grant of public lands to the proposed State which would permit Alaska to enter into the Union on a basis similar to that on which the western continental States were admitted. Specifically, the bill provides for Federal grants which would allow Alaska over 41,000,000 acres for the support of its common schools, over 438,000 acres for the support of its agricultural college and school of mines, and 1,000,000 acres for other internal improvements. This is a greater amount of public lands than any other State has received upon its admission.

For the purpose of bringing about a division of the fish and wildlife activities now conducted by the United States in Alaska, along lines of demarcation conforming to the recognized distinctions between Federal and State functions, I recommend adoption of the following amendment to section 5 of the bill:

On page 9, lines 1 to 9, strike out the following:

"All the property of the United States situated in the Territory of Alaska used in connection with the conservation and protection of the fisheries and of the fur and game of Alaska is hereby transferred and conveyed to the State of Alaska. The State of Alaska shall possess and exercise the same jurisdiction and control over the fisheries and the fur and game of Alaska as are possessed and exercised by the several States within their respective territorial limits, including adjacent waters."

And insert in lieu thereof the following:

"All real and personal property of the United States situated in the Territory of Alaska which is used in connection with the conservation and protection of the fisheries and wildlife of Alaska, under the provisions of the Alaska game law of July 1, 1943 (57 Stat. 301; 48 U. S. C., secs. 192–211), as amended, and under the provisions of the Alaska commercial fisheries laws of June 26, 1906 (34 Stat. 478; 48 U. S. C., secs. 230–239 and 241–242), and June 6, 1924 (43 Stat. 465; 48 U. S. C., secs. 221–228), as supplemented and amended, is hereby transferred and conveyed to the State of Alaska: *Provided*, That such transfer shall not include lands withdrawn or otherwise set apart as refuges or reservations for the protection of wildlife nor facilities utilized in connection therewith, or in connection with general research activities relating to fisheries or wildlife. The State of Alaska shall possess and exercise the same jurisdiction and control over the fisheries and the wildlife of Alaska, except fur seals and sea otters, as are possessed and exercised by the several States within their territorial limits, including adjacent waters. At the close of each fiscal year, commencing with the year during which Alaska is admitted into the Union, the Secretary of the Treasury shall pay to the State of Alaska 50 percent of the net proceeds, as determined by the Secretary of the Interior, derived during such fiscal year from all sales of seal skins or sea otter skins made in accordance with the provisions of

the act of February 26, 1944 (58 Stat. 100; 16 U. S. C., secs. 631a–631q), as supplemented and amended."

This proposed amendment would transfer to the State of Alaska the same jurisdiction and control over the fisheries and wildlife therein as are possessed and exercised by the existing States within their territorial limits and adjacent waters. Authority over matters affecting migratory birds would not be transferred, since this is a subject which is governed by Federal law throughout the Union. Similarly, authority over matters affecting fur seals and sea otters would be expressly excepted from the transfer to the proposed State. Both of these situations involve the discharge of international commitments undertaken by the United States through treaty or convention. Express mention of seals and sea otters is made in the amendment, because the habitat of these animals, unlike that of migratory birds, is largely confined to Alaska.

Under the language of the proposed amendment, the State of Alaska would obtain title to all real and personal property of the United States primarily used in the administration of the Alaska game law and the Alaska commercial fisheries laws. On the other hand, the United States would retain administrative jurisdiction over the Pribilof Islands, and over all other Federal lands and waters in Alaska which have been set aside as wildlife refuges or reservations pursuant to the fur seal and sea otter laws, the migratory bird laws, or other Federal statutes of general application. The United States would also retain general research facilities relating to fisheries or wildlife. Since the principal breeding grounds of the seals and sea otters are situated in Alaska, it seems only fair that the proposed State should receive a portion of the income derived from the administration of these resources. Accordingly, the amendment would grant to Alaska one-half of the net proceeds from sales of seal skins and sea otter skins by the United States.

Examination of the details of the bill reveals that a number of its provisions could be improved, not only from the standpoint of clarity, but also from that of consistency with the terms on which existing States were admitted into the Union and other established precedents. For instance, those provisions of paragraph "Second" of section 3 which are designed to maintain the status quo with respect to the taxation of native property in Alaska until such time as the Congress may deem fit to change that status, depart from the pattern of prior enabling acts by failing to enumerate all of the situations where tax exemptions are presently in effect. The maintenance of the authority of Congress over Indian affairs, as well as the safeguarding of the interests of the natives, plainly call for the application to Alaska at this time of the same principle of Federal supremacy in matters affecting the taxation of trust or restricted Indian property that has been followed in the continental United States. However, the legislative action needed to remedy this deficiency in the bill, together with certain others, could very well be deferred until a later date, since a substantial period of time must elapse between the enactment of the bill and the admission of the proposed State of Alaska into the Union, pursuant to its terms. During that interval, I plan to submit recommendations for the appropriate resolution of these subsidiary problems.

Alaska has formed a part of this Nation for over 80 years. It is time that the period of apprenticeship served by the people of Alaska be brought to a close. Statehood for Alaska, I am convinced, would link that area more closely to the continental United States in every respect. I also believe that Alaska, if granted full powers of statehood, would be in a position to expand promptly its own industrial, commercial, and agricultural development. Statehood would encourage the migration of new settlers, increasing Alaska's financial and human resources. Statehood would permit Alaska to foster and protect the development of its natural riches. Most important of all, statehood would give Alaska's people their rightful voice in the Federal Government, as well as in the management of their own affairs.

The Bureau of the Budget has advised me that the objective of this proposed legislation is in accord with the program of the President.

Sincerely yours,

OSCAR L. CHAPMAN,
*Secretary of the Interior.*

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UNITED STATES SENATE,
COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
*March 30, 1950.*

Hon. LOUIS JOHNSON,
*The Secretary of Defense,*
*The Pentagon, Washington, D. C.*

DEAR MR. SECRETARY: As you doubtless are aware, the Senate Committee on Interior and Insular Affairs has before it two bills, H. R. 331 and H. R. 49, which would admit the Territories of Alaska and Hawaii, respectively, into the Federal Union as States. In connection with its consideration of this proposed legislation, the committee requires authoritative information from the Department of Defense as to the advantages, if any, from a point of view of national defense, of extending statehood to these Territories. Specifically, would statehood for Alaska and Hawaii give greater strength to our military position in those areas than does the present Territorial organization of the local government?

Hearings on the Alaska bill are scheduled to start April 24 and those on Hawaii on May 1. Would you be good enough to have a qualified member of the Defense Department ready to give the committee factual information with respect to the relative advantages and disadvantages of statehood for the defense of each of these Territories at these hearings? If you deem it desirable, the Defense Department can be heard in executive session, and any statements made at the time will not be made public.

Sincerely yours,

JOSEPH C. O'MAHONEY,
*Chairman.*

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THE SECRETARY OF DEFENSE,
*Washington, April 18, 1950.*

Hon. JOSEPH C. O'MAHONEY,
*Chairman, Committee on Interior*
*and Insular Affairs,*
*United States Senate.*

MY DEAR SENATOR O'MAHONEY: This letter is further in response to your communication of March 30, 1950, in which you make reference to two bills, H. R. 331 and H. R. 49, which, if enacted, would admit the Territories of Alaska and Hawaii, respectively, into the Federal Union as States. Because I understand that your committee intends on April 24 to commence hearings on H. R. 331, which concerns Alaska, and to hold hearings beginning May 1 on H. R. 49, the Hawaiian proposal, I address this letter to you for the purpose of expressing the concurrence of the Department of Defense in both proposals.

As you know, the administration has repeatedly expressed itself as favoring Hawaiian and Alaskan statehood and both proposals have again and again been introduced by the President. On January 4, in his State of the Union message, President Truman urged that the Congress during 1950 grant statehood to Alaska and Hawaii. The enactment of H. R. 49 and H. R. 331 would, I believe, effectively accomplish this objective.

You asked in your letter of March 30 as to whether from the point of view of national defense, it would be advantageous to extend statehood to Alaska and Hawaii, and you inquired specifically as to whether statehood would give greater strength to our military position in those areas than does the present Territorial type of local government. It is obvious that the more stable a local government can be, the more successful would be the control and defense of the area in case of sudden attack. There can be no question but that in the event of an attack any State would be immensely aided in the initial stages of the emergency by the effective use of the State and local instrumentalities of law and order. By the same token it would seem to me that, as persons in a position to assist the Federal garrisons which might exist in Hawaii or Alaska, the locally elected governors, sheriffs, and the locally selected constabulary and civil-defense units all would be of tremendous value in cases of sudden peril. Therefore, my answer to your question is that statehood for Alaska and Hawaii would undoubtedly give a considerable added measure of strength to the overall defense of both areas in event of emergency.

I am not attempting in this letter to endorse the specific language of either of the bills under consideration, but I do wish strongly to support the principle of granting immediate statehood to both the Territories of Alaska and Hawaii as in the best interest of the United States and of all of its peoples both here and in the Territories.

With kindest personal regards, I am,

Sincerely yours,

LOUIS JOHNSON.

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UNITED STATES SENATE,
COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
*April 7, 1950.*

Hon. DEAN G. ACHESON,
*The Secretary of State, State Department, Washington, D. C.*

MY DEAR MR. SECRETARY: As you doubtless are aware, the Senate Committee on Interior and Insular Affairs has before it two bills, H. R. 331 and H. R. 49, which would admit the Territories of Alaska and Hawaii, respectively, into the Federal Union as States. In connection with its consideration of this proposed legislation, the committee requires authoritative information from the Department of State as to what effect, if any, extension of statehood of these Territories would have upon the foreign relations of the United States.

Statehood for Alaska and Hawaii presents new and different problems from those that have been encountered up to the present in the admission of States, since both areas are noncontiguous to the United States. Also, in each there are large racial groups, comparatively, whose educational and cultural standards differ markedly from those of the United States and who have little familiarity with our traditions, our political institutions, and our responsibilities.

It is recalled that certain representatives of the Soviet Union are reported to have made references to the treaty by which Alaska was purchased and to have indicated some possible interest in the future return of the Territory to Russian sovereignty. It is noted that western Alaska and eastern Siberia are extremely close geographically.

Hearings on the Alaska bill are scheduled to open on April 24 and those on Hawaii on May 1. Would you be good enough to have a qualified officer of the State Department ready to give the committee factual information and the Department's views on the effects of the inclusion within the United States, politically speaking, of these strategic noncontiguous areas with their diverse population elements? If you deem it desirable, the State Department can be heard in executive session, and the facts and opinions presented will not be made public.

Sincerely yours,

JOSEPH C. O'MAHONEY,
*Chairman.*

DEPARTMENT OF STATE,
OFFICE OF THE ASSISTANT
SECRETARY OF STATE,
*Washington, April 20, 1950.*

Hon. JOSEPH C. O'MAHONEY,
*Chairman, Committee on Interior and Insular Affairs, United States Senate.*

MY DEAR SENATOR O'MAHONEY: This is to acknowledge your letter of April 7 addressed to Secretary Acheson informing him of the hearings on the Alaska and Hawaii bills which are scheduled to open on April 24 and May 1, respectively, and inviting the Department to have a qualified officer ready to give the committee factual information and the Department views on the possible effects of the inclusion of these Territories within the United States.

When similar proposals were before the Senate last year, you were good enough to invite the views of the Department, which were furnished to you in letters dated July 7 and June 29, 1949. The views of the Department remain as then stated. The Department perceives no objection to the provisions of these bills from the standpoint of the foreign policy of the United States and considers that the admission of these Territories to the Union would be in conformity with the traditional policy of the United States toward the peoples of Territories under its administration who have not yet become fully self-governing. It continues to feel that favorable action on these bills by the Congress would be an act in fulfillment of the obligation assumed by the United States in accepting the declaration regarding non-self-governing Territories set out in chapter XI of the Charter of the United Nations and would thus serve to support American foreign policy and strengthen the position of the United States in international affairs.

With reference to the final paragraph of your letter, the Department is glad to accept your invitation and will have a qualified officer ready to give the committee such factual information as the committee may wish to have, insofar as the Department of State is concerned.

Sincerely yours,

JACK K. MCFALL,
*Assistant Secretary*
(For the Secretary of State).

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DEPARTMENT OF STATE,
*Washington, July 7, 1949.*

The Honorable JOSEPH C. O'MAHONEY,
*Chairman, Committee on Interior and Insular Affairs,*
*United States Senate.*

MY DEAR SENATOR O'MAHONEY: On June 13, 1949, you transmitted to the Department of State for its study and report a bill, S. 2036, to provide for the admission of the Territory of Alaska into the Union.

The Department has examined this bill carefully and, from the standpoint of the foreign policy of the United States, perceives no objection to the provisions contained therein.

Admission to the Union would fulfill the expressed aspiration of the people of Alaska. The outcome of a plebiscite held in Alaska 3 years ago on the question of proposed statehood resulted in a substantial majority of votes in favor of that status. Moreover, such action would be in conformity with the traditional policy of the United States toward the peoples of Territories under its administration who have not yet become fully self-governing.

The Department considers that action by the Congress in according statehood to Alaska would be an act of fulfillment of the obligation assumed by the United States in accepting the declaration regarding non-self-governing Territories set out in chapter XI of the Charter of the United Nations and would thus serve to support American foreign policy and strengthen the position of the United States in international affairs. We have been advised by the Bureau of the Budget that the proposed legislation is in accord with the program of the President and that there is no objection to the submission of this report.

Sincerely yours,

ERNEST A. GROSS,
*Assistant Secretary*
(For the Secretary of State).

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BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
*Washington, D. C., March 13, 1950.*

Hon. JOSEPH C. O'MAHONEY,
*Chairman, Committee on Interior and Insular Affairs, United States Senate, Washington, D. C.*

MY DEAR MR. CHAIRMAN: It is understood that there are now pending before your committee bills providing for the admission to statehood of the Territory of Alaska (H. R. 331) and the Territory of Hawaii (H. R. 49) which passed the House of Representatives on March 3 and March 7, 1950, respectively.

When bills on this subject were previously under consideration by Congress, the Board of Governors recommended to your committee in January 1948 and again in May 1949, an amendment relating to membership in the Federal Reserve System of national banks located in any Territory which is admitted to statehood. This is a matter which affects the banking structure of the United States and is of direct interest to the Board and the Federal Reserve System. Accordingly, the Board wishes to renew its recommendation in connection with the Alaskan and Hawaiian statehood bills now pending.

The Federal Reserve Act contains in section 19 a provision which makes membership in the Federal Reserve System optional in the case of national banks which are located in Alaska, in dependencies and insular possessions, and in "any part of the United States outside the continental United States." This provision was enacted in 1913 when it was apparently the feeling of Congress that national banks in the Territories and dependencies were so distant and remote as to make it unnecessary to require them to be members of the Federal Reserve System. Because of this provision, membership in the system of national banks located in Alaska and Hawaii would continue to be optional if those Territories should become States in accordance with the provisions of the pending bills, H. R. 331 and H. R. 49, as those bills now read.

Since the enactment of the Federal Reserve Act in 1913, the tremendous progress of air transportation has brought both Alaska and Hawaii so close that today it cannot be said that the economic and banking structures of Alaska and Hawaii are unrelated to those of the United States proper. Travel and transportation to these Territories are now a matter of hours instead of weeks as was the case in 1913; and, consequently, the advantages and privileges of membership in the Federal Reserve System would now be much more readily available to banks in Alaska and Hawaii. Moreover, banking conditions in these Territories have changed considerably since the enactment of the Federal Reserve Act. The total deposits of Hawaiian banks are many times as great as they were in 1913; and their total resources today are more than those of all banks in some of the States of the Union. While there is only one national bank in Hawaii at the present time, that bank is larger than any bank in 23 of the existing States. At the present time, there are 4 national banks in Alaska with total deposits of over $30,000,000. None of the national banks in either Alaska or Hawaii is now a member of the Federal Reserve System.

It is the feeling of the Board, therefore, that if Congress should decide that the Territories of Alaska and Hawaii may now properly be admitted to statehood, national banks in the proposed States of Alaska and Hawaii should be subject to the same responsibilities and obligations as national banks located in any other State of the Union. The pending bills provide that, upon becoming States, Alaska and Hawaii shall be on an equal footing with the other States. It would seem logical that this equality should exist in the field of banking as well as in other respects and that, consequently, the proposed new States should be included in the Federal Reserve districts and that national banks in Alaska and Hawaii should be subject to the same requirements as other national banks.

Under present law, all national banks in the existing States of the Union are required to be members of the Federal Reserve System and, as such members, to be insured banks and to be governed by the many important statutory limitations and restrictions which by their terms are applicable to members and insured banks. These restrictions and limitations are not at present applicable to national banks in Alaska and Hawaii; and they would continue to be inapplicable if these Territories should become States in accordance with the provisions of the pending statehood bills unless the bills are appropriately amended.

In the Board's opinion, there is no sound reason why any national banks located in a new State of the Union, enjoying the prestige and privileges conferred by organization under the National Bank Act, including the right to act as depositories of Government funds, should be exempt in this manner from the obligations and responsibilities which must be assumed by national banks in other States.

The Board recommends, therefore, that there be included in these bills a section which would have the effect of requiring national banks in any Territory to become members of the Federal Reserve System upon the formal admission of such Territory as a State of the Union. A draft of a brief amendment which would have this effect is enclosed herewith.

When a bill providing statehood for the Territory of Hawaii was under consideration in 1948, the Board consulted with the Federal Deposit Insurance Corporation and the Comptroller of the Currency regarding the amendment proposed by the Board. Both of these agencies advised that they concurred in the Board's opinion that national banks located in any Territory should be required to become members of the Federal Reserve System upon the admission of the Territory to statehood.

The Board hopes that this matter will receive favorable consideration by your committee. We have heretofore been advised by the Bureau of the Budget that the Bureau has no objection to the submission of this recommendation by the Board.

Very truly yours,

S. R. CARPENTER, *Secretary.*

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PROPOSED AMENDMENT TO H. R. 49 AND H. R. 331

Insert in the bill H. R. — a new section reading as follows:

"SEC. —. The first paragraph of section 2 of the Federal Reserve Act (U. S. C., title 12, secs. 222 and 223) is amended by striking out the last sentence thereof and inserting in lieu of such sentence the following: 'When any State is hereafter admitted to the Union the Federal Reserve districts shall be readjusted by the Board of Governors of the Federal Reserve System in such manner as to include each State. Every national bank in any State shall, upon commencing business or within 90 days after admission into the Union of the State in which it is located, become a member bank of the Federal Reserve System by subscribing and paying for stock in the Federal Reserve bank of its district in accordance with the provisions of this act and shall thereupon be an insured bank under section 12B of this Act, and failure to do so

shall subject such bank to the penalty provided by the sixth paragraph of this section.'"

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UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT,
*Philadelphia, Pa., March 15, 1950.*

Hon. JOSEPH C. O'MAHONEY,
*Chairman, Committee on Interior and Insular Affairs, United States Senate, Washington, D. C.*

DEAR SENATOR O'MAHONEY: As chairman of the Judicial Conference Committee appointed by the Chief Justice to collaborate with Congress in the recent revision of title 28 of the United States Code, I have examined H. R. 331, the bill to provide statehood for Alaska, which passed the House of Representatives on March 3.

I find that the bill which was originally drawn prior to the revision of title 28 should be amended in a number of respects so as to conform with the present provisions of that title. I have accordingly prepared amendments to accomplish this, two copies of which I enclose, together with two copies of a memorandum which I think fully explains the suggested amendments and the reasons for them.

I am taking the liberty of submitting these to you at this time in order that they may be before your committee when it comes to consider the bill.

With kindest regards, I am,

Sincerely yours,

ALBERT B. MARIS.

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MEMORANDUM RE PROPOSED AMENDMENTS TO H. R. 331 (ALASKA STATEHOOD BILL)

I

The first amendment proposes to strike out all of section 10 of the bill and to insert a substitute section. The present section 10 provides that Alaska shall constitute a Federal judicial district with a district court consisting of one district judge and other appropriate officers. It is, of course, intended that the new United States District Court for the District of Alaska shall be a United States district court exactly on all fours with the present United States district courts in all the other States. All of these district courts are now provided for in title 28, United States Code, "Judiciary and Judicial Procedure," which title has been enacted into positive law by the act of June 25, 1948. It is, therefore, highly desirable that section 10 be amended so as to incorporate the provisions with respect to the new United States District Court for the District of Alaska directly into title 28 of the United States Code which is the place where they should appear in the permanent law. Otherwise the task of the revision staff of the House Committee on the Judiciary in incorporating the provisions of the act into the United States Code will be quite difficult and the purpose of enacting title 28 as positive law to that extent defeated.

As a matter of fact the present provisions of title 28 with respect to United States district courts, the holding of their terms, the appointment of clerks, deputy clerks, United States attorneys, and marshals, are quite adequate in every way to cover the new United States District Court for the District of Alaska if provision for that court is made by amendment of the appropriate sections of title 28. Likewise various sections of title 18, United States Code, which has also been enacted into positive law, will adequately take care of the provisions of section 10 with respect to Mount McKinley National Park.

The proposed amendment to section 10 accordingly substitutes for the present section the necessary amendments to title 28, United States Code, to provide for the setting up of Alaska as a Federal judicial district, for the holding of court at Anchorage, Fairbanks, Juneau, and Nome, and for the appointment of one district judge therein. The proposed new section 10 also amends various sections of titles 28 and 18, United States Code, where necessary to strike out references to the present District Court for the Territory of Alaska, which references will be wholly inappropriate after statehood since that court will then terminate its existence.

The final paragraph of the present section 10 of the bill with respect to the prior residence of persons appointed district judge, attorney, marshal, etc., is not presently the law with respect to the United States district court in any other State. Accordingly, while appropriate for a Territory, it would seem to be quite inappropriate in the case of a State which is represented by two Senators entitled to vote upon the confirmation of such officers. It is significant that by the Hawaii statehood bill, H. R. 49, a similar provision of the organic act of the Territory of Hawaii is being eliminated with respect to the United States District Court for the District of Hawaii after statehood. This provision accordingly is not included in the proposed amendment to section 10.

II

Section 12 refers to the "United States Circuit Court of Appeals for the Ninth Circuit" in three places. By the revision of title 28, United States Code, the name of the court has been changed to "United States Court of Appeals for the Ninth Circuit." Accordingly the amendment to section 12 proposes to strike out "Circuit" from the title of the court in the three places where it appears.

III

The amendment to section 13 proposes to make a similar correction in the title of the court of appeals and also to insert the word "court" where it has been inadvertently omitted in line 12, page 19.

ALBERT B. MARIS.

MARCH 15, 1950.

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PROPOSED AMENDMENTS TO H. R. 331 (ALASKA STATEHOOD BILL) AS PASSED BY HOUSE, NEEDED TO INCORPORATE PROVISIONS AS TO NEW UNITED STATES DISTRICT COURT FOR DISTRICT OF ALASKA INTO TITLE 28, UNITED STATES CODE

(Prepared by A. B. Maris, March 15, 1950)

I. Strike out all of section 10, from line 3, page 15, to line 2, page 17, and insert in lieu thereof the following:

"SEC. 10. Effective upon the admission of Alaska into the Union:

"(a) The analysis of chapter 5 of title 28, United States Code, immediately preceding section 81 of such title, is amended by inserting immediately after and underneath item 81 in such analysis, a new item to be designated as item 81A and to read as follows: '81A. Alaska.'

"(b) Title 28, United States Code, is amended by inserting immediately after section 81 thereof a new section, to be designated as section 81A, and to read as follows:

"'SEC. 81A. Alaska.

"'Alaska constitutes one judicial district.

"'Court shall be held at Anchorage, Fairbanks, Juneau, and Nome.'

"(c) Section 133 of title 28, United States Code, is amended by inserting in the table of districts and judges in such section immediately above the item: 'Arizona.....2,' a new item as follows: 'Alaska.....1.'

"(d) The first paragraph of section 373 of title 28, United States Code, is amended by striking out the words: 'the District Court for the Territory of Alaska,' : *Provided*, That the amendment made by this subsection shall not affect the rights of any judge who may have retired before it takes effect.

"(e) The words 'the District Court for the Territory of Alaska' are stricken out wherever they appear in sections 460, 610, 753, 1252, 1291, 1292, and 1346 of title 28, United States Code.

"(f) The first paragraph of section 1252 of title 28, United States Code, is further amended by striking out the word 'Alaska' from the clause relating to courts of record.

"(g) Subsection (2) of section 1294 of title 28, United States Code, is repealed and the later subsections of such section are renumbered accordingly.

"(h) Subsection (a) of section 2410 of title 28, United States Code, is amended by striking out the words 'including the District Court for the Territory of Alaska,'.

"(i) Section 3241 of title 18, United States Code, is amended by striking out the words 'District Court for the Territory of Alaska, the.'

"(j) Subsection (e) of section 3401 of title 18, United States Code, is amended by striking out the words 'for Alaska or.'

"(k) Section 3771 of title 18, United States Code, as heretofore amended, is further amended by striking out from the first paragraph of such section the words 'the Territory of Alaska,'.

"(l) Section 3772 of title 18, United States Code, as heretofore amended, is further amended by striking out from the first paragraph of such section the words 'the Territory of Alaska,'."

II. Amend section 12 by striking out "Circuit" in lines 6, 14, and 18, page 18.

III. Amend section 13 by inserting "court" after "district" in line 12, page 19, and striking out "Circuit" in line 18, page 19.

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UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT,
*Philadelphia, Pa., July 6, 1950.*

Hon. JOSEPH C. O'MAHONEY,
*United States Senate, Washington, D. C.*

DEAR SENATOR O'MAHONEY: I am grateful for your courtesy in sending me copies of H. R. 49 and H. R. 331, the Hawaii and Alaska statehood bills in the form in which they were reported by your committee to the Senate on June 29.

I have examined the committee amendments to each act relating to the Federal judiciary and I believe that they are entirely appropriate and in order in the case of each bill.

With kindest regards, I am,

Sincerely yours,

ALBERT B. MARIS.

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APPENDIX 1

ANALYSIS OF PROVISIONS OF H. R. 331, AS REPORTED

SECTION 1

Defines the area of and authorizes Territory of Alaska to become a State. (Similar provision contained in secs. 1 and 2 of Nebraska Enabling Act (13 Stat. 47).)

SECTION 2

Paragraph 1: Provides for constitutional convention (29 delegates); election of delegates and apportionment. (Similar provisions contained in sec. 1, par. 1, of New Mexico Enabling Act (36 Stat. 557); sec. 19 of Arizona Enabling Act (36 Stat. 568); sec. 3 of North Dakota, South Dakota, Montana, and Washington Enabling Act (25 Stat. 676); sec. 3 of Nebraska Enabling Act (13 Stat. 47).)

Paragraph 2: Provides for issuance of proclamation by Governor within 30 days after approval of act for election of delegates; provides that election shall be governed by the laws of the Territory regulating nominations and elections. (Similar provisions contained in sec. 1, par. 2 of New Mexico; sec. 19 of Arizona; sec. 3 of Nebraska.)

SECTION 3

Paragraph 1: Provides for meeting of convention and duties thereof. (Similar provision contained in sec. 2, par. 1 of New Mexico; sec. 20 of Arizona; sec. 4 of North Dakota,

South Dakota, Montana, and Washington; sec. 4 of Nebraska.)

Paragraph 2: Provides that constitution shall be republican in form and not repugnant to Constitution of the United States and the principles of the Declaration of Independence; that no person shall be qualified to hold public office under the Constitution who advocates overthrow of the Government of the State or the United States. (Similar provisions contained in sec. 2, par. 1 of New Mexico; sec. 20, par. 1 of Arizona; sec. 4, par. 1 of Nebraska.)

Prescribes the following general principles to be embodied in constitution:

First: Religious freedom. (Similar to provisions in sec. 2, First, of New Mexico, no prohibition against polygamy or giving liquor to Indians in H. R. 331; sec. 20, First, of Arizona; sec. 4, Second, of Nebraska.)

Second: Disclaimer by State of all right and title to any lands or property not granted or confirmed to State the right or title to which is held by the United States or is subject to disposition by the United States; disclaimer by State of land or other property the right or title to which may be held by natives or which is held in trust by the United States for the natives; such lands and property to remain under jurisdiction and control of the United States with certain exceptions; exemption from taxation by State of said lands or property, with certain exceptions. (Similar provisions in sec. 2, Second, of New Mexico; sec. 20, Second, of Arizona; sec. 4 of North Dakota, South Dakota, Montana, and Washington; sec. 4, Third, of Nebraska.)

Third: Assumption of debts and liabilities of Territory by State. (Similar to provisions in sec. 2, Third, of New Mexico; sec. 20, Third, of Arizona; sec. 4, Third, of North Dakota, South Dakota, Montana, and Washington, the latter do not contain provision as to successor of debts owed.)

Fourth: Establishment and maintenance of public schools. (Similar to sec. 2, Fourth, of New Mexico; sec. 20, Fourth, of Arizona; sec. 4, Fourth, of North Dakota, South Dakota, Montana, and Washington.)

Fifth: Consent of people of State to right and powers reserved to United States, as well as conditions of grants of land or other property. (Similar to sec. 2, Ninth, of New Mexico; sec. 20, Ninth, of Arizona.)

Sixth: Equality of taxation of land and other property of citizens of United States residing outside State. (Similar to provision in sec. 2, Second, of New Mexico; sec. 20, Second, of Arizona; sec. 4, Second, of North Dakota, South Dakota, Montana, and Washington; sec. 4, Third, of Nebraska.)

SECTION 4

Provides that the State of Alaska shall succeed to the title to all realty and personalty held by the Territory of Alaska; the United States to retain title to all realty and personalty held including public lands, except as provided in section 5.

SECTION 5

(a) Provides grant of 200,000 acres from national forests and 200,000 acres from vacant unappropriated and unreserved public land, for purpose of development and expansion of communities in Alaska.

(b) Five years from admission, State entitled to select 20,000,000 acres from vacant, unappropriated, and unreserved public lands, with certain limitations, the income and proceeds of such lands to be held as public trust for support of public schools. (See sec. 6 of New Mexico; sec. 24 of Arizona; sec. 10 of North Dakota, South Dakota, Montana, and Washington; sec. 4 of Wyoming; sec. 7 of Nebraska.)

(c) Provides for additional 12½-percent payment from national forest revenues.

(d) Provides for the grant of block 32 and the structures and improvements thereon in Juneau for use as a dwelling for the Governor, State museum, and for park and recreational purposes; contains reverter clause.

(e) Grants Federal building and jail at Juneau to State.

(f) Provides for the grant of vacant, unappropriated unreserved public lands for internal improvements:

| | Acres |
|---|---|
| Legislative, executive, and judicial public buildings | 300,000 |
| Insane asylums | 100,000 |
| Penitentiaries | 100,000 |
| Schools and asylums for deaf, dumb, and blind | 100,000 |
| Normal schools | 200,000 |
| State charitable, penal, and reformatory institutions | 100,000 |
| Homes for pioneer residents | 100,000 |

Such grants not to be taken from lands within military and other reservations of United States; and only from surveyed lands. (Similar provisions in sec. 7 of New Mexico; sec. 25 of Arizona; secs. 12, 14, 15, 16, 17 of North Dakota, South Dakota, Montana, Washington; secs. 8, 9, and 10 of Nebraska.)

(g) Provides for the transfer to State all property of United States used in connection with conservation and protection of fisheries and wildlife, does not include control over fur seals, sea otters, and fish and wildlife resources protected under international agreements. State to receive 50 percent of net proceeds derived from sale of seal or sea-otter skins.

(h) Provides for the confirmation of grants previously made to Territory. No other grants except by subsequent legislation.

(i) Provides for exclusive control of schools and colleges by the State; sectarian prohibition. (Similar provision in sec. 8 of New Mexico; sec. 26 of Arizona; sec. 14 of North Dakota, South Dakota, Montana, and Washington.)

(j) Provides that 5 percent of proceeds of net sales of public lands sold subsequent to admission of State to be paid to State for support of common schools. (Similar provision in sec. 9 of New Mexico; sec. 27 of Arizona; sec. 15 of North Dakota, South Dakota, Montana, and Washington, except money to be used as permanent fund, interest only to be used for common schools; sec. 4 of Nebraska.)

(k) Proceeds of sales of public lands, seal or sea-otter skins, oil royalties, etc., not paid to State or otherwise appropriated by Congress, to be used to retire public debt.

(l) Prohibits creation of reservations for natives of Alaska; limits laws applicable to natives.

SECTION 6

Provides for the submission of constitution to the people; time for election; canvass of returns; submission to Congress through President if majority of votes are for the constitution; notification by President to Governor if constitution and government are republican in form and comply with provisions of enabling act; Governor to issue proclamation for election of State officers, etc. If constitution disapproved by Congress, sets forth procedure for reconsideration by constitutional convention. (Similar provisions contained in secs. 3 and 4 of New Mexico; secs. 21 and 22 of Arizona; sec. 8 of North Dakota, South Dakota, Montana, and Washington; sec. 5 of Nebraska.) (The provisions of the New Mexico and Arizona acts differ in that the constitution is submitted to the President and Congress, if the President and Congress approve or if the President approves and Congress fails to approve or if the President approves and Congress fails to approve during next regular session, President to notify Governor.)

SECTION 7

(a) Paragraph 1: Constitutional convention to provide in case of ratification of constitution by people and approval by Congress, for election of officers, including Governor, members of State legislature, one Representative and two Senators. Provides election procedure; certification of result of election to the President; admission as State by proclamation of President. Until proclamation issued by President all officers to continue to discharge duties of their offices. (Similar provisions contained in sec. 5 of New Mexico; sec. 23 of Arizona; secs. 8 and 9 of North Dakota, South Dakota, Montana, and Washington; sec. 5 of Nebraska.)

Paragraph 2: Upon admission as a State and upon election and qualification of officers, officers to proceed to exercise duties and functions; laws in force in the Territory to continue except as modified or changed by enabling act, or otherwise. Laws of United States to have same force and effect as elsewhere in United States. (See sec. 16 of New Mexico; sec. 34 of Arizona.)

(b) Provides for temporary increase in membership of House of Representatives.

SECTION 8

Authorizes appropriation of $100,000 for expenses of election, constitutional convention, etc. (See sec. 17 of New Mexico; sec. 35 of Arizona; sec. 14 of Nebraska.)

SECTION 9

Reserves to the United States exclusive jurisdiction over Mount McKinley National Park, saving to State right to serve civil and criminal process, and right to tax; permits persons residing in park to vote. (See sec. 2 of Wyoming.)

SECTION 10

This section is designed to effectuate changes in certain provisions of title 18 and 28, United States Code, which would be necessary upon admission of Alaska as a State.

SECTION 11

Preserves causes pending on or appeal prior to statehood, and causes of action which have arisen prior to that time but which have not yet been sued upon.

SECTION 12

Authorizes the continuation of appellate proceedings prior to statehood.

SECTION 13

Provides for transfer to United States District Court for the District of Alaska of all causes pending in the District Court for the Territory of Alaska which are of such a nature as to be within the new court's jurisdiction and the transfer to the appropriate courts of the State of Alaska of all other causes pending in the District Court for the Territory.

SECTION 14

Makes courts of original jurisdiction to be created by the State of Alaska the successors of the District Court for the Territory of Alaska with respect to cases not transferred to the United States District Court for the District of Alaska and also provides for the transfer of records to them.

SECTION 15

Authorizes courts created by the State to proceed with causes pending in the District Court for the Territory at the time Alaska becomes a State, and authorizes appeal from the courts of last resort created by the State of Alaska to the Supreme Court of the United States.

SECTION 16

Amends Federal Reserve Act to permit new state to be included in Federal Reserve System.

SECTION 17

Repeals all Federal or Territorial legislation in conflict with the act.

APPENDIX 2

*States admitted into the Union since the adoption of the Constitution*

| State | Enabling act | Date of admission |
|---|---|---|
| Vermont | Feb. 18, 1791 (1 Stat. 191) | Mar. 4, 1791 (1 Stat. 191). |
| Kentucky | Feb. 4, 1791 (1 Stat. 189) | June 1, 1792 (1 Stat. 189). |
| Tennessee | June 1, 1796 (1 Stat. 491) | June 1, 1796 (1 Stat. 491). |
| Ohio | Apr. 30, 1802 (2 Stat. 173) | Nov. 29, 1802 (2 Stat. 173). |
| Louisiana | Feb. 20, 1811 (2 Stat. 641) | Apr. 30, 1812 (2 Stat. 701). |
| Indiana | Apr. 19, 1816 (3 Stat. 289) | Dec. 11, 1816 (3 Stat. 399). |
| Mississippi | Mar. 1, 1817 (3 Stat. 348) | Dec. 10, 1817 (3 Stat. 472). |
| Illinois | Apr. 18, 1818 (3 Stat. 428) | Dec. 3, 1818 (3 Stat. 536). |
| Alabama | Mar. 2, 1819 (3 Stat. 489) | Dec. 14, 1819 (3 Stat. 608). |
| Maine | Mar. 3, 1820 (3 Stat. 544) | Mar. 15, 1820 (3 Stat. 544). |
| Missouri | Mar. 6, 1820 (3 Stat. 545) | Aug. 10, 1821 (3 Stat., appendix II). |
| Arkansas | June 15, 1836 (5 Stat. 50) | June 15, 1836 (5 Stat. 50). |
| Michigan | June 15, 1836 (5 Stat. 49) | Jan. 26, 1837 (5 Stat. 144). |
| Florida | Mar. 3, 1845 (5 Stat. 742) | Mar. 3, 1845 (5 Stat. 742). |
| Texas | Mar. 1, 1845 (5 Stat. 797) | Dec. 29, 1845 (9 Stat. 2). |
| Iowa | Mar. 3, 1845 (5 Stat. 742) | Dec. 28, 1846 (9 Stat. 117). |
| Wisconsin | Aug. 6, 1846 (9 Stat. 56) | May 29, 1848 (9 Stat. 233). |
| California | Sept. 9, 1850 (9 Stat. 452) | Sept. 9, 1850 (9 Stat. 452). |
| Minnesota | Feb. 26, 1857 (11 Stat. 166) | May 11, 1858 (11 Stat. 285). |
| Oregon | Feb. 14, 1859 (11 Stat. 383) | Feb. 14, 1859 (11 Stat. 383). |
| Kansas | Jan. 29, 1861 (12 Stat. 126) | Jan. 29, 1861 (12 Stat. 126). |
| West Virginia | Dec. 31, 1862 (12 Stat. 633) | June 19, 1863 (13 Stat. 731). |
| Nevada | Mar. 21, 1864 (13 Stat. 30) | Oct. 31, 1864 (13 Stat. 749). |
| Nebraska | Apr. 19, 1864 (13 Stat. 47) | Mar. 1, 1867 (14 Stat. 820). |
| Colorado | Mar. 3, 1875 (18 Stat. 474) | Aug. 1, 1876 (19 Stat. 665). |
| South Dakota | Feb. 22, 1889 (25 Stat. 676) | Nov. 2, 1889 (26 Stat. 1549). |
| North Dakota | do | Do. |
| Montana | do | Nov. 8, 1889 (26 Stat. 1551). |
| Washington | do | Nov. 11, 1889 (26 Stat. 1552). |
| Idaho | July 3, 1890 (26 Stat. 215) | July 3, 1890 (26 Stat. 215). |
| Wyoming | July 10, 1890 (26 Stat. 222) | July 10, 1890 (26 Stat. 222). |
| Utah | July 16, 1894 (28 Stat. 107) | Jan. 4, 1896 (29 Stat. 876). |
| Oklahoma | June 16, 1906 (34 Stat. 267) | Nov. 16, 1907 (35 Stat., Pt. 2, 2160). |
| New Mexico | June 20, 1910 (36 Stat. 557) | Jan. 6, 1912 (37 Stat., Pt. 2, 1723). |
| Arizona | do | Feb. 14, 1912 (37 Stat., Pt. 2, 1728). |

APPENDIX 3

Set forth below is a memorandum of law on incorporation of Territories and its legal effects, as well as the legal obligations of the United States to such Territories under the United Nations Charter. This legal study was submitted to the committee by the Secretary of the Interior at the request of the chairman.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
DIVISION OF TERRITORIES
AND ISLAND POSSESSIONS,
*Washington, May 10, 1950.*

Memorandum to: The Secretary.
From: Chief counsel.
Subject: United States obligation to grant statehood to Alaska and Hawaii.

In accordance with your request, there follows a discussion of the United States obligation to admit Alaska and Hawaii to the Union. The views incorporated in this memorandum have been submitted to the House Public Lands Committee at the time of its hearings on the two statehood bills; for the House committee, like the Senate Interior and Insular Affairs Committee, expressed an interest in the question. This memorandum has been cleared informally with Assistant Secretary of State Hickerson. The portion relating to our obligations under the United Nations Charter was prepared in the Department of State.

I. OBLIGATION ASSUMED BY THE UNITED STATES UNDER CHAPTER XI OF THE CHARTER OF THE UNITED NATIONS IN RELATION TO STATEHOOD FOR ALASKA AND HAWAII

The question has been raised whether the admission of Alaska and Hawaii to the Union would, having regard to the provisions of chapter XI of the Charter of the United Nations, constitute a precedent requiring similar action in respect to other United States Territories and possessions.

Chapter XI of the Charter of the United Nations is a "Declaration Regarding Non-Self-Governing Territories." Under that chapter the United States, as a Government responsible for the administration of certain non-self-governing territories, accepted the obligation, among others, "to develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive development of their free political institutions, according to the particular circumstances of each territory and its peoples and their varying stages of advancement." As will be apparent from this language, this constitutes an obligation to develop self-government in the Territories, and possessions of the United States, but as will be equally apparent, it is not a commitment to develop such self-government in a specific manner or toward a specific goal, such as statehood. The Charter of the United Nations, in its provisions relation to non-self-governing territories, neither diminishes nor increases the powers of Congress to determine the constitutional status of United States Territories and possessions. Accordingly, the granting of statehood to Alaska and Hawaii would not obligate the United States to give a similar status to its remaining Territories or possessions in order to fulfill its obligations under the United Nations Charter but would leave this Government in future full freedom to deal with other situations or cases in accordance with the particular circumstances of each Territory.

II. OBLIGATIONS ASSUMED UNDER DOMESTIC LAW

Although the United States has assumed no international obligation to grant statehood to Alaska and Hawaii or to any of the other non-self-governing areas under its administration, it has by implication promised the two Territories of Alaska and Hawaii that when they had shown that they were qualified to exercise the prerogatives and discharge the responsibilities of statehood, they would be advanced to that status on an equal footing with the other 48 States. The implied promise referred to arises from the action of the Congress in "incorporating" both Territories by the express extension to them of the Constitution and from the implications of incorporation.

The distinction between incorporated and unincorporated territories was first clearly drawn by the Supreme Court of the United States in the so-called Insular cases, *De Lima* v. *Bidwell* (182 U. S. 1) and *Downes* v. *Bidwell* (182 U. S. 244), in 1901, although the first incorporated Territory was created in 1787. The question before the Court was whether the constitutional requirement that duties, imposts, and excises be uniform "throughout the United States" had been extended to Puerto Rico so as to render invalid a provision of Puerto Rico's organic act establishing a schedule of customs duties on merchandise from Puerto Rico entering the continental United States. The Court decided that Puerto Rico was not a part of the United States for the purposes of the constitutional provision, because it had not been "incorporated." Subsequent decisions pointed out that "incorporation occurs when a territory is made a part of the United States, as distinguished from merely belonging to it," and that "incorporation is not to be assumed without express declaration, or an implication so strong as to exclude any other view" (*Balzac* v. *People of Porto Rico* (258 U. S. 298 (1922)).

It is settled that incorporation of a territory takes place when the Constitution is expressly extended to it. Section 5 of the Organic Act of Hawaii (act of April 30, 1900, 31 Stat. 141, 48 U. S. C., 1946 ed., sec. 495) provides: "The Constitution • • • shall have the same force and effect within the Territory of Hawaii as elsewhere in the United States," and identical language with respect to the application of the Constitution to Alaska is contained in section 3 of the Organic Act of Alaska (act of August 24, 1912, 37 Stat. 512, 48 U. S. C., 1946 ed., sec. 23). The incorporated status of both Alaska and Hawaii has been given judicial recognition (*Nagle* v. *United States* (191 Fed. 141 (1911)); *Rassmussen* v. *United States* (197 U. S. 516 (1905)); *United States* v. *Farwell* (76 F. Supp. 35 (1948)); cf. *Hawaii* v. *Mankichi* (190 U. S. 197 (1903)).

There are at least three reasons for the emphasis on clear evidence of intent to incorporate. One is that by incorporating a Territory the Congress subjects itself to certain limitations upon its power subsequently to legislate for that Territory which do not apply when it legislates for an unincorporated area. This was established by the Insular cases. For example, the Congress could not withdraw from the people of an incorporated Territory the right to a jury trial guaranteed by the Constitution, *Rassmussen* v. *United States* (197 U. S. 529 (1905)), but need not grant the right to the people of an unincorporated Territory, *Balzac* v. *People of Porto Rico*, supra; *Dorr* v. *United States* (195 U. S. 138 (1904)) (Philippine Islands). The second reason is that it is generally agreed that the act of incorporation is irrevocable, since the Constitution, once extended cannot be withdrawn. See the concurring opinions in *Rassmussen* v. *United States*, supra (pp. 530, 536); Cooley's Principles of Constitutional Law (4th ed., 1931, p. 214). The third, and most important here, is that the act of incorporation has consistently been regarded as a commitment by the Congress ultimately to admit as a State the area incorporated. In the Balzac case, supra, the Supreme Court said that "incorporation has always been a step, and an important one, leading to statehood." In *McAllister* v. *United States* (141 U. S. 174, 188 (1891)). Territorial government was described as temporary and destined to be "superseded when the Territories becames States of the Union." In *Ex parte Morgan* (20 F. 298, 305 (1883)), a Territory is described as "an inchoate State." In *O'Donoghue* v. *United States* (289 U. S. 526, 537 (1933)), the Court said that "the outlying continental public domain, of which the United States was the proprietor, was, from the beginning, destined for admission as a State or States into the Union." Constitutional law treaties contain similar statements. There are repeated references to the fact that the ultimate political status of Territories is statehood in the congressional debates on the organic acts. To cite an example, in the case of Alaska, Congressman Wedemeyer, of Michigan, declared that, by the treaty with Russia

itself, "Alaska was incorporated into the body of the United States and * * * those people had the promise of future statehood for the Territory." In an effort to avoid the well-understood consequence of incorporation, namely statehood, when the Hawaiian organic act was being debated, Congressman Hill offered the following amendment: "Nothing in this act shall be construed, taken, or held to imply a pledge or promise that the Territory of Hawaii will at any future time be admitted as a State or attached to any State." (33 CONGRESSIONAL RECORD, 3864.) The amendment was defeated. The CONGRESSIONAL RECORD is replete with other evidence that Members of Congress were aware of the significance of proposed incorporation and considered it to be a first step in the direction of statehood.

The strongest possible argument that incorporation is a step toward statehood is historical precedent. All incorporated Territories except Alaska and Hawaii have become States. The first of a series of organic acts for incorporated Territories was the Northwest Ordinance of 1787. Besides providing the framework of government for the Northwest Territory, which was erected upon lands ceded to the Federal Government by the Thirteen Original States, the ordinance outlined a policy with respect to ultimate status for the Territory which was followed for Territories subsequently acquired. It provided that when the population in any of the districts into which the Territory was divided should reach 60,000, the district was to be admitted into the Union as a State on an equal footing with the original States. Organic legislation subsequently enacted for the Southwest Territory, Indian Territory, the Territory of Michigan, the Territory of Illinois, and the Territory of Orleans, among others, incorporated the territory to which they applied and made provision for ultimate statehood. One by one, all the incorporated Territories on the mainland have been admitted, as one or more States to the Union. The constitutional status of Alaska and Hawaii is identical to those of the mainland Territories, and there is no legal basis for treating them in any different way. Although the organic acts of Alaska and Hawaii do not refer in explicit terms to statehood, the fact that they extend the Constitution and thereby incorporate the areas into the Union is sufficient. Once an area has been incorporated into the Union, the only question which remains for determination is when it is to be advanced from the provisional status of a Territory to the permanent status of a State; the question whether it is to be admitted into the Union as a State is settled upon incorporation. It is for the Territory to make out a case that, at a particular time, it is qualified for statehood in terms of population, financial condition, and so on. These conditions go only to the time at which the pledge of ultimate statehood is to be redeemed. Until the incorporated Territory is admitted to statehood, its status as such a Territory must continue, assuming it to be sound constitutional doctrine, as I believe it is, that once the constitution is extended, it cannot be withdrawn. Thus Alaska and Hawaii differ in this respect from the unincorporated Territories. The Philippines were an unincorporated Territory, and consequently it was constitutionally possible to grant them their independence; had they been previously incorporated by extension of the Constitution, a serious constitutional question as to the propriety of independence would have arisen.

It is relevant to emphasize that admission of Alaska and Hawaii as States would not give the other areas presently subject to the administration of the United States a like claim to statehood as a matter of domestic law any more than it would provide a basis for a claim under the United Nations Charter. This is because Alaska and Hawaii are our only remaining incorporated Territories. Their admission would fulfill a long outstanding pledge and would complete a cycle originating with the Northwest Territory; it would not itself establish a precedent. Puerto Rico and the Virgin Islands are unincorporated territories. Puerto Rico's political status has been so described in the Insular cases and in the Balzac case cited above: the Virgin Islands are described in the Organic Act (49 State. 1807, 48 U. S. C., 1946 ed., sec. 1405a), as an "insular possession," which is shorthand for "unincorporated territory." Guam and American Samoa, by section 3 of the proposed organic acts pending before the Congress, are expressly declared to be "unincorporated" territories, specifically to preclude any claim on the part of either area to statehood as a right. No one of these areas can now identify its status wholly with that of Alaska or Hawaii for the purpose of bottoming a statehood claim. Should some future Congress determine it to be desirable to incorporate any one of these presently unincorporated territories, it may, of course, do so. If it does, however, that action will thereby give the area a claim to ultimate statehood which it does not now possess and which it cannot legally or morally derive from the action of Congress in admitting Alaska and Hawaii to statehood now. Each area must stand on its own merits in acquiring an incorporated status. When that hurdle is passed, then and then only has it a claim to statehood.

In summary, the admission of Alaska and Hawaii to the Union will not commit the United States to the admission of any other area under its administration in order to comply with its obligations under the United Nations Charter, nor will it provide a precedent for like treatment of the other territorial areas as a matter of domestic law. The nature of the status of Alaska and Hawaii as incorporated Territories affords them a claim to statehood on the basis of historical precedent in our treatment of every other incorporated territory, and at the same time distinguishes their case from that of every other territorial area presently under United States administration. The only question actually before Congress for determination is whether, as a matter of fact, Alaska and Hawaii are qualified for admission. Their eligibility as a matter of law was expressly recognized and established in 1912 and 1900, respectively, when they were incorporated into the Union.

IRWIN W. SILVERMAN,
*Chief Counsel.*

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APPENDIX 4

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, H. R. 331, as reported, are shown as follows (existing law proposed to be repealed is enclosed in black brackets, additions to existing law are italicized):

TITLE 28, UNITED STATES CODE

CHAPTER 5.—DISTRICT COURTS

Sec.
*81 A. Alaska.*
§ *81 A. Alaska.*
*Alaska constitutes one judicial district.*
*Court shall be held at Anchorage, Fairbanks, Juneau, and Nome.*

§ 133. Appointment and number of district judges.

The President shall appoint, by and with the advice and consent of the Senate, district judges for the several judicial districts, as follows:

| Districts: | Judges |
|---|---|
| Alabama: | |
| Northern | 2 |
| Middle | 1 |
| Southern | 1 |
| *Alaska* | *1* |

* * * * *

§ 373. Judges in Territories and Possessions.

Any judge of the United States District Courts for the districts of Hawaii or Puerto Rico, [the District Court for the Territory of Alaska,] the United States District Court for the District of the Canal Zone or the District Court of the Virgin Islands and any justice of the Supreme Court of the Territory of Hawaii who resigns, retires, or fails of reappointment or is removed by the President of the United States upon the sole ground of mental or physical disability, after attaining the age of seventy years and after serving as judge of one or more of such courts, at least sixteen years, continuously or otherwise, shall continue to receive the salary which he received when he relinquished office.

* * * * *

§ 460. Application to [Alaska,] Canal Zone and Virgin Islands.

Sections 452–459 of this chapter shall also apply to [the District Court for the Territory of Alaska,] the United States District Court for the District of the Canal Zone and the District Court of the Virgin Islands and the judges thereof.

§ 610. Courts defined.

As used in this chapter the word "courts" includes the courts of appeals and district courts of the United States, [the District Court for the Territory of Alaska,] the United States District Court for the District of the Canal Zone, the District Court of the Virgin Islands, the Court of Claims, the Court of Customs and Patent Appeals, and the Customs Court.

§ 753. Reporter.

(a) Each district court of the United States, [the District Court for the Territory of Alaska,] the United States District Court for the District of the Canal Zone, and the District Court of the Virgin Islands shall appoint one or more court reporters.

* * * * *

§ 1252. District appeals from decisions invalidating Acts of Congress.

Any party may appeal to the Supreme Court from an interlocutory or final judgment, decree or order of any court of the United States, [the District Court for the Territory of Alaska,] the United States District Court for the District of the Canal Zone and the District Court of the Virgin Islands and any court of record of [Alaska,] Hawaii and Puerto Rico, holding an Act of Congress unconstitutional in any civil action, suit, or proceeding to which the United States or any of its agencies, or any officer or employee thereof, as such officer or employee, is a party.

* * * * *

§ 1291. Final decisions of district courts.

The courts of appeals shall have jurisdiction of appeals from all final decisions of the district courts of the United States, [the District Court for the Territory of Alaska,] the United States District Court for the District of the Canal Zone, and the District Court of the Virgin Islands, except where a direct review may be had in the Supreme Court.

§ 1292. Interlocutory decisions.

The courts of appeals shall have jurisdiction of appeals from:

(1) Interlocutory orders of the district courts of the United States, [the District Court for the Territory of Alaska,] the United States District Court for the District of the Canal Zone, and the District Court of the Virgin Islands, or of the judges thereof granting, continuing, modifying, refusing, or dissolving injunctions, or refusing to dissolve or modify injunctions, except where a direct review may be had in the Supreme Court;

* * * * *

§ 1294. Circuits in which decisions reviewable.

Appeals from reviewable decisions of the district and territorial courts shall be taken to the courts of appeals as follows:

(1) From a district court of the United States to the court of appeals for the circuit embracing the district;

[(2) From the District Court for the Territory of Alaska or any division thereof, to the Court of Appeals for the Ninth Circuit;]

[(3)] (2) From the United States District Court for the District of the Canal Zone, to the Court of Appeals for the Fifth Circuit;

[(4)] (3) From the District Court of the Virgin Islands, to the Court of Appeals for the Third Circuit;

[(5)] (4) From the Supreme Court of Hawaii, to the Court of Appeals for the Ninth Circuit;

[(6)] (5) From the Supreme Court of Puerto Rico, to the Court of Appeals for the First Circuit.

§ 1346. United States as defendant.

* * * * *

(b) Subject to the provisions of chapter 171 of this title, the district courts, [together with the District Court for the Territory of Alaska,] the United States District Court for the District of the Canal Zone and the District Court of the Virgin Islands, shall have exclusive jurisdiction of civil actions on claims against the United States, for money damages, accruing on and after January 1, 1945, for injury or loss of property, or personal injury or death caused by the negligent or wrongful act or omission of any employee of the Government while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred.

* * * * *

§ 2072. Rules of civil procedure for district courts.

The Supreme Court shall have the power to prescribe, by general rules, the forms of process, writs, pleadings, and motions, and the practice and procedure of the district courts of the United States [and of the District Court for the Territory of Alaska] in civil actions.

* * * * *

§ 2410. Actions affecting property on which United States has lien.

(a) Under the conditions prescribed in this section and section 1444 of this title for the protection of the United States, the United States may be named a party in any civil action or suit in any district court, [including the District Court for the Territory of Alaska,] or in any State court having jurisdiction of the subject matter, to quiet title to or for the foreclosure of a mortgage or other lien upon real or personal property on which the United States has or claims a mortgage or other lien.

* * * * *

TITLE 18, UNITED STATES CODE

§ 3241. Jurisdiction of offenses under certain sections.

The [District Court for the Territory of Alaska, the] United States District Court for the Canal Zone and the District Court of the Virgin Islands shall have jurisdiction of offenses under the laws of the United States, not locally inapplicable, committed within the territorial jurisdiction of such courts, and jurisdiction, concurrently with the district courts of the United States, of offenses against the laws of the United States committed upon the high seas.

§ 3401. Petty offenses; application of probation laws fees.

* * * * *

(e) This section shall not apply to the District of Columbia nor shall it repeal or limit existing jurisdiction, power or authority of commissioners appointed [for Alaska or] in the several national parks.

§ 3771. Procedure to and including verdict.

The Supreme Court of the United States shall have the power to prescribe, from time to time, rules of pleading, practice, and procedure with respect to any or all proceedings prior to and including verdict, or finding of guilty or not guilty by the court if a jury has been waived, or plea of guilty, in criminal cases and proceedings to punish for criminal contempt of court in the United States district courts, in the district courts for [the Territory of Alaska,] the district of the Canal Zone and the Virgin Islands, in the Supreme Courts of Hawaii and Puerto Rico, and in proceedings before United States commissioners. Such rules shall not take effect until they shall have been reported to Congress by the Chief Justice at the beginning of a regular session thereof and until after the close of such session, and thereafter all laws in conflict therewith shall be of no further force and effect.

* * * * *

§ 3772. *Procedure after verdict.*

The Supreme Court of the United States shall have the power to prescribe, from time to time, rules of practice and procedure with respect to any or all proceedings after verdict, or finding of guilt by the court if a jury has been waived, or plea of guilty, in criminal cases and proceedings to punish for criminal contempt in the United States district courts, in the district courts for [the Territory of Alaska,] the District of the Canal Zone, and the Virgin Islands, in the Supreme Courts of Hawaii and Puerto Rico, in the United States courts of appeals, in the United States Court of Appeals for the District of Columbia, and in the Supreme Court of the United States. This section shall not give the Supreme Court power to abridge the right of the accused to apply for withdrawal of a plea of guilty, if such application be made within ten days after entry of such plea, and before sentence is imposed.

* * * * *

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SECTION 2 OF FEDERAL RESERVE ACT (38 STAT. 251, 252)

SEC. 2. As soon as practicable, the Secretary of the Treasury, the Secretary of Agriculture and the Comptroller of the Currency, acting as "The Reserve Bank Organization Committee," shall designate not less than eight nor more than twelve cities to be known as Federal reserve cities, and shall divide the continental United States, excluding Alaska, into districts, each district to contain only one of such Federal reserve cities. The determination of said organization committee shall not be subject to review except by the Federal Reserve Board when organized: *Provided*, That the districts shall be apportioned with due regard to the convenience and customary course of business and shall not necessarily be coterminous with any State or States. The districts thus created may be readjusted and new districts may from time to time be created by the Federal Reserve Board, not to exceed twelve in all. Such districts shall be known as Federal reserve districts and may be designated by number. [A majority of the organization committee shall constitute a quorum with authority to act.] *When any State is hereafter admitted to the Union the Federal Reserve district shall be readjusted by the Board of Governors of the Federal Reserve System in such manner as to include such State. Every national bank in any State shall, upon commencing business or within ninety days after admission into the Union of the State in which it is located, become a member bank of the Federal Reserve System by subscribing and paying for stock in the Federal Reserve bank of its district in accordance with the provisions of this Act and shall thereupon be an insured bank under section 12B of this Act, and failure to do so shall subject such bank to the penalty provided by the sixth paragraph of this section.*

## UNITED NATIONS BANNER TO FLY AMONG VARIOUS NATIONAL FLAGS IN KOREA

Mr. SMITH of New Jersey. Mr. President, last Friday, July 7, a historic decision was taken by the United Nations Security Council in its third great resolution passed in response to the invasion of Korea. This resolution recommended that all forces fighting against the Communist invaders be placed at the disposal of a unified command under the United States, and requested the United States to name the commander of all the forces engaged. Furthermore—and this is the point I wish to stress—it authorized that unified command to fly, together with the various national flags, the blue and white banner of the United Nations.

This of course is a purely symbolic action, Mr. President, and yet in my judgment it is an action of the highest importance. It signifies for all the world that our armed power, and that of the other nations who have joined us or may join us at a later date, is being used not merely to uphold the interest of any single nation or group of nations, but to uphold the world-wide principles of the United Nations Charter which have been so brutally violated by the Communist aggression.

By this action our commitment in the Korean battle is raised to a higher moral plane. The United States has been given the leadership, but that leadership is at the service of the free world. Under the direction of General MacArthur we can all be confident that the high mission which has been so largely entrusted to our own forces will be carried out in a manner which will do honor not only to the Stars and Stripes but to the flag of the United Nations as well.

I have made inquiries, Mr. President, concerning the implementation of this authority to use the United Nations emblem. I am informed that the flag handed to Ambassador Austin by Mr. Lie last week is now in Washington awaiting transportation to Korea, and that it is doubtful whether any UN flags exist in the battle area at the present moment, except the one flag entrusted to the UN Commission for Korea.

In view of what appears to me the tremendous symbolic meaning of this action, it seems to me very important that we act with speed to display the United Nations emblem in the battle area at the earliest possible moment. Wherever national emblems now appear—at command posts in the field, on naval vessels, or aircraft—the blue and white of the United Nations should immediately be raised beside them. I therefore suggest that whoever is charged with this matter on the ground should not wait for the arrival of the flag from Lake Success before putting the UN symbol into the field. We must immediately make it visibly plain to friend and enemy alike that the forces fighting and dying to defend Korea from ruthless aggression are acting not only for their own national interests but also on behalf of the organized opinion of all mankind.

Mr. President, I ask unanimous consent that the text of the United Nations Security Council resolution to which I have referred, and the text of an editorial on this subject from the New York Times for Saturday, July 8, be printed in the body of the RECORD as a part of my remarks.

There being no objection, the resolution and the editorial were ordered to be printed in the RECORD, as follows:

UN COUNCIL'S RESOLUTION

The Security Council,

Having determined that the armed attack upon the Republic of Korea by forces from North Korea constitutes a breach of the peace,

Having recommended that members of the United Nations furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area.

1. Welcomes the prompt and vigorous support which Governments and peoples of the United Nations have given to its resolutions of 25 and 27 June, 1950, to assist the Republic of Korea in defending itself against armed attack and thus to restore international peace and security in the area;

2. Notes that members of the United Nations have transmitted to the United Nations offers of assistance for the Republic of Korea;

3. Recommends that all members providing military forces and other assistance pursuant to the aforesaid Security Council resolutions make such forces and other assistance available to a unified command under the United States;

4. Requests the United States to designate the commander of such forces;

5. Authorizes the unified command at its discretion to use the United Nations flag in the course of operations against North Korean forces concurrently with the flags of the various nations participating;

6. Requests the United States to provide the Security Council with reports as appropriate on the course of action taken under the unified command.

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[From the New York Times of July 8, 1950]

BANNER OF FREEDOM

Over the battlefields of Korea a new flag will fly tomorrow. The blue and white banner of the United Nations will take its place beside the starts and stripes at the head of the columns of young Americans who are fighting there in the cause of freedom. Units of other nations too are authorized to raise this standard as they take their place in the battle line. Thus for the first time in the long history of mankind's search for effective means of upholding international law and order, the identical flag of a great alliance will symbolize the solidarity of the forces now alined against aggression. Not only in the present and immediate test, but for the longer future, this first raising of an international flag upon the battlefield cannot fail to be momentous in its portent and its consequences.

In authorizing yesterday this historic action, the Security Council also provided for a unified command. The United States is requested to designate this commanding officer, and its choice, of course, will be General MacArthur. The same resolution of the Security Council recommends that all member nations place military forces at the disposal of this unified command for the purpose of checking the aggression launched by the North Korean Communists and restoring peace and order.

There has already been a gratifying response to the Security Council's first call for aid. This response may now be expected to take the concrete form of the dispatch of planes and ships and troops from many ports to the scene of action in Korea. Our own American determination in this matter was given additional proof when, almost at the same moment that the Security Council met at Lake Success, President Truman invoked the draft law as "a first step to build up to full operating strength the units of the Army, Navy and Air Force to be used in the Korean operation, to provide further maintenance and support therefor, and to replace units to be moved to Korea."

Thus, in two world capitals yesterday, governments and men who will no longer tolerate aggression rededicated themselves to the task to which they have put their hands.

Mr. LUCAS, Mr. KEFAUVER, and Mr. McKELLAR addressed the Chair.

The VICE PRESIDENT. The Chair would like to admonish Senators that, beginning at 1 o'clock, the time is to be controlled until 4, and that if we are to conclude the morning business, it will have to be done without speeches.

Mr. LUCAS. Mr. President, I am grateful to the Vice President for making that suggestion, because I have a motion which I desire to make before 1 o'clock, to take up Senate bill 1728. The unanimous consent request applied only to the insertion of matters in the RECORD. I hope that other Senators will not make long speeches.

The VICE PRESIDENT. The Chair will undertake to enforce the request, though he has been somewhat liberal in regard to it until now.

TOWARD THE INDUSTRIAL ATOMIC FUTURE—ARTICLE BY DAVID E. LILIENTHAL

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the body of the Congressional RECORD at the close of my remarks an article by David E. Lilienthal, former chairman of the Atomic Energy Commission, entitled "Toward the Industrial Atomic Future," appearing in the current issue of Collier's magazine.

In this article the former chairman of the Atomic Energy Commission discusses the advisability of ending the Government monopoly over atomic energy for civilian purposes and giving private industry a free hand in such development. This proposal will be seriously questioned and will result in widespread debate as to the wisdom of such a program. There are many questions that will need to be answered to protect the interests of the Nation and the people of this country, whose money, to the extent of billions of dollars, made possible the discovery of the secrets of atmic energy.

Among the important questions involved is the protection of the country from the dangers of private monopoly control in the development and civilian application of atomic energy. It would seem at first glance that the ordinary industrial corporation in the United States which has not had the benefit of contractual association with the Government in the discovery and application of the secrets of atomic energy would have little opportunity to take part in its civilian development.

The great value of Mr. Lilienthal's article is that it high lights the need for developing the industrial uses of atomic energy. In future years the strength of our country, and perhaps our very survival, may depend upon whether or not we make sufficient progress in harnessing atomic power in the service of industrial progress. Mr. Lilienthal's proposals for achieving this objective may not be the final solution but they certainly require the most careful consideration.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOWARD THE INDUSTRIAL ATOMIC FUTURE

(By David E. Lilienthal)

The American people have been sold the biggest gold brick in our history. This brick is the notion that a few of our bright people discovered the secret formula of the atom, a secret we can keep by locking it in a vault. It is this gold brick that has misled and frightened many otherwise steady people into thinking that the atom is a weapon and nothing else, when the truth is that here is a great new field of knowledge that can be converted to the peaceful service of humankind. It is, largely, this emphasis on "the secret" that accounts for the continuation of the present airtight Government monopoly of the industrial atom, a strange and un-American course.

Such a frame of mind as this makes it tough to get back to common sense again, but I believe it can be done. In this article I propose to suggest ways we can develop the atom as we normally would any new industrial knowledge: through private industry and competition.

Several weeks ago (Collier's for June 17th) I criticized the idea of Government monopoly of information, experimentation, and development of the industrial atom. But it would smack of the demagogue if, as the first chairman of the United States Atomic Energy Commission, I strongly condemned a course of public policy without being prepared to say what I think should be done about it. This is more emphatically true since I was among those who, back in 1945 and 1946, were unable to see any alternative to the course of Government monopoly. But on the basis of experience, experience we did not have in 1946, and in view of such new facts as the Russian atomic bomb, I am convinced that our monopoly course is no longer justified and should be drastically changed.

This does not mean abandoning secrecy about the military atom; on the contrary I believe that narrowing the area we try to keep secure will make military secrecy more effective.

We can free the atom for America's industrial genius and still maintain sensible military secrecy.

I believe in secrecy about atomic weapons, and particularly the status of their development. This is a clear necessity. But this necessity does not justify the enormous and all-embracing scope of Government monopoly of information, plants, materials, and know-how now provided for.

Government monopoly of an entire industrial potentiality is not the only way to protect and control information of military importance. Our Army, Navy, and Air Forces manage to protect secrets about their weapons and equipment without going to the extreme of establishing Government monopoly of the entire industry that produces those secret weapons.

The reasons for military secrecy as to atomic weapons are excellent ones. They are not, however, different in kind from those that apply to radar, or submarine design, or detectors of various kinds, or guided missiles, or bacteriological warfare agents.

We should, in my opinion, reshape our atomic military secrecy requirements to something more nearly resembling the limits that prevail in the Department of Defense as to all other branches of armament.

What is the best way for the people of the country to gain the full benefits of the industrial atom, and to secure those peaceful benefits as quickly as possible? This is the issue.

I believe, as do many Americans, that there are cases in which Government can do a particular job more appropriately than can private enterprise. In my opinion, one illustration is the development of our vast rivers for flood control, navigation, power, and irrigation. But the industrial atom is by no means such a case.

I assert that the present course of Government monopoly is not that best way. Government monopoly is an appropriate way to provide atomic weapons and other atomic military devices. It is not, however, the way to put the atom to work for mankind. It will not put the industrial atom into the mainstream of American industry and commerce, where it can flourish.

Only industry—as proprietor and manager and investor—can do the actual job of developing industry.

Would my proposal of private development, should it be adopted, make it impossible ever to have effective international control of atomic weapons? Does the position taken in this article mean I have abandoned my views about an international Atomic Development Authority which in 1946 my colleagues and I proposed?

International, not national or private, ownership and operation of such plants as those producing uranium 235 and plutonium were indeed an integral part of our Report on the International Control of Atomic Energy. That principle is embodied in the Baruch plan as well as the plan later approved by virtually all nations except Soviet Russia. My present proposal about the industrial atom would not bar an agreement for international control if, at some future time, the Atomic Development Authority idea were agreed upon by the nations of the world.

What needs to be done? How can American industry get the first shovels into the ground?

The broad beginning is for the country to believe that something can be done. We must stop resigning ourselves to a living denial of the things we stand for.

The transformation from Government monopoly to competitive development ought to be accomplished by a number of steps or stages. To wait until the whole change can be made in one gulp will be to wait too long.

The first definite step is to provide access to the realities of this atomic industry for a large number of Americans who are now outside the stockade.

This must be the starting point, otherwise only the inner circle will know enough to help design concrete and workable measures. That kind of help can come from the inner circle only to a limited extent. When you yourself are inside the fence, with the best of motives your zeal to admit others is not likely to be great. Moreover, it is difficult for men who are themselves well informed, at first hand and in working detail, to understand clearly why men without that intimate knowledge are handicapped, and unable to contribute much, if anything, of their own technical resourcefulness and imagination.

The opening move, therefore, should be a complete review by the American people of our basic assumptions relating to monopoly of information in the hands of the government and its agents, as it applies to the industrial side of the atom. I hope this article will precipitate such a review. Chairman BRIEN MCMAHON and the Joint Congressional Committee on Atomic Energy and the Atomic Energy Commission would probably welcome a fundamental reexamination of the whole industrial atomic-energy situation.

Secrecy as a part of Government monopoly is justified only as a means of keeping information from potential enemies. There is no sense in keeping information from our own people when it has become evident that other countries, including potential enemies, have it. We in this country are suspicious of secrecy, with good reasons. It has been used as a screen behind which officials can pompously hide blunders and ineptitude, and protect themselves from legitimate criticism. And it has been a way to caress the ego of the holder of the secret: "If you knew what I know."

Equally or more serious is the fact that, in a situation such as I am discussing, secrecy is hard on our own technical progress, our own headway; and its cost in dollars is staggering. Foy Kohler, an American who spent some years in our embassy in Moscow, reports that in Russia "it takes about two to do a single job—one to work and one to watch." Anyone who has seen the atomic enterprise from the inside will get a wry smile from this remark, though our ratio is certainly not that high. Not yet, anyway.

A mere reading of the sweeping words of the present law conveys some idea of the breadth and extent of the Government's hold. But the situation in practice is even worse than the words might indicate.

Under the Commission's wartime predecessor, the Manhattan District, everything about atomic energy, including the very existence of such an undertaking, was declared officially secret. It was classified or restricted information.

"Secret" was stamped on virtually everything, even on Manhattan District books and periodicals, of which identical copies were also available to the public on the shelves of almost every technical library in this country—and Russia. "Secret" stamps, creating a Government information monopoly, went on almost every last thing of an atomic industrial nature done during the war, even on some equipment that was well-known and commonplace. And I have seen intricate gadgets, stamped "secret" by the Manhattan District, that could have been purchased by anyone right off the shelf in hundreds of stores in this country—some of it as Army surplus.

So the Atomic Energy Commission on January 1, 1947, inherited a huge undertaking in which, for asserted military reasons, virtually everything, even of the most common or innocent character, was hush-hush. An ordinary screw driver of the kind you can buy at a dime store, used to tighten a screw in an assembly involving atomic materials, was treated as restricted data. Under the atomic energy law it cannot be handled, or even seen, by any person who has not been investigated by the FBI and cleared by the Commission.

This is palpable and costly nonsense. But as a matter of practical operation it is not untypical. Such a state of affairs does not serve to increase the respect men feel for their work; but this condition is well nigh inescapable as things now stand.

Take, for example, last summer's incredible congressional hearings on charges of incredible mismanagement of the atomic enterprise. The best managerial and technical brains of a great industry had to be away from their work day after day so they could explain to a Senator (under klieg lights and before television cameras) such things as how a chip of uranium got into one of their workmen's socks. For, under the monopoly law, that chip of uranium—out of tons and tons handled every month—is treated as restricted data.

Is it any wonder, then, that American industry looks upon the development of the industrial atom with such coolness? I have talked this over, at length and often, with scores of our ablest industrial executives and research directors. Almost to a man they asserted that what may be one of the greatest discoveries of modern times simply will not and cannot be fully developed by American industry under the strange, artificial, emotion-charged, and Government-dominated conditions that now exist. I agree with their position. All of us are losing a great opportunity each day these conditions continue.

The Commission is authorized to declassify, that is, remove a piece of information or equipment or material from this hush-hush category. But this can be done legally only upon a finding, by the Commission, that a data may be published (which means, open to the public generally) "without adversely affecting the common defense and security."

In practical operation this is ineffective and unworkable as a means of furthering, on a broad front, the great potentialities of the industrial atom by American business. Thousands of pieces of information have in fact been declassified by the diligence of the Commission, though largely in scientific rather than industrial or technological areas. But industrial men get little stimulus from such a patchwork, bit-by-bit approach to their possible interests, so remote from physical reality.

If the only way to crack the monopoly of information is this declassification process, it simply will not be cracked. The record to date is the best evidence of that fact.

The McMahon Act includes a provision that provides a clue to what, in my opinion, should become general policy as to dissemination of industrially useful information.

The law declares that the policy of the Commission should be that "the dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticism which is essential to scientific progress."

Here is a recognition by Congress of a salutary principle. It should be extended to industrial information.

Science was dealt with differently in this respect from engineering and industrial knowledge because the scientific community of the country was able to persuade Members of Congress that the real atomic secrets were in the area of what was called technical know-how, not in scientific knowledge.

This distinction, however, between science and technology, will not stand up. As almost every man with industrial development experience will agree, there are few tricks of know-how that cannot, independently, be approximated or duplicated by other competent men.

(I do not include in this present article my views as to the effect of Government monopoly on fundamental science and of the role of universities and research institutions, the discussion here being directed to the business side of the atom.)

So I would urge, as a basis for public discussion, that the revised law say in effect: Atomic military information is not different in kind from the information about the secret military aircraft that carries an atom bomb or the secret fighter plane that protects it.

But other changes in law or in practice will also have to be made before American industry can take hold of the industrial atom and begin to develop its potentialities in a competitive climate. Thus, it is essential, for example, that the scope of supervision now exercised by the Congress be confined (as under the Constitution it should be) to broad policy matters; and the spirit in which a great technical venture is dealt with by committees of Congress needs to be changed.

Assuming suitable changes in the law and in the attitude of the public and of the Congress, how can private industry get started?

First, as to the great factories producing uranium 235 and plutonium. For practical and temporary reasons I would recommend no immediate change in their ownership or operation, though immediately leasing them

to the private concerns now operating them under contract has much to commend it.

But, without delay, other outstanding industrial concerns should be fully informed about the nature of these plants and their processes; they should be asked to prepare their ideas for improving processes and designs for future plants, or for replacing the present methods. Competition in new ways of producing these materials should be encouraged rather than forbidden, as is now the case.

The private companies operating these plants as contractors would welcome competitors in the field; for, as the General Electric Co. (one of the major operators) has put it, "The economy that does most to foster competition is the one that makes easiest the establishment and growth of business."

Private investment in such production plants is not out of the range of future possibility, though the amounts are huge. The Government would, of course, continue to receive that portion of the total output needed for the bomb program.

But a more important and creative opportunity lies in the designing and the building of atomic machines by private concerns, with their own funds. One is a machine, called a reactor, to produce electric power, which might also produce plutonium while it produces power. The second is a research reactor for the intense irradiation of metals, pharmaceuticals, glass, fibers, oils and so on; in short, a wide range of exploration for industry. The third is a reactor and plant to produce and process radioactive isotopes or tracers, already widely used in medicine, in industry, and agricultural research.

Private capital for investment in such machines, and for experimental and development work generally, would be available if the climate for private enterprise in this area were made reasonably healthful; that is, if it met the requirements of almost any pioneering business undertaking.

This will require changes in a good many provisions of law, in my opinion. But more important by far than particular legal changes is a complete change in the way we approach the industrial development of the atom—a change from the Soviet to the American style.

As to particular legal changes, I suggest they should include the following:

1. A firm, clear and unambiguous policy, the declared purpose of which is to get the industrial atom into the invigorating stream of American competition. This policy should be written into law, and lived up to in spirit.

2. A reasonable prospect that, if the financial risks are assumed (and these would not be inconsiderable), those who take the risks would stand to benefit if their investment of money and effort succeeded.

A change in the basic policy of atomic development would carry with it the necessity for a complete revision of the patent provisions of the present law, to make them conform (as they do not today) to the principles of the American industrial incentive system.

3. Section 7 of the McMahon Act contains an explicit invitation to the exercise of a political veto over scientific and industrial advance. This must be eliminated before we can hope for private development.

This astounding section provides that whenever any industrial, commercial or other nonmilitary use of fissionable (atomic) material or atomic energy has been sufficiently developed to be of practical value, the (Atomic Energy) Commission shall prepare a report to the President stating all the facts with respect to such (nonmilitary practical) use, the Commission's estimate of the social, political, economic, and international effects of such use, and the Commission's recommendations for necessary or desirable supplemental legislation. After the President has sent this report to Congress with his own recommendations, Congress has a period to debate whether this industrial, commercial, or other nonmilitary use . . . of practical value may proceed, or whether Congress should forbid it. This is one of the most appalling reversals of our way of doing things in this country of which I have any knowledge.

If such a veto of industrial advancement had been in the lawbooks when the locomotive was first developed, the outcry of its competitors, the stagecoach and the canal, might well have barred the progress of our railroads.

It may be that Congress intended that this industrial veto power was to apply only to developments in Government-owned facilities. But no prudent lawyer could assure an industrial concern that this is the correct interpretation. Hence, until this provision is repealed or clarified, no businessman is likely to invest his own money to begin experimentation with the industrial atom leading to a commercial application.

The precedent of this particular provision of the Atomic Energy Act ought to be buried fast and buried deep. If it were followed, and came to fasten itself upon us, it would spell the end of a dynamic America.

To these three conditions a fourth might be added:

(4) Consideration ought to be given to the granting of allowances, in corporate taxes, for concerns who pioneer with their own money in atomic research and development work that is now being carried on out of public funds. Other inducements, such as special depreciation allowances or the joint investment of private and public funds or matching of such funds, may appear desirable.

Atomic reactors, heretofore built for the Government with public funds or now under design, cost millions of dollars. Whether reactors need to cost nearly so much is one of the important things industrial competition will probably establish.

One such experimental reactor I have suggested for private investment would produce electric power, but is so designed that it will also produce plutonium as a byproduct. The builder of the reactor would use, or sell, the electricity. An example of an opportunity for such an operation is phosphate fertilizer production, using the electric furnace method, in the power-short Idaho-Utah region that is rich in phosphate ore. Aluminum production, which requires great amounts of electricity, preferably near the supply of bauxite, might prove to be another such example.

The important thing about the building of such a reactor—important for the country as well as industry—would be this: For the first time an atomic industrial machine would be built with the builder's own money.

The first breath of the tonic air of competition would blow through the atomic industry. With its own dollars—not the Government's—at stake, industry would assign its very best men to these tasks. The heat would be on. The industrial atom would really start to roll. This would not be wholly because of the pressure of costs and the desire for profits. The fun would be back in this particular venture, the wartime hang-over of "cost plus" would ease off; pioneering gumption and a sense for costs would return.

The second atomic machine I recommend as a beginer might well be built in the proximity of a metals center such as Pittsburgh or Detroit or Cleveland, or adjacent to a great pharmaceutical or chemical area such as Chicago or Detroit or St. Louis. It would not be for power generation, but for research and development to observe the effect of radiation on scores of industrial materials.

Here the industrial meaning and possibilities of radiation's power to change the very nature and structure of matter could be dug out, and worked over, and turned to useful ends.

But it would probably be from the process of designing and actually building and operating these reactors that the greatest benefits would flow. Industrial engineers and development men don't ordinarily learn things by reading a "declassified" document; they learn by trying things, trying them out themselves.

In the considerable job of actually creating these reactors, finding materials that will perform under these new conditions, getting the "bugs" and the high costs out of them, as well as in using them day by day, ideas would start rising all through American industry even as life stirs under the spring sun after the long dormancy of winter.

The building of these reactors by private industry would, of course, require substantial amounts of atomic materials. Reliable American companies ought to have a right to buy and to own such materials in any amount reasonable for research, development or power purposes. The law might specify as a ceiling the maximum percentage of the total supply of uranium which should be in private ownership, but certainly if that percentage is fixed conservatively that material will do at least as much for the national security if used for developing the industrial atom as would the same amount in atomic or superatomic bombs.

The Government, of course, should keep close track of all atomic materials owned privately. And, of course, the Government's right to take possession of any private atomic material at any time, paying compensation afterward and not as a precondition, ought to be made part of each sales transaction.

A third reactor that could be built by private business would resemble, in purpose, the machine now in operation at Oak Ridge, for the production of radioactive isotopes, or tracer atoms. In this machine almost any common article can be inserted—salt, steel, phosphorus, iodine, and so on—and when it comes out it is radioactive.

A large market demand for these radioactive tracer products has already been built up. They are being manufactured today by the Commission and sold to hundreds of the country's research laboratories and medical centers.

The Commission's forces have done a fine job in promoting the uses of these tracer isotopes, and in improving the technical side of the operations. Competition would be welcomed on all sides. The present Government price scale presents a problem, but not an insoluble one.

The main and most often-heard arguments against the position I am taking I do not find persuasive. Here they are:

First is the argument that we need Government monopoly as a means of protecting "the secret of the atom bomb." This argument is carried so far as to maintain that secrecy about weapons is impossible without Government monopoly of information over virtually the whole enterprise in all its industrial aspects. As I have already indicated, this argument does not persuade me, and particularly not since the Russians succeeded in making the atomic bomb.

There was a time when one could hope that the Russians might never be able to produce atomic materials suitable for an atomic bomb—that is, on a production, not on a laboratory, scale and of the requisite high purity.

But the Russians have made and tested an atomic bomb. We must assume that they had at their disposal adequate technical information. More important even than in-

formation, they must have men with the technical skills required to factory-produce atomic materials, as well as to produce a bomblike explosion.

The scientific and technical information furnished the Russians by the atom spy, Dr. Karl Fuchs, we know to be extensive and vital. Without men able to translate such information into industrial operations, however, this alone would not have been enough.

These new facts from Russia should certainly make all of us take a fresh look at our reasons for Government monopoly.

Everything considered, my conclusion is that the present scope of Government monopoly and secrecy hurts us more than it helps us.

Second among arguments against freeing the atom is the contention that only the Government can undertake the development of the industrial atom because private capital is not available for this purpose. Here is a genuine difficulty which can, I believe, be overcome by the steps I have suggested in this article.

Third is this argument: Atomic energy is an asset that belongs to all the people of the United States. The money of the whole people made the discoveries possible, built the plants and laboratories. The people carried the risk of failure, and they should be the ones to benefit, not private corporations. Furthermore, atomic energy is so overwhelmingly powerful a force for good that it should not be put in the hands of any private organization.

The Government alone is big enough and responsive enough to the whole people for so great a trust as this. Moreover, the hazards to human life and health in the use of atomic energy in industrial activities (such as power production) are considerable and still largely unknown. There is greater protection against these hazards in exclusive Government ownership than could reasonably be expected of private corporations. But the same rigid standards Government now prescribes, as proprietor, could be made effective without Government monopoly, and enforced through inspection.

What we all want is that the people should get the greatest possible benefits from atomic energy as quickly as possible. After considerable experience and observation, my own conclusion is that the people will benefit most and soonest by freeing the atom, not by fencing it in behind the walls of Government monopoly and by leaving its development in the hands of a limited number of corporations, contractors of the Government, with all outside competitors barred.

I am under no illusions that the change from Government monopoly can be made without difficulty or without loud outcry. For there is much emotion wrapped up in the atom, and there already are governmental vested interests that have staked out a claim. But I have confidence in the outcome. For free competition is right in character for a people who cherish their pioneering heritage and live in its spirit.

I believe we shall Americanize the atom.

GENERAL APPROPRIATION BILL, 1951

Mr. McKELLAR. Mr. President, as Senators know, on Saturday the Senate Appropriations Committee reported the general appropriation bill for 1951, and it is now before the Senate. I am wondering whether, by unanimous consent, the Senate can proceed to the consideration of that bill tomorrow morning, when the Senate convenes. It is a matter of the greatest importance, and it is a bill which ought to be passed as soon as possible. I hope that can be done.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. LUCAS. Will the Senator defer his request until we have concluded consideration of the Pike nomination this afternoon, that we may discuss the matter then?

Mr. McKELLAR. That will be entirely satisfactory.

FEDERAL FAIR EMPLOYMENT PRACTICE ACT

Mr. LUCAS. I now move that the Senate proceed to the consideration of Senate bill 1728.

The VICE PRESIDENT. The Secretary will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 1728) to prohibit discrimination in employment because of race, color, religion, or national origin.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Illinois.

Mr. LUCAS. Mr. President, some time ago, as the Senate well knows, a motion was made by the Senator from Illinois to proceed to the consideration of Senate bill 1728. That motion was before the Senate as I recall for about a week or ten days, during which time it was intermittently debated. At the end of that time, a petition for cloture on the motion to take up the measure was presented, and, under the rules of the Senate, it automatically came up for a vote 2 days thereafter.

Mr. President, I have again moved the consideration of this measure. It seems to me that in view of the length of debate which took place previously merely on the motion to take up the bill, it is absolutely unnecessary for the Senate to debate the motion at this time at any great length, before presenting a petition for cloture. Presumably the debate would cover the ground which was covered previously, and it seems to me that would be rather futile and useless, especially at a time when we are trying to expedite the business of the Senate.

I am therefore serving notice on Senators now that sometime today a petition for cloture on this motion will be filed. I am satisfied the motion will be debated, and that the only way in which we may finally get a chance to take up the bill for consideration is through the filing of a petition for cloture on the motion to consider the bill, and to present the petition today. I may say that the petition, which has been signed by 44 Members of the Senate, will come up automatically for a vote on Wednesday at 1 o'clock. That is all I care to say at the present time, Mr. President.

Mr. KNOWLAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from California?

Mr. LUCAS. For what purpose, may I ask?

Mr. KNOWLAND. I have a brief statement I desire to make.

IMPACT OF KOREAN SITUATION ON ADJOURNMENT PROSPECTS

Mr. LUCAS. Before yielding, I wanted to make a brief statement, if I may, on a somewhat different matter.

On last Thursday, Mr. President, the Senator from Oregon [Mr. MORSE] had the following to say:

Mr. President, I was very much disturbed yesterday to hear the majority leader announce his plans for a calendar for the Senate contemplating adjournment on August 1. I think it is a great mistake for the Senate of the United States to make plans for adjournment on August 1 because, in my opinion, the crisis which confronts America is so serious that the American people should be given assurance that the Senate fully appreciates the gravity of the situation and that the Senate will remain in session continuously until the crisis is over. The Senate should take out whatever few days may be necessary for the campaign in the latter part of October before the election, depending even then upon the condition of international affairs.

What I said on that day was as follows:

It is absolutely indispensable that the Senate proceed to the consideration of the appropriations bill as soon as possible, because there may be some differences between the House position and the Senate position, and consequently the conferees may have some trouble and may take some time before they can reach agreement.

However, barring unforeseen conditions in respect to the Korean situation, in the Far East, I am still working to the end that we may leave here around July 31. That is my hope, and I believe we can do it.

Mr. President, in all the statements which the Senator from Illinois has made with respect to the adjournment of Congress around the first of August he has always placed as a qualification the developments which may take place in Korea. That still stands. The Senator from Oregon failed to quote what I said with respect to that. Obviously, if conditions in Korea gravitate to the point where they become more serious than they are today, or if they should continue as they are at the present time, neither the Senator from Illinois nor any other Senator would desire Congress to adjourn.

The Senator from Oregon further stated:

Mr. President, I will go along with the majority leader and the majority party in advancing as rapidly as we can a calendar dealing with domestic issues, but I shall insist so far as my one vote in the Senate is concerned that we advance ahead of some of the bills as were mentioned by the majority leader yesterday, consideration of the defenses of the country, because I think they are in a very serious condition.

Mr. President, I should like to say a word or two with reference to any prospective bills dealing with the situation which exists in Korea. The Senator from Maryland [Mr. TYDINGS] a moment ago rose upon the floor of the Senate and introduced a bill dealing with one aspect of the Korean situation and the Senate passed the bill without its having been referred to a committee. It was agreed to by the distinguished minority leader and all other Senators on the floor of the Senate.

The Senator from Tennessee [Mr. McKELLAR] gave to the newspapermen in front of my desk, before the Senate convened today, the information that, insofar as he as chairman of the Appropriations Committee is concerned, all the money necessary, will be appropriated

for the adequate and proper defense of this Nation. Obviously, any bill which may come before the Senate with any recommendations which the President of the United States may make with respect to the immediate consideration of our defenses, to the end that our armies may be better equipped, I am satisfied will be passed. Any proposed domestic legislation, of course, would be laid aside for the time being. At the moment the appropriation bill is the most important bill, and we must proceed with it, because appropriations involving the defense of the Nation are contained in that bill, as are the funds for the complete operation of the Government, both at home and abroad.

I simply wanted to make that statement to clear the record, because I was in Illinois last week and saw the statement made by my distinguished friend from Oregon [Mr. MORSE]. In all the statements I have made I have reiterated that the taking of a recess or an adjournment by Congress depends primarily upon the developments taking place in Korea.

I yield to the minority leader.

Mr. WHERRY. Mr. President, I thank the majority leader.

One of the observations made by the majority leader last week invited attention to the possibility of an adjournment sine die. I do not mean to say that that is the type of adjournment that will be taken, but I should like to ask the distinguished majority leader if he contemplates a recess subject to the call of the leadership on either side of the aisle.

Mr. LUCAS. I would say that in the event conditions around August 1, or immediately thereafter, are such that Members of the Senate believe it is advisable that the Senate should take a recess for 2 or 3 weeks, to return at the call of the distinguished Vice President, or upon concurrent resolution of the Congress, anything that will satisfy Members on both sides of the aisle will be satisfactory to the Senator from Illinois. In addition remember the President could call us back at any time. I do not want anything to be done that will place us in a misunderstandable position with our own people or with the people of the world. The Senator from Illinois, even though he is a candidate for reelection, will remain at his desk if international conditions are such as to demand his attention, regardless of the Senatorial election in Illinois.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. LUCAS. I yield.

Mr. WHERRY. I think it is well worth the consideration of the majority leader that in the event even a temporary recess is taken, or one contemplating returning the first of January, it be taken subject to the call of the leaders of both Houses. I have been very much interested in knowing whether the President expects to come before a joint meeting of the two Houses to give us a review of the situation, with a recommendation as to legislation that might be desirable, if it should become necessary before adjournment.

Mr. LUCAS. I would say in reply to the Senator's inquiry that at the meeting at the White House this morning there was no suggestion made as to any immediate legislation coming before the Senate or the House to implement operations which are under way at the present time. I do not say that such suggestions will not be made, but that question was not raised, and there was nothing agreed upon along that line this morning.

Mr. WHERRY. Does the majority leader contemplate calling the calendar some time during the consideration of the appropriation bill, or immediately after or before its consideration?

Mr. LUCAS. The Senator from Nevada [Mr. MCCARRAN] is away, and I presume he is probably interested in more bills on the calendar than is any other chairman of a committee. Before he left I agreed with him that I would not call the calendar until his return, because I thought it was more or less useless, by reason of the large number of bills in which he is interested.

Mr. WHERRY. Possibly the calendar will not be called prior to Wednesday of this week. Is that correct?

Mr. LUCAS. I think that is a fair conclusion.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CHAVEZ. Mr. President, the Committee on Public Works will report within the next 2 or 3 days what is known as the road bill which will affect every State in the Union and the possessions of the United States. If the committee reports the bill within the next 2 or 3 days, would it be possible that action can be taken on it within a reasonable length of time?

Mr. LUCAS. I am glad the Senator raised that question, because we have been discussing that bill in the Policy Committee. I hope the Senator's committee will report it. There may be a possibility of taking it up after the consideration of the appropriations bill.

## NEED FOR NATIONAL UNITY IN THE IMPENDING CRISIS

Mr. KNOWLAND. Mr. President, during this emergency period, the President of the United States has received overwhelming support from both Republicans and Democrats in Congress and throughout the Nation.

The critical months ahead would warrant the President's establishing a government of national unity for as long as the crisis lasts. This could be done by inviting Republicans, having the confidence of that party, into the Cabinet.

At the same time he should make clear that he was not going to use his position as Commander in Chief and leader of a united America to assist the partisan campaigns of members of his own political party in the congressional elections this year.

Such a policy would be of the highest statesmanship and a major contribution to the continuation of the national unity so desperately needed at this crucial hour.

If the American people are treated as adults they will respond as such. It is no time to spoon feed them or to hold back on the hard realities of the situation we face. I believe that the people of this Nation have been way ahead of the Government in recognizing the facts of life.

Communism is as destructive of human liberty in China or Korea as it is in the satellite states of eastern Europe. The rank and file of our citizens recognized this even when the Far Eastern Division of the State Department did not.

Urgent requests for aid to offset the North Korean build-up of tanks, artillery, and planes were made on several occasions by the government of the Republic of Korea and by our own mission to that nation. Until the invasion had started the cold, hard facts of the situation are that the additional equipment they needed was all on order or under consideration, and the only shipments made were some excess signal equipment, which represented a few hundred dollars out of the Korean share of the arms-implementation bill of 1949.

It, of course, does no good to cry over spilt milk, but it is urgently necessary that it not be spilt again in Asia or in Europe. Time is rapidly running out and neither the Nation nor the Congress will be tolerant of a too-little-and-too-late result. The life of this Republic and the whole free world is at stake.

The airfields we do not have to operate from in Korea could be supplied to a considerable extent by the carriers that are in "moth balls." They and their necessary escort vessels should be ordered demothed at once, not a week or a month from now. Needless to say that additional ships without the trained crews will not do the job.

The President's Air Policy Board and a joint congressional committee urged a 70-group program as the minimum Air Force needed for the security of this Nation. Last year Congress appropriated the funds for the 70 groups and the President froze the funds provided and set the limit at 48 groups. Our experience in World War II was that no planes saw combat that were designed subsequent to Pearl Harbor. It would be negligence of the first magnitude to get caught with a second-best Air Force. The Soviet Union will be impressed with the world's most powerful Air Force in being and will not be impressed with one on blueprints.

Our ground forces are not adequately manned or armed to meet the needs of the hour. Nor will we have the forces we need with draftees alone. Combat experienced reservists would help the morale of the inexperienced troops.

A substantial number of men will have to be secured to bring our Air Force, Army, and Navy up to their proper strength. Volunteers will not, in my opinion, provide in time what the security of the Nation requires. The people are entitled to know that the draft will have to be used and a considerable number of reservists called up. Giving it to them in little homeopathic doses is hardly doing credit to their intelligence.

The number of Americans who have to be called to the colors will depend, in part, on the share of the burden assumed by others. Of the United Na-

tions members only the United States, Britain, Australia, Canada, New Zealand, and the Republic of China have offered any combat forces. Of the Asiatic nations only the Republic of China has expressed both the ability and willingness to send a combat force of troops and some airpower. China is the only United Nations member, outside of the United States, offering ground troops.

The Republic of China is a member of the United Nations and of the Security Council. Member states have been requested to send help and China promptly responded by offering to send 30,000 of her troops constituting three divisions. These were trained under the able Virginia Military Institute graduate and successful combat commander general, Sun Leh-jen.

It is important that the people of free Asia be well represented in the combined United Nations ground forces and that the whole burden not fall alone upon the limited number of Korean divisions, the troops of the United States or a few of our western allies.

Some say that the Soviet and Chinese Communists will resent such a combined force. The point is made that forces from Communist China may then come into Korea. My answer to that is that there are such forces already in Korea.

A second Bataan could result unless sufficient Allied troops can get to the scene early enough to hold southern Korea until our own build up take place. Forces of the Republic of China from Formosa could be landed by ship in 5 days and by plane in 1.

It is long past time when the State Department should discontinue its feud with the Government of the Republic of China. Without the vote of China in the Security Council none of the three resolutions passed by that United Nations agency would have been adopted.

Seven votes are essential. The Soviet Union was absent on each occasion. Yugoslavia followed the usual Communist line though she may well be the next victim of aggression and an urgent pleader for United Nations help. At the time all three votes were taken, India and Egypt abstained though India on the second resolution later announced her support but had it been necessary to hold up action 24 hours waiting for this approval, the battle of Korea might have been lost.

A subsequent amphibious landing on hostile shores will be very costly as Iwo Jima and Okinawa clearly demonstrated.

It has been reported that the State Department has not looked with approval upon the offer by the Republic of China. If a political decision in Washington by the same State Department clique who last December 23 in a policy memo wrote off Formosa as having "No strategic value" is the controlling factor, then those making such a political decision are assuming a heavy responsibility to this nation and our men who are now so hard pressed in Korea. The decision should be left to our responsible commander in the area.

It would be an important factor in the establishment of a system of international law and order if the burdens and responsibilities could, under the command of General MacArthur, be shared by the Asiatic and western members as full partners in this action to strike down lawless aggression of its fountain head.

Major decisions will soon be made in the Kremlin, if indeed they have not already been made. July and August are the critical months and whatever needs to be done should be done at once to put our defenses in order. Like insurance, it is costly but no prudent man should be without it. Far better to have it and not use it than to need it and not have it.

## NOMINATION OF SUMNER T. PIKE

The VICE PRESIDENT. The hour of 1 o'clock having arrived, under the unanimous-consent agreement of July 5 the Senate will proceed, in executive session, to consider the nomination of Sumner T. Pike, to be a member of the Atomic Energy Commission. In accordance with the agreement the time from now until 4 o'clock is divided equally between the proponents and the opponents of the confirmation of the nomination, to be controlled, respectively, by the Senator from Connecticut [Mr. McMAHON] and the Senator from Iowa [Mr. HICKENLOOPER].

The question is, Will the Senate advise and consent to the nomination of Sumner T. Pike to be a member of the Atomic Energy Commission?

Mr. HICKENLOOPER. Mr. President, I should like to suggest the absence of a quorum if it is agreeable to the Senator from Connecticut that the time consumed in calling the quorum be charged equally to both sides.

Mr. McMAHON. It is agreeable to me.

Mr. HICKENLOOPER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded, and that further proceedings under the roll call be abandoned.

Mr. MORSE. I object.

The PRESIDING OFFICER (Mr. HOEY in the chair). Objection is heard. The Secretary will continue the call.

The legislative clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Gurney | Martin |
| Anderson | Hayden | Millikin |
| Benton | Hendrickson | Morse |
| Brewster | Hickenlooper | Mundt |
| Bricker | Hill | Murray |
| Butler | Hoey | Myers |
| Byrd | Holland | Neely |
| Cain | Humphrey | O'Mahoney |
| Capehart | Hunt | Robertson |
| Chapman | Ives | Russell |
| Chavez | Johnson, Colo. | Saltonstall |
| Connally | Johnson, Tex. | Schoeppel |
| Cordon | Kefauver | Smith, Maine |
| Donnell | Kem | Smith, N. J. |
| Douglas | Kerr | Sparkman |
| Dworshak | Kilgore | Stennis |
| Eastland | Knowland | Taft |
| Ecton | Langer | Thomas, Utah |
| Ellender | Leahy | Thye |
| Ferguson | Lehman | Tydings |
| Flanders | Lodge | Watkins |
| Frear | Lucas | Wherry |
| Fulbright | McClellan | Wiley |
| George | McFarland | Williams |
| Gillette | McKellar | Young |
| Graham | McMahon | |
| Green | Malone | |

The PRESIDING OFFICER (Mr. HOEY in the chair). A quorum is present.

Mr. McMAHON. Mr. President, I yield myself 3 minutes to discuss the nomination of Sumner T. Pike. On June 19, 1950, the President of the United States nominated Mr. Sumner T. Pike to be a member of the Atomic Energy Commission for a term of 4 years. At the same time he nominated three other Commissioners, Mr. Dean, Mr. Murray, and Mr. Smyth. The nominations of the three men I have just named were confirmed without any difficulty.

In the case of the nomination of Mr. Pike, it was necessary, because of request which was made, to hold a hearing. Under date of June 20 we had a very brief hearing, at which Commissioner Smyth testified to the good work that he knew had been done by Mr. Pike. He was joined in the statement he made by Commissioners Dean and Murray. No questions were asked of Commissioner Smyth; he was not cross-examined. We invited Mr. Pike to come to the meeting, but no questions bearing upon his fitness were asked of him, either in open or in closed session.

Mr. Pike, as I have indicated, was one of the original appointees to the Commission. At that time his nomination was confirmed by the Senate without a yea-and-nay vote, and without any opposition—at least, on the floor of the Senate—so far as I know. His nomination was confirmed on April 7, 1947.

Mr. President, three of my colleagues on the committee believe with me that the President's nomination of Mr. Pike should be confirmed by the Senate.

At this moment I am at a loss to know why objection is being made to confirmation of the nomination.

Therefore, I shall take my seat and shall await the onslaught, and then shall attempt to meet it.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield for a question?

Mr. McMAHON. I yield.

Mr. SMITH of New Jersey. As one who is not on the committee and has not been close to the atomic energy work, but as one who is vitally interested in this matter because of the present critical situation, I should like to ask the distinguished chairman of the joint committee whether before the nominations were made, the President conferred with the committee in regard to the relationship between the committee and the various Commissioners, and whether the committee's advice was sought, or whether the nominations were made without conferring at all with the committee.

Mr. McMAHON. I think I would be obliged to answer that question in this way: I had two or three conferences with the President's staff members. However, no advice from the committee as such was solicited or given.

Mr. SMITH of New Jersey. Will the Senator yield further, to permit me to ask another question?

Mr. McMAHON. I yield.

Mr. SMITH of New Jersey. I understand that ever since the Commission was created and ever since the joint congressional committee was established,

the relationship between the committee and the commission has been very intimate; in fact, the committee and the commission meet together as frequently, sometimes, as once a week, I understand.

Mr. McMAHON. Sometimes they meet far more often than that, I may say.

Mr. SMITH of New Jersey. Yes.

In other words, over a period of between 3 and 4 years there has been that intimate relationship, during which period it has been possible for members of the committee to size up the qualifications of the commissioners and for the members of the committee to determine whether they feel that for this vitally important work the various commissioners are qualified.

At the moment I do not know how I am going to vote in regard to confirmation of the nomination. I am troubled about it, because I recognize the need for the appointment of the full membership of the commission, which for some time has been lacking a chairman. I do not know why a chairman for the commission has not already been selected.

I understand that one reason why confirmation of the nomination of Mr. Pike has not been favored has been that it was believed that if his nomination to be a member of the commission for a period of 4 years were confirmed, he might be made chairman of the commission; and I understand that although there was no objection to confirmation of his nomination as a member of the commission, yet there was objection to him as chairman of the commission.

I think we must determine whether we are to work together in regard to this matter or whether there is to be a dispute regarding the most important commission existing today, so far as our national defense is concerned.

So far as I am concerned, I am inclined to recommend that this nomination be recommitted to the committee, with the urgent request that it be taken up with the Executive, to see whether the question of the selection of a chairman for the commission can be determined, so that the matter can be settled by joint action of the Congress and the Executive, not on the basis of differences of opinion.

Mr. McMAHON. I am inclined to say to the Senator from New Jersey that I do not believe Mr. Pike will be named as chairman of the commission.

Furthermore, it has been a matter of knowledge to the members of the joint committee, as well as to practically everyone else, that the terms of the Commissioners were expiring. I do not make the following statement by way of putting blame on any member of the committee, but simply state the fact that I did not receive from any member of the committee any complaint about Mr. Pike, nor did I receive any suggestion that his nomination would be opposed if it was submitted to the Senate.

I say to the Senator from New Jersey that I would suggest that he withhold—as he has said he is going to do—his judgment on this matter until he can hear what objections are made to confirmation of the nomination.

I can say to the Senator that I shall listen with interest, too, because outside of some very general information, I am not aware of any bill of particulars which has yet been filed against Mr. Pike, and I am interested in the bill of particulars.

Mr. SMITH of New Jersey. Then I, too, shall await further developments, before commenting further

Mr. LANGER. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. LANGER. In this particular Commission, has the chairman any more power than any other member of the Commission has?

Mr. McMAHON. No; in one sense—a very real sense—he does not.

However, the chairman of any commission, by virtue of the fact that he is chairman of the commission, has greater prestige and authority, despite the fact that, mathematically, he has only one-fifth of the power, in the case of a 5-member commission. In other words, his vote is worth no more than that of any other member of the commission.

On the other hand, simply by reason of the fact that he is chairman, I think he is more powerful.

Mr. LANGER. There is no particular quirk in the law is there, which gives the Chairman of this Commission more power than that possessed by any other member of the Commission?

Mr. McMAHON. That is correct. I may add that the Chairman does receive additional compensation. However, his vote is not weighted; I suppose that is what the Senator from North Dakota has in mind.

Mr. HICKENLOOPER. Mr. President, the action of the Senate section of the Joint Committee on Atomic Energy in recommending against confirmation of the nomination of Mr. Pike has caused a great deal of furor and confusion in the public press and has been the source of a vast amount of misinformation and misstatement in the course of speculation as to why recommendation was made by five of the nine members of the Senate section of the joint committee against confirmation of the nomination of Mr. Pike.

There are a great many specifications and details—and I speak only for myself—some of which are substantial, others of which taken by themselves are not of sufficient consequence to be, alone, a reason for opposing confirmation of the nomination of Mr. Pike, but which, when all of them are taken cumulatively, have led me to the decision that Mr. Pike should not be reappointed to the responsible position of member of the Atomic Energy Commission.

At the outset let me lay a few ghosts and spike a few devils which have been pursued by certain persons in connection with this matter

I say to you, Mr. President, first, that I have not asked a single Member of the Senate, either on the committee or off the committee, to oppose confirmation of the nomination of Mr. Pike.

I say to you, Mr. President, that so far as I know—other Members will have to speak for themselves—no Member of the Senate section of the Joint Committee, in charge of this matter, has gone to any other Member of the Senate and asked that Member to oppose confirmation of the nomination of Mr. Pike.

I say to you, Mr. President, in response to a series of current, utterly unfounded rumors, that there has been no agreement, so far as I know, or so far as I have any intimation of or suspicion of, between the Senators who are opposing confirmation of the nomination of Mr. Pike and any other group of Senators, conditioned upon anything, for votes one way or the other on the question of confirmation of the nomination of Mr. Pike.

It is, of course, distressing that speculation of that kind will run rampant through the public press, without any foundation whatever. But I presume that in cases of this kind there must be speculation and, depending upon the complexion of the individual's views regarding a public matter, that speculation will take emphasis on one side or the other. But in this matter, and speaking for myself, I desire to call attention to the fact that the Atomic Energy Act, the so-called McMahon Act, is almost unique, in fact, it is unique, although it has certain features of certain other acts. It is a unique statute and piece of legislation in our administrative history in this country. By that act there was created a commission to handle a vast, new, and mysterious force with unlimited power and unlimited processes both in the military field and, we hope, in the peacetime field. Because of its potential power and its potential possibility, rather unique powers were given to this Commission and unique responsibilities.

Moreover, in the act itself, in the basic law, there was created a Joint Committee on Atomic Energy, which had two fields of action. One was to secure information constantly and continuously and currently about the development and the unfolding of this great, new force. It was to inform itself about this new, great, and experimental field of atomic energy, which was our sole and exclusive possession, we thought, until we found out about Dr. Fuchs. Nevertheless, the joint committee and most of the members of the Senate section of the Joint Committee on Atomic Energy have been continuously serving from the time the special Senate committee was created 4 years ago, through the joint committee's activities, down to the present time, not only in the intimate exploration of atomic energy and of our progress and of where we were going, but they have also been in receipt of constant information and reports on all phases of atomic energy. So that the members of the Senate section have in fact been in intimate touch with this whole matter—in intimate touch with the Commissioners, in intimate touch with the installation, in intimate touch with the day-by-day progress and development, and in many instances, Mr. President, the lack of progress and the lack of development.

I call attention to the fact that the Senator from California [Mr. KNOWLAND] has been constantly on this committee; that the Senator from Ohio [Mr. BRICKER] was a member of the Joint Committee on Atomic Energy until there was a change of the political complexion of the Senate, and he, being the last appointed, was the first to go off the committee, when there was a change in the balance. But he is back now. The Senator from Connecticut, as the author of the bill, was a member of the Senate's special committee and constantly a member of the joint committee. The Senator from Colorado [Mr. MILLIKIN] has been a member of the joint committee and of the special committee from the inception of both. The Senator from Colorado [Mr. JOHNSON] likewise was a member of the Senate special committee which had charge of the original act, and has been a member constantly of the Joint Committee. Other Senators who have served on the committee continuously include the Senator from Texas [Mr. CONNALLY] and the Senator from Georgia [Mr. RUSSELL], the Senator from Maryland [Mr. TYDINGS], who was a member of the original special committee, for a time was not on the joint committee, but, beginning with the Eighty-first Congress, he again became a member of the Joint Committee. I say, Mr. President, that the charges of a political attitude and of partisanship so far as this commission is concerned, seem to me to be entirely without foundation. At least from my observation and from my own personal contact, they have been entirely without foundation.

I have said before that, of the original commissioners, I only knew the political position of two of them. As to the other three, I did not know. I do not know today what the political party affiliation is, for instance, of Mr. Murray, who has just been appointed to the Commission. I do not know, and I have never inquired, as to the political party affiliation of Dr. Smyth; I do not know what it is. I understand and have been told that Mr. Pike is a Republican but question of his party affiliation has never come up in committee meetings. So far as I know, the question of the party political affiliations of any member has never come up in the Republican section of the committee. I do not know what Mr. Dean's politics is. I have been told that he is a Democrat. I do not know. I have never inquired. It has never been a prime basis for my decision as to a commissioner, in determining his qualifications or the things he can do.

I desire to call attention, Mr. President, to the fact that there have been nine persons nominated to the Atomic Energy Commission since it has been established. Mr. Pike is the only one as to whom a formal objection on the part of the Committee has been made; that is, as to whom objection has been made to the confirmation of his nomination.

I am perfectly mindful of the dispute of last year in connection with Mr. Lilienthal, but there was no adverse position taken by the Commission in connection with Mr. Lilienthal. The five original members appointed by the President were confirmed. The three present Commissioners, Dr. Smyth, Mr. Murray, and Mr. Dean, have very recently been confirmed without opposition. So, Mr. President, I think it is high time that we lay the ghost that, merely because somebody is appointed to the Atomic Energy Commission, per se the head of political opposition is being raised. It simply is not so.

I have no opposition to Mr. Pike, nor do I favor him in any way, because of any political affiliation he has. My opposition to Mr. Pike—and it is distressing to have to say it—is because I conceive the Atomic Energy Commission to be one of the most powerful of commissions, and that it should be one of the most impartial and most ably administered commissions in the entire United States Government. I feel that, because of an accumulation of reasons, Mr. Pike does not measure up to what I believe to be the minimum qualification for a Commissioner with the power which the Atomic Energy Commission has.

Mr. President, I invite attention to the fact that the Atomic Energy Commission is spending a billion dollars a year of the taxpayers' money. It is in a pioneering field that needs bold and sensible administrative judgment, as well as other kinds of judgment. I feel that Mr. Pike does not meet the qualifications demanded of that position.

Now for some reasons, Mr. President. In the first place, much has been made of the fact that there was a so-called hearing in connection with Mr. Pike and that no one made any charges against him. I invite attention to the fact that the committee has been holding constant hearings for 3½ years, not only weekly, but, as the chairman said a moment ago, sometimes several times a week. The commissioners and their subordinates and their programs came before the committee. We have had an unusual opportunity to observe, to evaluate, and to conclude as to the efficiency and the propriety of the individuals who are operating the commission. I do not expect everyone to agree with me, but I do say that as a result of those constant hearings I have come to the conclusion that Mr. Pike is inadequate, under all the circumstances, for the job of commissioner.

I have been asked this question: "Do you think Mr. Pike is a Red?" Of course not. I think he is a patriotic American citizen. I say that because it has been insinuated that there may be some mysterious thing about Mr. Pike's patriotism. I want to lay that ghost, because I am convinced that he is patriotic. I do not think there is the slightest Red tinge about Mr. Pike. I think there is a reticence on the part of Mr. Pike vigorously to clean out of the Atomic Energy Commission those whose views are a little pink; but I do not apply that to Mr. Pike himself.

I have been asked, "Do you think Mr. Pike is dishonest?" No, I do not think he is dishonest. I think he is mistaken, and I think he has a bad memory on occasions, but I do not question his personal honesty.

So far as his memory is concerned, I shall touch on it in a little while, but in the few minutes I have remaining I should like to specify as follows:

In my judgment, cumulatively, as a result of 3½ years of observation, I have been drawn unavoidably to the conclusion that Mr. Pike does not devote the serious and constructive attention to his job that I believe he should devote to it. We all recall last year when there was an investigation of the Atomic Energy Commission. We all recall that one of the most important—in my judgment, at least—phases of that investigation was that the Atomic Energy Commission, in what I believe to be clear violation of the Atomic Energy Act, admitted more than 4,000 persons to have access to restricted data without prior investigation by the FBI. Mr. Pike supported that policy. We all remember that last year Mr. Pike supported the policy of sending radioactive isotopes for industrial and, in fact, nonmilitary uses, to a foreign government. We know that Mr. Pike, in the face of united joint committee action and recommendation, put through the venture of the building of a $10,000,000 gas-pipe line into Oak Ridge, when the evidence adduced not only by our committee but by others, showed it was not essential.

There is another matter which I had not intended to bring up in the debate on the floor of the Senate, but on which Mr. Pike saw fit to break the seal of classification and secrecy on last Saturday and gave it to the public. I therefore believe I am justified in mentioning it. It is with reference to what he refers to as the Cyril Smith incident of a year or so ago. Inasmuch as he has broken the seal on that incident, inasmuch as he has seen fit to bring it up, although, so far as I know, no one had charged him publicly with reference to it, I think, in fairness and in all honesty, the matter should be explored a little bit.

The history of the matter is this: On either August 11 or August 12, 1948, as Chairman of the Joint Committee on Atomic Energy, I learned on one of those two dates that a Dr. Cyril Smith, a scientist, had been sent to London two weeks previously, on authorization from the Commission, with a directive to discuss and to reveal to the British certain vital information going to the weapons phase of our atomic energy program, which, in my judgment, is specifically guarded against and forbidden by the Atomic Energy Act. I saw a copy of the directive of Dr. Smith. I am speaking of Dr. Cyril Smith, not of Dr. Smyth, a member of the Commission. I may say that Dr. Smith was operating under instructions, and not on his own volition. He was a servant of the Commission and was doing what he was authorized to do.

I found that Mr. Pike, who was in Washington and was Acting Chairman at the time, had, as Acting Chairman, in a most peculiar and mysterious way, apparently authorized these instructions to Dr. Smith. Whether Mr. Pike, as Acting Chairman, knew what he was doing, I do not know. If he did not know what he was doing, he should be charged with dereliction. If he did

know what he was doing, he should be charged with violating the clear mandate of the Atomic Energy Act.

At all events, Dr. Smith was in London and had been there for 2 weeks before I knew about it. When I found out about it I immediately acted as rapidly as I could. I got in touch with the then Secretary of Defense, Mr. Forrestal, and told him that I knew of this particular situation and that I thought some of the most vital of our weapon secrets were about to be disclosed in full to the British; that I was greatly concerned about it; and I asked the Secretary of Defense if I could see him with reference to it, because if it was as vital as I thought it was, it went to the question of our military defense and the disclosure of our most sacred and secret possessions, so far as atomic weapons were concerned.

The Secretary of Defense said he thought it was very important that we discuss it. So I invited the Senator from Michigan [Mr. VANDENBERG], who was also a member of the Joint Committee on Atomic Energy, to go to a special appointment with the Secretary of Defense. At that time there were also present Dr. Vannevar Bush and Mr. Carpenter, chairman of the military liaison committee established under the act.

I outlined the information which I had and said I thought it was vital. I said I did not know whether during the 2 weeks Dr. Smith had revealed the information which he had been authorized and directed to reveal. It was agreed at the meeting that it was military information, that it was vital, and that it did not come under the purview of any exchange of information, agreement, or agenda that we had with the British. The Secretary of Defense said that he would see what he could do about it.

Meanwhile, Admiral Lewis L. Strauss, who was the member of the Commission from whom I got the information the day before, and who had, I am thoroughly convinced, discussed the matter with Mr. Pike before he talked to me about it, because when he told me about it he said he had discussed the matter with Mr. Pike, communicated with Commissioner Pike and convinced him that as acting chairman the order should be rescinded. This was also, I am sure, after consultation with the Secretary of Defense and others. A telephone call was put in across the Atlantic. Dr. Smith was reached by phone. Fortunately, he said he had not got around to discussing that phase of the information he was supposed to disclose. His orders were countermanded.

In the Washington Evening Star on Saturday there appeared an article under the byline of Martin S. Hayden, which is presumably an interview with Mr. Pike. In it Mr. Pike makes some rather serious accusations against Admiral Strauss, and alleges that he twisted the facts. I am sorry to see that statement, because so far as I know there has never been any dispute between Admiral Strauss and Mr. Pike. I will say, Mr. President, that at no time up to this date has Admiral Strauss ever suggested that I or anyone else, so far as I know, oppose Mr. Pike's confirmation, or his reappointment. So far as I know, he has taken no steps to block the nomination. However, in the interview, as reported in the Star, Mr. Pike is quoted as saying: "the 'Cyril Smith incident' was created and 'badly distorted by Admiral Lewis T. Strauss.'"

It is my opinion, Mr. President, that this is an utter and complete misconception, because I was in intimate touch with this matter, and I personally talked with Mr. Pike on the telephone on the day, I think it was, the telephone call was put in to Dr. Smith in England to stop further disclosure of information. Mr. Pike was acting chairman at that time. I will say that when the pressure was put on Mr. Pike he reversed his field and did join with Dr. Barker and Admiral Strauss in recalling the authority which had originally been issued under his authority as acting chairman.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. MILLIKIN. Can the Senator tell us what the authority was?

Mr. HICKENLOOPER. The authority was a directive written within the commission itself and given to Dr. Smith immediately before he left for London to discuss atomic science with the British atomic energy experts. I do not have a copy of the letter with me. So far as I know, our committee does not have a copy in its files. However, I have seen a copy of it. It was over a year ago, and I cannot trust my memory to say exactly what was contained in the memorandum, except to say that there were several categories of information which Dr. Smith was authorized and directed to discuss with the British, and he was authorized to disclose our information in these categories to the British. Among them was the question of the metallurgy of plutonium, which is the metallurgy of explosives of an atomic bomb.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. HICKENLOOPER. I yield.

Mr. FERGUSON. Who signed the directive?

Mr. HICKENLOOPER. I do not have before me a copy of the directive, and I would hesitate to say at this time. I am of the opinion that the letter or the directive was signed either by Mr. Pike or was issued by the authority.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. Yes.

Mr. McMAHON. I think the Senator is inadvertently mistaken. The letter was authorized by the general manager, Mr. Wilson, under authority granted to him by the commission to outline to the men who were going to England the specific subjects to discuss under the so-called modus vivendi which existed between the British and ourselves.

Mr. FERGUSON. Mr. President, will the Senator yield so that I may ask a question of the Senator from Connecticut?

Mr. HICKENLOOPER. I yield.

Mr. FERGUSON. Was this trip prior to the so-called Blair House conference which was mentioned in the press in relation to the disclosure of certain secrets to the British?

Mr. McMAHON. Mr. President, the Senator talks about "disclosure of certain secrets to the British." I believe that to be a misnomer as applied to that conference.

Mr. FERGUSON. I meant that merely by way of description.

Mr. McMAHON. It is a misnomer if it is applied to the conference I attended. I may say to the Senator from Michigan that this so-called Smith incident was under date of August 10 or 12 of 1948. Therefore it was during the lifetime of the modus vivendi, which went into effect between the British and ourselves approximately on February 1, 1948.

Mr. HICKENLOOPER. If the Senator from Michigan is referring to what is popularly called the Blair House conference, the incident I am talking about was long before the Blair House conference.

Mr. MILLIKIN. Mr. President, if the Senator will yield once more, I should like to ask the distinguished Senator from Connecticut a question.

Mr. HICKENLOOPER. I yield.

Mr. MILLIKIN. Did the modus vivendi contemplate the disclosure of military aspects of fissionable material?

Mr. McMAHON. No. As the Senator knows, because he took a deep interest in the negotiations which led up to the modus vivendi being concluded, there were nine areas of information which it was agreed would be the subject of cooperation.

Mr. MILLIKIN. Military information was not included.

Mr. McMAHON. From that modus vivendi military information was excluded. I make no point that this exchange of plutonium information came within the limitations of the modus vivendi.

Mr. MILLIKIN. Was not the granting of the authority a complete violation of the Atomic Energy Act?

Mr. McMAHON. I think that the authority to Dr. Smith, which was given to him by the general manager, should not have been given to him. I will say to the Senator that I am glad the authority was stopped when it was stopped.

Mr. MILLIKIN. Mr. President, I remember the distinguished Senator's temper and his shock when he learned about the matter. I should like to ask the Senator one more question. At the time the letter was written, was Mr. Pike the acting chairman of the Commission?

Mr. McMAHON. I shall have to look that up and give the answer before the conclusion of the debate. I say that because when the Chairman of the Joint Committee [Mr. HICKENLOOPER] entered into the proceedings with Commissioner Strauss and Commissioner Pike, they were the only two Commissioners who were in town. I do not know who was acting as chairman on the day when the instructions were signed. I do not know the date of the instructions.

Mr. MILLIKIN. May we accept it tentatively that since there were only two in town, Commissioner Pike was the Acting Chairman?

Mr. McMAHON. I do not think we can do that, because Admiral Gingrich, who

was the head of security at that time, came across the letter of instructions to Dr. Smith in the course of business. So I think that would be an unfair assumption, but I shall look it up.

Mr. MILLIKIN. Would it not also be an unfair assumption that the two members who were in town would be ignorant of the instructions given to Dr. Smith?

Mr. McMAHON. At least it appears as a matter of record that neither Mr. Pike nor Admiral Strauss was aware of these specific instructions until Admiral Gingrich called it to Admiral Strauss' attention.

Mr. MILLIKIN. Who, then, took the liberty of writing a letter of that kind?

Mr. HICKENLOOPER. It was the general manager who signed the letter of instructions to Dr. Smith, a letter of instructions which, as I understand, he signed under the authority of the Commission, granted to him, to outline, within the limitations of the nine specific areas covered by the modus vivendi, the specific things about which they were to talk.

Mr. MILLIKIN. Would the Senator say that the two Commissioners who were in town would be so negligent of their duty that they would not study a letter of such grave import before it was sent?

Mr. McMAHON. I would say that it was regrettable that the general manager approved the letter of authority, which included so broad a power as that which was given to Dr. Smith. I would hesitate to accuse Admiral Strauss or Mr. Pike of being negligent, or having delegated authority to the general manager under his general instructions as to what was to be included.

Mr. MILLIKIN. It is clear that at least so far as Admiral Strauss was concerned, he took effective steps to remedy the blunder.

Mr. McMAHON. That is correct.

Mr. MILLIKIN. Would the Senator say that the so-called modus vivendi had any legal authority to override the Atomic Energy Act?

Mr. McMAHON. No, and that is why this exchange of information on the metallurgy of plutonium should not have been had. There can be no question about that.

Mr. MILLIKIN. So, to summarize the Senator's position, am I correct in saying that he highly deplores what was done, leaving some reservation as to "who dun it"?

Mr. McMAHON. I do not know as to whether I wish to adopt the Senator's suggestion of "highly deplores."

Mr. MILLIKIN. The Senator may use his own characterization.

Mr. McMAHON. I say a mistake was made.

Mr. MILLIKIN. Would the Senator say that it was incredible mismanagement?

Mr. McMAHON. As the Senator has pointed out, I think very correctly, if mismanagement is incredible, then it cannot be mismanagement.

Mr. MILLIKIN. I suggest to the Senator that when anyone does anything which would take some other country into the heart of our atomic energy procedures and secrets, to the extent we still had them, he is doing something that is worse than deplorable. I could find many harsher adjectives to apply to it.

Mr. McMAHON. I am happy the Senator added the phrase "to the extent that we still had them," because, as the Senator knows, when Dr. Klaus Fuchs was admitted into this country in 1943——

Mr. MILLIKIN. I think in 1947 he came here and took a post-graduate course in our secrets.

Mr. McMAHON. He came back here to declassify the things he had originated in his own head, and the things he had developed in the Manhattan district, when he was cleared by Gen. Leslie Groves on a certificate from Scotland Yard.

Mr. MILLIKIN. I say to the Senator that that was the first round.

Mr. McMAHON. And I say to the Senator that that was the round that counted, and the only round that counted.

Mr. MILLIKIN. I say that was the first round. Absolving no one after that from responsibility for security, the gentleman came here in 1947 and took a post-graduate course in the innermost secrets of the whole business, including our advanced research.

Mr. McMAHON. I say the Senator is mistaken, on the record. He did no such thing, and the record of the hearings before our committee will prove to the Senator that he took no such course.

Mr. MILLIKIN. Let us produce the record—if there is nothing secret about it. Since Fuchs has confessed everything he learned here, why should we keep it secret?

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. HICKENLOOPER. I yield for a question, if the Senator will not make it long.

Mr. FERGUSON. The Senator from Michigan is not on the committee, and there are many other Senators now on the floor who are not on the committee. I am sure we are all anxious to get the facts in order that we may intelligently vote at 4 o'clock.

I am wondering whether or not the Senator can advise us as to when Mr. Pike first saw the letter which contained instructions to give away or to discuss the secrets of the atomic weapon. If he did not see it when it was written or taken to England, how was it that he did not see it? What is his explanation?

Mr. HICKENLOOPER. The information I obtained at the time, although I have not the documents to verify it, was that this document, among others, was submitted to Mr. Pike, as acting chairman, at the time it was given to Dr. Smith. My further information is that Mr. Pike later said he did not realize what was in the letter, and that it really, to that extent, was news to him. When the matter was called to his attention, I think on the day I had my meeting with the Secretary of Defense and others, when I found out about it—and when what had been done was called to his attention, I will say that he then joined with Admiral Strauss and Dr. Barker in a telephonic communication to England to countermand the authority.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from California.

Mr. KNOWLAND. Does the Senator not agree that if the joint committee, at that time headed by the Senator from Iowa, had not been on their toes and had not taken the matter up immediately with the then Secretary of National Defense, Mr. Forrestal, and if he immediately had not moved into action on the situation—had so much as 24 hours more gone by—the metallurgy of plutonium might have been disclosed to the British at that time? And, as the Senator has pointed out, this particular part of the atomic program deals primarily with weapon development.

Mr. HICKENLOOPER. I think the Senator is substantially correct. Whether it would have been 24 hours more or 2 days more, I do not know, but 2 weeks had already gone by with Dr. Smith in London authorized to discuss this very thing. Dr. Smith claims—and I do not mean to doubt his word—that he did not get around to the discussion of that issue.

Mr. LANGER. If the Senator will yield, what is the name of the general manager who signed the letter?

Mr. HICKENLOOPER. Mr. Wilson. I cannot say that the general manager did sign the letter. It is the opinion of the joint committee, of which the Senator from Connecticut [Mr. McMAHON] is chairman, that Mr. Wilson did sign the letter. It is my recollection that I was informed that the letter signed by the general manager had been submitted to Mr. Pike as chairman. Mr. Pike disclaims that. That is a matter of dispute, and I do not know how it can be proved.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. HICKENLOOPER. I yield, but my time is limited.

Mr. FERGUSON. Was a matter of such importance as the modus vivendi not passed upon by the Commission? Was it left to the manager, Mr. Wilson, or did the Commission pass upon the modus vivendi?

Mr. HICKENLOOPER. The modus vivendi, as I recall—and I shall stand corrected if my memory is wrong—was authorized by the Commission, and passed upon. The point involved here is that the directions to Dr. Smith went away beyond the modus vivendi and into fields specifically prohibited so far as the Atomic Energy Act is concerned.

Mr. President, I am of the opinion that the Atomic Energy Commission authorized certain departments to discuss fields of information within the modus vivendi, but not to go outside of it.

Mr. KNOWLAND. Mr. President, will the Senator yield for a brief point there?

Mr. HICKENLOOPER. Yes.

Mr. KNOWLAND. The Senator from Colorado has already brought out this point, but I think it is very important. The modus vivendi was not a treaty ratified by the Senate. Therefore the modus vivendi as such could not and did not

supersede the basic Atomic Energy Act, and anything that was done in violation of the law did not get clearance for the individual who so acted merely by acting under the modus vivendi.

Mr. HICKENLOOPER. I think that is correct.

Mr. President, there are other Senators who desire to speak and I have occupied more time than I intended, but I want to call attention to the fact that of the nine Senate members of the Joint Committeee on Atomic Energy six members have been the most consistent in their attendance upon committee meetings of the joint committee and otherwise. Those six members are the present chairman of the joint committee, the Senator from Connecticut [Mr. McMAHON], the Senator from Colorado [Mr. MILLIKIN], the Senator from Colorado [Mr. JOHNSON], the Senator from California [Mr. KNOWLAND], the Senator from Ohio [Mr. BRICKER], since he has returned on the joint committee, and I may include myself in that historical background as the sixth. I think the record will show that those six members have been more faithful and more continuous in their attendance and in their examination into this matter throughout the 3½ years of the life of the Commission and of the joint committee than the others; and of those six members, five voted against Mr. Pike's confirmation. Five of the six members who have had more of this information given to them because they have been in attendance at more committee meetings to receive it than the other members of the Commission, voted against Mr. Pike's confirmation. I think that is very significant.

Let me call another thing to the attention of the Senate. There has been some talk of politics. But when Mr. Pike's nomination was originally before the Senate for confirmation, that is on his first appointment, two votes were cast against him, that of the Senator from Colorado [Mr. JOHNSON] and that of the Senator from Ohio [Mr. BRICKER]. Both Senators voted against his confirmation at that time. There was no partisanship, no politics in that vote. There is no partisanship and no politics in the present attitude toward Mr. Pike. So far as I am concerned and I am sure so far as the other Senate Members of the Joint Committee are concerned who have voted against him, we dislike to take a position of this kind, but as intimate observers of this program and as individuals who themselves have a deep concern for the impartial and non political and unpolitical operation of the Atomic Energy Commission, I believe that these five members have been constrained to put the good of the Atomic Energy Commission ahead of any executive appointment, and to speak frankly, rather than supinely support an Executive appointment because the Executive has made the appointment. I think that is something which Members of the Senate should dwell upon.

Mr. President, I am a little afraid that we will see certain choosing up of sides on this matter when the time for voting comes. I anticipate that may be the way the thing will work out. But I am convinced that not one of the five Members who voted against the confirmation of Mr. Pike has the least question of partisanship or the least question of personal rancor, but only of voting his convictions in behalf of a more vigorous and a more progressive atomic-energy program in the interest of the national defense and the public security.

Mr. President, if the Senator from Connecticut [Mr. McMAHON] cares to yield I shall be glad to have him do so. The Senator from Colorado [Mr. JOHNSON] has asked me to yield a few minutes to him. I shall be governed by whatever the Senator from Connecticut likes to have me do.

Mr. McMAHON. Mr. President, I do not see any of my troops here.

Mr. HICKENLOOPER. Then, Mr. President, I yield 5 minutes to the senior Senator from Colorado, or more time if he desires.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Iowa yield for one question before he yields to the Senator from Colorado?

Mr. HICKENLOOPER. I yield.

Mr. SMITH of New Jersey. Did the members of the committee take up with the President any of their objections to Mr. Pike before they acted upon his name, or did the name come in without any conference being had between the Executive and the committee?

Mr. HICKENLOOPER. The first meeting of the committee was held on Tuesday, and the vote was had on Mr. Pike on Thursday. At the first meeting had with respect to Mr. Pike on Tuesday it was considered by the committee whether to notify the President of the feeling of the committee so the President could be informed, and if there was some alteration of attitude he would be given a chance and Mr. Pike would be given a chance to do whatever they wanted. That was done. There was no change in attitude. So on Thursday, 2 days later, the vote was had upon which we are acting now.

Mr. DONNELL. Mr. President, will the Senator yield for one question?

Mr. HICKENLOOPER. I yield.

Mr. DONNELL. Is the Senator in a position to tell us from what source he received the information that Mr. Pike saw the letter of authority to Dr. Cyril Smith at the time or about the time it was delivered to Dr. Smith?

Mr. HICKENLOOPER. The source of my information, I will say to the Senator from Missouri, is an employee within the Commission, whose job I am afraid would be in peril if I disclosed his name. I will be happy to tell it to the Senator from Missouri privately, but if I revealed the source of my information I am afraid the man would be looking for a job outside the Government within a day or so.

Mr. McMAHON. Mr. President, may we be advised of the time situation at the moment?

The PRESIDENT pro tempore. The Senator from Iowa has 27 minutes left, and the Senator from Connecticut has 1 hour and 10 minutes left.

Mr. JOHNSON of Colorado. I thank the Senator from Iowa for allotting 5 minutes to me. It will not take me very long to say what I have to say.

Mr. President, article II of the Constitution provides that the President—

shall nominate, and by and with the advice and consent of the Senate, shall appoint Ambassadors, and other public Ministers and consuls, Judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or in the heads of Departments.

When the Congress enacted the Atomic Energy Act of 1946, it very wisely provided:

Members of the Commission shall be appointed by the President, by and with the advice and consent of the Senate.

It could have provided for the appointment of the members without Senate confirmation but it deliberately wrote in this safeguard. When I entered the Senate in 1937 I took a solemn oath to uphold and defend the Constitution of the United States. It is an obligation that I do not take lightly.

There has been some intimation that the matter of senatorial confirmation is routine and that Senators commit some high crime when they dare to oppose a Presidential nomination; and further, that when a Senator does oppose a Presidential nomination he must give a minute political accounting for his action.

I disagree violently with that philosophy. To me senatorial confirmation is neither a routine nor a political matter. The Constitution could have given the President carte blanche, but instead it deliberately required him to seek the advice and consent of the Senate. So far as I know, that advice was not sought in this case.

I have no apologies to make for my opposition to Mr. Pike. He was weighed in my scales conscientiously and, in my opinion, which must be satisfied, so far as my vote is concerned, was found wanting. It is my duty therefore to vote against the confirmation of the nomination of Mr. Pike.

I resent being charged with political irregularity in voting as I voted, because I found it was my duty to vote as I did in committee.

As has been said, when Mr. Pike's nomination was before the Senate some 3½ years ago I voted in committee against the confirmation of the nomination. I recall that at the hearings which we held, Mr. Pike himself—and I honored him for making the statement—suggested that he questioned whether or not he had the ability to sit on this Commission. Mr. President, I ask unanimous consent to have inserted at this point in the RECORD that statement, if I can find it, because I think it is very important.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From p. 47, hearings before Senate Section of Joint Committee on Atomic Energy, January 28, 1947]

The CHAIRMAN. Can you give us any reason why you were selected on this Commission, as a man without previous association

with it? I assure you I do not mean that as a hostile question.

Mr. PIKE. I assure you it is a very proper question. It has bothered me a good deal. As an actual fact, until I was inside the President's office, and he put the exact question to me, I had not even got to the point—I had wondered why he had asked me to come down, but that thing had never occurred to me.

In other words, I had not even got the idea up so far as to dismiss it.

The CHAIRMAN. Since you have been appointed on the Commission, have you formed a substantial or basic conclusion as to the general field or activity of this Commission, the responsibilities at present, and any general philosophy of conduct for the future?

Mr. PIKE. With this proviso: I want to say that usually, Mr. Chairman, in taking hold of the job, after 2 or 3 months, you begin to get some feel of it, some feel of the size of it, and what you may be able to do with it. This is the only one I ever tackled which seemed further out of reach now than it did the day I looked at it.

The CHAIRMAN. It is a pretty good sized job?

Mr. PIKE. It appears that way. And the thing that forces that view with me is that in the first 2 or 3 weeks we were on the Commission we took a trip around the country, with the idea of getting some idea of the outside magnitude of this animal, realizing that we could not learn very much about it.

And during that period we were exposed to short, well-organized talks—you might almost call them selling talks—by 35 or 40 enthusiastic scientific specialists engaged in different ramifications of this job. If there is one thing that was left with me afterward it was that each one of them seemed to feel more possibilities, probabilities, and almost certainties, that required investigation, required looking into; so many that all they needed was more men, more money, and more time.

So it raised this whole series of question marks, promising things that ought to be looked at. It left it so complicated that I honestly came back with the feeling that if we could transmit to the Congress the great, apparently well-based enthusiasm, in enough detail, and carry the spirit far enough so that the Congress would appropriate the money that these people needed, we would more that half fill the job.

Mr. JOHNSON of Colorado. Mr. President, I honored Mr. Pike for making that statement, because when I listened to the testimony, I was convinced that Mr. Pike did not measure up to the tremendous responsibilities of the work of the Commission to which he was appointed.

Congress has appropriated upward of $5,000,000,000, as I recall, in connection with the atomic energy program. We have voted that money in good faith. There is not a Member of the Senate, not even the chairman of the joint committee, who has ever been told how many bombs have been manufactured by the Atomic Energy Commission. I think it is correct that that information has not been given; I think it should not be given to anyone. I do not think any of us should be told that. I merely bring up this matter to show to how great an extent the Congress has reposed faith in the Commission.

There is no branch of our Government, any place, and never has been since the Government was created, with which the Congress has gone along to so great an extent as it has with the Atomic Energy Commission. We have turned over to that Commission, as we had to do, and we have left to it, as we had to do, the responsibility for carrying on this work.

Mr. President, for those reasons we must be very careful as to the men who are confirmed to membership on the Commission.

I like Mr. Pike personally. I have no objection to him because he is a Republican. This is not a partisan matter. I would just as soon vote for a Republican to serve on that Commission as I would vote for a Democrat. The law makes no distinction on the basis of politics, so far as membership on the Commission is concerned; and I am not opposing confirmation of Mr. Pike's nomination because he is a Republican—either because he is a Maine Republican or because he is any other kind of Republican. I am opposing confirmation of his nomination simply on the ground that I do not believe he measures up to the standards we should have maintained in regard to membership on the Commission.

Mr. LUCAS. Mr. President, will the Senator yield at this point?

Mr. JOHNSON of Colorado. Mr. President, I have only a little time, and I do not think I have enough time to yield, because I have used more time than I meant to.

The PRESIDENT pro tempore. The time of the Senator from Colorado has expired.

Mr. HICKENLOOPER. I yield 2 minutes additional to the Senator from Colorado, if that will be sufficient for him. Let me inquire how much time he desires to have.

Mr. JOHNSON of Colorado. I shall try to conclude in 2 minutes. I thank the Senator for yielding additional time to me.

Mr. President, according to the newspaper article which I hold in my hand, and from which I now read:

> Mr. Pike concedes that, with miners out of work in Colorado, Senators MILLIKIN and JOHNSON have a "natural interest" in increased uranium production on the plateau.
>
> "But the low-grade Colorado ore is about our only big domestic source," he said. "I maintain we should mine just enough of it to develop the proper technique and import in peacetime all the foreign ore we can get. Then, if war comes, we can step up Colorado production."

Mr. President, that is a confession of the position of Mr. Pike toward the mining of uranium in the United States. That is a statement of his position regarding the mining of uranium not only in Colorado, but anywhere else in the plateau region made up of the four States whose corners join—Arizona, New Mexico, Colorado and Utah—where uranium ore has been discovered. My colleague from Colorado [Mr. MILLIKIN] and I have had many conferences with Mr. Pike with respect to developing that uranium ore. Mr. Pike has taken the position, as stated in the article to which I have just referred, that that ore should be left alone.

I am completely in accord with the policy that the United States should buy every grain of uranium, from whatever source it may be purchased, so as at all times to stockpile uranium ore. I do not care where the uranium is to be found; I want my Government to buy it and bring it to the United States.

However, at the same time I want the Government to go ahead with the development of our own uranium deposits in those four States and also in the State of Wyoming, where it is thought there may be some uranium. I wish to say to you, Mr. President, and to my colleagues on this floor that Mr. Pike is the enemy of the production of uranium ore domestically.

The PRESIDENT pro tempore. The time of the Senator from Colorado has expired.

Mr. JOHNSON of Colorado. Mr. President, let me ask the Senator from Iowa whether he will yield an additional minute to me.

Mr. HICKENLOOPER. I yield one more minute to the Senator from Colorado, Mr. President.

The PRESIDENT pro tempore. The Senator from Colorado is recognized for an additional minute.

Mr. JOHNSON of Colorado. Mr. President, from the very beginning, I have felt that on this great Commission we should have someone who knows something about minerals, someone who is experienced in metallurgy, because the Atomic Energy Commissioners have to deal with the source materials, and the source materials in connection with this great program are minerals. So we should have on the Commission a man who has expert knowledge of minerals. However, we do not have such a member of the Commission. The nearest we have to such a person is the gentleman from Maine, who has no experience in metals or metallurgy.

The PRESIDENT pro tempore. The time of the Senator from Colorado has expired.

Mr. McMAHON. Mr. President, I yield now to the Senator from Wyoming. Let me inquire how much time he desires to have.

Mr. O'MAHONEY. I shall take only a few moments.

Mr. McMAHON. I yield to the Senator from Wyoming whatever time he may desire.

The PRESIDENT pro tempore. The Senator from Wyoming is recognized.

Mr. O'MAHONEY. Mr. President, I have known Mr. Sumner T. Pike since he was a member of the Securities and Exchange Commission. I have had occasion to observe very closely his official activity upon that Commission, as I have had occasion to observe his activity upon the Atomic Energy Commission.

As a member of various committees of the Senate, it was my official duty to work with Mr. Pike in both capacities—both when he was a member of the Securities and Exchange Commission and during his service on the Atomic Energy Commission.

The appropriations for the Atomic Energy Commission are carried in the

independent offices appropriation bill, and I happen to be a member of the Appropriations Committee's subcommittee which handles the independent offices appropriations. Mr. Pike has appeared before that subcommitte on numerous occasions. Without any reservation at all, I can say to the Senate that I know of no official of the Government who has shown a broader grasp of the functions and responsibilities of the Commission or agency of which he was a member, when appearing before an appropriations committee, than has Mr. Sumner Pike.

He is a man of education, of training, and of successful achievement in business. I think he is the type of man whom we ought to welcome to serve the Government in executive offices and in offices of this kind. The duties and responsibilities of the Atomic Energy Commission cannot be overestimated. Here is a man who has made what I regard to be an outstanding record of efficiency, intelligence, and patriotism.

So I shall deem it a personal privilege to cast my vote in favor of confirmation of the nomination of Mr. Sumner T. Pike.

Mr. HICKENLOOPER. Mr. President, let me inquire whether the Senator from California [Mr. KNOWLAND] desires to be recognized at this time.

Mr. KNOWLAND. I am perfectly willing to take some time now. However, because of the unbalance of the time, it seems to me it would be perfectly proper for the proponents of the confirmation of Mr. Pike's nomination to take some of the time at this point, because I believe they have remaining 1 hour and 20 minutes, whereas we are down to less than 20 minutes. So I think it would make for more orderly procedure in connection with the debate for the proponents of confirmation of the nomination to take time at this point.

Mr. McMAHON. Mr. President, I think there is something to what the Senator from California has just said. There are two or three things on which I should like to comment. I should like to be reminded when 7 minutes have elapsed, if the Chair will so advise me.

The PRESIDENT pro tempore. The Senator from Connecticut is recognized for 7 minutes.

Mr. McMAHON. Mr. President, some reference has been made by the Senator from Iowa [Mr. HICKENLOOPER] to the so-called Dr. Cyril Smith incident. I find myself in a most embarrassing position in regard to that incident, because there are two versions of the facts maintained by two friends of mine. Lewis Strauss, who was a member of the commission originally, and who resigned a few months ago, is a close personal friend of mine, for whom I have a very high regard. He was a very able, hard working member of the commission. Mr. Pike and he have a disagreement as to certain of the facts which led to the cancellation of the instructions to Dr. Smith, which were signed, I may say to the Senator from Iowa, not by the general manager, as I may have indicated a few moments ago, but by Dr. Fisk, who was head of the research department of the commission, and who in turn, however, had conferred with the general manager before the letter was sent. The bare bones of the facts of the Smith incident are these: The letter of authority was given to Dr. Smith, who went to Europe. Before he met with the British to discuss the metallurgy of platonium, he was ordered not to discuss it. The question at issue is between ex-Commissioner Strauss and, I might add, ex-Commissioner Pike—because he ceased to have any validity on the first of the month—as to just how that cancellation order came about. It is Pike's contention that when Strauss came to him, upon having been notified by Admiral Gingrich—that is, Strauss having been notified of this letter of authority—Pike called Dr. Bacher, another member of the Commission, on the telephone, and that Dr. Bacher stated that it certainly was in a doubtful class, and that he agreed it should be stopped. Thereupon two cablegrams were sent, one through the State Department and one directly to Smith, and the telephone call was placed to Smith, but he could not be reached on the telephone that day, because he was off on a little holiday in Scotland. That was the reason he had not gotten around to discussing the point with the British. The next day Pike telephoned or talked with Smith on the telephone and explained to him the decision.

Admiral Strauss' version is—and they both have it written out, and I shall submit their statements in the RECORD, but I am trying to epitomize the situation fairly—Admiral Strauss' contention is that he went to Pike, and that he found resistance in Pike. He went to see the Senator from Iowa [Mr. HICKENLOOPER], then chairman of the Joint Committee. The Senator from Iowa called in the Senator from Michigan [Mr. VANDENBERG], and the three of them thereupon went over to see Mr. Forrestal, who was Secretary of Defense. Mr. Forrestal got in touch first with Donald Carpenter, who at that time was chairman of the military liaison committee, and, at that point, Pike backed up and did what it is alleged he should have done immediately and got in touch with Dr. Smith. That is the distinction, or rather the difference in the two versions of that incident.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Wisconsin?

Mr. McMAHON. I yield to the Senator from Wisconsin.

Mr. WILEY. Mr. President, I have followed the outline as given by the Senator from Connecticut. What I should like to ascertain is what the record shows as to the meeting at which this letter was authorized, and what it shows as to when the letter was written, and whether it was submitted to any one of the persons to whom the Senator has been referring.

Mr. McMAHON. Let me review the situation quickly for the Senator. In January 1947 we were negotiating with the British for the exchange of information in certain defined areas. That agreement was entered into. That agreement was fully known to the members of the joint committee. In fact the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Michigan [Mr. VANDENBERG] were in Blair House when it was signed, and, if they did not take an active part in the negotiation of the agreement, they certainly gave very close attention to the negotiations. That agreement, incidentally, is still in existence. It provides for the exchange of information in nine specified areas having to do with health and safety and certain other things which are deemed not to pertain to military information.

The Commission, at a meeting, as I understand, designated the general manager to go over the subjects within those areas. Dr. Fisk, who was head of the Research Division of the Commission, prepared the specific set of instructions to Dr. Cyril Smith. It was done with the general manager's knowledge and approval. The letter was given to him, and, after he departed for England, and within about 10 days, Admiral Gingrich brought a copy of the instructions to Admiral Strauss. Then starts the disputed area, as to whether Pike immediately agreed with Strauss upon telephoning Bacher and inaugurating any movement to stop it, or whether it was necessary for Admiral Strauss to come to the Senator from Iowa and the Senator from Michigan, and, in turn, to Mr. Forrestal, to put on the heat to get it stopped. That is the dispute.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. WILEY. I understood that the Blair House meeting was the one at which there was created the modus vivendi, in 1947, is that correct?

Mr. McMAHON. Let me say to the Senator that Mr. Lovett, the then Assistant Secretary of State, and Mr. Lilienthal, of the Commission and for the Commission, came before the joint committee, and we held many meetings relating to the advisability of entering into this agreement. Dr. Vannevar Bush was an adviser for the State Department at that time. He strongly urged the joint committee to enter into that arrangement, and that was done.

Mr. WILEY. That was done in 1947, was it not?

Mr. McMAHON. In 1947 or 1948.

Mr. WILEY. But the letter was written in August 1948, was it not?

Mr. McMAHON. That is correct.

Mr. WILEY. Certainly there must have been a meeting of the Commission of some kind, before the letter was written, at which the particular contents of the letter were discussed. What do the minutes show as to who was present, participating in the discussion? Then, after the letter was written, was there another meeting at which the letter was submitted? That is what I am trying to ascertain.

Mr. McMAHON. I may say to the Senator there have been dozens of conferences held between the British representatives and our representatives relating to health and safety.

The PRESIDENT pro tempore. The time of the Senator from Connecticut has expired.

Mr. McMAHON. I yield myself 5 minutes more. Those meetings were held as a result of an order signed by

the Director of the Division of Research, after it had been cleared with the General Manager. The Senator's inquiry about the Commission's having acted on it, I think, can be answered in this way: They did not purport to set down over their signatures the instruction and say, "This comes within the modus vivendi." It was a modus vivendi outlining nine specific areas. They said to the general manager, "You stay within those areas." So far as I know, the Smith incident is the only occasion on which an authority greater than that in the areas was given to anyone to discuss the matter.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McMAHON. I yield to the Senator from California.

Mr. KNOWLAND. So that the history of the situation may be clear, and particularly in view of the fact that Members on the floor do not have the background information which, of necessity, the members of the joint committee have, the RECORD should not stand as it now stands, that the modus vivendi was entered into with the full knowledge of the joint committee. So far as it goes, the statement of the Senator from Connecticut is, of course, absolutely accurate, but the historic fact is that the reason why the Blair House modus vivendi was finally entered into is that the members of the joint committee, after they became acquainted with the fact that there was an earlier agreement with which they were not acquainted, and as a result of some considerable discussion with the Government of the United States, entered into a later agreement which superseded the earlier agreement. Is that statement substantially correct?

Mr. McMAHON. I do not think I quite agree with the statement of the Senator with reference to cooperation having existed between the British and ourselves under a previous agreement. I think the Senator has reference to the so-called Quebec agreement. When the act went into effect on August 1, 1946, it cut off cooperation between the British and ourselves. The Commission and the State Department became convinced, as did everyone connected with it, including Dr. Bush, for whom I know the Senator has a high opinion, as well as I have, that it was to our joint advantage to discuss certain areas with the British. I think that is undoubtedly correct.

The PRESIDING OFFICER (Mr. MYERS in the chair). The time of the Senator from Connecticut has expired.

Mr. McMAHON. I yield myself five more minutes.

Therefore, I would amend the Senator's statement by pointing out that there was not in existence any working agreement for the exchange of information between August 1, 1946, and whatever was the date of the adoption of the modus vivendi. There was, however, a restriction in the Quebec agreement upon certain actions which I shall not go into at this time. It was undoubtedly binding upon us, and it was removed from the modus vivendi. The Senator knows to what I am referring.

Mr. KNOWLAND. For obvious reasons it cannot be and will not be discussed on the floor. The point I wanted to have made clear is that there was an earlier executive agreement which, of course, took place before the creation of the Joint Committee, so that the Joint Committee, of itself, could not have been notified at that time. It was negotiated without the knowledge of the Congress. I am not complaining about that. I merely want to say that it bore some relationship, as the Senator has just pointed out, to the type of agreement worked out at the Blair House.

Mr. McMAHON. I think the Senator is correct.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. McMAHON. I yield to the Senator from Missouri.

Mr. DONNELL. Will the Senator tell us what information he has as to whether Mr. Pike knew of the contents of the letter of authority to Dr. Cyril Smith at or about the time it was delivered to Dr. Smith?

Mr. McMAHON. I do not think there was any dispute between Mr. Strauss and Mr. Pike as to the fact that Pike learned of it from Strauss, who learned of it, in turn, from Admiral Gingrich, probably at a time when Dr. Smith had reached England, I should think, about 10 or 12 days after the letter was signed and he took ship.

Mr. DONNELL. I understood the Senator from Iowa to say that his information was from some employee of the Commission, to the effect that Mr. Pike had seen the letter at or about the time it was delivered to Dr. Cyril Smith.

Mr. McMAHON. No; I think the Senator is mistaken about that. There is no contention made as to Pike's knowledge of the matter until he was advised by Strauss. The question that arose is as to whether, as he contends, he went to work when he was notified by Admiral Strauss, and instructed Smith to stop.

Mr. DONNELL. Mr. President, will the Senator permit me to address an inquiry to the Senator from Iowa?

Mr. McMAHON. I shall be glad to yield for that purpose.

Mr. DONNELL. The Senator from Iowa stated, in substance, that he had received information from an employee of the Commission to the effect that Mr. Pike had seen the letter of authority to Dr. Cyril Smith at or about the time of the delivery of that letter to Dr. Smith.

Mr. HICKENLOOPER. Yes; I received that information. I would have to say to the Senator, as I said before, that I feel, in fairness to the employee, I cannot name him. His job would be in jeopardy if I should name him. I am not vouching for the truth of the statement except that I believe he is an honorable, truth-telling employee, and I believe he was telling me the truth.

Mr. DONNELL. I am not asking the Senator to divulge the name, but I thought the Senator from Connecticut indicated that there is no contention that the letter of authority to Dr. Cyril Smith was sent to Mr. Pike at about the time of its delivery to Dr. Smith.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. McMAHON. I yield myself two additional minutes.

I was under the misapprehension, Mr. President, that no such suggestion has been made. I was engaged in conversation on some material which the Senator from Colorado [Mr. MILLIKIN] wanted, and it must have been during that time that the Senator made that statement.

Mr. HICKENLOOPER. Mr. President, I did not allege that that was a fact. I stated that I had been told by an employee of the Commission that the letter had gone across Mr. Pike's desk and that he had, in fact, known about it, but I do not allege that that statement is true. I am merely stating what was told to me.

Mr. McMAHON. In view of that, I should like to adduce some evidence tending to prove that the statement is not true, because, on July 26, 1948, when the letter was signed and delivered to Dr. Smith, there were present in the Commission Mr. Lilienthal, Mr. Strauss, and Mr. Pike. Certainly if the letter went over Mr. Pike's desk, undoubtedly it would go over Mr. Strauss' desk, and the fact is clear from Mr. Strauss himself that he knew nothing about it until Admiral Gingrich notified him about it some 12 days later. The only way we can believe Mr. Pike knew about it is to believe that there was a conspiracy to keep the knowledge away from Strauss and get the thing done. I do not think Mr. Strauss would be heard to make such a suggestion as that.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Iowa has 14 minutes. The Senator from Connecticut has 48 minutes.

Mr. McMAHON. I shall be very generous and yield some of my time to the Republican side of the aisle, but I cannot do it until I see what the situation is for the next 20 minutes or so.

I now yield 7 minutes to the junior Senator from Illinois [Mr. DOUGLAS].

The PRESIDING OFFICER. The junior Senator from Illinois is recognized for 7 minutes.

Mr. DOUGLAS. Mr. President, I think I can speak with some knowledge of Mr. Pike's general qualifications, because 41 years ago in 1909 we both entered the same college together, joined the same fraternity, and were close and intimate friends throughout our 4 years together. Since then we have kept in fairly close touch with each other and I have known many of his activities at first hand.

In college, we all regarded Sumner Pike as the ablest man of our college generation, having an amazing grasp of physics, chemistry, and mathematics and a perceptive and sure common sense. His family was one of the largest sardine packers in the country and along with his other activities Mr. Pike has helped to develop and expand this business still further.

Shortly after graduation, Mr. Pike joined the utilities firm of Stone & Webster and quickly made an able record in it. After serving in the First World War he entered the oil industry in the Southwest and then managed the investments for a big group of fire-insurance companies. He made enormous amounts of money for his clients not only by his

judicious choice of investments during the twenties but also by selling all of their holdings at the very height of the bull market and just before the collapse in October 1929. He sold all the holdings of his clients at the very height of the market, about 16 hours before the market collapsed, and made for them a sum which I have heard variously estimated as being between $80,000,000 and $100,000,000.

This naturally made his reputation in Wall Street and he was almost immediately made a partner in Case, Pomeroy & Co. Here he spent a most interesting decade. The firm specialized in developing both new products and backward areas. Pike worked on the development of dry ice, synthetic rubber, oil and gas both at home and in the Middle East, Mexican mines, and many other products. His scientific knowledge and business acumen joined in helping to develop many useful products and speedily to acquire for himself a comfortable private fortune.

Having established a firm economic base for himself, Mr. Pike was ready by the end of the thirties to devote his abilities to public service.

Appointed to the Securities and Exchange Commission in 1940, Mr. Pike made, according to my judgment—and I believe according to the judgment of all students of the question—a notable record. He knew at first hand the intricacies of Wall Street maneuvering—having participated in some of them himself—and, while he was absolutely fair to the corporations and to the issuing houses, he stood like a rock in protecting the public interest. During the war, because of his knowledge of the oil industry, he was given added duties in fixing the prices for those products. Here again he did a good job. For the last 4 years, as we all know, he has been a member of the Atomic Energy Commission and for the last few months its acting chairman. His scientific training and business experience admirably qualified him for this critical job.

In my youth I regarded Sumner Pike as the ablest practical person I had ever known, and today, after 40 years, I am still of that opinion. I personally am assured of his honesty and his devotion to the best interests of this country. He seems to me to be precisely the type of man whom our Republican friends are so constantly telling us we should get in Government employ; namely, one who has made a conspicuous success in private business and who has both wide and deep practical experience and theoretical training. There are few such men anywhere and it is hard to get any of them into public service. Once we do obtain them, if they do a good job, we should try to hold on to them rather than drive them out.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from California.

Mr. KNOWLAND. The Senator was reciting some of the background of Mr. Pike. I am not familiar with one phase of it. Did I understand the Senator to say that Mr. Pike was a partner in Case, Pomeroy & Co.?

Mr. DOUGLAS. That is correct.

Mr. KNOWLAND. How long did he hold that position?

Mr. DOUGLAS. He was a partner, I think, from the beginning of 1930 until the firm was dissolved in the late thirties.

Mr. KNOWLAND. The firm is no longer in existence?

Mr. DOUGLAS. No. Mr. Case died. Upon the death of Mr. Case the firm was dissolved, because it was felt that since it had been engaged in the development of new products the assets of the firm should be conserved for the widow and not risked in continuing the development of new products.

To my mind so far as Mr. Pike is concerned, he has one demerit. That is that he has always been too much of a Republican for my taste. However, I have never believed that this fact should be held against him, or any other man. I have never believed it to be a man's personal fault that he should be a Republican. It may be a misfortune, but the fact itself should not be held against him. I believe instead that there are not only many but actually a very large number of splendid Americans who belong to the Republican Party. I believe moreover that they should be given a chance, when they are qualified, to use their talents for the public good. In spite of Mr. Pike's aberration from perfect behavior, I think he is one of that goodly company. On the basis of 40 years acquaintanceship, I shall not only vote for, but urge the confirmation of Mr. Pike's nomination.

Mr. McMAHON. Mr. President, I yield 10 minutes to the Senator from Maine.

Mr. BREWSTER. Mr. President, this matter is of some concern to my colleague and myself because of Mr. Pike's long association with the State of Maine, where he is well known and highly regarded. I was happy to hear the Senator from Iowa say what he has in order to clarify some of the aspects of this matter, particularly in the political field, because I think it is most unfortunate that at this or any time during the consideration of a matter of this consequence primarily political factors should be considered as influencing Members of the Senate. From knowledge which I have of the situation there is no warrant for the suggestion that politics of any character entered into the consideration of this matter, either by the committee or by other Members of the Senate. I think we are indebted to the Senator from Iowa for making that abundantly clear.

We appreciate also the generosity of the Senator from Illinois [Mr. DOUGLAS] in admitting that there may be good and useful persons in the Republican Party. We hope he will extend that admission in an ever-broadening field. We share his opinion that there are good, honest, loyal, capable, and patriotic Democrats, among whom we count him as one, not only because he was born and raised in the State of Maine and educated in one of its colleges but because of the character of his service since then.

I am also deeply indebted to the Senator from Iowa [Mr. HICKENLOOPER] for clarifying the situation as to his personal views, at least, regarding the patriotism and honesty of Mr. Pike. I think that also does much, not only to clarify the atmosphere but also to bespeak the absence of prejudice in the consideration of this matter by the Senator from Iowa and the other Senators who are associated with him.

That was not necessary so far as the four minority members of the committee were concerned, or so far as the Senator from Colorado [Mr. JOHNSON] was concerned, against whom suggestions of political irregularity were leveled. Certainly every Member of this body is obligated to conform to the requirements of his conscience, and not to the judgment either of the appointing authority, or other Members of the Senate, or the country.

The aspect of this matter which interested me prior to the discussion on the floor was the somewhat general character of the opposition. Prior to the vote of the committee it was not a matter which seemed to invite discussion either by any of the Members of the Senate or of the committee. When the vote was taken, and it was 5 to 4 against confirmation, I communicated with one of the members of the committee and asked him what the situation was, because certainly I wanted to be informed if any real reasons existed for questioning Mr. Pike's appointment. The best I could make out prior to the discussion today was a seeming case of incompatibility. I have no intention of questioning in any way the intelligence or integrity of the members of the committee. They have been long associated with this situation. Some of them have been associated with it for 3½ years. They have been laboring with this matter in and out of the Senate. Certainly their opinion is entitled to most respectful consideration.

Since the adverse vote the matter has been currently discussed among the Members of the Senate, very naturally, as well as somewhat less responsibly in certain sections of the press. The most I was able to secure prior to the discussion here today was just a general feeling that Mr. Pike did not fit into the picture. Whether or not he is the one to serve as chairman seems to be, from what has been stated by the Senator from Connecticut, no longer a matter with which we are here concerned. But whether or not he could serve usefully as a member of the Commission, in the public interest, is a matter which I think has some aspects which have not thus far been discussed.

The only two matters mentioned here today, aside from the general charge that Mr. Pike is not the most desirable person who could be found, was, first, that he did favor the $10,000,000 natural gas line to Oak Ridge. That was a matter, apparently, about which there was an honest difference of opinion. I think many members of the Commis-

sion were at variance with him. In the light of later developments, it would appear that perhaps the decision as to making available natural gas in so vital a development as this, in view of the difficulties which have occurred in the production of coal, which was the other fuel available, was not entirely unwise.

The Smith incident has not been discussed before today. The Senator from Iowa stated that he had not contemplated its discussion, that he was not going into the details of that incident, but that since it had been mentioned in the press, he felt it appropriate to do so. The fact that it was not to be a subject for our consideration indicates that, at any rate, it was not considered a matter which would be conclusive in the deliberations of the Senate.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. HICKENLOOPER. I should like to say to the Senator that that matter was considered, and was classified as "secret," involving international relations. I may say to the Senator that there are a number of other matters which come under the classification of secrecy in varying degrees, from top secrets through other high classifications, with which the joint committee has been familiar. Those matters all inhere in the judgment which at least I, as one who opposed Mr. Pike, necessarily must take into consideration, but which in the public interest probably should not be disclosed at this time because of their secret nature. The situation is difficult, but I felt that so long as Mr. Pike had opened up this subject, and given a version of it, I could discuss it, without disclosing any secrets of bomb production, or the physical facts surrounding it.

Mr. BREWSTER. Mr. President, taking the Smith matter on its face, as it has been presented here today, there apparently was an honest difference of opinion as to whether Mr. Pike proceeded immediately, when the matter was brought to his attention, to check any further action along that line, or whether its termination followed the activity of the then chairman of the committee, the Senator from Iowa, and others concerned. It is the only aspect of this situation in which I heard directly from Mr. Pike before this matter came up. It was my understanding from him that, while he was not fully in agreement with Mr. Strauss in his presentation, he did proceed very promptly. I am sure that the Senator from Iowa would not wish that the unsupported anonymous statement of an employee should be taken to discredit Mr. Pike in the consideration of the nomination, and I appreciate the care with which the Senator from Iowa stated his position.

Mr. President, it is very difficult for the Members of the Senate, outside of those on the committee, to pass upon a subject like the one now being considered, because there is so much involved that is of a classified character.

I have not been familiar with Mr. Pike's career for as long a time as has the junior Senator from Illinois. I left Bowdoin College the year Mr. Pike entered.

The PRESIDING OFFICER. The time of the Senator from Maine has expired.

Mr. BREWSTER. May I have three more minutes?

Mr. McMAHON. I yield three more minutes to the Senator from Maine.

Mr. BREWSTER. The year Mr. Pike entered I left the college. I have been associated with him as an overseer of the college for many years. In the State of Maine he is widely known and well regarded, and there has been a very high appreciation of the amount of time he has dedicated to public service. We should be very reluctant to see a failure to confirm one of his character and standing unless there were more adequate grounds than the somewhat general charges which have been associated with this matter.

During the war, when Mr. Pike was dealing with the Petroleum Administration, he took a viewpoint very much in favor of holding down the price of oil in conflict with Mr. Ickes, who was then acting as Petroleum Administrator. He was criticized very severely at that time, not because he had favored any of the oil interests with which he had been associated but because he was not ready to allow an increase in the price of petroleum at that time. There again a matter of judgment was involved, and he took the view which seemed to him the correct one.

I felt that at the bottom of this whole controversy was that Mr. Pike is what we call up in Maine a rather "ornery cuss," a fellow who speaks his mind rather plainly, as perhaps many people in Maine and New England do, and sometimes somewhat more generously than is entirely called for. I think Mr. Pike has agreed with me in that analysis—that some of the things which he has said in the past, both in public and in private, could have been left unsaid without detraction from the quality of his public service. That, however, I am sure, was not a conclusive factor in the consideration of the members of the committee, whose judgment I am not prepared to challenge, on the basis of our necessary ignorance, but I do hope that the Members of the Senate will make as large allowance as they can.

I should like to stress one point. Mr. Pike is the only member of the Commission who has been on the Commission from its inception. There is a long record of very intricate administration, and, in my judgment, it would be wise policy that Mr. Pike should remain a member of the Commission and give to the other members the benefit of the continuity of his service and his very large background and the quality of the service and the ability which he has demonstrated both in private and in public life.

Mr. McMAHON. Mr. President, I yield myself 2 minutes.

The Senator from Maine has spoken very eloquently about his constituent. He has referred to the fact that sometimes Mr. Pike has talked a little too bluntly. I myself had some criticism to make of him on that basis, but I daresay that I myself could well be excused for speaking bluntly at certain times in my life. That is one of the privileges of being a human being. One who always weighs every word does not amount to much, although, of course, that does not mean that one has a general license to indulge in reckless talk. But I do not think Mr. Pike has engaged in that kind of conduct.

One of the things done by Mr. Pike, which did not particularly please me, was when, during the investigation last summer, he betook himself to Bowdoin College and there made a speech in which he had some things to say about the joint committee. I taxed him with what he had said. I asked him, "What did you mean when you said that there was some political influence creeping into the consideration of the joint committee?" He wrote me a letter under date of July 5, 1950, which I read into the RECORD, as follows:

> DEAR SENATOR MCMAHON: You spoke the other day of a so-called "attack" on the joint committee made by me last summer. The reference is, I assume, to the talk I made at Bowdoin College called Domestic Control of Atomic Energy. These remarks included a discussion of the relations between Congress and the executive agencies which in the main, took the form of a description of the all too frequent history of the relations of independent commissions with the congressional branch. I am surprised to learn that some people have construed this portion of my speech as an attack upon the joint committee. Immediately following this general discussion, I made specific references to the joint committee, references which seemed clear to me at the time but which apparently were not so to other people. I said for example:
>
> "In some instances it has been obvious that political considerations, which have no place in the management of an industrial operation which in great measure characterizes large segments of the Atomic Energy Commission's work, have been injected into congressional consideration of some of our problems."
>
> What I had in mind in this paragraph was twofold: The then current investigation of the charges made by Senator HICKENLOOPER against the Commission and its Chairman and the attitude on the part of some members of the committee on the matter of natural gas at Oak Ridge. My views on both these matters are well known and I think need no explanation here.
>
> It was no part of my purpose in making the talk to charge the joint committee with the exercise of political patronage. Rather, I was attempting to make clear the need for keeping the atomic energy enterprise free of such evils, a need which I know you appreciate fully and have consistently upheld.
>
> Yours very truly,
>
> SUMNER T. PIKE.

I think that is a very generous, a very genuine letter, and I think Mr. Pike has cleared up that misunderstanding.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McMAHON. Will the Senator from Iowa yield me some time?

Mr. HICKENLOOPER. I yield some time to the Senator from Connecticut.

Mr. McMAHON. I yield 10 minutes, Mr. President, to the senior Senator from Illinois [Mr. LUCAS].

Mr. LUCAS. Mr. President, I was tremendously impressed by the statement made by my colleague from Illinois [Mr. DOUGLAS] with respect to the qualifications and the background of Sumner Pike. I do not know Mr. Pike. I would not know him if I met him in the corridors of the Capitol. I have never conversed with him, even over the telephone. But I am familiar with the work that Sumner Pike has done as a public servant in behalf of our Government.

All I can hear respecting Mr. Pike is that those who oppose him do so without having very good reasons for being against him. When the two Senators from Maine, the senior Senator [Mr. BREWSTER] and the junior Senator [Mrs. SMITH] come before the Senate of the United States with full endorsement and recommendation of one of their distinguished citizens of their State for this very highly important position it seems to me that should carry much weight with the Members of the United States Senate who may not be familiar with the background or the record of Mr. Pike.

The senior Senator from Colorado [Mr. JOHNSON] in the speech he made opposing Mr. Pike said that Mr. Pike admitted at one time in committee that he doubted if he had the qualifications necessary to carry on the work required by the responsible position of a member of the Atomic Energy Commission. The fact that Mr. Pike was honest enough and modest enough to make such a statement should not, in my opinion, justify Senators to hold that against him. I doubt if there is any man in America who, if he really confessed his true convictions upon such an important subject would say that he really had all the qualifications necessary to carry out the public service which must be rendered in connection with the many diverse and important problems involved in atomic energy. Instead of condemning Mr. Pike for the statement he made, Senators should, in my opinion, consider it highly commendable that one who seeks an office of this kind, especially because of its importance, because of all its ramifications, should frankly and candidly tell the committee that he did not know everything about this subject, and that, therefore, perhaps it might be a mistake to appoint him.

Mr. President, no one knows what atomic energy is all about. No one knows the ramifications connected with atomic energy. No member of that Commission, if he is honest with himself, can say where the development of atomic energy may lead. The kind of man we should have to fill the position of a member of the Atomic Energy Commission is a man who displays such modesty, such restraint as did Mr. Pike in the statement he made before the committee.

Mr. President, the Senate of the United States has confirmed Sumner Pike on two different occasions.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HICKENLOOPER. I believe he was confirmed by the Senate only once.

Mr. LUCAS. He was also confirmed as a Member of the Securities and Exchange Commission.

Mr. HICKENLOOPER. I thought the Senator meant that Mr. Pike had twice been confirmed by the Senate as a member of the Atomic Energy Commission.

Mr. LUCAS. No. He was confirmed by the Senate once to be a member of the Securities and Exchange Commission and once to the position he now holds.

Mr. HICKENLOOPER. The Senator from Illinois is correct.

Mr. LUCAS. The senior Senator from Colorado says Mr. Pike does not measure up to what is necessary in one who holds such an important position. I ask the Senator from Colorado what he thinks are necessary qualifications? The Senator's statement is a general one. It is a general assumption. No reasons were assigned by the able Senator from Colorado as to why he thinks Mr. Pike does not measure up, in qualifications, to being a good Commissioner in dealing with all the problems relating to atomic energy.

Mr. President, finally the senior Senator from Colorado said that he and the junior Senator from Colorado [Mr. MILLIKIN] had interviewed Mr. Pike many times about uranium in Colorado. The two Senators have talked to Mr. Pike many many times about that subject. I am satisfied that one of the basic reasons why the two Senators are opposed to the nomination of Mr. Pike at this particular time is because Mr. Pike disagrees with them as to what should be done with respect to uranium ore in Colorado. The senior Senator from Colorado based his argument on that one fact that Mr. Pike has disagreed with the two Senators from Colorado with respect to the development and the production of uranium ore in their State. They have called upon Mr. Pike time after time and have endeavored to sell him on the idea of developing uranium ore in Colorado, but Sumner Pike has said "No, gentlemen, I want to conserve that uranium ore for future use by this country in a great emergency, and I am willing that this type of ore be brought into the United States from all parts of the world, if possible, so that when a time of great emergency arrives we can develop the ore from your section of the country."

Mr. Pike's stand with reference to that matter seems to me to present the only reason why the Senators from Colorado are now opposing his confirmation. The senior Senator from Colorado candidly tells us that he and the junior Senator from Colorado have made many trips to talk to Mr. Pike in an endeavor to convince him that he should go along with them. Mr. Pike has had the courage to stand up against the two Senators, and I am satisfied that is the basic reason for their opposition to him. If ore had been developed in Colorado the chances are that Mr. Pike would not have the kind of opposition he is having right now, Mr. President.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MILLIKIN. If war develops any place we will be mighty sorry we have not developed our domestic resources in uranium, and many other resources.

Mr. LUCAS. Mr. President, the Senator from Colorado agrees with the argument I am making. The very nature of the question the distinguished Senator asked indicates quite definitely to me that what is back of the opposition, so far as the junior Senator from Colorado is concerned, is Mr. Pike's stand with reference to uranium in Colorado. Obviously I am for the production of ore in this country. But after all, I wonder what the other Commissioners are thinking about the same question. No argument has been made in the Senate up to this time with respect to what the other Commissioners who have been appointed and confirmed are thinking about this very same question.

I yield further to the Senator from Colorado, if he desires to have me yield to him.

Mr. MILLIKIN. I did not quite understand the last remarks the Senator made.

The PRESIDING OFFICER (Mr. MCFARLAND in the chair). The Senator from Illinois has 1 minute remaining.

Mr. LUCAS. Mr. President, let me inquire whether the Senator from Connecticut will yield two or three additional minutes to me.

Mr. McMAHON. Yes.

Mr. LUCAS. Mr. President, I am saying that so far as the argument up to now is concerned, no one has said how Commissioner Dean and Commissioner Smyth feel about the problem about which the two Senators from Colorado are concerned.

Mr. MILLIKIN. Commissioner Dean and the other Commissioner to which the Senator refers have not been on the Commission very long. Those basic policies were established before they arrived on the scene.

The matter the distinguished Senator from Illinois is talking about is the umbillical cord, which has disappeared, between Commissioner Dean and Commissioner Smyth and the old Commission.

Mr. LUCAS. Mr. President, let me inquire whether the distinguished Senator from Colorado has discussed the pending question thus far.

Mr. MILLIKIN. No, I have not; but I wish to do so when I can obtain some time for that purpose.

Mr. LUCAS. The Senator from Colorado is going to discuss the ore question; is he not?

Mr. MILLIKIN. Oh, yes.

Mr. LUCAS. That is what I was afraid of. [Laughter.]

Mr. MILLIKIN. Mr. President, if the Senator will permit me to make a remark, let me say, if I may paraphrase Winston Churchill, that I was not sent to the Senate to liquidate Colorado.

Mr. LUCAS. O Mr. President, the more we get into it——

Mr. MILLIKIN. The more we get into it, the more Senators will find that is true.

Mr. LUCAS. Mr. President, I ask the Senator from Colorado to wait just a minute; I do not yield at this time.

Mr. President, the more we get into this question, the more we find why confirmation of the nomination of Mr. Pike

is opposed by the Senators from Colorado. They say they do not want Colorado liquidated. Mr. President, no one wants Colorado liquidated. However, we have to repose confidence in someone with respect to what is to be done with the deposits of uranium ore existing in the United States. Simply because two Senators believe that their State is being neglected by the Atomic Energy Commission, in my opinion is a very poor reason for not confirming this nomination at this particular time. That is particularly true when the President of the United States wants this man to serve on the Commission, when no one says there is anything substantially against him, when no one questions his honesty or his patriotism or his business acumen or judgment, except with respect to this one matter in Colorado.

Mr. President, the Senate would be doing a very serious wrong to a good man and a decent man and a capable citizen of these United States if the Senate did not confirm the nomination of Mr. Sumner T. Pike. There is nothing in the record which has been shown up to this time which should keep the Senate from saying "Yes" on the question of whether the Senate will advise and consent to this nomination.

At this particular time in the history of the world, and in view of the condition in which our country now finds itself, both with respect to the Korean situation and with respect to the general world situation, I believe that to deny Sumner T. Pike the right to sit on this commission would not sit very well with our friends across the way, because atomic energy is definitely connected with our national defense.

Unless there are more reasons than I heard stated, I ask Senators on both sides of the aisle to give this question their utmost and their serious consideration, without regard to the political situation, but with regard to what is best for America and what is best for the world, not what is best for Colorado.

Mr. HICKENLOOPER. Mr. President, I yield 5 minutes to the Senator from California [Mr. KNOWLAND].

The PRESIDING OFFICER. The Senator from California is recognized for 5 minutes.

Mr. KNOWLAND. Mr. President, I have served on the Joint Committee on Atomic Energy ever since its inception. In the 5 years I have been in the Senate of the United States, I have always given the benefit of the doubt to the appointments made by the President of the United States, because I believe the benefit of the doubt is entitled to go to a Presidential appointee. Over the period of time during which I have served in the Senate, there have been very few Presidential appointments whom I have not supported.

However, in this particular case, I believe it is important for the Senate and for the country to realize that this is an unusual situation. The Atomic Energy Commission probably has more power than that which is or has been possessed by any other commission which ever has been created by the Government and the people of the United States. The Atomic Energy Commission is dealing with a subject which means life or death for the American Republic, and perhaps to the entire free world. This Commission is dealing with a subject of the highest classification of security.

Because the Congress of the United States recognized the fact that such matters could not always be freely discussed on the floor of the Senate or on the floor of the House, the Congress created what is known as a joint committee, consisting of nine Members of the Senate—five from the majority party and four from the minority party—and a like number from the House of Representatives.

In addition to the obligations which the joint committee has on an over-all basis in the field of atomic energy legislation, the Senate members of the joint committee have an additional responsibility, one not possessed by the House members, namely, that of passing on the matter of confirmation of the nominations of Presidential appointees, because under the Constitution of the United States, of course, the Senate is the body which must confirm or deny confirmation to such appointees. So in this connection a double responsibility rests upon the Senate members of the joint committee.

Mr. President, this situation is different from that with which we would be faced were this a de novo appointment. If a man who was new to the field had been nominated for this position, in my judgment it would be entirely proper for hearings to be held and for testimony to be taken. However, in this particular case all the members of the joint committee have lived intimately with this picture since the Atomic Energy Commission itself was created, and day by day in a thousand different ways they have had opportunity to examine and to understand the abilities and the capabilities of the members of the Commission.

I can say without fear of contradiction that under the able chairmanship of the Senator from Connecticut [Mr. MCMAHON] and under the previous able chairmanship of the Senator from Iowa [Mr. HICKENLOOPER], I have never known partisan questions to arise in the joint committee. I have never known a group of persons who were more alive to their responsibilities and to the terrific burden they bear. I wish to say to the gentlemen of the Senate and to the Senator from Maine [Mrs. SMITH] that this joint committee possesses secrets which are enough to keep men awake at night, in regard to matters dealing with the very security of the Nation.

The decisions which the joint committee and the Atomic Energy Commission itself must make may determine the very future of the United States. So we do not lightly accept and do not lightly discharge the responsibilities resting upon us.

Under the circumstances presented here, Mr. President, I believe the committee itself would be derelict in its duty if, after an examination of all the facts at its disposal, it believed that a man who had been nominated for membership on the Commission——

The PRESIDING OFFICER. The Senator from California has one-half minute remaining.

Mr. KNOWLAND. Mr. President, will the Senator from Iowa yield 2 minutes additional to me?

Mr. HICKENLOOPER. I yield that much additional time to the Senator from California.

Mr. KNOWLAND. I thank the Senator.

The PRESIDING OFFICER. The Senator from California is recognized for 2 minutes additional.

Mr. KNOWLAND. Mr. President, I was saying that under the circumstances presented here, I believe the committee itself would be derelict in its duty if, after an examination of all the facts at its disposal, the committee did not make a determination as to whether or not the appointee measured up to the job he had to do.

The matter of the metallurgy of plutonium has already been discussed, including the violation of the Atomic Energy Act which many of us believe was inherent in the authorization of the transfer of that information to a foreign power.

Furthermore there probably is not a commission or agency of the Government of the United States in which security has a greater meaning than it has in the case of the Atomic Energy Commission. Yet for a period of more than 1 year since Admiral Hillenkoetter left that job, the position of Director of Security has not been filled, despite the fact that the joint committee itself has been greatly concerned over this problem.

In addition, the members of the joint committee—at least, those of us who voted to make an adverse recommendation on this nomination—believe that Mr. Sumner Pike has not shown sufficient diligence in regard to going ahead with the hydrogen weapon, which the very nature of the situation requires should be done in the interest of the security of the Nation. There are implications, I believe, that there has been an unnecessary dragging of feet in this regard. Of course, the Senate of the United States is fully and freely able, and it is part of its responsibility——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KNOWLAND. Mr. President, will the Senator yield me an additional half minute?

Mr. HICKENLOOPER. I yield.

Mr. KNOWLAND. Senators are entirely able and, under the Constitution, they themselves have the obligation of passing on these nominations. We have given our best judgment. If, in the judgment of Senators, they desire to confirm the nomination of Mr. Pike, of course that is their right and their responsibility.

Mr. SMITH of New Jersey. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMITH of New Jersey. Is a motion to recommit in order?

The PRESIDING OFFICER. A motion to recommit is not in order, for the reason that the Senate, by unanimous consent, has agreed to vote at 4 o'clock.

Mr. McMAHON. Mr. President, I yield 1 minute to the junior Senator from Maine [Mrs. SMITH].

Mrs. SMITH of Maine. Mr. President, Sumner Pike is one of Maine's most respected citizens.

No one questions his loyalty or integrity. Certainly he has more experience than practically anyone available for the job since he is the last of the original Atomic Energy Commissioners. Certainly he is needed for the continuity of knowledge and experience that is necessary to the Atomic Energy Commission.

I ask unanimous consent to insert in the RECORD, as a part of my remarks, editorials of three of Maine's outstanding newspapers which reflect the thinking of Maine people on this matter.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Lewiston (Maine) Daily Sun of June 30, 1950]

SUMNER PIKE TURNED DOWN

We deplore the refusal of the Joint Congressional Atomic Energy Committee to approve the renomination of Sumner Pike as Acting Chairman of the Atomic Energy Commission for another 4-year term for two reasons.

In the first place, it is the consensus at Washington that Pike, a former Maine man and one-time member of the Securities Exchange Commission, has done well as Acting Chairman following the resignation of David Lilienthal. Only yesterday, in appealing to the joint committee for Pike's renomination, Commissioner Smyth declared that the AEC has functioned with increasing effectiveness, particularly during the last few months, under Pike. He advanced the opinion, moreover, that under Pike's direction, great steps have been taken toward development of the hydrogen bomb.

In the second place, we don't like the intense secrecy that has surrounded the hostility to Pike's renomination. That it exists is apparent—even the Associated Press reports that the "58-year-old Republican from Maine has developed powerful opposition on Capitol Hill." And it is more puzzling that in the decisive 5-4 vote rejecting Pike yesterday, four Democrats voted for the Commissioner, while four Members of his own party and Democratic Senator JOHNSON of Colorado voted in the negative.

It is true that the AEC, notably under Chairman Lilienthal, has often been under fire. It may be that Pike has inherited the hostility expressed toward his predecessor. It may be that the Commission, under his guidance, has been developing policies many Members of Congress think are wrong, or that Pike himself is not believed to be big enough to handle this vital post.

But whatever the reasons, let's get them out in the open and give the American people an inkling of what is supposed to be wrong. Pike's rejection, with his term expiring today, means there are two vacancies on the five-man AEC, and this dispute compels haste on the part of President Truman to fill them both at once, so that the Commission can function with a full complement. The Commission is bound to suffer, moreover, from the loss of Pike's long experience in atomic policy.

[From the Portland (Maine) Press Herald of July 5, 1950]

DISPUTE OVER PIKE

The name of Sumner Pike will be in the news again today as the Senate takes up his presidential nomination for a 4-year term on the Atomic Energy Commission. We would like to see a reversal of the tide that has set in against his confirmation.

The Press Herald often has commented to the effect that Mr. Pike's work in Washington has brought credit to Maine. True enough, but the question of his renomination to AEC is considerably more than a matter of home-State pride. The problem concerns the necessity of finding men as fully qualified as possible to fill the membership of one of the Nation's most important organizations.

Many newspapers throughout the Nation have commented on this basis on Pike's renomination. The Cleveland Press ran an editorial recently, titled, "No Reason To Delay Approval of This Good Public Servant."

The piece said, "Sumner Pike of Maine has served ably as a member of the Atomic Energy Commission (AEC) since it was established. He is now its Acting Chairman.

"On two previous occasions the Senate has confirmed Pike, and he deserves prompt confirmation for the new 4-year term to which President Truman has named him."

Speaking of the Senate opposition which has arisen, the Press goes on to say, "Three other AEC members, renominated at the same time as Pike, have been confirmed. All of them have had briefer experience than his in dealing with atomic problems.

"Pike is a Republican, but there is no evidence on public record that he has ever permitted political or other considerations to interfere in any way with performance of his duties. And a Democratic President has given repeated evidence of the great confidence in him."

Then the Press asks for full and clear explanation of "why confirmation of this good public servant is being obstructed."

Immediately after five of the nine Senate members of the joint congressional committee turned thumbs down on Pike, the Boston Herald, in an editorial titled "Sentence by Silence," wrote:

"If the members of the Joint Congressional Committee on Atomic Energy don't have the decency to reconsider their mysterious blackballing of Sumner T. Pike the least they could do would be to insist that those who voted against him tell the public why they did so. The committee voted 5 to 4 on Thursday against Senate confirmation of his reappointment for a 4-year term. But not a word of explanation was given.

"Mr. Pike is a Yankee who made good in the business world. Born in Lubec, Maine, and a graduate of Bowdoin College, he early went from Boston to Texas where he is reputed to have made a fortune, lost it, and made another. He first came to the attention of official Washington as a Republican member of the Temporary National Economics Committee.

"Since then he has held various Government positions. In the atomic-energy post he has been eager to learn and deeply concerned for the best interest of the country in guiding the vital work under the Commission's control. He has also been frank to criticize where he believed criticism could improve the situation. All of this the better done for the possession of a ready sense of humor.

"As far as we can see, the Atomic Energy Commission could stand more men like Sumner Pike, not less. The committee had better reconsider."

These expressions show how many newspapers without the "home-town angle" feel about Sumner Pike. We hope the United States Senate won't turn him down without better reasons than have been brought forth so far.

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[From the Bangor (Maine) Evening Commercial of July 3, 1950]

AS WE SEE IT—REJECTION OF SUMNER PIKE JUSTIFIED CAUSE FOR ANGER IN MAINE

Many people in Maine are justifiably angered by the refusal of a majority of the Senate members of the Joint Atomic Energy Committee to recommend confirmation of Sumner Pike for another term as a member of the Atomic Energy Commission. The vote was 5 to 4 against confirmation.

There has been no official statement from the four Republicans and one Democrat who voted against Mr. Pike. But Washington reports indicate they are trying to penalize Mr. Pike for the attitude he took during last year's Senate investigation into alleged "incredible mismanagement" in the AEC.

That investigation, launched as a result of charges by Senator HICKENLOOPER (who has led the fight on Mr. Pike), turned out to be a boomerang. It pretty completely refuted the charges levelled against the AEC and its then Chairman, David Lilienthal.

In the end, the whole affair stood revealed as an attempt at headline hunting for political gain. It also brought out the fact that, although mistakes had naturally been made, the AEC's record was one of solid achievement and progress.

At that time Mr. Pike was outspoken—as he generally is—in his support of the Commission's record and that of Mr. Lilienthal. In so doing he earned the enmity of Senator HICKENLOOPER and others.

We supported Mr. Pike's stand at the time. Even if we had not agreed with him, we would have respected his courage and forthrightness in speaking his mind.

We think it is outrageous that his fine record as a member of the Commission and more recently as its acting Chairman should be ignored by members of the Senate committee in petty reprisal for his stand last year.

The work of the Commission is too important to sacrifice Mr. Pike's experience, ability, and knowledge at this juncture. The AEC is no place in which to play ward politics. Nor should an appointee be rejected because he may have stepped on some sensitive toes.

Henry P. Smyth, one of Pike's colleagues, said the Commission under his chairmanship had operated with increasing effectiveness despite the very great difficulties faced. Dr. Smyth strongly urged Pike's confirmation.

We hope the Senate committee members will reconsider their ill-advised action. Mr. Pike is too good a man to be lost to the Nation at this critical hour.

Mr. McMAHON. Mr. President, I yield 1 minute to the junior Senator from Texas [Mr. JOHNSON].

Mr. JOHNSON of Texas. Mr. President, I have known Sumner Pike personally and well for a number of years.

Mr. Pike has been a resident and a successful businessman in Texas. Since he gave up his business career 10 years ago to enter public service as a member of the Securities and Exchange Commission, I have had many opportunities to observe first-hand his very capable work in government.

One such opportunity came when I served for nearly 2 years as a member of the Joint Committee on Atomic En-

ergy. During that period, I came to respect Sumner Pike as a valuable balance wheel in the operations of the Atomic Energy Commission.

He was sure-footed in his decisions, judicious in his opinions. He worked for the Nation, not for himself. Sumner Pike was not a prima donna; he was not a zealot contriving to use his position to advance some cause; he certainly was not a useless nonentity.

Sumner Pike was wholly independent in his thought and in his action—he was uncompromising on principles, but not belligerent in practices.

During the time I had the privilege of working with the Atomic Energy Commission, I found Sumner Pike to be an unselfish, capable public servant of very great value to the American people.

His value is even greater today.

It would do the Senate no credit—and it would be a distinct disservice to the Nation—to deprive the Atomic Energy Commission of this man's ability, experience, and courage at this critical moment in history.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the remainder of my prepared remarks may be inserted in the RECORD at this point as a statement.

There being no objection, the remainder of the remarks of Mr. JOHNSON of Texas were ordered to be printed in the RECORD, as follows:

We cannot deny that this is a critical moment in our history—and in the history of civilization.

Plainly, the hour of history is late.

The moment of judgment—the moment when our way of life must prove itself—is now upon us.

For 5 years, we have realized that this moment of judgment was certain to come. For 5 years, we have realized that the judgment would be made on the basis of strength—cold, hard, obvious physical strength.

For 5 years, we have known what was coming and we have known how that challenge would have to be met.

Through these years, our conscience has been burdened with memories of the humiliation, the shame, the infamy of Bataan, of Corregidor, of Guam, of Wake. We knew those chapters in our history had been unnecessary. We knew those defeats could have been avoided—if we had not tried to buy peace too cheaply, if we had not squandered time.

That is the reason the American people—the mothers and fathers, the veterans, the young men of the Nation—find the news from Korea so disturbing, so difficult to believe.

Delay, defeat, retreat.

That is not what the American people meant to purchase with their tax dollars; the American people meant to buy strength—real, hard-hitting strength.

It is tragic that now on the scroll of "too little, too late," we must add the name Korea as the product of our complacence and overconfidence.

The people know that strength is costly. But they know that strength is not nearly so costly as weakness. Whatever the price of strength, the people are and have been prepared to pay it—prepared to pay it in advance.

Unfortunately, however, it has been popular among some groups during the past 5 years to advance the doctrine that peace could be bought cheaply.

Economy firsters told us that we could best thwart the plans of communism by spending our time and our imagination on cutting the fat from the muscle, rather than spending on preparedness.

Men who should have known better accepted the argument.

Today those few dollars we saved—if we saved any at all—are being lost in Korea. Once again, the cost of false economy is running high. Once again, aggression is thriving on our mistaken belief that preparedness is cheap.

Once again, the American people have been underestimated. They are interested in economy, yes; but they are more interested in seeing this Nation kept strong to insure that it may be kept free.

It is too late in the day now to engage in vindictive quarrels about the past. The people are weary of the quarreling here. The people are impatient with the constant emphasis upon hindsight; they want more foresight.

The people want their elected representatives and all who serve them in the Government to do all that is necessary to settle this situation in Korea—they want us to do it now.

The people know that time is short—that time is running out.

The people want us to make use of the time that remains.

This action is a misuse of time—a shameful and unnecessary waste of time.

At this moment when our way of life is in growing peril, we find ourselves divided against each other about the very program upon which preservation of our way of life may depend.

No program in our Federal Government is of greater importance to us now than the program of the Atomic Energy Commission.

Despite this, the Commission today—as on many other occasions—is busy defending itself rather than defending the Nation.

If we were to indulge in the same tactics with some other agency—such as the Joint Chiefs of Staff, the indignant wrath of the American people would be heaped upon all our heads.

How long would the American people tolerate the secret indictment, the silent disregard for any one member of the Joint Chiefs of Staff? Not long, I am sure.

The Atomic Energy Commission is fully as important to our security—to our strength—at this moment of decision as is the Joint Chiefs of Staff.

Because the Atomic Energy Commission is not cloaked in a military uniform, some apparently expect that it can be more readily hampered and harassed.

I, for one, do not think we can longer afford such a misuse of our energies and our time.

We are running late.

The time has come for positive action, for decisive action, for constructive action.

The time has passed when we can indulge our whims indiscriminately.

Of the original members of the Atomic Energy Commission, only Sumner Pike remains. The others have departed; their experience—their rare, invaluable experience—has been lost to the cause of our preparedness.

If we should now turn our backs on Sumner Pike, we would break the last slim thread of continuity in our Atomic Energy Commission.

We would entrust the program to a collection of newcomers. The program would be in the hands of inexperienced personnel, not in the hands of experienced policy makers.

Furthermore, by driving away Sumner Pike we would also—and more significantly—drive away from the Commission the few men in private life who might be willing to make the personal sacrifice necessary for service on this most vital agency.

If a man such as Sumner Pike—a man with no ax to grind, a man with a record of success as a business executive—fails to merit the pleasure and approval of the Senate, who then can expect to serve unmolested in this urgently important position?

Mr. President, it is time for the Senate to raise its sights—to look at the world as it is. It is time to realize that time is running out.

As time runs out Sumner Pike's experience is not expendable. We need him; the Nation needs him; the whole free world needs him.

We have work to do—important work.

We have a battle to win. It must be won quickly or we cannot win.

Each day that the cause of freedom languishes in Korea the cause of totalitarianism acquires more appeal, more force, more momentum.

Let us put first things first. Let us get on with the job to be done. Let us tell the people the facts.

The people should know—the people want to know—that dark days await us. Our godless enemy cannot be contained and cannot be driven back with platitudes about ultimate victory.

Obviously we need men, and more men. We need equipment, and more equipment. We need sacrifice, and more sacrifice. These are realities; we must face them. Trite phrases about peace—about a situation that does not exist—will not win for us now.

We must use time and we must use our resources to the fullest. If we fail, delay, defeat, retreat will become a burden upon our conscience for years to come.

Let us cease sniping at our public servants. It is time to train our guns upon the enemy. Sumner Pike has served the public interest and served it well. The Senate can serve the public interest only by voting to confirm this fine man for another term as a member of the Atomic Energy Commission.

Mr. HICKENLOOPER. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. The Senator from Iowa has 7 minutes.

Mr. HICKENLOOPER. I yield 7 minutes to the Senator from Colorado [Mr. MILLIKIN].

Mr. MILLIKIN. Mr. President, the distinguished senior Senator from Illinois has referred to the fact that the principal domestic uranium supplies now come from the State of Colorado. I wish to say that the presence of those supplies in Colorado merely accentuates the importance of a far deeper problem. Mr. Pike has always identified himself with those members of the Commission who have been panting to put what I believe is an unsafe reliance on uranium supplies from a foreign country. One bomb would destroy the source of those supplies, and I venture to say that that is the first place on which a bomb will be landed. If that should happen, we would find ourselves in a very serious position because of a lack of what I consider to be the proper development of our local supplies in Colorado and elsewhere. I simply do not believe that Mr. Pike rises to the minimum level of qualification necessary for this job. There is no more important job in all the world. There is no more important commission in all the world. I have heard Mr. Pike

in many, many meetings. I have heard and studied his reactions to many questions. I have read many things that he has written. For three years and a half I have had numerous opportunities to observe his work, his mental operations and his qualifications. I regretfully reach the conclusion that he does not reach that minimum level.

Mr. Pike has identified himself with those on the Commission—and I am not speaking of present members, but of those who have been on the Commission in the past—who condoned loose security practices. That commission has allowed thousands of persons temporary clearance to classified matters without a proper sifting of the kind required by the Atomic Energy Act to determine whether they were worthy of possessing classified information.

On that Commission Mr. Pike was identified with those who allowed loose practices in the selection of persons to the fellowship program which included a confessed Communist. Mr. Pike was identified with the policies which caused the Commission in several important areas to be completely ignorant of what was going on as to the expenditure of many millions of dollars.

The Commission necessarily had to do a great deal of decentralizing. But, after having done the decentralizing, essential follow-ups were not pursued in security and expenditure matters. This Colorado vanadium business, about which the senior Senator from Illinois twits me, brings to mind, and should bring very forcibly to the mind of each of us the fact that Mr. Pike has identified himself with those on that Commission who had been pushing to share all our knowledge with Great Britain. It was only through the determined opposition of the joint committee that that was not done. We took the position that, once the information was sent abroad, we would be helpless to control its security. The position that we took was completely vindicated by the discovery of Fuchs among the top scientists of Great Britain. I repeat, Fuchs received his original and also his postgraduate information because of loose security practices in this country.

No, I have no objection to Mr. Pike, personally; I do not find any lack of compatibility. He is an honest man. I regard him as a patriotic man. He seems to be qualified in many other fields. But I respectfully suggest that he is not qualified in this field. So far as the continuing need for his presence is concerned—because he is the only one who has been on the Commission 4 years—personally I should rather not have his policies influence the new members of the Commission. Those past 4 years showed his attitudes and actions on the things that I have been talking about—looseness of security practices, willingness to share with other countries what we have learned for the preservation of our liberty under circumstances which could not assure the loyal use of that to be shared—carelessness with the taxpayers' money; lack of sufficient knowledge of what was going on. I do not believe that Mr. Pike—and I say this with regret—measures up to the minimum requirements, the minimum qualifications that a man should possess in this job.

Mr. President, this is not a job where tolerance should have much play. This is not a job where we should be liberal. I believe my whole history in the Senate will show that I have been tolerant and liberal in matters of confirmation—perhaps too much so. But here is a place where we should not confirm anyone but the best. I am opposed to the confirmation of the nomination of Mr. Pike.

Mr. McMAHON. Mr. President, I yield 5 minutes to the Senator from Texas [Mr. CONNALLY].

The PRESIDING OFFICER. The Senator from Texas is recognized for 5 minutes.

Mr. CONNALLY. Mr. President, I stress the view that I would not care to speak on this nomination except that I am a member of the Committee on Atomic Energy and should know something about it. But the Senator from Colorado [Mr. MILLIKIN], I understand, holds it against Mr. Pike because Mr. Pike himself said he doubted whether he was capable in all respects. I think that is a compliment to Mr. Pike. If he said said, "Why, yes; I know all about atomic energy," he would have suited the Senator from Colorado admirably. If that is the kind of man we are going to pick for membership on the Commission, I am against such a man instead of being against Mr. Pike. I have no ties with Mr. Pike, but I have observed him as a member of the Commission, and I have not seen anything about him that was not commendatory or was not worthy of approval. The Senator from Colorado says that he does not approve of many things Mr. Pike has done or has not done. In contrast to the Senator from Colorado, I set up the other three members of the Atomic Energy Commission. They are more intimately acquainted with Mr. Pike than is the Senator from Colorado. They know more about what he has done and what he has not done than does the Senator from Colorado. They know more about whether he is qualified than does the Senator from Colorado. They know more about whether he has been true to the Government with regard to security and safety matters than does the Senator from Colorado. They give all their time to association with Mr. Pike and with his work. The Senator from Colorado gives 1 day a week, possibly, when the committee meets.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. MILLIKIN. The members of the Commission to whom the Senator is referring are new appointees and do not know as much about the business as the Senator implies.

Mr. CONNALLY. According to the Senator from Colorado, no one knows anything about the business except probably the Senator from Colorado.

Mr. MILLIKIN. The remark of the Senator is completely unjustified.

Mr. CONNALLY. I withdraw it. I am glad the Senator from Colorado is getting into the modest class with Mr. Pike.

Mr. MILLIKIN. I am willing to leave Pike's name on the peak out in Colorado, but I do not want it on the Commission.

Mr. CONNALLY. It is very clear that the Senator does not want it there. The other Pike is dead, and this one is not.

I did not mean any harm by what I said. If the feelings of the Senator from Colorado have become ruffled because a Senator from another State dares to vote for the confirmation of the nomination of Mr. Pike, instead of against it, I apologize.

Mr. MILLIKIN. There is no need for an apology. I would expect the Senator to vote in favor of Mr. Pike.

Mr. CONNALLY. I am glad the Senator realizes that I recognize merit when I meet it. In contrast to the position of the Senator from Colorado, however, the two Senators from Maine, the State where Pike lives, who, I daresay, know more about him than does the Senator from Colorado, will vote in favor of his confirmation.

Mr. MILLIKIN. They admit they know nothing about the affairs of the Commission or of the joint committee.

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Colorado?

Mr. CONNALLY. I have already yielded, Mr. President.

I challenged those who opposed Mr. Pike to tell us what was wrong with him. I said, "There he sits. Face him with your charges. With what do you charge him?" I could not get a chirp out of them. They sat there without saying anything. Finally, when I pressed them, they did not specify any particular thing; they did not put their fingers on any particular thing. I said, "What is wrong? Tell him about it so we can know it." All they did was to look away off, out toward Korea.

Mr. President, I favor the confirmation of Mr. Pike. He has been a member of the Commission and knows more about the work than does anyone else. He ought to be continued as a member to help the new members who need instruction, according to the Senator from Colorado.

The VICE PRESIDENT. The time of the Senator from Texas has expired.

Mr. McMAHON. Mr. President, the Senator from Iowa [Mr. HICKENLOOPER] started off the debate by asserting that there was no question as to the patriotism of Mr. Pike. He referred to him as a patriotic American citizen. In the course of the debate certain charges have been made against Mr. Pike, including the isotope shipment abroad, the gas line into Oak Ridge, and the emergency clearances, which were thoroughly investigated over a year and a half ago, and a report was given to the American people on those subjects, so I do not intend again to refer to them.

I have been told that there is some feeling that the nomination of Mr. Pike should not be confirmed because the chairmanship has been vacant for some months, and he has not yet been named Chairman. I think the chances are very good that he will not be named Chair-

man. I merely state that as a matter of fact and to show that I do not anticipate his appointment as Chairman of the Commission.

The next thing to which I wish to refer very briefly is the reference made by the Senator from California [Mr. KNOWLAND] to a supposed dragging of feet on the hydrogen-bomb program. I desire to read very quickly into the RECORD a letter which I received from the Secretary of Defense bearing upon that allegation. It reads as follows:

THE SECRETARY OF DEFENSE,
*Washington, July 10, 1950.*

Hon. BRIEN MCMAHON,
*Chairman, Joint Atomic Energy Committee, United States Senate.*

MY DEAR SENATOR: I understand that there has been some question raised concerning Mr. Pike's attitude on the H-bomb program.

As you know, the Department of Defense, in fulfillment of its responsibilities under the President's directive of January 31 to the Atomic Energy Commission, has worked closely with the Commission and has had intimate opportunity to observe the Commission's efforts in this field. Under Mr. Pike's leadership as acting chairman, the Commission has moved ahead with the program with vigor and with competence, to the complete satisfaction of the Department of Defense.

With kindest personal regards, believe me,

Sincerely yours,

LOUIS JOHNSON.

Mr. President, some suggestion has been made as to the security situation. I should like to have Senators pay attention to the assertion which I am about to make. The very serious violations of security did not take place under Mr. Pike or under the Atomic Energy Commission. They took place under the Manhattan District. I challenge anyone to refute that statement, whether it be the Fuchs incident or any of the other matters.

I am reminded of a famous quotation written many years ago, by Tom Brown, who said:

I do not love thee, Dr. Fell,
The reason why I cannot tell;
But this alone I know full well,
I do not love thee, Dr. Fell.

After 2 hours of debate, that is exactly the situation in which we find ourselves. Some Senators do not love Dr. Pike, but why, they cannot tell. I think his nomination should be confirmed.

Mr. President, I ask unanimous consent that there be printed at this point in the RECORD a memorandum from Sumner T. Pike to the Commissioners and the general manager, and a memorandum from Lewis L. Strauss to the Commissioners and general manager, together with a letter from Mr. Strauss to myself, dated July 9, 1950.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

APRIL 14, 1950.

Memorandum to Commissioners and General Manager.

Commissioner Strauss' memorandum of March 29, which reached me after 2 weeks, at 12:30 p. m. today, April 14, does not accord in certain respects with my memory. While I do not keep an office diary, this incident has remained painfully clear in my memory since the sequences have probably been more detrimental in our relationship with the Joint Congressional Committee than any other single incident during the life of the commission.

My memory is that the specific matter of "the basic metallurgy of plutonium," as proposed for discussion with the British, was first brought to my attention by Mr. Strauss on the morning of Thursday, August 12 between 10 and 10:30 a. m. While this does not check with his memorandum of March 20 it apparently agrees quite well with his earlier memory as recorded in his memorandum to Mr. Volpe on August 30, 1948, copy of which is attached. The last 10 lines of the second paragraph and the whole of the third paragraph in a memorandum written during the month in which the incident occurred agree in general with my present memory.

On that date only Mr. Strauss and I were in Washington, but since Dr. Bacher was available at Brookhaven, I phoned him to get his views. While my memory is not completely clear on this point, I believe Mr. Strauss was still in my office when I phoned Dr. Bacher who agreed with both of us that this subject should not be discussed by Dr. Smith while he was in England.

My memory is that Mr. Strauss suggested at the time that it might be well for Dr. Smith not to have any discussions with the British on any of the other points in the agenda. I did not agree with this and did not suggest it to Dr. Bacher.

The office record shows that I put in the call to Dr. Bacher at 10:48 that morning and got hold of him at 10:51. I asked Mr. Strauss to help me draft a cable to Dr. Smith, which he did. The cable was received by Western Union at 11:12 a. m. on the 12th and was sent by them at 11:14 a. m. A copy of this same cable was sent to the State Department for transmission to the American Embassy in London in case Dr. Smith might happen to be there. This cable was received by the State Department Traffic Section at 12:28 p. m., August 12.

I put in a phone call for Dr. Smith at 11:26 on that day and received word that he was touring Scotland and would not be available until around 2 o'clock, our time, the next day, August 13.

I talked to Dr. Smith at 2:12 p. m. on August 13, at which time he told me the conversations with the British had not commenced and that he would, of course, not include the subject of the basic metallurgy of plutonium in his conversations with them.

I called Dr. Bacher at Brookhaven that afternoon at 2:28 and reported the conversation with Mr. Smith.

My memory has been and is still clear that the question was not raised with me until the morning of August 12 at about the time apparently that Senator HICKENLOOPER and Senator VANDENBERG were conferring with Secretary Forrestal. When Mr. Carpenter called me up and told me about the conference in Mr. Forrestal's office, I told him that I had already sent the wires and was also attempting to reach Dr. Smith by telephone.

(Mr. Carpenter's memorandum prepared August 12 states: "D. F. Carpenter phoned Mr. Sumner Pike, Acting Chairman of the Atomic Energy Commission, at 3 p. m., August 12, advising of the objection to exchange of information with the British on basic metallurgy of plutonium. Mr. Pike stated that this had already come to his attention and that he had already sent two cables to Dr. Cyril Smith in England, instructing him to withhold exchange on these items. Mr. Pike was not certain that this exchange might not already have commenced.")

It is literally true, as Commissioner Strauss' memo states, that I did not actually communicate with Dr. Smith until after I had heard from the Office of the Secretary of Defense. It is not true, however, as would be inferred by a reading of the memorandum that I had not attempted to reach Dr. Smith before that time. Both wires had been sent and a telephone call had been placed for him, and the fact that I had not actually talked with him until the next day was due to his absence in Scotland, where he could not be reached by phone.

I do not completely agree with the last paragraph in the memorandum. My memory is that a discussion with Senators HICKENLOOPER and VANDENBERG must not only have taken place before the Commission "had taken steps to arrest the compromise of information" but even before I, as the Acting Chairman and the only other Commissioner here in Washington, had known about the argument or had any opportunity to do anything about it.

It may very well be that Commissioner Strauss had spoken with Mr. Fisk before that time, but I am very clear in my memory that he had not brought the matter up with me, and it is even clearer that he had not attempted to reach any other member of the Commission before taking the matter up with the Senators, in which I thought then, and still think, a very irregular manner.

SUMNER T. PIKE.

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MARCH 29, 1950.

Memorandum to Commissioners and General Manager.

Before leaving the Commission, I would like to have the record corrected in respect to a memorandum from the General Manager to the Commission, dated July 18, 1949 (Info Memo 195).

Page 3 is a narrative account concerning a situation which, since it antedates the appointments of Messrs. Dean and Smyth by almost a year, should be accurately described as it will not be familiar to them.

The memorandum states: "A letter dated July 26, 1948, was dispatched by Dr. Fisk to Dr. Smith (Dr. Cyril Smith.) At that time it was understood by the staff that prior approval by the Commission of definitions of areas made unnecessary specific notification to the Commission of authorizations for individual visits for discussion of topics within these areas, it being understood that all activities under the program would be reported periodically to the Commission."

I am unable to find anything in the records of the Commission to justify this understanding by the staff. On the contrary, at the Commission meeting on January 7, 1948, it was agreed, "These nine areas are general areas in which it appears that cooperation would be mutually advantageous and consistent with the common defense and security of this country. As to specific topics, no commitment is made by approval of this document. Any recommendations for a specific interchange will remain subject to Commission approval."

The memorandum continues, "When Mr. Strauss learned the contents of Dr. Fisk's letter to Dr. Smith on or about August 11, he was of the opinion that item No. 6 'the basic metallurgy of plutonium,' was an excluded topic, brought it to the attention of Mr. Pike, who promptly conferred by telephone with Dr. Bacher, who believed it should not be discussed, and thereupon Mr. Pike promptly telephoned and cabled to Dr. Smith canceling this topic from among those which he was authorized to discuss. This word reached Dr. Smith in advance of his discussions in England and this topic was never discussed. On August 12, after Mr. Pike had undertaken to notify Dr. Smith to omit this topic, Mr. Strauss reported this matter to Senator HICKENLOOPER and Senator VANDENBERG."

The statement in this paragraph does not conform with the record. Admiral Gingrich brought Dr. Fisk's letter to my attention late in the day of Monday, August 9 (reference, diary entry). I called it to the attention of Mr. Pike on August 10 (reference, diary entry). Mr. Pike did not promptly confer with Dr. Bacher. He did call him 2 days later, August 12 (reference, record of a telephone conversation between Washington office and Patchogue, Long Island). He did not reach Dr. Smith by telephone until August 13 (reference, memorandum by Mr. Pike). I conferred with Senator HICKENLOOPER and Senator VANDENBERG on August 10 and 12 (reference, Senator HICKENLOOPER'S letter to Mr. Lilienthal dated August 18, 1948), and it was not until Senators HICKENLOOPER and VANDENBERG had called on Secretary Forrestal and Secretary Forrestal had sent for me and had communicated with Mr. Pike that Mr. Pike in turn communicated with Dr. Smith. In addition to trying to reach him on the telephone, Mr. Pike came to my office and asked me to draft a cable to Dr. Smith, which I did.

The statement in the General Manager's memorandum above referenced indicates that this subject was discussed by me with Senator HICKENLOOPER and Senator VANDENBERG after the Commission had taken steps to arrest the compromise of information. The fact is that I conferred with the chairman of the joint committee (Senator HICKENLOOPER) and Senator VANDENBERG, a member, and Secretary Forrestal because up to that time I had not been able to get the release of information halted.

LEWIS L. STRAUSS.

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SUN VALLEY LODGE,
*Sun Valley, Idaho, July 9, 1950.*

The Honorable BRIEN MCMAHON,
*Chairman, Joint Congressional Committee on Atomic Energy, the Capitol, Washington, D. C.*

DEAR SENATOR: A statement to the press by my former colleague, Mr. Sumner Pike, has been telephoned to me here in Sun Valley where I am on my first extended vacation in many years. I am at a loss to account for Mr. Pike's action. We had no unpleasantness during the three and a half years we served together. But I cannot permit misstatements in his interview, so far as they concern me, to go unanswered.

Mr. Pike refers to an event in August 1948, the circumstances of which he says that I created and distorted. I have never discussed the matter outside of official circles and the testimony before your committee last year will show that I even declined to testify on this matter except in closed session. The facts are well documented and the distortions can be assessed where they properly belong. These are the facts.

Early in August 1948, Rear Admiral John Gingrich, then Chief of Security for the Atomic Energy Commission, came to see me with a copy of a letter which had just come into his hands. This letter which the Commissioners had never seen or approved, Mr. Pike's statement to the contrary notwithstanding, directed the disclosure abroad of certain information which had hitherto been a closely guarded secret.

Mr. Pike and I were the only members of the Commission then in Washington. Mr. Lilienthal was on vacation, Mr. Waymack was in Iowa, and Dr. Bacher was at Brookhaven. I took the matter immediately, therefore, to Mr. Pike who had been named Acting Chairman.

Mr. Pike was as aware as I was that the proposed disclosure went far beyond the agreed terms of international exchange of atomic energy information. He knew as I did that it concerned a material whose primary use was for atomic bombs. However, he took no action at that time.

As each hour was critical because Dr. Smith, who had been requested to bear the information, was already abroad, I had to take steps alone and at once. I called on the chairman of the Joint Congressional Committee on Atomic Energy, then Senator HICKENLOOPER, and I also informed you, as the ranking minority member, of the facts.

I then called on my friend and wartime chief, Secretary James Forrestal. Mr. Forrestal informed me that Senator HICKENLOOPER accompanied by Senator VANDENBERG had already been to see him on the subject and that he had called in Dr. Vannevar Bush. As a result of this meeting, the Commission was notified that the Department of Defense regarded the conveyance of this information as extremely serious and to be halted if humanly possible. It was only after this, and the records will bear me out, that the messages were sent to Dr. Smith.

I have no records here to supply dates but can refer you to the relevant document in Commission files, specifically a letter to the Chairman from the joint committee dated about mid-August 1948.

Mr. Pike's memory is at fault even in recent matters such as my memorandum to the new Commissioners. That memorandum does not state that Mr. Pike ordered the Smith mission, as he says it does. I have directed that a copy of that memorandum be sent to you. Mr. Pike has forgotten that he even came to my office to tell me about the call from the Department of Defense and to ask me to draft the cable to Dr. Smith which was to try to overtake him before the damage was done. The original cable is in my hands.

This incident, however, is but one in a series concerning security, and as I have said, I am at a loss to understand why Mr. Pike has dragged my name into the issue of his confirmation for appointment. I certainly wish him no ill, but I cannot permit the record to be distorted.

I would be obliged if you would communicate this letter to the members of your committee.

Sincerely yours,

LEWIS L. STRAUSS.

The VICE PRESIDENT. The time of the Senator from Connecticut has expired. The time for all debate has expired.

The question is, Will the Senate advise and consent to the nomination of Sumner T. Pike to be a member of the Atomic Energy Commission?

Mr. WHERRY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Gurney | Martin |
| Anderson | Hayden | Millikin |
| Benton | Hendrickson | Morse |
| Brewster | Hickenlooper | Mundt |
| Bricker | Hill | Murray |
| Butler | Hoey | Myers |
| Byrd | Holland | Neely |
| Cain | Humphrey | O'Mahoney |
| Capehart | Hunt | Robertson |
| Chapman | Ives | Russell |
| Chavez | Johnson, Colo. | Saltonstall |
| Connally | Johnson, Tex. | Schoeppel |
| Cordon | Kefauver | Smith, Maine |
| Donnell | Kem | Smith, N. J. |
| Douglas | Kerr | Sparkman |
| Dworshak | Kilgore | Stennis |
| Eastland | Knowland | Taft |
| Ecton | Langer | Thomas, Utah |
| Ellender | Leahy | Thye |
| Ferguson | Lehman | Tydings |
| Flanders | Lodge | Watkins |
| Frear | Lucas | Wherry |
| Fulbright | McClellan | Wiley |
| George | McFarland | Williams |
| Gillette | McKellar | Young |
| Graham | McMahon | |
| Green | Malone | |

The VICE PRESIDENT. A quorum is present. The question is, Will the Senate advise and consent to the nomination of Sumner T. Pike to be a member of the Atomic Energy Commission?

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HICKENLOOPER. Is the question an affirmative inquiry as to the proposition before the Senate?

The VICE PRESIDENT. The Chair will state the question. The question is, Will the Senate advise and consent to the nomination of Sumner T. Pike to be a member of the Atomic Energy Commission? Those who favor Mr. Pike's nomination will vote "yea" when their names are called. Those who oppose his nomination will vote "nay" when their names are called.

Mr. HICKENLOOPER. Is the question on the adverse report of the committee which has been submitted?

The VICE PRESIDENT. It is not. It is on the affirmative question of whether the Senate advises and consents to the nomination. Those who favor Mr. Pike's confirmation will vote "yea" when their names are called. Those who oppose his nomination will vote "nay" when their names are called.

Mr. LANGER and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is absent because of illness.

The Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. MCCARRAN], the Senator from Idaho [Mr. TAYLOR], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

The Senator from Florida [Mr. PEPPER] is absent because of the critical illness of Judge Curtis Waller, a close personal friend.

If present and voting, the Senator from Washington [Mr. MAGNUSON], the Senator from Maryland [Mr. O'CONOR], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. DARBY], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Wisconsin [Mr. MCCARTHY] are unavoidably detained.

The result was announced—yeas 55, nays 24, as follows:

YEAS—55

| | | |
|---|---|---|
| Aiken | Hayden | McMahon |
| Anderson | Hendrickson | Morse |
| Benton | Hill | Murray |
| Brewster | Hoey | Myers |
| Chapman | Holland | Neely |
| Chavez | Humphrey | O'Mahoney |
| Connally | Hunt | Russell |
| Cordon | Ives | Saltonstall |
| Douglas | Johnson, Tex. | Schoeppel |
| Dworshak | Kefauver | Smith, Maine |
| Ellender | Kerr | Sparkman |
| Flanders | Kilgore | Stennis |
| Frear | Langer | Thomas, Utah |
| Fulbright | Leahy | Thye |
| George | Lehman | Tydings |
| Gillette | Lodge | Wiley |
| Graham | Lucas | Young |
| Green | McFarland | |
| Gurney | McKellar | |

NAYS—24

| | | |
|---|---|---|
| Bricker | Ferguson | Millikin |
| Butler | Hickenlooper | Mundt |
| Byrd | Johnson, Colo. | Robertson |
| Cain | Kem | Smith, N. J. |
| Capehart | Knowland | Taft |
| Donnell | McClellan | Watkins |
| Eastland | Malone | Wherry |
| Ecton | Martin | Williams |

NOT VOTING—17

| | | |
|---|---|---|
| Bridges | McCarran | Taylor |
| Darby | McCarthy | Thomas, Okla. |
| Downey | Magnuson | Tobey |
| Jenner | Maybank | Vandenberg |
| Johnston, S. C. | O'Conor | Withers |
| Long | Pepper | |

So the nomination of Sumner T. Pike was confirmed.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

ORDER OF BUSINESS

The VICE PRESIDENT. Under the unanimous-consent agreement entered into a few days ago, the Senator from South Dakota [Mr. MUNDT] is entitled to the floor to deliver an address. The Chair recognizes the Senator from South Dakota.

Mr. LUCAS. Mr. President, will the Senator from South Dakota yield that I may make a short statement and file a petition, without prejudicing the right of the Senator to the floor?

Mr. MUNDT. I yield.

The VICE PRESIDENT. The Chair would suggest that the Senate is still in executive session. Does the Senator wish to have further nominations on the calendar considered? If not, the Senate should resume legislative session. There is quite a list of Army and other nominations on the Executive Calendar.

Mr. LUCAS. Mr. President, I suggest that we proceed with the consideration of the Executive Calendar.

The VICE PRESIDENT. Without objection, the Senate will, while in executive session, consider the other nominations on the calendar, which will be stated.

THE ARMY

The legislative clerk read sundry nominations in the Army.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

THE NAVY

The legislative clerk read sundry nominations in the Navy.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

THE MARINE CORPS

The legislative clerk read the nomination of Maj. Gen. Thomas B. Watson to be lieutenant general on the retired list in the Marine Corps effective from the date of his retirement.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

That completes the Executive Calendar.

LEGISLATIVE SESSION

The Senate resumed the consideration of legislative business.

REORGANIZATION PLAN NO. 27

Mr. TAFT. Mr. President, if the Senator from South Dakota will yield, I wish to give notice that after the disposition of the cloture petition at 1 o'clock Wednesday, I shall seek to have brought up the resolution disapproving Reorganization Plan No. 27. I shall confer later with the majority leader. I desired to have him take the matter under consideration.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 381. An act for the relief of Low Way Hong;

S. 557. An act for the relief of the McCormick Engineering Co. and John E. Price, an individual doing business as the Okeechobee Construction Co.;

S. 587. An act for the relief of Sister Stefania Cuprys;

S. 848. An act for the relief of Lorenzo Buira Sarrate;

S. 1086. An act for the relief of the Dixie Margarine Co., a Tennessee corporation, of Memphis, Tenn.;

S. 1304. An act for the relief of Nicolae G. Caranfil and his family;

S. 1347. An act for the relief of Jose Da Silva;

S. 1869. An act for the relief of Marcantonio Doria d'Angri and his wife, Sonia Stampa Doria d'Angri;

S. 2079. An act for the relief of Mrs. Lydia L. Smith;

S. 2086. An act transferring management of certain public lands from the Agriculture Department to the Fort Sill Indian School in Oklahoma for agriculture uses;

S. 2227. An act to amend the act approved July 18, 1940 (54 Stat. 766; 24 U. S. C., 1946 ed., sec. 196b), entitled "An act relating to the admission to St. Elizabeths Hospital of persons resident or domiciled in the Virgin Islands of the United States," by enlarging the classes of persons admissible into St. Elizabeths Hospital and in other respects;

S. 2231. An act for the relief of Marco Murolo and his wife Romana Pellis Murolo;

S. 2349. An act for the relief of Ho Paak-Sui;

S. 2462. An act for the relief of Ruzina Skalova;

S. 2575. An act for the relief of Yayoko Kobayashi and June Kobayashi, and for other purposes;

S. 2658. An act to establish rearing ponds and a fish hatchery in the State of Kentucky;

S. 2662. An act for the relief of Evzen Syrovatka and his wife;

S. 2682. An act for the relief of Naum Ionescu and his wife;

S. 2735. An act for the relief of Mrs. Vernon B. Rasmussen;

S. 2745. An act for the relief of Marie De Champourcin;

S. 2795. An act for the relief of Fortunato Giulio Torre;

S. 3007. An act for the relief of Stefanie Pfister and Hildegarde Weber;

S. 3582. An act to authorize revision of the procedures employed in the administration of certain trust funds administered by the Veterans' Administration; and

S. 3635. An act to enable the governments of Alaska, of Hawaii, of Puerto Rico, and the Virgin Islands to authorize public bodies or agencies to undertake slum clearance, urban redevelopment, and low-rent housing activities including the issuance of bonds and other obligations, to amend the low-rent housing enabling statutes for Alaska and Hawaii, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3532) for the relief of Mrs. Sirvart Arsenian.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 3506) for the relief of Louis P. Murphy, United States immigrant inspector, El Paso, Tex.; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNE of New York, Mr. LANE, and Mr. JENNINGS were appointed managers on the part of the House at the conference.

FAIR EMPLOYMENT PRACTICE LEGISLATION—CLOTURE MOTION

Mr. LUCAS. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield to the Senator from Illinois.

Mr. LUCAS. The Senator from Illinois made a motion at the beginning of the session that the Senate proceed to the consideration of Senate bill 1728. I send to the desk now a motion for cloture, and ask that it be read.

The VICE PRESIDENT. Without objection, the Chair will waive his right to state the motion, and ask the Secretary to state it.

The motion, with the signatures, was read, as follows:

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the motion of Mr. LUCAS that the Senate proceed to the consideration of the bill (S. 1728) to prohibit discrimination in employment because of race, color, religion, or national origin:

SCOTT W. LUCAS, FRANCIS J. MYERS, HERBERT H. LEHMAN, CLINTON P. ANDERSON, BRIEN MCMAHON, WILLIAM BENTON, JAMES E. MURRAY, PAUL H. DOUGLAS, THEODORE FRANCIS GREEN, HUBERT H. HUMPHREY, EDWARD L. LEAHY, ELBERT D. THOMAS, DENNIS CHAVEZ, HARLEY M. KILGORE, MATTHEW M. NEELY, WARREN G. MAGNUSON (by SCOTT W. LUCAS), GLEN H. TAYLOR (by SCOTT W. LUCAS), KENNETH S. WHERRY, CHARLES W. TOBEY (by KENNETH S. WHERRY), WILLIAM E. JENNER, HOMER E. CAPEHART, FORREST C. DONNELL, BOURKE B. HICKENLOOPER, ROBERT A. TAFT, WILLIAM F. KNOWLAND, HOMER FERGUSON, LEVERETT SALTONSTALL, H. C. LODGE, JR., EDWARD J. THYE, H. ALEXANDER SMITH, JAMES P. KEM, EDWARD MARTIN, ANDREW F. SCHOEPPEL, ROBERT C. HENDRICKSON, JOHN W. BRICKER, JOSEPH P. MCCARTHY, GEORGE D. AIKEN, HARRY DARBY, OWEN BREWSTER, ARTHUR V. WATKINS, IRVING M. IVES, MARGARET CHASE SMITH, HUGH BUTLER, RALPH E. FLANDERS.

Mr. MORSE. Mr. President, I hope there will be no objection to my making a half-minute comment on the cloture motion which has just been filed.

The Senator from Oregon wishes to say that he regrets very much that a motion for cloture has been filed in the Senate of the United States in advance of any filibuster, because he considers it to be a misuse of the cloture rule. There is no Member of the Senate more in favor of a proper fair employment practice bill than is the junior Senator from Oregon, but he believes it to be unfortunate that a precedent is about to be established in the Senate—and so far as I can ascertain, it is a precedent—of proceeding with a cloture motion in advance of even the start of a filibuster. I think we should hear the opponents of the FEPC bill make their case in chief, and if and when a filibuster actually starts, then the junior Senator from Oregon will be perfectly willing to sign a cloture motion. But I desire to say to the Members of the Senate that I think they will rue the day they started this kind of procedure.

If our filibuster rule has gotten into such a position as this, we ought to give consideration to revision of the cloture rule itself. The junior Senator from Oregon will not take second place in the Senate as a supporter of civil-rights legislation, but never will he become a party to what he considers to be a misuse and abuse of the cloture procedure.

Mr. LUCAS. Mr. President, I wish to make merely a brief reply to the distinguished junior Senator from Oregon. Obviously, I cannot control, and I do not desire to control, any action on the part of my able friend from Oregon with respect to signing a cloture motion.

The merits of the bill are not before the Senate upon a motion to consider it. The merits of the bill have been debated at least a week heretofore on a motion to take up. So it seemed to the Senator from Illinois, and to other Senators on both sides of the aisles, when we discussed the question, that it would be absolutely useless and futile to have another debate for a week upon the motion to take up, when we already had that debate some time ago. To go through the same procedure would be rather ridiculous, it seemed to me, at a time when we were trying to expedite business as fast as possible.

Our main desire is to get the votes to take the bill up in order that we can then discuss it on its merits. If, on Wednesday, we can get the 64 votes necessary, there will be plenty of time for the Senator from Oregon and others to discuss the merits of the proposed legislation. There will be no question about that.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. IVES. The Senator from Illinois recalls, does he not, that at the time we dropped the question of taking up the particular bill now being discussed, the Senator from Illinois said that he was dropping it with the understanding that it would be revived later, and that there would be an attempt to have cloture on the question? He dropped it because in his opinion we had had sufficient debate on that particular subject. I do not believe the Senator from Oregon was here during that debate. At the request of some of us the Senator from Illinois did definitely specify that he was going to attempt to invoke cloture upon the motion again, and would try to have the bill considered.

Mr. LUCAS. The Senator from New York is absolutely correct. Furthermore, I should like to remind the Senate of the fact that under the parliamentary situation, within a short space of time, during which business had been transacted, we could have filed another cloture motion, probably on the following day, without having another word of debate upon the bill. The only thing we have done is to postpone action until this time. The Senator from Oregon knows, as does every other Senator, that we could have filed a motion for cloture upon a motion to take up the bill, probably within 24 hours after we filed the first cloture motion, so long as a certain amount of business had been transacted between the time of the filing of the first motion and the filing of the second cloture motion. I undertake to say we could have done that without one line of additional debate to that we have already had on motion to take up.

The Senator from Illinois does not believe he is out of order at all in following this procedure, and certainly those who signed the cloture motion—and I want to congratulate the Senators on both sides, the Republican and the Democratic side, for doing so—believed we were following a proper parliamentary procedure in so doing.

## WAR ACCOUNTS FOR 78 PERCENT OF CURRENT APPROPRIATIONS—STATEMENT BY SENATOR O'MAHONEY

Mr. O'MAHONEY. Mr. President, will the Senator from South Dakota yield to me for a moment?

Mr. MUNDT. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, the chairman of the Appropriations Committee has filed the report of the Appropriations Committee on the single package appropriation bill. During the consideration of the report I was very much impressed by the extent to which war-connected expenditures dominate the report. I have prepared a table showing the total amount of war-connected expenditures, war-connected appropriations, war-connected contract authorizations in the bill as a whole, and specifically in the independent offices bill which was considered by a subcommittee of which I was a member. These figures show that of the total cash appropriations 77 percent of the thirty-two and one-half billion dollars appropriated go for war-connected expenditures; that in the independent offices bill 91 percent of the total cash is for war-connected expeditures.

Mr. President, I ask unanimous consent that the table I have prepared may be printed in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*War accounts for 78 percent of current appropriations—war-connected expenditures (rough estimate)*

| | |
|---|---|
| **CASH APPROPRIATIONS** | |
| Independent offices [1] (out of $8,017,871,977) (90 percent) | $7,260,462,060 |
| Defense establishment | 13,294,581,821 |
| Foreign aid | 4,604,473,729 |
| Total cash appropriations (out of $32,504,972,672) (77 percent) | 25,189,517,610 |
| **CONTRACT AUTHORIZATIONS** | |
| Independent offices (out of $537,017,000) (93 percent) | $502,150,000 |
| Defense establishment | 1,385,785,000 |
| Total contract authorizations (out of $2,183,336,000) (86 percent) | 1,887,935,000 |
| Grand total, cash and contract authorizations, general appropriation bill (100 percent) | 34,688,308,672 |
| Grand total, war-connected items, general appropriation bill (78 percent) | 27,077,452,610 |
| **CASH APPROPRIATIONS [2]** | |
| American Battle Monuments Commission | $9,170,000 |
| Atomic Energy Commission | 647,820,000 |
| Diplaced Persons Commission | 9,000,000 |
| General Services Administration, Strategic and Critical Materials | 605,000,000 |
| Motor Carrier Claims Commission | 227,800 |
| National Advisory Committee on Aeronautics | 59,725,630 |
| Selective Service | 4,954,000 |
| Philippine War Damage Commission | 40,200,000 |
| U. S. Maritime Commission | 100,808,630 |
| Veterans' Administration | 5,813,556,000 |
| Total cash appropriations | 7,290,462,060 |
| **CONTRACT AUTHORIZATIONS** | |
| American Battle Monuments Commission | $1,500,000 |
| Atomic Energy Commission | 300,150,000 |
| General Services Administration, Strategic and Critical Materials | 125,000,000 |
| National Advisory Committee on Aeronautics | 12,500,000 |
| U. S. Maritime Commission | 63,000,000 |
| Total contract authorizations | 502,150,000 |
| Grand total, war-connected items, independent offices bill (91 percent) | 7,792,612,060 |
| Grand total, independent offices bill (100 percent) | 8,554,888,977 |

[1] Breakdown of independent offices bill.

[2] N.B.—This breakdown of appropriations includes the entire amount provided for the Maritime Commission, since the subsidies are based upon war convertibility features, but on the other hand, excludes any TVA items, a large portion of which have been incurred to provide power for the Atomic Energy Commission.

THE OMNIBUS APPROPRIATION BILL

Mr. McKELLAR. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I yield.

Mr. McKELLAR. Mr. President, speaking of the appropriation bill, as all Members of the Senate know, on Saturday the Committee on Appropriations of the Senate reported the bill favorably to the Senate. In view of the statement made by the Senator from Ohio [Mr. TAFT] a short while ago that he was going to make a motion to take up some other measure, I desire to say that tomorrow, on the convening of the Senate, I shall undertake to make a motion that the Senate proceed to the consideration of the appropriation bill. As the Members of the Senate know, this year what heretofore were individual appropriation bills have, with the exception of the District of Columbia appropriation bill, been consolidated into one single bill. I anticipate it will be quite troublesome to pass the bill. In view of the international situation and of the national situation I think we ought to take up the bill at the earliest possible moment and pass it. I hope the Senate will agree with me tomorrow when I make the motion.

Mr. ROBERTSON. Mr. President, will the Senator from South Dakota yield to me to make a unanimous-consent request?

Mr. MUNDT. I yield.

Mr. ROBERTSON. I ask unanimous consent that when we take up the appropriations bill each Senator be limited on each amendment to 10 minutes.

Mr. LUCAS. Mr. President, I object to that request at this time. I should like to wait until the bill comes up in the regular order. Then we will work out a unanimous-consent agreement, I will say to my friend from Virginia.

Mr. ROBERTSON. I do not mind if the distinguished majority leader asks for such an agreement later. If we have hour-long and 2-hour-long speeches on the appropriation bill, the Senate will be considering it well into August.

Mr. LUCAS. I agree with the Senator from Virginia. I believe an agreement is being worked out along that line, I will say to the Senator from Virginia. The Senator from Nebraska [Mr. WHERRY] is not present at the moment. It will be necessary to have another quorum call before we enter into that sort of agreement.

Mr. ROBERTSON. I will say to the Senator from Illinois that I am quite familiar with the bill. I believe that any Senator who cannot express his reasons for favoring or objecting to some one item in the bill in 10 minutes does not understand the subject he is discussing.

Mr. LUCAS. Mr. President, will the Senator from South Dakota yield further?

Mr. MUNDT. I yield.

Mr. LUCAS. I will say to the Senator from Virginia that I am sure we will be able to work out a unanimous-consent agreement along the lines the Senator has suggested.

THE RIGHTS AND PREROGATIVES OF SENATORS BELONGING TO THE MINORITY PARTY

Mr. MUNDT. Mr. President, on Friday, June 30, after the junior Senator from South Dakota had endeavored to move that Senate bill 2311 be made the pending business of the Senate, the distinguished majority leader undertook in a statement to the press, and again on July 5, to lecture the junior Senator from South Dakota concerning the fact that allegedly he had violated some of the precedents of the Senate in so moving.

I had planned to discuss these precedents last Thursday, but due to the fact that the distinguished majority leader had been called from the city, I wrote him a letter and asked that he be here today so we could settle this matter here this afternoon.

Mr. President, before moving to bring Senate bill 2311 before the Senate on Friday, June 30, the junior Senator from South Dakota had made a rather careful study, he thought, of the precedents of the Senate involved in such a matter. But after hearing the Senator from Illinois comment about it, after reading what he had to say about it in the press, I thought perhaps I had erroneously interpreted those past precedents of the Senate. However, after having resumed my study and reexamined the precedents, I find that the distinguished majority leader made an error, which, as a former pedagog, I found sometimes made in a classroom, and that was a failure quite carefully enough to examine the textbook before lecturing from it to the students.

Consequently this afternoon, without any rancor in my heart, and in all good humor, but with the clear determination that the record be kept straight and clear in the interest of minority Senators at any time they may sit in this body, I want to discuss rather thoroughly the precedents of the Senate as they apply to the situation which developed on Friday evening, June 30, and I expect to quote from the greatest of all textbooks, the CONGRESSIONAL RECORD.

I have no desire, Mr. President, to magnify this matter beyond its true proportions. I have no prepared address on the subject. I have handed out no press release. I simply want to discuss the matter in the interest of free discussion on the floor of the Senate, and to do it in a straightforward, off the cuff, from the heart, manner.

In order that we may have the picture clearly before us, Mr. President, let me set the pattern of what happened on June 30. The junior Senator from South Dakota had endeavored since about 4:30 in the afternoon to secure the floor for the purpose of moving to consider Senate bill 2311. It was about 6:30 o'clock, however, before he succeeded in obtaining the floor, and when he did, he made the motion, and immediately a quorum call was asked for. At that time the majority leader returned from his office, where he had been working, and unanimous consent was requested to withdraw the order for the quorum call. The junior Senator from South Dakota acquiesced in that, because he had stated in his earlier remarks he had no intention of pressing for a vote at that particular time. But he did want to focus attention on the legislation.

Mr. LUCAS. Mr. President, does the Senator desire to be interrupted; if so, will he yield at this time?

Mr. MUNDT. I shall be happy to do so at any time.

Mr. LUCAS. I simply wish to make a correction. The Senator said that the Senator from Illinois requested that the suggestion of the absence of a quorum be withdrawn.

Mr. MUNDT. I referred to the junior Senator from Illinois [Mr. DOUGLAS].

Mr. LUCAS. He did not have to request unanimous consent to withdraw the suggestion of the absence of a quorum. He did withdraw it after some 8 or 10 names of Senators were called, after the senior Senator from Illinois came to the floor.

Mr. MUNDT. He asked for consent, and no objection was made.

Mr. LUCAS. He may have asked for consent, but no consent was required, under the rule.

Mr. MUNDT. I am perfectly willing to accept the Senator's explanation of that point.

Then, Mr. President, on July 5, I was engaged in a short colloquy with the distinguished majority leader as to the propriety of making the motion and on the question of giving the Senate an opportunity to vote on Senate bill 2311.

I wish to state the entire record in connection with this matter, so as to have it determined.

The distinguished majority leader said—and I quote from his remarks, as they appear on page 9668 of the CONGRESSIONAL RECORD for July 5:

> I was greatly surprised and, I may say, rather shocked, last Friday evening when only three Members were on the floor of the Senate that the Senator from South Dakota [Mr. MUNDT] had the temerity to move to consider the bill at that time. That was not "cricket," Mr. President; it is not done in the United States Senate. At least, it has not been done since I have been a Member of the Senate.

Mr. President, I should like to repeat the last sentence of that statement, because I think it is very important:

> At least, it has not been done since I have been a Member of the Senate.

Then the distinguished majority leader continued as follows:

> I think we on this side of the aisle are capable of handling the situation, and we are going to handle it as we deem best.

A little later in the colloquy the majority leader said:

> Mr. President, I resent, and I shall always resent the fact that when there were only three or four Members on the floor of the Senate a Member on the other side of the aisle—

Meaning the Republican side—

> attempted to take advantage of the situation, as the Senator from South Dakota did last Friday night. Again I repeat that it was not fair, it was not right, and it was not in keeping with the integrity and dignity of the United States Senate for anyone to do

that. I do not say a Member of the minority party cannot make a motion to consider a bill. It is the way in which the Senator did it that I resent. He waited until the very last minute of the day, when nearly every Member of the Senate had gone home, after I had told every Senator on this side of the aisle that no motions would be made to take up any measure and that no votes would be taken on any measure, and after the same thing had been said on the other side of the aisle by the minority leader. It was then that the Senator from South Dakota moved to take up one of the most controversial bills on the calendar, hoping to slip it by when nobody was around.

Of course, Mr. President, that statement ignores entirely the fact that when I moved to bring up the measure, I said I did not expect to obtain a vote on it that evening.

I quote further from the statement made by the majority leader on July 5, as appears on page 9670 of the RECORD:

Mr. LUCAS. I am not talking about the merits or demerits of the bill. I am discussing the parliamentary processes of the United States Senate. In the 16 years I have served in Congress I do not remember a single instance, certainly not during the 2 years during which the Republicans were in control, when a Member of the minority party sought to move out of order to have a bill considered. That is not done, Mr. President.

Mr. President, let me repeat that statement, because it demonstrates how frail are the memories of all of us because we are so busy with the multitude of things we have to do—so busy that I do not in any way allege that the majority leader was not stating what he believed to be a fact. However, it simply shows that he has forgotten things which have occurred in the Senate comparatively recently:

In the 16 years I have served in Congress I do not remember a single instance, certainly not during the 2 years during which the Republicans were in control, when a Member of the minority party sought to move out of order to have a bill considered. That is not done, Mr. President.

The the majority leader continued, as follows:

That is exactly what the Senator from South Dakota did the other night. That is what I am discussing. That is what I am complaining about. If we are to have orderly procedure from a parliamentary standpoint the majority must take control and keep control of measures which are brought up. That has been the policy throughout the history of the Republic.

The majority leader not only said that has been the policy for the past 2 years, but he said it—

has been the policy throughout the history of the Republic.

Then he said:

I do not say that the minority do not have rights. I do not say that they should not present their case at a proper time or when the situation is serious enough that they do not have some rights with respect to bringing up a bill. However, as I have said many times, whenever the minority can move to bring up a bill at any time they want to bring it up, and succeed, we the majority lose control, handing it over to the minority party. That is not done. It cannot be done if orderly procedure is to continue.

Mr. President, those are all the quotations I have to make from that RECORD. But in order that the situation may be completely before us, I think I should quote the Associated Press dispatches emanating after my attempt on Friday evening, June 30, to have the bill called up.

The Associated Press dispatch says:

LUCAS described MUNDT's action as "an all-time low" in "Senate decency and courtesy."

I repeat, Mr. President, that my action was described, according to that dispatch, as "an all-time low."

After the Saturday session, the Associated Press quoted the majority leader as saying that—

The effort to have S. 2311 brought up was made purely for political purposes, and he warned "some people better stop playing politics while this Korean crisis is on."

Mr. President, I have no desire to comment in kind on the assorted Illinois invective which was launched against me because of my efforts on June 30 to bring this bill before the Senate. I recognize that in moments of heat and surprise, all of us are inclined to say things a little more sharply than we would in other circumstances. Certainly I shall not comment on the rather stern terms launched against me by Senator LUCAS through the Associated Press.

However, Mr. President, I wish to discuss the precedents, because I know that the majority leader, busy as he is, overlooked, when he made those statements, some precedents which have occurred here on the floor of the Senate—and that rather recently.

The most recent one was about 2 years ago—on June 15, 1948—when, as shown on page 8242 of the CONGRESSIONAL RECORD, volume 94, part 7, we find that a discussion occurred, precipitated by the Senator from Arkansas [Mr. FULBRIGHT], about the oleomargarine bill, which apparently in the Eighty-first Congress, as in the Eightieth Congress, had come up for a considerable amount of attention.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. THYE. In line with what the able Senator from South Dakota has just said about the oleomargarine bill and the attempt to have it brought up and considered, let me say that many of us were compelled to sit here evening after evening, evening after evening, waiting, up until the time the Congress adjourned, so as to make certain that a motion to consider that bill did not come before the Senate.

Mr. MUNDT. I thank the Senator for the information, which I cannot read between the lines here in the RECORD.

However, I see in the RECORD that the Senator from Arkansas [Mr. FULBRIGHT] then said:

Mr. President, I desire to say a few words regarding the bill—

Referring to the oleomargarine bill.

Then he said:

I think that the policy committee, in refusing to place the bill on the agenda, must assume full responsibility for killing the bill, if it is killed at this session.

Certainly, Mr. President, I concur completely in that sentiment, insofar as Senate bill 2311 is concerned—a bill proposing that we do something about communism here at home. Certainly I concur completely in, and echo, those remarks by the Senator from Arkansas; and I say that the full responsibility for killing Senate bill 2311, if it is killed at this session, falls squarely on the shoulders of the majority policy committee.

A little later in the colloquy regarding the oleomargarine bill, the President pro tempore said:

The question is on the motion of the Senator from Arkansas [Mr. FULBRIGHT] that the Senate proceed to the immediate consideration of House bill 2245—

As is shown in the center column of page 8243 of the CONGRESSIONAL RECORD, volume 94, part 7, the Senator from Arkansas previously had said:

Mr. President, I move that the Senate proceed to the consideration of Calendar 1485, House bill 2245, to repeal the tax on oleomargarine.

That was one of the precedents I had examined, Mr. President, before I made my motion the other Friday evening, because I have high respect for the statesmanship and loyalty and good decorum of the Senator from Arkansas [Mr. FULBRIGHT]. I had noticed that he had made that motion, and I had studied how he had made it, and I decided that if he had made a motion, as a minority Member in the Eightieth Congress, it would not be improper for me to make a motion in the Eighty-first Congress, when the majority control had switched from the Republicans to the Democrats and I am here as a minority Member of the Senate. After the Senator from Illinois, however, had stated he could never remember when that had happened in the history of the Republic, and certainly not in the past 2 years, I concluded, of course, it had happened in his absence, for, had it happened in his presence, certainly, being consistent as he is, he would have risen at his seat to acclaim against it.

And then I observed that those motions were not debatable, so he could not protest against that "all-time-low and indecent" action of the Senator from Arkansas. I said, "Then, of course, I will find him voting in the negative"—the only way he can vote in order to uphold the position which he presented so vitriolically in my presence the other afternoon, but I find that on the yea-and-nay vote on page 8244, CONGRESSIONAL RECORD, volume 94, part 7, Mr. President, to my sorrow, to my surprise, 57 Members voted favorably to upset the whole program of the minority, and 26 voted in the negative, to maintain the rights of the majority to run the Senate. And among those voting to upset the majority was the then distinguished Senator from Illinois; serving as a minority Member of the Senate, not as the majority leader. Well, of course, that surprised me. It set me to reading further into the textbook—the CONGRESSIONAL RECORD—which, in his professional pontification to the junior Senator from South Dakota, the majority leader had failed to study sufficiently well before lecturing me on the subject the other afternoon and the other evening.

And I find that it was not very far back when the same thing had happened again. So that certainly there can be no criticism of the majority leader for having voted to upset the affairs of the majority, as he did on the Fulbright resolution, because he had a very good precedent to follow. I find that it had happened before in the history of the Republic. I find that it had happened, as a matter of fact, in those 2 years that he pointed out, when he said, "I am certain it never happened then," when the Republicans were in the majority. I find as a matter of fact that it happened just about a year preceding the time the Senator from Arkansas [Mr. FULBRIGHT] brought the matter before the United States Senate. And I find that it happened on May 14, 1947, and those who are interested may study how it happened (CONGRESSIONAL RECORD, volume 93, part 4, page 5265).

I suppose I shall never be surprised so much again, as a Senator on this floor, Mr. President, as I was when I discovered who the author of the precedent was in 1947, the precedent followed by the Senator from Arkansas [Mr. FULBRIGHT] and by the Senator from Illinois [Mr. LUCAS] 1 year later, in 1948. I followed it, 2 years later, in 1950, because the author of the precedent and the man then trying to upset the majority program, then having the "temerity" to make a motion as a minority Senator, was the then distinguished Senator from Illinois [Mr. LUCAS], still serving as a minority Member of the United States Senate, I read on, with considerable interest; and I want to quote from his statements, because I share so completely his convictions at that time and have followed them so meticulously at this time, that, of course, I am surprised that I should be castigated and that I should be "accused of having reached an all-time low" simply because I had followed with a complete parallelism the activity of the Senator from Illinois [Mr. LUCAS]. I have admired the Senator for a long time; I still admire him; and I do not believe it is correct that a man reaches an all-time low when he does in 1950 what the Senator from Illinois did in 1947 and 1948. I think one must find some other reason for criticism, rather than the fact that he has emulated the Senator from Illinois so carefully and so closely.

I now quote from the CONGRESSIONAL RECORD, volume 93, part 4, page 5266, statements made by the then distinguished senior Senator from Illinois—and he is speaking in defense of a motion he had made, Mr. President, after getting the majority leader, Senator White, to yield to him. Speaking in support of a motion which he made at that time to discharge one of the great committees of the United States Senate, headed by the Senator from North Dakota [Mr. LANGER], and to bring up forthwith, without consultation with the majority, without action by the Senate committee, without any attempt to maintain the decorum of the Senate and the order of the majority business, moved to discharge the committee and bring it up; and here are his words:

> I am today taking the privilege in executive session of filing a number of motions to discharge the Committee on Civil Service from the further consideration of certain of the nominations in the hope that, perhaps, by that method it may be possible to secure action one way or the other by the majority party upon what seems, in the minds of some Senators at least, to be one of the most important questions which has been pending before the Senate for a long time.

That was my feeling, Mr. President, exactly, precisely—stated more eloquently than can be stated by this country boy from South Dakota. That was my feeling on the evening of Friday, June 30. I thought S. 2311 was important; I felt it should be brought up. Then, after a while, Senator White induced the Senators then in charge of the time, who were not only the distinguished Senator from Illinois [Mr. LUCAS], whom I admire, but another great Senator whom I admire equally well, the distinguished Senator from Maryland [Mr. TYDINGS]—the two great statesmen were then collaborating to upset the program of the then majority, the Republican Party of the Senate. Senator White, as the majority leader, finally managed to wedge in a question, and it will be found wedged in on page 5267, CONGRESSIONAL RECORD, volume 93, part 4. Senator White said, somewhat plaintively, I suppose, in that pleasant manner for which he was so understandably famous—

> I had the floor awhile ago and was about ready to make a motion that the Senate recess as in legislative session. I did not know that I was to sit here and receive all this castigation from the other side.

So, certainly, if the Senator from South Dakota has been castigated, he has been castigated in mighty good company, because I think the then majority leader, Mr. White, was one of the really distinguished Members of the United States Senate of all times. Mr. White said:

> I have found satisfaction in the good deeds to which the Senator from Maryland has made reference. I rather expected that from him, and I congratulate him that in those instances, at least, he has been right and has done rightly.
>
> I do not want to enter into any agreements with respect to the procedure tomorrow. I am quite content to let the day take care of itself. A motion to recess, of course, would continue the discussion of the foundation bill. I had hoped, and I now hope, that that might be the course to be taken and that there might be some more appropriate time found for this political discussion.

Mr. DOUGLAS. Mr. President, will the very able junior Senator from South Dakota be kind enough to yield for a question?

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from Illinois?

Mr. MUNDT. I am always happy to yield to my friend.

Mr. DOUGLAS. It was not my privilege to be in the Senate in 1947, but I wonder whether the junior Senator from South Dakota will inform us whether the Republican leadership agreed with the motion to discharge the committee, or whether it refused to accede to it? I shall appreciate that information very much.

Mr. MUNDT. If the Senator will but listen attentively, he will hear that in great abundance, right from the words of the RECORD.

Mr. DOUGLAS. I wonder whether my good friend from South Dakota cannot answer the question in a brief compass, instead of reading from the RECORD.

Mr. MUNDT. He could, but he might be guilty of the same failures of memory which were demonstrated on this floor on June 30. So I want to quote from the RECORD, because all of us understandably can forget things that have happened in the past.

Mr. DOUGLAS. I am sure the good Senator from South Dakota would not forget on this question, and it would be a great aid if he would inform us what the attitude was of the Republican leadership in 1947 when the motion was made to discharge a committee. We shall then have the full record on the precedent before us.

Mr. MUNDT. If the Senator will listen attentively to the following pages——

Mr. TAFT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from Ohio?

Mr. MUNDT. I am happy to yield.

Mr. TAFT. Unfortunately, I did not stay for all of this discussion. I only want to state my general experience in this matter. Any individual Senator has always been free in the United States Senate to move at any time to take up any bill. The leader of the majority, however, has always claimed that he had the right to determine what the calendar should be. He did not appeal to the minority; he always appealed to the majority and said, "This is a question of confidence in the party."

No matter who was in the majority, the leader always asked for the support of everyone on his side to maintain his control of the calendar—which was perfectly proper.

On the other hand, any individual Senator has always had the right to move the consideration of any measure and the right has been frequently exercised. I remember when the Senator from Oregon moved to take up the FEPC bill. If I recall correctly, not only did he succeed in doing so, contrary to the majority leadership in the Seventh-ninth Congress, but actually a vote was taken, and it was voted to take it up, contrary to the majority leadership.

There is no question whatever about the propriety of it. Whoever is in the majority the leader necessarily must claim the right to control the calendar, and he must and does appeal to Members on his own side to stand by him on matters of procedure. They nearly always do. But, so far as the propriety of any Senator making a motion to consider a bill is concerned, there has never been any question about it in all the time I have been a Member of the Senate. It is the individual right of any Senator to make such a motion at any time. There is nothing improper about it. If a Senator can obtain a vote on his motion, he has a right to do so.

When the Republicans were in control we, of course, opposed any such motion from the minority side. Of course, the majority leader opposed such a motion, but he did not claim it was improper or in any way low or in violation of the rules of the Senate. He claimed it was an attempt to take control of the procedure from the majority leader. As a rule, the majority has always stood by its leader, as it must if it wants to maintain majority control of the Senate.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield to the Senator from Pennsylvania.

Mr. MYERS. I wonder if the precedents to which the Senator from South Dakota is now referring will show that a motion was ever made to consider a highly controversial bill at 7 o'clock in the evening when only a few Senators were on the floor. If the Senator can find a precedent of that nature, we shall have one which fits the facts.

Mr. MUNDT. If the Senator from Pennsylvania will watch carefully and listen carefully as I read, he will learn something about the time of day when it occurred. I think it will be especially interesting——

Mr. MYERS. The time of day is one thing, if there are 20 or 30 Senators on the floor. I can remember the controversy regarding the discharge of the committee from the further consideration of the confirmation of the nominations of certain postmasters. It is my recollection that there was quite a number of Senators present.

Mr. MUNDT. I am not this afternoon going to rely on recollection, because I discovered on June 30 how faulty recollection can be. I shall quote directly from the RECORD, and the Senator from Pennsylvania may be surprised to learn——

Mr. MYERS. I believe the majority leader was on the floor at the time the Senator from Illinois filed a motion to discharge the committee.

Mr. MUNDT. I do not want the Senator to get into the difficulty of having protested too much. If he will remain quiet for a moment, I shall read the RECORD, and I think he will be surprised at the development.

Mr. MYERS. Will the Senator disclose how many Senators were on the floor?

Mr. MUNDT. There will be some interesting things disclosed in harmony with what the Senator has been suggesting.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MUNDT. I should prefer to proceed, but I am happy to yield to the Senator.

Mr. DOUGLAS. Did the Senator from South Dakota get the same impression from the distinguished Senator from Ohio that I did, namely, that the Republican leadership in 1947 declined to permit the committee to be discharged? That was the impression which I received from the remarks of the very able Senator from Ohio.

Mr. MUNDT. If the Senator will look at the RECORD, in 1948, he will see that the effort of the majority leader on the oleomargarine matter——

Mr. DOUGLAS. I was speaking of the other matter.

Mr. MUNDT. It did not demonstrate that the majority always rallies around the leadership. They voted down the leadership and proceeded. The Senator from Arkansas [Mr. FULBRIGHT], with the full support of the distinguished Senator from Illinois, succeeded in upsetting the program of the majority at that time.

I say to my good friend from Illinois that in 1947 I was serving in the House of Representatives, but I shall quote from the RECORD.

Mr. DOUGLAS. Our very able colleague implied that the majority leadership in both cases refused to have the calendar upset.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. TAFT. I did not deal with any particular case. I said the majority leadership objected to any change in the calendar program, but he did not charge anyone with treason, or anything of that kind.

Mr. DOUGLAS. The Senator said majority leaders have always opposed such action, and, since this was an individual instance, apparently the Senator from Ohio, according to all principles of logic, implied that the majority leader objected in that instance.

Mr. MUNDT. I think they always do object, but I do not want to be accused of reaching an all-time low in Senate decency and courtesy, because I am sure the Senator from Illinois was not reaching an all-time low in what he did when he set the precedent for my own course of action.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. LUCAS. The Senator from Illinois has never moved, at 7 o'clock in the evening, that the Senate consider a bill after both the majority leader and the minority leader had told Members they could go home and there would be no action taken. I never at any time, under such circumstances, moved that the Senate consider a bill.

Mr. MUNDT. Mr. President, I shall proceed to read from the RECORD, because, otherwise, too many Senators will dig too many pitfalls for themselves, and I do not want to set any "booby traps" for anyone.

Mr. LUCAS. Mr. President, it makes no difference about what the Senator says with reference to digging pitfalls. The Senator from South Dakota dug his own pitfall the other evening when the majority leader had left the Senate and had told Senators that there would be no motion to take up any kind of a bill, so far as he knew. I understand that the Senator from Nebraska [Mr. WHERRY] told Republican Members the same thing. The Senator from South Dakota said a moment ago that he had remained from 4:30 o'clock on for the purpose of trying to get his motion before the Senate. He did not advise any Senator on this side of the aisle that it was his intention to move the consideration of a bill. I do not know that he said anything to the minority leader with reference to it.

Mr. MUNDT. I was carefully following the precedent of the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Illinois [Mr. LUCAS], neither one of whom warned any Senator that the matter would be taken up.

Mr. LUCAS. I am talking about the procedure of the Senator from South Dakota with respect to the majority leader and the minority leader.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. TAFT. I dispute the idea of the Senator from Illinois that a Senator is not free to make a motion at any time. The majority leader can remain, or can leave some Senator in charge in order to deal with whatever situation may arise. If there is no promise on the part of the Senator that he will not do a certain thing, there is no bad faith in making any motion he wants to make, morning, noon, or night, so far as that is concerned.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. LUCAS. Perhaps the Senator from Ohio is technically correct, but I undertake to say that when it is understood by both the majority leader and the minority leader, after an all-day debate on some important bill, that there is going to be no vote and no motion to consider any other bill, and Senators are permitted to go home, it is not in accordance with the best practice and procedure of the Senate for some Senator to make a motion to consider a bill. I think if a Senator intends to do such a thing, he should serve notice on Members on both sides of the aisle.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. WILLIAMS. Mr. President, I think it is very important to get the RECORD straight at this point. In line with the statement just made by the Senator from Illinois [Mr. LUCAS], I want to call attention to a statement by the minority leader [Mr. WHERRY] found on page 9044 of the RECORD of June 22, 1950, at which time the minority leader called attention to a violation of this so-called gentlemen's agreement. At that time Mr. WHERRY pointed out how on the previous afternoon the majority leader, the Senator from Illinois [Mr. LUCAS], gave notice that there would be no vote following the vote on the Russell amendment. With that understanding the minority leader and other Members of the Senate left the Chamber, and the next day we were surprised to find there had been another vote taken on a conference report. This was a direct violation of the assurance which had been given to the Members by the majority leader.

Mr. LUCAS. Mr. President, I do not want to prolong this discussion, but my good faith has been impugned by the Senator from Delaware as a result of that situation.

What happened was that the Senator from South Carolina had the conference report taken up with the understanding that there would be no vote on it. The Senator from Missouri [Mr. DONNELL] was occupying the chair of the minority leader. The minority leader [Mr. WHERRY] had informed him what the agreement was. Senators on the Republican side immediately called for a yea-and-nay vote on the conference report, and the Senator from Washington [Mr. CAIN] was responsible for the yeas and nays being taken. Certainly there was no question about my trying to break faith with anyone.

Mr. WILLIAMS. The majority leader, in keeping with his promise to the Members of the Senate, could have recessed the Senate and voted the next day had he so desired.

Mr. MUNDT. Mr. President, continuing, I shall quote from the statement made by the then majority leader, former Senator White. He concluded by saying:

I had hoped, and I now hope, that that might be the course to be taken and that there might be some more appropriate time found for this political discussion.

Continuing, former Senator White said:

Mr. WHITE. In the situation which confronts me I shall not consent to anything. If I have the opportunity to take the floor again in my own right I shall move that, as in legislative session, the Senate recess until 12 o'clock noon tomorrow. That will keep the bill which has recently been before the Senate in its position. I think it is vastly more important—and I say this with great respect to the Senators on the other side—that we proceed with the unfinished business as rapidly as possible and that the observations which are being submitted—I say this to the Senator from Illinois with great respect—be submitted at a more appropriate time.

Mr. President, we are moving into areas of discussion dealing with time. We find the then majority leader talking about time. We find that he was referring to the fact that it was not the appropriate time. We have not yet come to the question of whether it was 4:30, 5:30, or 6:30. The discussion so far deals however with the important question of time.

I quote further:

Mr. LUCAS. I appreciate what the able Senator from Maine has said with reference to submitting observations at a more appropriate time, but I do not know of any more appropriate time than to submit them when we can finally meet in executive session.

Mr. WHITE. I make the suggestion that it would be a more appropriate time when some of the majority members of the committee of which complaint is made are on the floor.

Mr. President, someone said something about the majority leader not being on the floor when I made my motion. He was not on the floor. That is correct, Mr. President. He returned to the floor, and things were pretty well adjudicated from that point on. It is true that he was not on the floor at the time I made my motion. It is also true that the Senator from Illinois made his motion when the members of the committee involved in the bill were not on the floor. I put that in merely for the purpose of clarifying the record.

The Senator from Illinois then said:

Mr. LUCAS. I cannot control the majority on the floor.

That comment occurred while the Senator from Illinois was minority leader. He said:

I cannot control the majority on the floor.

I am not trying to say that he cannot control them now.

He continued:

It is too bad that there are not more Members present on the other side.

I mention that for the benefit of my good friend from Pennsylvania [Mr. MYERS]. He referred to how many Members were on the floor.

I quote further:

Mr. WHITE. I should think that if the Senator from Illinois knew he was going to make the talk which he is making he might well have notified someone on the majority side—

Ah, Mr. President, how sweetly history sometimes does repeat itself. We heard echoing through this hall only a few minutes ago some words about notifying the majority in advance. Apparently all we shall establish here today is the axiomatic truism that "it depends on whose ox is being gored." I quote again this highly interesting and, to this very junior Senator from South Dakota, tremendously informative comment from the distinguished majority leader of the United States Senate:

Mr. WHITE. I should think that if the Senator from Illinois knew he was going to make the talk which he is making he might well have notified someone on the majority side that it was in contemplation, and members of the Civil Service Committee having jurisdiction over these nominations might have been present to speak for themselves.

Mr. LUCAS. Let me say to my able friend that if I had been certain that I could have obtained the floor and would not be deprived of it by an adjournment or a recess——

I quote that now, Mr. President, as coming from the junior Senator from South Dakota. Had I been certain that I could have obtained the floor, and not have been deprived of it by some parliamentary move, of course I would have consulted the majority leader. However, I was quite certain on June 30, as the Senator from Illinois was certain in 1947, that to tip over one's hole card too soon is to let someone else pick up the chips in the game. Consequently, I followed as meticulously as I could the precise method and timing of the present majority leader of the United States Senate.

I continue reading the RECORD:

Mr. WHITE. Of course, I do not know how long it will be before I regain the floor.

Mr. LUCAS. It will be some time, I may say to the Senator from Maine, unless he enters into an agreement with the Senator from Maryland.

At least, it can always be said for the junior Senator from South Dakota, when he was conducting, to quote the Senator from Illinois, an all-time low in Senate decency and courtesy, that he did not try to blackmail anyone. It cannot be said that he tried to make any deals. He did not say to anyone, "All right, I will give you permission to withdraw the quorum call provided you tell me when you are going to bring up S. 2311 for a vote." At least, the junior Senator from South Dakota cannot be accused of following the majority leader quite to the excess of the Senator from Illinois trying to negotiate with the then majority leader at the point of a gun.

I continue to quote what the Senator from Illinois [Mr. LUCAS] said in the CONGRESSIONAL RECORD, volume 93, part 4, page 5268:

I wish to say to him—

Referring to former Senator White—

that the unfinished business, the bill relating to the Scientific Foundation, is exceedingly important from the standpoint of the welfare of the economy of the United States, as well as of the world, but, on the other hand, if the Senator from Maine were to make such an argument in a small community such as the one to which I referred, to the postmastership of which one of these veterans had been nominated, he probably would be challenged from the beginning to the end.

Furthermore, Mr. President, the Senator from Maine has said that this is a political discussion.

That is what the Senator from Illinois called my effort. He said it was a "political discussion." With boys dying on the sands of Korea, while being stabbed in the back at home by unknown Communists whom the junior Senator from South Dakota would like to register or force into the open, the majority leader said it was a political discussion. He said on May 14, 1947:

I do not know who brought on the political discussion unless it was the majority, because of their action in holding up the confirmation of these nominations. They can call it politics if they want to, but we on this side of the aisle did not start it.

Mr. President, I skip along. I do not intend to quote all the Senators who engaged in the colloquy. I skip along and I find the following in the CONGRESSIONAL RECORD, volume 93, part 4, page 5270:

I want it distinctly understood that I did not bring this matter up today simply because the Senator from North Dakota happened to be out of the city. I did not have the slightest notion where he was when I began my remarks.

I say that for the benefit of my good friend from Pennsylvania [Mr. MYERS]. I want the Senator to understand that the minority leader at that time, the Senator from Illinois, brought up the motion to discharge the committee when the chairman of the committee was not only out of the Chamber, but was out of the city. At least, Mr. President, when I struck the position which the Senator from Illinois referred to as "an all-time low in Senate decency and courtesy," I did not select a time when the majority leader was out of the city. In fact, I respectfully deferred making my comments until today because the majority leader was out of the city on Thursday, when I had originally intended to say what I am saying now.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. MYERS. I merely pointed out that the majority leader was present at the time there took place the controversy to which the Senator is now referring. The majority leader was on the floor at the time, regardless of what members of the committee may have been on the floor. That is an important point in this discussion. As I read the RECORD, at least seven Members of the Senate took part in the controversy, and a great number of others were on the floor at the time. However, at least seven Members of the Senate participated in the discussion. When the Senator from South Dakota made his motion on Friday evening only three Senators were on the floor. I know that the Senator from South Dakota does not seem to care to rely on one's recollection, but I remember that there were a great many more than seven Senators on the floor at the time to which he now refers.

Mr. MUNDT. It certainly is not the purpose of the junior Senator from South Dakota to get into an argument with the Senator from Pennsylvania as to whether there were three Senators on the floor at one time, seven at another, or eight at another. It is not my purpose to say that they were discussing the same bill. The Senator might as well arise and say, "It was a different measure entirely, because it was Senate bill 2311 of one Congress, and the other was another measure." The same issue was involved, namely, "Do the minority Members of the United States Senate have the right, without being publicly abused, to make a motion to bring up a bill?" That is what I am interested in, and I think that before we conclude this evening all of us are going to decide that whoever is in the majority, any minority Senator still has a perfect right to present a motion at any time when it is in order from a parliamentary standpoint.

Mr. President, while I am referring to the majority leader and the minority leader, I may say that it has been stated that the majority leader had told the Members of the majority that there was going to be no business on June 30, and that he had also told the minority leader that, and that the minority leader was certain of that.

Mr. President, I have heard the Senate referred to as the world's most exclusive club, meaning 96 Members. It was at one time referred to as the world's most exclusive gentlemen's club. Now it is referred to as the world's most exclusive club, being composed of 1 lady and 95 gentlemen. That does not mean that it is the world's most exclusive club composed of two, the majority leader and the minority leader. After all, some of the rest of us have rights.

Neither the majority leader nor the minority leader rose and said there was nothing more to be done on the day in question. I believe that as a minority Member of the United States Senate I have a perfect right to make a motion, just as any other Member of this body does, at any time when there is no business being transacted by the Senate. The majority leader may talk to the minority leader and the minority leader may talk to the majority leader, leaving 94 Members of the Senate in the dark, but we do not want to have such an exclusive club that we can listen to what only 2 say.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield to the Senator from Pennsylvania.

Mr. MYERS. The Senator and I have been friends for many years, having served in the House of Representatives together. Perhaps my recollection is faulty; the Senator says that memory sometimes fails. However, I think I have a recollection of the Senator himself rising late in the evening and asking if there were going to be any votes that evening, and as acting majority leader I accommodated him by saying I did not think so, and that he could go back to his office, because I was certain there would be no votes.

Unless we can transact business in that way in the Senate, I do not think we can transact business at all. I believe we do have to have informal understandings and agreements that after a vote is held, let us say, at 4 o'clock this afternoon, Senators can go about their business, because we have so much to do that we cannot spend all our time on the Senate floor. I think we are justified in having confidence in each other, and when Senators on the other side of the aisle consult the majority leader and ask him whether there is to be a vote on a certain afternoon, they are entitled to have confidence in the reply.

I understand that any Senator can rise at any time and move to consider a bill. Of course every Senator has that right. But we can never transact business unless we transact by unanimous-consent agreements, unless we have confidence in each other, so that when we give our word that there will be no vote, we may know that will be followed through. That is not an agreement between two men. Both the majority leader and the minority leader are chosen by their respective sides. The only objection is as to the method pursued, not that a Senator does not have an absolute right to make a motion. I really think the matter could be handled in another way, which would not be unfair to other Senators.

Mr. FERGUSON. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield to the Senator from Michigan.

Mr. FERGUSON. Is not the record clear that on June the thirtieth the Senator from South Dakota stated that he did not desire to force a vote at that time upon his motion, that he was merely making it because there was no business pending before the Senate?

Mr. MUNDT. That is precisely the fact, and I appreciate the Senator calling that to my attention. I was going to recall to the Senator from Pennsylvania my short comment at the time on June 30 that I made the motion to make Senate bill 2311 the pending business. I quite agree that we should have confidence in each other. But my intention was to fix attention on a bill which had been pigeonholed for a long time. I precisely stated I would not press the matter for a vote that day.

Mr. President, I desire to carry on now, because I am nearing the conclusion of this unpleasant task. But it really is not so unpleasant, because if we are to have any minority responsibility and any minority opportunity, the minority Members of the Senate cannot sit mute in a body like this when their motives are put in question, when as members of the minority, they do things they have a perfect right to do. Certainly when they follow in the illustrious footsteps of those who preceded them in the seats of the minority, and do things exactly in the manner and in the way and at the time the Senate majority leader did them when he was in the minority, it is more than strange that they should be castigated and chided.

Mr. President, I continue the quotation from the Senator from Illinois. He said:

> I want it distinctly understood that I did not bring this matter up today simply because the Senator from North Dakota happened to be out of the city. I did not have the slightest notion where he was when I began my remarks.
>
> This matter has been pending for months, weeks, and days, and this is one of the first opportunities we have had in an executive session really to bring it to the attention of the Senate, in view of the tremendous amount of work the Senate has been doing on other important matters.

Mr. President, this other occurrence was at almost exactly the same time of the year, in June. My bill had been pending for weeks and months, and this was my first opportunity to take action. I did exactly what the precedents taught me. So I was more than surprised, and a little disappointed. But I am a charitable young fellow from South Dakota, and I know that in times of heat we may all say things we do not exactly mean.

Senator White, of Maine, then said:

> It is an unfortunate fact—

I am sorry the Senator from Pennsylvania has departed from the Chamber. I wanted to state why I desired to cut off the earlier colloquy.

Mr. MYERS. Mr. President, I had just stepped into the cloakroom. I cannot be in two places at the same time.

Mr. MUNDT. I understand that fully. I was about to say that I was merely trying to demonstrate how frail human beings are when they rely on memory. I now read what Senator White, of Maine, said in the debate referred to:

> But it is an unfortunate fact that the chairman of the committee gave notice yesterday that he would be absent for a week, and that today this assault comes on his committee and on the Senator as chairman of the committee. I feel that it is regrettable; I feel it is inexcusable.

That was the then majority leader, I suppose talking in the same excited hyperbole employed by the present majority leader when he was castigating the Senator from South Dakota, because I am sure the Senator from Illinois did not know or remember that the Senator from North Dakota had given notice that he was to be absent for a week.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield to the Senator from Illinois.

Mr. LUCAS. The senior Senator from Mississippi [Mr. EASTLAND] desires to leave for the night. Does the Senator from South Dakota think it is safe for him to go, and that there will be no motions of any kind made tonight?

Mr. MUNDT. It is safe so far as the junior Senator from South Dakota is concerned.

Mr. EASTLAND. Mr. President, I ask unanimous consent that no business be transacted while I am absent.

Mr. MUNDT. I object, if my remarks are considered business.

Mr. EASTLAND. No; I mean that there will be no votes.

Mr. MUNDT. Very well. I now desire to continue with the colloquy I have been reading, because I do not want the RECORD to indicate that I have felt that the Senator from Illinois was taking an unfair advantage of my colleague from North Dakota. The Senator from Illinois [Mr. LUCAS] then said:

I do not agree with the Senator. It may be regrettable that the Senator from North Dakota is not here, but it is not inexcusable, so far as I am concerned, and I resent the statement—

He was resenting things back in 1947 just as badly as he was resenting what I said on June 30. That makes me feel better. He said:

I resent the statement that it is inexcusable, because there is not anything so important from the standpoint of certain individuals, who are entitled to their rights in this country, as having this matter brought before the Senate of the United States—

And so forth. Now, Mr. President, I read from the CONGRESSIONAL RECORD, volume 93, part 4, page 5272. I give the page number so Senators may follow me. Senator White spoke up. He said:

Mr. WHITE. Yes, Mr. President, that may be so; but the fact remains that the Senator from Maryland and the Senator from Illinois have found the occasion when the chairman of the committee was absent, when he had given notice that he was to be absent; and the Senators chose that time to bring it onto the floor of the Senate and to suggest certain procedure.

Mr. President, it is a small, trivial matter, who makes the motion to recess. I submit that I had the floor, that I was about to make the motion to recess, and I thought I was doing a courteous thing when I yielded to the Senator from Illinois. I now find myself in a position where the Senators on the other side propose to take charge and to make motions. I do not like it.

Majority leaders, I guess, have many things in common, even though belonging to different political parties. I do not blame them for not liking it when some minority Senator wants to make a motion, but I think they ought to repel such an attempt in accordance with parliamentary procedure, rather than by use of invective, and by assuming that such a thing had not happened before in the history of the Republic, although we can find that it has, by consulting the textbook, the CONGRESSIONAL RECORD.

The Senator from Maryland [Mr. TYDINGS] spoke up, because he was working with the Senator from Illinois on this project, and said:

Mr. TYDINGS. I may say to the Senator from Maine that I think if he will reflect a minute, he will concede that the position he takes is not altogether fair. Certainly, the Senator moved the various motions that were made, to handle and to expedite consideration of the Executive Calendar. We did not interrupt him. But then, if the Senator had kept the floor through all this, and had moved to adjourn, what he is saying in effect is that we, who wanted to transact business in executive session, should not have interfered with his making a motion to recess. That is untenable. Certainly we are Senators and we have got a right to rise and make any motions we see fit, before a recess is taken.

If that were true, as I am sure it was when enunciated by the Senator from Maryland in 1947, Mr. President, I submit it was equally true on the evening of June 30, 1950. There is nothing improper and nothing low and indecent about a man making a motion of that type. While I am not familiar with the English game of cricket, I know something about baseball, and it is certainly in keeping with the display of sportsmanship found in the great American game of baseball. I do not claim to be an authority on the English game of cricket.

I continue to quote, Mr. President, because Senator White now has something to say which is kind of interesting regarding the matter of time. Mr. White said:

Mr. President, I decline to yield at the moment. I do want to say that I do not like the course of conduct followed here at this late hour this afternoon.

Mr. McCLELLAN. Mr. President, will the Senator yield to me?

Mr. MUNDT. Mr. President, I ask unanimous consent to yield to the Senator from Arkansas without jeopardizing my rights to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that there be no vote on any issue this afternoon except a motion to recess.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Is there objection? If not, it is assumed that unanimous consent has been given that there will be no vote on any measure before the Senate this afternoon.

Mr. McCLELLAN. Except a motion to recess.

Mr. MYERS. Mr. President, reserving the right to object, and I do not object, I certainly trust that this will not become a precedent. If the unanimous-consent request is agreed to, there is likelihood that it would be a very bad precedent. I do not object, however, Mr. President.

Mr. McCLELLAN. Mr. President, I include in my unanimous-consent request also any motion, except a motion to recess.

Mr. FERGUSON. Mr. President, reserving the right to object, it also should not be a precedent with respect to motions to consider measures, because, as stated by both the majority leader back in 1947 and by the distinguished Senator from South Dakota at the present time, it is proper for any Senator to make a motion at any time he can obtain the floor. He should obtain the floor if he rises first, whether he be a member of the majority or minority party. He may then make such motions as are within the rights of any member to make at the time he desires to make them.

Mr. WHERRY. Mr. President, has the request been acted upon?

The PRESIDING OFFICER. The Senator from South Dakota has the floor. Does the Senator yield to the Senator from Nebraska?

Mr. MUNDT. I yielded for a unanimous-consent request, Mr. President.

Mr. WHERRY. Mr President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. What disposition was made of the request?

The PRESIDING OFFICER. The Chair has consulted the parliamentarian. The unanimous-consent request of the Senator from Arkansas, as the Chair understood it, was that there should be no motion proposed and no vote taken on any question except a motion to recess.

Mr. WHERRY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Has the Chair announced whether or not the unanimous-consent request was agreed to?

The PRESIDING OFFICER. The Chair announced that, no objection having been made to the unanimous-consent request that no action be taken, the request was approved.

Then the Senator from Arkansas made the supplementary request that the request should also include that no motion should be made. Unanimous consent has not been granted to the second request.

Mr. WHERRY. That is the pending question now, is it not?

The PRESIDING OFFICER. Yes, that is the pending question.

Mr. WHERRY. Mr. President, reserving the right to object, I will say I do not believe this is a precedent. I think a Senator has a perfect right to make a unanimous-consent request for anything he wants to ask, in the hope he can obtain it. I do not believe that such a request if granted would in any way either aid or hinder any motion that might be made at any time during the session of the Senate.

However, Mr. President, I should like to make an observation. I want the distinguished Senator from South Dakota clearly to understand, as I have already said on the floor, that I feel that the Senator from South Dakota was wholly within his rights in making the motion to consider the bill which he moved to consider, regardless of whether 3 Senators were present on the floor, or whether 7 Senators were present on the floor, or whether 77 Senators were present on the floor. What the Senator did should be pretty good notice to all of us that until the Senate has taken a recess or adjourned we should remain on the floor.

Mr. President, still reserving the right to object, later I should like to explain the part the minority leader had in the incident to which the distinguished Senator from South Dakota has referred.

The matter came very forcibly to my attention the other day during the observations made by the majority leader, and also when I read the record of what the Senator from South Dakota said on June 30. I want the Senator to know that there was no agreement made between the minority leader and the majority leader about the business of the day. At 3 o'clock the Senate voted on the District rent-control bill. I will say that when a vote is taken on Friday afternoon it has become a custom for Senators to ask the majority or the minority leader, "Will there be any other business transacted today?"

Of course the minority leader has to depend entirely upon the majority leader in order to know what program the Senate is supposed to have presented to it.

So it is very difficult for the minority leader to advise the minority Members of what might be taken up, unless he has been advised as to what the program will be.

I should like to say to the minority Members that, especially during the remainder of the session, when the Senate is in session the place for Senators to be is on the floor of the Senate, and they should be here to resist or to support motions or anything else which comes up for consideration.

I have tried to do that, both in a previous session as acting majority leader and in the present session as minority leader of the Senate. It is very difficult to do it. However, I think the record will show that the junior Senator from Nebraska is constantly on the floor of the Senate, doing his level best not only to cooperate with the majority in regard to the program of the Senate, but also in endeavoring to cooperate in letting the minority Members know what will come up for consideration. I have done my best.

Mr. President, let me say that I do not know that there is any duty resting exclusively on the minority leader to keep the minority Members informed in regard to what the program will be. I will say that whenever a unanimous-consent agreement is entered into, the minority leader will inform the minority Members of it and, furthermore, will do his utmost to see that the agreement is carried out.

With regard to the request which has been made, I wish to say that I shall not object to it. I think it is a perfectly proper request. I do not think it will establish a precedent in any way, shape, or form. I do not think any unanimous-consent agreement establishes a precedent. Whenever a Senator can obtain a unanimous-consent agreement, he is rather lucky, it seems to me. Furthermore, I think that each unanimous-consent agreement stands on its own feet.

So I think the unanimous-consent request is proper, and I hope it will be agreed to.

I wanted to explain the part I had to play in the transaction occurring on the particular day which has been mentioned. Certainly any Senator has a right to make such a motion as was made by the Senator from South Dakota, on any day during this session.

Mr. KEM. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KEM. Does the proposed unanimous-consent agreement apply to all unanimous-consent agreements which may be proposed during the remainder of today?

The PRESIDING OFFICER. Yes.

Mr. KEM. In other words, there are to be no further unanimous-consent agreements today?

The PRESIDING OFFICER. The request is that no motion be made to have the Senate take up any business, other than a motion to take a recess.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. I was called from the floor, and have just returned. Is a unanimous-consent agreement pending?

The PRESIDING OFFICER. That is correct.

A unanimous-consent agreement has already been entered into that during the remainder of the session today, no vote will be taken on any matter except a motion to take a recess.

Supplemental to that unanimous-consent agreement, unanimous-consent has been requested that during the remainder of today no motion will be made to have the Senate take up any business, other than a motion to take a recess.

Mr. MORSE. Mr. President, to such extent as I am able to do so under the existing parliamentary situation, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MORSE subsequently said: Mr. President, a few minutes ago when there was a unanimous-consent request before the Senate, the junior Senator from Oregon objected. He did not desire to take the time to set forth the reasons for his objection at that time because he did not care to impose upon the time of the junior Senator from South Dakota [Mr. MUNDT]. But he would like to have permission to have the remarks he desires to make at this time inserted at the point where the objection was raised.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. MORSE. Briefly, I wish to say that I am very much surprised to find that the unanimous-consent request had been made and that the Senate had allowed it to be agreed to without a quorum call. The junior Senator from Oregon is sure that the minority leader of the Senate was simply guilty of an oversight, because he is certain that the minority leader will recall, now that his recollection is refreshed by the junior Senator from Oregon, an incident during the Eightieth Congress when the then majority leader, Mr. White, of Maine, and the now minority leader, the junior Senator from Nebraska [Mr. WHERRY], then whip of the Senate, allowed a unanimous-consent request to be agreed to while the junior Senator from Oregon was out of the Chamber, having been called to the cloak room to take a long-distance telephone call.

This afternoon the junior Senator from Oregon had been called to the reception room of the Senate to confer with an Oregon constituent on a very important matter. When he walked back on the floor of the Senate he discovered that another unanimous-consent request had been agreed to without a quorum call.

Mr. President, I was very much surprised at such action, because I thought that following the incident of the Eightieth Congress we had a pretty good gentlemen's understanding and working arrangement in the Senate that unanimous-consent agreements would not be entered into in the absence of a quorum call.

The debate during the Eightieth Congress showed that the Senator from Nebraska [Mr. WHERRY] at that time, as well as the then majority leader, Mr. White, of Maine, pointed out that a Member of the Senate did not have a right to a quorum call for the consideration of a unanimous-consent agreement save and except under the rules of the Senate when it was proposed to fix a definite time for a vote on a bill or a resolution. The junior Senator from Oregon said at that time that he recognized that he was not entitled as a matter of right to a quorum call, but he was perfectly willing to leave it to the then majority leader and the Republican whip as to whether or not senatorial courtesy did not entitle a Member of the Senate who was within range of the bells of the Senate to have a quorum called when a unanimous-consent agreement was requested.

I submit again, as I did on that occasion—and as I recall there was general agreement with the junior Senator from Oregon at that time—that if a Member of the Senate is within the sound of the bells he is entitled to an opportunity at least to pass his judgment on whether or not a unanimous-consent agreement shall be entered into, irrespective of the subject matter of the unanimous-consent request. The junior Senator from Oregon thought that there was a general acceptance of his point of view in the Eightieth Congress, and the record would seem to indicate that there was an acceptance. He desires to say now, in complete fairness to the minority leader, that the minority leader, the Senator from Nebraska, has been very cooperative with the junior Senator from Oregon on all past occasions since the Eightieth Congress incident, in extending to the junior Senator from Oregon the courtesy of a quorum call. But I can well imagine that in the rush of affairs this afternoon he forgot about the understanding, and therefore I make no criticism of him, other than once again to point out for the record that it will always be the position of the junior Senator from Oregon, whenever he is on the floor of the Senate and a unanimous-consent request is made, to ask for a quorum.

I do not desire to place myself at the mercy of the distinguished Senator from Illinois [Mr. LUCAS], and ask him to protect my wishes on the floor of the Senate. I am going to continue to insist that the leadership of my party on this side of the aisle extend to me the assistance I want in this matter.

Therefore, Mr. President, I make this statement for the RECORD this afternoon, in the hope that in the future when a unanimous-consent agreement is requested, the minority leader, whoever he may be, will extend to me the courtesy of a quorum call.

Mr. MUNDT. Mr. President, I have only a few further remarks to make on this subject.

I had just completed quoting a statement by the Senator from Maryland [Mr. TYDINGS] that—

Certainly we are Senators and we have a right to rise and make any motions we see fit, before a recess is taken.

Then the Senator from Illinois [Mr. LUCAS], as shown in the CONGRESSIONAL RECORD, volume 93, part 4, page 5273, said:

Mr. President, let me say in conclusion of the debate that this is the first time in my experience as a Member of Congress that I have filed a motion to discharge a committee from further consideration of legislative measures or nominations submitted by the Chief Executive.

Mr. President, I assume that he was accurate in his memory on that connection; I have no inducement to go back and check on that matter.

He then said:

I filed the motions with great reluctance.

Mr. President, let me say that I filed my motion with great reluctance. The parallel between the two courses of action is so close that it seems to me it is clear that that pathway can be followed in the Senate of the United States; but reluctantly the Senator from Illinois made his motion, and reluctantly I made mine—those motions being in regard to matters which each of us considered to be of vital importance.

Then the Senator from Illinois said:

I had hoped that some constructive action in accordance with fairness and justice would come from the Committee on Civil Service of the United States Senate, but as days dragged along and even extended into months, and no action was being taken to relieve these veterans and other worthy citizens of various communities in every State in America, I felt, as a United States Senator from Illinois, that it was my bounden duty to secure action by taking the procedure which is allowed a Senator under the rules of this body.

Mr. President, I could not have said it more appropriately for myself on June 30; I would change only the designation of the State. I repeat, with regard to Senate bill 2311, that I felt, as a United States Senator from South Dakota—not from Illinois—that it was my bounden duty to secure action by taking the procedure which is allowed a Senator under the rules of this body.

The Senator from Illinois said that in 1947; the junior Senator from South Dakota says it in 1950.

I quote further the Senator from Illinois——

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MUNDT. I cannot yield at the moment, I am sorry to say.

Mr. President, the Senator from Illinois said further, on that occasion:

Mr. President, I propose to follow through on this matter. The opposition can term my actions anything they please. I know whereof I speak on this question.

Mr. President, I am not sure that I can match in perseverance the bulldog tenacity of the Senator from Illinois; but I commend him for his statement, and in the remaining days of this session of the Senate I shall do my best to emulate his activities and to follow through on this matter.

I repeat, in the words of the Senator from Illinois, that the opposition can term my actions anything they please—including, if they must repeat the phrase, that they are "an all-time low in Senate decency and courtesy."

Mr. President, the Senator from Illinois said one other thing, and I wish to quote it, and then I shall conclude the quotations:

I looked up the rules carefully—

As, in turn, did the junior Senator from South Dakota—

and examined into the matter thoroughly—

As, I may say again, did the junior Senator from South Dakota—

before I made the motions to discharge the committee with respect to these various nominations.

Then the Senator from Illinois proceeded to show why he continued in that endeavor. He said:

I do not know when we will have another executive session. The majority can control whether or not we shall have another one. It has been days since we have had one, and it might be weeks before we have another executive session. But this matter is now before the United States Senate, and we are going to talk about it tomorrow and the next day and the next day until these nominees, these veterans, are given their just deserts. That, Mr. President, is no threat. It is no idle promise. We are going to have a show-down on this matter. That is all I have to say.

Mr. President, let me say that I could not put it better in 1950 than the Senator from Illinois expressed it in 1947. I feel that way about Senate bill 2311. I feel that way about the continual pigeonholing of the only bill before the United States Senate which even purports to do anything about communism here at home.

I feel that way about a piece of proposed legislation which would require the Communists in America to register, to identify themselves, to identify their front organizations, to give us some protection against propaganda and sabotage and false peace petitions, at a time when American boys are dying in Korea in a fight against communism, and at a time when we are exercising the draft to take boys from the farms and the homes, to send them off into a bloody war against communism, which up to this late hour we, as Members of the Eighty-first Congress, have not done a single thing to curtail.

So, Mr. President, I say, in warm emulation of the example placed before me in 1947 by the distinguished senior Senator from Illinois, that I looked up the rules carefully and examined the matter thoroughly before I made the motion; and I, too, do not know when I shall have another opportunity; but if it should come along, I propose to exercise it; and, Mr. President, "that is no threat, it is no idle promise." We are going to have a show-down on this matter, if the junior Senator from South Dakota can bring it about, as the Senator from Illinois rightfully said he was going to have a show-down, if he could bring it about. I am not sure how successful he was; I think some of the nominations to which he referred were confirmed.

I hope to have some modicum of success; but I hope I am not accused of doing things that are irregular, if at some time during this session or at a future session, as a minority member of the United States Senate, I endeavor to do what I can to promote the enactment of legislation in which I am vitally interested.

Mr. President, that is all I have to say, so far as concerns the colloquy with the distinguished senior Senator from Illinois.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. CAIN. The Senator from Washington has been listening with real sympathy and a considerable amount of personal interest to the anguish which has overcome his distinguished friend from South Dakota, and partly for the reason that the Senator from Washington suffered from exactly the same cause in January 1950. The Senator from Washington has noticed that the Senator from South Dakota has been collecting a few precedents. If he is interested in furthering his case and his right as a United States Senator to move to consider a bill at any time, the Senator from Washington will be most pleased to offer to him for his collection several pertinent quotations of statements made to the Senate by the majority leader on the eighteenth and nineteenth days of January 1950. Will the Senator permit me?

Mr. MUNDT. I shall be interested in hearing the precedents read into the RECORD, yes.

Mr. CAIN. I think they properly belong in the RECORD, because of the joint, collective, and individual desire on the part of Senators, to move, legitimately and without criticism, to consider a bill whenever a Senator individually considers it to be legitimate and proper to do so.

On January 18 the Senator from Washington moved to proceed to the consideration of House bill 3905, Calendar No. 644, a bill to amend section 3121 of the Internal Revenue Code. Shortly after I made the motion, the Senator from Illinois [Mr. LUCAS] said:

Mr. President, I hope the Senator from Washington will not press the motion. * * * The distinguished Senator from Georgia has assured the Senate he will call

up this bill at the proper time. I have attempted to reassure the Senate, as majority leader, that we shall consider excise taxes, and, after all, what the Senator is now attempting to do is to take over the leadership of the Senate.

That comment was directed to the junior Senator from Washington, on the 18th day of January 1950, as it was at a later date directed in substance to the Senator from South Dakota.

Mr. MUNDT. I am sure that the Senator from Illinois inadvertently forgot, then, as he did on the other occasion, and that it was not intentional.

Mr. CAIN. We shall take it for granted that it was not intentional, but we should like to be of service in straightening out the record, if possible. On page 561 of the RECORD of June 18, the majority leader, the distinguished Senator from Illinois, went on to say:

I want to say, Mr. President, that so long as I am majority leader of the Senate, the policy committee representing the Democratic Party in the Senate will meet and lay down certain policies which we believe are for the best interests of the country. I do not believe that any Senator on the other side of the aisle is going to make a motion such as has been made by the distinguished Senator from Washington and meet with success. I am satisfied that when all the Democratic Members realize what is attempted to be done, they will stand unanimously back of the Senator from Illinois in what he is attempting to do.

The Senator from Illinois continued:

I have told Senators on the other side of the aisle, as well as my Democratic friends, that the repeal of excise taxes will be given consideration in due course.

I should like to refer to one other quotation, if I may, of something which occurred on the following day, January 19, 1950—a statement made by the majority leader. I wish to offer it because it throws some light on what the determination of the majority leader appears to be. He is as much entitled to make determinations for himself as are the Senator from South Dakota, and the Senator from Washington, and other Senators. on page 616 of the RECORD of January 19, 1950, the Senator from Illinois [Mr. LUCAS] mentioned this in passing:

Mr. President, there is on this side of the aisle what is known as the Democratic Policy Committee, composed of some of the most distinguished Senators in this body. Once a week the policy committee meets, and at such times we make a careful examination of the bills on the calendar and arrange a schedule for their consideration in the Senate accordingly.

Parenthetically, the Senator from Washington has a very strong interest in the bill which the Senator from South Dakota has been seeking to have considered. I am constrained to think, as a result of reading these words, that serious consideration has been given to the bill in which the Senator from South Dakota has a very real and American interest, and that the policy committee on the other side of the aisle has decided that it shall not, for reasons of its own, be brought before this body, certainly at this time.

Mr. MUNDT. I may say I hope that is not the case. I cannot quite believe that is the case, from a reading of the remarks made by the Senator from Illinois on the subject up to now. As I recall, he stated he had not studied the bill carefully, that he had not had it considered at great length by the Democratic policy committee; and I am not sure that he alleged that he was speaking for the Democratic policy committee when he protested against action. So I hope the Senator from Washington is in error and that the Democratic policy committee will give the green light to a consideration on the floor of proposed legislation which is supported and endorsed not alone by a great many Members of the Senate on both sides of the aisle, but by the American Legion, the Veterans of Foreign Wars. the AMVETS, the Knights of Columbus, the American Conference of Small Businessmen, the United States Chamber of Commerce, and the D. A. R., as well as having been endorsed, in substance, by a resolution adopted by the National Education Association, meeting in St. Louis, Mo., only last week. It would be inconceivable to me that the Democratic policy committee would continue to maintain "operation road block" against the demands of a great group of patriotic Americans such as those mentioned. I do not believe that the majority leader has told us that the case is hopeless. He has protested primarily against what he dubbed "the temerity" and the moves engaged in by the junior Senator from South Dakota. It is in an effort to get the water leveled off in that matter that I am addressing the Senate on the precedents today.

Mr. CAIN. The only reason for calling attention to these statements is that the Senator from Washington desires to assist in the effort not only to keep the record straight but to further the issues presented by the Senator from South Dakota, as he moves in the direction of continuing to bring this particular bill to the attention of the Senate. Against what the Senator from South Dakota has just said, the Senator from Washington read a sentence which appears to be a contradiction of it, which the senior Senator from Illinois and other Senators will probably straighten out in due course.

Mr. MUNDT. I hope so. The American public is certainly entitled to a candid statement on the part of someone as to whether the Democratic policy committee or the majority leader, either one or both, are trying to maintain a position that the United States Senate cannot vote on this important measure at a time when we are actually at war, fighting communism abroad.

Mr. CAIN. Can the Senator from South Dakota tell me the date when the bill in question was reported to the Senate?

Mr. MUNDT. March 21.

Mr. CAIN. If that be so, how does the Senator reconcile the reporting of the bill with the following sentence, which I want to restate:

Once a week the policy committee meets, and at such times we make a careful examination of the bills on the calendar and arrange a schedule for their consideration in the Senate accordingly.

That sentence only says to me that serious consideration has been given to the bill in which the Senator from South Dakota and many other Senators are interested. The decision thus far has been not to bring it up for debate.

Mr. MUNDT. Certainly, I must confess upon listening to a rereading of the statement, it would indicate that the majority leader and the policy committee had carefully considered the bill. I had understood that was not the case. I have rested my hope, in large part, upon the statement made by the majority leader on the 5th of July when he stated he had not personally studied the bill carefully and it had not been considered at great length in the policy committee. The American public and these great patriotic organizations interested in it, the mothers and the fathers of the boys who are dying in Korea in their fight against communism, are at least entitled to have direct from the majority leader, or whoever speaks for the policy committee, a statement that, "we are or we are not going to give the Senate of the United States the right to vote upon S. 2311." I do not know whether the Senate will oppose it or approve it, but it certainly seems to me that the Senate is entitled to vote on such an important measure which was reported by a 12-to-1 vote of the great Judiciary Committee of the United States Senate.

Mr. CAIN. I trust the Senator will permit one further quotation from the majority leader as I find it to appear on page 616 of the CONGRESSIONAL RECORD of January 19, 1950. I read:

Mr. President, the question of excise taxes is not involved in the motion of the Senator from Washington at all.

Parenthetically, Mr. President, as I have listened to the colloquy between the Senator from South Dakota and the leadership on the other side of the aisle, those words have a familiar ring as they have been directed by those in administrative authority to my friend from South Dakota. I read further:

The sole question before the Senate is simply whether the majority party, duly constituted and organized, shall be permitted to carry out the obligations and duties of the Senate of the United States in a way which the majority believes is best for the Senate and for the country.

Again, parenthetically, I can draw only one conclusion, and that is that the majority leader is saying that the majority party will determine in every instance what is good and proper for the United States of America; but the Senator from Washington wishes to dissociate himself from any such view. The conclusion of the quotation is as follows:

The question in this debate is not excise taxes; the question is whether a Senator on the opposite side of the aisle can take the leadership away from the majority party—

In this instance it happens to be the junior Senator from the sovereign State of South Dakota—

and advise the Senate and the country that from now on, any time the Senator from Washington desires to make a motion for the consideration of some measure in which he is interested, the majority of the Senators must go along with him.

Mr. President, I think those quotations add substance and reality to the case which the Senator from South Dakota has offered to the Senate and to all the citizens of the United States of America. It seems to the junior Senator from Washington that if there is no disposition on the part of the majority to bring up a bill which is of such vital concern to many Americans and to the Senator from South Dakota, the responsibility for failing so to do must be assumed in its entirety by Senators on the other side of the aisle.

Mr. MUNDT. I thank the able Senator from Washington. Mr. President, I should like to bring this colloquy, if not to a close, at least to a point at which the Senator from Illinois, if he so desires, will have an opportunity to address himself to the subject in question.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. WILLIAMS. Is the Senator from South Dakota aware of the fact that there are times, in perhaps what might be called the weaker moments of the Senator from Illinois, when he takes the position that it is the responsibility of minority Members of the Senate to bring up legislation? I have particular reference to a letter which I received from one his constituents dated June 30, 1950, which, by the way, is the same date on which the Senator from South Dakota made his motion, and I should like to read a portion of the letter into the RECORD:

MY DEAR SENATOR WILLIAMS: Recently I wrote my Senator, SCOTT W. LUCAS, regarding my disapproval of the Postmaster General's recent curtailment of our postal service, all over the United States of America. I had a kind reply, in which he pointed out that recently the Senate Committee on Post Office and Civil Service had tried to change this order, but that your objections had prevented this.

I might say that the writer refers to Senate bill 3500.

In his letter the Senator from Illinois [Mr. LUCAS] says:

This is in reply to your communication of recent date, with respect to the recent order of the Postmaster General curtailing mail service.

He goes on and points out in his letter that "Senator WILLIAMS, Republican, of Delaware, objected to the legislation, and these objections prevented the passage of the measures."

The letter goes on to say:

You may rest assured that I shall continue to register the protests I am receiving.

And then he proceeds to assure the writer that he would do everything possible to get the Senator from Delaware to withdraw his objection and bring the bill before the Senate for consideration.

Mr. President, I have taken the position as one who opposes the measure that if the Senator from Illinois wished to give favorable consideration to the proposed legislation, he as majority leader would have made a motion to have the bill considered. I understand, indirectly—and the Senator can correct me if I am wrong—that he is opposed to the proposed legislation, although the letter indicates he is favorable to it. But I assure him that if he wishes to make a motion to bring this legislation upon the floor I will support him. If he wishes, I shall make the motion, and I trust he will support me. I say that as one who will vote against the bill, for the same reason that I think the Senator from Illinois will vote against it. The Senator from Delaware has hesitated to make such a motion, for fear the Senator from Illinois would take the same position as he did when the Senator from South Dakota made his motion, and accused me of trying to take the leadership away from him.

For the information of the constituents of the Senator from Illinois, I might call attention to the fact that this legislation has never been placed on the list of the Democratic policy committee as legislation which they even intended to consider. Nor has the Senator from Illinois ever approached the Senator from Delaware requesting that I withdraw my objections.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. LUCAS. Does the Senator from Delaware still object to the bill

Mr. WILLIAMS. The Senator still objects to the Postmaster General's order but he does not object to the bill being made the pending business. All I ask is an opportunity to express why I think the bill should not pass. That does not mean that the Senator from Illinois cannot make a motion at any time to have the bill considered and that motion will be supported by the Senator from Delaware, even though he may vote against the bill. If the Senator from Illinois wants me to make the motion, I will make it.

Mr. LUCAS. The Senator from Delaware is the only Senator who objected to the consideration of the bill on the call of the calendar, so he must take responsibility for the failure of the bill to pass. I think I have a right to advise my constituents as to who it was who blocked action on a bill. If we decide to bring it up we shall do so, and if we do not decide to bring it up, we shall not do so. I was only quoting what the RECORD shows. When we call the calendar again I hope the Senator from Delaware will let the bill pass.

Mr. WILLIAMS. By that same token the Senator from Illinois who objected to the consideration of the Mundt-Ferguson bill could be described as the only Senator who opposes that piece of legislation.

Mr. LUCAS. The Senator now admits that he is against the bill. Simply because I tell my constituents what the RECORD shows, the Senator should not be filing an objection against the Senator from Illinois, stating that there is something wrong with the Senator from Illinois——

Mr. WILLIAMS. I was merely referring to the last paragraph of the Senator's letter. I assure the Senator that I shall make a motion to bring the bill up at the appropriate time.

Mr. LUCAS. Will the Senator from Delaware write my constituent and tell him that I am trying to convince the Senator on the floor of the Senate, but that he refuses to be convinced? What is the name of the constituent?

Mr. WILLIAMS. The Senator has already written him twice.

Mr. LUCAS. I should like to write him a third time, now that the Senator from Delaware has brought the matter up.

Mr. WILLIAMS. I shall give the Senator the name of the constituent——

Mr. LUCAS. I want to put the Senator from Delaware in just as favorable a light with my constituents as I possibly can.

Mr. WILLIAMS. The constituent's name is Mrs. L. P. Rogers, 340 Woodland Avenue, Winnetka, Ill. All that I ask is that you tell them the truth. If you have no intention of bringing this legislation before the Senate, then tell them so.

Mr. LUCAS. I thank the Senator for his kindness. I always appreciate his cooperation.

Mr. WILLIAMS. I assure the Senator from Illinois that I will support the majority leader in a motion to take up this bill even though I shall vote against it, and will give my reasons at that time why I disapprove.

Mr. LUCAS. I wish to congratulate the Senator from Delaware for his cooperative spirit. I do not know of any other Senator with whom I have served who is more cooperative than the Senator from Delaware. I am happy that he brought the matter up on the floor, hoping to embarrass the Senator from Illinois by reading a letter I wrote to a constituent of mine in which I merely quoted from the RECORD. I shall continue to try to convince my friend that he should withdraw his objection to the bill and go along with other Senators. However, I know that I cannot do that. He stands alone on the other side of the aisle. He stands by himself. I shall be glad to tell Mr. Rogers in Winnetka how cooperative the Senator from Delaware has been.

Mr. WILLIAMS. The Senator from Illinois said that he would continue to try to convince the Senator from Delaware. However, up to this time he never mentioned the subject, nor made any effort to have the bill considered.

Mr. MUNDT. Mr. President, if I may, I should like to bring this discussion to a close, insofar as it involves the point under discussion. It had been my purpose to devote some time today to the legislation itself, which created such a turmoil. As a minority Member of the Senate I thought it was my duty and my obligation, inasmuch as I was injected into this situation by my action on June 30, to make a study of the precedents and to first make clear at one point in the RECORD, where oncoming junior Senators may have an opportunity to consult it, whether minority Members of the Senate are within their rights or are not within their rights when they endeavor to bring up matters as pending business at a time when the legislative situation is clear.

Along with the distinguished Senator from Illinois I served my apprenticeship in the House of Representatives. I did

not serve at the same time that he served over there. I regret that it was not at the same time. However, he will agree with me that the House of Representatives also has its precedents.

I know and he knows that in the House of Representatives a minority Member has certain inalienable rights and functions. He knows and I know that in the House of Representatives an individual Member may appear before the Rules Committee and induce the Rules Committee, if he has the persuasive power, to schedule his bill for action by the House, so that a vote may be had on it. That is all I am asking for here in the Senate.

I do not have the persuasive powers, I know, to induce the majority leader to support S. 2311. I do not know that he will support the bill, and I am not convinced that he has made up his mind to oppose it. I believe that logic demands, however, that the matter be brought before the public, because it is a matter in which millions of Americans have expressed interest, so that we may vote on it. In the House it can be done. The party of which the majority leader is a very important Member revised the rules to make it even more liberal. So that if the Rules Committee fails to give a Member of the House a rule to bring up the bill, he can stand on the floor of the House and move to discharge the Rules Committee. Failing in that, an individual Member of the House can file a petition with the Speaker and try to induce, if he can, 217 other Members to go along with him. In that way 218 Members of the House can compel the leadership to schedule a measure for a vote.

Therefore, Mr. President, it seemed a little incredible to the junior Senator from South Dakota, having eventually worked his way over to the Senate, that in this great deliberative body, which is sometimes called the greatest deliberative body in the world, a minority Member should find himself handcuffed and strait-jacketed because either the majority policy committee or the majority leader, or both, have decided in their wisdom that despite all these great American patriotic organizations who are interested in this legislation they do not propose to have the Senate vote on it.

Therefore I decided to read the record and the precedents which the majority leader forgot to examine. I found the precedents that I thought I would find. Certainly I do not feel that the Senator from Illinois was acting beyond the rights enjoyed by him as a minority Member of the Senate when on three occasions within the last 3 years he demonstrated, once by a vote, once by a motion, and once by a speech, that he believed the Senator from South Dakota to be eternally within his rights in offering the resolution which he offered on June 30, that S. 2311 be made the pending business of the Senate.

I think it important, as minority Members, to keep in mind that one of the big difficulties in the world today, in this era of history, is that too few men have been pushing too many people around for all too long a time. We in South Dakota in homestead days soon found that if a person permitted an adversary to stake out a claim to his rights without defending those rights, those rights would soon be diminished and lost. Therefore, I felt impelled, when it occurred to me that my rights as a minority Senator were being jeopardized and that I was being criticized by the majority leader in the press and on the floor of being guilty of acts unworthy of a Senator, or not in conformity with the great English game of cricket, or not in keeping with common decency, or with the rules of fair activity, to place in the RECORD, in a friendly fashion, the joint testimony of the Senator from Illinois and the Senator from South Dakota, in which over an expanse of many years we agree completely that minority Senators now have, as they have had at all times and shall have in the future, a perfect right to bring up a measure at any time which they consider to be of great importance.

Both in the House of Representatives and in the Senate the precedents and decisions of the Chair and the rules of both bodies are made to protect the minority because a majority can always work its way, if it is ruthless enough, as it sometimes is, or if it is determined enough, as it frequently is, and can say to the minority, to the Veterans of Foreign Wars, the American Legion, the United States Chamber of Commerce, the Daughters of the American Revolution, the Knights of Columbus, and the American Bar Association, among others, "In spite of your interest in this legislation in time of war, we know best. So we are not going to bring up a measure in which you are interested. We will not permit it to be debated or voted on, despite a vote of 12 to 1 on the part of the Committee on the Judiciary."

I know a majority party can do that. However, I also know that minority Members can try as best they can, with perfect propriety, within the rules of this body, to dissuade them from doing it, and to give the people the fair chance to which they are entitled, and to find out whether this body will take such action as will give them protection against communism on the home front while we are fighting a war against communism abroad.

If we should permit the precedent to be established that a minority Member of the Senate cannot suggest that a bill should be brought up for debate, it is just a short step to what the Senator from Washington complained about this afternoon, where it becomes the accepted precedent in the Senate that before a bill is brought up for debate the hour is fixed at which it is to be voted on. From that it is only a short step to telling a minority Senator that he is descending to "an all-time low" if he tries to bring up a matter, or if he insists on discussing it. Mr. President, majorities swing back and forth. It is important that we get precedents clearly established so that we may protect the minority as well as the majority.

I have no resentment or rancor in my heart. I had intended to discuss the provisions of the bill today. However, I shall do that on a later occasion since I think in common courtesy I should desist from doing so now in the event that the majority leader feels that I have misquoted him in any way, or should he wish to offer some type of rejoinder. I thank him for coming here and for his patience in remaining here throughout this discussion.

### CONTEST FOR THE MINDS OF MEN—AMERICAN FOREIGN POLICY

Mr. MORSE. Mr. President, recently there appeared in the Portland Oregonian an editorial entitled "United States Dilemma." It is an editorial which has caused widespread comment not only throughout my State, but it has caused considerable comment throughout the West.

The editorial was followed by a second editorial in the Oregonian on July 5, 1950, entitled "It Is Time For America's Type of Revolution."

I ask to have both these editorials printed in the body of the RECORD as a part of the remarks I now wish to make, and make very briefly.

The PRESIDING OFFICER. Is there objection?

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Portland Oregonian]

#### UNITED STATES DILEMMA

The Oregonian succeeded in reaching Stanley W. Earl by telephone at Seoul, Korea, early Monday morning—a surprising business in itself so far as the normalcy of business there was concerned, since Mr. Earl could hear the boom of artillery on the battlefront some miles away, and there were no priorities on telephone calls. He said he saw little evidence of war except for troops and equipment moving through the streets. The attitude of the people was apathetic.

Mark the word well. Mr. Earl, raised in Portland and ex-CIO official now with the ECA in Korea, is a keen observer, and though he used the word in a hasty transpacific call, we can have no doubt that it is thoroughly accurate. It is too much in keeping with the situation in China as the Communists moved down to be otherwise.

And in many respects that single word "apathetic" as descriptive of the demeanor of the people of Seoul and South Korea in general, has far more significance than all the statements that are coming out of the United Nations and the State Department at Washington.

The fact is that in Korea we are up against almost exactly the situation which confronted us in China so far as the people are concerned. The people are living under corrupt and ineffectual governments—ancient tyrannies masquerading as democracies. Down come the Communists from the north like the wolf in fable, and the sheep have so little to lose that they are indifferent. Why should they care who eats them?

All over the world, as this page has stated on several occasions, the United States is confronted with the same embarrassing—in the long run, impossible—situation. If we are to oppose the aggressions of Russia, and still maintain our democratic policy of letting other peoples come to their own decisions, we can only lend ourselves to the parties in power in any country where the Russians choose to strike or bring pressure. So we lend ourselves in France, Turkey, Yugoslavia, Iran, Greece, and Italy, though there are factors in the organizations of these countries which make the democratic flesh creep. All over the globe history has tricked us into the position of supporting

rotten regimes and stubbornly ancient economic organizations in the name of democracy.

The situation, in brief, is this: We cannot permit communism to take over the earth without a war to the death. But meantime communism gradually extends itself, playing on all the ancient injustices which have accumulated in the countries which it can reach—injustices which make the people apathetic. And since the United States, sitting on its high moral throne, does not wish to interfere with the internal workings of these countries, it can only withhold action or give aid to the governments in existence.

So far as this page is concerned, it shares with all other good Americans the wish that there were a solution in our present line of approach to the world difficulties. But we are very much afraid that a test case is coming in this Korean war, and that whether or not the Korean problem breaks the world crisis, something else will very soon afterwards.

We do not see how the United States can continue its policy of merely bolstering up the shaky governments which stand in the way of advancing communism. Most of these governments are vulnerable in the extreme, and are supported by economic systems which have little relationship to democracy. It seems to be clear that if we permit Russia to offer the only revolutionary force against the established evils—that is, if we merely go in with arms aid for every decrepit regime—we are in for humiliation first and war with Russia afterward.

Putting it all together, there is the question of whether—against the wishes of every sane person—we are not in the position of being compelled to undertake something approaching political imperialism?

We did not remake Southern Korea. We let a fantastically bad government and organization go on there, with the result that the people are apathetic as the invasion gets under way. And all over the world we are holding up a lot of tripe from the past. What will be the end of it? This page, while reconciled to any extremes that may be decided on in regard to Korea, cannot believe that the United States, experienced in democracy, should continue to attribute democracy to every country which stands in the way of Russia. Most of them are impossible left overs that violate our every sense of justice.

The question is as to whether we should begin to impose democracy upon those we save in its name.

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[From the Portland Oregonian of July 5, 1950]

IT IS TIME FOR AMERICA'S TYPE OF REVOLUTION

So much comment has resulted from our article of Tuesday, June 27, on the crisis of American foreign policy brought about by the Korean situation, that we reprint the article elsewhere on this page as a basis for further discussion.

We have no illusions to the effect that the strong public reaction has resulted from any particular brilliance of statement. Rather, we take it that the interest shown is a recognition of our having isolated and faced what the public has come to recognize as the No. 1 problem of American policy but which our Government, and the world, for that matter, continues to duck. Frequently enough the public—as fully informed as the authorities except in technical details—is far ahead of the authorities in the acceptance of inevitable conclusions. And we suspect that this is one of those occasions, on a tremendous scale.

Restated and extended, our point is that it is doubtful whether the United States, forced by its strength into the role of world protector, can afford to continue its policy of nonintervention in the internal workings of the countries it is called upon to guard.

That is: The earth is a patchwork of governmental and economic organizations which the present inherits from the past; and each patch on the works, save for a very few exceptions, is a mighty sorry mess from our democratic American standpoint. And this reality has been brought home to us in Korea as never before. Here, after years of our occupation, a surprise invasion by the North Koreans under Russian auspices finds us almost without friends among those we feel called upon to cover militarily. The people are indifferent because we, during occupation, attempted no redress of their ancient suffering. And what are we going to do now, assuming that we succeed in reestablishing the military situation up to the 38th parallel? Will we simply place senile President Rhee more firmly in his chair, and call back to command of the South Korean army the 300-pound general who resigned at the first sound of firing?

It is little wonder that in Korea, as in China earlier and as in all other areas convenient for Russian expansion, the Russians feel free to exploit accumulated unrest for their own benefit. So long as Russia offers the only revolutionary program, this program can be the most false and disastrous program in the history of mankind and yet gain the acceptance of the people, inasmuch as no other choice is offered. What is it to the Koreans that America represents the restoration of Rhee and the fat general? That would leave them right where they started from.

And this situation is no matter of academic argument. It is a matter of reality. The vast masses of China have accepted a version of Russian revolution under our eyes, and the people of Korea have shown that they do not care much whether they go that way. We had better take stock.

This page is just about around to the point of concluding that the United States has absolutely no escape from its dilemma except in full acceptance of the responsibilities of its power.

We cannot draw out of affairs. We would throw the whole of mankind into chaos. Our negative action would in effect be a positive action of the most important sort. And yet here we are operating all around the earth in a most unsatisfactory manner. Everywhere, as a result of the restraint which is ingrained in our democratic practices, we are supporting the governments which exist. We are trying to get by. And the truth of the situation is that these governments are generally unacceptable to the masses of the people. Our intentions are honorable, but all over the globe we support democracies which aren't democracies at all—which merely represent the old injustices—and so we expose ourselves to creeping communism.

Our policy of nonintervention in internal affairs is now a proved failure in Korea. It probably has been a failure in Germany. Our success perhaps has been greatest in Japan, where positive action has been more the rule. But even there it remains to be seen whether reform has been sufficient.

There is no way out—and no common sense—except in making democracy dynamic. It is too late now to correct the hesitancy we have shown from the end of World War II to the present. But if we restore the situation in Korea, we should return to that scene as a revolutionary force, not merely as an imperial power bolstering the warlord feudalism of the past.

After all, only one true revolution exists on earth. Only one exists in all human history. That is the upheaval which results when men are released to govern themselves. Communism is no revolution whatever. It is merely the commotion attached to the transfer of power from one mass of favored subjects to another. But it does temporarily win the loyalty of those who formely were dispossessed. That is the strength of communism in its expansion.

And we are going to continue to have difficulty with that strength, in Asia particularly but elsewhere also, so long as we content ourselves, in entering old, misruled lands, with mere support of those who preside over the miseries of the people. Democracy must again become a shattering force. Otherwise we will never have truly grateful friends in these countries where we are being compelled to operate.

Mr. MORSE. Mr. President, these two editorials discuss a specific phase of the general subject matter of America's foreign policy, to which I think not only each Member of Congress, but the American people, should give a great deal of heed. I do not comment upon the editorials from the standpoint of suggesting that our hindsight be used for critical purposes by way of destructive criticism, but I ask to have them read because I think it is important that we reflect upon America's record in the field of foreign policy since the close of hostilities in World War II.

This editorial writer, as the Members of the Senate will see if they read the two editorials, in essence says that the United States is in a very serious contest in the world for the minds of men; that we have a great system of political and economic democrary to sell to the peoples who have not yet come under the domination of Russian totalitarianism, and we have the job, once we can get behind the iron curtain, of also selling that system of political and economic democracy to the millions of people who today are living under the subjugation of the Soviet Union.

This editorial writer, I think with penetrating thought, suggests that we survey the record we have made in our contest for the minds of men, and do what we can to correct a very serious mistake we have made in our approach for the minds of men.

He points out that to a remarkable extent America has been supporting reactionary governments which have been exploiting, economically, their subjects, with the result that in the advance of Russian communism there has not been a will to resist the aggressive policies of Russia.

In these two editorials the writer says in a brief space, as well as I have seen it written, Mr. President, that after all our Government has not made a good record in demonstrating to the peoples of the countries that have been subjected to the aggressive acts of Russia the superiority of political and economic democracy to the totalitarianism of communism. As one who believes that if communism continues to advance throughout the world, free America not only will be in danger but in the next century there will even be a question as to whether or not free America will survive in the world if she becomes surrounded by Communist states, I believe the editorial writer of the Portland Oregonian has put in print something we had better consider now by way of bringing about a change in the approach the United States has been making to the

peoples in the countries that have been subjected to Russian aggression.

We know now, Mr. President, that Russian communism succeeded in China not because the United States failed to supply—at least in 1946, 1947, and 1948—the Nationalist Army of Chiang Kai-shek with sufficient matériel for war, but that Russian communism swept over the mainland of China because the will to resist it was not in the hearts of the Chinese people. Believe me, Mr. President, that is a fact of history we cannot afford to ignore when we come to appraise the reasons for the plight in which we now find ourselves, or to determine the policies which ought to be followed by us in a program we will have to initiate.

In my opinion, this editorial writer has made a substantial contribution to the thinking of his readers when he points out that it is important that we ask ourselves the question, "Why was the will to resist the spread of Russian communism not in the hearts of millions of Chinese people?"

The record is perfectly clear that although we supplied military equipment and military aid by the millions of dollars worth, economic aid and economic reform failed to constitute a part of the program of America in China. I think it is no answer to say that after all we did we did not feel that we should interfere with the internal domestic problems of China. We were interfering with the domestic internal problems of China, Mr. President, when we went to the military assistance of the generalissimo.

I happen to be one who believed we should go to his military assistance. But I am not talking from the standpoint of hindsight now, because the record is clear that the junior Senator from Oregon urged in those years that we accompany our military aid with economic aid and reform since the false, vicious, lying propaganda of the Communists was by way of appeal to the stomachs of the Chinese.

Believe me, Mr. President, in this contest for the minds of men we cannot afford to overlook the stomachs of men. We might as well face the fact that one of the reasons why so many millions of dollars worth of our military equipment fell into the hands of the onrushing Chinese Communists was that members of the Chinese Army and the peasants living in the areas where the Chinese Army was encamped, from time to time as that great retreat took place did not have the will to resist. They fled, leaving the equipment undamaged to the Chinese Communists. And the peasants, so we are now reliably informed, were of sabotage assistance to the oncoming Russian Communists.

I believe one of the errors made in our aid to China, as this editorial writer points out, is that after all we did not create a will to fight the Russian Chinese Communists because we did not give the Chinese peasants economic reason for resisting.

After all, Mr. President, to an illiterate, ignorant Chinese peasant it does not do much good to be talking by way of an intellectual appeal to his mind in terms of the right of man and the dignity of the individual. One can be successful in educating them to an accepting understanding of those great principles of human freedom only after they see that they and their loved ones are going to be fed and clothed, and given an economic opportunity as individuals to support themselves and their loved ones free of the type of feudalism that unfortunately characterizes the economic program of the Nationalist Government.

Oh, I know how dangerous it is to point these things out, because even in pointing them out one will probably discover, as I am sure this editorial writer has already discovered, that those who do not want to study the facts will be inclined to say, "Why, the implications of such remarks are favorable to the overrunning of the Generalissimo's army by the Chinese Communists." Quite the contrary happens to be the position of the junior Senator from Oregon. It happens to be his position that more military aid, not less, should have been made available to the Generalissimo. The junior Senator from Oregon happens to believe that we did not do enough so far as giving the Nationalist Chinese Government military assistance is concerned. But I think we had the right, and we owed it to the American taxpayers also, to take the position, when we were pouring millions of dollars' worth of equipment and material into China in order to strengthen the military arm of the Generalissimo, that there should be distributed to the Chinese people economic assistance for the benefit of the individual Chinese family. It should have been made perfectly clear that it was American aid which was coming to them, and that the hordes of Chinese Communists, supported by the Soviet Union, were turned back, there would be adopted an economic reform program, including a land reform program.

We know, Mr. President, that one of the most successful bits of propaganda the Communists were able to use in China happened to be their promises in regard to land reform. They smeared us with the vicious, false propaganda that it was the Americans who were seeking to prevent economic reforms which are necessary if millions of Chinese people are to be enabled to live just a little bit above the level of almost an animal existence. The American people need to remember how sordid are the conditions that confront millions of the Chinese.

I happen to be one who also is saddened by the fact, as this editorial writer brings out, that apparently the same lack of will to fight has characterized many of the South Koreans, and that apparently the Russians have been making some progress with their propaganda that the materialistic United States is in league with the reactionary regime in Korea which seeks to keep the South Koreans in a feudal state and continue what is, so far as economic benefits are concerned, almost a system of serfdom imposed upon a large portion of the population of South Korea.

Mr. President, no Member of this body will be quicker to vote for every possible assistance which can be given to end, and to end quickly and successfully, America's military engagement in South Korea. However, we must go further than that. After we drive the Communists beyond the thirty-eighth parallel, we must give consideration, and must give it quickly, to the economic system which will prevail in the part of Korea for which we assumed very definite responsibility when, in July 1945, the San Francisco Charter was before the Senate of the United States, we missed the great opportunity which was ours of recognizing the provincial Government of Korea and then insisting that, under a mandate relationship through the United Nations, an early free election be held in Korea, to determine, on the part of the Korean people themselves, their own economic and political future. However, instead of doing that—as it was urged on the floor of the Senate that we should do, what did we do? A few months later we wrote a rather sad chapter in the history of our country; we joined with Russia in a partition of Korea. In my judgment, when we did that, we partitioned the freedom of the Koreans and we laid the foundation stones for what has happened in Korea.

In my judgment a thorough investigation by the appropriate committee of the Senate of the United States will show that since we took whatever jurisdiction it was—and it is not clear, in international law, just what that jurisdiction was—over South Korea, we missed one opportunity after another to convey to the people of South Korea a true understanding of what American political and economic democracy means. Where is the record of American political and economic reform in South Korea? On the basis of such information as I have received, it would appear that we did not make much of a record. Not only that, but recently we started a movement out of Korea. Someone was certainly asleep at the switch at that time, Mr. President, because it would appear that adequately handled intelligence would have shown that the North Koreans apparently meant to create trouble for the South Koreans. After partitioning the freedom of Korea, I think we owed it to the South Koreans to keep their military defenses so strong that there was no danger that a successful military advance could be made upon them.

Oh, yes, Mr. President, what I am saying could be interpreted—although I do not mean it as such—as crying over split milk. However, that is not at all what I am doing. What I am saying is that I think there should be a resurvey and a revaluation of our entire foreign policy, so as to see to it that we do not make similar mistakes in the other areas of the world where I think there is danger that Russia, through her satellites, will take action which may cost the lives of additional American boys.

Mr. President, that leads me to the concluding point I wish to make in these remarks, namely, that the entire problem of winning the minds of men, in this contest between the democratic way of life and the totalitarianism of communism, calls for educating millions of people who are illiterate, millions of people

who do not even think on the plane on which we think, millions of people who are not the beneficiaries of the decades of economic growth and development which the American people, through their far-seeing ancestors, now have the privilege of enjoying.

We must bring to these countries not only political reform, if the democratic way of life is to win their minds, but economic reform. We must appeal not only to their minds but to their stomachs. In my judgment we must appeal to their stomachs first, because only when we relieve men of the instinctive fear of hunger, only when we relieve men of the instinctive fear of insecurity, insofar as concerns the lack of the necessities of life, do we have any chance of appealing to their minds. A hungry Chinese or a hungry South Korean or any other hungry asiatic is not going to be very much impressed with appeals which we may make to his mind, in terms of individual rights. They are more concerned with where they are going to get the next bowl of rice with which to feed their loved ones, as well as themselves, because, after all, the parental instinct is a rather basic thing, and parents the world over act emotionally and instinctively about the same way when it comes to wanting to protect their loved ones.

Mr. President, we can do something about it; but are we doing it? Has there been manifested in this Congress a desire to do very much about it? I do not think so. That is an assertion by me. It is proper to ask whether I have anything with which to back it up. Yes, I have an interesting bit of evidence with which to back it up, namely, the record of this Congress on point 4. It is not a good record.

What is the record to date? The record to date is a proposal to cut the heart out of point 4. In my judgment such a proposal will make it just that much more difficult to win the minds of men in this contest for freedom the world over. Impolitic as it may be, nevertheless I consider it my duty, as I view this problem, to say to the American people that we should be substantially increasing the appropriations for point 4, rather than talking about cutting them so drastically as committees of Congress have proposed to cut them to date.

There is a need for the American people to be informed about point 4, because as I go about the country, I discover, to my complete surprise and astonishment, that the people do not understand point 4. I submit—and other Senators can test the general sentiment on this matter—that the average American taxpayer has the notion that the point 4 program is a Santa Claus program, that the point 4 program involves a proposal to dump millions upon millions of dollars' worth of more food and economic aid and equipment into the breadbaskets of backward peoples of the world. But that is not the program. There is need of the point 4 program, regardless of whether there were a Democratic President or a Republican President in the White House, he would have to have a point 4 program. The American people sooner or later are going to awaken to that fact. I am pleading here this afternoon that they awaken to it sooner rather than later. There has been too much of "too little, too late" for too many years in America. The very essence of the point 4 program is to bring American economic know-how to the backward areas of the world as fast as they can absorb it, to the end that they may develop their own natural resources, their own economy, and thus be placed upon not only a self-sustaining basis but upon a basis of economic production which will make it possible for them to bring to their millions of people a higher standard of livin. When that time comes we shall not be reading, almost every year, newspaper headlines to the effect that millions of people are dying in China because of famine, or that famine is sweeping India and other sections of south Asia.

The very heart of point 4 is to encourage in the retarded countries the development of the much vaunted—and rightly so—free-enterprise system of America, to bring it to the backward peoples of other nations by enabling them to make proper use of their natural resources, so that they may become self-sustaining. Oh, there are some great industrial leaders in America who see that vision. There are some great industrial leaders in America who are thinking in terms of the next century, instead of next year's profits. There are some great industrial leaders in America who recognize that a point 4 program is one of the best insurance policies that can be taken out for the perpetuation of the American free-enterprise system. But there is not a sufficient number of them. The same is true of leaders in other walks of American life. But there is not a sufficient number of them.

Mr. President, in my opinion we are going to win the contest for the minds of men in the interests of the democratic way of life, unless we as a people recognize that the price of peace, too, is a high price, though it is much, much less than the price of war. Yet it is a price worth paying. It gives the best assurance of bringing freedom not only to future generations of American boys and girls but of keeping the light of freedom flaming in all the countries of the world. I think that if we will proceed as this editorial writer clearly implies in the admirable editorials of his I have placed in the RECORD, and succeed in getting people in backward countries to understand the economic objectives of democracy, we shall turn back the tide of Communist totalitarianism.

Therefore, Mr. President, I strongly recommend to my colleagues the reading of these two great editorials, and I urge the careful pondering in this session of the Congress of the need for more adequate appropriations for the point 4 program.

As one Republican Senator, I offer no apologies on this issue for giving my all-out support to President Truman in behalf of his point 4 program. In fact, I think the Democrats in the Senate ought to be urging early action on it by way of increased appropriations over those requested. I happen to believe it is in part the answer to the problem of reaching the stomachs as well as the minds of men.

In closing, I give an example. Certainly, a loan under point 4 should be made to India for the development of great power resources on one of the Indian rivers, if it can be demonstrated by a thorough investigation that the particular project is economically feasible and will bring important economic benefits to the people of India. Likewise, I shall work and vote for similar economic developments in other backward countries under point 4, as good insurance for the preservation of the American free-enterprise system. I am cognizant, too, I may say incidentally, that the point 4 program is not going to result in any economic losses for American industry. Potentialities for economic development for American industry almost exceed one's imagination, when we think what can happen to our free-enterprise system once we start raising the standard of living of millions upon millions of people the world around; who, as I said earlier in my remarks, today have a standard of living so far below ours that it is almost to the point in some countries of an animal existence.

I trust, Mr. President, although I am never sure, that my remarks will be interpreted as I mean them. I summarize them in this sentence: I am for all-out military aid to those countries which show a willingness to resist Russian communism. I am also in favor of an all-out point 4 program for the same countries in order to give them a clear demonstration of the superiority of economic democracy expressed through a free-enterprise system, over the police-state economy of Russian communism.

## THE RIGHTS AND PREROGATIVES OF MEMBERS OF THE MINORITY

Mr. LUCAS obtained the floor.

Mr. CAIN. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois.

Mr. LUCAS. Mr. President, does the Senator want to make an insertion in the RECORD, or does he want to make a statement?

Mr. CAIN. I should like to make a statement of about 3 or 4 minutes' length.

Mr. LUCAS. I thought my friend from Oregon was going to speak for 3 or 4 minutes, but it developed into a speech a little longer than that.

Mr. CAIN. I may say to my friend from Illinois, the difference between the Senator from Washington and the Senator from Oregon in this instance is that the Senator from Washington has written his statement.

Mr. DONNELL. Mr. President, will the Senator yield for a moment?

Mr. LUCAS. I yield.

Mr. DONNELL. It happens that I should like to have the floor, likewise, for possibly 15 or 20 minutes.

Mr. LUCAS. I should like to conclude what I have to say. I do not want to keep the Senator from South Dakota here any longer. He is staying, I know, waiting to hear what the Senator from Illinois has to say; which is not going to take very long.

Mr. President, I want it distinctly understood that at no time since I have been in the Senate have I ever thought

of trying to bar the rights of any Member of the minority party. Perhaps what I said recently with respect to a precedent or two was wrong. However, there is quite a distinction between the precedents cited by the Senator from South Dakota and what happened in the Senate a few days ago. The first precedent cited by the Senator was that of a motion made by the Senator from Arkansas [Mr. FULBRIGHT] to consider the oleomargarine bill.

Mr. President, we must always remember that there is a proper time when measures can be taken up and considered. The motion of the Senator from Arkansas to have the Senate consider the oleomargarine bill was made on the call of the calendar, and every Senator knows that when we are working on the calendar many Senators are present. I believed in the oleomargarine proposition and I voted for it at the time.

Another instance which has been referred to involved the motion to discharge the Committee on Post Office and Civil Service. If the Senator from South Dakota [Mr. MUNDT] had known the background and the history of what we were trying to do, how many times we had discussed the question involved with the members of the committee in an effort to get the committee to make a report on the nominations for postmasterships of servicemen many of whom were disabled, I think he could understand why a number of us on this side of the aisle were somewhat excited about the failure of the committee to report the nominations. That matter was taken up during an executive session when the majority leader, former Senator White of Maine, was present.

The difference between those two examples and the one which disturbed me no end—and I admit it, and I still feel very badly about it—is the fact that the Senator from South Dakota said he was present from 4:30 o'clock on, waiting for an opportunity to move to consider his bill. Of course he had a right to do that, but there had been no excitement about the bill until very recently. No one on this side of the aisle had spoken to me about the measure; no one had appeared before the committee, or even asked to appear before the committee, or requested that the bill be considered. The Senator from South Dakota, in the debate, spoke about its not being a political matter, and that the Senator from South Carolina [Mr. JOHNSTON] was a cosponsor of the bill. That is correct. But the Senator from South Dakota did not pay any attention to the right of the Senator from South Carolina to be present when the bill was considered. He knew he was engaged in a campaign, fighting for his senatorial seat, and could not be present when the motion was made to consider the bill. But that did not make any difference with my friend from South Dakota. He was going to move to take it up, and he did so move.

Mr. President, I still resent the fact that at the hour of 7 o'clock in the evening, when it was generally understood that there would be no more business transacted in the Senate, such a motion was made. I think that even the Senator from South Dakota has come to me on a few occasions since I have been majority leader and asked me whether there would be any more business transacted, and I would say "Yes" or "No," depending upon what sort of an agreement we on this side of the aisle had with the minority leader.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MUNDT. I had not made such an inquiry of the Senator from Illinois on that day.

Mr. LUCAS. No; the Senator had not. But I think the Senator, on previous occasions, has come to the Senator from Illinois and asked whether there would be any more business transacted in the Senate on that day. If not, of course the Senator from South Dakota would go to his office to sign his mail and do whatever was necessary to be done, which we all have to do every day.

I think the Senator from Pennsylvania [Mr. MYERS] was absolutely correct a moment ago when he said on the floor of the Senate that we must have confidence in each other with respect to such matters. If the Senator from South Dakota had advised that he was going to move to consider the bill, we would have had a quorum call and discussed the question.

I am satisfied in my own mind that the Senator from South Dakota feels that he did not do the correct thing, even though he had a right to do what he did under the Senate rules, because no other Senator has ever talked so much, used so much language, so many words, so many gestures, speaking for approximately 2 hours in order to defend his position. It was not that serious. But I am satisfied in my own mind that the Senator from South Dakota knew, after he had moved to consider the bill under those circumstances that, after all, it was probably the wrong thing to do. It has taken him about 2 hours to try to square himself with his own conscience as a result of what he did a few days ago. That is about all there is to it, Mr. President.

Someone has said there has been a lot of wind on Capitol Hill today, and I think that is correct, and I have contributed to it. I plead guilty of helping to keep going the windmill which has been turning all day long.

Mr. President, as majority leader of the Senate, I have a tremendous amount of responsibility. It may be that I was too much upset. I had left the Senate, and it was a wonder that I was not at home, or out to dinner, or at some other place, but it happened that I had a lot of work to do, and when the bells rang for a quorum call I could not believe my ears. I called up the cloakroom and was advised that the Senator from South Dakota had just moved to consider a bill. I rushed to the Senate and found that on the suggestion of my colleague [Mr. DOUGLAS], who is now in the chair, a quorum call had been started and everything went along all right.

I am not vexed at all with my friend from South Dakota. I think everything has passed off very pleasantly during the day. He had a right, of course, to make his defense, but I repeat that it took him a long time to square himself with respect to what he did.

Mr. President, I yield the floor.

## EXTENSION OF CERTAIN BENEFITS TO AMERICAN FORCES IN KOREA

Mr. CAIN. Mr. President, the armed forces of North Korea crossed the thirty-eighth parallel on Saturday, June 24. Since that date American ground forces have been committed in southern Korea through a United Nations determination to repel the invader.

Britain, Australia, New Zealand, Canada, and the Netherlands have pledged air or sea support to the United Nations peace forces but so far as the junior Senator from Washington knows only American ground troops are engaged in the conflict. We are told that one American Army division has thus far been promised to and partly committed in the Korean campaign and that an American Marine division is now on the way to take part in the campaign. We are likewise told by those within our Defense Establishment that three to six or more divisions may be required to restore peace and order throughout Korea and to destroy the invader.

Mr. President, war in every full sense of that word is now in progress in Korea. It is a real and bloody and cruel war to the men who are dying, to the men who lie wounded, and to the men who are fighting in Korea today.

The junior Senator from Washington can see no real difference, nor can he see any difference at all, to the war which is now being fought in Korea and World War II. The present war in Korea is but an extension of the life-and-death struggle against totalitarianism for which this Nation and our allies suffered and sacrificed in the last war. As the American Congress and the American people provided for the wartime requirements and postwar needs of the men and women who persevered in the armed services during World War II so will our people and the Congress wish to demonstrate the same care and action to the American military personnel which is today seeking to preserve the rights and freedoms which were temporarily made secure on the battlefields of World War II.

The only way that we at home can give this assurance to those who are now engaged in Korea is to reinstate the GI bill of rights and other related benefits which covered our service personnel in World War II. Though the junior Senator from Washington was not a Member of the Senate during the period when this World War II legislation was conceived he has read the record and found it adequate to the needs of the present. The Senator from Washington sends to the desk a bill to extend GI rights and benefits to those who are engaged in and will become veterans of the Korean war and asks for its appropriate reference.

The Senator from Washington has been advised by the legislative counsel who prepared the proposed legislation, that, to all practical purposes, the bill, if enacted into law, would do for the Korean veteran what was done for the

veteran and participants in World War II. Among its provisions is one to confer $5,000 of war service insurance automatically on the persons who are now or will be engaged in the Korean campaign.

This bill, Mr. President, is being introduced in my name and that of the Senator from New Jersey [Mr. HENDRICKSON], a veteran himself of World War II, and the Senator from Ohio [Mr. BRICKER], a veteran of World War I.

Had this proposal, Mr. President, been circulated among my colleagues, it is likely that the name of almost every Senator would have appeared upon it.

The junior Senator from Washington actually prays to God, Mr. President, that the Korean war will soon and victoriously be concluded and that no part of it will overflow into other areas of the world. That war, however, whatever the time it takes to win it, will be fought by our countrymen. Every single member of our committed armed forces are deserving of being protected and covered by every reasonable benefit a grateful homeland can provide. The Senator from Washington knows that the bill which he has just sent to the desk will receive the prompt and serious consideration which it deserves.

The bill (S. 3890) to extend to personnel of the Armed Forces engaged in operations against the forces of the government of North Korea certain benefits provided by law for veterans of World War II, and for other purposes, introduced by Mr. CAIN (for himself, Mr. HENDRICKSON, and Mr. BRICKER), was received, read twice by its title, and referred to the Committee on Finance.

THE RAILWAY STRIKE

Mr. DONNELL. Mr. President, on last Thursday, July 6, the Senate recessed until today at noon. The morning newspapers of July 7 disclosed the fact that the switchmen's strike on five of the western and midwestern railroads had been halted as to four of those roads, but had continued in effect as against the fifth railroad, namely, the 8,000-mile Chicago, Rock Island and Pacific Railroad Co. It will be recalled that on the evening of July 6, last Thursday, it was reported to the Senate that the President, according to a ticker report of 11:01 a. m., July 6, was asked whether he considered the strike serious enough for him to seek seizure of the roads in the courts, or to address the Congress about it.

I quote the ticker report:

He replied that the delay to movement of wheat and cattle is reason enough for drastic action. But he declined to predict what course he will take if the strikers do not return to work.

The New York Times of the next morning, July 7, in reporting the halting of the strike as to four of the fixe railroads, published an article entitled "Switchmen Halt Tie-Up on Four Roads on Truman's Threat."

Mr. President, I ask unanimous consent that there may be set forth at this point in my remarks in the body of the RECORD a copy of the New York Times article of July 7, so entitled.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SWITCHMEN HALT TIE-UP ON FOUR ROADS ON TRUMAN THREAT—UNION CALLS OFF WESTERN STRIKE AGAINST ALL BUT ROCK ISLAND—PRESIDENT HITS WALKOUT—DRASTIC STEPS PREPARED—TEAMING UP OF "BIG GOVERNMENT WITH OBSTINATE EMPLOYERS" ALLEGED BY WORKERS' HEAD

(By George Eckel)

CHICAGO, July 6.—Citing the threat of direct Government action, the Switchmen's Union of North America, AFL ,tonight called off its 12-day strike against four Midwestern and western railroads, but continued it against a fifth, the 8,000-mile Chicago, Rock Island & Pacific Railroad Co.

There was no immediate indication of what action the struck railroads would take in the face of this development.

The switchmen's action, announced by Arthur J. Glover, the union president, followed a threat made today by President Truman at his news conference in Washington to take drastic action unless the switchmen abandoned their strike.

Mr. Truman called the strike an unjustified one and blamed it on a small minority of the switchmen. He said that he hoped drastic action would not be necessary to force the strikers back to their jobs, but said also that he would act if it became necessary. He declined, however, to say what steps might be taken.

CONDUCTORS' PLAN HALTED

President Truman today also ordered an emergency fact-finding board in the threatened strike of Pullman conductors against the Pullman Co., which automatically defers for 60 days a strike the conductors had scheduled for July 11.

The union, which is the Pullman Conductors' division of the Order of Railway Conductors, seeks a general revision of its working agreement. Mr. Truman said the dispute threatened to deprive the country of essential transportation.

The President observed that the switchmen had declined to abide by the recommendations of what he called a very able fact-finding board.

Mr. Glover's announcement today ordered back to work about 2,500 of the 4,000 switchmen called out at 6 a. m., June 24 against the Rock Island and these four other railroads, all smaller than the Rock Island: the Chicago Great Western, the Great Northern, the Denver, and Rio Grande Western and the Western Pacific.

The strike was called in support of the union's demand for a 40-hour week with 48 hours of pay. A Presidential fact-finding board on June 15 had recommended reduction of the switchmen's workweek from 48 to 40 hours, with pay increase of 18 cents an hour. A union spokesman today contended that this report made no mention of the switchmen's union.

Mr. Glover's announcement today charged a teaming up of "big Government with obstinate employers" to the detriment of collective bargaining.

RAIL MANAGEMENT HIT

"In this way we learn whether free men in a free country can still bargain with their employers over their living conditions without fear that big Government will team up with obstinate employers," said Mr. Glover.

"There has been no true collective bargaining in the railroad industry for years. There has been no true collective bargaining in this dispute.

"Railroad management has made no move to settle this dispute. Railroad management merely has said 'go on strike, we don't care. The Government will come in on our side and knock the hell out of the switchmen's union.'

"And, judging from President Truman's remarks today, railroad management has been on the right track.

"Our strike is legal. We have complied with all provisions of the Railway Labor Act.

"Well, now we'll just find out whether a legal strike against a railroad is possible in this free country."

UNION GIVES STATUS OF ROAD

Asked how the status of the Rock Island differed from that of the other four struck railroads, a union spokesman said there were two reasons:

1. Apparently a union cannot have a strike against four or five railroads but it might be possible to strike against one—that is what we're trying to find out.

2. The Rock Island is paralleled throughout its system by other railroads, and hence is less needed than the others.

Mr. Truman, in his remarks today, however, had said that the strike was tying up five main-line railroads when the rail services were needed, especially for the movement of cattle and wheat from the West.

The Rock Island does a good deal of that business, but the use of alternate railroads, attended by the inconveniences of longer truck hauls and the prospect of car shortages, has thus far handled the cattle and wheat business along the Rock Island's route.

Larry Gonder, public relations director for the union, who issued Mr. Glover's statement, said that if the four railroads against which the strike was called off did not take the men back, it's a lock-out.

NEGOTIATIONS WILL KEEP ON

Mr. Glover said that negotiations would continue with the Rock Island in an attempt to remake a settlement. Mr. Gonder said the switchmen's president would remain here for negotiations.

J. D. Farrington, president of the Rock Island, was "stunned" by the union announcement, said an aide, and had no immediate comment.

Harold Sims, public relations director for the Association of Western Railways, took issue with Mr. Glover's statement that rail management had made no move to settle the strike.

"We've offered a 40-hour week, and 18-cents-per-hour increase, and time and a half after 40 hours," said Mr. Sims, observing that the railroads had gone along with the fact-finding board's recommendations.

The union contends that a 31-cent-an-hour increase is needed to maintain take-home pay on the 40-hour week at the 48-hour level.

Mr. Gonder said that any striking switchmen going back to work would go back on a pre-strike basis, adding that 65 percent of the union's members worked 56 hours a week, and 35 percent 48 hours, all at straight time. He then said that the June 15 fact-finding report did not mention the switchmen's union, but on April 19, the board, hearing the conductors' and trainmen's case on a similar dispute, had announced their findings would apply also to the switchmen.

MEDIATOR'S APPEAL FAILED

The union Saturday rejected an appeal by John Thad Scott, Jr., chairman of the National (Railway) Mediation Board, to end the strike in view of current critical developments.

The union announced yesterday that Presidents William Green, of the American Federation of Labor, and Philip Murray, of the Congress of Industrial Organizations, had pledged the support of their organizations in telegrams to the switchmen. Unemployment due to the strike has reached 60,000, mostly of railroad employees, as all the struck lines except the Great Northern

shut down operations. The Great Northern has carried on curtailed passenger service.

Francis A. O'Neil, Jr., of the National Mediation Board, who has been here trying to help settle the switchmen's strike and to avert a strike threatened on or after July 15 by the trainmen and conductors on a similar issue, said tonight that mediation efforts had been centered on the switchmen't dispute today in view of President Truman's remarks. He added that there was nothing new to report.

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PRESIDENT SILENT ON PLAN—SEIZURE PROGRAM IS CONSIDERED AS WAY TO SWAY STRIKERS

(By Joseph A. Loftus)

WASHINGTON, July 6.—The decision of the Switchmen's Union, AFL, to end a strike on four of five western railroads followed by a few hours today President Truman's threat to take action to restore traffic.

Whether the return to work on all but the Rock Island System would be enough to stay the President's hand was a matter of speculation. A controlling element probably will be the progress, or lack of it, in the negotiation of a settlement.

The President did not indicate what course of action he had in mind. It was reported authoritatively that no firm course had been decided on, but that seizure would have to be considered if the strikers did not yield to public pressure generated by the White House.

The Government's timetable will be controlled to some extent, too, by its desire to head off a threatened strike of trainmen and conductors. Those two groups will be legally free to strike July 15. The issues in both disputes are the same, and it is probable that the pattern of settlement will be the same. Union rivalry was said to have spurred the switchmen to move out in front to try to set a pattern.

Mr. Truman, answering news conference questions, said the railroad strike was not interfering with supplies for the Korean fighting but that two of the railroads were absolutely essential to the movement of wheat crops and cattle from grass pastures to feed lots.

And it seemed to him, he added, that this was important enough for drastic action if they did not go back to work.

The Rock Island is one of the railroads important to the movement of grain.

The President was asked at the outset of the conference for comment on the switchmen's strike.

He replied that the strike had been brought about by a very strong minority of the switchmen; that it was an unjustified strike and that the men ought to go back to work at once.

Continuing, Mr. Truman said the switchmen had the views of a very able board made up of the Chief Justice of the Supreme Court of Utah, a former Justice of the Supreme Court of Indiana, and a professor of economics at California University.

The mediation board, he went on, suggested that they go back to work and they should have gone back to work when the board suggested they do so. It was then he added that he hoped it would not be necessary to take drastic action to get them back to work.

Mr. DONNELL. Mr. President, the report made to the Senate on the evening of July 6, as to the progress of the strike, was made in order to emphasize the importance of the passage by Congress of the bill, S. 3463, which, if enacted into law, would make unlawful any strike or any lockout by a carrier arising out of or in connection with any dispute falling within the purview of the Railway Labor Act. Secondly, the report was made to the Senate in order that we may preserve indelibly in the RECORD of this body a chronological description and statement of what are deemed to be the salient facts of this strike, there having been previously given to the Senate in the course of earlier reports the facts as they developed, or at least what the present speaker considered to be the more important of those facts.

Mr. President, to my mind the history which has been made within the past few days since the recess of the Senate on the evening of July 6, has verified, amplified, and strengthened the argument in support of the importance of the enactment into law of S. 3463. I call attention to the remarks made by Mr. Arthur J. Glover, president, Switchmen's Union of North America, AFL, in connection with the continuance of the strike against the 8,000-mile Chicago, Rock Island & Pacific Railway Co. In the article which I have had incorporated into the RECORD appears this language:

Mr. Glover's announcement today charged a teaming up of "big government with obstinate employers" to the detriment of collective bargaining.

It continues:

In this way we learn whether free men—

I am still quoting from Mr. Glover's statement—

in a free country can still bargain with their employers over their living conditions without fear that big government will team up with obstinate employers.

I continue to quote from Mr. Glover's remarks:

There has been no true collective bargaining in the railroad industry for years. There has been no true collective bargaining in this dispute.

Railroad management has made no move to settle this dispute. Railroad management merely has said "Go on strike, we don't care. The Government will come in on our side and knock the hell out of the switchmen's union."

Continuing with Mr. Glover's statement as quoted in the New York Times:

And, judging from President Truman's remarks today, railroad management has been on the right track.

Our strike is legal. We have complied with all provisions of the Railway Labor Act.

Well, now we'll just find out whether a legal strike against a railroad is possible in this free country.

Mr. President, this was the attitude of the president of the labor union in continuing the strike, although pursuant to the threat or remarks by the President—if they be not considered a threat—he had called off the strike as to the other four railroads involved. I am not here to denounce or to praise any leader of this or any other union, or the head of any railroad. I desire to point out to the Senate, however, that the interests of the public seem to have been the last thing in the mind of Mr. Glover as he issued these emphatic and concluding words which I have read:

Well, now we'll just find out whether a legal strike against a railroad is possible in this free country.

Mr. President, the Washington Post of Saturday, July 8, contained a most interesting editorial entitled "Strike Test." It begins with the sentence:

The reason given by the head of the switchmen's union for the decision to continue the strike against the Rock Island Railroad is that the union wants "to find out whether a legal strike against a railroad is possible in this free country."

Then the editorial writer says:

We think the question should be phrased differently. For what the union is really trying to determine is whether the Government will consider a strike against a single railroad system sufficiently serious to justify resort to the drastic action threatened by the President, which led to abandonment of the strike against four other roads.

Mr. President, I shall not read the editorial in its entirety, but I ask that it be set forth in full at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STRIKE TEST

The reason given by the head of the switchmen's union for the decision to continue the strike against the Rock Island Railroad is that the union wants "to find out whether a legal strike against a railroad is possible in this free country." We think the question should be phrased differently. For what the union is really trying to determine is whether the Government will consider a strike against a single railroad system sufficiently serious to justify resort to the drastic action threatened by the President, which led to abandonment of the strike against four other roads.

Strikes against the railways are unquestionably legal and their increasing frequency answers the query as to their possibility. The really important issue that the switchmen's union ought to be considering is the effect on public opinion of exercising the right to strike. The fact that members employed by four railroads were ordered to return to work after the President issued his warning shows that the union realizes that the right to strike is, in fact though not legally, limited to strikes which, in the opinion of the Government do not create national emergencies.

However, any strike that ties up an important segment of the transportation system—in this case the Rock Island—has a demoralizing effect on the economy that calls for protective action in the public interest. If railway unions proceed on the assumption that a long-suffering public will tolerate localized strikes that permit unions to pick off their victims one by one in a struggle to gain wage increases or other concessions, they are mistaken. For the public is interested not only in preventing strikes against the railways, but in maintaining an efficient system of rail transportation. By using the strike as a weapon for extorting from the roads greater concessions than they can afford to grant, unions increase railway operating costs and compel the roads to raise their charges—in short, they exact tribute from the entire country.

Whether strikes are directed against one or many roads, reliance on this kind of coercion as a means of settling disputes is bound to lead ultimately to legislative restriction or prohibition of strikes. Compulsory arbitration of railroad labor disputes, as proposed in a bill sponsored by Senator DONNELL, would, as Senator MORSE pointed out in the course of a debate on the switchmen's strike, set a precedent for Government control of a segment of the national economy, and might lead to establishment of similar controls over electric utilities, mines, and the merchant marine. Nevertheless, the public re-

quires protection against strikes that endanger health, demoralize trade and industry and, as at present, threaten national security. If peaceful settlement of railway disputes cannot be effected through collective bargaining, the only alternative will be to ban strikes, despite the dangerous potentialities of this kind of Government intervention.

Mr. DONNELL. Mr. President, I call attention to this concluding paragraph in the editorial:

Whether strikes are directed against one or many roads, reliance on this kind of coercion as a means of settling disputes is bound to lead ultimately to legislative restriction or prohibition of strikes. Compulsory arbitration of railroad labor disputes as proposed in a bill sponsored by Senator DONNELL, would, as Senator MORSE pointed out in the course of a debate on the switchmen's strike, set a precedent for Goverment control of a segment of the national economy, and might lead to establishment of similar controls over electric utilities, mines, and the merchant marine.

I digress to state that that question was discussed to some extent upon the floor of the Senate the other day, and it is not necessary at this moment to reiterate the views of either the Senator from Oregon or the Senator from Missouri with respect to the substance of the statement to which the editorial writer alludes.

Continuing, the editorial says:

Nevertheless, the public requires protection—

There is a third party in interest in all these matters, not the employees alone, not the employers alone, but the public, to whom this editorial writer correctly alludes.

I quote further:

Nevertheless, the public requires protection against strikes that endanger health, demoralize trade and industry and, as at present, threaten national security. If peaceful settlement of railway disputes cannot be effected through collective bargaining, the only alternative will be to ban strikes, despite the dangerous potentialities of this kind of Government intervention.

After the strike had been halted as to the four railroads on the evening of July 6 there occurred another step, and that was on July 8, when the Army seized the strike-bound Rock Island Railroad System and did so by order of President Truman.

I hold in my hand the New York Times article of July 9 entitled "Rock Island Road Is Seized by Army; Strikers Stay Out. Truman Orders Pace To Take Over and Asks Switchmen To Return, but They Refuse. United States Starts Legal Action. Injunction Move Is Expected—Rail Head Predicts Early Resumption of Operations."

The opening two sentences of the article read:

The Army seized the strike-stalled Rock Island Railroad System today by order of President Truman. Simultaneously the President and Frank C. Pace, Jr., Secretary of the Army, called upon the switchmen to return to work but their union rejected this request.

I call attention somewhat farther in the article to this:

Arthur J. Glover, president of the Switchmen's Union, gave its reply to the National (Railway) Mediation Board and issued this statement:

"We have informed the Secretary of the Army that the Switchmen's Union of North America will restore full and complete service on the Chicago, Rock Island & Pacific Railroad Co. when"—

Note the condition imposed and the time expressed by Mr. Glover—

"when and if the Government seizes the profits of that railroad as well as the labor of free men.

"The President has said the United States is not a war. Is the Democratic President of a democratic country saying that no railroad union can conduct a legal strike in peacetime?"

Mr. President, I ask unanimous consent that this entire article from the New York Times be incorporated in my remarks at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ROCK ISLAND ROAD IS SEIZED BY ARMY; STRIKERS STAY OUT—TRUMAN ORDERS PACE TO TAKE OVER AND ASKS SWITCHMEN TO RETURN, BUT THEY REFUSE—UNITED STATES STARTS LEGAL ACTION—INJUNCTION MOVE IS EXPECTED—RAIL HEAD PREDICTS EARLY RESUMPTION OF OPERATIONS

(By Joseph A. Loftus)

WASHINGTON, July 8.—The Army seized the strike-stalled Rock Island Railroad system today by order of President Truman. Simultaneously the President and Frank C. Pace, Jr., Secretary of the Army, called upon the switchmen to return to work but their union rejected this request.

After taking possession and receiving the switchmen's rejection, the Army had announced that it had requested the Department of Justice to take necessary legal action under the President's order. The Department of Justice was reported already in action.

Seizure-plus-injunction is the tested pattern that prevented a national rail tie-up in 1948.

J. D. Farrington, president of the Rock Island, said in Chicago that transcontinental trains would be in operation, under the Army, in 48 hours.

The Government's next thrust was expected Monday when the courts reopen, although there were precedents in emergencies for going to a judge at home and getting his signature on a temporary restraining order.

If union officials defy a court order they are liable to swift penalties for contempt.

ORDER BASED ON 1917 STATUTE

The seizure order relied on the President's powers as Commander in Chief of the Armed Forces and on a 1916 seizure statute.

As he ordered the Army to take over and operate the railroad, Mr. Truman said that the union had refused to accept the findings of an emergency board that he appointed and that "governmental seizure is imperative for the protection of our citizens."

"It is essential," he continued, "to the national defense and to the security of the Nation, to the public health and to the public welfare generally, that every possible step be taken by the Government for the operation of this railroad."

Arthur J. Glover, president of the Switchmen's Union, gave its reply to the National (Railway) Mediation Board and issued this statement:

"We have informed the Secretary of the Army that the Switchmen's Union of North America will restore full and complete service on the Chicago, Rock Island and Pacific Railroad Co. when and if the Government seizes the profits of that railroad as well as the labor of free men."

OFFICERS NAMED TO OPERATE ROAD

"The President has said the United States is not at war. Is the democratic President of a democratic country saying that no railroad union can conduct a legal strike in peacetime?"

Secretary of the Army Pace designated Assistant Secretary Karl R. Bendetsen to act for him in carrying out the executive order. Mr. Bendetsen in turn, appointed Maj. Gen. Frank A. Heileman, Chief of Transportation of the Army, as director of operations.

Luke W. Finlay, wartime executive officer of the Transportation Corps, will act as special consultant for the Department of the Army during the period of Government operation. Brig. Gen. Andrew W. McIntyre, war-time chief of the railway transport service division, Transportation Corps, will act as executive officer to General Heileman.

The President's action amounted to a warning to the trainmen and conductors not to go through with their threatened strike over the same wage and hour issues raised by the switchmen.

The President's order placed in effect the prestrike wage terms but left the way open to continued negotiations and the application of a final settlement on a retroactive basis.

The switchmen's union is a relatively small one. There are far more switchmen in the Brotherhood of Trainmen.

The order authorized the management of the company "to continue its managerial functions to the maximum degree possible consistent with the purpose of this order." That meant the collection and disbursement of funds as before.

The alternative to this "token seizure," as unions term it, is to operate the railroad for the account of the United States Treasury.

The union struck 2 weeks ago for a 40-hour week without a cut in the present pay for 48 hours. The emergency board, which heard similar demands by the trainmen and conductors and said the findings should be applied to the switchmen, recommended the shorter work week and an increase of 18 cents an hour instead of the full pay for the 8 hours that would be lopped off.

PROTECTION FOR WORKERS ORDERED

The strike was called originally against five railroads in the West and Midwest. The switchmen went back to work on the other four after President Truman on Thursday called the strike unjustified and threatened drastic action.

The President on Thursday said the strike against the five railroads was not affecting the fighting in Korea but that it was affecting the movement of grain and cattle.

In his statement today announcing the seizure, Mr. Truman called upon not only the officers of the switchmen's union but also "such other labor organizations as may be affected to take appropriate action to keep their members at work."

His order authorized the Secretary of the Army to furnish protection for persons employed or seeking employment * * *; to furnish protection for such transportation system; and to furnish equipment, manpower, and other facilities or services deemed necessary to carry out the provisions, and to accomplish the purposes, of this order.

Secretary Pace, taking possession of the carrier, said: "In assuming this task, I rely on the cooperation of railroad labor and management and of the public, for only through the united efforts of all can the task be successfully performed. I earnestly request all citizens to give their help.

"The interests of the public will be fully protected by the Army. Every effort will be made to resume full operations of this railroad. Maximum care will be taken throughout to avoid any impairment of normal service.

"The Army proposes to utilize the knowledge and experience of outstanding civilian and military transportation experts. It will be my policy to insure that the public is fully and swiftly informed of all matters affecting the operation of the railroad while under control of the Department of the Army."

In the threatened 1948 strike, the unions involved were the switchmen, the firemen, and the engineers. They rescinded the strike order after Federal District Judge T. Alan Goldsborough signed a temporary restraining order. That was on May 10, 1948.

Judge Goldsborough signed a permanent injunction on July 1. The judge ruled, as the Supreme Court had ruled a year earlier in a coal mine seizure, that the Norris-LaGuardia anti-injunction law was not intended to apply to the Government when it assumed the role of employer in an industrial dispute as it did when it seized private properties.

The three unions in the 1948 dispute had rejected an emergency board's recommendation of a 15½ cent wage increase. On July 8, however, the unions accepted that plus some rules changes which were not regarded as substantial.

Mr. DONNELL. On the same day, Sunday, July 9, a later article appeared in the Washington Post. I read this much from the heading and the black-faced bulletin with which the article begins:

COURT ORDERS SWITCHMEN BACK TO WORK—ACTION FOLLOWS UNION'S DEFIANCE OF PRESIDENT, SEIZURE BY ARMY

CHICAGO, July 8.—A Federal judge in Buffalo, N. Y., tonight ordered striking A. F. L. switchmen to end the strike against the Rock Island Railroad. The union's president, Arthur J. Glover, promptly ordered the men back to work.

Mr. President, I ask that this entire article be incorporated in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COURT ORDERS SWITCHMEN BACK TO WORK—ACTION FOLLOWS UNION'S DEFIANCE OF PRESIDENT'S SEIZURE BY ARMY

CHICAGO, July 8.—A Federal judge in Buffalo, N. Y., tonight ordered striking AFL switchmen to end the strike against the Rock Island Railroad. The union's president, Arthur J. Glover, promptly ordered the men back to work.

Striking A. F. of L. switchmen yesterday defied President Truman's demand that they return to work on the Rock Island Railroad, which he ordered seized and operated by the Army.

The Army later announced that Assistant Secretary of the Army Karl Bendetsen had requested the Department of Justice "to take necessary legal action." It was reported that Justice Department Attorney Joseph Friedman was on his way to Buffalo—where the switchmen's union has its headquarters—to seek a back-to-work court order.

The 1,500 strikers would go back to their jobs, said Arthur J. Glover, president of the Switchmen's Union of North America, "when and if the Government seizes the profits of that railroad as well as the labor of freemen."

"The President has said the United States is not at war," Glover added. "Is the democratic President of a democratic country saying that no railroad union can conduct a legal strike in peacetime?"

TRUMAN BLAMES UNION

Mr. Truman laid responsibility for the strike at the union's door in his seizure order. Acting under his powers as President and as Commander in Chief of the Armed Forces, he said:

"This union has declined to accept the findings and recommendations of an emergency board created by the President under the Railway Labor Act.

"It is essential to the national defense and to the security of the Nation, to the public health and to the public welfare generally, that every step be taken by the Government to assure the operation of this railroad."

He then ordered Army Secretary Frank Pace, Jr., to take possession of the entire Rock Island system by 5 p. m. (e. d. t.) yesterday. All Federal agencies were directed to cooperate with the Army. Pace was told to use military personnel to operate the road, if necessary, and to protect those using it.

PACE ISSUES STATEMENT

Pace promptly issued a statement saying he would carry out the President's order on the basis of "carefully prepared and considered plans."

"The interests of the public will be fully protected by the Army," Pace declared. "Every effort will be made to resume full operations of this railroad. Maximum care will be taken throughout to avoid any impairment of normal services. The Army proposes to utilize the knowledge and experience of outstanding civilian and military transportation experts."

Maj. Gen. Frank A. Heileman, Army Chief of Transportation, was given the job of putting the road back into operation under Army control.

The Rock Island was 1 of 5 railroads on which the switchmen's union called out 4,000 of its members June 25. Last Thursday, when the President threatened to intervene, the strike was called off on the other four roads. The Rock Island strike was continued to determine "whether a legal strike can be called in this free country." According to union sources it was selected for the test because its territory was so well served by other carriers that no emergency would result from suspension of its operations.

Friday, the union received what amounted to an ultimatum from Federal mediators, but countered with what it termed a "very reasonable" offer to settle. Details of this offer were not disclosed.

Mr. Truman's drastic action yesterday was seen in some quarters as a move to forestall strikes threatened after July 15 by 3 unions representing 250,000 trainmen, conductors, and yardmasters. The July 15 date ends the "cooling-off" period required by the Railway Labor Act after a strike vote has been taken.

The switchmen seek a 40-hour workweek at the same pay they have been receiving for 48 hours, tantamount to a 31-cent-an-hour raise in pay. A Presidential fact-finding board recommended the 40-hour week but limited the pay increase to 18 cents. This the switchmen rejected.

Mr. DONNELL. In the New York Times of the same date, July 9, 1950, is a very interesting article by Mr. J. H. Carmical, entitled "Rail Strike Legislation Is Sought To End Frequent Work Stoppages."

I call attention to this significant language of the article with respect to the bill, S. 3463, and with respect to another bill pending in the House of Representatives:

In an effort to prevent strikes in the railroad industry, hearings already have been held on a bill by Senator FORREST C. DONNELL, of Missouri, that would make binding on both railroad management and labor organizations the decisions of independent boards appointed by the President in all cases where disputes with respect to wages and working conditions cannot be settled amicably. Generally, arbitration would be made compulsory when an agreement could not be reached under procedures of the Railway Labor Act.

In addition, a bill has also been introduced in the House by Representative WINT SMITH, of Kansas, which would prevent the railroads for 2 years from employing anyone who had participated in any concerted action calculated to force a carrier to agree to rates of pay, rules, or working conditions different from those recommended in the report of a fact-finding board.

The opening sentence of the article reads:

The threatened and actual strikes in the railroad industry in the last few years, many in defiance of recommendations of fact-finding boards appointed by the President of the United States under the Railway Labor Act, suggest the need of some legislation that will end effectively work stoppages on the Nation's railways.

Mr. President, I ask unanimous consent that the entire article be set forth at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAIL STRIKE LEGISLATION IS SOUGHT TO END FREQUENT WORK STOPPAGES

(By J. H. Carmical)

The threatened and actual strikes in the railroad industry in the last few years, many in defiance of recommendations of fact-finding boards appointed by the President of the United States under the Railway Labor Act, suggest the need of some legislation that will end effectively work stoppages on the Nation's railways.

When enacted in 1926, the Railway Labor Act included no provisions for the mandatory settlement of labor disputes within the industry. Incorporating most of the machinery developed within the industry for handling of labor negotiation, its decisions were not to be binding upon either the management of the railroads or the labor organizations. With the authority of the President and with the force of public opinion back of any decisions made by the fact-finding boards, the theory was that the decision would be accepted by both sides and that expensive and paralyzing strikes would be avoided.

RAILWAY LABOR ACT HELPED

For about 20 years, the Railway Labor Act was an effective instrument in preventing serious labor disturbances in the industry. Although some difficulty was encountered in settling labor negotiations in 1941 and also in 1944, it was not until May 1946, that a Nation-wide strike took place. However, it lasted for only 2 days. Since then, however, there have been several strikes on important segments of the Nation's railroad system.

Last fall, there was a disastrous strike on the Missouri Pacific Railroad which lasted for about 7 weeks. It stemmed from the handling of grievances by employees by the adjustment boards under the Railway Act and also from the interpretation by management of certain rules and regulations. At present, there are grievance cases pending against several railroads and threats of strikes are being made against one or two railroads.

In May the Brotherhood of Locomotive Firemen and Enginemen called a strike against four railroads in an effort to force the railroads to employ two firemen on Diesel-electric locomotives in road service. This strike was called after two fact-finding boards, one in 1943 and the other in 1949, had found there was no need for an additional fireman on these locomotives. After

tying up traffic for several days on these four railroads, the strike was terminated, virtually without any gain to the firemen's organization but at a great cost to the railroads involved and to their customers.

SWITCHMEN'S UNION STRIKE

After 12 days, the switchmen's union last Friday called off a strike against four or five railroads involved. This was done only after a threat by President Truman to take drastic action if the strike was not ended soon. The switchmen's union, however, refused to direct the return of its members to the Chicago, Rock Island & Pacific, one of the five struck roads.

The strike against these roads was called in defiance of a decision on June 15 of a fact-finding board. This board had recommended that men doing switching work on the railroads have a 40-hour week and a pay increase of 18 cents an hour. The union had insisted on 48 hours' pay for 40 hours' work, which would have meant an increase of 31 cents an hour.

A strike of the Order of Railway Conductors and the Brotherhood of Railroad Trainmen will be legal under the Railway Labor Act on July 15. These two organizations had demanded among other things that a run of 100 miles of 5 hours, whichever is less, should constitute a day's work, instead of the 150 miles or 7½ hours now in effect. After lengthy hearings, the fact-finding board rejected their demands and they have refused to accept the findings.

A Nation-wide strike of pullman conductors is scheduled to begin on Tuesday. President Truman last week, however, set up a fact-finding board which must report back to him within 30 days. Meantime, the conductors are supposed to stay on the job. The pullman conductors are seeking a decrease in the number of working hours and also several rule changes.

In all cases since 1941, the railroads have accepted the recommendations of the fact-finding boards. The refusal of the unions to accept their recommendations has brought about a sharp deterioration in rail labor relations and created a situation harmful to the business of the railroads. At present the railroads are having difficulty in making ends meet and strikes and threats of strikes are diverting considerable traffic to competing agencies.

UNEMPLOYMENT BENEFITS A FACTOR

According to some railroad executives one reason for the frequency of strikes in the industry is the unemployment benefits up to about $100 a month during a strike. Under a law enacted in the 1930's, the railroads were required to contribute to a fund which among other things could be used for unemployment benefits. No contribution is required from employees, but an employee on strike or not working because of a strike is eligible for unemployment benefits.

In an effort to prevent strikes in the railroad industry hearings already have been held on a bill by Senator FORREST C. DONNELL, of Missouri, that would make binding on both railroad management and labor organizations the decisions of independent boards appointed by the President in all cases where disputes with respect to wages and working conditions cannot be settled amicably. Generally, arbitration would be made compulsory when an agreement could not be reached under procedures of the Railway Labor Act.

In addition, a bill also has been introduced in the House by Representative WINT SMITH, of Kansas, which would prevent the railroads for 2 years from employing anyone who had participated in any concerted action calculated to force a carrier to agree to rates of pay, rules, or working conditions different from those recommended in the report of a fact-finding board.

Mr. DONNELL. Mr. President, in the Washington Post of today, Monday, July 10, is an article on the front page entitled "Wage Dispute Still Unsettled. Army Running Rock Island Railroad as Strike Ends by Court Order." It is an Associated Press dispatch from Chicago dated July 9. I call to the attention of the Senate the fact that included in this article is the following paragraph, referring to the court order having been issued in Buffalo, N. Y., by Federal Judge John Knight:

The switchmen's union promptly complied. Arthur J. Glover, union president, told the strikers to go back to work. He said: "We have no choice now."

I ask unanimous consent that the entire article appearing in the Washington Post may be set forth at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WAGE DISPUTE STILL UNSETTLED—ARMY RUNNING ROCK ISLAND RAILROAD AS STRIKE ENDS BY COURT ORDER

CHICAGO, July 9.—About 1,500 AFL switchmen ended a 2-week strike today on the Rock Island Railroad. Trains under Army bosses began rolling again, putting a shine on rusty rails.

The deadlocked tie-up of the 8,000-mile line was broken shortly before 1 a. m. (e. d. t.) by a temporary injunction. The court order was issued in Buffalo, N. Y., by Federal Judge John Knight.

The Switchmen's Union promptly complied. Arthur J. Glover, union president, told the strikers to go back to work. He said: "We have no choice now."

The switchmen and the railroad's 21,000 other employees are technically working for the Army, which took over operation of the Rock Island yesterday. The wage dispute which led to the strike still exists.

Today an Army spokesman said the Army does not plan to participate in negotiations with the union. It will retain control until union and railroad have reached a working agreement. There were no plans for immediate resumption of wage talks, but a railroad official said he believed they will be resumed in the near future.

The union president made it clear the switchmen's dispute with the Rock Island and other roads hasn't been settled. His back-to-work order was given under protest.

Earlier, Glover had turned a deaf ear to urging by President Truman that the strike against the Rock Island be ended. And yesterday, when Army officers took over the line, Glover told newsmen he would ignore them unless the Government seized "the profits of the railroad as well as the labor of free men."

In ordering the Army to take over the railroad, Mr. Truman said it was "essential to the national defense and to the security of the Nation," to get the railroad running.

Judge Knight's order set a hearing at Buffalo, the union's headquarters city, July 17 to determine whether the injunction will be extended or made permanent.

Mr. DONNELL. I call attention to the fact in this connection that injunction by a court, an order issued by a Federal court, was the only procedure that proved effective to stop the strike on the Rock Island Railroad. Notwithstanding that the Government, acting through the President, had seized it, notwithstanding the fact that the labor union had abandoned its strike on the other four railroads, notwithstanding the fact that the Army had taken possession of the Chicago, Rock Island, and Pacific Railroad system, we still find that until the arm of a court was extended and its order was issued, the labor union refused to permit its men to go back to work on the Rock Island system.

I call attention to the fact that in Senate bill 3463 there is a section under which it is provided that—

Any United States district court within the territorial jurisdiction of which any violation of this section—

That is to say the new section 10 (a) of the Railway Labor Act, if the bill be passed—

shall have been committed or shall be threatened shall also have jurisdiction, at the instance of the Attorney General of the United States, or the attorney general of any State affected by such a violation or a threatened violation of this section, or of any interested carrier or aggrieved party, to grant the remedy of injunction, prohibitive or mandatory, which may be appropriate in the premises;

I call attention to the fact that the interests of the public are involved in a controversy in a strike such as this. It is unnecessary, of course, to amplify and multiply the illustrations. But I should like very briefly to mention a few of them which have come to my attention in the press reports. Some of them may have been mentioned earlier in the accounts which I have given to the Senate. But they come to us here from a somewhat different angle, as I see it.

In the Salt Lake Deseret News of July 3, 1950, before the strike had been called off as to the four railroads and before the Army had taken possession as to the fifth, it is stated:

STRIKE IDLED IN UTAH RISE—SULFURIC ACID SHORTAGE THREATENS NEW FACTORIES

A creeping paralysis of Utah industrial activity was continuing Monday after AFL switchmen refused the Government's request to call off its week-old strike.

R. D. Bradford, general manager of the idled Garfield smelter of the American Smelting & Refining Co., said closing of the plant also has stopped production of sulfuric acid essential in a number of Mountain West fertilizer, vanadium-uranium, and oil-refining operations.

Geneva Steel Co. said there will be no change in its operations before July 10, but officials could not say what would occur after that date. They said coal had been stockpiled in anticipation of the coal miners' 10-day national holiday which began Saturday.

Mr. President, I ask unanimous consent that the entire article may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD as follows:

STRIKE IDLED IN UTAH RISE—SULFURIC ACID SHORTAGE THREATENS NEW FACTORIES

A creeping paralysis of Utah industrial activity was continuing Monday after AFL switchmen refused the Government's request to call off its week-old strike.

R. D. Bradford, general manager of the idled Garfield smelter of the American Smelting & Refining Co., said closing of the plant also has stopped production of sulfuric acid essential in a number of Mountain West fertilizer, vanadium-uranium, and oil refining operations.

Geneva Steel Co. said there will be no change in its operations before July 10 but officials could not say what would occur

after that date. They said coal had been stock-piled in anticipation of the coal miners' 10-day national holiday which began Saturday.

DEPENDS ON RAILROAD

Geneva's Utah County operations, employing 5,000 workers, depend on coal mined in its Carbon-Emery field mines and normally hauled by the Denver & Rio Grande Western Railroad.

The switchmen's strike, which came after the union rejected a Presidential fact-finding board's recommendations in a wage and hour dispute, is directed against D. & R. G. W., Western Pacific and three other rail roads.

The walkout and three contract disputes, have idled nearly 11,000 workers in Utah.

BLOCKED BY PICKETS

Out of work are 4,000 Utah railroad workers, 4,000 coal miners, 1,200 Garfield smelter workers and 80 construction workers who have refused to cross picket lines at the A S. & R. plant, and 50 Geneva Steel employees at the firm's Keigley limestone and dolomite quarry near Payson.

In addition contract disputes have idled 1,330 at the United States Smelting, Refining & Mining Co.'s properties at Midvale, Bingham, and Lark, 123 at the Structural Steel & Forge Co. in Salt Lake City and 76 at the Illinois Powder Manufacturing Co. plant in Spanish Fork Canyon.

Another 100 construction workers employed by Utah Construction Co. to build a tunnel between Lark and Bingham as a United States Smeltering, Refining & Mining Co. facility refused to cross the CIO picket lines at Lark Saturday. They were off the job Monday as the company closed for the Independence day week end.

S. Lyle Johnson, Federal mediator, and Dan Edwards, State labor conciliator, were trying Monday to arrange new talks to settle the disputes.

Mr. DONNELL. Mr. President, I said a moment ago that these articles proceeded from a somewhat different angle. I should have said that they give additional, as I see it, illustrations of the general facts to which I have called attention earlier of interference with the interests of the public as distinguished from the interests of the employees and the employers.

I hold in my hand an article from the Pueblo (Colo.) Star-Journal of June 27, 1950. The headline is:

D. & R. G. W.—

That is the Denver & Rio Grande Western—

strike hits shipment of fruit corporation.

I read as follows:

While the switchmen on the D. & R. G. W. Railroad continued into the third day of striking—

That was only the third day, Mr. President, and the strike continued for almost 2 weeks. I continue to read—

the other railroads not affected by the walkout and the trucking firms in and around Pueblo began feeling a heavier increase in business.

Probably hardest hit by the strike are the farmers on the western slope. Cherries, apricots and some of the other fruit are not arriving in Pueblo as they were scheduled. The railroad strike can cause a general tie-up of produce if the trucking companies can not handle all the business. The perishable items are getting into about the peak yield of the season and the already short crop will see a serious loss if the fruits and vegetables are not brought to the market almost immediately.

Mr. President, I ask unanimous consent that the entire article from the Pueblo Star-Journal may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

D. & R. G. W. STRIKE HITS SHIPMENT OF FRUIT CROP

While the switchmen on the D. &. R. G. W. railroad continued into the third day of striking, the other railroads not affected by the walkout and the trucking firms in and around Pueblo began feeling a heavier increase in business.

Probably hardest hit by the strike are the farmers on the western slope. Cherries, apricots, and some of the other fruit are not arriving in Pueblo as they were scheduled. The railroad strike can cause a general tie-up of produce if the trucking companies cannot handle all the business. The perishable items are getting into about the peak yield of the season and the already short crop will feel a serious loss if the fruits and vegetables are not brought to the market almost immediately.

The only movement in the Rio Grande terminal is the arrival and departure of the Missouri Pacific Eagle. The train that ordinarily runs from St. Louis to Pueblo on the MoPac and from Pueblo to Denver on the Rio Grande, has been forced to lay over all day in Pueblo and then return to St. Louis. No attempt is being made by supervisors to get the train on through the local yards to complete the run to Denver.

The airlines are beginning to feel an increase in volume of inquiries and reservations from Pueblo to Denver and to many eastern points that are affected by the strike.

The switchmen have nothing in view for a rapid settlement of the strike but it was reported that important negotiations will be held Thursday. The strike is laying off approximately 600 employees in Pueblo.

The switchmen are striking for a 40-hour week and a 31-cents-an-hour wage increase. The demand has caused an absolute shutdown of the Rio Grande's 2,700 miles of track throughout Utah and Colorado. It is the first complete halt of activities in the companies 70-year-old history.

Officials of the railway company and trucking firms hoped that they could transport the Colorado spinach and pea crop to market by truck but expressed doubt that the peach and fruit crops could be handled in time.

Trucking firms said the bulk of the business is centering around the Grand Junction, Alamosa, and Durango areas—hardest hit by the strike as there is no other railroad in the area.

Some of the additional trucking volume handled by the local terminal included Colorado Fuel & Iron Corp. shipments, and the truck terminal today is scheduled to make deliveries of Continental Oil Co. products.

Mr. DONNELL. Then, Mr. President, I have an article from the Des Moines Register of July 6, 1950, which is short, and I shall read it:

INDUSTRIES HIT BY RAIL STRIKE

MUSCATINE, IOWA.—The strike of switchmen on the Rock Island Railroad is expected to curtail the operation of industry here by next week.

A survey Wednesday indicated that several manufacturers are planning slow-downs for next week, and one looked for a complete shut-down if the strike isn't settled.

The Milwaukee Railroad operates through Muscatine, but freight service here has been halted because Muscatine switching is handled by the Rock Island.

The New York Journal of Commerce under date of July 7, contains an article all of which I shall not read, which comments on various industrial fats and has this very very interesting statement:

DRYING OILS

The drying oils market was rather featureless yesterday with trading mostly on the dull side. The railroad strike still held the linseed trade in the grip of a transportation dilemma. Most, or all, crushing is in the strike area and major producers were still finding it difficult taking care of nearby shipments. Oil for immediate was priced at the same figure 17.5 cents, August at 17.3 cents and September and September-October were without change.

Mr. President, I call attention to an editorial appearing in the Detroit News of June 30, 1950. It is not long and I shall read it:

IN SUCH A CRISIS, THEY STRIKE!

In view of the commitment of American armed forces in the ominous Korean hostilities, there hardly could be a worse time than now for a strike disrupting transcontinental rail transport.

All five of the roads affected by the walkout of A. F. of L. switchmen are in that service. Four have suspended operations and the fifth is running on crippled schedules.

This strike, like that of the firemen earlier this year, is against the findings of a Presidential board on the issues in dispute. It represents another failure of the Railway Labor Act to fulfill its designed purpose of protecting the public interest in uninterrupted operation of the railroads.

That sentence and the next one I am going to read bear repetition:

Rail transport is vital—

Says the writer—

to national health and safety at all times. The News—

That is the Detroit News, Mr. President—

is convinced the Railway Labor Act must be supplanted by one consigning rail labor disputes to impartial, compulsory arbitration, binding on labor and management.

I pause at this moment to state that the bill which I introduced and advocate does not supplant the Railway Labor Act. It amends it. But it does consign these disputes under the Railway Labor Act to—quoting from the editorial—"impartial, compulsory arbitration, binding upon labor and management."

The editorial concludes with this sentence:

The present strike, in the shadow of possible world war, may convince others of the need for this means of settling such disputes without strikes.

Mr. President, I now hold in my hand an editorial entitled, "One More Stage?" published in the Providence (R. I.) Journal of July 1, 1950. I ask unanimous consent that the entire editorial be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ONE MORE STAGE?

Since its passage in 1926, the Railway Labor Act has been applied in a variety of ways to maintain or restore labor peace on the Nation's railroads. One by one, new steps were added to the act's dispute-settling machinery of mediation and delay as the powerful railroad unions became more familiar with—and less impressed by—the original devices.

But throughout its history, the act has been dependent on the pressure of public opinion for its compulsive power over the unions. Sometimes when the formal machinery failed to produce settlement of an emergency strike, this pressure had to be exerted through Government seizure of the roads and once even through the angry threat of a President to draft strikers into the Army. Now we seem once again to have reached a point where a new stage will have to be added to the railway labor peace machinery, or a new channel found for the expression of public opinion, if the law's effectiveness is to be preserved.

AFL switchmen have struck four western railroads after proceeding fruitlessly through the entire sequences of cooling-off periods, mediation efforts and fact-finders' reports. Their action was in disregard to the recommendations of a presidential appointed board of inquiry. Two more strikes also threaten, as the conductors' and trainmen's unions wait out the final 30-day delay specified by the Railway Labor Act.

The mediation and fact-finding boards represent the nearest thing to an impartial expression of public opinion on the issues in the strike. In the case of the switchmen's walk-out, the board had recommended a seemingly liberal compromise of the union's initial demands and the railroads had accepted that basis for settlement. But the union continued to insist on 100-percent compliance with its demands and the strike went on.

Public interests is so closely identified with the railroads that many of the factors usually involved in labor strife are ruled out. There can be no retaliatory lock-out by the road managements, for example. And the public interest normally cannot tolerate any prolonged suspension of service on main lines, whatever the reason. Thus we cannot sit back to let the participants in a rail strike battle it out between themselves.

Yet if our intervention in the form of mediation and fact-finding boards fails to impress the unions with the public viewpoint, what else must we do to safeguard the clear national interest involved in maintaining rail service? What other, and perhaps stronger methods of expression ought we to adopt?

Before they continue their defiance of public opinion as thus far so reasonably expressed, it seems to us that the unions involved ought to weigh the possibility that the country may insist upon some surer method for preserving peace in the rail industry. Further abuses may force the American people to consider whether strikes ought not to be forbidden altogether in certain vital sectors of the economy. If such a question is raised, the rail unions will have to shoulder a large share of the responsibility for bringing it up.

Mr. DONNELL. I call particular attention to the concluding two sentences of that editorial, reading as follows:

Further abuses may force the American people to consider whether strikes ought not to be forbidden altogether in certain vital sectors of the economy. If such a question is raised, the rail unions will have to shoulder a large share of the responsibility for bringing it up.

In the Washington Post of July 10 appears an editorial entitled "Rock Island Seizure." I ask unanimous consent that it may be printed in full at this point in the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ROCK ISLAND SEIZURE

To end the strike against the Rock Island and no doubt for the purpose of heading off threatened strikes of major proportions by conductors, trainmen, and yardmen, the President ordered the Army to seize the road. The union remained defiant, however, until the Department of Justice obtained a temporary injunction directing the strikers to return to work. Arthur J. Glover, head of the Switchmen's Union, protests the action on the ground that the President has said the United States is not at war. "Is the democratic President of a democratic country saying that no railroad union can conduct a legal strike in peacetime?" he asked. The answer is that the United States is technically still at war with Germany and Japan. Since the President has no power to seize struck railroads in time of peace, he is relying for justification of his action on a law passed in 1916 authorizing seizure of any transportation system if it becomes necessary in time of war. That forgotten statute was unearthed more than 2 years ago when the Army seized the railroads to prevent a Nation-wide strike of engineers, firemen, and switchmen.

In an editorial of May 11, 1948, discussing the seizure order this newspaper said:

"Technically the country is still at war, but the President justified his action in the name of 'public health and the public welfare.' The indisputable fact is that an extended Nation-wide railroad strike would be disastrous in time of either war or peace. The President ought to have well-defined powers for dealing with such an emergency, without having to rely upon a wartime measure that may soon be inapplicable. * * * It is a problem that will have to be met and the national interest would be served best by meeting it before rather than after a peacetime emergency has arisen."

In another editorial of July 3, 1948, written a few days before the roads were restored to their owners, we characterized Government seizure as "a devious, clumsy, inadequate device for dealing with a problem that should be tackled in forthright fashion." We also pointed out that seizure does not insure settlement of disputes, and if it becomes a recognized means of dealing with strikes it may lead to permanent Government ownership and control of the railroads.

We have quoted these opinions at some length to emphasize our conviction that unless railway unions forego their right to strike in defiance of the recommendations of impartial fact-finding boards, legislative banning of strikes and provisions for Government seizure in peacetime as a last resort will be necessary. There is reason to believe that public opinion will strongly support such drastic measures if transportation tie-ups continue. It is worth noting that in the Rock Island seizure order the danger to the national security of the strike against that road is only one of the reasons advanced for the action taken to end it. Now, as in 1948, the President stressed the effect on public health and welfare of interruptions to rail transportation. In other words, the seizure order can be justified as a peacetime measure, although circumstances compelled the President to rely on his powers as Commander in Chief of the armed forces and on the 1916 seizure statute.

Mr. DONNELL. Mr. President, I now hold in my hand an article from the Salt Lake City Deseret News of June 27, 1950. The article refers to the stoppage of certain Utah coal production as a result of the railroad tie-up. I shall read one or two sentences from the article, as follows:

Coal mines in Carbon County were virtually all idle as shipments are mainly dependent on D. & R. G. W. trackage. In other areas, several mine operators were preparing to close down or curtail production if the strike is extended.

I ask unanimous consent to have the entire article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAIL STRIKE IDLES MINES—UTAH COAL PRODUCTION STOPS AS RESULT OF TIE-UP

The costly shutdown of two Mountain West railroads entered its third day Tuesday as Federal mediators in Chicago were striving to snap the deadlock in the AFL Switchmen's Union strike.

Railroad yards of the Denver & Rio Grande Western and the Western Pacific in Salt Lake City remained idle as employees of the two lines "sat it out" in four States.

Coal mines in Carbon County were virtually all idle as shipments are mainly dependent on D. & R. G. W. trackage. In other areas, several mine operators were preparing to close down or curtail production if the strike is extended.

In Price, 14 union mines in the Carbon County area were reported closed. Two independent mines, Knight Ideal and the Coal Creek Co., halted work because of the rail problem.

All mines indicated stockpiles are low and cannot be filled until the mines are back in full production.

Plans are being made to withdraw pickets at the D. & R. G. W. Garfield yards, F. W. Macaulay, secretary-treasurer of the switchmen's local said. Apparently no operations are being attempted there, he added.

The Garfield site was the only one picketed when the strike broke Sunday morning.

"As long as there are no attempts to run trains, there will be no pickets," Mr. Macaulay declared, "but we will continue to keep a check on the various yards in the Salt Lake area."

He said he has received no word from C. E. McDaniels, local chairman for D. & R. G. W. switchmen, since Monday. At that time, Mr. McDaniels, who is in Chicago, urged local switchmen to be ready for work at any time.

Federal mediators planned Tuesday to meet with representatives of the five railroads hit by the strike. Monday night the Government men held talks with officials of the switchmen's union.

Mr. DONNELL. Mr. President, I now hold in my hand in an editorial entitled "Drastic Action," from the Chicago Journal of Commerce of July 7, 1950. I ask unanimous consent to have the editorial printed in full at this point of the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DRASTIC ACTION

Yesterday President Truman, a good friend of organized labor, threatened to take drastic action unless members of the AFL Switchmen's Union end their strike against five major railroads.

Presumably the President's threat is also intended for the ears of the Order of Railway Conductors and the Brotherhood of Railroad Trainmen, who say they will strike on July 15 unless they get what they want.

What the unions want is a 40-hour workweek for the same wages they now are getting for 43 hours on the job—plus various other concessions. What a Presidential fact-finding board granted them was a good deal less.

Harry Truman is not the sort of man who would select fact finders with an antilabor bias. An outspoken adversary of the Taft-Hartley Act, the President owes his election in large part to the labor vote. Any benefit of doubt would be given to the unions if the master of Blair House had his way.

But unfortunately for the case of the railway labor bosses there seems to be no doubt whatsoever in the President's mind that the unions are dead wrong in their attitude. In the earlier years of the Railway Labor Act fact finding worked smoothly. But, once President Roosevelt set a precedent by rejecting a fact-finding board's report and demanding a new set of recommendations more favorable to the unions, such arbitration became largely discredited.

The brothers Pasquel, owners of the ill-starred Mexican Baseball League, used to rush out on the field and insist that the umpires reverse close decisions which happened to displease the Messrs. P. As a result, the umps became a laughing stock. The analogy with F. D. R. and his fact-finding boards is painfully obvious.

Mr. Truman is apparently trying to repair the damage done by his predecessor. But what sort of drastic action he will take to quell the defiance of his fact finders is not known at the moment. One course we might suggest is support of the Donnell bill, providing for compulsory arbitration in railroad labor disputes.

Reluctantly, management has endorsed the Donnell bill. Compulsion has a foreign flavor to a free-enterprise society. But there are worse things—such as chaos in the Nation's transportation industry at a time when our bandit-chasing exercises in Korea may demand swift, large-scale use of American transport.

Last year 43 cents out of every dollar distributed by railway management went for wages and salaries. Six cents went to stock and bond holders. Earnings dropped 36 percent from the preceding year. But such considerations weigh lightly with the brotherhood officials compared with their personal ambitions.

Time was when the great railway tycoons—the Hills and Harrimans and Goulds and Vanderbilts—ran their business with a high-handed disregard for the public welfare. Their counterparts of 1950 are to be found, not in the carpeted sanctums of management, but in the halls of labor.

Justice, the Nation's commerce, public safety, and common sense—all demand that the brotherhoods' power to paralyze part or all of America's rolling stock be ended. The Donnell bill will do it. It should be a "must" on the calendar of Senator LUCAS, majority leader. Congress still has time to pass the Donnell bill. It should do so.

Mr. DONNELL. I call particular attention to the concluding paragraph of the editorial, which bears upon Senate bill 3463:

Justice, the Nation's commerce, public safety, and common sense—all demand that the brotherhoods' power to paralyze part or all of America's rolling stock be ended. The Donnell bill will do it. It should be a "must" on the calendar of Senator LUCAS, the majority leader. Congress still has time to pass the Donnell bill. It should do so.

Mr. President, I wish to have printed at this point in the RECORD, as being historically interesting and important and relevant, a very interesting and rather short article entitled "Government Is Old Hand at Railroading," appearing in the Washington Post of July 9, 1950. It tells something about the previous experiences, beginning in World War I, of the United States Government in operating railroads. I ask unanimous consent that the article be printed in full at this point in the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOVERNMENT IS OLD HAND AT RAILROADING

Running a railroad is no new experience for the United States Government. Here are some of the important occasions when railroads have been seized:

In World War I: The Nation's railroads were operated by the Government from January 1, 1918, to March 15, 1920, for greater efficiency in the war. This seizure was not caused by a labor dispute.

In World War II: President Roosevelt seized the railroads just before Christmas, 1943, to prevent a strike over wages, and the Army kept possession until mid-January 1944.

1942–45: The Government kept the Toledo, Peoria & Western in its possession for more than 3 years to block a strike.

1946—Seizure of the Nation's railroads on May 17, 1946, failed to prevent a 48-hour strike of engineers and trainmen May 23–25. President Truman broke the strike by giving the strikers an ultimatum to get back to work or the Army would operate the trains.

1948: Mr. Truman again seized the railroads on May 10, 1948, in a dispute over wages and working rules, involving the engineers, firemen, and switchmen. This time he succeeded in preventing the strike altogether by getting an injunction. The railroads were restored to their owners on July 9 of that year, after a settlement had been reached.

Mr. DONNELL. Mr. President, I shall not trespass longer upon the time of the Senate this evening. To my mind I have brought to the attention of the Senate, from day to day, including this evening, facts which demonstrate beyond peradventure of doubt that the public interest demands action to prevent strikes in connection with disputes arising out of or connected with the Railway Labor Act. The interest of the public is predominant and paramount. I most earnestly insist that the observation, in one of the editorials I have presented, in regard to the importance of early enactment of Senate bill 3463 is sound and should be followed.

RECESS

Mr. McCLELLAN. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 34 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, July 11, 1950, at 12 o'clock meridian.

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NOMINATIONS

Executive nominations received by the Senate July 10 (legislative day of July 1), 1950:

DEPARTMENT OF AGRICULTURE

Clarence J. McCormick, of Indiana, to be Under Secretary of Agriculture.

UNITED STATES DISTRICT JUDGE

Edward Weinfeld, of New York, to be United States district judge for the southern district of New York, vice Hon. Simon H. Rifkind, resigned.

IN THE AIR FORCE

The following-named officers for promotion in the United States Air Force, under the provisions of sections 502 and 510 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to physical examination required by law. All others have been examined and found physically qualified for promotion.

*To be colonels*

United States Air Force

Holland, Park, 700A.
Smith, Grady Lincoln, 709A.
Porter, David Dunnuck, 713A.
Totman, Ralph Wright, 724A.
Oje, Clifford Vernon, 741A.
Jaquess, Fletcher Pollard, 742A.
Gershon, Samuel, 757A.
Rhodes, Lawrence Burnett, 761A.
Mayhew, Donald Plympton, 762A.
Westphal, George Anthony, 769A.
Cote, Narcisse Lionel, 773A.
Smith, Bernard Brice, 789A.
Weinaug, Walter Louis, 792A.
Mason, Robert Lucas, 816A.
Crane, Ralph Wendell, 823A.
O'Brien, Neal James, 824A.
Rockwell, Robert Beverley Habersham, 829A.
Bunch, Clare Wesley, 830A.
Tidwell, Moody Rudolph, Jr., 1553A.
Wadman, John Francis, 838A.
Hamilton, Donald Menzies, 849A.
Snyder, Ira David, 854A.
Bartlett, LeRoy, Jr., 895A.
×Moore, Roger Willard, 925A.
Kirk, Charles Gilbert, 945A.
Smith, Frederick Lester, Jr., 19644A.
×Martz, Chester Grant, 958A.
Kane, John Riley, 959A.
Loewenberg, Jerome Lester, 963A.
Taylor, Lester Maxwell, 965A.
×Gill, Edward Clarkson, 19665A.
Hoehl, Francis Ray, 971A.
Coffey, Walden Bernald, 980A.
Slagle, Fred Clemons, 985A.
Seiler, Frank John, 987A.
Johnson, Aaron Lowell, 993A.
Henderson, Richard William, 995A.
King, Victor Haller, 1018A.
Denton, Alton Alexander, 1020A.
Elliott, Roland Arthur, Jr., 1022A.
Haskin, Millard Loren, 1024A.
Gasser, Clyde Daniel, 1028A.
Mann, Woodward Berkeley, 1031A.
Rankin, Carl Eaton, 1035A.
Taube, William Roger, 1038A.
Minnis, Gilmore Vincent, 1039A.
Fuller, Theodore Albert, 1040A.
Butler, Robert Orlin, Jr., 1052A.
Crystal, Thomas Leslie, Jr., 1064A.
Barnes, Frederic Wood, 1065A.
Holzapfel, William Jack, Jr., 1066A.
Winkle, Charles Burton, 1078A.
Perry, Bruce Harley, 1091A.
Beasley, Channing Ernest, 1093A.
Quirk, James Thomas, 1094A.
Cassady, Emmett Buckner, 1095A.
Bivins, Luther Moran, 1097A.
Deemer, Walter Lorraine, Jr., 19646A.
McKerley, James Arthur, 1098A.
Stolle, Richard, 1100A.
DeVos, John Francis, 1108A.
Ingram, Downs Eugene, 1119A.
×Chapman, Willis Fred, 1121A.
Baynes, William Henderson, 1122A.
Pocock, Dale Franklin, 1138A.
Wood, Randolph Lowry, 1140A.
Workman, William Glenn, 1168A.
Cannon, Vincent Thomas, 1175A.
Sundell, Walden Alexius, 1176A.
Congdon, William Holmes, 1178A.
Hopkins, Edward J., 1180A.
Lewis, Clarence Harmon, 1181A.
Milton, James Albert, 1182A.
×Ritchey, Russell Vaughn, 1186A.
Thomas, Jack Eugene, 1187A.
Neely, Horace Donald, 1189A.
Forman, Robert Durson, 1191A.
Adams, William Allen, 1193A.
Blackwell, David Spinx, 1196A.
Schuyler, Elmer Van Ness, 1197A.

Norman, George Gifford, 1201A.
Haywood, Oliver Garfield, Jr., 1202A.
Combs, Cecil Edward, 1203A.
Stewart, Charles Barnard, 1204A.
Monteith, Dwight Oliver, 1205A.
Davis, Benjamin Oliver, Jr., 1206A.
×Austin, Gordon Harrison, 1207A.
Rutledge, Jay Dean, Jr., 1208A.
Frost, Robert Frederick, 1209A.
Gapen, Robert Dean, 1210A.
Estes, Howell Marion, Jr., 1211A.
Arnold, John Knox, Jr., 1212A.
Vincent, Clinton Dermott, 1213A.
Carmichael, Richard Henry, 1214A.
Gillespie, Frank Walter, 1215A.
Gunn, James Rutland, Jr., 1216A.
Parkins, Nicholas Tate, 1217A.
Clark, Albert Patton, Jr., 1218A.
Kelly, John Richard, 1219A.
Spencer, Norman Calvert, Jr., 1220A.
Terrell, Frederick Reynolds, 1221A.
Bell, Fredrick, 1223A.
McCorkle, Charles Milton, 1224A.
Twaddell, James Walter, Jr., 1227A.
Grohs, William Russell, 1228A.
Steele, William Swinton, 1229A.
Bartella, John Milton, 1230A.
True, Clinton Utterback, 1231A.
Rogers, Turner Clifton, 1232A.
Champion, George Paul, 1233A.
Lee, William Garnett, Jr., 1234A.
Wildrick, Warren Newcomb, 1235A.
Shores, Von Roy, Jr., 1236A.
Covington, William Ellerbe, Jr., 1237A.
×Dickson, John Rigden Van, 1238A.
Hosmer, Clark Lewis, 1239A.
Nazzaro, Joseph James, 1241A.
Necrason, Conrad Francis, 1246A.
Wagner, Victor Hermann, 1247A.
Best, Philip Holden, 1248A.
Menter, Martin, 1249A.
Cummings, William James, Jr., 1250A.
Lester, Charles James, 1251A.
MacDaniel, Henry Grady, 1252A.
Wootton, Bernard M., 1253A.
Curtis, Richard Henry, 1254A.
Harvey, Marvin Maxwell, 1255A.
Sliker, Roland Ellsworth, 1256A.
×McHugh, Godfrey T., 1257A.
Root, Charles Berton, 1258A.
Brown, William Melville, 1259A.
Schmid, Herman Alfred, 1260A.
Hopwood, Lloyd Pauahi, 1261A.
DeMarco, James Arthur, 1262A.
Raybold, Leslie, 1264A.
Aring, Wilbur Walter, 1265A.
Guthrie, James Oscar, 1266A.
×Hollstein, Charles Phillip, 1267A.
×Randolph, Jack Lindley, 1268A.
Boushey, Homer Astley, 1269A.
Darrow, Don Orville, 1270A.
Gunn, Harold Austin, 1271A.
Miller, Frederic Henry, Jr., 1273A.
Hilger, John Allen, 1274A.
Coddington, Lawrence Clinton, 1275A.
Todd, Paul Engberg, 1277A.
Proper, Louis William, 1278A.
Rockwood, Ralph Charles, 1279A.
Robertson, William Ross, Jr., 1282A.
Holtoner, J. Stanley, 1283A.
Selser, James Clyde, Jr., 1284A.
Williams, Douglas Ellsworth, 1285A.
Mundell, Lewis Leo, 1286A.
Allen, Brooke Empie, 1287A.
Cornett, John Beaumont, 1288A.
Jeffus, John Hal, 1289A.
Hubbard, Boyd, Jr., 1290A.
Peterson, Norman Lewis, 1291A.
Haugen, Victor Raymond, 1292A.
Nelson, Hilmer Cannon, 1293A.
Fisher, William Parker, 1294A.
Hall, Robert Windeck, 1295A.
Snyder, Graves Hubbard, 1297A.
Cecil, Chester Witten, Jr., 1298A.
Reynolds, John Markward, 1299A.
Luker, James Wester, 1300A.
Minton, Augustus Maine, 1301A.
Fletcher, Robert Iddings, 1302A.
Smith, John Henry Mackey, 1303A.
Fairfax, Virgil Floyd, 1304A.
Gardner, Robert Allen, 1305A.
Hohman, Henry Bernard, 1306A.

Medical

Jones, Richard Barr, 19055A.
White, Major Samuel, 19056A.
Morhouse, Charles Henry, 19057A.
Sewell, Dan Roy, 19059A.
Veigel, Lester Paul, 19060A.
Olson, Edgar Louis, 19061A.
Bulla, Gordon G., 19062A.
×Brua, Robert Stultz, 19063A.
Braswell, Louie Bender, 19065A.
Till, Jacob Rell, Jr., 19066A.
Bohannon, Richard Leland, 19067A.
Cullen, John Knox, 19068A.
Dominick, John Frank, 19070A.
Baird, Joseph Arthur, 19071A.
Gamel, Jay Franchel, 19072A.
Jennings, Aubrey L., 19073A.
Moore, James Goree, 19074A.
Patient, William Fred, 19076A.
Green, George Benjamin, 19077A.
Flickinger, Donald Davis, 19078A.

Dental

Wipf, Edmund Fillmore, 18822A.
Strathern, Arthur Donald, 18824A.
O'Grady, Charles Standish, 18826A.
Sitzman, John Kenneth, 18827A.
×Bowden, George Francis, 18828A.
Schroeder, Wilburt August, 18829A.
Haucer, Irving Matthew, 18830A.
Collins, Jack Dwyer, 18831A.
Waldorf, Walter Frederick, 18832A.

Medical Service

Fleetwood, Phillip Gibson, 19378A.
Gagge, Adolf Pharo, 19380A.

Chaplains

Quest, Charles Nugent, 18693A.
×Finnegan, Terence Patrick, 18703A.
Wood, John James, 18707A.

NOTE.—Dates of rank will be determined by the Secretary of the Air Force.

IN THE NAVY

The following-named midshipmen (aviation) to be ensigns in the Navy, from the 2d day of June 1950:

| | |
|---|---|
| Raymond C. Allen | Ray D. Hanson |
| Richard E. Baumgartner | John G. Harrison |
| | John R. Hogan |
| Milton C. Bergeon | Neil B Jackson |
| Roy M. Bigenho | Donald LaV. Jensen |
| Randall K Billings | Floyd T. Jones, Jr. |
| Marvin S. Birdt | John H. Kampe |
| Albert J. Blaha | Robert T. Kangas |
| James M. Brayshaw, Jr. | Richard S. Kapp |
| | Richard F. Kaufman |
| Gordon D. Briscoe | Giles J. Ketchmark |
| Lawrence E. Brumbach | Francis J. Kolb, Jr. |
| | Kenneth C. Kramer |
| Martin T. Brux | John F. Kropf |
| Francis M. Cahill | Floyd S. Kunkle, Jr. |
| William P. Calhoun | Pete M. Labusky |
| Norman R. Campbell | Stanton N. Lane |
| George A. Carlton | Thad "K" Lewis |
| James LeR. Chaffee | James DeC Long |
| John A. Christianson | Raymond E. Loux |
| James A. Cochran | George C. Lyne |
| Thomas P. Conroy | Lyman R. Lyon |
| Richard M. Cook | Craig J. McCranor |
| Peter M. Costello, Jr. | Donald C. McNaught |
| Charles W. Dietrich | Robert R. Mackey |
| George E. Eckerd | Albert V. Masson |
| Roy W. Ewertz, Jr. | William C. Materna, Jr. |
| Rudolph F. Falkenstein | Jerome J. Millon |
| James G. Fallis | Daniel L. Musetti |
| William W Fetzer | Charles B. Myers |
| Donald J. Flynn | Robert A. Neithercott |
| Richard A. Foucht | Joseph F. O'Neill |
| John W. Fuller, Jr. | Daniel G. Page |
| Edward A. Gillespie | Ronald E. Paris |
| Leo J. Gunther | Lawrence E. Pinzel |
| Fredrick K. Rubins | William Sybeldon |
| Gene O. Sanford | Alec R. Taylor |
| Robert H. Sanford | Thomas D. Truitt |
| Steven L. Sartor | Forest M. Tyler |
| John E. Sauer | Nicholas A. Vassalotti |
| Theodore R. Schmidt | Alfred H. Vondran |
| Melvin L. Scott | James D. Wilkinson |
| John J. Sifferlen | Kenneth B. Williams |
| Richard E. Simensen | Robert R. Worchesek |
| Gerald R. Smith | Thomas G. Workinger |
| Oakley Smith, Jr. | Norman B. Zimmerman |
| Herman C. Stafford, Jr. | |
| Jack H. Stephenson | |

Midshipman Raymond W. Littell (aviation) to be an ensign in the Navy, from the 2d day of June 1950, in lieu of ensign in the Navy as previously nominated and confirmed, to correct name.

The following-named (Naval ROTC) to be ensigns in the Navy, from the 2d day of June 1950:

| | |
|---|---|
| Mark M. Davids | Walter M. Graham |
| Bennie F. Dotson | Fredric W. Marting |
| Robert W. Fennell | Lamar T. Schweitzer |
| William W. Ford | James A. Zimmerman |

The following-named (Naval ROTC) to be ensigns in the Supply Corps of the Navy, from the 2d day of June 1950:

Perry E. Baunsgard
Glenn Paine
Herbert "L" Waddell

Jack R. Newton (Naval ROTC) to be an ensign in the Supply Corps of the Navy, from the 2d day of June 1950, in lieu of ensign in the Navy as previously nominated and confirmed.

Edward S. Schlesinger (Naval ROTC) to be an ensign in the Medical Service Corps of the Navy, from the 2d day of June 1950.

Theodore W. Tober (Naval ROTC) to be an ensign in the Medical Service Corps of the Navy, from the 2d day of June 1950, in lieu of ensign in the Navy as previously nominated and confirmed.

The following-named women (civilian college graduates) to be ensigns in the Navy:

Beverlee J. Allen
Marilyn J. Till

The following-named (civilian college graduates) to be lieutenants (junior grade) in the Medical Corps of the Navy:

| | |
|---|---|
| Walter F. Anderson | William C. McQuinn |
| Robert L. Baker | Walter J. Meekings, Jr. |
| Sherman E. Baker | |
| Edward M. Barczak | Lemuel T. Moorman |
| Robert K. Bench | David P. Morris, Jr. |
| Rodger L. Buck | Bentley A. Nelson |
| Donald R. Buechel | Marshall W. Olson |
| Albert Cannon | Ernest J. Penka |
| John P. Champion | Benjamin F. Perry, Jr. |
| James A. Christensen | Eustace H. Prescott, Jr. |
| Leo T. Delaney, Jr. | |
| Richard T. Donelan | James E. Ribet |
| Robert C. Drips | James G. Seyfried |
| Peter A. Dumas | Richard B. Speaker |
| Charles S. Durden, Jr. | Harry O. J. Specht |
| James T. Fahey | Donald W. Schmidt |
| Edward A. Felder | James M. Smith |
| Donald H. Gaylor | Milton T. Smith |
| Albert A. Goetschel | William P. Smith |
| Oliver E. K. Hall | Thornton F. Spindler |
| Floyd L. Harris | Morton R. Steinberg |
| Charles E. Herlihy | Henry J. Teufen, Jr. |
| Richard H. Hood, Jr. | Jordan Thompson |
| Bruce C. Jeppson | Harry Whittaker, Jr. |
| Robert C. Laning | Martin C. Wilber |
| James J. Lawson, Jr. | Richard N. Wrenn |
| George F. McGuire | Samuel Zweifel, Jr. |

The following-named (civilian college graduates) to be lieutenants (junior grade) in the Dental Corps of the Navy:

Donald K. Ewton
Eugene L. Reinstein

The following-named (civilian college graduates) to be ensigns in the Medical Service Corps of the Navy:

Daniel F. McCarthy — William H. Wells
Bradley B. Ridge — Thomas E. Wheeler
Robert Sharp

Katherine Keating, woman (civilian college graduate) to be an ensign in the Medical Service Corps of the Navy.

The following-named to be ensigns in the Nurse Corps of the Navy:

Jacqueline M. DeFalco — Phyllis A. O'Brien
Nancy L. Harrigan — Thelma Odom
Anna E. Moody — Waunie L. Shelton

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## CONFIRMATIONS

Executive nominations confirmed by the Senate July 10 (legislative day of July 1), 1950.

### ATOMIC ENERGY COMMISSION

Sumner T. Pike, of Maine, to be a member of the Atomic Energy Commission for a term of 4 years expiring June 30, 1954.

### IN THE ARMY

#### UNITED STATES ARMY

*To be placed on the retired list in the grade of lieutenant general under provisions of subsection 504 (d) of the Officer Personnel Act of 1947*

Lt. Gen. Clarence Ralph Huebner, O4552, deputy commander in chief, United States zone, Germany, and commanding general, United States Army, Europe (major general, U. S. Army).

APPOINTMENT TO THE POSITIONS INDICATED UNDER THE PROVISIONS OF SECTION 504 OF THE OFFICER PERSONNEL ACT OF 1947

Lt. Gen. Manton Sprague Eddy, O4655 (major general, U. S. Army), to be commanding general, United States Army, Europe, with rank of lieutenant general.

Maj. Gen. Stafford LeRoy Irwin, O3803, United States Army, to be commanding general, United States Forces, Austria, with the rank of lieutenant general.

Maj. Gen. Joseph May Swing, O3801, United States Army, to be commandant, the Army War College, with the rank of lieutenant general.

Maj. Gen. Frank William Milburn, O3738, United States Army, to be commanding general, V Corps, with the rank of lieutenant general.

APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADES INDICATED UNDER THE PROVISIONS OF TITLE V OF THE OFFICER PERSONNEL ACT OF 1947

*To be major generals*

Maj. Gen. James Kirk, O3372.
Maj Gen. Alfred Bixby Quinton, Jr., O3451.
Maj. Gen. Frank August Heileman, O4936.

*To be brigadier generals*

Brig. Gen. Egbert Frank Bullene, O9708.
Brig. Gen. George Irving Back, O10267.
Brig. Gen. Andrew Daniel Hopping, O10993.
Brig. Gen. William Lillard Barriger, O11220.
Brig. Gen. Jonathan Lane Holman, O11226.

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES TO THE GRADES INDICATED UNDER THE PROVISIONS OF SUBSECTION 515 (C) OF THE OFFICER PERSONNEL ACT OF 1947

*To be major generals*

Brig. Gen. Roy Victor Rickard, O8156.
Brig. Gen. John Huston Church, O8197.
Brig. Gen. Truman Casper Thorson, O10264.
Brig. Gen. Thomas Francis Hickey, O10362.
Brig. Gen. Robert Homer Soule, O11888.

*To be brigadier generals*

Col. Charles Frederick Colson, O12173.
Col. John Harrison Stokes, Jr., O12181.
Col. George Windle Read, Jr., O12603.
Col. Francis Hudson Oxx, O12607.
Col. Richard Clare Partridge, O12630.
Col. Francis William Farrell, O12784.
Col. George Honnen, O12816.
Col. Edward Thomas Williams, O12818.

APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE V OF THE OFFICER PERSONNEL ACT OF 1947

*To be brigadier general, Medical Corps*

Maj. Gen. George William Rice, O8850.

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES TO THE GRADES INDICATED UNDER THE PROVISIONS OF SUBSECTION 515 (C) OF THE OFFICER PERSONNEL ACT OF 1947

*To be brigadier generals*

Col. Sam Foster Seeley, O17344.
Col. Paul Irwin Robinson, O17802.

APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES IN THE GRADES AND CORPS SPECIFIED, UNDER THE PROVISIONS OF SECTION 506 OF THE OFFICER PERSONNEL ACT OF 1947 (PUBLIC LAW 381, 80TH CONG.), TITLE II OF THE ACT OF AUGUST 5, 1947 (PUBLIC LAW 365, 80TH CONG.), AND PUBLIC LAW 36, EIGHTIETH CONGRESS, SUBJECT TO PHYSICAL QUALIFCATION

*To be majors*

Armen Bogosian, MC, O1685970.
Burt Friedman, MC, O332184.
Joseph D. Goldstein, MC, O319748.
Paul J. Schrader, MC, O542612.

*To be captains*

Charles R. Blake, MC, O936875.
Nicholas F. Conte, MC, O1725449.
David J. Edwards, MC, O1785988.
David L. Greenlees, MC, O1736046.
Howard M. Huntington, DC, O976463.
Charles G. Kendall, DC, O1774998.
Carolus N. Lancaster, DC, O506478.
Oliver G. Nystul, DC.
Oakley K. Park, MC, O346607.
Jack P. Pollock, DC, O1774898.
Edme Regnier, MC, O1705166.
Richard L. Ross, DC, O473319.
Charles R. Stewart, MC.
Theo E. Tetreault, MC, O438349.
Kenneth W. Thomasson, DC.
Keith A. Walker, MC, O1767394.

*To be first lieutenants*

Francis H. Anderson, JAGC, O1695624.
Theodore M. Behrmann, DC, O984102.
Robert J. Carson, MC.
John F. Christianson, MC, O960853.
Henry C. Cosand, Jr., MC, O978339.
George W. Cullum, MC, O977331.
Richard A. Doane, DC., O965226.
Glen S. Gamble, DC, O728634.
John F. Goodman, Jr., JAGC, O377159.
Byron J. Greany, DC, O969128.
William K. Howard, MC, O980543.
Thomas H. Reese, JAGC, O465269.
Eric Reiss, MC, O954962.
Richard E. Swisher, DC, O975842.
Charles M. Thompson, JAGC, O975167.
Nathan E. Vanaman, DC, O981281.
Maurice B. Wehr, MC.
Robert H. West, DC, O966002.

*To be second lieutenants*

Joan D. Archer, ANC, N792912.
Allen C. Brown, WMSC, R2543.
Lucile R. Hord, WMSC, M2855.
Margaret C. McDonough, ANC, N792476.
Mary J. Olssen, ANC, N754136.
Catherine M. Owen, WMSC, M2858.
Jessy R. Powell, WMSC, R2458.
Carolyn I. Regan, WMSC, M2861.
Agnes Spock, ANC, N804320.
Jane R. Wiley, ANC, N804164.

APPOINTMENT IN THE MEDICAL CORPS, REGULAR ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF SEC. 506 OF THE OFFICER PERSONNEL ACT OF 1947 (PUBLIC LAW 381, 80TH CONG.), SUBJECT TO COMPLETION OF INTERNSHIP AND SUBJECT TO PHYSICAL QUALIFICATION

*To be first lieutenants*

Walter M. Anglin, O975957.
Norman L. Arnett, O975356.
Theodore M. Badgley, O975342.
Richard R. Beckwith, O2051045.
Irving Berke, O975956.
Nelson R. Blemly, O975841.
Gordon W. Briggs, O975762.
John P. Briske, O975343.
John E. Canham, O975579.
Elwyn Cavin, O425163.
James R. Collier, O975559.
Calvin C. Cranfield, Jr., O975687.
Forrest G. Dannenbring, O974384.
Robert F. Dillon, O975768.
Charles R. Downs, O975542.
Donald C. Fox, O975355.
Charles E. Gahagen, O975756.
Richard H. Garrett, O975688.
James J. Gibbs, O975095.
Robert F. Glock, O975569.
Maurice J. Gonder, O971846.
Richard E. Green, O975079.
James E. Hansen, O976165.
Frank W. Hardy, O975901.
Louis E. Harman, Jr., O969836.
Robert F. Hood, O975900.
Vincent H. S. Hume, O969837
Thomas J. Hurley, O977071.
Donald J. Jacobson, O975691.
Arnold W. Johnson, Jr., O966511.
Robert C. Jones, O975570.
Robert R. Keim, Jr., O975560.
Louis W. King, Jr.
Robert J. King, O975093.
Gene N. Lam, O975354.
Samuel G. Latty, O975838.
Arthur G. Law, O975366.
Wendell F. Linehard, Jr., O975544.
Bruce L. Livingstone, O975073.
Laurence C. McGonagle, O975069.
Joseph H. Masters, O975759.
Travis H. Mueller, O975693.
Stanley Newman, O975758.
Bernard F. O'Hara, O975694.
Robert E. Parmenter, O975353.
Harvey W. Phelps, O975695.
Douglas B. Price, O975707.
John E. Reisner, O975341.
Francis J. Rigney, O975582.
Victor R. Rivera, O978757.
Eugene A. Rosenberger, O975895.
Milton E. Rubini, O975760.
Robert B. Schmidt, O975765.
Gerald J. Schwab, O976502.
Vernon M. Smith, O975764.
Reuel A. Stallones, O975958.
Charles M. Struthers, O975358.
Robert L. Sundre, O975896.
Elias M. Throne, O975075.
Thorndike C. Toops.
Joseph N. Tori, O976839.
Darl E. Vander Ploeg, O974387.
Walter Wartonick, O976194.
Charles H. P. Westfall, O976503.
Charles F. Wilkins, Jr., O2040984.
George S. Woodard, Jr., O975549.
Ray E. Yarbrough, O965993.

APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF SEC. 506 OF THE OFFICER PERSONNEL ACT OF 1947 (PUBLIC LAW 381, 80TH CONG.), SUBJECT TO PHYSICAL QUALIFICATION

*To be second lieutenants*

Milton Allen, O945726.
Fred M. Bristol, O520729.
Calvin W. Ellis, O955560.
John G. Engstrom, O1688760.
James A. Lillard, O1913282.
Herbert F. Neller, Jr., O948274.
Stanley I. Pilgrim, O979817.
Wyatt G. Price.
Ben L. Sanders, O543938.
Clifford H. V. Turner.
Kenneth S. Whittemore, Jr., O446101.

DISTINGUISHED MILITARY STUDENTS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF SEC. 506 OF THE OFFICER PERSONNEL ACT OF 1947 (PUBLIC LAW 381, 80TH CONG.), SUBJECT TO DESIGNATION AS DISTINGUISHED MILITARY GRADUATES AND SUBJECT TO PHYSICAL QUALIFICATION

*To be second lieutenants*

Charles L. Anderson.
William S. Bice.

William M. Bradley.
George T. Burnop, O978761.
Henry C. Camp, Jr.
William G. Clemons.
William E. Dasch.
David W. Einsel, Jr.
David C. Fariss.
Ernest G. Grenier.
Richard P. Jameson.
Vance S. Jennings, O954108.
James H. Johnson.
John L. McKinzey, O955838.
Ben S. Malcom.
Kenneth A. Marden.
Richard V. Murphy.
Robert L. Peck III, O2204559.
Joseph B. Starker.
David P. Vielhaber.
Richard L. Walton.
Kenneth J. Williams, O954522.
George S. Woodson.
Doyle B. Wright.

DISTINGUISHED MILITARY STUDENT FOR APPOINTMENT IN THE MEDICAL SERVICE CORPS, REGULAR ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF SEC. 506 OF THE OFFICER PERSONNEL ACT OF 1947 (PUBLIC LAW 381, 80TH CONG.), SUBJECT TO DESIGNATION AS A DISTINGUISHED MILITARY GRADUATE AND SUBJECT TO PHYSICAL QUALIFICATION

*To be second lieutenant*

Charles H. Meacham

GRADUATED CADETS, UNITED STATES MILITARY ACADEMY, FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, TO RANK FROM JUNE 2, 1950, UNDER THE PROVISIONS OF SEC. 506 OF THE OFFICER PERSONNEL ACT OF 1947 (PUBLIC LAW 381, 80TH CONG.)

*To be second lieutenants*

Ernest Thomas Hayes, Jr.
Richard Louis Kramer
Charles Rufus Smith, Jr.

IN THE NAVY

TEMPORARY APPOINTMENTS

*To be rear admiral*

Capt. Arleigh A. Burke

*To be commander in the Supply Corps*

Charles A. Baldwin

*To be lieutenant commander in the Supply Corps*

Robert E. Whelan

PERMANENT APPOINTMENT

*To be ensign in the Civil Engineer Corps*

Benjamin E. Weeks

IN THE MARINE CORPS

Maj. Gen. Thomas E. Watson, to be lieutenant general on the retired list in the Marine Corps effective from the date of his retirement.

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# HOUSE OF REPRESENTATIVES

## MONDAY, JULY 10, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou eternal God, our Father, who art unchanging in Thy greatness and goodness, Thy wisdom and power, Thy mercy and love, hitherto we have dwelt in safety under the canopy of Thy divine providence.

Thou hast been mindful of all our ceaseless needs and faithful unto all Thy promises, not withholding from us any needed blessing. May the memory of Thy loving kindness hallow all our days and inspire us to carry on calmly and courageously.

Grant that in the deliberations and decisions of this day we may have the guidance of Thy spirit, placing our hands in Thine and following Thy ways, for Thy ways are those of pleasantness and peace.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Friday, July 7, 1950, was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3876. An act to provide free postage for members of the Armed Forces of the United States in specified areas.

### SYNTHETIC RUBBER INDUSTRY

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Speaker, this Government should proceed forthwith to reactivate its entire synthetic-rubber industry which was built up during World War II. Great disaster could have been our lot in World War II had it not been for the development of our synthetic-rubber program.

It was apparent following the war that the administration was preparing to junk this entire industry. We would today be without any part of our synthetic rubber facilities if it had not been for the actions of the Congress. I feel that we should have gone further than we have during these past 5 years. We should have used every possible means to give a greater share of the domestic market to the producers of synthetic rubber.

This proposal is not made by me as a war-hysteria move. It is rather a realistic long-range plan for our own defense and, at the same time, it can be used to stabilize agriculture and lessen the effect of the problem of agricultural surpluses.

While it is true that synthetic rubber made from petroleum is cheaper, we still should have given part of the market to synthetic rubber derived from agricultural surpluses. The administration's hostile policy toward the synthetic-rubber industry since World War II has deprived the Nation of many scientific and industrial advances which would have made synthetic rubber less expensive. A full-scale domestic program would have made synthetic rubber produced from surplus agricultural products economically efficient.

### PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks and include a statement by J. Edgar Hoover, head of the FBI.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix of the RECORD.]

### SPECIAL ORDER GRANTED

Mr. JACOBS asked and was given permission to address the House for 40 minutes on Thursday next, following the legislative program and any special orders heretofore entered.

### COMMUNISM

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I want to address my remarks to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Does the gentleman need a quorum?

Mr. RICH. No; I do not. All I want to do is to take recognition of the statement that the gentleman made on the floor here a minute ago, and I am wondering what our Committee on Un-American Activities is doing at the present time to do everything possible to corral every Communist in the United States and know just what they are doing, because this is a most important time in our history that we ought to be investigating them. Everyone who wants to overthrow our Government. When they took the gentleman from Mississippi off that committee, they did this country a great injustice, in my judgment, because he always let the Congress know what was going on. He informed the public. Now we do not know; we do not hear much about that committee, and I think that they ought to go at it and do everything possible to inform the public and to corral the Communists in this country and sew them up. Yes, lock them up, so far as I am concerned, lock up everyone who would overthrow our Government.

### APPROPRIATIONS FOR THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

Mr. BATES of Kentucky. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8568) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1951, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BATES of Kentucky, YATES, FURCOLO, CANNON, STOCKMAN, and WILSON of Indiana.

### CALL OF THE HOUSE

Mr. KARSTEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 195]

| | | |
|---|---|---|
| Allen, La. | Harden | Quinn |
| Anderson, Calif. | Hare | Rabaut |
| Angell | Harris | Regan |
| Barrett, Wyo. | Hébert | Richards |
| Blatnik | Heller | Riehlman |
| Boggs, La. | Hinshaw | Rivers |
| Bolton, Ohio | Huber | Robeson |
| Brooks | Irving | Rooney |
| Bryson | Jackson, Calif. | Roosevelt |
| Buckley, Ill. | Jackson, Wash. | Sabath |
| Bulwinkle | Johnson | Sadowski |
| Carlyle | Jones, N. C. | Scrivner |
| Carroll | Kean | Sikes |
| Case, S. Dak. | Keefe | Sims |
| Chesney | Kelley, Pa. | Smathers |
| Christopher | Kennedy | Smith, Ohio |
| Chudoff | Kirwan | Staggers |
| Colmer | Klein | Stanley |
| Combs | Lane | Steed |
| Cooper | Lodge | Sutton |
| Cox | McGrath | Tackett |
| Crosser | Mack, Ill. | Thompson |
| Davenport | Madden | Velde |
| Davies, N. Y. | Marcantonio | Vinson |
| Dingell | Mason | Wagner |
| Dondero | Miles | Werdel |
| Durham | Mitchell | Wheeler |
| Engel, Mich. | Monroney | White, Idaho |
| Evins | Morris | Wickersham |
| Fogarty | Moulder | Wier |
| Frazier | Nelson | Willis |
| Fugate | Nixon | Wilson, Okla. |
| Gillette | Norton | Winstead |
| Gilmer | Patman, | Wolcott |
| Gordon | Pfeiffer, | Wood |
| Graham | William L. | Woodhouse |
| Green | Phillips, Tenn. | Zablocki |
| Gregory | Pickett | |
| Hall, | Plumley | |
| Edwin Arthur | Powell | |
| Hall, | Preston | |
| Leonard W. | Priest | |

The SPEAKER. On this roll call 312 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FORT CAROLINE PARK

Mr. BENNETT of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BENNETT of Florida. Mr. Speaker, I speak in support of H. R. 7709, before the House after receiving the unanimous approval of the Public Lands Committee.

The paramount historic significance of this land lies in the fact that it is the site of the first colony of men and women to come to what is now the United States for religious freedom. Prior attempts at colonization of what is now the United States had been essentially exclusively for the acquisition of wealth, territorial expansion and other such purposes.

When the colony was founded there were no white settlements in what is now the United States, while since that date white occupation has been continuous. The site was fortified by France, Spain, England, the Confederate States and the United States. Three international battles took place there.

In my opinion, there is a very strong sentiment among the people of the county and State for the establishment of the park. Certain of the property owners have objected and recently secured recission of the county commissioners' approval, who have objected to removing the lands from the tax rolls. Taxes involved on the land would be very small indeed. I think that the majority of the people in Duval County warmly approve of the park.

Among organizations which have urged the establishment of this historic park are: Jacksonville and regional chapters of the Daughters of the American Revolution and of the National Society of Colonial Dames of America, Jacksonville and Florida State Chambers of Commerce, Jacksonville and Florida State Junior Chambers of Commerce, Jacksonville and Florida Historical Society, various local civic clubs, including Rotary, Kiwanis, Lions, Civitan, Exchange, American Institute of Architects.

I sincerely hope that this legislation will pass.

SPECIAL ORDER GRANTED

Mr. SHELLEY asked and was given permission to address the House for 30 minutes today, following the legislative program and any special orders heretofore entered.

HON. FRANK B. KEEFE

Mr. CLEVENGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CLEVENGER. Mr. Speaker, I think the Members of the House will be interested to know of the visit I paid our colleague the gentleman from Wisconsin [Mr. KEEFE], a few days ago. Mr. KEEFE is responding to treatment and he is gaining. It seems just a case where too much work told even on his magnificent physique. I know that you will be glad to know that he is on the way to recovery, and I think they are going to let him sit up during this week. It is hoped that there will be rapid improvement from now on.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

NATIONAL LIFE INSURANCE ACT OF 1940

The Clerk called the bill (H. R. 6560) to amend the National Service Life Insurance Act of 1940, as amended, to authorize provisions in national service life-insurance policies for increased monthly disability benefits.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RANKIN. Mr. Speaker, reserving the right to object, I hope the gentleman will not do this. This bill will not cost anything. It has been approved by the Veterans' Committee, and there is no use letting it stay on the calendar from day to day, from week to week, and from month to month. I would like to have it passed now. I do not think there is any objection to it; I do not see how there could be.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. The reason for asking that it be put over without prejudice, I will say to the gentleman, is that the report, apparently, from the Veterans' Administration, reveals that the provisions of the bill would increase the liability borne by the public funds, and it is the position of the Bureau that this bill would have an adverse effect upon the national service insurance fund that is presently in existence, and I think under those circumstances it should not go through by unanimous consent. I think this is a matter that probably the House might itself concur with the position of the committee, but it does not seem to me, in view of the position taken by the Veterans' Administration, that this is a proper bill to go through by unanimous consent.

Mr. RANKIN. Then, Mr. Speaker, I must object to passing it over without prejudice from day to day and week to week. So, I object to that request.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. I object, Mr. Speaker.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and insert a statement.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, today a World War II veteran prior to age 60, upon payment of an additional premium and a showing of good health, may obtain up to $50 per month of disability protection on a $10,000 national service life insurance policy.

This bill would permit the income to be $100 per month upon payment of additional premiums and upon a showing of good health.

World War I veterans today have similar protection up to $115 per month.

Over 40 private insurance companies write this type of protection up to $300 per month.

Veterans' Administration experience on both World War I and World War II policies has been very conservative.

The committee is of the opinion that the proposed disability income provision will continue to be self-sustaining after this bill has been enacted.

Reported by committee unanimously, after full hearing by subcommittee; supported by VFW, DAV, and AMVETS.

NATIONAL SERVICE LIFE INSURANCE

The Clerk called the bill (H. R. 8236) to provide that on and after January 1, 1951, dividends on national service life insurance shall be applied in payment of premiums unless the insured has requested payment of dividends in cash.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. RANKIN. Mr. Speaker, reserving the right to object, this is another bill that will not cost the Government anything. It is supported by the veterans' organizations and was reported unanimously by the Committee on Veterans' Affairs. It has been passed over without prejudice before, and I am going to ob-

ject to its being passed over at this time. I object, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. I object, Mr. Speaker.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include a statement.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, H. R. 8236 amends the National Service Life Insurance Act to provide that any dividends payable after January 1, 1951, may be accumulated in the National Service Life Insurance Fund, unless the insured requests payment of dividends in cash.

This bill enacts the practice now followed by commercial companies; under present law can be followed on all permanent-type national service life insurance policies.

When any premium is unpaid, this bill would prevent the lapsing of a policy until dividends had been exhausted in payment of premiums.

Dividends accumulated in the fund could be withdrawn at the election of the policy holder and would draw interest.

No additional cost to the Government; no additional liability upon the National Service Life Insurance Fund.

Reported unanimously after full hearing by subcommittee; supported by the VFW, DAV, and AMVETS.

AMENDMENTS TO NATIONAL SERVICE LIFE INSURANCE ACT

The Clerk called the bill (H. R. 8235) to amend further the National Service Life Insurance Act of 1940, as amended.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. RANKIN. Reserving the right to object, Mr. Speaker, this bill has been carefully considered by the Veterans' Administration and it is supported by the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and the AMVETS, or American Veterans of World War II. I submit that it ought not to be carried over from week to week. I object to the request.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. I object, Mr. Speaker.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include some extraneous matter and a statement I have prepared.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, H. R. 8235 contains 10 sections of technical amendments to the National Service Life Insurance Act.

The bill was thoroughly considered by a subcommittee which held detailed hearings.

Based upon the suggestions of the American Legion, VFW, DAV, and AMVETS. These organizations strongly urged favorable approval.

Generally, the bill seeks to correct certain administrative practices and to give service-connected veterans more leeway in maintaining their insurance.

I will insert in the RECORD at this point a detailed explanation of the bill:

Section 1 authorizes waiver of health requirement as to compensable disability in application for insurance or reinstatement of insurance made prior to July 1, 1951 (present provision expired January 1, 1950, and requires disability must result from performance of active military or naval service).

Sections 2 and 3 extend the time for applying for continuance of $5,000 gratuitous insurance in certain cases to July 1, 1951.

Section 4 permits the commuted value of insurance maturing prior to August 1, 1946, and remaining unpaid at the death of the last person within the permitted class of beneficiaries, to be paid to the estate of the insured.

Section 5 provides that in any case where the insured provided for the payment of premiums by deductions from his service pay or where premiums were paid by the Government, such insurance shall not lapse or be forfeited so long as the insured remained in active service prior to August 1, 1946. This would be true despite the fact that such deductions may not have been deducted because (1) the insured was discharged to accept a commission, or (2) the insured was absent without leave but restored to active duty, (3) the insured was sentenced by court martial and if he was restored to active duty or required to engage in combat or became totally disabled or was killed in combat. Premiums in such cases would be deducted from the proceeds of insurance.

Section 6 provides for application for waiver of premium for total disability on any policy due after October 8, 1940, and prior to date of enactment of this bill; premiums paid during the time in which the waiver is effective shall be applied to payment of subsequent premiums, waiver of premium to cease upon notice sent by registered mail by the Veterans' Administration after the insured ceases to be totally disabled; in the event of the death of the insured without filing application for waiver of premium, beneficiaries may file application for waiver of premiums which were due after date of the death of insured; permits waiver in cases where the premiums are not otherwise waived because the insured died prior to the continuance of the total disability for 6 months.

Section 7 repeals section 602 (r) and is necessary as a result of section 6.

Section 8 authorizes waiver of health requirements in application for disability income coverage until July 1, 1951; existing law permits waiver only until January 1, 1950.

Section 9 protects the veteran or his beneficiary when he had ordered deductions from his service pay or compensation, pension, or retirement pay and when premiums were not paid due to an error on the part of the service department or the VA.

Public 301 of the Seventy-ninth Congress prohibited the issuance of any additional insurance to Philippine veterans. Section 10 continues this ban for any Philippine veteran who might be eligible under this bill.

GIVING MILITARY STATUS TO RUSSIAN RAILWAY SERVICE CORPS

The Clerk called the bill (H. R. 6277) to give discharges to the members of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Reserving the right to object, Mr. Speaker, it seems to me this legislation is so important it should not be taken up here on the Consent Calendar. It ought to be taken up in the House and thoroughly aired and discussed. I ask unanimous consent that the bill be passed over without prejudice.

Mr. WADSWORTH. I object, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. I object, Mr. Speaker.

The SPEAKER. Three objections are required.

Mr. RANKIN and Mr. POLK objected.

The SPEAKER. Three objections are heard, and the bill is stricken from the calendar.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include a statement I have prepared on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, this bill seeks to give military status to members of the Russian Railway Service Corps, organized in 1917 and sent to Siberia by the War Department for service immediately after World War I.

I have been asked by the American Legion to call to the attention of the House the opposition of the American Legion to this and any similar type of legislation. Previously I have objected to consideration of this legislation.

Mr. Speaker, the important thing about this bill is that it confers military status and thereby grants compensation, pension, hospitalization, and other veterans' benefits upon civilians. This group has been recognized as a civilian group by the Department of the Army.

It has been the historic policy of the Congress to deny veterans' benefits to any except those who were in the active military and naval forces. I can see no reason for departure from this historic and wise policy. If this bill should be enacted, there would immediately be claims for the Red Cross, YMCA, USO, and other organizations. If the door is opened, there is no logical stopping place.

Mr. Speaker, I therefore again object to this bill, since it confers veterans' benefits upon this civilian group.

PREPARATORY COMMISSION FOR THE INTERNATIONAL REFUGEE ORGANIZATION

The Clerk called the bill (H. R. 5863) for refund of customs duties to the Preparatory Commission for the International Refugee Organization.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. I object, Mr. Speaker.

AMENDING THE BANKHEAD-JONES FARM TENANT ACT

The Clerk called the bill (H. R. 7268) to amend the Bankhead-Jones Farm Tenant Act so as to provide a more effective distribution of mortgage loans insured under title I, to give holders of such mortgage loans preference in the refinancing of loans on a noninsured basis, to adjust the loan limitations governing

title II loans so as to provide more effective assistance to production and subsistence loan borrowers, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. H. CARL ANDERSEN. Reserving the right to object, Mr. Speaker, I want to know something about this bill.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. Was this a unanimous report from the Committee on Agriculture?

Mr. PACE. It was reported out unanimously by the committee.

Mr. H. CARL ANDERSEN. There was no objection from any quarter?

Mr. PACE. None that I know of.

Mr. H. CARL ANDERSEN. Will the gentleman explain what is meant by "more equitable distribution"?

Mr. PACE. I will be delighted to do so.

Some 2 or 3 years ago the Congress set up a program, somewhat comparable with the city FHA law under which about $20,000,000,000 has been insured, for the benefit of farm tenants and farm workers, whereby the tenant or the farm worker puts up 10 percent of the normal value of the farm and the remaining 90 percent will be insured. We limited the amount of insured mortgages to $100,000,000 a year. We provided that this $100,000,000 should be distributed among the States on the basis of farm population and farm tenancy, thinking, of course, that the greatest demand would be where the greatest amount of tenancy was.

It has happened now that some States where the tenancy is not the heaviest, for example, Wisconsin, have already run out of insured authority.

This bill would increase the amount of insured mortgages to be issued in any one year to $200,000,000 and would provide that of that amount $50,000,000 can be distributed among the States without regard to the regular formula, that is to say, without regard to the degree of tenacy. Its direct purpose is to aid States like Wisconsin, Minnesota, Kansas, and others, where the demand has exceeded the anticipation of the committee. I think it is very sound legislation. The program has been under way only for about a year and a half and is contributing to what the gentleman from Minnesota and I are so much interested in, and that is the building up of the family-sized farm. That is the purpose of that provision.

Mr. H. CARL ANDERSEN. Mr. Speaker, I withdraw my reservation of objection.

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, I notice there is no report from the Department of Agriculture nor any from the Bureau of the Budget. What information did the Committee on Agriculture get from the Department of Agriculture with regard to this measure?

Mr. PACE. I believe I can best answer the gentleman's inquiry this way. The Department appeared before the committee in support of the bill and aided quite materially in the preparation of the report on the bill. I am in a position to state that the bill is favorably considered by the Department.

Mr. CUNNINGHAM. Did the committee receive any information at all from the Bureau of the Budget?

Mr. PACE. I regret I canont answer the gentleman.

Mr. CUNNINGHAM. Can the gentleman give us any approximate idea of the cost or the additional cost, if any, to the Federal Government?

Mr. PACE. I am glad the gentleman asked that question, because it gives me the opportunity to explain to the House that this tenant purchase program, during my 14 years in the Congress, is the only program set up by the Congress which is calculated not to cost the Federal Government one penny. Under this program the borrower pays 4 percent interest on these loans which are insured. The lender receives 3 percent of the 4 percent. One-half of one percent is set aside and put in a revolving fund to take care of possible losses in years to come. The other one-half of one percent is set aside in a special fund to pay the cost of administering the program. I should like to repeat, there is no comparable provision in the city FHA loans. It is the only program I know of which has been presented to the Congress and approved by the Congress which is calculated not to cost the Federal Government one single dime.

Mr. CUNNINGHAM. Will the gentleman state that the bill will be advantageous to the farmer as well as to the lender?

Mr. PACE. It is very acceptable to the lender. I should say there are only some minor provisions in this bill requested by the insurance companies which make or purchase these loans. Under the present law it is provided that whenever the tenant has paid on his loan a sufficient amount to qualify for a Federal Land Bank loan he must apply there. The insurance companies that are buying this paper and are glad to do so said, "We would like to continue to do business with this man. Do not compel him to go to the Federal land bank. If he wants to, let him stay with us, and let us make him the loan at 4 percent."

Mr. CUNNINGHAM. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

Mr. RICH. Mr. Speaker, reserving the right to object, suppose the Bureau of the Budget thinks other than the gentleman from Georgia [Mr. PACE] in reference to the cost of this legislation, and suppose the Bureau figures that it will cost the Federal Government something? As a rule you generally get this approval before you put such legislation as this into effect.

Mr. PACE. I am sorry. I do not know that we have the Bureau's approval, but may I say to the gentleman we know there is no comparable provision in the city loans, where a young man can buy a vacant lot and build a home for himself and have it insured at the expense of the Government.

As it has been since the FHA has been established, the man on the farm would have to go to town to live and have a home. We have provided here a method where he can remain on the farm and acquire a family-sized farm of his own, and secure the necessary production loans to set up his farming operations. Those loans are also provided for. I can say to the gentleman that there is no possibility of this program costing one one-thousandth as much as the city FHA loans, under which there have been about $20,000,000 of insurance issued already.

Mr. RICH. You have had public hearings on this?

Mr. PACE. Oh, it is now in effect. The revolving fund is building up to take care of any possible losses. The administrative fund is building up to pay the cost of making and servicing the loans. It should not cost the Government one single penny.

Mr. RICH. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the following sections of the Bankhead-Jones Farm Tenant Act, as amended (60 Stat. 1062), are hereby amended as follows:

Amend section 4 by striking out the period at the end of said section and adding the following words: "and for the purpose of insuring mortgages there may allotted in any fiscal year among the States and Territories, without regard to farm population or the prevalence of tenancy, such portions of the authorization provided in section 12 (b) not exceeding in the aggregate $50,000,000 as are determined by the Secretary to be necessary to insure mortgages in the States and Territories under this title."

SEC. 2. Amend section 12 (b) by striking from the first sentence the figures "$100,000,000" and substituting in lieu thereof the figures "$200,000,000."

SEC. 3. Amend section 21 to read:

"SEC. 21. (a) The Secretary may make loans to farmers and stockmen who are citizens of the United States for the purchase of livestock, seed, feed, fertilizer, farm equipment, supplies, and other farm needs, the cost of reorganizing the farming enterprise or changing farming practices to accomplish more diversified or more profitable farming operations, the refinancing of existing indebtedness, and for family subsistence.

"(b) No loan shall be made under this section for the purchase or leasing of land or for the carrying on of any land-purchase or land-leasing program. No initial loan to any one borrower under this section shall exceed $7,000 and no further loan may be made under this section to a borrower so long as the total amount outstanding, including accrued interest, taxes, and other obligations properly chargeable to the account of the borrower, exceeds $10,000.

"(c) The terms of loans under this section, including any renewal or extension of any such loan, shall not exceed 7 years from the date the original loan was made.

"(d) No person who has failed to liquidate his indebtedness under this section for 7 consecutive years shall be eligible for loans hereunder until he has paid such indebtedness in full, except that the indebtedness on loans made prior to November 1, 1946, which are being serviced and collected by the Farmers Home Administration, shall not be subject to the limitations of this section until November 1, 1953."

SEC. 4. Amend section 4 (c) by changing the period at the end of said section to a colon and adding the following proviso: "*Provided, however*, That in the case of mortgage loans hertofore or hereafter insured under this title, the Secretary may at his discretion delay his request for refinancing until the borrower has acquired a sufficient equity in the farm to enable the borrower to obtain a

loan on a noninsured basis from the holder of the insured mortgage."

SEC. 5. Amend section 48 by adding at the end of said section the following sentence: "The foregoing requirements shall not preclude establishing the initial annual payment at a date not exceeding two full crop years from the date of the loan where the Secretary determines that farm income sufficient to make the initial payment cannot be readily anticipated at an earlier date, but this provision shall not have the effect of extending the maximum term of any loan."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GRANTING LAND TO THE CITY OF ALBUQUERQUE FOR PUBLIC PURPOSES

The Clerk called the bill (H. R. 8678) to amend the act of June 9, 1906 (34 Stat. 227), entitled "An act granting land to the city of Albuquerque for public purposes."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, may we have an explanation of this bill?

Mr. PETERSON. Mr. Speaker, this bill authorizes conveyance by the city of Albuquerque. The city of Albuquerque was authorized to purchase the land for certain civic purposes. They are now authorized under this bill to sell part of the land, and the funds to be applied to the same purpose originally planned; that is, park and other civic purposes. In other words, it is using part of the land itself.

Mr. RICH. Did the Federal Government purchase this land in the first instance?

Mr. PETERSON. No. The city of Albuquerque purchased it in the first instance for certain civic purposes. Now they want to sell a part of the land and use the funds derived from that sale for the original purpose.

Mr. RICH. As I understand it, the Federal Government owns this land.

Mr. PETERSON. No, sir. The city owns it now, but the city got it for a park and certain civic purposes, and the city wants to sell half of it and take those funds and put those funds into the original purpose.

Mr. RICH. The Federal Government gave this land to Albuquerque for public purposes, and now the city wants to sell it?

Mr. PETERSON. No. They sold it.

Mr. RICH. Who? The Federal Government?

Mr. PETERSON. Yes, to the city of Albuquerque.

Mr. RICH. What does the Federal Government have to do with it, then?

Mr. PETERSON. Because it was sold for certain specific purposes. There was the feeling that perhaps the land was bound by that use; but they want to sell half of the land and then the funds received from the sale of half of the land will be earmarked for the same uses as originally planned.

Mr. RICH. When they got this land from the Federal Government, did they pay anything for the land?

Mr. PETERSON. Yes. They paid for it. On this public area the funds they use will be used to place an auditorium on the same land. Half of the land that we gave them will be sold. In other words, it was originally 640 acres for a park and civic purposes. This would authorize them to sell 320 acres and take the cash and erect an auditorium on the other 320 acres.

Mr. RICH. Has the Department approved this legislation?

Mr. PETERSON. Yes. They approved it and the Budget approved it, and they said it was for a good purpose.

Mr. RICH. Well, perhaps it might be a good purpose, but what I want to know is why the Federal taxpayers that bought this land originally and gave it to the city of Albuquerque do not get the benefit of this sale.

Mr. PETERSON. No. It was sold by the Federal Government.

Mr. RICH. Well, they sold it for a certain purpose, and now you are going to sell it for commercial purpose.

Mr. PETERSON. No. They are going to use the funds from the sale of this land for the same purpose.

Mr. RICH. Why do you not turn it back to the Department from where you got the land?

Mr. PETERSON. They do not need it.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

REPEAL OF CERTAIN LAWS RELATING TO TIMBER AND STONE ON THE PUBLIC DOMAIN

The Clerk called the bill (H. R. 6861) to repeal certain laws relating to timber and stone on the public domain.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the following acts or portions of acts are hereby repealed:

(a) Sections 1 to 3, inclusive, of the act of June 3, 1878 (20 Stat. 89), as amended (43 U. S. C., secs. 311, 312, and 313).

(b) Act of June 3, 1878 (20 Stat. 88), as amended (16 U. S. C., secs. 604, 605, and 606).

(c) With the exception of the first sentence of section 8, all the provisions of said section of the act of March 3, 1891 (ch. 561, 26 Stat. 1099), as amended by the act of March 3, 1891 (ch. 599, 26 Stat. 1093), and subsequent acts (16 U. S. C., secs. 607, 608, 609, 610, 611, 611a, and 613).

(d) Act of January 11, 1921 (41 Stat. 1088; 16 U. S. C., sec. 612).

(e) Act of March 4, 1913 (37 Stat. 1015), as amended July 3, 1926 (44 Stat. 890; 16 U. S. C., secs. 614 and 615).

SEC. 2. Rights and liabilities existing under the foregoing statutes on the date of the enactment of this act shall not be affected thereby.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLASSIFICATION OF PUBLIC LANDS IN ALASKA

The Clerk called the bill (H. R. 4542) to provide for the classification of the public lands in Alaska.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in order to promote the orderly development of the public lands in Alaska, the Secretary of the Interior is hereby authorized in his discretion, on application or otherwise, to examine and classify vacant and unreserved public lands in Alaska and to manage and dispose of such lands for use, occupation, entry, selection, or location in accordance with such classification under applicable nonmineral public-land laws. No right to the acquisition, settlement, occupation, or use of any such land may be secured until after it has been so classified: *Provided*, That locations, entries, and leases under the mining and mineral leasing laws may be made without regard to the provisions of this section.

SEC. 2. Upon the classification of land for the type of use and disposition requested by a qualified applicant pursuant to a valid application, the applicant shall have a preference right to enter, select, settle, or locate the land for the purpose specified in his application for classification, and shall be notified thereof by registered mail. Such preference right may be exercised by settlement only if the applicant notifies the district land office of such settlement within 90 days after his settlement. If the Secretary of the Interior does not act upon an application within 2 years of its filing, the applicant automatically shall have the same preference right for the purpose specified in his application even though the land has not been classified. The preference granted by this section may be exercised only within 1 year after notice thereof has been mailed to the applicant, or within 1 year after the right has accrued through failure to act upon the application.

SEC. 3. All entries made and patents issued for lands affected by the provisions of this act shall be subject to and contain a reservation to the United States of all minerals in the lands so entered or patented, together with the right to prospect for, mine, and remove the same.

SEC. 4. This act shall not—

(1) affect any existing valid rights;

(2) affect any right of the Territory of Alaska to lands which may be identified by survey after the effective date of this act and which upon the date of the acceptance of the survey by the Director of the Bureau of Land Management would become a part of the school land reservation made by the act of March 4, 1915 (38 Stat. 1214), for the Territory; or

(3) affect the granting of timber cutting or other permits or licenses, or the acquisition of rights-of-way on, or the lawful passage over, the vacant and unreserved public lands in Alaska.

SEC. 5. The Secretary of the Interior is hereby authorized to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this act into full force and effect.

With the following committee amendments:

Page 2, lines 13 and 14, strike out the words "2 years" and insert in lieu thereof the words "18 months."

Page 2, line 17, after the word "preference", insert the word "right."

Page 3, following line 17, add the following new section:

"SEC. 6. (a) The following language in the act of March 3, 1903 (32 Stat. 1028; 48 U. S. C., sec. 371), which amended the act of May 14, 1898 (30 Stat. 409), is hereby repealed: 'and provided further that no location of scrip, selection, or right along any navigable or other waters shall be made within the distance of 80 rods of any lands, along such waters, theretofore located by means of any

such scrip or otherwise;', as well as the following language: 'and along such shore a space of at least 80 rods shall be reserved from entry between all such claims.'

"(b) The following language in section 10 of the act of May 14, 1898, as amended (30 Stat. 413; 48 U. S. C., sec. 462) is repealed: '*Provided further,* That there shall be reserved by the United States a space of 80 rods in width between tracts sold or entered under the provisions of this act on lands abutting on any navigable stream, inlet, gulf, bay, or seashore, and that the Secretary of the Interior may grant the use of such reserved lands abutting on the water front', and the following language is inserted in lieu thereof: '*Provided,* That the Secretary of the Interior may grant the use of any lands abutting on the water front of any navigable stream, inlet, gulf, bay, or seashore.'

"(c) The following language in the act of June 5, 1920 (41 Stat. 1059; 48 U. S. C., sec. 372), is repealed: 'reserve from sale and entry a space of at least 80 rods in width between tracts sold or entered under the provisions thereof along the shore of any navigable water, and', as well as the following language: 'restore to entry and disposition such reserved spaces and may.'"

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## SLUM CLEARANCE, URBAN REDEVELOPMENT, AND LOW-RENT HOUSING IN ALASKA, HAWAII, PUERTO RICO, AND THE VIRGIN ISLANDS

The Clerk called the bill (S. 3635) to enable the governments of Alaska, of Hawaii, of Puerto Rico, and the Virgin Islands to authorize public bodies or agencies to undertake slum clearance, urban redevelopment, and low-rent housing activities including the issuance of bonds and other obligations, to amend the low-rent housing enabling statutes for Alaska and Hawaii, and for other purposes.

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I wonder if some member of the committee can explain the bill, including the question of the broadened authority to issue bonds and other obligations?

Mr. BARTLETT. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. BARTLETT. This bill is simply to correct certain omissions in the Housing Act of 1949 so as to place the Territories in the same situation as the States in respect to taking advantage of the provisions of the 1949 act in reference to urban development and low-rent housing programs.

There is nothing mandatory about this bill; the Territorial legislatures can follow through or they can fail to follow through; it is simply permissive. In Alaska we have several situations in which this legislation would be of great benefit. At the same time it would be for the people to decide whether they wanted it; the legislation is simply permissive.

Mr. BYRNES of Wisconsin. What restrictions now exist, and what restrictions will exist, should this legislation be enacted into law on the issuance of bonds and obligations of the corporate body?

Mr. BARTLETT. That authority, of course, would continue to exist. Under the terms of this bill they could proceed to issue bonds on their own motion for housing purposes.

Mr. BYRNES of Wisconsin. In Alaska do you have to submit a bond issue to a referendum of the people in the corporate area?

Mr. BARTLETT. It is always done, uniformly, always.

Mr. BYRNES of Wisconsin. That is not interfered with at all?

Mr. BARTLETT. Not in the slightest.

Mr. BYRNES of Wisconsin. All the restrictions on the issuance of bonds are still continued?

Mr. BARTLETT. They are continued and not altered by this bill.

Mr. BYRNES of Wisconsin. Mr. Speaker, I withdraw my reservation of objection.

Mr. RICH. Mr. Speaker, reserving the right to object, has this bill had the approval of the Bureau of the Budget?

Mr. BARTLETT. Yes; it has the approval of the Bureau of the Budget and, of course, has the approval of the Housing Administration.

I may also point out that under it there would be no cost to the Federal Government.

Mr. RICH. There will be provided you make obligations that you cannot pay. Suppose the people in these various territories and possessions agree to issue bonds, who is going to be responsible for the issuance of those bonds?

Mr. BARTLETT. The local agencies, the people of the several territories, not the Federal Government; it is an obligation upon the people of the territories concerned.

Mr. RICH. Is not the Federal Government supporting these territories?

Mr. BARTLETT. Not in respect to the payment of bonds. All our bonds are locally issued, issued by the municipality concerned. In the case of Alaska we have never defaulted on any single bond issue and never will, of course, for the people want to discharge their obligations.

Mr. RICH. I understand the Federal Government will not have any obligation so far as the payment of these bonds is concerned?

Mr. BARTLETT. There is no obligation on the Federal Government to repay the bonds under the terms of this proposed legislation.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That this act may be cited as the "Territorial Enabling Act of 1950."

### TITLE I—SLUM CLEARANCE AND URBAN REDEVELOPMENT IN ALASKA, HAWAII, AND PUERTO RICO

SEC. 101. The governments of Alaska, of Hawaii, and of Puerto Rico, each acting through its legislature, may create a public corporate authority or authorities and may authorize such authority or authorities or any other public corporate authority or any municipal corporation or political subdivision, acting directly or through any officer or agency thereof or through a public corporate authority, to undertake slum clearance and urban redevelopment projects and to do all things, exercise any and all powers, and to assume and fulfill any and all obligations, duties, responsibilities, and requirements, including but not limited to those relating to planning and zoning, necessary or desirable for receiving Federal assistance under title I of the Housing Act of 1949 (Public Law 171, 81st Cong.), or any other law, except that public corporate authorities (as distinct from municipalities or political subdivisions) created or authorized to operate in accordance with this act shall not be given any power of taxation or any power to pledge the full faith and credit of the people of the Territory, or municipality, or political subdivision, as the case may be, for any loan whatever. The Legislatures of Alaska, of Hawaii, and of Puerto Rico may, with respect to any public corporate authority or authorities empowered or which may be empowered to undertake slum clearance and urban redevelopment projects, provide for the appointment and terms of office of the members thereof, and for the powers of such authorities, including authority to accept whatever benefits the Federal Government may make available for slum clearance and urban redevelopment projects, and authority, notwithstanding any other Federal law, to borrow money and to issue notes, bonds, and other obligations of such character and maturity, with such security, and in such manner as the respective legislatures may provide. Such notes, bonds, and other obligations shall not be a debt of the United States, or of any Territory or municipal corporation or other political subdivision or agency thereof other than the public corporate authority which issued such notes, bonds, or obligations, nor constitute a debt, indebtedness, or the borrowing of money within the meaning of any limitation or restriction on the issuance of notes, bonds, or other obligations contained in any laws of the United States applicable to Alaska, Hawaii, or Puerto Rico, or to any municipal corporation or other political subdivision or agency thereof.

SEC. 102. The governments of Alaska, of Hawaii, and of Puerto Rico may assist slum clearance and urban redevelopment projects through cash donations, loans, conveyances of real and personal property facilities, and services, and otherwise, and may authorize municipalities or other political subdivisions to make cash donations, loans, conveyances of real and personal property to public corporate authorities and to take other action, including but not limited to the making available or the furnishing of facilities and services, in aid of slum clearance and urban redevelopment projects.

SEC. 103. All legislation heretofore enacted by the Legislature of the Territory of Alaska, of Hawaii, and of Puerto Rico dealing with the subject matter of this act and not inconsistent herewith is hereby ratified and confirmed.

### TITLE II—AMENDMENTS TO THE LOW-RENT-HOUSING ENABLING STATUES FOR ALASKA AND HAWAII

SEC. 201. Alaska: (a) The act of July 21, 1941 (55 Stat. 601), is amended to read as follows:

"That the Legislature of the Territory of Alaska may create public corporate authorities to undertake slum clearance and projects to provide dwelling accommodations for families of low income and for persons (and their families) engaged in national-defense activities within the Territory.

"SEC. 2. The Legislature of the Territory of Alaska may provide for the appointment and terms of the commissioners of such authorities and for the powers of such authorities, except that such authorities shall not be given any power of taxation, nor any power to pledge the faith of the people of the Territory for any loan whatever.

"SEC. 3. The Legislature of the Territory of Alaska may authorize such authorities to issue bonds or other obligations with such

security and in such manner as the legislature may provide, except as provided in this act. Such bonds and other obligations shall not be a debt of the Territory of Alaska or any political or municipal corporation or other subdivision of the Territory other than such authorities; and such bonds and other obligations shall not constitute a debt, indebtedness, or the borrowing of money within the meaning of any limitation or restriction on the issuance of bonds or other obligations contained in the laws of the United States applicable to the Territory of Alaska or any political or municipal corporation or other subdivision of the Territory.

"SEC. 4. All legislation heretofore enacted by the Legislature of the Territory of Alaska dealing with the subject matter of this act and not inconsistent herewith is hereby ratified and confirmed.

"SEC. 5. Powers granted herein shall be in addition to and not in derogation of any powers granted by other law to or for the benefit or assistance of any public corporate authority or municipality."

(b) The title of said act of July 21, 1941, is amended to read as follows:

"An act to authorize the Legislature of the Territory of Alaska to create one or more public corporate authorities to undertake slum clearance and projects to provide dwelling accommodations for families of low income and to issue bonds and other obligations of the authority or authorities for such purposes, and for other purposes."

SEC. 202. Hawaii: (a) The act of July 10, 1937 (50 Stat. 508), is amended to read as follows:

"That the Legislature of the Territory of Hawaii may create public corporate authorities to engage in slum clearance, or housing undertakings, or both, within such Territory. The legislature of said Territory may provide for the appointment and terms of the members of such authorities and for the powers of such authorities, except that such authorities shall be given no power of taxation. The legislature may authorize the Territory or any political or municipal corporation or subdivision thereof to make loans, donations, and conveyances and make available their facilities and services to such authorities, and to take other action in aid of slum clearance or housing undertakings, and may, without regard to any Federal acts restricting the disposition of public lands of the Territory, authorize the commissioner of public lands, the Hawaiian Homes Commissioners, and any other officers of the Territory having power to manage and dispose of its public lands, to grant, convey, or lease to such authorities parts of the public domain, and may provide that any of the public domain or other property acquired by such authorities may be mortgaged by them as security for their bonds. The legislature of said Territory may authorize such authorities to issue bonds or other obligations of such character and maturity and in such manner as the legislature may provide. Such bonds shall not be a debt of the Territory or any political or municipal corporation or subdivision thereof, shall not constitute public indebtedness within the meaning of section 55 of the act approved April 30, 1900, entitled 'An act to provide a government for the Territory of Hawaii," as amended, and shall not constitute bonds of the Territory of Hawaii within the meaning of the act approved August 3, 1935, entitled 'An act to enable the Legislature of the Territory of Hawaii to authorize the issuance of certain bonds, and for other purposes,' as amended. All legislation heretofore enacted by the Legislature of the Territory of Hawaii dealing with the subject matter of this act and not inconsistent herewith is hereby ratified and confirmed. Powers granted herein shall be in addition to and not in derogation of any powers granted by other law to or for the benefit or assistance of any public corporate authority or municipality."

(b) The title of said act of July 10, 1937, is amended to read as follows:

"An act to authorize the Legislature of the Territory of Hawaii to create one or more public corporate authorities authorized to engage in slum clearance and housing undertakings and to issue bonds of the authority or authorities, to authorize said legislature to provide for financial assistance to said authority or authorities by the Territory and its political subdivisions, and for other purposes."

TITLE III—SLUM CLEARANCE, URBAN REDEVELOPMENT, AND LOW-RENT HOUSING IN THE VIRGIN ISLANDS

SEC. 301. The government of the Virgin Islands, through its legislative assembly, may grant to a public corporate authority existing or to be created through said assembly, exclusive authority to undertake slum clearance, urban redevelopment, and low-rent housing activities within the municipalities of the Virgin Islands. The legislative assembly may provide for the appointment and terms of office of the members of such authority and for the powers of such authority, including authority to accept whatever benefits the Federal Government may make available under the Housing Act of 1949 (Public Law 171, 81st Cong.), or any other law, for projects contemplated by this act and to do all things, to exercise any and all powers, and to assume and fulfill any and all obligations, duties, responsibilities, and requirements, including but not limited to those relating to planning or zoning, necessary or desirable for receiving such Federal assistance, except that such authority shall not be given any power of taxation, nor any power to pledge the faith and credit of the people of the Virgin Islands for any loan whatever.

SEC. 302. The legislative assembly may authorize such authority, any provision of the Virgin Islands Organic Act or any other act of Congress to the contrary notwithstanding, to borrow money and to issue notes, bonds, and other obligations of such character and maturity, with such security, and in such manner as the legislative assembly may provide. Such notes, bonds, and other obligations shall not be a debt of the United States, or of the Virgin Islands or of any municipality or subdivision thereof, other than such authority, nor constitute "bonds and other obligations" within the meaning of the act approved October 27, 1949 (Public Law 418, 81st Cong.), entitled "An act to authorize the government of the Virgin Islands or any municipality thereof to issue bonds and other obligations," or a debt, indebtedness, or the borrowing of money within the meaning of any limitation or restriction on the issuance of notes, bonds, or other obligations contained in any laws of the United States applicable to the Virgin Islands or to any municipal corporation or other political subdivision or agency thereof.

SEC. 303. The government of the Virgin Islands, through its legislative assembly, may assist such authority with cash donations, loans, conveyances of real and personal property, facilities, and services, and otherwise, and may authorize municipalities and other subdivisions to make cash donations, loans, conveyances of real and personal property to such authority, and to take other action, including but not limited to, the making available or the furnishing of facilities and services, in aid of slum clearance, urban redevelopment, or low-rent housing projects.

SEC. 304. Notwithstanding the limitation contained in the last sentence of section 110 (d) or in any other provision of title I of the Housing Act of 1949 (Public Law 171, 81st Cong.), the Housing and Home Finance Administrator is hereby authorized to allow and credit to such authority as may be created for the Virgin Islands under this act (1) such local grants-in-aid as are otherwise approvable pursuant to the first sentence of said section 110 (d) with respect to any slum clearance and urban redevelopment project or projects undertaken by such authority with Federal assistance made available under title I of the Housing Act of 1949, and (2) such grants-in-aid made or assistance given to the local community by any Federal department or agency pursuant to authority of law other than the Housing Act of 1949 which would, if made or given by a State or local community, be approvable pursuant to said first sentence of section 110 (d) with respect to any such project or projects so undertaken.

SEC. 305. All legislation heretofore enacted by the legislative assembly of the Virgin Islands dealing with any part of the subject matter of this act and not inconsistent herewith is hereby ratified and confirmed.

SEC. 306. Powers granted herein shall be in addition to and not in derogation of any powers granted by other law to or for the benefit or assistance of any public corporate authority or municipality.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 3 OF AN ACT TO PROVIDE FOR THE DISPOSAL OF MATERIALS ON THE PUBLIC LANDS OF THE UNITED STATES

The Clerk called the bill (H. R. 7146) to amend section 3 of the act entitled "An act to provide for the disposal of materials on the public lands of the United States," so as to provide that moneys received from the disposal of material from reserved school section lands in Alaska shall be credited to the Territory.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 3 of the act approved July 31, 1947 (61 Stat. 681; 43 U. S. C., sec. 1185), is hereby amended to read as follows:

"SEC. 3. All moneys received from the disposal of materials under this act shall be disposed of in the same manner as moneys received from the sale of public lands, except that moneys received from the disposal of materials from school section lands in Alaska, reserved under section 1 of the act of March 4, 1915 (38 Stat. 1214; 48 U. S. C. sec. 353), shall be disposed of to the credit of the Territory."

With the following committee amendments:

Page 2, line 4, strike out "disposed of to the credit of the Territory" and insert the following: "set apart as separate and permanent funds in the Territorial Treasury as provided for income derived from said school section lands pursuant to said act."

Page 2, after line 7, insert the following:

"SEC. 4. Subject to the provisions of this act, the Secretary may dispose of sand, stone, gravel, and vegetative materials located below high-water mark of navigable waters of the Territory of Alaska. Any contract, unexecuted in whole or in part, for the disposal under this act of materials from land, title to which is transferred to a future State upon its admission to the Union, and which is situated within its boundaries, may be terminated or adopted by such State."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read the third time, was read the

third time, and passed, and a motion to reconsider was laid on the table.

CHICKAMAUGA AND CHATTANOOGA NATIONAL MILITARY PARK (TENN.)

The Clerk called the bill (H. R. 7675) to authorize the addition of certain land to Chickamauga and Chattanooga National Military Park, in the State of Tennessee.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, let us have this bill explained.

Mr. PETERSON. Mr. Speaker, this bill authorizes the Secretary of the Interior to accept in connection with the Chickamauga and Chattanooga National Military Park certain lands. All of these lands will be given. None of them will be purchased by the Federal Government at all. It is a gift. It will help this particular area. I may say that the bill has the approval of the local county authorities. There are no funds to be given by the Federal Government at all. This merely authorizes the acceptance of the land.

Mr. RICH. After they get this land, will it cost more for the upkeep of it?

Mr. PETERSON. There will be no additional cost for upkeep because they already have the area down there. This does not contemplate anything additional.

Mr. RICH. Has the Department approved it?

Mr. PETERSON. Yes; and the Budget has approved it.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is hereby authorized to accept, as an addition to Chickamauga and Chattanooga National Military Park donations of not to exceed 1,400 acres of land and interests in land situated generally with Moccasin Bend of the Tennessee River lying west of the city of Chattanooga.

SEC. 2. All property acquired pursuant to this Act shall become a part of the national military park upon the issuance of an appropriate order, or orders, by the Secretary of the Interior setting forth the evised boundaries of the park, such order or orders to be effective upon publication in the Federal Register. Lands so added to the park shall thereafter be subject to all laws and regulations applicable to the park.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to recondsider was laid on the table.

FORT CAROLINE SETTLEMENT, ST. JOHNS BLUFF, FLA.

The Clerk called the bill (H. R. 7709) to provide for the acquisition, investigation, and preservation of lands to commemorate the historic Fort Caroline settlement, St. Johns Bluff, Fla.

There being no objection, the Clerk called the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is authorized to acquire, on behalf of the United States, by purchase, donation, or otherwise, not to exceed five hundred acres of lands, or interests in lands, together with any improvements thereon, located in the vicinity of St. Johns Bluff, Duval County, Fla., to commemorate the historitc settlement of Fort Caroline.

SEC. 2. The Secretary of the Interior shall conduct such historical, archeological, and other investigations of the lands acquired pursuant to section 1 of this act as may be necessary to prepare an appropriate plan for the permanent preservation and exhibition of their historical features to the public. In the event that the Secretary shall determine it to be in the national interest, the acquired lands, upon the publication in the Federal Register of an appropriate order of the Secretary of the Interior, shall constitute the Fort Caroline National Historical Park, set apart as a memorial to the founders of the sixteenth century colony of Fort Caroline.

Such historical park, if established, shall be administered by the Secretary in accordance with the act of August 25, 1916 (39 Stat. 535), and the act of August 21, 1935 (49 Stat. 666).

SEC. 3. In the event that the Secretary of the Interior shall determine that the area would be more suitably administered as a State historical park, the Secretary is hereby authorized to transfer title to the land and improvements thereon to the State of Florida: *Provided*, That the State shall perpetually maintain the area for State historical park use generally in accordance with the plan formulated by the Secretary. In the event that the State shall cease to use the land for historical park purposes, or attempt to alienate the lands, title thereto shall revert to the United States. Before acquiring any lands as provided in section 1 hereof, the Secretary shall secure from the State of Florida a statement of its willingness to accept and administer the lands in accordance herewith in the event that the Secretary shall determine that the lands should be administered by the State.

SEC. 4. There are authorized to be appropriated such sums as may be necessary, to carry out the provisions of this act.

With the following committee amendments:

Page 3, following line 9, insert the following:

"SEC. 4. The Secretary of the Interior is authorized to accept gifts of lands, interest in lands, funds, and other property from individuals, associations, and groups and public bodies to be used in carrying out the purposes of this act."

Page 3, line 15, strike out "4" and insert "5."

Page 3, line 16, after the word "necessary", insert the following: "not to exceed $100,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CITY OF BUFFALO, WYO.

The Clerk called the bill (H. R. 7977) to authorize the city of Buffalo, Wyo., to make additional uses of certain lands, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the city of Buffalo, Johnson County, Wyo., is authorized to use the lands sold to such city by the Secretary of the Interior under the act entitled "An act authorizing the sale of certain lands to the city of Buffalo, Wyo," approved February 25, 1907 (34 Stat. 930), for hospital or other civic purposes, in addition to the purposes authorized by such act. Such city is further authorized to convey all, or any portion of, such lands to Johnson County, Wyo., for any of the purposes authorized by such act of February 25, 1907, or by this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CASTILLO DE SAN MARCOS NATIONAL MONUMENT, FLA.

The Clerk called the bill (H. R. 8366) to supplement the act of June 29, 1936 (49 Stat. 2029), relating to the Castillo de San Marcos National Monument, in the State of Florida.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in order to supplement the authority regarding the acquisition of land for Castillo de San Marcos National Monument, Fla., as contained in section 2 of the act of June 29, 1936 (49 Stat. 2029), the Secretary of the Interior is authorized, in his discretion, to purchase or to procure with appropriated funds, in such manner as he shall consider to be in the public interest, the additional land and interests in land authorized by the said act of June 29, 1936, to be acquired for the national monument.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GOVERNMENT PURCHASE OF BONDS

The Clerk called the bill (H. R. 8706) to provide for the purchase of bonds to cover officers and employees of the Government.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, this bill would call for an annual expenditure of more than a half million dollars and it appears to be one that might be quite controversial. At least, it is involved and would change the policy of the Government in regard to the bonding of employees. I believe it is entirely too complicated a bill to be considered on the Consent Calendar; therefore I ask unanimous consent that it be passed over without prejudice.

Mr. KARSTEN. Mr. Speaker, reserving the right to object, this legislation originated in one of the recommendations of the Hoover Commission. The Hoover Commission found that there were approximately 558,000 Federal employees under bond and that the annual premium expenditure amounted to about $2,000,000, while the annual losses approximated $230,000.

The Public Accounts Subcommittee, working in close collaboration with practically all of the departments and agencies of the Government, including the Bureau of the Budget and the General Accounting Office, made a study of the existing cumbersome and expensive procedure for bonding employees of the Government and found that there are 1,103,000 Federal officers and employees—including 515,000 temporary employees of the Post Office—who are required to furnish surety bonds in connection with the performance of their official duties. The premiums paid for surety bonds by these employees for 1949 amounted to $1,685,779.90, while the recoveries from the surety companies for the same period amounted to $207,303.70. This is an expensive operation for our

Government because under existing law over 1,000,000 individual bonds are required to be written and maintained. The committee found that by using blanket and position schedule bonds the number could be reduced to about 20,628 and still provide the same protection. Through this large reduction in bonds it was ascertained that the premium rate could be reduced to $960,000. In this connection the surety companies offer a discount of 6⅔ percent where the bonds are paid for 2 years in advance. That brings the cost down to $390,000. The bill provides for competitive bidding, which makes a further possible reduction of approximately 10 percent, and that brings the cost down to $801,000. In addition, there are administrative expenses of approximately $300,000 that the Government has to pay annually to keep these bonds current. In this instance, the Government is paying $300,000 a year simply to handle the records on these bonds, to be sure that the penal amount involved is correct, and that the surety company is on the approved list of the Treasury Department. We will save that $300,000 administrative expense by this bill and that brings the premium cost down to $500,000. In addition to that we will receive from the surety companies approximately $225,000 in recoveries, that is, the annual losses every year. Therefore, instead of half a million dollars in premium cost as shown by the committee report, the annual net cost should not exceed $275,000.

While it is expected the passage of the bill will result in a small initial cost, the committee believes this is a wise expenditure because in return the Federal Government will receive insurance against fraud, negligence and dereliction of duty of its employees. It will also receive the tremendous benefits of deterrence against mishandling of the Government's enormous fiscal and property operations which naturally flows from coverage by commercial bonds.

The bill has the approval of the Comptroller General as well as the Bureau of the Budget. It is supported by numerous other departments and agencies of the Government and by various employee organizations.

Mr. CUNNINGHAM. In view of the gentleman's explanation and the fact that it does not wholly agree with the report of the committee—and I am not questioning the accuracy of the gentleman's explanation—I am convinced by what he has said that it is entirely too complicated, I am sure, to be considered on the Consent Calendar, and therefore I renew my request, Mr. Speaker, that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

### TRADE-MARK REGISTRATIONS

The Clerk called the bill (H. R. 8792) to amend the statute relating to certificates of trade-mark registrations.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the second sentence of subsection (a) of section 7 of the act of Congress approved July 5, 1946 (ch. 540, 60 Stat. 427; U. S. C., title 15, sec. 1057a), is amended by striking out "contain the statement of the applicant," so that said second sentence reads as follows: "The certificate shall reproduce the drawing of the mark, and state that the mark is registered on the principal register under this act, the date of the first use of the mark in commerce, the particular goods or services for which it is registered, the number and date of the registration, the term thereof, the date on which the application for registration was received in the Patent Office, and any conditions and limitations that may be imposed in the grant of the registration."

With the following committee amendment:

Page 1, beginning of line 10, insert "the date of the first use of the mark."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### EXCHANGE OF CERTAIN NEW YORK STATE LANDS

The Clerk called the bill (H. R. 5003) to authorize War Assets Administration or its successor to reimburse the people of the State of New York for certain lands at Manhattan Beach, Kings County, N. Y., in pursuance of an agreement between the people of the State of New York and the Government of the United States.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to know what this bill is about.

Mr. CELLER. Mr. Speaker, if the gentleman will yield, I will say to the gentleman from Pennsylvania that this bill provides for an exchange of lands. Two parcels of land are in dispute; 36 acres occupied by the maritime station at New York and 14 acres formerly occupied by a Coast Guard station, since abandoned. Both New York and the United States make claim to these 50 acres or important portions thereof. The end effect of the bill is that the United States Government gets 36 acres of land and the State of New York gets 14 acres of land, the latter to be used for a public park. The 36 acres that the Government receives is part of the maritime station up on Manhattan Beach, in the Rockaway Inlet, on Long Island. There has been considerable controversy between the State of New York and the United States as to the title to those lands. By this bill the United States acquires full and undisputed title to its present maritime station, in return for which the United States Government gives to New York full and undisputed title to these 14 acres. The 14 acres have been declared surplus. They were formerly used, in part, as a Coast Guard station, which has since been abandoned. The Housing and Home Finance Administration has jurisdiction thereof.

Mr. RICH. Why was not this bill referred to the Committee on Expenditures in the Executive Departments and let them make an investigation of the War Assets Administration lands?

Mr. CELLER. Because this bill involves a compact, a treaty, between the State of New York and the Federal Government, and that is why it goes to the Committee on the Judiciary. The matter was gone into very carefully. All departments are agreed that the bill should be passed. There was no objection to it. There was a unanimous report of the subcommittee, a unanimous report of the Committee on the Judiciary, and a unanimous report by all departments involved.

Mr. RICH. Who checked up for the benefit of the Federal Government on the action that is being taken now by the War Assets Administration; what department of Government?

Mr. CELLER. The Maritime Commission, the Housing and Home Finance Administration, the Office of the Attorney General, the War Assets Administration. Also the office of the attorney general of the State of New York and the commissioner of parks of the State and city of New York.

All departments involved are agreed that the bill should be passed.

Mr. RICH. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Whereas a dispute has arisen between the United States of America and the people of the State of New York as to the title to certain lands at Manhattan Beach, Kings County, New York, formerly under the waters of Rockaway Inlet and now filled in, and which said lands comprise approximately 50 acres, lying south of the high water line as the same existed in 1878; and

Whereas approximately 36 acres of said land are now occupied by the United States Maritime Commission as and for a permanent maritime training station; and

Whereas the balance of said land, approximately 14 acres, lies within the former United States Coast Guard training station and together with the other lands formerly comprising the whole of said former United States Coast Guard training station are now under the jurisdiction of War Assets Administration as surplus property; and

Whereas the United States of America is desirous of obtaining from the people of the State of New York a cession of exclusive jurisdiction over all of the lands now occupied by the United States maritime training station, including the 36 acres claimed by the people of the State of New York; and

Whereas the laws of the State of New York preclude consent to a cession of jurisdiction over such lands until such time as the United States of America is possessed of a clear and complete title thereto; and

Whereas the Attorney General of the United States and the Attorney General of the State of New York have endeavored to reach an amicable settlement of the aforementioned dispute through the exchange of the lands claimed by the State of New York and now occupied by the United States Maritime Commission for the lands formerly occupied by the United States Coast Guard training station and now held as surplus by the War Assets Administration; and

Whereas upon the consummation of such settlement the people of the State of New York shall consent to a cession of exclusive jurisdiction over all of the lands now occupied by the United States Maritime Commision as and for its maritime training station; and

Whereas it has been determined that such proposed amicable settlement cannot be consummated due to lack of authority in War

Assets Administration to execute a deed of conveyance to the people of the State of New York, to the said land comprising the former Coast Guard area and now held as surplus: Therefore

*Be it enacted, etc.*, That it is hereby determined and declared to be in the public interest that the dispute between the United States of America and the people of the State of New York as to such title be settled amicably and that the United States of America obtain from the people of the State of New York a cession of exclusive jurisdiction over all of the area now occupied by the maritime training station, and the Administrator of War Assets Administration or its successor is hereby authorized to execute and deliver to the people of the State of New York a deed to so much of the lands formerly occupied by the United States Coast Guard training station at Manhattan Beach, as are now under the jurisdiction of War Assets Administration as surplus property; in exchange for a grant of all of the right, title, and interest of the people of the State of New York in and to the land now occupied by the United States Maritime Commission as and for a maritime training station; and be it understood that upon consummation of such settlement through the exchange of such lands the people of the State of New York shall consent to a cession of exclusive jurisdiction to the United States of America over the land so granted by the people of the State of New York.

With the following committee amendment:

Strike out all before the enacting clause and insert the following:

"*Be it enacted, etc.*, That (a) the Housing and Home Finance Administrator is authorized to convey to the State of New York all right, title, and interest of the United States in and to any real estate (except buildings and improvements thereon under contract of lease between the Public Housing Administration and the State of New York) at Manhattan Beach, Kings County, N. Y., formerly used by the United States Coast Guard and at present under the jurisdiction of the Housing and Home Finance Administrator.

"(b) The conveyance authorized by subsection (a) shall be made only (1) in exchange for a conveyance by the State of New York to the United States of all right, title, and interest held or claimed by that State in or to any real estate at Manhattan Beach under the jurisdiction and control of the United States Maritime Commission or the Administrator of General Services, and (2) when the Attorney General of the United States is given assurances satisfactory to him that the State of New York will cede to the United States appropriate jurisdiction over all lands at Manhattan Beach under the jurisdiction or control of the United States Maritime Commission or the Administrator of General Services."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill to provide for the exchange between the United States and the State of New York of certain lands and interests in lands at Manhattan Beach, Kings County, N. Y."

A motion to reconsider was laid on the table.

ST. ELIZABETHS HOSPITAL

The Clerk called the bill (S. 2227) to amend the act approved July 18, 1940 (54 Stat. 766; 24 U. S. C., 1946 ed., sec. 196b), entitled "An act relating to the admission to St. Elizabeths Hospital of persons resident or domiciled in the Virgin Islands of the United States," by enlarging the classes of persons admissible into St. Elizabeths Hospital and in other respects.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the act approved July 18, 1940, entitled "An act relating to the admission to St. Elizabeths Hospital of persons resident or domiciled in the Virgin Island of the United States," is amended as follows:

(a) Clauses (1) and (2) of the first paragraph of such act are amended to read as follows: "(1) Persons who are permanent residents of the Virgin Islands of the United States and who (A) are citizens or nationals of the United States or nondeportable aliens and (B) have been legally adjudged to be insane in the Virgin Islands or while temporarily in another insular possession or a Territory of the United States or in the continental United States; and (2) persons who are present in but not permanent residents of the Virgin Islands and (A) have been legally adjudged to be insane in the Virgin Islands, (B) are citizens or nationals of the United States or nondeportable aliens, and (C) are persons whose legal residence in one of the States or Territories of the United States or the District of Columbia it has been impossible to establish."

(b) The second paragraph of such act is amended to read as follows:

"Upon the ascertainment of the legal residence of persons who have been transferred to St. Elizabeths Hospital and who are not permanent residents of the Virgin Islands, the Superintendent of the hospital shall transfer such persons to their respective places of residence, and the expense of transfer shall be paid from the appropriation for the support of the hospital."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VETERANS' ADMINISTRATION

The Clerk called the bill (S. 3582) to authorize revision of the procedures employed in the administration of certain trust funds administered by the Veterans' Administration.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. O'HARA of Minnesota. Reserving the right to object, Mr. Speaker, will the chairman of the Committee on Veterans' Affairs explain the bill?

Mr. RANKIN. Mr. Speaker, this bill establishes special deposit accounts at each Veterans' Administration station in which would be collected personal funds of patients and funds due incompetent beneficiaries.

It is a change from central administration in Washington to field administration with expected savings in time and service to veterans and their dependents.

Its passage has been urged by the Veterans' Administration and that recommendation has been concurred in by the Department of the Treasury, General Accounting Office, and Bureau of the Budget. There is no cost involved.

Mr. O'HARA of Minnesota. Does this involve the individual trust funds of the veterans themselves?

Mr. RANKIN. No; it does not involve trust funds. It relates to personal funds of the patients and funds due incompetent beneficiaries.

Mr. O'HARA of Minnesota. Is the officer who is in charge of these funds bonded?

Mr. RANKIN. Yes, he is bonded.

Mr. O'HARA of Minnesota. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That all cash balances in the personal funds of patients and the funds due incompetent beneficiaries' trust funds administered by the Veterans' Administration, and all moneys hereafter received which are properly for deposit into these funds, may be deposited, respectively, into special deposit accounts with the Treasurer of the United States for credit to the several disbursing officers of the Division of Disbursement, Treasury Department, and such balances and deposits shall thereupon be available for disbursement for properly authorized purposes without covering into the Treasury of the United States and withdrawal on money requisitions: *Provided*, That when any balances have been on deposit with the Treasurer of the United States for more than 1 year and represent moneys belonging to individuals whose whereabouts are unknown, they shall be transferred and disposed of as directed in the last proviso to subsection (a) of section 20 of the Permanent Appropriation Repeal Act of 1934, as amended (31 U. S. C. 725s).

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPOINTMENT OF DENTAL SPECIALISTS IN THE VETERANS' ADMINISTRATION

The Clerk called the bill (H. R. 8619) to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to provide for the appointment of dental specialists, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Reserving the right to object, Mr. Speaker, we are to have legislation up here today relative to establishing a Department of Health. Is this bill in opposition to the bill that is coming up later today?

Mr. RANKIN. No. Let me say to the gentleman from Pennsylvania that this bill, H. R. 8619, merely authorizes the appointment of dental specialists in the same manner and under the same conditions as now apply to medical specialists in the Veterans' Administration. Such specialists would be appointed only after they had met the requirements of an American Specialty Rating Board, and would thus be eligible for the 25-percent allowance in addition to the basic pay, but in no event to exceed $12,000 per annum.

The passage of this bill is urged by the American Dental Association. The Veterans' Administration advises that the maximum cost would be $15,000 a year.

Mr. RICH. Has the Veterans' Administration approved this legislation?

Mr. RANKIN. They have no objection to it. I cannot say that they favor it, but they have no objection to it.

Mr. RICH. What I am trying to get at now is, if this legislation goes through, will it not interfere with the President's reorganization plan to set up a Department of Health?

Mr. RANKIN. It will not affect it in any way.

Mr. FORD. Mr. Speaker, reserving the right to object, I call the attention of the Members of the House to the fact that there is no report from the Veterans' Administration or the Bureau of the Budget concerning the enactment of this bill.

Furthermore it is not in accord with the program of the President. Therefore, Mr. Speaker, I withdraw my reservation of objection, and ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. RANKIN. Mr. Speaker, reserving the right to object, the gentleman from Michigan is wrong about there being no report. The report from the Veterans' Administration is in the report itself and you will find it on page 2.

Mr. FORD. I believe it is in regard to a different bill, I might say to the gentleman.

Mr. RANKIN. The report is on two bills, but on the same subject. It is the same subject matter.

Mr. FORD. Nevertheless, this bill is not in accord with the program of the President; is that not correct?

Mr. RANKIN. Yes; that is what the report says.

Mr. FORD. Nevertheless, and despite the statement of the gentleman from Mississippi, Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. RANKIN. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, I object.

### CONVEYANCE OF LAND IN KENNEBEC COUNTY, MAINE

The Clerk called the bill (H. R. 8845) to provide for the conveyance of a tract of land in Kennebec County, Maine, to the town of Chelsea.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Administrator of Veterans' Affairs is hereby authorized and directed to donate and convey to the inhabitants of the town of Chelsea, Maine, all the right, title, and interest of the United States in and to a tract of land in Kennebec County, Maine, containing approximately four and six-tenths acres, and more particularly described as follows:

Beginning at a point on the westerly side of the Gardiner road which point is distant north fifty-five degrees fifty-eight minutes no seconds east one thousand one hundred forty-three and eighty one-hundredths feet northeasterly from the intersection of the property of the United States of America, and property now or formerly of Rufus Campbell, and running thence in a northwesterly direction north thirty-two degrees twenty-five minutes no seconds west five hundred feet; thence northeasterly north fifty-seven degrees thirty-five minutes no seconds east four hundred feet; thence southeasterly south thirty-two degrees twenty-five minutes no seconds east five hundred feet to the westerly side of the Gardiner road; thence southwesterly along the Gardiner road south fifty-seven degrees thirty-five minutes no seconds west four hundred feet to the point of place of beginning, containing four and six-tenths acres.

SEC. 2. It shall be made a condition of the deed of conveyance that the tract of land so conveyed shall be used only for school or other educational purposes. If the inhabitants of the town of Chelsea cease to use such tract for such purposes or attempt to alienate all or any part of such tract, title thereto shall revert to the United States.

SEC. 3. The inhabitants of the town of Chelsea shall agree in the deed of conveyance to erect and maintain a suitable fence around the tract of land so conveyed.

SEC. 4. The conveyance shall contain such additional terms, reservations, restrictions, and conditions as may be determined by the Administrator of Veterans' Affairs to be necessary to safeguard the interests of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### DEPARTMENT OF JUSTICE, ADMINISTRATIVE EXPENSES

The Clerk called the bill (S. 2864) to authorize certain administrative expenses for the Department of Justice, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That appropriations now or hereafter provided for the Department of Justice shall be available for payment of (a) notarial fees, including such additional stenographic services as may be required in connection therewith in the taking of depositions, and compensation and expenses of witnesses and informants, all at such rates as may be authorized or approved by the Attorney General or his administrative assistant, and (b) when ordered by the court, actual expenses of meals and lodging for marshals, deputy marshals, or criers, when acting as bailiffs in attendance upon juries.

SEC. 2. Appropriations now or hereafter provided for salaries and expenses of the United States marshals shall be available for actual and necessary expenses incident to the transfer of prisoners in the custody of such marshals to narcotic farms.

SEC. 3. In the procurement of lawbooks, books of reference, and periodicals, the Department of Justice is authorized to exchange or sell similar items and apply the exchange allowances or proceeds of sales in such cases in whole or in part payment therefor.

SEC. 4. The Attorney General is empowered to investigate the official acts, records, and accounts of United States marshals, United States attorneys, clerks of the United States courts and of the district courts of Alaska, Canal Zone, and Virgin Islands, probation officers, referees, trustees and receivers in bankruptcy, United States commissioners and court reporters, for which purpose all the official papers, records, dockets, and accounts of said officers, without exception, shall be examined by agents of the Attorney General at any time. Appropriations now or hereafter provided for the examination of judicial offices shall be available for carrying out the provisions of this section.

SEC. 5. Appropriations now or hereafter provided for the Federal Bureau of Investigation shall be available for expenses of membership in the International Commission of Criminal Police and, when so specified in the appropriation concerned, for expenses of unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, who shall make a certificate of the amount of any such expenditure as he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended. None of the funds appropriated for the Federal Bureau of Investigation shall be used to pay the compensation of any civil-service employee.

SEC. 6. Appropriations now or hereafter provided for the Immigration and Naturalization Service shall be available for payment of (a) hire of privately owned horses for use on official business, under contract with officers or employees of the Service; (b) pay of interpreters and translators who are not citizens of the United States; (c) distribution of citizenship textbooks to aliens without cost to such aliens; (d) payment of allowances (at such rate as may be specified from time to time in the appropriation act involved) to aliens, while held in custody under the immigration laws, for work performed; and (e) when so specified in the appropriation concerned, expenses of unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, who shall make a certificate of the amount of any such expenditure as he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended.

SEC. 7. Appropriations now or hereafter provided for the support of United States prisoners shall be available for the payment of all expenses incurred in caring for any Federal prisoner who becomes insane during the period of his imprisonment, and if he has no relatives or friends to whom he can be sent, for continuing such care after the expiration of sentence until such prisoner is pronounced sane.

SEC. 8. When authorized in an appropriation or other law, the Attorney General may acquire land adjacent to any Federal penal or correctional institution if, in his opinion, the additional land is essential to the protection of the health or safety of the inmates of the institution.

SEC. 9. Collections in cash for meals, laundry, barber service, uniform equipment, and any other items for which payment is made originally from appropriations for the maintenance and operation of Federal penal and correctional institutions, may be deposited in the Treasury to the credit of the appropriation currently available for such items when the collection is made.

With the following committee amendments:

On page 2, line 15, following the word "marshals", strike out the comma and insert in lieu thereof the word "and."

On page 2, line 15, following the comma after the word "attorneys", insert "and at the request and in behalf of the Director of the Administrative Office of the United States Courts those of the."

On page 4, strike out section 7, lines 6 through 12.

On page 4, line 13, following "SEC.", strike out "8" and insert "7."

On page 4, line 18, following "SEC.", strike out "9" and insert "8."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time,

and passed, and a motion to reconsider was laid on the table.

AMENDING TITLE 18, UNITED STATES CODE, SECTION 220

The Clerk called the bill (H. R. 4192) to amend title 18, United States Code, section 220, relating to receipt of commissions or gifts for procuring loans.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, in view of the fact that the report shows there is no report from the Bureau of the Budget in regard to this measure, I would like to have the author of the bill or some member of the committee explain it.

Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMENDING FEDERAL AID TO WILDLIFE RESTORATION ACT

The Clerk called the bill (H. R. 3906) to amend the Federal Aid to Wildlife Restoration Act, as amended.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 8 (a), added by the act of August 18, 1941 (55 Stat. 631), to the act of September 2, 1937 (50 Stat. 917), entitled "An act to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes," is hereby amended by deleting therefrom the words and figures reading "not exceeding $25,000 for Alaska, and $10,000 each for Hawaii, Puerto Rico, and the Virgin Islands" and inserting in lieu thereof the words and figures reading "not exceeding $75,000 for Alaska, not exceeding $25,000 for Hawaii, and not exceeding $10,000 each for Puerto Rico and the Virgin Islands."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRINTING OF LIST OF DECEASED SOLDIERS

The Clerk called the bill (H. R. 3611) to provide for the preparation, printing, and distribution of a list of all persons who died at any time after May 26, 1941, and before September 3, 1945, while serving on active duty with the Armed Forces of the United States.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of Defense is authorized and directed to prepare, and the Public Printer is authorized and directed to print, a list of all persons who (1) died at any time after May 26, 1941, and before September 3, 1945, while serving on active duty in the Armed Forces of the United States, or (2) are missing and presumed to be dead, where such absence began at any time during such period while such persons were serving on active duty with the Armed Forces of the United States. Such list shall include the following information: (1) Name; (2) rank or rating; (3) serial number; (4) branch of service; (5) the nature of death and the theater of operations where the death occurred; (6) if missing and presumed to be dead, then the place where the absence began; and (7) such other information as the Secretary of Defense may determine. Such list shall be published with a separate volume for each State and Territory, Puerto Rico, and the District of Columbia, and each such volume shall be further classified by county or equivalent subdivision, but shall not be classified by branch of service. Within the classification by county or equivalent subdivision the names of such persons shall be arranged alphabetically.

SEC. 2. The heads of all departments and agencies are authorized and directed to provide the Secretary of Defense with such information and such records as the Secretary of Defense shall determine to be necessary to carry out the purposes of this act.

SEC. 3. Copies of the volumes prepared and printed pursuant to the first section of this act shall be furnished gratuitously as follows: (1) Three copies of the appropriate volume to each Senator, Representative, Delegate, and Resident Commissioner of Puerto Rico in Congress; (2) five hundred copies of each volume to the Secretary of Defense for distribution to such departments, agencies, and organizations as he shall determine appropriate; (3) two hundred and fifty copies of each volume to each of the following: Army, Navy, Air Force, Marine Corps, and Coast Guard; (4) one copy of the appropriate volume to the archivist or other appropriate official of each State and Territory, and of Puerto Rico and the District of Columbia.

SEC. 4. The Public Printer shall print additional copies of the volumes of such list for sale at a price sufficient to cover the expense of such additional printing. Moneys received from sales of such additional copies shall be paid to the Treasury and accounted for by the Public Printer in an annual report to Congress. No sale shall be made on credit.

With the following committee amendments:

On page 1, line 6, strike out the date "September 3, 1945" and insert in lieu thereof "December 31, 1946."

On page 3, line 1, strike out the words "five hundred" and insert in lieu thereof the words "not to exceed five thousand."

On page 3, lines 3 and 4, strike out the words "two hundred and fifty" and insert in lieu thereof the words "not to exceed one thousand."

On page 3, line 6, strike out the words "one copy" and insert in lieu thereof the words "ten copies."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "A bill to provide for the preparation, printing, and distribution of a list of all persons who died at any time after May 26, 1941, and before December 31, 1946, while serving on active duty with the Armed Forces of the United States."

A motion to reconsider was laid on the table.

TO AMEND ACT OF JUNE 8, 1940

The Clerk called the bill (H. R. 5507) to amend an act entitled "An act for the protection of the bald eagle," approved June 8, 1940.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the first section of an act entitled "An act for the protection of the bald eagle," approved June 8, 1940 (54 Stat. 250), is amended by striking out "except the Territory of Alaska" and inserting in lieu thereof "including the Territory of Alaska."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FEDERAL AID TO STATES IN FISH RESTORATION AND MANAGEMENT PROJECTS

The Clerk called the bill (H. R. 6533) to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, there is no report from any of the departments which might be interested in this measure, nor is there any report from the Bureau of the Budget.

Therefore, Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

PROVIDING BENEFITS FOR WIDOWS OF LIGHTHOUSE SERVICE PERSONNEL

The Clerk called the bill (H. R. 7192) to provide benefits for the widows of certain persons who were retired or are eligible for retirement under section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes" approved June 20, 1918, as amended.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That where—

(1) any former employee (other than a former employee whose position was classified in one of the grades of the professional and scientific service of the Classification Act of 1923, as amended, or a comparable grade of the Classification Act of 1949, or who performed duties of a position comparable to a position so classified after the enactment of law requiring the classification of such positions) of the Lighthouse Service has died or shall hereafter die at a time when he was receiving or was entitled to receive retirement pay under section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 20, 1918, as amended and supplemented (33 U. S. C., secs., 763–765), and

(2) such former employee is survived by a widow who married him prior to his retirement from the Lighthouse Service and has not since remarried—such widow, so long as she does not remarry, shall be paid $50 per month by the Secretary of the Treasury.

SEC. 2. Where—

(1) any employee (other than an employee whose position was classified in one of the grades of the professional and scientific service of the Classification Act of 1923, as amended, or a comparable grade of the Classification Act of 1949, or who performed duties of a position comparable to a position so classified after the enactment of law requiring the classification of such positions) of the Lighthouse Service has died or shall hereafter die from non-service-connected causes after 15 or more years of employment in such service, and

(2) such employee is survived by a widow who has not since remarried,

such widow, so long as she does not remarry, shall be paid $50 per month by the Secretary of the Treasury.

SEC. 3. Application for the benefits of this act shall be made in such manner and form as the Civil Service Commission shall prescribe.

SEC. 4. The Civil Service Commission shall perform, or cause to be performed, such acts, and shall make such rules and regulations, as may be necessary or proper to carry out the provisions of this act.

SEC. 5. No payment under this act shall be assignable, either in law or in equity, or be subject to execution, levy, lien, attachment, garnishment, or other legal process.

SEC. 6. No payment shall be made under this act for any period prior to the first day of the first month following the month in which this act is enacted.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNITED STATES FISH AND WILDLIFE SERVICE

The Clerk called the bill (H. R. 7209) authorizing and directing the United States Fish and Wildlife Service of the Department of the Interior to undertake a continuing study of the shortage of white shad, herring, and other fish in the Albemarle and Pamlico Sounds and tributaries with respect to the biology, propagation, and abundance of such species, to the end that such service may recommend appropriate measures for arresting the decline of valuable food fish for increasing the abundance and promoting the wisest utilization thereof.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the United States Fish and Wildlife Service of the Department of the Interior is hereby directed to undertake a comprehensive continuing study of white shad, herring, and other fish in the Albemarle and Pamlico Sounds and tributaries, with respect to biology, propagation, and abundance of such species, to the end that such service may recommend appropriate measures for arresting the decline of such fish, increasing the abundance of such species, and promoting the wisest utilization thereof, consistent with the maintenance of an adequate brood reserve.

SEC. 2. For these purposes the United States Fish and Wildlife Service is directed to institute a research program through the Division of Fisheries Biology for the purposes enumerated in section 1 of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the Secretary of the Interior is hereby directed to undertake a comprehensive continuing study of species of fish of the Atlantic coast, including bays, sounds, and tributaries, for the purpose of recommending to the States of such coast appropriate measures for the development and protection of such resources and their wisest utilization, whether for sports or commercial fishing or both, including the limitations on season, take per unit of time, per man, or per gear, or such other recommendations as will most effectively provide for the public the maximum production and utilization of such fish consistent with the maintenance of an adequate brood reserve.

"SEC. 2. The Secretary is hereby directed to make application through appropriate channels to other Federal departments or agencies for such boats and other equipment in custody of such departments or agencies as may be suitable for studies authorized hereunder, and such Federal departments and agencies are hereby authorized to transfer such boats and other equipment to the Department of the Interior without reimbursement of funds."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill authorizing and directing the Secretary of the Interior to undertake continuing studies of Atlantic coast fish species for the purpose of developing and protecting fish resources."

A motion to reconsider was laid on the table.

AMENDING ATLANTIC STATES MARINE FISHERIES COMPACT

The Clerk called the bill (H. R. 7387) granting the consent and approval of Congress to an amendment to the Atlantic States Marine Fisheries Compact, and repealing the limitation on the life of such compact.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the consent and approval of Congress is hereby given to an amendment to the Atlantic States Marine Fisheries Compact, as consented to in Public Law 539, Seventy-seventh Congress (56 Stat. 267), which amendment has now been ratified by the States of Maine, New Hampshire, Massachusetts, Rhode Island, Pennsylvania, and North Carolina and reads substantially as follows:

"AMENDMENT NO. 1

"The States consenting to this amendment agree that any two or more of them may designate the Atlantic States Marine Fisheries Commission as a joint regulatory agency with such powers as they may jointly confer from time to time for the regulation of the fishing operations of the citizens and vessels of such designating States with respect to specific fisheries in which such States have a common interest. The representatives of such States on the Atlantic States Marine Fisheries Commission shall constitute a separate section of such Commission for the exercise of the additional powers so granted provided that the States so acting shall appropriate additional funds for this purpose. The creation of such section as a joint regulatory agency shall not deprive the States participating therein of any of their privileges or power or responsibilities in the Atlantic States Marine Fisheries Commission under the general compact."

SEC. 2. Without further submission of such amendment to the Atlantic States Marine Fisheries Compact, the consent and approval of Congress is hereby given to the States of Connecticut, New York, New Jersey, Delaware, Maryland, Virginia, South Carolina, Georgia, and Florida, now parties to the Atlantic States Marine Fisheries Compact, and to the State of Vermont when it shall enter such compact for the purpose of the better utilization of its anadromous fisheries, to enter into such amendment as signatory States and as parties thereto, in addition to the States which have now ratified the amendment.

SEC. 3. The first section of Public Law 539 of the Seventy-seventh Congress (56 Stat. 267) is hereby amended by striking out "(which shall be operative for not more than 15 years from the date of the enactment of this act)."

SEC. 4. The right to alter, amend, or repeal the provisions of this act is hereby expressly reserved.

With the following committee amendment:

Page 3, line 7, change the period following the quote to a colon and add the following: "*Provided*, That nothing in this compact shall be construed to limit or add to the powers of the proprietary interest of any signatory State or to repeal or prevent the enactment of any legislation or the enforcement of any requirement by a signatory State imposing additional conditions and restrictions to conserve its fisheries."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO AMEND TITLE 14, UNITED STATES CODE, COAST GUARD

The Clerk called the bill (H. R. 8517) to amend title 14, United States Code, entitled "Coast Guard."

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 89 of title 14, United States Code, is amended by striking out the word "to" preceding "examine" in the second sentence.

SEC. 2. Section 93 of title 14, United States Code, is amended by striking out the word "and" following the semicolon in subsection (o), and by changing the period at the end of subsection (p) to a semicolon and adding the word "and."

SEC. 3. Section 145 (a) of title 14, United States Code, is amended by striking out the word "and" following the semicolon in paragraph (1); by changing the period at the end of paragraph (2) to a semicolon and adding the word "and"; and by adding a new paragraph reading as follows:

"(3) permit personnel of the Coast Guard and their dependents to occupy any public quarters maintained by the Navy and available for the purpose."

SEC. 4. The analysis of chapter 11 of title 14, United States Code, is amended by striking out the following items:

"233. Retirement for disabilities incident to service."

"245. Retiring or dropping for disabilities not incident to service."

"246. Dropping for disabilities due to vicious habits."

"306. Retirement for disabilities incident to service."

"314. Retiring or dropping for disabilities not incident to service."

"315. Dropping for disabilities due to vicious habits."

"356. Retirement for disabilities incident to service."

"363. Retiring or dropping for disabilities not incident to service."

"364. Dropping for disabilities due to vicious habits."

"425. Retiring boards."

SEC. 5. Section 234 of title 14, United States Code, is amended to read as follows:

"§ 234. Retirement for failure in physical examination for promotion

"Any commissioned officer who fails in his physical examination for promotion, and as a result is retired by reason of physical disability, shall be retired from active service with the grade for which he was examined for promotion."

SEC. 6. Section 239 of title 14, United States Code, is amended by striking out the words "with 75 percent of the active-duty pay of the grade in which serving at the time of retirement."

SEC. 7. Section 240 of title 14, United States Code, is amended by striking out all but the first sentence.

SEC. 8. Section 241 of title 14, United States Code, is amended by striking out all but the first sentence.

SEC. 9. Section 242 of title 14, United States Code, is amended by striking out the words ", with retired pay of such highest grade."

SEC. 10. Section 243 of title 14, United States Code, is amended by striking out the reference "233."

SEC. 11. Section 309 of title 14, United States Code, is amended by striking out the words "and with 75 percent of the active-duty pay of warrant officer."

SEC. 12. Section 310 of title 14, United States Code, is amended by striking out all but the first sentence.

SEC. 13. Section 311 of title 14, United States Code, is amended by striking out all but the first sentence.

SEC. 14. Section 312 of title 14, United States Code, is amended by striking out the words ", with retired pay of such highest grade."

SEC. 15. Section 313 of title 14, United States Code, is amended by striking out the reference "306."

SEC. 16. Section 351 of title 14, United States Code, is amended by striking out all but the first sentence.

SEC. 17. Section 357 (c) of title 14, United States Code, is amended by striking out the word "years" and inserting in lieu thereof the word "years'."

SEC. 18. Section 359 of title 14, United States Code, is amended by striking out all but the first sentence.

SEC. 19. Section 360 of title 14, United States Code, is amended by striking out all but the first sentence.

SEC. 20. Section 361 of title 14, United States Code, is amended by striking out the words "with retired pay of such highest grade or rating" in the first sentence.

SEC. 21. Section 362 of title 14, United States Code, is amended by striking out the reference "356."

SEC. 22. Section 367 of title 14, United States Code, is amended by adding a new subsection reading as follows:

"(c) An enlistment in the Coast Guard shall not be regarded as complete until the enlisted man shall have made good any time in excess of 1 day lost on account of injury, sickness, or disease resulting from his own intemperate use of drugs or alcoholic liquors, or other misconduct."

SEC. 23. Section 423 of title 14, United States Code, is amended by striking out the second sentence.

SEC. 24. Sections 431 (b) of title 14, United States Code, is amended by striking out the date "April 14, 1940" and inserting in lieu thereof "April 14, 1930."

SEC. 25. The analysis of chapter 13 of title 14, United States Code, is amended by striking out the items "463. Continuation of additional pay." and "472. Travel allowance to enlisted men on discharge."

SEC. 26. Section 490 (b) of title 14, United States Code, is amended by striking out the comma following the word "occurred" and inserting in lieu thereof a semicolon.

SEC. 27. Section 562 (a) of title 14, United States Code, is amended by striking out the words "under his command."

SEC. 28. Section 563 (a) of title 14, United States Code, is amended by striking out the words "under his command."

SEC. 29. Section 564 (c) of title 14, United States Code, is amended by striking out the word "one" preceding the words "of the following punishments."

SEC. 30. Section 639 of title 14, United States Code, is amended by inserting in the first sentence following the words "corporation shall."

SEC. 31. Section 751 of title 14, United States Code, is amended by striking out the date "June 23, 1939" and inserting in lieu thereof "February 19, 1941."

SEC. 32. Section 755 (d) of title 14, United States Code, is amended to read as follows: "Members of the Reserve, when on active duty or when retired for disability, shall be entitled to the benefits of section 253 (a) of title 42, and, when on active duty other than training duty or when retired for physical disability, shall be entitled to the benefits of section 253 (b) of title 42."

SEC. 33. Sections 233, 245, 246, 306, 314, 315, 356, 363, 364, 425, 463, and 472 of title 14, United States Code, are repealed.

With the following committee amendments:

Page 5, line 22, insert after the word "authority" the words "of the Commandant."

Page 6, line 6, after the word "for" delete the word "physical."

Page 6, after line 7, insert the following:

"SEC. 33. Section 485 (c) of title 14, United States Code, is amended by striking out the word 'to' following the word 'or' which word appears in the phrase, 'or to pay to such enlisted personnel,' contained in this subsection.

"SEC. 34. The analysis of part II of title 14, United States Code, is amended by striking out the word 'Page', and substituting therefor 'Sec.'

"SEC. 35. Section 826 of title 14, United States Code, is amended by striking out the comma following the word 'Secretary' and by changing the word 'and' following 'Secretary' to the word 'any.'"

Page 6, line 8, strike out "SEC. 33." and insert in lieu thereof "SEC. 36."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXCLUSION FROM THE MAIL OF INDECENT, OBSCENE, AND LASCIVIOUS MATTER

The Clerk called the bill (H. R. 8767) to authorize the exclusion from the mails of all obscene, lewd, lascivious, indecent, filthy, or vile articles, matters, things, devices, or substances, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PHILLIPS of California. Reserving the right to object, Mr. Speaker, will somebody explain why we need this bill? Is there not adequate legislation at the present time? Under what authority is such offensive matter controlled?

Mr. MURRAY of Tennessee. If the gentleman will yield, under existing law the Postmaster General has the right to return mail that is obscene, lewd, or lascivious that is sent under a false, assumed, or fictitious name; but under the present law he does not have authority to return obscene, indecent literature that is sent by a person under his own true name, or by some corporation. This bill merely amends existing law so as to give the Postmaster General the right to return obscene and scurrilous letters or literature of any kind sent by a person under his true name, or under some corporate name.

Mr. PHILLIPS of California. Under what authority is he presently returning material of that kind?

Mr. MURRAY of Tennessee. He has no authority now to return obscene matter when the sender uses his true name or a corporate name. He cannot return it under the present law unless it is sent under a false, assumed, or fictitious name. That is the purpose of this bill. It is to give the Postmaster General that authority.

Mr. PHILLIPS of California. I withdraw my reservation of objection, Mr. Speaker.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, upon evidence satisfactory to the Postmaster General that any person, firm, corporation, company, partnership, or association is obtaining, or attempting to obtain, remittances of money or property of any kind through the mails for any obscure, lewd, lascivious, indecent, filthy, or vile article, matter, thing, device, or substance, or is depositing or is causing to be deposited in the United States mails information as to where, how, or from whom the same may be obtained, the Postmaster General may—

(a) instructing postmasters at any post office at which registered letters or any other letters or mail matter arrive directed to any such person, firm, corporation, company, partnership, or association, or to the agent or representative of such person, firm, corporation, company, partnership, or association, to return all such mail matter to the postmaster at the office at which it was originally mailed, with the word "Unlawful" plainly written or stamped upon the outside thereof, and all such mail matter so returned to such postmasters shall be by them returned to the senders thereof, under such regulations as the Postmaster General may prescribe; and

(b) forbid the payment by any postmaster to any such person, firm, corporation, company, partnership, or association, or to the agent or representative of such person, firm, corporation, company, partnership, or association, of any money order or postal note drawn to the order of such person, firm, corporation, company, partnership, or association, or to the agent or representative of such person, firm, corporation, company, partnership, or association, and the Postmaster General may provide by regulation for the return to the remitters of the sums named in such money orders or postal notes.

With the following committee amendment:

Page 1, line 7, strike out the word "obscure" and insert the word "obscene."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN HOSPITAL SUPPLIES TO THE CITY OF GULFPORT, MISS.

The Clerk called the bill (H. R. 8816) to provide for the conveyance of certain hospital supplies and equipment of the United States to the city of Gulfport and to Harrison County, Miss.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Navy is hereby authorized and directed to convey without consideration to the city of Gulfport, Miss., a municipal corporation, and to the Board of Supervisors of Harrison County, Miss., acting for and on behalf of the supervisors' districts Nos. 2, 3, and 4, and the New Hope, Poplar Head, and West Creek

election districts of supervisors' district No. 5, all in Harrison County, Miss., for use in the Memorial Hospital at Gulfport, Miss., all of the personal property and equipment the use of which was granted to the city of Gulfport, Miss., and the county of Harrison, Miss., by a revocable permit executed for the United States on August 19, 1947, under the direction of the Secretary of the Navy.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRESERVING COMPENSATION AND LEAVE BENEFITS FOR POST OFFICE CUSTODIAL EMPLOYEES

The Clerk called the bill (H. R. 8711) relating to the compensation and leave benefits of officers and employees in the custodial service of the Post Office Department transferred to the General Services Administration under Reorganization Plan No. 18 of 1950.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDING TRADING WITH THE ENEMY ACT

The Clerk called the bill (S. 603) to amend the Trading With the Enemy Act.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CLAIMANTS DAMAGED BY BLASTING OPERATIONS ON THE MERRIMACK RIVER

The Clerk called the bill (H. R. 4709) conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon claims arising out of certain blasting operations on the Merrimack River.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That jurisdiction is hereby conferred upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon any claim against the United States for damages sustained as a result of blasting operations conducted on the Merrimack River during the year 1937 in connection with the prosecution of a flood-control project under the supervision of the Army engineers.

SEC. 2. In the determination of such claims, the United States shall be held liable for such damages, and for any acts committed by any of its officers or employees, to the same extent as if the United States were a private person.

SEC. 3. Suit upon such claims may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claims, and appeals from and payment of any judgment thereon, shall be in the same manner as in the cases of claims over which such court has jurisdiction under the provisions of paragraph "twentieth" of section 24 of the Judicial Code, as amended.

With the following committee amendment:

Page 2, line 11, strike out "paragraph 'twentieth' of section 24 of the Judicial Code", and insert in lieu thereof "section 1346 of title 28, United States Code."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALIFORNIA WORLD PROGRESS EXPOSITION

The Clerk called the resolution (H. J. Res. 434) providing for recognition and endorsement of the California World Progress Exposition.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. RICH. Mr. Speaker, reserving the right to object, may we have an explanation of this resolution?

Mr. McKINNON. This is right down your line of thinking. The exposition at San Diego will stand on its own feet and will not cost the Government any money at all.

Mr. RICH. Well, what is it you want?

Mr. McKINNON. What we want is endorsement so that our representatives may go to Europe and abroad to other foreign countries and bring them over to participate in the exposition.

Mr. RICH. Are we to pay the expenses of those people to come here to participate in the expositon? We usually do pay for everything.

Mr. McKINNON. It is not going to cost you or the Government one penny. That is why I say this bill is right down your alley, because it is not going to cost the Government any money at all.

Mr. RICH. You are not asking the Government to assist in financing this fair?

Mr. McKINNON. No, sir; not at all.

Mr. RICH. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the joint resolution, as follows:

Whereas the city of San Diego, Calif., with formal approval and endorsement of the State of California, has stated its intention to build and present the California World Progress Exposition in the year 1953; and

Whereas in 1915–16 and again in 1935–36 the city of San Diego did successfully hold international expositions that contributed to the development of the Nation and the western empire; and

Whereas the city of San Diego has, since 1915, perpetuated, maintained, and continually improved the buildings, grounds, landscaping, and facilities in which said expositions were held; and

Whereas said facilities have been supplemented by the people of San Diego and placed in readiness and are available for the presentation of the California World Progress Exposition in 1953; and

Whereas the California World Progress Exposition will define the economic and political "freedoms of choice" enjoyed under our democratic system, and will demonstrate these freedoms of choice through exhibits and events portraying better designs for living in the United States and everywhere in the world: Therefore be it

*Resolved, etc.*, That the President is authorized and requested, by proclamation or in such other manner as he may deem proper, to grant recognition to the California World Progress Exposition, its date, theme, and purpose, and to invite the participation of the nations of the democratic world in the celebration.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISPOSITION OF REMAINING GOVERNMENT LOTS AT ST. MARKS, FLA.

The Clerk called the bill (H. R. 8028) to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior may dispose of the remaining public land within the Government town site of St. Marks, Fla., established by the act of March 2, 1833 (4 Stat. 664), as amended by the act of March 9, 1928, (45 Stat. 254), under the provisions of Revised Statutes, sections 2381 and 2382 (43 U. S. C., secs. 712 and 713).

With the following committee amendment:

At the end of the bill add a new sentence as follows: "Further, the Secretary of the Interior is authorized to transfer to the State of Florida, as a historic site, such lands surrounding and including Fort San Marcos, in such town site, as may be acquired by the Secretary through exchange of the public lands, to be disposed of by this act, for patented lands of equal value."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BUREAU OF STANDARDS FUNCTIONS

The Clerk called the bill (S. 2201) amending section 2 of the act of March 3, 1901 (31 Stat. 1449), to provide basic authority for the performance of certain functions and activities of the National Bureau of Standards, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 2 of the act of March 3, 1901 (31 Stat. 1449), as amended, be, and the same hereby is, further amended so as to read in full as follows:

"SEC. 2. The functions of the Bureau shall be the following:

"(a) The custody, maintenance, and development of the national standards of measurement, and the provision of means and methods for making measurements consistent with those standards, including the comparison of standards used in scientific investigations, engineering, manufacturing, commerce, and educational institutions with the standards adopted or recognized by the Government.

"(b) The determination of physical constants and properties of materials when such data are of great importance to scientific or manufacturing interests and are not to be obtained of sufficient accuracy elsewhere.

"(c) The development of methods for testing materials, mechanisms, and structures, and the testing of materials, supplies, and equipment, including items purchased for use of Government departments and independent establishments.

"(d) Cooperation with other governmental agencies and with private organizations in the establishment of standard practices, incorporated in codes and specifications.

"(e) Advisory service to Government agencies on scientific and technical problems.

"(f) Invention and development of devices to serve special needs of the Government.

"In carrying out the functions enumerated in this section, the Bureau is authorized to undertake the following activities and similar ones for which need may arise in the operations of Government agencies, scientific institutions, and industrial enterprises:

"(1) the construction of physical standards;

"(2) the testing, calibration, and certification of standards and standard measuring apparatus;

"(3) the study and improvement of instruments and methods of measurements;

"(4) the investigation and testing of railroad track scales, elevator scales, and other scales used in weighing commodities for interstate shipment;

"(5) cooperation with the States in securing uniformity in weights and measures laws and methods of inspection;

"(6) the preparation and distribution of standard samples such as those used in checking chemical analyses, temperature, color, viscosity, heat of combustion, and other basic properties of materials; also the preparation and sale or other distribution of standard instruments, apparatus and materials for calibration of measuring equipment;

"(7) the development of methods of chemical analysis and synthesis of materials, and the investigation of the properties of rare substances;

"(8) the study of methods of producing and of measuring high and low temperatures; and the behavior of materials at high and at low temperatures;

"(9) the investigation of radiation, radioactive substances, and X-rays, their uses, and means of protection of persons from their harmful effects;

"(10) the study of the atomic and molecular structure of the chemical elements, with particular reference to the characteristics of the spectra emitted, the use of spectral observations in determining chemical composition of materials, and the relation of molecular structure to the practical usefulness of materials;

"(11) the broadcasting of radio signals of standard frequency;

"(12) the investigation of the conditions which affect the transmission of radio waves from their source to a receiver;

"(13) the compilation and distribution of information on such transmission of radio waves as a basis for choice of frequencies to be used in radio operations;

"(14) the study of new technical processes and methods of fabrication of materials in which the Government has a special interest; also the study of methods of measurement and technical processes used in the manufacture of optical glass and pottery, brick, tile, terra cotta, and other clay products;

"(15) the determination of properties of building materials and structural elements, and encouragement of their standardization and most effective use, including investigation of fire-resisting properties of building materials, and conditions under which they may be most efficiently used, and the standardization of types of appliances for fire prevention;

"(16) metallurgical research, including study of alloy steels and light metal alloys; investigation of foundry practice, casting rolling, and forging; prevention of corrosion of metals and alloys; behavior of bearing metals; and development of standards for metals and sands;

"(17) the operation of a laboratory of applied mathematics;

"(18) the prosecution of such research in engineering, mathematics, and the physical sciences as may be necessary to obtain basic data pertinent to the specified functions of the Bureau; and

"(19) the compilation and publication of general scientific and technical data resulting from the work of the Bureau or from other sources when such data are of importance to scientific or manufacturing interests or to the general public, and are not available elsewhere, including demonstration of the results of the Bureau's work by exhibits or otherwise as may be deemed most effective."

SEC. 2. The act of March 3, 1901 (31 Stat. 1449), as amended, be, and the same hereby is further amended by inserting at the end thereof the following sections:

"SEC. 11. For all services rendered for other Government agencies by the National Bureau of Standards, the Bureau may be reimbursed in accordance with section 601 of the Economy Act of June 30, 1932.

"SEC. 12. In the absence of specific agreement to the contrary, equipment, purchased by the National Bureau of Standards from transferred or advanced funds in order to carry out an investigation for another Government agency shall become the property of the National Bureau of Standards for use in subsequent investigations.

"SEC. 13. (a) The Secretary of Commerce is authorized to accept and utilize gifts or bequests of real or personal property for the purpose of aiding and facilitating the work of the National Bureau of Standards.

"(b) For the purpose of Federal income, estate, and gift taxes, gifts and bequests accepted by the Secretary of Commerce under the authority of this act shall be deemed to be gifts and bequests to or for the use of the United States."

With the following committee amendments:

Page 1, lines 6 and 7, strike out "The functions of the Bureaus shall be the following" and insert in lieu thereof "The Secretary of Commerce (hereinafter referred to as the 'Secretary') is authorized to undertake the following functions."

Page 2, lines 22, strike out "Bureau" and insert in lieu thereof "Secretary."

Page 5, lines 15 and 16, strike out "specified functions of the Bureau" and insert in lieu thereof "functions specified herein."

Page 5, lines 18 and 19, strike out "work of the Bureau" and insert in lieu thereof "performance of the functions specified herein."

Page 6, lines 4 and 5, strike out "National Bureau of Standards, the Bureau" and insert in lieu thereof "Secretary in the performance of functions specified therein, the Department of Commerce."

Page 6, line 8, strike out "equipment," and insert in lieu thereof "equipment"; and in lines 8 and 9 strike out "National Bureau of Standards" and insert in lieu thereof "Department of Commerce."

Page 6, line 10, after the word "investigation", insert "authorized herein."

Page 6, lines 11 and 12, strike out "National Bureau of Standards" and insert in lieu thereof "Department of Commerce."

Page 6, line 16, strike out "of the National Bureau of Standards" and insert in lieu thereof "authorized herein."

The committee amendments were agreed to.

The bill was ordered to be read a third time, and was read the third time and passed.

The title was amended so as to read: "An act to amend section 2 of the act of March 3, 1901 (31 Stat. 1449), to provide basic authority for the performance of certain functions and activities of the Department of Commerce, and for other purposes."

A motion to reconsider was laid on the table.

REDEFINING THE UNITS AND ESTABLISHING THE STANDARDS OF ELECTRICAL AND PHOTOMETRIC MEASUREMENTS

The Clerk called the bill (S. 441) to redefine the units and establish the standards of electrical and photometric measurements.

Mr. RICH. Mr. Speaker, reserving the right to object, what are we going to do now? Make new units, new standards of electrical measurements and so forth?

Mr. BIEMILLER. Mr. Speaker, the statutes governing the Bureau of Standards and related activities of the Bureau of Standards have not been changed in half a century. Various professional organizations of engineers who are interested in this field have come to the Secretary of Commerce and asked that certain legal definitions be changed. It is purely a technical bill. It has been recommended by the Department of Commerce, the Bureau of the Budget, the Bureau of Standards, and by scientists in the field. It is a technical bill purely and simply.

Mr. RICH. Would it change the definitions now established insofar as to create a difference of opinion or turmoil in the standards that are used?

Mr. BIEMILLER. Only those standards will be accepted that are agreed upon by the scientists and engineers.

Mr. RICH. And the Department recommends this legislation?

Mr. BIEMILLER. It is a departmental bill and a purely technical measure.

Mr. RICH. We are changing so many things nowadays that we do not know just where we are. That is the reason I am interested to find out just what some of these changes may be. Remember we even changed Thanksgiving at one time for a period.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That from and after the date this act is approved, the legal units of electrical and photometric measurement in the United States of America shall be those defined and established as provided in the following sections.

SEC. 2. The unit of electrical resistance shall be the ohm, which is equal to one thousand million units of resistance of the centimeter-gram-second system of electromagnetic units.

SEC. 3. The unit of electric current shall be the ampere, which is one-tenth of the unit of current of the centimeter-gram-second system of electromagnetic units.

SEC. 4. The unit of electromotive force and of electric potential shall be the volt, which is the electromotive force that, steadily ap-

plied to a conductor whose resistance is 1 ohm, will produce a current of 1 ampere.

SEC. 5. The unit of electric quantity shall be the coulomb, which is the quantity of electricity transferred by a current of 1 ampere in 1 second.

SEC. 6. The unit of electrical capacitance shall be the farad, which is the capacitance of a capacitor that is charged to a potential of 1 volt by 1 coulomb of electricity.

SEC. 7. The unit of electrical inductance shall be the henry, which is the inductance in a circuit such that an electromotive force of 1 volt is induced in the circuit by variation of an inducing current at the rate of 1 ampere per second.

SEC. 8. The unit of power shall be the watt, which is equal to 10,000,000 units of power in the centimeter-gram-second system, and which is the power required to cause an unvarying current of 1 ampere to flow between points differing in potential by 1 volt.

SEC. 9. The units of energy shall be (a) the joule, which is equivalent to the energy supplied by a power of 1 watt operating for 1 second, and (b) the kilowatt-hour, which is equivalent to the energy supplied by a power of 1,000 watts operating for 1 hour.

SEC. 10. The unit of intensity of light shall be the candle, which is one-sixtieth of the intensity of on square centimeter of a perfect radiator, known as a "black body," when operated at the temperature of freezing platinum.

SEC. 11. The unit of flux of light shall be the lumen, which is the flux in a unit of solid angle from a source of which the intensity is 1 candle.

SEC. 12. It shall be the duty of the National Bureau of Standards to establish the values of the primary electric and photometric units in absolute measure, and the legal values for these units shall be those represented by, or derived from, national reference standards maintained by the National Bureau of Standards.

SEC. 13. The act of July 12, 1894 (Public Law No. 105, 53d Cong.), entitled "An act to define and establish the units of electrical measure," is hereby repealed.

With the following committee amendments:

Page 3, lines 10 and 11, strike out "National Bureau of Standards" and insert in lieu thereof "Secretary of Commerce."

Page 3, lines 14 and 15, strike out "National Bureau of Standards" and insert in lieu thereof "Department of Commerce."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## FUNCTIONS AND ACTIVITIES IN THE DEPARTMENT OF COMMERCE

The Clerk called the bill (S. 2046) to provide authority for certain functions and activities of the National Bureau of Standards, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That funds now or hereafter appropriated to the National Bureau of Standards shall be available for the following activities: (a) The purchase, repair, and cleaning of uniforms for guards; (b) the repair and alteration of buildings, and other plant facilities; (c) the rental of laboratory and office space in the District of Columbia and in the field; (d) the purchase of reprints from trade journals or other periodicals of articles prepared officially by Government employees; (e) the furnishing of food and shelter without repayment therefor to employees of the Government at Arctic stations or other stations located outside the continental United States; and (f) in the conduct of observations on radio propagation phenomena in the Arctic region, the appointment of employees at base rates established by the Secretary of Commerce which shall not exceed such maximum rates as may be specified from time to time in the appropriation concerned, and without regard to the civil service and classification laws and titles II and III of the Federal Employees Pay Act of 1945.

SEC. 2. Within the limits of funds which may be appropriated therefor, the Bureau is authorized to make improvements to existing buildings, grounds, and other plant facilities, including construction of minor buildings and other facilities in the District of Columbia and in the field to house special apparatus or material which must be isolated from other activities: *Provided*, That no improvement shall be made nor shall any building be constructed under this authority at a cost in excess of $25,000, unless specific provision is made therefor in the appropriation concerned.

With the following committee amendments:

Page 2, line 2, strike out "or other stations located outside the continental United States."

Page 2, line 12, strike out "Bureau" and insert in lieu thereof "Secretary of Commerce."

Page 2, line 15, after "facilities", insert "of the National Bureau of Standards."

The bill was ordered to be read a third time, and was read the third time, and passed.

The title was amended so as to read: "An act to provide authority for certain functions and activities in the Department of Commerce, and for other purposes."

A motion to reconsider was laid on the table.

## OMNIBUS MEDICAL RESEARCH BILL

The Clerk called the bill (H. R. 3943) to amend the Public Health Service Act to support research and training in rheumatism and arthritis, multiple sclerosis, cerebral palsy and epilepsy, and other diseases, and for other purposes.

Mr. RICH. Mr. Speaker, reserving the right to object, I should like to have the bill explained.

Mr. BIEMILLER. Mr. Speaker, there have been some 28 bills introduced in this session of Congress asking that the activities of the National Institute of Health be extended into other fields and to cover other diseases than those for which specific institutes have been created, namely, cancer, heart, mental health, and dental research. The committee in charge saw fit to consolidate those 28 bills into 1 bill.

The House bill simply gives permissive authority to the Surgeon General to set up additional institutes.

The Senate bill made the authority mandatory for two new institutes and gives discretionary power for other institutes.

There is no money involved. Any money that may be needed was earmarked in an amendment to the budget bill that was proposed by the gentleman from Wisconsin [Mr. KEEFE] and which the House adopted.

If this bill passes I purpose to offer an amendment to substitute for the Senate bill the provisions of the House bill, giving us a chance to go to conference on the minor differences between the two bills.

Mr. RICH. There is a unanimous report from the committee?

Mr. BIEMILLER. It was reported unanimously by the committee.

Mr. RICH. And the department approves it?

Mr. BIEMILLER. Yes; the department approves it.

Mr. RICH. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the purpose of this act is to improve the health of the people of the United States through the conduct of researches, investigations, experiments, and demonstrations relating to the cause, prevention, and methods of diagnosis and treatment of rheumatism and arthritis, multiple sclerosis, cerebral palsy and epilepsy, and other diseases; assist and foster such researches and other activities by public and private agencies, and promote the coordination of all such researches and activities and the useful application of their results; provide training in matters relating to such diseases; and develop, and assist States and other agencies in the use of, the most effective methods of prevention, diagnosis, and treatment of such diseases.

ESTABLISHMENT OF ADDITIONAL INSTITUTES

SEC. 2. (a) The heading of title IV of the Public Health Service Act (42 U. S. C., ch. 6A) is amended to read "Title IV—National Research Institutes."

(b) Title IV of such act is further amended by adding immediately after part C the following new part:

"PART D—OTHER INSTITUTES

"ESTABLISHMENT OF INSTITUTES

"SEC. 431. The Surgeon General is authorized with the approval of the Administrator to establish in the Public Health Service one or more additional institutes to conduct and support scientific research and professional training relating to the cause, prevention, and methods of diagnosis and treatment of particular diseases or groups of diseases (including rheumatism and arthritis, multiple sclerosis, cerebral palsy, and epilepsy) whenever the Surgeon General determines that such action is necessary to effectuate fully the purposes of section 301 with respect to such disease or diseases. Any institute so established may in like manner be abolished and its functions transferred elsewhere in the Public Health Service upon a finding by the Surgeon General that a separate institute is no longer required for such purposes. In lieu of the establishment of an additional institute with respect to any disease or diseases, the Surgeon General may expand the functions of any existing institute established under this act so as to include functions with respect to such disease or diseases and to terminate such expansion and transfer the functions given such institute elsewhere in the Service upon a finding by the Surgeon General that such expansion is no longer necessary. In the case of any such expansion of an existing institute, the Surgeon General may change the title thereof so as to reflect its new functions.

"ESTABLISHMENT OF NATIONAL ADVISORY COUNCILS

"SEC. 432. Upon the establishment of an institute pursuant to section 411, the Surgeon General may, if he finds it necessary,

also establish a national advisory council to advise, consult with, and make recommendations to the Surgeon General on matters relating to the activities of the institute. Any such council shall consist of the Surgeon General ex officio, and of 12 members appointed without regard to the civil-service laws by the Surgeon General with the approval of the Administrator. The 12 appointed members shall be leaders in the field of fundamental sciences, medical sciences, education, or public affairs, and 6 of such 12 shall be selected from leading medical or scientific authorities who are outstanding in the study, diagnosis, or treatment of the disease or diseases to which the activities of the institute are directed. Each appointed member of the council shall hold office for a term of 4 years except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term and except that, of the members first appointed, three shall hold office for a term of 3 years, three shall hold office for a term of 2 years, and three shall hold office for a term of 1 year, as designated by the Surgeon General at the time of appointment. None of such 12 members shall be eligible for reappointment until a year has elapsed since the end of his preceding term. Every 2 years the council shall elect one member to act as chairman for the succeeding 2-year period. In lieu of appointment of an additional advisory council upon the establishment of an additional institute or upon expansion of the functions of an existing institute, the Surgeon General may expand the functions of an existing advisory council established under this act so as to include functions with respect to the particular disease or diseases to which the activities of the new institute or the new activities of the existing institute are directed. In the case of any such expansion of an existing council, the membership thereof representing persons outstanding in activities with which the council is concerned may be changed or increased so as to include some persons outstanding in the new activities. Such new council or expansion of an existing council may be terminated by the Surgeon General at, before, or after the termination of the new institute or expansion of the existing institute which occasioned such new council or expansion of an existing council. In the case of any such expansion of an existing council, the Surgeon General may change the title thereof so as to reflect its new functions.

"FUNCTIONS

"SEC. 433. (a) Where an institute has been established under this part, the Surgeon General shall carry out the purposes of section 301 with respect to the conduct and support of research relating to the disease or diseases to which the activities of the institute are directed (including grants-in-aid for drawing plans, erection of buildings, and acquisition of land therefor), through such institute and in cooperation with the national advisory council established or expanded by reason of the establishment of such institute. In addition, the Surgeon General is authorized to provide training and instruction and establish and maintain traineeships and fellowships, in such institute and elsewhere, in matters relating to the diagnosis, prevention, and treatment of such disease or diseases with such stipends and allowances (including travel and subsistence expenses) for trainees and fellows as he may deem necessary, and, in addition, provide for such training, instruction, and traineeships and for such fellowships through grants to public and other nonprofit institutions. The provisions of this subsection shall also be applicable to any institute established by any other provision of this act to the extent such institute does not already have the authority conferred by this subsection.

"(b) Upon the appointment of a national advisory council for an institute established under this part or the expansion of an existing institute pursuant to this part, such council shall assume the duties, functions, and powers of the National Advisory Health Council with respect to grants-in-aid for research and training projects relating to the disease or diseases to which the activities of the institute are directed."

NATIONAL ADVISORY COUNCILS

SEC. 3. (a) Subsection (b) of section 217 of the Public Health Service Act, as amended, is amended to read as follows:

"(b) The National Advisory Health Council shall advise, consult with, and make recommendations to, the Surgeon General on matters relating to health activities and functions of the Service. The Surgeon General is authorized to utilize the services of any member or members of the Council, and where appropriate, any member or members of the national advisory councils established under this act on cancer, mental health, heart, dental, and other diseases, in connection with matters related to the work of the Service, for such periods, in addition to conference periods, as he may determine."

(b) The heading of section 217 of such act is amended to read as follows: "National Advisory Councils."

(c) Subsection (e) of section 208 of such act is amended to read as follows:

"(e) Members of the National Advisory Health Council and members of other national advisory councils established under this act, other than ex officio members, while attending conferences or meetings of their respective councils or while otherwise serving at the request of the Surgeon General, shall be entitled to receive compensation at a rate to be fixed by the Administrator, but not exceeding $50 per diem, and shall also be entitled to receive an allowance for actual and necessary traveling and subsistence expenses while so serving away from their places of residence."

GENERAL PROVISIONS

SEC. 4. (a) Section 406 of the Public Health Service Act is amended to read as follows:

"OTHER AUTHORITY

"SEC. 406. This title shall not be construed as limiting (a) the functions or authority of the Surgeon General or the Public Health Service under any other title of this act, or of any officer or agency of the United States, relating to the study of the prevention, diagnosis, and treatment of any disease or diseases for which a separate institute is established under this act; or (b) the expenditure of money therefor."

(b) Section 209 of such act is amended by adding at the end thereof the following new subsection:

"(g) The Administrator is authorized to establish and fix the compensation for, within the Public Health Service, not more than 30 positions, in the professional and scientific service, each such position being established to effectuate those research and development activities of the Public Health Service which require the services of specially qualified scientific or professional personnel: *Provided*, That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than $10,000 per annum nor more than $15,000 per annum, and shall be subject to the approval of the Civil Service Commission. Positions created pursuant to this subsection shall be included in the classified civil service of the United States, but appointments to such positions shall be made without competitive examination upon approval of the proposed appointee's qualifications by the Civil Service Commission or such officers or agents as it may designate for this purpose."

(c) Sections 415, 425, and 426 of the Public Health Service Act are hereby repealed.

With the following committee amendments:

Page 1, line 8, strike out "cerebral palsy and epilepsy" and insert "cerebral palsy, epilepsy, other neurological diseases, poliomyelitis, blindness, leprosy."

Page 2, line 23, strike out "and epilepsy" and insert "epilepsy, other neurological diseases, poliomyelitis, blindness, and leprosy."

Page 3, line 18, strike out "411" and insert in lieu thereof "431."

Page 7, line 13, strike out "(e)" and insert in lieu thereof "(c)."

Page 7, line 15, strike out "(e)" and insert in lieu thereof "(c)."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill to amend the Public Health Service Act to support research and training in matters relating to rheumatism and arthritis, multiple sclerosis, cerebral palsy, epilepsy, other neurological diseases, poliomyelitis, blindness, leprosy, and other diseases, and for other purposes."

A motion to reconsider was laid on the table.

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2591) to amend the Public Health Service Act to support research and training in arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, and blindness, and other diseases, and for other purposes, for immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. FORD. Mr. Speaker, reserving the right to object, can the gentleman tell me whether in the legislation that we are now passing cerebral palsy has been included likewise?

Mr. BIEMILLER. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the purpose of this act is to improve the health of the people of the United States through the conduct of researches, investigations, experiments, and demonstrations relating to the cause, prevention, and methods of diagnosis and treatment of arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy and blindness, and other diseases; assist and foster such researches and other activities by public and private agencies, and promote the coordination of all such researches and activities and the useful application of their results; provide training in matters relating to such diseases; and develop, and assist States and other agencies in the use of, the most effective methods of prevention, diagnosis, and treatment of such diseases.

ESTABLISHMENT OF ADDITIONAL INSTITUTES

SEC. 2. (a) The heading of title IV of the Public Health Service Act (42 U. S. C., ch. 6A) is amended to read "Title IV—National Research Institutes."

(b) Title IV of such act is further amended by adding immediately after part C the following new part:

"PART D—NATIONAL INSTITUTE ON ARTHRITIS, RHEUMATISM, AND METABOLIC DISEASES, NATIONAL INSTITUTE ON NEUROLOGICAL DISEASES AND BLINDNESS, AND OTHER INSTITUTES

"SEC. 431. (a) The Surgeon General shall establish in the Public Health Service an institute for research on arthritis, rheumatism, and metabolic diseases, and institute for research on neurological diseases (including epilepsy, cerebral palsy, and multiple sclerosis) and blindness, and he shall also establish a national advisory council for each such institute to advise, consult with, and make recommendations to him with respect to the activities of the institute with which each council is concerned.

"(b) The Surgeon General is authorized with the approval of the Administrator to establish in the Public Health Service one or more additional institutes to conduct and support scientific research and professional training relating to the cause, prevention, and methods of diagnosis and treatment of other particular diseases or groups of diseases whenever the Surgeon General determines that such action is necessary to effectuate fully the purposes of section 301 with respect to such disease or diseases. Any institute established pursuant to this subsection may in like manner be abolished and its functions transferred elsewhere in the Public Health Service upon a finding by the Surgeon General that a separate institute is no longer required for such purposes. In lieu of the establishment pursuant to this subsection of an additional institute with respect to any disease or diseases, the Surgeon General may expand the functions of any institute established under subsection (a) of this section or under any other provision of this act so as to include functions with respect to such disease or diseases and to terminate such expansion and transfer the functions given such institute elsewhere in the Service upon a finding by the Surgeon General that such expansion is no longer necessary. In the case of any such expansion of an existing institute, the Surgeon General may change the title thereof so as to reflect its new functions.

"ESTABLISHMENT OF NATIONAL ADVISORY COUNCILS

"SEC. 432. (a) The Surgeon General is also authorized with the approval of the Administrator to establish additional national advisory councils to advise, consult with, and make recommendations to the Surgeon General on matters relating to the activities of any institute established under subsection (b) of section 431, or relating to the conduct and support of research and training in such disease or group of diseases (except a disease or group of diseases for which an institute is established under any provision of this title other than section 431 (b)) as he may designate. Any such council, and each of the two councils established under section 431 (a), shall consist of the Surgeon General, who shall be chairman, the chief medical officer of the Veterans' Administration or his representative and a medical officer designated by the Secretary of Defense, who shall be ex officio members, and of 12 members appointed without regard to the civil-service laws by the Surgeon General with the approval of the Administrator. The 12 appointed members shall be leaders in the field of fundamental sciences, medical sciences, education, or public affairs, and 6 of such 12 shall be selected from leading medical or scientific authorities who are outstanding in the study, diagnosis, or treatment of the disease or diseases to which the activities of the institute are directed. Each appointed member of the council shall hold office for a term of 4 years except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term and except that, of the members first appointed, three shall hold office for a term of 3 years, three shall hold office for a term of 2 years, and three shall hold office for a term of 1 year, as designated by the Surgeon General at the time of appointment. None of such 12 members shall be eligible for reappointment until a year has elapsed since the end of his preceding term.

"(b) In lieu of appointment of an additional advisory council upon the establishment pursuant to subsection (b) of section 431 of an additional institute or upon expansion pursuant to such subsection of the functions of an institute, the Surgeon General may expand the functions of an advisory council established under section 431 (a) or any other provision of this act so as to include functions with respect to the particular disease or diseases to which the activities of the additional institute or the expanded activities of the existing institute are directed. In the case of any such expansion of an existing council, the membership thereof representing persons outstanding in activities with which the council is concerned may be changed or increased so as to include some persons outstanding in the new activities. Any new council established under subsection (a) of this section or any expansion of an existing council under this subsection may be terminated by the Surgeon General at, before, or after the termination of the new institute or expansion of the existing institute which occasioned such new council or expansion of an existing council. In the case of any such expansion of an existing council, the Surgeon General may change the title thereof so as to reflect is new functions.

"FUNCTIONS

"SEC. 433. (a) Where an institute has been established under this part, the Surgeon General shall carry out the purposes of section 301 with respect to the conduct and support of research relating to the disease or diseases to which the activities of the institute are directed (including grants-in-aid for drawing plans, erection of buildings, and acquisition of land therefor), through such institute and in cooperation with the national advisory council established or expanded by reason of the establishment of such institute. In addition, the Surgeon General is authorized to provide training and instruction and establish and maintain traineeships and fellowships, in such institute and elsewhere, in matters relating to the diagnosis, prevention, and treatment of such disease or diseases with such stipends and allowances (including travel and subsistence expenses) for trainees and fellows as he may deem necessary, and, in addition, provide for such training, instruction, and traineeships and for such fellowships through grants to public and other nonprofit institutions. The provisions of this subsection shall also be applicable to any institute established by any other provision of this act to the extent that such institute does not already have the authority conferred by this subsection.

"(b) Upon the appointment of a national advisory council for an institute established under this part or the expansion of an institute pursuant to this part, the duties, functions, and powers of the National Advisory Health Council with respect to grants-in-aid for research and training projects relating to the disease or diseases to which the activities of the institute are directed, shall terminate."

NATIONAL ADVISORY COUNCILS

SEC. 3. (a) Effective January 1, 1950, section 217 (a) of the Public Health Service Act is amended to read as follows:

"(a) The National Advisory Health Council, the National Advisory Cancer Council, the National Advisory Mental Health Council, the National Advisory Heart Council, and the National Advisory Dental Research Council shall each consist of the Surgeon General, who shall be chairman, the chief medical officer of the Veterans' Administration or his representative and a medical officer designated by the Secretary of Defense, who shall be ex officio members; and 12 members appointed without regard to the civil-service laws by the Surgeon General with the approval of the Administrator. The 12 appointed members of each such council shall be leaders in the fields of fundamental sciences, medical sciences, or public affairs, and 6 of such 12 shall be selected from among leading medical or scientific authorities who, in the case of the National Advisory Health Council, are skilled in the sciences related to health, and in the case of the National Advisory Cancer Council, the National Advisory Mental Health Council, the National Advisory Heart Council, and the National Advisory Dental Research Council, are outstanding in the study, diagnosis, or treatment of cancer, psychiatric disorders, heart diseases, and dental diseases and conditions, respectively. In the case of the National Advisory Dental Research Council, four of such six shall be dentists. Each appointed member of each such council shall hold office for a term of 4 years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of the members first taking office after January 1, 1950, shall expire as follows: Three shall expire 4 years after such date, three shall expire 3 years after such date, three shall expire 2 years after such date, and three shall expire 1 year after such date, as designated by the Surgeon General at the time of appointment. None of the appointed members shall be eligible for reappointment within 1 year after the end of his preceding term, but terms expiring prior to January 1, 1950, shall not be deemed 'preceding terms' for the purposes of this sentence."

(b) Subsection (b) of such section is amended to read as follows:

"(b) The National Advisory Health Council shall advise, consult with, and make recommendations to, the Surgeon General on matters relating to health activities and functions of the Service. The Surgeon General is authorized to utilize the services of any member or members of the Council, and where appropriate, any member or members of the national advisory councils established under this act on cancer, mental health, heart, dental, rheumatism, arthritis, and metabolic diseases, neurological diseases and blindness, and other diseases, in connection with matters related to the work of the Service, for such periods, in addition to conference periods, as he may determine."

(c) Effective January 1, 1950, subsections (c), (d), (f), and (g) of such section are repealed, and subsection (e) of such section is redesignated subsection "(c)." Terms of office as members of National Advisory Councils pursuant to such section subsisting on December 31, 1949, shall expire at the close of business on such day.

(d) The heading of such section is amended to read as follows: "National Advisory Councils."

(e) Subsection (e) of section 208 of such act is amended to read as follows:

"(e) Members of the National Advisory Health Council and members of other national advisory councils established under

this act, other than ex officio members, while attending conferences or meetings of their respective councils or while otherwise serving at the request of the Surgeon General, shall be entitled to receive compensation at a rate to be fixed by the Administrator, but not exceeding $50 per diem, and shall also be entitled to receive an allowance for actual and necessary traveling and subsistence expenses while so serving away from their places of residence."

GENERAL PROVISIONS

SEC. 4. (a) Section 406 of the Public Health Service Act is amended to read as follows:

"OTHER AUTHORITY

"SEC. 406. This title shall not be construed as limiting (a) the functions or authority of the Surgeon General or the Public Health Service under any other title of this act, or of any officer or agency of the United States, relating to the study of the prevention, diagnosis, and treatment of any disease or diseases for which a separate institute is established under this act; or (b) the expenditure of money therefor."

(b) Section 208 of such act is amended by adding at the end thereof the following new subsection:

"(l) The Administrator is authorized to establish and fix the compensation for, within the Public Health Service, not more than 30 positions, in the professional and scientific service, each such position being established to effectuate those research and development activities of the Public Health Service which require the services of specially qualified scientific or professional personnel: *Provided*, That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be more than $15,000 per annum, and shall be subject to the approval of the Civil Service Commission. Positions created pursuant to this subsection shall be included in the classified civil service of the United States, but appointments to such positions shall be made without competitive examination upon approval of the proposed appointee's qualifications by the Civil Service Commission or such officers or agents as it may designate for this purpose."

(c) Sections 415, 425, and 426 of the Public Health Service Act are hereby repealed.

Mr. BIEMILLER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIEMILLER: Strike out all after the enacting clause and insert the following: "That the purpose of this act is to improve the health of the people of the United States through the conduct of researches, investigations, experiments and demonstrations relating to the cause, prevention, and methods of diagnosis and treatment of rheumatism and arthritis, multiple sclerosis, cerebral palsy, epilepsy, other neurological diseases, poliomyelitis, blindness, leprosy, and other diseases; assist and foster such researches and other activities by public and private agencies, and promote the coordination of all such researches and activities and the useful application of their results; provide training in matters relating to such diseases; and develop, and assist States and other agencies in the use of, the most effective methods of prevention, diagnosis, and treatment of such diseases.

"ESTABLISHMENT OF ADDITIONAL INSTITUTES

"SEC. 2. (a) The heading of title IV of the Public Health Service Act (42 U. S. C., ch. 6A) is amended to read 'Title IV—National Research Institutes.'

"(b) Title IV of such act is further amended by adding immediately after part C the following new part:

" 'PART D—OTHER INSTITUTES

" 'ESTABLISHMENT OF INSTITUTES

" 'SEC. 431. The Surgeon General is authorized with the approval of the Administrator to establish in the Public Health Service one or more additional institutes to conduct and support scientifice research and professional training relating to the cause, prevention, and methods of diagnosis and treatment of particular diseases or groups of diseases (including rheumatism and arthritis, multiple sclerosis, cerebral palsy, epilepsy, other neurological diseases, poliomyelitis, blindness, and leprosy) whenever the Surgeon General determines that such action is necessary to effectuate fully the purposes of section 301 with respect to such disease or diseases. Any institute so established may in like manner be abolished and its functions transferred elsewhere in the Public Health Service upon a finding by the Surgeon General that a separate institute is no longer required for such purposes. In lieu of the establishment of an additional institute with respect to any disease or diseases, the Surgeon General may expand the functions of any existing institute established under this act so as to include functions with respect to such disease or diseases and to terminate such expansion and transfer the functions given such institute elsewhere in the Service upon a finding by the Surgeon General that such expansion is no longer necessary. In the case of any such expansion of an existing institute, the Surgeon General may change the title thereof so as to reflect its new functions.

" 'ESTABLISHMENT OF NATIONAL ADVISORY COUNCILS

" 'SEC. 432. Upon the establishment of an institute pursuant to section 431, the Surgeon General may, if he finds it necessary, also establish a national advisory council to advise, consult with, and make recommendations to the Surgeon General on matters relating to the activities of the institute. Any such council shall consist of the Surgeon General ex officio, and of 12 members appointed without regard to the civil-service laws by the Surgeon General with the approval of the Administrator. The twelve appointed members shall be leaders in the field of fundamental sciences, medical sciences, education, or public affairs, and six of such twelve shall be selected from leading medical or scientific authorities who are outstanding in the study, diagnosis, or treatment of the disease or diseases to which the activities of the institute are directed. Each appointed member of the council shall hold office for a term of 4 years except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term and except that, of the members first appointed, three shall hold office for a term of 3 years, three shall hold office for a term of 2 years, and three shall hold office for a term of 1 year, as designated by the Surgeon General at the time of appointment. None of such twelve members shall be eligible for reappointment until a year has elapsed since the end of his preceding term. Every 2 years the council shall elect one member to act as chairman for the succeeding 2-year period. In lieu of appointment of an additional advisory council upon the establishment of an additional institute or upon expansion of the functions of an existing institute, the Surgeon General may expand the functions of an existing advisory council established under this act so as to include functions with respect to the particular disease or diseases to which the activities of the new institute or the new activities of the existing institute are directed. In the case of any such expansion of an existing council, the membership thereof representing persons outstanding in activities with which the council is concerned may be changed or increased so as to include some persons outstanding in the new activities. Such new council or expansion of an existing council may be terminated by the Surgeon General at, before, or after the termination of the new institute or expansion of the existing institute which occasioned such new council or expansion of an existing council. In the case of any such expansion of an existing council, the Surgeon General many change the title thereof so as to reflect its new functions.

" 'FUNCTIONS

" 'SEC. 433. (a) Where an institute has been established under this part, the Surgeon General shall carry out the purposes of section 301 with respect to the conduct and support of research relating to the disease or diseases to which the activities of the institute are directed (including grants-in-aid for drawing plans, erection of buildings, and acquisition of lands therefor), through such institute and in cooperation with the national advisory council established or expanded by reason of the establishment of such institute. In addition, the Surgeon General is authorized to provide training and instruction and establish and maintain traineeships and fellowships, in such institute and elsewhere, in matters relating to the diagnosis, prevention, and treatment of such disease or diseases with such stipends and allowances (including travel and subsistence expenses) for trainees and fellows as he may deem necessary, and, in addition, provide for such training, instruction, and traineeships and for such fellowships through grants to public and other nonprofit institutions. The provisions of this subsection shall also be applicable to any institute established by any other provision of this act to the extent such institute does not already have the authority conferred by this subsection.

" '(b) Upon the appointment of a national advisory council for an institute established under this part or the expansion of an existing institute pursuant to this part, such council shall assume the duties, functions, and powers of the National Advisory Health Council with respect to grants-in-aid for research and training projects relating to the disease or diseases to which the activities of the institute are directed.'

"NATIONAL ADVISORY COUNCILS

"SEC. 3. (a) Subsection (b) of section 217 of the Public Health Service Act, as amended, is amended to read as follows:

" '(b) The National Advisory Health Council shall advise, consult with, and make recommendations to, the Surgeon General on matters relating to health activities and functions of the Service. The Surgeon General is authorized to utilize the services of any member or members of the Council, and where appropriate, any member or members of the national advisory councils established under this act on cancer, mental health, heart, dental, and other diseases, in connection with matters related to the work of the Service, for such periods, in addition to conference periods, as he may determine.'

"(b) The heading of section 217 of such act is amended to read as follows: 'National Advisory Councils'.

"(c) Subsection (c) of section 208 of such act is amended to read as follows:

" '(c) Members of the National Advisory Health Council and members of other national advisory councils established under this act, other than ex officio members,

while attending conferences or meetings of their respective councils or while otherwise serving at the request of the Surgeon General, shall be entitled to receive compensation at a rate to be fixed by the Administrator, but not exceeding $50 per diem, and shall also be entitled to receive an allowance for actual and necessary traveling and subsistence expenses while so serving away from their places of residence.'

"GENERAL PROVISIONS

"SEC. 4. (a) Section 406 of the Public Health Service Act is amended to read as follows:

"'OTHER AUTHORITY

"'SEC. 406. This title shall not be constructed as limiting (a) the functions or authority of the Surgeon General or the Public Health Service under any other title of this Act, or of any officer or agency of the United States, relating to the study of the prevention, diagnosis, and treatment of any disease or diseases for which a separate institute is established under this act; or (b) the expenditure of money therefor.'

"(b) Section 209 of such act is amended by adding at the end thereof the following new subsection:

"'(g) The Administrator is authorized to establish and fix the compensation for, within the Public Health Service, not more than 30 positions, in the professional and scientific service, each such position being established to effectuate those research and development activities of the Public Health Service which require the services of specially qualified scientific or professional personnel: *Provided*, That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than $10,000 per annum nor more than $15,000 per annum, and shall be subject to the approval of the Civil Service Commission. Positions created pursuant to this subsection shall be included in the classified civil service of the United States, but appointments to such positions shall be made without competitive examination upon approval of the proposed appointee's qualifications by the Civil Service Commission or such officers or agents as it may designate for this purpose.'

"(c) Sections 415, 425, and 426 of the Public Health Service Act are hereby repealed."

The amendment was agreed to.

The bill was ordered to be read a third time, and was read the third time and passed.

The title was amended so as to read: "An act to amend the Public Health Service Act to support research and training in rheumatism and arthritis, multiple sclerosis, cerebral palsy, and epilepsy, and other diseases, and for other purposes."

A motion to reconsider was laid on the table.

The SPEAKER. Without objection, the proceedings whereby the House passed the bill, H. R. 3943, will be vacated and that bill laid upon the table.

There was no objection.

## EAST BAY MUNICIPAL UTILITY DISTRICT, CALIFORNIA

The Clerk called the bill (S. 2507) to authorize the United States Maritime Commission to grant to the East Bay Municipal Utility District, an agency of the State of California, an easement for the construction and operation of an interceptor sewer pipeline in and under certain Government-owned lands comprising a part of the Maritime Alameda Shipyard, Alameda, Calif.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the United States Maritime Commission is authorized to grant and convey to the East Bay Municipal Utility District, an agency of the State of California, without cost to the said utility district, and subject to such terms and conditions as the United States Maritime Commission may deem proper, a perpetual easement for the construction, maintenance, operation, renewal, replacement, and repair of an interceptor sewer pipeline or pipelines within (a) a strip of land twelve and one-half feet wide extending a distance of nineteen hundred and eighty-two and eighty-five one-hundredths feet along the southern boundary of lands comprising a part of the Maritime Alameda Shipyard, Alameda, Calif., and (b) two strips of land twenty feet wide each, one extending a distance of seven hundred and thirty-nine and thirty-seven one-hundredths feet northerly from Tynan Avenue and the other extending a distance of nine hundred and twenty-six and eighty-four one-hundredths feet southerly from Tynan Avenue, both lying along the easterly boundary of lands comprising a part of the Maritime Alameda Shipyard, Alameda, Calif., and contiguous to the westerly boundary line of the Central Pacific Railway Co. right-of-way, metes and bounds descriptions of such strips of land being on file with the United States Maritime Commission.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Secretary of Commerce is authorized to grant and convey to the East Bay Municipal Utility District, an agency of the State of California, without cost to the said utility district, and subject to such terms and conditions as the Secretary of Commerce may deem proper, a perpetual easement for the construction, maintenance, operation, renewal, replacement, and repair of an interceptor sewer pipeline or pipelines within two strips of land twenty feet wide each, one extending a distance of seven hundred and thirty-nine and thirty-seven one-hundredths feet northerly from Tynan Avenue and the other extending a distance of one thousand two hundred and eighty-five and seventy-four one-hundredths feet southerly from Tynan Avenue, both lying along the easterly boundary of lands comprising a part of the Maritime Alameda Shipyard, Alameda, Calif., and contiguous to the westerly boundary line of the Central Pacific Railway Co. right-of-way, metes and bounds descriptions of such strips of land being on file with the Secretary of Commerce."

The committee amendment was agreed to.

The bill was ordered to be read a third time, and was read the third time, and passed.

The title was amended so as to read: "An act to authorize the Secretary of Commerce to grant to the East Bay Municipal Utility District, an agency of the State of California, an easement for the construction and operation of an interceptor sewer pipeline in and under certain Government-owned lands comprising a part of the Maritime Alameda Shipyard, Alameda, Calif."

A motion to reconsider was laid on the table.

## DISSEMINATION OF TECHNOLOGICAL, SCIENTIFIC, AND ENGINEERING INFORMATION TO AMERICAN BUSINESS AND INDUSTRY

The Clerk called the bill (S. 868) to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

## REARING PONDS AND FISH HATCHERY IN KENTUCKY

The Clerk called the bill (S. 2658) to establish rearing ponds and a fish hatchery in the State of Kentucky.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is hereby authorized to construct, equip, maintain, and operate rearing ponds and a fish hatchery at a suitable location in Kentucky.

SEC. 2. There is hereby authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act, including not to exceed $275,000, for the acquisition of lands and water rights or interests therein and the construction and equipment of such station.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## REARING PONDS AND A FISH HATCHERY IN THE STATE OF KENTUCKY

The Clerk called the bill (H. R. 8766) to establish rearing ponds and a fish hatchery in the State of Kentucky.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to know if these fish hatcheries have been approved by the Department?

Mr. BYRNES of Wisconsin. I can tell the gentleman that as far as the committee report is concerned, it is stated therein that they have been approved by the Department of the Interior and it has Budget Bureau clearance.

Mr. RICH. On the three of them?

Mr. BYRNES of Wisconsin. Yes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is hereby authorized to construct, equip, maintain, and operate rearing ponds and a fish hatchery at a suitable location in Kentucky.

SEC. 2. There is hereby authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act, including not to exceed $275,000 for the acquisition of lands and water rights or interests therein and the construction and equipment of such station.

. The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOLL ROAD THROUGH WILDLIFE REFUGE LOCATED IN PRINCESS ANNE COUNTY, VA.

The Clerk called the bill (H. R. 7043) to provide for the granting of an easement for a public road or public toll road through the wildlife refuge located in Princess Anne County, Va.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, and I do not intend to object, I would like to ask the author of the bill a question. It is not consistent with the policy of the Roads Committee of Congress to authorize toll roads. This measure once easement is granted to the State of Virginia would authorize the building of a road through a national park to be paid for by toll or otherwise. The question I would like to ask the gentleman is whether or not the laws of the State of Virginia would require that once the road is paid for from tolls it would become a free road to the public?

Mr. HARDY. The situation is that this road will be built in a very sparsely populated area. The State would not be justified in building this road with State funds; therefore the State has authorized a toll road authority to sell bonds. When those bonds are paid the road becomes a toll-free road under State control and operation.

Mr. CUNNINGHAM. Is that the result of action on the part of the Legislature of the State of Virginia?

Mr. HARDY. That is correct.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted*, That the Secretary of the Interior is authorized to convey to the Commonwealth of Virginia or to a public toll road authority which may now or hereafter be created by the Commonwealth of Virginia a permanent easement for the construction of a public toll road (together with rights for such other uses as may be customary or necessary in connection with the construction or operation of such a road) through the wildlife refuge located in Princess Anne County, Va., upon such terms and conditions as he may prescribe.

With the following committee amendment:

Page 2, after line 2, insert the following: "*Provided, however*, That the conveyance authorized by this act shall be made only upon payment to the United States of a sum equal to the value, as determined by the Secretary of the Interior, of the lands included therein and any such sums shall be credited to the migratory bird conservation fund and shall be available for expenditure in accordance with authorizations relating thereto."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT TO PUBLIC HEALTH SERVICE ACT

The Clerk called the bill (S. 2160) to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I wonder if someone on the committee will explain the bill.

Mr. BIEMILLER. Mr. Speaker, this bill is necessary because when we passed, during the Seventy-ninth Congress, a comparable bill for officers of the Army, the Navy, and the Marine Corps, we did not take such action for the commissioned officers of the Public Health Service. The bill affects only the commissioned officers of the Public Health Service; it does not affect those under the classified civil service.

It provides basically two things, that any commissioned officer who has over 60 days of accumulated annual leave may be paid for such in cash, as we did with all other officers of the armed services. Secondly, it provides that in the future not more than 60 days may be accumulated, so that in the long run we will be saving money.

There is no money involved, because there is enough money left in the appropriation of the Seventy-ninth Congress to pay the officers of the Army, the Navy, and the Marine Corps for whatever money will have to be paid out.

Mr. BYRNES of Wisconsin. I note on page 5 a provision is made to exempt this payment from taxation. It is my understanding that we have in the past exempted some kinds of payment from taxation, but what we are in effect doing here is saying to a person who earns money during vacation, that that money is not going to be taxable, and it seems to me inconsistent, as far as our tax policy is concerned. I am wondering if the gentleman would have any objection to an amendment to strike out the tax exemption feature of this bill.

Mr. BIEMILLER. May I state that the provision is identical with that in the law passed by the Seventy-ninth Congress, but if there is strong feeling about that provision I certainly do not want to endanger the bill by getting into a controversy about it.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Missouri.

Mr. SHORT. This is merely to equalize the officers in this branch with those in the armed services.

Mr. BYRNES of Wisconsin. I might say to the gentleman that the tendency is to do away with tax-exempt status. I understand that the bill itself accomplishes a very laudable objective, but I am raising the question as to whether the payments are entitled to a tax-exempt status, and I wonder if the gentleman has any objection to the removal of that exemption.

Mr. SHORT. The others are exempt. Why not have these exempt? Why should there be any difference?

Mr. BYRNES of Wisconsin. My point is, Mr. Speaker, that just because we do it in one instance in the Federal Service is no justification for an extension of that principle. We certainly do not exempt from taxation the income that the average individual gets during vacation time, and that, fundamentally, is the theory involved here. I can see no sense of exempting this income from the income taxes.

Mr. BIEMILLER. In the legislation passed in the Seventy-ninth Congress, which benefited some tens of thousands of people, this tax-exempt provision was in the bill. I repeat again, while I would like to see it stay in the bill, but so as not to endanger its passage, I will not oppose the amendment.

Mr. BYRNES of Wisconsin. The gentleman appreciates that the policy recently has been to do away with these tax exemptions granted to different classes and to different groups. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the first sentence of subsection (c) of section 208 of the Public Health Service Act, as amended (42 U. S. C., ch. 6 A), is amended to read: "In accordance with regulations of the President, commissioned officers of the Regular Corps and officers of the Reserve Corps on active duty may make allotments from their pay."

SEC. 2. Title II of such act is further amended by adding at the end thereof the following new section:

"ANNUAL AND SICK LEAVE

"SEC. 219. (a) In accordance with regulations of the President, commissioned officers of the Regular Corps and officers of the Reserve Corps on active duty may be granted annual leave and sick leave without any deductions from their pay and allowances: *Provided*, That such regulations shall not authorize annual leave to be accumulated in excess of 60 days.

"(b) When an officer described in subsection (a) of this section is absent without leave, he shall forfeit all pay and allowances during such absence, unless such absence is excused as unavoidable.

"(c) Except in cases of emergency, no annual leave shall be granted to an officer described in subsection (a) between the date upon which such officer applies for, or the service directs, his retirement, separation, or release from active duty, whichever date is the earlier, and the effective date of such retirement, separation, or release from active duty. If such officer is credited with unused accumulated and accrued annual leave on the date of his separation, retirement, or release from active duty, he shall, in the event that his application for such leave is approved by the Surgeon General, be compensated for such leave in a lump-sum payment on the basis of his base and longevity pay, his allowance for subsistence, and the allowance for rental of quarters whether or not he is receiving such allowance on such date: *Provided*, That no lump-sum payment shall be made for such unused leave to an officer whose commission expires or is terminated but who, without a break in active service, accepts a new commission, or to an officer who is retired for age in time of war but who is continued on or recalled to active duty without a break in active service, or to an officer who is transferred to another department or agency of the Government under circumstances where, by other provision of law, such leave is transferable.

"(d) For purposes of this section the term 'accumulated annual leave' means unused accrued annual leave carried forward from

one leave year into a succeeding leave year, and the term 'accrued annual leave' means the annual leave accruing to an officer during one leave year."

SEC. 3. The foregoing amendments to the Public Health Service Act shall be effective on July 1, 1949. Any officer who, on June 30, 1949, is credited with more than 60 days of accumulated and accrued annual leave, shall be compensated for such leave in excess of 60 days, but not exceeding 120 days, in a lump-sum payment on the basis of his base and longevity pay, his allowance for subsistence, and the allowance for rental of quarters to which he would be entitled as an officer not assigned to Government quarters, under provisions of law in effect on June 30, 1949, except that the preceding provisions of this sentence shall not be applicable to an officer who has, prior to July 1, 1949, been placed on terminal leave preceding separation, retirement, or release from active duty. All amounts received pursuant to this section shall be exempt from taxation.

SEC. 4. Funds appropriated by the act of August 8, 1946 (60 Stat. 910), to enable the President to carry out the provisions of the Armed Forces Leave Act of 1946, are hereby made available for carrying out the provisions of section 3 of this act and may be allotted to the Public Health Service by transfer to and merger with appropriations thereof or otherwise, in such amounts as may be determined by the Director of the Bureau of the Budget.

SEC. 5. Except insofar as the provisions of this act are inconsistent therewith, leave regulations adopted prior to the enactment of this act, pursuant to the Public Health Service Act, shall remain in effect until repealed, amended, or superseded.

With the following committee amendment:

Page 1, line 3, strike out "(c)" and insert "(b)."

Page 3, strike out lines 1 through 4, and insert in lieu thereof the following: "sum payment on the basis of his basic pay, his allowance for subsistence, and the allowance for rental of quarters whether or not he is receiving such allowance on such date: *Provided*, That the number of days upon which such lump-sum payment may be computed shall not exceed 60 days: *Provided further*, That no lump-sum payment shall".

Page 3, strike out beginning with line 18 down through line 8, on page 4, and insert in lieu thereof the following:

"SEC. 3. (a) Sections 1 and 2 of this act shall be effective on July 1, 1950.

"(b) Any officer who on June 30, 1949, was credited with more than 60 days of accumulated and accrued leave shall be compensated for so much of such leave as exceeds 60 days but does not exceed 120 days, in a lump-sum payment on the basis of the base and longevity pay, the allowance for subsistence, and the allowance for rental of quarters (whether or not he was receiving such allowance on such date), which were applicable to him on such date under provisions of law then in effect: *Provided*, That there shall be deducted from the number of days upon which such lump-sum payment is otherwise authorized to be computed the number of days of leave in excess of 30 days taken during the period from July 1, 1949, to June 30, 1950. Payments authorized pursuant to this subsection shall be due and payable on July 1, 1950, and shall be exempt from taxation.

"(c) The provisions of this act shall not be applicable to an officer who has, prior to July 1, 1950, been placed on terminal leave preceding separation, retirement, or release from active duty."

Mr. BYRNES of Wisconsin. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BYRNES of Wisconsin: On page 5, line 6, after "July 1, 1950", strike out the balance of that line and all of line 7.

The amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COAST AND GEODETIC SURVEY

The Clerk called the bill (H. R. 7689) to amend certain acts relating to the retired status of the Director of the Coast and Geodetic Survey.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 5 of the act of February 16, 1929, as amended (33 U. S. C. 852a), is hereby further amended by adding the following at the end thereof: "*Provided*, That any officer who may be retired while serving as Director, or after having served 4 years as Director, shall be retired with the rank, pay, and allowances of a vice admiral: *Provided further*, That when any such officer is recalled to active duty he shall have the rank, pay, and allowances of a vice admiral on the active list."

SEC. 2. Section 8 of the act of January 19, 1942, as amended (33 U. S. C. 852b), is further amended by deleting the words "Director or" where they appear in the first proviso of said section.

With the following committee amendment:

Page 1, line 4, strike out beginning with the word "adding" down to and including the word "admiral" in line 8, and insert "inserting before the period at the end thereof a colon and the following: '*Provided*, That any officer who has served or shall serve 4 years as Director and who has been or shall subsequently be retired, shall receive the rank, pay, and allowances of a retired vice admiral: *Provided further*'."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL CEMETERY COMMISSION

The Clerk called the bill (H. R. 7059) to create a National Cemetery Commission for the consolidation of national cemetery activities within one civilian commission, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM, Mr. SMITH of Wisconsin, and Mr. GAVIN objected.

COMMERCIAL OPERATION OF CERTAIN VESSELS ON THE GREAT LAKES

The Clerk called the bill (H. R. 7954) to authorize the commercial operation of certain vessels on the Great Lakes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, notwithstanding the provisions of section 510 of the Merchant Marine Act, 1936, as amended, or any other provision of law contrary hereto or inconsistent herewith, the Maritime Commission is authorized and directed to permit the reconstruction, reconditioning, or modernization of the vessels *Cornwall*, Off. No. 204393; *Johnstown*, Off. No. 202311; *Saucon*, Off. No. 203184; *Amazon*, Off. No. 30089; *Colonel*, Off. No. 127553; *Charcomac*, Off. No. 117134; *Munising*, Off. No. 121218; *Negaunee*, Off. No. 136976; and *Yosemite*, Off. No. 27682, and to permit the purchasers of such vessels to operate, charter, or sell such vessels for commercial use on the Great Lakes (including the St. Lawrence River and Gulf).

With the following committee amendments:

Page 1, line 6, strike out "Maritime Commission" and insert "Secretary of Commerce."

Page 1, line 8, strike out "*Cornwall*, Off. No. 204393; *Johnstown*, Off. No. 202311; *Saucon*, Off. No. 203184."

Page 1, line 10, strike out "*Charcomac*" and insert "*Charcornac*."

Page 2, line 2, strike out "owners" and insert "purchasers."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT JUDGE IN PENNSYLVANIA

The Clerk called the bill (H. R. 6606) to provide that the district judge of the eastern, middle, and western districts of Pennsylvania shall become a district judge for the middle district of Pennsylvania alone when the first vacancy occurs in that district.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FULTON. Reserving the right to object, may I ask what this bill does on the transfer of judgeships? How does it affect the western district of Pennsylvania?

Mr. WALTER. It in no wise affects any of the districts. We have one roving judge, which position was made necessary due to the fact that we were short two judges in Philadelphia in the eastern district. Those judges were provided, but now the roving judge will become a permanent judge in the middle district.

Mr. FULTON. It does not affect the district judgeships that are there in Pennsylvania?

Mr. WALTER. No.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

*Be it enacted, etc.*, That section 2 of the act approved July 24, 1946 (ch. 600, 60 Stat. L. 654), be, and it hereby is, amended to read as follows:

"SEC. 2. The President is authorized to appoint, by and with the advice and consent of the Senate, one additional United States district judge, who shall be an additional district judge for the eastern, middle, and western district of Pennsylvania: *Provided*, That when the first vacancy shall occur in the office of district judge for the middle district of Pennsylvania by reason of the retirement, resignation, or death of one of the district judges for said district the judge appointed pursuant to the authority granted by this section shall become a district judge for the middle district of Pennsylvania as successor to the judge who has thus retired, resigned, or died, and no successor shall be appointed to the vacancy thus occurring in the position created by the section."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REGULATION OF MOTOR CARRIERS

The Clerk called the bill (H. R. 8417) to amend part II of the Interstate Commerce Act, with respect to the regulation of motor carriers engaged in commerce to and from the Territories and possessions of the United States.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That (a) section 203 (a) (8) of part II of the Interstate Commerce Act, as amended, is amended to read as follows:

"(8) The term 'State' means any of the several States or the District of Columbia; and the term 'United States' means the several States and the District of Columbia."

(b) Section 203 (a) (11) of such part II is amended to read as follows:

"(11) The term 'foreign commerce' means commerce, whether such commerce moves wholly by motor vehicle or partly by motor vehicle and party by rail, express, or water, (A) between any place in the United States and any place in a foreign country, or between places in the United States through a foreign country; or (B) between any place in the United States and any place in a Territory or possession of the United States insofar as such transportation takes place within the United States."

SEC. 2. Paragraph (a) of section 206 of such part II is hereby amended by inserting "(1)" after "(a)" where it appears at the beginning of such paragraph, and by inserting at the end of such paragraph two subparagraphs as follows:

"(2) Unless otherwise specifically indicated in such certificate, the holder of any certificate issued under this part and in effect on the date on which this subparagraph takes effect, or which may become effective within 120 days thereafter authorizing the holder thereof to engage as a common carrier by motor vehicle in the transportation in interstate or foreign commerce of passengers of property over any route or routes or within any territory, may without making application under this section engage, to the same extent and subject to the same terms, conditions, and limitations, as a common carrier by motor vehicle in the transportation of passengers or property, as the case may be, over such route or routes or within such territory, in commerce between places in the United States and places in Territories or possessions of the United States.

"(3) Subject to the provisions of section 210, if any person (or its predecessor in interest) was in bona fide operation on March 1, 1950, over any route or routes or within any territory, as a common carrier engaged in the transportation of passengers or property by motor vehicle in commerce between any place in the United States and any place in a territory or possession of the United States, and has so operated since that time (or if engaging in furnishing seasonal service only, was in bona fide operation on March 1, 1950, during the season ordinarily covered by its operations and has so operated since that time), except in either instance as to interruptions of service over which such applicant or its predecessor in interest had no control, the Commission shall issue a certificate authorizing such operations without requiring further proof that public convenience and necessity will be served thereby, and without further proceedings, if application for such certificate is made to the Commission as provided in paragraph (b) of this section and within 120 days after the date on which this subparagraph takes effect. Pending the determination of any such application, the continuance of such operation without a certificate shall be lawful. Any carrier which, on the date this subparagraph takes effect, is engaged in an operation of the character specified in the foregoing provisions of this subparagraph, but was not engaged in such operation on March 1, 1950, may under such regulations as the Commission shall prescribe, if application for a certificate is made to the Commission within 120 days after the date on which this subparagraph takes effect, continue such operation without a certificate pending the determination of such application in accordance with section 207 (a)."

SEC. 3. Paragraph (a) of section 209 of such part II is hereby amended by inserting "(1)" after "(a)" where it appears at the beginning of such paragraph, and by inserting at the end of such paragraph two subparagraphs as follows:

"(2) Unless otherwise specifically indicated in such permit, the holder of any permit issued under this part and in effect on the date on which this subparagraph takes effect, or which may become effective within 120 days thereafter authorizing the holder thereof to engage as a contract carrier by motor vehicle in the transportation in interstate or foreign commerce of passengers or property over any route or routes or within any territory, may without making application under this part engage, to the same extent and subject to the same terms, conditions, and limitations, as a contract carrier by motor vehicle in the transportation of passengers or property, as the case may be, over such route or routes or within such territory, in commerce between places in the United States and places in territories or possessions of the United States.

"(3) Subject to the provisions of section 210, if any person (or its predecessor in interest) was in bona fide operation on March 1, 1950, over any route or routes or within any territory, as a contract carrier engaged in the transportation of passengers or property by motor vehicle in commerce between any place in the United States and any place in a Territory or possession of the United States, and has so operated since that time (or if engaged in furnishing seasonal service only, was in bona fide operation on March 1, 1950, during the season ordinarily covered by its operations and has so operated since that time), except in either instance as to interruptions of service over which such applicant or its predecessor in interest had no control, the Commission shall issue a permit authorizing such operations, without further proceedings, if application for such permit is made to the Commission as provided in paragraph (b) of this section and within 120 days after the date on which this subparagraph takes effect. Pending the determination of any such application, the continuance of such operation without a permit shall be lawful. Any carrier which, on the date this subparagraph takes effect, is engaged in an operation of the character specified in the foregoing provisions of this subparagraph, but was not engaged in such operation on March 1, 1950, may under such regulations as the Commission shall prescribe, if application for a permit is made to the Commission within 120 days after the date on which this subparagraph takes effect, continue such operation without a permit pending the determination of such application in accordance with subsection (b) of this section."

SEC. 4. This act shall take effect upon the date of its enactment, except that the first section of this act shall take effect on the one hundred and twentieth day after such date.

With the following committee amendments:

Page 2, line 16, after "certificate", strike out "issued under this part and in effect on the date on which this subparagraph takes effect, or which may become effective within 120 days thereafter" and insert "heretofore issued under this part, or hereafter issued under this part pursuant to an application filed on or before the date on which this paragraph takes effect."

Page 4, line 21, after "permit", strike out "issued under this part and in effect on the date on which this subparagraph takes effect, or which may become effective within 120 days thereafter" and insert "heretofore issued under this part, or hereafter issued under this part pursuant to an application filed on or before the date on which this paragraph takes effect."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FISH RESTORATION AND MANAGEMENT PROJECTS

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Consent Calendar No. 564, the bill (H. R. 6533) to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes. At the time the bill was called, I asked for an explanation and then requested that the bill be passed over without prejudice, since no one responded.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is authorized and directed to cooperate with the States through their respective State fish and game departments in fish restoration and management projects as hereinafter set forth: No money apportioned under this act to any State, except as hereinafter provided, shall be expended therein until its legislature, or other State agency authorized by the State constitution to make laws governing the conservation of fish, shall have assented to the provisions of this act and shall have passed laws for the conservation of fish, which shall include a prohibition against the diversion of license fees paid by fishermen for any other purpose than the administration of said State fish and game department, except that, until the final adjournment of the first regular session of the legislature held after passage of this act, the assent of the governor of the State shall be sufficient. The Secretary of the Interior and the State fish and game department of each State accepting the benefits of this act shall agree upon the fish restoration and management projects to be aided in such State under the terms of this act, and all projects shall conform to the standards fixed by the Secretary of the Interior.

SEC. 2. For the purpose of this act the term "fish restoration and management projects" shall be construed to mean projects designed for the restoration and management of all species of fish which have material value in connection with sport or recreation in the marine and/or fresh waters of the United States and include—

(a) such research into problems of fish management and culture as may be necessary to efficient administration affecting fish resources;

(b) the acquisition of such facts as are necessary to guide and direct the regulation of fishing by law, including the extent of the fish population, the drain on the fish supply from fishing and/or natural causes, the necessity of legal regulation of fishing, and the effects of any measures of regulation that are applied;

(c) the formulation and adoption of plans of restocking waters with food and game fishes according to natural areas or districts to which such plans are applicable, together with the acquisition of such facts as are necessary to the formulation, execution, and testing the efficacy of such plans;

(d) the selection, restoration, rehabilitation, and improvement of areas of water or land adaptable as hatching, feeding, resting, or breeding places for fish, including acquisition by purchase, condemnation, lease, or gift of such areas or estates or interests therein as are suitable or capable of being made suitable therefor, and the construction thereon or therein of such works as may be necessary to make them available for such purposes, and such preliminary or incidental costs and expenses as may be incurred in and about such works; the term "State fish and game department" shall be construed to mean and include any department or division of department of another name, or commission, or official or officials, of a State empowered under its laws to exercise the functions ordinarily exercised by a State fish and game department.

SEC. 3. To carry out the provisions of this act, there is hereby authorized to be appropriated an amount equal to the revenue accruing from tax imposed by section 3406 of the Internal Revenue Code, effective October 1, 1941, as heretofore or hereafter extended and amended, on fishing rods, creels, reels, and artificial lures, baits, and flies during the fiscal year ending June 30, 1951, and each fiscal year thereafter. To carry out the provisions of this act during the fiscal year ending June 30, 1951, there is authorized to be appropriated the sum of $2,000,000. The appropriation made under the provisions of this section for each fiscal year shall continue available during the succeeding fiscal year. So much of such appropriation apportioned to any State for any fiscal year as remains unexpended at the close thereof is authorized to be made available for expenditure in that State until the close of the succeeding fiscal year. Any amount apportioned to any State under the provisions of this act which is unexpended or unobligated at the end of the period during which it is availabe for expenditure on any project is authorized to be made available for expenditure by the Secretary of the Interior in carrying on the research program of the Fish and Wildlife Service in respect to fish of material value for sport and recreation.

SEC. 4. So much, not to exceed 8 percent, of each annual appropriation made in pursuance of the provisions of section 3 of this act as the Secretary of the Interior may estimate to be necessary for his expenses in the conduct of necessary investigations, administration, and the execution of this act and for aiding in the formulation, adoption, or administration of any compact between two or more States for the conservation and management of migratory fishes in marine or fresh waters shall be deducted for that purpose, and such sum is authorized to be made available therefor until the expiration of the next succeeding fiscal year. The Secretary of the Interior, after making the aforesaid deduction, shall apportion the remainder of the appropriation for each fiscal year among the several States in the following manner, that is to say, 40 percent in the ratio which the area of each State including coastal and Great Lakes waters (as determined by the Secretary of the Interior) bears to the total area of all the States and 60 percent in the ratio which the number of persons holding paid licenses to fish for sport or recreation in the State in the second fiscal year preceding the fiscal year for which such apportionment is made, as certified to said Secretary by the State fish and game departments, bears to the number of such persons in all the States; but in the event that the licenses to fish in any State are combination hunting and fishing licenses, the number of fishing license holders shall be limited to 50 percent of the number of such combination licenses certified to the Secretary of the Interior by the State fish and game departments: *Provided*, That such apportionments shall be adjusted equitably so that no State shall receive less than 1 percent nor more than 5 percent of the total amount apportioned to all of the States: *Provided further*, That where the apportionment to any State under this section is less than $4,500 annually, the Secretary of the Interior may allocate not more than $4,500 of said appropriation to said State to carry out the purposes of this act when said State certifies to the Secretary of the Interior that it has set aside not less than $1,500 from its fish-and-game funds or has made, through its legislature, an appropriation in this amount for said purposes. So much of any sum not allocated under the provisions of this section for any fiscal year is hereby authorized to be made available for expenditure to carry out the purposes of this act until the close of the succeeding fiscal year, and if unexpended or unobligated at the end of such year such sum is hereby authorized to be made available for expenditure by the Secretary of the Interior in carrying on the research program of the Fish and Wildlife Service in respect to fish of material value for sport or recreation.

SEC. 5. For each fiscal year beginning with the fiscal year ending June 30, 1951, the Secretary of the Interior shall certify to the Secretary of the Treasury, and to each State fish and game department, the sum which he has estimated to be deducted for administering and executing this act and the sum which he has apportioned to each State for such fiscal year. Any State desiring to avail itself of the benefits of this act shall notify the Secretary of the Interior to this effect within 60 days after it has received the certification referred to in this section. The sum apportioned to any State which fails to notify the Secretary of the Interior as herein provided is authorized to be made available for expenditure by the Secretary of the Interior in carrying out the provisions of the fish-research program of the Fish and Wildlife Service.

SEC. 6. Any State desiring to avail itself of the benefits of this act shall, by its State fish and game department, submit to the Secretary of the Interior full and detailed statements of any fish-restoration and management project proposed for that State. If the Secretary of the Interior finds that such project meets with the standards set up by him and approves said project, the State fish and game department shall furnish to him such surveys, plans, specifications, and estimates therefor as he may require: *Provided, however*, That the Secretary of the Interior shall approve only such projects as may be substantial in character and design, and the expenditure of funds hereby authorized shall be applied only to such approved projects and if otherwise applied they shall be replaced by the State before it may participate in any further apportionment under this act.

Items included for engineering, inspection, and unforeseen contingencies in connection with any works to be constructed shall not exceed 10 percent of the cost of such works and shall be paid by the State as a part of its contribution to the total cost of such works. If the Secretary of the Interior approves the plans, specifications, and estimates for the project, he shall notify the State fish and game department and immediately certify the fact to the Secretary of the Treasury. The Secretary of the Treasury shall thereupon set aside so much of said appropriation as represents the share of the United States payable under this act on account of such project, which sum so set aside shall not exceed 75 percent of the total estimated cost thereof. No payment of any money apportioned under this act shall be made on any project until such statement of the project and the plans, specifications, and estimates thereof shall have been submitted to and approved by the Secretary of the Interior.

SEC. 7. When the Secretary of the Interior shall find that any project approved by him has been completed or, if involving research relating to fish, is being conducted, in compliance with said plans and specifications he shall cause to be paid to the proper authority of said State the amount set aside for said project: *Provided*, That the Secretary of the Interior may, in his discretion, from time to time, make payments on said project as the same progresses; but these payments, including previous payments, if any, shall not be more than the United States pro rata share of the project in conformity with said plans and specifications. Any construction work and labor in each State shall be performed in accordance with its laws and under the direct supervision of the State fish and game department, subject to the inspection and approval of the Secretary of the Interior and in accordance with the rules and regulations made pursuant to this act. The Secretary of the Interior and the State fish and game department of each State may jointly determine at what times and in what amounts payments, as work progresses, shall be made under this act. Such payments shall be made by the Secretary of the Treasury, on warrants drawn by the Secretary of the Interior against the said appropriation to such official or officials, or depository, as may be designated by the State fish and game department and authorized under the laws of the State to receive public funds of the State.

SEC. 8. To maintain fish-restoration and management projects established under the provisions of this act shall be the duty of the States according to their respective laws: *Provided*, That beginning July 1, 1953, maintenance of projects heretofore completed under the provisions of this act may be considered as projects under this act: *Provided further*, That not more than 25 percent of the allocation from Federal funds in any one year after July 1, 1953, may be set aside for such maintenance projects. Title to any real or personal property acquired by any State, and to improvements placed on State-owned lands through the use of funds paid to the State under the provisions of this act, shall be vested in such State.

SEC. 9. Out of the deductions set aside for administering and executing this act the Secretary of the Interior is authorized to employ such assistants, clerks, and other persons in the District of Columbia and elsewhere, to be taken from the eligible lists of the civil service; to rent or construct buildings outside of the District of Columbia; to purchase such supplies, materials, equipment, office fixtures, and apparatus; and to incur such travel and other expenses, including publication of technical and administrative reports, purchase, maintenance, and hire of passenger-carrying motor vehicles, as he may deem necessary for carrying out the provisions of this act.

SEC. 10. The Secretary of the Interior is authorized to make rules and regulations for carrying out the provisions of this act.

SEC. 11. The Secretary of the Interior shall make an annual report to the Congress giving detailed information as to the projects established under the provisions of this act and expenditures therefor.

SEC. 12. The Secretary of the Interior is authorized to cooperate with the Alaska Game Commission, the Division of Game and Fish of the Board of Commissioners of Agriculture and Forestry of Hawaii, the Commissioner of Agriculture and Commerce of Puerto Rico, and the Governor of the Virgin Islands, in the conduct of fish restoration

and management projects, as defined in section 2 of this act, upon such terms and conditions as he shall deem fair, just, and equitable, and is authorized to apportion to said Territories, Puerto Rico, and the Virgin Islands, out of money available for apportionment under this act, such sums as he shall determine, not exceeding $25,000 for Alaska, and not exceeding $10,000 each for Hawaii, Puerto Rico, and the Virgin Islands, in any one year, which apportionments, when made, shall be deducted before making the apportionments to the States provided for by this act; but the Secretary shall in no event require any of said cooperating agencies to pay an amount which will exceed 25 percent of the cost of any project. Any unexpended or unobligated balance of any apportionment made pursuant to this section shall be available for expenditure in the Territories, Puerto Rico, or the Virgin Islands, as the case may be, in the succeeding year, on any approved project, and if unexpended or unobligated at the end of such year is authorized to be made available for expenditure by the Secretary of the Interior in carrying on the research program of the Fish and Wildlife Service in respect to fish of material value for sport recreation.

SEC. 13. The effective date of this act shall be July 1, 1950.

With the following committee amendments:

Page 4, line 4, after the word "Code,", delete the words "effective October 1, 1941,".

Page 4, lines 8 to 10, after the word "after", delete the words "To carry out the provisions of this act during the fiscal year ending June 30, 1951, there is authorized to be appropriated the sum of $2,000,000."

Page 5, lines 22 to 25, and page 6, lines 1 to 2, after the word "States", delete the semicolon and put a colon and delete the words "but in the event that the licenses to fish in any State are combination hunting and fishing licenses, the number of fishing license holders shall be limited to 50 percent of the number of such combination licenses certified to the Secretary of the Interior by the State fish and game departments."

Page 9, lines 16 to 17, after the word "made", delete the words "by the Secretary of the Treasury, on warrants drawn by the Secretary of the Interior."

Page 11, line 15, after the word "exceeding", delete the numerals "$25,000" and insert in lieu thereof the numerals "$75,000."

Page 11, line 16, after the word "exceeding", delete the numerals "$10,000" and the word "each" and insert the numerals "$25,000", and after the word "Hawaii,", insert "and not exceeding $10,000 each for."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SPENCE asked and was given permission to extend his remarks and include questions and answers prepared by the Export-Import Bank on the bill H. R. 8083.

Mr. HARRISON asked and was given permission to extend his remarks and include extraneous material.

Mr. HEDRICK asked and was given permission to extend his remarks and include two editorials from the Charleston Gazette, Charleston, W. Va.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. GOODWIN asked and was given permission to extend his remarks in two instances and include in each an editorial.

Mr. JENKINS asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. KEOGH asked and was given permission to extend his remarks and include two newspaper articles and a letter from the National Civil Service League to the Honorable Oscar Ewing.

Mr. KELLEY of Pennsylvania (at the request of Mr. EBERHARTER) was given permission to extend his remarks and include a copy of a statement made by him on an unemployment resolution before the resolutions committee of the International Labor Conference at Geneva, Switzerland, while acting as United States alternate delegate this year at the thirty-third annual session of the Conference, and also acting as the United States member of the resolutions committee.

Mr. ROGERS of Florida asked and was given permission to extend his remarks and include a speech.

Mr. BATTLE asked and was given permission to extend his remarks and include an editorial.

Mrs. DOUGLAS asked and was given permission to extend her remarks in four instances and include extraneous matter.

Mr. McCORMACK asked and was given permission to extend his remarks and include an editorial.

PRIVATE CALENDAR

The SPEAKER. The call of the Private Calendar is in order today. The Clerk will call the first individual bill on the Private Calendar.

MRS. BARBARA GUANAPOULOS

The Clerk called the bill (H. R. 1500) for the relief of Mrs. Barbara Guanapoulos.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Barbara Guanapoulos, of 2309 West Monroe Street, Chicago, Ill., the sum of $25,000, in full settlement of all claims of said Mrs. Barbara Guanapoulos against the United States for property damages, personal injuries, and loss of earnings sustained and medical and hospital expenses incurred by her as the result of having been struck by a United States mail truck, No. 401085, on March 17, 1944, at the intersection of Oakley Avenue and Jackson Boulevard, Chicago, Ill. The Secretary of the Treasury shall require the cancellation of judgment against James J. Kenny in the Superior Court of Cook County, Ill., before payment shall be made under this act: *Provided*, That no part of the amount appropriated in this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 7, strike out "$25,000" and insert "$5,000."

Page 2, line 3, after "Illinois.", insert "The Secretary of the Treasury shall require the cancellation of judgment against James J. Kenny in the Superior Court of Cook County, Ill., before payment shall be made under this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HAROLD E. TRAUTWEIN

The Clerk called the bill (H. R. 1586) for the relief of Harold E. Trautwein.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harold E. Trautwein, of Newark, N. J., the sum of $105.07. The payment of such sum shall be in full settlement of all claims of Harold E. Trautwein against the United States arising when, due to being transferred within the Post Office Department, he was deprived of the seniority necessary to obtain a salary increase: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN F. OETTL

The Clerk called the bill (H. R. 2805) for the relief of John F. Oettl.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,068.85 to John F. Oettl, of New Orleans, La., in full settlement of all claims against the United States for terminal-leave pay as a civilian employee with the United States Coast Guard for the period from April 9, 1946, to June 19, 1946: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSÉ COTTO SANTIAGO

The Clerk called the bill (H. R. 3304) for the relief of José Cotto Santiago.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to José Cotto Santiago, who was injured on November 28, 1943, when struck in San Juan, P. R., by a United States Navy motorcycle. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney, on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

N. H. KELLEY ET AL.

The Clerk called the bill (H. R. 3412) for the relief of N. H. Kelley, Bernice Kelley, Clyde D. Farquhar, and Gladys Farquhar.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That for the purpose of determining the individual liability for income taxes for the taxable year 1944 of N. H. Kelley, Bernice Kelley, Clyde D. Farquhar, and Gladys Farquhar, the elections of the said N. H. Kelley and Clyde D. Farquhar, sole stockholders of Baker, Kelley & MacLaughlin, Inc., which was liquidated pursuant to a plan of complete liquidation adopted on December 29, 1944, to have the benefits of section 112 (b) (7) (A) of the Internal Revenue Code shall be considered to have been filed within 30 days after the date of adoption of such plan, such benefits having been denied because the mailing of such election was delayed, without negligence or fault on the part of such stockholders, until the thirty-first day following the adoption of such plan.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HELEN M. BOOTH

The Clerk called the bill (H. R. 4136) for the relief of Helen M. Booth.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $17,868 to Helen M. Booth, of 1437 Bonita Avenue, Berkeley, Calif., in full settlement of all claims against the United States for the wrongful death of her husband, Alfred H. Booth, on March 19, 1947, in Zuerich, Switzerland, as a result of the failure of the Office of Military Government of the United States in Germany to provide medical treatment to the deceased in accordance with his contract while he was employed by the Office of Chief Counsel for War Crimes in Nuremberg, Germany, from October 1945, until March 19, 1947: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That jurisdiction be, and it is hereby, conferred upon the United States Court of Claims to hear, determine, and render judgment upon the claim of Helen M. Booth against the United States for compensation on account of the alleged negligence of United States military government in Germany to provide medical treatment to her deceased husband, Alfred H. Booth, who died on March 19, 1947, in Zuerich, Switzerland: *Provided*, That proceedings for the determination of said claim shall be had in the same manner as in cases of which said court has jurisdiction under the provisions of section 1491, title 28, United States Code, as amended: *And provided further*, That suit hereunder shall be instituted within 1 year after the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. R. FLEMING & CO.

The Clerk called the bill (H. R. 4657) for the relief of J. R. Fleming & Co.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. R. Fleming & Co., Weatherford, Tex., the sum of $600. The payment of such sum shall be in full settlement of all claims of the said company against the United States for reimbursement of money advanced by the said company at the request of officers of the Office of Price Administration on November 12, 1945, in connection with a test purchase of pecans. Although the said company was assured by such officers that reimhbursement would be made for such advance, the Comptroller General has ruled that such reimbursement may not be made in the absence of proof that the test purchase was approved in advance by the Price Administrator, regional administrator, or the district director in the region or district in which the purchase was made: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 11, after the period, strike out "Although the said company was assured by such officers that reimbursement would be made for such advance, the Comptroller General has ruled that such reimbursement may not be made", and insert in lieu thereof "The General Accounting Office is without authority to allow the claim for such reimbursement."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HAROLD L. CORZETT, UNITED STATES NAVAL RESERVE

The Clerk called the bill (H. R. 4775) for the relief of Harold L. Corzett, commander, United States Naval Reserve.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harold L. Corzett, commander, United States Naval Reserve, the sum of $782.65, which sum represents the difference in pay between the rank of commander and that of lieutenat commander for the period March 19, 1947, to March 31, 1948, which the said Harold L. Corzett was required to repay to the United States because of the failure of the Navy Department to give appropriate notice of his reversion to the rank of lieutenant commander as of March 19, 1947: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

JACOB F. HUTT

The Clerk called the bill (H. R. 4954) for the relief of Jacob F. Hutt.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That Jacob F. Hutt, clerk in the United States post office at Jeffersonville, Ind., and his sureties are relieved of all liability to refund to the United States the whole or any part of the sum of $803.33. Such sum of $803.33 represents a shortage in the account of the said Jacob F. Hutt resulting from the theft of certain funds and postage stamps from such post office on March 13, 1944. The Comptroller General is authorized and directed to credit the account of the said Jacob F. Hutt in the sum of $803.33.

The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Jacob F. Hutt, an amount equal to the aggregate of amounts paid by him, or which have been withheld from sums otherwise due him, in partial satisfaction of the claim of the United States against the said Jacob F. Hutt, arising by reason of the shortage in his account.

With the following committee amendments:

Page 1, line 4, strike out "and his sureties are" and insert "is."

Page 1, line 6, after the sign "$" strike out the remainder of page 1 and insert in lieu thereof, "682.38, and that Anderson E. Humphrey, clerk in the United States post office at Jeffersonville, Indiana, is relieved of all liability to refund to the United States the whole or any part of the sum of $119.70. Such sums represent a shortage in their accounts resulting from the theft of certain funds and postage stamps from such post office on March 13, 1944. The Comptroller

General of the United States is authorized and directed to credit the accounts of the said Jacob F. Hutt and Anderson E. Humphrey in such sums."

Page 2, line 3, after "Hutt", insert "and Anderson E. Humphrey."

Page 2, line 4, strike out "him" and insert "them."

Page 2, line 5, strike out "him" and insert "them."

Page 2, line 7, after "Hutt", insert "and Anderson E. Humphrey" and strike out "his" and insert "their."

Page 2, line 8, strike out "account" and insert "accounts."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Jacob F. Hutt and Anderson E. Humphrey."

A motion to reconsider was laid on the table.

CONFERRING JURISDICTION ON COURT OF CLAIMS TO JUDGE CLAIM OF JOSEPH LUNDBORG, ET AL.

The Clerk called the bill (H. R. 6312) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Joseph Lundborg and others against the United States.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon, notwithstanding the lapse of time or any law to the contrary, the claims of Joseph Lundborg, Theodore Lundborg, Anna Lundborg, Selana Lundborg, and Sewall Clay, of Nisswa, Minn., against the United States for compensation or damages on account of the alleged encroachment on their property of waters from the Gull and Cullen Lakes Reservoirs in Crow Wing and Cass Counties, Minnesota, if such claim is filed in such court against the United States within one year after the date of the enactment of this act.

With the following committee amendment:

Page 1, line 5, after the word "notwithstanding", strike out the remainder of the bill and insert in lieu thereof "any statute of limitations or laches, the claims of Joseph Lundborg, Theodore Lundborg, Anna Lundborg, Selana Lundborg, and Margaret Lundborg, all of Nisswa, Minn., against the United States for compensation on account of the alleged encroachment on their property of waters from Gull and Cullen Lakes in Crow Wing and Cass Counties, Minn., as the result of the operation of the Gull Lake Reservoir: *Provided*, That proceedings for the determination of said claims shall be had in the same manner as in cases of which said court has jurisdiction under the provisions of section 1491 of title 28 U. S. C., as amended: *and provided further*, That no interest on any judgment recovered against the United States shall be allowed from a date earlier than 6 years prior to the institution of suit under the provisions of this act: *And provided further*, That suit hereunder shall be instituted within 1 year after the enactment of this act.

Mr. MARSHALL. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. MARSHALL to the committee amendment: On page 2, lines 5 and 6, strike out "Selana Lundborg, and Margaret Lundborg" and insert in lieu thereof "Margaret Lundborg Larson and Sewall Clay."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. FRIEDA GRAY

The Clerk called the bill (H. R. 6417) for the relief of Mrs. Frieda Gray, formerly Frieda Putman.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to Mrs. Frieda Gray (formerly Frieda Putman), of Lubbock, Tex., in full settlement of all claims against the United States for personal injuries sustained as a result of an accident involving a United States Army vehicle near Lake McClellan, Tex., on May 3, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$10,000", and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUPPLEMENTAL PATENT TO CHARLES A. GANN

The Clerk called the bill (H. R. 6038) to provide for issuance of a supplemental patent to Charles A. Gann, patentee No. 152419, for certain land in California.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is authorized and directed to issue a supplemental patent to Charles A. Gann for the following-described lands: southeast quarter southeast quarter northwest quarter, northeast quarter northeast quarter southwest quarter, east half northwest quarter northeast quarter southwest quarter, south half northeast quarter southwest quarter, section 1, township 6 north, range 16 east, Mount Diablo meridian, California, containing forty-five acres more or less according to the official plat of resurvey accepted April 1, 1943.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORT SILL INDIAN SCHOOL IN OKLAHOMA

The Clerk called the bill (S. 2086) transferring management of certain public lands from the Agriculture Department to the Fort Sill Indian School in Oklahoma for agriculture uses.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the following-described tract of public land: The north half of the south half of section 19, township 2 north, range 11 west, Indian meridian, Comanche County, Okla., being a part of the Fort Sill Indian School reserve, and formerly transferred to the Department of Agriculture for use as a dry-farming experimental station, is hereby, together with all buildings, improvements, and appurtenances, transferred back to the said Fort Sill Indian School for use in connection with the agriculture training program of such institution.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

McCORMICK ENGINEERING CO.

The Clerk called the bill (S. 557) for the relief of the McCormick Engineering Co. and John E. Price, an individual doing business as the Okeechobee Construction Co.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the McCormick Engineering Co. and John E. Price, an individual doing business as the Okeechobee Construction Co., the sum of $3,338.20, in full satisfaction of their claim against the United States for reimbursement for deductions made by the United States from payments upon a contract for work in the elimination of flight hazards at Hendricks Field, Fla. (War Department No. W-08-123-eng-195, dated December 6, 1943), which deductions were made for the rental of certain units of equipment obtained by claimants from the United States in reliance upon advice received from the War Department representative in charge to the effect that such equipment would be needed for the performance of additional work which was not in fact performed because of a later change in War Department plans: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DIXIE MARGARINE CO.

The Clerk called the bill (S. 1086) for the relief of the Dixie Margarine Co., a Tennessee corporation, of Memphis, Tenn.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Dixie Margarine Co., a corporation organized and existing under the laws of the State of Tennessee, the sum of $69,530.40, in full satisfaction of its claim against the United States for refund of capital illegally exacted by the Commissioner of Internal Revenue, under

the guise of taxes and licenses, for the period from March 1923 to November 28, 1925, the statutory period for refund of said illegally collected moneys having expired prior to the date of a decision of the United States Supreme Court that said moneys had been illegally collected as taxes on the product manufactured, and it also having been held by both the United States Court of Claims and the Sixth Circuit Court of Appeals that relief must be from the Congress and not from the courts.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LYDIA L. SMITH

The Clerk called the bill (S. 2079) for the relief of Mrs. Lydia L. Smith.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Lydia L. Smith, of Aiken, S. C., the sum of $2,384.33, representing the amount of pension she would have received for the period beginning on July 7, 1944, and ending on March 9, 1948, had her claim for a widow's pension been filed within 1 year after July 7, 1944, the date fixed by the War Department as the presumptive date of death of Capt. Lloyd B. Smith, who was reported missing in action on July 6, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS A. TRULOVE, POSTMASTER

The Clerk called the bill (H. R. 661) for the relief of Thomas A. Trulove, postmaster, and Nolen J. Salyards, assistant postmaster, at Inglewood, Calif.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That Thomas C. Trulove, postmaster, and Nolen J. Salyards, assistant postmaster, at Inglewood, Calif., are hereby relieved of all liability to refund to the United States any funds over and above the amount of money collected from Andrew O. Benson, Jr., or his sureties because of his embezzlements of Government funds while a clerk in the Inglewood, Calif., post office. The sureties of the said postmaster and assistant postmaster are released from any liability to refund to the United States the whole or any part of the amount of the embezzlements not collected from Andred O. Benson, Jr., or his sureties and the Comptroller General, is authorized and directed to credit the account of the postmaster with this sum.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HANNA MUSSBACH

The Clerk called the bill (H. R. 1130) for the relief of Hanna Mussbach.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Administrator of Veterans' Affairs is authorized and directed to pay to Hanna Mussbach, Los Angeles, Calif., the sum of $8,339.40. Such sum represents the unpaid portion of the proceeds of a national service insurance policy issued to Arthur K. Musabach (XC-3759025), late private, Infantry, United States Army, who died on November 14, 1944. Although the said Hanna Mussbach, aunt of the insured, was designated by the insured as beneficiary of such policy, her claim for payment thereunder was disallowed by the Veterans' Administration on the ground that she did not stand in loco parentis to the insured within the meaning of the National Service Life Insurance Act of 1940, as amended. A settlement of such insurance was authorized in favor of the insured's brother, Harry E. Mussbach, and he received the monthly installments of insurance until his death on June 23, 1946.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WALTER E. MILLER

The Clerk called the bill (H. R. 1611) for the relief of Walter E. Miller.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Walter E. Miller, Roxbury, Mass., the sum of $417.38. The payment of such sum shall be in full settlement of all claims of the said Walter E. Miller against the United States for damage caused to his automobile on October 30, 1944, when it was struck in Roxbury, Mass., by a United States Army truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

S. L. AYRES & CO., INC.

The Clerk called the bill (H. R. 1616) for the relief of S. L. Ayres & Co., Inc.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to S. L. Ayres & Co., Inc., of Boston, Mass., the sum of $525.88. The payment of such sum shall be in full settlement of all claims of the said S. L. Ayres & Co., Inc., against the United States for reimbursement for expenses caused by erroneous information furnished by customs officers at the port of Boston as to the status of the quota applicable to 300 bales of India cotton stock which arrived in Boston in February 1947: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KENNETH J. MACKENZIE

The Clerk called the bill (H. R. 1618) for the relief of Kenneth J. MacKenzie.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Kenneth J. MacKenzie, Swanton, Vt., the sum of $50,000. The payment of such sum shall be in full settlement of all claims of the said Kenneth J. MacKenzie against the United States on account of personal injuries sustained on September 15, 1941, when an Army plane crashed into the plane in which he was sitting at the East Boston Airport, Massachusetts: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out the sum "$50,000" and insert "$10,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LESLIE A. FRY

The Clerk called the bill (H. R. 1988) for the relief of Leslie A. Fry.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Leslie A. Fry, of Dallastown, Pa., the sum of $10,000, in full settlement of all claims against the United States for personal injuries and loss of wages, as a result of an explosion at the Baltimore, Md., Armed Forces induction station, November 9, 1943, while present as an Army recruit: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out the sum and insert "$3,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARION M. MARTIN

The Clerk called the bill (H. R. 2350) for the relief of Mrs. Marion M. Martin.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Marion M. Martin, of Rockville Centre, Long Island, N. Y., the sum of $10,000, in full settlement of all claims against the United States for the death of her husband, John G. Martin, who was killed as a result of the crash of an Army Transport Command plane occurring at the Municipal Airport, Memphis, Tenn., on December 17, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, after the word "Martin", insert the word "Jones."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mrs. Marion M. Martin Jones."

A motion to reconsider was laid on the table.

BRUCE M. STERN

The Clerk called the bill (H. R. 3664) for the relief of Bruce M. Stern.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $660.48 to Bruce M. Stern, of 391 North San Pedro Street, San Jose, Calif., in full settlement of all claims against the United States for losses sustained in connection with the purchase of surplus steel lockers from the War Department (now Department of the Army) under sales contract No. W-04-393(AAVI) S-211, dated December 23, 1946: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN S. STEBER

The Clerk called the bill (H. R. 3919) for the relief of John S. Steber.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That sections 15 to 20, inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (U. S. C., 1940 ed., title 5, secs. 765–769; Supp. V, title 5, sec. 770), are hereby waived in favor of John S. Steber, of East Palestine, Ohio, and his claim for compensation for disability resulting from alleged personal injury sustained in a fall from a truck on or about September 25, 1936, while engaged in the performance of his duty as an inspector for the Bureau of Entomology and Plant Quarantine, Department of Agriculture, at Enon Valley, Pennsylvania, is authorized and directed to be considered and acted upon under the remaining provisions of such act, as amended, if he files such claim with the Department of Labor not later than 60 days after the date of enactment of this act.

With the following committee amendments:

Page 1, line 11, before the word "personal", insert the word "alleged."

Page 2, line 7, strike out "Bureau of Employees' Compensation" and insert in lieu thereof "Department of Labor."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KATHERINE L. ANDERSON

The Clerk called the bill (H. R. 4045) for the relief of Katherine L. Anderson, a civil-service employee, permanently injured through negligent treatment at the Army Advisory Group Station Hospital in Nanking, China.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum $50,000 to Katherine L. Anderson, in full settlement of all claims against the United States for permanent injuries suffered as the result of negligence of the agent, servant, and/or employee of the Army hospital staff while hospitalized in the Army Advisory Group Station Hospital at Nanking, China: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$50,000" and insert in lieu thereof "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RALPH D. KINNEY

The Clerk called the bill (H. R. 4142) for the relief of Ralph D. Kinney.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That sections 15 to 20, inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (U. S. C., 1946 edition, title 5, secs. 765–770), are hereby waived in favor of Ralph D. Kenney, of Poultney, Vt., and his claim for compensation for disability resulting from personal injury sustained in March 1937 while working for the Works Progress Administration between Castleton, Vt., and Poultney, Vt., is authorized and directed to be considered and acted upon under the remaining provisions of such act, as amended, and as extended to employees engaged in emergency relief employment, if he files such claim with the Bureau of Employees' Compensation, Federal Security Agency, not later than 60 days after the date of enactment of this act. No benefits shall accrue by reason of the enactment of this act for any period prior to the date of its enactment.

With the following committee amendment:

Page 1, line 10, after the word "from", insert the word "alleged."

Page 2, lines 6 and 7, strike out "Bureau of Employees' Compensation, Federal Security Agency" and insert "Department of Labor."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATRICIA JOYCE DUNN

The Clerk called the bill (H. R. 4221) to provide for the adjudication of a certain tort claim of Patricia Joyce Dunn, a minor, against the United States.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, notwithstanding sections 2401 (b) and 2680 (k) of title 28 of the United States Code, the United States District Court for the Northern District of California is hereby authorized and directed to hear, determine, and render judgment upon the claim of Patricia Joyce Dunn, a minor, of San Francisco, Calif., against the United States on account of the death of her father, Jacob K. Dunn, in an accident, in June 1947, at Tokyo, Japan, involving an airplane operated by the Air Transport Command and in which he was a fare-paying passenger. Such claim shall be heard, determined, and judged by such court in accordance with the remaining provisions of title 28 of the United States Code applicable with respect to tort claims but only if action on such claim is brought not later than 1 year after the date of enactment of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Patricia Joyce Dunn, a minor, of San Francisco, Calif., the sum of $8,994, in full settlement of all claims against the United States arising out of the death of Jacob K. Dunn, the father of said minor, as the result of an accident involving a United States Air Force plane, which occurred near Tokyo, Japan, on May 29, 1947: *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or attorney on

account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time and passed.

The title was amended so as to read: "A bill for the relief of the legal guardian of Patricia Joyce Dun, a minor."

A motion to reconsider was laid on the table.

GRAPHIC ARTS CORP. OF OHIO

The Clerk called the bill (H. R. 4832) for the relief of Graphic Arts Corp. of Ohio.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Graphic Arts Corp., of Ohio, Toledo, Ohio, the sum of $84,359.19. The payment of such sum shall be in full settlement of all claims of the said Graphic Arts Corporation of Ohio against the United States for compensation for maintenance of the Gadi process plant of the said corporation during the period beginning January 1, 1946, and ending June 1, 1946, and for expenditures by the said corporation for materials useless to it: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN II ESTATE, LTD.

The Clerk called the bill (H. R. 4989) to provide for the payment of just compensation to John Ii Estate, Ltd., a Hawaiian corporation, for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, T. H.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, to the John Ii Estate, Ltd., a Hawaii corporation, the sum of $71,000 as full and complete compensation for its rights in the fisheries of Pearl Harbor, Island of Oahu, T. H., and as full settlement, compromise, and satisfaction of the judgment of the United States District Court of the Territory of Hawaii in Civil No. 291, United States of America against John Ii Estate Limited: *Provided*, That payment shall not be made until such claimant has consented to the dismissal with prejudice of all pending litigation wherein the right to compensation for the taking of such fishery rights and of any interest therein or part thereof has been or is claimed or asserted against the United States in a manner satisfactory to the Attorney General, has conveyed to the United States any and all right, title, or interest in said fisheries, and has released all claims to damages or compensation against the United States with respect to alleged rights in said fisheries; and has consented to the entry of a final order of judgment of condemnation in the condemnation proceedings instituted by the United States and pending in the United States District Court for Hawaii for the condemnation of claimant's rights in said fisheries.

With the following committee amendment:

At the end of the bill add "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. ASPINALL. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL to the committee amendment: Page 2, line 20, strike out the word "claim" and insert in lieu thereof the word "bill."

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RICHARD H. SEARS

The Clerk called the bill (H. R. 6020) for the relief of Richard H. Sears.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That Richard H. Sears, of Leonardtown, Md., is hereby relieved of all liability to the United States arising out of his obligation as cosurety on a special 6-months bond, No. 3977, dated March 9, 1923, for the exportation of certain race horses.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN M. VICK

The Clerk called the bill (H. R. 6052) for the relief of John M. Vick.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John M. Vick, of Conway, N. C., the sum of $5,874.73 plus interest thereon at the rate of 6 percent per annum from May 22, 1946. The payment of such sum shall be in full settlement of all claims of the said John M. Vick against the United States arising out of overpayment made by him with respect to his income tax liability for 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following amendment:

Page 1, lines 6 and 7, strike out the following: "plus interest thereon at the rate of 6 percent per annum from May 22, 1946."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

E. ELMER MYNATT

The Clerk called the bill (H. R. 6885) for the relief of E. Elmer Mynatt.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That sections 17 and 20, of the act entitled "An act to provide compensation for the employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (U. S. C., 1934 edition, title 5, secs. 767 and 770), are hereby waived in favor of E. Elmer Mynatt, who sustained injuries while in the performance of his duty on July 17, 1918, while employed as a laborer at the United States Navy Yard, Norfolk, Va., and his claim for compensation is authorized to be considered and acted upon under the remaining provisions of such act, as amended, if he files such claim with the United States Employee's Compensation Commission not later than 60 days after the date of enactment of this act.

SEC. 2. The monthly compensation which the said E. Elmer Mynatt may be entitled to receive by reason of the enactment of this act shall commence on the first day of the month during which this act is enacted.

With the following committee amendments:

Page 1, line 3, strike out "17 and 20" and insert: "15 and 20, inclusive."

Page 1, line 9, after the word "who" insert the word "allegedly."

Page 2, strike out line 3 and insert: "Department of Labor."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALEXANDER NEWMAN

The Clerk called the bill (H. R. 7202) for the relief of Alexander Newman.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alexander Newman, of Rochester, N. Y., in full settlement of all claims against the United States, the sum of $1,032. Such payment represents the amount due for per diem in lieu of subsistence from October 20, 1944, to October 17, 1945, while an employee of the War Department, and for mileage at 4½ cents per mile for use of a privately owned automobile for some 2,700 miles: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

M. S. DAVIS

The Clerk called the bill (H. R. 7810) for the relief of M. S. Davis.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That M. S. Davis, certifying officer in the Department of Commerce, Civil Aeronautics Administration, Washington, D. C., be, and she is hereby, relieved of financial liability for an excess payment in the sum of $803.03, which amount was expended on D. O. voucher No. 27851 in July 1943, under symbol 207–525, and the Comptroller General is authorized and directed to take action to grant the said relief: *Provided*, That this act shall not be construed to bar recovery of the amount herein specified from the corporation, or assignee thereof, to which such amount was paid.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE WASHINGTON

The Clerk called the bill (H. R. 1503) for the relief of George Washington.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Attorney General is authorized and directed to cancel forthwith any outstanding warrant of arrest, order of deportation, warrant of deportation, and bond in the case of the alien George Washington, of San Bernardino, Calif., and is further directed not to issue hereafter any such warrants or orders in the case of such alien. For the purposes of the immigration and naturalization laws, the said George Washington shall be held and considered to have been lawfully admitted, at Calexio, Calif., on April 14, 1940, to the United States for permanent residence.

With the following committee amendment:

Page 1, line 8, after the word "alien", insert the following: "insofar as concerns any conviction or admission of the commission of a crime of which the Department of Justice and the Department of State have knowledge on the date of enactment hereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEILAH BEGUM ALAOUI MULLIN

The Clerk called the bill (H. R. 1585) for the relief of Leilah begum Alaoui Mullin.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of the immigration laws, Leilah begum Alaoui Mullin shall be held and considered to have been lawfully admitted to the United States for permanent residence on January 18, 1948, when she arrived in the United States as a student.

SEC. 2. Upon the enactment of this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Turkey for the first year that such quota number is available.

With the following committee amendment:

Page 1, line 6, strike out "when she arrived in the United States as a student" and insert "upon the payment of the required visa fee and head tax."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NICHOLAS G. HADJIPATERAS ET AL.

The Clerk called the bill (H. R. 3921) for the relief of Nicholas G. Hadjipateras, Pipitsa N. Hadjipateras, and Costas N. Hadjipateras.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That for the purpose of the immigration and naturalization laws, the aliens Nicholas G. Hadjipateras, Pipitsa N. Hadjipateras, and Costas N. Hadjipateras, all of New York, shall be held and considered to have been lawfully admitted, in 1947, to the United States for permanent residence. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct three numbers from the quota for Greece for the first year that such quota numbers are available.

With the following committee amendments:

Page 1, line 4, strike out "G" and insert "C."

Page 1, line 8, after "residence", insert "upon the payment of the required visa fee and head tax."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "A bill for the relief of Nicholas C. Hadjipateras, Pipitsa N. Hadjipateras, and Costas N. Hadjipateras."

A motion to reconsider was laid on the table.

MARIA HOFFMAN

The Clerk called the bill (H. R. 4014) for the relief of Maria Hoffman.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That for the purposes of the immigration and naturalization laws, the alien Maria Hoffman, of Saint Paul, Minn., who entered the United States in July 1948 as a temporary visitor, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her entry therein. Upon the enactment of this Act, the Secretary of State shall instruct the proper quota-control officer to make appropriate deduction of one number from the Austrian quota.

With the following committee amendment:

Page 1, line 8, after the word "therein," insert: "upon the payment of the required visa fee and head tax."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JEANNETTE PASSAYANNI-CAPODISTRIA

The Clerk called the bill (H. R. 4601) for the relief of Jeannette Passayanni-Capodistria.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration laws, the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Jeannette Passayanni-Capodistria who entered the United States on June 13, 1947, at New York, N. Y.

SEC. 2. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Greece of the first year that such quota number is available.

With the following committee amendment:

Page 1, line 7, after "New York", insert: "upon the payment of the required visa fee and head tax."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. GUNNBORG JANZON HAMILTON

The Clerk called the bill (H. R. 6578) for the relief of Mrs. Gunnborg Janzon Hamilton.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration laws, the provisions of the eleventh category of section 3 of the Immigration Act of 1917, as amended (U. S. C., 1946 ed., title 8, sec. 136 (c)), shall not hereafter apply to Mrs. Gunnborg Janzon Hamilton, of Stockholm, Sweden, Swedish wife of Louis E. Hamilton, of Mobile, Ala., a citizen of the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That, notwithstanding the provisions of the eleventh category of section 3 of the Immigration Act of 1917, as amended (8 U. S. C. 136 (e)), Mrs. Gunnborg Janzon Hamilton, of Stockholm, Sweden, the wife of Louis E. Hamilton, of Mobile, Ala., a citizen of the United States, may be admitted to the United States for permanent residence if she is found otherwise admissible under the provisions of the immigration laws."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGES JULES LOUIS SAUVAGE

The Clerk called the bill (H. R. 6657) for the relief of Georges Jules Louis Sauvage.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration laws the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Georges Jules Louis Sauvage as of July 28, 1947, the date he was lawfully admitted to the United States.

SEC. 2. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for France of the first year that such quota number is available.

With the following committee amendments:

Page 1, line 6, strike out "July 28, 1947" and insert "October 11, 1947."

Page 1, line 6, after "United States", insert "upon the payment of the required visa fee and head taxes."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SIRIUS PROESTOPOULOS

The Clerk called the bill (H. R. 6707) for the relief of Sirius Proestopoulos.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration laws, the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Sirius Proestopoulos who entered the United States on October 6, 1946, at New York, N. Y.

SEC. 2. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Greece of the first year that such quota number is available.

With the following committee amendment:

Page 1, line 7, after "New York", insert "upon the payment of the required visa fee and head taxes."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIYAKO HORIKOSHI

The Clerk called the bill (H. R. 7613) for the relief of Miyako Horikoshi and her minor daughter.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the provisions of the immigration laws relating to the exclusion from the United States of aliens inadmissible because of race shall not hereafter apply to Miyako Horikoshi (the Japanese fiancée of William I. Spaulding, a United States citizen and World War II veteran) and her minor daughter, Mable Miya. The said Miyako Horikoshi and her minor daughter shall be eligible for admission to the United States as nonimmigrant temporary visitors for a period of 3 months if the appropriate administrative authorities find that the said Miyako Horikoshi is coming to the United States with a bona fide intention of being married to the said William I. Spaulding and that she is otherwise admissible under the immigration laws. If the marriage between the above-named parties does not occur within 3 months after the temporary admission of the said Miyako Horikoshi and her minor daughter, she and her minor daughter shall be required to depart from the United States and upon failure to do so shall be deported in accordance with sections 19 and 20 of the Immigration Act of February 5, 1917, as amended (U. S. C., 1946 ed., title 8, secs. 155 and 156). If the above-named parties are married within 3 months after the temporary admission of the said Miyako Horikoshi and her minor daughter, the Attorney General is authorized and directed to record the lawful admission of the said Miyako Horikoshi and her minor daughter to the United States for permanent residence.

With the following committee amendment:

Strike out all after the enacting clause and insert "That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, excluding persons ineligible to citizenship from admission to the United States, shall not apply to Mrs. Miyako Horikoshi Spaulding and Mabel Miya Spaulding, the wife and child, respectively, of William I. Spaulding, a citizen of the United States and an honorably discharged veteran of World War II."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read "A bill for the relief of Mrs. Miyako Horikoshi Spaulding and Mabel Miya Spaulding."

A motion to reconsider was laid on the table.

YUKI SUGIMOTO

The Clerk called the bill (H. R. 8061) for the relief of Yuki Sugimoto and her minor son.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, excluding persons ineligible to citizenship from admission to the United States, shall not apply to Yuki Sugimoto and her minor son, David. If otherwise admissible under the immigration laws, the said Yuki Sugimoto and her minor son shall be granted admission to the United States as nonquota immigrants for permanent residence upon application hereafter filed.

With the following committee amendment:

Page 1, line 7, strike out all of lines 7 down to and including the word "filed" in line 11, and insert: "To Mrs. Yuki Sugimoto Murphy and David Murphy, the wife and child respectively, of Mr. Richard Murphy, a citizen of the United States and an honorably discharged veteran of World War II."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MICHIKO KOHGA

The Clerk called the bill (H. R. 8069) for the relief of Michiko Kohga.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, excluding persons ineligible to citizenship from admission to the United States, shall not apply to Michiko Kohga. If otherwise admissible under the immigration laws, the said Michiko Kohga shall be granted admission to the United States as a nonquota immigrant for permanent residence upon application hereafter filed.

With the following committee amendment:

Page 1, line 7, after the period, strike out down to and including the word "filed" in line 10, and insert "Kohga Brooks, the Japanese wife of Robert L. Brooks, a citizen of the United States and a member of the Armed Forces of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KIMIKO ISO

The Clerk called the bill (H. R. 8073) for the relief of Kimiko Iso and her minor daughter Midori.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, excluding from the United States persons ineligible to citizenship, shall not apply to Kimiko Iso and her minor daughter, Midori. If otherwise admissible under the immigration laws, the said Kimiko Iso and her minor daughter, Midori, shall be granted admission to the United States as nonquota immigrants for permament residence upon application hereafter filed.

With the following committee amendment:

Strike out all after the enacting clause and insert "That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Kimiko Iso, the Japanese fiancée of Kunio William Kawata, a citizen of the United States and an honorably discharged veteran of World War II, and her daughter, Midori, and that the said Kimiko Iso and her above-named daughter may be eligible for visas as nonimmigrant temporary visitors for a period of 3 months: *Provided*, That the administrative authorities find that the said Kimiko Iso is coming to the United States with a bona fide intention of being married to said Kunio William Kawata, and that they are found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Kimiko Iso and her daughter, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-mentioned parties shall occur within 3 months after the entry of Kimiko Iso and her daughter, the Attorney General is authorized and directed to record the lawful admission for permanent residence of them as of the date of their payment by them of the required visa fees and head taxes."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELONA SCHWIETZA

The Clerk called the bill (H. R. 8134) for the relief of Elona Schwietza.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration laws, Elona Schwietza, the fiancée of William R. Duckett, a United States citizen and an honorably discharged veteran of World War II, may be eligible for a visa as a nonimmigrant visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Elona Schwietza is coming to the United States with a bona fide intention of being married to said William R. Duckett and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Elona Schwietza, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C. title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Elona Schwietza, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Elona Schwietza, as of the date of her entry into the United States, upon the payment by her of the required fees and head taxes.

With the following committee amendments:

On page 1, line 6, after the words "War II" insert "and her son, William Ronald."

On page 1, line 6, strike out the words "a visa" and insert in lieu thereof "visas."

On page 1, line 6, after the words "may be eligible for a visa as" strike out the word "a."

On page 1, line 6, strike out the word "visitor" and insert in lieu thereof the word "visitors."

On page 2, line 3, after the name "Schwietza" insert "and her son, William Ronald, they."

On page 2, line 3, before the words "shall be required" strike out the word "she."

On page 2, line 11, after the name "Elona Schwietza" add "and her son, William Ronald."

On line 12, strike out the word "her" and insert in lieu thereof the word "their."

On line 13, strike out the word "her" and insert in lieu thereof the word "them."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Elona Schwietza and her son."

A motion to reconsider was laid on the table.

CHIYOKO AKASHI

The Clerk called the bill (H. R 8153) for the relief of Chiyoko Akashi.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the provisions of section 13 (c) of the Immigration Act of 1924, as amended, relating to the exclusion of aliens inadmissible because of race, shall not hereafter apply to Chiyoko Akashi, the Japanese fiancée of Mr. Dick Oda, a citizen of the United States and a veteran of World War II, and that said Chiyoko Akashi may be eligible for a nonquota immigration visa if she is found otherwise admissible under the immigration laws: *Provided*, That the administrative authorities find that marriage between the above-named parties occurred within 3 months immediately succeeding the enactment date of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NICOLAE G. CARANFIL

The Clerk called the bill (H. R. 8284) for the relief of Nicolae G. Caranfil and his family.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 1304, be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the Senate bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration and naturalization laws, Nicolae G. Caranfil, his wife, Eufrosina, and their son, Andrei Georges, shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of their last entry into the United States upon payment of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct appropriate numbers from the nonpreference category of the proper immigration quota or quotas.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H. R. 8284, was laid on the table.

RAIEF NEAHEM, ET AL.

The Clerk called the bill (H. R. 8450) for the relief of Raief Neahem, Iffef Neahem, and Ihsen Neahem.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of the immigration and naturalization laws, Raief Neahem, Iffef Neahem, and Ihsen Neahem, the minor grandchildren of Calil Shibley, a United States citizen, shall be held and considered to be the alien natural-born children of the said Calil Shibley.

With the following committee amendment:

Strike out all after the enacting clause and insert "That in the administration of the immigration and naturalization laws the provisions of section 4 (a) and 9 of the Immigration Act of 1924, as amended, pertaining to unmarried children under 21 years of age of a citizen of the United States, shall be held to be applicable to the aliens Raief Neahem, Iffef Neahem, and Ihsen Neahem, minor grandchildren of Calil Shibley, a citizen of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. TAKIE SATO KEATING ET AL.

The Clerk called the bill (H. R. 8584) for the relief of Mrs. Tokie Sato Keating, Terry Yoichi Keating, and Betty Jean Keating.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, notwithstanding any provision of law excluding from admission into the United States persons of races ineligible to citizenship, Mrs. Tokie Sato Keating, Terry Yoichi Keating, and Betty Jean Keating, the Japanese wife and children respectively of Harlow James Keating, a citizen of the United States and an honorably discharged veteran of World War II, shall be deemed for the purposes of the immigration and naturalization laws to be nonquota immigrants.

With the following committee amendment:

Strike out all after the enacting clause and insert "That in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, excluding from the United States aliens ineligible to citizenship, shall not hereafter apply to Mrs. Tokie Sato Keating, Terry Yoichi Keating, and Betty Jean Keating, the Japanese wife and children, respectively, of Harlow James Keating, a citizen of the United States and an honorably discharged veteran of World War II."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REV. ANDREW CHAI KYUNG WHANG

The Clerk called the bill (H. R. 8759) for the relief of Rev. Andrew Chai Kyung Whang.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, notwithstanding the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States persons who are ineligible to citizenship, Rev. Andrew Chai Kyung Whang, a native of Korea, shall be considered to have been lawfully admitted to the United States for permanent residence as of the date of his last lawful entry into the United States.

With the following committee amendment:

At the end of the bill insert "upon the payment of the required visa fee and head taxes."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. NOBUKO YONASHIRO MARTIN AND GERALD PHILIP MARTIN

The Clerk called the bill (H. R. 8741) for the relief of Mrs. Nobuko Yonashiro Martin and Gerald Philip Martin.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, excluding from the United States aliens ineligible to citizenship, shall not hereafter apply to Mrs. Nobuko Yonashiro Martin and Gerald Philip Martin, wife and minor son, respectively, of James L. Martin, a United States citizen and World War II veteran.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. YOSHIKO OGISO PETERSON

The Clerk called the bill (H. R. 8751) for the relief of Mrs. Yoshiko Ogiso Peterson.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exlude from admission to the United States aliens who are ineligible to citizenship, shall not hereafter apply to Mrs. Yoshiko Ogiso Peterson, the wife of William Francis Peterson, formerly of the United States Air Force, a citizen of the United States and honorably discharged veteran of World War II.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. EIKO YOSHIZAWA LENDRUM AND CHARLES ROBERT LENDRUM, JR.

The Clerk called the bill (H. R. 8794) for the relief of Mrs. Eiko Yoshizawa Lendrum and Charles Robert Lendrum, Jr.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration laws, section 13 (c) of the Immigration Act of 1924, as amended, which excludes from the United States persons ineligible to citizenship, shall not hereafter apply to Mrs. Eiko Yoshizawa Lendrum and Charles Robert Lendrum, Jr., Tokyo, Japan, Japanese wife and minor son, respectively, of Charles Robert Lendrum, a United States citizen now serving in Japan with the Armed Forces of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOKUKO MURAYAMA

The Clerk called the bill (H. R. 8824) for the relief of Tokuko Murayama.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Tokuko Murayama, the Japanese financée of Richard Joseph Lange, a citizen of the United States and an honorably discharged veteran of World War II, and that Tokuko Murayama may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Tokuko Murayama is coming to the United States with a bona fide intention of being married to said Richard Joseph Lange, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Tokuko Murayama, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Tokuko Murayama, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Tokuko Murayama as of the date of her entry into the United States, upon the payment by her of the required fees and head tax.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CLAUDE MORITA AND RODNEY MORITA

The Clerk called the bill (H. R. 8956) for the relief of Mrs. Claude Morita and Rodney Morita.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which excludes from admission to the United States persons who are ineligible to citizenship, shall not apply to Mrs. Claude Morita (nee Chizuko Yamasaki) and son Rodney Morita, natives of Japan, the wife and son of Claude Morita, a citizen of the United States and an honorably discharged veteran of World War II. If otherwise admissible, Mrs. Claude Morita and minor child, Rodney, shall be deemed eligible for admission into the United States under the provisions of section 4 (a) and 9 of the Immigration Act of 1924, as amended.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOW WAY HONG

The Clerk called the bill (S. 381) for the relief of Low Way Hong.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of the immigration and naturalization laws, Low Way Hong, the minor child of Low Wen Been, a citizen of the United States, shall be considered as eligible for admission to the United States under the provisions of sections 4 (a) and 9 of the Immigration Act of 1924, if otherwise admissible under the immigration laws.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SISTER STEFANIA CUPRYS

The Clerk called the bill (S. 587) for the relief of Sister Stefania Cuprys.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That for the purposes of the immigration and naturalization laws Sister Stefania Cuprys shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her last entry into the United States, upon payment of the required visa fee and head tax. Upon the enactment of this Act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LORENZO BUIRA SARRATE

The Clerk called the bill (S. 848) for the relief of Lorenzo Buira Sarrate.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration and naturalization laws Lorenzo Buira Sarrate, of Silver Spring, Md., who was admitted into the United States on a temporary visa on December 28, 1947, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon the payment by him of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Spain.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMY ALEXANDROVNA TAYLOR AND MYRNA TAYLOR

The Clerk called the bill (S. 1049) for the relief of Amy Alexandrovna Taylor and Myrna Taylor.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Attorney General be, and he is hereby, directed to cancel forthwith the outstanding warrant of arrest, order of deportation, warrant of deportation, and bond, if any, in the cases of Amy Alexandrovna Taylor and her daughter, Myrna Taylor, of San Francisco, Calif., and is directed not to issue any further warrants or orders in the cases of such aliens, insofar as such further warrants are based on any unlawful entry of such aliens into the United States prior to the enactment of this act. Hereafter for the purposes of the immigration and naturalization laws, such aliens shall be considered to have legally entered the United States on the date of their entry May 6, 1945, at the port of San Francisco, Calif., and to have been lawfully admitted to the United States for permanent residence. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officers to deduct the necessary numbers from the appropriate quota for the first year such quota is available.

With the following committee amendment:

Page 2, line 5, after "residence", insert "upon the payment of the required visa fees and head taxes."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSE DA SILVA

The Clerk called the bill (S. 1347) for the relief of Jose Da Silva.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Attorney General is hereby directed to cancel the warrant of arrest, warrant of deportation, and any outstanding bond or bonds, in connection with existing deportation proceedings against Jose Da Silva, of Norton, Mass., an alien legally admitted into the United States on May 30, 1944. The Attorney General is likewise directed not to issue any further such warrants of arrest or warrants of deportation against the said Jose Da Silva based upon the grounds upon which the present proceedings are founded.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS NICHOLAS EPIPHANIADES ET AL.

The Clerk called the bill (S. 1792) for the relief of Thomas Nicholas Epiphaniades and Wanda Julia Epiphaniades.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Attorney General be, and he is hereby, authorized and directed to record Thomas Nicholas Epiphaniades as having entered the United States for permanent residence on May 21, 1948, and Wanda Julia Epiphaniades as having entered the United States for permanent residence on May 20, 1948. Upon the enactment of the act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Greece of the first year that the said quota is available, and one number from the quota for the Union of Soviet Socialist Republics of the first year that the said quota is available.

With the following committee amendment:

On line 8, after the date "1948", change the period to a comma and add "upon the payment of the required visa fees and head taxes."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARCANTONIO DORIA D'ANGRI ET AL

The Clerk called the bill (S. 1869) for the relief of Marcantonio Doria d'Angri and his wife, Sonia Stampa Doria d'Angri.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration and naturalization laws, Marcantonio Doria d'Angri and his wife, Sonia Stampa Doria d'Angri, citizens of Italy, who last entered the United States at the port of New York, on May 29, 1948, as visitors, shall be deemed to have been lawfully admitted to the United States for permanent residence as of the date of their last entry, upon payment by them of the required visa fees and head taxes.

SEC. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the nonpreference category of the first available quota for nationals of Italy.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARCO MUROLO ET AL.

The Clerk called the bill (S. 2231) for the relief of Marco Murolo and his wife, Romana Pellis Murolo.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration and naturalization laws, Marco Murolo and his wife, Romana Pellis Murolo, shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of their last entry into the United States, upon payment of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such numbers are available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TEVFIK KAMIL KUTAY

The Clerk called the bill (S. 2243) for the relief of Tevfik Kamil Kutay.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That notwithstanding the first proviso of section 3 (a) of the Selective Training and Service Act of 1940, as amended, and sections 13 (c) and 28 (c) of the Immigration Act of 1924, as amended, the alien Tevfik Kamil Kutay, of Los Angeles, Calif., a national of Turkey who entered the United States at New York, N. Y., on September 19, 1939, for a temporary stay as a student, and whose wife and minor daughter are residents and citizens of the United States, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of such date of entry. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Turkey for the first year such quota is available.

With the following committee amendment:

Page 2, line 2, after the word "entry" change the period to a comma and insert the following: "upon the payment of the required visa fee and head tax."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HO PAAK-SUI

The Clerk called the bill (S. 2349) for the relief of Ho Paak-Sui.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration and naturalization laws, Ho Paak-Sui (alias P. S. Ho), of Indianapolis, Ind., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the proper immigration quota.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUZINA SKALOVA

The Clerk called the bill (S. 2462) for the relief of Ruzina Skalova.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That Ruzina Skalova, a native and citizen of Czechoslovakia now residing in Cizice, Czechoslovakia, the fiancée of Lloyd Koehmstedt, a citizen of the United States and an honorably discharged veteran of the armed forces of the United States during World War II, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Ruzina Skalova is coming to the United States with the bona fide intention of being married to the said Lloyd Koehmstedt, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of the said Ruzina Skalova, she shall be required to depart from the United States, and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event that the marriage between the above-named parties shall occur within 3 months after the entry of the said Ruzina Skalova, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Ruzina Skalova as of the date of her entry into the United States upon the payment of the required head tax and visa fee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YAYOKO KOBAYASHI ET AL.

The Clerk called the bill (S. 2575) for the relief of Yayoko Kobayashi and June Kobayashi, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Yayoko Kobayashi, the Japanese fiancée of Ted Ladke, a citizen of the United States and an honorably discharged veteran of World War II, and her daughter, June Kobayashi, and that said Yayoko Kobayashi and her above-named daughter may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Yayoko Kobayashi is coming to the United States with a bona fide intention of being married to said Ted Ladke, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Yayoko Kobayashi and her daughter, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, sections 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of Yayoko Kobayashi and her daughter, the Attorney General is authorized and directed to record the lawful admission for permanent resident of them as of the date of their entry into the United States, upon the payment by them of the required fees and head tax.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVZEN SYROVATKA AND WIFE

The Clerk called the bill (S. 2662) for the relief of Evzen Syrovatka and his wife.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration and naturalization laws, Evzen Syrovatka and his wife, Vera, shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of their last entry into the United States upon

payment of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct appropriate numbers from the nonpreference category of the proper immigration quota or quotas.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAUM IONESCU AND WIFE

The Clerk called the bill (S. 2682) for the relief of Naum Ionescu and his wife.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration and naturalization laws, Naum Ionescu and his wife, Irene Mihaela, shall be held and considered to have been lawfully admitted into the United States for a permanent residence as of the date of their last entry into the United States upon payment of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct appropriate numbers from the nonpreference category of the proper immigration quota or quotas.

The bill was ordered to be read a third time, was read a the third time, and passed, and a motion to reconsider was laid on the table.

MRS. VERNON B. RASMUSSEN

The Clerk called the bill (S. 2735) for the relief of Mrs. Vernon B. Rasmussen.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended (U. S. C., title 8, sec. 213 (c)), which excludes from admission to to the United States persons who are ineligible to citizenship, shall not hereafter apply to Mrs. Vernon B. Rasmussen, wife of an American citizen, and that the said Mrs. Vernon B. Rasmussen may be permitted to enter the United States as a nonquota immigrant for permanent residence if otherwise admissible under the provisions of the immigration and naturalization laws.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIE DE CHAMPOURCIN

The Clerk called the bill (S. 2745) for the relief of Marie De Champourcin.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration and naturalization laws, Marie De Champourcin, of Brattleboro, Vt., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her last entry into the United States, upon payment of the required visa fee and head tax. Upon enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of the Philippine Islands.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORTUNATO GIULIO TORRE

The Clerk called the bill (S. 2795) for the relief of Fortunato Giulio Torre.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration laws, Fortunato Giulio Torre shall be held and considered to have been lawfully admitted to the United States for permanent residence as of October 1, 1948, the date on which he entered the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota of Italy.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STEFANIE PFISTER AND HILDEGARDE WEBER

The Clerk called the bill (S. 3007) for the relief of Stefanie Pfister and Hildegarde Weber.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of the immigration and naturalization laws, Stefanie Pfister and Hildegarde Weber who are presently residing in Austria, and who have been adopted by Mr. and Mrs. Carl Pfister, of New Britain, Conn., shall be deemed to be the natural-born alien children of said Mr. and Mrs. Carl Pfister.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called the concurrent resolution (S. Con. Res. 91) favoring the suspension of deportation in the case of certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

A-1073930, Abramovich, Esther (nee Edelman).
A-2795324, Adler, Anton Joseph.
A-7597471, Afable, Trinidad Barcelon.
A-7083947, Aigner, Thomas Siegfried.
A-4690550, Alonso, Juan Vidal.
A-5905367, Alvarado-Tinajero, Alfonso, or Alfonso Ramirez-Mendoza.
A-6071124, Alvarez, Jose.
A-3408841, Ammouri, Naim Moussa, or Neal Korey.
A-1706235, Andrato, Gregorio, or Gregorio Andrade.
A-9798597, Andreadis, Marie Chris, or Mary Chris Andreadis or Maria G. Hadjigeorgiou or Maria Hadjigeorgiou.
A-7127004, Andreu, Clarivel Azcuy y.
A-4508770, Arico, Mary (nee Magadding or Concetta Catanzaro).
A-6722069, Arrieta-Gobantes, Genaro.
A-2643410, Artinian, George Kevork (alias Kevord Palutzian).
A-1247435, Atanasoff, Peter Petooff, or Peter Petooff.
A-1890139, Bagley, Jeanne Modeste (nee Milet).
A-1333743, Bainbridge, Harry.
A-7629835, Bak, Wong Sing, or Sing Bak Wong or Wong Hick Chuen or Wong Dock or Wong Dock Sou.
A-4732147, Barajas-Macias, Miguel, or Miguel Barajas-Macias.
A-2033912, Barrow, Albertha Geraldine.
A-3993487, Barsan, Frank, or Sofron or Sofronie Barsan or Borson.
A-1721963, Beiro, Jesus Garcia.
A-6178550, Bell, Maybelle Lillian (Ditcham), or Maybelle Lillian Ditcham.
A-9536179, Beltran, Jose Bernabeu, or Jose Bernabeu.
A-4879671, Bembibre, Elisardo Dieguez y, or Elisardo Dieguez.
A-3256622, Bemelmans, Anton Hubert, or Mathew Jansen.
A-7680070, Bennett, Sophy (nee Ellis).
A-6303939, Benson, Heman, or Hemon Benson.
A-4887477, Berkon, Morris Joseph, or Jose Barrkan.
A-9517718, Bernsten, Reidar Norman Hansen.
A-3203835, Bidabe, Pedro Morales, or Pete Bidabe.
A-1995970, Billi, Gyorgy, or George Bally.
A-1524597, Block, Stanislaw Marius, or Marius Stanley Block or George Grot.
A-3083136, Borst, William Frederick Ernst (also William Frederick Borst).
A-4543975, Bosch, Maria, or Maria Gasne y Valencia De Bosch.
A-3103042, Brozda Bruno Ludwig.
A-5001294, Burkle, Angela Augusta (nee Trentmann).
A-7036031, Bustamante, Pedro.
A-1598070, Cabrera, Luis Quiros, or Luis Quiros.
A-2069246, Caneira, Joao Antonio; John Antonio Lavarado; Joao Caneira Lavarado.
A-7043831, Cannon, John Dyson.
A-7043832, Cannon, Patricia Ivy.
A-2355501, Caputo, Andrew or Andrea.
A-9776952, Carlson, Carl Ivar, or Karl Ivar Karlsson.
A-3191788, Carpico, Lorenzo (alias Lawrence Carpico).
A-3071829, Carrasco, Therese (nee Teresa Preciado).
A-4000004, Catania, Vincenzo, or James Catania.
A-5156654, Catingub, Glicerio Tenchavez, or Glicerio Serna, Sam Lohn.
A-6165565, Catingub, Saturnina Reyes.
A-5162757, Chandler, Eustace Anysley (alias George Chandler).
A-6372204, Chateau, Felix Victor Henri, or Felix Chateau or Felix Victor Chateau.
A-3650263, Chau, Gee Lun, or Lew Shee (Lew Gee Lun) or Lew Gee Lun or Lee Shee.
A-7018212, Chau, Lim Hung, or Chau Lim Hung or Chau (Jew) Lim Hung or Henry Chau.
A-6504925, Chien, Helen Jeanne.
A-7755529, Chen, Tung Chang.
A-2076118, Chen, Tung-Yu, or Jeannette Chen or Tung-Yu Jeannette Chen.
A-5826240, Chernos, Joseph.
A-9670160, Christensen, Jens.
A-5089823, Conde, Jose.
A-3789517, Coppa, Carmelo.
A-2796364, Curran, Owen Gerard.
A-3433741, Czaikowsky, Jozef, or Joseph Choda.
A-1049862, Da Graca, Eduardo (alias Edward Grace).
A-2758574, Da Silva, Antonio Joaquim.
A-6219984, Dactylidis, Evangelos Dimitrios.
A-5906293, De Castro, Enid Marjorie.
A-1638731, De Escobedo, Teresa Villa Michel (nee Michel).
A-3410879, De Flores, Luisa Chavarria, or Luisa Chavarria-Reyes.
A-4445601, De Llamas, Maria Del Refugio Esquivel.

A-2170883, De Lopez, Marta Mendoza, or Marta Mendoza de Munoz.
A-2551054, De Martinez, Eulogia Reyna, or Eulogia Reyna or Eulogia Reyna De Picasie.
A-4367525, De Mendonca, Juliao Furtado, or John Rodrigues or John Furtado.
A-5071175, De Rodriguez, Alejandra Gonzalez Delgadillo.
A-4639473, Rodriguez, Leon Garcia.
A-2132195, De Rosas, Maria Agundez.
A-3670199, Deneau, Marvin.
A-5324331, Derosier, Maisie Mary, or Maisie Mary Derosa or Maisie Derosier.
A-3033637, Desmarais, Estela Emma.
A-2091253, Deveau, Harry Henry.
A-2091250, Deveau, Marie Domethilde, or Marie Le Blanc.
A-6013915, Diaz-Lomeli, Toribio, or Juan Perez or Jose Miranda.
A-3471413, Dienesch, Johann, or John Dienesch.
A-4583763, Dilalla, John, or Giovannattonio Dilalla.
A-3567943, Dimitroff, Milenko, or Milo Dimitroff or Milenko Demetroff or Milo Demetroff or Mike Dimitroff or Menelaos Diom Milianis.
A-1515700, Dollah, Amir Bin, or Winalaeng Anthony or Hermanus or Herman Anthony.
A-6799286, Duff, William.
A-6507254, Durazo-Murillo, Jose Trinidad.
A-6507255, Durazo-Murillo, Mercedes.
A-9663540, Eide, Malvin Hansen, or Melvin Hansen Eide.
A-5504980, Einheiber, Schame Berl, or Sidney Berl Einheber or Schame Berl Einheiber (alias Sidney Berl Einheber alias Jack Orman or Jack Orman).
A-6012098, Esteves, Manuel Rosales.
A-1181383, Estwick, Saint Clair Aubrey.
A-2092286, Evtikhieff, Alexander Nicholas.
A-1999836, Evtikhieff, Taistai (nee Blinoff).
A-3077848, Falquez, Guadalupe Gomez, or Guadalupe Gomez or Guadalupe Aguirre or Guadalupe Gomez Fontes or Guadalupe Gomez Olvera.
A-9692081, Fatovic, Ante, or Anthony Fatovic.
A-6738872, Faur-Kovach, Anna (nee Savony).
A-2140994, Fernandes, Antonio, or Antonio Fernandez Cortez.
A-2041676, Fernandez-Mendez, Jose.
A-2541466, Filipas, George, or Giorgio Filipas.
A-3406284, Flaman, Joseph, or Joseph Fleming.
A-2072204, Fohr, Terezia, or Terezia Mueller.
A-6607070, Fong, Yee Get, or Fong Yee Get.
A-1762447, Fung, Ka, or Carl Fung.
A-1352659, Gajdos, Andrew, or Ondrej Gajdos.
A-6877284, Galaviz, Antonio, or Antonio Galaviz Valdez or Antonio Galaviz Medina or Juan Antonio Galaviz.
A-3619996, Ganazlez, Biendenido Teodoro.
A-2927340, Gandolfo, Pietro, or Pete Gandolfo.
A-2920632, Gasca, Gabriel.
A-3822948, Gee, Chung Yuk, or Chung Shee or Lam Kee or Lum Chun Shee or Chee.
A-2771315, Gold, Sam, or Schmelich Kogonovitch.
A-2466303, Goldfarb, Olga Caplin, or Olga Goldfarb Moskowitz or Anna Moskowitz or Rachael Bader.
A-4982285, Gomez, Joseph Isabel, or Joseph I. Castillo.
A-2228918, Goncar, Joseph or Joseph Goncar Smith.
A-6874339, Gonzales-Madrigal, Salvador.
A-3507776, Gray, Mary, or May Mackintosh.
A-3173905, Greenfield, Ben.
A-6370246, Griffith, Pamela Ann or McGuire.
A-6228873, Griffith, Victoria Mary (nee de Leon).
A-9610888, Grimanis, Demetrios.
A-2115015, Groll, Majer Marcus, or Mayer Groll or Mark Groll.
A-1832812, Guerrero, Louisa Torres, or Luisa Torres.
A-2106915, Gugliotti, Carmine, or Charles Gugliotti.
A-3427623, Guida, Mathilda Marion.
A-1179673, Guzman-Villalobos, Hilario.
A-5815984, Harris, Nathan Benjamin.
A-7130616, Hartung, Eckbert Michael Heinz.
A-6193008, Hassan, Sayeda Mahgoub Mohamed Hanafi, or Sayda Hahgoub Mohammed Hahafi Hassan, Sayda Mahgoub Hanafi Hassan (nee Hanafi, Sayeda Mohamed Hanafi, Sayeda Hassan).
A-3443257, Hecker, Edgar Alexander (also known as Edgar Alexander Mourey).
A-5027883, Hencke, Wilhelm Carl, or William Henke or William Kalow.
A-6623176, Herbert, Lionel Austin Lee (alias Lionel Austin Lee Triggs-Herbert).
A-2761261, Herberth, Maria.
A-2470717, Hermanovsky, Askold, or Askold Felix Hermanovsky, or Askolds Feliss Hermanovskis.
A-6502068, Hernandez, Rodolfo Rodriguez, or Rodolfo Chavez.
A-4683207, Herrmann, Charles Henry.
A-7112113, Hickman, Ingeborg (nee Killan).
A-7529791, Ho, Laura Wen-Wei Fong (nee Laura Wen-Wei Fong).
A-6081096, Hodge, Clothilda Albertha or Fahlie.
A-1665257, Hok, Quon On, or Quon On or On H. Quon.
A-1924242, Holstein, David, or Dezso Holczstein.
A-3274140, Hong, Chang Kan, or [illegible]y Hong.
A-6972382, Iovanut, Vasile.
A-7632241, Ip, Ching-U.
A-9836666, Isaksen, Isak William.
A-4268685, Jackson, Benjamin, or Benny Jackson.
A-6877614, Jaquez, Antonio.
A-9727770, Jerman, Pawel, or Pawel Korczak.
A-4195369, Kadas, James Louis, or Emeric Louis Kadas or James Kadas or Iwre Kadas.
A-4619404, Keczan, Gyorgy, or George Keczan or George Kecan.
A-2876051, Keppler, Minna.
A-6683097, Kirkinis, Peter Spyros, or Petros Spyros Kirkinis.
A-9727425, Kirs, Oskar.
A-4427244, Knudsen, Olive Beulah (nee Thompson).
A-9577325, Kollen, Derk, or Dirk Kollen.
A-5542604, Konrad, Wilhelm, or William Conrad.
A-3698401, Kontogeorge, Nick Kostas, or Nick Constantinos Kontogeorge or Nick Constinos Contogeorge.
A-3588137, Kostanoff, Atanas Naum, or Tom Kostanoff.
A-2854818, Krawciw, Stefan.
A-9731137, Kristensen, Kaare, or Kare Kristensen.
A-6909431, Kromdijk, Wilhelmus Franciscus, or William Francis Kromdijk.
A-9210605, Kruse, Hans Holger Ekkart.
A-6919688, Lamberton, Robert Ferdinand (alias Robert Hans Ferdinand Lenaerts).
A-6075392, Lamclos, Edalia Delida (nee Smith).
A-9569104, Larsen, Helge Carl.
A-9500501, Larsen, Reidar.
A-7560716, Lee, Sheridan Hsio-Tao.
A-7079666, Leidemann, Erhard Franz Rudolf.
A-7070018, Leng, Junior, Christopher.
A-6729560, Levy, George Raphael.
A-9777400, Macropoulos, Achilles Konstantine, or Achille K. Macropoulos.
A-6965313, Madamba, Jorge Arzaga.
A-2292354, Malkhasian, Maria (nee Khojayian Sinamian or Mary or Marisa Malkjasian).
A-6617917, Mandujano-Urbano, Jesus.
A-3173287, Mantzouras, Constantinos Demetrios, or Costas Mantzouras.
A-2387106, Mantzouras, Elias Demetrios, or Ilias Dimitriou Mantzouras Matsouras.
A-3987221, Mashkovzeff, Stanislava Kazemirevna.
A-6834424, Mata, Clara, or Clara Luz Mata or Clara Mata Salinas.
A-2276862, Mattina, Concetta (nee Morreale).
A-1050931, Maudrame, Theodore.
A-4693837, Maus, Jacob.
A-5128253, Maus, Katherine.
A-4358245, Maxwell, Coburn Dain.
A-2971536, Mazurkiewicz, Jan, or John Mazurkiewicz.
A-5669258, McDonnell, Ella Gertrude, or Ella Gertrude Macdonnell (nee Fitzgerald).
A-6850799, Mekota, Marie or Maria (nee Zsilinszky (Zsilinsky)).
A-9552939, Meling, Hans Kristian.
A-2021599, Meren, Joseph, or Guiseppe Meren.
A-5733476, Merry, Fanny Louisa, or Louise Merry.
A-5733477, Merry, Francis John, or Frank John Merry.
A-9567868, Mitchell, George Ernest (alias Noel Drayton).
A-5329333, Molano, Edward Joseph, or Hernando Eduard Molano or Herman Molano.
A-9776866, Molfesis, Elias Antonis.
A-3531460, Molfetas, Spyridon, or Spiros Molfetas or Molfis or Molefis.
A-4502152, Molnar, Yolanda Margaret.
A-6077556, Morales, Nicolas Concepcion.
A-6077557, Morales, Maria Wijsfinger.
A-2585410, Motecus, Frank, or Pranas Motecius.
A-4264157, Moutafis, Panagiotis, or Pete Moitis.
A-2494140, Mrazek, Emanuel, or Emanuel Mracek or Fred Koerner.
A-5068733, Natali, Gervasio, or Gerry Nata.
A-6954785, Nejman, Chaim, or Charles Nejman or Neiman.
A-3390241, Nelson, Alena, or Elena Pacinaityte or Alena Miller or Victoria Miller.
A-6442781, Neves, Joaquim Duarte (alias Jack Duarte).
A-5653460, Ogilvie, Donald Fitzgerald, or Donald Fitzgerald Bloomfield.
A-9741619, Olsen, Ole Alfred.
A-7198339, Osinga, Ellen Marjorie Hephzibah, or Ellen M. Osinga.
A-2647493, Palomba, Salvatore.
A-2596917, Panagopoulos, Efthimios Peter, or Tom Peter Poulos.
A-3132671, Panos, Andonios, or Tony Panoff, or Doncho Mincoff.
A-6032529, Park, Elizabeth Gertrude (formerly Elizabeth Gertrude Reed).
A-6800421, Pascu, Elena.
A-6799098, Pascu, Livia.
A-3878965, Passalacqua, Silvio.
A-3995683, Pasut, Agostino.
A-2712841, Pazos, Manuel Fernandez, or Manuel Fernandez Pazos.
A-6844392, Pearson, Samah Alexander.
A-9653913, Pedersen, Karl Leo, or Carl Leo Pedersen.
A-6877608, Perez, Ignacio.
A-6877595, Perez, Juan.
A-1382539, Perez, Jose Baldemero, or Jose Perez Lloret.
A-2402258, Perreman, Pierre Gustaaf, or Peter Gus Perreman.
A-5180458, Person, Nils Nilson, or Nils Nilsson Rodrich or Nils Nilsson (also known as Frank Nelson or Nils Nelson or Nils Rodrick).
A-4859297, Petillo, Eduardo, or Edward Petillo or Frank Petillo.
A-5755874, Pierce, Anne Rita.
A-3610998, Pierce, James Bernard.
A-1913858, Pissolito, Pietro, or Pete Pissolto or Pete Pissolito.
A-5144863, Ponsen, Gerrit Dionisius Jacques Cornelis, or Joseph Dionsisius Posum.
A-7776187, Ponton, Manuel Rivas (alias Manuel Rivas y Ponton or Manuel Rivas).
A-9770748, Pouillion, Pierre, or Pierre Pouillon.

A-3080909, Pousatis, Vasilios Michael (alias Bill Hatzes).
A-2017756, Pouso, John, or John Poso or Juan Pouso or John Poseo.
A-2903907, Primosigh, Gustav Viktor.
A-1120352, Raavik, August Taaniel.
A-2942082, Rabon, Antonio Pan, or Tony Pong.
A-4647233, Raddell, Frank, or Franc Radelj.
A-2244803, Raftopoulos, Gerasimos Sacrates, or Raftis, Jerry.
A-3219252, Rambing, Bastian, or Ratag Bastian Rambing or Arnocoukar.
A-6030615, Ramirez-Garnica, Efrain, or Ygnacio Ramirez.
A-9620323, Raphael, Cecil.
A-6581452, Rascon-Uranga, Francisco.
A-2594718, Read, Margarita Flores.
A-7127253, Ready, Bessie, Bessie Dyer (maiden name).
A-7127252, Ready, Patrick John.
A-7127254, Ready, Vincent Hugh.
A-6186308, Rebarber, Francis Joseph.
A-6970666, Rebenstock, Filip.
A-2163404, Reinartz, Klara, or Klara Schaefer or Klara Hoppe.
A-1437106, Reisinger, Martin.
A-1366369, Richardson, Albert Nicholas.
A-5973613, Richardson, Ellen Marie.
A-6790898, Rios, Rodolfo, or Rudolf Rios or Rodolfo Rios Aranda.
A-7127896, Robinson, Earl Denzil.
A-2757126, Rodrigues, Gaspar.
A-1605234, Rodriguez-Barberii, Efrain Emeterio.
A-1979902, Rodriguez, Segundo, or Segundo Rodriquez.
A-6701891, Roelofs, Johanna.
A-4909853, Roggia, Bruno.
A-2630552, Rojas, Maria Luisa, or Maria Luisa Rojas De Resendez.
A-2101118, Rojas-Gomez, Baltazar, or Baltazar Rojas.
A-2101126, De Rojas, Michaela Reyes.
A-3307202, Rojas-Reyes, Catalina.
A-7747414, Roos, Pieter Cornelis.
A-6987959, Roos, Helen Elizabeth (nee Pigeon).
A-6107227, Rubio-Sanchez, Sebastian (alias Sebastian Sanchez Rubio; Rubio S. Sanchez).
A-5676907, Ruffoni, Antonio Geosue, or Jose Rossi or Alfred Aquistopace.
A-3148580, Rusin, John Steven (also John S. Ofsonka).
A-1169902, Sadgrove, John Edwin, or Charles Trevor Brent.
A-4882283, Sala, Jose Costa, or Jose Prats Serra.
A-2497264, Salminen, Clara Ray (formerly Freyermuth nee Hanlon).
A-1585894, Salvet, Emma, or Emma Swetonic or Svitonek.
A-4431316, Sammels, Joseph Oscar, or John Sammels or Joseph George Sammels.
A-6800625, Sanchez-Gonzalez, Gilberto, or Gilberto Sanchez or Gilberto Gonzalez Sanchez.
A-1478194, Satray, Louis Edgard, or Louis Edgard Schwartz.
A-9542586, Sauerlender, Oscar Sewell, or Oscar S. Sauerlender.
A-2554471, Savala, Manuel Reyes, or Manuel Reyes Zavala.
A-4789173, Schiller, Sigrid Augusta (nee Andriassen).
A-2850671, Schlue, Charles Wilhelm.
A-1101551, Schramm, Emma Bertha Friederike.
A-1101552, Schramm, Gustav Adolf Louis Wilhelm.
A-3541127, Scuderi, Carmelo.
A-3294369, Seid, Gam Jun, or Kam Jun Seid or Seid Kam Jun.
A-2249462, Seijas, Jose Fernandez.
A-7732182, Lemus-Serrano, Francisco, or Francisco Lemus-Serrano or Francisco Lemus Serrano.
A-3840731, Shapiro, Adeline Chagnon (alias Adeline Chagnon).
A-3718739, Siaba, Manuel, or Malvarez, Manuel Siaba or Sadamalbares, Manuel or Sabo, Manuel.
A-6390026, Sillidorff, Rita (nee Rederiksen, alias Rita Jensen).
A-3059228, Silvestri, Henri, or Henry Silvestri.
A-2037979, Simon, Magdalena.
A-4688737, Sjostrom, Isak Erick, or Eric Erickson.
A-1499807, Smolich, Augustus, or Augustin Smolich.
A-3112815, Sofikitis, Demitros, or Demetrios Sofikitis or James Sofikitis.
A-1217450, Sousouris, Louis, or Leonidas Sousouris.
A-7695213, Sove, Ole Johan.
A-3392479, Sparozich, John.
A-4365213, Spielman, Zelda, or Zelda Gizella Spielman.
A-3925742, Spinati, Nicola Mario, or Nicola Mario Spinati.
A-6466867, Stiling, Sandra Helen, or Sandra Helen Cryderman.
A-3491407, Stokel, Antonietta (nee Altea).
A-3322803, Stowe, Aubrey Edwin.
A-1690789, Struhs, Henry.
A-7539132, Sung, Henry Hsien-Yung, or Hsien Yung Sung.
A-2708363, Suzuki, Nobuo.
A-5869036, Swanton, Richard Alfred Ernest.
A-2829532, Szymanski, John Joseph.
A-2565102, Tani, Denkichi.
A-6738804, Tarango, Josefa.
A-6738805, Martinez, Ramona.
A-3712868, Thury, Elizabeth (nee Geschrey).
A-3375594, Todte, Rudolf.
A-5262345, Trojanowski, Aleksander.
A-2310191, Tsangaris, Haralambos Markos, or Harry Tsangaris.
A-6721501, Tsanopoulos, Nicholas.
A-2245831, Tsai, Albert Lou Suen, or Lou Suen Tsai.
A-7127064, Twinchek, Mary Antoinette, or Mary Antoinette Pittgrino.
A-2913790, Vallianos, Gerassimos P., or Gerry P. Vallianos.
A-6069706, Urtaza-Cabrera, Francisco.
A-5890889, Vagianos, Nicholas Michael.
A-1712592, Vakerlis, Marie George (alias Marie Keramida).
A-3488135, Valerio, Juan.
A-3488999, De Valerio, Maria Alaniz, or Maria Alaniz-Gonzales.
A-3298334, Varga, Antoniu.
A-3033959, De Vasquez, Dolores Silva, or Dolores Silva.
A-2941192, Ventouras, Ioannis Dimitrios.
A-4243716, Venturas, Christos Nicholoas (alias Chris Vans).
A-9661154, Virgo, Selvyn or Selwyn or Selvin.
A-1785079, Vittoratos, John Gerassimos, or John Victor.
A-4288432, Vlamis, Phillip T., or Filippos Vlamis.
A-3865054, Vlisides, Sam Hetros or Siamatios.
A-3934378, Wah, Lee Yow, or Lee Wah or Wah Lee or Tommy Lee.
A-1285735, Ward, Amos Alexander, or Amos Ward.
A-4988296, Warnken, Helen Agatha Marjory.
A-6323288, Weber, Doreen Florence, or Doreen Florence McCoy.
A-6855868, Westover, Edwin Harold.
A-4637806, Whangbo, Ik Jun, or Eugene Whangbo or Eugene Park Hwangbo or Ik Choon Whangbo.
A-1606634, White, Aimee Lucy De Mowbray Bone, or Aimee Lucy De Mowbray Bond.
A-1036437, White, Mary Eva (nee Mullin).
A-5481737, Wikiel, Mieczyslaw, or Mitchell M. Wickel or Mitchell Wickel.
A-5967991, Williams, Irene Constantia, or Irene Constancia Williams.
A-4360569, Wilson, Mary Augusta, or Mary Augusta Teske or Mary Teski.
A-3852010, Wing, Char.
A-1471745, Wong, Gim Foon.
A-3276345, Wong, Ho, or Pak Chung Wong.
A-7581240, Wong, Kah-King.
A-3631245, Yagoda, Jona, or Jona Jagoda or Joseph Silverman or Joe Silverman Jagoda or Jose Iesek or Iezek or Tezek or Izek.
A-1720838, Yoanou, Nicola, or Nicola Kousma Ioanou.
A-2319618, Yoshida, Toshiko.
A-5392625, Yung, Ching, or Yung Ching.
A-5978129, Zammitt, Kenneth Joseph A.
A-5978130, Zammit, Norman Charles.
A-9836063, Zorrilla, Anibal Augustin.
A-3306700, Facchin, Umberto, or Alberto Feroli.
A-4133536, Fellensteiner, Josef Harold.
A-1620715, Feola, Joseph, or Giuseppe Feola.
A-3523283, Hsih-Heng, Wang (also Si Heng Wang).
A-4126637, Wang, Louise Siu-Tuan Chen.
A-3489334, Adler, Katherina, or Katherine (nee Germani Schskaja).
A-4560155, Di Vito, Frank or Francesco.
A-4060879, Giordano, Nicola.
A-6353038, Iliades, Constantine Emanuel or Iliades, Kosstas.
A-1159822, Kim, Chang Ha.
A-6477415, Paap, Cornelia.
A-6472373, Paap, Antonie.
A-5107356, Stefenatos, Apostolos, or Apostolos Stephenatos.

With the following committee amendments:

On page 2, line 1, strike out the registration number and name, "A-6071124, Alvarez, Jose."

On page 22, after line 4, insert the registration numbers and names:

"A-1486540, Bakker, John or John Cornelius Bakker or John C. Bakker or John Baker or Jan Bakker.

"A-6792654, Contis Eleni Constantine nee Paschalis.

"A-6363849, Friedmann, Ernest.

"A-6364940, Friedmann, Alzbeta nee Gottesmann.

"A-2782729, Kuo, Ching Tsiu or Kuo Gin Chiu or Helena Gin Chiu Kuo.

"A-5360109, Linguista, Antonio Luigi.

"A-3361518, Lutschewitz, Anna Marie Elizabeth nee Elfner.

"A-72222463, Rinde, Oistein.

"A-6250408, Tsolainos, Mariongouls T. nee Coumarianos or Mariongoula Vardakas."

The committee amendments were agreed to.

The concurrent resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. SHIKAJU NAKASHIMA

The Clerk called the bill (H. R. 6463) for the relief of Mrs. Shikaju Nakashima.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That notwithstanding any provision of law excluding from admission to the United States persons of races ineligible to citizenship, Mrs. Shikaju Nakashima, Japanese mother of Sumiko Nakashima, a citizen of the United States, shall be admitted to the United States for permanent residence upon application hereafter filed and without presenting an immigration visa or other travel documents, if she is otherwise admissible under the immigration laws. Upon the admission of the said Mrs. Shikaju Nakashima to the United States for permanent residence, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Japanese quota for the first year such quota is available.

With the following committee amendment:

Strike out all after the enacting clause, and insert "That, in the administration of

the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which excludes from admission into the United States aliens who are ineligible to citizenship, shall not hereafter apply to Mrs. Shikaju Nakashima, Japanese mother of Sumiko Nakashima, a citizen of the United States; and that the said Mrs. Shikaju Nakashima shall be held and considered to be an immigrant previously admitted to the United States returning from a temporary visit abroad under section 4 (b) of the Immigration Act of 1924, as amended."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YURIKO MIZUMOTO

The Clerk called the bill (H. R. 8423) for the relief of Yuriko Mizumoto.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, relating to the exclusion from the United States of aliens ineligible to citizenship, shall not apply to Yuriko Mizumoto, Japanese fiancée of Benjamin L. Scott, a United States citizen and an honorably discharged veteran of World War II, and the said Yuriko Mizumoto shall be eligible to receive a nonquota immigration visa and be granted admission to the United States for permanent residence as a nonquota immigrant, if she is otherwise admissible under the immigration laws and if marriage between the above-named parties occurs not later than 3 months after the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ALICE N. KOZMA

The Clerk called the bill (H. R. 649) for the relief of Mrs. Alice N. Kozma.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000, to Mrs. Alice N. Kozma, of Millfield, Ohio, in full settlement of all claims of the said Mrs. Alice N. Kozma against the United States for personal injuries, hospital and medical expenses, the loss of one foot, and loss of earnings sustained as the result of an accident involving an Army truck near Gulfport, Miss., on July 12, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike all after the enacting clause and insert "That jurisdiction is hereby conferred upon the United States District Court for the Southern District of Ohio to hear, determine, and render judgment upon the claim of Mrs. Alice N. Kozma, of Millfield, Ohio, for personal injuries, medical and hospital expenses sustained as a result of an accident involving a United States Army truck near Gulfport, Miss., on July 12, 1944.

"SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, appeals therefrom, and payment of any judgment thereon, shall be in the same manner as in the cases over which such court has jurisdiction."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WARREN P. HOOVER

The Clerk called the bill (H. R. 1638) to pay Warren P. Hoover for services rendered the Army of the United States.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That Warren P. Hoover be paid the sum of $550.08 out of funds in the Treasury of the United States for 32 days of work performed for the Army of the United States as a civilian employee for which he has not been paid at the rate of time and one-half per 8-hour day upon a salary of $2,600 per annum, the services being performed at the Muskogee Army Air Field, Muskogee, Okla., from October 3, 1942, to May 15, 1943, inclusive.

With the following committee amendments:

Line 3, strike out "That Warren P. Hoover be paid the sum of $550.08 out of funds in the Treasury of the United States," and insert in lieu thereof "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $550.08 to Warren P. Hoover, of Eureka Springs, Ark."

At the end of the bill add ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Warren P. Hoover."

A motion to reconsider was laid on the table.

CLAYBORNE V. WAGLEY

The Clerk called the bill (H. R. 5981) for the relief of Clayborne V. Wagley.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clayborne V. Wagley, Harrison, Ark., the sum of $862.41. The payment of such sum shall be in full settlement of all claims of the said Clayborne V. Wagley against the United States (1) for reimbursement of $618.38, which amount was paid by him on October 29, 1937, to the United States in settlement of shortages in the accounts of the post office at Harrison, Ark., and (2) for payment of $244.03, which amount represents the loss of pay sustained by him during the period of his suspension in connection with such shortages. The said Clayborne V. Wagley was reinstated and subsequently was appointed postmaster at such post office: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. TRIMBLE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRIMBLE: Page 1, lines 5 and 7, and on page 2, line 3, where the word "Clayborne" appears, strike out the letter "y" and insert the letter "l" in each case.

Amend the title by striking out the letter "y" in the word "Clayborne" and inserting in lieu thereof the letter "l."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "For the relief of Claiborne V. Wagley."

A motion to reconsider was laid on the table.

UNIVERSAL CORP.

The Clerk called the bill (H. R. 6095) for the relief of Universal Corp., James Stewart Corp., and James Stewart & Co., Inc.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That jurisdiction is hereby conferred upon the District Court of the United States for the Northern District of Texas, to hear, determine, and render findings of fact as to the amounts of losses, if any, respectively sustained by Universal Corp. in its performance of subcontract work under the following-referred-to contracts and by James Stewart Corp. and James Stewart & Co., Inc., in the performance of contracts NOy 11379 and NOy 11662 with the Navy Department for the construction of naval-hospital facilities at Houston, Tex., arising out of or attributable to causes and reasons for which said companies were not responsible, including but not limited to the amount of losses, if any, experienced by said companies as a result of delays in the procurement of materials under the priorities and preference system then obtaining, and the losses, if any, caused by the relaxation and abandonment after VE-day and before completion of the above contracts of Government controls over private construction and labor.

SEC. 2. The court shall cause such findings to be certified to the Secretary of the Treasury, who is hereby authorized and directed to pay, out of moneys not otherwise appropriated, to the Universal Corp., James Stewart Corp., and James Stewart & Co., Inc., the amounts set forth in said findings as the amounts of such losses respectively found to have been sustained by each of them.

With the following committee amendment:

Page 1, line 5, after the word "determine", strike out the remainder of the bill and insert in lieu thereof "and render judgment either for or against the claims of Universal

Corp., a subcontractor, James Stewart Corp., prime contractor, and James Stewart & Co., Inc., parent company, for such losses arising out of the performance of contracts NOy 11379 and NOy 11662 with the Navy Department for the construction of naval-hospital facilities at Houston, Tex., during World War II, as may be shown by the evidence to have grown out of any violation of the terms of said contracts by the Navy Department; and in the event it shall be established by the greater weight of the evidence that the Navy Department violated the terms of said contracts and that such violation or violations by the Navy Department, if any, resulted in loss to the said contractors, or any of them, the court shall determine the amount of such loss, if any, that was so sustained by each or any of the above-mentioned contractors.

"If, on the hearing herein authorized, the court shall ultimately find that a loss was sustained by all or any of the contractors hereinbefore named, the said court shall cause its findings to be certified to the Secretary of the Treasury, who is hereby authorized and directed to pay out of any moneys not otherwise appropriated, to the Universal Corp., James Stewart Corp., and James Stewart & Co., Inc., the amount set forth in said findings."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVA T. ROSS

The Clerk called the bill (H. R. 7921) for the relief of Eva T. Ross.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Eva T. Ross, Ironton, Ohio, widow of F. A. Ross, the sum of $2,425.20, in full settlement of all claims against the United States for services rendered by F. A. Ross as United States Commissioner, Southern District of Ohio, during the period from February 1, 1926, to April 30, 1941, but not paid because account covering such services was not rendered within the time prescribed by law: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VINCENT F. LESLIE

The Clerk called the bill (H. R. 8929) for the relief of Vincent F. Leslie.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury, not otherwise appropriated, to Vincent F. Leslie, Washington, D. C., the sum of $2,000. The payment of such sum shall be in full settlement of all claims against the United States for damages sustained by the said Vincent F. Leslie on account of his arrest and imprisonment at Jacksonville, Fla., by and at the request of United States Post Office Department inspectors, on July 3, 1926, and again on July 8, 1926, and his ensuing confinement in jail until the dismissal of the prosecution against him.

With the following committee amendment:

At the end of the bill add ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SERGIO AND MARA LAMBERTI

The Clerk called the bill (H. R. 3132) for the relief of Sergio and Mara Lamberti.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration and naturalization laws, Sergio and Mara Lamberti, of Latrobe, Pa., who were admitted into the United States on temporary visas, shall be deemed to have been lawfully admitted into the United States for permanent residence as of July 18, 1948.

SEC. 2. Upon enactment of this act the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct two numbers from the nonpreference category of the first available quota for Italy.

With the following committee amendment:

Page 1, line 8, strike out "July 18, 1948" and insert in lieu thereof "July 22, 1948, upon the payment of the required visa fees and head taxes."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARTHA REID

The Clerk called the bill (H. R. 6442) for the relief of Mrs. Martha Reid.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of the immigration and naturalization laws, Mrs. Martha Reid, a citizen of Canada, and presently residing in Honolulu, T. H., shall be considered to have been lawfully admitted, on December 27, 1948, to the United States for permanent residence.

With the following committee amendment:

Page 1, line 7, after the word "residence", insert "upon the payment of the required visa fee and head tax."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STAMATIE AMERSONIS

The Clerk called the bill (H. R. 6586) for the relief of Stamatie Amersonis.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of the immigration and naturalization laws, Stamatie Amersonis, legally adopted minor son of Nicholas Amersonis and Mrs. Frances Amersonis, United States citizens residing in Chicago, Ill., shall be held and considered to be the natural-born son of the said Nicholas Amersonis and the said Mrs. Frances Amersonis.

With the following committee amendment:

Page 1, line 7, after the word "the", insert the word "alien."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ACHILEUS MAROULIS

The Clerk called the bill (H. R. 6750) for the relief of Achileus Maroulis.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration and naturalization laws, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the alien, Achileus Maroulis, Norfolk, Va., as of the 23d day of June 1947, the date on which he last entered the United States temporarily, if he is otherwise admissible under the provisions of the immigration laws, upon the payment of the required visa fee and head tax. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Greek quota for the first year such quota is available.

With the following committee amendment:

Page 1, line 9, after the word "laws", insert "upon the payment of the required visa fee and head tax."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN ITALIAN ALIENS

The Clerk called the bill (H. R. 6804) for the relief of certain Italian aliens.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration and naturalization laws, the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Natalina Urbinati, Rosina Nini, Zita Renzi, Angela Felini, Maria Baccielli, Annunziata Colomboni, Santina Vincenzi, Caterina Palazzi, Maria Antonia Baroncini, Martina Bernabe, Maria Muccioli, Elena Ginevra Marcantognini, Lucia Canini, and Anita Bianchini, as of the respective dates of their lawful temporary entry into the United States if they are found to be admissible under the provisions of the immigration laws other than those relating to quotas.

SEC. 2. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number for each alien named herein from the quota

of the appropriate country of the first year that the said quota is available.

With the following committee amendment:

Page 2, lines 2 and 3, strike out "other than those relating to quotas" and insert in lieu thereof "upon the payment of the required visa fees and head taxes."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNA ELLERO AND CLARA ELLERO

The Clerk called the bill (H. R. 7012) for the relief of Anna Ellero and Clara Ellero.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of immigration and naturalization laws, Anna Ellero and Clara Ellero shall be considered to be the natural-born daughters of Capt. Carmelo Lofaso, of Berkeley, Calif., citizen of the United States.

With the following committee amendment:

Page 1, line 5, after the word "the" insert the word "alien", and after the word "natural-born" strike out the word "daughters" and insert in lieu thereof the word "children."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORNELIUS VER SLUIS

The Clerk called the bill (H. R. 7282) for the relief of of Cornelius VerSluis.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration and naturalization laws, the Attorney General is authorized and directed to record Cornelius VerSluis as having entered the United States on August 15, 1949, for permanent residence. The said Cornelius VerSluis shall not be subject to deportation by reason of such entry.

With the following committee amendment:

On line 6 after the word "permanent" strike out the remainder of the bill and insert in lieu thereof the following: "residence, upon the payment of the required visa fee and head tax. Upon the enactment of this Act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for the Netherlands of the first year that such quota is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IGNAS MALCIUS

The Clerk called the bill (H. R. 7297) for the relief of Ignas Malcius.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purpose of the immigration laws, Ignas Malcius should be deemed to be entitled to first preference under the quota for Lithuania as defined in section 6 (a) of the Immigration Act of 1924, as amended (8 U. S. C. 206).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JENNY IRENE BENSON

The Clerk called the bill (H. R. 7364) for the relief of Jenny Irene Benson.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That Jenny Irene Benson, a natural-born citizen of the United States born in Brooklyn, N. Y., on July 26, 1927, who lost citizenship of the United States by voting in the Norwegian election in , may be naturalized by taking, prior to 1 year from the enactment of this act, before any naturalization court specified in subsection (a) of section 301 of the Nationality Act of 1940, as amended, or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 335 of the said act.

With the following committee amendment:

Page 1, line 6, after the words "election in" insert "1949, and under the provisions of section 401 (a) of the Nationality Act of 1940, as amended."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STELLA MATUTINA KAZUKO YAMAZAKI

The Clerk called the bill (H. R. 7814) for relief of Stella Matutina Kazuko Yamazaki.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of section 201 (g) of the Nationality Act of 1940, as amended (8 U. S. C. 601 (g)), Mrs. Theresa Sachiko Yamazaki, a natural-born citizen of the United States, shall be held and considered to have had 10 years' residence in the United States, at least 5 of which were after attaining the age of 16 years, insofar as such section 201 (g) is applicable with respect to the nationality and citizenship status at birth of Stella Matutina Kazuko Yamazaki, minor daughter of the said Mrs. Theresa Sachiko Yamazaki.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which excludes from admission to the United States aliens who are ineligible to citizenship, shall not hereafter apply to Stella Matutina Kazuko Yamazaki, the minor Japanese-born child of Teresa Sachiko Yamazaki, a native-born citizen of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TADEUSZ HERKA

The Clerk called the bill (H. R. 8219) for the relief of Tadeusz Herka.

There being no objection, the Clerk read the bill, as follows:

*Be it enated, etc.*, That, notwithstanding the fact that he enlisted in the United States Army in Italy, for the purpose of immigration and naturalization laws, Tadeusz Herka, of Milwaukee, Wis., shall be held and considered to be eligible for naturalization under the provisions of the act of June 1, 1948 (8 U. S. C. 907).

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following: "That, notwithstanding the fact that he enlisted in the United State Army in Italy, Tadeusz Herka, of Milwaukee, Wis., shall be held and considered to be eligible for naturalization under the provisions of the act of June 1, 1948 (section 324A of the Nationality Act of 1940, amended; 8 U. S. C. 907), as an honorably discharged alien veteran of the United States Armed Forces."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARCEL RENE DE ROMANETT

The Clerk called the bill (H. R. 8477) for the relief of Marcel Rene de Romanett.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That notwithstanding the provisions of the eleventh category of section 3 of the Immigration Act of 1917, as amended (8 U. S. C. 136 (e)), Marcel Rene de Romanett shall be admitted to the United States for permanent residence if he is otherwise admissible under the immigration laws.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AH-KIM WONG

The Clerk called the bill (H. R. 8772) for the relief of Ah-Kim Wong.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration and naturalization laws, Ah-Kim Wong, also known as Lily Taylor, of New York, N. Y., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of April 28, 1947, the date she last entered the United States as a visitor, upon the payment by her of the required visa fee and head tax. Upon the enactment of this act the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the appropriate immigration quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BENJAMIN PAGLINAMAN

The Clerk called the bill (H. R. 8795) for the relief of Benjamin Paglinaman.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration and naturalization laws, the provisions of section 4 (a) of the Immigration Act of 1924, as amended,

pertaining to unmarried children under 21 years of age of a citizen of the United States, shall be held to be applicable to the alien Benjamin Paglinaman, minor child of Paul W. Arnold, a citizen of the United States.

With the following committee amendment:

Page 1, line 8, strike out "child" and insert "stepchild."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. JAYE KURUSU MADDOX

The Clerk called the bill (H. R. 8935) for the relief of Mrs. Jaye Kurusu Maddox.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That Mrs. Jaye Kurusu Maddox, who lost her citizenship under the operation of section 401 (e) of the Nationality Act of 1940, as amended, may be naturalized by taking prior to 1 year from the enactment of this act, before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 335 of the Nationality Act of 1940, as amended.

SEC 2. From and after naturalization under this act, Mrs. Maddox shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ENRICA GIANOLI

The Clerk called the bill (H. R. 8009) for the relief of Enrica Gianoli.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of immigration and naturalization laws, the alien, Enrica Gianoli, shall be considered to be the natural-born daughter of Mr. and Mrs. James Gianoli, of Rockford, Ill., citizens of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 196]

| | | |
|---|---|---|
| Abbitt | Carlyle | Engel, Mich. |
| Allen, La. | Carroll | Evins |
| Anderson, Calif. | Case, S. Dak. | Fogarty |
| Angell | Celler | Frazier |
| Barrett, Wyo. | Chesney | Furcolo |
| Bennett, Mich. | Christopher | Gillette |
| Bentsen | Chudoff | Gilmer |
| Boggs, La. | Colmer | Gordon |
| Bolton, Ohio | Combs | Graham |
| Bonner | Cooper | Grant |
| Brooks | Davenport | Green |
| Bryson | Dingell | Gregory |
| Bulwinkle | Dondero | Hall, |
| Burnside | Durham | Edwin Arthur |
| Harden | Morris | Sikes |
| Hare | Morrison | Sims |
| Harris | Morton | Smathers |
| Hébert | Moulder | Smith, Ohio |
| Heller | Murdock | Smith, Va. |
| Hill | Nelson | Staggers |
| Hinshaw | Norton | Stanley |
| Huber | Pace | Steed |
| Irving | Patman | Sutton |
| Jackson, Calif. | Pfeiffer, | Tackett |
| Jackson, Wash. | William L. | Teague |
| Johnson | Phillips, Tenn. | Thomas |
| Jones, N. C. | Pickett | Thompson |
| Keefe | Plumley | Velde |
| Kelley, Pa. | Powell | Vinson |
| Kennedy | Preston | Wagner |
| Klein | Priest | Wheeler |
| Lane | Quinn | White, Idaho |
| Lodge | Rabaut | Wickersham |
| McGrath | Regan | Wier |
| McMillen, Ill. | Richards | Willis |
| Marcantonio | Rivers | Wilson, Okla. |
| Mason | Rooney | Winstead |
| Miles | Roosevelt | Wood |
| Mitchell | Sabath | Woodhouse |
| Monroney | Sadowski | Zablocki |

The SPEAKER. On this roll call 312 Members are present, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REORGANIZATION PLAN NO. 27 OF 1950, TO CREATE A DEPARTMENT OF HEALTH, EDUCATION, AND SECURITY

Mr. DAWSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 647) disapproving Reorganization Plan No. 27 of 1950; and pending that motion I ask unanimous consent that debate on the resolution may continue not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Michigan [Mr. HOFFMAN] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 647) disapproving Reorganization Plan No. 27 of 1950, with Mr. McSWEENEY in the chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

Mr. DAWSON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the Committee on Expenditures in the Executive Departments, to whom was referred the resolution (H. Res. 647) disapproving Reorganization Plan No. 27 of 1950, having considered the same, report unfavorably thereon without amendment and recommend that the resolution do not pass.

Mr. Chairman, I am in favor of this proposal to create a new executive department, and I trust that my colleagues will support Reorganization Plan No. 27 by rejecting House Resolution 647 and thereby help in establishing a more effective instrumentality for the essential well-being of our country, a Department of Health, Education, and Security.

In general Reorganization Plan No. 27 creates a new executive department to be known as the Department of Health, Education, and Security. To this new department are transferred all the functions and agencies of the Federal Security Agency. In this fashion, recognition at Cabinet level would be given the fields of health, education, and social security; thus these programs would be placed on a parity with other vital elements of our national economy, such as labor, commerce, and agriculture. If we were to choose a time when the Congress should pass favorably this matter, and if it were left to me who believes in the creation of this department, in the light of past history we could not choose a better time than now.

In the light of past history there could not be a more opportune time for the Congress to consider this matter than the present time. When we consider what happened at the beginning of World War I, when we consider what happened at the beginning of World War II and the great force and influence that were exerted upon this Nation after the declaration of those two great wars and preparing for those wars, when we know of the great work that was done by the Federal Security Agency in aiding our war effort, I said, Mr. Chairman, that we could not render a greater service to this Nation than to create this Department of Health, Education, and Security at this time when once again it seems that this Nation of ours is faced with troubles upon foreign battlefields.

You can go back in your mind and remember the condition of this Nation at the beginning of World War II, you can remember the number of doctors that were needed, you can remember the number of nurses that were needed; you can remember the number of other trained personnel that were needed in the war effort that were furnished by the Federal Security Agency. Suppose at that time this great Agency had Cabinet status during those trying years when the President called together his Cabinet? Certainly there should have been someone at that Cabinet meeting whose duty it was to report to the President the condition of the human resources of this Nation. We made that mistake in those days. But you can see the work that was done by comparing the size of the Federal Security Agency after the war with what it was before the war. Today that agency has 34,000 employees, which reaches into every home and every hamlet in this land. Today it is working in harmony with the States on education, on health, and on security. Certainly as we face these trying times we want to place the head of this agency that is charged with these responsibilities on a rank as a Cabinet member to meet with our President.

So I say to you that the time is opportune to do this in the light of past history. Past history is useful only when you use it as a light to guide your steps in the present and in the future. If you are going to profit by past history, then I say to you that unanimously we ought to vote today to reject this resolution and to establish the Federal Security Agency as a Cabinet status under the title of Health, Education, and Security—health, education, and security

that reach down to every home in this Nation. Certainly if we are interested in agriculture, the welfare of cows, certainly if we are interested in promoting business, the time has come, in the light of past history, when we have got to be interested in the human beings and their relationship and their welfare in this Nation of ours.

So, I am saying to you that if we do our duty this day and House Resolution 647 will have been rejected by this Congress, a new department, the Department of Health, Education, and Security, will have been created and the head of it will be given Cabinet status. Now, who are those who oppose it? We had unlimited hearings. We certainly sent out invitations to every Congressman to send in those who wished to testify, whether they were pro or con. As chairman of the Committee on Expenditures in the Executive Departments, let me ask you as to where the main opposition came from. It came from the same source that should be standing here today advocating this measure, in the light of past experience. The doctors of this Nation are organized; they are against it. They came in and as an organization said they were against it, but when we asked them, "Why are you against it?" they said "Because we want a health department and we are not going to vote for this until we get our health department." That is what they said, and they are concerned only with their own little group.

I know they have canvassed this Congress. I have received letters from them advocating the defeat of this plan, not because they are human beings involved, and more Americans involved under this act than many other departments so far created, but for their own personal profession they want a department of health.

Mr. Chairman, I submit to you that if they want a department of health this has nothing to with it. What we are doing today is taking an existing agency and giving it Cabinet status, because it is entitled to it by every rule that you can apply. Then, if they deserve their department of health, let them come in as all others have come in and let them fight for it. But, no, like a dog in a manger, they stand there; they cannot eat the hay but they will not let the horse eat it because they cannot eat it. That is the position they are taking in this matter. I say to you that if you love your country, I say to you that if you have the welfare of the people of this nation at heart, then you will defeat this resolution and you will let this Presidential plan go into effect. Why should you not let it go into effect?

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from Kansas.

Mr. REES. As I understand, all in the world you are doing here is to put the Federal Security Agency in a Cabinet status; is that correct?

Mr. DAWSON. That is not correct.

Mr. REES. That is about the whole picture, is it not?

Mr. DAWSON. Twice the President has sent down plans to Congress advocating the Hoover Commission recommendations, to make a department of it, but twice the Congress has raised objections, and those objections are met in plan 27. Every objection raised by the Congress heretofore in turning down other reorganization plans has been met in this plan and so, sir, it is not exactly turning the agency over. You turned down one plan because you said you wanted professional men at the head of each of these bureaus. So, the President here gives you professional men at the head, and every objection raised in turning down previous plans has been met in this plan. Now, I wonder what the new objection is that you are going to bring in. You say it does not agree with the Hoover Commission. Well, the other plans did, and you turned them down, but this is a plan that meets every objection that has been raised up to this day by the Congress.

Mr. REES. I am seeking information. I am asking whether this measure that you are advocating today provides for giving the Social Security Agency head Cabinet status. That is right, is it not?

Mr. DAWSON. The head of the new department will have Cabinet status, yes.

Mr. REES. The new department is practically the same as the present Social Security Agency?

Mr. DAWSON. Practically, yes. There are some variations.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield.

Mr. MILLER of Nebraska. Can the gentleman tell us whether this plan as it is now before the Congress conforms with all the recommendations made first by the Hoover Commission, and second by the Citizens Committee which was later formed to put into action the recommendations of the Hoover Commission?

Mr. DAWSON. To answer that question is to answer the question of all those who seek to hide behind the Hoover Commission's report in one breath and fight a plan in the other.

Mr. MILLER of Nebraska. Tell me "yes" or "no." I would like to know.

Mr. DAWSON. The gentleman cannot put words into my mouth. I will answer his question. No; it does not contain a medical administration. The health department is not taken out. The Hoover Commission recommended a health administration. We have before our committee now, and are hearing testimony on it, a bill which, if it is passed by the House, would give you that recommendation. But no President, no Congress, no Senate, can write any one bill that embraces all the recommendations of the Hoover Commission. So you will find them coming in here and saying, "I would be for it but it does not agree with the Hoover Commission recommendations in some detail." The Citizens Committee said that. They said, and I will get the testimony to show it, "If you dropped an atomic bomb it could not change us on our stand. We will not dot an 'i' or cross a 't.' If anything is not word for word with what the Hoover Commission said, then we are not going to take it."

Certainly this Congress will never be governed by some outside agency that has not been charged by the people of this Nation with the responsibility of passing legislation. In the final analysis you are not going to hide behind anything but your actions. I say to those who have made the recommendations of the AMA a part of their policy that the people of this Nation want this legislation. For every doctor there are 300 persons, including many doctors that want this legislation. You set it up in your platform. Your candidate for President said he would create it. Now what holds you from going through with your platform and the words of your then potential President? Thank God, the present President said he would do it, President Truman said he would do it, and today we are here submitting it to the Congress according to the platform and according to the promise of the Democratic nominee for President at the last election.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from Pennsylvania.

Mr. RICH. The only reason we do not want this legislation is that we do not want socialized medicine. We know we do not want to socialize this country.

Mr. DAWSON. There you are. Of course, we do not want socialized medicine. The opposition put that up as a reason why they will not vote for this. There is not a thing in this that can give anybody socialized medicine. You can never have socialized medicine unless the Congress passes the necessary legislation. But why not cross that bridge when you come to it? You know you are merely raising a smoke screen. There will never be socialized medicine in this Nation until the people and the Congress itself passes the necessary legislation, and you know it.

Mr. RICH. The reason that we do not want this is that we are afraid, because you are just starting in, going one step further, one step further, one step further, and the first thing you know you will be there. My colleague from Illinois has been fooled so badly he does not know what it is all about.

Mr. DAWSON. When 1,000 American soldiers over there in Korea were surrounded by 10,000 North Koreans, they were not afraid to face the future. They tried to settle the problem which faced them then.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield.

Mr. McCORMACK. The gentleman from Pennsylvania [Mr. RICH] states the truth when he says they are opposed to it because of their fear of socialized medicine. Fear—those same gentlemen opposed social security because of that same fear. Those same gentlemen opposed minimum-wage legislation because of that same fear. Those same gentlemen oppose every progressive piece of legislation because of fear. If we were legislating on the basis of fear we would be living in the Dark Ages today.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield to the distinguished member of my committee.

Mr. RICH. I appreciate the courtesy of my distinguished chairman. I want to say to the distinguished majority leader that the public of this country have a right to fear because of the things you have been doing to this Nation. You have it pretty near wrecked now and they have to fear the things you are doing because we and the country at large do not know where we are at now and it is things like that that will wreck this Nation.

Mr. DAWSON. This Nation economically and industrially is in better shape than it ever has been. We are producing more than we have ever produced. Our national income is higher than it ever was, and yet you shout "fear."

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield.

Mr. McCORMACK. If we were to follow the leadership of the gentleman from Pennsylvania [Mr. RICH] much as we like him personally——

Mr. DAWSON. I admire the gentleman.

Mr. McCORMACK. If we were to follow his leadership, this country would certainly be in a tough position.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield.

Mr. CURTIS. How much money will this save?

Mr. DAWSON. I will give you something of a breakdown. In the tabulating department we aim to save $10,000. In the mail service department we aim to save another $25,000. On payroll, leave and retirement we aim to save $15,000. In procurement, storage and issue we mean to save $20,000. On centralization of accounting for the Bureau, and so forth, we expect to save another $30,000. In addition, there are many other areas where savings can be had.

Mr. Chairman, we believe we can do that—and that is just the beginning.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield.

Mr. HOFFMAN of Michigan. The gentleman has been talking about doctors and characterizing them, if I understood him correctly, as dogs in the manger.

Mr. DAWSON. That was merely an illustration from the classics. I did not write that. I am not the author of that expression. That is in the classics—about a dog who would not let these animals eat the hay.

Mr. HOFFMAN of Michigan. If the plan goes through, the doctors will still be treating the sick, will they not?

Mr. DAWSON. If the plan goes through, the doctors will be benefited more than they have ever been benefited by any one piece of legislation in the history of this Nation.

Mr. HOFFMAN of Michigan. And if the plan goes through, then the doctors will be under the control of a politician—the people will suffer.

Mr. DAWSON. The doctors will be just like big business. Big business did not want social security, and now they would not give it up for anything in the world. They are benefited by it.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield.

Mr. O'TOOLE. I do not remember the gentleman from Pennsylvania crying socialism when we made it possible to insure bank accounts.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself just a half a minute to call attention to the fact that I did not quite finish my question to the gentleman from Illinois [Mr. DAWSON]. The proposition was this: the gentleman was talking about the selfishness and the greed of the doctors, but whether the plan goes through or whether it does not, the people of this country who are ill will still be treated by the doctors.

Mr. DAWSON. And they will be paid for it.

Mr. HOFFMAN of Michigan. Just a moment. May I make my statement, please?

The only difference will be if the plan goes through, so far as socialized medicine is concerned, that the doctors will have as a top boss some politician.

Mr. Chairman, I now yield 5 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Chairman, I do not know whether I should refer to this or not, but the gentleman from Massachusetts, the majority leader, said that if this had not happened, or that had not happened, we would be in trouble today. Well, I read the paper this morning and I came to the conclusion that we were in trouble today. I am really troubled about the situation in the world today, so I do not believe I would pass that off by saying we would be in trouble.

Mr. Chairman, I wish to make a brief statement as to why I shall vote for the pending resolution to disapprove Reorganization Plan No. 27 to establish a Department of Health, Education, and Security.

In truth, this is not even a reorganization plan. It reorganizes nothing. It would be much more accurate to call it a political-promotion plan for the advancement of socialized medicine. I do not see how anyone can reach any other conclusion.

In my judgment, this plan conforms to none of the objectives of the reorganization act for efficiency and economy. It does not abolish a single agency or function. It does not transfer a single agency or function. It does not consolidate agencies performing similar functions. It does not propose any regrouping of agencies in accordance with their major purposes. It does not eliminate overlapping or duplications.

Instead of reducing expenditures, this plan will lead to increased spending. Instead of less government, this plan proposes more government. Instead of promoting efficiency, this plan will bring about political control in those fields, such as education and public health, where there should be a very minimum of such control.

I ask that you take a good hard look at what this plan actually does. It simply takes all the agencies and their functions now constituting the Federal Security Agency and makes a Department out of the Federal Security Agency. It thereby promotes the Federal Security Administrator, Mr. Oscar Ewing, who incidentally is one of the leading advocates of socialized medicine, to the highly desirable rank of a cabinet officer, with the salary and prestige commensurate with that rank.

By its terms the plan also creates three additional high-salaried positions; an Under Secretary of Health, Education, and Security, an Assistant Secretary of Health, Education, and Security, and an Administrative Assistant Secretary.

We know from experience with Government budget matters that a host of other jobs to serve these new high rank officers would, in due course, be set up. We also know that each of these new Secretaries would undoubtedly use the power and prestige of their respective offices to try to enlarge upon the various programs that come under their jurisdiction. There is hardly any doubt that Mr. Ewing would use the prestige and influence of his new rank of Secretary in the President's cabinet to promote the socialized medicine program he has been vigorously advocating as Federal Security Administrator.

In more ways than one, Mr. Chairman, plan No. 27 is not a reorganization plan but a political promotion plan, not only for certain individuals but also for the socialized medicine program. If that is not the undisclosed purpose of the plan, I do not know what its purpose possibly could be. The plan not only does not conform to the Hoover Commission recommendations, it runs counter to them.

In a supplemental task force report issued in March of last year, the Hoover Commission gave special consideration to the very question before us in plan No. 27. It definitely recommended that the health activities of the Federal Government not be included in a new Cabinet-level department embracing health, education, and security. On the contrary, it recommended that the health activities be consolidated in an independent agency.

It has been said that at some subsequent date the health functions could be taken out of the proposed new Department. You and I know that if this plan becomes effective, we would never be able to transfer the health functions to an independent agency. Mr. Ewing has publicly expressed his opposition to the establishment of any independent medical administration. Obviously, President Truman has no intention to submit any plan to do this; and obviously if we should attempt to pass legislation to this end, the bill would be vetoed on the recommendation of the new Secretary of Health, Education, and Security.

Unless we reject this plan the important health-promotion activities of the Government will be frozen in a multipurpose department, and as the Hoover Commission task force pointed out, the health functions will be impeded by collateral considerations pertaining to welfare and insurance.

As I stated at the outset, there is nothing proposed by this plan that would

affect a much-needed reorganization to effectuate economy and efficiency. The raising of the Federal Security Agency to the status of a Department will not, for example, achieve the improved management that the Committee on Post Office and Civil Service recommends in a report it filed last month. This report shows that the Federal Security Agency is now overstaffed. It points out that there is much the Agency can now do by administrative action to accomplish savings and promote efficiency. This plan will not accomplish that objective. On the contrary, it will result in still further increases in personnel and increased expenditures.

Mr. Chairman, we are today faced with a very grave international situation. We do not know what extraordinary expenditures we will be called upon to make for national defense. Even without these unforeseeable financial demands for our own safety, we are now operating in the red and our people are bearing a heavy tax load.

I earnestly urge the House to reject this plan. It will not save a cent. On the contrary, it will add still further to the high cost of government. This we cannot afford.

Mr. DAWSON. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I hope to bring some light to this subject in the time which has been allotted to me.

In the first place I want to say that this decision today has nothing to do with socialized medicine. It does not change the statutory functions of the three main divisions of the Federal Security Agency one iota. The Divisions of Education, of Social Security, and of Health will continue to function just as they do now within the same statutory authority; so the bringing up of socialized medicine as a smoke screen against this particular plan, in my opinion, is wholly reprehensible.

What is the reason for this plan No. 27? In the first place, for the past 30 years different commissions, such as the Brookings Institution, the Joint Committee on Reorganization in 1924, many Presidents such as President Harding as far back as 1923, have all agreed that the social security agencies which deal with these functions should have Cabinet status, and that is what this plan does. This plan gives to the Federal Security Agency Cabinet status, and it would make the head of that administration a Cabinet member. Why is that desirable? It is desirable for many reasons. We have a Department of Labor which is for the purpose of promoting and fostering the welfare of labor in this country. We have a Department of Commerce to foster and promote business in this country. We have a Department of Defense for its obvious purpose. We have a Department of the Interior to serve and promote and preserve our natural resources. Where then is there anything objectionable in having a Department which deals with human beings, specifically with the welfare of human beings, whether it be in the field of education, in the field of health, or in the field of social security? That is what we are trying to do here with plan No. 27; we are trying to give to human beings, the welfare of human beings in these three fields, the same dignity, the same consideration in the eyes of the Nation and in the status of accessibility to the President, in the status of dignity before the people of the United States that we give to the Department of Agriculture, the Department of Natural Resources, and all the other Cabinet status Departments.

This is not anything new; this has been recommended for 30 years by impartial organizations, by practically every President from President Harding on up to the present President, including ex-President Hoover, who in his testimony before the Senate committee specifically said that these functions that are now in the Federal Security Agency should have the dignity of Cabinet status.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HALLECK. The gentleman will, of course, admit that the recommendation of the Hoover Commission was for the creation of a united medical administration apart from this Cabinet status.

Mr. HOLIFIELD. That is exactly right. I will ask the gentleman if he will answer me the question: Would he vote for a united medical administration in face of the known views of every veterans' organization and practically every other organization in the country?

Mr. HALLECK. The fact of the matter is the issue before us is whether or not these health functions shall be joined with the other functions.

Mr. HOLIFIELD. The gentleman has not answered the question. They are already joined. In the present status they are joined in the Federal Security Agency and they are not changed by this plan. So the gentleman has evaded the question. He does not want to say he will vote for a united medical administration but he will use that as an excuse for not voting for this plan.

Mr. HALLECK. Let me point out to the gentleman that in the last session you had legislation to create this new department. You did not bring it up because you knew you did not have a majority of the votes to pass it. The question today is whether or not there will be 218 here to vote against this plan. We are passing on this plan today and I propose to vote against it.

Mr. HOLIFIELD. I know the gentleman would vote against plan No. 27 but I want to say to the gentleman we had a plan, plan No. 1, in 1949 that embodied the substance of the legislation that was reported from the Expenditures Committee. That plan was rejected in the Senate. Why was it rejected? It was rejected on the ground they did not want to put in the head of the Federal Security Agency the authority and the functions and the responsibility of these three different departments.

So the President, in trying to meet the objections that were made at that time, and I can read them to the gentleman, sends us down now a plan which meets those objections and retains autonomous control in these departments. Immediately some of the gentlemen who voted against the plan last time which comprised the organizational set-up of the Hoover Commission report will not vote for this, they say, because it does not comply. What is sauce one day happens to be something else the next day. But you cannot ride both sides of the same horse at the same time.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman who advocates the views of the American Medical Association.

Mr. JUDD. I have not even read the American Medical Association's views on this resolution, but I have been a physician for over 25 years, and my views are based on that experience. I am opposed to this, not because I am a physician but because of what I know as a physician about the conditions essential for good care of the sick. The gentleman from Illinois said that American doctors, like a dog in the manger, have opposed this when actually it is in their own interest. I am glad that the great majority of the American medical profession still is concerned more with the welfare of humanity, than of itself, and does not put its own interest ahead of that of the people and advocate something that it knows would be to the disadvantage, not the benefit of the people. The gentleman says that this bill has nothing to do with socialized medicine. Does he know the opinions regarding socialized medicine or nationalized medicine of most of the top men in the Federal Security Agency, including the present head of it?

Mr. HOLIFIELD. Let me say to the gentleman whether I know that or not is immaterial because the appointment of the heads of these different agencies will have to meet Senate approval. If at the time when this department is created these gentlemen do not meet the approval of the majority of the members on the other side of the Capitol they will not be accepted. Also I want to point out this plan makes it mandatory that professional qualification be had by the different heads of these three departments or they cannot be confirmed. That is something which does not exist at present.

Mr. JUDD. Will the gentleman please answer my question as to whether the leading people in the Federal Security Agency, not just Mr. Ewing but the men who run it, are in favor of a nationalized medical system? The gentleman heard their testimony before his committee. Did they not frankly testify before the committee that they did favor such a system?

Mr. HOLIFIELD. Whether they did or not does not concern itself with this plan today.

Mr. JUDD. But you can understand why people who are opposed to that type of medical service because they believe it is a step backward instead of forward, hesitate to give such increased power to an agency which they know in advance favors that step.

Mr. HOLIFIELD. If the gentleman from Minnesota has read the plan he knows that no increased power is given to the Federal Security Administrator

in a statutory or functional way in either one of the three departments.

Mr. JUDD. It gives it standing, prestige and influence that it does not have now.

Mr. HOLIFIELD. The gentleman because he is opposed to a different system of health insurance would deprive the people aided by Social Security and the people aided by education, of a cabinet status administrator, who could plead their case at high level.

Mr. JUDD. No; I would not deprive them of Cabinet status for the two you mentioned. I cannot see why your committee does not take out the health services and bring in a bill for education and security if it wants to. I am for that. I am not in favor of including in the same department the health features because I think it would be bad for the people of the country. It is not the way to get the better medical care you and I both want.

Mr. HOLIFIELD. You cannot set up a separate department for each agency.

Mr. JUDD. That would not be necessary. The medical profession has favored a department of health since last century, but I want at least a United Medical Administration, as the Hoover Commission recommended.

Mr. HOLIFIELD. You cannot have one for education, one for health, and one for security.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. It is the Department of Education that they fear more, and properly so, because of the fear of control of our schools in our States. I would like to ask the gentleman from Minnesota this question: Does the gentleman think that social-security legislation is socialism?

Mr. JUDD. No.

Mr. McCORMACK. No; but 15 years ago the cry against it was that it was socialism. I was a member of the subcommittee that drafted it and I was on the full committee that reported it out. You took the same opposition then that is being made now to progress, that it was socialism.

Mr. JUDD. Will the gentleman indicate why this proposed plan is progress?

Mr. McCORMACK. What is progress?

Mr. JUDD. The gentleman will admit that we have the best medical standards in the world, and they have been achieved by the medical profession on its own. Why is it progress to scrap that system?

Mr. McCORMACK. Does the gentleman know the number of families in America having a family income of $3,000 a year or less? Does the gentleman know that? Does the gentleman think that with a family income of $3,000 or less you can afford a physician when you are sick or seriously ill? Over 40 percent of the families of America have a total family income of $3,000 a year or less and 5,000,000 families in America have a total family income of $1,000 a year or less.

Mr. JUDD. Is the gentleman from Massachusetts in favor of socialized medicine?

Mr. McCORMACK. I am in favor of progress.

Mr. JUDD. Is the gentleman from Massachusetts in favor of socialized medicine?

Mr. McCORMACK. I am in favor of progress, just like I favor social security against the opposition of your party.

Mr. HOLIFIELD. Mr. Chairman, I decline to yield further. I want to thank these gentlemen for having used up a large part of my time. The fact that we adopt plan 27 today does not mean that further changes cannot be made. It does not mean that further changes in compliance with the Hoover Commission recommendations cannot be made. If this Congress desires to take the health function out of the Social Security Agency and pass the United Medical Administration recommendation, I assure you that our committee will see that you have an opportunity to vote on the United Medical Administration's recommendations.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I cannot yield further because of lack of time. Now, if the Food and Drug Administration should be taken out and separated into two different departments that the recommendation calls for, I say that you may have opportunity to do that. You have got to take these steps one step at a time. You cannot comply with all of the Hoover Commission recommendations in any one plan, and we have already shown, in making several changes, that we have taken consecutive steps. And, I call your attention to a specific measure. We transferred the Public Roads Administration over into General Services Administration, notwithstanding that it was specified that it should go to the Department of Commerce. Now later on we sent it over to the Department of Commerce. Why? Because we had to take it a step at a time and do that which was administratively possible at that time. So then, when you make the complaint that this does not go all the way with all of the recommendations, you are simply evading the point; you are clouding the issue. You are refusing to go as far as you can go at any one time, and I say that setting this up into a department and giving it departmental status is going as far along the Hoover Commission line as there seems to be any chance of Congress allowing it to go. When you had the opportunity last year to go the whole way as far as organizational authority was concerned, you turned it down. They turned it down in the other body. So this plan comes back making this an executive department but still retaining some autonomous controls, statutory function controls in these different agencies which cannot be interfered with, mark you, unless by an act of Congress, by the present Federal Security Administrator or the man who would take his position.

So I say if you want to be fair, if you want to go along as far as you can go at this time, you will take just a step forward and allow the rest of these issues, which are wholly extraneous and have nothing to do with this issue, to be decided on their merits at the time they are presented.

Mr. JOSEPH L. PFEIFER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New York.

Mr. JOSEPH L. PFEIFER. Is it not true there has been much overlapping, waste, and inefficiency in the way it is carried on at the present time? This reorganization plan is a means of having a coordinating program to make it more efficient.

Mr. HOLIFIELD. This is a means of making the administrative part of the present Federal Security Agency more effective. It allows it in the fields of procurement, staff service, administration, and all the other administrative functions. It allows them to follow out the Hoover Commission recommendation, which is to remove overlapping and inefficiency, and which allows them to make savings in that field. But strictly from the standpoint of compromise with those who have objected, to show that the President wants to go along, that he wants to send down a plan which can obtain the acquiescence of the Congress, he has made certain adjustments which he thought necessary in order to get this plan approved.

Some people that objected to plan No. 1 of 1949 because it gave too much authority to the Federal Security Administrator now object because we retain the authority in separate departments and retain the functional authority there; but we do give the Social Security Administrator the chance to save in the field of administration.

Mr. JOSEPH L. PFEIFER. About 12 years ago I introduced a bill calling for a department of health with Cabinet status, but the administration did not seem it advisable and therefore would not consider it. However, I believe it very essential for we all know that the strength of a nation depends greatly upon the health of its citizenry—undoubtedly this reorganization plan will be an improvement over our present situation, nevertheless I still am of the opinion that an independent health department is necessary.

Mr. HOLIFIELD. There have been many bills introduced on that point. When you bring that united medical administration bill to the floor of the House not 20 percent of you will dare to vote for it. You will not dare to put the Veterans' Administration, the Public Health Service, and the military hospital services in one basket. I will challenge you on that, and I will eat my words on it if I have made a mistake.

Mr. Chairman, Reorganization Plan No. 27 of 1950, proposing the establishment of a Department of Health, Education, and Security, should receive the wholehearted and unanimous approval of this Congress. The objective of plan No. 27—to give Cabinet status to important and related activities of the Federal Government affecting human welfare—has long been sought by persons prominent in American life. Presidents, special commissions, students of government, many Members of

this body regardless of party, have recommended such a department numerous times within the last 30 years.

Back in 1923, President Harding proposed a Department of Welfare in a message to Congress. A similar recommendation was made by the Joint Committee on Reorganization in 1924. In 1937, both the President's Committee on Administrative Management and the Brookings Institution, in its report for the Senate Select Committee to Investigate the Executive Agencies of the Government, recommended a Department of Welfare to administer activities in the fields of education, health, and welfare. At least eight comprehensive plans for the reorganization of the executive branch developed by responsible officials and agencies in the last three decades have proposed departmental status for health, education, and welfare activities—six of them proposing to combine all these activities in a single department.

The operating nucleus for such a department was provided in 1939 by creation of the Federal Security Agency, which brought together under one roof many welfare functions scattered throughout the Government. The Reorganization Act enabling the President to set up the Federal Security Agency did not allow the Chief Executive to create a new executive department—otherwise a Department of Welfare in all likelihood would have been established in 1939.

The Reorganization Act of 1945 contained the same limitation respecting the creation of a new executive department. Reorganization Plan No. 2 of 1946, submitted by President Truman pursuant to the 1945 act, transferred additional functions to the Federal Security Agency. In his accompanying message the President emphasized that the 1946 plan, a second important step in building a central agency for the administration of Federal activities primarily relating to the conservation and development of human resources, should be followed by the third and final step of converting the Federal Security Agency into an executive department. Its size and scope, the importance of its functions, clearly justified departmental status and a permanent place in the President's Cabinet. As the President said:

> The fundamental character of its functions—education, health, welfare, social insurance—and their significance for the future of the country demand for it the highest level of administrative leadership and a voice in the central councils of the executive branch.

This recommendation was repeated by the President in many subsequent messages to the Congress.

The Reorganization Act of 1949 finally gave the President the authority to create a new executive department by reorganization plan. I emphasize this fact because one of the main reasons for striking out the limitation in the latest reorganization act was the anticipated transformation of the Federal Security Agency into a Cabinet department.

As Mr. Herbert Hoover said in testifying on this point:

> There is general acceptance of the idea of such a Department. (Hearings on S. 526, p. 81.)

Thereupon the Senate Committee on Expenditures in the Executive Departments, in reporting on S. 526, the reorganization bill, stated at page 7 of its report:

> The bill deletes the prohibitions contained in subparagraphs (1) and (2) of the 1945 act against creation of new executive departments by reorganization plan. At least one agency, the Federal Security Agency, has been established by plan which obviously is of departmental magnitude and importance and should have been designated as an executive department. No good purpose has been served by the old prohibition.

In conference the Senate proposal was accepted as part of the Reorganization Act. Therefore it is plain that the Congress, in framing a reorganization act which, for the first time, allowed the President to create an executive department, had in mind the conferring of Cabinet status on the Federal Security Agency.

In the spirit of this enabling legislation, the very first plan submitted pursuant thereto, Reorganization Plan No. 1 of 1949, proposed to reconstitute the Federal Security Agency as a Department of Welfare. This plan was rejected in the Senate. Sponsors of the resolution of disapproval reflected the opposition of those who expressed fear that constituent units of the department, like the Public Health Service, would be subordinated to welfare activities. They also expressed the fear that the professional direction of health and education matters would be vitiated by political considerations if full authority were conferred on the department head to organize and control his department, despite the fact that the Hoover Commission had made this basic recommendation for clear lines of authority and responsibility in all Cabinet departments—a recommendation now in effect for eight separate departments.

In submitting Reorganization Plan No. 27 of 1950, President Truman made a sincere effort to take account of the major objections to the earlier plan. The name of the new department—Health, Education, and Security—makes it clear that its three main elements will have coequal status. Each of the three principal constituent units, according to the plan, will be headed by a Commissioner appointed by the President with Senate confirmation. These Commissioners must have appropriate professional qualifications. The statutory functions of the units under the Surgeon General and the Commissioner of Education remain unimpaired. These officers will retain their statutory duties and will have the same relationship to the new department they now have to the Federal Security Administrator.

You will recall that Reorganization Plan No. 2 of 1946, abolished the Social Security Board and vested its functions in the Federal Security Administrator. The latter thereupon promptly delegated these functions to a professionally qualified Commissioner of Social Security.

Under the present reorganization plan, the professional qualifications of this Commissioner are explicitly guaranteed, as they are for the Surgeon General and the Commissioner of Education. Heretofore, such qualifications were not legally required of the Commissioners of Social Security and Education. In the case of the Surgeon General, it was required that the President select him from the Commissioned Regular Corps of the Public Health Service, but this now becomes discretionary rather than mandatory under the plan, affording a wider opportunity for the selection of a qualified professional head of the Public Health Service.

All three officials of the constituent services in the new department will be uniformly appointed by the President with Senate confirmation, whereas formerly the Commissioner of Social Security was appointed by the Federal Security Administrator.

In specifying that the constituent units of the Federal Security Agency are to be transferred intact to the new department under the present reorganization plan, the President recognized that this arrangement falls short of the Hoover Commission recommendation that the head of each department have full control over its internal organization. However, that proposal, embodied in the 1949 plan, did not find acceptance in the other body. The President acted in a spirit of reasonable compromise in submitting the substitute plan as a large step forward in better organization and in providing the basis for the desired cabinet-status department.

I say "better organization" because the present plan will give the Secretary most of the authority he would have had under the 1949 plan as regards administrative services. Thus he will be able, whenever it will serve the purposes of economy and efficiency, to centralize for the department such services as procurement, budgeting, and accounting. This grant of authority is specifically limited so as not to infringe on the substantive professional responsibilities within the department. Nevertheless, in supplying administrative services common to the various components of the department, the Secretary will have ample opportunities to effect savings. The Federal Security Administrator, in testimony before our committee, cited economies already effected through consolidating library services and integrating the field offices of the agencies now within the Federal Security Agency. He has instituted a survey, now under way, to determine further savings that can be effected if the present reorganization plan takes effect.

A subcommittee of the Committee on Post Office and Civil Service, in a recent investigation of the Federal Security Agency, has concluded:

> In the holding-company type of organization like the Federal Security Agency, wherein related activities are placed under common supervision, it seems reasonable to assume that the most promising area for the development of efficiency and economy

is in the common administrative staff services. Certainly less resistance would be encountered there and incalculable benefit could accrue from the welding together of these elements into a cogent whole (81st Cong., 2d sess., H. Rept. No. 2457, p. 21).

Not only cash savings but gains in the effectiveness of service are to be expected by the establishment of the new department. The Federal Security Administrator has testified that even more important than the centralization of administrative services, the plan will make possible efficient adaptation to the constantly changing requirements in personnel, procurement of supplies, and the like, occasioned by shifts in the nature and volume of work, organizational patterns, geographical dispersion, and experience.

Reorganization Plan No. 27 accords with the recommendations of the Hoover Commission in the fundamental sense that it confers departmental status upon activities now embraced within the Federal Security Agency. It departs from the recommendations of the Hoover Commission majority in that it does not effect all the organizational changes they recommended, principally the transfer of the Public Health Service from the Federal Security Agency to a United Medical Administration; the splitting up of the functions of the Food and Drug Administration, now in the Federal Security Agency, between the United Medical Administration and the Department of Agriculture; and the transfer of the Bureau of Indian Affairs from the Department of Interior to the new department, which would include the remaining functions of the Federal Security Agency.

The fact that Reorganization Plan No. 27 does not carry out every Hoover Commission recommendation bearing upon the subject cannot fairly be taken as an argument against the plan. Reorganization is a step-by-step process. If we adopt the difficult and unreasonable position that a plan should contain "all or nothing," then we will get nothing in reorganization.

Highly controversial matters are involved in some of the various organizational changes proposed by the Commission.

Several members of the Commission presented rather persuasive arguments why they thought it would be unwise to carry out these changes proposed by the majority. But while there were differences of judgment on the merits of a United Medical Administration, and of shifting around the Bureau of Indian Affairs or the Food and Drug Administration, there was unanimity of opinion on the importance of establishing a new Cabinet department. This is what Reorganization Plan No. 27 proposes to do.

The Members of this House well know that if this plan carried with it the establishment of a United Medical Administration it would have no chance of enactment at this time and for reasons unrelated to the merits of a Cabinet department embracing welfare activities.

By adopting Reorganization Plan No. 27 we do not preclude any further decisions along lines proposed by the Hoover Commission. Through legislation or reorganization plan we can make these other changes when and if they commend themselves as good public policy. Let us proceed to effectuate a public policy which Mr. Hoover and every member of his Commission agreed was good—the establishment of a Cabinet department for important welfare activities.

In fact, we have been proceeding systematically to make a number of organizational changes in the welfare field recommended by the Commission. Thus Reorganization Plan No. 2 of 1949 took the first such step in this Congress by transferring the Bureau of Employment Security from the Federal Security Agency to the Department of Labor. A second step was taken by plan No. 19 of 1950, which transferred the Bureau of Employees' Compensation and the Employees' Compensation Appeals Board from the Federal Security Agency to the Department of Labor. Both of these steps were recommended by the Hoover Commission.

While these reorganization plans removed functions from the Federal Security Agency considered more appropriate for administration within the Department of Labor, other steps have been taken to add functions appropriate to the Federal Security Agency. Thus Reorganization Plan No. 16 of 1950 transferred to the Federal Security Agency the functions of the General Services Administration relating to assistance to local school districts and grants and loans for water-pollution-control projects.

Reorganization Plan No. 27, which we consider today, is another step in the efficient organization of activities now within the Federal Security Agency—a step to give these programs the type of organization and status in the executive branch which their size and importance clearly demand.

The preponderant weight of testimony before our committee was in support of Reorganization Plan No. 27. The objections came mainly from spokesmen for the medical and dental professions and for part of the educational profession. These spokesmen based their objections on the ground that health and educational matters were entitled to separate departmental or agency status. Whatever the merits of these contentions—and I am willing to concede that they have some merit—it requires no elaborate demonstration to show that the creation of three separate cabinet departments at this time is completely impractical.

At some later date, if we decide that health and educational matters warrant separate organizations in the Government, we can establish such departments, just as the Department of Commerce and Labor was divided into two separate departments in 1913.

The Members' attention is called to the fact that claims for separate departmental status in health and education matters were reviewed and disapproved by a Senate committee during the Eightieth Congress, when the Taft-Fulbright bill, S. 140, was under consideration. That bill, as reported out by the Senate Expenditures Committee—Eightieth Congress, first session, Report No. 242—recommended a departmental organization substantially the same as now embodied in Reorganization Plan No. 27. It proposed to create a Department of Health, Education, and Security, including three main bureaus, a Bureau of Health, a Bureau of Education, and a Bureau of Public Welfare, each to be headed by an under secretary. The bill was also amended in committee to provide clearly that no additional functions be given to new department beyond those already authorized in previous legislation. Plan No. 27 also emphasizes that no new programs or functions are conferred.

It is instructive to note that the Senate committee deleted the provisions in the original bill setting forth specific professional qualifications for each of the under secretaries, and expressed its opinion that the President should not be restricted to limited fields in the selection of qualified administrative officers. Reorganization Plan No. 27 is more stringent in that it requires that each of the three unit heads are to be selected on the basis of appropriate professional qualifications.

The Senate committee report took cognizance of the contentions of spokesmen for medical and educational groups that each of these services was so important as to justify separate departmental status. However, the committee saw no likelihood that Congress would establish three separate new departments and pointed out that these would be contrary to economy efforts, and so forth. The committee said:

> The basic effort should be to coordinate and consolidate governmental activities into one department particularly where functions are interrelated, in the interest of economy and efficiency of administration (p. 3).

Furthermore, the committee emphasized that the various fields covered in the proposed new Department are in many instances overlapping, and the public interest would better be served by an administration under the one Departmental set-up. Three separate bureaus were included in the bill in deference, as the committee said, to the wishes of the professional groups. Reorganization Plan No. 27, I may note, defers to the same wishes. The committee noted particularly that this formula was designed to encourage the medical groups to establish a comprehensive program within the proposed Department rather than to press their present efforts to create an independent health agency.

The committee report quoted Senator TAFT, a sponsor of S. 140 and related bills, as follows:

> It is important that health be separate from welfare, and that they each be separate from education. It is obviously impossible to have three departments, one for each, and it seems to me proper to group them in one Department.

Senator TAFT was also quoted as follows:

> I do not think the health people should object to a health agency reporting direct to a Cabinet officer, a man of Cabinet rank,

because I see no reason why such a man would not feel equally obliged to take care of health, as he does of welfare.

In the debate on Reorganization Plan No. 1 of 1949, Senator TAFT gave further explanation of his position on S. 140 and on the organization of a Welfare Department as follows—CONGRESSIONAL RECORD, August 15, 1949, page 11442:

Two years ago the Senator from Arkansas [Mr. FULBRIGHT] and I introduced a bill to create a new Department of Health, Welfare, and Education, but only because we did not feel there could be three new separate departments. We carefully provided that each one of these functions be placed in an autonomous section under a separate Under Secretary, reporting directly to the Cabinet officer, who was not given a whole raft of secretaries and under secretaries. By statute, we assigned all matters relating to health to an Under Secretary of Health, all those relating to welfare to an Under Secretary of Welfare, and those relating to education to an Under Secretary of Education. We put those departments under those Under Secretaries so they could not be shifted around. We gave, as I said, practically autonomous rights to those three Departments. The Secretary became a representative of those three groups in the Cabinet of the President of the United States, where I think there ought to be someone to speak for health, welfare, and education.

Senator FULBRIGHT likened this internal organization to that of the Military Establishment where organizational integrity of the component services is maintained.

Senator TAFT indicated in this course of debate on the 1949 plan that he would not have objected to a revised plan that would take account of the organizational plan he proposed. He said—CONGRESSIONAL RECORD, August 16, 1949, page 11554:

Mr. President, I may say that if this plan is rejected, the President will still have the opportunity at any moment to submit another plan.

The President has done exactly this. He has submitted another plan—the present one—having scrupulous regard to the organizational arrangements favored by Senator TAFT and other critics of the 1949 plan. I cannot see how any more suitable accommodation could have been devised. The President has acted in a spirit of utmost cooperation, refusing to let differences over organization stand in the way of the new cabinet Department which today commands almost universal endorsement.

Let us act today in that same spirit and approve Reorganization Plan No. 27.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself 15 seconds to ask the gentleman from Massachusetts whether he is in favor of or opposed to socialized medicine.

Mr. McCORMACK. Is the gentleman addressing that to me? What is socialized medicine?

Mr. HOFFMAN of Michigan. The gentleman declines to answer.

I yield back the balance of my time, Mr. Chairman.

Mr. McCORMACK. The gentleman does not know what he is talking about. He is just taking a few words out of the air. He thinks he is wise. He opposed social security, did he not? The gentleman does not answer.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KEARNS].

Mr. KEARNS. Mr. Chairman, I am opposed to plan 27. As an educator I have come up through the ranks in the teaching profession. I know the trials and tribulations of the teacher and the school administrator, and I am not going to vote to put Oscar Ewing or any other administrator on their necks. I would take this stand even though a Republican were the administrator of the Social Security Agency today.

Instead of putting the United States Office of Education more firmly under the thumb of one of the departments we should be moving in the other direction. We should be taking the Office of Education out from under the politicians and putting it into the hands of the educators—and they should be real Americans, not just educators.

Plan No. 27 is a step backward in education. It more firmly implants partisan politics in our public-school system. The move should be in the other direction.

I am becoming a little fed up with plans. There are plans for the farmer; there are plans for labor; there are plans for little business; there are plans for minority groups—there are plans for every single group which seems to hold promise of a block of votes.

Not so long ago—out in St. Paul, Minn.—we saw the Brannan plan in operation. That is a plan to corral the farm vote.

Mr. Brannan's boys brought thousands of Department of Agriculture people to a central point to hear the message of the apostle from Washington. County agents and other personnel were brought to hear Mr. Brannan from far and wide—and the expenses were paid by the United States Government.

The United States taxpayer paid the expenses of those who attended this party convention. The United States taxpayer paid the bill to have himself sold a bill of goods.

I look with horror to the day when an Oscar Ewing can order the school teachers and school administrators to assemble to hear the message from above, with the taxpayer paying the bill.

Plan No. 27 is not good for the public-school system of the United States. It gives to the Secretary of Health, Education, and Security the authority to integrate in his office budgeting, accounting, library, legal, and other services and activities of the component agencies of the Department. It gives the Federal Security Administrator—or, as he will be called—the head of the Department of Health, Education, and Security—the authority to transfer personnel, records, and funds of the component agencies of the Department.

That means that the Secretary of the Department of Health, Education, and Security will get the authority to transfer United States Office of Education personnel, records, and funds. In short, plan No. 27 puts the present administration on top of the budget and the personnel of the United States Office of Education.

The Federal Government's role in education should be separate and distinct from partisan political objectives and free and clear of partisan political appointees. It must be surrounded with administrative procedures which will safeguard the educational processes of the United States from partisan politics.

The United States Office of Education should be an independent agency—not a subordinate office of the Department of Health, Education, and Security or any other department or agency.

The United States Office of Education should be headed by a National Board of Education composed of educators selected on a nonpolitical basis. My bill H. R. 8161, provides this procedure. It should not be made a subordinate agency to a politically appointed, politically responsible, and politically ambitious department head.

I believe that the Federal Government must be prepared to promote public education in the United States—but promotion must not mean control.

The Federal Government can aid through research and technical advisory services. The Federal Government can give financial aid to the States—but such assistance must not be accompanied by Federal control.

Plan No. 27, in my opinion, means Federal control of education and health and heads us down the road of more controls and socialized medicine as well as Federal control of education—America wants no dose of this prescription.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I am opposed to this plan No. 27. After reading the resolution adopted by the American Medical Association I think it answers the question more fully than I could in my own words as to why I oppose this plan.

I will enumerate several of the reasons:

First. This plan is in direct conflict with the recommendations of the Hoover Commission.

Second. It renders more difficult or impossible the creation of a Department of Health at any future time.

Third. It creates a triple holding company, a conglomerate Department of Health, Education, and Security, most of whose work is not related.

Fourth. It will not be a reorganization of administration, but a renaming of an agency admittedly faulty in set-up.

Fifth. It will point toward eventual Federal domination of our voluntary hospital system.

Sixth. It will create a master organization ready and anxious to take over administration of a national compulsory health-insurance program.

Seventh. It will place administration of the Nation's health activities in the hands of a politically appointed secretary with no professional qualifications.

Eighth. It will place direct operation of medical programs in the hands of a

surgeon-general who need not be a doctor of medicine.

Ninth. It does not promote economy.

I think it is about time that we began to take stock of just where we stand. It amazed me very much to hear the majority leader [Mr. McCORMACK] say that we are in a better position now than we have ever been before. If I thought that I would admit it, because I like the majority leader personally, but I do not like the things that he stands for. He is too socialistic for me. I am glad that he applauded me on that, because that shows that he thinks I believe thoroughly the things that I say. I am not here trying to criticize somebody, and I do not want to approve things they do if I do not believe in them. I am not two-faced.

I want to ask the majority leader if he thinks we are in such a good position today with the great national deficit that we created this last year, and which this administration has been in the habit of doing for the past 18 years.

A RECORD OF DEFICIT SPENDING, 1931–50

In 18 out of the past 20 fiscal years, the Federal Government has operated at a deficit. In 2 years, 1947 and 1948 the surpluses amounted to $9,173,257,504.

The public debt which was $16,185,308,299, or $131.38 per capita at the close of the fiscal year 1930, has risen to $257,357,352,351 or $1,704.50 per capita. The details of the deficits by years are shown in the table following:

TABLE 1.—*Surplus or deficits of the Federal Government by fiscal years 1931 through 1950. Compiled from official Treasury statements*

| Fiscal year: | *Budgetary surplus or deficit (−)* |
|---|---|
| 1931 | −$461,877,080 |
| 1932 | −2,735,289,708 |
| 1933 | −2,601,652,085 |
| 1934 | −3,629,631,943 |
| 1935 | −2,791,052,085 |
| 1936 | −4,424,549,230 |
| 1937 | −2,777,420,714 |
| 1938 | −1,176,616,598 |
| 1939 | −3,862,158,040 |
| 1940 | −3,918,019,161 |
| 1941 | −6,159,272,358 |
| 1942 | −21,490,242,358 |
| 1943 | −57,420,430,365 |
| 1944 | −51,423,392,541 |
| 1945 | −53,940,916,126 |
| 1946 | −20,676,170,609 |
| 1947 | 753,787,660 |
| 1948 | 8,419,469,844 |
| 1949 | −1,811,440,047 |
| 1950 | −3,122,102,357 |
| Gross deficit | −244,422,233,802 |
| Less 1947–48 surplus | 9,173,257,504 |
| Net deficit (20 years) | −235,248,976,298 |

Two years ago, 1947–48, we had a Republican Congress, and, of course, we did not go into the red, but in all the other years we did go into the red.

Mr. McCORMACK. Will the gentleman yield? The gentleman asked me a question. Is he going to yield?

Mr. RICH. Yes; I yield.

Mr. McCORMACK. All right.

Mr. RICH. Make it short and snappy.

Mr. McCORMACK. Oh, now wait a while. Last year the deficit was due to the Republican Eightieth Congress passing the iniquitous tax bill.

Mr. RICH. Oh, that is a lot of bull that the gentleman has been putting out around here. A bulldozer trying to smooth over the rough and tough spots.

Mr. McCORMACK. Oh, you do not like to hear it? You do not want to hear it? Wait a little bit. I am not through.

Mr. RICH. Well, you are through.

Mr. McCORMACK. In other words, you are quitting?

Mr. RICH. I do not yield any further.

The CHAIRMAN. The gentleman refuses to yield.

Mr. RICH. I refuse to yield.

Now, if the gentleman thinks we are in good shape with this situation we have in Korea, where the President of the United States says we are not in war, yet he sends the Army over there, and he is doing everything he can to get us into a fight. That happened in 1919, when the Democratic administration got us into war; and it happened in 1941, when the Democratic administration got us into war. You watch out if we do not have an administration now that will get us into war again. The majority leader is leading them right on as fast as he can.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. RICH. No; I do not yield. It is about time that we took an inventory here. This thing is so terrribly bad that the American people will wake up in a short time and they will find out that instead of having a country where we have our freedom and our liberty and independence, we will have a land of socialism and a land of dictatorship.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. RICH] has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska, Dr. MILLER.

Mr. MILLER of Nebraska. Mr. Chairman, I think the majority of the Members of Congress want to go along with the recommendations made by the Hoover Commission and by the citizens' committee. I support the Hoover Commission report in order to get some sense brought into the Federal Government and its agencies. I have studied very carefully the proposed measure for putting the Department of Health, Welfare, and Social Security under the Federal Administrator. Four years ago I introduced legislation to create a Cabinet office to handle all health problems.

As I look over the pending measure it does not conform to the recommendations made by the Hoover Commission. I am sure the gentlemen who want this legislation cannot point out where it conforms to the recommendations made by the Hoover Commission.

I do not believe that the hearings will show that anyone from the citizens' committee came before you in favor of the legislation, because it does not conform to the recommendations made by the Hoover Commission. If it did I would like to support it. I am concerned as to whether it will save money, whether we will get a better organization by adopting such legislation. I am convinced that we would not; I am convinced that we would have probably three organizations going in separate ways. It would bring more confusion. It would not save money; it would not be satisfactory to the taxpayer or even to the departments after they were formed. It has been suggested that one Oscar Ewing would head the new Department.

I just read on the ticker tape that Oscar Ewing will probably be a candidate for governor of New York. We might get him out of our hair in Congress if he would do that. I hate to wish him onto New York, but perhaps it would be a more fertile field for him there. I think really that a lot of the opposition coming to this legislation at the present time is due to the fact that a man by the name of Ewing would probably head the plan.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. KEATING. I rise to object to wishing him off on us in New York.

Mr. MILLER of Nebraska. The ticker tape might be wrong; I noticed one man by the name of Flynn had a conference with the President, and the matter was discussed and the problem was to get a strong ticket in New York. I would prefer him in New York than as a Cabinet member. He is an arch proponent of socialized medicine. He would have the Government do your thinking and planning.

I notice the majority leader was quite disturbed about his stand on socialized medicine. I think that in his heart he is not for socialized medicine; I am sure that he would not stand up here and support it. He asked: What is socialized medicine? I am sure there is not a Member here who does not know what socialized medicine is, and I am sure that he would not bring up that bill called socialized medicine and seriously urge its passage.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. HOFFMAN of Michigan. Does the gentleman from Nebraska see the gentleman from Massachusetts on the floor now while the gentleman from Nebraska is asking that question?

Mr. MILLER of Nebraska. Yes; I see him in his seat; he seems discouraged. The Members should relax. Some of the Members got quite excited; I notice the majority leader spoke very loudly and vehemently; I notice that even the chairman of this committee was quite excited. That really is not good for one's blood pressure, since we are dealing with health problems.

I also realize that the question of socialized medicine is high on the agenda on the Democratic platform as is the Brannan farm plan and the repeal of the Taft-Hartley law. I suppose they will be brought up between now and the first of August. Those things ought to take preference over the war—or is it a war? It is a police action—a mere police action according to the President—but soldiers are dying in Korea. It seems to me that Congress ought to clear the decks for action and forget about some of these

socialistic schemes contained in this plan. We ought to forget about socialized medicine, slum clearance, and other socialistic terms and clear the deck for action, because we are facing some serious times. This resolution should be adopted and the plan rejected. It is just no good.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, Reorganization Plan No. 27, submitted by the President, is not in line with the recommendations of the Hoover Commission. In fact, it is in direct conflict with these recommendations.

For example, the Hoover Commission recommended that the Bureau of Employees' Compensation, Employees' Compensation Appeals Board, and the Bureau of Employment Security be transferred to the Department of Labor, and not be a part of this proposed new agency. But here you have them under Health, Education, and Security. That is only a part of it.

This recommendation does not create a Department of Health, but provides in substance that all of the departments of the present Federal Security Agency be given a rank of Cabinet department.

Under the proposal there would be little change in the internal organization of the present establishment. There would be no substantial economies achieved. The approval of this plan will not be a saving to the taxpayers of this country. On the contrary, it will raise the cost of operating the functions now administered by the Federal Security Agency.

The mixture of Government functions dealing with health, education, employment compensation, and security will not result in a reorganization of the Administration.

It is not merely in conflict with recommendations of the Hoover Commission program, but would make the situation more difficult to provide for a real Department of Health.

This plan ignores the fact that health, a direct concern of everyone, is entitled to equal governmental status with labor, or with commerce, or agriculture, or with other activities which directly concern not only a portion of the population, but have separate Cabinet departments. Here is the most important activity affecting all people directly. We should follow the Hoover Commission recommendations and provide for a United Medical Administration that would include the present Health Service. That is the recommendation of the Hoover Commission.

Under the proposal submitted, you would have a sort of triple holding company, a conglomeration of a Department of Health, of Education, and of Security, most of whose work is underrated. This bill would not be reorganization but just renaming an agency already established.

There appears to be only two real purposes that the President and his advisers have in mind in asking for the approval of this plan. First, the plan will create a Federal department whose main operation will dominate medical education, the hospital system of the United States, and take over the administration of a national compulsory health insurance program.

The second purpose of this measure is to raise the salary of the present Administrator, Oscar Ewing, to Cabinet rank. Under this unsound proposal, his salary will be increased from $17,500 to $22,500. The salary of the Under Secretary will also be increased, and there will be three new positions of Assistant Secretary with annual salaries of $15,000 each.

This kind of legislation would place the health activities of this country in the hands of a politically appointed Secretary with no professional qualifications. A Department of Health should be headed by a person highly qualified and trained in his profession. This proposal would not in the slightest degree improve the health and welfare of the American people. As stated in the first place, it would simply give the present Federal Security Administrator Cabinet status and nothing more.

I should also add that the present Federal Security Agency does not have an outstanding record of achievement in dealing with the problems assigned to its jurisdiction.

Mr. Chairman, no one is more concerned about advancements in the field of health, education, and security than I. In order for the American people to remain strong in this present international crisis, it is essential that adequate measures be adopted to protect their health, to assure equal and extended educational facilities and to make reasonable advances in the field of social security. However, the adoption of plan No. 27 will not achieve these ends. As a matter of fact, the creation of this heterogeneous, disassociated and complicated hybrid of a department of Government will actually retard our achievements in this direction.

Mr. Chairman, I am disappointed and surprised with regard to statements that have been made by Members who have preceded me in their criticism of men and women engaged in the medical profession.

I realize, like other professions, it has its faults. I just cannot believe the membership of this House would intentionally support legislation that would give opportunity for the socialization of the medical profession or any other profession. It is disappointing to find men in high places in the Government who would use their influence in that direction.

Before I close this discussion, I would like to call your attention to a report of a subcommittee of the Post Office and Civil Service Committee of the House, as a result of an investigation made by that committee.

I want to pay tribute especially to the Honorable JOHN BELL WILLIAMS, of Mississippi for his fine leadership in bringing that report to the attention of the House.

The report is No. 2457, and among other things, calls attention to an agency with 34,000 employees, marked with overstaffing and with lack of fixed responsibility and faulty budget structures. The report is not a criticism against the employees of the agency, but of the manner in which it is managed.

Attention is also called to the fact that there is no clear line of responsibility and authority in the agency, and that during the 10-year period from 1940 to 1950 the number of employees increased by 52 percent, while at the same time employees working in personnel offices increased 180 percent. In other words, the total number of personnel employees serving other staff members increased three times. Mr. WILLIAMS also calls attention to the amount of money, the energy and the number of people who are used to propagandize the agency instead of attending to the business that is assigned to the agency. A reading of this report does not recommend the approval of this plan.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

PLAN NO. 27

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself 10 minutes.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Iowa.

Mr. JENSEN. Is it not a fact that the American Legion, the Veterans of Foreign Wars, in fact, all of the legitimate veterans' organizations are opposed to this plan No. 27?

Mr. HOFFMAN of Michigan. That is my understanding.

Mr. Chairman, Reorganization Plan No. 27 of 1950 would elevate the present Federal Security Agency to the rank of a Cabinet department. Thereby, the prestige and power of the Agency which has been in the forefront of the movement for socialistic welfare schemes would be enhanced. There would be little change in the internal organization of the present establishment. No substantial economies would be achieved. The plan does not conform with recommendations of the Commission on Organization of the executive branch of the Government. It is not merely in conflict with those recommendations but would make it increasingly difficult to achieve important parts of the Hoover Commission program.

The plan should be rejected through adoption by the House of Representatives of House Resolution 647.

PROVISIONS OF PLAN

Reorganization Plan No. 27, submitted by President Truman on May 31, 1950, would establish a Department of Health, Education, and Security. All agencies of the Federal Security Agency, together with their respective functions, records, property, personnel, and unexpended balances of appropriations, would be transferred to the new Department.

The Department would be headed by a Secretary of Health, Education, and Security, to be appointed by the President with the consent of the Senate and to whom the functions of the present Federal Security Administrator would be transferred. Provision also is made for an Under Secretary and an Assistant Secretary appointed by the President with the consent of the Senate and an Administrative Assistant Secretary appointed, with the approval of the President, by the Secretary under the classified civil service.

Three major bureaus in the new Department would correspond to the three major units of the present Federal Security Agency. The Public Health Service would be headed by the Surgeon General. The Office of Education by the Commissioner of Education, and the Social Security Administration by the Commissioner of Social Security. The three officials would be appointed by the President with the consent of the Senate.

The present autonomous powers of the Public Health Service and the Office of Education would be preserved. Powers of the Social Security Administration, now vested in the Federal Security Agency, would continue to be lodged in the head of the Department.

The plan differs from Reorganization Plan No. 1 of 1949, which was rejected by the Senate, chiefly in a change of the name of the new Department from Department of Welfare to Department of Health, Education, and Security and in retention of autonomous powers of the Public Health Service and the Office of Education.

DIFFERENCES FROM HOOVER COMMISSION PROGRAM

The only point at which Reorganization Plan No. 27 of 1950 touches the program of the Hoover Commission is in its creation of a new department. The proposed new department, however, would not be that which was recommended by the Hoover Commission.

A major point of difference from the Hoover Commission program is the inclusion of health functions in a department with education and social welfare.

Another important point of difference is in the lodging in the new Department of the Public Health Service which under the Hoover Commission program would be made a part of an independent United Medical Administration.

Still another vital point of difference is the granting of autonomous powers to bureaus within a department.

The plan for a new department would fall short of the recommendations of the Hoover Commission for a new department in several other respects.

Mr. Robert L. L. McCormick, research director of the Citizens Committee for the Hoover Report, whose membership is representative of a strong public sentiment for adoption of the Hoover Commission recommendations, testified that Reorganization Plan No. 24 was so much at variance with the Hoover Commission program that his committee could not give its support.

HOOVER COMMISSION RECOMMENDATION FOR NEW DEPARTMENT

The Hoover Commission in a report on social security, education, and Indian affairs recommended a new department to administer functions dealt with in the report. The report dealt with welfare, social security, and education activities but not with health functions. The latter were covered in a separate report on medical activities.

The effect of the recommendation was to propose the elevation of the education and security activities of the present Federal Security Agency to a departmental status. The health functions, however, would be divorced from the present grouping and made a part of the proposed United Medical Administration.

In discussing its recommendation for a new department dealing with education and security, the Hoover Commission said:

American concern over the problems of education, health, relief of the needy, aid to the handicapped, and assistance in unemployment and old age is as old as the Republic. Responsibilities in these fields were initially considered to be those of State and local governments.

With the growth of the Nation, these problems have become wider than local and State boundaries. There is a common interest of all citizens in the education of every citizen. There is a common interest in the advancement of science and in the common dangers from disease. There are obligations to veterans. The problems of unemployment extend beyond State borders. There is generally a recognition of the practical problems which lie in our obligation as "our brother's keeper."

All these circumstances have contributed to bring these problems more and more to the Federal level. In dealing with these matters, except in the case of veterans, the Federal Government has usually sought to preserve the responsibilities of local government and their agencies of administration in effecting the national purpose.

It is not the province of this Commission to pass upon the policies that have evolved in these matters. We are concerned with the efficient and economical organization of the Federal agencies as we find them. The organizational problems of education, health, medical care, assistance to the handicapped and aged, and aid to the unemployed permeate every department of the Federal Government.

There is no perfect organizational arrangement for these functions. Many of them must be performed by specialized agencies like the Veterans' Administration, the Armed Forces, and the Labor Department. As the problems grow, specialization in organization will inevitably grow.

In our report on Medical Services, we have recommended a separate United Medical Administration, reporting directly to the President. That agency would embrace the major hospitalization, medical research, and public health activities of the Government and, by its creation, bring about better medical care, development of medical staff, research, and protection of public health, together with large economies in administration.

In our report on the Labor Department, we recommended the return of several agencies now in the Federal Security Agency to that Department.

There remain, however, certain most important bureaus or agencies relating to education and security which must be organized into a workable department. They are now, with one exception—the Bureau of Indian Affairs—in the Federal Security Agency.

The size of these agencies, after making the changes we have outlined, is somewhat indicated by the fact that they embrace about 20,000 employees. The administrative expenditures would be roughly $50,000,000. The grants-in-aid to be distributed would approximate $800,000,000. For the calendar year 1948, the collections of old-age and survivors insurance approximated $1,688,000,000, and disbursements $550,000,000. The accumulated funds on August 31, 1948, were $10,388,000,000.

While we discuss the educational problems at greater length later, it may be said here that it has long been suggested that the educational activities of the Federal Government should be given independent or Cabinet status. However, the Federal Government is not engaged in direct educational activities except in a small way in the case of Howard University. Its function is that of stimulating educational advancement by research, issuing publications, and making grants-in-aid to the States. The administrative staff required is less than 500 persons.

We believe that the functions, including education, which we propose to assign to this Department have such an important relationship to the formation of the domestic policies of the Government that the person in charge of the functions should be a member of the President's Cabinet.

PROPOSAL FOR UNITED MEDICAL ADMINISTRATION

The Hoover Commission in its report on medical activities recommended establishment of a United Medical Administration into which would be consolidated most of the large-scale activities of the Federal Government in the fields of medical care, medical research, and public health. The purpose was stated to be to eliminate overlap, waste, and inefficiency.

The objectives were stated to be to provide better medical care for the beneficiaries of the Federal Government's medical programs, to create a better foundation for training and medical service in the Federal agencies, to reduce the drain of doctors away from private practice, to provide better organization for medical research, and to promote a better state of medical preparedness for war.

The Public Health Service, including its hospitals and functions, facilities, and personnel, would be transferred to the new agency from the present Federal Security Agency. There would also be included in the United Medical Administration the general hospitals of the Armed Forces in the continental United States, the hospital functions of the Veterans' Administration, and the nonmilitary hospitals in the Canal Zone.

The Hoover Commission in discussing advantages of its plan said:

Only the creation of a new United Medical Administration can remedy the weakness of the present organization and give the leadership, direction, and planning urgently needed. To it would be transferred the Government's major services in the field of medical care, public health, and medical research.

The Nation's vast medical services, which we have noted lack any central plan of operation, require unified responsibility. The Government must have a central plan if waste and inefficiency are to be avoided. The advantages of unification of Federal medical services include the following:

(a) The general standard of Federal medical care would be improved.

(b) There would be a central supervision of the major Federal medical care, public health, and medical research activities. Unified responsibility is the key to good management. The President, the Congress, and the public could look to one man for results.

(c) Construction costs could be standardized and reduced.

(d) Federal hospitals could be utilized to the fullest extent by eliminating present distinctions as to the particular types of beneficiaries for which each can care. After all, a patient is a patient whether he is a veteran, a merchant seaman, or in the Army, Navy, or Air Force.

(e) The medical manpower at the call of the Federal Government could be used to the fullest extent, and present deficits in skilled personnel could be greatly reduced.

(f) The need for any draft of medical manpower in time of peace would be greatly lessened.

(g) The cost of health and medical services would be clearly identified and known to Congress.

(h) The facilities of private hospitals and the skills of physicians in private life and in the universities could be utilized far more effectively than they are now.

SHORTCOMINGS OF PLAN NO. 27

The excerpts from reports of the Hoover Commission showing its reasoning in making a recommendation for creation of a new department dealing with education and security and in proposing a merger of medical activities in an independent agency are pertinent as indicating the shortcomings of Reoganization Plan No. 27.

The proposed plan does nothing at all toward achievement of the objectives of the Hoover Commission in these matters.

Proponents of the plan claim that it does not prejudice future action by Congress toward approval of Hoover Commission recommendations, specifically the creation of a proposed United Medical Administration.

It is significant, however, that Mr. Oscar R. Ewing, Federal Security Administrator, in testifying for the plan, took occasion to express his opposition to the United Medical Administration. Obviously, the increased prestige attaching to the proposed new department would give his views, if he were named to head the new department, greater weight.

At least one witness, in response to a question from a member of the committee, admitted that his support of the President's plan was very largely influenced by the belief that it would mean rejection of the United Medical Administration proposal.

Whether or not this committee and the Congress shall approve legislation creating a United Medical Administration, no step should be taken which would impede such a program unless the evidence of need of the pending reorganization plan is indisputable.

Testimony during the hearings on Reorganization Plan No. 27 has made it clear that support for it comes from groups desirous of building up the power and prestige of the present Federal Security Agency, especially with respect to its social-welfare functions.

It was made clear that some groups concerned with the Public Health Service and the Office of Education were skeptical of any advantages of the plan.

Opposition was expressed by representatives of both the American Medical Association and the American Dental Association. Both of these groups have long advocated creation of a separate Department of Health. Their spokesmen were fearful of subordination of health activities in the proposed Department of Health, Education, and Security. Similarly, a witness for the American Association of University Women objected to the plan, preferring a grouping of educational activities under an independent board. These professional groups all were distrustful of lay administrators who would have Cabinet rank above the professional experts in immediate charge of health or educational functions.

AUTONOMOUS BUREAUS

The reorganization plan by retaining the autonomous character of the Public Health Service and the Office of Education seeks to avoid the opposition of some of those who objected to plan No. 1 of 1949 for a Department of Welfare.

It is true that the status of the powers of these two agencies in a new department would be unchanged from what they are in the Federal Security Agency. The freezing of the powers in a department of higher rank, however, would make it doubly difficult to deal with the situation hereafter.

The Hoover Commission laid stress upon the undesirability of autonomous powers by bureaus within a department. Recommendation No. 14 in its report on General Management of the Executive Branch was that the heads of departments, under the President, should have full responsibility for the conduct of their departments, that there should be a clear line of authority reaching down through every step of the organization and that no subordinate should have authority independent from that of his superior.

The Commission's findings on this subject were as follows:

The line of command and supervision from the President down through his department heads to every employee, and the line of responsibility from each employee of the executive branch up to the President, has been weakened, or actually broken, in many places and in many ways.

This line of responsibility still exists in constitutional theory, but it has been worn away by administrative practices, by political pressures, and by detailed statutory provisions.

SOCIALISTIC TENDENCIES

The present Federal Security Agency has actively promoted socialized medicine and other proposals infringing upon American principles of government.

Undoubtedly the influence of this Agency with the Congress and with the public would be increased by its elevation to Cabinet rank.

The trend toward socialism might be furthered by approval of the reorganization plan.

The Chamber of Commerce of the United States, discussing the plan for compulsory health insurance, of which Federal Security Administrator Ewing has been the leading advocate, said:

A socialized medicine system would be a big step toward socialism in general. A huge new bureaucracy would be created, and there would be widespread destruction of our voluntary institutions. Not only doctors, dentists, and nurses would be paid—and controlled—by the Government, but countless typists, bookkeepers, and investigators would be required.

The new army of Government workers might number a half million persons or more. It could wield dangerous political power.

The assumption has prevailed that Mr. Ewing would be the President's selection for Secretary of Health, Education, and Security, in the event of approval of the present reorganization plan. Undoubtedly, he would redouble his efforts for socialized medicine.

CONCLUSION

Reorganization Plan No. 27 is the answer to the bureaucrat's prayer. It provides increased power with which to extend the activities, influence, and payrolls of existing agencies, which every bureaucrat seeks. That is virtually all it does.

The plan in scarcely any particular follows any recommendation of the Hoover Commission. Its stated objectives are not those of the Hoover Commission, more efficient organization and greater economy, but rather increased prestige and influence for particular activities. The plan departs from and is in actual conflict with the Hoover Commission program.

In the absence of conclusive evidence to show the need for elevation of the present Federal Security Agency to Cabinet rank, the House of Representatives should reject the plan by approval of House Resolution 647.

The views thus expressed are not only my views but the opinions of all Republican members of the committee as well, and, I am certain, of some Democratic members of the committee.

The gentleman from Massachusetts [Mr. McCORMACK] stated three or four times that he was in favor of progress. Who is not? But what kind of progress—I do not favor progress toward ruin—which is what his party has been giving the Nation. We can all recall that after World War I the world was in a situation which gave every country involved in it a depression. If memory serves correctly, the candidate for President on the Democratic ticket then had an economy program, a platform which promised that he was going to cut Federal expenditures 25 percent, that he would cut Federal employment 25 percent. The people of this country, realizing that that was the only sound and permanent way out of their then troubles, elected Mr. Roosevelt President by an overwhelming majority. What happened? Although he had promised that we would not repudiate the gold standard, within 6 months we went off the gold standard, devalued every Government bond, and within 6 months we began a course of action which has given us what I assume the gentleman from Massachusetts [Mr. McCORMACK] would call progress. And what has it been? A program of deficit spending. We have had bankruptcy out of it. We have had a foreign policy, if you can call it a policy, which gave us World War II, which has given us world war III. I do not go along with those who say that we are not now in war. It is my understanding that we have not had a declaration of peace or a declaration ending the President's emergency war powers. As a matter of law, we are still at war, still in World War II, and if we are not in an actual fighting war today in Korea, then I know not the meaning of that term. If that is progress, if the history of our country under the Democratic Party, taken over lock, stock, and barrel by the New Dealers and the Fair Dealers, and the Pendergast gang, is a history of progress, then my training has all been wrong. I want none of the gentleman's brand of progress, either for my country or for myself.

The gentleman from Illinois, the chairman of our committee [Mr. DAWSON], a very earnest gentleman, in a very

vigorous and eloquent way stated that he was in favor of advancing the interests of human beings.

Everyone with a heart, a mind, and a consciousness of his own well-being is not only willing but is anxious that all other people should prosper, be happy, free, and independent. I ask the gentleman, where in all the wide, wide world has either the individual or the people as a whole received greater consideration, had more of the things we all consider good for us or the things we all desire not only in the way of freedom and liberty, but of material prosperity? Where is there a group of people that have made the progress we have made?

Mr. DAWSON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Illinois.

Mr. DAWSON. After World War I the country was in pretty good condition. The people had a few successive Republican administrations, and we had the greatest depression in the richest country the world has ever seen. Banks failed, people were standing in soup lines and bread lines, and the Nation turned to the Democratic Party. The Democratic Party has been in power ever since because of the fact that it was concerned with human values and not with property values.

Mr. HOFFMAN of Michigan. True, we had a depression, and it came because of the war and destruction a Democratic administration under Woodrow Wilson gave us. But if what the gentleman said was all true, which it is not, of course, and which every student of world affairs knows is not an accurate statement of the situation, nevertheless the fact remains that, having been in power, except for two brief years when the Republicans had the House, having been in power since 1933, where are we today? I will not repeat at length; sufficient to say we have had deficit spending, an ever-increasing debt, regimentation, loss of personal freedom, and war—cruel war which wasted our substance, took the lives of our youth, and today men are fighting in far away Korea. Is that progress?

So much for that. Here we are today with this present war. Then the gentleman went on—and I will be very brief because I want one of the members of the Hoover Commission [Mr. BROWN of Ohio] to tell you just how much this plan does not follow the Hoover Commission recommendations—I want to pause here just one moment to pay tribute to the President of the United States who, because of his political sagacity, not only his ability through the distribution of political favors but through his ability to influence legislation, has been able to purchase the votes of first this group and then the other, and so continue himself in power—that is another kind of progress I want none of.

The gentleman from Illinois [Mr. DAWSON] said, "Who opposes this legislation?" And then he said, "The doctors."

Now, I am not, I regret to say, an extremely religious man. When the sun is shining, when everything is going all right, when I have no aches and pains, money in my pocket, I do not really get down on my knees two or three times a day and call on the Lord for help. I just forget the Lord in the prosperous, happy days, as many individuals and nations have forgotten in the past. But when I have a terrific pain around the region of the heart, when I have something in my stomach, perhaps, or anywhere else, that feels like a hot stone or when it thunders and lightnings and the sky is overcast and the winds roar and the windows rattle and the walls shake, what do I do? I do like the physically big, strong men in this House do, I get frightened, and I call on the Lord to protect me and carry me through.

So it is sometimes—and I mean no sacrilege—that I assume that even my friend from Illinois [Mr. DAWSON], if he gets a pain somewhere, if his food disagrees with him, if he thinks he has been poisoned by something he ate, I venture to suggest that he will call on one of these greedy, dog-in-the-manger, despised doctors to whom he referred for a little physic.

What is the difference between his plan of socialized medicine—I am sorry the gentleman from Massachusetts is not here. I cannot define socialized medicine for him the way he would like to have me do it. Apparently in spite of all the argument, in spite of all the things that have been said and written, the gentleman from Massachusetts [Mr. MCCORMACK] does not want to recognize and give a definition of socialized medicine, because when I asked him a very short, simple question, "Are you in favor of or opposed to socialized medicine," what did he say? He comes back at me and says, "What do you mean by socialized medicine?" I am sure he is more intelligent than I. I am sure he knows what I meant. What the people understand is meant by those words.

I wish the gentleman would not speak so disparagingly of the doctors. Knowing as I do, knowing that you, if you have an ache or a pain, are going to call on these doctors, and knowing, as you do know, that, having ill health in this country, people will need doctors, why seek to discredit them? What is the difference between their manner of practice and that proposed by the advocates of socialized medicine?

The only difference is that the doctors there will be under the control of a master politician. Some fellow who knows little of medical science will be telling the doctors what to give and when to give it. Keep on with socialized medicine, and if we should be so unfortunate as to get Dr. Ewing, you may be getting medicine from a veterinarian because you do not know whether they are going to pick that kind of a doctor—a horse doctor or somebody else, to treat your ills.

Mr. DAWSON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. Yes; briefly.

Mr. DAWSON. Does the gentleman know about the provision in this plan which specifies that the head of the Health Bureau shall have certain professional qualifications?

Mr. HOFFMAN of Michigan. Oh, yes; I know about that, and I know that no man, no group, no legislative body, can write a law and have it interpreted and administered as it would desire. Experience has demonstrated that.

The Congress legislates but the bureaucrats interpret and administer.

Then—I will not say I was hurt—but our chairman—he is sincere, but I was grieved—I was grieved to hear the gentleman who is a champion of civil rights and who has done so much for the people of his race, from the well of this House make a talk against a group of our citizens. The gentleman from Illinois may in Chicago be acquainted with a different class of physicians than I know.

Mr. DAWSON. Will the gentleman yield?

Mr. HOFFMAN of Michigan. Yes.

Mr. DAWSON. The gentleman and others have harped upon the fact that I mentioned that illustration of a dog in the manger. The gentleman knows that I do appreciate doctors and appreciate their qualifications. This matter has nothing to do with those qualifications, but only with that attitude as I described it toward certain legislation. No man in this Chamber appreciates the trouble it takes to become a doctor and the long years that are put in in their practice, and the place of a doctor in the community. I have a brother who is a doctor. There is nothing in my remarks or in my thinking which is in disparagement of the profession as such, whether it be a doctor or a dentist or an educator; but so far as the procedures are concerned in opposition to this particular piece of legislation the illustration would aptly apply.

Mr. HOFFMAN of Michigan. I gather, then, from the gentleman's statement that he does not believe doctors, some of them at least, are honest and sincere and have the good of the people at heart, and when they prescribe and when they give of their time, they are giving not only for what they earn, but because they want to benefit humanity. Does the gentleman agree with me on that?

Mr. DAWSON. I believe that each doctor in his practice and as an individual is honest in his efforts in treating his patients. But I believe as an organized body against this legislation they are against it for selfish reasons.

Mr. HOFFMAN of Michigan. The doctor I am talking about is the doctor who served in my community and in the communities of all you gentlemen who do not live in the cities—I know only the so-called country doctor, the old-fashioned doctor who gave years to acquire the knowledge of how to treat you when you were ill—the doctor of the old days, of the "horse and buggy" days, the days that you despise, when if the snows were too deep in our community for his sleigh he would wade through on snowshoes, and that is the way he got to you. The doctor who, you might say, gave of his very life's blood to administer to you when you were sick. And now to have doctors criticized—charged with opposing this legislation, solely because of selfishness is just too much for me—have their humanity questioned just because they oppose something which they think

would not only perhaps injure them, but would injure the people of this country—to that I cannot subscribe—it smacks too much of class feeling.

I repeat—I am sorry the gentleman brought that up, but I am telling you it is not the doctors in my community that I am listening to—I am listening to the people and I venture the suggestion if you go through your own mail you will find that you have 10 letters or 20 or a 100 letters from the people who are not doctors to every one you have from a doctor, opposing this legislation—the people do not want it—they will not, in my opinion take it. We will be well admired if we follow these demands.

If we listen to our people this plan and the would-be little dictators who would invade your homes will be defeated.

Mr. DAWSON. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. LUCAS].

Mr. LUCAS. Mr. Chairman, I rise in favor of this resolution to reject this plan, because I have that same fear within my heart that the gentleman from Massachusetts, our distinguished majority leader, made light of a while ago, that same fear that we are placing in the hands of someone whom we do not trust the power that we do not want to have exercised. I cannot see that we should disregard all fear in considering legislation in this House, and throw all caution to the winds, simply because we do not believe in certain legislation. I think that fear is an honest thing, and I think we should take all precaution in every piece of legislation that comes before us. In our opposition to this legislation, based on reasonable fear, we certainly have grounds to oppose it.

I am going to take as my text in the few remarks I shall make a statement made by our chairman of the committee, the gentleman from Illinois [Mr. DAWSON], in his remarks in favor of this reorganization plan, when he said that this plan would carry the Federal Government's activities in health, education, and security "down into every home in the land." Yes. He said, "Let us vest this power in this new department to have health, education, and security reach down into every home in the land." Get this straight. Are we going to give Oscar Ewing the power under this resolution to reach down into every home in the land to control the health of the Nation? Are we going to give Oscar Ewing the power to reach down into every home in our land to control the thinking and education of our young? That is exactly what we are doing in giving Oscar Ewing that power. Remember this, the more power over education we place here in Washington, the less may be exercised by our local school boards.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. LUCAS. I yield.

Mr. HOLIFIELD. The gentleman wants to be fair, I know. He knows that this plan does not give Oscar Ewing one degree of authority more than he has at the present time. As far as the statutory functions of the Departments of Education, Health, and Social Security are concerned, they are retained in exactly their present function, so the gentelman's fears are groundless on that point.

Mr. LUCAS. Then, may I ask the gentleman why he wants this plan put into effect?

Mr. HOLIFIELD. I will not take your time to do that. I took quite a little time to explain my position.

Mr. LUCAS. If you do not want more power to be vested in the chief of this new department, then why do you want the plan put into effect? I think that it is plaintly apparent that it is for the purpose of giving more power to Oscar Ewing. I cannot believe that this is merely a step forward, as someone has said, when we are by this action giving more control over purely local activities to a man, a man whom we evidently do not trust. I cannot follow such reasoning.

Further, if we are going to give the head of this agency the power to reach down into every home in the land, as the chairman of our committee has said, in our social security, and give Oscar Ewing control over that $13,000,000,000 which reposes in the Treasury to take care of our old people, are we not giving him more power than was intended when the Congress set up the social security law?

No. I do not want those powers to go down into every home in the land. I do not want the head of this bureau, whoever he may be, to have the power to go down into every home in the land and control this country and do that which we as representatives of the free citizens of this great Nation do not desire.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. DAWSON. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Chairman, Reorganization Plan No. 27 was designed to and does meet one of the most serious objections that was raised last year against the establishment of a Department of Welfare under Reorganization Plan No. 1. Under that plan the Secretary of Welfare would have been vested with the statutory functions of the Surgeon General including purely professional functions relating to the administration of the Public Health Service. The present reorganization plan is different and clearly safeguards the right of the Surgeon General to exercise all the functions which the Congress has conferred on him. The Secretary will have, as he should have, certain administrative authority over the whole department which should give him the opportunity to effect various over-all economies of operation—and thus increase the efficiency of the various programs. But he is not substituted for the Surgeon General in matters which are outside his competence, as a layman, to decide. This is equally true in regard to the Commissioners of Education and Social Security.

On the other hand, as a Cabinet officer he will establish a direct and continuing channel of communication between these professional fields and the President, and also the heads of the other executive departments. At present there is no such channel. For that reason alone, the establishment of this new department will be an important step forward in the direction which all sound and sensible thinking recognizes we should go.

Much of the misunderstanding of the proposed plan arises from alternative proposals: The first is the Hoover report's recommendation for a United Medical Administration; the second is the medical profession's insistence on a separate Department of Health with a professional man as Secretary of Health.

Nothing in this reorganization plan precludes later action if the Congress sees fit on either alternative proposal when and if the Congress decides to take such action. In his covering message the President said:

> The adoption of this plan will not in any way interfere with further adjustments in the functions of the New Department either by statutory or reorganization plan.

The Expenditures Committee urges plan No. 27 as the best possible way at present to meet the need.

To adopt either alternative measure would require much time and study and the reconciliation of many conflicting opinions. The present plan is offered as a simple, practical "here and now" solution—the most feasible way to give departmental status to the health functions of the Government. The Federal Security Agency is a going concern. Nothing essential is added or subtracted; Federal Security Agency becomes a department of government, coequal with the other departments and with direct representation in the Cabinet.

There are many positive advantages to proceeding on the proposed basis. It would improve and strengthen the health functions of the Public Health Service—giving it added administrative advantages while conserving its basic independence. It would maintain the equality of the Public Health Service with the education and welfare functions of government. Even more to the point, it would preserve the close association with these other activities that is so vitally important. Health authorities recognize that, to be fully effective, medical research and programs for the prevention of disease must be worked out in conjunction with education and welfare programs. From the broadest point of view, all these programs have a single objective: the development and conservation of our human resources.

To attempt to work independently in any of these fields would be to weaken this needed joint effort—not only within the Federal Government but also in States and communities. Local health authorities are working in increasingly closer cooperation with public school authorities and welfare agencies. In this day-to-day activity they recognize there is no real line of separation—that one field of activity reinforces another.

This is the real reason why a separate Department of Health would not be a forward step. To remove the Public Health Service from its present close association with problems of education and security would be to seriously cripple its total effectiveness. A professional Secretary

of Health, concerned with purely medical matters, would be very unlikely to have the broad understanding of social and economic problems which a Secretary of Health, Education, and Security should be expected to have. As a Cabinet officer, although functioning well, he would be limited to concentrating solely on matters in his own profession. No provisions for related programs in education and social security would be provided. He could not contribute the broad scope needed in Cabinet consultations.

The importance of giving departmental status to the Federal Security Agency now—through the simple and direct means offered by the President's proposal—cannot be overestimated. Over the past 15 years there has been a dramatic expansion in the services rendered by its Public Health Service. Before the Social Security Act was passed in 1935, the functions of its Public Health Service were confined largely to medical care of seamen and other groups, and to interstate and foreign quarantine services. Since 1935, in addition to the program of assistance to State public health services, Congress has urged development of a vital program of medical research through general health grants to universities and other institutions. Cancer, venereal disease, tuberculosis, mental disease, dental disease—one program after another has been added. All are showing concrete results. In addition, the Federal Security Agency administers a vitally important program of hospital construction sponsored by the Federal Government. And it is embarking on a much-needed program to control water pollution. All this is in addition to its day-to-day work of strengthening local public health services in the fields of sanitation and control of communicable diseases.

All these activities are directly related to the health of this Nation—and the health of this Nation is a matter of private concern. We must take every possible step to improve health conditions in this country. The proposal to create a Department of Health, Education, and Security offers the most immediate and practical way in which we can all work effectively toward this objective.

Mr. DAWSON. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I hope the gentleman from Texas [Mr. LUCAS] is still in the Chamber, because on page 2, section 6 of the report at the bottom is the following quotation from the plan:

> *Provided, however,* That nothing contained in this section shall be deemed to authorize the Secretary to transfer or remove from the control of the Surgeon General, the Commissioner of Education, or the Commissioner of Social Security any professional or substantive functions vested in them respectively under the provisions of this reorganization plan or of law hereafter enacted.

Mr. DAWSON. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. TAURIELLO].

Mr. TAURIELLO. Mr. Chairman, it is vitally important that the President's Reorganization Plan No. 27 be permitted to become law. This plan gives departmental status to the present Federal Security Agency.

The real significance of the proposal lies in giving official recognition to the fact that the health, education, and social and economic security of our people are matters of supreme importance to the strength and well-being of this country. And they must, hereafter, be considered at the very top level, of direction in our Government.

This is quite different from saying merely that the Federal Security Agency has earned the right to enjoy the prestige of departmental status. The positive advantages which are derivable will extend far beyond such prestige considerations.

A Secretary of Health, Education, and Security would be able to function far more effectively in his job than can the Federal Security Administrator. As a Cabinet officer, he would have a close and continuing contact and interrelation with the President and other top officials of the executive branch. In the give and take of Cabinet discussion he would be able to better present the point of view of his Department and that of his professional associates in the Department who are responsive to the needs of the people in their respective fields. And he would, in turn, be in a better position to pass to his departmental associates the circumstances in the problems of the Nation-problems of economics, of labor, of agriculture, of international relations, and of military security, as brought out in Cabinet discussions by the top officials of the executive departments.

A Cabinet officer can also act as a spokesman for that vast army of men and women who, in State and local agencies and voluntary groups, are working in all the related fields of public welfare. There has never been an effective channel for presenting the special problems of these agencies and groups for top-level administration consideration. This plan would establish and furnish such a needed channel.

Of course, there are many educators who, understandably, would like to see a member of their own profession in the Cabinet as Secretary of Education. Many doctors would like to see a member of the medical profession as Secretary of Health. And I do not doubt that many welfare workers would like to see a professional Secretary of Welfare. But to argue for separate representation in all these fields is to miss the essential point. To my mind, it would serve no useful purpose to have a Cabinet officer occupied solely with matters of education, or one concerned solely with matters of health, or one concerned solely with matters of social and economic security. In addition, it would add to the total of governmental agencies rather than reducing it as persistently urged by the Commission on Organization.

One of the objectives of this new Department will be to emphasize the relationship of all these problems as they touch the day-by-day lives of our people. The Federal Security Agency has already made sound progress in integrating and coordinating the work in these separate fields. I believe that a unified Department of Health and Education and Security which continues this progress will serve well the best interests of the Nation.

Mr. DAWSON. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, I think the arguments both for and against this reorganization plan have been pretty well discussed by the committee. It is clear that the opponents of this Reorganization Plan No. 27 have gone to great lengths to confuse the issue and ignore its merits.

This is not a policy issue; it creates no agency; it gives no new functions or powers to existing agencies; it is primarily coordinating in an effective administrative manner scattered agencies that deal with closely related subjects. This is a sound administrative move and I am supporting Reorganization Plan No. 27 and opposing this resolution to turn down this plan.

I support this plan for two reasons. In the first place, it will provide cabinet status to each of these three major functions—health, education, and security—through one secretary and at the same time preserve and guarantee the identity of each function. In this way it gives recognition to the importance of these functions in our society without jeopardizing the separate existence of the Public Health Service, the Office of Education, and the Social Security Administration.

In the second place, this plan will integrate similar functions, coordinate these program activities, and produce greater administrative efficiency and economy of operation.

Mr. TAURIELLO. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. TAURIELLO. I am as opposed as any other Member of this House to socialized medicine. Can the gentleman show me wherein in this plan there is any semblance of socialized medicine?

Mr. BLATNIK. That is entirely an extraneous issue which has been injected by those who have attempted to confuse this whole matter. There is not an iota of socialized medicine involved in this administrative reform.

Mr. Chairman, I yield back the balance of my time.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. When the debate has been closed, the motion is then that the committee rise and report back to the House; that is the usual and customary motion and does not in any way affect the passage of the resolution itself.

The CHAIRMAN. That is voted on in the House.

Mr. HOFFMAN of Michigan. Do I also understand that those who oppose the plan should, when the resolution comes up in the House, vote "aye"?

The CHAIRMAN. In the House their vote would be "aye."

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, it is quite obvious as this debate has progressed that a great many Members are concerned about the socialization of medicine, and on the defensive side there have been statements calculated to allay the fears of those who might have that concern in respect to this particular measure. For myself, let me say that I am against socialized medicine in any form in which it may be presented or in any guise under which it may masquerade. Also I am opposed to measures which seem to me to be leading us directly on the road to socialization of medicine.

I recognize, as I think everyone does, that we do not have as good medical attention in this country as we would like. We do not have as good schools as we would like. We do not have as many hospitals as we would like; we do not have as many good teachers as we would like, but we are striving always to improve ourselves in that regard. That is the American spirit. But socialization is not the course to pursue if we want to achieve those better goals.

Now, mark it well, your vote on this proposition is going to put you on one side or the other of this great issue of socialization of medicine. I do not think anyone can affirmatively deny that, although I have listened to these other statements.

I suppose it does not make too much difference, but the majority leader made a great point of the vote on the social security measure. I took occasion to get the RECORD out of that day in April 1935 when that measure was before us. As a freshman Member of this body I made a speech for that measure and supported it. There were only 33 votes against it, and I think half of those, as I look over the list and if my memory serves me correctly, were Democrats. So why that phony issue? It is as phony as to say today that everything is good in the country. Well, if it is, the credit cannot go to Mr. Truman and his program, because his program, including socialized medicine, has not been enacted by this Congress. For you folks who support that program to claim credit for anything good in the country today reminds me of the story of the fellow who said he had just saved a man's life. He shot at him and missed him.

The fact of the matter is that the Eightieth Congress cut the cost of government, balanced the budget, had something to apply on the national debt, reduced the people's taxes, brought some equity and fairness into labor-management relationships, and did a lot of other constructive and desirable things. What the Eightieth Congress did was so good that this Democratic Eighty-first Congress has not undone any of it. The good that started to flow from that fine action in the interest of the country is still with us today. So if things are good in the country, if you can forget that we are in a shooting war, if you can forget a lot of things like the $257,000,000,000 debt—forget all those things and say that the country is in good shape—well, the credit goes to those of us who dared to put the program of the Eightieth Congress into effect and those of us who have blocked repeal of that program and prevented the enactment of the radical, socialistic, reckless, ill-timed, and spendthrift proposals that have been sent up from the White House in this Democratic Eighty-first Congress.

Mr. Chairman, specifically on this issue before us today I have sat here and heard lots of Members argue for this measure or that measure that has been turned down by the Congress in times gone by because it was stated it carried out a recommendation of the Hoover Commission. Time and again I have heard that argument. Yet here you are today arguing for a plan that flies right straight in the face of the Hoover Commission recommendations. In my opinion, you cannot blow hot and cold on this.

The gentleman from California [Mr. HOLIFIELD] stated that if what we do today turns out to be bad we can undo it tomorrow. In substance that is what the gentleman stated. He said we do not have the united medical administration in this program and if putting the health functions in this new department turns out to be bad we can come along with another measure. Then you seek to draw a phony proposition here as to the united medical administration and how we might vote on it. The fact of the matter is the President has not recommended adoption of the Hoover Commission recommendation in that regard.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I am opposed to plan No. 27, and I will support the resolution to kill it.

This plan proposed by the President under the guise that he is trying to carry out the recommendations of the Hoover Commission, in fact was condemned by the Hoover Committee. It is contrary to the recommendations of that committee.

One purpose of this plan is to elevate Oscar Ewing, head of the Federal Security Agency, to Cabinet status. It would increase his salary from $17,500 a year to $22,500; it would make necessary three new assistant secretaries at a salary of $15,000 a year; it would greatly increase his power, and might be helpful to him politically as he is now being considered for the nomination for governor on the Democratic ticket in New York.

Another result, if plan No. 27 is approved, would be to put at the head of all Federal educational and medical services, increasing his power and control over medical services, hospitals, and so forth, the great champion of socialized medicine, Mr. Ewing.

It would give him greater power to promote socialism than he has heretofore had, and would place a politician, rather than a medical man, in charge of the Federal Government's present limited control over the health of the people.

It would coordinate three or four great governmental services, bringing them under his control with his power and prestige increased by being elevated to the position of a member of the Cabinet.

He has done too much harm now.

The Government would profit if he was dismissed from the Government's service. The people would profit if his power is curbed. To adopt plan No. 27 would be to make one great further step down the road to socialism.

The purpose of the Hoover study and report was to bring about greater efficiency and economy in Government. This plan No. 27 would not increase efficiency, and would increase the cost of administration.

Seven out of ten of the committee that made this particular study, voted against the very policies embodied in this plan; yet the administration garbled the real plan and purpose of the Hoover Commission and brings this political plan in which will suit their purpose better, and tries to claim they are seeking the adoption of one phase of the Hoover report.

This body should, and I believe will bury this socialistic attempt with a heavy majority of votes against it. Many organizations in the United States are opposed to this particular plan. Veterans and business organizations generally are opposed to it. Of course the medical men who have done such a remarkable job in protecting the health of the people are against it. The various dental societies of Illinois and the Nation are against it.

SOUTHERN ILLINOIS DENTAL SOCIETY

I had a letter this morning from the Southern Illinois District Dental Society, signed by its president, J. Alden Langenfeld, of Centralia, Ill., and its secretary, Glenn W. Ozburn. I should like to quote two paragraphs of this letter as follows:

> The Southern Illinois District Dental Society is opposed to Reorganization Plan No. 27 of 1950. We believe that this plan continues to subordinate the health activities of the Government to the control of lay persons. The testimony presented by the American Dental Association in a hearing before the House Committee on Expenditures in the Executive Department contains a number of citations which conclusively prove this point.
>
> Further, the Southern Illinois District Dental Society cannot help but believe that the cause of compulsory health insurance will be greatly enhanced if the Federal Security Agency is advanced to Cabinet status with the Public Health Services as one of its component parts.

Mr. Chairman, this plan is no good for the American people any way you look at it. It would give much greater power to a political bureaucrat who has too much power now. It continues to centralize power in Washington. It is contrary to the Hoover report recommendations. It should be defeated.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I am unalterably opposed to socialized medicine. I think the doctors have done more for nothing than any of our professions.

They have always been alert to every improvement that would be for the benefit of individual health and also for public health. Nobody can justify a wholesale indictment of the doctors of the Nation in my hearing without my making an objection.

A few days ago I was talking to a very learned individual who had thought this matter through and he advanced an idea that I had not thought much about. He brought out the fact that if we should adopt socialized medicine and an individual was placed under the care of a certain doctor, that then that man would be compelled to continue to stay with that doctor. In other words, if he would become dissatisfied with the doctor to whom he had been assigned, he could not stop going to that doctor until he got an assignment to another doctor from some clerk or secretary. In other words, the matter of assigning patients would be simply a routine matter to be taken care of by a clerk. And it is likely that the doctor to whom this man would like to go would not then be free to take him because this socialized medicine would operate in such a way that the individual would be compelled to stay where he had been assigned.

I maintain that it is part of the freedom of an American to be free to select his own doctor, especially if he has the money with which to pay the doctor. Likewise I maintain that it is the right of the doctor to accept whatever patients he wishes and not be compelled to work for the Government for socialized medicine which will in effect make all doctors employees of the Government. For instance, if a doctor were not permitted to select his own patients then it would not pay a man to prepare himself to be a specialist. If a man prepared himself to be a brain specialist, he would not want to be compelled to do work that would be entirely inconsistent with his specialty. Socialized medicine will invariably result in the medical profession lowering its standards of efficiency.

As to this whole program becoming a bureaucracy, I have had some very positive experience in this respect. When the gentleman from Massachusetts [Mr. McCORMACK] this afternoon implied that the social-security law was a law favored only by Democrats, his implication was entirely erroneous and unreasonable. I was a member of the Ways and Means Committee when the social security bill was passed. I spent 9 weeks with the other members of the committee in preparing that bill. I spent 2 weeks on the floor of the House when the bill was being debated, and I spoke on it at great length. I voted for the bill. Without boasting, I want to claim that I was in reality the author of what is known as section 10 of the law. That is the section that provides aid for the blind.

With reference to whether this may develop a bureaucracy that will control our every action, let me say that I had an experience under the present social security law that convinces me that socialized medicine could be used to favor the wishes and prejudices of a person who was inclined to arrogate power to himself. The first social security law passed provided that the Social Security Board in Washington could require certain exactions from the State authorities. I think that the Social Security Board should have some power to enforce some of the basic provisions of the social security law by the States, for instance they should have the right to enforce a uniformity of the residence qualification of an applicant for old-age pension. But the case I have in mind was a case in which Mr. Altmeyer, who was then and is yet connected with the Social Security Board, in a most arrogant and bureaucratic manner withheld from the State of Ohio $1,338,000 which was due the State of Ohio from the Federal Government as its part of the fund going to old-age pensioners. I shall not go into detail with reference to the situation except to say that because Ohio's Governor at that time, Mr. Davey, who was a Democrat, had quarreled with Mr. Harry Hopkins over some civil-service matters, Mr. Altmeyer acting for the Board withheld the payment of this large sum of $1,338,000, which should not have been withheld. It is likely that Governor Davey and Harry Hopkins were both wrong but the rights of the old-age pensioners in Ohio should not have been violated because of a personal disagreement between a couple of New Deal office holders.

After Mr. Altmeyer had made his ruling and withheld this large sum, I took steps to correct the matter by proper legislation and was successful in securing passage of this legislation in the House and in the Senate. But under pressure from Mr. Altmeyer, President Roosevelt vetoed the action of Congress and although Congress was overwhelmingly Democratic and New Dealish we came very near overriding the President's veto.

But the fact still remains that we were not able to override the President's veto and the State of Ohio was successfully robbed of this $1,338,000 and that this amount with interest is today a just obligation of the Federal Government to the State of Ohio. In other words, the power of an arrogant bureaucrat thwarted the wishes of Congress.

With a President who favors socialized medicine and with a Department Chief such as Oscar Ewing whose views and practices indicate he would go the limit if he had a chance, I am opposed to risking the liberties of our people and the health of our people in the hands of such a man, or for that matter in any other man.

I come back to where I started and say that I have the greatest confidence in the doctors of our country and I shall not vote for any legislation that would compel them to become employees of the Government, to be pushed around at will by some bureaucrat.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. GOLDEN].

Mr. GOLDEN. Mr. Chairman, I am opposed to this reorganization plan. I think it is the first step down the road to socialism insofar as the medical and dental professions are concerned, and I also think it will tend to extend Federal control over our common school system of America in direct violation of the Constitution of the United States. It will certainly be a great discouragement to the medical and dental professions.

This plan is not in accordance with the recommendations of the Hoover Commission. In fact, it violates their recommendations. It does not contribute anything to efficiency or economy. On the other hand, should it be enacted into law, it will give some civilian, who is neither a physician nor an educator, the power to control through numerous Federal employees and bureaucrats the practice of medicine and dentistry and it will tend to inject Federal control into our school system here in America. Furthermore, it will put in one department the administration of a social-security program, the educational program, and the health program of the United States. These three great segments of our society are not necessarily so closely allied with each other as to make it feasible, proper, or advantageous to place them in the same department.

If we are to have the free practice of medicine and dentistry under the American free-enterprise system, we will have to defeat this plan. The physicians and dentists and great medical authorities throughout this country are opposed to it because they know that it will necessarily bring Federal control and bring that large segment of our citizens nearer to socialization.

The accomplishments of the medical profession in their fight against diseases and in their discovery of many far-reaching cures for the maladies of mankind and their rapid stride in recent years to benefit and improve the health of the American people and to prolong life generally has all been accomplished when the minds and energies of these scientifically trained physicians and scientists were free and not under Federal control and while they were not regulated by any socialistic scheme.

If we are to encourage our physicians, dentists, and scientists to continue their marvelous progress, we should defeat this plan. What we need in this country is an expansion of our great medical schools and our hospital centers so that more physicians, surgeons, dentists, and nurses could be educated and trained to serve our people under the free system of medicine that has prevailed in this country since the organization of our Federal Government. We do not need anything that begins or even approaches Federal control and Federal limitations that will stifle the ambitions and inspirations of this great group of our American citizens. The same thing is true of our schools and our American school teachers.

What they need is more funds to pay the school teachers that operate the schools and without any Federal control. Every time we give up any of the freedoms of any class of people or forfeit any of the rights of the States, or surrender any liberties of any individual to the Federal Government, to that extent we are killing the free-enterprise system in America that made this greatest and most productive Nation on earth.

Many bills are being brought before Congress in recent years that have the tinge of socialism and Federal control in them and while any one of them may not be sufficient to load us down with the shackles of socialism, if several of them are passed and enacted into law, the first thing the American people will know will be the realization that they have traded their liberties and freedom away and in their place we have assumed the burdens of Federal control and socialism. When that happens, the springboard to further accomplishments under the free enterprise system in America will be broken.

It is my sincere opinion that there are a sufficient number of Members of this House who are devoted to and believe in the free American system to obtain the necessary 216 votes to defeat this plan, and when that is done it will be an encouragement to the people who love America and will let the medical, dental, and teaching professions of this great country know that they are still free and that they can continue to serve our people as free men.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I am opposed to this plan and all the evils that will inevitably follow its adoption. The ultimate cost of this proposed socialization of medicine, surgery, and dentistry will pyramid into billions of dollars annually.

The cost in the health of our people may well become appalling.

The effect of the blow to the incentive and individual initiator that inspires men in the private practice of medicine, surgery and dentistry cannot be calculated.

The people of this country are not yet ready to give up the right to select their family doctor, surgeon, or dentist.

From my youth to this good hour, I have learned to trust the able and consecrated members of these great professions. I do not wish to swap them for a man who is under any manner of Government control.

Socialized medicine has miserably failed in Britain. Its failure would be more ghastly in free America. I shall vote against this plan.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, my opposition to this plan stems primarily from my unalterable opposition to socialized medicine. It represents a second effort by the President to raise the status of Mr. Oscar Ewing's job to the Cabinet level. His first try failed when Congress turned down the previous plan which he sent up here last year. Now we are confronted by this proposal, differing in minor details, but aimed at the same objective.

Those who favor the plan have been at great pains to point out in detail why they think it does not represent a step down the road toward socialism. I want no part of any plan which requires a labored argument to prove that it is not an effort on the part of Government officials to get control of the medical and dental professions and the education of our youth. If there is even a danger that the acceptance of this plan might further a trend toward socialism, I do not want to take a chance. I fear that such a step might be a tragedy.

Moreover, we have heard a lot of lip service paid to the Hoover Commission. We have been led to believe that the President supports the recommendations of that bipartisan group of devoted men who labored so long and faithfully to prepare suggestions for bringing about greater efficiency and economy in the operations of the Federal departments and agencies. Yet the President asks us to approve this plan which flies squarely in the face of these recommendations. The Hoover Commission recommended that health functions be kept entirely separate and apart from any department dealing with education and social welfare. They also were most emphatic that autonomous powers should not be granted to various bureaus within a Government department. Both of these principles, as well as other minor ones, are violated by this plan. The Citizens' Committee for the Hoover Report, drawn from all walks of life and a wide cross-section of our citizenry, appeared in opposition to the plan.

Nothing could be more important than the health of our citizens. Their health depends in large measure on specialized scientific knowledge. If there is to be a separate Department of Health, it should be headed by a medically trained administrator. The important function of health should not be subordinated to the unrelated problems of education and welfare. Fundamentally, there is no reason for the adoption of this plan, except the indefensible and indirect objective which does no credit to its authors.

I shall support the resolution to disapprove this plan and hope it commands the necessary constitutional majority.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. RIEHLMAN].

Mr. RIEHLMAN. Mr. Chairman, it is generally known, I believe, that I have consistently worked for constructive reorganization of the executive branch of the Government. Prior to submission of reorganization plans to the Congress by the President, I proposed legislation most of which was subsequently enacted consolidating several agencies of the Government now known as the General Services Administration.

By this time it must be apparent to most people that many of the reorganization plans thus far submitted by the President do not follow the recommendations of the Hoover Commission and do not provide for economy and efficiency in Government.

Reorganization Plan No. 27 of 1950 calls for the formation of a combined "Health, Education, and Security Department," as an outgrowth and expansion of the present Federal Security Agency. The inner workings and expansionist claims of that Agency were fully aired and then clearly illustrated by the Committee on Post Office and Civil Service in its current report on overstaffing of executive agencies. This thoroughgoing analysis of the philosophy and practice of our present Federal Security Office produced a rather disturbing picture. The tabulations, diagrams, and appendices of that 48-page document on "overorganization" will illustrate the new dangers imminent in the enlargement, coordination, and intensification of functions which now lurk in the proposed giant department. It would be to the advantage of all Members of the House to read that report. The Administrator of Health, Education, and Security would undoubtedly endeavor to carry out the theories of Fair-Dealism with all its miracles and public cures. Its sponsor, Federal Security Administrator Ewing, must at one time have been inspired by the concept of holding companies, but now—no longer completely satisfied with that pattern—he seems to favor the doctrine of fascism. This proposed bundle of a combined "Health, Education, and Security Department" would impose on the American people an astounding piece of totalitarian legislation.

Far from being in conformity with the Hoover plan, the project of the new department calls for an interlocking of Federal controls of health, education, and social welfare. That move is, indeed, expressive of a distinct aspect of totalitarianism. It is contemplated to allow a Secretary of Health, Education, and Security to exercise a series of functions which from infancy up would reach into the lives of all age groups. For some time it has been quite obvious that the Federal Security Agency has on all occasions been active in the promotion of socialized proposals. These and related schemes of compulsory welfare systems have in a number of hearings been found to be infringing upon American principles of government. The proposed departmental supervision of such all-inclusive matters as those relating to health, education, and security would readily provide, among other things, an opportunity to launch an all-embracing compulsory health insurance plan—socialized medicine.

A number of sound critical opinions were offered by professional and private representatives—all of them fearful that the problems of health would be subordinated to all-inclusive rules likely to issue from the office of a Secretary of Health, Education, and Security. The Hoover Commission in its report on medical activities recommended a considered and judicious approach to the Federal concern in the problems of health—the establishment of an independent United Medical Administration. Therein would be consolidated most of the large-scale activities of the Federal Government in the fields of medical care, research, and public health. The development of these functions within a professional administrative system would be in accordance with the major purpose of the Hoover plan—that is, to eliminate overlapping, waste, and inefficiency.

This brings me to my final objection to the creation of an executive Department of Health, Education, and Security. The purpose of the Hoover Commission was to provide instruments for the

achievement of broad and substantial economic principles and efficiency in Government. Mr. Ewing's statement before the House Committee on Expenditures in the Executive Departments on June 20—emphatic as it is in its enthusiasm for the new giant executive establishment—contains only two specific observations on economies and savings. It does not meet the essential tests of the Hoover report. That, again, was fully brought out by the appraisal of the proposal undertaken by the Citizens Committee for the Hoover Report in its desire for greater efficiency and economy in Government.

In conclusion, let me refer you to the introductory portion of the minority views as summarized in the committee report—House Report 2320, page 11. I am in full agreement with the criticism that the elevation of the Federal Security Administrator to Cabinet rank would enhance the prestige and power of an agency which has been in the forefront of the movement for socialistic projects. Furthermore, that no substantial economies or advantages would be achieved by the proposal, and that, generally speaking, Reorganization Plan No. 27 of 1950 would make it increasingly difficult to effectuate the important parts of the Hoover Commission recommendations.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield the balance of my time to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Chairman, I have risen in the well of the House numerous times to speak in favor of the recommendations of the Hoover Commission and the reorganization plans submitted by the President under such recommendations and in line with them.

This House honored me at the time that the Hoover Commission was created through the unanimous action of the Congress, by naming me as a member of the Commission. And it is not a pleasant duty and responsibility that I feel has been placed upon me this afternoon, to rise here for the first time to oppose, actively, and by my voice and my vote, a plan for governmental reorganization, Reorganization Plan No. 27, which has been submitted to the Congress by the President of the United States under the provisions of the Reorganization Act of 1949, which I helped enact into law. Yet I feel compelled, ladies and gentlemen of the House, to oppose with all the vigor and ability at my command the President's Reorganization Plan No. 27 because it is not in line with the recommendations of the Hoover Commission.

In my studied opinion, the adoption of this plan will work a real hardship on the American people and will make more difficult, in the future, the proper reorganization of the executive branch of the Government.

We have heard a great deal of discussion today as to whether we have made progress or have not made progress under this administration or that administration. We have heard a great deal of talk about war, past and present, and about dogs in the manger, and this and that, none of which bears on the issue we have before us. We have heard some partisan speeches, too, but in my opinion this is not a partisan issue, and I am sorry that some partisanship has crept into the debate. We have a very simple and a most important question before us today. It is whether we are going to create a Department of Welfare constituted as recommended by the Hoover Commission, for good and sufficient reasons, or whether we are going to create a Department of Welfare made up according to the desires of President Truman and Oscar Ewing, and the others who have been favoring some far-reaching changes in the organic laws of our land.

Let me say, to the credit of the Hoover Commission, which was a bipartisan commission, as you all know, made up of six Democrats and six Republicans, six of whom were from private life and six from public life, that never once was there a division within the Commission on any question or issue, along party or political lines. Never once was there any division between civilians on the one hand and officials of the Government on the other.

In considering what should be done as to the creation of a Department of Public Welfare and what should be done in an effort to find solutions for the great social and security problems which confront the Nation, the Hoover Commission did not approach or consider the issues involved from a partisan or political standpoint. Our long studies of all of the various questions which came before us convinced the great majority of the Commission, 9 out of 12, I believe, that the Federal Security Agency, in which the Public Health Service is now located, was already overburdened, and that we should create a new agency, the United States Medical Administration, entirely separate from all other facets and divisions of social welfare, to cope with the important responsibilities of looking after health, hospitalization, and medical problems at the national level; also that we should have a new department of Cabinet status, probably to be called the Department of Welfare, to consist of Indian Affairs, Council of Federal and State Relations, Social Security—and I want to remind you that this House last October passed a new social-security bill that will place greatly increased responsibility upon the head of that agency of Government—Old Age and Survivors Insurance, Public Assistance, the Children's Bureau, and then we gathered into the department, under the Department of Education, the Vocational Rehabilitation Administration, the American Printing House for the Blind, Columbia Institute for the Deaf, and the Howard University. We did not include the Public Health Service in the new department because we believed our public health activities were and are of such great importance to every individual American that they should be considered and handled separately. Therefore, the Commission recommended the Public Health Service be taken out of the Federal Security Agency when this new Department of Welfare, or new department of Cabinet status, was created, and be placed over in a different organization, the United States Medical Administration, in which we would include all of our health activities, including our Federal hospitals, under a board which would have over-all supervisory authority, but would not actually fix policy, as far as the operation of its different divisions was concerned. For instance, the Veterans' Administration hospitals to be fitted into this general United States Medical Administration, but would still be administered by the Veterans' Administration; the Army and Navy hospitals would fit in, and yet to be administered by the armed services, as would all the others, with Public Health Service as a division of that new agency, so we could correlate and coordinate all of the public health activities of the Nation, get greater economy and efficiency, and still render better service to the people.

We found some very strange things in our studies of the Federal Security Agency.

We also found a great deal of inefficiency, waste, and extravagance. Our findings have been fully supported, in just the last 2 or 3 weeks, by a report of a subcommittee of the House Committee on Post Office and Civil Service, which has been making an investigation under the chairmanship of the gentleman from Mississippi [Mr. WILLIAMS] of overstaffing and waste and inefficiency in various Government departments. They, too, found gross inefficiency and gross waste and extravagance and overstaffing in the Federal Security Agency, which is now under Mr. Ewing.

For instance, we found in one social-security office or division several thousand Government employees patiently and faithfully keeping records which the law had not required to be kept for many years. There were five or six thousand employees who were not needed at all.

I say to you with all the sincerity at my command if any man heads up the Department of Welfare, as we propose it be created under the Hoover Commission recommendation, he will have a man-sized job.

Why do we say that he should not also have Public Health under him, too? Because whenever we put all of the educational activities, all of the social-security activities, and all of these other activities of the Government, plus all of the health activities of the Nation, under one man, you have given that individual more power than any one person should exert or should be endowed with, for the good of the people.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. JENSEN. Does not the gentleman feel if this Reorganization Plan No. 27 goes into effect it will make one individual, the Secretary of Welfare, an all powerful superpolitical medicine man; a superpolitical dictator of public education, and a superpolitical Santa Claus?

Mr. BROWN of Ohio. Yes, I agree with the gentleman. As I just said a moment ago I think this plan which has been brought here places entirely too much power in the hands of one man.

Mr. Chairman, if I can I want to simplify the questions before us. We may talk all we please, and discuss these problems from the political angle, from

the party angle, or from any other angle, but there are just two questions before us today—first, do you want to support the Hoover Commission recommendation; or do you want to support a plan which is different? Do you want reorganization according to that plan which has been recommended to you by the Hoover Commission, by a bipartisan or nonpartisan vote? Remember there were nine members of the commission who recommended the Public Health Service and all other health activities be taken from under the Federal Security Agency, and not placed in the Department of Public Welfare under Mr. Ewing or whoever else might be in charge, but under a separate agency, because health is so important to the people it should be considered and handled on a separate basis from almost anything else.

Three Commission members went the other way—two of the Democratic faith and one of Republican. Ours was not a partisan action in any way. Do you want to support the recommendations of the Hoover Commission, or do you want to support the recommendations of the President as outlined in this plant which he has submitted, and which is not in keeping with the Hoover Commission recommendation?

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. SHORT. In many respects Benjamin Franklin was our greatest American. He said, "He who surrenders his liberty for temporary security, deserves neither, and will soon lose both."

Mr. BROWN of Ohio. I thank the gentleman for his contribution.

Mr. Chairman, the second question before us is whether we want to vote so as to further, if you please, certain present plans which have been underway to put into effect in America some sort of a compulsory medical-insurance or health-insurance program, as some may call it, or socialized medicine, as others may call it.

I think the greatest insurance we can have that we will not move further toward compulsory health insurance or socialized medicine, and that we will have a continuation of free enterprise in medical practice, with all the benefits that has been given to America under the greatest medical system ever known to mankind, is to vote in favor of this resolution. These are the only true issues we have to vote on.

If you want to reject this plan, then vote for this resolution. If you want to have the President put his proposal into effect, then vote against the resolution.

Mr. DAWSON. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Chairman, of all of the attempts that have been made today to becloud the issue, the most serious one has been the effort to impute that those who favor the President's plan somehow dislike all doctors. Nothing could be farther from the truth. I have tremendous admiration for the day to day work that has been done by doctors, as was so adequately described by the gentleman from Illinois [Mr. DAWSON]. The important point to be remembered today is this: The medical politicians of this country, the leaders of the American Medical Association, who presume to speak for all the doctors of America, have gone into politics with a vengeance. They have been fighting all of the advances that have been made in public health, all of the advances that have been made in social legislation in recent years. In the near future I am going to put the complete story in the RECORD. Today I have just time enough to point out that the American Medical Association opposed the original institution of local public health services throughout the country. They fought the reporting of communicable diseases. They fought the establishment of venereal disease clinics. They fought the workmen's compensation law. And they fought dozens of other forward steps.

In other words, they have fought all advances that have made possible the splendid public health record that we have today.

That legislative record should not be overlooked when you remember that such is the opposition to the President's plan.

Nor should you forget a speech that was made about 10 days ago opposing every single action that has been taken by the Democratic administration in the past several years—a speech that came from the incumbent president of the American Medical Association.

Now, let us recognize the facts of life. We are not really fighting a political battle on the question of health insurance, and certainly not on the bogy of socialized medicine. May I point out that within the past several weeks I have put into the RECORD a speech by Oscar Ewing unalterably opposing socialized medicine. May I point out that as one of the two authors of the President's health program in this House, I have made speech after speech opposing socialized medicine. Particularly have both Mr. Ewing and myself criticized the British Government for socializing hospitals. We want no such action here. Curiously enough, those of you who speak, sometimes guardedly, for a united medical administration, come closer to talking for socialized medicine than anyone else on this floor. Where you have socialized medicine today is in the veterans' hospitals, in the Army hospitals, and in the Navy hospitals. Yes, in Bethesda Naval Hospital, my colleagues, where you go when you are sick. That is where you have socialized medicine. Only this morning, before a committee in the other body, the Director of the Veterans' Administration testified that the socialized medicine in the Veterans' Administration was the best medical care in the world, and it was better than any other medical care you could get in the United States.

Let us not get this issue fouled up. All the President's proposal does, as the gentleman from California [Mr. HOLIFIELD] pointed out, is to give you a chance to do away with inefficiency and overlapping in the Federal Security Administration. There is nothing more nor less involved in the whole plan. Reference has been made to the Williams report. If there is any validity to the Williams report—and I am not passing judgment on it at this time—but if some of the strictures made are valid, they stem from the fact that you cannot do away with overlapping between the three bodies that now exist inside the Federal Security Administration. We want to do away with that overlapping and we want to bring about efficiency, and that is all that there is to this plan.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. BIEMILLER] has expired.

Mr. DAWSON. Mr. Chairman, I yield the remainder of my time to the gentleman from Massachusetts, the distinguished majority leader [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Chairman, when my good friend, the gentleman from Indiana [Mr. HALLECK] made what appeared to be a very strong point that only 33 Members of the House in 1935 voted against the passage of the Social Security Act, thereby attempting to negate the assertion that I had previously made that the main opposition to it came from the Republican side in those days, my remembrance of those days remaining somewhat true to me prompted me to look at the RECORD. I have before me the RECORD of April 19, 1935, page 6068, where appears the following:

Mr. Treadway moves to recommit H. R. 7620—

That was the Social Security Act—

to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendments:

Page 2, line 10, strike out "$49,750,000" and insert in lieu thereof "$69,750,000."

And on page 4, line 25, strike out "$30" and insert "$40.00."

And beginning—

And note this—

And beginning with page 7, line 18, strike out all of title 2 down to and including line 9, on page 15.

And then further:

Beginning on page 40, line 10, strike out all of title 8 down to and including line 19 on page 47.

What is title 2? Title 2 of the Social Security Act is the heart of the bill. Strike that out and you cut off contributory old-age annuities. Title 2 is Federal old-age benefits, that is, survivors' insurance, that is your earned annuities.

On that motion to recommit the vote was 149 for and 253 against. As I look through this list of 149 I see mighty few Democrats who were here in those days voting to recommit. It is true that on passage the vote was 372 to 33; but the old trick was resorted to of trying to destroy the bill by a motion to recommit. That is where the damage is usually attempted by those who oppose progressive legislation.

There is no question involved in this resolution today or in the question before the Committee or the House today of any of our hospitals. That question is raised simply to try and befog the issue; it is raised because of reasons we all know. The only question is whether or not we have the courage because of a few or some who in good faith and who

are honestly deceived living in districts might have asked Members to vote against this resolution or vote for this resolution, the effect of which would be to prevent the Federal Security Agency from having departmental status.

We hear the argument made about greater power. Whoever is the head of this agency, if the President is sustained by Congress and it becomes of departmental status, will have no greater power than he now has; no rights are conferred upon him; he will possess only those powers he now possesses; so this idea of a great octopus is not a correct argument, is not fair. These three agencies that will constitute the department are not part of the Federal Security Agency.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Will the gentleman agree that if we do enact into law the social security bill, H. R. 6000, and it adds some 11,000,000 to social security, whoever is in charge of social security will have greater responsibility and greater power?

Mr. McCORMACK. Exactly, and if that is enacted into law it goes to this very agency. It does not go to any other agency. So that this agency without departmental status will have jurisdiction over it and it will have jurisdiction if it has a departmental status. Does my friend agree with me in that statement?

Mr. BROWN of Ohio. I agree with what the gentleman said provided he will permit me to add that the Hoover Commission, recognizing the fact that the responsibility and the power of the head of the Federal Security Agency which we recommended be made into a department of welfare, will be greatly increased by the Congress, as we too have recommended, and we therefore suggested and recommended that we divide up this responsibility and put public health somewhere else because we did not think he could take care of all the job that we were placing upon his shoulders.

Mr. McCORMACK. I agree with my friend. He made a temperate speech, a nonpolitical speech, which is very unusual for my very good friend. Of course, he made it because he did not think it necessary or wise to make a political speech. I agree that the Hoover report, except the minority, including some distinguished members of the Hoover Commission, does not agree completely with this proposal. But what proposal can? It does substantially. The great part of it agrees with the Hoover recommendation, and my friend was a member of that Commission. I fought shoulder to shoulder with him to have the Commission created and when his own party would not give him enough money I fought shoulder to shoulder with him to get the million dollars. Does the gentleman remember?

Mr. BROWN of Ohio. I want to give the gentleman full credit for that.

Mr. McCORMACK. I do not want credit. I want to show that once in a while I agree with my friend from Ohio when he is on the right side.

Mr. BROWN of Ohio. I appreciate that and I want to give the gentleman credit for being one of the most responsible fathers for the entire Hoover Commission program because he led the way in supporting the legislation.

Mr. McCORMACK. I am glad to say I followed the gentleman from Ohio. I tried to be right close to him.

Mr. BROWN of Ohio. I would like to get back to the gentleman's reference of me and to the fact that I made a very temperate, nonpolitical speech, and to assure the gentleman I made it in the hope it might prove to be an example worth following.

Mr. McCORMACK. The gentleman made it in the hope that it might be a little palative. My friend is the greatest Republican politician in the House. Why, of course, I admit that publicly.

Mr. BROWN of Ohio. Who is going to buy the other fellow the dinner tonight?

Mr. McCORMACK. The gentleman owes me several dinners.

Let us come down to other questions. They talk about socialism. Why, the great majority of my friends—not all of them—confuse dynamic democracy with socialism. They oppose, as I said, social security, they oppose the minimum wage law, they oppose public housing, they have opposed everything during the last 16 or 18 years; but one thing is certain and that is as long as they maintain that kind of leadership we Democrats need never fear about election.

The American people want progressive government, the American people are thinking for themselves. There are one-hundred-and-fifty-odd million Americans and they are thinking for themselves. They have their hopes, they have their aspirations. For example, 45 percent of the families of America have a family income of $3,000 a year or less in this land of bounty. There are 16,600,000 Americans that go home every night to their homes. I do not know where it is, but it is their home, the same as my home is mine, the same as the home of a millionaire is his. They go to their homes tonight with all their joys and with all their sorrows, their sickness and everything else. They leave in the morning, the mother and the wife usually left behind, as in our homes. There are 16,600,000 Americans in families with a total family income of $1,000 a year or less. There are 20,600,000 Americans, members of families, whose total income is between $1,000 and $2,000. Yes; some people can smile at that, but when there is serious illness they want their loved ones to have the best care possible; they want the best medical treatment. They are human beings just the same as you and I. And, they are thinking. Do not think they are not. You can make all the arguments you want here that come to your mind to try to inflame, but they are thinking of their loved ones. There are 28,700,000 Americans today, family people, that have a total family income of between $2,000 and $3,000.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Just a moment. The gentleman does not like these figures.

Mr. BROWN of Ohio. I want to know where we are making progress.

Mr. McCORMACK. Just a moment. Let me complete it. Twenty-eight million five hundred thousand Americans, human beings, are member of families whose total family income is between $3,000 and $4,000 a year. Eighteen million one hundred thousand human beings, Americans, are members of families whose total family income is between $4,000 and $5,000 a year. If that is not a challenge to constructive statesmanship, I do not know what is.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Does the gentleman not think that those people are concerned about their loved ones the same as he is?

Mr. BROWN of Ohio. I agree with the statement, the challenge to constructive statesmanship.

Mr. McCORMACK. Exactly, and that is all I say.

Mr. BROWN of Ohio. And that is the reason why, as a Member of the Eightieth Congress, I voted to reduce taxes for these people, the only time Federal taxes have been reduced in the last 20 years.

Mr. McCORMACK. I hope in the interest of progress that this resolution offered by the gentleman from Michigan [Mr. HOFFMAN] will be defeated and that the reorganization plan, so far as this House is concerned, will go into operation.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

*Resolved*, That the House of Representatives does not favor the Reorganization Plan No. 27 transmitted to Congress by the President on May 31, 1950.

Mr. DAWSON. Mr. Chairman, I move that the committee do now rise and report the resolution back to the House with the recommendation that it be not agreed to.

Mr. BROWN of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROWN of Ohio. As I understand, the vote on this motion is just the usual vote on the motion to rise and has no effect on whether we accept or reject the resolution.

The CHAIRMAN. The House will decide that question.

The question is on the motion offered by the gentleman from Illinois [Mr. DAWSON].

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCSWEENEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. Res. 647) against the adoption of Reorganization Plan No. 27, had directed him to report the same back to the House with the recommendation that it be not agreed to.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

*Resolved*, That the House of Representatives does not favor the Reorganization Plan No. 27 transmitted to Congress by the President on May 31, 1950.

The SPEAKER. The question is on the adoption of the resolution.

Mr. HOFFMAN of Michigan. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 249, nays 71, answered "present" 2, not voting 108, as follows:

[Roll No. 197]

YEAS—249

| | | |
|---|---|---|
| Abbitt | Gary | Miller, Md. |
| Abernethy | Gathings | Miller, Nebr. |
| Albert | Gavin | Mills |
| Allen, Calif. | Golden | Morgan |
| Allen, Ill. | Goodwin | Morrison |
| Andersen, H. Carl | Gore | Morton |
| | Gossett | Murray, Tenn. |
| Andresen, August H. | Grant | Murray, Wis. |
| | Gross | Nicholson |
| Andrews | Gwinn | Nixon |
| Angell | Gwinn | Noland |
| Arends | Hagen | Norblad |
| Aspinall | Hale | Norrell |
| Auchincloss | Hall, Leonard W. | O'Hara, Minn. |
| Barden | | O'Konski |
| Baring | Halleck | Pace |
| Bates, Ky. | Hand | Passman |
| Bates, Mass. | Hardy | Patten |
| Battle | Harrison | Patterson |
| Beall | Harvey | Perkins |
| Beckworth | Hays, Ark. | Peterson |
| Bennett, Fla. | Hays, Ohio | Pfeifer, Joseph L. |
| Bennett, Mich. | Hedrick | |
| Bentsen | Herlong | Phillips, Calif. |
| Bishop | Herter | Poage |
| Blackney | Heselton | Polk |
| Boggs, Del. | Hill | Potter |
| Bolton, Md. | Hobbs | Poulson |
| Bonner | Hoeven | Rains |
| Boykin | Hoffman, Ill. | Rankin |
| Bramblett | Hoffman, Mich. | Redden |
| Breen | Holmes | Reed, Ill. |
| Brehm | Hope | Reed, N. Y. |
| Brown, Ga. | Horan | Rees |
| Brown, Ohio | Hull | Ribicoff |
| Burdick | Jacobs | Rich |
| Burleson | James | Riehlman |
| Burnside | Jenison | Robeson |
| Burton | Jenkins | Rogers, Fla. |
| Byrnes, Wis. | Jennings | Rogers, Mass. |
| Camp | Jensen | Sadlak |
| Canfield | Jonas | St. George |
| Cannon | Jones, Ala. | Sanborn |
| Case, N. J. | Jones, Mo. | Sasscer |
| Chatham | Judd | Saylor |
| Chelf | Karst | Scott, Hardie |
| Chiperfield | Kean | Scott, Hugh D., Jr. |
| Clevenger | Kearney | |
| Cole, Kans. | Kearns | Scrivner |
| Cole, N. Y. | Keating | Scudder |
| Cooley | Kee | Secrest |
| Corbett | Kilburn | Shafer |
| Cotton | Kilday | Short |
| Coudert | Kruse | Sikes |
| Cox | Kunkel | Simpson, Ill. |
| Crawford | Lanham | Simpson, Pa. |
| Crook | Larcade | Smathers |
| Cunningham | LeCompte | Smith, Kans. |
| Curtis | LeFevre | Smith, Va. |
| Dague | Lichtenwalter | Smith, Wis. |
| Davis, Ga. | Lind | Spence |
| Davis, Tenn. | Linehan | Steed |
| Davis, Wis. | Lovre | Stefan |
| DeGraffenried | Lucas | Stigler |
| D'Ewart | Lyle | Stockman |
| Dolliver | McConnell | Taber |
| Doughton | McCulloch | Talle |
| Elliott | McDonough | Taylor |
| Ellsworth | McGregor | Teague |
| Elston | McGuire | Thomas |
| Fallon | McMillan, S. C. | Thornberry |
| Fellows | Mack, Wash. | Towe |
| Fenton | Macy | Trimble |
| Fernandez | Mahon | Underwood |
| Fisher | Marsalis | Van Zandt |
| Ford | Martin, Iowa | Vorys |
| Fugate | Martin, Mass. | Vursell |
| Fulton | Merrow | Wadsworth |
| Gamble | Meyer | Walter |
| Garmatz | Michener | Weichel |
| Welch | Wigglesworth | Wolcott |
| Werdel | Williams | Wolverton |
| Whitten | Wilson, Ind. | Woodruff |
| Whittington | Wilson, Tex. | Young |
| Widnall | Withrow | |

NAYS—71

| | | |
|---|---|---|
| Addonizio | Engle, Calif. | Magee |
| Bailey | Feighan | Mansfield |
| Barrett, Pa. | Flood | Multer |
| Biemiller | Forand | Murdock |
| Blatnik | Gorski | Murphy |
| Bolling | Granahan | O'Brien, Ill. |
| Bosone | Granger | O'Brien, Mich. |
| Buchanan | Hart | O'Hara, Ill. |
| Buckley, Ill. | Havenner | O'Neill |
| Buckley, N. Y. | Heffernan | O'Sullivan |
| Burke | Holifield | O'Toole |
| Byrne, N. Y. | Howell | Philbin |
| Carnahan | Javits | Powell |
| Cavalcante | Karsten | Price |
| Celler | Kelly, N. Y. | Ramsay |
| Crosser | Keogh | Rhodes |
| Davies, N. Y. | King | Rodino |
| Dawson | Kirwan | Shelley |
| Denton | Lynch | Sullivan |
| Dollinger | McCarthy | Tauriello |
| Donohue | McKinnon | Walsh |
| Douglas | McSweeney | White, Calif. |
| Doyle | Mack, Ill. | Yates |
| Eberharter | Madden | |

ANSWERED "PRESENT"—2

McCormack Miller, Calif.

NOT VOTING—108

| | | |
|---|---|---|
| Allen, La. | Harden | Preston |
| Anderson, Calif. | Hare | Priest |
| Barrett, Wyo. | Harris | Quinn |
| Boggs, La. | Hébert | Rabaut |
| Bolton, Ohio | Heller | Regan |
| Brooks | Hinshaw | Richards |
| Bryson | Huber | Rivers |
| Bulwinkle | Irving | Rooney |
| Carlyle | Jackson, Calif. | Roosevelt |
| Carroll | Jackson, Wash. | Sabath |
| Case, S. Dak. | Johnson | Sadowski |
| Chesney | Jones, N. C. | Sheppard |
| Christopher | Keefe | Sims |
| Chudoff | Kelley, Pa. | Smith, Ohio |
| Clemente | Kennedy | Staggers |
| Colmer | Kerr | Stanley |
| Combs | Klein | Sutton |
| Cooper | Lane | Tackett |
| Davenport | Latham | Thompson |
| Deane | Lodge | Tollefson |
| Delaney | McGrath | Velde |
| Dingell | McMillen, Ill. | Vinson |
| Dondero | Marcantonio | Wagner |
| Durham | Marshall | Wheeler |
| Eaton | Mason | Whitaker |
| Engel, Mich. | Miles | White, Idaho |
| Evins | Mitchell | Wickersham |
| Fogarty | Monroney | Wier |
| Frazier | Morris | Willis |
| Furcolo | Moulder | Wilson, Okla. |
| Gillette | Nelson | Winstead |
| Gilmer | Norton | Wood |
| Gordon | Patman | Woodhouse |
| Graham | Pfeiffer, William L. | Zablocki |
| Green | | |
| Gregory | Phillips, Tenn. | |
| Hall, Edwin Arthur | Pickett | |
| | Plumley | |

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Stanley for, with Mrs. Woodhouse against.

Mr. Whitaker for, with Mr. Jackson of Washington against.

Mr. Graham for, with Mr. McCormack against.

Mr. Gilmer for, with Mr. Chudoff against.

Mr. Jackson of California for, with Mr. Miller of California against.

Mr. Davenport for, with Mr. Green against.

Mr. Nelson for, with Mr. Rabaut against.

Mrs. Harden for, with Mr. Roosevelt against.

Mr. Winstead for, with Mr. Sabath against.

Mr. Kerr for, with Mrs. Norton against.

Mr. Lodge for, with Mr. Wagner against.

Mr. Velde for, with Mr. Klein against.

Mr. Pickett for, with Mr. Heller against.

Mr. William L. Pfeiffer for, with Mr. Marcantonio against.

Mr. Boggs of Louisiana for, with Mr. Kelley of Pennsylvania against.

Mr. Preston for, with Mr. McGrath against.

Mr. Chesney for, with Mr. Huber against.

Mr. Frazier for, with Mr. Irving against.

Mr. Willis for, with Mr. Dingell against.

Mr. Regan for, with Mr. Zablocki against.

Mr. Hébert for, with Mr. Sadowski against.

Mr. Richards for, with Mr. Gordon against.

Until further notice:

Mr. Tackett with Mr. Barrett of Wyoming.

Mr. Deane with Mr. McMillen of Illinois.

Mr. Thompson with Mrs. Bolton of Ohio.

Mr. Rooney with Mr. Dondero.

Mr. Carroll with Mr. Eaton.

Mr. Harris with Mr. Smith of Ohio.

Mr. Patman with Mr. Edwin Arthur Hall.

Mr. Staggers with Mr. Tollefson.

Mr. Fogarty with Mr. Hinshaw.

Mr. Wheeler with Mr. Johnson.

Mr. Colmer with Mr. Latham.

Mr. Allen of Louisiana with Mr. Anderson of California.

Mr. Gregory with Mr. Engel of Michigan.

Mr. Priest with Mr. Plumley.

Mr. Wickersham with Mr. Phillips of Tennessee.

Mr. Wood with Mr. Mason.

Mr. Vinson with Mr. Keefe.

Mr. Sutton with Mr. Gillette.

Mr. Kennedy with Mr. Case of South Dakota.

Mr. CROSSER changed his vote from "yea" to "nay."

Mr. SPENCE changed his vote from "nay" to "yea."

Mr. McCORMACK. Mr. Speaker, I have a live pair with the gentleman from Pennsylvania, Mr. GRAHAM. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. MILLER of California. Mr. Speaker, I have a live pair with the gentleman from California, Mr. JACKSON. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

GENERAL LEAVE TO EXTEND REMARKS

Mr. DAWSON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SERVICE TO COUNTRY

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, the recent unveiling in the Veterans Affairs Committee rooms of a beautiful portrait of our valued friend and esteemed colleague, Hon. EDITH NOURSE ROGERS, served to bring into brilliant focus the completion of her 25 years of outstanding service in this body.

In this brief time it is not possible for me to elaborate upon her work: First and foremost in her heart and mind, next to the security and well-being of

the Nation itself, the welfare of our veterans has occupied a preeminent place. During her tenure, and particularly during her chairmanship on the Veterans Affairs Committee, the beloved gentlelady from Massachusetts has worked unselfishly and tirelessly for the boys who, in offering their all in the name of freedom, were wounded, maimed, and disabled. She has spoken and fought for all the veterans. In her, the veterans have had a strong loyal friend, truly dedicated to their interest, who ably sponsored their cause and who never failed them in carrying on the battle to secure justice and generous consideration for those who sacrificed so much for the Nation. Certainly no one in or out of the Congress has served the veteran and the Nation with more real devotion, sincerity, and unflagging zeal.

Of course, she has striven for all the people, regardless of class, race, or creed, and regardless of petty partisan influences. She has invariably shown a deep humane feeling for our less fortunate brethren.

Always ready to cooperate with her colleagues in a worthy cause, friendly, considerate, cheerful and gracious, the distinguished gentlelady has built an enviable reputation in the House as an efficient and effective public servant.

I am happy to congratulate her first upon the fine portrait which now so fittingly adorns our halls, and secondly, upon the very successful completion of 25 years of devoted service to the veteran, the people of her district, and the country. May she continue to enjoy good health, energy, and strength for many years to come. And may she find in the gratitude of those for whom she has worked so unselfishly lasting satisfaction and happiness.

### LOUIS P. MURPHY

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3506) for the relief of Louis P. Murphy, United States immigrant inspector, El Paso, Tex., with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell me what the nature of the bill is and what he is trying to do?

Mr. BYRNE of New York. The bill as passed by the House appropriated the sum of $725.50 and the Senate reduced the amount to $225. The author of the bill, the gentleman from Texas [Mr. REGAN] requested that the House disagree with the Senate amendment and ask for a conference.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BYRNE of New York, LANE, and JENNINGS.

### MRS. SIRVART ARSENIAN

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3532) for the relief of Mrs. Sirvart Arsenian, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 5, after "Act", insert ": *Provided*, That passage of this act shall not be construed as an inference of liability on the part of the Government of the United States."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. SHELLEY] is recognized for 30 minutes.

### GHOST SHIPS AND GHOST MEN OR IRON SHIPS AND IRON MEN?

Mr. SHELLEY. Mr. Speaker, in the time of Theodore Roosevelt, when our proudest boast was that great Navy which swept the seas and by its very presence stopped the threat of wars, was borne the slogan "Iron ships and iron men." But in the wake of those iron ships, through all the seven seas, there sailed a prouder fleet—a tragic fleet of ghostly ships manned by the ghosts of men. Prouder because it had conquered, not by force of arms, but by sheer courage, daring, and human ingenuity. Tragic, because both it and its great heritage were long vanished from reality. The ships were the ghosts of the famed Yankee Clippers and the ghostly sailors the reminders of a tradition which once was America's pride.

However, the real tragedy embodied in that spectral fleet was not the death of a tradition—but the deaths of American fighting men which an American merchant marine in the great yankee tradition would have prevented. Men who died because the ships needed to supply them and to bring them reinforcements were still on the ways or on the planning boards. Men who died—God help us—while we were frantically trying to build the ships which would let them live.

That happened in World War I, gentlemen and gentlewomen, when, despite our best efforts, hardly a ship authorized for the war program carried a cargo before the war was already won. It happened again in World War II to our great cost in blood and tears. I am here today to ask, "Are we—we, the United States Congress—going to let it happen again?" For the burden rests with us, as Members of Congress, and we do not now dare entrust it to other hands. War may not be inevitable, but the responsibility for preparing for it is inevitably ours.

World Wars I and II are now behind us—but the lessons for which we paid so high a price in lives and money must not be forgotten. The fleet finally built as a result of the War I program was scrapped, sold, or allowed to become obsolete without replacement. In 1936 a few men of vision, remembering the lessons of that war, succeeded in forcing the passage of the Merchant Marine Act of 1936 which laid the ground work for a long-range program designed to prevent a repetition of the needless losses we had suffered. We may thank God they did, for had it not been for the minimum amount of preparedness which we had achieved through the effectuation of the act's provisions we have no way of knowing how terrible the consequences might have been. I take nothing from the magnificent accomplishments of the merchant marine and the men and women who built and sailed her ships in World War II when I say that we could and should have been better prepared to service her for the needs of war. It took a tremendous expenditure of time, money, men, and supplies to overcome the basic deficiencies with which we entered the war, and the hard fact is that we are now well on the way toward being again in the same predicament. In Wars I and II we were blessed with the buffers of time and strong allies to enable us to emerge victorious, and, in the case of War II, to eventually contribute the enormous flow of supplies and men which spelled the difference between defeat and victory. We have no assurances that such will be the case again. In fact, we can be morally certain that, if the onslaught come, there will be little to stand between ourselves and the enemy. We cannot depend on friendly allies to supply us with transport and to hold off the opposing armies while we build ships, train men, and manufacture arms. We must be ready when the gates of destiny open lest we be trapped behind them.

It has been said time and time again that in this new era and for any new war, air transport could be relied upon to move supplies and troops wherever and whenever we need them far faster than the older, outmoded methods of transportation. But let us look at the picture realistically. At the present time our troops fighting in Korea are held up, losing men, and falling back, for lack of reinforcements, and for lack of military supplies. Where are the airplanes which can, supposedly, solve all our logistics problems? Where are the landing fields, closer to the front lines than the nearest ports, which could be utilized for this purpose if we had the planes? Ships are now providing the major portion of troop and matériel transportation, and they will continue to do so in the foreseeable future. It is up to us to see to it that we have the ships, and to see to it that they are ready now, in every respect, to back up our fighting men in the front lines—in Korea now, and on any other front where the necessities of the future may force us to fight.

The American merchant marine is truly the fourth arm in our Military Establishment. At present—and in the midst of crisis—that arm is woefully

weak and near paralysis in some of its sinews. Let me tell you what is needed to make it strong from shoulder to fingertips:

Firstly, we must have ships, ships, and more ships. Here we are now seriously deficient in important aspects. I shall presently elaborate on that.

Secondly, we must have men to man them; and without a flourishing fleet in time of peace we will not have the nucleus of experienced men and apprentices upon which to build the crews we need for war.

Thirdly, we must have the materials and equipment to build and outfit the ships.

Fourthly, and I urge you to consider this most carefully, we must have enough properly dispersed ship-building and ship-repair yards and facilities with skilled men to man them to meet all possible demands for new construction, replacement, and repair. I cannot emphasize too strongly the gravely critical position in which we now find ourselves in this respect. It is this need and this deficiency which impel me to take the floor of the House today and ask that something be done about it.

Let us examine the first and fourth requirements more closely. Ships, and the facilities and personnel with which to build and repair them:

At the end of the war with Japan the United States War Shipping Administration controlled fleet numbered 4,221 vessels, with a dead weight tonnage of 44,940,000 tons. This after the tremendous loss of ships and men, particularly heavy in the early years of the war. As of December 31, 1949, the active United States-flag seagoing merchant fleet, vessels of 1,000 gross tons or over, numbered 1,212 ships with a dead weight tonnage of 14,550,000 tons.

These are the latest figures supplied by the American Bureau of Shipping for which I have tonnage verification. I am informed that since the first of this year the number of privately owned vessels in active service has decreased by 24 and the vessels on charter from the Maritime Administration have decreased from 101 on the 1st of January to 53 on the 1st of July. The trend has been, and still is, consistently downward. Three years ago there were over 1,000 vessels on charter from the Maritime Commission—now we have 53 in active service.

We may ask if this severe reduction is due to the ending of the war and the consequently reduced world-wide trade. If this were so there might be some justification for it. However, in terms of percentage of total American export and import business carried in United States flag vessels, the picture is nearly as black. In 1946 we carried 68 percent of our own over-all foreign trade—by January 1, 1950, this had been reduced to 38.2 percent of dry cargo and 49.5 percent of our oils, and the trend is still downward.

It has been estimated, and this can only be an estimate, that in the event of another war, our merchant marine would be called upon to supply 60,000,000 dead-weight tons of ships to properly service the armed forces. In addition to this we would be required to overcome the losses by attrition.

In view of the figures which I have quoted, we may properly ask where the required tonnage would come from, within the time we may have, if war should come. Three possible sources are available to us:

First. By acquisition from friendly powers;

Second. The laid-up or reserve fleet;

Third. By new construction.

I shall proceed to examine these sources: With regard to acquisition from friendly powers, much of our own wartime fleet has been sold to these nations under very favorable terms, and, in addition, we have, through the permitted use of ECA counterpart funds, encouraged the development of their domestic ship construction industries. This is true, not only of our allies in the war, but of defeated countries within our sphere of influence, including Japan, Italy, and Germany. High sources within this Government have intimated, very recently, that even now our own fleet is too big by one and one-half million tons, and that we should foster further development of allied merchant fleets so that they may carry more of our trade, earn more of our dollars, and so bolster their own economies. This is justified on the ground that in event of war the ships of their fleets would always be available to us. Ignoring for the moment the disastrous effect of such a policy on the economy of our own maritime industry, let us look at the facts and figures for this aspect of the last war. We were supplied by friendly foreign powers, through charter or acquisition, with ships aggregating 715,000 dead-weight tons. We supplied to them ships of 5,500,000 dead-weight tons. Before the war's end we made available to our allies $4,200,000,000 worth of ships and shipping services through lend-lease. Do these figures look as though we can depend on them for aid? Further, should war eventuate, we are likely to be in a far less favorable position to acquire their ships. Firstly, the now potential enemy will strike more swiftly and overrun more quickly the countries which are now our friends; and secondly, by reason of infiltration of Communists into ships' crews, far more of their ships are likely to be destroyed by sabotage or delivered into enemy hands than ever reach us. We cannot and should not rely on friendly merchant fleets as a source of wartime shipping. We cannot and should not sap the vitality of our own merchant marine in a well-intentioned but short-sighted policy of fostering the development of others.

The second and third suggested sources of emergency shipping capacity—the reserve fleet and new construction—are so interrelated through many factors that I shall discuss them together. The laid-up merchant fleet, supposedly available for wartime use, numbers as of May 31, 1950, a total of 2,267 ships. Their approximate dead-weight tonnage is 17,500,000 tons. The number of ships is as obtained from the American Bureau of Shipping Bulletin and the tonnage is approximated from Maritime Commission reports. At first glance here would seem to be a veritable wealth of ships awaiting use. Closer examination disillusions us: Item 1. Approximately 1,600 of these ships are Liberty ships. I need not elaborate on the characteristics of the Liberty ship, nor need I discuss the fact that some of the very circumstances with which we are now confronted forced the construction of these ships in World War II whereas speedier ships of more modern design would have been far preferable. A Liberty would be like a sitting duck for the new schnorkel type submarines.

Item 2: The approximately 1,000 ships of the laid-up fleet which have been designated by the armed services as most urgently required for possible wartime service all must have, before recommissioning, varying amounts of repair to hulls and machinery. Of this 1,000 approximately 400 have been designated by the Joint Chiefs of Staff as having high priority as auxiliary vessels to the fleet. It has been estimated that the total dry-dock capacity now available in private shipyards in the United States would be taken up for one full year to repair the ships alone, while still maintaining normal service to the merchant fleet. This is under peacetime conditions.

Here lies the crux of the problem facing us if we are to maintain a flourishing maritime industry capable of conversion to a war basis. The problem exists in the ship-construction and in the ship-repair segments of the industry—both of which are closely interrelated. The figures I have just quoted indicate the staggering magnitude of the job the ship-repair industry would be asked to do in rehabilitating the laid-up fleet. Now, let us consider the new ship-construction phase. I shall then discuss our present position with respect to our capability of doing the job.

At the peak of World War II construction in 1943, the United States private shipyards turned out 1,692 vessels totaling 18,600,000 dead-weight tons. During the fiscal year ending June 30, 1949, completed ship production from United States commercial yards amounted to only 18 ships of 389,957 dead-weight tons. As of April 1950 a total of 28 ships of 1,000 gross tons or over in new construction in hand or on order, represented the work available for merchant shipyards in the United States. Their gross tonnage was 460,032. Compare this with Britain's 2,939,468 tons, or with defeated Japan's 428,430 tons. Further, there have been no ocean going dry cargo or combination passenger-cargo vessels completed in the last 23 months. There have been no new contracts placed in the last 6 months and only 2 in the last 18 months. At the end of 1950 if present schedules are followed, there will be only 8 ships on the ways in United States yards. What does this forebode if accelerated wartime production becomes necessary?

It is my understanding that a Naval Survey Board is now resurveying the laid-up fleet and will recommend that about 400 ships be renovated for active service; that in the event of emergency the 1,000 vessels to which I previously referred would be scheduled for repair at the rate of 150 per month—but, could we do that now in view of the present

desperate situation of shipbuilding and ship repair yards? I think not, and I shall tell you why.

You cannot build or repair ships without crews of skilled personnel. It has been variously estimated that anywhere from 150,000 down to 60,000 men should be employed in ship construction or repair at all times in order to maintain a minimum nucleus of skilled and experienced personnel around which to build the work force necessary for full-scale emergency operations. Suppose that we accept the 60,000 estimate as did Vice President Barkley in his speech at the launching of the SS *President Jackson* at Camden, N. J., on June 27 of this year. As of March 31, 1950, there were employed in new construction or repair in private shipyards in the United States a total of 44,575 blue collar workers. Compare this with a wartime peak in 1943 of 1,000,000 employees. There has been a dispersal into other employment of thousands of ship workers during the past months. According to figures supplied by the A. F. of L. Metal Trades Council as of March 31, 1949—1 year ago—there were 74,353 workers on these same jobs. A drop of 30,000 in 1 year. There is some indication that the trend has been momentarily arrested, but unless something is done now to create new work it will again drop.

Black as these figures are, they do not tell the complete story. My fourth requirement for a strong merchant marine was that we have enough properly dispersed shipbuilding and ship-repair yards and facilities with skilled men to man them to meet all possible demands. While at the launching of the *President Jackson* I was amazed at the number of former San Francisco shipyard workers whom I personally knew, and whom I met or saw there. There was good—or rather, bad—reason for it. There is not now, and there has not been for some time, one single ton of new-ship construction going on in Pacific-coast yards. There are no immediate prospects for any new construction there. There are not more than twenty-five or twenty-six hundred men employed on the entire Pacific coast in ship-repair work. That should stagger and frighten any thinking American. Remember that during the late war over 40 percent of all new-ship construction were Pacific-coast-built ships and that in the peak year of 1943 50.58 percent of our ships came from Pacific-coast yards. Remember, also, what one atomic bomb could do to the Panama Canal. Concentration of any essential national defense works in one relatively small section is no less than criminal in these days. We must disperse our facilities to the greatest extent feasible.

I am from San Francisco, and I am concerned about the economic consequences to my home city and State resulting from this condition. But, gentlemen and gentlewomen, it is my distress, as an American, over our present failure to stop the leak in the dike of our national defense which prompts me here today. Believe me, it is not mere provincial pride, nor is it local patriotism.

Those are the basic and essential facts which I wished to present today. The reasons and the causes for the situation as it exists are many and varied. Remembering that it is not my purpose here to condemn the actions or to argue with the motives of any individual or group, I shall outline some of the underlying facts briefly:

We maintain a standard of living higher than that of any other people in the world. That is all to the good—but internationally it is expensive. In order to maintain that standard for seamen and shipbuilders, as well as for farmers and coal miners, we must pay them more. The inevitable result for the maritime industry is that, on a strictly competitive basis, we simply cannot compete. This is particularly so when our foreign competitors receive, in addition to the advantage of cheaper labor, greater subsidies from their governments.

It was to be expected that, in the war aftermath, foreign competition would revive and expand. However, it has been the policy of ECA and our State Department to hasten that revival to the detriment of our own merchant marine. In view of the present world situation, and aside from the unemployment created at home, I do not believe that to be a wise policy. I believe that it is seriously undermining the stability and vigor of one of our most essential services. As one who has supported and voted for economic aid to Europe, I feel I can make this criticism in good grace.

American-flag shipping has further declined, because in order to avoid the higher labor costs and stricter requirements as to food and living conditions for our seamen, many American shipping companies have resorted to the subterfuge of transferring their vessels to a foreign flag. This has been done with the consent and cooperation of the old Maritime Commission and has resulted in a serious loss to the United States maritime industry.

The operations of the Maritime Commission, designed to promote and to stabilize a flourishing American merchant marine, have been characterized by mismanagement, maladministration, confusion, and bungling. These facts have been brought out in great detail in recent hearings before committees of both the Senate and the House. The creation of the new Maritime Administration and Federal Maritime Board in the Department of Commerce under the President's Reorganization Plan No. 21 should do much to overcome this obstacle, if proper organization and administration are carried out with an understanding of the American merchant marine's importance as a defense arm.

The devaluation of foreign currencies recently effected has further impaired our competitive position in the race for trade, as well as in competition for ship building and ship-repair work.

False economy considerations on the part of the Defense Department, the Bureau of the Budget, and various Members of Congress, have inexcusably delayed programs for necessary repairs to the laid-up fleet. This was particularly evidenced in the failure to pass Senator MAGNUSON's bill to provide $25,000,000 for repairs to 134 vessels having highest priority for emergency use.

These same false economy ideas have resulted in failure to lay plans for, and to build new type modern vessels to set a pattern for mass production in the event of war, and for replacement of obsolete and obsolescent types now in use. I have not stressed this point before but it is of vital importance. We cannot afford to be forced to build Liberty ships again for lack of know-how and equipment to construct the speedier types we must have.

The preservation of vested interests in the captive yards of the East has motivated certain segments of the industry and its owners, aided, it has been charged, by the Navy Department and the Maritime Commission, to retain whatever shipbuilding there is for one small section of the country. We, and they, are criminally derelict in our duty to place the welfare of the country first if we permit this condition to continue. We must take action to stop the questionable practices which have so far permitted it. We must insure that yards on the Pacific, on the Atlantic, and on the Gulf coasts are provided with sufficient work to maintain the largest possible nucleus of skilled workmen in the respective areas. We cannot train a mold loft man or a shipwright in 30 days—we cannot bring skilled men to the Pacific Coast from all over the East, and from industries to which stability has attracted them in 30 days—we cannot expect octogenarians to perform the work of men whom we have failed to train to replace them. We must take steps to have these men trained and on the spot when the need arises.

There are other factors at work in bringing about the decay which is attacking our merchant marine and the maritime industry but time does not permit my going into greater detail now. I expect in the near future to submit a more detailed and documentary statement regarding the problem for insertion in the RECORD.

Mr. Speaker, I have presented the case history of a sick industry to you. I should feel that I have wasted my time and yours did I not have some concrete remedy to offer.

I propose that, as a basis for cure, a thorough study of the entire maritime industry and its requirements should be made under the National Security Resources Board by an impartial, qualified research group or groups, with a view to establishing minimum security needs of the national-defense program and assaying present conditions in the industry to determine wherein it is lacking. I have so proposed to the President of the United States. The results of this study, which should be undertaken immediately, would provide the foundation for the long-range program to follow.

We should immediately begin renovation of the essential and useful ships of the laid-up fleet. This should be done to provide the ships for possible emergency, to bring up employment, and to preserve skills, to keep facilities in operational condition, and to clear the yards

and drydocks for new construction and repairs in time of need.

We should liberalize our subsidy programs and charter provisions to permit the American fleet to meet foreign competition. With profitable operation under the American flag assured, we should prohibit foreign flag transfers of units of the domestic fleet in order to apply a tourniquet to stop the flow of vital ships from our merchant marine.

We should undertake a new construction and modernization program to make available types of ships in which we are now seriously deficient, and to develop the speediest and most efficient vessels possible for future construction. Even when the six new passenger ships now under construction are in operation, and including the passenger ships of the reserve fleet, we will still have less than 50 percent of the troop-carrying capacity needed for a possible war. We must build our own ships convertible to troop-transport use in preparation for what may come. We cannot depend upon the use of the liners now in the service of our allies.

Congress should pass the laws needed and appropriate the required funds to effectuate the proposals I have just outlined. We should not listen to the false-economy criers, nor to the voice of the vested interests fearful that control of shipbuilding might be taken from their hands.

The administration should cooperate to unify the efforts of all concerned—and should insure that no arm of the Government follows policies contributing to the weakening of the merchant marine. This includes fostering of foreign competition as well as the competition from within the Defense Department provided by the military sea transport service.

The maritime industry should unite to eliminate sectional differences in favor of the welfare of the country as a whole. They should cooperate in initiating and furthering a program which will provide work sufficient to keep all essential yards, in the East, and in the West, on the Gulf and on the Lakes, active. They should not cry for aid from the Government while they, at the same time, are using restrictive devices and are transferring ships to foreign flags, thus hampering the full development of the industry.

Labor should contribute to the fullest in providing conditions under which work can go on unhampered, at the same time protecting the American standard of living, and protecting their own ranks from the vicious influence of those who sympathize with our enemies. Since the development of the situation in Korea there have been heartening indications of a closing of the ranks against these seditious voices.

We must each individually take every precaution against sabotage of our united efforts, either by selfish interests, by too generous aid to our competitors, or, most important and almost certain to come, by the deliberate and violent attempts of our potential enemies whose methods we have good reason to fear.

If we take the helm with a bold hand now, we can sail with a stout and happy ship under us through whatever winds and waves may come. If we do not we may perish in the storm.

History records that as a people we have eventually recognized our problems and solved them. God grant that we will all, regardless of party or sectional difference, work together on this one.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. SHELLEY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I desire to commend the gentleman for his presentation here this afternoon, and I subscribe to his argument. I think it should be rather clear now that before Hitler and Tojo decided to take on the United States of Amercia in World War II, they first took note of the deficiencies in our merchant marine.

Mr. SHELLEY. What the gentleman says is very well put and states the subject here succinctly.

Mr. HAVENNER. Mr. Speaker, will the gentleman yield?

Mr. SHELLEY. I yield to the gentleman from California.

Mr. HAVENNER. I, too, want to commend my colleague from California for making a very fine statement on a tremendously important subject, particularly at this critical period in our national history. I am glad that the gentleman is a member of our Committee on Merchant Marine and Fisheries, because he has personal experience. He served his time at sea. He is the holder of an officer's license, and I am sure that his experience will be of tremendous value to the committee. I hope that with his influence the committee can work out legislation and establish in law the importance of the merchant marine as a special arm of national defense and to write into the law a formula for the permanent maintenance of a balanced shipbuilding industry on all the coasts of this Nation as a part of our national defense.

Mr. SHELLEY. I thank my colleague from San Francisco.

### OUR MARITIME SITUATION

Mr. HARDY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HARDY. Mr. Speaker, I want to compliment the gentleman from California for his able presentation of our maritime situation. Our merchant marine has gotten into a deplorable state, but let us look toward the future. Let us seek now to quickly bring about corrections. Let us take the necessary steps promptly to build up our merchant fleet, to maintain our shipyards on an operational status, and to preserve our shipbuilding skills. The world situation today demands that our merchant marine be strengthened. Defense needs require it and, as the gentleman has so ably pointed out, the first approach to the problem should be through the prompt rehabilitation of ships in our reserve fleet.

Again, let me compliment my colleague. He has ably presented the subject, and he served well as a member of the Subcommittee on Government Operations of the Committee on Expenditures during our consideration of the operations of the Maritime Commission. In that study he rendered unusual service. In the remarks he has made today he has brought to the attention of the Nation a situation which demands immediate attention. Our merchant marine must be improved in order that the security of our Nation may be maintained and that we may continue in our essential role during peacetime in transporting the commerce of the world.

### EXTENSION OF REMARKS

Mr. KILBURN asked and was given permission to extend his remarks and include an editorial.

Mr. PATTERSON asked and was given permission to extend his remarks and include a newspaper article.

Mr. MULTER asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. STEFAN, Mr. WHITE of California, and Mr. MILLER of Nebraska asked and were given permission to extend their remarks.

Mr. KARSTEN asked and was given permission to revise and extend the remarks he made earlier in the day.

Mr. HAGEN asked and was given permission to extend his remarks and include a letter.

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks and include a newspaper article.

Mr. MANSFIELD asked and was given permission to extend his remarks and include an article appearing in the New York Times.

Mr. JUDD asked and was given permission to extend his remarks in two instances and include extraneous material.

Mr. HARDY asked and was given permission to extend his remarks and include a newspaper article.

### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CARROLL (at the request of Mr. ASPINALL), for 1 week, on account of official business.

To Mr. PLUMLEY (at the request of Mr. ARENDS), for this week, on account of official business.

To Mr. WAGNER (at the request of Mr. MCCORMACK), for an indefinite period, on account of serious illness in the family.

To Mr. ANGELL (at the request of Mr. MARTIN of Massachusetts), indefinitely, on account of illness in family.

### SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3876. An act to provide free postage for members of the armed forces of the United States in specified areas; to the Committee on Post Office and Civil Service.

### ADJOURNMENT

Mr. HAVENNER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 48 minutes p. m.) the House adjourned until tomorrow, Tuesday, July 11, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1541. A letter from the Chairman, Federal Communications Commission, transmitting a draft of a proposed bill entitled "A bill to direct the Secretary of Defense to transfer and convey certain lands to the Federal Communications Commission in connection with the Federal Communications Commission's radio-monitoring program"; to the Committee on Armed Services.

1542. A letter from the Assistant Secretary of the Navy, transmitting the semiannual report of leases entered into by the Department of the Navy under the authority of Public Law 364, Eightieth Congress, for the period ending June 30, 1950; to the Committee on Armed Services.

1543. A letter from the Comptroller General of the United States, transmitting report on the audit of Public Housing Administration for the fiscal year ended June 30, 1949, pursuant to the Government Corporation Control Act (31 U. S. C. 841) and the Government Corporations Appropriation Act, 1949 (62 Stat. 1183, 1184), as amended by section 604 of the Housing Act of 1949 (Public Law 171, 81st Cong.) (H. Doc. No. 637); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1544. A letter from the Acting Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

1545. A letter from the Acting Attorney General, transmitting copies of the orders of the Commissioner of the Immigration and Naturalization Service granting the application for permanent residence filed by the subjects of such orders; to the Committee on the Judiciary.

1546. A letter from the executive secretary, National Munitions Control Board, transmitting the semiannual report prepared by the National Munitions Control Board, pursuant to provisions of subsection (h), section 12 of the Neutrality Act of 1939 (Public Res. 54, 76th Cong.); to the Committee on Foreign Affairs.

1547. A letter from the Secretary of Commerce, transmitting Report No. 18 of action taken pursuant to the provisions of section 217 of the Merchant Marine Act 1936, as amended (Public Law 498, 77th Cong.); to the Committee on Merchant Marine and Fisheries.

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REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. H. R. 5967. A bill to amend the Interstate Commerce Act, as amended, to clarify the status of freight forwarders and their relationship with motor common carriers; with amendment (Rept. No. 2489). Referred to the Committee of the Whole House on the State of the Union.

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PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 9046. A bill relating to the exemption from payment of income tax of certain compensation payable to Federal employees stationed in the Territories and possessions of the United States; to the Committee on Ways and Means.

By Mr. McMILLAN of South Carolina:

H. R. 9047. A bill to authorize the Commissioners of the District of Columbia to regulate the keeping and running at large of goats; to the Committee on the District of Columbia.

By Mr. MACK of Washington:

H. R. 9048. A bill for the relief of the Department of Labor and Industries of the State of Washington; to the Committee on the Judiciary.

H. R. 9049. A bill for the relief of the Department of Labor and Industries of the State of Washington; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 9050. A bill to amend title 18, United States Code, section 3486, relating to testimony before Congress; immunity, so as to include testimony before loyalty and loyalty review boards; to the Committee on the Judiciary.

By Mr. BOLTON of Maryland:

H. R. 9051. A bill to authorize the construction of a post office at Sykesville, Md.; to the Committee on Public Works.

By Mr. ELLIOTT:

H. R. 9052. A bill to extend the provisions of the Servicemen's Readjustment Act of 1944, as amended, and Public Law 16, Seventy-eighth Congress, as amended, to persons in active service in units of the Armed Forces employed in the Korean theater, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FARRINGTON:

H. R. 9053. A bill to authorize the establishment of the City of Refuge National Historical Park, in the Territory of Hawaii, and for other purposes; to the Committee on Public Lands.

By Mr. TAYLOR:

H. R. 9054. A bill to rescind the order of the Postmaster General curtailing certain postal services; to the Committee on Post Office and Civil Service.

By Mr. WALSH:

H. J. Res. 500. Joint resolution relating to the employment of armed forces of the United States in Korea; to the Committee on Foreign Affairs.

By Mrs. NORTON:

H. J. Res. 501. Joint resolution to authorize the procurement of an oil portrait and a marble bust of the late Chief Justice Harlan F. Stone; to the Committee on House Administration.

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PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. BOLTON of Ohio:

H. R. 9055. A bill for the relief of Cynthia Anne Kane; to the Committee on the Judiciary.

By Mr. BREHM:

H. R. 9056. A bill for the relief of Hideko Kasahara and family; to the Committee on the Judiciary.

By Mr. CUNNINGHAM:

H. R. 9057. A bill for the relief of William C. Minard; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 9058. A bill for the relief of Emiko Usuzaka Hanano and Allen James Hanano; to the Committee on the Judiciary.

H. R. 9059. A bill for the relief of Ayako Kikuchi Kuramoto; to the Committee on the Judiciary.

H. R. 9060. A bill for the relief of Eiichi Kishida; to the Committee on the Judiciary.

By Mr. GRANT:

H. R. 9061. A bill for the relief of Midori Naito; to the Committee on the Judiciary.

By Mr. HOBBS:

H. R. 9062. A bill for the relief of Mrs. Willie G. Heath; to the Committee on the Judiciary.

By Mr. JENNINGS:

H. R. 9063. A bill for the relief of James A. Vines; to the Committee on the Judiciary.

By Mr. KING:

H. R. 9064. A bill for the relief of Panagoitis Demetrios Zeras; to the Committee on the Judiciary.

By Mr. YATES:

H. R. 9065. A bill for the relief of Mitsuko Nakamura; to the Committee on the Judiciary.

H. R. 9066. A bill for the relief of Fumiko Ogura; to the Committee on the Judiciary.

By Mr. WHITE of Idaho:

H. R. 9067. A bill for the relief of Lee Yim Quan; to the Committee on the Judiciary.

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# SENATE

## TUESDAY, JULY 11, 1950

*(Legislative day of Saturday, July 1, 1950)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, who committest to us the swift and solemn trust of life, so teach us to number our days that we may apply our hearts unto wisdom. In all the perplexities of these confused times may we not lose our perspective. In these fateful days, lead us to right decisions and to that wisdom which is from above. As we remember here those of our own fellow countrymen who, in far places, are laying down their lives for the preservation of our heritage of freedom, save us from lowering the shield of national solidarity, just as the air is filled with the poisoned arrows of determined foes. In these days of crisis and alarm, help us to play the man and so help others to face with good cheer and courage whatever tomorrow may bring. We ask it in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 10, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

LEAVE OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. TOBEY was excused from attendance on the sessions of the Senate today and the remainder of this week.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, a subcommittee of the Committee on Education and Labor was authorized to sit during the session of the Senate today.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Gurney | Magnuson |
| Anderson | Hayden | Malone |
| Benton | Hendrickson | Martin |
| Brewster | Hickenlooper | Millikin |
| Bricker | Hill | Morse |
| Bridges | Hoey | Mundt |
| Butler | Holland | Murray |
| Byrd | Humphrey | Myers |
| Cain | Hunt | Neely |
| Capehart | Ives | O'Mahoney |
| Chapman | Johnson, Colo. | Russell |
| Chavez | Johnson, Tex. | Saltonstall |
| Connally | Kefauver | Schoeppel |
| Cordon | Kem | Smith, Maine |
| Donnell | Kerr | Smith, N. J. |
| Douglas | Kilgore | Sparkman |
| Dworshak | Knowland | Stennis |
| Eastland | Langer | Taft |
| Ecton | Leahy | Thomas, Okla. |
| Ellender | Lehman | Thomas, Utah |
| Ferguson | Lodge | Thye |
| Flanders | Lucas | Tydings |
| Frear | McCarran | Watkins |
| Fulbright | McCarthy | Wherry |
| George | McClellan | Wiley |
| Gillette | McFarland | Williams |
| Graham | McKellar | Young |
| Green | McMahon | |

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is absent because of illness.

The Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

The Senator from Florida [Mr. PEPPER] is absent because of the death of Judge Curtis Waller, a close personal friend.

The Senator from Virginia [Mr. ROBERTSON] is absent on Government business.

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. DARBY], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

GENERAL APPROPRIATIONS, 1951

Mr. McKELLAR. Mr. President, I ask unanimous consent that the unfinished business, the motion of the Senator from Illinois [Mr. LUCAS] to consider Senate bill 1728, be temporarily laid aside, and that the Senate proceed to the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

The VICE PRESIDENT. The Secretary will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee?

Mr. WHERRY. Mr. President, I should like to have the RECORD show that the unanimous-consent request was made immediately after a quorum call.

The VICE PRESIDENT. The RECORD will show it.

Mr. WHERRY. I am in favor of the request made by the Senator from Tennessee. I believe the appropriation bill should be made the temporary business of the Senate.

Mr. McKELLAR. I thank the Senator from Nebraska.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 180) to suspend until December 31, 1950, the application of certain Federal laws with respect to attorneys employed by the Subcommittee on Labor-Management Relations of the Senate Committee on Labor and Public Welfare in connection with the study and investigation ordered by Senate Resolution 140, Eighty-first Congress.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 1049. An act for the relief of Amy Alexandrovna Taylor and Myrna Taylor;

S. 1792. An act for the relief of Thomas Nicholas Epiphaniades and Wanda Julia Epiphaniades; and

S. 2243. An act for the relief of Tevfik Kamil Kutay.

The message further announced that the House had passed the following bills of the Senate, severally with amendments, in which it requests the concurrence of the Senate:

S. 441. An act to redefine the units and establish the standards of electrical and photometric measurements;

S. 2046. An act to provide authority for certain functions and activities of the National Bureau of Standards, and for other purposes;

S. 2160. An act to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes;

S. 2201. An act amending section 2 of the act of March 3, 1901 (31 Stat. 1449), to provide basic authority for the performance of certain functions and activities of the National Bureau of Standards, and for other purposes;

S. 2507. An act to authorize the United States Maritime Commission to grant to the East Bay Municipal Utility District, an agency of the State of California, an easement for the construction and operation of an interceptor sewer pipe line in and under certain Government-owned lands comprising a part of the Maritime Alameda Shipyard, Alameda, Calif.;

S. 2591. An act to amend the Public Health Service Act to support research and training in arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, and blindness, and other diseases, and for other purposes; and

S. 2864. An act to authorize certain administrative expenses for the Department of Justice, and for other purposes.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 91) favoring the suspension of deportation of certain aliens, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 649. An act for the relief of Mrs. Alice N. Kozma;

H. R. 661. An act for the relief of Thomas A. Trulove, postmaster, and Nolen J. Salyards, assistant postmaster, at Inglewood, Calif.;

H. R. 1130. An act for the relief of Hanna Mussbach;

H. R. 1500. An act for the relief of Mrs. Barbara Guanapoulos;

H. R. 1503. An act for the relief of George Washington;

H. R. 1585. An act for the relief of Leilah begum Alaoui Mullin;

H. R. 1586. An act for the relief of Harold E. Trantwein;

H. R. 1611. An act for the relief of Walter E. Miller;

H. R. 1616. An act for the relief of S. L. Ayres & Co., Inc.;

H. R. 1618. An act for the relief of Kenneth J. MacKenzie;

H. R. 1638. An act for the relief of Warren P. Hoover;

H. R. 1988. An act for the relief of Leslie A. Fry;

H. R. 2350. An act for the relief of Mrs. Marion M. Martin Jones;

H. R. 2805. An act for the relief of John F. Oettl;

H. R. 3132. An act for the relief of Sergio and Mara Lamberti;

H. R. 3304. An act for the relief of Jose Cotto Santiago;

H. R. 3412. An act for the relief of N. H. Kelley, Bernice Kelley, Clyde D. Farquhar, and Gladys Farquhar;

H. R. 3611. An act to provide for the preparation, printing, and distribution of a list of all persons who died at any time after May 26, 1941, and before December 31, 1946, while serving on active duty with the Armed Forces of the United States;

H. R. 3664. An act for the relief of Bruce M. Stern;

H. R. 3906. An act to amend the Federal Aid to Wildlife Restoration Act, as amended;

H. R. 3919. An act for the relief of John S. Steber;

H. R. 3921. An act for the relief of Nicholas C. Hadjipateras, Pipitsa N. Hadjipateras, and Costas N. Hadjipateras;

H. R. 4014. An act for the relief of Maria Hoffman;

H. R. 4045. An act for the relief of Katherine L. Anderson, a civil-service employee, permanently injured through negligent treatment at the Army Advisory Group Station Hospital in Nanking, China;

H. R. 4136. An act for the relief of Helen M. Booth;

H. R. 4142. An act for the relief of Ralph D. McKinney;

H. R. 4221. An act for the relief of the legal guardian of Patricia Joyce Dunn, a minor;

H. R. 4542. An act to provide for the classification of the public lands in Alaska;

H. R. 4601. An act for the relief of Jeannette Passayanni-Capodistria;

H. R. 4657. An act for the relief of J. R. Fleming & Co.;

H. R. 4709. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon claims arising out of certain blasting operations on the Merrimack River;

H. R. 4775. An act for the relief of Harold L. Corzett, commander, United States Naval Reserve;

H. R. 4832. An act for the relief of Graphic Arts Corp., of Ohio;

H. R. 4954. An act for the relief of Jacob F. Hutt and Anderson E. Humphrey;

H. R. 4989. An act to provide for the payment of just compensation to John II Estate, Ltd., a Hawaiian corporation, for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, T. H.;

H. R. 5003. An act to provide for the exchange between the United States and the State of New York of certain lands and interests in lands at Manhattan Beach, Kings County, N. Y.;

H. R. 5507. An act to amend an act entitled "An act for the protection of the Bald Eagle," approved June 8, 1940;

H. R. 5981. An act for the relief of Claiborne V. Wagley;

H. R. 6020. An act for the relief of Richard H. Sears;

H. R. 6038. An act to provide for issuance of a supplemental patent to Charles A. Gann, patentee No. 152,419, for certain land in California;

H. R. 6052. An act for the relief of John M. Vick;

H. R. 6095. An act for the relief of Universal Corp., James Stewart Corp., and James Stewart & Co., Inc.;

H. R. 6312. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Joseph Lundborg and others against the United States;

H. R. 6417. An act for the relief of Mrs. Frieda Gray (formerly Frieda Putman);

H. R. 6442. An act for the relief of Mrs. Martha Reid;

H. R. 6463. An act for the relief of Mrs. Shikaju Nakashima;

H. R. 6533. An act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes;

H. R. 6578. An act for the relief of Mrs. Gunnbord Janzon Hamilton;

H. R. 6586. An act for the relief of Stamatie Amersonis;

H. R. 6606. An act to provide that the district judge of the eastern, middle, and western districts of Pennsylvania shall become a district judge for the middle district of Pennsylvania alone when the first vacancy occurs in that district;

H. R. 6657. An act for the relief of Georges Jules Louis Sauvage;

H. R. 6707. An act for the relief of Sirius Proestopoulos;

H. R. 6750. An act for the relief of Achileus Maroulis;

H. R. 6804. An act for the relief of certain Italian aliens;

H. R. 6861. An act to repeal certain laws relating to timber and stone on the public domain;

H. R. 6885. An act for the relief of E. Elmer Mynatt;

H. R. 7012. An act for the relief of Anna Ellero and Clara Ellero;

H. R. 7043. An act to provide or the granting of an easement for a public road or public toll road through the wildlife refuge located in Princess Anne County, Va.;

H. R. 7146. An act to amend section 3 of the act entitled "An act to provide for the disposal of materials on the public lands of the United States," so as to provide that moneys received from the disposal of material from reserved school section lands in Alaska shall be credited to the Territory;

H. R. 7192. An act to provide benefits for the widows of certain persons who were retired or are eligible for retirement under section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 20, 1918, as amended;

H. R. 7202. An act for the relief of Alexander Newman;

H. R. 7209. An act authorizing and directing the Secretary of the Interior to undertake continuing studies of Atlantic coast fish species for the purpose of developing and protecting fish resources;

H. R. 7268. An act to amend the Bankhead-Jones Farm Tenant Act so as to provide a more effective distribution of mortgage loans insured under title I, to give holders of such mortgage loans preference in the refinancing of loans on a noninsured basis, to adjust the loan limitations governing title II loans so as to provide more effective assistance to production and subsistence loan borrowers, and for other purposes;

H. R. 7282. An act for the relief of Cornelius Ver Sluis;

H. R. 7297. An act for the relief of Ignas Malcius;

H. R. 7364. An act for the relief of Jenny Irene Benson;

H. R. 7613. An act for the relief of Mrs. Miyako Horikoshi Spaulding and Mabel Miya Spaulding;

H. R. 7675. An act to authorize the addition of certain land to Chickamauga and Chattanooga National Military Park, in the State of Tennessee;

H. R. 7689. An act to amend certain acts relating to the retired status of the Director of the Coast and Geodetic Survey;

H. R. 7709. An act to provide for the acquisition, investigation, and preservation of lands to commemorate the historic Fort Caroline settlement, St. Johns Bluff, Fla.;

H. R. 7810. An act for the relief of M. S. Davis;

H. R. 7814. An act for the relief of Stella Matutina Kazuko Yamazaki;

H. R. 7887. An act granting the consent and approval of Congress to an amendment to the Atlantic States Marine Fisheries Compact, and repealing the limitation on the life of such compact;

H. R. 7921. An act for the relief of Eva T. Ross;

H. R. 7954. An act to authorize the commercial operation of certain vessels on the Great Lakes;

H. R. 7977. An act to authorize the city of Buffalo, Wyo., to make additional uses of certain lands, and for other purposes;

H. R. 8009. An act for the relief of Enrica Gianoli;

H. R. 8028. An act to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla.;

H. R. 8061. An act for the relief of Mrs. Yuki Sugimoto Murphy and David Murphy;

H. R. 8069. An act for the relief of Mrs. Michiki Kohga Brooks;

H. R. 8073. An act for the relief of Kimiko Iso and her minor daughter, Midori;

H. R. 8134. An act for the relief of Elona Schwietza and her son;

H. R. 8153. An act for the relief of Chiyoko Akashi;

H. R. 8219. An act for the relief of Tadeusz Akashi;

H. R. 8306. An act to supplement the act of June 29, 1936 (49 Stat. 2029), relating to the Castillo de San Marcos National Monument, in the State of Florida;

H. R. 8417. An act to amend part II of the Interstate Commerce Act with respect to the regulation of motor carriers engaged in commerce to and from the Territories and possessions of the United States;

H. R. 8423. An act for the relief of Yuriko Mizumoto;

H. R. 8450. An act for the relief of Raief Neahem, Iffef Neahem, and Ihsen Neahem;

H. R. 8477. An act for the relief of Marcel Rene de Romanett;

H. R. 8584. An act for the relief of Mrs. Tokie Sato Keating, Terry Yoichi Keating, and Betty Jean Keating;

H. R. 8617. An act to amend title 14, United States Code, entitled "Coast Guard";

H. R. 8741. An act for the relief of Mrs. Nobuko Yonashiro Martin and Gerald Philip Martin;

H. R. 8751. An act for the relief of Mrs. Yoshiko Ogiso Peterson;

H. R. 8759. An act for the relief of Rev. Andrew Chai Kyung Whang;

H. R. 8767. An act to authorize the exclusion from the mails of all obscene, lewd, lascivious, indecent, filthy, or vile articles, matters, things, devices, or substances, and for other purposes;

H. R. 8772. An act for the relief of Ah-Kim Wong;

H. R. 8792. An act to amend the statute relating to certificates of trade-mark registrations;

H. R. 8794. An act for the relief of Mrs. Eiko Yoshizawa Lendrum and Charles Robert Lendrum, Jr.;

H. R. 8795. An act for the relief of Benjamin Paglinaman;

H. R. 8816. An act to provide for the conveyance of certain hospital supplies and equipment of the United States to the city of Gulfport and to Harrison County, Miss.;

H. R. 8824. An act for the relief of Tokuko Murayama;

H. R. 8845. An act to provide for the conveyance of a tract of land in Kennebec County, Maine, to the town of Chelsea;

H. R. 8929. An act for the relief of Vincent F. Leslie;

H. R. 8935. An act for the relief of Mrs. Jaye Kurusu Maddox;

H. R. 8956. An act for the relief of Mrs. Claude Morita and Rodney Morita; and

H. J. Res. 434. Joint resolution providing for recognition and endorsement of the California World Progress Exposition.

## ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 3532. An act for the relief of Mrs. Sirvart Arsepian; and

H. R. 4394. An act to amend sections 10, 11, and 12, of chapter V, of the act of June 19, 1934, as amended, entitled "An act to regulate the business of life insurance in the District of Columbia."

## TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

## EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred, as indicated:

### DISSOLUTION OF WAR CONTRACTS PRICE ADJUSTMENT BOARD

A letter from the Chairman of the War Contracts Price Adjustment Board, Washington, D. C., transmitting a draft of proposed legislation to provide for the dissolution of the War Contracts Price Adjustment

Board, for the transfer of its functions, to otherwise amend the Renegotiation Act, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

REPORT ON NEGOTIATION OF CERTAIN CONTRACTS BY COAST GUARD

A letter from the Commandant of the United States Coast Guard, reporting, pursuant to law, that during the period January 1 to June 30, 1950, no contracts were negotiated by the Coast Guard for experimental, developmental, or research work or for the manufacture or furnishing of supplies for experimentation, development, research or test; to the Committee on Armed Services.

AUDIT REPORT ON RECONSTRUCTION FINANCE CORPORATION AND FEDERAL NATIONAL MORTGAGE ASSOCIATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Reconstruction Finance Corporation and its wholly owned subsidiary, Federal National Mortgage Association, for the fiscal years ended June 30, 1948, and 1949 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A letter in the nature of a petition from the American Printing House for the Blind, Louisville, Ky., signed by F. E. Davis, superintendent, praying for the enactment of House bill 8530, to amend the act approved August 4, 1919, as amended, providing additional aid for the American Printing House for the Blind (with accompanying papers); to the Committee on Labor and Public Welfare.

A telegram in the nature of a petition from Oak Ridge (Tenn.) Post 199, the American Legion, signed by Virgil Richardson, adjutant, praying for the enactment of the so-called Mundt-Ferguson bill (S. 2311) to protect the United States against certain un-American and subversive activities, and for other purposes; ordered to lie on the table.

A memorial signed by Doris Ostrander, and sundry other citizens of Los Angeles, Calif., remonstrating against the enactment of the so-called Mundt-Ferguson bill (S. 2311) to protect the United States against certain un-American and subversive activities, and for other purposes; ordered to lie on the table.

By Mr. TYDINGS:

A resolution adopted by the Kiwanis Club of Maryland, favoring the enactment of legislation making effective the recommendations of the Hoover report on reorganization of the executive departments of the Government; to the Committee on Expenditures in the Executive Departments.

Resolutions adopted by the Maryland Pharmaceutical Association, Baltimore, Md., protesting against the continuation of the wartime excise taxes on cosmetics and toilet articles, and a lowering to prewar levels of the excise tax on alcohol used for medicinal purposes; to the Committee on Finance.

Resolutions adopted by Stanley Cochrane Post 16, of Crisfield, Joseph C. Herbert Post No. 222, of Clear Springs, Worcester Post No. 67, of Snow Hill, Harford Post No. 39, of Bel Air, Dorchester Auxiliary Unit No. 91, of Cambridge, Harford Auxiliary Unit No. 39, of Bel Air, Overlea Auxiliary Unit No. 130, of Baltimore, all of the American Legion; the Woman's Society of Christian Service, St. John's Methodist Church, Baltimore; the Advertising Club of Baltimore, Inc.; Charles County Farm Bureau, Inc., of Spring Hill; Rotary Club of Pikesville; Bar Associations of Frederick County and Carroll County, and the Lions Clubs of Leonardtown and Cockeysville, all in the State of Maryland, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

## REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry:

S. 2635. A bill to amend the Soil Conservation and Domestic Allotment Act; as amended; without amendment (Rept. No. 1945).

By Mr. AIKEN, from the Committee on Agriculture and Forestry:

S. 3698. A bill to enable the Secretary of Agriculture to furnish, upon a reimbursable basis, certain inspection services involving overtime work; without amendment (Rept. No. 1944).

By Mr. HOEY, from the Committee on Agriculture and Forestry:

S. 2636. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended; with amendments (Rept. No. 1946).

## REPORTS OF COMMITTEES ON PERSONNEL AND FUNDS

Pursuant to Senate Resolution 123, Eighteth Congress, first session, the following reports were received by the Secretary of the Senate:

JULY 12, 1950.

REPORT OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eighteth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1950, to June 30, 1950, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Mills Astin, chief clerk | $8,438.93 | $4,219.44 |
| Nellie D. McSherry, assistant chief clerk | 7,775.31 | 3,887.64 |
| Albert A. Grorud, professional staff | 8,438.93 | 4,219.44 |
| Elmer K. Nelson, professional staff | 8,438.93 | 4,219.44 |
| Stewart French, professional staff | 7,775.31 | 3,887.64 |
| Arthur A. Sandusky, professional staff | 7,775.31 | 3,887.64 |
| Charlotte Mickle, clerical assistant | 3,980.59 | 1,990.26 |
| Saides Blair, clerical assistant | 3,719.87 | 1,859.88 |
| Mary C. Moran, clerical assistant | 3,719.87 | 1,859.88 |
| Marie Mathew, clerical assistant | 3,719.87 | 1,663.55 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure during 81st Cong | $45,000.00 |
| Amount expended during 81st Cong | 19,681.15 |
| Balance unexpended | 25,318.85 |

JOSEPH C. O'MAHONEY,
*Chairman.*

REPORT OF COMMITTEE ON LABOR AND PUBLIC WELFARE

SUBCOMMITTEE ON HEALTH

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eighteth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1950, to June 30, 1950, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Mary Jane Del Balzo,[1] secretary | $4,154.38 | $323.11 |
| John M. Lexcen,[2] clerk | 5,979.34 | 83.04 |

[1] Appointed June 3, 1950.
[2] Appointed June 26, 1950.

| | |
|---|---|
| Funds authorized or appropriated for subcommittee expenditure | $37,800.00 |
| Jan. 1 to June 30, 1949 | None |
| July 1 to Dec. 31, 1949 | $150.00 |
| Jan. 1 to June 30, 1950 | 173.11 |
| Amount expended | 323.11 |
| Balance unexpended | 37,476.89 |

ELBERT D. THOMAS,
*Chairman.*

JULY 7, 1950.

REPORT OF COMMITTEE ON LABOR AND PUBLIC WELFARE

SUBCOMMITTEE ON LABOR-MANAGEMENT RELATIONS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eighteth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1950, to June 30, 1950, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Barbash, Jack, staff member | $10,015.02 | $5,007.48 |
| Bowman, Edna Raye, secretary | 4,154.38 | 2,077.14 |
| Christie, Alexander K., staff member | 6,848.36 | 3,424.14 |
| Cooley, Thomas M. II, counsel | 10,846.00 | 5,422.98 |
| Cullum, Robert M.,[1] staff member | 5,979.34 | 1,411.77 |
| Dunstan, William N., staff member | 5,979.34 | 2,989.62 |
| Egan, John F., clerk | 4,415.10 | 2,207.52 |
| Gustin, Evelyn M., secretary | 4,154.38 | 2,077.14 |
| Kaufman, Frances L.,[1] research analyst | 4,154.38 | 980.87 |
| Klein, Samuel C.,[1] staff member | 7,109.06 | 1,678.52 |
| Johnson, Curtis E., staff member | 8,936.64 | 4,468.32 |
| Presbrey, Vesta N., secretary | 4,154.38 | 2,077.14 |
| Rosenberger, Francis C.,[2] staff member | 8,024.17 | 891.55 |
| Stone, Russell E., staff member | 6,848.36 | 3,424.14 |

[1] Appointed Apr. 6, 1950.
[2] Received salary: Feb. 15 to Mar. 8, 1950; Apr. 5 to 20, 1950.

| | |
|---|---|
| Unexpended balance of funds appropriated under S. Res. 140, 80th Cong., 1st sess | $10,976.32 |
| Funds appropriated under S. Res. 217, 80th Cong., 2d sess | 108,000.00 |
| Total funds | 118,976.32 |
| Funds expended for salaries | 38,138.33 |
| Funds expended for other purposes | 9,168.70 |
| Total funds expended | 47,307.03 |
| Balance unexpended | 71,669.29 |

ELBERT D. THOMAS,
*Chairman.*

JUNE 30, 1950.

REPORT OF COMMITTEE ON RULES AND ADMINISTRATION

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eighteth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it for the

period from January 1, 1950, to June 30, 1950, together with the funds available to and expended by it:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Darrell St. Claire, chief clerk | $10,846.00 | $5,422.98 |
| Russell C. King, assistant clerk | 7,775.31 | 3,887.64 |
| James L. Harrison, professional clerk | 10,846.00 | 5,422.98 |
| B. Floye Gavin, clerk (research) | 5,457.92 | 2,728.92 |
| Catherine L. Guyon, clerk (research) | 5,457.92 | 2,728.92 |
| Myrtle Paynter, clerk (stenographer) | 3,459.17 | 864.78 |
| Ruth P. Noon, clerk (secretary) | 3,806.78 | 1,903.38 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure 81st Cong | $10,000.00 |
| Amount expended, to date | 836.78 |
| Balance unexpended, July 1, 1950 | 9,163.22 |

CARL HAYDEN,
*Chairman.*

## BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPEHART:

S. 3891. A bill for the relief of Tezuko Shibazaki; to the Committee on the Judiciary.

By Mr. BUTLER:

S. 3892. A bill to authorize the sale of certain lands of Fannie E. Bird; to the Committee on Interior and Insular Affairs.

By Mr. TYDINGS:

S. 3893. A bill to promote the common defense by authorizing the Secretary of Commerce to undertake the repair of certain reserve status merchant vessels; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMAS of Oklahoma:

S. 3894. A bill to amend section 101 of the Agricultural Act of 1949, to continue price support for basic agricultural commodities at 90 percent of the parity prices of such commodities; to the Committee on Agriculture and Forestry.

S. 3895. A bill to amend the programs on the watersheds authorized in section 13 of the Flood Control Act of December 22, 1944; to the Committee on Public Works.

S. 3896. A bill for the relief of Maria Luisa Mercado; to the Committee on the Judiciary.

(Mr. MALONE introduced Senate bill 3897, for the relief of Edwin A. Knous, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

(Mr. MALONE also introduced Senate bill 3898, to authorize a preliminary examination and survey for flood control and allied purposes of Las Vegas Wash and its tributaries, Las Vegas, Nev., and vicinity, which was referred to the Committee on Public Works, and appears under a separate heading.)

By Mr. MAGNUSON:

S. 3899. A bill for the relief of Marie Kristine Hansen; to the Committee on the Judiciary.

By Mr. McFARLAND:

S. 3900. A bill to provide that the Veterans' Administration shall furnish the children of certain deceased veterans medical, hospital, and domiciliary care; to the Committee on Labor and Public Welfare.

By Mr. EASTLAND:

S. 3901. A bill amending section 34 of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. J. Res. 193. Joint resolution to amend section 14 of the Merchant Ship Sales Act of 1946, as amended, for the purpose of correcting an error in Public Law 591, Eighty-first Congress; to the Committee on Interstate and Foreign Commerce.

## EDWIN A. KNOUS

Mr. MALONE. Mr. President, I introduce for appropriate reference a bill authorizing and directing the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, to Edwin A. Knous, of Ruth, Nev., the sum of $84.25 in full satisfaction of his claim against the United States for travel allowance and subsistence due for traveling on orders dated April 16, 1943, from San Francisco, Calif., to Miami, Fla., while a seaman, second class, in the United States Navy, and I ask unanimous consent that the bill may be printed in full in the RECORD.

There being no objection, the bill (S. 3897) for the relief of Edwin A. Knous, was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edwin A. Knous, of Ruth, Nev., the sum of $84.25 in full satisfaction of this claim against the United States for travel allowance and subsistence due for traveling on orders dated April 16, 1943, from San Francisco, Calif., to Miami, Fla., while a seaman, second class, in the United States Navy: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

## FLOOD CONTROL, LAS VEGAS WASH AND TRIBUTARIES, LAS VEGAS, NEV.

Mr. MALONE. Mr. President, on June 30 the junior Senator from Nevada presided over a public flood-control conference in North Las Vegas, Nev. on the subject of the necessity for flood control for the Las Vegas Valley.

The evidence showed that numerous damaging flash floods had occurred over the past years within the area and that the Las Vegas Wash and tributaries have proved to be a continual threat to life and property within the area.

Mr. President, I introduce a bill, authorizing and directing the Chief of Engineers, United States Army, to make a preliminary examination of the Las Vegas Wash and its tributaries, Las Vegas, Nev. and vicinity, and request that it be referred to the Public Works Committee of the Senate, and that the bill be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the bill (S. 3898) to authorize a preliminary examination and survey for flood control and allied purposes of Las Vagas Wash and its tributaries, Las Vegas, Nev., and vicinity, introduced by Mr. MALONE, was read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.*, That the Secretary of the Army is authorized and directed to cause a preliminary examination and survey for flood control and allied purposes of Las Vegas Wash and its tributaries, Las Vegas and vicinity, Nevada, to be made under direction of the Chief of Engineers, and the Secretary of Agriculture is authorized and directed to cause a preliminary examination and survey to be made for run-off and waterflow retardation and soil-erosion prevention on such drainage area, the cost thereof to be paid from appropriations heretofore or hereafter made for such purposes.

Mr. MALONE. Mr. President, the intention of the junior Senator from Nevada is to urge a favorable report from the Senate Public Works Committee to the end that the Army engineers may proceed with preliminary examination and report on this important Las Vegas, Nev., area.

## REDUCTION OF EXCISE TAXES—AMENDMENTS

Mr. SPARKMAN (for himself, Mr. MAYBANK, Mr. HILL, and Mr. FREAR) submitted amendments intended to be proposed by them, jointly, to the bill (H. R. 8920) to reduce excise taxes, and for other purposes, which were referred to the Committee on Finance, and ordered to be printed.

Mr. WILLIAMS submitted an amendment intended to be proposed by him to House bill 8920, supra, which was referred to the Committee on Finance, and ordered to be printed.

## GENERAL APPROPRIATIONS—AMENDMENTS

Mr. FULBRIGHT submitted an amendment intended to be proposed by him to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. LEHMAN. Mr. President, I submit an amendment intended to be proposed by me to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes. The amendment would restore the cut in the point 4 program. I ask unanimous consent that a statement in explanation of the amendment prepared by me be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table; and, without objection, the statement presented by the Senator from New York will be printed in the RECORD.

The statement presented by Mr. LEHMAN is as follows:

STATEMENT BY SENATOR LEHMAN IN CONNECTION WITH AMENDMENT TO RESTORE CUT IN THE POINT 4 APPROPRIATION

Mr. President, I am submitting the amendment to H. R. 7786, the appropriation act, for the purpose of restoring to the full $26,900,000 requested by the budget, the amount to be expended under the point 4 program, which is title 4 of Public Law 535, the Foreign Assistance Act of 1950.

It is inconceivable to me, Mr. President, at this time when we stand in the greatest need of the friendship and support of all the peoples of the world, that we should attempt to save $15,000,000 at the expense of one of the most vital programs in our whole plan of action to assist the freedom-loving peoples of the earth.

The action of the Appropriations Committee in cutting $15,000,000 off the proposed expenditure has echoed around the world and has been magnified by Radio Moscow and its subsidiary organs of propaganda into a deed of cynical contempt for the interests of all the nations whom we have pledged to assist in raising their standard of living.

While we willingly and even anxiously spend millions in arms and guns and planes and bombs, we strain at the spending of $15,000,000 which can save us, I hope, hundreds of millions in military expenditures.

This is not an extravagant statement. I shall support it in the course of the debate on this item. I understand that other members of the Senate have indicated their intention of introducing similar amendments. I shall support any of these which is called up for a vote.

## HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles, and referred, as indicated:

H. R. 649. An act for the relief of Mrs. Alice N. Kozma;

H. R. 661. An act for the relief of Thomas A. Trulove, postmaster, and Nolen J. Salyards, assistant postmaster, at Inglewood, Calif.;

H. R. 1130. An act for the relief of Hanna Mussbach;

H. R. 1500. An act for the relief of Mrs. Barbara Guanapoulos;

H. R. 1503. An act for the relief of George Washington;

H. R. 1585. An act for the relief of Leilah begum Alaoui Mullin;

H. R. 1586. An act for the relief of Harold E. Trautwein;

H. R. 1611. An act for the relief of Walter E. Miller;

H. R. 1616. An act for the relief of S. L. Ayres & Co., Inc.;

H. R. 1618. An act for the relief of Kenneth J. MacKenzie;

H. R. 1638. An act for the relief of Warren P. Hoover;

H. R. 1988. An act for the relief of Leslie A. Fry;

H. R. 2350. An act for the relief of Mrs. Marion M. Martin Jones;

H. R. 2805. An act for the relief of John F. Oetti;

H. R. 3132. An act for the relief of Sergio and Mara Lamberti;

H. R. 3304. An act for the relief of Jose Cotto Santiago;

H. R. 3412. An act for the relief of N. H. Kelley, Bernice Kelley, Clyde D. Farquhar, and Gladys Farquhar;

H. R. 3664. An act for the relief of Bruce M. Stern;

H. R. 3919. An act for the relief of John S. Steber;

H. R. 3921. An act for the relief of Nicholas C. Hadjipateras, Pipitsa N. Hadjipateras, and Costas N. Hadjipateras;

H. R. 4014. An act for the relief of Maria Hoffman;

H. R. 4045. An act for the relief of Katherine L. Anderson, a civil-service employee, permanently injured through negligent treatment at the Army Advisory Group Station Hospital in Nanking, China;

H. R. 4136. An act for the relief of Helen M. Booth;

H. R. 4142. An act for the relief of Ralph D. Kinney;

H. R. 4221. An act for the relief of the legal guardian of Patricia Joyce Dunn, a minor;

H. R. 4601. An act for the relief of Jeannette Passayanni-Capodistria;

H. R. 4657. An act for the relief of J. R. Fleming & Co.;

H. R. 4709. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon claims arising out of certain blasting operations on the Merrimack River;

H. R. 4775. An act for the relief of Harold L. Corzett, commander, United States Naval Reserve;

H. R. 4832. An act for the relief of Graphic Arts Corp. of Ohio;

H. R. 4954. An act for the relief of Jacob F. Hutt and Anderson E. Humphrey;

H. R. 4989. An act to provide for the payment of just compensation to John Ii Estate, Ltd., a Hawaiian corporation, for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, Territory of Hawaii;

H. R. 5981. An act for the relief of Claiborne V. Wagley;

H. R. 6020. An act for the relief of Richard H. Sears;

H. R. 6052. An act for the relief of John M. Vick;

H. R. 6095. An act for the relief of Universal Corp., James Stewart Corp., and James Stewart & Co., Inc.;

H. R. 6312. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Joseph Lundborg and others against the United States;

H. R. 6417. An act for the relief of Mrs. Frieda Gray (formerly Frieda Putman);

H. R. 6442. An act for the relief of Mrs. Martha Reid;

H. R. 6463. An act for the relief of Mrs. Shikaju Nakashima;

H. R. 6578. An act for the relief of Mrs. Gunnbord Janzon Hamilton;

H. R. 6586. An act for the relief of Stamatie Amersonis;

H. R. 6606. An act to provide that the district judge of the eastern, middle, and western districts of Pennsylvania shall become a district judge for the middle district of Pennsylvania alone when the first vacancy occurs in that district;

H. R. 6657. An act for the relief of Georges Jules Louis Sauvage;

H. R. 6707. An act for the relief of Sirius Proestopoulos;

H. R. 6750. An act for the relief of Achileus Maroulis;

H. R. 6804. An act for the relief of certain Italian aliens;

H. R. 6885. An act for the relief of E. Elmer Mynatt;

H. R. 7012. An act for the relief of Anna Ellero and Clara Ellero;

H. R. 7202. An act for the relief of Alexander Newman;

H. R. 7282. An act for the relief of Cornelius VerSluis;

H. R. 7297. An act for the relief of Ignas Malcius;

H. R. 7364. An act for the relief of Jenny Irene Benson;

H. R. 7613. An act for the relief of Mrs. Miyako Horikoshi Spaulding and Mabel Miya Spaulding;

H. R. 7810. An act for the relief of M. S. Davis;

H. R. 7814. An act for the relief of Stella Matutina Kazuko Yamazaki;

H. R. 7921. An act for the relief of Eva T. Ross;

H. R. 8009. An act for the relief of Enrica Gianoli;

H. R. 8061. An act for the relief of Mrs. Yuki Sugimoto Murphy and David Murphy;

H. R. 8069. An act for the relief of Mrs. Michiki Kohga Brooks;

H. R. 8073. An act for the relief of Kimiko Iso and her minor daughter, Midori;

H. R. 8134. An act for the relief of Elona Schwietza and her son;

H. R. 8153. An act for the relief of Chiyoko Akashi;

H. R. 8219. An act for the relief of Tadeusz Herka;

H. R. 8423. An act for the relief of Yuriko Mizumoto;

H. R. 8450. An act for the relief of Raief Neahem, Iffef Neahem, and Ihsen Neahem;

H. R. 8477. An act for the relief of Marcel Rene de Romanett;

H. R. 8584. An act for the relief of Mrs. Tokie Sato Keating, Terry Yoichi Keating, and Betty Jean Keating;

H. R. 8741. An act for the relief of Mrs. Nobuko Yonashiro Martin and Gerald Philip Martin;

H. R. 8751. An act for the relief of Mrs. Yoshiko Ogiso Peterson;

H. R. 8759. An act for the relief of Rev. Andrew Chai Kyung Whang;

H. R. 8772. An act for the relief of Ah-Kim Wong;

H. R. 8792. An act to amend the statute relating to certificates of trade-mark registrations;

H. R. 8794. An act for the relief of Mrs. Eiko Yoshizawa Lendrum and Charles Robert Lendrum, Jr.;

H. R. 8795. An act for the relief of Benjamin Paglinaman;

H. R. 8824. An act for the relief of Tokuko Murayama;

H. R. 8929. An act for the relief of Vincent F. Leslie;

H. R. 8935. An act for the relief of Mrs. Jaye Kurusu Maddox;

H. R. 8956. An act for the relief of Mrs. Claude Morita and Rodney Morita; to the Committee on the Judiciary.

H. R. 3611. An act to provide for the preparation, printing, and distribution of a list of all persons who died at any time after May 26, 1941, and before December 31, 1946, while serving on active duty with the Armed Forces of the United States; and

H. R. 8816. An act to provide for the conveyance of certain hospital supplies and equipment of the United States to the city of Gulfport and to Harrison County, Miss.; to the Committee on Armed Services.

H. R. 3906. An act to amend the Federal Aid to Wildlife Restoration Act, as amended;

H. R. 5507. An act to amend an act entitled "An act for the protection of the Bald Eagle," approved June 8, 1940;

H. R. 6533. An act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes;

H. R. 7043. An act to provide for the granting of an easement for a public road or public toll road through the wildlife refuge located in Princess Anne County, Va.;

H. R. 7192. An act to provide benefits for the widows of certain persons who were retired or are eligible for retirement under section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 20, 1918, as amended;

H. R. 7209. An act authorizing and directing the Secretary of the Interior to undertake continuing studies of Atlantic coast fish species for the purpose of developing and protecting fish resources;

H. R. 7689. An act to amend certain acts relating to the retired status of the Director of the Coast and Geodetic Survey;

H. R. 7887. An act granting the consent and approval of Congress to an amendment to the Atlantic States Marine Fisheries Compact, and repealing the limitation on the life of such compact;

H. R. 7954. An act to authorize the commercial operation of certain vessels on the Great Lakes;

H. R. 8417. An act to amend part II of the Interstate Commerce Act, with respect to the regulation of motor carriers engaged in

commerce to and from the Territories and possessions of the United States; and

H. R. 8617. An act to amend title 14, United States Code, entitled "Coast Guard"; to the Committee on Interstate and Foreign Commerce.

H. R. 4542. An act to provide for the classification of the public lands in Alaska;

H. R. 6038. An act to provide for issuance of a supplemental patent to Charles A. Gann, patentee No. 152,419, for certain land in California;

H. R. 6861. An act to repeal certain laws relating to timber and stone on the public domain;

H. R. 7146. An act to amend section 3 of the act entitled "An act to provide for the disposal of materials on the public lands of the United States," so as to provide that moneys received from the disposal of material from reserved school section lands in Alaska shall be credited to the Territory;

H. R. 7675. An act to authorize the addition of certain land to Chickamauga and Chattanooga National Military Park, in the State of Tennessee;

H. R. 7709. An act to provide for the acquisition, investigation, and preservation of lands to commemorate the historic Fort Caroline settlement, St. Johns Bluff, Fla.;

H. R. 7977. An act to authorize the city of Buffalo, Wyo., to make additional uses of certain lands, and for other purposes;

H. R. 8028. An act to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla.; and

H. R. 8366. An act to supplement the act of June 29, 1936 (49 Stat. 2029), relating to the Castillo de San Marcos National Monument, in the State of Florida; to the Committee on Interior and Insular Affairs.

H. R. 5003. An act to provide for the exchange between the United States and the State of New York of certain lands and interests in lands at Manhattan Beach, Kings County, N. Y.; to the Committee on Expenditures in the Executive Departments.

H. R. 7268. An act to amend the Bankhead-Jones Farm Tenant Act so as to provide a more effective distribution of mortgage loans insured under title I, to give holders of such mortgage loans preference in the refinancing of loans on a noninsured basis, to adjust the loan limitations governing title II loans so as to provide more effective assistance to production and subsistence loan borrowers, and for other purposes; to the Committee on Agriculture and Forestry.

H. R. 8767. An act to authorize the exclusion from the mails of all obscene, lewd, lascivious, indecent, filthy, or vile articles, matters, things, devices, or substances, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 8845. An act to provide for the conveyance of a tract of land in Kennebec County, Maine, to the town of Chelsea; to the Committee on Finance.

H. J. Res. 434. Joint resolution providing for recognition and endorsement of the California World Progress Exposition; to the Committee on Foreign Relations.

## EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

## EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations.

Charles M. Spofford, of New York, to be the United States deputy representative on the North Atlantic Council, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

By Mr. GREEN, from the Committee on Foreign Relations:

Executive J, Eighty-first Congress, second session, the texts of the Telegraph Regulations (Paris Revision, 1949) and final protocol annexed to the International Telecommunication Convention, which were signed in the French language at Paris on August 5, 1949; with reservations (Ex. Rept. No. 9).

## ORIGIN OF FEPC LEGISLATION—STATEMENT BY SENATOR LEHMAN AND PROGRAM OF ACTION ADOPTED BY THE NAACP

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a statement regarding the ideological origin of FEPC legislation, prepared by him, and also a copy of a program of action adopted by the NAACP in 1919, which appear in the Appendix.]

## AN EXCELLENT APPOINTMENT—EDITORIAL FROM THE NEW YORK TIMES

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an editorial entitled "An Excellent Appointment," published today in the New York Times, which appears in the Appendix.]

## SOUTH KOREAN MANPOWER RESOURCES—ARTICLE BY HENRY G. MAZLEN

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a paper entitled "South Korean Manpower Resources," written by Henry G. Mazlen, social scientist-demographer, which appears in the Appendix.]

## ON THE HOME FRONT—EDITORIAL FROM THE OIL CITY COURIER

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "On the Home Front," published recently in the Oil City (Pa.) Courier, which appears in the Appendix.]

## VETERANS' PREFERENCE—ARTICLE FROM VFW MAGAZINE

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "Tricking the Veteran Out of His Job," written by Omar B. Ketchum, director, national legislative service, VFW, and published in the VFW magazine, which appears in the Appendix.]

## GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

Mr. McKELLAR. I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The VICE PRESIDENT. Under the practice, it is not necessary to make such a request.

The Secretary will proceed to state the amendments of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Chapter I—District of Columbia," on page 2, line 3, after the word "Columbia", to strike out "$9,800,000" and insert "$11,000,000."

The amendment was agreed to.

The next amendment was, under the heading "Chapter II—Legislative Branch," on page 3, after line 1, to insert:

SENATE

SALARIES AND EXPENSE ALLOWANCE OF SENATORS, MILEAGE OF THE PRESIDENT OF THE SENATE AND OF SENATORS, AND EXPENSE ALLOWANCE OF THE VICE PRESIDENT

For compensation of Senators, $1,200,000.

For mileage of the President of the Senate and of Senators, $51,000.

For expense allowance of the Vice President, $10,000.

For expense allowance of Senators, $240,000.

The amendment was agreed to.

The next amendment was, on page 3, after line 11, to insert:

SALARIES, OFFICERS AND EMPLOYEES

For compensation of officers, employees, clerks to Senators, and others, as authorized by law, including increased and additional compensation provided by the Federal Employees Pay Act of 1945, as amended, and the Second Supplemental Appropriation Act, 1950, as follows:

OFFICE OF THE VICE PRESIDENT

For compensation of the Vice President of the United States, $30,000.

The amendment was agreed to.

The next amendment was, at the top of page 4, to insert:

For clerical assistance to the Vice President, at rates of compensation to be fixed by him in multiples of $5 per month, $50,370.

The amendment was agreed to.

The next amendment was, on page 4, after line 3, to insert:

CHAPLAIN

Chaplain of the Senate, $2,646.

The amendment was agreed to.

The next amendment was, on page 4, after line 5, to insert:

OFFICE OF THE SECRETARY

For office of the Secretary, $355,230.

The amendment was agreed to.

The next amendment was, on page 4, after line 7, to insert:

COMMITTEE EMPLOYEES

For professional and clerical assistance to standing committees, $1,441,040.

The amendment was agreed to.

The next amendment was, on page 4, after line 10, to insert:

SELECT COMMITTEE ON SMALL BUSINESS

For professional and clerical assistance to the Select Committee on Small Business, $88,645, authorized by Senate Resolution 272, agreed to May 26, 1950, at rates of compensation to be fixed hereafter in accordance with the provisions of the Legislative Reorganization Act of 1946, approved August 2, 1946, as amended, with respect to standing committees.

The amendment was agreed to.

The next amenment was, on page 4, after line 17, to insert:

CONFERENCE COMMITTEES

For clerical assistance to the Conference of the Majority, at rates of compensation to be fixed by the chairman of said committee, $30,280.

For clerical assistance to the Conference of the Minority at rates of compensation to be fixed by the chairman of said committee, $30,280.

The amendment was agreed to.

The next amendment was, at the top of page 5, to insert:

ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

For administrative and clerical assistants and messenger service for Senators, $5,036,185.

The amendment was agreed to.

The next amendment was, on page 5, after line 4, to insert:

OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

For office of Sergeant at Arms and Doorkeeper, including three in lieu of two assistant chief telephone operators at $2,400 each and thirty-three in lieu of twenty-six telephone operators at $1,800 each, $1,025,789.

The amendment was agreed to.

The next amendment was, on page 5, after line 9, to insert:

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND THE MINORITY

For the offices of the secretary for the majority and the secretary for the minority, $57,060.

The amendment was agreed to.

The next amendment was, beginning on page 5, after line 13, to insert:

CONTINGENT EXPENSES OF THE SENATE

Legislative reorganization: For salaries and expenses, legislative reorganization, including the objects specified in Public Law 663, Seventy-ninth Congress, $100,000.

Senate policy committees: For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, $45,715 for each such committee; in all, $91,430.

Joint Committee on the Economic Report: For salaries and expenses of the Joint Committee on the Economic Report, $125,585.

Joint Committee on Atomic Energy: For salaries and expenses of the Joint Committee on Atomic Energy, including the objects specified in Public Law 20, Eightieth Congress, $160,135.

Joint Committee on Printing: For salaries for the Joint Committee on Printing, $22,080, for expenses of compiling, preparing, and indexing the Congressional Directory, $1,600, and for travel and subsistence expenses at rates provided by law for Senate committees, $4,500; in all, $28,180.

Committee on Interstate and Foreign Commerce: To enable the Committee on Interstate and Foreign Commerce to engage by contract the services of private firms or corporations for making a survey of certificated interstate and overseas air carrier operations, with a view to drafting legislation requiring the separation of mail compensation from any Federal subsidy payments, $200,000.

Vice President's automobile: For purchase, exchange, driving, maintenance, and operation of an automobile for the Vice President, $5,480.

Automobile for the President pro tempore: For purchase, exchange, driving, maintenance, and operation of an automobile for the President pro tempore of the Senate, $5,480.

Automobiles for majority and minority leaders: For purchase, exchange, driving, maintenance, and operation of two automobiles, one for the majority leader of the Senate, and one for the minority leader of the Senate, $10,960.

Reporting Senate proceedings: For reporting the debates and proceedings of the Senate, payable in equal monthly installments, $122,785.

Furniture: For services in cleaning, repairing, and varnishing furniture, $2,900.

Furniture: For materials for furniture and repairs of same, and for the purchase of furniture, $18,000.

Inquiries and investigations: For expenses of inquiries and investigations ordered by the Senate or conducted pursuant to section 134 (a) of Public Law 601, Seventy-ninth Congress, including compensation for stenographic assistance of committees at such rates and in accordance with such regulations as may be prescribed by the Committee on Rules and Administration, but not exceeding the rate of 25 cents per hundred words for the original transcript of reported matter; and including $50,000 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution No. 193, agreed to October 14, 1943, and Public Law 20, Eightieth Congress, $832,000: *Provided*, That no part of this appropriation shall be expended for per diem and subsistence expenses (as defined in the Travel Expense Act of 1949) at rates in excess of $9 per day except that higher rates may be established by the Committee on Rules and Administration in the case of travel beyond the limits of the continental United States: *And provided further*, That hereafter the provisions of section 134 (a) of Public Law 601, Seventy-ninth Congress, shall be applicable to the Select Committee on Small Business.

Folding documents: For folding speeches and pamphlets at a basic rate not exceeding $1 per thousand $28,875.

Materials for folding: For materials for folding, $1,500.

Fuel, and so forth: For fuel, oil, cotton waste, and advertising, exclusive of labor, $2,000.

Senate restaurants: For repairs, improvements, equipment, and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Building, including personal and other services, to be expended under the supervision of the Committee on Rules and Administration, United States Senate, $42,500.

Motor vehicles: For maintaining, exchanging, and equipping motor vehicles for carrying the mails and for official use of the offices of the Secretary and Sergeant at Arms, $9,560.

Miscellaneous items: For miscellaneous items, exclusive of labor, $786,895.

Packing boxes: For packing boxes, $3,000.

Postage stamps: For office of Secretary, $500; office of Sergeant at Arms, $225; offices of the secretaries for the majority and the minority, $100; in all, $825.

Air-mail and special-delivery stamps: For air-mail and special-delivery stamps for Senators and the President of the Senate as authorized by law, $10,250.

Stationery: For stationery for Senators and for the President of the Senate, including $10,000 for stationery for committees and offices of the Senate, $58,500.

The Sergeant at Arms is authorized and directed to secure suitable office space in post office or other Federal buildings in the State of each Senator for the use of such Senator and in the city to be designated by him: *Provided*, That in the event suitable space is not available in such buildings and a Senator leases or rents office space elsewhere, the Sergeant at Arms is authorized to approve for payment, from the contingent fund of the Senate, vouchers covering bona fide statements of rentals due in an amount not exceeding $900 per annum for each Senator.

Commencing with the fiscal year 1949 the Secretary of the Senate is authorized and directed to protect the funds of his office by purchasing insurance in an amount necessary to protect said funds against loss. Premiums on such insurance shall be paid out of the contingent fund of the Senate, upon vouchers approved by the chairman of the Committee on Rules and Administration.

Salaries or wages paid out of the foregoing items under "Contingent expenses of the Senate" shall be computed at basic rates as authorized by law, plus increased and additional compenstion as provided by the "Federal Employees Pay Act of 1945," as amended, and the "Second Supplemental Appropriation Act, 1950."

The amendment was agreed to.

The next amendment was, on page 19, after line 7, to insert:

JOINT COMMITTEE ON NONESSENTIAL FEDERAL EXPENDITURES

For an amount to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, $20,000, to be disbursed by the Secretary of the Senate.

Mr. SPARKMAN. Mr. President, I should like to have the attention of the able Senator from Louisiana [Mr. ELLENDER] with reference to an item appearing on page 4. I realize we have passed beyond that point, but I should like to ask a question relating to the provision making appropriations for the Select Committee on Small Business. The question I desire to ask is this: Under the language of the provision will the employees of the Small Business Committee be on the same basis as employees of a regular standing committee so far as retirement benefits are concerned?

Mr. ELLENDER. That is my understanding. They are in the same category.

Mr. SPARKMAN. It was the intention of the committee to make them so.

Mr. ELLENDER. Yes.

Mr. SPARKMAN. The reason I asked the question is that it is my understanding that this committee's employees, who are paid out of the contingent funds of the Senate, are paid as employees of a separate committee, such, for instance, as the employees of the Joint Committee on the Economic Report; that the latter employees are not eligible for retirement because they are regarded, I assume, as being more or less temporary employees, whereas the Select Committee on Small Business of the Senate, when it was established by the Senate, was set up as a permanent committee.

Mr. ELLENDER. And it was to have the same status as a permanent committee.

Mr. SPARKMAN. It was the intention of the Senate that that be true.

Mr. ELLENDER. Yes.

The VICE PRESIDENT. Without objection, the amendment on page 19, after line 7, is agreed to. The next amendment of the committee will be stated.

The next amendment was, under the subhead "Capitol buildings and grounds," on page 22, after line 6, to insert:

Subway transportation, Capitol and Senate Office Buildings: For maintenance, repairs, and rebuilding of the subway transportation system connecting the Senate Office Building with the Capitol, including personal and other services, $2,600.

The amendment was agreed to.

The next amendment was, on page 22, after line 11, to insert:

Senate Office Building: For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and

repairs thereof; for purchase of waterproof wearing apparel and for personal and other services, including four female attendants in charge of ladies' retiring rooms at $1,500 each and one at $1,560, for the care and operation of the Senate Office Building; to be expended under the control and supervision of the Architect of the Capitol; in all, $643,900.

Mr. ELLENDER. Mr. President, this amendment deals with the proposal to erect a new Senate Office Building. I should like to have the attention of Senators on that subject. The subcommittee made a study of the proposed plan and recommended to the full committee by a vote of 4 to 3 that the building be erected. Then the full committee voted, 11 to 7, as I remember, to report the item favorably to the Senate.

Mr. President, as chairman of the Legislative Subcommittee of the Committee on Appropriations, I opposed the appropriation for the erection of this new Senate Office Building. I should like at this time to read the sum and substance of remarks made by me last year when the same item was rejected by the Senate.

In May of 1949 I made a survey of the space presently assigned and occupied by Senators and committees. The results of my study indicated rather forcefully to me that if the proper committees of the Senate should carefully investigate the matter they would find that the Senate's space needs could be solved by a more equitable distribution of space already available—and all without the necessity for expensive new construction.

The following are the results of my study, and prompted me to oppose the appropriation of funds last year to construct an elaborate new Senate Office Building.

At the time of my survey there were 390 rooms assigned to Senators, 328 in regular suites in the Senate Office Building, 31 detached rooms in the Senate Office Building, and 31 rooms in the Senate wing of the Capitol. I should like to emphasize that these rooms are assigned to Senators, and not to committees or any other type of activity.

If these rooms were equally divided among the 96 Senators, each Senator would have 4 rooms, with 6 rooms remaining. Under the present assignment, however, about one-third of the Senators have 3 rooms, one-third have 4 rooms, and one-third have 5 and 6 rooms, as indicated below:

| | |
|---|---|
| Number of Senators with 6 rooms | 5 |
| Number of Senators with 5 rooms | 26 |
| Number of Senators with 4 rooms | 35 |
| Number of Senators with 3 rooms | 30 |
| Total | 96 |

It seems that space is assigned to Senators on the basis of seniority. This is wrong. In general, space should be assigned on the basis of need and in accordance with the size of the Senator's State in terms of population. To a certain extent the Senate has previously recognized this formula as being fair and logical by providing proportionately more money for clerical assistance to Senators from large States as compared to Senators from smaller States. We have, as a result of this, several Senators with many staff members in a few rooms, and at the same time, Senators with a few staff members in more rooms than may be needed. It is certainly reasonable to assume that 6,000,000 residents of a State will write more letters and demand more from their Senators than will 500,000 inhabitants of another State.

I find that the present system of assignment brings about several gross inequities, such as these:

A Senator from New York with a population of 13,500,000, has 4 rooms. His staff numbers 15. Allowing one room for himself, the number of persons per room is five.

A Senator from a New England State, however, with a population of about 800,000, has 5 rooms. His staff numbers only seven, and the number of persons per room, excluding the Senator's room, is 1.75. This is merely one instance among many of this sort.

I feel that the principle of the formula by which Senators are provided clerical assistance is correct and logical, in that it recognizes that Senators from large States are likely to have more office work to do. Certainly the same formula should be applied in assigning space where their assistants work.

My survey showed, as of May 15, 1949, that the 96 Senators employed 801 people in their offices. That total was obtained from information furnished me by each office. As previously indicated, there are 390 rooms assigned to Senators. Allowing 1 room for each Senator's own use, 294 are available for the staffs. That would reflect an average of 2.7 persons per room, if rooms were more equitably assigned and all rooms properly and wisely utilized.

Three persons per room is not an unduly crowded situation. I have yet to see a room either in the Senate Office Building or in the Capitol that will not adequately and comfortably accommodate three persons.

As a matter of fact, even under the present allocation of space, most offices are not overcrowded. My survey shows that in the offices of 67 Senators—more than two-thirds—the average number of persons per room, excluding the Senator and his room, is three or fewer. In the offices of another 18 Senators the average is between three and four persons. In only 11 offices does the average run higher than four persons per room, and only one of those runs higher than five.

In addition, I am convinced that there is considerable space, in both the Capitol and the Senate Office Building, presently occupied by activities having little relative importance. This space could be used by Senators. I refer specifically to space occupied by liaison activities of Government agencies and overage in space occupied by committees whose work has considerably declined.

One of the reasons advanced for the new building is to provide a suite of five rooms for each standing committee chairman. This is regardless of the amount of business the Senator or the committee may have, and is, therefore, basically and fundamentally inequitable. My survey shows that most of the committee chairmen already have five rooms or more. Of the 15 committee chairmen, 3 have 6 rooms, 8 have 5 rooms, 3 have 4 rooms, and 1 has 3 rooms. Their offices do not appear crowded. The average number of persons per room in offices of committee chairmen is 2.14, ranging from the lowest average of 1.60 to the highest of 3, except for the one chairman with only three rooms, where the average is 3.50.

As to the committees proper, there are 52 rooms assigned to the 15 committees, which employ 124 persons. Thus, the average number of persons per room is 2.4. In this connection, it should be borne in mind that of 11 of the committees, each has a very large committee room. The same wide variation that was noted among Senators' offices is apparent in committees, and very clearly a reassignment of committee space is desirable. For instance, the Finance Committee has five rooms and four employees, an average of 0.8 per room. The average per room ranges up to five in the case of Expenditures in Executive Departments.

To my mind, the above data proves that adequate space is available for Senators' offices and for committees. Our real problem is not the acquisition of more space, but better utilization and distribution of the space we already have.

Mr. President, that, in substance, was the statement made by me last year in opposition to the appropriation of $10,000,000 for a start toward the erection of the new Senate Office Building.

This year our subcommittee went into detail in order to try to determine how the required space could best be provided.

I realize that some Senators are cramped for space; but I think it is on the verge of folly for us to erect the elaborate building now in contemplation, just to take care of the few Senators who require extra office rooms.

In our investigation we requested the architects to devise some way by which the present plans could be modified in such a manner that the building could be reduced in size and in cost. Pursuant to our request, they submitted a modified plan, which is called plan 4–B, under which the large number of office and hearing rooms originally contemplated were reduced in number, and the two extra large hearing rooms, the auditorium, the swimming pool, and the physical-therapy department were eliminated. Even with these modifications, however, the cost of erecting the building would be only $4,600,000 under the cost of the originally planned structure.

We also had the architects submit an estimate on what we classified as a utility building, comprising one wing facing on First Street, in order to provide additional office space for the Senators. We tried to get the architects to use the same plans, if that were possible. However, we were told that it would be impossible for the same plans to be used if only the building facing First Street were erected, and if the wings facing on B and C Streets were eliminated.

So, Mr. President, the architects took the position that it would be necessary for them to scrap the present plans and

specifications if we were to build a simple structure of the kind which, in my opinion, would suffice to give to all Senators adequate space, and leave some extra space remaining for future needs.

At this time I should like to review the specifications of the three plans we now have before us, namely, the ones which were studied by the subcommittee of which I am chairman.

The first plan is for the complete new building which was authorized, as will be recalled, in an appropriation bill in 1948. Under that plan, 329 office rooms would be provided.

Next, plan B, a revision of the first plan, would provide for 220 office rooms.

And lastly, plan C, which was suggested by myself and other members of the subcommittee, would provide for 206 rooms.

With respect to hearing rooms, instead of 18, as called for by the original plan, plan 4–B would reduce the number to 9. The third plan or plan C, calls for from six to nine hearing rooms. We could even further reduce the number if we deem it advisable.

A consideration which disturbs me is that the fine building we now have, with all its magnificent hearing rooms, would more or less become obsolete. It was the idea of the planners of the new building—and it is still their idea, if we should go through with the plan as originally drafted—to provide hearing rooms for each of the major committees within the New Senate Office Building. This would mean that the chairman of each comittee and his entire office force, together with the staff of the committee, would have to move into the new building. I repeat, the new building was planned originally to accommodate all committees with their staffs, and the committee rooms which would be left vacant in the present building would be turned over to subcommittees.

In addition to the large hearing rooms with which the committees would be provided in the proposed new building, it is contemplated that there will be also two rooms of the same size as the caucus room in the present Senate Office Building, which would be used to accommodate any committees that may be conducting hearings on bills in which a large number of people might be interested.

And further, it is also contemplated in the proposed new building that there will be a large auditorium with a capacity of 500 persons, equipped for radio, television, and motion pictures. Provision is also made for a swimming pool and physical therapy department.

As I expressed myself on the floor of the Senate last year, the building originally contemplated would represent the last word in accommodations.

Under all three plans—that is, in the plan which is now in contemplation, as well as the 4–B plan and the new plan 4–C which we propose—a cafeteria, and a school for pages would be provided. In all the plans there is provision for storage facilities, facilities to accommodate the building guard and maintenance force; receiving and shipping facilities; extension of subways to the new building; a telephone exchange and other communication facilities; a folding room; storage space, and additional quarters for the Sergeant at Arms.

With respect to the garage, as I pointed out last year, the new building would provide space for 200 cars. The garage would be built on the first story. It would be a covered garage, whereas under Plan 4–B, although the garage would be constructed in the same place as that provided under the original plan, it would not be under cover. In the case of the third plan which we considered, an open parking space would be provided instead of a garage. Accommodations for the post office substation would be provided both under the original plan and under plan 4–B. There would be no special hearing rooms, either in plan 4–B or under the new plan which several of us in the subcomittee propose. The auditorium would be eliminated, as would also the swimming pool, provided under the original plans.

The over-all cost of the originally contemplated building, including the accommodations I have just enumerated, would be $18,600,000. Under plan 4–B, which, as I indicated, would reduce the number of office rooms from 329 to 220 and would eliminate half the hearing rooms, as well as the large auditorium, the cost would be $14,000,000. The building contemplated under plan 4–C, that is, the new plan, which as I indicated at the beginning of my remarks would require the architects to start from scratch, would be erected of the same materials as those specified in either the original plan or plan 4–B. The essential difference would be that the new building would be a utility office building, providing 206 office rooms and from 6 to 9 hearing rooms, together with all the other facilities for shipping and receiving, telephone exchange, cafeteria, page school, and so forth, but eliminating the swimming pool, auditorium, and two extra large hearing rooms. The number of office rooms could be increased by further reducing the number of hearing rooms. As I just mentioned the new plans considered by the subcommittee contemplate from 6 to 9 hearing rooms. The number could be reduced to three or four or five, and the additional space converted to office use. The cost of that building, which as I said would be a building that will meet all of our needs, but without the frills, would be in the neighborhood of $11,700,000.

As I indicated a moment ago, I desire to assist, if I can, in the erection of a new office building—if one is actually needed. I am frank to confess that some Senators are today cramped for space. Additional space should be provided for them. However, I believe it would be folly for us, as a means of fulfilling that need, to erect the grand new structure which is now in contemplation.

The alternative which I wish to propose is simply that the provision now under consideration be stricken from the bill, and that in lieu thereof there be inserted an amendment which I intend to send to the desk. The purpose of my amendment is to appropriate the remainder of the sum authorized in 1948 for the drafting of plans for the proposed Senate Office Building. It will be recalled that the Congress in 1948 authorized an appropriation of $25,000 for the purpose of drafting preliminary plans for a new building. Under this authorization, $15,000 was appropriated, which finally led to the drafting of the present plans for an $18,600,000 building. There is remaining of that authorization the sum of $10,000, which could be used by the Commission for the purpose of preparing additional preliminary plans.

I believe that in the light of present world conditions it might be well for the Commission to look further into the building situation. When and if my amendment is adopted in lieu of the committee amendment, it is my purpose to introduce at once a bill which will be referred to the Committee on Public Works with a view of reappraising the situation and endeavoring to find ways and means whereby, if it be found that a building is necessary, one can be constructed more in line with our needs, rather than the elaborate structure now proposed.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. CHAVEZ. Is there any doubt in the Senator's mind that the Senators of the United States need more space?

Mr. ELLENDER. Mr. President, I stated a moment ago that I realized that some Senators are in need of more space; and the Senator knows that last year I made a suggestion which I believe to be a good one and which the committee should look into when it studies the new plans. The Senator knows that the suggestion was discussed before the committee.

Mr. CHAVEZ. And the Senator from Louisiana knows the action which the committee took.

Mr. ELLENDER. I know that. But the point I want to make is this: There has been under consideration for many years, as the Senator knows, a proposal to complete the Capitol Building by extending the east wing. The plans for this extension are already drafted, and would require an expenditure in the neighborhood of $6,000,000. If the east wing of the Capitol is completed 42 new rooms will be made available.

Mr. CHAVEZ. If we want to use the Capitol of the United States for that purpose; yes.

Mr. ELLENDER. I do not see why we should not. Many, if not most, of the Senators who preceded us at the time they voted for the present office building had their offices in the Capitol.

Mr. CHAVEZ. Mr. President——

Mr. ELLENDER. If the Senator will permit me to continue, I should like to suggest that the Senators consider the advisability of making the addition to the east wing of the Capitol, which would provide 42 large rooms, and also two large hearing rooms. It would provide for a large dining room or cafeteria which could be used by both the House Members and the Senate Members. It is true that in the division of the space contained in the new addition, 21 office rooms and 1 hearing room would have to go to the House. But the space on the street floor now occupied by the dining room, and the space where the cooking

is done, could be utilized for office space, if need be, either to house a special committee, or for other purposes.

If we erect the addition to the Capitol we shall be doing something which is already in contemplation, something which is beyond the preliminary-planning stage. Last, but not least, Mr. President, it will provide a cafeteria or a dining room where all Senators and all Representatives can be served, along with a greater number of other customers, and thereby the deficit which the Senate has sustained each year in having to pay for the maintenance of the Senate dining room can be obviated. As I recall last year, $42,000 of the taxpayers' money was used to pay off the deficit incurred in operation of the Senate dining room.

Mr. CHAVEZ. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. CHAVEZ. Of course every Senator is interested in saving the money of the taxpayers. It happens that this body has acted on chapter I of the appropriation bill which we are now considering. We were not worried one bit by providing the people of the District of Columbia with $12,000,000 of the American taxpayers' money. Sixty-eight Senators have informed the Committee on Public Works that they need space. The Committee on Appropriations decided, practically unanimously, that there is need of more space for the work of the Senators. I might remind the Senator from Louisiana that the Senator from New York, representing the most populous State in the Union, has three rooms in which to carry on his duties and responsibilities.

We do not have to spend $18,000,000, Mr. President. We could spend a million dollars and provide all the space necessary. But was that the dream of Washington? Was that the dream of Jefferson? Was that the dream of Huey Long, when the capitol in Baton Rouge was constructed?

Mr. ELLENDER. I desire to state to my distinguished friend that the proposal which I am now making to the Senate, if the Committee on Public Works is convinced, as I am sure it will probably be, that more space is necessary, would mean that instead of constructing the elaborate building which is in contemplation—we can save millions of dollars and provide adequate space to house or to take care of all Senators. One great difficulty is that the building, as I pointed out a while ago, would be an edifice constructed to the memory of someone.

It would not be a utilitarian building by any means; it would be a building which would provide facilities which may never be used. I have been in the Senate for 14 years, and on only three occasions has it been necessary for us to assemble in a room larger than the caucus room. On those occasions we walked over to the Library of Congress and utilized its auditorium. What is the necessity in these times of deficit spending to build an auditorium for Senators, an auditorium which would cost a huge sum of money, and provide a great many plush seats, and a place for the showing of moving pictures? I say we ought to examine our consciences, and having examined them, eliminate all that unnecessary expense.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ELLENDER. I wish to reemphasize one further point. I contend that the hearing rooms are now far enough removed from the Capitol Building. Why place them almost a block farther away than they are now by locating them in the proposed new office building? As I said a moment ago, the purpose of the planners of this new building was to do what—to relegate to subcommittees all the fine hearing rooms that we now have in the present Senate Office Building, and to build 18 brand-new large ones for the standing committees, and bear in mind, that would be done irrespective of the needs of Congress. While it is true that some committees need larger space than other committees, under the present plan all of them would be put in the same category. All of them would be provided with large desks and nice seats and each room would accommodate anywhere from 150 to 200 people.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ELLENDER. I shall be glad to yield in a moment. Some of the rooms may be necessary, but I say if we must erect a structure to suit our needs we could provide for a building which would be just as substantial as the one which is now proposed, and we could just as well honor Jefferson, Huey Long, Washington, Monroe, and other men who have in times past served their country.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ELLENDER. I shall be glad to yield in a moment. What I have in mind, and what I think other Senators should consider, is the erection of a building which would be utilitarian, and in which every single cubic inch of space would be used. Some of the rooms which would be provided under the present plan would never be used, or at best would be used only occasionally. On the other hand, the upkeep of the building, such as providing heat in the winter and air conditioning in the summer, would be a constant expense to the taxpayers.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. CHAVEZ. I wish to ask the Senator a question, because evidently the Senator from Louisiana has not read the committee report, or is not familiar with the committee's action.

Mr. ELLENDER. If I made a misstatement I shall be glad to have the Senator from New Mexico correct me.

Mr. CHAVEZ. The Senator has been discussing elaborate and detailed plans. He has not been discussing what the committee did. On page 11 of the committee's report I find the following language, to which I should like to have the Senator from Louisiana listen as I read it.

Mr. ELLENDER. I am listening.

Mr. CHAVEZ. I read the following language:

After full discussion—

Not after listening to the Senator from Louisiana or the Senator from New Mexico, but after full discussion—

the committee voted to request the Senate Office Building Commission to review forthwith the detailed plans of the proposed Senate Office Building—

For what purpose?—

with a view—

Not with a view to carrying out the elaborate plans which the Senator from Louisiana has been discussing for half an hour—

with a view of simplifying the building—

To bring about what?—

to bring about savings, and with the expressed desire of the committee to make the new office building more of a working and utilitarian unit than the present plans contemplate.

That is what the committee decided to do. The committee did not decide to carry out the elaborate plans. It did not decide to build an auditorium, or this or that. The committee instructed the Building Commission to do what it wanted.

Mr. ELLENDER. Mr. President, I wish to say to my good friend from New Mexico that since the language he had read was incorporated in the report I had occasion to discuss the matter with the legislative counsel of the Senate. I was informed that it may not be possible for the present plans to be materially altered because——

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ELLENDER. I am looking at the law. Under the original plan——

Mr. CHAVEZ. Mr. President, this is getting to be a little personal.

Mr. ELLENDER. Does the Senator wish to make it personal?

Mr. CHAVEZ. Apparently the Senator from Louisiana would not be trusting the chairman of the Senate Office Building Commission and the Senator from New Hampshire [Mr. BRIDGES], the Senator from Rhode Island [Mr. GREEN], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Nevada [Mr. MALONE], who constitute the Commission, with intending to carry out the instructions of the committee, irrespective of what counsel had in mind.

Mr. ELLENDER. The Senator from New Mexico may be met by the General Accounting Office on that proposition. I say to the Senator from New Mexico that the law provides for an appropriation not to exceed $20,000,000 and in substantial accord with the preliminary plans prepared under the authority of the act of June 11, 1947. Those preliminary plans have already been adopted. They cannot be altered, as the Senator knows, except perhaps to make a few changes such as is contemplated under plan 4–B.

Mr. CHAVEZ. And to carry out the instructions of the committee.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. Yes.

Mr. SALTONSTALL. I should like to ask a question of the Senator from Louisiana and the Senator from New Mexico. Is it the understanding of the Senator from New Mexico and the Senator from Louisiana, and was it the understanding of the committee, that the words in the committee report would permit the Building Commission to scrap the present plans, or revise them, and then go ahead?

Mr. ELLENDER. It is not. That was the understanding, but that is not written in the law. I wish to say to my distinguished friend from Massachusetts that I am hopeful that the Senate will stand by me in the amendment which I shall propose. The amendment I shall propose will strike from the bill the authorization to go on with the present plans, and places in the bill in lieu thereof a provision to appropriate $10,000 for the purpose of studying new plans.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I wish to be perfectly frank with the Senator as to what I have in mind.

Mr. CHAVEZ. I know what the Senator has in mind.

Mr. ELLENDER. If I should fail in my attempt to have the amendment substituted for the present languge in the bill, I intend to offer another amendment which would permit to be done legally what is contemplated in the pending bill. Under the provisions of my second amendment, any necessary changes could be made in the present plans, or new plans could be drafted. I am sincere in saying to my good friend from New Mexico——

Mr. CHAVEZ. Why does the Senator doubt the sincerity of the majority of the committee?

Mr. ELLENDER. It is not a question of what the committee wishes to do. It is whether it can be done. I say a question arises as to whether it is possible to do what is contemplated by the report. As I have indicated, the language of the present law authorizes the appropriation. It does not call for the making of new plans. The plans have already been executed. The appropriation act states that the money is being appropriated for the express purpose of—doing what? For the purpose of erecting a building substantially in accordance with those plans.

Mr. CHAVEZ. Except that the committee said——

Mr. ELLENDER. I do not care what the committee said. I am reciting what the law states.

Mr. CHAVEZ. Or what the Senator thinks the law is.

Mr. DOUGLAS and Mr. SALTONSTALL addressed the Chair.

The VICE PRESIDENT. The Senate will be in order. The Senator from Louisiana can yield only for a question, and he can yield only to one Senator at a time.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I first yield to the Senator from New Mexico, if he has further questions to ask.

Mr. CHAVEZ. Is it not true that after full deliberation by the Committee on Appropriations, the hearings before which the Senator from Louisiana attended personally, and in which he was very active in discussing the law, as he understood it, it was decided there that within the law that was passed several years ago, not by the present Congress, but a previous Congress, directing the construction of the Senate Office Building, the committee itself gave the Senate Office Building Commission definite plans and definite instructions as to what they should do under the law? Why does the Senator from Louisiana think the Commission is going to do something different?

Mr. ELLENDER. Let me tell the Senator that, as I pointed out a moment ago, the first action taken by the Senate with respect to this matter was to pass a bill authorizing an appropriation of $25,000 for the preparation of plans—not for the making of specifications as we now have them—but for the preparation of plans. Of that amount only $15,000 was actually appropriated, and there remains the sum of $10,000 to make further plans if the Congress desires to appropriate it. It is to that provision I am now proposing this amendment.

The point is that the plans which have been accepted by the Building Commission contemplate the erection of 18 new hearing rooms. They contemplate moving all committee chairmen, with all of their forces, into the new office building. I say that if we destroy all that, we destroy the plans, and I am backed in that opinion by very capable lawyers of the legislative counsel's office.

Mr. CHAVEZ and Mr. DOUGLAS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Louisiana yield, and if so, to whom?

Mr. ELLENDER. As I have just indicated, if I should fail in the proposal I am now making to the Senate, namely, to start anew, then I expect to offer another amendment which would give what I believe to be necessary power to the Commission to do what is contemplated by the report. Unless we do that, I doubt very seriously that any new plans can be used in the construction of the office building.

Mr. CHAVEZ. Mr. President——

The VICE PRESIDENT. When Senators address the Chair and the Chair asks the Senator having the floor if he yields, the Chair would like to have the Senator indicate whether he will yield or not.

Mr. ELLENDER. I believe that when a Senator is engaged in speaking, a Senator desiring to ask a question ought to realize that the Senator having the floor cannot proceed with his remarks and answer questions at the same time. Senators ought to wait at least until I could get through with a sentence, or until I state that I will yield.

Mr. CHAVEZ. Mr. President, if the Senator has concluded for the moment, will he yield for a question.

Mr. ELLENDER. I first yield to the Senator from Illinois.

Mr. DOUGLAS. I should like to ask the Senator from Louisiana if the cost of the proposed Senate Office Building, under existing plans, would not be approximately $21,000,000.

Mr. ELLENDER. That is correct, if we include cost of the ground, the borings, and everything else.

Mr. DOUGLAS. And even if the plans were to be simplified, as has been suggested by the distinguished Senator from New Mexico, would not such a building cost at least from fifteen to eighteen million dollars?

Mr. ELLENDER. Does the Senator mean the modified building?

Mr. DOUGLAS. Yes.

Mr. ELLENDER. Yes. I gave the exact figures. Exclusive of site, it would cost $14,000,000 if it were possible to eliminate 9 out of the 18 contemplated hearing rooms, and the auditorium and other facilities.

Mr. DOUGLAS. So that even if the plans were simplified, there would be required the appropriation of a very large sum of money, approximately $15,000,000?

Mr. ELLENDER. For this year it would probably be half of that, but ultimately it would be that; that is correct.

Mr. SALTONSTALL. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I voted with the Senator from Louisiana in the committee against this appropriation, I will say, but I believe it would be only fair to the Senator from Illinois to point out to him that the contemplated building would include space for telephone facilities, for the House and the Capitol, it would include a tunnel, a new subway, electric lines, and so on.

Mr. ELLENDER. Yes; I think I gave that information a few moments ago.

Mr. DOUGLAS. Mr. President, I thank the Senator.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. CHAVEZ. I wish the Senator would turn to page 23 of the bill.

Mr. ELLENDER. Very well.

Mr. CHAVEZ. There is a heading, "Additional office building for the United States Senate." Is it not true that the language reads as follows:

Construction and equipment of additional Senate Office Building: To enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, to continue to provide——

Mr. ELLENDER. "To continue."

Mr. CHAVEZ. Yes—

for the construction and equipment of a fireproof office building for the use of the United States Senate, $10,000,000.

Mr. ELLENDER. That is correct.

Mr. CHAVEZ. Very well. Is it not true that the Senate Office Building Commission is given the authority to continue that work?

Mr. ELLENDER. Of course, but only under the plans heretofore submitted.

Mr. CHAVEZ. No. Is it not true that the Senate Office Building Commission was instructed on page 11 of the report to do the work in a certain way, and not the way that was originally planned?

Mr. ELLENDER. I have consulted with the lawyers of the legislative counsel's office, and I am informed that, if a substantial change is made in the plans, it may not be possible to have them pass the scrutiny of the General Accounting Office.

Mr. CHAVEZ. If that is so, what has the Senator from Louisiana to worry about? Then we would not spend the money.

Mr. ELLENDER. What the Senator from New Mexico proposes to do is to erect the building as originally planned. That is what he has in mind.

Mr. CHAVEZ. I do not think the Senator has any justification whatsoever to say what I have in mind.

Mr. ELLENDER. The Senator has been working pretty hard for it, and I said in the committee that——

Mr. CHAVEZ. Let me advise the Senator from Louisiana that the only thing the Senator from New Mexico has in mind is to carry out the wishes of the Senate, and not the wishes of lawyers employed by the Senate. The Senate took its part in passing the law. Others may have made an interpretation of that law, but I still have lots of faith in the Senate of the United States.

Mr. ELLENDER. The distinguished Senator from Illinois referred to the cost of the building. It is not only the cost that we must consider now but also the upkeep of the building. The record shows the maintenance of this building will cost from $550,000 to $600,000 a year; and that, of course, is in addition to the funds required to erect the new building.

Where are we going to get the money to construct this new building?

Have we a surplus in the Treasury? The Nation is $257,000,000,000 in debt, and every dime spent for this building will have to be borrowed. The interest rate on that money will be at least 2½ percent. While I am discussing this phase of it, I will say to the Senator from Illinois that the twenty-one-odd-million dollars he mentioned a while ago does not include the cost of the furniture and other items that go into the building. I would say it might cost as much as $22,500,000 altogether properly to equip the building. If on that sum we figure 2½ percent interest per annum, which our Government will have to pay, it will add another half million, and make a total of over a million dollars a year just to maintain this new office space for Senators. To put it another way, it would cost the taxpayers more than $10,000 for each Senator in order to provide office space for about eight Senators who need additional rooms. That is simply going too far.

As I said, I am proposing an amendment which provides for the appropriation of $10,000 to enable the Senate Office Building Commission to delve further into the question. I have no doubt the Commission will find a necessity for the erection of some type of building. At that time conditions may be far better than they are now. We may not be at war with the North Korean Communists, as we presently are. We do not know what the future holds for us. The adoption of my amendment would give us a further apportunity to study carefully the whole situation.

Mr. President, let me ask my distinguished colleagues: Are we going to continue to add costs to the operation of the Senate? I have in my hand a table showing the amounts that have been expended on the Senate side and on the House side since 1941. In 1941 the entire cost to operate the House side was $9,512,000. In that year the entire cost to operate the Senate side was $3,998,000. Do Senators know what the cost is today? The cost on the House side today is $21,631,000, and on the Senate side $11,689,000. And now it is proposed to add still more to that cost.

Let me further point out to the Senate that in 1947 the cost merely to pay the salaries of employees in Senators' offices, that is, the administrative assistants, the clerks, and other such costs, was $2,754,603.48. In 1948 that cost rose to $3,882,000. In 1949 it rose to $4,272,000. For the fiscal year 1950, the cost was $4,588,776. That is what it cost merely to pay the office force of the Senators. It does not include the amount of money spent for the committees or anything like that.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ELLLENDER. I will yield in a moment. I wish to point out to the Senate by way of emphasis that the cost today merely to pay the Senators' office force is greater by almost $1,000,000 than the total cost of operating the Senate, including the salaries of the Senators, in the fiscal year 1941. Yet there are Senators who want to heap more expenses on to that cost. If we are to set examples to the various departments, Mr. President, the saving must start here. This is the place to begin saving, instead of piling up costs as is now proposed to be done. I believe that like charity, economy should begin at home.

I now yield to the Senator from New Mexico for a question.

Mr. CHAVEZ. Can the Senator tell me which particular Senator out of the 96 is wasting money by the hiring of one single unnecessary clerk in his office? Which Senator is doing so? I include the Senator from Louisiana in that question.

Mr. ELLENDER. I do not want to be personal, but I wish to make a statement, and I speak for myself only. I do not at this time feel justified in spending all the money allotted to me to run my office. What do I do? I am now able to save the taxpayers about $16,000 that I do not need and I do not use. What is the Senator from New Mexico doing?

Mr. CHAVEZ. I am doing just as much, and giving service to the people of my State.

Mr. ELLENDER. Very well. I did not mean to go into personalities. I have no administrative assistant today.

Mr. CHAVEZ. Probably the Senator from Louisiana is bright enough not to need one.

Mr. ELLENDER. That may be so; I dispensed with the position of administrative assistant last January. I am not using more than $10,000 of the basic salary allowance allocated to me. With the gross salaries permitted by that basic allowance, I could employ five or six clerks if I desired at a total cost of around $16,000.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. ELLENDER. In a moment. I say, Mr. President, before this bill is finally passed, the departments will be asked to cut their requirements here and cut them there. In view of that, should we say, "Do not cut us; the legislative branch is excluded"? I say that if we are to ask the departments to take cuts we should begin to cut here. We ought to set the example.

Mr. President, I realize that it may be necessary to supply additional office space for 8 or 10 Senators. I realize that at the present time they are short of space. But it is now proposed, in order to provide space for the few Senators who are badly in need of additional rooms, that we spend $20,600,000.

I now yield to the Senator from Delaware.

Mr. FREAR. Does the Senator from Louisiana know how many Senators are using the entire amount allotted to them for administrative assistants and secretarial staff?

Mr. ELLENDER. I do not know. I have not made a survey of that. I wish to say to my distinguished friend, however, that I am somewhat alarmed over the trend with respect to expenditures by the Senate, as disclosed by the figures I have just stated. If the Lord spares me, and my distinguished friend, the Senator from Tennessee [Mr. McKELLAR] should reappoint me to be chairman of the subcommittee to handle legislative appropriations, I promise the Senate to go into details to find whether or not we can cut here and cut there, so as to set an example for the Government departments and if we can accomplish that we can then apply to others the yardstick we apply to ourselves.

Mr. FREAR. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. FREAR. I believe I concur with the Senator from Louisiana in the energy he is expending in trying to save the taxpayers' money. May I ask a question? Is the amount of money the Senator is saving in operating his office refunded to the Treasury or is it used for some other purpose?

Mr. ELLENDER. It goes back to the Treasury, as I understand. I know I do not touch it.

Mr. FREAR. I do not know either. I should like to know whether that money is refunded to the Treasury.

Mr. ELLENDER. I am sure it goes back to the Treasury. I am glad the Senator from Delaware asked the question. If that money does not already go back to the Treasury, I shall make certain that it does.

Mr. FREAR. I thank the Senator from Louisiana.

Mr. ELLENDER. Mr. President, while I am on the subject, I desire to make another statement. I am glad my distinguished friend the Senator from Wisconsin [Mr. WILEY] is present, because what I have to say affects the Committee on the Judiciary. Before the reorganization I served as chairman of the Claims Committee for 4 years. It was then the custom in that committee for individual Senators to handle the various claims referred to the committee. As I recall, 11 or 12 Senators served on that committee. As chairman of the committee I had the clerk each week assign to each Senator who was a member of the committee a certain number of bills to report upon the following week. I had one clerk who handled that work, and the salary paid him at the time was $3,600 a year.

Mr. President, I am informed that the Committee on the Judiciary has been obliged to have its appropriation increased 20-some-odd thousand dollars in order to operate under the new method now in vogue. Instead of the claims which are referred to the Committee on the Judiciary being considered by the respective members of the committee, they are considered by clerks, and those clerks are the ones who do all the work in connection with the claims, and then report to the Senators who are committee members. That may be a good way to handle the bills, but it is an expensive way. If we were to follow more closely the methods which were in vogue before the reorganization measure was passed I believe we could dispense with much of the extra help now employed by the committee to perform work which, according to the views of many Senators, is so necessary to perform.

(At this point, Mr. ELLENDER yielded to Mr. HUMPHREY, who spoke on the amendment on p. 19, relative to the Joint Committee on Nonessential Federal Expenditures, and debate ensued, all of which, on request of Mr. ELLENDER, and by unanimous consent, was ordered to be printed in the RECORD following his remarks.)

Mr. ELLENDER. During the course of my remarks I cited certain expenditures by the House and Senate since 1941. I tried to show that in 1941 the total expenditures involved in the operation of the Senate of the United States, including payments to Senators, all office help, and all expenses connected therewith, amount to $3,998,000. Today that amount has increased to $11,689,000. Mr. President, I ask unanimous consent that the table showing these figures be placed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Expenditures by House and Senate*

| Year | House | Senate |
|---|---|---|
| 1941 | $9,512,000 | $3,998,000 |
| 1942 | 9,678,000 | 3,998,000 |
| 1943 | 9,361,000 | 4,249,000 |
| 1944 | 10,944,000 | 4,472,000 |
| 1945 | 11,660,000 | 4,672,000 |
| 1946 | 14,243,000 | 5,916,000 |
| 1947 | 16,012,000 | 8,167,000 |
| 1948 | 18,095,000 | 9,546,000 |
| 1949 | 18,110,000 | 10,288,000 |
| 1950 (estimate) | 21,392,000 | 11,560,000 |
| 1951 (estimate) | 21,631,000 | 11,689,000 |

Mr. ELLENDER. Mr. President, I ask unanimous consent to place in the RECORD at this point in my remarks a table showing the salaries of officers and employees of the Senate, not including payments to Senators. The table shows that for the fiscal year 1947, for the Office of the Secretary and Sergeant at Arms of the Senate, the standing committees, and for the Senators' offices, the total amount was $4,900,298.33. For the fiscal year 1950, just ending, the amount was $7,102,896.35. I wish also to emphasize the point which I made in the course of my remarks a short time ago, to the effect that the amount of money which is now being spent by Senators for their respective offices amounts to $4,588,776.28, in contrast to a total for over-all expenses of the Senate in 1941 of $3,998,000. I ask that the table be placed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Salaries, officers and employees, Senate*

| Division of payroll | Amount paid | | | |
|---|---|---|---|---|
| | Fiscal year 1947 | Fiscal year 1948 | Fiscal year 1949 | Fiscal year 1950 |
| Secretary and Sergeant at Arms [1] | $1,093,369.97 | $1,137,169.06 | $1,339,714.12 | $1,477,279.24 |
| Standing committees [2] | 1,052,324.88 | 799,310.20 | 921,119.43 | 1,036,840.83 |
| Senators' offices | 2,754,603.48 | 3,882,889.35 | 4,272,634.02 | 4,588,776.28 |
| Total fiscal year | 4,900,298.33 | 5,819,368.61 | 6,533,467.57 | 7,102,896.35 |

[1] Includes office of the President of the Senate.
[2] Includes conference of the majority and the minority.

Mr. ELLENDER. Mr. President, I ask unanimous consent that a detailed statement showing the office space which would be made available in the proposed new building be placed in the RECORD at this point in my remarks. I think it would be of value to Senators to have this information available in the RECORD, and I therefore ask that it be incorporated at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PROPOSED NEW SENATE OFFICE BUILDING

Fifteen committee rooms and 3 subcommittee rooms, as follows:

One large committee room with rostrum, for use of Committee on Appropriations, 60 feet by 70 feet by 21 feet, capacity 250 persons.

Three subcommittee rooms for Committee on Appropriations, sizes: one, 32 feet by 78.5 feet by 21 feet, capacity 150 persons; two, 31.4 feet by 66 feet by 12.5 feet, capacity 100 persons each.

Two committee rooms, each 32 feet by 55 feet by 21 feet, capacity 120 persons each.

Twelve committee rooms, each 31 feet by 52 feet by 23 feet, capacity 90 persons each.

One conference room, for Appropriations Committee.

Two special hearing rooms, each size of present caucus room in S. O. B.

One auditorium, with seating capacity of 500 persons, and with facilities for recording hearings, moving-picture projection, broadcasting and television.

Eighteen anterooms for standing committee rooms.

One hundred and thirty-nine office rooms for committee chairman, committee staffs, and senatorial office staff of committee chairman (five office rooms for staff of each committee chairman, 4 office rooms for staff of each committee).

Fifteen office rooms, 1 for ranking minority member of each standing committee.

Thirty office rooms for staffs of joint committees and 4 special subcommittees.

Four office rooms for Vice President.

Twelve office rooms for Legislative Counsel.

One library room for Legislative Counsel.

One file room for Legislative Counsel.

One room for press and periodical press.

Three rooms for radio and television.

Eight rooms for page school.

One hundred and twenty-five unassigned office rooms, to be assigned on the basis of 5-room suites to 25 Senators to be moved from old to new building.

MISCELLANEOUS

Cafeteria, seating about 700 persons, with kitchen and other auxiliary services; also, dining rooms with waiter service.

Folding room.

Stationery room.

Barber and beauty shops.

Mechanical and maintenance shops.

Shipping and receiving facilities.

Mail receiving and distribution center.

Telephone exchange.

A physical therapy department, with swimming pool.

Garage space for 200 cars.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have incorporated in the RECORD at this point in my remarks a composite table showing the office space which would be made available in not only the contemplated new office building, but also under plan 4–B and plan 4–C.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

| | Complete new building | Plan 4–B | Plan 4–C |
|---|---|---|---|
| Office rooms | 329 | 220 | 204 |
| Hearing rooms | 18 | 9 | 6–9 |
| Conference room | 1 | 1 | 1 |
| Cafeteria | Yes | Yes | Yes |
| Page boys' school | Yes | Yes | Yes |
| Storage facilities | Yes | Yes | Yes |
| Facilities for building guard and maintenance force | Yes | Yes | Yes |
| Receiving and shipping area | Yes | Yes | Yes |
| Extension of subway to new building and construction of pedestrian tunnels between present Senate Office Building and proposed new building | Yes | Yes | Yes |
| Telephone exchange and communications | Yes | Yes | Yes |
| Folding room, storage and other quarters for Sergeant at Arms force | Yes | Yes | Yes |
| Garage for 200 cars | Yes | Yes | (1) |
| Post office | Yes | Yes | None |
| Anterooms for standing committees | 18 | 9 | None |
| Special hearing rooms (size of caucus room in Senate Office Building) | 2 | None | None |
| Auditorium (500 persons capacity) | 1 | None | None |
| Physiotherapy and swimming pool | Yes | None | None |

[1] Open parking space.

Estimated cost: Complete new building, $18,600,000; plan 4-B, $14,000,000; plan 4–C, $11,700,000.

Mr. ELLENDER. Mr. President, I now send to the desk an amendment which would strike the language presently under consideration beginning at line 24 on page 23, and ending at line 4, on page 24, and in lieu thereof would place in the bill the language of the amendment.

I wish to reiterate that the purpose of this amendment, which I ask to have considered, is to appropriate the balance of the $25,000 heretofore authorized, for the purpose of studying plans or devising ways and means by which Senators may be provided with more space. Under my amendment the commission which is authorized by the Senate to study the problem would be in a position to go forward with new plans. I desire to reemphasize the fact that in view of the present world situation I honestly and sincerely believe that this question should be studied further and the commission should use every effort at its command to propose a more or less utilitarian building which would provide basic services for Senators, rather than the monumental-type building now proposed under the adopted plans.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TAFT. Does not the Senator feel that we could get twice as much space or at least the same amount of space for half the money if we go along on the basis of a substantially modern and simple office building?

Mr. ELLENDER. There is no question about it.

Mr. TAFT. We already have a monumental building in the Senate Office Building, in which there is a tremendous amount of waste space, it seems to me, as compared with any privately constructed office building that I have seen. In my opinion we could perfectly well construct a building which would be designed from the standpoint of the most economical use of office space.

Mr. ELLENDER. That is exactly what my amendment proposes. The amendment I propose does not contemplate any additional appropriation other than the $10,000.

Mr. CHAVEZ. Ten million dollars.

Mr. ELLENDER. No, $10,000. The present plans now before the Commission could be used as a basis, if the architects saw fit. If they wished to do so, they could use much of the information which has been gathered. As I pointed out a short time ago, what bothers me most is that I do not believe the Commission would be authorized to make the extensive changes that should be made in the present plans of the proposed new Senate Office Building.

As was emphasized by the architects, in order for the Commission to be in a position to erect a really utilitarian building, one that would do away with all the excess rooms and excess space, they would have to scrap the present plans and start anew. Even though the plans were scrapped, the fees of the architects, and the cost of everything connected with a new utilitarian building giving ample space for Senators, would be a little more than half of what the presently planned monumental structure would cost.

Mr. President, I ask Senators to support the position taken by me on this question.

Mr. CHAVEZ. Mr. President——

The PRESIDING OFFICER (Mr. HOEY in the chair). Just a moment. The clerk will state the amendment offered by the Senator from Louisiana [Mr. ELLENDER].

The LEGISLATIVE CLERK. On page 23, beginning with line 24, it is proposed to strike out through line 4, on page 24, and insert in lieu thereof the following:

Plans for additional Senate Office Building: To enable the Architect of the Capitol further to carry out the provisions of section 2 of the act entitled "An act to authorize the preparation of preliminary plans and estimates of cost for an additional office building for the United States Senate," approved July 11, 1947, $10,000.

During the delivery of Mr. ELLENDER's speech,

Mr. HUMPHREY rose.

Mr. ELLENDER. If the Senator from Minnesota desires that I yield to him, I do so at this time.

Mr. HUMPHREY. I should like to ask the Senator a question. Do I correctly understand that thus far in the course of the consideration of House bill 7786, the item on page 19, between lines 8 and 15—the item pertaining to the Joint Committee on Reduction of Nonessential Federal Expenditures—has been approved?

Mr. ELLENDER. Yes.

Mr. HUMPHREY. I should like to say, since I, too, am deeply concerned about the issue——

Mr. ELLENDER. Will the Senator do so in his own time? I do not wish to lose the floor.

Mr. HUMPHREY. Let me say that I strongly object to this useless expenditure of the people's money. Let me say quite frankly, if the Senator will permit me to make an observation——

Mr. ELLENDER. Yes, provided I do not lose the floor.

Mr. President, I ask unanimous consent that the distinguished Senator from Minnesota may make a short observation without causing me to lose the floor.

The PRESIDING OFFICER (Mr. MCFARLAND in the chair). Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I appreciate the Senator's emphasis on the adjective, because I am sure the observation will not be too long.

I merely wish to point out that under the Reorganization Act of 1946, the duties of the Joint Committee on the Reduction of Nonessential Federal Expenditures were absorbed by the House and the Senate Committees on Expenditures in the Executive Departments.

I have brought this issue to the attention of the Senate on several occasions. I am not in any way chastising the Joint Committee for the good work it did up to 1947. We needed the Joint Committee up to that time.

However, this is nothing more than an outright duplication of functions to render service duplicate to that which already is being performed by one of the standing committees of the Senate and one of the standing committees of the House of Representatives.

Mr. President, at this moment the Joint Committee on Reduction of Nonessential Federal Expenditures is holding hearings on what is known as the railway mail pay case, the round-trip provisions which pertain to payments for the shipment of mail by the Post Office Department on the railroads. I was chairman of a special Post Office and Civil Service Subcommittee which held extensive hearings on the same subject. Not only did we hold hearings on the same subject, but we have on the calendar a bill on the same subject. Furthermore, many of the same witnesses are now testifying before the Joint Committee on Reduction of Nonessential Federal Expenditures, after having testified before the Committee on Post Office and Civil Service. Not only that, but the witnesses are using much of the same testimony and are reading many of the same documents. In that connection, Government officials appear and testify. In short, they appear before two committees and give the same testimony before each of them.

Mr. President, I am happy to see the Senator from Virginia [Mr. BYRD] come to the floor while this issue is being raised, because it is one which has been before the Senate on previous occasions.

Insofar as the junior Senator from Minnesota is concerned, his position is iron-clad. There is not one iota of evidence to support the continuation of this Joint Committee.

So, Mr. President, I strongly object to having this provision in the bill, and I intend to move for reconsideration of the vote by which the amendment was agreed to.

Mr. President, at this time I so move.

Mr. McKELLAR. Mr. President, before the Senator from Minnesota makes the motion, will the Senator from Louisiana yield to me, to permit me to make a statement concerning this matter?

Mr. ELLENDER. Mr. President, I yield for that purpose, provided I do not lose the floor.

Mr. McKELLAR. Of course I would not want the Senator to lose the floor.

Mr. ELLENDER. Mr. President, I ask unanimous consent that I may yield to the Senator from Tennessee for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Let the Chair state that a motion to reconsider is not now in order, because another amendment is pending.

Mr. HUMPHREY. Then I withdraw the motion.

Mr. McKELLAR. Mr. President, at any rate I should like to make the explanation now, if the Senator will permit me to do so.

Mr. ELLENDER. Certainly.

Mr. McKELLAR. This amendment was not suggested by the Appropriations Committee or by any member of the committee, but it was offered by my distinguished and attractive and very handsome friend, the Senator from Virginia [Mr. BYRD], whose views about economy are well known. Heretofore, as I recall he brought up the amendment

on the floor, and it was adopted and became a part of the authorization bill.

Confidentially, although I did not vote for the amendment, I doubt very much whether the Senator from Minnesota will get very far in attempting to remove it from the bill. The Senate has a great deal of confidence in these matters in the Senator from Virginia, and I doubt whether the Senator from Minnesota will get very far in his effort. I wish to make that explanation.

Mr. HUMPHREY. Mr. President, I appreciate the explanation. I wish to say to my friend, the chairman of the Appropriations Committee, that I am well aware of the fact that I may not get very far in reference to this item. However, I wish to say again that insofar as the legislative functions of the Joint Committee on Reduction of Nonessential Federal Expenditures are concerned, those functions are appropriately referred, under the Legislative Reorganization Act, to the House and the Senate Committee on Expenditures in the Executive Departments.

I note that of recent date the Joint Committee on Reduction of Nonessential Federal Expenditures was holding hearings on legislative matters identical with those upon which a Senate committee has held hearings.

Recently on the floor of the Senate I said that I consider this to be more than just an ordinary controversy. It is unwise, it is unfair, it is beneath the dignity of this body to place the responsibility for a full-scale investigation of a particular agency of Government in the hands of a standing committee, whose chairman appoints a subcommittee to carry out committee functions of investigation and study, but then, once the study has been completed and a bill on the subject has been prepared and reported and is on the Senate calendar, to find that another committee does identically the same work—hears the same witnesses and receives the same testimony.

Mr. President, this has gone on too many times. I merely register by objection. I am not so foolish as to believe that I shall be able to persuade the Congress to do away with this joint committee; but I say it is just as useles as livery stable at a Ford automobile plant. It is time this joint committee were abolished.

Mr. ELLENDER. Mr. President, it is not my purpose to comment upon this matter at this time, except to say, as the Senator from Tennessee already has said, that the Senate itself has already passed on the issue and has authorized appropriation of the $20,000. As the Senator has well said, the Senate already has acted on the proposal.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Delaware for a question.

Mr. WILLIAMS. I appreciate the Senator's yielding, at this point. As one who believes in economy in the Government as much as does any other Member of the Senate I rise to support the full appropriation requested by the Joint Committee on Nonessential Federal Expenditures, and to express not only my disapproval but disgust with the suggestion of the Senator from Minnesota [Mr. HUMPHREY]. In my opinion this committee under the chairmanship of the able Senator from Virginia [Mr. BYRD], has made a greater contribution toward promoting economy in Government than has any other Senate committee, and there is no Member of the United States Senate who has contributed more toward good sound government than has the Senator from Virginia [Mr. BYRD].

What makes the attack on this committee even more unjustified is that the attack comes from one who has consistently voted against any reduction in Federal expenditures. In fact he once made the statement on the floor of this Senate that he does not even believe in the necessity of a balanced Federal budget. Now he makes a great furore about a $20,000 item in a $34,000,000,000 appropriation bill. I am confident that he is the only Member of the Senate who will vote for his motion.

Mr. BYRD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Virginia?

Mr. ELLENDER. I yield for a question.

Mr. BYRD. Mr. President, the animosity of the Senator from Minnesota [Mr. HUMPHREY] to this committee is well known. He has made frequent attacks upon and many misrepresentations with respect to this committee. I undertook to answer 10 of the misrepresentations, which he could not question, when I addressed the Senate a little while back on this subject.

The Senator from Minnesota says that this expenditure of $20,000 is the No. 1 instance of waste and extravagance in the Federal Government. No one could make such a statement as that unless he was influenced and guided by a blind intolerance. To say that an expenditure of $20,000, even if every cent of it was wasted, was the No. 1 instance of waste and extravagence in a total expenditure of $40,000,000,000, is so fantastic as to be simply absurd.

I wish to say in explanation of this amendment that the distinguished Senator from Tennessee [Mr. MCKELLAR], the chairman of the Appropriations Committee, is mistaken in saying that the Senator from Virginia offered this amendment. This amendment was recommended by the Joint Committee on Reduction of Nonessential Federal Expenditures, of which the distinguished Senator from Tennessee in a member.

Mr. MCKELLAR. Mr. President, I apologize to the Senator. I thought it was he who offered the amendment. I had been so informed.

Mr. BYRD. I thank the Senator.

Mr. MCKELLAR. Evidently the use of the Senator's name had its effect, for in the committee a motion to strike out the amendment was rejected, and I believe it was also rejected afterward by the Senate itself.

Mr. BYRD. This appropriation of $20,000 was requested by the joint committee at the meeting held on March 17. The motion was made, as I recall, by the Senator from New Hampshire [Mr. BRIDGES]. I think that when we hear this denunciation of the work of the committee, it is well for the Senate to understand its membership. I have the honor to be its chairman. When we met on March 17, I placed in nomination for the chairmanship the name of the distinguished vice chairman of the committee, Representative DOUGHTON, chairman of the House Ways and Means Committee. Mr. DOUGHTON declined to accept it, and my nomination was made by him and unanimously adopted by the committee.

Under the law creating this committee, it can be terminated at any time by a majority of the membership. I think that when I read the names of the members of the committee, it will be understood that they would not continue what the Senator from Minnesota [Mr. HUMPHREY] says is the No. 1 instance of waste and extravagance in all the expenditures of the Federal Government. Eliminating myself, the vice chairman is Representative DOUGHTON, a man in whom the entire Congress has great confidence, and who is chairman of the great Ways and Means Committee. Other members of the committee on the House side are the chairman of the Appropriations Committee of the House, Representative CANNON, Representative KERR, Representative COOPER, Representative TABER, and Representative REED. They unanimously agreed that this committee should be continued. From the Senate we have as members of the committee the distinguished Senator from Tennessee [Mr. MCKELLAR], the able and splendid chairman of the Appropriations Committee; the Senator from Georgia [Mr. GEORGE], the Senator from Georgia [Mr. RUSSELL], and the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Nebraska [Mr. BUTLER]. In addition, the Secretary of the Treasury and the Director of the Bureau of the Budget are members of the committee.

I do not think that these gentlemen, constituting respected Members of the House and Senate, would deliberately waste $20,000 a year, as the Senator from Minnesota charges.

Mr. BRIDGES. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from New Hampshire?

Mr. BYRD. I yield.

Mr. BRIDGES. Twenty thousand dollars, in the light of the present budget, as the Senator from Virginia well knows, is less than one two-millionths of 1 percent of the total expenditures of the Government. It is simply ridiculous to talk about a $20,000 waste when hundreds of millions of dollars are being wasted all along the line.

Mr. MCKELLAR. Mr. President, I want to say, so far as I am concerned, that I think this body, and every Member of it, knows that I am not inclined in the slightest way to waste the Government's money. I do not vote that way, I do not act that way, I do not work that

way, and I do not go along with those who do.

Mr. BYRD. Mr. President, the Senator from Minnesota has referred to duplication of effort. Well, there is more or less duplication in nearly all the committees which function in the Senate. One of the greatest duplications that I know of is that there are 12 standing committees of the Senate with the right to approve authorizations for expenditures—12 of them. And an authorization nearly always becomes an appropriation. In a sense, at least, these 12 standing committees are duplicating the work of the Appropriations Committee. That happens in the case of many other committees, where there is overlapping.

Let me say that this committee has been functioning for 9 years, and it is true that, after certain investigations and certain reports were made by the committee, other committees copied what this committee was doing and issued similar reports.

The case about which the Senator from Minnesota is making such an ado now is the investigation of the Post Office Department. The Joint Committee on Reduction of Nonessential Federal Expenditures was investigating it from the standpoint of the increased deficit resulting from the operations of the Post Office Department. I know of no other committee that made that exact investigation. The Post Office Department is now showing a deficit of $500,000,000 a year. At the hearings before this committee—which, incidentally, did not cost anything, since these gentlemen came before the committee and gave their very valuable views when Representative DOUGHTON and other members of the committees was present—we were told that if the railroad increase were granted by the Interstate Commerce Commission, the deficit of the Post Office Department alone next year would be $1,000,000,000.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Minnesota?

Mr. BYRD. I will finish my statement first.

When we take the fact that there are many committees spending the people's money, it seems to me that a puny $20,000 expended in an effort to save some money for the Federal Government and the taxpayers of the country should not be under daily and constant attack by the Senator from Minnesota as now seems to be the case.

Let me give a statement of what this committee is now doing and the investigations it is now undertaking. This committee makes a standard report of Federal employment—the first such report that was made until the Committee on Post Office and Civil Service copied what we were doing. The committee's report on Federal employment shows exactly each month how many new employees are added to and how many are eliminated from the different subdivisions of the Government.

The committee is now working on a report which will be of great interest, and which will show every Federal employee in each county, city, and State, which information is not available from the ordinary branches of Government. I think it will be very important to Senators and Representatives to find out how many employees in each of their counties come under the numerous Government agencies that are employing in all about 2,000,000 Federal employees, with a pay roll of nearly $3,000,000,000. I am speaking only now of what the committee is undertaking at this time:

First. A special investigation was made of the civilian employment in the Military Establishment, 1945–49. I do not know of any other committee that is doing that.

Second. Employment trends in major employing agencies as compared with the rest of the Government. Those are employment trends in agencies, exclusive of the Military Establishment;

Third. Employment trends in agencies exclusive of the Military Establishment;

Fourth. Making an investigation of the post-office personnel, 1939–49, and pay;

Fifth. The inaccuracies in post-office personnel reporting. This committee condemned it, and was, Mr. President, if you please, the only committee to ascertain that the Post Office Department had inaccurate reporting, whereby from 25,000 to 30,000 employees were not reported in the list of employees as given to the Congress.

Sixth. Civilian employment reduction in the Military Establishment under the Johnson order of August 24, 1949. I know of no other committee, I know of no agency that is making an investigation to ascertain whether the personnel in the armed services has been reduced as much as it should be, although I desire to compliment Secretary Johnson in saying that he made a reduction of 130,000 civilian employees.

Seventh. Employment in three major agencies, 1939–1948, and average for the first half of 1950;

Eighth. The development of civilian employment incident to the mutual defense assistance program;

Ninth. Employment data incident to the Seventeenth Decennial Census; and

Tenth. Employment transfers incident to reorganization plans effective as of that date.

The committee, during the past year, has completed four major studies on an intracommittee basis; namely, studies on expenditures on foreign programs, employment by localities, top-flight pay bill, and budget analysis.

Staff work has been completed on a revision of the committee's 1947 report on grants-in-aid, in response to a demand for the historical development and current information in this field.

The committee has also complied with many requests from Members of Congress requiring special studies, compilations, and informal reports, and, in addition, has fulfilled more than 200 requests from other Members of Congress and the general public for information not requiring extensive staff work.

I shall not go back and take up the time to show that this committee, during the 9 years it has been operating—and it has only spent $127,000 in that 9-year period, an average of but $14,000 a year—has made numerous reports, major reports recommending reduction of expenditures, many of which have been adopted by the Congress.

What purpose does the distinguished Senator from Minnesota have in these constant attacks and insinuations upon the work of this committee, composed of the chairman of the Ways and Means Committee of the House, the chairman of the Finance Committee of the Senate, the chairmen of the Appropriations Committees of both Houses, the Secretary of the Treasury, and the Director of the Budget? I do not know. I think he could devote his time more profitably, perhaps, in connection with some other activities toward economy. If he has ever cast a vote for economy on this floor, I do not know when he did so. He speaks of economy in terms of saving $20,000 on the part of a committee which, even though I am chairman of it, has done a good work. I am willing to admit that we cannot conduct with such a small sum an investigation of a very careful or inclusive character, but at least we have done something. The committee has kept alive in the public mind the fact that there is such a word as "economy" in the English language. That, alone, Mr. President, is worth the full value of the $20,000 which has been expended. Not only that, but the committee receives hundreds of letters from citizens which are answered in detail, giving information as to the transactions of the Government, and other information which the writers of the letters request.

I could extend my remarks much further, Mr. President, but I do not care to do so. I think the Senate is informed with reference to the committee. I do not believe that anything like a majority of Senators agree with the Senator from Minnesota. I think the members of the committee can be trusted. The committee was created with the provision of law that whenever the committee ceased to perform a useful function, the membership itself, by vote, could terminate its activities.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield in order that I may make reply to the Senator from Virginia?

Mr. ELLENDER. Mr. President, I did not know, when I yielded, that so much time would be required. I do not have much more to say, Mr. President, and I should appreciate it if the Senator from Minnesota would wait until I conclude my remarks.

I ask unanimous consent that all remarks which have so far been made with reference to the Joint Committee on Nonessential Federal Expenditures be placed in the RECORD at the end of my remarks.

Mr. HUMPHREY. Mr. President, my remarks will not be extended, and I should greatly appreciate being able to make my reply immediately after the remarks of the distinguished Senator from Virginia. I shall limit my remarks.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the Senator

from Minnesota may be permitted to reply to the Senator from Virginia.

Mr. CHAVEZ. Mr. President, reserving the right to object, we have listened very attentively to the remarks of the Senator from Louisiana opposing the committee's proposal. It was my purpose to proceed to give the committee's side of the controversy after the Senator had concluded.

Mr. ELLENDER. That will be within a very short time, Mr. President.

The PRESIDING OFFICER. Is there objection to the request that the Senator from Minnesota be permitted to reply to the remarks of the Senator from Virginia? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, I am very grateful to the Senator from New Mexico and to the Senator from Louisiana.

I wish to say that the junior Senator from Minnesota has never for a single minute attacked the caliber and the leadership qualities of the distinguished members of the well-known Joint Committee on Nonessential Federal Expenditures. I regret the fact that the Senator from Virginia has again seen fit to introduce personalities and to become personal toward me, thus confusing the issues. It has been the contention of the junior Senator from Minnesota, which he has documented by reports on the floor of the Senate, that the committee is one which duplicates the work and functions which have already been assigned under existing law. Whether $20,000 is too much or too little is not the point. The point is that there is already established governmental machinery in standing committees which do the job of this joint committee. I regret that the Senator from Virginia has not faced up to my arguments but has instead mistaken the merits of my proposal as a personal attack against him. Personal animosity has not at all been my motivation or my guide. I do suggest, however, from the nature of the Senator's comments on March 2 and again today that it may well be a vital consideration in his own attitude and presentation.

I am impressed by what the Senator from Virginia said in his most eloquent and persuasive manner about the splendid work the committee is doing. It may be a great program, but I submit to the Senator from Virginia that the bulk of that work logically falls within the jurisdiction of the Committee on Expenditures in the Executive Departments. If that committee is not doing its job, then the committee of which the Senator from Virginia is chairman——

Mr. BYRD. Mr. President, will the Senator yield?

Mr. HUMPHREY. For a question.

Mr. BYRD. I should like to ask the Senator with reference to the resolution which he submitted. Why does he not have a hearing on his resolution? He is a member of the committee. I assume he is willing to let the Senate be the final judge.

Mr. HUMPHREY. I am more than happy to do so.

Mr. BYRD. Instead of these guerrilla attacks which he is constantly making, let him have a hearing on his resolution and let the Senate decide the matter one way or the other.

Mr. HUMPHREY. The junior Senator from Minnesota has been cooperative with the committee of which he is a member. The committee has had the responsibility for all of the reorganization plans sent down by the President, and the committee has been extremely busy. The chairman of the committee and I discussed plans for my resolution. In view of the fact that time-consuming hearings were held on the reorganization plans, and in view of the fact that it appeared we could not get action on the proposal during this session, since the majority leader stated that the Senate would adjourn about August 1, it would be difficult to take the time to hold hearings. But I can assure the Senator from Virginia that we will hold hearings and if facts—not sentiment, not consideration such that we happened to like one another and respect one another—will tell the story, there will not be any doubt as to what will happen to the Joint Committee on Nonessential Federal Expenditures.

The Senator from Virginia points out that his committee is making a study of employment. That is a fine thing, and I am all for it. I have read the figures. But I would remind the Senator from Virginia that Civil Service Commission makes the same sort of study, the Bureau of the Budget makes the same kind of study, and the Committee on Expenditures in the Executive Departments makes a study twice a year, a seasonal study. The information is available. The junior Senator from Minnesota has all that information in his personal files, including information from the Bureau of the Budget——

Mr. BYRD. I wish the Senator from Minnesota would make public that information.

Mr. HUMPHREY. The Bureau of the Budget has all that information.

Mr. BYRD. I beg the Senator's pardon. It does not have that information. It does not have the number of employees in each county and city.

Mr. HUMPHREY. The junior Senator from Minnesota has the number of Federal employees in every State of the Union. All we have to do is to ask the Civil Service Commission to provide that information.

Mr. BYRD. The Senator said he had information as to every county and every locality.

Mr. HUMPHREY. The Senator from Minnesota says that if the Senator from Virginia will ask the Civil Service Commission, he can get the information which I have mentioned.

Mr. BYRD. The Senator is mistaken. His statement is like many other statements he has made.

Mr. HUMPHREY. The junior Senator from Minnesota is not mistaken and has State employment figures in his office. I am very confident that figures for counties and cities are also easily available from the agencies.

What about the Committee on Post Office and Civil Service? What kind of an insinuation is this upon the chairman of that committee, to be told that there has been no study made of the matter of postal employees? The subcommittee of which I am chairman has made a complete study of all the employees of the Government of the United States who would get uniforms if a uniform allowance were made. There is to be a study made of annual leave and sick leave, and hearings will be held upon that question. The Bureau of the Budget has made its preliminary report. Insofar as the Post Office Department is concerned, the Committee on Post Office and Civil Service has spent months studying the matter.

I shall not belabor the point further except to observe that it is not very persuasive to say that $20,000 does not mean very much. The fact is that if we are spending $20,000 on a committee which has no function to perform under the law, it is $20,000 too much to spend. It is not $20,000 which is well spent.

The Senator from Virginia concluded his argument with the irrelevant and personal statement, "I wish the Senator from Minnesota would tell us what economy measures he has voted for." The Senator from Minnesota will answer to his constituents for his votes which are in accord with his conscience. He believes very strong in intelligent economy and has so voted. Furthermore, he has a different view of the question of economy. I happen to believe that it is economy to fight the Communists in Europe with the Marshall plan. I happen to believe that it is economy to appropriate all the funds necessary to fight the Communist menace, and to fight it not only with guns but with ideas and economic rehabilitation. I submit that the most extravagant thing that could be done would be to vote against the point 4 program, or to vote against the Marshall plan. In my opinion, that would be real extravagance.

It is a question of how we interpret economy. Some people believe it is economy to save money and not to have one's teeth fixed. I believe it is economy to have one's teeth checked regularly. Some people believe it is not economy to take care of our natural resources. I believe it is economy to take care of them. I believe it is sound economy to aid people who are fighting in defense of their homeland. Votes have been cast in the Senate which do not go in that direction. At any rate, I shall stack up the votes of the junior Senator from Minnesota with those of the Senator from Virginia. The economy which is advocated by one is the economy to cut off expenditures alone. The economy of the junior Senator from Minnesota is a matter of economizing to the point of protecting our national welfare and national security. In my judgment, such an approach is intelligent economy.

Mr. ELLENDER. Mr. President, I renew my request that all the remarks pertaining to the Joint Committee on Reduction of Nonessential Federal Expenditures be placed at the end of the debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

After the conclusion of Mr. ELLENDER'S speech,

Mr. CHAVEZ. Mr. President, we all agree with the Senator from Louisiana

that we should be as economical as we possibly can. That is the proper attitude for us to take.

We are dealing now with a matter which is of great concern. In the first place, it has been definitely decided, and it is admitted by the Senator from Louisiana, that more space for Senators is absolutely necessary. I have on my desk answers from individual Senators as to their need for more office space, in reply to inquiries made by me as chairman of the Committee on Public Works. Sixty-eight Senators replied that more space was necessary.

The inquiry was brought about by the fact that the Eightieth Congress, in its wisdom or otherwise, did authorize the appropriation for a Senate office building, authorized the expenditure of moneys for planning and designing such a building, and authorized the expenditure of money for the purchase of the real estate necessary. I have been a member of the Committee on Appropriations for many years, and I recall vividly the occasion during the Eightieth Congress when the proposal was made to that committee, which was then under the chairmanship of the Senator from New Hampshire [Mr. BRIDGES], and the Senate at that time authorized the expenditure.

Of course it is going to cost money, but I want my colleagues to listen to what I have to say to them. This country was created on an idea. Franklin, Washington, Jefferson, Madison, and the other great men of their time created a concept of freedom and a concept of government that meant something beyond dollars and cents. The Declaration of Independence and the Constitution of the United States, which we all love and revere, were not idle dreams; they were concepts of free people trying to create a government.

Of necessity, and because it was right and sound, the Government was divided into three branches—the executive, the judiciary, and the Congress. Can anyone believe that in his dream of a beautiful Capitol building Washington thought of what it would cost the American people? Or did he want to make it a symbol of what the American people had created? Why are the folk in the galleries now there Is it because they come here to look at individual Senators? No; they come here to look at a symbol of free government.

Yes; we could save money. The Capitol does not have to be as it is. We could still have the columns in front, but we could save a great deal of money on other places. But do the American people want us to do that?

The Architect of the Capitol himself is authorized and instructed to proceed, just as soon as this session is concluded, to refurbish the Capitol building, the floors, and other parts. Is that being done for us as individual Senators, or is it being done to represent to the fine people of our country what this Capitol stands for? I wish every child in America could come to Washington and visit the Capitol of his country, irrespective of what it might cost the Government.

Do we judge the Capitol of our country as a matter of dollars and cents, or is it something of which we are proud, something we revere, and for which we are willing to die? Remember the boys in Korea. Remember the white crosses throughout the world. What do they represent? They represent a noble sacrifice for a principle.

Of course, we could build an office building, not for $4,000,000 or $18,000,000, but we could build it for $500,000, and give Senators all the space they needed. Is that what the American people want? The American people are willing to dig down into their pockets and give billions of dollars for war. Are they not willing to give a few million dollars to create something. A committee of this body was in Rome last fall. The Italian Government was constructing a "Union Station" for the railroads. The American people were donating $4,500,000 for that purpose. Yet there is complaint because we are trying to get something dignified for the American people while we are providing space for those who are temporarily Members of this body.

Mr. President, to me as an American the Senate means a great deal. The Capitol of the United States means much to me, not because of the fact that the people of my State were kind enough to trust me for the moment so that I could walk in and appear here before the Senate and plead for their concept of freedom of action, but because it is a dignified symbol of a great Nation.

I wish the Senator from Louisiana were present, because I should like to call attention to the fact that the pending bill contains appropriations amounting to $43,000,000,000, possibly more money than was spent by this Government in the first hundred years of its existence. It is the American people's money, but the bill contains provisions for the appropriation of money that is not to be spent for the American people, but for others.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. AIKEN. Can the Senator from New Mexico advise me if the President has authority to stop the spending of money provided for by this appropriation in the event of an acute national emergency? I should like to know what the situation would be in that respect.

Mr. CHAVEZ. I am glad the Senator brought up that point.

Mr. AIKEN. What I want to find out is whether the spending of this money in starting construction of a building would be obligatory in the event the exigencies of war dictated otherwise?

Mr. CHAVEZ. I do not think it would be. I call the attention of the Senator from Vermont to the fact that the Eightieth Congress authorized the construction of the building, authorized the purchase of the property, which has been purchased, and authorized the expenditure of money for planning. Five hundred thousand dollars has already been spent for planning. That amount of money would be completely wasted if something is not done in connection with the planning.

Mr. AIKEN. The Senator from Vermont voted against the appropriation 2 years ago, but had in mind to vote for it at this time unless the exigencies of war dictated otherwise.

Mr. CHAVEZ. The Committee on Appropriations came to a definite conclusion with respect to the erection of the building, after it had received information from 68 Senators that they wanted additional space. I have now on my desk copies of letters from 68 Senators in which they say they want additional space. I take it for granted they would not try to secure extra space unless they needed it. I have, for example, before me copies of letters, from the Senator from North Carolina [Mr. GRAHAM] and the Senator from New York [Mr. LEHMAN]. Both Senators from New York in their letters said they needed additional space. That can easily be understood when we consider the amount of work a Senator from New York is required to do in performing his duties. When we know that a Senator from New York has only three rooms in which all his work is done, nothing else need to be said on that point.

Mr. HAYDEN. Mr. President, will the Senator yield to me?

Mr. CHAVEZ. I yield to the Senator from Arizona.

Mr. HAYDEN. I invite attention to a provision which is to be found on page 469 of the bill as follows:

> In apportioning any appropriation, reserves may be established to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements or greater efficiency of operations.

That matter was discussed in the Committee and reference was made to the fact that the President of the United States has claimed from the beginning the constitutional right——

Mr. CHAVEZ. The inherent right.

Mr. HAYDEN. That notwithstanding an appropriation is made by Congress, he can exercise his judgment as to whether or not the money should be expended.

Mr. AIKEN. Even with respect to a legislative expenditure?

Mr. HAYDEN. With respect to any expenditure. The provision is perfectly wide in its scope. Congress has never by any act gone any further than the language I have read, which I think appears for the first time in an appropriation bill, and which even authorizes the President to establish reserves "for contingencies, or to effect savings." If there were a contingency which required that this money should not be spent there is no question in my mind that the President would have authority to suspend its expenditure.

My first experience in this respect was when once I secured an appropriation to build a bridge across a stream, and made it partly reimbursable from Indian funds. The Indian Bureau did not want it to be made reimbursable, and did not want the bridge built. There was no way that I, as a Representative in Congress, could make the Bureau build the bridge. There is no way in any language contained in this bill by which Congress can compel the President actually to set in motion the steps necessary to put a measure into effect. He can stop the work if he wants to. If there were a national emergency, as the

Senator from Vermont has in mind, which required the Commander in Chief of the Nation, the President, to do so, he could stop the construction. There is no question about that in my mind.

Mr. AIKEN. Mr. President, is the Senator perfectly satisfied that there would be no competition for labor and materials with some agency which was engaged in work in connection with major warfare? The Senator feels safe on that score?

Mr. HAYDEN. I do entirely.

Mr. AIKEN. That is what I wanted to find out.

Mr. HAYDEN. At the beginning of the last war I brought before the Senate the Interior Department appropriation bill. It contained authorizations and appropriations for large sums of money to build hydroelectric plants, construct dams, and so forth. I stated to the Senate at that time that if, after the bill became law, we should become involved in a war, I fully expected the President of the United States to stop the construction of those works if the men and material used for such construction were needed to carry on the war. And that is exactly what the President did.

Mr. AIKEN. If I may I should like to add another word? I voted against this proposal 2 years ago because at that time there was an extreme shortage of both material and labor. I think the Members of the Senate should take what steps are necessary for them to carry on their work, and I feel free in supporting a measure such as this, because I was not one of the 68 who requested more space. But I did want to be sure that if the appropriation were made we would not find ourselves building a new office building for the Senate in competition for material and labor which might possibly be required for a war effort.

Mr. CHAVEZ. I believe the Senator from Arizona [Mr. HAYDEN] has stated correctly what would happen in such an event. Furthermore, the instructions given to the Commission are very definite. The committee wanted to be sure, after it was found that additional space was absolutely necessary, that money was not wasted, so the committee instructed how the money should be used, and for what purpose. On page 11 of the report the following language will be found:

> After full discussion, the committee voted to request the Senate Office Building Commission to review forthwith the detailed plans of the proposed Senate Office Building with a view of simplifying the building to bring about savings, and with the expressed desire of the committee—

I repeat, "with the expressed desire of the committee"—

> to make the new office building more of a working and utilitarian unit than the present plans contemplate.

Mr. President, I believe the Eightieth Congress acted in keeping with the needs of Members of the Senate, and in keeping with the dignity of the United States of America, when it authorized the construction of the building. Of course, we could build a structure on the premises for $1,000,000, but I ask in all sincerity, would we want to do so? We can afford to give $27,000,000 to Greece for the purpose of draining land in the vicinity of Athens. When we can do that, shall we say we cannot spend, in behalf of the American people, a few million dollars to house the Senate of the United States?

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. CHAVEZ. I yield.

Mr. SALTONSTALL. The Senator from New Mexico a short while ago engaged in a colloquy with the Senator from Louisiana [Mr. ELLENDER]. Is it the Senator's understanding, as chairman of the Senate Building Commission, that the act gives that Commission the power to scrap the present plans and start over again if, when the Commission comes to review the plans, they believe it wise to do so?

Mr. CHAVEZ. I should like to answer my good friend, the Senator from Massachusetts, in this way. I am a great believer in carrying out mandates of the Senate. The Senate said, "Save money." It is the purpose of the Commission—I am sure I speak for the other members of the Commission in saying this—to carry out that mandate. We have spent $500,000 on plans. If we can utilize any particular part of those plans, and thereby can make use of the money we have spent in that way, I think it would be within our power to do so. If it is necessary, in order to carry out that mandate, to do those things, that is what the Commission has in mind to do.

Mr. SALTONSTALL. That would include, would it not, scrapping the plans, if in the opinion of the Commission, on the basis of its conclusion, it was necessary to go that far?

Mr. CHAVEZ. If the Commission had to go that far to carry out the mandate, that would be done.

The first thing the committee decided upon and insisted upon was that something be done in a hurry, but the Committee did not want waste and did not want the elaborateness called for by the plans prepared during the Eightieth Congress.

The Senator from Georgia [Mr. RUSSELL] said that we have been worrying about this matter for 6 or 7 years and now he wanted the Commission to go to work and begin construction of some kind, without waste.

That is why in the report the Commission was definitely instructed what to do. The Appropriations Committee wanted the appropriation made only for that reason. The Committee decided that Senators need more space. I shall not insert in the RECORD the names of the Senators who need more space; but 68 Senators out of the 96 need more space.

Mr. HAYDEN. Mr. President, will the Senator yield to me at this time, to permit me to comment about the need for space?

Mr. CHAVEZ. Certainly.

Mr. HAYDEN. The one Senator, above and beyond all others in the Eightieth Congress who was responsible for the authorization of this new building, was former Senator Brooks, of Illinois, who at that time was chairman of the Committee on Rules and Administration.

At the time I did not pay very great attention to the proposal, because coming from a State with a comparatively small population and never having utilized my full allowance for clerical hire in my office, I got along very well with the rooms I had.

However, when I inherited, because of the political change, the position formerly occupied by former Senator Brooks, of Illinois, and became chairman of the Senate Committee on Rules and Administration, I had not been very long in that position before I realized that Senator Brooks was fully justified in every step he had taken in this regard, because the demands upon the Committee on Rules and Administration for space are enormous. After all, the most precious thing in the Capitol of the United States and in the Senate Office Building is a square foot of space.

We had some data assembled and published for the information of the Senate; it appears in Senate Document No. 137, Eighty-first Congress, second session, entitled "Space Requirements of the United States Senate." I should like to read briefly from that document:

> In December 1909, when the Senate first occupied its newly completed office building, there were 92 Senators and 575 employees. Today there are 96 Senators and approximately 1,670 employees, or a 190.43 percent increase in total personnel.

Mr. CHAVEZ. Mr. President, those figures do not include personnel from the various executive departments who have offices in the Senate Office Building; do they?

Mr. HAYDEN. No; they do not. Of course, we have liaison officers and all kinds of outside help who come to the Senate Office Building and have rooms there. That is quite necessary, of course. On the other hand, I am speaking now only of Senators themselves and of their office forces.

I read further from Senate Document No. 137:

> A survey conducted by the Architect of the Capitol in December 1949 showed a total of 846 persons then working in the offices of the Senators in the Senate Office Building. This figure did not include those working in committee rooms or the service areas of the building. The survey also revealed that 82 percent of the same 846 were working under conditions of 55 square feet of space per person. Yet Government building code practice, controlling the downtown agencies, aspires to more than 100 square feet of space for each Government employee.

We are crowded everywhere. Every Senator to whom I have talked, particularly those coming from States with large populations, is distressed at the present situation. There is no remedy except the one which has been voted by the Appropriations Committee, namely, to direct the Senate Office Building Commission to proceed with construction of the new Senate Office Building; to mod-

ify the present plans, if they are too elaborate, but to do something.

Mr. President, we made a very serious mistake last year in postponing the construction of this building. If we postpone construction for another year, as suggested by the Senator from Louisiana, that will mean just that much more time lost.

By means of the appropriation of the amount of money contained in this item, in accordance with the authority granted to the Commission which has charge of this matter, we can have a new Senate Office Building within a reasonable period of time.

Let me add for the information of Senators who are questioning the use of labor and material, that in the case of all contracts let throughout the United States, about which we have had reports before the committee, we have found that there is an abundance of contractors, and the bids are getting closer and closer. Unless we get into a major war, I anticipate that the new Senate Office Building can be constructed during the next year, if a contract is let, cheaper than it could have been constructed last year or the year before.

Mr. CHAVEZ. Mr. President, let me say to the Senator from Arizona, the Senator from Vermont, and the other Senators interested in this matter that there was testimony before the commitee that even if we were to carry out the original plans—which were changed, under instructions of the committee—we possibly could construct the entire building for approximately $20,000,000, instead of $18,500,000. Is not that correct?

Mr. ELLENDER. As I recall, if we proceed with the 4–B plan, which would provide two-hundred-and-some-odd rooms, there would be a saving of approximately $4,600,000, while under plan 4–C there would be a saving of $7,000,000.

Mr. CHAVEZ. But under the other plan there would be a saving of $2,000,000. The architects testified that under such circumstances it would be possible to construct the building in accordance with the plan recommended by the committee and as authorized.

Mr. ELLENDER. Mr. President, will the Senator yield, to permit me to ask a question of the distinguished chairman of the Committee on Rules and Administration?

Mr. CHAVEZ. Certainly.

Mr. ELLENDER. Earlier in the debate I pointed out that there are 5 Senators with 6 rooms, 26 Senators with 5 rooms, and quite a number of Senators occupying rooms in the Capitol Building. Let me inquire as to what effort, if any, has been made by the Committee on Rules and Administration to redistribute those rooms, so that Senators who really need more space can obtain it, and so that space will not be used by Senators who actually do not need it.

Mr. HAYDEN. The Senator will understand that, primarily, space is distributed on the basis of seniority. There are Senators of advanced years, and of long service in the Senate, who, because of their service, we feel are entitled to rooms in the Capitol Building, more so than other Senators are. Therefore, the assignment to such Senators of rooms in the Capitol Building is made entirely for their convenience. In a number of instances, that is the explanation for the assignment of an odd or additional room here or there, to one Senator or another.

What the Senator from Louisiana would have us do would be to take away rooms from the Senators who happen to have the few rooms which are to spare in the Capitol Building, and assign them to other Senators.

Mr. ELLENDER. Even in the Senate Office Building there are quite a number of Senators who occupy rooms which I feel certain they can spare, and yet have sufficient space left to carry on their work. I wonder whether the distinguished chairman of the Committee on Rules and Administration has made any effort to redistribute those rooms.

Mr. HAYDEN. I have been diligent in connection with that matter, and I have talked to Senators. Some of them have been kind enough to give up space. They regretted to do so, but it was necessary.

Mr. CHAVEZ. Mr. President, the Chairman of the Committee on Rules and Administration assigned to me an extra room in the Capitol Building. I felt so sorry for the junior Senator from New York [Mr. LEHMAN], that I gave up that little space in this building. It is a little cubbyhole up next to the room occupied by Mr. JOHNSTON of South Carolina.

Mr. HAYDEN. Mr. President, the Senator from New Mexico neglects to say that the reason that room was assigned to him was because he suffered a very serious operation, and he had to have a resting place in the Capitol Building, because of his health.

Mr. CHAVEZ. Whatever the reason was, I have turned the room back to the junior Senator from New York, and he has as many as four or five young women using that room. I know that the Senator from North Carolina [Mr. GRAHAM] has as many as eight persons using one room. All of us know that even the Senator from Louisiana [Mr. ELLENDER] does not disagree as to the need for space.

Those of us who serve on the Senate Office Building Commission are called upon to get construction of the new Senate Office Building under way. As the leading country in the world, I think we should have the new building. Of course, one could be built for $1,000,000 or even for $500,000, for that matter; but I do not think the Senate wants to proceed in that way.

I assure the Senator from Louisiana that this mandate from the Appropriations Committee will be carried out by the Senate Office Building Commission.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. ELLENDER. In distributing the additional space, as I understand, the Commission, through the Committee on Rules and Administration, will see to it that each Senator is given five rooms.

Mr. CHAVEZ. That depends upon the kind of building we erect. We want to carry out this mandate.

Mr. ELLENDER. But, under either plan, as I understand, either plan 4–B or the original plan——

Mr. CHAVEZ. I do not think we are confined to any particular plan which has been submitted heretofore.

Mr. ELLENDER. Not to a plan, but I am talking about an assignment of rooms. The point I wanted to explore with the Senator is this: Has he ever consulted Senators to determine whether they could get along with three rooms or four, instead of an average of five?

Mr. CHAVEZ. I am not a member of the Committee on Rules and Administration, hence I have not done so. As chairman of the Committee on Public Works, I wrote to every Senator, stating that we were considering this particular matter, and requesting a statement of whether he needed more office space.

Mr. ELLENDER. If the Senator will read those letters, he will discover that most of the Senators said that although they could use more space, that they did not need it acutely.

Mr. CHAVEZ. Certainly.

Mr. ELLENDER. I would like to again invite the attention of the Senator to the fact that at present there are 5 Senators who have 6 rooms each, 26 Senators with 5 rooms each, and 35 Senators with 4 rooms each. I am one of those 35 Senators, and I want to say that I do not want and do not need more than four rooms. I am sure there are many other Senators who feel as I do. As a matter of fact, I know of some Senators who do not want more than three rooms, simply because they do not need more than three.

With respect to the necessity for the additional rooms, the point I want to emphasize is that under the plan the Commission has adopted, it apparently without consultation allots five rooms to each Senator. Irrespective of whether he needs that many, the same old plan is followed.

Mr. CHAVEZ. The Senator from Louisiana is completely in error. The Commission does not assign rooms.

Mr. ELLENDER. I am aware of that, but I maintain that the Commission is seeking to provide five rooms for each Senator regardless of who assigns them to specific Senators.

Mr. CHAVEZ. The Committee on Rules and Administration assigns rooms.

Mr. ELLENDER. But, if the Senator will read from the report just cited by the distinguished Senator from Arizona, he will note that even by providing five rooms for each Senator, there will be an excess of many rooms. I feel certain that we are going to have an excess of many fine hearing rooms, which have been used heretofore in the present Senate Office Building, but which will be designated subcommittee rooms.

Mr. CHAVEZ. I am trying to impress upon the Senator from Louisiana the fact that, whether we like it or not, and notwithstanding it is contrary to the way

I should have done things, we are not now discussing the plans which were originally submitted. We are now discussing an item in the appropriation bill for 1951, and an instruction by the Appropriations Committee as to how we shall proceed. That does not call for five rooms for every Senator, or for three rooms for every Senator. It instructs the Commission to provide the space, and to proceed with the work.

Mr. ELLENDER. Is it the Senator's contention that the Commission can now change the present plans and use the money provided, without endangering the right of whoever performs the work to receive payment?

Mr. CHAVEZ. Of course, he is going to be paid.

Mr. ELLENDER. But it has to be done according to law.

Mr. CHAVEZ. And it has to be done also according to plans.

Mr. ELLENDER. But as I pointed out, this appropriation is being made to carry out plans already prepared and already submitted to the Senate.

Mr. CHAVEZ. No.

Mr. ELLENDER. We tried to change those plans. Several Senators, including the Senator from Massachusetts [Mr. SALTONSTALL]——

Mr. CHAVEZ. Here is the item:

Construction and equipment of additional Senate Office Building: To enable the Architect of the Capitol, under the direction of the Senate Office Building Commission * * * to continue to provide for the construction and equipment of a fireproof office building for the use of United States Senate, $10,000,000.

It then proceeds to give an instruction as to how the Commission shall proceed.

Mr. HAYDEN and Mr. AIKEN addressed the Chair.

Mr. ELLENDER. While I am on that point, I should like again to say to my distinguished friend that we are proceeding now under an authorization to provide money with which to build a Senate Office Building, in accordance with plans already drafted. The law states:

Construction and equipment of * * * building: To enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, at a total cost, exclusive of site and other expenses authorized under the preceding paragraph, not to exceed $20,600,000, and in substantial accordance with the preliminary plans prepared under authority of the act of July 11, 1947.

Mr. CHAVEZ. If the Senator will pardon me a moment, let us get the question straightened out as to the law. It is correct that the original law is as stated, except we did not carry it on to the total.

Construction and equipment of buildings: To enable the Architect of the Capitol, under the direction of the Senate Office Building Commission—

This is the original law—

at a total cost, exclusive of sites and other expenses authorized under the preceding paragraph, not to exceed $20,600,000, and in substantial accordance with the preliminary plans prepared under the authority of the act of July 11, 1947 (Public Law 169, 80th Cong.), and approved by the Senate Office Building Commission——

Mr. ELLENDER. They drafted it.

Mr. CHAVEZ. With what?—

with such modifications as may be necessary or advantageous to provide for the construction and equipment.

Mr. HAYDEN. Mr. President, could I refresh the memory of the Senator from New Mexico?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Arizona?

Mr. CHAVEZ. I yield.

Mr. HAYDEN. In the committee, as this proposal was originally submitted, it was tied down to that act.

Mr. CHAVEZ. That is correct.

Mr. HAYDEN. It was the deliberate judgment of the committee that it should not be tied down tightly to it. The committee struck out the reference to the act, and it does not appear in the bill as it is today.

Mr. ELLENDER. But the authorization comes from that act. It comes from the same law. Otherwise, it would be out of order.

Mr. CHAVEZ. But this is part of the same law:

with such modifications as may be necessary or advantageous to provide for the construction and equipment of a fireproof office building.

What has been done but to give instructions as to how to proceed?

Mr. ELLENDER. I simply want to inform my distinguished friend that the legislative counsel is of opinion that if substantial changes are made in the present plans there may be difficulty in the contractor getting his money. I say that if the plan is changed to the extent of eliminating the 18 large hearing rooms, the auditorium, and other things, difficulty may arise as to the ability of the contractor to collect.

Mr. CHAVEZ. Do not worry. There will be plenty of contractors who will be tickled pink to be awarded the contract.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CHAVEZ. Certainly.

Mr. AIKEN. I should like to ask the Senator from New Mexico one more question. It has already been indicated that if the men and material needed in the construction of the building are needed in the war effort, the President may order the construction stopped or slowed down. Can the Senator from New Mexico tell us whether the Building Commission itself would have authority to slow down the construction of the building without waiting for a directive?

Mr. CHAVEZ. Let me repeat, if I may, that the Commission is to carry out a duty. I happen to be the chairman of the Senate Office Building Commission. The other members are the Senator from Alabama [Mr. SPARKMAN], the Senator from Rhode Island [Mr. GREEN], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Nevada [Mr. MALONE]. I have faith in that Commission. We believe in obeying a mandate of the United States Senate. The Senator from Louisiana [Mr. ELLENDER] made a statement before the Commission which was as long as that which he has made on the floor today. It was a very able speech.

I read from the report of the committee:

After full discussion, the committee voted to request the Senate Office Building Commission to review forthwith—

Which, in my opinion, means exactly what the law says, in order that the new plan may be advantageous for the purpose for which it is required—

to review forthwith the detailed plans of the proposed Senate Office Building—

For what purpose, and with what view?—

with a view of simplifying the building to bring about savings, and with the expressed desire of the committee to make the new office building more of a working and utilitarian unit than the present plans contemplate. When this review is completed and the plans revised to meet the suggestions of the Commission, the construction is to go forward as expeditiously as is practicable in an effort to relieve the congestion and crowding that now exists in the offices of many Senators and in the space allotted to each committee of the Senate.

We think we have the authority, in view of the war effort, with the increased use of steel, cement, and gravel, to stop the construction, if necessary.

Mr. AIKEN. Then the Senator is perfectly satisfied that nowhere in the bill is there any mandate for the Commission to continue with the construction of the building in competition with any war effort unless stopped by an order of the President.

Mr. CHAVEZ. I am positive of it, and I am positive that that is the attitude of the Commission.

Mr. AIKEN. I thank the Senator from New Mexico. I think the statement should be in the RECORD.

Mr. CHAVEZ. As I stated previously, Mr. President, there is very little difference of opinion as between the attitude of the Senator from Louisiana and that of the Senator from New Mexico. It goes only to the question of what type of building should be constructed. I went along with the original plans. I voted for them originally in the Eightieth Congress. I thought it was necessary. I thought if we had a type of country which could afford to spend billions upon billions of dollars elsewhere, we certainly should not be stingy with ourselves in providing office space for Senators.

We could have saved money through a different type of construction. I have seen this body appropriate many millions of dollars for buildings in the city of Washington. The first chapter of this particular appropriation bill provides for the District of Columbia $12,000,000,000 of the taxpayers' money. Was there any complaint with regard to that? Not a bit. But if we try to provide office space in a dignified building, we hear it said that we ought to save money. We provided millions of dollars for a new courthouse in the city of Washington, within a few blocks of the Capitol, for 15 judges, including the

municipal court judges, but complaint is made because we want an office building in keeping with the dignity of the Nation. We provided $25,000,000 for a building for the General Accounting Office. Did anyone complain about that? We appropriated millions of dollars for buildings for the Department of Justice, the Department of Commerce, and other Government departments.

It is not a question of the expenditure of the money. I want to save as much money as does anyone else, but I am not in favor of lowering the dignity of this body. We should not go back on the concept which Jefferson had in mind with reference to the Capitol. It is all right to save a million dollars here and there.

I again invite attention to the guests we have with us. Did they come to see the Senator from New Mexico or any other Senator? No; they did not. They came to see the Senate of the United States. The Senate should act as a symbol of the idea which has made this country what it is. The city of Washington was originally laid out with the concept of having the dignity befitting the center of a great nation. Long before the Declaration of Independence, Benjamin Franklin was possibly dreaming that eventually somewhere within the Thirteen Colonies there would be a capitol. For what purpose? To satisfy individual Senators or to satisfy the American people?

The concept was embodied in works of such illustrious men as Thomas Jefferson, who was himself an architect of repute, and of other architects of the time who believed in a living development of classic architecture, that is to say, an organized arrangement of simple forms on dignified lines.

I have been to Charlottesville and to Monticello, Mr. President, and I have seen the work of the illustrious Jefferson, the manual work he performed. That is why I appreciate what he did when he thought and dreamed of the Capitol of the United States.

The Thirteen Colonies were small, Mr. President, but we have made more progress in raising the standards of living of a free people than has been accomplished in Europe, with thousands of years of effort. Europe has not yet reached the standard developed under the concept of the founders of the Capital of the United States.

We can build a barn for the United States Senate and provide plenty of space, but I hope we shall not do that.

All the official buildings of Washington, the Capitol, the White House, the Senate and House Office Buildings, the United States Supreme Court Building, embody the principles and concepts to which I have referred. All these buildings in their various forms, express the idea. They are different from purely commercial structures designed along functional lines, without dignity, and meant solely for functional uses.

Who wants Washington to be a commercial city? Washington is not the industrial center of the United States, but it represents the concepts and the ideals which have made possible the great industrial centers of the United States. It represents a political philosophy of a free people. It represents the hope and the confidence of free peoples throughout the world. That is why we must build along the lines which I have suggested.

These buildings have become a symbol of the seat of Government for all America. The American people have always viewed these buildings with love and respect. They do not visit Washington in order to see me or to see any other Senator. Of course, we have individual visitors from our home States, but when visitors come here by bus loads, they come to see the capital of the United States, and we love to have them here.

The American people have always viewed these buildings with love and respect and they cherish them as a symbol of their hopes, their unity, their growth, and the splendor of the Nation which they have built. They should be proud. We should be proud, Mr. President. We should not be stingy in our efforts to promote the beauty and glory of the capital of the Nation.

When the present Senate and House wings of the Capitol were planned and built shortly before the trying days of the Civil War—and let us remember that we had a Civil War, and it was necessary that we show our unity—they were of dignified design and even in those days were constructed of marble, in keeping with the dignity of our Government. Oh, Mr. President, we can construct a building of white pine. We can save money, and give it to Europe. We can give it to Asia. We can give it to anybody. However, we are asked to save money on these plans.

The present Senate and House Office Buildings and the United States Supreme Court Building, subsequently planned and constructed, were also planned and built along lines of dignified design, and they are likewise constructed of marble. Would anyone want the Supreme Court Building and the House and Senate Office Buildings to be of a different design than in the dream of Jefferson? I am sure no one would want that.

The proposed new Senate Office Building has been planned along lines of similar dignity and in harmony with the Capitol and other buildings in the vicinity of the Capitol.

The project was authorized by the Eightieth Congress, to be carried forward in substantial accordance with preliminary plans approved by the Senate Office Building Commission in June 1948. The detailed plans were developed during the period August 1948 to April 1949. They were approved by the Senate Office Building Commission, as presently composed, in April 1949.

Since that time—and I call this to the attention of the Senator from Louisiana—the Senate Committee on Appropriations has taken different action, and it is the duty of the Commission to follow that action.

This is not a new Commission. It has been in continuous existence since 1904. That is 46 years, Mr. President. This Commission not only directed the construction of the three original wings of the Senate Office Building, but also the construction of the fourth or First street wing in 1931–33, the alteration of the C Street facade of the building, and the completion of the approaches to the building.

Congress has seen fit for the past 46 years to entrust this Commission with the direction of construction of quarters for the United States Senate and the Commission has always been composed of both majority and minority representation. From 1904 to 1947, the Commission consisted of three Senators. In 1947, the membership of the Commission was increased from three to five Senators.

When the Senate Office Building preliminary plans were authorized in 1947, the Commission consisted of former Senators Revercomb, Brooks, and Overton, the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Rhode Island [Mr. GREEN]. When the preliminary plans were approved, in July 1948, and the new building project authorized, the Commission consisted of former Senators Revercomb and Brooks, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Rhode Island [Mr. GREEN], and the Senator from Alabama [Mr. SPARKMAN].

The Commission as presently constituted consists of the Senator from Rhode Island [Mr. GREEN], the Senator from Alabama [Mr. SPARKMAN], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Nevada [Mr. MALONE], and the present speaker.

Mr. President, I hope that this body will want to take care of itself. Oh, we can vote billions of dollars without batting an eye. We can appropriate automobiles for third-class clerks in a department, and we can appropriate travel money for departments. However, when it comes to doing something for the people of the United States we are told that we must be extremely careful that we do not waste the people's money. Mr. President, not only the Building Commission but the Committee on Public Works and the Committee on Appropriations, after due deliberation and consideration, reported this item to the Senate. We feel justified in asking Members of the Senate to stand by the committee and not approve any amendments with respect to this item.

Mr. President, I ask unanimous consent to insert in the RECORD, at this point in my remarks, the letters from Senators which I discussed during my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
*August 22, 1949.*

Hon. DENNIS CHAVEZ,
*United States Senate.*

MY DEAR SENATOR: You wrote me on August 19 with reference to my thoughts on the necessity for a new Senate Office Building.

Almost complete plans had been made for the new Senate Office Building, during the Eightieth Congress, before I learned of them.

Certainly there is a shortage of space for the Senators from the larger States who have more than the minimum number of clerks in their offices.

I believe the idea of an additional story on the present office building was not investigated thoroughly enough. Also, additional room could be provided if several unused and unnecessary elevator shafts were done away with. Also, there are several unnecessary departmental liaison offices still in the building.

I believe the block of land across the street east from the present office building could be used to great advantage as a parking lot for the cars of Senate office employees.

Sincerely yours,

CHAN GURNEY.

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UNITED STATES SENATE,
COMMITTEE ON PUBLIC WORKS,
*August 22, 1949.*

Hon. DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR CHAVEZ: I have your letter of August 18 with reference to present office space and additional needs. In reply I wish to advise that I believe additional space is needed. I believe it can be secured on a basis acceptable generally to the membership of the Congress. Frankly, I do not think we need as much space as was contemplated in the plans heretofore discussed. It occurs to me that serious thought could be given to the development of a plan for a new building and the construction of one wing at a time as needs would justify.

I am quite aware of the real need for more garage space. I think this could be taken care of in the basement.

I will be glad to discuss this with you further at your pleasure.

With every good wish, I am,

Sincerely yours,

ROBERT S. KERR.

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UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
*August 20, 1949.*

The Honorable DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR: Thank you for your letter of the 19th which reopens the discussion on the Senate Office Building.

I can easily realize that it might seem more practical to get plans drawn up for the new office building without submitting those plans to the criticism and suggestions of the Senate. You would have so many different ideas, so strongly expressed and so at variance with each other, that you would be fearful of getting nowhere.

On the other hand, you have had the example of the difficulties of the opposite course. Doubt as to the project was aroused in the minds of many Senators including myself as to the size and lavishness of the project; the whole thing burst on us without warning, and the first reaction was unfavorable in a body which is for the most part deeply concerned with economy.

My personal requirements are for one more room and three toilets. They need to be good sized rooms, larger than those which face on the court of the old office building. I would like to stay right where I am and have another room added to the suite, made available by the general redistribution resulting from the new building if it is built.

With regard to the building itself, I would strongly urge that you display the floor plans in some convenient spot such as the Senate Caucus Room.

My own suggestions would be that we provide only for new committee rooms and suites for committee chairmen, plus a new Senate and staff restaurant with its own staff and kitchens. This will relieve pressure on the crowded dining rooms in the Capitol, which however, will be still the major facility for the Senators and their Capitol staff while the Congress is in session.

It would seem that these results can be obtained by completing the ell whose sides front on Constitution Avenue and First Street. Removal of the corresponding committee offices will leave a lot of space available for storage at the subway level of our old building. These are the suggestions which I would like to see carried out.

Sincerely yours,

RALPH E. FLANDERS.

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UNITED STATES SENATE,
*Washington, D. C., August 20, 1949.*

The Honorable DENNIS CHAVEZ,
*United States Senator,*
*Washington, D. C.*

MY DEAR SENATOR CHAVEZ: This is in reply to your communication of August 18 with respect to construction of a New Senate Office Building to house Senate Committees. I sincerely appreciate the opportunity to comment on this proposal.

We are quite comfortable in two of the three rooms assigned to me, Suite 252. The center room, between the reception room and my office, is very crowded, in that four and oftentimes five of my staff are required to perform office functions in a very small area. In fact, my Administrative Assistant has space in this office, and is constantly meeting visitors without privacy, which, in my opinion, is not in accordance with the dignity of his office. One additional room would benefit us considerably.

If your committee desires personal comment to justify the construction of this building I would be pleased to attend one of your meetings.

With personal regards, I am,

Sincerely yours,

LESTER C. HUNT.

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UNITED STATES SENATE,
COMMITTEE ON PUBLIC WORKS,
*August 20, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission,*
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR CHAVEZ: I appreciate your letter of August 18, relative to the projected new Senate Office Building. Of course my staff and I find our three-room suite inadequate and I have been trying to get a four-room suite for some time.

I shall give specific thought to the matter and will discuss the situation with you later.

With kindest regards, I remain,

Yours faithfully,

SPESSARD L. HOLLAND.

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CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON ATOMIC ENERGY,
*August 19, 1949.*

The Honorable DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission,*
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR CHAVEZ: I have your letter of August 18, and thank you for the opporunity to give you a statement of my experience with present office facilities.

For the first 4 years of my term, I occupied a three-room suite which was quite inadequate. On January 1 of this year, I was fortunate to acquire another room which, while an improvement, is still inadequate considering the number of personnel required on my staff, the necessity for crowding several people in each room, along with filing equipment, and storage space. I could, therefore, definitely use another room.

I feel that one of the vital needs is for larger committee hearing rooms and sufficient space for committee staff quarters which are now wholly inadequate.

With kind regards, I am,

Yours sincerely,

B. B. HICKENLOOPER.

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UNITED STATES SENATE,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
*February 27, 1950.*

Hon. DENNIS CHAVEZ,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR: I apologize for the long delay in replying to your letter of February 14, wherein you invite me to comment on the adequacy of the office space which I now use in the discharge of my duties here in the Capitol.

For some time past I have found my quarters quite inadequate to conduct the business of a State as large as Pennsylvania, and have from time to time been compelled to rent outside space in order that my staff could be properly quartered. Most of the girls work under severe handicaps and most trying conditions, and I am looking forward eagerly to the time when this might be corrected.

Thank you for your interest in writing me.

Sincerely yours,

FRANCIS J. MYERS.

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UNITED STATES SENATE,
*Washington, D. C., February 27, 1950.*

The Honorable DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

DEAR DENNIS: I want to thank you for giving me an opportunity to express my views on the adequacy of my present office space.

I am satisfied with what I have, of course, under the circumstances. The record will show that I have a three-room suite, but certainly I would use an additional room and maybe two. This is not from the standpoint of additional space for comfort but for adequate working space in connection with my duties in the Senate.

I think it is wise for the Legislative Appropriations Committee to give consideration to the suggestions of the Senate Office Building Commission to provide adequate working space for Members of the Senate.

Kindest regards and all best wishes.

Sincerely,

HARRY DARBY.

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UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*February 23, 1950.*

The Honorable DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, United States Senate,*
*Washington, D. C.*

DEAR SENATOR: Thanks very much for your recent letter inquiring whether or not I consider my present office space and the facilities of the Foreign Relations Committee ample or inadequate.

At the present time the space allotted to me in the Senate Office Building for my office staff is ample to meet our requirements. On the other hand, I have been attempting for the past year to secure additional space for the Foreign Relations Committee. As you may know, the committee and its staff are confined to the committee room proper and two additional rooms in the Senate wing

of the Capitol. We find this space quite inadequate. Since I took over the chairmanship a year ago, it has been necessary for two of our staff members to use the office space which has been normally assigned to the chairman. I am very hopeful that we may be able to find one or two additional rooms so that the committee work may not be hampered by lack of space.

With cordial good wishes, I am,

Sincerely yours,

TOM CONNALLY, *Chairman.*

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UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
*Washington, D. C., September 19, 1949.*

The Honorable DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Washington, D. C.*

DEAR SENATOR CHAVEZ: I have your letter of August 23 referring to the new Senate Office Building and also asking questions concerning the office facilities afforded us at the present time. Senator CHAVEZ, our office space is very inadequate and it is most difficult for my staff to do their work. We are crowded into three rooms. I have requested additional room several times, but have always been informed that it is not available, and in the meantime my staff continues to work under the handicap of crowded, congested office space where efficient office functioning is most difficult.

Sincerely yours,

EDWARD J. THYE,
*United States Senator.*

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UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
*September 22, 1949.*

Senator DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR: Replying to your inquiry concerning the adequacy of my Senatorial office, I regret to inform you that our space is entirely insufficient for the personnel permitted a Senator from the State of California. I am somewhat more fortunate in that I have a total of 4 offices rather than the three allocated to many Senators, but nevertheless I find it necessary to have some of my personnel working outside the office and some assigned to California, although I would prefer to have them in Washington if I had sufficient space for them.

With best wishes,

Sincerely,

SHERIDAN DOWNEY.

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UNITED STATES SENATE,
COMMITTEE ON EXPENDITURES
IN THE EXECUTIVE DEPARTMENTS,
*October 7, 1949.*

The Honorable DENNIS CHAVEZ,
*Chairman, Committee on Public Works, United States Senate*

DEAR SENATOR CHAVEZ: Some time ago I wrote you a memorandum and then held it up, eventually misplacing it. This was with reference to your letter of August 22 regarding the proposed new Senate office building.

Quite frankly, I want to add my experience to a number of others you no doubt know of who, while we are first year men, find ourselves in cramped quarters, even though we may not have the volume of work our seniors have.

Naturally I want to be economical, but the volume of mail and the requests from my home State, to say nothing of my activities in committee and related matters, require that I do not cut down on my office staff. I have seven on my staff at present and find that I must add to this number, and you can readily see what that means by way of office space and filing accommodations.

I hope this gives you some idea of how I feel about needed office space.

Sincerely,

ANDREW F. SCHOEPPEL.

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UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY
*February 15, 1950.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Public Works Committee, Washington, D. C.*

DEAR SENATOR CHAVEZ: This will acknowledge your letter of February 14, which has been received in the absence of Senator Long in Louisiana. I have discussed the matter with him by telephone since receipt of your letter.

If I correctly understand, he is not prepared to take any position with reference to the new building. At the same time, we are faced with considerable difficulty in trying to operate our office in very cramped quarters; and, because of an extremely heavy volume of work, we have found it necessary to split our operations into shifts, with a small group working at night.

Sincerely yours,

BRUCE TUCKER,
*Administrative Assistant.*

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UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
*February 15, 1950.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission,*
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR: Thanks for your letter and as a member of the Appropriations Committee, I shall of course give every consideration to the thoughts expressed by the various Senators. As far as I am personally concerned I have sufficient space.

Sincerely yours,

BURNET R. MAYBANK.

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UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
*February 16, 1950.*

Hon. DENNIS CHAVEZ,
*Senate Office Building Commission,*
*Senate Office Building.*

DEAR DENNIS: Your letter of February 14, supplementing your letter of August 18 with regard to the proposed new Senate Office Building, has been received.

I appreciate your bringing this to my attention at this time, and in connection therewith, I should like to say that my suite in the Senate Office Building is at present definitely inadequate. We have felt the need for additional office space for some time and in the past 2 years, this need has become acute. I now have a three-room suite with an additional room downstairs in the basement for storage purposes. Another room could be used to good advantage.

With every good wish,

Sincerely yours,

C. W. TOBEY.

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UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
*February 16, 1950.*

Hon. DENNIS CHAVEZ,
*Senate Office Building,*
*Washington, D. C.*

DEAR DENNIS: I am in receipt of your letter of February 14 relative to space in the Senate Office Building.

As you will recall, last year I voted against going ahead with the building because I felt we should not ask other departments to cut down their expenses and not agree to do so ourselves. To answer your question specifically, as far as I personally am concerned, of course I could use more space in my office.

I am a member of the subcommittee on legislative appropriations and certainly will be only too happy to look into this matter very fully when the subcommittee meets.

With best regards and thanks for writing me, I am,

Sincerely,

LEVERETT SALTONSTALL,
*United States Senator.*

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UNITED STATES SENATE,
COMMITTEE ON RULES
AND ADMINISTRATION,
*February 16, 1950.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Washington, D. C.*

DEAR SENATOR CHAVEZ: Your note of February 14 was awaiting me when I returned to Washington.

I want to be entirely consistent in replying to your query as to the matter for additional space in the Senate Office Building. Although I have been among those who have insisted on the utmost economy in governmental expenditures, I can readily appreciate the insistent demand for enlarged quarters.

As one's tenure in the Senate grows there is additional demand made for additional services. I find myself in that situation and can honestly tell you that we are in need of at least one more room.

I regret the delay in replying.

With kindest personal regards.

Sincerely yours,

W. E. JENNER.

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UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
*February 20, 1950.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission,*
*Committee on Public Works,*
*Washington, D. C.*

DEAR SENATOR: In answer to your letter of recent date, in which you request my views with respect to the proposed new office building, I might cite the fact that for several years I have been seeking an additional office, in order to relieve congestion in my present quarters.

I am not familiar with conditions in other Senators' offices, but I do know it has been impossible for me to find the additional space in the Senate Office Building, which my constantly increasing volume of business requires.

With kindest personal regards, I remain,

Sincerely yours,

HERBERT R. O'CONOR.

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UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
*February 17, 1950.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Senate Office Building, Washington, D. C.*

DEAR SENATOR: I appreciate your letter with regard to my office space.

I find that my staff is very much crowded; however, I am not pressing that a new building be built because of our special congestion in this office.

With appreciation of your consideration, I am,

Sincerely yours,

FRANK GRAHAM.

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UNITED STATES SENATE,
*Washington, D. C., February 23, 1950.*

Hon. DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

DEAR DENNIS: I agree with the general statement of conditions in the Senate Office

Building contained in your letter of August 13 last, which I regret escaped my attention. Not only do I find space insufficient, as chairman of the Committee on Interior and Insular Affairs and as chairman of the Joint Committee on the Economic Report, but my own quarters are scarcely sufficient for the activities of such a staff as any Senator now requires.

The responsibilities of Congress are steadily increasing, as everyone knows. As the duties of the committees continue to increase along with the business of each Senator's office, the present inadequacy of space in the Senate Office Building will, in my judgment, only result in making more difficult the accomplishment of our responsibilities.

With every good wish.

Sincerely yours,

JOSEPH C. O'MAHONEY.

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UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
*February 15, 1950.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Senate Office Building, Washington, D. C.*

DEAR SENATOR CHAVEZ: This acknowledges receipt of your letter relative to Senate Office space. This is the only letter from you that has been called to my attention relative to this matter. I presume your former letter was misplaced.

I am not familiar with the conditions in all the offices. I should prefer to have the result of the investigation from all of them, as I would be willing to forego any convenience to myself if all the other Senators are properly provided for. I am ready to abide by the decision of the committees handling the matter.

Thank you for calling this to my attention.

Yours very truly,

GARRETT L. WITHERS,
*United States Senator.*

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UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*August 22, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, United States Senate, Washington, D. C.*

DEAR SENATOR CHAVEZ: This will acknowledge your letter to Senator LODGE. It arrives as he is temporarily out of the office on a trip taken in connection with his official duties. I will show him your letter as soon as he returns and assure you that it will have his immediate attention.

Very sincerely yours,

FRANCIS MCCARTHY,
*Secretary to Senator Lodge.*

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UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*October 6, 1949.*

Hon. DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR: Thanks for your letter of August 19, which I have just seen on my return to the office, regarding space in the Senate Office Building.

I have always felt that if a diagram of the Senate Office Building and the Senate wing of the Capitol were made available to every Senator showing the allocation of each room that we could then judge better whether we needed more space or not. As you know, however, this has always been considered a very confidential matter and it seems impossible for the rank and file of Senators to know how the rooms are used.

I have not studied the drawings for the proposed new Senate Office Building carefully, but I did look at them once and I noted what seemed to me to be rather a grave defect in the planning. In the proposed new committee rooms, there was a very inadequate amount of space allowed behind the places where the members of the committees are supposed to sit. One of the troubles in the Finance Committee room in the present Senate Office Building and in the caucus room, as well as in the Appropriations Committee and Foreign Relations Committee rooms, is that the space behind the Senators is so small that there is always a great deal of congestion and noise. If we are to have a new Senate Office Building, the committee rooms should be designed so that there is plenty of room behind the Senators for the members of their staffs and their advisers to sit and for messengers to pass by without constantly causing a realinement of chairs. I think that this is one respect in which we should learn from experience.

In fact, I think it would be wasteful, not to say stupid, for us to put up a new Senate Office Building in which the errors of the present building were blindly repeated.

With best wishes,

Very sincerely yours,

H. C. LODGE, Jr.

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UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*August 22, 1949.*

Hon. DENNIS CHAVEZ,
*Senate Office Building Commission, Washington, D. C.*

DEAR SENATOR: In reply to your letter regarding the new building, the principal criticism which I have heard from other Senators is that the plans for the proposed building are much too elaborate. From what I have heard, I believe a new building constructed along more functional lines, as many of our modern business buildings are, will attract the support of the Senators. Generally speaking, I think our public buildings are about as inefficient and wasteful of space as any I know. Personally, a small detached room for some privacy would be extremely convenient. Otherwise, my office is quite satisfactory.

With kind regards, I am,

Sincerely yours,

J. W. FULBRIGHT.

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UNITED STATES SENATE,
COMMITTEE ON RULES
AND ADMINISTRATION,
*August 23, 1949.*

Hon. DENNIS CHAVEZ.
*Senate Office Building,*
*Washington, D. C.*

MY DEAR SENATOR CHAVEZ: My rather brief experience here serves to convince me that the facts contained in your letter of August 19 are true, beyond any question of doubt. However, I am so deeply concerned about the fiscal problems of our Government that I hesitate to subscribe to any program which will impose new burdens upon our taxpayers unless that program is absolutely essential to the needs of the people.

And now, with respect to the proposed new Senate Office Building, I know that it would be helpful insofar as the Senators are personally concerned but actually is it not true that we can get along without it until we reduce some of the other expenditures of government? Many times during the recent war I had to work in offices which were virtually pig sties and on some occasions my office was nothing more or nothing less than a security box in a badly damaged building, but somehow I was still able to produce, and as I look back over some of the records in my files I am not at all ashamed of the quality which that work discloses.

As a new Member of the Senate I am extremely anxious to cooperate with my colleagues in anything which will be helpful to their worthy objectives, but in this instance, I cannot bring myself to the view that the expenditure is justified at this time.

Perhaps some day you and I should sit down together and discuss this whole problem in detail—maybe you can convince me that I am in error. I certainly will be the first to admit it, if that is so.

Sincerely yours,

ROBERT C. HENDRICKSON.

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UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
*August 23, 1949.*

The Honorable DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR: Thank you for your kind letter of August 19, regarding the proposed new Senate Office Building.

In answer to your inquiry, I find that my office facilities are adequate. While I could undoubtedly make use of additional space, yet I believe the necessary functions of the office can be carried out within our presently allotted suite.

I greatly appreciate your kindness in contacting me.

Sincerely yours,

ALLEN FREAR.

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UNITED STATES SENATE,
COMMITTEE ON
AGRICULTURE AND FORESTRY,
*August 25, 1949.*

Hon. DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR: Thank you for your letter of August 23 making inquiry regarding my situation as to office space.

Fortunately, I have sufficient room. A great many other Senators, I am sure, however, are not so fortunately situated and particularly those from the larger States.

With kindest personal regards.

Sincerely yours,

MILTON R. YOUNG,
*United States Senator.*

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UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
*August 26, 1949.*

Hon. DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR CHAVEZ: I have yours of August 22 about building an additional Senate Office Building.

I am opposed to spending money to increase present quarters and facilities until we have successfully balanced the budget. When we have done that, it will be time to consider this matter.

With my best wishes, I am,

Cordially yours,

CLYDE M. REED.

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UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
*August 31, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Senate Office Building, Washington, D. C.*

DEAR DENNIS: This will acknowledge and thank you for your recent letter concerning the new Senate Office Building, of which you are committee chairman.

I deeply appreciate your writing me concerning the possibility of obtaining additional space, but I have four rooms now, and feel that four rooms is ample space for my office staff.

Hoping you are well, and with kindest personal regards, I am,

Sincerely,

BILL LANGER.

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UNITED STATES SENATE,
COMMITTEE ON
LABOR AND PUBLIC WELFARE,
*September 8, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Washington, D. C.*

DEAR DENNIS: Replying to your inquiry as to whether I find my office space adequate or not, I will say that I do find the facilities which I now have entirely satisfactory and see no necessity for increasing them in the immediate future.

Best regards.

Sincerely yours,

GEORGE D. AIKEN.

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UNITED STATES SENATE,
*Washington, D. C., February 15, 1950.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, United States Senate, Washington, D. C.*

MY DEAR SENATOR: I have your letter of February 14 in regard to the proposed new Senate Office Building, and I regret that I did not reply to your letter last summer about this matter.

Since Delaware is next to the smallest State in area in the Union, I find that my office space of three rooms is adequate to my present needs. Should it become necessary to make any new additions to my staff, additional space would be desirable.

With kindest regards and best wishes, I am,

Yours sincerely,

JOHN J. WILLIAMS.

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UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*February 16, 1950.*

Hon. DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR: This will reply to your letter of February 14.

I am sorry if your previous communication regarding the proposed new Senate Office Building was not answered.

I am glad to advise you that my present office space is entirely adeqaute and satisfactory.

With warm personal regards and best wishes,

Cordially and faithfully,

A. H. VANDENBERG.

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UNITED STATES SENATE,
COMMITTEE ON FINANCE,
*February 16, 1950.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission,*
*United States Senate,*
*Washington, D. C.*

MY DEAR DENNIS: I have your letter of February 14.

I have sufficient space to transact my office affairs. Under present conditions I am opposed to the construction of a new office building. I believe, with proper utilization, the existing space will be adequate for some while to come.

With kindest regards and best wishes, I am,

Faithfully yours,

HARRY F. BYRD.

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UNITED STATES SENATE,
COMMITTEE ON BANKING
AND CURRENCY,
*February 15, 1950.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission,*
*United States Senate,*
*Washington, D. C.*

DEAR DENNIS: Replying to your letter of the 14th will say that my present office space is adequate for my present needs.

With kind personal regards and best wishes, I am,

Sincerely yours,

A. WILLIS ROBERTSON.

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AUGUST 18, 1949.

Hon. ELMER THOMAS,
*Chairman, Committee on Agriculture and Forestry, United States Senate,*
*Washington, D. C.*

DEAR MR. CHAIRMAN: In the first session of the Eighty-first Congress the construction of the projected new Senate Office Building east of the present Senate Office Building was temporarily delayed as a result of objections by a few Senators.

As Chairman of the new Senate Office Building Commission, I have given considerable thought to the matter, and it is my observation that most of the Senators and committees now housed in the Senate Office Building are sorely crowded for space. Since we will try to go ahead in the second session of the Eighty-first Congress with plans for the new Senate Office Building, I write you in the hope that you will take a few moments to give me a few expressions about the new Senate Office Building and your own space conditions.

Not a few of the committee chairmen have voiced the complaint to me that there are not enough committee rooms available when Congress hits even a normal business cycle. We find three or four committees trying to borrow rooms every day, and in the case of my own Committee on Public Works, were we to lend our committee room, it means the Public Works staff must stop its business because there is no place for them to work aside from the committee room. We are forced into the situation of operating with only one subcommittee at a time, unless we are fortunate enough to borrow another room, and we have succeeded in borrowing facilities only about three or four times in the last 6 months.

Perhaps you know that we have proposed in the new Senate Office Building to house the committee chairmen, the committee staffs, and the office staffs of the chairmen. We had thought that this consolidation of all committee activities in one building would greatly increase the efficiency of the committee work and at the same time release substantial space now occupied by committees and their chairmen for use by other Senators.

I am inquiring of not only the committee chairmen, but the individual Senators about office space for their staffs. I wonder if you would be good enough to give me a statement of your experience with your committee facilities and tell me whether or not you consider them ample or inadequate. I should like a separate expression on whether or not you consider your own office facilities adequate for your staff for your State work. Any statistics on present and future staff and space needs would also be very helpful.

With best wishes, I am,

Sincerely yours,

DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission.*

AUGUST 18, 1949.

Hon. GEORGE D. AIKEN,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR: In the first session of the Eighty-first Congress the construction of the projected new Senate Office Building east of the present Senate Office Building was temporarily delayed as a result of objections by a few Senators.

As Chairman of the New Senate Office Building Commission, I have given considerable thought to the matter, and it is my observation that most of the Senators and committees now housed in the Senate Office Building are sorely crowded for space. Since we will try to go ahead in the second session of the Eighty-first Congress with plans for the new Senate Office Building, I write you in the hope that you will take a few moments to give me a few expressions about the new Senate Office Building and your own space conditions.

Perhaps you know that we proposed in the new Senate Office Building to house the committee chairmen, the committee staffs, and the office staffs of the chairmen. We had thought that this consolidation of all committee activities in one building would greatly increase the efficiency of the committee work and at the same time release substantial space now occupied by committees and their chairmen for use by other Senators.

The Architect of the Capitol estimates that if the new Senate Office Building could be constructed and the committees and committee chairmen moved into it, it would make an average of one more room available for the individual Senators and their staffs. To me, that addition of one more room on the average would materially help in the space situation.

I am fully cognizant of the cramped quarters in which many Senators find themselves, and it is my hope that we can work out some program of construction and realinement which would make for more satisfactory working conditions for the Senators.

My only thought in continuing to press for the new Senate Office Building is the uncontested fact that the Senators do not have sufficient space to accomplish properly their every-day missions in their offices. I am confident that something to provide relief can be accomplished in the second session if the Senators will give the Commission members their wholehearted support.

I wonder if you would be good enough to give me a statement of your experience with your office facilities and tell me whether or not you consider them ample or inadequate. Any statistics on present and future staff and space needs would also be very helpful.

With best wishes, I am,

Sincerely yours,

DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission.*

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UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
*February 27, 1950.*

Hon. DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

DEAR DENNIS: I have just returned to my office after being away to recuperate from a recurrence of a virus pneumonia attack I suffered last November, and am taking the first opportunity to reply to your letter of February 14 in which you make inquiry concerning my feelings about the proposed new Senate Office Building.

I am of the same opinion I had a year ago and that is that we need such a new Senate Office Building. So far as I personally am

concerned, I need additional space for the efficient operation of my office.

With every good wish,

Sincerely yours,

STYLES BRIDGES.

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UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
*August 19, 1949.*

Hon. DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR: Your letter of August 18 inquiring about (1) office space for committee and staff work and (2) space for our regular senatorial duties received and noted.

Frankly I must say that it seems to me that so far as my committee and staff work is concerned we have ample space for the Committee on Appropriations over in the Capitol.

I have four rooms over here and we are not cramped at all so far as I know.

However, since the Senate has decided to have an additional building and additional space I shall not put anything in the way but will go along with my colleagues.

With kindest regards, I am,

Sincerely your friend,

KENNETH MCKELLAR.

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UNITED STATES SENATE,
COMMITTEE ON LABOR AND
PUBLIC WELFARE,
*August 19, 1949.*

The Honorable DENNIS CHAVEZ,
*The United States Senate,*
*Washington, D. C.*

DEAR SENATOR CHAVEZ: I received your letter of August 18th in regard to the possible construction of a new Senate Office Building. You asked me to write to you giving a statement of my experience with my present office facilities and whether or not I consider them ample or inadequate.

I can answer very briefly and pointedly. My physical office facilities are extremely inadequate from the standpoint of space. We currently have three rooms, approximately 15 feet by 25 feet. One of these three rooms is my personal office. We have eleven people on the staff. Ten of whom are crowded into the two remaining rooms. My administrative assistant shares my office primarily due to lack of space.

Frankly, it is impossible to care for more than a limited number of constituents at one time. I simply do not have sufficient space for chairs to even allow my friends and constituents as they arrive from Minnesota to sit down.

This extreme shortage of physical area, I firmly believe, is a handicap to good office procedure and efficient work. Every member of the staff constantly has the feeling that he is either under someone else's feet or that someone else in turn is under his feet.

Then, of course, there is the very major problem from the standpoint of inadequacy of filing area. As you well know there is a tremendous amount of correspondence in a Senatorial office and filing becomes a major problem. We currently have nine files and could well use twice this many.

Also, as you know, it is necessary that we keep sufficient supplies in the immediate office to handle the many hundreds of letters every day. As it is at present members of my staff must make frequent visits to our storeroom in the attic to replenish the supply of working materials.

Inasmuch as the State of Minnesota is currently within 60,000 of reaching a population of three million, I have every reason to believe that my staff will increase in size within the next year or so. Under present office arrangements we could not accommodate additional people, though we might have the budget and the need is dire.

I assure you of my wholehearted support in your efforts to prevail upon the Senate to appropriate the funds for the construction of the new Senate Office Building.

Sincerely yours,

HUBERT H. HUMPHREY.

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UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
*August 20, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Senate Office Building, Washington, D. C.*

MY DEAR SENATOR: With reference to the projected new Senate Office Building, I wish to go on record as definitely in favor.

As you know, I am chairman of the Senate Judiciary Committee, and as such must of necessity have a full staff in order to handle the heavy work load. The members of my staff are working under a handicap in that there is not sufficient space. If there were available connecting rooms for the professional staff members, I believe the output of work would be increased, since when there are hearings scheduled the staff members must refrain from conducting business. This is a great loss of valuable time.

I am heartily in favor of this new building, and sincerely hope that action will be taken as soon as possible to proceed with the project.

Further, as chairman of the Judiciary Committee, I have the Immigration Subcommittee. The subcommittee is now located in room 449. If you were to go there, I believe that alone would be a selling point for the new building. It was necessary for me to place four or five of my stenographers in the corridor in a poorly lighted place. This, too, is not conducive to good work.

My kindest personal regards and all good wishes to you.

Sincerely,

PAT MCCARRAN,
*Chairman.*

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UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
*August 20, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Senate Office Building, Washington, D. C.*

MY DEAR SENATOR: I wish to go on record as being most heartily in favor of the new Senate Office Building.

My present office space is overcrowded and inadequate for my office staff, and I am convinced if sufficient space were available, it would be conducive to better work, more work, as well as beneficial to the health of my employees.

I hope you will make this letter a part of your file in favor of the new Senate Office Building.

Kindest personal regards.

Sincerely,

PAT MCCARRAN.

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UNITED STATES SENATE,
COMMITTEE ON PUBLIC WORKS,
*August 20, 1949.*

Hon. DENNIS CHAVEZ,
*United States Senate.*

DEAR DENNIS: I have your note of August 19, and want to say that I am in favor of an additional Senate Office Building, as you already know. I voted for it in committee, and also on the floor of the Senate.

At the present time I do not have room enough for all of my office force, and have three of them housed downtown. This is not the condition that makes for utmost efficiency and I think that each Senator should have at least four rooms and some of us need five to do proper work.

I hope that you will present this matter during the second session of the Eighty-first Congress.

Sincerely,

GEORGE W. MALONE.

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UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE
AND FORESTRY,
*August 22, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, United States Senate, Washington, D. C.*

DEAR SENATOR: For some time I have planned to discuss with you the construction of the projected new Senate Office Building, and to express to you my views regarding the urgent need for the building and the additional space which it would afford.

While I am speaking for myself just now, I have talked with several Senators who take the same attitude I do, and we are all of the opinion that a great many of the Senators are in need of more office space.

As you perhaps know, I occupy a suite consisting of three rooms. I find this space wholly inadequate for my present staff. The crowded conditions under which they work are certainly not conductive to the most efficient performance of their duties. My administrative assistant shares a room with three other employees who are surrounded by 11 file cabinets and several bookcases. Between their desks there is hardly room to place the chairs. Such a situation makes it impossible not only to extend to constituents and others the courtesy of a private interview, which very often is desirable, but also to properly analyze legislation and other material which is necessary to digest.

The inadequacy of office facilities in my own case causes me to express the fervent hope that the construction of the new building may be started at the earliest date possible, and I assure you that your commission will have my wholehearted support in its endeavor to bring this about.

Sincerely yours,

CLINTON P. ANDERSON,

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UNITED STATES SENATE,
*Washington, D. C., August 22, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Senate Office Building, Washington, D. C.*

DEAR DENNIS: Your letter of August 19, regarding the great need which some of us have for more office space, is very greatly appreciated. As you may know, I have four rooms, one of them apart from the others. This situation leaves me in a terribly cramped condition; as a matter of fact, one of my staff has to work in my own private office while the other staff members are almost sitting on top of one another.

Really, if I were to have the office space which the very large amount of correspondence and general business transacted in my office required, I would need two additional offices. However, if I could obtain only one more, as your letter suggests, it would be a godsend to me.

It was because of this personal situation that I was very glad to support the efforts you made in behalf of a new Senate Office Building.

With very best regards, I remain,

Sincerely yours,

IRV IVES.

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
*August 20, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, United States Senate, Washington, D. C.*

DEAR SENATOR CHAVEZ: Thank you very much for your letter of August 19, 1949. I am glad to know that you will try to go ahead in the second session of this Congress with plans for the new Senate Office Building.

For many years I had inadequate quarters with serious overcrowding of staff and I know that the same situation prevails with other Senators. The present situation where committee staffs and the staffs of chairmen and the office of the chairmen are scattered all over the place represents deplorable inefficiency. The chairmen who are responsible for the work of those staffs have to waste a lot of time running back and forth between scattered offices or they disrupt the orderly work of staff members by having the members do the running back and forth. Personal supervision is impossible. I cannot understand the qualms which Members of Congress feel against doing something that will put them into position to do a better job. We pour out our money for the executive departments and stint our own demonstrable needs.

May I express my appreciation of your active interest in this matter and wish you the best of success. I shall be glad indeed to give my personal support to your effort.

With very best regards, I am,

Sincerely,

EUGENE D. MILLIKIN.

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UNITED STATES SENATE,
COMMITTEE ON PUBLIC WORKS,
*August 22, 1949.*

Hon. DENNIS CHAVEZ,
*United States Senator, Senate Office Building, Washington, D. C.*

MY DEAR SENATOR: My sympathy for the point of view contained in your welcome letter of August 18 is very keen. I think that the sooner a new Senate Office Building is constructed the better off the Senate as a whole and as a working force will be.

For the present and for quite a long time to come I have all of the space I need because my suite consists of four rooms. This fact, however, is beside the point. Most of the Senators whom I know are confronted and worried by space which is inadequate. I have but recently moved from a three-room to a four-room suite. My considered opinion is that the effectiveness of my staff has been immeasurably increased and I am able to render much better service through myself and my staff. In knowing the vast difference in effectiveness which comes from adequate space I am anxious to assist you in securing comparable accommodations for those of my fellows who are not properly accommodated now. I want to look to you for suggestions to cover the ways in which I might be of service.

Most cordially,

HARRY P. CAIN.

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UNITED STATES SENATE,
*Washington, D. C., August 23, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Senate Office Building, Washington, D. C.*

MY DEAR SENATOR: Your letter requesting my impressions on Senate office space is at hand.

I am conviced that most Senators' office space is overcrowded and too cluttered up for good, efficient work. I feel quite sure that one additional room on the average would be most conducive to more efficient operation of the offices.

It is rather difficult for anyone to have to think and analyze and interview people in a room where there are several typewriters in operation.

I will be glad to support you and your committee on recommendations which you may see fit to offer.

Best personal regards,

Cordially yours,

ZALES N. ECTON,
*United States Senator.*

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UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
*August 22, 1949.*

Senator DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Senate Office Building, Washington, D. C.*

MY DEAR SENATOR: I have your good letter of August 18 concerning improving the facilities for office space for Senators either in the Senate Office Building or in some new building.

May I burden you with my own situation. I do so because I believe that it is typical of what every Senator is up against. I have three rooms, facing the inner court of the Senate Office Building. My administrative assistant, executive secretary, and legislative secretary, occupy one of these rooms, together with a large number of filing cabinets. The second room is used as a reception room, filing room, and as a place where seven other secretaries and stenographers have to do their work. Then, too, this room is occupied by a large number of filing cabinets. The third room I occupy as my own private office.

In this office I have several bookcases and filing cabinets which contain the necessary papers and correspondence pertaining to the job. These crowded quarters make it extremely difficult for people to do their best work, and I am very, very hopeful that something can be done to improve this situation.

It seems to me that an administrative assistant and an executive secretary, especially the administrative assistant, are each entitled to a separate office of his own. It would greatly help if the executive secretary had one, too, because a great amount of the detail that a Senator's office has to carry on must be done by and under the direction of these two people.

The tremendous increases in the activities of the Federal Government in the last 25 years have greatly added to the amount of work that every Senator and Member of Congress must do. If he is to do it well, he must have adequate quarters and adequate help to assist him.

Crowded quarters make it extremely difficult to properly and effectively organize the work of a Senator's office. For that reason, too, additional office space is necessary.

I wish you success with your plan.

Yours very sincerely,

RAYMOND E. BALDWIN,
*United States Senate.*

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UNITED STATES SENATE, COMMITTEE
ON AGRICULTURE AND FORESTRY,
*August 23, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Senate Office Building, Washington, D. C.*

DEAR SENATOR: When the proposal to authorize the construction of a new Senate Office Building was considered by the Senate Public Works Committee, I stated that I was in favor of the new building and that, in my opinion, it was necessary to provide additional space. I used the situation in my own office as an example before the committee.

I have attempted to obtain additional office space without success. At the present time it is necessary that I have five persons and the files in one room and four people and storage cabinets in the other room. I seriously doubt that the present working conditions in my office would meet the minimum requirements established by either Federal or State health officials.

It is essential that I have additional space in order to efficiently conduct the duties of my office and to maintain adequate working facilities for the members of my staff. I shall be glad to support legislation that will remedy this situation, in which I am sure many other Senators find themselves.

From my point of view, there may be a serious question as to whether the plan to erect a new building for our committees is sound. It seems to me this would result in an unnecessary duplication of existing facilities, and for other reasons may not work out too well. I think what we do should be done with as little expense as possible to meet the existing needs.

Sincerely yours,

JAMES P. KEM.

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UNITED STATES SENATE,
COMMITTEE ON FINANCE,
*August 22, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, United States Senate, Washington, D. C.*

DEAR CHAIRMAN CHAVEZ: I have your letter of August 18 with reference to the construction of a new Senate Office Building.

The Senate Finance Committee Room is adequate, but poorly arranged. The staff greatly needs at least two additional rooms. I hope you will succeed in building the east wing of the Senate Office Building.

Sincerely yours,

WALTER F. GEORGE.

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UNITED STATES SENATE,
*Washington, D. C., August 27, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, United States Senate, Washington, D. C.*

DEAR DENNIS: I have your letter of August 23. I do not think much of the idea of trying to move all the committee chairmen and their staffs over to the new building. The new building will be a long way from the Capitol and I think you will find that most of the older Senators prefer to stay in the old building, hoping, of course, for more space.

I believe the new building should be a simple one with more rooms and smaller rooms than we have in the old building, and whatever additional committee rooms we need. I wouldn't try to assign any special function to either building, but simply provide more rooms per Senator and let the Senators have their choice of location.

With kindest regards,

Sincerely yours,

ROBERT A. TAFT.

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UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
*August 27, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, United States Senate, Washington, D. C.*

DEAR SENATOR: In connection with the proposed construction of a new Senate Office Building.

While I thoroughly appreciate the need for economy, I am not convinced that cramped space plus poor and inadequate equipment contribute to that end—in the long run.

Expanding responsibilities and increased workload call for adequate space and up-to-date facilities, if a good and efficient job is to be done.

While I can get along with my present space, I really need one more room and could use two advantageously.

Certain members of my staff, especially those who handle bulk correspondence, legislative and departmental work, are obliged to operate in cramped quarters.

Filing space is very limited.

Space for visitors is not adequate, particularly during the peak of a legislative session.

The staff of my subcommittee is presently occupying quarters in the basement which are too small and not otherwise conducive to the best possible results.

In order to get a full return from our investment in personnel, it seems to me we are thoroughly justified in bolstering the other factors which contribute, proportionately, to such return.

Sincerely,

WARREN G. MAGNUSON,
*United States Senator.*

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UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
*August 29, 1949.*

Hon. DENNIS CHAVEZ,
*United States Senate.*

DEAR DENNIS: Answering yours of the eighteenth, with reference to the proposed new Senate Office Building.

I now have four units and am getting along very decently, but, of course, I could make use of additional space if I had it and could rearrange the present four rooms to much better advantage with a fifth one where I would hope to put most of the filing cases.

The above suggestion perhaps is not too important, but I do think that it might be wise to use most, if not all, of the present committee rooms here in the old Senate Office Building, especially those built for committee rooms. For instance, the Interior and Insular Affairs Committee on the second floor is suitable for our purposes, but it does not have space for the committee staff. There would be sufficient space if they had the units now located to the north of the committee room—the units formerly occupied by Senator Wagner and now occupied by Senator O'MAHONEY. There might be enough to give one Senator five units and the balance of those units in the same string to the chairman of the committee whose units should be located next to the committee room. I think also there should be a rule established that the chairman of a subcommittee automatically falls heir to four or five units for his own personal staff adjoining the committee room and the staff rooms of his committee. As it is now arranged, the chairmen of many committees are a long way from their committee rooms. This would be a job for the architect to figure out.

I am glad to know that it is your plan to go ahead with the construction of the new office building at the opening of the next session. Of course, it will cost some money, but it will be well worth the investment.

Yours very truly,

HUGH BUTLER,
*United States Senator.*

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UNITED STATES SENATE,
COMMITTEE ON EXPENDITURES IN
THE EXECUTIVE DEPARTMENTS,
*August 29, 1949.*

Hon. DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR: Thank you for your letter of August 19, with reference to the proposed new office building.

In regard to your request for information as to my own office space requirements, it is my opinion that the present quarters are so cramped that it is impossible to make effective use of my staff. When so many staff members are crowded into one small room, the distraction of telephone conversations and visitors coming into the office makes it impossible to get the work done that should be done. It is, of course, false economy to operate in this fashion. I think our production could easily be doubled and the work much more efficiently done if we had adequate space.

With a State the size of mine, I average close to 1,000 letters a day. The mechanics alone of answering those letters, even if none of them involved telephoning and other special attention, is a considerable problem, and you simply cannot effectively handle even the letter-answering phase of our work in the very cramped office space we have. I personally think that each Senator should have a minimum of five rooms, if possible.

It is very unfortunate that the new office building was voted down at this session. While in the minds of a very few this was a vote against additional convenience for the Senators, there is no doubt but that actually it was a vote for bad service for our constituents.

With kindest personal regards, I am,

Sincerely yours,

JOE MCCARTHY.

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UNITED STATES SENATE,
COMMITTEE ON EXPENDITURES
IN THE EXECUTIVE DEPARTMENTS,
*September 2, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman,*
*Senate Office Building Commission,*
*Washington, D. C.*

DEAR SENATOR: This acknowledges your letter of August 18 regarding the proposed new Senate Office Building. I apologize for not having responded sooner to your request that I give you an expression of my views on this proposal.

In my opinion, this project is highly desirable. More office space is needed by the Senators. The plan to house all committee rooms, committee staffs, and committee chairmen in one building is attractive. This no doubt would afford convenience and possibly better coordination and more efficiency.

At present I have reasonably sufficient office space. However, the arrangement is poor. I have a three-room suite and a fourth, an extra, room on another floor and on the other side of the building. If the four rooms were together they would possibly be sufficient to accommodate my staff, but considerable inconvenience attends the present arrangement.

When we can achieve a balanced budget and make appropriations for this structure within that area, I shall be most happy to support funds for its construction.

With kindest regards, I am,

Sincerely yours,

JOHN L. MCCLELLAN.

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UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
*September 12, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Committee on Public Works,*
*Washington, D. C.*

DEAR SENATOR: It has just come to my attention that the enclosed letter, dictated by the Senator just before he left for Europe, had not been mailed. I am sorry for the delay but hasten to send it on to you.

Sincerely,

CHARLES G. NEESE,
*Administrative Assistant to Estes Kefauver.*

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UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
*August 31, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Committee on Public Works,*
*Washington, D. C.*

DEAR SENATOR: I am certainly most interested in the construction of the projected new Senate Office Building to which you referred in your letter of August 18.

We are terribly crowded in our present space. There are 12 people in our 3-room suite one of which is necessarily set aside for my own use. My administrative assistant has a partitioned space at the end of one of these offices which is highly unsatisfactory for our purposes.

It would certainly aid materially in relieving our situation if we had at least one additional room and you may depend on me to support your fine efforts to relieve our overcrowded conditions.

Sincerely,

ESTES KEFAUVER.

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UNITED STATES SENATE,
OFFICE OF THE MAJORITY LEADER,
*Washington, D. C., September 12, 1949.*

Senator DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission,*
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR CHAVEZ: Replying to your letter of August 19, I am very glad to have an opportunity to give you a statement as to my office facilities and their inadequacy.

Illinois, as you know, has a population of approximately 8,000,000 people, and consequently I have a larger staff than most of the Members of the Senate. I have never at any time had adequate space for my staff in the Senate Office Building.

In my suite, 353, there are four rooms. My own private office is the only room in the suite which is occupied by only one person, myself, and consequently there is no other place in my office where my constituents may hold a private conversation with any of my staff members.

The second room in the suite is occupied by my administrative assistant and two other girls. The third room is the reception room and is large enough for only the two people who occupy it, leaving little space for people who are waiting for appointments.

The fourth room in the suite, which is an unusually large one, is occupied by six people. In addition to the 6 desks there are 35 file cases in the same room.

I have an additional room across the corridor, 356 B, in which four girls work, handling all of my mail on legislation. When you take into consideration the fact that at times during this year our outgoing mail on legislation alone numbered 2,000 pieces a day you can understand how crowded are the four girls who work in this one room.

Offices have been assigned to me in the Capitol as majority leader, and also for the Policy Committee staff. As you know, the Capitol offices are not adequate for any sizable staff, and the people who work there are as crowded as those in my office in the Senate Office Building.

I am heartily in favor of a new building to relieve the space situation.

Sincerely yours,

SCOTT W. LUCAS.

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UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
*September 20, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building*
*Commission, Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR: Please accept my apology for not getting an answer to your August 19 letter long before this. Until the first of

this year my office space was so small that I simply did not have room enough to carry on my work properly. In January I was able to get another room which has made it somewhat better but I definitely need more space for my staff. I hope we are successful in getting the new building.

With kindest personal regards.

Sincerely yours,

WAYNE MORSE.

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UNITED STATES SENATE,
COMMITTEE ON
RULES AND ADMINISTRATION,
*February 24, 1950.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, United States Senate, Washington, D. C.*

DEAR SENATOR CHAVEZ: This concerns your letter of February 14, 1950, on space.

I consider my present office and committee facilities ample for present needs.

As you know, however, I have been charged with assignment of space in the Senate Office Building and my experience with this in the past 1½ years is conclusive that the majority of the Senators needs more room than one is able to give them at the present.

I support your known attitude that work on the new Senate Office Building ought to go forward at once, and assure you of my future support for that project.

Very sincerely yours,

CARL HAYDEN,
*Chairman.*

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UNITED STATES SENATE,
COMMITTEE ON
LABOR AND PUBLIC WELFARE,
*February 18, 1950.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, United States Senate, Washington, D. C.*

MY DEAR SENATOR CHAVEZ: I have read with more than casual interest your letter of February 14, 1950, and the enclosure thereto. The following paragraphs contain a statement of my experience with my office facilities and some statistics in regard to my staff and space needs.

I have found that the three-room suite allocated to me is completely insufficient for my needs. As you know, I am the junior Senator from the largest state, population-wise, in the Nation and am receiving approximately 2,000 letters per day. This mass of correspondence plus the other duties I have, require me to maintain a staff of 22 persons.

At the present time I have a three-room suite on the fourth floor of the Senate Office Building in which 10 persons work. In Room 5B, Senate Office Building, 10 more staff members are quartered. In 5B, also, are my current files and my mailing operations. In Rooms 41 and 42, Deck A, of the Library of Congress are quartered three other persons. Their presence in the Library of Congress makes necessary the addition of a messenger to transport materials between the Library and the above-mentioned offices. While I am grateful for having space in the Library of Congress, it has proved completely unsatisfactory from the standpoint of efficiency and I am presently contemplating taking office space, for which I will pay personally, in a private building more closely situated to the Senate Office Building.

Some time ago in conjunction with 10 or 12 other Senators faced with the same problem which I have described, I signed a petition addressed to the Senate Rules Committee, offering some suggestions to provide interim relief.

It is my opinion that the proposal for a new Senate Office Building is not only meritorious but absolutely essential. I find my activities hampered at every turn by my space problems.

Yours very sincerely,

HERBERT H. LEHMAN.

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UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*February 16, 1950.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, United States Senate, Washington, D. C.*

MY DEAR SENATOR CHAVEZ: I am in favor of completing at the earliest possible time the new Senate Office Building. I think it was a serious mistake not to have appropriated for this at the last session of Congress.

Space is badly needed by everyone connected with the committees I serve on.

With kind personal regards.

Most sincerely yours,

ELBERT D. THOMAS.

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UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
*February 15, 1950.*

Hon DENNIS CHAVEZ,
*United States Senate, Washington, D. C.*

DEAR SENATOR CHAVEZ: I have your letter of the 14th and in reply advise that I have supported the proposal to build a new Senate Office Building and have not changed my mind, and still think we should proceed with the program.

With all good wishes, I am,

Sincerely,

ELMER THOMAS.

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UNITED STATES SENATE,
COMMITTEE ON EXPENDITURES IN
THE EXECUTIVE DEPARTMENTS,
*March 10, 1950.*

Senator DENNIS CHAVEZ,
*United States Senate, Washington, D. C.*

DEAR SENATOR CHAVEZ: Lack of office space has been a critical problem for me. I was assigned a three-room suite. For a while it was necessary to have nine girls working in one room of about 450 square feet. The situation became so serious that I was forced to rent several rooms in the Carroll Arms Hotel.

I believe it was originally intended to have one room for receiving visitors. I have 16 people assisting me in my Senate work. To provide adequate office space for them I would need five rooms.

One reason for the need of this space is that the Senate has provided for automatic typewriters. It is impossible to carry on general office work in a room in which these robotypes are being used. Therefore, I would suggest the following utilization of space of the needed five rooms. One would be for my own use. A second would be a reception room occupied by two members of my staff. A third would be for general office work and occupied by seven people. A fourth would be for automatic typewriters and files and used by three people. The fifth would be used by my executive assistant, administrative assistant, and two legislative assistants.

I believe that the proposed new Senate Office Building would go a long way toward relieving the pressure of space. As it cannot be completed for at least 2 years I feel the Senate should consider making some arrangements for the interim.

Very sincerely yours,

WILLIAM BENTON.

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UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*March 6, 1950.*

Senator DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Senate Office Building, Washington, D. C.*

DEAR SENATOR: This is to acknowledge your letter of the 14th requesting my comments regarding the need of a new Senate Office Building.

I believe this building should be constructed immediately. Many Senators are unable to employ their full complement of clerks because of lack of space, and there is no privacy when conferences are to be held in the Senators' offices.

It has been pointed out to me that many of the administrative offices of the Government have twice the amount of space per employee as is available to us on Capitol Hill. Further than that, many Senators need additional space immediately in order to increase their staffs.

I am definitely in favor of having prompt action taken relative to having this building constructed, and trust that this year Congress will appropriate the necessary funds.

Yours very truly,

THEODORE FRANCIS GREEN.

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UNITED STATES SENATE,
*Washington, D. C., August 22, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Senate Office Building, Washington, D. C.*

MY DEAR SENATOR: Thank you so much for your letter of August 19. I was glad to learn that a commission has been appointed to investigate the space needs of individual Senators. This is an undertaking long overdue.

Frankly, I presently have neither the staff nor the office space to do the job which 10,000,000 Pennsylvanians are entitled to expect of one of their Senators. If funds and space were available, I would add at least four more people to my staff. During the present session of Congress I have been receiving daily an average of 1,000 communications, all of which I have been acknowledging. Moreover, the proximity of my State to the Capitol prompts many personal visits by constituents.

One room of my four office suite, 261 B, has been officially condemned by the United States Public Health Service. If a private employer were found to be operating under similar conditions, he would not escape prosecution for long. The seven members of my staff working in this room each have less than 40 square feet within which to work. This compares with the Government minimum standard of 110 square feet per person. That these hard-working employees are required to labor under such unhealthy and substandard conditions is a disgrace. I invite the Commission to visit this office. Words are not adequate to describe the situation there.

The other two rooms, occupied by six members of my staff, including my secretary and administrative assistant, are equally inadequate for the job which faces us. There is no element of privacy, a factor which is of paramount importance in dealing with certain constituents. Our problems are so numerous and varied that it is difficult to find answers to them under prevailing working conditions.

Two additional offices would probably solve my space requirements. If one could be found immediately, I would certainly welcome it. I realize that the long-established seniority rule governs the allocation of space and that the needs of the individual Senator are not always considered. I voted for the construction of the new Senate Office Building in the present session for I felt that that was the only way I could get additional space, which would enable me and my staff to do the best possible job for my 10,000,000 constituents. There is a great deal of merit to a recent proposal that space be allocated on the basis of need, but I am just afraid that need will very rarely ever be considered one of the principal criteria in the allocation of office space to individual Senators.

Room 261 B is the best evidence I can give the Commission that the junior Senator from Pennsylvania needs additional

space, not next year or the year after, but now.

If the Commission somehow can pry loose for me another room, I would be everlastingly grateful.

With best wishes, believe me,

Sincerely yours,

EDWARD MARTIN.

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UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
*August 25, 1949.*

Hon. DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR CHAVEZ: Permit me to acknowledge your letter in regard to the new Senate Office Building.

There is no doubt in my mind that we need additional space. I voted against the bill this year because I thought the new building too elaborate. We should have at least one-fourth more space than we at the present time, with several additional committee rooms.

I trust that you will have the plans revised and ready to present at an early date. I shall be happy to support you. I badly need another large office.

Sincerely yours,

DICK RUSSELL.

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UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
*August 25, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Committee on Public Works, United States Senate,*
*Washington, D. C.*

DEAR DENNIS: Thanks for your letter of August 23 regarding your plans for continuing to press for a new Senate Office Building in the next session of Congress. As you know, I supported this in the present session and I assure you that I will continue to support it.

In my case, I have three rooms. I am the only one connected with my office who has ample space. In the room to which the public is admitted, I have my administrative assistant, chief secretary, and receptionist. In the third room, I have five girls and one man. Any time I have any extra employees I am compelled to crowd them into this third room. These conditions do not make for efficient operation. I have frequently said that every Senator ought to have a minimum of five rooms. We require no agency, bureau, or department head to operate under such cramped conditions.

You may be assured of my continuing support.

Sincerely,

JOHN SPARKMAN.

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UNITED STATES SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
*August 25, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, United States Senate,*
*Washington, D. C.*

DEAR SENATOR CHAVEZ: In reply to your letter of August 19, I want to go on record now as supporting the proposal to construct a new Senate Office Building.

The office space problem confronting Senators at this time is serious, and I can see no relief for the situation unless additional facilities are constructed. For example, I was recently instrumental in obtaining the enactment of a resolution to obtain a committee on labor-management relations, the purpose of which will be to conduct an extensive study into the causes of labor-management disputes. Although the staff will be small and could possibly be housed in one room, Senator HAYDEN has advised me that it will probably be necessary to use part of the funds authorized to be expended by this subcommittee to rent quarters outside the Senate Office Building and the Capitol Building. The only other alternative is to attempt to obtain rooms in the Library of Congress, which, I understand, is now filled to capacity.

While this is only one example of the serious need for space, I am sure it is likewise true in other cases.

It is neither economical nor in the interest of efficient service to permit this condition to continue, and I sincerely hope that you and your associates will be successful in the next session of this Congress in your efforts to obtain adequate space and facilities for Senators and their staffs.

With kind personal regards, I am,

Sincerely yours,

JAMES E. MURRAY.

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CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON ATOMIC ENERGY,
*August 24, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, United States Senate,*
*Washington, D. C.*

DEAR SENATOR CHAVEZ: Replying to your letter of August 18, I believe the need for additional office space to house the committees of the Senate is extremely urgent.

The present facilities occupied by the Joint Committee on Atomic Energy, of which I have the honor to be chairman, are wholly inadequate. The committee workers are huddled together in overcrowded rooms. The committee room tentatively assigned for public hearings is entirely unsuited for any such purpose. In fact, during the Joint Committee's investigation of the Atomic Energy Commission this summer, it was necessary to hold hearings in the majority caucus room in the Senate Office Building. However, while the hearings were in full swing, we were notified that the committee would have to look for rooms elsewhere because another committee wanted to use the caucus room.

I believe it is bad business practice for the Senate to be carrying on public business under such conditions. It seems to me that the building of a new office building with adequate facilities for all committees, is very necessary.

With regard to the office facilities assigned to me personally, the situation is the same. We are very much overcrowded, and the space available to my staff is totally insufficient. I have practically no facilities for the reception of visitors, and there are a great many of them coming in from the State of Connecticut constantly. I do need additional space, and need it badly.

With kindest regards,

Sincerely yours,

BRIEN MCMAHON,
*United States Senator.*

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UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
*February 17, 1950.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, United States Senate,*
*Washington, D. C.*

DEAR SENATOR: I have your letter of February 14 in which you refer to a letter you wrote to me on August 18, 1949 with regard to construction of a new Senate Office Building.

The space available to me in the Senate Office Building is inadquate for the most efficient performance of the duties of my office. However, in view of the present financial condition of the Federal Government, I am strongly of the opinion that we should postpone expenditures at this time for the construction of a new Senate Office Building alike with retrenchment in every other field of Federal activities.

Sincerely yours,

GUY CORDON.

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UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
*March 2, 1950.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Washington, D. C.*

DEAR SENATOR: This will acknowledge your recent letter relative to the proposed new Senate Office Building.

When this matter was considered last year, I voted to postpone action, and my opinion has not changed. While I realize there is some discomfort and crowding in all offices, including my own, I think that as an example to the country we should take the lead in cutting Federal expenditures.

With all good wishes, I am,

Cordially yours,

KENNETH S. WHERRY.

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UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*September 2, 1949.*

Hon. DENNIS CHAVEZ,
*Senate Office Building,*
*Washington, D. C.*

MY DEAR SENATOR: Your letter of August 23 with regard to the construction of the projected new Senate Office Building is received. In light of the existing budget situation I feel that it was the wise thing to do to put this off, because I am against any expenditures that are not absolutely necessary.

Answering your question, of course we are all badly crowded, and while I am favored with a four-room suite, I certainly could use an extra room, as I have too many people in the rooms that I have. On the other hand, I feel that the Senators with three-room suites should get preference over the Senators with four rooms, and on that score I don't imagine the construction of the new building would relieve my immediate situation.

I would be interested to know whether you feel that the new building, if built, would have to be used entirely for committee meetings and for the staffs of the various committees. I gather from your letter that the chairmen of the committees would have their suites in the new building, as well as their staffs, etc.

If your committee should decide to go ahead with this project, I would be glad to talk to you further with regard to the needs of my particular office.

Always cordially yours,

H. ALEXANDER SMITH.

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UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
*August 26, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Senate Office Building,*
*Washington, D. C.*

DEAR DENNIS: I received your letter of the 18th and I am glad to write you both respect to the Committee on Armed Services and my own individual office.

So far as the Senate Committee on Armed Services is concerned, the space allocation is sufficient. However, such is not the case in my individual office. I have a staff of 11 including my administrative assistant and secretary, and in each of two of the workrooms there are 5 members of the staff working. For instance, in the office where my administrative assistant and secretary sit, there are three other desks and with three and four telephones constantly ringing and

four typewriters in operation you can well appreciate how difficult it is to work.

We have in my personal office 3 bookcases completely filled and 6 tiers of filing cabinets or 24 cabinets. In addition, it is necessary to store there two trunks filled with needed office material. In the other 3 rooms there are 48 tiers or 192 filing cabinets and these comprise files only from 1945 to date. It is frequently necessary that trips be made to the attic to refer to previous files.

As you know, living close to my State I have many callers and in the reception room where there is one desk for the reception clerk, the entire wall space is taken over with files so that there is not much room for those who call at the office on business.

An additional room to my suite would add immeasurably to the efficiency of the office.

With best wishes and kind regards, I am,

Sincerely yours,

M. E. TYDINGS.

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UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
*August 30, 1949.*

Senator DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Senate Office Building, Washington, D. C.*

DEAR SENATOR: Your letter of August 18 has been received and is very much appreciated.

Like many other Senators, my present office space is inadequate to meet our needs. Representing one of the larger States, with a population of over 10,000,000, and with 23 congressional districts the volume of mail and other business places a very heavy strain upon our facilities.

With best personal regards, I remain

Sincerely yours,

WILLIAM F. KNOWLAND.

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UNITED STATES SENATE,
COMMITTEE ON PUBLIC WORKS,
*August 31, 1949.*

Hon. DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR CHAVEZ: This is in reference to your letter of August 23 concerning the need for additional office space for Members of the Senate.

From my own personal experience, I know that the present allocation of office space fails to meet the need. In my case, I have three rooms allocated to me. It is necessary to use one of these rooms as a combination reception room-office. In this room I have a receptionist and one stenographer. In the second room I have my administrative assistant, my legislative assistant and four young ladies. The third office is reserved for my use.

This space allocation is totally inadequate. While my State is approximately 1,000 miles removed from the national Capitol, I have had more than 1,000 visitors from my State this year. This total does not include many visitors who come to the office. This means that it is practically impossible for one woman to be used for any other purpose than the receiving of visitors.

The concentration of six people in the second office has a definite effect upon the amount of work done and the type of work accomplished. My assistants for administration and research find it necessary to utilize my office for dictation during the periods when I am absent at committee meetings, on the floor and for other purposes. It is necessary for my personal secretary to have her office in this crowded room since the space in my office is insufficient for her needs.

I have found that as one becomes more engrossed in committee and legislative work the incoming correspondence increases accordingly. I feel that it will undoubtedly become necessary for me to add one or two additional stenographers in the future.

I should like to also present the thought that since it is necessary to have another building to relieve the situation it certainly seems that sufficient additional space should be provided to insure more than just one extra room for each Senator as time goes on. It seems to me that an advanced fixed allocation of space presents an inflexible situation that should not be permitted to exist. It occurs to me that thoughtful planning in advance could well lead to a solution of the present space problem that would prevail for a great number of years.

I want you to know of my sincere desire to cooperate with you in reaching a proper answer to the current space problem. Insofar as my own office is concerned, it is acute.

With best wishes, I am

Sincerely yours,

JOHN C. STENNIS.

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UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*August 29, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, Senate Office Building, Washington, D. C.*

DEAR DENNIS: This will reply to your letter of August 20, in which you make inquiry of me as to the sufficiency of my present office quarters.

Although I am in a more favorable position than most Senators, in that I have a four-room suite, my present quarters are most cramped. Even if my quarters were sufficient because of the fact that I have four rooms, I would not want to deny other Senators with three-room suites the opportunity of sufficient quarters with which to carry on their work.

As you know, the work of a United States Senator has been increasing yearly. This is evidenced by the fact that the Senate has from time to time allowed additional clerk hire which is sorely needed. My present quarters are such that I do not even occupy a private office, but share my office with one of the members of my staff. My administrative assistant shares his office with three additional clerks. I have a very small reception room, which is occupied by only the receptionist, and the remainder of my staff is all crowded into the remaining office.

I hope that this information will be helpful to you in presenting the matter to the Senate.

Warm regards to you, and,

Always sincerely,

CLAUDE PEPPER.

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UNITED STATES SENATE,
COMMITTEE ON EXPENDITURES
IN THE EXECUTIVE DEPARTMENTS,
*August 30, 1949.*

Hon. DENNIS CHAVEZ,
*United States Senate.*

DEAR SENATOR CHAVEZ: I will be very glad to advise you of my office facilities, in accordance with your letter of August 23.

I now have a three-room suite, which has proven entirely inadequate. Another room is needed to provide proper working space for my staff.

Sincerely yours,

GLEN H. TAYLOR.

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UNITED STATES SENATE,
COMMITTEE ON EXPENDITURES
IN THE EXECUTIVE DEPARTMENTS,
*August 27, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, United States Senate, Washington, D. C.*

MY DEAR CHAIRMAN: I agree completely with you on the need of more office space. I know that I certainly need at least one more room.

At the present time, I have five in one room and two in the reception room of my 3-room suite. I need one additional room, not only to ease the crowded condition in the room where there are five, but also to provide privacy that is sacrificed by placing my receptionist and executive assistant in the reception room. I've tried to meet this problem by installing a hush-a-phone on my assistant's phone, but it only partially meets the need of privacy.

Has any cosideration been given to extending the Senate wing of the Capitol or to adding floors to the top of the Senate Office Building? From the advantage of proximity to the Senate floor, I would think that these alternatives might be better.

Sincerely yours,

MARGARET CHASE SMITH,
*United States Senator.*

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UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
*August 25, 1949.*

Hon. DENNIS CHAVEZ
*United States Senate.*
*Washington, D. C.*

MY DEAR SENATOR: I have your letter of August 18 with reference to the proposed new Senate Office Building. In complying with the request set forth in your letter, I want to point out that when I took office in January, I was assigned a suite of three rooms at 231 Senate Office Building. At that time I had 16 people jammed into two rooms. It was an almost intolerable situation, and after several weeks Senator HAYDEN was kind enough to assign me another single detached room on a different floor which has relieved the situation somewhat.

My mail is extremely heavy, running about an average of 12,000 letters a month. As a result I have personally acquired two electric typewriters and robotype equipment for them in order to process my mail. My staff at present consists of 17 people, and certainly even the space which I now have could hardly be called ample or even adequate for the efficient operation of my office. Unquestionably any additional space which might be available to me would be most desirable and would most definitely increase the efficiency of my office.

Early in the session I had some hopes that we might have a new Senate Office Building for much less money than has been proposed that we spend on it. I have not gone into that, however, and do not feel that I am in a position to hazard a guess whether or not the necessary space desired could be acquired for less than the proposed cost.

I am hopeful that some arrangement can be made to provide additional space to the Senators.

With assurances of my highest regard, I am,

Sincerely,

LYNDON B. JOHNSON.

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UNITED STATES SENATE,
COMMITTEE ON INTERSTATE,
AND FOREIGN COMMERCE,
*August 25, 1949.*

Hon. DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR CHAVEZ: This is in reply to your letter of August 18 in which you ask about the space requirements of the Committee on Interstate and Foreign Commerce.

The space facilities for this committee are far from adequate. I have tried for some time to secure additional space, and the Committee on Rules and Administration has tried to be of assistance, but apparently there is just no space available.

As you probably are aware, in addition to its regular committee work this committee was authorized and directed to make four very important and far-reaching studies and investigations. We have employed additional temporary personnel to assist with these studies, but because of the very unsatisfactory space situation these employees are located in three widely separated rooms in the Senate Office Building and a substantial part of the committee's files are located in the Capitol Building. Room 457 is assigned to this committee, but because of this space shortage we have had to convert it into a work room, consequently we cannot use it for hearings and have to hunt around for a room when hearings are held.

In connection with the four investigations I have mentioned above, I had hoped to set up a central stenographic pool, which would have cut down on the number of employees, but manifestly that is impossible when the committee staff is scattered all over the building.

The Rules Committee tells me that there is just no more space available. It would seem that the only answer is to enlarge the Senate Office Building or construct a new building.

Sincerely yours,

E. C. JOHNSON, *Chairman.*

I wish we might build an addition on the Capitol Building instead of spreading so far to the east as is contemplated in the proposed building.—E. C. J.

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UNITED STATES SENATE,
*Washington, D. C., August 26, 1949.*

Hon. DENNIS CHAVEZ,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR: Thank you for your letter of August 18 in which you request information concerning my present office facilities.

The space is wholly inadequate for my present staff, which may be increased somewhat next year, and the small space now allotted me is such that proper arrangement, conducive to orderly staff functioning, is impossible.

With best wishes and kindest regards,

Sincerely,

HOMER CAPEHART.

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UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
*August 26, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Committee on Public Works, Senate Office Building,*
*Washington, D. C.*

MY DEAR SENATOR: I thank you for your letter of August 18, 1949, and I am glad to have the information which you give with reference to the proposed new Senate Office Building. I shall be glad to consider this fully before the time comes to take it up in the second session of the Eighty-first Congress.

With best wishes always, I am

Yours very truly,

CLYDE R. HOEY.

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UNITED STATES SENATE,
*Washington, D. C., August 23, 1949.*

Hon. DENNIS CHAVEZ,
*United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR: In your capacity as chairman of the Senate Office Building Commission, I should like you to know that it has been my experience that added space would be most helpful to promoting more efficient operation of the senatorial office.

Although I come from a small State and hence, do not have the demands of many of the larger ones, I too have had to face this problem. It would be my hope that before long, adequate facilities might be available.

With kindest personal regards,

Sincerely yours,

J. HOWARD MCGRATH,
*United States Senator.*

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UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
*August 24, 1949.*

Hon. DENNIS CHAVEZ,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR: I have received your letter of August 18 referring to your continued efforts directed toward the construction of a new Senate Office Building.

In answer to your specific question, I believe that I could now use, and will in the future continue to need, more space than I am presently assigned. We are crowded now, and fully expect to be more crowded as time progresses.

Further I would appreciate having a more convenient office arrangement. At the present time, one of the rooms is entirely separate from the other three. It would be not only more convenient but more efficient to have the office suite in one unit.

Sincerely yours,

JOHN W. BRICKER.

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UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
*August 25, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission,*
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR CHAVEZ: In response to yours of August 19, 1949, relative to office facilities will say that I incline to the opinion that my office staff is less in number than is that of the staff of most of the other Senators and particularly those Senators representing more populous States.

It is practically mandatory that a Senator have a room by himself in order that he may dictate and hold consultations without interruptions. His office should be so arranged that his administrative assistant and executive secretary should be in a position to attend to their duties and work without the interruptions occasioned by visiting delegations and others during office hours. Such an arrangement cannot be had with the limited number of rooms apportioned to most of the Senators.

My opinion of the matter is that the office facilities of most of the Senators at least are inadequate and that, viewed from my experience with the staff I have, additional space would be very helpful.

With kindest personal regards, I am

Yours sincerely,

EERT H. MILLER.

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UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
*August 23, 1949.*

Hon. DENNIS CHAVEZ,
*Senate Office Building.*

DEAR SENATOR: This is to acknowledge your letter of August 19.

I do have inadequate office space but I am one of those who oppose the construction of the projected new Senate Office Building. I am advocating economy in government and am willing to practice it myself. If all the various agencies of government would follow our example we would have real economy.

Kind personal regards, I am

Sincerely,

HOMER FERGUSON.

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UNITED STATES SENATE,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE;
*Dexter, Maine, August 22, 1949.*

Hon. DENNIS CHAVEZ,
*Senate Office Building Committee,*
*Washington, D. C.*

DEAR DENNIS: I am heartily in favor of expanding the facilities for Congress to cope with the tremendous increased responsibilities of the Federal Government.

Congress is still trying to operate in the twentieth century with a nineteenth-century machine.

Cordially yours,

OWEN BREWSTER,
*United States Senator.*

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UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
*August 23, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Commission, United States Senate, Washington, D. C.*

MY DEAR SENATOR: Replying to your courteous letter of August 20, I hasten to say that I appreciate the thoughtful inquiry and add that I have been especially cramped in office quarters since my return to the Senate in January of this year.

As one of the newer Senators, I have a three-room suite and space is so limited that for more than 6 months after coming to the Senate in January I was unable to appoint an administrative assistant because I had no place to put a desk for him. Through the kindness of Senator THOMAS, chairman of the Committee on Agriculture, I was able to provide temporary space for an administrative assistant during the past 30 days in a room adjacent to the Agriculture Committee room. It is an imposition on Senator THOMAS and a tremendous inconvenience to me.

I am convinced that when I return to Washington at the beginning of the next congressional term that I shall have to dispense with an administrative assistant unless I can find some quarters for him to have desk room where I can contact him with reasonable facility.

Personal greetings.

Sincerely,

GUY M. GILLETTE.

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UNITED STATES SENATE,
COMMITTEE ON LABOR AND PUBLIC WELFARE,
*Washington, D. C., August 23, 1949.*

Hon. DENNIS CHAVEZ,
*Chairman, Senate Office Building Committee, Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR CHAVEZ: Thank you for your very friendly note about the new Senate Office Building and inquiry about my conditions so far as space is concerned.

May I reply with equal frankness and friendliness.

Although my offices are probably more overcrowded than those of any other Senator, I do not favor spending the money which a new building would cost. I have only a three-room suite, plus a small room in the basement, to handle the affairs of a State with 8,500,000 people, with a correspondence that runs between 700 and 800 letters a day and with a swarm of visitors.

But the need for economy is, in my judgment, so great that I am willing to put up with this inconvenience in order to save the $20,000,000, plus upkeep, which a new building would entail.

Appreciating the sincerity of your motives and with best personal wishes,

Faithfully,

PAUL H. DOUGLAS.

Mr. EASTLAND. Mr. President, in the light of recent events the appropriation in this bill of $1,200,000,000 for armed aid to western Europe is woefully inadequate. This country is faced with a grave decision. We must build up the forces of western Europe. We must contribute, for our own welfare, vast amounts of equipment to our allies there. We must build up the Armed Forces of the United States to an extent to make it impracticable for the Soviet Union to launch a general war. We must at once mobilize American industry commensurate with the crisis. This is the best way to prevent general war.

Mr. President, the main thing that the events in Korea have shown is how woefully weak, how woefully unprepared we are in the face of the gravest threat ever faced by the American people. The lesson in Korea is valuable, but Korea, and all of Asia, for that matter, though extremely important to this country, are not the main show. Their conquest by communism is not the paramount danger to the United States. This country can live without Asia, but we cannot live without Europe. Do not misunderstand me. We must prevent Communist aggression in Korea. We must prevent by the use of Armed Forces Communist conquest of the Continent of Asia. Our Government is following the only course we can pursue in this matter.

Mr. President, be this as it may, there is no way that the United States can live if Europe is controlled by the Soviet Union. In my judgment, the very life of the United States—the lives, the welfare, the security of the American people—depend absolutely upon the prevention of the conquest of western Europe by the Soviet Union. To capture western Europe is the primary objective of the Soviet Union. The prevention of this conquest must be the primary objective of the United States. In fact, our frontier is not upon the Rhine, but it is the Oder-Neisse line.

Now, Mr. President, what are the facts? As a result of the war and of the devastation and chaos which ensued, a vast vacuum or void was created in western Europe. Today that vacuum has not been filled. It will be filled by some nation in time. It we do not act, it will be filled in time by the Soviet Union, and then all will be lost. The states of western Europe which comprise it are bitterly anti-Communist, but weak, helpless, and without armed resources because of the war. In western Germany we find the people are among the leading anti-Communist people of the world. They are a strong race. They are a people whose historic mission has been to prevent the expansion of the Mongol-Communist hordes into Europe. We have forbidden the people of western Germany, even though they desired to do so, to arm and defend themselves from communism. In Russian Germany and in the satellite states there are vast Communist armies, well trained, in the "pink" of condition, equipped with artillery, guns, tanks, planes—all of the latest design. In fact, this army is invincible in Europe today. Russia knows that no formidable force confronts it in Europe, and it knows that it could largely win its war and gravely weaken the United States by the occupation of western Europe.

Why does it not do so, Mr. President? The authorities, the experts, those high in Government who should know, say the following is the reason why Russia does not openly intervene in Korea and launch a general war at this time:

The atomic development of this country is far advanced over the atomic development of the Soviet Union. In fact, the atomic development of the Soviet Union is in its infancy. These authorities hold that Russia will not unleash a general war until her atomic development has progressed to a point where it can neutralize ours, and she could bomb American ports and cities and thus prevent our sending a military force for the reconquest of Europe and to repulse the Soviet Union.

Mr. President, the destruction of a very few American ports would make it impossible for this country to launch an offensive in Europe.

The main reason is, however, the authorities hold, the fear on the part of the Soviet Union that because of our atomic advances we could devastate the cities and industry of Russia with the atomic weapons which we possess. These same authorities hold, however—and my judgment is that they are correct—that given 2, 3, to 4 years, when Russia's atomic-war industry will be much further developed, she will have atomic weapons in such quantities as to neutralize the atomic weapons of the United States. We will be in a position with atomic weapons then as great nations now are with poison gas; it is too dangerous for each side to use atomic weapons as it now is to use poison gas. We will be in a position where the atomic weapons of each side will neutralize the other, and then, Mr. President, the Red army will march, provided the west is not adequately defended. The Red army will march if we are weak. The Red army will march if the Atlantic community of nations cannot immediately defend themselves. The only reason that would make war inevitable is that the west is weak and Russia, a predatory aggressor, is strong. If France and Britain had not been militarily weak in 1939, there would have been no World War II. Aggressors do not march when their foes are equally as strong. Aggression breeds upon weakness, not strength. If it is too dangerous to do so, Russia will not march, as Hitler would not have done in 1939.

Unless we are adequately defended we are absolutely certain to have a general war with the Soviet Union. We have only 2 to 3 years at the most to accomplish this, and, Mr. President, we must build up the defenses of the country; we must rearm; and we must rearm our allies abroad.

It is senseless not to cooperate with the two strongest peoples on the continent of Europe, the people of Spain and Western Germany. These are the people with a will to fight communism. These are the people who will take up arms to prevent communist aggression. I say it does not make sense to the American people that we do not make use of the manpower and resources of these two countries in the defense of western civilization.

Observe what is happening in the Soviet zone of Germany today. Russia has built up a large force, and has facing us from 50 to 75,000 so-called German police, a force which is being rapidly expanded to 150,000 men. This force is similar to the communist puppets in Korea, is organized as they are, and is equipped with arms, tanks, and weapons similar to those used by them. Furthermore, they have built there a skeleton army of 50,000 from officer and non-officer cadres around which a German army could be quickly built. In fact, she has created there a skeleton army which could quickly be expanded into a strong army for use against us.

While Russia does this, Mr. President, the United States will not take steps to build up an allied army in western Germany to enable the Germans to defend themselves, and thus increase our strength and lessen our responsibilities.

Our policy in refusing to use German and Spanish manpower and resources is to appease for political purposes certain left-wing and radical groups in the United States and abroad. This political appeasement, Mr. President, has jeopardized the defense of our country, and if not quickly changed will be paid for by the blood of thousands of American boys.

The United States, unless it is rearmed, mobilized and prepared for defense, faces defeat in war, or isolation in the world. Each of these means the death and destruction of the country. We do not have today as many men under arms as we had in 1940, and the dangers which face us are many times more serious and more deadly. This country must have industrial mobilization immediately on a scale commensurate with the crisis. We cannot rearm ourselves and help to rearm our allies, in the short time allotted by fate to us, on a policy of business as usual. The $1,200,000,000 requested in this bill is totally inadequate. Last year we appropriated $1,500,000,000 for armed aid to western Europe and to implement the North Atlantic Pact. This was all right as a starter, but it is suicide to continue at the present pace. The rate of rearmament must be greatly stepped up both at home and abroad. We must be fully rearmed within 2 to 3 years. This is the time that is allotted to us.

Mr. President, we should double the arms aid program for western Europe this year. We must immediately mobilize our industry, and build up the Armed Forces of the United States. Who says we have enough guns, enough planes, enough weapons of any kind? Who says we are not woefully weak? Who says we are not too weak for our own security? Who says we have armed forces capable of protecting us? We cannot speedily mop up the communist bandits in Korea.

Mr. President, this is an intolerable situation, with world conditions as they are today. In fact, strong American forces are the key to our security, the key to European security, the key to Asiatic security, the buffer to prevent Russian aggression. In 1939, when the danger to civilization was not as great as it is today, we became the arsenal of democracy. Today the cupboard is bare, and we are not taking steps sufficient in this emergency to protect this country. If we are to avoid war, we must make it too costly and too dangerous for predatory communism to attack.

Mr. BYRD. Mr. President, the Federal Government has just ended another fiscal year in the red. This was the eighteenth Federal deficit during the 20 years since 1930, and 13 of these annual deficits have been in peacetime years. The deficit record, exclusive of the war years follows:

| | |
|---|---|
| 1931 | $400,000,000 |
| 1932 | 2,500,000,000 |
| 1933 | 1,800,000,000 |
| 1934 | 2,900,000,000 |
| 1935 | 3,200,000,000 |
| 1936 | 4,500,000,000 |
| 1937 | 3,100,000,000 |
| 1938 | 1,400,000,000 |
| 1939 | 3,500,000,000 |
| 1940 | 3,600,000,000 |
| 1941 | 5,100,000,000 |
| (1942–46, war years.) | |
| (1947–48, surpluses.) | |
| 1949 | 1,800,000,000 |
| 1950 | 3,100,000,000 |

The 2 years in the black were in the period of the Eightieth Congress.

The total debt is now $257,220,328,000.

The $3,100,000,000 deficit for the year 1950 compares with the President's January estimate of $5,500,000,000.

The President arrived at this deficit estimate by calculating that receipts would be $37,800,000,000 and expenditures would total $43,300,000,000. Revenue fell $800,000,000 short of his estimate and be overestimated expenditures by more than $3,100,000,000. The result was a deficit of $3,100,000,000 instead of the estimated $5,500,000,000.

EXPENDITURE SLOW-DOWN

It would be a mistake to assume that all this $2,400,000,000 reduction in deficit spending represents a saving. In a large measure it merely represents a slow-down in the schedule of construction and procurement expenditures which probably will be made up in the fiscal years 1951 and 1952. The money is still appropriated and is still available for spending.

The President's estimates failed to materialize primarily for two reasons. One was uncalculated increases in employment generally which curtailed expenditures in the big veterans and social security programs, and simultaneously reduced the demand for Government loans and increased the market for paper held by Government lending agencies.

The second reason is to be found in a chain reaction which was set in motion by delay in the enactment of last year's appropriation bills. This delay in passage of appropriation bills slowed down expenditure schedules particularly in programs and agencies where funds in large measure were to be used for construction and procurement. And in some cases when these agencies appeared before the House Appropriations Committee with unexpectedly large balances in view the committee accordingly cut back the appropriations for fiscal year 1951. This committee action plus further reductions voted on the floor of the House and the tightening up of the antideficiency provisions had the effect of freezing, or at least further slowing down the rate of expenditures during the final quarter of fiscal year 1950, because the agencies did not choose to expand during the last few months of the past year in the face of an impending cut-back at the beginning of the new year.

Examples of expenditure schedules affected by increased general employment follow:

[In millions]

| Agency | President's January estimates | Actual expenditure | Reduction |
|---|---|---|---|
| Social Security Administration | $1,212 | $1,154 | $58 |
| Other Federal Security | 333 | 277 | 56 |
| Veterans (exclusive of national service life insurance fund) | 6,280 | 6,044 | 236 |
| Reconstruction Finance | 1,000 | 589 | 411 |
| Home Loan Bank Board (collections) | 197 | 275 | 78 |

Mr. President, there is another list of examples of the expenditure schedules affected by slow-down in construction and procurement of supplies, which I ask unanimous consent to have printed at this point in the body of the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

In millions]

| Agency | President's January estimates | Actual expenditure | Reduction |
|---|---|---|---|
| Rural Electrification Administration | $362 | $293 | $69 |
| Atomic Energy Commission | 673 | 524 | 149 |
| Civil Aeronautics Administration | 188 | 166 | 22 |
| Public Roads | 507 | 486 | 21 |
| Defense Establishment | 14,500 | 13,500 | 1,000 |
| Economic Cooperation Administration | 4,100 | 3,500 | 600 |
| Mutual defense assistance program | 160 | 44 | 116 |
| Bureau of Reclamation | 334 | 300 | 34 |
| Other Interior | 304 | 276 | 28 |
| Tennessee Valley Authority | 52 | 18 | 34 |
| General Services Administration | 797 | 588 | 209 |

*Other areas in which estimates exceeded actual expenditures included*

[In millions]

| Agency | President's January estimates | Actual expenditures | Reduction |
|---|---|---|---|
| Korean aid | $60 | $40 | $20 |
| State Department | 358 | 339 | 19 |
| Maritime activities | 162 | 94 | 68 |

Mr. BYRD. Mr. President, among all these items, the curtailment by some $600,000,000 in expenditures for veterans and RFC programs represents the principal real savings. The other expenditures in a large measure represent deferments to some subsequent fiscal year—in most instances fiscal year 1951 or fiscal year 1952.

EXPENDITURES SPEED-UP

Offsetting these miscalculations in estimates on the reduction side there were some items where expenditures exceeded the estimates. Among these were:

[In millions]

| Agency | President's January estimates | Actual expenditures | Increase |
|---|---|---|---|
| Farmers Home Administration | $26 | $182 | $156 |
| Commodity Credit Corporation | 1,556 | 1,713 | 157 |
| Labor Department | 157 | 258 | 101 |
| Postal deficiency | 573 | 593 | 20 |
| Interest on the debt | 5,725 | 5,750 | 25 |

Mr. President, I attempt by this to show the reasons why the actual deficit was less than the estimated deficit.

COMPARED WITH 1949

Despite this slow-down under the expenditure tempo as estimated by the President for fiscal year 1950, we still exceeded 1949 expenditures by more than $100,000,000 and thus set a new peacetime record. While expenditures went up, receipts came down. They finally totaled $800,000,000 less than the President estimated and nearly $1,250,000,000 under 1949.

EFFECT ON 1951 EXPENDITURES

It is difficult, of course, at this time to estimate how much of the 1950 expenditure slow-down will be made up in increased expenditures in fiscal year 1951, but it is certain that the carry-overs are not likely to result in reductions in 1951 estimates. There are some which obviously are just the difference between obligations and expenditures such as the carry-over from 1950 expenditure estimates for public roads, airports, TVA steam plant, and General Services procurement.

There are others where more than 1 year may be required to make up for the slow-down, such as the REA's rural-telephone program, ECA commitments, Reclamation construction, procurement, and development, atomic-energy activities, and military construction and procurement.

The reductions in such veterans' programs as on-the-job training, which occurred when industry payrolls absorbed the veteran trainees during the year, and reductions resulting from the failure of demand for Government loans to materialize, and the spurt in the market for Government loan paper, may definitely be regarded as a saving in 1950 budget estimates without qualification.

1951 REVENUE

There appears to be reason to expect that at least some of these carry-overs will result in increased spending in 1951.

In this situation consideration should be given to the fact that the Joint Committee on Internal Revenue Taxation, subject to revision if a new tax bill is passed, estimates that revenue this year will not exceed $35,100,000,000—a reduction of $2,000,000,000 under the year just ended If this estimate were to be sustained, Federal revenue will have dropped $3,000,000,000 in 2 years. Of course, this estimate may be changed by the economic conditions of the country.

Mr. McMAHON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Virginia yield to the Senator from Connecticut?

Mr. BYRD. I yield.

Mr. McMAHON. The Senator is a member of the Senate Finance Committee. In view of the situation which seems to be developing in Korea, is it the view of the Senator that the committee should proceed with further consideration of the bill which the committee has been considering?

Mr. BYRD. In answer to the Senator from Connecticut I will say that it is my personal judgment, as a member of the Finance Committee and as a Member of the Senate, that no bill should be enacted which would bring about a net loss of revenue to the Federal Government. Because of the very serious conditions confronting the Nation and in view of the fact that we must look forward to increased expenditures for military purposes, I do not think we should reduce by even a small amount the net income we now derive under the present schedule of taxes. That is my feeling as a member of the committee. Of course, I cannot speak for the other members of the committee.

If we can arrive at a balanced bill whereby the loss of revenue on certain items can be made up by increasing the taxes on others, of course, that will present a different situation; but certainly, in my judgment, we should not decrease the present tax revenues.

The joint committee's revenue estimate for the year just ended was closer to the actual figure than the administration's forecast. By the administration's most optimistic estimate to date, revenue in the current fiscal year 1951 would be one-quarter of a billion dollars less than receipts for 1950, and this would be a full billion dollars under the 1949 revenue.

DEFICITS CONTINUE

If the joint committee's revenue estimate prevails, and if the President's expenditure requests should be granted in full, the deficit next June 30 would be $7,300,000,000, exclusive of expenditure increases resulting from the 1950 slow-down. Even if the revenue should exceed the administration's most optimistic estimate, the President's expenditure requests for fiscal year 1951, plus the uncalculated carry-over from the year just ended, would result in a deficit this year of more than $5,000,000,000.

Thus, in 3 years—based on the actual figures for 1949 and 1950 and on the President's estimates for the current year—we shall have indulged the people of this Nation in $10,000,000,000 of deficit spending. With no sense of pride, I recall my prediction a year ago, when, with no war in sight, it became evident that we were entering a prolonged orgy of deficit financing.

At that time I estimated the 1949 deficit at $800,000,000, and was a billion dollars too low. My estimate for the current year was a $3,400,000,000 deficit; and if it were not for the delay in construction and procurement expenditure schedules, I would have been more than $1,000,000,000 low again. My deficit forecast for the coming year was $6,500,000,000. I hope my 1951 estimate will be high for a change; but even excluding consideration of the effect on the budget of the aggravated foreign situation, there would be reason to expect it to be low again unless substantial reductions were made in the President's requests.

In any event, it is certain that there will be another big deficit in the fiscal year 1951, exclusive of the unestimated costs of the Korean outbreak. This will be the third deficit in successive years of peak employment and inflated income. These facts raise the question as to whether we shall ever again balance the Federal budget.

DESTRUCTION OF THE SYSTEM

It should be noted that all of these calculations are exclusive of the effects of the current international situation and the pending tax bill. Consideration of these factors will be reached later on.

Meanwhile, with or without a tax bill or the additional costs of an international crisis, the President does not give even lip-service sympathy to reductions in his proposals to spend $42,500,000,000 in the current fiscal year. This silence is despite the fact that his requests include demands for $12,200,000,000 in domestic programs, exclusive of defense, veterans, foreign assistance, and interest on the debt—an increase of $5,300,000,000 since 1948.

When, in January, the President made these requests, on the basis of his own revenue estimates, he admittedly proposed deficit spending for fiscal year 1951 to the extent of $5,100,000,000, which was approximately the equivalent of the 2-year increase in domestic civilian spending. This could be regarded as evidence that we have been led into a fallacious policy of deficit financing to create inflation, which in turn would produce more synthetic revenue to justify more Federal spending.

How Government-fed inflation works is simply illustrated as follows:

Since 1939 population has increased 16 percent; Federal expenditures have increased 500 percent; personal income has increased 180 percent; the cost of living, exclusive of taxes, has increased 160 percent; Federal collection of taxes has increased 700 percent.

We have before us the pre-Korean crisis expert warning of Dr. Edwin G. Nourse that inflationary dangers are inherent in the current deficit-financing policy.

Since the appropriation bill has been before the Senate Appropriations Committee, Dr. Nourse has expressed apprehension that the rate of deficit spending by the executive branch, aggravated in the legislative process, may produce accelerated prices which might lead to a run-away boom. This, he said, could be followed by a genuine depression and brutal deflation that come with a sharp contraction of demand due to unemployment and drying up of active business investment.

The Federal Government is directly responsible for what Dr. Nourse described as credit expansion policies which have led not only to cashing in past savings but also drawing on future income, in contrast with the sound policy of finding a true market balance between full volume production and current consumer income.

Thus, he said, we have failed to conserve our market-supporting ammunition.

Mr. President, continuous deficit spending inevitably will destroy our form of government through confiscatory taxes, inflationary booms, complete regimentation or unmanageable debt, or the combination of one or more of these evil companions of continuing deficits.

In peace, nothing is more subversive to our form of government than unnecessary deficit financing.

Most of the deficit spending contemplated in the pending appropriation bill was conceived and proposed in the absence of any imminence of war or international crisis. The effect on the deficit of any additional requirement for expenditures resulting from recent incidents abroad will be only a matter of degree.

THE ALTERNATIVE

It may be said that our deficit-financing policies might readily be the most effective fifth column now at large in the United States. The alternative to destruction by deficit—in hot war or cold war, in peace or in conflict—is reduction of nonessential domestic-civilian expenditures. On the basis of the President's January requests, the budget would be balanced for fiscal year 1951 if Federal expenditures for strictly domestic-civilian activities—exclusive of defense, foreign assistance, veterans, interest—were on a level with such expenditures in 1948. In other words, if we were to spend for domestic-civilian activities, exclusive of defense, foreign assistance, veterans, and interest, the same amount we spent in 1948, the budget now would be balanced. It is my firm conviction that this retrenchment in these activities certainly would neither jeopardize the national welfare nor disturb the sound prosperity of the Nation. On the contrary, it would reenforce the moral fiber of our citizens for whatever tests may lie ahead, and would put us in a better position to develop an invincible military defense.

COMMITMENTS

I realize, of course, that some of the $12,250,000,000 which domestic-civilian

programs would cost us under the President's requests is tied to long-term commitments now rooted in authorizations made by law. I take this occasion to repeat what I have been saying for years: We should proceed with caution toward the enactment of basic legislation which in effect commits the Federal Government to virtually permanent spending programs.

I went into this matter in great detail last December, before the President brought in his budget requests for fiscal year 1951, hoping that he would recommend basic legislative action curtailing these programs. We know from experience that reductions in the cost of Government involving entrenched long-term programs is next to impossible without the force of executive recommendation and attitude.

CONGRESSIONAL ACTION

The pending budget for fiscal year 1951 was submitted without either recommendation or sympathetic attitude with respect to retrenchment in domestic-civilian deficit spending. On the contrary, the President's budget document contained nearly two full pages of recommendations for new programs and extension of expiring programs; and the majority of these proposed legislation items fall into the strictly domestic category.

We must effect substantial reductions which would ease the fiscal strain to which the Federal Government is being subjected unnecessarily by nonessential expenditures—when I say "nonessential" I mean nonessential especially with respect to the national defense—for strictly domestic-civilian activities at a time when the need for additional military outlays appears to be imminent.

Fortunately, the Senate for the first time in modern history is considering the Federal expenditure budget in a single appropriation bill; and this makes it possible to apply reductions throughout the entire budget, with due consideration given to the merit of each and all items which are embraced by the measure.

Under the able leadership of the Honorable CLARENCE CANNON, chairman of the House Appropriations Committee, it has been demonstrated that such reductions can be made fairly, effectively, and orderly—without the meat-ax approach which was necessary when appropriations were considered in 12 or more separate and unrelated bills brought before Congress over a period of six or more months. Under the forthright leadership of the distinguished Senator from Tennessee [Mr. MCKELLAR], the Senate Committee, too, has done excellent work with this initial effort to bring out a single appropriation bill. Despite its size, we are still months ahead of the appropriation bill schedule of last year.

We should sustain the House reductions, Mr. President, and we should increase them in every possible way, as they relate to nondefense spending. Actually, a good part of the reductions accomplished under the President's estimates are in terms of legislation he requested, but which has not been enacted. There is on the statute books much legislation which can be cut without impairment of any essential function.

If we are not willing to give up nonessentials while Americans are being shot, we are not worthy of our position of world leadership.

Recent developments indicate that Russia is waging a war of economic attrition to destroy the solvency of the United States, which means the destruction of our private-enterprise system and the loss of our freedoms. First, we had the airlift incident in Berlin, which cost hundreds of millions. We now have the Korean incident, which will probably cost billions, with the loss of many American lives, and, if the 50,000 troops in North Korea are conquered—as, of course, I feel they will be, in time—this will lead to a long-time occupation of Korea, which will add still further to the cost. It is likely and probable that other such incidents will break out elsewhere on the globe in which our Nation will be involved.

These vast expenditures come at a time when the President and the Congress have deliberately neglected the opportunity to balance the budget, which can be done by economy and retrenchment in domestic spending. I repeat: In fiscal 1948 domestic spending, exclusive of veterans, national defense, foreign aid, and interest on the national debt, was $6,900,000,000. The President recommends in his budget for the pending fiscal year an expenditure for the same domestic purposes of $12,200,000,000, an increase of nearly 100 percent.

We must face the situation squarely. We must retrench at home or run the risk of weakening day by day our fiscal economy by adding to a public debt which is now more than a quarter of a trillion dollars.

If a war incident such as is now occurring in Korea should develop into a world conflict, we would incur a public indebtedness which would be so colossal and overwhelming that it would be impossible for us to maintain our free-enterprise system, which has been the foundation on which the progress and success of America has been built.

I emphasize again that every single dollar should be saved in all expenditures not affecting our national defense and our security, because no one can foretell, in these difficult days, what demands may be made upon us in the days and years to come.

Mr. DOUGLAS and Mr. DONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DONNELL. Mr. President, did the Chair recognize the Senator from Illinois?

The PRESIDING OFFICER. The Chair recognized the Senator from Illinois.

Mr. DOUGLAS. I may say I should be very glad to yield to the Senator from Missouri for a question, or for an insertion in the RECORD.

Mr. DONNELL. Mr. President, I desire to obtain the floor in my own right. I appreciate the courtesy of the Senator.

Mr. DOUGLAS. Mr. President, I rise to oppose the Senate committee's amendment which is now the pending question before the Senate. This appropriates initially the sum of $10,000,000 to start a new and additional Senate Office Building. We have heard this morning that if the original plans are to go through, the ultimate cost of this new building will be approximately $21,000,000, and if abridged and simplified plans are put into effect, that the cost will be $16,000,000. I want to say I think the distinguished senior Senator from Louisiana [Mr. ELLENDER] is completely correct in objecting to this building, particularly at this time. The senior Senator from Virginia has just reminded us that the deficit for the fiscal year which we have just passed, ending the first of July, was $3,100,000,000. The deficit for the coming year, even according to the appropriation bill presented to us, and without allowance for further war emergency expenses, may run to $4,000,000,000 or $5,000,000,000. If we should become involved in large military expenses in Korea, in Asia, and in other portions of the world, the deficit will be much, much more than $4,000,000,000 or $5,000,000,000. Therefore, Mr. President, I submit that we should think very carefully before we commit ourselves to appropriating $10,000,000 for an office building this year, knowing that it will require the appropriation of additional sums of from $6,000,000 to $11,000,000 in future years, and knowing also that, as the senior Senator from Louisiana has pointed out, the costs of maintenance, exclusive of interest upon the building itself, will run between $500,000 and $600,000 a year.

Mr. President, I do not think we should make this expenditure. I want to say that I am aware of the fact that a good many Senators find themselves in crowded quarters. I happen to represent the fourth State in the Union from the standpoint of population. My mail is probably among the first 12, measured in volume, received. I am not as crowded and I do not have as large a volume of mail as the two Senators from New York, and probably not as large a volume of mail as the two Senators from Pennsylvania. But my mail runs well over a thousand letters a day, and we have a large volume of work to do.

Naturally, as a junior Senator, I am not entitled to very much office space. I am not entitled to the four-room suite of offices to which senior Senators are entitled. I was given a three-room suite, and I make no complaint about that whatever. I want to say that through the kindness of the senior Senator from Arizona [Mr. HAYDEN] I was given an additional room in the basement, to help handle some of my mass mail. But, nevertheless, even with four rooms, I suppose that, with the exception of the two Senators from New York, I am about as crowded as any Senator in this body. Naturally, we could use a little more space. But I do not think it is worth $20,000,000 to accommodate me and to accommodate other Senators who may be in the same position.

I intend to make no comments upon the allocation of such space as we have as between Senators, because that would be unseemly and unbecoming in a relatively junior Member. I would merely remark, however, that some Senators, because of their seniority, acquire the chairmanships of committees, and, at the same time that they have a four-room suite, receive additional office space. I would suggest that a reallocation of existing office space would receive such needs for added rooms as may exist.

I want to say that I am not urging such reallocation; I am not asking for it. I am quite content to exist with the office space I have. I am far more content to remain in the small suite of offices I have than to agree to a bill which provides for spending $20,000,000 of the taxpayers' money for a new office building.

Mr. President, I think we have got into the habit, within the past 20 years, of building elaborate quarters here. The early buildings in Washington, to which we still point with pride, were simple in nature, but they have been relatively adequate. The very able Senator from New Mexico invoked the name of Thomas Jefferson. He was quite right. Thomas Jefferson was a great architect and a great landscape gardener, in addition to all his other qualities. If we visit Monticello, the University of Virginia, and the Capitol building in Richmond, it will be found that Jefferson got his results through a minimum of expense, and yet achieved dignity and simplicity.

The White House, to which visitors go when they come to Washington, is an example of dignified simplicity. The Capitol is not excessively elaborate. The House and Senate Office Buildings are simple and dignified. But, beginning in approximately 1930, we moved into the Imperial Roman period of architecture with the erection of the Commerce Building. I went into the Commerce Building in the early 1930's. I was struck by the big offices and the elaborate space provided for the Secretary of Commerce and for the Under Secretaries of Commerce.

As other department buildings were erected on Constitution Avenue, every secretary, every assistant secretary, and every bureau chief demanded that his office should be as large as or larger than the comparable offices in the Department of Commerce, until finally, I am told, some secretaries would send men around with measuring tape to find out what was the actual size of the offices of other Cabinet officials and insist that in their new building they must have more square feet or more cubic feet of space.

Mr. President, I think we have now reached the point where the average American citizen feels very much embarrassed in going into the average governmental building, particularly the departmental buildings. He feels overawed by the architecture; he feels he is insignificant and that the people who dwell in these magnificent buildings and who have such large offices must be above and beyond him. In a democracy, Mr. President, every citizen should be able to go into a public building and not feel ashamed of himself and not feel insignificant. He should feel that he is on an equality with the persons who dwell therein. That is the characteristic of Monticello. The humblest and poorest American citizen can go to the hilltop of Monticello, look at the building, and feel that he is a part of it. He is not overawed by it. He can walk down the campus of the University of Virginia, down those declining terraces, see those brick buildings with colonnade pillars in front, and he can feel that this noble architectural work of beauty belongs to him and that he is a part of it. He is not overawed by it. But let the average American citizen go into the Department of Commerce, the Department of Labor, the Department of Justice, the Department of Agriculture, or the Post Office Department, and see the secretaries dwelling in marble halls, in offices so large that it is almost necessary to put on roller skates to go from one end to the other, with the carpet so thick and soft that snowshoes are needed in order to prevent falling through, and the average American citizen does feel overawed. We have given up democratic simplicity in most of our executive buildings and are going in for almost oriental magnificence.

This infection is spreading to Capitol Hill, Mr. President, because we look down Constitution Avenue and see the secretaries and assistant secretaries and bureau chiefs, who come before us for appropriations and for confirmation of their nomination—we see them driving up in automobiles as big as trucks, and we say to ourselves, "Are we not as important to the United States as are these men, and should we not have as elaborate buildings as they occupy? Build us more stately mansions, oh my soul; put up another office building so that we, too, may have large offices, so that people may walk before us in that air of hushed reverence with which people greet the functionaries downtown."

Mr. President, I think that is a false sense of values. We do not obtain dignity by the size of our offices, by the size of our buildings, or by the elaborateness of our quarters. We obtain dignity by our behavior as Senators, and not by the external accouterments of power with which we may surround ourselves.

Mr. President, I hope very much, therefore, that we will not put up any additional office building. I hope that we shall stay where we are. I hope we can get greater simplicity in our administrative and judicial buildings and keep our own simplicity. I am perfectly willing to say in the presence of the good and genial chairman of the Committee on Rules and Administration that I am willing to stay in the suite which has been assigned to me. I would rather be a doorkeeper in the House of the Lord and live within our budget than to dwell in the elaborate palace which the Senator from New Mexico is urging upon us and require the Nation to write a promissory note for our quarters.

CAMPAIGN OF TRUTH

Mr. BENTON. Mr. President, I am rising to address the Senate today to suggest certain concrete and urgent proposals bearing directly and immediately upon the hot war now raging in Korea and the cold war in progress all around the iron curtain.

For 3 days last week, a subcommittee of the Senate Committee on Foreign Relations conducted an extraordinary set of hearings on Senate Resolution 243. These were planned to help crystalize the national and congressional policy in behalf of a great new Campaign of Truth. It was not especially noteworthy that many of us in the Senate who joined in sponsorship of this resolution gave testimony in its support. It was not unexpected that those officials of the State Department engaged in the limited program now in progress should have testified for its expansion. What was noteworthy and tremendously important for the future of the world is that great and universally respected figures in our own twentieth century history of international relations gave unanimous utterance to the supreme importance of ideas and ideals in the present world conflict.

Their testimony, Mr. President, gives new hope for world understanding and peace, if we will but heed it and proceed boldly.

International relations since the dawn of history have manifested themselves under what I regarded as four major categories.

First, "Force," the armed might by which one people puts its will down the throat of another people, as we are now witnessing in Korea.

Second in point of development was "Diplomacy" or "Deals," the process of winning advantages or victories by negotiations, threats, or trades, rather than by force of arms.

The third major category in international development has been "Goods," the process of trade, and, in many cases, the calculated use of economic power to win advantages or victories in the international arena. Such are the victories under the Marshall plan won by Paul Hoffman and the ECA.

The fourth great category in the field of international relations is "Words" or "Ideas," the projection of information or propaganda by one nation to win the minds and loyalties of men in others. In this fourth category, Mr. President, the record of international relations since 1945 is replete with examples of startling victories won by the masters of the Kremlin. Many persons will attest that even China, which fell to the hammer and sickle without a single Red Army corps, was a victory of Soviet propaganda.

In this vital fourth area, the Soviet Union has pressed forward to victory after victory, literally by default. Now at long last, now that we've had these hearings, the fight which some of us have been waging since 1945 may come to fruition. At last we seem to be moving to put our backs into this world-wide struggle for the minds and loyalties of

men, by projecting to all men the great ideals and ideas of freedom which have rung down to us in the United States through the generations.

I shall not stop to recount the testimony, briefly reported in the press of recent date, by General Eisenhower, General Marshall, General Bedell Smith, Bernard Baruch, Secretary Acheson, and the great pioneer in the field of broadcasting, Brigadier General Sarnoff. Each of them has won renown in international relations through one of the first three categories I have cited. Yet each of them attested to category number four, to the urgency the need to propagate our democratic creed as an instrument of supreme national policy, and to propagate it at once and on a vast scale because already it is late and there is no time to lose.

Today I shall only stress to the Senate the statement of Ambassador John Foster Dulles, who has just returned from Korea and Japan. I shall read a direct quotation from the statement Ambassador Dulles made at a committee hearing. He said:

> I believe that the question of whether we have a general war or not may depend, may hinge, very largely upon the relative effectiveness of the Communist propaganda and the free world propaganda * * * I believe that the effectiveness of the so-called propaganda information * * * to nail down the fact that the threats of violence come from the Communist world and that we are the freedom-loving, peace-loving people, upon the effectiveness of that may hang the question of war or peace within the next few months.

World opinion, Ambassador Dulles said, is as vitally important to us as it is to the Russians. The difference I wish to point out is that the Russians know it is important, and communism has always known it.

As I have stated before on the floor of the Senate, the heroes of the Communist revolution are the propagandists. It is Lenin, the great propagandist, who is enshrined in the tomb in Red Square.

The Kremlin was well prepared and was in high gear on that fateful Sunday, June 25, with its story that the North Korean aggression was merely a defensive reaction against a South Korean attack started with American support. Ambassador Dulles predicted that if the Kremlin can put across that false and fantastic story, or even sow confusion with it, the U. S. S. R. would be emboldened to launch new aggressions in other areas. If the Soviets can convince people they are peace-loving while they attack and they shoot and they bomb, why should they hold back in Iran, in Greece, in Indochina, or even in France or Italy? The United States is vulnerable, unfortunately, and tragically vulnerable on a dozen exposed fronts.

Mr. President, here in Korea we face the test of the big lie. Does anyone doubt that the Communist propaganda machine will put every ounce of energy and ingenuity it has behind the big lie? Does anyone doubt that this big Russian lie is believed behind the iron curtain? Does anyone doubt that it will create uncertainty and hesitancy in many critical areas of the world?

I testified last week before Senator THOMAS' committee on the day the New York Times ran an editorial commenting on how fantastic the Gromyko statement sounded. Yes, it sounded fantastic to us in the United States. The terrifying fact is that it does not sound fantastic to the Russian people or to the North Koreans. The terrifying fact is that Gromyko, the propagandist, knows what he is doing.

A truly effective international information program on our part could help prevent such big lies from taking hold. What other defense have we—without this one also? We must seize this defense and use it at once.

If Ambassador Dulles is right—and indeed if there is a one in five chance that he is right—what is called for now is an extraordinary and immediate effort against this single lie, conducted with all the urgency of wartime. We must project to hundreds of millions of people the findings of the United Nations Korean Commission. We must dramatize the resolution of the Security Council We must spread by every possible means the facts about the contributions which many nations are making to the joint campaign in Korea, and the fact that this Korean war is so clear, so demonstrable, and so naked an act of aggression as to warrant, for the first time, the use of the United Nations flag by the defending forces.

It goes without saying that in this crisis the existing facilities and personnel of the State Department Information Services should be utilized to the utmost. They should be integrated with the Department of Defense, and with General MacArthur's forces in the field. They should be more energetically tied in with the program and facilities of other individual members of the United Nations. Assistant Secretary Barrett, who is bringing such leadership to the Department, ably testified on Friday to the steps which have been taken and the emphasis which is now being placed in the Department upon this vital area of international affairs. It goes without saying that the efforts of Mr. Barrett and his able associates must be pressed and supported with the utmost vigor and dispatch. Further, all other Government facilities—those of the armed forces, for example—should be reviewed at once for immediate potential use in this crucial area.

However, Mr. President, there are other avenues which should also be immediately explored. I now suggest six additional areas to be exploited, as illustrative of those which in my judgment should be under consideration by the administration, the Congress, and the appropriate agencies of the United Nations. I cite these six merely to stimulate other such ideas in this new and vital field and to show the possibilities for quick and bold action. These six illustrations show that we can develop opportunities and we do have possibilities at hand if we are bold and if we are willing to act.

First, I feel our Government should immediately approach the United Nations with an offer to assist and help finance the United Nations Division of Public Information in a great worldwide campaign on the issues involved in Korea. The impact of a United Nations campaign in many areas of the world and among many people would be much more effective than anything we in the United States could do ourselves unilaterally. Would the United Nations be prepared, for example, to utilize the clever scheme of the Soviet Union involving the signing of peace petitions throughout the world?

Would the United Nations foster such petitions in appropriate areas, so that the millions who genuinely crave peace will identify peace with the United Nations? People everywhere can sign UN petitions in good faith. Through them they can learn that the United Nations stood fast on the Korean issue, and is working in the interests of people everywhere for peace.

The United Nations could call upon the best talents of this and of other nations. General Eisenhower said last week he believed many of the nation's leaders in the field of communications would welcome, would indeed jump at, the chance to serve their country in this field. I agree with General Eisenhower that this is a time to summon an ad hoc group of communications leaders and ask them to devote themselves for the crucial months ahead of us to this problem Ambassador Dulles has posed so cogently.

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Connecticut yield to the Senator from California?

Mr. BENTON. I am glad to yield to the distinguished Senator from California.

Mr. KNOWLAND. I have been listening to the Senator's remarks with considerable interest, and I certainly agree that there is a wide field for getting over the facts in the case, not only to the United Nations members, but particularly behind the iron curtain. I am fully conversant with the fact that the able Senator from Connecticut has been interested in the establishment of a system of international law and order so that the peace of the world could be preserved, and for that reason this country went into the United Nations.

I wonder if in his remarks the Senator is going to discuss today what he feels the obligation of each of the members of the United Nations is toward a system of collective security, and whether he feels that that obligation is properly discharged merely by voting for a resolution in the Security Council, or in support of action which has been taken by the Security Council.

I should also like to know if the able Senator from Connecticut would indicate whether or not he feels that each and every member of the United Nations, regardless of how small its contribution might be, does not have some obligation to join with the United States in sending, or at least in offering to send, some

ground combat troops to help preserve the system of collective security which we have, and whether or not he feels that they have discharged their obligations merely by sitting on the sidelines and applauding decisions which have been made, and the action which this Government and a relatively few additional governments have taken.

Mr. BENTON. Mr. President, I had not planned to discuss the subject today brought up by the Senator from California, but I should like to comment briefly on the important contribution he has made.

I agree that I would like to see each nation urged to make its contribution. This should be made, however, to the United Nations Information Division, through ideas, money, and local facilities within each country, as well as contributions in troops at the scene of the battle.

I will say further that the contribution of certain troops from Asia to the Korean front could be very helpful indeed on the psychological side, entirely apart from the military contribution which might be made by troops, let us say, from Pakistan or the Philippines.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. BENTON. May I finish my answer to the Senator from California?

Mr. FERGUSON. I beg the Senator's pardon.

Mr. BENTON. I have one further thought in reply to the Senator from California. Troops in Korea from the Philippines or Pakistan would help to dramatize to the Korean people the fact that this is in no way a white man's imperialist war, with our soldiers in Korea in advance of our businessmen for the purpose of exploitation, which, unfortunately, was too much the history of Asia during previous centuries, as the Senator well knows.

I now yield to the Senator from Michigan.

Mr. FERGUSON. Mr. President, I realize how the distinguished Senator feels about what might be called propaganda for information, but I am wondering whether at a time like the present, when we have the police force of the United Nations in Korea, actions really would not speak louder than any printed words that we might publish and try to circulate in Korea or in China, or in other parts of the world. Would it not be better for each and every one of the members of the United Nations to take upon itself full responsibility to carry out the mandate of cease fire and return north of the thirty-eighth parallel? If each and every member of the United Nations which desires to be on the side of the resolution would send troops, even if it were only a battalion or a token force, that would speak much louder than any printed word by those nations or the United Nations, because it would be deeds by the United Nations, which would convince the world that the United Nations was the power moving to stop aggression, and if aggression broke out anywhere else in the world, all the member nations would fight on the side of the United Nations?

I realize that there are some in America who believe that only Americans can fight, that only Americans are the soldiers who can win freedom, but we find opposed to Americans those who do not believe in the ideals of America.

I think we should be willing, that we should be ready, that we should be able to take the people of all these nations into this battle, so that we could convince the world that this was not a European or American battle, but that it was a world battle. Will the Senator comment on that?

Mr. BENTON. Mr. President, I wholly agree with the objectives sought by the distinguished Senator from Michigan, but I should like to add a footnote. I agree that for the American people words can never be a substitute for deeds, and that our deeds must fit our words, and our words must fit our deeds. This is in line with the temperament of the American people. Nothing else is possible for us as an instrument of policy. Unhappily, however, the Soviet Union has mastered the technique of using words as a substitute for deeds, and this is one reason why our own deeds are no longer enough. Our deeds must be supplemented by an explanation. Otherwise, when we are in South Korea with the deeds, spending half a billion dollars trying to help the South Koreans create a successful democracy, while we are there on that kind of a peaceful policy—the Koreans and all Asiatics are told by the Soviet Union that we are there for exploitation, and millions believe it, including the fighting North Koreans.

Mr. CHAVEZ. Mr. President, will the Senator from Connecticut yield?

Mr. BENTON. I yield to the senior Senator from New Mexico.

Mr. CHAVEZ. I am a great believer in the philosophy of the United Nations idea, but who from the United Nations, outside of citizens of the United States, are dying in Korea?

Mr. BENTON. I apologize to the Senator; I missed his question.

Mr. CHAVEZ. I ask, what other nationals, what other class of people, whether British, French, or any other nationality, are dying in Korea, outside of the people of the United States, with Koreans themselves?

Mr. BENTON. I know no more about this than what I read in the papers, and what is known to the distinguished Senator from New Mexico. I have read that Australians and New Zealanders, for example, are prepared to participate, and I know other nations are considering a similar policy. I do not have information adequate to enable me to answer fully the question raised by the Senator.

Mr. CHAVEZ. The only difficulty I find with the United Nations is that they want us to join and do this and that and the other, but they are not willing to die, as American boys are dying in Korea.

Mr. BENTON. I, of course, have read in the newspapers that the British have had casualties; that the Australians have had casualties.

Mr. CHAVEZ. At a distance, while shooting from sea, but they are not on the land. The French have said they are not willing to go.

Mr. BENTON. I do not have information adequate to do justice to that question, Mr. President.

Mr. McMAHON. Mr. President, will the Senator yield to me?

Mr. BENTON. I yield to my colleague from Connecticut.

Mr. McMAHON. I should like to comment very briefly upon the remarks made by the junior Senator from Michigan [Mr. FERGUSON] when he said that deeds and not words were the things that would count in the world today. Of course, we must have deeds. The Senator and I realize that. When General Eisenhower was testifying the other day with respect to the resolution submitted by the junior Senator from Connecticut, I am sure the Senator will remember that he said it was necessary, of course, to be armed and it was necessary that our economy remain sound. He said that, and that alone, however, is not enough. He said that above all we had to have morale. Of course, morale is just another word expressing what people believe.

Mr. BENTON. General Eisenhower went so far as to state that the Marshall plan was aimed wholly at morale, and I am sure the Senator will recall his statement.

Mr. McMAHON. That is correct. I should like to call the Senator's attention to the fact that Woodrow Wilson, in the First World War, did more to break German resistance by the proclamation of the Fourteen Points than perhaps many divisions of troops.

I remember so vividly reading recently what Tojo said in September of 1945, when he was interviewed and asked what had had the greatest effect in bringing about Japanese surrender. I think I quote him correctly when I say he replied that the fire raids were horrible, that the atomic bursts were catastrophic, but the thing which divided the imperial Japanese staff from the Japanese people was the millions of leaflets which were dropped to the Japanese telling them what our war aims were. I think that is worth reiterating at this time. It was the enunciating of the principles of the Atlantic Charter in the last World War that had such great effect in strengthening the people on our side.

We have always had the genius of having a moral position which matched our physical power. Today, above all times, when we have a moral position, it is essential that that moral position be stated to the world in no mistakable terms, because if it is so stated it will result in that morale which General Eisenhower talked about, and which will make the host of freedom invincible. That is as I see the situation.

Mr. BENTON. I thank my distinguished colleague from Connecticut, who was one of the early Members of this body to see this issue, when we were working together while I was Assistant

Secretary of State and he was a freshman in the Senate, as I am today.

Mr. McMAHON. Mr. President, will the Senator from Connecticut yield to me a moment further?

Mr. BENTON. Yes, I yield.

Mr. McMAHON. In April of 1948 I wrote an article for Collier's magazine, which I called Operation Freedom, which was inserted in the RECORD. I should like to insert it and will insert it, with the Senator's permission, in the record which he has made in favor of this resolution. I reread that article just recently. In it I pointed out that it was high time we began to push Operation Freedom with the Marshall plan and all the other things we have done since, the Atlantic Pact, and the implementation of both, and above all, our own rearmament. The Senator knows I have been for every one of those things. I believe we have not been as vigilant as we should have been, that we have not been industrious enough in going forward, but I think that error is about to be corrected, and, I hope, in time, by the implementation of the Senator's resolution.

Mr. BENTON. Mr. President, I shall be very happy to have the article referred to by my colleague inserted in the RECORD. I, too, have had the glad and happy feeling, when rereading an old magazine piece of mine, still to find it good, though written years before.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. BENTON. I yield.

Mr. LEHMAN. Like the Senator from California [Mr. KNOWLAND], the Senator from Michigan [Mr. FERGUSON] and other Senators, I, too, lay great stress on action. Action undoubtedly does in many instances speak louder than words. Therefore, as Senators know, I have favored and do now strongly favor the implementation of our military strength and that of our allies and friends in every way possible. I do not believe that the Congress of the United States or the people of the United States have any realization yet as to the great responsibility and the great burdens with which we will be faced during the coming months. So I shall favor any expenditures that may be necessary for the strengthening of our arms and the strengthening of the forces of our allies and friends who, like ourselves, are fighting in the cause of democracy and freedom.

There is no doubt, however, Mr. President, that the Soviet Union and her satellites have made great progress in deluding the people of the world, particularly the people of Asia. They have met with a considerable degree of success, in my opinion, in making people believe that we are the aggressors; that they are the ones who stand for democracy, freedom and security, and that we seek some selfish and material gain in the undertaking on which we are embarked in Korea and elsewhere. In my opinion it is absolutely essential to use every means to combat that propaganda, and to make the people of Asia and of other parts of the world realize that we have no ulterior motive, that we have no selfish motive, that we are not aggressors, that we are fighting for the cause of the freedom of all liberty-loving people.

I can say, Mr. President, that even if we can, in a military way, contain all the forces directed against us by the Soviet Union and her satellites which are now striving to destroy democracy, we still would require a plan of this kind to add and increase the good will of the other peoples of the world toward us. We still must prove to these people by our words, by our purposes, and by our acts that we have no ulterior motive, that we seek to help them, that we seek to preserve their liberties, that we seek to free those who are now under the heel of the tyrants—the leaders of the totalitarian states. So I strongly support what the Senator from Connecticut is doing. I am proud to be one of the cosponsors of his resolution, and I very much hope that its great purpose will be recognized and approved by this body.

Mr. BENTON. Mr. President, I am very grateful to the eminent Senator from New York. I commend to the Senate his brilliant statement made at the hearings last week.

I wish to comment further with respect to the testimony on the question of deeds and words, to show the great gaps which exist between our deeds and our words. I hope the Senate is mindful of the fact that we have put roughly $500,000,000 into South Korea. Yet, while we were putting half a billion dollars into South Korea on the economic front, we appropriated $1,400,000 last year for information and educational work. This $1,400,000 was regarded by the State Department as a large sum. I am told it was the largest sum the State Department had for any country.

The big broadcasting station at Pyongyang, the capital of North Korea, has a power estimated at 50,000 watts. It blanketed all Korea 24 hours a day with its barrage of lying Communist propaganda. On the other hand, the little South Korean station—and there are 20,000,000 people in South Korea, as against 8,000,000 in North Korea—could not generate more than three or four thousand watts of power.

The North Korean station boasted all day long about the hundreds of North Koreans who were being sent to Moscow for study and instruction, at the rate of 200 a day, at times. On the other hand, the United States, spending half a billion dollars, had funds only sufficient to send less than 20 Korean students to the United States.

The North Korean radio kept describing the hundreds of Communist cultural centers which had been set up in North Korea. On the other hand, the United States, spending half a billion dollars in economic aid, had only nine little information centers—to cover 20,000,000 persons; and only one of those centers had any American personnel.

Scores of Communist books were translated into Korean. On the other hand, we could manage to translate only a few of our books into Korean.

Our motion picture equipment in Korea was old and worn out and insignificant.

Mr. President, I have this information from a cultural relations officer who returned from Seoul only 2 weeks ago.

I told Senator Thomas' committee that I though it was a fair metaphor, in connection with this particular area of our foreign policy, when I said that we would never think of matching little Willie Pep, the tiny boxing champion from Hartford, against Joe Louis in the prize ring. Yet that is, in effect, exactly the way we have been conducting ourselves in this cold war, in operations in Korea. Indeed, I enormously compliment ourselves when I make the comparison to Willie Pep.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BENTON. I am happy to yield to the Senator from California.

Mr. KNOWLAND. First, of all, Mr. President, I wish to say that the question of adequate coverage by the Voice of America, or otherwise, I think is of extreme importance. I think the Senator from Connecticut has accurately stated the situation which has prevailed in Korea and, as a matter of fact, the situation which prevails in other sections of the world.

To get back to the colloquy had a little earlier in the day between both the Senators from Connecticut and the Senator from Michigan, and in which the junior Senator from California participated, let me say that I was hopeful that the Senator from New York also would express his viewpoint on that matter. It seems to me that all of us have supported the United Nations and all of us have been hopeful that in that organization the world would establish a system of law and order which would preserve the peace of the world for this generation and future generations of Americans.

However, the point which I think needs to be emphasized here in the Senate, by Senators on both sides of the aisle, is that up until yesterday, at least, only one nation, aside from the United States, had offered to send ground troops into Korea in support of the United Nations resolution. That nation was the Republic of China. It is true that the United Kingdom has sent some ships, and some casualties have been suffered on those ships. It is true that Australia has sent some ships and some airplanes. It is true that Canada has sent some ships, that the Netherlands has sent part of its navy, and that New Zealand has offered to send part of its navy.

However, the only nation, other than the United States of America, which until yesterday, so far as I know—and I believe the statement is accurate—has offered to send its ground troops is the Republic of China, which offered to send three divisions of approximately 30,000 men, and some 20 C–46 airplanes.

My only point—and I think it needs to be emphasized—is that although all of us recognize the fact that there are only a few great nations in the world, yet it seems to me that regardless of how small any nation may be, even if it offers

to send but a single battalion, even if—in the case of some of the smallest nations—it offers to send only a company or a regiment, as the case may be, if we are to have a system of international law and order, if all the nations are to assume their obligations in connection with the preservation of peace in the world, there is no member nation of the United Nations—regardless of how small or how large it may be—which does not owe a duty to the peace of the world to forthwith offer to send at least some ground troops in order to help preserve peace under the United Nations resolution. I do not believe the nations discharge their responsibility as members of the United Nations merely by voting for a resolution or by sitting on the sidelines and applauding the resolution which has been passed and the action which has been taken by relatively few of the member nations. There is no reason in the world why the United States and half a dozen other nations should assume the entire burden of this police action.

Mr. BENTON. Mr. President, of course, there are many gradations, as I am sure the distinguished junior Senator from California will agree, in connection with the discharge of responsibilities. All of us are glad that the nations voted as they did in support of the United Nations resolution; but I wholly concur that it is eminently to be desired that other countries join us and furnish, within their means and resources, troops to serve alongside our troops in Korea. I urge, however, that we seek their participation not only from the point of view of military assistance, but also from the point of view of the very important and symbolic psychological values which would be involved in such participation.

Mr. KNOWLAND. Mr. President, will the Senator yield further?

Mr. BENTON. I am glad to yield.

Mr. KNOWLAND. I wish to thank the Senator from Connecticut. I did not mean to interrupt his very able address.

However, inasmuch as he was discussing the psychological aspects of the situation, it seemed to me important to say that if there were that type of contribution, I think it would clearly appear all over the world as concrete evidence that men of all the free nations of the world were willing, if necessary, to sacrifice their lives as well as their property in defense of the maintenance of a free world of free men.

Mr. BENTON. I agree wholly with the distinguished Senator from California.

Mr. President, I have listed the first of my six points. I have five other points, which I should like to present very briefly, to serve as examples of the kind of thinking which I believe is needed in connection with our foreign policy.

My second point is that we can assume that the Voice of America will do its best to tell this story straight—both behind the iron curtain and in front of it—and that the British Broadcasting Corp. is doing the same. However, we are now facing a crucial emergency and it calls for quick, bold action. Unhappily, as General Sarnoff pointed out at the hearings, our radio facilities are pitifully and tragically weak, or are lacking entirely in many areas of the world. If the United Nations or the United States cannot get adequate free time on the existing domestic standard-band radio stations of the various nations to supplement these facilities—and this will show the Senator from California that I want the cooperation of the other nations, not only through the United Nations but with the United States on every front—then I want to have the money to be able to buy radio time if such time can be purchased and will give us the coverage we need. I feel that the Congress should provide this money. For example, let us take the powerful long-wave radio station at Luxemburg. That station alone can add greatly to the strength of our voice in Europe. Along the lines suggested by General Eisenhower, I submit that plenty of talent is available to produce highly effective radio programs.

My second suggestion is a stop gap measure only—a way to get more broadcasting quickly—while we proceed with the development of our own facilities.

My third suggestion, Mr. President, I picked up from reading the newspapers covering Mr. Samuel Goldwyn's return from Europe. Some of the Senators may have noticed that he called upon the United States to spend $1,000,000,000 to combat Russian lies. Perhaps, if he is asked to do so, Mr. Goldwyn will undertake to produce a documentary motion picture presenting the true facts about the North Korean aggression, not only to be shown in the commercial theaters all over the world, but to be shown to organized groups in every accessible country, and by projection trucks to every accessible village square in the world. Of course, Mr. President, I used Mr. Goldwyn's name in a symbolic sense; I use it because he is thinking about the problem, and wants something done about it. My point is that in this supreme crisis, we should immediately mobilize the creative genius of our motion-picture industry to the constructive use in this international crisis of this most powerful medium of communication. The motion picture is, to all of us who have worked closely with it, admittedly and by far the greatest potential means by which ideas can be quickly and forcibly communicated. Not only do we need the one picture made by Mr. Goldwyn or by anyone else, but in this area we need a new motion picture every week, and with a real system of weekly distribution.

My fourth idea, Mr. President, is that there should be an enormous increase in the use of leaflets and similar printed matter used in psychological warfare and which proved so effective during the war, as has been described by the senior Senator from Connecticut.

These psychological warfare techniques used by ourselves and our allies in Japan and elsewhere during the war have been used against us in Korea by the Communist propagandists and have been used with crushing impact.

Let me show the Senate some of the examples of this Communist propaganda which is being spread everywhere and with telling effect in South Korea. I have here on the floor a number of illustrative pamphlets, booklets, and comic strips used by the Communists and made available to me through the State Department. In them we see the techniques which we ourselves have mastered in this country in our comic strips and in our comic books. All of us with children know the impact and appeal of these comic books. Here we have the Communists using this combination of pictures and words that can be understood even by people who cannot read. And what do we have on the cover of this sample I have here before me? Here is a giant man with dollar signs for his belt and a greedy look. Fawning on him, this little knee-high figure down at the bottom, is Syngman Rhee, who, again and again, in these pictures, is shown as the tool of self-seeking American capitalism.

Here in this picture we have the American soldiers shooting little babies, and so forth.

Here are some cartoons. Here we have the virtuous North Koreans holding up a banner labeled "Motherland—Unification—Complete Independence," and here we have portrayed the South Korean stooges, with the military officer behind, representing Japan or the United States, forcing these reluctant South Koreans forward to shoot at the innocent North Koreans.

Here is another. This shows the arm of Uncle Sam behind Syngman Rhee, who is shown stealing the crops from under the feet of the Korean farmers. This cartoon is entitled "Farmers, Don't Be Robbed of Even One Grain Which You Harvested With Your Bloody Perspiration."

Here is the moral. At the very time that we are putting a half billion dollars into South Korea for economic rehabilitation, we are being portrayed as robbing the farmers of South Korea for our own gain.

Mr. President, I have also brought here a batch of unusual booklets to illustrate to the Senate the skill with which the Communists concentrate their evil talent on propaganda. These are not booklets to be read by any South Korean or North Korean. No, these are booklets to be read by U. S. S. R. propagandists in North and South Korea. Here are handbooks on propaganda which the Communists take into Korea, with which to train their agents. Here is one labeled "Propaganda Material for the Compulsory Education of Primary School Children." As we know, that is where the Communists start—with the children—pumping them full of hate for the United States.

Now, of course, I feel that we should develop in simple, easy-to-read form our own printed material, and should distribute it widely. That has been advocated by the Senator from Vermont [Mr. FLANDERS] and by many other Senators on the floor of the Senate, again and

again. But we have not given the State Department the money or the appropriations with which to carry through on this manifestly needed activity.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BENTON. I am glad to yield to the distinguished majority leader.

Mr. LUCAS. Touching the last point raised by the Senator, with respect to the Voice of America, I first want to commend the Senator upon what he is attempting to do here. One of the things which the Senator from Illinois has been primarily interested in ever since the Voice of America was set up, was this: It seemed to me, in view of the unusual amount of money which Russia was spending in propagandizing all the satellite nations, as well as other nations throughout Europe and Asia, that we ought to do something there to counteract that offensive. I have at all times struggled for appropriations which would meet that particular situation. The State Department has been denied by the Congress of the United States sufficient funds to do any kind of job whatever. I do hope that this is an awakening to the value of the Voice of America. Simply because there were a few little things which happened with respect to the Voice of America that were not quite in keeping with what certain Members of the Senate thought was right, on that basis appropriations were denied for a mighty worthy cause, and we are today suffering as a result of it.

Mr. BENTON. I thank the majority leader for that comment. Of course, I well remember, in the Seventy-ninth and Eightieth Congresses, the leadership which the distinguished Senator from Illinois took in this field, when it was so little understood and when it met with so much resistance—how, again and again, he took the floor here in the Senate and, but for his efforts, I have no means of knowing that our program would have survived as it has to this day.

I have two further quick examples, Mr. President, to complete my six points and to illustrate the kinds of things we can do at once if we, here in Congress, agree on the urgency which faces us with respect to this program.

My fifth point: I feel there should be a tremendous and immediate expansion of exchange of leaders in many fields of life in the United Nations countries and those in the critical areas, particularly in southeast Asia. My own background in this kind of activity, Mr. President, dates to my association with Mr. Nelson Rockefeller, who same to Washington 2 years before our entry into World War II, and who pioneered in this field in relation to Latin America. There is a great deal of evidence that Mr. Rockefeller's program was enormously effective in Latin America. We need a revival of that program on a vast scale, on a world scale, today.

We have an excellent illustration of exchange of personnel in the ECA technical-assistance program. But there were only 350 or 400 people—some small number of that kind—who were brought into this country last year on the ECA technical-assistance program. The ECA program should be enormously expanded, as I have advocated previously on the floor of the Senate.

I am talking here about leaders—present leaders who can be immediately effective when they return home—and not only businessmen and technicians but also journalists and, notably, labor leaders—all drawn from the many and diverse national strains, colors, and creeds, which have combined their talents to build the New World we know and cherish.

Mr. President, my last point, my sixth illustration or example, deals with the United Nations Educational, Scientific and Cultural Organization. I feel that the State Department should ask UNESCO at once to develop those of its projects which can have immediate effectiveness, in line with UNESCO's charter and basic aims on the cause of world peace. The Senator from California has given support to this kind of approach to the problem in his earlies comments on the floor.

We in the United States should be prepared to finance those UNESCO projects which have the leadership and which have suitable objectives. I cited, in Florence, Italy, at the UNESCO conference 3 or 4 weeks ago, when I was a consultant at that conference, the problems of education in Germany and in Japan, as illustrations of what UNESCO could tackle, and on a significant scale.

Surely it is as suitable for the United States to finance UNESCO projects, in what I have called a point 5 program, as it is for us to finance the United Nations on point 4.

Dr. Stoddard, the world famous psychologist who is president of the University of Illinois, and chairman of the United States National Commission for UNESCO, was a brilliant witness before the Thomas committee, and gave many illustrations which helped to indicate how UNESCO can become far more effective in the cause of world peace if it has the money and the leadership. Mr. President, I have completed my six illustrations.

I should now like to remind the Senate that Secretary Acheson advised the Thomas committee that President Truman will shortly send to Congress a message requesting substantial new appropriations—for a great campaign of truth. I know how these appropriation proposals are developed. It takes months and months and months—taking them through the State Department, through the Bureau of the Budget, through the White House, through the offices and the Appropriations Committees here on the Hill.

Much of the thinking in connection with this proposal traces back many months. It takes months to get it where it is. In the meantime, these hearings of last week and the urgency of the North Korean crisis make the issue much more apparent to us.

I understand the proposal of the President will be particularly directed to the areas of the world which are now under immediate and critical pressure by the Soviet forces and their satellites.

The Smith-Mundt Act, sponsored by two distinguished Members of the Senate with whom I worked in connection with the passage of the act, affords all the legislative authorization needed for a greatly expanded appropriation and program.

The President's new program will largely cover appropriations for long-range efforts for new facilities and transmitters, and similar investments, such as the building of great new radio facilities which require months or even years to work out. However, the President's proposal, I am told, will also support the immediate expansion of existing programs and the greater utilization of existing transmitters.

Such an expanded program is bound to present challenging problems in personnel, in organization, and in new techniques to be adapted to the changing situation throughout the world. It will demand seemingly large expenditures, but these expenditures to prevent the spread of communism will seem small in comparison with the appropriations which must be made to combat that menace once it has gained its foothold by subversion and propaganda. They are indeed tiny as compared with the money invested in other areas of our foreign policy.

A few days ago the junior Senator from Massachusetts proposed a two billion dollar increase in the arms program for Europe alone, and today one of the most distinguished and revered Members of this body said to me that he expected the armed services would request, before the end of the year, an additional $5,000,000,000 in appropriations.

That is the way in which we are talking about billions of dollars in the field of armaments, and they are the sums we must keep in mind when we consider this relatively tiny sum in the field of ideas.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BENTON. I am glad to yield to the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. Would it be fair to sum up the argument of the distinguished Senator by saying that he believes and I believe that we should do everything possible in a military way in times of crisis, but we shall not accomplish the full objective of our efforts unless we do something at the same time to try to tell people what our purposes are in helping them and educating them to the point of view of what we believe is a more peaceful world which will give greater security to them as well as to ourselves?

Mr. BENTON. That is a perfect summary. It is not only the summary of the distinguished Senator, or my summary; it is the summary of General Marshall, General Eisenhower, and General Bedell Smith. General Smith confessed to the committee that not too many years ago he had not recognized the importance of this area. Indeed,

he said that when he was in a key role in London during the war, he looked on the men who came in to work on propaganda and morale as crackpots whom he unhappily and unfortunately had to put up with. But his feeling changed, and fast, and greatly, as did that of General Marshall and General Eisenhower—if on their part they had ever showed such an attitude.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. BENTON. I shall be through in a moment, but I shall be glad to yield at once to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I admire the statement of the Senator from Connecticut. I think he is making a wonderful contribution. I also admire the contribution made by the Senator from Massachusetts. But I should like to ask the Senator what nation other than the United States is trying to contribute something to carry out the program.

Mr. BENTON. Mr. President, if we had had a program in this area 5 years ago, and had consistently adhered to it during the past 5 years, it is my conviction that there would now be much more eagerness and much more vitality in the actions and attitudes of other countries throughout the world than the Senator from New Mexico thinks he is witnessing as he observes current events.

Mr. CHAVEZ. As I observe current events, I see American boys dying, but I do not see anything being contributed in order to carry out the laudable and noble ideals which the Senator is talking about. I am sorry to say that.

Mr. BENTON. If we do not see contributions from other nations, I regret it as much as does the distinguished Senator from New Mexico. But it is also true that the world looks to us for leadership. It takes time to get followers. It is true that we are not in South Korea fighing for the South Koreans; we are there fighting for the United Nations and for the concept of world peace represented by the United Nations. If other nations are not equally quick to do that, in some cases it may be because they have feared that leadership will not be forthcoming from the United States. We have this penalty of leadership, as we conduct our policies in today's world.

Mr. CHAVEZ. Mr. President, I think we have the noblest and the most laudable record of ideals in trying to bring about peace in the world.

Mr. BENTON. Unhappily, many people throughout the world do not agree with the Senator or with me on that subject. I agree with the Senator, but many people in the world do not agree with the Senator. That is our dilemma.

Mr. CHAVEZ. That is correct. I am not worried about those who do not agree with it. I am worried about the ones who are supposed to agree with it, the ones we have helped. I am not worried about Soviet Russia or her satellites. We never could get them to agree. But there is no particular reason why the ones we have saved, the ones for whom Americans by the thousands have died in order to bring about liberty, should not agree with it. That is what I am complaining about. I am not complaining of the sacrifice. I think it is worth it.

Mr. BENTON. I am not going to say that your complaint is in any way illegitimate. I do not have the necessary facts as to what is now going on in this area with which adequately to reassure the Senator from New Mexico. I hope such facts will be forthcoming.

Mr. CHAVEZ. I hope the facts will be forthcoming, because up to this time the fact actually exists that the only ones dying in Korea are American boys, and the fact exists that England and France are not going to send their boys into Korea because they might accidentally get killed.

Mr. BENTON. I do not know whether the distinguished Senator was on the floor when the Senator from California pointed out that there are ships and airplanes and men from other nations, but there are no ground troops.

Mr. CHAVEZ. The ground troops are the ones who receive white crosses.

Mr. BENTON. There have been casualties already among English troops, and, I gather from the comments of the Senator from California, among other troops as well.

Mr. CHAVEZ. If the Senator from Connecticut will be so kind, the point I am trying to make is that I think the effort is worth it. Irrespective of the crying mother of the boy who died in Korea, I think it is still worth it for society and for civilization. However, it does get irritating at times that we unselfishly do all these things, that we contribute the money, contribute the groceries, contribute the food, contribute the guns, contribute this, contribute that, contribute everything else, and we are the only ones who do the dying.

Mr. BENTON. It is also a very unhappy fact when we think of the many American boys who died out in the south Pacific during the last war only to have the Russian propaganda machine make tens of millions of people in Asia feel that it was the Russian troops who won the war, who were the conquerors of Japan, and the real victors in the war. In the Far East that is the Russian propaganda line. I regret the situation described by the distinguished Senator from New Mexico. However, it does not in any way contradict the need I am trying to set before the Senate in my remarks this afternoon.

Mr. CHAVEZ. I agree with the Senator from Connecticut. I agree with him completely and entirely. Neither are we going to contradict the Russian propaganda by helping the French kill Indo-Chinese people in Indochina. We are not going to contradict that fact no matter what happens, if liberty is worth while, if peace is worth while, if freedom of action is worth while. It could happen in Hong Kong, Singapore, Gibraltar, or even in Malta.

Mr. BENTON. As my concluding comment, Mr. President, I hope that before Congress adjourns we shall have established an emergency budget and appropriation in this area of far greater magnitude than the one I understand is now under contemplation by the State Department and the President.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. BENTON. I yield.

Mr. KILGORE. In furtherance of the question recently asked of the distinguished Senator from Connecticut, I should like to ask him whether it is not the Senator's belief, which I do not believe he has expressed fully yet, that someone must pioneer in any field in order to sell others on the idea and convince them that it is worth while. If we pioneer this field and accomplish some results in getting truths to people who heretofore have been hearing nothing but untruths, other peace-loving nations in the United Nations will in time join in the same effort. Is that the Senator's idea?

Mr. BENTON. That is not only my idea, but I see no alternative to the idea of giving hope to the world over a period not only of years but of decades, the hope that by achieving world understanding we can create an atmosphere in which the chance of peace will grow greater and the chance of war will diminish. That is the hope to hold out to the peoples of the world. It is not a certain hope, but it is the only hope. We must hold out to the world the hope of smaller armaments and less tension, the hope of greater understanding, and the hope of maximizing the chance for peace and minimizing the risk of war. We must pursue this hope, and pursue it vigorously.

Mr. KILGORE. Is it not the Senator's idea that due to the position we now hold in world affairs we are the only nation which can pioneer the campaign against the untruths being spread by the satellite nations of Russia and by Russia itself?

Mr. BENTON. We are the only nation which has the resources with which to do the job that needs to be done.

Mr. KILGORE. That is correct. We are the only ones who can pioneer the subject.

Mr. BENTON. Today Britain and France are doing more in the line of broadcasting than we are. Russia is doing between four and five times, measured in hours per week, more than the United States is doing. General Sarnoff testified, as the record shows, that the Russians are putting on over 800 hours of broadcasting per week—and in every language of the world. We follow along with one-hundred-eighty-odd hours per week. That is some twenty-odd percent of the Russian volume. Our United States facilities have never matched the British radio facilities.

We are also below the French in programming hours.

I agree with the distinguished Senator from West Virginia that we should be the leader, though we must encourage other countries which believe in freedom to do all they can. We have not been the leader. I agree with him that we should be out in the forefront. It is for that reason that I am addressing the Senate today. The urgency is now such

that the matter cannot be longer or safely postponed.

The sums involved, though large by peacetime standards, are small in contrast to the great gains and goals which may be achieved. No one knows whether the North Koreans would have attacked if we had done the right kind of job in this field. No man knows whether our Armed Forces would feel warranted in demanding a far larger military budget, as we head toward this crisis, if we had done the job here which we could have done and at relatively small expense. The expenditure of several hundred million dollars over a period of years is small indeed in this great area, in contrast to our investment of tens of billions on armament and the other facets of our foreign policy. It is tiny indeed if it will surmount the crisis described by Ambassador Dulles. Indeed, as I have said, such sums would be small if the chances were only 1 in 5 that Ambassador Dulles is correct in his analysis. He does not have to be right. Let us just give him one chance in ten of being right, and we would be negligent indeed if we did not move ahead aggressively and at once in this area. Of course I think the chances are better than 1 in 5. I agree with Ambassador Dulles and congratulate him on his patriotic candor.

What I am discussing today is thus as urgent as any matter before the Congress or before the American people.

Further, Mr. President, here is an area in which we can act. Here is an area in which we can do something, and we can do it fast. This fact in itself should give new hope to our people, and new hope, in my judgment, to the people of the world.

Mr. President, I should like to insert at this point in my remarks the lead editorial in the Washington Post of this morning. It bears directly on the subject I have been discussing. The Washington Post has run many distinguished and able editorials over a long period of years, showing great insight in this field, and this is an excellent example of this insight.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WAR OF THE MIND

We are glad to note the report that the State Department is about to accept the challenge of Communist propaganda and ask for $100,000,000 to conduct its foreign information and education program. It is about time. The value of the information program is one aspect of foreign policy upon which there has come to be general agreement. If the administration had not been overly timid in asking for the funds necessary to do an all-out job there might have been less quibbling over pennies in Congress.

It will be necessary, of course, to expand the program constructively and not indiscriminately. Propaganda is a job that requires skill, not mere verbiage. Nevertheless, there are many outlets which have not been fully utilized. For example, radio programs to some areas are pititfully inadequate; they could be greatly improved by more transmitters and continuous broadcasts. More use might be made of existing national facilities in some countries. Just as important is expansion of the libraries which have become small outposts of America, along with more films and more personal contacts. The export of American talent is in itself a medium of propaganda. There is need to try new and unorthodox methods. Nor are iron curtain countries the only important focal points. It is imperative to get the truth across to friends in the free world, especially to countries such as India and Indonesia and in the Middle East. Latin America, too, has been largely neglected in what Senator MCMAHON recently termed the "whisper of America."

More than a national program is involved. A coordinated international propaganda effort, as we remarked the other day, is one of the measures on which the free world can get together in furtherance of what President Gonzales Videla of Chile described as a "democratic international." The free world has joined in a common effort against the Communist aggression in Korea. But it would be a mistake to think that it will remain united automatically in the face of the Communist distortions for 24 hours a day. Neutrality is the aim of the Kremlin's propagandists, and they seek to achieve it by implanting the little doubts which pave the way for the big lies. The poisoning of men's minds, of course, is one of the most effective methods of warfare.

It has been observed that actions speak louder than words, and this may be true as respects the short-sighted cut in point 4 funds by the Senate Appropriations Committee. But it is also true that the best-intentioned actions can be hidden or misconstrued unless people are constantly informed about them; indeed, there is a big job just in counteracting the ingrained misconceptions about this country. But above all, the information program must serve as the medium for explaining those decisions on policy and principle which are so subject to Communist distortion. In other words, the "truth offensive" is the best tool for making American—and free world—purposes perpetually and unmistakably clear.

Mr. BENTON. Mr. President, General Eisenhower has rightly called the program I am stressing today democracy's T-bomb.

I hope every Senator will read his testimony and that of Secretary Marshall, Secretary Acheson, Mr. Baruch, and the many distinguished witnesses who appeared in the hearings before Senator Thomas' committee. I do not feel that any impartial or objective person can read these hearings without discovering that we have in this new field a weapon of enormous potential strength. The situation in Korea now should make it clear to all of us that this is a weapon which we dare no longer suppress or deny. For as Wallace Carroll who served so brilliantly in the OWI has well said, the forces of freedom no longer have a choice. With him I agree: We must persuade—or perish.

Mr. HUMPHREY. Mr. President, first of all I should like to pay appropriate tribute to the distinguished Senator from Connecticut [Mr. BENTON] for the splendid proposal which he has offered and to which he has given such inspiration and direction. There is no doubt that we have been sadly lacking in the field of informational services. I know and understand that the Senator from Connecticut would include in this great program of public information, not merely dissemination of radio broadcasts, but also creation of information centers throughout the world, the exchange of students, the exchange of scientific, social, and political information, so that the true picture and the true story of America and democratic living could be made available to the peoples of the world.

Mr. President, I sometimes feel that we may have been telling an all too grandiose story of the so-called better things of life instead of portraying the true picture of the way the American family, worker, businessman, and teacher lives. We ought to tell the story as it is. We ought to tell the peoples of the world that we are not a miracle people, mysterious, or unusual. We ought to tell them that because we have been able to create a society in which we have protected individual rights, recognized the fraternity and equality of mankind, and accepted the doctrine that certain truths are self-evident, we have been able to release to the fullest the capacities and capabilities of men and women from all over the world in the building of a new society and a new order in the United States and on the great North American Continent.

Mr. BENTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield.

Mr. BENTON. I pointed out to Senator Thomas' committee that these great self-evident truths of our information policy are not self-propagating. They are self-evident, but they are not self-propagating. What we need is every device or technique for propagating them, to give hope to the people of the world everywhere.

The greatest of all devices to persuade people is face-to-face contact. The radio is merely a substitute for face-to-face contact. That is why the proper exchange of personnel between countries is the most effective insofar as those people whom it reaches and whom it affects. This cannot be done quickly, however, or ever done on a broad enough scale and so we must use printed matter, photographs, radio, and the like.

Mr. President, I merely wanted to reenforce what the Senator is saying.

Mr. HUMPHREY. I thank the Senator. As he has pointed out on other occasions, it is almost ironical that a Nation which prides itself upon its great ability to dramatize its ability to achieve the spectacular, should be in a position where it is running a poor fourth or fifth in the competition of ideas and in the competition of public information.

The Senator from Connecticut has truly challenged the thinking of every thinking person by his proposal. It is a great testimonial to him that men of the caliber of General Marshall, General Eisenhower, Mr. Dulles, the great statesmen, Mr. Baruch, and others, have seen fit to come before the committee on their own and to testify in behalf of his proposal.

Mr. President, my remarks today are directed in part to the proposal of the Senator from Connecticut. In a more direct reference to one aspect of the appropriation bill which I know will be given discussion later, namely, the point

4 program, I have taken this opportunity to address the Senate on the issue of the point 4 program and the appropriation because I had heard that there might be a very severe limitation on debate in order to expedite the passage of the appropriation bill. I do feel, however, that the point 4 program having to do with technical, scientific assistance to the underdeveloped areas of the world is so important that every voice needs to be raised in its support. I believe it ties right in with what the Senator from Connecticut has been discussing, and I think my remarks will point that out.

Mr. President, if the Senate were to refuse today to appropriate funds to provide ammunition for American soldiers fighting in Korea, that would be regarded as an act of incredible folly. Yet we are being asked to commit an equally unreasonable act in the vitally important battle for the support and allegiance of the peoples of the earth.

The action in Korea is the military phase of the world-wide conflict between freedom and tyranny, and it is of the greatest immediate importance. Sometimes I think we would be better off if we would describe this conflict as the conflict between freedom and tyranny. I repeat, the action in Korea is the military phase of the world-wide conflict between freedom and tyranny, and it is of the greatest immediate importance. Yet the other phases of the struggle—economic, moral, and psychological—are also crucially important. If we win the current battle in Korea and in the long run lose the support of the peoples of the world, we will surely be defeated in the end. I believe that is the thesis to which the Senator from Connecticut has been directing a great deal of his remarks.

A few days ago, in the caucus room of the Senate, the Secretary of State, his Republican adviser, Mr. Dulles, General Marshall, and General Eisenhower appeared to testify in the strongest terms for the need of a great intensification of the overseas propaganda efforts of this Government. All of these leaders vigorously supported the commendable resolution of the Senator from Connecticut [Mr. BENTON] in which 13 Senators have joined, for launching a Marshall plan of ideas which would convince other peoples of the rightness of our aims, and counteract the vicious and lying attacks of the Communists against this country and democracy in general.

At the same time these gentlemen were urging a more powerful, sustained effort to appeal to the peoples of the world, in another room in this same Capitol the Senate Appropriations Committee was cutting the heart out of the most persuasive and effective argument the United States has yet advanced to win the support of millions of people in other countries—I refer directly to the point 4 program—to assist the peoples of the underdeveloped areas to achieve success in their own efforts for better living conditions.

Permit me, Mr. President, to digress to point out that the Communist attack today is in the underdeveloped areas. The critical portion of the world today is in the poverty-stricken, fever-ridden areas of Asia, especially southeast Asia, where people are sick at heart, cynical, and bitter, where the Communists have been able to play upon the colonial exploitation of the years past. It is to this area that the point 4 program is directed as if it were a guided missile.

Mr. BENTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Connecticut.

Mr. BENTON. Would the Senator care to comment on an aspect of the Communist propaganda we do not adequately appreciate in this country, which has an overwhelming effect in these backward areas, namely, that it addresses itself to the legitimate aspirations of the people themselves.

Mr. HUMPHREY. The Senator is so right.

Mr. BENTON. How seldom do we recognize that and face up to it. That is the reason why the propaganda hits so hard in these underdeveloped areas, and it is why those are the weak spots, in which the Communists find the attack easy and the opposition fading before them. This is why we are vulnerable in so many spots throughout the world today, and why the point 4 program is of such enormous importance as a symbol of our intentions and desires to assist these people toward attaining their own legitimate aspirations, helping with our engineers and machinery and not just with propaganda, with technical assistance and not just with words.

Mr. HUMPHREY. I thank the Senator. I had a pleasant experience this morning. The former Minister of Labor of the South Korean Government was my guest, and we had an opportunity to talk in the privacy of my office. That gentleman—educated, refined, cultured, here as a guest of the United States Department of State on a 90-day visit to the United States—told me the story of Communist propaganda in Korea. Every word the Senator from Connecticut has uttered is documented by the on-the-spot observations of the former Minister of Labor of the South Korean Government, Mr. Lee.

Mr. Lee told me that the Communists geared their propaganda to the desire of the peasants for land, for food, for education.

Mr. BENTON. Legitimate desires.

Mr. HUMPHREY. Legitimate desires, and of course once the Communist government took over in North Korea, these promises turned out to be false. But in the meantime these unhappy people were taken in, as it were—they were taken in as many an innocent American is sometimes fooled at the sideshow. It looks very good out in front, particularly when the ballyhoo artist is there talking it up, but when one gets into the show, he finds it is not what it is described to be on the outside.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield to the Senator from Arkansas.

Mr. FULBRIGHT. By way of preface, I have felt for a number of years that we have been very parsimonious in the whole program of information, and I have attempted on one or two occasions in the past to have the appropriation increased. I approved the effort to get a much larger appropriation, and I went before the Committee on Appropriations in behalf of the existing program, which started out with a budget recommendation of approximately $36,500,000. The House cut it to $34,000,000, and the Senate committee cut it to $32,700,000. Although we are dealing with a very small amount, comparatively, I find it extremely difficult to have allowed the amount the budget has already approved. I intend to offer an amendment, when we reach the item, to get the appropriation back to the budget figure. I should like to raise it to 50 or 60 million, but I thought we should get at least what the budget approved.

The Committee on Appropriations has been extremely unsympathetic to this program ever since I have been a Member of the Senate. That is what has been bothering me about the whole program. I think we have been very remiss with respect to the amount of money we have spent in the field of information and exchange of students. We have had authority for it. We have authority for it now. In my opinion the authority under the Smith-Mundt Act is quite broad enough to do everything that can be done under the point 4 program, but we cannot get the money in the committee and in the Congress. I hope the Senator from Minnesota can do something toward aiding us to secure a little money for that purpose.

Mr. HUMPHREY. Mr. President, I thank the Senator from Arkansas. Long before I came to the United States Senate I had heard of the splendid work and leadership of the distinguished Senator from Arkansas in the field of foreign policy, and particularly in the field of public information and education. I can assure him that if he places an amendment before the Senate to augment the appropriation at least up to the suggestion of the Bureau of the Budget he will have all the support that one United States Senator can offer him, and he will have my vote. The program which the Senator from Arkansas initiated years ago is one, as he says, which is under way. It is authorized. It is operating. It has paid great dividends. If we had a measuring rod with which to calculate just how much had been done by the exchange of students, and by the information services, I think we would find that these programs have built great good will for democracy and for the American people.

The point 4 program has already made great headway—it has done so even before it has been formally put into operation—in winning the support of other peoples, which is essential if we are to repulse the all-out offensive of communism against the democratic way of life. Mr. President, let us make no mistake about it; we need the support of these other peoples. The United States

of America cannot stand alone in the world against the Soviet Union and her satellites. We need the support of these other peoples. Our very existence as a free and independent Nation may ultimately depend on whether we or the Soviet Union win them to our side. True, we have the support of the majority of the nations in the battle for Korea, but there may be other Koreas before the widespread, deep-rooted Communist conspiracy to blot freedom and democracy from the face of the earth has been finally defeated. In fact, I think all reasonable people believe we are going to have other Koreas. The battle for Korea is only a skirmish in what is likely to be a long-drawn-out battle for the world. Certainly every American citizen ought to prepare himself psychologically and in every other way for what is going to be a long-drawn-out struggle in our generation and maybe in generations to come, as to whether this will be a world governed by the despots of tyranny or whether this will be a world in which the principles of freedom survive and in which its banners will remain unfurled.

The Senator from Connecticut [Mr. BENTON] has demonstrated courage and vision by his proposal of "a Marshall plan of ideas." I join with others in vigorously supporting his measure. I am sorry he has left the floor for the moment. I am sure the Senator from Connecticut would be the first to recognize that any expansion of our educational, informational, radio, and news services for the dissemination of democratic ideas will be fortified a thousandfold if we can tell the world of our deeds that carry out our ideals. The emphasis today needs to be placed upon deeds, programs, accomplishments. Then we should strengthen our informational and educational services to tell the true story.

As the Senator from Connecticut pointed out, the Koreans were not even told about the tremendous amount of help we gave to them. The story was never told in such vivid terms that the average Korean listening at his little radio or in the public square would know the full truth of the contribution of America to the independence and freedom of the South Korean people.

The people of the world are dizzy and confused by the propaganda barrage of the east and the west. I think we ought to put it down now once and for all that we can never outpromise the Communists. It is foreign to our nature to be so irresponsible. We can, however, utilize the resources at our command and by our own deeds prove to the peoples of the world that democracy is a realistic, practical answer to the perplexing problems which beset mankind.

Technological and scientific assistance in combatting malaria, in overcoming tuberculosis, in improving the use of the land and the development of new crops—these are things that people can understand. They do not require any interpretation. These are problems that strike powerful blows in the cause of freedom, in the struggle against communism.

Mr. LUCAS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. LUCAS. The amount which was requested for the point 4 program, as I recall, was $35,000,000, was it not?

Mr. HUMPHREY. That is correct.

Mr. LUCAS. And the Appropriations Committee cut that amount to $20,000,000?

Mr. HUMPHREY. To $10,000,000.

Mr. LUCAS. To $10,000,000. In other words, the small sum of $35,000,000 was requested by the President of the United States with respect to point 4, in order to point the way to something really worth while for the future of this country; yet the Appropriations Committee denied the President that small amount, when billions of dollars are being appropriated for other purposes.

I simply cannot understand how the Appropriations Committee could slash $25,000,000 from the small request of $35,000,000 to carry out the point 4 program. Before the debate is concluded I hope someone will explain why that was done. I will say, however, it cannot be explained to my satisfaction. I care not whether evidence on that point was presented before the committee; I care not whether there was anything other than the President's message—and that we know about—before the committee. We all know what point 4 means. We all know what the objectives of point 4 are. Certainly $35,000,000 was a small sum indeed with which to start the program, with which to do something which in the future might be of tremendous constructive help to this Nation. At this particular time, when, as the Senator said, the Communists, through their propaganda methods, through their lying methods, are giving democracy a real test, we, so to speak, take the wrong horn of the dilemma and retreat, rather than go forward with the point 4 program.

Mr. HUMPHREY. The Senator from Illinois has surely stated the issue in concise and pertinent terms. I am very grateful and thankful to him for having done so.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SALTONSTALL. With respect to the request for $35,000,000, I wish to say to the Senator from Illinois that $7,600,000 was appropriated under the Smith-Mundt Act, under the Fulbright Act, and under the item for the Institute of Inter-American Affairs, out of $8,100,000, which, as I recall, was requested originally by the Bureau of the Budget. After deducting the $8,100,000, leaving $26,900,000, the Senate Appropriations Committee in its wisdom cut it down to $10,000,000. I personally do not approve of that, and I have, together with the Senator from New Jersey [Mr. SMITH] prepared an amendment which is now on the desks of Members of the Senate, to increase the $10,000,000 to $20,000,000.

I personally believe in the principles of the point 4 program. Whether the amount for that program should be $20,000,000 or $25,000,000 in addition to the amount provided under the Smith-Mundt Act and under the Institute of Inter-American Affairs, is a question of judgment and is a question of a relatively small amount.

The reason which I think influenced the majority of the members of the Appropriations Committee—and I do not speak for them because I was in the minority—was that there was not sufficient justification before the Senate Appropriations Committee for the amount requested. I believe it would be extremely helpful to have, and, as one Senator, I certainly am going to try to have a better justification on the floor of the Senate than was presented in the Senate Appropriations Committee for that amount.

Mr. FULBRIGHT. Mr. President, will the Senator yield at this point?

Mr. HUMPHREY. Yes; but first I wish to thank the Senator from Massachusetts for what he has said.

Mr. SALTONSTALL. I thank the Senator from Minnesota for giving me an opportunity to make the statement, and I hope he will support me in my amendment.

Mr. FULBRIGHT. Mr. President, I wish to make an observation in regard to this item. It applies not only to the cutting of appropriations for point 4, but to the cutting of the appropriations for the existing program. The action of the committee was to recommend a cut, under the budget request for funds for the existing program, which was $36,600,000. The House cut that amount to $34,000,000; and the Senate committee has voted to cut that amount by another $1,300,000.

I can see no justification for such action. Every detail was presented to the committee on regard to what the money would be used for. Nine nations, in addition to the ones participating in this program last year, are now participating in it; and that fact would justify a considerable increase in the appropriation. Furthermore, there is all the justification now being presented by the Senator from Minnesota and by other Senators who have spoken about this matter. Yet the Appropriations Committee quibbled over $1,300,000, voted to cut the appropriation for this item more than the House cut it. The committee has done that now for more than 2 years running. That action by the committee indicates that it has no real concern with this program. The committee voted to cut the appropriations for this item more than that 2 years ago, even although the program is designed for the same objective as that of the point 4 program, as the Senator knows.

Mr. SALTONSTALL. Mr. President, will the Senator yield further to me?

Mr. HUMPHREY. I am glad to yield.

Mr. SALTONSTALL. I may be confused in regard to what the Senator from Arkansas has said, but I believe we are talking about the same thing. Of course, one is the appropriation item for information and educational activity, which was approximately $36,000,000. The House cut that item to $34,000,000; but now the final result, on the basis of the action of the Senate Appropriations Committee, is an item of $32,700,000.

Included in that item is the $7,600,000 for the Smith-Mundt Act program and the program in connection with the Institute of Inter-American Affairs.

Mr. FULBRIGHT. That is correct.

Mr. SALTONSTALL. That $7,600,000 will be moved over to and included in the amount appropriated for the so-called point 4 program?

Mr. FULBRIGHT. Yes. The attempt is to take it out of the existing program and mix it up with the other one. In effect, there would be no improvement at all. By legerdemain it would be moved out of the existing Voice of America program and would be moved into the program for point 4. I assume that the committee has voted to do so on the basis of the belief that there will be some backing or some votes on the floor of the Senate for such action.

The point is that no real progress at all will be made as a result of such procedure. Why the Appropriations Committee voted to cut the item by $1,300,000 after the item was reduced by the House of Representatives is beyond my comprehension.

Mr. HUMPHREY. Mr. President, I am extremely happy to witness the rightful indignation of the distinguished Senator from Arkansas.

Mr. FULBRIGHT. Of course, I am indignant. The committee has acted in this way for 3 years. Such action on the part of the committee is nothing new. The committee always has tried to emasculate the program so far as it could do so.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SALTONSTALL. Let me say that I do not like to stand here and be criticized, seemingly, as having tried to decrease the funds available for this program, when the fact is that I am one of those who take the same view the Senator from Arkansas takes. I merely wish to say that the State Department did not present its case very well in its testimony before the committee.

Mr. FULBRIGHT. Certainly I presented my case fairly well.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LUCAS. I wish to compliment the Senator from Massachusetts for being on the correct side, except I point out that his amendment does not go so far as it should. I hope the Senator from Massachusetts and other Senators will vote to increase the amount available for this purpose.

It seems to me that when we are asking for $35,000,000 for this program, as the Senator from Arkansas said a while ago, it is tweedle-dee and tweedle-dum for the Appropriations Committee to vote to strike a million and a quarter dollars from this item. Why the committee should vote to take such action is difficult for me to understand. However, perhaps I understand it correctly; in other words, as the Senator from Arkansas has said, over all these years the committee has attempted to emasculate the appropriations for this program, although this is the program which today is advising people everywhere in the world that we have been proceeding with the proper purposes. In fact, if we had spent more money for these educational programs, perhaps we would not be in our present position.

Mr. HUMPHREY. Mr. President, I commend the Senator from Illinois for his observations. He has presented the case forcefully.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, I suppose the Senator can yield only for a question. However, in the light of the observations made by the distinguished Senator from Arkansas and by the distinguished Senator from Illinois, the majority leader, if the Senator from Arkansas is talking about the justification for appropriations for the point 4 program, that is one thing, of course. If he is talking about the justification for the requested appropriation of funds for the Fulbright student-exchange program, that is another thing.

I happen to be a member of the Appropriations Committee; and at the committee hearings I listened to the testimony and the presentation given by Mr. Thorp in regard to the point 4 program. I am satisfied that the other members of the Appropriations Committee will bear me out when I say that Mr. Thorp did not at all justify this appropriation. He did not present a thing, not a solitary case, in justification of the appropriation called for by the budget.

Mr. President, I wish to call the attention of the distinguished Senator from Minnesota and of the distinguished Senator from Arkansas and of the distinguished Senator from Illinois, the majority leader, to the fact that there was an absolute failure of justification, regardless of whether we believe in the merits or in the demerits of the program. If Senators will read the testimony in the hearings in that connection, I am sure all Senators will agree with me on that point. No justification at all was given.

Mr. HUMPHREY. Mr. President, let me say that it is my purpose to give the justification.

Mr. WHERRY. I hope the Senator will do so. After all, if there is to be any effort on the floor of the Senate to increase the amount of the appropriation for this item, and to do so on a fair basis, certainly such justification should be presented to the Senate; and, if possible, new evidence should be presented on the floor of the Senate, because in my opinion the committee hearings contain no justification at all to warrant an appropriation of $35,000,000, $8,000,000 of which, as the Senator from Massachusetts already has said, has already been provided, and as to that much of the item there was no objection at all.

Mr. LUCAS. Mr. President, will the Senator yield to me for a moment?

Mr. HUMPHREY. I yield.

Mr. LUCAS. If there is no justification at all, as the Senator from Nebraska has just said, why should anything at all be provided for this purpose? Yet the committee has voted to provide some funds.

Mr. WHERRY. Well, Mr. President——

Mr. LUCAS. Mr. President, I ask the Senator from Nebraska not to interrupt me. The Senator from Minnesota has yielded to me, and I should like to make my statement without interruption.

Mr. President, the Senator from Nebraska constantly says that in the committee record there is no justification at all for such an appropriation. Yet arbitrarily, apparently, the committee has voted to reduce the item from $35,000,000 to $10,000,000.

Mr. WHERRY. Mr. President, will the Senator from Minnesota yield, to permit me to make an observation?

Mr. HUMPHREY. I yield.

Mr. WHERRY. Mr. President, the majority leader is entirely correct; in other words, why do we provide anything at all for this item? I think there was a failure to justify the appropriation of a single dollar or a single dime for this purpose. Of course, the question of whether we believe or do not believe in the merits or demerits of the point 4 program is another matter; but I say to the Senator from Arkansas, who sincerely believes in this program, and who is joined in that belief by the distinguished Senator from Massachusetts, that the merits of the program are an entirely different matter. I am merely saying that if the Senator expects to justify even the appropriation of $10,000,000, or whatever amount the Senate may finally decide upon, to my mind additional testimony will be required; and I believe that it should be brought to the attention of the Members of the Senate generally, because in my personal opinion there has been absolutely no justification for the appropriation of this money.

The fact is that Mr. Thorp went to the United Nations and made commitments without any authority at all for doing so. If it had not been for that, there would not be even the slightest justification for even the appropriation of $10,000,000.

So I say to the distinguished Senator, with all due respect for his sincerity in this matter, which I grant—and also I grant the sincerity of all other Senators who believe in the point 4 program—that there should be more evidence to justify this appropriation item than that which was offered by Mr. Thorp in regard to this particular phase of the point 4 program.

Mr. HUMPHREY. Mr. President, I shall make several comments about what I believe to be the approach made by representatives of the State Department in their appearance before the Appropriations Committee; and I hope my comments will be worthy of the attention of the Senator from Nebraska.

Mr. WHERRY. Mr. President, of course I always listen with great interest to the distinguished Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator.

Mr. FULBRIGHT. Mr. President, will the Senator yield to me?

Mr. HUMPHREY. I yield.

Mr. FULBRIGHT. I merely wish to say that I did not hear all the testimony in the committee regarding the point 4 program, but I did appear before the subcommittee presided over by the Senator from Nevada, when it was considering the Smith-Mundt program, namely, the regular information program under the Smith-Mundt Act and the program which I sponsor. There is in the record in that connection very excellent testimony. I myself testified, as also did Mr. Johnstone, Mr. Sargeant, and Mr. Barrett. The Budget Bureau approved the item. It has been thoroughly gone over. The program has been in operation for a number of years. Yet the Appropriations Committee voted to cut the item by $1,300,000 below the cut the House of Representatives already had made. In my opinion there was no lack of justification for the appropriation requested, but the action taken was simply an attempt to cut down the activities which already have been established.

The effect of the action of the committee, if supported by the Senate as a whole, would be to restrict the activities, and to do so more than they were restricted last year, in the case of the only program for this purpose which now is in existence. While I am sympathetic to and will support point 4, I still say, as I did before, when we had the question under consideration, that it is possible to do, and there is being done on a small scale, exactly, under the Smith-Mundt resolution, what can be done under the point 4 program.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. WHERRY. I am not on the subcommittee which handled the appropriations for the State Department. I think most of the appropriations about which the distinguished Senator is talking, relative to the Fulbright resolution, are carried in that appropriation.

Mr. FULBRIGHT. That is correct.

Mr. WHERRY. I only heard the evidence on the particular matter about which the Senator is talking when he himself appeared before the full committee when it was considering the matter.

Mr. FULBRIGHT. I should like to correct the Senator on that point. That is not the testimony to which I am referring. I went before the subcommittee. I did not anticipate, before the full committee, that the idea that anyone who does not appeal to us is a Communist had become so thoroughly spread about in the Senate. I am checking upon that matter very carefully at the moment. That was not at all my testimony to which I am referring, and which is in the printed record.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield this time, after which I shall continue my remarks.

Mr. WHERRY. I was not on the Foreign Relations Committee, and therefore did not hear the Senator when he testified before the subcommittee. I only heard him testify before the full Committee on Appropriations, which considered the subcommittee's report on the State Department appropriations, which contained the recommendations about which the distinguished Senator is talking.

Mr. FULBRIGHT. That is what I am complaining about. I think it is very short-sighted.

Mr. WHERRY. I followed the recommendation of the Senate committee, because the subcommittee said the members prepared the best bill they could, after giving it full consideration. Naturally, when one is not in a position to go into all the ramifications of appropriations, it is necessary to be guided by the recommendations of the subcommittee. I quite generally follow the recommendations of a subcommittee.

I did not want to discuss this issue and I am only talking about the point 4 program. I am not stating on the floor of the Senate that the distinguished Senator from Arkansas did not present a full case to the subcommittee. The only testimony I heard him give was some of the testimony before the full committee, and that developed into an argument regarding one professor who came here, who was a Communist, and another question of whether any of the students had been properly screened, and what not. To be perfectly frank, the impression I got was that certainly more screening was needed. But I am not complaining about the merits of the Fulbright exchange legislation.

Neither did I hear the testimony before the subcommittee. But I did hear the testimony about point 4. I wanted the Senator to know that. I went into it very thoroughly, and my opinion is, if the Senator will read the record, that there is not a Senator who can approve an appropriation of $35,000,000 on the evidence which was submitted, regardless of the merits of the undertaking. After all, that is the job of a member of the Appropriations Committee, whether he agrees with an authorization bill or not. I have always taken the position that, once Congress approves an authorization, then my job is to see to it that it is justified, whether I voted for the authorization or not. On that basis alone, I judged Mr. Thorp's testimony, and I submit to the distinguished Senator that in my humble opinion there was no justification. There was not even justification for the $10,000,000, if you please.

Mr. HUMPHREY. The Senator from Minnesota will try to complete his remarks. I am very grateful for the observations which have been made and the debate which has been carried on, because I believe that it has been helpful in promoting a proper understanding of what has happened in the Appropriations Committee, particularly the remarks which have been directed to the informational and educational program. I shall direct some of my remarks toward the comments and observations of the distinguished minority leader, and I surely am grateful for his participation, because it is true that there was inadequate representation before the committee.

Mr. WHERRY. That is correct.

Mr. HUMPHREY. I am going to make that point later on in my address. I believe it is our job here, now, on the Senate floor, to dig out the evidence we need, and to support this program. That is why I wish to make these comments today. These are but preliminary remarks. Others will have much more information to offer.

Mr. WHERRY. Mr. President, I wonder whether the Senator from Minnesota will yield for a brief remark?

Mr. HUMPHREY. I yield.

Mr. WHERRY. I should like to include in my colloquy, if the Senator does not mind, a reference to page 295 of the report on the pending bill, to which the Senator has no doubt already called attention, and which thoroughly explains the $10,000,000 appropriation and also the $8,100,000 item about which the Senator from Massachusetts was talking, and about which there was no argument, the Senator will understand.

Mr. HUMPHREY. I am very happy to have yielded for that purpose.

Mr. President, I was saying a moment ago that technological and scientific assistance in combating diseases, such as malaria, in overcoming tuberculosis, in improving the use of land and the development of new crops, strikes a powerful blow in the struggle against communism. These programs are understandable to the people, and, I repeat, they strike mighty blows in our struggle against communism. When we take these programs and discuss them, when we talk about these projects and programs through our informational, educational, and radio and press services, we reveal a telling story, we present a meaningful story to the people of the lands where the technological and scientific programs have been used. I think it is imperative that, as we talk about information—and I know my good friend from Connecticut will agree with me—as we talk about public information, radio and news publicity and educational programs, that we remember that hungry, weak, unemployed, distraught, cynical, sick people just are not revived or rehabilitated by a soothing voice on the air. We must have something to talk about, and what we need to talk about in these areas of the underdeveloped parts of the world, where the people are underprivileged, where they have been under the colonial yoke of exploitation, where they have never had a break in life—what we ought to be telling them is the accomplishments which have been made available under the technological, scientific assistance program.

Mr. BENTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BENTON. I am dreadfully sorry I am unable to remain to hear the remainder of this very interesting and instructive argument by the Senator from Minnesota. Is the Senator aware of the fact that the Senator from Oregon [Mr. MORSE], before the Thomas subcommit-

tee, last week, testified that he felt that this program should be increased to $100,000,000?

Mr. HUMPHREY. I am aware of that, and I would say that the Senator from Oregon is not being a bit extravagant in his remarks. I think he is being quite practical. I make this observation, and I think it is one anyone would make if he has ever had the misfortune of being a little bit hungry. Hungry people want food, not advice; they want something to eat. Impoverished people want an opportunity to earn a living, not somebody to talk to them. Unemployed people want work. The point 4 program of technological and scientific assistance attacks these social and economic evils at the source of contamination, namely, in the local environment of every country where economic and political chaos consumes the population.

This is a program through which the United Nations agencies, the United States Government, and the other governments participating joined together. It is a self-help program. It is not charity. It is not work relief. It is not a hand-out. It is not a gift. It is a program dedicated to utilizing the manpower and the physical and natural resources that are available, so that these can be created into constructive, good products and services for the benefit of the people in the Nation.

The Voice of America and the Marshall plan of ideas can and will be effective only when we have the right to things to talk about. I know that the Senator from Connecticut [Mr. BENTON] has told us again and again that we have failed to tell our story about some of the good things that we have done—and we have done much good. There are yet other things to be done. We need to be as bold and as courageous in our struggle against poverty, ill health, the general breakdown of economic and social conditions as we are in our military efforts in combating world aggression. Our radio and publicity efforts, telling about the wonders of democracy, can breed a cynical despair in the hearts of the underprivileged people in the underdeveloped areas, if these people never have the opportunity to apply the wonders of science and technology to their own lives, their own soil, their own interests, and their own institutions.

If one wants to lose a friend, here is one way to do it—just go around and tell people how well off you are; just go around telling your poor neighbors what a fine home you have, what a fine automobile, what a fine job, what a good income, when the friend or neighbor is without a home, without an automobile, without an income, and without a job.

That is the quickest and surest way in the world to make a real enemy. The cynical attitude grows into bitterness and jealousy.

The point 4 program is an effort to help people to help themselves to make something out of their lives. It appears to me that the best publicity and propaganda for democracy is the application of scientific and technological knowledge to the economic and social structure of the underdeveloped areas.

The appalling contrast between these concurrent actions in the Capitol last week, Mr. President, is enough to shock us into asking ourselves some blunt and forthright questions. Are we really in earnest about winning the support of other peoples or are we just trying to kid them and ourselves? If we really want to win their support, how do we think it can be done? Can it be done with words alone or does it require more and more deeds—deeds that will have meaning to other peoples as well as to ourselves? Are we so blind that we refuse to recognize the true value of this incomparable instrument we already hold in our hand—so unwise that we are ready to cast it aside without even putting it to use? Are we true to ourselves when we readily vote billions for necessary military expenditures and refuse to spend a few million to help construct the equally essential economic and spiritual bases of democracy in the world?

Let us be charitable and assume that a clear understanding is lacking of the connection between point 4 and the battle of Korea—between point 4 and other battles it may prevent if it is put to full and effective use in time. Just what is the significance and the value of point 4 in this world-wide struggle in which we are engaged?

I think all of us concede, Mr. President, the vital importance of winning the understanding and active support of the peoples of the world for the cause of freedom and democracy if that cause is to triumph. How can this be done? We must realize that words alone will not suffice to touch the hearts and win the minds of mankind. We must understand that millions of people throughout the world do not live as we do—that theirs is an existence made almost intolerable by pitiless poverty, disease, and ignorance. We must also realize—contrary to the smug belief in some quarters that these people live in such conditions because they choose to—that they are aware of the subhuman existence to which they are condemned and are resentful of it.

These are the people to whom the Communists insistently promise a better life if only they will throw in their lot with communism.

We should know by this time that the Communists have been able to make great strides by their appeal to the misery of the people. We ought to know that much of the Communist aggression has not been by the force of marching men, but by the tragedy of the breakdown of social and economic society. We know that their promises are false. We see every day that communism actually offers nothing but slavery, with not even better living conditions to compensate for the loss of freedom. But the millions to whom the Communists make their promises do not know this, or, at least, they did not know it early enough.

How can we convince them that the promises of communism are false and the ways of democracy are better? We cannot convince them by words alone—we cannot outpromise and outlie the Communists, even if we tried. Our most convincing argument must be directed to the human needs; to put it more bluntly, to the pits of their stomachs—where there is an aching void instead of satisfying food—where there is a vacuum which the Communists try to fill with Communist promises and slogans and doctrines, just as they try to fill political vacuums with Communist power.

On many occasions, Mr. President, I have mentioned on the floor of the Senate that one of the places where Communist ideology is working overtime and with feverish effort is the Republic of India. That great Republic has sought in the past 7 or 8 months to procure grain to feed the hungry millions. We can talk to those people about democracy all we want to, but what they want is something to eat. When they see that we have food in surplus, that we even destroy it, as they are told by the Communists; when they see that we have to pay hundreds of thousands of dollars even to store this food when they would like to buy it, it really gives the Communists something to talk about. Everything we can do in Indonesia, everything we can do in southern Asia, Burma, Thailand, Indochina, to raise the living standards of the people through their own efforts, through the use of knowledge and information, through the transfer of experts to those nations to help the people, will do more to beat down communism than will all the pamphlets we can possibly send there. People have got to be pretty hungry before they will eat pamphlets. A hungry man is an available person for the Communist line.

What can we offer these people that is more convincing than Communist propaganda—that will really fill their stomachs, that will really alleviate their misery, that will really give them new decency and dignity, to which even the lowliest aspire? We can give them, Mr. President, the most irrefutable kind of proof that democracy is immeasurably superior to communism—demonstrable proof in the form of the methods, the skills and the knowledge that have enabled us to attain in this country the high standard of living that is the envy of the world. We can make this demonstration in a form that can be understood and appreciated by the humblest peasants and workers in every country—tangible, effective advice and assistance that will enable them by their own efforts to raise themselves and their families to a new level of well-being. What better answer can there be to communism?

This is the most effective answer to the false promises of communism, Mr. President, because it is the stuff of life. It makes itself felt in the daily lives of the masses of people, because it deals with the things in which they are most vitally and immediately concerned—more food to eat, more clothing to wear, better shelter for their households, better health for their families, and better opportunities for their children.

This is what point 4 means. This is what point 4 can accomplish. How do we know? Because we have tried this method for 10 years at least, and have

proved that it works. We have proved that it is practical, it is effective, it is inexpensive, and it convinces the people whom it benefits both of the friendship of the United States and of the efficacy of democratic principles.

During World War II, the technical assistance program carried on by the Institute of Inter-American Affairs was one of the most effective instrumentalities for gaining support of the United States in the Latin-American countries. American agricultural experts showed their farmers how to grow more food to offset the reduction of imports caused by the war; American doctors and engineers improved the health and sanitation of thousands of workers producing war materials. By the end of the war, surveys indicated that 25,000,000 Latin Americans had benefited from these efforts. This work was known and appreciated by the people of those countries, as well as by their governments.

Since then, this program has been continued on a reduced scale by the institute, while a parallel program of 26 United States agencies, under the leadership of the State Department, has been in continuous operation for 11 years. At the beginning, the United States put up most of the money for the health and sanitation, agricultural, and educational programs; now the Latin-American countries put up $3 to every $1 spent by the United States.

After the Institute of Inter-American Affairs had participated in technical-assistance projects in Costa Rica for 5 years the President of that country in 1947, Jose Figueres, dedicated a local office of the joint agricultural service. He emphasized the cooperative nature of the work, and smilingly told his audience: "This is the Yankee imperialism you have heard so much about."

That is the kind of testimonial we want from peoples in other lands.

In the capital of Chile the Institute of Inter-American Affairs helped install a sewerage system that serves 200,000 people in a quarter of the city inhabited by workers and their families. The project not only provided sanitation for people among whom the Communists had been very active, but also made possible the cultivation of crops on 100,000 acres formerly unsuitable for food production because the irrigation ditches were polluted by sewage. When the project was completed the people of the district, of their own accord, arranged a public ceremony at which they sang the Star-Spangled Banner and dedicated a marble marker expressing their gratitude to the United States.

Believe me, that kind of gratitude is hard to find, and demonstrations like that are few and far between, when we are merely exporting arms or talking in terms of a direct-relief program. Here these people helped themselves. They were grateful for the assistance they received in their self-help program.

In Ceylon a representative of the United States Bureau of Reclamation is advising the Government on the construction of a large dam that will provide irrigation for enough land to feed half a million people. In the same country the World Health Organization assisted in an intensive campaign that entirely eliminated malaria at a cost of 20 cents per capita. They have eliminated malaria, the dread disease of the tropics, in the country of Ceylon at the cost of 20 cents per person. By way of comparison, it has been estimated that the direct cost of malaria for every person who has the disease in India is $2 a year.

One American agricultural expert in Guatemala has shown Latin-American coffee growers how they can double or triple their yield without increasing acreage, simply by selecting high-yielding strains of coffee trees. Another American technician helped save Brazil's citrus industry by finding the cause of a ruinous plant disease, at a cost of $30,000.

These instances are only a few of hundreds that could be cited. The fact is that the point 4 principle has been proved time and again: It is inexpensive, it is practical, it is effective in persuading the people among whom it is applied of the good intentions of the United States and the benefits of the democratic way of life.

I want to say right now that I think that kind of program will do more to save the world from aggressive, militaristic communism than any pamphlet, radio broadcast, or feature movie, because when we get right down to it the peoples of the world turn to a foreign ideology or subversive doctrine, and turn away from principles of human freedom, only when they are sick, down and out, without property, and without a chance to make something out of their lives.

We have only to apply this principle on a much broader scale, as President Truman has suggested, to have an unbeatable weapon against communism.

We frequently hear anguished outcries from leading Americans, including Members of Congress, about the dangers of communism, and demands for positive, imaginative, appealing measures to counter the threat of communism. Well, here it is. What could be more positive, constructive, dynamic than point 4?

The trouble is that many Members of Congress, many officials of the Government, do not know a good thing when they see it. Even the State Department, as I pointed out to the minority leader, has been entirely too slow and reticent in realizing the enormous potentialities of point 4, and too timid to put it to full use. That seems to be the trouble with our Foreign Service officers. They are afflicted with timidity and caution. They are always far behind the people. You can bet your bottom dollar that if our positions were reversed, and the Russians possessed the tremendous advantage that our technological resources give us, they would be using it to the hilt all over the world against us. Here we have in our hands the best imaginable weapon against communism, and we do not have the gumption and the sagacity to use it.

The American people are far ahead of the Government in realizing the great potentialities of point 4. There is tremendous interest and enthusiasm all over the country for this program, especially among people who understand it best. Let me quote a statement. It comes from a highly respected American citizen.

I quote:

> It is our firm belief that the interests of the United States will best be served by helping nations and peoples to help themselves. It is in our interest to help the distressed attain their needs so that they will have the physical strength to defend and carry forward their intellectual, moral, and spiritual freedom.
>
> Thus, by helping others to help themselves, we will aid them in achieving independence from domination of any kind. * * * Our interest and the best interest of the people throughout the world are inseparable, and thus in reality we serve our own best interest by helping others achieve strength and health, opportunity, and freedom through rising standards of living.
>
> The sooner all of us recognize the fact that the welfare of the world is indivisible and that our freedom and the freedom of other nations are inseparable, the sooner we will be able to face with all our force the gigantic task that exists today, the task of raising the standards of living of peoples of all lands.

That statement, Members of the Senate, was not made by an official of this Government, a visionary planner, a college professor, or even a Democrat. It was made by one of the foremost industrialists and one of the foremost financiers in this country, Mr. Nelson A. Rockefeller.

What then is the source of the opposition to point 4? It can hardly be based upon the amount of money involved, since only a total of $35,000,000 was authorized for point 4, whereas we are appropriating approximately $3,000,000,000 for direct ECA assistance and about a billion and a quarter for additional military assistance. There is little doubt but that we will appropriate even more in view of the dire and critical international situation.

It is interesting for me to observe that, every time Senators are asked if more money should be needed in the international situation because of the Korean struggle would it be forthcoming, to a man we say, "Of course it will." We say to the President, "Send down your requests. They will be voted immediately." I want to state as loudly as I can that we cannot whip communism with arms alone. If we alone are in an arms race with world communism, we are licked right now. They will bleed us white. What we must recognize is that we need allies, and the friendship, understanding, and devotion of millions and millions of people who are being sucked into the Communist orbit. If the Congress of the United States persists in ignoring this program and only spends money in a great armaments race, we have lost all hope of being able to maintain a free world.

The opposition to point 4 cannot be based upon any claim that it is new or a theoretical matter. This program has been operating in limited areas for several years, and it has operated success-

fully. It has operated to the satisfaction of the peoples receiving the aid and our own country that has given the aid.

The opposition to point 4 surely cannot be based upon the assertion that this is some new untried venture within the framework of the United Nations. The programs of world health, food, and agriculture and other related UN agencies are directed toward similar ends. We have joined in these agencies in full knowledge of their work and objectives.

What then is the basis for the opposition? Are the American people to believe that the opposition is one based upon economy? That will hardly stand the test of public scrutiny when the limited sum of $35,000,000 is requested. Compare this small sum to the military expenditures.

Are the American people to believe that the curtailment of appropriations for the point-4 program is primarily a political move because it was proclaimed and has been vigorously championed by President Truman? I am sure that this is not and will not be the intention of the Senate. I am confident that party politics does not control in the field of foreign policy.

We in the Congress must keep pace with the American people in their understanding of the political, social, and economic conditions which provide a fertile soil for communism. The American people know that communism grows and expands where there is sickness, hunger, and poverty. The American people know that where men and women enjoy some of the good things of life, communism finds it most difficult to make inroads, and the American people have a right to expect the same kind of intelligence and competent observation on the part of their representatives in the Congress.

The American people are a generous people. They want our country to share its scientific and technological knowledge with our friends. The American people expect their Congress, which represents them, to translate their wholesome desire "to share" into public law. Our people are crying out in desperation for a Congress to be as positive in its search for peace as it is in its willingness to meet the armed force of communism by military strength.

Let no one forget that for a moment. There is sadness in the hearts of millions of Americans, and they are looking to the Congress for some guidance, not merely on appropriations for new bombs, which we must have because of the sad, sick, and sorry world in which we live, but they are looking to the Congress for some light and some leadership to get at and to destroy the sources of contamination, of communism, wherever we find them. The way we do that is in the economic, social, and political areas, not in the military alone.

Let there be no misunderstanding of my words. The people of this Nation recognize that our struggle with communism is twofold. It is one of meeting the Communist ideology by democratic ideas and democratic performance. It is the other of meeting the brutal military power of Communist conspiracy by a united, strong, and prepared nation. Our people, the people of America, expect the Congress to interpret their ideas and their wishes into public policy.

The Congress and the American people have rallied almost unanimously in support of the President's courageous decision on Korea. A drastic cut in point-4 funds at this time would mean that we are ready to follow him when he stakes the fate of the Nation on military action to check aggression, but we refuse to follow his lead in a long-range effort to prevent future Koreas. It would mean that we actively seek the support of other nations when we are directly engaged in military action in which our national prestige and security are involved, but we tell them they can shift for themselves, can go their own way, as far as their own welfare is concerned.

Only 4 weeks ago the United Nations held a conference to raise funds for its expanded technical assistance program, which was inspired by President Truman's initiative in proposing point 4. This conference was held only after Congress had authorized $35,000,000 for technical assistance and specified that part of this amount could be used in programs conducted by international agencies. This Government pledged $12,000,000 to the United Nations program, and, on that understanding, 49 other countries pledged $8,000,000 more.

A drastic cut in the point-4 appropriation, as proposed by the Appropriations Committee, would make it necessary for this Government, at this critical hour in world history, at a time when the United Nations has stood with us and we have stood with them, to renege on at least part of its pledge to the United Nations. This would hamper, if not cripple, the United Nations program of technical assistance. Moreover, it would embarrass not only the President and our representatives in the United Nations, but it would also seriously damage the prestige of the United States itself.

Such a result could only be interpreted throughout the world, at a time when the free world is striving to achieve solidarity under the banner of the United Nations, as a vote of "no confidence" by the United States in the economic and social activities of the UN.

Communism is an international conspiracy. That is what communism is, an international conspiracy. It is a philosophy that has military adherents and supporters in many lands. International communism is directed by the evil, and, may I say, very clever, men of the Kremlin. Its center of power is the Soviet Union. Yet the military aggression that we see in Korea and the aggression that we saw in Czechoslovakia were not the direct product of an attack by Russian soldiers. We see a new form of aggression. We see an international army, an international program, an international philosophy, which repudiates the whole structure of international law based upon territorial integrity and freedom, and national independence.

We see Koreans attack Korea for Russian Communist purposes. We see Czechoslovakians destroy the independence of Czechoslovakia as a part of the master plan of the Kremlin. We see Chinese Communists destroy independent China to fulfill the plan of the Communist leaders. We see Communist Indochinese attacking and ravaging their land as a part of the evil plot of the international Communist movement. We watched the Communists of France and of Italy—yes, of every land—do the bidding and the work of their masters in the Soviet Union. Time-honored principles of national pride and national patriotism and devotion have been cast away by this evil insidious philosophy of international communism.

What does this tell us? Surely it tells us that no one nation alone can successfully meet the attack of an international movement that has its slaves, its dupes, and its servants in every land.

One hundred and fifty million Americans cannot meet the attack of 800,000,000 enslaved Communist-controlled people. It is impossible, unless we want to get ourselves down into the pitiful condition in which their slaves and dupes find themselves. So it resolves itself into finding friends, and building for ourselves and our principles an international organization.

I was very much pleased to see the editorial in the Washington Post of today, which stated that the former President of Chile, Gonzalez-Videla, when he came to Washington, suggested the creation of a democratic international to stop the spread of the international Communists. What a wonderful idea, a democratic international to stop the spread of international communism. If the Communists can pick us off one at a time, that is what they are going to do. Surely we have discovered that the one instrument through which we can work so as to have a great, united international movement dedicated to democratic humane and decent purposes, is the United Nations.

The very obvious fact that Communists have but one loyalty, namely, the loyalty to a totalitarian philosophy with its prophets of doom working from behind the walls of the Kremlin, should make it crystal clear to all freedom-loving people that if we are to counterattack, if we are to meet this menace and destroy its effectiveness, we too must have an international movement, an international forum, an international government to carry forth our program of freedom and democracy, and to implement our ideas. Here again it seems as if divine providence is on our side. This Nation has been blessed many times by the good fortune, I am sure, of having divine care and counsel.

Fortunately, a great international instrument of law and order is available. That international body finds itself revealed in the United Nations. The United Nations is now a working instrumentality to preserve international law. This great international organization into which we should be directing this point 4 funds, to give it life and to give

it something with which to work, was inspired by the ideals of Woodrow Wilson. He was the great philosopher of our time, of our century, in the cause of international order and world peace. The UN was also given guidance by the late President Franklin Roosevelt. We are its creators, and must be its stanch defenders.

The declaration of the United Nations was written in this Capital and subscribed to by 26 nations on January 1, 1942. The preliminary proposals for the creation of a great international organization, later to become the United Nations, were written at Dumbarton Oaks right here in the Nation's Capital. The conference that drew the Charter of the United Nations was held in the great city of San Francisco, in the United States of America, as I said, it appears to me that divine providence has given to us and to every freedom-loving people the tools and the weapons to meet the evil philosophy of Communist totalitarianism. The free people of the world have a charter to fight for and to work for. The free people of the world have an instrument of law and order that they can use. We here in America above all others should be able to understand the importance of working through the United Nations and of strengthening its agencies.

I plead for the kind of understanding that will save us from the peril which will be upon us if we do not act in concert with freedom-loving peoples.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD as a part of my remarks a series of editorials pertaining to American participation in the United Nations.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post]

WAR OF WORDS

Acheson and Dulles, Marshall and Eisenhower—all four spoke up forcefully Wednesday in behalf of an expansion of our information program. They pointed to the immense resources that the Russians are throwing into the battle of words over Korea. Actions are said to speak louder than words, but one of the wonders of the twentieth century is that they don't. Our actions in Korea are pure enough, and the actions of the aggressor that we are coping with are just the opposite; but let us remember that millions of people depend not upon unadulterated sources of news, but upon words whispered across the diameter of the earth by men who not only have the resources but are supreme technicians in the art of bamboozling and befuddling.

To be sure, 43 nations have testified to our virtue by supporting our action against the aggressor, and you would think that this fact would in itself be eloquent enough. But the testimony is that it isn't. Thus the great need from all these supporting nations is that they shall mobilize their communications resources to spell out their support of the sanctions undertaken in Korea. They should be asked to join with us and the United Nations Organization at Lake Success in revealing the true position. They all have facilities of communication. All of them have their own peculiar audiences in which what they say is predominantly influential, and some of these go beyond their frontiers. In the present crisis, certainly, national propaganda should be secondary and the first item in the 43 nations' program should be an explanation of why they demand a cease-fire and a withdrawal in Korea.

Parallel propaganda is something for which this newspaper has long pleaded as the bounden duty of all nations who prize their liberty. The last occasion was when President Gonzales Videla of Chile came to Washington. The Chilean suggested the creation of a democratic international to stop the spread of international communism. The idea had merit, but this newspaper observed that, without benefit of new machinery, there was something that the free nations could do right away, and that was to unite their propaganda resources in behalf of the free way of life. There is now a specific occasion for uniting propaganda on the specific issue of the struggle upon which the free world is engaged.

Propaganda is a device in which the United States is deficient, and this is curious, for the United States has made an art of advertising and salesmanship and public relations. The deficiency is due to disinterest—expressed in a budget of only $24,000,000, a sum which, moreover, includes items that do not properly belong to an information budget. The amount is less than that spent by the British, let alone the Russians. Yet no country needs to spread the light about itself and its situation more than this country; for no country has been more defamed and maligned, and no country is more responsible for defending the peace. In India, for instance, the picture conjured up of America by all classes of society up to the top level of sophistication is a curious sort of Wall Street-Hollywood amalgam. Millions of people in out-of-the-way places, as the result of the long start of the Russians and the American neglect, speak the Muscovite patter about America, and thus the Russians may be in a better position than we realize of making their own barefaced aggression seem like innocent self-defense in the minds of the world's guileless.

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[From the Washington Post of July 9, 1950]

AGENT OF THE UN

The only legal problem that has given United Nations officials any real concern in connection with the UN policy in Korea has been successfully worked out in the Security Council's resolution asking the United States to designate the commander of the anti-aggression forces. Some experts on the UN Charter had feared that it would be difficult to carry out military police action in Korea without activating the Military Staff Committee on which the Soviet Union is represented. The Charter provides that the Military Staff Committee shall be responsible under the Council "for the strategic direction of any armed forces placed at the disposal of the Security Council." But the Charter has proved to be flexible. Unity of command is being achieved without any reference to the Military Staff Committee.

It was obvious at the outbreak of the fighting that the Security Council could not itself put down the aggression of the North Koreans. No troops had been placed at its disposal, as contemplated by the Charter. But the Council could and did act under article 39 of chapter VII. This article directs the Council to determine the existence of any breach of the peace or act of aggression and to "make recommendations * * * to maintain or restore international peace and security." The Council took such steps in its resolutions of June 25 and 27. On Friday it took the additional step of "recommending" that all members responding to its call place their forces at the disposal of a unified command under direct control of the United States. In other words, the Council gave its blessing to the practical measures already taken by the nations cooperating in this joint undertaking.

Use of the United Nations flag, along with the national flags of the nations resisting this aggression, was also authorized. The United Nations is as much committed as if forces directly under its command had gone into action. We think the Council is to be highly commended both for shouldering the responsibility laid upon it by the Charter and for working out a practical means of making its will effective. No doubt the logic of events drove it to the conclusion that the anti-aggression forces in Korea should be placed directly under American command. But the initiative came from the British and French rather than the American delegates. And since 45 of the 59 members of the United Nations have approved the use of armed forces in Korea since the United States took the lead in supplying men and equipment, it may be assumed that the arrangement meets with general satisfaction.

The most heartening fact about the Korean episode thus far is the courageous and forthright manner in which the Security Council has responded to the challenge of armed aggression. The dramatic manner in which it has emerged from its moribund state has been tonic to the entire free world. In our enthusiasm for what the Council is now doing, however, it is well to remember that it was able to act in this emergency only because of the Russian boycott of the UN in violation of article 28. The Soviet's incredible blunder in absenting itself from the Council has resulted in a demonstration of unity against aggression that scarcely seemed possible a few weeks ago. The disturbing thought is that the Council's spurt of activity could be squelched overnight by the return of a Soviet delegate to the Council. Of course, Russia could not stall the forces that have been put into motion. But her veto could prevent the Council from taking any further action to counteract the present or future acts of aggression. That possibility must be giving the jubilant statesmen at Lake Success more worry than is apparent in any of their current statements.

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[From the Washington Evening Star of July 8, 1950]

UNDER ONE FLAG FOR ONE PURPOSE

By a 7 to 0 decision—with India, Egypt, and Yugoslavia abstaining—the Security Council of the United Nations now has taken another historic step to emphasize that the effort to repel the Red invasion of Southern Korea in an effort being made not by our country alone but by the UN as a whole.

As far as specific action is concerned, the Council's new resolution paves the way, first of all, for a unified command of the military forces which numerous members have provided to help the Council carry out its decisions of June 25 and 27—decisions aimed at forcing the Northern Korean invaders to withdraw to the thirty-eighth parallel. The command is to be under the United States—the chief power involved—and the top commander is to be an American, General MacArthur.

In addition to this move—which is essential to the efficient use of the multinational forces available—the Council has decreed that the new unified command may at its discretion fly the flag of the United Nations, concurrently with the flags of the various participating powers, during military operations in Korea. Nothing could better symbolize or dramatize the fact that those operations—legally, morally and militarily—are not a one-country enterprise but the enterprise of the overwhelming majority of the UN.

Never before in history has there been anything quite like this—never such a unified command over a great company of nations fighting together under one flag for the sole purpose of putting an end to criminal aggression. Here is the nearest approach the world has yet made to a concrete, flesh-and-blood realization of the international police force called for by the UN charter. Though it can accomplish no overnight miracles, the development is potentially a thing of first importance. Certainly, in an immediate sense, it can do much to counter the Kremlin's propaganda effort to blame the Korean war on American "imperialists."

In effect, moreover, this latest of the Security Council's history-making actions serves as a stern rebuff to the Soviet Union's continuing attempt—made once again in the note protesting against our naval blockade of Korea—to depict the Council as a kind of outlaw violating the Charter and operating as the tool of "imperialistic" America. With more than two-thirds of the UN against it, the Kremlin must fully realize that this particular phase of its propaganda is a complete dud in the free world.

All of which suggests that the Russians, now that they have virtually branded the United Nations as a criminal, may formally withdraw from it. Whether they do or not, however, its course is set and determined in Korea: Flying its own flag, it proposes, regardless of grave risks, to do everything possible to beat back the aggressor. The Council has made that much very clear.

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[From the New York Times of July 7, 1950]

WE NEED ALL OF POINT 4

President Truman's point 4 program for providing technical aid to underdeveloped countries ought to appeal to anybody with an economical drop of blood in his veins. In contrast with the billions spent or to be spent for Marshall-plan aid or the military-aid program, point 4 needed only millions. Mr. Truman had asked for $45,000,000 for the 1951 fiscal year, or about 30 cents per capita for the United States population. Subsequently, in bills pending in both Houses of Congress, the 30 cents was whittled down to about 23 cents. Yesterday it was reported that the Senate Appropriations Committee had cut the figure at least tentatively to as low as 7 cents per capita. Is 7 cents as much as each of us would like to spend on this really very magnificent enterprise?

Point 4 contemplates technical aid to United Nations and other agencies, national and international, in the fields of health, agriculture, education and industry. In his address at the American Newspaper Guild convention on June 29 Mr. Truman gave some instances of what technical aid could do. It could clear the malarial mosquito out of a rich farming area in northern India which otherwise was being abandoned. It could bring pure water to an area in Iran. It could stimulate the production of lumber, rice, palm oil, and cocoa in Liberia. It could be supplemented by investments made through the World Bank, the Export-Import Bank and private agencies. The whole program is extremely elastic in that it might mobilize all sorts of public and private agencies at relatively little expense to the public agencies.

The point 4 program will not win a war or a police action in Korea. It might, however, over a period of years, alleviate the conditions that aid the Communists to penetrate the Far East and other relatively undeveloped regions. It might demonstrate against the flood of Communist propaganda that mid-century capitalism is energetic, intelligent and humane. We hope that the Senate Appropriations Committee and its opposite numbers in the House will realize these facts in time and will not commit the egregious error of trying to remake the world with a handful of pennies.

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[From the Washington Post of July 9, 1950]

FUTILITY ON POINT 4

It is hard to imagine a worse time for the kind of narrow-mindedness shown by the Senate Appropriations Committee in its decision announced yesterday to cut point 4 funds in half. If the cut should be sustained by the Senate, it would mean that the United States could conduct practically no independent program of technical assistance over large areas of the world at the very time that the Russians are doing their utmost to exploit discontent. It would be tantamount to telling India, for example, that in return for her support on Korea we would eliminate the technical aid on which she has been counting heavily.

Of the President's original request for $45,000,000 for 1951, the Senate authorized thirty-five million. The Appropriations Committee, however, slashed this to seventeen and six-tenths million, including seven and six-tenths million for existing programs under the Institute of Inter-American Affairs and the Smith-Mundt Act. This leaves ten million. Yet the United States already is committed to furnish $12,500,000 to the United Nations technical assistance program for the period ending December 31, 1951. Even if ECA appropriations might be squeezed to provide technical help for colonial Africa and southeast Asia under the general area of China authorization, there would be no such funds for India, Pakistan and the Middle East. Yet it is precisely in those areas where this most enlightened form of help, the stimulation for self-help, is most vitally needed.

The administration must bear some responsibility for the bungling manner in which the whole point 4 program has been handled since its inception 18 months ago. But point 4 is more than an administration proposal; it is an American answer to a desperate need. Yet the Appropriations Committee seemed to retain a preconceived hostility toward the program, except for the protests of one or two members. Assistant Secretary of State Thorp, for example, was browbeaten almost from the moment he set foot in the committee room, and was never allowed to complete his prepared statement.

One would think that the parallel with our world information program, which most legislators now recognize to be inadequate, would be strikingly clear. It costs a lot more to fight communism after the fact than to prevent it from taking hold in the first place. In justice to this country's interest in the world struggle, the Senate should take a sounder view of what is meant by real economy than its short-sighted committee has done. As Senator LODGE said in commenting on the information program, it is American deeds that count. "Isn't it true," he asked, "that a doctor going into a fever-ridden area is our best story?"

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[From the Christian Science Monitor of July 7, 1950]

MAKING IT POINTLESS

We hope it is only a rumor. It is one of those things that certainly ought not to be so.

But there is a report that the Senate Appropriations Committee has voted to reduce the initial appropriation for the point 4 program from the $35,000,000 Congress authorized to a miserly $10,000,000.

This, for a world-wide program of technical assistance to economically backward countries, would make point 4 practically pointless.

To scuttle one of the few affirmative contributions America can make toward a betterment of world living standards would be the height of crass stupidity and political pettifogging.

The United States is spending nearly $14,500,000,000 a year on its own military budget, plus additional costs for the fighting in Korea and a possible 70-group air force.

It authorized last year more than $1,000,000,000 of arms aid to western Europe. It spent $345,000,000 to help win a civil war in Greece, and since has furnished $375,000,000 worth of arms to that country and Turkey.

How much is the United States willing to spend to help improve the opportunities of world neighbors whose economic level is pathetically and irritatingly lower than its own?

Is it true, as its enemies say, that all America cares about is armed might and exploitation?

No, it is not; and $35,000,000 under present circumstances is small earnest to give of a deeper and more benevolent interest.

The $35,000,000 which both houses of Congress have authorized for this purpose is less than the cost tag on 4 hours of World War II.

That is a small enough effort toward kindling hope in the world.

Mr. HUMPHREY. Mr. President, the recent developments in Korea have again demonstrated the importance of this great body, the United Nations. We did not hesitate to promptly reply to the resolution of the Security Council. We did not hesitate to offer all possible assistance to restore peace and order in Korea. We did not bicker and quibble over a few dollars when the Security Council asked for assistance to enforce its resolution. We answered the call.

Mr. President, I did not see any resolution come from the Appropriations Committee which said, "Now take it easy. Do not spend too much on gasoline. Let us not be spending too much now for airplanes or for munitions." Not on your life. Every person, as he should, every Senator, every member of the Government, rallied as one to see to it that every available bit of equipment and material was there to do the job.

The United Nations has asked for assistance in another effort—a fight against poverty, misery, unemployment, disease, and malnutrition. The members of the United Nations believe that this war against communism is a two-fold thing, not just one. They not only have adopted a resolution to restore the peace in Korea which we quickly supported as we should have. The United Nations also has taken another action. The United Nations has asked for assistance to combat poverty, misery, unemployment, disease, and malnutrition. It seems to me that both these statements of policy are of great importance. We have committed ourselves to aid that noble struggle. I cannot believe that we will hesitate to fulfill our obligations in the field. I cannot believe that we will fail to give support that is expected of us in this other area of our struggle against the forces of evil.

A further consideration is that a virtual repudiation of the point 4 program at a time when the United States is

taking military action in Korea and Congress is voting the full amount requested for military assistance would encourage the belief—already strong in many parts of the world—that we choose to emphasize military force in preference to constructive and humanitarian measures.

As for the harmful psychological effects throughout the world if the committee's recommendation is allowed to stand, here is what an American Ambassador, in Washington for consultation—this Ambassador returned from one of the underdeveloped areas—said:

I am embarrassed to return to my post next week. I dread facing the president of that country after this reported vote in the Senate committee. We have not made any commitments under the point 4 program, but that program has become a world-wide symbol. It is regarded as an American proposal that everyone roll up his sleeves and work on the problems of hunger and sickness. Now the reported action of the Senate committee seems to say we really did not mean it. No action by the United States could be better calculated to injure our prestige abroad.

By merely proposing point 4, before it goes into effect, this Government has forged an anti-Communist weapon of the utmost importance. It has brought hope to millions of human beings formerly without hope—and hope is a force more powerful than guns, more precious than gold. We have created hope that lifts up the hearts of these people and encourages them to hold up their heads.

We have had plenty of illustrations in history of men and women who had hope, who had a sense of dignity and self-respect, who were valiant soldiers even without adequate weapons. We have in recent months had plenty of illustration of the will to fight, the will to resist, just as we had in World War II when the Britsh stood alone in the Battle of Britain, without the great air fleets and air armadas, without the great weapons of modern war. But they resisted because they had something to fight for and to die for. People need hope—they need to feel that life is worth great sacrifices.

If this hope is now disappointed, we will not only have destroyed the great potential good of point 4 in the future; we will have destroyed much good will and replaced it with resentment toward us and resignation to the encroachment of communism. We will have shamefully bungled one of the best chances we have of promoting peace, freedom, and democracy.

I protest with all the vigor at my command, Mr. President, at this shortsighted attempt to wreck this constructive program which means so much toward winning the peoples of the world to the cause of freedom and democracy.

I say right now that I would feel very derelict to my responsibility and duty if on the one hand I, as a member of this great body, having voted for selective service, having voted for military preparation, were to turn my head and not be willing even to try to take a forward step in eradicating those conditions of confusion and chaos and discontent that make it necessary for boys 19 and 20 years of age, to be sent thousands of miles away from home in battle. I urge the Senate to approve the full $35,000,000 authorized for point 4, which is the very minimum required to achieve substantial results.

I want to commend the Senator from Massachusetts [Mr. SALTONSTALL] for his amendment which would raise the amount to $20,000,000. But let no one try to tell me that we cannot spend $35,000,000 in the cause of food, shelter, better lands, and health and education in this world.

Korea is a solemn warning that we need to win the masses of the people to our side. With this warning clearly before us, this attempt to butcher the point 4 program in the name of economy is a self-defeating luxury which this Nation and the free world simply cannot afford.

We are fighting the Communists in Korea with our right arm—our military arm. I submit this is certainly no time to cut our left arm off at the elbow—the point 4 arm for fighting Communists in other parts of the world.

Mr. President, let us move ahead with the point 4 program as we have with ECA, as we have with military assistance. Let us have the same unanimity of effort. If there ever was a measure that will affect the thinking of men in the world it is the amendment of the point 4 program. Everyone is going to watch what we do with respect to it. Let us act with boldness. Imagine what it would look like not only to the world but to all soul-searching decent Americans, if we were to reject one of the most humanitarian, effective, constructive approaches toward eradicating the cause of discontent and communism, namely, the point 4 program.

I appeal to my colleagues to join with me in a full measure of support for the full appropriation for the point 4 program

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed, without amendment, the bill (S. 3876) to provide free postage for members of the Armed Forces of the United States in specified areas.

## AMERICAN CASUALTIES IN KOREA—RAY RICHARDS AND ERNIE PEELER

Mr. DONNELL obtained the floor.

Mr. FERGUSON. Mr. President, will the Senator yield to me?

Mr. DONNELL. I yield.

Mr. FERGUSON. Casualty lists are now coming in from Korea. I note with sorrow that my good friend, Ray Richards, is listed among those who have given their lives in Korea.

Ray Richards, a newspaperman who served here in Washington, was not only an indefatigable gatherer of news but an expert on the Far East, and enlightenment could be obtained by talking with him on that subject.

He was born 56 years ago in Minot, N. Dak. He went to the Oklahoma A. & M. College, and then became a newspaperman, serving in many capacities. As I knew him in Washington, he was with the Hearst newspapers or with the International News Service.

I realize, as I know the Senate realizes, the great value of those who go forth to bring us the news—I refer not only to the newspaper reporters but also to the photographers—so that we may have first-hand knowledge about conditions on the battlefield. These men go on the battlefield, not with guns or other weapons in their hands, but with pencils or cameras, so that they may inform their country, and, in fact, the entire world, about what occurs there. It was in that service that my good friend, Ray Richards, gave his life.

Mr. President, I also find that Corp. Ernie Peeler is listed in the same newspaper item as having lost his life. He was one of the editors of the Tokyo Stars and Stripes, a United States service newspaper.

In this connection, I ask unanimous consent to insert in the RECORD, as a part of my remarks, the Associated Press dispatch from Tokyo in regard to the death of these two men.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

TWO UNITED STATES CORRESPONDENTS KILLED AT FRONT-LINE POST IN KOREA—RAY RICHARDS, FORMER HEARST BUREAU CHIEF HERE, REPORTED SLAIN

TOKYO, July 11.—Two American correspondents were killed on the Korean war front yesterday.

A regimental adjutant reported their deaths to field headquarters.

Presumably they were Ray Richards, correspondent for the Hearst newspapers, and Corp. Ernie Peeler of the Tokyo Stars and Stripes.

International News Service here was informed that the report came from a regimental adjutant identified as Captain Downey.

(Mr. Richards, 56, was chief of the Hearst Newspapers Bureau in Washington from 1944 to 1948, when he went to Greece to do a special series on guerrilla warfare there. He came to Washington in 1942 and made his home at the Wardman Park Hotel.

(In September of 1949 he returned to Washington briefly, then went to Korea as an adviser to Dr. Syngman Rhee, President of South Korea. He joined the staff of International News Service at the outbreak of the Korean war.

(The INS bureau in Washington said his daughter, Dejon Richards, a student at Duke University, is en route to San Francisco now and had planned to join her father in Tokyo for a month's visit.)

The Army reported the bodies were not recovered because fighting still raged around the outpost where the newsmen were killed.

Mr. Richards and Corporal Peeler had been reported missing since Sunday night, when they went forward to observe results of the first American around-the-clock bombings.

Corporal Peeler was a newspaperman in San Bernardino, Calif., before entering Army service.

Mr. Richards had been covering wars off and on since he served, as he termed it, as a photographer's assistant in the Francisco Villa campaign on the Mexican border. He

was then with a Denver newspaper, which he told fellow newsmen was the old Republican.

He worked subsequently on the west coast and in Hawaii, Tokyo, Manila, and Shanghai.

After World War II he reported hostilities in Manchuria and Greece. He returned to Tokyo some months ago and was among the first correspondents to reach South Korea after the fighting started.

Meager reports said he and Corporal Peeler were at a front-line outpost when Communist forces overran it.

Mr. FERGUSON. Mr. President, these two newspapermen died in the service of their country, as men from all the States are now dying in the service of our country. We hope and we pray that these men and all the men who will die in this conflict will not die in vain, but that from them and from the taking of their lives there will arise liberty for more people in the world.

STRIKES ON RAILROADS

Mr. DONNELL. Mr. President, as bearing on the importance of the enactment into law of Senate bill 3463, which, if enacted, would make unlawful any strike or any lock-out by a carrier arising out of or in connection with any dispute falling within the purview of the Railway Labor Act, it is my desire to submit certain facts and views.

In the CONGRESSIONAL RECORD of yesterday there appears a copy of an article appearing in the Washington Post of yesterday. The article is entitled "Wage Dispute Still Unsettled; Army Running Rock Island Railroad as Strike Ends by Court Order."

Earlier we had learned of the fact that as to the other four railroads involved in the strike—in all, five western and midwestern railroads—there had been a termination of the strike, arising out of the announcement by the President which was given attention by the strikers.

As to the Rock Island Railroad, it will be recalled that there was a refusal on the part of the labor union to halt the strike, and that it was only by virtue of a temporary order issued by a Federal court one night recently that the strike against the Rock Island Railroad was halted.

Mr. President, as the matter now stands, therefore, these five railroads are, I assume, to a greater or lesser extent—possibly almost entirely, I trust—again in operation.

There is an interesting attribute of human nature which seems to be inherent in Senators as well as in other persons, namely, that upon the passage of a crisis there is a tendency to cease efforts to remedy the conditions out of which the crisis grew. That situation is well expressed by a writer in the Detroit News of July 4, in an editorial in which the following is stated:

Whenever transport strikes occur, Congress talks about finding a way of keeping the men on the job; but the minute they are settled it relapses into apathy.

Mr. President, I hope it is not true in this instance that Congress is lapsing into apathy because of the halting of this particular strike. We have had too many illustrations within recent years—yes, even within recent months—of the fact that railroad strikes at times strike at the very national welfare and almost the national existence, if you please. We have had too many such illustrations to justify any lapsing into apathy on our part because of the fact that this particular strike no longer is in progress.

Mr. President, in a moment I shall call attention to the fact, as set forth in the article appearing yesterday in the Washington Post, that the wage dispute still is unsettled as to the Rock Island Railroad. I shall have a few words to say as to the present situation in that regard.

A moment ago I referred to an article appearing in the Detroit News, and I read an apt sentence appearing in that article. Let me read two other sentences, preceding the one I read, to which I wish to call the attention of the Senate:

The commentator therefore asserts what he has so often said before—that some way must be found to prevent transport strikes. They are already guarded against by law; but once the legal barriers have been cleared, strikes occur, and may grow, as this one—

He was referring to the switchmen's strike—

threatens to do, into a national calamity if other unions take similar action.

What is the situation confronting the American people at the moment upon the immediate horizon in the railroad industry? Although this particular strike has been halted, let me call the attention of the Senate to the fact, as set forth in an article in today's Chicago Sun-Times, that—

Meanwhile, the Rock Island, strike-bound for 14 days, was back to normal operation Monday under Army supervision.

Then there is a subhead, followed by further text, reading as follows:

SEEK COURT TEST

Spokesmen for the switchmen said no attempt will be made to negotiate with the road until it has been determined whether the Federal court's no-strike injunction issued Saturday is legal.

In this connection I call attention again to the headline of the article in the Washington Post, to which I referred a moment ago, namely:

Wage Dispute Still Unsettled.

I return now to the article appearing in today's Chicago Sun-Times:

A hearing has been set for July 17 in Buffalo, N. Y., headquarters of the union.

Union officials said if the court finds the injunction invalid, the strike will be resumed. If not, the union said it will seek the "best settlement" possible without a strike.

I am not criticizing the union for following through on the court action; but the point I make is that the condition under which the strike has been halted does not mean that there has been a settlement of the controversy in regard to the Rock Island Railroad system, the great 8,000-mile railroad system which, incidentally, traverses the State in which resides the distinguished present occupant of the chair [Mr. SCHOEPPEL], and of which he was governor. We do not know whether it will be settled. If the court's action was valid, it would appear that it has been subject only to future negotiations for the best settlement possible without a strike. If the court's action should be proved to have been invalid, then, according to this article in the Chicago Sun-Times, the strike will be resumed.

But, Mr. President, that is not the most ominous cloud in the present railroad sky. This same article from the Chicago Sun-Times is headed—and it is today's newspaper—"Weigh new rail strike of 250,000." I wish to read a portion of this article:

Leaders of the conductors and trainmen's unions met here—

That is, in Chicago—

Monday to discuss whether to pull their 250,000 men out this weekend on a strike against 100 railroads.

A joint committee of 250 general chairmen of the Brotherhood of Railroad Trainmen and the Order of Railway Conductors gathered at the Congress Hotel to debate their next move.

A spokesman for the conductors said the court order sending A. F. of L. switchmen back to work on the Rock Island Railroad and Federal seizure of the road has not made any difference in our thinking.

W. E. B. Chase, vice president of the trainmen, said no decision would be reached until after another joint session Tuesday.

The two A. F. of L. unions technically are free to go on strike Saturday when the cooling-off period under the Railway Labor Act ends.

So, this is a possibility which may ripen into an actual strike within the next few days. Today is July 11, and they are free to strike, so this article tells us, on Saturday of this week.

The Evening Star, of Washington, D. C., published yesterday, likewise comments on this situation in an Associated Press article. I do not mean this is an editorial; it is a news article by the Associated Press, set forth in the Evening Star of yesterday. It is from Chicago, and it is headed "New rail strike threat rises as court forces switchmen to return." The article reads:

CHICAGO, July 10.—With one major rail walkout ended, the Nation faced possibility of another today.

A strike by AFL switchmen which had stopped service on four roads and hampered a fifth was halted in two stages by Government pressure.

Last Thursday the union canceled its walkout against four of the roads after President Truman said the strike was stopping the flow of grains and cattle, and threatened national defense. The strike remained in effect against the Chicago, Rock Island and Pacific Railroad because, the union said, parallel rail services were available.

A Federal court late Saturday night sent the last 1,500 striking switchmen back to work on the Rock Island.

Today, three other rail unions met in Chicago to decide whether their 250,000 members will strike to back up their demands for a shorter work week and higher pay. They are the trainmen, conductors and yardmasters.

A cooling off period under the Railway Labor Act ends Saturday leaving these unions—

I call attention to this statement contained in the article—

free to strike at any time after that. A spokesman for the Order of Railway Conductors said the court order to the switchmen and Government seizure of the Rock

Island lines Saturday "have not made any difference in our thinking."

The three brotherhoods which are considering this question in Chicago are the Brotherhood of Railroad Trainmen, the Order of Railway Conductors, and the Railroad Yardmasters of America.

Mr. President, the ticker, with which the Senate is provided, today contains this interesting and important recital from Chicago:

Union officials representing 250,000 railroad conductors, trainmen and yardmasters—

That is a quarter of a million persons—

today formulated strategy in their drive to win reduced working hours without a cut in pay.

General chairmen of the Order of Railway Conductors, the Brotherhood of Railroad Trainmen and the Railroad Yardmasters Union resumed talks on whether to call members out when they become legally free to strike Saturday.

Now, Mr. President, I call especial attention to this item, from the ticker tape:

A walk-out would shut down operations on most of the Nation's railroads, rail officials agreed, and probably would invoke Government intervention like that which halted the strike of A. F. of L. switchmen against five western railroads last week.

Union officials said the threat of Federal action would not change our thinking. But they admitted that they would have to discuss at length the possibility that the Government would not tolerate a rail tie-up during the current Korean fighting.

A union source said the current conferences might continue several days.

In today's Washington Post there also appears an article from Chicago. I shall not read it, but I should like to have unanimous consent to have it incorporated in my remarks at this point. It is entitled "Three Unions Consider New Rail Strike." It is an Associated Press dispatch from Chicago.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THREE UNIONS CONSIDER NEW RAIL STRIKE

CHICAGO, July 10.—Leaders of three unions today weighed whether they will apply the year's third strike against the Nation's railroads.

Action by President Truman last week end cut short a 14-day strike of A. F. of L. switchmen on five railroads.

The switchmen's union abandoned its walk-out on four railroads voluntarily at the Government's urging Thursday. But, when the union said its strike would continue against the Chicago, Rock Island & Pacific, the President ordered the Army to run the railroad.

The Army moved into the Rock Island's Chicago offices Saturday, and within a few hours a temporary injunction ending the strike was obtained by the Justice Department.

The three unions trying to decide whether they will strike are the Order of Railway Conductors, the Brotherhood of Railroad Trainmen, and the Railroad Yardmasters of America.

Today general railroad chairmen of the conductors' and trainmen's union met jointly, then went into separate session. A spokesman said they probably will meet jointly again before announcing their decision.

The three unions are free to strike under the Railway Labor Act after Saturday, July 15, having completed a 30-day cooling-off period following a report of a Presidential fact-finding board.

Mr. DONNELL. In the Evening Star of Washington, yesterday, appeared an editorial entitled "Not the Army's Work," and it reads:

NOT THE ARMY'S WORK

It is a shame and a disgrace, at a time like this, that the Army has to divert any part of its energies to running a railroad.

Presumably the Army's role in the Rock Island strike will be negligible, since the switchmen, confronted with a Federal court injunction, have been ordered back to work. But the fact remains that the President, in order to restore service on the Rock Island, had to direct the Army to take over the railroad, and the switchmen, even then, refused to cooperate. They would not budge until contempt-of-court penalties were looking them in the face.

The union president, Arthur J. Glover, took the position that his men would not work for the Army unless and until the Government "seizes the profits of that railroad as well as the labor of free men."

That is a typical bit of demagoguery. The simple fact of the matter is that a Presidential fact-finding board, appointed under the Railway Labor Act, had recommended a settlement which the railroad had agreed to accept. It was the union which refused the recommendation and went out on strike.

It is true that the present law permits strikes on the railroads.

Yes, Mr. President, that is true; and that is the defect in the Railway Labor Act which the bill which I advocate most earnestly would cure.

I continue reading from the editorial:

And it may be that under existing law, when a strike is called, the President has no alternative except to bring the Army into the picture. But it is not the Army's job to run railroads.

Let me read with emphasis the concluding sentence of that editorial:

The proper remedy—

Let me read that again—

The proper remedy is to revise the law to forbid strikes which tie up all or any significant part of the Nation's vital transportation system.

Mr. President, the New York Times of July 11, which has expressed itself as being opposed to compulsory arbitration, contains an editorial entitled "End of a Railway Strike." I ask unanimous consent that this editorial be set forth in full at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

END OF A RAILWAY STRIKE

Citing the threat of direct Government action, Arthur J. Glover, president of the striking switchmen's union, ended the walkout on four large western railroads last Thursday, but announced that switchmen on the fifth road, the Chicago, Rock Island & Pacific, would not return to their jobs. The union meant to find out, he said, whether it could not strike against one road, even if it was not to be permitted to strike against five roads simultaneously. This experiment, however, did not get very far. On Saturday, acting on orders from the President, the Army seized the Rock Island, backing up its action with a temporary injunction. In the face of this show of power the union's president conceded defeat.

This unfortunate episode, it might be said, ended on a note of poetic justice. The president of the switchmen's union had elected to stress the issue of peace and war. With the Korean situation in mind, he made much of the fact that there had been no declaration of war, and he quoted Mr. Truman's own statement to the press that "we are not at war." The question of whether the Nation was at war had, of course, no bearing on the principal issue involved, the issue of the rights—in peace or war—of the general public. There is a gentle irony in the fact, therefore, that Mr. Glover was tripped, in the end, by his own legalistic line of reasoning. He was correct when he said we were not technically at war in Korea. What he overlooked was that we are still legally at war with Germany and Japan, and that there is a statute, passed during another war, in 1916, empowering the President to seize the railroads in wartime if necessary.

While this solution of the railroad strike has a certain appropriateness in view of the position taken by the switchmen's leader, the fact is that there is little else to be said for it. Railroad labor resents this technique, which it refers to as token seizure of the railroads. And we think that their resentment is instinctively sound. The switchmen invoked the argument on behalf of this strike that the country was at peace. The Government replied, quite rightly, that this had nothing to do with the right or wrong of the union's high-handed action. Then it promptly turned around and employed, to end the strike, a legal instrument devised purely for use in a wartime emergency. This is not to suggest that the President's action involved the conscious use of deception or misrepresentation. In ordering the seizure of the Rock Island he was entirely consistent. He was taking the road over, he said, "because Government seizure is imperative for the protection of our citizens." And he referred specifically to "the public health" and "the public welfare generally."

In short, Mr. Truman employed the emergency statute of 1916 because it was the only weapon available for the purpose. We think the time is long overdue for remedying this situation. Congress, in the Taft-Hartley Act, expressed the will of the people in laying down the principle that a strike which endangers the health and safety of the people is intolerable, whether the country is at war or peace. In the interest of common honesty that principle should be written clearly into the legislation dealing with labor disputes on the railroads.

Mr. DONNELL. Mr. President, I invite attention to this significant observation in the editorial, notwithstanding the position which the newspaper has taken with respect to compulsory arbitration:

Congress in the Taft-Hartley Act expressed the will of the people in laying down the principle that a strike which endangers the health and safety of the people is intolerable, whether the country is at war or peace.

Let me read this with the utmost emphasis:

In the interest of common honesty that principle should be written clearly into the legislation dealing with labor disputes on the railroads.

Mr. President, Senate bill 3463 writes into legislation, if the bill shall be passed, a provision that no strike, and no lockout by a carrier, which arises out of or in connection with a dispute under the Railway Labor Act, shall be lawful. Stating it conversely, every such strike and every such lockout shall be unlawful.

The bill provides that which was found necessary in order to secure return of the men to work in the Rock Island case. It provides the remedy of injunction or whatever order the court may deem it proper to make in order to carry into effect the provisions of the law.

Mr. President, I have dwelt upon the fact that, in the first place, there is a tendency of human nature, and of Members of the Senate as members of the human family, as soon as an urgent situation has been alleviated, to fall into a condition of apathy. I have pointed out that this is no time for apathy, with the situations to which I have referred presently before us. But, Mr. President, I lay down a further proposition, far more important than the one I have just stated, and that further proposition is that even if there were no strike in sight, this bill should, nevertheless, be enacted.

The history of the railway situation as written in our memories in the past few years is too vivid to justify us, even if no strike were presently in prospect, in refusing to pass this type of bill when the need for it is pointed out. In World War II, in 1943, President Roosevelt seized the railroads to prevent a strike over wages, and the Army kept possession until mid-January of 1944. The facts are disclosed in an article which I placed in the RECORD yesterday. I read from that article:

The Government kept the Toledo, Peoria & Western in its possession for more than 3 years to block a strike.

1946: Seizure of the Nation's railroads on May 17, 1946, failed to prevent a 48-hour strike of engineers and trainmen May 23–25. President Truman broke the strike by giving the strikers an ultimatum to get back to work or the Army would operate the trains.

1948: Mr. Truman again seized the railroads on May 10, 1948, in a dispute over wages and working rules, involving the engineers, firemen, and switchmen. This time he succeeded in preventing the strike altogether by getting an injunction.

Yes, Mr. President, the writer of that article might well have said it was only by getting a court order that the President succeeded in preventing the strike, for Government seizure had occurred.

The President had warned the country of the fact that the interference with nationwide transportation would not only affect the Nation, but would have international repercussions, and yet the unions refused to call off the strike. It was only the operation of the court order that called it off.

Mr. President, I read the final sentence in yesterday's Washington Post article which appears at page 9798 of the RECORD:

The railroads were restored to their owners on July 9 of that year, after a settlement had been reached.

Someone may ask if the President can secure court orders or can seize the railroads by virtue of an act passed away back in 1916 or 1917, why should strikes be prohibited? Well, Mr. President, I think it is perfectly obvious that our Nation and our officials should not be remitted to the necessity of seizing and taking the railroads over into governmental operation. The Presiding Officer will recall that back in our old Latin days in school we read the orations of Cicero, one of which began as follows:

Quousque, tandem, Catilina?—How long, Oh, Cataline?

I ask today, how long are we to be compelled to undergo these dangers to our national economy and the possibility of injury to our Nation from the standpoint of international welfare? How long are we to be compelled to endure this condition? How long is the President going to be compelled to resort to efforts of seizure, and then, when seizure does not bring the desired result, have to go into court to secure the cessation of the strike?

Mr. President, I undertake to say that the sensible thing to do, as has been indicated in article after article which I have placed in the RECORD from newspapers and commentators in various sections of the country, is to forbid by law and to penalize strikes arising out of disputes within the purview of the Railway Labor Act, to impose penalties for the violation of that statute, which penalties are prescribed in Senate bill 3463, and to give the Federal courts the power to enforce the law. I feel that is the remedy which should be placed in effect. In a few moments I shall have a few more words to quote with respect to that view. I ask unanimous consent to have incorporated in the RECORD at this point an editorial entitled "Another Rail Strike," published in the St. Joseph (Mo.) Gazette, of June 30, 1950.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ANOTHER RAIL STRIKE

For the third time since the end of World War II our country is faced with a strike in important elements of its railroad transportation system. With 4,000 switchmen going off their jobs this week on 5 midwestern and western lines, operations on 4 of the lines have come to a complete halt. Although the East may not feel the effects of the walk-out for some time, the problem is one which affects the whole country.

As in the case of the strike of locomotive firemen last month, the switchmen's walkout involves only a segment of our railroad network. Perhaps the switchmen deliberately adopted this piecemeal approach to avoid the possibility of Government seizure. But whatever the reason for limiting the walk-out, the fact remains that the men are off the job, operations have ceased, and we are compelled to realize that the Railway Labor Act is not functioning as it was designed to do and indeed as it did work for many years.

In fairness to the public and its dependence on this basic part of our national transportation system, a growing number of citizens believe compulsory arbitration should be adopted in railroad disputes. The right to strike is a precious one, but is it justified when thousands, perhaps millions, of innocent persons are inconvenienced, when the health and business of entire communities may be endangered?

Congress could easily amend the Railway Labor Act to provide for compulsory arbitration. Both parties in a dispute would be bound by the recommendations of fact-finding boards, unless set aside by Federal courts.

This may not be the answer to present upheavals on the railroads, but at least it would protect the public interest. And that, after all, is the paramount issue.

Mr. DONNELL. I read a few portions of the editorial to emphasize them.

In fairness to the public—

Yes, Mr. President, let us remember the public. Let us not remember only the strikers, owners, employees, and railroads, but let us remember the public. The public has an interest here which is paramount and far superior to the interests of all others concerned.

In fairness to the public and its dependence on this basic part of our national transportation system, a growing number of citizens—

Let me repeat that—

a growing number of citizens believe compulsory arbitration should be adopted in railroad disputes. The right to strike is a precious one, but is it justified when thousands, perhaps millions, of innocent persons are inconvenienced, when the health and business of entire communities may be endangered?

The editorial writer says:

Congress could easily amend the railway Labor Act to provide for compulsory arbitration. Both parties in a dispute would be bound by the recommendations of fact-finding boards, unless set aside by Federal courts.

The writer concludes:

This may not be the answer to present upheavals on the railroads, but at least it would protect the public interest. And that, after all, is the paramount issue.

Mr. President, if we have abandoned the old idea of settlement of disputes by combat between individuals, why should we have this euphemistically termed economic force, meaning strikes? Why should we have force of any kind used as the remedy to settle disputes which not merely affect the parties immediately connected with the dispute, that is, the employer and employee, but affect the people of the United States as an entirety, and may even endanger the very life of our Nation?

I submit that it is logical to say, as this writer says:

Congress could easily amend the Railway Labor Act to provide for compulsory arbitration. Both parties in a dispute would be bound by the recommendations of fact-finding boards, unless set aside by Federal courts.

Why should they not be bound? No one in our country has the innate right to operate a railroad. As the distinguished occupant of the chair, who headed, with distinction, the public utility commission in his own State, so well knows, the right to operate a railroad

is a right which a railroad possesses solely by virtue of the fact that States grant to them the right of operation. Every person who invests his money in a railroad does so subject to the right of the State or the Nation to impose such regulations with respect to the operations of the railroad as may be reasonable. No person would be employed on a railroad if the State had not granted to the railroad the right to operate it. Every employee takes his right of employment subject to the rights which the public itself has with respect to them.

Mr. President, to say that we should not have a final finding by a competent authority, which should be binding upon both parties to these controversies, is to my mind to overlook the fundamental theory on which the public welfare rests and must be supported.

I have in my hand an editorial entitled "What Other Answer?" published in the Greenville (S. C.) News on July 2, 1950.

I digress to say that it should be observed by those who may read the CONGRESSIONAL RECORD from day to day beginning with the 21st day of April, when Senate bill 3463 was introduced in the Senate, that these editorials and articles have not come from any one section of our country. I have placed in the RECORD numerous articles from various parts of the country. They have come from the North, South, East, West, and the center of the country.

In fairness I may say that not everyone favors compulsory arbitration. I realize that I could find many editorials which favor the opposite view, which editorials could be placed in the RECORD; but, as has been indicated by one of these editorial writers, there is a growing feeling, realization, and recognition of the fact that this problem is of such great moment to our Nation that it must be solved, and that the only practicable means which has been suggested for a solution of the problem is the plan of compulsory arbitration, which in substance is the plan contained in this bill.

Mr. President, this editorial is from a newspaper in South Carolina, which is far removed from the locality of these midwestern and western railroads. It is dated July 2, 1950, and is entitled "What Other Answer?" I ask unanimous consent that the editorial be incorporated at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT OTHER ANSWER?

Railroad transportation in a large area of the country is again to a considerable degree paralyzed by a strike against five western and midwestern railroads.

At last reports only one of these roads, the Great Northern, was attempting to operate trains. The strike was called by the switchmen's union and the struck railroads have laid off some 40,000 employees.

Meanwhile Congress seems still unable to develop an effective plan of protecting the public from the serious effects of widespread interruption of railroad transportation service.

Congressional committees are still discussing the Donnell bill, which would outlaw railroad strikes by requiring compulsory arbitration of railroad disputes.

But it seems rather clear that there are only two methods of attempting to maintain railroad service when labor disputes threaten suspension. One is Government seizure and the other is an outright legal requirement for compulsory arbitration as a basic condition of labor railroad employment and relations.

And majority sentiment in this country does not favor Government ownership and operation of railroads, either as a permanent policy or as a temporary step unless a grave emergency is created which cannot be met in any other way.

That leaves compulsory arbitration as the only apparent method of revising our Railway Labor Act to give the public assurance of uninterrupted service.

The case for this policy has undoubtedly been strengthened by the railroad strikes of this year, for they have given evidence of the failure of the Railway Labor Act to fulfill the expectation held when it was adopted that it would prevent any railroad strike.

Spokesmen for the railroads are now pointing out to the committee that railroad seizure is not the answer to settlement of pending railroad disputes. And they have a logical foundation for their view that compulsory arbitration is "the only answer we can see short of giving the unions everything they want."

The railroad spokesmen say they have come around to support of compulsory arbitration with a great deal of reluctance, and perhaps there are many others who are also reluctant to see the positive abrogation in this instance of what labor calls its right to strike.

But what other answer is there if the public is to be protected in its right to uninterrupted service of such vitally essential public utilities?

Mr. DONNELL. Mr. President, I read only 2 sentences, or possibly 3 sentences. Perhaps I shall read a little more of the editorial. The editorial refers to the switchmen's strike, to which the writer of the editorial refers in this language:

Railroad transportation in a large area of the country is again to a considerable degree paralyzed by a strike against five western and mid-western railroads.

The writer says:

Meanwhile, Congress seems still unable to develop an effective plan of protecting the public from the serious effects of widespread interruption of railroad transportation service.

Congressional committees are still discussing the Donnell bill which would outlaw railroad strikes by requiring compulsory arbitration of railroad disputes.

But it seems rather clear that there are only two methods of attempting to maintain railroad service when labor disputes threaten suspension. One is Government seizure, and the other is an outright legal requirement for compulsory arbitration as a basic condition of labor railroad employment and relations.

And majority sentiment in this country does not favor Government ownership and operation of railroads, either as a permanent policy or as a temporary step unless a grave emergency is created which cannot be met in any other way.

That leaves compulsory arbitration as the only apparent method of revising our Railroad Labor Act to give the public assurance of uninterrupted service.

Yes, Mr. President, it does appear to be the only method. I may say that even then it might be necessary in some cases to invoke Government seizure later on, but certainly so long as our people are law abiding, so long as courts can function, and so long as railroad men will obey injunctions, as they obeyed the one in the switchmen's strike, to my mind this bill should be enacted. I believe it would provide the desired result.

The writer says:

The case for this policy has undoubtedly been strengthened by the railroad strikes of this year. For they have given evidence of the failure of the Railroad Labor Act to fulfill the expectation held when it was adopted that it would prevent any railroad strike.

Spokesmen for the railroads are now pointing out to the committee that railroad seizure is not the answer to settlement of pending railroad disputes. And they have a logical foundation for their view that compulsory arbitration is "the only answer we can see—short of giving the unions everything they want."

The railroad spokesmen say they have come around to support of compulsory arbitration with a great deal of reluctance.

Yes, Mr. President; they have shown a great deal of reluctance. I think the fact that there has been a great deal of reluctance is in itself a strong argument in favor of the plan. It was not a plan into which they rushed hastily. These men have considered the matter before they testified on the bill. They considered the merits and the demerits. They are not advocating arbitration in all industries, nor am I. The men who testified in favor of the bill—the president of the Pennsylvania Railroad, the president of the New York Central Railroad, the president of the Santa Fe, the vice president, I believe it was, of the Southern Railway System, Mr. Neff, the general manager of the Missouri Pacific, and Mr. Loomis—testified in favor of this plan with reluctance, but with a realization that it is the only method which has been suggested by which this problem can be solved. The writer of this editorial continues:

And perhaps there are many others who are also reluctant to see the positive abrogation in this instance of what labor calls its right to strike.

But what other answer is there, if the public is to be protected in its right to uninterrupted service of such vitally essential public utilities?

Mr. President, I hold in my hand a clipping from the Wichita (Kans.) Eagle, a newspaper published in the State from which our present presiding officer comes. It is an editorial entitled "Scorn the Government," and was published in the Wichita Eagle on June 28, I think it is. I ask unanimous consent that the editorial may be incorporated in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SCORN THE GOVERNMENT

Strike of switchmen which has tied up five major lines is the latest disturbance in the railway industry, following closely the recently settled firemen's walk-out which seriously halted the Nation's transportation system. In the making is a strike by members of the Trainmen's and Conductors' Brotherhoods, scheduled for July 15 unless settled in the meantime.

Failure of the Railway Labor Act to halt the strikes is a significant development. This has long been held up as a model law, under the provisions of which there could be no strikes. The law provides that in the case of disagreement between labor and management the President would appoint a fact-finding board, whose recommendations would furnish the basis for settlement. In no case has the union been willing to accept the report of the fact finders. The switchmen even refused to submit their case to the board.

Legislation outlawing strikes and providing for compulsory arbitration of railway disputes was believed to be a national safeguard in time of war. The need is equally great in times of peace. Regulatory agencies sponsored by the Government have lost their effectiveness because too few continue to have faith in a Government which has become the greatest meddler of all time.

Mr. DONNELL. Mr. President, I read only one or two sentences from the editorial in order to emphasize them.

Legislation outlawing strikes and providing for compulsory arbitration of railway disputes was believed to be a national safeguard in time of war. The need is equally great in time of peace.

Mr. President, I have also an editorial from the Des Moines Tribune of July 7, 1950. The headline is There Must Be a Better Way, and under that there are in parentheses the words "Indianola Record-Herald," which I assume indicates that the editorial appeared first in another newspaper. It reads:

If labor leaders are interested in the good of working people, they will find some way to settle grievances other than strikes in industries of continuous necessity, such as railroads, food deliveries, light and power plants, etc.

I digress to say that my bill goes no further than those industries which come under the Railway Labor Act. I am not advocating an extension of it further.

Civilized people long ago stopped settling their differences by duels and feuds. Labor leaders are merely 200 years behind the times.

Is there any more reason why conflicting interests in a labor dispute should not be presented to a jury or court than for the collection of a note, personal damage, disagreements in interpretation of contracts, or any one of the other things which men have long since ceased fist fighting, stabbing, and shooting about?

Of course, nobody contends that a man should be compelled in peacetime to work against his will. But there still lingers in the effete heads of labor tycoons that it is all right to prevent him from working when he wills to work. It is hard for a man on the sidelines to understand where one differs from the other.

Thousands of men are out of work and hundreds of communities are suffering because of the grievance of a few switchmen. We don't pretend to say which side in the dispute is in the right, or whether either of them is.

We do say without hesitation that a better way can and should be found to settle the dispute other than a strike.

Mr. President, this afternoon I close this recital of facts as I presently see them with renewed emphasis upon the proposition that the history of railways in recent years has demonstrated the necessity of some method being adopted to prevent recurring strikes.

In the second place, the only practical means I have been able to find, and the only one which seems to have been suggested to prevent strikes, is to make strikes unlawful, and to provide in the statute such penalty and such power of enforcement as will give the courts power to enforce the statute.

Bearing in mind the fact that the railway and the airplane, the latter being a carrier, for it is also embraced under the Railway Labor Act, are vital to the Nation, that in degree they are far more vital to great expanses of our country than any other utility which may be mentioned, though the others may be vital in their particular localities, it seems without a possibility of doubt that some type of legislation should be and must be passed to prevent such strikes, if the national safety is to be preserved, and to make it possible for the public to pursue its way free from interruptions of the national welfare and possibly the national safety.

### RECESS

Mr. ELLENDER. Mr. President, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 7 o'clock and 14 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, July 12, 1950, at 12 o'clock meridian.

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### NOMINATIONS

Executive nominations received by the Senate July 11 (legislative day of July 1), 1950:

#### DEPARTMENT OF STATE

Carlisle H. Humelsine, of Maryland, to be an Assistant Secretary of State, vice John E. Peurifoy.

#### DIPLOMATIC AND FOREIGN SERVICE

John E. Peurifoy, of South Carolina, a Foreign Service officer of class 1, now serving as an Assistant Secretary of State, for promotion in the Foreign Service to the class of career minister, and to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece, to serve concurrently and without additional compensation as chief of the American Mission for Aid to Greece.

#### UNITED STATES MARSHAL

Ford S. Worthy, of North Carolina, to be United States marshal for the eastern district of North Carolina. He is now serving in this office under an appointment which expires July 25, 1950.

#### IN THE COAST GUARD

The following-named personnel of the United States Coast Guard to serve on the permanent commissioned teaching staff of the Coast Guard Academy as indicated:

To be an associate professor with the grade of commander in the United States Coast Guard:

John S. Merriman, Jr.

To be an assistant professor with the grade of lieutenant commander in the United States Coast Guard:

Ernest M. Espelie

To be commissioned instructors with the grade of lieutenant in the United States Coast Guard:

Paul F. Foye
Ephraim P. Rivard
Stanley L. Smith

## HOUSE OF REPRESENTATIVES

### TUESDAY, JULY 11, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, who art of all counselors the wisest, of all companions the nearest, and of all helpers the ablest and most willing, grant that during these strange and strenuous days we may avail ourselves confidently and constantly of that wisdom which never errs, that love which never forsakes, and that strength which never fails.

We pray that Thou wilt take over our groping and faltering spirits, emancipating us from all fear, assuring us that Thou art the God of justice and righteousness.

We thank Thee for the men and women who are now giving themselves so courageously and valiantly in order to safeguard our noble heritage of freedom. May the day soon come when the forces of evil shall be forever banished from the earth and men and nations shall walk together in love and good will, carrying the banner of peace.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

### PERMISSION TO HAVE A DOCUMENT READ

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that in connection with the remarks I shall make on the bill H. R. 8083 the Clerk may be permitted to read a letter which I have received from the President.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

### PERMISSION TO ADDRESS THE HOUSE

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a newspaper editorial by Constantine Brown.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. GAVIN addressed the House. His remarks appear in the Appendix.]

### SPECIAL ORDER GRANTED

Mr. DONDERO asked and was given permission to address the House for 15 minutes tomorrow, following the legislative program and any special orders heretofore entered.

### WHAT ARE WE DOING IN KOREA?

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, we are not at war in South Korea—that

is, we are merely engaged in a little police work under the aegis of the United Nations—so we are reliably informed. I realize, Mr. Speaker, that this once august body is now regarded by the administration in power as little more than a useless and slightly irritating appendage. Nevertheless, for the RECORD, I would like to ask what other members of the United Nations are doing in South Korea; what are they contributing in men, ammunition, and supplies? I believe Australia has some planes there, but apart from that I have heard of no active participation by any other members of the United Nations. Is the United States of America to become the police force for one-half of the United Nations? Because quite obviously Russia and her satellites are not joining us in this struggle. They are on the other side. It is now proposed that our soldiers should fight under the United Nations flag.

Mr. Speaker, if our men are fighting and dying, alone in South Korea, I believe we and they want them to fight under Old Glory.

SPECIAL ORDER GRANTED

Mr. HUGH D. SCOTT, JR., asked and was given permission to address the House for 30 minutes today, following the legislative program and any special orders heretofore entered.

GREENSBURG, IND., THE CITY OF DEMOCRACY

Mr. HARVEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARVEY. Mr. Speaker, in 1949, the United States Junior Chamber of Commerce was looking for a program which would show to the world the advantages of the democratic way of life. As a part of this program, it was decided to select a typical American small town with a suitable balance of agriculture, industry, churches, schools, fraternal organizations, and service clubs and to publicize the way of life of the people of this town to the young leaders of the world at the first postwar International Congress of Junior Chambers of Commerce to be held in Brussels, Belgium, in April of 1949. After much consideration, the city of Greensburg, Ind., was chosen as most nearly meeting these requirements and designated the city of democracy by the United States Junior Chamber of Commerce.

To properly demonstrate the way of life in an American small town, it was then decided to contruct a replica of the city and to display this in Brussels, and elsewhere in Europe if possible, and to send with this replica a delegation of Jaycees from the city of democracy to answer any questions and describe the workings of this city.

The replica was completed and had its first showing in Greensburg, Ind., in April of 1949. At this showing, the replica was received with outstanding enthusiasm by the public and it has been so received at every showing to date.

From Greensburg, Ind., the replica went to London, England, to Paris, France, and on to Brussels, Belgium, for showings all in April of 1949. In May 1949 the replica was taken over by the United States Department of State and shown under their auspices in western Europe during the summer.

In May 1950 the replica was shown in Fort Wayne, Ind., at the State convention of the Indiana Junior Chamber of Commerce, and in June 1950 it was shown in Chicago, Ill., at the national convention of the United States Junior Chamber of Commerce. The replica was returned to Greensburg, Ind., late in June in time to be shown along with a replica of the Liberty Bell to further the sale of savings bonds in the present bond drive.

The replica is at present on display in the lobby of the New House Office Building in Washington, D. C.

THE DRAFT

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, last week I voted for the draft. I did so reluctantly. I did so because many Members of the House on this side of the aisle said, "BOB, you cannot afford not to vote for this because it is going to determine whether the United Nations is going to act as a unit now in trying to keep some big countries from running over little countries of the world."

I decided that was the case. But when I learned the other day that the President said we are not at war, I think it is up to him to ask the United Nations to get in there and pitch, and to get in there and fight. If he is going to send our boys to war—and this 20,000 draft is coming because we voted for it—and these other nations are not going to send their boys to do the fighting, then we ought to call our own boys back home and stay here and tend to our own business. We cannot send our boys to fight for others when they do not and will not fight for their own protection.

I say we ought to give some arms and ammunition to some of these other countries and let us see if they do want to fight to protect themselves. American boys are our greatest assets. If we kill them to protect others who will not fight to protect themselves, then we are not good Americans. We are not worthy of the trust imposed in us by our constituents. Mr. Truman says we are not at war. If we kill over 300 of our boys with tanks, guns, and planes during the past week, then I ask Mr. Truman what in the name of all that is good does he call war? That old golden voice I hear, "I say again and again and again I'll never send your boys to fight on foreign soil."

POINT 4 BASING PROGRAM

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, under the point 4 program, being considered today, I wish to point out that ECA is now spending more than $85,000,000 in some 20 far-away places, which has the same purpose as that in the present bill under consideration.

I would point out further that there are now eight different Government agencies spending millions of dollars on foreign projects, such as building of roads, irrigation, bridge, and power projects. They are located in Africa, India, the islands of the Pacific, and Indian Oceans. To originate these projects, ECA asked for $85,000,000. It will take another three hundred million to complete them. The other body saw fit to write into the ECA bill, that the projects they were undertaking should not be in conflict with those under point 4.

It seems to me that it is about time this country stopped spending money for social rehabilitation, not only of the world but here at home, and begin to channel all of its efforts toward finishing this war. We cannot continue to bleed ourselves white. There is not enough blood in the world to give us a transfusion—to keep our economic system in balance if we waste our resources as we propose to do under some of these world-wide rehabilitation and socialized programs. It is time that we cleared the deck for action and stopped such foolishness.

There is no question but that there is evidence everywhere of global explosion. It is time for unity and not spending of money on socialized programs. We must face the cold, hard facts and quit dreaming about bringing the rest of the world up to a new high standard of living. It is nice to do it if you can, but can we afford it?

We ought to stop all socialistic programs, including socialized housing, slum clearance, and everything under the Marshall plan, except that which is definitely channeled for the military.

The administration should stop all efforts to adopt socialized medicine and the controversial Brannan farm program. We should reexamine every kind of Federal spending and cut out all fat, and programs not necessary to the full and complete prosecution of the war.

Yes, Mr. Speaker, it is time to clear the decks for action. There should no longer be strikes and stoppages of work and bickering over wages. This war is one of survival of the human race. We cannot afford to put our feet further in the mire by accepting the responsibility under the point 4 program, which we cannot afford.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday may be dispensed with this week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FREEDOM OF SPEECH IN THE ARMED SERVICES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, everyone in the United States today has a sad heart. "We are not at war," yet our boys are being killed.

I rise to remind the House that we must insist that freedom of speech be allowed among all of our services. I rise to warn the House that the Navy was never allowed to testify, during unification, nor allowed to talk. I rise to warn the House that Admiral Louis Denfeld was removed as Chief of Naval Operations because he dared to talk to the Armed Services Committee. If it had not been for the retirement of Admiral Denfeld and some other naval officers and the indignation of a thoroughly aroused and protecting American public the Navy today would not have the strength that it has and the Navy carriers and other armed strength. Every effort was made by the administration to weaken the Marine Corps. Freedom must be maintained and the services must be allowed to give their side of the story. If they had been, we would be in a much stronger position in the Pacific and elsewhere today.

The SPEAKER. The time of the gentlewoman has expired.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative program and any special orders heretofore entered.

ATTORNEYS EMPLOYED BY SUBCOMMITTEE ON LABOR-MANAGEMENT RELATIONS

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (S. J. Res. 180) to suspend until December 31, 1950, the application of certain Federal laws with respect to attorneys employed by the Subcommittee on Labor-Management Relations of the Senate Committee on Labor and Public Welfare in connection with the study and investigation ordered by Senate Resolution 140, Eighty-first Congress.

The Clerk read the title of the joint resolution.

The Clerk read the joint resolution, as follows:

*Resolved, etc.*, That service or employment of one person as an attorney on a temporary basis prior to December 31, 1950, to assist the Senate Committee on Labor and Public Welfare or its duly authorized Subcommittee on Labor-Management Relations in the investigation ordered by Senate Resolution 140, agreed to August 15, 1949, and Senate Resolution 217, agreed to February 1, 1950, shall not be considered as service or employment bringing such person within the provisions of section 281, 283, or 284, of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of service, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an amendment.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. MILLER of California addressed the House. His remarks appear in the Appendix.]

DISTRICT BUSINESS ON WEDNESDAY OR THURSDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order on either Wednesday or Thursday of this week for the Speaker to recognize the Committee on the District of Columbia for the consideration of District bills.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AS SHAKESPEARE EXPRESSED IT

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, under a similar condition as that with which we are faced today Shakespeare said—

So shaken as we are, so wan with care;
Find we a time for frighted peace to pant,
And breathe short-winded accents of new broils
To be commenced in strands afar remote.

He described our situation better in those words than I could describe it myself.

Let me say, though, Mr. Speaker, that I am one Member of Congress who is opposed to letting the United Nations declare war for the United States. I am opposed to subordinating my country to the domination of foreign powers. I am opposed to this bypassing of the United States Congress which is vested by the Constitution with the power to declare war.

Next we may be sent to war in some other foreign possessions.

I am unwilling to surrender the powers vested in the Congress of the United States to any foreign power or group of foreign powers.

YAKIMA RECLAMATION PROJECT

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Speaker, I insert at this point in the RECORD a resolution which was adopted by the Public Lands Committee of the House this morning, and two acts relating to this procedure, concerning the expenditure of rehabilitation and better costs on certain reclamation projects. This resolution approves the findings of the Secretary of the Interior on this contract as outlined in his letter to both the Senate Committee on Interior and Insular Affairs and to the Public Lands Committee of the House of Representatives, dated July 6, 1950.

On October 7, 1949, the President approved an act to provide for the return of rehabilitation and betterment costs of Federal reclamation projects, and on March 3, this year, an act was approved amending that act to a slight degree, whereby it becomes possible for the above-named committees to express their approval of the determination by the Secretary of the Interior of the terms of a contract for the repayment of rehabilitation and betterment costs on reclamation projects.

The two acts referred to and the resolution which was adopted by the Public Lands Committee of the House are as follows:

RESOLUTION CONCERNING THE EXPENDITURE OF REHABILITATION AND BETTERMENT FUNDS ON THE STORAGE DIVISION OF THE YAKIMA PROJECT, WASHINGTON

Whereas the act of October 7, 1949 (Public Law 335, 81st Cong., 1st sess.), as amended by the act of March 3, 1950 (Public Law 451, 81st Cong., 2d sess.) provides that expenditure of funds specifically appropriated for rehabilitation and betterment of irrigation systems on projects governed by the Federal reclamation laws shall be made only after the organizations shall have obligated themselves for the return thereof in installments fixed in accordance with their ability to pay, as determined by the Secretary of the Interior; and

Whereas the determination of the Secretary of the Interior does not become effective until the expiration of 60 days after it has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Commitee on Public Lands of the House of Representatives or on a date prior to the expiration of such 60 days in any case in which each such committee approves an earlier date and notifies the Secretary, in writing, of such approval; and

Whereas in a letter dated July 6, 1950, the Secretary of the Interior submitted to the Committee on Public Lands his findings relating to the return of rehabilitation and betterment funds to be expended on the Storage Division of the Yakima project, Wash.; and

Whereas the Committee on Public Lands has, in session with a quorum present, this day approved the findings of the Secretary of the Interior in these premises: Now, therefore, be it

*Resolved*, That the Committee on Public Lands give notice in writing to the Secretary of the Interior of its approval of his determination in these premises.

COMMITTEE ON PUBLIC LANDS,
J. HARDIN PETERSON, *Chairman.*

Adopted this 11th day of July, 1950.

[Public Law 335—81st Cong.]
[Ch. 650—1st sess.]
H. R. 1694

An act to provide for the return of rehabilitation and betterment costs of Federal reclamation projects

*Be it enacted, etc.*, That expenditures of funds hereafter specifically appropriated for rehabilitation and betterment of irrigation systems on projects governed by the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto) shall be made only after the organizations concerned shall have obligated themselves for the return thereof in installments fixed in accordance with their ability to pay, as determined by the Secretary of the Interior in the light of their outstanding repayment obligations, and which shall, to the fullest practicable extent, be scheduled for return with their construction charge installments or otherwise scheduled as he shall determine. No such determination of the Secretary of the Interior shall becom effective until the expiration of 60 days after it has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Public Lands of the House of Representatives. The term "rehabilitation and betterment," as used in this act, shall mean maintenance, including replacements, which cannot be financed currently, as otherwise contemplated by the Federal reclamation laws in the case of operation and maintenance costs, but shall not include construction, the costs of which are returnable, in whole or in part, through "construction charges" as that term is defined in section 2 (d) of the Reclamation Project Act of 1939 (53 Stat. 1187). Such rehabilitation and betterment work may be performed by contract, by force account, or, notwithstanding any other law and subject only to such reasonable terms and conditions as the Secretary of the Interior shall deem appropriate for the protection of the United States, by contract entered into with the organization concerned whereby such organization shall perform such work.

SEC. 2. This act shall be deemed a supplement to the Federal reclamation laws.

Approved October 7, 1949.

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[Public Law 451—81st Cong.]
[Ch. 47—2d sess.]
H. R. 7220

An act to expedite the rehabilitation of Federal reclamation projects in certain cases

*Be it enacted, etc.*, That the second sentence of the act entitled "An act to provide for the return of rehabilitation and betterment costs of Federal reclamation projects," approved October 7, 1949, is amended by striking out the period at the end thereof and inserting a semicolon and the following: "except that, any such determination may become effective prior to the expiration of such 60 days in any case in which each such committee approves an earlier date and notifies the Secretary, in writing, of such approval: *Provided*, That when Congress is not in session the Secretary's determination, if accompanied by a finding by the Secretary that substantial hardship to the water users concerned or substantial further injury to the project works will result, shall become effective when the chairman and ranking minority member of each such committee shall file with the Secretary their written approval of said findings."

Approved March 3, 1950.

## EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in three instances and include a speech in each.

Mr. RODINO asked and was given permission to extend his remarks and include a resolution.

Mr. FERNANDEZ asked and was given permission to extend his remarks and include an editorial entitled "Puerto Rican Progress."

Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks and include an editorial from the Wisconsin State Journal.

Mr. CANFIELD asked and was given permission to extend his remarks in two instances and in each to include newspaper material.

Mr. BLACKNEY asked and was given permission to extend his remarks and include a radio address.

Mr. HART asked and was given permission to extend his remarks and include an invocation.

Mr. HORAN asked and was given permission to extend his remarks and include an article by Joseph and Stuart Alsop in the Washington Post of last Sunday.

Mr. KELLEY of Pennsylvania (at the request of Mr. BIEMILLER) was given permission to extend his remarks.

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in two instances and include extraneous material.

Mr. FISHER asked and was given permission to extend his remarks and include an article from the Pathfinder magazine.

## CALL OF THE HOUSE

Mr. CAVALCANTE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 198]

| | | |
|---|---|---|
| Abbitt | Hare | Priest |
| Allen, La. | Harris | Quinn |
| Anderson, Calif. | Havenner | Rabaut |
| Angell | Herter | Rees |
| Barrett, Wyo. | Hill | Regan |
| Bates, Ky. | Hinshaw | Richards |
| Boggs, La. | Holifield | Rivers |
| Bolton, Ohio | Irving | Roosevelt |
| Breen | Jackson, Calif. | Sabath |
| Brooks | Johnson | Sadowski |
| Bryson | Keefe | Sasscer |
| Buckley, N. Y. | Kelley, Pa. | Sheppard |
| Bulwinkle | Klein | Sims |
| Carroll | McGrath | Smith, Ohio |
| Chatham | Marcantonio | Stanley |
| Chudoff | Mason | Sutton |
| Colmer | Miles | Tackett |
| Combs | Mitchell | Thompson |
| Cooper | Monroney | Towe |
| Davies, N. Y. | Morton | Vinson |
| Dawson | Moulder | Werdel |
| Dingell | Nelson | Wheeler |
| Engel, Mich. | Norton | White, Idaho |
| Engle, Calif. | Patman | Wickersham |
| Evins | Pfeifer, | Wier |
| Frazier | Joseph L. | Willis |
| Furcolo | Pfeiffer, | Wilson, Okla. |
| Gillette | William L. | Winstead |
| Gilmer | Phillips, Tenn. | Wood |
| Gordon | Pickett | |
| Gregory | Plumley | |
| Hall, | Powell | |
| Edwin Arthur | Preston | |

The SPEAKER. On this roll call 338 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

## EXPORT-IMPORT BANK GUARANTIES OF UNITED STATES PRIVATE CAPITAL INVESTED ABROAD

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 650 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6083) to amend the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), to vest in the Export-Import Bank of Washington the power to guarantee United States investments abroad. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, by request I yield to the gentleman from Ohio [Mr. BROWN] in order that he may ask consent to speak out of order.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to speak out of order for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, about 3 weeks ago I received a number of communications, especially from the New York area, commenting on, or inquiring as to, a purported demand I was supposed to have made as a member of the House Select Committee on Lobbying Activities for the probe or investigation of the B'nai B'rith, a national Jewish fraternal organization.

It was not until I received, through colleagues and friends, clippings of an article by Robert S. Allen, news columnist, appearing in the editorial section of the New York Post on Tuesday, June 20, 1950, that I knew the source of these reports.

In his column, Mr. Allen, with whom I have been acquainted for a long time as a fellow newspaperman, made the flat statement—and I quote him:

> The Ohioan demanded a probe of the B'nai B'rith, a large Jewish fraternal organization.

Mr. Allen, in his article, also directly quoted what I was supposed to have said in an executive session of the committee:

> "I believe we should investigate the B'nai B'rith," the Ohioan declared; "they do a lot of lobbying and are behind a lot of this stuff."

While I realize Mr. Allen has had some means or method of obtaining a great deal of information, factual or otherwise, as to what has gone on in the executive sessions of the Committee on Lobbying Activities, I wish to take this means

of publicly branding the statement contained in his column as to what I was purported to have said and done as being entirely false and untrue. I also wish to state unequivocally that at no time have I demanded the Committee on Lobbying Activities, or any other congressional committee, probe or investigate any fraternal or religious organization—the B'nai B'rith or any other.

I do not want to believe that Mr. Allen would deliberately engage in smear practices against me or any other individual, and I am, therefore, publicly calling upon him, and upon the New York Post, to retract the statements they have made regarding me in this matter.

May I add that after I learned of the publication of this Allen article I brought up the matter in a session of the Committee on Lobbying Activities, and each and every member of that committee then and there agreed and declared that I had never made any such demand for an investigation of the B'nai B'rith, or of any other religious or fraternal organization, and that the committee has never at any time since its inception discussed or considered the investigation of any religious or fraternal organization.

I therefore respectfully refer Mr. Allen, the New York Post, and any other interested persons to the members of the Committee on Lobbying Activities, all of whom I am sure will fully support the statement I have just made.

I regret the necessity of taking the time of the House on this situation—the first personal matter I have ever discussed on the floor of the House in my 12 years of service here. However, I have done so because of my belief the time has come to set the record straight on this subject.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. LANHAM. Mr. Speaker, I want to confirm what the gentleman from Ohio [Mr. BROWN] says. There is absolutely no truth in the statement contained in the article by Mr. Allen. I do not mean to say that Mr. Allen deliberately falsified the record, but his information was certainly incorrect, because the gentleman from Ohio [Mr. BROWN] made no such request and no such statement as Mr. Allen has indicated; and no other member of the committee ever suggested that B'nai B'rith, or any other religious or fraternal organization, be investigated. As a matter of fact, we all agreed that no religious organization or fraternal organization should be investigated so far as the lobbying activities they might have been engaged in were concerned.

Mr. BROWN of Ohio. I thank the gentleman.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, I concur in the statement just made by the gentleman from Georgia [Mr. LANHAM]. At no time in any executive session, open session, or in private conversation have I heard the gentleman from Ohio [Mr. BROWN], or any other member of our committee, suggest that the committee would or should investigate any religious or fraternal organization.

Mr. BROWN of Ohio. I thank the gentleman very much.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Speaker, I was present at that meeting. I have a very good memory. I know exactly what went on in that meeting. The statement alleged to have been made by the gentleman from Ohio [Mr. BROWN] was not made by him; nothing like it was made by him, and clearly from my own personal knowledge I know that the statement attributed to the gentleman is not true. I am glad to lend my voice to the others that have been raised here in setting the record straight.

I may say at this point that we on the Lobbying Committee have undertaken a very difficult assignment. By and large while we have had some difference of opinion on occasion on the whole we have progressed quite well and with a high degree of cooperation among all of the members. It is rather unfortunate that things of this sort should develop which make our work on the committee more burdensome and difficult.

Mr. BROWN of Ohio. I thank the gentleman very much.

I now yield to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. I was present during the meeting in question, and I agree with the gentleman from Ohio completely. He has stated what was the absolute fact.

Mr. BROWN of Ohio. I thank the gentleman from Minnesota.

Mr. Speaker, in conclusion may I express my gratitude to all of the members of the committee who have spoken here today. May I say further that each and every member of the committee has read the statement I have just made and agrees with it, and I am sure if they were all present on the floor they, too, would agree with the statements which have been made here this morning.

Mr. COX. Mr. Speaker, I yield 23 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentlewoman from Indiana [Mrs. HARDEN].

Mrs. HARDEN. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentlewoman from Indiana?

There was no objection.

Mrs. HARDEN. Mr. Speaker, I should like to call attention of the membership of this House to the fact that tomorrow is Indiana Day in Washington. As a part of the sequicentennial observance, more than 3,000 Hoosier women are here in Washington, and tomorrow night will participate in a choral program near the Capitol. The chorus, composed of members of home economics clubs from each of the 92 counties of Indiana, is under the direction of Mr. Albert P. Stewart, of Purdue University, a distinguished conductor of national renown. On behalf of the Indiana delegation, I should like to cordially invite all Members and their families to attend this program, and we wish for the chorus members and their friends a pleasant stay in this, our Nation's Capital.

Mr. COX. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I sense that friends of mine, members of the minority, have begun to square themselves off for a fight on this bill when, as a matter of fact, if an amendment that I shall offer, and which I am confident the Committee on Banking and Currency will accept, is adopted, there will be no excuse for any fight at all.

I do not know that I can be helpful to my colleagues in bringing to them a better understanding of the proposal which the pending rule makes consideration in order, but I shall make an attempt in the serious endeavor of giving them information which should remove all doubts from their minds as to the wisdom of adopting the proposal.

Mr. Speaker, what is intended by the resolution is to implement point 4 of the President's inaugural message. This proposal has been given a good deal of bad advertising. Gentlemen have referred to it in terms that would indicate that it is globalony; a proposal to give away the people's money when as a matter of fact it is no such thing.

Mr. Speaker, what is proposed is that our Government guarantee our own nationals wishing to invest abroad in economical undeveloped countries against losses due to political upheavals, giving them a guarantee that their properties will not be subjected to confiscation by the countries where the investment is made. I think it ought to be understood at the outset that there is no intention whatever of authorizing the Export-Import Bank to guarantee any investor against the ordinary risk incident to the carrying on of business as between people of our country and the people of foreign countries. What we are doing is simply authorizing the Export-Import Bank, for a fee, to guarantee our investor against the expropriation of his investments made abroad and certain other risks incident thereto.

I have examined with a good deal of interest and a good deal of pains the record of the hearings conducted by the Committee on Banking and Currency. I was impressed with the observations made and the questions asked by a number of the members of the committee, and particularly the gentleman from Iowa [Mr. TALLE], who manifested a fine understanding of the whole proposal and therefore the strength resulting from such understanding. My committee colleague, the gentleman from Massachusetts [Mr. HERTER], testified before the committee, and he likewise manifested a fine understanding of the whole question. And I want to say to these gentlemen that I sympathize with the view that they took. I not only sympathize with the views that they have expressed—with the objections that they have raised, but I have adopted them as my own, and in the amendment which I will offer I have undertaken to meet every one of them. Now, I should like for the gentleman from Iowa [Mr. TALLE] and the gentleman from Massachusetts [Mr. HERTER], and particularly the

gentleman from New York [Mr. WADSWORTH], one of the clearest minded and ablest one I ever knew and who participated in the discussions in the Committee on Rules, and who will soon be severing his relations with this body, leaving it poorer than before, to examine this amendment and see if it does not meet the objections they raise.

If there are those of you that have doubts in your mind or have some particular objection to the proposal, you will be doing me a great kindness if you would make it known, because I should like to combat any argument that any Member of this House might see fit to lodge against the adoption of this measure.

The bill is simple. There is nothing complicated about it. It is not a give-away proposition. Where our investor finds a field where he thinks it would be fruitful for him to invest, the Export-Import Bank would be authorized to step in, to survey the whole proposition, and, if indication of making good on the investment is favorable, then, for an appropriate fee, to guarantee against expropriation, confiscation, seizure by action of public authority, or nonconvertibility.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. MILLER of Nebraska. Do I correctly understand the gentleman to say that he is not in sympathy with the bill presented before us?

Mr. COX. I am glad the gentleman asked the question. Let me say to the gentleman that the safeguards which the Secretary of the Treasury, Mr. Snyder, and the Under Secretary of State, Mr. Webb, said ought to be set up or at least taken into account by the Export-Import Bank, would, if the amendment which I will propose is adopted, be written into the law. In other words, if the safeguards about which the Secretary of the Treasury, Mr. Webb, Under Secretary of State, and others, had so much to say are written into the law, then every objection that is made by anyone of which I have any knowledge will have been completely removed.

Mr. MILLER of Nebraska. The gentleman feels, then, that the bill should be amended?

Mr. COX. I do feel that the bill should be amended.

The State Department was interested in leaving it to the discretion of the Export-Import Bank, but that would not be satisfying to a great number. Frankly, it would not be satisfying to me. If the Secretary of the Treasury and the Under Secretary of State insist that these safeguards should be observed by the Export-Import Bank, then there could be no valid reason for not writing them into the law.

I should like to inquire of the gentleman from Massachusetts [Mr. HERTER] if he recalls the amendment which I proposed in the Committee on Rules and if, in his judgment, the adoption of that amendment would not meet the objections he has in mind.

Mr. HERTER. I may say to the gentleman I think the amendment he is going to offer will help the bill, but I am opposed to the bill in principle at this time.

Mr. COX. The gentleman made a very excellent statement before the Committee on Banking and Currency. He enumerated, and I have his remarks, the objections he had. Virtually every objection, I believe, is met by the amendment. As a matter of fact, the amendment was drawn in the light of what was said by the gentleman from Massachusetts [Mr. HERTER] and the member of the committe [Mr. TALLE].

The gentleman did say in his appearance before the Committee on Banking and Currency that some guaranty against double taxation ought to be given, but of course that is something that could not be written into the law.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I dislike to be in disagreement with my good friend from Georgia, but as I see this proposition the question is whether or not the taxpayers of the United States should guarantee the loans of private industry of this country with respect to certain undertakings in certain lands throughout the world. In more simple terms the question is whether the taxpayers of America, a nation that owes $257,000,000,000—a nation that is facing a war—should guarantee the investment of just a few international investors. That is the question in a nutshell.

Do we want to start the precedent of guaranteeing the loans of a few international investors and brokers? Do we want to embark on that policy? Who knows how far it will go?

Mr. Speaker, I happen to come from a community in northwestern Illinois, a community of frugal people. Over a century ago those people went out there in covered wagons and by boats and with nothing more than axes they cut down the trees and built churches and roads and hospitals and libraries. That is what our people did. They were not looking for some foreign people to come to this country and guarantee them anything. They knew they had to work or starve—and they worked. Today, as a result of their frugality we have these great buildings and homes and factories in the United States.

Here the Congress of the United States is asked to dissipate the savings of these frugal people and to go further into debt when we now owe more than the total assessed valuation of all the land and everything west of the Mississippi River. We are now asked to commit ourselves to guarantee the investments of certain international bankers throughout the world. If they make any profit, of course they keep that, but in the event that these international bankers should lose, then the United States Government, which has this gigantic national debt, will step in and pay the losses of these international investors.

Mr. Speaker, that is the proposition. As far as I am concerned, and I know that you agree with me, this will not help. It will just guarantee the risks of a few people in the entire United States. You know where these people reside. You know where their places of business are. There is not one of you who does not know that. There is not one of you who does not know where they reside and where their headquarters and where their business is. They are the ones who probably are responsible for bringing this legislation before us.

Mr. DOLLIVER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. DOLLIVER. Will the gentleman visualize with me a situation which might arise under this bill. Suppose a large sum of, say, $500,000,000 was guaranteed under this bill which sum was invested in some foreign country. Suppose after a period of time there was an expropriation of that property by that foreign country. Would it then be incumbent upon the Government of the United States to send the marines in there to collect the bill since the United States Government had guaranteed that sum?

Mr. ALLEN of Illinois. I think everyone knows that the gentleman is making a very important point. We know that many people believe that the causes of our wars is to secure certain foreign investments. With the young men being taken away from the farms and schools, and with the public mind as it is, do you think now is the proper time to say to the parents of those young Americans: "Wall Street is going to loan a few hundred million and you are going to guarantee it"?

Certainly I think the gentleman made a very vital point.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. RICH. Did you ever know of this Government heretofore guaranteeing, to the extent of $250,000,000, any business enterprise that was established in our own country?

Mr. ALLEN of Illinois. Not to my knowledge. That is the reason why we are content to let private enterprise in our own country take their own risks. I do not see why we should guarantee the losses of these international investors in other countries, when they have to take their chance in our own country.

Mr. RICH. If we never did that in our own country, why are we so desirous of trying to tax and tax and tax our people to death to send men to some foreign country to establish a business and then guarantee that business over there? If there is anything that is the height of folly or ridiculousness, I think this bill is it. What do you think of it?

Mr. ALLEN of Illinois. I agree with you 100 percent.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. KEATING. It seems to me it would be well to bring out this point, which I feel sure the gentleman would agree with: Many of us have had requests from constituents in our own districts who have a little bank account or some investment in a foreign country and they want to get their money out of that country and get it back home. They are our own American citizens, with a little investment in a foreign country. They are not able to get that

converted into American dollars. There is nothing in this bill that would help them in any way, is there?

Mr. ALLEN of Illinois. Positively not.

Mr. KEATING. The only people assisted in converting their foreign currency into American dollars are new bankers or big-business interests that go into those countries and do business there and then are given a guaranty by our Government, by our taxpayers, by the very people who are now not able to get their little savings out of those foreign countries? Still we guarantee that the money of those investors be returned to them in dollars. That is what this bill means.

Mr. ALLEN of Illinois. The gentleman has made a very able and direct statement.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. CRAWFORD. Was there any testimony before the committee showing that the original purpose of the Export-Import Bank was to furnish credit for the purpose of facilitating the movement of goods in export and import between the United States and its Territories and other countries. And furthere to show that the original concept of the Export-Import Bank for the purpose of facilitating export and import was now getting into this new field? Did the proponents of this bill submit any evidence to the Rules Committee along that line?

Mr. ALLEN of Illinois. They did not go very far into the matter.

Mr. CRAWFORD. Did the proponents of the bill indicate before the Rules Committee what fee is to be charged for the consideration of the guaranty given? In other words, this bill points out that the aggregate amount of such guaranty shall be $250,000,000; that is, temporarily; and that a fee is to be charged. An insurance premium, in other words. What was submitted along that line?

Mr. ALLEN of Illinois. Very little, if anything.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. BUCHANAN. In other words, the language of the bill is to guarantee an appropriate fee. Of course, there is no set figure included but the object is to set aside funds out of the appropriate fees that are charged on these loans, to take care of any losses that might occur on the loans that are made.

Mr. ALLEN of Illinois. That is correct.

Mr. CRAWFORD. Will the gentleman yield for one other question on that same point?

Mr. ALLEN of Illinois. I yield.

Mr. CRAWFORD. In other words, if a company is formed, it may be that a $250,000,000 loss will develop before there is any substantial reserve built up; so if you are going into the insurance business the theory is that you must have a wide enough spread to permit you to build up a reserve. Wherein does this bill do that thing—provide the spread?

Furthermore, as I read this bill, it does not protect the investor against this kind of situation: Suppose Republic A, we will call it, to the south of us, passes labor laws which apply to the operations of the company in question and operate in such way that that company cannot possibly survive and it is finally crowded out of business and its assets put on the bargain table. Suppose it is sold to the local people for 10 cents on the dollar; there is no guaranty in this bill against that kind of operation, is there?

Mr. ALLEN of Illinois. They could sell it for 5 cents on the dollar and the United States would be paying the bill to the international investor.

Mr. CRAWFORD. This does not cover that type of operation.

Mr. ALLEN of Illinois. That is correct.

Mr. COUDERT. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. COUDERT. Then, I understand the gentleman from Illinois to make the point that there is nothing in this bill that provides any protection for existing enormous foreign investments of the United States.

Mr. ALLEN of Illinois. That is my understanding, and I shall want to dwell on that a little further. I cannot conceive having groups of our own investors in these foreign countries treated differently, the group before the passage of this bill having to lose what they have invested, perhaps, and then being taxed to pay for the insuring of their competitors from here on out.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. RICH. When I read the Treasury statement of July 6 and find that we are over $257,000,000,000 in the red, and we closed on June 30 farther in the red than we were last year, I wish someone would tell me how or what New Deal organization or Fair Deal organization trumped up such a ridiculous piece of legislation as this.

Mr. ALLEN of Illinois. I may say to the gentleman that in all my 18 years' experience in this House I have never seen a worse proposal presented.

Mr. COX. Mr. Speaker, will the gentleman repeat that statement?

Mr. ALLEN of Illinois. I say that in my 18 years' service in this Congress this is definitely the worst piece of legislation I have ever seen presented.

Mr. COX. Has the gentleman taken the care to read the testimony?

Mr. ALLEN of Illinois. Most certainly.

Mr. COX. If he will do that and bring his fine judgment to play upon it I feel sure that he will conclude that it is the soundest proposal that has come here for a good long time.

Mr. ALLEN of Illinois. I differ with the gentleman. I must hurry along for I have but a couple of minutes remaining.

Mr. Speaker, the question here is whether or not this Government should guarantee up to $250,000,000, if you please, of investments in foreign countries which will be taken out by only a few people from a certain street with which we are all very familiar and whose location we all know.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. If the gentleman will yield me three additional minutes.

Mr. COX. I will.

Mr. ALLEN of Illinois. I yield.

Mr. COX. Does the gentleman appreciate the fact that it has been a long-standing policy of this country to cooperate with other countries of the world that are economically weak in the endeavor to strengthen their economy and to develop an atmosphere of confidence under which our policy may profitably do business with one another?

Mr. ALLEN of Illinois. I would say to my friend from Georgia that the building up and making prosperous of this country is paramount. I am not unmindful of the fact that the minute the solvency of the United States Government is impaired there is no one to come to our rescue. We already owe $257,000,000,000. Even with the greatest income in the history of our Nation this year we are going in the red.

Mr. COX. Does the gentleman find in this bill anything more than an expression of confidence given on the part of our Government in the government in which the investment is to be made?

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, in conclusion, may I say that the issue is drawn here whether we want to guarantee these investments, the loans, of just a few of our international investors, permitting them to make profits in their business in foreign governments, which they will receive, but if they do not make any profit, while if they lose the American taxpayer makes up the loss. As far as I am concerned it is a precedent that should not be started now, because instead of being $250,000,000 it will go up and up and finally be untold billions of dollars.

I hope that the membership of the House takes some of these facts into consideration and I am hoping further that the bill will be defeated.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remainder of the time on this side to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Speaker, this bill is a part of the original point 4 program enunciated by the President in his inaugural address. There were three separate bills introduced in the House as the result of that recommendation. One had to do with taxation, which is still pending before the Ways and Means Committee, the second had to do with technical assistance, which has now become law, and the third is this guaranty proposition.

The hearings on this bill were held over a year ago. The committee came before the Rules Committee requesting a rule about 1 year ago, just before the summer recess of the House. A rule was not granted at that time and the bill was recalled to the committee. The

committee amended the bill and again reported it. They came before the Rules Committee about 6 weeks ago. This rule was reported by the Rules Committee on a very close vote, due to the absence of one member.

Mr. Speaker, I am opposing this bill for the reason that I think psychologically it is a very bad thing for us to do at this time. I have a great deal of sympathy with respect to the assistance that can be given by the technical skills, the capital, and the industry of this country in going to other countries. I think that is inevitable as a movement which will grow at an accelerated pace, provided the climate in foreign countries is receptive to American investments. That to my mind is the crux of the entire thing; that is, if the climate is receptive in other countries.

By our guaranteeing capital investments against expropriation and the convertibility of profits, we give the impression to every other country in the world that it is essential for us to push our capital out and almost regardless of the conditions maintained within any country we are going to encourage American capital to go into that country. That, I think, is an entirely wrong approach.

The correct approach is that which has been undertaken by the State Department but which has so far made very little progress. That is the approach of drawing up with foreign countries satisfactory investment treaties whereby those countries agree to treat foreign capital that may come to their shores with decency, with nondiscrimination, and with reasonable care that it can return to the home country its earnings, and so on.

If we begin to guarantee, I think we are going to weaken tremendously our efforts to make investment treaties with these countries. There are many score of these investment treaties now pending in the negotiation stage all over the world. Only two of them have been completed: One with Uruguay and one with Eire. We have one with Italy and one with China. Italy came with the war settlement and the one with China is worth nothing at all.

Although I believe the amendment to be offered by the gentleman from Georgia will be very helpful, certainly so far as narrowing the scope of any guaranties we might make, my second reason is what will inevitably happen if we treat new investments in a separate category from old investments? This bill will guarantee convertibility, which in effect means converting to dollars the moneys of foreign countries which represent earnings on new investments. This might well be a serious detriment to the legitimate investment which is already in the country. There is no provision to take care of that. It has been discussed at some length in the testimony, but we are dealing with human beings in the administration of this matter, and certainly this bill ought to make it very clear by amendment that it does not intend to discriminate against existing investors. What would happen? A new concern would get a guaranty on convertibility of its earnings. The only time it would have to resort to that guaranty would be when the dollar situation in the country in which it invested was so bad that it could not return its earnings in terms of dollars, and then it would get dollars from the Export-Import Bank, and the Export-Import Bank, in turn, would receive the foreign currency, and in the process of converting that currency into dollars it would naturally have to pinch those existing investments which were having difficulty in converting their own earnings into dollars.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. COX. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, the arguments of gentlemen opposing this bill surprise me greatly and make me wonder if at times I have not been wrong in voting with them on so many, many proposals that have come here for the consideration of this body. The gentleman from Massachusetts who just yielded the floor, in his appearance before the Committee on Banking and Currency, advocated everything that is in this bill with one or two minor exceptions, and with the adoption of the amendment that I have proposed I submit that every objection that he developed in the argument just made will have been met.

Mr. HERTER. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Massachusetts.

Mr. HERTER. If the gentleman will go to my testimony of a year ago——

Mr. COX. Yes; I have that before me and I have marked it rather liberally, for it is an excellent statement and with most of it I am in full agreement. The gentleman has said in a number of places that this was a very wise move and was deserving of careful consideration. The gentleman, in discussing foreign investments, called the committee's attention to the fact that it was foreign capital invested in our country that made possible our economic development and growth, and the gentleman said further that there is no way in the world of attracting private capital except through the creation of a climate which is favorable to private investment.

Mr. HERTER. That is exactly what I have been saying.

Mr. COX. And that is exactly what this bill proposes to do.

Mr. HERTER. I disagree with the gentleman, because I do not think it creates that climate.

Mr. COX. The gentleman said in his appearance before the committee that before we venture into this field that treaties ought to be entered into guaranteeing just treatment of investors, which is exactly what is provided for by the amendment that I shall offer and for the drafting of which the gentleman is partly responsible.

It would be senseless to make a treaty unless there was prospect of making an investment, just the same as it would be senseless to make a contract for the building of a house unless you had the intention to build a house. There would be no need for a treaty until there was business to be done.

Let me read my amendment for the information of the committee:

Page 2, after line 11, insert the following:

"SEC. 2. The Export-Import Bank of Washington (hereinafter referred to as the 'Bank') shall not, pursuant to the amendments made by the first section of this act, make any guaranty with respect to the investment of private capital in an enterprise in a foreign country unless there is in effect between such foreign country and the United States a treaty or treaties, agreement, or agreements containing the following provisions:

"(1) A provision which, in the opinion of the Board of Directors of the Bank, adequately protects nationals of the United States against discriminatory and unduly burdensome measures and measures which unduly restrict the right of nationals of the United States to own, manage, and operate business enterprises within such foreign country.

"(2) A provision which, in the opinion of the Board of Directors of the Bank, assures nationals of the United States that just compensation will be promptly paid to them if the government of such foreign country, or other public authority therein, (a) expropriates, confiscates, or seizes their business enterprise or any of their property, (b) deprives them of normal control over their business enterprise or any of their property, (c) imposes restrictions or charges on their business enterprise or any of their property (even though on a nondiscriminatory basis) to such extent as to deprive them of any substantial beneficial interest therein, or (d) destroys or substantially impairs the value of their business enterprise or any of their property by engaging in competition with such nationals either directly or through a corporate instrumentality.

"(3) A provision which, in the opinion of the Board of Directors of the Bank, assures nationals of the United States that, subject only to the essential needs of such foreign country, such nationals will have the right (a) to convert into United States dollars an appropriate share of any currency of such foreign country received in connection with investments in such country, (b) to convert into United States dollars any currency of such foreign country constituting the just compensation described in paragraph (2), and (c) to transfer out of such foreign country all such United States dollars."

If that does not take care of the objections made by the gentleman from Massachusetts [Mr. HERTER] then I should like him to indicate in what respect it fails.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from New York.

Mr. KEATING. I take it those provisions are provisions which the gentleman from Georgia feels should be written into the treaties?

Mr. COX. I do. Very frankly, I do. They are provisions which the Secretary of the Treasury and the Under Secretary of State said would be observed by the Export-Import Bank. Therefore, I can see no reason for not writing them into the law.

Mr. KEATING. If those provisions are written in by our State Department, as they should be, then is there any necessity for this guaranty we are asked to write into this bill?

Mr. COX. The guaranty is to our own nationals who invest in foreign countries where the promise of fruitful returns is good, but understand no such investment would be made except upon

the invitation of the country concerned which would be backed up by treaty obligating the giving of proper protection.

Mr. KEATING. The gentleman has referred to the remarks of the gentleman from Massachusetts to the effect that he thinks a climate should be created which is favorable for these investments. If that climate is created by the provisions which the gentleman from Georgia says should be written into the treaty, then having written those provisions in the treaty and having created that climate, is it necessary for us to guarantee that these businessmen will be able to convert their money and be free from the very things that we have written into the treaty itself?

Mr. COX. Yes, as an added inducement and as security for our own nationals against the assumption of extraordinary risks, incident to investments abroad. Here is all we do: the investor finds a field where he wants to invest. Then our country negotiates with the country where he desires to make investment. They create that favorable climate by entering into a treaty whereby the foreign country obligates itself to do the things which are enumerated in the amendment which has just been read and which will be offered.

Mr. KEATING. But if the foreign country does carry out its treaty obligations, then there is no need to write them into the bill.

Mr. COX. If there is no loss, there is no obligation under the guaranty. All there is to this bill is that our Government expresses a confidence in the foreign government inviting investments on the part of our own nationals that the foreign government will be fair and deal justly with them—that is all.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. CRAWFORD. Of course, the gentleman's amendment would completely rewrite the bill. Whether the bill is rewritten or not, however, is it not true that the number of people who may participate in this program are naturally very limited?

Mr. COX. Yes, the number is very limited. That is true.

Mr. CRAWFORD. Assuming the gentleman's amendment is adopted, does not the amendment in reality actually rewrite the bill in that it imposes on the recipient country the obligation of actually guaranteeing the investment through the investment treaty?

Mr. COX. No, there is nothing in this amendment which is inconsistent with any of the language of the bill. It simply spells out in the bill safeguards which the advocates of the measure say will be carried on by the Export-Import Bank.

Mr. CRAWFORD. Where is there any language in the bill which imposes upon the recipient country any obligation to guarantee the lender against loss while the investment treaty will, if it carried the provisions the gentleman has advocated, and certainly I am not complaining against them.

Mr. COX. There is nothing in the bill to that effect. The bill is drawn so as to invest the power to do those things in the Export-Import Bank. The Export-Import Bank has a wonderful record and nobody here is finding fault with the operation of the bank. But we are insisting that things which the Secretary of the Treasury and the Undersecretary of State say the Export-Import Bank would do, be written into the law and not left to the discretion of anyone.

Mr. CRAWFORD. If the gentleman would have this bill returned to the sponsoring committee so that the committee could incorporate in the bill provisions with reference to the obligation of the recipient countries to enter into investment treaties and carrying the provisions which the gentleman has submitted, then I think it would improve the bill by 199 percent.

Mr. COX. Mr. Speaker, I cannot see that the Government, by doing the things that are proposed, would incur the risk of losing one dime, because our investors are not going to put their money where they do not believe it is safe. Certainly our Government would not encourage them by offering to guarantee that they go into a field where a loss is likely to be incurred. All they are doing here is to help our own investors find a field in a foreign country where they may put their money to work with the hope of a reasonable return. That is all there is to it. We do not guarantee anything except against losses incident to revolution or losses incident to the nationalization program of a government. Even then, we have the treaty obligation of the country, whose nationals have been doing business with our nationals, to indemnify our nationals against loss.

Mr. Speaker, I dislike to bring this argument to a close if there are those who are still in doubt. I think it is a sound business proposition. I would be ashamed of myself, Mr. Speaker, with the understanding of the provisions of the bill that I have, if I hesitated because of the source from which the suggestion came to give it my support. There is nothing political about it and the vote should not divide along party lines.

Mr. BROWN of Georgia. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. BROWN of Georgia. I would like to say the only guaranty is against loss resulting from expropriation, confiscation, or seizure by a government or public authority.

Mr. COX. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MILLS). The question is on the resolution.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8083) to amend the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), to vest in the Export-Import Bank of Washington the power to guarantee United States investments abroad.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8083, with Mr. GORE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Kentucky [Mr. SPENCE] is recognized for 1 hour and the gentleman from Michigan [Mr. WOLCOTT] for 1 hour.

Mr. SPENCE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I ask that the Clerk read a letter which I previously obtained permission for him to read.

The Clerk read as follows:

THE WHITE HOUSE,
*Washington, July 11, 1950.*

Hon. BRENT SPENCE,
*Chairman, Committee on Banking and Currency, House of Representatives.*

MY DEAR MR. SPENCE: I hope very much for the passage of your bill, H. R. 8083. It is my conviction that private foreign investment can make a major and unique contribution to the common objective of underdeveloped countries and of ourselves for the expansion of the productive capacities of the less developed areas of the world. By facilitating the increased flow of American private investment abroad as this bill will do, this Government will, I believe, contribute to this objective and will benefit American businessmen and investors.

At the same time steps must also be taken by foreign countries to attract and encourage private capital. The guaranties which would be authorized by the proposed legislation are not a substitute for such steps, nor will the Bank wish to extend guaranties to investments in countries which are not giving evidence of establishing conditions favorable to the effective operation of private investment. But because conditions differ from country to country, it is essential that the program be kept flexible and left to the Bank to administer in the light of actual situations.

I regard this measure as an essential part of our program for carrying out the purpose of the American people to assist in the development of the underdeveloped parts of the world and thereby to contribute to the cause of world peace and freedom.

Sincerely yours,

HARRY S. TRUMAN.

Mr. SPENCE. Mr. Chairman, there certainly should be no partisan division in the House on this bill. We have spent billions of dollars in order to encourage the good will and the confidence of the people of the world. We all know there is an expanding economy in a contracting world. George Washington said that because of our detached position we should have as little to do with foreign nations as possible, but today there is no detached position; the farthermost corners of the earth are of interest to us, and a spark may light a flame there that may consume the world. I think this is the best way to establish friendly relations. We have lent money, but Polonius said to his son:

Neither a borrower nor a lender be;
For loan oft loses both itself and friend,
And borrowing dulls the edge of husbandry.

That is true; you cannot make friends by lending; you cannot make friends by gifts. Gifts often produce nothing but ingratitude. But it seems to me that if we can establish American businesses that will develop the underdeveloped countries of the world, if we can establish

relations with them, there will be a common interest that will encourage friendships that cannot be attained in any other way.

We are not using American capital in this bill; the American investor, small or large, can come to us and say: "We desire to invest, and we want you to give us a guaranty." A guaranty against what? "A guaranty against the inconvertibility of our currency in order that we may convert it into American dollars to pay our investors; a guaranty against expropriation, confiscation, and seizure by act of government." It is a limited guaranty. But the Government has heretofore gone into the business of insurance and guaranties; we did it in the War Damage Corporation; we did it in the FHA, in the Federal Deposit Insurance Corporation, in the Federal Savings and Loan Insurance Corporation; and in every instance, since it was in a field which private enterprise would never have entered, and which the American people could never have benefited by if the Government had not entered it.

Now, in order to develop the underdeveloped areas of the earth we have said to the American investor: "If you want to go in there, we will not guarantee you against loss; we will not guarantee you against war; we will not guarantee you against many of the hazards of business, but we will make this limited guaranty in order that you may develop these underdeveloped areas." And why not? We ought to develop the underdeveloped areas. Many of them are the sources of plague, famine, and pestilence; there is where the great epidemics probably start. In one instance, in India, I think, the malarial mosquitoes drove the people away; their fields were devastated, their homes were vacant. But the American Commission went there, destroyed the mosquitoes, and the people are back again in their homes, and their fields are again blooming. These people are subnormal; these people need the advantages that we have, the advantages of science and of industry.

The American investor may profit because he will tap unknown sources of wealth that may in some measure make up for the devastation caused by the losses incurred in war.

But we have an amendment that none of this investment, none of these activities, shall result in uneconomic duplication or in competition with American industry. That can very well be provided. I heard the gentleman from Georgia talk about his amendment. He wants a treaty in every instance. In the case of many nations we do not need any treaty. We do not need any treaty with our good neighbor to the north, Canada; we do not need any treaty with Australia; we do not need any treaties with many other nations.

Treaties are matters of slow growth. It takes a long time sometimes to negotiate a treaty. It will probably tie the hands of the investor and of the Export-Import Bank in order to carry out the purposes for which this bill will be passed.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Georgia.

Mr. COX. The gentleman will recall that the amendment I intend to propose was first drawn as he has indicated in the statement he just made; but there was developed the argument he has just given that maybe we should not draw treaties in every case. We therefore wrote in "agreement or agreements." I thought the amendment was acceptable to the gentleman.

Mr. SPENCE. I am going to study the amendment.

Mr. COX. If the gentleman is not going to accept the amendment he might just as well forget the bill.

Mr. SPENCE. I am just as willing for the bill to be defeated as having their hands tied so they cannot operate. I think it is essential that the purposes of this bill be carried out because it is one of the most constructive pieces of legislation that has been submitted to the Congress in a long time.

Mr. COX. I agree with the statement the gentleman has just made, but he will recall that the Secretary of the Treasury and the Under Secretary insisted upon everything that is in the amendment I shall propose.

Mr. SPENCE. I do not recall that.

Mr. COX. I have carefully examined the testimony on that.

Mr. SPENCE. That is not my recollection. I think we should have some agreements probably.

Mr. COX. We ought to have an understanding now. Is it the position of the gentleman that he will accept the amendment?

Mr. SPENCE. I do not accept the amendment at this time. I am going to study the amendment, and if I think it meets the requirements of the bill, I will accept it.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Chairman, I yield myself five additional minutes.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Iowa.

Mr. GROSS. There must be some mistake in the printing of this bill because it only calls for $250,000,000. If you are going to guarantee loans in every underdeveloped country in the world, you should add about three ciphers.

Mr. SPENCE. The argument was made that this would cost billions of dollars. This is a limitation of $250,000,000. Now, $250,000,000 is a considerable sum in developing underdeveloped areas of the world. So we wrote $250,000,000 in the bill, and we also wrote in the bill that the guaranty should be for an appropriate fee.

If we are as successful in this undertaking as we have been in the other insurance features of the Government, it will cost nothing, because an appropriate fee would mean a self-supporting fee that will compensate the Export-Import Bank for their guaranty.

Mr. GROSS. In other words, then, you are just getting your foot in the door by this bill; is that it?

Mr. SPENCE. I do not think it could be called that. Maybe you are getting a little light in the room when you open the door.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. The other body saw fit to write into the appropriation on the ECA bill, in considering that measure, that projects undertaken under the ECA should not conflict with the work of point 4. I presume that was to keep the eight Government agencies now engaged in that work and the ECA, which was spending $84,000,000 on point-4 work, from conflicting with the point-4 program; is that right?

Mr. SPENCE. The ECA bill only applied to ECA countries, and I apprehend there were very few underdeveloped areas in ECA countries. This is really to carry out point 4 of the President's program in connection with the underdeveloped areas of the world, which are not in the ECA countries. I think this covers a field that is not touched at all in the ECA bill.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. I do not believe the gentleman thoroughly understands the proposed amendment by the gentleman from Georgia [Mr. Cox].

Mr. SPENCE. Yes; I do.

Mr. BROWN of Georgia. If he did I think he would be for it.

Mr. SPENCE. I will study the amendment very carefully.

Mr. BROWN of Georgia. I have studied it and I am supporting it and I will do everything I can for the amendment.

Mr. SPENCE. If the amendment requires a treaty in each case, I think it would tie the hands of the administration, because I think treaties are matters of great deliberation; it takes a long time to have them passed by both countries and approved. And I do believe that we ought to have a favorable climate. I think it ought to be assured by agreement, but I do not think it is essential to have treaties, and I assume there would have to be a treaty under the gentleman's amendment.

Mr. COX. Will the gentleman indulge me for a second? Here is a copy of the amendment that I propose and there is the language the gentleman suggested, and it is fair enough, because I understand a treaty is hard to make sometimes.

Mr. SPENCE. A treaty is hard to make sometimes, and it would tie the hands of the administration in every instance. Not only that, but a treaty could not be created in a reasonable time.

Mr. COX. It says "agreement."

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Under the Cox amendment would not an investment treaty between country A and the United States, for instance, cover any one and

all loans made by American citizens in that country? In other words, why would you have to have a special treaty for each loan where poor loans are made in a country?

Mr. SPENCE. If that would be the construction of the Cox amendment it would be a futility, because you could not have a treaty for each loan; it would absolutely destroy the very purpose of the bill.

Now, I have not had a chance to study the Cox amendment, but I do feel that, if we are going to give them the power to guarantee these investors, we ought not to absolutely tie their hands. They talk about the priority given to those that are guaranteed over those who are not guaranteed. Certainly, it is not the business of the Export-Import Bank to give priority to any set of investors over any other set, because we are endeavoring to strengthen the economy of these nations, to strengthen their productive capacity, to increase their trade with this country.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the Delegate from Hawaii [Mr. FARRINGTON].

Mr. FARRINGTON. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

Mr. FARRINGTON. Mr. Chairman, today's dispatches from Korea tell of the death of Ray Richards, a correspondent of the International News Service, and until a few months ago a distinguished member of the Press Gallery. I am prompted to pay this tribute to Ray Richards by reason of the fact that I knew him over a long period of years and because of the circumstances under which he gave his life to his country. I feel it is appropriate because of these circumstances that it should be called to the attention of the House.

Richards died when a Red Communist tank column of the North Korean forces overran the outnumbered American defenders of the South Korean line. The details are meager, but we know that a regimental adjutant, a Captain Downey, of the American forces, reported back to American headquarters that Ray Richards had been killed.

He had gone forward, far forward, to get the details from eye witnesses of the fight of the "Lost Battalion." He sent his jeep back to headquarters with the message that he was staying to complete his story.

He stayed and completed that story on the field of battle.

Those of us who knew him loved him for his help in our fight for statehood for Hawaii, for his crusading aid to Syngman Rhee and the liberty-loving Koreans in their fight for independence.

In his death there is glory for the American press, whose highest traditions were upheld by Richards. There is some palliation for the grief of his daughter, because Ray Richards died as he would have chosen to die—helping with his facile use of words the world fight against the menace of Red totalitarianism.

Mr. WOLCOTT. Mr. Chairman, I yield myself 19 minutes.

Mr. KILBURN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. KILBURN. I voted for this bill in committee on the understanding that we have a treaty with the country involved, whereby if any foreign country seizes our plants, we shall take their money in this country and reimburse ourselves for insuring the foreign investment of our local company. I think the bill is all right with that provision in it. I am for the Cox amendment.

Mr. WOLCOTT. Mr. Chairman, the purpose of this bill is to stimulate the flow of American capital abroad. That is not my language, it is the language in the report. The report sets forth on page 4:

> Although it is impossible to predict how effective the offer of guaranties may be in encouraging the investment of additional private capital abroad, there is a real possibility that guaranties may well serve to stimulate the flow of such capital.

Then, of course, the policy provisions of the bill further indicate that it is the purpose of the bill to stimulate the flow of American capital abroad. Do we want to stimulate the flow of American capital abroad?

I recall some few years before the last war a good many American industries had established factories in foreign countries. I remember at one time all the Ford tractors which were sold to American farmers were made in Ireland, I believe, and England. I recall very distinctly that pharmaceutical concerns, optical concerns, automobile concerns, and food-processing concerns established branches in foreign countries.

I remember very, very well that electrical concerns established branches abroad. I think there are times when we here in the Congress must protect American labor against some of their own leaders. An effective labor leader, having in mind more the interest of the laboring man than any particular ideological premise, would be here fighting his head off against this bill on the ground that American capital can migrate; American capital can go to western Germany and England and Italy and France and to the Netherlands and to Tokyo, but the American laboring man cannot follow that capital. He cannot pick up and sell his home and follow American capital to the four corners of the earth.

I remember very well a few years ago, and you will recall the famous example, of electric light bulbs. Electric light bulbs had been manufactured by a great American industry, and were selling here domestically for 35 or 40 cents apiece. A great American industry was being threatened—we thought—by the importation of cheaply manufactured Japanese electric light bulbs. There was a factory outside of Tokyo which was making these electric light bulbs and sending them to the United States in competition with the domestically manufactured electric light bulbs.

You will recall all of a sudden almost every drug store and grocery store put in chicken wire trays of electric light bulbs which they sold for 10 cents. Here in the Congress we said, "What shall we do; here is a great American industry which needs protection. Shall we raise the tariff on electric light bulbs? Shall we put import restrictions against electric light bulbs to save this great American industry?"

We shed a lot of crocodile tears for that American industry before we found out that the factory outside of Tokyo manufacturing these electric light bulbs was owned by the American industry. They had taken American capital and built this competition outside of Tokyo. So our attention was immediately diverted from American capital to the problem of the American laboring man, the American men and women who were working in this factory here in America making these bulbs. They were the ones concerned. They were the ones who were being put out of a job by this cheaply manufactured product in Japan. American capital had gone to Japan. American capital could migrate. But American men and women working in the industry making electric light bulbs here in America could not migrate and go to Japan.

We had another outstanding example before the war of American capital going into a certain South American country and making a refrigerator box to sell in competition with cheaply made German refrigerators which were competing with refrigerators manufactured in this country. The American product could not be made and sold in South America at that time for less than $160. Yet, American capital could go into South America, establish its own factory, employ domestic labor on a standard of living proportionately lower than ours and manufacture a refrigerator box which could be sold for about $60 in competition with cheaply made German refrigerator boxes. Do we, under those conditions, want to encourage further the flight of American capital abroad, to the prejudice of the American laboring man?

The National Association of Manufacturers and industry generally tell us that it is because of the American productive effort that keeps the standard of living here as high as it is; our capacity to produce; but not our capacity to produce cheaply. When American industry finds it cannot compete in foreign countries because of the American standard of living, then it takes American capital and goes into that market and manufactures the product in that foreign market, to the probable prejudice of the American economy and with the probable result that when and if those foreign countries once go into full production, either through their own efforts or through the efforts of Uncle Sam, when we will have saturated the world markets, then who is going to be the sufferer? The American laboring man and the American standard of living and the American economy, and I might say world peace will suffer.

The CHAIRMAN. The time of the from Michigan [Mr. WOLCOTT] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself five additional minutes.

Now, we have reached the saturation point in many cases. Where is your New England watch industry? Where is your New England textile industry? Where is your New England shoe industry? About a year ago there was spotted throughout the United States areas in which the Administration, the Government, recognized as distressed areas. New England was one of those areas. So long as we in the United States, as a matter of Government policy, consider the development of undeveloped areas in the world, whether it be tropical Africa or the Antarctic regions—because there is no limitations in this bill that confines it to civilized countries—so long as we consider the development of undeveloped areas in the world paramount to the safeguarding of our own economy upon which world peace must be built, then we are going to be in very serious trouble.

We have never thought of guaranteeing such a thing as this in America. In the United States we do not guarantee anybody against industrial or commercial losses. True, we guarantee certain loans against loss on homes, to encourage the production of homes. We guarantee against loss of depositor's money in banks, for the reason that we do not want a run to start on those banks and a depression to result. But nowhere in the United States do we guarantee industry and business against losses right here in the United States. Yet, if capital thinks that because perhaps their capital is not guaranteed in America, they may see in that fact an inducement, an encouragement to take their capital and send it abroad and to build factories abroad.

At the present time there are billions of American capital invested abroad, in addition to the billions which we have made possible by direct lending and guarantees abroad.

In this bill we must recognize that we give preference to those who invest from now on. The American money which has already been invested in these areas is not guaranteed under the terms of this bill. To be sure, American investments can be liquidated abroad, turned into American capital and reinvested inside of 24 hours perhaps and get the benefit of this, but are we discriminating against those who have invested their money abroad by the billions, discriminating in this bill to encourage those who have not invested to invest? If so, of course, that discrimination has got to be removed in legislation within a reasonable time.

In the first bill we had before us which I think correctly interpreted administrative thinking there was no limitation on the kind of guaranty excepting the amount which the Export-Import Bank could raise which, if my memory serves me correctly, was $3,500,000. That was unsatisfactory; there was not any chance of getting that bill passed; so this bill carries a limitation of $250,000,000. We know, of course, because it has been said here before, that this is merely the development of a policy. They are not interested in the $250,000,000; they are interested only in getting a legislative declaration of policy that American capital to the prejudice of American labor can migrate abroad and have the Treasury of the United States, if you please, insure them against loss.

I think it is about time that somebody in the interest of American labor stood up here and protested against these things which make it possible for distressed areas not only to exist in New England but distressed areas might exist, as they have in the last year, in Port Huron, Mich., or throughout the Midwest; if there is anything which will aid in the creation of distressed areas it is the migration of American capital out of this climate in which we have created the highest standard of living ever known to man, the migration of American capital to underdeveloped areas or low-standard areas where American industry and American finance can with virtual slave labor under slave labor terms compete with the standard of living here.

I am speaking as I have always spoken for the protection of the American laboring man against the loss of his job; because if his job is lost, if the farmer's income is lost to the farmer, then American income diminishes to the point where we cannot carry this load we are carrying, and our whole standard of living collapses. I think that by enacting this bill we announce a policy to the world which makes possible the destruction of our American standard of living, and we should all be against it.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. DOLLINGER].

Mr. DOLLINGER. Mr. Chairman, there is not one of us here, I am sure, who does not feel himself walking a tightrope when considering the grave responsibility our country faces in its position as leader of the free world. If we ourselves are to remain free, we must strengthen the free nations beyond our shores. During the last few years we have been called upon to appropriate vast amounts of our wealth and to devote a substantial proportion of our productive labor to foreign aid. We can shirk this responsibility only at our peril. On the other hand, we cannot go on indefinitely with free aid to the point of weakening our own economic strength, as the slave world would have us do.

It seems to me that in H. R. 8033 may lie one of the answers to this dilemma. For, if I understand it correctly, the guaranty program is a sound banking proposition. It is neither imperialistic nor charitable. It is a self-supporting program and not a disguised subsidy.

I wish to direct your attention for a moment to one of the most important aspects of the bill before us, which leads me to think we are dealing here, not with another grant or free-aid program, but with a straightforward, sound business proposition of advantage to both the United States and the underdeveloped areas.

The administration of this program is placed in the hands of the Export-Import Bank of Washington. It is placed in those competent hands for a variety of very good reasons.

The bank was established in 1934 and, during the following 16 years, extended foreign credits amounting to considerably over $4,000,000,000. Bad-debt losses from the date of its founding to the present time do not exceed $300,000, and even a part of this sum may still be recovered. During that period the bank has made net earnings of about $200,000,000, after deduction of all operating costs, losses, and interest on borrowed money. Even after allowing for interest at going rates on the sums invested in its capital stock by the United States Treasury, the bank has made a net profit for the Government of over $100,000,000, to say nothing of the fact that it has made possible, through its direct operations, billions of dollars of export sales for private business in this country.

The guaranty program is placed in the hands of the bank because we expect these guaranties to be extended on a businesslike basis. The original statute provides for a full-time Board of Directors drawn from both political parties—thus assuring administration by a nonpolitical, financially trained group of experts. Furthermore, it requires that the bank extend guaranty and credit assistance which, in the judgment of its Board of Directors, offer reasonable assurance of repayment. The record proves that the bank has lived up to this requirement. We may expect it to continue to do so.

The plan itself is so devised that the bank can expect to recover at later dates direct from the foreign countries involved any dollars the bank was required to pay to American investors under guaranty contracts, and beyond this the bank is directed to charge fees for its guaranties for the purpose of building reserves against any final residual losses.

The bank's reputation of financial soundness is well established, not only in the United States but throughout the world. Foreign countries know that guaranties would be extended only for sound projects. The bank can usefully draw from its credit experience in dealing with foreign countries, when it comes to the question of negotiating agreements with the governments of foreign countries concerning the eventual payment in dollars for any foreign currencies which the bank might take over from the American investors under the guaranty.

The study of foreign investment and the participation with private capital in such investment has been the bank's function from its inception. United States businessmen have become used to working with this institution, are familiar with its procedures, and have confidence in its judgment concerning foreign investment problems. The record is there for all to see—demonstrating the bank's ability to appraise the risks of specific foreign projects. It maintains a trained corps of engineers, lawyers, economists, examiners, and financial experts to do just this. Many loan applications are turned down every week which cannot pass its exacting business requirements. We can expect the same trained

discretion in extending guaranties as has been exercised in making loans.

One of the secrets of the bank's success has been its firm policy to extend credits only when the specific projects involved can be expected to increase the borrowing country's ability to repay its debts. Acceptable projects must add to the borrowing country's power to produce and to better its dollar exchange position. Similar standards can be expected for guaranty projects.

Another policy of the Export-Import Bank, gentlemen, has been encouragement of participation by private capital. Sometimes this has been through sharing the risk directly with American exporters; sometimes by risk participation of private commercial banks; and sometimes by extending credit on the condition of adequate equity investment by private capital. The guaranty program is nothing more than a logical extension of these activities. In fact it now administers, as agent of ECA, the ECA industrial guaranties.

As a result of its 16 years of experience, the bank is in an excellent position to determine the extent to which private investment should be undertaken in any underdeveloped area, in terms of their ability to service it. It has the best possible experience for determining appropriate fees for the guaranties. Investments and loans already made in such countries must be considered. Proper guaranties and encouragement of new investment will aid existing investment, and no institution could be more aware of this than the Export-Import Bank.

In short, gentlemen, this is a sound, realistic business program in the hands of a sound and realistic bank.

The program is frankly experimental. The Export-Import Bank is much too wise to represent it in any other manner. Nevertheless, justification must be found in the philosophy of a sound business approach and a self-supporting plan such as this. The United States cannot go on indefinitely with gift aid. If we are going to remain free, then we must find a businesslike way of building up the underdeveloped areas of the world that they may be strong partners in a free world.

Let us earnestly hope that, though undertaking this experimental business program, we will find the way to that type of foreign economic and financial policy that will lead toward the goal of peace and ever-growing development which we and the rest of the free world seek.

Mr. SPENCE. Mr. Chairman, I yield 6 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Chairman, it is always very difficult to follow the gentleman from Michigan [Mr. WOLCOTT] for we all have great respect for his views. Of course, when he poses this question of the interests of an undeveloped area in conflict with the welfare of American industry there is an easy answer. Our first responsibility is to American industry.

But we will not arrive at the right answer to a question of this kind if we regard these interests as in conflict. It seems to me there are two things to justify and require this legislation. One is that our interests are bound up with the interests of the rest of the world. And second that the improvement of economic conditions abroad should be primarily a matter of private enterprise. We cannot survive as a nation strong and free in a world that is broken down with economic disease. It is only because we do see that our interests are bound up with the interests of these undeveloped areas that we have tried to project some solution. Something like the amendment to be offered by the gentleman from Georgia will be acceptable and can be worked out, because we favor every safeguard against the waste of American funds or the improvident use of American capital abroad.

Mr. WOLCOTT speaks of depressed areas in America. I, too, have seen distress. Some counties in Arkansas have a lower population than in 1910. I could not face my people if I had done anything here that would mean an accentuation of adverse economic forces at home. That is not the issue. I see our interests as favored by the strengthening of the economic basis for a good society for other peoples. The areas that are definitely in mind, of course, are the Far East, the Near East, Latin America, and Africa.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Iowa.

Mr. GROSS. There is nothing in this bill to specify any area. This money can be lent in any place in the world.

Mr. COX. But it is shown in the testimony.

Mr. HAYS of Arkansas. That is true. There is nothing in the bill, but there is in the testimony, and, obviously, that is where the money will be expended.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. I think we ought to straighten that out at this point. There is nothing in this bill that guarantees against any business loss.

Mr. HAYS of Arkansas. I am glad to have that highlighted. It certainly is not authorized by this bill.

If the authority of the Export-Import Bank is extended as proposed under this bill, the Bank will have authority to do just two things. Incidentally, an appropriate fee for these guarantees will be charged, and there is a limitation of $250,000,000 for this purpose out of uncommitted loan authority of $800,000,000.

There are two things to be done. One is to guarantee American investors, first, against inconvertibility of their foreign currencies and, second, to guarantee them against loss resulting from confiscation, expropriation, or losses that might result from political revolution.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Iowa.

Mr. TALLE. I should like to have the gentleman from Arkansas clarify the term "business loss" as used in the discussion so far. I think we should be more specific about that.

Mr. HAYS of Arkansas. If I am capable of it and have the time. Others on the committee to follow me I hope will fill any gaps I leave. I agree, of course, that we will have to define carefully just what we mean by the statement that the Bank would not be guaranteeing against business losses. Incidentally, I am glad that the gentleman from Michigan helped as he did with the legislative history. I suggest, however, that many of the things he said should be addressed to the officials of the Export-Import Bank, not to the House. Their discretion must necessarily be broad if they carry out the general objectives of this legislation. The gentleman would not disagree with the proposition I made that we are limiting their authority to two types of losses: One from inconvertibility, which is not a loss, but the inability to convert their profits or capital into American dollars; second, the loss that would result—and to some extent they are overlapping—from confiscation, or expropriation.

Mr. TALLE. Will the gentleman yield further, Mr. Chairman?

Mr. HAYS of Arkansas. I am glad to.

Mr. TALLE. The term "business loss" is entirely too indefinite for my purpose. I want to know if the gentleman has in mind operating losses; losses in the operation of a specific business. I would like to have that matter clarified.

Mr. HAYS of Arkansas. I think I can be very clear and specific on this, that it does not authorize the extension of a guarantee against an operational loss. It does not authorize the extension of the guarantee against the ordinary hazards of business, and that leaves it, of course, in exactly the same category as a domestic operation. There is no activity of the Federal Government that guarantees American capitalists against losses at home that result from the ordinary hazards of business. We certainly do not propose to give to American capital abroad any greater advantage. I hope I have spoken to the point that was raised by the gentleman from Iowa.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Kentucky.

Mr. SPENCE. It only guarantees against inconvertibility, expropriation, confiscation, and seizure by act of public authority. That is definite and clear, and it seems to me nobody can mistake that.

Mr. TALLE. Mr. Chairman, will the gentleman yield further?

Mr. HAYS of Arkansas. I yield.

Mr. TALLE. Considering the present condition of the world in which we live, I contend that that is still a gigantic program.

Mr. HAYS of Arkansas. Might I remind the House in closing that the purpose of this legislation is to help erect an economic base for a safe, peaceful society as well as encouraging private capital, not governmental funds, the protection of investments that are strictly private, in a fruitful and profitable operation abroad that will serve both other nations and ourselves.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman used the word "revolution." I do not see that in the bill.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. In these days, Mr. Chairman, when it looks like every nickel that the United would have available would be required to defend ourselves and our Allies against the rising tide of communism, I cannot see the idea of embarking upon a program such as this.

We have been asked to provide large sums of money. Last year we appropriated for national defense $14,664,000,000 for expenditures in the fiscal year 1950. There was expended, however, $13,335,000,000. We appropriated and provided contract authorization for $1,300,000,000 for mutual defense assistance and out of that amount, according to the Treasury statement of June 30, only $44,342,000 has been spent. There were larger carry-overs, by $1,300,000,000, at the end of 1950 than there were at the end of 1949.

In other words, we provided this money for the administration to protect the United States of America, and it has not been used, and here we are considering a bill to embarrass the Treasury further to the tune, they say, of $250,000,000. It does not say in the bill.

Mr. HAYS of Arkansas. If the gentleman will yield, I believe the bill does limit it. It is in the last sentence of the bill, in line 11 on page 2.

Mr. TABER. Somebody told me I had the wrong bill. Is H. R. 8083 the one we are considering?

Mr. HAYS of Arkansas. Yes.

Mr. TABER. I was told by the committee that it was H. R. 5594.

Mr. HAYS of Arkansas. That was the earlier bill.

Mr. TABER. This is a little clearer. This bill provides in a little clearer language "to guarantee for an appropriate fee United States private capital invested in productive enterprises abroad which contribute to economic development in foreign countries by assuring either or both the conversion into United States dollars of foreign currency derived from an investment." That can be construed to mean almost anything in connection with a loss on the investment or a loss on anything else. I do not think that language is good and clear at all.

On top of that you have "compensation in United States dollars for loss resulting for expropriation, confiscation, or seizure by action of public authority." This indicates that you are expecting that these people will do these things and that that is the way they will appreciate investment by our people in their countries. We are saying in advance that we expect these countries to seize the plants, mines, or industries that our people will start in their countries.

I do not see how people can be for such a bill as this.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, the purpose of H. R. 8083 is to stimulate and encourage the investment of American private capital in areas outside of the United States. The argument has been made here today that we should put on blinders and protect American labor here in this country and not expand our American economy. Something has been said about the amount of money which has been appropriated for defense purposes. We are not going to win this war of ideologies in the world in which we are living today or in the future by looking downward or looking backward. We must think in terms of what the next 50 years holds forth for the kind of American free enterprise that we believe in.

To this end it is recommended that an agency of this Government be authorized to give certain guaranties to private American businessmen desiring to undertake ventures abroad. It is confidently hoped, and expected, that as a result some of the most significant deterrents now inhibiting the expansion of these activities will be given less weight in the minds of prospective investors, so that American enterprise will be more willing to expand into new fields throughout the world. Surely the Members of this House do not need to be lectured on the benefits of American private enterprise and the contributions it can make to economic growth and progress.

We in this country today have an expanding economy. Just a few years ago the total number of men employed in productive levels; the attainment of a high standard of living; the distribution of income to people in all income brackets; the acquisition of property in the form of home ownership and the acquisition of other tangibles was almost inconceivable. We are today engaged in a conflict of ideas in which the American economy is demonstrating to the world whether or not the form of our economic system is one which will prevail and spread its productive benefits to all levels of our people, not only in America but in other parts of the world. We are demonstrating whether we can step out into other continents and show much better than we can by force of arms or by the magnitude of our defense ability that our system is one in which we encourage the growth of the kind of world that we want to live in in the future.

We have been told a great deal in recent months about the need in many areas of the world for the benefits of our scientific advances and industrial progress. Some two-thirds of the world's population live in economically underdeveloped areas, and their advance is being hindered by deficiencies in technical skills and in capital for essential productive purposes. As a result their average income is far below what it is in the more highly developed areas. Moreover, because of deficient food and the lack of basic health services their life expectancy is about half what it is in more advanced areas. But regardless of the statistics one can collect, we all know from what we have heard and read, and from what many of us have seen, that there are vast areas of this world in which the people seldom, if ever partake of the good things of this life—including many of those things which we have come to regard as essential to decent living. So long as such conditions exist and we make no effort, or only a half-hearted effort, to assist in improving them, these people will be attracted by false ideologies.

We must get behind the iron curtain of false doctrines and ideas wherein it is said that the American economy is crumbling and that it is on the road to ruin and bankruptcy. We must think in terms of exactly what we have. I might say certainly the record of some 56 corporations that are billion-dollar corporations and which in the past 10 years have expanded and joined this new exclusive club known as the billion-dollar corporation club is testimonial of just what we have in America.

There are other considerations, however, factors bearing more directly upon our own daily lives, which should impel the Members of this House to support the objectives of the bill now before us. In the first place, the relationship between the development of an area and its volume of trade is very close. The best markets are those in which there is the most purchasing power. The United States has always exported at its highest rate to developed countries. In the 5 years before we entered the war, for example, the people of the well-developed areas bought from the United States nearly $6 worth of goods per person per year, on the average. At the same time people of lesser developed areas were buying about $1.25 worth, and those of the underdeveloped areas only 70 cents worth. Surely it is self-evident that if the productivity and the purchasing power of the people of these areas can be expanded, our own industry and agriculture will benefit very directly. The development of additional productive facilities in these regions will contribute to a general expansion of trade in which we and other nations can participate to our mutual advantage. In a limited market nations are forced to struggle with each other for a share; with expanding trade the exporting countries will be able to participate in a constantly increasing flow of trade. Thus, to increase the output and the national income of the less developed regions is to increase our own economic stability.

Economic development abroad also means an expanded market for the sale of capital equipment and other manufactured products. As knowledge and skill in the installation and operation of machinery and equipment grows, the need and demand for it will increase. By facilitating the investment of capital in sound projects in the underdeveloped areas we shall be increasing their purchases of capital equipment which they cannot themselves produce but which the United States can manufacture in substantial quantities. This business of economic development is like a chain reaction, for as local production is increased new demands are created, wider markets are sought and levels of world

trade are raised. The net result is that new opportunities for still more investment arise and the process is repeated all along an ever widening front.

On the other side of the coin is the increased dependence of many of the more developed countries on imports of basic minerals and raw materials. Certain sources of these commodities are becoming exhausted, while at the same time high levels of production are causing increasing demands. In a number of the underdeveloped countries the production of these important commodities can be increased. This will be of mutual benefit by expanding the purchasing power of such countries as well as by augmenting the world supply of the commodities in question. There is no doubt that much of the capital for developing these resources must come from within the countries themselves, but that may not be sufficient. Just as foreign investment played an important part in developing the United States, so foreign capital can play a decisive part in accelerating the development of other areas.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. GROSS. One day we hear that these billion-dollar corporations that the gentleman is talking about are a great menace to this country, and the next day we hear that they are one of our great virtues. I wonder just what the situation is.

Mr. BUCHANAN. Of course, I am not an expert here on everything that is said and who may have said it. But most certainly I believe the gentleman will subscribe to the statement that I have never said that any billion-dollar corporation is a menace because of its bigness but that the very magnitude of the industry may make for its efficient operation. Certainly I personally do not subscribe to the idea that large corporations are a menace. I do not believe the gentleman is attempting to put that particular tag on me.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. RICH. Will the gentleman tell me whether there is any business firm in the country that has asked for this legislation and what they manufacture and where they want to go, that is, into what foreign country, to use any of these funds?

Mr. BUCHANAN. Most certainly a very careful reading of the hearings will point out the fact that our American industry does want to expand.

Mr. COX. Not one businessman appeared opposing it.

Mr. RICH. Have any of them appeared for it?

Mr. BUCHANAN. They have. In the hearings held before the committee testimony has been introduced in the hearings, and there was ample opportunity given for any representative of American industry to appear and oppose this legislation. The fact that they did not appear in opposition to the legislation shows they do not disapprove it.

Mr. RICH. Oh, no. If they did not appear, then how do you know that any of them wanted to go over there?

Mr. BUCHANAN. I take that as being conclusive evidence and proof that they do want this legislation.

Mr. RICH. Because you announced that any industry could appear, and none of them did appear, does not say that any industry wanted to go over there or that they wanted to use these funds.

Mr. BUCHANAN. Most certainly it will be to the benefit of American enterprise to develop not only the market for their products here, but in the countries which will be closer to their point of manufacture.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. COX. Has the gentleman heard of a single businessman, big or small, who is against this bill?

Mr. BUCHANAN. Not at all. But there may be some.

Mr. SPENCE. The United States Chamber of Commerce has come out in favor of the bill. Is that not right?

Mr. BUCHANAN. They have.

Mr. RICH. Will the gentleman yield further?

Mr. BUCHANAN. Yes, I yield.

Mr. RICH. If they establish these plants in foreign countries, are they going to bring their manufactured goods back here and sell them in America?

Mr. BUCHANAN. I believe there is ample market abroad for whatever they are able to produce in their own country.

Now, let me close with this statement. It is clear that private American enterprise can make a tremendous contribution in these fields. Not only is it a source of funds, but it can contribute the initiative and resourcefulness, the managerial experience, and technical knowledge which is of the utmost importance to successful operations anywhere. It possesses the patents and processes, the techniques and know-how, and the management skills and diversified organizational patterns without which capital cannot be put to work effectively. Clearly American investors must so conduct themselves abroad that the local economies as well as the investor will receive the full benefit of his activities. As the President has said:

> What we envisage is a program of development based on the concepts of democratic fair-dealing. Exploitation for foreign profit has no place in our plans.

The members of this House have the opportunity of stimulating this process by approving the bill which is now before us. The program upon which the Export-Import Bank will be authorized to embark will be experimental in nature, but there is every reason to believe that it may be the spark which starts things moving. We would be grossly lacking in foresight and courage not to set off that spark. I am convinced that the Export-Import Bank will exercise its new authority within the framework of its existing operations, and the members of this House well know that that institution has an enviable record of sound operation on a self-sustaining basis, that is to say, without loss to the American taxpayers. We in this country know that democratic private enterprise is not dead, and we must not miss this opportunity of encouraging renewed demonstrations throughout the world of what it can accomplish. In short, I strongly support this bill—and I urge my colleagues to do likewise.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. TALLE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, take up the statement of July 6 of the Treasury of the United States, and you will find that we are in the red $257,357,000,000. the greatest sum that this country has ever been in debt. More than all the debt of all the Marshall plan countries combined.

I see some of the men on the Democratic side smiling at that. This is nothing to smile at. This is something that is mighty serious, as far as this country is concerned. I take it as a serious matter.

H. R. 8083, according to the statement here, is to amend the Export-Import Bank Act and to vest in the Export-Import Bank the power to guarantee United States investments abroad.

I cannot understand how when you went into the red over $3,000,000,000 last year you can take $250,000,000 of the taxpayers' hard-earned money and send it abroad to guarantee business to anyone, I do not care who he is, any business concern, against any loss if he goes into some foreign country to manufacture merchandise. If American capital wants to go abroad and employ labor at 15 or 20 or 25 or 30 cents an hour—and he can get all the labor he wants at that price, or less—and then bring his merchandise back to America and sell that merchandise in this country where we have to pay a dollar an hour or more to our own people in order to give them jobs, you are simply going to put your own people out of work. If that is a good thing for America today, then I am blind, and I cannot see, because it is my duty as an American citizen to look after American labor and American industry and not to try to branch out in foreign countries to the point where I am going to wreck America in order to do something for some foreign country. Of course it sounds nice but it is too serious to trifle with, too serious to put in effect, the results will be more serious to our economy than good. I sat here yesterday and listened to the majority leader say he was in favor of progress. So am I in favor of progress, but I am in favor of progress for the United States of America and the American citizens. I want to take care of my own people first. At a time like this when we have such prosperity as we say we have, going $3,000,000,000 in the red at a time when the country is said to be enjoying the highest prosperity it ever enjoyed, God help us if we ever get in a position where we enjoy a lesser prosperity, for then we shall surely plunge into the depths of despair and despondency, and we will probably wreck the Government. I am not one for that, and I am not one to be in favor of such a thing as that. America first. We are laying up debt for our children, when we cannot take care of it ourselves.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. RICH. Just for a question.

Mr. CRAWFORD. I hold in my hand a copy of the hearings showing the witnesses who appeared for this bill. I wish the gentleman would refer to it. This is an international trading presentation, pure and simple; and I will challenge anyone to refute that by reference to the hearings.

Mr. RICH. I ask the gentleman from Michigan [Mr. CRAWFORD] whether he does not think it is about time that we in America began to look after American industry, American people, American labor which is out of work, and give them jobs instead of trying to guarantee a lot of our capitalists who want to go to foreign countries and manufacture stuff over there, and then bring it back to compete with American-made goods and put our workmen out of business?

Mr. CRAWFORD. I agree with the gentleman. That is the reason I called his attention to the witnesses who appeared before the committee. This is a free trade presentation, pure and simple; and they cannot show where American industry stood up here and advocated this bill.

Mr. RICH. It is about time, if we are in favor of progress for America, that we look after the American people. That is what I am trying to bring out here whenever you ask if we are in favor of progress. I often think back to the time when we started this administration; we call it the Fair Deal now, but then it was the New Deal. When we started the New Deal the first thing we did was to kill the pigs, to plow under the cotton; then we burned the wheat, and before long you tried to uproot the Supreme Court; then we tried to change Thanksgiving. They would have changed Christmas had it not been that the Lord was born on a certain day and they could not alter that fact. They would have changed the Fourth of July, but they could not do that. Then they went into regulation until at the present time almost everything and everybody in America is regulated. It is about time that the American people woke up. If they do not it will soon be too late.

You not only regulate, you buy by subsidies, you control by edict of the President; you are at war not without the statement of the President of the contrary. Oh, where, oh, where are we going.

God save America from the New Deal. It will wreck us as sure as the sun shines tomorrow if we, the people, do not get rid of them.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Chairman, I hope I may be pardoned for referring to one of the principal witnesses appearing before our committee, Under Secretary of State James E. Webb. He comes from my State, North Carolina. He came to the Government service first as Director of the Budget, leaving behind a record of outstanding accomplishments. He then went to the Department of State, and within recent months he was brought into this particular program. Knowing something about his sound business qualifications and his record in general, it seems to me that we are on safe ground; at least, I can follow his leadership.

Mr. Chairman, I call your attention to the remarkable showing of the Export-Import Bank since its creation. The bank has had a remarkable record. It is this organization that will screen applications for the guaranties. Let me refer you to the Ninth Annual Report of the Export-Import Bank. You will find there shown the tremendous amount of money they have lent to foreign countries, corporations, and individuals since 1934. The Export-Import Bank has a statutory limitation of $3,500,000,000. At the present time outstanding loans and undistributed authorizations of the bank total $2,786,000,000. They have at the present time an uncommitted authority of $714,000,000.

Now, Mr. Chairman, what interests me about the Export-Import Bank, and this should appeal to the gentleman from Pennsylvania [Mr. RICH], during the period of operations the profits to the Export-Import Bank after losses and operation costs total $100,000,000.

I would like to point out also, Mr. Chairman, that the chairman of the board of directors of the Export-Import Bank appeared before the committee and on page 80 of the hearings he pointed out that private capital has been invested in foreign countries to the extent of $13,000,000,000 and during the last 4 years private capital has gone into these foreign countries to the extent of $4,000,000,000. The argument may be made, Why not let private capital continue to do the job? Taking into consideration the individuals speaking for and advocating this particular legislation it would seem to me that we are on sound ground. If we have faith in foreign countries and in individuals to lend them over $2,000,000,000, then we should have faith in Americans who desire to have a part in this great program of free enterprise.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from Pennsylvania.

Mr. RICH. If we have had that bank established for that number of years, and it has operated since 1934, and there has been borrowed only $100,000,000 from this bank, why is it that they have not borrowed more money?

Mr. DEANE. The gentleman did not understand me correctly. I said that since the Export-Import Bank has been authorized by Congress in 1934 it has shown profits after losses and operations of $100,000,000.

Mr. RICH. I misunderstood the gentleman.

Mr. DEANE. Mr. Chairman, on page 80 Mr. Herbert E. Gaston, as I mentioned a moment ago, stated that there is invested by private capital throughout the world $13,000,000,000.

I think we can get a very clear understanding of the legislation before the committee by comparing it with the FDIC. The Committee on Banking and Currency, I hope within a very short time, will bring before the Congress an authorization which would increase the insurance of deposits from $5,000 to $10,000. This particular legislation will operate on the same basis. Over the course of a few years the fees that will be paid for these loans which will be made should build up sufficient collateral and accumulated reserve from fees to take care of any particular losses should they occur.

Mr. RICH. What connection has the gains of this Export-Import Bank to the extent of $100,000,000 with the fact that if manufacturers or any business people go over there and invest in foreign countries, in factories, and ship merchandise back into this country, taking the American workingman's job away from him?

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. TALLE. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, on page 49 of the hearings I find where Mr. Webb, of the State Department, points out that in 1929 the total direct private investment in United States dollars abroad amounted to $7,700,000,000; in 1940, $7,300,000,000; in 1948, $11,300,000,000. Then he says:

> Now you have private interest-bearing investments like bonds and other long- and short-term investments which will bring the total to around $18,000,000,000 or a little above.

That is without any kind of guaranty as set forth here in this bill, which is conclusive evidence that the American businessman, when he is given half a show, will use his own judgment, his own skill, his own knowledge, his own know-how, and go into the foreign markets of the world and invest the savings of the stockholders which he represents. I think that is the best proof that can be found that we do not need this legislation.

Secondly, this bill, H. R. 8083, on page 2, carries a figure of $250,000,000. Two hundred and fifty million dollars would build a purification water plant in a foreign country, and certainly pure water is something the world needs today. Practically every city in the United States is now becoming short of pure water. So we come in here with a $250,000,000 proposal, entirely inadequate for the job in hand.

The facts are that the machinery back of this movement proposes to export from the United States savings of the American people of a maximum of $5,000,000,000 per annum. The philosophy is to the effect that we have reached maturity so far as the expansion of our own industries are concerned, and that there is no longer any need or any great opportunity in the United States for the investment of the liquid savings of our people. To me, such a philosophy is pure poppycock, and I say that because of the fact that we are bringing through the turnstiles of our high schools and universities and colleges every summer a great number of graduates, and at this very moment thousands of them are without a job and have no promise of a job because American industry has not sufficiently expanded here in the United States to provide those jobs for those

new graduates. Wars do, of course, make jobs, and we may find these young men will all soon be employed. We should invest equity capital here in the United States at a minimum of $30,000,000,000 per annum. I say "equity capital." I do not say expanded total footings of balance sheets by going out and borrowing the money, as the gentleman from Pennsylvania [Mr. BUCHANAN] figured a while ago. He spoke about the great totals of the balance sheets of the corporations of this country. Let me tell you how to raise the totals of your own personal balance sheets. Go down to the bank this afternoon and arrange a loan for $100,000,000, and you immediately write up your own balance sheet $100,000,000, but that does not necessarily increase your net worth. It does not prove anything except that you can get a line of credit. The same gentleman also pointed out the great accumulation of property which our people have brought under their own name in the last few years. How did they accumulate it? It was through the extension of credit. I can increase my property holdings, as I inferred a moment ago, by $100,000,000 if I can find a line of credit to that extent simply by extending my credit and putting in a dollar equity and letting some other fellow furnish the money. What does that prove? That proves great expansion of credit; it proves an inflationary force in the form of credit that is operating. You have some $18,000,000,000 or more in extended installment credit. What does that prove? It proves that if hundreds of thousands of people are called into the war that you will have great difficulty meeting your credit obligations, and legislation will be proposed that we defer installment payments on those obligations.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Iowa.

Mr. GROSS. What about these veterans, these GI's, that are buying $7,000 homes, paying $48 a month for 25 years?

Mr. CRAWFORD. Sure. Every month I sit in a meeting where these matters are passed upon, and I know what is going on with respect to the extension of credit. Now, where are we to get $5,000,000,000 more to export to other countries and to invest in these countries? We have to take it from the savings of our people.

We take that money for export from the savings of our people. It draws against the limited amount that is being put into the expansion of our own industry. Why is the limited amount so small today? It is because of the double taxation methods we are following, it is because of the uncertainty, the instability with respect to the taxing policies of our own Congress as related to the man who might wish to invest $1,000 or $5,000 or $10,000 in equity capital or risk capital or investment capital, as you might term it.

The gentleman from Georgia [Mr. COX] has a proposed amendment. I have been studying that amendment. Certainly if this bill is to pass that amendment ought to be adopted, but I am not recommending that the bill pass even if that amendment is adopted. However, if the bill is to be adopted, by all means put in the so-called Cox amendment. Why? Simply because the amendment is designed to have the recipient country guarantee our country against losses under this operation, instead of having the American Government, the taxpayers of the United States, guarantee the investor against losses that might be caused by bad policy on the part of the country which receives the dollar investments put in by our people.

The gentleman from Arkansas [Mr. HAYS], if I understood him correctly, and if I did not I wish he would correct this, repeatedly used the words that the guaranty protected the investor against revolution. I see nothing in this bill whatsoever which directly or indirectly guarantees the investor against revolution. It guarantees him with respect to expropriation, confiscation, or seizure by action of public authority. Certainly public authority does not authorize the revolution. Public authority is against the revolution. So I do not understand why the gentleman from Arkansas pointed out repeatedly that the guaranty is against revolution.

Ideology was referred to by one of the speakers. It seems to me the basic constitutional ideology which we have always followed in this country is to the effect that the private investor should carry his own risk, suffer his own losses, if they occur, and benefit by the profits if he has the managerial ability to build profits. I see no reason why we should now get out on the limb where the taxpayers guarantee any private investor against loss in any country, especially in any country where today chaos runs wild and there is much instability on the part of the government.

In peacetime, with the world at peace, this bill might have a little bit of common sense in it, but with the instability which prevails today, with the United States forces, assets and men, scattered all over the world, I certainly see no reason why we should support this bill.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, the bill we are considering today is the second part of what has commonly been called the President's point 4 program. It was so labeled because it was the fourth point in his message on the state of the Union.

I should like to call it the point 4 program because this program attempts to accomplish four very important points: First, it will strengthen the United Nations. Second, it will build political democracy. Third, it will expand international trade. And fourth, it will raise the standards of living of the world as well as of this country.

During the war we had what was known as war damage insurance. Point 4 is peacetime insurance. Damage that may be incurred in peacetime is now to be insured providing those who want the insurance will pay for it. This is no give-away program. There is going to be no taxpayers' money used to pay these claims.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. ROGERS of Florida. I notice this language is used, "to guarantee for an appropriate fee." I wonder if the committee discussed anything at all with reference to what would be an appropriate fee to carry out the provisions of this bill?

Mr. MULTER. There was discussion in the committee on the subject. It was decided that, this being a new program, the committee would have to more or less guess at what the premium or the fee should be. Instead of guessing at that we decided that we should leave it to this trusted agency and its board of directors, who would examine it closely. Therefore, the bill authorizes the bank to impose a fee in the first instance which would be sufficient to carry the insurance and from time to time raise or decrease it in accordance with their experience.

We thought it best in the committee not to try to tie the hands of the bank by saying, "You must charge so much as a fee"; we left it to them in the first instance to fix an appropriate fee large enough to insure the bank against loss.

Mr. ROGERS of Florida. Did you determine what would be a proper formula for a fee?

Mr. MULTER. No, we did not do that.

Mr. COX. The record of the Export-Import Bank justifies the trust you repose in the bank.

Mr. MULTER. I am glad the gentleman makes that point, because we are in agreement, I think, on both sides of the aisle and certainly we were in agreement in our committee, unanimous agreement, that the Export-Import Bank has done a fine job and is not subject to criticism on any score whatsoever.

Mr. Chairman, who wants this bill? Someone said, I think it was the gentleman from Michigan, that labor does not want this bill, and he tried to paint a picture of labor losing out and being subjected to all sorts of unemployment if we go ahead with this program. If you will refer to the RECORD of May 25 in the Appendix, you will find the expression of all of American labor set forth. They are unanimously in favor of this program.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. GROSS. Are they in favor of the point 4 program, or in favor of this specific proposition?

Mr. MULTER. They are in favor of the entire point 4 program.

Mr. GROSS. That is an entirely different proposition.

Mr. MULTER. They are in favor of the point 4 program and every part of it which has been already enacted as part of the ECA and they are in favor of this precise bill as we have it now before us.

Mr. GROSS. That is an entirely different proposition.

Mr. MULTER. It is not an entirely different proposition. I say to you the record shows that labor in this country is in favor of the point 4 program and every facet of it, that which we have already passed and that which we now seek to pass by this bill.

In discussing the world-wide effect of the newly organized International Confederation of Free Trade Unions—ICFTU—David Dubinsky, president, International Ladies' Garment Workers' Union A. F. of L., made the following significant statement:

The defense of democracy against the Communist effort of world domination must include military measures. But military security alone is not enough. The ICFTU insists that political liberty, social justice and economic security together form the lifestream of every free nation. Economic help for the underdeveloped countries, and full national freedom for the dependent peoples at the earliest possible moment, are both essential for the defeat of totalitarianism. The paramount prerequisite in the defense of world democracy against communism or any other species of totalitarianism is not piecemeal or temporary recovery, but the integration of the economic life of the free countries into a balanced and sound world economy. The new international considers that the European recovery program and President Truman's point 4 are sound, effective policies leading to economic integration on a continental and world-wide scale.

Plainly, American trade-unionism occupying a major place in the strongest sector of world economy, has a major part to play in this world-wide campaign.

The United States council of the International Chamber of Commerce has this to say:

The United States council of the ICC, as representatives of businessmen, realizes acutely the relationship between rising living standards throughout the world and the achievement of a stable peace. It welcomes the prospect that private enterprise and private investment can participate on a broad scale in raising standards of living in both underdeveloped and developed areas as a barrier to future wars. It believes that private foreign investments can serve as the means of combining labor, capital, and technology into the cooperative effort essential to accelerated economic development.

Mr. TAURIELLO. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. TAURIELLO. If this legislation is adopted, how will it help American labor? In what way will it help American labor?

Mr. MULTER. It will help American labor to the extent of expanding world markets. When you expand world markets, American labor profits thereby.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. COX. Mr. Chairman, may I suggest to the good gentleman that he obtain unanimous consent to extend his remarks and that he write into the RECORD some of the sound observations that he made when the bill was under consideration. I have examined the record very carefully, and the gentleman contributed much to the development of the case.

Mr. SPENCE. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. MULTER. Mr. Chairman, I thank the gentleman from Georgia for his observation. I will follow the gentleman's suggestion because I will not be able to complete all that I would like to say in the 3 minutes remaining to me.

Mr. Chairman, I hold in my hand the July 1950 issue of Nation's Business. Certainly nobody can say that does not represent the voice of business, big and little, in this country.

On page 32, I quote to you this sentence from an article which deals entirely with this point 4 program. After quoting from the President's message, setting forth his language on point 4, the author says this:

Here was an idea capable, for at least two reasons, of capturing American imagination and it has, as a matter of fact, received enthusiastic attention from labor, farm, university, church, missionary, and world peace groups.

Now, this is not just a big-business measure. It is not just something to increase international trade. This is intended to implement the program that we have written into legislation in this Congress, setting forth the policy of this Nation as one which seeks a stable peace and indicating that that peace can be brought about only by improving the economic condition of the world.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. BROWN of Georgia. It has just been stated that labor has endorsed this bill. One of the Members just said the United States Chamber of Commerce endorsed this bill. May I add to that that Mr. Aldrich, Chairman of the President's National Economic Council Advisory Committee on Financial Problems, said this in the hearings:

There are two great reasons why foreign investments have not been made by private capital. One is the fear of the transfer problem, with which we are all familiar, and the other is the fear of expropriation without immediate and adequate compensation. We have all seen that happen. Obviously the investor should not be guaranteed in any manner against credit risk or against the validity or invalidity of his investment from an economic point of view. The only thing that could possibly be considered would be the political risk.

Mr. MULTER. I thank my distinguished colleague, the gentleman from Georgia, for that very fine observation.

Now, let us understand this once and for all about this bill: This is no give-away program. We are not going to give away any taxpayer's money. We are building up an insurance fund which will take care of these losses, if and when they occur.

I cannot too strongly emphasize that this bill does not and will not call for the appropriation of any new funds. The Export-Import Bank is now authorized to lend up to $3,500,000,000. This bill will permit $250,000,000 of that sum, to be used for the purpose of guaranteeing investments in underdeveloped areas against losses caused by lack of convertibility of exchange or because of expropriation or confiscation. The premiums paid by the investors for this insurance will be used to pay all losses and to build up a reserve fund which eventually will make it unnecessary to use any part of the money of the bank for this purpose. That is the same procedure that was followed when we set up the insurance fund for savings and deposits in banks and savings associations. The arguments that are being urged in opposition to this bill are the same arguments that we heard in opposition to insuring savings and deposits. The opponents of the bill persist in talking about using taxpayers' money and giving away the taxpayers' money. There is none of that in this bill. This bill is the first step in the direction of cutting down on Government loans to free enterprise. It requires free enterprise to invest its own money and to take all the risks, except the two risks guaranteed against by the bill, and that on the condition that the private investor pay for the insurance.

The CHAIRMAN. The time of the gentleman from New York [Mr. MULTER] has again expired.

Mr. TALLE. Mr. Chairman, I yield myself 8 minutes.

Mr. TALLE. Mr. Chairman, I think it is proper that we should come to some conclusion about the hearing on this bill. If you will look at the table of contents, you will find that the witnesses numbered six, altogether—no more. The witnesses representing the Federal Government were the Chairman of the Export-Import Bank, the Secretary of the Treasury, and the Under Secretary of State, Mr. Webb. These three witnesses then were all persons holding positions in the executive department of our Government. The gentleman from Massachusetts [Mr. HERTER] appeared before the committee to explain the difference between the committee bill then pending and the bill which he had introduced and which was at that time before the Foreign Affairs Committee. Two other persons appeared, a Mr. Frost from Detroit, of the board of commerce there, and a Mr. Littell, from the American Bar Association, representing some committee of that organization. That was all. If anybody can show me that anyone representing either the CIO or the A. F. of L. or any other labor organization appeared, I want him to speak up now. It was said here a moment ago that testimony was given before the committee by labor organizations. I was present at every minute of the hearings and I know that no representative of any labor organization appeared to testify. Look at the dates when the hearings were held—August 17, 19, 22, 23, and 24—5 days altogether about 11 months ago. I felt the situation was very hush-hush the day we closed the hearings, August 24, 1949. Accordingly, if you will look at page 155 of the hearings you will discover that I asked a question with reference to the scant testimony. This is what I said:

May I make an inquiry? Is not the American Bankers' Association interested in this? And are not the investment bankers interested? Are there no other organizations that have evidenced any interest in this very important matter?

Mr. BROWN, then chairman, inquired:

Have any other witnesses asked to be heard?

The Clerk replied:

Mr. Chairman, I am not familiar with the other requests. I can check on that, however.

That ended the hearings on August 24, 1949, and there have been no hearings this year. When I opposed the bill before the Committee on Rules last year and again this year, I made the point

that this was a matter of very grave importance. It is extremely important, because the bill declares "That it is the policy of the United States," and so on. It is the policy to do what? To go out as economic missionaries to develop economically underdeveloped areas in the world? Nowhere in the bill is there a definition of what is an underdeveloped area. I would like to have some kind of definition as to what an underdeveloped area is.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. TALLE. Very briefly, but with genuine pleasure.

Mr. COX. Does the gentleman not believe that is something he could leave to the discretion of the administrative agency, the Export-Import Bank? Let me say to the gentleman that I have profound respect for him and for his understanding of this whole problem.

Mr. TALLE. I thank the gentleman.

Mr. COX. He did much in the examination of the whole question; in other words, in testing the validity of the arguments brought to his committee, and I was greatly impressed. The gentleman contributed much to the reasons for the amendment which I drafted and which I brought to the attention of the committee and which I propose to offer.

Mr. TALLE. I am very grateful to the gentleman from Georgia for his comments. I have great admiration for the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield.

Mr. GROSS. Could the gentleman tell me the business connections of one Aldrich, Winthrop Aldrich, I believe, who was profusely quoted a while ago? Can he tell me the business connections of that gentleman?

Mr. TALLE. I am sure my colleague knows the business connections fully as well as I.

But, proceeding, I remember some years ago a very devout Presbyterian, 96 years old at the time, who had a remarkable son who worked out a device whereby he could pour concrete through a sort of movable trough and save a lot of labor. He was so eager to use this device that he wanted to try it on Sunday, but his father said to him: "Son, remember, the world has waited more than two thousand years for this; it can surely wait until tomorrow."

This thing is so important, so very important, and the possibilities of making mistakes are so very great that I believe the bill should be referred back to the committee. We of the Banking and Currency Committee have had no opportunity to examine the amendment proposed by the gentleman from Georgia, whom I hold in great esteem. I do not have a closed mind on this bill; perhaps it is a good one, but I want to look at it some more. Specifically I should like to hear testimony from people who are regarded as experts in the field. We certainly have many of them in the United States. Let us take another look at this thing; let us agree on what is meant by such language as an underdeveloped country; let us agree on what is meant by such a term as "an appropriate fee." Is it not clear that we could get into very grave difficulty if we charged one fee to somebody operating in country A, another in country B, and still another fee in another country? In other words, we would set ourselves up as a sort of credit agency and we would be making appraisals as to the business safety of all the countries that might come into the picture.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Would this not be kind of an inopportune time to bring this matter up, considering the condition that the country is in today?

Mr. TALLE. That is exactly what I was coming to next. The world is in such a sad state of affairs that I venture to say no one in the Congress can fully understand its gravity. I am sure I do not for the reason I do not know how matters stand in Korea right now. This is a very poor time to do this. I think we can afford to wait.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Georgia.

Mr. COX. I agree that most things are keyed to Korea and because of that fact is it not all the more important that we act upon this now than it would be if the world were at peace, because it indicates a trust and a confidence for people in the underdeveloped areas of the world whose friendship we need very badly?

Mr. TALLE. That may be true. I may be wrong in what I say, but I confess to you that I have given a lot of time to this subject. I still want to know something more before I vote for it. I do not want to make a mistake in an important matter of this kind if I can possibly avoid it. The committee should take a look at the bill again. I certainly would be very happy to examine carefully the amendment proposed by the gentleman from Georgia [Mr. Cox].

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. TALLE. Mr. Chairman, I yield myself three additional minutes.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Michigan.

Mr. DONDERO. Following the observation of our good friend from Georgia [Mr. Cox] in reference to desiring the friendship of the peoples of the world, we lavished about $12,000,000,000 on Russia because we thought we needed her friendship, only to be served as we have since World War II.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. In connection with the uncertainties found in this bill, I wonder if the gentleman has thought about the phraseology contained in line 7, page 2, where it is stated that the insurance will guarantee the conversion of foreign currency derived from an investment. Does the gentleman know what that means? Does it mean profits? If so, does it mean net profits? If so, who shall determine the net profits and how shall the profits be determined?

Mr. TALLE. That language has troubled me, too. In other words, there are so many questions raised in my mind with reference to this proposal that I must recommend recommittal of the bill.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Washington.

Mr. HORAN. Did I hear the gentleman correctly when he said on this important matter the Committee on Banking and Currency had no hearings for almost a solid year?

Mr. TALLE. We have had no public hearings since the 24th of August 1949, the day they closed. Prior to that time we had hearings for 4 days. There have been no hearings since.

Mr. HORAN. For almost 11 months?

Mr. TALLE. Since August 24, 1949.

Mr. HORAN. Does not the gentleman feel that the economy and the politics of the world have changed since then?

Mr. TALLE. I am very sure many changes have occurred. These investments cannot, in my opinion, succeed unless there is a favorable climate for them and there will not be a favorable climate for them unless there is a burning desire for them on the part of the people in any particular country, a burning desire shown through their eagerness for actually wanting the investments made.

Furthermore such investments cannot succeed unless they are made in countries that have stable governments. Our world is in a bad way. The residual creditor, the man who must pay if the investments prove to be bad, is the American taxpayer.

Mr. Chairman, I urge that this bill be recommitted to the Committee on Banking and Currency for further study.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. ADDONIZIO. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ADDONIZIO. Mr. Chairman, I should like to address myself for a few moments to one aspect of H. R. 8083 which seems to me is not as clearly understood as it should be. I hear it said by many people who have not studied the bill carefully that the guaranty program is just another grant-in-aid and that the United States Government is going to take all the risk out of foreign investment. This is a most mistaken notion.

Let us examine more carefully just what the guaranties are and how they can be managed as a sound business and banking operation. Let us be perfectly clear at the outset. They do not guarantee the American investor against loss. The American investor must bear all the risks he always takes in making an investment, including all the vagaries of a business operation, the risk of fluctuation in the rate of foreign exchange and various other risks stemming from the

locality of the investment project. In other words, the American investor can purchase the guaranty provided in this bill and by the exercise of poor business judgment, inefficiency, or just poor luck completely lose his capital.

Essentially, all that this bill provides is just two things. First the American investor is guaranteed that he can convert foreign currency into dollars. This assures him that he can convert a reasonable profit into dollars and that he can sell or liquidate his business and get dollars in return. Second, if his property is expropriated without due recompense, or if his property is seized by action of public authority, he can be guaranteed the fair value of his capital in dollars. All other risks the investor must take himself.

For this guaranty the investor must pay an appropriate fee. The fee is intended to be sufficient to cover all administrative expenses of the program and such losses as the bank may incur in those cases in which the bank is unable, at a later date, to recover from the government of the country concerned any dollars the bank advanced to an investor in accordance with the guaranty. The Export-Import Bank has already demonstrated its ability to manage a self-liquidating program on a much larger scale. We may count upon it to develop management policies concerning guaranties which would be equally effective.

Fear of loss from inconvertibility or from delay in conversion is, perhaps, the greatest single deterrent to foreign investment under present conditions, although actual losses in the past from such occurrences have been small. If this program is managed with good judgment, losses in the future should be small. The bank may be required to pay out dollars against its guaranties to an appreciable extent, but the bank should recover all but a fraction of such payments from the foreign country itself at later dates. Fees charged on the guaranties are intended to cover such residual losses. Let us examine in more detail how this would work.

In the first place, the bank would only guarantee productive investments, that is, investments in such projects as may be expected to add materially to the productive capacity of the foreign country, with special emphasis on that country's ability to earn dollars or other currency exchangeable into dollars. The investment projects themselves, therefore, should help make it possible for the foreign country to provide the dollars for recovery of the investment and reasonable profits thereon.

In the second place, before extending any specific guaranty, the bank will certainly take into consideration the foreign country's present dollar exchange position and its future prospects in regard thereto. The bank may be expected to refuse guaranty proposals beyond the judged capacity of the foreign country to service such investments.

In the third place, however, let us suppose the investor has received a guaranty, that he earns a profit, but then he has been refused dollars in the foreign country for conversion of his foreign currency and that the bank is called upon to pay him in dollars and take over foreign exchange for its own account. What are the bank's chances now? The bank has stated it will not seek priority in payment for the dollar-exchange obligation so owed to it, in order that there may be no discrimination against existing investment. However, the bank could be expected to make appropriate arrangements with the foreign government by which the bank's dollar obligation would be recognized. Therefore, there may be delay in payment, but the bank in most instances would be repaid eventually. It may be that in some cases the bank could make arrangements of this kind with the borrowing country, as a prerequisite to the entrance of American capital. Finally, the reserve provided by the fees from investors is intended to be adequate to cover the residual losses as well as administrative expenses to make the program self-liquidating.

The bank now collects annually from $150,000,000 to $250,000,000 as serial loan repayments and some $50,000,000 of interest Out of $2,250,000,000 outstanding, less than $300,000 is in default, and less than one to two million is late in remittance in any one year. There is no reason to expect that experience on the guaranty program would be substantially different.

Let me put the services rendered by the guaranty bill to you in a little different, but in a more simple and summary fashion. By means of self-supporting, self-liquidating, sound business and banking plan, American private capital can enter the underdeveloped areas as though such areas were hard-currency areas. Private capital would measure its risks more or less in the same terms as it would measure its risks in entering a hard-currency area. In effect, this bill would come close to eliminating the soft-currency risk. If we can surmount the soft-currency difficulty, we may be well on our way in finding in this experimental program part of the answer to our foreign financial problem.

There is not much time. I ask of you all that this bill be passed without further delay. Let there be no partisanship. This is a measure for the welfare of all Americans, regardless of party and for the victory of the free world.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MCKINNON].

Mr. MCKINNON. Mr. Chairman, it appears to me in this discussion of the last hour or two that we have lost the objective of the bill in a confusion of the details. We can all agree that there are a lot of little things you can find wrong with the bill. But the thing we want to look after is the over-all objective of where we are trying to go with this legislation. If a little genie from the Arabian Nights came before you this afternoon and asked you, "What do you want? I will give you anything your heart desires," I think practically every Member of Congress would ask for a free and peaceful world. I think all of us would rather have a free and peaceful world than almost anything else in this world of ours. Well, point 4 is legislation tending along that line. We talk of an arms race today in terms of tanks, airplanes, submarines, and things like that, but that is not the real arms race that we have in the world today. We have millions of people in this world of ours who are looking for a little more to eat, for some clothing to wear, for some security, for some relief from their sickness. It is a race to determine whether free enterprise or communism is going to supply this world with a better living standard. It is surprising to me that so many people to the left of this aisle are selling free enterprise short, because free enterprise is certainly something that created a better living standard for us. It can offset the argument of communism and can produce for millions of people who are now doing without food, doing without medicine and the other things which are necessary to create a good living standard. Now, if we are going to develop a better world and develop peace, the only way we can do that is to implement our program of free enterprise so that the rest of the world can know how free enterprise and political democracy create better living standards.

On the matter of costs and our ability to afford a point 4 program, I was very much interested in an article that appeared in the Sunday Star this week. The article points out the inroads that we are making in Europe in offsetting communism by creating more stable systems of government and a better living standard for the people. To quote some of the article:

> Communists in the Ruhr polled only 5.5 percent of the votes in an election this month, compared with 14 percent in 1947.
>
> Belgium: In elections there early in June only 10 Communists won seats in the national legislature. Before the election they had held 17 seats. In the 1946 election they won 23 seats.
>
> In Italy, where there was a great upsurge of communism after the war, the party has been losing ground since the election in April 1948, when they were badly defeated.
>
> In Norway last October the Communists lost all of their 11 seats in parliament.
>
> In Sweden the Communists lost 7 of their 18 seats in the 1948 election.
>
> In Denmark, in municipal elections last February, Communists got only 4 percent of the total vote.
>
> In Great Britain's recent election the two Communist members of the House of Commons lost their seats.

Every country that has benefited from the Marshall plan has pushed communism out, and democracy and free enterprise have come in. It has cost us some money to do that, but nowhere near the money it would cost our country to create a big army and a big air force. We have received value for our ECA expenditures in Europe, and if we use point 4 in the Orient we will get value there, too.

Our need for a better living standard throughout the world is comparable right now with the need we had right after the war for more homes. We expanded the FHA and created a favorable climate so that private enterprise, and not the Government, could go in and build new homes for thousands and thousands of families who needed them. What we did through free enterprise, through FHA, is very comparable to what we are doing in point 4, in guaranteeing private investors abroad. We

are not giving anything away. What we are doing primarily is to open up an FHA type of insurance for foreign investors abroad. To be sure, there is some difference between the two programs, but the basic point is almost the same: that we are creating a favorable climate, guaranteeing against expropriations or confiscations abroad so that private enterprise can move out with strength and security to show what private enterprise can mean in creating a better living standard throughout the world. That is what point 4 legislation is intended to do. It does not give away anything and does not rob anybody. It creates only freedom and peace in this world, and that is what the whole world is hungry for.

We might win the armament race, we might win in Korea, which we intend to do, but until we can prove with action and not words that the American system produces higher living standards we are still going to be fighting a foreign ism. Improving the living standards of backward countries is the real war in this world of ours. It is the real arms race. It is one that we can win, and which will win for us our goal of world peace.

We have seen what a value ECA has been in pushing back communism in Europe; point 4 can do a similar job in backward areas.

This is the best bargain we can buy, for the program should be self-sustaining, just as FHA has been self-sustaining. It is a reaffirmation of free enterprise and political democracy. It is a positive step toward a free and peaceful world.

Mr. TALLE. Mr. Chairman, I yield 6 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, this bill certainly ought to be recommitted.

I was for guaranties in the ECA law, the Marshall-plan program, where the alternative was either give away money or guaranteed private investments which had been determined to add to the recovery program in Europe. That is quite different from guaranteeing private investments all over the world, as provided in this bill. Where the choice is between grants and guaranties, I am for guaranties. Where the choice is between Government guaranties and private investment, I am against guaranties.

This bill will never get through the other end of the Capitol this year. We incorporated a broader guaranty provision in the ECA extension bill this year, but in the course of doing it we found in conference that the other body takes an exceedingly dim view of guaranties of any kind. Passing this bill, if it is passed today, is purely shadow boxing, simply conducting a debating society, because it is perfectly clear that the other body would not touch this thing with a 10-foot pole during the present session. This is why we are just talking and fiddling around here. That is another reason why this bill should go back to the committee.

There is an amendment of tremendous scope, perhaps, to be offered by the gentleman from Georgia [Mr. Cox] which could well be studied in committee, but certainly cannot be intelligently considered here on the floor.

Here is another reason why I oppose the bill at this time: On July 5, 1949, the House passed the International Claims Settlement Act, which was a bill setting up a permanent commission to take care of expropriation cases. I opposed this bill and almost defeated it. It was primarily to take care of the case of Yugoslavia; we held about $45,000,000 in Yugoslav gold and there were $40,000,000 of American claims arising out of Yugoslav expropriation, and we let all the gold go except $17,000,000. This Claims Settlement Act set up a Commission to pay off those people. If these American investments in Yugoslavia had been guaranteed under today's bill, we would have the United States Treasury paying out the full amount of the losses by expropriation, and then collecting back about 40 cents on the dollar under the Claims Settlement Act.

This present proposition is half-baked. No provision is made for what we will do in the case of expropriation in the iron-curtain countries. As to those countries we have set up a policy, which I opposed, of making en bloc settlements with these governments, as with Yugoslavia. And the fact that we have that policy will be an invitation to the nations all over the world to expropriate American property and then make wholesale cheap settlements. At the same time we are starting out on a new pattern here of guaranties against expropriation. Unless and until we can have this thing jell, and arrive at a consistent policy, this bill might well have further consideration—I would say consideration running into 1951—by this able committee.

The language which is proposed by the present bill includes losses from seizure by action of public authority, any old seizure. We are going to have to cover three things; the first two, expropriation or confiscation, would be at least actions with some color of authority. But you are by this bill going to get a third thing, and that is simple seizure. All over the world, when any public authority, and that might be a township official or the mayor or a police officer, whenever all over the world such a public official seizes something, although it might be without any color of authority, if he physically takes possession of it, then a claim would arise under this guaranty.

I am one of those who believes in the future there is prospect for vast investment possibilities by Americans all over the world which will benefit our country and benefit other nations. That prospect is not right now. That prospect does not depend upon Government guaranties.

I have been asked on the floor this afternoon, "Didn't your committee bring out point 4 legislation?" The answer is, "Yes; we did." "Well, didn't the President ask for this in his speech on point 4?" "Yes; he did." But our committee has not considered guaranties in connection with point 4. What we brought out, and what was adopted was technical assistance, which is not a new thing but something we have been doing for years, particularly under a bill passed by the Eightieth Congress. For this authorized $35,000,000, of which $25,000,000 will be new authorization for the purpose of technical assistance under point 4. We also incorporated in the point 4 bill the language agreed to by the State Department and a score of business organizations in conferences arranged by Mr. HERTER, to provide the climate needed to encourage private investment. Thus this House has already authorized technical assistance and encouraged private investment, under point 4. Guaranties are not needed, and not asked for by prospective investors.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. HORAN. Much has been said about raising the standards of living in other countries. I am very much in favor of that because that would really be progress. But is there anything in this bill which guarantees that the living standards of the working classes in other countries will be raised?

Mr. VORYS. No, there is not. The provisions in the House version of the point 4 bill which were headed in that direction were cut out in conference. I think that is one of the things we should consider. But when it came to a test, that language was cut out. It seems to me this is just no time at all to be going into something like this. Our Committee on Foreign Affairs this afternoon voted out unanimously a military-aid bill which will come to the floor early next week and which I hope you will support, which will place a burden of over a billion dollars on the taxpayers of the United States.

We should concentrate on some of the military problems which we face. We can well afford to let this half-baked guaranty idea get cooked a little more thoroughly by this committee before we attempt to enact it.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I wish we did have the time to laze around as scholars on a summer's cruise, as has been suggested by the learned and distinguished gentlemen from the other side of the aisle.

But unfortunately we do not have the time. At this very hour our fellow Americans in uniform are facing hostile fire. The war between communism and the free enterprise of the democracies has reached the shooting stage. There is not time to put on the slippers and read the books and philosophically ponder over what we should do next year or what we should do in the next century.

I respectfully suggest to my colleagues on the other side of the aisle that the mothers and fathers of America want something more than a put-on-the-slippers-and-get-out-the-pipe approach to the problem of preventing the war already started from developing into a conflagration that might consume their sons.

I was heartened by the statement of the distinguished and eloquent gentleman from Georgia [Mr. Cox] that the measure now before us is one of the most constructive legislative proposals that has come to this floor during the long period of his service here. I am in complete accord with the thought of the

gentleman in that regard. The point 4 program is the most promising program of international mutual helpfulness that has ever been proposed for the universal betterment of mankind by a nation with the power and the responsibility of world leadership. It is the bright light in an otherwise dark night.

It would seem to me self-evident that with the international situation we are now facing requiring the best of our thought and the maximum of our patriotic devotion, our deliberation on the bill before us should be conducted in a strictly bipartisan spirit. There is a direct connection between the war in Korea and the bill to authorize Export-Import Bank guaranties of the United States private capital invested abroad.

We owe it to the country and to posterity, and certainly to our fellow Americans in uniform who heroically are holding the lines against hostile fire in a foreign land, to examine closely into this phase. But our approach must be that of Americans and not of Democrats and Republicans. Party lines end when the fate of democracy and the security of our country depend upon the solidarity of the front of unity.

We are now at war, and none has the wisdom to know how long or how short will be the conflict, or how extended or expanded will be the theater of action. We have exercised patience under great provocation. We have made sacrifice of many of our own comforts to give abundantly of our means to rebuild a world shattered by a war not of our desire or of our making. We have sought nothing for ourselves except the contentment of living at peace and in good will in a world of contentment. Come what will, the American conscience is clean.

It is vitally important that the point 4 program should be understood by our own people and by the peoples of other lands. The disadvantage we are now meeting in the Orient stems from a confusion in the minds of people there that our program for world betterment is along the lines of the imperialism of the British Empire and other European countries in the period antedating World War II.

What we are trying, under our point 4 program, is merely the application on a world scale of what was done most successfully in the development of our own United States. The capital and the know-how of the older communities on the seaboard went into the development of the Midwest and then to the far West. As the productivity and purchasing power of these new areas were expanded, the industries in the older communities from which the original capital and know-how came benefited from greatly broadened markets.

Under the point 4 program, we are going into foreign areas with our capital and our know-how, and there are no benefits that can come to us until first we have bestowed benefits upon the countries to which we have contributed our capital and our know-how. It is a program for assuring permanent peace, not by fighting other men into submission, but by helping them destroy in their own respective countries the blight of poverty which is the germ bed of discontent and of war.

There is nothing of exploitation in the point 4 program. There is where the emphasis must be placed. Imperialism and exploitation of weaker nations ended with American ascension to world leadership. When the men and women of the Orient, as well as other distressed areas, learn that under the point 4 program we really are partners with them in a joint undertaking to erase poverty everywhere, benefiting ourselves only as we give benefit to them, we may be sure that we will have their friendship and their cooperation in the fullest measure.

The point 4 program is our answer to the charge of the Soviet that we are the successors to the British imperialism of old. British imperialism had as its base exploitation and our troubles today and our lack of understanding in the Orient stem from the practices that the people in the Orient suffered under that imperialism.

To win the conflict which we are now waging to maintain under democratic and representative governments the dignity and the freedom of man we must receive as well as earn the whole-hearted confidence of people everywhere. The point 4 program is the road to such universal confidence. Give us 10 years of peace for its development and the happy day of man's liberation from the chains of wars will have arrived.

To defeat this bill today will be equivalent to saying to the people of Korea, of China, of India, of all other countries now distressed for lack of sufficient food, "See, what the Soviet Union has told us is true; even this blueprint of a world without poverty, a world in which there will be food even for us, the Congress of the United States has scrapped."

When you throw the point 4 program out of the window, you leave the United States with the responsibility and the burden of world leadership and no plan.

Considering the welfare of our own people, as well as that of others, the scrapping or the crippling of the point 4 program would be inexcusable. We all know that in the United States our industries, because of the great development of machinery can produce very, very much more than we can consume, and we must build new markets; we must have people all over the world who have the money to buy the products of our factories. So, under point 4, we are going into those lands, helping them develop, helping through money loaned on good security—not giving away billions of dollars, as carelessly has been suggested, but merely making loans that conservative bankers determine are soundly secured and will inure to the economic benefit of the areas where used.

The Export-Import Bank in a recent loan in South America made possible the opening up of 500 miles of rich territory that at the present time is not even surveyed. And as those rich lands are made accessible, factories and mills will spring up, and the peoples in that section who are now poverty stricken, will have the money with which to buy the products of our factories.

The bill before us authorizes the Export-Import Bank to give to private American investors, for an adequate fee, a guaranty against loss of their money and property from inability to convert foreign exchanges into American money, and from confiscation and the like. These are unusual risks, and they are not such risks as capital should be required to take unless it has available some way of assuring itself against such risks. All that we are doing by this bill is to furnish an insurance against these unusual risks, and which can be obtained by those desiring such insurance by paying therefor a fee, exactly as money invested in improved real estate is secured against fire loss by the payment of premiums on fire insurance. It is just that simple.

I would not suggest or imply lack of sincerity on the part of any of my colleagues. I know that every Member of this House is motivated solely by the desire to advance the best interests of this Nation and the welfare of its people according to his own sincere convictions. But I am left in bewilderment when those on the other side of the aisle who always are crying out that someone is stepping on the toes of private industry have so suddenly changed front. They are perfectly willing to let the Export-Import Bank continue to operate with Government money, but when this administration, as usual the best friend of capital as well as the tried and true friend of labor, wishes to encourage private industry to take over, they turn the other way and leave poor private industry waiting at the church.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. O'HARA] has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. O'HARA of Illinois. I do not know that I can cover it adequately in 2 minutes, but there is another phase in which I am vitally interested.

In my boyhood background was an experience in Central America when ill will against our people was being fomented because back of the investment of our dollars and British pounds was the military and naval force of our Government and of the British Government. It goes back a long way and is too lengthy a story to tell in 2 minutes. Then came Franklin Delano Roosevelt with his policy of the good neighbor and developed in the Americas a feeling of solidarity, a feeling of real friendship and real understanding. We abandoned the big stick as the symbol of our relations and substituted therefor the cordial handclasp of sincere and mutally respecting friends. We must never return to the big stick. On that the mind of the American people is fixed and determined.

As it was my privilege to develop at the public hearings before our comittee, the guaranties authorized by this bill can be interpreted, if not as guaranties of the stability of existing foreign governments, certainly as guaranties against losses incident to the instability of existing foreign governments. This raises the suggestion that the authorization of such guaranties might operate to bring about an interference by the United States in the domestic affairs of foreign nations. This certainly the American people would not want, and most assuredly if any such tendency should develop even in the slightest degree, the very purpose of the point 4

program would be destroyed and we would lose both the respect and the good will of other people.

I am happy to say that your committee, at its public hearings on this bill, explored most thoroughly this phase, and as a result of the examination by the members of the committee of Secretary Snyder and Mr. Webb, the Under Secretary of State, as well as Chairman Gaston, there was submitted by Mr. Webb and inserted in the record of the public hearings on page 56, the clarifying statement which I am sure will be satisfactory to those who otherwise might have been fearful that the giving of guaranties on foreign loans might eventually develop an interference in the domestic affairs of other nations. The testimony on this point of Secretary Snyder will be found on pages 24 and 25 of the record, of Under Secretary Webb on pages 55 to 57, and of Chairman Gaston on pages 71 to 74, inclusive.

I would say that too much emphasis cannot be placed upon the statement from the State Department submitted by Mr. Webb. The substance is that by the authorization of the proposed guaranties we are reducing to the minimum the danger of foreign loans and investments provoking an ultimate interference in the domestic affairs of other peoples in an effort to protect the loans and investments. When we insure against risks peculiar to foreign loans we look for reimbursement for our losses to the instrumentality to which we pay our insurance premiums, exactly as in the case of fire insurance, and the recourse is not to demand, as too often in the past was the case, upon the Government to step in.

Mr. Chairman, America, unafraid, and with the strength of a clean conscience and purity of purpose, goes forward in the brave and noble war it has declared, not upon the nations and upon peoples, but upon that poverty everywhere which is the real cause of wars. The quick passing of this bill, I trust by a large and convincing majority, will be a victory for permanent peace and the establishment of the brotherhood of man on an ever greater height.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield the balance of my time to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Chairman, when this matter was being debated under the rule my distinguished friend from Georgia [Mr. COX], whom I do not see on the floor at this moment, alluded to the testimony which I gave before the committee about a year ago when this bill was under consideration. He then made the statement that I was in favor of this bill, in the testimony that I had given. I have had an opportunity to review every word of what I said before the committee at that time and can find nothing which would substantiate that statement. I find on page 127 of the hearings this statement. I am now reading from the testimony I gave on August 23, 1949:

If point 4 is to become a reality with the aid of private capital, I am convinced that our Government has got to make it absolutely clear to these nations that there is no Christmas tree waiting to be shaken; that from here on out the relationships of our country to those countries will be those of friends who are operating on a business-like basis. I am convinced that that can be done provided it is made clear enough that that is the intent of the United States Government. But if we begin by passing an act such as the one which is now before you, I am very fearful that these conditions that would create a climate favorable to the investment of private capital will never be brought about; that we will be, in fact, saying to the nations of the world "It is more important for us to invest in your country than it is for your country to be developed through private capital that might be invested in your country. We are going to take all of the risks through guaranties; we are going to control what goes into your country and what does not go into your country through this form of governmental intervention," because that is what this form of guaranty actually amounts to; in the long run it being a Government obligation in the event of default on private capital, and by doing that we are at once lifting a great load of responsibilities from those countries themselves. But to begin with as complete a guaranty as this, I think is starting at the wrong end.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I shall be very glad to yield.

Mr. VORYS. The so-called "climate language" which would really encourage private investment, the sort of climate desired by American investing concerns, was drafted by the gentleman and put in the so-called point 4 bill; is not that correct?

Mr. HERTER. That is part of the law today under the point 4 bill, the so-called technical assistance bill, which to my mind is infinitely more important than the one now before us.

Mr. VORYS. This Congress, therefore, has already acted to put into law what is really needed by those with money to invest.

Mr. HERTER. The gentleman is quite correct.

Mr. SPENCE. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the question that presents itself to me is, why in the consideration of a bill like this that is in the rarefied stratosphere of international relations that is just as much for the purposes of international peace and the preservation of our institutions as is the Marshall plan should it be made a partisan matter? I do not believe there is any difference in the patriotism of the Members of Congress, but it does seem strange to me that at times thought of political advancement may cloud some of our minds. I see nothing in this bill of a partisan nature and I do not see how it can be made a partisan measure. I do not think any of the political parties have ever had a platform plank that was against the purposes of this bill. Why is it that on the left side of the aisle it has not received a single word of praise? That is inconceivable to me.

Is it because the President wants it? God knows, he has enough responsibility on him. God knows, he must want peace in the world. The responsibility he carries is enough to break a strong man. He wants this because he thinks it may inure to the peace of the world. I am convinced this is the better way to produce peace than giving or lending money.

I believe that if we establish American industries in lands that do not know the American people or the honor of American businessmen it will create more good feeling, more friendship, than any other method.

Then there is talk about the great drain it will be on the Treasury of the United States. There will be no drain on the Treasury. Every guaranty we make is for an appropriate fee. The Government of the United States when it has embarked on this character of activity has been singularly successful. We heard before in connection with the other bill that it would take billions of dollars. This cannot take more than $250,000,000 and that will be as the result of an adequate fee. It is insurance.

The Government is not going out to look for people to take it. The businessmen are coming to the Export-Import Bank and saying:

"We want to invest in this country. Will you insure us against a limited liability of inconvertibility, expropriation, confiscation and seizure?"

That is the limitation and it is plainly written in the bill. It is not against business losses. It is not against revolution unless revolution would take over the country and by act of public authority seize or expropriate the property. It is a limited liability, a liability that I think the Government can well afford to take in order to accomplish the results that we want to accomplish in this respect.

It may do more than that. It may bring back to our country wealth. It will tap unknown sources of wealth. It may make up something of the wastage of war and it will do that for American industry. Where is there any danger to this country in embarking upon this limited adventure in a new field?

I cannot understand the zeal and the heat that have been shown against this bill. I cannot understand why it is all coming from one source. I know that you are patriotic. Our boys fight together. Politics makes no difference to them. But sometimes it seems when a bill comes to Congress the political equation is pretty strong. I think it must be strong in this case.

Mr. Chairman, this has been one of the points the President has fought for because the President knows his responsibility and the President today, I know, feels a deep apprehension over the conditions in the world. He feels a deep responsibility which he has shouldered and which must be something to him. He says he wants this bill. I ask those on this side of the aisle if we are going to make a political issue out of it to vote for the bill.

The CHAIRMAN. The time of the gentleman from Kentucky has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read, as follows:

*Be it enacted, etc.*, That it is the policy of the United States, in the interest of its people as well as that of other peoples, to promote the development of economically underdeveloped areas of the world. It is the

objective of this act to further this policy by encouraging productive investment in such areas. To this end section 2 (a) of the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), is hereby amended by inserting after the words "to borrow and to lend money;" the words "to guarantee for an appropriate fee United States private capital invested in productive enterprises abroad which contribute to economic development in foreign countries by assuring either or both (i) the conversion into United States dollars of foreign currency derived from an investment and (ii) compensation in United States dollars for loss resulting from expropriation, confiscation or seizure by action of public authority: *Provided, however,* That the aggregate amount of such guaranties at any one time outstanding shall not exceed $250,000,000."

With the following committee amendment:

Page 2, line 2, after the word "guarantee", insert "for an appropriate fee."

The committee amendment was agreed to.

Mr. COX. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Cox: Page 2, after line 11, insert the following:

"SEC. 2. The Export-Import Bank of Washington (hereinafter referred to as the "Bank") shall not, pursuant to the amendments made by the first section of this act, make any guaranty with respect to the investment of private capital in an enterprise in a foreign country, unless there is in effect between such foreign country and the United States a treaty or treaties, agreement or agreements, containing the following provisions:

"(1) A provision which, in the opinion of the board of directors of the bank, adequately protects nationals of the United States against discriminatory and unduly burdensome measures and measures which unduly restrict the right of nationals of the United States to own, manage, and operate business enterprises within such foreign country.

"(2) A provision which in the opinion of the board of directors of the bank, assures nationals of the United States that just compensation will be promptly paid to them if the government of such foreign country, or other public authority thereon: (a) expropriates, confiscates, or seizes their business enterprise or any of their property, (b) deprives them of normal control over their business enterprise or any of their property, (c) imposes restrictions or charges on their business enterprise or any of their property (even though on a nondiscriminatory basis) to such extent as to deprive them of any substantial beneficial interest therein, or (d) destroys or substantially impairs the value of their business enterprise or any of their property by engaging in competition with such nationals either directly or through a corporate instrumentality.

"(3) A provision which, in the opinion of the board of directors of the bank, assures nationals of the United States that, subject only to the essential needs of such foreign country, such nationals will have the right (a) to convert into United States dollars an appropriate share of any currency of such foreign country received in connection with investments in such country, (b) to convert into United States dollars any currency of such foreign country constituting the just compensation described in paragraph (2), and (c) to transfer out of such foreign country all such United States dollars."

Mr. SPENCE. Mr. Chairman, we have examined the amendment and we accept it.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

I do not know what the gentleman from Kentucky means when he says "we accept it." The committee has not accepted it. I think there should be at least some debate on what it means and what it will do before we accept it. I presume the gentleman from Kentucky was using the editorial "we" when he said that.

Mr. SPENCE. I was. I personally accepted it, and most of the members on this side with whom I have had the opportunity to discuss it accept it. I did not mean that the committee had accepted it.

Mr. WOLCOTT. I want to be heard on this, but I have no objection to taking my seat and letting the gentleman from Georgia be recognized to explain the amendment, and I shall rise in opposition to it later on, if that is proper under the parliamentary procedure.

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman from Georgia be permitted to explain his amendment, the gentleman from Michigan then to be allowed to rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Georgia is entitled to recognition in support of his amendment in his own right if he seeks it. Does the gentleman from Michigan yield the floor?

Mr. WOLCOTT. I yield the floor, Mr. Chairman.

Mr. COX. Mr. Chairman, I ask for recognition on the amendment.

Mr. Chairman, this amendment speaks for itself. It simply undertakes to write into the legislation the safeguards about which the gentlemen opposed to the bill have been speaking, the so-called safeguards which the Secretary of the Treasury, the Under Secretary of State, and other witnesses appearing before the Committee on Banking and Currency on this bill discussed.

There was a thought on the part of the committee originally, as I understand, that these questions might be left to the discretion of the Export-Import Bank. Still, there were those who felt that since witnesses advocating the adoption of the measure favored the observance of these safeguards they ought to be written into the bill. So the amendment I have offered and which is now before the committee is one that was drafted having in mind the objections raised by members of the committee and by the gentleman from Massachusetts [Mr. HERTER], who appeared before the committee, as they were developed in the discussion in the committee while the bill was under consideration.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Indiana.

Mr. HALLECK. As I have observed the gentleman's amendment, I think probably it would make the bill more palatable than it is now, but may I make this inquiry of the gentleman. In subsection 2 the gentleman has a provision to the effect that a treaty shall first be made which assures nationals of the United States that just compensation will be promptly paid on the happening of certain things. What assurance can the gentleman give us that any given government in power at any particular time, or it might be a different government, would live up to that provision?

Mr. COX. I cannot give the gentleman the assurance that the governments of the countries where our investors might go will be able to make good on their guaranty. What is proposed here is that this Government expresses the faith that they will make good, that to the fullest extent of their ability they will undertake to make good. All you are doing is adding an inducement to our people who have idle money to put to work in foreign fields.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Texas.

Mr. LUCAS. Stating it simply, is it not asking the other countries also to go on the note with us?

Mr. COX. The other country does guarantee it. It in effect means that they do identically the same thing we are doing by the guaranty.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Illinois.

Mr. YATES. As I remember the language of the amendment, does it not preclude the country with whom a treaty would be entered into from going into a comparable business?

Mr. COX. It is all in the interest of protecting our investor, our national, who goes into the foreign field.

Mr. YATES. Suppose you have an American power company, for instance, going into a foreign country. Would not the gentleman's amendment preclude that country from having something in the nature of a TVA?

Mr. COX. The amendment would preclude the other country from setting up competition with the view and aim of destroying the investment of our own nation, and that is all.

Mr. YATES. Then the gentleman feels it may set up such an authority; however, it will be supplemental to it, and not in direct competition?

Mr. COX. Yes. In other words, we are not trying to shape the economy of any people on the face of the globe. We are simply saying to our people who have money they want to invest in a foreign field, "You may make it under the guaranty of the government where the investment is to be made that you be treated fairly." That is all.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield.

Mr. BROWN of Ohio. As I understand the committee amendment which was read in connection with the gentleman's amendment, the insurance premium would be sufficiently high to meet any loss?

Mr. COX. Of course. We must have faith in the Export-Import Bank, and I think the record made by that bank justifies the faith which is reposed in it. The Bank in its discretion would have to fix the rate which would be charged the investor.

Mr. BROWN of Ohio. It would have to fix the rate or charge which would be made for insuring the loan?

Mr. COX. That is right.

Mr. Chairman, I cannot believe there is the slightest chance of the Government incurring the loss of a penny in embarking upon this sort of an enterprise.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in respect to the colloquy which has just taken place between the gentleman from Georgia and the gentleman from Ohio, the committee amendment provided that they would insure these investments for an appropriate fee. Of course, it would have been a very simple matter for the committee to have framed language interpreting what an appropriate fee is: Is it to be a fee which will build up a reserve? Is there any authority for the building up of a reserve out of those fees against these losses? The bill is absolutely silent in that respect. The committee report merely suggests that they take into consideration the guaranty to the investor as well as the liability assumed by the bank. That does not have the effect of law, however. That was an afterthought as well as all the language from line 5 through 11, which was also an afterthought in this bill.

In order to get the intent of this program, we must refer to H. R. 5594 which was introduced by the gentleman from Kentucky, the chairman of our committee, and which bill was referred to the committee on July 12, 1949. That bill provides as follows:

It is the objective of this act to further this policy—

After stating the policy—

by encouraging productive investment in such areas. To this end section 2 (a) of the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), is hereby amended by inserting after the words "to borrow and to lend money;" the words "to guarantee United States private capital invested in productive enterprises abroad which contribute to economic development in foreign countries against risks peculiar to such investments."

That was the original purpose of the sponsors of this legislation. This is an administration bill and came to us as an administration bill. That is the purpose, therefore, behind this program—broadly, to insure American investments abroad. Then the committee in its wisdom added these so-called safeguards, that they be in respect only to losses incident to expropriation, confiscation, seizure, and convertibility.

Now the gentleman from Georgia offers an amendment which will further limit the operation of the program and says that there must, before it can guarantee these investments, be certain assurances and conditions precedent to the granting of the insurance. The first among which is that there shall be no interference in the operation, management, and ownership of the enterprise abroad. Of course, that means that in all investments of American capital in utilities in Great Britain and in South American utilities and South American mines and in many European and perhaps Asiatic industries, this cannot apply, because under their operation many of them are leased with certain agreements, so that the fee remains in the country, or a company of nationals of that country, or the property is owned, the natural resource, which is being exploited with American capital, is owned by the country, as in the case of some of the South American republics. So, of course, if we put that provision in there, then American capital cannot aid in these distressed countries in any enterprise where the enterprise is primarily or partly owned by the Government or by nationals of that Government.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that I may continue for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. COX. There is nothing in the bill that precludes the possibility of a joint operation or a mixing. It might be better that there be no mixing, but there is nothing in the bill that precludes mixing.

Mr. WOLCOTT. I may say I have great confidence in the gentleman from Georgia, in his judgment, and I have always, and I hope I always shall respect his opinions, legislatively and otherwise. I might say that since my service in Congress the gentleman from Georgia has, in many instances, served as my legislative and sometimes my moral mentor.

Mr. COX. And I return the compliment. I quite frequently rely upon the gentleman's opinion for my legislative behavior on the floor.

Mr. WOLCOTT. And I thank the gentleman for that. I am simply bringing out some possibilities in respect to his amendment.

Section 2 provides for the ready convertibility into dollars of the foreign currencies which are received in the operation of the industries, and guarantees against that by treaty or agreement. One of the outstanding examples of the attempts to protect American nationals and the American Government from losses through failure of the convertibility machinery, either on the policy level or below that, was the British-loan agreement. And I want at this time to apologize to this House for the part which I took in getting that British-loan agreement through. I think it is one of the biggest sell-outs that the American people have ever experienced. We agreed, and it was because of that agreement in the British-loan agreement, that dollars would be readily convertible into pounds and pounds into dollars, and the consideration of that was nearly $3,000,000,000 of American money, I felt it was well invested if they broke up the sterling bloc and if we did make dollars readily convertible into pounds and pounds into dollars. There is a provision in the treaty which says they shall do it. But they did not do it; they are not doing it, and they do not intend to do it although there are specific provisions in the treaty that say they shall convert pounds into dollars and dollars into pounds. We have another agreement here to protect American nationals and the American Government. You cannot get dollars for pounds, and the investments which we have made in Great Britain relying upon the provisions of the British-loan agreement is money lost. Perhaps there were conditions which made failure necessary, but anyway there was failure to live up to the terms of that agreement.

I think we should go into this situation here with our eyes wide open, that we have a precedent for this which has not worked, which will not work, and until we can iron out our differences and actuate and effectuate the purposes of the British-loan agreement I think, in respect to these countries, minor countries undoubtedly, these distress areas as compared to Great Britain, we can expect no more consideration from them than we have gotten from the second largest and most important power in the world. For that reason we should, when we vote to accept this policy, understand that we are voting to accept a policy that cannot be enforced short of war and which gives absolutely no protection to the American laboring man who might lose his job because of the migration of American capital into these areas.

Mr. MULTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have indeed seen a strange exhibition on the floor here today on the part of those who have opposed this bill and who will oppose the amendment offered by the gentleman from Georgia, an amendment which is acceptable to the majority members of the commitee. We can all remember how practically every one of the Members of the House who today oppose this bill at some time or other have shouted that they were for the free enterprise system, that we should encourage it, that we should do all we could to spread the free enterprise system. Not one of them would vote to repeal the Export-Import Bank law. Every one of them knows that under that law the Bank has the right to lend up to $3,500,000,000 for the very purposes set forth in this bill. In other words, they say it is quite all right to lend the money and take all the risks of a lender but do not issue guaranties to the extent of $250,000,000 on which we have a limited secondary liabiilty.

If this bank should continue to be authorized—and everybody apparently is in agreeent that it should be—to lend up to $3,500,000,000 for these purposes why should we not encourage free enterprise by saying that if they use their own money to the extent of $250,000,000, instead of our lending them the money at interest we will guarantee the investment against two types of risk?

When a bank lends money it takes all the risk whether it be loss by fire, riot, civil commotion, war damage, or what have you. But under this bill if private enterprise invests its own money we say we will guarantee them, insure their investment against two kinds of loss, and two kinds only—one convertibility of exchange, and the other expropriation.

As pointed out by our distinguished chairman, there is no real merit to the

opposition to the bill or to the opposition to the amendment offered by the distinguished gentleman from Georgia. It is pure and simple politics. The President wants this point 4 program, the world wants it, America wants it; so they say "Let's oppose it on political grounds." There is no reason to oppose either the amendment or the bill on their merits.

If you stop talking about all the imaginary things that are not in this bill, if you consider only what is in it and in the proposed amendment, you must vote for both.

Do not be frightened by the argument that if you pass this bill all the other American investors will demand similar guaranties. I hope they do. They can have them if they are willing to pay for them. The more the premium, the bigger the reserve fund; the more the guaranties, the more diversified the risks and the smaller the loss. That is good business. It is excellent insurance underwriting.

Mr. JAVITS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not believe that the bipartisan foreign policy to which I am devoted—and I think every Member of the House, whether he agrees with what I have done in this Congress or not, understands that I have been one of its staunchest advocates—requires the uncritical acceptance of everything the Administration brings in or requires us to be woolly in our thinking.

Let us get a little realistic about what we are up against here, because there is a precedent. This bill for the guaranty of overseas investments is not brand new. The Committee on Foreign Affairs wrote a provision for just such guaranties into the Economic Cooperation Act of 1950—the economic recovery program—which has now been available since April 1948, allowing $200,000,000 for such guaranties—section 103. I do not believe that anyone has mentioned in this debate that experience. The experience is this: Out of the $200,000,000 which has been available since April 1948, only about $22,500,000 has been the subject of 23 guaranties. American business for one reason or another has not taken advantage of this particular provision. There are now pending 40 applications for about $43,000,000 of guaranties and one, what the ECA calls a tentative application, for $50,000,000. The fact remains that only 10 percent of this available $200,000,000 has been utilized.

There is a difference between the ECA guaranty program and the program in this bill. In ECA it was applicable only to the ECA countries, which are essentially in western Europe, their territories and possessions. We now propose by this bill to make the guaranties of investments applicable to the whole free world, notably the Far East and the Near East, and that brings me to the amendment offered by the distinguished gentleman from Georgia, for whom I have a deep affection as have so many Members of this House. I know he is an outstanding legislator and will not take this personally.

But, Mr. Chairman, his amendment invalidates in its very terms almost everything this bill is designed to serve under the point 4 program, in these countries we are trying to benefit by this $250,000,000, and which are not the great powers, poor even as they are, like France, Great Britain, and the other countries of Europe, but are the very poorest countries. Few of these countries can feasibly agree to give this immediate interchangeability of dollars called for by this amendment. In few of the countries in these underdeveloped areas could they agree with us that they would not compete with any American business that went in there. In short, they will find it extremely hard to make any sort of agreement as called for by this amendment and to give any such guaranty.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Georgia.

Mr. COX. Does the gentleman understand that the investor would not go in any country except upon the invitation of that country?

Mr. JAVITS. I understand that perfectly, but what we are talking about here is that we want these countries to be able to receive this point 4 aid. That is the point. We want to get exactly this kind of investment for economic development into the poor, distressed, underdeveloped countries. Why should we write something into this bill that is a millstone around the neck of the very proposition we are trying to assert?

Mr. MULTER. Mr. Chairman, will the gentlemen yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. MULTER. The officials of the Export-Import Bank, the Under Secretary of State and the Secretary of the Treasury have all indicated to our committee in open hearings that these very limitations, the subject matter of the amendment offered by the gentleman from Georgia, would be incorporated into their rules and regulations and into their guaranties.

Mr. JAVITS. I may say to the gentleman from New York that just because they did that for the purpose of getting this bill through the committee or the House does not necessarily make it right. We are here to consider the subject based on the needs we are trying to meet and to make up our own minds.

Mr. MULTER. Will the gentleman indicate to us what is wrong about any one of these restrictions contained in the amendment offered by the gentleman from Georgia?

Mr. JAVITS. The very thing we are trying to attain by this bill would defeat itself because we are not dealing in this bill with countries which are generally capable of making such agreements. We want to benefit the poor countries. We are not dealing with countries which are capable of giving us or offering guaranties, which this amendment will make them give; hence we will be in the same position, and even in a worse position than we have been under the ECA guaranties, which have been only 10 percent availed of.

It seems to me that if we want a point-4 program that is going to save the world from communism, this program, and certainly this amendment, does not help—it is too little and it may be too late. The extent to which the ECA guaranty program has been availed of shows the inadequacy of reliance on any expectation that guaranties of new United States investments abroad under this bill will come anywhere near to having the impact on or magnitude in relation to the standards of living for free peoples that we so urgently need to improve.

We have spent $5,000,000,000 a year on the European recovery program for western Europe alone, and it is very doubtful that in 1952 western Europe will be able to stand on its own feet. Now we are talking about committing the towering sum of maybe $25,000,000 on point 4 for technical aid, and guaranties of $250,000,000 with all kinds of strings and restrictions.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. My colleagues, if we do not get accustomed to the realities of this world and to what this job of beating communism is going to take, America may not win. There is nothing in the heavens that says that America must win against the Communists; we could lose; it could happen to us. Let us not forget that the most ardent morale in Korea is not being displayed by the apostles of freedom from South Korea, but the most ardent morale is being displayed by the North Koreans, and despite the American declaration that we have entered into South Korea to defeat the North Korean aggression, North Korea has not laid down and died, but on the contrary they are fighting our forces every foot of the way. We will win; I know our determination and our spirit, and we fight for justice and humanity; but let us learn something. It is time we learned something.

We are not going to accomplish with $250,000,000 in guaranties and with a lot of strings tied to it, and we are not going to accomplish with $25,000,000 in technical aid the part point 4 is designed to play in the defeat of communism. If we want to decisively win this struggle against communism, we must do it with the power of civilian goods, with the power of civilian production; we have to go all out and produce and act in terms of billions instead of millions. That is what the people of the world will understand and that is what the people will respect, and then they will give us morale, because we will give them delivery in terms of a better life instead of words.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Pennsylvania.

Mr. RICH. If you want to talk in figures of billions of dollars the world will understand it, but when you give that talk to the people of the United States, in the House of Representatives and the Senate, I doubt very much if they know what it is all about, and then they go back and ask the taxpayers to

pay the bill, and that is the trouble with this cockeyed idea.

Mr. JAVITS. Someone on the floor here a while ago said that the thing America should do is to gird itself for war; arm itself. Again, look at the figures. General Marshall testified before us in the Foreign Affairs Committee not over 3 weeks ago that if we wanted to gird ourselves for war, if we wanted to isolate ourselves in the United States and arm to the teeth, it would cost not $15,000,000,000 per year for the armed services but $30,000,000,000 per year; in other words, an addition of three times more than we are spending now on ERP; and if we are talking about two, three, or four billion a year for a real point 4 investment program, does that compare with the figure for defense or in terms of the billions and billions which will be spent in another war or the millions whose lives will be lost? No; these are grim realities, and a Member who is deeply concerned about the interests of this country, and has them in his heart, would be remiss in his duties to his colleagues if he did not voice them whether popular or unpopular, and that is what I am doing today.

Mr. RICH. Mr. Chairman, will the gentleman yield further?

Mr. JAVITS. I yield.

Mr. RICH. I always find that when people in this country or any country in the whole world attend to their own business and stay in their homes and look after their own families that they hardly ever get into trouble, but whenever you start to go into this fellow's backyard and the other fellow's backyard and you want race trouble, you generally get it, and that is what we are doing now. They say we are the greatest peace-loving people in the world. We are doing more war talk than any people on the face of the globe, and we are doing the fighting now and letting the other fellows out. It is about time we sat down and started accounting our books.

Mr. JAVITS. The South Koreans stayed home. That did not prevent the North Koreans from going out to get them. We stayed home, and that did not prevent Hirohito from going out to get us at Pearl Harbor, and if we stay home now it will not prevent Mr. Stalin from getting us. No, my colleague, staying home is certainly not the answer.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Georgia.

Mr. COX. Was the gentleman originally for this bill that carried no contingent-liability provision?

Mr. JAVITS. That is a very hard question to answer, but I will answer it. I was for the President's point 4 program, of which this is a part, but I consider it a most inadequate part, considering the job we have to do in the world to defeat communism. I think the gentleman knows one thing about me from seeing me here, whether he agrees with me or not, and that is that I am sincere. This amendment worsens the bill, it does not better it. I am addressing myself to it not with any idea just of defeating the gentleman's amendment, but I am addressing myself to the major questions which we face here and which I think we are completely overlooking in the debate about this particular detail of this bill.

Mr. COX. Would the gentleman like the bill better if the limitation were fixed at $25,000,000,000 rather than $250,000,000?

Mr. JAVITS. That is not the point.

Mr. COX. If we struck out the limitation altogether it would be better?

Mr. JAVITS. I said I was for the President's point 4 program.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

Mr. SPENCE. Mr. Chairman, I am not going to object to this request, but in the future I am going to object to any extension of time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. All I say to the gentleman from Georgia is this, that the implementation of the plan of point 4, the very things which the administration has brought in here—and after all, they have to do the planning, they have to lay out these projects to make point 4 fit together as a structure—is completely inadequate to the purpose and conception of point 4. I point out, with the greatest respect, that this amendment makes it even more inadequate.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word and rise in support of the Cox amendment.

Mr. Chairman, if I correctly understood the gentleman from Georgia [Mr. COX], or perhaps it was one of the other gentlemen who said it, it was to the effect that the administrators of this act have committed themselves to the proposition of including in their rules and regulations something along the lines of the Cox amendment.

The gentleman from New York [Mr. JAVITS] has just called to our attention the instability of governments throughout the world today. As I understood him, he made the argument to the effect that these governments with whom we expect to do business are not in a position to make the guaranties which the Cox amendment calls for. On the one hand, the administrators are going to put in their rules and regulations the provisions substantially called for by the amendment, and, on the other hand, the argument is made that the governments are in no position to make such guaranties. So it seems to me that the weight of the argument of the gentleman from New York falls and does not sustain itself.

Mr. Chairman, only a few months ago this Congress approved a bill which provides that the national banks of this country may carry in their portfolios debentures issued by the International Credit Bank, such International Credit Bank being part of the machinery of the Bretton Woods Agreement, the Bretton Woods Agreement being for the purpose of financing and facilitating the United Nations organization so that the countries of the world will stand up economically. This means to say that your demand deposits in the national banks of this country may be used without your knowledge, unless you are rather sagacious and alert, for the purpose of buying those debentures of the International Credit Bank, to be used to finance where this kind of money might now go.

It is impossible for me to conceive that the Congress of the United States as now constituted would approve this bill without restrictions going at least as far as the Cox amendment calls for. Therefore, as far as I am concerned, I am going to support the Cox amendment when the vote comes on that proposition.

Here we have the statement from the Under Secretary of State on page 49 of the hearings that our people have invested in other countries $18,000,000,000 of private funds. If this bill is passed in its present form, how long do you think it will be before those investors step in here and demand that we give guaranties on those $18,000,000,000 of private funds invested in these other countries? Why make goose flesh of one and buzzard flesh of another? If you are going to guarantee one group of investors, why not guarantee the other group, and play fair with the American people, if you are going to practically force them into this kind of proposition where the Export-Import Bank, a Government agency, makes its contribution and shoulders it off onto the people of this country to back up?

The gentleman from New York [Mr. JAVITS] has asked that we talk in billions and work in billions.

What did we do under Bretton Woods, except to work in billions of dollars? What did we do under the British loan, except to work in billions? What have we done under the Marshall plan except to work in billions and billions and yet more billions? It is a recorded fact, and I am sure you will agree, that in the other body recently one of the outstanding spokesmen for the administration submitted a proposition that we should put into this point-4 program no less than $50,000,000,000. This $250,000,000 figure in this bill is a trap to lead you into the initiatorial stages of this proposal. You cannot do anything in the world today more than just make a start, on the basis of $250,000,000 in a plan of this kind. That is a joke. It is a farce. I think it borders on intellectual dishonesty to bring a bill here with $250,000,000 in it and no more. These hearings were held in 1949. Why does this committee not bring to us up-to-date hearings based on what is now going on in the world instead of hearings now so out of date?

That is what I want to have. I think this bill ought to be sent back to the committee for them to hold some hearings on it and to get the business interests of this country before the committee. We only have four or five witnesses here as testified to by the gentleman from Iowa [Mr. TALLE]. Let us have some facts on this that are up-to-date.

Mr. SPENCE. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 15 minutes, the last 5 minutes to be reserved for the committee.

The CHAIRMAN. The question is on the motion.

The question was taken; and on a division (demanded by Mr. RICH) there were—ayes 55, noes 44.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and fourteen Members are present, a quorum.

So the motion was agreed to.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. RICH] is recognized.

Mr. RICH. Thanks for the 3½ minutes.

First, I want to say I thought I was going to have the privilege today, and my colleague from Pennsylvania [Mr. GAVIN] as well, of voting "no" on this legislation. But I understand the majority leadership has prevailed upon the powers that be to put this vote over until tomorrow, in order to allow the South Carolina delegation to vote. There are four of them, so when we two go away there will be a difference of two, but we will not have the privilege of being recorded against this legislation, and I am afraid somebody might think I am for it.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. RICH. Yes, I yield.

Mr. GAVIN. Just so I am properly recorded, I want it understood that I would vote "no" also.

Mr. RICH. I tried to explain that, but I am glad you did.

Now, I would like to know who got up this legislation. I would like to know who is back of all this New Deal legislation we have had, trying to take into account all the people all over the world. I have been unable to understand how this administration, how the people on the Democratic side, can swallow all the things they are asked to. It seems to me that you on this side have got enough to do to attend to your own business. When you start in to try to take care of all the business of all the people all over the world, and allow 150 million or 160 million of our own people to be taxed to finance 2,400,000,000, I think there is something wrong and that we ought to bring in a psychiatrist and have an examination.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. RICH. Yes, I yield.

Mr. NICHOLSON. The gentleman just asked where this thing started. It was only a short time ago that Henry Wallace was advocating all these things.

Mr. RICH. That is right.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. GAVIN. But the ridiculous part of the whole program is that we are pumping American taxpayers' dollars into the economy of those countries, and we do not have the national defense built up to protect the investments that we are going to make. What we should do is to build up our own national defense, and then if we want to pump money into the economy of that country, we would be in a position to see that it is protected.

Mr. RICH. You are absolutely right. We have got more sense in a minute in some of these fellows on the minority side than we have in a month in all those fellows on the majority side. This thing is all cock-eyed, and if the people of America do not realize what is being done, they will be without a country. It is about time that we woke up. In the first place, we set up this Bretton Woods Agreement. How many of you fellows on this side of the aisle wanted that Bretton Woods Agreement a few years ago? Oh, it was going to take care of all the people all over the world, and all their finances. Time after time since that you have been bringing in a lot more new cock-eyed ideas just like this bill, and the first thing you know we will be so overburdened——

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent that my colleague from Pennsylvania [Mr. RICH] may be allowed to finish his sentence in his extension of remarks.

I ask unanimous consent that I be allowed to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, the gentleman from California [Mr. MCKINNON] made a speech a few minutes ago which, to my mind, was an outstanding exposition of the purpose of this legislation. He said that our goal is a peaceful world, and that a peaceful world can only be built on an improved international economic level. There is one charge that has been used over the years against the United States, and is being used today by the communistic forces in the world, and that is the charge of dollar imperialism. I think at one time that charge was true. I refer to the time when American capital was invested in Nicaragua, and we sent our marines into that country to protect it. I refer to the time when American investments were threatened in Vera Cruz, Mexico, and we sent our armed forces in to protect that investment. Those, indeed, were the days of dollar diplomacy and of Yankee imperialism. But we changed our policy later on, and just a few years ago when the Mexican Government expropriated a lot of oil wells and oil properties down in Mexico we did not declare war or send our troops to Mexico. We entered into negotiations with the new Mexican Government and finally reached a peaceful settlement whereby most of the American capital investment was returned to this country through peaceful negotiation with the Mexican Government.

What are we doing here? It seems to me that we are setting up an insurance program in this bill, for it says we will protect investments against a limited type of loss, the type represented by expropriation and seizure by public authorities in those countries. So for an appropriate fee we are saying to American enterprise that they may go into these countries, invest their money and we will set up what amounts to an insurance reserve fund of $250,000,000 until that appropriate fee shall build up a reserve fund of its own, and out of that $250,000,000 we will recompense American free enterprise for the loss which they may sustain under a limited type of guaranty in these foreign countries.

It seems to me that in doing this we are really backing American enterprise and we are doing it on a sound insurance type of base, not on a national gift base or on the base of a loan to a foreign government, but we are encouraging our private enterprisers to go into these countries and bring to these countries the enterprises which they need to give employment to their people and bring up the level of the standard of living in those countries. We are also protecting American businessmen from undue loss which would occur in these cases of expropriation and confiscation. I say we are giving to them the same kind of protection in foreign countries that we now give to them in this country, because American capital investment is not allowed to be confiscated here without due process of law. We are extending a similar type of protection for their capital investment abroad. It seems to me that it is good business. I am surprised that my friends on the Republican side of the aisle who are always against appropriations, are now objecting to a sound, proved, and tried principle of business investment insurance.

It is universally accepted that the development of stable economies and democratic institution in a free world, and particularly in the so-called underdeveloped areas, is a key element in our foreign policy.

The peoples of these areas have had a glimpse of what American technology, organization, managerial skills, and democratic freedom are accomplishing and can accomplish.

Their desire for self-improvement dominates their thoughts and actions.

Their hopes and expectations are aroused as never before.

We know what must be done if their dreams are to be realized, and we want to see these aspirations realized.

We know, and many of them know, that balanced economies must be established in these areas if a sound base is to be provided for the achievement by these peoples of their aspirations for self-improvement and the democratic way of life.

We know that, in the long run, the sound economic development of these areas will also contribute to the maintenance of high and stable economic activity and employment in the United States, to the increase of United States and world trade, and to maintenance of world peace.

The implementation of President Truman's point 4 program can make a signal and lasting contribution to the accomplishment of all of these objectives.

The Act for International Development—Public Law 535, Eighty-first Congress, second session—which will enable us to extend technical assistance to the

peoples of the underdeveloped areas, has already been passed.

The President has pointed out that a second category of outside aid needed by the underdeveloped areas is the provision of capital for development projects and the establishment of productive enterprises in these areas.

No new legislation is required to empower the United States Government, acting through the Export-Import Bank of Washington, to make loans of public funds for economic development and for the establishment of productive enterprises, both of which are so essentially needed in these underdeveloped areas. However, we all appreciate the desirability of encouraging private sources to provide as much as possible of the necessary capital, as well as the necessary technical knowledge and organizational and managerial skills.

H. R. 8083, which is before us for consideration now, should be enacted so as to enable the Export-Import Bank to issue limited guaranties in order to stimulate the flow of private capital, technical knowledge, and managerial skills into productive investment in these underdeveloped areas.

H. R. 8083 will encourage private interests to provide this capital, technical knowledge, and these skills from private sources at private risks, rather than from governmental sources.

In my opinion, the enactment of H. R. 8083 will present United States and foreign private capital with unprecedented opportunities and a very real challenge.

I believe that the constructive planning and extension of technical assistance under the act for international development will uncover hitherto unsuspected opportunities for the productive employment of private capital in the underdeveloped areas of the world.

I hope and believe that private capital will accept the challenge presented by these opportunities.

The issuance of limited guaranties by the Export-Import Bank under the authority conferred by H. R. 8083 should, and I hope will, stimulate investments of private United States capital in productive enterprises in these areas.

H. R. 8083 will permit the Export-Import Bank to issue guaranties under which it will agree to convert into United States dollars the foreign currency derived from such investments in the event the foreign country concerned is unable to do so.

H. R. 8083 will also permit the Export-Import Bank to pay compensation in United States dollars for losses resulting from the expropriation, confiscation, or seizure by action of public authority of the enterprises in which such investments are made.

It should be emphasized that H. R. 8083 does not permit the Export-Import Bank to assume all the risks that it may assume in the exercise of its lending authority, including ordinary business risks, but only the two classes of risks which I have just referred to.

It should also be emphasized that the enactment of H. R. 8083 does not empower the Export-Import Bank to embark on a large-scale program. H. R. 8083 provides that the aggregate amount of limited guaranties that may be outstanding at any one time shall not exceed $250,000,000. H. R. 8083 does not provide additional funds to the Export-Import Bank for this purpose; the $250,000,000 is chargeable against the Export-Import Bank's total lending and guaranty authority of $3,500,000,000.

For my part, I hope the Export-Import Bank will issue guaranties to the full amount of $250,000,000 and come back to the Congress for authority to issue guaranties without restriction up to the full amount of whatever over-all limitation may then be imposed upon it. I say this because I believe in private enterprise and the direct and immediate contribution it can make to the economic development of the free underdeveloped areas of the world.

The risks against which the Export-Import Bank may issue guaranties under H. R. 8083, as I pointed out above, are less than those that it assumes when it makes loans.

If we admit the premise that the Export-Import Bank should continue its foreign lending activities, and I do not see how this premise can be questioned, it is axiomatic that the Export-Import Bank should be empowered to undertake the guaranty program which should involve less risk taking while making an equal, if not greater, contribution to the economic development of the free underdeveloped areas of the world in which we have so great an interest.

I should like to cite the following examples to illustrate the fact that the authority conferred by H. R. 8083 is closely allied to and is a logical, but limited, expansion of the functions which the Export-Import Bank has been exercising since its creation in 1934:

Example 1: An American company desiring to engage in a productive enterprise in a foreign county, in addition to the technical and managerial skills which it will contribute to the enterprise, needs additional capital which it does not have and which it cannot otherwise raise from private sources. It applies to the Export-Import Bank for a loan which the bank has authority to make, and which in both theory and practice is considered most appropriate for the bank to make. In making this loan the Export-Import Bank may assume all the risks which may result in nonpayment of the loan. These risks include not only all those that confront a domestic enterprise, but also a number of others which are peculiar to doing business abroad. The risks taken by the Export-Import Bank in granting the loan may include the following: First, failure of the company to earn money because of normal business hazards; second, inability of the company to obtain United States dollars in exchange for foreign currency derived from the investment; third, inability of the company to operate profitably because of excessive burdens imposed upon it under the laws of the country in which it is operating; and fourth, inability of the company to repay the loan as a result of expropriation, confiscation, or seizure without compensation, or with inadequate or ineffectual compensation.

Example 2: The American company has, or can raise, sufficient capital to enable it to make the investment and is willing to make the investment, but is deterred from doing so for two reasons: First, it fears that it will be unable to repatriate its profits and capital even though the enterprise is successful. Second, it fears that its physical properties will be expropriated, confiscated, or seized without prompt and adequate compensation. If H. R. 8083 is enacted, the company under these circumstances may apply to the Export-Import Bank for a guaranty—for which it will pay an appropriate fee—under which the Export-Import Bank would agree to convert into United States dollars the local currency derived from the investment if the foreign country is unable or unwilling to do so, and under which the bank may also agree to pay the company up to the fair value of its physical properties in the event they are expropriated, confiscated, or seized without prompt and adequate compensation. In this case the Export-Import Bank would be assuming much more limited risks by issuing the guaranty than if it had granted a loan.

It is apparent from these illustrations that H. R. 8083 will enable the Export-Import Bank to encourage private capital to undertake productive investments in the underdeveloped areas with less risk to the bank than in the case of loans, which it is universally agreed, are proper and fitting.

It is also apparent that many worthwhile productive enterprises may be established in the underdeveloped areas as a result of the encouragement offered by the guaranty program, which would not be possible were their establishment dependent upon receiving loans from the Export-Import Bank. For example, the speculative nature of an enterprise may render the enterprise unsuitable for a loan. In some cases the business risks are such that equity investments rather than loans should be made.

It should also be borne in mind that there are many instances in which it is difficult, if not impossible, for a foreign country or a foreign private investor to acquire the necessary technical knowledge and organization by purchase even if the United States dollars are available for that purpose. In other instances the initiative and organizing ability required for the conception and launching of an enterprise may be available only in the United States.

In these cases private interests might make the investment of capital and technical knowledge and undertake the risks if the protection of a limited guaranty is available. Because of their very nature, some of these ventures might not come into being under a loan program.

By none of the foregoing statements have I meant to suggest that a program for the issuance of limited guaranties of private investments by the Export-Import Bank should, or can, be regarded as a substitute for unguaranteed private investments or Government lending. A guaranty program may, however, serve to bring about certain essential development that would not otherwise be possible.

It has been stated by some that the authority to issue limited guaranties might be exercised by the Bank in a

manner inimical to the legitimate interests of those who have already made substantial foreign investments, or of those who might in the future make foreign investments without seeking or obtaining such guaranties.

These fears are groundless.

The bank, as an institution, over the last 15 years has evidenced a very keen awareness of the interests of those who have made private capital investments abroad.

In numerous instances throughout the years, loans made by the Export-Import Bank have been of material and direct assistance to those who have made private investments in foreign countries in which the bank has engaged in lending activities. This is in addition to the direct effects these lending activities have had in stimulating our foreign trade. Instances in which loans by the Export-Import Bank have indirectly served the interests of private United States investors are legion.

It must be obvious to anyone who has studied the record that there have been many instances in which the Export-Import Bank has refrained from taking action which would have untoward consequences for those who had preexisting investments in the area or country concerned.

I also wish to point out that the limitations imposed by the Export-Import Bank Act of 1945, as amended, are such that the bank is not at liberty to ignore the legitimate interests of those who have made private capital investments.

The bank could not ignore these interests under the act as it now stands, nor could it ignore them in operations under the allied but limited extension of its authority contemplated by H. R. 8083.

I refer to section 2 (b) of that act which provides:

> It is the policy of the Congress that the bank in the exercise of its functions should supplement and encourage and not compete with private capital.

Any course of action by the bank which disregarded the legitimate interests of those who have made private capital investments abroad would clearly contravene section 2 (b) of the act.

Operations under the authority conferred by H. R. 8083 will not, as some have feared, result in shifting the responsibility of encouraging and protecting United States private investments abroad from the countries in which the investments are made to the Export-Import Bank.

The record makes it perfectly clear that the Export-Import Bank will encourage productive investments only in foreign countries which have demonstrated their interest in creating a favorable climate for United States investment. The foreign country concerned can demonstrate this interest by negotiating an investment treaty or agreement with the United States or by making other arrangements to protect investors from unwarranted or discriminatory treatment under its laws.

Also the Export-Import Bank has made it clear that it proposes to enter into agreements with the foreign countries covering the disposition to be made of the foreign currency which may be acquired by the bank as a result of guaranty operations. In this connection the bank has emphasized the fact that in entering into such agreements with foreign countries it will not attempt to secure a preferred position for the investors to whom it issues guaranties or for itself.

On the contrary, it has been unequivocally stated that the purpose of the bank in entering into these agreements will be to assure that the guaranteed investments and the claims of the bank resulting from guaranty operations shall take their places in line with unguaranteed claims of a similar character.

The Chairman of the Board has stated on behalf of the Directors of the Export-Import Bank that there will be no agreement, request, or pressure that any of these claims be given priority over existing claims and existing unguaranteed investments.

This approach, which I believe to be both sound and equitable, will result in the bank's having an even more direct interest in encouraging prompt and full service in dollars as well as protection against confiscation without prompt and adequate compensation for all existing or future investments made by United States interests irrespective of whether the investments are guaranteed by the bank.

It is appropriate, also, to add that the very fact that a guaranty has been issued should serve to make the position of the investor less precarious and should encourage him to leave his investment intact in the foreign country and perhaps increase it, rather than to withdraw it.

It should also be emphasized, as was pointed out in the report of the Committee on Banking and Currency on H. R. 8083, that in authorizing the Export-Import Bank to issue guaranties only with respect to investments in productive enterprises the bill would prevent the bank issuing guaranties which would result in uneconomic duplication and expansion of production and productive facilities already existing in the United States and other countries.

Lastly, I desire to refer again to the salutary effect that investments of private capital will have upon the economies of the underdevloped areas of the world.

Such investments will bring with them much in the way of technical knowledge and organizational and managerial skill that is available through no other source.

Properly and fairly operated enterprises in which United States capital is invested can do more to demonstrate the benefits to be derived from the American way of life than any other type of undertaking.

Private United States investments in productive enterprises in these free underdeveloped areas will not only make a great direct contribution to their economic stability, and as a result, their political stability, but will also have many indirect and beneficial effects on the peoples of the underdeveloped areas and of the United States of America.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, a good deal has been said here this afternoon about how this measure would promote free enterprise. Much of that was uttered by the gentleman from New York [Mr. MULTER], and the gentleman from California [Mr. MCKINNON]. I should like for one of these gentlemen to tell me what provision there is in this bill that prohibits the lending of money to totalitarian governments.

Mr. MULTER. There is not any doubt in anybody's mind that the Export-Import Bank would for one minute consider making a bad loan or would give guaranties to anyone for investment anywhere in this world without the prior approval of the State Department, and I can assure the gentleman that the State Department——

Mr. GROSS. All right; I cannot yield any further.

Mr. MULTER. I thought the gentleman wanted an answer to his question.

Mr. GROSS. That does not answer my question.

Mr. MULTER. I am trying to answer the question.

Mr. GROSS. Yes, the gentleman says the State Department will protect against such loans being made. I am interested in the provisions of this bill, not what the State Department may do. I say that in this bill there is nothing to prohibit such loans being made. As an example of the little reliance to be placed on the State Department, I call the gentleman's attention to the fact that only recently $125,000,000 was lent to the dictatorial Perón government in Argentina. How are you promoting free enterprise when you lend the taxpayers' money to dictator governments?

Mr. MULTER. The amendment offered by the gentleman from Georgia should allay the gentleman's fears in that respect.

Mr. GROSS. I fail to find anything in the amendment offered by the gentleman from Georgia that would preclude the lending of money to totalitarian governments anywhere in the world.

Mr. MULTER. Does the gentleman believe for one moment that we would enter into a treaty or trade agreement under this bill with Russia or its satellites?

Mr. GROSS. I am talking about all totalitarian governments, satellites, and dictators.

Mr. MULTER. The precedent is to be found in these current treaties and obligations with friendly countries.

Mr. GROSS. The gentleman talks about free enterprise, when he well knows it cannot function under a Perón.

Mr. MULTER. How else do you get free enterprise except by the investment of private capital? We are not talking about the guaranty of any business losses.

Mr. GROSS. But you do not foster free enterprise by lending money to dictators.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. It seems to me that we are permitting many commodities to come in here from countries back of the iron curtain, such as Polish hams and shoes from Czechoslo-

vakia. I suppose under this act people from this country could go over there, build factories to manufacture commodities, and ship them into the United States.

Mr. GROSS. Precisely so. We are using the capital of this country, the taxpayers' money today to produce in Japan a great deal of the corduroy cloth that is destroying the corduroy industry on the eastern seaboard. We are importing chinaware from Japan with the taxpayers' money, and so on. The point I make here is you are not promoting free enterprise by lending money to Dictator Perón in South America, or any other dictator.

Mr. McKINNON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from California.

Mr. McKINNON. Does the gentleman deem most important a corduroy industry or any other kind of industry or the lives of American soldiers who are dying overseas today?

Mr. GROSS. Ask the American boys in Korea where our expensive friends are now, those friends we bought at the expense of American industry, labor, and farmers.

Mr. McKINNON. There is a lot of correlation between having a living standard that gives people a lot of hope in this world and our attempt to help them attain that.

Mr. GROSS. Aid to dictators has never raised living standards or given hope to anybody.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, it seems there was criticism of the bill recently because it did not have enough restrictions. Now the Cox amendment places many restrictions around the bill. Yet it is just as unpalatable to the other side as before the amendment was proposed.

There have been a good many propositions that are entirely ridiculous as to what investments might be guaranteed. I think we can rely on the good judgment of the Export-Import Bank. It has been administered in an exceptionally fine manner; it has been a great success; it has served the purposes for which it was organized; its reputation is sound. Gentlemen of the House ask if the Export-Import Bank is going to guarantee investments in totalitarian governments. Why, of course, it is not. We all know it is not. In the administration of laws the human equation always enters. We have to rely on people in the administration of laws. We have to rely on men of honor—on men of patriotism. We rely on that character of man when we give this power to the Export-Import Bank. Do you think they are going to be guilty of treason? Are they going to betray their Government? Are they going to guarantee investments in countries that would like to overthrow our own? Of course, they are not. They are going to serve the very purposes for which this law is enacted. They are going to carry it out in the spirit in which the law is enacted. They are going to attempt to develop the undeveloped areas of the world, which will mean a great deal, not only to those countries but to the economy of the world and to the economy of the United States.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. Does not the gentleman think it would be advisable before we pass any more legislation creating programs for the spending of the American taxpayers' money for us to wait and see what develops out of this Korean situation?

Mr. SPENCE. No.

Mr. GAVIN. And how far we can protect our investments abroad?

Mr. SPENCE. No. America has got to move forward, notwithstanding the Korean situation. I think we all know that the Korean situation could not have been handled in any other way than it has been handled. If we want to preserve our liberties, we have to show that we have the strength and the courage and the intent to preserve it. I do not think that you can make any party issue out of it any more than you can make a party issue out of this, and I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. Cox].

The question was taken, and on a division (demanded by Mr. JAVITS) there were—ayes 89, noes 10.

So the amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Page 1, line 7, strike out the words "productive investment in such areas" and insert in lieu thereof the following: "in such areas' productive investment which would not result in uneconomic and unsound duplication and expansion of production and productive facilities already existing in the United States and other countries."

Mr. SPENCE. Mr. Chairman, this is to prevent the uneconomic and unsound duplication of production and productive facilities in the United States; in other words, it is to prevent the guaranteed investments of American capital from producing products that will compete with industries in the United States.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, at the proper time I shall offer a motion to recommit, and I never was more sincere in offering a motion to recommit than I am on this bill.

Now, the gentleman from Kentucky has just offered another amendment to this bill. After the committee had voted the bill out with an amendment, the committee met again, gave some further consideration to the bill, and offered a committee amendment. Now the Committee of the Whole has just adopted the so-called Cox amendment. Now we have another amendment here which I do not know the meaning of even after listening to my very worthy Chairman explain it. I think there is very little understanding of the effect now which this bill will have on the point 4 program or on our foreign policy. When the Export-Import Bank was originally set up it was to aid in the movement of goods from America to our foreign markets and it was set up primarily for that purpose, although it was given authority to do a banking business domestically as well as in the foreign fields. Originally it was wholly divorced from the State Department, and William McChesney Martin, as Chairman of the Board, always saw to it that the intent of Congress was respected in that it would not aid or stand in the way of dollar diplomacy. When the Export-Import Bank was reorganized and we created a new board—and the membership perhaps will remember the controversy at that time which raged around whether the Secretary of State would become a member of the board and against the advice of a good many Members of Congress whom I believe were thinking soundly—the independence of the Export-Import Bank was destroyed and it becomes now a part of our foreign policy dominated by the State Department. So that the $3,500,000,000 which is at their disposal, there still is about $828,000,000 of it which is uncommitted, can now be used in the development of a dollar diplomacy throughout the world.

This bill is in keeping, perhaps, with the State Department policy in respect to the maintenance of a dollar diplomacy, but is directly contrary to the original intent of Congress in setting up the Export-Import Bank.

I believe very sincerely that this bill should be considered now in the light of our changed foreign policy, in the light of whatever changes might have taken place in our thinking in respect to the independence of the Export-Import Bank. Surely now that the Cox amendment has been adopted some consideration should be given in the committee to the effect of that amendment on our foreign policy and on the maintenance of the Export-Import Bank as an agency for the movement of American goods abroad. I am very sincere about it. At the proper time I shall make that motion to recommit.

I do not know enough about the amendment which has just been offered by the gentleman from Kentucky to say anything about it. I am sure, of course, that it will be adopted because the gentleman from Kentucky offers it, but, frankly, I do not know what it means, and I do not think anybody else on the floor knows what it means.

Mr. Chairman, this whole bill should go back to the Committee on Banking and Currency for further study.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8083) to amend the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), to vest in the Export-Import Bank of Washington

the power to guarantee United States investments abroad, pursuant to House Resolution 650, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of the bill be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROGRAM FOR REMAINDER OF WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, may I inquire of my friend, the majority leader, as to the program for the rest of the week?

Mr. McCORMACK. On the completion tomorrow of the bill we have just had under consideration, and which of course is now in its final stages, we will take up the security bill, on which a rule was adopted the week before last.

Mr. MARTIN of Massachusetts. How much general debate is left on that?

Mr. McCORMACK. One hour, the chairmen of the committee informs me.

After that there will be the bill (H. R. 7940) to provide for national assistance for local educational agencies in areas affected by Federal activities, and a resolution authorizing the Committee on Merchant Marine and Fisheries to investigate the South Amboy disaster. I am unable to state now in what order they will be brought up.

On Thursday, District of Columbia business is in order. I am informed that three bills will be brought up that day. I am not aware of the order in which they will be brought up, but I can announce for the information of the House the bills that I have been advised will be called up on next Thursday by the chairman of the District Committee.

One bill is H. R. 8710, to provide for the improvement of stadium facilities at the Eastern Senior High School in the District of Columbia. Another one is H. R. 7670, a bill to regulate the height, exterior design, and the construction of private and semipublic buildings in the Georgetown area of the National Capital. The other one is H. R. 8909, a bill to authorize the District of Columbia government to establish an Office of Civil Defense.

I know of no other legislation. I cannot definitely state that nothing else will be taken up this week, but I am hopeful and confident of course that we will dispose of our business by Thursday and then go over until Monday. I shall announce the program for next week then, but I can state now with reference to the military assistance bill which was reported out of the Committee on Foreign Affairs today and on which I am hopeful a rule will be obtained before the end of the week, that in that event that bill will come up during the early part of next week, and on what day I will announce later.

Mr. MARTIN of Massachusetts. Will the gentleman tell us about the conference report on the social-security bill?

Mr. McCORMACK. I wish I could, but I am unable to do so. I shall make inquiry and try to advise the House further on that tomorrow.

FREE POSTAGE TO MEMBERS OF ARMED FORCES IN SPECIFIED AREAS

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3876) to provide free postage for members of the Armed Forces of the United States in specified areas.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, I might state this bill has been reported out unanimously by the committee. The gentleman from Tennessee, as I understand, has obtained clearance on both sides.

Mr. MARTIN of Massachusetts. This relates to free postage for the soldiers?

Mr. MURRAY of Tennessee. That is correct.

Mr. McCORMACK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That any first-class letter mail matter admissible to the mails as ordinary mail matter which is sent by a member of the Armed Forces of the United States, while on active duty or in the active service of the Armed Forces of the United States in Korea and such other areas as the President of the United States may hereafter designate as combat zones or theaters of military operations, to any person in the United States, including the Territories and possessions thereof, shall be transmitted in the mails free of postage, subject to such rules and regulations as the Postmaster General may prescribe: *Provided*, That when specified by the sender, letters weighing not to exceed 1 ounce, shall be transmitted to destination by air mail, dependent upon air space availability therefor.

SEC. 2. The free mailing privileges above granted shall become effective upon the date of enactment of this act and shall continue until June 30, 1951, unless terminated at an earlier date by concurrent resolution of the Congress, or by direction of the President.

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY of Tennessee. Mr. Speaker, I am pleased to present this legislation, S. 3876, which will provide free postage for members of the Armed Forces in Korea and other combat zones.

The sending and receipt of mail is one of the highest morale factors in the Armed Forces in the field and, under combat conditions, men in the military forces are unable to obtain postage stamps. It is my understanding that already this has become a problem in Korea. General MacArthur has requested that this free postage privilege be granted.

This privilege is similar to that granted members of the Armed Forces in previous wars.

It is the view of the committee that this privilege should be extended as well to those members of the Armed Forces who are en route to combat areas.

Under the terms of the bill first-class letter mail sent to any person in the United States, its Territories, or possessions by a member of the Armed Forces of the United States on active duty in Korea or any other area designated by the President as a combat zone or theater of operation may be sent free through the mail. When specified by the sender, letters weighing not more than 1 ounce will be transmitted by air mail when air space is available. This free mailing privilege will continue in effect until June 30, 1951, but may be terminated at an earlier date by concurrent resolution of Congress or by direction of the President.

Because of the urgency of this legislation, I hope that it will receive the unanimous approval of the House.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.] is recognized for 30 minutes.

RESPONSIBILITY OF THE PARTY OF THE OPPOSITION IN TIME OF WAR

Mr. HUGH D. SCOTT, JR. Mr. Speaker, the question of the responsibility of the opposition party in time of war or strife is always a difficult one because, of course, the first obligation is to support one's Government wholeheartedly in every effort, military or political, which will render victory sure and, if possible, swift.

Personally, although I have heard opinions to the contrary, I agree with the President in the action which he took without waiting to come to Congress to secure congressional sanction. I do not believe that time would have permitted congressional procedure to be used. I have in mind the fact that the President proceeded in accordance with the provisions under which the United Nations was established, and engaged in an action to repel an aggressor as one nation acting in concert with other nations, as agents and representatives of the United Nations. I wish, of course, that many things had been done before, and many errors had not been made.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. HUGH D. SCOTT, JR. I yield.

Mr. CANFIELD. Having in mind the gentleman's last statement, I wonder if he perchance has read the illuminating article that appeared in yesterday morning's New York Times, by their military expert, Mr. Baldwin, captioned "Tragedy of errors; the story of Korea."

Mr. HUGH D. SCOTT, JR. Yes. I have read it. I am glad to note that the gentleman has inserted it in the CONGRESSIONAL RECORD today. I intend to make some reference to it, because what I have to talk about might well be headed, "Where are we going?"

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HUGH D. SCOTT JR. I yield.

Mrs. ROGERS of Massachusetts. The gentleman realizes, of course, that at the time of unification the Navy was not allowed to talk until the last 2 or 3 days and to give its side of the story. That was also true of the Marine Corps, when both services were very much weakened and almost eliminated. Then, later on, when Admiral Denfeld was promised immunity if he told the Armed Services Committee and the country what was needed in order to have an adequate naval defense, he was ousted as Chief of Naval Operations. It was his resignation and retirement, and the resignation of other officers in protest, that served to arouse the country as to what was being done with our naval defense. We would be in a much stronger position, if we had the carriers out of moth balls, and had built other carriers. Am I not correct in that statement?

Mr. HUGH D. SCOTT, JR. The gentlewoman is quite correct. Admiral Denfeld's courageous exposition of the danger to national security embodied in the attempt to hog-tie the Navy and Marine Corps was of the greatest value to our Nation. Some of the damage was done, anyway, by the Pentagon blind men who did not understand the functions of a trident Navy—land, sea, and air—but had it not been for Admiral Denfeld's exposé, the damage would have been irreparable. He is a great patriot. It is his critics who look small now. I would like to develop that a little further, because I, myself, am a veteran of World War II, and of the Navy's Third Amphibious Force, and would like to say something about the Marine amphibious forces. I was shocked at the time General Bradley came up here to Capitol Hill and said there would never be another amphibious war, and we would not need amphibious forces. How any general officer could hold the opinion that no nation's coast line anywhere in the world would ever require a defense from attack by the sea, I cannot understand. It may explain, however, why a trained Marine division, which, as I think the gentlewoman knows, has been cut down to a regiment in this false economy program, was left at Camp Pendleton, far from its scene of potential use, and is now proceeding by ship on a 16-day trip to Japan. Above all else, the Marines ought to be used for this police work, and for close support of ground operations.

Mrs. ROGERS of Massachusetts. They will use many more marines before this war is over. Of course they do not call it a war.

Mr. HUGH D. SCOTT, JR. Of course it is a war, and undoubtedly they will be glad to use all the marines they can get. I think we have about 70,000 now. I wish we had many more. I said so during the unification debate.

Mrs. ROGERS of Massachusetts. Is it not also true that the program that was promulgated by the Navy after the resignation and retirement of Admiral Denfeld raised such a protest in the country that they have practically followed his entire program and suggestions, except at once they did not begin on the carriers, but since then they have suggested that they would build carriers?

Mr. HUGH D. SCOTT, JR. Yes. I think there has been some effort to correct that, but perhaps too little. I hope not too late; it results from an entire misconception of the joint roles of the Army, Navy, and Air Force by our Defense Department brain trust—an effort has been made, but belatedly. I think that as Mr. Baldwin points out as among the errors in the Korean affair are overconcentration of one kind of air power, for example, at the expense of others. For instance, the big-bomber school of opinion believed that the B–36 would do everything for everybody. This other school of thought has been in the ascendency in the Pentagon, a building which looks five ways at once, but where they cannot see the sea.

What we needed from the first was tactical air power based on land and sea bases, aircraft-carrier support, and marine aviation which has specialized in the close support of ground troops and was severely cut this year from 24 to 16 squadrons. Air Force tactical planes were the first kind of air power needed.

We were led to believe that the B–36's could go anywhere in the world and do anything from turning off the faucet in the kitchen sink to putting out all the fires in all the world almost overnight.

That is an overestimation; that is why it is not what is most needed for the Korean war. Worse than that, our present plane production is far below the level we reached 6 months before that other Pearl Harbor.

Mr. JAVITS. And it has been proved that carriers are an absolute necessity.

Mr. HUGH D. SCOTT, JR. It has not only been proved that they are an absolute necessity but it has been proved that only planes from carriers and fast carrier task forces can stay over an area in combat long enough to do any good. That's why the first step authorized for the Navy after we got in this thing was the demothballing of the carrier *Bataan*.

The F–80 jet plane is too good for the job; it is too fast. It is a high-speed rifle and cannot do the shotgun's job. The slower-moving F–51, the other so-called outmoded and outdated planes are just what we need now, and we do need the carrier task force. The planes are rusting now or given away or destroyed. Most of our carriers are laid up. We could use some of that money tossed away on potatoes and such right now.

Mr. JAVITS. It is a fact, is it not, however, that war is a tailored proposition, and it would be unwise to condemn the whole armaments program whether B–36 or jet fighters, based specifically upon the Korean war. I hope the gentleman, if I may be permitted, will not leave the wrong impression.

Mr. HUGH D. SCOTT, JR. I hasten to say that I am just pointing out certain things we have learned: the B–29 and our jet programs are vital. But our military geniuses did not realize that other weapons could be even more vital, in fulfilling our Pacific obligations.

Mr. JAVITS. Of course; and I hope the gentleman will leave with us very strongly from his deep knowledge of the case his thought that with our worldwide responsibilities we have to have a flexible air force to meet the type of action the situation takes.

Mr. HUGH D. SCOTT, JR. Yes; we do; and I hope I can make some little contribution, having in mind the fact that with certain other colleagues I was in Korea a little over 2 years ago and talked to the intelligence officers there and talked to our commanding officer, General Hodge, a very able man, at the time. I was immensely impressed when he then pinpointed just exactly what has happened since, that if we removed our force—and I gathered the very strong implication that he hoped that we would not, and I remember speaking in a number of places on my return to the same effect, that I hoped they would not withdraw our troops from South Korea—but he said that if they did the South Koreans could not possibly last alone, unaided, more than 7 days. He told us how difficult is the defense of this Bataan-shaped peninsula, even under the most favorable conditions. He said that the South Korean forces were infested and infiltrated with Communist agents from the north, that they were even then fomenting revolt in South Korea. He told us of the forming of the puppet North Korean People's Army; he told us, too, that there had been Communists in the American Army in Korea. General Hodge is still in the Army, and I think perhaps it would be better not to question him publicly, and I will not go into it any further than to say in justice to our occupation forces then in Korea that when we were there we were assured that every known Communist in the American Army in Korea in the occupation forces had been kicked out of Korea. We gathered the impression that they were still in the Army, but that they were not in that vital danger spot, that sore, infected finger which the Korean Peninsula reminds us of, but they had been there, and somebody was very short-sighted in permitting Communist soldiers within our own Army in an area where we were engaged in the containment of communism, and in keeping them somewhere else in the Army after they had been tossed out of Korea. You recall the Army's order permitting Communists to serve in our forces.

It is not my purpose, however, to take this opportunity simply to be critical, as Mr. Baldwin and many others have spoken of errors in military policy, with

the same thought I have, to forestall even worse mistakes in the future.

We are probably in for a long and bloody war. It is sad enough to envision casualties from the ordinary risks of conflict. Far worse to realize that they may be multiplied by costly errors. It is probably too early for us to attempt to expert and to substitute for the military expert. It is proper to regret the economy which cut down the Marines, the Navy, the amphibious forces, the Air Force, and the Army. The necessity for ground troops has again been proven, as it has always been proven in all wars from time immemorial. The Army was right about the ground forces. The contention of the Navy and Marine Corps at the time of the unification arguments has to my mind been amply sustained. The necessity for an amphibious lift becomes apparent, the use of the Marines as a police force becomes obvious, the overconcentration upon certain types of planes in this kind of war becomes apparent.

These are very revealing facts and it is my purpose only to suggest that they ought to be studied and considered before more serious errors are made. We read today, for instance, how a battalion claimed it was left without artillery support. That does happen in time of war, but when the full story of that battalion is told the people of this country will be appalled to know what a great percentage of that battalion were either killed, wounded, or missing. It will be a very large proportion of the total battalion.

A complete readjustment then would seem clearly to be in order. It is for that reason I suggest as a possibility the opportunity to inquire into what goes on and that it might be desirable to have come to Capitol Hill General Bradley and the Joint Chiefs of Staff to address an executive session of Members of the two Houses of Congress. Perhaps they could tell us what it may not be possible to say to the public and why we were caught short in our tank program, why so many of our so-called experts thought that Korea was not good tank country. I am not an expert, but I could certainly see with my own eyes in Korea that, given suitable weather conditions, good or indifferent at least as against bad, it certainly appeared to be a rough country, but a country in which tanks could operate. But worse than that we find that the Russians have 60-ton tanks using 88-millimeter guns. We have not yet heard what kind of tanks we are using. They say we are using the old standard 45-ton tank. Why is it, I ask, that the Army apparently does not have 60-ton tanks either out there or available?

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. HUGH D. SCOTT, JR. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I want to commend the gentleman for his modesty; however, the RECORD should show that he has a unique distinction. During the summer congressional recess of 1944, shortly after D-day, he served actively as a seaman in the United States merchant marine on the North Atlantic run. In the following years he was a commander in the United States Navy and participated in the Philippines and the original landings in Japan.

Mr. HUGH D. SCOTT, JR. I appreciate the gentleman's contribution. The gentleman is in a very good position to know since he and I were together and served during a part of the war as ordinary seamen in the merchant marine. Some of the members of the crew rather suspected that we were FBI men. However, the gentleman is a very gallant veteran of World War I, and I am sure that the octane-gas run across the Atlantic would not be the sort of thing you would choose if you were not anxious to do a job in World War II also. We have since had the opportunity of enlightening some of our colleagues that we were doing this to assist in the recruitment program of the merchant marine. The gentleman's service to the merchant marine and to the Armed Forces was important and greatly appreciated by those in command at the time.

Mr. CANFIELD. And we took that trip with the blessings of Speaker RAYBURN?

Mr. HUGH D. SCOTT, JR. We were permitted to go. I am not sure that the Speaker would always approve everything that Members of Congress do once they start, but I am very glad we had the experience and the Speaker's blessing.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. HUGH D. SCOTT, JR. I yield to the gentleman from New York.

Mr. JAVITS. I did not know about this, but as one who was at that time engaged in the Army, I am very glad to hear about it. I think both gentlemen, without violating their modesty, should be congratulated for such a fine part in a very dangerous service. I know how dangerous it was.

Mr. HUGH D. SCOTT, JR. I thank the gentleman. What is coming up in my mind at this time is the fact that I have had some opportunity to observe how disastrous mistakes can be in war. I have been shot at several times in the past war, but strangely enough almost always by our allies or by our own people; either shot at or a ship hit, one or the other. My own war record is not in any sense illustrious, but I have been shot at over Iceland in an American plane by British antiaircraft fire; I have been rammed by one of our own vessels in the Pacific, and I had to duck to cover in other instances because some individual in the vast confusion of war, what the military people call the fog of war, had done something which had imperiled his own troops or his allied troops. So that is why I am concerned that we should avoid the terrible bitter and tragic effect of mismanagement, false information, failure to evaluate intelligence, or just plain costly blundering.

What I had intended to do was to summarize what led up to the Korean imbroglio, and at this time I ask unanimous consent, Mr. Speaker, to include the June 28, 1950, issue of Pathfinder giving a synopsis of some of the events leading to our involvement.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Single events which plunge nations into war—or near-wars—have long and twisted roots. Thus the fires of war ranging in Korea are the result of scores of events, decisions and guesses by many minds—some big, some small, some sinister, some even blank. Seemingly unrelated events, years and thousands of miles apart, also play their part. Here, in capsule review is the history which brought about the police action in Korea:

December 1943: At the Cairo Conference Roosevelt, Churchill, and China's Chiang Kai-shek agree that Korea, 40 years under Japanese rule, would become a free and independent nation at the war's end.

July 17–August 2, 1945: This was reaffirmed at the Potsdam Conference, with Soviet Russia agreeing. The thirty-eighth parallel in Korea established—to make it easier for Japanese commanders to surrender to United States officers in the south, to Russians in the north.

August 8, 1945: Russia enters war; moves troops to North Korea.

August 14, 1945: Japan surrenders. Russia digs in at Korea above the thirty-eighth parallel. For 2 years United States tries to restore unity in Korea, but is blocked by Soviet evasions.

Spring 1946: Soviet Army starts pressure on Iran. United Nations action forces Soviets to back down.

March 12, 1947: Truman doctrine put forth to check communism in Greece. (In the face of today's events, White House spokesmen are beginning to publicize this event to show that Harry Truman was on the right track. Later facts make this highly debatable.)

May 1, 1948: North Korea announces the founding of a People's Republic, begins intensive activity on the 38-degree parallel.

September 1948: General of the Army Douglas MacArthur, worried, pin-points the Philippines, Japan, and South Korea, says these form a sturdy triangular buttress for democracy in the Far East.

June 29, 1949: United States occupation troops withdrawn from South Korea.

August 1949: State Department's white paper on China slaps hard at Chiang Kai-shek's Nationalist Government; comes under heavy congressional fire.

September 23, 1949: Truman announces atomic explosion in Soviet Russia.

October 1, 1949: Red China formally proclaimed. Nationalists plan to remove their government to Formosa.

December 1, 1949: Senator H. ALEXANDER SMITH, Republican, New Jersey, returns from trip to Tokyo, alerts Senate. Gist: MacArthur deeply disturbed. State Department calls Formosa unimportant; jolts Defense Department. The fall of Formosa to the Communists called unthinkable by Defense heads.

Christmas, 1949: State Department belief that Formosa is strategically unimportant endorsed by Truman. Defense Secretary Johnson and Joint Chiefs of Staff are disgusted.

January 5, 1950: Acheson says: "We are not going to get involved militarily in any way on the island of Formosa."

January 12, 1950: Acheson defends hands off Far East policy at National Press Club, lashes out at those who want to stop communism as putting the cart before the horse.

January 13, 1950: Republicans in Congress, particularly Senators TAFT, of Ohio; KNOWLAND, of California; FERGUSON, of Michigan; SMITH of New Jersey; together with ex-President Hoover, begin voicing strong warnings against Acheson policy.

June 1950: Defense Secretary Johnson, chairman of the Joint Chiefs of Staff Omar

N. Bradley, and Republican foreign affairs expert John Foster Dulles off to see MacArthur. MacArthur repeats his warnings.

June 25, 1950: North Korean Reds strike south.

July 1, 1950: United States ground troops return to Korea to stem Red attacks.

Mr. HUGH D. SCOTT, JR. It will be noted that many Members of Congress for a long time have been concerned over our failure to defend our island chain in the Pacific, the chain of defense which begins with Korea and goes down to Formosa and Indochina and the Philippines rather than that outer chain which includes Japan and Okinawa.

On May 16, 1950, this is how Korea looked to a foreign service officer returning from Seoul. Louis K. Benjamin, Director of Joint Services for the United States at Seoul, said:

Korea is a perfectly normal place and there is no cause for any alarm. Nothing has occurred to justify the fear that we're going to war in Korea or that Korea itself will be plunged into civil war.

So I think it eminently proper at this time to call attention to the fact that on July 26, 1949, the gentleman from California [Mr. JACKSON] for several Members of the minority, including Messrs. CHIPERFIELD, SMITH of Wisconsin, LODGE, and VORYS submitted a minority report in which they called the turn on precisely what subsequently happened. I wish that the radio commentators, the columnists, and the pundits, and the people who have all the ready answers would take the time to find out exactly what some Members of Congress were saying while we were debating aid to Korea. Anyone can get a copy of the report if they write to the House of Representatives Document Room or to the Committee on Foreign Relations. Some new copies are being reprinted in view of the increased demand. The report accompanies H. R. 5330, aid to Korea bill. In that report these gentlemen said, among other things: First of all, that Soviet officers were still in July 1949, 7 months after their alleged withdrawal from Korea, furnishing military advice and assistance to the North Koreans. What does not appear in the document and what may be of further interest is that there were two Korean divisions trained by the Russians at Stalingrad and that the orders were being issued by the Russians to the Koreans, received in Russian, and relayed by the Koreans in the Korean language to their subordinates behind the thirty-eighth parallel. This was 7 months after the Russians said that they had moved their troops. The report, however, points out further:

This development may well presage the launching of a full-scale military drive across the thirty-eighth parallel. Unless this Nation is prepared to meet force with comparable force, economic assistance cannot of itself insure the safety or the integrity of South Korea. To the contrary, there is every reason to believe that the lending of economic assistance at this time will only enhance the prize to be taken by force of arms and internal intrigue.

Our forces, with the exception of an advisory mission, have been withdrawn from South Korea at the very instant when logic and common sense both demanded no retreat from the realities of the situation. With our forces on the scene of action, there might have been advanced substantial arguments in favor of economic assistance, but without the presence of an adequate force to protect delivery of, and guarantee practical utilization of, the great volume of matériel and supplies, it appears folly of the highest order to embark upon the program.

The report, near the conclusion, says this:

We labor with the mountain of Asia and succeed only in bringing forth the molehill of economic aid for South Korea. Disregarding the raging tides which threaten to wash away the foundations of every constitutional government in Asia, we are asked to content ourselves with the construction of a dike of sand around the southern half of Korea.

What Korea requires, what China requires, what the United States requires is a statement of policy with respect to our future conduct in the Pacific and on the land mass of the continent of Asia.

It goes on to this final conclusion:

The proposed program is a double-bitted ax and one which may well be turned against us in the future. Already—

"Already." Now, this is 12 months ago—

along the thirty-eighth parallel aggression is speaking with the too familiar voices of howitzers and cannon. Our position is untenable and indefensible. The House should be aware of these facts.

I congratulate the gentleman from Illinois [Mr. CHIPERFIELD], the gentleman from Wisconsin [Mr. SMITH], the gentleman from California [Mr. JACKSON], the gentleman from Connecticut [Mr. LODGE], and the gentleman from Ohio [Mr. VORYS] on their perspicacity and on their sense of prophecy, as well as on their good judgment, in pointing out at that time that economic aid without military aid is useless, futile, and misleading, and can of course do no more than to enhance the prize in the eyes of the aggressor.

I see the gentleman from Ohio [Mr. VORYS] standing up. I hope he will tell us how much of that aid actually reached Korea.

Mr. VORYS. As the gentleman knows, that is not disclosed, except that it has been reported publicly that $200 worth of the military aid reached Korea before the attack on June 25.

Mr. HUGH D. SCOTT, JR. I notice one columnist with a fine disregard for facts adds three zeros to that and calls it $200,000 worth of aid, but I believe that $200 is more nearly correct.

Mr. VORYS. I believe it will be found that no fighting implements from that program reached Korea. On the other hand, if the gentleman would indulge me a moment, this bill to which the minority report was filed in the summer of 1949 was finally brought to the floor for a vote on January 19. As the gentleman knows, it provided for the initiation of a program of over $300,000,000 of economic aid to Korea. At that time no military aid under the military bill passed last autumn had reached Korea. At that time I said that such economic aid in the absence of a far-eastern policy, in consideration of the desertion of Formosa, was strictly rat-hole money. I am interested to note that that phrase has been repeated publicly. I would be glad to have the gentleman give his view as to whether economic aid without military aid or without a far-eastern policy was or is rat-hole money in Korea up to the 26th day of June 1950, when we finally under fire achieved a far-eastern policy.

Mr. HUGH D. SCOTT, JR. Obviously, if you put cheese in front of a rat hole without equipping the cheese with a trap the rats will get the cheese and we will not get the rats.

I would recall to the gentleman certain conversations which occurred on the floor and off the floor at that time in which he and I agreed in the summer of 1949 that we were both for military aid. I think the gentleman agreed with me then and I am sure he will be glad to confirm it that the withdrawal of our troops itself made possible this debacle.

The sending of purely economic aid consisting of fertilizer in which I believe the great nitrate trust of the country was naturally interested at that time and later, would hardly be military assistance to that beleaguered nation.

Mr. VORYS. Mr. Speaker, will the gentleman yield further?

Mr. HUGH D. SCOTT, JR. I yield.

Mr. VORYS. I said in the House on January 19, 1950:

I think in the light of our total far eastern policy—or lack of policy—this permanent policy of assisting Korea with a program * * * of $385,000,000 * * * is, to use General Marshall's words, a piecemeal palliative. To use a more common expression, this is strictly rat-hole money which we cannot afford. * * * We should not vote money down the Korean rat hole that will not save them militarily, that will not add to our military security * * * that will not solve their economic problems.

It was proposed that we build certain types of factories in South Korea providing however no protection for them. The gentleman knows, I presume, in whose hands those factories would be today had they been built.

Mr. HUGH D. SCOTT, JR. I am sure that had any of the material which fortunately due to the inadequacies of our own Government agencies here never got there it would be in North Korean hands now; as I say had any of that material reached there it would now be the property of Uncle Joe's little brothers, the North Korean puppet army. There is no question about that. It did not get there, so somebody's own stupidity at least saved us a little money. It usually works the other way around.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HUGH D. SCOTT, JR. I yield.

Mrs. ROGERS of Massachusetts. Does the gentleman have any idea of how much arms, equipment, and commodities of war were shipped to Russia? Of course Russia at the beginning was our ally, but later on she showed that she was not our ally, but still the supplies were sent.

Mr. HUGH D. SCOTT, JR. I may not be accurate on this, but I have in mind that of arms, equipment, and essential

economic supplies some $350,000,000 worth was sent, as I recall, in one connection. There may have been more. We sent over $2,000,000,000 in aid of one or another of the satellite countries which were then, or have since, been tucked beneath the iron curtain. So we have been very generous to our enemies in the program of containing them. Whether the idea is to contain an enemy by throwing him so much food that through overconsumption he cannot escape from his own corral, I do not know. But certainly mere criticism alone is not the answer for us here. Our objective, and my purpose here, is to make sure that these things and these mistakes are not repeated or compounded. That is all we are all shooting at.

But here is what has happened. I started to say a little while ago: Where are we going? Mr. Stalin, as I said, sent his scrub team in North Korea, and because we were not there and because we were not prepared and because we did not have the right equipment in tanks and amphibious forces, marines, planes, tactical aircraft, for example, we were caught with our plans down. As a result, with that scrub team Joe Stalin has been pushing our boys all over the lot, and Americans everywhere in this country of ours are disturbed and distressed to see that happening. They are distressed to see the mounting casualty lists. Now, if Joe Stalin can give us all that trouble with a scrub team in North Korea, he may send in his 150-pound junior varsity team in Yugoslavia some day or into Iran, and perhaps in Indonesia or Indochina, and you will then have the junior varsity team to contend with. He will keep on using these various teams of his fighting these wars all over the world by proxy. He can last for years before he will have to throw his first team into the combat.

During that time our security is drained off, our economy weakened, our energies dissipated. We become less secure, we become less well protected, every year that passes. Ever since this administration recognized Soviet Russia in 1933, each year has seen our security lessened in relation to the world at large. We became less and less secure year by year until in World War II we reestablished our security for a very tenuous and temporary period of time. But as Harold Ickes, former Secretary of the Interior says, wars are sometimes the result of stupid statesmanship; and sometimes peace treaties are treaties purporting to establish peace, or at least to pay off greedy allies, are the result of stupid statesmanship, too.

Whatever the cause may be, we have found our security drained away and weakened in 5 years of cold war. The cold war was succeeded by a series of little hot wars—Stalin "hotfoots," you might call them, if they were not so unfortunate in their tragic consequences.

Now, what are we going to do about it? Where are we going? Are we going to sit and watch this Nation be cut into small pieces beginning at its perimeter and outer defenses? Are we going to see our forces weakened? Are we going to see ourselves spent into comparative economic weakness? Are we capable only of the attitude of the ostrich or the sitting ducks? Strange pals these, for the American eagle.

It is bad enough to have a lot of silly spending proposals sent up to us for action. They are still being pushed at us. There is about $7,000,000,000 that some people would like to see us spend this year over the present budget. Personally, I am against spending an unnecessary penny which does not contribute to the main object of national security, the protection of the internal fabric of this country, or the essential conduct of the Nation's business.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I ask unanimous consent to proceed for 10 additional minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HUGH D. SCOTT, JR. I will try to finish before that time, because with all of this discussion I have not yet developed my principal concern. It is this. The great danger is that we shall be found without a long-range policy for peace. During all of these 5 years of the cold war, very little has been said about whether it is possible to secure the peace of the world, which every American, who talks to you when you go home is most interested in; not only Americans, but all the people of the world, even the Russian people are interested in peace. How will we proceed to do something about it? I think it ought to be a matter of national policy for us to have, and boldly push, a plan to promote world peace, and I think this ought to be at least considered. The time has come for us to establish a course of positive, affirmative leadership in world affairs. We have been told by Government agencies in Washington that the Soviet leaders cannot be trusted; that their agreements are not worth the paper they are written on; that the Politburo are a bunch of people you cannot possibly trust. Are we to assume that those people are all going to change overnight from evil men to forthright, virtuous statesmen, with whom we can deal? I think not. If we have learned anything, we ought to have learned that despotic governments exploit their populations, and the existence of a totalitarian dictatorship in any large country is a potential threat of war to the rest of the world.

I picked up a thought from David Lawrence which I will leave with you. I think we should announce now that we do not intend to negotiate a treaty or an agreement on pending problems with the totalitarian government in the Kremlin. We should announce that we will gladly negotiate with the representatives of the Russian people when a free government is established by them. Why? Because I would like to see Mr. Stalin do some looking over his shoulder. I would like to see him worry a lot about what is going on in his own country while his agents continue to worry us. Mr. Stalin cannot possibly be sure of the percent or degree of loyalty of any living Russian. There are certain whole provinces which, according to intelligence reports which have been available to some of us in the past, are ready for revolt if a condition can be brought about which will give them any kind of chance for success. Nor are all Red Army officers or soldiers delighted with things as they are. Therefore, I think we ought to approach the Russian people with all the sincerity that stems from a great moral cause, and we ought to tell them that we want to extend economic and financial aid to them so that they can play their rightful part in the family of nations, if and when they discover a means by which to change their rulers, in order to rid the world of the threat of war. I am sure we cannot assume that mere armament and a drifting policy will keep any cold war from becoming a hot war. I think we must approach the Russian people directly and make plain to them that we believe in the dignity of the individual and in the Judeo-Christian spirit of human brotherhood. We must explain to them, not only our friendliness to the Russian people as distinguished from their bloodthirsty rulers, but our willingness to use our resources and make sacrifices in their behalf and offer a concrete plan which would improve their way of life, provided they establish for themselves a democratic, freely elected form of government and way of life by their own will and volition. The way of revolt may not seem likely to us in the immediate future. But how many revolutions did we know about before they burst suddenly into flame?

We can penetrate the iron curtain in many ways. Our own psychological crusades got inside Germany with Woodrow Wilson's 14 points, as I am sure you will remember, in World War I, which certainly hastened the end of that war, and our crusades got inside Japan and reached the people of that country in World War II.

I have had some experience as an intelligence officer in the last war monitoring radio Tokyo, and other jobs, which convinced me that the Japanese were ready for peace long before they ever got around to sending their official delegates. The people were ready for peace long before the atomic bomb was dropped; and their attitude toward the occupation force amply demonstrates it. I have seen quite a lot of this world; I have been in 67 countries and colonies, and everywhere I have noticed certain basic things: First, the people everywhere want to be taxed as little as possible for the support of their government. Second, they are interested in the maintenance of peace at home and in tolerance and understanding among themselves and their neighbors, in the welfare of their families and a better lot in life for their children than has been theirs. It is not confined to any country or to any race of people.

In short, the time has come to appeal to peoples instead of drifting along on the mistaken assumption that the leopards in the Kremlin will change their spots.

We can have a people's peace—and it can be a peace without appeasing any of the despotic governments lined up

against us in the cold war. It can be a peace of liberation for the masses of human beings now under the yoke of tyranny. They can be liberated by the moral force of mankind, which alone can direct and mobilize the material resources of the world and bring enduring peace, as so ably argued by Mr. Lawrence.

In conclusion, many people will say it is idealistic, many people will say there is nothing to it; many people will say there is no chance of accomplishing it, but my answer is this: It has not been tried. The alternatives are too horrible to contemplate.

Rather than go on and on and on, down and down the dark and dreary and ever more bloody road to a succession of constant wars when the mothers and fathers of America will find again, and again, and again, that their sons have been brought home to them for burial in their homeland; over and over again these people will be asking and will have a right to ask: What have you in the Congress and what has the President done to press all possible means to attain peace in the world?

If we are true to our religious principles; if we are true to our political responsibilities, if we are true to the moral urge which resides in all of us, at least we ought to make some effort to get to the hearts, and minds, and souls of the Russian people behind the soulless, faithless brutal wall erected by a few of their leaders to keep from them the truth, which alone can make them free. The Voice of America is reaching them and is being heard. But it is still the tactful voice of diplomacy. It has not the appeal of the Marseillaise, it does not turn back upon the dictators their own words: "You have nothing to lose but your chains." I have talked to people in Germany and know that they listened during the war to our broadcasts over there. I am sure there are many people in Russia who listen to our broadcasts even though in many cases the penalty is death or exile.

It depends on the degree of our resolution to wage peace. If we devoted 10 percent of the energy toward waging peace that we devote toward waging eternal wars and so often toward preparing for them, albeit too little and too late at times, there is a chance that the will of man, the mind of man, and the heart of man may find the means by which mankind may live together in peace, in tolerance, and in understanding according to the immemorial precepts handed down to us by Him who may be presumed to know more about these things than do we, His confused children. It was not to the mighty in battle, however just their cause, but to the peacemakers, who were assured inheritance of the earth.

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

### WE MUST BE PREPARED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I shall take only a moment or two, for it is very late.

I believe that every American today, no matter what he or she is doing is firm in the belief that we must be prepared to give our men every support possible, those who are fighting to take care of our country in Korea, and we must be prepared to take care of the men who are sent back wounded.

Mr. Speaker, you may remember that many of us protested the closing of the Army, Navy, and Veterans' Administration hospitals in this country. I am demanding, Mr. Speaker, that they be reopened. We protested the turning over of the naval hospital at Long Beach to the Veterans' Administration. I know that in a possible conflict that naval hospital would be very badly needed. These protests went unheeded. The Veterans' Administration took over the naval hospital and moved the patients who were hospitalized at the Birmingham VA in 1 day. This was especially hard on the paraplegics who were moved there, and who had been promised hospitalization near their homes. They built their homes near the hospital at the suggestion and request of the VA, but now they will have to go elsewhere, in some instances 150 miles away, even for treatment, and they require constant treatment.

Mr. Speaker, I am asking that the administration give back the naval hospital to the Navy and that the Army keep the Waltham General Hospital open. There are veterans who have died because they could not secure beds in Veterans' Administration hospitals. There are other hospitals, Army and Navy, that should be taken back. Many of them will have to be used.

Mr. Speaker, I remember as you do that Admiral Boone was punished and demoted because he testified as to the need for naval hospitals. I have a feeling, Mr. Speaker, that those hospitals must go back to the Army and the Navy to be ready for the casualties that will come in and in order to release beds in veterans' hospitals. I hear conflicting stories regarding the maintaining of our armed services hospitals by the Government. Some are to the effect they will be kept. They must be kept Mr. Speaker.

Mr. Speaker, I have just talked to the White House regarding the Waltham Watch Co. It will be remembered that many of us protested vigorously the lack of a loan by the RFC to the Waltham Watch Co. in order that the workers might be employed in this great concern and that our own American watch industry might be kept going in the United States in competition with the Swiss watch manufacturers, and also that the watch company workers might be kept in training in order that their use as precision workers could be employed in an emergency. Certainly that emergency is here. The work done by the precision workers at Waltham will be invaluable now and in the future. I suggest, Mr. Speaker, that the Government take over the Waltham Watch Co. and operate it for the benefit of precision work and for the benefit of the watch industry in the United States.

Mr. Speaker, those are some of the ways in which I think the Government today can help the Korean situation.

### EXTENSION OF REMARKS

Mr. PATTERSON asked and was given permission t extend his remarks.

Mr. WOLVERTON asked and was given permission to extend his remarks in three instances and in one to include an editorial, in another a news release, and in the third a speech by Major General Hoag.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. JAVITS asked and was given permission to extend his remarks in three instances and include extraneous material.

Mr. JENISON asked and was given permission to extend his remarks in two instances and include some editorials.

Mr. ASPINALL asked and was given permission to extend his remarks in two instances and in each to include extraneous material.

Mr. ADDONIZIO asked and was given permission to extend his remarks and include an editorial.

Mr. RICH asked and was given permission to extend his remarks and include an article on big business by Hon. Bruce Barton, a former Member of Congress.

Mr. BOYKIN (at the request of Mr. BENNETT of Florida) was given permission to extend his remarks.

### ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3532. An act for the relief of Mrs. Sirvart Arsenian; and

H. R. 4394. An act to amend sections 10, 11, and 12 of chapter V of the act of June 19, 1934, as amended, entitled "An act to regulate the business of life insurance in the District of Columbia."

### BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 3532. An act for the relief of Mrs. Sirvart Arsenian; and

H. R. 4394. An act to amend sections 10, 11, and 12 of chapter V of the act of June 19, 1934, as amended, entitled "An act to regulate the business of life insurance in the District of Columbia."

### ADJOURNMENT

Mr. BENNETT of Florida. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 54 minutes p. m.) the House adjourned until tomorrow, Wednesday, July 12, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1548. A letter from the Commandant, United States Coast Guard, transmitting a report pursuant to section 2 (c) (11) of the Armed Services Procurement Act of 1947, Public Law 413, Eightieth Congress; to the Committee on Armed Services.

1549. A letter from the Secretary of the Army, transmitting a report on real property leases as of June 1, 1950, pursuant to the provisions of Public Law 364, Eightieth Congress; to the Committee on Armed Services.

1550. A letter from the Comptroller General of the United States transmitting the report on the audit of Reconstruction Finance Corporation and its wholly owned subsidiary, Federal National Mortgage Association, for the fiscal years ended June 30, 1948 and 1949, pursuant to the Government Corporation Control Act (31 U. S. C. 841) (H. Doc. No. 638); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1551. A letter from the Chairman, War Contracts Price Adjustment Board, transmitting a draft of a proposed bill entitled "A bill to provide for the dissolution of the War Contracts Price Adjustment Board, for the transfer of its functions, to otherwise amend the Renegotiation Act, and for other purposes"; to the Committee on Ways and Means.

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REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. RANKIN: Committee on Veterans' Affairs. H. R. 8576. A bill to provide reimbursement of expenses incurred in connection with the burial of those who served in the military forces of the Commonwealth of the Philippines while such forces were in the Armed Forces of the United States pursuant to the military order of the President of the United States dated July 26, 1941; without amendment (Rept. No. 2490). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 1760. An act to amend section 101 (b) of the Department of Agriculture Organic Act of 1944 (58 Stat. 734; 7 U. S. C. 429); without amendment (Rept. No. 2491). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary, H. R. 6454. A bill to authorize the appointment of two additional district judges for the northern district of Illinois; with amendment (Rept. No. 2493). Referred to the Committee of the Whole House on the State of the Union.

Mr. DENTON: Committee on the Judiciary. H. R. 7260. A bill to provide for the holding of court and the furnishing of quarters at Rock Island for the United States District Court for the Southern District, Northern Division, of Illinois; without amendment (Rept. No. 2494). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEE: Committee on Foreign Affairs. Report on Korea pursuant to House Resolution 206, a resolution authorizing the Committee on Foreign Affairs to conduct thorough studies and investigations of all matters coming within the jurisdiction of such committee; without amendment (Rept. No. 2495). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. S. 3876. An act to provide free postage for members of the Armed Forces of the United States in specified areas; without amendment (Rept. No. 2496). Referred to the Committee of the Whole House on the State of the Union.

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REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. JENNINGS: Committee on the Judiciary. S. 1027. An act for the relief of the Merit Co.; with amendment (Rept. No. 2492). Referred to the Committee of the Whole House.

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PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McCORMACK:

H. R. 9068. A bill to establish a Federal Commission on Services for the Physically Handicapped, to define its duties, and for other purposes; to the Committee on Education and Labor.

By Mr MILLER of Nebraska:

H. R. 9069. A bill authorizing and directing the Commissioners of the District of Columbia to prescribe regulations with respect to milk and milk products, and for other purposes; to the Committee on the District of Columbia.

By Mr. CELLER:

H. R. 9070. A bill to amend the act relating to the small claims and conciliation branch of the Municipal Court of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

H. R. 9071. A bill to amend sections 3052 and 3107 of title 18, United States Code, relating to the powers of the Federal Bureau of Investigation; to the Committee on the Judiciary.

By Mr. VURSELL:

H. R. 9072. A bill to amend the Railroad Retirement Act of 1937; to the Committee on Interstate and Foreign Commerce.

By Mr. JAVITS:

H. R. 9073. A bill to facilitate the broader distribution of health services, to increase the quantity and improve the quality of health services and facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLER of Maryland:

H. R. 9074. A bill to amend chapter 61 (relating to lotteries) of title 18, United States Code, to make clear that such chapter does not apply to nonprofit contests wherein prizes are awarded for the specie, size, weight, or quality of fish caught by the contestant; to the Committee on the Judiciary.

By Mr. PATTERSON:

H. R. 9075. A bill to provide free postage for members of the Armed Forces of the United States in specified areas; to the Committee on Post Office and Civil Service.

By Mr. HERTER:

H. R. 9076. A bill to facilitate the broader distribution of health services, to increase the quantity and improve the quality of health services and facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FOGARTY:

H. Res. 691. Resolution favoring the unification of Ireland; to the Committee on Foreign Affairs.

By Mr. WALTER:

H. Res. 692. Resolution authorizing additional messengers for the Office of the Doorkeeper of the House of Representatives; to the Committee on House Administration.

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PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California (by request):

H. R. 9077. A bill for the relief of Kimie Kurio; to the Committee on the Judiciary.

By Mr. DURHAM:

H. R. 9078. A bill for the relief of Gerrit W. Polet; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 9079. A bill to authorize the appointment of Sidney F. Mashbir, colonel, Army of the United States, to the permanent grade of colonel in the Regular Army; to the Committee on Armed Services.

By Mr. GREEN:

H. R. 9080. A bill for the relief of Hiroko Yamada and her minor child; to the Committee on the Judiciary.

H. R. 9081. A bill for the relief of Michiko Yamamotto; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 9082. A bill for the relief of Mrs. Chiang-Sei Kim and David Kim; to the Committee on the Judiciary.

By Mrs. NORTON.

H. R. 9083. A bill for the relief of K. C. Be, Swannio Be, Wie Go Be, Wie Hwa Be, Wie Bhing Be, and Swie Tien Be; to the Committee on the Judiciary.

By Mr. PHILLIPS of California:

H. R. 9084. A bill for the relief of Hifumi Kato and her minor son, Kazuyuki Kato; to the Committee on the Judiciary.

By Mr. PRICE:

H. R. 9085. A bill to provide for the renewal of patent No. 1,596,994, issued August 14, 1926, relating to shoe-button-snaps; to the Committee on the Judiciary.

By Mr. STEED:

H. R. 9086. A bill for the relief of Maria Luisa Mercado; to the Committee on the Judiciary.

By Mr. WERDEL:

H. R. 9087. A bill for the relief of H. Dale Madison; to the Committee on the Judiciary.

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PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2255. By Mr. LYNCH: Resolution of Polish American Congress, Inc., Downstate New York Division, New York, N. Y., adopted on June 4, 1950, expressing the sentiments of the people of Polish extraction who are interested, as Americans, in the granting of justice to the oppressed people of Poland; to the Committee on Foreign Affairs.

2256. By Mr. WIGGLESWORTH: Petition of the American-Lithuanian Council, Boston chapter, in protest of the tragedies which have befallen Lithuania; to the Committee on Foreign Affairs.